

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

*Note, this guidance is as of **January 11, 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* (P.L. 116-315) was signed into law and further defines GPD's response to the COVID-19 public health emergency. P.L. 116-315 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 February 1, 2021, the maximum per diem rate for all transitional housing (PDO, TIP) under the GPD Program is \$149.73, and the maximum Service Center rate is \$18.72.**

HOW TO SUBMIT A PER DIEM RATE REQUEST

Per diem rates increases must be requested by completing the per diem worksheet and submitting it to GPDFiscal@va.gov. 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)
- Step 3:** Complete the *Per Diem Rate Request Worksheet*, per the instructions
- Step 4:** Email the completed worksheet to GPDFiscal@va.gov

FREQUENTLY ASKED QUESTIONS

What is the maximum rate I may request? **Updated 1/11/2021**

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 P.L. 116-315 which supersedes the CARES Act, the maximum transitional housing rate for PDO and TIP grants is \$149.73, and the maximum Service Center rate is \$18.72. 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.

My current per diem rate is over the new three times State Home domiciliary cap. When will the change take effect and how will I be notified? Updated 1/11/2021

Most GPD grantees are currently receiving less than the new per diem cap established by P.L. 116-315. There are 16 transitional housing grants and 6 Service Centers that are affected by this statutory change. These grantees will be notified of their per diem rate change via email the week of January 11, 2021. The maximum transitional housing rate will be \$149.73, and the maximum Service Center rate will be \$18.72. The change will be effective February 1, 2021. There is no need for these grantees affected by P.L. 116-315 to submit any additional documentation for this change to take effect.

P.L. 116-315 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 1/11/2021

The per diem rate changes authorized under P.L. 116-315 (previously H.R. 7105, Sec. 4204) are not contingent upon the current public health emergency. 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 2021, when the CARES Act waiver is no longer available, the maximum rate for transitional housing will be \$57.40 ($\$49.91 \times 1.15 = \57.40) and Service Centers will be \$7.17/hour ($\$49.91 \times 1.15 \div 8 = \7.17).
2. VA may pay up to 50 percent of the authorized per diem rate for each minor dependent. Full implementation of this section may likely require forthcoming regulations. After consultation with VA's Office of General Counsel, further guidance will be provided.
3. The maximum per diem rate TIP projects remains at 150%.
4. Reimbursement of reasonable Homeless Management Information System (HMIS) fees. Additional details will be forthcoming after consultation with VA's Office of General Counsel.

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, P.L. 116-315 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 GPD-operated facility.

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?

March 27, 2020, the date the CARES Act was enacted.

By what date do I have to submit my rate increase request to have my increase backdated to March 27, 2020?

Grantees that properly submit their per diem rate request through the GIFTS Requirement by May 31, 2020 may have their rate increases backdated to March 27, 2020. Grantees will indicate their requested start date on their Per Diem Rate Request Worksheet. Some grantees, for accounting purposes, may choose for their increases to begin April 1, 2020.

What would be my start date if I submit my rate increase request June 1, 2020 or later?

Requests received June 1, 2020 or later would be the first of the month following the month the properly submitted request was received. For example, a request submitted June 1, 2020 would have an effective date of July 1, 2020.

I have already submitted my March/April voucher to my liaison and received payment. Can I still receive a backdated rate increase?

Yes, you would submit a supplemental voucher for the difference between your prior per diem rate and your new per diem rate for each month that you are requesting payment. In this example it would be two supplemental vouchers; one for March and one for April.

My GPD operating costs were in excess of my approved per diem rate from October 1- March 26. Can I use the per diem waiver to recoup actual costs incurred prior to the enactment of the CARES Act?

No. This funding is available to support additional costs from the date of enactment of Cares (March 27, 2020) and is available until the end of the national public health emergency or until VA rescinds the per diem waiver, whichever occurs first.

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

GPD has received approximately \$88M in CARES Act funding to support increased per diem rates. The uncapped per diem rate is subject to further revision at some later point based on changes in legislation or availability of funding. P.L. 116-315 amends per diem caps. (Please see above.) Additionally, the Secretary has the authority to rescind the per diem limit waiver at any time, 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 five business days for our office to process the request. If you do not hear from our office, please email GPDFiscal@va.gov to follow up on your request.

I have a TIP which has a fixed award amount. May I still request a per diem rate increase?

TIP 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 enough costs to support the rate requested. If your current per diem rate is adequate, then you would not complete the GIFTS Per Diem Rate Requirement. The requirement would remain open in your GIFTS account and available for completion at any time during the fiscal year.

I have a Special Need grant. Does this change impact my Special Need grant?

Special Need grantees may request a per diem rate increase for their associated PDO grant that overlays their Special Need grant.

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

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

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](#))