

# Grant and Per Diem (GPD) Program CARES Act: Per Diem Rate Waiver

*Note, this guidance is as of **October 7, 2021**.*

On March 27, 2020, Congress passed the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* (P.L. 116-136) and allocated additional funding to VA in support of COVID-19 efforts. One provision of this legislation allowed the Secretary, in response to the public health emergency, to temporarily waive the cap on per diem payments to eligible entities. VA's GPD Program temporarily removed the existing cap on per diem rates for Per Diem Only (PDO), Transition In Place (TIP), and Service Center grant awards.

On January 5, 2021, the *Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020* (H.R. 7105, Sec. 4201) was signed into law and further defines GPD's response to the COVID-19 public health emergency. H.R. 7105 limits the GPD per diem waiver authorized under the CARES Act to three times the authorized State Home per diem rate for domiciliary care. **Effective October 1, 2021, the maximum per diem rate for all transitional housing (PDO, TIP, Special Need) under the GPD Program is \$152.73, and the maximum Service Center rate is \$19.09.**

## HOW TO SUBMIT A PER DIEM RATE REQUEST

Per diem rates increases must be requested by completing the per diem worksheet and submitting through the Smart Simple system. Increases are **not** automatic, and grantees must incur sufficient costs to support the rate requested.

How to request a per diem rate change:

**Step 1:** Go to the GPD [Per Diem Rate Request website](#)

**Step 2:** Download the *Per Diem Rate Request Worksheet* and *Instructions* that correspond to your GPD project type (PDO, Service Center, TIP, SN)

**Step 3:** Complete the *Per Diem Rate Request Worksheet*, per the instructions

**Step 4:** Submit the completed worksheet in the [Smart Simple](#) grants management system

## FREQUENTLY ASKED QUESTIONS

What is the maximum rate I may request? **Updated 10/7/2021**

Effective March 27, 2020, the GPD per diem rate did not have a cap under the CARES Act. However, effective February 1, 2021 because of the passage of H.R. 7105 which supersedes the CARES Act, the maximum transitional housing rate for PDO and TIP grants is \$152.73, and the maximum Service Center rate is \$19.09. Grantees will use the *Per Diem Rate Request Worksheet* to document their estimated cost of care and calculate their requested per diem rate.

**NOTE:** GPD is still only authorized to pay up to 100 percent of allowable costs of care, minus any other sources of income. Costs attributable to the GPD program must be allocable, allowable and reasonable as required by the OMB Grants Management Circulars. Additionally, cost allocated to the grant must be within the scope of what the grantee has been authorized to provide, per their grant application and GPD regulations. Grantees must closely monitor their costs to ensure that they have not overstated their costs. Grantees that overbill VA will be indebted.

**H.R. 7105, Sec. 4204, references several changes to GPD per diem rates. What are the implications of these changes and are they permanent or only during the public health emergency?** Updated 10/7/2021

The per diem rate changes authorized under H.R. 7105, Sec. 4204, are not in relationship to the current public health emergency. Therefore, the authorities described under this section will be in place even after the CARES Act waiver is rescinded and the current public health emergency is over. In summary, this section authorizes the following:

1. An increase in the maximum per diem payment for PDO awards to 115 percent of the authorized State Home per diem rate for domiciliary care. For FY 2022, when the CARES Act waiver is no longer available the maximum rate for transitional housing would be \$58.55 ( $\$50.91 \times 1.15 = \$58.55$ ) and service centers would be \$7.32/hour ( $\$50.91 \times 1.15 \div 8 = \$7.32$ ).
2. VA may pay up to 50 percent of the authorized per diem rate for each minor dependent. Full implementation of this section will likely require regulations. Additional details will be forthcoming after consultation with VA's Office of General Counsel.
3. The maximum per diem rate for Transition In Place (TIP) projects remains at 150%.
4. Reimbursement of reasonable Homeless Management Information System (HMIS) fees. Additional details will be forthcoming.

**What are allowable costs that I may spend this additional per diem funding on?** Updated 1/11/2021

This higher temporary per diem rate is intended to support the additional operating costs associated with serving Veterans during this public health emergency. Grantees may allocate all traditionally allowable operating costs, in addition to costs incurred to provide Veterans with safe isolation spaces during COVID-19. These costs include, but are not limited to, the following:

1. Costs associated with additional space, or social distancing strategies in GPD transitional housing facilities
2. Costs associated with isolation strategies for Veterans that are vulnerable or symptomatic (e.g., temporary use of hotel/motel rooms to isolate Veterans)
3. Overtime for staffing costs to provide coverage
4. Cleaning supplies to ensure facilities are appropriately disinfected
5. Toiletries to support hand washing hygiene for Veteran participants
6. Ensuring food security and transportation needs for homeless Veterans
7. Personal protective equipment for staff and/or Veterans with symptoms

Additionally, H.R. 7105, authorizes grantees during the public health emergency to use per diem payments “to provide assistance required for safety and survival (such as food, shelter, clothing, blankets, and hygiene items)”. These items may be provided to homeless Veterans and formerly homeless Veterans residing in a facility operated by a GPD per diem grantee.

Note, grantees are responsible for monitoring their incurred costs, at least monthly, to ensure the rate requested is appropriate. Grantees **must** identify and document (e.g. evidence from a third party entity creating the cost/expense such as billing invoice, lease/rental agreement, etc. and evidence of payment specific to cost/expense such as copy of check, ACH, if paid by credit card and any other documentation, not mentioned, needed to support the costs) COVID-19-related costs in their record-keeping in case of external review and for their own internal accounting purposes.

### **What was the earliest effective date of my rate increase request?**

The earliest effective date is the 1<sup>st</sup> of the following month your request is submitted.

### **For how long is my “temporary” per diem rate increase in effect?**

GPD has received additional funding which we are using to support increased per diem rates. The per diem rate is subject to further revision at some later point based on changes in legislation or availability of funding. Should this occur, grantees will be notified. Additionally, the Secretary has the authority to rescind the per diem limit waiver at any time to control costs, if needed.

### **Can I bill this new per diem rate for Veterans that are absent from the program? Can I bill for empty beds that I am not filling because of social distancing?**

GPD can pay for Veteran absences under certain conditions, per the [CARES Act Guidance](#). However, grantees may not bill for empty beds as this funding is intended to help grantees maximize their bed utilization. Note, grantees should closely monitor their actual costs to ensure their per diem rate remains accurate when billing for Veteran absences.

### **May I increase the number of GPD beds that I am authorized to provide under my GPD grant?**

No, rate increase requests are to be based on your agency’s current bed authorization and utilization

### **How will I be notified of my approved per diem rate and effective date?**

Grantees will receive an email that will notify them of their approved per diem rate and effective date. Please allow up to 10 business days for our office to process the request. If you do not hear from our office, please email [GPDFiscal@va.gov](mailto:GPDFiscal@va.gov) to follow up on your request.

### **I have a Transition in Place (TIP) or Special Need grant which has a fixed award amount. May I still request a per diem rate increase?**

TIP or Special Need grantees that believe they can support a higher per diem rate within their existing award balance may submit a rate increase request.

### **Am I required to request a rate increase?**

No, grantees must incur sufficient costs to support the rate requested. If your current per diem rate is adequate, then you would not complete a per diem rate increase request. Grantees may request a per

diem rate increase or decrease at any point through the SmartSimple grants management system. A quick reference “[How-to](#)” guide is available to document the steps to request a per diem rate modification.

## ADDITIONAL GUIDANCE

Additional per diem rate request guidance can be found on the GPD Per Diem Rate Website:

[https://www.va.gov/homeless/GPD\\_ProviderRate.asp](https://www.va.gov/homeless/GPD_ProviderRate.asp)

Additional COVID-19 guidance and resources can be found on the GPD Provider Website:

[https://www.va.gov/HOMELESS/GPD\\_ProviderWebsite.asp](https://www.va.gov/HOMELESS/GPD_ProviderWebsite.asp)

OMB Grants Management Circulars – Allowable Costs:

- Factors Affecting Allowability of Costs ([2 CFR 200.403](#))
- Reasonable Costs ([2 CFR 200.404](#))
- Allocable Costs ([2 CFR 200.405](#))