

August 9, 2021

The Honorable Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Dear Secretary Becerra:

Our providers and operators want to personally thank you for your continued support and service throughout the COVID-19 pandemic. The role of the Department of Health and Human Services (HHS) has been and will continue to be critical for health care providers and the patients we serve. COVID-19 and the recent explosion of the Delta variant continues to impact thousands of skilled nursing and assisted living facilities across the US. As a result, long term care providers continue to face immediate and dire circumstances. While the COVID-19 vaccine has lowered the infection and hospitalization rates in the United States and our facilities vigilance has mitigated potential spread, the delta variant remains formidable and challenging. The Senate and White House have recently reaffirmed their commitment to preserving the roughly \$44 billion Provider Relief Fund during the recent bi-partisan infrastructure negotiations. It is both urgent and imperative that we continue to support the distribution of additional aid to the LTC sector.

The American Health Care Association and National Center for Assisted Living (AHCA/NCAL) represents more than 14,000 non-profit and proprietary skilled nursing centers, assisted living communities, and homes for individuals with intellectual and developmental disabilities in diverse geographic locations across the United States. Most of these patients are Medicaid recipients from underserved communities that are significantly dependent clinically and in need of social supports. The 2.5 million Americans our long-term care providers serve every day are some of the most threatened by the coronavirus. They are typically the oldest-old (85+ years) and have multiple comorbidities that leave them especially vulnerable to the virus and subsequent complications.

As this pandemic continues to ravage the country, widespread financial challenges loom over many long-term care facilities. These challenges are a result of skyrocketing labor costs due to a challenging labor market combined with ongoing declines in patient census due to both demand and public health precautions. When these challenges are combined with pre-existing Medicaid underfunding the need for support from the Provider Relief Fund becomes paramount. Prior to the pandemic, shortfalls in Medicaid funding had forced providers to operate on shoestring budgets and suffer net losses year after year. Now, these problems have been magnified due to the cost to fight the pandemic and growing workforce concerns.

Providers have dedicated extensive resources to fighting COVID-19. The costs associated with routine testing, personal protective equipment (PPE), and staffing have pushed many facilities to the brink. In 2020, nursing homes spent an estimated \$30 billion on PPE and additional staffing alone, and these

additional costs are expected to continue in 2021 as the Delta variant continues to spread across the country.

As a result, thousands of long-term care facilities are on the verge of collapse, with many nursing homes in danger of closing their doors this year. This has real consequences for residents and their families particularly in underserved communities. Closures leave residents displaced from their long-standing communities and loved ones. Closures also reduce options for quality care, especially in rural areas.

To continue to support providers across the country as they battle the spread of the COVID-19 Delta variant and keep the most vulnerable safe, we reiterate our ask that the Department of Health and Human Services (HHS) dedicate \$13B from the Provider Relief and Rural Health Fund to long term care providers. I encourage you to release Phase 4 and additional Provider Relief funds immediately. This will provide continued aid to the most vulnerable patients in the US healthcare system.

Once COVID-19 enters a long-term care facility, it is challenging to contain without proper staff and equipment. We are encouraged by the recent data regarding both the prevalence and decline in mortality related to COVID-19, however the aftermath of this virus remains of cataclysmic proportion. As you know, our members and their caregivers remain at ground zero of this pandemic and ongoing support is critical to these facilities' recovery and stability in the future. There are multiple heroic examples of innovation, selflessness and caring occurring all over the country. Our caregivers, though weary, remain committed to defeating this scourge. However, no additional allocations have been distributed in 2021 and an infusion of resources from your agency will aid them in their mission of caring.

The staff and residents in skilled nursing facilities around the country appreciate your past support and desperately need your ongoing support in facilities most affected by the virus. Ensuring that this funding is delivered to long term care providers *immediately* is critical to our primary role of caring for and protecting our nation's seniors and most vulnerable. We greatly appreciate your commitment to our sector and stand ready to partner with your agency to ensure the most frail and vulnerable in our country are not put at further risk.

Sincerely,



Mark Parkinson
President & CEO

cc: Sean McCluskie, Chief of Staff