APPENDIX 4

Supplementary Data Tables
Trends in Hospital Financing

Table 4.1: Aggregate Total Hospital Margins,[1] Operating Margins,[2] and Patient Margins;[3] Percentage of Hospitals with Negative Total Margins; and Aggregate Non-operating Gains as a Percentage of Total Net Revenue, 1989 – 2009

Year	Aggregate Total Hospital Margins	Aggregate Operating Margins	Aggregate Patient Margins	Percent of Hospitals with Negative Total Margins	Percent of Hospitals with Negative Operating Margins	Aggregate Non-operating Gains as a Percentage of Total Net Revenue
1989	3.4%			30.8%		2.5%
1990	3.8%	1.7%	-4.2%	27.1%		2.1%
1991	4.3%	2.2%	-3.6%	24.7%		2.1%
1992	4.6%	2.7%	-2.7%	23.8%		1.9%
1993	4.2%	2.5%	-3.2%	24.2%		1.8%
1994	4.8%	3.4%	-2.8%	22.4%		1.5%
1995	5.6%	3.9%	-2.2%	20.4%	28.0%	1.8%
1996	6.7%	4.6%	-1.0%	19.4%	27.7%	2.3%
1997	6.7%	4.0%	-1.7%	20.4%	28.9%	2.7%
1998	5.8%	3.1%	-3.0%	26.6%	36.1%	2.8%
1999	4.6%	2.1%	-4.3%	32.5%	41.9%	2.6%
2000	4.6%	2.0%	-4.2%	32.0%	42.2%	2.6%
2001	4.2%	2.7%	-3.6%	29.4%	36.7%	1.6%
2002	4.4%	3.7%	-2.3%	29.3%	33.4%	0.8%
2003	4.8%	3.3%	-2.8%	29.9%	35.9%	1.5%
2004	5.2%	3.6%	-2.3%	26.5%	33.4%	1.7%
2005	5.3%	3.7%	-2.0%	25.4%	32.0%	1.7%
2006	6.0%	4.0%	-2.1%	24.3%	31.8%	2.1%
2007	6.9%	4.3%	-1.7%	21.6%	30.2%	2.7%
2008	2.6%	3.3%	-2.6%	32.4%	32.8%	-0.7%
2009	5.0%	4.4%	-1.4%	27.5%	30.1%	0.6%

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2009, for community hospitals.

(1) Total Hospital Margin is calculated as the difference between total net revenue and total expenses divided by total net revenue.
(2) Operating Margin is calculated as the difference between operating revenue and total expenses divided by operating revenue.
(3) Patient Margin is calculated as the difference between net patient revenue and total expenses divided by net patient revenue.

Data for Charts 4.1, 4.2, and 4.8

Table 4.2: Distribution of Inpatient vs. Outpatient Revenues, 1989 – 2009

Year	Gross Outpatient Revenue	Gross Inpatient Revenue
1989	21%	79%
1990	23%	77%
1991	24%	76%
1992	25%	75%
1993	27%	73%
1994	28%	72%
1995	30%	70%
1996	31%	69%
1997	33%	67%
1998	33%	67%
1999	34%	66%
2000	35%	65%
2001	35%	65%
2002	35%	65%
2003	35%	65%
2004	36%	64%
2005	37%	63%
2006	38%	62%
2007	38%	62%
2008	39%	61%
2009	41%	59%

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2009, for community hospitals.

Data for Chart 4.3

Table 4.3: Annual Change in Hospital Operating Revenue and Expenses per Adjusted Admission,[1] 1989 – 2009

Year	Expenses per Adjusted Admission	Operating Revenue per Adjusted Admission	Percent Change Expenses	Percent Change Operating Revenue
1989	$4,588	$4,628	9.1%	9.0%
1990	$4,947	$5,034	7.8%	8.8%
1991	$5,360	$5,481	8.3%	8.9%
1992	$5,794	$5,958	8.1%	8.7%
1993	$6,132	$6,290	5.8%	5.6%
1994	$6,230	$6,446	1.6%	2.5%
1995	$6,216	$6,466	-0.2%	0.3%
1996	$6,225	$6,522	0.2%	0.9%
1997	$6,262	$6,526	0.6%	0.1%
1998	$6,386	$6,589	2.0%	1.0%
1999	$6,509	$6,647	1.9%	0.9%
2000	$6,668	$6,806	2.5%	2.4%
2001	$6,980	$7,172	4.7%	5.4%
2002	$7,355	$7,636	5.4%	6.5%
2003	$7,796	$8,065	6.0%	5.6%
2004	$8,166	$8,469	4.7%	5.0%
2005	$8,535	$8,865	4.5%	4.7%
2006	$8,970	$9,345	5.1%	5.4%
2007	$9,377	$9,797	4.5%	4.8%
2008	$9,788	$10,123	4.4%	3.3%
2009	$10,045	$10,503	2.6%	3.7%

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2009, for community hospitals.

[1] An aggregate measure of workload reflecting the number of inpatient admissions, plus an estimate of the volume of outpatient services, expressed in units equivalent to an inpatient admission in terms of level of effort.

Data for Chart 4.4

Table 4.4: Aggregate Hospital Payment-to-cost Ratios for Private Payers, Medicare and Medicaid, 1989 – 2009

Year	Medicare	Medicaid[1]	Private Payer
1989	92.1%	78.8%	124.4%
1990	89.4%	80.1%	127.8%
1991	88.5%	81.9%	130.8%
1992	89.0%	89.5%	131.8%
1993	89.9%	89.6%	130.1%
1994	96.9%	93.7%	124.4%
1995	99.4%	94.0%	124.0%
1996	102.4%	94.9%	121.6%
1997	103.7%	96.0%	117.5%
1998	101.9%	96.6%	115.8%
1999	100.0%	95.7%	115.1%
2000	99.1%	94.5%	115.7%
2001	98.4%	95.8%	116.5%
2002	97.9%	96.1%	119.0%
2003	95.3%	92.3%	122.3%
2004	91.9%	89.9%	128.9%
2005	92.3%	87.1%	129.4%
2006	91.3%	85.8%	130.3%
2007	90.6%	87.9%	132.2%
2008	90.9%	88.7%	128.3%
2009	90.1%	89.0%	134.1%

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2009, for community hospitals.

(1) Includes Medicaid Disproportionate Share payments.

Data for Chart 4.6

Table 4.5: Hospital Payment Shortfall Relative to Costs for Medicare, Medicaid, and Other Government, 1997 – 2009[1]

Year	Medicare (billions)	Medicaid (billions)	Other Government (billions)
1997	$4.3	-$1.6	-$0.7
1998	$2.3	-$1.4	-$0.6
1999	-$0.1	-$1.8	-$0.4
2000	-$1.3	-$2.5	-$0.4
2001	-$2.3	-$2.0	-$0.6
2002	-$3.3	-$2.3	-$0.6
2003	-$8.1	-$4.9	-$0.5
2004	-$15.0	-$7.1	-$0.5
2005	-$15.5	-$9.8	-$0.4
2006	-$18.6	-$11.3	$1.1
2007	-$21.5	-$10.4	$1.4
2008	-$21.9	-$10.5	$1.2
2009	-$25.2	-$11.3	$0.4

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2009, for community hospitals.

[1] Costs reflect a cap of 1.0 on the cost-to-charge ratio.

Data for Chart 4.7