



June 4, 2020

The Honorable Patrick J. Toomey  
Chair, Health Subcommittee, Senate Finance  
United States Senate  
Washington DC 20510

The Honorable Bob Casey  
Ranking Member, Children and Families  
Subcommittee, Senate Health, Education, Labor,  
and Pensions  
United States Senate  
Washington DC 20510

Dear Senators Toomey and Casey:

The Safety-Net Association of Pennsylvania appreciates how much you and your colleagues in Pennsylvania's congressional delegation and Congress have done to guide our country through the greatest public health challenge we have faced in more than 100 years. Our state's safety-net hospitals, and others like us, find ourselves again in need of your help, and we need it as soon as possible. Many of the forms of assistance we seek were addressed by the House last month in the HEROES Act, but whether by taking up that legislation or through other means, we urge the Senate to include five specific policies in its next COVID-19 aid/financial stimulus legislation.

First, we believe the next COVID-19/economic stimulus bill should increase the federal medical assistance percentage (FMAP) by 14 percentage points through June of 2021. Doing so would help ensure that Pennsylvania, a state that now faces a potential \$5 billion revenue shortfall as a result of the pandemic, will have the resources it needs to maintain its Medicaid program.

Second, please allocate an additional \$100 billion in such legislation for hospitals. The combination of the major investments needed to prepare for and care for COVID-19 patients and the revenue lost from suspending non-urgent procedures has been especially challenging for Pennsylvania's safety-net hospitals. We support using this \$100 billion to reimburse hospitals for our COVID-19-related expenses and revenue losses, with the amount of assistance weighted based on the relative proportions of Medicaid, Medicare, and commercially insured patients hospitals serve to ensure that those caring for the highest proportions of government-insured patients receive the additional resources they need and deserve. A recent study performed by Health Management Associates estimates that the combination of increased COVID-19-related expenses and reduced revenue will cost Pennsylvania's hospitals approximately \$10 billion in calendar year 2020. Enacting legislation with another \$100 billion for hospitals would help to ensure the future financial health of Pennsylvania's safety-net hospitals – and other hospitals across the state as well.

Third, we support delaying again the implementation of Affordable Care Act-mandated cuts in Medicaid DSH allotments to the states, as Congress has already done several times.

Fourth, we urge you to prevent implementation of the Medicaid fiscal accountability regulation (MFAR), which would deprive Pennsylvania of important, established state policy-making prerogatives, create major new administrative burdens, and inappropriately regulate how the state finances its Medicaid spending.



Finally, SNAP urges you to reduce interest rates and lengthen the payback period for money provided to hospitals through the CARES Act's Accelerated and Advance Payment Program because it is now clear that for hospitals, this recovery will take much longer than most of us expected.

The challenges these proposals seek to address are not future challenges; they are today's challenges. You and your colleagues have responded to this crisis with speed and with skill, and now, we urge you to do so again, and to do so as quickly as possible.

Sincerely,

Kate Finkelstein  
Legislative Liaison, Federal Affairs

