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June 1, 2020

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

Sent electronically

Dear Secretary Azar:

On behalf of the Healthcare Association of New York State, thank you for supporting our member hospitals, health systems, nursing homes and continuing care providers across the state as they step up to meet the challenge of the deadly COVID-19 pandemic.

We are grateful that the Department of Health and Human Services issued funds from the CARES Act Provider Relief Fund and has distributed targeted funding to hospitals that are most burdened by COVID-19 or vulnerable because of their rural status; however, in this ongoing crisis, more needs to be done. We urge you to continue to act quickly to distribute remaining funds as soon as possible, given the dire financial reality that our members are currently experiencing as a result of increased expenses and sustained loss of revenue.

In addition, the vast majority of the Provider Relief Fund money allocated to date (\$50 billion) has been broad-based — issued proportionally to all states and all Medicare Part A and B enrolled providers (over 26,000 providers in New York state alone), including some that are not even directly fighting the COVID-19 pandemic. This broad distribution has left many of our hospitals and health systems woefully underfunded and struggling to meet the needs of their communities.

HANYYS urges HHS to rectify this Provider Relief Fund distribution imbalance in future disbursements and better target funding by:

- **reducing the sheer number of providers funded to focus on hospitals, nursing homes and providers on the front lines of the response;**
- **prioritizing funding to providers in states like New York that are “hot spots” at the epicenter of the epidemic; and**
- **adopting provider-level funding models that align with the CARES Act and consider both extraordinary expenses incurred in the COVID-19 response and the substantial loss of revenue that coincided with stay-at-home orders and patients avoiding hospitals.**

New York’s hospitals have accessed \$6.7 billion from the Provider Relief Fund, but this amount falls far short of the need. New York hospitals have treated at least

40% of COVID-19 hospital admissions nationwide, yet received just 9% of federal funding allocated. As the virus spreads, our hospitals continue to incur major expenses related to increasing bed capacity, purchasing personal protective equipment and hiring needed staff.

As has been reported,ⁱ hospitals across New York state have identified staggering revenue losses as their number one financial concern during this pandemic and have reported that their revenue crashed by more than 40% during the last half of March alone.

The extraordinarily steep and sustained nature of these revenue losses is directly tied to New York's status as the epicenter of the COVID-19 epidemic. Since March, our hospitals have expended disproportionate financial resources to prepare for the surge of COVID-19 patients, canceled non-emergent procedures, lost significant patient volumes due to stay-at-home orders and expended extreme financial resources to make extraordinary PPE and other supply purchases at a premium to keep healthcare workers and patients safe.

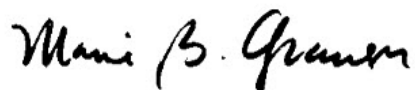
Moreover, fear of contracting the virus has resulted in drops in patient volume even for emergent conditions like heart attacks and strokes. These enormous declines in patient revenue in combination with higher costs to prepare for surge capacity have created enormous fiscal stress for our hospitals. As a result, hospitals across the state have been forced to take funding advances and loans, delay accounts payable, furlough thousands of staff and postpone much-needed capital projects.

Unlike any other sector, hospitals across the country, and particularly in New York, have been on the front lines of the national public health crisis and have risen to meet the challenge, providing services 24/7 under extreme pressure. We urge you to target future distributions of the Provider Relief Fund to ensure that our hospitals, the safety nets of their communities, are able to sustain services today and in the future.

We appreciate your leadership and the ongoing work of the agency and look forward to continuing to work with you during this critical time to protect our communities.

If you have questions, please contact Cristina Batt, vice president, federal relations, at (202) 488-1272 or cbatt@hanys.org.

Sincerely,



Marie B. Grause, RN, JD
President

ⁱ Amanda Eisenberg, "[New York's safety-net hospitals were the front lines of the coronavirus. Now they're facing ruin.](#)" *POLITICO*, May 16, 2020; Jerry Zremski, "[Local hospitals face 'a nightmare they can't wake up from'](#)" *The Buffalo News*, May 18, 2020.