

DATE: November 12, 2021

SUBJECT: COVID-19 ALTCS-EPD Nursing Facility Second Round Directed Payment Guidance

In order to address the COVID-19 emergency, AHCCCS made directed payments through AHCCCS ALTCS-EPD Health Plans, and the AHCCCS Division of Fee for Service Management (DFSM) for Tribal ALTCS members, to Nursing Facility (NF) providers in fall 2020.

Due to ongoing COVID-19 effects, AHCCCS intends to make a second, time-limited directed payment through AHCCCS ALTCS-EPD Health Plans and DFSM to NF providers. These payments have been approved by the Centers for Medicare and Medicaid Services (CMS).

### **Nursing Facility Directed Payment**

The second directed payment will be equal to the amount paid to NF providers during the first round of directed payments. The directed payments are a uniform dollar increase of \$30.00 per diem applied to actual utilization for quarter ending (QE) December 2019. The NF increase is applicable to all levels of care.

AHCCCS will populate a COVID-19 ALTCS-EPD NF Directed Payment Report and Attestation Form with the provider name, AHCCCS provider ID, and total directed payment amount for each NF. AHCCCS will then direct the Arizona Health Care Association (AHCA) to distribute the COVID-19 ALTCS- EPD NF Directed Payment Report and Attestation Form to all NFs. This would include members and non-members of AHCA.

NF providers are required to fill out the COVID-19 ALTCS-EPD NF Directed Payment Report and Attestation Form and return to AHCA. The deadline for providers to submit the completed COVID-19 ALTCS-EPD NF Directed Payment Report and Attestation Form is **October 25, 2021**. If COVID-19 ALTCS-EPD NF Directed Payment Report and Attestation Form is not received by this date, payments may be delayed for all providers.

Once the COVID-19 ALTCS-EPD NF Directed Payment Report and Attestation Forms have been received by AHCA, AHCCCS will provide direction to Health Plans to make specific payment amounts to each NF based on its utilization with the Health Plan **by November 12, 2021**. For Fee-for-Service (FFS) only NF providers, DFSM will make the payments.

### **Financial Accountability Reporting - NF Providers**

NF providers are required to expend 100% of the directed payment within 45 days of receipt of funds for the following purposes:

- Direct staff expenses, including increases to salary or wages, stipends, and/or overtime,
- Employee related expense costs associated with direct staff expenses,
- Infection control costs, including cleaning supplies, equipment, and labor, and
- Personal protective equipment (PPE) costs.

Please note: If funds are not spent within 45 days of receipt, the funds are subject to recoupment.

NF providers will receive a COVID-19 ALTCS-EPD NF Directed Payment Report and Attestation Form that includes the following pre-populated information:

- Provider name,
- AHCCCS provider ID, and
- Total directed payment made to the provider, inclusive of both managed care and FFS directed payment amounts.

The provider will report the expected percentage allocation of directed payments by expense type for the following purposes:

- Direct staff expenses, including increases to salary or wages, stipends, and/or overtime,
- Employee related expense costs associated with direct staff expenses,
- Infection control costs, including cleaning supplies, equipment, and labor, and
- Personal protective equipment (PPE) costs.

The Provider will attest to the following:

I agree to the following and attest that the information provided herein is true and accurate to the best of my knowledge:

I understand that directed payments are subject to recoupment if an audit determines that services were not provided in the specified utilization periods, if billing or payment was improper, or duplicate payments for services occurred.

I agree that this provider will not lay off staff, and will make a good faith effort to maintain staff salary, hours, and wages at levels in place prior, as measured on a per patient day basis, to the emergency declaration.

I attest that this provider will spend, within 45 days of receipt of funds, 100% of the directed payment for the following purposes: direct staff expenses, including increases to salary or wages, stipends, and/or overtime; employee related expense costs associated with direct staff expenses; infection control costs, including cleaning supplies, equipment, and labor; and personal protective equipment (PPE) costs.

I understand that if this provider violates this agreement or spends this payment in a manner that does not comply with these guidelines, the payment may be recouped and further action taken.

## **Financial Accountability Reporting - AHCA**

AHCCCS will provide AHCA with files containing the pre-populated COVID-19 ALTCS-EPD NF Directed Payment Report and Attestation Forms that need to be completed and signed by each provider via email.

AHCA will distribute the COVID-19 ALTCS-EPD NF Directed Payment Report and Attestation Forms to the individual providers for which they have pre-populated COVID-19 ALTCS-EPD NF Directed Payment Report and Attestation Forms. AHCA must ensure all COVID-19 ALTCS-EPD NF Directed Payment Report and Attestation Forms are correctly filled out when AHCA receives the form back from the provider. A form is not considered complete until all fields are filled in, the allocation of dollars across the specified categories equals 100%, and the attestation is signed by the provider.

AHCCCS will pre-populate the NF ALTCS-EPD Directed Payment Report template with the provider name, AHCCCS provider ID, and the total directed payment made to the provider, inclusive of both managed care and FFS directed payment amounts. AHCCCS will send the report template to AHCA via email. AHCA will collect the COVID-19 ALTCS-EPD NF Directed Payment Report and Attestation Forms from the providers and populate the NF ALTCS-EPD Directed Payment Report template with provider submitted information. AHCA will send the completed NF ALTCS-EPD Directed Payment Report template to AHCCCS via email. AHCA is not required to submit each individual attestation to AHCCCS.

The provider's information will be reported via the NF ALTCS-EPD Directed Payment Report to AHCCCS and the provider is not responsible for submitting information directly to AHCCCS.

## **Health Plan Reconciliation of Directed Payment Expenses**

Health Plans are responsible for making directed payments in the amounts computed by AHCCCS in the time periods and manner specified by AHCCCS. Health Plan capitation rates will not be adjusted for the amounts of the directed payments. AHCCCS will pay the Health Plans for the amount of the COVID-19 ALTCS-EPD Nursing Facility directed payments (including premium tax) as a lump sum payment no later than November 19, 2021. Health Plans are expected to make payments to the identified Nursing Facilities **no later than December 7, 2021**.

By December 20, 2021, Health Plans shall submit a report to AHCCCS indicating provider payments made.

## Timeline

October 15	AHCCCS to provide files with pre-populated attestations and template spreadsheets to AHCA for all NF providers
October 25	Provider to return completed attestation to AHCA
November 18	AHCCCS to send payment amounts by provider to the Health Plans
December 7	Deadline for Health Plans to pay providers
December 20	Deadline for Health Plans to submit report confirming provider payments

If providers have questions, please contact your Health Plan and/or provider association, as appropriate or applicable.