

Program for Emergency Assistance to Public Hospitals

CORONAVIRUS RELIEF FUND

Program Guidelines

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GOVERNMENT OF PUERTO RICO

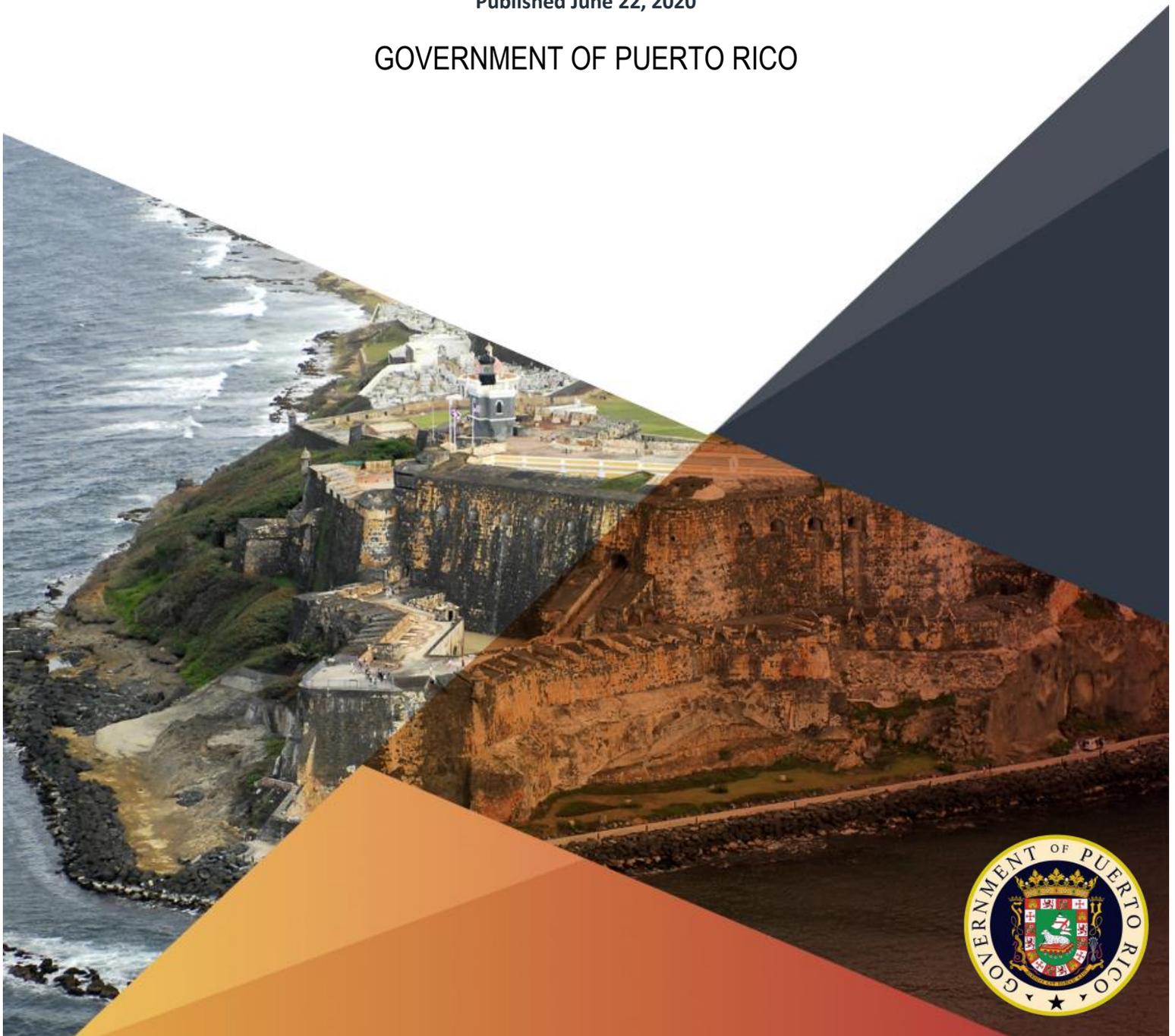


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PROGRAM GUIDELINES

Program Overview

Background

In response to the sudden decline in economic output following the Coronavirus disease 2019 (COVID-19) outbreak, Congress signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law on March 27, 2020. The CARES Act established the Coronavirus Relief Fund (CRF), which provides \$150 billion in direct assistance for domestic governments, territories, and tribal areas to disburse in accordance with its provisions.

To ensure the expeditious processing of apportioned funds from the CARES Act, the Government of Puerto Rico established the Disbursement Oversight Committee, consisting of a representative of the Secretary of the Department of the Treasury, a representative of the Director of the Office of Management and Budget (OGP), and a representative of the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAF).

Program Description

On May 14, 2020, Governor Wanda Vázquez Garced announced the Program for Emergency Assistance to Public Hospitals (Program), which makes up to \$50 million in immediate CRF funds available for all public hospitals of the Government of Puerto Rico and the instrumentalities of the Executive Branch and municipalities for eligible and necessary expenses related to the COVID-19 emergency. These expenses include, among others, medicines to treat symptoms of COVID-19, equipment, materials, personal protective equipment, ventilators, the establishment of negative pressure and isolation rooms, the purchase of disinfectant products, as well as tests for COVID-19. Funds will be awarded based on a necessity standard, in the form of a grant.

Disbursement of Program funds will be subject to the strictest standards to ensure compliance with federal regulations and best practices. Therefore, each request for disbursement will be duly documented and subject to control and audit.

Points of Contact

The Program will be administered by the Coronavirus Relief Fund Disbursement Oversight Committee (Committee) in conjunction with the Puerto Rico Department of Health (DOH), the Puerto Rico Health Insurance Administration (ASES), and AAFAF. Queries related to the Program must be submitted in writing to crfhospitals@aafaf.pr.gov. All questions and responses will be made public without attribution.

Eligibility Criteria

Eligible Applicants must meet all the following criteria:

- Be a public hospital of the Government of Puerto Rico and the instrumentalities of the Executive Branch and municipalities;
- Have incurred or planned necessary expenditures related to the COVID-19 emergency and maintain documentation that reliably demonstrates the expenses;
- Submit a complete and accurate Application prior to the deadline;
- Commit to abiding by the terms and conditions of the Program, including requests for documentation and auditing requests;

- Agree to return the funds, if it is determined that they did not comply with any of the Program eligibility requirements or if the funds were not spent on eligible expenses by December 30, 2020; and
- Agree that while receipt of other funds for COVID-19 related assistance does not preclude an Applicant from receiving funds under the Program, expenses are only eligible that 1) have not been covered or reimbursed and 2) will not be covered in the future, by other state, federal, or private programs.

Other CRF Programs

In addition to the Program detailed above, the Governor allocated funds for additional programs to address both government needs (mainly associated with attending to the public health emergency and continuing government operations) and those of the private sector, which has been severely affected by interruption of operations. Please visit <http://www.aafaf.pr.gov/covid-19-resource-center/> for additional information about these programs.

Allowable Expenditures

Allowable expenses under this award include, but are not limited to:

- Medicines to treat symptoms of COVID-19, equipment, materials, personal protective equipment, ventilators, the establishment of negative pressure and isolation rooms, the purchase of disinfectant products, as well as tests for COVID-19;
- Expenses necessarily incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- Expenses that were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
- Expenses incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

For further guidance please refer to the Guidance published by the U.S. Treasury at <https://home.treasury.gov/policy-issues/cares/state-and-local-governments> and the Frequently Asked Questions published by the U.S. Treasury at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>.

Ineligible Expenditures

Ineligible expenses will be determined by the Committee, the U.S. Department of the Treasury, the Office of the Inspector General (OIG), and other regulatory bodies, and under this award include, but are not limited to:

- Necessary expenses that have been covered or reimbursed, or that will be covered in the future, by other state, federal, or private insurance programs that the Applicant may have, including funds received through the CARES Act's Public Health and Social Services Emergency Fund;
- Expenses arising from an improper procurement process, as well as those that are deemed unreasonable or fraudulent.
- Employee bonuses, except for overtime and hazard pay;
- Severance pay;

and

- Executive bonuses, debt refinancing, or other expenses that are determined to be unnecessary for continued operations in the COVID-19 environment.

For further guidance please refer to the Guidance published by the U.S. Treasury at <https://home.treasury.gov/policy-issues/cares/state-and-local-governments> and the Frequently Asked Questions published by the U.S. Treasury at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>.

Process Overview

The following is intended to outline the process by which funds from the CRF will be distributed to Applicants of the Program.

May 14, 2020	Program announced
June 22, 2020	Application period opens
June 22 - 25, 2020	Application submission
June 25, 2020, 11:59PM AT	Application period closes
June 22 - July 3, 2020	Applications reviewed and approved by the Program
July 10, 2020	Grant Agreement executed by all parties
July 2020 – December 30, 2020	Grantee submits Use of Funds Grant Report by the 15 th day of each month for the prior month
August 31, 2020	Grantee submits Use of Funds Report and Expenses Evidence for the period of March 1, 2020 through July 31, 2020 to AAFAF
December 30, 2020	Deadline for Grant Award Funds to be used by Grantee
January 31, 2021	Grantee submits Grant Report and Expenses Evidence to AAFAF
February 1 – April 30, 2021	Program audits Use of Funds for compliance, to the Federal Program and AAFAF guidelines, and pursues recovery of funds if applicable
May 1, 2021	Program closes

Application

Applications will be submitted by electronic mail in PDF format to the address crfhospitals@aafaf.pr.gov. Upon submission, Applicants will receive a confirmation via electronic mail. More information on forms, documents, and eligibility can be found on the web at <http://www.aafaf.pr.gov/covid-19-resource-center/>.

The Program will open for applications on June 22, 2020 and will remain open until closing at 11:59 PM Atlantic Time on June 25, 2020. All submissions will be accepted based on the time of submission and evaluated in accordance with criteria set forth in the Program.

Questions regarding Grant Applications can be submitted to crfhospitals@aafaf.pr.gov.

Evaluation

Grant Applications will be evaluated for completeness and eligibility with input from a representative of the Lead Agencies.

Funding award decisions will be made by a recommendation from the representatives of the Lead Agencies under oversight of the Disbursement Oversight Committee. Each Application will be evaluated and Program Grant funds allocated using a standard of necessity prioritizing the magnitude of necessary eligible expenditures and historical patient volume.

The Committee will review applications June 22 - July 3, 2020.

Award and Funding

Applicants will be notified via electronic mail of funding decisions. To ensure all eligible Applications receive funding, Applicant requests may be filled in whole or in part.

Subsequent Grant funding opportunities (including expansion of eligible institutions and use of funds) will be determined based on availability of Grant funds remaining after completion of initial awards.

Upon notification of an affirmative funding decision, the Grantee hospital will sign a Grant Agreement, which will be provided to the Grantee upon receipt of the Grant Application. The Grant Agreement document will be a legally binding agreement between the Grantee hospital and The Government of Puerto Rico and lays out the terms and restrictions for the use of Grant funds.

In no more than 10 days of executing the Agreement, the Committee will send authorization to the Puerto Rico Department of Treasury to release funds and they will be transmitted in one lump sum to the Grantee hospital via electronic funds transfer.

Compliance

Any Grantee that receives Grant funds will be required to submit monthly financial reports using the template provided by the Program. Additionally, Grantees that receive Grant funds will be required to submit a comprehensive mid-point financial reconciliation report on August 31, 2020 and a comprehensive final financial reconciliation report before January 31, 2021 detailing the use of Grant funds. Grantees may additionally be required, upon request, to show proof of payment and submit other required documentation.

Any recipient of Grant funds will be required to retain evidence of eligible expenses for a period of ten (10) years. Furthermore, by accepting CRF funds the recipient is required to certify proper and legal use of the funds and agrees to cooperate in any audit proceedings requested by The Government of Puerto Rico or other governing entity responsible for the compliant use of funds.