



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

May 8, 2020

Matt Barrett
President/CEO
CAHCF/CCAL
213 Court Street
Middletown, CT 06457

Mag Morelli
President
Leading Age Connecticut
110 Barnes Road
Wallingford, CT 06492

Dear Mr. Barrett and Ms. Morelli,

Thank you and your leadership for the ongoing discussions regarding financial relief for the industry. Your constructive and informative feedback has helped shape our further considerations regarding the type of relief that will be most beneficial to the industry.

Clearly our partnership with the industry you represent is critical in ensuring the continuity of needed care to our state's most vulnerable residents in skilled nursing facilities. With that partnership at the forefront, and guided by your preference for an across-the-board increase in lieu of a rate increase coupled with a COVID rate premium add-on, we have adjusted the previously presented financial relief package as indicated below.

Medicaid Rate Relief

Regarding state financial relief, the state has implemented a 10% Medicaid rate increase effective for the period March 1 through April 30. The additional reimbursement is to be applied towards: (a) employee wages, including staff retention bonuses, overtime, and shift incentive payments; (b) new costs related to screening of visitors, personal protective equipment (PPE) and cleaning and housekeeping supplies; and (c) other COVID-related costs. On April 7, the state advanced \$11.6 million, representing the April estimated rate increase to nursing homes to assist with cash flow. On April 23, the state also advanced \$11.8 million representing the March estimated rate increase. As part of the processing of

actual claims for April dates of service, nursing homes should again be receiving over \$11 million in the next few days associated with the April 10% rate increase.

Coronavirus Relief Fund

As you know, the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act established a \$150 billion Coronavirus Relief Fund (CRF). The U.S. Treasury is providing \$1.4 billion to Connecticut to cover expenses that are necessary expenditures incurred due to the COVID-19 public health emergency from March 1 to December 30 and were not accounted for in the state budget as of March 27.

In order to maximize use of available federal funding, additional broad-based nursing home provider support will be provided under OPM direction and authorization through a temporary COVID Nursing Home Support Grant to be funded with federal CRF. This grant will be made to each skilled nursing facility, except COVID Recovery Facilities and Alternate COVID Recovery Facilities, and will be separate and distinct from the nursing home's Medicaid reimbursement rate. The targeted funding level for the grant payment will approximate the value of an additional 10% increase for April and 20% for May and June. The grant funding distribution will be based on the expected rate-based distribution that would have occurred under Medicaid, utilizing the most recent full quarter of data for the January to March 2020 quarter as the basis for the distribution.

Expenditure of the COVID Nursing Home Support Grant funding will need to meet CRF guidelines and, as was required for the 10% Medicaid rate increase in March and April, must be applied towards: (a) employee wages, including staff retention bonuses, overtime, and shift incentive; (b) new costs related to screening of visitors, PPE, and cleaning and housekeeping supplies; and (c) other COVID-related costs.

In order to receive the grant, each skilled nursing facility will be required to report whether (1) employees are receiving paid leave related to COVID-19 under the Extended Federal Family Medical Leave Act which was enacted under the federal Families First Coronavirus Relief Act or, if the facility has exempted their employees, what other paid leave is available to its employees if they need childcare, are ill, or need to isolate due to COVID; and (2) the facility/employer has opted to voluntarily comply with Commissioner Mais' guidance to insurance carriers to cover COVID testing and treatment with no out-of-pocket costs.

Nursing homes receiving grant payments will be expected to track both expenditures and enhanced income from all sources as there will be an enhanced level of reporting – through COVID-specific cost reports – to confirm COVID-related costs. This process will allow both the nursing homes and the state to fully appreciate the extent to which costs have been covered when taking into consideration all sources of revenue, inclusive of direct federal stimulus, state funding and the ability to further leverage Medicare

reimbursement noted above. This cost report information will be required for all nursing homes for the COVID rate period of March 1, 2020 through June 30, 2020.

After the close of the grant period, under the direction of OPM, DSS will perform audits of providers to ensure appropriate use of CRF dollars. Inappropriate use or under expenditure of funding will be subject to refunds to the state.

DSS, under the direction of OPM, will accept Hardship Grant requests related to COVID-19 costs for the March 1, 2020 to June 30, 2020 period where an additional grant, funded through CRF, is necessary to avoid substantial deterioration of the nursing facility's financial condition that may be expected to adversely affect resident care and the continued operation of the facility. The Secretary, in consultation with the Commissioner, will determine if an additional Hardship Grant to the nursing facility meets state and federal requirements and is in the best interest of the state. Nursing homes accepting Hardship Grants, funded through CRF, will be subject to similar reporting requirements as for the COVID Nursing Home Support Grant.

Nursing home providers that are designated by the Department of Public Health (DPH) to be COVID Recovery Facilities or Alternate COVID Recovery Facilities will receive a COVID-specific grant equivalent to \$600 per bed per day for the care of COVID-19 positive residents. Using a mutually agreed upon report format, DSS, acting under the direction of OPM, will complete a monthly cost and expense review of each facility receiving the COVID-specific grant, for consideration of expenses that exceed the per diem of \$600.

We very much appreciate our continued partnership with your associations representing the interest of the nursing home industry, the skilled nursing facility providers, and most especially the state's nursing home workers dedicated to caring for our most vulnerable population during this global pandemic.

Thank you for your work and your service to our State.

Sincerely,



Melissa McCaw
Secretary
Office of Policy and Management



Deidre Gifford
Commissioner
Department of Social Services