

Congress of the United States
Washington, DC 20515

April 9, 2020

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

The Honorable Eric. D. Hargan
Deputy Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Secretary Azar and Deputy Secretary Hargan,

Without intervention, COVID-19 will close hundreds of rural hospitals across the country, and tens of thousands of rural patients will lose access to their nearest emergency room. The loss of revenue over the last few weeks, due to the inability to provide non-emergency care, is destabilizing core health services in rural America. Prior to the pandemic, nearly half of all rural hospitals were operating at a loss and rural closure rates were escalating dramatically. Today, these already financially fragile hospitals face catastrophic cash shortages. Many have furloughed staff, instituted massive cuts or are shuttering their doors.

The CARES Act increased funding for the Public Health and Social Services Emergency Fund by \$100 billion in order to reimburse eligible health care providers for health care-related expenses or lost revenues that are attributable to COVID-19. Eligible providers are public entities, Medicare or Medicaid enrolled suppliers and providers, and other for-profit and non-profit entities designated by HHS. The law specified that funding be distributed on a rolling basis through “the most efficient payment systems practicable to provide emergency payment.”

We share significant concerns that the \$100 billion provider fund will not be equitably distributed to small rural hospitals, critical access hospitals and other rural providers who are in grave need of help. We, therefore, ask that any formula to allocate this fund include the following metrics:

1. **A 20 percent Rural Benchmark in the \$100 billion provider fund.** Without equitable formula guidelines, we believe it will be difficult for the rural providers to access the \$100 billion provider grant program.

2. **Priority should be granted to facilities that have been significantly affected by COVID-19 preparation.** Rural facilities have lost 50 percent to 80 percent of revenue due to the elimination of non-emergency services as they prepare for a COVID-19 surge. Access to funds is critical. If they do not receive relief, most will close by the time the surge hits their rural community.

3. **Priority should be granted for facilities that provide care for a disproportionately high percentage of Medicare and Medicaid patients.**
4. **Priority should be granted for facilities that provide care for populations with above average senior populations or co-morbidities that are particularly vulnerable to complications from COVID-19.**

Last year rural hospitals closures hit a record high, and 2020 is on pace to be even higher. So far this year we have had eight rural hospitals close, with several more on the brink. About 60 million people, nearly one in five Americans, live in rural areas and depend on their local hospitals for care. Prior to the COVID-19 pandemic, rural hospitals were already operating on shoe-string budgets, and with the cancellation of elective procedures, have a desperate and immediate need for more funding.

Therefore, we request you make this funding available immediately to provide relief to our struggling health care providers. We also request you provide Members of Congress with a personal briefing by teleconference on this matter no later than April 13, 2020.

Thank you for your attention to ensuring the health and well-being of patients in rural America. We welcome the opportunity to discuss your efforts addressing our concerns.

Sincerely,

Robert E. Latta
United States Representative

Emanuel Cleaver, II
United States Representative

Jack Bergman
United States Representative

TJ Cox
United States Representative

Jimmy Panetta
United States Representative

Sanford D. Bishop, Jr.
United States Representative

Bennie G. Thompson
United States Representative

Terri A. Sewell
United States Representative

Billy Long
United States Representative

Tom Malinowski
United States Representative

John Moolenaar
United States Representative

Jeff Duncan
United States Representative

Bill Johnson
United States Representative

Cheri Bustos
United States Representative

Peter A. DeFazio
United States Representative

Jason Smith
United States Representative

Josh Harder
United States Representative

H. Morgan Griffith
United States Representative

Tim Walberg
United States Representative

Alcee L. Hastings
United States Representative

Anthony Gonzalez
United States Representative

Jared Huffman
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Dave Loebsack
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Jim Costa
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Collin C. Peterson
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Abby Finkenauer
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Bill Huizenga
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Elaine G. Luria
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Vicente Gonzalez
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Henry Cuellar
United States Representative

Lisa Blunt Rochester
United States Representative

Marc Veasey
United States Representative