

United States Senate
WASHINGTON, DC 20510-3203

June 11, 2020

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

Dear Secretary Azar,

I am writing today on behalf of the Center for Discovery (TCFD) located in Sullivan County, New York, to raise awareness surrounding the unique struggles facing the research and specialty medical treatment center and to ask that the Department of Health and Human Services (HHS) quickly update the TCFD on the status of their claim for a greater allocation from the Public Health Services and Supports Emergency Fund (PHSSEF) and resolve the matter with all due haste.

The Center for Discovery is a world-class medical institution that provides care to over 1,200 children and adults from across the nation and the world in addition to being a leading research institute for care in complex populations. As the largest employer in Sullivan County, New York, with over 1,700 employees, TCFD is both the economic engine and health care lynchpin of its community. TCFD has continued to provide excellent care to its patients and support Sullivan County amid the crisis created by COVID-19. The disruptive impacts of the pandemic has resulted in the Center losing \$5 million in revenue and accruing additional expenses in the last three months while caring for 350 patients around-the-clock, all of whom are medically compromised and highly vulnerable to coronavirus.

As you know, through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Congress sought to support providers, like the TCFD, through its provision that included \$100 billion for the PHSSEF. This funding was allocated to deliver relief for providers for COVID-19 related expenses and to make up for lost revenue. This was later augmented with an additional \$75 billion in the Paycheck Protection Program and Health Care Enhancement Act. HHS to date has delivered over \$85 billion from the fund to providers.

The Department first distributed \$50 billion to Medicare-eligible providers across the country based on their most recently available revenue data and additional revenue data submitted by these provider institutions. The Department justified this approach by claiming that this methodology would most quickly disburse the funds desperately needed by providers to respond to COVID-19 and the accompanying economic recession. However, individual providers such as TCFD discovered inadequacies in their allocations from the general distribution resulting in millions in lost relief.

TCFD received only \$13,904 from the general distribution based on their available 2018 Medicare fee-for-service revenues but did not receive any disbursement based on their Medicaid or commercial revenues. These other coverage reimbursement categories make up over 67% of their total revenues meaning the Department has failed to account for tens of millions of dollars of the Center's revenue in their calculation of the Center's fund allocation. The Center estimates that this has resulted in over \$2 million dollars in lost relief that is critical for the Center to continue serving its patient and supporting the local economy.

On May 18, 2020, my office assisted the Center in submitting their complaint along with supporting documents describing this issue to staff within the Office of the Secretary in HHS. Your staff initially responded promptly that they would review the claim. The continued correspondence with your office has not yielded any updates on progress being made to resolve this issue; all the while the Center continues to suffer extreme financial difficulty with little of the federal support it is due.

I ask that you immediately provide an update on the status of the review of The Center for Discovery's claim and resolve this matter quickly. HHS must move swiftly so that TCFD can continue their lifesaving and life-changing work of treating patients and transformational clinical research.

Thank you for your attention and work in supporting our nation's providers.

Sincerely,

A handwritten signature in blue ink that reads "Charles E. Schumer". The signature is written in a cursive, flowing style.

Charles E. Schumer
United States Senator