



# HCBS Adult Day Provider Supports: Program Guidance

*October 28, 2020*

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## **1 Executive Summary**

On July 2, 2020, Governor Gina Raimondo announced a plan to expand home-based care options in Rhode Island as the state continues to grapple with the spread of COVID-19 in congregate living facilities. Before COVID-19, sixty-one percent (61%) of the State's Medicaid long-term care recipients lived in nursing facilities, which have struggled to contain the spread and impact of COVID-19 on residents and staff.

**Adult Day Programs are state-licensed, community-based providers that provide structured, individualized programs to meet the physical and/or cognitive health needs of elders and adults with disabilities during the day, in protective, medically supervised settings for individuals living at home.** The availability of these types of daytime care options are critical to ensuring that individuals in need of long term care services have the choice to remain in their homes. These Adult Day Programs provide a daytime respite for the primary home-based caregivers (often relatives) to work or run errands, and they provide a social and stimulating environment for individuals living at home. The State recognizes the importance of retaining the capacity for adult day health services during this public health emergency while there remains a crisis in nursing facilities. The **HCBS Adult Day Provider Supports Program** is designed to address safety concerns by assisting in ensuring the viability of these Adult Day Program providers.

**The COVID-19 public health emergency has had a significant second order impact on Adult Day Program provider revenues and program attendance.** As the COVID-19 public health emergency unfolded, many families and/or providers were forced to suspend adult day services due to overall safety concerns related to COVID-19. In addition, many Adult Day Programs had to suspend service based on public health guidance. This resulted in a significant business interruption for providers. During this public health emergency, access to these services has been and may continue to be restricted, causing an additional negative second order effect of compromising the ability of Rhode Island's elders and adults with disabilities to remain in their homes and communities. Enabling an increase in the utilization of these services, while necessary, is heavily dependent on attendee and staff safety, which requires significant investment in additional PPE, cleaning, barriers, and additional staffing to provide programming in smaller groups.

**Provision of Adult Day Program health care services can be an effective method of mitigating the risk of providing long term care to vulnerable populations in congregate settings by keeping individuals in their homes and out of institutional settings as long as possible.** The availability of Adult Day Program health services is a key component of providing long term care services in the home and reducing exposure to the COVID-19 pandemic risk by keeping individuals out of institutional care settings. Although long term care services provided at home and at Adult Day Program centers also poses a risk of infection, the risk of infection is considerably lower than the risk of infection in nursing facilities and is generally easier to address.

**To address the business interruption and increased costs faced by Adult Day Program providers and to mitigate the unnecessary risk of placing low-income individuals in higher risk settings, the State is establishing a support program for Adult Day Program Providers who provide services to Medicaid beneficiaries ("Program").** The goal of this Program is to stabilize the Adult Day Program providers so as to mitigate potential exposure to COVID-19 during the pandemic by maintaining the capacity for home-based long term care services as an alternative to the use of higher risk institutional care settings.



## 2 Program Overview

### 2.1 Program Description

The **HCBS: Adult Day Provider Supports Program** will distribute up to \$1,500,000 in grant funding to eligible Adult Day Program providers in Rhode Island. The grants will address the costs of business interruption and increased COVID-19 related costs. These funds are an additional measure to be used as secondary to other Federal COVID-19 relief funding received by Adult Day Program providers, and other funding resources made available by the State over the duration of the COVID-19 response.

It is a priority of EOHHS to ensure that elders and adults with disabilities receiving Adult Day Program health services continue to do so, that access is maintained, and that these services be provided in accordance with Rhode Island public health guidance. Given these priorities, grant payments will be made to Adult Day Program providers to provide immediate cashflow for re-opening and cover direct costs due to COVID-19, as well as make up for lost revenue and other costs due to the business interruption during COVID-19. Distribution of these funds will be tied to expectations that Adult Day Program providers develop concrete re-opening plans if not already open, provide monthly data to EOHHS on their services provided, and apply for federal funding support made available to Medicaid providers.

### 2.2 Funding Allocation Methodology

Funding will be allocated to all providers of Adult Day Programs who are licensed to provide services to Medicaid beneficiaries in the State of Rhode Island and have served Medicaid or Office of Healthy Aging @Home Cost-Share recipients in calendar year 2020.

EOHHS will evaluate the lost revenue associated with COVID-19, beginning from March 6, 2020, and allocate one-time grant funding to partially subsidize costs associated with the COVID-19 pandemic and the costs of resuming in-person care on site. The State will make disbursements of available funds not to exceed \$1,500,000 to qualifying Adult Day Program providers proportionally based on:

1. Documented loss of revenue from March 2020 through– October 2020, as compared to revenue from March 2019 through October 2019.
2. COVID-19 related increased costs or expected increase in costs incurred between March 2020 through December 2020
3. Minus the amount of federal or state COVID-related assistance received beginning March 2020 through the submission of this Program application, including but not limited to PPP loans, State retainer payments, and HSRA Provider Relief Fund payments.

The amount calculated based on the above equation will then be factored as a percentage of the total of all Adult Day Program providers that have been approved to receive funds from this Program.

In all cases, grant funding will be limited based on the need demonstrated in the application. Applicants will have to demonstrate need by documenting revenue loss resulting from the pandemic, increased costs resulting from the pandemic, and subtracting for that amount any amounts received or to be received from any Federal or State sources of COVID-19 pandemic relief, including the Federal Provider Relief Fund, a PPP loan, any state COVID-19 based relief (including Restore RI grants and any other LTSS grants).



Grant funding will be distributed upon EOHHS' approval of the grant application. Award recipients will need to maintain award funds in a separate general ledger account and keep complete documentation of the uses of the Program funds in accordance with the statutory requirements of the Coronavirus Relief Fund ("CRF") and the guidance and FAQs issued by the U.S. Department of Treasury applicable to that fund.<sup>1</sup>

### 3 Program Details

#### 3.1 Funding and Application Dates

Key dates for the **HCBS: Adult Day Provider Supports** Program are as follows:

- **October 28, 2020:** Applications available online at EOHHS website.
- **November 6, 2020:** Applications due to the State.
- **November 2020:** Funds disbursed

#### 3.2 Eligible Applicants

Funding through this Program is restricted to providers of Adult Day Program services who meet the qualification listed below:

- Licensed as of March 1, 2020, to provide services to Medicaid beneficiaries in the state of Rhode Island
- Have served Medicaid and/or Office of Healthy Aging (OHA) @Home Cost-Share recipients during calendar year 2020.
- Have pursued federal funding, such as Paycheck Protection Program (PPP), Economic Injury Disaster Loans (EIDL), HHS Provider Relief Funds, Health Resources & Services Administration (HRSA) Provider Relief Funds. Proof of application for federal funding will be required in application.

Adult Day Program providers that are not in compliance with the terms of other coronavirus relief programs by the State may be deemed ineligible for this program at the discretion of EOHHS.

#### 3.3 Program Application Requirements

In order to receive funding through this Program, eligible Adult Day Programs must submit a completed application to EOHHS via email on or before the due date listed above.

**All applications must include the following:**

- Submission of a re-opening plan detailing the following: current status of Adult Day programs (including actual or planned date of re-opening), current enrollment and projected enrollment by 12/30/2020, program provider's approach to ensure access to Medicaid beneficiaries with active service

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<sup>1</sup> Guidance on the use of the CRF is available at <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>. This guidance includes, but is not limited to, the Coronavirus Relief Fund Guidance for State, Territorial, Local and Tribal Governments (available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>) and the Coronavirus Relief Fund Frequently Asked Questions (available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>), each of which are updated by the U.S. Treasury from time to time.



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plans; provider's procedures to safely begin resuming in-person care; provider's staff hiring/re-hiring plan. Providers must commit to trying to achieve pre-COVID enrollment of individuals receiving services according to their re-opening plans.

- Documented loss of revenue, COVID-related increased costs and COVID-related assistance from any federal or state sources in the format provided in the application
- **Attestations to the following:**
  1. Signed commitment of intention to reopen programs by December 1, 2020, if not already open.
  2. Signed commitment that plans for resuming in-person care will adhere to all public health guidelines and will preserve compliance with Medicaid rules and regulations to ensure 100% compliance.
  3. Signed commitment to retain funds in a separate account for payments related to this Program and to provide progress reports as required by the State.
  4. Signed commitment to provide reporting to EOHHS on utilization, attendance, and staffing of programs in accordance with specifications to be provided.
  5. Signed confirmation of having applied for all available federal and state funding relief offered so far, specifically HRSA PRF General Distribution Phase 2 and Phase 3.

Applicants must agree and commit to all elements listed above in order to be eligible to receive this funding.

All questions regarding this Program should be directed to: [OHHS.LTSSResiliency@ohhs.ri.gov](mailto:OHHS.LTSSResiliency@ohhs.ri.gov) with "Adult Day Program Provider Supports" in the subject line.

### **3.4 Eligibility for Funding**

An Evaluation Committee shall be established by the Secretary of EOHHS. The Evaluation Committee's objective is to review applications to determine whether Adult Day Programs submitting applications (Applicants) meet the eligibility criteria set forth by EOHHS and make recommendations to the Secretary as to eligible Applicants. Evaluation Committee recommendations on eligibility can result in the following outcomes and findings:

- Eligible
- Additional information required
- Ineligible

If an Applicant is deemed "ineligible," a notification will specify the reason(s) for such ineligibility, based on the criteria provided. If additional information is required, Applicant will have five (5) business days to respond with sufficient evidence to be deemed eligible. As soon as evaluation of all Applicants is completed, funds will be disbursed in accordance with the funding allocation methodology described above.

### **3.5 Eligible Uses of Funds**

Funding must be used to cover costs resulting from the COVID-19 pandemic during the period March 1, 2020 to December 30, 2020 for the following eligible expenses:

- Costs to prevent, prepare for, or respond to coronavirus, including but not limited to:



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- Payroll expenses, including employee wages, overtime, payroll support, or hazard pay. Important to note: staff bonuses or any type of one-time payment is not an allowable use of funds under the CRF requirements.
  - Occupancy costs incurred as a result of closure and reduced revenues which includes rent/mortgage, utilities, insurance etc.
  - Small, capital improvement projects to support mitigation efforts resulting from COVID-19, including:
    - Protective barriers to reduce airborne transmission (i.e. sneeze guards, partition shields)
    - Cleaning and sanitization supplies in adherence with CDC guidelines
    - Improved air quality (i.e. improvements to HVAC systems, replacement/addition of window to increase natural ventilation and air flow)
    - Expanding or reconfiguring space (i.e. equipment, materials and furnishings needed to reduce the risk of cross-contamination due to shared equipment use during therapy, care services, evaluations.)
  - New, anticipated costs related to COVID-19, including PPE, therapy materials/equipment, workforce training and enhanced protocols for the screening of Adult Day services recipients.
- Costs resulting from the business interruption resulting from COVID-19 that enable the applicant to continue to deliver care during the pandemic, including typical payroll and benefits, rent or mortgage payments, equipment lease payments, and other standard operating expenses.

Grant recipients will be required to document and demonstrate that funds received are spent on costs as described above.

Once funds are disbursed, successful Applicant award recipients are instructed to keep detailed and complete financial records demonstrating that funds received through this Program are spent in accordance with these requirements, as award recipients of these funds will be subject to audit. In the event of an audit, if the award recipient is found to have used funds for ineligible expenses, the award recipient will be considered in violation of the award agreement at which point RI EOHHS may begin the process of recouping all or a portion of the funds awarded. The State will determine whether the full award or a portion of the award shall be recouped based on the State's assessment of the unique circumstances of each violation of the award agreement.

## **4 In Closing**

The COVID-19 public health emergency has posed an array of obstacles for providing care to Rhode Islanders who need long-term services and supports. This Adult Day Supports Program is one of several included in the LTSS Resiliency Program established by Governor Raimondo that provides stabilization funding to key providers in the LTSS system and invests in maintaining HCBS capacity so that all Rhode Islanders are able to obtain the LTSS they need in the most appropriate and least restrictive setting that best mitigates the risk of infection. This Supports Program is designed to provide critical financial support to key providers in the LTSS system, while at the same time mitigating the risk of infection by increasing the availability of affordable community-based alternatives for LTSS services.



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The State of Rhode Island looks forward to working with critically important Adult Day Program health care providers and stakeholders to establish and carry out this Program.