

June 22, 2020

Submitted electronically via an [online web form](#)

The Honorable Steve Mnuchin
Secretary of the Treasury
Department of the Treasury
Main Treasury
1500 Pennsylvania Avenue, N.W.
Washington DC 20220

The Honorable Jerome Powell
Chair of the Board of Governors
The Federal Reserve
20th Street and Constitution Avenue, N.W.
Washington, DC 2055

Re: Proposed Main Street Lending Program Nonprofit Loan Options

Dear Secretary Mnuchin and Chairman Powell,

Vizient, Inc. appreciates the Federal Reserve's efforts to gain public feedback regarding the proposed expansion of the Main Street Lending Program to provide access to credit for nonprofit organizations. In response to, "Nonprofit Organization Expanded Loan Facility" and "Nonprofit Organization New Loan Facility" term sheets, which are drafts for public consultation, Vizient offers the following responses for the Federal Reserve's consideration.

Background

Vizient, Inc. provides solutions and services that improve the delivery of high-value care by aligning cost, quality and market performance for more than 50% of the nation's acute care providers, which includes 95% of the nation's academic medical centers, and more than 20% of ambulatory providers. Vizient provides expertise, analytics, and advisory services, as well as a contract portfolio that represents more than \$100 billion in annual purchasing volume, to improve patient outcomes and lower costs. Headquartered in Irving, Texas, Vizient has offices throughout the United States.

Recommendations

The financial relief opportunities included in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) have provided welcome assistance to Vizient's members as they continue to face significant financial hardships. These difficulties stem from a range of issues related to COVID-19, including substantial revenue losses due to the cancellation of elective and routine procedures, acquiring supplies and adapting practices to respond to evolving requirements and patient needs. Hospitals, many of

which are small and medium sized-businesses, and their employees are on the front lines of providing vital patient care related to COVID-19, as well as emergency and necessary ongoing care for patients. As such, hospitals' financial wellbeing is of paramount importance.

Vizient applauds the Federal Reserve for expanding the Main Street Lending Program to support lending to small and medium-sized businesses, including nonprofit organizations, that were in sound financial condition before the COVID-19 pandemic. In addition, Vizient is pleased the Federal Reserve and U.S. Department of Treasury seek feedback regarding two facilities, which are types of loans, to support lending to nonprofit organizations. These two new facilities are the Nonprofit Organization New Loan Facility (NONLF) and the Nonprofit Organization Expanded Loan Facility (NOELF). While we appreciate these recent actions, we also encourage the Federal Reserve to be flexible in its application of the loan terms, specifically with respect to hospitals and other providers. Health care providers, including public and nonprofit hospitals, have been uniquely impacted by the COVID-19 pandemic and remain in dire need of additional funding streams.

Vizient believes that the eligibility terms proposed in the NOELF and NONLF may be unintentionally overly restrictive and, as such, preclude many hospitals from being eligible. Specifically, the Federal Reserve could expand the interpretation of nonprofit organization to include other types of nonprofit organizations (such as public hospitals), remove or increase the endowment cap and, lastly, increase the employee cap. Vizient believes providing these additional flexibilities will help build upon the Federal Reserve's positive work and allow for more front-line hospital providers to be eligible for these critical funds.

While the NONLF and NOELF are not specific to hospitals and health care providers, Vizient recommends that, to the extent the finalized terms do not specifically answer hospitals and health care providers' common questions, additional information be made available to help hospitals and care providers determine their eligibility under the program. For example, answering or clarifying the applicability of affiliation principles and making it clear that public hospitals are eligible to participate in the program would be helpful. As hospitals are avidly working to identify methods to stay afloat during this trying time while reevaluating their business models and adapting to numerous regulatory changes, any efforts to support their financial health and reduce burdens are welcome.

Conclusion

Vizient welcomes the Federal Reserve's responsiveness to nonprofit entities' needs for additional information and modified terms for the Main Street Lending Program. We also

appreciate the opportunity to comment on these proposals and reiterate our appreciation of the Federal Reserve's expansion of the Main Street Lending Program.

Vizient membership includes a wide variety of hospitals ranging from independent, community-based hospitals to large, integrated health care systems that serve acute and non-acute care needs. Additionally, many are specialized, including academic medical centers and pediatric facilities. Individually, our members are integral partners in their local communities, and many are ranked among the nation's top health care providers. In closing, on behalf of Vizient, I would like to thank the Federal Reserve for providing us the opportunity to comment. Please feel free to contact me or Jenna Stern at jenna.stern@vizientinc.com, if you have any questions or if Vizient may provide any assistance as you consider these issues.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Shoshana Krilow". The signature is fluid and cursive, with a large initial "S" and a long, sweeping tail.

Shoshana Krilow
Vice President of Public Policy and Government Relations
Vizient, Inc.