


Special COVID-19 Letter of Direction #15

Date: September 2, 2020 (effective April 1, 2020)

To: Centennial Care 2.0 Managed Care Organizations

From: Nicole Comeaux, Director, Medical Assistance Division 

Subject: MCO Guidance for COVID-19 Positive Members in Nursing Facilities

Title: COVID-19 Nursing Facility Rate Increase

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 this change 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.

Nursing Facility Rate Increase

HSD and the Aging and Long-Term Services Department (ALTSD) have been collaborating to develop an appropriate reimbursement rate for the treatment of COVID-19 positive cases in Skilled Nursing Facilities (SNF) and Nursing Facilities (NF). The Facilities will transition COVID-19 positive members into an isolated ward/wing of the facility. This approach will result in a significant increase in overhead costs related to the COVID-19 positive members, including but not limited to disinfecting procedures, increased clinical and maintenance staffing, and additional PPE.

HSD has received approval from CMS through an Emergency SPA (SPA # 20-0009) to temporarily increase provider reimbursement to reflect these additional expenses. This SPA authorizes payment to providers equal to a thirty percent (30%) increase to the providers' high NF rate.

HSD is directing MCOs to temporarily increase reimbursement for COVID-19 positive members located in a Medicaid enrolled SNF/NF to equal the increased rate authorized under fee-for-service (FFS), effective April 1, 2020 through June 30, 2020.

The MCOs are required to provide direction and training to the SNF/NFs on the temporary rate increase and the requirement for reporting Diagnosis codes U07.1 or U07.2 on the claim to specifically identify COVID-19 positive members. Submitting this information on a claim will result in identifying dates of service claims that are eligible for the temporary increase. The MCO is also required to include the U07.1 or U07.2 code on the encounter to HSD for tracking and rate development.

The MCO shall track patients admitted under Medicare coverage whose benefits revert to Medicaid coverage. The MCOs will also be required to track members who have both Medicare and Medicaid to ensure appropriate processing of claims when Medicare benefit has been exhausted and ensure appropriate processing of Medicaid crossover claims.

All care delivered to COVID-19 positive patients by network and out-of-network SNFs/NFs will be at the skilled/acute level and will be paid at reimbursement rate authorized in the Emergency SPA (SPA # 20-0009). HSD will not deny claims for Medicaid members admitted to a SNF/NF under a Full Medicaid category of eligibility (COE) other than institutional care (IC). SNF/NFs do not receive a NF LOC determination when Medicaid members are admitted under skilled/acute care. The rate increase will be calculated on the FFS HNF reimbursement rate and not on the MCO negotiated HNF rate. Therefore, if the MCO negotiated rate is at or above the HNF FFS reimbursement rate authorized in the Emergency SPA, no further increase in reimbursement is required.

Operational and Reporting Requirements

This SNF/NF reimbursement increase will be operationalized as a non-risk arrangement. HSD will make separate payments to each MCO based on the applicable NF utilization for COVID-19 positive patients as reported by the MCOs.

The payments will be calculated and distributed after the issue date of this LOD. For example, HSD will evaluate utilization by MCO, looking at claims with dates of service between April 1, 2020 and June 30, 2020 and use that as a basis to distribute the estimated payment funds to the MCO. MCOs will make payment to providers within thirty (30) days of receipt of calculation from HSD.

These non-risk payments made from HSD to the MCOs will be excluded from the MCOs' Medical Loss Ratio and Underwriting Gain calculations outlined in the CC 2.0 Contract Amendment #2 (Section 7.2).

Reporting of NF Paid Claims for COVID-19 Positive Patients

The MCOs are required to submit utilization and paid amounts by provider group, rate cohort and month in which the service occurred for each month and as prescribed below. MCOs must submit the data to HSD no later than thirty (30) days from the issuance of this LOD.

Acceptable File Formats:

- Delimited text file (*.txt or *.csv)
- Microsoft Access (*.accdb)

Requirements:

- Table 1 illustrates the data required and information about how the field should be formatted and Table 2 provides an example of the data output.
- The report should include incurred and paid claims with dates of service within the specified period.
- Denied or voided claims should be excluded.
- Rate cohort assignment must be based on the cohort assignment for the member as of the incurred date of the claim.
- Data should be limited to NF and SNF providers that are enrolled with New Mexico Medicaid for the reported data period.

Table 1. Data File Fields

Field Name	Field Information	Format
Month of Service	The date of service must be formatted as 4-character year and 2-character month. “YYYYMM”	Text
Billing Provider NPI	1234567890	Text
Rate Cohort	This should be the rate cohort assigned by MAD to the member for the month the service was incurred. If a member cohort is changed retroactively by MAD the report should reflect the cohort assigned as of the date of the report. Acceptable values align with Financial Reporting Package Rate Cohorts: 001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 011, 012, 300A, 300B, 300C, 301, 302A, 302B, 302C, 303, 304, 310, 312, 320, 322, 110, 111, 112, 114, 115, 116, 117, 118, 119, 120, 121, 122 (113 does not exist)	Text
Days	Number of days associated with the submitted services	Number
Paid Amount	Amount paid by the MCO	Number

Table 2 - Data File Example

Month of Service	Billing Provider NPI	Rate Cohort	Paid Claims	Paid Amount
202004	1234567890	002	46	\$4,462.92
202004	1234567890	003	92	\$4,781.24
202004	1234567890	009	81	\$7,128.00

COVID-19 Testing in Nursing Facilities

HSD will reimburse fee-for-service Medicaid enrolled SNF/NFs for specimen collection for all Medicaid recipients performed by SNF/NF staff. The COVID-19 tests performed in SNF/NFs shall not require the recipient to be symptomatic nor do they require a provider referral. COVID-19 tests will be required to be delivered to and processed at TriCore Reference Laboratories. HSD will reimburse TriCore Reference Laboratories directly for the services. See Special COVID-19 LOD #8 Testing and Treatment Services and Codes for laboratory codes and associated rates. Please use the appropriate code for COVID-19 tests done in nursing facilities.

HSD values its continued collaboration and partnership with the MCOs to implement this directive as quickly as possible to help assure the health and safety of Medicaid members and our fellow New Mexicans. Further direction will be provided as guidance and authorities become available.

This COVID-19 Letter of Direction will sunset when the Human Services Department determines that all associated payments have been appropriately reimbursed.