



Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Funding for Office of Long-Term Living (OLTL) Community HealthChoices (CHC) Managed Care Organizations (MCO) and Living Independence for the Elderly (LIFE) Organizations

Governor Wolf signed Act 24 of 2020, which allocates funding from the federal Coronavirus Aid, Relief, and Economic Security Act – also known as the CARES Act. Act 24 established funding from the CARES Act to be used to cover necessary COVID-19 related costs for identified persons and entities incurred between March 1, 2020 and November 30, 2020. Act 24 includes \$457,000,000 of COVID-19 relief funds for providers of Long-Term Living Programs. To qualify for the one-time payment, the person or entity must be in operation as of March 31, 2020. This funding will be used to provide the following payments to CHC-MCOs and LIFE Organizations:

- **COVID-19 CHC-MCO Payment**

The total funds available for a one-time payment to CHC-MCOs pursuant to Act 24 (CHC-MCO COVID-19 Payment) is \$50,000,000.

The CHC-MCO COVID-19 Payment for each CHC-MCO is calculated by dividing the CHC-MCO's number of Nursing Facility Clinically Eligible (NFCE) participants as of March 31, 2020 by the sum of all CHC-MCO's NFCE participants as of March 31, 2020 to obtain a specific quotient for each CHC-MCO. Each CHC-MCO's quotient is then multiplied by \$50,000,000 to determine its CHC-MCO COVID-19 Payment.

- **COVID-19 Managed Long-Term Care Organization Payment**

The total funds available for a one-time payment to Managed Long Term Care Organizations, which are known as LIFE Organizations, pursuant to Act 24 (LIFE COVID-19 Payment) is \$10,000,000. An organization qualifies for the LIFE COVID-19 Payment if the organization has: (a) entered into an agreement with the Department to operate a LIFE program as defined under section 602 of the Human Services Code, and (b) operates a LIFE program in a specified county or set of counties, as determined by the Department.

The LIFE COVID-19 Payment for each LIFE Organization is calculated by dividing the LIFE Organization's total amount reimbursed by the Department for LIFE program services in the first quarter of calendar year 2020 by the total amount reimbursed by the Department of Human Services (Department) for LIFE program services in the first quarter of calendar year 2020 to obtain a specific quotient for each LIFE Organization. Each LIFE Organization's quotient is then multiplied by \$10,000,000 to determine its LIFE COVID-19 Payment.

OLTL is preparing for the distribution of the funds as one-time gross adjustments to CHC-MCOs and LIFE Organizations. Payment information will be posted to the Department's website at:

<https://www.dhs.pa.gov/providers/Providers/Pages/Long-Term-Care-Providers.aspx>.

Providers do *not* need to submit requests for the funding.

Act 24 of 2020 requires these funds to be expended by November 30, 2020 or returned to the commonwealth. Additionally, these funds must be used for COVID-19 related expenses. Providers must keep documentation to prove that these funds were used for their response to the COVID-19 pandemic in case of an audit. Any person or entity accepting a COVID-19 payment agrees to provide documentation to the Department, upon request, for purposes of determining compliance with Act 24 requirements. Instructions on expenditure reporting will be provided in the future.

Providers are advised to review guidance for eligible expenses on the U.S. Department of Treasury website:

Guidance: <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

Frequently Asked Questions: <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>