

CHA Media Statement

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Health Care Provider Loan Program Provides a Much-Needed Cash Injection Ahead of Projected COVID-19 Surge

Funds Can Help Sustain Hospital Operations in Coming Weeks

“We are grateful that Blue Shield of California has stepped up to offer up to \$200 million in short-term loans to help offset some of the heavy losses hospitals and doctors are enduring as they suspend normal operations before the expected surge of COVID-19 patients,” said Carmela Coyle, President & CEO of the California Hospital Association.

“Right now, hospitals are focused on one thing: caring for patients during this crisis,” Coyle said. “From a financial perspective, however, the immediate fiscal stress hospitals are facing pales in comparison to the long-term devastation that COVID-19 will wreak on California’s health care system as more and more hospitals are driven into the red financially.”

In addition to the Blue Shield loans, California’s health insurance industry can help immediately in three other ways during this public health emergency:

- Expedite the processing of a backlog of outstanding insurance claims
- Eliminate (or significantly scale back) the level of prior authorizations needed, as these cause ongoing payment delays
- Provide an opportunity for health care providers to opt into advance payment programs for the duration of this crisis

“These three immediate actions would go a long way toward helping to stabilize the health care field,” Coyle said. “For many hospitals and doctors, the loss of revenue from normal work, paired with the massive resources needed to prepare for coronavirus, means there are struggles to meet basic needs, like paying bills and making payroll each week.”

“Everyone must play a part in ensuring providers can care for patients not only during the COVID-19 emergency, but after we emerge from it,” Coyle said. “When this is behind us, we will need a state and national discussion about the impact of COVID-19 on the health care field, and how we can, collectively, begin to rebuild.”

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Contact: Jan Emerson-Shea
(916) 804-0663 – Cell