July 29, 2020

Dear Senator Gillibrand,

The Upstate NY Healthcare Coalition, a partnership between Iroquois Healthcare Alliance and Pandion Optimization Alliance, makes this urgent appeal asking you to ensure that our essential Upstate New York health care system is not decimated by the impact of the COVID-19 pandemic. We make 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 implore Senate leadership and the Administration to provide adequate, appropriate, and desperately needed support and relief to hospitals and health systems and our hero caregivers in the COVID-19 relief package currently being negotiated. The Senate’s Health, Economic Assistance, Liability Protection and Schools (HEALS) is extraordinarily deficient.

Please convince leaders in Congress to include the following crucial top priorities for your hospitals and health systems and the citizens who rely on them in Upstate New York:

- **Forgive Medicare accelerated payments:** repayment is due in August for most hospitals at a time when they are struggling to stay afloat given massive losses during the COVID surge in New York and ongoing financial challenges.

- **More funding in the Provider Relief Fund + Net Patient Revenue Distribution Formula:** The House HEROES Act includes the commensurate amount at $100 billion. Hospitals across the U.S. are projected to lose $323 billion this year and see margins drop to minus 7 percent in the second half of 2020. Additional funding for hospitals and health systems is even more vitally important for Upstate hospitals that so far have received only 12.1% of the CARES money disbursed to New York State, as illustrated by the graph below.* Net patient revenue is the only distribution formula that can guarantee fair and equitable funding for hospitals across the country, and across New York State.

- **Direct funding for state and local governments:** Without significant financial support, such as the $875 billion in the HEROES Act, the state will likely cut Medicaid by 20 to 30% on top of the $2.5 billion spending reduction already made this year.

- **Retain liability protections** that are included in the Senate HEALS legislation.

Other key priorities for hospitals and health systems include: support for health care heroes, increase coverage options for the uninsured, increase the Medicaid Federal Medical Assistance Percentage (FMAP), eliminate Medicaid disproportionate share hospital (DSH) cuts that will go into effect on Dec. 1, and prevent the implementation of the Medicaid Fiscal Accountability Rule (MFAR), which would have a devastating impact on the state’s ability to finance the Medicaid program. We also ask that unreasonable Occupational Safety and Health Administration (OSHA) standards in the HEROES Act not be included in the final package.

Since the pandemic began, Upstate New York hospitals stood ready. They prepared for an influx of patients by creating surge capacity, expanding operations and infrastructure, and acquiring needed
supplies. When the surge did not happen, *Upstate hospitals offered to take patients from downstate, to share staff and donate equipment and supplies at a time when costs for masks, isolation gowns, face shields and gloves increased between 300% and 2,000%.* When all hospitals halted all non-urgent, non-COVID services, hospital revenue also ceased. Ensuing financial losses *forced hospitals from Buffalo to Albany to layoff or furlough over 6,000 healthcare workers.* When hospitals were permitted to resume services, many patients hesitated to seek care for elective procedures and even for urgent problems like heart attack and stroke.

Hospitals remain in a heightened state of readiness should another surge occur. They continue to incur unanticipated challenges such as inadequate testing supplies and lab capacity, continued PPE cost increases, and anxious patients not presenting for care. Combined with prudent changes in operations to keep patients and employees safe, revenue has not recovered meaning hospitals continue to fall further behind financially with no hope of making up unprecedented losses from the initial surge in spring without your help.

On behalf of our Upstate hospitals and health systems and the patients and communities they serve, we thank you for your urgent action and advocacy and we look to you to make sure this unprecedented pandemic does not result in permanent harm to the health care system in Upstate New York.

Sincerely,

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* Graph excludes recent $4 billion for rural and high-impact providers and the $5 billion nursing home allocation distributed since hospital-specific disbursements were not available.