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## NEW REPORT OUTLINES PANDEMIC'S STAGGERING AND LONG LASTING FINANCIAL IMPACT ON HEALTHCARE IN CONNECTICUT

[Read](#) the CHA Report: *The Financial Impact of the COVID-19 Pandemic on Connecticut Hospitals*  
[Download](#) the Kaufman Hall Study

WALLINGFORD, CT – The year 2022 was the worst year financially for Connecticut hospitals since the COVID-19 pandemic began, and the pandemic has left a staggering impact on Connecticut hospitals and the healthcare system, according to a new report released today by the Connecticut Hospital Association (CHA) supported by an independent study from Kaufman Hall.

Connecticut hospitals are facing a growing challenge of dramatically rising costs and inflation, workforce shortages, and treating sicker patients than before the pandemic.

“Since the spring of 2020, Connecticut hospitals and healthcare workers have seen challenge after challenge. From the COVID-19 pandemic to new hurdles of treating sicker patients than before the pandemic and significant financial hardships, hospitals continue to provide high-quality care to everyone who walks through their doors, regardless of ability to pay, with a dedicated but smaller workforce who are exemplary but exhausted,” said **Jennifer Jackson, CEO of the Connecticut Hospital Association (CHA)**. “This report shows that hospitals and health systems are navigating unprecedented financial challenges and the pandemic continues to have a lasting impact on healthcare across the state.”

The new report, *The Financial Impact of the COVID-19 Pandemic on Connecticut Hospitals*, offers critical data on hospital financial instability and growing pressures that impact patient care and healthcare access throughout Connecticut. The report underscores the pandemic’s dramatic toll on hospitals as they face mounting strain from workforce shortages, rising costs, and Medicare and Medicaid underpayment.

Key findings from the report include the following:

- **Connecticut hospital expenses are \$3.5 billion higher** than pre-pandemic levels, primarily due to supply, drug, and labor cost increases
- **Supplies and drug expenses increased the most, rising \$1.1 billion**, a 28% increase since 2019
- **Connecticut hospitals have incurred serious losses** relative to pre-pandemic levels – including approximately **\$164 million in losses** in fiscal year 2022
- **Government continues to underpay caregivers for services provided to patients on Medicare and Medicaid**, with hospitals facing **\$1.12 billion** in Medicare losses and **\$993 million** in Medicaid losses

- **Total hospital operating margin for Connecticut hospitals was negative 1.0%** in fiscal year 2022
- **People are sicker.** Rising patient days in 2021 and 2022 and the resulting increase in length of stay suggests that patients that are visiting hospitals have more severe health needs than prior to the pandemic
- **The healthcare workforce shortage is straining the healthcare system.** Hospital contract labor costs have increased 61% compared to pre-pandemic levels. Connecticut hospitals have had to use contract labor as a greater part of total labor expense than their national counterparts, increasing \$519 million compared to pre-pandemic levels

According to the Kaufman Hall study, the findings “underscore the significant financial and operational threats Connecticut hospitals continue to face three years after the beginning of the pandemic.”

CHA is calling for state and federal support to enhance healthcare worker recruitment, retention, and training to build the healthcare workforce. CHA emphasized the need to continue working with policymakers to enhance investments in Medicaid and implement collaborative approaches like the healthcare cost growth benchmark to reach shared goals of providing high quality, affordable, accessible, and equitable care to every person.

CHA is also urging lawmakers to oppose legislation that restricts access to healthcare services in the community, reduces – by billions – vital funding to hospitals, gives leverage to national health insurance companies over Connecticut hospitals, and makes it harder for nurses to do their jobs and will result in delayed patient care.

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