



October 7, 2020

Dear Senator Schumer,

Thank you for your leadership and action in passing legislative relief packages that have helped hospitals and health systems in Upstate New York weather unprecedented operational and financial challenges created by the COVID-19 pandemic and enabled them to continue to provide high-quality care to their patients and communities.

The Upstate NY Healthcare Coalition again urgently asks for your help to make sure those critical funds are not clawed back from hospitals due to unrealistic and unconventional reporting requirements recently imposed by the Department of Health and Human Services (HHS). The Coalition, a partnership between Iroquois Healthcare Association and Pandion Optimization Alliance, makes this appeal on behalf of 60 hospitals and health systems and the millions of New Yorkers they serve in 45 Upstate New York counties across 40,000 square miles.

Please urge the White House and HHS to reinstate “rules” they issued in June and to scrap new reporting requirements posted on September 19. Issuing new definitions amounts to moving the goal posts and will require many hospitals, especially those in rural areas and serving vulnerable communities, to return Provider Relief Funds (PRF) at a time of extraordinary financial frailty.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequent legislation increased funding for the Public Health and Social Services Emergency Fund (or, PRF) to reimburse eligible health care providers for health care-related expenses and *lost revenues* attributable to COVID-19. The law specified that recipients of this fund must submit reports and maintain documentation to ensure compliance with payment.

HHS established guidance for that reporting in [June FAQs](#), stating that hospitals could “use any reasonable method” to account for lost revenue defined as “any revenue that ... a health care provider lost due to coronavirus.” On September 19, HHS changed those rules by issuing a [new definition](#) of lost revenue as “a negative change in year-over-year *net patient care operating income*” and limiting lost revenue up to the amount of their 2019 net patient operating income.

This new definition, with a formula and metrics that are unfair and unrealistic, will require many hospitals to return PRF funds, which certainly is contrary to congressional intent. The sudden shift also [creates](#) a tremendous administrative burden and wreaks havoc for hospitals in accounting, auditing and bond rating areas.

Please help hospitals to continue serving patients and communities who depend upon them. Urge HHS to reinstate the June reporting requirements so hospitals will not find themselves returning funds they so desperately need given the staggering impact COVID has had on them and in anticipation of ongoing COVID challenge and uncertainty.

Thanks again for your support. Please feel free to contact us if you have questions.

Sincerely,

Handwritten signature of Gary J. Fitzgerald in black ink.

Gary J. Fitzgerald
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