

CORONAVIRUS DISEASE 2019 (COVID-19)

Overview: COVID-19 Cost Center Usage



Audience: Management Teams

Revision Date: 3/18/2020

Version: Version #1

We appreciate your support as we work Together to ensure the safety of our patients, and community at large.

COVID-19 Cost Center: 81205

During this unprecedented health care pandemic, expenditures will be incurred that are above and beyond normal and historical operating expenses. Business operations will likely experience interruption that will require staff to be deployed to other areas or tasks outside of their normal day-to-day activities. In order to appropriately track and monitor these unusual and/or incremental costs associated with activities supporting the COVID-19 pandemic, a special COVID-19 Cost Center (81205) has been established.

What are Incremental Costs?

Incremental costs include those reflective of preparing, training, readying, communicating and organizing a response. Incremental cost also includes costs for supplies or equipment beyond normal levels that are held “just in case”; for example: personal protective equipment, drugs or medical equipment. Additionally, these can reflect other costs associated with establishment of alternative work locations such as a costs for formal “work from home” response, or after-care costs such as pay to colleagues who are exposed to the virus and need to be isolated. **Please note, typical direct patient care expenses should not be charged to this department.**

To help better outline how this cost center should be utilized, following are just a few examples of Incremental Costs to be charged to COVID-19 Cost Center:

- Department curtailed typical services, thus staff redeployed to other tasks or projects requested by Incident Command such as screening stations, testing stations, etc.
- Costs associated with setting up screening tents outside the facility or Emergency Department. These mobile units are equipped with generators, staff, supplies and equipment to handle overflow and surge in patient demand.
- Drive-up testing tents with all associated staff, supplies, equipment, etc.
- Additional supplies required to support COVID-19 and/or Incident Command activities.
- Additional staff assigned to a unit to handle influx of phone calls from patient family members due to change in visitor policies, additional security or cleaning resources.

Examples of costs to be retained in a department's cost center:

- A staff member reassigned to cover normal departmental day-to-day activities should remain in the department's cost center though not performing typical duties; for example, surgical technician reassigned to work on the department's Epic Work Queues.
- Cost of care (labor, supplies, etc.) provided to patients with or without COVID-19 in usual course of patient care remain as typical costs in the department.

Please look for payroll and Kronos related guidance to be forthcoming under separate cover.