

U.S. Sen. Baldwin: Raises questions for HHS Secretary Azar about the use of provider relief funding to pay shareholders and private equity owners at the expense of frontline health care workers

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WASHINGTON, D.C. – U.S. Senator Tammy Baldwin is raising questions for U.S. Department of Health and Human Services (HHS) Secretary Alex Azar about the use of funding appropriated by Congress to the Public Health and Social Services Emergency Fund being used to pay shareholders and private equity owners at the expense of frontline health care workers.

In the Baldwin-led letter to Secretary Azar, signed by Senators Richard Blumenthal (D-CT), Sherrod Brown (D-OH), Kamala Harris (D-CA), Patrick Leahy (D-VT), Ed Markey (D-MA), Chris Murphy (D-CT), Bernie Sanders (I-VT) and Elizabeth Warren (D-MA), they write:

“We are deeply concerned that HHS has not placed adequate limits on the extent to which wealthy health care companies can use taxpayer funding to line the pockets of executives and private equity owners, while cutting pay, furloughing, or firing doctors, nurses, and other essential workers that are preventing the spread of COVID-19 and saving lives—often without adequate personal protective equipment. Such payments to

shareholders at the expense of frontline health care workers are inconsistent with the goal of the Fund and therefore we ask that you prohibit them.”

Legislation passed by Congress, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Paycheck Protection Program and Health Care Enhancement Act, has provided \$175 billion to the Public Health and Social Services Emergency Fund in order to provide relief for health care providers. The HHS website states that the Provider Relief Fund “supports American families, workers, and the heroic healthcare providers in the battle against the COVID-19 outbreak.” The terms and conditions of the program require providers to certify that the payment will only be used to “prevent, prepare for, and respond to coronavirus, and that the payment shall reimburse the recipient only for health care related expenses or lost revenues that are attributable to coronavirus.”

However, as the [New York Times has reported](#), dozens of the top recipients of government aid have laid off, furloughed or cut the pay of tens of thousands of employees as CEO’s got millions of bailout dollars. In addition, [a Bloomberg News analysis](#) found that private equity companies have borrowed \$1.5 billion through the CARES Act programs, despite having billions in cash on hand. The report found that “[h]ealthcare facilities owned by Apollo Global Management, which started the year with about \$46 billion, received at least \$500 million in HHS loans. And Cerberus Capital Management’s Steward Health Care System LLC, which threatened to close a hard-hit Pennsylvania hospital, received at least \$400 million in loans.”

In the letter to Secretary Azar, the Senators write:

“We ask that you require all payment recipients to provide documentation accounting for all dividends, management fees, stock repurchases, and bonuses paid (in cash or in stock) since receiving federal aid from the Provider Relief Fund. In the case of providers who have paid dividends, fees, stock repurchases, or bonuses, we ask that they provide written explanation of why these payments are consistent with the certification required by the program. Additionally, we ask that you require recipients to provide in their reports broad information about the use of funds,

including an accounting of funds spent on personal protective equipment, supplies, and wages.”

A copy of the letter can be found [here](#).

An online version of this release is available [here](#).