

IHA COVID Resources and Advocacy

December 9, 2020

The latest about COVID-19 from IHA

Losses deepen for hospitals and health systems

A [new AHA report](#) released today indicates the immense financial strain facing hospitals and health systems due to COVID-19 will continue through at least the end of 2020, with patient volume expected to remain well below baseline levels. The report estimates an additional minimum of \$120.5 billion in financial losses, due in large part to lower patient volumes, from July 2020 through December 2020. These estimates are in addition to the \$202.6 billion in losses the AHA estimated between March 2020 and June 2020 in a report released last month. This brings total losses for the nation's hospitals and health systems to at least \$323.1 billion in 2020.

Although potentially catastrophic, these projected losses still may underrepresent the full financial losses hospitals will face in 2020, as the analysis does not account for increasing case rates in certain states, or potential subsequent surges of the pandemic occurring later this year. If the surge trends continue, the financial impact on hospitals and health systems could be even more significant.

Today's report found that hospitals and health systems report average declines of 19.5% in inpatient volume and 34.5% in outpatient volume relative to baseline levels from 2019. In addition, most hospitals and health systems do not expect volume to return to baseline levels in 2020.

Although the financial impacts estimated in this report are comprehensive and consider the additional costs of acquiring personal protective equipment as patient volumes return, they do not include direct COVID-19 treatment costs hospitals may incur over this time, particularly if there are future surges of additional cases. Other expenses, such as increased acquisition costs for drugs and non-PPE supplies and equipment, also are not included in these estimates.

Senate sends Paycheck Protection Program extension to House

The Senate last night passed by unanimous consent legislation ([S. 4116](#)) extending the Paycheck Protection Program loan application period through Saturday, Aug. 8. It's unclear if the House will take up the legislation before the July 4 recess. Organizations with less than 500 employees, including hospitals, may apply to the program for loans of up to \$10 million and have the loan amount forgiven if at least 60% of the loan goes to payroll expenses, among other requirements.

Remdesivir to be sold to hospitals, allocated through existing federal mechanism

The Department of Health and Human Services (HHS) yesterday announced it has struck a deal with Gilead to secure 500,000 additional treatment courses of remdesivir, which will be distributed July-September. Unlike previous distributions of the medicine, hospitals will be expected to buy remdesivir from Gilead and its distributor, AmeriSource Bergen. The drug will be made available to hospitals at the negotiated price of about \$3,200 per average treatment course.

Hospitals can make purchases for the amount of product determined by the federal government and their state health department to be their fair share of the available product every two weeks. As with HHS's previous distributions of donated remdesivir, this determination will be made using hospital-reported information on the number of hospitalized COVID-19 patients and, of those hospitalized, the number requiring placement in intensive care units.

Hospitals must submit data through the TeleTracking web portal by 7 pm Monday, every two weeks beginning July 6. Hospitals already using TeleTracking for their daily reporting do not need to do anything different for this remdesivir data collection. For issues with accessing the TeleTracking portal or questions about the data, contact TeleTracking Technical Support at 877-570-6903.

The federal agencies will use this data to determine the proportional amount to be allocated to each state and territory, as well as to the Veterans Administration, Department of Defense and Indian Health Service hospitals. The states and territories will determine how to distribute remdesivir among the hospitals in their jurisdictions.

Unlike previous distributions, the states will communicate to AmeriSource Bergen how the remdesivir should be allocated to their hospitals, and AmeriSource Bergen will deliver it directly to the designated hospitals. To facilitate this distribution and the billing for the product received, hospitals will need to have a relationship with AmeriSource Bergen.

CEO update call

The next CEO update call is scheduled from **1-2 pm Wednesday, July 29**. Register [here](#).

Next COVID-19 update newsletter

Because of the observed Independence Day holiday Friday, July 3, the next issue of IHA's COVID-19 update will be sent Monday, July 6.

Free webinar opportunities

- Noon-1 pm Thursday, July 9, ***Leadership and Resiliency: Navigating Through and Beyond COVID-19 Virtual Series***. IHA, in partnership with more than 30 state hospital associations, present this virtual leadership series for health care executives. Hear national thought leaders share their expertise in health policy, financial and strategic planning, unconscious bias, increasing health equity and the future of health care. This virtual speaker series is provided at no charge to all IHA hospital member C-suite leaders. Register [here](#).
- 1-2 pm Tuesday, July 14, ***How COVID-19 is Changing the World for Hospitals***. Drawing on Kaufman Hall's proprietary data, analysis and CEO interviews, this webinar will quantify the effects on hospital volumes, revenues and margins. The presentation will also review the changes to the hospital competitive landscape, outline strategic scenarios for hospitals based on their pre- and post-COVID conditions, and will address methods of planning through uncertainty. Robert Fromberg, chief communications officer of consulting with Kaufman Hall will serve as faculty. Before joining Kaufman Hall, Fromberg was vice president and editor-in-chief at HFMA. He also previously held leadership roles at ACHE. Register [here](#).

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