



April 15, 2020

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

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
200 Independence Avenue SW
Washington, DC 20201

RE: Distribution of Remaining Public Health and Social Services Emergency Funding

Dear Secretary Azar and Administrator Verma:

I am writing on behalf of LeadingAge New York regarding the distribution of the remaining \$70 billion of Public Health and Social Services Emergency Funding authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act [Public Law No. 116-136]. LeadingAge NY respectfully urges the Department of Health and Human Services (HHS) to strongly consider the needs of long term and post-acute care (LTPAC) providers in the hardest-hit states such as New York when determining how this much-needed funding will be allocated.

LeadingAge NY represents over 400 not-for-profit and public providers of LTPAC and senior services throughout New York State, including nursing homes, adult care and assisted living facilities, home health agencies, adult day health care programs, hospices, community-based providers and retirement housing. Our member organizations are on the front lines of providing essential services to seniors and disabled people of all ages, while maintaining the health and safety of those they serve and employ during this public health emergency.

As you are aware, the CARES Act authorized a \$100 billion Public Health and Social Services Emergency Fund to provide expedited financial support to hospitals and other health care providers to help underwrite health care-related expenses or lost revenue attributable to COVID-19 and to ensure uninsured Americans can receive testing and treatment. We were pleased to see that HHS acted quickly to distribute the first \$30 billion of this funding to providers that received Medicare fee-for-service revenue during 2019, including skilled nursing facilities (SNFs), certified home health agencies (CHHAs) and hospices. This was a helpful first step.

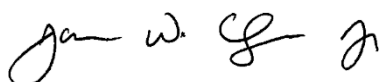
However, this funding was not targeted to meet the needs of providers most profoundly affected by added costs and revenue disruptions resulting from the COVID-19 pandemic. HHS has indicated that

the remaining \$70 billion in program funding will be distributed in a more targeted manner, focusing on providers in areas particularly impacted by the COVID-19 outbreak, rural providers, providers of services with lower shares of Medicare reimbursement or that predominantly serve the Medicaid population, and providers requesting reimbursement for the treatment of uninsured Americans. LeadingAge NY supports this general direction, with the following additional considerations:

- As of this writing, New York State comprises 33 percent of all positive COVID-19 cases and 44 percent of all COVID-19 deaths in the United States. Subsequent distributions of this funding should account for the percentages of COVID-19 cases in and within each state as a proxy for the need for assistance.
- SNFs, hospices, CHHAs and adult care and assisted living facilities are at the forefront of serving individuals who, due to their advanced age and clinical complexity, are at considerable risk and have the highest rates of mortality from COVID-19. This has necessitated significant added staffing, equipment and supplies expenditures, and has led to revenue disruptions due to reduced referrals of non-COVID-19 patients from acute care hospitals. The level of Medicaid utilization is a helpful proxy for purposes of directing much needed funding to these providers.
- New York's LTPAC providers were already under considerable financial pressure before this pandemic began. In 2018, 60 percent of not-for-profit nursing homes and 86 percent of public nursing homes in New York incurred operating losses. Seventy-two percent of New York's CHHAs and 50 percent of its hospice programs are operating with negative margins. Many of these providers are particularly vulnerable to the impact of increased costs and disrupted revenues associated with COVID-19 and are in danger of insolvency or even closure.

Thank you in advance for ensuring that LTPAC providers in states most adversely affected by COVID-19 will be a focus in the allocation of the remaining Public Health and Social Services Emergency funding. Kindly contact us with any questions that may arise.

Sincerely,



James W. Clyne, Jr.
President and CEO

jclyne@leadingageny.org

cc: New York State Congressional Delegation
Katie Sloan, President and CEO, LeadingAge