



STIMULUS FUNDING UPDATES: Over the past month there have been several important updates to stimulus funding initiatives under the CARES Act:

- \$4.9B Funds targeted for skilled nursing facilities
- Extension of Deadline for attestation to 90 days after receipt of funds
- Clarifications on attestation and terms and conditions for accepting funds

SNF Targeted Funds: In response to strong industry advocacy, \$4.9B of Stimulus funds were released to skilled nursing facilities commencing on Friday May 22. The formula for distribution was simple - \$50,000 for each facility plus \$2500 per licensed SNF bed. A 100-bed facility should have received \$300,000. For the majority of SNFs, this payment represented the third distribution of stimulus funds. Payment #1 was distributed using a formula linked to Medicare Part A and Part B revenue, Payment #2 distributed additional funds to providers with an intended result of granting a minimum of 2% of 2018 net patient revenue to all providers participating in Medicare as of January 31, 2020. Providers that were overpaid on that formula with the first installment did not receive the second stimulus payment.

Providers will be required to complete an attestation for the receipt of these funds. Unlike the first two payments, that were based on a revenue formulary, this third payment is not linked to revenue. As such, providers will **not** be required to submit any tax or cost reporting information in connection with the third payment.

HHS has continued to make updates to their Provider Relief Fund FAQs document which can be referenced [here](#) if you have additional questions.

Extension of Attestation Timelines: HHS has extended the window of attestation twice to allow time to address additional questions and to give providers time to collect information required for submission on the portals. Providers now have **90 days** from the date of receipt of a payment to accept the terms and conditions or return the funds.

Terms and Conditions: HHS guidance continues to state unequivocally that the stimulus payments are grants, and therefore “not loans” to healthcare providers and will not need to be repaid. Recipients must certify that they will use the payments only to prevent, prepare for and respond to coronavirus, and that the payments shall reimburse only for healthcare related expenses or lost revenues that are attributable to coronavirus. Providers will be required to submit details on the use of funds at the direction of HHS and there will be public disclosure of stimulus payments. HHS will provide guidance at a future date.

*Providers must also attest that the payments will not be used to reimburse expenses or losses that have been reimbursed from other sources. **If your Organization has received loan forgiveness under the Paycheck Protection Program (PPP), expenses covered by PPP will need to be excluded from consideration as related to these stimulus payments.** Similarly, we believe that **increases to Medicaid payments** related to the COVID-19 pandemic will also need to be considered. Loans that require*



repayment, including payroll tax deferrals and Medicare advances will not be considered as a source of relief.

Sources of COVID 19 Relief: As noted previously, providers will be required to report on the use of stimulus funds. Guidance has not yet been released by HHS on the format or detail required. Following are examples of sources of COVID relief that fall under the guidelines issued by HHS:

	Provider A	Provider B
2018 Net Revenue	\$ 10,000,000	\$ 10,000,000
2% Total Stimulus	200,000	200,000
Installment #1	155,000	235,600
Installment #2	45,000	NONE
Payment # 3	300,000	300,000
Total Stimulus Payments	\$ 500,000	\$ 535,600
Payroll Protection Loan Forgiveness	\$ 750,000	\$ -
Medicaid Payments Related to COVID	\$ -	\$ 100,000
Total Funds Intended for COVID Related	\$ 1,250,000	\$ 635,600

Provider A will need to attest that the \$500,000 of stimulus payments were used for lost revenues or expenses that were not included in the forgiveness of the PPP loan. Provider B will need to attest that the \$535,600 of stimulus payments were used for lost revenues or expenses that were not included in the Medicaid payments. ***We do not yet have clarification on the total time frame for consideration of the use of these funds which will be important in calculating financial impact.***

Tracking Lost Revenue and Expenses: Limited guidance has been given by HHS on what qualifies as lost revenue or on the total time period for consideration. Guidance in the General Distribution portal directs providers to compute lost revenue for an individual month based on a comparison to the same month in the prior year or to the current year’s budget for that month. Expenses must be incurred to prevent, prepare for, and respond to coronavirus. Additional interpretations and limitations are expected to be issued prior to the first reporting deadline and we recommend continued diligence in documentation.

COVID-19 MEDICAID RATE INCREASES

The Office of Medicaid Policy and Planning has announced two new temporary rate increases for nursing facilities in response to COVID-19, one for COVID-19 ready units and one for providing care to COVID-19 positive residents. These rate enhancements are in addition to the 4.2% increase for all nursing facilities that retroactively became effective March 1, 2020. Per FSSA, all three COVID-19 related rate increases will remain in place until the earlier of 1) the end of the National Public Emergency or 2) August 31, 2020. The formal Bulletin should be issued by the Indiana Health Coverage Program (IHCP) on May 26th. Furthermore, these COVID-19 related rate increases apply to Managed Medicaid as well. Thus, be sure you are also monitoring your Managed Care rates regularly.



COVID-19 Ready 2% Rate Increase

Nursing facilities can receive a 2% additional temporary rate increase by attesting that they are “COVID-19 Ready”. The 2% rate increase will be calculated based on each facility’s standard Medicaid rates (prior to the 4.2% increase). If a nursing facility completed the attestation in May, the effective date of the 2% rate increase will be applied retroactively to May 1, 2020. If the attestation is submitted later, the rate increase will go into effect with the date of the attestation. The requirements and guidelines for a Nursing Facility COVID-19 Unit are found within the [attestation statement](#).

There are two ways to submit the attestation statement and begin receiving the increased reimbursement rates:

- 1) Login to the [EMResource portal](#). Check the box indicating “yes” in the “LTC COVID Ready Facility Status” column.
- 2) Complete the attestation statement found on the Myers & Stauffer website [here](#) and email it to Derris Harrison at OMPP at Derris.Harrison@fssa.in.gov.

COVID-19 Positive Residents Rate Add-On

An additional rate add-on of \$115 will be implemented for COVID-19 positive residents receiving care in a COVID-19 unit in a “COVID Ready” Facility (a facility receiving the additional 2% rate increase as described above). For each COVID-19 positive resident, the rate add-on will become effective the later of 1) the date that the COVID-19 test was performed 2) the date the COVID positive resident was admitted/readmitted to the nursing facility or 3) May 1, 2020. The facility must bill claims for COVID-19 positive residents with the primary diagnosis code of U07.1 in order to receive the add-on. The \$115 add-on will be made until the COVID-19 resident meets clinical guidelines for no longer being considered COVID-19 positive (with a maximum limit of 21 days).

To receive the \$115 rate add-on, facilities must comply with the Guidelines for Nursing Facility COVID-19 Units that are included in the attestation statement mentioned above.

If you have any questions, please feel free to reach out to a member of your Plante Moran team and we will continue to provide you updates on these matters as more details become available.

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