

August 17, 2021

The Honorable Xavier Becerra
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Becerra:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinician 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 you to expeditiously distribute to hospitals and health systems the approximately \$40 billion remaining in the Provider Relief Fund (PRF). We also ask that the Department of Health and Human Services (HHS) distribute as soon as possible the \$8.5 billion allocated in the American Rescue Plan Act to reimburse rural health care providers for COVID-19-related expenses and lost revenues.**

These distributions are particularly urgent given that there have not been any distributions designed to target expenses and lost revenues after June 30, 2020. Yet, as we know, a majority of the country’s COVID-19 cases and hospitalizations occurred after this timeframe, most notably in the winter “third wave” and the current “fourth wave.” Specifically, the emergence of new COVID-19 cases and associated hospitalizations is now accelerating at an alarming rate. For example, for the week ending Aug. 9, cases increased in 44 states and the District of Columbia (D.C.).ⁱ Cases increased in more than half of these states by 30% or more in just one weekⁱⁱ – a staggering escalation in the spread of COVID-19. Hospitalization rates have followed suit, increasing week-over-week in almost every state and D.C., with 10 states and D.C. seeing increases of 50% or more.ⁱⁱⁱ In addition, there was an average of over 15,000 daily adult intensive care unit (ICU) COVID-19 patients, an increase of 33% from just the week prior.^{iv} Twenty states and D.C. have ICU occupancy rates of 75% or more, with 11 states over 80%.^v

Accordingly, hospitals and health systems continue to care for extremely ill COVID-19 patients of all ages. But their resources – human, infrastructure and financial – are being stretched to the brink. COVID-19 has taken a heavy toll on our health care heroes, who have been on the front lines of the pandemic for a full year and a half, with many suffering from trauma, burnout and increased behavioral health challenges. A number of hospitals have experienced critical staffing issues due to the demands of surges of very ill COVID-19 patients, as well as assistance in helping control the pandemic through testing, contact



tracing and vaccine deployment. In addition, with a finite number of clinicians as well as infrastructure, such as beds, many have been forced to make difficult patient care choices. These include once again postponing non-emergent surgeries or transferring certain patients, such as children and expectant mothers, to other hospitals. In addition, COVID-19-related expenses are skyrocketing, including for personal protective equipment, pharmaceuticals and safety equipment, and maintaining testing and additional screening for every hospital patient.

Further, hospitals and health systems need more flexibility to retain the funding they have already received. We again urge you to consider revising your guidance to enable recipients to retain access to the funds they have already received through the later of the end of the COVID-19 public health emergency (PHE) or June 30, 2022.

Specifically, the Department extended the deadline for use of PRF funds, but only for those received after June 30, 2020. The deadline remains June 30, 2021 for any PRF funds received from April 10, 2020 through June 30, 2020. While we appreciate HHS' action, providing additional flexibility is not only necessary, fair and appropriate, it is urgent considering the current circumstances. The new guidance unfortunately disadvantages certain providers without providing a clear policy rationale. Specifically, some providers will need to spend their funds well before others simply because they received a PRF payment earlier in the distribution process. This is particularly felt since such a large amount of the PRF funds – well over half – were distributed on or before June 30, 2020. Consequently, we strongly believe that hospitals and health systems should be able to continue to use PRF money “to prevent, prepare for, and respond to coronavirus,” as intended under the law, regardless of when they happened to receive a PRF payment.

The AHA stands ready to work with you and would welcome the opportunity to discuss this critical issue. Thank you very much for your consideration.

Please feel free to contact me or have a member of your team contact Joanna Hiatt Kim, vice president of payment policy, at jkim@aha.org.

Sincerely,

/s/

Richard J. Pollack
President and Chief Executive Officer

ⁱ <https://beta.healthdata.gov/Health/COVID-19-Community-Profile-Report/gqxm-d9w9>.

ⁱⁱ Ibid.

ⁱⁱⁱ Ibid.

^{iv} Ibid.

^v Ibid.