

Sept. 30, 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 ongoing support of hospitals and patients throughout the COVID-19 pandemic.

Whether through funding relief legislation or continued advocacy with the Administration and other stakeholders, your tireless work on behalf of Texas hospitals has changed the course of our COVID-19 response for the better. The letter from members of the Texas Congressional House delegation encouraging the U.S. Department of Health & Human Services to consider an additional allocation of hotspot funding for Texas is the most recent example of engagement. Thank you to the members who signed onto the letter. We are hopeful HHS soon will move forward with a funding distribution to help offset the lost revenue and expenses that hospitals incurred during the state's rapid rise in hospitalizations this summer.

This year has been among the most taxing for hospitals, and we cannot underestimate the impact a public health emergency of this immense scope and duration has on the hospital system statewide. While Congress' assistance and aid to the pandemic response has been invaluable, there still are a myriad of issues impacting hospitals. **Texas hospitals ask Congress to provide the following:**

- **Additional funding for the Public Health and Social Services Emergency Fund;**
- **Additional Federal Medical Assistance Percentage relief for states;**
- **Loan forgiveness for Medicare accelerated payments; and**
- **Medical liability protections for health care services impacted by the pandemic.**

As you know, federal requirements for hospital reporting of COVID-19 data have shifted continuously. While Texas hospitals appreciate HHS' commitment to use the best possible data for key decision making, these ongoing changes create tremendous challenges. Texas hospitals have and will continue to comply with the reporting requirements related to COVID-19 bed capacity, utilization and supplies. However, we want to bring to your attention a new and urgent concern related to the retention of Provider Relief Funds distributed to hospitals. HHS last week updated its reporting requirements for PRF payments and substantially changed the definition of COVID-19-related "lost revenue and expenses." The new definition is a drastic shift from guidance previously released June 19 and results in a new calculation formula and set of metrics. Instead of using PRF payments to cover any revenue a provider lost due to COVID-19, the new definition limits the amount of lost revenue providers can cover up to the amount of

their 2019 net patient operating income. As a result, many hospitals, especially rural and those serving high numbers of low-income, elderly and severely ill patients, may be forced to return PRF payments.

Changing the circumstances under which providers can use relief payments—after they were offered and accepted—jeopardizes access to the very care they were intended to protect. We believe the action taken by HHS runs counter to Congressional intent that relief funding help hospitals withstand and recover from staggering losses caused by this ongoing pandemic. **Texas hospitals are working with stakeholders to urge HHS to reinstate the June 19 guidance and ask members of the delegation to reinforce this request.**

Hospitals across the state are proud to stand on the frontlines of COVID-19. Your leadership on our behalf demonstrates a deep, shared commitment to protecting the health of all Texans. We look forward to working alongside Congress as the pandemic continues and as legislative priorities are determined for the rest of the year. Thank you for all of your efforts to support hospitals, frontline workers and the public during this crisis.

Sincerely,



Ted Shaw
President/CEO
Texas Hospital Association