

**INFORMATIONAL LETTER NO. 2194-MC-FFS-CVD**

**DATE:** December 2, 2020

**TO:** Community Based Intermediate Care Facilities for the Intellectually Disabled (ICF/ID), Skilled Nursing Facilities (SNF), Psychiatric Mental Institutions for Children (PMICs), Nursing Facility (NF) and Nursing Facilities for the Mentally Ill (NF-MI) Providers

**APPLIES TO:** Managed Care (MC), Fee-for-Service (FFS), Coronavirus Disease (CVD)

**FROM:** Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

**RE:** Grants for ICF/ID, SNF, NF, NF-MI, and PMIC Providers

**EFFECTIVE:** Upon receipt

The IME is providing grants to Medicaid enrolled Community-Based ICF/IDs, PMICs, and NFs (including NF-MIs) to help offset impacts of the ongoing COVID-19 pandemic.

Medicaid enrolled facilities physically located and licensed in Iowa will automatically receive a payment from the Department via Electronic Funds Transfer (EFT) as long as they meet a minimum service threshold based on Long Term Care (LTC) claims paid for room and board in State Fiscal Year 2020 (SFY20). The Department plans to distribute grants starting December 7, 2020. Facilities should expect to receive the payment within one week.

In order to keep the grant, the facility will need to complete an electronic attestation [online](#)<sup>1</sup>. This attestation should be completed immediately upon receipt of grant funds. Starting December 14, 2020, the IME will contact providers who haven't attested to remind them to complete the agreement online. If the facility does not wish to keep the grant, they must return the money to the Department by January 4, 2021. Grants not attested for, and not returned to the Department by the deadline, will be subject to recoupment by the Department.

The grants for facilities comes from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act money that the State received. The State had designated a total of \$50 million in CARES Act money for Home- and Community-Based Services, mental health and substance use disorder providers and distributed it to eligible providers who

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<sup>1</sup> <https://www.tfaforms.com/4868872>

applied for funding prior to the October deadline. Funds remaining from those distributions are now being used to provide grants to the State's Community-Based ICF-IDs, PMICs, and NFs.

The Department will distribute \$10 million in grants to all Community-Based ICF/IDs and PMICs, and \$14 million in grants to all NFs. The Department will distribute grant payments proportionally to each facility based on their respective historic claims paid for the room and board expenses for ICF/ID, PMIC, and NF services during SFY20. Grant payments will be at an IME-established *de minimis* threshold of \$1,000.

By accepting the funds, each facility agrees to comply with the requirements of the Coronavirus Relief Fund (CRF) under the CARES Act and other applicable state and federal law, including but not limited to:

- The CARES Act requires that the payments from the Coronavirus Relief Fund only be used to cover expenses that:
  1. Are necessary expenditures incurred due to the public health emergency with respect to COVID-19;
  2. Were not accounted for in the budget most recently approved as of March 27, 2020; and
  3. Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.
  4. Expenses that have not been reimbursed from another source.
- The Medicaid provider shall retain records that support or document all costs claimed and shall make those records available to DHS, Auditor Office of the State, Department of Management and the Office of the Governor and/or federal authorities upon request. These funds are subject to the single audit requirements of 2 CFR § 200.501 and 45 CFR 75. Records must be kept in accordance with 45 CFR 75.302-75.365, and must be maintained for five years.
- In the event that any funds are deferred and/or disallowed as a result of any audits or expended in violation of the laws applicable to the expenditure of such funds, the Medicaid provider shall be liable to the Department for the full amount of any claim disallowed and for all related penalties incurred.

Important federal guidance about the Coronavirus Relief Fund can be accessed at: <https://home.treasury.gov/policy-issues/cares/state-and-local-governments#>.

The Department is determining eligibility for distribution of the grants. Eligible facilities must:

- Be physically located and licensed in Iowa.
- Have billed a Managed Care Organization (MCO) or FFS for room and board services provided between July 1, 2019 and June 30, 2020.
- Have not permanently ceased providing patient care directly or indirectly.

Any provider wishing to return funds to the IME should include a copy of this informational letter along with a check. These items should be mailed to:

Iowa Medicaid Enterprise  
P.O. Box 310202  
Des Moines, IA  
50331-0202

**Per terms of the CARES Act, funds must be used by December 30, 2020. Any grant payment not attested for or not returned to the Department by January 4, 2021, will be recouped by the Department.** Additionally, if the Medicaid provider does not expend all of the funds for the intended purposes, remaining funds will be returned to DHS by January 4, 2021.

If you have questions, please contact the IME Provider Services Unit at 1-800-338-7909 or email at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).