

August 14, 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 is most grateful for everything you have done, and everything you continue doing, to help private safety-net hospitals serve their low-income communities during the greatest public health crisis our nation has experienced in more than a century. We have turned to you on a number of occasions for assistance and found you receptive to our concerns.

We turn to you again now with a matter we have raised in the past: the importance of directing Provider Relief Fund resources to private safety-net hospitals that have not received significant support from the pool of funds established in the CARES Act.

NASH recognizes that the process of identifying types of hospitals that need assistance from the Provider Relief Fund is fraught with challenges. We have seen you rise to meet those challenges, identifying types of hospitals – those that serve rural populations, for example, or your announcement today that you will distribute \$1.4 billion in such funds to certain children’s hospitals – for additional assistance. We also recognize and appreciate that certain safety-net hospitals have benefited from targeted distributions.

Despite these efforts, there are still many private safety-net hospitals that deserve – and need – similar assistance that have not yet been helped in this manner and should be targeted for special assistance from the Provider Relief Fund. These hospitals and others like them serve especially large numbers of Medicaid and low-income patients, yet they have not received the level of financial assistance they need from the Provider Relief Fund.

For this reason, NASH urges you to designate a portion of the remaining Provider Relief Fund money for this purpose and to distribute it to private safety-net hospitals and others like them with large shares of government-insured patients as soon as possible. To do so, we encourage you to base eligibility for such a distribution on two factors: hospitals eligible for the section 340B prescription drug discount program or those with a DSH patient percentage high enough to meet the threshold for 340B eligibility for disproportionate share hospitals and did not receive funding from any other targeted safety-net distribution. These two categories of hospitals capture providers that serve the highest proportions of publicly insured patients and that most need these additional resources.

Private safety-net hospitals and others like us everywhere are suffering profound financial harm as a result of the challenges posed by the COVID-19 crisis. The federal government still has at its disposal significant resources that can help alleviate some of this harm and, in so doing, ensure the ability of these hospitals to continue meeting the health care needs of their communities. As you have so many times





since this pandemic began, we urge you to rise to this latest challenge and help the very safety-net hospitals that most need your help. We hope you will do so – and do so as soon as possible.

Sincerely,

Ellen Kugler, Esq.
Executive Director



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