



ALABAMA  
NURSING  
HOME  
ASSOCIATION

Education Foundation

February 2, 2021

Mr. Kelly Butler  
Director of Finance  
Alabama Department of Finance  
Alabama State Capitol  
600 Dexter Avenue, Suite N-200  
Montgomery, AL 36130

Re: That Certain (a) Memorandum of Understanding Second Memorandum of Understanding by and between the Department of Finance (“DOF”) and the Alabama Nursing Home Association Education Foundation (“Foundation”) related to COVID-19 testing, as amended by that certain First Amendment (“Testing MOU”); (b) that certain Second Memorandum of Understanding related to COVID-19 Costs, Insufficient Revenues and vaccine education by and between DOF and the Foundation, as amended by Amendment One to the Second MOU (the “Second MOU” and collectively with the Testing MOU, the “Foundation MOUs”).

Dear Mr. Butler:

This letter is serve as the Alabama Nursing Home Association Education Foundation’s final report of the expenditures under the Foundation’s MOUs with the Alabama Department of Finance. DOF allocated \$80,735,177.00 to the Foundation. From these funds we were able to provide funding of (i) \$24,284,635.34 to 197 nursing facilities to reimburse them for staff COVID-19 testing – Phase-1, (ii) \$55,659,062.00 to 105-nursing facilities for other COVID related expenditures or insufficient revenue – Phase-2; (iii) \$417,205.20 to fund a statewide COVID-19 vaccination education program that involved providing posters, promotional buttons, promotional programs to nursing facilities, as well as social media penetration, for the purpose of encouraging patients, their families, and staff to be vaccinated. We also used \$360,000.00 to pay for third-party accounting fees to process claims, and \$14,212.46 to reimburse the Alabama Nursing Home Association for out of pocket expenses to third parties to develop the program. A summary spreadsheet is being submitted herewith showing an accounting of the application to these program categories of the entire \$80,735,177.00 allocated to the foundation by DOF. Please note that of the \$14,707,452.00 of held-back Phase-2 funds (25% of submitted claims), we fell short by \$3,176,042.00 of being able to return to nursing facilities 100% of the Phase-2 hold back. The \$11,531,410.00 that was returned represented 78.41% of the amounts held-back.

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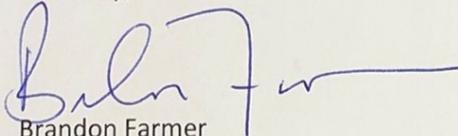
While the task was very daunting to quickly develop the claims processing capability, we commend the accounting firm of Aldridge Borden for tailoring the claims platform and our volunteers who were able to design an effective program design, including a worksheet for the complex Phase 2 calculations. We also are grateful for the work of DOF staff in quickly being able to respond and develop the workable MOUs.

As we mentioned in our December 30, 2020, letter, our members are still facing very significant uncompensated expenses related to COVID. The cost of COVID testing being the most pressing need. These testing costs can run as high as \$80,000 per month for a medium sized nursing facility that is in an area of high positivity testing rates. To the extent that other funds become available, we would be very grateful to be considered. In that respect, as we did earlier, we can provide you with data to support this need.

Again, on behalf of Alabama's nursing facilities, residents served, their families and staff, we thank you for all of the much needed and appreciated support (both financially and your understanding) during this unprecedented time.

Please contact me if you have questions. We appreciate the opportunity to work together on this very important project.

Sincerely,



Brandon Farmer

On Behalf of the:

Alabama Nursing Home Association Education Foundation