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March 19, 2020

## CALIFORNIA CONGRESSIONAL DELEGATION

Dear Members of Congress:

With the novel coronavirus continuing to spread throughout the country, the University of California (UC) would like to provide you with an update of our on-the-ground efforts to prevent, detect and treat COVID-19 and to ask for your continued partnership in addressing this public health and economic crisis.

The \$8.3 billion emergency supplemental legislation that Congress approved earlier this month will help test more Americans for the virus, provide better personal protection to health care professionals, deploy new diagnostics and develop vaccines. We are grateful for this effort to contain and prevent COVID-19.

As the largest public research university in the world, UC is taking action on several fronts to protect our students, faculty, researchers and staff and to treat patients at our medical centers.

To date, four of UC Health system's five medical centers have treated patients having contracted the coronavirus and/or patients who have tested positive for COVID-19 – at a cost of \$1 million-\$10 million per inpatient. Given California's large population and that it is home of two major international airports, and as diagnostic testing becomes more widely available, we expect to treat more cases at UC Health as the pandemic continues. We are working diligently to ensure that UC Health's workforce has everything it needs to meet this challenge in a safe and effective manner. But more needs to be done at the federal level to achieve this critical goal.

UC campuses are taking action to ensure that the system's 285,000 students and 227,000 faculty, researchers and staff are protected from coronavirus. We have called home thousands of students studying abroad. Campuses have moved to remote instruction, but continue to provide room, board and health care access to students who need to remain on campus. UCDC canceled its spring quarter in Washington, which

unfortunately means that many Capitol Hill offices will not have the benefit of a UC intern for the next few months.

UC has also canceled nonessential travel, moved in large part to telecommuting, and is providing up to 128 hours of paid administrative leave to our employees.

As long as the pandemic persists, UC will continue to make decisions that prioritize the health and safety of our students, faculty and staff, and provide high-quality health care to all of our patients.

To accomplish these goals, we need continued support from the federal government.

The response from public universities to the COVID-19 virus has brought on significant financial stress. Public universities are individually refunding tens of millions of dollars to students for room and board, losing significant revenue from auxiliary services and drops in enrollment, while also facing significant expenses in providing for students including massive investment in transitioning to remote instruction. The financial condition is untenable. The University requests that Congress provide significant investment to stabilize colleges and universities as we grapple with unprecedented expenses and lost revenue while also upholding our commitment to the students and communities we serve.

As you continue to assess what steps Congress and the Administration will need to take to address this pandemic, we ask that you consider the following:

### **Medical Care**

UC Health's ongoing efforts related to the COVID-19 outbreak to screen, test and treat patients present significant direct and indirect costs. The direct costs of treating even a single inpatient range from \$1 million to \$10 million, depending on the severity of the virus, the complexity of the patient's case and course of treatment, the impact to our physical facilities, and most importantly the impact on our health care workforce. There are also a significant number of indirect costs that the University is currently experiencing, such as maintaining an incident command center 24/7 to address the issues related to COVID-19 while maintaining hospital operations, continued training and preparation of staff, shutting down beds due to lack of qualified staff, shutting down of Intensive Care Units transfers, sending staff on full leave for at least two weeks to quarantine, hiring of replacement medical staff, patients cancelling physician appointments and outpatient and inpatient surgeries. UC Health has seen these cancellation rates more than double in the past few weeks. We are also looking at having to cancel elective surgeries because our stock levels of essential Personal Protection Equipment (PPE) is getting so low that we may need to prioritize this equipment for future use on treatment of COVID-19 patients.

We appreciate Congress's attention to the following critical issues to support the public health care safety net as we strive to accommodate as many patients as possible:

- **Provide federal funding to reimburse hospitals for costs accruing as a consequence of treating patients lacking insurance coverage, including people experiencing homelessness, who may be referred by public health authorities to our hospitals for screening, testing and treatment.** Once the virus spreads, UC expects direct and indirect costs could reach \$500 million over the course of six months. This number is an estimate based on the latest information and data available at the early onset of this pandemic. At present, the University is unable to seek reimbursements for a number of these indirect and direct costs, potentially jeopardizing our safety-net provider position. As the pandemic grows and more communities are impacted, the federal government should expect costs to grow and we will need to reassess.
- **Prevent the Centers for Medicare and Medicaid's (CMS) from moving forward on the Medicaid Fiscal Accountability proposed rule,** which, if finalized, would severely undermine the financing that is critical to supporting the health care safety net at the same time as those systems are striving to address the public health crisis related to this pandemic.
- **Delay implementing cuts to Medicaid Disproportionate Share Hospital (DSH) payments** when the current funding extension is set to expire on May 22, 2020. Medicaid DSH funds constitute a critical source of funding for health care safety net hospitals like UC Health.
- **Suspend the 2 percent reduction in Medicare payments,** referred to as the "Medicare sequester," and restore those payments, so hospitals, physicians, nurses and other Medicare partners have greater flexibility to respond to the evolving circumstances of the COVID-19 pandemic. The Medicare Payment Advisory Commission (MEDPAC) has documented recently in its March Report to Congress that Medicare payments to hospitals fall well below the actual cost of delivering health care to Medicare beneficiaries. The Medicare sequester contributes greatly to these underpayments.
- **Reimburse for hiring of highly skilled lab officials.** As the nation continues to struggle to ensure that diagnostic testing is available for those who need it, it is necessary to ensure that we have skilled individuals staffing these labs. Additionally, we are requesting that the Administration confirm that we can open temporary satellite sites relying on our CLIA-certified laboratories during this pandemic/public health emergency, so that we can quickly bring online our research labs to support expansion of testing efforts.

- **Address shortages of the nation's medical supplies stockpile.** The Defense Production Act provides the Administration with broad authority to ensure the timely availability of essential domestic industrial resources to support national defense and homeland security requirements, which may be necessary to ensure the safety and security of the nation's medical personnel and citizens. The Act provides the Administration the authority to prioritize production of necessary supplies, incentivize the production and enter into voluntary agreements with private companies to ensure such production. Invoking this Act is necessary to ensure that our country has access to lifesaving medical equipment and supplies – such as personal protective equipment, including appropriate masks, facial visors, and gowns, ventilators, drugs, and vaccines. With a dwindling number of necessary supplies at our medical centers and within the country's National Strategic Stockpile, our healthcare workers risk being exposed to the highly infectious COVID-19 and pulled off of the front lines serving patients. We are already seeing our supplies of PPE being diminished at an alarming scale – which are not being replenished sufficiently due to shortages. It is critical that the Administration utilize its full powers under the Defense Production Act to fight this pandemic and to ensure that the medical supplies needed to combat COVID-19 are on the approved list. As an interim measure, the Administration should consider releasing some of the PPE that is in greatest need from our strategic stockpiles while manufacturing capacity is increased.
- **Delays in deadlines under the 2010 Affordable Care Act and similar laws and regulations.** The 2010 Affordable Care Act in combination with the 2009 Fraud Enforcement & Recovery Act created a 60-Day Overpayment Rule extending liability under the False Claims Act for failure to repay certain overpayments in 60 days. UC urges Congress to allow for suspension of these deadlines during the pandemic so that our health care professionals can focus on prioritizing delivery of emergency services and be accountable for substantiating their work when there is less urgency.
- **Focus of compliance oversight and enforcement activities.** The Administration should order that federal agencies responsible for health care compliance oversight and enforcement should: (a) focus on providing technical assistance and supporting compliance with core health and safety requirements for providers and patients, (b) immediately identify and redirect resources to health and community care facilities and other sites housing populations that are particularly vulnerable to COVID-19, and (c) focus compliance oversight and enforcement activities where there are allegations of the most serious violations impacting health and safety.
- **Preemption Legislation to Facilitate Telehealth.** On March 17, the Administration announced the significant expansion of Medicare telehealth

coverage including reimbursement for office, hospital and other visits, expansion of the range of allowable telehealth providers and flexibility for providers to reduce or waive cost sharing. However, various states have restrictions that impair the ability of a provider to furnish telehealth services to Medicare beneficiaries, such as furnishing services across state lines. Such restrictions should be removed now rather than waiting for the states to implement appropriate changes. Thus, as with the preemption legislation passed by Congress in 2018 related to VA telehealth services, Congress should pass preemption legislation giving CMS the needed authority to override state restrictions that would inhibit providers from treating patients outside of their state and clarifying that providers may provide healthcare to Medicare beneficiaries through the use of telehealth, notwithstanding any State laws, rules, licensure, registration or certification requirements to the contrary.

### **Student and Student Aid Issues**

- **Pass the Supporting Students in Response to Coronavirus Act.** I commend Congress for introducing the Supporting Students in Response to Coronavirus Act, which would provide \$1.2 billion in mandatory funding for emergency grant aid to students in higher education to help students access basic needs such as food, housing, technology, health care and child care, needs which were created or exacerbated by unexpected college closures and COVID-19-related disruptions. UC has had a long-documented history of advocating for and providing access to basic needs and we are encouraged that our federal partners recognize the needs our students have during this pandemic. The University supports the need to provide students with the means to access updated technology and connectivity as many of our campuses transition to remote instruction. In addition, UC supports providing federal assistance to institutions to alleviate the costs for the immediate transition to remote instruction so that students can continue their academic education. The legislation also provides students with flexibility to continue to access federal financial aid to help reduce the financial stress associated with a temporary leave of absence related to COVID-19. Additionally, the legislation would exempt students from paying back Pell Grants or repaying student loans that were taken out for a disrupted term by providing a temporary waiver of 'Return of Title IV' rules. Students would also have flexibility related to satisfactory academic progress, Pell Grant lifetime eligibility and subsidized loans.

UC has 171 programs of study across 40 countries, so we are pleased to see that this legislation provides flexibility to foreign institutions of higher education serving American students abroad through distance education to ensure students are not disrupted by outbreaks in other countries.

- **Expand distance flexibility to all students**, not only those who were already enrolled, as discussed in the U.S. Education Department's March 5, 2020 Electronic Announcement. This change would help students whose semester was canceled before it started as well as students who planned to return from a leave of absence.
- **Give temporary relief on state authorization requirements** for institutions that are attempting to make temporary distance education arrangements to minimize COVID-19 related disruptions to students.
- **Provide additional flexibility that would exempt students who had to withdraw from their institutions** due to COVID-19 from having to use their one-time loan grace period. Such flexibility could come in the form of deferring reporting of such a student to the National Student Loan Data System for Students.
- **Grant relief on deadlines and timeframes on Return of Title IV Funds calculations.**
- **Provide an exemption of aid received during COVID-19 pandemic-related closures from Lifetime Eligibility Used.**
- **Allow students to keep all their Title IV funds**, including grants, in instances where they were unable to complete their coursework due to COVID-19 pandemic-related closures.
- **Allow students to continue to receive 100 percent of their Veterans Affairs (VA) Chapter 33 housing benefits** (because they were enrolled in classroom instruction) to continue participating in the program even if COVID-19 pandemic-related closures required them to shift to 100 percent on-line instruction.
- **California's certifying agency is now the VA, so as most programs transition to remote instruction platforms we will need flexibility** from the VA to not have any disruptions for our students as the VA reviews changes to the course catalog and mode of delivery.
- **Provide institutions of higher education with the flexibility to allow students who have withdrawn from suspended programs to re-enroll in terms that overlap** with the payment period of the canceled program. This would allow semester abroad students whose programs were canceled to enroll in a quarter term. All "unearned" aid under the Return to Title IV rules would still be returned.

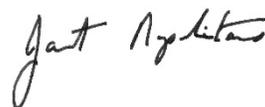
## **Research**

In shaping deliberative strategy and policy on the current COVID-19 pandemic, UC's leadership, resources and expertise are well-positioned and urgently needed in flattening the COVID-19 coronavirus curve. Beyond medical and clinical strengths, UC's research and innovation relevance in this current crisis span multi-disciplinary fields from basic research into emergent infectious disease, social and medical epidemiology and medical ethics. A key focus is the identification of research that has the possibility for outcomes and translation in the near-term, as well as the longer-term research that will likely take greater investment of resources and time, to prepare us for future infectious disease outbreaks.

- **Provide federal research grantmaking agencies with additional funding for administrative supplements** to assist research institutions address unforeseen or prohibitive costs due to the forced suspension or slowdown of federally supported research activity.
- **Provide additional research** funding into diagnostics, vaccine and/or therapies to the Department of Defense and National Science Foundation to complement the work at the Department of Health and Human Services
- Provide federal departments that grant research funds to **use expedited contracting models**—including Other Transaction Authority—when possible.
- **Provide additional funding** to the National Institutes of Health's I-Corps, the Department of Defense's Defense Innovation Unit, and the National Science Foundation's RAPID and EAGER programs to fund the innovation at start-up companies which could address the immediate needs for COVID-19 testing and recovery efforts.

Thank you for your consideration of our requests. If you have questions, please contact UC Associate Vice President for Federal Governmental Relations Chris Harrington. He can be reached at (202) 974-6314 or by email at [Chris.Harrington@ucdc.edu](mailto:Chris.Harrington@ucdc.edu).

Yours very truly,



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California Congressional Delegation

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