Continuity of Care in a Disaster

Understanding the CMS 1135 Waiver and CDPH Licensing Program Fees

July 10, 2018

Welcome

Jaime Welcher
California Hospital Association
Continuing Education

Continuing education will be offered for this program for health care executives.

Full attendance and completion of the online evaluation and attestation of attendance are required to receive CEs for this webinar. CEs are complimentary and available for the registrant only.

Faculty

Mary Massey has more than 25 years of experience in hospital emergency services and county health disaster management. She participates in multi-agency, state and federal coalitions and deploys to multiple wildfires and hurricanes, including Hurricanes Ike and Katrina. Massey is a member of the HICS National Workgroup, and has worked on projects with the CDC, United Nations, and numerous Homeland Security exercises across the country. Mary graduated from Naval Postgraduate School with a master’s in Homeland Security and Defense and currently is the Hospital Preparedness Program Coordinator for CHA.
Faculty

Andrea Barandas has nearly 10 years of experience in healthcare administration, and is currently a Health Program Specialist at the California Department of Public Health, Center for Health Care Quality, Licensing and Certification Division, Emergency Preparedness and Disaster Response Section.

Karen Fuller is the Clinical Laboratory Amendments and State Oversight Branch manager, Western Division of Survey & Certification for CMS. In this role, she manages numerous program areas including State Performance Standards Review, state and federal agency budgets and training.

David Lum is a Health Insurance Specialist and part of the Emergency Disaster Team. He has experience in FDA before joining CMS and brings his Public Health Service experience to disaster management.

Ron Yaw is CHA’s Vice President of Finance and Economic Analysis. He serves as a resource for data, information and analytical needs at CHA and the regional associations. Ron brings more than 25 years of hospital finance experience ranging from assistant controller to chief financial officer at hospitals and health systems throughout California and other states.

The 1135 Waiver: Preparing for an Emergency

Karen Fuller, State Oversight Branch Manager, Western Division of Survey & Certification, CMS

David Lum, State Oversight Branch, Western Division of Survey & Certification, CMS
1135 Waivers

Purpose of 1135 Waivers

Sufficient health care items and services are available to meet the needs of Medicare, Medicaid and CHIP beneficiaries;

Health care providers that provide such services in good faith can be reimbursed for them and not subjected to sanctions for noncompliance, absent any fraud or abuse.
**In Short:**

Are CMS regulations impeding your ability to respond to or recover from a disaster?

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**1135 Waivers**

<table>
<thead>
<tr>
<th>Scope</th>
<th>Federal Requirements only, not state licensure</th>
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<tbody>
<tr>
<td>Purpose</td>
<td>Allow reimbursement during an emergency or disaster even if providers can’t comply with certain requirements that would under normal circumstances bar Medicare, Medicaid or CHIP payment</td>
</tr>
<tr>
<td>Duration</td>
<td>Ends no later than the termination of the emergency period, or 60 days from the date the waiver or modification is first published unless the Secretary of HHS extends the waiver by notice for additional periods up to 60 days, up to the end of the emergency period.</td>
</tr>
</tbody>
</table>
Waivers Do NOT:

- 1135 waivers are not a grant or financial assistance program
- Allow reimbursement for services otherwise not covered
- Allow individuals to be eligible for Medicare who otherwise would not be eligible
- Should not impact any response decisions (evacuations)
- Last forever. Appropriateness may fade as time goes on.

Examples of 1135 Waiver Authority:

- Conditions of Participation
- Licensure for Physicians or others to provide services in affected state
- Emergency Medical Treatment and Labor Act (EMTALA)
- Stark Self-Referral Sanctions
- Medicare Advantage out of network providers
- HIPAA
1135 Waiver Examples

EMTALA
• Request to set-up Alternate Screening Locations

Critical Access Hospitals
• 42 CFR 485.620
  • Requires 25-bed limit, average patient stays less than 96-hours

Skilled-Nursing Facilities
• SSA 1812 (f)
  • Three-day prior hospitalization for SNF Patients

Considerations for Waiver Authority

• Look at the scope and severity of the event with specific focus on health care infrastructure.

• Are there unmet needs for health care providers?

• Can these unmet needs be resolved within our current regulatory authority?
To Issue Waivers:

- Presidential Declaration: Stafford Act or National Emergencies Act
- HHS Secretary: Public Health Emergency Declaration

1135 Waiver Review Process

- Within defined emergency area?
- Is there an actual need?
- Can this be resolved within current regulations?
- What is the expected duration?
- Will regulatory relief requested actually address stated need?
- Should we consider individual or blanket waiver?
Waiver Review Inputs

Expectations of Waived Providers

- Provide sufficient information to justify actual need
- Providers and suppliers will be required to keep careful records of beneficiaries to whom they provide services, in order to ensure that proper payment may be made
- Providers must resume compliance with normal rules and regulations as soon as they are able to do so
WDSC Region IX – Point of Contact
Emergency Disaster Team

Sandra Pace
Associate Consortium Administrator, Consortium for Quality Improvement and Survey & Certification Operations
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State Oversight Branch Manager, Western Division of Survey & Certification
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CDR David Lum
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Temporary Program Flex Requests

Andrea Barandas
California Department of Public Health (CDPH)
Center for Health Care Quality Licensing & Certification Program
Emergency Preparedness & Disaster Response Section
Temporary Program Flex Requests

- AFL 18-09 Requesting Increased Patient Accommodations Including Medical Surge Tent Use
- Submitting requests via Form CDPH 5000 A
- Review and approval process
- Examples of submitted requests

AFL 18-09

- Outlines requirements for temporary program flex for increased patient accommodations due to:
  - Disease outbreak
  - Unexpected event
  - Disaster
  - Mass Casualty Incident
- Temporary flex requests:
  - Increase in patient accommodations
  - Surge Tent Use
  - Space Conversions
Patient Accommodation Standards

- Title 22, CCR, section 70809
  - Temporary permission may be granted
    - (a) Licensed capacity
    - (b) Alternate use of beds
    - (c) Patient housing

Approved Space Conversions and Tent Uses

- Title 22, CCR, section 70805
  - Temporary permission may be granted
    - Conversion of Space
    - Tent Use
      - As waiting rooms
      - To conduct triage and medical screening exams
      - To provide basic first-aid and outpatient treatment
      - Must obtain written approval from the local fire authority
Nurse to Patient Ratio Requirements

- Title 22, CCR, section 70217
  - L&C has no mechanism for "suspending" or "waiving" regulations which represent the minimum standards providers are required to meet at all times.
  - If a hospital has an alternative means of meeting the intent of the regulations, then the hospital can request program flexibility in accordance with Title 22, CCR, section 70129.
Form CDPH 5000 A (cont.)

Date of Gavin Health and Social Services Agency
California Department of Health

Exhausting Available Alternatives
The hospital must exhaust available alternatives before requesting increased patient accommodations. Check at the top box:
- Using vacuum and air systems
- Using alternate patient rooms and diagnostic procedures
- Transferring patients to other levels or discharge as appropriate
- Setting aside non-emergency care
- Providing accommodations elsewhere

Applicant Name

Additional Information
Provide a brief description of your conditions and establish the need for program flexibility. Provide a brief description of the alternative concepts, methods, procedures, techniques, equipment or personnel to be used, and the conditions under which this program flexibility will be utilized. Attach additional supporting documentation as needed.

Form CDPH 5000 A (cont.)

Date of Gavin Health and Social Services Agency
California Department of Health

Signature of person requesting program flexibility

Printed name

Note: A maximum of 20 beds, 22 beds, and 15 beds will be increased and dependent on the facts presented that substantiate the emergency. Initial approval may be given verbally by the local LAC CO; however, a signed written approval must be distributed from the hospital and filed in the hospital.
Review and Approval Process

- A facility seeking approval for increased patient accommodations in response to an emergency event, must contact the District Office immediately with a request for advance approval to implement the proposed program flex.
- Do not assume that the request will be approved until, at a minimum, it is verbally authorized by a Licensing and Certification Representative. L&C will confirm approval through a fax or email sent to the GACH.

Review and Approval Process (cont.)

- Use CDPH 5000A form
- During normal business hours (8:00am – 5:00pm) contact the local District Office
- After hour requests, or if the local District Office is non-operational due to the emergency:
  - For facilities outside Los Angeles County
    - State Office of Emergency Services Warning Center
    - (916) 845-8911 ask to notify CDPH Duty Officer
  - For facilities in Los Angeles County
    - Los Angeles County Operator
    - (213) 974-1234 ask to notify Health Facilities Inspection Division Supervisor
Example of Submitted Request – Bed Use

Temporary Permission for Program Flexibility for Increased Patient Accommodations

This form is to be used ONLY for program flexibility requests when hospitals temporarily need to comply with licensing requirements by using alternative concepts, methods, procedures, techniques, equipment, or personnel.

Hospitals are required to submit a program flexibility request to the California Department of Public Health (CDPH) Licensing & Certifications (L&C) Program through their local district office (LDO) for written approval. This form is a mechanism to expedite the request and approval process in emergency situations.

https://www.cdph.ca.gov/Programs/OHSS/CHSIS/OnlineOffice.asp

<table>
<thead>
<tr>
<th>Facility Name</th>
<th>ABC Hospital</th>
</tr>
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<tbody>
<tr>
<td>License Number</td>
<td>1234567890</td>
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<tr>
<td>Facility Address</td>
<td>1234 Safe St</td>
</tr>
<tr>
<td>City</td>
<td>Sacramento</td>
</tr>
<tr>
<td>State</td>
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</tr>
<tr>
<td>Zip Code</td>
<td>98765</td>
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<tr>
<td>Fax Number</td>
<td>123-456-7890</td>
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<tr>
<td>Facility Phone</td>
<td>987-654-3210</td>
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<tr>
<td>Local Address</td>
<td>123 Main St</td>
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<tr>
<td>State</td>
<td>CA</td>
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<tr>
<td>Zip Code</td>
<td>98765</td>
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</tbody>
</table>

Approval Request Form:

- Text use (Class I patient volume)
- Text use (Class II patient volume)
- Bed use
- Over bed use
- Other

Program Flex Request:

- What regulation are you requesting program flexibility for? Title 22, Section 5080.5

Example of Submitted Request – Bed Use (cont.)

Justification for the Request:

- A disease outbreak (e.g., influenza) in the community where the hospital is located or in a contiguous area may cause a rapid influx of patients to the hospital. Examples of this type of surge include seasonal outbreaks, a severe acute respiratory syndrome-like or other highly contagious virus requiring scale-up, an epidemic or pandemic, a bioterrorism agent, or a declared public health emergency.

- An emergency resulting in the need for increased patient accommodations has occurred in the community where the hospital is located or in a contiguous area(s) causing a rapid influx of patients to the hospital. Examples of this type of surge include: natural or human-caused disasters, a crime incident or transportation accident involving numerous mass casualties, an emergency causing the evacuation of patients or diversions from another hospital (LENSA diversions have been implemented).
Example of Submitted Request – Bed Use (cont.)

Exhausting Available Alternatives
The hospital must exhaust available alternatives before requesting increased patient accommodations. Check all that apply:
- Rescheduling non-emergent surgeries and diagnostic procedures.
- Transferring patients to other beds or discharge as appropriate.
- Setting aside beds for non-emergency cases (if possible).
- Requesting ambulance diversion from LEMSAs, if appropriate.
- Other

<table>
<thead>
<tr>
<th>Facility Name</th>
<th>License Number</th>
<th>Request Date</th>
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<tbody>
<tr>
<td>ABC Hospital</td>
<td>123456789</td>
<td>1/4/18</td>
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Adequate Staff, Equipment and Space
The hospital must make arrangements for adequate staffing, equipment and space for increased patient accommodations. Check all that apply:
- A plan is in place for staff if the request is for use of alternate space.
- A plan is in place for equipment if the request is for use of alternate space.
- The proposed space for care of patients provides sufficient square footage to ensure access for safe care.
- Other

Example of Submitted Request – Bed Use (cont.)

Additional Information
Provide a brief description of your conditions and explain the need for program flexibility. Provide a brief description of the alternative concepts, methods, procedures, techniques, equipment or personnel to be used, and the conditions under which this program flexibility will be utilized. Attach additional supporting documentation as needed.

Requesting to increase the bed capacity of the ED due to continuous high patient volume and boarding of admitted patients in ED due to high hospital census and reaching its maximum capacity.

See attached hospital guidelines: ED Overflow into PACU
(Document included the following details and justifications)

Patients types eligible or not eligible for PACU placement
Staffing plan
Maximum PACU Overflow Capacity: 6 patients
PACU Overflow Start Time Criteria
PACU Overflow End Time Criteria
Example of Submitted Request – Bed Use (cont.)

Safest Event  

Signature of person requesting program flexibility  

Emergency Room Manager  

Title  

Name of person requesting program flexibility  

Printed name  

Note: Approval for bed use, space conversion, bed use and over-bedding will be time limited and dependent on the facts presented that substantiate the emergency. Initial approval may be granted verbally by the local L&O DO. However, a signed written approval must be distributed (faxed) to the hospital and filed in the hospital’s facility folder.

For CDPH Use Only:

CDPH Licensing and Certification Approval:  

☐ Permission Granted from __________ to __________.  

☐ Permission Denied. Briefly describe why request was denied in comments/conditions below:  

Comments/conditions:  

Follow the EDI guidelines for overflow into the PACU.

Example of Submitted Request – Space Conversion

Temporary Permission for Program Flexibility for Increased Patient Accommodations

This form is to be used ONLY for program flexibility requests when hospital is temporarily unable to comply with licensing requirements by using alternative concepts, methods, procedures, techniques, equipment, or personnel.

Hospitals are required to submit a program flexibility request to the California Department of Public Health (CDPH). Licensing & Certification (L&C) Program through their local district office (DO) for written approval. 

This form is a mechanism to expedite the request and approval process in emergency situations.

https://www.cdph.ca.gov/Programs/CH/CHL/ChpGes/Pages/DepartmentOffice.aspx

<table>
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<tr>
<th>Facility Name</th>
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<td>ABC Hospital</td>
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<tr>
<td>License Number</td>
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<tr>
<td>Facility Phone</td>
<td>210-123-4567</td>
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<tr>
<td>City</td>
<td>Sacramento</td>
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<tr>
<td>State</td>
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<tr>
<td>Zip Code</td>
<td>95814</td>
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<tr>
<td>Contact Person</td>
<td>Emergency Manager (Hospital)</td>
</tr>
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</table>

Approval Request  

Type of Request  

☐ Bed Use (High patient volume)  

☐ Space conversion (other than bed use)  

☐ Over-bedding  

Duration of Request  

☐ 10/18  

☐ 6/21/18  

Program Flex Request  

What regulation are you requesting program flexibility for?  

Title 22, Section 7803  

Title 22, Section 7803
Example of Submitted Request – Space Conversion (cont.)

Justification for the Request
☐ A disease outbreak (notifiable through sources such as the local emergency medical service agency (LEMSA), local Public Health Officer, CDPH Division of Communicable Disease Control, the Centers for Disease Control and Prevention) is present in the community where the hospital is located or in a contiguous area(s) causing a rapid influx of patients to the hospital. Examples of this type of surge include: increased cases of seasonal influenza, onset of a severe acute respiratory syndrome-type or other highly contagious virus requiring acute care, an epidemic/pandemic, a bioterrorism agent, or a declared public health emergency.

☐ An emergency resulting in the need for increased patient accommodations has occurred in the community where the hospital is located or in a contiguous area(s) causing a rapid influx (surge) of patients to the hospital. Examples of this type of surge include: A natural or human-caused disaster, a mass incident or transportation accident resulting in numerous mass casualties, an emergency causing the evacuation of patients or diversions from another hospital (LEMSA diversion has been implemented).

CDPH 5000 A (1/16)

Justification for the Request
Other:

State of California Health and Human Services Agency
California Department of Public Health

Exhausting Available Alternatives
The hospital must exhaust available alternatives before requesting increased patient accommodations. Check all that apply:
☐ Rescheduling non-emergent surgeries and diagnostic procedures.
☐ Transferring patients to other beds or discharge as appropriate.
☐ Setting aside non-emergency beds if possible.
☐ Requesting ambulance diversion from LEMSAs if appropriate.
☐ Other:

Facility Name
ABC Hospital
License Number
123456789
Request Date
2/21/18

Adequate Staff, Equipment and Space
The hospital must make arrangements for adequate staffing, equipment and space for increased patient accommodations. Check all that apply:
☐ A plan is in place for staff if the request is for use of alternate space.
☐ A plan is in place for equipment if the request is for use of alternate space.
☐ The proposed space for care of patients provides sufficient square footage to ensure access for safe care.
☐ Other:

CDPH 5000 A (1/16)
Example of Submitted Request – Space Conversion (cont.)

Questions/concerns addressed prior to approval:

Q: Have you considered sending ESI level 4 & 5 patients to the clinic to offload from ED?
A: Currently, the outpatient clinics do not have the capacity to accommodate the patients.

Q: CDPH is concerned that there is no sink in the room and wound care may be provided.
A: There is a sink approx. 31 feet nearby. Facility will have hand sanitizer readily available.

Q: CDPH is concerned about the lack of medical gas availability.
A: Facility plans to use portable oxygen tanks if the need for oxygen arises.

Q: CDPH is concerned about patient privacy.
A: Facility will use portable privacy screens between patients.
Example of Submitted Request – Space Conversion (cont.)

Signature of person requesting program flexibility

Clinical Quality Director

Title

Printed name

Note: Approval for tent use, space conversion, bed use and over bedding will be time limited and dependent on the facts presented that substantiate the emergency. Initial approval may be granted verbally by the local L&C DO; however, a signed written approval must be distributed (faxed) to the hospital and filed in the hospital’s facility folder.

For CDPH Use Only:
CDPH Licensing and Certification Approval:

☐ Permission Granted from: ___2/22/10___ to ___3/7/10___

☐ Permission Denied: Briefly describe why request was denied in comments / conditions below:

Comments / conditions:

CDPH

Example of Submitted Request – Tent Use

Temporary Permission for Program Flexibility for Increased Patient Accommodations

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https://www.cdph.ca.gov/Programs/HCAG/OPPPages/DistrictOffices.aspx

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<table>
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<th>Approval Request</th>
<th>Duration of Request</th>
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<tr>
<td>Tent use (High patient volume)</td>
<td>Start Date: 1/25/10</td>
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<tr>
<td>Space conversion other than tent use</td>
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</tr>
<tr>
<td>Over bedding</td>
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</table>
Example of Submitted Request – Tent Use (cont.)

Justification for the Request
- A disease outbreak (verifiable through sources such as the local emergency medical service agency (LEMSA) local Public Health Office, CDPH Division of Communicable Disease Control, the Centers for Disease Control and Prevention) is present in the community where the hospital is located or in a contiguous area(s) causing a rapid influx (surge) of patients to the hospital. Examples of this type of surge include: increased cases of seasonal influenza, onset of a severe acute respiratory syndrome type or other highly contagious virus requiring acute care, an epidemic/pandemic, a bioterrorism agent, or a declared public health emergency.
- An emergency resulting in the need for increased patient accommodations has occurred in the community where the hospital is located or in a contiguous area(s) causing a rapid influx (surge) of patients to the hospital. Examples of this type of surge include: a natural or human-caused disaster, a crime incident or transportation accident resulting in numerous mass casualties, an emergency causing the evacuation of patients or diversions from another hospital (ERM/A diversion has been implemented).

CDPH 5000 A (1/18) Page 1 of 3

Exhausting Available Alternatives
The hospital must exhaust available alternatives before requesting increased patient accommodations. Check all that apply:
- Rescheduling non-emergent surgeries and diagnostic procedures.
- Transferring patients to other beds or discharge as appropriate.
- Setting clinics for non-emergency cases (if possible).
- Requesting ambulance diversion from LEMS/A, if appropriate.
- Other

Facility Name | License Number | Request Date
---|---|---
ABC Hospital | 123456789 | 1/25/18

Adequate Staff, Equipment and Space
The hospital must make arrangements for adequate staffing, equipment and space for increased patient accommodations. Check all that apply:
- A plan is in place for staff if the request is for use of alternate space.
- A plan is in place for equipment if the request is for use of alternate space.
- The proposed space for care of patients provides sufficient square footage to ensure access for safe care.
- Other
Example of Submitted Request – Tent Use (cont.)

Additional Information
Provide a brief description of your conditions and explain the need for program flexibility. Provide a brief description of the alternative concepts, methods, procedures, techniques, equipment or personnel to be used, and the conditions under which this program flexibility will be utilized. Attach additional supporting documentation as needed.

Requesting approval to utilize a temporary tent we built in front of the Emergency Room as an add on waiting area for overflow of ED patients waiting for treatment. The tent was inspected and approved by the City Fire Department. The tent has adequate built in lighting and heating capacity.

Request due to:
Loss of our secondary waiting area as the ED expansion construction is in progress.
High volume of patients attributed to flu season.

In the event that there is a need to expand the tent use to a minor treatment area for Level 4 & 5 patients, a separate request with additional information and guidelines will be submitted.

Example of Submitted Request – Tent Use (cont.)

R E Spanier
Signature of person requesting program flexibility

Emergency Room Director
Title

Printed name

Note: Approval for tent use, space conversion, bed use and over-bedding will be time limited and dependent on the facts presented that substantiate the emergency. Initial approval may be given verbally by the local & CDO; however, a signed written approval must be distributed (faxed) to the hospital and filed in the hospital’s facility folder.

For CDPH Use Only:
CDPH Licensing and Certification Approval:
☐ Permission Granted from: _______4/25/18_____ to: _______9/25/18_____
☐ Permission Denied. Briefly describe why request was denied in comments / conditions below.

Comments / conditions: The tent will be used as a temporary waiting room when the main emergency department waiting area is at capacity.
Patients will be escorted to the tent after triage in the emergency department. The tent has built in lighting and heating capacity.
Preparing Hospitals for Disasters
A Financial Perspective

Ron Yaw
Vice President, Finance & Economic Analysis

Outline

Financial Preparedness and Response Plan:
- Planning Checklist
- Workforce Considerations
- Business Interruption Insurance Coverage
- Eligibility for Public Assistance
- Application Process
- Other Programs
- Billing for Medicare and Medi-Cal
- CHA Whitepaper:
Business Stability and Financial Health Planning Checklist

Develop a comprehensive business continuity plan that includes back-up or alternate plans

- Make sure the continuity plan meshes with the organization’s disaster plan, as well as those of neighboring health care providers, for coverage of patients in disaster situations
- Assign primary and alternate responsibilities for each function
- Implement a schedule for updating and testing plans

Have plans for procuring office space and equipment should current offices become uninhabitable

- Review plans with the applicable vendors or managers to ensure a quick relocation
- Include a communication action plan to quickly alert business partners to alternative arrangements
Maintain up-to-date important contact information, including:

- Staff emergency contacts
- Insurance policy brokers
- Medicare contractors and regional offices
  ROSFOSO@cms.hhs.gov - California
- Medicaid contractors and state offices
- Other major payers and employers, if utilizing direct service contracting

Develop and maintain a materials management emergency plan for needed facility supplies:

- Arrange for obtaining necessary supplies from vendors, with back-up vendors from different geographic locations
- Have a process for regularly reviewing emergency supply levels
- Develop a quick response process for ensuring adequate inventory if there is advance notice of the impending event
Business Stability and Financial Health Planning Checklist (cont.)

Develop a facility and systems status report to quickly determine repair or replacement needs

- Create a support/repairs contact list for necessary repairs or replacement equipment
- Identify support services from multiple geographic areas
- With the facility’s communications team, establish a process to update community leaders on the condition of facility itself and its systems

Business Stability and Financial Health Planning Checklist (cont.)

Create, and have readily available, a resource accounting record for recording resources received, where they are assigned and — if possible — who is assigned responsibility for their use:

- Staff assigned from other facilities
- Equipment and supplies from vendors, other facilities, other county or local support services
Business Stability and Financial Health Planning Checklist (cont.)

Develop a schedule for regularly testing each component of the business continuity plan and evaluating employee readiness:

- Regular testing ensures new staff are prepared and that emergency procedures are fresh in the minds of all staff
- Consider coordinating drills or tests with vendors, key volunteers and community representatives, as appropriate, ensures clear communication, expectations and action plans

Workforce Considerations

- Expect that some of the staff will not show up, for a variety of reasons
- Recognize overtime and double time expenses will increase, but may be eligible for reimbursement
- Establish relationships — as well as standard process and procedures in the event of disasters with neighboring hospitals and nursing home facilities, ambulance and fire-fighting services
- Direct patient care staff resources may be required to work at the receiving facility to compensate for the additional patient load
Reimbursement Assistance – Business Interruption Insurance Coverage

• This particular type of insurance covers the loss of income that a hospital may suffer after a disaster, based on the net income that would have been generated

• This extra policy provision applies to all types of businesses, and is designed to put a business in the same financial position it would have been in, if no loss had occurred

Reimbursement Assistance – Business Interruption Insurance Coverage (cont.)

• This coverage is not sold as a standalone policy, but it can be added to the hospital’s property insurance policy or comprehensive package policy

• In the event the disaster does not affect the physical plant directly — such as a mandatory evacuation — business interruption insurance would cover losses due to closure or the absence of patients
The following scenarios are typically covered under a business interruption insurance policy:

- Net income: Net income that would have been earned during the closure period
- Fixed costs: Operating expenses and other costs still being incurred by the facility (e.g., lease payments)
- Temporary relocation: Extra expenses for moving to, and operating from, a temporary location

Business interruption insurance cannot cover:

- Undocumented income
- Utilities
- Losses from closures caused by non-covered damages
Federal Public Assistance

- Federal law limits eligibility for FEMA funds to public and private nonprofit hospitals
- Investor-owned hospitals are eligible only for low-interest loans through the U.S. Small Business Administration
- FEMA funding is considered last resort funding, meaning that any insurance policies and other funding mechanisms must be exhausted first

Application Process

- Submit a Request for Public Assistance to FEMA within 30 days of the emergency area being designated in the declaration
- Private hospitals also must submit the Private Nonprofit Facility Questionnaire
- These requests are not binding and are considered only a notice of intent to apply for reimbursement for costs sustained during a disaster event
• Categories of costs potentially eligible for reimbursement are detailed in a FEMA guide
• Documenting the claim thoroughly and comprehensively is vital
• Working closely with the designated FEMA case manager
Other Programs - Loan Programs for Nonprofit Small or Rural Health Facilities

- The California Health Facilities Financing Authority (CHFFA)
- The HELP II Loan Program provides low-interest rate loans to California’s nonprofit small or rural health facilities

Billing Medicare and Medi-Cal FFS

- Medicare FFS
  - CMS developed the “DR” condition code and the “CR” modifier to facilitate the processing of claims affected by disasters or emergencies
- Medi-Cal FFS
  - Initial Medi-Cal claims must be received by the DHCS Fiscal Intermediary within six months following the month in which services were rendered.
  - Delay reason code for natural disasters is 15.
Speakers Contact Information

Karen Fuller
State Oversight Branch Manager,
CMS, Western Division of Survey & Certification
Karen.Fuller@cms.hhs.gov

David Lum
Health Insurance Specialist
CMS, Western Division of Survey & Certification
David.Lum@cms.hhs.gov

Andrea Barandas
Health Program Specialist
CDPH, Licensing and Certification Division

Ron Yaw
Vice President, Finance and Economic Analysis
California Hospital Association
ryaw@calhospital.org

Questions

Online questions:
Please type your question in the Q & A box, then press enter

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Upcoming Programs

Disaster Planning for California Hospitals

September 24-26, 2018
Sacramento, CA

CHA’s Disaster Planning for California Hospitals conference is the largest statewide conference developed by and for California hospitals. Join us for this gathering of hospital emergency preparedness coordinators in California and learn how others’ experiences can help you prepare for what’s ahead.

Thank You and Evaluation

Thank you for participating in today’s webinar. An online evaluation will be sent to you shortly.

For education questions, contact Jaime Welcher at (916) 552-7527 or jwelcher@calhospital.org.