

Slammed by \$20 billion in losses, New York hospitals lobby for more federal aid

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WASHINGTON — Like so many hospitals across the nation, COVID-19 has rammed St. Peter's Health Partners and its five Capital Region hospitals onto shaky financial footing.

Since the pandemic hit upstate New York in March, St. Peter's has lost about \$70 million in revenues, while gaining \$11 million in new expenses directly related to the coronavirus pandemic, said Tom Roberts, chief financial officer of St. Peter's. The health system also spent another \$2 million on COVID-19 capital needs, including more beds.

An analysis completed for the Healthcare Association of New York State by Kaufman, Hall & Associates, LLC, estimated that from March 2020 through April 2021, New York hospitals collectively will see up to \$25 billion in losses and new expenses due to the COVID-19 response. That's about a quarter of their annual patient service revenue.

To deal with the financial blow, New York hospitals are asking Congress for more help on top of the \$9 billion in direct federal payments they've already received, according to the Healthcare Association of New York State.

"As we face a second COVID-19 wave during influenza season, your continued support at the federal level is more important than ever," Marie B. Grause, president of the Healthcare Association of New York State, [wrote to](#) the New York Congressional delegation recently. "New York's hospitals and health systems are currently preparing for surges in COVID-19 patients and vaccine administration, which includes costly storage, staffing, supplies and other costs that will need to be reimbursed."

The American Hospital Association [forecasted](#) that collectively U.S. hospitals will experience total losses of at least \$323.1 billion this year, not including the impact of surging coronavirus cases this fall.

"The coronavirus pandemic continues to impact the national economy as well as hospitals nationwide, and signs suggest continued challenges," said Frances Spreer Albert, an executive vice president at Albany Medical Center. "Fortunately, our recovery efforts led to positive results from June through November, though we still stand at a \$10 million year-to-date loss from core operations. As hospitals nationwide see a resurgence in coronavirus cases, federal support will be critical."

Hospitals have dealt with spiking costs on items like gloves, masks, face shields, sanitizers and test kits. But for many, the biggest hit to their bottom lines was the major reduction in the number of patient procedures and surgeries in spring and early summer, when the state was in lock-down and hospitals curbed elective procedures to stop the spread of coronavirus and free up beds.

At St. Peter's, patient discharges and outpatient surgeries in October had returned to almost normal — between 92 and 97 percent of volumes the year prior. But even that small deviation means some patients were still deciding not to go to the hospital for services. As caseloads continue to climb across the country, it's unclear whether those elective procedures will dry up again.

In another logistical and financial challenge, as coronavirus surges, hospitals in at least 25 states are critically short of nurses, doctors and other staff, [Stat News](#) reported. Unlike the spring wave, swamped hospitals can't borrow staff from other parts of the country because nearly the whole nation is seeing climbing case loads at the same time. Hourly rates for traveling nurse contracts have increased almost three-fold, said Marna Borgstrom, CEO at Yale New Haven Health.

About one in 10 staff in the St. Peter's health system — which also includes multiple nursing facilities and other outpatient care settings — are currently quarantined due to COVID-19 exposures, according to figures shared by president and CEO James Reed. About 40 staff members are COVID-19 positive.

"If you sat in a room with our operation's leaders, it's the single biggest worry right now is the staffing issue," Reed said.

St. Peter's furloughed 1,000 clinical staff earlier in the pandemic, but has brought them back, Reed said. They also laid off a number of administrative staff.

Struggling hospitals have already received a significant federal boost. The federal government has distributed \$70 billion to hospitals nationwide, according to AHA, with more funding on the way in a new round of payments due to be made soon. The U.S. Department of Health and Human Services has also given billions in coronavirus relief to other health care providers including clinics, nursing homes, dentists, chiropractors and more.

St. Peter's has received about \$26 million in federal relief payments to date.

Albany Medical Center received \$51 million in federal coronavirus relief to date, as well as a \$90 million advance loan from Medicare, AMC Director of Communications Sue Ford Rajchel said.

Hospitals are lobbying for more help as Congress tries to break through months of stalemate to deliver another COVID-19 relief package. From Jan. 1 through Sept. 30, the American Hospital Association spent \$18 million on lobbying Congress, the fourth most of any organization, according to [Open Secrets](#).

In addition to more direct grants to hospitals and health care providers, HANYS requested that the New York congressional delegation push for more direct funding for state and local governments to prevent state Medicaid cuts and it urged the federal government take on an even bigger share of Medicaid costs, although Congress already increased the share born by the federal government earlier during the pandemic. HANYS is also looking for full loan forgiveness of Medicare Accelerated/Advance payments, essentially turning a loan that providers could get earlier in the pandemic into another grant.

HANYS is also looking for a continuation of new federal telehealth rules and support for health care workers, including tax credits and a compensation fund for workers.

Finally, they want federal liability protections for hospitals and health professionals during the pandemic. New York hospitals [had these protections](#) during the spring surge through July, thanks to a provision of the state budget, but now they're looking for new continuing protections.

Hospitals are more likely to find strong allies from Republicans on that liability request, since Senate Majority Leader Mitch McConnell, R-Ky., has made such protections for businesses his "[red line](#)" in coronavirus negotiations.

"We need to make sure the provision is crafted properly so an employer who egregiously forces his or her workers to do bad things isn't let off the hook, but we're looking at a way to solve that

problem," said Senate Minority Leader Charles E. Schumer, D-N.Y.

Schumer confirmed recently that Democrats continue to push for the hospital relief they included in the Heroes Act, passed by the House in May. It includes a good chunk of hospitals' wish list, such as a fresh \$100 billion for the HHS to distribute to hospitals and health care providers to reimburse them for COVID-19 expenses and losses, the same increase in the federal share of Medicaid costs that hospitals asked for and hazard pay for health care workers. It does not wave loan repayment for Medicare Accelerated payments, but it does extend the repayment window.

A Republican proposal issued by McConnell in July would give HHS an additional \$25 billion to give out to hospitals and health providers.

The American Hospital Association is actively lobbying Congress to pass a deal that includes more hospital aid during the last two months of President Donald Trump's term. President and CEO Rick Pollack also expressed optimism this month that a President Joe Biden will work productively with hospitals.

"We both share the same top priority: fighting the battle against COVID-19," Pollack said.