

Congress of the United States

Washington, DC 20515

April 14, 2020

The Honorable Alex Azar
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue S.W.
Washington, D.C., 20201

Dear Secretary Azar,

We appreciate the efforts of the Department of Health and Human Services (HHS) to expeditiously disburse the first tranche of funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act's Public Health and Social Services Emergency Fund (PHSSEF) to hospitals and other health care providers. However, as HHS prepares to release subsequent funds from the PHSSEF, we strongly urge you to ensure that all health care entities impacted by the Coronavirus Disease 2019 (COVID-19) are able to benefit from these funds with a particular focus on areas hardest hit by this outbreak, as well as rural and underserved areas. Additionally, we believe it is imperative that your department provides maximum transparency around how these funds are being disbursed and which entities are receiving them.

We have been hearing from hospitals, health care providers, and other health care entities across our state about the significant costs they have been incurring since COVID-19 materialized as a threat. Many have seen their budgets stretched thin by a whole host of previously unanticipated costs, including from purchasing personal protective equipment, testing supplies, or other medical equipment and supplies, adding bed capacity to accommodate additional COVID-19 patients, or through the loss of revenue from the cancellation of elective procedures. The quality and effectiveness of our response and our ability to prevent further spread of the virus will be largely dependent on our ability to ensure that health care providers have the resources they need.

As you know, Maryland and, in particular, the Baltimore-Washington Corridor has been identified by the federal government as an emerging hotspot for COVID-19. To date, nearly 9,000 Marylanders have tested positive for COVID-19, nearly 2,000 have been hospitalized, and more than 260 have died. The CARES Act's statutory direction to HHS was very clear in its intent that the PHSSEF funds were for health facilities and providers that prevent, prepare for, and respond to COVID-19, as well as for necessary expenses and lost revenues that are attributable to COVID-19. Therefore, it is disappointing that the formula HHS used to disburse the first tranche of funding did not take into account COVID-related expenses that health care entities have been incurring. We urge you to ensure that this important factor is considered in future disbursements.

While we understand that using Medicare Parts A and B claims from 2019 allowed HHS to disburse the first tranche of funds quickly, it has disadvantaged other critical providers that serve vulnerable and low-income populations. Exclusively focusing on this subset of Medicare

providers fails to recognize the important role that children’s hospitals, nursing homes, providers in rural and underserved areas, senior living providers, and other essential providers play in this crisis. As HHS disburses future tranches of PHSSEF funds, we request that you give due consideration to expenses these providers are also incurring.

Additionally, HHS must provide the maximum amount of transparency on the methods by which the department will allocate PHSSEF funds and detail their disbursement. The CARES Act provides your department with a significant amount of flexibility in these disbursements, which makes it even more important that the public has a full understanding of how HHS decides to allocate these funds and which entities received them.

Thank you in advance for your attention to this matter. We look forward to working with you to ensure that COVID-19-related federal relief funds are targeted in the most effective and impactful manner.

Sincerely,

/s/ Chris Van Hollen

Chris Van Hollen
U.S. Senator

/s/ Benjamin L. Cardin

Benjamin L. Cardin
U.S. Senator

/s/ Steny H. Hoyer

Steny H. Hoyer
Member of Congress

/s/ C.A. Dutch Ruppersberger

C.A. Dutch Ruppersberger
Member of Congress

/s/ John P. Sarbanes

John P. Sarbanes
Member of Congress

/s/ Andy Harris, M.D.

Andy Harris, M.D.
Member of Congress

/s/ Anthony G. Brown

Anthony G. Brown
Member of Congress

/s/ Jamie Raskin

Jamie Raskin
Member of Congress

/s/ David Trone

David Trone
Member of Congress