

## Congress of the United States House of Representatives Washington, DC 20515-3605

April 9, 2020

The Honorable Steven Mnuchin Secretary Department of the Treasury 1500 Pennsylvania Avenue Washington, DC 20220 The Honorable Jovita Carranza Administrator U.S. Small Business Administration 409 3rd St, SW Washington, DC 20416

Dear Secretary Mnuchin and Administrator Carranza:

Thank you for all the work you have done to help our small businesses respond to the novel coronavirus (COVID-19) crisis in these difficult times. As you work to administer vital emergency assistance programs, we are writing to bring an urgent issue to your attention regarding the Paycheck Protection Program (PPP), and to request you ensure rural hospitals and Rural Health Clinics (RHCs) who have facilities owned or operated by counties or districts are eligible for this program, as well as other critical financial assistance programs.

H.R. 748, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, was signed into law with our support on March 27, 2020, enacting essential lifelines for struggling businesses. It is critical SBA ensure CARES Act programs, especially PPP, can be used to support our rural hospitals and clinics. We have heard concerns SBA is interpreting the CARES Act language in a way which would preclude rural hospitals and RHCs whose facilities are owned or operated in some way by a district or municipality which they serve from being eligible for certain assistance, despite often receiving no direct funding from these government entities.

Should Treasury and SBA interpret the language this way, it would negatively impact numerous rural hospitals and RHCs across the country. Prior to the COVID-19 pandemic, many of these hospitals and clinics had operating deficits; their cash flow problems have become increasingly dire as rural hospitals and RHCs have been forced to cancel elective procedures, their primary source of revenue.

During any time period, these rural hospitals and clinics are essential to support rural communities, but they are especially vital during this time of public health emergency. In addition to their irreplaceable role in serving the everyday health needs of our rural communities, many of these health care providers are treating COVID-19 cases in their communities and working to contain

further spread of the disease. In many communities these hospitals are also the largest active remaining employer in the economy.

We urge you to take immediate steps to ensure rural hospitals and RHCs are eligible for the relevant CARES Act loan programs such as PPP in order to continue their work on the frontlines of fighting the COVID-19 pandemic. We look forward to serving as collaborative partners in SBA's and other agencies' work to support rural health care providers as we respond to this crisis.

Sincerely,

Adrian Smith Member of Congress Jodey Arrington Member of Congress

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