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

Dear Administrator Verma:

On behalf of the physician and medical student members of the American Medical Association (AMA), thank you for your responsiveness and assistance to the physician community. The AMA appreciates the role that the Centers for Medicare & Medicaid Services (CMS) has played in expanding the Accelerated and Advance Payment (AAP) Program to a broader group of Medicare providers for the duration of the COVID-19 public health emergency to help ensure that Medicare providers have the resources they need to maintain their focus on patient care and to keep their practices operating. **We understand CMS has paused these loans as of April 26 to reevaluate the program and strongly urge the agency to quickly reinstate the program with more flexible terms and to expand this program to Medicaid providers.** Given the uncertainty facing physician practices as the pandemic is on different surge timelines in communities across the country, we fear physician practices may not resume normal operation in the immediate future and will continue to need access to cash flows to keep their doors open for patients.

Unfortunately, many Medicaid primary care practices, particularly in pediatrics and obstetrics and gynecology, have not been able to receive AAP payments and are in critical financial condition, struggling to keep their practices open. **The AMA urges CMS to authorize similar advance payments or retainer payments to allow state Medicaid programs to provide critically needed funds to Medicaid physicians, clinicians, and other providers and suppliers.**

While the CARES Act and the recently enacted Paycheck Protection Program and Health Care Enhancement Act may provide much needed financial relief for many physicians, we are concerned that the resources provided may not reach Medicaid practices and providers and that these funds alone may not be sufficient to sustain practices and ensure patient access. Many practices are struggling to meet the needs of their patients and staff as they confront worsening revenue shortages resulting from deferring scheduled visits and non-urgent procedures as part of the system-wide effort to conserve personal protective equipment and support the social distancing that is necessary to curb community spread of COVID-19. There are physician practices in all types of specialties and practice settings that have either temporarily closed or will be forced to do so in coming weeks. We are concerned that without immediate financial assistance, the safety net that these Medicaid practices provide may not survive and our nation will lose a vital and critical part of our health care infrastructure.

We have heard from many state medical associations that have tried pursuing advance/retainer payments under Medicaid but have been told by their state Medicaid directors that CMS is not allowing such payments. The AMA believes that CMS does have broad authority under section 1115(a)(2) waivers (for costs not otherwise matchable), to allow such payments, and **we strongly urge the agency to exercise this authority to permit states to allow retainer payments to Medicaid physicians and providers during the duration of the COVID-19 pandemic.**

In addition, more flexible terms for Medicare and Medicaid advance payments are needed. We have heard significant concerns about the ability of physician practices to repay this amount of money while patients remain at home and physicians continue to delay non-essential procedures and visits to preserve protective equipment and slow the spread of the virus. **We urge CMS to utilize the full extent of its statutory discretion to extend the repayment period for physicians to at least two years to support physician practices that are trying to stay afloat to treat patients with COVID-19, as well as patients with ongoing and emergent care needs.** CMS should also reduce the recoupment amount to a maximum of 25 percent of claims to ensure that while the Medicare program is being repaid, the recoupment process does not result in a sudden stoppage of Medicare revenues to practices at a future time when we are not even sure the current crisis will be over. Otherwise, physicians are merely delaying the financial misery experienced at the outset of this pandemic until later this year.

We also urge CMS to waive the interest rate that applies to advance payment balances after the initial repayment period. While we have pursued clear authority for this change with Congress, we believe there is existing authority for CMS to make this program improvement. The law governing these interest payments provides the Secretary of the U.S. Department of Health and Human Services the flexibility to set a different rate.¹ Furthermore, regulations give the Secretary the ability to waive this interest if the interest is “against equity and good conscience” or “not in the best interest of the United States.”² This way, physician practices could extend repayment of these zero-interest loans over the course of 2021 and focus immediately on the needs of their patients and communities, such as implementing telehealth, and keeping the lights on while other procedures and visits are postponed.

Thank you again for your leadership and for considering our recommendations. If you would like to discuss this matter further, please contact Margaret Garikes, Vice President of Federal Affairs, at margaret.garikes@ama-assn.org or (202) 789-7409.

Sincerely,

James L. Madara, MD

¹ 31 USC 3717(g), 31 USC 3717(h)

² 45 CFR 30.18 (g)(2)