



United Hospital Association

DISTRICT HOSPITAL LEADERSHIP FORUM



July 17, 2020

RE: Ensuring fairness in Provider Relief Fund for hospitals

Dear Members of the California Congressional Delegation:

California’s hospitals are grateful to Congress and the Trump administration for providing funding for hospitals on the front lines fighting against the enduring COVID-19 pandemic. To date, the Department of Health and Human Services (HHS) has distributed about \$116 billion from the \$175 billion Provider Relief Fund (PRF) to hospitals, health systems, and other health care providers, as authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Paycheck Protection Program (PPP) and Health Care Enhancement Act.

Hospitals in particular have both suffered significant losses *and* made enormous investments to prepare for the pandemic while caring for our communities. While we appreciate HHS’ swift distribution of funds early in the pandemic and subsequent efforts to target funds to hospitals in need, we know many hospitals are being left behind because the distributions have not mitigated the massive financial losses caused by this public health emergency.

A balanced, fair, and inclusive distribution of the remaining PRF is absolutely crucial to ensuring that financially strained hospitals and health systems can continue to be there for their communities during, and after, the COVID-19 pandemic. HHS has demonstrated a willingness to adjust its allocation formulas, and we believe more needs to be done to ensure all hospitals — including those that serve our most vulnerable patients — receive their fair share.

We are especially concerned that the two most recent nationwide distributions to “safety-net hospitals” inadvertently excluded a number of high-Medicaid-volume hospitals in California. These hospitals serve a disproportionate share of low-income patients, including critically ill children, families experiencing homelessness, uninsured individuals, and other vulnerable populations. HHS must do more to close these funding gaps in a future PRF disbursement.

In addition to addressing the safety-net pool shortcomings, HHS should consider an approach that assists hospitals that received only the minimum amounts of the original general distribution nearly three months ago. Today, California hospitals are treating more COVID-19 patients than they have since the start of the pandemic, and these resources are critical to ensuring we can make the ongoing investments necessary to serve our communities.

We look forward to continuing to work with Congress and the administration to ensure relief reaches the hospitals that serve California's most vulnerable communities.

Sincerely,

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California Hospital Association

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California Children's Hospital Association

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