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The Honorable Josh Hawley  
U.S. Senator  
212 Russell Office Building  
Washington, DC 20510-0001

Dear Senator Hawley:

Tomorrow marks the two-week anniversary of the enactment of the Coronavirus Aid, Relief and Economic Security Act, an unprecedented effort by our nation to respond to the coronavirus pandemic. We appreciate all your effort to secure this needed relief. But as we reach this important two-week milestone, I wanted to share that only a small portion of the needed relief has yet to arrive at Missouri's hospitals, despite strong efforts by federal health authorities to make it happen.

The current situation for Missouri's health care infrastructure is severely challenged. With the elimination of elective procedures, total revenues for Missouri's hospitals are down \$32 million per day. We estimate this to be somewhere in the range of 50 percent of total hospital revenue. These numbers do not account for the additional costs borne by hospitals to prepare for the coronavirus surge. On Monday, we issued a [special report](#) on hospitals' engagement and preparation for the coronavirus. This previously was shared with your office.

The CARES Act contains many initiatives to help the health care system. These include a 20 percent Medicare reimbursement bump to treat Medicare inpatients with COVID-19, 2 percent overall sequestration relief, Medicaid FMAP increases that may or may not translate into rate improvements, activation of Medicare's accelerated payment program and the \$100 billion health care provider relief fund.

Of all these direct initiatives, the only one functioning so far is the accelerated/advance payment program. The Centers for Medicare & Medicaid Services reported on Tuesday they have approved 17,000 requests, resulting in the delivery of \$34 billion. This is welcome and needed relief. However, this relief comes with its own set of challenges. One is that since the money is a loan, it needs to be paid back. If a health care provider fails to make the recoupment deadline, interest is charged at a rate of 10.25 percent. This rate is far in excess of anything in the commercial market. This high interest rate can put hospitals at risk. We ask that you work to extend the time for repayment of these accelerated payments and reduce the repayment rate of interest to what currently is available in the commercial markets.

And just yesterday, CMS announced they will make the first round of grants from the \$100 billion health care provider relief fund. The draw down will be set at \$30 billion and distributed to hospitals based on each hospital's Medicare revenue. The immediate movement of these dollars, in a manner that does not require hospitals to apply for this funding, provides some

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welcome “bridge funding” relief. However, providers who treat a low volume of Medicare beneficiary patients, such as children’s hospitals, will not receive relief in this first draw down of this money. CMS has stated those with low Medicare volume will receive priority during the second round of grants. We urge CMS to quickly issue the second round of payments.

We hope to be able to soon share with you the direct impact of this funding. But for now, approximately 2.1 percent of all Medicare beneficiaries live in Missouri. The new “bridge funding” opportunity could bring as much as \$600 million to Missouri’s hospitals. Based on our current downturn, this would fund approximately 19 days of revenue losses. These new dollars are critical since Missouri is projected to see our surge of COVID-19 patients later this month. Missourians need hospitals to maintain capacity in anticipation of this surge. All employees will be essential since they may be redeployed in other areas. Absent immediate relief, we will begin to see furloughs from hospitals across the state.

Beyond these direct financing issues, and as we have previously shared with your office, recent action taken by Congress contains provisions that provide additional assistance, but provisions in these new law changes will limit access to Missouri’s hospitals. First, Congress granted expansion of the provisions of Family and Medical Leave Act and the Emergency Paid Sick Leave Act to help with employees’ childcare issues. Tax credits are provided against the employer’s payroll taxes. This new change is not available to Missouri’s public hospitals, which include city and county hospitals and hospital districts established under Missouri law. This impacts more than 30 Missouri hospitals — many of which are rural.

Second, the CARES Act allows small businesses with 500 or fewer employees to receive funding to be used for the retention of employees. The Paycheck Protection Program will provide much-needed cash flow assistance. But per the aforementioned issue related with FMLA and the Emergency Paid Sick Leave Act, Missouri’s public hospitals and hospital districts are not eligible for this assistance. This affects the 21 rural public hospitals that have 500 or fewer employees.

Every type of hospital — urban and rural, small and large — across the state of Missouri is experiencing severe economic challenges. The coronavirus experience reminds us of how indispensable these organizations are to the state and their communities. Any and all efforts you can do to help accelerate assistance under current law and prepare to provide additional assistance is needed.

Sincerely,



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