

Congress of the United States
Washington, DC 20510

November 20, 2020

Gene L. Dodaro
U.S. Comptroller General
Government Accountability Office
441 G St. NW
Washington, D.C. 20548

Dear Mr. Dodaro:

We write to request a Government Accountability Office (GAO) investigation of the distribution of federal pandemic relief funds to the communities most affected by the coronavirus (COVID-19) pandemic. The health and economic effects of the pandemic have been especially severe in communities of color and Native communities, yet it is not clear whether federal relief resources have reached these communities in proportion to their need. We therefore request an evaluation of supplemental appropriations provided under COVID-19 relief laws, including the *Coronavirus Aid, Relief, and Economic Security Act*,¹ with regard to how funds have been distributed to disproportionately affected communities.

The coronavirus pandemic has had a disproportionate impact on communities of color and Native communities. Black, Hispanic/Latino, and American Indian/Alaska Native people are being hospitalized with COVID-19 at higher rates² and are dying from COVID-19 at younger ages.³ People living on tribal reservations are more than four times as likely to have been diagnosed with COVID-19 as the U.S. population as a whole.⁴ The same communities have also been most affected by the economic fallout: in every month since the economic crisis began in March 2020, Black and Latino workers have had significantly higher unemployment rates than white workers, even after adjusting for age and education status.⁵

¹ Coronavirus Aid, Relief, and Economic Security Act (CARES Act), H.R. 748, <https://www.congress.gov/bill/116th-congress/house-bill/748>.

² Centers for Disease Control and Prevention, "COVID-19 Hospitalization and Death by Race/Ethnicity," August 18, 2020, <https://www.cdc.gov/coronavirus/2019-ncov/covid-data/investigations-discovery/hospitalization-death-by-race-ethnicity.html>.

³ Centers for Disease Control and Prevention Morbidity and Mortality Weekly Report, "Characteristics of Persons Who Died with COVID-19 – United States, February 12–May 18, 2020," Jonathan M. Wortham et al., July 17, 2020, <https://www.cdc.gov/mmwr/volumes/69/wr/mm6928e1.htm>.

⁴ Public Health Management and Practice, "American Indian Reservations and COVID-19: Correlates of Early Infection Rates in the Pandemic," Desi Rodriguez-Lonebear, Nicolas Barcelo, Randell Akee, and Stephanie Russo Carroll, July/August 2020, https://journals.lww.com/jphmp/Fulltext/2020/07000/American_Indian_Reservations_and_COVID_19_.14.aspx.

⁵ University of New Hampshire Carsey School of Public Policy, "The Inequities of Job Loss and Recovery Amid the COVID-19 Pandemic," Rogelio Saenz and Corey Sparks, August 11, 2020, <https://carsey.unh.edu/publication/inequities-job-loss-recovery-amid-COVID-pandemic>.

To date, the federal government has spent trillions of dollars to sustain our health system and mitigate the economic fallout during this public health emergency. However, it is not clear whether that relief has successfully reached the communities that are most impacted. A survey of Black and Latino business owners found that only 12% of those who applied for a loan from the Paycheck Protection Program were approved for the full amount, and half expected their businesses to permanently close within six months.⁶

In health care, a study of the Provider Relief Fund found that hospitals with the most revenue from private insurance received more than twice as much funding per hospital bed as the hospitals with the least private insurance revenue⁷ – raising the question of whether funds truly reached health care providers serving communities that are most in need. COVID-19 testing may also be harder to obtain for people of color: one analysis found that testing sites located in predominately Black and Hispanic neighborhoods of major cities face higher demand than those in predominantly white areas of those same cities, leading to longer waits.⁸ Independent analyses have found that ZIP codes with large white populations have had more testing sites throughout the pandemic than ZIP codes with more people of color, and 35 percent of rural Black Americans live in a “highly vulnerable testing desert.”⁹

In order to understand how well the federal pandemic relief programs have reached low-income communities and communities of color, we request the following analyses of major pandemic relief programs:

1. Paycheck Protection Program and Economic Injury Disaster Loan Program:

- a) How many loans, and how much in total funding, were allocated to businesses located in medically under-served communities;¹⁰ communities that have a higher share of Black, Hispanic/Latino, or Native residents than the national average; or that are in the highest quartile of the CDC’s Social Vulnerability Index?
- b) For the Economic Injury Disaster Loan Program, how did the approval and denial rates for businesses located in the communities described above compare to the national average?
- c) What is known about how many loans, and how much in total funding, were allocated to minority-owned businesses as defined by the Small Business Administration, disaggregated by race and ethnicity of the business owner?

⁶ New York Times, “Few Minority-Owned Businesses Got Relief Loans They Asked For,” Emily Flitter, May 18, 2020, <https://www.nytimes.com/2020/05/18/business/minority-businesses-coronavirus-loans.html>.

⁷ Kaiser Family Foundation, “Distribution of CARES Act Funding Among Hospitals,” Karyn Schwartz and Anthony Damico, May 13, 2020, <https://www.kff.org/coronavirus-covid-19/issue-brief/distribution-of-cares-act-funding-among-hospitals/>.

⁸ ABC News, “White neighborhoods have more access to COVID-19 testing sites: ANALYSIS,” Matthew Vann, Soo Rin Kim, and Laura Bronner, July 22, 2020, <https://abcnews.go.com/Politics/white-neighborhoods-access-covid-19-testing-sites-analysis/story?id=71884719>.

⁹ Axios, “People of color have less access to coronavirus testing,” Caitlin Owens and Andrew Witherspoon, June 23, 2020, https://www.axios.com/minorities-coronavirus-testing-9a6397e4-a7e7-4077-bad2-bbd77fe5d1c2.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top.

¹⁰ As defined in section 799B of the Public Health Service Act (42 U.S.C. 295p).

- d) What is known about how many loans, and how much in total funding, were allocated to Tribal business concerns?
- e) What is known about how many loans, and how much in total funding, were allocated to community health centers?
- f) Does the federal government currently collect sufficient data to evaluate these questions, and if not, what additional data is needed?

2. Public Health and Social Services Emergency Fund (PHSSEF):

Provider Relief Fund:

- a. How much funding, and what percentage of total funds, was allocated and distributed to providers located in medically under-served communities; communities that have a higher share of Black, Hispanic/Latino, or Native residents than the national average; or that are in the highest quartile of the CDC's Social Vulnerability Index?
- b. How much funding, and what percentage of total funds, was allocated and distributed to providers that serve a higher proportion of Medicaid beneficiaries and uninsured patients in each state?
- c. How much funding, and what percentage of total funds, was allocated and distributed to community health centers and rural health clinics?
- d. How much funding, and what percentage of total funds, was allocated and distributed to health care providers employed by an Indian Tribe, Tribal organization, the Indian Health Service, or urban Indian organizations?
- e. Among funds allocated to skilled nursing facilities, how much funding and what percentage of total funds was allocated and distributed to facilities located in high-need communities as described in question (a)?
- f. Did the proportion of funds allocated and distributed to the high-need communities described in question (a) differ between the different funding allocation sources within the Provider Relief Fund? If so, how?
- g. How much additional funding would have been allocated to providers who serve a high proportion of Medicaid beneficiaries if Medicaid payment rates were equal to Medicare payment rates?
- h. Does the federal government currently collect sufficient data to evaluate these questions, and if not, what additional data is needed?

Other PHSSEF funds designated for COVID-19 response:

- i. How much funding, and what percentage of total funds, was allocated to organizations serving medically under-served communities; communities that have a higher share of Black, Hispanic/Latino, or Native residents than the national average; or that are located in the highest quartile of the CDC's Social Vulnerability Index?
 - i. How much of this funding was allocated to non-profit organizations?
- j. How much funding, and what percentage of total funds, was allocated to community health centers or rural health clinics?

- k. How much funding, and what percentage of total funds, was allocated to health care providers employed by an Indian Tribe, Tribal organization, the Indian Health Service, or urban Indian organizations?
- l. How much funding, and what percentage of total funds, was allocated to State and local prisons and jails?
- m. How many mobile testing sites, walk-up sites, or other locations providing free testing that were supported, in whole or in part, by the Public Health and Social Services Emergency Fund?
 - i. How many of these sites were accessible by public transportation?
 - ii. How many of these testing sites were located in medically under-served communities; communities that have a higher share of Black, Hispanic/Latino, or Native residents than the national average; or that are in the highest quartile of the CDC's Social Vulnerability Index?
- n. How much funding was used to conduct outreach and education about available testing for COVID-19, and what type of outreach was conducted?
- o. How much funding was used to distribute, administer, or conduct outreach about vaccines and treatments for COVID-19 in medically under-served communities; communities that have a higher share of Black, Hispanic/Latino, or Native residents than the national average; or that are in the highest quartile of the CDC's Social Vulnerability Index?
- p. Does the federal government currently collect sufficient data to evaluate these questions, and if not, what additional data is needed?

We understand that some of this data may not be readily available or currently collected, and that doing so could require substantial time. We look forward to hearing from the GAO team about the potential scope, methods, and timeframes for this work.

Thank you for your attention to this matter. We are happy to further discuss our concerns related to racial disparities in the federal pandemic response.

Sincerely,

_____/s/
Elizabeth Warren
United States Senator

_____/s/
Ayanna Pressley
Member of Congress