

April 28, 2020

National campaign for legislation to forgive Medicare advance payment loans to providers

Loan amount to Medicare Part A and Part B providers:*	\$100 billion
• Repayment completed in 12 months – net \$ to providers:	\$0
CARES Act and subsequent provider grants:	<u>\$175 billion</u>
Net financial support to providers:	\$175 billion

Covid-19 Financial Impact on Providers:

- Hospital, Physician & Clinic spending: \$164 billion/month**
- Estimated pandemic spending reduction is 50%-80%
- At 50%, 3-month (March, April, May) fiscal impact:
 - Loss to providers at 50% (Net support – reduction): -\$246 billion
-\$71 billion
- At 80 % the 3-month fiscal impact:
 - Lost to providers at 80% -393.6 billion
-218.6 billion

The CDC expects the coronavirus to return in the fall of 2020 – without additional funds, hospitals, physicians and clinics will be significantly under-resourced to manage another pandemic this soon. (See [CDC statements](#).)

Forgiving the accelerated payments will reduce the Medicare Trust Fund BUT the federal government was already preparing to address this issue since the trustees say the fund will be broke in six years.***

1. The pandemic has created a once-in-a-lifetime national crisis that calls for extraordinary measures. The nation must be prepared for a return of Covid-19 later this year and health care providers must have the necessary resources.
2. All funds will be used exclusively to pay for Covid-19 and pandemic related expenses.
3. What good is a trust fund if hospitals are unable to meet the healthcare needs of the nation in a crisis?

*<https://www.cms.gov/newsroom/press-releases/cms-reevaluates-accelerated-payment-program-and-suspends-advance-payment-program>

** <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/highlights.pdf>

*** <https://www.ssa.gov/oact/trsum/>