

# United States Senate

WASHINGTON, DC 20510

July 6, 2020

Dear Leader McConnell:

As you know, until a few short weeks ago, New York State was at the epicenter of the nation's coronavirus outbreak. To date, New York State has experienced nearly 400,000 confirmed cases, nearly 100,000 hospitalizations, and approximately 25,000 deaths. The Coronavirus Preparedness and Response Supplemental Appropriations Act (P.L. 116-123), Families First Coronavirus Response Act (P.L. 116-127), and the Coronavirus, Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) have provided much needed support for our hospitals to treat and care for New Yorkers infected by the coronavirus. The Medicare accelerated/advanced payments, authorized in the CARES Act, have been a lifeline for many hospitals in our state and across the country, but need to be repaid with steep interest. I write to you today to respectfully request that the next stimulus package include loan forgiveness in the Medicare accelerated/advanced payment program.

Every New York hospital has made significant financial investments to prepare for and respond to the surge of coronavirus patients. Since the start of the pandemic, our hospitals have rapidly added beds in intensive care units, built new isolation units to treat COVID-19 patients, and bought personal protective equipment at record prices. In addition, many New York hospitals are providing other services such as housing and childcare to support the brave physicians, nurses, and frontline health care workers who are making tremendous sacrifices every day to care for their fellow New Yorkers. Furthermore, New York hospitals were not permitted to do non-emergency procedures over the last several months. These actions were appropriate to adequately care for COVID-19 patients and to bend the curve of the pandemic, but the curtailment of non-emergency procedures was extremely costly.

Our hospitals reported, on average, revenue losses of over 40% during the latter part of just March. As a result of these losses, and the extraordinary expenses to handle the surge of COVID-19 patients, our hospitals have experienced sustained losses of at least \$750 million per week in the first few weeks of this pandemic. As COVID-19 cases surged in April and May, the losses also increased. This fiscal stress has forced many of our hospitals to take funding advances and loans, delay accounts payables, furlough thousands of staff and postpone much-needed capital projects. Given how wide-spread the COVID-19 pandemic is in the United State, I have no doubt that this is the case for hospitals across the country.

As one New York hospital put it, "The advance payment loans from Medicare were a welcome and necessary emergency bridge to help hospitals like ours through the crisis. While we proudly met the call to serve both our patients and greater public health interests, the demands of this pandemic had a near-crippling effect on hospital finances. The terms that accompany these advance payment loans only exacerbate the problem. Repayment on those terms is virtually impossible. Forgiveness is the only viable solution."

While the recent appropriations to the Public Health and Social Services Emergency Fund, under the CARES Act as well as the Paycheck Protection Program and Health Care Enhancement Act (P.L. 116- 139), are helpful to New York hospitals, unfortunately the appropriations are not sufficient. Given the financial devastation we have seen across the State, our hospitals are in no position to pay back these loans. Without additional federal support, New York hospitals will be forced to continue to make difficult decisions, including reducing critical health care services and laying off essential health care workers.

As you negotiate the next stimulus package, we urge you to provide additional relief for hospitals by providing loan forgiveness in the Medicare accelerated/advanced payment program. Thank you for your attention to this matter and we stand ready to work with you in anyway necessary to support our state's hospitals and health care workers.

Sincerely,

A handwritten signature in blue ink that reads "Kirsten Gillibrand". The signature is written in a cursive style and is positioned above a solid horizontal line.

Kirsten Gillibrand  
United States Senate