

January 19, 2022

The Honorable Joseph R. Biden  
President of the United States  
The White House  
Washington, DC 20500-0005

Honorable Charles E. Schumer  
Majority Leader  
United States Senate

Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives

Honorable Mitch McConnell  
Republican Leader  
United States Senate

Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives

Dear Mr. President and Congressional Leaders:

We are very grateful for your ongoing leadership and support during the COVID-19 pandemic. From providing billions of dollars in financial support, regulatory relief and community resources – including boots on the ground – to support our caregivers, your response has been extremely significant. However, the reality is still stark and additional help is needed as we face yet another nation-wide surge of the virus.

Critical staffing shortages are crippling our response efforts. We have all diverted some non-clinical staff to support our clinicians across all patient care settings, while we simultaneously continue to support community vaccination efforts and ongoing needs. The need for clinical and non-clinical staff in our hospitals, driven by unprecedented patient volume and severity, is dramatically increasing the cost of providing care in our health systems. These developments have brought our national health system to the brink.

If one-third of the population across the United States remains unvaccinated, then the government must take extraordinary action to assure the short- and long-term viability of the nation's health care system.

To help us, we are recommending the following policy changes that will take both Congressional and Administrative actions (several recommendations have already been introduced in Congress):

- Delay implementation of Medicare sequestration through July 1, 2022
- Delay Medicare loan repayments for a year. (H.R.2407)
- Update DRG payment for COVID to reflect the longer length of stay
- Provider Relief Fund:
  - Distribute remaining funds to providers no later than March 31, 2022. Focus payments on staffing costs (budgeted vs actual from April 1, 2021 to March 1, 2022)
  - Increase fund by \$20 billion
  - Delay reporting requirements by six (6) months
- Allow FEMA to reimburse for direct *and* indirect clinical staffing costs related to COVID

- Reinstatement of hospitals that have lost their 340B status due to the pandemic. (S. 773)
- Protect current nurse and allied health workforce funding (H.R. 4407 / S.1568)
- Delay for six (6) months Cares Act Reporting 2 deadline of March 31, 2022 and Medicare Cost Reporting deadlines of May 30, 2022.
- Delay implementation or enforcement of Surprise Billing regulations (particularly ‘good faith estimate’ requirements) until January 2023.
- Delay enforcement of hospital price disclosure requirements until January 2023.

*(We have attached a two-page Fact Sheet that provides additional details on these requests.)*

We ask Congress and the Administration to act on these and other relief initiatives by mid-February. This will help ensure a viable national health care system as the pandemic continues.

Sincerely,

**Health Systems**

- Adventist HealthCare, Maryland
- Adventist Health, California
- Allina Health, Minnesota
- Atrium Health, North Carolina, Georgia, Alabama
- Aultman Health, Ohio
- Avera Health, South Dakota, Iowa, Minnesota, Nebraska
- Baptist Health, Kentucky
- BJC HealthCare, Missouri
- Bon Secours Mercy Health, Kentucky, Ohio, South Carolina, Virginia
- Bryan Health, Nebraska
- CarePoint Health System, New Jersey
- CentraCare, Minnesota
- CenturaHealth, Colorado, Kansas
- ChristianaCare, Delaware
- Comanche County Hospital Authority, Oklahoma
- CoxHealth, Missouri
- CommonSpirit Health, Illinois
- Community Hospital Corporation, Texas
- Crouse Hospital, New York
- FirstHealth of the Carolinas, North Carolina, South Carolina
- Genesis HealthCare System, Ohio
- Hackensack Meridian Health Network, New Jersey
- Inspira Health Network, New Jersey
- Jefferson Health, New Jersey, Pennsylvania
- Kettering Health, Ohio
- Legacy Health, Oregon, Washington
- Lehigh Valley Health Network, Pennsylvania
- Loma Linda University Health, California
- Mary Washington Healthcare, Virginia
- Methodist Le Bonheur Healthcare, Tennessee

Mon Health, West Virginia  
Mosaic Life Care, Missouri  
Mountain Health Network, West Virginia  
MultiCare Health System, Washington  
Norton Healthcare, Kentucky  
Northeast Alabama Regional Medical Center, Alabama  
Northeast Georgia Health System, Georgia  
OSF Health, Illinois, Michigan  
Perimeter Healthcare, Louisiana  
Piedmont Health, Georgia  
Presbyterian Healthcare Services, New Mexico  
ProMedica, Ohio, Michigan  
Renown Health, Nevada  
Sisters of Charity Health System, Ohio  
St. Vincent Charity Medical Center, Ohio  
SSM Health, Missouri, Oklahoma, Wisconsin, Illinois  
The Queen's Health Systems, Hawaii  
UR Medicine, New York  
Valley Health, Virginia, West Virginia  
Valleywise Health, Arizona

### **Independent Hospitals**

Baptist Hospitals of Southeast Texas – Beaumont, Texas  
Baptist Hospitals of Southeast Texas – Orange Campus, Texas  
Blount Memorial Hospital, Tennessee  
Bothwell Regional Health Center, Missouri  
Carolinas ContinueCARE Hospital at Pineville, North Carolina  
Carolinas ContinueCARE Hospital at University, North Carolina  
Community Hospital, Colorado  
ContinueCARE Hospital at Baptist Health Corbin, Kentucky  
ContinueCARE Hospital at Baptist Health Madisonville, Kentucky  
ContinueCARE Hospital at Baptist Health Paducah, Kentucky  
ContinueCARE Hospital at Hendrick Medical Center, Texas  
ContinueCARE Hospital at Medical Center (Odessa), Texas  
ContinueCARE Hospital at Palmetto Health Baptist, South Carolina  
Enloe Medical Center, California  
Fairfield Medical Center, Ohio  
Fisher-Titus Health, Ohio  
Freestone Medical Center, Texas  
Gaylord Hospital, Connecticut  
Grove Creek Medical Center, Idaho  
Highland-Clarksburg Hospital, West Virginia  
Holy Name, New Jersey  
Huntsville Memorial Hospital, Texas  
Knox Community Hospital, Ohio

Madison Health, Ohio  
Magee General Hospital, Mississippi  
McAlester Regional Health Center, Oklahoma  
Memorial Hospital of Sweetwater County, Wyoming  
Niagara Falls Memorial Center, New York  
North Texas Medical Center, Texas  
Pacifica Hospital of the Valley, California  
Panola Medical Center, Mississippi  
Pomerene Hospital, Ohio  
Shepherd Center, Georgia  
Specialty Hospital of Lorain, Ohio  
St. Anthony Regional Hospital, Iowa  
St. Mark's Medical Center, Texas  
St. Rose Hospital, California  
Stilwell Memorial Hospital, Oklahoma  
The Loretto Hospital, Illinois  
Totally Kids Rehabilitation Hospital, California  
Tyler ContinueCARE Hospital, Texas  
University Medical Center (UMC) of Southern Nevada, Nevada  
Winona Health, Minnesota  
Wilson N. Jones Regional Medical Center, Texas  
Wood County Hospital, Ohio

**Critical Access Hospitals**

Bingham Memorial Hospital, Idaho  
Calais Community Hospital, Maine  
Colorado Canyons Hospital, Colorado  
Cheyenne County Hospital, Kansas  
Clarke County Hospital, Iowa  
Cogdell Memorial Hospital, Texas  
Covington County Hospital, Mississippi  
Down East Community Hospital, Maine  
Fulton County Health Center, Ohio  
George E. Weems Memorial Hospital, Florida  
Grafton City Hospital, West Virginia  
Good Shepherd Health Care System, Oregon  
Gordon Memorial Hospital District, Nebraska  
Haxtun Hospital District, Colorado  
Hocking Valley Community Hospital, Ohio  
Holy Cross Medical Center, New Mexico  
Howard County Medical Center, Nebraska  
Iron County Medical Center, Missouri  
Johnson County Hospital, Nebraska  
Kanakanak Hospital, Alaska  
Kiowa County Hospital District, Colorado

Kit Carson County Health Service District, Colorado  
Liberty Regional Medical Center, Georgia  
Longleaf Hospital, Louisiana  
Macon Community Hospital, Tennessee  
Magruder Memorial Hospital, Ohio  
Memorial Medical Center, Texas  
Mount Desert Island Hospital, Maine  
North Shore Health, Minnesota  
North Sunflower Medical Center, Mississippi  
Northern Inyo Healthcare District, California  
Osceola Medical Center, Wisconsin  
Ozarks Community Hospital, Arkansas  
Pioneer Medical Center, Montana  
Putnam County Memorial Hospital, Missouri  
Putnam General Hospital, Georgia  
Quitman Community Hospital, Mississippi  
Ray County Memorial Hospital, Missouri  
Riverside Medical Center, Louisiana  
RiverView Health, Minnesota  
Sedgwick County Health Center, Colorado  
Simpson General Hospital, Mississippi

Skyline Health, Washington  
Snoqualmie Valley Hospital, Washington  
Southeast Colorado Hospital District, Colorado  
Stanton County Hospital, Kansas  
The New Roseland Community Hospital, Illinois  
Tippah County Hospital, Mississippi  
Union County General Hospital, New Mexico  
Vernon Memorial Healthcare, Wisconsin  
Welia Health, Minnesota  
Wyandot Memorial Hospital, Ohio  
Yoakum Community Hospital, Texas  
Yuma District Hospital and Clinics, Colorado  
Rio Grande Hospital, Colorado  
Ward Memorial Hospital, Texas

**Other Health Care Providers**

Tarzana Treatment Centers Inc., California

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## FACT SHEET

### Hospital and Health System Recommendations to the President and Congress for Additional Covid relief

- Delay implementation of Medicare sequestration through July 1, 2022  
Congress enacted legislation in December 2021 that delayed Medicare sequestration through March 31, 2022 and reduced sequestration to 1% through June 30, 2022. Reducing sequestration another 1% from April 1, 2022 through June 30, 2022 would provide additional resources to all hospitals.
- Delay Medicare loan repayments (H.R. 2407)  
Many providers have already begun repaying Medicare loans or have fully repaid them. Halting the repayment process for one year will allow those providers needing additional resources to keep the cash on hand to help finance the increased costs they are currently experiencing. All funds will be repaid to the Medicare Trust Fund. H.R. 2407 would implement this request.
- Provider Relief Fund:
  - Distribute remaining funds to providers no later than March 31, 2022. Focus payments on staffing costs (budgeted vs actual from April 1, 2021 to March 1, 2022)  
Phase 4 payments are projected to be completed in early 2022, leaving approximately \$25 billion remaining in the PRF. Those are both obligated and unobligated funds. Congress should reclassify all these funds as unobligated. Distribution should target staffing cost increases associated with Covid care based on budgeted vs. actual amounts between April 1, 2021 and March 1, 2022. Most staffing cost increases for Covid care were incurred during this time. Phase 4 PRF payments are for Covid expenses and losses for the period ending March 31, 2021. There have been NO PRF payments for Covid losses and expenses for the period after March 31, 2021.
  - Increase fund by \$20 billion  
The initial funding amount of \$175 billion did not anticipate an additional year of increasing case numbers. The additional funding will give HHS flexibility in addressing unanticipated Covid expenses and losses.
  - Delay reporting requirements by 6 months  
Delaying the reporting requirements and allowing providers to continue to utilize existing payments for an additional six months will help providers until additional funding is provided and Covid cases begin to subside. Additionally, a delay in reporting will reduce the burden on staff at a time when staff resources are stressed.
- Update DRG payment for Covid to reflect the longer length of stay  
The DRG for Covid payments has not been updated in more than a year. Covid patients are staying in the hospital far longer than what had been anticipated when the reimbursement and add-on payments were created. The current 20% add-on does not cover the additional costs. The payment must be updated to better align the resource costs with extended stays.
- Allow FEMA to reimburse for direct and indirect clinical staffing related to Covid  
Relax FEMA regulatory requirements that restrict FEMA staff from providing any care for patients who are not Covid patients; some de minimis care for non-Covid patients would prioritize patient care. Currently, hospitals cannot use even a minute of FEMA staff time, i.e. moving a non-Covid patient from a hospital room to make more space for a Covid patient, without keeping detailed logs

of FEMA staff use and non-Covid utilization cannot be reimbursed. This burdensome requirement consumes considerable staff time.

- Reinstate hospitals that have lost their 340B status due to the pandemic. (S. 773)

A growing number of 340B hospitals' DSH percentages fell below 11.75 percent due to the ongoing pandemic, leading to the loss of their 340B status for a full year. S. 773 would ensure that DSH hospitals can maintain 340B status through the public health emergency or reinstate their 340B program status if already lost.

- Protect current nurse and allied health workforce funding (H.R. 4407 / S.1568)

Because of a CMS error made over the past 20 years, hospital-based schools of nursing and allied health professionals are getting a substantial payment reduction – jeopardizing the future of these programs. This will reduce the number of nurses and allied health professionals. About a third of these programs serve rural areas.

- Delay for six months Cares Act Reporting 2 deadline of March 31, 2022 and Medicare Cost Reporting deadlines of May 30, 2022.

Each of these deadlines are dependent upon Financial Statements and other critical documents. Hospitals are redeploying team members to support the frontline, including staff from the finance department. As a result, financial statements could be delayed as well as other critical documents needed to complete these reports. Preparation of these documents takes place in January and February, thus the immediate need for an extension.

- Delay implementation or enforcement of Surprise Billing Regs (particularly ‘good faith estimate’ requirements)
- Delay enforcement of hospital price disclosure requirements

The surprise billing regulations are effective January 1, 2022, and we are waiting for additional regulations and guidance for parts of the law, including the good faith estimate requirements for all patients. Additionally, the hospital price disclosure regulations are effective January 1, 2022. Providers are spending significant amount of staff time and resources to prepare for compliance. These regulations are exceptionally complex, as recognized by HHS. To ensure seamless implementation requires more time and resources, which are not available during the pandemic