



**Association of  
American Medical Colleges**  
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aamc.org

July 14, 2020

The Honorable Jeanne Shaheen  
U.S. Senate  
506 Hart Senate Office Building  
Washington, DC 20510

The Honorable Brad Schneider  
U.S. House of Representatives  
1432 Longworth House Office Building  
Washington, DC 20515

The Honorable Michael Bennet  
U.S. Senate  
261 Russell Senate Office Building  
Washington, DC 20510

The Honorable Ron Kind  
U.S. House of Representatives  
1502 Longworth House Office Building  
Washington, DC 20515

Dear Senators Shaheen and Bennet and Representatives Schneider and Kind:

On behalf of the Association of American Medical Colleges (AAMC) I write to offer our support for the Medicare Accelerated and Advance Payments Improvement Act of 2020 (S. 3750/ H.R. 6837). This important legislation would enact a number of reforms to the Medicare Accelerated and Advance Payment Programs that are critical to ensuring that teaching hospitals and faculty practice plans are able to continue delivering high-quality care to their patients and communities throughout the ongoing pandemic and beyond.

The AAMC is a not-for-profit association dedicated to transforming health care through innovative medical education, cutting-edge patient care, groundbreaking medical research, and effective community collaborations. Its members comprise all 155 accredited U.S. medical schools; nearly 400 major teaching hospitals and health systems; and more than 80 academic societies. Through these institutions and organizations, the AAMC serves the leaders of America's medical schools and teaching hospitals and their 173,000 faculty members, 89,000 medical students, 129,000 resident physicians, and more than 60,000 graduate students and postdoctoral researchers in the biomedical sciences.

The Medicare Accelerated and Advance Payment Programs have provided important financial resources to many hospitals and physicians, including teaching hospitals and faculty practice plans, to help ensure these providers can continue operating throughout the pandemic by providing loans in the form of financial advances on providers' future Medicare payments. As you know, the COVID-19 pandemic has posed enormous challenges and placed tremendous stress on our entire health care system – and teaching hospitals, medical schools, and teaching physicians have mobilized on all fronts to contain and mitigate COVID-19, which has required significant financial resources. We estimate that teaching hospitals are losing between \$2 and \$8 million *per day*, and physician faculty practice plans are reporting revenue losses of between

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25% and 50% as compared to 2019. As you recognize, due to the long-term nature of the crisis, improvements must be made to the Medicare Accelerated and Advance Payment Programs to ensure that hospitals and physicians can continue to sustain a vigorous response to the pandemic; maintain the necessary health care workforce; and ensure that patients can continue to get the testing, treatment, and care they need.

Without your legislation, as soon as August many of our members will be required to begin repaying the Medicare Accelerated and Advance Payment loans through 100% recoupment of Medicare claim payments, if they are unable to pay the full amount back within 120 days of receipt of the loan. Additionally, the loans are subject to an extraordinarily high interest rate of over 10% if not paid back in full within 210 days. These terms are particularly severe given that for many hospitals and physicians they will be applied in the midst of the ongoing pandemic response efforts, and while many are still struggling financially.

S. 3750/H.R. 6837 would improve the Medicare Accelerated and Advance Payment Programs by making the recoupment terms of the payments more sustainable for providers. The legislation would allow the Secretary of the Department of Health and Human Services, at the request of the hospital or physician practice, to not recoup payments from Medicare claims for one year, require that claim recoupment not exceed 25 percent of the claim, lower the interest rate, and allow at least two years before outstanding balances must be paid. The Secretary would also have the authority to waive repayment if entities apply for a waiver and meet specific criteria.

Thank you for working to improve the Medicare Accelerated and Advance Payment Programs and recognizing that additional financial relief is needed so that teaching hospitals and faculty practice plans can continue to both respond to the pandemic and continue to provide care to their patients and communities. Should you have additional questions please contact Len Marquez, Senior, Director of Government Relations at [lm Marquez@aamc.org](mailto:lm Marquez@aamc.org).

Sincerely,



Karen Fisher, JD  
AAMC Chief Public Policy Officer

Cc: Sen. Catherine Cortez Masto  
Sen. Richard Blumenthal  
Sen. Richard Durbin  
Sen. Maggie Hassan

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Sen. Martin Heinrich  
Sen. Doug Jones  
Sen. Amy Klobuchar  
Sen. Joe Manchin  
Sen. Ed Markey  
Sen. Jack Reed  
Sen. Jacky Rosen  
Sen. Tina Smith  
Sen. Elizabeth Warren  
Rep. Danny Davis  
Rep. Terri Sewell