

FEMA and COVID-19

Nancy Sylvester, CPCU, ARM-P

Area Executive Vice President/
GPS National Director- Federal Disaster
Recovery

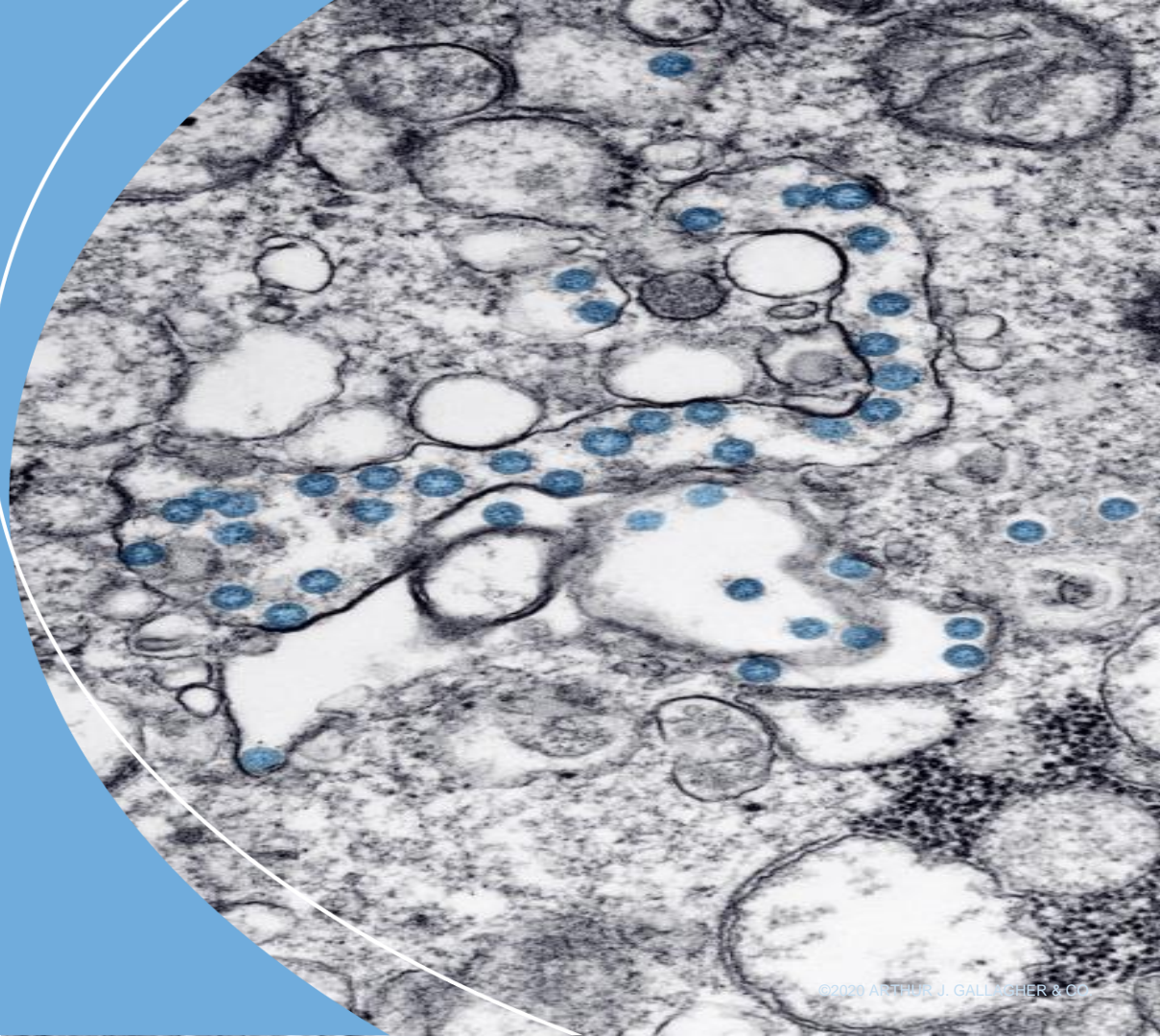
Michael Speer, CPA

Claims Advocate



Gallagher

Insurance | Risk Management | Consulting



Agenda

March 27, 2020

- I. Introduction
- II. Disaster Declaration
- III. Cat B
- IV. Procurement
- V. Documentation
- VI. Applying for assistance
- VII. FAQs





Total Confirmed

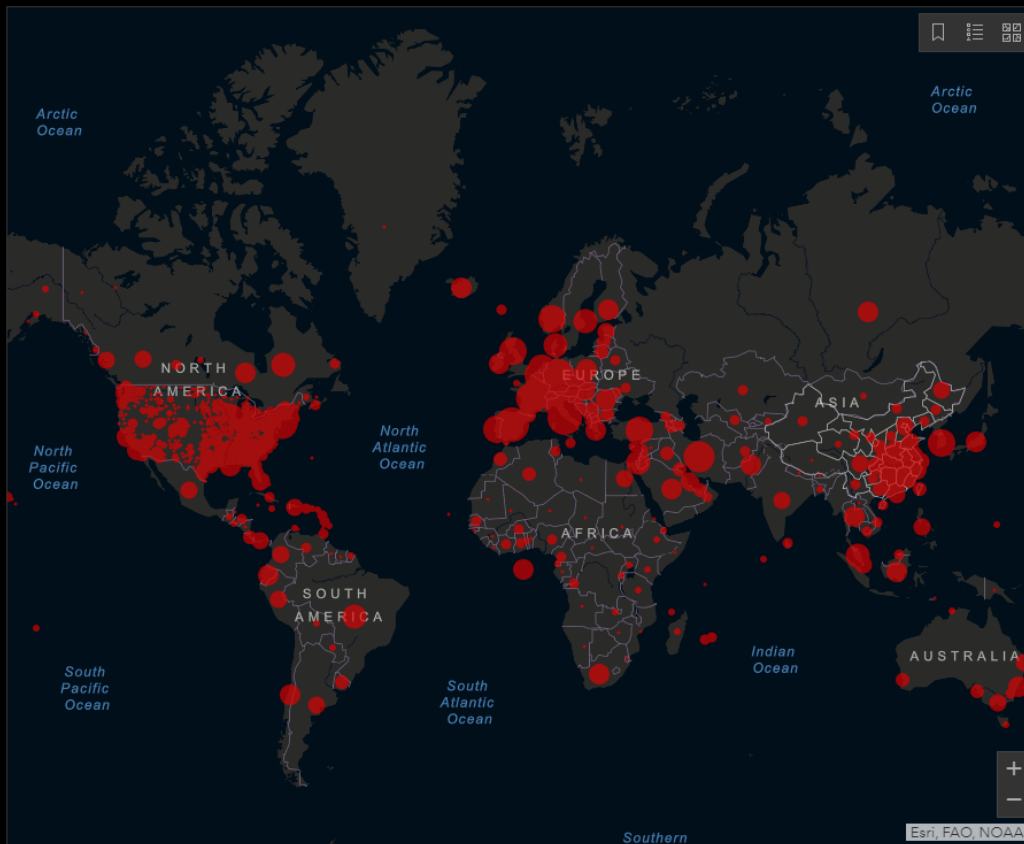
523,163

Confirmed Cases by
Country/Region/Sovereignty

81,782 China
80,589 Italy
80,021 US
56,197 Spain
43,646 Germany
29,551 France
29,406 Iran
11,811 Switzerland
11,772 United Kingdom
9,241 Korea, South
7,459 Netherlands
6,847 Austria
6,235 Belgium
3,878 Canada
3,629 Turkey
3,544 Portugal
3,346 Norway
2,915 Brazil

Admin1 Admin2 Admin3

Last Updated at (M/D/YYYY)
3/26/2020, 3:29:16 PM



Cumulative Confirmed Cases

Active Cases

175

countries/regions

Lancet Inf Dis Article: [Here](#). Mobile Version: [Here](#). Visualization: JHU CSSE. Automation Support: [Esri Living Atlas team](#) and [JHU APL](#). Contact [US](#). [FAQ](#).
Data sources: WHO, CDC, ECDC, NHC, DXY, 1point3acres, Worldometers.info, BNO, state and national government health departments, and local media reports. Read more in this [blog](#).
Downloadable database: [GitHub](#): [Here](#). Feature layer: [Here](#).
Confirmed cases include presumptive positive cases.

Total Deaths

23,639

8,215 deaths
Italy

4,145 deaths
Spain

3,169 deaths
Hubei China

2,234 deaths
Iran

1,696 deaths
France

578 deaths
United Kingdom

434 deaths
Netherlands

281 deaths
New York City **New York** US

262 deaths
Germany

220 deaths

Total Recovered

122,059

61,201 recovered
Hubei China

10,457 recovered
Iran

10,361 recovered
Italy

7,015 recovered
Spain

5,673 recovered
Germany

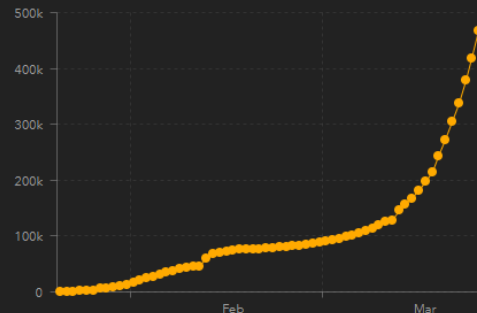
4,948 recovered
France

4,144 recovered
Korea, South

1,336 recovered
Guangdong China

1,250 recovered
Henan China

1,222 recovered



Confirmed

Daily Increase

Disaster Declaration



Friday, March 13, 2020



FEMA

FEMA Public Assistance Program



In accordance 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 FEMA’s Public Assistance program.



FEMA will **NOT** duplicate assistance provided by the **U.S. Department of Health and Human Services (HHS)**, including the Centers for Disease Control and Prevention (CDC) or other federal agencies.”

Retrieved from FEMA Fact Sheet March 19, 2020:

<https://www.fema.gov/news-release/2020/03/19/coronavirus-covid-19-pandemic-eligible-emergency-protective-measures>

Key Terms

FEMA- awards funds

Recipient- receives funds

Applicant- eligible to apply for funds

Subrecipient- awarded funds from Recipient

Who is Eligible



State, territorial, tribal governments



Local governmental entities



Higher education Institutions



Healthcare providers



Certain nonprofits and religious entities

Definition: Eligible Private Nonprofits (PNP)

Any nongovernmental agency or entity that has:



An effective ruling letter from the IRS granting 501 (c), (d) or (e) status; OR



State provided evidence that the organization is a non-profit

PNPs providing governmental type services:



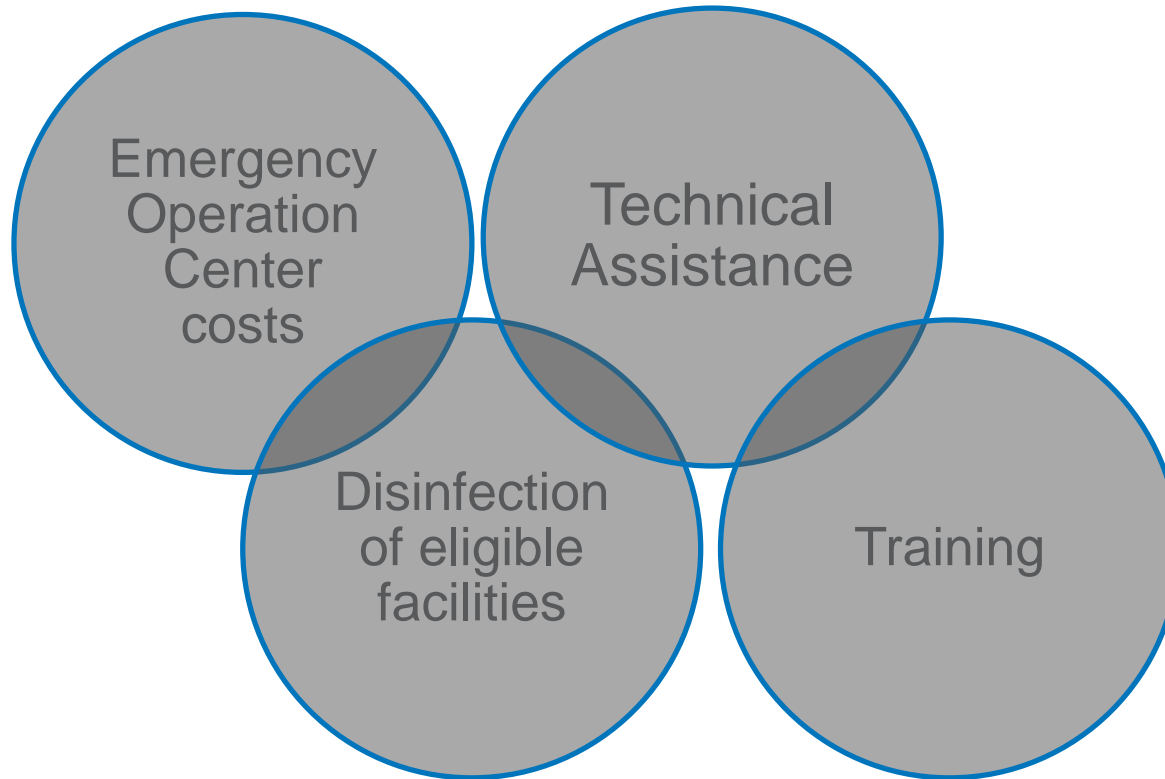
...and more

Eligible Private Nonprofits (PNP)

Other “essential governmental services” could include:

- Museums
- Performing arts facilities
- Community arts centers
- Zoos
- Community centers
- Libraries
- Homeless shelters
- Rehabilitation facilities
- And more ...

Category B for COVID-19



Category B for COVID-19

- ✓ Emergency medical care
- ✓ Related medical facility services and supplies
- ✓ Temporary medical facilities
- ✓ Use of specialized medical equipment
- ✓ Medical and hazardous waste disposal
- ✓ Emergency medical transport

Requirements

- All sheltering must be conducted in accordance with standards approved by HHS/CDC, including social distancing measures.
- Non-congregate medical sheltering is subject to prior approval by FEMA and is pursuant to the direction of appropriate public health officials and does not extend beyond the duration of the Public Health Emergency.



<https://www.fema.gov/news-release/2020/03/19/public-assistance-non-congregate-sheltering-delegation-authority>

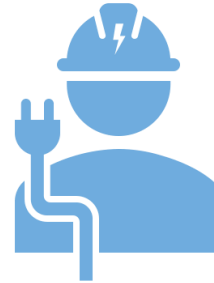
Non-congregate Feeding



Category B for COVID-19



Force Account Labor and Equipment



Force Account Labor

- For Emergency Work, **ONLY** overtime labor is eligible for budgeted employees.
- For unbudgeted employees performing emergency work, both straight-time and overtime labor are eligible.



Force Account Equipment

- Owned equipment (force account) based on hourly rates.
- Vehicles based on mileage, if less costly than hourly rates.
- Purchased to respond to effectively respond to the incident - purchase price and costs to operate
- FEMA publishes equipment rates on a national basis. State, territorial, tribal or local rates may also apply.

Procurement Requirements

- Failure to follow federal contracting and procurement requirements puts applicants at risk of not receiving reimbursement for otherwise eligible disaster costs.
- Cat B is associated with “exigency or emergency” events.
 - **Exigency**- when there is the need to alleviate, avoid or prevent serious harm or injury. (Can last for weeks or even months.)
 - **Emergency** – a threat to life, public health or safety (generally short lived)

FEMA Procurement Under CAT B

- For the duration of the current Federal Public Health Emergency declaration, the ongoing COVID pandemic qualifies as an emergency and/or exigent circumstance such that FEMA grant applicants may use non-competitive procurement under the [exception](#).
- This [exception](#) primarily affects non-State applicants. State agencies are required to follow their own procurement procedures as well as the Federal requirements for procurement of recovered materials and inclusion of required contract provisions per 2 C.F.R. §§ 200.317, 200.322, and 200.326.



HOWEVER...



HOWEVER...

EVEN IF the Circumstances are Exigency or Emergency:

- Contracts must include the required contract clauses (2 C.F.R. 200.326 & Appendix II)
- Contracts must include the Federal bonding requirements if the contract is for construction or facility improvement (2 C.F.R. 200.325)
- Contracts must be awarded to a responsible contractor (2 C.F.R. 200.318(h))
- The non-state applicant must complete a cost or price analysis to determine that the cost or price of the contract is fair and reasonable (2 C.F.R. 200.323(a) and (b))
- The use of cost-plus-percentage-of-cost contracting is prohibited (2 C.F.R. 200.323(c))
- Use of time and materials contracts must comply with 2 C.F.R. 200.318(j)

Other Types of Contracts

- Pre-existing contract that isn't in compliance with Federal procurement rules: Applicant should take actions to modify the contract to bring it into compliance.
- Documentation must justify the use of a noncompetitively procured contract.
- FEMA does not normally allow Time and Expense Contracts. Reimbursement may be considered if each of the below is met:
 - No other contract was available;
 - The contract has a ceiling price that the contractor exceeds at its own risk;
 - The applicant can demonstrate a high degree of oversight that the contractor was efficient in cost controls and methods
- Under **NO** circumstances are a cost plus percentage of cost **OR** percentage of construction cost contracts allowed. These are **PROHIBITED**.

Documenting Disaster Costs

Brief Summary of Documentation Needs

- Appoint a record keeper
- Documentation must be specific
 - By contract
 - Force (entity's own labor, equipment, etc)
- Each emergency project should be documented separately (FEMA will assign Project Numbers)
- Labor
 - Permanent and temporary employees – detailed pay records - on a “Per Project” basis
 - FEMA will NOT reimburse for cost plus percentage of cost contracts

Applying for FEMA assistance

DEADLINE TO APPLY IS APRIL 12, 2020

- Your contact at your state, territorial or tribal government is their Office of Homeland Security/emergency management agency.
- These emergency management agencies are reaching out now to local governments and many eligible non-profits to set up initial meetings.
- Visit the FEMA [Emergency Management Agencies Website](#) for ***specific*** agency information.
- Even though your eligible expenses may not be known at this time, **apply now**.

FAQs

- Does FEMA reimburse Business Interruption or loss of tuition loss?
 - No, never before. FEMA does not cover Business interruption losses.
- How is insurance involved with FEMA Cat B?
 - For the most part, Cat B eligible expenses are not insurance related costs (PPE equipment, temporary medical facilities, etc.) However, some policies (particularly healthcare providers' insurance) include a communicable disease "cleanup" sub-limit. This sub-limit ranges from \$250K - \$1M (or higher).
- What percentage of eligible costs will FEMA consider for COVID-19? **75%**
"Federal Share" (A few states have received 100% Federal share as allowed by President Trump for overflow medical facilities.)

FAQs Continued

- What is the length of time to receive FEMA reimbursement?
 - Reimbursement can take **months or even years**. It is not a quick turnaround.
- Which Public Sector/Higher Ed/PNP department generally handles CAT B work?
 - **Finance and/or Procurement**

Resources

- [John Hopkins Coronavirus COVID-19 Global Cases Dashboard](#)
- [FEMA Disaster Declaration Page](#)
- [Coronavirus \(COVID-19\) Pandemic: Eligible Emergency Protective Measures Fact Sheet](#)
- [Public Assistance Procurement Conducted Under Exigent or Emergency Circumstances](#)
- [Audit Tips for Managing Disaster Related Project Costs](#)
- [Emergency Management Agencies by State, Tribe or Territory](#)

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