



August 10, 2020

The Honorable Juan Vargas
United States House of Representatives
Washington, DC 20515

Re: Community Health Centers: COVID-19 Response and Priorities

Dear Congressman Vargas:

On behalf of [Health Center Partners of Southern California](#) and our 16 members, which serve more than 850,000 patients each year for 3.6 million patient visits each year, at 160 practice sites across San Diego, Riverside, and Imperial counties, **thank you for your continued support of Community Health Centers (CHCs) as part of the COVID-19 response packages.** The funding received thus far has helped CHCs maintain staffing, see patients, and continue their important work, in the fight against this pandemic.

Today, I am asking you to please contact Leadership to continue to advocate for CHC priorities in the next Federal COVID-19 package, currently being negotiated.

Emergency Funding for Health Centers

As you know, California put in place local and then state stay-at-home orders earlier than many areas of the country. Early in the pandemic response, CHCs experienced a significant drop in revenue due to postponement of visits unrelated to COVID-19 and the cancellation of all non-emergency dental visits. In response to these revenue losses, **CHCs were forced to reduce their workforce at a time when it was most needed.** Overnight, CHCs took on new costs to rapidly prepare for virtual care. While many stay-at-home orders have since been limited, the COVID-19 situation continues to evolve. Regrettably, this July, California saw the COVID-19 caseload return to April levels. Again, many CHCs were forced to reconsider their reopening plans. As the crisis continues, these declines in revenue will persist and will cause CHCs to continue to make difficult financial decisions. **To keep CHCs solvent, there is an urgent need for an additional infusion of emergency funding as well as continued support for their operational needs.**

My consortium of CHCs includes five which employ more than 500 people, providing affordable, compassionate, and comprehensive quality health care services in a linguistically competent and culturally sensitive manner to improve the health and well-being of the communities they serve. While all are committed to keeping every employee working, as losses mount, these CHCs have been forced to make difficult decisions. **The Chief Financial Officers at these five CHCs estimate a loss in revenue from April thru June of more than \$88 million and staff reductions of 1,395. They also have less than 30 days of cash reserves on-hand and all report they would sustain operating deficits and the closures of 46 practice sites.**



Federal funding provided to CHCs in the last COVID-19 response and relief packages covers less than two months of the losses felt nationwide by CHCs. For CHCs to continue to respond to COVID-19 effectively and appropriately, they estimate a need for a minimum of \$7.6 billion over the next six months, and I am pleased this funding is included in both the House HEROEs Act and the Senate HEALS Act.

Additional Funding for Testing

CHCs are implementing drive-up, walk-up, and mobile COVID-19 testing centers, and they are working with local health departments to bring testing to the unhoused populations throughout California. **In the last eight weeks, the average number of weekly tests conducted by our member CHCs increased 230% with an infection prevalence rate that is nearly 60% higher than the State's cumulative rate.**

We ask you to support the HEROEs Act and its \$75 billion earmarked for Testing and Contact Tracing and to ensure funds are allocated specifically for CHCs.

SBA Paycheck Protection Program Loans

To further support CHCs in maintaining their critical workforce, I request the next COVID-19 response bill address a major limitation of the SBA administered Paycheck Protection Program – the exemption of organizations with more than 500 employees. Across the country, roughly 100 health centers have more than 500 employees. Approximately 1 in 5 of these CHCs are in California. They collectively treat an estimated 10 million medically-underserved patients – up to one-third of all CHC patients in the country. **Yet, they are ineligible for the Paycheck Protection Program (PPP) or Emergency Paid Leave Program due to their total number of employees.** This oversight could not have been intentional but it's time to acknowledge it, and fix it, once and for all.

The Paycheck Protection Program must be strengthened to enable CHCs to count employees per physical location when determining eligibility. The CARES statute allows businesses in the accommodation and food industries to count their employees on a per-site basis when determining eligibility for the Paycheck Protection Program. CHCs, which serve as our nation's first line of defense against COVID-19 deserve the same.

In the next COVID-19 response bill, the SBA Paycheck Protection Program must be amended to define number of employees per practice site, not at the total organization level.

Telehealth Flexibility Extension

CHCs quickly pivoted their care models to begin offering telehealth, including telephonic care, to their patients since the Governor's stay-at-home orders were issued. CMS waived several requirements in Medicare to allow this transition to happen seamlessly. CHC patients and providers have embraced virtual care, and are working with partners in California to ensure this care can continue to be provided in the Medicaid program. Because of the COVID-19 pandemic, **over the last 12 weeks, telehealth and telephonic encounters have accounted for an average of 65% of all patient visits among HCP's member organizations, which serve more than 850,000 patients each year for more than 3.6 million patient visits each year, at 160 practice sites, across San Diego, Riverside, and Imperial Counties.**



I ask for your support of the language in the Senate HEALS Act to extend Medicare telehealth flexibilities for CHCs and Rural Health Centers for 5 years after the expiration of the Public Health Emergency.

Assistance for States

California's state tax revenues have dropped precipitously during the pandemic while costs have gone up. For the health care safety-net to continue to be sufficiently funded by the state it is imperative the federal government aid state governments.

I ask also for your support of adequate funding for California to continue to provide needed services for its residents.

Long-Term Mandatory Funding for CHCs

Not only do CHCs need an infusion of emergency funding to deal with the current crisis, but they are also faced with an uncertain future. While the CARES Act included an extension of CHC, National Health Service Corps, and Teaching Health Center GME mandatory funding through November 30, 2020, **this short-term solution is not enough.** To respond to COVID-19 while providing the highest-quality care to their patients, CHCs need to have an immediate guaranteed extension for at least 5 years.

Again, your support is needed to ensure \$41.9 billion for this 5-year extension of mandatory funding to allow CHCs around the country certainty and stability for their long-term planning.

CHCs fulfill an irreplaceable role in California's health care system, a role that is more essential now than ever. **For these reasons, I urge you to make assisting CHCs your priority in the next COVID-19 response legislation.**

I welcome the opportunity to dialog with you further on these important matters. Please let me know how Health Center Partners may be an asset to you, provide additional information about how CHCs are responding to the COVID-19 crisis in California, and the role they play in restarting California's economy while supporting the communities they serve as they reopen to this new normal.

Sincerely,

A handwritten signature in blue ink that reads "Henry N. Tuttle".

Henry N. Tuttle
President and CEO
htuttle@hcpsocal.org



[Health Center Partners of Southern California](#), a family of companies, includes a 16-membership organization of federally qualified health centers, Indian Health Services Organizations, both urban and sovereign, and Planned Parenthood of the Pacific Southwest, collectively serving 850,000+ patients each year, for 3.6 million patient visits each year, at 160 practice sites across San Diego, Riverside, Imperial counties, with the seventh largest provider group in the region. Read our [2018/2019 Impact Report](#).