



COVID-19 FEMA PUBLIC ASSISTANCE WEBINAR SERIES FREQUENTLY ASKED QUESTIONS HEALTHCARE & MEDICAL SERVICES

We'd first like to thank each and every one of you who are at the forefront of providing life-saving care throughout your communities during this pandemic. We understand how valuable your time is and hope that the materials we are providing will help make the process for applying for and obtaining FEMA Public Assistance easier. Since the start of the pandemic, our team of experts has been providing pro-bono webinar based training to local governments, healthcare and medical service entities, and other Private Non-Profit organizations. Based on questions asked during these webinars, we've compiled the following Frequently Asked Questions document that may answer some of the questions you may have.

We also understand that there remains a large information gap related to FEMA's implementation of Public Assistance for COVID-19 response efforts. If you have a question that isn't answered in this document, please feel free to contact us directly at contact@wittobriens.com

APPLYING FOR FEMA ASSISTANCE

Where can I find a copy of the RPA?

https://www.fema.gov/media-library-data/1505397829631-758807d2f22ea320a71a74ade429675d/FEMA_Form_009-0-49_RPA_508_FINAL.pdf

Several facilities have said there is an April 12th deadline for a FEMA funding application. Can you tell me if this is the case and what it is covering and what a facility needs to do. Is it just the expedited PW or additional documentation as well?

No, the 30-day deadline to file an RPA has been waived, but you should file this simple form as soon as possible.

Where does the Request for Public Assistance get filed?

Eligible Applicants and Private/Non-Profits should apply online at <https://grantee.fema.gov/EventOpenRequestPeriod>. If you are unsure if you are an eligible applicant, consult with your state emergency management agency, or a FEMA PA expert.

Is a county or municipal owned hospital (CAH) eligible for FEMA funding?

A county owned hospital is most certainly FEMA eligible.

Is FEMA funding "free" money or will it need to be paid back?

There is currently a non-federal share requirement that ranges from 10-25% depending on State or jurisdiction. This may later be waived, but you should work with your state emergency management agency to understand the applicable non-federal share percentage for your area. The federal share funds do not require repayment unless expenses are deemed ineligible after being awarded and drawn down.

Given that the nature of this disaster is somewhat different from your usual FEMA natural disaster, will FEMA make any changes or expansions of their usual definitions or processes to adapt to that or should we plan to just try to fit as much as we can to their current definitions?

Some changes are being made to FEMA policy on a regular basis. This is very dynamic so assume the standard definitions unless you get specific advice to the contrary.

ADMIN/STAFF COSTS

Can you give specific definition on eligible labor

Overtime labor consistent with your HR policy as well as straight time and overtime for temporary, backfill and contract labor. Straight time labor for regular budgeted employees is difficult but there is narrow line of exceptions.

What about Salaried Health care workers who typically work 40 hour work week, but now working 60 to 80 hours, but are still non-exempt or salaried workers? Can any of this additional work be reimbursed?

Overtime is eligible if it is consistent with your normal HR overtime policy.

If we are budgeted to have 500 FTE's, and we use 600 FTE's, these additional worked hours were not OT hours but rather were from part-time staff working up to a full 1.0 FTE. Is this time reimbursable even though it is not classified as OT?

This probably would be eligible, but FEMA would likely look closely at the HR policy and job titles.

How will FEMA evaluate overtime policies?

FEMA determines the eligibility of overtime, premium pay, and compensatory time costs based on the Applicant's pre-disaster written labor policy. You should not change your pay practices unless absolutely necessary. If you are contemplating a revised policy, it is important to have a justification that indicates that action was both prudent and necessary to respond to COVID-19.

Can direct nursing care be included, or would it be considered reimbursable as part of the DRG?

Many emergency measures may be eligible under multiple federal programs. FEMA is a good route to go because there is a lot of funding and it's generally flexible in emergency response time periods. However, the most important consideration is to avoid a duplication of benefits by taking funding from more than one federal source for the exact same expense.

On the staffing - if we have reassigned existing staff to another purpose, ie screening or taking temperatures of all people entering the hospital, is that allowable? Even if is not overtime?

Generally, FEMA, doesn't pay for straight time, so only overtime is eligible for reassigned staff. The applicant may need to temporarily replace an employee who is responding to the incident. Overtime costs for the backfill employee are eligible even if the backfill employee is not performing eligible work as long as the employee that he/she is replacing is performing eligible emergency work.

Are costs to pay employees who were infected or quarantined eligible for reimbursement?

FEMA will not pay unless work is performed, so unfortunately, they will not pay for individuals not able to work.

We have heard that eligible labor expense for relief funding is only budgeted medical staff over time, and NOT any other labor expense incurred outside of that. Is that correct?

Regular time for permanent staff is not generally eligible, however, FEMA does pay for straight-time of a permanent employee funded from an external source (such as a grant from a Federal agency or statutorily dedicated funds) is eligible if the employee is reassigned to perform eligible Emergency Work that the external source does not fund.

Because of directives provided by the CDC and State Health Officials, we have reduced on site work and have incurred costs associated with having staff complete their work remotely. This includes both hardware and software. Are these costs eligible?

If the staff that are now working from home are supporting COVID-19 related tasks, including admin, these costs would be eligible. However, these tasks must be directly to emergency protective measures. For back office or general functions that are not directly related to COVID-19, costs to support tele-commuting would likely not be reimbursable.

How can emergency operations command center be calculated for reimbursement?

Overtime for staff who are normally overtime eligible under your HR policy and any direct expenses plus regular time for contract and temporary employees and some working outside their normal job titles may be eligible if they are funded by an external source such as a grant. As mentioned previously, lots of nuance here and it may be best if you consult with a FEMA PA expert to evaluate your individual situation.

MEDICAL CARE & PROTECTIVE MEASURES

Is the cost of testing for COVID 19 an eligible cost to be reimbursed?

Yes

Are costs associated with protective measures such as testing employees and extra protective measures for non COVID-19 patients eligible?

Generally, yes. Let's just always be mindful of what insurance covers.

Will FEMA reimburse costs for extended stays due to not being able to transfer patients to rehab facilities?

Generally FEMA does not cover costs not paid by patients.

To qualify as emergency medical care eligible expenses, must those expenses relate to treating COVID-19 patients? Or, would costs associated with protecting non-COVID-19 patients and employees through testing and other protective measures be eligible for reimbursement?

Testing for COVID 19 is eligible, but without knowing what the "other protective measures" are it would difficult to say if eligible or not. We would want to talk about the specifics and see if we can find a route to eligibility.

COVID patients are requiring additional RNs per patient due to the acuity. Is the additional staff increase in nurse to patient care ratio eligible? Note that we are having very little OT since so many other units in the hospital are closed so there are nurses available to work.

If the nurses being assigned to work are from other units and had not fulfilled a regular shift consistent with the labor policy, then reimbursement is limited to only overtime hours worked.

Are screening costs associated with public safety, even if the majority of screened patients end up having negative COVID-19 tests, eligible for these funds?

Yes. The activity is eligible regardless of the results because it is a critical life/safety measure.

Would something like a fogger for dispersing disinfectant in isolation or potential contaminated areas be eligible?

Yes, this would most likely be an eligible expense.

What about cost of providing childcare to essential workers since school has been cancelled and it is difficult to secure care for school age children? If we provide the childcare are those costs covered?

You would need to build a case for that. To have a chance, this needs to be a hospital incurred cost vs. by an individual.

We are providing the meals for our employees, so they do not come to the cafeteria or go home to reduce the risk of exposing our residents. Can these meals for our employees be a covered expense?

Yes, this would most likely be an eligible expense.

EQUIPMENT, SUPPLIES AND FACILITIES

Would FEMA cover the lease cost for durable medical equipment?

If it is necessary to diagnose potential COVID-19 patients or treat confirmed COVID-19 patients, then yes.

We have had supplies seized by FEMA at the port of entry. will FEMA cover that cost?

If you have an invoice and paid for the supplies, they should be eligible for FEMA reimbursement. Although this may be a scenario that plays out in an increasing manner in the near future, work with your local State emergency management agency to understand what dialogue is currently underway with FEMA.

Are supply expenses eligible. Even if they are part of a clinical service that will be billed?

Definitely a gray area that will need to be worked through. Supplies for triage and pre-admission should generally be ok, but once a patient is admitted and their own insurance comes into play, FEMA will expect those costs to be covered. For uninsured patients, funding may be available from the HHS Public Health and Social Services Emergency Fund to fill this gap, but the rules on how hospitals and medical service providers can access this funding has not yet been released.

PPE supplies are currently priced astronomically. We have no choice. Will FEMA understand this or considered the costs unreasonable?

Yes, FEMA does understand that certain equipment and supplies are priced at market rate that exceeds pre-emergency pricing. Do your best to document that the items you are purchasing are consistent with the current market rate for like products.

Clarify how we estimate how much PPE we will need when seeking an expedited PW?

Your method for estimating is likely to be specific to your individual circumstances. generally reasonable, but a good rule of thumb is to include as much of your thought process as possible in the supporting documentation when you submit your expedited PW request.

We are considering repurposing one of our existing acute care facilities for COVID-only. Would the setup and labor costs be reimbursable?

Yes, the construction costs to retrofit the facility for COVID-19 care would be eligible.

If we have taken over and dedicated a specific building in our system campus as a COVID screening clinic, can costs associated with that space be claimed?

Generally, yes – but it unfortunately will depend on whether the space is leased or owned, and what its pre-event function was. As with many other areas of eligibility, it may be worthwhile to seek assistance from a FEMA PA expert.

Some hospitals have constructed or retrofitted alternate sites primarily to serve med/surg overflow patients, which enables the main facility of the hospital to serve as dedicated COVID-19 and/or ICU related care. Can expenses necessary to build out med/surge overflow for non-COVID patients qualify for reimbursement?

Like the temp housing, this unfortunately is quite complicated. There is an argument to be made for why these costs could be eligible, but it may require quite a bit of dialogue with State emergency management agency and FEMA officials. We recommend engaging with a FEMA PA expert ASAP to begin building out your case and starting this dialogue. As always, a protective measure that is necessary to protect health, life and safety should never be contingent on if FEMA will pay for something.

Is temp housing, such as university dormitories for staff so they don't have to go home and expose families eligible for FEMA reimbursement?

FEMA calls this Non-Congregate Sheltering, but this is one thing that FEMA wants to approve in advance so you may have to develop a specific plan. This is eligible within specific guidelines, especially for at risk populations. You may already be incurring costs related to this and other non-congregate sheltering, so we'd recommend engaging with a FEMA PA expert ASAP to begin the FEMA request and approval process.

If we've shut down an outpatient unit in order to redirect suspected COVID outpatients to a segregated area for testing (away from our existing clinics), would that count as a valid "relocation" expense?

Generally, yes but it would depend on which expenses. The cost of retrofitting the outpatient unit for COVID-19 care would be, and the cost of relocating/storing items from the unit could be. But business/revenue losses from the outpatient unit being shut down wouldn't be.

BALANCING EXTERNAL FUNDING WITH FEMA FUNDING

If you receive a payment for a patient from an insurance payer like Medicare or Blue Cross, but the payment does not cover the full cost, can you claim that excess cost?

Maybe, but this is something that will likely have to be well justified. The CARES Act includes a \$100 billion appropriation to the Public Health and Social Services Emergency Fund to offset incurred costs, but does not allow for balance billing, such as paying the rate difference between Medicare rate and the rate a hospital might otherwise charge. FEMA is likely to take the same stance on gap costs, but there is certainly room to justify exception cases.

Can you address how FEMA would adjust costs for payments by health insurers? Specifically: lab test, clinic visits/ telehealth visits.

This is particularly complex. If the care is directly attributable to COVID-19 care, then it is possible that FEMA may reimburse some of the cost delta between cost incurred and insurance proceeds. FEMA will still expect insurance and third-party payers to cover what they normally do. For the supplies, equipment or treatment that has no other funding source, you'll probably want to consult with a FEMA PA expert to help outline the justification for why FEMA should pay for them.

Suggestions on how to apply blanket funds we will receive from HHS; expected to be distributed per CMS reimbursement?

You cannot duplicate benefits, but ok to use FEMA funds now and not take other funds for the same expense later. That said, as of today (April 8, 2020), FEMA is only reimbursing up to 75% of all eligible expenses – known as federal cost share.

CAH entities are cost reimbursed from CMS and Medicaid. Do they have to decrease their FEMA requests by the anticipated reimbursement they will receive thru year end Medicare Cost Report for allowable costs incurred?

You'll want to speak with the State and FEMA project office about how to estimate the anticipated reimbursement or how to adjust later as necessary. This happens regularly with insurance claims that take months to settle.

What programs are available to facilities considered government / county owned to assist with loss of revenue due to cancelled services, business interruption costs, etc.?

FEMA does not cover any loss of revenue or business interruption. Some of the other CARES Act funding may help with this, but the rules have not yet been outlined. It's a big issue that impacts many healthcare and medical service providers, and one which we are keeping a very close eye on.



COVID-19 FEMA PUBLIC ASSISTANCE WEBINAR SERIES STAFF AND ADMIN COSTS REFERENCE GUIDE HEALTHCARE & MEDICAL SERVICES

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We also understand that there remains a large information gap related to FEMA's implementation of Public Assistance for COVID-19 response efforts. If you have a question that isn't answered in this document, please feel free to contact us directly at contact@wittobriens.com

FEMA TERMINOLOGY YOU'LL NEED TO KNOW

Category – B:	This is FEMA's category for Emergency Protective Measures under Section 403 and 406
Applicant:	An applicant is an eligible local government or Private Non-Profit (such as a hospital)
Force Account Labor:	This is what FEMA regards as using your regularly employed/budgeted personnel to provide COVID-19 response or related emergency work
Force Account Equipment:	Similarly, this is what FEMA regards as using your already owned equipment to perform emergency work
Emergency vs Disaster:	For the purposes of FEMA's reimbursement of emergency protective measures, these terms may be used interchangeably. However, if your specific State, Territory or Tribal Government has been issued a disaster declaration for COVID-19, use of the term "disaster" is suggested in documentation submitted to FEMA.
Non-Federal Share	Currently, the FEMA cost share will reimburse up to 75% of all approved eligible costs. The remaining 25% represents the non-federal share. Check with your State Emergency Management Agency for any potential State contribution to the non-federal share.

USE OF EXISTING LABOR

Generally speaking, Federal regulation establishes the cost of straight-time salaries and benefits of force account labor (an applicant's own permanent employees) to be ineligible when performing emergency work. However, if the Applicant has an existing HR policy that allows salaried employees to be paid for overtime work, the cost of overtime labor may be considered eligible when directly supporting emergency work or protective measures.

FEMA determines the eligibility of overtime, premium pay, and compensatory time costs based on the Applicant's pre-disaster written labor policy, provided the policy:

- Does not include a contingency clause that payment is subject to Federal funding;
- Is applied uniformly regardless of a Presidential declaration; and
- Has set non-discretionary criteria for when the Applicant activates various pay types.

Only direct **additional** expenses are eligible for emergency work. The basis for this federal policy is that costs associated with the applicant's regular employees performing emergency work would be incurred regardless of whether or not a disaster occurred.

For staff time that may be billed directly to an individual, such as emergency or medical care, there will need to be clear documentation that no other funding source is available to reimburse this cost (Medicare, Insurance, HHS funding, etc.). The only labor hours associated with this care that will be eligible for existing staff is overtime.

Superintendents, supervisors and shift leaders are generally **not** eligible for reimbursement. However, if the staff person was a "**working**" supervisor (i.e., actually operating a piece of equipment or providing technical guidance and was not simply delegating who does the work), the overtime is reimbursable, provided the Applicant:

- Demonstrates that the employee was directly involved with a specific project;
- Normally charges that individual's time to specific projects regardless of Federal funding; and;
- Incurs overtime costs for the employee in accordance with a labor policy that meets the criteria in Chapter 2:V.A.1.

In addition, per the example, applicant must document and present the payroll and equipment logs to demonstrate the supervisor's function.

Records for straight-time employees on emergency work is strongly suggested to be tracked and will be required to verify associated equipment usage.

OVERTIME PAY

Overtime pay must be in accordance with policies in use before the disaster. Overtime for disaster work is not eligible if you did not have a pre-existing overtime pay policy.

TEMPORARY PERSONNEL / EXTRA HIRES

When a regular employee is sent to the field to perform emergency work that is typically outside of their typical scope of work, frequently a backup person fills in for them in their normal position. There are a few circumstances that affect the eligibility of the backup person:

1. If a backup person (full-time or part-time) is an extra hire, the cost of this extra person represents an extra cost to the applicant. Regular salary and overtime pay of this employee is eligible.
2. If the additional person is a regular employee from another department of the applicant who is working his/her normal shift, the following costs are eligible:
 - Overtime
 - Pay differential for work outside normal responsibilities if the pay differential is the written policy of the applicant prior to the disaster or emergency event.
3. If the additional person is a regular **hourly** employee who is called in on his/her day off (and thereby works time in addition to the regular work week), regular and overtime are eligible because there is an extra cost incurred by the applicant.
4. If the backfill employee is called in from scheduled leave, only overtime is eligible. There will be no extra cost because the vacation usually can be rescheduled.
5. Seasonal employee working outside their season of employment is eligible for both straight time and overtime if performing emergency work.
6. Regular and overtime will be determined according to the applicant's written policies and labor union contracts in effect prior to the disaster.
7. The Applicant may need to temporarily replace an employee who is responding to the incident. Overtime costs for the backfill employee are eligible even if the backfill employee is not performing eligible work as long as the employee that he/she is replacing is performing eligible Emergency Work.
8. The costs of salaries and benefits for individuals sent home or told not to report due to emergency conditions **are not eligible** for reimbursement.
9. Costs of contractors hired to accomplish emergency work are eligible for reimbursement.

DONATED RESOURCES & VOLUNTEER WORK

Donated resources used on eligible work that is essential to meeting immediate threats to life and safety resulting from a major disaster or emergency event may be credited toward the non-Federal share portion of the grant. Donated resources may include volunteer labor, donated equipment and donated materials.

However, there are some considerations to keep in mind:

Donated resources are eligible to offset the cost of the non-Federal share of eligible emergency work costs if they meet the following criteria:

1. Donated resources must be documented by a local public official or a person designated to serve on behalf of the entity legally responsible for performing the emergency protective measure. Documentation must include a record of hours worked, the work location and a description of the work for each volunteer as well as equivalent information for equipment and materials.
2. Donated resources **must** apply to emergency work that is eligible under the Public Assistance Program.
3. Donated resources must be documented on the PW for which they are used to offset non-Federal share.

How to determine the value of donated resources or volunteer labor:

The following instruction on the valuing of donated resources is based on 44CFR §13.24:

- **Donated Equipment:** The value of the donated equipment is calculated by multiplying the applicable applicant rate for the piece of equipment (or FEMA's equipment rate) by the total number of hours that equipment piece was used.
- **Donated Materials:** Only materials donated by third party entities are eligible for credit. To determine the value of donated materials, use the **current** commercial rate for such material based on previous purchases or information available from vendors. Materials donated from other federal agencies are not considered "donated" for this purpose!
- **Volunteer Labor:** The hourly rate placed on volunteer labor should be the same hourly pay rate (plus reasonable fringe benefits) ordinarily paid for similar work within the applicant's organization. If the applicant does not have employees performing similar work, the rate used should be consistent with those performing the work in the same labor market. To determine the value of volunteer labor, the labor rate should be multiplied by the total number of volunteer labor hours.

STAFF AND ADMIN COSTS DOCUMENTATION TIPS

Labor:

Each employee to be claimed must be identified by name and title. The summary of labor costs should include:

- Dates worked,
- Hours per day,
- Rate of pay (regular and/or overtime),
- Applicant fringe benefits rate, based on the total payroll for the applicant.

This information may be obtained from the individual daily timecards and supervisor's field notes. It is important to consolidate this information on the Labor Record form that will be submitted with your application on a regular basis. This will enable the team member or consultant responsible for disaster record keeping showing exactly who did what, when, where, and for how long on each job site, or with each patient.

MUTUAL AID / INTER-AGENCY ASSISTANCE AGREEMENTS

If costs are incurred under a written/formal mutual aid or other agreement, the applicant must pay the salaries of the jurisdiction's employees who are providing assistance. FEMA has determined that these agreements serve the same purpose as extra hires and that they are eligible costs. **HOWEVER**, if the mutual aid is provided at no additional expense to the applicant, then these costs are not eligible. Reimbursement cannot be provided unless a cost has been incurred.

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MAXIMIZING FEDERAL ASSISTANCE

FOCUS: Temporary Facilities & Operating Costs

By Bill Roche, Program Manager Federal Assistance – Witt O'Brien's

The President's March 13, 2020 nationwide emergency declaration provides access to funds to support eligible Emergency Protective Measures (EPM) needed to respond to the COVID-19 emergency. These funds, appropriated for state and local governments, including hospitals and universities, may be reimbursed under Category B of the Federal Emergency Management Agency's (FEMA) Public Assistance (PA) program.

Healthcare facilities are understandably overwhelmed caring for and saving lives of the massive influx of COVID-19 patients. Our team's experience offers oversight and guidance throughout the intricate PA reimbursement process. Costs for these services are eligible for reimbursement through Direct Administrative Costs under this declaration.

Under the emergency protective measures falls the dire need for temporary facilities and operating costs incurred for such facilities. While the term can be misleading, temporary facilities refers to a facility that's utilized on a temporary basis – meaning it doesn't simply have to be a temporary structure. The eligibility is based upon its use for a surge in need and, more importantly, for an immediate threat to lives.

An example of an EPM includes the costs to establish a separate intake and screening location for patient assessment in order to keep them isolated from confirmed COVID-19 patients. This may include the construction of a temporary facility or leasing an existing structure nonetheless, the decision on which direction hospitals take should be based upon what is prudent and reasonable.

Increased costs of operating a facility or providing a much-needed related service are generally not eligible. However, short-term increased costs that are directly related to accomplishing specific emergency health and safety tasks as part of EPMs may be eligible if:

- a. the services are specifically related to eligible emergency actions to save lives or protect public health and safety
- b. the costs are for a limited period based on the exigency of the circumstances, and
- c. the applicant tracks and documents the additional costs.

As with all other eligible reimbursements, FEMA requires a prudent, well-thought out approach, so it is imperative hospitals weigh their options (lease, purchase, etc.). The sensible approach is the lens for which FEMA will look when determining the approval for all reimbursements, as well as documentation which will be critical to ensuring reimbursement.

We look forward to the opportunity to guide our healthcare clients. Please contact contact@wittobriens.com for information or to schedule a step-by-step webinar which will provide details on costs that are potentially eligible for reimbursement under the emergency declaration.

MAXIMIZING FEDERAL ASSISTANCE

FOCUS: Emergency Operations Centers & Staff Time

By Jonathan Hoyes, National Director Government Services – Witt O'Brien's

In response to the COVID-19 pandemic on March 13, 2020, the President declared a nationwide emergency. This declaration triggered FEMA's public assistance program that provides grants specific to Emergency Protective Measures (EPM). The purpose of EPMs, sometimes referred to as Category B, is to eliminate or lessen threats to lives, public health or safety.

As part of the COVID-19 warning, guidance and information sharing process, most Emergency Operations Center (EOC) costs are eligible for FEMA reimbursement. These costs include staff augmentation and capacity building/support for EOC and first line response, as well as staff time, materials and reasonable contract costs. Some teleworking solutions that serve to ensure continuous critical services for health and safety may also be eligible for reimbursement.

Moreover, even though the emergency was declared March 13, the incident period began on January 20. As such, costs incurred from January 20 forward may be reimbursable. However, COVID-19 will require extended EOC activations that will stress resources. Our team's experience offers oversight and guidance throughout the intricate reimbursement process, as well as EOC staff augmentation support. Costs for these services are eligible for reimbursement through Direct Administrative Costs (DAC) under the declaration.

Outside of the EOC, overtime associated with responding to the emergency is eligible, but straight time is not. That said, local authorities may need to temporarily replace an employee who is responding to COVID-19. Overtime costs for the backfill employee are eligible even if the employee is not performing eligible work as long as their replacement is performing eligible work. FEMA determines the eligibility of overtime, premium pay and compensatory time costs based on the applicant's pre-disaster written labor policy.

Accounting for hours attributable to the COVID-19 response will be essential for the eligibility of reimbursement costs. Hospitals should develop a process for coding as it relates to time keeping so they can designate emergency-specific hours worked, inclusive of overtime. This process for tracking hours may be utilized for both salaried and contract staff. The development of tools such as this one will serve to improve reporting and increase the speed of reimbursement.

We look forward to the opportunity to guide our municipal and healthcare clients. Please contact me for information or to schedule a step-by-step webinar which will provide details on costs that are potentially eligible for reimbursement under the emergency declaration.

MAXIMIZING FEDERAL ASSISTANCE

FOCUS: New Equipment, Personal Protective Equipment (PPE) & Related Services

By Bill Roche, Program Manager Federal Assistance – Witt O'Brien's

The President's March 13, 2020 nationwide emergency declaration provides access to funds to support eligible Emergency Protective Measures (EPM) needed to respond to the COVID-19 emergency. These funds, eligible to hospitals may be reimbursed under Category B of the [Federal Emergency Management Agency's \(FEMA\) Public Assistance \(PA\) program](#).

Healthcare facilities are understandably overwhelmed caring for and saving lives of the massive influx of COVID-19 patients. Our team's experience offers oversight and guidance throughout the intricate PA reimbursement process. Costs for these services are eligible for reimbursement through Direct Administrative Costs under this declaration.

Eligible emergency protective measures taken to respond to COVID-19 at the direction or guidance of public health officials may be reimbursed under Category B of the agency's PA program. Emergency medical care activities under the COVID-19 Declarations include the purchase of PPE, new medical equipment and consumable medical supplies necessary to respond to COVID-19 cases.

By FEMA's definition, new equipment is different than consumable items and supplies, including Personal Protective Equipment (PPE), and almost always costs significantly more. Often new equipment is not fully exhausted during response and recovery, raising the issue of salvage and residual value. Therefore, unique rules apply.

In order to qualify for reimbursement, any newly ordered equipment must solely be for providing emergency protect measures to address the immediate threat to life and safety. Any durable medical equipment that's purchased, rented or leased must be viewed through the lens of what's reasonable and prudent in order to address any immediate need.

For example, typically it's less expensive to buy medical equipment versus leasing or renting. However, the wait time for obtaining leased or rented equipment is much less – as little as three days – contrasted with the months it may take to receive purchased items. Given FEMA's direction is to make the prudent decision that will serve to address the immediate threat to lives, leasing or renting medical equipment will most always be the most viable course of action for hospitals.

Furthermore, during the COVID-19 pandemic, reimbursement decisions will be based upon what's deemed prudent at the time purchase such as immediate need, usage projections and delivery time. Cost remains an important factor, albeit a tertiary one. Put simply, that's why documentation has never been so important.

It's vital to point out that durable medical equipment relates to equipment that's not immediately depleted or consumed. The equipment serves a repeated use and a life that goes beyond the length of time and number of uses during the emergency. Because of this, FEMA must consider salvage or residual value after the emergency ends. If hospitals don't understand or plan for this, the reduction in assistance may be significantly less and a tremendous unforeseen financial impact to the facility.

Isolation gowns, masks, face shields, safety glasses and gloves, thermometers, disinfecting wipes, sanitizer, respirators and ventilators are many of the items classified under FEMA's reimbursable PPE items. Supplies for triage and pre-admission are most often covered, however once a patient is admitted, FEMA expects patients' insurance to cover costs. For uninsured patients, funding is available from via the [Department of Health and Human Services \(HHS\) Public Health and Social Services Emergency Fund](#), although the rules on how hospitals and medical service providers can access this funding has not yet been released.

As COVID-19 continues its spread across the United States, healthcare providers face a staggering lack of PPE, with shortages in a federal stockpile of emergency medical equipment contributing to unequal distribution among affected communities. The World Health Organization recently announced that the chronic [global] shortage of PPE is one of the most urgent threats to the collective ability to save lives.

Furthermore, hospitals are now seeing PPE supplies are priced at a market rate that exceeds pre-emergency pricing, which FEMA recognizes. In this case, administrators should do their best to document that the items purchased are consistent with the current market rate for like products.

Of note, [FEMA will not duplicate assistance provided by the HHS](#), including the Centers for Disease Control and Prevention, or other federal agencies. This includes necessary emergency protective measures for activities taken in response to the COVID-19 incident. FEMA assistance will be provided at the 75 percent Federal cost share.

We look forward to the opportunity to guide our healthcare clients. Please contact me for information or to schedule a step-by-step webinar which will provide details on costs that are potentially eligible for reimbursement under the emergency declaration.

COVID-19 Process Overview



Public Assistance Applicant Quick Guide

The Public Assistance Program provides federal grant assistance to help communities quickly respond to and recover from major disasters or emergencies declared by the President. An Applicant is a non-Federal entity (state, territorial, tribal, and local government or private non-profit) submitting an application for assistance under a Federal award given to a Recipient (the state, territorial, or tribal entity managing the Federal award under the declaration). Once FEMA approves funding for an Applicant, the Applicant becomes a Subrecipient. This Quick Guide provides an **overview** of the **Public Assistance process** for **Applicants seeking assistance** under **COVID-19** declarations.

FEMA provides funding for management costs that an Applicant incurs in administering and managing PA awards. For details on management costs, see the [Public Assistance \(PA\) Management Costs Interim Policy](#).

Summary of COVID-19 Process Changes

For COVID-19 declarations, FEMA has streamlined the PA application process, including:

- Enabling the Applicant to apply directly to FEMA without relying on FEMA or Recipient staff.
- Providing a COVID-19 Streamlined Project Application.
- Reducing documentation requirements for projects under \$131,100.

For more information, refer to FEMA’s *Coronavirus (COVID-19) Pandemic: Public Assistance Simplified Application Fact Sheet*.

COVID-19 Process Overview



The streamlined application for COVID-19 allows for applications to be processed and managed remotely through the following steps:

Virtual Applicant Briefing

The Applicant Briefing is a Recipient-led meeting that occurs after a declaration to discuss Public Assistance procedures and requirements with potential Applicants. Organizations interested in applying for Public Assistance should contact their state, territorial, tribal, or local emergency management representative to obtain information on attending an Applicant Briefing.

Grants Portal Account Creation and Requests for Public Assistance

Applicants apply for assistance through FEMA’s [Grants Portal](#). Applicants can create accounts directly in Grants Portal or work through their Recipient to gain access. FEMA and the Recipient

COVID-19 Process Overview

Public Assistance Applicant Quick Guide

review the Request for Public Assistance for eligibility. If FEMA approves the application, the Applicant proceeds with submitting its project application(s). For more information on the process, see *Public Assistance Applicant Quick Guide: Grants Portal Account and Request for Public Assistance*, located in the Resources tab on Grants Portal.

Grants Portal
is the system used by
Recipients and
Applicants to manage
PA applications.

COVID-19 Streamlined Project Application

The Applicant completes and submits its project application(s) in Grants Portal. The project application includes detailed information about the activities for which an Applicant's is requesting funding and lists supporting documentation the Applicant needs to provide to justify the request. Once the Applicant completes the project application, the Applicant can follow prompts in Grants Portal to upload and submit the application. For more information on the process, see *Public Assistance Applicant Quick Guide: Completing and Submitting the COVID-19 Streamlined Project Application in Grants Portal*, located in the Resources tab on Grants Portal.

FEMA and Recipient Review

FEMA and the Recipient review and validate the project application to ensure completeness, eligibility, and compliance with Federal laws and regulations on items such as contracting and environmental and historic preservation. FEMA or the Recipient may request additional information from the Applicant during these reviews.

Applicant Signs Project

The Applicant reviews all terms and conditions that FEMA or the Recipient include in the project application and signs in agreement to the funding terms, including requirements for reporting on project work progress and completion.

Post-Award Activities

The Applicant provides additional documentation as its response efforts unfold and work is completed to document actual costs and expenditures of Public Assistance funds. Upon completion of work, the Applicant coordinates with the Recipient to formally close projects. The Applicant must retain records of all project-related documentation.

The *Applicant Quick Guide* series is a set of documents that explain the roles and responsibilities of Applicants in key steps in FEMA's Public Assistance Program delivery process. Read more about Public Assistance Program delivery in the [Public Assistance Program and Policy Guide](#), and other resources available on [Grants Portal](#).