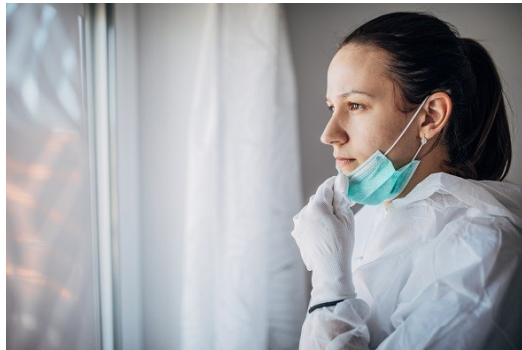


# How Nurses Are Being Affected by Hospitals' Financial Woes



By Debra Wood, RN, contributor  
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The cost of COVID-19 has been steep, and it isn't over yet. Millions of people have become infected to date, and tens of thousands of people in the United States are dead. Nurses and other health care providers face [stress-induced illnesses](#), or have become sick from the virus, while many patients continue struggling with the

disease's long-term effects.

But beyond the clinical impact, hospitals, health systems, physician practices and other health-related facilities are dealing with the financial cost of the COVID-19 pandemic.

"In our clients, the vast majority of providers are working," said David W. Miller, a founding partner at HSG, a health care consulting firm in Louisville, Kentucky. "The level of layoffs or furloughs varied widely, depending on the financial strength of the employing hospital and health system."

## THE COSTS OF COVID-19

The American Hospital Association (AHA) anticipates the financial strain related to the pandemic will continue through the end of the year. From March 2020 to June 2020, AHA reported \$202.6 billion in hospital and health system losses, about \$50.7 billion per month. From July through December 2020, AHA estimates the loss to health systems to be at least \$323.1 billion.

"Certain hospitals that saw high COVID patients needed their providers and were looking for providers," said Richard Becker, MD, MBA, senior managing director of ToneyKorf, a management and advisory firm in New York. In fact, he reports, some nurses and other providers were moved from their normal area of specialty to help in critical care units. Others helped with testing.

COVID-packed hospitals did not lay off staff; in fact, many brought on additional clinicians. Jackson Health System in Miami reported during a July 2020 press conference hiring 100 more nurses and placing 100 additional contract (travel) nurses provided by the state on COVID units. It also has suspended elective surgeries. Many hospitals in areas with small numbers of coronavirus cases had few choices beyond shedding staff, especially if they were restricted from performing elective procedures. Becker explained, "At some point, you run out of money."

In some regions, patients continue to avoid elective procedures, emergency department visits and physician appointments, especially in states where COVID-19 cases have been high.

"In late March, patients were staying away from primary care practices, receiving care via virtual visits," Miller said. "In many markets, that situation has returned to normal, although spikes, like we are seeing in Florida and Texas, are again reducing volume. Because patients are insecure about going to an office. We have seen consistent cutbacks in office staffing due to this phenomenon."

An [article](#) in *Health Affairs*, published online on June 25, 2020, noted primary care practices will lose more than \$65,000 per full-time physician (on average), due to COVID-19, for a nationwide total of \$15 billion.

## HOW NURSES ARE AFFECTED BY HOSPITAL FINANCES

Nurses have been affected by the decline in hospital revenues. Some have worked at the same hospital for decades. Many never expected to lose their jobs.

"You have to think through all of your expense areas and how to best manage that," Becker said. "You try to preserve people's livelihoods."

In some cases, such as at Trinity Health, a 92-hospital system based in Livonia, Michigan, staff have been furloughed, are working fewer hours or receiving reduced compensation. The extent of the damage depends on the hospital and the unit where the nurse works.

"The one area that is hard hit and not getting better on average is emergency department volume," Miller said. "Staffing cuts there are slower to be reversed."

Mike Hastings, MSN, RN, CEN, president of the Emergency Nurses Association, agreed, saying that emergency departments continue to struggle to get their volumes back up.

“What we know from our members is that some hospitals are furloughing staff, and yes, this does mean in some locations that emergency nurses are being furloughed,” Hastings said. “A lot of emergency departments are facing lower volumes of patients compared to prior to COVID, and so with this, the hospital does not need as many staff to care for these patients.”

## **OTHER PROVIDERS ARE NOT IMMUNE**

A recent survey of 842 physicians, by Merritt Hawkins in collaboration with The Physicians Foundation, found 21 percent had been furloughed or had a pay cut. Eighteen percent plan to retire, close their practices or no longer provide patient care.

“A big factor in provider staffing has been the suspension of elective cases, which significantly damage hospital finances,” Miller said. “That led to many furloughs.” The loss of elective cases has also negatively affected rehabilitative services, such as physical therapy and occupational therapy. “For example, the reduction in elective ortho cases would reduce the demand for rehab of all kinds.”

Although nurses, physicians, therapists and many other clinical staff are employees, how they are dealt with may differ. Some have been furloughed, while others have faced cuts in their hours or salary, he explained.

“Practices and health care systems are approaching it that way; ‘What can we continue to give people that is sustainable for the system?’” Becker said. “That does not mean people have not been hurt. They have suffered

Across the country, nurses, physicians and allied health care professionals are feeling the financial cost of COVID-19 and hoping the pandemic ends soon.

“Everyone wants to go back to business as usual,” Becker said.