

Financial Analysis 2015

An Annual Report
on the Financial
Health of
Pennsylvania
Non-GAC Hospitals



Volume Three: Rehabilitation • Psychiatric Long-Term Acute Care • Specialty



Pennsylvania Health Care Cost Containment Council
November 2016

About PHC4

The Pennsylvania Health Care Cost Containment Council (PHC4) is an independent state agency charged with collecting, analyzing, and reporting information that can be used to improve the quality and restrain the cost of health care in the state. It was created in the mid-1980s when Pennsylvania businesses and labor unions, in collaboration with other key stakeholders, joined forces to enact market-oriented health care reforms. As a result of their efforts, the General Assembly passed legislation (Act 89 of 1986) creating PHC4.

PHC4's primary goal is to empower purchasers of health care benefits, such as businesses and labor unions, as well as other stakeholders, with information they can use to improve quality and restrain costs. More than 840,000 public reports on patient treatment results are downloaded from the PHC4 website each year. Additionally, nearly 100 organizations and individuals annually utilize PHC4's special requests process to access and use data. Today, PHC4 is a recognized national leader in public health care reporting.

PHC4 is governed by a 25-member board of directors representing business, labor, consumers, health care providers, insurers, and state government.

The logo for PHC4, featuring the letters "PHC4" in a bold, white, sans-serif font. The letters are set against a dark blue background that is shaped like the outline of the state of Pennsylvania. The logo is positioned in the bottom left corner of the page.

Foreword

On an annual basis, the Pennsylvania Health Care Cost Containment Council (PHC4) produces a series of reports that measure the financial health of Pennsylvania's hospitals and ambulatory surgery centers.

This is the third volume of a three-volume series of *Financial Analysis 2015* reports. *Volume One*, released in May 2016, focused on the financial health of Pennsylvania's general acute care (GAC) hospitals. *Volume Two*, released in October 2016, concentrated on Pennsylvania's ambulatory surgery centers (ASCs). This report, *Volume Three*, focuses on Pennsylvania's non-GAC hospitals, which include rehabilitation hospitals, psychiatric hospitals, long-term acute care hospitals, and specialty hospitals.

The data included in *Volume Three* for non-GAC hospitals is based on each facility's fiscal year that ended during 2015. The fiscal year for the majority of hospitals was calendar year ending December 31, 2015. For those hospitals that do not utilize a calendar year, the fiscal year typically ended on June 30, 2015.

Information contained in this report was derived from annual hospital financial statements, supplemented with additional data, as well as quarterly inpatient discharge data supplied by each facility. Every reasonable effort has been made to ensure the accuracy of the information presented. Each facility had the opportunity to review its data and to make corrections. The responsibility for data accuracy lies with the individual facility.

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Pennsylvania Hospitals

There were 245 total hospitals licensed in Pennsylvania that operated during at least some portion of fiscal year 2015 (FY15) (Table 1). One-hundred seventy hospitals were general acute care (GAC) hospitals. The remaining 75 hospitals were rehabilitation hospitals, psychiatric hospitals, state psychiatric hospitals, long-term acute care hospitals, and specialty hospitals.

This report presents statewide analysis for non-GAC hospitals, which consist of rehabilitation hospitals, psychiatric hospitals, long-term acute care hospitals, and specialty hospitals. GAC hospitals are incorporated into the statewide analysis for comparative purposes. Individual hospital-specific FY15 financial data is presented for the non-GAC hospitals and for state psychiatric hospitals.

Hospital Income

The level of income needed to keep a hospital financially healthy will be different for each individual hospital or health system. The precise amount of income a hospital needs depends on several factors, including, but not limited to: the condition of its plant and equipment, the amount of debt, assets available for capital improvements, the mix of care provided by the hospital, the level of payment risk, and the current and future needs of the market a hospital serves.

For example, a hospital that has experienced low or negative income levels for a number of years may need to realize an above-average income level if it is to make overdue capital improvements, reduce outstanding debt, and replenish capital reserves.

Table 1
Number of Hospitals, FY15
by Facility Type

Facility Type	Number of Hospitals
General Acute Care Hospitals	170
Rehabilitation Hospitals	21
Psychiatric Hospitals	20
State Psychiatric Hospitals	6
Long-Term Acute Care Hospitals	23
Specialty Hospitals	5
Total	245

Alternatively, a hospital with a history of continuous moderate income levels in all likelihood can maintain operations with a lower income level if it has kept pace with needed improvements and has not depleted its capital reserves or acquired debt in order to meet expenses.

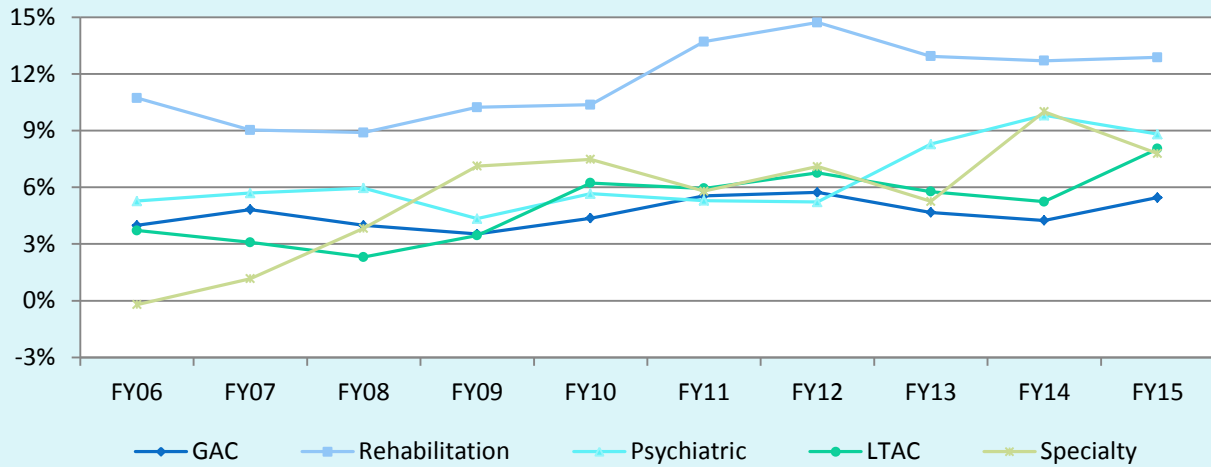
Operating Margin & Total Margin

Hospital income is usually expressed as either operating margin or total margin. Operating margin reflects the percent of operating revenue remaining after all operating expenses are paid. A positive operating margin indicates operating revenues exceed operating expenses. Alternatively, a negative operating margin indicates that revenues are not covering costs. To cover operating expenses, hospitals with a negative operating margin, for instance, may use funds that were reserved to replace obsolete or worn out facilities and equipment.

Total margin reflects the percent of net income, which is both operating income and income from all other sources. Examples of non-operating income are investment gains, trust income and contributions. However, some hospitals may

HOSPITAL INCOME

Figure 1
Statewide Average Operating Margin
by Fiscal Year and Facility Type



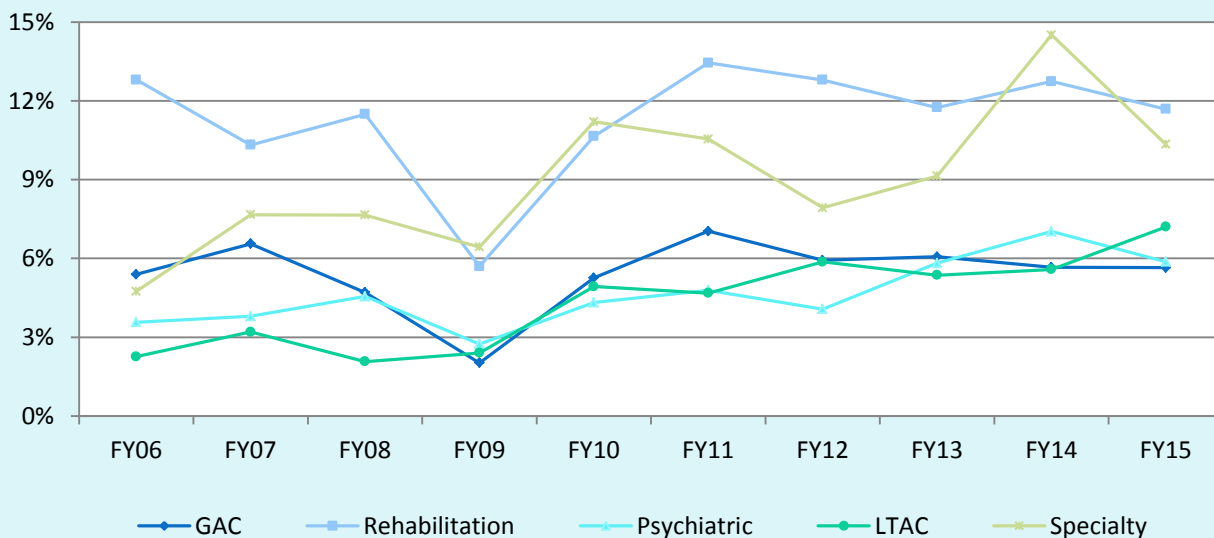
include all or part of investment and trust income in operating revenue, specifically when the funds have been designated to support specific operations of a hospital.

Total margin reveals the composite financial health of a facility during the year. If total margin

is negative, the hospital is losing money after all sources of revenue and income have been considered.

Endowments enable some hospitals with negative operating margins to continue operations to provide care. For endowed hospitals, a negative

Figure 2
Statewide Average Total Margin
by Fiscal Year and Facility Type



operating margin may not be critical, provided the facility realizes a healthy positive total margin.

Hospitals without endowments or other non-operating income sources may have very similar operating and total margins. In such cases, a low or negative operating and/or total margin may reveal the hospital is under financial stress.

Statewide Margins

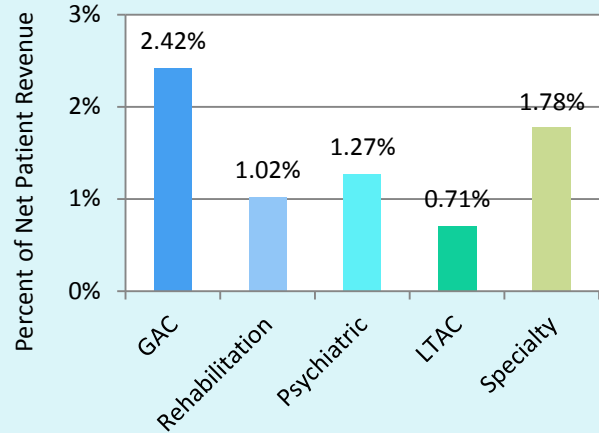
Statewide average operating margins experienced by each facility type during FY15 ranged from 5.46% at GAC hospitals to 12.87% at rehabilitation hospitals (Figure 1). Over a ten year reporting period the operating margin ranged from a negative 0.20% at specialty hospitals during FY06 to 14.71% at rehabilitation hospitals in FY12.

Among the non-GAC hospitals, the rehabilitation hospitals average operating margin ranged from 8.90% in FY08 to 14.71% in FY12. The psychiatric hospitals average operating margin ranged from 4.34% in FY09 to 9.81% in FY14. The long-term acute care (LTAC) hospitals average operating margin ranged from 2.31% in FY08 to 8.04% in FY15. The specialty hospitals average operating margin ranged from -0.20% in FY06 to 10.01% in FY14.

Statewide average total margins experienced by each facility type during FY15 ranged from 5.65% at GAC hospitals to 11.68% at rehabilitation hospitals (Figure 2). Over a ten year reporting period the total margin ranged from 2.03% at GAC hospitals during FY09 to 14.50% at specialty hospitals in FY14.

Among the non-GAC hospitals, the rehabilitation hospitals average total margin ranged from 5.70% in FY09 to 13.45% in FY11. The psychiatric hospitals average total margin ranged

Figure 3
Percent of Uncompensated Care, FY15
by Facility Type



from 2.74% in FY09 to 7.02% in FY14. The long-term acute care hospitals average total margin ranged from 2.07% in FY08 to 7.20% in FY15. The specialty hospitals average total margin ranged from 4.75% in FY06 to 14.50% in FY14.

Uncompensated Care Levels

As a group the non-GAC hospitals foregone dollar value of uncompensated care during FY15 was \$19.9 million. Uncompensated care as a percent of net patient revenue in FY15 ranged from 0.71% at long-term acute care hospitals to 1.78% at specialty hospitals (Figure 3).

STATEWIDE UTILIZATION

Statewide Utilization

Combined, rehabilitation, psychiatric, long-term acute care and specialty hospitals received 4.33% of the statewide net patient revenue during FY15 (Figure 4). GAC hospitals (including their hospital-based subunits) are the predominate providers of hospital-based health care in Pennsylvania. GAC hospitals received 95.67% of the statewide net patient revenue in FY15.

The non-GAC hospitals treated 6.01% of the patients that received inpatient care during FY15 (Figure 5). GAC hospitals covered 93.99% of the patients that received inpatient care.

Non-GAC hospitals provided services for 5.63% of the statewide outpatient visits during FY14 (Figure 6). The remaining 94.37% of statewide hospital outpatient visits were treated at GAC hospitals.

The total statewide patient days for inpatient care at hospitals during FY15 were 9,773,177 (Table 2). The majority of the inpatient care provided was for medical-surgical services.

Regardless of where services were delivered, 71.19% of the statewide patient days were for

medical-surgical services during FY15 (Figure 7), 13.34% were for inpatient psychiatric related conditions, and 7.38% were for rehabilitation services. The remaining 8.09% of statewide patient days were for other types of services, such as skilled nursing, long-term, etc.

The average age of patients treated at rehabilitation hospitals is greater than twice the average age of patients at psychiatric hospitals (Figure 8). Long-term acute care hospitals treat patients with complex medical conditions that require continuous care and their patients have a longer average length of stay (Figure 9).

The average revenue per discharge during FY15 ranged from \$6,503 at specialty hospitals to \$44,130 at long-term acute care hospitals (Table 3).

The average outpatient revenue per visit ranged from \$104 at rehabilitation hospitals to \$465 at GAC hospitals (Table 4).

Statewide, inpatient revenue per discharge increased from \$13,089 in FY14 to \$13,752 in FY15 and outpatient revenue per visit increased from \$433 in FY14 to \$447 in FY15.

Figure 4
Net Patient Revenue, FY15
by Facility Type

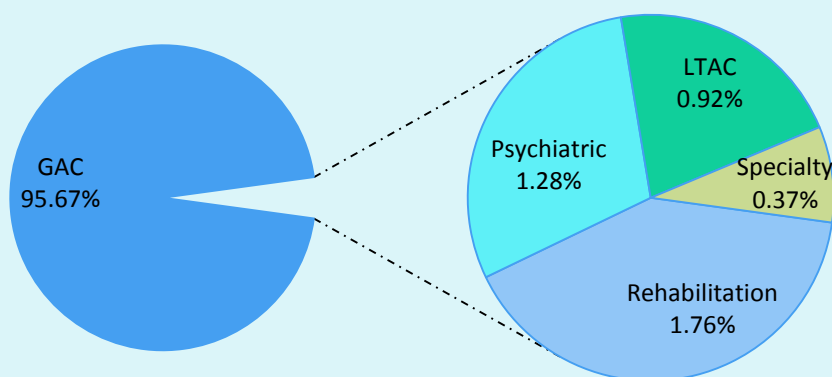


Figure 5
Discharges, FY15
by Facility Type

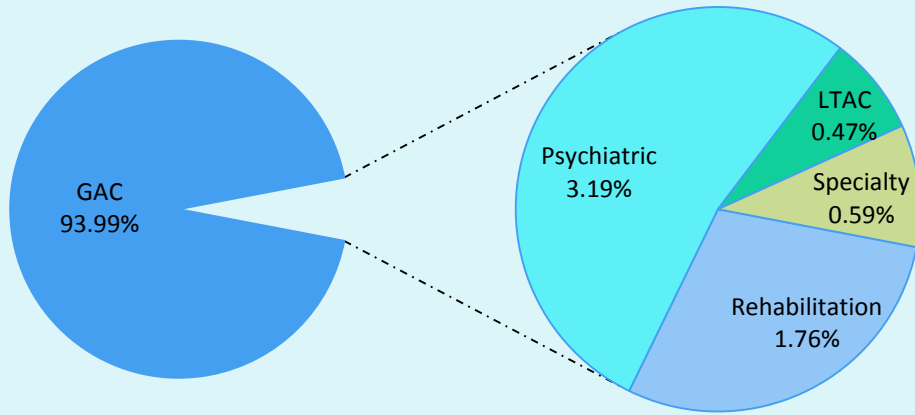
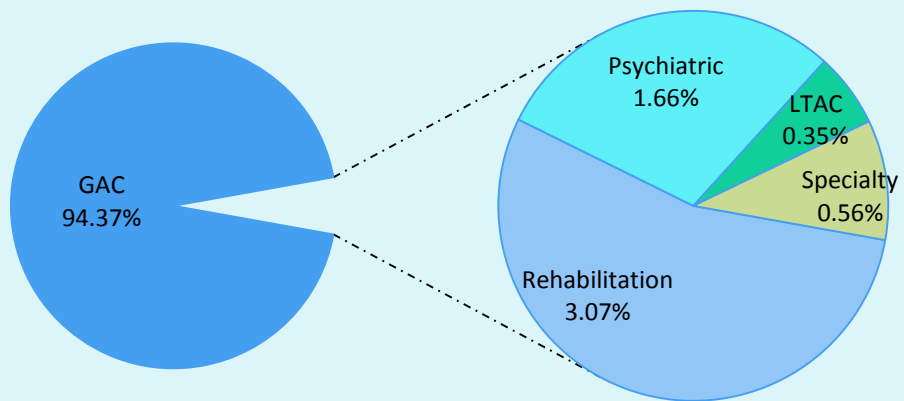


Figure 6
Outpatient Visits, FY15
by Facility Type



STATEWIDE UTILIZATION

Figure 7
Patient Days, FY15
by Type of Care

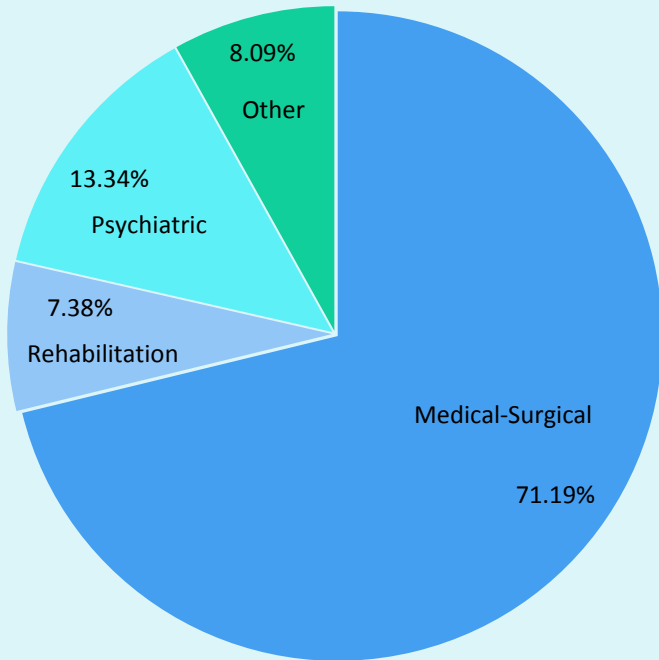


Table 2
Patient Days, FY15
by Type of Care

Type of Service	Number of Patient Days
Medical-Surgical	6,957,894
Rehabilitation	720,897
Psychiatric	1,304,105
Other	790,281
Statewide	9,773,177

Figure 8
Average Inpatient Patient Age, FY15
by Facility Type

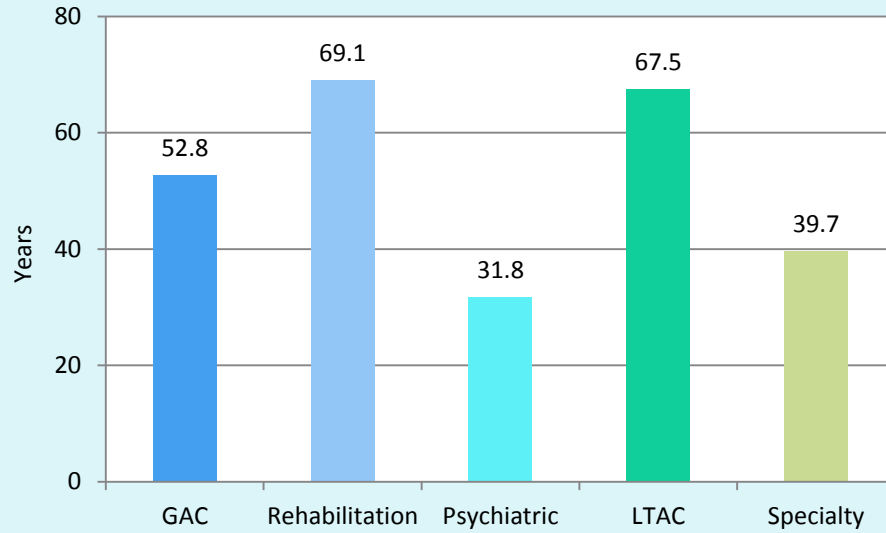
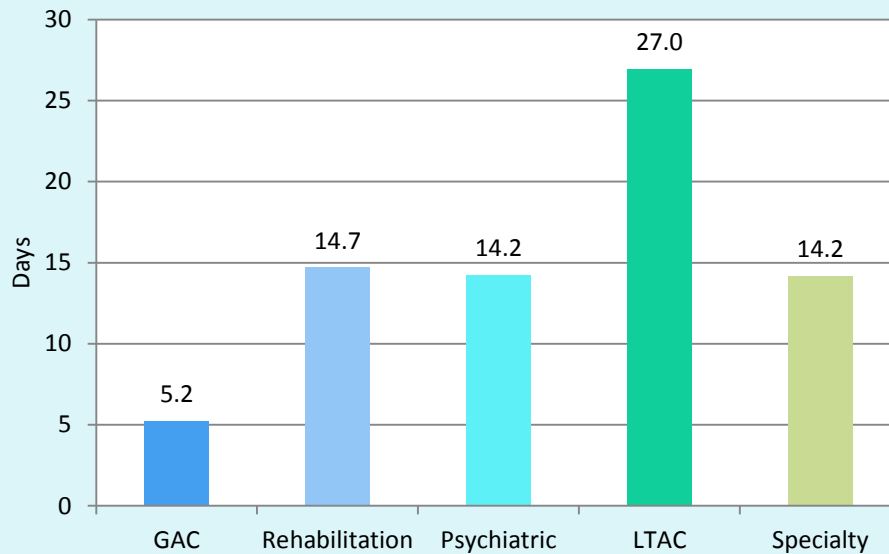


Figure 9
Average Length of Stay, FY15
by Facility Type



STATEWIDE UTILIZATION

Table 3
Utilization and Net Inpatient Revenue, FY15
by Facility Type

Facility Type	Staffed Beds	Patient Days	Discharges	Net Inpatient Revenue (thousands)	Average Inpatient Revenue per Day	Average Inpatient Revenue per Discharge
GAC	35,393	8,224,654	1,578,008	\$21,612,333	\$2,628	\$13,696
Rehabilitation	1,843	433,022	29,480	\$605,086	\$1,397	\$20,525
Psychiatric	2,450	761,187	53,539	\$454,868	\$598	\$8,496
LTAC	938	214,731	7,965	\$351,499	\$1,637	\$44,130
Specialty	481	139,583	9,854	\$64,078	\$459	\$6,503
Statewide	41,105	9,773,177	1,678,846	\$23,087,865	\$2,362	\$13,752

Table 4
Outpatient Visits and Net Outpatient Revenue, FY15
by Facility Type

Facility Type	Visits	Net Outpatient Revenue (thousands)	Average Outpatient Revenue per Visit
GAC	39,987,676	\$18,597,714	\$465
Rehabilitation	1,300,162	\$135,643	\$104
Psychiatric	702,634	\$82,865	\$118
LTAC	146,255	\$36,267	\$248
Specialty	237,337	\$90,204	\$380
Statewide	42,374,064	\$18,942,693	\$447

Hospital Data

The tables on the following pages provide hospital-specific financial data for rehabilitation, psychiatric, state psychiatric, long-term acute care and specialty hospitals that reported data for FY15. The hospitals are arranged by provider category.

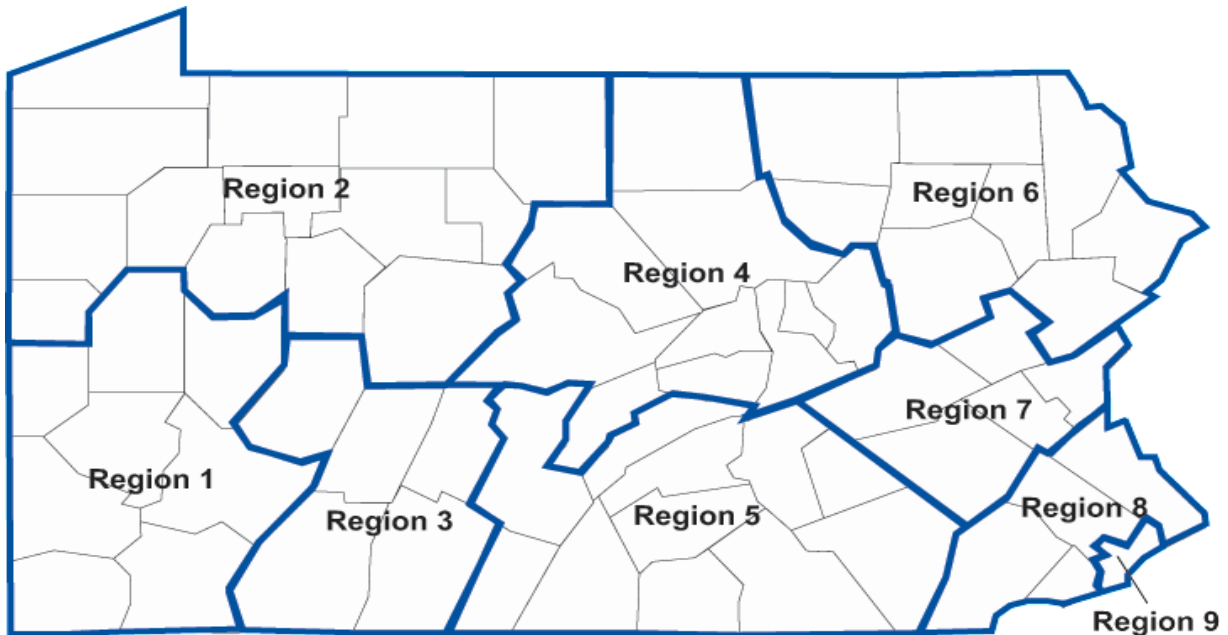
Operating and total margins for each hospital are reported. Each hospital's corresponding operating income, total income, and total operating revenue can be obtained on PHC4's website, www.phc4.org. (Note: Other operating revenue must be included with net patient revenue to calculate the operating income that is used to calculate operating margin.)

Statewide averages for each provider category are presented in the first row of each table. The

averages that are expressed as a percentage are calculated as if the entire state was a single reporting entity. For example, the statewide average operating margins are calculated by adding operating income and operating revenue for all hospitals within the state. The statewide total operating income is divided by the statewide total operating revenue to yield a statewide average operating margin.

In calculating the averages, estimated data was used for hospitals that reported less than a full year of data due to a change in the fiscal year.

No estimated data was used for the individual hospital data.



INDIVIDUAL HOSPITAL DATA

Region / Rehabilitation Hospital	Net Patient Revenue (NPR) (millions)				3-yr Avg Change in NPR FY12-15	Total Operating Expenses (TOE) (millions)				3-yr Avg Change in TOE FY12-15
	FY15	FY14	FY13	FY12		FY15	FY14	FY13	FY12	
Statewide Average	\$35	\$35	\$36	\$35	-0.13%	\$33	\$32	\$34	\$32	0.56%
6 Allied Services ⁵	\$39	\$35	\$36	\$35	3.10%	\$38	\$35	\$36	\$34	4.30%
1 Children's Inst Pgh	\$20	\$21	\$22	\$24	-5.88%	\$43	\$43	\$47	\$42	0.92%
3 Crichton Rehab ^{7, 10}	\$11	\$12	\$11	\$11	-0.42%	\$9	\$10	\$9	\$9	1.81%
4 Geisinger HealthSouth ^{1, 10}	\$18	\$18	\$18	\$18	0.38%	\$18	\$18	\$17	\$16	3.00%
7 Good Shepherd Rehab	\$74	\$70	\$68	\$67	3.21%	\$77	\$74	\$73	\$70	3.17%
3 HealthSouth Altoona ^{1, 10}	\$35	\$35	\$36	\$36	-0.12%	\$32	\$32	\$32	\$32	0.35%
2 HealthSouth Erie ^{1, 10}	\$19	\$22	\$26	\$27	-9.84%	\$18	\$19	\$20	\$21	-3.57%
1 HealthSouth Harmorville ^{1, 10}	\$32	\$38	\$44	\$45	-9.31%	\$27	\$31	\$36	\$36	-8.65%
5 HealthSouth Mech ^{1, 10}	\$26	\$28	\$28	\$26	-1.03%	\$20	\$21	\$21	\$21	-0.77%
4 HealthSouth Nittany ^{1, 10}	\$23	\$23	\$21	\$17	9.85%	\$19	\$19	\$19	\$16	6.23%
7 HealthSouth Reading ^{1, 10}	\$21	\$21	\$22	\$21	-0.02%	\$16	\$17	\$17	\$16	-0.07%
1 HealthSouth Sewickley ^{1, 10}	\$17	\$17	\$16	\$14	5.86%	\$13	\$13	\$12	\$11	5.59%
5 HealthSouth York ^{1, 10}	\$31	\$29	\$27	\$28	3.27%	\$24	\$24	\$23	\$24	0.20%
5 Helen Simpson Rehab ^{1, 4, 10}	\$10	NA	NA	NA	NA	\$11	NA	NA	NA	NA
6 John Heinz Rehab ⁵	\$35	\$34	\$35	\$37	-1.97%	\$36	\$37	\$36	\$35	1.32%
5 Lancaster Rehab ^{1, 10}	\$26	\$24	\$24	\$22	5.34%	\$19	\$18	\$18	\$17	2.48%
9 Magee Rehab	\$59	\$58	\$58	\$56	1.87%	\$61	\$59	\$60	\$56	3.07%
8 Main Line Bryn Mawr Rehab	\$80	\$75	\$73	\$74	2.59%	\$66	\$63	\$60	\$60	3.37%
9 Moss Rehab ⁷	\$113	\$103	\$101	\$93	7.16%	\$92	\$82	\$82	\$75	7.73%
5 Penn State Hershey Rehab ^{1, 10}	\$30	\$26	\$22	\$21	14.35%	\$30	\$27	\$21	\$21	13.45%
8 St Mary Rehab ^{1, 3, 10}	\$24	\$8	NA	NA	NA	\$17	\$8	NA	NA	NA

See footnotes on page 19.

INDIVIDUAL HOSPITAL DATA

Rehabilitation Hospital	Operating Margin FY15	Total Margin FY15	3-yr Avg Total Margin FY13-FY15	Percent of Uncompensated Care FY15	Medicare Share of NPR FY15	Medical Assistance Share of NPR FY15
Statewide Average	12.87%	11.68%	12.05%	1.02%	57.72%	7.74%
Allied Services ⁵	8.25%	8.94%	10.77%	0.76%	79.40%	1.91%
Children's Inst Pgh	-15.01%	-4.13%	1.12%	0.19%	5.74%	46.03%
Crichton Rehab ^{7, 10}	13.35%	13.35%	15.13%	0.20%	79.86%	7.71%
Geisinger HealthSouth ^{1, 10}	21.60%	17.13%	16.86%	1.70%	69.50%	2.63%
Good Shepherd Rehab	5.12%	5.12%	4.02%	1.13%	40.41%	12.04%
HealthSouth Altoona ^{1, 10}	12.75%	7.71%	7.59%	1.09%	80.51%	4.83%
HealthSouth Erie ^{1, 10}	8.40%	4.28%	11.48%	1.09%	82.59%	3.30%
HealthSouth Harmarville ^{1, 10}	22.19%	12.98%	12.80%	0.65%	74.20%	2.49%
HealthSouth Mech ^{1, 10}	23.05%	13.31%	14.77%	0.90%	81.77%	2.93%
HealthSouth Nittany ^{1, 10}	17.84%	9.49%	11.68%	1.52%	77.75%	1.99%
HealthSouth Reading ^{1, 10}	22.35%	12.64%	12.59%	1.90%	86.62%	2.46%
HealthSouth Sewickley ^{1, 10}	26.55%	15.37%	14.76%	0.64%	80.05%	1.30%
HealthSouth York ^{1, 10}	23.97%	13.78%	12.97%	1.29%	85.24%	1.64%
Helen Simpson Rehab ^{1, 4, 10}	-9.94%	-9.94%	NA	11.84%	79.71%	3.00%
John Heinz Rehab ⁵	-0.28%	-1.21%	0.56%	0.83%	72.25%	2.26%
Lancaster Rehab ^{1, 10}	27.45%	27.45%	26.29%	0.39%	76.00%	2.47%
Magee Rehab	2.53%	9.22%	8.60%	0.20%	22.06%	7.99%
Main Line Bryn Mawr Rehab	18.39%	19.74%	20.43%	0.67%	44.57%	2.26%
Moss Rehab ⁷	19.39%	19.77%	20.30%	0.50%	37.31%	18.49%
Penn State Hershey Rehab ^{1, 10}	3.12%	3.12%	3.12%	2.50%	56.39%	7.97%
St Mary Rehab ^{1, 3, 10}	27.81%	27.81%	NA	0.84%	81.00%	1.60%

See footnotes on page 19.

INDIVIDUAL HOSPITAL DATA

Region / Psychiatric Hospital	Net Patient Revenue (NPR) (millions)				3-yr Avg Change in NPR FY12-15	Total Operating Expenses (TOE) (millions)				3-yr Avg Change in TOE FY12-15
	FY15	FY14	FY13	FY12		FY15	FY14	FY13	FY12	
Statewide Average	\$27	\$25	\$25	\$25	3.22%	\$25	\$24	\$24	\$24	1.55%
9 Belmont Behavioral ¹¹	\$36	\$38	\$39	\$40	-2.81%	\$40	\$40	\$41	\$40	-0.24%
8 Brooke Glen Behavioral ^{1, 3, 10}	\$32	\$29	\$29	\$22	NA	\$29	\$28	\$12	\$29	NA
2 Clarion Psych ^{1, 10}	\$21	\$19	\$16	\$16	9.63%	\$12	\$12	\$11	\$11	4.92%
8 Devereux Behavioral Hlth ⁷	\$8	\$8	\$7	\$6	9.30%	\$8	\$8	\$8	\$6	10.16%
9 Fairmount Behavioral ^{1, 10}	\$45	\$46	\$45	\$44	1.10%	\$43	\$41	\$40	\$39	3.55%
6 First Wyoming Valley ^{1, 10}	\$26	\$26	\$20	\$23	3.76%	\$23	\$22	\$19	\$17	10.85%
8 Foundations Behavioral ^{1, 10}	\$37	\$31	\$27	\$25	15.19%	\$31	\$28	\$24	\$24	8.79%
9 Friends ^{1, 10}	\$49	\$44	\$45	\$40	7.25%	\$44	\$42	\$42	\$41	2.24%
7 Haven Behavioral Eastern ^{1, 10}	\$13	\$13	\$12	\$11	5.93%	\$11	\$11	\$10	\$10	1.97%
9 Haven Behavioral Phil ^{1, 10}	\$8	\$4	NA	NA	NA	\$8	\$7	NA	NA	NA
8 Horsham Clinic ^{1, 10}	\$47	\$45	\$42	\$43	3.04%	\$43	\$42	\$43	\$41	1.66%
7 KidsPeace ¹	\$28	\$24	\$23	\$24	6.92%	\$26	\$24	\$24	\$24	3.01%
9 Kirkbride Center ^{5, 10}	\$20	\$18	\$17	\$18	4.74%	\$21	\$10	\$20	\$20	1.68%
4 Meadows Psych Center ^{1, 10}	\$24	\$22	\$20	\$19	7.95%	\$18	\$17	\$17	\$16	4.98%
8 Montgomery Cty ES ⁵	\$16	\$17	\$17	\$17	-2.47%	\$17	\$18	\$18	\$17	1.04%
5 PA Psych Inst	\$18	\$20	\$22	\$23	-7.38%	\$27	\$27	\$27	\$27	-0.13%
5 Philhaven	\$61	\$57	\$55	\$54	4.84%	\$60	\$59	\$60	\$56	2.20%
5 Roxbury Treatment ^{1, 10}	\$18	\$19	\$17	\$17	2.83%	\$13	\$13	\$13	\$12	3.30%
1 Southwood Psych ^{1, 10}	\$23	\$21	\$20	\$17	10.31%	\$18	\$16	\$16	\$16	4.07%
8 St John Vianney ⁵	\$8	\$8	\$7	\$7	3.83%	\$8	\$8	\$8	\$8	2.31%

See footnotes on page 19.

Region / State Psychiatric Hospital	Net Patient Revenue (NPR) (millions)				3-yr Avg Change in NPR FY12-15	Total Operating Expenses (TOE) (millions)				3-yr Avg Change in TOE FY12-15
	FY15	FY14	FY13	FY12		FY15	FY14	FY13	FY12	
Statewide Average	\$12	\$12	\$10	\$11	3.72%	\$61	\$58	\$56	\$56	2.94%
6 Clark Summit State	\$15	\$13	\$12	\$11	10.97%	\$54	\$52	\$50	\$49	3.16%
4 Danville State	\$12	\$12	\$11	\$11	5.17%	\$45	\$43	\$41	\$40	4.69%
8 Norristown State	\$7	\$7	\$9	\$10	-11.84%	\$81	\$75	\$74	\$78	0.95%
1 Torrance State	\$11	\$10	\$7	\$9	5.81%	\$73	\$70	\$65	\$68	2.52%
2 Warren State	\$13	\$11	\$10	\$10	10.60%	\$47	\$46	\$43	\$43	3.31%
7 Wernersville State	\$16	\$16	\$14	\$15	2.17%	\$69	\$64	\$61	\$61	4.36%

See footnotes on page 19.

INDIVIDUAL HOSPITAL DATA

Psychiatric Hospital	Operating Margin FY15	Total Margin FY15	3-yr Avg Total Margin FY13-FY15	Percent of Uncompensated Care FY15	Medicare Share of NPR FY15	Medical Assistance Share of NPR FY15
Statewide Average	8.81%	5.87%	6.24%	1.27%	17.03%	53.64%
Belmont Behavioral ¹¹	-8.61%	-8.51%	-5.83%	1.47%	27.21%	53.83%
Brooke Glen Behavioral ^{1, 3, 10}	11.02%	6.07%	14.14%	0.77%	25.97%	39.71%
Clarion Psych ^{1, 10}	41.08%	22.64%	20.82%	0.72%	20.58%	54.10%
Devereux Behavioral Hlth ⁷	3.67%	3.67%	0.83%	0.69%	0.00%	69.49%
Fairmount Behavioral ^{1, 10}	5.76%	14.66%	17.04%	0.56%	15.62%	62.26%
First Wyoming Valley ^{1, 10}	11.67%	6.83%	7.03%	0.83%	22.06%	58.33%
Foundations Behavioral ^{1, 10}	18.00%	9.92%	8.18%	0.45%	0.00%	37.08%
Friends ^{1, 10}	11.84%	6.52%	5.07%	0.48%	28.30%	54.64%
Haven Behavioral Eastern ^{1, 10}	16.98%	11.81%	12.29%	1.77%	52.49%	31.60%
Haven Behavioral Phil ^{1, 10}	1.13%	1.13%	NA	1.16%	91.37%	5.13%
Horsham Clinic ^{1, 10}	11.02%	6.07%	4.13%	1.11%	18.67%	49.68%
KidsPeace ¹	8.11%	8.32%	2.46%	3.24%	0.00%	71.63%
Kirkbride Center ^{5, 10}	0.44%	-2.82%	5.67%	1.40%	0.98%	97.09%
Meadows Psych Center ^{1, 10}	24.93%	13.74%	12.35%	0.58%	19.93%	48.05%
Montgomery Cty ES ⁵	-9.32%	-9.15%	-5.40%	5.59%	24.75%	43.45%
PA Psych Inst	-34.79%	-34.89%	-18.06%	5.07%	21.30%	35.61%
Philhaven	3.29%	3.51%	1.15%	1.32%	9.31%	62.42%
Roxbury Treatment ^{1, 10}	26.89%	14.82%	15.36%	0.73%	11.35%	46.69%
Southwood Psych ^{1, 10}	22.27%	20.18%	18.87%	0.29%	0.00%	70.16%
St John Vianney ⁵	11.67%	12.32%	10.24%	0.00%	0.00%	0.00%

See footnotes on page 19.

State Psychiatric Hospital	Percent of Expenses Not Covered by NPR FY15	Medicare Share of NPR FY15	Medical Assistance Share of NPR FY15
Statewide Average	79.58%	21.64%	69.12%
Clark Summit State	71.88%	23.81%	67.83%
Danville State	73.02%	20.26%	70.30%
Norristown State	91.43%	17.01%	74.46%
Torrance State	85.27%	21.48%	66.55%
Warren State	70.54%	21.08%	71.26%
Wernersville State	76.20%	23.13%	67.16%

See footnotes on page 19.

INDIVIDUAL HOSPITAL DATA

Region / Long-Term Acute Care Hospital	Net Patient Revenue (NPR) (millions)				3-yr Avg Change in NPR FY12-15	Total Operating Expenses (TOE) (millions)				3-yr Avg Change in TOE FY12-15
	FY15	FY14	FY13	FY12		FY15	FY14	FY13	FY12	
Statewide Average	\$17	\$15	\$16	\$15	2.95%	\$16	\$14	\$15	\$15	2.41%
7 Good Shepherd Bethlehem	\$18	\$17	\$16	\$17	1.14%	\$16	\$15	\$14	\$15	1.24%
9 Good Shepherd Penn Phila	\$54	\$49	\$45	\$39	13.28%	\$40	\$39	\$37	\$33	7.68%
8 Kindred Havertown ^{1, 10}	\$20	\$23	\$25	\$24	-4.57%	\$20	\$21	\$21	\$20	-1.22%
1 Kindred Heritage Valley ^{1, 10}	\$11	\$12	\$10	\$12	-4.77%	\$10	\$11	\$11	\$11	-2.25%
9 Kindred Philadelphia ^{1, 10}	\$17	\$19	\$18	\$20	-4.65%	\$19	\$20	\$18	\$18	0.51%
1 Kindred Pittsburgh ^{1, 10}	\$15	\$15	\$16	\$16	-2.41%	\$17	\$18	\$17	\$17	0.60%
9 Kindred South Phila ^{1, 10}	\$18	\$18	\$17	\$17	2.33%	\$18	\$19	\$18	\$17	1.90%
8 LifeCare Chester County ^{1, 10}	\$15	\$15	\$14	\$13	3.99%	\$15	\$15	\$14	\$14	4.39%
5 LifeCare Mechanicsburg ^{1, 10}	\$13	\$11	\$14	\$14	-1.64%	\$14	\$13	\$15	\$15	-1.68%
1 LifeCare Pgh Alle-Kiski ^{1, 10}	\$11	\$10	\$10	\$12	-2.03%	\$8	\$8	\$8	\$8	0.03%
1 LifeCare Pgh Main ^{1, 10}	\$13	\$14	\$25	\$28	-18.30%	\$21	\$21	\$29	\$29	-10.08%
1 LifeCare Pgh Suburban ^{1, 10}	\$12	\$12	\$17	\$17	-10.77%	\$10	\$11	\$16	\$16	-11.98%
1 New Pittsburgh Specialty ^{1, 10}	\$16	\$17	\$18	\$19	-5.78%	\$16	\$16	\$17	\$18	-3.53%
6 Post Acute Med Wilkes ^{1, 10}	\$21	\$7	\$11	\$14	15.05%	\$19	\$11	\$14	\$16	5.02%
5 Select Camp Hill ^{1, 10}	\$18	\$17	\$16	\$15	6.01%	\$13	\$12	\$12	\$12	2.99%
4 Select Danville ^{1, 10}	\$13	\$10	\$10	\$8	19.77%	\$12	\$9	\$10	\$8	19.23%
2 Select Erie ^{1, 10}	\$18	\$15	\$13	\$15	5.54%	\$16	\$14	\$13	\$15	1.58%
5 Select Harrisburg ^{1, 10}	\$19	\$19	\$19	\$16	6.89%	\$15	\$14	\$14	\$13	6.08%
3 Select Johnstown ^{1, 10}	\$17	\$15	\$16	\$16	0.57%	\$14	\$13	\$14	\$13	2.50%
1 Select Laurel ^{1, 10}	\$13	\$11	\$10	\$11	7.21%	\$11	\$10	\$9	\$9	7.02%
1 Select McKeesport ^{1, 10}	\$11	\$11	\$11	\$11	0.30%	\$9	\$9	\$10	\$9	1.40%
1 Select UPMC ^{1, 10}	\$17	\$16	\$15	\$14	6.82%	\$15	\$13	\$13	\$12	5.44%
5 Select York ^{1, 10}	\$10	\$10	\$10	\$11	-1.02%	\$9	\$8	\$9	\$9	1.75%

See footnotes on page 19.

INDIVIDUAL HOSPITAL DATA

Long-Term Acute Care Hospital	Operating Margin FY15	Total Margin FY15	3-yr Avg Total Margin FY13-FY15	Percent of Uncompensated Care FY15	Medicare Share of NPR FY15	Medical Assistance Share of NPR FY15
Statewide Average	8.04%	7.20%	6.04%	0.71%	71.87%	1.18%
Good Shepherd Bethlehem	10.93%	10.93%	12.42%	0.04%	72.23%	0.00%
Good Shepherd Penn Phila	25.68%	25.68%	21.76%	1.05%	31.76%	1.14%
Kindred Havertown ^{1, 10}	3.82%	0.68%	5.74%	0.68%	87.87%	0.75%
Kindred Heritage Valley ^{1, 10}	1.92%	1.17%	1.11%	0.29%	74.34%	4.17%
Kindred Philadelphia ^{1, 10}	-9.41%	-5.99%	-4.33%	2.51%	69.40%	13.42%
Kindred Pittsburgh ^{1, 10}	-12.42%	-7.54%	-6.24%	3.02%	79.83%	-0.40%
Kindred South Phila ^{1, 10}	-2.64%	-2.52%	-3.63%	0.44%	82.26%	0.82%
LifeCare Chester County ^{1, 10}	-0.28%	-0.18%	0.40%	0.23%	90.34%	0.00%
LifeCare Mechanicsburg ^{1, 10}	-6.12%	-3.98%	-6.23%	0.55%	74.30%	0.00%
LifeCare Pgh Alle-Kiski ^{1, 10}	25.44%	16.53%	16.36%	0.24%	78.20%	0.00%
LifeCare Pgh Main ^{1, 10}	-58.34%	-37.92%	-21.86%	-0.02%	86.21%	0.00%
LifeCare Pgh Suburban ^{1, 10}	11.54%	7.50%	6.34%	0.25%	78.59%	0.00%
New Pittsburgh Specialty ^{1, 10}	-0.74%	-0.48%	2.56%	0.40%	78.23%	-0.02%
Post Acute Med Wilkes ^{1, 10}	10.16%	5.94%	-8.09%	0.42%	75.78%	0.68%
Select Camp Hill ^{1, 10}	26.57%	26.59%	25.36%	0.39%	72.67%	0.00%
Select Danville ^{1, 10}	6.87%	4.14%	3.84%	0.49%	80.65%	0.00%
Select Erie ^{1, 10}	11.46%	6.42%	2.49%	0.68%	82.50%	3.70%
Select Harrisburg ^{1, 10}	19.87%	19.87%	23.14%	0.56%	76.59%	0.00%
Select Johnstown ^{1, 10}	14.02%	8.27%	8.67%	0.52%	82.22%	0.00%
Select Laurel ^{1, 10}	15.01%	8.87%	7.64%	0.52%	84.39%	0.00%
Select McKeesport ^{1, 10}	11.73%	7.01%	6.95%	0.76%	75.86%	0.00%
Select UPMC ^{1, 10}	14.29%	8.52%	8.94%	0.64%	65.62%	0.00%
Select York ^{1, 10}	11.84%	11.84%	14.34%	0.29%	79.59%	0.00%

See footnotes on page 19.

INDIVIDUAL HOSPITAL DATA

Region / Specialty Hospital	Net Patient Revenue (NPR) (millions)				3-yr Avg Change in NPR FY12-15	Total Operating Expenses (TOE) (millions)				3-yr Avg Change in TOE FY12-15
	FY15	FY14	FY13	FY12		FY15	FY14	FY13	FY12	
Statewide Average	\$31	\$30	\$28	\$28	3.50%	\$31	\$29	\$28	\$27	4.16%
1 Children's Home Pgh	\$9	\$8	\$11	\$7	8.82%	\$13	\$11	\$11	\$9	12.21%
4 Divine Providence	\$87	\$84	\$75	\$78	4.12%	\$83	\$78	\$74	\$75	3.44%
8 Eagleville ⁵	\$36	\$37	\$33	\$34	1.93%	\$36	\$34	\$33	\$33	3.43%
9 Kensington ⁵	\$6	\$8	\$7	\$7	-3.34%	\$7	\$8	\$7	\$7	2.00%
8 Valley Forge ^{1,10}	\$15	\$13	\$13	\$13	4.75%	\$15	\$14	\$14	\$13	5.44%

See footnotes on page 19.

INDIVIDUAL HOSPITAL DATA

Specialty Hospital	Operating Margin FY15	Total Margin FY15	3-yr Avg Total Margin FY13-FY15	Percent of Uncompensated Care FY15	Medicare Share of NPR FY15	Medical Assistance Share of NPR FY15
Statewide Average	7.78%	10.35%	11.41%	1.78%	29.61%	28.81%
Children's Home Pgh	1.61%	7.80%	16.01%	1.49%	0.00%	77.60%
Divine Providence	10.50%	12.64%	13.84%	1.32%	36.92%	5.06%
Eagleville ⁵	5.65%	9.68%	9.97%	2.06%	23.98%	59.43%
Kensington ⁵	8.35%	8.61%	6.15%	5.84%	23.03%	74.26%
Valley Forge ^{1, 10}	1.52%	0.96%	-2.21%	2.24%	18.78%	52.28%

See footnotes on page 19.

EXPLANATION OF TERMS & MEASURES

3-year Average Change in Net Patient Revenue (NPR) or Total Operating Expenses (TOE): The average annual change in the hospital's NPR or TOE that occurred from the end of FY12 through FY15.

$$(((\text{NPR}_{15} - \text{NPR}_{12}) / \text{NPR}_{12}) / 3) \text{ or } (((\text{TOE}_{15} - \text{TOE}_{12}) / \text{TOE}_{12}) / 3)$$

3-year Average Total Margin: The average total margin realized by the hospital during FY13 through FY15.

$$(\Sigma \text{ revenue over expenses}_{15, 14, 13} / \Sigma \text{ total revenue}_{15, 14, 13})$$

Discharge: The total number of patients released from the hospital during the fiscal year.

Long-Term Acute Care (LTAC) Hospital: An acute care hospital licensed by the Pennsylvania Department of Health that provides medical services for patients who require extended lengths of acute care inpatient stay.

Net Patient Revenue (NPR): Net patient revenue (net of bad debt) reflects revenue for patient care and does not include revenue from other operations such as the cafeteria, parking, rent, research and educational activities. Revenue from those operations is included in total operating revenue. NPR may include retroactive adjustments from third-party payers for care provided during a previous fiscal year.

Operating Income: The amount of total operating revenue that exceeds total operating expenses.

$$(\text{total operating revenue} - \text{total operating expenses})$$

Operating Margin: The ratio of operating income to total operating revenue. This measure places operating income in perspective with the volume of business realized by the hospital.

$$(\text{operating income} / \text{total operating revenue})$$

Outpatient Visits: The number of visits to the individual outpatient department of the hospital during the fiscal year.

Patient Day: Each day a patient stays in an inpatient hospital during the fiscal year.

Percent of Uncompensated Care: The ratio of uncompensated care (charity care and bad debt) to the total care provided by the hospital. Charity care is the care a hospital provides without charge because the patient is unable to compensate the hospital through third-party coverage or the patient's own resources. Bad debt represents the foregone revenue for care in which the hospital initially anticipated payment, extended credit to the patient, but later was determined it to be uncollectable. This rate can be used to express

uncompensated care as a percent of total charges or as an estimate of the percent of total net patient revenue.

$$(\text{charity care charges} + \text{bad debt charges}) / \text{total charges}$$

Psychiatric Hospital: A licensed institution issued a certificate by the Pennsylvania Department of Human Services to operate as a hospital that provides short-term acute psychiatric services on an inpatient basis.

Psychiatric hospitals may also offer long-term residential and outpatient programs. Acute psychiatric care is rendered in response to severe psychiatric conditions requiring intensive or extensive intervention to bring the patient's symptoms under control.

Rehabilitation Hospital: An inpatient facility licensed by the Pennsylvania Department of Health, which is operated for the primary purpose of assisting in the physical rehabilitation of persons through an integrated program of medical and other services. Rehabilitation hospitals may also offer outpatient services.

Staffed Beds: The number of beds at the hospital that are set up and staffed at the end of the fiscal year.

Specialty Hospital: A facility licensed by the Pennsylvania Department of Health that provides specific types of inpatient and outpatient settings of care, such as drug and alcohol.

Total Margin: The ratio of total income to total revenue. This measure puts income from all sources in perspective with all revenues received by a hospital.

$$(\text{revenue over expenses} / \text{total revenue})$$

Total Net Income (Revenue over Expenses): Total net income reflects the sum of operating income and non-operating income. Total net income may also include an extraordinary item.

Total Operating Expenses (TOE): All costs associated with operating the entire facility such as salaries, professional fees, supplies, depreciation, interest, and insurance.

Total Operating Revenue (TOR): All revenues allocated by the hospital to meet operating expenses. It includes revenue sources such as net patient revenue, investment income, contributions, and revenue from other operations (e.g., cafeteria, parking, rent, research and educational activities).

Total Revenue: Operating revenue plus non-operating income. The non-operating income component typically includes unrestricted contributions, investment income, and net investment gains and losses on marketable securities.

Footnotes

1. The end of the fiscal year is not June 30. The data reflects the fiscal year that ended prior to June 30.
 2. FY15 data is less than 12 months; therefore, a three-year comparison is not appropriate for some of the measures.
 3. Prior year(s) reflect less than 12 months of data; therefore, a three-year comparison is not appropriate for some of the measures.
 4. This is the first reporting year for this facility. Expenses are often higher than operating revenue during the start-up period. Three-year comparisons are not appropriate for this facility.
 5. The hospital has specialty units such as psychiatric, rehab, long-term care, skilled nursing, etc., which are included in the data presented for the facility.
 6. Extraordinary item(s) was included in the calculation of total margin.
 7. Balance sheet ratios are for the parent organization.
 8. Acquired or merged with another licensed hospital during the FY15 reporting period.
 9. Acquired or merged with another licensed hospital during the FY13 or FY14 reporting periods.
 10. For-profit facility; total margin includes *pro rata* share of the parent corporation's federal income taxes.
 11. Facility is referred to by a different name, or it closed after the FY15 reporting period.
 12. Facility failed to satisfy the financial filing requirements.
 13. One or more of the required financial submissions was filed late.
 14. Facility submitted incomplete or inaccurate data.
- NA – Not Applicable
NR – Not Reported



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For More Information

The information contained in this report and other PHC4 publications is available online at www.phc4.org. Additional financial, hospitalization and ambulatory procedure health care data is available for purchase. For more information, contact PHC4's Special Requests at specialrequests@phc4.org or 717-232-6787.