

**General Acute Care Hospitals
Volume One**

Financial Analysis

99

The Pennsylvania Health Care
Cost Containment Council's
Annual Report on the
Financial Health of
Pennsylvania's Hospitals

Fiscal Year 1999: July 1, 1998 -- June 30, 1999

FOREWORD

The Pennsylvania Health Care Cost Containment Council (PHC4) is an independent state agency charged with addressing the cost and quality of health care in Pennsylvania. The Council fosters competition in the health care market through the collection, analysis and dissemination of quality health care information.

In order to maintain a high quality, cost-effective health care delivery system, hospitals and free-standing surgery centers must be financially viable. Beginning with fiscal year 1989, the Council has produced a series of Financial Reports that measure the financial health of the Commonwealth's hospitals and surgery centers and the utilization of their services. This report focuses primarily on Fiscal Year 1999 (July 1, 1998 – June 30, 1999, or the fiscal year that ended prior to June 30, 1999).

This is the first volume of a two-volume set. This volume addresses Pennsylvania's 198 General Acute Care (GAC) hospitals during Fiscal Year 1999. Volume 2 will report about the non-GAC hospitals (rehabilitation, long-term acute, mental health and specialty) as well as ambulatory surgery centers and will be released later this year.

The information contained in this report was derived from financial statements of the hospitals, Medicare cost reports where applicable, the Council's inpatient database and the Council's annual financial form. Hospitals and centers are required by law to submit this financial and utilization information to the Council. Every reasonable effort has been made by the Council to ensure the accuracy of the information contained herein. Each facility had the opportunity to review their data and to make corrections. The ultimate responsibility for data accuracy lies with the individual facility.

Non-Compliant Hospitals

The following hospitals were not in compliance with one or more of the Council's filing requirements (audited financial statements, Medicare cost report, if applicable, or Form H) at the February filing deadline.

Allegheny General Hospital
Allegheny University Hospitals,
Forbes Regional
Allegheny University Medical Centers,
Allegheny Valley Hospital
Allegheny University Medical Centers,
Canonsburg
City Avenue Hospital
Delaware Valley Medical Center
Elkins Park Hospital
Episcopal Hospital
Graduate Hospital
Hahnemann University Hospital
Jameson Memorial Hospital
Jersey Shore Hospital

John F. Kennedy Memorial Hospital
Kensington Hospital
Lancaster General Hospital /Susquehanna Division
Magee-Womens Hospital
Medical College of PA
Mercy Suburban Hospital
Montgomery Hospital
Parkview Hospital
Pennsylvania Hospital, UPHS
Southern Chester County Medical Center
St. Francis Hospital - Cranberry
St. Francis Hospital of New Castle
St. Francis Medical Center
Warminster Hospital

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Pennsylvania's General Acute Care Hospitals

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HIGHLIGHTS

- Average total income for general acute care (GAC) hospitals, as measured by total margin, fell by 30% for the second consecutive year. The statewide total margin was 1.90% during the 1999 Fiscal Year (FY99). Pennsylvania's average total margin is about 30% below the national average. [Pages 2-3]
- Statewide average operating margin fell to near zero (0.17%). [Pages 2-3]
- Forty percent of GAC hospitals lost money during FY99 (negative total margin). Twenty-five percent lost money over the past three years (negative average total margin). [Pages 3-4]
- About the same percentage of hospitals had three-year average margins at the low and high end of the spectrum (negative margins and margins above 6%) during both FY99 and FY98. The most predominant shift was a decline in the number of hospitals with total margins in the 4%-6% range and a growth in the 0% - 2% range. [Page 4]
- Sixty-five percent of GAC hospitals saw their operating margins decline because they were unable to keep the change in expenses below the change in revenues. [Pages 4-5]
- Statewide revenue, discharges and patient days from both the Medicare and Medical Assistance programs declined during FY99. Overall revenue per discharge increased for the Medical Assistance program, as well as Commercial payors, but declined for Medicare. [Pages 6-9]
- A typical bill remained in accounts receivable 67.3 days during FY99, an increase of 3.3 days over the previous fiscal year. This increase in accounts receivable turn around time may have been responsible for a 3.3% decline in statewide operating income. [Page 10]
- Statewide uncompensated care (bad debt and charity care) grew by 9.9% (\$75 million) to \$834 million during FY99. Bad debt grew faster than charity care; 89% of the increase in uncompensated care was booked as bad debt. [Pages 11-12]
- The increase in uncompensated care was responsible for 48% of the decline in the statewide average operating margin. [Page 12]

PHC4 Hospital Financial Analysis 1999

What are General Acute Care Hospitals?

General Acute Care (GAC) hospitals include all nonfederal, short-term general and specialty acute care hospitals open to the public. Typically, the length of stay at GAC hospitals is less than 30 days. However, many GAC hospitals operate subunits such as skilled nursing units. Generally, all of the activities of a hospital and any subunits are included in this report.

During the 1999 fiscal year (FY99) there were 198 GAC hospitals licensed in Pennsylvania. All but nine of these GAC hospitals functioned solely as non-profit organizations or as components of larger non-profit organizations. All income or “profit” from their operations is retained within the organization. The primary uses of income are to fund capital improvements, retire outstanding debt and to provide a reserve in the event revenues do not cover expenses in the future.

In FY99, nine GAC hospitals were operated by a for-profit corporation. As a result of the bankruptcy of the Allegheny Health Education and Research Foundation (AHERF), eight Philadelphia-area hospitals were acquired by the Tenet Healthcare Corporation. Tenet took control of these hospitals on November 11, 1998.

On March 1, 1999, the assets of the Berwick Hospital were purchased by CHS Berwick Hospital Corporation, a for-profit Pennsylvania corporation. CHS Berwick is a wholly owned subsidiary of Community Health Systems, Inc.

For-profit hospitals give a portion of their profits to their shareholders in the form of dividends. Dividends reflect a return on the investments the shareholder has made in the hospitals. Like non-profit hospitals, for-profit hospitals need to earn sufficient income to make investments in their facilities and equipment and to repay debt that was acquired for capital improvements. Additionally, they need to be able to offer dividends to attract equity financing.

Why is Income Important?

Hospitals need a positive total income (total margin) to stay in business. Those that have a negative margin (deficit) are not receiving sufficient revenue to pay all of their expenses. Hospitals operating at a deficit must use other sources of funds, such as cash reserves or the sale of assets, to pay their expenses. Unless these hospitals can alleviate the deficit by increasing revenues and/or cutting expenses, they can stay in business only so long as they have assets to liquidate.

Earning a positive total margin alone may not be enough to remain viable. Hospitals need to earn sufficient income to make improvements to their facilities and equipment. These investments are necessary to replace worn out or obsolete buildings and equipment, keep pace with changes in medical technology and meet the changing health care needs of the community.

Hospitals finance improvements to facilities and equipment by issuing bonds or entering into other debt financing. However, financial institutions and potential bondholders must be convinced that a hospital is capable of repaying its debt. Therefore, it may be difficult for hospitals that are projected to have low or negative income to borrow money.

It is very important to closely monitor hospital income levels because relatively small changes in revenues or expenses can make a large difference in the financial health of a hospital. For example, a hospital realizing an above-average 4% operating margin one year

can have an operating deficit the following year if revenues fall by 2% and expenses rise at the rate of inflation (e.g., 2% to 3%).

What is an “Appropriate” Income Level?

The “appropriate” level of income needed to keep a hospital viable 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, 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 debts and replenish its capital reserves. Alternatively, a hospital with a history of continuous moderate income levels can probably remain viable 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 in the past.

The FY99 statewide average total margin was 30% below the national average.

National average income levels may provide a benchmark against which to compare hospital performance in Pennsylvania. The American Hospital Association and the Medicare Payment Advisory Commission have contracted with the Lewin Group to undertake the National Health Indicator Survey. For the twelve-month period ending October 1998, the Survey produced a national average total margin of 4.3%. The preliminary results for the twelve-month period ending in October 1999 yield a total margin of about 2.7%. Consequently, the decline in the average total margin for Pennsylvania hospitals shown on Figure 1 is consistent with the national trend. However, the FY98 and FY99 total margins for Pennsylvania hospitals

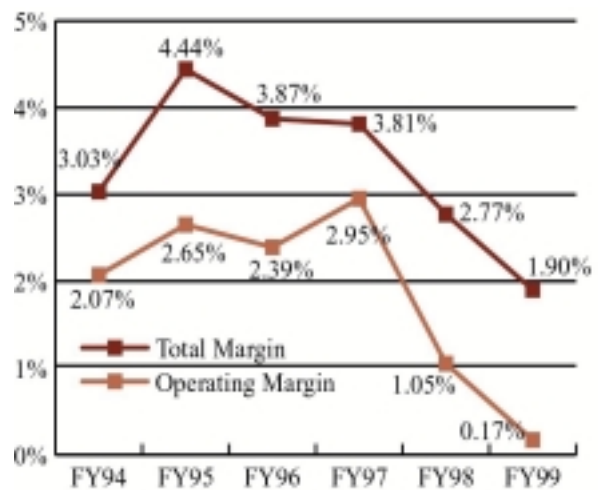
were about 1.5 points (36%) and 0.8 points (30%), respectively, below the national average.

Operating Margin vs. Total Margin

Hospital income is usually expressed as either operating margin or total margin.

Operating margin reflects the portion or percent of operating revenue left after all operating expenses are paid. A hospital’s operations include functions related directly to patient care as well as a variety of other functions such as medical education, cafeterias, and parking. A positive operating margin indicates a hospital is receiving more revenue for its operations than it costs to run them. Alternatively, a negative margin indicates that revenues are not covering costs.

FIGURE 1
Statewide Average Total and Operating Margins



During FY99, net patient revenue (NPR) represents about 94% of all operating revenue statewide. The largest expense category for all hospitals is salaries, wages and benefits. Other large expense categories are supplies, depreciation, insurance, interest, utilities, maintenance and bad debt expense. Because hospitals group their expenses differently, it is not

possible to provide statewide averages for the expense categories.

The calculation of total margin includes both operating revenue and revenue from all other sources. The revenue from sources other than operations is called “non-operating income”. Examples of non-operating income are investment and trust income and contributions. However, some hospitals include investment and trust income in operating revenue, particularly when the funds have been designated to support specific operations of a hospital.

Operating margin demonstrates the extent to which the revenues a hospital receives for its services are covering the expenses associated with providing those services. Total margin reveals the composite financial health of a facility over a given period (e.g. one-year). If total margin is negative, the hospital is losing money after all sources of revenue and income have been considered.

Some hospitals have endowments which enable them to provide care beyond the level of operating revenue they receive. For those hospitals, a negative operating margin may not be that critical as long as they can realize a healthy positive total margin. Other hospitals may not have large endowments or other sources of income; as a result, their operating margins and total margins will be very similar. In these instances, a low or negative operating and total margin may reveal the hospital is under financial stress.

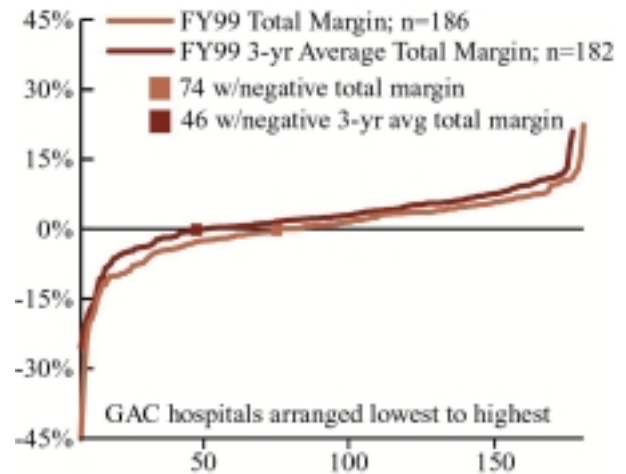
During FY99, the statewide average total margin fell by 30% for the second consecutive year. The FY99 average total margin is half the level of that realized just two years ago (FY97).

Figure 1 shows statewide total margin for all GAC hospitals fell 30% during FY99 to 1.90%. The total margin for FY99 is about half of the 3.81% margin hospitals realized just two years earlier (FY97).

The FY99 statewide average operating margin fell to near zero.

FIGURE 2

Distribution of Total Margins and Three-Year Average Total Margins



Statewide operating margin fell to 0.17% in FY99. As an industry, the operations of Pennsylvania’s GAC hospitals are barely breaking even. Statewide operating margin has fallen 2.78 points to near zero (0.17%) in just two years.

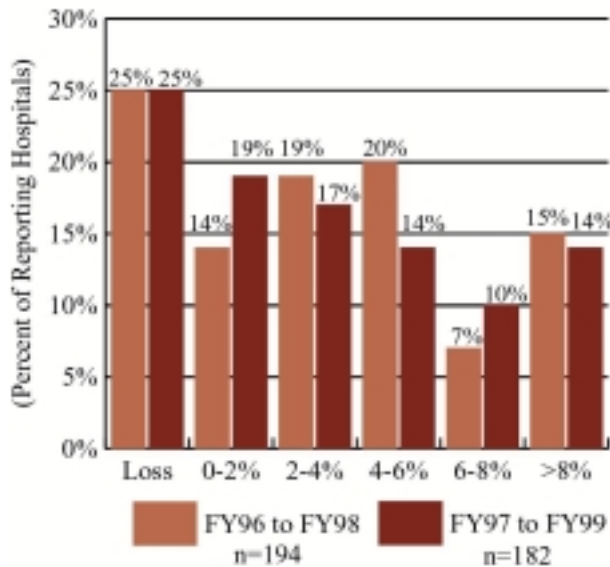
25% of GAC hospitals lost money over the past three years (FY97 to FY99); 40% lost money during FY99.

TABLE 1

Three-Year Average Total Margin

Average Total Margin	Reporting Hospitals FY96 to FY98		Reporting Hospitals FY97 to FY99	
	number	percent	number	percent
Loss	49	25%	46	25%
0-2%	27	14%	35	19%
2-4%	37	19%	31	17%
4-6%	38	20%	26	14%
6-8%	13	7%	18	10%
>8%	30	15%	26	14%
Total	194	100%	182	100%

FIGURE 3
Three-Year Average Total Margin



As seen in Figure 2, 74 or 40% of the 186 reporting hospitals had negative total margins during FY99. Figures 2 and 3 and Table 1 show that 46 hospitals or about 25% of the 182 reporting hospitals lost money over the past three years (FY97 to FY99).

Figure 3 shows that the percent of hospitals experiencing three-year negative margins for the FY97-99 period is the same as the prior three-year period (FY96-98). The percentage of hospitals experiencing three-year average margins above 6% has increased slightly from 22% to 24% of reporting hospitals. The most significant change in the three-year total margin is the increase in the percent of hospitals experiencing low positive margins in the 0% to 2% range and the decline in the percent of hospitals realizing moderately healthy margins in the 4% to 6% range.

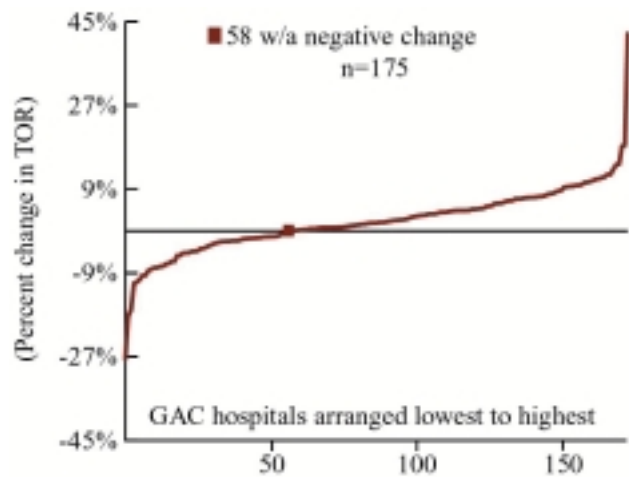
Why do Income Levels Vary Among Hospitals?

During FY99, statewide total revenue at GAC hospitals increased slightly to \$18.13 billion in FY99 from \$17.93 billion in FY98, a 1% increase. During the

same period, expenses grew to \$18.09 billion from \$17.74 billion, a 2% increase. Since expenses grew faster than revenue, statewide income (revenue over expenses) fell by 31%. However, as shown in Figure 2 individual hospitals experienced a wide range of income levels. Each individual hospital has a unique mix of revenues and expenses as well as a unique mix of factors that influence its revenues and expenses.

Figure 4 presents the distribution of the annual change in individual hospital operating revenues for FY99. The figure shows that about 67% of the hospitals experienced an increase in their operating revenues. While two-thirds of the hospitals experienced an increase in operating revenues, nearly 78% of the hospitals saw their operating expenses increase during FY99.

FIGURE 4
Percent Change in Individual Hospital Total Operating Revenue, FY99

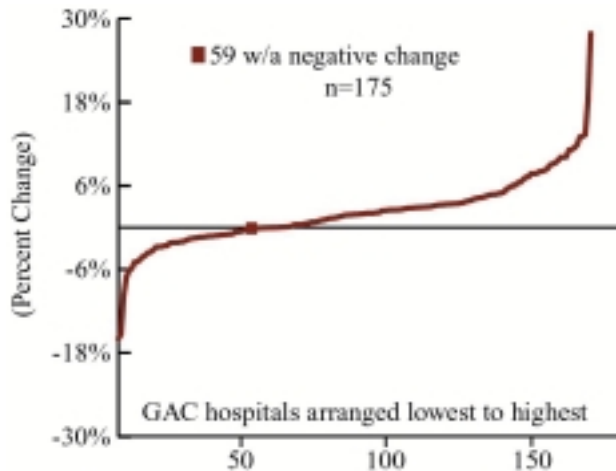


The percent change in individual hospital total operating revenue is calculated by subtracting FY98 operating revenue from FY99 operating revenue and dividing the difference by FY98 operating revenue.

During FY99, 65% of GAC hospitals saw their operating margins decline because they experienced a net increase in operating expenses.

FIGURE 5

Difference between the Percent Change in Total Operating Expenses (TOE) and Total Operating Revenue (TOR) at Individual Hospitals, FY99



The annual net change in operating expenses for individual hospitals is the difference between the one-year percent change in total operating expenses and the one-year percent change in total operating revenue.

$$\frac{(TOE_{99} - TOE_{98})}{(TOE_{98})} - \frac{(TOR_{99} - TOR_{98})}{(TOR_{98})}$$

Figure 5 reflects the difference between the percent change in total operating expenses and the change in total operating revenue at 175 reporting hospitals during FY99. Fifty-nine of the hospitals had a negative difference between expenses and revenue which indicates the growth in expenses was less than the growth in revenue.

Alternatively, Figure 5 reveals that 116 GAC hospitals had a positive difference between total operating expenses and total operating revenue. A positive difference between expenses and revenue indicates that: 1) operating expenses grew faster than operating revenues, 2) revenues fell more than expenses or 3) expenses grew and revenues fell. In all three scenarios, hospitals were unable to keep the change in expenses equal to or below the change in revenues. As a result, FY99 operating margins fell below FY98 levels in 65% of Pennsylvania’s hospitals.

As reported previously, changes in individual hospital operating revenues and expenses during FY98 had a statistically significant impact on the change in the operating margin for individual hospitals. The variation in the change in hospital operating revenue could be attributed to 37% of the variation in the change in individual operating margins during FY98. The change in operating expenses could be associated with about 12% of the variation in the change in operating margins.

The analysis of FY99 data revealed two significant changes in the relationship between individual hospital revenues, expenses and income.

First, neither the change in individual hospital total operating revenue, NPR, nor total operating expenses during FY99 had a significant relationship with the FY99 change in operating margin.

Second, there was a very high correlation ($r=0.93$) between the change in operating revenues and operating expenses that did not exist in FY98. Consequently, for most hospitals, revenues and expenses were moving together in the same direction by similar relative magnitudes. If revenues and expenses were moving in opposite directions, typically the deviation was relatively small. This high correlation between the change in revenue and expenses is indicative of an industry with average operating margins that are approaching zero. With very low or negative operating income levels, hospitals are forced to keep expenses in line with revenues if they are to remain solvent.

What Affects Patient Revenue?

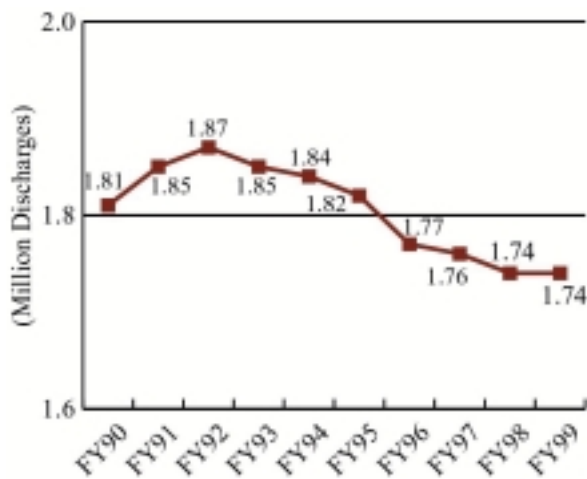
The three principal factors that affect hospital revenues are the level of utilization provided, the mix of care, and the level of payment rates it receives for services.

The utilization level of care is dependent on factors such as the medical needs of the community, the ability of the hospital to meet those needs, and the level of

TABLE 2
Discharges by Payor

	FY98	FY99	Percent Change	FY98 NPR per Discharge	FY99 NPR per Discharge	Percent Change
Commercial						
Indemnity	241,092	226,105	-6.2%	\$6,855	\$7,170	4.6%
Managed Care	326,310	357,791	9.6%	\$5,162	\$5,359	3.8%
Total	567,402	583,896	2.9%	\$5,881	\$6,060	3.0%
Medicare						
Indemnity	710,547	668,767	-5.9%	\$7,578	\$7,592	0.2%
Managed Care	134,914	169,851	25.9%	\$6,061	\$6,024	-0.6%
Total	845,462	838,618	-0.8%	\$7,336	\$7,274	-0.8%
Medical Assistance						
Indemnity	130,729	115,499	-11.7%	\$4,849	\$5,477	13.0%
Managed Care	99,745	105,219	5.5%	\$4,573	\$4,382	-4.2%
Total	230,475	220,718	-4.2%	\$4,729	\$4,955	4.8%
Other						
	100,584	91,909	-8.6%	\$7,414	\$6,977	-5.9%
TOTAL	1,744,635	1,735,637	-0.5%	\$6,520	\$6,553	0.5%

FIGURE 6
Statewide Discharges



competition from other hospitals. The utilization of care is commonly measured in terms of inpatient discharges, patient days, outpatient visits and home health visits.

During FY99, inpatient discharges declined by one-half percent (0.5%) and inpatient days declined by 3.6%.

Figure 6 and Table 2 reveal that during FY99, the number of inpatient discharges declined by about one-half percent. However, the average revenue hospitals receive per discharge increased by a nearly identical rate so that there was almost no change in statewide inpatient revenue between FY99 and FY98.

Similarly, Figure 7 and Table 3 show there was a 3.6% decline in the number of patient days and a corresponding increase in revenue per patient day.

A hospital's ability to maintain its level of inpatient admissions was the most important factor in maintaining its revenue streams.

The change in the number of inpatient discharges between FY99 and FY98 had the most significant effect on the change in individual hospital revenue during FY99. When evaluated as a single variable, the change in hospital's discharges could be associ-

ated with 82% of the variation in hospital change in NPR. The degree of association was 31% a year earlier.

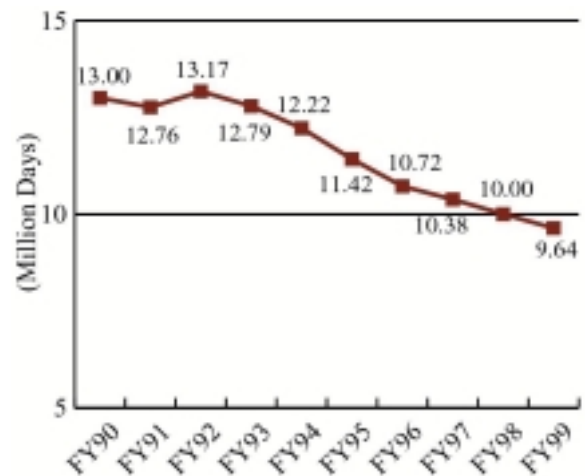
The change in patient days was associated with 54% of the variation in the change in NPR when evaluated alone. However, when patient days and discharges were evaluated together, patient days were no longer significant.

There were 150 GAC hospitals that reported total outpatient visits for both FY99 and FY98. These hospitals experienced an increase in outpatient visits of 3%.

When the change in outpatient visits was used as the only measure of utilization of care, it was associated with 33% of the variation in the change in net patient revenue for individual hospitals. When outpatient visits and inpatient discharges were evaluated together, outpatient visits were no longer significant.

None of the measures of the volume of patient care had a statistically significant influence on hospital income on a statewide basis.

FIGURE 7
Statewide Patient Days



The long-term trend of gradual annual declines in the average length of stay continued during FY99.

TABLE 3

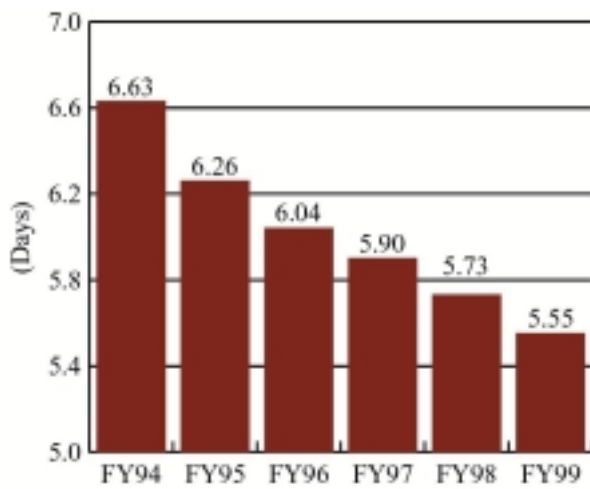
Patient Days by Payor

	FY98	FY99	Percent Change	FY98 NPR per Day	FY99 NPR per Day	Percent Change
Commercial						
Indemnity	1,042,221	958,200	-8.1%	\$1,586	\$1,692	6.7%
Managed Care	1,302,471	1,438,438	10.4%	\$1,293	\$1,333	3.1%
Total	2,344,691	2,396,639	2.2%	\$1,423	\$1,476	3.7%
Medicare						
Indemnity	5,004,048	4,554,736	-9.0%	\$1,076	\$1,115	3.6%
Managed Care	798,954	986,584	23.5%	\$1,023	\$1,037	1.3%
Total	5,803,002	5,541,320	-4.5%	\$1,069	\$1,101	3.0%
Medical Assistance						
Indemnity	903,055	798,898	-11.5%	\$702	\$792	12.8%
Managed Care	453,151	453,893	0.2%	\$1,007	\$1,016	0.9%
Total	1,356,206	1,252,790	-7.6%	\$804	\$873	8.6%
Other						
	497,535	445,468	-10.5%	\$1,499	\$1,439	-4.0%
TOTAL	10,000,049	9,636,072	-3.6%	\$1,137	\$1,180	3.8%

With the decline in the number of patient days, average length of stay declined 3.1% or 0.18 days during FY99. Figure 8 illustrates the trend of gradual, steady declines in the average length of stay since FY94.

The change in the average length of stay at individual hospitals over the past three fiscal years (FY97-FY99) was compared to the change in hospital income for the same period of time. There was no significant correlation between these two variables.

FIGURE 8
Statewide Average Length of Stay

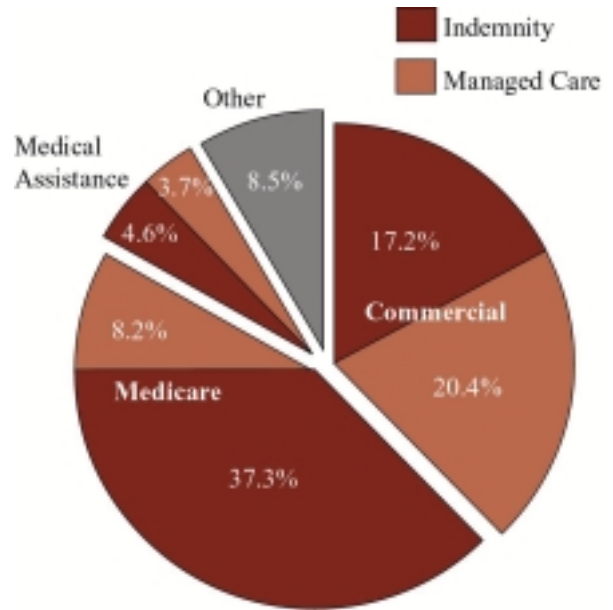


How do Third-Party Payors Affect Revenue and Income?

Hospitals receive over 91% of their NPR from third-party health care insurers. Figure 9 reveals that the single largest third-party payor, the federal Medicare program, provides 45.5% of statewide GAC revenue.

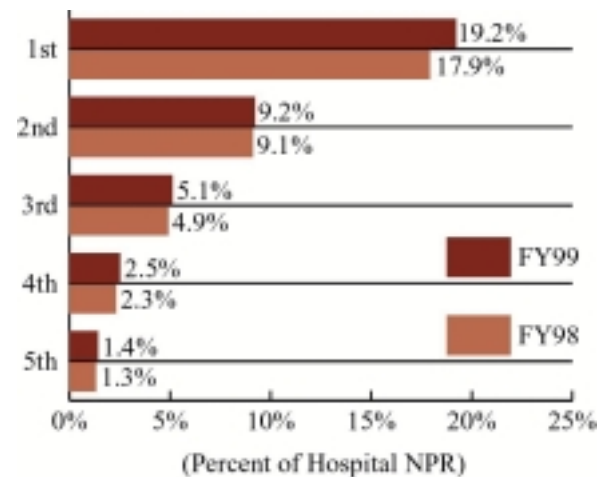
Figure 10 shows that, on average, GAC hospitals had a single commercial third-party payor that provided an average of 19.2% of NPR. On average, the second largest commercial payor provided 9.2% of NPR. The average contributions presented in Figure 10 include any Medicare or Medical Assistance managed care business handled by these commercial insurers. The “average” GAC hospital receives at least 70% of the NPR from four third-party payors: Medicare

FIGURE 9
Statewide Net Patient Revenue by Payor, FY99



and its three largest commercial payors (including government contracts). Hospitals receive payment for Medicare and Medical Assistance managed care patients from commercial payors that administer those programs. These commercial managed care companies also negotiate with hospitals rates paid for various services.

FIGURE 10
Average Contribution to Net Patient Revenue by the Top Five Commercial Payors



Theoretically, a hospital may have some leverage in negotiating reimbursement rates by electing not to enter into contractual arrangements with a specific payor. However, considering that the average total margin in FY99 was 1.90%, a hospital would likely face losses, at least in the short-run, if it rejected its fourth largest commercial payor (sixth largest payor overall).

Tables 2 and 3 show that the average revenues hospitals receive for each day of inpatient care and for each discharge vary widely across the three payor categories in general, as well as for their respective indemnity and managed care components. For example the average revenue per discharge received during FY99 ranges from \$4,382 for a Medical Assistance participant enrolled in a managed care program to \$7,592 for a Medicare patient with indemnity coverage. These payment rates vary for three principal reasons.

First, the percent of cost covered by payment rates offered under the Medicare program and rates negotiated with the commercial insurers and Medical Assistance program may vary.

Second, the case management, preventive health and risk sharing components of managed care programs are intended to restrain the costs of providing medical care compared to traditional indemnity plans. Tables 2 and 5 show that the average patient participating in managed care has a significantly shorter average length of stay and accounts for less revenue per discharge than the average patient with indemnity coverage.

Third, the commercial insurers, Medicare and the Medical Assistance program serve different patient populations with different medical needs. Table 6 presents the top eight Major Diagnostic Categories (MDCs) for all GAC discharges during FY99 and how these MDCs rank among the three payor categories. Table 6 reveals that the distributions of discharges by MDC are quite different for patients covered by the three payor categories. For example, the top MDC for the Medical Assistance program is routine childbirth which is typically less costly than procedures performed under the top MDC for commercial insurers and the Medicare program, Diseases and Disorders of the Circulatory System.

TABLE 4

Net Patient Revenue by Payor

	FY98	FY99	Percent Change
Commercial			
Indemnity	\$2,910,101,410	\$2,922,904,937	0.4%
Managed Care	\$3,052,279,658	\$3,479,898,513	14.0%
Total	\$5,962,381,069	\$6,402,803,451	7.4%
Medicare			
Indemnity	\$6,764,816,040	\$6,347,946,311	-6.2%
Managed Care	\$1,129,287,743	\$1,402,259,659	24.2%
Total	\$7,894,103,783	\$7,750,205,970	-1.8%
Medical Assistance			
Indemnity	\$831,881,086	\$787,047,445	-5.4%
Managed Care	\$625,186,173	\$623,729,142	-0.2%
Total	\$1,457,067,259	\$1,410,776,587	-3.2%
Other			
	\$1,544,046,255	\$1,448,785,931	-6.2%
TOTAL	\$16,858,169,699	\$17,024,971,675	1.0%

TABLE 5

Average Length of Stay by Payor

	FY98	FY99	Percent Change
Commercial			
Indemnity	4.32	4.24	-2.0%
Managed Care	3.99	4.02	0.7%
Total	4.13	4.10	-0.7%
Medicare			
Indemnity	7.04	6.81	-3.3%
Managed Care	5.92	5.81	-1.9%
Total	6.86	6.61	-3.7%
Medical Assistance			
Indemnity	6.91	6.92	0.1%
Managed Care	4.54	4.31	-5.0%
Total	5.88	4.85	-17.6%
Other			
	4.95	4.85	-2.0%
TOTAL	5.73	5.55	-3.1%

TABLE 6

Discharges by Major Diagnostic Category, (MDC), FY99	Total Discharges	Medicare		Medical Assistance		Commercial	
		percent	rank	percent	rank	percent	rank
MDC							
Circulatory System	20.6%	1	29.7%	5	9.0%	1	15.7%
Respiratory System	10.5%	2	14.1%	4	9.3%	6	7.5%
Pregnancy, Childbirth & Puerperium	9.4%	22	0.1%	1	20.4%	2	15.4%
Digestive System	8.8%	3	10.1%	6	6.0%	5	8.4%
Musculoskeletal System & Connective Tissue	8.7%	4	9.7%	8	3.8%	4	9.0%
Nervous System	6.6%	5	8.5%	7	4.2%	7	5.4%
Newborns Neonates w/Condition Originating in Perinatal Period	6.2%	25	0.0%	2	13.4%	3	10.2%
Mental Diseases & Disorders	4.1%	8	3.0%	3	10.3%	9	3.2%

Table 6 provides an illustration of differences in care provided to patients in the three major payor categories. Considering that the 25 MDCs are comprised of over 500 DRGs (diagnosis related groups) and thousands of different procedures and diagnoses, an accurate comparison of the nature and cost of care provided to participants in the three major payor categories would require a far more detailed analysis than the simple comparison presented in Table 6.

During FY99, total Medicare reimbursements per discharge declined and reimbursements per patient day increased less than the other two payor categories.

Tables 2 and 3 may reflect the impact of changes in the Medicare program implemented as a result of the Balanced Budget Act of 1997. Table 2 shows that the total Medicare payments per discharge declined during FY99. Table 3 reveals that the increase in the total Medicare reimbursements per day was the lowest of the three payor categories.

On a statewide basis, there was no significant correlation between payor mix and hospital income.

A variety of statistical analyses were performed to determine if the portion of patient revenue received from the major categories of payors (i.e. Medicare, commercial insurers and Medical Assistance) or how

the hospital was reimbursed (i.e. indemnity and managed care) had an effect on individual hospital income. On a statewide basis, there was no significant correlation between payor mix and hospital operating margin.

Is the Growth in Accounts Receivable Reducing Income?

On a statewide basis, the amount of time the average bill remained in accounts receivable increased by 3.3 days, from 64.0 days at the end of FY98 to 67.3 days at the end of FY99.

Between the period when hospital services are concluded and when a hospital receives payment, the payment the hospital expects is recorded as an accounts receivable. Accounts receivable can be affected by a number of factors including: the time it takes third-party payors and individuals to pay bills, efficiency of hospital billing systems, communications between hospitals and payors and the time it takes hospitals to remove uncollectible accounts from accounts receivable.

The accounts receivable for 172 hospitals grew from \$2.47 billion (FY98) to \$2.69 billion (FY99), an increase of 8.95%. Part of the increase in accounts receivable is attributable to the 3.56% increase in net patient revenue at the 172 hospitals. After adjusting for the in-

crease in patient revenue, 5.39% of the increase in accounts receivable can be attributed to the increase in the payment lag of hospital bills.

The portion of the increase in accounts receivable associated with the increase in payment lag was \$133.1 million. Assuming it costs hospitals 6% to finance the increase in accounts receivable or lost investment income, this increase in accounts receivable reduced statewide income by about \$8.0 million, or 3.3% of the decline in statewide operating income.

A portion of the increase in statewide accounts receivable can be associated with an increase in bad debt expense. Unpaid bills remain in accounts receivable until they are either paid or until hospitals conclude their collection procedures and record unpaid bills as bad debt expense. It is not possible to determine the extent to which bad debt contributes to accounts receivable and payment lag without hospital-specific information on bad debt accounting practices. However, since bad debt expense is equivalent to about 3.8% of statewide NPR, the change in bad debt experience should not have a significant effect on the change in accounts receivable.

Of the 198 GAC hospitals, 14 hospitals experienced extraordinary increases in accounts receivable at the end of FY99 because of organizational changes or changes in billing practices. These 14 hospitals were excluded from the statewide analysis of accounts receivable. An additional 12 hospitals were not included in the analysis due to insufficient data.

Is Uncompensated Care Affecting Income?

Pennsylvania’s GAC hospitals provided \$834 million in uncompensated care (bad debt and charity care) during FY99. This is equivalent to 4.90% of NPR.

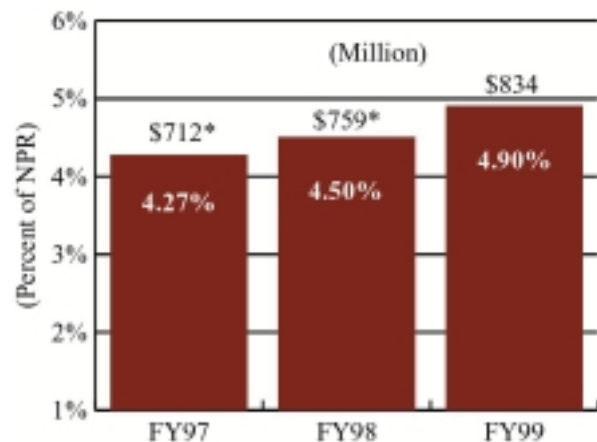
Figure 11 shows that uncompensated care has increased by 17.1% or \$121.9 million over the past two fiscal years.

The portion of care that was provided without payment rose by 8.9%.

The level of uncompensated care in FY99 increased 9.9% or \$75.1 million over the FY98 level. Since statewide NPR increased slightly during FY99, the portion of care that was provided without payment actually rose by 8.9% from 4.5% in FY98 to 4.9% in FY99.

Hospitals provide *charity care* when they determine that the patient is unable to pay for services through insurance coverage or the patient’s own resources. Hospitals have varying procedures for determining a patient’s ability to pay and different policies for granting charity care.

FIGURE 11
Statewide Uncompensated Care



* These are restated figures; hospitals provided additional data subsequent to publication of PHC4’s FY98 report that improved the accuracy of uncompensated care estimates.

Bad debt occurs when a hospital expects the patient to pay, and later determines that all or a portion of the bill is uncollectible. This determination may occur months after treatment has ended.

Policies and procedures related to uncompensated care vary from hospital to hospital. What one hospital may record as a bad debt expense another hospital may categorize as charity care. Consequently, it is impos-

sible to make a distinction between charity care and bad debt expense on a statewide basis. Therefore, bad debt and charity care are reported together as uncompensated care.

PHC4 presents uncompensated care on a foregone revenue (NPR) basis. The information presented in Figure 11 reflects the revenue hospitals would have received had they been reimbursed for services provided for free.

All services and materials that are provided to the general public under an established fee are eligible to be included under uncompensated care. Consequently, the cost of many public health programs are not included. Hospitals frequently report these activities separately.

Some hospitals report the difference between the reimbursement they receive from government-funded programs, such as Medical Assistance, and their customary fees or charges as a component of charity care. These differences are not included in the uncompensated care levels reported by PHC4. However, if a patient fails to pay a required co-payment, or receives care beyond the benefits provided by a third-party payor, these foregone revenues are included.

While it is impossible to compare bad debt and charity care among individual hospitals, some observations can be made about how hospitals record bad debt and charity care.

77% of uncompensated care was booked as bad debt expense.

89% of the increase in uncompensated care during FY99 was booked as bad debt expense.

Seventy-seven percent of uncompensated care was booked as a bad debt expense during FY99. Of the \$75 million net increase in statewide uncompensated care, \$67 million (89%) of the increase was booked as bad debt and \$8 million (11%) was provided as charity care. Consequently, the amount of bad debt

expenses grew faster than the amount of charity care provided.

More hospitals reported a significant decline in charity care during FY99 than those that reported a significant increase.

During FY99, 43% of the reporting hospitals experienced a decline in charity care of more than 10% compared to the 32% that reported an increase in charity care of more than 10%. In addition, 22% of reporting hospitals showed a decline in charity care of more than 10% and a corresponding increase in bad debt expense by more than 10%.

By definition, uncompensated care has a direct effect on individual hospital income. A hospital that provides free care incurs the costs associated with that care while receiving no revenue. Consequently, for every dollar of uncompensated care that is provided, hospital income declines by one dollar.

The increase in uncompensated care was responsible for nearly half of the decline in the statewide operating margin.

If uncompensated care had not increased during FY99, the statewide operating margin would have been 0.59% instead of 0.17%. The increase in uncompensated care during FY99 was responsible for almost half (48.3%) of the decline in statewide operating income and margin.

What is Happening to Hospitals with Negative 3-year Average Total Margins?

The total margin for a single year may not completely reflect the financial health of a hospital. There are numerous factors that can affect a single-year margin, including sudden changes in reimbursement levels from third-party payors, early retirement of obsolete plant and equipment, debt refinancing, and the restructuring of the operations of the hospital. There-

fore, it is useful to observe the average total margin over a number of years.

Tables 7 and 8 list those hospitals that had negative three-year average total margins at the end of FY99. When the revenue and income from all sources during FY97, FY98 and FY99 are compared to expenses during the three-year period, these hospitals lost money.

Table 7 reveals that 10 of the 46 hospitals that had negative three-year average total margins in FY99 had positive three-year average total margins at the end of the prior year (FY98). Five of the hospitals are included on Table 7 because they experienced large declines of more than 8 points in their total margin during FY99 alone. Ironically, three of the hospitals actually experienced an improvement in their total margin during FY99. However, their FY99 margins were lower than their FY96 margins causing their three-year average to decline.

There were thirty-six hospitals that had negative three-year average total margins at both the end of FY98

and the end of FY99. Thirty-one of these 36 hospitals experienced a negative total margin during FY99.

Northeastern Hospital is not included in the count of hospitals with three-year average total margins because it merged into Temple East, Inc. and ceased functioning as a separately licensed facility in FY99. It was included in Table 8 because it merged into a hospital that had a negative three-year average total margin during FY99.

Table 9 lists the seven hospitals that had a negative three-year average total margin during FY98, but improved to a positive three-year average total margin during FY99. Three of the 7 hospitals experienced a decline in total margin during FY99. However, because their performance in FY99 was better than FY96, an increase in the three-year average results.

The tables that follow Table 9 list GAC hospitals by region (see regional map below) and present those measures of financial health analyzed in this report. Statewide and regional averages are included.

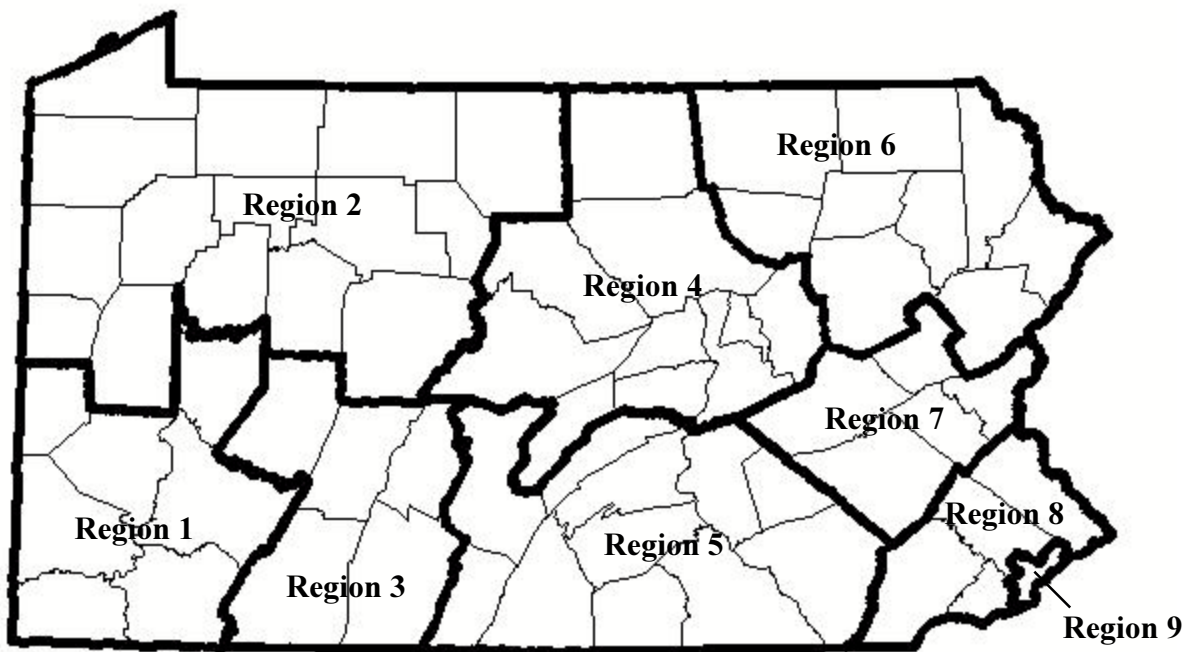


TABLE 7

Hospitals Whose 3-year Average Total Margin Became Negative in FY99

Hospital Name	3-yr Avg Total Margin FY97-FY99	Annual Total Margin			Notes
		FY99	FY98	FY97	
Bloomsburg Hospital	-0.36%	-4.64%	0.17%	3.19%	FY99 increase in operating loss was primarily the result of a 2.3% decline in NPR and a \$398K one-time charge for an early retirement program.
Brandywine Hospital	-1.86%	-10.08%	0.85%	3.26%	The 7.4% decline in NPR during FY99 was a key factor in the sharp decline in total margin. This loss was responsible for a 22.0% decline in net assets during FY99.
Chestnut Hill Hospital	-0.73%	-2.59%	-3.01%	3.59%	After 4 years of positive total margins averaging 2.7% (FY94-97), the hospital experienced losses over the last two years (FY98-99). A healthy FY99 growth in operating revenue (4.0%) was offset by increases in wages, salaries, supplies and "other" expenses.
Jefferson Hospital	-1.68%	-4.97%	-0.81%	0.66%	The sharp increase in the FY99 operating loss is largely the result of a \$7.4 million decline in Medicare revenue, which was partially offset by a \$4.1 million increase in commercial revenue. Although the hospital experienced a \$6.5 million loss (revenue over expenses), net assets increased as a result of a \$10.5 million equity transfer from its parent corporation, South Hills Health System.
Mercy Community	-1.89%	-8.95%	2.05%	0.71%	The sudden deterioration in the FY99 (calendar year 1998) total margin was primarily the result of a 9.6% decline in operating revenue. The FY99 losses caused the deficit in net assets to nearly double to \$5.7 million. The net assets of the parent corporation, Mercy Health System of Southeastern Pennsylvania (MHSSP), fell to a deficit during 1998. MHSSP is a member of Catholic Health East.
Miners Northern Cambria	-0.73%	-2.35%	1.09%	-0.99%	6/24/98 A Central Pennsylvania Health Services Corp. (CPHSC, parent of Altoona Hospital). A \$1 million contribution from CPHSC during FY98 and FY99 have prevented losses from being larger. CPHSC has pledged up to \$9.5 million for operations and capital improvements.
St. Joseph's /Philadelphia	-0.45%	-5.19%	3.35%	0.64%	A large portion of the FY99 operating deficit was the result of a delay in payments by a non-affiliated skilled nursing facility that leases services and staff from the hospital's parent North Philadelphia Health System. The operating deficit caused a 35% reduction in FY99 net assets.
Sunbury Community	-1.88%	-10.17%	-1.56%	5.69%	During FY99, operating revenues declined 1.2% and operating expenses increased by about 7%. Salaries, wages and professional fees accounted for about 46% of the increase in expenses and bad debt expense contributed to about 24% of the increase.

TABLE 7 - CONTINUED

Hospital Name	3-yr Avg Total Margin FY97-FY99	Annual Total Margin			Notes
		FY99	FY98	FY97	
Temple East, Inc	-0.14%	0.64%	-5.50%	2.83%	FY99 total margin reflects the merger of Northeastern and Neumann. FY98 and FY97 total margin reflects only Northeastern.
WVHCS-Hospital, Inc	-2.25%	-10.80%	0.62%	3.30%	Operating revenue fell 4.4% and operating expenses grew 7.0% during FY99. One-time charge of \$12.2 million resulting from an early retirement program was responsible for 41.9% of operating losses and 56.1% of total losses (revenue over expenses). Net assets declined 23.2% during FY99.

Key to Tables 7, 8 and 9

- M** Merged with another facility or health system. No longer operating under a separate license and, consequently, is no longer reporting individual financial data.
- A** Affiliated with another non-profit hospital or health system and still operating under a separate license.
- P** Purchased by a for-profit health system and still operates under a separate license.
- NA** Data not applicable.
- C11B** Hospital filed for Chapter 11 Bankruptcy.

TABLE 8

Hospitals Whose 3-year Average Total Margin Remained Negative in FY99

Hospital Name	3-yr Avg Total Margin FY97-FY99	Annual Total Margin			Notes
		FY99	FY98	FY97	
Brookville Hospital	-0.62%	-1.02%	-1.02%	0.17%	While the 4% decline in FY99 operating expenses was greater than the decline in operating revenue, the hospital experienced a negative operating margin for four straight years. Losses have not had a significant effect on net assets.
Chester County Hospital	-1.93%	-3.13%	-2.69%	0.16%	FY99 operating revenue was up 4.8% but expenses grew more for second straight deficit. Wages, salaries and bad debt expenses were primary contributors to the increase in operating expenses. Net assets have been relatively unaffected.
Citizens General Hospital	-4.20%	-1.41%	-9.59%	-1.75%	The improvement in the FY99 total margin is largely the result of the growth in investment income and a 1.9% reduction in operating expenses.
City Avenue Hospital	-25.44%	-20.13%	-27.46%	-24.84%	11/11/98 P by Tenet Healthcare Corporation, a national for-profit owner/operator of healthcare facilities, following the bankruptcy of AHERF. Since the FY99 data reflects less than six months of operation by the new owner following a bankruptcy, it is too soon to assess financial performance. The facility was closed by Tenet on 4/3/00. (FY98 and FY97 data includes Parkview)
Community Hospital of Lancaster	-6.19%	-17.69%	-3.84%	1.44%	7/1/99 P by Health Management Associates, Inc. a national for-profit owner/operator of health care facilities.
Delaware Valley Medical Center	-16.68%	-32.88%	-11.83%	-12.93%	3/9/99 C11B and A by Frankford Hospital following bankruptcy on 12/29/98. FY99 margin reflects only the 8 months of operation prior to the affiliation with Frankford.
Elk County Regional Medical Center	-15.86%	-23.99%	-19.33%	-7.87%	FY00 M with St. Marys Regional Medical Center. During FY99, operating revenue fell by 27.4% and operating expenses fell by 24.6%. Net assets fell to a deficiency of \$2.4 million.
Elkins Park Hospital	-12.99%	-12.00%	-26.44%	-2.12%	11/11/98 P by Tenet Healthcare Corporation, a national for-profit owner/operator of healthcare facilities, following the bankruptcy of AHERF. Since the FY99 data reflects less than six months of operation by the new owner following a bankruptcy, it is too soon to assess financial performance.
Episcopal Hospital	-19.77%	-3.32%	-11.89%	-41.41%	Total deficit (revenues over expenses) improved by 74% during FY99 primarily as a result of a 23.4% decline in salary and wage expenses. The FY99 total margin would be near zero if a one-time asset impairment (depreciation) adjustment had not been made. Net assets have decline 43.6% over the past two years (FY98-99).

TABLE 8 - CONTINUED

Hospital Name	3-yr Avg Total Margin FY97-FY99	Annual Total Margin			Notes
		FY99	FY98	FY97	
Germantown Hospital & Community	-4.77%	-7.80%	-1.12%	-5.00%	FY00 M Albert Einstein Medical Center. FY99 operating revenue increased by 7.4% while operating expenses grew by 15.8%; consequently operating margin fell from (3.52%) in FY98 to (11.63%) in FY99. However, as a result of restricted investment income, net assets remained almost unchanged during FY99.
Graduate Hospital	-10.53%	-9.56%	-8.63%	-12.86%	11/11/98 P by Tenet Healthcare Corporation, a national for-profit owner/operator of healthcare facilities, following the bankruptcy of AHERF. Since the FY99 data reflects less than six months of operation by the new owner following a bankruptcy, it is too soon to assess financial performance.
Hahnemann University Hospital	-5.43%	-2.14%	-11.86%	-0.85%	11/11/98 P by Tenet Healthcare Corporation, a national for-profit owner/operator of healthcare facilities, following the bankruptcy of AHERF. Since the FY99 data reflects less than six months of operation by the new owner following a bankruptcy, it is too soon to assess financial performance.
Highlands Hospital	-3.89%	-2.07%	-3.01%	-6.63%	Small improvement in FY99 operating and total margins are primarily the result of a 4.1% increase in operating revenues compared to a 3.2% increase in operating expenses.
Jersey Shore Hospital	-0.64%	-2.86%	-2.44%	3.51%	Although losses have been relatively moderate, net assets have declined by 12.3% over the past two years (FY98 and FY99).
Magee-Womens Hospital	-0.08%	0.02%	-0.53%	0.25%	7/1/99 A UPMC
Medical College of PA	-8.47%	-10.12%	-21.19%	2.97%	11/11/98 P by Tenet Healthcare Corporation, a national for-profit owner/operator of healthcare facilities, following the bankruptcy of AHERF. Hospital reported an average total margin of 2.62% in the four years prior to FY98 (FY94-FY97). Since the FY99 data reflects less than six months of operation by the new owner following a bankruptcy, it is too soon to assess financial performance.
Mercy Providence Hospital	-5.13%	-9.15%	0.30%	-6.86%	FY99 (98 calendar year) decline in the operating and total margins were primarily the result in a 10.5% decline in operating revenues. These losses resulted in an 83.0% decline in net assets during FY99. However, the net assets of the parent corporation, Pittsburgh Mercy Health System experienced only a slight decline during the year.

TABLE 8 - CONTINUED

Hospital Name	3-yr Avg Total Margin FY97-FY99	Annual Total Margin			Notes
		FY99	FY98	FY97	
Metro Health Center	-6.41%	-9.59%	-9.62%	-0.39%	FY99 operating expenses declined 5.9% against relatively flat revenues resulting in an improvement in operation margin from -17.0% in FY98 to -10.2% in FY99. However, total margin did not change and net assets have declined 41.8% over the past two years (FY98-FY99).
Meyersdale Community Hospital	-5.73%	-4.43%	-6.48%	-6.43%	FY99 operating revenue increased 11.2% and operating expenses increased 8.6% resulting in a small decline in the operating and total deficits (revenue over expenses). A \$0.6 million transfer from its affiliate, Conemaugh Health System enabled the hospital to preserve its net assets.
Mid-Valley Hospital	-3.81%	-6.08%	-4.30%	-0.95%	The decline in the FY99 total and operating margins are primarily the result of a 1.6% growth in operating revenue against a 3.2% growth in operating expenses.
Monsour Medical Center	-10.63%	-15.08%	-5.87%	-11.30%	FY99 operating revenue fell by 8.2%, expenses remained unchanged, and the total deficit (revenue over expenses) grew by 135.7%. Net assets fell to a deficiency of \$23.0 million. The deficiency in net assets is greater than the FY99 operating revenue.
Northeastern Hospital	NA	NA	4.16%	1.11%	7/1/99 M into Temple East.
Pennsylvania Hospital, UPHS	-21.72%	-0.68%	-8.53%	-63.02%	Improvement in the FY99 operating and total margin is largely the result of an 18.4% increase in operating revenue compared to an 8.8% increase in operating expenses.
Philipsburg Area Hospital	-3.96%	0.82%	-14.39%	0.53%	Operating revenue increased 10.8% and operating expenses declined 5.2%, which resulted in a positive operating margin for FY99. The FY98 loss was caused by a 33.4% decline in net assets.
Roxborough Memorial Hospital	-4.76%	-7.44%	-4.44%	-2.60%	FY99 operating revenue fell by 5.3% and expenses declined by 2.5%. Therefore, the total deficit (revenue over expenses) grew by 58.8%. While the hospital has a deficit of unrestricted net assets of \$2.6 million, its restricted net assets grew to \$30.1 million as a result of restricted investment gains.
Southern Chester County Medical	-3.38%	-4.81%	-10.62%	5.31%	The improvement in the FY99 total margin is largely the result of an increase in "other operating revenue" and the sale of properties.

TABLE 8 - CONTINUED

Hospital Name	3-yr Avg Total Margin FY97-FY99	Annual Total Margin			Notes
		FY99	FY98	FY97	
St. Christopher's Hospital for Children	-3.68%	3.62%	-17.02%	4.95%	11/11/98 P by Tenet Healthcare Corporation, a national for-profit owner/operator of healthcare facilities, following the bankruptcy of AHERF. St. Christopher's consistently reported strong annual performance prior to FY98. Since the FY99 data reflects less than six months of operation by the new owner following a bankruptcy, it is too soon to assess financial performance.
St. Joseph Hospital /Lancaster	-17.82%	-45.17%	-9.82%	0.04%	FY99 operating revenue fell 3.8% and expenses grew by 24.0%. Large negative operating and total margins are the result of a \$20.4 million restructuring expense (depreciation adjustment) which was equal to 20.2% of operating expenses. Net assets fell to a deficiency of \$0.8 million. The hospital is an affiliate of Catholic Health Initiatives.
St. Luke's Quakertown Hospital	-5.00%	-7.28%	-5.40%	-2.39%	FY99 operating revenue declined by 2.7% and operating expenses remained unchanged resulting in a further deterioration in operating and total margins. The deficiency in net assets increased by 37.7% to \$4.9 million during FY99.
Suburban General /Pittsburgh	-4.10%	-3.22%	-7.54%	-1.67%	Small increase in operating revenue and a small decrease in operating expenses resulted in a 30.8% decrease in the operating deficit during FY99.
Temple Lower Bucks Hospital	-2.93%	-3.69%	-1.41%	-3.70%	Without Medicare depreciation recapture, FY98 total margin would have been about 6.0%.
Troy Community Hospital	-8.04%	-12.02%	-6.01%	-6.31%	FY99 operating revenue fell by 5.3%, operating expenses remained constant and the total loss (revenue over expenses) nearly doubled. A \$2.2 million transfer from the parent corporation, the Guthrie Healthcare System, prevented a deficiency of net assets.
Union City Memorial Hospital	-1.60%	-2.49%	-0.68%	-1.65%	FY99 loss (revenues over expenses) only resulted in a 5.6% decline in net assets.
UPMC, Beaver Valley	-2.23%	-6.65%	3.73%	-3.64%	Sharp decline in total margin is the result of a 14.2% increase in operating expenses against a 3.1% increase in operating revenue. Largest factor in the growth in expenses was a 13.7% growth in salaries, professional fees and employee benefits.
UPMC, McKeesport	-0.11%	5.27%	-8.53%	2.62%	Hospital has a small, negative 3-year average total margin because of large loss during FY98, the first year following affiliation with the UPMC system. Hospital had a healthy total margin in FY99.

TABLE 8 - CONTINUED

Hospital Name	3-yr Avg Total Margin FY97-FY99	Annual Total Margin			Notes
		FY99	FY98	FY97	
Warminster Hospital	-7.48%	1.29%	-26.59%	5.46%	11/11/98 P by Tenet Healthcare Corporation, a national for-profit owner/operator of healthcare facilities, following the bankruptcy of AHERF. Since the FY99 data reflects less than six months of operation by the new owner following a bankruptcy, it is too soon to assess financial performance.
Wayne Memorial Hospital	-1.13%	-1.32%	-3.57%	1.58%	While operating revenue increased 10.6% during FY99, operating expenses also kept pace giving the hospital its third consecutive loss. Expense categories with the largest growth were "supplies and expenses" and bad debt expense.

TABLE 9

Hospitals Whose 3-year Average Total Margin was Negative in FY98 and Became Positive in FY99

Hospital Name	3-yr Avg Total Margin FY97-FY99	Annual Total Margin			Notes
		FY99	FY98	FY97	
Children's Hospital of Pittsburgh	0.42%	5.23%	2.53%	-7.68%	Improvement in the FY99 total margin is largely the result of a 8.4% increase in operating revenue against a 3.5% increase in expenses.
Fulton County Medical Center	1.59%	4.68%	1.03%	-1.70%	While the hospital experienced a healthy total margin during FY99, unrestricted net assets declined as a result of an equity transfer to offset losses at a pediatric and obstetric care affiliate.
Miners Memorial Medical Center	3.70%	7.07%	15.57%	-14.57%	Excluding the effect of Medicare settlements booked in FY98, operating and total margins actually improved during FY99. Over the past two fiscal years (FY98-FY99), net assets have increased from a deficit of \$2.9 million to a positive balance of \$3.2 million.
Nazareth Hospital	1.15%	2.01%	0.02%	1.39%	FY99 is the third consecutive year of positive operating and total margins. Net assets have improved from a deficit of \$2.6 million to a deficit of \$0.6 million during FY99.
St. Agnes Medical Center	3.84%	-3.74%	13.41%	0.32%	FY98 operating and total margins were bolstered by a Medicare depreciation recapture adjustment.
Titusville Area Hospital	1.14%	3.96%	-0.31%	-0.41%	FY99 improvement in operating and total margins primarily is the result of a 5.4% increase in operating revenue against almost no change in operating expenses.
UPMC, Braddock	0.36%	1.04%	3.55%	-3.80%	FY99 total margin fell because operating revenue increased by 1.9% and operating expenses grew 4.5%. The largest contributor to the change in expenses was bad debt expense which increased 33% during FY99.

The following hospitals with negative 3-year average total margins in FY98 did not submit financial data for FY99:

Allegheny General Hospital
Allegheny University Hospitals, Forbes Regional
Allegheny University Hospitals, Canonsburg
John F. Kennedy Memorial Hospital
Mercy Suburban Hospital

Hospital	Net Patient Revenue NPR (million)				3-yr Avg Change in NPR FY96-FY99	Total Operating Expenses TOE (million)				3-yr Avg Change in TOE FY96-FY99
	FY99	FY98	FY97	FY96		FY99	FY98	FY97	FY96	
Region 1 Average	\$ 108	\$ 106	\$ 104	\$ 103	1.36%	\$ 114	\$ 114	\$ 109	\$ 108	1.82%
Allegheny General ^{6, 7, 19}	NR	\$450	\$441	\$395	NR	NR	\$543	\$466	\$430	NR
AUH, Forbes Regional ^{6, 19}	NR	\$97	\$99	\$100	NR	NR	\$113	\$99	\$99	NR
AUMC, Allegheny Valley ^{6, 19}	NR	\$68	\$76	\$72	NR	NR	\$83	\$71	\$72	NR
AUMC, Canonsburg ^{6, 19}	NR	\$28	\$27	\$28	NR	NR	\$33	\$28	\$28	NR
Armstrong County Memorial ^{6, 7}	\$51	\$48	\$46	\$45	4.33%	\$51	\$49	\$47	\$46	3.84%
Brownsville General ⁶	\$20	\$20	\$21	\$20	1.32%	\$21	\$21	\$21	\$19	2.56%
Butler Memorial ^{6, 17}	\$76	\$69	\$67	\$68	3.84%	\$75	\$68	\$70	\$72	1.24%
Children's Hospital of Pittsburgh	\$169	\$161	\$142	\$154	3.38%	\$197	\$191	\$188	\$184	2.41%
Citizens General ⁶	\$39	\$39	\$39	\$38	0.46%	\$45	\$46	\$43	\$42	2.52%
Frick Hospital ^{6, 7, 17}	\$40	\$41	\$42	\$41	-0.62%	\$42	\$42	\$41	\$40	1.43%
Greene County Memorial ^{6, 7, 17}	\$23	\$22	\$23	\$21	2.34%	\$26	\$24	\$24	\$23	2.98%
Highlands Hospital ^{6, 17}	\$19	\$18	\$18	\$19	-0.19%	\$20	\$19	\$20	\$19	0.67%
Jeannette District Memorial ⁶	\$36	\$35	\$37	\$37	-1.56%	\$37	\$36	\$37	\$37	-0.15%
Jefferson Hospital ^{6, 7}	\$124	\$129	\$127	\$127	-0.68%	\$136	\$136	\$131	\$130	1.59%
Latrobe Area ^{6, 7, 17}	\$104	\$107	\$99	\$98	2.00%	\$105	\$103	\$95	\$91	5.02%
Magee-Womens ^{14, 16}	\$121	\$111	\$110	\$114	2.21%	\$146	\$136	\$135	\$134	3.04%
Medical Center, Beaver, PA ^{6, 7}	\$143	\$144	\$142	\$139	0.87%	\$146	\$147	\$146	\$137	2.27%
Mercy of Pittsburgh ^{1, 6, 7, 17}	\$215	\$214	\$211	\$222	-1.18%	\$228	\$220	\$220	\$225	0.52%
Mercy Providence ^{1, 6}	\$25	\$28	\$29	\$22	5.29%	\$28	\$28	\$32	\$25	3.79%
Monongahela Valley ⁶	\$77	\$76	\$72	\$72	2.03%	\$77	\$75	\$72	\$72	2.13%
Monsour Medical Center ^{6, 7, 17}	\$20	\$22	\$23	\$20	0.54%	\$24	\$24	\$26	\$23	1.22%
Ohio Valley General ^{6, 17}	\$39	\$42	\$41	\$44	-3.91%	\$43	\$43	\$43	\$46	-2.35%
Sewickley Valley ^{6, 7, 17}	\$81	\$82	\$86	\$81	-0.14%	\$88	\$89	\$89	\$86	0.73%
St Clair Memorial ^{6, 17}	\$95	\$91	\$90	\$82	5.25%	\$100	\$94	\$90	\$84	6.48%
St Francis Central ^{6, 17}	\$38	\$41	\$39	\$40	-1.58%	\$46	\$43	\$39	\$40	4.58%
St Francis Medical Center ^{6, 19}	NR	\$168	\$169	\$171	NR	NR	\$202	\$193	\$191	NR
Suburban General /Pittsburgh ⁶	\$27	\$27	\$28	\$29	-2.55%	\$30	\$31	\$31	\$30	-0.24%
Uniontown Hospital ^{6, 7, 17}	\$72	\$73	\$73	\$64	4.36%	\$71	\$73	\$72	\$63	4.39%
UPMC, Beaver Valley ^{6, 17}	\$36	\$34	\$34	\$35	0.64%	\$42	\$37	\$39	\$41	0.56%
UPMC, Braddock ^{6, 17}	\$41	\$40	\$37	\$40	0.48%	\$42	\$40	\$40	\$44	-1.25%
UPMC, McKeesport ^{6, 17}	\$72	\$71	\$79	\$80	-3.11%	\$72	\$81	\$80	\$81	-3.80%
UPMC, Passavant ¹⁷	\$90	\$83	\$80	\$79	4.74%	\$87	\$81	\$79	\$79	3.46%
UPMC, Presbyterian ^{6, 17}	\$709	\$661	\$658	\$678	1.50%	\$692	\$690	\$675	\$715	-1.08%
UPMC, Shadyside ^{6, 17}	\$246	\$214	\$206	\$204	6.93%	\$243	\$216	\$210	\$206	6.04%
UPMC, South Side ^{6, 17}	\$37	\$40	\$37	\$39	-1.61%	\$37	\$37	\$36	\$41	-2.98%
UPMC, St Margaret ^{6, 17}	\$83	\$80	\$82	\$82	0.12%	\$86	\$83	\$87	\$87	-0.30%
Washington Hospital ^{6, 7}	\$131	\$131	\$132	\$121	2.63%	\$135	\$136	\$128	\$120	4.24%
Western Pennsylvania ^{6, 7, 17}	\$209	\$209	\$207	\$209	0.07%	\$227	\$217	\$209	\$210	2.70%
Westmoreland Regional ^{6, 7, 17}	\$106	\$104	\$103	\$103	1.12%	\$107	\$102	\$100	\$104	1.07%

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Hospital	Operating Margin FY99	Total Margin FY99	3-yr Average Total Margin FY97-FY99	Uncompensated Care to NPR FY99	Medicare Share of NPR FY99	Medical Assistance Share of NPR FY99
Region 1 Average	2.16%	3.41%	3.24%	4.21%	50.26%	7.61%
Allegheny General ^{6, 7, 19}	NR	NR	NR	NR	46.22%	6.22%
AUH, Forbes Regional ^{6, 19}	NR	NR	NR	NR	48.11%	4.92%
AUMC, Allegheny Valley ^{6, 19}	NR	NR	NR	NR	58.56%	4.23%
AUMC, Canonsburg ^{6, 19}	NR	NR	NR	NR	56.22%	1.99%
Armstrong County Memorial ^{6, 7}	1.69%	3.61%	2.61%	4.56%	53.81%	6.43%
Brownsville General ⁶	-1.47%	0.08%	0.04%	2.84%	64.35%	6.69%
Butler Memorial ^{6, 17}	3.89%	7.43%	6.16%	3.05%	NR	NR
Children's Hospital of Pittsburgh	4.31%	5.23%	0.42%	2.63%	0.26%	27.76%
Citizens General ⁶	-13.94%	-1.41%	-4.20%	5.01%	66.85%	3.91%
Frick Hospital ^{6, 7, 17}	-1.12%	-1.12%	1.66%	4.76%	66.29%	8.77%
Greene County Memorial ^{6, 7, 17}	-3.85%	-1.34%	2.05%	4.84%	61.83%	5.42%
Highlands Hospital ^{6, 17}	-2.07%	-2.07%	-3.89%	5.53%	58.37%	17.61%
Jeannette District Memorial ⁶	-1.41%	3.63%	8.37%	2.89%	58.34%	6.09%
Jefferson Hospital ^{6, 7}	-5.25%	-4.97%	-1.68%	2.71%	67.24%	5.08%
Latrobe Area ^{6, 7, 17}	2.94%	6.25%	9.35%	4.23%	53.62%	8.72%
Magee-Womens ^{14, 16}	0.02%	0.02%	-0.08%	3.51%	NR	NR
Medical Center, Beaver, PA ^{6, 7}	-0.43%	1.43%	6.48%	4.97%	52.12%	4.41%
Mercy of Pittsburgh ^{1, 6, 7, 17}	-1.69%	-0.90%	0.78%	6.12%	58.44%	8.52%
Mercy Providence ^{1, 6}	-10.21%	-9.15%	-5.13%	10.17%	62.33%	15.65%
Monongahela Valley ⁶	1.36%	4.46%	5.21%	2.84%	70.08%	7.93%
Monsour Medical Center ^{6, 7, 17}	-15.08%	-15.08%	-10.63%	2.56%	47.13%	27.93%
Ohio Valley General ^{6, 17}	-5.74%	0.78%	3.75%	5.68%	62.37%	2.96%
Sewickley Valley ^{6, 7, 17}	3.26%	5.16%	8.82%	2.15%	49.34%	2.04%
St Clair Memorial ^{6, 17}	1.34%	4.36%	4.13%	3.29%	NR	NR
St Francis Central ^{6, 17}	-7.98%	-7.98%	1.01%	12.32%	50.78%	8.52%
St Francis Medical Center ^{6, 19}	NR	NR	NR	NR	NR	10.62%
Suburban General /Pittsburgh ⁶	-6.84%	-3.22%	-4.10%	2.26%	73.96%	2.46%
Uniontown Hospital ^{6, 7, 17}	2.86%	5.49%	5.51%	4.10%	60.38%	11.01%
UPMC, Beaver Valley ^{6, 17}	-6.65%	-6.65%	-2.23%	2.87%	NR	NR
UPMC, Braddock ^{6, 17}	1.04%	1.04%	0.36%	7.41%	NR	NR
UPMC, McKeesport ^{6, 17}	5.27%	5.27%	-0.11%	3.43%	NR	NR
UPMC, Passavant ¹⁷	6.99%	6.99%	4.26%	2.79%	55.11%	1.13%
UPMC, Presbyterian ^{6, 17}	12.85%	12.85%	9.41%	3.01%	NR	NR
UPMC, Shadyside ^{6, 17}	10.34%	10.34%	9.66%	3.49%	NR	NR
UPMC, South Side ^{6, 17}	9.46%	9.46%	11.20%	4.28%	NR	NR
UPMC, St Margaret ^{6, 17}	6.78%	6.78%	6.67%	1.53%	59.98%	1.88%
Washington Hospital ^{6, 7}	0.47%	3.60%	5.09%	3.19%	50.22%	6.46%
Western Pennsylvania ^{6, 7, 17}	0.98%	0.98%	3.22%	NR	48.76%	8.40%
Westmoreland Regional ^{6, 7, 17}	2.18%	6.07%	9.30%	3.74%	52.60%	5.15%

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Hospital	Net Patient Revenue NPR (million)				3-yr Avg Change in NPR FY96-FY99	Total Operating Expenses TOE (million)				3-yr Avg Change in TOE FY96-FY99
	FY99	FY98	FY97	FY96		FY99	FY98	FY97	FY96	
Region 2 Average	\$ 42	\$ 43	\$ 42	\$ 41	2.06%	\$ 44	\$ 44	\$ 42	\$ 41	3.10%
Bradford Regional Med Ctr ^{6, 7, 17}	\$42	\$41	\$40	\$39	2.28%	\$45	\$43	\$43	\$40	4.39%
Brookville Hospital ⁷	\$21	\$21	\$21	\$22	-1.41%	\$21	\$22	\$22	\$22	-0.93%
Charles Cole Memorial ^{6, 7, 17}	\$36	\$34	\$29	\$26	13.07%	\$37	\$34	\$29	\$26	14.49%
Clarion Hospital ^{6, 17}	\$29	\$27	\$26	\$23	9.17%	\$30	\$27	\$26	\$24	7.85%
Clearfield Hospital ^{6, 7, 17}	\$41	\$46	\$46	\$44	-2.32%	\$45	\$47	\$45	\$43	1.72%
Corry Memorial ^{6, 7}	\$14	\$14	\$12	\$12	6.50%	\$15	\$14	\$13	\$11	9.86%
DuBois Regional Med Ctr ^{6, 7}	\$78	\$75	\$69	\$67	5.45%	\$75	\$72	\$67	\$63	6.82%
Elk County Regional Med ^{6, 14, 17}	\$6	\$8	\$10	\$10	-14.45%	\$8	\$10	\$11	\$11	-9.71%
Ellwood City ^{6, 7, 17}	\$23	\$21	\$22	\$22	2.05%	\$25	\$23	\$22	\$21	5.01%
Hamot Medical Center ^{6, 7}	\$142	\$140	\$140	\$137	1.22%	\$144	\$143	\$138	\$136	2.04%
Jameson Memorial ^{6, 19}	\$57	\$59	\$59	\$60	-1.81%	\$62	\$63	\$64	\$62	0.32%
Kane Community ⁷	\$9	\$10	\$9	\$8	4.60%	\$9	\$9	\$9	\$9	3.62%
Meadville Medical Center ^{6, 7}	\$64	\$65	\$64	\$63	0.88%	\$68	\$68	\$64	\$63	3.01%
Metro Health Center ⁶	\$18	\$18	\$19	\$20	-3.34%	\$20	\$21	\$20	\$20	-0.76%
Millcreek Community ¹⁷	\$21	\$22	\$22	\$21	0.17%	\$20	\$20	\$19	\$19	0.76%
Northwest Medical Center ⁶	\$60	\$60	\$63	\$62	-0.65%	\$62	\$62	\$63	\$61	0.51%
Punxsutawney Area ^{6, 7, 17}	\$19	\$19	\$19	\$18	2.47%	\$20	\$19	\$18	\$17	4.64%
Sharon Regional Health ^{6, 7, 17}	\$79	\$72	\$71	\$67	6.04%	\$81	\$74	\$70	\$67	6.52%
St Francis - Cranberry ^{6, 19}	NR	NA	NA	NA	NR	NR	NA	NA	NA	NR
St Francis of New Castle ^{6, 19}	NR	\$35	\$32	\$31	NR	NR	\$37	\$34	\$33	NR
St Marys Regional MC ^{6, 14, 17}	\$34	\$33	\$31	\$28	6.59%	\$34	\$31	\$30	\$28	6.75%
Saint Vincent Health Ctr ^{6, 7, 8}	\$148	\$142	\$143	\$142	1.35%	\$148	\$142	\$144	\$142	1.39%
Titusville Area ^{6, 7}	\$22	\$21	\$20	\$21	1.96%	\$21	\$21	\$21	\$22	-1.05%
Union City Memorial ¹⁷	\$5	\$5	\$5	\$4	4.74%	\$5	\$5	\$5	\$5	2.08%
United Community ^{6, 7, 17}	\$26	\$26	\$25	\$25	2.01%	\$25	\$25	\$25	\$25	0.40%
UPMC, Horizon ^{6, 17}	\$69	\$70	\$71	\$77	-3.45%	\$72	\$70	\$71	\$76	-1.72%
Warren General ^{6, 7}	\$34	\$32	\$29	\$28	6.64%	\$35	\$33	\$31	\$30	5.53%

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Hospital	Operating Margin FY99	Total Margin FY99	3-yr Average Total Margin FY97-FY99	Uncompensated Care to NPR FY99	Medicare Share of NPR FY99	Medical Assistance Share of NPR FY99
Region 2 Average	-0.13%	1.38%	3.29%	3.52%	49.77%	8.74%
Bradford Regional Med Ctr ^{6, 7, 17}	-3.47%	-2.00%	0.25%	2.46%	NR	NR
Brookville Hospital ⁷	-2.48%	-1.02%	-0.62%	2.52%	55.72%	4.83%
Charles Cole Memorial ^{6, 7, 17}	3.36%	3.36%	4.08%	3.26%	NR	NR
Clarion Hospital ^{6, 17}	1.07%	3.62%	5.61%	3.21%	NR	6.19%
Clearfield Hospital ^{6, 7, 17}	-5.59%	-5.59%	1.98%	4.41%	NR	NR
Corry Memorial ^{6, 7}	-5.68%	-4.43%	0.27%	4.10%	50.72%	6.55%
DuBois Regional Med Ctr ^{6, 7}	3.77%	6.77%	7.44%	2.30%	46.06%	8.55%
Elk County Regional Med Ctr ^{6, 14, 17}	-23.99%	-23.99%	-15.86%	2.38%	55.64%	7.47%
Ellwood City ^{6, 7, 17}	-4.74%	5.02%	13.14%	6.18%	58.64%	1.70%
Hamot Medical Center ^{6, 7}	0.42%	2.48%	2.82%	2.58%	46.71%	7.87%
Jameson Memorial ^{6, 19}	-4.05%	-2.47%	0.36%	2.69%	NR	NR
Kane Community ⁷	0.68%	1.81%	5.19%	2.90%	58.87%	2.65%
Meadville Medical Center ^{6, 7}	-2.74%	-2.33%	2.43%	3.17%	52.42%	11.45%
Metro Health Center ⁶	-10.21%	-9.59%	-6.41%	5.25%	49.86%	13.28%
Millcreek Community ¹⁷	8.35%	15.73%	17.86%	5.66%	45.38%	12.98%
Northwest Medical Center ⁶	-0.94%	0.77%	1.26%	3.31%	50.93%	5.54%
Punxsutawney Area ^{6, 7, 17}	-2.05%	-0.43%	4.48%	5.73%	52.90%	10.29%
Sharon Regional Health ^{6, 7, 17}	3.87%	5.21%	6.26%	2.74%	52.92%	9.28%
St Francis - Cranberry ^{6, 19}	NR	NR	NA	NR	NR	19.67%
St Francis of New Castle ^{6, 19}	NR	NR	NR	NR	NR	NR
St Marys Regional MC ^{6, 14, 17}	3.56%	3.56%	5.52%	9.69%	63.65%	23.59%
Saint Vincent Health Ctr ^{6, 7, 8}	2.23%	1.38%	2.47%	3.05%	49.76%	5.79%
Titusville Area ^{6, 7}	3.27%	3.96%	1.14%	3.14%	50.70%	7.81%
Union City Memorial ¹⁷	-4.22%	-2.49%	-1.60%	4.81%	NR	NR
United Community ^{6, 7, 17}	5.79%	10.29%	8.12%	4.61%	50.16%	4.11%
UPMC, Horizon ^{6, 17}	-3.88%	-2.03%	1.86%	3.36%	NR	NR
Warren General ^{6, 7}	-4.15%	-1.73%	0.45%	5.31%	43.97%	6.09%

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Hospital	Net Patient Revenue NPR (million)				3-yr Avg Change in NPR FY96-FY99	Total Operating Expenses TOE (million)				3-yr Avg Change in TOE FY96-FY99
	FY99	FY98	FY97	FY96		FY99	FY98	FY97	FY96	
Region 3 Average	\$ 50	\$ 49	\$ 46	\$ 45	0.84%	\$ 52	\$ 51	\$ 46	\$ 45	2.43%
Altoona Hospital ^{6, 17}	\$134	\$128	\$127	\$120	3.84%	\$135	\$128	\$125	\$117	5.21%
Bon Secours Holy ^{1, 6, 17, 18}	\$54	\$38	NA	\$45	6.37%	\$55	\$39	NA	\$47	5.49%
Conemaugh Valley ^{6, 7, 11, 17}	\$168	\$182	\$161	\$144	5.60%	\$189	\$198	\$163	\$141	11.16%
Indiana Hospital ^{6, 17}	\$55	\$55	\$53	\$56	-0.27%	\$56	\$53	\$52	\$56	-0.30%
Meyersdale Community ¹⁷	\$5	\$5	\$4	\$5	2.92%	\$6	\$5	\$5	\$5	3.49%
Miners of Northern Cambria ¹⁷	\$10	\$10	\$11	\$11	-2.80%	\$12	\$12	\$11	\$11	2.65%
Nason Hospital ⁷	\$14	\$15	\$14	\$14	0.31%	\$15	\$15	\$14	\$14	2.51%
Somerset Center for Health ^{6, 7}	\$38	\$36	\$36	\$38	0.02%	\$37	\$36	\$35	\$36	0.88%
Tyrone Hospital ¹⁷	\$9	\$10	\$10	\$10	-2.56%	\$10	\$10	\$10	\$10	-0.84%
UPMC, Bedford ¹⁷	\$20	\$20	\$19	\$19	0.98%	\$20	\$20	\$18	\$20	1.16%
UPMC, Lee Regional ^{6, 17}	\$74	\$72	\$72	\$72	0.85%	\$78	\$75	\$73	\$74	2.06%
Windber Medical Center ⁷	\$18	\$18	\$17	\$15	5.41%	\$20	\$19	\$16	\$16	10.08%

Hospital	Net Patient Revenue NPR (million)				3-yr Avg Change in NPR FY96-FY99	Total Operating Expenses TOE (million)				3-yr Avg Change in TOE FY96-FY99
	FY99	FY98	FY97	FY96		FY99	FY98	FY97	FY96	
Region 4 Average	\$ 43	\$ 43	\$ 44	\$ 43	0.21%	\$ 45	\$ 46	\$ 44	\$ 44	1.51%
Berwick Hospital Center ^{5, 6, 7, 17}	\$19	\$30	\$30	\$28	NA	\$23	\$30	\$28	\$27	NA
Bloomsburg Hospital ^{6, 17}	\$25	\$25	\$26	\$25	-0.57%	\$27	\$27	\$26	\$26	1.72%
Bucktail Medical Center ^{6, 17}	\$3	\$3	\$3	\$3	2.83%	\$3	\$3	\$3	\$3	4.03%
Centre Community ⁶	\$61	\$64	\$61	\$63	-1.06%	\$60	\$61	\$59	\$59	0.56%
Divine Providence /Williamsport ⁶	\$34	\$42	\$47	\$45	-8.26%	\$41	\$48	\$50	\$47	-4.75%
Evangelical Community ^{6, 7}	\$54	\$50	\$45	\$42	9.29%	\$53	\$48	\$44	\$43	7.53%
Geisinger Medical Ctr /Danville ⁶	\$229	\$220	\$234	\$237	-1.17%	\$250	\$250	\$241	\$241	1.23%
Jersey Shore ¹⁶	\$12	\$12	\$12	\$11	5.79%	\$13	\$13	\$12	\$11	5.19%
Lewistown Hospital ^{6, 7}	\$46	\$47	\$49	\$47	-0.23%	\$46	\$46	\$47	\$49	-2.07%
Lock Haven ^{6, 17}	\$23	\$22	\$23	\$22	2.60%	\$24	\$23	\$23	\$22	3.01%
Muncy Valley ⁶	\$18	\$17	\$16	\$14	7.37%	\$18	\$18	\$17	\$15	7.24%
Philipsburg Area ^{6, 17}	\$14	\$13	\$15	\$13	3.10%	\$14	\$15	\$15	\$13	3.26%
Shamokin Area Community ⁶	\$15	\$15	\$14	\$13	4.86%	\$16	\$14	\$14	\$13	5.81%
Soldiers & Sailors Memorial ⁶	\$24	\$23	\$22	\$22	3.51%	\$24	\$24	\$22	\$23	1.14%
Sunbury Community ^{6, 17}	\$21	\$21	\$22	\$21	-0.54%	\$25	\$23	\$23	\$22	4.63%
Williamsport Medical Center ⁶	\$94	\$88	\$87	\$83	4.66%	\$91	\$86	\$85	\$81	4.17%

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Hospital	Operating Margin FY99	Total Margin FY99	3-yr Average Total Margin FY97-FY99	Uncompensated Care to NPR FY99	Medicare Share of NPR FY99	Medical Assistance Share of NPR FY99
Region 3 Average	-2.04%	2.98%	5.64%	3.34%	51.98%	6.84%
Altoona Hospital ^{6, 17}	1.72%	5.85%	10.23%	2.73%	49.54%	7.33%
Bon Secours Holy ^{1, 6, 17, 18}	2.97%	3.19%	NA	2.78%	NR	NR
Conemaugh Valley ^{6, 7, 11, 17}	-8.35%	0.94%	4.69%	4.18%	54.14%	6.17%
Indiana Hospital ^{6, 17}	0.65%	6.27%	11.00%	4.26%	50.22%	7.47%
Meyersdale Community ¹⁷	-6.13%	-4.43%	-5.73%	6.48%	54.75%	4.75%
Miners of Northern Cambria ¹⁷	-4.27%	-2.35%	-0.73%	5.66%	NR	NR
Nason Hospital ⁷	1.42%	3.36%	5.73%	2.75%	50.46%	4.21%
Somerset Center for Health ^{6, 7}	3.37%	5.99%	5.54%	3.49%	47.92%	9.67%
Tyrone Hospital ¹⁷	-2.66%	4.93%	7.01%	6.53%	40.38%	6.93%
UPMC, Bedford ¹⁷	0.28%	2.44%	3.29%	3.01%	40.51%	9.34%
UPMC, Lee Regional ^{6, 17}	-2.54%	0.62%	2.27%	1.49%	NR	NR
Windber Medical Center ⁷	-4.82%	-1.74%	3.93%	3.06%	68.02%	7.80%

Hospital	Operating Margin FY99	Total Margin FY99	3-yr Average Total Margin FY97-FY99	Uncompensated Care to NPR FY99	Medicare Share of NPR FY99	Medical Assistance Share of NPR FY99
Region 4 Average	0.53%	1.41%	3.49%	3.86%	40.64%	7.30%
Berwick Hospital Center ^{5, 6, 7, 17}	-15.79%	-13.54%	0.57%	3.63%	NR	NR
Bloomsburg Hospital ^{6, 17}	-7.45%	-4.64%	-0.36%	4.34%	NR	NR
Bucktail Medical Center ^{6, 17}	0.03%	0.03%	2.23%	6.37%	NR	NR
Centre Community ⁶	4.78%	4.78%	7.85%	5.36%	42.38%	2.36%
Divine Providence /Williamsport ⁶	-12.50%	1.07%	1.89%	3.31%	37.43%	4.68%
Evangelical Community ^{6, 7}	8.93%	10.52%	11.71%	2.73%	30.32%	2.96%
Geisinger Medical Ctr /Danville ⁶	0.76%	0.81%	2.68%	2.89%	38.56%	6.61%
Jersey Shore ¹⁶	-2.86%	-2.86%	-0.64%	3.21%	NR	NR
Lewistown Hospital ^{6, 7}	2.36%	5.44%	6.78%	4.09%	51.14%	6.75%
Lock Haven ^{6, 17}	-0.91%	0.09%	2.44%	5.07%	41.39%	22.87%
Muncy Valley ⁶	-1.70%	3.08%	1.55%	2.11%	30.07%	25.59%
Philipsburg Area ^{6, 17}	0.71%	0.82%	-3.96%	7.28%	NR	NR
Shamokin Area Community ⁶	0.71%	1.23%	5.77%	7.59%	62.77%	4.77%
Soldiers & Sailors Memorial ⁶	2.12%	4.04%	2.86%	4.74%	42.87%	10.86%
Sunbury Community ^{6, 17}	-12.09%	-10.17%	-1.88%	5.88%	NR	NR
Williamsport Medical Center ⁶	5.25%	0.77%	2.28%	4.17%	44.35%	6.13%

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Hospital	Net Patient Revenue NPR (million)				3-yr Avg Change in NPR FY96-FY99	Total Operating Expenses TOE (million)				3-yr Avg Change in TOE FY96-FY99
	FY99	FY98	FY97	FY96		FY99	FY98	FY97	FY96	
Region 5 Average	\$ 103	\$ 95	\$ 90	\$ 86	4.85%	\$ 107	\$ 95	\$ 89	\$ 86	6.10%
Carlisle Hospital ^{7, 17}	\$56	\$57	\$55	\$48	5.56%	\$60	\$58	\$54	\$49	7.73%
Chambersburg Hospital ^{6, 17}	\$97	\$92	\$82	\$75	10.08%	\$94	\$85	\$78	\$73	9.75%
Community of Lancaster ^{6, 7}	\$36	\$39	\$40	\$36	0.37%	\$42	\$42	\$41	\$38	3.26%
Ephrata Community ^{6, 7}	\$56	\$49	\$47	\$41	12.33%	\$55	\$47	\$43	\$40	11.85%
Fulton County Medical Ctr ^{6, 7, 17}	\$15	\$13	\$12	\$10	15.10%	\$14	\$13	\$12	\$10	12.74%
Gettysburg Hospital ^{6, 7, 17}	\$42	\$40	\$38	\$38	3.89%	\$43	\$40	\$37	\$37	5.54%
Good Samaritan /Lebanon ^{6, 7, 17}	\$80	\$78	\$76	\$65	7.66%	\$80	\$75	\$68	\$63	8.96%
Hanover General ¹⁷	\$57	\$53	\$50	\$49	5.50%	\$53	\$51	\$50	\$48	3.35%
Holy Spirit ⁶	\$96	\$92	\$91	\$88	3.19%	\$96	\$93	\$88	\$87	3.49%
J. C. Blair Memorial ⁶	\$27	\$25	\$26	\$24	3.81%	\$29	\$29	\$27	\$26	3.93%
Lancaster Gen /Susquehanna ¹⁶	\$10	\$9	\$8	\$8	4.34%	\$10	\$9	\$8	\$9	4.99%
Lancaster General ^{6, 17}	\$230	\$217	\$207	\$209	3.41%	\$238	\$223	\$210	\$208	4.85%
Memorial Hospital /York ^{6, 7}	\$45	\$45	\$46	\$45	-0.08%	\$46	\$45	\$46	\$46	0.03%
Penn State University /Hershey ⁶	\$311	\$309	\$264	\$250	8.10%	\$335	\$316	\$274	\$258	10.07%
Pinnacle Health ^{6, 10, 17}	\$340	\$288	\$286	\$279	7.26%	\$340	\$293	\$287	\$279	7.27%
St Joseph /Lancaster ^{6, 7}	\$69	\$75	\$72	\$70	-0.07%	\$101	\$81	\$73	\$70	14.52%
Waynesboro Hospital ¹⁷	\$28	\$26	\$25	\$24	6.86%	\$29	\$27	\$25	\$24	6.77%
York Hospital ⁶	\$266	\$247	\$234	\$221	6.70%	\$259	\$233	\$219	\$216	6.68%

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Hospital	Operating Margin FY99	Total Margin FY99	3-yr Average Total Margin FY97-FY99	Uncompensated Care to NPR FY99	Medicare Share of NPR FY99	Medical Assistance Share of NPR FY99
Region 5 Average	1.22%	2.61%	4.73%	4.09%	40.61%	6.06%
Carlisle Hospital ^{7, 17}	-0.10%	-0.94%	1.16%	6.30%	42.83%	2.84%
Chambersburg Hospital ^{6, 17}	9.83%	9.60%	12.32%	8.27%	NR	NR
Community of Lancaster ^{6, 7}	-13.38%	-17.69%	-6.19%	4.47%	42.01%	3.51%
Ephrata Community ^{6, 7}	4.37%	5.73%	7.23%	3.34%	37.54%	3.10%
Fulton County Medical Ctr ^{6, 7, 17}	4.68%	4.68%	1.59%	4.78%	29.37%	19.88%
Gettysburg Hospital ^{6, 7, 17}	0.02%	3.63%	5.42%	3.89%	NR	NR
Good Samaritan /Lebanon ^{6, 7, 17}	3.40%	3.33%	8.76%	5.42%	48.60%	3.69%
Hanover General ¹⁷	6.86%	10.57%	7.06%	3.56%	38.40%	1.37%
Holy Spirit ⁶	3.44%	3.21%	7.55%	2.71%	46.32%	3.22%
J. C. Blair Memorial ⁶	-3.20%	-0.66%	1.10%	4.51%	39.38%	12.54%
Lancaster Gen /Susquehanna ¹⁶	-0.29%	-0.29%	0.60%	NR	NR	NR
Lancaster General ^{6, 17}	4.15%	4.97%	4.84%	2.00%	45.78%	5.67%
Memorial Hospital /York ^{6, 7}	-0.65%	0.08%	0.98%	4.48%	44.16%	6.69%
Penn State University /Hershey ⁶	0.18%	0.04%	2.20%	3.24%	32.33%	9.01%
Pinnacle Health ^{6, 10, 17}	2.63%	5.84%	5.70%	4.62%	41.04%	7.34%
St Joseph /Lancaster ^{6, 7}	-42.44%	-45.17%	-17.82%	4.25%	50.74%	3.88%
Waynesboro Hospital ¹⁷	1.07%	1.85%	2.97%	5.30%	NR	NR
York Hospital ⁶	5.78%	9.73%	10.85%	4.27%	37.38%	5.93%

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Hospital	Net Patient Revenue NPR (million)				3-yr Avg Change in NPR FY96-FY99	Total Operating Expenses TOE (million)				3-yr Avg Change in TOE FY96-FY99
	FY99	FY98	FY97	FY96		FY99	FY98	FY97	FY96	
Region 6 Average	\$ 52	\$ 52	\$ 51	\$ 49	2.28%	\$ 57	\$ 54	\$ 52	\$ 50	4.70%
Barnes-Kasson ^{1, 6, 7, 17}	\$12	\$11	\$11	\$10	6.38%	\$13	\$13	\$12	\$11	6.25%
Community Med Ctr /Scranton ⁶	\$107	\$99	\$93	\$89	6.74%	\$110	\$101	\$94	\$91	6.96%
Hazleton General ^{1, 5, 6}	\$18	\$37	\$36	\$34	NA	\$20	\$37	\$35	\$33	NA
Hazleton St Joseph Med ^{1, 6, 7, 17}	\$35	\$35	\$35	\$31	3.76%	\$38	\$35	\$35	\$32	6.30%
Marian Community ^{6, 7}	\$27	\$26	\$26	\$25	2.62%	\$28	\$27	\$26	\$25	4.00%
Memorial /Towanda ^{6, 7, 17}	\$20	\$19	\$17	\$15	10.95%	\$20	\$18	\$17	\$16	9.84%
Mercy /Scranton ^{1, 6, 7, 17}	\$106	\$107	\$106	\$98	2.68%	\$112	\$102	\$101	\$95	6.28%
Mercy /Wilkes-Barre ^{1, 6}	\$65	\$59	\$56	\$48	11.90%	\$67	\$57	\$55	\$50	11.24%
Mid-Valley Hospital ^{7, 17}	\$10	\$10	\$10	\$9	4.79%	\$11	\$11	\$10	\$9	5.52%
Montrose General ^{1, 18}	\$7	\$6	NA	\$6	7.59%	\$7	\$6	NA	\$6	5.51%
Moses Taylor ⁶	\$64	\$63	\$66	\$64	-0.10%	\$69	\$64	\$64	\$63	3.07%
Penn State Geisinger Wyoming ⁶	\$51	\$54	\$53	\$53	-1.38%	\$54	\$55	\$52	\$52	1.34%
Pocono Medical Center ⁶	\$78	\$75	\$74	\$70	4.14%	\$79	\$75	\$74	\$71	3.39%
Robert Packer ⁶	\$106	\$99	\$99	\$102	1.26%	\$116	\$106	\$106	\$105	3.36%
Troy Community ^{7, 17}	\$8	\$9	\$9	\$9	-4.24%	\$10	\$10	\$10	\$10	-0.56%
Tyler Memorial	\$16	\$16	\$16	\$15	3.38%	\$17	\$17	\$16	\$14	4.93%
Wayne Memorial ^{7, 17}	\$34	\$31	\$30	\$28	7.83%	\$38	\$35	\$32	\$29	9.53%
WVHCS-Hospital ⁶	\$176	\$186	\$183	\$174	0.33%	\$222	\$208	\$194	\$190	5.72%

Hospital	Net Patient Revenue NPR (million)				3-yr Avg Change in NPR FY96-FY99	Total Operating Expenses TOE (million)				3-yr Avg Change in TOE FY96-FY99
	FY99	FY98	FY97	FY96		FY99	FY98	FY97	FY96	
Region 7 Average	\$ 100	\$ 100	\$ 91	\$ 83	1.37%	\$ 104	\$ 101	\$ 91	\$ 84	2.33%
Ashland Regional Medical Ctr ^{6, 17}	\$18	\$18	\$19	\$16	4.95%	\$18	\$18	\$17	\$17	3.46%
Easton Hospital ⁶	\$114	\$115	\$115	\$108	1.72%	\$123	\$122	\$117	\$113	2.78%
Gnaden Huetten Memorial ^{6, 7, 17}	\$33	\$32	\$31	\$31	1.67%	\$33	\$32	\$31	\$31	1.62%
Good Samaritan Regional Med ¹⁷	\$48	\$49	\$49	\$48	-0.38%	\$52	\$52	\$49	\$50	1.24%
Lehigh Valley Hospital ⁶	\$304	\$309	\$303	\$289	1.73%	\$326	\$331	\$308	\$302	2.67%
Miners Memorial Medical ^{6, 7, 17}	\$26	\$27	\$23	\$25	0.90%	\$24	\$23	\$26	\$27	-3.79%
Muhlenberg Center ⁶	\$51	\$51	\$49	\$48	2.48%	\$54	\$52	\$51	\$49	3.56%
Palmerton Hospital ^{7, 17}	\$19	\$19	\$18	\$16	5.82%	\$20	\$19	\$18	\$17	6.13%
Pottsville Warne Clinic ^{6, 7, 17}	\$46	\$45	\$45	\$43	2.44%	\$49	\$48	\$46	\$45	3.43%
Reading Medical Center ⁶	\$252	\$239	\$235	\$207	7.26%	\$246	\$226	\$212	\$196	8.65%
Sacred Heart /Allentown ^{6, 17}	\$74	\$68	\$68	\$65	4.85%	\$81	\$72	\$70	\$66	7.62%
St Joseph Medical /Reading ^{6, 11}	\$94	\$101	\$89	\$78	6.92%	\$100	\$98	\$87	\$73	12.36%
St Luke's of Bethlehem ^{6, 11, 17}	\$217	\$221	\$206	\$193	4.13%	\$223	\$221	\$207	\$195	4.90%

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Hospital	Operating Margin FY99	Total Margin FY99	3-yr Average Total Margin FY97-FY99	Uncompensated Care to NPR FY99	Medicare Share of NPR FY99	Medical Assistance Share of NPR FY99
Region 6 Average	-3.32%	-0.32%	3.35%	3.46%	48.80%	5.85%
Barnes-Kasson ^{1, 6, 7, 17}	-0.70%	-0.70%	0.19%	4.69%	NR	31.65%
Community Med Ctr /Scranton ⁶	2.21%	9.36%	9.12%	3.86%	40.12%	8.62%
Hazleton General ^{1, 5, 6}	-8.34%	-7.60%	0.40%	2.32%	66.51%	5.95%
Hazleton St Joseph Med ^{1, 6, 7, 17}	-3.76%	-2.72%	1.33%	2.95%	50.36%	7.27%
Marian Community ^{6, 7}	-2.23%	-1.34%	0.36%	3.55%	57.18%	6.34%
Memorial /Towanda ^{6, 7, 17}	1.56%	3.00%	3.55%	5.10%	NR	NR
Mercy /Scranton ^{1, 6, 7, 17}	-3.85%	-1.14%	6.01%	4.62%	55.13%	4.86%
Mercy /Wilkes-Barre ^{1, 6}	-0.41%	-0.28%	2.62%	2.31%	56.66%	7.34%
Mid-Valley Hospital ^{7, 17}	-6.55%	-6.08%	-3.81%	3.10%	51.52%	1.91%
Montrose General ^{1, 18}	1.42%	1.84%	NA	4.02%	64.86%	4.39%
Moses Taylor ⁶	-0.68%	0.13%	3.41%	1.65%	59.60%	4.60%
Penn State Geisinger Wyoming ⁶	3.50%	3.47%	10.44%	1.54%	45.94%	1.98%
Pocono Medical Center ⁶	0.87%	3.36%	2.86%	5.68%	46.58%	6.10%
Robert Packer ⁶	1.09%	6.39%	7.75%	3.41%	42.88%	4.28%
Troy Community ^{7, 17}	-12.36%	-12.02%	-8.04%	4.58%	NR	NR
Tyler Memorial	-0.09%	0.14%	0.68%	4.28%	NR	NR
Wayne Memorial ¹⁷	-1.96%	-1.32%	-1.13%	5.96%	48.24%	9.16%
WVHCS-Hospital ⁶	-15.02%	-10.80%	-2.25%	2.53%	46.43%	3.81%

Hospital	Operating Margin FY99	Total Margin FY99	3-yr Average Total Margin FY97-FY99	Uncompensated Care to NPR FY99	Medicare Share of NPR FY99	Medical Assistance Share of NPR FY99
Region 7 Average	1.85%	3.27%	4.71%	3.88%	47.03%	5.86%
Ashland Regional Medical Ctr ^{6, 17}	3.38%	3.75%	7.01%	0.89%	NR	NR
Easton Hospital ⁶	-1.30%	-0.74%	0.69%	3.46%	57.72%	4.60%
Gnaden Huetten Memorial ^{6, 7, 17}	2.84%	4.68%	3.70%	3.14%	NR	NR
Good Samaritan Regional Med ¹⁷	-0.98%	3.94%	4.10%	4.04%	52.09%	3.87%
Lehigh Valley Hospital ⁶	3.16%	3.54%	4.15%	2.99%	44.42%	6.82%
Miners Memorial Medical ^{6, 7, 17}	7.07%	7.07%	3.70%	2.94%	NR	NR
Muhlenberg Center ⁶	6.30%	6.86%	10.58%	2.54%	49.98%	3.22%
Palmerton Hospital ^{7, 17}	-0.23%	7.74%	6.61%	4.79%	NR	NR
Pottsville Warne Clinic ^{6, 7, 17}	-2.41%	-2.41%	0.72%	3.08%	NR	NR
Reading Medical Center ⁶	6.18%	7.47%	10.57%	4.98%	38.52%	2.52%
Sacred Heart /Allentown ^{6, 17}	0.68%	0.68%	1.76%	4.14%	62.99%	6.45%
St Joseph Medical /Reading ^{6, 11}	-5.34%	-4.13%	1.90%	5.31%	47.65%	10.89%
St Luke's of Bethlehem ^{6, 11, 17}	-0.29%	3.15%	3.92%	4.03%	NR	NR

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Hospital	Net Patient Revenue NPR (million)				3-yr Avg Change in NPR FY96-FY99	Total Operating Expenses TOE (million)				3-yr Avg Change in TOE FY96-FY99
	FY99	FY98	FY97	FY96		FY99	FY98	FY97	FY96	
Region 8 Average	\$ 84	\$ 87	\$ 82	\$ 78	1.48%	\$ 89	\$ 91	\$ 84	\$ 79	2.83%
Abington Memorial ^{6, 7}	\$262	\$264	\$235	\$214	7.54%	\$300	\$278	\$240	\$220	12.04%
Brandywine Hospital ⁶	\$63	\$68	\$65	\$62	0.31%	\$73	\$71	\$66	\$68	2.20%
Chester County ⁶	\$82	\$79	\$76	\$76	2.58%	\$91	\$87	\$81	\$79	5.21%
Crozer-Chester Medical ^{6, 11, 17}	\$328	\$292	\$263	\$260	8.70%	\$330	\$298	\$267	\$268	7.67%
Delaware County Memorial ^{6, 7, 17}	\$98	\$101	\$97	\$92	2.28%	\$100	\$100	\$98	\$96	1.48%
Delaware Valley Med ^{5, 6, 14, 16}	\$24	\$44	\$47	\$49	NA	\$33	\$50	\$55	\$50	NA
Doylestown Hospital ^{6, 7}	\$77	\$77	\$77	\$72	1.94%	\$85	\$81	\$78	\$74	4.93%
Elkins Park ^{3, 5, 6, 12, 16}	\$25	\$48	\$57	\$58	NA	\$28	\$57	\$59	\$56	NA
Grand View ^{6, 7}	\$73	\$71	\$70	\$67	3.06%	\$75	\$72	\$69	\$65	4.87%
Holy Redeemer Health ^{6, 7}	\$103	\$99	\$86	\$86	6.40%	\$106	\$103	\$84	\$86	7.86%
Main Line /Bryn Mawr Campus ^{6, 7}	\$141	\$136	\$139	\$125	4.20%	\$151	\$149	\$140	\$132	4.82%
Main Line /Lankenau Campus ⁶	\$166	\$166	\$156	\$154	2.67%	\$161	\$168	\$163	\$156	1.11%
Main Line /Paoli Campus ⁶	\$59	\$56	\$52	\$51	5.34%	\$60	\$56	\$52	\$52	5.22%
Mercy Community ^{1, 17}	\$26	\$27	\$26	\$25	1.18%	\$28	\$28	\$27	\$26	2.57%
Mercy Fitzgerald ^{1, 4, 17}	NR	\$122	\$118	\$116	NR	NR	\$123	\$120	\$119	NR
Mercy Suburban ^{6, 7, 16}	NR	\$44	\$45	\$44	NR	NR	\$46	\$45	\$45	NR
Montgomery Hospital ^{6, 19}	\$76	\$79	\$78	\$85	-3.80%	\$79	\$81	\$79	\$85	-2.17%
North Penn ^{6, 17}	\$40	\$42	\$40	\$40	-0.48%	\$43	\$43	\$39	\$40	2.79%
Phoenixville Univ of PA ⁶	\$48	\$48	\$47	\$44	2.84%	\$50	\$45	\$44	\$44	4.60%
Pottstown Memorial Medical ^{6, 7}	\$75	\$75	\$79	\$73	1.21%	\$78	\$75	\$73	\$72	2.72%
Riddle Memorial ^{6, 7}	\$71	\$67	\$65	\$66	2.47%	\$72	\$67	\$65	\$66	3.00%
Southern Chester County ^{6, 16}	\$24	\$24	\$25	\$23	1.17%	\$30	\$31	\$27	\$24	7.71%
St Luke's Quakertown ^{6, 17}	\$19	\$20	\$20	\$21	-1.91%	\$22	\$22	\$21	\$24	-2.78%
St Mary Medical Center ⁶	\$106	\$96	\$95	\$91	5.73%	\$109	\$98	\$93	\$92	6.37%
Temple Lower Bucks ^{6, 7}	\$66	\$66	\$63	\$69	-1.28%	\$74	\$73	\$68	\$73	0.36%
Warminster Hospital ^{3, 5, 6, 12, 16}	\$23	\$44	\$50	\$48	NA	\$23	\$52	\$48	\$46	NA

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Hospital	Operating Margin FY99	Total Margin FY99	3-yr Average Total Margin FY97-FY99	Uncompensated Care to NPR FY99	Medicare Share of NPR FY99	Medical Assistance Share of NPR FY99
Region 8 Average	0.08%	2.71%	3.50%	5.26%	45.81%	3.77%
Abington Memorial ^{6, 7}	0.95%	4.31%	5.27%	3.78%	49.32%	2.96%
Brandywine Hospital ⁶	-10.00%	-10.08%	-1.86%	6.26%	47.14%	4.16%
Chester County ⁶	-3.13%	-3.13%	-1.93%	6.15%	36.35%	5.14%
Crozer-Chester Medical ^{6, 11, 17}	1.96%	2.47%	2.09%	7.38%	NR	NR
Delaware County Memorial ^{6, 7, 17}	1.48%	1.48%	2.46%	7.22%	NR	NR
Delaware Valley Med ^{5, 6, 14, 16}	-33.56%	-32.88%	-16.68%	2.09%	NR	NR
Doylestown Hospital ^{6, 7}	1.61%	2.15%	3.04%	3.52%	49.83%	2.52%
Elkins Park ^{3, 5, 6, 12, 16}	-12.00%	-12.00%	-12.99%	13.11%	NR	NR
Grand View ^{6, 7}	2.85%	12.09%	11.63%	3.62%	48.53%	1.84%
Holy Redeemer Health ^{6, 7}	-0.28%	3.60%	3.88%	1.95%	57.38%	1.13%
Main Line /Bryn Mawr Campus ^{6, 7}	-0.10%	4.02%	4.99%	3.62%	51.19%	2.13%
Main Line /Lankenau Campus ⁶	10.10%	22.29%	20.96%	3.38%	56.48%	3.23%
Main Line /Paoli Campus ⁶	2.76%	4.74%	7.56%	4.70%	38.35%	1.64%
Mercy Community ^{1, 17}	-8.95%	-8.95%	-1.89%	7.57%	57.20%	3.89%
Mercy Fitzgerald ^{1, 4, 17}	NR	NR	NR	NR	49.56%	10.73%
Mercy Suburban ^{6, 7, 16}	NR	NR	NR	NR	NR	3.44%
Montgomery Hospital ^{6, 19}	0.53%	0.53%	2.31%	8.11%	NR	NR
North Penn ^{6, 17}	-5.70%	-4.32%	1.96%	4.87%	43.76%	1.65%
Phoenixville Univ of PA ⁶	-1.88%	-2.01%	5.92%	4.72%	42.11%	3.09%
Pottstown Memorial Medical ^{6, 7}	-0.80%	1.67%	6.11%	5.84%	47.01%	4.90%
Riddle Memorial ^{6, 7}	4.98%	4.35%	5.19%	3.95%	55.09%	1.93%
Southern Chester County ^{6, 16}	-9.32%	-4.81%	-3.38%	2.37%	NR	NR
St Luke's Quakertown ^{6, 17}	-8.00%	-7.28%	-5.00%	6.03%	NR	NR
St Mary Medical Center ⁶	-0.84%	-0.79%	2.09%	3.76%	43.98%	1.33%
Temple Lower Bucks ^{6, 7}	-4.73%	-3.69%	-2.93%	4.94%	45.43%	6.18%
Warminster Hospital ^{3, 5, 6, 12, 16}	1.29%	1.29%	-7.48%	12.82%	NR	NR

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Hospital	Net Patient Revenue NPR (million)				3-yr Avg Change in NPR FY96-FY99	Total Operating Expenses TOE (million)				3-yr Avg Change in TOE FY96-FY99
	FY99	FY98	FY97	FY96		FY99	FY98	FY97	FY96	
Region 9 Average	\$ 134	\$ 140	\$ 146	\$ 140	-0.31%	\$ 146	\$ 151	\$ 156	\$ 147	0.99%
Albert Einstein Medical Center ⁶	\$254	\$246	\$239	\$249	0.68%	\$259	\$252	\$248	\$268	-1.10%
Chestnut Hill ^{6, 17}	\$63	\$60	\$58	\$57	3.40%	\$68	\$65	\$60	\$59	4.57%
Children's of Philadelphia ^{7, 17}	\$338	\$300	\$274	\$267	8.91%	\$387	\$338	\$298	\$284	12.18%
City Avenue ^{3, 5, 6, 12, 16}	\$28	\$102	\$100	\$102	NA	\$34	\$130	\$127	\$114	NA
Episcopal Hospital ^{6, 19}	\$76	\$82	\$91	\$93	-6.05%	\$86	\$101	\$136	\$100	-4.58%
Frankford Hospital ^{6, 7, 10, 17}	\$198	\$178	\$171	\$177	3.92%	\$188	\$173	\$169	\$175	2.48%
Germantown Community ^{6, 17}	\$40	\$37	\$56	\$58	-10.45%	\$46	\$40	\$63	\$65	-9.51%
Graduate Hospital ^{3, 5, 6, 12, 16}	\$71	\$178	\$151	\$146	NA	\$81	\$202	\$206	\$174	NA
Hahnemann Univ ^{3, 5, 6, 12, 16}	\$134	\$290	\$315	\$322	NA	\$143	\$315	\$334	\$334	NA
Fox Chase Cancer Center ⁷	\$68	\$64	\$58	\$56	7.15%	\$66	\$62	\$57	\$56	6.17%
Hospital University PA ^{6, 17}	\$613	\$603	\$585	\$536	4.78%	\$761	\$668	\$587	\$512	16.14%
Jeanes Hospital ^{6, 7, 17}	\$73	\$75	\$76	\$73	0.19%	\$75	\$75	\$78	\$75	-0.11%
John F. Kennedy Memorial ¹⁵	NR	\$28	\$37	\$37	NR	NR	\$32	\$41	\$43	NR
Kensington Hospital ¹⁵	NR	NR	\$5	\$6	NR	NR	NR	\$5	\$6	NR
Medical College PA ^{3, 5, 6, 12, 16}	\$76	\$180	\$213	\$190	NA	\$89	\$210	\$218	\$200	NA
Mercy Philadelphia ^{1, 4, 17}	NR	\$75	\$77	\$80	NR	\$0	\$80	\$84	\$82	NR
Nazareth Hospital ⁶	\$67	\$68	\$71	\$67	-0.18%	\$67	\$68	\$70	\$74	-3.08%
Parkview Hospital ^{3, 5, 6, 12, 16}	\$26	NA	NA	NA	NA	\$28	NA	NA	NA	NA
Pennsylvania Hospital, UPHS ^{6, 19}	\$197	\$160	\$236	\$234	-5.18%	\$220	\$202	\$278	\$262	-5.38%
Presbyterian Univ of PA ^{6, 7}	\$156	\$141	\$152	\$152	0.88%	\$175	\$151	\$154	\$159	3.55%
Roxborough Memorial ^{6, 7, 17}	\$38	\$40	\$41	\$42	-2.67%	\$43	\$44	\$45	\$47	-2.43%
St Agnes Medical Center ^{6, 7}	\$50	\$61	\$55	\$59	-4.88%	\$55	\$55	\$57	\$94	-13.60%
St Christopher's Children ^{3, 5, 12, 17}	\$59	\$120	\$132	\$134	NA	\$59	\$134	\$140	\$138	NA
St Joseph's /Philadelphia ¹⁷	\$44	\$39	\$42	\$43	0.47%	\$47	\$42	\$42	\$44	2.76%
Temple East, Inc ^{6, 11}	\$64	\$24	\$27	\$27	46.10%	\$67	\$26	\$27	\$26	53.16%
Temple University Children's	\$20	\$4	NA	NA	NA	\$25	\$9	NA	NA	NA
Temple University ⁶	\$280	\$270	\$265	\$276	0.47%	\$298	\$279	\$267	\$278	2.38%
Thomas Jefferson Univ ^{6, 7, 9, 17}	\$550	\$512	\$455	\$409	11.52%	\$537	\$515	\$461	\$417	9.58%
Wills Eye ^{6, 17}	\$68	\$66	\$60	\$56	7.24%	\$72	\$68	\$62	\$57	8.35%

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Hospital	Operating Margin FY99	Total Margin FY99	3-yr Average Total Margin FY97-FY99	Uncompensated Care to NPR FY99	Medicare Share of NPR FY99	Medical Assistance Share of NPR FY99
Region 9 Average	-1.72%	-0.31%	-0.20%	7.25%	37.28%	14.11%
Albert Einstein Medical Center ⁶	3.97%	7.59%	7.38%	3.63%	48.51%	23.12%
Chestnut Hill ^{6, 17}	-3.80%	-2.59%	-0.73%	2.32%	55.21%	3.07%
Children's of Philadelphia ^{7, 17}	2.70%	3.43%	5.52%	10.56%	0.59%	26.94%
City Avenue ^{3, 5, 6, 12, 16}	-20.13%	-20.13%	-25.44%	11.65%	NR	NR
Episcopal Hospital ^{6, 19}	-3.32%	-3.32%	-19.77%	NR	NR	NR
Frankford Hospital ^{6, 7, 10, 17}	9.07%	11.00%	10.92%	6.83%	53.20%	7.47%
Germantown Community ^{6, 17}	-11.63%	-7.80%	-4.77%	5.65%	59.39%	17.17%
Graduate Hospital ^{3, 5, 6, 12, 16}	-9.56%	-9.56%	-10.53%	10.19%	NR	NR
Hahnemann Univ ^{3, 5, 6, 12, 16}	-2.14%	-2.14%	-5.43%	11.46%	NR	NR
Fox Chase Cancer Center ⁷	3.69%	6.71%	9.20%	3.33%	35.72%	2.17%
Hospital University PA ^{6, 17}	-12.75%	-9.98%	0.49%	9.51%	NR	NR
Jeanes Hospital ^{6, 7, 17}	7.50%	7.53%	8.18%	1.53%	53.14%	2.07%
John F. Kennedy Memorial ¹⁵	NR	NR	NR	NR	NR	NR
Kensington Hospital ¹⁵	NR	NR	NR	NR	NR	NR
Medical College PA ^{3, 5, 6, 12, 16}	-10.12%	-10.12%	-8.47%	15.75%	NR	NR
Mercy Philadelphia ^{1, 4, 17}	NR	NR	NR	NR	59.54%	25.53%
Nazareth Hospital ⁶	0.78%	2.01%	1.15%	3.46%	74.59%	4.07%
Parkview Hospital ^{3, 5, 6, 12, 16}	-4.07%	-4.07%	NA	12.56%	NR	NR
Pennsylvania Hospital, UPHS ^{6, 19}	-2.33%	-0.68%	-21.72%	4.49%	NR	NR
Presbyterian Univ of PA ^{6, 7}	-5.01%	-4.59%	0.11%	7.11%	50.96%	6.52%
Roxborough Memorial ^{6, 7, 17}	-7.44%	-7.44%	-4.76%	5.59%	67.83%	3.39%
St Agnes Medical Center ^{6, 7}	-5.96%	-3.74%	3.84%	6.73%	70.51%	13.20%
St Christopher's Children ^{3, 5, 12, 17}	3.62%	3.62%	-3.68%	10.26%	1.43%	NR
St Joseph's /Philadelphia ¹⁷	-5.19%	-5.19%	-0.45%	11.61%	38.30%	57.41%
Temple East, Inc ^{6, 11}	0.24%	0.64%	-0.14%	4.50%	47.69%	29.59%
Temple University Children's	-19.30%	-19.30%	NA	2.95%	0.13%	61.28%
Temple University ⁶	2.24%	2.24%	4.33%	4.73%	33.41%	26.01%
Thomas Jefferson Univ ^{6, 7, 9, 17}	6.07%	7.31%	5.53%	4.95%	40.60%	8.54%
Wills Eye ^{6, 17}	-1.52%	8.10%	9.92%	9.14%	NR	NR

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Footnotes

1. The end of the fiscal year is other than June 30; the data reflects the fiscal year that ended prior to June 30. (see list below for exceptions)
2. Not a Medicare provider.
3. Medicare cost report and audited financial statements cover different 12-month periods.
4. Medicare cost report is combined with another facility.
5. Less or more than 12 months of data; therefore, a three-year comparison is not appropriate for some of the measures.
6. The hospital has specialty units such as psychiatric, rehabilitation, long-term care, skilled nursing facilities, etc.
7. The hospital has a home health agency.
8. Extraordinary item reported on audited financial statement.
9. Balance sheet ratios are for the parent organization.
10. Merged with another licensed hospital during the 1999 reporting period.
11. Merged with another licensed hospital during the 1997 or 1998 reporting periods.
12. For-profit facility.
13. For-profit facility includes *pro rata* share of taxes and other gains or expenses experienced by the parent organization.
14. Facility is referred to as a different name after 1999 reporting period.
15. None of the Council’s financial filing requirements were met.
16. Not in compliance with one or two of the Council’s three financial filing requirements.
17. Incomplete data submission.
18. Facility was acquired by another organization and changed their fiscal year; therefore, financial data compatible with reporting the period(s) presented for FY97 is not available.
19. Submitted one or more of the Council’s financial filing requirements late. Late filed data is not included in this report.

NR – Information necessary to report or calculate this measure was not provided by facility.

NA – Not applicable.

Fiscal Year End Date for Hospitals Other Than 6/30/99

Facility Name	Year End	Facility Name	Year End
Barnes-Kasson Hospital	9/30/98	Mercy Fitzgerald Hospital	12/31/98
Bon Secours Holy Family Regional Health System	8/31/98	Mercy Hospital /Scranton	12/31/98
City Avenue Hospital	5/31/99	Mercy Hospital /Wilkes-Barre	12/31/98
Elkins Park Hospital	5/31/99	Mercy Hospital of Philadelphia	12/31/98
Graduate Hospital	5/31/99	Mercy Hospital of Pittsburgh	12/31/98
Hahnemann University Hospital	5/31/99	Mercy Providence Hospital	12/31/98
Hazleton General Hospital	12/31/98	Montrose General Hospital	12/31/98
Hazleton Saint Joseph Medical Center	12/31/98	Parkview Hospital	5/31/99
Medical College of PA	5/31/99	Warminster Hospital	5/31/99
Mercy Community Hospital	12/31/98	St. Christopher’s Hospital for Children	5/31/99

Explanation of Terms

NOTE: Utilization data includes subproviders such as skilled nursing, long-term care, rehabilitation and psychiatric. Utilization excludes routine newborn care. The mother and routine newborn child are presented as a single patient.

Commercial Third-Party Payor: Commercial insurers encompass all indemnity and managed care health insurance plans, including Blue Cross and Blue Shield plans, and hospital and healthcare system plans.

Discharges: The total inpatient discharges that occurred during the fiscal year.

Net Patient Revenue (NPR): Net patient revenue reflects revenue for patient care only 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 estimates may include retroactive adjustments from third-party payors for care provided during a different fiscal year.

Operating Income: The amount by which total operating revenue exceeds 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 business realized by the hospital.
(operating income / total operating revenue)

Outpatient Visits: The number of visits to the individual outpatient units of the hospital during the fiscal year. Outpatient visits do not reflect the visits made by hospital staff to patients' homes.

Patient Days: Each day a patient stays in an inpatient facility is considered a patient day.

Three-year Average Change in Net Patient Revenue (NPR) or Total Operating Expenses (TOE): The average annual change in the hospitals NPR or TOE that occurred from the end of FY96 through FY99. $\left(\frac{NPR_{99} - NPR_{96}}{NPR_{96}} / 3\right)$ or $\left(\frac{TOE_{99} - TOE_{96}}{TOE_{96}} / 3\right)$

Three-year Average Total Margin: The average total margin realized by the hospital during the FY97 through FY99. $\left(\frac{\sum \text{revenue over expenses}_{99,98,97}}{\sum \text{total revenue}_{99,98,97}}\right)$

Total Income (Revenue over Expenses): Total income reflects the sum of operating income and nonoperating income. Total income may also include an extraordinary item such as the gain or loss from the sale of securities.

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 Operating Expenses (TOE): All costs associated with operating the entire facility such as salaries, professional fees, supplies, depreciation, interest, insurance, and bad debts. The acquisition of durable equipment and other property are not considered expenses but are 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, grants, and revenue from other operations (e.g. cafeteria, parking, rent, research and educational activities). Individual hospitals may also allocate investment income, grants, etc. as nonoperating income.

Total Revenue: Operating revenue plus nonoperating income. The nonoperating income component typically includes unrestricted contributions and investment income.

Uncompensated Care to NPR: The ratio of uncompensated care (charity care and bad debt) to net patient revenue. This measure puts the foregone revenue resulting from the care a hospital provides without compensation in perspective with net patient revenue. Charity care is the care a hospital provides without charges because the patient is unable to compensate the hospital either through third-party coverage or the patient's own resources. Bad debt expense represents the foregone revenue for care in which the hospital initially anticipated payment, extended credit to the patient, and later determined to be uncollectable. Annual charity care amounts that are reported by hospitals as charges or costs have been adjusted to a revenue (NPR) basis. (foregone revenue of charity care + bad debt) / NPR

Notes:

Notes:

For More Information...

The information contained in this report as well as other Council publications are available on our web site - - www.phc4.org. You may also contact the Council at:

Pennsylvania Health Care Cost Containment Council
225 Market Street, Suite 400
Harrisburg, PA 17101
717/232-6787
717/232-3821 (fax)

For Additional Information...

Additional financial and utilization data for 1999 fiscal year and prior years may be purchased from the Council. For more information contact the Special Requests Unit at the Council.