

Advance Payments to Providers of Part B Services: Summary of Requirements

- Palmetto GBA and the Centers for Medicare & Medicaid Services (CMS) will consider, in limited circumstances, an advance payment for Part B providers who are experiencing financial hardship due to claims that are unable to process within established time limits.
 - This applies to claims that have been submitted, but payment has not been made due to a system malfunction.
 - This does not apply to claims that have not paid due to claims submission errors.
- Advance payment may be made if **all** of the following conditions are met:
 - Palmetto GBA is unable to process the claim timely.
 - CMS determines that the prompt payment interest provision specified in section 1842(c) of the Act is insufficient to make a claimant whole.
 - CMS provides written approval to Palmetto GBA, to make an advance payment.
- Advance payment **cannot** be made if **any** of the following conditions is met. The provider:
 - Is delinquent in repaying a Medicare overpayment.
 - Has been advised of being under active medical review or program integrity investigation.
 - Has not submitted any claims.
 - Has not accepted claims' assignments within the most recent 180-day period preceding the system malfunction.
- If you meet all required conditions and would like to request advance payments, you must submit a written request to Palmetto GBA.
 - Fax requests to the Provider Enrollment department at 614-473-6811. The request must be on company letterhead and signed by an authorized person.
 - The request must include the reason your cash balance is seriously impaired, along with financial information to show hardship. The following is an example of an acceptable format:

a. Cash on hand as of _____	\$_____
b. Expected payments from all sources (not including any advance payments) in the next 30 days	\$_____
c. Expected expenses in next 30 days	\$_____
d. Cash position in next 30 days (a + b - c)	\$_____

- Palmetto GBA then calculates the amount of the advance payment and forwards the request to CMS for approval.
 - The amount of the advance payment is calculated at 80 percent of the anticipated payment based on historical data for claims paid. Historical data is defined as a representative 90-day assigned claims payment trend within the most recent 180-day experience before the system malfunction. Generally,

the advance payment will be no more than the amount paid, on a daily average, for the 90 day period before the system malfunction.

- If approved, you agree that Palmetto GBA will recover the advance payment by applying the amount due to future payments.
- The decision to approve an advance payment and the amount of the payment are at CMS's discretion and are not subject to review or appeal.

The complete listing of the requirements for advance payments for Part B services are found in the Federal Register at: <http://www.gpoaccess.gov/cfr/index.html>. Click on "Retrieve by CFR Citation," and type 42 in the **Title** box, 421 in the **Part** box and 214 in the **Section** box. Then click on "Go."

Please note that CMS expects these requests to be limited. In most cases, corrections can be made and claims finalized before an advance payment request can be processed.

J1 Advance Payment Requests should be sent or faxed to:

J1 MAC – Palmetto GBA
Attn: Vicky Bowers AG-325
"MSC J1-4084"
17 Technology Circle
Columbia, SC 29203-9591

Fax number 803-763-5575