



Private
Essential
Access
Community
Hospitals

California's Community Safety Net Hospitals
Essential to Access, Essential to Health

August 24, 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 Private Essential Access Community Hospitals (PEACH), the state-wide association representing California's community safety-net hospitals, to ask you to direct the officials in your department who administer the CARES Act's Provider Relief Fund to distribute the remaining money in that fund as soon as possible to ensure that hospitals like those that belong to PEACH are able to care for their communities during this latest outbreak of COVID-19 and beyond.

From the start, the distribution of Provider Relief Fund money has been plagued by formulas that rewarded wealthy, high-revenue hospitals at the expense of essential community safety-net hospitals like ours. Attempts to redress this shortcoming helped, but not enough, and even today, some California safety-net hospitals that are safety-net hospitals by any reasonable measure still have not received any targeted safety-net hospital support – not even after a special effort was made specifically to help them.

Meanwhile, these hospitals continue to struggle to meet their communities' needs. COVID-19 cases are rising in California and hospital beds are filling with high proportions of patients whose medical needs are great. Meanwhile, finding staffing to serve all these patients is difficult. It also is unusually costly, and as a result, the staffing costs of these hospitals are rising astronomically. Community safety-net hospitals, with their narrow margins, do not have the financial reserves of hospitals that serve more privately insured patients, nor do they have the resources needed to rise to the challenge posed by these unexpected operating expenses. This, in turn, has the potential to hurt patients, hurt communities, and hamstring hospitals' ability to serve them.

As you know, a significant sum of money remains in the Provider Relief Fund, so we urge you to identify the safety-net hospitals that need these resources, particularly those hospitals that primarily serve low-income patients and that have not received targeted Provider Relief Fund payments, and distribute the remaining money to them as soon as possible. As members of Congress wrote to you earlier this month, "These funds were intended to be a lifeline to hospitals and providers throughout the pandemic, and the remaining portion is critical to ensuring that hospitals can continue the fight against COVID..."

On behalf of California's essential community safety-net hospitals and hospitals like them across the country, PEACH urges you to direct distribution of these funds today.

Sincerely,

Anne McLeod
President and CEO