

Contact: Carol Lunger  
610-574-0576  
clunger@abccreative.com

FOR IMMEDIATE RELEASE

**MORE THAN 1,300 COMMUNITY, SAFETY-NET HOSPITALS LIKELY HEADING TOWARD POST-COVID-19 FINANCIAL CRISIS; NEW PREDICTIVE TOOL CAN HELP MITIGATE LOSSES, PLAN FOR NEXT COVID-19 WAVE**  
*Pandemic Impact Mitigation Strategy (“PIMS”) Model Lays Roadmap for Financial Lifeline*

**New York, April 29, 2020** – As the impact of COVID-19 continues to weigh heavily on hospitals and health systems, [ToneyKorf Partners](#) released today the [results of its analytical forecast](#) on the impact of the COVID-19 pandemic for community and urban safety net hospitals. The forecast indicates that only immediate and aggressive actions, coupled with additional external funding, can prevent a complete financial crisis for many healthcare organizations.

Especially impacted are more than 1,300 safety net and independent hospitals nationwide that now must operate in a severely altered financial landscape. Moreover, any recovery would cost hospitals at least 90 days of cash on hand. The cost of managing COVID-19, the lost revenue from the abrupt healthcare business disruption, and an expected gradual recovery of non-emergent and ambulatory services combine to seriously jeopardize the financial stability of many independent healthcare organizations, including many facing insolvency.

Mark E. Toney, Senior Managing Director of ToneyKorf Partners, stated that “Hospital management teams are being lured into a false sense of comfort by the increased census from COVID-19 patients and current stimulus funding, including Medicare advances.” With the increased costs of temporary staff, overtime and supplemental pay, additional personal protective equipment, and many other related costs payable in the next 30-90 days, the current stimulus funds will not cover the lost income and fixed costs of operations.

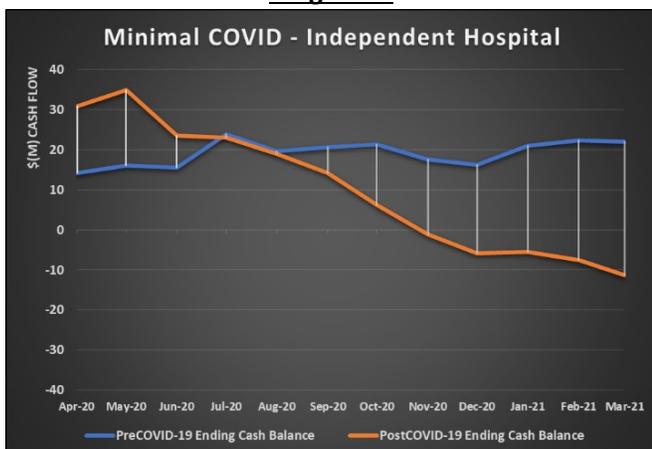
As COVID-19 activity diminishes and the U.S. enters a transition period back to a new “normal,” ToneyKorf’s proprietary forecasting tool, [Pandemic Impact Mitigation Strategy](#) (PIMS) model, indicates it will be critical for healthcare organizations – especially independent hospitals reliant upon significant external supplemental support – to make structural and operational changes that were previously contemplated, but not enacted. Making these changes quickly and strategically is going to be imperative in order to secure the liquidity of these facilities and move the operations to a more efficient and sustainable platform.

“The lost revenues from elective procedures, non-COVID-19 inpatients, and ambulatory care will not rebound to pre-COVID-19 levels fast enough to offset the hospitals’ fixed costs,” said Dr. Richard Becker, Senior Managing Director at ToneyKorf Partners. Becker added, “The combination of these factors is creating an imminent crisis for the backbone of America’s healthcare system.”

An example of one of the PIMS reports ToneyKorf Partners are using in their liquidity analysis, indicates the stimulus money is only providing a temporary sense of security that ultimately masks the real economic impact of the pandemic.

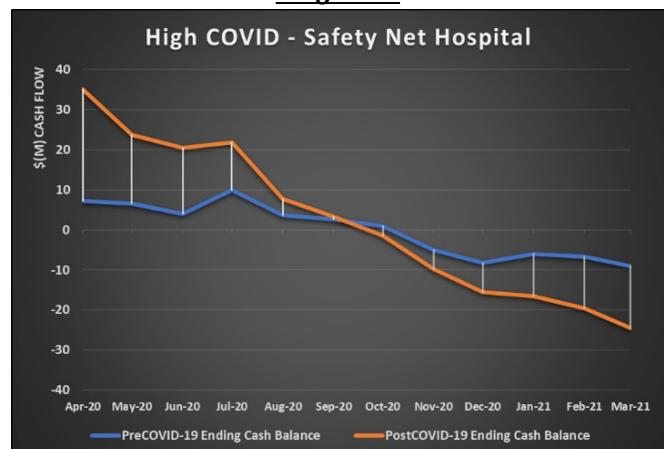
**COVID-19 IMPACT ON HOSPITAL FINANCIAL STABILITY**

**Diagram 1**



ToneyKorf Partners, LLC ©

**Diagram 2**



ToneyKorf Partners, LLC ©

After the COVID-19 surge subsides, healthcare systems will need to pivot quickly towards meeting a new variable patient demand for clinical services through a combination of alternative delivery, partnerships, and capital structures better suited to a dramatically different healthcare environment. Irrespective of the payer mix and more imminent for the safety net, every healthcare system will require dramatic, specific, and aggressive actions to ensure ongoing viability.

Toney added, “This pandemic will force changes to healthcare delivery – some changes are needed and long overdue, some are painful but revitalizing to organizations, and some that we don’t even know today will be essential for future viability. All of these organizations must quickly ‘up their games,’ or face certain failure.”

**TONEYKORF PARTNERS, LLC**

ToneyKorf Partners is a national management and advisory firm specializing in crisis and complex healthcare situations. We lead organizations that are experiencing strategic, operational, or financial challenges.

We bring experience and skills to fit the situation and have the courage and perseverance to make the necessary changes for the right outcome. To learn more about ToneyKorf Partners, visit **our website at [www.toneykorf.com](http://www.toneykorf.com)**.

**###**