



COVID-19 PUBLIC HEALTH EMERGENCY AUDITS FREQUENTLY ASKED QUESTIONS (FAQ)

Published (May 1, 2026)

Introduction

Assembly Bill (AB) 81 (Chapter 13, Statutes of 2020) and Welfare and Institutions Code (WIC) section 14126.032 require DHCS to audit Freestanding Skilled Nursing Facilities Level-B (FS/NF-B) and Adult Freestanding Subacute Facilities (FSSA) costs and revenues that are associated with the COVID-19 Public Health Emergency (PHE) to determine whether a facility has adequately used increased Medi-Cal payments associated with the COVID-19 PHE to support the delivery of patient care, as defined in Section 14126.032(a). DHCS may recoup any amounts of the increased Medi-Cal payments associated with the COVID-19 PHE that DHCS finds were not used for allowable costs.

Pursuant to WIC section 14126.032(a)(1), allowable costs shall include patient care, additional labor costs attributable to the COVID-19 PHE including, but not limited to, increased wages or benefits, shift incentive payments, staff retention bonuses, pay differential for workers employed by more than one facility, and overtime payments to nonmanagerial workers, and other appropriate costs that support the delivery of patient care, including, but not limited to, personal protective equipment, COVID-19 testing for any workers, regardless of whether they are symptomatic or asymptomatic, infection control measures and equipment, and additional staff training.

To ensure compliance with WIC section 14126.032 requirements regarding use of revenues associated with the COVID-19 PHE, facilities are required to retain records regarding such revenues and related costs. A facility that received increased Medi-Cal payments associated with the COVID-19 PHE shall disclose, at the time and in the form and manner specified by DHCS, any information requested by DHCS relating to costs and revenues associated with the COVID-19 PHE. This may include, but is not limited to, documentation of any grant, loan, payment or other revenue received by the facility pursuant to any federal or state law related to the COVID-19 PHE. For specific questions, please contact PHEAudits@dhcs.ca.gov.

FAQ

General Questions

1. What is currently required for the PHE audits?
 - At this time, DHCS will audit Medi-Cal COVID-19 PHE related expenses and revenues for the PHE period from March 1, 2020 through December 31, 2023.
 - The Medi-Cal COVID-19 PHE Reporting Schedules and Instructions can be found using the links below. Completed schedules must be submitted to PHEAudits@dhcs.ca.gov.
 - [Medi-Cal 2023 COVID-19 PHE Reporting Schedules](#)
 - [Medi-Cal 2023 COVID-19 PHE Reporting Schedules - Instructions](#)
2. When are the Reporting Schedules for the PHE period from January 1, 2023 through December 31, 2023 due to DHCS? Will extensions be granted?
 - The Medi-Cal COVID-19 PHE Reporting Schedules for the PHE period from January 1, 2023 through December 31, 2023 are due to DHCS by August 15, 2026. DHCS continues to accept submissions of the Medi-Cal COVID-19 PHE Reporting Schedules past August 15, 2026, but will deem these submissions late. If a complete submission of the schedules is not received DHCS reserves the right to take any available remedial actions, including but not limited to initiating the recoupment process pursuant to WIC section 14126.032(c) for expenditures that were not used to support the delivery of patient care.

Change of Ownership (CHOW)

1. Who has responsibility for Medi-Cal COVID-19 PHE reporting for CHOW facilities?
 - The original recipient of the increased Medi-Cal payments associated with the COVID-19 PHE is responsible for submitting the Medi-Cal COVID-19 PHE Reporting Schedules. Medi-Cal COVID-19 PHE Reporting Schedules correspond to the cost report period submitted to the Department of Health Care Access and Information (HCAI). When the filed cost report was submitted due to a CHOW, include CHOW information on Schedule 2 –Questionnaire Related to COVID-19 PHE Services, Question 2, for review by DHCS. Individual CHOW circumstances will be considered by DHCS during the Reporting Schedule Audit. Please refer to the Medi-Cal COVID-19 PHE Reporting Schedules – Instructions, which can be found on the Medi-Cal COVID-19 [PHE Audits webpage](#)

Reporting Requirements

1. Are facilities allowed to use Medi-Cal COVID-19 PHE funds for additional ancillary costs caused by the COVID-19 pandemic?

- Yes, ancillary costs may be an allowable expense. Please refer to WIC section 14126.032 for a description of allowable costs.
- 2. Can facilities use incremental costs (Cost per day) increases towards Medi-Cal COVID-19 PHE?**
 - Facilities should track actual expenses and revenues associated with COVID-19, and expenses reported by facilities must tie back to COVID-19 revenues. Supporting documentation must be made available to DHCS upon request. Please refer to WIC section 14126.032 for a description of allowable costs.
- 3. Are facilities that received the weighted average rate required to submit Medi-Cal COVID-19 PHE Reporting Schedules?**
 - The weighted average rate included the temporary COVID-19 PHE rate increase. Facilities that received the weighted average rate are required to complete the Medi-Cal COVID-19 PHE Reporting Schedules.
- 4. If a facility has multiple NPI's under a single Tax Id Number, how do you report these schedules for those facilities?**
 - The schedules should correspond to the Department of Health Care Access and Information MC 530 cost reports filed during the COVID-19 PHE.
- 5. What if the facility has an unusual year-end date?**
 - Schedule 3 – Days and Detail of Funds Received Related to COVID-19 PHE allows facilities to input end dates. Please refer to the Medi-Cal COVID-19 PHE Reporting Schedules – Instructions.
- 6. How do we ensure HRSA/PRF Funds was the provider of last resort when we have different reporting periods? As well as periods do not line up with HRSA reporting?**
 - Please report applicable expenses. DHCS cannot advise facilities on how to ensure PRF was the payer of last resort.
- 7. Should pending Medi-Cal days be included?**
 - No, facilities should only report paid Medi-Cal days.
- 8. If a provider booked COVID funds in a liability account until it was realized, how should we report this?**
 - Only revenues received should be reported.

- 9.** How should a provider report the use of lost revenue on HRSA filings?
 - Please refer to WIC section 14126.032 for a description of allowable costs, which do not include lost revenue.
- 10.** Do you have to tie back to HRSA Expenses, or can a provider use other expenses not included in HRSA filings?
 - Other expenses not reported to HRSA can be used to demonstrate use of Medi-Cal funds received.
- 11.** Capital costs (purchases for infection control disinfection/modifications to isolation rooms) if reported in assets and depreciated, how does a provider report on these expenses?
 - Facilities should report these expenses based on acquisition costs.
- 12.** Can the state provide the total paid claims data for providers?
 - Facilities are responsible for completing the schedules and reporting COVID-19 related revenues and expenses using facility financial records.
- 13.** Should hospice Medi-Cal days be included in the Medi-Cal Managed Care census?
 - These days should be included to the extent hospice services were provided to Medi-Cal Managed Care recipients.
- 14.** Is the 85% threshold towards direct care labor?
 - WIC sections 14126.032 and 14126.033 specify the 85% spending requirement for additional labor costs applies to revenues and expenses for the period of January 1, 2023 through December 31, 2023. At this time, DHCS will audit revenues and expenses for the period of March 1, 2020 through December 31, 2023.

Medi-Cal COVID-19 Reporting Schedules

- 1.** For Schedule 4 – Detail of Expenses Incurred for COVID-19 PHE Services, are facilities required to report data at a detailed level?
 - For Schedule 4 – Detail of Expenses Incurred for COVID-19 PHE Services, expenses can be reported in total by period. Supporting documentation must be made available to DHCS upon request.
- 2.** Schedule 4 – Detail of Expenses requires facilities report how much of the increase were used by Provider Relief Funds (PRF), and PRF schedules could have been reported on a consolidated level. Are allocations acceptable?

- Allocations are acceptable. However, documentation supporting the allocation methodology must be made available to DHCS upon request.
- 3.** Schedule 3 – Days & Revenues, Section III, requires facilities report all sources of funding, including PRF. Who is the payer of last resort?
 - DHCS acknowledges PRF is the payer of last resort. DHCS will audit to determine whether increased Medi-Cal payments associated with the COVID-19 PHE were spent for only allowable costs pursuant to WIC section 14126.032.
- 4.** For Schedule 1 – General Information and Certification, what if person who was in charge during the PHE reporting period is no longer with facility?
 - On Schedule 2 –Questionnaire Related to COVID-19 PHE Services, Question 1, please list names of person responsible for completing and submitting the schedules and indicate “Current” next to the name of the contact person.
- 5.** Schedule 4 PHE Expenses: Column M, per instructions must input amount used against other sources, how much detail is needed and how to provide? Example: do we need to list whether it was A&G vs healthcare, what period was amount claimed in. How are they going to tie to HRSA?
 - The expenses must be tied back to supporting documentation and should correspond to how the expenses were reported on the Department of Health Care Access and Information MC 530 cost reports filed during the COVID-19 PHE.

Allowable Costs

- 1.** Should be hold days be included in the total 10% Medi-Cal revenue calculations?
 - The temporary COVID-19 PHE rate increase was included in the bed hold rates.
- 2.** Are fees paid to CPAs for HRSA/PHE filings an allowable expense?
 - No. Please refer to WIC section 14126.032 for description of allowable costs.
- 3.** Are recruitment costs related to replacement of employees lost due to COVID-19 an allowable cost for PHE?
 - Yes, expenses associated with the replacement of employees lost due to COVID-19 are allowable costs.

4. Employee COVID PTO and benefits were recorded in General Ledger, and no individual record was maintained, so costs are in the payroll report. Is the payroll report sufficient supporting documentation, or would DHCS require the total be broken out into details?
 - Payroll report is sufficient.
5. Mentally Disordered/Behavior Health DD SNFs, do they need to report?
 - Freestanding Skilled Nursing Facilities-Level B and Freestanding Adult Subacute Facilities with STPs that are reimbursed through the facility specific rate and STP Patch are required to submit supplemental schedules. Other types of facilities such as ICF/DDs and IMDs are not included in the PHE audits.
6. A portion of the Provider Relief Fund General Distribution was applied to lost revenues under the HHS PRF program. How do we account for those PRF funds expended on lost revenues in the reporting schedules? There does not seem to be a place to mark that in the schedules.
 - Report all PRF funds received on Table 3 Days and Revenue and report Los Revenues on Tab 4 COVID-19 PHE Expenses and indicate the funding source.
7. Section II Detail of medical revenue received related to COVID-19, does the amount being asked here pertain to the increase in the Medi-Cal rate multiplied by the census days reported in Section 1?
 - Yes, the COVID revenue received was the increase to the rate based on the COVID-19 PHE.
8. I am having trouble understanding what date range I should fill out for Section I, days. I see FY 2023 and CY 2023, what is the difference between these? Please clarify what periods these indicate?
 - Revenue received during the PHE period from 1/1/2023 to 12/31/2023 is divided into **2** reporting Periods:
 - Column 1 – “**Period 1**” is for FY 2023 – Begin date: 1/1/2023; End date: should coincide with facility’s MC530 cost report fiscal period end date for fiscal year 2023. If FYE is 12/31/2023 do not use Period 2.
 - Column 2 – “**Period 2**” is for CY 2023 – Begin date after “**Period 1**” to End date of 12/31/2023.

Examples:

- » If facility's regular Fiscal Year end is 12/31, then Period 1 should be 1/1/2023 - 12/31/2023; Skip "Period 2". If facility's regular Fiscal Year end is 3/31, then Period 1 should be 1/1/2023-3/31/2023; Period 2 should be 4/1/2023-12/31/2023.
- » If facility's regular Fiscal Year end is 6/30, then Period 1 should be 1/1/2023-6/30/2023; Period 2 should be 7/1/2023-12/31/2023.
- » If facility's regular Fiscal Year end is 9/30, then Period 1 should be 1/1/2023-9/30/2023; Period 2 should be 10/1/2023-12/31/2023.
- » If facility's regular Fiscal Year end is 10/31, then Period 1 should be 1/1/2023-10/31/2023; Period 2 should be 11/1/2023-12/31/2023.
 - Can we report the Total Amount for all registry staff by the staffing agency they worked for instead of providing the Amount for each individual name? (Registry nurses come and go so there are countless of them to report on.)
 - Yes, have the detailed documentation available upon request.
 - On schedules 2, 3 & 4, they are asking for Employee Number, GL Number, and Account Number - do we use our number/codes that we have internally or is there a specific code you are looking for?
 - Use internal codes that match your records. These records may be requested during the audit.