

July 30, 2020

Honorable Cindy Axne  
U. S. House of Representatives  
330 Cannon House Office Building  
Washington, DC 20515

Dear Representative Axne:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinical 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) supports the Eliminating the Provider Relief Fund Tax Penalties Act of 2020.

Your legislation would to ensure that vital funding through the Public Health and Social Services Emergency Fund (PHSSEF) and similar programs provided in response to COVID-19 is not taxable, and that entities receiving these funds maintain tax deductions attributable to these funds. Currently, tax-paying health care providers lose at least 21% of the benefit of these funds as a result of their tax status. With the enactment of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Congress recognized the urgent need to shore up our nation's health care providers so they could support their communities during the current pandemic. To then tax those same resources runs counter to that goal.

The nation's hospitals and health systems, which remain on the front lines as the COVID-19 pandemic continues, are increasingly financially vulnerable and in need of additional support. Your needed legislation is an important step in providing that support.

Sincerely,

/s/

Thomas P. Nickels  
Executive Vice President

