Business Intelligence Report

COVID-19’s Impact on the Hospital Field
Executive Summary

America’s hospitals and health systems have waged a heroic battle against COVID-19, which has taxed organizational capacity and caused critical shortages of personal protective equipment, ventilators and other resources. The hospital field has maintained focus on providing critical, safe and compassionate care to our communities, while facing critical financial challenges. The financial viability of U.S. hospitals and health systems is affected by the high cost of treating COVID-19 patients, the forced cancellation of non-emergent procedures and the growing number of uninsured patients due to increasing unemployment.

Hospitals and health systems are adapting to the new reality. As many consumers remain reluctant to attend in-person medical visits over fears of contacting COVID-19, use of telehealth grows. The focus to rebuild and recover is taking shape. The hospital field, and its partners, will need to reimagine how care delivery is structured, ensuring productivity and flexibility going forward.

How can your organization help?
Economic Outlook

Hospital Finances Hit Hard by COVID-19
COVID-19 has created unprecedented financial challenges for hospitals and health systems due to a combined surge in expenses due to increased personnel and equipment costs and major declines in revenue from halting elective procedures.

Hospitals Face Unprecedented Financial Pressures Due to COVID-19

- The AHA estimates a total four-month (March to June 2020) financial impact of $202.6 billion in losses for America’s hospitals and health systems, or an average of $50.7 billion per month.

- Of those losses, the AHA estimates that approximately $161.4 billion are attributed to lost revenue as a result of cancelled hospital services due to the COVID-19 pandemic.

- The AHA estimates non-treatment costs for hospitals and health systems to be $2.4 billion over a period of four months, from March to June 2020, or roughly $600 million per month.

Source: AHA, “Hospitals and Health Systems Face Unprecedented Financial Pressures Due to COVID-19,” May 5, 2020
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