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Hospitals Seen Losing \$60 Billion a Month in Pandemic



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- Study finds cardiology visits down 57%; breast health visits fall 55%
- Elective procedures plunge; uninsured hospital patients increase

U.S. hospitals are losing an estimated \$60.1 billion a month and facing a 113% increase in uninsured patients during the Covid-19 pandemic, according to a new [study](#).

The heavy losses reflect a 54% drop in patient visits due mainly to the cancellation of non-emergency and elective procedures, according to data from 2 million patient encounters across 40 states compiled by Strata Decision Technology, which provides financial analytics for the health-care industry.

The data, derived from a two-week period between March and April, saw revenue for 51 health systems fall by an estimated \$1.35 billion when compared with the same period in 2019. Projecting the findings nationwide suggests an overall revenue loss of \$60.1 billion per month for the nation's hospitals.

The losses occurred as the share of uninsured patients rose from 7% in January to 15% in early May as millions of Americans lost job-based coverage.

The findings released Monday are the latest to show the financial impact of the Covid-19 health emergency on the nation's hospitals. On May 5 the American Hospital Association released a

[report](#) that estimates hospitals will see \$202 billion in losses between March and June of this year. That averages out to more than \$50 billion in monthly losses.

At Yale New Haven Hospital in Connecticut, revenue is down roughly \$1.5 million a week, Keith Churchwell, the facility's executive vice president and chief operating officer, said in an interview.

The 1,541-bed hospital is likely to receive some stimulus funding, but Churchwell, who's a cardiologist, doesn't know when or how much.

Whatever the amount, it "will not make up for our overall deficit by the end of our business year," Churchwell said. "We're in the hundreds of millions of dollars in terms of our overall deficit."

In the Strata study, clinical service lines that saw sharp declines over the two-week study period included cardiology encounters, down 57%; breast health visits, a decline of 55%; and cancer encounters, down 37%. Patient volume also fell for cataract care, down 97%; coronary heart disease, down 75%; hypertension, down 74%; and diabetes, down 67%.

Those canceled visits helped fuel the loss of 1.4 million health-care jobs lost last month "simply because the patients aren't coming though," said Dan Michelson, CEO of Strata Decision Technology.

Ten inpatient procedures account for about 50% of hospital revenue, Michelson said.

"So when hip and knee surgeries go down by 79 and 99%, when spinal fusions are down by 80%, when stents are down by 44%, that has an enormous impact" on hospital employment and revenue, Michelson said in an interview.

Even if hospitals restored half of their lost volume over the next six months, the industry would still require hundreds of billions in additional government funding to bring them back to pre-pandemic levels, Michelson said. "The ability to weather this storm is super challenging," he said.

'A Wave of Demand'

As the Covid-19 threat lessens and more facilities resume elective procedures, millions of patients who put off non-emergency care will likely "flood hospitals and physician offices seeking care," the study said. "Many facilities will likely be hard-pressed to handle the surge while simultaneously maintaining capacity for Covid-19 patients."

"You've got a wave of demand that hasn't been taken care of," Steve Lefar, executive director of the data science division at Strata Decision Technology, said in an interview.

"You're seeing urgent care and important care being delayed and it's being called 'elective,'" Lefar said. But "it's not really elective once it gets out two or three months from when that stuff was scheduled."

Churchwell said he's concerned that patients who put off care during the pandemic, "in many cases, went through their acute medical issues at home, leading to significant adverse events," including possible deaths.