

June 9, 2020

*Via email*

The Honorable Sherrod Brown, U.S. Senate  
The Honorable Rob Portman, U.S. Senate  
The Honorable Steve Chabot, U.S. House of Representatives  
The Honorable Brad Wenstrup, U.S. House of Representatives  
The Honorable Joyce Beatty, U.S. House of Representatives  
The Honorable Jim Jordan, U.S. House of Representatives  
The Honorable Bob Latta, U.S. House of Representatives  
The Honorable Bill Johnson, U.S. House of Representatives  
The Honorable Bob Gibbs, U.S. House of Representatives  
The Honorable Warren Davidson, U.S. House of Representatives  
The Honorable Marcy Kaptur, U.S. House of Representatives  
The Honorable Mike Turner, U.S. House of Representatives  
The Honorable Marcia Fudge, U.S. House of Representatives  
The Honorable Troy Balderson, U.S. House of Representatives  
The Honorable Tim Ryan, U.S. House of Representatives  
The Honorable David Joyce, U.S. House of Representatives  
The Honorable Steve Stivers, U.S. House of Representatives  
The Honorable Anthony Gonzalez, U.S. House of Representatives

Dear Members of the Ohio Congressional Delegation:

Congress has the opportunity now to help our frontline caregivers and assure hospitals can continue to lead their patients and communities through the COVID-19 pandemic. On behalf of our 236 hospital and 14 health system members throughout Ohio, the Ohio Hospital Association respectfully asks you to support loan forgiveness for the Medicare Advanced Accelerated Payment loan program.

We are proud of our delegation's demonstrated leadership on loan forgiveness thus far. Eleven Ohio members of the House of Representatives have signed a letter to congressional leadership in support of loan forgiveness, and Reps. Marcy Kaptur and Bob Gibbs will soon introduce bi-partisan loan forgiveness legislation. We encourage the Senate to join in this effort by including this proposal in the pending COVID-19 relief bill under consideration.

Earlier this year, hospitals increased capacity to prepare for the COVID-19 surge by shutting down all non-essential surgeries and procedures. As a result, many hospitals experienced a loss of between 40 and 60 percent of their normal service revenue, and several were forced to furlough employees. Hospitals are facing a growing financial crisis due to revenue losses, emergency expenditures, investment losses and patients losing health coverage related to skyrocketing unemployment. Throughout the country, hospitals shed more than 1.4 million jobs in April alone, and are losing \$50.7 billion per month.

Congress helped hospitals with the CARES Act, providing critical assistance and \$175 billion in emergency grants. These grants, while appreciated, are not sufficient to cover the losses hospitals continue to incur.

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As losses mounted in early April, many hospitals were left with only one lifeline — the Medicare Advanced Accelerated Payment loan program. In three-and-a-half weeks in April, hospitals and other providers received \$101 billion in loans to stabilize their financial positions. These loans require repayment in one year, beginning this September. These loans will come due as reductions to Medicare payments just as hospitals are trying to resume full operations. Not to mention, hospitals also will be facing a severe cold/flu season and the likelihood of a second round of COVID-19.

This “perfect storm” scenario will create even more financial turmoil for hospitals and their employees and will put the health and safety of our citizens at risk. USA Today reports that one hundred hospitals across the country could close within one year. A health care environment with fewer hospitals is not what we need at this critical time. The CARES Act also included another critical provision, authorizing the reimbursement of all provider COVID-19 costs, including lost revenues. Hospitals urge Congress to continue this enacted COVID-19 policy for the AAP loan program.

Some experts suggest the AAP loan program is voluntary and hospitals knew the terms when they applied. However, hospitals faced an unprecedented fiscal threat, and catastrophic fiscal losses drove 41,000 AAP loan applications for \$100 billion in loans. Hospitals know, without Congressional action, serious fallout is just a few months away.

OHA believes the loan forgiveness proposal is fair, reasonable and will provide hospitals and providers the stability to protect patients, their communities and Ohio’s local economies. AAP loan proceeds will be forgiven only to cover unreimbursed COVID-19 expenses and lost revenues. Any funds not used to fight the pandemic will be returned or repaid. Loan repayment would be deferred until next year, post-pandemic. Hospitals and providers will retain loan proceeds as a reserve fund, allowing COVID-19 losses to be covered over the next 12 months. In mid-2021 the U.S. Department of Health and Human Services/Centers for Medicare and Medicaid Services and providers will reconcile whether grants plus loans are greater than COVID-19 expenses, with excess funds to be returned or repaid.

Much like the Paycheck Protection Program loan forgiveness that is helping save small businesses throughout the country, AAP loan forgiveness will allow hospitals to continue caring for patients and helping the country recover from COVID-19.

A robust health care sector is key to our economic recovery and we ask you to please help Ohio by ensuring our hospitals can survive the financial turmoil caused by COVID-19.

Thank you for your consideration.

Sincerely,



Mike Abrams  
President and CEO