

Congress of the United States
Washington, DC 20510

April 15, 2020

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

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Azar and Administrator Verma:

We write to express our concern around how the Department of Health and Human Services and the Centers for Medicare and Medicaid Services chose to allocate the first \$30 billion of the Public Health and Social Services Relief Fund created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

With Pennsylvania hospitals losing upwards of \$1.5 billion a month, your effort to distribute CARES Act funding to providers quickly is appreciated. Future funds should continue to be released expeditiously so that our providers can provide uninterrupted, high-quality service during this historic time. That said, we urge changes in how you determine funding allotments as the allocation of first \$30 billion disadvantages Pennsylvania and many of our key providers in several ways.

First, by solely relying on Medicare Part A and B claims, the administration is exacerbating the disadvantages that safety-net hospitals, nursing homes, home care providers and health centers that serve a high number of Medicaid beneficiaries already face. Pennsylvania does not have public hospitals and as a result has safety-net providers whose patient mixes include significant percentages of Medicaid beneficiaries. While everyone is struggling right now, these providers were on the financial edge prior to the COVID-19 crisis and now are facing an especially tough time. For them to be disadvantaged at the beginning of this process is unfortunate and must be corrected post-haste.

Second, Pennsylvania has a high penetration of Medicare Advantage throughout the Commonwealth. Your failure to account for that, though it could have easily been done with the data available to you, means Pennsylvania providers will receive less funding initially than their counterparts in other states that rely more on traditional fee-for-service Medicare. For an administration that seeks to promote the benefits of the Medicare Advantage program, it is unfortunate you chose to discount those beneficiaries and the providers who serve them through this initial distribution.

Third, the method you have chosen sidelines providers who serve our children. Pennsylvania has several world-renowned children's hospitals who are struggling just as much as our acute care hospitals due to the cancellation of elective surgeries and other important policies put in place to bend the curve and address the COVID-19 pandemic. These providers, and the care they provide for our children, cannot be an afterthought.

We understand that you plan to address these discrepancies through future allocations of the \$100 billion provided under the CARES Act and will seek to achieve rough parity – fairness in this case cannot be simply be a goal, it is imperative that you achieve it. Through this funding, Pennsylvania has received approximately \$50,000 per COVID patient, while other states have received over \$300,000 per COVID patient. To promote one group of providers over another or groups of states over others is unacceptable and will not be tolerated.

We also want to express our concern around your intention to cover the costs of the uninsured through this funding, which goes against Congressional intent. The administration has several options at its disposal to provide coverage to the uninsured and underinsured. Recently, President Trump declined to authorize a special enrollment period that would have allowed individuals who are uninsured or underinsured to purchase insurance on the exchange. The administration also has the authority to encourage states to expand coverage under their Medicaid programs, which has not happened. Those are much better pathways to ensure all Americans have the coverage they need and providers are reimbursed for the care they provide.

Thank you for your attention to this important matter.

Sincerely,

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

/s/
Mary Gay Scanlon
Member of Congress

/s/
Brendan F. Boyle
Member of Congress

/s/
Dwight Evans
Member of Congress

/s/ _____
Matt Cartwright
Member of Congress

/s/ _____
Mike Doyle
Member of Congress

/s/ _____
Madeleine Dean
Member of Congress

/s/ _____
Susan Wild
Member of Congress

/s/ _____
Conor Lamb
Member of Congress

/s/ _____
Chrissy Houlahan
Member of Congress