



March 31, 2020

Bette Brand
Deputy Under Secretary
Rural Development
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Dear Ms. Brand:

Last Friday, Congress passed and President Trump signed a \$2.2 trillion stimulus bill designed to relieve the American economy from the widespread effects of the COVID-19 crisis. It includes several components designed to provide financial support for hospitals as they incur new costs for COVID-19 treatment capacity while concurrently experiencing a major loss of revenue from foregone elective surgeries and other procedures.

We applaud the passage of the stimulus package as it will provide much needed relief to hospitals. However, some hospitals — particularly smaller hospitals in rural communities — do not have enough liquidity to bridge immediate cash flow needs until the stimulus funding is distributed. These hospitals are seeking options that will help them survive their current and worsening short-term cash shortages.

The United States Department of Agriculture is a reliable source of financing for many rural hospitals. In Missouri, 11 hospitals have outstanding USDA loans. We understand that federal laws and regulations do not allow the USDA to change the terms and conditions of a loan. However, we urge the USDA to act within its own authority to work with vulnerable hospitals as they confront a challenging situation. For example, the USDA could temporarily suspend monthly loan payments until such time as the national emergency is lifted. Another option could impact the USDA requirement that hospitals reserve 10 percent of their annual debt service. Allowing the reserve funds to be temporarily accessed for short-term working capital would buy time that some rural hospitals urgently need until funding begins to flow from the COVID-19 stimulus legislation. Both of these options — perhaps others — would enable those hospitals to focus on patient care during this national public health emergency. It also would help promote their financial viability and capacity to fully discharge their obligations to the USDA.

We encourage the USDA to work with rural Missouri hospitals that request assistance to find ways to help them preserve their short-term financial viability in this sudden national public health emergency.

Sincerely,

Blake Hurst, President
Missouri Farm Bureau

Herb B. Kuhn, President and CEO
Missouri Hospital Association

bh:hk/jk

c Members of the Missouri Congressional Delegation