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COVID-19 Guidance for Section 97, PNMI Appendix E Providers *November 1, 2021*

This guidance is intended to provide PNMI Appendix E providers with an overview of the flexibilities that are available to these facilities to help them respond to current staffing challenges and costs associated with the COVID-19 pandemic.

As a reminder, PNMI E providers are expected to submit budget requests annually to set their rates. The approved budget serves as each facility's specific cost cap. If a facility's actual costs at the time of cost settlement are less than or equal to the approved cap, the facility is reimbursed its full costs. If a facility's actual costs exceed the originally approved cap, they are limited to that cap. For example, if a provider submits a budget of \$1M and actual allowable costs are \$900K, they will have all of their costs reimbursed. However, if the actual costs for this same provider are \$1.1M, the provider is entitled only to the \$1M cap.

Staffing Support

As PNMI Es experience staffing vacancies that may result in costs below their approved cap (and thus require the provider to pay funds back to the Department upon settlement), the provider may use any remaining available funds due to these vacancies (or due to other factors) to increase compensation for current staff and/or new staff they hire. PNMI Es may also use these unspent funds toward other MaineCare allowable expenses, such as renovations necessary to meet safety code. The Department recommends that the increase to compensation be on a temporary basis so that the provider can fully staff up in the future under the approved budget. Compensation for per diem staff, contract staff, temporary staffing, as well as for staff from other parts of the agency that are covering PNMI shifts, are allowable costs. For more information on allowable costs, please contact [Trisha White](#), Program Audit Manager, with "PNMI Appendix E COVID-19" in the subject line.

Rate Adjustments

PNMI E providers can request a rate change if circumstances change from the original assumptions used to complete their annual budget. This means that PNMI Es concerned they may exceed their budget cap can submit a rate adjustment request and revised budget justification. Please note that rate changes are not allowed retroactively and, if approved, are effective the first of the month following the submission date. This means that a request for a rate change submitted in September would be effective October 1st, and the cap approved in the rate change will only be effective from October 1st forward. Such rate changes would increase the cap on a pro-rated basis, meaning that the overall revised cap for the year would be a pro-rated blend of the old and new cap. If, at the end of the year, actual expenses are below the revised cap, the facility will need to pay back the difference. Please contact Dwayne.A.Parsons@maine.gov for more information.

COVID-19 Exemptions

To minimize the potential that PNMI E facilities will exceed their annual budgeted cost cap, the following COVID-19 related costs will be exempt from the cost cap comparison:

- Personal Protective Equipment
- Air filtration systems
- Increased cleaning related costs associated with the pandemic
- Physical plant changes to accommodate social distancing, etc.
- Staff bonuses, hazard pay, overtime, specifically related to the pandemic

Additionally, the planned American Rescue Plan Section 9817 Home and Community-Based Services worker recruitment and retention bonus payments will not count toward annual cost caps, to ensure that these payments do not contribute toward exceeding the cost caps.

Costs Covered by Other Funding Sources

Expenses already paid for by other funding sources are not all eligible to be reimbursed by the Department. Examples of other funding sources include Paycheck Protection Program loans, Coronavirus Relief Fund payments, and forthcoming American Rescue Plan Section 9817 Home and Community-Based Services worker recruitment and retention bonus payments, etc.