

## COVID-19 Federal Funding Guide

July 15, 2020

New information in green.

### Purpose

This document is intended to orient members to the federal COVID-19 funding streams most relevant to public health care systems and help systems access those funds. CAPH will update it and share future versions as we learn more about these and other opportunities.

The first section presents a summary of the funding streams organized by the eligible entity. Funds that CAPH believes have the most potential, because of their large amounts and/or competitive nature requiring quick action, are marked as **PRIORITY**. Although some funding streams appear to offer reimbursement for duplicative costs/activities, we have not prioritized one over the other because of the uncertainty in how determinations of overlap will be made and a general sentiment that members should attempt to access all resources while they are available.

Following the chart, we have provided more detail on each funding stream, if available.

### CAPH Office Hours

CAPH is hosting weekly COVID-19 Finance Office Hours at **11 am every other Friday**. We will use these calls to answer questions and give updates on what we know about the various funding streams for COVID-19. For more information and to join, please contact [Ben Kane](#).

## Summary of Funding Opportunities

### State Realignment Backfill

	Description	What to do	When
1	The FY 2020-21 State Budget includes \$750 million to support counties experiencing 1991 and 2011 Realignment revenue losses as a result of COVID-19. To the extent the federal government provides sufficient additional funding to the state by October 15, 2020, an additional \$250 million may be provided to counties.	<ul style="list-style-type: none"> <li>Members may wish to check in with county leadership about the required certification to the State, as well as work with your county to see whether these funds may be available to you.</li> <li>CAPH is working to analyze how these funds</li> </ul>	<p>To receive these funds, counties were required to submit a certification form to the Department of Finance by July 10.</p> <p>County allocations and more information can be found on the</p>

	<p>The certification counties must sign says they will only use these funds for costs that would have otherwise been funded by Realignment, and prioritize support for health and human services, entitlement programs, and programs that serve vulnerable populations.</p> <p>Funding is contingent on the county's adherence to federal guidance, the state's stay-at-home requirements and other health requirements as directed in gubernatorial Executive Order N-33-20, any subsequent executive orders or statutes, and all California Department of Public Health orders, directives, and guidance issued in response to the COVID-19 public health emergency.</p>	<p>may affect AB 85, if at all, and will keep members updated.</p> <ul style="list-style-type: none"> <li>• Please see updated information for counties provided by CSAC below</li> </ul>	<p><a href="#">Department of Finance County Allocation website.</a></p>
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### Funding for Health Care Providers

	Description	What to do	When
2	<p><b>PRIORITY</b></p> <p>\$100 billion CARES Act Provider Relief Fund to reimburse health care providers (as defined) for expenses or lost revenue not otherwise reimbursed and directly attributable to COVID. See below for further information on eligible use of funds.</p> <p>The interim stimulus package (aka 3.5) passed by Congress on April 23 added an additional \$75 billion to this fund.</p> <p>Various allocations of funding have been announced from this fund.</p> <p>More information provided to members in a separate <a href="#">CAPH fact sheet (updated)</a> and on the <a href="#">Provider Relief Fund website</a></p>	<ul style="list-style-type: none"> <li>• HHS requires acceptance of Terms and Conditions through an attestation form for <u>each</u> allocation from the Provider Relief Fund.</li> <li>• Each PHS should review the Terms and Conditions and consider signing the attestations through the <a href="#">attestation portal</a> in order to ensure they are eligible to receive future rounds of funding.</li> <li>• Additionally, after signing the attestation form providers were required to submit certain revenue information by June 3</li> </ul>	<p>Over \$100 billion has been distributed or allocated in multiple rounds. Further rounds of funding will be announced by HHS. For detailed information, see the CAPH Fact Sheet.</p> <p>Within 90 days of payment (was extended from 30 days), providers must sign attestations confirming receipt of funds and agreeing to terms and conditions or return</p>

		<p>through the <a href="#">General Distribution Portal</a>.</p> <ul style="list-style-type: none"> <li>Members who have not received payment can contact United Health Group (distributor of the funds) to inquire about status of the distribution at (866) 569-3522.</li> </ul>	<p>the funds. Access the <a href="#">form here</a>.</p>
3	<p>\$1 billion was appropriated in Families First Coronavirus Response Act (HR 6201/second stimulus) to reimburse providers for COVID-19 testing to the uninsured.</p> <p>This funding for uninsured testing is being blended with CARES Act funding from the Provider Relief Fund (#1 above) for uninsured treatment into a new HRSA program titled: <u>COVID-19 Claims Reimbursement for Testing and Treatment to Health Care Providers and Facilities Serving the Uninsured</u></p>	<ul style="list-style-type: none"> <li>HRSA will be administering these funds via contract with UnitedHealth Group; see <a href="#">program website</a> for more information.</li> <li>Providers must register to be able to submit claims via <a href="#">portal</a>.</li> <li>However, we expect that in California, most providers may receive payment for uninsured testing and treatment through Limited Scope or Presumptive Eligibility.</li> <li>For more guidance on this program, please see CAPH's Member Guide: <a href="#">COVID-19 Coverage and Reimbursement for the Uninsured</a></li> </ul> <p>The Guide also includes a summary of other reimbursement opportunities for uninsured services (including Medi-Cal, COVID-19 presumptive eligibility, GPP, and FEMA) and important considerations for PHS</p>	<p>Claims submission began May 6</p>

		in braiding these sources together.	
4	\$250 million in CARES Act funding for grantees of the Hospital Preparedness Program	<ul style="list-style-type: none"> <li>Inquire about opportunities with your local <a href="#">HPP coalition</a></li> </ul>	
5	\$50 million in grants to state hospital associations through the Assistant Secretary for Preparedness Response	<ul style="list-style-type: none"> <li>CHA was allocated \$4.1 million for CA</li> <li>CHA received the funds and is distributing allocations to hospitals based on their number of licensed beds.</li> </ul>	CHA was obligated by law to release funds for all hospitals that returned electronic compliance documents by May 10.
6	Medicare payment increase for COVID-19 patients, authorized by the CARES Act	Providers must include COVID-19 diagnosis codes in claims to trigger the 20% add-on to payment	<u>Effective now and throughout the emergency period</u>
7	Accelerated and Advanced Medicare Payments, authorized by the CARES Act	<p>On April 26, CMS announced it would suspend and re-evaluate this program in light of the \$175 billion in stimulus payments flowing through the Provider Relief Fund (#1 above).</p> <p>CMS says it will re-evaluate all pending and new applications under the Accelerated Payment Program for Part A providers and will not accept any new applications under the Advanced Payment Program for Part B providers.</p> <p>More information is available in CMS' updated <a href="#">fact sheet</a></p>	

8	<p>\$200 million in the CARES Act for the Federal Communications Commission's (FCC's) COVID-19 Telehealth Program, intended to help health care providers provide connected care services to patients at their homes or mobile locations in response to the COVID-19 pandemic by funding their telecommunications services, information services, and devices.</p> <p>The FCC does not expect to award more than \$1 million to any single applicant.</p> <p><u>This funding will be awarded only until all funds are expended or until the pandemic has ended.</u></p>	<ul style="list-style-type: none"> <li>Review the program <a href="#">guidance</a>, and complete pre-application steps</li> <li>Submit an <a href="#">application</a></li> <li>See <a href="#">program website for more information</a></li> </ul>	<p>On June 25, the FCC's COVID-19 Telehealth Program <u>stopped accepting new applications.</u></p>
9	<p>Enhanced Medicare Reimbursement for High Throughput Clinical Diagnostic Laboratory Tests. Medicare will pay a higher rate (\$100) for lab test using technology that can process more than 200 COVID-19 specimens per day.</p>	<ul style="list-style-type: none"> <li>Review CMS <a href="#">ruling</a> to properly identify eligible high throughput machines.</li> <li>Ensure proper Medicare Part B billing using codes U0003 or U0004.</li> </ul>	<p>Effective April 14, 2020</p>

#### Funding for FQHCs

	Description	What to do	When
10	<p>The interim stimulus package (aka 3.5) passed by Congress on April 23 provided additional funding for FQHCs to expand testing.</p> <p>On May 7, HHS announced that \$583 million was awarded to 1,385 HRSA-funded FQHCs in all 50 states. California received \$97 million to support 179 clinics.</p>	<ul style="list-style-type: none"> <li>FQHCs were auto-awarded their allocations</li> <li>More information <a href="#">here</a></li> </ul>	<p>Awardees submitted information and budgets via the HRSA Electronic Handbook by June 6. More information <a href="#">here</a></p>
11	<p>\$1.32 billion in CARES Act funding for FY20 supplemental awards to Health Centers with HRSA grants for the prevention, diagnosis, and treatment of COVID-19</p>	<ul style="list-style-type: none"> <li>FQHCs were auto-awarded their CARES allocations</li> <li>More information <a href="#">here</a></li> </ul>	<p>CARES awards were announced April 8</p> <p>CARES awardees submitted requested</p>

			information via their HRSA Electronic Handbook by May 8. More information <a href="#">here</a>
12	\$100 million in grants from the first federal stimulus package (HR 6074) to be used for increased medical supplies, testing and telehealth needs	<ul style="list-style-type: none"> <li>FQHCs were auto-awarded their allocations</li> <li><a href="#">CA received \$13.8M</a> to support 178 clinics</li> </ul>	<p>Awards were announced March 24</p> <p>Awardees submitted requested information via their HRSA Electronic Handbook by April 23. More information <a href="#">here</a></p>

#### Funding for State and Local Governments

	Description	What to do	When
13	<p><b>PRIORITY</b></p> <p>\$150 billion Coronavirus Relief Fund (CRF) in the CARES Act for necessary expenditures incurred due to the public health emergency</p> <p>The National Association of Counties (NACo) continues to advocate for additional appropriations for this fund and for the ability to use relief funds to cover lost revenues.</p>	<ul style="list-style-type: none"> <li>Counties/cities with populations greater than 500,000 applied directly to the Treasury Department to access their allocation</li> <li>Guidance and Treasury Department FAQs <a href="#">here</a></li> <li><b>Members should work with their county regarding the allocation of funding</b></li> <li><a href="#">CAPH's CRF guidance for members</a> includes the following information: Background, Reporting Requirements, Requirements for Expenditures, Categories of Potentially Eligible Public Hospitals Costs, CRF Allocations by DPH County.</li> </ul>	<p>Funding provided by the Treasury directly to States and Local Governments has been distributed. Amounts are <a href="#">posted online</a>.</p> <p>As part of the FY 2020-21 State Budget, California is distributing \$1.3B of its CRF allocation to counties, provided they signed a certification by July 10. This funding is in addition to the funds counties already received directly from the Treasury. For more</p>

			<p>information, visit the <a href="#">Department of Finance CRF website</a>.</p> <p>On July 2, the Treasury released a <a href="#">memo with reporting and record retention requirements</a> for prime recipients of Coronavirus Relief Funds—those who received funds directly from the U.S. Treasury. Prime recipients will be required to report COVID-19 related costs on an interim and quarterly basis, beginning with a <a href="#">July 17 deadline</a> for the interim report for the period of March 1 to June 30, 2020.</p>
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#### Federal Emergency Management Agency (FEMA)

	Description	What to do	When
14	<p><b>PRIORITY</b></p> <p>The President’s emergency declaration enables FEMA to reimburse states/local governments for costs associated with measures taken before, during, and immediately after the incident to save lives and to protect public health and safety.</p>	<ul style="list-style-type: none"> <li>Counties and UCs may request reimbursement through FEMA’s online Grants Portal. County-operated PHS should coordinate with their county’s Office of Emergency Management/Services.</li> </ul>	Requests can be submitted now and throughout the emergency period

		<ul style="list-style-type: none"> <li>Information available at <a href="#">CalOES website</a></li> <li>CAPH has contracted with Ernst &amp; Young to provide member training and support. Recordings of past trainings and FAQs can be found on <a href="#">SNI Link</a>.</li> </ul>	
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### Increased Medicaid FMAP

	Description	What to do	When
15	<p>6.2 percentage point FMAP increase in Families First Coronavirus Response Act (HR 6201/second stimulus) for all Medicaid covered services for period Jan. 1, 2020 through the end of the quarter in which the COVID-19 emergency ends.</p> <p>The benefit will flow directly to PHS via CPE- and IGT-financed payments, by reducing the necessary non-federal share. Increases for CPE-based payment will be based on date of service, and IGT-based payment will be based on date of payment.</p> <p>CMS FMAP FAQ available <a href="#">here</a>.</p>	<ul style="list-style-type: none"> <li>PHS do not need to take action to benefit from this increase.</li> <li>CAPH estimates that the enhanced COVID FMAP of 56.2% will increase FFP to all DPHs by approximately \$200 million when applied to payments from the first half of CY 2020. CAPH sent estimates to members that show benefit by funding stream.</li> </ul>	<p>FMAP increase applies to Medicaid covered services for period Jan. 1, 2020 through the end of the quarter in which the COVID-19 emergency ends.</p> <p>For FFS Medi-Cal - CPEs, this is determined by date of service. For all other IGT funded PHS supplementals, it is based on date of payment.</p>

### Emergency Loans for Businesses, States and Municipalities

	Description	What to do	When
16	<p>On April 9, the Federal Reserve <a href="#">announced</a> new loan programs, including the Main Street Lending Program for small to mid-size businesses, and the Municipal Liquidity Facility for states and certain local governments.</p> <p>Eligibility for counties and cities has been expanded since this program was first</p>	<ul style="list-style-type: none"> <li>Review guidance from the Treasury Department and Federal Reserve as it becomes available</li> </ul>	<p>The Municipal Liquidity program for states and local governments is operational May 26 through December 31, 2020, unless extended by</p>



	announced—to U.S. counties with a population of at least 500,000 residents, and U.S. cities with a population of at least 250,000 residents. More information <a href="#">here</a>		the Treasury Department.
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### Emergency 1115 Waiver

	Description	What to do	When
17	<p>California may be granted one or more emergency 1115 waivers.</p> <p>Unlike some other federal funding streams for COVID-19, the waiver would require state match which means we would not want waiver funding to replace other funding that is all federal dollars.</p> <p>Budget neutrality is waived during the emergency period.</p>	<ul style="list-style-type: none"> <li>DHCS submitted an <a href="#">emergency 1115 waiver</a> on April 3, which includes requests to allow WPC budget flexibility and payment for housing, as well as pay for reporting for PRIME and QIP, among other flexibilities.</li> <li>CAPH is working with the State to explore additional opportunities and monitor any federal approvals. We will keep members apprised.</li> </ul>	TBD

## 1. State Realignment Backfill

July 13: Update from the California State Association of Counties (CSAC):

- [County realignment backfill amounts](#) were established on July 6 and CSAC drafted a [methodology brief](#) that explains how the amounts were determined.
- Initial payment will be \$125 million statewide (covering two months) as soon as possible after the July 10 certification form deadline.
- The remaining balance of the backfill will be provided upon enactment of a budget trailer bill that allows the state to withhold the monthly allocation amount of the \$750 million General Fund from a county's 1991 Realignment funding, should a county be determined to be out of compliance. CSAC and county affiliates will work collaboratively with the Administration and the Legislature to ensure the passage of a trailer bill.

- If no budget trailer bill is enacted, the remainder of the payments would be made in monthly installments of \$62.5 million statewide.
- All counties must provide monthly attestations that the county is complying with public health orders.
- The required compliance with public health conditions and monthly attestations for the Realignment backfill includes the following three elements:
  - Meeting the contact tracing staffing level that is currently required for a county variance to the state public health order.
  - Meeting the currently required commitment to actively participate in the State's County Data Monitoring Program and undertaking efforts advised by the state for those counties that are on the County Data Monitoring List.
  - Not adopting any ordinances/resolutions or taking any actions that are inconsistent with the state's stay-at-home order. If a county is in a situation with a sheriff not under its supervision violating condition #3, the state will engage the county on how to engage the sheriff. If there is no resolution, the state recommends that the county attest to its \*own\* commitment to follow and have enforcement plans for state and local orders. In all cases, state officials will work with local leaders to encourage compliance.

## 2. \$175 billion CARES Act Provider Relief Fund **(PRIORITY)**

**Description:** \$175 billion in total funds available to hospitals, health systems, and other providers. Hospitals may apply for this funding to “prevent, prepare for, and respond to coronavirus.” Providers will be reimbursed through grants and other payment mechanisms.

**Eligible providers:** Public entities, Medicare- or Medicaid-enrolled suppliers and providers, and other non-profit and for-profit entities specified by the Secretary of the Department of Health and Human Services (HHS) “that provide diagnoses, testing, or care for individuals with possible or actual cases of COVID-19.”

### **Eligible expenses:**

- Health care-related expenses or lost revenues not otherwise reimbursed and directly attributable to COVID-19
- Funds may not be used for expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse.
- According to HHS, eligible expenses may include:
  - supplies used to provide healthcare services for possible or actual COVID-19 patients;
  - equipment used to provide healthcare services for possible or actual COVID-19 patients;
  - workforce training;
  - developing and staffing emergency operation centers;
  - reporting COVID-19 test results to federal, state, or local governments;

- building or constructing temporary structures to expand capacity for COVID-19 patient care or to provide healthcare services to non-COVID-19 patients in a separate area from where COVID-19 patients are being treated; and
- acquiring additional resources, including facilities, equipment, supplies, healthcare practices, staffing, and technology to expand or preserve care delivery
- Funds to cover lost revenue may be used for ongoing costs, according to HHS this could include:
  - Employee or contractor payroll
  - Employee health insurance
  - Rent or mortgage payments
  - Equipment lease payments
  - Electronic health record licensing fees
- **Match required: No**

**Application/payment process:** While we expected there to be an application process given the CARES Act legislative text, in practice, CMS is distributing the funding directly to providers. Providers will be asked to accept terms and conditions, submit reports and maintain documentation. The Secretary will establish a reconciliation and audit process under which payments must be returned to the fund if other sources provide reimbursement.

HHS has chosen to disburse this funding in multiple allocations, with additional future allocations expected:

<b>Overview of All Funds</b>		
Funding Description	Amount	PHS eligibility
General (first tranche)	\$30 billion	All PHS
General (second tranche)	\$20 billion	All PHS
High-impact (first tranche)	\$12 billion	PHS with over 100 COVID admissions
High-impact (second tranche)	\$10 billion	TBD, based on COVID admissions
Skilled Nursing Facilities (SNFs)	\$4.9 billion	PHS with SNFs
Safety Net Hospitals (first tranche)	\$10.1 billion	PHS meeting certain criteria
Safety Net Hospitals (second tranche)	\$3 billion	PHS meeting certain criteria
Uninsured testing	Unspecified amount	All PHS
Rural Distribution (first tranche)	\$10 billion	Generally not eligible
Rural Distribution (second tranche)	\$1.1 billion	Generally not eligible
Indian Health Services	\$500 million	Generally not eligible
Medicaid & CHIP	\$15 billion	Generally not eligible

HHS will provide future guidance about how providers will be required to submit documentation to meet reporting requirements in the Terms & Conditions.

**For more information about accessing these funds:**

- See the [Provider Relief Fund website](#)
- See [CAPH Provider Relief Fund fact sheet for members \(updated\)](#)
- See [Provider Relief Fund FAQ, periodically updated by HHS](#)

**CHA recommends:** Hospitals are urged to maintain documentation of COVID-19 related expenses. For example, hospitals should consider:

- Create a COVID-19 specific cost center to track applicable COVID-19 related expenses or incremental expenses.
- Creating a specific pay code for employees, identifying hours spent to support the command center, COVID-19 screening, and additional COVID-19-related shifts
- Using Google sheets to track supplies needed for purchase
- Tracking overtime associated with COVID-19 for permanent employees
- Tracking both regular and overtime hours associated with COVID-19 for unbudgeted employees
- Tracking management costs and keeping detailed timesheets of employees performing grant management and other duties related to COVID-19
- Tracking any donated resources from volunteer organizations, which may be considered reimbursement from other sources, and therefore not eligible for this funding

**In addition, CAPH recommends** that members are tracking all COVID related expenses including the following expenses:

- Alternatives sites of care - acquiring and outfitting new sites; repurposing old sites for temporary uses; additional beds, hotels, tents; sites for testing; housing, quarantine and isolation for people experiencing homelessness; maintenance and upkeep; etc.
- Paying for services at other facilities - e.g., letters of agreement with private hospitals, SNFs, other stepdown facilities to take patients and reduce load, new lab costs for testing
- Staffing – additional registry/contracted staff costs, temporary housing for staff, overtime, activation of retired staff, security, training, idle staff, etc., bonuses and incentives to keep staff working
- Infrastructure – generators, transportation, command center, laptops for staff, contracts with Zoom and other remote software
- Service drop – lost revenues or ongoing costs due to visits and procedures being redirected or cancelled

### **3. COVID-19 Claims Reimbursement for Testing and Treatment to Health Care Providers and Facilities Serving the Uninsured**

**UPDATE:** For more detailed guidance on this program, please see CAPH’s Member Guide: [COVID-19 Coverage and Reimbursement for the Uninsured](#). The Guide also includes a summary of other reimbursement opportunities for uninsured services (including Medi-Cal, COVID-19 presumptive

eligibility, GPP, and FEMA) and important considerations for public health care systems in braiding these sources together.

**Description:** The Families First Coronavirus Response Act or FFCRA appropriated \$1 billion to reimburse providers for conducting coronavirus testing for the uninsured. The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided \$100 billion in relief funds, including to hospitals and other healthcare providers on the front lines of the coronavirus response, a portion of which will be used to support healthcare-related expenses attributable to the treatment of uninsured patients with COVID-19.

As part of the FFCRA and CARES Act, the U.S. Department of Health and Human Services (HHS), will provide claims reimbursement to health care providers generally at Medicare rates for testing uninsured patients for COVID-19 and treating uninsured patients with a COVID-19 diagnosis.

**\*\*NOTE\*\*** Because this program is meant for patients without other coverage, we expect payment for uninsured services in CA could instead come through Medicaid, and not through this special fund. See more info at the end of this section and in the member guide linked above.

**Eligible providers:** Health care providers who have conducted COVID-19 testing or provided treatment for uninsured COVID-19 patients on or after February 4 can request claims reimbursement through the program.

**Eligible expenses:** For dates of service or admittance on or after February 4, 2020, providers will be eligible to seek reimbursement for COVID-19 testing and testing-related visits for uninsured patients, as well as treatment for uninsured patients with a COVID-19 diagnosis. All claims will be subject to the same timely filing requirements required by Medicare.

Reimbursement will be made for: qualifying testing for COVID-19 and treatment services with a primary COVID-19 diagnosis, including the following:

- Specimen collection, diagnostic and antibody testing.
- Testing-related visits including in the following settings: office, urgent care or emergency room or via telehealth.
- Treatment: office visit (including via telehealth), emergency room, inpatient, outpatient/observation, skilled nursing facility, long-term acute care (LTAC), acute inpatient rehab, home health, DME (e.g., oxygen, ventilator), emergency ground ambulance transportation, non-emergent patient transfers via ground ambulance, and FDA approved drugs as they become available for COVID-19 treatment and administered as part of an inpatient stay.
- When an FDA-approved vaccine becomes available, it will also be covered.
- For inpatient claims, date of admittance must be on or after February 4, 2020.



Services not covered by traditional Medicare will also not be covered under this program. In addition, the following services are excluded:

- Air and water ambulance.
- Any treatment without a COVID-19 primary diagnosis, except for pregnancy when the COVID-19 code may be listed as secondary.
- Hospice services.
- Outpatient prescription drugs covered under Medicare Part D.

**Application process:** Steps will involve: enrolling as a provider participant, checking patient eligibility, submitting patient information, submitting claims, and receiving payment via direct deposit.

To participate, providers must attest to the following:

- You have checked for health care coverage eligibility and confirmed that the patient is uninsured. You have verified that the patient does not have individual, employer-sponsored, Medicare or Medicaid coverage, and no other payer will reimburse you for COVID-19 testing and/or care for that patient.
- You will accept defined program reimbursement as payment in full.
- You agree not to balance bill the patient.
- You agree to program terms and conditions and may be subject to post-reimbursement audit review.

**Payment process:** Providers can request claims reimbursement through the program electronically and will be reimbursed generally at Medicare rates, subject to available funding.

Claims for reimbursement will be priced as described below for eligible services:

- Reimbursement will be based on current year Medicare fee schedule rates except where otherwise noted.
- Reimbursement will be based on incurred date of service.
- Publication of new codes and updates to existing codes will be made in accordance with CMS.
- For any new codes where a CMS published rate does not exist, claims will be held until CMS publishes corresponding reimbursement information.

**Match required:** No

**CAPH Notes:**

- See the [program's website](#) for updates and to register for the portal
- HRSA is updating FAQs about the program, [available here](#).



- We expect that in California, providers will also receive payment for uninsured services through Limited Scope or Presumptive Eligibility.
  - Changes to HPE during the public health emergency [detailed here](#)
  - DHCS has created a [webpage](#) with information on the new COVID-19 PE aid code (V2). Billing guidance for V2 [available here](#). Providers must include ICD-10-CM diagnosis code U07.1 on all claims for reimbursement.

#### 4. \$250 million in Funding for Grantees of the Hospital Preparedness Program

**Description:** The Hospital Preparedness Program is an existing federal program that received a supplementary appropriation in the CARES Act to distribute to its existing grantees.

In California, HPP funding flows directly to LA County, and to other “[local health care coalitions](#)” through the California Department of Public Health.

**Eligible providers:** HPP grantees and their sub-grantees

**Eligible expenses:**

- HHS has not yet released information on what the COVID-specific awards may cover.
- Typically, HPP funds can be used for purposes such as medical surge capacity and resources, decontamination capabilities, isolation capacity, and pharmaceutical supplies. During the current five-year grant cycle, HHS has prioritized: interoperable communication systems, National Incident Medical System compliance and training, bed tracking, and personnel management, among other areas.

**Application process:** TBD. HHS has not yet released information on how the awards will be distributed to existing grantees.

**Payment process:** TBD. HHS has not yet released information on how the awards will be distributed to existing grantees.

**Match required:** The program typically has a 10% match required for the funds, except for localities which directly receive funding—including LA County.

**CAPH Recommends:** Members may inquire about opportunities available through this funding with your local [HPP coalition](#).

#### 5. \$50 million in State Hospital Association Grants to Hospitals

**Description:** The Assistant Secretary for Preparedness Response is authorized to distribute \$50 million in grants to state hospital associations.

**Eligible providers:** Hospitals and health care providers in each state





**Eligible expenses:** Health care-related expenses or lost revenues not otherwise reimbursed and directly attributable to COVID-19

**Application:** CHA applied for the funds; hospitals do not need to apply.

**Payment:** California's allocation is \$4.1 million. CHA is distributing the funds directly to hospitals based on their number of licensed beds.

All California hospitals received an email to sign electronic compliance documents, which were due by May 6. CHA is obligated by law to release funds for all hospitals that returned electronic compliance documents by May 10.

**Match required:** No

## 6. Medicare Payment Increase for COVID-19 Patients

**Description:** Payment increase for Medicare patients with a positive COVID-19 diagnosis

**Eligible providers:** Urban and rural inpatient prospective payment hospitals

**Payment details:** During the emergency period, the legislation provides a 20% add-on to the DRG rate for patients with COVID-19

Providers must include COVID-19 diagnosis codes in claims to trigger the 20% add-on to payment.

- Please refer to the CDC's [announcement](#) of the new ICD-10 U07.1, COVID-19 code, effective April 1, 2020 as well as the CDC's [ICD-10-CM Official Coding Guidance Interim Advice-coronavirus](#) from February 20, 2020 for specific coding instructions.

**Application:** None

**Match required:** No

## 7. Accelerated and Advanced Medicare Payments

**\*IMPORTANT UPDATE--**On April 26, CMS announced it would suspend and re-evaluate this program in light of the \$175 billion in stimulus payments flowing through the Provider Relief Fund (#1 above).

- CMS says it will re-evaluate all pending and new applications under the Accelerated Payment Program for Part A providers and will not accept any new applications under the Advanced Payment Program for Part B providers.
- More information is available in CMS' updated [fact sheet](#)





**Description:** Under an expanded option through the Medicare Accelerated Payment Program, eligible providers may request accelerated payments for inpatient services that cover a time period of up to six months. For details, please see [CMS' fact sheet](#).

**Eligible providers:** All Medicare providers including acute care hospitals, clinics, and physicians. Specifically, facilities that:

- Have billed Medicare for claims within 180 days immediately prior to the date of signature on the provider's/supplier's request form
- Are not in bankruptcy
- Are not under active medical review or program integrity investigation
- Do not have any outstanding delinquent Medicare overpayments

**Payment details:**

- Up to 100% (up to 125% for CAHs) of what the hospital would otherwise have expected to receive
- Medicare will work with hospitals to estimate upcoming payments and provide funds in advance. Hospitals may request a lump sum payment or periodic payments.

**Match required:** No

**Repayment:** Hospitals will have up to 120 days before CMS begins recouping portions of the advanced payment against future Medicare payments. Hospitals will have up to 12 months from the date of the first accelerated payment before any outstanding balance must be paid in full; after which point a 10.2% interest penalty may apply.

Hospitals have asked CMS to waive or lower the interest on advanced payments that providers request under this program, but the agency says it doesn't have the authority to waive or change the interest rate on Medicare debts.

**Application process:** Hospitals should contact their Medicare administrative contractor (MAC), Noridian Health Solutions in California. The MAC will review, approve, and then send the hospital's application to CMS for final approval. Noridian has provided [application instructions](#) on its website, including the required [Provider Request for Accelerated Payment](#) and [Accelerated Payment Request Certification](#) forms.

Noridian has established a COVID-19 Hotline to assist providers with COVID-19 related inquiries, including those related to accelerated payments. The hotline is open from 6 a.m. to 5 p.m. (PT), and the phone number is (866) 575-4067.

**Note regarding non-hospital entities:** Can request up to 100% of Medicare payment for a three-month period (whereas hospitals can request an advance for a six-month period). Non-hospitals also have to repay advances more quickly. More information available in [CMS' fact sheet](#).

## 8. FCC COVID-19 Telehealth Program

**\*\*This program is no longer accepting applications as of June 25 and all funds have been awarded.**

**Description:** The CARES Act appropriated \$200 million for a COVID-19 Telehealth Program.

This program is intended to help health care providers provide connected care services to patients at their homes or mobile locations in response to the COVID-19 pandemic, by fully funding their telecommunications services, information services, and devices.

Examples of eligible services may include:

- Internet connectivity services for patients and providers;
- Remote monitoring devices (such as broadband enabled blood pressure monitors); and
- Platforms for video consultation, among others.

**Eligible providers:** This program is limited to public and nonprofit providers.

**Payment details:** The program will cover 100% of approved costs. The FCC does not expect to award more than \$1 million to any single applicant.

**Match required:** No.

## 10. Funding for FQHCs - Expanding Testing Capacity

The interim stimulus package (aka 3.5) passed by Congress on April 23 provided additional funding for FQHCs to expand testing. FQHCs will use this funding to expand the range of testing and testing-related activities to best address the needs of their local communities, including the purchase of personal protective equipment; training for staff, outreach, procurement and administration of tests; laboratory services; notifying identified contacts of infected health center patients of their exposure to COVID-19; and the expansion of walk-up or drive-up testing capabilities.

On May 7, [HHS announced](#) that \$583 million was awarded to 1,385 HRSA-funded health centers in all 50 states. California received \$97 million to support 179 FQHCs. Allocations for each California FQHC [posted here](#).

**Deadline:** Awardees need to submit information and budgets via their HRSA Electronic Handbook by June 6. More information [here](#)

## 11. Funding for FQHCs - CARES Act

**Description:** The CARES Act appropriated \$1.32 billion in Fiscal Year (FY) 2020 for supplemental awards for the prevention, diagnosis, and treatment of COVID-19. Administered by HRSA.

- NOTE: This appropriation is on top of two other funding sources specific to FQHCs:

- The Community Health Centers extender provision (also included in the CARES Act); which extends current funding through FY 2021 and provides \$4 billion for FY 2020; and
- The \$100 million already allocated to FQHCs from the first federal stimulus package (#9 in cover table above)
  - HRSA received \$100 million for grants to FQHCs, to be used for increased medical supplies, testing and telehealth needs
  - [CA received \\$13.8M](#) to support 178 clinics (including CAPH members)
  - HRSA calculated the award amounts for each clinic using a \$50,464 base and then adding \$0.50 per patient reported in the 2018 UDS and \$2.50 per uninsured patient
  - Awardees need to submit requested information via their HRSA Electronic Handbook by April 23. More information [here](#)

**Eligible providers:** Federally qualified health centers (does not include look-alikes)

**Payment details:** On April 8<sup>th</sup>, HRSA announced that FQHCs were auto-awarded their allocations. More information [here](#)

Awardees need to submit requested information via their HRSA Electronic Handbook by May 8. More information [here](#)

**Match required:** No

**CAPH Notes:**

The following resources are available to you from HRSA:

- Regularly updated [COVID-19 Frequently Asked Questions](#).
- [Health Center Program COVID-19 Frequently Asked Questions \(FAQs\) webpage](#).
- Technical assistance (TA) is available on the [FY 2020 CARES Supplemental Funding for Health Centers TA webpage](#) and the [FY 2020 COVID-19 Supplemental Funding for Health Centers TA webpage](#).

### **13. Funding for State/Local Governments—the Coronavirus Relief Fund (PRIORITY)**

**Description:** The CARES Act appropriates \$150 billion for the new Coronavirus Relief Fund.

**Eligible Providers:** Funding is for state, tribal and local governments

**Eligible expenses:**

- The language is very broad, referencing “necessary expenditures incurred due to the public health emergency”
- Eligible expenditures must:
  - Be incurred between March 1-December 30, 2020

- Not have been accounted for in the recipient's most recently approved budget

**Payment:**

- \$15.3 billion for California, with up to \$5.8 billion reserved for local governments with a population greater than 500,000
  - For further details and estimates, see below
- The Treasury will monitor and recoup funds if it finds recipients violated the rules for use of funds, or if funds are unspent

**Match required:** No

**Application:** The chief executives of eligible governments were asked to provide a certification, payment information and supporting documentation to the Treasury Department by April 17 through the electronic form accessible [here](#). Funding has since been distributed to counties.

**Guidance to clarify allowable costs and FAQs** from the Treasury [available here](#).

Of note, the examples of eligible expenditures given includes "COVID 19-related expenses of public hospitals, clinics, and similar facilities," as well as contact tracing.

**CAPH Notes:**

- Because this funding is intended for broad relief efforts, beyond health care, we encourage members to understand their county's plans for these funds and seek inclusion of the PHS in their county's budgeting process.
- Counties in California applied directly to the Treasury for their share of the state's allocation. There are also a handful of cities in California that qualified to apply directly, because they have a population greater than 500,000 people.
- CAPH's [CRF guidance for members](#) includes the following information: Background, Reporting Requirements, Requirements for Expenditures, Categories of Potentially Eligible Public Hospitals Costs, CRF Allocations by DPH County.

**UPDATE:** On July 2, the Treasury released a [memo with reporting and record retention requirements](#) for prime recipients of Coronavirus Relief Funds—those who received funds directly from the U.S. Treasury. Prime recipients will be required to report COVID-19 related costs on an interim and quarterly basis, beginning with a [July 17 deadline](#) for the interim report for the period of March 1 to June 30, 2020.

**State Budget Allocates Additional CRF Funding to Counties:** As part of the FY 2020-21 State Budget, California is distributing \$1.3B of its CRF allocation to counties, provided they sign a certification by [July 10](#). This funding is in addition to the funds counties already received directly from the Treasury. By signing the certification, counties agree to abide by federal guidance and to state health directives like stay-at-home and masking requirements. For more information, see the table below or visit the [Department of Finance CRF website](#).

CARES Act Coronavirus Relief Fund for State and Local Governments  
to DPH Counties (\$ in m)

County	Direct federal funding (Distributed in April)	Funding from state allocation (To be distributed in installments)	Total
Alameda	291.63	38.45	330.08
Contra Costa	201.28	26.55	227.83
Kern	157.08	21.12	178.19
Los Angeles	1,057.34	163.41	1,220.75
Monterey	0.00	44.98	44.98
Orange	554.13	73.51	627.64
Riverside	431.09	56.20	487.29
Sacramento	181.20	24.98	206.18
San Bernardino	380.41	50.18	430.59
San Diego	334.06	53.70	387.76
San Francisco	153.82	20.66	174.49
San Joaquin	132.99	17.80	150.79
San Mateo	133.76	17.79	151.56
Santa Clara	158.10	31.51	189.61
Ventura	147.62	19.40	167.02

#### 14. Federal Emergency Management Agency (FEMA) (PRIORITY)

**Description:** The President's emergency declaration enables FEMA to reimburse certain governmental entities and non-profits for costs associated with measures taken before, during, and immediately after the incident to save lives and to protect public health and safety. Prior to the COVID-19 emergency, the FEMA Disaster Relief Fund was funded at \$42 billion. The CARES Act appropriated an additional \$45 billion and Congress may appropriate more in the future. It is unclear how much of the total funding in the FEMA Disaster Relief Fund will be available for COVID-19-related reimbursements.

**Eligible Applicants:**

- State Agencies (including UCs)
- Local Governments (e.g., Cities, Towns, Counties, etc.)
- Special Districts (e.g., School Districts, Sanitation Districts, Community Services Districts, etc.)
- Federally Recognized Indian Tribal Governments
- Private non-profit organizations which own or operate a private nonprofit facility as defined in 44 CFR, section 206.221(e)

For-profit organizations are not eligible.

**Eligible Expenses:** Under the COVID-19 Emergency Declaration, FEMA may provide assistance for emergency protective measures including, but not limited to, the following\*:

- Management, control and reduction of immediate threats to public health and safety:

- Emergency Operation Center costs
- Training specific to the declared event
- Disinfection of eligible public facilities
- Technical assistance to state, tribal, territorial or local governments on emergency management and control of immediate threats to public health and safety
- Emergency medical care:
  - Non-deferrable medical treatment of infected persons in a shelter or temporary medical facility
  - Related medical facility services and supplies
  - Temporary medical facilities and/or enhanced medical/hospital capacity
  - Use of specialized medical equipment
  - Medical waste disposal
  - Emergency medical transport
- Medical sheltering
  - All sheltering must be conducted in accordance with standards and/or guidance approved by HHS/CDC and must be implemented in a manner that incorporates social distancing measures
- Household pet sheltering and containment actions related to household pets in accordance with CDC guidelines
- Purchase and distribution of food, water, ice, medicine, and other consumable supplies, to include personal protective equipment and hazardous material suits
- Movement of supplies and persons
- Security and law enforcement
- Communications of general health and safety information to the public
- Search and rescue to locate and recover members of the population requiring assistance
- Reimbursement for state, tribe, territory and/or local government force account overtime costs

\*If not funded by the Health and Human Services (HHS), Center for Disease Control (CDC), or other federal agency. While some activities listed may be eligible for funding through HHS/CDC, final reimbursement determinations will be coordinated by HHS and FEMA. FEMA will not duplicate any assistance provided by HHS/CDC.

**Payment:** FEMA reimburses 75 percent of eligible and reasonable costs.

**Match required:** As stated above, FEMA reimburses 75 percent of costs; applicant's share is the remaining 25 percent.

**Application:**

- Applicants (including counties, local public authorities, and UCs) use FEMA's Grants Portal website to request and receive reimbursement.
- For more information, please see the [California Office of Emergency Services \(CalOES\) website](#)

#### CAPH Notes:

- County-operated public health care systems should work with their county's Office of Emergency Management/Services to seek reimbursement; it is CAPH's understanding that each county will have only one account/application in FEMA's Grants Portal, but may have multiple users across different departments.
- More information about eligible medical costs can be [found here](#)
- To receive reimbursement for your costs through FEMA, it is important to follow specified procurement rules for the purchase of supplies and contracts. More information available on the [CalOES COVID-19 website](#).
- Of interest to members' WPC and other homeless efforts—the [CalOES COVID-19 website](#) has a special section on guidance related to non-congregate sheltering.
- FEMA has released a [Disaster Financial Management Guide](#), addressing how to develop and implement disaster financial management considerations and practices to track, calculate and justify the costs of an emergency; support local reimbursement reconciliation; avoid de-obligation of grant funding; and effectively fund and implement recovery projects and priorities.
- **CAPH has contracted with Ernst & Young to provide FEMA training and support to members.**  
To participate contact [Rich Rubinstein](#)
  - Recordings of past trainings and FAQs can be found on [SNI Link](#).

## 16. Emergency Loans for Businesses, States and Municipalities

On April 9, the Federal Reserve [announced](#) new loan programs in response to the COVID-19 emergency, including the Main Street Lending Program for small to mid-size businesses, and the Municipal Liquidity Facility for states and local governments.

Main Street Lending Program	Municipal Liquidity Facility
<p><b>Eligible:</b> Businesses may be eligible for 4-year loans if they meet either of the following conditions: (1) the business has 15,000 employees or fewer; or (2) the business had 2019 revenues of \$5 billion or less.</p> <p>Principal and interest payments will be deferred for one year. Eligible banks may originate new Main Street loans or use Main Street loans to increase the size of existing loans to businesses.</p> <p><b>More information and FAQ:</b> <a href="#">here</a></p> <p><b>CAPH Notes:</b> We are monitoring guidance to determine if public health care systems will be</p>	<p><b>Eligible:</b> The Federal Reserve will purchase up to \$500 billion of short term notes directly from U.S. states, certain counties and cities.</p> <p>Eligibility for counties and cities has been expanded since this program was first announced—to U.S. counties with a population of at least 500,000 residents, and U.S. cities with a population of at least 250,000 residents.</p> <p>The Municipal Liquidity program for states and local governments is operational May 26 through December 31, 2020, unless extended by the Treasury Department.</p>



eligible for this program. As of now, only for-profit businesses are eligible.

**More information and FAQ:** [here](#)

**CAPH Notes:** Members should reach out to the County Administrator's Office to understand their county's plans for accessing this program; we expect revenue would flow into the county general fund.