



January 20, 2022

Sent electronically

Dear Members of the California Congressional Delegation:

As COVID-19 hospitalizations reach the highest recorded level since the beginning of the pandemic, California hospitals are nearing a breaking point. Omicron is spreading like wildfire throughout the state, and public health models indicate the peak will not be reached until the end of January. Hospitals are rapidly filling with sick patients while at the same time, many health care workers are either sick themselves, have been exposed to the virus, or are caring for family members.

On behalf of our more than 400 hospital and health system members, the California Hospital Association (CHA) urges your continued leadership in Congress to support hospitals and their staff during an unrelenting pandemic that threatens care in communities throughout California.

Perilous Workforce Shortages

More than 40% of California hospitals are experiencing dire workforce staffing challenges at a time when our state's health care workforce is already depleted after nearly two years of fighting the pandemic. In California, 78% of hospitals report increased staff turnover between early 2020 and mid-2021 — even before the omicron variant substantially exacerbated the national and global workforce challenge. Hospitals are doing everything they can to address staffing shortages, but they cannot hire workers who don't exist.

Throughout this public health emergency, hospitals have cared for their workers in extraordinary ways by providing housing and childcare support, delivering financial bonuses, expanding wellness programs and counseling to support the mental and emotional well-being of those on the front lines, and providing extended leave and enhanced compensation. Now, they must turn to policy solutions to help them help their workers — with funding that supports wages, retention bonuses, and educating the next generation of health care workers to ensure a robust workforce that can care for all Californians in need. Several proposals included in the Build Back Better legislation address these very issues and must find their way to the president's desk soon.

Financial Toll

In addition to unprecedented workforce shortages, hospitals continue to face enormous financial losses. California's hospitals lost an estimated \$16.3 billion due to the pandemic in 2020 and 2021. While hospitals are grateful for the federal relief they have received so far, it is simply inadequate. To make up for what have been catastrophic losses and the lack of adequate financial relief, many have resorted to borrowing billions through emergency loans to continue caring for their patients and staff.

499 So. Capitol Street SW, Suite 410, Washington, DC 20003 ■ Office: (202) 488-3740 ■ FAX: (202) 488-4418

1215 K Street, Suite 700, Sacramento, CA 95814 ■ Office: (916) 443-7401 ■ www.calhospital.org

- *Provider Relief Funds:* The Department of Health and Human Services (HHS) is still in the process of distributing its fourth phase of Provider Relief Funds (PRF), which cover a portion of hospitals' losses and expenses incurred through March 2021. It is uncertain how much remains of the total funds, but it's a small fraction of what has been spent so far and is certainly woefully insufficient to cover the last 10 months of the pandemic's delta and omicron surges, not to mention whatever comes next. Of note, Phase 4 of the PRF is particularly inadequate for hospitals — like those in California — that experienced a significant surge in COVID-19 admissions during late 2020 and early 2021. [This infographic](#) details how California hospitals have not received their fair share of funding to date. **We ask that you urge HHS distribute the remaining funds immediately and replenish the fund to ensure the long-term stability of hospitals.**
- *Medicare Sequestration:* Since the beginning of the pandemic, Congress has blocked a 2% cut in Medicare payments to providers, but the most recent action blocks the cut only until April 1. These cuts could cost California hospitals \$200 million in 2022 alone. **Hospitals need Congress to block the cuts until the end of the public health emergency.**
- *Loan Repayment:* At the beginning of the pandemic Congress provided for Medicare Accelerated and Advance Payments, or short-term loans. Those loans are now coming due. **Many hospitals need additional time to make their repayments.**

People in need will always turn to hospitals for help. The reality that hospitals must care for their patients — 24 hours a day, seven days a week — has not changed. Hospitals remain committed, first and foremost, to ensuring care is available in their communities and to the safety of patients and staff.

CHA thanks you for your leadership in protecting Californians — those who need care and those who care for them. We ask that you take action to further protect our state by supporting the hospitals and health care workers who care for all of us as we endure yet another season of the COVID-19 pandemic.

If you have questions about our concerns, please contact Anne O'Rourke, senior vice president, federal relations, at aurourke@calhospital.org or (202) 488-4494.

Sincerely,



Carmela Coyle
President & CEO
California Hospital Association