

LIFE AFTER STEWARD:

Where Massachusetts Hospitals Stand Now

As Massachusetts emerges from the Steward Health Care crisis, now is the time to evaluate the state of the broader healthcare system — and the larger issues it has been facing all along. This sector snapshot highlights key factors, trends, and metrics that are shaping the reality of today's hospitals and healthcare organizations. It also shows what's at stake: an interconnected group of institutions that prop up our communities, economy, and health.

PATIENTS



**10% INCREASE IN
LENGTH OF STAY**

Patients are sicker and older than before, leading to longer hospital stays.

CAPACITY



**UP TO 2,000
STUCK PATIENTS**

People cannot access post-hospital and behavioral healthcare, further fueling wait times and bottlenecks.

SAFETY NET



**\$200 MILLION
SHORTFALL**

Hospitals are the only part of the healthcare system funding the deficit for uninsured patients.

WORKFORCE



15,000+ VACANCIES

Fewer workers means fewer care beds, worsening the strain on caregivers.

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MASSACHUSETTS
Health & Hospital
ASSOCIATION

NOVEMBER 2024

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Since 2018, local hospitals have seen:

- > Patients stay in their care 10% longer
- > The proportion of patients over 75 years old grow by 9.5%

Reasons include:

- > An aging population
- > Care delays dating back to the pandemic
- > A lack of primary, behavioral health, and community-based care



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Fueling Factors:

- › Insurance delays & denials
- › Workforce shortages in rehab settings
- › Transportation delays
- › Lengthy legal process for guardianship cases

Massachusetts hospitals are spending **more than \$400 million each year** to provide extra, unpaid care as a result of this “stuck patients” crisis.



All of these factors contribute to Massachusetts having among the **longest wait times in the country.**

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The Health Safety Net funds care for uninsured patients in Massachusetts.



Hospitals alone must cover the historic \$200 million shortfall this year, with no additional support from insurers, state government, or others. Nine-digit deficits are expected to carry into next year as well.

This is only further eroding hospitals' financial stability.

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Even before the Steward closures, Massachusetts hospitals saw a:

- › **9% decrease in staffed medical/surgical beds**
 - › **16% decrease in staffed ICU beds**
- since 2021.

While some progress is being seen, **nurse vacancy rates have doubled** since 2019.



Every 36 minutes, a local caregiver is subject to workplace violence. That's compared to every 38 minutes in the previous year.

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FINANCIAL PERIL



THE LAST SECTOR TO RECOVER

The median operating margin for all hospitals stands at negative -0.9%.



GROWING COST PRESSURES

New costs driven by insurance, resources, and regulations are adding up.

WHAT'S AT STAKE: A PILLAR OF MASSACHUSETTS LIFE



#1 IN ACCESS & AFFORDABILITY

Massachusetts healthcare sets the national standard for access, innovation, and equitable care.



COMMUNITY INVESTMENT

Hospitals are the largest employer, economic engine, and charitable partners for their communities.



OPEN 24/7. OPEN TO ALL.

No matter who you are. No matter what you need.

Hospitals are an essential lifeline.

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Unlike other sectors, healthcare providers have never bounced back from the upheaval that began with COVID.



100% have lost money in at least one of the past five years.
4 of 5 have lost money in at least one of the past two years.

This reality is forcing painstaking decisions around cutbacks, services, and investment in their future.

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One by one, these cost pressures are leading to the financial turmoil being seen today:

- › Solely funding the Health Safety Net's historic deficit
- › Nearly \$100 million in MassHealth rate cuts
- › Skyrocketing drug, labor, and supply costs
- › \$1.75 billion in cost waste each year due to excessive administrative and prior authorization requirements
- › COVID-era losses, including the \$3+ billion spent on temporary labor since 2019
- › Lack of proper reimbursement for care outside the hospital (telehealth, home care, and more)
- › Threats to the 340B drug pricing program from the pharmaceutical industry



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Massachusetts is #1 in:

- ✓ Access and affordability
- ✓ Health system performance
- ✓ Treatment and prevention
- ✓ Healthy lives
- ✓ Equity

(source: Commonwealth Fund)

Massachusetts received **more than \$4 billion in federal awards** in 2023. (from NIH, NSF, and CDC)

Local hospitals are devoting **nearly \$900 million to equity and quality improvements** through a first-in-the-nation commitment with the state and federal government.



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1 of every 8 people in Massachusetts works in healthcare.
3x more than private education and construction.
2x more than manufacturing and finance.

Massachusetts hospitals **contribute more than \$2 billion to their communities each year** through charity care and investments in health-related programs in the places where people live, work, and play. *(per IRS figures)*

WHAT'S AT STAKE: A PEEK AT MASSACHUSETTS



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Hospitals are the only 24/7, 365 healthcare resource for their communities. They turn no one away, no matter their need or their ability to pay.



As exemplified through the downfall of Steward Health Care, **everyone relies on local hospitals:**

Patients.
Employees.

Local businesses.
Nonprofit organizations.

Students, educators, and schools.
Communities.

WHAT'S AT STAKE: A YEAR OF MASSACHUSETTS LIFE



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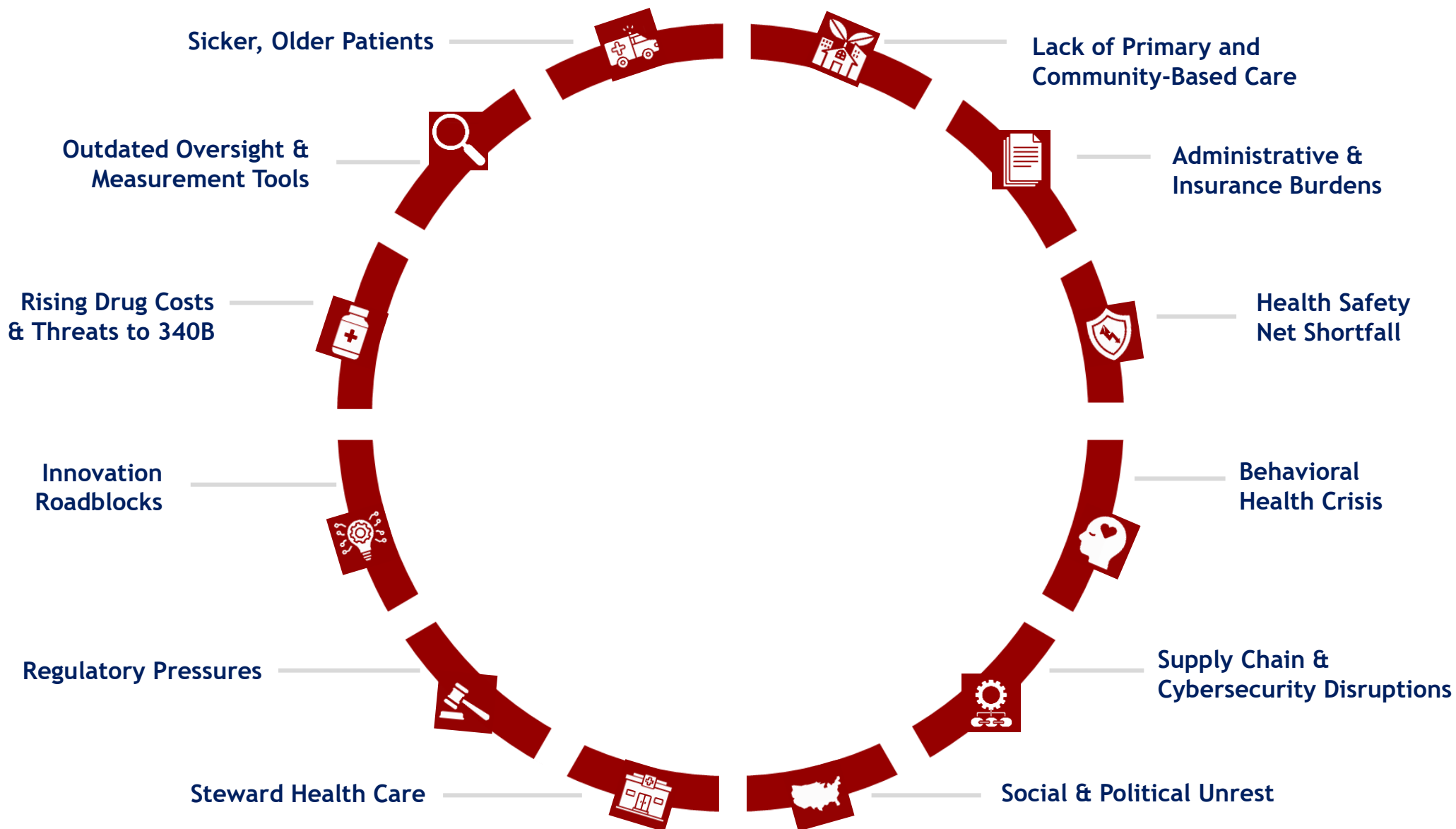
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A System Suffocating:

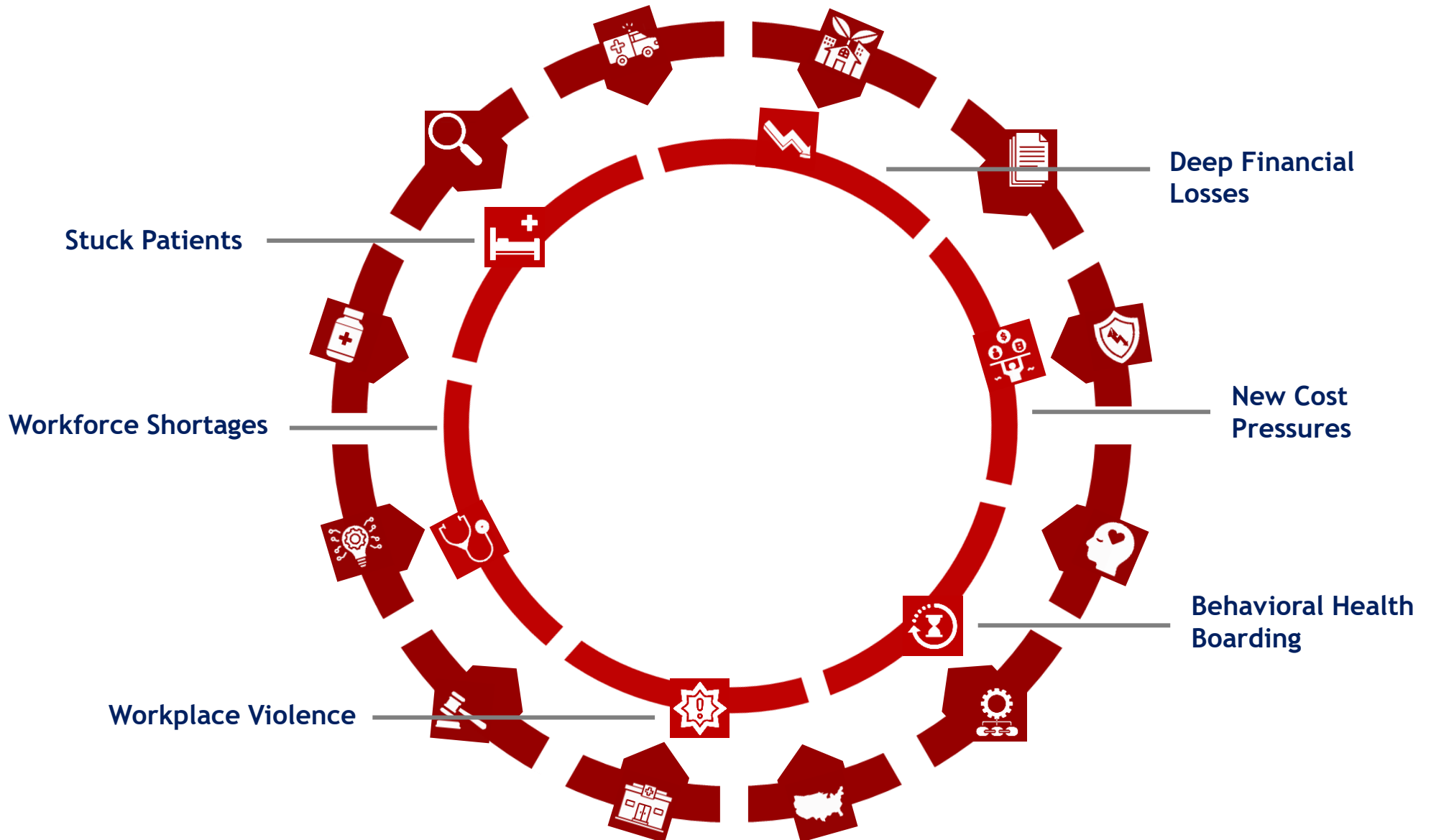
One by one, a growing set of demands are eroding hospitals' stability, driving caregiver burnout, and increasing costs for all.



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