

March 25, 2021

The Honorable Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Avenue SW
Washington DC 20201

Dear Secretary Becerra:

I am writing on behalf of the National Alliance of Safety-Net Hospitals to request that the Department of Health and Human Services (HHS) act as quickly as possible to finish distributing Phase 3 grants from the Provider Relief Fund.

The CARES Act's Provider Relief Fund grants, which seek to help providers with the cost of confronting COVID-19 and to help compensate them for the revenue they have lost while doing so, have been a lifesaver for private safety-net hospitals across the country, enabling them to continue serving their communities during these challenging times, and we appreciate them very much. At this time, however, many of our members are still awaiting their Phase 3 General Distribution Provider Relief Fund grants even though the deadline for applying for such grants was last November and most providers received their Phase 3 distributions in December. Meanwhile, many safety-net hospitals continue to struggle financially – a struggle documented in a report issued this week by HHS's own Office of the Inspector General titled "[Hospitals Reported That the COVID-19 Pandemic Has Significantly Strained Health Care Delivery.](#)" One paragraph in that report is especially telling:

Hospitals that serve disproportionately under- and uninsured populations and rural communities reported being particularly concerned about financial instability. These hospitals also tend to serve more patients enrolled in Medicaid, which often reimburses at lower rates than private insurance. Several hospitals noted that they faced financial challenges prior to the pandemic and worried that it would be hard to recover financial stability after the pandemic ends.

This is the very definition of a safety-net hospital, yet to date some of our hospitals have received very little from the Provider Relief Fund. Because they serve so many Medicaid patients their revenue is lower than other hospitals. In addition, because of arbitrary standards, many failed to qualify for Provider Relief Fund safety-net distribution grants. These hospitals need the Provider Relief Fund resources that remain undistributed – and they need those resources now: they have fared especially poorly during the pandemic and continue to struggle. Some of our members have received no Provider Relief Fund distributions since June and are struggling financially as a result. Immediate Phase 3 distributions to these safety-net hospitals, as well as targeted safety-net distributions for those struggling the most, could make an enormous difference.

The need is great – and urgent. We urge you to direct your staff members working on the Provider Relief Fund to distribute Phase 3 grants as soon as possible and to make safety-net hospitals a priority in future distributions.



We appreciate your attention to this request and welcome any questions you may have about the urgency of the need.

Sincerely,



Ellen Kugler, Esq.
Executive Director