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May 18, 2020

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

Dear Senator Shaheen:

On behalf of AMGA and our more than 440 multispecialty medical groups and integrated delivery systems, which represent about 175,000 physicians who care for one in three Americans, I want to thank you for introducing [S. 3750, the Medicare Accelerated and Advance Payments Improvement Act](#), which would ease punitive federal loan repayment terms for hospitals and healthcare providers delivering essential care during the coronavirus outbreak. AMGA fully supports your legislation and we look forward to working with you and your colleagues to ensure this bill is signed into law.

To date, the Medicare Accelerated and Advance Payments (AAP) Program has extended more than \$100 billion in loans to providers. However, providers are subject to high interest rates and short time periods for repayment of these loans. Currently, hospitals and physicians are required to start paying down loans as soon as four months after the first loan is received, and the Centers for Medicare & Medicaid Services (CMS) is authorized to withhold 100% of Medicare payments to pay back the debt. Additionally, an up to 10.25% interest rate starts accumulating on the loans after only one year. These burdensome terms will take effect just as medical groups and health systems are struggling to maintain cash flow, bring back furloughed employees, and keep their doors open to address critical and unmet healthcare needs.

On top of these already arduous requirements, CMS on April 26 abruptly and without any previous notice, announced its intentions to suspend and reevaluate the AAP Program. When CMS expanded the program to encompass hardships related to COVID-19, its guidance indicated the expansion would last for the duration of the public health emergency. Recently, Health and Human Services Secretary Azar extended the public health emergency that was first declared on January 31, 2020. As the public health emergency remains in effect, so too should the AAP Program.

S. 3750 seeks to address these issues by restarting of the AAP Program. The legislation also improves the AAP Program by delaying recoupment of the loans, lowering the recoupment rate from 100% of Medicare payments to 25%, limiting the interest rate to 1% after two years, unfreezing Part B payments, and authorizing loan forgiveness in cases of extreme hardship. The passage of S. 3750 will ensure that healthcare providers will have the financial resources they

need to continue their operations during this public health emergency.

Thank you for supporting the vital work of our nation's healthcare providers by introducing S. 3750. AMGA and our members stand ready to assist you in securing its enactment. If AMGA or its members can be of service during the COVID-19 pandemic, please do not hesitate to contact Chet Speed, AMGA's chief policy officer, at 703.842-0766, or at cspeed@amga.org.

Sincerely,

A handwritten signature in cursive script that reads "Jerry Penso".

Jerry Penso, M.D., M.B.A.
President and Chief Executive Officer
AMGA