



**CALIFORNIA
HOSPITAL
ASSOCIATION**

*Providing Leadership in
Health Policy and Advocacy*

March 18, 2020

Sent electronically

Dear Members of the California Congressional Delegation:

On behalf of the California Hospital Association and our 441 hospitals and health systems, thank you for supporting hospitals and health systems in our response to the evolving COVID-19 pandemic. Our hospitals are deeply appreciative of the ongoing support from local, state, and federal officials as we work through this unprecedented health challenge. As the spread of the virus grows at tremendous speed throughout the state and nation, it is clear that action from Washington needs to be equally fast and potent enough to counter the very real threats hospitals are facing today.

In order to support the care of patients with COVID-19, protect our health care workforce, and meet Californians' other urgent health care needs, CHA asks for your immediate assistance on the following:

Eliminate Threats to Vital Health Care Resources

California hospitals have been subject to \$19.5 billion in resource reduction over the past 10 years, with more cuts scheduled to come. Now, when the health care safety net may be nearing a breaking point, is simply not the time to allow these cuts to move forward. Doing so would undermine the viability of health care providers that are now being called upon to meet a national challenge and are stretched to their absolute limit. Specifically, we ask that you:

- **Eliminate the Medicaid disproportionate share hospital (DSH) cuts**, set to go into effect in less than two months — May 22, 2020 — when hospitals will be in the thick of coronavirus response. California hospitals face a reduction in Medicaid payments of \$179 million if these cuts go into effect.
- **Prevent the implementation of the Medicaid Fiscal Accountability Rule**, which would have a profound negative impact on the state's ability to provide coverage to vulnerable Californians. This rule would drastically reduce funding for Medi-Cal, on which 42% of Californians, nearly 17 million people, rely for health care coverage.

Shore Up Hospital Resources

- **Eliminate the Medicare sequestration cuts**. California's hospitals will incur \$340 million in sequestration cuts over the next year, funds they need urgently for personal protective equipment, staff shortages, physical space reconfiguration, and more.

- **Create a trigger to continue the enhanced Federal Medical Assistance Percentages** funding for COVID-19 hot spots, in anticipation of a significant economic downturn.

Provide Emergency Support for Care Delivery

Hospitals and health systems are working around the clock to prepare for increased surge capacity, with many taking unprecedented measures to expand their ability to care for current and anticipated COVID-19 cases. Hospitals need to focus limited resources on those who need acute care services; to do so efficiently, they need to be able to transfer patients to alternative sites for sub or post-acute care and/or isolation. To support this life-saving work, we ask for two things:

- **Provide federal funds to states to rapidly expand treatment capacity**, including the purchase of buildings and supplies and to secure additional staff.
- **Augment the supply chain** in any and all ways possible to dramatically increase production of protective equipment, ventilators, medication, and testing supplies.

Finally, we urge Congress and the administration to work together to ensure resources get to the places they are needed quickly. This is a time when our country and her people will be strained — professionally and personally. Health care workers are not immune from that; while caring for a surge of patients, they still have childcare issues, pantries to fill, older parents to look after. Your support is a lifeline for them and will provide much-needed stability as they rise to the challenge before us all.

With that, as America's health care workers rise, we ask that you, in turn, match them in their commitment to all who need health care by taking swift, decisive action on the requests outlined in this letter.

Thank you again for your continued commitment and partnership as we work together to address the COVID-19 pandemic.

Sincerely,



Carmela Coyle
President & CEO