



**Review of Provider Relief Fund & FEMA Public Assistance  
Applicability to MDCalc COVID-19 Toolkit Plus**

## Contents

Background and Process .....	3
Our Understanding: MDCalc’s CTK+ .....	4
Provider Relief Fund: Expense Eligibility and Key Considerations.....	4
FEMA Public Assistance: Expense Eligibility and Key Considerations.....	6
Conclusion and Risk Considerations .....	8

## Background and Process

Pursuant to the agreed-upon scope of work, Citrin Cooperman (“Citrin” or “we”) was engaged by MDCalc (“MDCalc”) to perform a review of the potential eligibility of expenses incurred by potential health system customers to acquire MDCalc’s COVID-19 Toolkit Plus (“CTK+”) to be eligible for reimbursement under two COVID-19 pandemic-related government assistance programs: the Department of Health and Human Services’ (“HHS”) Provider Relief Fund (“PRF”) and FEMA’s Public Assistance program (“FEMA PA” or “PA”). As part of our analysis, we developed an assessment of the potential risk to organizations associated with using PRF and/or FEMA PA funds to cover the expense of implementing MDCalc’s CTK+.

As part of our engagement, Citrin performed a review of the MDCalc CTK+, as well as the rules and regulations associated with the PRF and FEMA PA. To complete this review, Citrin requested and reviewed data provided by MDCalc in addition to meeting with MDCalc management to better understand the CTK+ product and the method by which it integrates the CTK+ into hospital and health systems’ electronic medical records (“EMR”). Additionally, Citrin reviewed guidance and rules that govern the PRF and FEMA PA programs to understand the key issues related to applying funding from such programs to the costs associated with MDCalc’s CTK+. In order to complete our evaluation, we undertook a multi-step process, outlined below:

### Step 1: MDCalc CTK+ Review

Citrin first reviewed MDCalc’s documentation of its CTK+ to develop a preliminary understanding of the CTK+’s value proposition and its role in treating COVID-19. We then met with MDCalc leadership, who walked us through a demonstration of the CTK+ as well as an overview of the hospital EMR integration process.

### Step 2: Review of PRF and FEMA PA Guidance

We next reviewed guidance from FEMA and HHS regarding PA and the PRF, respectively. We first examined guidance from each program relating to determining the eligibility of expenses. We next considered the risk factors associated with using funds from these programs to cover MDCalc’s CTK+.

### Step 3: Assessment of Eligibility and Risk

Based on our review of the MDCalc CTK+ and the eligibility regulations and risk factors associated with PRF and FEMA PA funds, we developed an assessment of the CTK+’s eligibility to be covered under each program, as well as the primary risk to potential health systems associated with taking this position. In addition, we set forth key issues for consideration for organizations contemplating using PRF or FEMA PA payments to cover expenses associated with the implementation of the MDCalc CTK+.

## Our Understanding: MDCalc's CTK+

MDCalc describes itself as the “most broadly used medical reference for clinical decision tools and content used by millions of medical professionals globally, including more than 65% of US physicians, every month.” Since 2005, MDCalc has developed over 600 evidence-based clinical calculators to support clinical decision-making. In response to the COVID-19 pandemic MDCalc developed a suite of calculators, resources, educational content, telehealth resources, and datasets to support clinicians in treating patients with COVID-19. In addition to this suite of offerings, MDCalc's CTK+ also includes a new index to estimate the 30-day mortality risk after COVID-19 infection, based on patients' pre-COVID health status, which it developed alongside key federal agencies—including HHS and the Centers for Disease Control and Prevention. Per MDCalc's descriptions, the CTK+ provides support to clinicians in the treatment of COVID-19 by:

- Providing evidence-based clinical calculators to guide treatment and optimize resource allocation
- Offering continuing medical education content related to COVID-19
- Delivering datasets and research support related to COVID-19

MDCalc offers its CTK+ as a stand-alone product that integrates directly into healthcare providers' EMR. This integration allows clinicians to access the CTK+ within the patient encounter and also allows the CTK+ to securely leverage data from patients' health records in performing calculations, reducing the data-entry workload on clinicians and improving the accuracy of calculations.<sup>1</sup>

## Provider Relief Fund: Expense Eligibility and Key Considerations

### **Background**

The PRF was established by the CARES Act in March of 2020 in response to the COVID-19 pandemic to provide healthcare providers with much-needed liquidity. PRF recipients may use PRF payments to cover “increased healthcare-related expenses and lost revenue attributable to coronavirus” and must be used for activities related to “preventing, preparing for, or responding to coronavirus.”<sup>2</sup> To support providers in determining eligible uses of the payments, HHS has issued notices as well as extensive frequently asked questions (“FAQs”). This guidance, has, however, been extremely fluid and remains ambiguous, placing providers in the challenging position of having to navigate use of the funds without concrete direction on precisely which expenses are eligible to be covered by PRF payments. As such, providers must carefully consider the risk associated with different potential uses.

### **PRF Payment Use Guidance**

<sup>1</sup> Abedin Z, Hoerner R, Habboushe J, et al. Implementation of a Fast Healthcare Interoperability Resources-Based Clinical Decision Support Tool for Calculating CHADS-VASc Scores. *Circ Cardiovasc Qual Outcomes*. 2020;13(2):e006286.

<sup>2</sup> <https://www.hhs.gov/sites/default/files/terms-and-conditions-phase-3-general-distribution-relief-fund.pdf>

HHS defines eligible “healthcare-related expenses attributable to coronavirus” as those healthcare-related expenses attributable to coronavirus “that another source has not reimbursed and is not obligated to reimburse, which may include G&A [General & Administrative] or healthcare-related expenses.” Within these two categories, HHS provides the following examples of eligible expenses<sup>3</sup>:

- G&A Expenses: Mortgage/rent payments; insurance premiums; workforce-related expenses; fringe benefits; lease payments; utilities/operations; and other G&A expenses that are generally considered as part of overhead structure.
- Healthcare-Related Expenses: Supplies and equipment purchased for the prevention, preparation, or response to coronavirus; information technology; facilities; and any other healthcare-related expenses paid to prevent, prepare for, and/or respond to coronavirus.

Importantly, HHS has indicated that capital expenses may be fully expensed to the PRF when the purchase is directly related to preventing, preparing for, or responding to coronavirus. For both G&A and healthcare-related expenses, HHS indicates that providers should identify incremental expenses attributable to coronavirus that have not been reimbursed by another source and that another source is not obligated to reimburse.

If providers do not fully expend their PRF payments on healthcare-related expenses, providers may apply the remaining balance to lost patient care revenue. HHS offers three potential methodologies for estimating lost patient care revenue. For PRF funds claimed as lost revenue, it appears HHS intends for those funds to then be used to cover normal operating expenses that lost revenue otherwise would have covered.

### **PRF Payments and MDCalc CTK+**

HHS specifically allows for information technology (“IT”) systems that “expand or preserve care delivery during the reporting period” to be covered with PRF payments. The MDCalc CTK+ enables clinicians to access evidence-based clinical decision-making more efficiently, aiming to support the improvement of the quality of care, reduction of variability in treatment protocols, and minimization of subjectivity in resource allocation for COVID-19 patients. Based on this value proposition, there is a strong argument that the MDCalc CTK+ supports providers in “responding to coronavirus.”

Based on HHS PRF guidance, increased healthcare-related expenses that support “response to coronavirus,” are attributable to coronavirus, and that no other source has reimbursed nor is obligated to reimburse, are eligible to be covered under the PRF. In addition to these qualifications of eligible healthcare-related expenses, it also appears that PRF guidance allows for discretion on the part of providers to determine which costs are necessary to support their response to coronavirus. As such, risk appears to be lower for hospitals and health systems that, under their own discretion, determine the deployment of PRF payments to cover the purchase of the CTK+—and the concomitant EMR integration, training, and awareness campaign costs—is necessary in order to best respond to the coronavirus pandemic.

### **Considerations**

---

<sup>3</sup> <https://www.hhs.gov/sites/default/files/provider-post-payment-notice-of-reporting-requirements-january-2021.pdf>

A key consideration for providers in using PRF payments to cover increased healthcare-related expenses is the highly ambiguous HHS guidance regarding estimating the amount of patient care revenue and other assistance that should be applied to such increased expenses. Based on HHS guidance, providers should make “reasonable assumptions” to determine the amount of patient care revenue and other assistance that apply to each type of healthcare-related expense.<sup>4</sup> HHS does not, however, provide any further guidance as to how providers might formulate such assumptions. The lack of further clarity on how to formulate such assumptions introduces an added element of risk to providers who wish to use PRF payments to cover increased healthcare related expenses attributable to coronavirus, like the CTK+.

We would recommend continuing to monitor HHS guidance on this issue to determine if there may be offsetting patient care revenue or other assistance that would minimize the extent of healthcare-related expenses that could be utilized for expenses associated with the CTK+. Similarly, every hospital or health system that contemplates the use of PRF funds to pay for the CTK+ should consider its own facts and circumstances to determine whether there may be applicable offsetting patient care revenue or other assistance that may minimize the eligibility of PRF funds for use for the CTK+.

Note: As previously discussed (see: PRF Payment Use Guidance), PRF payments may be claimed under lost revenue if not fully expended under increased healthcare-related expenses. For PRF recipients that claim funds under lost revenue, CTK+ appears to qualify as a similarly low-risk use of the funds.

## FEMA Public Assistance: Expense Eligibility and Key Considerations

### **Background**

FEMA’s Public Assistance program provides assistance to state, local, tribal, and territorial governments as well as certain private non-profit (“PNP”) organizations to support those entities in responding to disasters. On March 13, 2020, in response to the COVID-19 pandemic emergency declaration, FEMA’s PA program became available to eligible entities. Under the current guidance for the PA program, private not-for-profit healthcare providers are able to apply for support from FEMA for their ongoing response to the COVID-19 pandemic.

To provide greater clarity on FEMA’s framework for considering eligible medical care costs under PA for the COVID-19 pandemic, FEMA issued Policy FP 104-010-04 in June 2020. This policy, along with the Public Assistance Program and Policy Guide define the PA program requirements. It is important to note that typically, under the PA program, FEMA does not fully fund eligible costs; rather, it shares the cost with recipients, with FEMA covering around 75%. However, based on presidential memoranda issued on January 21, 2021 and February 2, 2021, the Administration is instructing FEMA to waive the

---

<sup>4</sup> <https://www.hhs.gov/sites/default/files/provider-relief-fund-general-distribution-fags.pdf>

cost-sharing requirement, directing FEMA to cover 100% of costs under PA (among other programs), both proactively through September 30, 2021 and retroactively to January 20, 2020.<sup>5 6</sup>

### **FEMA PA Medical Care Costs Guidance**

In FEMA Policy FP 104-010-04, FEMA establishes parameters for eligible medical care work and costs related to the COVID-19 pandemic. Within this Policy, FEMA clarifies eligible costs at Primary Medical Care Facilities, which it defines as “a facility owned and/or operated by an eligible PA applicant that provides medical care services...[including] any licensed hospital, outpatient facility, rehabilitation facility, or facility for long-term care.”<sup>7</sup> Specifically, FEMA states that eligible work “must be directly related to the treatment of COVID-19 patients. Work may include both emergency and inpatient treatment of COVID-19 patients; this includes both confirmed and suspected cases of COVID-19.” FEMA provides clear examples of eligible activities and associated costs, including the “purchase, lease, and delivery of specialized medical equipment necessary to respond to COVID-19.” Under FEMA’s definitions, information technology systems are considered equipment.<sup>8</sup>

### **FEMA PA and MDCalc CTK+**

Based on the policy guidance from FEMA, MDCalc’s CTK+ appears to meet the requirements to qualify as an eligible expense. As discussed above, FEMA requires eligible “equipment” to be “necessary as a direct result of the emergency” and “directly related to the treatment of COVID-19 patients.” FEMA allows that equipment may be related to care provided in emergency or inpatient settings.

In terms of meeting the requirement of necessity, as set forth by FEMA, primary medical care facilities such as hospitals are required to provide care to COVID-19 patients. MDCalc’s CTK+ provides clinicians with efficient access to evidence-based clinical decision support, improving the quality of care, reducing variability in treatment, and minimizing subjectivity in resource allocation. Moreover, MDCalc’s CTK+ is used exclusively in the treatment of confirmed and suspected cases of COVID-19 and is used in both emergency and inpatient settings, meeting FEMA’s requirements regarding the eligible scope of work for equipment covered by the PA program. Additionally, given the novel nature of COVID-19, the access to evidence-based clinical decision support provided by the CTK+ provides clinicians with an enhanced ability to mitigate the impact of the ongoing public health emergency.

### **Considerations**

---

<sup>5</sup><https://www.whitehouse.gov/briefing-room/presidential-actions/2021/02/02/memorandum-on-maximizing-assistance-from-the-federal-emergency-management-agency/>

<sup>6</sup><https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/21/extend-federal-support-to-governors-use-of-national-guard-to-respond-to-covid-19-and-to-increase-reimbursement-and-other-assistance-provided-to-states/>

<sup>7</sup>[https://www.fema.gov/sites/default/files/2020-06/PA\\_Medical\\_Care\\_Policy\\_for\\_COVID-19\\_508.pdf](https://www.fema.gov/sites/default/files/2020-06/PA_Medical_Care_Policy_for_COVID-19_508.pdf)

<sup>8</sup>[https://www.fema.gov/sites/default/files/2020-06/fema\\_public-assistance-program-and-policy-guide\\_v4\\_6-1-2020.pdf](https://www.fema.gov/sites/default/files/2020-06/fema_public-assistance-program-and-policy-guide_v4_6-1-2020.pdf)

As mentioned above, under the new directive from the Biden Administration, PA recipients are no longer responsible for covering a cost-share portion of work funded by FEMA PA. For providers managing both PRF and PA funds, it is important to consider HHS' guidance regarding the sequencing of use of funds under these two programs. HHS has clarified that FEMA funds should be used *prior* to applying PRF funds, however, HHS has stated that "Provider Relief Fund payment may be applied to the remaining expenses or cost, after netting other funds received or obligated to be received which offset those expenses."<sup>9</sup>

## Conclusion and Risk Considerations

In considering the eligibility requirements of both the PRF and FEMA PA program, MDCalc's CTK+ appears to be a low-risk use of funds under both programs. There are, however, a few key considerations for providers who may wish to leverage one or both of these programs to cover the CTK+:

1. **Avoiding Duplication of Benefits:** Both the PRF and FEMA PA strictly prohibit the duplication of benefits, meaning that neither program can be used to cover an expense another source has already covered or another source is obligated to cover. As such, it is critical that providers carefully track their use of funds from these programs.
2. **Managing Risk:** Providers must consider the different risk profiles associated with the two programs. The FEMA PA program is a long-established program with extensive guidance that is largely concrete and stable guidance. By contrast, the PRF was established with the passage of the CARES Act in March 2020 and the guidance has been extremely ambiguous and fluid. While the MDCalc CTK+ appears to be a low-risk use of funds under either program, the ambiguity surrounding the PRF likely introduces an additional element of risk.
3. **Maximizing Benefit:** While the MDCalc CTK+ does seem to qualify as a low-risk expense under both FEMA PA and the PRF, providers who may be debating which program to leverage to cover the CTK+ will need to consider the full picture of their COVID-related funding needs to determine how best to maximize their benefits, based on the restrictions unique to each program.
4. **Timing:** For both the PRF and PA programs, providers should be mindful of key deadlines. Based on current guidance, PRF recipients only have until June 30, 2021 to deploy their PRF payments. Similarly, based on President Biden's memoranda, the FEMA PA program will only cover 100% of expenses until September 30, 2021. As such, it may be advantageous for providers to consider these deadlines as they contemplate how best to use these funds.

---

<sup>9</sup> <https://www.hhs.gov/sites/default/files/provider-relief-fund-general-distribution-fags.pdf>