

Hospitals Pressure Congress, Administration For More Provider Relief

January 21, 2022 6:34PM ET
(Inside Health Policy)

Hospitals are pushing lawmakers to put at least another \$20 billion in the \$178 billion provider relief fund while pressuring the administration to release the remaining COVID-19 relief in the next couple months as workforce shortages continue and omicron cases surge.

The agency in charge of distributing the relief, the Health Resources and Services Administration, told *Inside Health Policy* all provider relief funding has been allocated, going to the remaining Phase 4 payments, the uninsured program and the Phase 3 reconsiderations process.

Congress' last addition to the provider relief fund [was \\$3 billion in December 2020](#). Lawmakers created a different fund when they passed the American Rescue Plan on March 10, 2021 [and allocated \\$8.5 billion in COVID-19 relief for rural providers](#). The last provider relief distribution [announced Sept. 29 included](#) \$17 billion in general provider relief and the \$8.5 billion in ARP rural relief, but some providers [are still waiting for HHS](#) to send out the remaining \$8 billion in Phase 4 provider relief.

HRSA said it plans to make the remaining Phase 4 payments as quickly as possible and it's almost done with the ARP rural distributions.

"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," more than 700 hospitals say in a letter sent to the administration and congressional leadership on Wednesday (Jan. 19). "However, the reality is still stark and additional help is needed as we face yet another nation-wide surge of the virus."

The coalition of hospitals located in states from Maryland to California details how staffing shortages are crippling their response efforts and are urging lawmakers to address the health care industry's short- and long-term viability if one-third of the population stays unvaccinated.

These hospitals ask HHS to delay the controversial spending deadline and reporting requirements by six months and want to see the Federal Emergency Management Agency reimburse for direct and indirect clinical staffing related to COVID-19, among other requests.

The coalition also asks Congress to allocate an additional \$20 billion to the provider relief fund and free up the estimated \$25 billion in remaining provider relief so the department can use all the funds for another distribution released no later than March 31 that targets increased staffing costs.

Stakeholders are broadly concerned the Phase 4 distributions only cover COVID-19-related expenses and losses until March 31, 2021 and don't cover the latest surge in cases.

“While the PRF has been a lifeline for health care providers, no distributions from the PRF have been made or announced for expenses related to the delta or omicron variant surges, despite steep increases in cases, hospitalizations and deaths. The lack of PRF dollars to address issues wrought by the delta and omicron surges has left many hospitals facing overwhelming financial and operational challenges,” the American Hospital Association [says in a separate letter to lawmakers on Thursday \(Jan. 20\)](#).

AHA and America’s Essential Hospitals are pushing Congress to pass a bill authored by Reps. Abigail Spanberger (D-VA), Cindy Axne (D-IA), Anthony Gonzalez (R-OH) and Mariannette Miller-Meeks (R-IA) that would require HHS to distribute the remaining provider relief by March 31. The proposed legislation was introduced on Nov. 12, 2021 - when the Delta variant was a concern -- and has yet to be taken up by the House Ways & Means or Energy & Commerce committees. -- *Dorothy Mills-Gregg* (dmillsgregg@iwnews.com)