

## Safety Net Providers Directed Payments FAQ #1

### **Q1. What provider types are eligible to receive the Safety Net Provider Directed Payment?**

A1. There are six classes of providers eligible for this directed payment: *FQHC's and RHC's, Critical Access Hospitals, Residential SUD Treatment Providers, Home Health Providers, Personal Care Providers, and Private Duty Nursing Providers*. Eligible providers are those reimbursed by New Hampshire's Medicaid Care Management Organizations (AmeriHealth Caritas, NH Healthy Families, and Well Sense) for services delivered between September 2019 and June 2020. This is a temporary directed payment based on service encounters during the 10-month contract period to help support beneficiary access to an adequate health care delivery network during the COVID-19 emergency.

### **Q2. Why is the State implementing a directed payment for these providers?**

A2. Safety net providers are often the main source of health care for many Medicaid enrollees. There is concern that beneficiary access to safety net providers is at risk during the COVID-19 Public Health Emergency due to provider financial instability. This would put Medicaid beneficiaries' health at greater risk due to losing access to health care resources during the emergency and its aftermath. Both the State and CMS are looking at different ways to provide critical funding to help stabilize the already fragile safety net provider network. This directed payment is one of the various government initiatives helping to ensure access to care for New Hampshire Medicaid enrollees by supporting providers to remain operational during the crisis.

Please note that CMS has indicated that the State may make adjustments to the directed payment program should circumstances warrant related to how the COVID emergency unfolds. DHHS will inform providers as soon as possible should any revisions be made to the program.

### **Q3. How are the directed payments calculated?**

A3. The directed payment is a temporary rate add-on for certain services provided to Medicaid beneficiaries from September 2019 through June 30, 2020. A portion of the actuarially sound per member per month capitation payment to the MCOs multiplied by the member months the plan is paid monthly will form a pool to make percentage add-on payments to the defined safety net provider classes.

The pool will be 1.5% of the capitation payments made to the MCOs, or approximately \$12 million for the September 2019 to June 2020 contract year (depending on actual enrollment). DHHS will establish the percentage of the pool that will be allocated to a separate sub-pool for each of the six safety net provider classes based on historical MCO payments to these providers for the services receiving increased reimbursement. The directed payment is temporary and only for services delivered during September 2019-June 2020, and is not prospective for services past June 30, 2020.

After the end of each month, the amount in each sub-pool will be divided by the payments made by the MCOs to the provider class for qualifying services adjudicated in the month. This calculation will

determine the amount of the uniform percentage add-on for the month. Each provider in a given class is subject to the same percentage increase although percentage increase **by** provider class will vary based on the overall encounter data for each class as a whole.

Every add-on payment will be directly tied to a qualifying paid encounter and include the ability to tie each payment to a specific service provided to a specific beneficiary. This means that payment amounts could vary monthly based on the encounter volume. Each MCO will pay a distribution for specific qualifying services provided by the provider classes based on September 2019 to June 2020 MCO encounter payments as determined by DHHS.

#### **Q4. How will the providers receive the payment?**

A4. Providers will receive payments as calculated above directly from the Medicaid MCO(s) with which they contract. However, to qualify for payments, the provider must send a completed W-9 form (<https://www.irs.gov/pub/irs-pdf/fw9.pdf>) to their contracted Medicaid MCO(s). Please ensure the Tax ID on the cover letter accompanying this FAQ matches the one you identify on the W-9.

Please email W-9 forms to:

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#### **Q5. When will the first payments be made to the providers?**

A5. The first payments to providers are planned within two weeks of contract approval. The payments will cover dates of service September 2019 through March 2020 that were paid during that period. As payments must be based on actual services provided and not projected services, payments for April, May and June are anticipated to continue as frequently as monthly through a reasonable claims run-out period for dates of service through June 2020. Again, the directed payment is a temporary rate add-on to help address network adequacy during the COVID-19 crisis. The program will end once all payments related to services provided during the stated 10-month period (assuming a reasonable claims run-out) are made to providers.