

Representative Ann-Margaret Ferrante, Vice-Chair  
House Committee on Ways & Means  
State House, Room 42  
Boston, MA 02133

Senator Cindy Friedman, Vice-Chair  
Senate Committee on Ways & Means  
State House, Room 208  
Boston, MA 02133

Representative Daniel Hunt, Chair  
House Committee on Federal Stimulus & Census Oversight  
State House, Room 166  
Boston, MA 02133

Representative Aaron Michlewitz, Chair  
House Committee on Ways & Means  
State House, Room 243  
Boston, MA 02133

Senator Michael Rodrigues, Chair  
Senate Committee on Ways & Means  
State House, Room 212  
Boston, MA 02133

The Massachusetts Health & Hospital Association (MHA), on behalf of our member hospitals, health systems, physician organizations and allied healthcare providers, appreciates the opportunity to submit comments regarding the legislature's disbursement plan for the federal American Rescue Plan Act (ARPA) monies.

MHA is grateful for the incredible support that the state legislature and the Baker Administration have offered our providers over the last 18 months. You have been responsive to all of the needs of our healthcare system as it grapples with the greatest public health crisis in a lifetime.

Since the beginning of the pandemic, hospitals and health systems did whatever it took to remain open and accessible to every patient. They spared no expense to rapidly increase bed capacity, secure personal protective equipment, and oversee the operation of field hospitals and vaccination sites – all while treating a relentless disease.

The response of our hospitals and healthcare organizations is what kept Massachusetts from looking like many other states in the country. We were no longer separate hospitals or health systems. We were the commonwealth's hospital system – rounding daily as an entire state while sharing resources, staff, beds, ventilators, and expertise. Our shared response for the common good ultimately saved lives.

And, during this time, we never asked the legislature for funding. We knew you were grappling with your own unprecedented challenges – keeping government, education, commerce, and the economy, running. However, at the same time, our providers lost billions as elective procedures and medical services were scaled back. These financial challenges have continued as a new set of issues have emerged, including severe staffing shortages, critical capacity challenges, a behavioral health boarding crisis, and an influx of non-COVID patients who require intensive care due to deferred treatment.

These providers received critically needed financial relief from federal and state government during the pandemic, but the majority of them still fared worse financially in comparison to pre-COVID periods. According to an MHA analysis of hospital and health system financial data from the Center of Health Information and Analysis (CHIA), hospitals that experienced a decline in their operating

margins had an aggregate \$1.36 billion decline in FY2020 and Q2 FY2021 margins compared with the same periods in FY2019 – even with government COVID-19 financial relief. At the hospital health system level, which includes physician practices that also sustained deep financial losses, that decline grows to \$1.71 billion in the aggregate even after factoring in financial assistance. These staggering losses, which again take all government relief into account, are simply unsustainable and will force tough decisions within our healthcare facilities. ARPA is a pivotal – and perhaps last – chance to restabilize Massachusetts hospitals and health systems, which have been there for the commonwealth and its residents during our darkest hours.

**MHA respectfully requests that the legislature devote \$500 million of the American Rescue Plan Act funding to establish a trust fund for hospitals and their affiliated healthcare providers to support unfunded expenses and lost revenues due to the pandemic.** Similar to the federal government’s recent distributions of Provider Relief Fund monies, the trust fund could be used to provide additional relief based on an application basis that takes into consideration increased COVID-19 expenses and lost revenues incurred during the pandemic that have not been already funded by other sources of relief. In addition, it will also be important to recognize and address hospitals and affiliated providers that have served communities disproportionately affected by COVID-19. Additional support will be needed for these providers beyond a method that solely compares year-to-year finances since other variables can artificially skew the bottom-line financials and the true losses experienced during the pandemic.

Thank you for your time and your consideration of this matter. We again appreciate the legislature’s support as we work together to build back a stronger commonwealth and ensure that our members continue to provide the highest quality of care for all Massachusetts patients.

If you any questions or need further information, please do not hesitate to contact Emily Dulong, MHA’s Vice President of Government Advocacy & Public Policy at (781) 262-6025 or [edulong@mhalink.org](mailto:edulong@mhalink.org), or MHA’s Vice President of Healthcare Finance and Policy, Dan McHale, at (781) 262-6044 or [dmchale@mhalink.org](mailto:dmchale@mhalink.org).

Sincerely,



Steve Walsh  
President & CEO  
Massachusetts Health & Hospital Association