

SF32 - 0 - COVID-19 Screenings in Long-Term Care Settings

Chief Author: **Karin Housley**  
 Committee: **Human Services Reform Finance and Policy**  
 Date Completed: **7/11/2020 5:45:05 PM**  
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023
Federal Fund	-	-	11,391	-	-	-
<b>Total</b>	-	-	<b>11,391</b>	-	-	-
<b>Biennial Total</b>			<b>11,391</b>			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
Federal Fund	-	-	.8	-	-
<b>Total</b>	-	-	<b>.8</b>	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands		FY2019	FY2020	FY2021	FY2022	FY2023
Federal Fund	-	-	-	11,391	-	-
<b>Total</b>		-	-	<b>11,391</b>	-	-
<b>Biennial Total</b>				<b>11,391</b>		
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Federal Fund	-	-	-	11,391	-	-
<b>Total</b>		-	-	<b>11,391</b>	-	-
<b>Biennial Total</b>				<b>11,391</b>		
<b>2 - Revenues, Transfers In*</b>						
Federal Fund	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		

**Bill Description**

This bill creates a long-term care COVID-19 related screening program and appropriates funds from the coronavirus relief fund for the cost of COVID-19 testing in nursing facilities and assisted living facilities.

**Assumptions**

**Duration of the grant program: Estimated duration is July 14 to November 30**

- This fiscal note assumes that the bill will be passed during a special session on July 13 and be effective the next day. These grants likely qualify as emergency expenditures under 12.36, so they would be exempt from typical requirements under M.S. 16A and 16C. Therefore, they could be used to cover costs incurred by providers on or after the effective date of the program.
- This bill appropriates money from coronavirus relief fund. These funds must be spent by Dec. 31, 2020. Therefore, this fiscal note assumes that testing costs incurred through November will be eligible for the grant. This allows one month for providers to submit the costs and DHS to process them.

**Testing Covered by Public Programs:**

**Medical Assistance:** MA covers the cost of testing through two primary mechanisms:

- **Staff Testing Costs in Nursing Facilities:** Under 12A.10 expedited reimbursement processes, MA will reimburse nursing facilities for the cost of COVID-19 testing for staff. The majority of nursing facilities are enrolled MA providers, so this fiscal note assumes that there would be minimal costs to this grant program for baseline and subsequent testing for nursing facility staff.
- **Resident Testing Costs:** This bill requires that facilities seek reimbursement from public programs for enrolled residents before seeking grant coverage for serial testing. This requirement does not apply to baseline tests. In this population, it is estimated that MA will cover subsequent testing for 55% of nursing facility residents (based on the proportion of MA paid nursing facility days) and 25% of assisted living residents (based on the number of people with services paid through MA waivers and the estimated total number of assisted living residents).

**Medicare:** Many people living in nursing facilities and assisted livings are insured through Medicare. Medicare covers the cost of COVID-19 testing based on an individualized clinical assessment, but it is not clear whether it will cover testing as part of a facility-wide testing program. Since the guidance is not clear, this fiscal note assumes that the cost of facility-wide testing for people with Medicare coverage will be eligible for these grants.

**Number of tests covered:** This grant program would cover both baseline testing and subsequent follow up testing as recommended under CDC guidance. DHS does not have direct data on the number of facilities that need baseline testing.

Based on recent data from the MN Department of Health, in a recent week, mobile units were testing about 44 facilities per week. Facilities are also able to access testing through other sources. To account for this, it is assumed that about 66 facilities per week will be tested over the course of 19 weeks of this grant program. At that pace, this fiscal note estimates that about 60% of nursing facilities and assisted living facilities would request grants to cover baseline testing. It is assumed that 20% of those would also request grants to cover a subsequent test. It is assumed that facilities requesting subsequent testing will receive an average of 2 additional tests.

**Average cost per test:** This fiscal note assumes that the average cost per test is \$125.

**Appropriation:** This bill appropriates funds in SFY20 for baseline testing grants. Since SFY 20 has now ended, it is assumed that these funds would be available in SFY21 and the costs in this fiscal note as shown in SFY21.

**Administrative Resources:** This grant program will require administrative resources to implement as indicated below.

**Continuing Care for Older Adults Administration:**

Overtime hours for existing FTE are needed for about 4.5 months to process grants to providers. This would include time to develop the application, the RFP, review applications and reimbursement requests once grantees are selected. It is estimated that about 8 hours of overtime per week will be needed for a 10L MAPE and 24 hours of overtime per week will be needed for a 14L MAPE employee.

	FY 21	FY 22
Salary	36,064	0
Fringe	10,819	0
Overhead	0	0
Total	46,883	0

**Contracting Staff - Operations:**

Overtime hours for an existing FTE are needed for about 4.5 months to process grants to providers. This staff person would be needed to process over 1,000 grants. This includes reviewing and entering encumbrances for each grant. It is estimated that about 24 hours of overtime will be needed each week for a 14L MAPE employee.

	FY 21	FY 22
Salary	28,618	0
Fringe	8,585	0
Overhead	0	0
Total	37,203	0

**Expenditure and/or Revenue Formula**

**Testing Costs**

	Assisted Living Staff	Assisted Living Residents	Nursing Facility Residents
<b>Baseline Grants</b>			
Estimated number of people	45,000	43,000	27,000
Percentage of facilities that will request grants for baseline testing	60%	60%	60%
Estimated number of people tested	27,000	25,800	16,200
Average cost per test	\$125	\$125	\$125
Cost of baseline tests	\$3,375,000	\$3,225,000	\$2,025,000

<b>Total cost of baseline tests</b>	<b>\$8,625,000</b>		
<b>Subsequent Tests- Total tested under base testing above</b>	27,000	25,800	16,200
Proportion of facilities requesting subsequent tests	20%	20%	20%
Total subsequent test population	5,400	5,160	3,240
Average number of subsequent tests	2	2	2
Total number of subsequent tests	10,800	10,320	6,480
Estimated proportion covered by public programs	0%	25%	55%
Number of tests eligible to be covered by grants	10,800	7,740	2,916
Average cost per test	\$125	\$125	\$125
Cost of subsequent tests	\$1,350,000	\$967,500	\$364,500
<b>Total cost of subsequent tests</b>	<b>\$2,682,000</b>		

**Administrative Costs:**

	FY 21	FY 22
CCOA MAPE 10L for 22 weeks	9,680	
includes 1.5 overtime for 10 weeks (8 hours overtime per week)		
CCOA MAPE 14L for 22 weeks	37,203	
includes 1.5 overtime (24 hours overtime per week)		
Operations MAPE 14L for 22 weeks	37,203	
includes 1.5 overtime (24 hours overtime per week)		
<b>Total Admin costs</b>	84,086	0

**Total Costs:**

	FY 21	FY 22
Baseline tests	8,625,000	0
Serial Tests	2,682,000	0
Admin costs	84,086	0
<b>Total</b>	<b>11,391,086</b>	<b>0</b>

**Summary:**

Fiscal Tracking Summary (\$000's)

Fund	BACT	Description	FY2020	FY2021	FY2022	FY2023
CRF	53	Aging & Adult Svcs Grants Baseline Grants		8,625		
CRF	53	Aging & Adult Svcs Grants Subsequent Tests		2,682		
CRF	15	CCOA Admin		47		
CRF	11	Operations Admin		37		
		<b>Total Net Fiscal Impact</b>		<b>11,391</b>		
		<b>Full Time Equivalents</b>		<b>0.8</b>		

**Long-Term Fiscal Considerations**

This bill appropriates money from the Coronavirus Relief Fund. This fund is only available through Dec. 31, 2020 so there are no long-term fiscal impacts.

**Local Fiscal Impact**

**References/Sources**

2017 Minnesota Health Access Survey  
 COVID-19 Frequently Asked Questions (FAQs) on Medicare Fee-For-Service (FFS) Billing  
 CCOA Research and Analysis

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