

February 22, 2022

The Honorable Charles E. Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

Dear Leader Schumer and Leader McConnell, Speaker Pelosi and Leader McCarthy:

On behalf of the American Health Care Association and the National Center for Assisted Living's (AHCA/NCAL) more than 14,000 skilled nursing facilities (SNF), assisted living communities (AL) and intermediate care facilities for individuals with intellectual disabilities (ICF/IID) member providers, I want to thank you personally for your continued leadership and swift response to the unprecedented coronavirus (COVID-19) pandemic across the U.S. and around the world. The role of the United States Congress has been and will continue to be critical for health care providers in our country. Specifically, we greatly appreciate the assistance received through the Provider Relief Fund throughout this pandemic. The aid has been vitally important in ensuring that our members' facilities are equipped to combat this mortal threat to our seniors and individuals with disabilities in America's long term care facilities. We stand ready to partner with you to ensure the most frail and vulnerable in our country are not put at further risk.

Unfortunately, due to the explosion of the Omicron variant, coupled with the lingering Delta variant, the long term care sector is in a critical and fragile time. The Omicron surge caused havoc on our nation's health care system due to its highly contagious nature, including in long term care. Even now, COVID-19 remains an ongoing threat as it continues to mutate while much of the world's population and a good portion of the U.S. population remains unvaccinated. Vulnerable populations, such as those served in long term care facilities, will continue to be at serious risk with each new mutation, as spread in the general community is the biggest indicator of nursing home outbreaks.

The COVID-19 pandemic has presented significant challenges to the entire health care continuum and specifically to the long term care profession. Long term care facilities are facing a historic labor crisis, losing more than 400,000 caregivers since the beginning of the pandemic, and workforce levels are at a 15-year low. Nursing homes and assisted living communities are facing the worst job losses among all health care professions, and the shortage is impacting seniors' access to care. More than half of nursing homes were limiting new admissions in recent months—at a time when overwhelmed hospitals needed our assistance to free up precious beds

due to the Omicron surge. However, with your help, health care providers, including those in long term care, can access key tools available to help respond to this unprecedented challenge.

Now more than ever, long term sector residents and staff needs the support of the United States Congress. At this critical time, we ask that you include the following in the upcoming appropriations bills:

- **Additional \$20 billion added to the Provider Relief Fund Allocated to Long-Term Care**
- **Extension of Medicare Sequestration Delay and Accelerated and Advance Payments**
- **Extension of the Public Health Emergency**

Additional \$20 Billion to the Provider Relief Fund Allocated to Long-Term Care

The aid that the sector has received through the Provider Relief has been lifesaving to millions of our residents and has helped thousands of facilities keep their doors open to continue serving our nation’s seniors. While the PRF funding has been helpful, it has not been enough. Due to the age cohort of patients we serve, skilled nursing facilities and assisted living communities have been uniquely and disproportionately impacted by this pandemic. The costs and revenue shortfalls have far outpaced many other sectors within the health care continuum.

Specifically, the Phase 4 General Distribution payments were inequitable, covering 20% of losses for some health care providers and 45% for others (see table below). Not only that, Phase 4 only covered losses incurred through the first quarter of 2021. And during the last three quarters of 2021, labor costs for skilled nursing increased significantly, while at this same time, there has been no improvement in census. Additional aid to provide help for the remaining three quarters of 2021 is critical.

Table: Phase 4 Provider Sizes and Percentages of Change in Revenues and Expenses for Base Payment

| Provider Size | Annual Net Patient Care Revenues | Percentage of Change in Revenues and Expenses to be Paid |
|----------------------|---|---|
| Small | Less than or equal to \$10M | 45% |
| Medium | Between \$10M and \$100M | 25% |
| Large | Greater than or equal to \$100M | 20% |

Source: Health Resources & Services Administration

We ask that an additional \$20 billion be added to the fund to continue to support the long term sector. We ask that \$10 billion be allocated directly to skilled nursing facilities (SNF) and \$10 billion to assisted living communities (AL). This funding is vital and will help address staffing shortages and maintain access to long term care for our nation’s seniors amidst this ongoing crisis.

Extension of Medicare Sequestration Delay and Accelerated and Advance Payments

The extension of delaying Medicare sequestration cuts during the pandemic has provided immense financial relief for health care providers. We ask that there is a delay of the sequestration cut until the end of 2022.

The Medicare Accelerated and Advance Payments have also been vital to the survival of the long term care and post-acute sector. The payments have aided providers in directing resources toward combatting COVID-19 in order to protect residents and staff. The current timeline to repay these payments will put providers at risk of losing staff, residents, and in some cases, closing altogether. We ask that the repayment schedule be suspended for six months and allow for recoupment after the delay in repayment suspension at 25% of all Medicare claims payments for the subsequent 12 months.

Extension of the Public Health Emergency

We ask that you encourage U.S. Health and Human Services Secretary Becerra to extend the Public Health Emergency (PHE) through the end of 2022. Due to the ongoing and unpredictable battle against COVID-19, the Administration should extend the PHE declaration and maintain the related Section 1135 and Section 1812(f) waivers, enhanced Medicaid FMAP to states, and state Medicaid policy flexibilities, such as the waiver for Medicaid redeterminations. With new variants proving to be extremely contagious and much of the world's population still unvaccinated, COVID-19 will remain a considerable threat, especially to our nation's most vulnerable. The PHE ensures our health care industry, including long term care, has the policies and resources it needs to address this ongoing pandemic. Now is not the time to let crucial supports and flexibilities necessary to combat the virus end, and we hope to have support from members of Congress on this front.

Remarkable progress in combatting COVID-19 continues to be made, and now is not the time to pull back, but rather reinforce the need for a strong response during this ongoing global pandemic. AHCA/NCAL appreciates the support and assistance members of Congress are providing to long term care providers, so that they are best positioned to support their residents, staff, and communities. The health and well-being of our nation's most vulnerable is our top priority, and we look forward to continuing to work with you to serve that goal.

Sincerely,

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Mark Parkinson
President & CEO