

May 7, 2020

To the Honorable Members of the Texas Congressional Delegation:

On behalf of our more than 450 member hospitals and health systems, the Texas Hospital Association thanks you for your continued support of multiple forms of financial relief for hospitals that are on the frontlines of the COVID-19 pandemic.

Even with the resources already distributed, continued financial constraints exacerbated by COVID-19 are threatening hospitals' ability to provide care during the COVID-19 emergency and have become a catastrophic financial challenge.

This week, the American Hospital Association estimated a total four-month financial impact of \$202.6 billion in losses for America's hospitals and health systems. This equates to an average of \$50.7 billion in losses per month. We are closely evaluating the evolving situation in Texas and working to more closely estimate the financial impact on our hospitals in our state. The calculations reflect the cost of COVID-19 hospitalizations, losses from cancelled and forgone services, the cost of critically needed personal protective equipment and the cost of additional support hospitals are providing to their workers.

Texas hospitals appreciate the U.S. Department of Health and Human Services' initial releases of emergency funds from the Coronavirus Aid, Relief, and Economic Security Act. However, the distribution formula needs to continue to be modified to better target funding for hospitals and health systems, which serve as the nation's primary source of COVID-19 testing and treatment. Hospitals are the most fundamental and critical part of the country's fight against COVID-19, and a higher percentage of relief funds should be allocated to support them.

The hot spot and rural hospital allocations announced last week will be helpful to those struggling to keep their doors open, but the allocations to date still disadvantage hospitals caring for a disproportionate amount of Medicaid and uninsured individuals.

Given the immense scope of the pandemic, we ask that you provide additional funding to the Public Health and Social Services Emergency Fund as you work on the next fiscal relief package. We request an increase to Medicaid's federal medical assistance percentage (FMAP) rate to support the state's COVID-19 response and recovery.

To support continued access to care, Congress should also:

- Provide loan forgiveness for the Medicare accelerated payments;
- Allow investor-owned hospitals to participate in Federal Emergency Management Agency funding programs without state contracts;
- Lift the cap on graduate medical education slots;
- Repeal the Institutions for Mental Diseases exclusion until one year after pandemic; and,
- Increase outlier payments and extend the eligibility of the diagnosis-related group add-on to long-term care hospitals.



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Additionally, it is important for Congress to address the issue of the uninsured and those who may lose their health insurance due to the COVID-19 and the resulting economic crisis. Because of this, we ask Congress to preserve and build upon private sector coverage by covering the cost of COBRA, increase eligibility to federal subsidies under the Affordable Care Act, allow special enrollment in the health insurance marketplaces and prohibit finalization of the Medicaid fiscal accountability rule.

We appreciate your work to support hospitals and frontline workers during this crisis, and we look forward to continuing to work with you during this critical time to protect the health of all Texans.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Shaw".

Ted Shaw
President/CEO
Texas Hospital Association