

New York hospitals led the fight against COVID-19. They're still paying for it.

New York state and its hospitals need federal funding support now.

An analysis completed for HANYS by Kaufman, Hall & Associates, LLC estimates that in just a little more than one year (second half of March 2020 through April 2021), hospitals across the state will suffer \$20-\$25 billion in losses and new expenses due to the COVID-19 response.

This reflects about 25-30% of our hospitals' patient service revenue in a year — a devastating blow to any business, but especially devastating to those businesses fighting on the front lines of COVID-19, which must also retain essential healthcare services 24/7.



Fighting COVID-19, New York hospitals have incurred major expenses:

- increasing bed capacity;
- purchasing PPE; and
- hiring healthcare professionals.



At the same time, hospitals have experienced staggering revenue losses due to:

- interruptions in elective procedures; and
- reduced use of healthcare services.

As a result, hospitals have been forced to:

- take funding advances and loans;
- delay accounts payable;
- furlough thousands of staff; and
- postpone much-needed capital projects.

COVID-19 is devastating already strained hospital finances.

\$20-25B

Projected New York state hospital impact of the COVID-19 response through April 2021

In 2019, New York's statewide average hospital operating margin was the narrowest in the country with 45% of New York's hospitals having negative operating margins. The COVID-19 response will only exacerbate this financial stress.

COVID-19 is devastating New York state's finances.

\$30B

Projected New York state budget gap over two years

New York state is projecting a budget gap of \$30 billion over the next two years as a result of COVID-19. Without federal aid or measures to increase state revenues, hospitals will likely face up to a 20% cut this year for services provided to Medicaid enrollees. This massive cut would be on top of the \$2.2 billion in Medicaid cuts already adopted this year and is not sustainable for hospitals and the patients they serve.

Hospitals are essential to your community.

New York's hospitals and health systems provide care to millions of New Yorkers while improving the economy and community. Their annual contributions include:



\$170B

Economic activity

The economic activity generated by hospitals through jobs and the purchasing of goods and services makes up 10% of the state's entire gross domestic product.



838K

Jobs generated

Hospitals and health systems are often the largest employers in communities, generate new jobs and are the top 10 private sector employers in every region of New York.



\$11.2B

Community benefits and investments

Adhering to their charitable mission, hospitals cover the cost of care provided to people in need; subsidize care and services to low-income, elderly and under-served communities; and continuously invest in community health initiatives.