

April 27, 2020

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

Dear Mr. Secretary:

The Department of Health and Human Services (HHS) has worked over the last six weeks to help ensure that hospitals are able to meet the enormous challenges brought forth by the COVID-19 global pandemic. We appreciate the steps taken by HHS to help hospitals and health systems serve their communities, from accelerating certain payments to giving flexibility to providers to care for patients in different ways outside of the traditional medical setting. **However, we are concerned with the distribution of the Public Health and Social Services Emergency Fund, which has left many hospitals and health systems on the front lines with limited resources to serve their communities. We urge you to take immediate steps to target these funds to hospitals and health systems. Unlike any other sector, we care for anyone who walks through our doors 24/7 serving as society's ultimate safety net.**

Congress authorized these emergency funds to reimburse eligible health care providers for health care-related expenses or lost revenues that are attributable to COVID-19. HHS has distributed \$50 billion from the fund – \$30 billion in a first wave and \$20 billion in a second wave. This distribution was based on different methodologies, but in each case, hospitals and health systems, including inpatient rehabilitation facilities, long-term acute care hospitals, and critical access hospitals, that have been on the front lines of the emergency received the same amount proportionally as providers and suppliers who have no role in addressing COVID-19. Additionally, hospitals and health systems that, unlike most other providers, stopped non-emergency procedures at the government's request and lost 40-70% of their revenue, received the same amount proportionally as other providers and suppliers. Allocation of funds to all Medicare providers and suppliers regardless of need fails to recognize the health care heroes of this pandemic.

We estimate that hospitals and health systems will receive just \$22 billion (or 44%) of the \$50 billion in funds made available to date. In other words, hospitals and health



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systems that are supporting the nurses and physicians to care for patients, building new sites of care to minimize the spread of the virus, and purchasing the ventilators, drugs, and supplies to care for the critically ill, received less than a fair share given their role. We would appreciate that HHS better target funding for hospitals and health systems, which serve as the nation's primary source of COVID-19 testing and treatment.

**This imbalance must be rectified if America's hospitals and health systems are to remain open and available to care for their communities.** Hospitals and health systems must be prioritized in the distribution of funds to ensure their services remain available.

We appreciate your leadership and the ongoing work of the agency and look forward to continuing to work with you during this critical time to protect the health of our nation.

Sincerely,

/s/

Richard J. Pollack  
President and Chief Executive Officer

Cc: Seema Verma, Administrator, Centers for Medicare & Medicaid Services  
Stephen M. Hahn, M.D., Commissioner, Food and Drug Administration  
Robert R. Redfield, M.D., Director, Centers for Disease Control and Prevention