

Ensure North Carolina's hospitals and health systems have the financial stability and resources needed to continue responding to the coronavirus (COVID-19), prepare for the next emergency and serve the everyday healthcare needs of their communities.

North Carolina's hospitals and health systems are open all day, every day for all who need care.

When COVID-19 hit, North Carolina hospitals sprang into action to prepare for one of the deadliest pandemics in the past 100 years. This involved quickly converting physical space, suspending elective procedures and services, purchasing personal protective equipment often at inflated prices, hiring additional staff, and more.

Hospitals rely on income from scheduled procedures, such as joint replacements, to balance losses from many other acute care services. Cancellations drove significant declines in hospital occupancy rates, as hospital beds sat empty in anticipation of the COVID-19 surge. Statewide, hospitals lost about \$1 billion a month because of the elimination of profitable non-urgent procedures and spending on COVID-19 preparations.

This dramatic loss in revenue happened within a matter of weeks, putting a strain on operations especially at hospitals with already thin margins and low cash-on-hand reserves. Hospital economic sustainability is vital for ensuring access to high-quality health care for all North Carolinians. Without federal and state aid, this financial crisis will force hospitals to make hard decisions about how to continue to provide care to their communities.

Securing hospitals' ability to serve as the safety net is essential to get us safely through this pandemic, prepare for the next crisis, and continue to provide health care across the state. North Carolina hospitals and health systems are ready to partner with the General Assembly during the 2020 legislative session on the following priorities:

- **Establish telehealth payment parity and encourage broad utilization of telehealth services through reduced barriers, increased broadband, and enhanced payments.**
- **Provide comprehensive behavioral health services in all 100 counties without patients needing to rely on hospital emergency departments.**
- **Maintain the current Certificate of Need Law and current non-profit tax structure.**
- **Expand graduate medical education programs to include incentives for rural residency programs and loan forgiveness programs to those in underserved areas.**
- **Establish a state disaster supply to supplement medical equipment needs in times of high demand.**
- **Move the State Health Plan and Medicaid to value-based care models in 2021, enabling better care coordination which leads to healthier outcomes.**