Congress of the United States Washington, DC 20515

April 15, 2020

The Honorable Alex M. Azar Secretary Department of Health and Human Services 200 Independence Avenue SW Washington, DC 20201 The Honorable Seema Verma Administrator Centers for Medicare and Medicaid Services 200 Independence Avenue SW Washington, DC 20201

Dear Secretary Azar and Administrator Verma:

As bipartisan Members of the New York Congressional Delegation who represent the state most severely impacted by the COVID-19 pandemic, we are concerned that the initial \$30 billion tranche of emergency funding for hospitals announced on April 10th did not address the disproportionate impact of the pandemic on New York. We urge you to prioritize hospitals and health care providers in New York and other hot spots in future allocations by distributing funds to the States based on their share of national COVID-19 infections.

As you know, the *CARES Act* provided \$100 billion for hospitals and health care providers to defray the costs of the COVID-19 response and to compensate them for lost revenue. Unfortunately, the initial tranche of \$30 billion, announced by the Department of Health and Human Services (HHS) on April 10th, was allocated to facilities and providers based on their share of 2019 Medicare fee-for-service (FFS) reimbursements. While we understand this decision was meant to distribute funding quickly, it did not address the enormous and disproportionate strain on COVID-19 hot spots like New York.

Across the state of New York, hospitals and health systems report that they are losing hundreds of millions of dollars per month because of cancelled elective procedures, increased staffing and overtime costs, expanded bed capacity, and increased spending on supplies and equipment to meet the surge in COVID-19 patients. The strain on hospitals and health systems is felt even more acutely in regions like the New York metropolitan area where the bulk of COVID-19 patients are being treated at this time. These costs obviously do not exist evenly across the country, and it is therefore crucial that subsequent rounds of funding provide an adjustment for hot spots like New York.

New York is shouldering a disproportionate share of this pandemic with roughly 43% of deaths and 34% of the nation's cases. In fact, New York's caseload alone accounts for than any other country in the world. Therefore, we urge you, in the strongest possible terms, to prioritize funding for New York and other hot spots in future funding distributions by allocating funds to the States based on their share of national COVID-19 infections.

Thank you for your attention to this important matter.

Sincerely,

PETER T. KING Member of Congress THOMAS R. SUOZZI Member of Congress

ELIOT L. ENGEL Member of Congress

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CHARLES E. SCHUMER United States Senator

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ANTHONY BRINDISI Member of Congress

Flin M. Sufant

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ELISE M. STEFANIK Member of Congress

JERROLD NADLER Member of Congress

BRIAN HIGGINS Member of Congress

KATHLEEN M. RICE Member of Congress

HAKEEM JEFFRIES Member of Congress

Jutte ... Clarke

YVETTE D. CLARKE Member of Congress

Kirsten Gillibrard Phite M. J

KIRSTEN GILLIBRAND United States Senator

PAUL D. TONKO Member of Congress

SEAN PATRICK MALONEY Member of Congress

ADRIANO ESPAILLAT Member of Congress

Joseph D. marelle

JOSEPH D. MORELLE Member of Congress

ANTONIO DELGADO Member of Congress

LEE ZELDIN
Member of Congress

TOM REED
Member of Congress

NITA M LOWFY

NITA M. LOWEY Member of Congress

JOHN KATKO Member of Congress

NYDIA M. VELAZQUEZ Member of Congress

Canolyn B. Malong CAROLYN B. MALONEY Member of Congress

GRACE MENG
Member of Congress

Cepti Gin Gt

ALEXANDRIA OCASIO-CORTEZ Member of Congress

JOSE E. SERRANO Member of Congress

GREGORY W. MEEKS Member of Congress