

Congress of the United States
Washington, DC 20510

August 14, 2020

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

Dear Secretary Azar:

We write concerning the Public Health and Social Services Emergency Fund (PHSSEF), also known as the Provider Relief Fund. Created by the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, the Provider Relief Fund was established to provide funding to health care providers for the purpose of COVID-19 response and to assist with substantial losses resulting from the pandemic. While over \$100 billion has been distributed, the criteria and formulas that have been used to determine eligibility for targeted distributions, such as for rural providers or safety-net hospitals, have resulted in winners and losers—not just in Pennsylvania, but nationally as well. Furthermore, the allocations have disadvantaged newly-established facilities which, despite not having a long history of patient revenues, are impacted no less by the pandemic than their more established peers.

Congress chose to provide the administration with broad authority to allocate funding with the expectation that the Department of Health and Human Services (HHS) would quickly and nimbly respond to provider needs throughout the pandemic. Our offices have raised several issues with the various methodologies used to allocate funding through the distributions that have been made over the past several months. Accordingly, we urge you to work with us to ensure that the remaining funding is distributed to those who need it most in Pennsylvania.

Specifically, we write to raise our concern regarding the narrow and seemingly arbitrary criteria used by HHS to determine certain targeted distributions to safety-net and rural providers. Unfortunately, this approach has resulted in excluding hospitals that serve at-risk communities. While recent actions¹ take a more holistic view of the financial situation these hospitals face, at least one in particular, the Einstein Healthcare Network, was still not considered for these funds. Einstein treats some of the most at-risk populations in Philadelphia – the fifth most populous city in the nation. Einstein sees a significant portion of Medicaid beneficiaries and derives over 70% of its patient revenues from public payers. We strongly believe that Einstein should have been atop any list of “safety-net” hospitals. There may be other hospitals throughout the country in similar situations.

¹ Department of Health and Human Services, Provider Relief Fund Targeted Distribution Safety Net Hospitals Adult Acute Care Hospital, 2020, <https://www.hhs.gov/sites/default/files/safety-net-hospital-provider-relief-payment-state-breakdown-adult-acute-care-hospitals.pdf>.

This has also been an issue with the rural designation used by HHS. The definition has excluded hospitals that meet the state definition and serve rural communities, preventing them from receiving the targeted funding. This approach creates additional financial hardship for these hospitals and hampers their ability to respond to the pandemic.

Additionally, we have reason to believe certain entities have been negatively impacted depending on the area in which they serve. For instance, some long-term care pharmacies have lost revenue because of decreased stays in long-term care settings. Intellectual and developmental disability service providers, and PACE programs, or LIFE programs as they are referred to in Pennsylvania, are experiencing a decrease in overall patient volume as well. Moving forward, we ask HHS to allow these entities and others caring for at-risk populations to apply directly for funding from the Provider Relief Fund.

Members of both parties in the Pennsylvania Congressional delegation have previously raised these issues with HHS and, with several billion dollars remaining, we urge you to correct these inequities in future distributions of the Provider Relief Fund. Please carefully evaluate how this funding has been distributed to date and work to ensure providers who have been disadvantaged thus far are prioritized in future distributions. Failure to do so may jeopardize access to care for patients.

Thank you for your attention to this important matter.

Sincerely,

/s/
Robert P. Casey, Jr.
United States Senator

/s/
Patrick J. Toomey
United States Senator

/s/
Brian Fitzpatrick
Member of Congress

/s/
Madeleine Dean
Member of Congress

/s/
Mary Gay Scanlon
Member of Congress

/s/
Guy Reschenthaler
Member of Congress

/s/
Brendan F. Boyle
Member of Congress

/s/
Dwight Evans
Member of Congress

/s/ _____
Dan Meuser
Member of Congress

/s/ _____
Conor Lamb
Member of Congress

/s/ _____
Chrissy Houlahan
Member of Congress

/s/ _____
Matt Cartwright
Member of Congress

/s/ _____
Glenn "GT" Thompson
Member of Congress

/s/ _____
Mike Doyle
Member of Congress

/s/ _____
Susan Wild
Member of Congress

/s/ _____
John Joyce, M.D.
Member of Congress

/s/ _____
Lloyd Smucker
Member of Congress