



November 18, 2024

Subject: FEMA Reimbursement for California Hospitals' Pandemic Expenses

Dear Members of the California Congressional Delegation:

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

Unfortunately, the pandemic's financial impact lingers on for California's hospitals, in part due to the delay of promised reimbursements from the Federal Emergency Management Agency (FEMA) to California's hospitals for expenses they incurred during the COVID-19 pandemic.

CHA is deeply concerned about the slow pace of these reimbursements. Across the 10 FEMA regions, Region 9, which includes California, has processed and paid the second lowest percentage of public assistance claim dollars overall. According to OpenFEMA's Public Assistance data, Region 9 has obligated just 71% of the total dollars applied for in all applications (see FEMA Regional Analysis attachment), while the other nine regions have obligated an average of 82%.

For hospitals, the reimbursements applied for and paid are even less. Current data from OpenFEMA shows that 260 of California's hospitals and health systems (see FEMA Hospital Applications attachment) have applied for \$3.4 billion in FEMA public assistance, with many claims dating back to 2020 — and only \$2.1 billion (approximately 62% of the amount applied for) has been obligated.

We urge you to ask FEMA Region 9 to expedite processing and obligation of outstanding claims for eligible expenses submitted by California's hospitals.

California's hospitals played a vital role in caring for COVID-19 patients while simultaneously continuing their broader mission of providing health care services to all who needed them. But in responding to the pandemic, hospitals also incurred considerable costs as they expanded capacity (often in response to requests from state or local government), purchased necessary equipment like ventilators, secured large stocks of personal protective equipment, and hired additional clinical staff to ensure they had capacity to care for their communities.

California's hospitals are proud of their response to this unexpected crisis — but they are struggling financially. Nearly half of all hospitals in California lose money every day delivering care. Another 12% are barely above break-even. Communities are experiencing service limitations and facility closures. Access to care is threatened.

Obligating the \$1.3 billion for outstanding FEMA applications would certainly help hospitals meet their community's needs. As previously noted, many of the outstanding applications are for expenses incurred in 2020 — expenses Congress directed FEMA to reimburse. We look forward to that promise being fulfilled soon.

CHA appreciates your continued leadership in protecting access to care for Californians. If you have questions about our concerns, please contact Anne O'Rourke, senior vice president, federal relations, at aurourke@calhospital.org.

Sincerely,



Carmela Coyle
President & CEO
California Hospital Association

Attachments: FEMA Regional Analysis
FEMA Hospital Applications by CA CD