

Congress of the United States
Washington, DC 20515

December 17, 2020

The Honorable Alex M. Azar, II
Secretary, U. S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201-0004

Dear Secretary Azar,

We write to you regarding a technical correction affecting Arizona's hospitals related to the Provider Relief Fund ("PRF") authorized by the CARES Act (P.L. 116-136). On October 1, 2020 the Centers for Medicare and Medicaid Services (CMS) approved our state's Medicaid proposal known as "HEALTHII" – a planning effort that spanned nearly two years intended to help close the Medicaid payment-to-cost shortfall for hospitals and increase Medicaid reimbursement for other providers to address the state's shortage of health professionals.

Unique to Arizona, the HEALTHII program now may inadvertently decrease critical PRF resources needed to recover from business disruption, lost revenue, and operational expenses stemming from the COVID-19 pandemic. Recent PRF guidance permits funding to be used for unreimbursed expenses attributable to COVID-19 and lost revenue for 2020, capped at net patient revenue between 2019 and 2020. The guidance, however, does not account for new programs or business lines such as acquisitions or in Arizona's case, our new Medicaid program.

Due to timing of the program's approval, HEALTHII funding will offset against critical PRF funding. As a result, we request HHS review this unintended consequence and exclude Medicaid rate increases from net patient revenue calculations. This will help ensure HEALTHII and PRF programs are treated separately knowing they were designed to solve two unique policy issues and at two distinct initial time periods. We are concerned the current reconciliation of CARES Act funding requirements will disproportionately affect Arizona hospitals that continue to operate tirelessly to serve their communities through the end of the pandemic and beyond.

Thank you for consideration of this time sensitive request to assess the Provider Relief Fund current framework. We look forward to working with you to assure Arizona's HEALTHII program fulfills its intended purpose: maintain access to care for low-income populations; and assure PRF resources help Arizona's hospitals recover expeditiously.

Sincerely,



Kyrsten Sinema
U.S. Senator



Mark Kelly
U.S. Senator



David Schweikert
Member of Congress



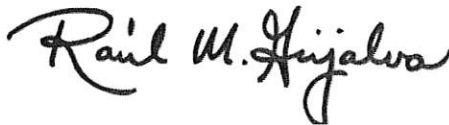
Debbie Lesko
Member of Congress



Tom O'Halleran
Member of Congress



Greg Stanton
Member of Congress



Raúl M. Grijalva
Member of Congress



Ann Kirkpatrick
Member of Congress



Andy Biggs
Member of Congress



Ruben Gallego
Member of Congress