



California's Community Safety Net Hospitals

Essential to Access, Essential to Health

Private Essential Access Community Hospitals

PEACH

April 8, 2020

The Honorable Alex Azar
Secretary, Department of Health and Human
Services

200 Independence Avenue, S.W.
Washington D.C. 20201

The Honorable Seema Verma
Administrator, Centers for Medicare and
Medicaid Services

200 Independence Avenue, S.W.
Washington D.C. 20201

Dear Secretary Azar and Administrator Verma

On behalf of Private Essential Access Community Hospitals (PEACH), a statewide association representing California's core community safety-net hospitals that care for a disproportionate share of low-income, medically vulnerable patients, we would like to thank you for the progress outlined yesterday toward distributing \$30 billion of the \$100 billion designated in the CARES Act for hospitals and health care providers. Hospitals like ours need these resources to help ensure our continued ability to serve our low-income, medically vulnerable communities during this coronavirus pandemic and we are most grateful for your efforts.

As the Department of Health and Human Services prepares for a second round of funding for health care providers, PEACH hopes you will pay particular attention to hospitals like ours that serve especially high proportions of Medicaid and Medicare patients. Yesterday's briefing acknowledged that some providers will not benefit from the first round of funding and said efforts to help those providers would be renewed in the next round. It appears private safety-net hospitals will benefit from the first round of payments, yet PEACH believes such providers deserve additional assistance in the second round as well.

The distribution of the first round of these funds is based on prior Medicare payments. Without considering the volume and proportion of Medicaid patients, many safety net hospitals that predominantly treat low-income populations and have the least amount of resources, will not receive an equitable allocation of relief. When the next round of this funding is released, it would be very helpful to the safety net if those with the least resources and means are considered equally in the next distribution formula. We very much appreciate the support you have shown to California's community safety net hospitals.

Private safety-net hospitals like those that belong to PEACH are leading the fight against the coronavirus. We appreciate everything you have done to support us so far and ask that the next round of CARES grants to hospitals support us as we lead this fight. We hope to see this additional support, moreover, as soon as possible.

Sincerely,

Anne McLeod
President and CEO



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