



July 6, 2020

The Honorable Mitch McConnell
Leader
United States Senate
Washington DC 20510

The Honorable Charles Schumer
Democratic Leader
United States Senate
Washington DC 20510

Dear Leader McConnell and Democratic Leader Schumer:

The National Alliance of Safety-Net Hospitals is most grateful for everything you and your colleagues are doing to help health care providers serve their communities in these most challenging of times. Many of the measures you have adopted have made a major difference in our ability to meet the needs of our patients, and with Congress considering additional COVID-19 and economic stimulus legislation this month, we would like to bring to your attention several specific improvements that would help us do our job more effectively.

First, please allocate an additional \$100 billion for hospitals. The combination of the major investments needed to prepare for and care for COVID-19 patients and the revenue lost from suspending non-urgent procedures has been especially challenging for private safety-net hospitals. We support using this \$100 billion to reimburse hospitals for our COVID-19-related expenses and our revenue losses, with the amount of assistance weighted based on the relative proportions of Medicaid, Medicare, and commercially insured patients hospitals serve to ensure that those caring for the highest proportions of government-insured patients receive the additional resources they need and deserve.

Second, NASH urges you to forgive the federal Medicare revenue advanced to hospitals through the CARES Act's Accelerated and Advance Payment Program. Because of the unprecedented length and persistence of this public health emergency, we believe many hospitals – especially safety-net hospitals – will never recover the revenue we have lost in recent months. Most of us expect to be able to restore financial equilibrium, but we will not be able to do so if we have this enormous debt hanging over our heads.

Third, we urge you to prevent implementation of the Medicaid fiscal accountability regulation (MFAR), which would deprive states of important, established state policy-making prerogatives, create major new administrative burdens, and inappropriately regulate financing of states' share of their Medicaid spending.

Fourth, we believe the next COVID-19/economic stimulus bill should increase the federal medical assistance percentage (FMAP) by 14 percentage points through June of 2021. Doing so would help ensure that states have the resources they need to maintain their Medicaid programs.

Fifth, we support increasing states' Medicaid disproportionate share (Medicaid DSH) allotments 2.5 percent and also delaying again the implementation of Affordable Care Act-mandated cuts in Medicaid DSH allotments to the states, as Congress has already done several times.

Finally, we urge you to direct the Centers for Medicare & Medicaid Services to ensure continued eligibility for programs such as the 340B prescription drug discount program, indirect medical education, Medicare DSH, and others for current participants in those programs. The nature of the COVID-19 pandemic has brought such fundamental but temporary changes in whom hospitals serve and how they



serve them that permitting hospitals to become ineligible to continue participating in these and other such programs risks allowing these short-term changes to create yet another level of financial instability and uncertainty for safety-net hospitals and others.

The challenges these proposals seek to address are not future challenges; they are today's challenges. You and your colleagues have responded to this crisis with speed and with skill, and now, we urge you to do so again, and to do so as quickly as possible.

Sincerely,

Ellen J. Kugler
Executive Director

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