

August 24, 2021

The Honorable Martin Heinrich
United States Senate
Washington, D.C. 20510

The Honorable Ben Ray Lujan
United States Senate
Washington, D.C. 20510

The Honorable Teresa Leger Fernandez
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Yvette Herrell
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Melanie Ann Stansbury
U.S. House of Representatives
Washington, D.C. 20515

Dear Senators and Representatives:

I am writing today concerning recent developments involving our health system and the U.S. Department of Health and Human Services (HHS) that have affected our ability to provide care to New Mexicans during the Covid-19 pandemic. Founded in 1908, Presbyterian Healthcare Services (Presbyterian) is a not-for-profit health care system that exists to improve the health of the communities we serve across nine hospitals in eight New Mexico communities, a multispecialty medical group of more than 1,100 employed providers, and a statewide health plan serving more than 600,000 members. With more than 13,000 employees we are the state's largest private employer.

Like many hospitals and health systems in the state and throughout the nation, to ensure we were able to continue to care for New Mexicans despite negative financial impacts of the pandemic, Presbyterian applied for accelerated and advance payments via Medicare loans from the Centers for Medicare and Medicaid Services (CMS) in April 2020. Based on the formula provided by HHS, the total loan amount for our system's hospitals was expected to be approximately \$385 million. In total, Presbyterian received less than \$11 million with six of our nine hospitals, including Presbyterian Hospital in Albuquerque and Rust Medical Center in Rio Rancho, denied due to supposed outstanding debts owed to CMS. For all but one denied facility, the alleged debts totaled less than \$60. At one rural hospital, an alleged debt was less than one dollar.

Throughout numerous communications with CMS, they were unable to identify the alleged debts in a timely fashion so that they could be reconciled, which prevented us from accessing this important source of funding. As a result, Presbyterian sought a private line of credit in the event additional funds were needed at the height of the pandemic.

We take our responsibility to our patients, members and CMS seriously, and work diligently to ensure we are in good standing with the agency. We have not had issues of this type in recent memory and our greatest concern is that this issue may now prejudice future federal decisions against Presbyterian should another health crisis hit our state and nation.

Due to its complex nature, I have attached a timeline of events and communications related to this issue.

As our state's elected federal congressional delegation, I am reaching out to you because **I would like to request a meeting at your convenience** to discuss this issue further and ask for your help to bring this troubling issue to the attention of HHS leaders and to obtain further clarification about the debts from CMS. Thank you for your consideration and I look forward to meeting with you soon.

Sincerely,



Dale Maxwell
President and CEO

Timeline of events and communications:

April 2020: CMS opened the Accelerated and Advanced Medicare payment application portal; Presbyterian submitted timely applications for all nine hospitals.

Sept 2020: Presbyterian Española Hospital, Santa Fe Medical Center and Socorro General Hospital received loans totaling less than \$11 million.

Sep 2020-Feb 2021: Presbyterian made numerous inquiries as to the status of the applications for our other six hospitals, including Presbyterian Hospital in Albuquerque and Rust Medical Center in Rio Rancho; were told by fiscal intermediary, Novitas, that “they are still in process.”

Feb 11, 2021: Presbyterian received notice from HHS that our remaining applications were denied due to “debts greater than 120 days.”

Feb 2021-July 2021: Presbyterian thoroughly reviewed financial records to identify these debts and continued communicating with CMS to request additional information about the debt that caused disqualification; no records were found, and no information was provided by CMS.

July 14, 2021: Presbyterian received an Excel spreadsheet from HHS that identified approximately \$30,000 in ‘debts’ from four of our hospitals, including totals of \$14.70 at Lincoln County Medical Center in Ruidoso, \$56.32 at Daniel C. Trigg Memorial Hospital in Tucumcari and \$18.88 at Plains Regional Medical Center in Clovis, with the remaining balance from Presbyterian Hospital.

CMS says these ‘debts’ were active on the date of our application but may have been resolved since then; we have been unable to identify these in our financials. Our efforts to obtain further clarification from HHS have been unsuccessful.