

Congress of the United States
Washington, DC 20515

April 10, 2020

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

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Secretary Azar and Administrator Verma,

We write to follow up on our March 31, 2020 letter regarding the \$100 billion fund for health care providers in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. We are extremely disappointed that the U.S. Department of Health and Human Services (HHS) has failed to consider Congressional intent in distributing the first tranche of funding from the CARES Act. The methodology proposed by HHS to distribute the initial \$30 billion fails to account for the number of COVID-19 cases hospitals are treating and does not address the higher losses faced by hospitals and health care providers in the hardest hit states.

We appreciate the work HHS is doing to ensure rapid issuance of funding from CARES. However, we strongly urge you to ensure the next tranche of funding prioritizes the areas of the country with the highest number of COVID-19 cases. Hospitals and health care providers in New Jersey are on the frontline of this nation's pandemic response. As such, our hospitals and health care providers have had to cease their routine work and have lost revenue while sustaining high levels of COVID-19-related costs. This has left them in dire financial straits even as they continue to be central to the COVID-19 response. One hospital system reports they will see \$1 billion in losses in the best-case scenario while another is on the verge of closure.

The \$100 billion fund in the CARES Act was intended to give hospitals and other frontline providers the resources they need to respond to the COVID-19 pandemic. By considering only Medicare Part A and B claims data and using current Medicare rates, the Administration is punishing hospitals that see high volumes of Medicaid and uninsured patients as well as those states with high rates of Medicare Advantage penetration. In particular, this plan fails to account for states that had to shut down elective procedures prior to other states and is giving additional funding to hospitals who are still performing their normal routine work.

Hospitals at the forefront of COVID-19 response efforts need immediate relief to allow them to remain open and provide high-quality care for patients. For some hospitals in New Jersey, 90

percent or more of their current patient load is COVID-19 patients. We ask that you consider measures to help such hospitals by prioritizing allocations of the next tranche of funding using data that accounts for COVID-19 patient load to improve the ability of the Administration to target funding to those hospitals in the greatest need.

As you consider releasing additional funding, we ask that you immediately consider instituting a COVID-19 modifier to ensure that hospitals with the greatest need are able to access this critical funding. As you are aware, New Jersey is the second most impacted state with 54,588 positive cases, 7,363 hospitalized cases, and 1,932 deaths as of the writing of this letter. We look forward to working with you to ensure the funding for providers in CARES meets the goals intended by Congress and is distributed both expeditiously and fairly.

Sincerely,



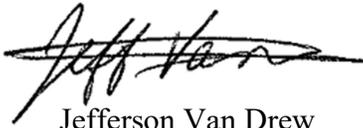
Robert Menendez
United State Senator



Bill Pascrell, Jr.
Member of Congress



Cory A. Booker
United States Senator



Jefferson Van Drew
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