

DATE: July 8, 2020 **Revised September 18, 2020**

SUBJECT: COVID-19 ALTCS-EPD HCBS Directed Payments Guidance

In order to address the COVID-19 emergency, AHCCCS intends to make time-limited directed payments through AHCCCS ALTCS-EPD Health Plans, and the AHCCCS Division of Fee-for-Service Management (DFSM) for a Tribal ALTCS member, to providers of Home and In order to address the COVID-19 emergency, AHCCCS intends to make time-limited directed payments through AHCCCS ALTCS-EPD Health Plans, and the AHCCCS Division of Fee-for-Service Management (DFSM) for a Tribal ALTCS member, to providers of Home and Community Based Services. These payments are contingent upon approval by the Centers for Medicare and Medicaid Services (CMS) of State Plan Amendments and 438.6(c) preprints. To the extent that CMS may require changes to the payment methodology and/or process as a condition of approval, this guidance may change and be updated.

AHCCCS intends these payments to occur as an interim, emergency measure as it continues to evaluate federal funding that will be made available to these providers.

Home and Community Based Services Directed Payments

A directed payment uniform dollar increase equivalent to \$1.15 per 15 minute increment will be applied to actual utilization for QE December 2019. The HCBS increase is applicable to:

- S5125 - Attendant Care Services; 15 min. \$1.15
- S5150 - Unskilled Respite Care, not hospice; 15 min. \$1.15
- S5151 - Unskilled Respite Care, not hospice; per diem \$55.04
- T1019 - Personal Care Services; 15 min. \$1.15
- T1020 - Personal Care Services; per diem \$55.04

The increase is applicable to all members, both dual and non-dual. AHCCCS will compute the directed payment amount based on claims and encounter data in the AHCCCS data warehouse with dates of service for QE December 2019. AHCCCS will populate the Provider report and attestation with this information and direct each Health Plan to distribute the Provider report and attestation to a specific list of HCBS providers. Each Health Plan will set a deadline for the providers to return the Provider report and attestation to the Health Plan. The Health Plans will fill out the Health Plan Report with the information from the Provider report and attestations and submit the Health Plan Report to AHCCCS. AHCCCS will provide direction to Health Plans to make specific payment amounts to each provider based on its utilization with the Health Plan **by October 28, 2020**. For providers contracting with more than one Health Plan, a single Health Plan will be required by AHCCCS to collect the attestation from the provider, which accounts for the total directed payment amount received from all payers. In these instances, AHCCCS will assign the provider to the Health Plan with the highest utilization but adjust the assignment to

ensure equitable assignment of providers among MCOs. For Fee-For-Service only providers, the AHCCCS Division of Fee-for-Service Management (DFSM) will function as the designated Health Plan.

Financial Accountability & COVID-19 Reporting - HCBS Providers

HCBS providers are required to distribute at least **80%** of the directed payment amount to direct care staff in the form of a temporary increase in salary, wages, and/or stipends, including employee related expense costs, within 45 days of receipt of funds. This will allow providers to retain staff and ensure access to care for members. If a provider has already implemented a temporary increase since the declaration of the emergency period on March 13, 2020, it may report the portion of those expenses that occurred during the emergency period as an allowable use of the directed payment funds. The remaining **20%** of the directed payment amount may be expended on infection control costs, PPE costs, and administrative staffing costs associated with responding to COVID-19.

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

HCBS providers will receive a COVID-19 ALTCS-EPD HCBS Directed Payment Report and Attestation Form that includes the following pre-populated information: the provider name, AHCCCS provider ID, provider ID type, and the total directed payment made to the provider, inclusive of both managed care and FFS directed payment amounts from its designated Health Plan.

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

- **80%** for direct staff expenses, including increases to salary or wages, stipends and/or over-time, employee related expense costs associated with direct staff expenses, and
- **20%** for infection control costs, including cleaning supplies, equipment, and labor, and personal protective equipment (PPE) costs.

As of the date of the provider's attestation, the Provider will report the following:

- Amount of federal funding received from the CARES Act Provider Relief Fund.
- Application status for the Paycheck Protection Program (PPP) - Yes/No applied.
- Received funding through the PPP - Yes/No received.
- Amount of funding received through the PPP.

Please Note: Directed payments to providers will not be adjusted based on dollars reported to be received under either the Provider Relief Fund or through the PPP.

The Provider will attest to the following:

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

I have provided attendant care, personal care, and/or respite services during April, May, June, and July 2020 and/or I attest that I will provide such services during September, October, and November 2020.

I understand that directed payments are subject to recoupment if an audit determines that attendant care, personal care, and/or respite services were not provided in the specified periods.

I agree that this provider will not lay off staff, and will maintain staff salary, hours, and wages at levels in place, as measured on a per patient day basis, prior to the emergency declaration. This requirement is in effect for the duration of the public health emergency.

I attest that this provider will spend within 45 days of receipt of funds 80% of the directed payment for Direct Care Worker staff expenses, including increases to salary or wages, stipends, and/or over-time, Employee related expense costs associated with Direct Care Worker staff expense.

For instances where a provider has already implemented a temporary increase since the declaration of the emergency period on March 13, 2020: I attest that this provider has reported the portion of those expenses that occurred during the emergency period as Direct Care Worker staff expenses, including increases to salary or wages, stipends, and/or over-time, Employee related expense costs associated with Direct Care Worker staff expense.

I attest that this provider will spend within 45 days of receipt of funds 20% of the directed payment for other staff expenses, including increases to salary or wages, stipends, and/or over-time, Employee related expense costs associated with other staff expense, 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.

The Health Plan will set a deadline for the provider to submit the completed COVID-19 ALTCS-EPD HCBS Directed Payment Report and Attestation Form back to the Health Plan.

Please note: All fields on the report and attestation must be filled in to be considered complete. Please use N/A in fields not applicable to your organization.

Financial Accountability & COVID-19 Reporting - Health Plans

AHCCCS will provide each Health Plan with files containing the pre-populated attestations that need to be completed and signed by each provider via SFTP server.

It is important to note that the amounts on these forms reflect the total Directed Payments from all sources, not what any one Health Plan will need to pay.

Health Plans should distribute the attestations to the individual providers for which they have pre-populated attestation forms. Each Health Plan must ensure all attestations are correctly filled out when the Health Plan receives the attestation back from the provider. An attestation is not considered complete until all fields are filled in.

AHCCCS will pre-populate the Health Plan report template with the provider name, AHCCCS provider ID, provider ID type, and the total directed payment made to the provider, inclusive of both managed care and FFS directed payment amounts. AHCCCS will send the report to the Health Plans via SFTP server. The Health Plan will collect the COVID-19 ALTCS-EPD HCBS Directed Payment Report and Attestation Forms from the providers and populate the Health Plan report template with provider submitted information. The Health Plan will send the completed Health Plan report template to AHCCCS via SFTP server. Health Plans are not required to submit each individual attestation to AHCCCS.

The Health Plan report will include the expected lump sum payment amount to be made by the Health Plan to the provider, as well as the allocation of directed payments for each provider by expense type, based on the attestation of the provider.

The Health Plan report will also include the following data for each provider, as of the date of the provider's attestation:

- Amount of federal funding received from the CARES Act Provider Relief Fund.
- Application status for the Paycheck Protection Program (PPP) - Yes/No applied.
- Received funding through the PPP - Yes/No received.
- Amount of funding received through the PPP.

For providers that contract with at least one Health Plan, the provider's information will be reported via the Health Plan report to AHCCCS and the provider is not responsible for submitting information directly to AHCCCS.

By December 7, 2020, Health Plans will submit to AHCCCS a report indicating provider payments made.

Health Plan Reconciliation of Directed Payment Expenses

Health Plans are responsible for making directed payments in the amounts computed by AHCCCS for HCBS payments in the time periods and manner specified by AHCCCS. Health Plan capitation rates will be not adjusted for the amounts of the directed payments.

Health Plans will be reimbursed for the cost of the directed payments as part of the risk corridor reconciliation for CYE 2020.

Timeline

September 18:	AHCCCS to provide files with pre-populated attestations and template spreadsheets to Health Plans
Specified Date:	Provider to return completed attestation to designated Health Plan by date specified by designated Health Plan
October 14:	AHCCCS to send payment amounts by provider to the Health Plans
October 28:	Deadline for Health Plans to pay providers
December 7:	Deadline for Health Plans to submit report confirming provider payments

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