

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

Hospitals statewide continue to need significant and sustained support.

## As a result of the pandemic, hospitals have been forced to:

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

An analysis completed for HANYS by Kaufman, Hall & Associates, LLC estimated that in just a little more than one year (second half of March 2020 through April 2021), hospitals across the state would suffer \$20 billion to \$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 while also retaining 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.

## COVID-19 has devastated already strained hospital finances.

### \$20B-25B

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

New York's statewide average hospital operating margin is the 2nd narrowest in the country; with 49% of New York's hospitals having negative operating margins. The COVID-19 response has only exacerbated this financial stress.

\*Data collected before the COVID-19 pandemic and do not reflect the significant financial toll COVID-19 has had on New York's healthcare system

## 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. Annual contributions include:



### \$176B

Economic activity

The economic activity generated by hospitals through jobs and the purchasing of goods and services makes up 10.1% of the state's entire gross domestic product.



### 864K

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.



### \$12.3B

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.