

A L E R T

July 10, 2020

TO: Nursing Facilities

RE: Financial Accounting for COVID-19 on the Alabama Medicaid Cost Report

Cost Reporting Periods

The 12-month cost report for the period July 1, 2019 through June 30, 2020 should be remitted as normal; due September 15, 2020.

Due to the COVID-19 pandemic, a limited three-month cost report should also be remitted for the period April 1, 2020 through June 30, 2020. This cost report is also due September 15, 2020.

The three-month limited cost report should include the following schedules:

- Information
- Schedule A
- Schedule A-1
- Schedule B
- Schedule D, Column 1 "Expense Per Gen. Ledger"
- Schedule J, signed and notarized
- Verification of Successful Submission from Medimax

In addition, please submit the Medicaid grouped trial balance and the supplemental attachment detailing sources of funding for the period April 1, 2020 through June 30, 2020 to the three-month cost report as an electronic attachment.

The cost reports will be submitted separately through Medimax.

Personal Protective Equipment (PPE)

Costs related to personal protective equipment should be reported on Schedule D, Line 10-7, Medical Supplies and Expense.

COVID-19 Add-on Income and Expense Offset

Effective for claims with Medicaid patient dates of service March 1, 2020 through the end of the national emergency, there will be a \$20.00 add-on to the per diem payment for all nursing facilities due to the COVID-19 state of emergency.

For the purposes of cost reporting, \$20.00 x Total Medicaid Days for the period March 1, 2020 through the end of the national emergency will be deemed "COVID-19 Medicaid Income" and should be included on Schedule B, Line 1 and detailed on Schedule COMMENTS.

COVID-19 Medicaid Income will be verified against actual provider payments and settled after rate setting, if required.

COVID-19 Medicaid Income is to be offset against direct and indirect COVID-19 expenses on Schedule D-3, Adjustments to Expense in the ratio of 75% direct (Schedule D, Line 10-14) and 25% indirect (Schedule D, Line 45-7). **These offsets will be made during desk review before rate setting.**

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Per usual, all invoices are subject to audit.

COVID-19 Add-on Income Received from Hospice Providers

Hospice providers have pass-through contracts with nursing facilities to serve Medicaid patients.

Hospice income will continue to be reported on Schedule B, Line 3. The amount of "COVID-19 Hospice Income" should be reported separately on Schedule COMMENTS.

Hospice claims will be retroactively reviewed to determine if a settlement between the COVID-19 Hospice Income reported on Schedule COMMENTS and the amount of income paid through hospice claims is required.

COVID-19 Hospice Income is to be offset against direct and indirect COVID-19 expenses on Schedule D-3, Adjustments to Expense in the ratio of 75% direct (Schedule D, Line 10-14) and 25% indirect (Schedule D, Line 45-7). **These offsets will be made during desk review before rate setting.**

COVID-19 Cleaning Fee Reimbursement

Medicaid Cleaning Fee Reimbursements should be reported on Schedule B, Line 19, Miscellaneous Income and detailed as "COVID-19 Cleaning Fee Reimbursement."

Because these fees are reimbursed outside of the per diem process similarly to NAT and HepB, COVID-19 cleaning fees should be reported on Schedule D-4, Line 65-18. These transactions will be reviewed during desk review before rate setting.

There will be no income offset.

COVID-19 Communicative Technology

If a facility was approved to use Civil Money Penalty (CMP) Reinvestment funds to provide residents with adaptive communicative technologies, the funds should be reported as Miscellaneous Income on Schedule B.

Devices and accessories purchased with these funds are unallowable for Medicaid reimbursement and should be included on Schedule D, Line 65-18.

There will be no income offset.

Agency Contact

For questions regarding this Alert, please contact Demetrius Bass, Associate Director of QA/Reimbursement at Demetrius.Bass@medicaid.alabama.gov or at (334) 353-4511.

Attachment to the 2020 Limited Three-Month Cost Report

[Sources of Funding](#)