

**Congress of the United States**  
**Washington, DC 20515**

April 28, 2020

The Honorable Alex M. Azar II  
Secretary  
Department of Health and Human Services  
200 Independence Avenue SW  
Washington, D.C. 20201

Dear Secretary Azar:

We write to express our deep concern regarding the lack of transparency on how funds from the Provider Relief Fund established in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), will be dispersed to rural providers.<sup>1</sup> On April 22, 2020, the Department of Health and Human Services (HHS) announced additional allocations of the Provider Relief Fund, including \$10 billion for rural providers.<sup>2</sup> However, the announcement failed to provide any information regarding the criteria for eligible entities or how the funds will be distributed. To date, HHS officials have been unable or unwilling to provide clarity on the types of providers that qualify, how HHS is defining “rural”, and what methodology HHS plans to use to distribute the funds.

As you know, the COVID-19 crisis has put additional financial stress on rural providers—many of which were already at their breaking point and at risk of closure. A recent Guidehouse study found that 1 in 4 rural hospitals across the country are at risk of closure, and of those in danger of closing, 82 percent are “highly essential to their communities.”<sup>3</sup> While the dire situation facing many rural providers predates the COVID-19 crisis, we know that the situation is likely to worsen given the lack of revenue from elective procedures and visits during this public health emergency. This applies not only to hospitals, but to community health centers, rural health clinics, and independent provider practices. We appreciate HHS’s recognition that many rural providers and communities are struggling and need extra assistance, but we would like to better understand how HHS plans to allocate the \$10 billion in relief funds for rural providers. To that end, we would appreciate a timely response to the following questions:

- 1.) Which types of providers are eligible for relief under this allocation? HHS’s press release references hospitals and rural health clinics, but not federally qualified health centers (FQHCs) or other types of providers. While rural health centers serve a critical role in rural communities so do FQHCs. According to the National Association of Community Health Centers, 600 health center organizations serve 4,500 sites in rural

---

<sup>1</sup> Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136.

<sup>2</sup> Press Release, U.S. Dep’t of Health & Human Serv., HHS Announces Additional Allocations of CARES Act Provider Relief Fund (Apr. 22, 2020), <https://www.hhs.gov/about/news/2020/04/22/hhs-announces-additional-allocations-of-cares-act-provider-relief-fund.html>.

<sup>3</sup> Dave Mosely & Daniel Debehne, *2020 Rural Hospital Sustainability Index*, GUIDEHOUSE (Apr. 8, 2020), <https://guidehouse.com/insights/healthcare/2020/rural-hospital-sustainability-index>.

communities, reaching 1 in 5 rural residents across the country.<sup>4</sup> Is HHS planning to distribute a portion of the \$10 billion to FQHCs?

- 2.) How is HHS defining what is “rural” and is HHS considering the implications of using different definitions? We are concerned that if providers do not have rural designations under Medicare, they will not qualify for the rural provider allocation despite serving predominately rural communities.
- 3.) What methodology is HHS using to distribute these funds? The press release from April 22, 2020, states that funds will be distributed on the basis of operating expenses but provides no detail on how those expenses will be calculated. The release also fails to explain how HHS is planning to receive this information from providers or how the disbursements will be distributed based on those figures.

During this unprecedented public health crisis, time is of the essence and we recognize and appreciate that HHS is attempting to release resources from the Provider Relief Fund in an expeditious manner. However, in order to distribute these funds in a manner that best serves the needs of all rural providers and the patients they serve, we strongly urge HHS to thoughtfully develop eligibility criteria and a methodology for the distribution of these funds.

Thank you for your prompt attention to this important issue and we look forward to your timely response.

Sincerely,



G. K. Butterfield  
Member of Congress



Cindy Axne  
Member of Congress



Doris Matsui  
Member of Congress

---

<sup>4</sup> Fact Sheet, Community Health Centers Meeting Rural Health Needs, NAT. ASS'N OF COMMUNITY HEALTH CTR. (Aug. 2019), <http://www.nachc.org/wp-content/uploads/2019/08/Rural-FS-FINAL-8.26.19.pdf>



Alcee L. Hastings  
Member of Congress



Dave Loebsack  
Member of Congress



Peter Welch  
Member of Congress



Darren Soto  
Member of Congress



Tom O'Halleran  
Member of Congress



TJ Cox  
Member of Congress



Eddie Bernice Johnson  
Member of Congress



David E. Price  
Member of Congress



Robin L. Kelly  
Member of Congress



Ann McLane Kuster  
Member of Congress



Jamie Raskin  
Member of Congress



Abby Finkenauer  
Member of Congress



Lisa Blunt Rochester  
Member of Congress



Peter DeFazio  
Member of Congress