



OFFICE OF THE EXECUTIVE VICE PRESIDENT
UC HEALTH

OFFICE OF THE PRESIDENT
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CALIFORNIA CONGRESSIONAL DELEGATION

Dear Members of Congress:

On behalf of the University of California's academic health centers located at Davis, Irvine, Los Angeles, Riverside, San Diego, and San Francisco, collectively known as UC Health, we want to thank you for your continued efforts to ensure that health care providers responding to the COVID-19 outbreak receive the financial support and regulatory flexibility to respond effectively to the public health crisis.

UC Health is grateful for the \$175 billion for the Public Health and Social Services Emergency Fund. Our academic health centers incurred significant financial losses as we prepared for a surge, developed new diagnostic tests for COVID-19 in our CLIA-certified labs, rapidly scaled up testing capacity, and procured needed medical supplies, and personal protective equipment.

The people of UC Health are on the front lines of treating and managing the evolving COVID-19 public health emergency. We are steadfast in our commitment to our patients, our health professions students and trainees, our health care workers, and the communities we serve. At the same time, we are continuing to experience unprecedented financial losses because of this pandemic, including significant loss of revenue. As a result, UC Health experienced a total of \$847 million in lost revenue from March through May 31, 2020. We expect the costs are likely to continue as long as new COVID-19 cases are identified, and as we continue to take protective measures for all patients, physicians and staff in order to be able to safely resume providing other essential, in-person, health care services. As such, we are dependent upon Congress soon passing into law additional funding and specific policy measures that when combined will allow our academic health centers to withstand the numerous demands placed on them by both the public health crisis and economic downturn. We are your partners in fighting this pandemic, and we need your continued support to ensure that our medical professionals and hospitals have every tool at their disposal to serve patients and public health.

As Members of Congress work toward the next COVID-19 package, UC Health would like to highlight several healthcare financing, higher education and workforce priorities that are critical to academic health centers like UC Health:

Urge Administration to Better Target Appropriated Provider Relief

- Targeted distributions of the CARES Act Public Health and Social Services Emergency Fund (PHSSEF) relief funding by the Administration are necessary to ensure a safety net public academic health system like UC Health can continue to fulfill its tripartite mission of public service, education, and innovation.
- The Administration should allocate a further tranche of provider relief funding to academic health centers' faculty practice plans, recognizing the unique contributions of, and costs incurred by, academic health center faculty physicians practicing on the front lines who are also training medical residents, performing critical clinical and public health research, and treating some of the most medically complex and vulnerable patients.
- UC Health continues to request that the Administration utilize providers' case mix index, ICU bed count (including surge bed capacity), and lost revenue from clinical operations, as well as costs expended preparing for COVID-19 patients, in its methodologies for distributing additional provider relief from the CARES Act's PHSSEF. Academic health centers typically serve a greater share of higher acuity patients and our faculty have significant clinical expertise, and therefore our health centers immediately responded to the need to accommodate suspected or presumptive COVID-19 patients and to make additional ICU bed capacity available. As part of their normal operations, academic health centers typically have high occupancy rates. As a result, academic health centers have been particularly impacted by the pandemic. For example, UCLA Health was designated early on as the referral site for Los Angeles International Airport to use when screening and then isolating international travelers presumed to be COVID-19 positive and necessitating inpatient care.

Alter Medicare Loan Program Terms

- Reduce the Medicare Accelerated Payments and Advanced Payment loan programs' interest rates from the current 10.2 percent to zero or no more than 2 percent.
- Extend the timeline during which loan recipients are permitted to pay back the loans by at least two years beyond the end of the public health emergency period.

Expand Affordable Healthcare Coverage Options

- Help working Americans preserve their employer-sponsored insurance coverage by providing federal subsidies to pay COBRA premiums and creating special enrollment periods for state health exchanges, including those that are federally-facilitated exchanges versus state-administered, as well as Medicare Advantage.

Sustain and Bolster Medicaid Investment

- Require the U.S. Secretary of Health and Human Services, upon request by a state, to extend the waiver and expenditure authorities for a Medicaid demonstration project described under Section 1115(a) of the Social Security Act up to and including December 31, 2021 to ensure continuity of programs and funding during the emergency period.
- Block implementation of the Medicaid Fiscal Accountability rule which, if put into effect, would severely restrict the financing mechanisms upon which State Medicaid programs like Medi-Cal rely, costing California public hospital and health systems an estimated \$22 billion.
- Increase the Federal Medical Assistance Percentage (FMAP) for the Medicaid program beyond the initial 6.2 percent agreed to in earlier COVID-19 legislation and up to an additional 10 percent, and extend the duration of that increase for at least one year after the public health emergency expires.
- Increase the Medicaid Disproportionate Share Hospital (DSH) allotment by at least 2.5 percent for at least one year after the public health emergency expires.
- Delay any statutorily planned cuts to the Medicaid DSH program by at least one year after the public health emergency expires.

Award Medical Education Grants in Underserved Areas

- The COVID-19 pandemic has accentuated the important need to address physician workforce shortages across the nation, including in California. For example, at the height of the COVID-19 crisis several UC Health physicians traveled to COVID-19 hotspots like the Navajo Nation to treat COVID-19 patients. UC Health urges you to help us promote addressing physician workforce shortages in underserved areas of California by authorizing up to \$1 billion in medical education grants under Health Resources and Services Administration (HRSA) Title VII funding that can be used by schools of medicine or branch campuses of schools of medicine, with priority given to institutions in areas with fewer active physicians per 100,000 persons in the population, have a curriculum that emphasizes care for diverse and underserved populations, or are minority-serving institutions. These grants would benefit medical education programs within the UC Health system, like the UC Riverside School of Medicine and UCSF School of Medicine Fresno branch campus, which were founded with the objective of bringing medical education to healthcare shortage areas, and training future physicians for underserved populations.

Enhance Higher Education Students' Access to Clinicians during Pandemic

- Pre-empt state clinician licensure laws throughout the public health emergency period and beyond it to help ensure students in higher education

can continue receiving medical services via telemedicine while continuing pursuit of their coursework at home.

Provide Access to Low-Cost Capital

- Due to the financial strain on academic medical centers as a result of COVID-19, access to affordable capital is a necessary lifeline for institutions, as they return to normal operations, and the communities they serve. Providing access to zero-interest loans and/or grants during the pandemic would allow institutions to free up resources for future outbreak responses. As Congress considers passing additional legislation to respond to COVID-19, UC Health looks forward to the opportunity to work with you to discuss infrastructure needs.

Thank you for your consideration of the above priorities for inclusion in the next COVID-19 legislative package. UC Health is grateful for your support of our clinicians, researchers, and institutions throughout this emergency period, and we welcome future opportunities to partner with you to craft and enact policy measures that will address the lessons our leaders, clinicians, and researchers have learned as they have prepared for and treated patients suffering from COVID-19.

Sincerely,

A handwritten signature in black ink, appearing to read "Carrie Byington". The signature is fluid and cursive, with a long horizontal stroke at the end.

Carrie L. Byington, MD
Executive Vice President
UC Health

cc: Senior Vice President External Relations and Communications Claire Holmes
Associate Vice President for Federal Governmental Relations Chris Harrington