

# COVID-19 Risk Alert: Healthcare Providers

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## FEMA's Public Assistance Program & the CARES Act

Discussions on how healthcare providers will recover from the impact caused by COVID-19 are ongoing and ever-changing. Financial reimbursement options are dependent on a number of factors; while some are closer to being finalized, others are still in development. Despite the uncertainty, we can help healthcare providers start the process of understanding the potential options and position themselves for a positive outcome.



### FEMA's Public Assistance

**Eligible Entities.** Besides the specific governmental bodies, eligible entities for FEMA assistance will include private non-profit (PNP) emergency medical care facilities, such as clinics, hospitals, hospices and nursing homes among others identified by FEMA as providing eligible services affected by the declared emergency.

### Emergency Protective Measures (Category B).

In accordance with section 502 of the Stafford Act, eligible emergency protective measures taken to respond to the COVID-19 emergency at the direction or guidance of public health officials may be reimbursed under Category B of the agency's Public Assistance program.

As the extent of the COVID-19 virus and its effects throughout the United States continue to evolve, so does the scope of the response. Even so, certain administrative steps can be taken at this early stage for potential claims to be made through FEMA's Public Assistance Program. Although the process for reimbursement varies slightly from State to State and further critical guidance is still to come from FEMA, our claims professionals are available to help clients understand the current process requirements, as well as to provide support in gathering and presenting data in efforts towards seeking reimbursement. Learn more about [FEMA's Financial Assistance Program](#), the types of costs that might qualify and information healthcare entities need to start tracking.

### The CARES Act

On March 27th, the President signed into law the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a \$2 trillion stimulus package aimed at helping people, states, and businesses nationwide impacted by the coronavirus pandemic. The CARES Act provides the "Public Health and Social Services Emergency Fund" consisting of \$100 billion to reimburse eligible healthcare providers for necessary healthcare-related expenses or lost revenues attributable to the coronavirus.

A first tranche of the \$100 billion Emergency Fund, totaling \$30 billion, was issued on April 10th directly to facilities and providers based on their share of the 2019 Medicare fee-for-service reimbursements. These were payments, not loans, to healthcare providers and will not need to be repaid.

The Health & Human Services Department (HHS) website reports: "...the Administration is working rapidly on targeted distributions that will focus on providers in areas particularly impacted by the COVID-19 outbreak, rural providers, providers of services with lower shares of Medicare reimbursement or who predominantly serve the Medicaid population, and providers requesting reimbursement for the treatment of uninsured Americans."

It is still unclear what claim process will evolve for submission to the HHS for the significant losses, including, among others, business interruption, that many healthcare systems, hospitals, physician groups, and other segments of the healthcare industry are experiencing. However, we will continue to monitor for updates and provide further guidance as it becomes available.

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To learn how Aon can empower results for your organization, contact:

### Eric S. Sullivan, CPA

Director – Claim Preparation, Advocacy and Valuation  
415.715.4883 (mobile)  
eric.sullivan@aon.com

### Justin Bailey

Associate Director – Claim Preparation, Advocacy & Valuation  
Commercial Risk Solutions  
972.310.7074  
justin.bailey@aon.com

### Martha L. Jacobs

Managing Director  
National Healthcare Industry  
Practice Leader  
P 412.594.7535 | M 412.780.0380

Affected organizations should review their insurance coverages, assess the potential for reimbursement through FEMA and the CARES Act, and develop a comprehensive strategy and simultaneous processes to quantify losses, prepare and submit claims or apply for reimbursement. For insurance claims, access the [Best Practices for Documenting a Property and Time-Element Claim](#) document. This type of documentation is generally typical for property and time element claims, although there may be differences due to the uniqueness of COVID-19.

## Aon's CPAV: Proven Methodology Backed by Unparalleled Technical Knowledge

With technical knowledge that includes loss adjusters, forensic accountants, engineers, project managers, and investigators, Aon's Claims Preparation, Advocacy & Valuation (CPAV) practice manages property and business interruption claims using proven and proprietary methodologies fashioned from 40 years of industry experience. Our work touches virtually every industry and across geographic locales and forms of first-party insurance. That's why over the years, we've helped clients recover more than \$20 billion in loss proceeds.

Our fees for these services are billed on a time and expense basis and invoiced monthly. In our experience, our fees are, as a general matter, typically reimbursed by insurers for insured claims and historically a portion of our fees have been reimbursed by FEMA. There is no information available yet from HHS as to how or if any fees incurred to quantify expenses or lost revenues will be treated.

As additional guidelines are published by HHS for the CARES Act, we will provide further guidance.

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