December 7, 2020

**Alaska Congressional Delegation**

Senator Lisa Murkowski

Senator Dan Sullivan

Representative Don Young

RE: Extend Spending-Related Deadline for CARES Act Funding, Support Flexibility

Dear Congressional Delegation,

As Alaska’s health care leaders, we want to thank you for your leadership on behalf of Alaskans throughout the COVID-19 pandemic. We continue to be grateful for your partnership and the federal support.

In recognition of our state and community partners, we urge you to extend the spending-related deadline for CARES Act funding to 2021. Additionally, as health care providers on the frontlines of the pandemic, we also seek your help with flexibility. Specifically, we request that Congress move to require the Department of Health and Human Services (HHS) to fully reinstate its June Provider Relief Fund (PRF) reporting requirements, which would, among other things, allow our facilities to use a practical method for calculating lost revenues from the pandemic. We also ask for forgiveness of Medicare accelerated payments made to hospitals and nursing homes earlier in the pandemic. Finally, we encourage you to lift the prohibition on use of Provider Relief Funds on expenses or losses other sources of funds are obligated to cover.

This request aligns with key leaders and stakeholders from Alaska and across the country. Most notable, just days ago in a letter to Congressional leaders, Alaska’s acting Attorney General joined a coalition of attorneys general representing 43 states, the District of Columbia, and 5 U.S. territories, urging an extension of the spending-related deadline for CARES Act funding to December 31, 2021.

Alaska is in the most challenging phase of the pandemic. We have 150 Alaskans in the hospital with COVID-19 on a daily basis. Our health care workers are exhausted, and staffing shortages are emerging around the state as caregivers get exposed to COVID-19 in their communities. Rural facilities are overwhelmed, and our elders continue to be isolated in long-term care facilities as the virus runs rampant throughout the state. Alaska’s school system is largely restricted to virtual learning, businesses are suffering across the state, and Alaskans are out of work.

Flexibility and support are critical at this juncture. States, local communities, and health care providers need additional time to utilize the COVID relief funds and resources. Limiting funds to expenses incurred before December 31, 2020, while logical at the beginning of the pandemic, no longer is viable due to the severity of the pandemic today, and the likelihood it will continue at this level for the foreseeable future.

Additionally, many health care facilities continue to struggle with HHS’ revised definition for lost revenue as it relates to PRF funds. Emphasis needs to be on flexibility and support, and the best way to do this is to adopt HHS’ original definition of lost revenue as published in June 2020. Another significant step to support Alaska’s health care system, and the health care systems across the country, is to convert the Medicare accelerated payments into grants and retire any payback expectations.

Because many rural hospitals receive cost based reimbursement from some of its third party payors, most notable Medicare and Medicaid, the prohibition on use of Provider Relief Funds on expenses or losses other sources of funds are obligated to cover necessitates complex estimates of the amounts of Covid related expenditures that will ultimately be reimbursed on a cost basis. Providers are then required to back out these cost based reimbursed amounts from the Provider Relief Fund expenditures limiting the usefulness of these funds and inserting much uncertainty on how providers should best be utilizing these funds to prevent, prepare for, and respond to Coronavirus. This prohibition is also forcing many Alaska hospitals and nursing homes to spend significant resources on legal and accounting consultants to prepare these estimates at significant cost. This money would be better spent on battling the virus than lining the pockets of consultants. Eliminating this prohibition would significantly simplify the reporting requirements freeing up time and funds that could be utilized as initially envisioned in the legislation.

Thank you for your leadership and partnership. We will continue to do our part in the fight against COVID-19, and take great pride in being the backbone of Alaska’s health care system.

Sincerely,

List CEOs and Facility Names