

## HOSPITALS FACE FINANCIAL CHALLENGES DUE TO COVID-19

The Loretto Hospital | Chicago, IL

In Chicago, the COVID-19 pandemic has ravaged communities of color, disproportionately affecting Black residents. They represent only 30% of the population, but account for 46% of all cases and 57% of all deaths. The Loretto Hospital serves the Austin community and Chicago's West Side, a mostly Black community hard hit by the pandemic. Strapped for resources, the hospital is grappling with staffing shortages, lack of personal protective equipment (PPE), limited testing capabilities, difficulty transferring patients to nursing homes, chronic homelessness and gang violence.

The Austin community is a designated COVID-19 "hot spot." In accepting the call from the state to be a testing site, President and CEO George N. Miller Jr. says, "We are the only hospital on the West Side providing free COVID-19 testing. We've done more than 8,000 tests in a little over a month, and we get the results back between 48 and 72 hours. And it's all free, no appointment necessary."

The number of COVID-19 patients at The Loretto Hospital hit 85 by April 10, just 15 short of the 100 patients needed to meet the initial criteria for the CARES Act hot spot distribution. "We stopped our outpatient services and our elective surgeries. That was a 40% hit right away. During that same period, 70% of all our admissions were COVID-19-related. We have two intensive care units, one for COVID-19 patients and a separate ICU for non-COVID-19 patients. Our COVID-19 unit is full and has been for the last three months; we're now at 296 COVID-19 patients [on July 16] and yet we've not received any of the COVID-19 high impact "hot spot" payments. We got the Small Business Administration loan to help keep our team members employed."

Outpatient surgery has not come back, but inpatient occupancy remains between 75% and 80% due to patients with comorbidities and nursing home transfers. "Because we are the 911 for four nursing homes, we've been seeing a steady increase in transfers from nursing homes both COVID-19- and non-COVID-19-related," says Miller. "These patients are very, very sick and use a lot of resources."

Because of well documented inequities in health care, many Black people have co-morbidities and lack access to high-quality care on an ongoing basis — both conditions that exacerbate COVID-19. "The length of stay has gone up by about two patient days, and so has the cost of care. There's no additional reimbursement for COVID-19 patients, except for those who meet the Medicare criteria. But we're a safety-net hospital and by definition, 50% of our revenue must come from Medicaid. And we're at 75% Medicaid, so we don't have a large volume of Medicare patients to offset the losses."

The hospital has not laid off any team members. In fact, overworked team members are experiencing burnout, because of the high demands of treating COVID-19 patients and working long hours. "So we are still working around-the-clock, but the COVID-19 unit takes a toll on folks," says Miller. "We had to bring in extra staff to give some of our regular team members a break from the grind of dealing with sick patients after sick patients."

And if all that is not enough, Miller says unemployment is high and the crime rate is a significant issue. "The other important factor is gun violence. The weekend of June 27, we had 54 shootings. A stray bullet shot and killed a three-year-old. We are in a neighborhood

with trauma. The mental health challenges in our community are teetering on post-traumatic stress disorder,” says Miller. “We’re seeing an increase in mental health services.”

The Loretto Hospital and other hospitals that serve a high proportion of low-income patients are essential

partners in the fight against the COVID-19 pandemic. Without adequate medical supplies and substantial financial assistance from the federal government, these community anchor institutions will not be successful in protecting front-line staff and responding to unexpected cost pressures.