



**STATE OF NEW HAMPSHIRE  
OFFICE OF THE GOVERNOR**

**CHRISTOPHER T. SUNUNU**  
Governor

May 27, 2020

The Honorable Eric Hargan  
Deputy Secretary  
U.S. Department of Health & Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Dear Deputy Secretary Hargan,

Thank you for your time this week in discussing a potential formula for future disbursements from the Provider Relief Fund. I applaud the Department of Health and Human Services (HHS) using several approaches in allocating funds from the Public Health and Social Services Emergency Fund, commonly referred to as the CARES Act Provider Relief Fund. These formulas have ranged from those based on net patient revenue, payments to hospitals that had more than 100 inpatient COVID-19 patients prior to April 10, 2020, and allocations based on whether a facility is in a rural versus urban area.

Unfortunately for New Hampshire, data has shown that despite HHS's best efforts, there are many hospitals with a high level of need that have essentially been left behind. Ultimately, to date, the disbursements that have been to the benefit of large wealthy institutions have been to the detriment of most New Hampshire hospitals.

In New Hampshire non-rural hospitals in population centers have shouldered the heaviest burden in caring for COVID-19 patients, yet have received proportionately less than other hospitals within the State. Given the concerns with potential inequities in the formulas underlying past disbursements, below is a proposed approach to allocating a substantial future disbursement of the Provider Relief Fund:

- Allocate a minimum amount for each state (the State Allocation);
- From the State Allocation, calculate a minimum payment for each hospital, along with an additional amount based on the proportional number of beds in each facility compared to the State;
- Include a substantial allocation (50% of the State Allocation) to be distributed to hospitals in proportion to either the hospital's total number of inpatient COVID-19 patients or proportion of revenue loss; and
- Take into account funds that non-critical access care hospitals received under the allocation for rural providers, and potentially should offset additional funding to some extent to ensure equitable distribution.

While there are states that were more heavily hit by the pandemic, every hospital in every state had to fundamentally change its operations to prepare for, prevent, and/or treat patients with COVID-19. Those changes, to benefit the public as a whole, have resulted in a tremendous loss of revenue for all hospitals. A substantial minimum allocation for each State will recognize that loss of revenue and may help to alleviate some of the funding disparities seen to date.

Further, while the federal government has used different formulas to get funds out quickly, those formulas have resulted in hospitals with the greatest need in smaller cities left behind. Combining a per facility payment and additional allotment based on revenue loss or COVID-19 patients will provide flexibility to states and some much-needed balance to the distributions.

Thank you again for your unwavering efforts surrounding relief to all of our providers including hospitals.

Be safe.

Sincerely,



Christopher T. Sununu  
Governor