

**Summary of Federal Payments Available for
Providing Health Care Services to Hurricane Evacuees
and
Rebuilding Health Care Infrastructure**

As of October 5, 2005

Summary of Federal Payments Available for Evacuee Care

(October 5, 2005)

Many evacuated patients have received substantial medical care. Initially much of the care related to acute injuries, exposure, and other immediate complications of the hurricane. While care for these conditions is continuing where necessary, many evacuees have lost their usual source of care and ability to pay for it as the evacuation continues. Additionally, health care providers need to be reimbursed for care provided to patients in hurricane-affected areas and evacuee areas. These payments are necessary to facilitate their ongoing operations and compensate for additional costs and unanticipated utilization of services.

The following sources of coverage are in use now:

Source of Funds	Eligibility Group	Scope of coverage	Comments
CMS - Medicare	For seniors and persons with disabilities	<p>CMS has modified its Medicare payment rules to provide payments for services provided to evacuees, for example, by: waiving usual documentation requirements to justify services, permitting services in extraordinary settings like shelters, and providing broader access to payment for post-acute care. In addition to these waivers, Medicare will begin covering prescription drugs starting on January 1, 2006; until that time, lower-income Medicare beneficiaries can get coverage for their drugs through Medicaid (see below).</p>	<p>Medical care for seniors and persons with disabilities is being addressed.</p>
CMS - Medicaid	For families and children, and individuals receiving SSI based on age or a disability who have limited incomes and resources	<p>CMS is working with both the directly-affected States and the States temporarily housing significant numbers of evacuees to provide expedited access to Medicaid coverage. CMS has issued a model waiver template that allows States hosting evacuees to enroll some evacuees in the host State's Medicaid program, because of loss of income and resources. The template allows for the quick reenrollment of evacuees in Host States who were determined eligible for Medicaid in their Home States, as well as expedited enrollment of evacuees who may be newly eligible as a result of Hurricane Katrina.</p> <p>The Katrina demonstration programs build upon existing Medicaid/State Children's Health Insurance Program (SCHIP) eligibility and other program rules, and provide immediate, comprehensive relief. Approved waivers allow for Host States to provide the Medicaid/SCHIP benefit package within their own State and provide comprehensive State Plan services to evacuees.</p> <p>CMS is also arranging for reimbursement for some uncompensated care costs incurred by hospitals treating evacuees (see below).</p>	<p>Medical care for lower-income families and children is being addressed.</p>

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<p>CMS - Medicaid Uncompensated Care Pools</p>	<p>For Katrina evacuees who do not have other coverage for medically-necessary services and supplies</p>	<p>The Medicaid waivers can also be used to create pools dedicated to reimbursing providers for the costs of otherwise uncompensated care for those affected by the hurricane. In States with an approved uncompensated care pool (i.e., Texas, Mississippi, Alabama, Arkansas, Georgia, and Tennessee), CMS has provided that States can reimburse providers that incur uncompensated care costs for medically necessary services and supplies for Katrina evacuees who do not have other coverage for such services and supplies through insurance, or other relief options available including Title XIX and XXI. The uncompensated care pool may also be used to provide reimbursement for benefits not covered under title XIX and XXI in the State. The uncompensated care pool excludes any supplemental payments and is without regard to the State's DSH allotment.</p> <p>Examples of coverage that could be provided include diabetics in need of insulin and neither insured nor covered by Medicaid, could go to the pharmacy and the pharmacist would then bill the Host State's Medicaid program. Other examples include mental health services, prescription drugs or any other medically necessary services needed by evacuees.</p>	<p>Uncompensated care pools address funding needs for those who are not Medicaid-eligible, specifically childless low-income adults.</p>
<p>HRSA</p>	<p>Populations in Health Professional Shortage Areas</p>	<p>Physicians providing services in areas designated as Health Professional Shortage Areas (HPSAs) qualify for bonus payments under Medicare. HRSA has eliminated the minimum HPSA score for placement of assignees, and has set up an expedited process for review and approval of HPSA designation applications for the affected area.</p>	<p>Key assistance to encourage physicians to return to impacted areas.</p>
<p>HRSA</p>	<p>Health care providers</p>	<p>Resources can be augmented to provide additional services in affected and ring areas by expanding the use of grants and funding. Some of the related programs/funds are: Hospital Bioterrorism program funds, Emergency Medical Services/Emergency Medical Services for Children fund, Rural Health Outreach Programs, and State Maternal and Child Health Block Grant. Additional funds are available through Health Center programs and the Ryan White Care Act programs for people living with HIV/AIDS.</p> <p>With regard to the deployment of National Health Service Corps and Nurse Loan Repayment health care providers, priority will be given to the</p>	<p>HRSA informed States that they may use State Hospital Bioterrorism Grants to address needs within affected and ring areas. These may include the purchase or upgrade of equipment, pharmaceuticals, and other priority countermeasures to enhance preparedness.</p>

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		placement of these personnel in the impacted and ring areas. HRSA will also expedite applications for volunteer providers in affected and ring areas to provide liability coverage to volunteer providers practicing in wholly free clinics.	
SAMHSA	Mental health and substance abuse services for evacuees	There are 17 relevant SAMHSA technical assistance centers and five regional Centers for Application of Prevention Technologies. These centers offer expertise on children’s mental health, psychiatric disability and peer support, psychiatric rehabilitation, homelessness, youth violence prevention, suicide prevention issues, and substance abuse prevention and support.	Centers help to meet key mental health and substance abuse needs.
SAMHSA Emergency Response Grants	Mental health and substance abuse services for priority populations in LA, AL, TX, and MS	SAMHSA has provided \$600,000 in Emergency Response Grants to Louisiana, Alabama, Texas, and Mississippi to ensure that mental health assessment and crisis counseling are available in areas impacted by Hurricane Katrina. Louisiana plans to create a team of behavioral health specialists to provide counseling to disaster workers and first responders. Alabama plans to create a pool of funding to support clinical assessments and immediate direct services. Texas plans to support existing methadone providers to allow for services to evacuees in shelters. Mississippi plans to provide emergency support for populations in mental health treatment facilities.	Grants help to meet key mental health and substance abuse needs.
Private Insurance	Continuing insurance coverage to evacuees	<p>To expand access to care, private health insurers have taken steps, such as waiving co-pays in September and vastly expanding access to out-of-network care.</p> <p>Individuals who have lost their jobs as a result of Katrina have COBRA rights.</p> <p>In addition, Medicare Advantage plans have been willing to work with the affected States and the States where evacuees have been sent, in order to identify opportunities for enrolling evacuees in private insurance.</p>	This remains a main source of coverage particularly for people who are not low-income. However, to the extent that an employer ceases offering coverage to employees – for example, if the employer was destroyed as a result of Katrina – employees of that employer lose COBRA rights.
DHHS Office of Minority Health (OMH)	Support for organizations serving minority individuals, families and children affected by Hurricane	The Office of Mental Health (OMH), in partnership with the National Institute of Health’s (NIH’s) National Center on Minority Health and Health Disparities (NCMHD), has identified more than \$12 M in grants to support minority-serving organizations. According to a recent DHHS press release, the grants will include support for NCMHD	Efforts support key minority-serving organizations.

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	Katrina	health disparities centers of excellence in the Gulf Coast, State Offices of Minority Health, professional associations, and community-based organizations to provide services and reduce cultural and linguistic barriers.	
FEMA via State/ Local Govt.	Medical care provided to evacuees	Emergency medical care provided at shelters may be reimbursed through State or local governments. Generally, referral care is not reimbursed. If through NDMS transport, definitive medical care would be covered by NDMS.	Potential source of payment for certain costs incurred for evacuees treated at shelters.
FEMA/ NDMS	Reimbursement to NDMS hospitals	Reimbursement to National Disaster Medical System (NDMS) hospitals for definitive medical care for patients to whom they deliver care who are uninsured or who are on Medicaid. NDMS hospitals receive 110% of the Medicare rate for care provided to patients in the NDMS system.	So far, it is estimated that NDMS hospitals will be reimbursed for approximately 2700 patients.
FEMA	Catch-all use for evacuees, including medical expenses	Evacuees may use some of the \$26,200 they are potentially eligible for to cover medical care and insurance payments. This money also goes to pay for clothes, hotel expenses, housing repairs, and other disaster-related needs.	Broad use for all evacuees.
Veterans Health Administration	For veterans who are enrolled or otherwise eligible and for survivors and dependents of certain veterans through CHAMPVA.	VA is providing health care to enrolled veterans affected by hurricane Katrina. For those affected veterans not currently enrolled, instructions have been issued to facilitate such enrollment action and expedite consideration of special eligibility circumstances. Co-payments for affected veterans have been suspended.	Veterans who have previously applied for and were denied enrollment on the basis of income due to the enrollment restriction of 1/16/03 may request that VA reassess their eligibility status based upon their current financial status.

Summary of Federal Assistance Available for Rebuilding Health Care Infrastructure

Source of Funds	Eligibility Group	Scope of coverage	Comments
CMS - Medicare Extraordinary Circumstances Exception Provision	Hospitals	<p>The Medicare inpatient prospective payment system includes payment for hospital inpatient capital costs, which is made on a per-discharge basis. The extraordinary circumstances exception provision provides an additional payment if a hospital incurs unanticipated capital expenditures in excess of \$5 million (net of proceeds from other funding sources, including insurance, litigation, and government funding such as FEMA aid) due to extraordinary circumstances beyond the hospital's control (e.g., a flood, fire, or earthquake). For most hospitals, the exception payments for extraordinary circumstances are 85% of Medicare's share of allowable capital costs (100% for sole-community hospitals) attributed to the extraordinary circumstance.</p>	<p>A hospital must make an initial written request to its CMS Regional Office (RO) within 180 days after the occurrence of the extraordinary circumstance causing the unanticipated expenditures.</p>
CMS – Stark Waiver	<p>Would enable Hospitals and certain other health care entities in specified States to offer special arrangements to physicians who have been displaced by the hurricane</p>	<p>The Secretary has given CMS authority to waive sanctions for violations of the physician self-referral (Stark) law (which prohibits physicians from referring Medicare patients to an entity with which the physician or a member of the physician's immediate family has a financial relationship, unless the arrangement meets the criteria of one of the statutory or regulatory exceptions).</p> <p>In response to the recent hurricane, CMS has received inquiries concerning whether hospitals can provide free office space, or low interest or no interest loans, or offer certain arrangements to physicians who have been displaced by the hurricane. CMS intends to consider Stark waiver requests on a case-by-case basis and/or through future guidance posted on the CMS website, and will waive Stark violations in such circumstances as CMS determines appropriate. CMS intends to allow arrangements that otherwise would not meet the specific criteria for an exception, provided that such arrangements would not lead to program or patient abuse, and that other safeguards which may be applicable to the specific arrangement under consideration exist.</p>	<p>The waiver authority is effective 10/1/05 with retroactive application to 8/24/05 in Florida; 8/29/05 in Alabama, Louisiana, Mississippi, Arkansas, Colorado, Georgia, North Carolina, Oklahoma, Tennessee, West Virginia and Utah; and 9/2/05 in Texas.</p>
FEMA	Medical Facility Recovery	<p>Under its ordinary Public Assistance program, FEMA reimburses public and private non-profit hospitals for the repair of infrastructure damages caused by the disaster. This includes clinics, rehabilitation and long-term care facilities.</p>	<p>The Federal cost share is 75%.</p>

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FEMA	Community Health Centers and other public and non-profit entities	Under its ordinary Public Assistance program, FEMA reimburses public and private non-profit entities, including community health centers for the repair of infrastructure damages caused by the disaster.	The Federal cost share is 75%.
FEMA	Temporary Housing for Health Care Workers	FEMA's authority to provide emergency shelter is usually used to assist evacuees, but may be used to house medical personnel on the basis that medical care is an essential community service. The type of housing assistance given is determined by FEMA, based on the individual's needs and what can be delivered most quickly and economically. Available types of housing assistance include: lodging expense reimbursement, rental assistance, home repairs, and home replacement or permanent housing construction.	Any specific use of this authority in such a manner will require FEMA management to address the associated programmatic/policy questions. The PHS Team in New Orleans is working on housing for health workers.
SBA	Homeowners and renters who are the victims of a disaster	Disaster Assistance Loans for uninsured loss of homes and personal property – up to \$40,000 to replace lost property such as furniture, clothing, and automobiles; up to \$200,000 for repairs to a home. The loan amount is based on the actual cost of repairing or replacing the home and/or personal property, minus any insurance settlements or other reimbursements or grants. The maximum loan maturity is 30 years.	Applicants do not have to spend down their own savings before qualifying for an SBA loan.
SBA	Small and large businesses following a disaster	Loans for all kinds of businesses (including, for example, a doctor's office or a home health agency) are available following a disaster to return each qualifying business to its pre-disaster state. The loan amount can be up to \$1.5 million for qualified businesses. The maximum loan maturity is 30 years.	Businesses do not have to use their own funds before applying for a loan.
HUD	FHA/HUD Mortgage Insurance for Hospitals (Section 242):	This program will provide mortgage insurance for new construction financing, modernization, equipment, and expansion; funding is also available for refinancing.	In support of this HUD construction program, HRSA through an inter-agency agreement with HUD, provides architectural services, engineering services and financial services.
HRSA	Community Health Center Loan Guarantee Program	This \$100 million loan guarantee program provides up to 80 percent loan guarantees for construction of community health centers.	80% Loan Guarantee

Attachment – List of Resources

Source of Funds	Resources
<p>Centers for Medicare & Medicaid Services (CMS)</p> <ul style="list-style-type: none"> • Medicare • Medicaid • Medicaid Uncompensated Care Pools • Medicare Extraordinary Circumstances Exception Provision • Stark Waiver 	<ul style="list-style-type: none"> • CMS main web site: http://www.cms.hhs.gov/default.asp • CMS Hurricane Katrina Information, including Frequently Asked Questions (FAQs): http://www.cms.hhs.gov/katrina • State Medicaid contacts: http://www.cms.hhs.gov/medicaid/allStateContacts.asp • State Children’s Health Insurance Program (SCHIP) web site: http://www.cms.hhs.gov/schip/statemap.asp
<p>Health Resources and Services Administration (HRSA)</p> <ul style="list-style-type: none"> • Health Professional Shortage Areas (HPSAs) • Grants for Providers 	<ul style="list-style-type: none"> • HRSA main web site: http://www.hrsa.gov • HRSA Hurricane Katrina Information: http://www.hrsa.gov/katrina/
<p>Substance Abuse and Mental Health Services Administration (SAMHSA)</p> <ul style="list-style-type: none"> • Mental and Substance Abuse Services for Evacuees • SAMHSA Emergency Response Grants 	<ul style="list-style-type: none"> • SAMHSA main web site: www.samhsa.gov • SAMHSA Katrina and Rita Resources web site: http://www.samhsa.gov/hurricane/default.aspx
<p>Private Insurance</p>	<ul style="list-style-type: none"> • America’s Health Insurance Plans’ Response to the Hurricane Disaster web site: http://www.ahip.org/HurricaneResponse/
<p>Department of Health and Human Services Office of Minority Health (OMH)</p> <ul style="list-style-type: none"> • Support for organizations serving minority individuals, families and children affected by Hurricane Katrina 	<ul style="list-style-type: none"> • DHHS/OMH main web site: http://www.omhrc.gov/ • DHHS press release about grants to support minority-serving organizations: http://www.hhs.gov/news/press/2005pres/20050930a.html
<p>Federal Emergency Management Agency (FEMA)</p> <ul style="list-style-type: none"> • Reimbursement through State or local governments for emergency medical care provided to evacuees at shelters • Reimbursement to National Disaster Medical System Hospitals • Use of evacuees’ allotment for medical expenses 	<ul style="list-style-type: none"> • FEMA main web site: www.fema.gov • FEMA Individual Assistance program web site: http://www.fema.gov/rrr/inassist.shtm • FEMA Disaster Assistance Process for Individuals and families web site: http://www.fema.gov/about/process/index.shtm • FEMA Housing Assistance web site: http://www.fema.gov/press/2005/katrinahousing.shtm • FEMA Public Assistance program web site: http://www.fema.gov/rrr/pa/overview.shtm
<p>Veterans Health Administration (VA)</p>	<ul style="list-style-type: none"> • Veteran’s Health Administration main web site: http://www1.va.gov/health_benefits/ • U. S. Department of Veterans Affairs Hurricane Katrina Information web site: http://www1.va.gov/opa/katrina/
<p>Small Business Administration (SBA)</p> <ul style="list-style-type: none"> • Disaster Assistance Loans for Homeowners and Renters • Disaster Business Loans 	<ul style="list-style-type: none"> • SBA How to Apply for SBA Disaster Loan Assistance after a Declared Disaster web site: http://www.sba.gov/disaster_recov/loaninfo/dloanassit.html
<p>U. S. Department of Housing and Urban Development (HUD)</p> <ul style="list-style-type: none"> • FHA Section 242 Mortgage Insurance for Hospitals 	<ul style="list-style-type: none"> • FHA Section 242 Mortgage Insurance Program web site: http://www.hud.gov/offices/hsg/hosp/hsghospi.cfm