

Hospitals Need State, Federal Support to Care for Californians as Pandemic Persists

The Issue

Throughout the unprecedented global pandemic, California's hospitals have responded with an unyielding commitment to care for their communities — converting physical space to accommodate more patients, suspending many procedures and services, purchasing PPE, testing supplies, and medical equipment, and doing whatever is needed to hire additional staff amid a national shortage.

Hospitals have also cared for their own workers in extraordinary ways by providing housing and childcare support, delivering financial bonuses, expanding wellness programs and counseling to support the mental and emotional well-being of those on the front lines, and providing extended leave and enhanced compensation. But the pandemic has taken a heavy toll on many health care heroes, and California hospitals now face the worst staffing shortage in memory, with 78% reporting increased staff turnover between early 2020 and mid-2021.

In addition to perilous workforce shortages as the pandemic endures, hospitals also face enormous financial losses. California's hospitals lost an estimated \$16.3 billion due to the pandemic in 2020 and 2021. While the state's hospitals have received some federal relief, they are still facing catastrophic losses. To make up for these deep losses and the lack of adequate financial relief, hospitals have resorted to borrowing billions through emergency loans to continue caring for their patients and staff.

What's Needed

To support their ongoing response to COVID-19 and long-term needs during the hard process of rebuilding, California hospitals need substantial additional federal and state assistance.

- Provider Relief Funds must be increased, distributed faster, and allocated more equitably to ensure California gets a fair share of the funding. State and federal funding should support health care workers and help to mitigate staffing shortages with funding for worker wages and retention bonuses.
- Federal relief should include a full-year extension of the delay in the 2% Medicare sequestration cuts that will, if implemented, cost California hospitals \$200 million in 2022.
- The ability to rapidly implement state and federal flexibilities — such as those that suspend certain space requirements in hospitals, increase access to telehealth, and allow out-of-state health care personnel to practice in California — will be crucial to mitigate the ongoing workforce crisis and respond to any future surges.



Since the COVID-19 pandemic began, CA hospitals have cared for an average of

5,300

patients a day, including a daily average

1,400

ICU patients.