



ALABAMA  
HOSPITAL  
ASSOCIATION

July 17, 2023

Mr. Bill Poole  
Director of Finance  
Alabama Department of Finance  
Alabama State Capitol  
600 Dexter Avenue, Suite N-200  
Montgomery, Alabama 36130

RE: The Memorandum of Understanding by and between the Alabama Department of Finance (“DOF”) and the Alabama Health Research and Education Foundation, Inc. (“Foundation”) related to the funds appropriated for the “Hospital COVID-19 Recovery Fund Program”.

Dear Director Poole,

This letter serves as the Alabama Health Research and Education Foundation’s first quarterly report of expenditures according to the Foundation’s MOU with the Alabama Department of Finance. On March 16, 2023, Act 2023-1 of the First Special Session of the Alabama Legislature, 2023, was enacted. The Act appropriated \$100,000,000 from Alabama’s State Fiscal Recovery Fund (SFRF) to support the delivery of healthcare and related services to the citizens of Alabama related to the pandemic by and through reimbursement of eligible expenses. On June 6, 2023, the Foundation and DOF executed an MOU to collaborate on the administration of up to \$100,000,000 for qualifying Alabama hospitals for the purpose of reimbursing eligible expenses related to responding to or mitigating the impact of the COVID-19 pandemic and public health emergency and the economic impact thereof.

All funds from this appropriation to the “Hospital COVID-19 Recovery Fund Program” are being distributed according to Section 602 of the Social Security Act, the State Recovery Funds, and following the required terms and eligibility of submitted expenses according to the U.S. Treasury guidelines published on January 27, 2022, Federal Registry at 87 Fed. Reg. 4338 (the “Final Rule”) and the MOU executed between the Foundation and DOF.

To ensure compliance with all state and federal requirements associated with the distribution of the appropriated funds, the Foundation undertook the following steps in administering the Hospital COVID-19 Recovery Fund Program:

- Secured third-party accounting services to verify, certify, and process applications.
- Performed and secured legal services to establish the program, process, and execution of agreements to ensure compliance.
- Communication for hospitals to ensure conformity in submitting eligible expenses.

- Onboarding of all hospitals into electronic claims submission and processing program.
- Assistance with individual hospital claims to resolve issues and ensure submission of verified documentation to support expenses.
- Established and adopted procedural processes for claim submissions and fund disbursement.
- **Applications:** Distribution of the funds will be made from the hospitals' submission of claims for eligible and verifiable expenses supported by documentation (including, without limitation, invoices, purchase orders, payroll records, or other such evidence to support the request for funds). Claims cover expenses incurred beginning on March 11, 2021, and ending on December 31, 2022. Claims filed for expenditures incurred before March 11, 2021, or after December 31, 2022, will be ineligible.
- **Disbursement of Funds:** To guarantee fairness and ensure every hospital that submitted eligible expenses received a fair share of available funds, a methodology was established as outlined in Appendix A of the MOU between the DOF and the Foundation.

**Quarter 1:** As of July 17, 2023, 101 applications have been received. \$98,100,588.68 has been distributed. (See attached) The remaining balance of 1,899,411.32 has been allocated and will be disbursed following the validation of submitted documentation.

Alabama's hospitals rose to meet unprecedented challenges brought about by the pandemic, providing exceptional care to Alabamians suffering from COVID-19 while continuing to meet all healthcare needs of our citizens. The resulting financial stress is dire and evidenced in significant uncompensated eligible expenses exceeding all financial assistance provided through state and federal resources to date.

On behalf of Alabama's hospitals, our communities, and the patients we serve, thank you for the much-needed support provided through this appropriation. It will serve as a bridge as we work together to explore prospects for other avenues to achieve and preserve the level of stability necessary to maintain our healthcare delivery system, ensuring continued access to care for every Alabamian.

We are grateful for the opportunity you have allowed in our working together and look forward to future efforts. Please do not hesitate to let me know if I can be of assistance.

Sincerely,



Danne Howard  
Deputy Director

Alabama Hospital Association

On behalf of the Alabama Health Research and Education Foundation, Inc.