



Nursing Facility Rates and Policy (NFRP) – December 10, 2021

Emergency Grants to Skilled Nursing Facilities Providers' Use of Funds Requirements

The Minnesota Department of Human Services (DHS) is authorized to spend \$50,000,000 from the State Fiscal Relief Fund (ARPA) to administer emergency grants for nursing facilities' staffing shortages. (Legislative COVID-19 Response Commission Action Order #8).

YOU MAY DECLINE THIS GRANT FUNDING IN WRITING BY December 27, 2021 to:

DHS.NFRP.CostReport@state.mn.us. It is anticipated the emergency grant funds will be included in the Remittance Advice on January 4, 2022. An incentive that otherwise meets the requirements of this guidance may be paid during the period of December 13, 2021 and up to 90 days following receipt of the grant funds. If your facility accepts funding, you agree to the following specific requirements related to your receipt and use of funds distributed pursuant to the authority granted by Legislative COVID-19 Response Commission – Action Order #8.

1. The total amount of emergency grant funds each nursing facility is eligible to receive will be public information and available on the DHS website at: [Nursing Facility Staffing Shortages - Emergency Grants / Minnesota Department of Human Services \(mn.gov\)](#)
2. The grants will allow for advanced payments as a lump sum via a gross adjustment through the DHS MMIS claim system.
3. DHS will allocate eligible funds across Medicaid certified nursing facilities in proportion to their number of reported Medicaid days on the annual Medicaid cost report for the period ending September 30, 2020.
4. Nursing facilities agree to use at least 90 percent of the new funding received for hiring and retention financial incentives to hire or retain existing employees.
5. Nursing facilities can use these funds for one or more of the following, as applicable:
 - a. Costs for hiring and retention incentives or bonuses provided to eligible employees;
 - b. For retention incentive payments to current employees who are subject to the terms of a collective bargaining agreement, distributed in accordance with the requirements of that collective bargaining agreement;
 - c. Employee taxes including FICA, Medicare taxes, worker's compensation premiums, and federal and state unemployment insurance associated with the incentive payments/bonuses; or
 - d. New hiring bonuses paid in full to eligible employees within 90 days of their hire.
6. Eligible employees are current or new employees who:
 - a. Offer proof of vaccination or otherwise meet a facility's requirements for medical or religious exemptions; and
 - b. Are employees of the nursing facility working on-site in the nursing facility.
7. Providers will complete documentation of these requirements in a form and manner prescribed by DHS to report authorized uses of the emergency grant and submit to DHS within 90 days of receipt of the funds.
8. Funds must be either spent or booked as an obligated accrual to specified eligible employees within this 90 day period.
9. For nursing facilities who opt to decline the emergency grants and provide notice as required above, DHS will recover the declined funds via a lump sum gross adjustment through the MMIS claims system.
10. Audit findings indicating an unauthorized use of the emergency funds will be recovered via a lump sum gross adjustment through the MMIS claims system.



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ARPA emergency grant payments authorized under Action Order #8 will be treated as an “applicable credit” as defined by Minnesota Statutes 256R.10, subd. 6, for the purpose of Medicaid rate-setting unless the legislature takes action in the 2022 session to exclude these payments as an “applicable credit”. Any such legislative change would be subject to CMS approval.



Legislative COVID-19 Response Commission – Action Order #8 COVID-19 Flexible Response Account – FY 2022

The Minnesota Legislature created the COVID-19 Flexible Response Account and appropriated \$425 million in the fund to the commissioner of management and budget to pay expenditures eligible under federal guidance for the state fiscal recovery fund. These funds were available to Minnesota under the American Rescue Plan passed in March 2021.

Pursuant to Minnesota Session Laws, 1st Special Session, Chapter 12, Article 5, Section 2, Sub 2(b), the commissioner of management and budget must submit proposed single expenditures from the COVID-19 Minnesota fund that exceed \$2,500,000 to the Legislative COVID-19 Response Commission. Upon submission of the request, the commission has three days to make a positive recommendation, a negative recommendation, or no recommendation on a proposed expenditure.

If a majority of members from the senate and a majority of members from the house of representatives make a negative recommendation on a proposed expenditure, the commissioner is prohibited from expending the money. If a majority of the commission members from the senate or a majority of members from the house of representatives make a positive recommendation or no recommendation, the commissioner may expend the money.

On November 19, 2021, the commissioner submitted the following proposed expenditure request:

- ***Positive recommendation to allow spending of \$50,000,000 to the Department of Human Services for emergency grants to nursing facilities.***

The requisite number of commission members having provided a positive or no recommendation, I hereby authorize \$50,000,000 from the COVID-19 Flexible Response Account to the Department of Human Services.

November 23, 2021

Date

Jim Schowalter, Commissioner