SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
Healthy Connections MEDICAID

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# MEDICAID ALERT

**TO:** **Nursing Facility Providers**

**SUBJECT:** **COVID-19 Regulatory and Reimbursement Flexibilities for Nursing Facilities**

On Friday, March 13, 2020, President Donald Trump declared a national emergency due to coronavirus disease 2019 (COVID-19) and Governor Henry McMaster declared a state of emergency for the state of South Carolina. As a part of the state's preparation and response to COVID-19, the South Carolina Department of Health and Human Services (SCDHHS) is announcing additional temporary modifications to policies related to admissions to skilled nursing facilities and participation in the Medicaid nursing home program.

On March 27, 2020, SCDHHS sent a memo to the South Carolina Department of Health and Environmental Control (SCDHEC) requesting to either waive certain regulatory requirements for participation in the Medicaid nursing home permitting program or engage in enforcement discretion of the Medicaid permit day law. The purpose of this regulatory flexibility is to support discharges from hospitals to preserve valuable inpatient capacity in anticipation of a COVID-19-related hospital surge. The operation of this flexibility would allow certain skilled nursing facilities to receive reimbursement for services delivered to Medicaid beneficiaries in excess of that facility's permitted allowance. This flexibility applies in two key situations:

- Facilities with permitted Medicaid bed days that offer services and receive reimbursement for bed days in excess of those permitted because they received beneficiaries due to qualified hospital discharges; and,

- Facilities without permitted Medicaid bed days (but that are otherwise licensed and participating in other federal funding programs such as Medicare) that offer services and receive reimbursement for bed days because they received beneficiaries due to qualified hospital discharges.

On April 8, 2020, SCDHEC approved this temporary flexibility, and facilities should refer to this memorandum from SCDHEC for details. For the purposes of reimbursement, flexibility is contingent upon the following factors:

- Medicaid reimbursement is requested for services delivered to Medicaid-eligible and enrolled beneficiaries.

- Reimbursement for all bed days in excess of a facility's bed day permit (or greater than zero for an unpermitted facility) must be for beneficiaries served pursuant to a qualifying discharge (or avoided admission) after March 13, 2020, and before the end of the state of emergency or date this temporary flexibility is rescinded by SCDHEC.

- Reimbursement for individuals admitted to a skilled nursing facility may continue after the state of emergency to support continuity of care. However, provisionally enrolled facilities are not eligible for bed-hold reimbursement.

- Provisionally enrolled providers will receive the statewide average rate for admitted beneficiaries.

- All other provisions of the South Carolina Medicaid skilled nursing facility policy apply.

SCDHHS will not reimburse for services rendered to Medicaid beneficiaries that exceed or are otherwise in violation of a facility's standard permit or state plan guidance, or the supplemental guidance. Accordingly, reimbursement is contingent upon the following conditions and is subject to retrospective review and recoupment:

- Determination of medical necessity alone is insufficient to justify reimbursement for unpermitted bed days. A physician employed by, or practicing on behalf of, a hospital licensed and operating in South Carolina must certify the discharge would preserve inpatient capacity, or that a placement in a skilled nursing facility would avoid a hospital admission.

- Facilities cannot exceed their permitted capacity, and unpermitted and unenrolled facilities may not establish Medicaid bed days using unqualified admissions.

- Adherence to SCDHHS and SCDHEC guidance and policies.

- SCDHHS will provisionally enroll facilities once the facility has received admissions from qualifying hospital discharges or avoided hospital admissions.

At the time of this alert, there does not appear to be a shortage of hospital beds for use in the COVID-19 response, nor does the Medicaid skilled nursing facility census appear to be above normal occupancy. Therefore, there does not appear to be widespread need for the use of provisionally enrolled providers, and such use should be discouraged at this time.

If you have questions about the content of this alert, please direct them to covid@scdhhs.gov.

Thank you for your continued support of the South Carolina Healthy Connections Medicaid program.