
COVID-19 Disaster Emergency Report

Pennsylvania Health Care Cost Containment Council

A Pennsylvania report on the effect of the COVID-19 disaster emergency on hospitals and health care facilities in the Commonwealth

Submitted to:

The Secretary of the Department of Health and the Secretary of the Department of Human Services.

The Chair and Minority Chair of the Appropriations Committee of the Senate and the Chair and Minority Chair of the Health and Human Services Committee of the Senate.

The Chair and Minority Chair of the Appropriations Committee of the House of Representatives, the Chair and Minority Chair of the Health Committee of the House of Representatives and the Chair and Minority Chair of the Human Services Committee of the House of Representatives.

July 2022



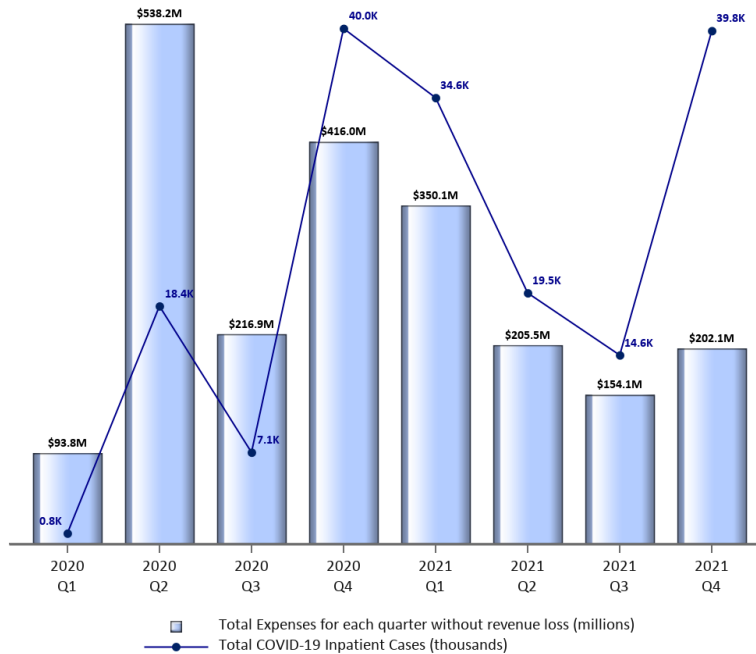
Pennsylvania Health Care Cost Containment Council
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COVID-19 DISASTER EMERGENCY REPORT SUMMARY

Total COVID-19 related expenses and lost revenue reported by Pennsylvania hospitals and health systems through March 2022 (Jan 2020-March 2022) were **\$7,612,533,051**.

- In Q1 2022 (January 2022 through March 2022), Pennsylvania hospitals and health systems reported COVID-19 costs totaling \$418,752,235.
- The largest expense for this period was staffing expenses totaling \$202,335,686.
- Quarterly COVID-19 related costs, as reported by Pennsylvania hospitals and health systems, varied widely from Q1 2020 through Q1 2022. Fluctuations were most pronounced in staffing-related expenses and revenue losses. Some of the changes may have been influenced by variations in the percent of hospitals and health systems reporting survey results to the Pennsylvania Health Care Cost Containment Council across time.
- Over 90% of Pennsylvania hospitals and health systems complied with COVID-19 reporting for 2020 data each quarter, compared to only 51% reporting for the Q4 2021 time-period, encompassed in this report. Seventy-one percent of Pennsylvania hospitals and health systems complied with COVID-19 reporting for the Q1 2022.

Total COVID-19 Expenses* and Cases



* COVID-19 expenses are dependent on the responsiveness of the hospitals and health systems, and there is chart on that information on page 9.

Introduction and Key Findings

The Pennsylvania Health Care Cost Containment Council (PHC4) has issued this report to provide data on the effect of the COVID-19 disaster emergency on Pennsylvania hospitals and health care facilities. As directed by Act 15 of 2020, this report represents the seventh installment in a series that will be updated for one year following the termination of the COVID-19 disaster emergency. In completing this report, PHC4 aggregated data related to first quarter of 2022 COVID-19 expenses and lost revenue as reported by hospitals and health systems in the Commonwealth.

Pennsylvania hospitals and health systems reported **\$418,752,235** in COVID-19 related expenses and revenue losses for the period January 2022 – March 2022. These expenses and revenue losses were attributable to coronavirus and used to prevent, prepare for, and respond to the coronavirus pandemic. Total COVID-19 related expenses and lost revenue reported by Pennsylvania hospitals and health systems through March 2022 (January 2020 – March 2022) were **\$7,612,533,051**.

Specific breakdowns for the Q1 2022 (January 2022 – March 2022) period include:

- Staffing Expenses: **\$202,335,686**
- Testing Expenses: **\$32,415,662**
- Supplies & Equipment Expenses: **\$51,305,958**
- Construction Expenses: **\$52,381**
- Housing Care Expenses: **\$186,281**
- Other Expenses: **\$36,717,957**
- Revenue Loss: **\$95,738,309**

This report reflects COVID-19 expenses and lost revenue as directed by Act 15 of 2020. This report does not reflect emergency funding provided under federal or state laws, including the Coronavirus Preparedness and Response Supplemental Appropriations Act, the Families First Coronavirus Response Act, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), or the Paycheck Protection Program and Health Care Enhancement Act.

Background and Process

As directed by Act 15 of 2020, the Pennsylvania Health Care Cost Containment Council (PHC4) shall prepare a report to provide Pennsylvania data on the effect of the COVID-19 disaster emergency on hospitals and health care facilities in this Commonwealth by aggregating data related to COVID-19 expenses and lost revenue reported by hospitals and health care facilities in order to qualify for Federal and State assistance. The report shall include the following data points if available:

- Increased costs related to provider and staff training, including training on pandemic preparedness plans and the use of telemedicine.
- Increased staffing costs.
- Costs related to COVID-19 testing.
- Costs associated with sourcing and purchasing additional supplies and equipment.
- Costs associated with setting up emergency operations centers, including construction and retrofitting facilities to provide separate screening and security areas.
- Costs associated with providing housing and care for patients who do not require hospitalization but do not have housing in order to prevent spread of COVID-19.
- Loss of revenues due to suspension of elective services not related to COVID-19.
- Other data points required to be reported by hospitals or health care facilities to the Federal government or State government to receive COVID-19 assistance.

The report shall be submitted to the following:

- The Secretary of the Department of Health and the Secretary of the Department of Human Services.
- The Chair and Minority Chair of the Appropriations Committee of the Senate and the Chair and Minority Chair of the Health and Human Services Committee of the Senate.
- The Chair and Minority Chair of the Appropriations Committee of the House of Representatives, the Chair and Minority Chair of the Health Committee of the House of

Representatives and the Chair and Minority Chair of the Human Services Committee of the House of Representatives.

The initial report was issued by the council January 15, 2021, and will be updated quarterly thereafter for one year following the termination of the COVID-19 disaster emergency under section 7301(c) (relating to general authority of Governor).

The PHC4, working in cooperation with the Hospital and Healthsystem Association of Pennsylvania (HAP), and input from a select group of hospital chief financial officers, developed a survey tool to collect COVID-19 expenses and revenue loss related data to satisfy requirements of Act 15 of 2020.

Independent hospitals and health care systems were asked to complete a COVID-19 survey for quarterly data and submit it to PHC4. Hospitals and health care systems were permitted to report as a system or individual hospital. Seventy-one percent responded to the first quarter 2022 COVID-19 survey.

COVID-19 Disaster Emergency Report Data Findings

Hospitals and health systems reported their January 2022 – March 2022 (Q1 2022) COVID-19 related expenses and revenue losses that were attributable to coronavirus and used to prevent, prepare for, and respond to coronavirus. Submissions included health care systems and independent hospitals that may include all system hospitals, ambulatory surgery centers, physicians' practices, etc. The accuracy of the data is the responsibility of each hospital or health system respondent.

As part of this analysis, PHC4 also examined data from its hospital discharge database and compared the number of quarterly inpatient discharges and outpatient visits from Pennsylvania's general acute care hospitals (GAC) and ambulatory surgery centers (ASC) from Q1 2019 through Q4 2021.

Staffing Expenses: COVID-19 related increased staffing and labor costs (salaries and benefits); expenses related to acquiring additional staff resources to expand or preserve care delivery and staffing emergency operation centers. Includes costs related to COVID-19 provider and staff training, (e.g., training on pandemic preparedness plans and the use of telemedicine), as well as temporary housing for staff.

- Total COVID-19 related staffing expenses for Q1 2022 reported by Pennsylvania hospitals and health systems were **\$202,335,686**.

Testing Expenses: costs related to COVID-19 testing, including costs incurred from commercial lab services.

- Total COVID-19 related testing expenses for Q1 2022 reported by Pennsylvania hospitals and health systems were **\$32,415,662**.

Supplies & Equipment Expenses: COVID-19 related costs associated with sourcing and purchasing additional supplies and equipment; such as, PPE and computer hardware or software related to preventing, preparing for, and responding to COVID-19, and may include temporary tents.

- Total COVID-19 related supplies & equipment expenses for Q1 2022 reported by Pennsylvania hospitals and health systems were **\$51,305,958**.

Construction Expenses: COVID-19 related costs associated with setting up emergency operation centers, including, but not limited to, construction and retrofitting facilities to provide separate screening and security areas.

- Total COVID-19 related construction expenses for Q1 2022 reported by Pennsylvania hospitals and health systems were **\$52,381**.

Housing Care Expenses: COVID-19 related costs associated with providing housing and care for patients who do not require hospitalization but do not have housing in order to prevent the spread of COVID-19.

- Total COVID-19 related housing care expenses for Q1 2022 reported by Pennsylvania hospitals and health systems were **\$186,281**.

Other Expenses: other COVID-19 related expenses required to be reported to the Federal or State government to receive COVID-19 assistance; may include e.g., consulting to comply with Federal Emergency Management Agency (FEMA) and other federal regulations, workers comp and other negative financial consequences to prevent, prepare and respond to COVID-19.

- Total COVID-19 related other expenses for Q1 2022 reported by Pennsylvania hospitals and health systems were **\$36,717,957**.

Revenue Loss: loss of revenue amount due to suspension of elective services and decreases in non-elective/emergent services not related to COVID-19; such as fewer outpatient visits, canceled elective procedures or services, or increased uncompensated care. It does not need to be specific to providing care for possible or actual coronavirus patients, but the lost revenue due to coronavirus.

- Total COVID-19 related revenue lost for Q1 2022 reported by Pennsylvania hospitals and health systems were **\$95,738,309**.

Total COVID-19 Related Expenses & Revenue Loss: total COVID-19 related expenses and lost revenue reported by Pennsylvania hospitals and health systems for Q1 2022 amounted to **\$418,752,235**. Total COVID-19 related expenses and lost revenue reported by Pennsylvania hospitals and health systems through March 2022 is **\$7,612,533,051**.

PHC4 COVID-19 Disaster Emergency - Expenses & Revenue Loss Survey

Summary Report by Year (Due to rounding, numbers may not add up precisely to the totals provided)

Expenses & Revenue Loss	2020				Total
	Q1	Q2	Q3	Q4	
Staffing	\$33,077,000	\$282,451,895	\$70,528,527	\$112,931,170	\$498,988,592
Testing	\$3,127,414	\$35,660,806	\$42,642,924	\$95,956,759	\$177,387,903
Supplies & Equipment	\$40,479,371	\$150,810,228	\$76,055,474	\$97,370,185	\$364,715,258
Construction	\$4,457,579	\$13,354,673	\$3,702,951	\$3,642,363	\$25,157,566
Housing Care	\$127,775	\$400,924	\$14,893	\$6,854,430	\$7,398,022
Other	\$12,549,062	\$55,545,275	\$24,002,509	\$99,289,277	\$191,386,123
Revenue Loss	\$419,752,289	\$3,388,372,995	\$395,771,099	\$311,968,918	\$4,515,865,301
Statewide	\$513,570,491	\$3,926,596,796	\$612,718,378	\$728,013,102	\$5,780,898,765

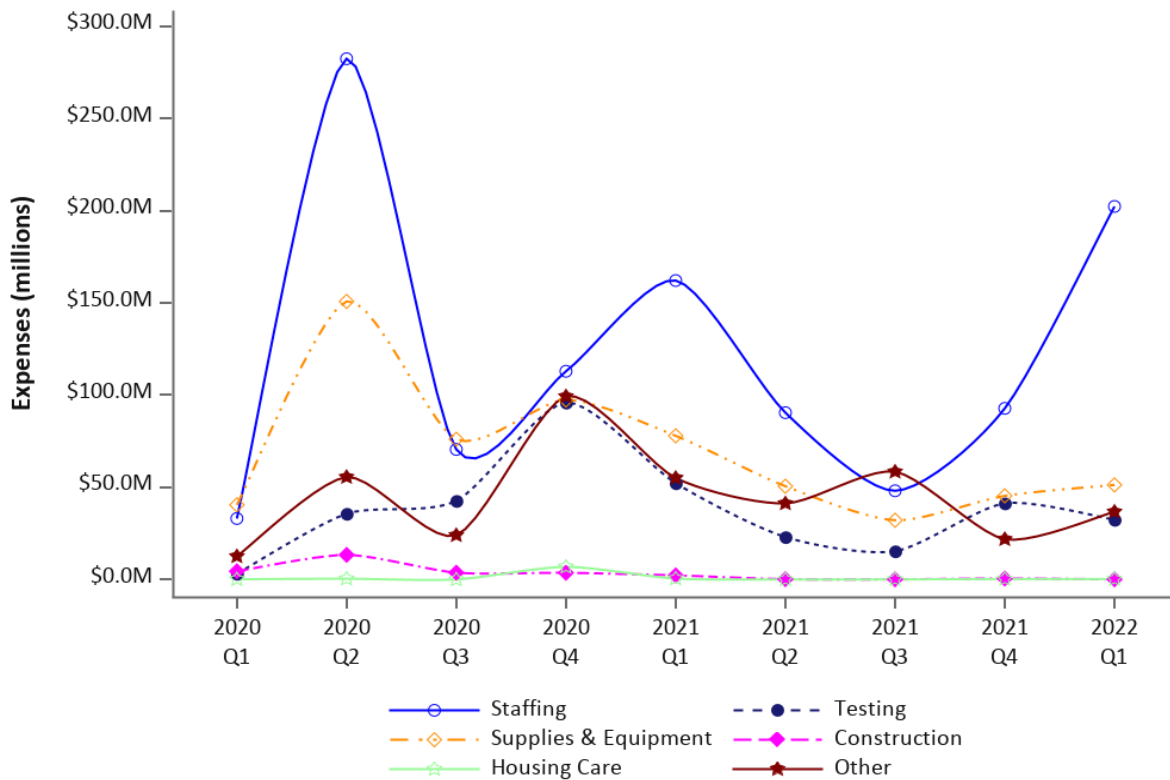
Expenses & Revenue Loss	2021				Total
	Q1	Q2	Q3	Q4	
Staffing	\$162,151,444	\$90,489,203	\$48,109,960	\$92,813,025	\$393,563,632
Testing	\$52,240,695	\$23,011,296	\$15,328,233	\$41,312,768	\$131,892,992
Supplies & Equipment	\$77,931,362	\$50,577,783	\$32,136,071	\$45,361,564	\$206,006,780
Construction	\$2,244,021	\$154,171	\$75,549	\$529,012	\$3,002,753
Housing Care	\$500,264	\$25,207	\$57,000	\$264,530	\$847,001
Other	\$55,043,880	\$41,251,373	\$58,423,737	\$21,846,591	\$176,565,581
Revenue Loss	\$299,817,012	\$90,174,074	\$61,256,866	\$49,755,360	\$501,003,312
Statewide	\$649,928,677	\$295,683,108	\$215,387,416	\$251,882,850	\$1,412,882,051

Expenses & Revenue Loss	Q1 2022
Staffing	\$202,335,686
Testing	\$32,415,662
Supplies & Equipment	\$51,305,958
Construction	\$52,381
Housing Care	\$186,281
Other	\$36,717,957
Revenue Loss	\$95,738,309
Statewide	\$418,752,235

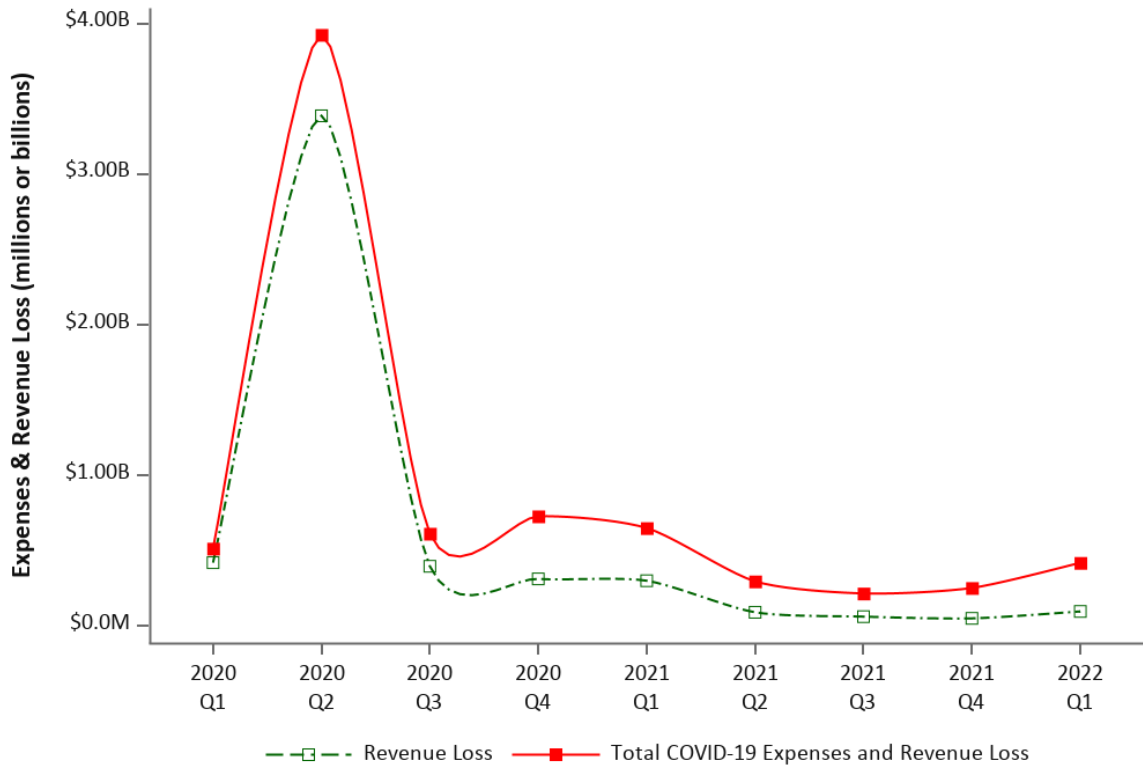
Grand Total, Q1 2021 – Q1 2022 (Due to rounding, numbers may not add up precisely to the totals provided)

Expenses & Revenue Loss	Total
Staffing	\$1,094,887,910
Testing	\$341,696,557
Supplies & Equipment	\$622,027,996
Construction	\$28,212,700
Housing Care	\$8,431,304
Other	\$404,669,661
Revenue Loss	\$5,112,606,923
Statewide	\$7,612,533,051

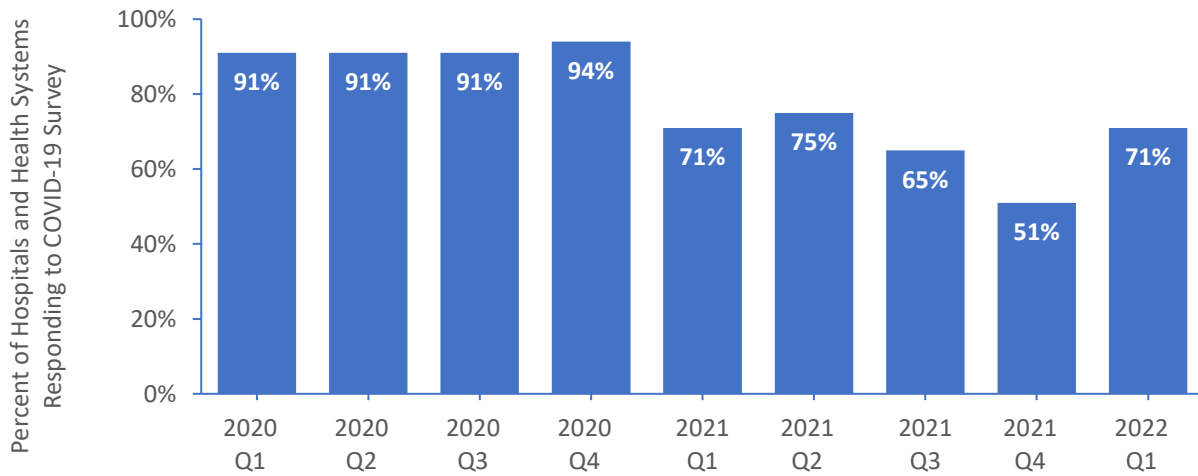
Trends for COVID-19 Disaster Emergency - Expenses



Trends for COVID-19 Disaster Emergency - Expenses & Revenue Loss



Hospitals and Health Systems COVID-19 Reporting



Total Inpatient Discharges & Outpatient Visits

General Acute Care Hospitals (GAC) and Ambulatory Surgery Centers (ASCs)

Facility Type	2019				Total
	Q1	Q2	Q3	Q4	
GAC Inpatient	392,945	391,132	383,300	383,518	1,550,895
GAC Outpatient	686,598	713,881	722,332	733,401	2,856,212
ASCs	246,317	264,697	254,847	264,287	1,030,148

Facility Type	2020				Total
	Q1	Q2	Q3	Q4	
GAC Inpatient	371,999	310,319	361,151	365,976	1,409,445
GAC Outpatient	695,855	525,366	733,907	732,062	2,687,190
ASCs	229,956	123,675	251,049	254,817	859,497

Facility Type	2021				Total
	Q1	Q2	Q3	Q4	
GAC Inpatient	353,293	370,932	367,817	364,222	1,456,264
GAC Outpatient	803,283	879,221	775,201	823,702	3,281,407
ASCs	240,630	266,239	257,612	263,658	1,028,139

Number of Inpatient Discharges: Total Cases and COVID-19 Cases

General Acute Care Hospitals

Type of Cases	Quarter				Total
	Q1	Q2	Q3	Q4	
2019					
2019 - Total Cases	392,945	391,132	383,300	383,518	1,550,895
2019 - COVID-19 Cases	0	0	0	0	0
2020					
2020 - Total Cases	371,999	310,319	361,151	365,976	1,409,445
2020 - COVID-19 Cases	808	18,443	7,091	39,994	66,336
2021					
2021 - Total Cases	353,293	370,932	367,817	364,222	1,456,264
2021 - COVID-19 Cases	34,617	19,463	14,640	39,817	108,537

About PHC4

Created by the PA General Assembly in 1986, the PA Health Care Cost Containment Council (PHC4) is an independent state agency charged with collecting, analyzing, and reporting information that can be used to improve the quality and restrain the cost of health care in the state. Today, PHC4 is a recognized national leader in public health care reporting. PHC4 is governed by a board of directors representing business, labor, consumers, health care providers, insurers, health economists and state government.

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