

# Key Messages

## As Pandemic Persists, Hospitals Need Continued Federal and State Support — During and Beyond the COVID Crisis

**Throughout the unprecedented global pandemic, California’s hospitals have responded with an unyielding commitment to care for their communities.**

- California hospitals have cared for an average of 5,300 patients a day, including a daily average of 1,400 ICU patients, since the COVID-19 pandemic began.
- To care for the most vulnerable patients and ensure all Californians receive the care they need, hospitals have taken unprecedented steps: 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 train and hire additional staff amid a national shortage.
- Hospitals have taken care of their own workers in extraordinary ways: 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.

**As the pandemic endures, hospitals continue to face enormous challenges, including financial losses, perilous workforce shortages, and shifting regulations and guidance.**

- The pandemic has taken a heavy toll on front-line health care workers, and California hospitals now face the worst staffing shortage in memory. The attrition of the workforce, with caregivers departing, is only expected to continue.
- A 2021 *Washington Post-Kaiser Family Foundation* survey found that over 60% of health care workers report impacts to their mental health stemming from their work during the pandemic. In California, 78% of hospitals report an increase in staff turnover from just before the pandemic to the second quarter of 2021.
- 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.

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

- Federal funding distributed so far is woefully inadequate to address the magnitude of the crisis — especially in a state where hospitals have seen some of the highest caseloads in the nation. An October

2021 [report from the Urban Institute](#) estimates more than \$25 billion in approved funds have yet to be disbursed.

- Federal Provider Relief Funds must be increased to cover the extraordinary costs and lost revenue due to the pandemic — for the duration of the pandemic — and be distributed faster and much more equitably than in the past.
- State and federal funding should support health care workers and help to mitigate staffing shortages with funding for worker wages and retention bonuses.
- State flexibilities and relief will be crucial for helping to mitigate the current workforce crisis and maintaining key waivers, 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.
- Federal relief should include a full-year extension of the delay in the 2% Medicare sequestration cuts that will, if implemented, impose even greater financial strain on California hospitals, costing them \$200 million in 2022.