



OPERATIONAL MEMO

TITLE:	REPORTING COVID-19 SUPPLEMENTAL PAYMENTS ON THE MED-13
SUPERSEDES NUMBER:	N/A
EFFECTIVE DATE:	MAY 22, 2020
DIVISION AND OFFICE:	BENEFITS AND SERVICES MANAGEMENT DIVISION, OFFICE OF COMMUNITY LIVING
PROGRAM AREA:	SKILLED NURSING FACILITIES
KEY WORDS:	SKILLED NURSING FACILITIES, SNF, NURSING FACILITIES, NF, COST REPORT, MED-13, COVID-19
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APPROVED BY: COLIN LAUGHLIN	

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Purpose and Audience:

The purpose of this Operational Memo is to inform Nursing Facilities, Nursing Facility Management companies, and cost report preparers of operational instructions on reporting COVID-19 supplemental payment revenue issued May 22, 2020 on the cost report containing this revenue.

Information:

As described in Operational Memo 20-050, the Department of Health Care Policy & Financing (Department) issued a temporary provider rate increase for Skilled Nursing Facilities (SNFs). The payment was issued in order to offset the increased cost of COVID-19 related precautions and staffing needs. For SNFs, this payment was issued as a one-time supplemental payment based on Medicaid census data.

Because these revenues and costs fall in a time period that will be used to set future rates, facilities must report this revenue and costs on their applicable cost report.

The COVID-19 supplemental payment revenue must be offset as follows:

Total revenue received through the State-issued supplemental COVID-19 payment should be offset against the associated expenses. The offset must be made based on the proportion of adjusted (net allowable) costs reported in each of the following cost centers:

Schedule C, Line 6, Total Direct Nursing (Offset must be made to Line 4 as an offset to Line 6, Total Direct Nursing is not possible on the cost report template).

Schedule C, Line 19, Medical Supplies

Schedule C, Line 43, Dietary Not Food

Schedule C, Line 44, 45, 46, Laundry & Housekeeping (Offsets should be made to the applicable lines related to Laundry and Housekeeping Expenses)

Example:

FACILITY A received \$70,000 in COVID payments and had a total of \$3,500,000 in the relevant costs.

- In this scenario, **Facility A's** COVID-19 supplemental payment of \$70,000 is equal to 2% of their actual costs in the relevant cost centers of \$3,500,000. The revenues should be reported proportionally across the identified cost centers at 2% of costs.
- Cost report preparers should calculate the appropriate percentage to offset on a facility by facility basis using actual costs and revenues.

Cost Center	Adjusted (Net Allowable) Expense	Revenue Offset (2%)
Schedule C, Line 6, Total Direct Nursing	\$3,000,000	(\$60,000)
Schedule C, Line 19, Medical Supplies \$125,000	\$125,000	(\$2,500)

Schedule C, Line 43, Dietary Not Food	\$300,000	(6,000)
Schedule C, Line 44-46, Laundry & Housekeeping	\$75,000	(1,500)
Total	\$3,500,000	(70,000)

MED-13's that do not report the revenue or report the revenues outside the stated method will be adjusted prior to finalization.

Attachments:

None

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