

## Economic and Community Benefits



**\$3,945,000,000**

Economic activity



**\$1,096,000,000**

Payroll expenditures



**\$562,000,000**

Tax dollars generated



**14,000**

Jobs generated



**\$85,000,000**

Community benefits and investments

**Patients Served  
in 2020**

**748,000**

Outpatients provided care

**126,000**

People treated in the emergency room

**51,000**

People admitted to hospitals

**3,600**

Babies delivered

**State and Federal Funding**

**48%**

**Reimbursement from Medicare and Medicaid**

In this district, 74% of inpatient discharges and 59% of outpatient visits are covered by Medicare and Medicaid.

**i** All data in this report, including how patient volumes were impacted by COVID-19, are explained on the following pages. **»**

**This report includes data from the following hospitals in this district:**

- Blythedale Children's Hospital
- Phelps Hospital
- St. John's Riverside Hospital – Dobbs Ferry Pavilion\*
- Westchester Medical Center ‡\*

## Patients Served in 2020

The hospital-specific patient volume figures in this report are from 2020, the latest year available. Patient volume patterns were severely impacted by the COVID-19 pandemic in 2020. Even with surges of COVID-19 patients across the state, inpatient volumes were down 11% on average from 2019 to 2020; emergency room visits dropped by 20%, with overall outpatient volumes dropping by 12%. While each hospital experience during 2020 was different, these downward volume trends show just part of the pandemic's impact on healthcare utilization and hospital financials statewide.

## Significant Financial Challenges

The past two years have been incredibly challenging for New Yorkers and the hospitals and health systems that serve them. As this persistent pandemic continues to stretch our health system to its limits, our state's healthcare providers continue to courageously rise to the challenge. New York hospitals and their care teams have saved the lives of more than 200,000 people diagnosed with COVID-19 as of January 2022, discharging them back into the community.

This extraordinary effort has taken a fiscal toll on our hospitals. In 2020, New York's hospitals collectively recorded the lowest negative operating margin in 20 years (-1.4%) and a \$3 billion downward margin swing from 2019 to 2020.

These losses, extreme even in a normal year, were partially mitigated by federal support via the creation of the Provider Relief Fund. Without this federal support, our hospitals would have suffered an unfathomable statewide average operating margin of less than -10%.

Unfortunately, this vital federal support has expired and will not address fiscal challenges associated with our response to delta, omicron and future COVID-19 waves.

Now, more than ever, we must support our healthcare providers — the health of New York's people and economy depend on them.

### Key fiscal data points for New York's hospitals and health systems:

- Hospitals statewide reported a -1.4% average hospital operating margin (compared to 5.5% nationally in 2020).
- Collectively, New York's hospitals reported the narrowest average operating margin in the country in 2020.
- 49% of New York's hospitals reported negative operating margins in 2020 (83% if federal Provider Relief Funds and state supportive funding are not considered).
- 55% of New York's hospitals reported fair or poor financial condition in 2020 (70% if federal Provider Relief Funds and state supportive funding are not considered).
- Collectively, New York's hospitals reported the 7<sup>th</sup> worst commercial insurance reimbursement rate in the country.
- For each dollar of care provided in New York: Medicare pays 89 cents; Medicaid pays 61 cents — the value of public reimbursement levels has declined from previous years mainly from the increase in costs required to appropriately staff and deliver care.

## Economic and Community Benefits

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### Economic activity

The economic activity generated by hospitals through jobs and the purchase of goods and services makes up 10.6% of the state's entire gross domestic product. Data are mainly from 2020 New York state hospital cost reports.

### Jobs generated

Hospitals and health systems are often the largest employers in communities, generate many more jobs and are top 10 private sector employers in every region of New York. Data source: New York State Department of Labor 2020.

### Payroll expenditures

New York hospitals' #1 investment is in their people, including direct salary and benefits to their employees. Data are mainly from 2020 New York state hospital cost reports.

### Tax dollars generated

New York hospitals generate significant tax dollars and stimulate the economies of local communities and the whole state. Data are mainly from 2020 New York state hospital cost reports and state/federal tax tables.

### 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 many community health initiatives. Data source: 2019 IRS Form 990 Schedule H, reported by hospitals. This figure does not include the billions more in community benefit provided by New York's 23 public hospitals, which are exempt from filing this IRS form.

## State and Federal Funding

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A large share of hospital reimbursement comes from Medicare and Medicaid, which do not cover the cost of care. This underpayment is driven by large volumes of inpatient and outpatient services provided to individuals covered by these public insurance programs.

‡ Due to its inherent safety-net role, this public hospital is exempt from reporting community benefit and investment activity to the federal government. As a result, millions of dollars for these commitments are not included in the data shown.

\* The data for this hospital reflect consolidated health system results.