



November 18, 2015

The Honorable Sherrod Brown
United States Senate
713 Hart Senate Office Building
Washington, DC 20510

Dear Senator Brown:

The MetroHealth System is a nationally ranked public health care system located in Cleveland, Ohio. Founded in 1837 as City Hospital, MetroHealth has evolved into an integrated delivery system. The system continues to serve as a major employer and the essential (“safety net”) health provider for tens of thousands of patients by providing state of the art facilities and advanced comprehensive diagnostic tools to ensure the greatest possible health outcomes for patients. We respectfully urge you to support Senate Bill 1802 to facilitate our ability to invest in options that best protect the short and long term financial health of MetroHealth system. S-1802 is currently pending in the Senate Banking, Housing, and Urban Affairs Committee.

As you may know, MetroHealth and other hospitals use municipal / tax-exempt debt to finance various capital and public works projects. These projects create or sustain hundreds of prevailing wage jobs for the local construction trades. Your constituents benefit from state of the art facilities financed primarily with tax-exempt bonds. Passage of Senate Bill 1802 would enable MetroHealth to continue cost-efficient funding of facility improvements and to expand services to include enhanced infrastructure necessary for patient care and economic development purposes.

Today, Money Market Funds (MMFs) are significant purchasers of tax-exempt obligations. MetroHealth, along with many other issuers of tax-exempt bonds, fear that without the passage of Senate Bill 1802, MMFs may no longer purchase such debt after October 2016 when the fund’s underlying net asset value moves from a fixed sum to a floating value. Without Money Market Funds to purchase our bonds, the cost of projects will be incrementally more expensive and could possibly limit our future growth.

With reduced reimbursement payments from insurance companies, Medicaid and Medicare, hospitals utilize short-term debt to finance various capital and public works projects. We need access to the lowest possible interest costs for tax-exempt financing to fund hospital facility improvements. In addition, our hospitals rely upon MMFs to support short and mid-term investing needs, to protect principal, ensure liquidity and maximize returns on surplus cash. Many Ohio healthcare facilities invest in MMFs because of their simple accounting methodology and management, security and liquidity. These are all features that are necessary for hospitals to protect their reserve funds, access cash, and to pay bills. Moreover, because hospitals are highly regulated and receive substantial reimbursements from CMS, we are subject to federal and state policies and legal restrictions requiring us to invest in funds that are stable and risk adverse. If the SEC’s new floating NAV requirement is imposed on

prime MMFs beginning in October of 2016, we may be forced out of these funds and directed to other investment vehicles that have historically paid lower yields.

We are deeply concerned that hospitals will lose a significant cash management tool if Money Market Funds are not permitted to retain a fixed net asset value. Therefore, we urge your support of Senate Bill 1802. We thank you in advance for your consideration. Please feel free to contact me or Tracy Carter, MetroHealth's senior director for federal and state affairs, at 216-778-1406, should you have any questions or comments.

Warm regards,

A handwritten signature in cursive script, reading "Tamiyka Rose". The signature is written in black ink and is positioned above the printed name and title.

Tamiyka Rose
Vice President, Government Relations