

May 6, 2020

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

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 is most grateful for everything you continue to do to support hospitals during this most difficult period. Every day, the resources you have provided are making a difference in the lives of the residents of the communities our hospitals serve.

As you prepare for the next tranche of grants from the provider relief fund, NASH urges you to consider three targets for a share of those resources.

First, we ask you to direct additional grants to hospitals located in COVID-19 “hotspots.” These hospitals have already received some funding but continue to serve large numbers, and in many cases still growing numbers, of COVID-19 patients. NASH believes a second round of grants for these hospitals should be based on more recent data to identify the hospitals that are still the most challenged by COVID-19 patients, including those that just missed the criteria for support from the last round of hotspot funding and have seen their case counts surge since that time. Throughout the country the pandemic is constantly moving, so we hope a second round of funding for hotspot hospitals will move along with it.

Second, as you collect Medicaid data from the states, we encourage you to target some grant money to hospitals that serve especially high proportions of Medicaid patients. Medicaid, as you know, pays poorly in many states, so hospitals caring for especially large numbers of Medicaid patients are especially challenged by COVID-19. High-volume Medicaid hospitals, most of which are located in communities that have no public hospitals yet have large numbers of low-income residents, were especially disadvantaged by the previous distribution based on net patient revenue. Now is the time, we believe, to acknowledge – and lend an additional helping hand – to the very hospitals, including private hospitals, that fulfill the same role as public hospitals and are so essential to the health care safety net.

Third, we urge you to develop and implement a mechanism to assist hospitals that may have been overlooked by previous distribution methodologies. Because of the urgency of disseminating funds as quickly as possible, it was necessary to develop funding criteria quickly, often based on very basic metrics. Some hospitals may have just missed those criteria, such as those that fell slightly short of eligibility for hotspot funding, care for slightly fewer Medicaid patients, serve large numbers of rural patients yet are not themselves rural, and others. We appreciate how hard you have been working to identify large groups of providers that clearly need funding but request that you create a competitive grant program in which hospitals that believe they have been overlooked can step forward and make their case for why they should receive additional assistance from the provider relief fund.



Hospitals – especially private safety-net hospitals – need this help as soon as possible. Between the additional investments private safety-net hospitals and others continue to make to serve their COVID-19 patients and the revenue they have lost because they have suspended non-urgent procedures, these hospitals face enormous cash flow challenges and have been relying on the resources the federal government has been providing to keep the lights on, the supply closets stocked, and the staff paid. We urge you to distribute the next tranche of grant money from the provider relief fund as soon as possible.

The nation’s private safety-net hospitals thank you again for everything you are doing to help us, and our communities, through the COVID-19 public health emergency. Although we continue to urge you to assist us as much and as quickly as possible, please do not think for a moment that we are not very grateful for everything you are doing to assist us – because we are.

Sincerely,

Ellen J. Kugler  
Executive Director

