



United Hospital Association

DISTRICT HOSPITAL LEADERSHIP FORUM



Alliance
of Catholic Health Care

Representing California's Catholic
Health Systems and Hospitals

Ensuring Access to Care

We truly appreciate the HEROES Act's provisions to move away from arbitrary allocation formulas for distributing the Provider Relief Funds. Recognizing and adequately reimbursing providers for the costs to prepare for the pandemic is critical to protecting the long-term viability of our nation's health care delivery system for all members of communities.

Section 30611 clearly intends to ensure that all providers receive federal financial support to ensure their continued ability to provide care in their communities. To ensure that those who serve relatively higher Medicaid patient population are equally eligible for funds we suggest the following fine tuning of the language. We believe these changes are consistent with the original intent of the section and are critical for efficient and effective allocation of the Provider Relief Fund.

Without clarification, we believe many Medicaid providers would not qualify for funding because their associated costs related to COVID-19 would not be recognized. Specifically, we recommend:

- 1) Eligible Expenses defined in (d), should clarify that these are health care related expenses attributable to coronavirus and focus on the provider's decisions to expand, maintain, or preserve service delivery.
- 2) Lost Revenues defined in (e), should not disadvantage Medicaid providers. Specifically:
 - a. Net Patient Revenue defined in (e)(2)(A)-(C), should be adjusted to **exclude** Medicaid supplemental payments.

Including Medicaid supplemental payments in the Net Patient Revenue calculation will produce wide variation across the country. The timing and retroactive lump sum nature that these payments represent will significantly distort any revenue comparisons. This will potentially disadvantage some Medicaid providers while *disproportionately enriching other depending on the timing of their payments, which they have no control over.*

- b. The timing of the 200, 125, and 100 percent adjustments to Net Patient Revenue defined in (e)(2)(A)-(C), will create another disadvantage for Medicaid providers. The growth of the revenues used in the comparison, could in fact harm Medicaid providers that did not see revenue losses at the same rate of Commercial or Medicare. Performing these adjustments AFTER the lost revenues are calculated would more accurately reflect the original intent to support providers, including Medicaid
 - c. With the above suggested exclusion of Medicaid supplementals, we believe the 200 percent adjustment should be increased to 250 percent.