



COVID Hospital Care for Communities

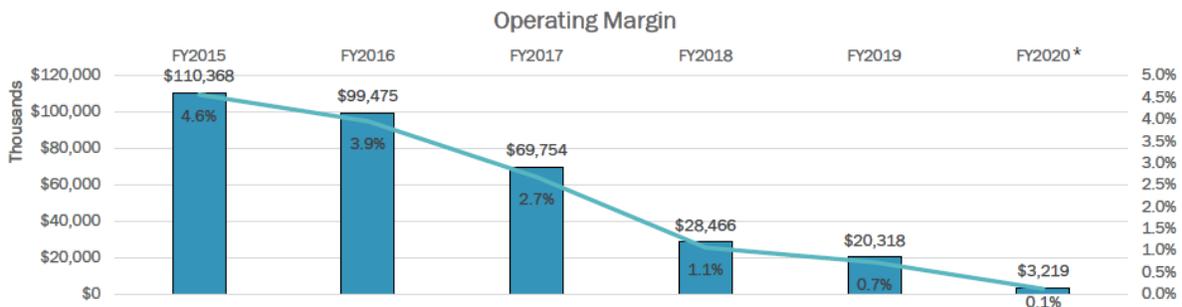
- Created capacity for negative pressure rooms
- Opened new treatment areas
- Invested in screening devices for staff and visitors
- Labs have invested in specialized testing equipment to allow in-house testing for COVID-19
- Test staff and patients on a regular basis
- Stood up new monoclonal antibody infusion units
- Prepared for and managed surges of COVID+ patients, including assisting distressed nursing homes

Hospital Public Health Response to COVID

- Assisted state with supply chain for PPE and testing supplies
- Partnered on community testing
- Stood up vaccination clinics for community

Current State of Hospitals: Continued Uncertainty

- Unclear what volumes will look like in the future
- Workforce is stretched to the limit: health care employees have been working beyond scheduled FTE for a year with no end in sight; recruiting new employees difficult; and high temporary staffing costs
- COVID-19 variants
- Deferred health care as seen by higher acuity patients in emergency departments
- Even with \$180 million in federal COVID-19 relief, 6 hospitals have negative operating margins and the remaining are near breakeven.
- In 2020, only \$3.2 million margin on \$2.4 billion statewide hospital system
- Growth rate of 3.5% does not meet inflationary challenges of workforce, pharmacy inflation, new pharmaceutical drugs not currently in expense structure, investing in infrastructure and technology
- Margin is needed to re-invest in aging facilities, emergency response and preparedness, latest technology, and health care reform



*FY2020 year-end results may change due to stimulus guidance.