

United States Senate

WASHINGTON, DC 20510

April 24, 2020

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

Dear Secretary Azar:

Congress just passed an additional \$75 billion in much-needed funding to protect the viability of our health system, and it is urgent that your Department take immediate steps to make all the direct support available to health providers as quickly as possible. Health providers cannot wait another month for access to financial relief like they have had to do for \$70 billion of the initial \$100 billion appropriated through the CARES Act that your Department has yet to distribute. Our health providers desperately need the \$175 billion in funding, which will help keep our health system intact only if it reaches providers right away.

Michigan providers are under severe financial strain due to lost revenue and added costs in response to the COVID-19 public health emergency, an issue that grows worse every day. The state of Michigan is one of the states hardest hit by the coronavirus pandemic. A wide range of our physical and behavioral health care providers are bravely sacrificing their regular operations in order to handle and mitigate a COVID-19 caseload that is the 7th highest number nationwide with the 3rd highest number of deaths.¹ They are taking every possible step to be there for our families and communities in this time of crisis, and it is essential that we are there for them as well. Yet almost all of these providers have received little or no assistance since you declared a COVID-19 public health emergency in January.

For example, in March hospital revenues fell 13 percent on average compared to the same period last year.² At the same time, expenses are 18 percent higher than in 2019 and nearly 12 percent higher just compared to February.³ Hospitals in the Midwest, including in hotspots like Detroit, have seen an even greater expense hike than the national average. Expenses for Midwest hospitals are 25 percent higher compared to last year, and we are already seeing repercussions in the form of lay-offs and furloughs of thousands of health care workers, including in health systems treating the highest volumes of COVID-19 patients.⁴

We need a strong a health system now in order to overcome the coronavirus, and we need to be sure our health system stays strong into the future as a central component of a healthy population and healthy economy. The health care sector is 18 percent of U.S. GDP with over 7 million

¹ The New York Times, "Coronavirus in the U.S.: Latest Map and Case Count" (April 24, 2020), *available at* <https://www.nytimes.com/interactive/2020/us/coronavirus-us-cases.html>

² Kaufman Hall, "KHA Perspective," *National Hospital Flash Report* (April 21, 2020), *available at* <https://flashreports.kaufmanhall.com/kha-perspective-april-2020>

³ Kaufman Hall, "Expense," *National Hospital Flash Report* (April 21, 2020), *available at* <https://flashreports.kaufmanhall.com/expense-april-2020>

⁴ *Ibid.*

employees.⁵ Any further delay on the distribution of funding to health care providers is unacceptable and may jeopardize our essential health care infrastructure in both the near- and long-term.

We urge you to do all you can to distribute the \$175 billion in funds Congress has now allocated for financial relief across health providers as quickly as possible—not only will this save lives now, but it is absolutely necessary for preventing a collapse in our health care system and giving our economy a chance of recovering from this public health crisis.

Sincerely,



Gary C. Peters
United States Senator



Debbie Stabenow
United States Senator

⁵ Kaufman Hall, *National Hospital Flash Report* (April 21, 2020), available at <https://flashreports.kaufmanhall.com/national-hospital-report-april-2020>