

Congress of the United States
Washington, DC 20515

May 1, 2020

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

Dear Secretary Azar,

We write to thank you for your leadership in ensuring that \$10 billion of the \$100 billion allocated for healthcare providers by the *CARES Act* is distributed to rural hospitals and clinics. We ask that you build upon this commitment to rural communities by allocating at least 20% of the \$75 billion appropriated to the Public Health and Social Services Emergency Fund by the *Paycheck Protection Program and Health Care Enhancement Act* to rural providers. Given the financial challenges facing rural hospitals and clinics across the country, this funding is essential to ensure our rural health care providers are able to continue treating patients.

The \$10 billion in *CARES Act* set aside for rural providers will go a long way in alleviating the current financial strain. However, given the scale of current losses, we are concerned that this allocation will not be enough to meet the needs of rural healthcare facilities. \$10 billion, in addition to the amounts provided to rural providers in the earlier rounds of payments, is less than 20% of all funding allocated to healthcare providers in the *CARES Act*, and as you know, roughly 20% of the U.S. population lives in a rural area.¹ This allocation is not only disproportional to the population it serves, it is also insufficient to address the significant revenue loss that rural providers are facing due to the suspension of non-emergency care, and the increased costs they will incur when the virus reaches its epidemiological peak.

The outbreak of COVID-19 in the U.S. comes at a time in which rural hospitals and clinics are increasingly vulnerable to closures. Prior to the outbreak, one in five rural hospitals was at risk of closure.² Now, facing losses at times larger than half of monthly expected revenues due to the postponement of elective surgeries and increased operating costs, hundreds of rural hospitals are on the brink of closure. This unprecedented strain on the American health care system has pushed the already razor-thin budgets of many rural hospitals and clinics to the point of financial insolvency.

¹ U.S. Census Bureau, “*What is Rural America?*” <https://www.census.gov/library/stories/2017/08/rural-america.html>

² Navigant, “*Rural Hospital Sustainability.*” <https://guidehouse.com/-/media/www/site/insights/healthcare/2019/navigant-rural-hospital-analysis-22019.pdf?la=en>

On top of the financial crisis facing rural providers, experts project that the epidemiological peak of COVID-19 for rural areas will occur later than peaks in large urban centers.³ Rural hospitals and clinics, which are already feeling the strain of this public health crisis, will likely face an influx of positive cases as the rest of the country begins flattening the curve. Equitable funding for rural clinics and hospitals is crucial to their ability to respond, especially considering rural patients are on average older and more likely to have comorbidities than their urban counterparts.

In light of these concerns, we ask that HHS set aside at least 20% of the funding allocated to healthcare providers in the *Paycheck Protection Program and Health Care Enhancement Act* for rural facilities. In America, a zip code should not determine one's ability to access high quality health care—especially at a time when access to care can be a matter of life or death. Allocating an adequate and proportional amount directly to rural areas would help ensure equity in the distribution of this federal aid.

On behalf of the 60 million Americans currently living in rural areas, thank you for your consideration and attention to the survival of rural hospitals and clinics.

Sincerely,



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Terri A. Sewell
Member of Congress

Abby Finkenauer
Member of Congress

Collin C. Peterson
Member of Congress

Sanford D. Bishop, Jr.
Member of Congress

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Betty McCollum
Member of Congress

Dan Newhouse
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Don Young
Member of Congress

³ The New York Times, "Coronavirus Was Slow to Spread to Rural America. Not Anymore." <https://www.nytimes.com/interactive/2020/04/08/us/coronavirus-rural-america-cases.html>

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