

February 4, 2021

Sent electronically

Dear Member of the Illinois Congressional Delegation:

On behalf of our more than 200 member hospitals and nearly 40 health systems, the Illinois Health and Hospital Association (IHA) thanks you for your ongoing commitment to fighting the COVID-19 pandemic. Hospitals are grateful for the resources and flexibilities Congress and the federal government have provided to date, however, additional federal support is urgently needed.

In Illinois, recent surges have been more intense and geographically widespread and have lasted longer than anticipated, drastically depleting hospital resources. At the same time, hospitals continue to incur extraordinary expenses to provide care, support the healthcare workforce and purchase needed supplies and equipment.

For many Illinois hospitals, longer inpatient and intensive care unit (ICU) stays are utilizing significantly more resources. Yet, in the case of public payers, these longer inpatient stays rarely result in higher reimbursement amounts. For example, one rural hospital in Illinois was reimbursed \$9,759 from the Medicaid program for a patient whose cost of care for a 19-day inpatient stay exceeded \$70,000.* This same hospital was reimbursed \$2,695 for a 17-day inpatient stay for a Medicare patient whose cost of care exceeded \$62,800.* These losses, which total more than \$124,000 for just two patients, are especially challenging as the hospital faces drastically higher staffing costs. The losses on these two patients alone are enough to cover the cost of 124 shifts for an ICU nurse. Instead, the hospital operated at a loss in 2020, and made service line reductions in early 2021.

As Congress considers the next COVID-19 package, IHA respectfully requests your support for additional relief for hospitals, including:

- **Additional financial support through the Provider Relief Fund;**
- **Extension of the moratorium on Medicare sequester cuts through the duration of the public health emergency designation; and**
- **Delay of Medicare Accelerated and Advance Payment program loan repayment and consideration of loan forgiveness.**

A complete list of IHA's COVID-19 legislative priorities is attached. As our state labors

*Figures represent the estimated cost to provide care, not charges, which would be higher.

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to recover from dire economic and societal devastation brought about by COVID-19, it is vital that our hospitals—and the critical community care they deliver—are secure. We cannot restore our state's economy without the healthcare safety net that hospitals provide, and accordingly, we urge Congress to pass additional COVID-19 relief.

Thank you for your continued support and attention to the needs of Illinois' hospitals and the patients they care for. Please contact Sarah Macchiarola, Vice President of Federal Relations at smacchiarola@team-iha.org or (630)276-5645 with any questions or for additional information.

Sincerely,

A.J. Wilhelmi
President & CEO

Attachment

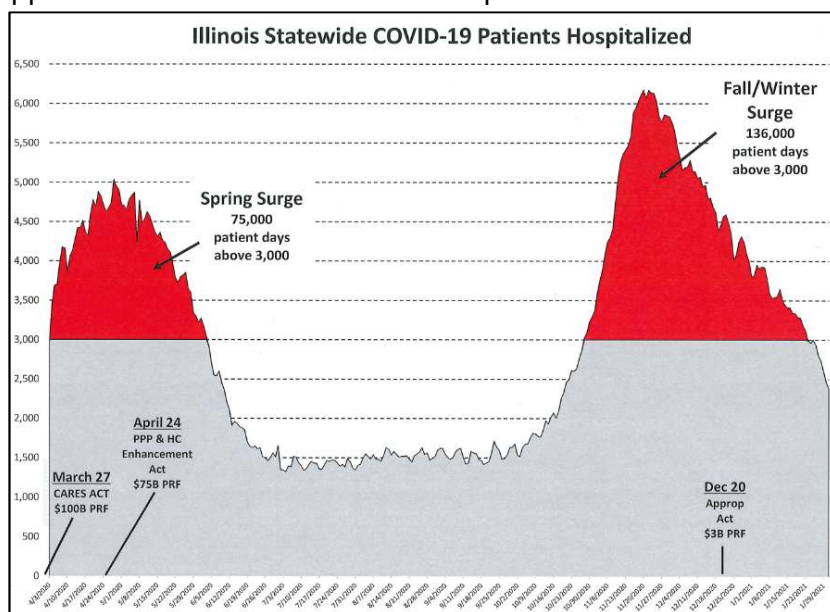
FEDERAL COVID-19 LEGISLATIVE PRIORITIES

FEBRUARY 2021

Support Additional Funding for Hospitals

In Illinois, recent surges have been more intense and geographically widespread, and have lasted longer than anticipated—drastically depleting hospital resources. Hospitals continue to incur extraordinary expenses to provide care, support the healthcare workforce and purchase needed supplies. As the figure shows, in Illinois, hospitalizations during the fall/winter surge were almost twice as high as during the spring surge. Additionally, treating COVID-19 patients has become more expensive, widening the gap between what hospitals spend to provide care and the reimbursement amount they receive from public payers. Yet, significant support for the Provider Relief Fund (PRF) has not been passed by Congress since April.

Congress should replenish the Provider Relief Fund (PRF) to account for recent surges and assist hospitals who are losing money as a result of treating COVID-19 patients.



Source: Illinois Health and Hospital Association

Suspend Medicare Sequestration Cuts

The Consolidated Appropriations Act suspended the 2% Medicare sequestration cuts through March 31. **Congress should extend the suspension of sequestration cuts through the public health emergency** to assist providers as they continue to respond to the pandemic and work to recover from extraordinary financial losses. IHA supports the *Medicare Sequester COVID Moratorium Act* (H.R. 315).

Provide Additional Flexibility for Medicare Accelerated and Advance Payment (MAAPP) Programs

Illinois hospitals and health systems appreciate the improved repayment conditions Congress provided. However recent surges have lasted longer and been more intense and geographically widespread than anyone expected, straining hospital resources, and for some Illinois hospitals, resulting in deep financial losses. **Congress should delay MAAPP repayment and consider loan forgiveness.**

Protect and Increase Health Insurance Coverage

Access to health care coverage is essential to ensuring patients receive the care they need to support their own individual health, as well as prevent further spread of COVID-19. **Congress**

should take action to help individuals and families maintain health benefits, while increasing coverage options for those who are already uninsured. Examples include covering COBRA costs and expanding eligibility criteria and subsidies for plans obtained on the health insurance exchanges. IHA supports the *Worker Health Coverage Protection Act*.

Provide Additional FMAP Increase

The Families First Coronavirus Response Act included a much-appreciated 6.2% temporary boost in the Federal Medical Assistance Percentage (FMAP). **Congress should extend and expand the increase to support both states and the health care delivery system during this period of extreme financial distress. Additionally, IHA urges Congress to enact a technical fix to temporarily increase the disproportionate share hospital (DSH) allotments to align with the enhanced FMAP provisions in order to hold harmless Medicaid DSH funding for safety net hospitals.**

Support Access to Long-Term Care Services

Congress should extend eligibility of the Medicare 20% add-on payment to include COVID-19 patients treated in long-term care hospitals (LTCHs) and inpatient rehabilitation facilities.

Additionally, for patients with COVID-19 treated in all hospitals who also require on-site dialysis, Medicare should pay a separate add-on for such dialysis, as this particular comorbidity significantly adds to the complexity and cost of treating these patients. Congress should also increase the outlier payment to LTCHs and prospective payment system (PPS) hospitals treating COVID-19 patients.