

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

SUBJECT: COVID-19 ALTCS-EPD NF/ALF 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 Nursing Facility, Assisted Living Facility, and Adult Foster Care Homes. 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.

Nursing Facility & Assisted Living Facility Directed Payments

A directed payment uniform dollar increase of \$30.00 per diem for Nursing Facilities and \$10.26 per diem for Assisted Living Facilities and Adult Foster Care Homes (hereafter collectively NF/ALF) will be applied to actual utilization for Quarter Ending (QE) December 2019. The NF increase is applicable to all levels of care and the ALF increase is applicable to T2031 - Assisted Living Home, T2033 - Assisted Living Center, and S5140 Adult Foster Care Home utilization.

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 the Health Plans to distribute the Provider report and attestation to a specific list of NF/ALF providers. The NF/ALF providers will prepare the Provider report and attestation and return to the Health Plans. Each Health Plan will set a deadline for their 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 attestation 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 Provider report and 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 NF/ALF Providers

NF and ALF 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 over-time,
- 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/ALF providers will receive a COVID-19 ALTCS-EPD NF/ALF 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: direct staff expenses, including increases to salary or wages, stipends, and/or over-time, employee related expense costs associated with direct staff expenses, infection control costs, including cleaning supplies, equipment, and labor, and personal protective equipment (PPE) costs. If a provider has already expended funds for COVID-19 related expenses since the declaration of the emergency period on March 13, 2020, the provider may report the portion of those expenses that occurred during the emergency period as an allowable use of the directed payment funds.

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.
- Cumulative number of members diagnosed with COVID-19 since January 1, 2020.
- Filled beds and total available beds as of January 1, 2020.
- Filled beds and total available beds as of date of attestation.

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 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 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 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 100% of the directed payment for the following purposes: Direct staff expenses, including increases to salary or

wages, stipends, and/or over-time, 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.

The Health Plan will set a deadline for the provider to submit the completed COVID-19 ALTCS-EPD NF/ALF 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 Plan

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 NF/ALF 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 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.
- Cumulative number of members diagnosed with COVID-19 since January 1, 2020.
- Filled beds and total available beds as of January 1, 2020.
- Filled beds and total available beds as of date of attestation.

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 a report to AHCCCS 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 NF/ALF 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.