

## Financial Issues in SNF Testing Mandate

### Testing Reimbursement Assumptions

#### Eligible Testing Reimbursement

- Any licensed nursing home (including hospice residences licensed as nursing homes) that incurs eligible testing costs will be able to receive testing and related reimbursement from MDHHS as outlined below.
- A nursing home will not be eligible for testing and related costs for weeks where a state contractor or the Michigan National Guard conducted the testing as these costs are already being paid for by MDHHS.
- The department does not anticipate that labs will be reimbursed by private payers and as a result nursing homes are not obligated to pursue commercial insurance reimbursement at this time. However, the department reserves the right to provide further clarification and guidance at a future date as it relates to opportunities for commercial insurance billings and state reimbursement.
- Reimbursement for testing will be at the full lab cost of the test for private pay residents, residents under a Medicare Part A stay and staff tests.
- MDHHS will not reimburse testing for Medicaid residents and Medicare residents not under a Part A stay as that should be covered and billed by the laboratory. For testing of staff with Medicaid as insurance, Medicaid should be billed.
- MDHHS will reimburse for specimen collections for staff and residents when the nursing facility collects the specimen.
- Reimbursement for specimen collection will be limited to 86.7% of the Medicare fee screen for CPT code G2024 (\$22.07 a test). It is the assumption of MDHHS that the specimen collection fee will encompass the nursing home staffs' time and any related costs.
- MDHHS will not initially reimburse nursing homes for the cost of shipping specimens to laboratories. Nursing homes should track their shipping costs and MDHHS may reevaluate reimbursement for shipping later.

#### Requesting Reimbursement

- Effective July 6<sup>th</sup>, all Nursing homes should begin submitting their testing reimbursement forms to the Bureau of Audit at: [MDHHS-SNF-Testing-Financial@michigan.gov](mailto:MDHHS-SNF-Testing-Financial@michigan.gov).
- Please submit the testing reimbursement forms only. **Please do NOT send any confidential information or beneficiary specific data to the above email.**
- Reimbursement to the providers will be processed through SIGMA. Nursing homes not currently participating in Medicaid will need to register in SIGMA and obtain a SIGMA Vendor ID. The department can assist with the process of registration.

#### Documentation

- Nursing homes must retain documentation on which staff and residents were tested, the staff and resident's insurance information, invoices for any testing billed to the nursing home or its employees, and a list of which tests had the specimen collections completed by the nursing home (if a nursing home's contract with a lab shows specimen collection is done by the nursing home then that serves as sufficient documentation). Upon audit, if MDHHS finds that documentation does not support the inclusion of testing costs for employees or residents, then MDHHS may recoup all or part of any reimbursement provided through this process.

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### Testing Scenarios

Circumstances When Diagnostic Testing Required <sup>1</sup>	Implementation Responsibility and Options	Billing in First Instance	Any Gaps/Remaining that may be Billed to New State Process
Initial testing: one-time testing for all residents and staff	Nursing home responsible for performing, in normal course of business. State has offered skilled nursing facilities support from the National Guard to conduct initial testing or to drop off test kits for the nursing home's use in initial testing	State-assisted testing, including National Guard testing, funded directly by the state.  Facility-conducted testing billed to insurance.	Initial testing of residents or staff whose insurance does not cover the testing
All new or returning residents during intake <sup>2</sup>	Nursing home responsible for performing, in the normal course of business	Billed to insurance	None expected
Residents or staff with symptoms or suspected exposure	Nursing home responsible for performing, in the normal course of business	Billed to insurance	None expected
All residents and staff on weekly basis, if any positive cases among residents or staff, until the testing identifies no new cases of SARS-CoV-2 infection among residents or staff for a period of at least 14 days since the most recent positive result <sup>3</sup>	Several options, in rank order: 1) Nursing home conducts, taking patient specimens and sending to any laboratory partner chosen 2) State drops off specimen collection supplies for the nursing home to take patient specimens and return to a specific external laboratory 3) State visits nursing home to take patient specimens and return them to a specific external laboratory	State-assisted testing, including National Guard testing, funded directly by the state.  Facility-conducted testing of residents billed to insurance and covered by Medicare and Medicaid.  Facility-conducted testing of staff who are covered by Medicaid, billed to Medicaid.	Facility-conducted testing of residents whose insurance does not cover the testing (expected to encompass some commercial insurance carriers).  Facility-conducted testing of staff whose insurance does not cover the testing (expected to encompass some commercial insurance carriers).
All staff on weekly basis in medium risk or higher regions <sup>4</sup>	Several options, in rank order: 1) Nursing home conducts, taking patient specimens and sending to any laboratory partner chosen	State-assisted testing, including National Guard testing, funded directly by the state.	Facility-conducted testing of staff whose insurance does not cover the testing (expected to

<sup>1</sup> Residents must have the option of refusing testing if they choose

<sup>2</sup> Facilities do not need to test a new or returning resident who has already been tested in last 72 hours

<sup>3</sup> Testing should include all residents and staff who previously tested negative. Residents and staff who previously tested positive do not need to be re-tested weekly.

<sup>4</sup> To include any individual providing services at the nursing home on a weekly basis, including all staff and contractors with routine access to the nursing home.

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	<p>2) Nursing home staff visit testing locations in the general community          3) State drops off specimen collection supplies for the nursing home to take staff specimens and return to a specific external laboratory          4) State visits nursing home to take patient specimens and return them to a specific external laboratory</p>	<p>Facility-conducted testing of staff who are covered by Medicaid, billed to Medicaid.           Facility staff could utilize no-cost test sites in the community, but should take care to select sites that serve asymptomatic individuals at no cost (e.g., retail pharmacy sites)</p>	<p>encompass some commercial insurance carriers).</p>
<p>Testing of all staff in Regions 1 through 5 and 7, at least once between the date of this order and July 3, 2020</p>	<p>Same options as row immediately above</p>		