



Congress of the United States
House of Representatives
Washington, DC 20515-3605

May 22, 2020

The Honorable Alex Azar
Secretary
U.S. Department of Health and Human Services
200 Independence Ave., S.W.
Washington, D.C. 20201

Dear Secretary Azar,

We appreciate your work to support our health care providers during this national public health emergency, particularly your leadership in distributing desperately needed financial support. We write today to call your attention to the unintended impact certain funding distribution formula decisions have had on certain health care facilities in Texas.

As you are well aware, added costs associated with preparing for and treating COVID-19 patients coupled with restrictions on elective procedures during the COVID-19 pandemic have put enormous financial strain on our health care system. Countless health care providers are relying on relief funding from the Provider Relief Fund established in the CARES Act to keep their facilities open.

The initial interim payment from the Provider Relief Fund was distributed based on a providers Medicare gross reimbursement from 2019. This methodology was more favorable to high Medicare utilization providers. Then, to account for low Medicare utilization providers, the second round of payment was distributed based upon a provider's 2018 net patient revenue and what each provider had already received in the interim payment.

We recognize and appreciate your department's efforts to provide expedient and equitable support to all health providers. However, we are concerned the disbursement calculation based on 2018 revenues puts Texas health care facilities impacted by Hurricane Harvey at an unintended, but significant, disadvantage. In the areas affected by Hurricane Harvey, health care facilities experienced unusually low net patient revenue in 2018 as they recovered from this natural disaster.

With those health care providers in mind, we ask that as you formulate the disbursement of additional CARES Act funding, you do not rely solely on 2018 revenue and that you take into account the unique circumstances of those facilities and practices whose revenues were disrupted by Hurricane Harvey or other natural disasters.

Thank you again for your leadership and the work your department is doing to implement the CARES Act and support for our health care workers on the frontlines of the COVID-19 pandemic.

Sincerely,

A handwritten signature in blue ink that reads "Michael Cloud". The signature is fluid and cursive, with the first name and last name clearly legible.

Michael Cloud
Member of Congress

/s/ Sylvia R. Garcia

Sylvia R. Garcia
Member of Congress

/s/ Randy K. Weber

Randy K. Weber
Member of Congress