



Oklahoma County, Oklahoma

# Covid Medical Claim Projections: Memorandum of Understanding

December 2024

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# Memorandum Overview

## Obligation Update

Treasurys [FAQ 17.1](#) clarifies how a recipient may incur an obligation.

- Under the rule adopted in 2021, an “obligation” means an order placed for property and services and entering into contracts, subawards, and similar transactions that require payment.
- Under the amendment to the rule adopted in 2023, an obligation also includes a requirement under federal law or regulation or provision of the SLFRF award terms and conditions to which a recipient becomes subject as a result of receiving or expending SLFRF funds.
- Treasury considers an interagency agreement meeting certain conditions to constitute a transaction requiring payment similar to a contract or subaward and therefore an obligation.

Per [FAQ 17.6](#) Treasury considers an interagency agreement, including an agreement in the form of a memorandum of understanding (MOU), to constitute a “transaction requiring payment” similar to a contract or subaward and therefore an obligation for purposes of the SLFRF rule, if the agreement satisfies one of the following conditions:

- it imposes conditions on the use of funds by the agency, department, or part of government receiving funds to carry out the program;
- it governs the provision of funds from one agency, department, or part of government to another to carry out an eligible use of SLFRF funds; or
- it governs the procurement of goods or services by one agency, department, or part of government from another

**and** the agreement also satisfies each of the following conditions:

- it sets forth specific requirements, such as a scope of work and project deliverables;
- it is signed by the parties to the agreement, or otherwise evidences that each party has assented to the agreement; and
- it does not disclaim any binding effect or state that it does not create rights or obligations

# **Covid Medical Claim Projections Obligation**

## **Memorandum**

To: Department of Treasury  
From: Project Management Office  
Date: 12/19/24

### **I. Introduction**

Treasury has identified COVID-19 medical expenses including emergency medical response expenses, treatment of long-term symptoms or effects of COVID-19, and costs to medical providers or to individuals for testing or treating COVID-19 to be an eligible use of funds.

Covering COVID-19 medical claims for county employees is directly related to the pandemic as it encompasses the essential costs associated with the diagnosis, treatment, and prevention of the virus. By allocating funds to these medical expenses, the county supports the health and well-being of its employees, ensuring they have access to necessary medical care. This action not only aligns with public health objectives by encouraging testing and treatment but also helps maintain a healthy and safe workplace. Furthermore, by addressing these medical claims, the county reduces transmission risks and supports the continuity of essential services, ultimately benefiting the broader community.

### **II. Project Details**

In November of 2022 the County Benefits and Retirement Department budgeted for COVID-19-related paid medical claims for County employees using forecasting of monthly trends. The total projection summed to \$6,560,848.28. As the years have progressed and steps have been made in the community to reduce spread of infectious disease the county elected to reduce the authorized project budget in January 2024 to better reflect the current forecast trends.

COVID Medical Claims Projections Budget Summary:

- 10/18/2022 - Total Authorized: \$6,560,848.28
  - Total cost during 2020: \$1,959,387.67.
    - Averaged over twelve months; per month cost is around \$163,282.30.
  - Total cost during 2021: \$3,664,196.40.
    - Averaged over twelve months; per month cost is around \$305,349.72.
  - Combining the per month average for the previous two FYs
    - $\$163,282.30 + \$305,349.72 / 2 = 234,326.01$
  - $\$234,326.01 \times 28 \text{ remaining months} = \$6,560,848.28$
- 01/01/2024 - Total Remaining: \$5,565,276.99
- 1/11/2024 – Authorization Update:
  - In conjunction with the County Benefits and Retirement Department, the Board of County Commissioners assessed updated forecasting projections to determine the funding need of the project.

- Projection of need assumed \$70,000.00 is needed to cover cost per month for the remaining 36 months (Jan 2024 – Dec 2026)
- 1/11/2024 - Newly Authorized Amount: \$3,515,571.29
- 10/31/2024 – Remaining to Obligate: \$2,228,473.76
- 10/31/2024 – Remaining to Expend: \$2,228,473.76
- 12/19/2024 – Authorization Update:
  - Projection of need updated to assumed ~ \$37,000.00 is needed to cover cost per month for the remaining 36 months (Jan 2024 – Dec 2026)
    - Reduction of the Remaining to Expend Amount by \$900,000.00
      - 12/19/2024 – Updated Total Remaining to Expend Amount:
        - \$2,228,473.76 - \$900,000.00 =
          - **\$1,328,473.76**

### III. Conditions on the Use of Funds

Through this memorandum the department will abide by the following conditions:

- a. Any funds not expended as authorized under this agreement must be refunded to the County before December 31, 2026.
- b. Any funds that are not expended by December 31, 2026, are subject to recapture by the County for return to the United States Department of the Treasury
- c. The Department has responsibility for identifying and recovering grant funds that were expended in error, disallowed, or unused.
- d. To ensure compliance with the existing ARPA guidelines set forth by the US Treasury, the department shall provide on a quarterly basis to the COUNTY a comprehensive and detailed list of all ARPA-related expenditures on an itemized invoice and shall also provide any backup documentation to support such expenditures. The department will also provide performance updates for all programs to show they are meeting key performance indicators.
- e. The Department will comply will all closeout procedures for the awards, including full compliance with the agreement terms and conditions, ARPA, SLFRF rule and guidance, and 2 CFR 200. Key tasks will be closeout communications, confirmation for maintenance of records and financial documents, receipt of all final reimbursement requests or payment requests, receipt of all financial reports and performance reports, fulfillment of any requests to reconcile reports and payment requests. The retention period per SLFRF compliance and reporting is 5 years.

### IV. Provision of Funds

The Oklahoma Board of County Commissioners has authorized SLFRF funds to the Oklahoma County Benefits and Retirement Department to cover cost of COVID-19-related paid medical claims for County employees through December 31, 2026.

- These funds are designated to cover the costs of COVID-19-related paid medical claims for County employees until December 31, 2026.

The Oklahoma Board of County Commissioners and the Benefits and Retirement Department have agreed to the terms within this memorandum of understanding for the continuation of payment to cover cost of COVID-19-related paid medical claims for County employees utilizing Project 10113: COVID Medical Claims Projection through December 31, 2026.

## **V. Scope of Work**

Project 10113: COVID Medical Claims Projection

The Benefits and Retirement Department agrees to the following project conditions:

- Allocated funds will be used to cover COVID-19-related paid medical claims for County employees until December 31, 2026.
- Eligible project expenditures will occur from 11/01/2022 – 12/31/2026.
- All funds must be expended by December 31, 2026, or they will be forfeited back to the Department of Treasury.
- The updated total authorized amount for this project **is not to exceed \$ \$2,615,571.29**. With \$1,328,473.76 remaining to expend as of 12/19/2024.

## **VI. Procurement of Goods or Services**

The Department will:

- a. Comply with 2 CFR 200 (Uniform Guidance) for accounting standards and cost principles.
- b. Comply with all STATE, COUNTY and 2 CFR 200 laws/rules related to procurement, including the Oklahoma County and 2 CFR 200 standards relating to conflict of interest.
- c. 2 CFR § 200.317 - When procuring property and services under a Federal award, a State must follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will comply with §§ 200.321, 200.322, and 200.323 and ensure that every purchase order or other contract includes any clauses required by § 200.327. All other non-Federal entities, including subrecipients of a State, must follow the procurement standards in §§ 200.318 through 200.327.

## **VII. Binding Effect**

The Oklahoma Board of County Commissioners and the Benefits and Retirement Department have agreed to the terms within this memorandum of understanding for the continuation of the COVID Medical Claims Projection Project (10113) until December 31, 2026, with the remaining grant amount of \$1,328,473.76.

## **VIII. Signatures**

Date:

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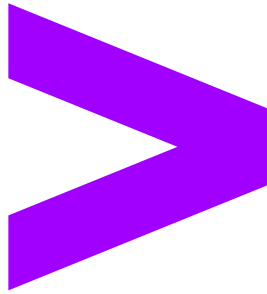
**COUNTY BENEFITS & RETIREMENT DEPARTMENT**  
**[AGENCY/DEPARTMENT HEAD]**

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**BOARD OF COUNTY COMMISSIONERS OF OKLAHOMA COUNTY**  
**[CHAIRMAN]**

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**ATTESTED BY: COUNTY CLERK**  
**[COUNTY CLERK]**



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