



OFFICE OF HEALTHCARE PROGRAMS

FEDERAL HOUSING ADMINISTRATION



Office of Healthcare Programs

Questions and Answers for External Stakeholders*

Coronavirus (COVID-19)

Last Updated: March 13, 2020 (5:00 p.m., ET)

Emergency Preparedness

Q: Who is coordinating COVID-19 efforts for the Office of Healthcare Programs (OHP)?

A: Roger Lewis, the Associate Deputy Assistant Secretary for OHP, is the main point of contact for lenders and other stakeholders participating in FHA's Section 232 and Section 242 mortgage insurance programs.

Q: Has OHP given guidance on how Owners and Operators should prepare and respond to COVID-19?

On March 3, 2020, OHP sent an email message to external stakeholders that encouraged stakeholders to share information from the Centers for Disease Control and Prevention (CDC) on COVID-19 with the residential care facilities and hospitals they work with, and their employees.

Q: What emergency preparedness steps does HUD recommend Owners and Operators take?

A: OHP recommends Owners and Operators follow Centers for Disease Control and Prevention guidelines (<https://www.cdc.gov/coronavirus/2019-ncov/index.html>) and the direction of local health officials.

Resident Health

Q: In the event of a confirmed COVID-19 case at a HUD-insured facility, what steps should Owners and Operators take to protect residents, staff, and the community?

A: OHP recommends Owners and Operators of residential care facilities follow Centers for Disease Control and Prevention guidelines and the direction of local health officials. In the event of a confirmed COVID-19 case at a HUD-insured residential care facility, Owners, Operators and Lenders should notify the assigned ORCF Account Executive immediately.

Hospitals should follow established treatment protocols provided by the CDC to treat patients with confirmed cases of COVID-19 while protecting healthcare providers.

* Office of Healthcare Programs stakeholders include lenders and other participants in FHA's Section 232 and Section 242 mortgage insurance programs. The Section 232 program provides insurance on mortgages for residential care facilities such as skilled nursing facilities, assisted living centers, and board and care homes. The Section 242 program provides mortgage insurance for acute care hospitals.

Q: How should Owners and Operators interact with residents/patients or prospective residents who may have been exposed to the Coronavirus?

A: Stakeholders are reminded to ensure that their responses remain faithful to obligations under the Constitution, Fair Housing Act, the Americans with Disabilities Act, other Federal laws and related regulations. Exigencies associated with important and timely response to issues surrounding COVID-19 are not the basis for unlawful discrimination based on race, color, religion, national origin, sex, disability, gender, age or familial status.

Hospitals should interact with patients to determine if they have contracted the COVID-19 virus and should treat them using established protocols issued by the CDC. Hospitals should not refuse care based on race, color, religion, national origin, sex, disability, gender, familial status or the ability to pay.

Q: Many seniors and people with disabilities residing in HUD-insured healthcare facilities are particularly susceptible to illness. What kind of communication and resources is HUD providing to communities to reassure residents and property staff, and prepare them in the event of a confirmed COVID-19 case on site?

A: OHP will continue to encourage all parties to access information about the health impacts and proper handling of COVID-19 cases from the CDC, and/or state or local health officials.

Q: Does HUD have guidance available on infectious disease preparation and response?

A: HUD continues to encourage stakeholders to seek information about infectious disease preparation and response from the CDC and/or state and local health officials. Stakeholders can obtain up-to-date information on the Coronavirus from the Centers for Disease Control and Prevention's Coronavirus web site at: <https://www.cdc.gov/coronavirus/2019-ncov/summary.html>

Policy and Operations**Q: Does HUD have/plan to issue guidance on quarantine procedures for HUD-insured healthcare facilities?**

A: OHP recommends Owners and Operators follow the Centers for Disease Control and Prevention's guidelines and the direction of local health officials, especially in the event a facility has to be quarantined.

Q: What emergency funds can Owners and agents access for outbreak preparedness and response (including extra supplies, additional administrative hours, and staff overtime), and what kind of approval do housing providers need from HUD in order to access the funds?

A: In the case of FHA-insured residential care facilities, Owners and agents can access property operating accounts for all COVID-19 related preparedness and response, including supplies,

staff hours, and overtime. No prior HUD approval is required to access operating account funds. Owners and agents should use appropriate diligence to ensure that the account is not expended to the extent that normal operating expenses cannot be met.

To the extent that Owner advances are required, Owners should receive prior written HUD approval if the Owner expects to receive interest payments on the advance. For those residential care properties with reserve for replacement accounts, funds should be accessed according to current policy in Handbook 4232.1, Section III, Chapter 3, for eligible items. If the Owner is seeking to use reserve for replacement funds for a non-traditional use or borrow against replacement funds, prior written approval must be received from HUD.

FHA-insured Hospitals do not maintain owner operating or reserve for replacement accounts such as those maintained by residential care facilities. Hospitals are, however, required to maintain a Mortgage Reserve Fund (MRF) with balances sufficient to make principal and interest payments should they be unable to generate sufficient cash flow from operations. Funds from the MRF are not available for general working capital purposes.

Q: In the event of an outbreak in a locality with FHA-insured healthcare facilities, what regulatory waivers will apply?

A: OHP will consider policy, Handbook, and regulatory waivers on a case-by-case basis with the intention of providing flexibility to Owners and Operators to respond to needs as they arise.

Q: What sources does HUD recommend for COVID-19 training?

A: HUD recommends that property managers and service coordinators avail themselves of all relevant training at the local, state, and federal level.

Property Reviews and Inspections

Q: Will HUD temporarily defer REAC inspections, and how will HUD notify Owners?

A: Until further notice, OHP is postponing all HUD-initiated property inspections and reviews for all residential care facilities. Where there is an exigent circumstance or reason to believe that there is a threat to life or property at a specific location, inspections will be conducted by HUD quality assurance inspectors in compliance with CDC guidelines.

Q: Is HUD's Office of Healthcare Programs cancelling or postponing inspections or other site visits?

A: States, consistent with CMS guidance, conduct routine visits/surveys at some residential care facilities. CMS is providing guidance regarding limitations on such visits, which do not directly involve HUD. HUD is itself postponing regularly scheduled REAC physical inspections, as addressed above. Additionally, in the underwriting process HUD is working with lenders regarding potential alternative sources for information typically gained through on-site visits/inspections.

Q. What if any recommendations does OHP have for healthcare facilities regarding restrictions on visitors to such facilities?

OHP recommends that healthcare facilities follow the guidance of the Department of Health and Human Services and the Centers for Medicare and Medicaid Services regarding screening of, and restrictions on, visitors, to protect against the spread of COVID-19.