

55 PERCENT FEWER AMERICANS SOUGHT HOSPITAL CARE IN MARCH-APRIL DUE TO COVID-19, DRIVING A CLINICAL AND FINANCIAL CRISIS IN U.S. HEALTHCARE

Analysis of 2 Million Patient Encounters Reveals U.S. Hospitals are Losing \$60 Billion per Month; Uninsured Patients Up 114% During COVID-19 Pandemic

Strata Decision Technology Launches National Hospital Patient and Procedure Volume Tracker, Providing Unprecedented Visibility into the Pandemic’s Impact on 225 Clinical Service Lines

CHICAGO, May 11, 2020 — A new analysis of over 2 million patient visits and encounters from 228 hospitals in 40 states by [Strata Decision Technology](#) (Strata) is the first to provide a detailed view of the level of reduction in patients accessing healthcare and the associated impact on the health of patients and our nation’s hospitals. The study, which coincides with the launch by Strata of the [National Patient and Procedure Volume Tracker™](#) reveals just how significant the wave of delayed care is that has built up during the COVID-19 pandemic – and how many of those patients may be unable to pay when they do seek care due to a loss of insurance coverage.

Estimated Volume Losses by Service Line 2019 vs 2020

Ophthalmology	Spine	Gynecology	Orthopedics	ENT	Endocrine
81%	76%	75%	74%	72%	68%
Dermatology	Gastroenterology	Rheumatology	Neurosciences	General Medicine	Urology
67%	67%	66%	66%	64%	62%
Genetics	Vascular	Hepatology	Cardiology	Pulmonology	Breast Health
60%	59%	58%	57%	56%	55%
General Surgery	Nephrology	Hematology	Allergy & Immunology	Behavioral Health	Burns & Wounds
54%	52%	49%	48%	45%	44%
Cancer	Obstetrics	Infectious Disease	Neonatology	Not Assigned	Normal Newborn
37%	30%	23%	20%	4%	2%

Strata analyzed 2 million patient visits and procedures from 51 healthcare delivery systems in 40 states, with varying rates of COVID-19 cases in their 228 hospitals. Analysts then compared patient encounters during a two-week period in March and April 2020 to the comparable period last year. The analysis reveals that across all service lines and in every region of the country there was an average decrease in the number of unique patients who sought care in a hospital setting of 54.5%. The sharp drop in encounters is linked to the cancelation of elective surgeries during his time period, along with resource constraints and ongoing concerns for the safety of patients and staff.

Millions of patients who put off care or had it delayed during the pandemic can soon be expected to flood hospitals and physician offices seeking care. Clinical service lines that saw the sharp drops in patient encounters included those with life-threatening illnesses such as a 57% decrease in cardiology, and a 55% decrease in breast health with a 37% decline in cancer care overall. Many facilities will likely be hard-pressed to handle the resulting surge in patients while simultaneously maintaining capacity for COVID-19 patients.

Major Declines in Top 10 Inpatient Procedures

Impact to Top 10 Inpatient Procedures and Surgeries

Primary Knee Replacement	- 99%	Percutaneous Coronary Intervention	- 44%
Lumbar/Thoracic Spinal Fusion	- 81%	Fracture Repair	- 38%
Primary Hip Replacement	- 79%	C-Section	+ 2%
Diagnostic Catheterization	- 65%	Regular Delivery	+ 1%
Diagnostics	- 60%	Mechanical Ventilation	+ 24%

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Data current as of 5/11/2020

Model examined YoY comparison for a 2 week period
(March 24 - April 6, 2019 and March 22 - April 4, 2020)

Inpatient procedures and surgeries account for the majority of revenue for hospitals. The top 10 procedures account for over 50% of the total payments made to hospitals. In this category there were significant declines in the number of hip (-79%) and knee (-99%) replacement surgeries as well as in spinal fusions (-81%) and repair of fractures (-38%). Coronary stents (-44%) and diagnostic catheterization (-65%) also saw significant declines. Overall diagnostic volume declined by 60%. Both normal delivery (1%) and C-section (2%) saw increases. Mechanical ventilation increased by 24% due to treatment of COVID-19 patients.

Reduction in the Number of People Accessing Care

Impact to Inpatient and Outpatient Encounters

Cataracts	- 97%	Chronic Otitis Media and Sinusitis (ear infection/sinuses)	- 75%	Asthma	- 62%
Sleep Apnea (often a harbinger of cardiac disorders)	- 91%	Hypertension	- 74%	Ischemic Stroke	- 56%
Glaucoma	- 88%	Hyperlipidemia	- 74%	Congestive Heart Failure	- 55%
Osteoarthritis	- 88%	Neuro Pain and Neuropathy	- 71%	Chest Pain (non-cardiac)	- 44%
Coronary Heart Disease	- 75%	Care for Diabetes	- 67%	Prostate Cancer	- 44%

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Care Family definition per Sg2 Care Grouper™

Among the findings are significant recent reductions in patient encounters (both inpatient and outpatient) for so-called elective care that is crucial to maintaining the health of millions of Americans. Drops in patient volume are shown below for several of the 225 Clinical Care Family™ definitions determined using the Sg2 Care Grouper™.

Access to clinical care for patients with life-threatening conditions declined significantly including congestive heart failure (-55%), heart attacks (-57%) and stroke (-56%). Access by patients for chronic conditions also fell for patients with hypertension (-37%) and diabetes (-67%). The high volume patient visits and procedures that dropped the most were for cataracts (-97%), sleep apnea (-91%) and osteoarthritis (-88%) and glaucoma (-88%). Additionally, health screenings that are designed to provide early detection but are often seen as less urgent were down significantly in volume, increasing the risk of undiagnosed disease. Preventive wellness visits, gynecologic wellness and screenings, and GI benign neoplasms and polyps—which includes colonoscopies with removal of polyps—all saw volumes drop by over 75% in the cohort group.

“Hospitals across the country are eager to open their doors to elective procedures so they can serve their community, care for their patients, and survive economically but how they get there is literally a hundred-billion-dollar question,” said Dan Michelson, CEO of Strata Decision Technology. “Many facilities will likely be hard-pressed to handle the surge while simultaneously maintaining capacity for COVID-19 patients. Having visibility into patient volumes across all of their service lines is key to understanding how to safely engage patients while balancing the clinical, operational and financial complexity and pressures imposed by COVID-19. The data is clear, however, that the initial relief package given to hospitals and healthcare providers will not be enough. More funding will be needed to ensure that they can keep their doors open to provide essential care for the communities they serve while still preparing and caring for COVID 19 patients.”



Revenues Down by \$60.1 Billion/Month; Uninsured Patients up by 114%

The massive drop in patient visits and procedures during the pandemic has led directly to unprecedented financial losses. Health systems in the study cohort lost an estimated \$1.35 billion in revenue during the 2-week study period compared to the prior year. Extrapolating the drop in volume from the cohort to a national view would be the equivalent revenue loss of \$60.1 billion per month for hospitals nationwide.

Adding to the crisis, the Strata study found that the number of uninsured or self-pay patients has increased dramatically in the last 90 days, mirroring the rise in the national unemployment rate. In January, 7% of all inpatient and outpatient encounters in the study cohort were with patients who lacked health insurance. By April that figure had risen to 11%, and early results from May indicate 15% of all patients in the cohort are now uninsured, an increase of 114% in just 90 days. Many of these can be expected to end up on Medicaid rolls, further straining state budgets.

National Patient and Procedure Volume Tracker Launched

To help healthcare stakeholders understand the impact of COVID-19 on the financial viability of our healthcare delivery system, Strata today launched the National Patient and Procedure Volume Tracker. The tracker reveals patient volume changes across 225 Clinical Care Families in the study cohort of 51 health systems. It will be updated weekly and available free of charge as a public service. As a proxy for analyzing the impact of COVID-19 on patient and procedure volume, the data science team at Strata Decision Technology aggregated data from a cohort of 228 hospitals in 51 healthcare delivery systems, a subset of the over 1,000 hospitals and 220 healthcare delivery systems across the country that use the company's StrataJazz® financial planning, analytics and performance platform. Service Line and Care Family™ definitions were determined using the [Sq2 Care Grouper™](#). Patient volumes within the service lines and Care Families were determined by tracking unique medical record numbers against procedure codes.

Collectively, the hospitals in the cohort serve nearly 65 million Americans, account for \$69 billion in annual operating expense and represent a broad national view across 40 states and all census regions with varying incidence rates of COVID-19 cases. U.S. hospitals overall account for approximately 33% or \$1.3 trillion of the \$4.0 trillion in projected national healthcare expenditures in 2020 (source: Centers for Medicare and Medicaid). These figures were used in tandem with the cohort data to estimate the monthly financial impact of the reduction in patient and procedure volume from COVID-19.

A detailed report on the Strata analysis is available at <http://www.stratadecision.com/National-Patient-and-Procedure-Volume-Tracker>.



Additional Resources

In addition to this research, Strata has developed a series of resources to help hospitals tackle the planning, analytics and performance challenges resulting from the COVID-19 outbreak.

- **COVID-19 Cost Capture Recovery Model:** Provides a complete process for understanding the cost and revenue impact of COVID-19. [Visit here.](#)
- **COVID-19 Assumption Tracker:** A consolidated list of assumptions health systems to help build a financial forecast which takes into account the impacts of COVID-19.
- **COVID-19 Starter Set Dashboards:** A specific set of COVID-19 specific data sets.
- **COVID-19 Resources Web Site:** Additional resources to tackle the planning, analytics and performance challenges resulting from the COVID-19 outbreak. [Visit here.](#)

About Strata Decision Technology

Strata Decision Technology provides an innovative cloud-based financial analytics and performance platform that is used by healthcare providers for financial planning, decision support and continuous improvement. Founded in 1996, the Company's customer base includes 1,000 hospitals and many of the largest and most influential healthcare delivery systems in the U.S. The Company's StrataJazz® application is a single integrated software-as-a-service platform that includes modules for capital planning, continuous improvement, contract modeling, cost accounting, cost management, decision support, financial forecasting, management reporting, operational budgeting and performance improvement and strategic planning. The Company's headquarters are in Chicago, IL. For more information, please visit www.stratadecision.com.

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