

## Pandemic-Driven Deferred Care Has Led to Increased Patient Acuity in America's Hospitals

Rise in patient acuity has been a driver of increases in labor, drug, and supply costs for hospitals creating unsustainable financial challenges

### Key Takeaways

- **Delayed and avoided care for non-COVID-19 patients during the pandemic has contributed to increasing patient acuity in hospitals.**
- **Overall patient acuity has increased consistently each year since the start of the pandemic. Between 2019 and 2021, overall patient acuity, as measured by the average length of stay, was up nearly 10%**
- **For Medicare fee-for-service patients in the hospital for reasons other than COVID-19, average length of stay (ALOS) was up 6% in 2021 from 2019.**
- **Increased patient acuity has been a driver of increases in labor, drug, and supply costs for hospitals creating unsustainable financial challenges.**
- **Hospitals need additional federal support to address these financial challenges and advance the health of their patients and communities.**

At the outset of the COVID-19 pandemic, communities across America entered mandatory quarantines and temporarily shut down many every day services such as schools, retail stores and libraries. This was done to help control the spread of the virus and protect people and communities. To increase personal and public safety across the country while conserving personal protective equipment (PPE), many hospitals and health systems moved to cancel or delay non-emergency procedures in early 2020. Similarly, many states and the federal government imposed or recommended shutdowns or delays in non-emergency care. At the same time, many Americans avoided or delayed seeking care, including primary care and other specialty care visits.

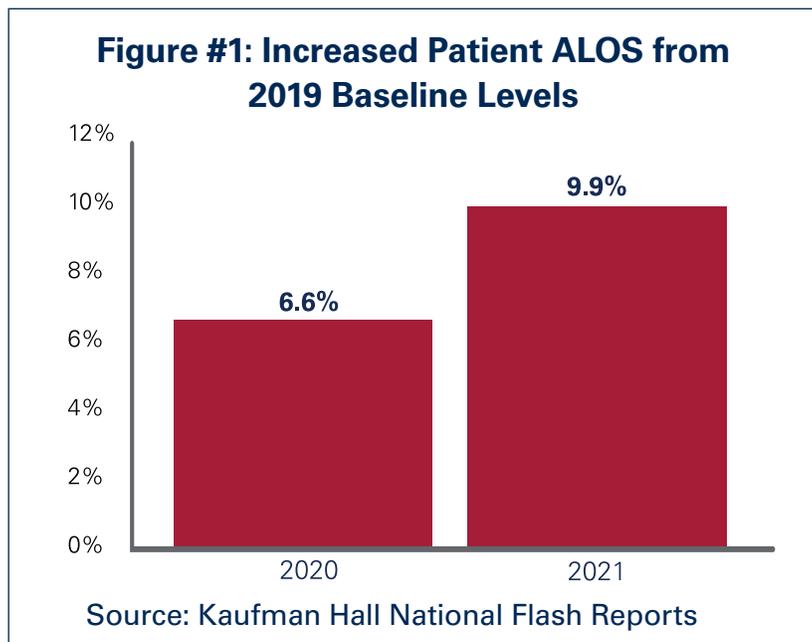
COVID-19 treatment is highly complex and resource-intensive, which has been a driver of overall increases in patient acuity during the pandemic. However, non-COVID-19-care has increasingly contributed to rising patient acuity, as well. The confluence of these factors has contributed to patients experiencing more severe disease, in many cases requiring longer hospitalizations and more intensive treatments.

Data from [Kaufman Hall](#), a health care consulting firm that analyzes hospital data, show significant increases in the average length of stay (ALOS) for hospitalized patients during the pandemic compared to pre-pandemic levels. (See Figure #1) Further, data from [Strata Decision Technology](#), a healthcare financial software and analytics firm, show that patients being treated for conditions like cancer and hepatitis, as well as patients undergoing common procedures like appendectomies and mastectomies also experienced significant increases in acuity during the pandemic.<sup>1</sup>

<sup>1</sup> Both appendectomies and mastectomies can be performed on an urgent or elective basis depending on the unique needs of the patient. In both cases, delays in receiving care can result in sicker patients who require more intensive pre and post-operative care.

These increases in patient acuity have contributed to rising patient care costs across the board as shown in a [recent report by the AHA](#).<sup>i</sup> Caring for sicker patients often requires more staff time, the use of more intensive treatments and higher cost drugs, as well as the need for more supplies and equipment. Combined with rapidly rising economy-wide inflation and reimbursement shortfalls, these mounting costs are threatening the financial stability of hospitals around the country.

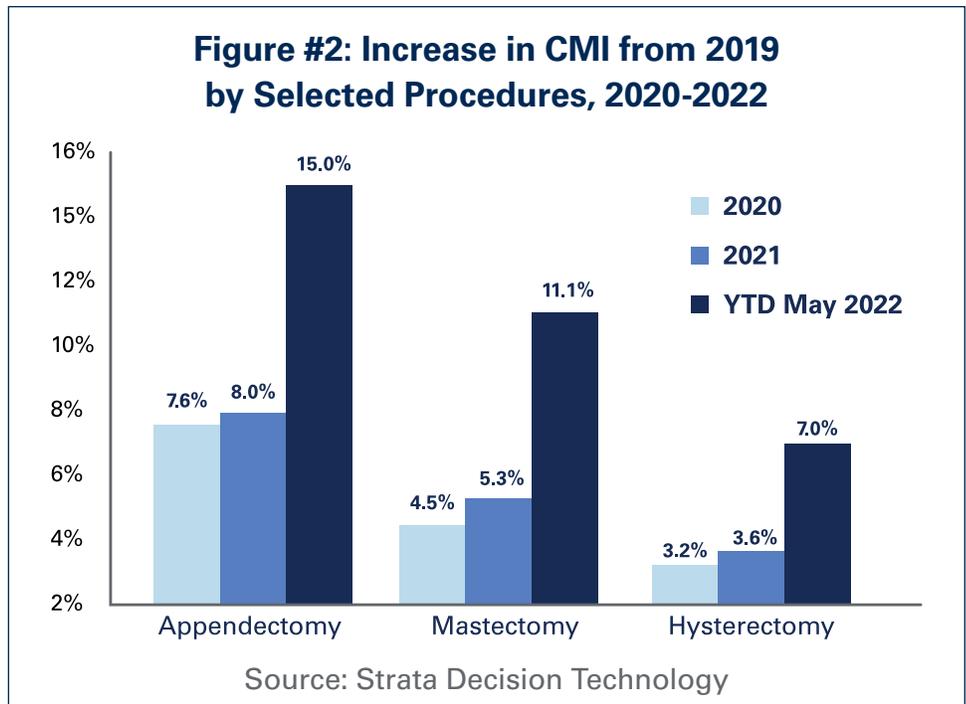
**Delayed and avoided care likely contributed to increasing patient acuity.**



- In most cases, procedures defined as “elective” are not optional procedures or those performed solely at the behest of patients, as the term might suggest. In fact, elective procedures tend to be medically necessary and are broadly defined as any procedure that can be scheduled in advance.<sup>ii</sup> These can include procedures such as hernia repair, appendectomies and mastectomies – which, if prolonged, can lead to patients getting much sicker and requiring more intensive care.
- According to a survey of primary care physicians by the Primary Care Collaborative and the Larry A. Green Center, 37% said that their patients with chronic conditions were “in noticeably worse health resulting from the pandemic.”<sup>iii</sup> In addition, 56% of physicians noted that they had seen an increase in negative health burdens due to delayed or inaccessible care.
- Equally concerning was a study published in the British Medical Journal that found that every month of delayed cancer care could result in a 10% increase in risk for mortality, which for breast cancer in the U.S. alone could lead to 6,100 avoidable deaths over a three-month period.<sup>iv</sup>
- These grim numbers are likely the result of a decrease in the number of patients receiving routine screenings that could result in downstream complications. For example, a peer-reviewed study published in the journal *Cancer*, found that in just three months in 2021, there was an 80.6% decrease in screening for colorectal cancer, 69% decrease in screening for cervical cancer and 55.3% decrease in screening for breast cancer.<sup>v</sup>

## Patients tend to be sicker now than they were before the pandemic for the same illnesses and procedures.

- Patient acuity, as measured by ALOS, was nearly 10% higher through the end of 2021 compared to pre-pandemic levels. Moreover, recent data released by Kaufman Hall show that ALOS for all patients continues to rise in 2022.<sup>vi</sup>
- When looking specifically at the Medicare fee-for-service (FFS) population, based on an AHA analysis of inpatient claims data,



it showed a 10% increase in patient ALOS and a 7% increase in the case mix index (CMI) – another measure of the severity of inpatient cases – in 2021 compared to 2019. Specifically for patients that were in the hospital for reasons other than COVID-19, ALOS and CMI were 6% and 5% higher in 2021 compared to 2019, respectively.<sup>vii</sup> This provides further evidence that increases in ALOS and CMI in the Medicare FFS population were not entirely due to COVID-19 patients who required intensive care.

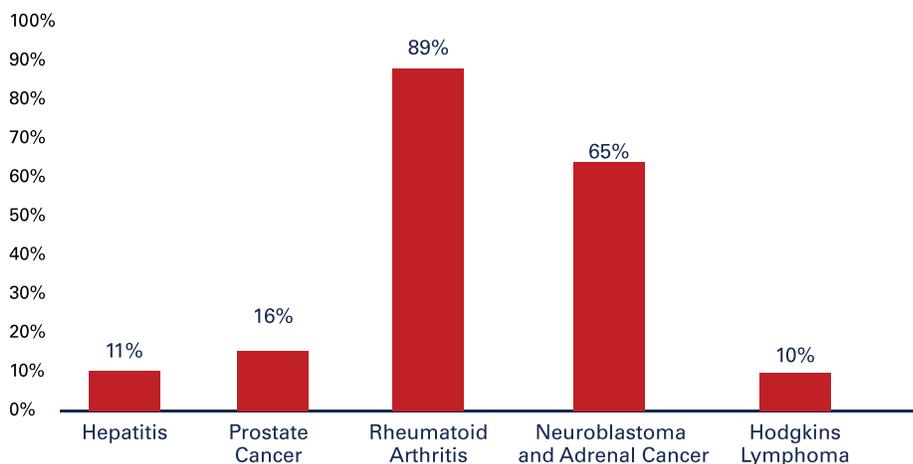
- Routine screenings for diseases such as breast cancer were particularly impacted by the pandemic. Data from Strata Decision Technology show that the CMI for patients receiving hospital-based procedures were up significantly from pre-pandemic levels. In 2022, CMI for patients receiving mastectomies (breast tissue removal) was up 11.1%; for appendectomies (appendix removal) it was up 15%; and for hysterectomies (uterus removal) it was up 7%. (See Figure #2)
- Similarly, ALOS for hospitalized patients with certain cancers and other chronic illnesses like rheumatoid arthritis increased significantly compared to pre-pandemic levels. Of particular note was an 89% increase in ALOS for hospitalized patients with rheumatoid arthritis and a 65% increase in patients with neuroblastoma and adrenal cancer. (See Figure #3)

## The rise in patient acuity has been a driver of increases in labor, drug, and supply costs for hospitals creating unsustainable financial challenges.

- Patients who are sicker and more complex to treat require more staff to care for them. For hospitals, this means hiring more staff to address these demands. However, significant

workforce shortages continue to exist across the country, leaving hospitals to turn to contract labor firms charging exorbitant rates to hospitals for critical staff like nurses and respiratory therapists to help care for these sicker patients.<sup>viii</sup> According to June 2022 data Kaufman Hall, labor costs are up over 12% for hospitals from 2021.<sup>ix</sup>

**Figure #3: Change in LOS by Care Family, 2019 to 2021**



Source: Strata Decision Technology

- Similarly, sicker patients often require more expensive drug treatments. These are often high cost specialty drugs and/or have experienced recent significant price increases. For example, Humira, a high cost drug used to treat patients with rheumatoid arthritis, experienced a 21% price increase between 2019 and 2021.<sup>x</sup> At the same time, patients hospitalized with rheumatoid arthritis had an 89% increase in ALOS, further compounding this cost increase. Overall, hospitals have experienced double-digit growth in drug costs compared to pre-pandemic levels and that growth continues to exist in 2022.<sup>xi</sup> In fact, between just May and June 2022, hospital drug expenses grew 4.1%.<sup>xii</sup>
- As hospitals treat sicker patients, they often need more intensive care that requires the use of more supplies and equipment from surgical masks to high cost ventilators and surgical instruments. As a result, supply costs between just May and June 2022, increased nearly 5%.<sup>xiii</sup>

**The data are clear – patient acuity in hospitals has risen significantly since the start of the pandemic, presenting hospitals with a unique set of challenges that demands immediate attention and additional support from Congress.**

With the COVID-19 pandemic showing no signs of abating, and with case rates and hospitalizations once again rising, hospitals are having to care for increasing numbers of COVID-19 patients while also caring for sicker non-COVID patients. This is resulting in even more burden on the limited resources many hospitals and their staff have to care for these patients.

With unprecedented increases in economy-wide inflation, hospitals and health systems across the country are facing a multitude of financial challenges. Hospitals are grateful for the financial relief they received from the federal government to prepare for and care for COVID-19 patients and to protect their communities. It certainly provided a lifeline to plug the gaps of lost revenue

from having to curtail regularly scheduled services. However, the fact is that hospitals did not receive any funding specifically for the Delta and Omicron surges, which comprised more than half of all COVID-19 admissions. Further, they have not received the support needed to address the unintended and unfortunate consequences of the pandemic, such as the rise in patient acuity. As a result, among other actions, the AHA is asking Congress to:

- Halt cuts to Medicare payments to hospitals, health systems and other providers.
- Extend or make permanent critical waivers that have improved efficiency and access of patient care.
- Extend health coverage subsidies that if not renewed could lead to millions of people losing coverage at the end of the year.
- Hold commercial health insurers accountable for improper business practices — especially those that take caregivers away from the bedside to deal with burdensome administrative hurdles.

**Hospitals need additional federal support and resources to ensure their caregivers can continue doing what they do best – taking care of patients and advancing the health of their communities.**

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<sup>i</sup> <https://www.aha.org/system/files/media/file/2022/04/2022-Hospital-Expenses-Increase-Report-Final-Final.pdf>

<sup>ii</sup> <https://www.beckershospitalreview.com/hospital-physician-relationships/don-t-let-the-term-elective-fool-you-physicians-urge-the-public.html>

<sup>iii</sup> <https://www.pcpcc.org/2020/11/14/primary-care-covid-19-week-22-survey>

<sup>iv</sup> <https://www.bmj.com/content/371/bmj.m4087>

<sup>v</sup> <https://acsjournals.onlinelibrary.wiley.com/doi/10.1002/cncr.34157>

<sup>vi</sup> <https://www.kaufmanhall.com/insights/research-report/national-hospital-flash-report-july-2022>

<sup>vii</sup> AHA analysis based on Medicare fee-for-service claims, Centers for Medicare & Medicaid Services, Chronic Conditions Data Warehouse, <https://www2.ccwdata.org/web/guest/home>

<sup>viii</sup> [https://www.syntellis.com/resources/report/wage-increases-drive-high-hospital-labor-costs-amid-workforce-shortages?mkt\\_tok=NzEwLVpMTC02NTEAAAGFk0byfwqniXE\\_JNigTIWJ18vzAILLdtKkoW-9A8C\\_zmW77zgLyIbVNYhv8UJ54537sE53JK-MB7sbH3hm-5PhQJTIGBGh7XIsHic6uxSRVL-p](https://www.syntellis.com/resources/report/wage-increases-drive-high-hospital-labor-costs-amid-workforce-shortages?mkt_tok=NzEwLVpMTC02NTEAAAGFk0byfwqniXE_JNigTIWJ18vzAILLdtKkoW-9A8C_zmW77zgLyIbVNYhv8UJ54537sE53JK-MB7sbH3hm-5PhQJTIGBGh7XIsHic6uxSRVL-p)

<sup>ix</sup> <https://www.kaufmanhall.com/insights/research-report/national-hospital-flash-report-july-2022>

<sup>x</sup> <https://www.goodrx.com/healthcare-access/drug-cost-and-savings/january-2021-drug-increases-recap>

<sup>xi</sup> <https://www.aha.org/system/files/media/file/2022/04/2022-Hospital-Expenses-Increase-Report-Final-Final.pdf>

<sup>xii</sup> <https://www.kaufmanhall.com/insights/research-report/national-hospital-flash-report-july-2022>

<sup>xiii</sup> <https://www.kaufmanhall.com/insights/research-report/national-hospital-flash-report-july-2022>