



IDAHO DEPARTMENT OF  
**HEALTH & WELFARE**

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MEMORANDUM

TO: Alex Adams, Administrator  
Division of Financial Management

FROM: Dave Jeppesen, Director DJJ  
Department of Health and Welfare

DATE: August 10, 2020

SUBJECT: CFAC Funding Request for Long-term Care Facilities

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Long-term care facilities are home to vulnerable Idahoans who are not able to live independently. In Idaho, long-term care facilities include skilled nursing (nursing homes), assisted living, and intermediate care facilities for the intellectually disabled (ICF-ID); there are just over 400 long-term care facilities located across the state. Long-term care facilities face significant challenges in caring for their residents during the COVID-19 pandemic. COVID-19 is highly contagious and can easily spread in congregate living situations, such as in long-term care facilities.

Facilities have incurred, and continue to incur, additional costs related to staffing, personal protective equipment, relocating residents when the facility is no longer able to care for them, housekeeping and laundry, and maintenance. The financial challenges facilities face has been confirmed by the Idaho Health Care Association, as evidenced in the association's letter to Governor Little dated July 28, 2020.

An additional concern is that assisted living facilities are intended to care for residents who need assistance with activities of daily living and do not require continual medical care. Most these facilities cannot execute recommended protocols for the care of COVID-positive residents, such as isolating residents with COVID or securing additional medical and nursing personnel. Facilities that cannot retain or admit residents with COVID-19 have few options other than discharging those residents to a more appropriate care location. Currently, there are two facilities that specialize in caring for COVID-positive residents: Twin Falls Manor, an assisted living/memory care facility in Twin Falls; and, Arbor Valley of Cascadia, a nursing home in Boise. There is a need for more facilities in the state to provide this service to assure appropriate care for COVID-positive residents, prevent the spread of COVID-19 in existing facilities, and preserve limited local hospital beds.

A concern expressed by the Idaho Health Care Association is that facilities may be reluctant to access CFAC funds if the funding is later taken back in future reduced Medicaid reimbursements based on cost information. The following costs are needed to provide for COVID-positive residents and for COVID-exclusive facilities statewide:

| Service  | Justification  | Funding Request     |
|--|--|---------------------|
| COVID-exclusive facility or COVID-exclusive wing/unit                                  | Long-term care facilities that transition to COVID-exclusive facilities or dedicate a wing/unit in their facility for that purpose provide a post-acute, residential care option for residents who have COVID-19 and live in geographic areas where other long-term care facilities are not positioned to care for those residents.<br>This funding would be available retroactively to March 1, 2020. | \$2 million         |
| Add-on per-resident, per-day rate to care for residents who test positive for COVID-19 | Long-term care facilities have increased costs related to caring for residents in their facilities who have tested positive for COVID-19.<br>This funding would be available retroactively to March 1, 2020.   | \$7 million         |
| Transportation   | Funding in this area is intended to reimburse facilities for the costs of transporting residents to and from temporary COVID-exclusive facilities.<br>This funding would be available retroactively to March 1, 2020.  | \$1 million         |
| <b>Total</b>   |  | <b>\$10 million</b> |

**Bases for funding requests:**

**COVID-Exclusive Facility or COVID-Exclusive Wing/Unit**

The amount of funding requested for this purpose was determined by consulting with the operators of the two facilities that have transitioned to becoming a COVID-only assisted living facility (Twin Falls Manor) and a nursing home with a COVID-dedicated wing within the facility (Arbor Valley of Cascadia). Those facilities provided financial information that shows transition and start-up costs of approximately \$75,000 to \$100,000. The request would provide the funding necessary for 20-25 of Idaho’s existing long-term care facilities to create COVID-exclusive facilities or units within existing facilities.

**Add-on per-resident, per-day rate to care for COVID-positive residents**

The amount of this request was determined as follows:

Review of financial information submitted by a long-term care facility shows per resident, per day costs of \$64.14 for assisted living operations prior to the pandemic. The financial information for that same facility, now operating as a COVID-exclusive facility, shows a current per resident, per day cost of \$227.87. Costs are higher at this point for the facility because it is only operating 10 of its available 30 beds, however, the facility is gradually

adding beds as the need increases. Financial projections at full capacity of all 30 beds reduces the per resident cost, per day cost to \$117.33. This is the amount used to determine a per resident, per day add-on rate of \$54 to care for COVID-positive residents.

Currently, there are 400 residents with COVID-19 in long-term care facilities. According to data from the Department's Division of Public Health, the state has experienced an increase of approximately 100 residents per month who have COVID-19 and live in long-term care facilities.

Our calculations included a projection of the number of residents with COVID-19 for each of the remaining months in 2020. The monthly increase in the number of residents with COVID-19 could increase or decrease; this estimate is based on current rates of transmission.

August – 500 residents  
September – 600 residents  
October – 700 residents  
November – 800 residents  
December – 900 residents

This request for increased reimbursements of \$54 per day per COVID-positive resident includes expenses of caring for residents with COVID-19, screening staff, outside health care providers and visitors, as well as expenses related to building maintenance, housekeeping/laundry, dietary, activities, and administration.

#### **Transportation Costs**

Transportation costs are based information provided by Twin Falls Manor and the costs incurred for transporting residents from other parts of the state to its facility and back to the resident's original facility after the resident recovered. Transportation costs are projected to December 31, 2020.