

March 20, 2020

The Honorable Jay Inslee
Governor, State of Washington
P.O. Box 40002
Olympia, WA 98504-0002

Dear Governor Inslee,

On behalf of the hospitals and health systems in Washington state, we wanted to thank you for your leadership during the response effort to novel coronavirus (COVID-19). We write today to respectfully request and urge you to set aside funding contained in EHB 2965 to ensure hospitals can continue to provide care during the COVID-19 crisis. We request that at least \$40 million in calendar year 2020 be set aside as an emergency fund for hospitals experiencing extreme financial distress. We expect certain hospitals to close if funding is not provided. The health care delivery system in Washington state is at a crisis point as result of the COVID-19 outbreak. We support the moves you have made to curtail non-emergent procedures, close schools and encourage social distancing. However, these changes hit rural hospitals fast and hard. The cancelation of elected procedures combined with significant declines in outpatient services have left many hospitals reeling financially.

We are facing extreme stress to the health care system, including challenges in reduced revenue, staffing, supplies, space and equipment. At least 13 rural hospitals have indicated that they have less than 45 days of cash on hand. We expect that number to grow as revenues continue to decline. The first indication of this is changes in cash on hand from February to mid-March. Some of these hospitals are facing imminent closure, including:

- Columbia County Health System, Dayton;
- Grays Harbor Community Hospital, Aberdeen;
- Mid-Valley Hospital, Omak;
- Three Rivers Hospital, Brewster; and
- WhidbeyHealth, Coupeville.

We appreciate the quick action by the state Health Care Authority to quickly disperse the initial \$2 million. This provided our most vulnerable hospitals about a week of payroll expenses.

EHB 2965 and Emergency Funding

WSHA advocated to increase the initial appropriation contained in EHB 2965. We urge you to direct the Office of Financial Management to prioritize allocations for financially distressed hospitals to both respond to the COVID-19 outbreak and continue serving the other serious health care needs of people in the community today and into the future.

Qualification for funding

This emergency funding will ensure no hospital is forced to close or reduce critical parts of operations during this crisis. Hospitals could apply with a simple application based on criteria or a formula. We suggest funding work in the following ways:

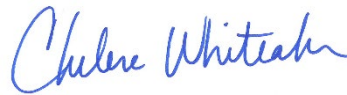
- It should be prioritized for hospitals with less than 45 days cash on hand (a significant indicator that the hospital will be unable to continue services and meet payroll in the future);
- The funding should be provided in the form of grants to the hospitals with no expectation the funds are re-paid; and
- If any funds from the account remain un-used, they shall be returned.

Washington state is at the front lines of this pandemic. We must act swiftly to ensure our health system can respond. With your leadership, we can work together to ensure that hospitals are able to continue responding to this crisis and continue meeting the health needs of all Washingtonians.

Sincerely,



Cassie Sauer
President & Chief Executive Officer



Chelene Whiteaker
Senior VP, Government Affairs

CC: David Schumacher, Director, OFM
Nona Snell, Assistant Director, OFM
David Postman, Chief of Staff
Molly Vorris, Senior Policy Advisor - Health
Sue Birch, Health Care Authority Director
John Wiesman, Secretary of Health
MaryAnne Lindeblad, Medicaid Director