

AMERICA'S HOSPITALS AND HEALTH SYSTEMS

April 23, 2020

The Honorable Alex M. Azar
Secretary
Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
200 Independence Avenue SW, Room 445
Washington, DC 20201

Dear Secretary Azar and Administrator Verma:

On behalf of our nation's hospitals and other health care providers, we are writing in response to the recent agreement between Congress and the Trump Administration regarding the federal government's support of hospitals and health care providers as the nation comes together to collectively respond to and defeat the novel coronavirus (COVID-19).

On Tuesday, the United States Senate passed the *Paycheck Protection Program and Health Care Enhancement Act*. The House of Representatives announced plans to pass the Act today, and the President is expected to sign it soon thereafter. Our organizations deeply appreciate Congress' and the Administration's recognition of COVID-19's significant, damaging impact on hospitals and health systems across the country. The Act provides a much-needed infusion into the Provider Relief Fund, and our members look forward to the Department of Health and Human Services' (HHS) swift and well-targeted release of these vital resources.

We understand there will also be efforts to make improvements to the Medicare Accelerated and Advance Payment Programs. These include significantly lowering the interest rate on such payments (currently 9.625 percent), increasing the length of the repayment period and allocating the funds from general revenues rather than from the Medicare Hospital Insurance Trust Fund.

We strongly support these and other improvements to the Accelerated and Advance Payment Programs. Such improvements are necessary to ensure that a program designed to address hospitals' and other health care providers' cash-flow issues associated with responding to COVID-19 does not inadvertently exacerbate these issues once the repayment period begins. We urge you to promptly exercise the significant existing regulatory and statutory authorities available to HHS and CMS to make the following changes to the Programs and provide certainty and stability for hospitals and the patients they serve:

- Increase the amount that can be advanced to hospitals from three or six months of Medicare payments to 12 months of Medicare payments;
- Extend the period before repayment begins from four months to at least 12 months;
- Reduce the amount of the Medicare claim reduction during repayment from 100 percent to no more than 25 percent;
- Extend the repayment period before interest begins to accrue from 12 months to a minimum of 36 months; and
- Waive the interest rate (or the collection of interest); at a minimum, the interest rate should be no more than two percent.

Hospitals and health systems across the country are struggling financially under the weight of the COVID-19 pandemic, and will continue to struggle beyond this initial response period. The changes we have suggested will have a material impact on the ability of our facilities to respond to COVID-19, plan for the future and continue to provide vital care to our patients and our communities.

Sincerely,

America's Essential Hospitals
American Hospital Association
Association of American Medical Colleges
Catholic Health Association of the United States
Federation of American Hospitals
National Association for Behavioral Healthcare
Premier healthcare alliance
Vizient, Inc.

cc:

The Honorable Mitch McConnell
The Honorable Nancy Pelosi
The Honorable Charles Schumer
The Honorable Kevin McCarthy