

Estimate of the Situation

Critical Information for Critical Times, Edition of Wednesday, October 30, 2014

U.S. Hospital Financial Trends (2010 to 2013)

In our last issue, we used cost report data to identify aggregate revenue, expense, and operating income trends for U.S. acute care and critical access hospitals since 2010.

The take away is that operating expenses were greater than net patient revenue during that period. Expenses are growing at a faster rate. However, some hospitals did experience positive bottom lines during the reporting period. We thought readers might find it useful to see the distribution of positive and negative bottom lines by hospital type (acute care vs. critical access) and by size (ADC).

Hospitals Reporting Positive Net Patient Revenue

Critical Access Hospitals

Combined net patient revenue for 285 critical access hospitals in the average daily census range of 1.22 to 21.49 over the four year study period was \$1,932,362,933.00. The mean ADC of critical access hospitals reviewed was 8.40. Distribution is as shown below.

ADC Range	Number of Hospitals	Net Patient Revenue (4 Year Total)	Average Net Patient Revenue
1 to 8	140	\$588,012,449.00	\$4,200,088.92
8 to 15	121	\$1,074,811,203.00	\$8,882,737.21
15 to 25	<u>24</u>	<u>\$269,539,281.00</u>	<u>\$11,230,803.38</u>
Totals:	285	\$1,932,362,933.00	\$6,780,220.82

Acute Care Hospitals

Combined net patient revenue for 1,213 acute care hospitals in an average daily census range of 1.04 to 1,749.55 over the four year study period was \$98,600,261,862.00. The mean ADC of hospitals studied was 132.65. Distribution is as shown below.

ADC Range	Number of Hospitals	Net Patient Revenue (4 Year Total)	Average Net Patient Revenue
1 to 25	255	\$7,275,777,653.00	\$28,532,461.38
25 to 75	315	\$13,212,762,660.00	\$41,945,278.29
75 to 150	263	\$18,879,743,580.00	\$71,786,097.26
150 to 300	250	\$32,395,508,480.00	\$129,582,033.92
300 to 500	93	\$16,814,606,017.00	\$180,802,215.24
<u>500 and Greater</u>	<u>37</u>	<u>\$10,021,863,472.00</u>	<u>\$270,861,174.92</u>
Totals:	1,213	\$98,600,261,862.00	\$81,286,283.48

Hospitals Reporting Negative Net Patient Revenue

Critical Access Hospitals

Combined net patient revenue for 701 critical access hospitals in the average daily census range of 1.02 to 21.88 over the four year study period was (\$4,194,262,591.00). The mean ADC of critical access hospitals reviewed was 7/68. Distribution is as shown below.

ADC Range	Number of Hospitals	Net Patient Revenue (4 Year Total)	Average Net Patient Revenue
1 to 8	428	(\$2,363,451,418.00)	(\$5,522,082.75)
8 to 15	219	(\$1,373,603,113.00)	(\$6,272,160.33)
15 to 25	<u>54</u>	<u>(\$457,208,060.00)</u>	<u>(\$8,466,815.93)</u>
Totals:	701	(\$4,194,262,591.00)	(\$5,983,256.19)

Acute Care Hospitals

Combined net patient revenue for 1,250 acute care hospitals in an average daily census range of 1.04 to 1,749.55 over the four year study period was (\$101,117,795,551.00). The mean ADC of hospitals studied was 132.65. Distribution is as shown below.

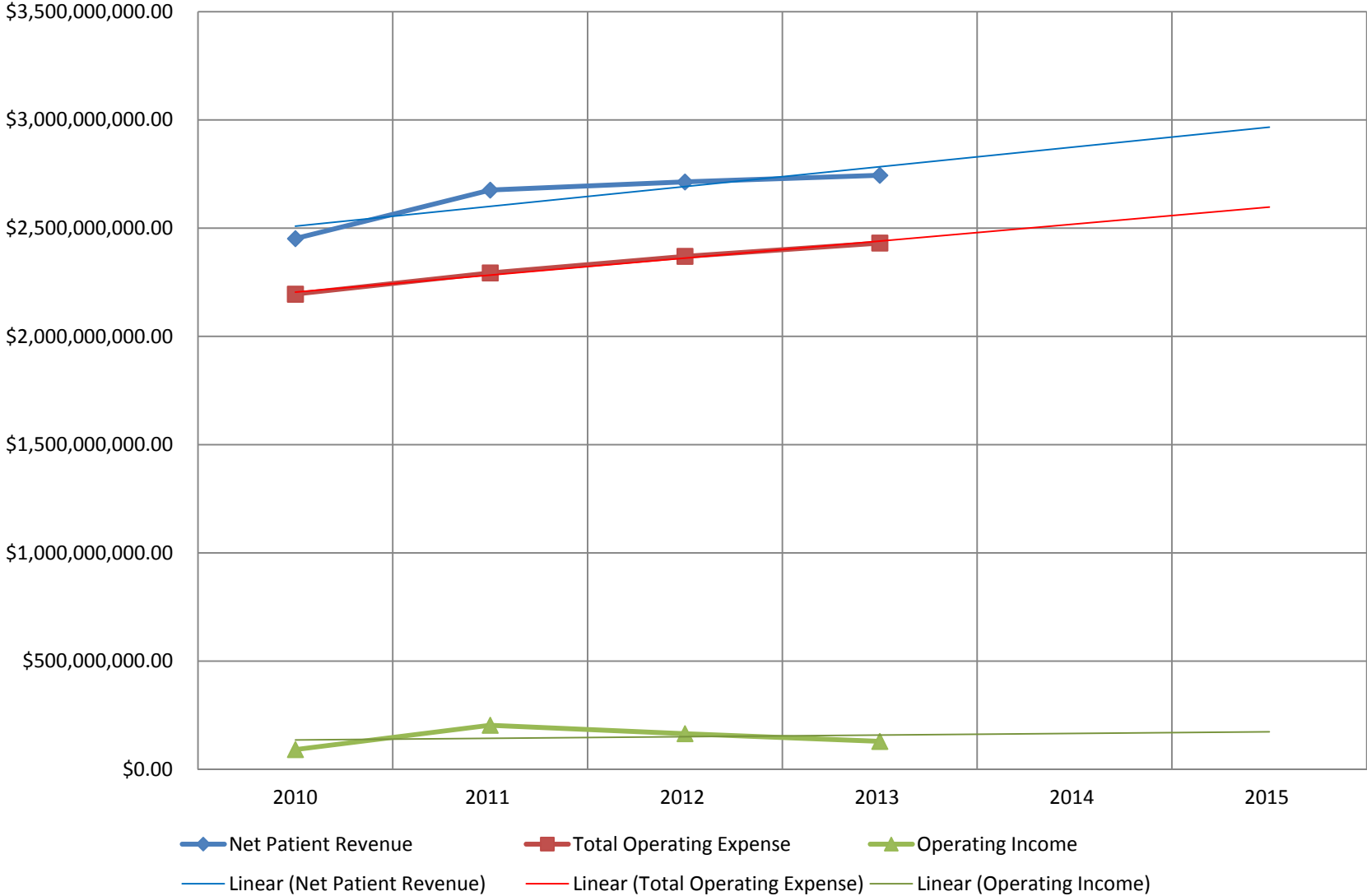
ADC Range	Number of Hospitals	Net Patient Revenue (4 Year Total)	Average Net Patient Revenue
1 to 25	420	(\$7,865,289,697.00)	(\$18,726,880.23)
25 to 75	334	(\$10,549,437,117.00)	(\$31,585,141.07)
75 to 150	222	(\$14,816,775,808.00)	(\$66,742,233.37)
150 to 300	183	(\$28,881,999,847.00)	(\$157,825,135.78)
300 to 500	62	(\$19,853,587,244.00)	(\$320,219,149.10)
<u>500 and Greater</u>	<u>29</u>	<u>(\$19,150,705,838.00)</u>	<u>(\$660,369,166.83)</u>
Totals:	1,250	(\$101,117,795,551.00)	(\$80,894,236.44)

The graphs on the pages immediately following show year-to-year results and trends by hospital type and census range. The graph section includes an electronic “table of contents” which can be toggled on or off from the “Bookmark” icon (looks like a blue ribbon) at the extreme left margin. A mouse-click on any bookmark will take you directly to that graph.

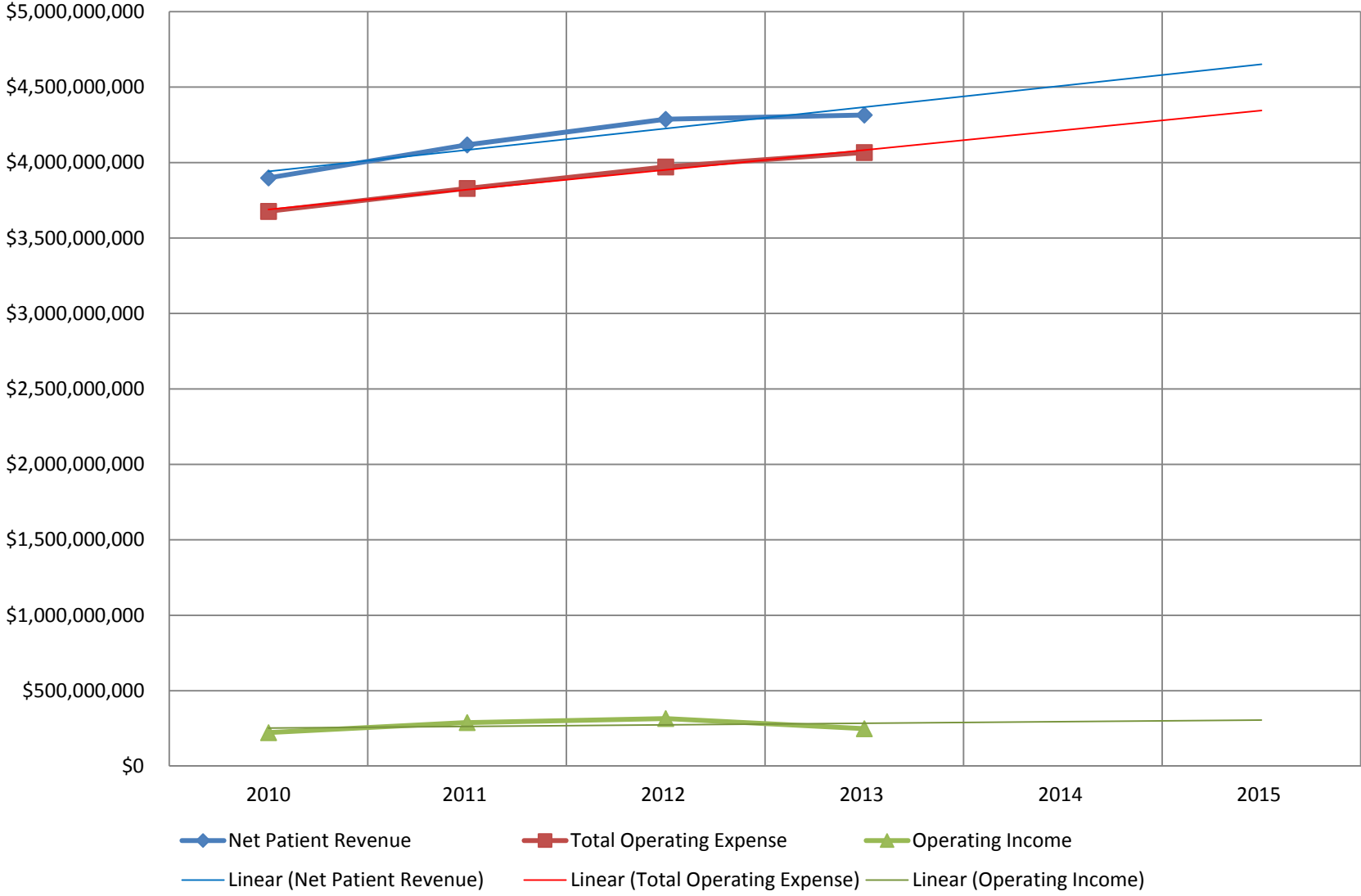
See our next issue for an analysis of the implications of these trends.

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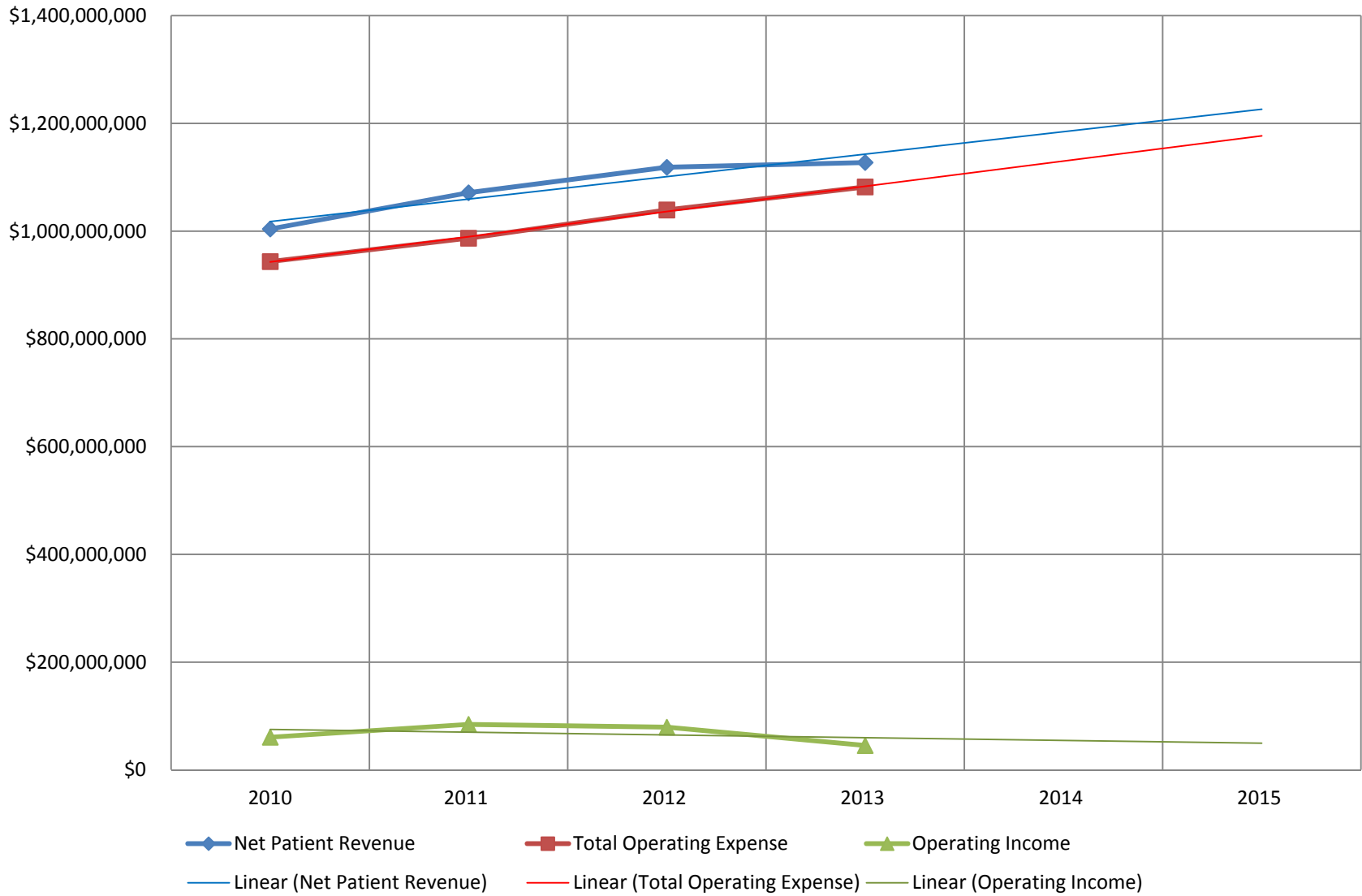
**140 Critical Access Hospitals (ADC 1-8)
Aggregate Positive Margins (2010 through 2013)**



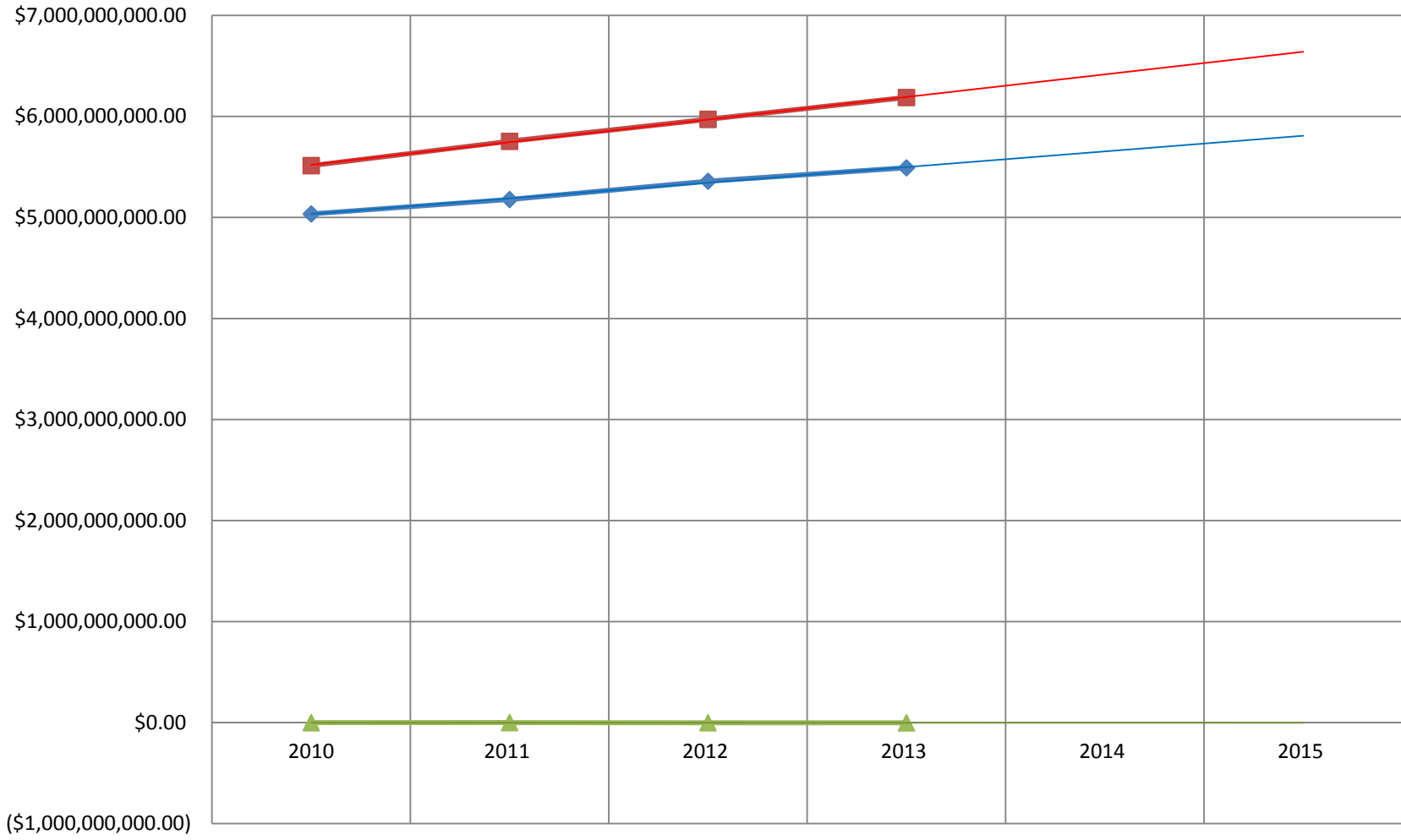
**121 Critical Access Hospitals (ADC 8-15)
Aggregate Positive Margins (2010 through 2013)**



**24 Critical Access Hospitals (ADC 15-25)
Aggregate Positive Margins (2010 through 2013)**

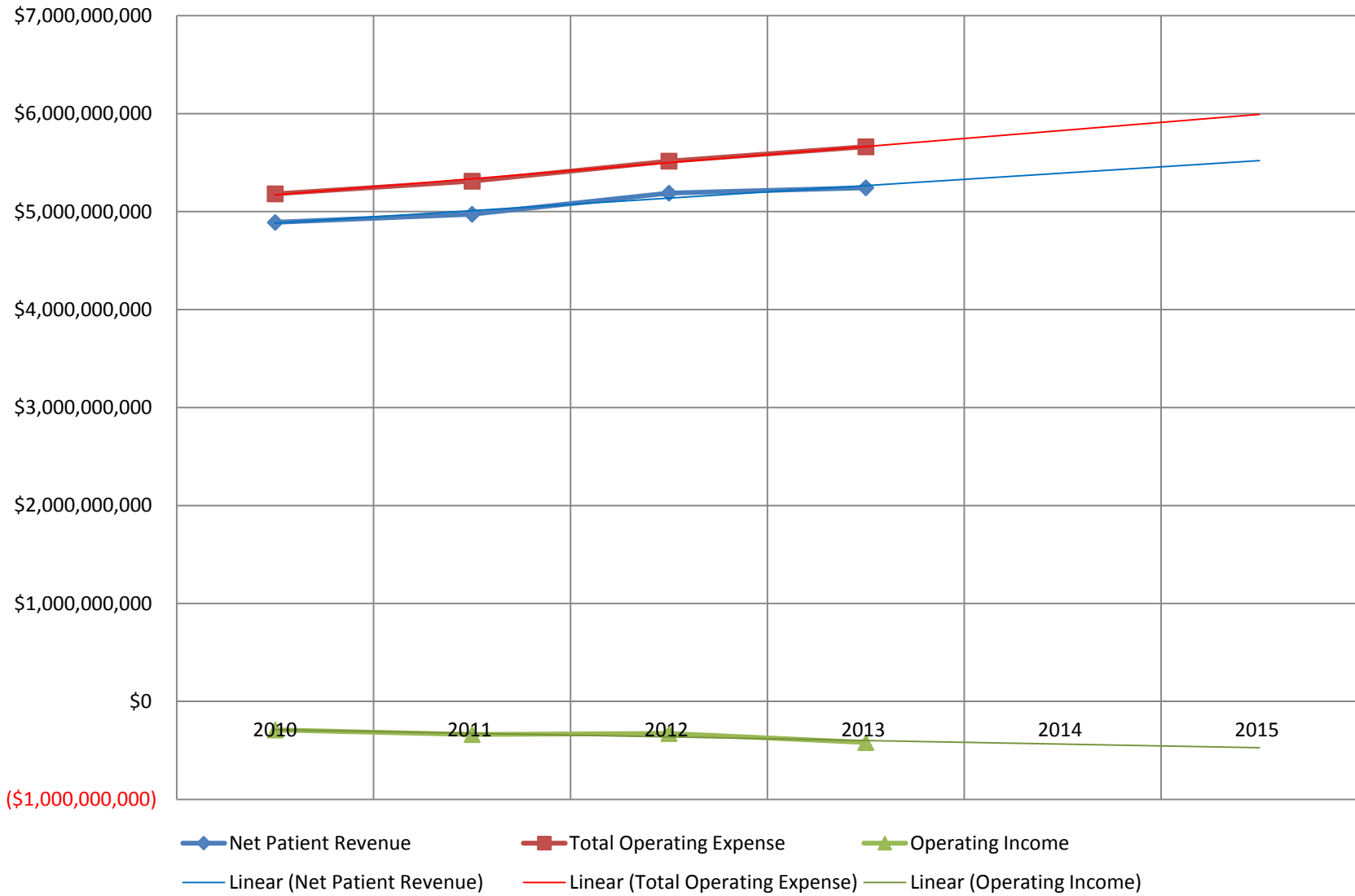


428 Critical Access Hospitals (ADC 1-8) Aggregate Negative Margins (2010 through 2013)

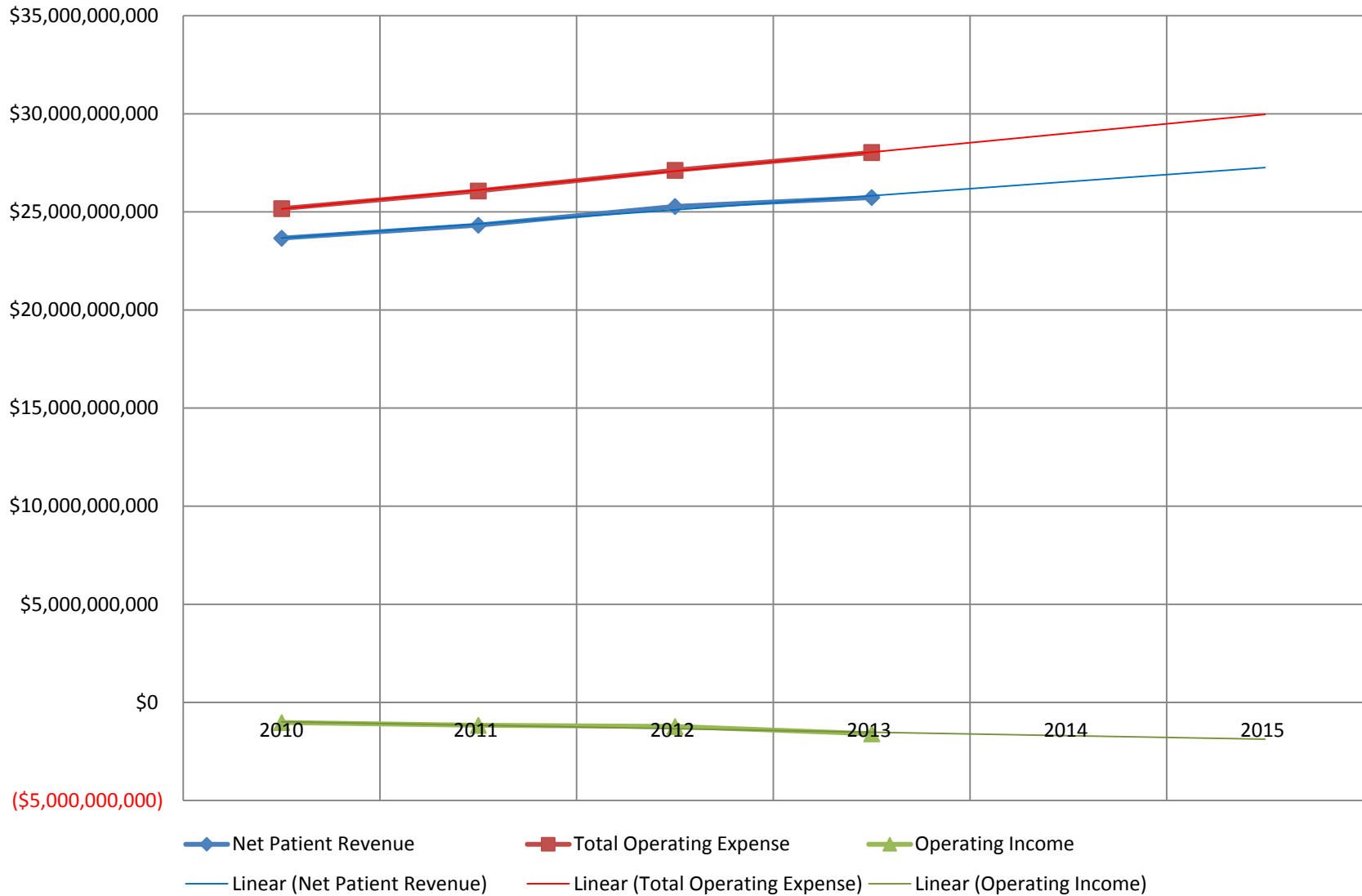


◆ Net Patient Revenue
 ■ Total Operating Expense
 ▲ Operating Income
— Linear (Net Patient Revenue)
 — Linear (Total Operating Expense)
 — Linear (Operating Income)

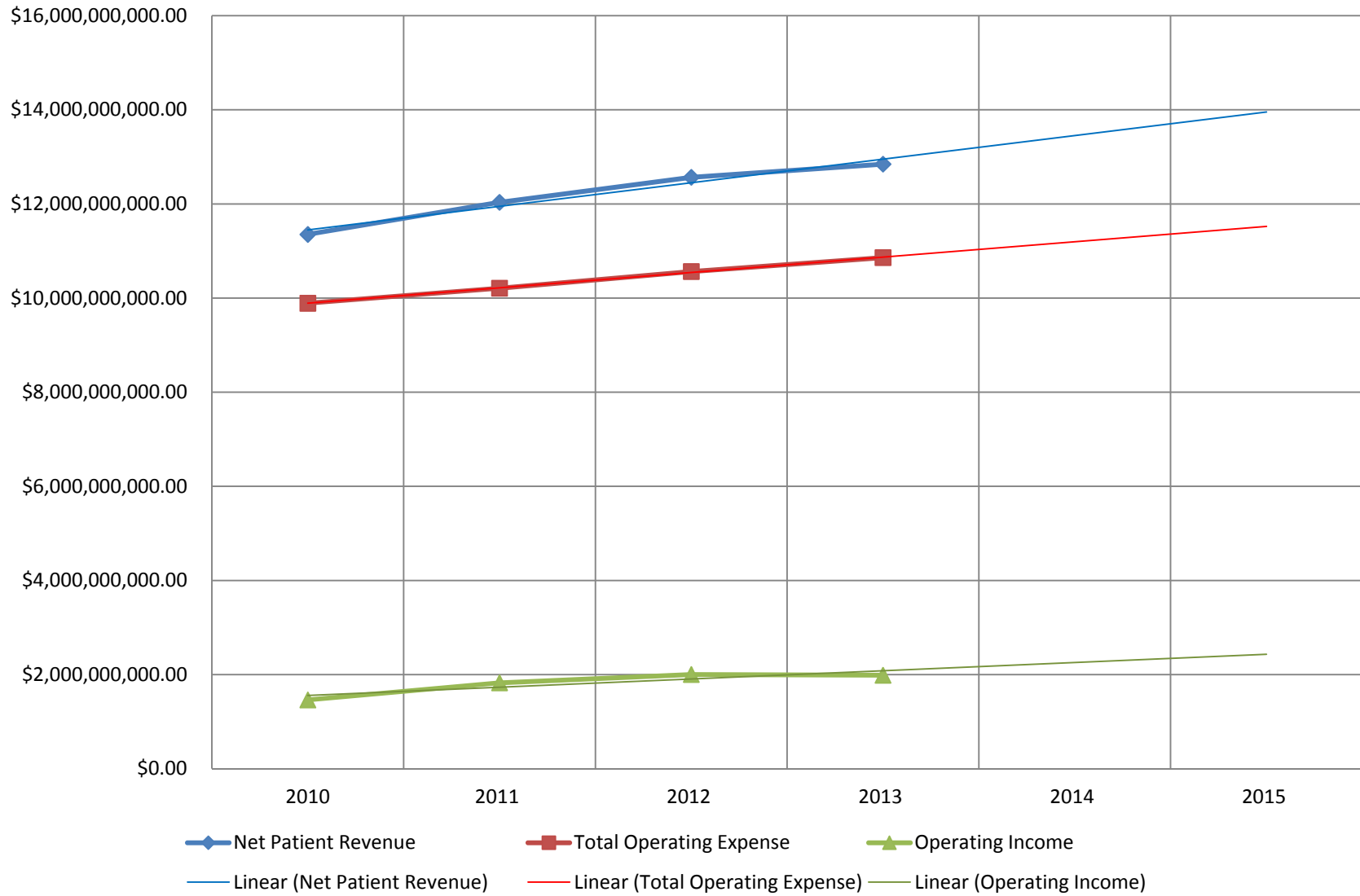
219 Critical Access Hospitals (ADC 8-15) Aggregate Negative Margins (2010 through 2013)



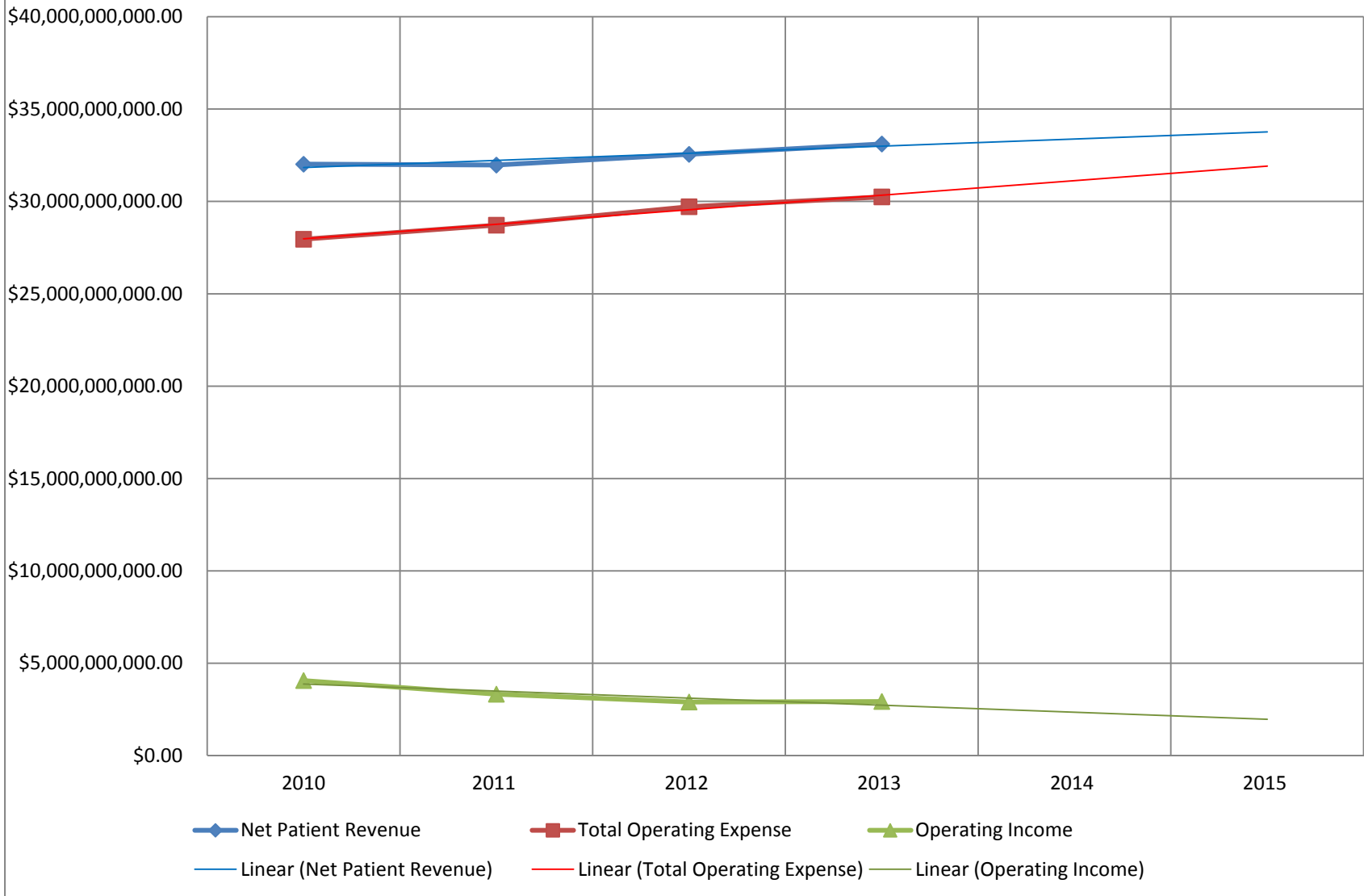
54 Critical Access Hospitals (ADC 15-25) Aggregate Negative Margins (2010 through 2013)



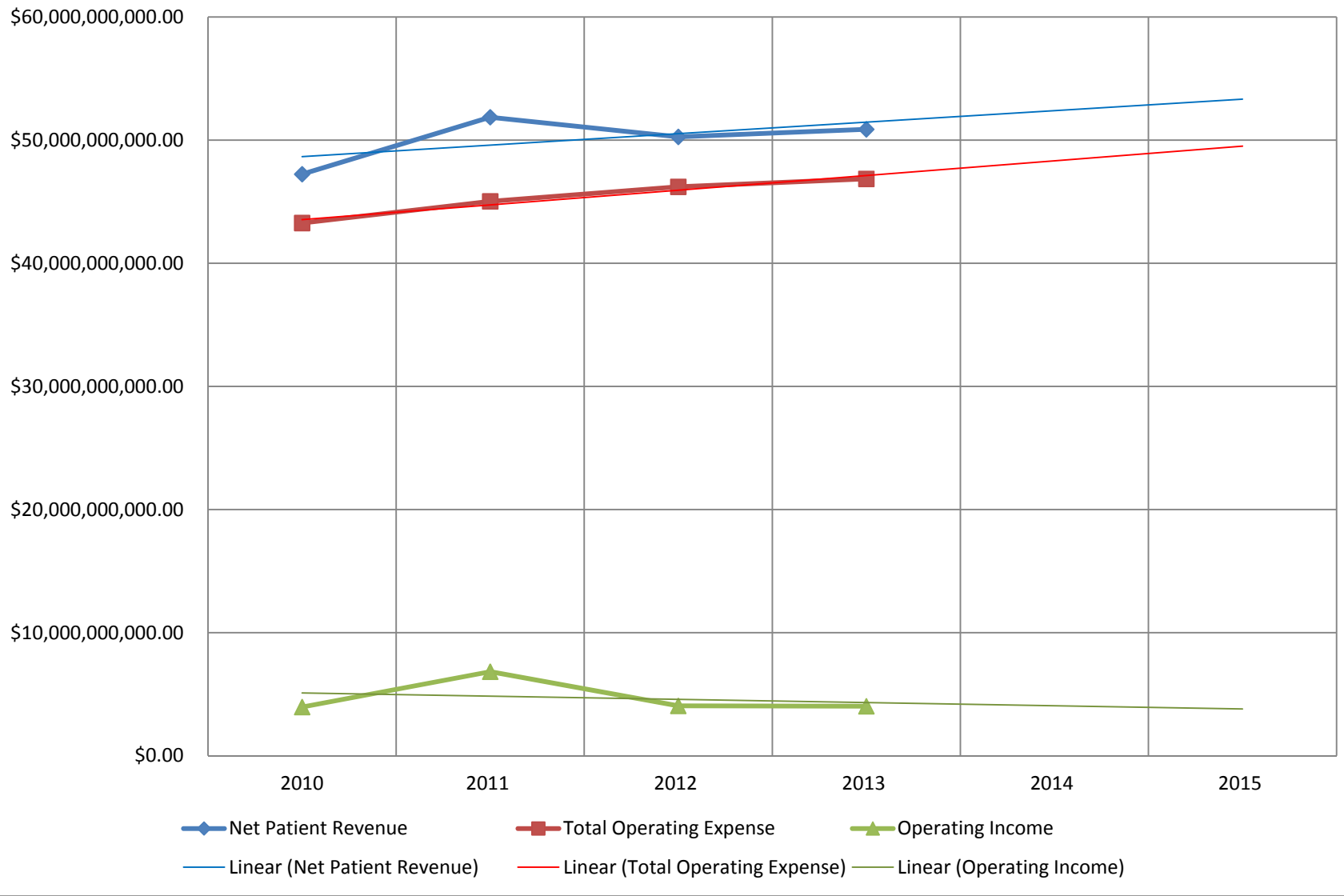
**255 Acute Care Hospitals (ADC 1-25)
Aggregate Positive Margins (2010 through 2013)**



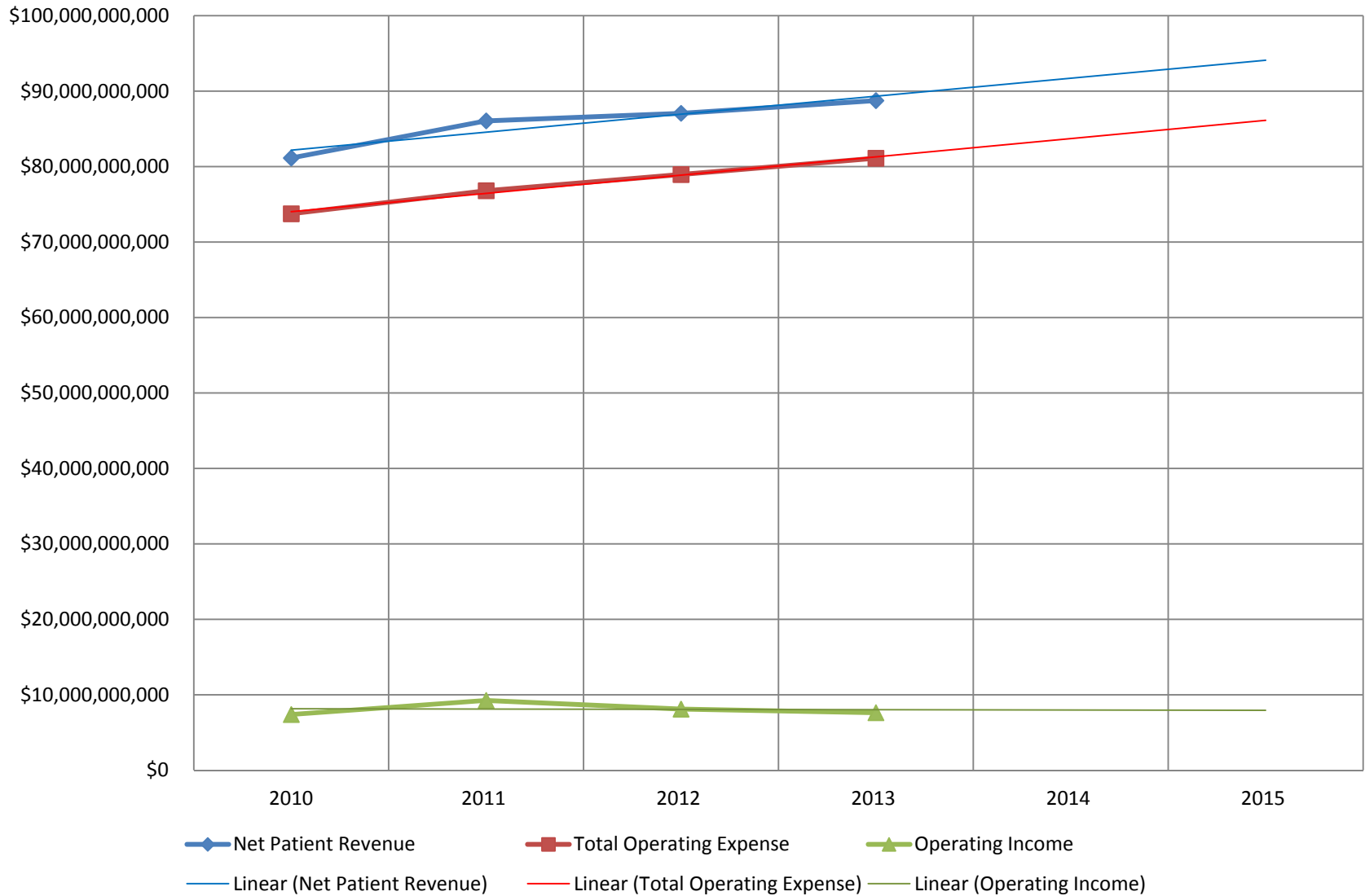
315 Acute Care Hospitals (ADC 25-75) Aggregate Positive Margins (2010 through 2013)



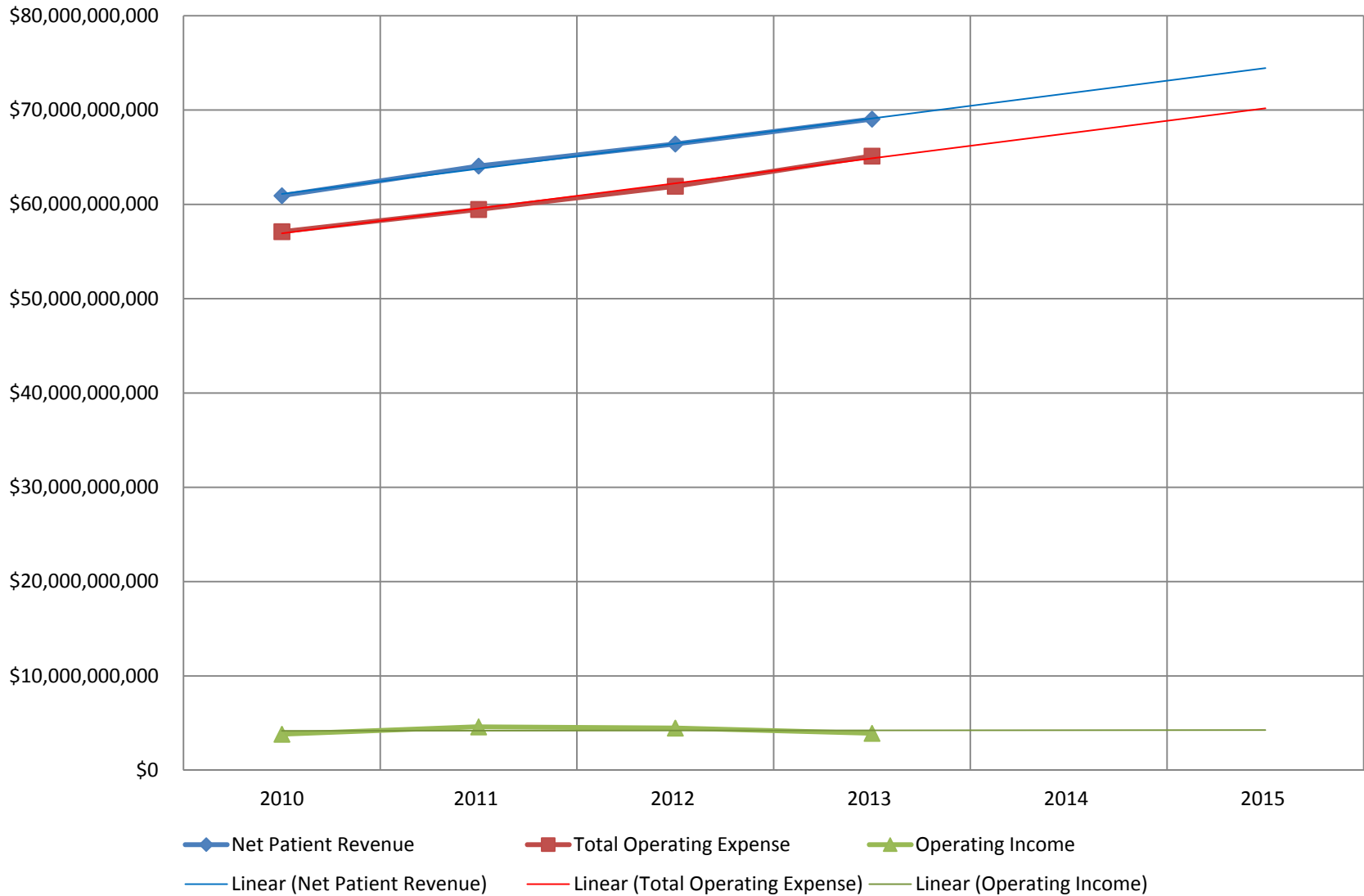
263 Acute Care Hospitals (ADC 75-150)
Aggregate Positive Margins (2010 through 2013)



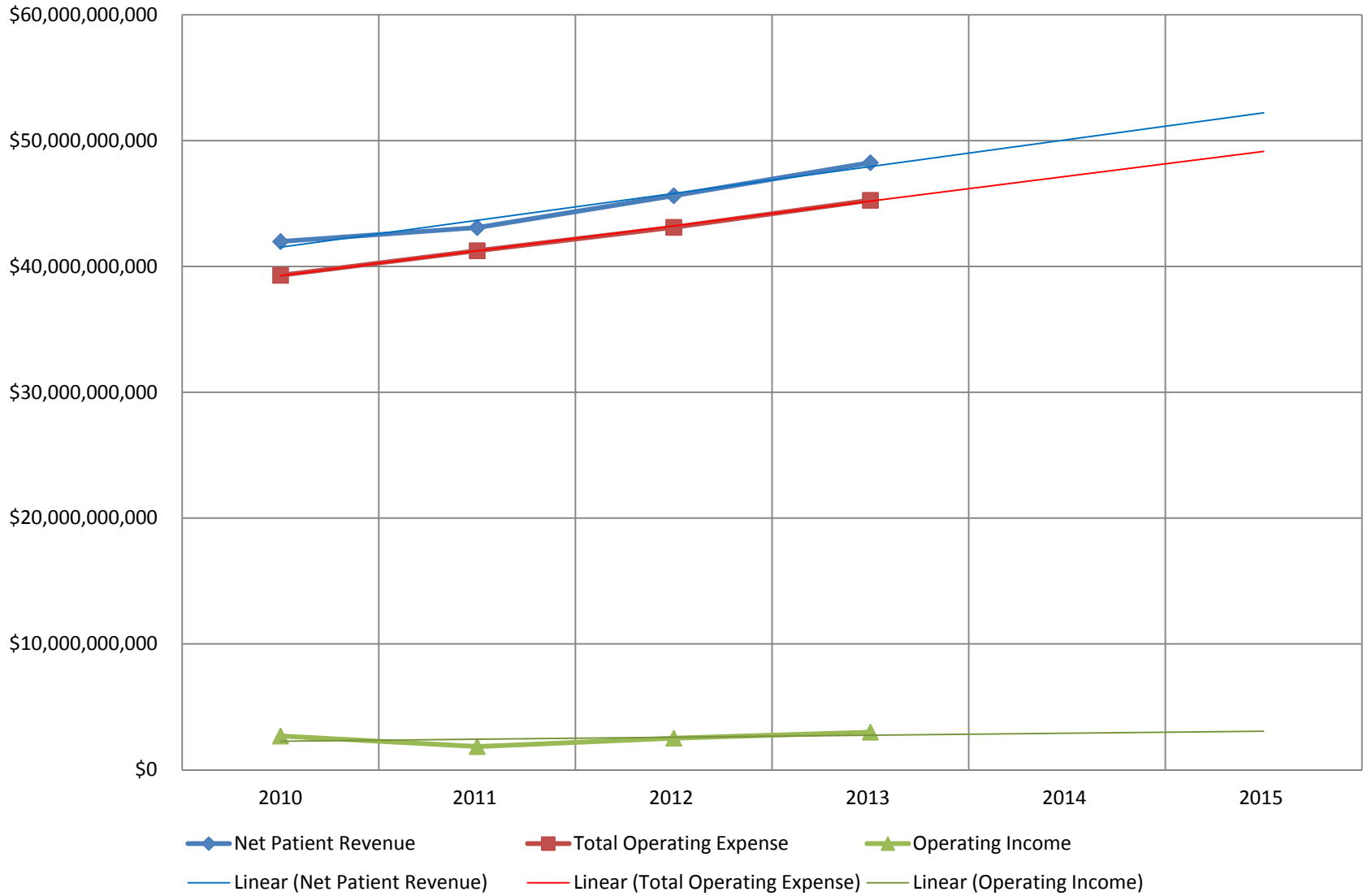
250 Acute Care Hospitals (ADC 150-300) Aggregate Positive Margins (2010 through 2013)



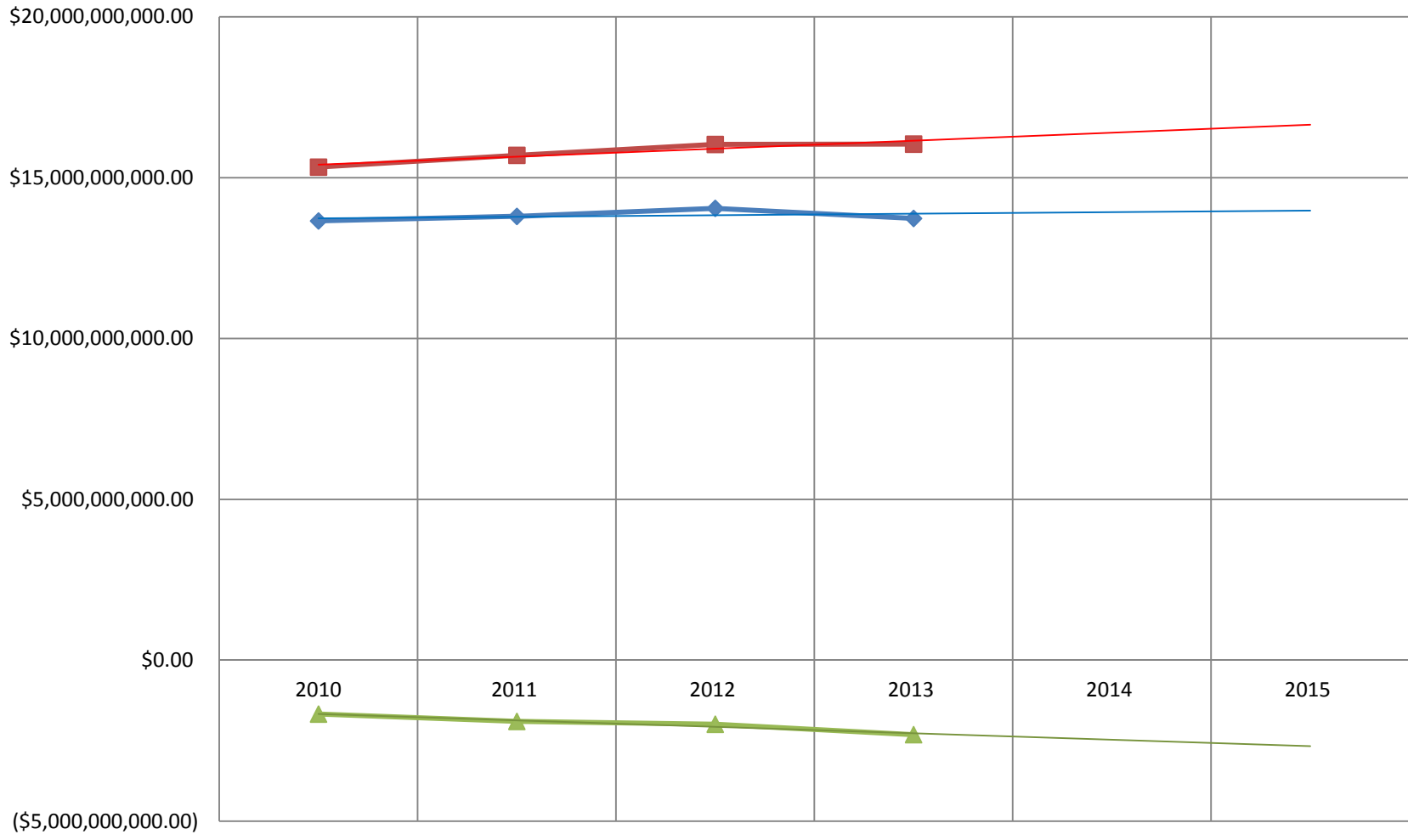
93 Acute Care Hospitals (ADC 300-500) Aggregate Positive Margins (2010 through 2013)



**37 Acute Care Hospitals (ADC 500 and Greater)
Aggregate Positive Margins (2010 through 2013)**

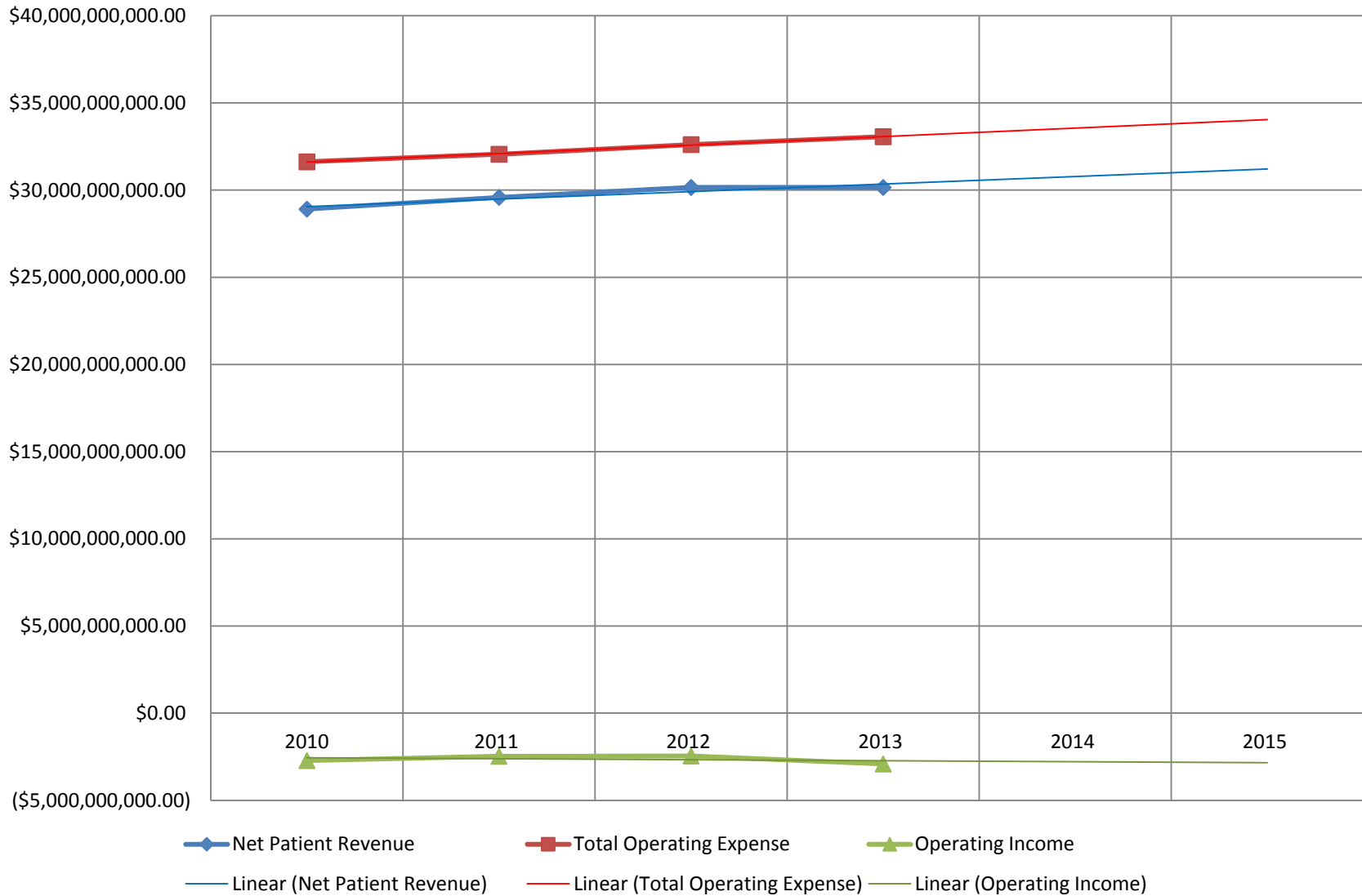


420 Acute Care Hospitals (ADC 1-25) Aggregate Negative Margins (2010 through 2013)

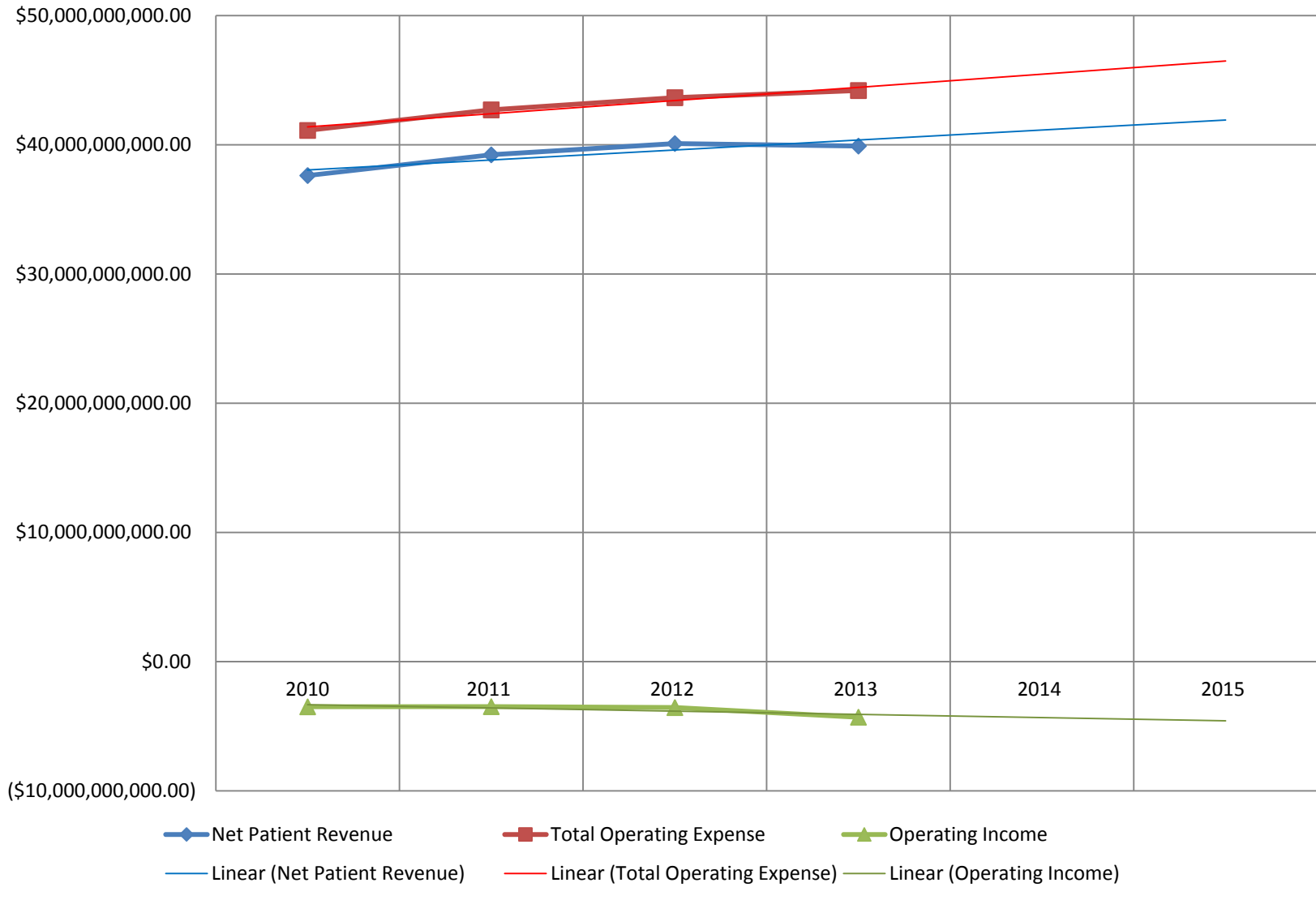


◆ Net Patient Revenue
 ■ Total Operating Expense
 ▲ Operating Income
— Linear (Net Patient Revenue)
 — Linear (Total Operating Expense)
 — Linear (Operating Income)

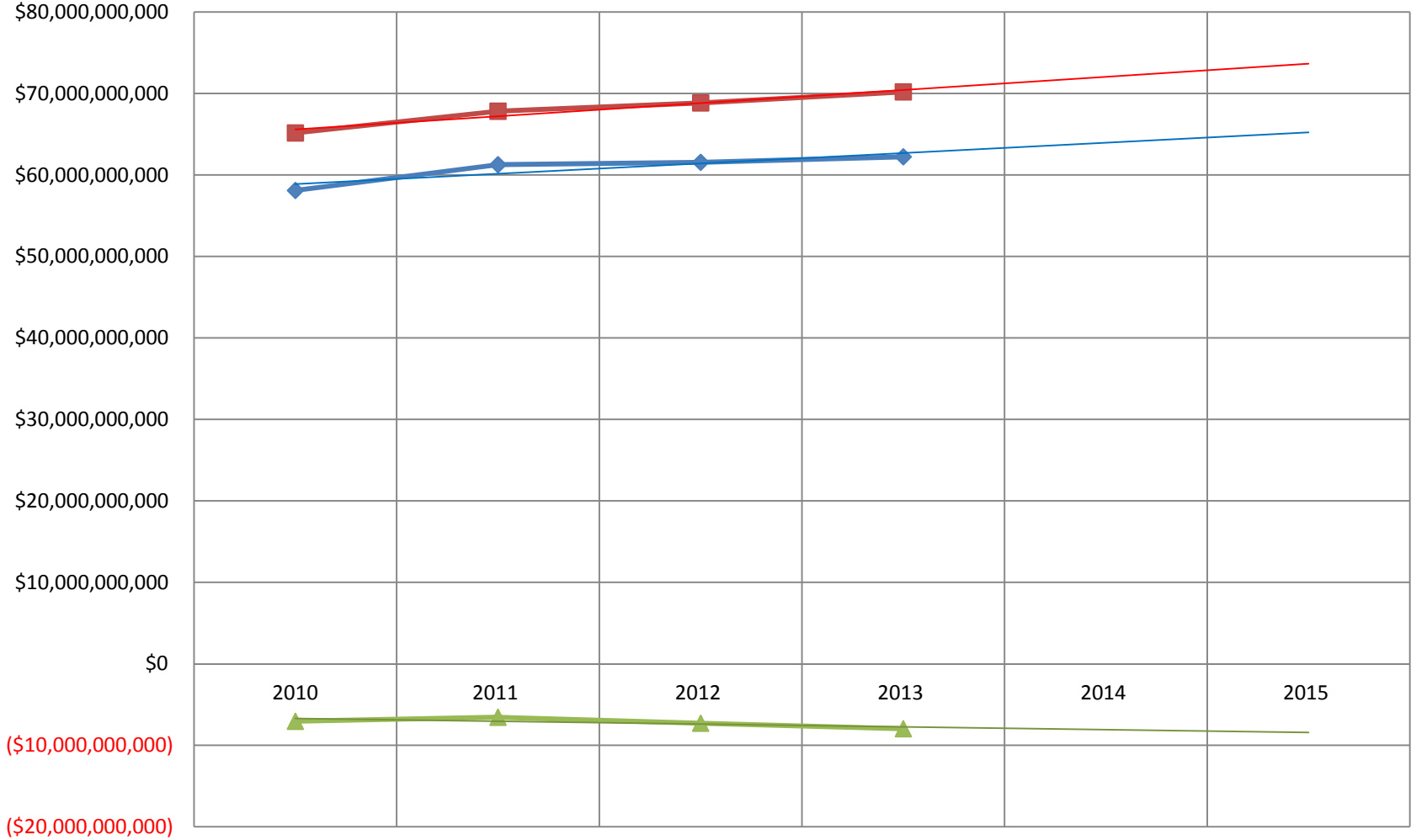
334 Acute Care Hospitals (ADC 25-75) Aggregate Negative Margins (2010 through 2013)



222 Acute Care Hospitals (ADC 75-150) Aggregate Negative Margins (2010 through 2013)

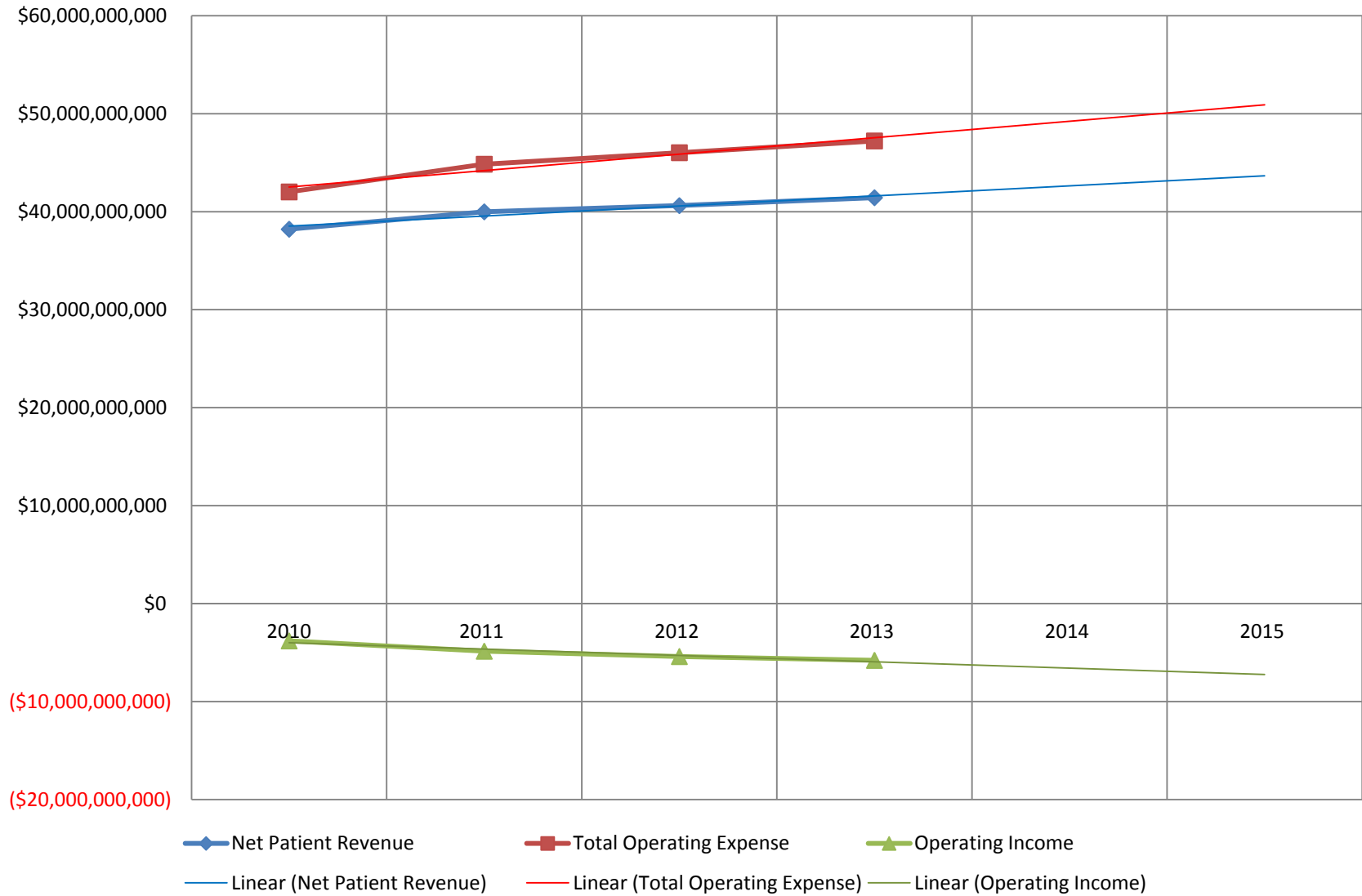


**183 Acute Care Hospitals (ADC 150-300)
Aggregate Negative Margins (2010 through 2013)**



◆ Net Patient Revenue
 ■ Total Operating Expense
 ▲ Operating Income
— Linear (Net Patient Revenue)
 — Linear (Total Operating Expense)
 — Linear (Operating Income)

62 Acute Care Hospitals (ADC 300-500) Aggregate Negative Margins (2010 through 2013)



29 Acute Care Hospitals (ADC 500+) Aggregate Negative Margins (2010 through 2013)

