

United States Senate

WASHINGTON, DC 20510-3203

April 13, 2020

The Honorable Alex Azar
Secretary
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Azar,

We write to urge you to follow congressional intent as you prepare to distribute funds remaining from the \$100 billion designated for health care providers in the Public Health and Social Services Emergency Fund (PHSSEF) enacted in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, prioritizing speed and efficiency, equity with regard to payer mix, and targeting those areas hardest hit by the coronavirus (COVID-19) outbreak. We understand that you have decided to allocate the first \$30 billion of the fund to all providers enrolled in Medicare Parts A and B based purely on their claim volume. While we appreciate the need to get funds out quickly, it is our strong view that the administration must allocate the remainder of the fund in a more targeted manner.

Health care providers across the country are on the front lines of preparing for and responding to this crisis. The Department of Health and Human Services Office of the Inspector General report “Hospital Experiences Responding to the COVID-19 Pandemic: Results of a National Pulse Survey March 23-27, 2020” confirms what we have been hearing for weeks:¹ hospitals and other health care providers are bearing the brunt of this emergency. At the same time, in an effort to “flatten the curve” providers are seeing a significant decrease in revenue as they cancel elective procedures and routine office visits. This is creating an impossible task for health care organizations with few patients coming through their doors: fulfill their commitment as essential providers in their communities as dwindling resources make it more and more difficult to keep those doors open.

Those providers located in COVID-19 “hot spots” are overwhelmed, facing increased costs associated with training and protecting their staff and building surge capacity. Hospitals and other providers in areas hit hardest by the pandemic have invested millions of dollars. Retrofitting and constructing new facilities, purchasing essential medical supplies and equipment, and supporting an adequate workforce are just some of the costs providers are incurring. As cases of COVID-19 in the United States exceed 370,000, health care providers need immediate emergency relief as they work to save lives and stop the spread of this disease.²

¹ <https://oig.hhs.gov/oei/reports/oei-06-20-00300.pdf>

² <https://www.cdc.gov/coronavirus/2019-ncov/cases-updates/cases-in-us.html>

Congress allocated \$100 billion for health care providers in the PHSSEF for exactly this purpose. There is currently significant geographic variation in the severity and duration of the COVID-19 outbreak. Providers in some states have been coping with increased costs and falling revenues for weeks and still haven't reached the peak of their outbreak. We urge you to consider this variation when distributing rounds of funds from the \$100 billion allocation, ensuring that relief is targeted to areas that need it most. Any and all criteria used to allocate funds to providers should be relevant to the specific needs created by the COVID-19 emergency and should not discriminate against providers in need based on payer mix.

Finally, we are alarmed to learn of the Administration's plan to use these essential funds as a political tool. Yet again, this Administration is putting politics before patients by letting its opposition to the Affordable Care Act stand in the way of obvious solutions to expand coverage, such as opening a special enrollment period on the Federal marketplace and taking steps to facilitate Medicaid expansion in states that have not done so. Instead, the Administration wants to use limited dollars in the PHSSEF as a band-aid to offset providers' cost of uncompensated care while doing nothing to address the core issue – helping people get comprehensive coverage for all their health needs. This is at the expense of using those dollars as Congress intended – training and protecting health care workers, expanding surge capacity, and assisting those in the health care system who have been forced to ramp down services in an effort to prevent the spread of COVID-19. The Administration's decision to pay providers Medicare rates for treatment of uninsured adds further inequity to the fund distribution by disadvantaging providers in states that have worked to expand coverage. We urge you to use the \$100 billion in funds for emergency relief purposes and to work with Congress on ways to cover the uninsured.

Congress intended the Administration to allocate the PHSSEF funding quickly in order to help those providers on the front lines of this outbreak. Any forthcoming package to continue the COVID-19 response must contain another \$100 billion in the PHSSEF to ensure all providers have the resources they need. We request that these and future funds be allocated as quickly and simply as possible, while targeting resources for those providers struggling to meet the strain of increasing costs and falling revenue.

Sincerely,



Charles E. Schumer
United States Senator



Patty Murray
United States Senator



Ron Wyden
United States Senator