

Cleveland Clinic: Summary of COVID Financial Impact (as of July 23, 2020)

	Jan-March 2020	Jan-June 2020
<b>Operating loss</b>	\$39.9 million	\$242 million
<b>Change from same period 2019</b>	-\$76.1 million	-\$394 million
<b>Operating margin</b>	-1.5%	-4.9%
<b>Net patient service revenue shortfall<sup>1</sup></b>	Over \$500 million	Over \$830 million
<b>COVID-19 preparedness and readiness costs<sup>2</sup></b>	Approx. \$100 million	Over \$165 million

- **Cleveland Clinic has incurred record losses in revenue due to the ban on “non-essential” procedures and incremental supply costs and other expenditures for COVID-19 preparedness in an effort to provide safe and effective patient care, including the creation of a temporary surge hospital for COVID-19 patients.**
- **As the state of Ohio’s largest employer and provider of Medicaid services, our responsibility is to continue to perform with excellence and a commitment to serve our patients and community.**
- **While Cleveland Clinic – along with other Ohio hospitals – was able to restart health care services in May, the negative economic impact of the pandemic on the health system has continued to grow.**
- **While the Cleveland Clinic system, including Florida and Nevada, has recognized \$324 million from the CARES Act Provider Relief Fund in 2020, these funds do not make-up for the nearly \$1 billion financial impact we’ve seen from the COVID-19 crisis.**
- **Cleveland Clinic is committed to not undertaking furloughs or reductions in salaries. Economic stability is critical for our communities and caregivers. We are cutting costs though:**
  - **Restricting travel**
  - **Reducing purchased/administrative service expenses and other controllable costs**
  - **Postponing non-critical capital expenditures**
  - **Implementing a freeze on hiring**

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<sup>1</sup> Compared to budget

<sup>2</sup> Includes equipment, labor and supplies to prepare for a surge in COVID-19 patients, obtain personal protective equipment for caregivers, establish testing capabilities and set up the Hope Hospital.