

# Berkshires health sector poised to weather pandemic – so far

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PITTSFIELD — The county's largest employer expected to lose \$60 million this year when the pandemic first hit. But government assistance sharply cut that daunting figure by half for Berkshire Health Systems.

David Phelps, the nonprofit's president and CEO, now says this year's losses will fall between \$30 million and \$35 million. That could spell disaster for a business, but Phelps said Berkshire Health is positioned to weather its losses.

Interviews with others in the important health care sector in the Berkshires also show optimism as the local economy begins to recover from the pandemic's economic challenges.

"It doesn't affect our ability to provide services because we have a very strong balance sheet and we've worked over the years to be prepared for events like this so we wouldn't have to act abruptly," Phelps said in a recent interview.

BHS will be able to absorb those losses this year. But Phelps said things could change if the pandemic continues into 2021 or longer.

"What it does is create more challenges for future years because you can't lose \$35 million every year," he said. "So it creates more of a challenging future for us and our community going forward. The best remedy would be that people should be getting their care the way they did before COVID. That would be really great for them — and great for us."

Since the pandemic hit, BHS has seen a decline in people coming to its facilities for medical procedures that could prevent more serious health problems, according to its executive vice president, Darlene Rodowicz.

"A lot of the volume we're seeing that isn't coming back is for screening procedures, like mammography for breast cancer and endoscopy for colon cancer," said Rodowicz who was appointed executive vice president by BHS this year following 15 years as the nonprofit's CFO.

"People think they can put off these screenings. Yet, they are the very things that can prevent a bad outcome for someone," she said.

BHS did not lay off or furlough employees due to the pandemic, Phelps said, but the company could face more challenges the longer it lasts.

"The challenge for all providers, not just in the Berkshires, is how long does this go on and when will people come back and get their care again," Phelps said. "Right now, people are anxious about returning to their health care providers to get the care that they need. So not only is it economically perilous for us, it's dangerous for them, too."

"People are afraid to get the care they need, and may need very desperately in some cases," he said. "It creates this economic stress for providers in the Berkshire and all hospitals in Massachusetts and all over the country."

Job losses have caused millions of people across the country to lose health insurance benefits. Since health-related businesses employ one in seven U.S. workers, a large decline in insurance coverage affects revenue to health care providers, which could in turn force them to reduce staffing.

Unlike other states, employees in Massachusetts aren't initially cut off from health insurance if they lose their jobs because they automatically qualify for MassHealth, which eases the burden on the economy.

"We have universal coverage, so that's a little different for our beneficiaries in determining how they get care if they're unemployed or under employed," Phelps said. "But the implications for providers are similar because the government pays health care providers a lot less. When patients shift to government payers, providers often get paid below their costs of providing the service."

Lia Spiliotes, the CEO of Community Health Programs in Great Barrington said the pandemic hasn't disrupted CHP's operations so far.

"From a business standpoint, we've kept everyone fully employed, and we've been able to get our patient visits back to almost what they were during pre-COVID times," she said.

However, Spiliotes said CHP is alert and ready in case a second surge of COVID-19 occurs later this fall.

"I have read about the surge expected to come in another four to five weeks so we're basically doing what everyone else is to be prepared," she said.

There are plenty of jobs to be had locally in health care. Initial unemployment claims in the Berkshires for the health care workforce came to 2 percent, compared to 41 percent in Boston, according to the MassHire Berkshire Workforce Board in Pittsfield.

There were 412 open health care positions in the Berkshires as of Sept. 23, the most of any local job sector. There were 40 job openings for registered nurses in the Berkshires in January, and 31 in August.

"Health care right now is desperate for workers," said Shannon Zayac, the MassHire Berkshire Workforce Board's industry relations manager. Part of the reason for jobs in the healthcare sector remaining unfilled is that working around the pandemic is considered to be risky.

"It isn't a field that everyone wants to go into anymore," Zayac said. "It's scary right now. Safety (protocol) is off the charts."

But Zayac doesn't believe a downturn in the local health care sector is coming. Employment levels in physicians' offices reached pre-COVID levels in August, she said.

"We haven't seen it, nor have our partners really mentioned it," Zayac said, referring to a possible downturn. "The long term aspects, I can't tell."