

October 13, 2020

Ask Your Representatives to Sign ‘Dear Colleague’ Letter Urging HHS to Reinstate June COVID-19 Provider Relief Fund Reporting Requirements

Please contact your representatives today and ask them sign on to a [“Dear Colleague” letter](#) to the Department of Health and Human Services (HHS) urging it to reinstate the COVID-19 Provider Relief Fund (PRF) reporting requirements outlined in HHS’ June 19 [FAQ](#) that defined both expenses and lost revenues attributable to COVID-19. The June requirements, which stated that lost revenue was any revenue that a health care provider lost due to COVID-19, should replace those outlined in HHS’ Sept. 19 [notice](#).

“This sudden and dramatic shift has created numerous problems for the nation’s hospitals at the very same time they continue to be our first line of defense against the COVID-19 pandemic,” the letter states. “We therefore urge you to reinstate the June 19 requirements so that our frontline providers are able to focus their full resources on protecting the health and safety of the communities they serve.”

Reps. David McKinley, R-W.Va.; Mike Thompson, D-Calif.; Roger Marshall, R-Kan.; Mike Levin, D-Calif.; Frank Lucas, R-Okla.; and Tom O’Halloran, D-Ariz.; are circulating the letter. The deadline for signatures on the letter is Oct. 22 at close of business.

BACKGROUND INFORMATION

The Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequent legislation increased funding for the Public Health and Social Services Emergency Fund in order to reimburse eligible health care providers for health care-related expenses and lost revenues attributable to COVID-19. The law specified that recipients of this fund must submit reports and maintain documentation to ensure compliance with payment.

In a June FAQ, HHS stated that hospitals could “use any reasonable method of estimating the revenue during March and April 2020 compared to the same period had COVID-19 not appeared. For example, if [hospitals had prepared a budget] without taking into account the impact of COVID-19, the estimated lost revenue could be the difference between ... budgeted revenue and actual revenue. It also would be reasonable to compare the revenues to the same period last year.”

However, on Sept. 19, HHS issued a new definition of lost revenue, stating that it was “represented as a negative change in year-over-year net patient care operating

income.” It specified that after covering the cost of COVID-19-related expenses, hospitals generally only will be able to apply PRF payments toward lost revenue up to the amount of their 2019 net patient operating income.

Hospitals and health systems throughout the nation have been relying upon the PRF distributions so that they can better withstand the staggering financial losses caused by this unprecedented public health crisis. Retaining these funds as entitled under HHS’ June FAQ will help them continue to serve the patients and communities who depend on them.

See [AHA’s Sept. 25 letter](#) to HHS for more details.

Further Questions

If you have questions, please contact AHA at 800-424-4301.