Health Law Alert: Minnesota Approves $200 Million in COVID-19 Emergency Funds for Providers – Emergency Fund Application Deadline Wednesday March 25

March 23, 2020

Last week, Governor Tim Walz signed legislation that makes $200 million available to certain classifications of health care providers to support the costs to plan, prepare for, and respond to the COVID-19 pandemic. The $200 million fund is being split into two funding streams with $50 million allocated to an Emergency Fund to cover high priority needs over the next two to eight weeks and the remaining $150 million for a Response Fund that will cover longer-term needs related to the COVID-19 pandemic.

The following health care providers can apply for both the Emergency Fund and Response Fund ("Providers"):

- Ambulance services
- Health care clinics
- Pharmacies
- Health care facilities and long-term care facilities, including but not limited to:
    - Hospitals
    - Nursing facilities
    - Settings at which assisted living services or health care services are or may be provided
- Health systems

Emergency and Response Funds may be sought to reimburse for the following expenditures incurred by Providers in response to COVID-19:

- Expanded or Modified Operations:
    - The establishment and operation of temporary sites to provide testing services, to provide treatment beds, or to isolate or quarantine affected individuals
    - Temporary conversion of space for another purpose that will revert to its original use

- Development and implementation of screening and testing procedures
- Additional emergency transportation of patients
- Development and temporary information technology and systems costs to support patient triage, screening, and telemedicine activities

- Staff:
  - Staff overtime and hiring additional staff
  - Staff training and orientation
  - Expenses related to the isolation or quarantine of staff (these expenses must not include payment of wages for the staff being isolated or quarantined)

- Supplies:
  - Purchasing consumable protective or treatment supplies and equipment to protect or treat staff, visitors, and patients
  - Purchasing replacement parts or filters for medical equipment that are necessary for the equipment's operation
  - Specialty cleaning supplies for facilities and equipment

- Other:
  - Patient outreach activities
  - Other expenses that, in the judgment of the commissioner, cannot reasonably be expected to generate income for the recipient of the funds after the outbreak ends

Importantly, loss of operating revenue from the curtailment of non-emergent services are not costs eligible to be reimbursed from either Fund.

Providers seeking relief for immediate needs should apply for proceeds of the Emergency Fund by end of day Wednesday, March 25. Applications can be obtained by emailing MDH at: COVIDgrantapplication. MDH@state.mn.us. MDH will be making funding decisions starting on Thursday, March 24. The Emergency Fund application is an Excel spreadsheet, which summarizes the categories of eligible uses in the legislation and will not require submission of financial information other than a budget and the requested funding.

The application for the Response Fund is still under development, but will be a separate process that will likely require greater detail than what is requested in the Emergency Fund application. Once an application is approved, recipients will be required to enter into a Grant Agreement with MDH, which will provide the details on the disbursement process and oversight framework.

The expenditures that may be reimbursed under the Response Fund are the same as those for the Emergency Fund.

MDH will be consulting with providers in the healthcare community to determine the priority needs and will adjust the program as circumstances evolve and needs change. MDH has additional information on these grants at https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/covidgrant.html.

If you have additional questions, please contact Jennifer Reedstrom Bishop, Chair of the Lathrop GPM Health Law Group, or Tony Fricano.