NATIONAL ASSOCIATION OF Community Health Centers

April 15, 2020

Mr. Alex Azar
Secretary
U.S. Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue SW
Washington DC20201

Dear Secretary Azar,

On behalf of our nation's 1,400 Community Health Centers (also known as FQHCs), and the nearly 30 million medically-underserved patients they serve in more than 12,000 locations across the country, *I am writing to request that you distribute the remaining $70 billion in the CARES Public Health and Social Services Emergency Fund (PHSSEF) as expeditiously as possible, and in a manner that prioritizes the disproportionate burden placed on providers on the front lines who serve our country's most vulnerable patients, including those who are on Medicaid and are uninsured.*

As you are aware, FQHCs are the backbone of the nation's safety net for primary and preventive care. FQHCs care for our nation's most medically-vulnerable individuals -- including persons experiencing homelessness, agricultural workers, and uninsured persons – regardless of ability to pay. Almost 70% of FQHC patients have incomes below the Federal Poverty Level, and another 23% have incomes between 101% to 200% FPL. Almost half of FQHC patients are on Medicaid (this percentage varies significantly by state) and close to 25% have no insurance at all.

For 30 million of our nation's most vulnerable patients, FQHCs are the "first line of defense" to protect them and their families from the coronavirus. Relative to the general population, FQHC patients have significantly higher risks of contracting and sharing the coronavirus, as their jobs often provide little paid sick leave and their living situations offer limited options for social distancing. Also, FQHC patients are at heightened risk of experiencing serious complications from COVID-19, as they have higher rates of chronic illnesses, such as heart disease, asthma and diabetes, that are associated with worse COVID-19 outcomes. In response to these needs, FQHCs have established drive-through testing sites, moved to telehealth or phone visits whenever possible, and restructured how they use their physical space. Since many FQHC patients have limited transportation and phone access, FQHC providers are continuing to visit homeless encampments and migrant camps, setting up handwashing stations and encouraging patients to engage in social distancing when possible. FQHC providers are

also taking shifts at local hospitals to relieve the hospital staff, and even work from home while sick themselves to ensure that their patients can access care. Throughout these efforts, many FQHCs have lacked adequate Personal Protective Equipment (PPE), requiring them to improvise alternatives. For these reasons, it is not surprising that one in six FQHC staff is currently unable to work due to COVID-19.

FQHCs are also the "first line of defense" for hospitals and emergency rooms. By reducing the number and severity of COVID-19 cases among vulnerable individuals, FQHCs reduce the demands – both clinical and financial – on hospitals and ERs. FQHCs are also focused on keeping non-COVID-19 patients away from the ER, so that hospitals can focus their attention on the pandemic.

As stated in our previous letters, FQHCs need approximately $8 billion from the PHSSEF to ensure their ability to continue as the "first line of defense" for vulnerable populations during the pandemic, and to be prepared for the surge in demand after it ends. Accordingly, we were disappointed that the initial funding distribution was based on Medicare fee-for-services claims, as that approach failed to target providers most in need of emergency funding. Therefore, **when allocating the remaining PHSSEF funding, we strongly urge you to prioritize funding to:**

- **Providers who are on the front lines,** including FQHCs which are actively fighting to contain the virus in the community setting, as well as hospitals and emergency rooms . Among front line providers, those in the "hottest" of "hot spots" should receive additional support.
- **Providers who treat vulnerable populations, as reflected in the numbers of both Medicaid <u>and</u> uninsured patients.** For providers in some states, the number of Medicaid patients might be an adequate proxy for financial need. However, this is not inadequate proxy for need at the national level, due to both:
    - the significant variations in Medicaid eligibility across states, and
    - the relatively higher costs associated with uninsured patients.

  For these reasons, we strongly urge you to consider the numbers and costs associated with uninsured patients as well as Medicaid patients.

Finally, the funding allocation should account for other Federal policies -- beyond the PHSSEF -- that restrict the ability of specific subgroups of providers to access COVID-19 supports available to other providers serving similar functions. Among Community Health Centers, there are two subgroups who merit relatively higher support from the PHSSEF for this reason:

- **FQHC Look-Alikes:** Like all FQHCs, these health centers meet the stringent requirements of Section 330 of the Public Health Service Act; however, unlike FQHCs, they do not receive Section 330 grant funds at this time. As a result, Look-Alikes will receive none of the funding that Congress appropriated specifically for health centers.
- **FQHCs with over 500 employees:** These FQHCs care for over one-quarter of all health center patients across the country. Because of their size, they are

ineligible for the Paycheck Protection or Emergency Paid Leave programs created by Congress in response to COVID-19, yet they are facing significant hardship and are financially at-risk.

In closing, we thank you for your continued partnership, and pledge to work tirelessly with you in the weeks and months ahead.

Sincerely,

Tom Van Coverden
President and Chief Executive Officer