ICF Podcast Series
Navigating
COVID-19 Aid—FAQs

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Episode 8: Federal Funding (Part 2)

1 **What is the status of COVID-19 today?**

A: As of May 27, the United States has more than 1.7 million cases and 100,000 deaths. Our lives and the way we provide healthcare have changed drastically. In addition to COVID-19, we are now entering a season of natural disasters (hurricanes, floods, and wildfires), so we need to prepare for concurrent disasters. Scientists across the world are working on treatments and a vaccine, but there is still no definitive treatment, and we are many months away from a vaccine.

Social distancing, disease mitigation, and preparedness for the next wave is our new normal.

We have already had one named Atlantic hurricane and a series of earthquakes in Nevada and other states, severe flooding in Michigan, an unexpected winter storm in the Northeast, and tornadoes in the Midwest. We need to prepare now for the reality of concurrent disasters and understand the best options available to protect our residents and effectively respond and recover.

2 **What is the status of funding available to cover medical and public health activities?**

A: We are hearing now about funding options for COVID-19 specifically as we transition from the response efforts of the first wave to continued response (in many states, COVID-19 numbers are still rising; such states are still very much responding to the first wave), initial recovery in some locations, and preparedness actions for the next wave in other locations.

As we have discussed on previous podcasts, funding is available from the Federal Emergency Management Agency (FEMA) Public Assistance (PA) Grant Program and the other agencies that support FEMA PA and the U.S. Department of Health and Human Services (HHS).

From a medical care cost standpoint, FEMA PA will reimburse for some costs associated with the establishment and operations of alternate care sites. These may include costs associated with building them, equipping them, and staffing them; further, FEMA PA will cover the costs associated with emergency medical treatment only if there is no other payer. FEMA PA will cover personnel costs to manage the response, and a joint agreement between FEMA and HHS is covering the costs of personal protective equipment (PPE) purchased through the federal government and delivered by the federal government at 100% cost share. Beyond PPE, the rest of the costs are 75/25 cost share.

HHS has several cooperative agreement (COAG) programs: through the Office of the Assistant Secretary for Preparedness and Response's (ASPR's) Hospital Preparedness Program, the Centers for Disease Control and Prevention's (CDC's) Crisis, the CDC's Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) COAG, and a tribal offering. These COAGs are mostly administered through state and local health departments and hospital associations and through some hospitals directly. These COAGs mostly fund staffing and equipment purchases, planning, and some testing and contact tracing work at the public health level but are not available for funding or reimbursing for patient care costs.

The HHS Health Resources and Services Administration (HRSA) is administering the **COVID-19 Uninsured Program,** which will reimburse healthcare providers for care provided to a COVID-19-positive patient if they have no insurance and no other payer. They will reimburse at typical Medicare coverage rates and for Medicare-covered services.

Finally, any provider already enrolled with Medicare or Medicaid can be reimbursed for covered care provided to covered patients for COVID-19.

3 With regards to the reimbursement process, can some costs be covered by more than one federal program?

A: Yes, it is quite common to have emergency measures covered by more than one entity. As long as the costs are eligible, you are an eligible applicant, and the costs are not duplicative, they are eligible for reimbursement. Consider the following example: an alternative care site has multiple costs and covered expenses within one project. One funding source might cover the cost of the beds and structure itself, and another might cover staffing costs. Talk to your state and local reps and regional administrators to figure out in advance what your options are and maintain meticulous record-keeping from the start.

4 Is there funding still available for preparedness actions?

A: Yes. The COAG funding from HHS is still available for preparedness or mitigation actions. The Centers for Medicare & Medicaid Services and HRSA funding is reimbursement for actual patient care—funding is not available in advance. However, purchasing PPE and increasing response capacity is allowable and encouraged. All the alternate care sites should be maintained for use in the future.

5 What community development funding resources are available from the U.S. Department of Housing and Urban Development (HUD) for COVID-19 response and who is eligible?

A: The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provided for more than $12 billion in funding to HUD, including $5 billion for the Community Development Block Grant (CDBG) Program, which HUD calls CDBG-CV. Congress often turns to CBDG for responding to such disasters because it is so flexible since it can be used for a wide variety of activities. $3 billion of these funds have now been allocated: $2 billion of these were allocated based on the Fiscal Year 2020 methodology to states and entitlement jurisdictions, while the remaining $1 billion was allocated on May 11. These allocations were determined based on the impact of COVID-19 in different states and insular areas. The remaining $2 billion will be allocated on a rolling basis using COVID-19-specific formula factors outlined in the CARES Act. HUD will provide more information on this funding later.

6 **What activities are CDBG-CV grantees and their partners using this additional funding for?**

A: Most CDBG-CV grantees are still sorting out the details of how they will use the funds. Since the CARES Act eliminated the 15% cap on expenditures for public services, many grantees are planning to use CDBG-CV funds for various types of new or increased public services. This is an area with a lot of flexibility, allowing for services ranging from Meals on Wheels to medical services for low-/moderate-income persons. Related to that, many grantees are planning to use CDBG-CV funds for emergency assistance to households to assist with housing expenses, specifically rent, mortgages, and/or utilities. Currently, this assistance is limited to three months, but grantees are hopeful HUD may extend that timeframe when it publishes additional guidance on regulatory waivers and program flexibilities.

Grantees are also using or planning to use the funds for grants or loans to various types of businesses, including microenterprises.

7 **How can the COVID-19 funding recipients maximize recovery efforts with the different funding sources available while avoiding duplication of benefits (DOB)?**

A: A lot of recipients are asking themselves how they can keep track of all this and maximize every funding source available. Recipients are wondering what kind of tracking mechanisms they should have in place to avoid DOB. Right now, we are looking at every funding source available to the entity, helping them understand what is covered by each of these sources, and advising them to document everything and be able to support what was used for each source to justify reimbursement. The funding recipient must categorize each cost and document its use. It helps to go backwards in the order of federal funding assistance; FEMA is the funding of last resort. Thus, recipients need to cover costs with all other applicable funding sources first.

Funding recipients need to look at funding sources for COVID-19 response and keep those costs separate from potentially new events that may occur.

8 **What funding is available for retrofitting facilities? Is there guidance that needs to be followed to reopen government facilities to help workers get back into the workplace?**

A: As of the time of this writing, FEMA has not come out with guidance on how it is going to handle this. This is a very common question we hear from local entities and applies to funding recipients and subrecipients. They are looking at various ways to continue operations while figuring out how to retrofit facilities, because it is a cost directly related to this pandemic that FEMA will reimburse. FEMA must adhere to what HHS and CDC say in managing this pandemic, so FEMA is taking its lead from them to determine what they will pay for.

9 **Has there been any guidance from FEMA on establishing temporary facilities?**

A: There are [non-congregate sheltering facilities](#) for testing and other costs, but again, FEMA is the funding of last resort.

10 **What are the nuances that states and local entities should consider regarding purchasing PPE with FEMA PA or HHS funding?**

A: PPE can be purchased using funding from HHS and CDC. All the COAGs include PPE as an eligible expense. Alternatively, PPE can be reimbursed through an unmet needs request. FEMA and HHS have an

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agreement to provide that reimbursement at no cost to the state. The best approach is to talk to your HHS Regional Coordinator and FEMA Administrator and try to purchase PPE through the federal government. FEMA will pay for some of the construction and building out of new sites or temporary facilities. FEMA will also reimburse limited costs for medical care—specifically, the kind of care received in an emergency expense and only as a payer of last resort.

Some of the equipment purchased in the early days of the pandemic are subject to the federal cost share of 75/25 with anything that was submitted for reimbursement. Thus, it is highly advisable to go through the state or federal government to purchase PPE equipment.

11 **What are some of the things communities should consider putting into place now to ensure continuity of operations?**

A: Communities should look at their continuity of operations plans to ensure they are up to date and set up to help them manage operations through concurrent disasters. State and local entities should also look at existing sheltering resources. They should be answering questions such as where they are going to house people, how they will isolate people and pets, and so forth. These entities should take advantage of the FEMA mitigation dollars that are coming out to help prepare.

12 **What are some of the challenges are HUD and communities looking at for future use of CDBG-CV funding?**

A: We are still waiting on additional guidance and clarifications. Some states must provide the funding to non-entitlement areas, meaning they cannot fund larger cities. Further, they have to fund their programs through a unit of local government, which might not have the capacity to start up and run these programs. Some entities are pushing HUD to waive this requirement. Thus, finding partners who have the capacity and are ready to get the funding out quickly in a way that is compliant is a big concern. CDBG-DR grantees are used to dealing with DOB, but CDBG-CV funding recipients are not as familiar with this requirement or element, so they may need additional support.