



American Hospital  
Association®

## **Provide Resources to Support Emergency Preparedness and Response Capabilities**

### **AHA View**

The AHA supports increasing the fiscal year (FY) 2016 appropriation for the Hospital Preparedness Program (HPP) and making changes in its distribution of funding in order to help hospitals and health systems to sustain, develop and update their emergency preparedness and response capabilities. Hospital emergency preparedness requires a significant investment in staff and resources. It is not a one-time investment; rather, it is a dynamic process that changes over time. Hospitals and health systems learn from each disaster and emergency situation, such as the recent Ebola crisis, and it is crucial that they have the appropriate funding to adopt best practices and train staff, incorporate new technology into their emergency readiness plans and have the ability to care for their communities when a disaster, disease outbreak or terrorist attack occurs. However, annual appropriations for the HPP, the primary federal funding program for hospital emergency preparedness, have not kept pace with the ever-changing and growing threats faced by hospitals, health care systems and their communities.

### **Background**

Hospitals, as a key component of the nation's critical infrastructure, play an essential role in emergency preparedness and response. Specifically, as part of their emergency standby role, hospitals play an essential role in disaster response, whether they are rural hospitals or Level 1 trauma centers. In the past several years, hospitals in Georgia, Nebraska, New York, Massachusetts, Oklahoma, Texas and many other locations have responded to devastating emergencies by activating their emergency plans to save lives and care for the seriously ill and injured.

Since 2002, the HPP has provided critical funding and other resources to aid hospitals' response to a wide range of emergencies. The HPP has supported greatly enhanced planning and response; facilitated the integration of public and private sector emergency planning to increase the preparedness, response and surge capacity of hospitals; and improved state and local infrastructures that help hospitals and health systems prepare for public health emergencies. These investments have contributed to saving lives during many events, such as the Joplin tornado, Superstorm Sandy, the Boston Marathon bombing and the Ebola crisis.

However, authorized funding levels and annual appropriations for the HPP have significantly declined since the program began. Congressionally authorized funding and appropriations for the HPP were \$515 million per year in the early years of the program. However, the Pandemic and All-Hazards Preparedness Reauthorization Act of 2013 (PAHPRA) reduced authorized funding for the HPP to \$374.7 million per year for FYs 2014 through 2018. Further, for FY 2015, Congress appropriated only \$255 million for the HPP – a more than 50 percent reduction from prior years. Similarly, the president's FY 2016 budget request recommends maintaining a funding level of \$255 million for the HPP.

### **Key Priorities**

#### **Ensure Congressionally Mandated Funding for Ebola is Distributed to Hospitals**

While working with members of Congress during the appropriations process that led to the emergency supplemental funding for Ebola, it was made clear that

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Congress intended to reimburse hospitals for the costs they incurred in preparing for patients with confirmed or suspected Ebola. However, the Assistant Secretary for Preparedness and Response's (ASPR) Feb. 20 Funding Opportunity Announcement (FOA) for the HPP Ebola Preparedness and Response Activities releases only \$194.5 million of the \$576 million that Congress provided to the agency for Ebola preparedness, leaving \$381.5 million in unallocated funds – meaning a total of 66 percent of funds are being withheld. Even taking into consideration the other initiatives that ASPR has identified for the use of the remaining \$381.5 million, such as a national training and education center, domestic transportation and an injury compensation fund, ASPR could easily increase its allocations and adequately reimburse hospitals for their significant Ebola preparedness expenses.

The AHA strongly urges ASPR to develop a plan to release a portion of the remaining \$381.5 million in order to ensure that Ebola Treatment Centers and state-designated Ebola hospitals are reimbursed for their related expenses on a cost basis. ASPR's FOA sets a maximum amount of \$1 million for any Ebola Treatment Center. However, many Ebola Treatment Centers have spent well above \$1 million on their preparedness activities and it is disappointing that ASPR will not recognize their extraordinary efforts and the associated costs of their preparations. The AHA urges ASPR to remove this cap and allow awardees to reimburse hospitals for their total costs related to Ebola readiness.

In addition, numerous state-designated hospitals were not included on the Centers for Disease Control and Prevention's (CDC) official list of Ebola Treatment Centers, even though they stepped up to prepare to care for Ebola patients, including undertaking all the same steps and activities as CDC's Ebola Treatment Centers, and incurred significant associated costs. These hospitals were designated or otherwise recognized by their states as hospitals that were prepared to treat Ebola patients. Some of these hospitals were assessed by the CDC's Rapid Ebola Preparedness teams, and some were not. Unfortunately, because these state-designated hospitals were not included on the CDC's official list, their incurred expenses are not recognized in ASPR's FOA in the same manner as hospitals that are on CDC's list. Also, Ebola Assessment Hospitals are not protected in ASPR's FOA, leaving any incurred costs associated with Ebola preparedness to be reimbursed at the complete discretion of the state or city. It is categorically unfair to disregard the costs incurred by these facilities when ASPR has \$381.5 million available for just this purpose, and these hospitals were designated or recognized by their states.

### **Protecting Vital Funding for Hospital Preparedness**

To help hospitals and health systems develop, update and sustain their emergency preparedness and response capabilities, the AHA urges the Obama administration and Congress to increase the FY 2016 appropriation for the HPP to \$374.7 million, consistent with the amount authorized in PAHPRA. Erosion of this financial

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support for disaster preparedness at a time when the need for these services is growing is inappropriate. In addition, the HPP funding cuts undermine the Department of Health and Human Services' ambitious emergency preparedness agenda to advance all-hazards preparedness and national health security by improving surge capacity and enhancing community and hospital preparedness for public health emergencies. This agenda will be difficult to achieve if HPP funding is not improved.

The AHA further recommends that Congress ensure that the majority of the HPP funding is awarded to hospitals and health systems in order to enhance their preparedness and surge capacity. In recent years, hospitals have received only a fraction of the HPP funds. The states, territories and directly funded cities that are allocated HPP funds keep a significant percentage of the total amount they receive for their own indirect costs. Of the remaining amount, little, if any, has been awarded to the hospitals and health systems that provide care to victims of public health emergencies and other disasters; rather, the majority is currently directed to regional health care coalitions and other types of providers.