

February 18, 2021

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representative  
U.S. Capitol Building H-222  
Washington, DC 20515

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
U.S. Capitol Building S-230  
Washington, DC 20510

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

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

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

On behalf of the Premier healthcare alliance uniting more than 4,100 U.S. hospitals and health systems and approximately 200,000 other providers, we applaud your leadership in enacting a series of COVID-19 relief packages—most recently the Consolidated Appropriations Act of 2021—that has provided a critical bridge for healthcare providers and other parts of our economy over the pandemic.

As Congress move forward on legislation to help states, localities and Americans through this unprecedented time, Premier calls on Congress to provide additional financial support and enact healthcare supply chain reforms that will advance health systems' and other providers' critical work to protect the public's health.

**Ensure the financial viability of front-line healthcare providers.** Premier commends Congress for throwing healthcare providers a lifeline last year by allocating \$175 billion in Provider Relief Funds, suspending Medicare sequestration and granting flexibilities for the repayment of Accelerated and Advance Payment Program loans. While these actions have alleviated some of the financial stress stemming from increased costs of responding to the public health crisis and forgone revenue from elective procedures and routine care, the challenges persist and will for the foreseeable future as the nation ramps up vaccination efforts. It's [estimated](#) that hospitals incurred \$320 billion in losses in 2020 alone as a result of the pandemic and we can expect continued losses through a large part of this year. We urge Congress to take the following actions to protect the financial viability of healthcare providers on the front lines:

- Premier strongly supports the **\$35 billion increase in the Provider Relief Fund** that was adopted almost unanimously as a bipartisan amendment to the Senate's FY 2021 budget resolution. We urge Congress to finalize additional emergency funding through this program.
- We strongly urge Congress to extend the current moratorium on the **2 percent Medicare sequestration cuts** through the public health emergency by enacting the bipartisan Medicare Sequester COVID Moratorium Act ([H.R. 315](#)). The current moratorium is scheduled to expire on March 31, 2021.

- As it is still uncertain when the current public health emergency will end or how long it will take for health systems and other providers to return to a new normal operation, we are concerned that many providers will not be able to fully reconcile their Accelerated and Advance Payment Program loans during the repayment period. Premier requests that Congress **designate funds to reduce or eliminate repayment of advanced/accelerated payments.**

**Leveraging tax incentives to further incentivize onshoring of manufacturing.** The nation learned that dependence on a few countries for critical emergency supplies created deadly vulnerabilities for America. The response has been a concerted effort during the pandemic to counter this trend of overreliance on offshore manufacturing. Manufacturers of PPE and other medical supplies have been able to stand up and ramp up onshore manufacturing capabilities during COVID-19. To sustain this progress and better insulate our nation from future supply chain disruptions, however, manufacturers need assurances of longer-term purchasing and the recognition of the capital requirements needed to expand domestic capacity in order to offer long-term, competitive prices.

As a promising avenue to incentivize domestic manufacturing capacity for the long-term, Premier recommends **offering federal tax incentives to domestic manufacturers of critical medical supplies and drugs.** Rebuilding America's manufacturing base will also help create high paying jobs, support innovation, and enhance national security. Specifically, Premier proposes providing a 30 percent tax incentive for manufacturers of critical supplies and drugs for at least five years. At the end of this period, the Administration and Congress would assess the ongoing need for the incentive and whether any adjustments are needed.

Finally, Premier strongly supports continued federal investment in COVID-19 testing, vaccination efforts, medical supplies and disease surveillance. Tying this all together is the urgent need to modernize our nation's public health data infrastructure to enable automated and standardized data collection and sharing in near real-time. This will ensure a resilient supply chain and robust syndromic identification and tracking to respond to the COVID-19 pandemic and future public health emergencies.

We remain committed to working with Congress to address the COVID-19 pandemic. Please feel free to reach out to Duanne Pearson at [duanne\\_pearson@premierinc.com](mailto:duanne_pearson@premierinc.com) or 202.879.8008 with questions or for more information.

Sincerely,



Blair Childs  
Senior Vice President, Public Affairs  
Premier healthcare alliance