

## **Implementation of Governor's Budget Amendments to Increase Nursing Facility Rates**

### **High Level Summary**

The \$20 per diem rate increase for nursing facilities is temporary with an effective date of March 12, 2020, the date the Governor declared the state of emergency, until at least June 30 (or earlier for Fee-for-Service (FFS) if the state of emergency ends before June 30). All parties want to accelerate funding to nursing homes as fast as possible. To do so there is a consensus to make supplemental \$20 add on payments at the beginning of the month for the previous month and settle/reconcile any differences after the end of the emergency period.

The mandate is for all MCOs and DMAS to operationalize the payments in the same manner to prevent administrative burden on nursing facilities in responding to multiple formats. Below are the major operational steps that DMAS will implement along with the MCOs.

### **Calculating and Making Payments**

DMAS will have facilities provide a monthly roster billing invoice directly to the MCOs (copied to DMAS) and to DMAS for FFS by the end of the first full week of the month for the previous month. The roster should include all residents whose primary payer is Medicaid (DMAS or Medicaid MCO) for the number of days in the month covered by Medicaid for nursing facility services. While nursing facilities are expected to bill DMAS or Medicaid MCOs for these nursing home services, the roster may include residents or days in that month for whom services have not yet been billed. Members with pending eligibility determinations should be held until eligibility is approved. After eligibility is approved, the facility should include the total days (back to March 12<sup>th</sup> or the beginning of their eligibility) on the next roster submitted.

To simplify payments and reduce the number of invoices each plan and DMAS must process, multi-facility companies will be required to centrally bill and provide a breakout by NPI by MCO by Member. Each company will submit a spreadsheet based on a template provided by DMAS (see attached). Each billing entity will also submit a one-time template with banking and other information to allow MCOs to set up the appropriate financial transactions. The banking information should be submitted as soon as possible, but no later than April 29<sup>th</sup>.

The plans and DMAS will process these invoices as accounts payable and make financial transaction payments. If the March roster is provided by May 1<sup>st</sup>, DMAS and the MCOs will make payments by May 15<sup>th</sup>. If they are provided after that time, the March and April rosters will be processed together and paid by May 22<sup>nd</sup>. Either way, the April roster should be submitted no later than May 8<sup>th</sup>. The plans will require additional time to set up the initial payments in their AP systems but will do so as quickly as possible. Initial payments may be made by paper check to speed processing and will be overnighted to the billing entity. Subsequent invoices provided by the end of the first full week of the month will be processed and paid within two weeks of receipt and via EFT. Rosters that are not provided by the monthly due date will be processed and paid within two weeks of when they are submitted.

If the state of emergency continues into the new fiscal year, DMAS will re-evaluate this process and may consider converting this to a \$20 rate increase on the rate file to further simplify the process.

Invoices will be submitted through secure email to the following addresses:

Table 1: Secure Emails for Roster Submission	
Fee for Service (DMAS)	john.snouffer@dmas.virginia.gov
	karen.cameron@dmas.virginia.gov
Aetna	FinanceAPMailbox@AETNA.com
	LoeweK@aetna.com
Anthem	jennifer.brooks@amerigroup.com
	anthemcccplus@anthem.com
Magellan	MCCVAInvoices@magellanhealth.com
Optima	Optima_AP@sentara.com
United	va_medicaid_ccc@uhc.com
Virginia Premier	vphpnetdev@viriniapremier.com

### **Hospice Payments:**

Making payments directly to Nursing Homes for hospice days would require a waiver from CMS. Given the time and uncertainty around getting a waiver and to ensure timely payments, DMAS will make FFS payments to Hospices directly and the nursing facilities should receive payment from the hospice (subsequent guidance will be provided to hospice providers and nursing facilities to outline expectations, including retroactive payments for relevant March dates). FFS billing will require the hospice patients and the hospice to be separately identified for payment to the hospice.

For CCC Plus, nursing facilities will include hospice days on the roster billing for direct payment from the MCOs.

### **Reconciling payments**

Both DMAS and the MCOs will reconcile these initial financial transaction payments to claims to ensure accuracy. DMAS and MCOs will be responsible for reconciling these payments to their own claims including runout. This will take place in a single reconciliation at the end of the emergency period. MCOs will provide a copy of all reconciliations to DMAS at the same time they notify facilities.

The specific format and reconciliation process will be determined through the regular DMAS / MCO payment team in collaboration with the impacted providers.

## **Background:**

### **Text of Amendments:**

#### HB 29 (State Fiscal Year 2020 through June 30, 2020):

Page 142, after line 48, insert:

"HHHH. Effective with the Governor's Declaration of a State of Emergency due to COVID-19, the Department of Medical Assistance Services (DMAS) shall increase nursing home and specialized care per diem rates by \$20 per day per patient. Such adjustment shall be made through existing managed care capitation rates as a mandated specified rate increase from March 12, 2020 through June 30, 2020. The department shall have the authority to file all necessary regulatory authorities without delay, make any necessary contract changes, and implement these reimbursement changes without regard to existing regulations. The specified nursing facility rate increase in this paragraph applies across fee-for-service and Medicaid managed care."

#### HB30 (State Fiscal Years 2021-2022):

Page 351, after line 17, insert:

"LLLLL. The Department of Medical Assistance Services shall increase nursing home and specialized care per diem rates by \$20 per day per patient effective for the period of the Governor's Declaration of a State of Emergency due to COVID-19. Such adjustment shall be made through existing managed care capitation rates as a mandated specified rate increase for the period of the Governor's emergency declaration. DMAS shall adjust capitation rates to account for the nursing facility rate increase and reflect the duration of the Governor's emergency. Should the nursing facility rate increase necessitate state spending in excess of those funds appropriated in this Item; then, notwithstanding the provisions of §4-3.02 of this Act, the Secretary of Finance may authorize an interest-free treasury loan for DMAS to offset the cost of the required nursing facility rate increase. The department shall have the authority to file all necessary regulatory authorities without delay, make any necessary contract changes, and implement these reimbursement changes without regard to existing regulations. The specified rate increase in this paragraph applies across fee-for-service and Medicaid managed care."