

The COVID-19 pandemic has resulted in historic challenges for hospitals and health systems and the communities they serve. Data from Johns Hopkins University show that at the end of January 2021, there were over 26 million confirmed COVID-19 cases and nearly half a million reported deaths from COVID-19 in the United States alone.¹ Meanwhile, COVID-19 hospitalization rates have surged, and in many states, hospital intensive care unit bed utilization rates are near capacity.² Hospitals have never experienced such a widespread, national health crisis.

The surging number of cases and hospitalization rates have directly impacted the U.S. health care system and its ability to continue to provide access to care. The pandemic has put severe financial pressure on hospitals, including, but not limited to: the astronomical costs of preparing for a surge of COVID-19 patients; added expenses due to supply chain and labor market disruptions; months of essential hospital revenue being erased due to the combination of a forced shutdown and slowdown of regular operations for non-emergent care; and the high cost of treating COVID-19 cases, which tend to be incredibly resource intensive.

In a pair of reports released in May and June of 2020, the AHA projected that hospitals' and health systems' financial losses would amount to at least \$323.1 billion through the end of 2020.³ Losses on that scale have seriously threatened hospitals' and health systems' financial sustainability. At the start of 2021, those same financial challenges persist for America's hospitals and health systems, with more financial losses expected.

Congress provided relief funds to hospitals and health systems in an effort to mitigate these financial losses. The government so far has allocated a total of \$178 billion in Provider Relief Funds to all providers. However, although the financial challenges persist, the Provider Relief Fund is now nearly exhausted. The Department of Health and Human Services has made a number of distributions from the fund, totaling approximately \$148.4 billion so far.⁴

In addition, as part of COVID-19 relief legislation passed in December, Congress directed that 85% of unobligated balances in the Provider Relief Fund would be used to assist health providers with COVID-19-related losses incurred through March 31, 2021. After that disbursement, only \$4.4 billion of the Provider Relief Fund will be available for distribution based on the amounts disclosed by HHS (see table below).

Given the ongoing nature of the pandemic, the losses providers have seen over the last 10 months, and the anticipated future losses and additional costs, the AHA urges Congress to make available more funding for the Provider Relief Fund, as well as additional funding to support efforts to bolster vaccine administration, enhanced testing and other priorities that support our nation's hospitals and health systems preserve access to care for communities across America.

Provider Relief Fund Distribution ⁵	Billions
Phase 1 General Distribution	\$50.0
Phase 2 General Distribution	\$18.0
Phase 3 General Distribution	\$24.5
High Impact	\$22.0
Rural Distribution 1	\$10.2
Rural Distribution 2	\$1.1
Allocation for Skilled Nursing Facilities (SNFs) 1	\$4.9
Allocation for Skilled Nursing Facilities (SNFs) 2	\$2.5
Allocation to Tribal Hospitals, Clinics, & Urban Health Centers	\$0.5
Allocation to Safety Net Hospitals 1	\$10.3
Allocation to Safety Net Hospitals 2	\$3.0
Allocation to Safety Net Hospitals 3	\$1.4
<i>Total Provider Relief Fund Distributions</i>	\$148.4
Total Undistributed Funds	\$29.6
Distribution Directed by H.R. 133 ⁶	\$25.2
Remaining Undistributed Funds	\$4.4
Total Provider Relief Fund	\$178.0

Source: 1. Center for Systems Science and Engineering (CSSE) at Johns Hopkins University. COVID-19 Dashboard. coronavirus.jhu.edu/map.html. 2. HHS Protect Public Data Hub. State Representative Estimates for Hospital Utilization. protect-public.hhs.gov/. 3. AHA. Hospitals and Health Systems Continue to Face Unprecedented Financial Challenges due to COVID-19. June 2020. www.aha.org/press-releases/2020-06-30-new-aha-report-losses-deepen-hospitals-health-systems. 4. Note: Providers must attest that they meet the conditions laid out by HHS when receive a distribution. There is often a significant lag between the announcement of distributions by HHS, the attestation of funds and the public reporting of payments of those final payments by HHS. 5. HHS CARES Act Provider Relief Fund General Information. www.hhs.gov/coronavirus/cares-act-provider-relief-fund/general-information/index.html. 6. H.R. 133 required that "not less than 85 percent of (i) the unobligated balances available as of the date of enactment of this Act, and (ii) any funds recovered from health care providers after the date of enactment of this Act, shall be for any successor to the Phase 3 General Distribution allocation to make payments to eligible health care providers based on applications that consider financial losses and changes in operating expenses occurring in the third or fourth quarter of calendar year 2020, or the first quarter of calendar year 2021, that are attributable to coronavirus."