

MAXIMIZING FEDERAL ASSISTANCE

FOCUS: Temporary Facilities & Operating Costs

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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.