

# What the COVID-19 Emergency Declaration means for healthcare

**On March 13, 2020, the President declared the ongoing Coronavirus Disease 2019 (COVID-19) pandemic of sufficient severity and magnitude to warrant an emergency declaration pursuant to section 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207.**

This declaration makes Public Assistance (PA) funding available to help defray the costs associated with the ongoing response to COVID-19. This funding is available to state, territorial, tribal, and local government entities and certain private nonprofit (PNP) organizations, including nonprofit hospitals, behavioral health facilities, and long-term care facilities.

**The following is a brief description of what types of costs (specific to healthcare) are potentially eligible for reimbursement under this declaration.**

## Eligible costs

Costs potentially eligible for reimbursement under this declaration are those expenses that fall under FEMA Category B, Emergency Protective Measures expense category.

A few examples of these costs are:

- Labor/supply costs for mass care operations
- Measures taken to protect patients and staff
- Overtime paid to employees caring for COVID-19 patients
- Costs of PPE associated with COVID-19
- Costs for contractors performing emergency protective work
- Other costs a hospital would not normally incur during regular operations
- Costs associated with the isolation of employees exposed to COVID-19 during patient care

## What should we do now?

As your facility prepares to receive COVID-19 patients, you should begin tracking costs by setting up cost centers to capture disaster-related charges such as:

- Labor
- Supplies
- Pharmaceuticals
- Equipment

Even if your facility never encounters a COVID-19 patient, the costs you incurred to prepare may be eligible for reimbursement.

## Can a vendor help us with this process?

Due to the strain on healthcare entities and the extreme complexity of federal disaster reimbursement guidelines, entities are encouraged to contract with an experienced vendor to provide oversight and advocacy on their behalf through the PA reimbursement process.

Vendor costs are eligible for reimbursement under this declaration.

Federal procurement regulations permit entities to issue emergency contracts for exigent circumstances. After the issuance of a temporary emergency contract, your normal procurement procedures must be followed, usually through the issuance of an RFP to replace the emergency contract with a competitively bid award. The RFP must meet all the requirements of federal procurement as defined under 2 C.F.R. § 200.317-326.



Preparedness



Response



Recovery



Mitigation