



Ned Lamont
Governor

STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT AND DEPARTMENT OF SOCIAL SERVICES

Melissa McCaw, Secretary
Office of Policy and Management

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Department of Social Services

December 30, 2020

To All Nursing Facility Providers:

Thank you for your leadership and ongoing support in the care of Connecticut nursing facility residents as we continue to do our utmost to protect the state from the COVID-19 pandemic. As part of those efforts, we have used Coronavirus Relief Fund (CRF) dollars to support nursing home testing (over \$94 million to date), as well as approximately \$60 million to support additional staff costs, personal protective equipment and other COVID-related costs. This letter outlines two phases of additional financial support available to nursing facilities that meet specific standards, criteria, and conditions developed to improve infection control for COVID-19 and other infectious diseases in long-term care settings.

These conditions of funding were developed with two aims:

- To ensure continuity and quality of care to our state's most vulnerable residents, while preventing the spread of infectious disease; and
- To increase the probability that Connecticut nursing homes will qualify for the remaining cycles of federal Provider Relief Fund financial assistance that are being distributed by CMS on the basis of infection and mortality rates.

Nursing facilities that do not comply with these conditions risk recoupment of financial support.

The Office of Policy and Management (OPM) has authorized the Department of Social Services (DSS) to implement the following support for Connecticut nursing facilities. The financial relief package detailed below was developed with the goal of providing comprehensive financial support across two phases of funding distribution – one to be issued immediately for the period covering November and December 2020 and a second to be issued for the months of January and February 2021. This will be followed by further adjustments to be introduced through the new acuity-based rate structure, which is to be initiated as of July 1, 2021.

The comprehensive financial support package includes:

- Approximately \$31.2 million in CRF payments and Medicaid rate increases for nursing facilities;
- Deferred recovery of \$23.4 million in previously issued interim payments until FY 2022;
- Continued funding of the COVID recovery and alternate COVID recovery facilities; and
- Assistance to nursing homes that may have difficulty paying the nursing home user fees that were due for the quarter ending March 31, 2020.

Phase One

Provide bridge funding reflecting the equivalent of a 10% Medicaid rate increase for November and December 2020, using federal CRF funding (totaling approximately \$20.8 million); defer recovery of \$23.4 million in previously issued interim payments until FY 2022; continue funding for testing of residents and staff through March 31, 2021 (with current terms extended through February 14, 2021); and continue funding of COVID recovery and alternate COVID recovery facilities as needed or until the end of the federal public health emergency, whichever occurs first.

Phase One funding will be contingent on attestation by nursing facilities that they will adhere to the following requirements:

- Compliance with Department of Public Health (DPH) standards regarding infection control, including, but not limited to, cohorting requirements and establishment of back-up testing partners;
- Performance of supplemental antigen testing;
- Provide incentive payments to recognize all direct care staff and, at the discretion of each home, incentive payments to indirect care staff – both of which are defined below – for their service; and
- Initiation of the process of eliminating rooms with three and four beds.

As applicable, nursing homes should review orders issued by the Commissioner of the Department of Public Health for detail on the above. The following process steps will ensure accountability to the above requirements:

- Nursing facilities will attest to the terms through CRF grant agreements with DSS; and
- DPH will document compliance through use of reported data and surveys.

Phase Two

With the goals of continuing to provide financial support, supporting the above referenced investments, and emphasizing the use of funds to mitigate the spread of COVID-19 infection, nursing facilities will receive a 5% Medicaid rate increase (totaling approximately \$5.2 million per month) for the months of January and February 2021. Funding will be authorized through a Medicaid disaster relief State Plan amendment, provided other federal funding is not made available to offset the cost of these requirements.

Phase Two funding will be targeted to the following areas and will be contingent on documentation by DPH to DSS that nursing facilities are meeting these conditions:

- Continued adherence to all Phase 1 requirements;
- Implementation of incentive payments to all direct care staff, as defined in DSS cost reporting requirements, including nursing staff, nursing staff pools and nurse aides, and, at the discretion of each home, incentive payments to indirect care staff, including in-house housekeeping, dietary, and laundry staff;

- Use of compensation arrangements (e.g., shift incentive payments, staff retention incentive payments, and extended schedules) to incentivize direct care staff to work in only one facility;
- Documentation of expenditures for personal protective equipment or other COVID-19 related costs;
- Increase in the hours of infection preventionists, as needed, to ensure they are on-site full-time;
- Use of shift coaches to monitor infection control;
- Performance on plans to eliminate 3- and 4-bed room arrangements; and
- Adherence to any requirements of DPH's vaccine implementation plan that are then in effect.

In addition to the DPH documentation of compliance referenced above, DSS will review annual cost reports for documentation of incentive payments to direct care staff as well as expenditures for personal protective equipment. If the Department determines that a nursing home has not utilized funds as required, the Department retains the authority to recoup funding provided under this package.

In addition to the above, the administration will partner with nursing homes with the goals of providing short-term relief and promoting longer-term financial stability through:

- **Assistance to nursing homes that may have difficulty paying the nursing home user fees that were due for the quarter ending March 31, 2020.** The State recognizes that nursing homes have been and continue to be impacted by the pandemic. Any nursing home that has been granted two extensions of time to pay the nursing home user fees that were due for the quarter ending March 31, 2020, and is still unable to pay these user fees is encouraged to contact the Department of Revenue Services (DRS). Although DRS cannot waive the nursing home user fees that were due for the quarter ending March 31, 2020, it can work with nursing homes to find acceptable payment arrangements. If a nursing home and DRS identify an acceptable payment arrangement and the nursing home complies with the terms of the arrangement, DRS has the authority to waive associated penalties and adjust applicable interest. Please be advised that payment arrangements are dependent on the facts and circumstances specific to each nursing home.
- **Use of a new batch application process to support inter and intra-facility consolidation of facilities** using transfer and Certificate of Need (CON) processes.

We very much appreciate our continued partnership with nursing facilities, your associations' role in representing the interests of the industry, and Connecticut nursing facility staff, who have provided unwavering support for residents during the global pandemic.

Thank you for your service to our State.

Sincerely,

A handwritten signature in blue ink that reads "Melissa McCaw". The signature is fluid and cursive, with the first name "Melissa" and the last name "McCaw" clearly distinguishable.

Melissa McCaw
Secretary
Office of Policy and Management

Deidre Gifford, MD, MPH
Commissioner
Department of Social Services