

## **NEED FOR SUPPLEMENTAL HOSPITAL FUNDING SOURCE DUE TO COVID-19**

- Hospitals must have reliable cash flow to maintain an adequate and healthy workforce, buy critical supplies, create additional infrastructure, and keep their doors open to care for patients during this emergency.
- **Ongoing Congressional action to support hospitals is critical and appreciated. However, given the extreme uncertainties associated with this unprecedented pandemic, we urge Congress to act as follows:**
  - **Adopt a \$90 billion payment program that is supplemental to the Medicare payments hospitals would otherwise receive, with funds distributed on a biweekly basis and based on a hospital's historical Medicare payments.**
  - **Because those supplemental payments may fall short of hospitals' financial needs, Congress should establish a national loan program for distressed hospitals, similar to other industry loan programs.**
  - **A loan program totaling \$100 billion would likely meet the needs of hospitals in rural and urban areas alike, depending on the duration and severity of the pandemic, which is currently developing.**
- The current COVID -19 crisis is already causing severe economic challenges for hospitals, particularly those serving a high number of Medicare, Medicaid and uninsured patients even before the inevitable patient surge. Due to this unprecedented health and economic crisis, hospitals face serious, immediate cash flow disruptions that will undermine their ability to provide services to all patients.
- Hospitals are struggling to find sufficient supplies to test and treat patients and protect and keep their health care clinical and non-clinical workforce healthy so that they can continue to check patients in, treat patients, and generally keep their hospitals operating.
- As COVID-19 hospitalizations rapidly escalates, most of whom are seniors on Medicare patients, commercial non-Covid-19 patients will be displaced.
- Other industries are affected by government actions, such as social distancing, to address COVID-19. This results in reduced consumer use of their services. Hospitals, however, have a two-fold COVID-19 impact that suppresses normal use of hospital services:
  - Government action (e.g., social distancing that keeps people out of hospitals)
  - Industry preparation required to prepare for patient surge, (e.g., cancel certain elective surgeries)