



Congress of the United States
House of Representatives
Washington, DC 20515

April 20, 2020

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

Dear Secretary Azar:

I am writing to ensure hospitals and other providers receive the funds they need to deliver quality care to patients impacted by the COVID epidemic and help address the severe financial impact as a result of it.

On March 16, 2020, Congress passed the CARES Act that includes \$100 billion to address the increased costs faced by health care providers preparing and treating COVID patients as well as lost revenue. On April 10, 2020, the Department of Health and Human Services (HHS) issued an initial round of funding from the relief fund using the percentage of Medicare Part A and B claims as the basis for distribution.

Massachusetts received \$841,425,130 from the disbursement, but unfortunately the basis for distribution short-changes many essential community hospitals that do not have a large Medicare fee-for-service revenue base.

In particular, hospitals in my district such as Holyoke Medical Center and Mercy Medical Center serve a particularly high Medicaid population. Likewise, Berkshire Medical Center, Harrington Hospital, Shriners Hospital for Children, Dana-Farber Cancer Institute, Boston Medical Center, and other facilities by nature of their payor mix, were disadvantaged by this distribution.

Massachusetts is likely experiencing its peak number of cases and hospital resource use, according to the Institute of Health Metrics and Evaluation (IHME) model. The model projects a potential shortage of over 600 intensive care unit beds during this peak period. While the Commonwealth has done a commendable job preparing for and managing resources in this incredibly difficult time, the state cannot backfill the excess costs and lost revenue that the COVID epidemic has caused.

As of April 19, 2020, we have had 38,077 confirmed cases and 1,706 deaths in Massachusetts. Having completed 162,241 tests thus far, our rate of test positivity is much higher than the goal 5-10% positivity rate, which suggests that we should be doing far more testing than our current rate. It is critical to expand testing and hospital capacity to meet the urgent needs of our case peak, or risk overwhelming our healthcare system and losing more lives.

I understand the Department is working quickly to issue additional disbursements based on other factors. Our Massachusetts providers are on the front lines of the fight. It is imperative that hospitals that treat the most vulnerable patients, Medicaid patients, cancer patients, and children with serious illnesses, have the resources they need to treat and care for Massachusetts patients expeditiously.

I look forward to hearing from you on this important matter in the near future. Please reach out to me or Amy Hall if you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Richard E. Neal". The signature is fluid and cursive, with a large initial "R" and "E".

Richard E. Neal
Member of Congress