

May 26, 2020

Senator Benjamin Cardin
509 Hart Senate Office Building
Washington, DC 20510

Senator Chris Van Hollen, Jr.
110 Hart Senate Office Building
Washington, DC 20510

Congressman Andrew P. Harris
2334 Rayburn HOB
Washington, DC 20515

Congressman C. A. Dutch Ruppersberger III
2206 Rayburn Building
Washington, D.C., DC 20515

Congressman John P. Sarbanes
2370 Rayburn House Office Building
Washington, DC 20515

Congressman Anthony G. Brown
1323 Longworth House Office Building
Washington, DC 20515

Congressman Steny H. Hoyer
1705 Longworth House Office Building
Washington, D.C. 20515

Congressman David Trone
Longworth House Office Building
Room 1213
Washington, DC 20515

Congressman Kweisi Mfume
2163 Rayburn HOB
Washington, DC

Congressman Jamin B. (Jamie) Raskin
412 Cannon House Office Building
Washington, DC 20515

Dear Maryland Delegation:

MedChi, The Maryland State Medical Society, the largest physician organization of Maryland, writes today on behalf of its members, Maryland healthcare facilities and the frontline workers that are working tirelessly to lead us through the COVID-19 pandemic.

Earlier this year, many healthcare facilities increased capacity across the board to prepare for the Covid-19 surge, which led to shuttering many of their other services to preserve needed supplies to help flatten the curve. When the surge didn't materialize for a large majority of physician offices and hospitals, they were forced to furlough employees and experienced a loss of between 40 and 80% of their normal service revenue. Coupling the revenue losses and increased costs together with investment losses and patients losing health coverage due to skyrocketing unemployment, hospitals are quickly approaching the need for financial life-support.

Congress responded with the CARES Act, which provided much needed assistance to hospitals in the form of \$175 billion in grants. While appreciated, that \$175 billion will not cover the losses that hospitals have, and will continue to, incur. One other provision in the CARES Act was that all provider COVID-19 costs, including lost revenues, would be reimbursed.

Throughout the country, hospitals shed over 1.4 million jobs in April alone and are losing money at a rate of \$50.7 billion per month. It has become clear that the \$175 billion that Congress has appropriated for this crisis won't be enough to cover the staggering losses to our hospitals.

Some of the physicians and most Maryland hospitals were left with only one lifeline in early April as losses mounted. They flocked to another CARES Act provision, using the Medicare Advanced Accelerated Payment loan program. Nationally, in three and a half weeks hospitals and other providers received \$101 billion in loans to stabilize their financial position. These loans will require repayment in one year, with payments beginning this September. Loans are coming due just as hospitals are trying to get back to full service, all while facing 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 a year. Fewer hospitals is not what we need at this critical time.

We respectfully request your support of the bi-partisan effort spearheaded by Congresswoman Marcy Kaptur (D-OH) and Congressman Bob Gibbs (R-OH) to forgive the advance Medicare payment loans made to hospitals. Loan forgiveness, much like the PPP loans that are helping to save small business throughout the country, will allow hospitals to focus on healthcare and helping the country to beat COVID-19.

We remain strongly supportive of the other issues regarding financial stability the AMA has brought forward, and as the AMA component in Maryland we think Congress needs to take immediate action on the loan repayment issue, as well as a Medicaid relief act and others outlined by the AMA.

In closing, I would be remiss if I didn't thank all of you for the great working relationship our association has had with your offices during the crisis. You have helped my members with various constituent issues, and I have received regular communication from the delegation, and even personally spoken with many of you in the last two months. This close attention to the physician community has not gone unnoticed.

Thank you for your service,

Sincerely,

Gene M. Ransom III
CEO MedChi, The Maryland State Medical Society