

March 20, 2020

Vice President Mike Pence
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
U.S. Capitol Building S-230
Washington, DC 20210

The Honorable Charles E. Schumer
Democratic Leader
U.S. Senate
U.S. Capitol Building S-221
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representative
U.S. Capitol Building H-222
Washington, DC 20215

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
U.S. Capitol Building H-204
Washington, DC 20515

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

Premier applauds the coordinated action Congressional leaders are taking to mitigate the spread and impact of the novel coronavirus (COVID-19) outbreak. The pair of funding agreements that have been hammered out over the past two weeks will accelerate research and development of a vaccine and provide economic relief for struggling businesses and families.

Premier commends the Senate and House leaders for recognizing that additional, substantial steps are needed by the federal government to ensure our nation's healthcare system is prepared to face the upcoming weeks and months as the disease progresses.

Premier strongly supports legislative action to shore up our economy overall in the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, and particularly provisions that will take steps to address the financial stresses hospitals and other providers face as they work to expand capacity and treat a higher acuity population. However, with the cancellation of elective surgeries and medical visits and increased costs of preparing for and treating COVID-19 patients, hospitals and other healthcare providers are facing significant cash flow challenges. We have heard from some members that they are already experiencing up to a 40 percent decrease in services. We have also begun to hear that members are facing challenges billing for services provided due to their contracted billing service ceasing operations. Moreover, healthcare facilities are responding to the crisis by training additional staff, increasing staffing levels, constructing or retrofitting facilities and expanding telehealth capabilities. Physicians and other clinicians are facing similar financial stresses.

We support the direction in the CARES Act behind the removal of sequestration cuts to providers for the balance of 2020, but additional financial help for providers is urgently needed. Specifically, we urge Congress to authorize the Secretary of Health and Human Services, acting through the Centers for Medicare & Medicaid Services Administrator, to **make periodic interim payments to healthcare providers**. Providing periodic interim payments based on the total amount of revenue collected by providers during the same time period the preceding year (or the most recent calendar year prior to the public health emergency) and then allowing a long period for reconciliation (at least two years after the

conclusion of the public health emergency) can help ensure caregivers on the front lines are receiving comparable levels of funding.

Premier also strongly supports the following provisions in the CARES Act that we urge be included in any final compromise package:

- **PART III—MITIGATING EMERGENCY DRUG SHORTAGES.** This section would address the immediate causes of drug shortages by increasing transparency, coordination and collaboration across the pharmaceutical supply chain. In the face of a public health crisis, understanding where vulnerabilities exist in the healthcare supply chain is essential to prevent gaps in vital medical supplies. A blind spot in our healthcare supply chain, however, is leaving America's patients vulnerable to shortages of critical, life-saving drugs. Even without a public health threat, these susceptibilities are untenable. During disease outbreaks and disasters this lack of transparency means the Food and Drug Administration (FDA) does not have the information to make smart decisions that can avoid or end shortages and save patients' lives. This provision will enhance transparency throughout the drug supply chain by requiring makers of active pharmaceutical ingredients (API) to comply with discontinuity and supply interruption requirements similar to drug makers, and require both to notify HHS of the extent, duration and impact of supply chain disruptions. Empowering FDA to require drug and API makers to conduct periodic risk assessments and the inclusion of language for a GAO report to evaluate FDA's efforts to address drug shortages will not only help now with COVID-19, but also lay the necessary groundwork to better combat future outbreaks.
- **PART III—MISCELLANEOUS PROVISIONS Sec. 4221** would address the data stranglehold that a 40-year old law (42 CFR Part 2) has on healthcare providers' ability to diagnose, treat and prevent addiction and other opioid-related disorders. Ensuring providers have access to a patient's full medical record is critical to providing timely and appropriate care, particularly in emergent situations. As the COVID-19 pandemic continues to spread throughout the nation providers need to be assured they will not be in violation for sharing behavioral health data, rather than the current approach leaving it to providers to define an emergent situation in which it is acceptable to share data. U.S. hospitals spend [\\$11.3 billion](#) annually, or 1 percent of all hospital expenditures, treating patients who experienced an opioid overdose. A large portion (66 percent) of the patients were insured by Medicare and Medicaid. At a time like this, hospitals and providers are taking increased risk with each patient interaction and simply cannot afford to be left in the dark when reviewing a patient's medical history.
- **PART IV—PREVENTING ESSENTIAL MEDICAL DEVICE SHORTAGES TITLE I Sec. 4111, 4113, 4132.** Hospitals and non-acute providers are in dire need of personal protective equipment (PPE) and other medical devices. Premier has found that even the largest health systems that previously had sufficient PPE stockpiled are now down to less than four weeks of supply with increased utilization. While this week's Department of Defense announcement making 5 million additional masks available will serve as an interim solution, the reality is that we do not believe there is more than four weeks of inventory available on U.S. soil at this time to sustain the current utilization in hospitals. These provisions will help bolster the U.S. supply of medical devices by requiring medical device manufacturers to submit information about a device shortage or device component shortage on request of the FDA. To help prepare for future public health emergencies, the CARES Act would also direct the GAO and National Academies to recommend to Congress actions that can be taken to mitigate device shortages and strengthen the U.S. manufacturing supply chain.

We also urge you to consider including home infusion provisions in the package to expand the capacity of home infusion providers and the healthcare system, overall, to treat patients on life-saving infusion medications in the home. Congress recently introduced **S. 3457/ H.R. 6218** (the Preserving Patient Access to Home Infusion Act) to address implementation issues that are impeding access to Medicare Part B durable medical equipment (DME) infused drugs right now, but it would not go into effect until 2021. Given that the COVID-19 outbreak now brings heightened urgency for patients with serious diseases and complications who are on infusion drugs, we urge Congress to expand and expedite home infusion legislation to go into effect immediately and extend professional services coverage to the +100 Part D drugs that can be infused in the home. This will ensure home infusion providers can treat these patients and additional patients in the home and out of already burdened institutional settings.

We understand the urgency of acting right now on these critical measures. We also know that Congress has unfinished legislative business it must address by May 22. At that time, we hope that Congress will consider other bipartisan measures that have broad backing and will help advance value-based care and reduce costs in healthcare. These include addressing the **Medicaid disproportionate share hospital (DSH) cuts and other Medicare and Medicaid extenders**, automating and streamlining the prior authorization process in Medicare Advantage (**H.R. 3107, Improving Seniors' Timely Access to Care Act of 2019**), fixing a perverse flaw in the spending benchmark for accountable care organizations participating in the Medicare Shared Savings Program (**H.R. 5212 The Accountable Care in Rural America Act**) and (**S. 2648, The Rural ACO Improvement Act**), and improving access to commercial claims data for providers and patients (**Section 501 of S. 1895, the Lowering Health Care Costs**). Passage of these bipartisan, bicameral legislative solutions would have an immediate, positive impact on patients throughout the country.

We remain committed to working with Congress to address the COVID-19 pandemic. Contact Duanne Pearson (VP, Advocacy) at duanne_pearson@Premierinc.com or 202.879.8008 with questions or for more information.

Sincerely,



Blair Childs
Senior Vice President, Public Affairs
Premier Inc.