

September 15, 2022

## AHA Releases New Report Highlighting Significant Financial Challenges Facing Hospitals and Health Systems That Are Jeopardizing Access to Care

*AHA, hospital leaders to discuss report during national media briefing today; please share your organization's story about challenges you are facing and why additional federal support is needed to ensure access to essential services for patients*

A [new analysis](#) prepared by Kaufman, Hall & Associates, LLC and released today by the AHA shows that hospitals and health systems continue to face intense pressure on staff and resources while also dealing with rising expenses for supplies, drugs and equipment, as well as for the workforce. Left unaddressed, these financial challenges have the potential to jeopardize access to essential health care services for patients. The trends are expected to continue through 2022, with losses in the billions of dollars for hospitals and health systems, resulting in the most financially difficult year for the field since the beginning of the COVID-19 pandemic in early 2020 and threats to access to care and services.

The first half of 2022 has severely tested hospitals and health systems due to the impacts of COVID-19 surges, increased expenses and a lack of COVID-19 relief funding for some of the hardest impacts of the pandemic, including the Delta and Omicron surges. As a result, even the most optimistic projections for the entirety of 2022 indicate margins will be down 37% compared to pre-pandemic levels, with more than half of hospitals operating in the red, according to the report. Under a pessimistic scenario for the rest of 2022, margins could be down as much as 133% compared to pre-pandemic levels, with over two-thirds of hospitals operating in the red.

“While federal support and relief has tapered off, the fight against COVID hasn’t,” [said](#) AHA President and CEO Rick Pollack. “Managing the aftermath of the pandemic has placed the vast majority of America’s hospitals in serious financial jeopardy as they experience severe workforce shortages, broken supply chains, the Medicare 2% sequester kicking back in and rapid inflation that has increased the cost of caring. These realities translate into access to services being put in jeopardy. This deserves the immediate attention of policymakers at every level of government to ensure we are able to keep people healthy and maintain essential public services that our communities depend on. America simply can’t be strong without its hospitals being strong.”

### **MEDIA BRIEFING ON THE REPORT**

The AHA this morning is hosting a media briefing to share the report’s findings and provide perspective from the front lines. Michael Slubowski, president and CEO of

Trinity Health based in Michigan, Jack Lynch, president and CEO of Main Line Health in Pennsylvania, and Peggy Abbott, CEO of Ouachita County Medical Center in Arkansas, will share with reporters how these challenges are jeopardizing access to care for the patients and communities they serve.

In addition, during the briefing, Pollack and the three hospital leaders will discuss actions that Congress can take to support the field, including: extending or making permanent programs that provide support to rural hospitals; holding commercial health plans accountable for their behaviors that put further financial strain on hospitals and exacerbate workforce pressures; making waivers permanent, including flexibilities for telehealth and hospital-at-home programs that have led to improvements in care; and stopping additional Medicare cuts to providers. See our [advocacy fact sheet](#) for more details, and watch AHA Today for additional coverage from the briefing.

## **ADDITIONAL AHA REPORTS HIGHLIGHT FINANCIAL CHALLENGES**

Today's report is the latest in a series of reports the AHA has released during the last few months highlighting the difficult challenges hospitals and health systems are facing. These include:

- A [report](#) released last week on the record number of rural hospital closures in 2020 as well as the financial and workforce challenges those hospitals face.
- A [report](#) last month on how deferred care during the pandemic has led to increased patient acuity in America's hospitals.
- A [report](#) from the spring that examined the tremendous growth in a variety of input costs for hospitals and health systems, including expenses for workforce, drugs, supplies and equipment, as well as the impact of skyrocketing economy-wide inflation.

## **SHARING YOUR STORY TO MAKE THE CASE FOR ADDITIONAL SUPPORT**

During the next few weeks, we will continue amplifying with policymakers the challenges hospitals and health systems are facing and why additional support is necessary. We'll also be rolling out additional resources to help you tell your story to your lawmakers and communities. As part of those efforts, we are recording short videos with hospital leaders, trustees and community members about the challenges they are facing and the need to ensure hospitals and health systems are strong so they can keep people healthy and maintain essential public services that communities depend on. **If you and/or members of your board and community are interested in participating, please contact Jennifer Armstrong Gay at [Jarmstronggay\\_cs@aha.org](mailto:Jarmstronggay_cs@aha.org) or you can sign up for a filming date and time directly [here](#).**

## **FURTHER QUESTIONS**

If you have further questions, please contact AHA at 800-424-4301.