

March 23, 2022

The Honorable Charles E. Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

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

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinical partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) urges Congress to provide immediate additional support for hospitals and health systems serving their communities during this unprecedented public health crisis. While the support Congress has provided during the last two years of the COVID-19 pandemic has helped hospitals care for their patients and communities, there is still a significant need for financial support and relief as COVID-19 challenges persist.

Since the beginning of 2020, hospitals and health systems — along with doctors, nurses and other team members — have been on the front lines of the COVID-19 pandemic, working tirelessly to provide lifesaving care for patients, families and communities. The AHA thanks Congress for its efforts thus far in helping caregivers and providers through these extraordinarily difficult circumstances.

While the nation remains weary and is eager to move past this pandemic, the virus continues to evolve and pose a threat to our nation's health care system. The recent surge of cases and hospitalizations abroad fueled by the Omicron variant known as BA.2 serves as a critical warning: The battle is not over, and hospitals and health systems continue to need resources and flexibilities to care for patients and protect communities.



The Honorable Charles E. Schumer
The Honorable Mitch McConnell
The Honorable Nancy Pelosi
The Honorable Kevin McCarthy
March 23, 2022
Page 2 of 4

The AHA strongly supports the Biden Administration's request for federal support for vaccines and therapeutics, testing, research and funding that supports the uninsured. These are essential to our country's ability to respond to COVID-19. However, we also urge Congress to include direct support and relief for health care providers.

The following are specific details on important programs and priorities needed to assist hospitals and health systems, as well as their courageous team members who continue to serve on the front lines of the pandemic. We look forward to working with you on the continuing needs of hospitals and health systems and the patients and communities they serve.

PROVIDER RELIEF FUND

As you know, at the outset of the pandemic, Congress established the Provider Relief Fund (PRF), which was intended to help health care providers mitigate their financial losses and meet the unique challenges that affected the communities they serve. To date, there have been more than 79 million cases of COVID-19 in the U.S. and more than 970,000 deaths. PRF funds have been exhausted through the disbursement of several tranches and targeted payments with strict guardrails as to how and in what timeframe they could be used. In addition, \$17 billion of the PRF resources were diverted to other uses.

Shockingly, no distributions were made for expenses related to the Delta or Omicron variant surges, despite 49% of COVID-19 admissions occurring during these two surges resulting in steep increases in cases, hospitalizations and deaths. The lack of PRF dollars to address issues wrought by these surges has left many hospitals facing overwhelming financial and operational challenges.

We ask Congress to extend the deadline for spending previously distributed funds and provide additional PRF dollars for health care providers who continue to have lost revenues and increased expenses due to the tremendous financial strain caused by the Delta and Omicron variants.

MEDICARE SEQUESTER RELIEF

The AHA appreciates that Congress, as recently as December, has on a bipartisan basis, halted harmful and imminent Medicare cuts to hospitals and physicians by eliminating a 2% Medicare reduction until April 2022 and then lowering the cut to 1% for an additional three months. The pandemic has put severe financial pressure on hospitals, including, but not limited to: higher expenses for labor, drugs and supplies; the astronomical costs of preparing for a surge of COVID-19 patients; months of essential hospital revenue being erased due to the combination of a forced shutdown and slowdown of regular operations for non-emergent care; and the high cost of treating COVID-19 cases, which tend to be incredibly resource intensive.

The Honorable Charles E. Schumer
The Honorable Mitch McConnell
The Honorable Nancy Pelosi
The Honorable Kevin McCarthy
March 23, 2022
Page 3 of 4

Without immediate action to delay sequestration by April 1, the AHA estimates hospitals will lose \$3 billion¹ by the end of the year. Now is not the time to be reducing payments to hospitals, especially with a new COVID-19 variant on the rise. We ask that you extend the Medicare sequester relief until the end of the COVID-19 public health emergency or Dec. 31, 2022, whichever is later.

MEDICARE ACCELERATED AND ADVANCE PAYMENTS

In March 2020, both the Centers for Medicare & Medicaid Services (CMS) and Congress made changes to the existing Accelerated and Advance Payments Programs to provide additional benefits and flexibilities due to the COVID-19 pandemic. Subsequently, Congress amended the repayment terms for all providers and suppliers who requested and received accelerated and advance payment(s) during the COVID-19 public health emergency.

These payments have served as a critical lifeline to hospitals and health systems, providing crucial funding to support the front-line heroes treating patients, build new sites of care to minimize the spread of the virus, and purchase the ventilators, drugs and supplies to care for the critically ill. However, the requirement to repay these funds places hospitals and health systems back in financial jeopardy while they work through this unprecedented pandemic. We ask that Congress suspend repayments for six months and allow for recoupment after the repayment suspension at 25% of Medicare claims payments for the following 12 months.

COVID-19 WAIVERS

At the outset of the COVID-19 pandemic, a number of regulatory requirements were waived to provide hospitals and health systems with critical flexibilities to manage the public health crisis. Hospitals and health systems used these newly permitted tools to increase capacity, separate areas of care for COVID-19 and non-COVID-19 patients, expand testing and telehealth capabilities, and mitigate workforce challenges. While these flexibilities were created as a direct response to the COVID-19 public health emergency, our members have found that this process acted as a catalyst for establishing new, innovative and safe ways for delivering patient-centered care. We urge Congress to continue some of these flexibilities after the COVID-19 public health emergency.

In an attempt to maximize inpatient bed capacity while also limiting potential COVID-19 exposure for practitioners and non-COVID-19 patients, CMS permitted providers to stand up expanded Hospital at Home programs, allowing qualified patients the opportunity to receive

¹ Medicare fee-for-service claims, Centers for Medicare & Medicaid Services, Chronic Conditions Data Warehouse, <https://www2.ccwdata.org/web/quest/home>. Claims from January to November, 2021 were adjusted for completion and annualized to calculate the value of the sequester in 2021, which was then conservatively trended forward to 2022 using the Part A growth rate for 2022 published in CBO's July 2021 Medicare baseline.

The Honorable Charles E. Schumer
The Honorable Mitch McConnell
The Honorable Nancy Pelosi
The Honorable Kevin McCarthy
March 23, 2022
Page 4 of 4

care in their homes. Hospitals that established or expanded these programs indicate that they were extremely helpful, allowing for effective care, high patient satisfaction, and, for some patients, shorter recovery times. We urge Congress to extend the program as currently authorized under the waiver to allow providers to continue to take steps to transform care delivery in a way that improves patient experiences and outcomes without sacrificing patient safety.

The AHA is pleased that Congress took an important first step by passing legislation that includes provisions to extend and expand telehealth flexibilities for 151 days after the end of the COVID-19 public health emergency. We are grateful for the increased flexibility and continue to urge Congress to make these waivers permanent to protect access to vital telehealth services in every community. We also continue to advocate that critical access hospitals have the flexibility to continue providing telehealth care for patients and communities.

We look forward to working with Congress to provide immediate and important assistance to our hospitals. If you have any questions, please contact me or Lisa Kidder Hrobsky, AHA senior vice president of federal relations, advocacy, and political affairs, at lkidder@aha.org or 202-626- 2244.

Sincerely,

/s/

Stacey Hughes
Executive Vice President