



**Medicaid Advisory Letter (MAL) No. 647**  
**Sept 18, 2020**

**TO: Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IIDs)**

**FROM: Maureen M. Corcoran, Medicaid Director**

**SUBJECT: Response to questions regarding treatment and reporting of COVID-19 pandemic funding for ICF/IIDs**

The following guidance provided by the Ohio Department of Medicaid (ODM) to private Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IIDs) pertains to the treatment of dividend income, loans, Coronavirus relief payments and/or other stimulus funds.

ICF/IIDs receiving stimulus revenues from multiple federal, state, and/or private sources to cover allowable expenses have requested guidance as to how to report the funds on the Ohio Medicaid cost report. Hence, ODM addresses the following questions from this perspective, to assist ICF/IIDs in their efforts to maintain policy adherence and program compliance.

**Question 1: Can ICF/IIDs claim the cost of PPE, i.e., masks, gloves, gowns and other equipment purchased in response to the COVID-19 pandemic?**

- **Yes.** COVID-19 related costs that meet reasonableness requirements in the CMS Provider Reimbursement Manual and are medically necessary are allowable and should be reported in the Medical Supplies account under Other Protected Cost.

**Question 2: What defines dividend, rebates, and stimulus payment?**

- **It depends. Funding terms differ (e.g., dividends, payment, rebate).** One term may have more than one meaning and/ or may be used interchangeably, which would affect how the funds are to be treated in cost reporting. The way terms are interpreted and applied by Ohio agencies and CMS depend largely on the matter at hand. As an example, the term “dividend” may be considered as a return on investment (revenue) or a type of insurance (cost). The best advice is to ensure that all funds are tracked separately for auditing and reporting purposes.
- **Utilize all available authoritative sources for guidance.** Direct guidance from additional sources (beyond ODM Policy and Program Integrity) is necessary on an ongoing basis from field experts in accounting and fiscal funding sources such as CMS, BWC, Auditor of State (AOS), Office of Budget and Management (OBM). These sources should be used when determining treatment of provider revenue and expenses.

**Question 3: How are ICF/IIDs to treat COVID-19 stimulus payments to ICF/IID residents?**

- Guidance provided to Ohio by CMS, indicates that COVID-19 payments received by individuals do not *typically* count towards the individual's cost of care or provider costs/revenues. The rationale is based on the intent of these funds, e.g., for personal use to stimulate the economy. Detailed answers are included in MEPL 151 COVID-19 Public Health Emergency: Treatment of Recovery Rebates and Federal Pandemic Unemployment Compensation which addresses CARES Act related payments to individuals. See complete guidance at: [MEPL 151](#).

**Question 4: How should ICF/IIDs report and account for funds received due to the COVID-19 pandemic?**

- **Stimulus funds received by providers for COVID-19 purposes may be treated differently than traditional income or revenue funds, rebates, dividends, and payback. Examples of COVID-19 stimulus funds in which ICF/IIDs in Ohio may encounter include:**
  - BWC Employer Relief from COVID-19 2020 Employer Dividend (pay on premium) [MAL 646](#);
  - Corona Virus relief Fund (CRF) as authorized through the CARES Act and distributed through OBM [MAL 644](#);
  - HSRA 2% of Revenue [HRSA Provider Relief](#); and
  - Payment Protection Program administered through the U.S. Small Business Association (SBA) [SBA](#) and US Treasury Resources [US Treasury](#).
- **All ICF/IIDs that receive COVID-19 pandemic funds should report and account for funds received due to the COVID-19 pandemic as follows:**
  1. Identify and report CRF funds received as other revenue (not to be offset) on a separate cost report line 5400 – Other Revenue.
  2. Maintain documentation to support the increased cost and/or reduction in revenue resulting from the COVID-19 pandemic. Documentation shall support costs incurred and revenue loss attributable to COVID-19.
  3. Complete a reconciliation that includes a comparison between all COVID-19 relief funds received, and the increased cost and/or reduction of revenue demonstrating that increased cost or lost revenue equal or exceed total relief funds received. The ICF/IID is responsible for returning CRF funds that exceed the increased cost and/or reduction of revenue.

For additional information, ICF/IIDs should contact the Ohio Department of Developmental Disabilities, Division of Residential Resources, and refer to this Medicaid Advisory Letter, which is posted by ODM at: [MAL](#).