Finance

During a service interruption event or emergency the Incident Commander appoints a Finance Section Chief.

Further details regarding specific financial services (e.g. payroll and accounts payable) can be found in their departmental emergency operations and business continuity plans.

## Response

**Payroll Processing**

* Modify process for approving time sheets in the event a supervisor is unavailable.
* Make provisions for alternate access to payroll systems in the event primary staff or workspace is unavailable.
* Ensure that payroll can be conducted from an alternate/remote site as needed.
* Arrange for optional cash salary payments as needed.
* Distribute paper checks as needed. Communicate who has authority to write checks, location of distribution, and who will distribute (manager vs. finance dept).
* Organize and prepare records for post-event reconciliation and audit.
* Distribute and authorize paper time sheets as needed.

**Procurement**

* Ensure access to funding and necessary capital to meet operating and recovery needs.
* Determine operating costs on a daily, weekly and monthly basis for the prior 12-month period. Use data as a base to determine revenue that must be available for continuity of operations.
* Tabulate cash-on-hand. Determine how long operations can be sustained based on existing financial resources.
* Identify all current sources of income and consider how they may be affected (e.g., if medical record documentation is compromised and claims are submitted with less information than required by payers, reimbursement may be reduced).
* Project additional cash needs in relation to expected claims reimbursements.
* Monitor liquidity of assets based on projected expenses during the recovery.
* Work with Finance and/or Investment committee to determine the allocation of resources during recovery.
* Establish purchase orders with secondary vendors in the event supplies from primary vendors become limited or depleted.
* Prepare and sign emergency contracts as needed.
* Ensure that all contracts identify the scope of work and specific site locations. *(note for FEMA reimbursement: 6 months from date of declaration for debris removal and emergency protective measures and 18 months for permanent work)*

### **Financial Recording and Reporting**

* Prepare and maintain cumulative income and expense report during the event.
* Set-up zero dollar cost centers (2 or more) to capture disaster related charges. Cost codes within the cost center should include labor, supplies, pharmaceuticals, equipment, etc.

**Payers**

* Review payer contracts to see if they include clauses that address utilization management and claims processing during emergencies.
* Address suspension of contractual obligations or establish memorandums of agreement with health plan providers regarding suspension of (or modifications to) the following processes to reduce interruptions in patient care:
  + Prior authorization
  + Precertification
  + Concurrent review
  + Referrals
  + Notice of admission
  + Claims submission deadlines
  + Retrospective medical necessity reviews
  + Provision of emergency department records
  + Medical record documentation
* Determine whether payers have modified requirements related to medical record documentation after a state of emergency has been declared.
* Determine whether specific coding will be required by commercial payers to reflect care that is provided at an alternate care site. Determine which code must be used.

## Claims

***Collect and maintain documentation on all disaster information for claims, payment and reimbursement from private insurance carriers, FEMA, SBA and other agencies.***

* Investigate injuries and property and equipment damage claims arising out of the event.
* Notify brokers, insurers and third party administrators.
* Prepare required documentation (insurance carriers and government agencies) as necessary to recover all allowable disaster response and recovery costs.
* Provide information regarding insurance coverage as necessary.
* Track the total inventory of equipment, supplies and other items that have been lost, impacted or damaged.
* Maintain a chronological log of property damage reported during the event.
* Coordinate the preparation of appropriate forms for damage claims and forward them to the insurers within the required time frame.
* Develop financial reports and use forms that are easy to understand
* Prepare and maintain an expense report for the Incident Commander. The report should include cumulative analyses and total expenditures for the event.
* Direct departments to document all purchasing activities and costs for use of equipment purchased and leased during the event.
* Establish and manage disaster funds and general ledger accounts.
* Coordinate with Incident Commander on all expenses exceeding pre-established limits.
* Prioritize claim submissions. Consider submitting high-dollar claims first, or those that do not require extensive documentation.

### **FEMA Reimbursement**

Determine eligibility for compensation through state or federal funds due to financial losses attributed to a declared disaster or public health emergency.

FEMA may cover:

* Emergency medical care
* Temporary medical facilities
* Sheltering
* Storage and internment of unidentified human remains
* Mass mortuary services
* Overtime pay for regular employees
* Regular and overtime pay for extra hires

FEMA may not cover:

* Inpatient care
* Follow-up treatment
* Costs associated with loss of revenue
* Increased administrative and operational costs due to increased patient load
* Disaster-related recovery
* Submit Request for Public Assistance (RPA) within 30 days of the date that the affected area is designated a disaster area in a Presidential Disaster Declaration.
* Kickoff Meeting will be scheduled within one week of FEMA’s receipt of the Request for Public Assistance.
* Damaged facilities and emergency work must be identified and reported to FEMA within 60 days of the Kickoff Meeting.
* Time starts from the Date of the Declaration.
* Time frames may be adjusted depending on the type and extent of the disaster. Extension of times may be requested.

## Forms (use HICS Forms in EOP)

* Claims Report
* Claims Summary
* Procurement Summary
* Emergency Order Form
* Time Sheet

## Property Damage Documentation Checklist

* invoices
* purchase orders
* repair quotations
* time and material contracts with expenditures
* labor time sheets with corresponding payroll journals
* supply vouchers or requisitions
* inventory quantities with pricing

## Business Interruption Documentation Checklist

* reconstruction schedule
* past experience of business actual experience during the
* period of indemnity
* revenue forecasts
* additional expenses incurred to reduce the period of reconstruction
* purchase journals
* payroll journals
* general ledger
* profit and loss statements
* inventory records, quantities and values