

# An Update on Our Finances

May 20, 2020 Wednesday

Many of you have asked how Mount Sinai is holding up financially during this pandemic. We have all read stories from across the United States about hospitals and health systems taking significant actions to address COVID-19-related budget challenges. Because of our long history of careful financial stewardship, we are better positioned than many to weather this crisis. However, there is no doubt that the pandemic is taking an unprecedented financial toll on us as well. And, while we know that the Mount Sinai Health System will ultimately recover and continue to be the beacon of excellence and innovation for generations to come, we will be forced to go through many changes as a result.

Like all those other health systems, we have experienced a huge reduction in non-COVID-19 care. This includes in our ambulatory centers, our emergency departments, our surgical centers and operating rooms, and our medical and surgical beds. Our primary revenue streams normally come from those activities. And, to meet our COVID-19 mission head on, we have spent enormous sums of money on extra staffing, on supplies and equipment, and on construction of surge units. We will spare no expense to keep you safe and to make sure you have what you need to care for our patients. Nevertheless, the fiscal impact of lost revenues and enhanced expenses has become a major focus of management.

On the positive side of our finances, we have received reimbursement for our care of patients with COVID-19, we have received distributions of federal funding to help with our COVID-19 response, and we have been receiving considerable philanthropic donations. These funds have helped to offset some of our losses in the short term.

Looking forward, our financial health largely depends on two factors. The first is the speed and the degree to which we are able to re-expand our non-COVID-19 care. The second is what happens with COVID-19 in our region. As you can imagine, there is much uncertainty with regard to both of these factors. It is likely that our financial situation will worsen as we get further into the year. The fiscal discipline we exhibit today will help blunt more drastic actions later. We know this because we have managed Mount Sinai through rough waters before.

It is essential to move forward as carefully as possible, making sure that you continue to have the equipment, supplies, and support that you need. Actions we have taken to date include pausing all non-critical construction and IT projects, asking for and receiving voluntary salary reductions from Health System executives, and using federal assistance programs, such as the Shared Work Program, to keep income whole for members of our Mount Sinai family whose jobs have not fully returned.

Likewise, now that our inpatient COVID-19 volumes are about one-quarter of what they were at the peak, we are able to return to more normal work cycles and staffing levels, so we are ending crisis pay for those who have received it. Simultaneously, we are working to attend to those who deserve crisis pay but have not yet received any.

We take all of these actions out of a desire to protect as much of our workforce as possible while also fulfilling our mission as a top-ranked School and Health System: serving the needs of our communities with cutting-edge care and compassion; providing outstanding training to the next generation of physicians and scientists; and pursuing ground-breaking research to conquer not only COVID-19 but also other diseases and conditions.

If this pandemic has taught us anything, it is that we need to anticipate a variety of possible outcomes and prepare accordingly. As much as we hope that it will be smooth sailing from here on out, it would be irresponsible to act as if that was the only, or even likely, outcome.

There is nothing easy about any of this. But we believe it is important that you know what the situation is and why we are doing what we are doing. Our greatest responsibility is to take care of our Mount Sinai family to the very best of our abilities.

The pandemic has proven our courage as individuals, and our great strength when we stand together. We cannot be more proud of the way in which the Mount Sinai community banded together to save lives and support each other even on the most difficult days of the COVID-19 crisis. We are looking to all of you to help us restore patient services that provide world-class care, conduct research that will change the lives of our patients, and support our students and trainees on their road to being our next caregivers, scientists, and leaders.

As we move forward, we will continue to update you on our financial situation along with our other updates.

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