

Item 9: Department of Human Services / Department of Administrative Services

Long Term Care Facility Provider COVID-19 Testing Reimbursement

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Request: Increase the Federal Funds expenditure limitation for the Department of Administrative Services initially established at the April 23, 2020 meeting of the Emergency Board by \$5,000,000 to support the transfer of Coronavirus Relief Fund dollars to the Department of Human Services and increase the Other Funds expenditure limitation established at the August 5, 2020 meeting of the Emergency Board by \$5,000,000 for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to the Department of Human Services to help cover long term care provider costs for routine COVID-19 staff testing.

Description: Earlier this year, the Department of Human Services (DHS) received \$3,350,000 Other Funds expenditure limitation, which was supported by federal Coronavirus Relief Fund (CRF) resources (initially provided as General Fund), to pay for COVID-19 proactive testing and specialized training for long term care workers. The bulk of the funding, at \$2.5 million, was earmarked to reimburse long term care providers for COVID-19 staff testing costs not covered by insurance. By the end of October 2020, those funds were fully utilized.

Effective November 1, 2020, under the statewide plan for long term care staff testing and per Centers for Medicare and Medicaid Services (CMS) rules and guidance, routine COVID-19 staff testing is mandatory for all licensed nursing, assisted living, and residential care facilities. Staff must be tested at least once a month, with more frequent tests required based on the county COVID-19 test positivity rate.

Based on earlier reimbursements, DHS estimates the average cost per test to be \$114; variables such as test type, collection method, specific lab, and test volume can drive costs. Some nursing facilities are using point-of-care (POC) antigen devices and test kits supplied by the federal government at no cost; however, staff time is required to conduct and report test results since a lab is not involved. In addition, while the POC antigen tests are free and provide rapid results, they are generally less sensitive than other alternatives, such as a polymerase chain reaction (PCR) test. Staff with a negative POC antigen test will likely need a follow-up PCR test if the person has symptoms consistent with COVID-19; that test will have a cost.

Both agency and stakeholder testing cost projections assume a subset of the approximately 29,000 staff in long term care facilities will be able to access free POC antigen tests or testing paid through insurance. Using the average of \$114 per test, the request for \$5.0 million will cover testing about 22,000 staff per month, or about 76% of the workforce, over the two months of November and December 2020. The request for CRF funding for these two months fits within guidelines requiring eligible costs to be incurred (goods provided and/or services rendered) by December 30, 2020.

Costs associated with mandatory COVID-19 staff testing beyond this calendar year are not part of the current request. Since testing requirements are likely to be in place for several months into 2021, any action on funding for additional cost reimbursements will need to be addressed in a future budget action; perhaps as soon as the routine Emergency Board meeting planned for early December 2020. If this request is approved and funding is insufficient based on actual (as opposed to estimated) testing

costs, a funding adjustment to account for that shortfall could also be considered.

The requested \$5.0 million is available from the state program share of Oregon's CRF award. As previously reported to the Emergency Board, the planned state program CRF budget includes \$10.0 million for COVID-19 testing in long term care facilities. Prior to this meeting, none of the \$10.0 million had been authorized for expenditure by the Emergency Board; even after recommended action on related agenda item #8, there will be a balance from the \$10.0 million to cover this request.

Recommendation: The Co-Chairs of the Emergency Board recommend increasing the Federal Funds expenditure limitation for the Department of Administrative Services initially established at the April 23, 2020 meeting of the Emergency Board by \$5,000,000 from funding made available to states through the Coronavirus Relief Fund (CRF) to support the transfer of CRF to the Department of Human Services and also recommend increasing the Other Funds expenditure limitation for the Department of Human Services established at the August 5, 2020 meeting of the Emergency Board by \$5,000,000 for funding from the CRF received by the Department of Administrative Services and transferred to the Department of Human Services to reimburse long term care providers for routine COVID-19 staff testing costs.