

**Congress of the United States**  
**Washington, DC 20515**

December 22, 2022

The Honorable Xavier Becerra  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Ave., SW  
Washington, DC 20201

Dear Secretary Becerra,

Despite health care systems operating over capacity and receiving substantial financial support from federal, state, and local government in recent years, hospitals across the country are closing their doors, reducing their services, or consolidating. We are concerned that this pattern will result in communities facing increasingly significant barriers to health care, and seek your assistance in ensuring those communities have sufficient hospital resources to guarantee access to a full continuum of high-quality care.

In response to the COVID-19 pandemic and subsequent drop in non-COVID related hospital admissions, Congress appropriated \$178 billion for hospitals, as well as nearly \$10 billion specifically for rural providers, to help sustain our health care system.<sup>1</sup> This support was essential for hospitals to maintain financial stability in the face of drops in medical and non-COVID-19 admissions.<sup>2</sup> As the pandemic has progressed, hospital admissions rebounded for non-COVID-19-related cases and have surged related to the “tridemic” of influenza, respiratory syncytial virus (RSV), and COVID-19.<sup>3</sup> In fact, while almost 90 percent of inpatient beds in Massachusetts are full, only 5.8 percent are in use for COVID-19-related patients.<sup>4</sup>

These numbers translate to hospitals operating over capacity. Massachusetts hospitals report that they are caring for patients in emergency department hallways because skilled nursing

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<sup>1</sup> Elayne Hisler et al., *Federal Support for Financially Distressed Hospitals*, Cong. Research Service (Dec. 1, 2022), <https://crsreports.congress.gov/product/pdf/IN/IN12057>.

<sup>2</sup> See John D. Birkmeyer et al., *The Impact of the COVID-19 Pandemic on Hospital Admissions in the United States*, Health Affairs (Sept. 24, 2020), <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2020.00980>.

<sup>3</sup> ‘Tridemic’ Threatening to Overwhelm Health Care Systems as Flu, RSV, COVID Cases Rise, PBS News Hour (Nov. 22, 2022), <https://www.pbs.org/newshour/show/tridemic-threatening-to-overwhelm-healthcare-systems-as-flu-rsv-covid-cases-rise>.

<sup>4</sup> Hospital Utilization, HHS Protect Public Data Hub, <https://public-data-hub-dhhs.hub.arcgis.com/pages/Hospital%20Utilization>.

facilities lack beds and workforce capacity is limited.<sup>5</sup> Nationwide, hospitals are struggling to manage surge capacity because of a bed shortage that predated the pandemic.<sup>6</sup>

Despite financial support and high caseloads, the health care system is exhibiting worrying signs of distress. Since 2010, 140 rural hospitals have closed nationwide, including North Adams Regional Hospital in Massachusetts.<sup>7</sup> The highest number of closures in a single year occurred in 2020.<sup>8</sup> Other hospitals, motivated by financial distress, are consolidating with larger hospital systems or face acquisition by for-profit entities.<sup>9</sup> Additionally, many hospitals have scaled back their services, particularly those that serve a higher number of low-income people.<sup>10</sup> Since July, hospitals across eighteen states have announced cuts in services.<sup>11</sup> Since 2020, in Massachusetts, the Department of Public Health has recorded twenty reports of service reductions or outright closures in seventeen cities or towns.<sup>12</sup> The reduced services include inpatient pediatric services, obstetric care and well-infant nurseries, outpatient birth centers, satellite emergency facilities, radiology services, ambulatory care, substance use disorder facilities, outpatient dialysis units, and pediatric and adult cancer treatment.<sup>13</sup>

This trend profoundly impacts the health care system and shows no sign of stopping. Even before a decision to consolidate, reduce services, or close, hospital financial distress is associated

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<sup>5</sup> Sabrina Malhi, *RSV, Covid and Flu Push Hospitals to the Brink – and It May Get Worse*, Wash. Post (Nov. 20, 2022), <https://www.washingtonpost.com/health/2022/11/20/hospital-capacity-rsv-flu-covid/>.

<sup>6</sup> William A. Haseltine, *Overwhelmed U.S. Hospital Systems: A Look into the Future*, Forbes (July 26, 2021), <https://www.forbes.com/sites/williamhaseltine/2021/07/26/overwhelmed-us-hospital-systems-a-look-into-the-future/?sh=5ee91a647c62>.

<sup>7</sup> Rural Hospital Closures, The Cecil Center for Health Services Research, <https://www.shepscenter.unc.edu/programs-projects/rural-health/rural-hospital-closures/>.

<sup>8</sup> *Id.*

<sup>9</sup> *Partnerships, Mergers, and Acquisitions Can Provide Benefits to Certain Hospitals and Communities*, Kaufman Hall (2021), <https://www.aha.org/system/files/media/file/2021/10/KH-AHA-Benefits-of-Hospital-Mergers-Acquisitions-2021-10-08.pdf>; Anaeze C. Offodile II. et al., *Private Equity Investment in Health Care: An Overview of Hospital and Health System Leveraged Buyouts, 2003-2017*, Health Affairs (May 2021), <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2020.01535>.

<sup>10</sup> See Kathryn Houghton, *Hospitals Cut Jobs and Services as Rising Costs Strain Budgets*, Kaiser Health News (Aug. 26, 2022), <https://khn.org/news/article/hospitals-cut-jobs-services-rising-costs-budgets-covid-pandemic-inflation/>; Teresa A. Coughlin et al., *Safety Net Hospitals in the COVID-19 Crisis: How Five Hospitals have Fared Financially*, Robert Wood Johnson Found. (Dec. 2020), [https://www.urban.org/sites/default/files/publication/103483/safety-net-hospitals-in-the-covid-19-crisis-how-five-hospitals-have-fared-financially\\_0\\_0.pdf](https://www.urban.org/sites/default/files/publication/103483/safety-net-hospitals-in-the-covid-19-crisis-how-five-hospitals-have-fared-financially_0_0.pdf).

<sup>11</sup> See Alya Ellison, *17 Hospitals Scaling Back Care*, Becker's Hospital Review (Oct. 4, 2022), <https://www.beckershospitalreview.com/care-coordination/18-hospitals-scaling-back-care.html>; Ayla Ellison, *13 Hospitals Cutting Services*, Becker's Hospital Review (July 14, 2022), <https://www.beckershospitalreview.com/care-coordination/10-hospitals-cutting-services-712.html>.

<sup>12</sup> Hospital Essential Service Closures, MA Dep't of Public Health, <https://www.mass.gov/info-details/hospital-essential-service-closures#pending-and-recent-hospital-essential-service-closures->.

<sup>13</sup> *Id.*

with reduced access to certain treatments and lower quality care.<sup>14</sup> Mergers are associated with higher prices both for Medicare and private insurance.<sup>15</sup> Sale to for-profit entities can result in reduced quality to maximize profit.<sup>16</sup> Hospital service reductions impact access to care and reduce health system resilience to emergencies. Indeed, fourteen of the hospital service reductions in Massachusetts were services that the Department of Public Health deemed “necessary for preserving access and health status within the hospital’s service area.”<sup>17</sup> Across the country, significant cuts to pediatric beds are driving the current critical shortages of pediatric beds to treat children with RSV.<sup>18</sup> Finally, hospital closures reduce access to care by increasing costs and travel distance; the loss of a large community employer also impacts community financial health.<sup>19</sup>

This trend also translates to very real consequences for individuals and families. Children await placement at behavioral health care facilities in adult emergency rooms for weeks at a time. Patients — both children and adults — are waiting hours for a hospital bed or giving up before they can get care. They are travelling longer to deliver their babies, access reproductive care, or get treatment for a stroke or heart attack. Or they pay higher prices for the care they receive.<sup>20</sup> Health care workers face unsafe working conditions in which they labor to exhaustion to meet demand or lose their jobs. Although this crisis may have multiple causes, the impact to our health care system and patients is a clarion call to guarantee affordable, high quality health care for everyone.

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<sup>14</sup> See Dean D. Akinleye et al., *Correlation Between Hospital Finances and Quality and Safety of Patient Care*, 14 PLoS ONE 1, 11 (2019),

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6697357/pdf/pone.0219124.pdf>; Catherine A. Richards et al., *Association Between Hospital Financial Distress and Immediate Breast Reconstruction Surgery After Mastectomy Among Women with Ductal Carcinoma in Situ*, 154 JAMA Surg. 344 (Apr. 2018), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5933385/>.

<sup>15</sup> Karyn Schwartz et al., *What We Know About Provider Consolidation*, Kaiser Family Foundation (Sept. 20, 2020), <https://www.kff.org/health-costs/issue-brief/what-we-know-about-provider-consolidation/>.

<sup>16</sup> Fred Schulte, *Investigating Private Equity’s Stealth Takeover of Health Care Across Cities and Specialties*, Salon (Dec. 1, 2022), [https://www.salon.com/2022/12/01/investigating-private-equitys-stealthy-takeover-of-health-care-across-cities-and-specialties\\_partner/](https://www.salon.com/2022/12/01/investigating-private-equitys-stealthy-takeover-of-health-care-across-cities-and-specialties_partner/).

<sup>17</sup> 105 CMR 130.122(E); see Hospital Essential Service Closures, MA Dep’t of Public Health, <https://www.mass.gov/info-details/hospital-essential-service-closures#pending-and-recent-hospital-essential-service-closures->.

<sup>18</sup> Liz Szabo, *Hospital Financial Decisions Play a Role in the Critical Shortage of Pediatric Beds for RSV Patients*, Kaiser Health News (Dec. 9, 2022), <https://khn.org/news/article/hospital-financial-decisions-pediatric-bed-shortage-rsv/>.

<sup>19</sup> Rae Lynn Mitchell, *Hospital Closures Affect People in Rural and Urban Areas Differently*, Viral Records (Apr. 12, 2022), <https://vitalrecord.tamhsc.edu/hospital-closures-affect-people-in-rural-and-urban-areas-differently/>; Soroush Saghaian et al., *Towards a More Efficient Healthcare System: Opportunities and Challenges Cause by Hospital Closures Amid the COVID-19 Pandemic*, 25 Health Care Management Services 187, 187 (Mar. 16, 2022), <https://link.springer.com/article/10.1007/s10729-022-09591-7>.

<sup>20</sup> Mitchell, *supra* n. 19.

To help us better understand whether, and if so how, federal government action or inaction has impacted hospital closures and service reductions, we request answers to the following questions in writing by January 15, 2023:

1. What data does the Department of Health and Human Services (HHS) gather related to hospital closures, service reductions, or mergers or acquisitions due to financial distress?
2. What data does HHS gather related to spillover effects on surrounding health care facilities following hospital closures?
3. What actions is HHS taking to identify the impact of hospital closures or service reductions on public health and health care access?
4. What actions is HHS taking to ensure accessibility for communities that rely on safety net hospitals?
5. What engagement has HHS had with stakeholders at the local, state, and federal levels to address concerns with hospital closures and service reductions?
6. What support does HHS provide to hospitals to adopt models of care to mitigate or avoid financial distress?
7. What support does HHS provide to health care systems to ensure long-term financial sustainability and surge capacity?

Thank you in advance for your attention to these requests. If you have any questions, please contact Tara Wilson at [tara\\_wilson@markey.senate.gov](mailto:tara_wilson@markey.senate.gov).

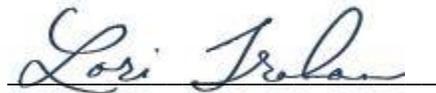
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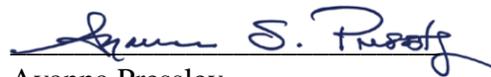
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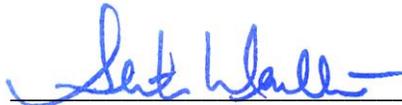
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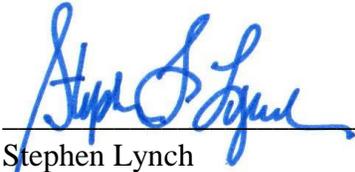
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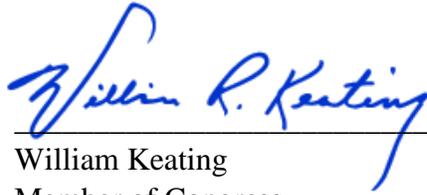


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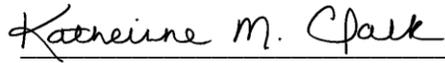
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