

May 27, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Leader
United States Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, D.C. 20515

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Speaker Pelosi, Leader McConnell, Minority Leader McCarthy, and Minority Leader Schumer:

The National Alliance of Safety-Net Hospitals appreciates everything you have done, and everything you continue doing, to help us continue serving our communities during these challenging times. Among the many steps you have led Congress to take, the Accelerated and Advance Payment Program has been especially helpful, giving private safety-net hospitals much-needed resources at a time when their cash flow had slowed to a trickle because of the COVID-19 pandemic. Now, we are writing to ask you to include forgiveness for the resources the program provided to us in the next COVID-19/economic stimulus legislation Congress enacts.

Even before COVID-19 struck, many private safety-net hospitals were in precarious financial condition with low margins, unusually high proportions of government-insured patients, and communities with large numbers of low-income, medically vulnerable patients to serve. The COVID-19 crisis exacerbated these challenges by necessitating significant investments in supplies, equipment, and temporary renovations needed to accommodate the expected influx of highly contagious, seriously ill patients at the very time that much of our usual revenue disappeared after we halted all non-urgent procedures to ensure our ability to limit the spread of the virus and devote 100 percent of our attention to our COVID-19 patients. It was, in short, a perfect storm of conditions that could have led to financial disaster for many private safety-net hospitals.

But the Accelerated and Advance Payment Program provided timely resources that enabled private safety-net hospitals across the country to keep their lights on, their supply closets fully stocked, and their teams of heroic caregivers paid. These hospitals are still struggling, and will continue to do so, but this program truly helped them during their time of need.

Even as states begin to reopen and hospitals slowly resume non-urgent procedures, however, we find that the extraordinary financial challenges posed by COVID-19 remain in the form of major, continual investments in personal protective equipment, greater-than-usual care costs for medically vulnerable patients, and patients who lost their health insurance when they lost their jobs in recent months.

COVID-19 has done profound damage to our people and to our economy and it has had a similar impact on many providers, including private safety-net hospitals. In addition, we know the COVID-19 pandemic is not yet over. Our country needs these hospitals: it needs us now, as we begin to serve hundreds of



thousands if not millions of Americans who let their medical needs go unaddressed the past few months to serve the greater good, and it will need us if and when the pandemic returns, as we have been warned it will. Forgiving the loans provided through the Accelerated and Advance Payment Program and continuing the uninterrupted flow of payments for the services we provide to our Medicare patients will help ensure that we are there when our communities and our country need us, now and in the future.

Sincerely,

Ellen J. Kugler
Executive Director

cc: Leaders of the House Ways and Means Committee
Leaders of the House Energy and Commerce Committee
Leaders of the Senate Finance Committee

