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KEY CHALLENGES FOR HOSPITALS IN THE AGE OF COVID-19

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Prior to the arrival of COVID-19, a great many hospitals were facing daunting challenges—financial, regulatory, managerial. In April 2020, all three rating agencies lowered the financial outlook to negative, citing increased costs, along with a reduction in admissions and outpatient visits as creating new financial pressure on hospitals, on top of existing concerns around low reimbursement from government payers and coverage shifts from employer-sponsored insurance to Medicare.

What the rapidly spreading virus has wrought, beyond its epidemiological effects, is to severely exacerbate the aforementioned challenges. No healthcare organization—be it general-purpose, teaching, acute care, research, or trauma care—has been exempt from the wrath of the coronavirus.

We believe that there are two areas of emphasis for hospitals and other healthcare organizations in the current environment and beyond. These are *financial management* and *marketing communications*.

Companies that have incorporated agile methodologies and lean principles, utilizing data-driven technologies have shown improved profitability during this economic and health disruption. They have used communication technologies, excellent leadership skills and remote team collaboration to promote resilience and financial success in the “new normal” environment.

With respect to *financial management*, organizations need to evolve and innovate, seeking new opportunities for revenue generation, but not at the expense of quality. It is critical that they leverage high-cost machinery by improving utilization rates. This can be done by creating mobile units of machines manned with licensed technicians deployed to underserved regions, fashioned after currently used blood bank mobile units. Another option would be using currently underutilized and less expensive smaller locations. They may also increase collaboration with universities to access resources from inexpensive well-trained interns and tapping stimulus packages.

As for *marketing communications*, healthcare organizations need to invest now in positive messaging, effectively using social media marketing. Short videos can be created that highlight what organizations are doing to ensure the safety of consumers returning for elective surgeries. Virtual tours on websites that show what hospitals will look like when full operations resume can make a positive impact on marketing communications. Brand and reputational risk management should highlight what leaders are doing to ensure the continued safety of their employees and patients. Chronological blogs and newsletters that provide evidence of this must be a key component of any marketing strategy. Unquestionably communication is a crucial component in all steps of the health care process. Whether it is sharing patient information through electronic records with another facility or a group of health care professionals discussing how to treat current and incoming patients, the need for concise, effective communication is always present in the health field.

Fortunately, healthcare systems today are better able to draw upon effective communication channels, such as email, social media, podcasts, press releases and web pages. Some hospitals already have good online COVID-19 protocols, are engaged with their communities, and will undoubtedly capture market share if these efforts are sustained.

It is important that communications across the hospital system have consistent timing and messaging from all leaders. Everyone dealing with both internal and external communications must be on the same page; and different situations will call for different messages. In the case of a virus, the public will want the spokesperson to be a physician in scrubs with a stethoscope around his or her neck; a business or financial issue can best be addressed by a senior hospital administrator or board member.

In the Age of Coronavirus, all hospitals across the nations will continue to confront immense challenges—financial and marketing communications among the most vexing. At present, hospitals are losing \$50 billion per month, according to the American Hospital Association. Fragmentation and disparities that exist in the US healthcare system will persist. Previous approaches to the delivery of healthcare need to be reconsidered. First steps, however, require a focus on rebuilding patient trust in the healthcare system. Patients remain fearful of acquiring coronavirus in a hospital setting and perhaps an even greater challenge will be how patients will be able to afford healthcare in the new normal. Hospitals will be hard-pressed to develop and implement strategies that are agile, data driven, customer-oriented, resilient and heavily focused on survival and profitability. The new normal, requiring healthcare leaders to implement unproven, novel and unorthodox strategies to survive and return to profitability, is here to stay.

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