



April 17, 2020

VIA EMAIL

The Honorable Kyrsten Sinema
The Honorable Martha McSally
The Honorable Tom O'Halleran
The Honorable Ann Kirkpatrick
The Honorable Raúl Grijalva
The Honorable Paul A. Gosar, D.D.S.
The Honorable Andy Biggs
The Honorable David Schweikert
The Honorable Ruben Gallego
The Honorable Debbie Lesko
The Honorable Greg Stanton

Dear Senators and Representatives:

On behalf of over 80 hospitals and healthcare organizations in the State of Arizona, I am writing to urgently request your help with keeping hospitals open during and following the COVID-19 pandemic response.

Our hospitals report revenues are down 30-40% due to the cancellation of elective procedures and a reduction in emergency department visits. On a statewide basis, that equates to a revenue reduction of \$430 million to \$575 million per month.¹ These hospitals have also made significant investments in equipment and staffing to prepare for a possible surge of COVID-19 patients. Arizona's hospitals are doing everything in their power to maintain current operations, but severe, unabated and continuing financial losses are forcing hospitals to begin to implement options such as furloughing employees and even reducing staffing levels, which will be especially problematic during this public health emergency.

Hospitals are extremely grateful for the \$100 billion hospital fund Congress authorized in the CARES Act. AzHHA estimates the recent \$30 billion allocation from this fund resulted in approximately \$220 million in payments to some of Arizona's hospitals. While helpful to certain hospitals, \$220 million does not cover even one month of the approximately \$500 million in losses Arizona's hospitals are sustaining on a monthly basis.

To ensure the \$100 billion CARES Act fund succeeds in assisting hospitals during their greatest time of need, we are requesting your assistance with urging the U.S. Department of Health and Human Services to distribute the remaining \$70 billion in funding directly to hospitals without further delay. AzHHA supports and echoes the recommendation of the American Hospital Association, our national partner, to distribute these funds directly to hospitals in an equitable manner, such as according to the total

¹ AzHHA has analyzed data from the 2018 Uniform Accounting Report to calculate the revenue loss to Arizona's hospitals

number of beds, total net patient revenue, or adjusted admissions. Hospitals are on the front lines battling this pandemic. Meeting this great need requires resources to maintain the healthcare delivery system and we appreciate Congress' recognition of the urgency of this situation.

Additionally, Arizona hospitals respectfully request your support of the additional \$100 billion fund under discussion to assist hospitals during the COVID crisis. While healthcare providers with high Medicare fee-for-service payer mixes were assisted by the recent \$30 billion distribution, safety net hospitals with high Medicaid populations, hospitals in COVID-19 hot spots, and rural hospitals with limited resources are in dire need of additional assistance. Furthermore the allocation method based on Medicare fee-for-service reimbursements disadvantaged states like Arizona with Medicare Advantage saturation that is four percentage points higher than the national average.² As you know, the healthcare industry makes up one-sixth of this country's economy, and a financially stable healthcare system with adequate resources to fight this pandemic is a prerequisite for the nation's economic recovery.

Every resident and every community in the state of Arizona is relying on hospitals to remain open and be prepared to treat patients during this state of emergency. And yet, hospitals are facing a financial crisis precisely when they are being relied upon the most. We are now in your care and we thank each of you for your understanding, your support and your dedication to serving the country and the great State of Arizona during this unprecedented time.

Please do not hesitate to reach out to me directly with any questions.

Sincerely,



Ann-Marie Alameddin
President and Chief Executive Officer

/enclosures

² See <https://www.kff.org/medicare/fact-sheet/medicare-advantage/>.