HSHS ILLINOIS

HSHS St. Joseph's Hospital
Breese

HSHS St. Mary's Hospital
Decatur

HSHS St. Anthony's Memorial Hospital
Effingham

HSHS Holy Family Hospital
Greenville

HSHS St. Joseph's Hospital
Highland

HSHS St. Francis Hospital
Litchfield

HSHS St. Elizabeth's Hospital
O'Fallon

HSHS Good Shepherd Hospital
Shelbyville

HSHS St. John's Hospital
Springfield

St. John's College of Nursing
Springfield

June 10, 2020

Via Hand Delivery

Courtney R. Avery
Administrator
Illinois Health Facilities and Services
Review Board
525 West Jefferson Street
2nd Floor
Springfield, IL 62761

Re: Project #20-017, Metroeast Endoscopic Surgery Center, Fairview Heights

Opposition Statement of HSHS St. Joseph Highland and St. Joseph Breese

Dear Ms. Avery:

On behalf of HSHS St. Joseph Hospital Highland ("Highland"), a 25-bed Critical Access Hospital, and St. Joseph Hospital Breese ("Breese"), I respectfully submit this objection to the CON application Project #20-017, Metroeast Endoscopic Surgery Center, Fairview Heights.

The Project proposes to add orthopedic surgery services to an existing surgery center by redirecting 200 surgeries from our Critical Access Hospital in Highland and 20 surgeries from Breese hospital. As reflected in the attached articles, hospitals in Illinois and throughout the country have suffered severe financial impacts from the effects of Covid-19, largely due to the shutdown of elective procedures. The proposed project will greatly exacerbate those adverse effects, especially at Highland, just as the facility is attempting to recover from the Covid-19 shutdown on elective procedures.

HSHS respectfully requests that the Review Board deny Project #20-017. It is an unnecessary duplication of services as the procedure volume is based entirely on cases currently being performed at existing HSHS facilities. In addition, the redirected surgical cases will adversely impact the Highland and Breese surgical utilization, which is already below State standards, and reduce the hospitals' marginal revenue which has already been dramatically and negatively impacted by the Covid-19 shutdown.

The 200 redirected procedures represent over 15% of Highland's total outpatient volume in CY 2018. Moreover, for the 10-month period of CY2020 through April, Highland had only 132 outpatient orthopedic cases, which is only 158 cases on an annualized basis. In addition to this significant reduced utilization, the negative financial impact on Highland would be even greater.

The loss of 200 orthopedic outpatient procedures at Highland would translate into a reduction of $1.7 million in Net Revenue, and a loss of $616,000 in Margin. For comparison purposes, Highland's Charity Care from Outpatient Services amounted to $640,937 for CY 2018. (Metroeast reported **zero** Charity Care on over $2.3 million in Net Patient Revenue for 2018 on page 98 of its CON application.) The loss of $1.7 million in revenue at Highland would definitely impact the hospital's ability to provide charity care as well as its ability to cross-subsidize other services, such as the Emergency Department, which Metroeast does not and cannot provide. The Breese hospital would also be adversely impacted, to a lesser degree, by the loss of outpatient surgical volume.

We note that the physician referral letter on page 100 of the CON application is signed only by Dr. Felix Ungacta of Midwest Bone and Surgery ('MBJS'). Dr. Ungacta performed **no** surgeries at Highland in FY 2020 through April 2020. The other name on the letterhead of the referral letter is Dr. Derek Lambert, who performed **no** surgeries at Highland in FY 2020, FY 2019 or FY 2018.

It can only be assumed that Metroeast is relying on an unidentified surgeon to justify its 200-case referral volume from Highland. There is a third member of MBJS, Dr. Matthew Bradley, who performed 242 outpatient surgeries at Highland in CY2019. However, Dr. Bradley did not sign the referral letter and his name does not appear on the letterhead or anywhere else on the referral letter. Consequently, the patient volume on which the proposed project relies is not adequately documented.

We respectfully note that in 2015, at the request of Dr. Ungacta, Highland invested close to $1 million on a Mako surgical robot and spends $120,000 annually for preventative maintenance. In addition, in February of 2019, Highland invested another $290,000 in the "Total Knee Application" software upgrade for the MAKO. It is disappointing, to say the least, that Dr. Ungacta now wants to redirect the bulk of his group's surgical cases to a competing facility.

The applicant did not provide a Safety Net Impact Statement which would have addressed the project's material impact on safety net services as well as "the project's impact on the ability of another provider or health care system to cross-subsidize safety net services." 77 Ill. Adm. Code 1110.110(c). While HSHS recognizes that this project is designated as "non-substantive" that does not reduce in any way the adverse impact of this project on the ability of Highland to provide safety net services and to cross-subsidize safety net services.

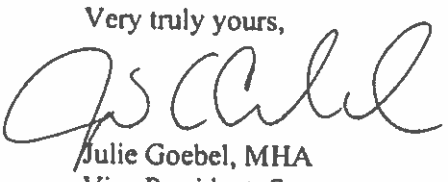
The Planning Act defines safety net services as "the services provided by health care providers or organizations that deliver health care services to persons with barriers to mainstream health care due to lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic isolation. 20 ILCS 3960/5.4. St. Joseph Highland is a safety net hospital for purposes of the Planning Act because, among other things, it is a federally designated critical-access hospital. Critical-access hospitals are small, rural facilities with 25 beds or less that

receive favorable reimbursement from the federal government. The Illinois Auditor General considered critical access hospitals to be safety net hospitals in performance audits of the Review Board. *See*, Auditor General's Performance Audit of the Health Facilities and Services Review Board – May 2014 at page 3: "We looked at two categories of hospitals which could be considered safety net providers: Critical Access Hospitals and Disproportionate Share Hospitals." The performance audit is linked on the Review Board's website at: https://www2.illinois.gov/sites/hfsrb/InventoriesData/Other/Documents/17-HFSRB-Perf-Full.pdf

As noted above, the proposed project will result in a $1.7 million decline of Net Revenue and $616,000 reduction in Margin at Highland. This will significantly and adversely impact Highland's ability to provide safety net services and to cross-subsidize safety net services through elective outpatient orthopedic surgeries.

For the above reasons, St. Joseph Hospital, Highland, and St. Joseph Hospital, Breese, respectfully request the Health Facilities and Services Review Board to deny Project #20-017, Metroeast Endoscopy Surgery Center

Very truly yours,



Julie Goebel, MHA
Vice President, Strategy
HSHS Illinois

Attachments

cc: EJ Kuiper, President and CEO
HSHS Illinois

Mike Constantino, Supervisor
Project Review Section
Illinois Health Facilities and Services Review Board

Table of Contents

Covid-19 to hit bottom line of county health system (Crain's).....2
Covid-19 sinks hospital operating margins (Modern HC).....5
Hospital CEOs take pay cuts amid COVID-19 (Modern HC).....9
Advocate Aurora is the latest system to lose money (Modern HC).....13
COVID-19 poses long-term impact to not-for profit hospitals (Modern HC).....16
AHA: COVID-19 could cost hospitals $200 billion through June (Modern HC).....21
April was the worst month ever for hospital operating margins (Modern HC).....24
Hospitals gear up to resume elective surgeries (Crain's).....28
Hospitals face an uncertain financial future (Modern HC).....33
COVID-19 could carry a $200B price tag for hospitals (Advisory Board).....42
Illinois lawmaker raises questions about hospital finances(Center Square).....45
266 hospitals furloughing workers in response to COVID-19 (Financial Mgment).....48
COVID-19 and its impact on the healthcare economy (Health Mgment).....73
More COVID-drive cuts: UChicago hospital furloughs workers (Crain's).....75

March 31, 2020 01:06 PM

COVID-19 to hit bottom line of county health system

Dropping elective surgeries, its biggest moneymaker, will hit a system already under financial pressure.

A.D. QUIG

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REPRINTS

Erik Unger

Stroger Hospital

Crain's Daily Gist | EP233

03/31/20: What A Pandemic Dry Run Taught The Cit

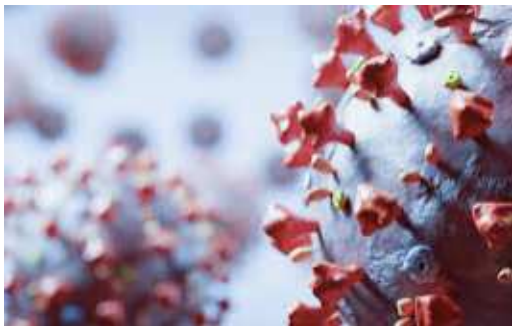
00:00

1X

SHARE

Cook County Health, which provides more than half of the charity care in the county and is under scrutiny for late payments to doctors serving patients covered by its Medicaid plan, will face a "profound impact" on its bottom line from the coronavirus pandemic, County Board President Toni Preckwinkle said today.

FREE



Crain's has lifted the pay wall on coverage of the public health response to coronavirus. Support our journalism: Please subscribe.

Sign up for our daily newsletter rounding up the latest news on the pandemic.

“We are following CDC guidelines and not doing elective surgery, so as a result, we drove down our inpatient census. Normally it’s close to 300. Not doing the elective surgeries, we brought it down” to around 150, Preckwinkle said.

That drop in elective surgeries, the largest moneymaker for the county system, “will have a profound impact on our bottom line,” she said.

“Obviously like many other health systems we don’t know yet the full impact that COVID-19 will have on our health organizations. Our major focus is on providing care,” said interim CEO Deb Carey.

Cook County Health’s mission has been to provide care regardless of a patient’s ability to pay. That will continue, Carey said, and she knows many hospitals are in similar straits. “I do know we’re not alone in this.”

County officials did not outline the total cost of the crisis to date but said they are keeping track of lost anticipated revenue and ongoing COVID-related expenditures in hopes of federal reimbursement.

While county officials say they have capacity for an expected surge of cases in April and enough personal protective equipment for the time being, the situation is fluid, and health officials are facing a growing number of positive test results of detainees at the Cook County Jail. Officials there have announced plans to release nonviolent offenders and set up former barracks to house infected and tested individuals. As of yesterday evening, 134 detainees and 20 sheriff’s office staff have tested positive for coronavirus.

Dr. Trevor Lewis, interim chair of emergency medicine at Cook County Health, said "we're obviously facing some uncertain times ahead," and while hospitals have made it through H1N1 and Ebola, "nothing can prepare us for what we're about to face right now."

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April 21, 2020 03:50 PM

COVID-19 sinks hospital operating margins

ALEX KACIK

Modern Healthcare Illustration / Getty Images

Hospitals' operating margins plummeted in March, forecasting an expected prolonged financial decline as providers battle COVID-19, analysts said.

Hospitals' median operating margins fell 150% to negative 8% in March, dropping 14 percentage points relative to last year, according to a new report from Kaufman Hall. A 20% decline in operating room minutes, in part, sunk revenue by 13% as providers postponed elective procedures like non-urgent heart surgeries and joint replacements to free capacity for coronavirus patients.

Hospitals' already-thin margins plunged into the red as volumes and revenue fell and organizations prepared staff, supplies and capacity for a surge of coronavirus patients, said James Blake, author of the report and managing director of Kaufman Hall.

DELOITTE

Navigating the workforce implications of COVID-19

The COVID-19 pandemic has created unprecedented levels of stress for health care workers. Hospitals and health systems are seeing a surge in demand, and health plans are rapidly shifting resources to serve the immediate needs of their members. As health organizations respond to COVID-19, they should focus on the three core components of a workforce strategy: (1) empower the clinical workforce, (2) enable virtual health programs, and (3) support work-from-home options.

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"We anticipate April will be significantly worse, and at this point, no one knows how long hospitals will continue on their current path," he wrote in the report, noting that the volume and revenue declines primarily hit the last two weeks in March, showing just how quickly the pandemic upended the industry.

The Northeast/mid-Atlantic region took the biggest hit as it saw the steepest drops in surgery volumes, exacerbated by higher-than-average expenses. While operating margins dropped further at hospitals with more than 500 beds, the impact will likely be more severe on the resource-constrained smaller hospitals, according to the report.

Beaumont Health, an eight-hospital system based in Southfield, Mich., reported a $278.4 million loss in the first quarter, a $407.5 million decrease in revenue from the first quarter of 2019. Beaumont Health said its $5 billion in annual revenue could drop to $3 billion to $4 billion as it cut most surgeries, imaging and other services.

This has prompted Beaumont and other health systems across the country to furlough employees and cut expenses not related to COVID-19.

"The 20% to 40% drop in our revenue can in no way be absorbed by our 4% operating margin and cash reserves," Beaumont CEO John Fox wrote an op-ed for Modern Healthcare. "That missing revenue is critical cash needed to meet our payroll of 38,000 healthcare employees every two weeks."

Analysts from J.P. Morgan Securities expect the revenue hit to be even more severe, forecasting a 40% to 60% dent in revenue. So much of hospital revenue is tied up in commercially insured elective procedures, said Jeff Goldsmith, founder and president of consultancy Health Futures.

"Cash flow declines will likely be a lot worse than 25% to 40%," he said.

The median occupancy rate was 53% in March, down from 65% in March 2019, according to the Kaufman Hall report. Year-over-year discharges decreased 11%, adjusted discharges fell 13%, adjusted patient days fell 15 and ED visits dropped 15%.

Even though hospitals saw fewer patients, expenses were either flat or up slightly for the month, with total labor expense up 3% year-over-year and total non-labor expense up 1%.

Meanwhile, bad debt and charity care rose 13% year-over-year—increases that likely will accelerate in coming months as people lose coverage due to the economic slowdown, Kaufman Hall analysts said.

For most hospitals, new COVID-19 revenue won't backfill the loss of elective treatment, said Christopher Kerns, vice president of executive insights at Advisory Board, who modeled a moderate COVID-19 scenario for a 1,000-bed system that treats 2,000 COVID-19 patients over three months.

The $31 million in COVID-19-related revenue would only partially offset a $143 million loss in revenue related to canceled elective procedures. Nonelective procedures like flu-related and cardiology interventions are also on the decline, which could lead to higher-intensity care as these procedures are delayed, Advisory Board noted.

"The only scenario we have seen hospitals become cash-flow positive during this crisis is if they see a major outbreak with huge increases in overall admissions and high degrees and high rates of complexity within their facilities. Even then, it barely makes them whole," Kerns said in a webinar Friday. "That is not going to be the case for the vast majority of facilities in the U.S."

Letter – to the – Editor

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RECOMMENDED FOR YOU

New York–Presbyterian loses $128M in first quarter as COVID-19 takes its toll

DeWine enlisted as Toledo hospital faces uncertain future

May 11, 2020 05:18 PM

Hospital CEOs take pay cuts amid COVID-19

Stephanie Goldberg

TWEET SHARE SHARE EMAIL

Modern Healthcare Illustration / Getty Images

Some hospital CEOs are taking pay cuts as COVID-19 losses mount.

As the virus spread beginning in mid-March, the falloff in patient volume and a ban on lucrative nonemergency surgeries led many hospital chains to lose tens of millions of dollars a month or more.

As of Monday, facilities in Illinois that meet certain safety and capacity requirements are now able to offer some elective surgeries. Still, to ensure financial stability, organizations like Advocate Aurora Health and Loyola Medicine have had to cut costs —including at the top.

DELOITTE

The future of work

The health care industry should find ways to be dynamic yet steady as younger generations enter the workforce, open talent models change how and where work happens, and disruptive technologies transform processes and consumer demands.

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Advocate Aurora CEO Jim Skogsbergh's base salary is being cut in half this month until at least mid-August. The 28-hospital chain did not provide Skogsbergh's current pay, but he took home a total of $8.5 million in 2018 when his base salary was $1.8 million, according to recently released filings.

Other Advocate Aurora leaders, including senior executives and hospital presidents, also are taking pay cuts during the same period. The reductions, expected to total more than $1.5 million, will go toward the chain's Team Member Crisis Fund, which assists employees who are financially affected by the virus, spokeswoman Brigid Sweeney said in an email.

Advocate Aurora has been hit hard by COVID-19, with revenues declining $168 million in March. In April, "estimated revenues were down approximately 51 percent, almost a $524 million unfavorable variance from budget," Sweeney said.

Despite cutting hours as patient volumes fell, the chain had not furloughed workers. But starting June 8, it said pay for unworked hours will gradually decrease to zero. "We timed this such that our ramp up of elective surgeries and procedures over the coming weeks is expected to mitigate some of the negative impact on team members," Sweeney said, adding that employees will be able to use vacation time and borrow against their unaccrued time off.

BizTimes Milwaukee was first to report the pay cuts at Advocate Aurora.

Outside of Illinois, Renton, Wash.-based Providence is also cutting executive pay. Providence CEO Dr. Rod Hochman and president of strategy and operations Mike Butler will both take 50% paycuts. Group, senior and executive vice presidents at the health system will see 20% pay reductions; vice presidents will take a 10% cut.

York, Pa.-based WellSpan Health on Monday said its President and CEO Roxanna Gapstur will take a 25% pay reduction for 12 weeks while other executives see a 10% pay drop during the same period. The health system will put those savings into an assistance program for other WellSpan employees.

"COVID-19 is more than just a public health crisis; it's also a financial crisis for millions of Americans," Gapstur said in a statement. "As central Pennsylvania's largest private employer, we know our team members are not immune from the financial impacts of this pandemic."

Hospitals and ambulatory surgical centers in Illinois can begin performing inpatient and outpatient procedures so long as they meet specific criteria, including testing patients for COVID-19 within 72 hours of scheduled procedures and completing temperature checks on the day of the visit. But the losses to date are steep.

The Illinois Health & Hospital Association last month estimated that the state's more than 200 hospitals were losing a total of $1.4 billion a month amid COVID-19, with outpatient revenues down 50 to 70 percent.

Loyola Medicine has lost tens of millions of dollars due to COVID-19, as overall outpatient and inpatient volumes fell 80 and 60 percent, respectively. As a result, the three-hospital network has implemented temporary pay cuts for CEO Shawn Vincent and other leaders, as well as eliminating fiscal year 2020 bonuses for all workers.

Catholic giant Trinity Health, which owns Loyola, implemented temporary base pay reductions of up to 25 percent for leaders, in addition to furloughing roughly 2,500 workers, Crain's Detroit Business reported last month.

Vincent said the base pay reductions at Loyola—which took effect during May and June, with more senior people taking a greater cuts—will last at least three months. Vincent, who took over as CEO in late 2018, said his base pay is in the low $800,000 range.

Starting May 1, executives and senior managers at NorthShore University HealthSystem are taking 20 to 35 percent pay cuts "as we work through many future uncertainties," the five-hospital chain said in a statement.

In 2018, CEO J.P. Gallagher's total compensation was $2 million, $742,000 of which was his base pay, filings show.

"NorthShore is implementing proactive measures to remain financially sustainable so that we may continue serving our communities into the future with the same level of innovation, service and quality they deserve," the statement says. In addition to pay reductions for leaders, the hospital chain has suspended contributions to employee retirement accounts and required workers to use vacation time as it modifies work hours.

The University of Chicago Medical Center recently announced that it's furloughing workers and postponing planned capital projects, among other cost-cutting measures, having seen a $70 million decline in operating revenue and a $35 million loss in cash flow in both March and April.

The hospital didn't immediately respond to a request for comment about whether CEO Dr. Kenneth Polonsky and other leaders would be taking pay cuts.

Amita Health, however, has not implemented executive or associate pay cuts, spokeswoman Ogla Solares said in an email.

Other large Chicago-area not-for-profit hospital chains did not immediately respond to questions about CEO and leadership pay reductions.

*"**Hospital CEOs take pay cuts amid COVID-19**" originally appeared in **Crain's Chicago Business**.*

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May 21, 2020 03:15 PM

Advocate Aurora is latest system to lose money amid COVID-19 pandemic

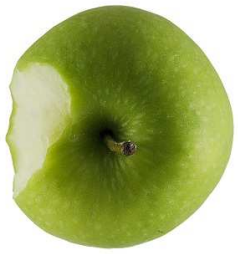
TARA BANNOW

Modern Healthcare Illustration / Getty Images

Advocate Aurora Health's strong margin turned into an operating loss in the first quarter of 2020 after the health system shut down procedures due to the COVID-19 pandemic.

The Downers Grove, Ill. and Milwaukee-based health system reported a $85.7 million operating loss in the quarter ended March 31—a 2.7% loss margin—compared with $112.8 million in operating income in the prior-year period, a 3.7% operating margin.

Expenses jumped almost 9% to just under $3.2 billion in the quarter ended March 31, 2020 compared to the prior-year period. Within that, salaries and benefits grew 10.1%, partly due to an increase in personnel from the COVID-19 response and increased benefits due to higher claims experience associated with employee health plans. Supply expenses grew 10.2%.



DELOITTE

Changing appetities: How consumers, technology, and outside competitors are transforming restaurants and health systems

From restaurants to health systems, customers are voting with their wallet and are demanding digital access, convenience, and transparency. Here’s a look at several parallels I’ve noticed between restaurants and the health sector:

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Meanwhile, revenue inched up just 2.6% year-over-year in the quarter, to $3.1 billion. Like other systems, Advocate Aurora said the real hit came in March. March 2020 brought in 10.2% less revenue—about $106 million less—than March 2019.

Advocate Aurora wrote in a note accompanying the results that the health system began postponing or canceling elective procedures on March 17 to comply with public health protocols. The timing and rate of reimbursement for COVID-19 related patient care is unknown, the system said, as is the ability to respond to patient demand.

Advocate Aurora said it's also unclear how long the delay in elective procedures will last, and whether patients will eventually return for those procedures. It's also possible the pandemic will change the health system's payer mix or demand for charity care, the system said.

A sharp drop in investment income brought Advocate Aurora's revenue less than expenses to $1.3 billion in the first quarter of 2020, compared with $597,000 in revenue in excess of expenses in the prior-year period.

Advocate Aurora reported 229 days cash on hand as of March 31, 2020, compared with 274 as of Dec. 31, 2019. The system attributed the decline to investment and operating losses in 2020.

Letter – to the – Editor

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RECOMMENDED FOR YOU

Kindred to buy two behavioral health hospitals in Texas

The Check Up: Dr. Laura Forese of New York-Presbyterian

March 19, 2020 04:27 PM

COVID-19 poses long-term impact to not-for-profit hospitals

ALEX KACIK

TWEET SHARE SHARE EMAIL

Modern Healthcare Illustration / Getty Images

Not-for-profit hospitals will feel the financial impact of the COVID-19 long after the pandemic subsides, according to a new report.

A myriad of short- and long-term factors will buffet hospitals as they scramble to deal with a surge of patients infected with COVID-19, Moody's Investors Service analysts project as they adjust not-for-profits' outlook from stable to negative.

More hospitals are canceling profitable elective surgeries to make way for costly COVID-19 patients as they manage higher staffing and supply costs. They will likely treat more unemployed individuals and suffer investment losses, which will have lasting long-term consequences, analysts said. Moody's had projected 2% to 3% increased cash flow in 2020 and now expects cash flow declines as the number of cases spike.

DELOITTE

Navigating the workforce implications of COVID-19

The COVID-19 pandemic has created unprecedented levels of stress for health care workers. Hospitals and health systems are seeing a surge in demand, and health plans are rapidly shifting resources to serve the immediate needs of their members. As health organizations respond to COVID-19, they should focus on the three core components of a workforce strategy: (1) empower the clinical workforce, (2) enable virtual health programs, and (3) support work-from-home options.

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"We should see some containment of the outbreak in the second half of 2020 along with a gradually recovering economy," Diana Lee, vice president at Moody's, said in prepared remarks. "However, there is a high degree of uncertainty and the risk that the outbreak will be prolonged and the economic fallout will be more severe is elevated." Larger health systems will typically weather the storm better than their smaller peers, she added.

The CMS announced on Wednesday that non-essential procedures should be delayed until the COVID-19 pandemic ends. Many hospitals had already delayed elective surgeries, which tend to be some of hospitals' highest-margin procedures. Currently, there is no Medicare inpatient diagnosis-related group for COVID-19 and many admitted patients will require resource-intensive ICU treatment, analysts note.

Beaumont Health, a $5 billion, eight-hospital system based in Southfield, Mich, may suffer a $1 to $2 billion hit in annual revenue as it cuts most surgeries and related procedures to brace for COVID-19 patients, CEO John Fox said.

"The 20% to 40% drop in our revenue can in no way be absorbed by our 4% operating margin and cash reserves," he said in prepared remarks.

The rising price of temporary staff is another headwind. Average weekly pay for registered nurses has nearly doubled from $1,700 in January to more than $3,000 in March, according to a new report from NurseFly, which offers software that helps match nurses with providers. Crisis pay rates have jumped to more than $4,400 per week.

Staffing at intensive care units, emergency departments and nurses who specialize in infection control are seeing the highest demand. Pay for ED nurses has nearly quadrupled while pay for infection-control positions has doubled, according to NurseFly data.

Massachusetts has seen demand for RNs increase more than four-fold while demand in Washington has tripled. Demand for RNs has doubled in New York, California and New Jersey.

"We have filled nearly 100 critical roles in Washington, as well as Arizona, California and Colorado, and more are on the way," Mona Veiseh, president of NuWest Healthcare, a NurseFly staffing agency partner in Bellevue, Wash., said in prepared remarks.

Similarly, staffing agency Nomad Health has recently seen demand double and pay rates triple, CEO Dr. Alexi Nazem said. The HHS and individual states have relaxed licensure requirements for physicians and nurses who look to practice in different states, which has helped, he said. The Trump administration also temporarily expanded telehealth services for Medicare patients.

"Hospitals have been reaching out to prepare for the onslaught of patients they are expecting," Nazem said.

Authorities should relax regulations for hospital workers regarding annual physicals, CPR certification, background checks and other requirements amid the pandemic, he recommended.

Meanwhile, many hospitals are reporting shortages of masks and other protective equipment for their staff.

Healthcare distributors have placed more than 700 personalized protective equipment items on allocation due to COVID-19, which restricts ordering when demand spikes to prevent unnecessary hoarding, according to Premier, a consulting and group purchasing organization.

In response, the Trump administration aims to **stimulate U.S. production of masks** and other critical medical supplies and devices through the Defense Production Act.

Ventilators, a machine that helps patients breathe, are on 90- to 180-day backorder, said Tom Derrick, co-founder and senior vice president of OpenMarkets, which helps hospitals source equipment.

But contrary to some reports, health systems are not turning down ventilators due to price, he said. Medtronic has "COVID-19 Pandemic Pricing" on its ventilator orders, which increased unit costs by about 5%.

Average prices for new machines are around $23,000 and $7,000 to $9,000 for refurbished units, according to OpenMarkets data.

"Large and small health systems are scouring the secondary market for older models and refurbished units," Derrick said. Supply is running out quickly, he added.

But higher staffing and supply costs probably aren't hospitals' biggest obstacles, Nazem said. Reducing profitable elective surgeries will put a tremendous amount of pressure on hospitals, particularly those that don't have much cash on hand, he said.

Not-for-profits' median operating margin was 1.8% in 2018, according to Moody's data. They had 201 days cash on hand in 2018, Moody's said in a previous report,

noting that Medicaid disproportionate share hospital payment delays and Medicare reimbursement rate increases were expected to boost hospitals' finances.

"Many have slim or negative operating margins with only a couple months of cash on hand and they are going to rapidly go through that," Nazem said. "Unless there is a massive injection of liquidity from federal and state governments, we could see a devastating long-term effect on hospitals."

There have been **two federal COVID-19 relief bills** that have largely indirectly subsidized hospitals through state and local agencies. Community health centers are expected to get some direct funding, while hospitals have also benefited from increased federal Medicaid funding.

While two more bills are in the works, **hospitals are still unsure** when or how federal COVID-19 funding will come.

"If the federal government is contemplating bailing out the airline industry, it should seriously consider funding hospitals, which are on the front lines of this pandemic," Nazem said.

Letter – to the – Editor

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RECOMMENDED FOR YOU

Kindred to buy two behavioral health hospitals in Texas

The Check Up: Dr. Laura Forese of New York-Presbyterian

May 05, 2020 01:41 PM

AHA: COVID-19 could cost hospitals $200 billion through June

MICHAEL BRADY

TWEET SHARE SHARE EMAIL

Modern Healthcare Illustration / Getty Images

The financial impact of COVID-19 on hospitals and health systems may top $200 billion from March through June, according to a report released Tuesday.

More than $161 billion of the expected revenue losses stems from canceled surgeries and other services like lower levels of outpatient treatment and emergency department services. COVID-19 related hospitalizations account for an additional $37 billion in losses, the American Hospital Association reports.

The extra costs associated with purchasing additional personal protective equipment add another $2.4 billion to the tab, while extra support for front-line workers will cost hospitals and health systems $2.2 billion. The added supports include helping workers with childcare, housing, transportation and COVID-19 screening and treatment.

DELOITTE

The future of artifical intelligence

Artificial intelligence (AI) is transforming the way we interact, consume information, and obtain goods and services across industries. In health care, AI is already changing the patient experience, how clinicians practice medicine, and how the pharmaceutical industry operates. The journey has just begun.

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"Hospitals will likely continue to see lower service use while treating COVID-19 patients beyond June 30, which would result in continued financial pressures," AHA said in a statement.

Hospitals are asking Congress for more bailout money to help them deal with the financial impact of the pandemic. They've been dissatisfied with how the federal government has paid out the existing relief funds, which they say haven't been well-targeted or timely.

AHA's estimates don't account for costs associated with drug shortages, wages and labor, non-PPE medical supplies and equipment or capital expenditures because there aren't enough available data.

"The totality of these costs combined with the uncertainty of the pandemic's duration is certain to imperil hospital finances," the report said.

Drug supply chains have been ravaged by the COVID-19 outbreak, which has driven up the costs of treating patients. Additionally, hospitals have had to pay more for overtime or outsource their staffing needs to outside firms to deal with an acute shortage of healthcare workers.

On top of that, hospitals have boosted spending on non-PPE medical supplies and equipment like ventilators "in anticipation of a surge of COVID-19 patients," AHA said. They've also shelled out huge sums to expand their treatment capacity with testing tents and intensive care unit beds, among other things.

The estimated net financial impact of COVID-19 hospitalizations is based on the total number of COVID-19 hospitalizations from March 1 to June 30, the added costs of a COVID-19 hospitalization and the anticipated reimbursement for COVID-19 hospitalization from both commercial and public insurers. AHA did not consider changes in payer mix that will likely result from many people losing their employer-based coverage.

In addition, AHA believes that the losses from canceled surgeries and other surgeries will probably exceed its estimate because there's a lot of uncertainty about how and when different states will lift their restrictions on elective procedures.

The report also claims that the estimated costs of providing additional supports to front-line workers are conservative because the AHA assumed that just 50% of hospitals and health systems in so-called COVID-19 "hotspots" would deliver such benefits.

Letter — to the —

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Cardiomyopathy
Administration of trastuzumab products can result in sub-clinical and clinical cardiac failure. The incidence and severity was highest in

May 21, 2020 04:44 PM

April was the worst month ever for hospital operating margins

ALEX KACIK

Getty Images/iStockphoto

Hospitals' operating margins continued to plummet in April as COVID-19 sunk revenues, new data show.

Hospitals' median operating margin fell to negative 29% in April, dropping 282% relative to last year, according to Kaufman Hall's analysis of around 800 hospitals.

As hospitals delayed non-urgent procedures to manage COVID-19 cases, operating room minutes decreased 61%—more than triple the decline seen in March. That contributed to a 30% decline in total gross revenue, with outpatient revenues taking the biggest hit, falling 50% year over year.

DELOITTE

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As the health care industry begins to use new technologies such as predictive analytics, government health agencies, doctors, and primary health providers must be aware of risks and agree on standards.

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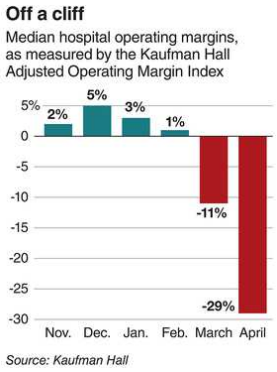
"To have a negative 29% operating margin is the lowest ever by a huge margin," said James Blake, author of the report and managing director of Kaufman Hall.

Discharges fell 30% relative to last year while emergency department visits dropped 43%, stoking providers' concerns that patients, particularly those with serious and

chronic conditions, are putting off essential treatment. Estimates range from around 1 in 3 patients to up to 41% who have delayed care during the pandemic.

"As consumer behavior has changed, that has dramatically driven down ED visits as well as any admission through the ED or traditional channels. That combined with all of the outpatient activities that have fallen precipitously has been a double whammy from a revenue basis," said Erik Swanson, vice president at Kaufman Hall.

Those who delay care are worried about contracting the virus or taxing the already stretched healthcare system, or can't afford it. Millions have lost their employer-sponsored coverage as the unemployment rate hovers around 15%, some of whom will qualify for Medicaid.



The lack of consumer confidence, decrease in ED admissions and related downstream procedures in addition to the payer-mix shift will have a cascading impact on the healthcare system, said Jeff Goldsmith, founder and president of consultancy Health Futures.

"There is going to be 40% less revenue per unit of service rendered for Medicaid patients compared to when they were commercially insured," he said. "There is no way on Earth that the additional 6.2 percentage-point increase in federal Medicaid matching funds is going to offset the $100 billion of state revenues that have gone away. There is a Medicaid funding crisis on the back end of this that people need to look out for."

There will be a cumulative budget gap of $765 billion for state governments through the next three fiscal years, the Center on Budget and Policy Priorities, a left-leaning think tank, projects.

The pandemic's economic ripple effect will be wide, experts said. Bad debt and charity care as a percentage of gross revenue increased 4.2% relative to last year, Kaufman data show, which is likely an indicator of consumers' economic instability. There was a secondary economic fallout following the Great Recession that hit when premium subsidies under the Consolidated Omnibus Budget Reconciliation Act's, commonly known as COBRA, premium subsidies expired, Blake noted.

Much of the country's recovery will depend on the $3.6 trillion healthcare economy that accounts for about 18% of the U.S. gross domestic product. Hospitals make up about a third of the healthcare economy.

"Regaining the confidence of the public so they know they are safe coming into the ER, a primary-care office or hospital clinic is a really complex challenge," said Goldsmith, adding that will largely depend on how safe the hospital workforce feels. "If 60% to 70% of admissions come through the emergency department, a 30% decline in ED visits is a huge offset in related admissions. I would bet the recovery of ED volume will take longer than what people think—many months—and that will have a lag effect on admissions."

While total expenses declined 7% in April relative to last year, those decreases did not come close to keeping up with the steep volume declines, according to Kaufman Hall. The total expense per adjusted patient discharge surged 59% over that span.

If hospitals went into this crisis with a fairly meager balance sheet and days cash on hand, they could be fighting two battles—debt covenant violations related to liquidity on top of the COVID-19 crunch, Blake said.

"Some parties will need to take action very quickly and may need to seek partners," he said. "The impacts of reconfiguring the healthcare delivery system will be profound."

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Hospitals gear up to resume elective surgeries

Some Chicago-area hospitals say the falloff in patient volume since the COVID-19 outbreak has led them to lose tens of millions of dollars a month.

STEPHANIE GOLDBERG

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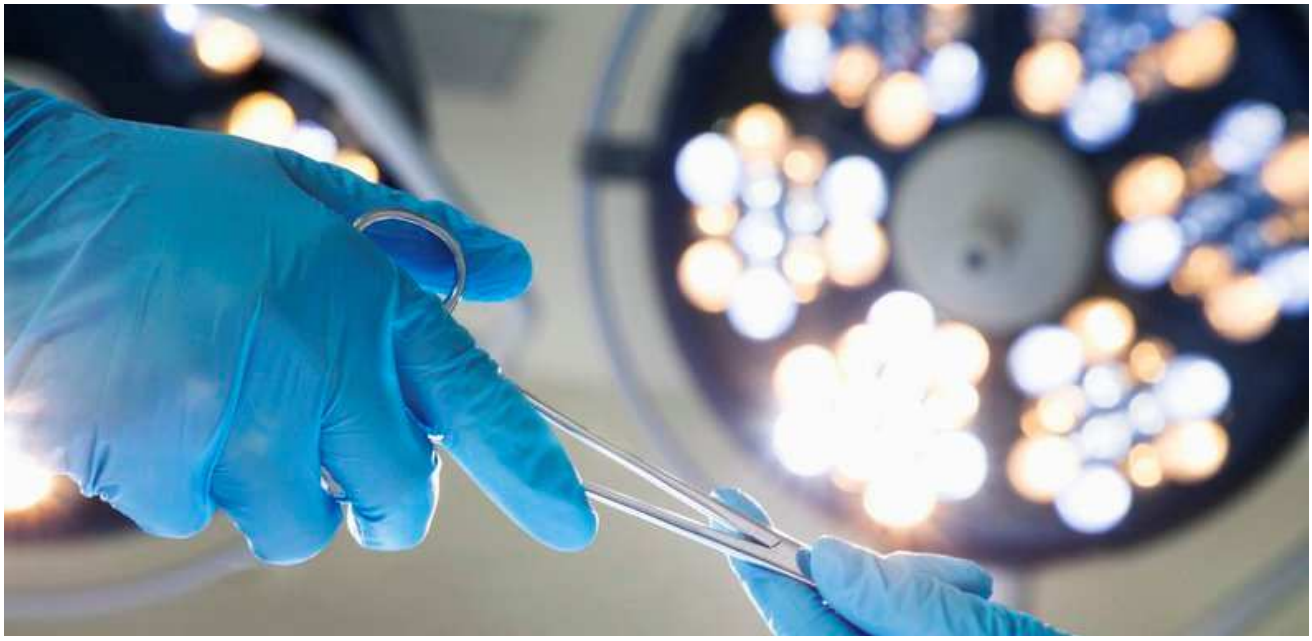

Getty Images

Hospitals grappling with the financial toll of COVID-19 are eager to resume the elective surgeries and outpatient visits that keep them afloat.

As the novel coronavirus spread earlier this year, hospitals hit pause on lucrative nonemergency surgeries to free up beds, clinicians and medical supplies. At the same time, expenses increased as facilities purchased more personal protective equipment and—in some cases—paid higher wages to front-line workers.

EARLIER

Liquidity crunch hitting health systems

The pandemic is putting medical ethics to a real-world test

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Some Chicago-area hospitals say the falloff in patient volume has led them to lose tens of millions of dollars a month. But starting May 11, hospitals and ambulatory surgical centers in Illinois that meet certain safety and capacity requirements can start offering a range of inpatient and outpatient procedures.

“Hospitals don’t make very much money on medical care,” said Ken Kaufman, managing director of consultancy Kaufman Hall.

The Illinois Health & Hospital Association last month estimated that the state’s more than 200 hospitals were losing a total of $1.4 billion a month amid COVID-19, with outpatient revenues down 50 to 70 percent.

Hospitals operating on thin margins make most of their money on outpatient services and elective surgeries—like hip and knee replacements—for patients with commercial insurance, which pays more than government programs.

Loyola Medicine, which has seen a “dramatic decline” in revenue since the beginning of the crisis, plans to resume some nonemergency surgeries May 11, said Dr. Richard Freeman, regional chief medical officer of three-hospital Loyola Medicine.

The first phase of Loyola’s plan involves low-risk outpatient procedures done at ambulatory surgical centers, like a tonsillectomy. The second, which could start as early as May 18, includes outpatient procedures done in the hospital. And the final phase, which likely won’t commence until June, includes more invasive procedures—like heart valve replacements—and complex patients that might need intensive care unit beds.

All patients will be tested for COVID-19 before surgery to ensure they’re not infected, Freeman said. The move aims to prevent exposure and also protect patients, as the virus increases the risk of complications.

Among hospital chains gearing up to resume nonemergency procedures is NorthShore University HealthSystem.

The five-hospital network on May 11 plans to “start the ramp up of surgical and elective procedures,” Skokie Hospital President David Rahija said in an emailed statement. “We have robust screening processes and infection prevention protocols to ensure our patients receive safe, high quality care.”

New guidance from the state says hospitals and ambulatory surgical centers can begin performing inpatient and outpatient procedures so long as they meet specific criteria, including testing patients for COVID-19 within 72 hours of scheduled procedures and completing temperature checks on the day of the visit.

Perhaps unsurprisingly, hospitals treating fewer COVID-19 patients will have an easier time getting back to elective surgeries, Kaufman said.

Meanwhile, the pandemic has been particularly hard on safety nets that treat large numbers of poor and uninsured patients. Many safety-net hospitals also are located in communities of color, where people are dying from the virus at much higher rates.

At Sinai Health System, cancellations and increased costs to treat COVID-19 patients have caused the four-hospital chain to lose $10 million a month. Sinai is currently finalizing plans to resume semi-urgent procedures and clinic appointments, with the goal of gradually ramping up to full capacity—including elective procedures—by mid-June.

Loretto Hospital aims to start doing elective surgeries again on May 11 or shortly after, as soon as it's safe for both patients and employees, CEO George Miller said.

"It's going to be difficult for us because we have to build that capacity back up," Miller added. "We have to convince people to come back to the hospital."

Loretto's outpatient business, including elective surgeries, is down about 40 percent, Miller said, noting that expenses have gone up significantly due high-priced personal protective equipment and hazard pay for employees treating COVID-19 patients.

In an April 30 letter to the Illinois Department of Healthcare & Family Services, a group of nine safety-net hospitals—including Loretto—said they need help from the state amid revenue losses.

"As safety-net hospitals, we are disproportionately reliant on Medicaid funds for hospital operations and cannot absorb the current losses in the same manner as general acute care hospitals, who have sizeable reserves and the ability to cross-subsidize losses with commercial payers," the letter says.

So, how long will it take for hospitals to recover from COVID-19? That depends on the hospital.

“It depends on what kind of financial condition you were in before this all happened, what kind of patient population you have, what kinds of things you specialize in,” Kaufman said. “It’s an incredibly complicated, multivariate equation. And the solution for every organization is going to be different.”

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Letter – to the – Editor

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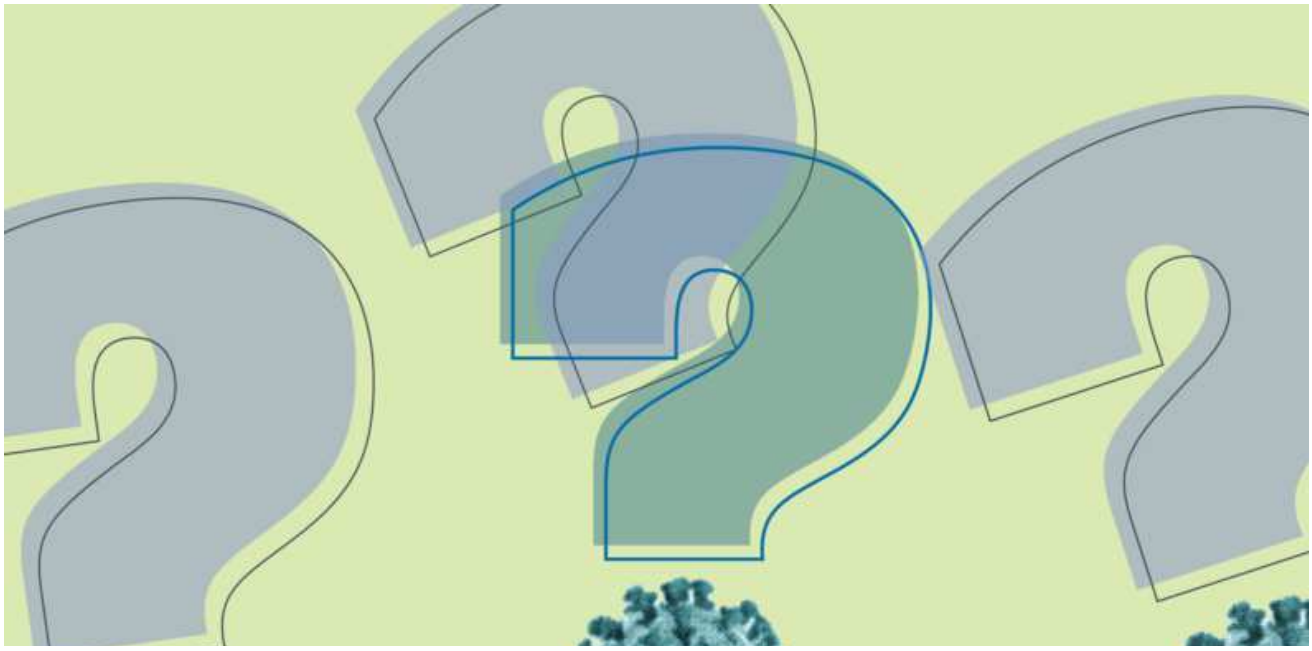
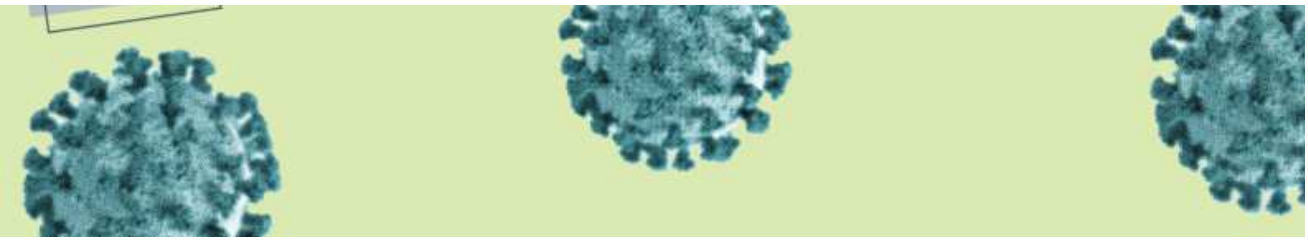
May 16, 2020 01:00 AM

Hospitals face an uncertain financial future

TARA BANNOW





Modern Healthcare Illustration

When it comes to keeping Wilmington Health afloat, every option is on the table.

CEO Jeff James said he might eventually need to sell the North Carolina multispecialty practice's properties and lease them back. Worst-case scenario: He might eventually need to sell the practice.

"We plan on surviving this," he said. "We just don't know what it's going to look like on the other side. We're going to keep our doors open as long as we possibly can."

DELOITTE

Global health care sector issues in 2020

Growing health care costs. Changing patient demographics. Evolving consumer expectations. Complex health and technology ecosystems. The challenges before the global health care sector are plenty. But so are the opportunities. As health care sector stakeholders prepare their road map for the future, it is important for them to have a panoramic view of what's working and what's not, what's redundant and what's hot in their circles.

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Once they stopped performing elective procedures in mid-March, providers of all types and sizes liken their revenue trajectory to a car going off a cliff. The damage came swiftly, and even their best cost-cutting efforts and billions in government aid weren't enough to stop the bleeding.

"It's really stunning and remarkable how quickly the revenue flow dissipated over the course of just several days, frankly," said Tim Weir, CEO of Olmsted Medical Center, a

one-hospital system in Rochester, Minn., that anticipates a $25 million revenue decline over the months of April, May and June.

The sharp revenue decline coupled with the higher costs of labor, supplies and treatment for COVID-19 patients will culminate in hospitals losing a collective $202.6 billion from March 1 to June 30, according to an estimate from the American Hospital Association.

Revenue was more than halved for 40% of health systems that responded to an American Medical Group Association survey conducted in mid-April. Another 55% of respondents had less than six months cash on hand. More than 80% of systems had furloughed employees and three-quarters had cut physician salaries.

Among independent medical groups, like Wilmington Health, things are even more dire. Almost half told the AMGA they'd lost more than half of their monthly revenue in the first quarter, and almost all had cut physician pay. Sixty percent said their cash reserves will run out within two months.

Wilmington Health, North Carolina's largest multi- specialty physician group, saw revenue drop 53% from the outbreak's onset through mid-April, James said. At that time, the practice had about eight weeks of reserves.

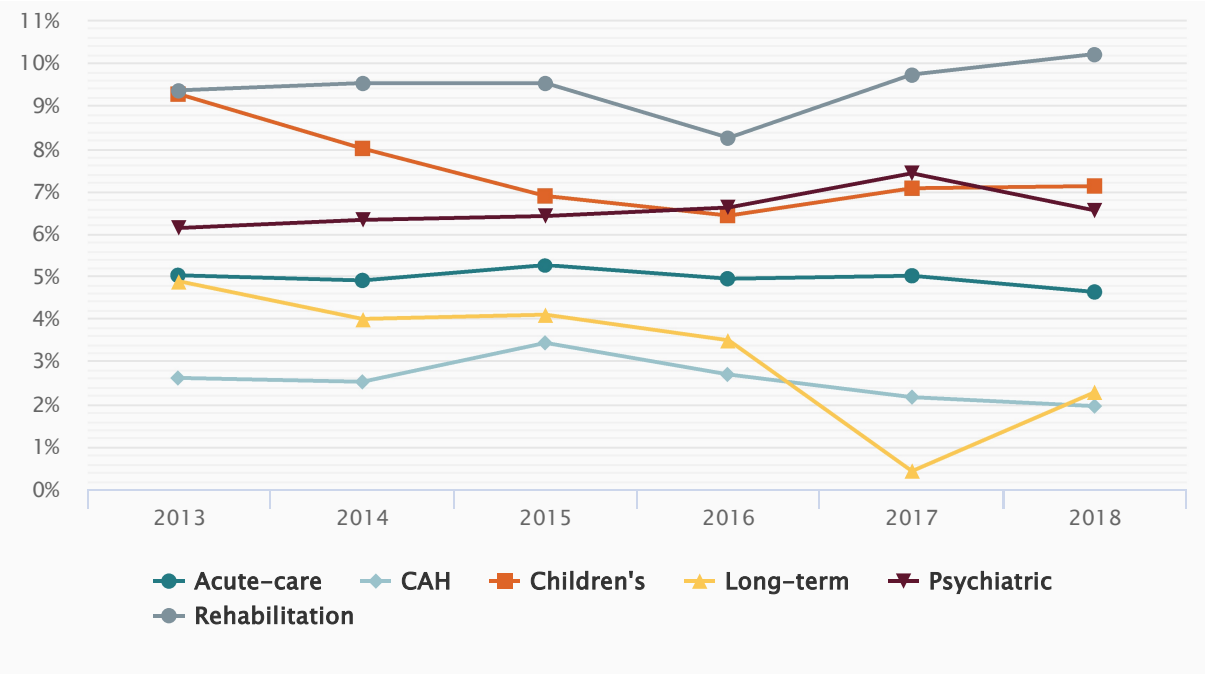
Grant funds that Wilmington Health received from the CARES Act worked out to about $12,000 per physician, which James said doesn't even come close to covering the cost of overhead.

"Twelve thousand dollars per doctor is literally nothing," he said.

Average profit margins

By hospital types

The chart below is interactive: click or touch to see more.



Notes

Data excludes outliers and comes from the most recently filed Medicare cost reports with complete fiscal years, which are self-reported by the hospitals or system.

Source: CMS cost reports

Modern Healthcare

Big unknowns

The full extent of the damage depends on several unknowns. The most important is how long it will take to ramp up elective procedures to their pre-pandemic volumes. Some healthcare providers are banking on a wave of pent-up demand and are rolling out marketing campaigns aimed at ensuring patients it's safe to come back. Dallas-based Tenet Healthcare Corp., which operates 65 hospitals, is focusing its messaging on the safety of its emergency departments. The for-profit company said as its surgery centers resume procedures, they're seeing about **40% of their pre-pandemic cases**.

Leaders with fellow for-profit hospital chain Community Health Systems said they were similarly **encouraged by early volumes** as they resume elective procedures.

That's welcome news, as CHS' surgeries dropped 70% year-over-year in April.

Still others who watch the industry predict it'll take some time for appointments to rebound. Reopening healthcare is not like reopening beaches in Florida, said Ash Shehata, KPMG's national sector leader for healthcare and life sciences. "The fact that we're going to open our outpatient facilities doesn't mean we're going to see people flooding back to outpatient facilities like they flood to the beach," he said.

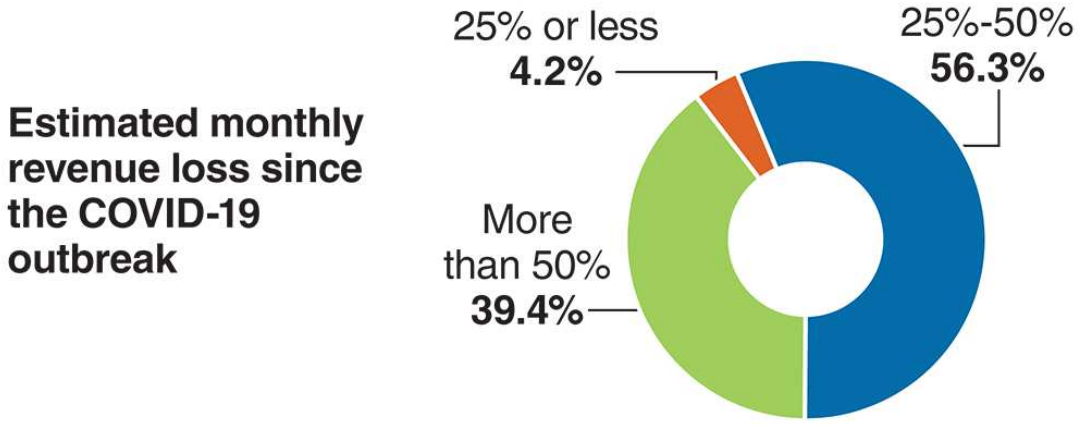
Wilmington Health's James also doesn't expect a flood of patients right away. "I think people will be a little bit timid for a long time," he said.

As time goes on, though, Shehata thinks the pandemic might result in more reliance on outpatient facilities in the long term.

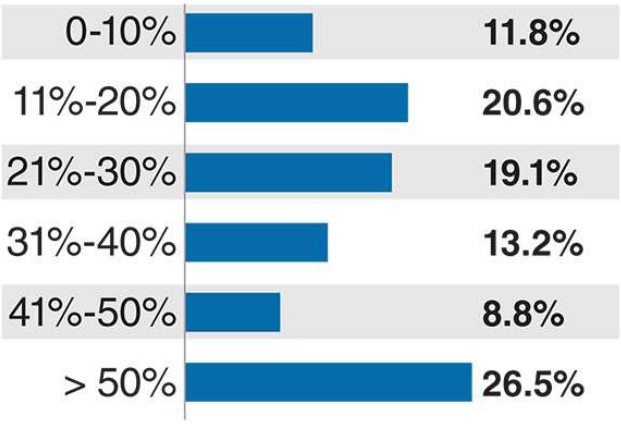
The industry was already trending that way, but the newfound perception that inpatient care poses a higher risk will likely accelerate the shift. The challenge for providers then becomes how to shift costs from inpatient to outpatient, including redistributing staff to outpatient facilities, Shehata said.

Another unintended consequence of the pandemic was that accountable care organizations and other systems with more risk-based contracts were at a disadvantage, Shehata said. Fifty-six percent of risk-bearing ACOs said in a survey released in April that they were very or somewhat likely to drop out of the Medicare program by the end of May. Providers who have just emerged from recent acquisition cycles were also at a disadvantage, because they had just gone through a major financial transaction, but ended up with few elective procedures. "Essentially the cash went out the door, but you don't have the productivity on the back end," Shehata said. "There's probably a handful of clients in that category as well."

COVID-19's impact on hospital systems' finances



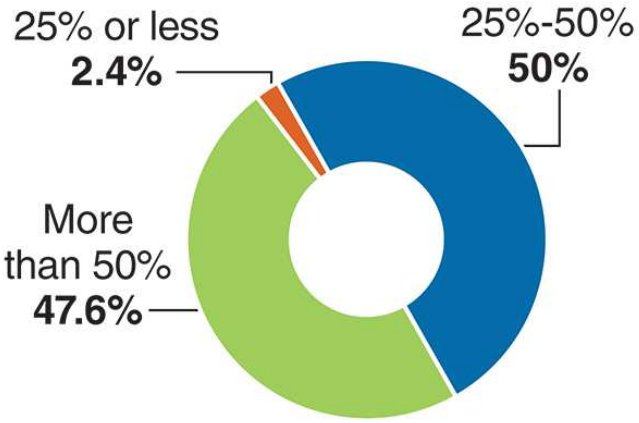
How much of your reserves do you anticipate you will have depleted by June 15 due to the COVID-19 crisis?



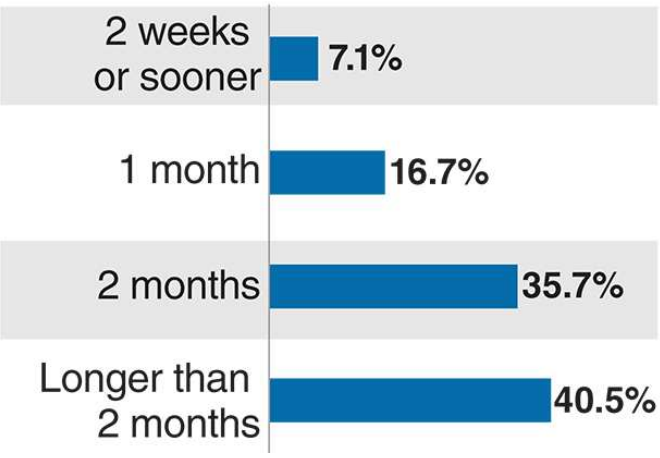
How many days of lost revenue did your payment from the $30 billion in Congress' third CARES Act package make up for?

COVID-19's impact on independent medical group finances

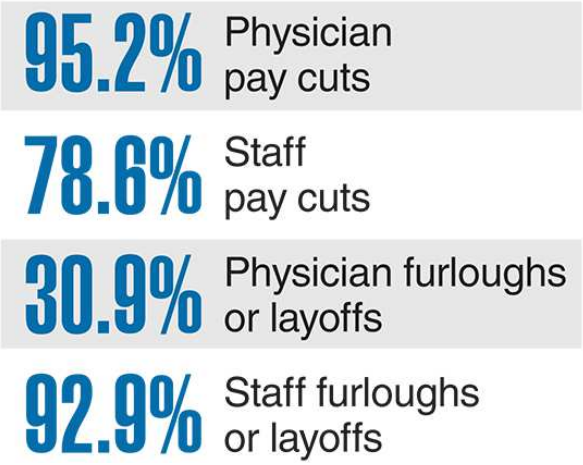
Estimated monthly revenue loss since the COVID-19 outbreak



What is the estimated time until reserves run out?



Which of the following have you implemented?



Note: Percentages may not equal 100% due to rounding.
Source: AMGA surveys

Other big unknowns include what health systems' payer mix will look like in the future. With so many people having lost job-based health insurance, hospitals are likely to see higher proportions of patients without insurance or on Medicaid.

Another factor is whether, in the longer term, commercial insurers pay providers more for healthcare services, given the increased cost of care delivery. Shehata predicts that will be the case, but the impact won't come until next year when those higher rates take effect.

A look at the stocks of the largest publicly traded health insurers and hospital chains shows payers are performing well, while providers have been weakened. The four largest publicly traded hospital chains saw their share value drop 33% between Feb. 3 and May 1. Share value of the four largest publicly traded health insurers, by contrast, dropped by about 2% in that time.

The country's biggest for-profit hospital chains pulled their previously announced 2020 guidance, while for-profit insurers have either reaffirmed their full-year guidance or raised their revenue outlooks.

"There is an issue longer term as to what happens to value and who bears the responsibility of care risk," said David Johnson, head of healthcare consultancy 4sight Health. "I think that will be a part of the post-COVID world in a big way." To that end, some payers have begun prepaying for services to providers, he said.

The pandemic may be stoking lingering resentment between the two healthcare segments, as illustrated by comments from hospital leaders. "The managed-care companies have so much money, we're hopeful for a rate increase here," Wayne Smith, CEO of Community Health Systems, said during the company's first-quarter earnings call.

There are winners and losers in any financial crisis, Mike Allen, chief financial officer of Peoria, Ill.-based OSF HealthCare, told Modern Healthcare in an April 10 interview. Premium money is still flowing to insurance companies, "but our patients are not

coming in to see us anymore," he said. "Suddenly the insurance companies will have all the money and we won't because we won't be busy."

Cushion likely gone

Provider organizations entered the pandemic in strong shape. Here are totals of key financial metrics for the 50 largest providers reporting for fiscal 2019.

($ billions)

Item	Value
Revenue	**$621.9**
Net income	**$47.1**
Margin	**7.6%**
Operating revenue	**$591.6**
Operating income	**$22.3**
Operating margin	**3.8%**
Cash and cash equivalents	**$26.1**

Notes
For providers reporting as of May 8
Source: Modern Healthcare System Financials Database

Modern Healthcare

'Cash is king'

Providers that emerge the strongest from the pandemic will share a couple attributes. Perhaps the most important is high liquidity, which helps them react quickly and aggressively.

"What you are seeing is everybody recognizing cash is king," Johnson said, "and those with more liquidity are going to be able to navigate this period of turmoil much better than those that don't."

Historically the big for-profit systems have operated more efficiently with less cash and more dependence on lines of credit, Johnson said. Moving forward, he said it'll become more important to build a "war chest" to fund short-term needs like higher supply costs from more expensive personal protective equipment, ventilators and other needs and higher staffing costs as workers fall ill and need to be replaced.

The government is providing what could be the most significant form of liquidity in the form of accelerated Medicare payments under the CARES Act, said Matthew

Gillmor, a senior research analyst with Baird. Even though the money will have to be repaid, it could be the biggest cash offset providers will see during the pandemic, he said.

The most important characteristics to help hospitals weather the current crisis are strong balance sheets and being a part of a health system, said Kevin Holloran, a senior director with Fitch Ratings. Systems tend to perform better than stand-alone hospitals because they can control resources better. "If one hospital starts to get overloaded with the surge and another hospital maybe was spared, it can reallocate staff, equipment and ventilators to another hospital very easily—and it all stays in-house," he said.

Fitch placed 15 hospitals on rating watch negative in April. The biggest factors that landed them on the list were being small and light on liquidity and days cash on hand, Holloran said. Of the 15, more than half had negative outlooks already. Their median days cash on hand was below 90, he said.

"If you're going to get dislocated for a couple months, you're going to burn into that," Holloran said.

In the end, Holloran predicts health systems' operating margins will fall between 3 to 6 percentage points in 2020, likely closer to 6. In other words, a 3% margin would become a 3% loss margin.

Weir, of Olmsted Medical, said the biggest challenges ahead will be having enough PPE and ensuring a safe clinical environment for patients.

"It's been impressive all the hard work people have done in incredibly uncertain times," he said. "In the end we'll be fine. It's going to be a bumpy road, but we'll come through the other end."

Letter — to the — Editor

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Advisory Board

Covid-19 could carry a $200B price tag for hospitals

May 7, 2020

Covid-19, the disease caused by the new coronavirus, could cost hospitals $200 billion dollars over a four-month period, according to an **American Hospital Association** (AHA) report published Tuesday—resulting in a historic loss of revenue that is already having a detrimental effect on the U.S. economy.

AHA report predicts $200B revenue loss for US hospitals

For the report, AHA sought to quantify the short-term effect of Covid-19 on hospital finances by analyzing the:

- Net financial impact of Covid-19 on hospitalizations;
- Total revenue losses from canceled surgeries and procedure;
- Non-treatment costs associated with purchasing personal protective equipment (PPE) to treat Covid-19 patients; and
- Cost of support for frontline worker.

Overall, AHA estimated the United States' Covid-19 epidemic will cost hospitals $202.6 billion in losses from March 1 through June 30, or an average of $50.7 billion per month. AHA noted various factors that will contribute to the financial losses. For example, AHA estimated the financial impact of Covid-19 hospitalizations from March 1 to June 30 will result in a $36.6 billion loss for hospitals and health systems. AHA noted that while the Covid-19 epidemic has increased some hospitals' patient load, it also resulted in widespread job losses that's increased the uninsured population.

AHA also found the increased demand for PPE equipment during those four months will cost hospitals $2.4 billion, or approximately $600 million per month, in part due to increased supply costs.

In addition, AHA estimated hospital will spend $2.2 billion on helping frontline health care workers with housing, transportation, childcare, and Covid-19 treatment throughout the U.S. epidemic.

However, AHA estimated that the majority of the projected revenue loss, $161.4 billion, will come from canceled scheduled surgeries, outpatient treatment, and reduced ED services.

AHA said the estimates are likely conservative as the analysis does not account for revenue loss associated with wages, drug shortages, non-PPE supplies, and equipment. AHA also said it assumed only half of hospitals and health systems would be able to provide additional support to health care workers such as housing and transportation, meaning the estimated revenue loss associated with that support is likely an underestimate.

As the epidemic continues, AHA projected hospitals will "continue to see lower service use while treating Covid-19 patients beyond June 30, which would result in continued financial pressures," meaning the revenue loss from canceled surgeries could grow throughout the summer.

What does this mean for the US economy?

AHA in the report said, "The totality of these costs combined with the uncertainty of the pandemic's duration is certain to imperil hospital finances."

CMS estimates that hospitals complying with guidance from policymakers by canceling elective procedures and increasing PPE are losing about $1 to $2 billion per day, leading some hospitals to resort to laying off staff, reducing hours, and filing for bankruptcy, CNBC reports. According to a calculation by *Becker's Hospital Review*, more than 200 hospitals have furloughed workers.

"The places that will lose the more revenue are the ones that did everything right," said Stephen Klasko, CEO of **Jefferson Health**. "They stopped elective surgery earlier in the spring, they paid for the inflated costs of medical supplies for their staff, and rolled out testing as soon as they could." Klasko estimated that it could take hospitals "three to four years" to bounce back from the loss.

This not only affects the health care sector's ability to treat patients, but has a negative impact on the U.S. economy at large, according to the *Washington Post*.

The United States spends more on health care as a percentage of its economy than any other developed nation, but within the first three months of 2020, health care spending declined by 18%, which is the largest decline in spending since 1959, according to the **Commerce Department**.

The reduction in spending proved to be the biggest factor behind a 4.8% decline in first quarter GDP, the worst decline in GDP since the Great Depression, according to the Commerce Department. Now, **Morgan Stanley** is projecting an even larger drop in second-quarter GDP at 37.9%.

"What the coronavirus pandemic did is it laid bare the problems of the current system, including the broken supply chain that we're relying on to treat the critically sick," Klasko said (Brady, *Modern Healthcare*, 5/5; King, *FierceHealthcare*, 5/5; Farr, CNBC, 5/5; Frankel/Romm, *Washington Post*, 5/4).

Advisory Board's take

Christopher Kerns, Vice President, Executive Insights

The AHA estimate of Covid-19's impact to hospital revenue is in line with a scaled analysis of Advisory Board's estimate of a $140 million impact to a 1,000-bed system over a three-month period.

But it's important to remember that Covid-19 doesn't spell financial disaster for *all* hospitals and health systems. We have seen significant variation across the United States, with Covid-19 hospitalizations slightly offsetting losses in the hardest-hit areas (even if costs increased significantly). It's also true that the Coronavirus Aid, Relief, and Economic Security (Cares) Act and Paycheck Protection Program have gone a long way toward stabilizing hospital and health systems' short-term cash flow.

At this point, the need for future federal assistance will depend on how much pent-up demand hospitals can reasonably capture through the end of 2020, the length of continued lockdowns, and the resulting economic impact to payer mix. All of these factors mean that providers that are able to pivot to quickly recapturing growth will be at a significant advantage to competitors. Advisory Board experts will be diving into these factors and their potential impacts more in the coming months.

In the meantime, we've outlined early advice and questions strategic and financial planners should be thinking about now:

- Ready to restart elective surgeries? Here are 3 steps to prioritize your services.
- When should you resume elective surgeries? Here's how to know.
- Canceling elective surgeries? These 5 factors can help you estimate the revenue loss.
- 8 ways the 'new normal' will shift strategic planning post-Covid-19
- 6 ways CSOs are getting ready to 'restart' after Covid-19
- Patients are frightened to seek necessary care amid Covid-19. Here's how to overcome their fears.

https://www.thecentersquare.com/illinois/illinois-lawmaker-raises-questions-about-hospital-finances-amid-covid-19-pandemic/article_a0fd5efe-914a-11ea-b911-9f8f7a5fa330.html

Illinois lawmaker raises questions about hospital finances amid COVID-19 pandemic

By Scot Bertram | The Center Square
May 8, 2020

In this May 8, 2019 photo, Rep. Tom Demmer, R-Dixon, speaks to reporters in Springfield.
AP Photo by John O'Connor

An Illinois lawmaker has raised concerns about the financial stability of hospitals in the state in the age of COVID-19.

State Rep. Tom Demmer, R-Dixon, also works as Director of Innovation & Strategy at KSB Hospital, a not-for-profit community hospital with locations in Lee and Ogle Counties in northern Illinois. He said workforce reductions have been an unfortunate trend in the industry.

“Virtually every hospital in our area has done layoffs because they've had such a low number of people using services,” Demmer said. “There's a real significant impact there.”

The financial picture at many facilities has been darkened by Gov. J.B. Pritzker’s ban on what he deemed elective surgeries. That prohibition recently was lifted and hospitals can again begin to schedule those procedures with new protocols in effect. Demmer says turning around the financial health of hospitals only deals with part of the fallout.

“We've seen some really troubling articles across the country around how people are not getting the medical care that they should get because they're scared of the situation,” Demmer said. “Something that was a relatively minor problem got delayed and it becomes a more serious problem.”

He said the normal, day-to-day business of health care institutions have been significantly disrupted by COVID-19 and the restrictions that were in place.

“Some of the screenings and diagnostics, like colonoscopies and mammograms, these kinds of things help us catch conditions early before they become a bigger problem,” Demmer said. “I'm concerned we might see more serious incidents of some of these preventable health situations because care was delayed.”

At least nine small hospitals already have closed across the country in 2020. Demmer said the recent financial pressures on rural health care delivery networks only make worse problems that were introduced by the Affordable Care Act.

“There's been study after study showing the vulnerable state that a lot of hospitals in rural areas have faced, lacking some of the big economies of scale that some of the bigger institutions have,” Demmer said. “That's one of the reasons you've seen a lot of mergers and acquisitions.”

According to a recent report by the Chartis Center for Rural Health, almost half of small, rural hospitals in America already were operating at a loss before the COVID-19 crisis began.

Scot Bertram

The Center Square Correspondent

A radio veteran with nearly twenty years of experience, Scot Bertram is the General Manager of Radio Free Hillsdale 101.7 FM, the student radio station at Hillsdale College. Bertram is also the co-host of "Political Beats" for National Review Online.

Financial Management

266 hospitals furloughing workers in response to COVID-19

Alia Paavola - Tuesday, April 7th, 2020 Print | Email

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Many U.S. hospitals and health systems have suspended elective procedures to save capacity, supplies and staff to treat COVID-19 patients.

As a result of suspending these nonemergent procedures, several systems have lost or expect to lose a large chunk of their annual revenue, forcing them to make cost reduction a top priority.

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Below is a breakdown of the hospitals that have furloughed staff in an effort to remain financially stable amid the COVID-19 pandemic.

Editor's Note: This webpage will be updated weekly as more hospitals and health systems announce furloughs.

May 22-28

1. **Emory Healthcare**, an 11-hospital system based in Atlanta, has cut hours or furloughed 1,500 workers in an effort to help offset a revenue shortfall due to the COVID-19 pandemic. The furloughs, slated to take effect June 1, will last until Aug. 31.

2. Citing volume and revenue declines from the COVID-19 pandemic, Dallas-based **Baylor Scott & White Health** said it would lay off 1,200 employees and furlough an unspecified portion of its workforce amid the COVID-19 pandemic. When announcing the workforce reductions, the health system said it spent $85 million to prepare and respond to the pandemic.

3. Lebanon, N.H.-based **Dartmouth-Hitchcock Health** said in its financial report released May 27 that although it reassigned as many staffers as possible to new roles, some employees were asked to choose between using paid time off or taking unpaid time off. The measure was due to a dip in volume from the COVID-19 pandemic.

4. **Edward Elmhurst** (Ill.) **Health** has furloughed a portion of its 8,000-person workforce due to the COVID-19 pandemic, according to ABC7 Chicago. It is unclear how many employees were furloughed.

5. Cadiz, Ky.-based **Trigg County Hospital** has furloughed a portion of its staff due to the financial hit from the COVID-19 pandemic, according to WJDZ Radio. The hospital will bring employees back when patient volume returns.

Note: In addition to new furloughs this week, two health systems announced plans to furlough additional staffers.

- *Seattle-based **UW Medicine** announced 4,000 additional furloughs on May 25, that affect union employees. The organization initially announced plans to furlough 1,500 staffers on May 18. Read more about the earlier furloughs here.*

- *Additionally, New Bedford, Mass.-based **Southcoast Health** said it implemented a second round of furloughs in mid-May. It initially implemented furloughs for staff not actively involved in patient care in early April. It said it is working to absorb a deep revenue hit. Between the two rounds, more than 10 percent of Southcoast Health's 7,500 employees were affected. Scroll to April 3 for more details on Southcost Health's furloughs.*

May 14-21

1. **Mount Sinai Medical Center** in Miami Beach, Fla., told investors May 20 that it furloughed 775 employees and has permanently laid off 208 employees to help offset losses incurred from the COVID-19 pandemic. The furloughs reduced payroll by $3 million in April, and the layoffs are expected to save the system $11.1 million in payroll expenses this year.

2. Citing a financial hit from the COVID-19 pandemic, Marietta, Ga.-based **Wellstar Health System** has furloughed 1,070 workers through July 31. The furloughs affect about 4.4 percent of the health system's workforce of 24,300. Wellstar said it is anticipating a $400 million to $600 million loss in 2020. The loss was mainly attributed to reduced patient volume. However, it also includes increased expenses for buying protective gear.

3. **BJC HealthCare**, a 15-hospital system in St. Louis, has furloughed 2,962 employees due to the COVID-19 pandemic. The health system said the furloughs are expected to last eight weeks, but some employees may be called back to work depending on patient volume.

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4. **UW Medicine** will furlough 1,500 employees to help address an anticipated $500 million loss due to COVID-19, the Seattle-based organization said May 18. Affected employees will be furloughed for at least one week and up to eight weeks. During the furlough, employees will retain healthcare benefits.

5. The **Erie County Medical Center** in Buffalo, N.Y., has laid off 70 staffers and plans to implement furloughs to help offset losses caused by the COVID-19 pandemic. The hospital said it will first offer voluntary two- to six-week furloughs and then implement involuntary ones if its savings goals are not met.

6. **Lee Health**, a system with more than 14,500 employees in Fort Myers, Fla., is offering voluntary buyouts and a voluntary summer leave program to help offset losses attributed to the COVID-19 pandemic. The summer sabbaticals are four to six weeks off from work during the summer. Employees who opt into the summer leave program can use vacation time if they have it or it will be unpaid.

7. Citing a patient volume drop from the COVID-19 pandemic, **St. Luke's Hospital** in Chesterfield, Mo., will furlough a portion of its staff, according to *KSDK.* It is unclear how many employees will be affected and how long the furloughs will last. The hospital said it would bring employees back when patient volume increases.

8. Nurses in the delivery ward at **Greater El Monte** (Calif.) **Community Hospital** have been furloughed after the hospital suspended services due to low patient volume amid the pandemic, according to the *Sun Gabriel Valley Tribune.*

May 13

1. **Providence Oregon** will implement staff furloughs and leadership pay cuts to help offset financial losses attributed to the COVID-19 pandemic, the Portland-based health system announced this week. The health system said its core leaders will take a one-week unpaid furlough between May 17 and July 31. In addition, caregivers will flex their hours during the same time period. The hours will be flexed based on patient volume.

May 12

1. Citing a revenue loss from the COVID-19 pandemic, Kentfield, Calif.-based **MarinHealth Medical Center** has furloughed 115 employees, according to the *Marin Independent Journal.* Affected employees will retain their healthcare benefits.

May 11

1. Peterborough, N.H.-based **Monadnock Community Hospital** has furloughed 20 percent of its workforce, or about 100 employees, according to *The Keene Sentinel.* The hospital said it lost $1.7 million in March and expects to lose $24 million by the end of September because of the COVID-19 pandemic.

2. Chesterfield, Mo.-based **Mercy,** which has hospitals in four states, said it plans to furlough workers and cut jobs due to the COVID-19 pandemic, according to *St. Louis Post-Dispatch.* While Mercy didn't disclose the number of employees that will be furloughed, an email obtained by the *Post-Dispatch* said "thousands" would be affected.

3. Citing a financial toll from the COVID-19 pandemic, Harlingen, Texas-based **Valley Baptist Medical Center** plans to furlough an undisclosed number of employees for 90 days, according to *The Valley Morning Star.*

4. **Bristol** (Conn.) **Hospital** has furloughed 103 employees and cut hours of about 200 staff members, according to the *CT Mirror.* The independent hospital said it expects to see a loss of $15 million to $18 million by September due to the COVID-19 pandemic.

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Note: *University of Rochester (N.Y.) Medical Center, which initially announced plans to furlough employees in April, announced May 8 that it would furlough 3,474 employees, or more than 19 percent of its workforce. Read more about the furlough here or under April 29.*

May 8

1. **The University of Chicago Medical Center** plans to furlough more than 800 employees, or about 8 percent of its workforce, due to a decline in operating revenue amid the COVID-19 pandemic, according to *Crain's Chicago Business.* The academic medical center reported it saw a $70 million decline in operating revenue in March and April due to the suspension of elective procedures. Most furloughed employees are in nonclinical roles. The furloughs are expected to end by July 31.

2. Hyannis, Mass.-based **Cape Cod Healthcare** plans to furlough 600 of its 5,700 workers to help offset losses from the COVID-19 pandemic. Cape Cod Healthcare is projecting a $74 million loss by the end of the fiscal year, according to *The Enterprise.* Affected staff work in nonclinical and nursing roles. The furloughs will take effect May 10 and will last at least 30 days.

3. To help overcome the financial hit from the COVID-19 pandemic, Grand Rapids, Mich.-based **Metro Health** is offering its staff members a voluntary 12-week furlough program, according to MLive. The health system also plans to lay off some employees and implement other "staffing changes." The furloughs, layoffs and other staffing adjustments are expected to affect less than 10 percent of the health system's workforce of 3,059.

4. Citing financial challenges and a patient volume drop due to the COVID-19 pandemic, the **University of Cincinnati Medical Center** has furloughed staff to better align staffing levels with demand, according to *NPR.*

5. **Johns Hopkins Medicine** in Baltimore has furloughed a portion of its staff during the pandemic, according to *The Baltimore Sun*. The hospital said the furloughs, as well as other cost-cutting measures, were necessary because it is "not immune to the broader economic impact of the pandemic."

6. Auburndale, Mass.-based **Atrius Health** has furloughed some staff due to the patient volume drop amid the pandemic, according to a nurse who works at the system who spoke to *NPR.*

May 7

1. **MultiCare Health System** plans to implement mandatory 17-shift furloughs for 6,000 employees to help offset losses from the COVID-19 pandemic, the Tacoma, Wash.-based organization said May 6. The furloughs, which will start next week and last through January, will mainly affect non-clinical employees. Affected employees will be able to retain healthcare benefits and have the option to use paid time off for the shifts to minimize the financial hit.

2. Iowa-based **Mercy Iowa City** is furloughing a portion of its staff and asking other employees to cut down hours to help offset a revenue loss caused by the COVID-19 pandemic, according to *The Gazette.* The hospital system said that about 7.5 percent of staff will be affected by the furloughs and reduction in hours. The cost-cutting measures are expected to last about 12 weeks. Mercy Iowa City employs 1,400.

3. Citing a patient volume drop due to the COVID-19 pandemic, Yankton, S.D.-based **Avera Sacred Heart Hospital** has furloughed a portion of its staff, according to *WNAX Radio.* The hospital said the furloughs have mainly affected employees not involved in direct patient care.

4. **Pullman** (Wash.) **Regional Hospital** has furloughed an undisclosed number of employees amid the COVID-19 pandemic, according to *KREM.* The organization has also capped overtime, limited paid time off and implemented pay cuts for executives to help offset the revenue loss from the pandemic.

May 6

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1. Citing a projected financial loss exacerbated by the COVID-19 pandemic, Ann Arbor-based **Michigan Medicine** plans to furlough or lay off 1,400 full-time employees. The health system expects to record a financial loss of up to $230 million in the fiscal year ending June 30. The health system also expects losses to continue into the next fiscal year.

2. Due to the financial hit from the COVID-19 pandemic, **Kaweah Delta Medical Center** in Visalia, Calif., has furloughed an undisclosed number of staff, according to *The Business Journal.* The medical center has launched a relief fund to help employees who were furloughed. The Kaweah Delta Hospital Foundation will accept donations through July.

3. Warrenton, Va.-based **Fauquier Hospital** has furloughed 61 employees, or about 9 percent of its workforce, due to the COVID-19 pandemic, according to *Fauquier Now.* The furloughs were initially announced last month.

4. Birmingham, Ala.-based **Brookwood Baptist Health** has furloughed a portion of its staff due to patient volume declines amid the COVID-19 pandemic, according to *WBRC.* Furloughed employees still have access to their medical benefits.

5. Breckenridge, Texas-based **Stephens Memorial Hospital** has furloughed a portion of its staff to help offset a revenue loss attributed to the COVID-19 pandemic, according to the *Breckenridge American.* The hospital said it will start bringing back the furloughed workers because it was able to secure a loan from the Paycheck Protection Program.

May 5

1. Lawrence, Kan.-based **LMH Health** has furloughed 221 employees as it works to offset revenue shortfalls caused by the COVID-19 pandemic, according to *The Lawrence Journal World*. The hospital system said that 52 employees would be furloughed for one week, 77 for two weeks and 92 for more than two weeks. Affected employees will retain their health benefits.

2. **Monongahela** (Pa.) **Valley Hospital**, citing a loss in revenue due to the suspension of nonessential procedures, has furloughed 10 percent of its staff, according to *CBS Pittsburgh.* The furloughs affect about 100 staff members. Other staff members volunteered to take a leave of absence, according to the report.

3. Citing a financial hit from the COVID-19 pandemic, **Princeton** (W.Va.) **Community Hospital** has furloughed a portion of its staff, according to *The Bluefield Daily Telegram.* The hospital said the majority of furloughed employees worked in services that were closed or saw a drop in patient volume amid the pandemic.

May 4

1. Employees at **Samaritan Healthcare of Moses Lake** (Wash.) are taking voluntary furloughs to help cut expenses amid the COVID-19 pandemic, according to *The Columbia Basin Herald.* The hospital is facing a financial loss due to restrictions on performing elective procedures. The furloughs are expected to start by May 4.

2. **Hurley Medical Center** in Flint, Mich., is considering several cost-cutting measures, including voluntary and involuntary furloughs and reduced employee hours, to help offset COVID-19 financial losses, according to MLive.com. The medical center also is considering layoffs.

3. Citing a revenue drop of 40 percent due to the COVID-19 pandemic, Portland, Ore.-based **Legacy Health System** is requiring staff to take 10-day furloughs, according to *Oregon Public Broadcasting.* Employees can use paid time off during the furlough, but the health system said it expects some employees will have to take unpaid leave.

May 1

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1. Minneapolis-based **Children's Minnesota** plans to furlough 181 nurses to help offset the financial hit from the COVID-19 pandemic, according to *The Star Tribune.* Members of the Minnesota Nurses Association must still approve the furlough agreement. If the furloughs take place, they will affect 17 percent of nurses.

2. Providence, R.I.-based **Care New England** has furloughed a portion of its staff due to the COVID-19 pandemic, according to *WJAR.* The health system said that the furloughs affect workers in departments that have seen the greatest patient volume drop. Furloughs were voluntary and involuntary. They are being reassessed every two weeks.

3. Citing a decline in patient volume and a resulting revenue drop, **Indiana** (Pa.) **Regional Medical Center** has furloughed 200 employees, according to *The Indiana Gazette.* The furloughs are expected to last until May 31. Furloughed employees will still have access to health insurance and can apply for unemployment.

4. **MU Health Care**, based in Columbia, Mo., has furloughed staff at its medical school and plans to furlough additional healthcare workers at its hospitals due to the economic hit from the COVID-19 pandemic, according to *KRCG TV.* The health system will also end contracts for about 70 traveling nurses. In addition, the system will not fill the 300 open positions at MU Health Care.

5. Citing a financial hit and patient volume drop from the COVID-19 pandemic, **North Mississippi Medical Center** in Tupelo has furloughed a portion of its staff, according to *WTVA.* The hospital expects to begin calling back some of the first employees furloughed next week as nonemergent surgeries resume.

6. **CHI St. Joseph** in Lexington, Ky., said it has worked to align staffing levels with current volumes, according to *KBTX.* Unnamed sources told the publication that hundreds of employees have been affected by furloughs amid the pandemic.

"We continue to look at every possible way to reduce costs and take advantage of resources available to our ministry, including federal funding recently approved by Congress. While those funds are welcomed, they will not be sufficient to address our financial challenges," CHI St. Joseph told the publication.

April 30

1. **Hospital Sisters Health Systems**, a 15-hospital system in Springfield, Ill., will furlough a portion of its staff due to the COVID-19 pandemic, according to *WAND TV.* The health system said the furloughs were necessary to ensure it can remain financially stable. The furloughs were both voluntary and involuntary.

2. **The Christ Hospital**, based in Cincinnati, will furlough a portion of its staff that is not directly involved in patient care, according to *WLWT.* The furloughs, which will begin in May, will last 60 days. Affected employees can apply for unemployment and retain their healthcare benefits.

3. Citing a significant reduction in revenue due to the COVID-19 pandemic, Newburyport, Mass.-based **Anna Jaques Hospital** has furloughed 134 employees, according to the NewburyportNews.com. The unpaid furloughs affect about 10 percent of the hospital's workforce.

4. **Encompass Health**, a Birmingham, Ala.-based operator of post-acute services, has implemented market-specific furloughs, according to *Home Health Care News.* The decision is to better align staffing with demand amid the COVID-19 pandemic, according to the report. It is unclear how many employees are affected.

5. Due to the patient volume drop amid the COVID-19 pandemic, some employees at San Francisco-based **UCSF Benioff Children's Hospitals** have had their hours cut, according to *The San Francisco Chronicle.* One employee, Stephanie Lum Ho, a physical therapist who works at UCSF Benioff Children's Hospital in Walnut Creek, Calif., said her hours were cut in half.

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April 29

1. **Stamford** (Conn.) **Health** plans to furlough 375 employees to help offset a revenue loss from the COVID-19 pandemic, according to the *Stamford Advocate.* The health system said revenue was down $10 million in March, and that loss is expected to hit $27 million in April. The health system has 3,600 employees.

2. Citing a revenue loss of $85 million per month due to the COVID-19 pandemic, **University of Virginia Health System** in Charlottesville, plans to furlough a portion of its staff not involved in direct patient care. The furloughs will last up to three months. Affected employees can retain their health insurance benefits and can use their paid time off to help offset some of the pay loss. The health system also plans to reduce executive and physician compensation.

3. **St. Joseph Mercy Health System** in Livingston, Mich., has furloughed 50 staff members due to the COVID-19 pandemic, according to the *Livingston Daily.* The furloughs affected support staff from both of the health systems locations.

4. After exhausting other alternatives to shore up finances amid the pandemic, **University of Rochester** (N.Y.) **Medical Center** will begin furloughing employees in May, according to *WXXI News.* The hospital system announced May 8 that it would furlough 3,474 employees, more than 19 percent of its 17,885-person workforce.

5. Citing a patient volume and revenue drop from the COVID-19 pandemic, **Coshocton** (Ohio) **Regional Medical Center** has furloughed a portion of its 320 employees, according to the *Coshocton Tribune.* The furloughs are expected to last until May 31.

6. **Willis-Knighton Health System** in Shreveport, La., has placed a portion of its staff on unpaid leave. Affected staff worked in areas where the health system found a lower or nonexistent demand for services. In a statement provided to *Becker's Hospital Review,* Chief Administrative Officer Brian Crawford said the state's directive to curb non-emergent procedures and the effects of the pandemic left about half of the services provided by Willis-Knighton significantly reduced or halted.

7. Henderson, Ky.-based **Methodist Health** plans to furlough 50 employees due to the COVID-19 pandemic, according to *WEHT.* The health system said patient volumes have been gravely affected by the state ban on non-emergent procedures.

April 28

1. To help minimize the financial hit from the COVID-19 pandemic, St. Louis-based **SSM Health** plans to furlough 2,000 employees. The furloughs, expected to last at least 13 weeks, will affect about 5 percent of the health system's workforce. The health system said it also plans to place more workers on partial furlough or reduce their hours. Affected employees can apply for federal and state unemployment.

2. Bethel, Alaska-based **Yukon-Kuskokwim Health** will furlough, lay off or reduce hours of 300 workers to help offset a revenue loss attributed to the COVID-19 pandemic, according to *Alaska Public Radio.* The cuts and furloughs will occur across four categories: workers who are immediately laid off, workers who are furloughed, workers who volunteer for furlough and workers who have their hours cut by 50 percent. The health system employs about 1,400 people.

3. Citing a projected $100 million shortfall in revenue from March through June due to the pandemic, Rancho Mirage, Calif.-based **Eisenhower Health** has furloughed a portion of its staff, according to *The Desert Sun.* About 30 to 35 employees have been fully furloughed and others have been partially furloughed with reduced hours.

4. Washington, Ind.-based **Daviess Community Hospital** has furloughed a portion of its staff to help stabilize its financial position after a revenue loss caused by the COVID-19 pandemic, according to the *Washington Times Herald.* Affected employees can retain their benefits and have the opportunity to apply for unemployment. The furloughs will be reevaluated after 30 days.

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5. **University of Vermont Health System** in Burlington has furloughed a few hundred employees due to the COVID-19 pandemic, according to *NBC* affiliate *NECN.* About 70 of the affected staffers were reassigned to different roles within the health system. The exact number of furloughed employees was not disclosed.

6. Citing a 40 percent reduction in patient volume and a resulting revenue drop, Memphis, Tenn.-based **Methodist Le Bonheur Healthcare** has furloughed a portion of its staff, according to the *Daily Memphian.* Some of the employees volunteered to take furloughs. Employees will still have health insurance benefits.

7. Palm Springs, Calif.-based **Desert Regional Medical Center** has furloughed an undisclosed number of employees because of a patient volume drop amid the COVID-19 pandemic, according to *The Desert Sun.*

8. Oceanside, Calif.-based **Tri-City Medical Center** has sent layoff or furlough notices to 24 nurses amid the COVID-19 pandemic, according to the *Voice of San Diego.*

April 27

1. Citing a revenue loss due to the COVID-19 pandemic, Jackson-based **West Tennessee Healthcare** has furloughed 1,100 individuals of its 7,000-person workforce. The health system said it lost $18 million in March due to the statewide ban on elective procedures that went into effect March 23. To comply with the order, the health system temporarily shut down some hospital departments as well as its outpatient surgery center.

2. Annapolis, Md.-based **Anne Arundel Medical Center** has furloughed 1,000 employees due to low patient volume and other financial challenges brought by the COVID-19 pandemic. All furloughed employees received 80 hours of pay and are able to retain their benefits through June 30. The medical center said it plans to redeploy some of the furloughed workers to support an anticipated COVID-19 surge.

3. Lexington, Ky.-based **UK Healthcare** has furloughed 1,500 employees to help offset a COVID-19-related revenue loss, according to Kentucky.com. The health system said it has seen a drop in the number of services offered after elective procedures were canceled statewide in March. The health system said earlier in April it planned to place some employees on unpaid leave after April 25 if the pandemic continued to affect operations.

4. **St. Joseph Hospital** in Nashua, N.H., has furloughed 300 employees due to the COVID-19 pandemic, according to *WMUR.* The furloughs affect about 20 percent of the hospital's employees. In March, the hospital said it lost $3.6 million in revenue, a number expected to double by the end of April.

5. Citing a financial hit from the COVID-19 pandemic, Fresno, Calif.-based **St. Agnes Medical Center** has furloughed 175 employees, according to *ABC* affiliate *KFSN.* The hospital said it has seen a large drop in the number of elective surgeries and emergency room visits during the pandemic. Affected employees are able to retain healthcare benefits.

6. **Pikeville** (Ky.) **Medical Center** has furloughed more than 200 employees amid mounting financial pressure due to the COVID-19 pandemic, according to *WCHS TV.* The medical center said that the furloughs are necessary because it is predicting a "significant historical financial loss for April." The furloughs took effect April 26.

7. In an effort to offset financial losses due to the COVID-19 pandemic, **Cody** (Wyo.) **Regional Health** said it is furloughing a portion of its nonclinical staff, according to *The Cody Enterprise.* The health system said the furloughs will last at least two months. Since the crisis began, Cody Regional Health's revenue has been down 60 percent, according to the report.

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8. Citing a decrease in patient volume and revenue, Mobile, Ala.-based **Infirmary Health** has furloughed a portion of its staff, according to *NBC 15.* Affected employees will retain their healthcare benefits.

9. Show Low, Ariz.-based **Summit Healthcare**, projecting a revenue decrease of 40 percent to 50 percent due to COVID-19, is asking employees to voluntarily take furloughs, according to the *White Mountain Independent.* The hospital system said that the state ban on elective surgeries has significantly reduced workloads and volumes. The voluntary furloughs would begin May 2 and last 90 days.

"Furloughing allows us to retain talent while providing limited benefits," Summit Healthcare CEO Ron McArthur told the publication.

10. Dalles, Ore.-based **Mid-Columbia Medical Center** plans to furlough employees beginning May 3 in an effort to help offset losses attributed to the COVID-19 pandemic, according to *The Dalles Chronicle.* The furloughs will affect departments that are not seeing a high patient volume.

11. Due to a revenue loss from the COVID-19 pandemic, **Stanford** (Calif.) **Health Care** employees have the option to take a 20 percent pay cut, using paid time off, or taking a furlough, according to the *San Francisco Chronicle.* Employees must use one of those options between April 27 and July 4.

April 24

1. **HealthPartners** will furlough 2,600 workers in an effort to help offset the financial hit from the COVID-19 pandemic, the seven-hospital system in Bloomington, Minn., said April 23. The furloughs, made because the pandemic caused an "immediate and significant decrease in revenue," affect about 10 percent of its workforce. The furloughs will take place in areas where the organization has stopped, slowed or deferred work temporarily.

2. Citing financial challenges due to the COVID-19 pandemic, Buffalo, N.Y.-based **Catholic Health** plans to furlough up to 1,200 employees, according to *WKBW.* The furloughs will affect management and non-management positions. They will begin April 26 and will be reevaluated after 30 days. Affected employees will retain health benefits and can apply for unemployment.

3. Kansas City, Mo.-based **Children's Mercy** will furlough 575 employees for up to 60 days, according to *KCTV 5.* The furloughs will take effect April 26. Hospital officials said the furloughs are an effort to help offset fiscal losses attributed to the COVID-19 pandemic.

4. **Mary Free Bed Rehabilitation Hospital** in Grand Rapids, Mich., has furloughed 20 percent of its employees due to the COVID-19 pandemic, according to *WOOD TV.* The furloughs will affect about 400 staffers. Furloughed employees have access to health and life insurance through June 30.

5. Maryville, Tenn.-based **Blount Memorial Hospital** has furloughed 211 employees due to low patient volume amid the COVID-19 pandemic, according to *The Daily Times.*

6. Citing a loss of $10 million per month due to the COVID-19 pandemic, Chicago-based **Sinai Health System** plans to lay off 24 nonclinical employees, furlough about 150 caregivers and cut hours for another 200 employees, according to *Crain's Chicago Business.* The four-hospital system said it plans to call 200 furloughed employees back to work in 60 days.

7. After suffering a steep financial loss due to the COVID-19 pandemic, Bangor, Maine-based **St. Joseph Healthcare** has furloughed 100 of its 1,200 employees, according to *The Bangor Daily News.* St. Joseph said it ended March with an operating loss of $4 million and expects a bigger hit in April. The majority of affected staff volunteered to take a furlough.

8. Laurinburg, N.C.-based **Scotland Health Care System** will furlough nearly 70 employees through June 30, according to *The Laurinburg Exchange.* Most affected employees work in nonclinical roles, though some front-line staff were furloughed. The health system said the furloughs were necessary given the drop in patient volume and revenue caused by the COVID-19 pandemic.

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9. Citing a slowdown in elective procedures and a resulting revenue drop, St. Paul, Minn.-based **Regions Hospital** plans to furlough about 30 employees, according to the *Pioneer Press.* The affected employees include nurses, physicians, lab techs and other emergency room staffers.

10. Winston-Salem, N.C.-based **Wake Forest Baptist Health** plans to furlough a portion of its leadership and administrative staff as early as next week, according to *The Winston-Salem Journal.* The furlough period would last 16 weeks. It is unclear how many employees will be affected.

April 23

1. Detroit-based **Henry Ford Health System** plans to furlough 2,800 staffers not directly involved in patient care due to financial damage from the COVID-19 pandemic. The six-hospital system recorded a $43 million loss in operating income in March due to the cancellation of elective procedures, temporary clinic closures and the additional expenses of acquiring personal protective gear. The health system expects bigger losses in April and May.

2. Citing a financial hit from the COVID-19 pandemic, Providence, R.I.-based **Lifespan** has furloughed about 1,100 employees, according to *The Providence Journal.* A hospital spokesperson said most of the furloughs were taken voluntarily, and some employees have been able to take vacation or sick leave to maintain pay. Affected employees can retain their benefits, such as health insurance.

3. Woodbury, N.J.-based **Inspira Health** has furloughed 219 employees due to the COVID-19 pandemic, according to the *Philadelphia Business Journal.* The list of furloughed employees will be reviewed every two weeks, the health system said. Inspira has about 6,000 employees.

4. Macomb, Ill.-based **McDonough District Hospital** plans to furlough 60 workers amid declining revenue from the COVID-19 pandemic, according to local radio station *WGIL.* The health system experienced a $1.2 million loss in net revenue in March, and expects April to have a much larger loss.

5. To address the financial impact and patient volume dip caused by the COVID-19 pandemic, Greenville, N.C.-based **Vidant Health** will furlough a portion of its workforce, according to *ABC 12.* The health system will start the furloughs April 26. The number of affected employees was not disclosed.

6. Olean, N.Y.-based Upper **Allegheny Health System** plans to start a voluntary furlough program in an effort to help offset some of the losses from the COVID-19 pandemic, according to *Tap Into Greater Olean.* The system projects it will incur a $25 million loss related to COVID-19 in 2020.

7. Due to the suspension of elective procedures and subsequent revenue drop, Grand Forks, N.D.-based **Altru Health System** plans to reduce the number staffing hours by 10 percent to 15 percent through furloughs and a system-required absence program, according to *The Grand Forks Herald.* The hospital system said it is facing a potential loss of $65 million this year due to the COVID-19 pandemic.

8. Cleveland-based **University Hospital** plans to cut the hours and pay of 4,100 employees not involved in patient care, according to Cleveland.com. Salaried nonclinical staffers are required to take a one-week unpaid furlough every five weeks. Hourly nonclinical workers will have their hours cut by 20 percent each week. Affected employees can use paid time off and sick time during those unpaid weeks. Hospital staff will still receive benefits, like health insurance.

9. Citing the financial hit from COVID-19, Wausau, Wis.-based **Aspirus Health** plans to furlough a portion of its staff beginning May 1, according to a system press release. The furloughs will primarily affect employees who do not work directly in patient care.

"This is the most difficult decision our leadership team has ever made," said Aspirus President and CEO Matthew Heywood. "These drastic actions are ones we hoped to avoid but must take to ensure we can continue to serve our communities throughout this pandemic and for generations after."

10. To help protect the long-term financial health of the organization, Buffalo, N.Y.-based **Kaleida Health** is offering a temporary voluntary furlough program for its staff, the health system announced April 22 in a

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news release. The furlough program is a joint agreement with two unions that represent 8,000 Kaleida Health employees. Affected employees would be able to retain benefits, like health insurance.

Note: Rochester, Minn.-based Mayo Clinic said April 22 that 30,000 staff members will be affected by furloughs or cut hours. More information about the furloughs are listed under April 13, or you can click here.

April 22

1. Southfield, Mich.-based **Beaumont Health** will permanently lay off 450 staff members, cut executive pay and furlough 2,475 workers due to the financial hit from the COVID-19 pandemic. Most of the 450 layoffs affect corporate staff or administrative employees. The furloughs affect staff not directly caring for patients and hospital administrative staff.

2. Philadelphia-based **Tower Health** has furloughed at least 1,000 employees due to the financial hit from the COVID-19 pandemic. The furloughs affect roughly 7 percent of the system's 14,000-person workforce.The seven-hospital system said it has lost about 50 percent of its revenue due to the suspension of elective procedures and drop in outpatient volume.

3. Citing the suspension of elective procedures and a 50 percent reduction in revenue, Kalamazoo, Mich.-based **Bronson Healthcare** has furloughed hundreds, according to *WWMT.* Furloughed employees will not be paid for at least four months, and they can not use paid time off. The number of furloughed employees was not disclosed.

4. Utica, N.Y.-based **Mohawk Valley Health System** will furlough about 20 percent of its workforce of 4,000 for up to four months, according to the *Utica Observer-Dispatch.* The health system said it is part of a cost-cutting plan to recover from lost revenue caused by the COVID-19 pandemic.

5. About 200 employees at Ithaca, N.Y.-based **Cayuga Medical Center** have volunteered to take a furlough, according to Ithaca.com. The hospital, which employs 1,500, has seen a 50 percent drop in patient volume. Employees that opt into the furlough program can retain health insurance, apply for unemployment benefits and will receive a stipend upon returning to work.

6. Hudson, N.Y.-based **Columbia Memorial Hospital** will furlough 125 workers due to a drop in patient volume and revenue caused by the COVID-19 pandemic, according to *News 10,* an *ABC* affiliate. Furloughed workers can keep their health insurance and apply for unemployment benefits.

7. **St. Mary's Health System** in Lewiston, Maine, will furlough about 5 percent of its workforce to help offset losses attributed to the COVID-19 pandemic, according to the *Sun Journal.* The furloughs, which affect 77 staffers, will begin April 27 and last for 30 days.

8. Seventy-one employees from **Bay Area Hospital** in Coos Bay, Ore., opted to take voluntarily furloughs, according to *KCBY.* The employees will be furloughed for 45 days.

9. Rosemont, Ill.-based **Pipeline Health**, which operates Weiss Memorial Hospital in Chicago and West Suburban Medical Center in Oak Park, Ill., has furloughed an undisclosed number of its staff due to the COVID-19 pandemic, according to the *Chicago Tribune.* Those employees will keep their health insurance and can apply for unemployment.

10. Citing a revenue decline of 50 percent due to the COVID-19 pandemic, Dansville, N.Y.-based **Noyes Health** has furloughed a portion of its staff for one to two week on a rolling basis, according to *The Livingston County News.* Furloughed staff will retain health insurance benefits.

11. Madison, Wis.-based **UW Health** plans to furlough some staff due to the COVID-19 pandemic, according to the *Wisconsin State Journal.* UW Health CEO Alan Kaplan, MD, said UW Health saw a 62 percent decline in surgeries and patient volume, and as a result is expecting losses of $350 to $400 million between March 15 and June 30.

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12. West Des Moines, Iowa-based **UnityPoint Health** said it will implement furloughs starting April 26, according to *25 News*, an *NBC* affiliate. Furloughs will affect employees in areas of the system that are not operating at capacity or experiencing closures.

13. **Gottlieb Memorial Hospital** in Melrose Park, Ill., has furloughed some staff in response to the COVID-19 pandemic, according to the *Chicago Tribune.*

14. **MacNeal Hospital** in Berwyn, Ill., has furloughed some staff in response to the COVID-19 pandemic, according to the *Chicago Tribune.*

April 21

1. Phoenix-based **Banner Health** plans to furlough 5 percent to 7 percent of its workforce in response to the COVID-19 pandemic. Some affected employees may be furloughed for just a few weeks. Affected employees will still have benefits, like health insurance.

2. Citing the suspension of elective procedures, Ogdensburg, N.Y.-based **Claxton-Hepburn Medical Center** has furloughed or cut pay for 170 workers, according to *WWNY TV.* The furloughed employees will not be paid.

3. Rochester, Minn.-based **Olmsted Medical Center**, which employs 1,300 people, plans to furlough a portion of its staff to offset the financial hit caused by the COVID-19 pandemic, according to *ABC 6 News.* The medical center is projecting a loss of nearly $25 million for April through June due to the suspension of elective procedures.

4. **Myrtue Medical Center**, a Harlan, Iowa-based hospital with 422 employees, has furloughed a portion of its workforce due to a revenue drop from the COVID-19 pandemic, according to HarlanOnline.com. The hospital said that the pandemic has caused a nearly 50 percent drop in procedures, visits and overall patient volumes.

5. **Hutchinson** (Kan.) **Regional Healthcare System**, experiencing financial strain from the COVID-19 pandemic, plans to furlough staff, according to *The Hutchinson News.* The system said the furloughs will affect employees at each of its facilities, but declined to discuss the number of employees that will be furloughed.

6. Poteau-based **Eastern Oklahoma Medical Center**, a 25-bed critical access hospital, has furloughed 52 employees, according to *Erie News Now.* The hospital said that suspending non-emergent procedures has caused a dip in patient volume and revenue.

7. Citing a revenue loss from the COVID-19 pandemic and suspension of elective procedures, Framingham, Mass.-based **MetroWest Medical Center** has furloughed an undisclosed number of nurses, according to *The Milford Daily News.*

April 20

1. Citing the financial burden caused by the COVID-19 pandemic, **Carthage** (N.Y.) **Area Hospital** has furloughed 20 percent of its staff, according to local news station *WWNY TV.* About 83 staff members are affected. Furloughed employees with health insurance can still receive those benefits.

2. Sioux Falls, Idaho-based **Avera Health** will furlough 650 workers due to the suspension of elective procedures and resulting revenue loss, according to *The Grand Forks Herald.* Avera will also cut pay for 1,500 employees. The health system has 19,000 employees across a five-state region.

3. **St. Lawrence Health System**, a three-hospital system in Potsdam, N.Y., plans to furlough at least 400 workers to help offset the revenue loss caused by the COVID-19 pandemic, according to *North Country Now.* Due to a drop in patient volume due to the suspension of elective procedures, the system is projecting a cash flow decrease of $10 million in the next 30 days. The health system's website says it has more than 2,025 employees.

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4. Rapid City, S.D.-based **Monument Health** will place 200 employees on furlough, according to *KOTA TV.* The health system said that it implemented furloughs to help preserve protective gear and save costs after suspending elective surgeries. The furloughs, which are effective April 25, affect 4 percent of Monument Health's workforce.

5. In an effort to offset a revenue loss due to the COVID-19 pandemic, **Niagara Falls** (N.Y.) **Memorial Hospital** has furloughed 52 workers, according to *WKBW.*

6. **Elizabethtown** (N.Y.) **Community Hospital** has furloughed 25 staff members after experiencing a revenue cut of 50 percent due to the suspension of elective procedures during the COVID-19 pandemic, according to the *Adirondack Daily Enterprise.*

7. **Manatee Memorial Hospital**, a safety-net facility in Bradenton, Fla., has furloughed a portion of its staff due to the COVID-19 pandemic, according to Bradenton.com. Affected employees will be able to retain health and life insurance. It is unclear how many staff members are affected or how long the furlough will last.

8. **Tucson** (Ariz.) **Medical Center** has furloughed some of its staff to help offset a revenue loss caused by the COVID-19 pandemic, according to Tucson.com. The health system said it is estimating a revenue loss of $20 million in April alone.

9. Tucson, Ariz.-based **Carondelet Health Network** has implemented furloughs across the system due to the COVID-19 pandemic, according to Tucson.com.

10. Gillette, Wyo.-based **Campbell County Health** has furloughed an undisclosed number of employees, according to *The Gillette News Record.* Affected employees are eligible to retain their health insurance and are expected to return to work within six to 12 weeks, according to the report.

April 17

1. Citing declines in revenue and patient volume due to the COVID-19 pandemic, **Murray** (Ky.) **Calloway County Hospital** plans to implement furloughs in all departments, according to local news station *WPSD.* The hospital said the reductions will affect about 15 percent to 30 percent of staff in each department, according to the report.

2. Lockport, N.Y.-based **Eastern Niagara Hospital** will furlough 60 employees in response to the suspension of elective procedures due to the pandemic, according to Buffalo, N.Y., ABC affiliate *WKBW.* The furloughs affect union and nonunion employees.

3. Lowville, N.Y.-based **Lewis County Health System** is temporarily placing 14 percent of its workforce on unpaid leave due to the COVID-19 pandemic, according to *WWYN.* The health system will ask for volunteers before furloughs will be mandated based on seniority. Furloughs are expected to last eight weeks.

4. Citing a financial hit from the suspension of elective procedures, Traverse City, Mich.-based **Munson Healthcare** is furloughing a portion of its staff, according to *9&10 News.* Ed Ness, president and CEO of Munson Healthcare, told the *CBS* affiliate that the health system is projected to lose $7 million to $10 million a month.

5. **Ann & Robert H. Lurie Children's Hospital**, based in Chicago, has furloughed about 20 percent of its staff through the end of April, according to the *Chicago Tribune.* Those staff members are still receiving pay and healthcare benefits. The hospital said it is losing about $10 million a week because it suspended elective surgeries and outpatient visits and is seeing a drop in inpatient visits.

6. Due to the COVID-19 pandemic, Maywood, Ill.-based **Loyola Medicine** has furloughed primarily nonclinical staff and reduced hours for other employees, according to the *Chicago Tribune.* Furloughed workers are still receiving healthcare benefits.

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"We hope to bring back as many furloughed employees as we can, when possible," Loyola told the newspaper.

7. Citing a revenue drop from the COVID-19 pandemic, Somerset, Ky.-based **Lake Cumberland Regional Hospital** has 17 percent of its workforce on furlough, according to the *Commonwealth Journal.* Affected employees will continue to receive health insurance and 25 percent of their wages.

8. **Aiken** (S.C.) **Regional Medical Centers** will furlough 54 employees in an effort to offset revenue losses due to the COVID-19 pandemic, according to *WJBF.* Affected employees will be eligible for unemployment.

9. Due to the impact of the COVID-19 pandemic on its business operations, Boston-based **Fenway Health** will furlough a portion of its staff this week, according to *The Rainbow Times.*

"This is not something we are doing lightly. But Fenway Health is not immune to the economic forces affecting every health care system in the state in the midst of the COVID-19 crisis," Fenway Health CEO Ellen LaPointe, told the publication. "These measures are temporary."

10. El Paso, Texas-based **Hospitals of Providence** will furlough a portion of its staff to help offset a drop in patient volume, according to *El Paso Times.* Hospitals of Providence said that less than 3 percent of staff would be affected.

11. Jacksboro, Texas-based **Faith Community Health System** has furloughed, cut hours or reassigned about 75 percent of its staff due to the suspension of elective procedures, according to *The Dallas Morning News.*

"Where larger hospitals might have the ability to sustain that loss of revenue, rural hospitals just don't. It has hit us faster and harder," Faith Community CEO Frank Beaman told the publication.

April 16

1. **Samaritan Medical Center** in Watertown, N.Y., will furlough 10 percent of its 2,400 employee workforce due to a revenue loss stemming from the COVID-19 pandemic, according to *NNY360.* The medical center expects the furloughs to last about three months.

2. In an effort to ensure the long-term financial stability of the organization, DuBois, Pa.-based **Penn Highlands Healthcare** has furloughed or laid off 600 employees, according to *The Progress News.* About 60 percent of the 600 affected staff were furloughed. The health system has seen its revenue dip about 40 percent due to the suspension of elective procedures.

3. New Bedford, N.H.-based **SolutionHealth**, which includes Manchester, N.H.-based Elliot Hospital System and Nashua-based Southern New Hampshire Health, plans to furlough 650 staff members to offset a revenue hit from the COVID-19 pandemic, according to *The Union Leader.*

4. **Titus Regional Medical Center,** a 108-bed facility in Mount Pleasant, Texas, has furloughed about 10 percent of its staff due to the COVID-19 pandemic, according to *The Texas Tribune.* It has about 800 employees. Titus said it expects the virus to cause a financial hit of $3.3 million, or about 14 days of cash.

5. Citing a financial hit from the COVID-19 pandemic, Chillicothe, Ohio-based **Adena Health System** has furloughed 500 staff members, according to *WBNS,* a *CBS* affiliate. The health system is projecting that it will have a deficit of more than $50 million through 2020 due to the suspension of elective procedures.

6. Akron, Ohio-based **Summa Health** is furloughing 360 employees in an effort to cut costs during the COVID-19 pandemic, according to *The Beacon Journal.* Summa Health has about 7,200 employees. The furloughs started this week. It is unclear when they will end.

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7. **Jupiter (Fla.) Medical Center** has furloughed 50 workers in administrative and support positions due to the COVID-19 pandemic, according to *The Palm Beach Post.* The furloughs affect 2.7 percent of the hospital's 1,883 employees and are expected to last through the peak of the pandemic.

8. Citing a patient volume and revenue loss from the COVID-19 pandemic, Paragould-based **Arkansas Methodist Medical Center** plans to furlough a portion of its staff starting April 20, according to local news station *KAIT8.*

9. Dunn, N.C.-based **Harnett Health** has furloughed 80 staff members due to theCOVID-19 pandemic, according to *My Daily Record.*

"We want to reassure our community that we are still here and able to provide care whenever they may need us," Harnett Health President Cory Hess told the publication. "The restructuring is a direct result of having to temporarily shut down some of our services to reduce the spread of COVID-19."

10. Citing a revenue dip due to the COVID-19 pandemic, Pocatello, Idaho-based **Portneuf Medical Center** will furlough and lay off a portion of its staff, according to the *Idaho State Journal.* It is unclear how many staff members were furloughed and laid off. The furloughs are expected to last 90 days, but some employees may be called back earlier.

"To balance the resources needed to care for our sickest patients against the economic impact of postponed visits and the decline in surgeries, we have made some difficult workforce decisions," a spokesperson for Portneuf Medical Center told the publication.

11. San Francisco-based **Dignity Health** has furloughed a portion of its nonclinical staff, Laurie Harting, Dignity's CEO for the Greater Sacramento region, told the *Sacramento Business Journal. T*he number of affected employees was not disclosed.

12. While Sacramento-based **Sutter Health** has created a labor pool to redeploy and reassign employees, some who are unable to be reassigned have been furloughed, according to the *Sacramento Business Journal.* Sutter has offered these affected employees 80 hours of "disaster pay" to account for hours lost and is creating a relief fund for employees. It is unclear how many employees are receiving the disaster pay. The health system has not laid off employees.

April 15

1. Citing a decline in elective surgeries and other nonemergent procedures due to the COVID-19 pandemic, Dallas-based **Tenet Healthcare** has furloughed about 10 percent of its workforce of more than 113,000. Affected employees include those in administrative support roles, corporate office jobs and elective care. Earlier in April, Tenet said it planned to furlough 500 employees, but the health system said it had to raise the number of furloughs after the costly government-mandated suspension of elective procedures.

2. Citing the suspension of elective procedures, **Detroit Medical Center** is furloughing 480 employees who are not involved in treating COVID-19 patients or other critical patient care, according to *Fox Detroit.*

3. **Lovelace Health System**, based in Albuquerque, N.M., plans to furlough or cut hours of about 630 people, according to *The Albuquerque Journal.* The temporary workforce reduction affects about 15 percent of the health system's 4,239 employees.

4. Citing a revenue drop of 60 percent due to the COVID-19 pandemic, Rutland City, Vt.-based **Rutland Regional Health System** has furloughed 150 employees, according to *WCAX.* The hospital has about 1,200 employees total.

5. Philadelphia-based **Einstein Healthcare Network** plans to move forward with furloughs due to a significant decline in physician practice and outpatient volume, according to *WHYY.* Health system officials said they project a $50 million to $60 million hit in 2020. Internal documents revealed that 70

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percent of the health system's expenses are staff related. Einstein Healthcare department heads were instructed to choose which employees to furlough this week.

6. **Abbeville** (S.C.) **Area Medical Center** has furloughed or cut hours of 75 employees for at least two months, according to the *Index-Journal.* Both clinical and nonclinical staff are affected.

"Like many hospital systems across the state and nation, the COVID-19 pandemic has created financial challenges for Abbeville Area Medical Center," Dean Turner, Abbeville Area Medical Center's CEO, told the publication. "This was a difficult decision but one that was necessary not only to ensure that our hospital can continue to serve patients, but also to ensure that our employees have jobs to come back to in the next six to eight weeks, if not sooner."

7. Citing a financial toll from the COVID-19 pandemic, Roanoke, Va.-based **Carilion Clinic** plans to furlough a portion of its staff, CEO Nancy Agee announced in a video to employees. The number of affected employees has yet to be determined.

8. Jonesboro, Ark.-based **St. Bernards Healthcare** has furloughed 50 employees due to a significant decline in patient volume and revenue, according to *Arkansas Business.* The health system said that it is working to help furloughed staff "receive every benefit possible."

9. In an effort to conserve cash and ensure the future financial stability of the organization, Sedalia, Mo.-based **Bothwell Regional Health Center** has furloughed 50 staff members, according to *KSIS Radio.* The COVID-19 pandemic has resulted in a 43 percent reduction in revenue, the hospital said.

10. Queensbury, N.Y.-based **Hudson Headwaters Health Network** has furloughed 50 employees due to the revenue hit from the COVID-19 pandemic, according to *North Country Public Radio.*

11. Decatur, Ill.-based **HSHS St. Mary's Hospital** is asking employees to take voluntary furloughs due to a decline in patient volume from the COVID-19 pandemic, according to *WCIA.*

12. Fayetteville, Ark.-based **Washington Regional Medical Center** is furloughing a portion of its staff to help offset revenue losses due to the COVID-19 pandemic, according to *KNWA,* a *Fox* affiliate. The number of furloughs has yet to be determined.

13. In an effort to offset some of the financial losses from the COVID-19 pandemic, Mount Clemens, Mich.-based **McLaren Macomb Hospital** plans to furlough up to 20 nurses, according to *Detroit News.*

April 14

1. **Kalispell** (Mont.) **Regional Healthcare** will furlough 600 employees in an effort to help offset the financial hit from the COVID-19 pandemic, according to *NBC Montana.* The health system expects to incur a revenue loss of $16 million per month due to the suspension of elective procedures.

"The compounding effect of the loss of patient volumes, cancellation of elective surgeries, and the closure of entire service lines has had a tremendous financial impact on KRH," Craig Lambrecht, MD, Kalispell Regional president and CEO, told the publication. "Cost cutting efforts have been underway but unfortunately those efforts alone cannot remedy the significance of these losses."

2. **UT Health East Texas i**n Tyler has furloughed or reduced hours of about 10 percent of its staff due to a decline in patient volume stemming from the COVID-19 pandemic, according to *KLTV.* The furloughs will last about 90 days, but some employees may be called back earlier. Employees will still have access to health insurance and paid time off benefits.

3. Manchester, N.H.-based **Catholic Medical Center** has furloughed 700 employees after canceling elective procedures to save staff and supplies for COVID-19 patients, according to *The Union Leader.* The hospital said it is losing about half of its typical monthly revenue. Furloughed workers can use paid time off.

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4. Citing a revenue loss tied to the COVID-19 pandemic, **Glens Falls** (N.Y.) **Hospital** furloughed 337 workers, according to *The Glens Falls Post-Star.* Affected employees work in nonclinical roles.

5. Weymouth, Mass.-based **South Shore Health** has placed 219 employees on furlough in an effort to counter some of the financial strain caused by COVID-19, according to *The Patriot Ledger.* The health system has more than 5,600 employees. The health system said it is looking to reassign some of the workers to new roles.

6. Las Cruces, N.M.-based **Memorial Medical Center** has furloughed 125 employees, according to *The Las Cruces Sun News.* The furloughs affected nearly all departments and will last 60 days. The employees will earn partial pay and will still retain health benefits.

7. Minneapolis-based **Allina Health** said that employees in nonclinical and indirect patient care roles must take at least one mandatory furlough in a 30-day period, according to *SW News Media.* The mandatory unpaid furlough will be one week in duration. Employees can use paid time off to cover the mandatory furlough.

"Not unlike other health care systems in Minnesota and across the nation, these changes have created significant financial pressures for Allina Health," the health system said in a news release.

8. Irving, Texas-based **Christus Health** implemented furloughs for a portion of its staff, according to *KLTV.* The health system said employees will retain their healthcare benefits and are allowed to take paid time off. The system didn't disclose how many employees will be affected.

9. In an effort to help offset an expected revenue loss of $6 million per month, Derby, Conn.-based **Griffin Hospital** is furloughing 99 employees, according to *The New Haven Register.* The furloughed employees work in nonclinical roles.

10. Las Cruces, N.M.-based **MountainView Regional Medical Center** has placed 67 employees on furlough, according to *The Las Cruces Sun News.* The medical center has furloughed employees from departments where services have been suspended during the pandemic.

11. **Nacogdoches** (Texas) **Memorial Hospital** has furloughed a portion of its staff due to the COVID-19 pandemic, according to *The Lufkin Daily News.* The hospital said it has been stockpiling supplies for an anticipated surge in COVID-19 patients, which has "resulted in extraordinary expenses piling up at exactly the same time that we've intentionally driven volumes down by more than 50 percent."

April 13

1. Citing a revenue drop due to the COVID-19 pandemic, **Decatur** (Ala.) **Morgan Hospital** is furloughing about 10 percent of its staff, 100 workers, according to *The Decatur Daily.*

2. Springfield, Mo.-based **CoxHealth** has furloughed 283 employees due to the suspension of elective procedures, according to *The Springfield News-Leader.* The hospital said it is working to get some of the furloughed employees redeployed to other positions in the health system.

3. Canton, Ohio-based **Aultman Health** will furlough about 400 employees, according to *The Canton Rep.* The majority of furloughed employees work in nonclinical roles, low-volume service areas or can't be redeployed to care settings.

4. **Evangelical Community Hospital**, based in Lewisburg, Pa., has placed 400 workers on a furlough, according to *The Williamsport Sun-Gazette.* The hospital employs about 1,900 workers.

"Furloughs were across the board," Deanna Hollenbach, a Evangelical Community Hospital spokesperson, told *The Sun-Gazette.*

5. Danville, Ky.-based **Ephraim McDowell Health** plans to furlough 20 percent of its 1,700-employee workforce, according to *The Advocate Messenger.* The hospital system said that it needed to "take

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immediate steps to ensure that we can sustain our operations after the COVID-19 crisis ends," according to a statement obtained by the publication.

6. Starting April 13, Farmington, N.M.-based **San Juan Regional Medical Center** is furloughing a portion of its staff, according to *The Farmington Daily Times.* The furloughs will affect employees in elective care and in nonclinical roles.

7. Citing a revenue loss of 50 percent, Elmeria, N.Y.-based **Arnot Health** plans to furlough a portion of its staff to shore up finances, according to MyTwinTiers.com. Affected employees will be notified by April 17.

"The subsequent reductions in patient revenue have made it impossible for Arnot Health to afford the cost of current staffing levels in all but the most essential areas at this time," the hospital said in a news release.

8. Although **Mayo Clinic** previously said it would protect full pay and benefits through April 28, after that date the system now says it will furlough some staff and implement pay cuts to address significant reductions in revenues. The Rochester, Minn.-based system said it projects a $900 million shortfall, even with the furloughs and pay cuts. On April 22, Mayo Clinic said the furloughs and reduced hours will impact about 30,000 staff members. The system also said it expects to incur $3 billion in losses due to the COVID-19 pandemic. The furloughs or reduced hours affect about 42 percent of Mayo Clinic's 70,000 employees across its campuses in Arizona, Florida and Minnesota.

9. Anderson, S.C.-based **AnMed Health** will begin implementing furloughs April 19, according to *WWYF.* The furloughs are expected to last about three months. There was no specific number of furloughs announced, but officials said both clinical and nonclinical employees will be affected.

10. **Spartanburg** (S.C.) **Regional Healthcare System** has furloughed some of its staff, according to *WWYF.* The health system has set up a COVID-19 fund to support affected staff.

11. La Crosse, Wis.-based **Gundersen Health System** has furloughed some of its staff, according to *The La Crosse Tribune.* Gundersen officials said that its locations have experienced a 40 percent to 80 percent decrease in business operations in the last few weeks due to the suspension of nonemergent procedures and clinic visits.

"These are temporary actions," Gundersen CEO Scott Rathgaber, MD, told the publication. "We plan to bring staff back to fully serve the needs of our patients and communities when our procedures and appointments can safely return to normal operations."

12. **Grays Harbor Community Hospital**, based in Aberdeen, Wash., has implemented furloughs after the system saw a 45 percent drop in outpatient procedures due to the COVID-19 pandemic, according to *KXRO.* The hospital said it was also incurring more costs to procure equipment for staff. The furloughs will begin April 13 and last 90 days.

13. Citing millions of dollars in lost revenue due to the COVID-19 pandemic, Bennington-based **Southwestern Vermont Health Care** is furloughing a portion of its workforce, according to *The Bennington Banner.* The health system expects to furlough about 100 of its 1,400 workers and said it will reassess the furloughs every two weeks.

14. Putnam, Conn.-based **Day Kimball Healthcare** has furloughed workers due to a drop in patient volume and revenue, according to *NBC Connecticut.*

April 10

1. Allentown, Pa.-based **Lehigh Valley Health Network** has furloughed about 900 employees who work at its physician practices, according to *The Morning Call.* The email obtained by the publication stated that furloughed workers can return to work after in-person patient visits return to normal levels.

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2. **Halifax Health**, based in Daytona Beach, Fla, has placed 300 staff members on a mandatory four-month furlough, according to *The Daytona Beach News Journal.* The news comes just nine days after the system asked for volunteers to take furloughs. The health system is also mandating that nonclinical staff not included in the furlough take one day off per week.

3. Citing financial pressure from the COVID-19 pandemic, Escondido, Calif.-based **Palomar Health** has issued temporary layoffs for 221 employees, according to *NBC San Diego.* The furloughs will last 21 days and may be extended. Palomar Health said it is facing a significant revenue decline and incurred more costs to procure equipment.

4. Citing a 60 percent reduction in revenue in the last two weeks due to the pandemic, Marshall, Mich.-based **Oaklawn Hospital** has temporarily laid off 200 employees, according to local news station *WWMT.* The temporary layoffs affect about 17 percent of its 1,150 employees.

5. More than half of the employees at Gold Beach, Ore.-based **Curry Health Network** will be furloughed, laid off or have hours cut, according to *Oregon Live.* The hospital network said that 192 employees will be affected. At the beginning of March the network employed 340. The system said the state's ban on elective procedures to free up capacity and supplies for COVID-19 patients cut into its revenue stream, according to the report.

6. **Baptist Health**, an eight-hospital system based in Louisville, Ky., has implemented temporary unpaid furloughs for employees in jobs that do not support caregivers or are not critical to treating COVID-19 patients. The health system did not disclose the number of furloughed employees.

"Our intent is to return to normal operations as soon as possible, and begin calling back employees. This is just a temporary measure," said Baptist Health CEO Gerard Colman.

7. Batesville, Ark.-based **White River Health System** has furloughed some employees for 30 days due to a decrease in patient volume, according to local news station *KARK.* It is unclear how many employees were placed on furlough, but they are expected to be temporary.

8. Citing volume declines of more than 50 percent due to the COVID-19 pandemic, Georgetown, S.C.-based **Tidelands Health** has furloughed an undisclosed number of staff, according to *WPDE*, an *ABC* affiliate.

9. Gardener, Mass.-based **Heywood Healthcare** has furloughed an undisclosed number of staff in units and facilities that were closed in preparation for a surge of coronavirus patients, according to *The Gardener News.* The first furlough will last four weeks and will mainly affect staff that work in outpatient settings.

"We are actually seeing a $5 million drop in overall revenue for our organization, so we are going to really work on staffing, and we are going to implement a variety of things today, including furloughs — both full furloughs for staff and partial furloughs — continuing to use low activity days, some very limited layoffs, reducing scheduled hours, changing our on-call arrangements, restructuring job positions, reducing the contracted services we have, as we try to tackle and lower our expenses," Win Brown, president and CEO of Heywood Healthcare, told the publication.

10. Brewer, Maine -based **Northern Light Health** is asking its staff to volunteer to take furloughs, according to CentralMaine.com. The health system said it has no plans to conduct involuntary furloughs.

April 9

1. Citing severe patient volume disruptions caused by the COVID-19 pandemic, Johnson City, Tenn.-based **Ballad Health** plans to furlough at least 1,300 workers, cut pay for some senior leaders and suspend retirement contributions. Ballad is projecting a cash flow drop of $150 million in the next 90 days due to the suspension of elective procedures.

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2. Lewiston-based **Central Maine Healthcare** will furlough 330 employees to help offset the revenue loss caused by the COVID-19 pandemic, according to *Bangor Daily News.* The furloughs affect about 10 percent of its workforce.

"Furloughs like this are one way that we can adjust and manage the balance sheet appropriately. It also allows us to do that without having to sacrifice jobs permanently, without having to end the provision of care," Kate Carlisle, director of public relations and community affairs for Central Maine Healthcare, told the publication.

3. **Oswego** (N.Y.) **Health** will furlough 25 percent of its workforce next week, according to Syracuse.com. Health system officials said that it has been losing about $180,000 per day since the beginning of March due to the coronavirus pandemic. Oswego Health said the furloughs should last about 10 to 12 weeks.

4. Citing a revenue and patient volume dip caused by the COVID-19 pandemic, Hopkinsville, Ky.-based **Jenny Stuart Health** has furloughed 248 staff members, according to *Kentucky New Era.* The health system has about 1,000 employees.

"This is an incredibly difficult time for our health system, and this is not a decision we made lightly. I regret the immediate personal impact on these employees and their families," Jennie Stuart Health CEO Eric Lee told the publication.

5. **Marshfield** (Wis.) **Clinic** will furlough employees who are not involved in preparing for the anticipated surge in COVID-19 patients, according to local news station *WEAU.* The furloughs are expected to be temporary, and staff can be recalled at any point in time to help manage the surge, according to the report.

6. Due to the suspension of elective procedures, **Ashtabula** (Ohio) **County Medical Center** is furloughing a portion of its workforce, according to the *Star Beacon.* To reduce the number of employees affected by the furlough, the hospital is training some employees to support different clinical departments in anticipation of a surge of COVID-19 patients.

7. **University of Kansas Health System St. Francis Campus** in Topeka is laying off 29 employees and furloughing 235, according to *The Topeka Capital Journal.* The furloughs and layoffs are an effort to offset the financial impact of the COVID-19 pandemic. The furloughs affect about 17 percent of the hospital's staff.

8. Holyoke, Colo.-based **Melissa Memorial Hospital** is placing 19 employees on furlough for about three months, according to *The Holyoke Enterprise.* Furloughed employees are expected to return to work on July 26. The hospital said the decision was made because revenue was down due to the suspension of elective procedures.

9. **Mad River Community Hospital**, a 78-bed hospital in Arcata, Calif., is placing some employees on a full or partial furlough, according to *Lost Coast Outpost.* Hospital officials said the move is "essential" to ensure its doors remain open after the pandemic.

10. Citing challenges due to the COVID-19 pandemic, Oklahoma City-based **Integris Health** plans to furlough employees not involved in direct patient care, according to *News 9.* The furloughs are expected to be temporary. Affected employees will still receive health insurance benefits.

11. **Abilene** (Texas) **Regional Medical Center** has placed a small number of employees on furlough, according to *KTXS,* an *ABC* affiliate. Affected employees work in areas where services have been curtailed or suspended due to the COVID-19 pandemic.

April 8

1. **MUSC Health**, an eight-hospital system based in Charleston, S.C., said it would temporarily lay off 900 employees, or 5 percent of its workforce, to offset the financial hit caused by the COVID-19 pandemic. The temporary layoffs, which do not affect nonclinical workers, were effective April 7.

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2. Nonclinical employees at Peoria, Ill.-based **OSF HealthCare** will be subject to mandatory paid time off or will be furloughed, the health system said April 7. The health system said the furloughs are necessary to help offset a revenue loss caused by the COVID-19 pandemic.

"It is important for the communities OSF has been called to serve for more than 142 years that we stabilize our financial position and protect our culture so we can continue to serve those communities, and our Mission Partners and their families in Illinois and Michigan," said Mike Allen, CFO of OSF HealthCare. "Our priority remains equipping our frontlines with the resources they need to ensure the continuation of essential care, while protecting those providing that care."

3. Citing a revenue and patient volume reduction caused by the COVID-19 pandemic, Holyoke, Mass.-based **Valley Health System** has furloughed 225 employees, according to *Western Mass News.* The furloughs affect about 11 percent of its workforce.

4. **Odessa** (Texas) **Regional Medical Center** has furloughed 60 employees to help offset a revenue loss due to the COVID-19 pandemic, *CBS 7* reports. Affected employees will still receive insurance and are expected to be called back to work.

5. **Medical Center Hospital** in Odessa, Texas, has furloughed 30 staff members after the facility was ordered to suspend the lucrative elective procedures to save resources and staff to treat COVID-19 patients, according to *CBS 7.* The hospital has reassigned hospital workers to different areas, but Medical Center Hospital CEO Russell Tippin told the publication that it has been difficult.

"We're in such a regulated industry that it's hard," Mr. Tippin told *CBS 7.* "You can't take a pharmacist and put them in radiology. And you can't take a radiologist and put them in pharmacy."

6. In an effort to ease the financial damage caused by the COVID-19 pandemic, Amarillo, Texas-based **BSA Hospital** plans to furlough some of its employees for up to 90 days, according to *ABC 7 Amarillo.*

7. **Magnolia** (Ark.) **Regional Medical Center** has furloughed an undisclosed number of nonclinical staff, including administrative and clerical workers, according to *The Magnolia Banner News.* The furloughs are expected to last at least two months. Affected staff will remain on the MRMC roster and maintain insurance, according to the report.

8. Caribou, Maine-based **Cary Medical Center** has furloughed a number of employees due to a drop in patient volume and revenue as a result of preparing for a COVID-19 patient surge, according to *The Bangor Daily News.* A majority of the furloughs affect support staff for physicians, according to the report.

9. In response to the COVID-19 pandemic, Hartford, Conn.-based **Trinity Health of New England** plans to furlough an undisclosed number of employees, according to *The Hartford Courant.* The majority of the furloughs will affect nonclinical workers.

"This will enable us to focus our resources on the functions directly related to essential COVID-19 patient care needs that we anticipate, while protecting people and helping prevent the spread of the disease," Trinity Health of New England said in a statement to *The Hartford Courant.*

April 7

1. Tulsa, Okla.-based **HillCrest HealthCare System** will furlough 600 employees for up to 90 days, according to local news station *KRMG.* The furloughs affect about 9 percent of staff and are a result of a decline in routine and elective procedures due to the COVID-19 pandemic.

2. **Thomas Health System** in South Charleston, W.Va., plans to furlough "less than 500" employees starting this week, according to the *West Virginia Gazette Mail.* In announcing the furloughs, the health system cited the suspension of nonemergent procedures due to the COVID-19 pandemic.

3. Citing a decrease in patient volume and revenue due to the pandemic, **Cookeville** (Tenn.) **Regional Medical Center** has furloughed 400 employees, according to *Fox 17 News.*

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"The pandemic created by COVID-19 has had a devastating impact not only in our community and state but across our entire country and the world that has required each of us to make sacrifices," the hospital said in a statement to *Fox 17 News.*

4. **Cape Fear Valley Health**, based in Fayetteville, N.C., plans to furlough an additional 350 employees, according to *The Fayetteville Observer.* The health system had already furloughed about 300 employees on March 27. The health system said since the first round of furloughs, its inpatient occupancy has dropped to 60 percent.

5. Citing a revenue and patient volume drop from the COVID-19 pandemic, Washington Court House, Ohio-based **Fayette County Memorial Hospital** has furloughed 71 of its 352 employees, according to radio station *WKKJ.* The furloughs are expected to last for 30 days.

6. **M Health Fairview**, a 10-hospital system in Minneapolis, is asking physicians, nurse practitioners and physician assistants in some clinics to volunteer to take a week of unpaid leave as a furlough, according to *The Star Tribune.*The system is taking volunteers for one-week physician furloughs through May 3. Those who volunteer will still receive benefits.

7. Mountain Home, Ark.-based **Baxter Regional Medical Center** plans to furlough an undisclosed number of employees to ease the financial hit from a decrease in volume and increased costs to prepare for the COVID-19 pandemic, according to local news station *KTLO.* The furloughs are expected to be temporary. The hospital will reevaluate if additional measures are needed or if employees can return after four weeks.

8. Joplin, Mo.-based **Freeman Health System** plans to furlough an undisclosed number of employees after suspending elective procedures to prepare for the anticipated surge in COVID-19 patients, according to FourStatesHomepage.com

9. **Lawrence** (La.) **General Hospital** has placed 160 staff members on a four-week furlough, according to *The Eagle Tribune.* Most of the furloughs, which are expected to be temporary, affect nonclinical workers. Lawrence General has about 2,000 employees.

10. **Froedtert Health** has furloughed some workers, according to local news station *Fox 6,* which spoke to furloughed nurses from the Wauwatosa, Wis.-based system on the condition of anonymity.

April 6

1. Huntington, W.Va.-based **Mountain Health Network** furloughed 550 employees and cut the hours of 450, according to local news station *WSAZ.* The furloughs are a result of the financial and resource strain prompted by the COVID-19 pandemic.

2. **LRGHealthcare,** based in Laconia, N.H., plans to furlough 600 employees for up to four months to cope with the financial effects of the COVID-19 pandemic, according to the *Laconia Daily Sun.* Affected employees will keep their medical insurance and can receive unemployment compensation.

3. Citing a 35 percent reduction in revenue due to the COVID-19 pandemic, Columbia, Tenn.-based **Maury Regional Health** will furlough 340 employees this week, according to *The Columbia Daily Herald.* Maury Regional Health employs more than 3,000.

"We are experiencing unprecedented events as the COVID-19 pandemic evolves. After much deliberation, we were forced to make the difficult decision to furlough employees in the face of declining volumes and revenue. We plan to begin calling back employees as patient volumes normalize," Maury Regional CEO Alan Watson told the *Daily Herald.*

4. Franklin, Tenn.-based **Williamson Medical Center** will furlough 200 employees due to a loss in revenue attributed to the COVID-19 pandemic and government mandates to postpone elective procedures, according to *The Tenneseean.* The furloughs, which began taking place April 1, are expected to be temporary.

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5. Coos Bay, Ore.-based **North Bend Medical Center** has furloughed 130 employees to prepare for the novel coronavirus pandemic, according to TheWorldLink.com. The medical center is still providing insurance to the furloughed workers.

6. Citing a $16 million revenue loss in March due to the postponement of elective procedures, **Sarasota** (Fla.) **Memorial Hospital** will furlough an undisclosed number of employees, according to local news station *WUSF.* The hospital, which has 6,400 employees, expects to lose even more revenue in April and May due to the COVID-19 pandemic.

7. Dayton, Ohio-based **Premier Health** will furlough an undisclosed number of employees due to an anticipated financial hit from Ohio's interim ban on nonessential surgeries, according to *The Dayton Business Journal.* The furloughs will affect employees that are not providing patient care.

8. Due to a loss in revenue and patient volume, **Conway** (S.C.) **Medical Center** plans to furlough about 100 employees who are not frontline care providers, according to *WMBF.* The hospital said the mandate on suspending elective procedures caused the revenue and volume drop.

April 3

1. Burlington, Mass.-based **Wellforce**, which includes four community hospitals, one academic medical center and a children's hospital, has furloughed 719 workers, according to the *Boston Business Journal.* The affected employees will be furloughed for at least 90 days to help the system deal with the drastic volume decrease from suspending elective procedures. In addition, 1,236 employees will have their hours and pay reduced, according to the report.

2. Southbridge, Mass.-based **Harrington Healthcare** has furloughed 131 employees across its network this week, according to *MassLive.* About 20 of the 131 affected employees were "partially furloughed," meaning their hours were significantly reduced, according to the report. Chris Canniff, the company's vice president of administration and human resources, said the provider has seen a 50 percent decline in patient volume amid the COVID-19 pandemic. Furloughed employees will not be paid for four weeks.

3. Seattle-based **Virginia Mason Medical Center** said it has seen a 30 percent decline in revenue since the COVID-19 pandemic started and Gov. Jay Inslee ordered hospitals to suspend elective procedures. As a result, the system is furloughing an undisclosed number of employees, according to local station *K5 News.* Most of the affected employees are in nonclinical roles.

"We rely substantially on outpatient revenue to ensure our financial viability," wrote medical center executives in an internal memo to Virginia Mason leaders obtained by *K5 News.* "This is an unprecedented time and it calls for drastic measures."

4. Citing drastic revenue decreases and increased expenses, Columbus, Ohio-based **Mount Carmel Health System** will furlough nonclinical staff, according to *ABC 6.* The health system said fewer than 500 employees will be affected. The system employs more than 10,000. In addition to the furloughs, the health system is implementing pay cuts for executives and physicians, according to the report.

5. Atlantic City, N.J.-based **AtlantiCare** has furloughed some of its workers due to the COVID-19 pandemic, according to NJ.com. In addition, the system has asked staff members, including nurses and physicians, to voluntarily take a furlough or a reduction in their hours, according to *Press of Atlantic City.* The staffing changes began taking place March 30. The changes are considered temporary, and affected employees will keep their benefits.

6. Citing a drop in patient revenue due to government mandates to help the COVID-19 pandemic, Dayton, Ohio-based **Kettering Health Network** is placing some of its employees on furlough, according to the *Dayton Business Journal.*

7. New Bedford, Mass.-based **Southcoast Health** will furlough some staff not actively involved in patient care efforts because the health system is absorbing a deep revenue hit, according to *Southcoast Today.* The health system will pay a portion of furloughed employees' insurance premiums through June 30.

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April 2

1. Livonia, Mich.-based **Trinity Health** plans to furlough 2,500 employees. The system made the decision to help offset the financial hit from COVID-19. Most of the affected employees are in nonclinical roles.

2. **Boston Medical Center** is furloughing 700 staff members, or 10 percent of its workforce, due to financial losses from the COVID-19 pandemic. Kate Walsh, CEO of Boston Medical Center, told The Globe that the hospital has lost about $5 million in revenue per week, and that the furloughs will help save the system about $1 million per week.

3. Citing a revenue hit from the COVID-19 pandemic, Cincinnati-based **Bon Secours Mercy Health** will furlough 700 employees and freeze wages of all nonclinical personnel. The furloughs are expected to begin next week and last 30 to 90 days, depending on how long the pandemic lasts, according to Bon Secours Mercy Health CEO John Starcher. Bon Secours Mercy Health estimates it will see an operating loss of at least $100 million per month while the pandemic lasts.

4. Citing a severe disruption in services due to the COVID-19 pandemic, Duluth, Minn.-based **Essentia Health** has placed about 500 nonclinical staff on administrative leave.

5. Hartford-based Connecticut **Children's Medical Center** is furloughing 400 employees across its system due to the expected financial hit from COVID-19, according to *The Hartford Courant.* The system said its patient volume has been cut in half due to halting elective procedures. Furloughed employees are mainly nonclinical workers, and are expected to return to work in early June, or when elective procedures can resume.

6. **Clay County Medical Center**, a 25-bed hospital in Clay Center, Kan., has furloughed 25 percent of its staff in response to the COVID-19 pandemic, according to *The Clay Center Dispatch.* It has about 300 employees, according to its website.

7. **Williamson Medical Center** in Franklin, Tenn., will temporarily furlough 200 employees to sustain its financial resources during the COVID-19 pandemic.

8. Dallas-based **Steward Health Care** is informing employees to expect furloughs at its facilities across the U.S. as the system works to overcome the "seismic shock" of the COVID-19 pandemic. The health system said it has started a temporary furlough program for some employees of its hospitals in nine states. Most affected staff work in nonclinical jobs.

9. **Huntsville** (Ala.) **Hospital System,** faced with expenses and a loss of revenue due to the novel coronavirus, has implemented a cost reduction plan that includes furloughs, according to AL.com. Huntsville Hospital said April 9 that it had to furlough or cut hours for 2,000 employees.

10. Syracuse, N.Y.-based **St. Joseph Health** plans to furlough an undisclosed number of workers as it prepares to deal with an "unprecedented fiscal fallout" from the COVID-19 pandemic, Syracuse.com reports. St. Joseph Health will also cut pay for senior management.

11. **Baptist Health** in Little Rock, Ark., has started furloughing an undisclosed number of employees this week to address an expected revenue loss from the pandemic.

12. Little Rock-based **Arkansas Heart Hospital** has furloughed workers due to the interruption of normal hospital operations.

March 27 to April 1

1. Citing the financial hit from the COVID-19 pandemic, Greenville, S.C.-based **Prisma Health** said it will furlough an undisclosed number of clinical, corporate and administrative workers. On April 9, Prisma Health executives told legislators that it was forced to furlough or cut hours for 3,900 of its 30,000 person workforce, according to *The State*.

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2. Chattanooga, Tenn.-based **Erlanger Health System** said it is implementing a cost-reduction plan that includes furloughs and pay reductions for leadership. The moves were prompted by the COVID-19 pandemic. Administrative employees also are affected by the furlough.

3. **Appalachian Regional Healthcare,** a 13-hospital system in Lexington, Ky., will furlough about 500 employees due to a sharp reduction in business and revenue. In addition to the financial aspect, Appalachian Regional said its decision was to protect employees not involved in direct patient care from contracting the novel virus and ensure that the health system has enough supplies to treat the anticipated surge of COVID-19 patients.

4. Cleveland-based **St. Vincent Charity Medical Center** has furloughed about 70 employees amid the COVID-19 pandemic. Affected employees include nurses, surgical assistants, clerical and other support staff.

5. Morehead, Ky.-based **St. Claire HealthCare** announced it will furlough 300 employees who are not involved in direct patient care to ensure it can sustain clinical operations during and after the COVID-19 pandemic.

6. Astoria, Ore.-based **Columbia Memorial Hospital** has furloughed 90 of its 740 employees after the facility scaled back nonemergent procedures to concentrate on the coronavirus.

7. Citing the spreading and unforgiving demands of the COVID-19 pandemic, Canton, Ohio-based **Mercy Medical Center** has furloughed workers. The move came shortly after the state ordered hospitals to suspend elective surgeries and procedures to free up capacity and supplies to treat COVID-19 patients.The number of staff affected was not disclosed.

8. **Meadville** (Pa.) **Medical Cente**r has furloughed more than 225 employees to ensure the hospital's financial stability. The hospital said the furlough is expected to last through April 5, but warned an extension is possible if the pandemic continues to affect business operations and revenue.

9. To help the system survive the economic challenges linked to the COVID-19 pandemic, Rockford, Ill.-based **Mercyhealth** has furloughed an undisclosed number of employees who are not providing direct patient care.

10. In response to the COVID-19 pandemic, Lewisburg, Pa.-based **Evangelical Community Hospital** has furloughed a "significant" number of employees who are not involved in direct patient care.

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COVID-19 and its Impact on the Healthcare Economy

The COVID-19 virus has created not only a healthcare crisis but also an economic one and a COVID-19 recession is now a reality.

Healthcare has generally been immune to recessions in the past. Demand for medical care has been a constant since people get sick, whether times are good or bad. Also, those with health insurance have their out-of-pocket costs taken care of and are still able to afford to get quality care.

But the COVID-19 recession is different. Since people are being asked to practice physical distancing and minimise outside activities, many people who would otherwise be using healthcare are now choosing to stay home. Also, the goal has been to keep medical offices clear so as to reduce the risk of disease spread. People are postponing care that is not urgent. This includes imaging procedures, surgeries, visits to fill prescriptions, etc.

While healthcare workers are busy dealing with COVID-19 patients, healthcare offices are still suffering from the decline in other patients. Some primary care practices have reported reductions in the use of healthcare services of up to 70%. Salaries of clinical staff are being reduced or frozen, and some staff are being furloughed. There has been an increase in unemployment insurance claims from healthcare businesses as well.

Despite relief assistance from governments, the question still remains: how will the COVID-19 recession affect the healthcare economy? It was initially believed that the COVID-10 recession would be short, but that does not seem to be the case anymore. As long as there is community spread of the disease, it will not be safe for people to reengage. There are both formal restrictions in place and a general hesitancy of people to expose themselves to risk. It is unlikely that the healthcare economy will stabilise until the COVID-19 crisis is addressed.

The longer the recession lasts, the greater will be the economic harm. Most businesses can handle short-time shutdowns, but sustained shutdowns might be more difficult to manage. Relief funds will not last forever, and small businesses, including medical offices, will have to make difficult decisions. Jobs will decline, which means fewer people will get paid, and those who are working may have to face wage declines. This will result in reduced spending, and the cycle will continue.

There is one silver lining, however. Medical care that is being deferred today will eventually be sought out later. Postponed visits and surgeries will be rescheduled for later, and medical staff may be able to catch up on billings. This may be true for healthcare, but other industries like entertainment and restaurants may not have such a swift recovery.

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Nevertheless, a recession still poses a challenge to healthcare workers and healthcare institutions. It all depends on how long the COVID-19 disease spread continues and how long it takes for life to go back to normal.

Source: JAMA
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Published on : Tue, 21 Apr 2020

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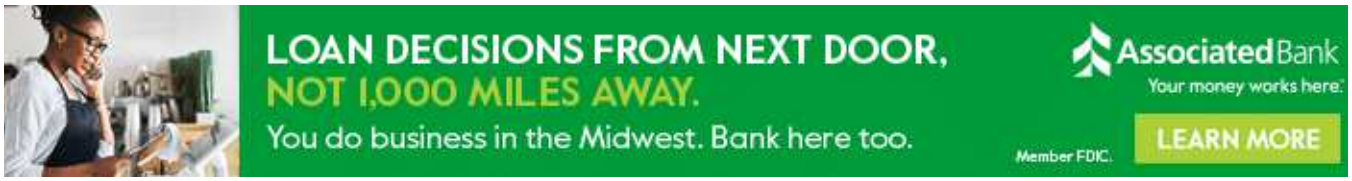

May 07, 2020 05:54 PM

More COVID-driven cuts: UChicago hospital furloughs workers

The medical center is sidelining workers and postponing planned capital projects, among other cost-trimming measures, as it loses tens of millions of dollars a month during the COVID pandemic.

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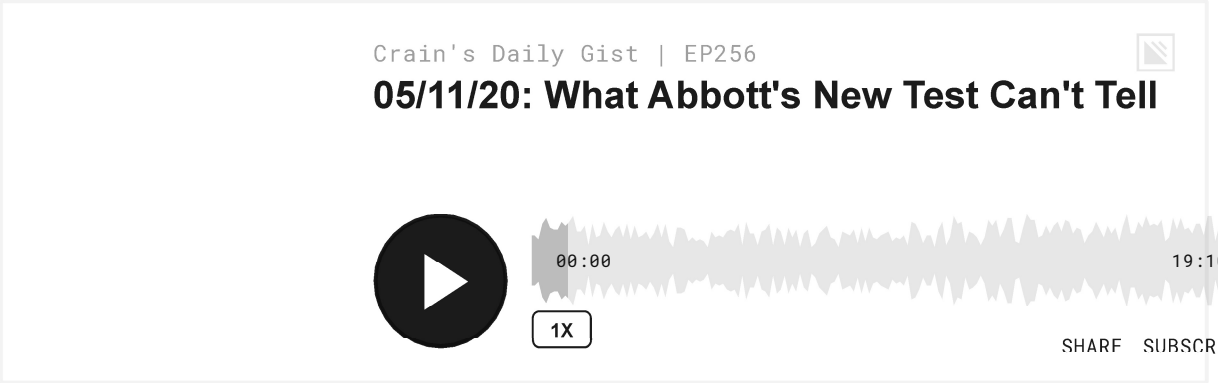

University of Chicago Medical Center is furloughing workers and postponing planned capital projects, among other cost-cutting measures, as it loses tens of millions of dollars a month due to COVID-19.

The academic medical center today said it saw a $70 million decline in operating revenue and a $35 million loss in cash flow in both March and April as a result of canceling lucrative elective surgeries and other non-urgent procedures. Meanwhile, the hospital has “invested heavily” in personal protective equipment and other supplies needed to treat patients with COVID-19, according to a statement.

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To address the losses, University of Chicago Medical Center said it's furloughing and/or temporarily reducing hours for more than 800 employees—about 8 percent of the workforce—in non-clinical roles like information technology and communications. Employees can use their vacation time and borrow against unaccrued time off.

The cuts are expected to end by July 31.

"Unfortunately, our organization is not immune to the economic impact of the pandemic," hospital President Sharon O'Keefe said in a message to staff today.

The hospital also is suspending incentive compensation programs for executive- and director-level staff for the fiscal year starting July 1, as well as temporarily halting employer contributions to some employee retirement accounts, merit pay increases and subsidized education benefits.

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Additionally, it's postponing more than $100 million in planned capital projects to focus on those that address critical equipment, safety or systems issues.

"We are hopeful that all of these measures will stabilize the financial performance of the organization and limit the need for a reduction in workforce," O'Keefe said in the message to staff members.

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Letter — to the — Editor

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