

# United States Senate

WASHINGTON, DC 20510

October 9, 2020

The Honorable Alex Azar  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Azar:

We write to express our concerns regarding the recent change in reporting requirements for health care providers that have received emergency relief through the Provider Relief Fund (PRF) and to respectfully request that you reinstate the original reporting requirements for determining lost revenue that the Department of Health and Human Services (HHS) first released in June of this year.

As you know, the CARES Act established the PRF to reimburse health care providers for health care-related expenses or lost revenue due to the coronavirus pandemic. The PRF has been critical in helping hospitals and health care systems across the country navigate the serious financial challenges posed by this pandemic, preventing many providers from being forced to permanently close their doors.

As a condition for receiving PRF funds, the CARES Act required these recipients to submit reports and maintain documentation to certify their compliance with program requirements. In June, HHS released initial guidance outlining some of these reporting requirements and directed providers to calculate lost revenue by comparing actual 2020 revenue with budgeted 2020 revenue or with 2019 revenue.<sup>1</sup> On September 19, HHS released updated reporting requirements that directed providers to use net operating income to calculate lost revenue—a substantial change from the directions issued in June.<sup>2</sup>

We have heard from hospitals and health systems in our states who are concerned that this change in the definition of lost revenue will force them to return funds to HHS that they have received from the PRF. In particular, rural hospitals and those that serve high numbers of low-income, elderly, and severely ill patients—which already operate on thin financial margins—may be especially impacted by this change.

We are concerned that this change in reporting requirements changes the terms of the relief as providers initially understood them based on the initial June guidelines—further exacerbating the financial challenges and uncertainty that these systems continue to grapple with as a result of the pandemic. Therefore, we respectfully request that you reinstate the original June requirements for determining lost revenue in order to prevent unnecessary financial uncertainty for hospitals

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<sup>1</sup> <https://www.hhs.gov/sites/default/files/provider-relief-fund-general-distribution-faqs.pdf>

<sup>2</sup> <https://www.hhs.gov/sites/default/files/post-payment-notice-of-reporting-requirements.pdf>

and health care providers and to prevent them from being forced to return PRF funds that they have already received.

Thank you for your time and attention to this important measure. We look forward to working with you to continue supporting our hospitals and ensuring that this pandemic does not cause further, long-term disruptions to Americans' access to care.

Sincerely,

/S/ Amy Klobuchar

Amy Klobuchar  
United States Senator

/S/ Tina Smith

Tina Smith  
United States Senator

/S/ Michael F. Bennet

Michael F. Bennet  
United States Senator

/S/ Tammy Duckworth

Tammy Duckworth  
United States Senator

/S/ Jeffrey A. Merkley

Jeffrey A. Merkley  
United States Senator

/S/ Doug Jones

Doug Jones  
United States Senator

/S/ Christopher A. Coons

Christopher A. Coons  
United States Senator

/S/ Bernard Sanders

Bernard Sanders  
United States Senator

/S/ Jack Reed

Jack Reed  
United States Senator

/S/ Mazie K. Hirono

Mazie K. Hirono  
United States Senator

/S/ Tammy Baldwin

Tammy Baldwin  
United States Senator

/S/ Joe Manchin III

Joe Manchin III  
United States Senator

/S/ Kyrsten Sinema  
Kyrsten Sinema  
United States Senator

/S/ Patrick Leahy  
Patrick Leahy  
United States Senator

/S/ Dick Durbin  
Richard J. Durbin  
United States Senator

/S/ Richard Blumenthal  
Richard Blumenthal  
United States Senator

/S/ Gary C. Peters  
Gary C. Peters  
United States Senator

/S/ Chris Van Hollen  
Chris Van Hollen  
United States Senator

/S/ Angus S. King Jr.  
Angus S. King Jr.  
United States Senator

/S/ Sheldon Whitehouse  
Sheldon Whitehouse  
United States Senator

/S/ Edward J. Markey  
Edward J. Markey  
United States Senator

/S/ Thomas R. Carper  
Thomas R. Carper  
United States Senator