



National Alliance of Safety-Net Hospitals

April 8, 2020

The Honorable Alex Azar
Secretary, Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, S.W., Room 445-G
Washington, D.C. 20201

The Honorable Seema Verma
Administrator, Centers for Medicare & Medicaid Services
Hubert H. Humphrey Building
200 Independence Avenue, S.W., Room 445-G
Washington, D.C. 20201

Dear Secretary Azar and Administrator Verma:

The National Alliance of Safety-Net Hospitals would like to thank you and your colleagues at the Centers for Medicare & Medicaid Services (CMS) for the progress you described yesterday in distributing \$30 billion of the \$100 billion designated in the Coronavirus Aid, Relief, and Economic Security (CARES) Act for health care providers. Private community safety-net hospitals truly need these resources to help ensure their continued ability to serve their low-income, medically vulnerable communities during this time of national crisis and we greatly appreciate your efforts on their behalf.

In addition to serving Medicare patients, many private safety-net hospitals also serve a high proportion of Medicaid patients and many are highly dependent on government payers for their revenue. As a result, these hospitals are especially vulnerable financially at this time. Among the various types of acute-care hospitals in the country today, they almost certainly had the least amount of cash on hand at the onset of this crisis and therefore have been the least prepared to deal with the financial challenges the crisis has posed, including the significant investments they needed to make to prepare for a major influx of very sick patients and the loss of revenue associated with suspending elective procedures. As a result of this combination of factors, many private safety-net hospitals are suffering more than other types of hospitals and are holding on financially today by a slim thread: they will benefit from the first round of grants they can expect to receive in the coming days but will need additional funding – and need it quickly – if they are to continue playing their critical role during this national health emergency.

NASH asks you to give appropriate consideration to the many hospitals like ours that serve especially high proportions of Medicaid and Medicare patients. You acknowledged yesterday that some providers, including Medicaid providers, will not benefit from the first round of funding and said CMS would assist them in the next round. While we acknowledge that we have not seen any guidance on the planned payments, we understand that the first round of grants is being based entirely on providers' volume of Medicare services. We are concerned because this methodology paints an incomplete picture of the work private safety-net hospitals do and therefore will not provide them adequate funding to serve their communities through the current crisis. We hope you will acknowledge the special needs of these hospitals and the roles they play in their communities by ensuring that they will receive much-needed assistance in the second round of grants as well.

Private safety-net hospitals are truly on the front lines in the fight against COVID-19. We appreciate everything you have done to support us so far and respectfully request that the next round of CARES grants to hospitals reflect the special role such hospitals are playing in this fight – and that we see this additional support as soon as possible.

Sincerely,

Ellen J. Kugler
Executive Director

