



THE UNIVERSITY OF CALIFORNIA



STANFORD UNIVERSITY

March 21, 2020

VIA EMAIL

Senator Dianne Feinstein
331 Hart Senate Office Building
Washington, DC 20510

Dear Senator Feinstein:

Thank you for your time and attention to the unique and unprecedented challenges facing our institutions as we work to fight the novel coronavirus that continues to spread throughout the country. The University of California's six academic health systems, referred to as "UC Health," and Stanford University stand ready to prevent, detect, and treat COVID-19, and we ask for your continued partnership in addressing this public health and economic crisis.

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:

CHANGES TO THE DRAFT 3rd EMERGENCY SUPPLEMENTAL FUNDING BILL

We are pleased to see that the Majority Leader's initial draft contains several provisions that will help academic medical centers to provide the highest standard of clinical care and care to the most vulnerable in our communities during the current crises. Specifically, we are pleased that the bill:

- Eliminates the Medicare 2 percent reduction in provider payment, known as the "Medicare sequester" from 5/1/2020 to 12/31/2020.
- Provides a Medicare payment add-on of 15 percent for treating COVID-19 patients who are Medicare beneficiaries covered by the Inpatient Prospective Payment System
- Requires group health plan coverage without cost-sharing of screening and evaluation visits and diagnostic tests for COVID-19.

However, we remain concerned that the current version of the bill falls short in several areas. We join with leading hospital groups like the Association of American Medical Colleges and the American Hospital Association to ask that the following provisions be added to the legislation:

- **Prevent the Centers for Medicare & Medicaid Services (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 our health 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 those making up UC Health.
- **Provide personal protective equipment (PPE) funding for healthcare workers.**
- **Temporarily increase the Medicare IME add-on payment adjustment of our academic medical centers.** This would provide targeted and immediate funding for teaching hospitals to address increased patient care demands and complexity. Congress created the IME add-on payment adjustment to off-set the higher costs teaching hospitals like ours incur when treating higher acuity patients and responding to threatening public health events, like this COVID-19 pandemic.
- **Appropriate Federal funding to reimburse hospitals for costs accruing from 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 easily exceed \$500 million over the course of six months.
- **Pass federal law to facilitate the delivery of telehealth services across state lines.** Recently, the Administration announced a significant expansion of Medicare telehealth coverage during this public health emergency, but state licensure laws remain an obstacle to expanding the reach and capacity of telehealth services. California, among other states, has waived state licensure and certification laws to allow medical personnel to assist in preparing for, responding to, and mitigating the effects of COVID-19 in California. However, other states have not yet taken similar reciprocal actions. Instead of waiting for many individual state actions, Congress should pass federal

legislation to facilitate the delivery of telehealth services across state lines during this public health emergency.

OTHER ADMINISTRATIVE ACTIONS

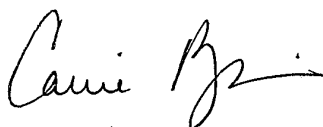
Furthermore, there are additional steps the Administration and relevant agencies can take to help flatten the curve of clinical demand related to COVID-19, which threatens to overwhelm our health care system. These steps include:

- **Addressing shortages of the nation's medical supplies stockpile.** With a dwindling number of necessary supplies at our medical centers and within the country's Strategic National Stockpile, our healthcare workers risk being exposed to the highly infectious COVID-19 and getting pulled off the front lines serving patients. We are already seeing our supplies of personal protective equipment (PPE), including masks, eye protection, gowns, and gloves being diminished at an alarming scale – which are not being replenished sufficiently due to shortages and other countries export controls. Please urge the administration to use the powers it has already invoked under the Defense Production Act to immediately increase domestic manufacturing capacity of critical supplies needed to combat the virus.
- **Prioritizing academic medical centers for testing supplies and reagents.** Our institutions are working to significantly increase our testing capacity to expand access and shorten turnaround time in the coming days. However, our efforts are jeopardized by critical shortages of the reagents and other supplies (like swabs, pipette tips, viral transport media, and RNA extraction kits) necessary to run the RT-PCR tests and the COVID-19 antibody tests that will be critical in the future. While the commercial laboratories have turnaround times in the range of two to six days, our academic medical centers have been able to return test results in a matter of hours, allowing for quicker access to care and better outcomes.
- **Prioritize the development of antibody tests, prophylaxis, and treatments.** The federal government should begin to work with academic centers and pharmaceutical companies to identify protective antibodies and work with drug manufacturers to produce these at scale for the delivery of passive immunity to the health care workforce, first responders and the general population and to investigate as potential therapies for those infected with COVID-19.
- **Assist academic medical centers with needed cash.** Like other hospitals around the nation, we are having to postpone or cancel non-essential surgeries, both in anticipation of the expected surge in COVID-19 patients and to minimize risk of transmission. These

services comprise a significant portion of hospital operations and revenue, which is now decreasing rapidly just as costs are mounting exponentially. Reinstate periodic interim payments (PIPs) for both public and commercial payors, so these can be used to stabilize hospitals and allow them to remain open and serve their communities should claims processing slow down or halt due to COVID-19. Accelerated payments in Medicare Part A and advanced payments in Part B would also assist with cash flow.

Thank you for your consideration of our requests. If you have questions, please contact Julie Clements, Director of Health and Clinical Affairs, University of California Office of Federal Governmental Relations at (202)-550-4148 or julie.clements@ucdc.edu; Natalie Alpert, Executive Director, UCSF Federal Government Relations at (202) 907-4391 or natalie.alpert@ucsf.edu; Michael Altschule, Executive Director, UCLA Health Government Relations at (310) 267-7064 or maltschule@mednet.ucla.edu; Ryan Adesnik, Senior Associate Vice President Government Relations, Stanford University at (650) 725-3322 or radesnik@stanford.edu; and/or Nancy Olson, Chief Government and Community Relations Officer, Stanford Health Care at (650) 407-7610 or naolson@stanfordhealthcare.org.

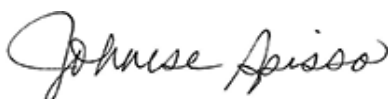
Sincerely,



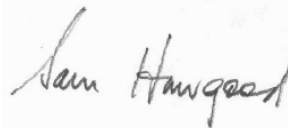
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