

Greater Kansas City Chamber of Commerce
Request for Financial Relief for Healthcare Providers and
Update on Conditions and Challenges Encountered by Area Health Providers

A few of our congressional offices have contacted the KC Chamber to request updated information on what KC regional health care providers are encountering relative to COVID-19. Below is the Chamber's request for financial relief for the health care industry and a bullet point summary of the information we have gathered from many area providers who voluntarily replied to our request for information.

Chamber Request: Our health providers need financial assistance. The simplest and most effective mechanism to deliver this is suspending the 2% Medicare sequestration during the COVID-19 emergency. If relief through the tax system is considered instead, it should be targeted to employer payroll taxes. Most of our region's hospitals are tax-exempt, making other tax credits unworkable. Our area hospitals need federal aid to offset the costs of uncompensated care, bad debt and charity care in treating COVID-19 patients. The Chamber believes funding and policies to ensure improved and continuous access to personal protective equipment and testing supplies are key to success in managing this public health crisis.

The KC Chamber urges Congress to immediately allocate \$100 billion to front line health care personnel and providers — including hospitals, health systems and FQHCs and direct the federal agencies to begin to infuse funds with dispatch so that providers can afford to take the necessary steps to combat COVID-19. These hospitals and health systems in greater Kansas City need these funds now to make sure they have reliable resources to maintain an adequate workforce, buy critical supplies, create much-needed additional infrastructure, and keep their doors open to care for patients and their community during this emergency. This is especially urgent in light of the many hospitals in the KC area that are canceling elective surgeries in order to prepare for a surge of COVID-19 patients. The KC Chamber further urges Congress to:

- eliminate Medicaid disproportionate share hospital cuts for 2020 and 2021;
- establish a payment pool to treat the uninsured with COVID-19; and
- delay or repeal burdensome Medicare or Medicaid regulations that result in payment reductions to providers.

FQHCs: As Congress develops relief measures for the health care industry, we urge you do not overlook Federally Qualified Health Centers (FQHCs) which serve our communities' most vulnerable populations—low income, food insecure, homeless, HIV positive and those who have experience chronic health inequities and higher rates of chronic diseases.

Update on Conditions and Challenges Encountered by Kansas City Area Health Providers

1. **COSTS:** Kansas City area healthcare providers report they are incurring millions in unplanned costs to prepare their facilities for testing and treating patients for COVID-19.
2. **REVENUES:** Many hospitals have canceled elective surgeries to prepare for a surge of COVID-19 patients which is severely hurting revenues at the same time as costs are increasing.
3. **TESTING SUPPLIES & PPE:** No matter what you are hearing on Capitol Hill, our hospitals tell us as recently as today that testing supplies and protective equipment for staff are incredibly scarce. Most providers report they need more of both.
4. **TESTING:** Some providers have suggested It would be ideal if funding was made available to support institutions with the capability to do COVID-19 testing (i.e. hospitals with labs) to purchase needed machines/equipment to do this testing in-house. They believe if hospitals can test their own patients this would reduce the amount of testing being sent to a limited number of labs. This

increased capacity to test nationally would mean earlier detection and earlier intervention. Even with the planned increase in testing kits being deployed, state lab capacity does not exist to screen and collect specimens from the public health side.

5. **FQHCs:** Our region's Federally Qualified Health Centers (FQHC's), which serve our communities' most vulnerable populations—low income, food insecure, homeless, HIV positive and those who have experience chronic health inequities and higher rates of chronic diseases, are already under tremendous financial stress due to a lack of Medicaid expansion and the current volumes of uninsured and underinsured patients. FQHCs operate on a thin margin and we are hearing from them that most have 30-60 days of operating reserves at most.
 - 5.a The regional philanthropic community is working closely with our FQHCs to address immediate cash needs as a bridge until HRSA funding is increased and begins to flow, but cannot fill the entire gap needed by these clinics. Childcare due to school closures, low wages and limited paid sick leave will have a disproportionate effect on healthcare workers in the safety net healthcare system.