

Hospitals are Protecting New Mexicans— Now they Need the Legislature’s Help

When COVID-19 hit, our hospitals sprang into action to respond to this deadly, global pandemic.

- Creating testing facilities and Covid units
- Expanding ICU capacity
- Suspending services and procedures
- Hiring specialized staff
- Procuring PPE and medical equipment
- Purchasing drugs
- Disinfecting, decontaminating, buying additional and new cleaning supplies
- Implementing new training for environmental services and all staff
- Refurbishing infrastructure to comply with social distancing
- Providing childcare and housing for staff
- Operating and staffing Covid-19 command centers

This response was unprecedented—and it came at a high cost.



Delayed capital projects



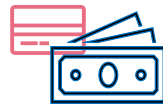
Ongoing COVID-19 expenditures

Operating margins down



ED visits down 21%*

Emergency loans

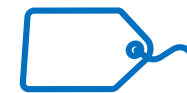


Outpatient surgeries down 92%*

Expenses per discharge up



New Mexico hospitals’ short-term losses** are more than **\$485.9 million...so far...**



*NMHA Utilization Review data, April 2020 and April 2019
**NMHA Covid-19 Financial Impact Survey, March-June 2020, August 13, 2020

The bottom line—

All sectors are hurting, and healthcare delivery is on the ropes. Hospitals are facing not only a financial crisis, but also a public health crisis. As we work toward the safe reopening of our economy, we must first secure hospitals’ ability to serve, so we have the safety net needed to rebuild. Without aid, this financial crisis will force hospitals to make hard decisions about how to continue to provide care to their communities.



Hospitals are always there, ready to care—for everyone. Now the legislature must care for hospitals.



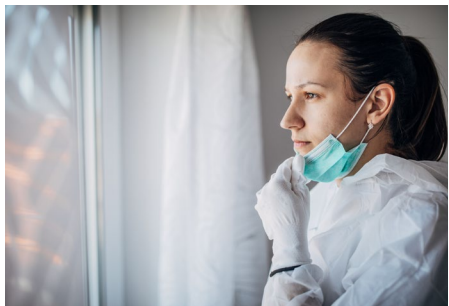
Costs in Context. Costs to Come.

“Federal stimulus funds of \$800,000 allowed Holy Cross to go from two weeks to 32 days cash on hand. This amount will almost cover just one pay period. We are grateful for it, but it goes very fast.”

Bill Patten, CEO
Holy Cross Medical Center, Taos

Same services, less reimbursement

Rising unemployment and the resulting losses in private insurance coverage means hospitals will be paid for services at much lower Medicaid rates—or not paid at all—when New Mexicans seek non-Covid care.

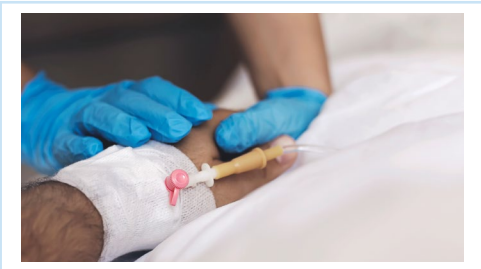


Many costs have yet to be counted and will not be fully known for months.



Staffing, a finite resource

- Recruiting staff is more expensive than retaining staff. Some hospitals have provided salary increases to staff to make sure they stay on, while others had to furlough to make ends meet.
- Clinical staff are a valuable resource. Many have been drawn to work in other areas of the country for thousands more than NM healthcare employers can pay. New Mexico communities have lost tax paying families.
- Staff nearing retirement and younger, new parents have left the healthcare workforce due to the serious nature of Covid-19, and potential impacts on them and their families.
- Delayed degrees, certificates and graduations have created a bottleneck of incoming new providers. If allowed to practice, employers must provide additional senior clinical staff needed to supervise until new providers are official.
- Quickly ramping up cross-training of staff has costs, including materials, time and increased senior staff supervision for repurposed clinicians.



Delayed care is more expensive care

Patients have delayed necessary care and present to hospitals with more emergent health needs that require lengthier, more costly treatment, including post hospitalization recovery.

“Reopening and generating revenue as before, is not like an on and off switch. We must cautiously reopen, slowly allowing elective procedures to take place based on protecting patient and employee safety. Continuous oscillating from opening to closing would undermine the trust the community has in us.”

John Whiteside, CEO
Los Alamos Medical Center

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