



Transparent Health Care Reporting

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Special Report on the Financial Health of Pennsylvania Rural Hospitals, Fiscal Year 2023

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Pennsylvania Health Care Cost Containment Council

Special Report on the Financial Health of Pennsylvania Rural Hospitals, Fiscal Year 2023

The financial challenges of rural hospitals may have significant implications for health care access in rural areas. As rural hospitals close or reduce services due to financial pressures, residents of these areas may face longer travel times to access care, reduced availability of emergency services, and a potential general decline in the quality of health or health care services.

Rural hospitals often operate in geographically isolated areas, serving smaller populations with higher percentages of elderly and low-income individuals. These demographic factors contribute to lower overall patient volumes and higher rates of uncompensated care, further straining their financial resources. Additionally, rural hospitals face challenges related to workforce shortages, difficulty in maintaining specialized services, and limited access to capital for necessary upgrades or expansions. These factors may contribute to decreased reimbursements, difficulty investing in improvements that may attract more patients, while low patient volume can further limit revenue and profitability for rural hospitals.

Several contributing factors may include:

- **Decreased Reimbursements:** Lower payments from government programs like Medicare and Medicaid, as well as private insurers, have put a strain on rural hospitals' finances.
- **Aging Populations:** Many rural areas have an aging population, which often requires more complex and expensive care.
- **Hospital Volume:** Rural hospitals often serve smaller populations, which can make it difficult to generate enough revenue to cover costs.
- **Higher Operating Costs:** Rural hospitals may face higher operating costs due to factors such as transportation, staff shortages, and the need to maintain specialized services.
- **Economic Challenges:** Rural communities often face economic challenges, which can impact the ability of residents to pay for health care.

Center for Rural Pennsylvania — defines rural and urban based on population density, which is calculated by dividing the total population of a specific area by the total number of square land miles of that area. Based on the 2020 Census, the population density for Pennsylvania is 291 people per square mile. A county is rural when the number of people per square mile within the county is fewer than 291. A county with more than 291 people per square mile is considered urban. Center for Rural Pennsylvania identified 48 rural counties and 19 urban counties.

This analysis is focused on hospitals located in a rural county based on PHC4's *Financial Analysis 2023 Volume One* report, which included general acute care hospitals (GAC hospitals). During fiscal year 2023 (FY23), there were 64 (41%) GAC hospitals located in a rural county. Of these GAC hospitals located in a rural county, 31 (48%) operated at a loss based on operating margins during FY23 and 28 (44%) operated at a loss based on total margins during FY23. The average net patient revenue for these hospitals who operated at a loss was \$107 million in FY23.

The number of GAC hospitals located in rural areas between FY20 and FY23 changed from 69 in FY20 to 64 in FY23 (Table 1).

Table 1. Changes for Pennsylvania GAC Hospitals located in Rural Counties, Fiscal Year 2020 – 2023

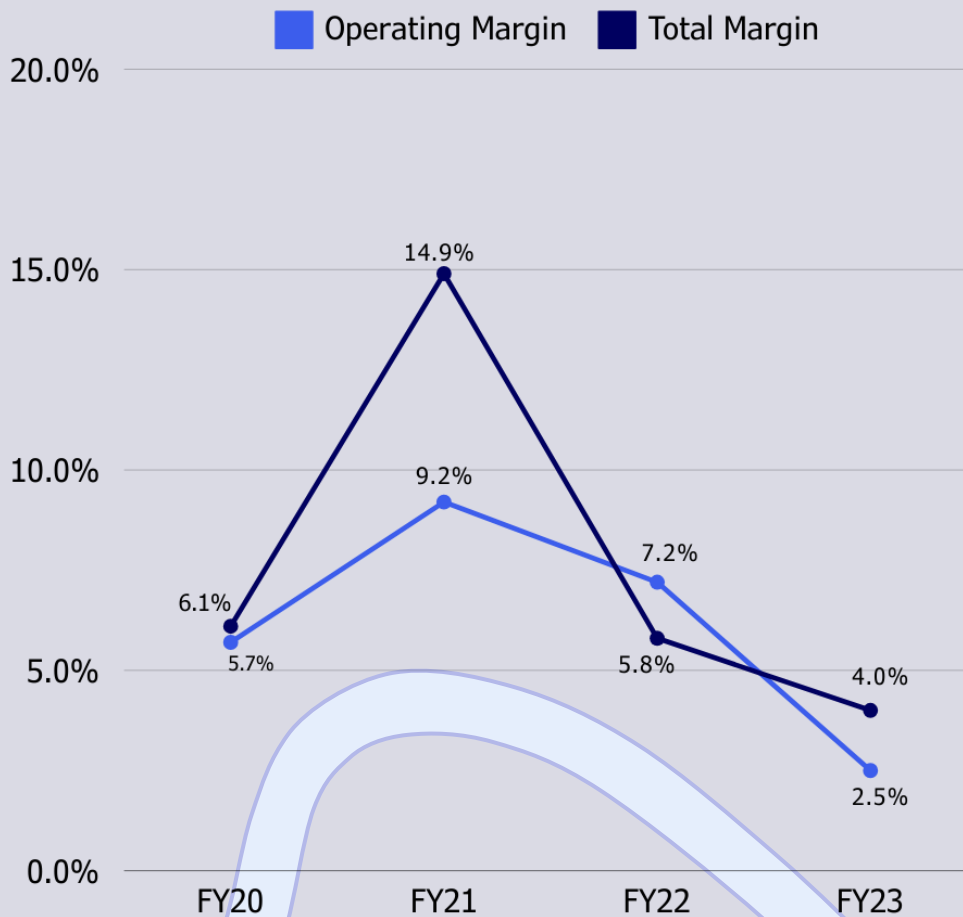
<i>Changes for Hospitals located in Rural Counties</i>				
<i>Hospital</i>	<i>Region</i>	<i>County</i>	<i>Date</i>	<i>Status</i>
Opened N=2 Between FY20-FY23				
Geisinger Medical Center Muncy	4	Lycoming	1/5/2022	Opened
St. Luke's Hospital - Carbon Campus	7	Carbon	11/15/2021	Opened
Closed N=7 Between FY20-FY23				
Ellwood City Medical Center	2	Lawrence	1/29/2020	Closed
Penn Highlands Clearfield	2	Clearfield	7/1/2021	Merged into Penn Highlands DuBois
Berwick Hospital Center	4	Columbia	9/30/2022	Facility Type Change from GAC to Psychiatric
Sunbury Community Hospital	4	Northumberland	5/20/2020	Closed
Guthrie Towanda Memorial Hospital	6	Bradford	1/1/2021	Merged into Robert Packer Hospital, The
Tyler Memorial Hospital	6	Wyoming	10/1/2021	Merged into Regional Hospital of Scranton
St. Luke's Hospital Gnaden Huetten Campus	7	Carbon	6/1/2021	Merged into St. Luke's Hospital of Bethlehem, PA
Closed N=1 After FY23				
UPMC Lock Haven	4	Clinton	4/3/2023	Merged into UPMC Williamsport

Rural hospitals are facing significant financial challenges, as indicated by their operating margins. The data suggests that rural hospitals, on average, have narrower operating margins compared to their urban counterparts. While rural hospitals show a relatively consistent range of operating margins, with many operating close to break even, the presence of negative margins indicates ongoing financial difficulties (Table 2, Figure 1).

Table 2. Operating Margin and Total Margin for Pennsylvania Rural GAC Hospitals, Fiscal Year 2020 – 2023

<i>Margins</i>	<i>FY20</i>	<i>FY21</i>	<i>FY22</i>	<i>FY23</i>
<i>Operating Margin</i>	5.66%	9.24%	7.17%	2.49%
<i>Total Margin</i>	6.07%	14.92%	5.75%	3.96%

Figure 1. Average Margin Trends for Pennsylvania Rural GAC Hospitals, Fiscal Year 2020 – 2023

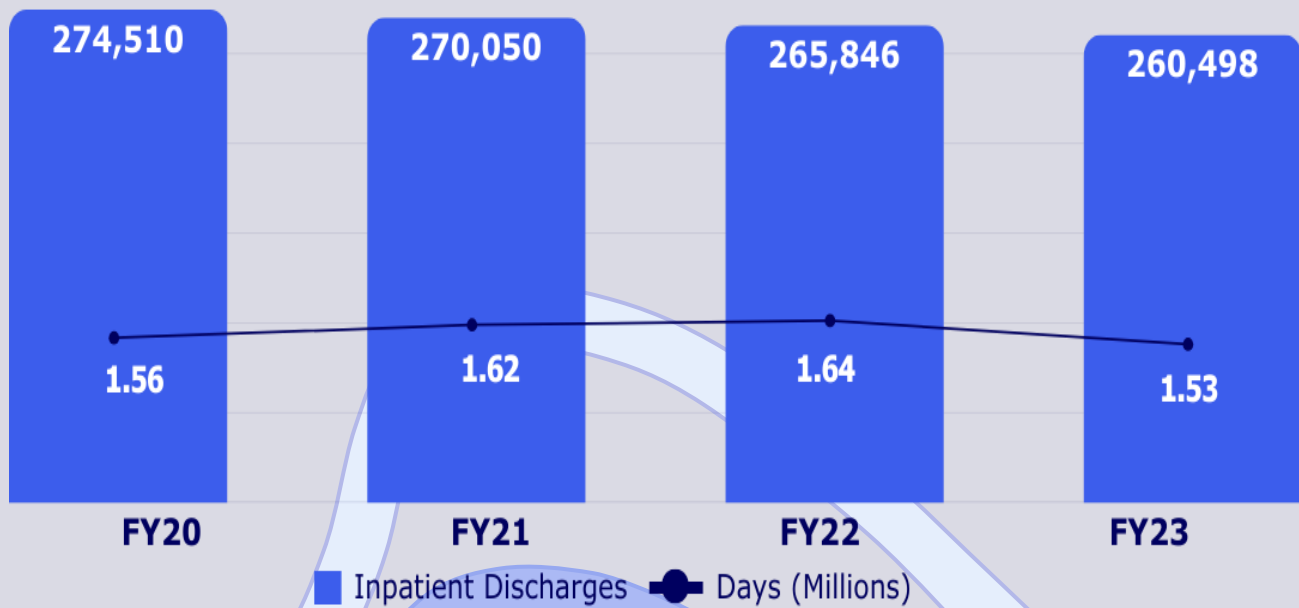


Hospital volume is another critical factor affecting the financial health of rural hospitals. Rural areas often have smaller populations, which can lead to lower patient volumes and reduced revenue (Table 3, Figure 2, and Table 4). Rural hospitals may struggle to recruit and retain specialized physicians, limiting the types of care they can offer and potentially leading patients to receive care from larger hospitals located in urban areas.

Table 3. Utilization for Pennsylvania Rural GAC Hospitals, Fiscal Year 2020 - 2023

<i>Utilization</i>	<i>FY20</i>		<i>FY22</i>	<i>FY23</i>
<i>Discharges (thousands)</i>	275	270	266	260
<i>Patient Days (thousands)</i>	1,563	1,621	1,636	1,529
<i>Bed Days Available (thousands)</i>	2,977	2,882	2,692	2,631
<i>Beds</i>	8,193	8,063	7,503	7,300
<i>Occupancy Rate</i>	53%	56%	61%	58%
<i>Average Length of Stay</i>	5.7	6.0	6.2	5.9
<i>Outpatient & Home Health Visits (thousands)</i>	10,696	11,745	11,894	11,827
<i>Outpatient Visits (thousands)</i>	10,576	11,632	11,797	11,752

Figure 2. Inpatient Discharges and Patient Days for Pennsylvania Rural GAC Hospitals, Fiscal Year 2020 – 2023



**Table 4. Financial Statistics for Pennsylvania Rural GAC Hospitals,
Fiscal Year 2020 - 2023**

Financial Statistics (millions)	FY20	FY21	FY22	FY23
<i>Net Patient Revenue</i>	\$8,160	\$8,895	\$9,489	\$9,675
<i>Total Operating Revenue</i>	\$8,754	\$9,523	\$10,062	\$10,223
<i>Total Operating Expenses</i>	\$8,258	\$8,643	\$9,341	\$9,969
<i>Operating Income</i>	\$496	\$880	\$721	\$254
<i>Total Revenue</i>	\$8,776	\$10,159	\$9,911	\$10,381
<i>Revenue / Expenses</i>	\$533	\$1,515	\$570	\$411

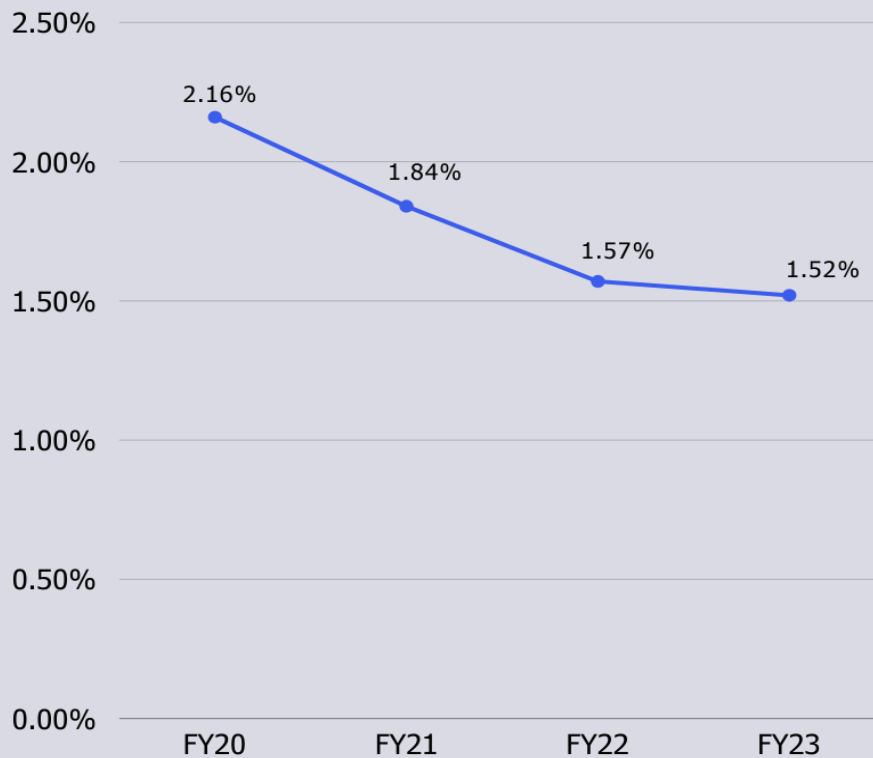
The burden of uncompensated care is another indicator of financial distress in rural hospitals. The data shows that rural hospitals, particularly those experiencing negative growth in operating margins, have higher percentages of uncompensated care compared to urban hospitals. This trend is concerning because uncompensated care directly affects the bottom line, reducing the revenue available to cover operating costs.

The higher levels of uncompensated care in rural hospitals with negative growth (1.55%) compared to rural hospitals with positive growth (1.37%) suggests that negative growth rural hospitals are more likely to serve populations that are unable to pay for services (Table 5 and Figure 3).

**Table 5. Uncompensated Care for Pennsylvania Rural GAC Hospitals,
Fiscal Year 2020 - 2023**

Uncompensated Care	FY20	FY21	FY22	FY23
<i>Foregone Revenue (millions)</i>	\$176	\$163	\$149	\$147
<i>Percent</i>	2.16%	1.84%	1.57%	1.52%

Figure 3. Percent of Uncompensated Care for Pennsylvania Rural GAC Hospitals, Fiscal Year 2020 – 2023

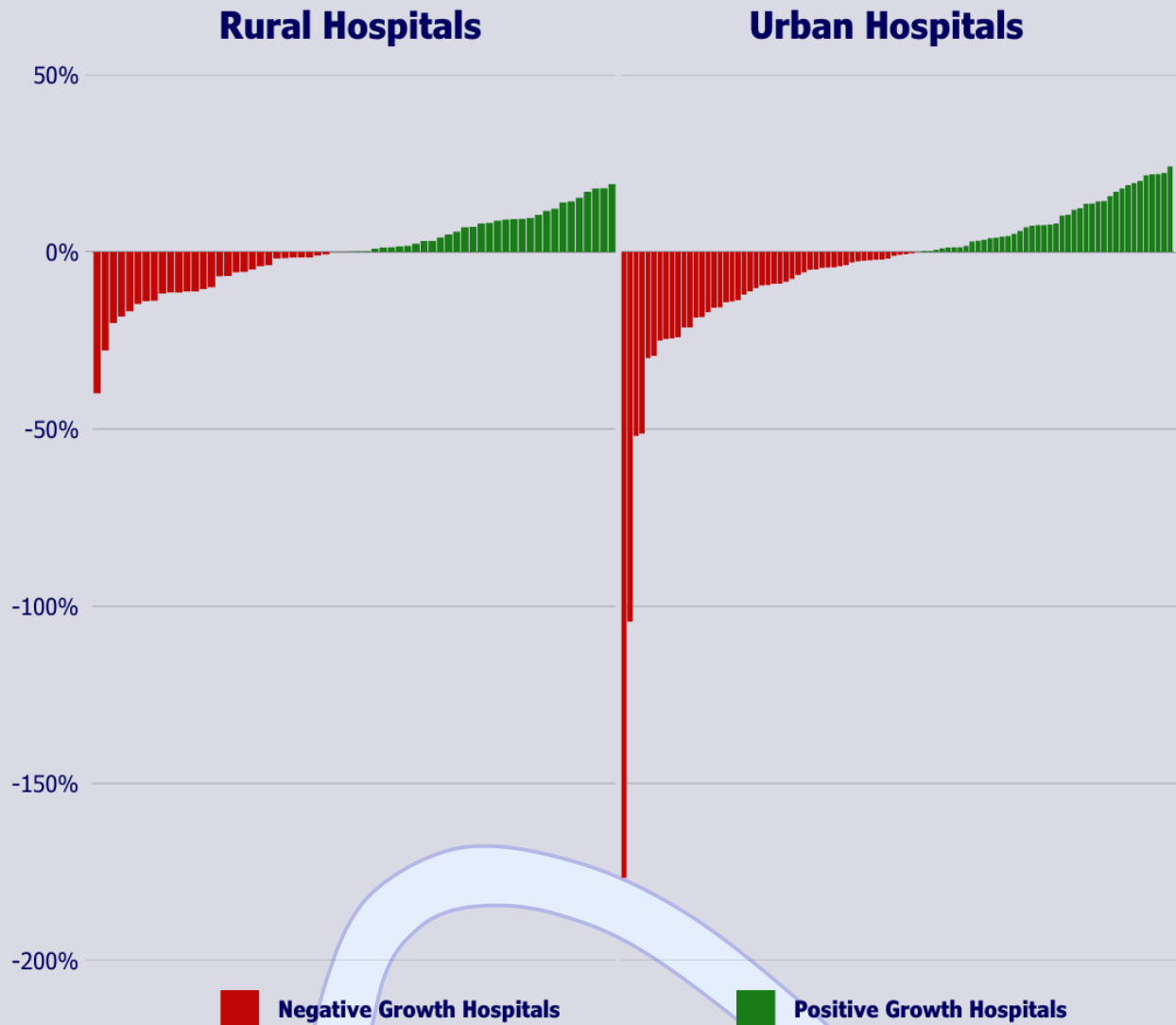


The distribution of operating margins for rural hospitals and urban hospitals for Pennsylvania GAC hospitals during FY23 is displayed in Figure 4. Each column group — one for rural hospitals on the left and one for urban hospitals on the right — highlights the percentage of operating margins ranging from negative to positive values. Negative margins are shown in red, while positive margins are in green. Urban hospitals, represented in the right column group, follow the same vertical axis and color scheme.

The distribution in rural hospitals shows a relatively moderate spread of negative margins, with a far negative operating margin reaching about -40%. This indicates that while some rural hospitals are experiencing financial difficulties, their losses are generally contained within a certain range, without extreme outliers pulling the average drastically downward.

The distribution in urban hospitals includes several extremely negative outliers, with the most severe operating margin reaching almost -180%. These outliers significantly skew the perception of financial health among urban hospitals.

Figure 4. Operating Margin Distribution for Pennsylvania GAC Hospitals, Fiscal Year 2023

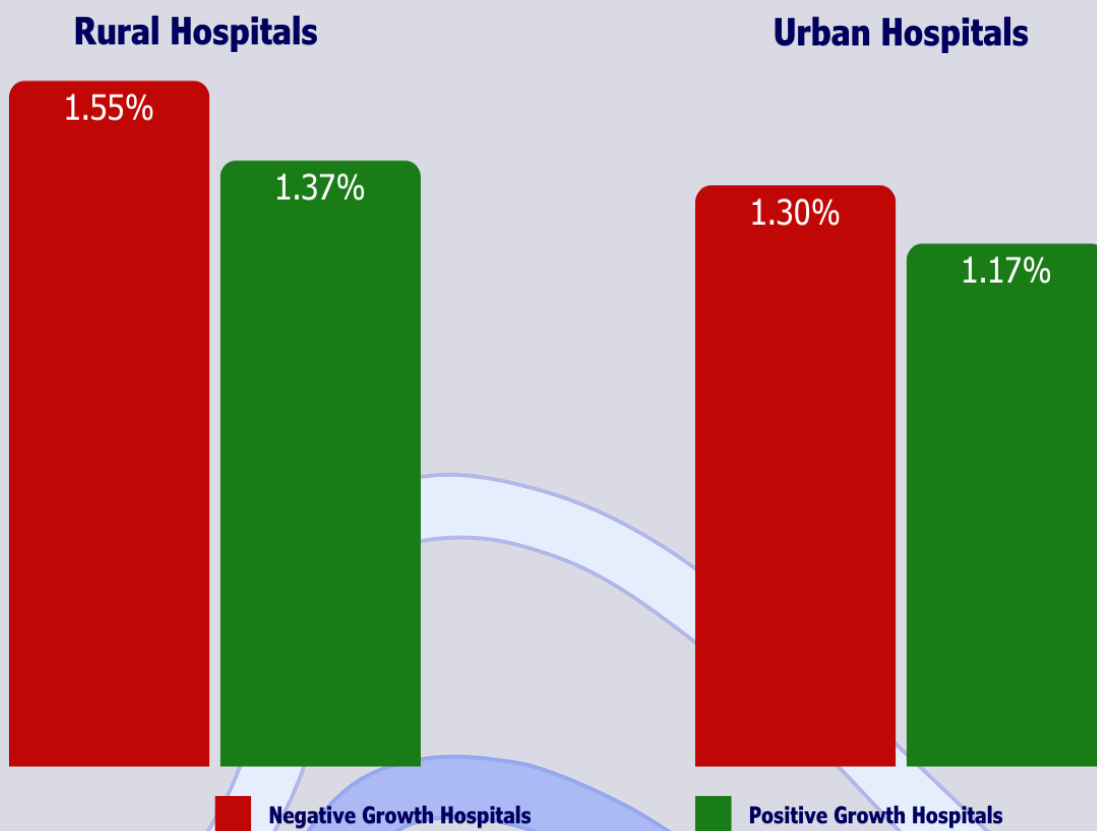


The percentage of uncompensated care provided by Pennsylvania GAC rural hospitals and urban hospitals during FY23 is displayed in Figure 5. The percentage of uncompensated care is higher for rural hospitals with negative operating margins compared to those with positive operating margins growth. Rural hospitals with negative operating margins have an uncompensated care percentage of 1.55%. Rural hospitals with positive operating margins have a slightly lower uncompensated care percentage of 1.37%. Urban hospitals with negative operating margins also have a higher percentage

of uncompensated care when compared to positive growth urban hospitals with positive operating margins (1.30% and 1.17%, respectively). Urban hospitals with positive operating margins as a group show the lowest percentage of uncompensated care of 1.17%. The difference in uncompensated care between negative and positive growth hospitals is more pronounced in rural areas (a difference of 0.18 percentage points) than in urban areas (a difference of 0.13 percentage points).

The graph illustrates the relationship between hospital growth and the percentage of uncompensated care, showing that negative growth hospitals, particularly in rural areas, tend to have higher levels of uncompensated care. This could suggest that struggling hospitals may be more likely to provide care without compensation, potentially due to serving more economically disadvantaged populations or encountering greater financial challenges.

Figure 5. Percent of Uncompensated Care for Pennsylvania GAC Hospitals, Fiscal Year 2023

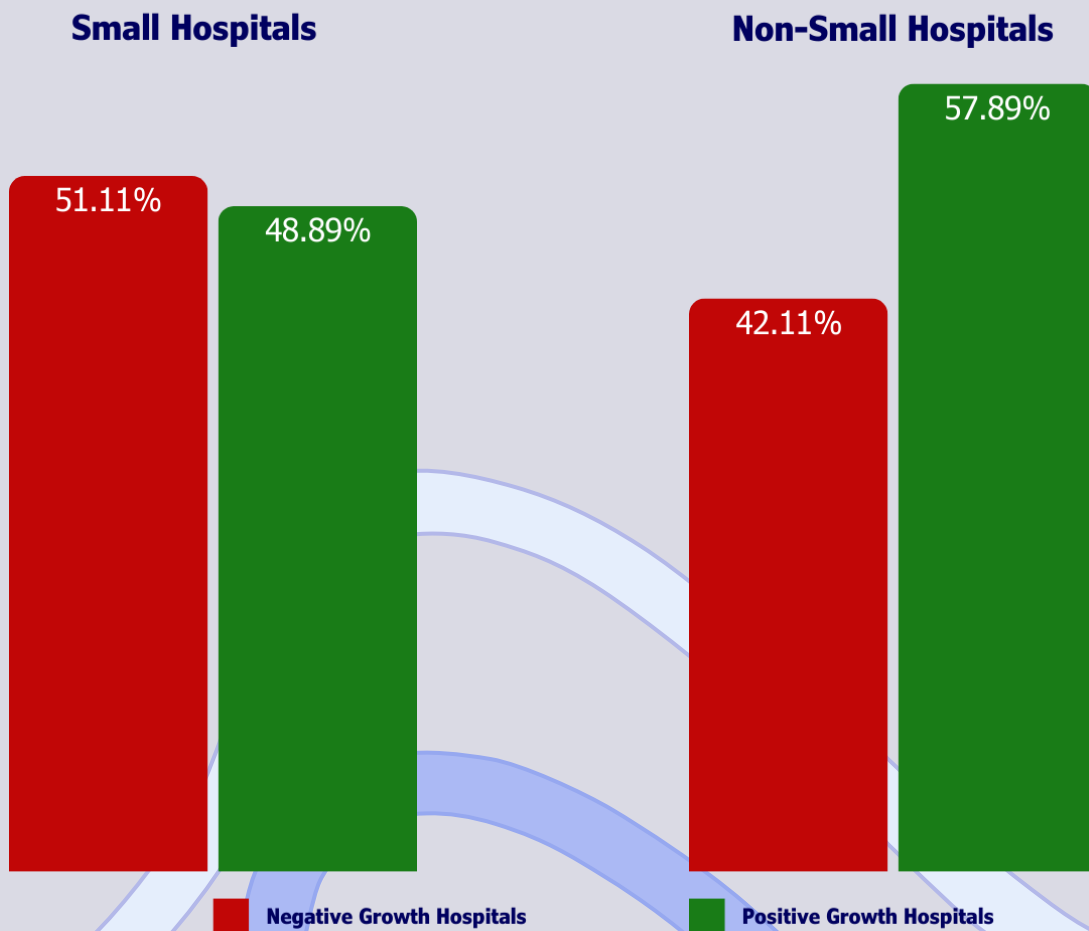


The percentage of hospitals with negative and positive growth for Pennsylvania GAC rural hospitals during FY23 is displayed in Figure 6 by hospital size. The graph compares small rural hospitals (less than 100 beds) and non-small rural hospitals (rural hospitals with greater than 100 beds) based on their operating margin growth status, which is categorized as either "Negative Growth Hospitals" or "Positive Growth Hospitals."

- **Small rural hospitals:** 51.11% of small rural hospitals experienced negative growth, while 48.89% showed positive growth.
- **Non-small rural hospitals:** A higher percentage of non-small hospitals (57.89%) had positive growth, compared to 42.11% with negative growth.

Overall, the graph suggests that non-small rural hospitals in Pennsylvania had more favorable growth profiles in FY23 compared to small rural hospitals.

Figure 6. Percent of Hospitals with Negative and Positive Growth for Pennsylvania Rural GAC Hospitals, Fiscal Year 2023



Net patient revenue by payers for Pennsylvania GAC hospitals during FY23 is displayed in Figure 7. Each pie chart represents a different group of hospitals based on their operating margin: Negative Growth Rural Hospitals, Positive Growth Rural Hospitals, Negative Growth Urban Hospitals, and Positive Growth Urban Hospitals. The pie charts are color-coded to represent the percentage of net patient revenue from different payers: Medicare Managed Care and Medicaid Managed Care combined, Commercial Managed Care, and Other.

This chart provides a clear comparison of how different types of hospitals generate their net patient revenue from various payers.

- Negative growth in rural hospitals tends to rely more on Medicare and Medicaid Managed Care compared to positive growth rural hospitals.
- Positive growth rural hospitals have a similar payer pattern to urban hospitals.
- Urban hospitals generally have a higher percentage of revenue from Commercial Managed Care compared to rural hospitals.

In negative growth rural hospitals, 39.7% of net patient revenue comes from Medicare and Medicaid Managed Care, and 26.9% comes from Commercial Managed Care. This adds up to 66.6% of total revenue coming from managed care payers. Similarly, negative growth urban hospitals derive 30.8% of revenue from Medicare and Medicaid Managed Care and 37.9% from Commercial Managed Care, summing up to 68.7% of revenue from managed care payers.

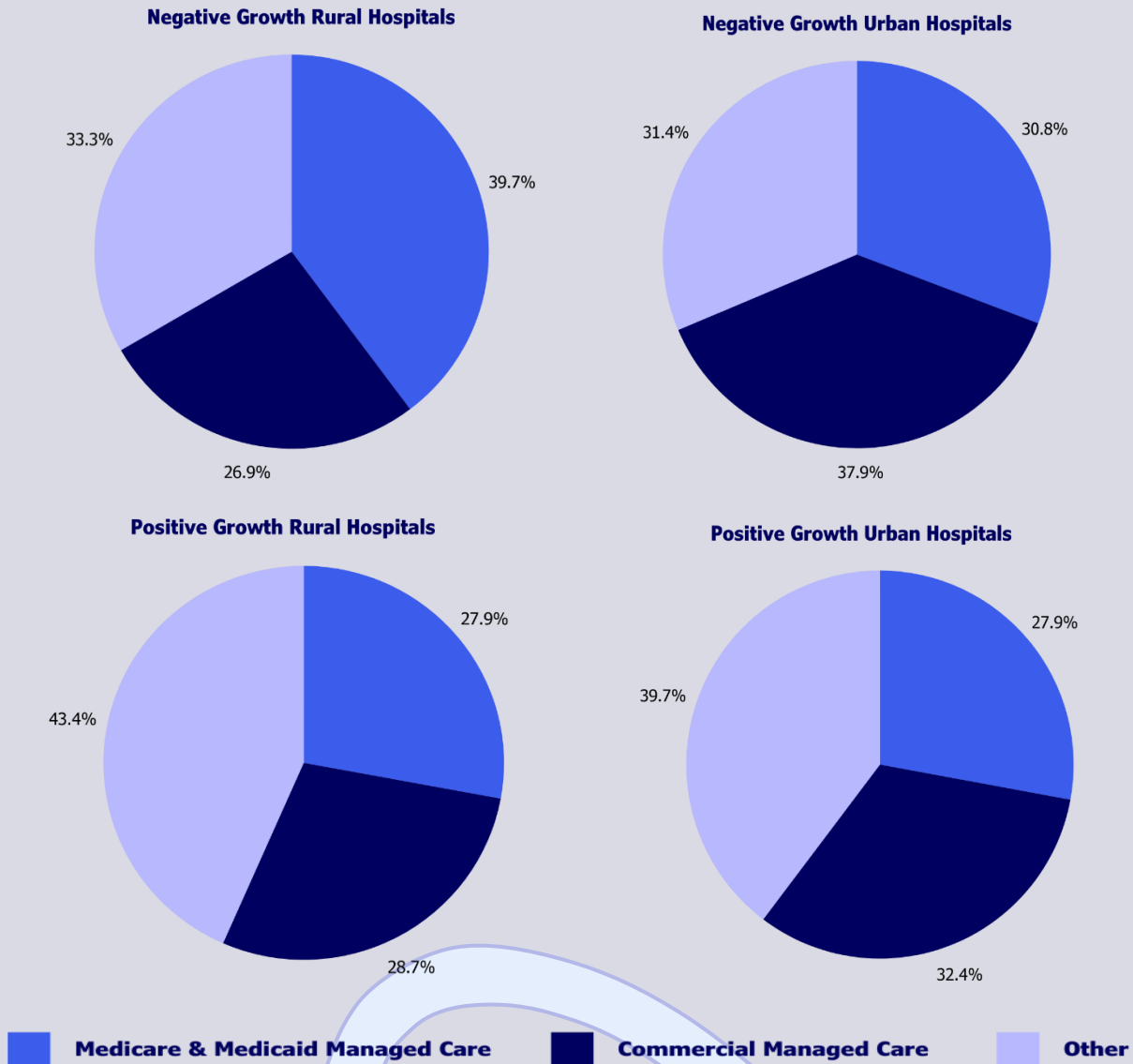
Positive growth rural hospitals receive 27.9% of net patient revenue from Medicare and Medicaid Managed Care and 28.7% from Commercial Managed Care. This totals to 56.6% of net patient revenue came from managed care payers. For positive growth urban hospitals, 27.9% comes from Medicare and Medicaid Managed Care, and 32.4% from Commercial Managed Care, adding up to 60.3% from managed care payers.

This pattern suggests that hospitals with negative growth tend to have a higher dependency on managed care payers, which might limit their revenue growth potential.

On the other hand, positive growth hospitals have a more diversified revenue stream, with a higher percentage coming from "Other" payers. This category may include higher-paying sources, such as Medicare indemnity, Medicaid indemnity, commercial indemnity, or self-pay that are less subject to the cost containment strategies employed by managed care organizations. This diversification might provide these hospitals with more financial flexibility and growth potential.

The data suggests that hospitals with a higher reliance on managed care payers (i.e., those managed by private companies) tend to experience negative growth, while those with a more diversified revenue base, especially from "Other" payers, are more likely to experience positive growth. This highlights the potential benefits of reducing dependency on managed care payers and diversifying revenue sources for hospital financial health and growth.

Figure 7. Net Patient Revenue for Pennsylvania GAC Hospitals by Payer, Fiscal Year 2023*

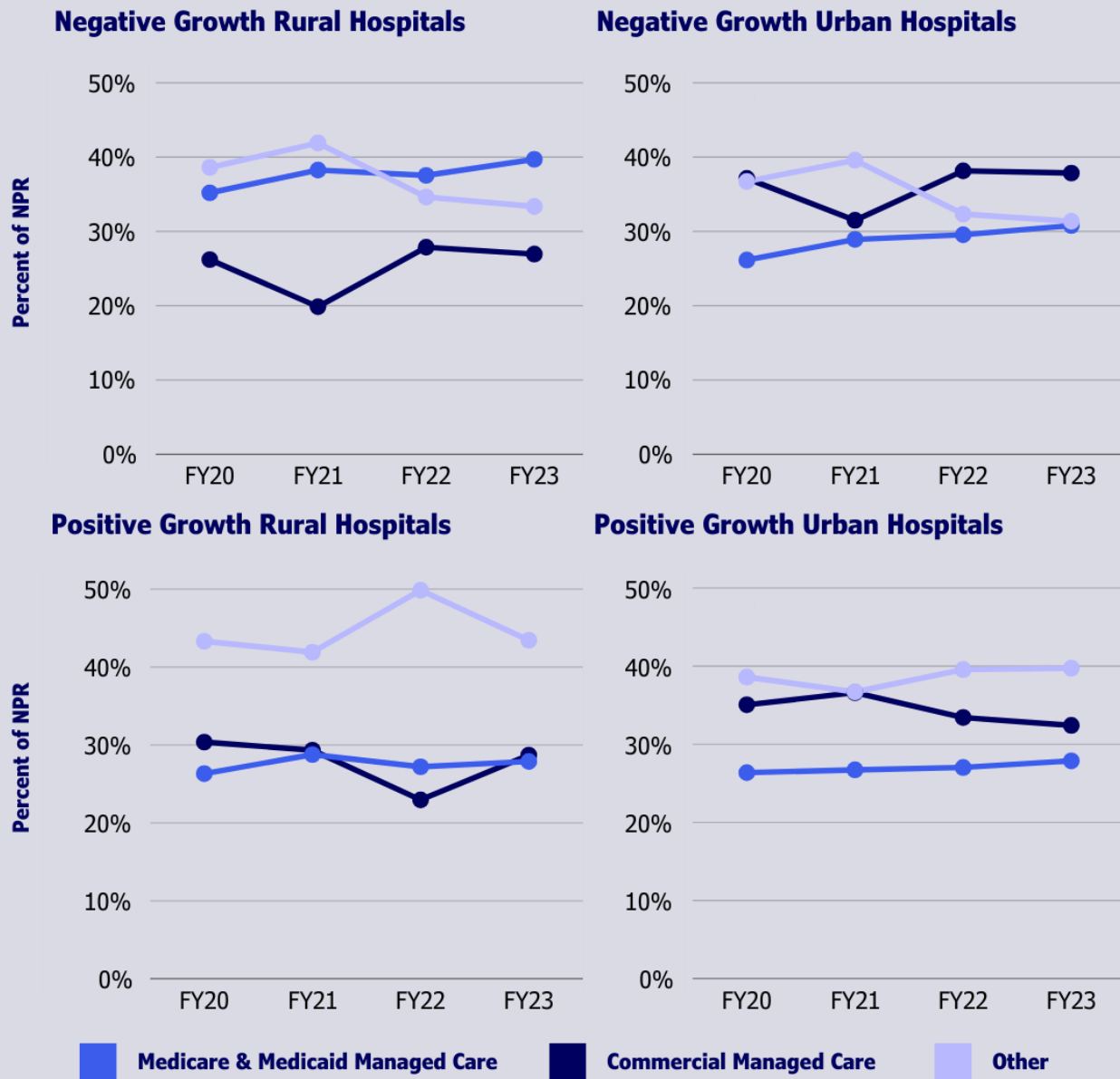


*Due to rounding figures may not equal 100%.

An examination of these net patient revenue percentages over time is displayed in Figure 8. The four types of hospitals from Figure 8 are shown with the percentage of net patient revenue from the different payers for four years, FY20 through FY23.

Negative growth in rural hospitals, in FY20, reported 35.19% of their net patient revenue came from Medicare and Medicaid Managed Care. In FY23, that share had grown to 39.70%, an increase of 4.51 percentage points. In this same time period, the share of net patient revenue from Other payers (fee-for-service, self-pay, etc.) decreased 5.26 percentage points from 38.61% in FY20 to 33.35% in FY23.

Figure 8. Net Patient Revenue for Pennsylvania GAC Hospitals by Payer, Fiscal Year 2020 - 2023



As a supplement to Figure 8, Figure 9 shows how the number of hospitals meeting each category changed over time. The number of negative growth rural hospitals declined from FY20 through FY22. One possible reason for the decline is the increase in Medicaid enrollment during the COVID-19 pandemic increased revenue. The unwinding of COVID-era Medicaid rolls could have contributed to the decline in the number positive growth rural hospitals in FY23.

Figure 9. Number of Pennsylvania GAC Hospitals, Fiscal Year 2020 – 2023

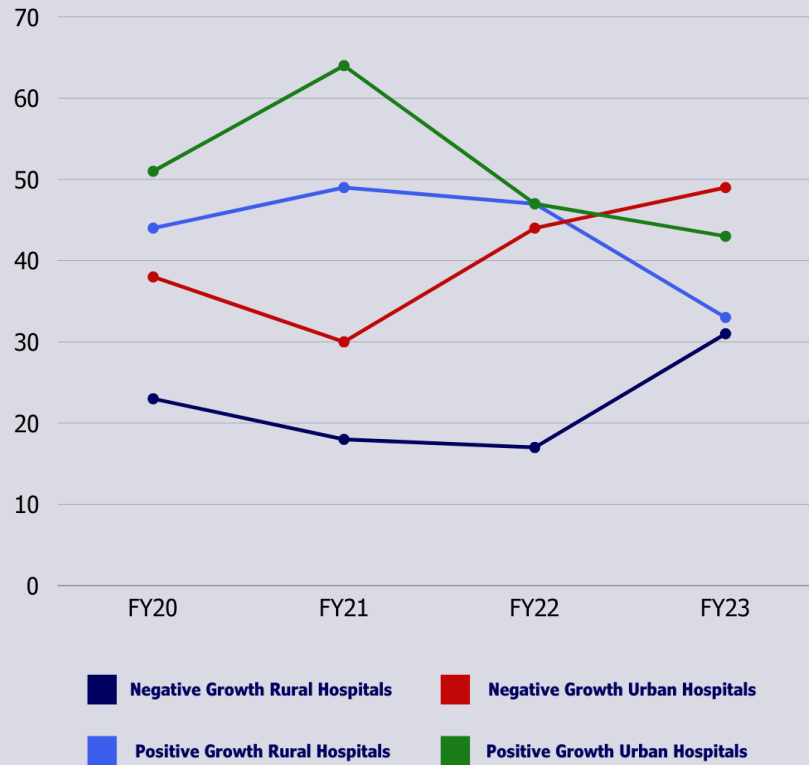
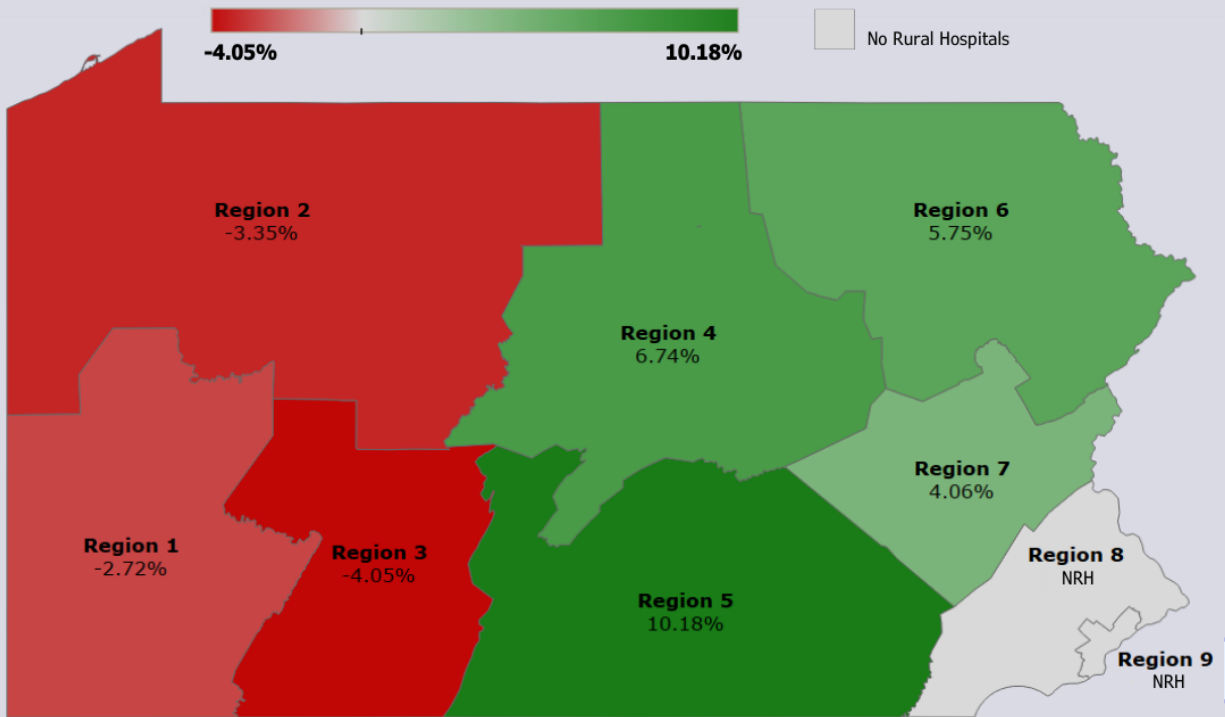


Figure 10. Operating Margin for Pennsylvania Rural GAC Hospitals by Region, FY23



The operating margins of rural hospitals for FY23 are displayed in Figure 10 by region. The PHC4 regions are color-coded according to the operating margin percentage, with a gradient scale ranging from red (negative operating margins) to green (positive operating margins). Here's a detailed breakdown of the graph:

Regions with Negative Operating Margins:

- Region 1 (located in the southwestern part of the map) has an operating margin of -2.72%. It is depicted by the light shade of red, indicating a moderate negative margin.
- Region 2 (in the northwest) has an operating margin of -3.35%, shown in red, suggesting a slightly worse financial situation than Region 1.
- Region 3 (in the southern area) shows the lowest operating margin of -4.05%, represented in dark red, highlighting the most severe negative operating margins.

Regions with Positive Operating Margins:

- Region 4 (in the central part of the map) has an operating margin of 6.74%, colored green, showing a healthier financial position for rural hospitals in this region.
- Region 5 (in the south-central part of the map) exhibits the highest operating margin of 10.18%, indicated by dark green, signifying strong financial performance in rural hospitals.
- Region 6 (in the northeast) has an operating margin of 5.75%, also depicted by green, showing positive financial performance.
- Region 7 (in the southeastern part) shows an operating margin of 4.06%, in light green, indicating a stable yet less strong financial position compared to Regions 4, 5, and 6.

Regions with No Rural Hospitals:

- Region 8 (in the southeastern corner) is labeled "NRH," indicating this region has no rural hospitals.
- Region 9 (in the far eastern part) is also marked "NRH," signifying the absence of rural hospitals in this region as well.

The overall picture conveyed by this map is a regional disparity in the financial health of rural hospitals. Regions in the western and southwestern parts of the map (Regions 1, 2, and 3) are facing negative operating margins, indicating financial struggles. In contrast, regions in the central, northeastern, and southeastern parts of the map (Regions 4, 5, 6, and 7) display positive operating margins, suggesting better financial health for rural hospitals in these areas.

This map also reinforces the geographical aspect of rural hospital financial performance, highlighting that rural hospitals in certain regions are faring better or worse than others in FY23.

Hospital		Net Patient Revenue (NPR) (millions)				3-yr Avg Change in NPR FY20-23	Total Operating Expenses (TOE) (millions)				3-yr Avg Change in TOE FY20-23
		FY23	FY22	FY21	FY20		FY23	FY22	FY21	FY20	
Statewide Average*		\$358	\$338	\$310	\$285	8.57%	\$383	\$352	\$314	\$302	8.84%
Rural Average		\$151	\$146	\$133	\$120	8.64%	\$156	\$144	\$129	\$120	10.05%
1	ACMH ⁵	\$120	\$120	\$105	\$96	8.14%	\$135	\$131	\$109	\$100	11.75%
1	Advanced Surgical ^{1, 10}	\$21	\$21	\$19	\$22	-1.92%	\$20	\$19	\$18	\$20	0.02%
1	Butler Memorial ⁵	\$273	\$280	\$269	\$242	4.23%	\$294	\$290	\$265	\$253	5.42%
1	Canonsburg ^{1, 5}	\$60	\$56	\$48	\$44	11.95%	\$62	\$57	\$50	\$48	9.60%
1	Penn Highlands Connellsvl ⁵	\$21	\$24	\$29	\$22	-1.41%	\$32	\$34	\$36	\$30	1.54%
1	Penn Highlands Mon Vly ⁵	\$114	\$118	\$120	\$109	1.55%	\$129	\$125	\$129	\$130	-0.28%
1	Uniontown ⁵	\$149	\$138	\$122	\$104	14.39%	\$160	\$144	\$127	\$130	7.77%
1	Washington ⁵	\$238	\$228	\$227	\$226	1.92%	\$263	\$249	\$238	\$231	4.51%
1	Washington HS Greene	\$16	\$18	\$18	\$17	-1.04%	\$21	\$19	\$21	\$18	4.19%
2	Bradford Regional ^{1, 5}	\$39	\$43	\$48	\$59	-11.06%	\$51	\$55	\$61	\$66	-7.38%
2	Clarion ^{5, 11}	\$51	\$54	\$34	\$27	29.65%	\$55	\$52	\$50	\$30	27.25%
2	Edgewood Surgical ^{1, 10}	\$19	\$18	\$11	\$4	121.38%	\$16	\$13	\$11	\$5	66.25%
2	Grove City ¹	\$53	\$47	\$35	NR	NR	\$55	\$49	\$42	NR	NR
2	Meadville ⁵	\$237	\$226	\$193	\$187	8.98%	\$245	\$238	\$214	\$196	8.33%
2	Penn Highlands Brookville ⁵	\$30	\$33	\$29	\$27	3.91%	\$31	\$33	\$31	\$29	3.00%
2	Penn Highlands DuBois ^{5, 9}	\$429	\$418	\$353	\$333	9.68%	\$497	\$482	\$372	\$354	13.48%
2	Penn Highlands Elk ⁵	\$67	\$68	\$64	\$61	3.65%	\$67	\$64	\$62	\$60	4.40%
2	Punxsutawney Area	\$53	\$46	\$40	\$35	16.74%	\$56	\$52	\$47	\$39	13.89%
2	Sharon Regional ^{1, 5, 10}	\$108	\$138	\$123	\$144	-8.27%	\$142	\$132	\$148	\$139	0.56%
2	Titusville Area	\$54	\$52	\$48	\$40	10.95%	\$53	\$52	\$50	\$46	5.46%
2	UPMC Cole ⁵	\$89	\$98	\$92	\$86	1.27%	\$96	\$96	\$96	\$93	1.20%
2	UPMC Horizon	\$158	\$147	\$134	\$127	8.13%	\$166	\$152	\$137	\$144	5.18%
2	UPMC Jameson ⁵	\$116	\$113	\$102	\$100	5.31%	\$138	\$124	\$112	\$110	8.37%
2	UPMC Kane	\$22	\$22	\$18	\$20	3.44%	\$23	\$24	\$22	\$22	1.40%
2	UPMC Northwest ⁵	\$138	\$134	\$129	\$120	4.92%	\$159	\$147	\$129	\$124	9.21%
2	Warren General ⁵	\$82	\$80	\$76	\$72	4.95%	\$98	\$86	\$78	\$74	10.79%
3	Conemaugh Memorial ^{5, 10}	\$347	\$372	\$382	\$364	-1.60%	\$396	\$405	\$332	\$356	3.75%
3	Conemaugh Meyersdale ¹⁰	\$17	\$19	\$15	\$14	5.57%	\$19	\$18	\$12	\$15	8.75%
3	Conemaugh Miners ¹⁰	\$21	\$23	\$19	\$15	13.32%	\$19	\$19	\$15	\$17	4.18%
3	Conemaugh Nason MC ^{1, 10}	\$51	\$47	\$41	\$41	8.05%	\$47	\$44	\$38	\$39	6.97%

*Statewide Average includes rural and urban GAC hospitals.

See footnotes on page 22.

Hospital	Operating Margin FY23	Total Margin FY23	3-yr Avg Total Margin FY21-FY23	Percent of Uncompensated Care FY23	Medicare Share of NPR FY23	Medical Assistance Share of NPR FY23
Statewide Average*	2.26%	3.44%	6.45%	1.39%	35.37%	14.90%
Rural Average	2.49%	3.96%	8.20%	1.52%	40.22%	11.80%
ACMH ⁵	-5.81%	-5.59%	0.55%	0.64%	50.86%	9.46%
Advanced Surgical ^{1, 10}	8.08%	8.08%	11.24%	0.37%	40.09%	0.12%
Butler Memorial ⁵	1.74%	3.30%	9.20%	1.47%	36.93%	5.63%
Canonsburg ^{1, 5}	-0.05%	-2.08%	-1.43%	1.98%	45.34%	5.19%
Penn Highlands Connellsvl ⁵	-6.81%	-5.90%	1.58%	3.03%	42.26%	27.65%
Penn Highlands Mon Vly ⁵	-13.89%	-11.83%	1.21%	2.04%	55.08%	13.31%
Uniontown ⁵	-4.08%	-2.06%	0.21%	1.47%	54.51%	14.25%
Washington ⁵	-0.77%	6.31%	2.92%	2.92%	47.21%	16.10%
Washington HS Greene	-16.85%	-14.96%	-1.13%	6.32%	48.07%	20.39%
Bradford Regional ^{1, 5}	-18.29%	-19.10%	-14.77%	-1.43%	38.44%	25.73%
Clarion ^{5, 11}	0.92%	1.73%	5.88%	1.76%	41.68%	7.86%
Edgewood Surgical ^{1, 10}	18.03%	19.97%	18.66%	0.06%	59.15%	3.16%
Grove City ¹	0.23%	-0.09%	-0.76%	1.88%	45.20%	4.06%
Meadville ⁵	0.18%	5.05%	6.99%	1.82%	45.67%	7.24%
Penn Highlands Brookville ⁵	-0.07%	0.47%	5.39%	1.56%	52.17%	12.08%
Penn Highlands DuBois ^{5, 9}	-1.11%	-0.63%	2.86%	1.15%	42.97%	12.54%
Penn Highlands Elk ⁵	4.16%	4.99%	11.49%	1.41%	42.84%	16.16%
Punxsutawney Area	1.31%	2.81%	4.69%	1.24%	47.24%	13.18%
Sharon Regional ^{1, 5, 10}	-20.05%	-20.05%	-6.35%	0.59%	48.86%	7.27%
Titusville Area	9.28%	10.29%	10.04%	2.90%	56.97%	17.90%
UPMC Cole ⁵	-5.03%	-5.03%	0.79%	3.45%	47.43%	16.55%
UPMC Horizon	-1.55%	-1.56%	0.88%	1.59%	43.68%	11.59%
UPMC Jameson ⁵	-11.48%	-11.48%	-7.51%	2.15%	55.56%	14.35%
UPMC Kane	-1.88%	-0.35%	-3.09%	1.91%	54.66%	12.34%
UPMC Northwest ⁵	-11.51%	-11.51%	-4.72%	1.45%	44.99%	11.47%
Warren General ⁵	-1.55%	0.42%	6.81%	1.10%	42.91%	10.72%
Conemaugh Memorial ^{5, 10}	-10.05%	-10.05%	0.61%	0.70%	45.65%	15.73%
Conemaugh Meyersdale ¹⁰	-11.71%	-11.71%	3.27%	1.99%	60.06%	12.80%
Conemaugh Miners ¹⁰	9.42%	9.42%	15.84%	1.20%	46.64%	9.97%
Conemaugh Nason MC ^{1, 10}	8.28%	8.28%	7.70%	0.75%	59.49%	6.27%

*Statewide Average includes rural and urban GAC hospitals.

See footnotes on page 22.

Hospital		Net Patient Revenue (NPR) (millions)				3-yr Avg Change in NPR FY20-23	Total Operating Expenses (TOE) (millions)				3-yr Avg Change in TOE FY20-23
		FY23	FY22	FY21	FY20		FY23	FY22	FY21	FY20	
Statewide Average*		\$358	\$338	\$310	\$285	8.57%	\$383	\$352	\$314	\$302	8.84%
Rural Average		\$151	\$146	\$133	\$120	8.64%	\$156	\$144	\$129	\$120	10.05%
3	Indiana Regional ^{5,6}	\$190	\$186	\$165	\$155	7.59%	\$195	\$185	\$170	\$172	4.41%
3	Penn Highlands Tyrone	\$25	\$25	\$20	\$22	5.72%	\$28	\$24	\$22	\$24	6.18%
3	Soon-Shiong MC Windber ⁵	\$47	\$42	\$38	\$36	10.16%	\$59	\$55	\$49	\$48	7.51%
3	UPMC Altoona ⁵	\$524	\$541	\$540	\$520	0.26%	\$578	\$575	\$530	\$515	4.11%
3	UPMC Bedford	\$50	\$53	\$45	\$40	8.94%	\$48	\$46	\$43	\$43	3.84%
3	UPMC Somerset ⁵	\$83	\$81	\$77	\$69	6.77%	\$85	\$77	\$76	\$67	8.81%
4	Bucktail ⁵	\$6	\$5	\$5	\$5	6.06%	\$9	\$8	\$8	\$7	8.49%
4	Evangelical Community ⁵	\$223	\$232	\$213	\$180	7.96%	\$212	\$213	\$198	\$165	9.52%
4	Geisinger Bloomsburg ^{1,3,5}	\$71	\$66	\$27	\$46	18.54%	\$70	\$63	\$29	\$54	10.57%
4	Geisinger Danville ^{1,3,5}	\$1,457	\$1,385	\$648	\$1,183	7.72%	\$1,495	\$1,308	\$640	\$1,207	7.95%
4	Geisinger Jersey Shore ^{1,3}	\$43	\$38	\$18	\$30	14.78%	\$39	\$35	\$16	\$29	11.19%
4	Geisinger Lewistown ^{1,3,5}	\$186	\$169	\$75	\$124	16.64%	\$175	\$148	\$67	\$122	14.71%
4	Geisinger MC Muncy ^{1,4}	\$36	NA	NA	NA	NA	\$53	NA	NA	NA	NA
4	Mount Nittany ⁵	\$414	\$392	\$367	\$350	6.11%	\$376	\$351	\$319	\$331	4.46%
4	UPMC Lock Haven ^{2,5,11}	\$25	\$33	\$29	\$30	NA	\$30	\$34	\$33	\$33	NA
4	UPMC Muncy ⁵	\$54	\$60	\$58	\$53	0.52%	\$54	\$54	\$52	\$52	1.73%
4	UPMC Wellsboro	\$86	\$91	\$81	\$70	7.44%	\$91	\$86	\$77	\$69	10.95%
4	UPMC Williamsport ^{5,8}	\$460	\$463	\$456	\$392	5.81%	\$392	\$368	\$346	\$347	4.25%
5	Fulton County ⁵	\$47	\$50	\$49	\$46	0.69%	\$56	\$57	\$56	\$56	0.35%
5	Penn Highlands Huntingdon ⁵	\$60	\$54	\$45	\$45	11.53%	\$70	\$55	\$51	\$48	15.11%
5	WellSpan Chambersburg ⁵	\$435	\$431	\$390	\$323	11.50%	\$412	\$403	\$365	\$303	12.09%
5	WellSpan Gettysburg	\$342	\$320	\$302	\$255	11.29%	\$279	\$264	\$241	\$217	9.47%
5	WellSpan Waynesboro	\$84	\$89	\$76	\$63	10.90%	\$72	\$74	\$71	\$65	3.42%
6	Barnes-Kasson County ⁵	\$18	\$18	\$16	\$19	-0.13%	\$19	\$20	\$19	\$19	1.08%
6	Endless Mountains ¹	\$20	\$19	\$17	\$19	1.77%	\$22	\$21	\$20	\$21	0.98%
6	Lehigh Valley Pocono ^{5,6}	\$286	\$276	\$253	\$243	5.82%	\$277	\$244	\$218	\$215	9.52%
6	Robert Packer ^{5,9}	\$446	\$436	\$392	\$353	8.87%	\$479	\$447	\$380	\$353	11.86%
6	St Luke's Monroe	\$222	\$210	\$191	\$157	13.85%	\$205	\$188	\$166	\$146	13.27%
6	Troy Community	\$34	\$33	\$31	\$26	9.78%	\$30	\$26	\$24	\$22	12.59%
6	Wayne Memorial ⁵	\$104	\$107	\$101	\$94	3.46%	\$117	\$118	\$103	\$95	7.89%

*Statewide Average includes rural and urban GAC hospitals.

See footnotes on page 22.

Hospital	Operating Margin FY23	Total Margin FY23	3-yr Avg Total Margin FY21-FY23	Percent of Uncompensated Care FY23	Medicare Share of NPR FY23	Medical Assistance Share of NPR FY23
Statewide Average*	2.26%	3.44%	6.45%	1.39%	35.37%	14.90%
Rural Average	2.49%	3.96%	8.20%	1.52%	40.22%	11.80%
Indiana Regional ^{5,6}	4.96%	6.16%	5.99%	1.47%	56.93%	10.27%
Penn Highlands Tyrone	-6.97%	-6.69%	10.10%	3.48%	54.02%	16.24%
Soon-Shiong MC Windber ⁵	-14.70%	-6.84%	-1.84%	1.77%	47.39%	5.78%
UPMC Altoona ⁵	-5.71%	-5.71%	-1.87%	1.48%	45.24%	14.17%
UPMC Bedford	5.81%	5.87%	8.15%	2.42%	43.43%	14.43%
UPMC Somerset ⁵	2.40%	2.40%	6.18%	0.95%	47.56%	15.98%
Bucktail ⁵	-27.86%	-26.34%	-15.70%	5.63%	67.73%	7.66%
Evangelical Community ⁵	11.64%	15.02%	15.66%	1.24%	35.25%	3.50%
Geisinger Bloomsburg ^{1,3,5}	3.09%	2.99%	3.00%	1.99%	28.99%	11.42%
Geisinger Danville ^{1,3,5}	3.15%	0.86%	9.79%	0.97%	32.17%	13.14%
Geisinger Jersey Shore ^{1,3}	9.66%	9.43%	9.72%	1.68%	49.22%	15.21%
Geisinger Lewistown ^{1,3,5}	7.06%	5.12%	11.87%	1.95%	35.49%	8.51%
Geisinger MC Muncy ^{1,4}	-39.99%	-39.99%	NA	1.59%	59.75%	13.89%
Mount Nittany ⁵	14.03%	19.57%	14.51%	1.66%	34.14%	3.04%
UPMC Lock Haven ^{2,5,11}	-13.84%	-13.84%	NA	2.98%	54.21%	15.03%
UPMC Muncy ⁵	1.59%	1.49%	9.17%	2.56%	39.29%	8.50%
UPMC Wellsboro	-1.63%	-1.58%	5.86%	2.84%	41.07%	11.74%
UPMC Williamsport ^{5,8}	16.96%	16.96%	21.72%	1.50%	27.78%	30.74%
Fulton County ⁵	-10.51%	-6.46%	-0.66%	1.77%	23.09%	7.65%
Penn Highlands Huntingdon ⁵	-11.19%	-9.55%	-0.98%	2.28%	58.02%	21.86%
WellSpan Chambersburg ⁵	7.10%	12.90%	15.29%	2.29%	35.85%	7.26%
WellSpan Gettysburg	19.13%	23.75%	23.60%	1.75%	26.70%	3.89%
WellSpan Waynesboro	17.97%	23.86%	21.84%	2.79%	33.29%	6.67%
Barnes-Kasson County ⁵	-1.75%	-1.71%	7.19%	2.46%	34.03%	25.23%
Endless Mountains ¹	-3.79%	9.47%	7.46%	3.62%	55.87%	15.85%
Lehigh Valley Pocono ^{5,6}	12.25%	13.99%	18.73%	1.54%	34.76%	10.86%
Robert Packer ^{5,9}	1.37%	6.09%	9.82%	0.96%	45.06%	10.55%
St Luke's Monroe	9.16%	9.16%	11.62%	1.23%	38.08%	7.90%
Troy Community	14.38%	14.33%	19.38%	2.17%	49.03%	7.59%
Wayne Memorial ⁵	0.24%	5.99%	5.16%	2.81%	40.16%	11.68%

*Statewide Average includes rural and urban GAC hospitals.
See footnotes on page 22.

Hospital	Net Patient Revenue (NPR) (millions)				3-yr Avg Change in NPR FY20-23	Total Operating Expenses (TOE) (millions)				3-yr Avg Change in TOE FY20-23
	FY23	FY22	FY21	FY20		FY23	FY22	FY21	FY20	
Statewide Average*	\$358	\$338	\$310	\$285	8.57%	\$383	\$352	\$314	\$302	8.84%
Rural Average	\$151	\$146	\$133	\$120	8.64%	\$156	\$144	\$129	\$120	10.05%
7 Geisinger St Luke's	\$74	\$69	\$59	\$15	126.58%	\$68	\$61	\$51	\$30	41.97%
7 Lehigh Valley Schuylkill ⁵	\$135	\$134	\$126	\$122	3.56%	\$157	\$154	\$135	\$127	7.92%
7 St Luke's Carbon Campus ³	\$86	\$43	NA	NA	NA	\$79	\$45	NA	NA	NA
7 St Luke's Miners ⁵	\$108	\$102	\$95	\$81	10.85%	\$94	\$89	\$77	\$74	9.39%

*Statewide Average includes rural and urban GAC hospitals.

See footnotes on page 22.

Hospital	Operating Margin FY23	Total Margin FY23	3-yr Avg Total Margin FY21-FY23	Percent of Uncompensated Care FY23	Medicare Share of NPR FY23	Medical Assistance Share of NPR FY23
Statewide Average*	2.26%	3.44%	6.45%	1.39%	35.37%	14.90%
Rural Average	2.49%	3.96%	8.20%	1.52%	40.22%	11.80%
Geisinger St Luke's	10.50%	10.53%	12.62%	1.12%	42.15%	6.96%
Lehigh Valley Schuylkill ⁵	-11.20%	-10.98%	-6.12%	1.38%	42.66%	19.35%
St Luke's Carbon Campus ₃	8.84%	8.13%	NA	1.99%	46.96%	6.22%
St Luke's Miners ⁵	15.33%	15.33%	16.85%	1.23%	37.96%	9.67%

*Statewide Average includes rural and urban GAC hospitals.

See footnotes on page 22.

Explanation of Terms & Measures

Note: Utilization and financial data include subunits of a hospital such as skilled nursing, long-term care, rehabilitation and psychiatric. Utilization data excludes routine newborn care; the mother and routine newborn are presented as a single patient.

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 FY20 through FY23.

$$\left(\frac{((\text{NPR}_{23} - \text{NPR}_{20}) / \text{NPR}_{20}) / 3 \right) \text{ or } \left(\frac{((\text{TOE}_{23} - \text{TOE}_{20}) / \text{TOE}_{20}) / 3 \right)$$

3-year Average Total Margin: The average total margin realized by the hospital during FY21 through FY23.

$$\left(\frac{\sum \text{revenue over expenses}_{23, 22, 21}}{\sum \text{total revenue}_{23, 22, 21}} \right)$$

Commercial Third-Party Payers: Commercial insurers encompass all indemnity and managed care health insurance plans, including Blue Cross and Blue Shield plans, and hospital and health care system plans. Government-funded programs, such as Medicare managed care, are not included even if a commercial insurer administers the program.

Managed Care: Managed care includes all licensed HMO, PPO, and POS plans that require some form of pre-authorization or limit care to in-network providers.

Net Patient Revenue (NPR): Net patient revenue (net of bad debt) reflects revenue for patient care only and does not include revenue from other operations such as 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.

Other Third-Party Payers: Third-party payers other than health insurance companies and managed care organizations. These include direct payments by employers or associations, auto insurance, workers' compensation, and government programs (other than Medicare and Medical Assistance).

Operating Income: The amount by which total operating revenue exceeds total operating expenses.
(total operating revenue – 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 patient services realized by the hospital.
(operating income / total operating revenue)

Percent of Uncompensated Care: This is 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 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.
(charity care charges + bad debt charges) / total charges

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.
(revenue over expenses / 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.

For the for-profit hospitals, total net income is net of a *pro rata* share of income taxes, gains and non-operating expenses incurred by the parent corporation.

Total Operating Expenses (TOE): All costs associated with operating the entire facility such as salaries, professional fees, supplies, depreciation, interest, and insurance. The acquisition of durable equipment and other property is not considered expenses and is reflected on the hospital's balance sheet as assets. However, the cost to finance equipment (interest) as well as the depreciation, operation and maintenance costs of capital equipment are operating expenses.

Total Operating Revenue (TOR): All revenues allocated by the hospital to meet operating expenses. 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). Individual hospitals may also allocate investment income, contributions, etc., as non-operating income.

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. FY23 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.
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 items are 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 FY23 reporting period.
9. Acquired or merged with another licensed hospital during the FY22 or FY21 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 FY23 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 Information necessary to report or calculate this measure was not reported by the hospital.

About PHC4

Created by the Pennsylvania General Assembly in 1986, the Pennsylvania Health Care Cost Containment Council (PHC4) is an independent council charged with collecting, analyzing, and reporting information that can be used to improve the quality and restrain the cost of health care in the Commonwealth. Today, PHC4 is a recognized national leader in public health care reporting. PHC4 is governed by a council with members representing business, labor, consumers, health care providers, insurers, health economists, and state government.

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**.



Transparent Health Care Reporting

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