

### Special COVID-19 Letter of Direction #14

**Date:** August 20, 2020

**To:** Centennial Care 2.0 Managed Care Organizations

**From:** Nicole Comeaux, Director, Medical Assistance Division

**Subject:** COVID-19 Rate Increase for Assisted Living Facilities (ALFs)

**Title:** COVID-19 Rate Increase for ALFs

The purpose of this Letter of Direction (LOD) is to provide guidance and directives to the Centennial Care 2.0 Managed Care Organizations (MCOs) for modification of services and program standards related to the national public health emergency (PHE) associated with the 2019 Novel Coronavirus (COVID-19) outbreak. The purpose of these changes is to assure the continuation of essential services to Medicaid patients without disruption or delay while following Centers for Disease Control and Prevention (CDC) direction to maximize social distancing and use of personal protective equipment for the duration of the PHE.

HSD recognizes that increased costs have been incurred by ALFs during the PHE. The MCO capitation rates have been revised to reflect a five percent (5%) increase in reimbursement rates paid to ALFs. Accordingly, the MCOs are directed to use the additional capitation revenue to increase the MCOs' negotiated ALF reimbursement rates via the community benefit ALF service code T2031.

The capitation rate increase is effective April 1, 2020 to June 30, 2020. Increases to ALF reimbursement undertaken by the MCOs should be implemented in a manner that minimizes administrative provider burden, such as automatic reprocessing of claims, if able, or lump sum payments reflecting the 5% increase for eligible bed days. To address increased costs to ALFs related to the PHE in a timely and efficient manner, the MCOs should increase reimbursement for service code T2031 for April 1, 2020 to June 30, 2020 within 60 days from issuance of this LOD. HSD directs the MCOs to provide weekly updates to HSD on the status of implementation and claim reprocessing every Friday by 5pm until further directed by HSD to cease reporting.

HSD will issue a separate deliverable to each MCO to monitor the implementation of this LOD.

Reporting requirements will cease after the claims run out period (e.g. HSD determines that the national public health emergency ceases on 6/30, the last report submission would be due on 10/20 for the 6/30 reporting period, allowing reporting to include claims payment run out).