

July 22, 2008

The Honorable Richard Durbin
United States Senate
Washington, DC 20510

The Honorable Lois Capps
United States House of Representatives
Washington, DC 20515

Dear Senator Durbin and Representative Capps:

The undersigned organizations join in supporting your introduction of the Public Health Emergency Response Act (PHERA), legislation that would put a turn-key process into place which would ensure that victims of a public health emergency have immediate access to medically necessary healthcare services and help ensure that we have a functioning health care system.

A public health emergency, such as a natural disaster, biologic attack or infectious disease outbreak, could strike at any time. The September 11th attacks and Hurricanes Katrina and Rita have underscored the need for rapid access to healthcare services during and immediately following a public health emergency. Following Hurricane Katrina, Congress ultimately approved \$2.1 billion for grants to certain states to cover the Medicaid and SCHIP matching requirements for individuals enrolled in these programs, and the cost of uncompensated care for the uninsured. However, it took six months for Congress to pass the Deficit Reduction Act, which provided for these funds. This unnecessary delay could have been prevented. PHERA would put into place ahead of time a framework for providing reimbursement for uncompensated care in the event of a major public health emergency.

The temporary benefit established through this bill would help remove a disincentive for uninsured individuals to promptly seek medical care. Any delay in seeking care could result in lives lost, particularly during an infectious disease outbreak when immediate identification and isolation are very important, and delay in seeking care could render treatment ineffective. At a time when our health care system could be overwhelmed with patients, it is vital that reimbursement issues not dissuade providers from offering care. A study by the Center for Biosecurity estimated that U.S. hospitals could lose as much as \$3.9 billion in uncompensated care and cash flow losses in the event of a severe pandemic. By helping to reduce the burden of uncompensated care, PHERA would help ensure the solvency and continuity and our health care system during a catastrophic emergency.

Specifically, PHERA would provide a temporary emergency health benefit for uninsured individuals and individuals whose health insurance coverage is not actuarially equivalent to benchmark coverage, in the event that the Secretary of Health and Human Services (HHS) declares that a public health emergency exists and chooses to activate the benefit. It would clarify who is eligible for this benefit, including individuals displaced by a public health emergency, limit the amount of time for which the benefit would last, and stipulate what providers would be covered under this Act. It would not use Medicare, Medicaid or SCHIP funding. The funding mechanism would be the Public Health Emergency Fund, a no-year fund available to the Secretary. The bill authorizes funding for the administration of the fund, together with a public education campaign on the availability of the benefit, but further funding

would not be necessary until Congress appropriated funds in the event of a declared public health emergency.

Past experiences have shown that Congress will step in to help defray the costs of uncompensated care resulting from a catastrophic emergency. Determining the scope of such coverage ahead of time will help ensure the solvency of our health care system and help eliminate a disincentive for individuals to promptly seek care. PHERA would help ensure that when tragedy strikes, time and lives are not lost as Congress debates a course of action. It would create the turn-key process ahead of time, thereby allowing for timely care to individuals affected by a crisis.

We appreciate your leadership in introducing this legislation and look forward to working with you on this and other public health initiatives in the future.

Sincerely,

American Red Cross
Center for Biosecurity, University of Pittsburgh Medical Center
Center for Infectious Disease Research and Policy
Council of State and Territorial Epidemiologists
Infectious Diseases Society of America
National Association of Community Health Centers
Society for Healthcare Epidemiology of America
Trust for America's Health