



COVID-19 Category B Public Assistance for Private Non-Profit Organizations

Focus on Hospitals, Clinics, Emergency Medical Providers

Emergency protective measures conducted before, during, and after an event are eligible under **Public Assistance as Category B** expenses if the measures eliminate or lessen immediate threats to lives, public health, or safety. Only the following entities are eligible for reimbursement under the Public Assistance program:

- State and Local Governments;
- Certain Private Nonprofit Organizations
 - Must have a current ruling letter from the U.S. Internal Revenue Service granting tax exemption under sections 501(c), (d), or (e) of the internal Revenue Code of 1954; or,
 - Documentation from the State substantiating it is a non-revenue producing, nonprofit entity organized or doing business under State law.

Examples of Eligible Activities

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- Emergency medical care (diagnosis or treatment of and provided in a day or residential school, including parochial mental or physical injury or disease) provided in:
 - Clinics
 - Facilities that provide in-patient care for convalescent or chronic disease patients
 - Hospices and nursing homes
 - Hospitals and related facilities, including:
 - Central service facilities operated in connection with hospitals
 - Extended-care facilities
 - Facilities related to programs for home-health services
 - Laboratories
 - Self-care units
 - Storage, administration, and records areas
 - Long-term care facilities
 - Outpatient facilities
 - Rehabilitation centers that provide medical care
 - Ambulance services specific to the event

Ineligible Costs

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Costs that are Eligible Under Other Federal Awards- FEMA is legally prohibited from duplicating benefits from other sources, such as from insurance or other federal awards. Public Assistance is funding of last resort. If the Applicant receives funding from another source for the same work that FEMA funded, FEMA reduces the eligible cost or de-obligates funding to prevent a duplication of benefits.

In addition to FEMA's Public Assistance Program, there have been other federal programs authorized to provide assistance to states to address the COVID-19 outbreak. These non-FEMA sources include **\$8.8 billion** to the CDC for preparedness and response activities. A Notice of Funding Availability is expected soon pursuant to this appropriation and the Florida Department of Health (DOH) will develop a spend plan to outline costs eligible for funding through the CDC. Typically when this type of funding is allocated, it is generally with the focus of Public Health for things like Epidemiology, surveillance, monitoring travelers, laboratory capacity, testing surge, case identification, lab equipment supplies and shipping, etc. FEMA's duplication of benefits guidance requires that eligible activities funded through other federal sources should be claimed through those other programs, so long as funding is available.

Increased Operating Costs - Increased costs of operating a facility or providing a service are generally not eligible, even when directly related to the incident. Increased administrative and operating costs to a hospital due to increased or anticipated increased patient load, labor costs for medical staff, and increased costs for feeding residents and staff of critical facilities are ineligible for PA funding**. However, short-term increased costs that are directly related to accomplishing specific emergency health and safety tasks as part of emergency protective measures may be eligible. It is crucial that health facilities eligible for Public Assistance funding provide detailed activity logs for employees to ensure that time claimed is tied to an eligible activity.

***Please See Second Appeal for Memorial Hospital at Gulfport at https://www.fema.gov/appeal/286218?appeal_page=analysis*

Examples of Ineligible Costs

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- Straight Time (Regular Time)
- For Non-essential employees i.e. administrative staff, the following is typically not eligible
 - Comp time
 - Standby Time
 - Overtime
 - Fringe Benefits
 - Provision of food Provision of food for general public
- Increased Operating Costs due to increased patient load, i.e. backfill physicians to staff ER

Common Issues with Category B Reimbursement

Documentation - In past events, applicants have had difficulties in creating, maintaining, and providing all required documentation for Category B reimbursement. Documentation requirements vary between activities. Please see the enclosed for specific documentation requirements for common activities. The below three conditions are typical requirements for Category B expenses.

- Tie the cost to an eligible activity
- Properly document the activity (who, what, when, where, how much)
- Legally responsible

Policies - The existence of certain policies is a requirement before an event. Such policies include

- Payment Policy and
- Procurement Policy

Applicants must abide by these policies. The payment policy cannot state that overtime is allowed only when there is a Federal declaration or overtime is at the discretion of management.

Payroll Time Keeping - For any Category B expense- applicants must tie all costs to an eligible activity. This applies to the time claimed for staff performing an eligible Category B activity. Applicants must provide an activity log, comments, etc. that illustrates what employees were doing during the time claimed by the applicant. Those activity logs or comments need to show that the employees were performing eligible Category B activities, i.e. working in EOC responding, operating a generator, etc.

Procurement - Non-compliance with federal procurement requirements remains a leading cause nationwide of deobligations and eligibility issues related to costs. Limited circumstances exist under which there are exceptions to noncompetitive procurement requirements. Relevant to this event is the exception that exists due to emergency or exigent circumstances. If circumstances are of such severity and magnitude that they prevent the undertaking of a procurement action, then strict adherence to these regulations is not required so long as the emergency or exigent circumstances exist. If the governmental entity is not going to use a competitive process to purchase goods and services, they need to document the reason and for emergency and exigency circumstances, the date those circumstances started and ended.