



August 2, 2022

*Sent electronically*

**Subject: FEMA Reimbursement for Hospitals' Pandemic Expenses**

Dear Members of the California Congressional Delegation:

On behalf of our more than 400 hospital and health system members, the California Hospital Association (CHA) thanks the California delegation for supporting hospitals during the ongoing COVID-19 public health emergency (PHE). Your support has helped save the lives of countless Californians and ensured that hospitals had adequate resources to continue providing access to care for all who need it.

We urge you to ask the Federal Emergency Management Agency (FEMA) to expedite the processing and payment of outstanding eligible expenses for the costs California's hospitals have incurred caring for the state's COVID-19 patients. This will ensure a sustainable health care delivery system in California that can continue playing a vital role against COVID-19 and that is prepared to respond to the next PHE.

California's hospitals have played a vital role in caring for COVID-19 patients while also continuing their broader mission of providing health care services to all who need them. But in responding to the pandemic, hospitals have also incurred considerable costs as they expanded capacity (often in response to requests from the state or a locality), purchased necessary equipment like ventilators, secured stocks of personal protective equipment, and hired additional clinical staff to ensure they had capacity to care for their communities. As a result of these lifesaving actions, California's hospitals have lost more than \$12 billion — even after including federal relief funds — according to an analysis by the consulting firm Kaufman Hall. These losses are financially unsustainable and threaten access to care for some Californians, as over half of the state's hospitals had negative margins in 2021.

Just more than half of FEMA-eligible hospitals in California responded to a recent survey of expenses submitted to FEMA for reimbursement. Based on that survey, about half of eligible hospitals have submitted over \$541 million in qualified expenses to FEMA for reimbursement to blunt the negative impact the PHE is having on their ability to deliver care. Unfortunately, FEMA reimbursement has been slow, and only \$9 million has been received as of June. Many of these outstanding unreimbursed expenses date to the early days of the pandemic. This includes \$45 million (8%) from applications submitted in 2020 and \$119 million (22%) from 2021; \$376 million (70%) in expenses have been submitted so far in 2022.

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CHA appreciates your continued leadership in protecting Californians during the COVID-19 PHE. If you have questions about our concerns, please contact Anne O'Rourke, senior vice president, federal relations, at [aorourke@calhospital.org](mailto:aorourke@calhospital.org) or (202) 488-4494.

Sincerely,



Carmela Coyle  
President & CEO  
California Hospital Association