

April 20, 2020

The Honorable Alex M. Azar
Secretary
United States Department of Health and
Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Secretary Azar and Administrator Verma:

The National Alliance of Safety-Net Hospitals greatly appreciates everything you are doing to help hospitals do our part to help our country through the COVID-19 crisis. From opening the door to greater use of telehealth to easing regulations to ensuring that the federal government will pay for care for the uninsured who contract COVID-19, you have been there for us, and for that we are most grateful. We also appreciate the distribution of \$30 billion from the \$100 billion designated for providers in the CARES Act; that money is helping to keep hospitals' lights on, staffs paid, and facilities supplied.

Now it is imperative that you distribute the remaining \$70 billion as quickly as possible. Private safety-net hospitals such as ours entered this historic period at a distinct disadvantage – under-endowed, less cash on hand, higher proportions of government-insured patients – and those disadvantages have been magnified as we serve so many high-cost patients without the benefit of revenue from the non-urgent procedures we suspended so we could focus on the challenge at hand. Private safety-net hospitals also have stepped up to be champions in many of the nation's so-called COVID-19 hot spots, and these hospitals and their courageous workforces have helped our country through this crisis.

We need this additional funding as soon as possible and urge you to base the distribution of future CARES Act grants on factors we believe need greater attention than they received during the first round. NASH appreciates the speed with which CMS distributed the first round of payments and understands that using Medicare fee-for-service revenue as the basis for those payments was the most expedient means of facilitating that swift and much-needed response to the emergency needs of health care providers. Doing so, however, omitted a significant portion of the patients served by private safety-net hospitals, which are located in communities with large numbers of low-income residents: our Medicaid patients. Private safety-net hospitals are located in low-income communities and therefore serve a higher proportion of Medicaid patients than most other hospitals. They also serve communities that have embraced the federal government's move toward integrated and managed health care delivery, as demonstrated by the large numbers of Medicare Advantage patients private safety-net hospitals serve. We strongly urge you to employ a methodology in the next round of CARES Act funding for health care providers that better reflects the large Medicaid populations and Medicare Advantage populations served by private safety-net hospitals and other providers.

We appreciate everything you have done to help us play our part in the fight against COVID-19. Now, we ask you to take the next step and distribute, in the next few days, the remaining resources designated in the CARES Act and to ensure that these funds find their way to the financially vulnerable partners of



the federal government that are doing so very much to ensure that our country wins the fight against this terrible pandemic.

Sincerely,

Ellen J. Kugler
Executive Director