



Minnesota Hospital Association

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NEWS RELEASE

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Minnesota hospitals, health systems request federal funding for estimated \$2.9 billion loss, costs responding to COVID-19

ST. PAUL – The Minnesota Hospital Association (MHA) in a [letter](#) April 9 asked Minnesota’s congressional delegation to help secure additional emergency federal funding for Minnesota’s hospitals and health systems that are losing an estimated \$2.9 billion over the next 90 days while responding to the COVID-19 public health crisis.

“Minnesota’s health care providers have postponed elective surgeries and reduced in-person visits to clinics in order to conserve personal protective equipment (PPE) for front-line caregivers and to reduce potential exposure for both health care workers and patients,” said Dr. Rahul Koranne, president and CEO, MHA. “That was the right thing to do, but the reduction in revenues and significant costs to acquire an unprecedented amount of supplies and equipment, build out temporary spaces for a surge of patients and ensure we will have the right workforce in place to care for COVID-19 patients – particularly in intensive care – are having a significant financial impact on health systems throughout Minnesota, large and small, metro and rural.”

Koranne said significant federal funding is required to ensure Minnesota health care providers are able to provide necessary services to get hospitals and health systems through this pandemic and to ensure continued viability and access to health care throughout the state once the pandemic is resolved.

MHA worked with accounting firm CliftonLarsonAllen to model the near-term impact of this pandemic.

- Minnesota hospitals and health systems are collectively losing \$31 million in revenue per day as a result of reductions in patient volumes. This represents a 55% reduction of patient revenues, on average. Smaller hospitals are reporting closer to 70% revenue reductions. This loss is expected to remain consistent over at least the next 90 days for an impact of \$2.8 billion.
- MHA members as a whole are spending approximately \$13.3 million per day to purchase equipment and supplies and to make physical and technological upgrades that will allow them to handle a surge of COVID-19 patients. Over 90 days, these additional expenses will total \$1.2 billion.

- The analysis also accounted for offsetting revenues as COVID-19 cases increase. With an estimated shortfall from reimbursements, hospitals and health systems will experience over \$120 million in uncovered patient-related costs.
- In total, this will result in approximately a \$2.9 billion cash flow loss over the next 90 days.

The Minnesota Hospital Association represents Minnesota's hospitals and health systems, which provide quality care for their patients and meet the needs of their communities.

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