

City Agency Guidance for Health and Human Service Contract Providers

Topic: Budget and Finance

March 14, 2020

Introduction

This document is intended to provide guidance on budget and payment concerns for health and human service providers under contract with the City. We will continue to update this document regularly.

Continued Payments with Limited Program Operations

1. Will providers continue to get paid in the event that there is a program closure, or an inability to meet contract deliverables, as a result of decreased participation or staff outages?

Background: The Mayor's declaration of a State of Emergency for NYC triggers Section 7.03 of the Standard Health and Human Service Contract. This section allows Contractor, at the request of and in a manner determined by the Department, to assist the Department in carrying out emergency procedures during the State of Emergency.

Response:

- a. If a program is closed by the Health Department for a duration of 48 hours or less, the City will pay the provider the contracted reimbursement for that period of time.
- b. If a program is closed for a longer period of time, the City contracting agency may have additional service options that a provider can deliver to address the emergency, pursuant to section 7.03 of their contracts. Providers will be paid for any additional costs incurred in connection with offering different services. The City will initiate contract amendments, as necessary.
- c. If a City contracting agency and Provider agree that no alternative service options can be provide during the emergency, the provider may still get reimbursed for certain costs, such as staff salaries, rent and other fixed costs.
- d. If providers experience a decline in participation that hampers ability to meet program deliverables, as long as the provider is on premises and ready to offer services, provider will be reimbursed for that day's services. Providers should not choose to cancel programs for low or no enrollment without first contacting the City contracting agency. In that scenario, the City may have additional service options that the provider can deliver to address the emergency.
- e. Providers must keep records of all expenditures that are outside the scope of their contract.

Expenditures Outside of the Contract

2. Will providers be reimbursed for activities or precautionary expenditures that are not covered in their contract? For example, additional cleaning supplies or meals being provided remotely rather than on site.

Response:

- a. The City will reimburse the additional cost of disinfection and safety supplies that exceed the current scope of the contract if the Provider is following Health Department or other ruling from the City contracting agency.
- b. Providers must keep records of all COVID-19 expenditures that exceed the contract scope.

Direct Support

3. Will the City provide contracted providers with any particular supplies (cleaning, masks, etc.) to aid them in their response?

Response: Providers are strongly encouraged to use their own purchasing sources. Providers will be reimbursed the additional cost of supplies pursuant to Question 2 above. If a provider is unable to obtain necessary supplies from their sources, they should contact their contracting agency. Attached is the OEM form for agencies to complete if their providers have a resource request. Please note this form should not be distributed to providers, it is a form for agencies only. Once completed, the agency should submit the form to ResourceRequest@oem.nyc.gov. Please note that due to the scarcity of personal protective equipment including masks and sanitizing supplies, there is limited resource availability. If agency staff have questions about this form, please email Mike Allen at mallen@OEM.NYC.GOV and copy ResourceRequest@oem.nyc.gov.

Cash Flow

4. How is the City addressing cash flow concerns for health and human service providers?

Background:

- Health and human services providers receive an advance of 25% at the start of the fiscal year. Advance recoupments begin with the January invoices, which are typically settled in March.
- The City has done an analysis to identify how much cash reimbursement each provider has received against their FY20 annual budget. The City will maintain and update this list to target providers in need of cash.
- During the emergency, it is anticipated that City agencies will continue to have the ability to process invoices through remote access.

Response:

- a. Step 1: Agencies will immediately prioritize the review of invoices in their queue for targeted providers.

- b. Step 2: Providers may request an additional advance from the City. The advance is expected to cover prior expenditures not yet reimbursed. This advance may not result in the provider having received more than 60% of their FY20 Budget.
- c. Step 3: The City will continuously monitor the cash situation of providers under contract, and amend step 2 as necessary.