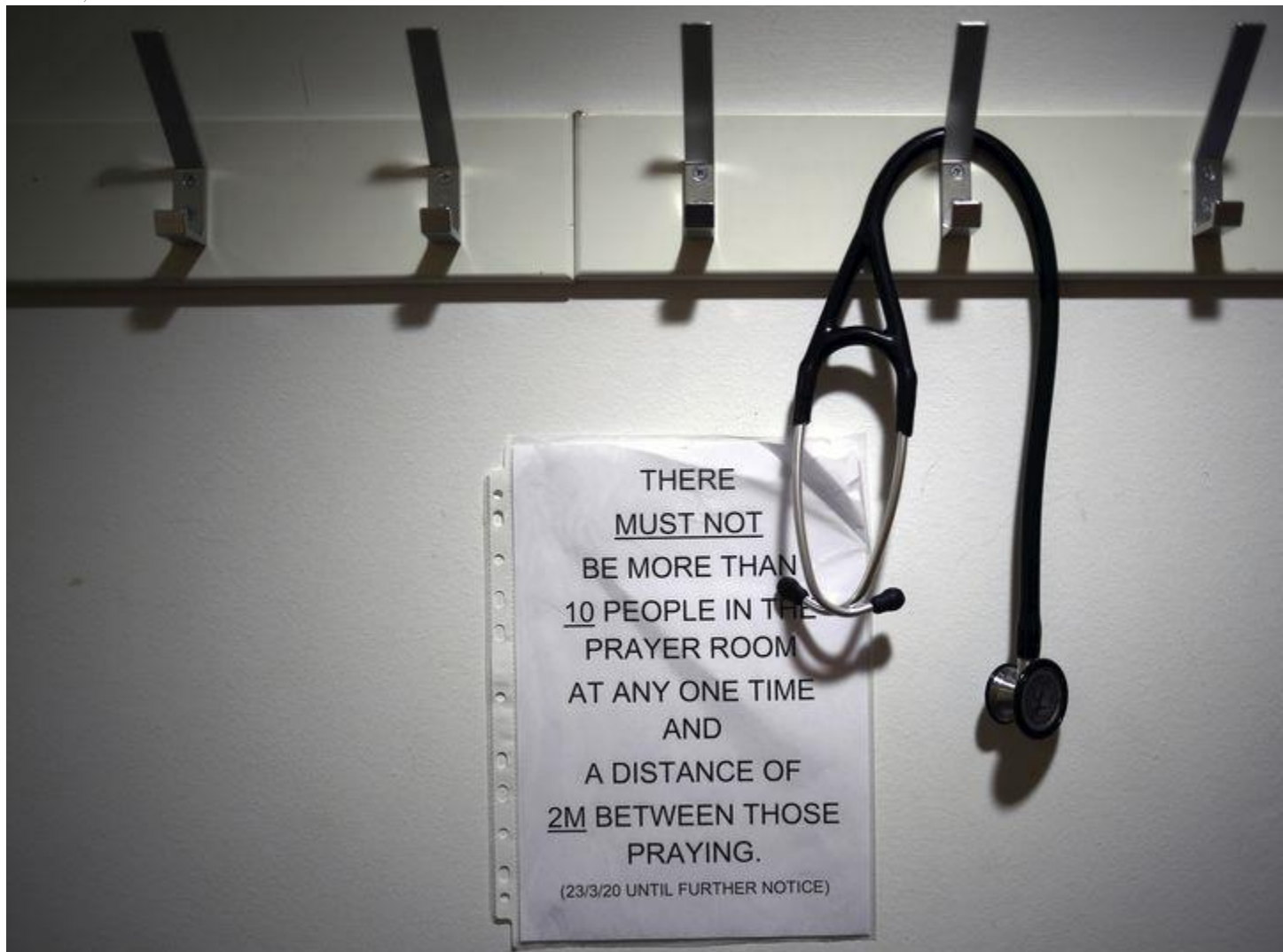


# Hospitals and doctors facing financial challenges amid COVID-19 | COMMENTARY

By GENE M. RANSOM III  
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COVID-19 has created financial challenges for hospitals and doctors. (Hannah McKay/AP)

Right now, the very people and organizations Marylanders depend on for health care are facing a financial crisis. As the coronavirus pandemic spread across the nation and the state, hospitals increased capacity while physician practices shuttered most non-COVID-19 services. This has created a drastically unstable health care and economic situation that must be addressed.

Earlier this year, Congress did provide much-needed assistance to select physicians and hospitals in the form of [\\$175 billion in emergency grants](#). They also approved a provision for all health practitioner COVID-19 costs, including lost revenues, to be reimbursed. While these grants are appreciated, it is not nearly enough to cover physician practice and hospital losses.

Facing mounting costs, physician practices and hospitals have been left with only one realistic lifeline, the Centers for Medicare & Medicaid Services Accelerated and Advance Payment Program, a seldom-used loan program for providers experiencing short-term cash flow issues. In three and a half weeks, physicians and hospitals received \$101 billion in loans to stabilize their financial position. In Maryland alone, these loans totaled [nearly \\$2.4 billion](#).

Physicians, medical practices and hospitals urgently need Congress to assure that all COVID-19 costs will be reimbursed. The first step in this process should be forgiving these federal loans that have been spent fighting COVID-19. This will directly help our health care workers and organizations survive and continue serving the needs of their communities.

Very simply, many physician practices and hospitals will not be able to afford to repay these loans — directly jeopardizing their ability to stay open and care for patients.

The economic reality for physicians and other health care practitioners is extremely dire. Many have seen volumes drop to below 20% and have been forced to furlough employees. Losing 40% to 60% of their normal service revenue, coupled with patients losing health insurance due to skyrocketing unemployment, has resulted in a real need for financial life-support.

Throughout the country, hospitals [shed over 1.4 million jobs](#) in April alone and are losing revenue at an average rate of [\\$50.7 billion per month](#). Physician practice revenue has seen a similar plunge, threatening access to care and the health of all Americans.

The fact is financial losses this summer will extend into the fall and winter, when both COVID-19 and the “regular” seasonal flu will require significant demands on the health care system. This scenario will result in even more financial turmoil for hospitals and their employees, placing the health and safety of our citizens at risk. [USA Today reports](#) that 100 hospitals across the country could close within a year. Fewer hospitals and more unemployed health care workers is the last thing we need at this critical time.

It has never been more evident that our physicians, nurses and health professionals are not only critical contributors to our personal health, but to the health of our economy. Forgiving these federal loans will support the continuation of vital health care services and it will also aid economic recovery, as almost 20% of the national economy is derived from the health care sector.

According to the U.S. Bureau of Economic Analysis, [almost half](#) of COVID-19 economic loss in the first quarter of 2020 is attributed to health care. Loan forgiveness will provide our health care sector the financial stability needed to weather the pandemic and boost overall economic recovery at the national, state and local levels.

Maryland's federal delegation can and should be part of the solution by adopting the bipartisan effort spearheaded by Rep. [Marcy Kaptur](#), an Ohio Democrat, and Rep. Bob Gibbs, an Ohio Republican, to forgive the advance Medicare payment loans made to health care practitioners. Similar to how the Paycheck Protection Program loans are helping to save small businesses, loan forgiveness will allow physicians and hospitals to focus on health care and helping the country and our state beat COVID-19.

This ongoing pandemic has caused great damage across America and Maryland. The Maryland State Medical Society is respectfully calling on Congress and the Trump administration to act quickly to provide loan forgiveness for our health care heroes so they can survive the financial turmoil of this crisis and ensure the mental, physical and economic health of our nation.

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