



500 District Ave. | Burlington, MA 01803
781-262-6001
swalsh@mhalink.org

Steve Walsh
President & CEO

May 14, 2020

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

Dear Secretary Azar:

On behalf of our member hospitals and health systems, the Massachusetts Health & Hospital Association (MHA) writes to express its significant concerns with the Provider Relief Fund's distribution methodologies. We are grateful for the federal funding that has been issued to hospitals and healthcare providers to address the serious financial challenges of the COVID-19 pandemic. We also appreciate the unprecedented speed and complexities your agency has contended with to provide prompt guidance and payment relief under the provisions of the CARES Act and other relief legislation. However, the Provider Relief Fund's recent methodologies have failed to recognize the full effect of COVID-19 challenges experienced in Massachusetts and has left too many of our hospitals without needed relief. **MHA respectfully requests future distributions from the Provider Relief Fund more appropriately reflect the prolonged COVID-19 surge affecting all Massachusetts hospitals.**

Because of the unquestionably devastating effect the coronavirus has had on patients and providers in Massachusetts and across the United States, the need for a transparent and equitable distribution formula is critical. In our opinion, the "high-impact allocation" formula recently implemented was not equitable and failed its intended goal to aid the facilities most affected by the surge of COVID-19 patients, a significant number of which are in Massachusetts. The nature of this pandemic has resulted in a varied timetable regarding when the surge of COVID-19 cases began in states and communities throughout the U.S, as well as how long their respective surges have lasted. For example, Massachusetts reached its peak after the April 10 cut-off used in the "high impact allocation" and experienced a prolonged plateau thereafter. On April 10, our state reported 20,973 COVID-19 cases and since then more than 58,359 new cases have occurred as of May 12. During the approximately one-month period following the April 10 mark, this increase represents the fourth largest in the country whether measured on a straight count or per capita basis.¹ The total confirmed COVID-19 case count in Massachusetts now exceeds 80,000 lives.

¹ <https://usafacts.org/visualizations/coronavirus-covid-19-spread-map/>

We recognize and appreciate that HHS helped address the financial challenges of the 395 hospitals that received the initial high-impact payments, which included 22 Massachusetts hospitals. However, the cut-off date of April 10 for the \$12 billion in funding and the arbitrary threshold of 100 admissions disadvantaged the majority of Massachusetts hospitals by not recognizing the significant surge experienced shortly thereafter. Sixty-four percent of Massachusetts acute hospitals received no funding despite being highly affected by the COVID-19 emergency. Those left out of this important funding allocation included smaller hospitals and safety net providers. All Massachusetts hospitals experienced the significant cost increases of preparing for the surge of patients and the need to protect their patient populations and staff from the virus. All have also experienced incredible financial losses from lost revenues due to the dramatic decrease in hospital volume, which continues to this day with non-essential elective surgeries prohibited in Massachusetts.

MHA recognizes the department's challenges of disbursing the Provider Relief Fund in an expeditious and fair manner. However, given the significant and prolonged COVID-19 effect occurring in Massachusetts relative to many parts of the country, we take serious objection to aspects of the recent methodologies. When we compare the total relief funds from the General Distribution, "high impact allocation," and rural healthcare provider payments, we find that Massachusetts ranks the second lowest in total Provider Relief Funds per COVID-19 case in the country. Yet Massachusetts ranks third highest in terms of COVID-19 cases as of May 12 on a per capita basis and fourth highest on a straight count. This inverse relationship is both very disappointing and problematic for Massachusetts hospitals and the communities they serve.

For these many reasons, MHA respectfully requests the issuance of a second "high-impact allocation" payment with an updated and improved methodology – one that prioritizes hospitals that have not yet received hot-spot funds and are located in states with a high percent of COVID-19 cases. This targeted approach will more equitably reflect the financial plight of the hospitals most affected over the past two months by the triaging and caring for coronavirus patients. The patients and communities these hospitals serve depend greatly on these institutions to provide high-quality care during this pandemic and beyond. At this time, the continued viability of these hospitals is highly dependent on the full support of the federal government. We thank you for your commitment to healthcare providers across the country and for your consideration of the unique challenges facing Massachusetts hospitals.

Sincerely,



Steven M. Walsh
President & CEO
Massachusetts Health & Hospital Association

CC: Massachusetts Congressional Delegation