

April 16, 2021

Marvin Figueroa
Director, Office of Intergovernmental and External Affairs
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington D.C. 20201

Dear Mr. Figueroa,

Congratulations on your appointment to the Office of Intergovernmental and External Affairs (Intergov). Ensuring coordination and communication among the various divisions of the Department of Health and Human Services (HHS) is a critical role as the pandemic continues and health care providers struggle to meet the needs of the nation. And, we (the undersigned organizations ranging from hospitals and physicians to providers of post-acute care and long-term services and supports, including those delivering home and community-based services) look forward to working with you particularly as the providers we support struggle to continue to deliver care during the pandemic. The Provider Relief Fund (PRF) has been of critical importance this year and has played a key role stabilizing our nation's health care delivery system.

Ongoing COVID-19 Pressures

As you have experienced in your previous role as the Deputy Secretary of Health and Human Resources for the Commonwealth of Virginia, health care providers continue their struggle to deliver care to COVID-positive or presumed COVID-positive patients as well as non-COVID patients who require routine or emergent care. At the same time, providers also struggle with lost revenue jeopardizing their financial stability. Due to the role health care plays at any level of our economy, the stability of health care providers, ranging from hospital systems to physician practice groups or post-acute and long-term care providers, is critical to our national economic recovery. Every effort also must be made to ensure an adequate number of quality providers remain after the pandemic by ensuring financial stability.

Contributing to provider challenges are increased health care delivery costs as direct care staff, such as nurses, physicians, therapists and other clinicians become ill, must quarantine or leave the profession due to workplace stress, family demands or other reasons. Additionally, the cost of supplies and alterations to health care settings remains extremely high. As the new variants have spread, once again, we are experiencing significant increases in PPE use as clinicians move between patients in the same room and treatment areas. Skilled nursing facilities, hospitals and other care settings are reporting large increases in use of PPE, similar to the surge experienced last spring.

At the same time, many hospitals and other congregate care settings are losing revenue and anticipating continued volatility in patient volume in the months ahead. While some patients are delaying or foregoing entirely elective procedures and/or avoiding post-acute care to reduce their potential COVID-19 exposure, certain providers are providing high-level, frontline care for COVID-19 and other patients due to their competencies and capabilities. The culmination of these factors is increased operating costs while unchanged fixed costs (such as loans and depreciation) and decreased revenue compound the problem. For example, skilled nursing facility occupancy has declined by 14% nationally with some states experiencing as much as 25% declines. Without continued federal support, many health care providers will not be in operation following the pandemic, jeopardizing patient care and our nation's recovery.

PRF 2021 & Going Forward

We appreciate the continued PRF updates and allocations through the Presidential Transition and under President Biden. To ensure the stability of our nation's health care providers, we would like to work with you and your team on several high level PRF operational issues:

- ***Extend the due Date for the Final PRF Report & Return of Unused Funds:*** The vast majority of health care providers continue to struggle with increased COVID-related health care expenses, coverage of testing for example, and most significantly lost revenue. We urge HHS to move the current final report date from June 30, 2021 to December 31, 2022.
- ***Ensuring Expeditious Continued Fund Release:*** We would like to work with HHS on methods to continue to release funds to providers in a timely manner while keeping with HHS' expectations – with respect to both use of the funds and reporting.
- ***Flexibility in Reporting and Oversight:*** We appreciate HHS' FAQ updates on January 28 offering additional detail. Going forward we ask that HHS consider:
 - o Streamlining reporting and using existing data sources as part of reporting to maximize provider time focused on care delivery;
 - o Ensuring that future allocations take into account costs such as staffing agency expenses, worker compensation claims, and unemployment costs borne by many hospitals and other providers;
 - o Shaping the reporting template with the aim of ensuring HHS has a clear line of sight into use of PRF dollars; and
 - o Coordinating reporting requirements with the subsequent development of audit controls and compliance requirements.
- ***PRF Team Member Contact:*** We request to have a designated HHS PRF team member that can help answer questions or concerns from providers that we receive. If possible, it would also be of great assistance to have bi-weekly meetings with the appropriate PRF staff. This way, we can hear any relevant updates and share what our providers are telling us.

Conclusion

We understand you and the new HHS team are assessing the PRF and identifying priorities for future improvements. We look forward to the opportunity to provide insights and support. For any questions regarding these matters that we raised, please do not hesitate to contact AHCA's Sr. Vice President of Reimbursement Policy, Mike Cheek, at mcheek@ahca.org.

Sincerely,

Academy of Physical Medicine and Rehabilitation
American Health Care Association
American Medical Rehabilitation Providers Association
Healthcare Financial Management Association
LeadingAge +VNAA
National Association for Home Care & Hospice
National Association of Long Term Hospitals
National Center for Assisted Living

CC: Diana Espinosa, HRSA Acting Administrator