



COVID-19 IMPACT REPORT

MICHIGAN'S FRONT LINE OF DEFENSE

COVID-19 IN MICHIGAN

Beginning in March 2020, hospitals across Michigan implemented emergency preparedness plans in preparation to treat COVID-19 patients. Thousands of patients required hospitalization and many more needed testing, with Michigan's healthcare workforce serving as the front line of defense against the COVID-19 pandemic. While caseloads have varied across the state, the impact has been felt by every hospital and health system.

HOW HOSPITALS SERVED THEIR COMMUNITIES DURING COVID-19 BY THE NUMBERS



TESTING

Widespread testing is vital in identifying, treating and containing COVID-19 outbreaks.

400,000

Over 400,000 COVID-19 polymerase chain reaction (PCR) tests have been conducted by hospital labs as of July 12.

7,000

Hospital labs average 7,000 tests per day.



PPE

COVID-19 created global demand for personal protective equipment (PPE) that has never been seen before. To protect patients and staff, hospitals purchased PPE at exponentially higher rates at a total cost exceeding \$93 million and counting. According to MHA estimations, at the height of the pandemic in April, Michigan hospitals every day were using:



36,000
N95 MASKS



1.53 million
GLOVES



330,000
SURGICAL MASKS



46,000
SURGICAL GOWNS



20,000
FACE SHIELDS



TREATMENT

Hospitals increased general and intensive care unit (ICU) bed capacity, developed COVID-19-only units and refurbished existing facilities to improve infection prevention and treatment. Together, these efforts helped hospitals save lives and prevent infection spread.

4,700

During the peak surge, Michigan hospitals cared for 4,700 COVID-19 patients April 10, including 1,700 COVID-19 patients in ICU.

16,000

More than 16,000 patients have been discharged from the hospital.

THE FINANCIAL COST OF COVID-19

COVID-19 has had a significant financial impact on hospitals, including in exponential costs associated with preparing for a surge of patients, delaying nonemergency care for months and treating an increasing population of unemployed patients who have lost private insurance coverage. Hospitals already operated on thin operating margins, and they provide \$188 million in financial assistance to vulnerable populations. In total, hospitals have experienced losses nearing \$3.2 billion.

— **\$2.7** **BILLION** Total Lost Revenue

— **\$440** **MILLION** Total Costs Related to COVID-19

= **\$3.2** **BILLION** Combined Financial Losses Related to COVID-19

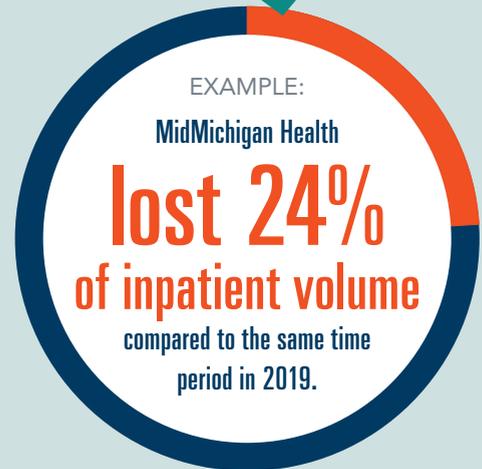
+ **\$2.1** **BILLION** CARES Funding (one-time stimulus)

TOTAL DEFICIT*

Nearly \$1.1 billion

**Costs are based on data voluntarily submitted by participating hospitals and health systems to the MHA during March, April, May and most of June 2020. Published figures are likely on the low-end of financial loss estimates for Michigan.*

Michigan hospitals have a financial deficit of nearly \$1.1 billion, and the deficit is growing as hospitals continue to respond to the COVID-19 pandemic.



UNCOMPENSATED COST OF CARE

During normal circumstances, the yearly total unpaid cost of care for Michigan hospitals is **nearly \$2.6 billion**. Due to historic unemployment rates and fewer patients on employer-sponsored coverage, hospitals anticipate this number to only increase as more patients move to Medicaid or are uninsured.

IMPACTING COMMUNITIES ACROSS MICHIGAN

The pandemic has physically and mentally impacted the entire healthcare workforce. Exposure to and contraction of COVID-19 led to hundreds of personnel being placed on leave. As staff physically recover, many more struggle with feelings of stress, grief and loss. Hospitals are working to address these challenges. In the meantime, healthcare heroes across the state continue to report to work every day to care for their patients and their community.

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MidMichigan Health

UNIVERSITY OF MICHIGAN HEALTH SYSTEM

The loss in revenue we experienced has been great and we, like so many hospital systems, need and depend on the support from the state. While we are not necessarily considered a “hot spot” where we are located, it is state support that will help hospitals and health systems get back on their feet. Our communities depend on us, and, now more than ever, hospitals need to recalibrate and be prepared to survive whatever the next chapter may bring.

– DIANE POSTLER-SLATTERY, PHD, FACHE, PRESIDENT AND CEO, MIDMICHIGAN HEALTH

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McLaren

NORTHERN MICHIGAN

The nurses and staff at the hospital kept a close watch on me and went above and beyond to ensure I was comfortable. To see everyone lined up and down the hallway while I was being released was an amazing feeling.

– ALEX EWING, A 32-YEAR-OLD MACKINAC ISLAND RESIDENT WHO SPENT THREE WEEKS ON A VENTILATOR AND NEARLY A MONTH AT MCLAREN NORTHERN MICHIGAN BEFORE BEING DISCHARGED.

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Karmanos

CANCER INSTITUTE

I wouldn't even have known if the hospital was busy or anything else because they got me upstairs so quickly. Everyone was just really on top of things and I could tell they were taking precautions.

– FRANK BONO, BONE MARROW TRANSPLANT RECIPIENT, WHO RECEIVED SPECIALIZED CARE WHILE HOSPITALIZED FOR FIVE DAYS WITH COVID-19-RELATED SYMPTOMS BEFORE BEING DISCHARGED BY THE KARMANOS CANCER INSTITUTE IN DETROIT.

THE HIGHEST PRIORITY

When COVID-19 arrived in Michigan, hospitals became the front line of defense against the highly contagious and dangerous disease. Despite issues that were out of their control, which included procuring enough personal protective equipment, increasing testing capacity and changing care delivery models, hospitals and their staff persevered to flatten the curve in Michigan.

However, these actions have come at a steep price. This report demonstrates how hospitals have responded to the pandemic and the severe COVID-19-related financial losses they've suffered.

Special consideration needs to be made for hospitals and healthcare providers that have been serving on the front lines of the pandemic. Not only are hospitals major employers, but any effort to reinvigorate the overall Michigan economy will fail to succeed if hospitals — which are critical in dealing with the pandemic and ensuring a healthy workforce — are not able to survive and thrive. In war, everything is done to strengthen defenses, and we must recognize that hospitals are absolutely the front line of defense in this war. Any significant funding cuts made to hospitals through the state budget process will severely hinder our ability to treat all patients and help return our state economy to any degree of normalcy. In short, it is now time to stop the financial bleeding for hospitals, not exacerbate it.

While we're still far away from eradicating this disease, we have come a long way in our understanding and treatment of COVID-19. During the pandemic, hospitals have increased testing capacity to a daily average of close to 7,000 tests. Of the thousands of Michigan residents admitted to hospitals, more than 16,000 have been discharged safely to their homes.

As the state budget process resumes, we need the support of our elected officials now more than ever. Hospitals serve our communities 24/7/365 for all their needs, ranging from delivery of a child to the lifesaving abilities of trauma care. We exist to serve and protect the health of our patients and communities, whether related to COVID-19 or not. When it comes to budget priorities, nothing should be higher on the list.




MHA CEO Brian Peters




2020-2021 MHA Board of Trustees Chair
Edwin A. Ness

ABOUT THE MICHIGAN HEALTH & HOSPITAL ASSOCIATION

OUR MISSION:

We advance the health of individuals and communities.

Based in greater Lansing, the Michigan Health & Hospital Association advocates in Michigan and Washington, DC, on behalf of healthcare providers and the communities and patients they serve. The MHA is a nationally recognized leader on initiatives that protect and promote quality, cost-effective and accessible healthcare. The MHA represents:



164 member hospitals,
of which 134 are community hospitals

20 health systems (13 based in Michigan;
7 headquartered in other states)

91 teaching hospitals

6 public hospitals

7 children's hospitals

52 rural hospitals

37 critical access hospitals

99 urban hospitals

Michigan hospitals serve patients 24 hours a day, 365 days a year.



5 million people treated in
emergency departments



38 million outpatient visits
conducted



5 million inpatient care days



1 million patients admitted
for care & treatment



107,000 babies delivered



Average length of stay –
4.7 days

2018 data from the American Hospital Association Annual Survey.



MHA

Michigan Health &
Hospital Association

Leading Healthcare

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