

Federal Financial Support to help HME Suppliers KEEP their DOORS Open



I. CARES ACT Stimulus Distributions to Medicare Providers

Recognizing the importance of delivering funds in a fast and transparent manner, \$30 billion is being distributed immediately – with payments arriving via direct deposit beginning April 10, 2020 – to eligible providers throughout the American healthcare system. **These are payments, not loans, to healthcare providers, and will not need to be repaid.**

How are payment distributions determined?

- Providers will be distributed a portion of the initial \$30 billion based on their share of total Medicare FFS reimbursements in 2019. Total FFS payments were approximately \$484 billion in 2019.
- A provider can estimate their payment by dividing their 2019 Medicare FFS (not including Medicare Advantage) payments they received by \$484,000,000,000, and multiply that ratio by \$30,000,000,000. Providers can obtain their 2019 Medicare FFS billings from their organization's revenue management system.

- As an example: A community hospital billed (payments) Medicare FFS \$121 million in 2019. To determine how much they would receive, use this equation:

$$\$121,000,000 / \$484,000,000,000 \times \$30,000,000,000 = \$7,500,000$$

6.2% of the Medicare FFS 2019 PAYMENTS



What to do if you are an eligible provider?

- HHS has partnered with UnitedHealth Group (UHG) to provide rapid payment to providers eligible for the distribution of the initial \$30 billion in funds.
- Providers will be paid via Automated Clearing House account information on file with UHG or the Centers for Medicare & Medicaid Services (CMS).
 - The automatic payments will come to providers via **Optum** Bank with "**HHSPAYMENT**" as the payment description. Providers who normally receive a paper check for reimbursement from CMS, will receive a paper check in the mail for this payment as well, within the next few weeks.
- Within 30 days of receiving the payment, providers must sign an attestation confirming receipt of the funds and agreeing to the terms and conditions of payment. The portal for signing the attestation will be open the week of April 13, 2020, and will be linked on this page.

II. Fee Schedule Increases and Elimination of the Sequestration

- The current RURAL RATES will be extended (**50/50 blended rate**) for HME beyond Dec 31, 2020 and the KE is still applicable for manual chairs in rural zip
- Establishing a **new 75/25 blended rate for all other non-competitively bid areas (non-rural rate)** through the duration of the COVID-19 health emergency which will be effective **retroactively to March 6, 2020.**
- Calculation – 25% of the 2015 Fee Schedule + 75% of the Jan 2020 Fee Schedule = New Non Rural Allowable from Mar 6 – end of PHE (**approx. 15% increase**)
 - Recovering these increases from claims submitted prior to the changes being implemented within the Medicare processing system
 - Either through written reopening or an auto mass adjustment but that has yet to be determined
- Temporary **elimination of 2 percent Medicare sequester reduction that went into effect in 2013. This relief will be effective for May 1-Dec. 31, 2020.**

II. Fee Schedule Increases and Elimination of the Sequestration

- The former CB area rates (SPA) remain the same, no change.
- The KU is still applicable for group 3 accessories indefinitely
- The KU rate will be implemented for accessories on complex manual bases regardless of where the bene resides for DOS Jan 1, 2020 on BUT Medicare said this won't be updated in the system to accept the KU for these accessories until at least July and I assume they will do a mass adjustment when updated. Then once updated in the system you can begin using the KU on accessories on K5 and E1161 for new claims.
- If you provide a group 2 complex chair to a bene in a former CB area use the KY on the accessories so they pay at the new 25/75 blended rate (higher)

III. SBA Loans with Forgiveness

The CARES Act establishes a new \$349 billion Paycheck Protection Program. The Program will provide much-needed relief to millions of small businesses so they can sustain their businesses and keep their workers employed.

- “This legislation provides small business job retention loans to provide eight weeks of payroll and certain overhead to keep workers employed
- “Treasury and the Small Business Administration expect to have this program up and running by **April 3rd** so that businesses can go to a participating SBA 7(a) lender, bank, or credit union, apply for a loan, and be approved on the same day.
- **The loans will be forgiven** as long as the funds are used to keep employees on the payroll and for certain other expenses.”

IV. Accelerated/Advance Payments Expansion

- ❑ In order to increase cash flow to providers impacted by COVID-19, CMS has expanded Accelerated and Advance Payment Program. An accelerated/advance payment is a payment intended to provide necessary funds when there is a disruption in claims submission and/or claims processing.
- ❑ CMS is authorized to provide accelerated or advance payments during the period of the **public health emergency to any Medicare provider/supplier** who submits a request to the appropriate Medicare Administrative Contractor (MAC) and meets the required qualifications.
- ❑ **Each MAC will work to review requests and issue payments within seven calendar days of receiving the request.**
- ❑ Traditionally repayment of these advance/accelerated payments begins at 90 days, however for the purposes of the COVID-19 pandemic, CMS has extended the repayment of these accelerated/advance payments to begin **120 days** after the date of issuance of the payment. Providers can get more information on this process here:
www.cms.gov/files/document/Accelerated-and-Advanced-Payments-Fact-Sheet.pdf

thank you!

for everything
YOU do to take care of your Customers!



Ronda Buhrmester

ronda.buhrmester@vgm.com

217-493-5440

Craig Douglas

craig.douglas@vgm.com

877-218-2825

Dan Fedor

dan.fedor@vgm.com

570-499-8459