



January 29, 2021

The Honorable Joyce Krawiec, Co-Chair
Joint Legislative Oversight Committee
on Health and Human Services
300 N. Salisbury Street, Rm. 308
Raleigh, NC 27603
VIA EMAIL: joyce.krawiec@ncleg.gov

The Honorable Donny Lambeth, Co-Chair
Joint Legislative Oversight Committee
on Health and Human Services
300 N. Salisbury Street, Rm. 303
Raleigh, NC 27603
VIA EMAIL: Donny.Lambeth@ncleg.gov

Mark Trogdon, Director
Fiscal Research Division
Legislative Office Building, Suite 619
300 N. Salisbury St.
Raleigh, NC 27603-5925
VIA EMAIL: Mark.Trogdon@ncleg.gov

Co-Chairs and Director Trogdon:

Section 1.2 of Session Law 2020-97, which added a new Section 114e to Section 3.3 to Session Law 2020-4 (as amended by Section 3 of Session Law 2020-32, Section 4 of Session Law 2020-49, Section 1.1(d) of Session Law 2020-80, Section 3B(b) of Session Law 2020-88, and Section 4.9(a) of Session Law 2020-91), allocated \$11,500,000 to the NC Health Care Facilities Association (NCHCFA) to be used for the following materials for our member facilities:

- *COVID-19 related supplies and equipment necessary for life safety, health, and sanitation, such as ventilators, touch-free thermometers, gowns, disinfectant, and sanitizing wipes.*
- *Personal protective equipment, such as surgical and respiratory masks and gloves, that meets Centers for Disease Control and Prevention standards and guidelines.*

This provision further required NCHCFA to submit a report on our use of these funds by February 1, 2021. Please allow this letter to constitute that required report.

Following the enactment of S.L. 2020-97, the Office of State Budget and Management (OSBM) prepared and both it and NCHCFA executed Grant 114-05 addressing the use of these funds. While this Grant was being developed and based on NCHCFA's earlier approach to the performance of a similar grant, we gathered information from our members about the types of equipment this grant could pay for that would be most needed. What we learned is that nursing facilities had different and varied needs based on what their suppliers could get them. We also reconfirmed that locating vast quantities of PPE was not easy. These two facts led us to seek and obtain permission from OSBM to reimburse member facilities for COVID-related supplies and PPE that they purchased, up to a set, per-bed limit. This allowed each facility to best address its needs.

In order to receive grant funds, member facilities were required to submit a grant fund request with invoices supporting the requested amounts. Following this approach, in total:

- 228 nursing facilities requested and received reimbursement for grant covered costs.
- These payments totaled \$7,550,013.

Following this initial approach, with the remaining grant funds, after seeking and receiving permission from the OSBM, NCHCFA entered an agreement with McKesson for the purchase and shipment of N95 masks, surgical gowns and N95 fit test kits to all member facilities. In total, the items shipped to NCHCFA's 391 member nursing facilities included:

- 210,920 N95 masks
- 1,563,900 isolation gowns
- 391 N95 fit test kits with solutions
- The total of these shipments was \$3,795,751.

Currently, NCHCFA has approximately \$154,000 unspent for this grant. NCHCFA's leadership is evaluating the best uses for the remaining funds.

On behalf of NCHCFA's more than 390 member nursing facilities across North Carolina, thank you for the support provided by this grant and through other channels during the COVID-19 pandemic. We are extremely grateful for it, and we know that your continued support will be needed as this terrible episode continues. If we can answer any questions or provide any additional information on the topics covered herein, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'ASholar', with a long horizontal stroke extending to the right.

Adam Sholar
President and CEO

cc: Members of the Joint Legislative Oversight Committee on Health and Human Services (via email)
Jim Harrell, NCHCFA (via email)
Sam Clark, NCHCFA (via email)
Jeff Wilson, Chair, NCHCFA (via email)