



June 4, 2020

Alex M. Azar  
Secretary  
United States Department of Health and  
Human Services  
200 Independence Avenue, SW 200  
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 appreciates the leadership you have shown in helping to guide our country through the greatest public health challenge we have faced in more than 100 years. Now, the nation's private safety-net hospitals, and others like us, find ourselves again in need of your help, and we need it as soon as possible.

Private safety-net hospitals and others like us that serve especially large numbers of Medicaid and low-income patients have not received the level of financial assistance we need and expected to receive through the CARES Act's Provider Relief Fund – and that we believe Congress intended for us to receive. Specifically, most of the money from this fund that has been distributed to hospitals so far has not taken into consideration in any meaningful or specific way the extent to which providers serve Medicaid and other low-income and government-insured patients.

We recognize that identifying such providers and deciding how best to distribute CARES Act grants to them is challenging, but the CARES Act was signed into law more than two months ago and at least \$75 billion of the \$175 billion designated for providers in that law remains unspent. Many private safety-net hospitals and others are struggling considerably in the face of increased spending to prepare and care for COVID-19 patients and revenue lost as a result of suspending non-urgent procedures so they could focus all of their attention on their COVID-19 patients and prevent further spread of the virus and they need to receive this designated financial support now.

For this reason, NASH urges you to designate a meaningful portion of the remaining Provider Relief Fund for this purpose and distribute it to hospitals with large shares of government-insured patients as soon as possible. To do so, we encourage you to base eligibility for the distribution of these funds on two factors: hospitals eligible for the section 340B prescription drug discount program or those "deemed Medicaid disproportionate share." These two categories of hospitals, we believe, accurately capture providers that serve the highest proportions of publicly insured patients and most need these resources.

Across the country, private safety-net hospitals and others like us are suffering profound financial harm as a result of the challenges posed by the COVID-19 emergency. You have at your disposal significant resources that can help alleviate some of this harm. As you have so many times since this pandemic began, we urge you to rise to this latest challenge, address the problem at hand, and distribute these grants to providers that serve especially high proportions of low-income and government-insured patients as soon as possible.

Sincerely,

Ellen Kugler, Esq.  
Executive Director

