

United States Senate

WASHINGTON, DC 20510

January 15, 2021

The Honorable Alex M. Azar II
Secretary
U.S. Department of Health & Human Services
200 Independence Ave SW
Washington, DC 20201

The Honorable Robert R. Redfield, M.D.
Director
Centers for Disease Control and Prevention
1600 Clifton Rd
Atlanta, GA 30329

Dear Secretary Azar and Director Redfield:

We write to bring your attention to concerns that we have with the formula used to distribute federal funding to states for COVID-19 vaccine administration efforts, which leaves smaller states at a distinct disadvantage. This formula issue also results in smaller states receiving lower-than-expected funding levels for COVID-19 testing, contact tracing and community mitigation. We request that you tap available discretionary funds to bolster funding for states like ours, which are receiving significantly fewer dollars under the revised allocation method for these grants relative to what the states would have received under traditional approach to allocations through the Public Health Emergency Preparedness (PHEP) cooperative agreement grants.

In December, Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act, which among other things directed the Department of Health and Human Services (HHS) to distribute \$4.5 billion in grants to support state, local, Territorial and Tribal-based COVID-19 vaccination efforts. This law also directed HHS to distribute \$22.4 billion in grants to states, localities, territories, Tribes, tribal organizations, urban Indian health organizations, or health service providers to Tribes to support COVID-19 testing, contact tracing, surveillance, containment, and virus mitigation efforts. In both instances, Congress directed HHS to allocate funding to states, localities and territories according to the formula that applied to the PHEP cooperative agreement in fiscal year 2020 in determining the grant funding levels that each state should receive. Unfortunately, Fiscal Year (FY) 2020 PHEP funding awards included non-formula components, and HHS and the Centers for Disease Control and Prevention (CDC) based the supplemental allocations solely on the population component of the formula. This modification disproportionately impacts smaller and more rural states.

On January 6, 2021, HHS distributed approximately \$3 billion in vaccine administration grants and \$19 billion in testing and contact tracing grants to states, territories and jurisdictions. As a part of this announcement, HHS also published a state-by-state breakdown for those grants. The state-level vaccine administration funding for each of our states would have been at least twice as high if HHS had simply applied the PHEP allocation method in a similar manner to prior years. The result was a shift of more than \$250 million in vaccine administration funding away from smaller states and toward larger states.

We understand that HHS and the Centers for Disease Control and Prevention (CDC) strictly applied the population-based formula in determining allocations, and we acknowledge the importance of ensuring that high-risk and underserved communities have the resources necessary to get people vaccinated. However, if HHS and CDC do not act to provide additional resources to support smaller states that were shortchanged by this round of grant funding, our communities will not be equipped to

meet the challenge of vaccine administration during this deadly pandemic. For these reasons, we strongly encourage CDC to utilize additional discretionary funding at its disposal to provide more funding to our small states.

Specifically, Congress provided CDC with a separate allocation of \$4.25 billion for the agency to use on discretionary activities to support COVID-19 vaccination. The funds are to be used for planning, preparing, promoting, distributing, administering, monitoring and tracking coronavirus vaccines to ensure broad-based distribution, access and vaccine coverage. We encourage you to use a portion of these dollars to provide supplemental grants to states that received less funding under the allocation method for this grant round than the state would have received under the allocation method used for PHEP cooperative grants in prior years. Similarly, we encourage you to use untapped available funds from previous COVID-19 relief appropriations to provide supplemental testing and contact tracing grants to states that received fewer testing and contact tracing funds under the this grant round's allocation method than the states would have under the prior allocation approaches for PHEP cooperative grants.

Working together, Congress, HHS, CDC and state health departments can meet the monumental challenges ahead in ensuring that our communities are vaccinated. As a part of this collaborative effort, it will be vital to ensure that small states like ours have the resources they need. Thank you for your attention to this critical issue.

Sincerely,



Jeanne Shaheen
United States Senator



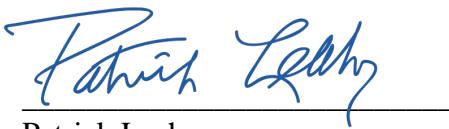
Kevin Cramer
United States Senator

/s/ Jack Reed

Jack Reed
United States Senator



Margaret Wood Hassan
United States Senator



Patrick Leahy
United States Senator

/s/ Thomas R. Carper

Thomas R. Carper
United States Senator



Sheldon Whitehouse
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