

Congress of the United States

Washington, DC 20515

May 11, 2021

The Honorable Xavier Becerra
Secretary
U.S. Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Becerra:

As members representing a variety of health care providers across our districts, states, and country, we write today to urge the Department of Health and Human Services (HHS) to expeditiously issue additional guidance allowing health care providers to utilize their full award amounts issued under the Provider Relief Fund (PRF). While we thank HHS for the instrumental role it has played in distributing financial assistance to providers, we are concerned that existing program requirements limit the impact of relief measures enacted by Congress. We respectfully request that you extend the June 30 deadline to spend PRF money, and we urge you to distribute the remaining PRF money as soon as possible to get that assistance to providers quickly, as intended by Congress.

In March 2020, Congress passed Coronavirus Aid, Relief, and Economic Security (CARES) Act, which appropriated an initial \$100 billion to reimburse eligible health care providers for “health care related expenses or lost revenues that are attributable to coronavirus” through the PRF. To date, Congress has appropriated \$178 billion for the PRF. While this assistance has been a vital lifeline for our health care providers in their fight against COVID-19, we remain worried that inconsistent and incomplete reporting requirements are limiting the ability of recipients to fully utilize their awards from the PRF.

On January 15, 2021, HHS issued updated *Post-Payment Notice of Reporting Requirements*,¹ superseding guidance issued on November 2, 2020. In this guidance, HHS listed three options recipients may choose from when applying PRF payments towards lost revenue, including up to the amount “calculated by any reasonable method of estimated revenue.” This option requires a recipient to detail its methodology, explain the reasonableness of such methodology, and justify lost revenues were due to coronavirus; recipients electing this option “face an increased likelihood of an audit by HRSA.”

Furthermore, recipients with unused funds were also allowed until June 30, 2021 to cover unreimbursed health care expenses and lost revenues attributable to coronavirus. Guidance limited allowable lost revenues to the difference between:

- 1) 2019 Quarter 1 to Quarter 2 and 2021 Quarter 1 to Quarter 2 actual revenue, or;

¹ <https://www.hhs.gov/sites/default/files/provider-post-payment-notice-of-reporting-requirements-january-2021.pdf>

2) 2020 Quarter 1 to Quarter 2 budgeted revenue and 2021 Quarter 1 to Quarter 2 actual revenue.

Recipients with such unused funds are required submit a second and final report by July 31, 2021 that includes patient care related revenue amounts from 2021 Quarter 1 to Quarter 2. Several providers have requested an extension to the deadline to utilize the PRF because of funds unused due to the changing reporting guidelines. This extension would provide adequate time to complete COVID-19-related projects.

It is critical that every dollar of assistance to our health care providers can go as far as possible to keep people safe and healthy, particularly as we see SARS-CoV-2 variants like B.1.1.7 – which is more transmissible and potentially more deadly – account for an increasing share of new coronavirus cases. Providers are still delivering complex care for patients with COVID-19 and coping with higher procurement costs for personal protective equipment (PPE).

While we share your commitment to ensuring PRF funds are not subject to abuse, these guidelines have significant consequences for providers that operate on thin margins and struggle to maintain cash flow. We have heard from providers, like rural health clinics (RHCs), critical access hospitals (CAHs), and urban safety net hospitals, who have been especially careful to use the PRF only when they have no other choice for fear of being required to return a significant portion of funds back to HHS. This has resulted in hospitals postponing projects that would greatly assist in responding to the pandemic.

An example of these projects would include converting patient care rooms to being negative pressure rooms, allowing for more effective infection control. Hospitals are now in a position to move forward with these projects but face timing concerns with being able to complete the projects by June 30, 2021. Providing much-needed flexibility, such as allowing providers to use a partial lookback window to calculate lost revenues when non-emergent and non-essential procedures were shuttered and, in particular, extending the deadline to use the PRF funds to June 30, 2022 would give these providers the ability to put more of their PRF award toward fighting COVID-19.

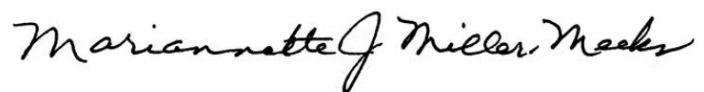
Once again, we thank you for your commitment to ensuring our nation's health care providers have the resources they need to remain in the fight against COVID-19; we urge you to redouble that commitment by extending the June 30 deadline for spending PRF money, offering the additional flexibilities listed above, and distributing the remaining PRF money as soon as possible.

We look forward to working with you to support our ongoing response to COVID-19 and appreciate your attention to this important matter.

Sincerely,



Cindy Axne
Member of Congress



Mariannette Miller-Meeks, M.D.
Member of Congress

/s/
Troy Balderson
Member of Congress

/s/
Nanette Diaz Barragán
Member of Congress

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Joyce Beatty
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Brendan F. Boyle
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Eleanor Holmes Norton
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Tom O'Halleran
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Ilhan Omar
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Dean Phillips
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