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## New AHA Report Highlights Massive Surge in Input Costs for Hospitals and Health Systems

*Rising inflation and dramatic growth in expenses for workforce, drugs, medical supplies and equipment continue to strain hospitals more than two years into the pandemic*

The American Hospital Association today released a new report that examines the tremendous growth in a variety of input costs for hospitals and health systems, including expenses for workforce, drugs, supplies and equipment, as well as the impact of skyrocketing economy-wide inflation. These surges in input costs, along with ongoing challenges from the COVID-19 pandemic and Medicare payment cuts, have continued to strain the resources the hospital field needs to care for their patients and communities.

“America’s hospitals and health systems, and our caregivers, have been on the front lines in fighting the pandemic for over two years now, facing numerous challenges along the way,” said AHA President and CEO Rick Pollack. “While we have made great progress in the fight against the virus, this report shows that we are not out of the woods yet when it comes to addressing the need to repair and rebuild our hospitals. The dramatic rise in costs of labor, drugs, supplies and equipment continue to put enormous pressure on our ability to provide care to our patients and communities. The pandemic has clearly demonstrated that America cannot be strong without its hospitals and health systems being strong. We continue to urge Congress to provide additional support to address these challenges, including by reversing harmful Medicare cuts, replenishing the Provider Relief Fund, granting flexibility on accelerated and advance Medicare repayments, and extending or making permanent critical waivers that have improved patient care.”

Among other data, highlights of the report include:

- Hospital employment is down approximately 100,000 from pre-pandemic levels according to Bureau of Labor Statistics data. At the same time, labor expenses per patient increased 19.1% through 2021 compared to 2019 levels.
- Median hospital drug expenses by the end of 2021 were 28.2% higher than pre-pandemic levels through the end of 2019 and 36.9% higher per patient.
- Overall, supply expenses for hospitals were 15.9% higher by the end of 2021 compared to the end of 2019 and 20.6% higher per patient.

View the [full report here](#), as well as a one-page summary with select highlights. In addition, you can [listen to a podcast](#) during which AHA staff discuss key findings from the report and Philip Pandolph, president and CEO of Meadville Medical Center in

Crawford County, Pa., shares how the increased expenses and COVID-19-related challenges are affecting the hospital's operations.

To amplify the messages contained in the report and highlight the urgent need for additional federal support for hospitals, AHA this week also began running digital ads in the Washington Post, Politico, Modern Healthcare and Axios. The ads direct individuals back to the webpage containing the report, as well as sample messages that they can send to Congress urging them to support hospitals and ensure access to care.

### **FURTHER QUESTIONS**

If you have further questions, please contact AHA at 801-424-4301.