

More Support Needed to Help Hospitals and Health Systems Weather Third COVID-19 Wave

As the COVID-19 pandemic has persisted and again surged across the country, infecting more than 10 million people and resulting in nearly a quarter million deaths, America's hospitals and health systems continue to face historic challenges. Since the start of the pandemic, hospitals and health systems have faced unprecedented financial pressures resulting from: the astronomical costs of preparing for a surge of COVID-19 patients, months of essential hospital revenue being erased due to the combination of a forced shutdown and slowdown of regular operations for non-emergent care; and treating a growing number of uninsured patients. With the virus now once again surging, those pressures remain and could be exacerbated. The fact is hospital volumes are still experiencing historic lows.

The country is now experiencing a third wave in the COVID-19 pandemic.

- The 7-day average of new cases increased 84% in October, and new cases exceed 100,000 daily.
- Some states, like North Dakota and South Dakota, have seen the number of cases double in the month of October. For example, North Dakota reported 21,846 positive COVID tests from the beginning of the pandemic through September 30. North Dakota reported over 22,000 more positive COVID tests in the month of October.
- Nationally, 193.7 people per 100,000 have been hospitalized with confirmed COVID-19 cases as of Oct. 17, 2020, according to the CDC.
- Over 50,000 Americans are currently hospitalized, and the 7-day average of new hospitalizations nearly doubled in October.
- As in previous waves, COVID-19 outbreaks are affecting states differently. Most states are experiencing an increase in the number of new cases and positivity rate of tests; however, the magnitude of the increases varies across the country.
- More hospitalizations are expected to increase in the weeks ahead, as the case rate continues to increase.

New cases and hospitalizations add to the pressure and stress that hospitals have been under since the start of the pandemic. Numerous reports from across the country highlight these pressures.

- Hospitals in Missouri are at or near capacity across the state.
- ICU units in Idaho are running 125 to 130% above normal, and hospital officials are concerned that new COVID-19 cases could soon cause them to reach maximum capacity.
- At least two hospitals in Utah have opened overflow units because COVID-19 patients outnumbered beds.
- Officials in El Paso, Texas are converting the convention center into a 50-bed hospital and have requested the local Army hospital to assist in caring for patients due to a staggering surge in cases.

Hospitals are rising to meet these challenges head-on to maintain safety for all patients, and to make sure patients receive high-quality care.

- Hospitals are considering halting or limiting so-called elective procedures to maintain hospital capacity to treat COVID-19 patients.
- Some hospitals in COVID-19 hotspots, such as Wisconsin, South Dakota, and others, have reactivated no-visitor policies.

- Some hospital and health system officials are concerned that they will soon need to implement “crisis standard of care” plans.
- Some hospitals are experiencing worker shortages, or are reassigning staff to accommodate the rise in COVID-19 hospitalizations.

Even as early shutdowns have eased, COVID-19 has caused many people to continue to avoid care that is critical for their health and well-being. Aside from COVID-19-associated care, hospital volumes are still down.

- Early October 2020 hospital volume data from Strata Decision Technology shows that compared with the same time last year, inpatient admissions are down 5.5%, emergency department visits are down 21.5%, and observation visits are down 12.7%. Though some prior months’ data had signaled some leveling off of volumes, the latest data are showing that hospital volumes are precipitously declining and are being felt across all regions of the U.S.
- The data from Strata also shows that current volumes for certain service lines are down dramatically compared with last year’s volumes. For example, cancer care is down 10.8%, gastroenterology is down 28.3%, and ear, nose and throat care is down 46.7%. In addition, major and minor therapeutic procedures are down 28.8% and 16.3%, respectively.
- Data from Kaufman Hall’s October 2020 National Hospital Flash Report echoes the findings from Strata, showing decreases in hospital discharges, adjusted discharges, adjusted patient days, and emergency department visits between August and September 2020. Compared with 2019, hospital discharges are down 9.9%, hospital discharges are down 12.1%, adjusted patient days are down 9.4%, and ED visits are down 16.4%.

This wave is compounding the challenges that hospitals and health systems were already under due to earlier waves of the pandemic.

- In a series of reports released in May and June, the AHA projected that hospital and health system losses were expected to be at least \$323.1 billion through 2020.
- Kaufman Hall projected that hospital margins could sink to -7% in the second half of 2020, an unsustainable level for America’s hospitals.
- At least three dozen hospitals have entered bankruptcy in 2020, according to data compiled by Bloomberg. The pandemic has resulted in hospital costs increasing dramatically, such as personal protective equipment, medical supplies such as ventilators, and prescription drug costs (e.g., remdesivir).
- This pressure is a particular concern for rural hospitals. Sixteen rural hospitals have closed in the first three quarters of 2020, compared to 18 all of last year.

While we appreciate the support and resources from Congress and the Administration, many hospitals are severely struggling as COVID-19 continues to spread. The funding our hospitals have received to date, while helpful, is just a small fraction of the hundreds of billions of dollars we estimate they will lose this year alone. It is vitally important that America’s hospitals and health systems receive further support and resources to ensure that we can continue to deliver the critical care that our patients and communities are depending on while also ensuring that we are prepared for the continuing challenges we face from this ongoing pandemic.