GNYHA POSITION PAPER

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FAIR FUNDING FOR EBOLA TREATMENT CENTERS

The Federal funding for designated Ebola treatment centers in New York is woefully inadequate to cover the investments they have made, and still need to make, to establish and maintain an infrastructure that is critically important to the entire nation.

The funding shortfall for the investments the centers have already made in establishing designated treatment centers is at least $37 million, and the shortfall for their ongoing readiness is expected to range from $500,000 to $2 million a year per center in the downstate region, and as high as $300,000 a year per center elsewhere in the State.

This does not need to be the case. Congress has already appropriated funding for this purpose.

GNYHA urges Congress to require the US Department of Health and Human Services (HHS) to allocate sufficient resources from the amount already appropriated for this purpose so that designated treatment centers are fairly funded for both their past expenditures and the cost of maintaining their readiness.

The New York Region's High-Risk Nature

As West Africa's Ebola epidemic erupted into an international public health crisis in 2014, hospitals across the United States developed protocols for identifying, isolating, and beginning treatment of suspected Ebola patients.

The New York region in particular—with its large West African population, and location between two of the five American airports that receive travelers from West Africa—required a number of designated Ebola treatment centers to protect both New York and the nation.

The Cost of Protecting the Nation

A number of hospitals in New York agreed to establish designated treatment centers that could be dedicated to responding to both Ebola and other emerging infectious diseases.

The establishment of such centers requires:

- The renovation and commitment of dedicated units
- Expensive personal protective equipment (PPE) and other supplies
- The development of a core group of staff who are thoroughly and constantly trained in donning and doffing the required PPE and in delivering care to infectious disease patients under exceptionally trying conditions

Creating such centers is extremely expensive. We estimate that the cost of such efforts statewide totals $42 million.

That figure does not include the cost of maintaining this infrastructure, which we estimate to be as high as $2 million per year for some designated treatment centers. These costs include:

- Training and retraining staff in the established treatment protocols
- Ongoing validation of laboratory equipment and maintaining protective equipment supply levels
- Maintaining a call schedule for physicians and other caregivers in case of activation

The Inadequacy of Designated Treatment Center Funding to Date

The funding made available to date for designated treatment centers falls far short of what is required to compensate these centers for their investments and ongoing preparedness costs.

In December 2014, Congress appropriated $576 million to HHS for Ebola Response and Preparedness activities. This amount was higher than the Obama Administration's initial request, in part because Congress wanted hospitals, particularly those designated as Ebola treatment centers in high-risk areas, to be reimbursed for their preparedness costs to the greatest extent possible.

Despite Congress' intent, the Assistant Secretary for Preparedness and Response (ASPR) has allocated less than 25% of this amount for designated treatment center preparedness activities. In addition, given ASPR's method of distributing the funding, namely through its Hospital Preparedness Program (HPP), 10%–20% of the funding is used to reimburse the direct and indirect "overhead" costs of the states and localities that are the initial grantees of the funding.

Consequently, New York's designated treatment centers will be reimbursed very little for their past costs.

And while they will receive Federal funds for maintaining their readiness over the next five years, the amount translates into a maximum of only $100,000 per year per center—a fraction of the ongoing costs being incurred.

Some ASPR funding will be used to reimburse Bellevue Hospital Center—one of only four hospitals in the United States to treat an Ebola patient in 2014—for its costs in establishing a designated treatment center and becoming one of 10 "regional" Ebola centers nationwide.

But the rest of ASPR's HPP funding will go to health care system coalitions for ongoing preparedness purposes, a very important function indeed, *but it does not help designated treatment centers recoup their past and current expenses in the manner that Congress intended.*

GNYHA Position: Congress must require HHS to release additional funding to fairly and adequately reimburse New York's designated centers for their ongoing Ebola preparedness efforts. We estimate that of the initial $576 million that Congress appropriated to HHS, approximately $370 million has yet to be formally allocated.

It was Congress' intent to reimburse designated centers for their expenses, and Congress must help ensure that APSR does so.

Otherwise, hospitals will be extremely reluctant in the future to step forward to be centers for Ebola or other purposes. Hospitals, after all, are not required by law to undertake this very expensive public service. They do so in response to specific needs and requests by the Federal and state governments, and with the expectation that government, in turn, will reimburse them for their expenses.

ASPR should initiate a second Funding Opportunity Announcement (Round II) that will allocate additional funds through the HPP. While the HPP is not an ideal mechanism, this process can be tailored to meet the needs of hospitals that had higher costs preparing to treat and those that treated Ebola patients. Round II would release the additional funding Congress allocated to ASPR. Reimbursement would be allowed for past costs associated with preparing for and treating potential and actual Ebola patients, as well as for maintaining preparedness for future infectious disease outbreaks. Funding would also be focused on HPP areas that can demonstrate higher costs for preparedness due to geography, labor costs, population density, etc.