



July 7, 2020

The Honorable Patrick J. Toomey
Chair, Health Subcommittee, Senate Finance
United States Senate
Washington DC 20510

The Honorable Bob Casey
Ranking Member, Children and Families
Subcommittee, Senate Health, Education, Labor,
and Pensions
United States Senate
Washington DC 20510

Dear Senators Toomey and Casey:

The Safety-Net Association of Pennsylvania is most grateful for everything you and your colleagues in our state's congressional delegation are doing to help health care providers serve their communities in these most challenging of times. Many of the measures you have adopted have made a major difference in our ability to meet the needs of our patients, and with Congress considering additional COVID-19 and economic stimulus legislation this month, we would like to bring to your attention several specific improvements that would help us do our job more effectively.

First, we believe the next COVID-19/economic stimulus bill should increase the federal medical assistance percentage (FMAP) by 14 percentage points through June of 2021. Doing so would help ensure that Pennsylvania, a state that now faces a potential \$5 billion revenue shortfall as a result of the pandemic, will have the resources it needs to maintain its Medicaid program.

Second, please allocate an additional \$100 billion in such legislation to reimburse hospitals for our COVID-19 related expenses and revenue losses. The combination of the major investments needed to prepare for and care for COVID-19 patients and the revenue lost from suspending non-urgent procedures has been especially challenging for Pennsylvania's safety-net hospitals. A recent study by Health Management Associates estimates that the combination of increased COVID-19-related expenses and reduced revenue will cost Pennsylvania's hospitals approximately \$10 billion in calendar year 2020. Enacting legislation with another \$100 billion for hospitals would help to ensure the future financial health of Pennsylvania's safety-net hospitals – and other hospitals across the state as well.

Third, SNAP urges you to forgive the federal Medicare revenue advanced to hospitals through the CARES Act's Accelerated and Advance Payment Program. Because of the unprecedented length and persistence of this public health emergency, we believe many hospitals – especially safety-net hospitals – will never recover the revenue they have lost in recent months. Most of them expect to be able to restore financial equilibrium, but they will not be able to do so if they have this enormous debt hanging over their heads.

Fourth, we support delaying again the implementation of Affordable Care Act-mandated cuts in Medicaid DSH allotments to the states, as Congress has already done several times.

Fifth, we urge you to prevent implementation of the Medicaid fiscal accountability regulation (MFAR), which would deprive Pennsylvania of important, established state policy-making prerogatives, create



major new administrative burdens, and inappropriately regulate how the state finances its Medicaid spending.

Finally, we urge you to direct the Centers for Medicare & Medicaid Services to ensure continued eligibility for programs such as the 340B prescription drug discount program, indirect medical education, Medicare DSH, and others for current participants in those programs. The nature of the COVID-19 pandemic has brought such fundamental but temporary changes in whom hospitals serve and how they serve them that permitting hospitals to become ineligible to continue participating in these and other such programs risks allowing these short-term changes to create yet another level of uncertainty and instability for safety-net hospitals and others.

The challenges these proposals seek to address are not future challenges; they are today's challenges. You and your colleagues have responded to this crisis with speed and with skill, and now, we urge you to do so again, and to do so as quickly as possible.

Sincerely,

Kate Finkelstein
Legislative Liaison, Federal Affairs

SNAP

