

September 27, 2021

The Honorable Xavier Becerra  
Secretary  
U.S. Department of Health & Human Services  
200 Independence Avenue SW  
Washington, D.C. 20201

**Re: Ensuring Accountability and Transparency of Federal Financial Relief Funds to Health Care Providers**

Dear Secretary Becerra:

The undersigned organizations lead efforts to advance health equity and racial justice across Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia and today we write to **urge the Secretary to take steps to improve accountability and transparency of the federal financial relief funds to health care providers to advance racial justice and health equity.**

At least 620,000 have died and over 36 million cases have been reported in the United States since the COVID-19 pandemic started. New infections and deaths declined in spring and summer this year as vaccines became available. However, the number of people infected with the disease started to rise as the more contagious delta variant took hold in July. Southern states, especially, have seen record-setting COVID-19 infections. According to [a tracker maintained by the Washington Post](#), Louisiana, Mississippi, Florida, Tennessee, Alabama and Arkansas are among the places with highest daily reported cases.<sup>1</sup>

Since March 2020, the federal government has made funding available to health care providers to help cover expenses related to coronavirus and lost revenue, enabling them to care for patients. These federal financial relief funds include:

- **\$178 billion in provider relief grants** to help cover expenses related to coronavirus and lost revenue. Approximately \$24 billion has yet to be distributed from the fund.
- **\$100 billion in advanced payments to Medicare providers:** About 80 percent of this fund went to hospitals, with the remaining money going to physicians and other providers.
- **Treasury department and Small Business Administration loans:** A portion (13 percent) of the \$520 billion in Paycheck Protection Program loans for small businesses were distributed to health care providers. In addition, the Coronavirus Aid, Relief, and Economic Security (CARES) Act appropriated \$454 billion for

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<sup>1</sup> [https://www.washingtonpost.com/graphics/2020/national/coronavirus-us-cases-deaths/?itid=hp\\_pandemic](https://www.washingtonpost.com/graphics/2020/national/coronavirus-us-cases-deaths/?itid=hp_pandemic)

loans to qualifying larger businesses, including hospitals and other large health care entities.

- **\$8.5 billion funding for rural providers** (passed under the American Rescue Plan Act) that provide diagnosis, testing, or care for individuals who have COVID-19 or are suspected of having COVID-19.

The previous administration's distribution formula largely rewarded hospitals with greater past revenue instead of prioritizing safety-net hospitals. Some of the nation's richest hospitals and health systems reported large surpluses after accepting millions of dollars in federal funds.<sup>2</sup> It is also troubling that some hospital systems, despite receiving federal relief funds and making significant profits, have continued to sue patients during the public health emergency—filing lawsuits, liens on homes and bank accounts, and garnishments—over medical debt. One such entity is Community Health Systems, Inc. (CHS), a for-profit hospital chain operating or leasing 94 hospitals in 16 states—[nine states are in the South](#). CHS lost \$287 million during the first half of 2019 but has since rebounded. CHS has reported earnings of \$70 million during the second quarter of 2020 for a total of \$87 million during the first half of 2020. The reason for this recovery in earnings, according to the company, was the receipt of COVID-19 federal relief funds.<sup>3</sup> (See Appendix 1 for examples of large hospital systems suing patients over unpaid medical bills through the COVID-19 pandemic)

Predatory patient billing and collection practices are common tactics many hospitals use to collect unpaid medical bills. A study conducted by Axios in partnership with Johns Hopkins University found that between 2018 and 2020 many of the top 100 hospitals (including for-profit, non-profit, and safety-net hospitals) filed nearly 39,000 lawsuits and other court actions against patients.<sup>4</sup> In Mississippi, for instance, St. Dominic Hospital filed 267 medical debt lawsuits in Hinds County under its own name as well as relied on two local debt collection companies, which brought nearly 3,500 cases against St. Dominic's patients.<sup>5</sup>

Such practices can disproportionately harm particular groups. Recent Census data from the Survey of Income and Program Participants (SIPP) found that nearly 28 percent of Black households and just under 22 percent of Hispanic households had medical debt in

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<sup>2</sup> Jordan Rau and Christine Spolar, "Despite Covid, Many Wealthy Hospitals Had a Banner Year," *Kaiser Health News*, April 5, 2021. <https://khn.org/news/article/despite-covid-many-wealthy-hospitals-had-a-banner-year-with-federal-bailout/>

<sup>3</sup> Robert King. "CHS generates \$70M in profits in Q2, got \$448M in COVID-19 relief funds." *Fierce Healthcare*, July 28, 2020. <https://www.fiercehealthcare.com/hospitals/chs-generates-70m-profits-q2-got-448m-covid-19-relief-funds>

<sup>4</sup> Michelle McGhee and Will Chase. "How America's top hospitals hound patients with predatory billing." *Axios*. <https://www.axios.com/hospital-billing>

<sup>5</sup> Giacomo Bologna. "Patients Go To St. Dominic. Private Debt Collectors Go After Them." Mississippi Center For Investigative Reporting, August 6, 2021. <https://www.mississippicir.org/news/st-dominic-knew-patients-couldnt-afford-care-it-sued-them-anyway>

comparison to 17 percent of White non-Hispanic households<sup>6</sup> with the high percentage of Black and brown people living in the 12 states that did not expand Medicaid (and 8 of which are southern states).<sup>7</sup> Research has documented that legal debt collection actions and wage garnishments are more frequent within Black communities.<sup>8</sup> With Black households earning markedly less than white households due to longstanding systemic racism,<sup>9</sup> they are less financially secure to begin with and aggressive collection actions put them at even greater risk.

Further, because many of the Southern states have failed to expand Medicaid, Southern states have higher rates of uninsurance, and high levels of disconnection from routine medical care. As a result, every possible strategy must be deployed to ensure that residents are aware of the opportunity to access COVID-19 care at no cost to themselves, and that the promise of the federal relief for care to the uninsured is fulfilled. (See Appendix 2 for stories of uninsured patients receiving large medical bills for COVID-19 testing and treatment)

We urge the Secretary to take action to improve accountability and transparency of the federal financial relief funds. Specifically, we recommend the following:

**1. Condition federal financial relief funds on concrete steps to address health inequities.**

The COVID-19 pandemic has exposed the ways in which our nation's health system has failed to protect and serve people who are low-income, Black, Latinx, Asian, Pacific Islander, Indigenous, immigrants, refugees, people with disabilities, Medicaid-insured, uninsured or LGBTQ+. People from historically excluded populations have struggled to obtain COVID-19 testing and treatment in their communities after decades of market-driven hospital consolidation, downsizing and closings that have abandoned the most vulnerable low-income neighborhoods and rural communities. Health care providers receiving federal financial assistance funds should be required to:

- *Inform uninsured patients regardless of immigration status that they can access COVID-19 services at no cost through the Health Resources and Services*

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<sup>6</sup> Neil Bennett, Jonathan Eggleston, Laryssa Mykyta and Briana Sullivan. "19% of U.S. Households Could Not Afford to Pay for Medical Care Right Away." United States Census Bureau, April 27, 2021.

<https://www.census.gov/library/stories/2021/04/who-had-medical-debt-in-united-states.html>  
<https://www.census.gov/library/stories/2021/04/who-had-medical-debt-in-united-states.html>

<sup>7</sup> Quynh Chi Nguyen and Amanda Ptashkin. "Linking Lack of Medicaid Expansion to Increased Medical Debt – An Unsurprising Connection, An Opportunity to Address It." *Health Policy Hub*, Community Catalyst, August 5, 2021. <https://www.communitycatalyst.org/blog/linking-lack-of-medicaid-expansion-to-increased-medical-debt-an-unsurprising-connection-an-opportunity-to-address-it#.YRvh-ohKiU>

<sup>8</sup> Paul Kiel and Annie Waldman. "The Color of Debt: How Collection Suits Squeeze Black Neighborhoods." *ProPublica*, October 8, 2015. <https://www.propublica.org/article/debt-collection-lawsuits-squeeze-black-neighborhoods>.

<sup>9</sup> Rakesh Kochhar and Richard Fry. "Wealth inequality has widened along racial, ethnic lines since end of Great Recession." Pew research Center, December 12, 2014. <https://www.pewresearch.org/fact-tank/2014/12/12/racial-wealth-gaps-great-recession/>

*Administration (HRSA) COVID-19 Uninsured Program.* Most of the nearly 29 million uninsured people have low-income, many of them are people of color, immigrants, and people with income at or below the poverty level in states that have not expanded Medicaid.<sup>10</sup> We strongly recommend that the agency issue guidance on patient-friendly notices (in multiple languages) regarding the availability of the HRSA COVID-19 Uninsured Program. Best practices include, but are not limited to:

- Partnering with community-based organizations and stakeholder organizations (such as community health workers, community health centers, navigators, enrollment assisters) for public outreach and education;
- Creating a uniform flyer in multiple languages to inform uninsured patients of their rights to receive free health care services related to COVID-19 even if they do not have a photo ID and clearly state that receiving COVID-19 services does not affect their immigration status or public charge determination;
- Visibly posting the availability of the HRSA program on the website.
- *Prohibit billing uninsured patients for COVID-19 related services.* This prohibition should extend to all independent providers treating uninsured patients in any institution that has received relief funds. This is important since many hospitals—the site where many uninsured patients will seek care—have outsourced their emergency departments and lab work to private entities, often owned by private equity firms, that are known to be a source of exorbitant medical bills.<sup>11</sup>
- *Suspend all collection activities while addressing the public health emergency.* Medical debt collection activities have a chilling effect. Patients with bills in collection are more likely to postpone care and/or not seek recommended testing or treatment than those not facing collection actions.<sup>12</sup> Providers and their third-party collection agencies should be required to stop all medical bill collection activities during and at least a year after the public health emergency.
- *Require providers to review and revise their billing and collection policies to ensure that these policies do no harm to the community they serve.* Detailed recommendations are outlined in these two resources: [Hospital Billing and Financial Practices: “First Do No Harm”](#) and [Principles for Improving Community Economic Stability through Hospital Billing Policies](#).

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<sup>10</sup> Jen Tolbert and Kendal Orgera, “Key Facts About the Uninsured Population,” Kaiser Family Foundation, November 6, 2020. <https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/>

<sup>11</sup> Gretchen Morgenson and Emmanuelle Saliba. “Private equity firms now control many hospitals, ERs and nursing homes. Is it good for health care?” *NBC News*, May 13, 2020. <https://www.nbcnews.com/health/health-care/private-equity-firms-now-control-many-hospitals-ers-nursing-homes-n1203161>

<sup>12</sup> Sara R. Collins, Herman K. Bhupal and Michelle M. Doty. Health Insurance Coverage Eight Years after the ACA: Fewer Uninsured Americans and Shorter Coverage Gaps, But More Underinsured. Commonwealth Fund, February 2019. [https://www.commonwealthfund.org/sites/default/files/2019-08/Collins\\_hlt\\_ins\\_coverage\\_8\\_years\\_after\\_ACA\\_2018\\_biennial\\_survey\\_sb\\_v2.pdf](https://www.commonwealthfund.org/sites/default/files/2019-08/Collins_hlt_ins_coverage_8_years_after_ACA_2018_biennial_survey_sb_v2.pdf)

- *Develop and implement a concrete action plan to address health disparities, advance health equity and improve community health.* Such a plan should:
  - Include measurable targets of increased service to medically-underserved people (such as those who are low-income, Black, Latinx, Indigenous, Asian, Pacific Islander, immigrants, refugees, people with disabilities, Medicaid-insured, uninsured or LGBTQ+); and
  - Provide to frontline staff as well as all health care providers trainings that address cultural competency and implicit bias and facilitating connections to resources that help address social needs such as food, housing, and community safety. Additional actions to promote racial justice can be found in this resource: [Health Care Organizations Can Take Action Now to Promote Racial Justice.](#)

## **2. Strengthen oversight of the use of federal financial relief funds**

To improve transparency, we strongly urge the agency to establish a detailed reporting system to track and evaluate the use of federal financial relief funds. Specifically, we recommend improving the Provider Relief Fund Reporting Portal to require health care providers to submit the following data:

- (1) Date when the funding started and ends;
- (2) Type of services provided (i.e. testing, treatment and vaccination);
- (3) The total number of patients disaggregated by race and ethnicity, gender identity, age, income, insurance status and zip code of residence;
- (4) Examples of patient notices informing them of the availability of free services supported with federal dollars;
- (5) Examples of public outreach and education activities;
- (6) Changes made to improve billing and collection activities that improve patients' health and economic stability; and
- (7) Lost revenues due to the public health emergency or profit gains during the pandemic, as well as amount that was available in hospital or health system reserve funds, and whether any of those funds were used during the pandemic.

Collecting data on notices, outreach activities and adjustments to billing and collection activities provide the agency with an accountability tool and a lens into best practices that can inform ongoing policy and practice regarding medical debt. The data on types of services and patient utilization must adhere to robust standards for privacy protection and any public release of data should ensure that patient privacy is protected. That said, reporting on hospital level data should be fully transparent to ensure accountability.

In addition, the agency should make provider reports available to the public in the way that is easy to access and understand. We strongly urge the Secretary to analyze these data to evaluate the appropriateness of the use as well as the equitable distribution of these funds, submit findings to Congress and make them available to the public.

Thank you for the opportunity to submit these above recommendations.

Respectfully submitted,

Community Catalyst's Southern Health Partners Project

Alabama Arise

Central Florida Jobs with Justice

Children's Defense Fund – Texas

Every Texan

Florida Health Justice Project

Florida Policy Institute

Florida Voices for Health

Georgians for a Healthy Future

Georgia Watch

Kentucky Voices for Health

Mississippi Center for Justice

South Carolina Appleseed

Tennessee Health Care Campaign

Tennessee Justice Center

Virginia Organizing

Virginia Poverty Law Center

## **Appendix 1: News articles about large hospital systems suing patients over unpaid medical bills through the COVID-19 pandemic**

Giacomo Bologna. “Patients Go To St. Dominic. Private Debt Collectors Go After Them.” Mississippi Center For Investigative Reporting, August 6, 2021. <https://www.mississippicir.org/news/st-dominic-knew-patients-couldnt-afford-care-it-sued-them-anyway>

Paul John Scott. “Report: Mayo Clinic sued over 900 patients between 2018 and mid-2020 for unpaid medical bills.” *The Dickinson Press*, June 22, 2021. <https://www.thedickinsonpress.com/newsmd/health-news/7077968-Report-Mayo-Clinic-sued-over-900-patients-between-2018-and-mid-2020-for-unpaid-medical-bills>

Jenny Deam. “Some Hospitals Kept Suing Patients Over Medical Debt Through the Pandemic.” *ProPublica*, June 14, 2021. <https://www.propublica.org/article/some-hospitals-kept-suing-patients-over-medical-debt-through-the-pandemic>

Caitlin Owens. “America's biggest hospitals vs. their patients.” *Axio*, June 14, 2021. <https://www.axios.com/hospitals-patients-lawsuits-billing-4bfa93b2-3bbf-48a5-b8e2-2f8a68c533a9.html>

Casey Tolan. “‘There's no way I can pay for this:’ One of America's largest hospital chains has been suing thousands of patients during the pandemic.” *CNN Investigates*, May 18, 2021. <https://www.cnn.com/2021/05/17/us/hospital-lawsuits-pandemic-invs/index.html>

Sam Sutton. “Elizabeth hospital sued multiple patients during pandemic over unpaid bills.” *Politico*, April 27, 2021. <https://www.politico.com/states/new-jersey/story/2021/04/27/elizabeth-hospital-sued-multiple-patients-during-pandemic-over-unpaid-bills-1378186>

Brian M. Rosenthal. “One Hospital System Sued 2,500 Patients After Pandemic Hit.” *The New York Times*, January 5, 2021. <https://www.nytimes.com/2021/01/05/nyregion/coronavirus-medical-debt-hospitals.html>

Caitlin Owens. “Hospitals still suing patients in coronavirus hotspots.” *Axio*, August 21, 2020. <https://www.axios.com/hospitals-lawsuits-patients-coronavirus-7133bf3e-4fab-4880-93ff-246ec0c4b0fc.html>

Shannon Najmabadi. “Some Texas hospitals continued to sue patients for unpaid medical bills during the coronavirus pandemic.” *The Texas Tribune*, May 27, 2020. <https://www.texastribune.org/2020/05/27/texas-coronavirus-hospitals-sue/>

Bram Sable-Smith. ‘You’ve Been Served’: Wisconsin Hospitals Sued Patients Even During Pandemic.” Wisconsin Public Radio via *Kaiser Health News*, April 3, 2020. <https://khn.org/news/youve-been-served-wisconsin-hospitals-sued-patients-even-during-pandemic/>

**Appendix 2: Stories of uninsured patients receiving large medical bills for COVID-19 testing and treatment.**

Florida Health Justice Project: Stories <https://www.floridahealthstories.org/covid-19>