

The Hospital Revitalization Act

Senator Michael F. Bennet

Hospitals and other health facilities are often the economic bedrock of their communities.

In 2019, [over ten million](#) people worked at hospitals, outpatient care centers, and nursing care facilities alone. Long before the Coronavirus Disease 2019 (COVID-19) pandemic, many hospitals struggled to maintain their physical facilities due to minimal or negative financial margins and economic instability, especially in rural America. The challenges of aging physical plants, deteriorated hospital finances, new quality standards, and advances in diagnostic and therapeutic technologies have only worsened while responding to COVID-19. Federal financial investment would support hospital maintenance, updates, and transformation to serve the current and future needs of their communities and spur economic growth.

The Hospital Revitalization Act would establish a grant and loan program administered by the Department of Health and Human Services to assist eligible hospitals with constructing, modernizing, and expanding their facilities to better serve their communities.

This legislation authorizes \$17 billion to support hospitals upgrade physical infrastructure and expand facility capacity. The grant and loan amounts are set by the Secretary, based on the cost of the project, and are not to exceed \$40 million total per hospitals. A grant may be rewarded up to 30 percent of the project's cost and the rest would be awarded as a low interest loan.

While eligible hospitals would need to fit certain criteria, the Secretary will develop prioritization criteria who would receive the awards, taking into account factors such as the year the hospital was built, the physical state of the hospital, and the level of electronic health record implementation, and the income level of the population served.

Eligibility Criteria

To be considered eligible to receive an award, a hospital must meet the following criteria based on available data for 2017 through 2019.

- Had less than \$50,000,000 in net patient revenue or fewer than 50 beds;
- Had a negative total margin for 2 of the 3 years prior to 2020; and
- Had a public payer mix percentage that is at least 65% of net patient revenue from the Medicare or Medicaid program for each of the 3 years prior to 2020.

Award Application and Reporting

To receive an award, hospitals must submit an application containing a community health needs assessment, a preliminary construction project plan, an energy resilience and efficiency plan, and an economic impact report on the area or region served. Each recipient of an award is required to submit an annual report to the Secretary on the use of the funds in the previous fiscal year, including the use of the funds to address issues raised in the community health needs assessment, the energy resilience and efficiency plan, and the economic impact report.