



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, 1992 – 2012

| 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 |
|------|----------------------------------|-----------------------------|---------------------------|--|--|--|
| 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% |
| 2010 | 7.2% | 5.5% | -0.2% | 22.8% | 28.3% | 1.8% |
| 2011 | 7.0% | 5.5% | -0.3% | 24.0% | 28.4% | 1.6% |
| 2012 | 7.8% | 6.5% | 0.7% | 21.3% | 25.9% | 1.4% |

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2012, 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, 1992 – 2012

| Year | Gross Outpatient Revenue | Gross Inpatient Revenue |
|------|--------------------------|-------------------------|
| 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% |
| 2010 | 42% | 58% |
| 2011 | 43% | 57% |
| 2012 | 44% | 56% |

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2012, for community hospitals.

Data for Chart 4.3



Table 4.3: Annual Change in Hospital Operating Revenue and Expenses per Adjusted Admission,⁽¹⁾ 1992 – 2012

| Year | Expenses per Adjusted Admission | Operating Revenue per Adjusted Admission | Percent Change Expenses | Percent Change Operating Revenue |
|------|---------------------------------|--|-------------------------|----------------------------------|
| 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% |
| 2010 | \$10,313 | \$10,917 | 2.7% | 3.9% |
| 2011 | \$10,533 | \$11,146 | 2.1% | 2.1% |
| 2012 | \$11,221 | \$12,004 | 6.5% | 7.7% |

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2012, 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, 1992 – 2012

| Year | Medicare ⁽¹⁾ | Medicaid ⁽²⁾ | Private Payer |
|------|-------------------------|-------------------------|---------------|
| 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% |
| 2010 | 92.4% | 92.8% | 133.5% |
| 2011 | 91.4% | 94.7% | 134.5% |
| 2012 | 85.9% | 88.9% | 148.9% |

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2012, for community hospitals.

⁽¹⁾ Includes Medicare Disproportionate Share payments.

⁽²⁾ 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 – 2012⁽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 |
| 2010 | -\$20.1 | -\$7.8 | \$0.4 |
| 2011 | -\$23.8 | -\$6.0 | \$0.0 |
| 2012 | -\$42.3 | -\$13.7 | -\$1.3 |

Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2012, for community hospitals.

⁽¹⁾ Costs reflect a cap of 1.0 on the cost-to-charge ratio.

Data for Chart 4.7