

# US hospitals are closing as demand for care increases

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Declining revenue and increasing expenses are contributing to a growing number of hospital closures in the United States. Moreover, many hospitals that remain open face large financial losses and negative operational margins, both of which are expected to continue through the end of the year. These losses will result in cutbacks, layoffs and downsizing that will reduce patients' access to needed care.

In the past year, 19 hospitals have filed for bankruptcy, closed or announced plans to close. In Hammond, Indiana, Franciscan Health is set to end in-patient and emergency care at its 226-bed hospital by the end of 2022 because of low patient volumes. This drastic measure replaces the company's previous plan to scale down the hospital to a 10-bed inpatient unit and emergency department.

In Reno, Nevada, St. Mary's Regional Medical Center will be shutting down its maternal child health program, citing a significant downturn in deliveries and staffing shortages. St. Mary's will no longer accept obstetric patients for delivery but will continue to provide gynecologic services and emergency care for expectant mothers. The hospital is sending its current patients to "appropriate care destinations," which no doubt will further strain the hospitals that receive them.

In Cleveland, Ohio, St. Vincent Charity Medical Center, which is transforming itself into a provider of outpatient services, ended its in-patient and emergency room services on November 11. The effects of COVID-19 on the health care system are the primary factors for its decision, according to the hospital.

Earlier this month, Wellstar Health System closed the Atlanta Medical Center in Marietta, Georgia, citing increased costs for staff and supplies and declining revenue. Meanwhile, Wellstar President and CEO

Candice Saunders draws an annual salary of nearly \$2.5 million.

In addition, Berwick Hospital Center in Pennsylvania filed for Chapter 11 bankruptcy on September 30. The filing took place less than two weeks after the hospital had shut down its emergency department due to a lack of staffing. On the same day, Blessing Health System in Quincy, Illinois, closed its hospital in Keokuk, Iowa, citing low in-patient volume. The Tennessee-based Franklin Community Health Systems closed ShorePoint Health Venice, a 312-bed hospital in Venice, Florida, in September as well.

Many hospitals that remain open face dire financial straits. In September, the American Hospital Association (AHA) projected that between 53 percent and 68 percent of the nation's hospitals will end 2022 in debt. This means a potential doubling of the 34 percent of hospitals that were in debt by the end of 2019 (i.e., before the pandemic). This debt will not only prompt consolidations and layoffs but also flood surviving hospitals with more patients when they are already at capacity.

The AHA also made two predictions about hospital margins in 2022. Its "optimistic" prediction is that they will be 37 percent lower than in 2019. Its pessimistic prediction is that margins will be 133 percent lower.

"In either case, hospitals stand to lose billions of dollars in 2022," said Lisa Goldstein, senior vice president of management consulting firm Kaufman Hall, on behalf of the AHA at a conference call attended by myriad hospital executives. "It will be the worst year since the start of the pandemic."

Nonprofit health system executives on the conference call said that the projections are grim not just for hospitals, but also for patients, who will be forced to travel longer distances, wait much longer for medical

attention and perhaps forgo necessary treatment.

“The numbers are all going in the wrong direction, and I’m concerned we’re going to see more healthcare providers close as a result of the current financial reality, which will impact access to care,” said Jack Lynch, president and CEO of Main Line Health (MLH), a nonprofit system with five hospitals in Philadelphia. “In my 35 years as a healthcare leader, this is the most fragile I’ve ever seen the American healthcare system.”

MLH has seen its total expense per admission increase by 26 percent, surpassing the 14 percent increase in revenue per admission, according to Lynch. He added that MLH reported a \$6 million loss for its fiscal year. “These losses are unsustainable and will impact our ability to meet expectations and healthcare needs of those in the community,” he said. Lynch continues to collect his salary, however, which totals \$1,737,055, according to NonProfitLight.com.

Mike Slubowski (total salary \$2,866,730), president and CEO of 88-hospital Trinity Health, said his organization has 3,900 vacant registered nurse positions and a 14 percent clinical support staff vacancy rate. Staff shortages “are like nothing we’ve ever seen before,” he said, reporting that Trinity had had to take 13 percent of its emergency departments, 12 percent of its beds and 5 percent off its operating rooms offline.

“We have some locations with as high as 20 percent to 25 percent of their beds offline and half of their operating rooms and diagnostic services offline due to nurse staffing shortages,” he said. “We’re doing all we can, including innovating how we deliver patient care, but it isn’t enough. Hospitals, long-term care facilities, home care and physician practices lack the resources needed to solve the healthcare workforce crisis ourselves.”

A major factor in the collapse of the health system is the criminal response of the ruling class to the coronavirus pandemic. The pseudoscientific policy of “herd immunity” was initiated by former Republican President Donald Trump and has been continued by Democratic President Joe Biden, despite the latter’s promise to “follow the science” and end the pandemic. Both parties promoted the reopening of schools and nonessential workplaces so that production and the generation of profit could continue.

This policy has resulted in successive waves of mass

infection and death. The official death toll in the United States alone has surpassed 1.1 million. Successive waves of infection have placed an enormous strain on hospitals and health care workers. Moreover, the Biden administration has sought to normalize the pandemic and to portray endless infection as inevitable and SARS-CoV-2 as endemic.

Decades of underfunding and short staffing also have contributed to the crisis in the health system. Symptoms of this unnecessary lack of resources have included the reuse of masks, longer working hours for staff, and shortages of beds that have forced hospitals to board patients in hallways.

The intense physical and psychological strain has prompted nurses and medical staff to retire or quit in droves, which has exacerbated the crisis. Rather than providing desperately needed funding to support the health system and hire more workers, the Biden administration has spent \$21 billion to send weapons to Ukraine for its proxy war with Russia—and has requested another \$21 billion from Congress for the same purpose.



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