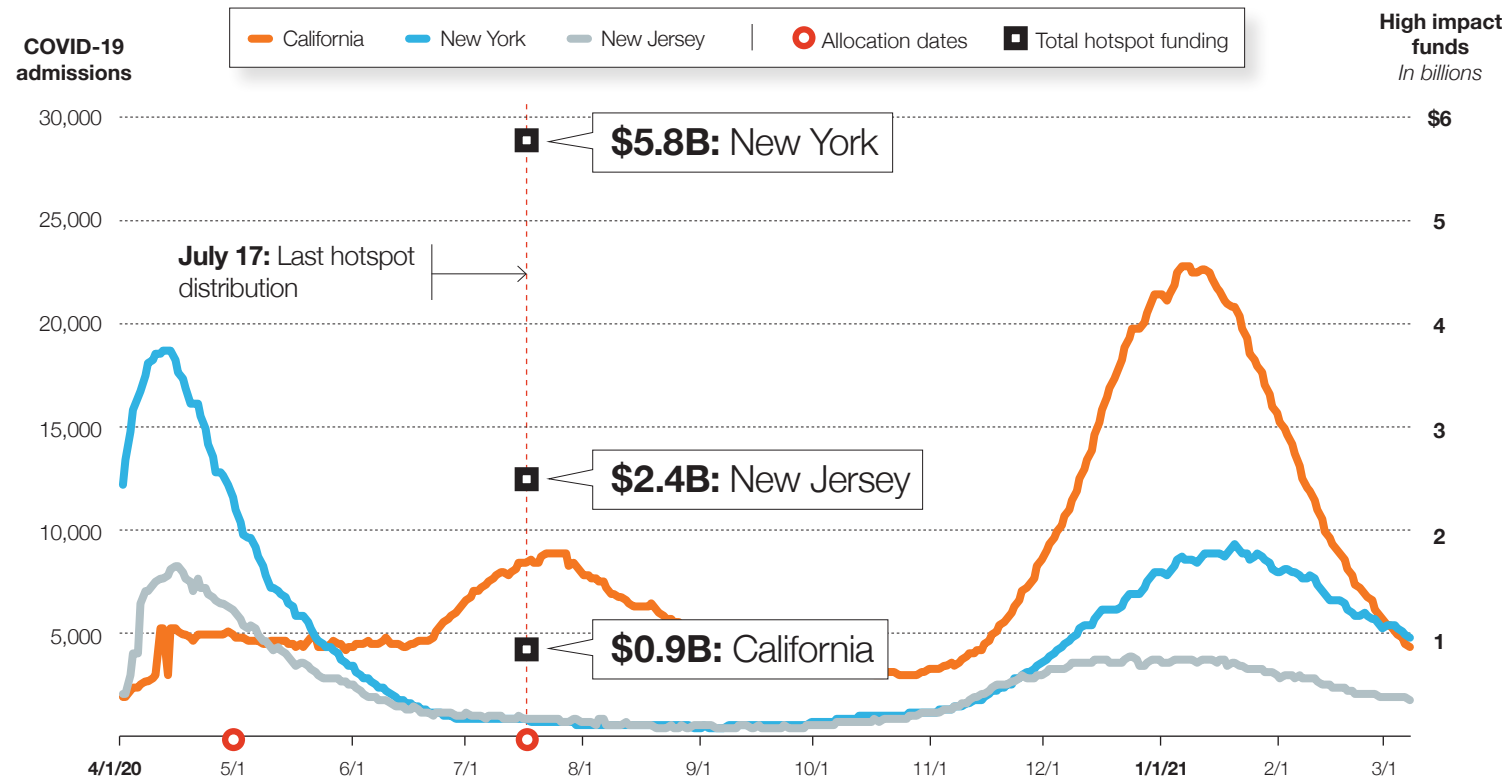


As COVID-19 Surged in CA, Federal Hotspot Relief Fell Short

Scant support continues to present challenges for state with high hospitalizations

The federal government provided necessary relief funding based on the number of COVID-19 patients early in the pandemic. However, additional needed relief for hospitals in COVID “hotspots” has not been issued since July 17, disadvantaging hospitals that experienced later surges.

COVID-19 hospitalizations compared to PRF high impact distribution



Hotspot funds allocations



California's hospitals in the second half of 2020 and early 2021 experienced surges longer in duration, with more patients, but have not received the same support as states whose surges occurred in Q1/Q2 of 2020. This has been hard for California's hospitals, **58% of which had negative margins in 2020**. COVID-19 accounts for **\$15.6B in estimated losses for 2020 and 2021**. Total federal support covered only 55% (\$8.6B) of the increased expenses and lost revenue associated with COVID-19.