

July 31, 2020

The Honorable Seema Verma  
Administrator  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Room 445  
Washington, DC 20201

Dear Administrator Verma:

On behalf of our physician and medical student members, the American Medical Association (AMA) is writing to **strongly urge the Centers for Medicare & Medicaid Services (CMS) to delay the start of repayments associated with the Medicare Accelerated and Advance Payment Programs, which are scheduled to begin in a few days for some physicians who participated in the program.** We greatly appreciate CMS' actions to provide flexibility, regulatory relief, and financial assistance to physicians to meet the needs of patients during the COVID-19 pandemic, and we ask that this support and flexibility be extended to the Medicare advance payment repayment provisions.

Building on the Coronavirus Aid, Relief, and Economic Security (CARES) Act, CMS expanded the Medicare Advance Payment Program and met a critical need by approving almost 24,000 applications totaling \$40.4 billion in advance payments to physicians, health care professionals and other Medicare Part B suppliers in the early weeks of the pandemic. This program offered an important lifeline for cash-strapped practices to weather financial hardships as a result of postponing and cancelling non-essential procedures to mitigate the virus and conserve personal protective equipment (PPE), as well as increased expenses in caring for patients with COVID-19 and with urgent and ongoing care needs. However, the current crisis is not over, and physician practices are still struggling and in need of support.

Recent survey and claims analysis suggest that physician practice revenue decreased at least 50% between March and May 2020.<sup>1</sup> Some physician practices may be able to recoup a portion of that revenue, but not all physicians will be able to do so. We believe it is reasonable to expect that physician revenues will continue to be reduced as COVID-19 cases are increasing, certain patients are unable or unwilling to leave home for an in-office service or procedure, and physicians will not be able to see nearly as many patients as they did before COVID-19 due to new safety precautions and PPE supply.

Under current terms, repayment begins 120 days after the advance payment was issued, which is as early as the first week of August, and automatically reduces Medicare payment by 100 percent. We have significant concerns that recouping the advance payments by offsetting 100 percent of Medicare claims

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<sup>1</sup> [Fair Health, Healthcare Professionals and the Impact of COVID-19](#); [MGMA, COVID-19 Financial Impact on Medical Practices](#); [AMGA, Surveys of Financial Impact of COVID-19](#); [Primary Care Collaborative, Primary Care & COVID-19: Surveys](#).

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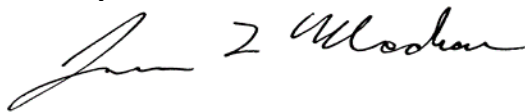
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until the balance is extinguished will result in a sudden seizure of Medicare revenues, halting cash flow and putting physician practices in financial jeopardy. Now more than ever, we need physician practices on strong financial footing and open to combat COVID-19.

While we are hopeful there will be improvements to the Medicare Accelerated and Advance Payment Program as part of the next COVID-19 relief package, it is uncertain whether Congress will pass this legislation before August 1 when the first loans become due. We therefore ask that CMS delay the start of the repayments until legislators have the opportunity to make changes to the program.

**We urge you to promptly exercise the authority available to CMS to delay the Medicare advance payment repayment schedule to allow physicians to respond to COVID-19, plan for the future and continue to provide the vital care expected by patients and our communities.** Thank you for your attention to this urgent matter. If you have any questions please contact Margaret Garikes, Vice President of Federal Affairs, at [margaret.garikes@ama-assn.org](mailto:margaret.garikes@ama-assn.org) or 202-789-7409.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Madara". The signature is fluid and cursive, with a large initial "J" and "M".

James L. Madara, MD