

## **REPORT FINDS FINANCIAL CHALLENGES MOUNT FOR HOSPITALS AND HEALTH SYSTEMS PUTTING ACCESS TO CARE AT RISK**

### *CHA Calls for United Effort to Protect the Future of Healthcare Delivery*

WALLINGFORD – As a new national report reveals the breadth of challenges facing hospitals and health systems, the **Connecticut Hospital Association (CHA)** is urging state policymakers and healthcare stakeholders to continue working together to address alarming financial challenges that could threaten hospital stability and patient access to care.

According to a national [report](#) released by the American Hospital Association, after three years of unprecedented challenges caring for COVID-19 patients and others, hospitals and health systems face a new existential challenge from the rising costs of care.

The latest report once again highlights the issues that are impacting hospitals and health systems, including those in Connecticut that are facing a growing challenge of dramatically rising inflation-driven costs, workforce shortages, and treating sicker patients than before the pandemic.

A [report](#) released last month by CHA found that Connecticut hospitals, compared to the rest of the nation, faced a more dramatic decrease in operating margin than in other states. Additionally, growth in operating expenses in Connecticut has outpaced growing hospital expenses nationally over the last three years.

"The findings of these reports sound the alarm," said **Jennifer Jackson, CEO of the Connecticut Hospital Association**. "The pandemic's impact on hospitals is staggering. Connecticut must focus on how we can sustain robust healthcare delivery systems for patients across the state when faced with such challenges. The backbone of healthcare, Connecticut hospitals simply cannot do this if they cannot cover their costs. Rising expenses in the cost of everything from medication and supplies to labor are making it more difficult for hospitals every day. When hospitals are financially strained, it threatens access to the care they provide to patients, the services they provide in their communities, and the over 200,000 jobs that they support statewide."

Hospital expenses in Connecticut are \$3.5 billion higher than pre-pandemic levels, primarily due to supply, drug, and labor cost increases; Connecticut hospitals incurred \$164 million in operating losses in fiscal year 2022; Connecticut hospitals faced \$1.12 billion in Medicare losses and \$993 million in Medicaid losses in fiscal year 2021; and total hospital operating margin for Connecticut hospitals was negative 1.0% in fiscal year 2022.

"The pressures are accelerating. We need to be concerned about the future of healthcare delivery, and we need to be proactive about working together on solutions. Connecticut can't be strong unless its hospitals are stable," said Jackson.

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- [Read the April 2023 Report](#): The Financial Stability of America's Hospitals and Health Systems Is at Risk as the Costs of Caring Continue to Rise
- [Read the March 2023 Report](#): The Financial Impact of the COVID-19 Pandemic on Connecticut Hospitals

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