April 15, 2020

The Honorable Alex M. Azar II
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

Subject: Recommendations for CARES Act Allocation Methodology

Dear Secretary Azar,

We sincerely appreciate all the work and dedication that the Department of Health and Human Services (HHS) has shown to fight this COVID-19 crisis on behalf of the American people. In your development of the allocation methodology for the Public Health and Social Services emergency funding made available to hospitals through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, we urge your full and fair consideration of certain provisions to ensure hospitals that care for America’s youth are supported during this crisis.

As you know, children’s hospitals are integral in providing comprehensive care for life-threatening conditions such as cancer, cardiovascular diseases, and long-term chronic illnesses. In light of the COVID-19 crisis, many states have issued guidance to cancel elective operations and deferrable care in all hospitals; anticipating an increased need for hospital beds. Children’s hospitals have complied with these requests yet face huge financial burdens and constraints without the benefit of participating in allocations that are predicated upon Medicare and adult COVID-19 patient volumes. For the pediatric health care sector, Medicaid is the primary payer, comprising more than half of child-patient volumes.

Therefore, as HHS is developing the allocation strategy for the funds made available through the CARES Act, we have provided recommendations for inclusion:

- Revenue losses incurred by participating in the national COVID-19 surge response resulting from deferral of cases to increase capacity and the need to reduce avoidable use of Personal Protective Equipment (PPE).
- Cost increases to protect juvenile patients, hospital and ambulatory staff and families, including acquisition of PPE, screening and testing, and facility and staffing changes to best protect against virus spread.
- Volumes and cost of care for highly complex children who need additional support to prevent the spread of the virus, as demonstrated by case mix index (CMI), patient transfers received, and the number of Intensive Care Unit (ICU) beds.
- Medicaid as dominant public payer, recognizing that children’s hospital patients are not enrolled in Medicare.
Thank you for your full and fair consideration of our recommendations for the development of funding allocation methodology that adequately takes into consideration all of America’s health care providers, especially children’s hospitals.

Sincerely,

Darren Soto  
Member of Congress

Stephanie Murphy  
Member of Congress

Terri A. Sewell  
Member of Congress

Al Lawson  
Member of Congress

Frederica S. Wilson  
Member of Congress

John B. Larson  
Member of Congress

John H. Rutherford  
Member of Congress

Don Bacon  
Member of Congress

Jeff Fortenberry  
Member of Congress

Nydia M. Velázquez  
Member of Congress

Bennie G. Thompson  
Member of Congress

Eleanor Holmes Norton  
Member of Congress