

## Memorandum

To: Medicaid Nursing Facilities (NFs), TennCare Managed Care Organizations (MCOs)  
From: Keith Gaither  
Date: September 30, 2020

Subject: Payment for COVID-19 testing of Medicaid Enrollees in Nursing Facilities

As you may be aware, on August 26, 2020, the Centers for Medicare and Medicaid Services (CMS) issued a new interim final rule that imposes new COVID testing requirements for Medicare certified Skilled Nursing Facilities (SNFs) and Medicaid certified Nursing Facilities (NFs) as part of the requirements for participation in the Medicare and Medicaid programs (see QSO-20-38-NH, available at <https://www.cms.gov/files/document/qso-20-38-nh.pdf>).

In response to the new CMS rule becoming effective, the Tennessee Board for Licensing Health Care Facilities took quick action to waive provisions of Emergency Rules, Tenn. Comp. R. & Regs. § 1200-08-06-.06(j) *et. seq.*, for any Tennessee licensed SNF/NF that is certified by CMS and is required to comply with the provisions of the 42 C.F.R. §483.80(h) COVID-19 Testing. This waiver of state requirements is effective October 1, 2020. In addition, funding previously provided by the Tennessee Department of Health to cover the costs of state-mandated COVID testing is also discontinued on this date.

In an effort to ensure that Medicaid NFs and TennCare MCOs are able to access payment for COVID testing provided to Medicaid-eligible residents, as appropriate, TennCare is providing the guidance attached and below to Medicaid contracted NFs and MCOs. The attached document was developed by CMS to identify when testing services provided to a Medicare beneficiary may be billed to Medicare and the process for doing so. TennCare will apply the same policies with regard to Medicaid payment for COVID testing for Medicaid enrollees. COVID 19 testing for the resident is not part of the Medicaid per diem payment for Medicaid NF services.

TennCare remains the payer of last resort for services including COVID-19 testing. For patients with both Medicare and TennCare coverage or TennCare and other commercial coverage, the nursing facility should bill Medicare or the commercial coverage for tests. If a patient only has TennCare coverage, the nursing facility should bill the patient's MCO. The MCO should reimburse these claims at 100% of the current Medicare fee schedule. The MCO should include these claims in their request sent to TennCare for reimbursement of COVID-19 related expenditures.