



We care about Iowa's health

March 31, 2020

Iowa Legislators:

As a community of 70,000 healthcare providers with an economic impact of \$7 billion for Iowa, Iowa hospitals have the priority mission of combating COVID-19 while contemporaneously observing the severe decline of all other patients. This dynamic is placing an enormous financial strain on the operational capacity of Iowa hospitals. Cash flow in Iowa hospitals is imperiled and hospitals ability to maintain payroll during this crisis and once the crisis abates is of significant concern. It will take additional assistance to ensure hospital viability under these circumstances.

The Iowa Hospital Association (IHA) requested that you contact Iowa's Congressional Delegation in support of federal relief for Iowa hospitals, known as the Cares Act. For those of you who made the contacts, we thank you for your continued support. The Cares Act just passed by Congress includes some provisions that may help alleviate financial concern, but many questions remain.

It is the hope of hospitals across the nation that the Cares Act will assist with grant funding for lost revenues and recovery of expenses related to pandemic preparedness. The Act also includes the opportunity for loans from the Small Business Administration (SBA) for private non-profit facilities of a certain size. This legislation also contains accelerated interim payment provisions for Medicare as well as add-on payments for treating COVID patients and delaying disproportionate payment cuts to hospitals. However, many Iowa hospitals will not be eligible for much of this funding given the current patient care demographics and/or governance structure of their hospital.

While we are working with Iowa hospitals to evaluate and quantify the impact of this pandemic and the Cares Act, at this point we know enough to state explicitly that hospitals and health systems are under enormous financial strain currently and that it will not abate in the coming months. In addition to the enormous concerns we share for the public's health and safety, we share the same concern for community hospitals longer term ability to remain open as a consequence of this pandemic.

The Iowa Hospital Association is evaluating every possible avenue to support Iowa's hospitals that may include state support in the form of accelerated payments under Medicaid (similar to those implemented for Medicare), cost based reimbursement for critical access hospitals, taxing authority and borrowing flexibility for Iowa's public hospitals, and emergency funding to support hospitals on the front lines of this crisis. Once the legislature reconvenes, Iowa hospitals will need swift and meaningful action to support them in meeting this unprecedented challenge.

In the coming weeks, IHA will be able to further assess the impact on our State, our communities, and the hospitals that serve Iowans. IHA will analyze and propose ways to help our community hospitals, large and small, as they work to treat and assist Iowans. We will continue to contact you with updates and ideas on ways the legislature can assist and are open to any ideas you may have in this regard as well.

Sincerely,

A handwritten signature in black ink that reads 'Kirk Norris'.

Kirk Norris
President/CEO