

## **NCMS FOUNDATION FINANCIAL RECOVERY PROGRAM FAQs**

### **Who determines what are eligible expenses for reimbursement?**

The federal CARES Act legislation, which is the source of funding the state allocated to the NCMSF for distribution to economically distressed independent medical practices, regulates what is considered a reimbursable expense. The state Office of Budget Management (OSBM) and NC Pandemic Recovery Organization (NCPRO) are the state agencies responsible for determining eligibility.

### **What are considered eligible expenses?**

- Telehealth equipment cost– computers, cameras, hotspots, etc.
- Infection control costs – PPE, thermometers, cleaning/disinfecting/sanitizing cost, etc.
- Revenue replacement is not eligible, but rent/mortgage/utilities expense during shutdown is.
- Renovations/cost to accommodate social distancing or improving ventilation (plexiglass installation, HVAC updates, HEPA filters, etc.). Furniture is generally ineligible.
- Flu/pneumonia vaccines (only if not previously budgeted for this year or covered by insurance or other funding sources. That would be considered 'double-dipping and is not allowed).

**PLEASE NOTE:** When claiming expenses related to payroll, HVAC and rent, please write on the receipt for the expenditure that it is for 'COVID-related expenses' and also note this in the description section of the online application.

### **What are considered "COVID-related" expenses?**

We are suggesting applying for funds based on credentialed clinical staff payroll and benefit expenses, as they are considered substantially dedicated employees, therefore compliance is assured. Should you choose another category of expense, all categories require demonstration of a connection to COVID-19. For administrative and/or non-clinical staff expenditures, COVID-19 related activities are activities that can be connected to COVID-19 and are demonstrated by timekeeping records.

### **Are both clinical and administrative staff who provide Covid-19 related services eligible for reimbursement? Can they also be eligible on a pro-rata basis? So, if 50 percent of their job is now Covid-19 related that 50 percent is reimbursable?**

Yes, but the time spent on Covid-19 must be the actual time they spent on it. They should maintain documentation in the file for the audit that indicates how they spent their time on Covid-19. Generally, it is not allowable to allocate a portion of administrative expense to Covid-19. It must be directly related to Covid-19.

### **Are office renovation costs (to create a "clean room") eligible?**

General office renovation costs are not eligible. If they can explain how the renovation is necessary to address Covid-19, then possibly ok, but only those expenses that are necessary are eligible.

### **Are HVAC updates/cleaning/service covered?**

Yes, given they are being provided due to COVID.

### **Is HEPA filter installation an eligible expense?**

Yes, given it is being installed due to COVID.

**Are touchless EKG machines eligible?**

Yes, if provided for Covid.

**What documentation is needed to show office closure due to Covid-19? If a practice claims expenses for reimbursement due to office closure, is a cancelled check image sufficient documentation?**

Cancelled checks are insufficient. The auditor will need to see paid invoice documentation if the question is in regards to goods or supplies. If payroll, then copies of payroll register is appropriate.

**Are equipment leases during an office closure reimbursable?**

Yes. The cost during closure is allowable.

**If the expense is a retrofitting of the clinic, does the renovation need to be finalized by Dec. 30, 2020?**

Yes, and the expense must be incurred prior to Dec. 30, 2020.

**What about expenses related to renovations to ventilation systems in buildings?**

Yes.

[[See CDC recommendations on retrofitting buildings here.](#)]

Specifically:

- a. Consider taking steps to improve ventilation in the building, in consultation with an HVAC professional, based on local environmental conditions (temperature/humidity) and ongoing community transmission in the area:
- b. Consider using portable high-efficiency particulate air (HEPA) fan/filtration systems to help enhance air cleaning (especially in higher-risk areas).
- c. Ensure exhaust fans in restroom facilities are functional and operating at full capacity when the building is occupied.

**STAFFING QUESTIONS**

**What job classifications can be included in the reimbursement from this grant?**

Credentialed clinical staff ([see list of job classifications allowed here](#)) whose work time is substantially dedicated to COVID-19. For these employees, 100 percent of their staff expenses (payroll and benefits) are considered eligible if not covered by any other funding source. Payroll and benefits records will be required to reimburse these expenses. No timekeeping records are required for credentialed clinical staff.

If your staff member does not fall in the credentialed clinical staff category, they are presumed to not be substantially dedicated. Payroll and benefits records, as well as timekeeping records will be required to show the amount of time these non-credentialed clinical staff are dedicated to COVID-19 related activities. You may apply staff expenses (payroll and benefits) for the time, or portion of time, to eligible expenses only if they are directly involved in COVID-19 related activities.

If administrative or other non-clinical staff spends 50 percent or more of their time on COVID-19 related activities, they are considered substantially dedicated and 100 percent of their staff expenses (payroll and benefits) can be applied to the grant, if it is not covered by any other funding source.

If these staff spend under 50 percent on COVID-19 related activities, then only the number of hours spent on COVID-19 related activities can be applied to the grant, if it is not covered by any other funding source.

**PLEASE NOTE:** When claiming expenses related to payroll, please write on the receipt for the expenditure that it is for 'COVID-related expenses' and also note this in the description section of the online application.

**What about administrative personnel who have time records supporting COVID-19-related activities at 50 percent or more? Are they then substantially dedicated at 100 percent?**

Yes, with back up time keeping records validating they are at least 50 percent dedicated to COVID-19 activities, these staff are considered substantially dedicated and 100 percent of their staff expenses can be claimed as eligible expenses, if they are not covered by any other funding source.

**Our employees do not fill out timesheets. I allocate their time in QuickBooks. Should I send a copy of that general journal entry for the reimbursement along with pay stubs?**

Whatever timekeeping method your organization uses, it must demonstrate the amount of time administrative and/or non-clinical staff are dedicated to COVID-19 related activities.

**Will we be able to use the funds for both W-2 and 1099 credentialed clinical staff?**

Yes, as long they are allowable expenses and not covered by any other funding source.

**Are payroll costs for staff dedicated to or partially dedicated to Covid-19 related duties eligible?**

Yes. Records should show in writing how each employee's timesheet for each applicable week is related to Covid. The auditors will want to see this documentation.

**These funds are intended to be used in support of existing staff. Can they also be used for new staff?**

Yes, as long they are allowable expenses and not covered by any other funding sources.

**Is time spent training workers for Covid-19 related protocols eligible?**

Yes. Records should show in writing how each employee's timesheet for each applicable week is related to Covid. The auditors will want to see this documentation.

**Is time spent educating COVID-19 patients on how to protect themselves, etc. considered COVID-19 related?**

Yes.

**Can payroll taxes be included?**

Yes, per OSBM, employer-paid taxes can be included as an eligible expense. This must be applied in proportion to the payroll expense. In other words, if you are applying half of your employee's payroll expense to the grant, then only half of the employer-paid payroll taxes could also be applied.

**Can the funds be used for patient care not related to COVID-19 specifically? For example, for patient visits (via tele-medicine) to maintain chronic conditions for which a patient was already being seen.**

Since we are recommending using the funding for eligible staff expenses, it could not also be used for patient care expenses, as this would constitute double-dipping, as the patient care cost includes staff expenses. This is why clinical staff have been deemed substantially dedicated.

**PPP QUESTIONS**

**We received a PPP loan which covered 25 percent of staff costs over a 2-month period recently. Can the FRP funding be used to cover an additional 50 percent of these staff expenses?**

Yes, as long as it is an eligible staff expense and not covered by another funding source.

**We received a PPP loan on 4/20/20. Those funds were expended 4/20/20-7/3/20. May we reimburse payroll expenses for 3/1/20-4/19/20 (leading up to the PPP contract) and then resume reimbursements for 7/4/20-12/31/20?**

Yes, as long as it is an eligible staff expense and not covered by another funding source.

### **MISCELLANEOUS QUESTIONS**

**Will we be able to use the funds for paying our laboratory testing bill to Lab Corp? These tests are directly related to patient care.**

Only lab testing demonstrated to be related to COVID-19 may be eligible if it's not covered by any other funding source.

**Can some of the money be used for IT expenses?**

IT expenses are allowable if they are telehealth expenses due to COVID-19.

**Would an upgraded/more remote accessible database count as telemedicine related (as staff conduct appointments from their homes)?**

No, this circumstance would not be related telehealth for COVID-19.

**What supplies are included?**

- Medical Supplies for patient visits – If demonstrated to be related to COVID-19.
- Medications? If demonstrated to be related to COVID-19.
- Hand sanitizer
- Sneeze guards
- Telephones/jacks for telehealth
- Computers for telehealth
- Blood pressure monitors, if the purchase is to enable telemedicine capabilities for COVID-19.

**PLEASE NOTE:** Charting supplies and clinical software are not eligible.

**Would immunizations to protect patients from other illness (flu, pneumonia, etc.) be an eligible expense so that they will not be as vulnerable to COVID-19?**

Per CDC vaccination guidelines, it is important to reduce the overall burden of respiratory illness to protect vulnerable populations, as well as the reducing utilization of the health care system during the COVID-19 pandemic. For this reason, the purchase of flu vaccines and pneumonia vaccines are eligible given [the CDC recommendations referenced here](#).

**IMPORTANT:** OSBM has indicated that the purchase of flu/pneumonia vaccines cannot be a budgeted item for the organization for this year, so previously budgeted expenses for flu/pneumonia vaccines are not eligible. Since expenses cannot be prepaid, the cost of the purchase of these vaccines are only eligible when they are administered to patients between March 1, 2020 and December 30, 2020. Please submit vaccine costs only as they're administered. The cost of the vaccine should be determined based on the actual purchase cost divided by the doses in that purchase.

**How about lab supplies we had to purchase like rapid flu testing? Early CDC guidelines required a patient to have a flu test before sending for COVID-19 testing.**

Yes, as long as it was demonstrated to rule out flu for potential COVID-19 diagnoses within the reporting time period. Per OSBM "These expenditures could be considered necessary to address Covid19 and therefore are eligible."

**Still have a question? Contact [FRPNCMS@ncmedsoc.org](mailto:FRPNCMS@ncmedsoc.org) and we will get the answer and include in our FAQs.**