

COVID-19 Risk Alert

Financial Reimbursement – FEMA’s Public Assistance Program

Following President Trump’s Emergency Declaration for COVID-19, FEMA has been directed to assist state, local, tribal and territorial governments and other eligible entities with the health and safety actions they take on behalf of the American public. Accordingly, FEMA’s March 13 release states: “Eligible emergency protective measures taken at the direction or guidance of public health officials in response to this emergency, and not supported by the authorities of another federal agency, will be reimbursed strictly under the FEMA Public Assistance Program.”

Eligible entities. Besides the listed 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. The federal cost share is 75 percent.

Based on FEMA’s *COVID-19 Eligible Emergency Protective Measures Fact Sheet* (issued 3/19/20), examples of costs that might qualify for reimbursement under FEMA’s Category B costs following the COVID-19 emergency declaration include:

- *Management, control and reduction of immediate threats to public health and safety:*
 - Emergency Operation Center costs
 - 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 (for treatment when existing facilities are reasonably forecasted to become overloaded in the near term and cannot accommodate the patient load or to quarantine potentially infected persons)
 - Use of specialized medical equipment
 - Medical waste disposal
 - Emergency medical transport

- *Medical sheltering (e.g., when existing facilities are reasonably forecasted to become overloaded in the near future and cannot accommodate needs):*
 - 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
 - Non-congregate medical sheltering is subject to prior approval by FEMA and is limited to that which is reasonable and necessary to address the public health needs of the

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event, is pursuant to the direction of appropriate public health officials and does not extend beyond the duration of the Public Health Emergency

- Purchase and distribution of food, water, ice, medicine, and other consumable supplies, to include personal protective equipment and hazardous material suits
- *Security and law enforcement*
- *Communications of general health and safety information to the public*
- *Reimbursement for state, tribe, territory and/or local government force account overtime costs*

FEMA Public Assistance Program Claim Services

The Emergency Declaration in all 50 states and subsequent Major Disaster Declarations in 25 states (as of March 29, 2020) constitute a constantly evolving and dynamic event with many moving parts. The process for recovery is still being determined at the national and state levels. Additionally, the specific process and requirements for reimbursement are likely to be different in various states.

As the recovery process with the FEMA Public Assistance Program evolves with further guidance communicated by FEMA and the individual states, our claims professionals will be available to help clients understand the process requirements in individual states, as well as to provide support in gathering and presenting data to seek reimbursements. Aon claims professionals have experience in working with clients to obtain FEMA recoveries in the aftermath of disaster events.

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With technical industry leading 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, in every geographic locale, and every form of first-party insurance. That's why over the years, we've helped clients recover more than \$20 billion in loss proceeds.

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