

Summary and Highlights

Introduction:

The Pennsylvania Health Care Cost Containment Council (PHC4), in partnership with The Hospital and Healthsystem Association of Pennsylvania (HAP), produced this new report examining how the COVID-19 pandemic affected and changed Pennsylvania and its health care system. The report, *COVID-19, The Impact on Health Care in Pennsylvania*, details the toll that COVID-19 has taken on Pennsylvanians and their communities, as well as the financial impact on the Commonwealth's hospitals. The report also examines how Pennsylvania hospitals responded to the pandemic and the challenges they continue to experience.

There are three primary areas of focus within the full report. The first two sections, from PHC4, examine the clinical and financial effects of the COVID-19 pandemic over time. The third section, from HAP, focuses on elements related to Pennsylvania's vaccination distribution, hospital workforce, and health care infrastructure.

Created by the Pennsylvania General Assembly in 1986, 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. All PHC4 reporting, including *COVID-19, The Impact on Health Care in Pennsylvania*, can be accessed at phc4.org.

The HAP Center for Health Policy Research provides meaningful, validated data to hospitals and health systems, policymakers, and consumers about issues and policies affecting Pennsylvania's hospitals and health systems. HAP is a statewide membership services organization that represents more than 230 hospitals and health systems, as well as the patients and communities they serve. Additional information about HAP is available at haponline.org.

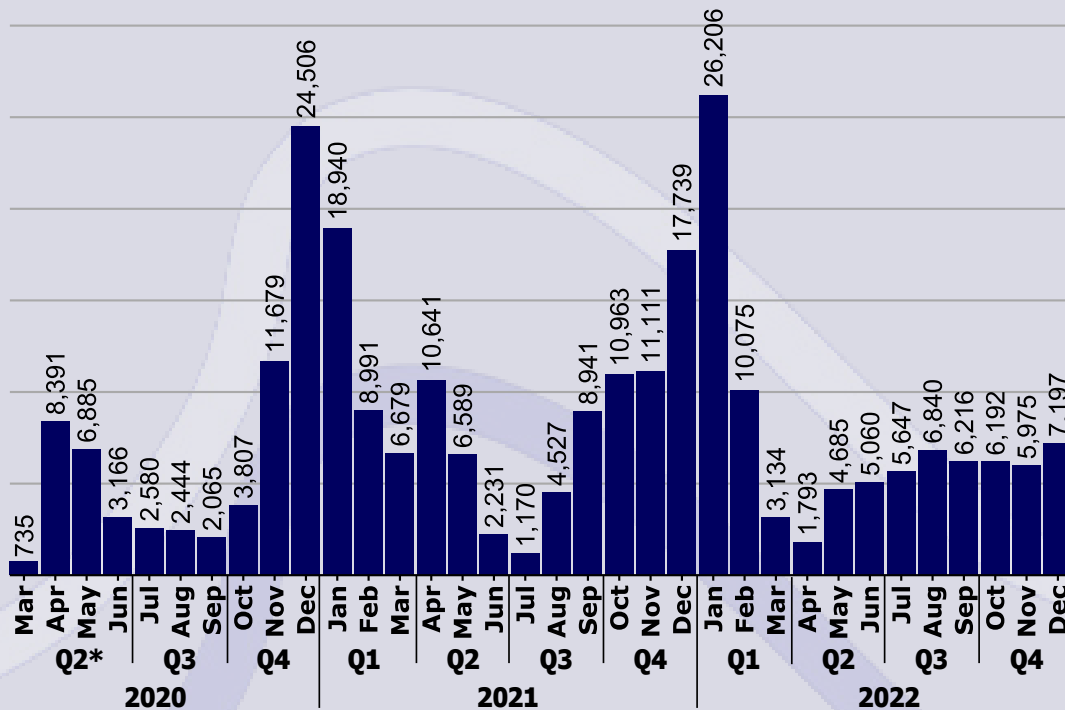
Summary and Highlights

PHC4 Research - Clinical:

The report shows that, for patients with a COVID-19 diagnosis, hospitalization and in-hospital mortality rates, as well as healthcare utilization (i.e., length of hospital stay and mechanical ventilation rates), varied across time. Differences by age, sex, race and ethnicity, and poverty rate are also investigated. Highlights include:

- From March 2020 through December 2022, there were 263,800 hospitalizations with COVID-19 in Pennsylvania acute care hospitals. The number of COVID-19 hospitalizations varied from month to month.
- The overall hospitalization rate was 196.7 COVID-19 hospitalizations per 10,000 Pennsylvania residents during this time period. Rates were statistically higher for older residents, especially ages 45 and older, male residents, black (non-Hispanic) residents, and residents living in areas where 10% or more of the population lives in poverty.
- The overall in-hospital mortality rate was 11.0%. Mortality rates were statistically higher for older patients, especially ages 65 and older, male patients, white (non-Hispanic) patients, and patients living in areas where 10% to less than 25% of the populations lives in poverty.

Figure 1. Number of COVID-19 Hospitalizations, by Month



*Note: Quarter 2 (Q2) 2020 data includes four months, Mar 2020-Jun 2020.

Fig. 1. Since the onset of COVID-19, there were two prominent spikes in the number of monthly COVID-19 hospitalizations in Pennsylvania. The first spike occurred in December 2020 at 24,506 hospitalizations. The volume was highest in the second spike, which occurred in January 2022, at 26,206 hospitalizations.

Summary and Highlights

PHC4 Research - Financial:

PHC4 aggregated data related to January 2020 through December 2022 COVID-19 expenses and lost revenue as reported by hospitals and health systems in the Commonwealth of Pennsylvania. Total COVID-19 related expenses and lost revenue reported by Pennsylvania hospitals and health systems through December 2022 (Jan 2020 – Dec 2022) were \$8.1 billion. These expenses and revenue losses were attributable to COVID-19 and used to prevent, prepare for, and respond to the coronavirus pandemic.

Specific breakdowns for the period January 2020 through December 2022 include:

- Staffing Expenses: **\$1.3 billion**
- Testing Expenses: **\$374 million**
- Supplies & Equipment Expenses: **\$679 million**
- Construction Expenses: **\$28 million**
- Housing Care Expenses: **\$9 million**
- Other Expenses: **\$434 million**
- Revenue Loss: **\$5.3 billion**

Of the \$8.1 billion, staffing expenses incurred amounted to \$1.3 billion – the largest expense reported. These expenses include: 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. Costs related to COVID-19 provider and staff training, like training on pandemic preparedness plans and the use of telemedicine, were also included.

Summary and Highlights

Figure 2: Trends for COVID-19 Disaster Emergency – Hospital Expenses & Revenue Loss

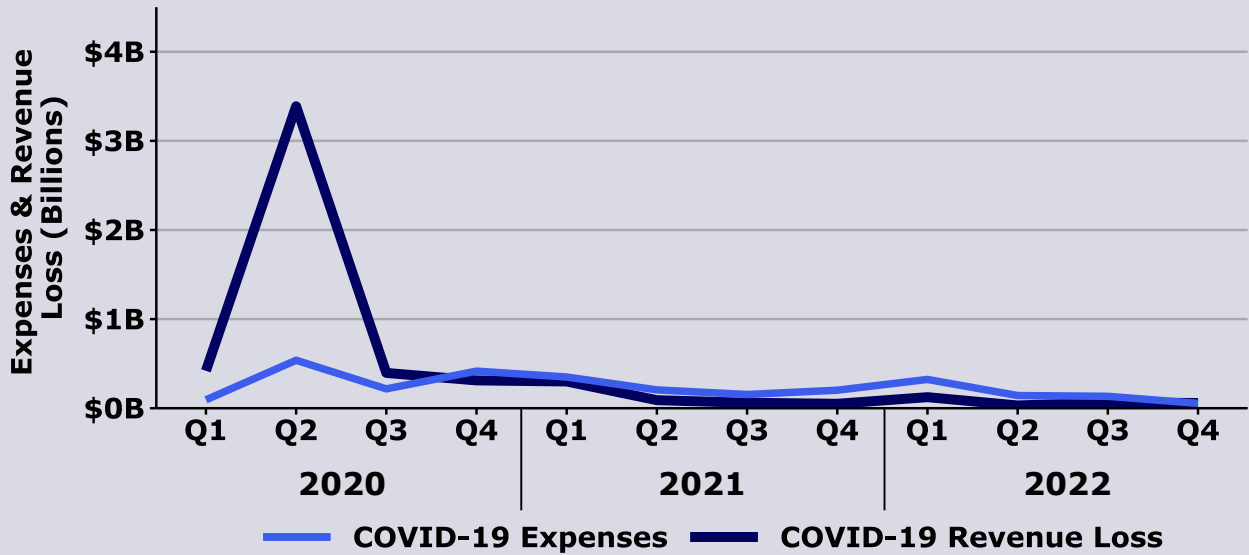


Fig. 2. Revenue loss was the highest during the second quarter of 2020 primarily due to the elimination of elective services.

Figure 3: Trends for COVID-19 Disaster Emergency – Hospital Expenses

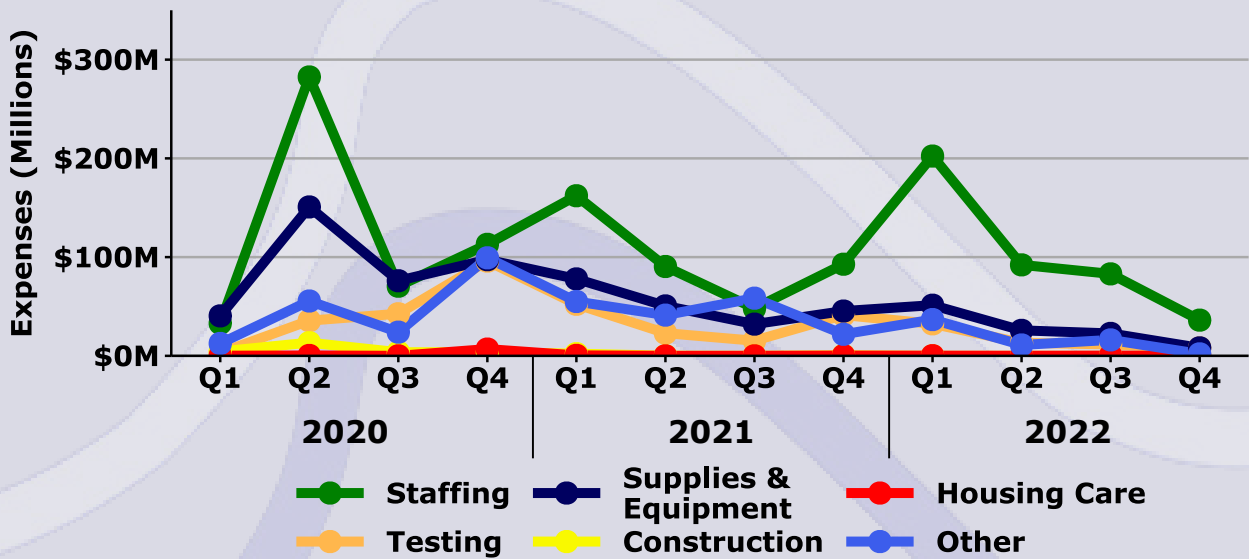


Fig. 3. Housing Care expenses were 0.31% of total expenses during this study period. Staffing expenses were 46.15%. The graph indicates staffing expenses and supplies and equipment expenses increased with the increase in COVID-19 cases (not visualized).

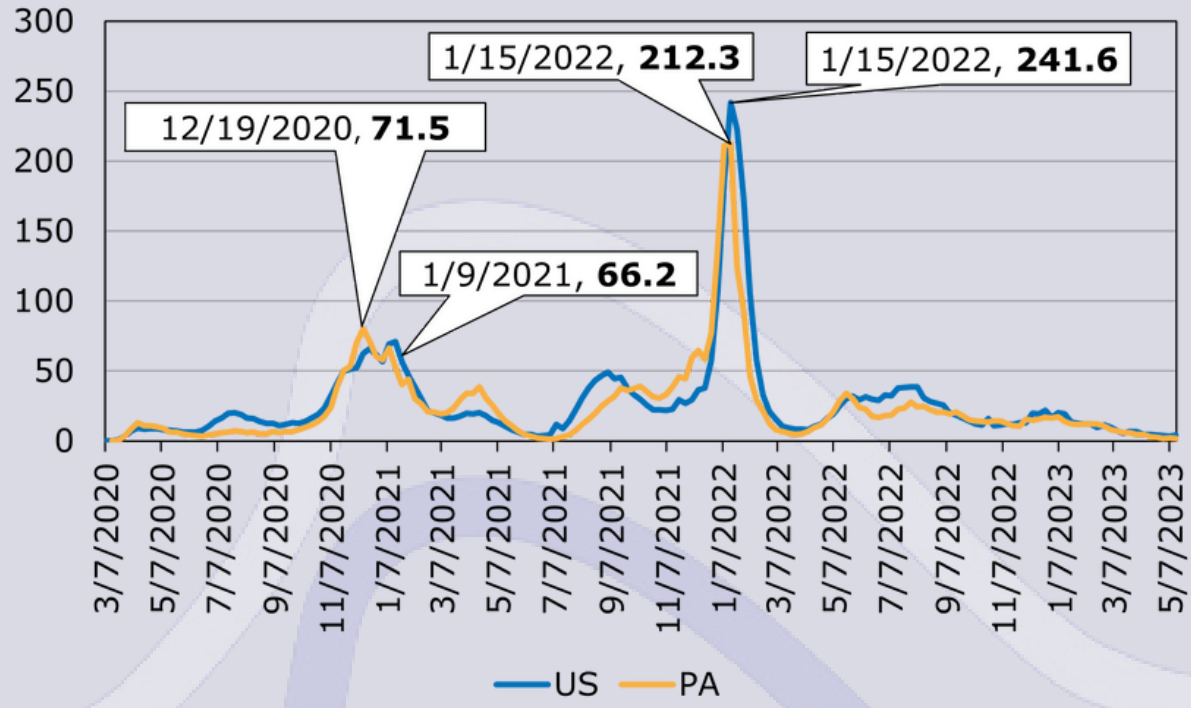
Summary and Highlights

HAP Research:

Within this report HAP provides meaningful, validated data focusing on elements related to Pennsylvania’s vaccination distribution, hospital workforce, and health care infrastructure.

- Despite the challenges of the pandemic, Pennsylvania hospitals reported about \$9 billion in community benefits during fiscal year 2022 and—both directly and through ripple effects—supported \$182 billion in economic impact and 590,000 jobs.
- Hospitals played a crucial role in COVID-19 vaccination efforts, distributing more than 80 percent of vaccines during each of the first four weeks of the initial rollout.
- The COVID-19 pandemic intensified workforce shortages throughout the health care sector with hospitals reporting average statewide vacancy rates of more than 30 percent at the end of 2022 for key clinical positions including registered nurses, nursing support staff, and medical assistants.

Figure 4. 7-day Average Case Rates per 100,000 Residents, US vs PA, (March 7, 2020 – May 14, 2023)



Source: Commonwealth of Pennsylvania and WHO