



Lifespan

Delivering health with care.®

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Lifespan reports COVID-19 related financial losses in March roughly equivalent to last year's total losses

PROVIDENCE, R.I. — On Monday April 20th, Lifespan reported an operating loss of \$23.8 million for the month of March related to the COVID-19 crisis. The losses were primarily due to the canceling of elective surgeries, closing of ambulatory sites, and a significant reduction in office and emergency room visits. In addition to lost revenue from declining patient volumes and revenue, there were significant increases in expenses associated with our preparedness efforts including maintaining as many staff as possible on the payroll, expenses associated with procuring personal protective equipment and additional testing and lab expenses. After factoring in \$8.9 million for restructuring expenses unrelated to COVID-19, the Lifespan operating loss for the month of March 2020 is \$32.7 million. Investment losses included in nonoperating gains/losses of \$41.1 million will result in a one month overall net loss of \$75.7 million.

For the entire fiscal year of 2019, Lifespan reported an operating loss of \$23 million and a net loss of \$34.9 million—their worst loss in more than a decade.

“From a purely financial standpoint, this crisis could not have come at a worse time for Lifespan since we were beginning to reap the financial benefits of our restructuring efforts that began at the end of last year. As we recently reported, operating losses shrunk to \$2.6 million for the first quarter of fiscal year 2020 (October 1, 2019 – December 31, 2019),” **said Dr. Timothy Babineau, Lifespan’s President and CEO.** “Unfortunately, we anticipate that April and May will be even worse, and we could approach \$100 million in operating losses for the time period March-May. We are working around the clock developing plans to mitigate these losses while working hard to keep as many Lifespan staff employed as possible. We sincerely hope the state and federal government will provide enough financial relief to ensure that Lifespan can be here when our citizens need us the most. Recently, we received approximately \$25 million in federal relief. Certainly, a help, but much more needs to be done.”

In a partial response to these financial challenges Dr. Babineau, Lifespan’s president and CEO, stopped drawing any salary as of April 1, 2020.

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About Lifespan

[Lifespan](#) is a five-partner not-for-profit health system based in Providence, R.I. Formed in 1994, Lifespan includes three teaching hospitals of The Warren Alpert Medical School of Brown University: [Rhode Island Hospital](#) and its [Hasbro Children's Hospital](#); [The Miriam Hospital](#); and [Bradley Hospital](#), the nation's first psychiatric hospital for children. It also includes [Newport Hospital](#), a community hospital offering a broad range of health services, and [Gateway Healthcare](#), the state's largest provider of community behavioral health care. Lifespan teaching hospitals are among the top recipients in the country of research funding from the National Institutes of Health. The hospitals received \$92 million in external research funding in fiscal 2019. All Lifespan-affiliated partners are charitable organizations that depend on support from the community to provide programs and services.