



Repurposing of Existing or Closed Senior Care Facilities During COVID-19

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The spread of COVID-19 continues to put operational stress on the senior care industry. In areas of the country that have been most affected by COVID-19 many senior care facilities have been repurposed to care for patients and residents with the virus or in recovery.

Issue

Several State's Departments of Health have requested that facility operators aid in the treatment, rehabilitation, and ongoing care for COVID-19 patients. In these states two types of care facilities have been established:

1. **Recovering** – Facilities opened or repurposed for patients while they continuing to recover.
2. **Active** – Facilities opened or repurposed exclusively for people with the virus in order to protect the other residents/staff.

Solution

Type of License – *Extended or New?*

1. An extended license for the facility is easier to obtain from the State. In this case additional operations are simply added to the existing license.
2. A new license requires the establishment of a new entity.

Transfer of Risk

Several underwriters are providing professional liability coverage at no additional premium for an initial period. After that period, they are underwriting the operations, occupancy, and related exposures to determine any additional premium.

In order to avoid additional premiums for the care of COVID-19 patients in these extended or new facilities:

1. Provide the service via an extended license so that the licensing of a new entity doesn't require additional underwriting.
2. Communicate with the current and prospective underwriters about the additional operations prior to providing patient care.
3. Provide the underwriters with a comprehensive risk mitigation plan that demonstrates that the additional operations don't create higher risk and an exposure to a loss.
4. Ensure the underwriters understand any available immunities that have recently been provided to the facility operators, employee, and volunteers during the response to the pandemic.

Limited Immunity

Due to the limited capacity of alternative facilities to care for COVID-19 patients, the facility operators may be successful in obtaining some level of statutory immunity.

Operators that can use their leverage, due to their existing capacity to care for COVID-19 senior care patients, with their State's Governor and Legislators have been able to obtain the statutory immunity. The most expedient process in obtaining this statutory immunity is by Executive Order from the Governor.

Not all States have provided this limited immunity, but New York, New Jersey, Illinois, and Connecticut have provided the immunity by executive order.

Reimbursement

In many states the reimbursement is more than double the current Medicare rate received for non COVID-19 patients. This should be negotiated with the State including the higher Workers' Compensation costs due to employee infections during the care of these patients.

For more information about repurposing existing or closed senior care facilities during the COVID-19 pandemic, please contact your USI representative.

Helpful Resources

To help clients navigate these challenging times USI has implemented a **STEER (Steer Through Epidemic & Economic Recovery) Task Force**. This cross-functional team is working to provide up-to-the-minute COVID-19 information, understand cross-industry and geography impact and evolving responses, and to develop and deliver tailored solutions to help clients **steer** through this epidemic challenge and economic recovery.

For additional resources, tools, information, and links, please visit our COVID-19 resource page: www.usi.com/public-health-emergencies

