

DATE: August 12, 2020

TO: Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID) Reporting Positive Cases of COVID-19

FROM: Patti Killingsworth, Chief of LTSS

CC: William Aaron, Chief Financial Officer

SUBJECT: **Amended Cost Reports for COVID-19 Treatment Services**

The purpose of this memo is to clarify TennCare Rules regarding Medicaid reimbursement of services in an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID)—specifically as it relates to the COVID-19 Public Health Emergency (PHE).

Since the onset of the COVID-19 PHE, TennCare has received inquiries from (or on behalf of) ICF/IID providers regarding financial impacts associated with the PHE. As set forth in the reimbursement methodology for ICF/IID services (described in the Medicaid State Plan and in TennCare Rule), any additional staffing or PPE costs associated with the “routine” provision of ICF/IID services during the PHE will be identified in the facility’s next annual cost report submission and taken into account in the next rate setting period.

Importantly, however, TennCare Rule 1200-13-6-.07 provides that *“In the event that a provider discovers a significant omission of costs [emphasis added], it may file an amended cost report at any time prior to the due date of its next annual cost report.”* TennCare does consider the provision of COVID treatment services (including ICF/IID services) to a person confirmed COVID-19 positive to be a *“significant omission of costs,”* as these additional costs to provide COVID treatment services could not have been accounted for in the previous cost report.

An ICF/IID who experiences a positive case and continues to provide ICF/IID services may submit an amended cost report only for the ICF/IID facility in which such treatment services are provided in order to reflect the cost of hazard pay for direct support staff, as well as overtime, Personal Protective Equipment and other related costs for COVID treatment associated with the provision of ICF/IID services. The Comptroller’s Office may request documentation that COVID-related treatment services have been provided (i.e., to a person confirmed COVID-19 positive).

As provided in the Rule, *“Rate increases resulting from submission of omitted costs will not be retroactive.”* Rather, the revised rate will be effective prospectively until a new rate is established by the Office of the Comptroller based on the next timely filed cost report submission.

We hope this clarification is helpful.