



August 19, 2021

Sent electronically

Dear Members of the California Congressional Delegation:

For the past 18 months, California's hospitals have worked tirelessly to respond to the COVID-19 pandemic. Across the state, our more than 400 member hospitals and health systems have responded to the call to care for their communities quickly and with an extraordinary investment — an investment they made in the face of critical resource shortages, including testing supplies, personal protective equipment, and staff. As the pandemic continues — California's statewide number of confirmed cases and COVID-19-related hospitalizations have more than doubled since the beginning of July, and [consensus projections estimate](#) that the current wave will not peak until mid-October — hospitals will need continued federal support. Specifically, **we ask you to support the Provider Relief Fund Deadline Extension Act (S. 2493/H.R. 4735), which would offer hospitals the financial flexibility that will be crucial to continued pandemic response.**

Since the start of the pandemic, California hospitals have incurred an estimated \$15.6 billion in financial losses ([The Financial Impact of COVID-19 on California Hospitals](#), June 2020). Unfortunately, total federal support to date has only covered [\\$8.6 billion of the increased expenses and lost revenue](#). Further complicating the issue are artificial deadlines set by the Department of Health and Human Services (HHS) that require hospitals to have spent — no later than June 30, 2021 — any Provider Relief Funds received from April 10 through June 30, 2020.

Provider Relief Funds received from April 10 through June 30, 2020, account for approximately 70% of the total payments received by California hospitals. The timing of these payments and artificial spending deadline means that some hospitals would have to spend this bolus of funds unnecessarily fast or they may be required to return needed funds, despite continuing to incur significant expenses caring for patients with COVID-19 and partnering with local communities to deliver the vaccinations necessary to end the public health emergency.

As the number of patients hospitalized with COVID-19 continues to rise, hospitals will need the flexibilities offered by S. 2493/H.R. 4735, including:

- Allowing providers to use Provider Relief Fund payments through Dec. 31, 2021, or the end of the COVID-19 public health emergency, whichever is later
- Aligning the deadline to utilize funds with the end of the public health emergency, thereby simplifying the reporting process for both HHS and providers

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- Allowing HHS additional time to [clarify key unanswered](#) questions about reporting on spent Provider Relief Funds, which to date have been left unresolved by the agency

S. 2493/H.R. 4735 takes an important step in recognizing Congress' intent when it passed the CARES Act — to provide relief to hospitals caring for patients **throughout** the pandemic's duration. This is not the time to take away crucial funding to support care and vaccination efforts. Now, more than ever, we need your support to turn the tide on this pandemic.

Sincerely,



Carmela Coyle
President & CEO
California Hospital Association