



Charles N. Kahn III
President & CEO

March 31, 2020

The Honorable Pete T. Gaynor
Administrator
Federal Emergency Management Agency
500 C Street SW
Washington, DC 20472

Dear Administrator Gaynor:

The Federation of American Hospitals (FAH) is the national representative for over 1,000 leading tax-paying hospitals and health systems throughout the United States. FAH members provide patients and communities with access to high-quality, affordable care in both urban and rural America. Our members include teaching and non-teaching, acute, inpatient rehabilitation, behavioral health, and long-term care hospitals and provide a wide range of inpatient, ambulatory, post-acute, emergency, children's, and cancer services.

The FAH and our members deeply appreciate the sentiment expressed by Vice President Pence in the letter issued March 29, 2020 to hospital administrators across the nation. As noted therein, the collective efforts of the health care community are "indispensable," and we wholly agree that "partnership is essential as we work together to address the COVID-19 pandemic."

As such, we appreciate FEMA's release today of the Alternate Care Site Toolkit and Coronavirus (COVID-19) Pandemic: Emergency Medical Care Fact Sheet which clarifies that: (i) state, local, tribal, and territorial (SLTT) government entities may contract with for profit hospitals to carry out eligible emergency protective measures (even though for profit hospitals may not be directly eligible for assistance under the *Stafford Act*); and (ii) FEMA will reimburse the eligible Applicant for the cost of eligible work, and the Applicant will then pay the private entity for the provision of services.

This guidance is urgently needed as it is increasingly apparent that all hospitals are, or soon will be, overwhelmed. A response will require a collaborative effort, a "partnership", on the part of all entities, including the tax-paying, for-profit hospitals that are a critically important component of

the health care system and have a significant proportion of the medical facilities and personnel in communities across the nation.

While there is precedent for state entities engaging tax-paying, for-profit entities under the arrangements described above, there is much confusion among the states and tax-paying, for-profit entities, such as hospitals, about how these contracts can be administered, including when FEMA funds are appropriate and consistent with applicable law. Many states do not have experience with these types of arrangements and need critical guidance from FEMA. **As such, we urge that FEMA issue additional guidance promptly to educate FEMA-eligible grant recipients and subrecipients, such as SLTT government entities, Public Health Authorities and Agencies, and State/Tribal Emergency Management Agencies, about engaging in and administering contractual agreements with tax-paying, for-profit hospitals to carry out eligible emergency protective measures reimbursable under FEMA's Public Assistance Program.** We stand ready to answer any questions FEMA may have as it develops this emergency guidance.

Further, we understand that there is precedent for developing the arrangements described above through Mutual Aid Agreements. Our hospital members have been asked by public health authorities to provide additional support during this national emergency, and **we request that FEMA confirm that hospitals' costs under Mutual Aid Agreements may be reimbursed using FEMA funding.**

During the COVID-19 national emergency, all hospitals and health systems are on the front lines in caring for patients, and it is critical that they have access to all available support, including access to FEMA funding. Such support is essential to ensure that all entities have the necessary facilities (including temporary expansion of capacity where directed by the state), supplies, and personnel needed to care for patients and protect our communities during this emergency. **Again, we greatly appreciate FEMA's support in this regard.**

We thank you and the dedicated staff across your Agency for your efforts to support communities across the country during this national emergency. If you have any questions, please do not hesitate to contact me or a member of my staff at (202) 624-1500.

Sincerely,



cc: White House Coronavirus Task Force