



Herb B. Kuhn
President and CEO
P.O. Box 60
Jefferson City, MO 65102

MEMO

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TO: Missouri Congressional Delegation

FROM: Herb B. Kuhn
President and CEO

SUBJECT: Allowing Public Hospitals to Participate in Paycheck Protection Program

The Missouri Hospital Association would like to bring to the attention of the Missouri Congressional Delegation a concern related to the Coronavirus Aid, Relief and Economic Security (CARES) Act.

The COVID-19 crisis has created a perfect storm for Missouri hospitals as they ramp up expenditures to prepare for treating a surge of patients while also losing revenue from the significant reduction in outpatient and elective procedures. The reduction in elective surgeries and other outpatient business disproportionately has affected rural hospitals. Seventy percent of the revenue received by rural hospitals is generated by outpatient services. The loss in revenue while ramping up expenditures to prepare for the patient surge has caused significant cash flow problems.

Section 1102 of the CARES Act allows small businesses with 500 or fewer employees to receive funding to be used for the retention of employees. In the coming days and weeks, the Paycheck Protection Program will provide much needed cash flow to small hospitals to keep staff members employed. Leaders of small hospitals have spent many years building specialized work forces, ensuring these facilities are equipped to serve their communities. Without legislation such as the PPP, small hospitals are facing furloughs and layoffs — setbacks that substantially would impact these rural hospitals for as long as a decade.

MHA thanks Congress for the CARES Act PPP. However, the PPP within the CARES Act omits small Missouri public hospitals, which include county hospitals established pursuant to Chapter 205 of the Revised Statutes of Missouri, hospital districts established pursuant to Chapter 206 of the Missouri Revised Statutes, municipal hospitals as defined by Chapter 96, or any other government-owned hospital.

On behalf of its state and local governmental hospitals, the Missouri Hospital Association requests Congress include language in subsequent COVID-19 packages that allows these facilities to participate in the PPP.

For more information, please contact [Daniel Landon](#), MHA's Senior Vice President of Governmental Relations, at 573-893-3700, ext. 1349 or [Andrew Wheeler](#), MHA's Vice President of Federal Finance, at ext. 1336.

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