

March 17, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
U.S. Capitol Building, H-222
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
U.S. Capitol Building, S-230
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
U.S. Capitol Building, H-204
Washington, DC 20515

The Honorable Charles E. Schumer
Democratic Leader
U.S. Senate
U.S. Capitol Building, S-221
Washington, DC 20510

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy and Leader Schumer:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinician partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) urges Congress to quickly pass critically needed direct financial assistance for hospitals and health systems to protect the public health and address the economic turmoil caused by the 2019 novel coronavirus (COVID-19) outbreak. We applaud Congress for the steps taken so far to address the threat to public health and individual financial security, but hospitals and health systems also need additional resources to combat the ongoing public health emergency. Directly supporting hospitals and health systems not only will help us care for our patients but will provide a stimulus to communities in need of financial stability during this turbulent time.

Hospitals and health systems are making significant efforts to reconfigure operations to meet the growing surge of new patients due to COVID-19. **The AHA urges Congress to provide financial assistance for hospitals making infrastructure investments, as well as for the purchase of equipment and supplies necessary to combat the COVID-19 pandemic. If tax relief is provided, it is important to provide that assistance through payroll taxes, so as to ensure that all hospitals are able to benefit from that relief.** Helping hospitals and health systems fund these investments is necessary to be successful in preparing for, responding to and controlling this infectious disease outbreak.

The AHA also urges Congress to offset the costs of uncompensated care, bad debt and charity care for treating coronavirus patients through a full payroll tax credit or other policy mechanism. Hospitals provide varying levels of financial assistance, which



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must be budgeted for and financed by the hospital depending on the hospital's mission, financial condition, geographic location and other factors. We know that hospital resources will be stretched beyond capacity as a result of this epidemic. Legislation that recognizes and helps mitigate these additional costs is an essential component to maintaining hospital financial viability.

To expand the availability of financing for needed hospital construction during this crisis, the AHA asks that Congress consider temporary extension and permanent restoration of proven, immediately stimulative financing tools. Bipartisan legislation has been introduced in the House to achieve this goal, and Congress should include the following:

- **Restore Advance Refunding of Tax-Exempt Bonds (H.R. 2772):** Restoring the ability for governments, hospitals and others to advance refund tax-exempt municipal bonds frees up billions of dollars that governments and hospitals could devote to meeting the urgent needs of this crisis. State and local governments and nonprofits understand that preparing for a pandemic requires strengthening the infrastructure network that underpins their communities and institutions. We are asking you to restore advance refunding thereby providing debt service savings for taxpayers, which can be put to immediate public works purposes. This would be of immense help for planning and budgeting purposes for state and local communities and organizations, such as hospitals that are first line responders during this immediate crisis.
- **Increase Access to Capital for Small Borrowers (H.R. 3967):** For many thousands of small issuers, and governmental and nonprofit borrowers, increasing the bank-qualified borrowing limit from \$10 million to \$30 million, and having it apply at the borrower level would provide thousands of small local governments, hospitals and charities access to capital for immediate project needs.

Addressing the significant unanticipated financial burden hospitals face as they serve their communities will help meet the public health challenge we face and provide financial stimulus to communities throughout the country. We greatly appreciate the leadership you have provided on ensuring our nation's ability to respond to COVID-19, and we look forward to continuing to work with you during this critical time to protect the health and economic stability of our nation.

Sincerely,

/s/

Thomas P. Nickels
Executive Vice President