

American Rescue Plan State Fiscal Recovery Fund Recommendation Cover Sheet

Please submit this document with any recommendations for funding from Rhode Island’s allocation of federal fiscal recovery funds available through the American Rescue Plan Act. This information will be made available to the public along with any detailed documents submitted that describe the proposal. It is encouraged that such documents identify clear goals and objectives and quantifiable metrics.

This is not a formal request for funds, and submission of recommendations does not guarantee a response, public hearing, or appropriation from the General Assembly.

Name of Lead Agency: Women & Infants Hospital

Additional agencies making recommendation (if applicable): N/A

Contact Person / Title: Shannon Sullivan - President and COO Phone: 401-274-1100

Address: 101 Dudley Street, Providence, RI 02905

Email Address (if available) ShSullivan@CareNE.org

Brief Project Description (details attached)

Provide premium pay for workers to support recruitment and retention of hospital workers. Funds will be used to cover the cost of employee incentive pay programs and contract agency labor costs currently being incurred due to COVID-19 public health emergency.

Total request: \$7.65 million per year for each of 3 years / \$22.95 million total

One-time or Recurring Expense? Recurring

ARPA Eligibility Category (check all that apply) – See link for further information
<https://www.rilegislature.gov/commissions/arpa/commdocs/Treasury%20-%20Quick-Reference-Guide.pdf>

- Respond to the public health emergency and its economic impacts XX
- Premium pay to eligible workers XX
- Government services/state revenue replacement _____
- Water/sewer/broadband infrastructure _____



**Recommendation for ARPA Funding Investment
December 31, 2021**

This funding recommendation is made by Women & Infants Hospital, a member of the Care New England Health Care System. Women & Infants Hospital is Rhode Island's only non-profit, free-standing hospital dedicated to care of women and newborn infants. With 80 NICU beds, Women & Infants has the region's largest neonatal intensive care unit. Women & Infants Hospital is also the only OB Tertiary care provider in the region.

Impact of COVID-19 Pandemic on Women & Infants Hospital

Patient volume and operating expenses at Women & Infants Hospital were both negatively affected in the early months of the COVID-19 public health emergency. Patients avoided non-essential hospital care. The hospital made essential investments in testing, surveillance, vaccination, COVID safety protocols and direct care to patients with COVID-19. High Risk OB services such as Maternal-Fetal medicine and ultrasound have been severely affected by both COVID-19 and staff vacancies. Demand for these critical services has increased but finding staff to meet this demand and fill vacancies is very difficult because the staff at Women & Infants is so highly specialized. Agency nurses are almost impossible to come by and staff nurses have limited ability to cross-train, forcing the use of premium and incentive pay to adequately staff the hospital. To offset lost revenue and incremental expense, Women & Infants Hospital received federal COVID relief funding of \$21.4m and 19.9m in FY2020 and FY2021, respectively. Despite this critical financial support, Women & Infants Hospital lost \$13m in that same two-year period and would have lost \$55 million without it. For FY2022, Women & Infants is forecast to lose a minimum of \$1.1 million in the absence of additional relief funding.

Current Problem to be Addressed:

As is the case at many hospitals across the region, the COVID-19 pandemic has contributed to labor shortages at Women & Infants Hospital, necessitating reliance on premium pay to retain and attract essential health care workers. The current vacancy rate is 18% for all Women & Infants employees and 16% for registered nurses. Since the pandemic began, premium pay hours and related expense have increased by 21% and 30%, respectively. Further, competition for certain essential jobs has stiffened as out-of-state employers offer wages that are higher than the average in Rhode Island. Initiatives and resources have been established to enhance recruitment however it is unlikely that staffing and labor costs will stabilize in the short term, with expectation that this labor crisis could continue for a minimum of three years.

Recommended Solution to be Applied:

Women & Infants Hospital recommends the use of eligible ARPA funds to offset the incremental cost of premium pay in the form of a recurring payment of \$7.65 million per year for 3 years. Funds will be used to provide premium pay for workers at Women & Infants Hospital during the COVID-19 emergency period and to increase base pay for essential workers to discourage outmigration to higher paying positions outside of Rhode Island.

Risk of Not Funding:

Women & Infants Hospital was financially fragile before the COVID-19 pandemic and these incremental premium labor costs put the hospital in further financial peril. If unable to appropriately staff the hospital, Women & Infants will be forced to close NICU beds and transfer these infants to facilities out of state.