



April 13, 2020

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

Seema Verma, Administrator
Centers for Medicare & Medicaid Services
P.O. Box 8013
Baltimore, Maryland 21244

RE: Distribution of the \$100 Billion CARES Act Funding

Dear Secretary Azar and Administrator Verma:

The Alliance of Community Health Plans (ACHP) values the ongoing collaboration with the Department of Health and Human Services (HHS) and Centers for Medicare & Medicaid Services (CMS) at this time of national emergency to ensure Americans have continuity and access to health coverage and care. ACHP members embody the distinctive payer-provider aligned model that is an exemplar in delivery of high quality, coordinated care. Our non-profit, provider-aligned member organizations have deep roots in the communities they serve, giving them insight into immediate needs and concerns.

From the hospitals and physicians who work tirelessly to care and treat patients to the health plans and insurers that coordinate and finance care, we are in this together. As you know, the Coronavirus Aid, Relief and Economic Security (CARES) Act included \$100 billion for relief to hospitals, healthcare providers and insurers responding to the COVID-19 pandemic. Recognizing the importance of delivering these funds in a fast and transparent manner, on April 10, HHS distributed \$30 billion directly to hospitals and providers. Understandably, hospitals and providers on the frontlines were the first to receive this relief funding. However, the use of Medicare fee-for-service claims data as the basis for distributing funds unfairly disadvantaged hospitals, providers and health systems that predominantly care for individuals enrolled in Medicare Advantage, commercial health coverage and Medicaid. Moving forward, HHS should follow through on its commitment to adjust the distribution formula to allocate resources to those disadvantaged in the first tranche of funding.

ACHP requests that HHS direct the remaining funding from the CARES Act to hospitals, providers and small non-profit health plans treating patients infected by COVID-19 or who have experienced substantial disruption in their business operations as a result of the crisis. Unlike large national for-profit health plans, ACHP members operate on far smaller margins – historically less than 3% - and are invested in hospitals, physicians and other providers in their communities. Ensuring stable and robust community health plans is

MAKING HEALTH CARE BETTER

critical to protecting the health of Americans across the country and continuing the value-based, high-quality and affordable care.

ACHP looks forward to engaging with HHS and CMS to safeguard the stability of community-based and non-profit health plans. We encourage the Administration to utilize ACHP as a resource to understand the needs of the individuals and communities our members serve. If you have questions or require additional information, please contact Michael Bagel, ACHP Director of Public Policy, at mbagel@achp.org or (202) 897-6121.

Sincerely,

A handwritten signature in cursive script that reads "Ceci Connolly".

Ceci Connolly
President and Chief Executive Officer