

Overview

King's Daughters Medical Center (KDMC) is implementing a variety of strategic and operational shifts in anticipation of a surge of COVID-19 patients in April. Though the 99-bed hospital is in a rural community, it expects to be negatively affected by higher rates of the coronavirus from New Orleans, which is two hours south.

Lincoln County had 13 positive cases through March 31, 2020. Eight of these patients have been hospitalized at KDMC, along with another 15 suspected cases. These include a breadth of ages ranging from 35- to 88-year-old -patients who have become critically ill. A surge of patients is expected all across Mississippi over the next two weeks.

As hospital administrators prepare for the likelihood of being inundated with patients, the local health care system is already showing signs of strain. KDMC has limited beds, including only eight ICU beds, a limited number of ventilators – four of the hospital's five adult ventilators are in use – and a limited number of staff. Personal protective equipment (PPE) and other supplies are dwindling and difficult to obtain. Larger hospitals will be full, and patient transfer will not be an option. With the cancellation of elective surgeries, health care leaders are using anesthesia machine ventilators to treat COVID-19 patients.

In late March, KDMC had two weeks' worth of N95 masks and eye protection, three weeks of gowns and

four weeks of yellow masks. It had received very few supplies through the emergency management system and was told not to expect more.

In the previous two weeks, KDMC experienced dramatic drops in volume and revenue in every service line. That pattern was expected to continue over the next four weeks.

Impact

The hospital designated one floor for COVID-19 patients.

KDMC is working diligently to secure scarce supplies through vendors and donations. However, due to a shortage of PPE, administrators are asking staff to follow CDC guidelines and conserve personal protective equipment while not compromising safety. The hospital has developed conservation strategies

for supplies and more efficient methods of taking care of patients, such as staging IV poles and pumps in the corridor outside isolation rooms so staff does not have to gear up in PPE to change IV fluids and medications.

Anticipating significant financial losses in the months ahead, KDMC is diluting the impact by reducing personnel expenses through full and partial furloughs for 73 employees for 12 to 16 weeks. Other employees' hours are being reduced from 40 to 32 hours per week. The hospital will only use part-time and contract employees for shifts it is unable to fill with furloughed employees.



Nurses in some units – emergency department, medical, ICU and labor and delivery – are not affected by the reduction in hours. Managers are not affected by the pay reductions, but are being asked to work additional hours.

Furloughed employees can use paid leave to offset some of their salary cuts, and KDMC is maintaining its health care benefits for the duration of the crisis. The hospital is deferring payments on all employee hospital accounts, such as to the medical center’s fitness center. Those deductions will be reinstated after the crisis subsides.

While hospital officials identified \$250,000 per month in savings from the furloughs, they do not expect to be enough to offset projected losses in revenue.

Lessons Learned

“Health care demands providers to anticipate the unexpected,” explains Alvin Hoover, CEO for King’s Daughters Medical Center. “COVID-19 reminds us to stay focused. It reinforces our resolve to be prepared and to fulfill our mission to our community to always provide high-quality health and wellness in a Christian environment.”

Future Goals

KDMC continues to explore ways to reduce costs and maximize resources weighing treatment alternatives. Consideration of a scarce resources policy would serve as a means to help determine the most appropriate use of limited resources.

Administrators are researching provisions in the Coronavirus Aid, Relief and Economic Security (CARES) Act, signed into law March 27 that provide new capital and regulatory relief. KDMC will apply for the accelerated payments and payroll relief for companies with more than 500 employees.

The negative financial impact is expected to last at least through the end of the hospital’s fiscal year in September 2020. The hospital anticipates using its cash reserves to offset declines in revenue, which are compounded by expected increases in charity care and bad debt. Officials plan to restore staff to previous employment levels as soon as possible.

“These are difficult decisions, not easily reached,” Hoover said. “My heart is heavy, and along with the rest of our administrative team, board and management, I hurt for those affected by these decisions.”

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