



AMERICA'S ESSENTIAL HOSPITALS

America's Essential Hospitals Statement for the Record House Committee on Energy and Commerce

LIFT America: Revitalizing Our Nation's Infrastructure and Economy

March 22, 2021

America's Essential Hospitals appreciates the opportunity to submit a statement for the record as the House Committee on Energy and Commerce considers legislation to revitalize the nation's infrastructure. We are grateful the committee recognizes the need to invest in and rebuild hospital infrastructure, particularly for hospitals caring for communities and populations with the greatest health and socioeconomic needs. We also commend Rep. Tom O'Halleran (D-AZ) for his leadership in identifying and advocating for additional capital investments in hospital facilities.

America's Essential Hospitals is the leading champion for hospitals and health systems dedicated to providing high-quality care to all. Our more than 300 member hospitals and health systems form the very fabric of the nation's health care safety net. They care for underrepresented people and anchor communities across the country, from the largest cities to expansive rural regions. They are sources of lifesaving care, jobs, and vital public health services that influence the social, economic, and environmental circumstances of a person's life. Essential hospitals serve communities where need is greatest and in areas that might otherwise lack health care access. They reach outside their walls to care for communities where more than 23 million people live below the federal poverty line, nearly 10 million have limited access to nutritious food, and 360,000 experience homelessness.¹ Three-quarters of essential hospitals' patients are uninsured or covered by Medicaid or Medicare.²

Consequently, essential hospitals operate with strained finances; their margins are one-third that of other U.S. hospitals. Under normal circumstances, essential hospitals execute their missions on limited cash reserves. In times of crisis, such as the COVID-19 public health emergency, increased expenses to care for patients and protect clinicians coupled with decreased revenue from canceled elective procedures left some essential hospitals with just days of cash on hand during the height of a global pandemic.

These hospitals invest their scarce resources back into their patients and communities, leaving little financially to support system modernization or facility refurbishment. In the best of times, essential hospitals struggle to cobble together state, local, and federal resources to maintain

¹ Clark D, Roberson B, Ramiah K. *Essential Data: Our Hospitals, Our Patients—Results of America's Essential Hospitals 2018 Annual Member Characteristics Survey*. America's Essential Hospitals. May 2020. <https://essentialdata.info>. Accessed March 19, 2021.

² Ibid

their aging infrastructure. Antiquated and deteriorating facilities exacerbate the challenges of caring for medically complex and marginalized populations, particularly during a public health emergency.

An article in *The New York Times* last spring chronicled the experience of one essential hospital in New York City at the onset of the COVID-19 pandemic. Serving a community that sees high numbers of low-income patients and patients of color, SUNY Downstate accommodates more than three times the number of patient visits than it was built to handle nearly 60 years ago.³ During the height of the COVID-19 crisis last spring, which disproportionately harmed populations served by the hospital, clinicians cared for patients with handmade workarounds, such as “plastic tarps and duct tape” to separate patients. The article reported that a “leaky roof forced a temporary evacuation of premature babies from a neonatal intensive care unit” and that the “bunkerlike concrete building is crumbling from within.”⁴

This is the story of other essential hospitals across the country. From the inner cities of the nation’s largest metropolitan areas to the tribal lands in the Arizona deserts, essential hospitals provide high-quality care despite severe built and technological limitations. Their mission demands they overcome these barriers, but they cannot do it alone.

To meet their safety net role, essential hospitals require more federal support for current and future needs—from repairing crumbling facilities to building health information technology capacity to marshaling resources for the next public health emergency or cybersecurity threat. Targeting capital investments to under-resourced providers would supplement the patchwork of federal supports they rely on to achieve their safety net mission, enabling them to embark upon needed construction or modernization projects they otherwise could not finance. To that end, America’s Essential Hospitals supports provisions in the LIFT America Act to authorize new resources for hospital construction and modernization. We encourage the committee to ensure adequate resources are available through its legislation and consider further targeting those resources to providers serving disadvantaged populations.

Physical infrastructure investments should be coupled with digital investment, enabling safety net providers to leverage telehealth capabilities to reach beyond their walls and into the communities where their patients live and work. We appreciate that the LIFT America Act would equitably enhance access to broadband and invest in health information technology as core components of the public health infrastructure. We encourage the committee to build on this by including resources to expand access to telehealth specifically. Telehealth is a safe and effective option for patients and allows our hospitals to operate more efficiently and stretch their scarce resources further. But not all providers can maximize this important tool due to financial constraints. Targeting technological and telehealth infrastructure investments to these providers would help them better reach vulnerable populations who might otherwise face barriers to care.

It is important Congress use this opportunity to strengthen and support emergency preparedness. Lawmakers should prioritize the health care safety net before, during, and after a public health emergency. The populations and communities at risk during a crisis can be identified in advance, and investments should be directed accordingly. The LIFT America Act

³ Schwirtz M. One Rich N.Y. Hospital Got Warren Buffett’s Help. This One Got Duct Tape. *The New York Times*. April 26, 2020. <https://www.nytimes.com/2020/04/26/nyregion/coronavirus-new-york-university-hospital.html>. Accessed March 19, 2021.

⁴ Ibid

would prioritize resource infrastructure funding to hospitals investing in emergency and cybersecurity preparedness. We urge Congress to ensure safety net providers are adequately prepared to respond to future public health crises. Investing in infrastructure improvements now will help mitigate disparities in the short term by increasing capacity and resources while simultaneously ensuring preparedness in the event of a future public health crisis.

The association thanks Congress for its commitment to addressing infrastructure needs. We look forward to working with the Committee on Energy and Commerce, as well as other committees in the House of Representatives, to improve the nation's health care infrastructure and ensure the safety net is equipped and prepared for future public health challenges and crises.