

NOVEMBER 2019

Financial Analysis 2018

Rehabilitation • Psychiatric
Long-Term Acute Care • Specialty

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



Volume Three

Pennsylvania Health Care Cost Containment Council

About PHC4

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

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

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

FINANCIAL ANALYSIS

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

This is the third volume of a three-volume series of *Financial Analysis 2018* reports. *Volume One*, released in May 2019, focused on the financial health of Pennsylvania’s general acute care (GAC) hospitals. *Volume Two*, released in October 2019, concentrated on Pennsylvania’s ambulatory surgery centers (ASCs). This report, *Volume Three*, focuses on Pennsylvania’s non-GAC hospitals, which include rehabilitation hospitals, psychiatric hospitals, long-term acute care hospitals, and specialty hospitals.

The data for non-GAC hospitals is based on each facility’s fiscal year that ended during 2018. The fiscal year for the majority of the non-GAC hospitals was calendar year ending December 31, 2018. For hospitals that do not utilize a calendar year, the fiscal year typically ended on June 30, 2018.

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

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HOSPITAL INCOME

Pennsylvania Hospitals

There were 245 hospitals licensed in Pennsylvania that operated during at least some portion of fiscal year 2018 (FY18) (Table 1). One-hundred sixty-eight hospitals were general acute care (GAC) hospitals. The remaining 77 hospitals were a combination of rehabilitation hospitals, psychiatric hospitals, state psychiatric hospitals, long-term acute care hospitals, and specialty hospitals.

This report presents statewide analysis for non-GAC hospitals, which consist of rehabilitation, psychiatric, long-term acute care, and specialty hospitals. GAC hospitals are incorporated into the statewide analysis for comparative purposes. Individual hospital-specific FY18 financial data is presented for the non-GAC hospitals and for state psychiatric hospitals.

Hospital Income

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

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

Table 1
Number of Hospitals, FY18
by Facility Type

| Facility Type | Number of Hospitals |
|--------------------------------|---------------------|
| General Acute Care Hospitals | 168 |
| Rehabilitation Hospitals | 21 |
| Psychiatric Hospitals | 23 |
| State Psychiatric Hospitals | 6 |
| Long-Term Acute Care Hospitals | 22 |
| Specialty Hospitals | 5 |
| Total | 245 |

improvements, reduce outstanding debt, and replenish capital reserves.

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

Operating Margin & Total Margin

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

HOSPITAL INCOME

Total margin reflects the percent of net income, which is both operating income and income from all other sources. Examples of non-operating income include investment gains, trust income and contributions. However, some hospitals may include all or part of investment gains and trust income in operating revenue, specifically when the funds have been designated to support specific operations of a hospital.

Total margin reveals the composite financial health of a facility during the year. If total margin is negative, the hospital is losing money after all sources of revenue and income have been considered.

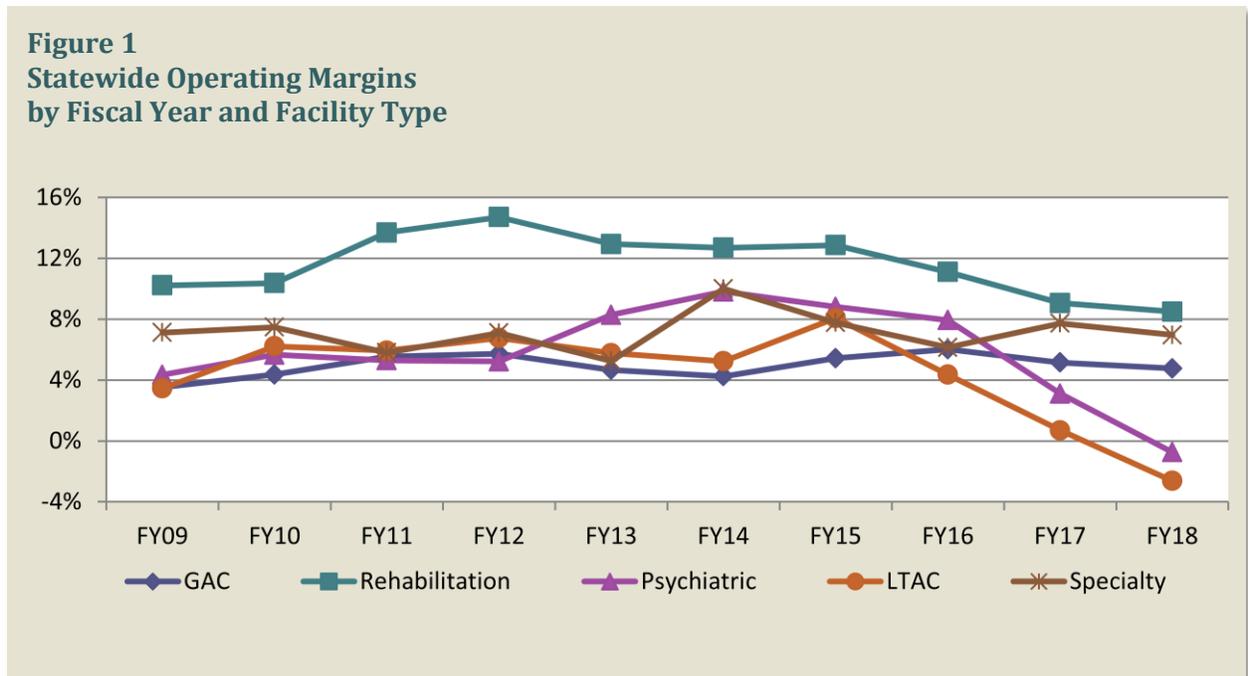
Endowments enable some hospitals with negative operating margins to continue operations to provide care. For endowed hospitals, a negative operating margin may not be critical, provided the facility realizes a healthy positive total margin.

Hospitals without endowments or other non-operating income sources may have similar operating and total margins. A low or negative operating or total margin may indicate the hospital is under financial stress.

Statewide Margins

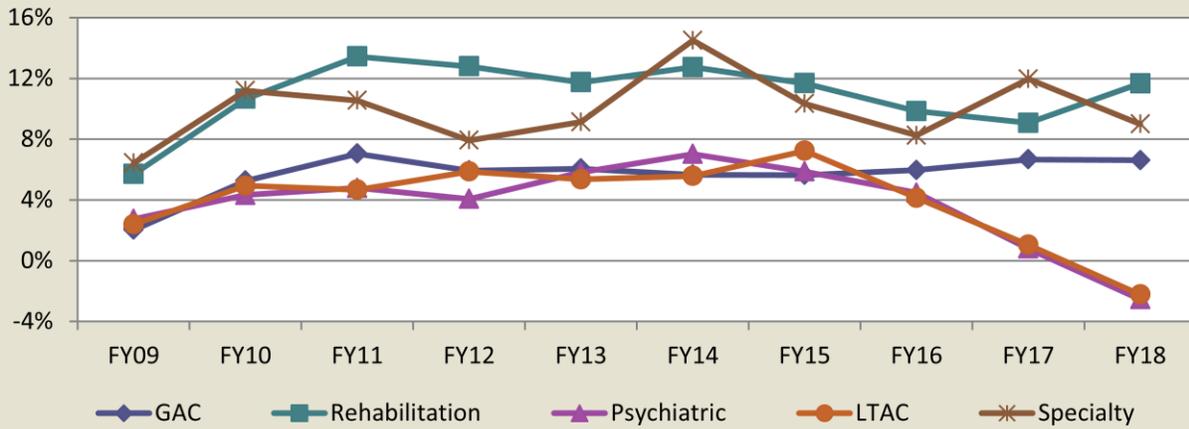
Statewide operating margins experienced by each facility type during FY18 ranged from a negative 2.62% at long-term acute care hospitals to 8.49% at rehabilitation hospitals (Figure 1).

Over a ten-year period, rehabilitation hospitals operating margin ranged from 8.49% in FY18 to 14.71% in FY12. Psychiatric hospitals operating margin ranged from a negative 0.74% in FY18 to 9.81% in FY14. Long-term acute care hospitals operating margin ranged from a negative 2.62% in FY18 to 8.08% in FY15. Specialty hospitals operating margin ranged from 5.25% in FY13 to 10.01% in FY14.



HOSPITAL INCOME

Figure 2
Statewide Total Margins
by Fiscal Year and Facility Type



Statewide total margins experienced by each facility type during FY18 ranged from a negative 2.55% at psychiatric hospitals to 11.67% at rehabilitation hospitals (Figure 2).

Over a ten-year period, the rehabilitation hospitals total margin ranged from 5.70% in FY09 to 13.45% in FY11. The psychiatric hospitals total margin ranged from a negative 2.55% in FY18 to 7.02% in FY14. The long-term acute care hospitals total margin ranged from a negative 2.23% in FY18 to 7.24% in FY15. The specialty hospitals total margin ranged from 6.43% in FY09 to 14.50% in FY14.

GAC hospitals (including their hospital-based subunits) are the predominate providers of health care in Pennsylvania. During FY18, GAC hospitals received 96.03% of the statewide net patient revenue. The rehabilitation, psychiatric, long-term acute care and specialty hospitals combined received 3.97% of the

statewide net patient revenue during FY18 (Figure 3).

Uncompensated Care Levels

As a group, the foregone dollar value of uncompensated care for non-GAC hospitals decreased 15.19%, or \$2.7 million, from \$17.5 million during FY17 to \$14.8 million during FY18. Uncompensated care as a percent of net patient revenue in FY18 among the non-GAC hospitals ranged from 0.31% at long-term acute care hospitals to 1.20% at specialty hospitals (Figure 4).

HOSPITAL INCOME

Figure 3
Statewide Net Patient Revenue, FY18
by Facility Type

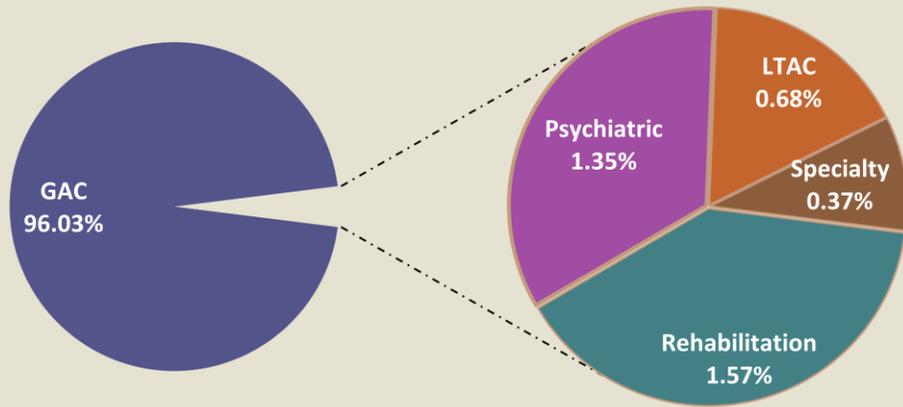
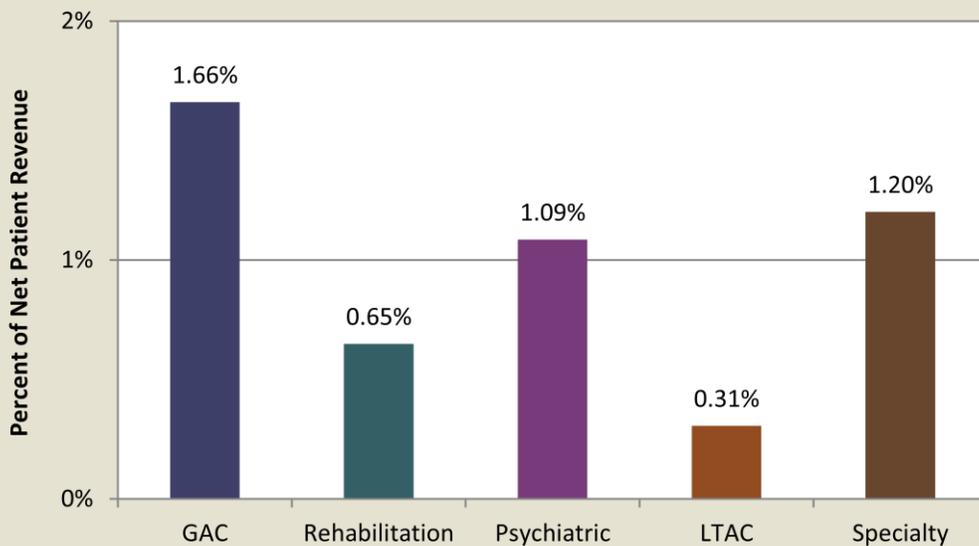


Figure 4
Statewide Percent of Uncompensated Care, FY18
by Facility Type



STATEWIDE UTILIZATION

Statewide Utilization

The non-GAC hospitals in Pennsylvania treated 6.15% of the patients that received inpatient care during FY18 (Figure 5). GAC hospitals cared for 93.85% of the patients that received inpatient care.

Total statewide patient days for inpatient care at all hospitals during FY18 were 9.6 million (Table 2). The majority of the inpatient care provided was for medical-surgical services.

During FY18, regardless of where services were delivered, 70.80% of the statewide patient days were for medical-surgical services, 17.07% were for inpatient psychiatric related conditions, and 7.01% were for rehabilitation services (Figure 6). The remaining 5.12% of statewide patient days were for other types of services, such as skilled nursing, long-term, etc.

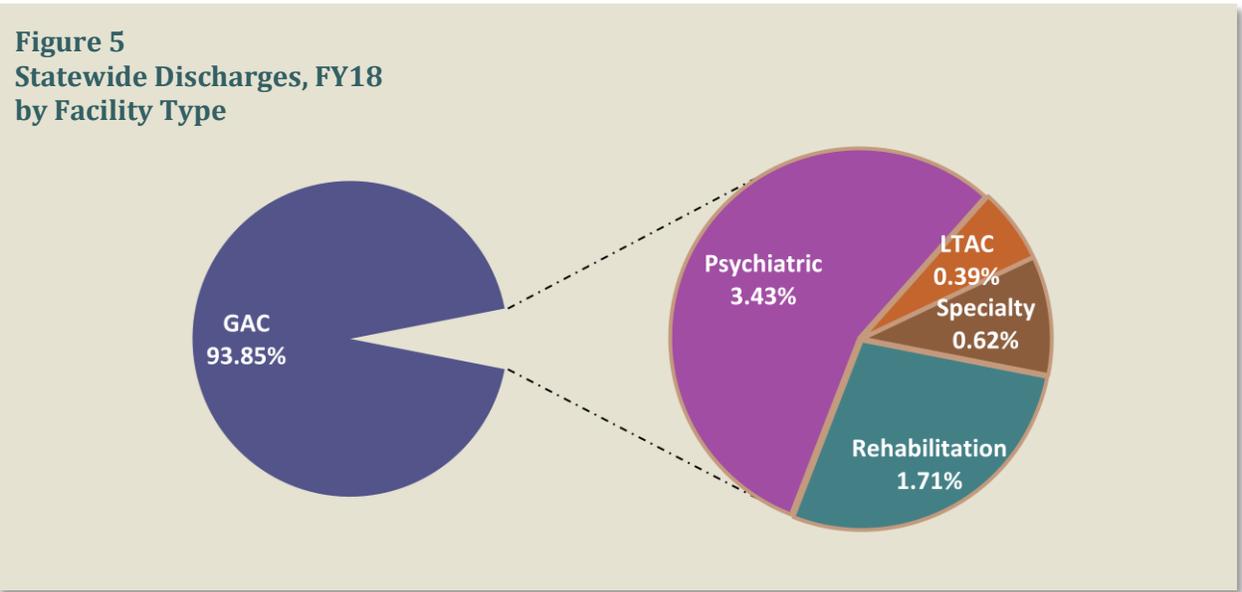
Non-GAC hospitals treated 5.76% of the statewide outpatient visits during FY18 (Figure 7). The remaining 94.24% of the statewide outpatient visits were cared for at GAC hospitals.

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

The average revenue per discharge during FY18 ranged from \$6,366 at specialty hospitals to \$43,669 at long-term acute care hospitals (Table 3).

The average outpatient revenue per visit ranged from \$93 at rehabilitation hospitals to \$530 at GAC hospitals (Table 4).

Statewide, the average inpatient revenue per discharge increased from \$14,665 in FY17 to \$15,370 in FY18 and the average outpatient revenue per visit increased from \$489 in FY17 to \$507 in FY18.



STATEWIDE UTILIZATION

Figure 6
Statewide Patient Days, FY18
by Type of Care

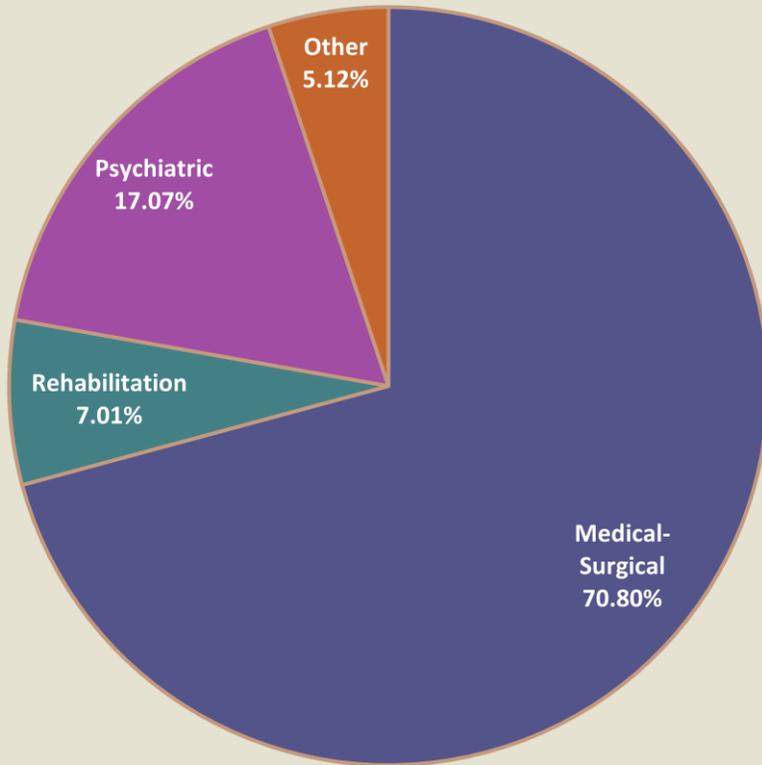


Table 2
Statewide Patient Days, FY18
by Type of Care

| Type of Service | Number of Patient Days |
|------------------|------------------------|
| Medical-Surgical | 6,825,727 |
| Rehabilitation | 675,905 |
| Psychiatric | 1,646,031 |
| Other | 493,713 |
| STATEWIDE | 9,641,376 |

STATEWIDE UTILIZATION

Figure 7
Statewide Outpatient Visits, FY18
by Facility Type

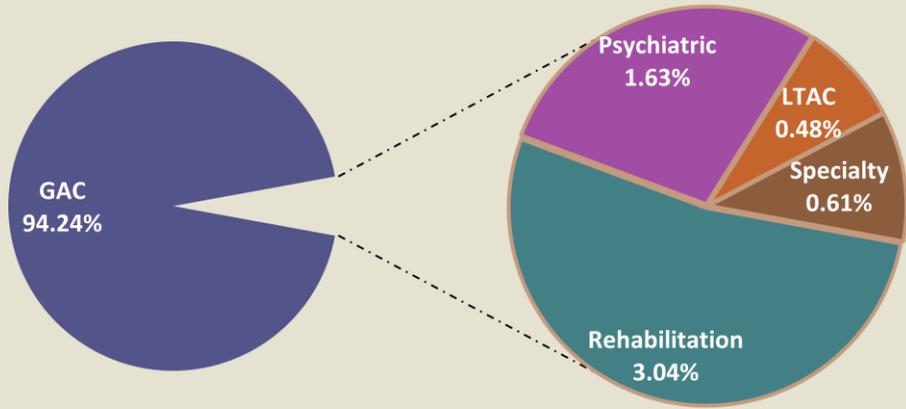
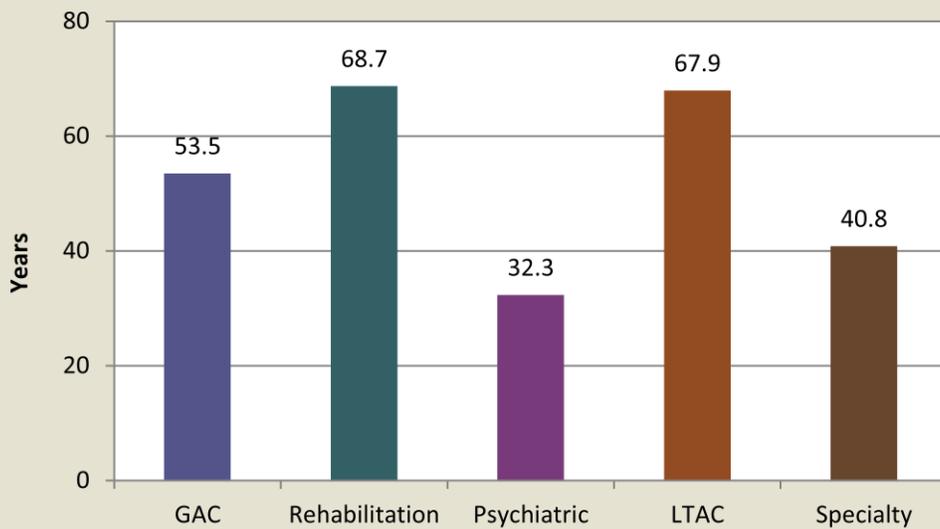


Figure 8
Statewide Average Inpatient Patient Age, FY18
by Facility Type



STATEWIDE UTILIZATION

Figure 9
Statewide Average Length of Stay, FY18
by Facility Type

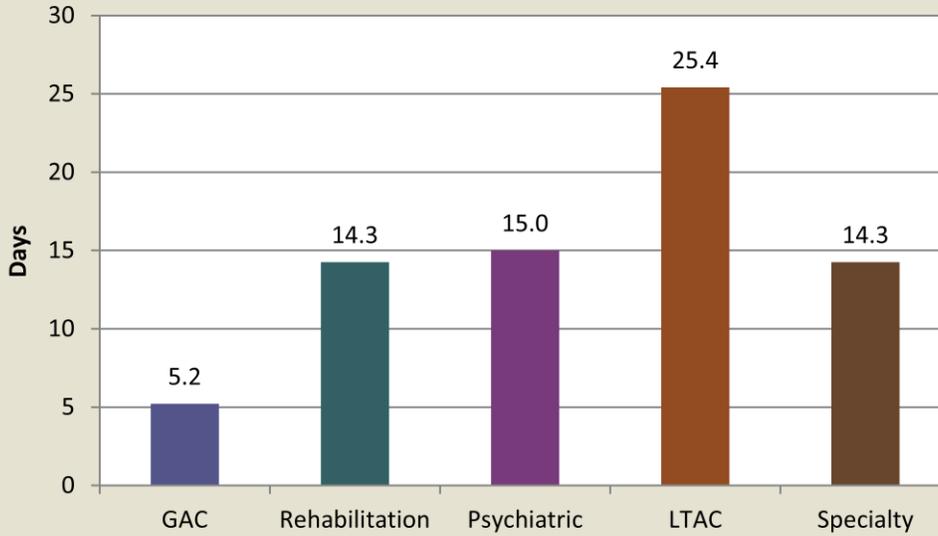


Table 3
Statewide Utilization and Net Inpatient Revenue, FY18
by Facility Type

| Facility Type | Staffed Beds | Patient Days | Discharges | Net Inpatient Revenue (thousands) | Average Inpatient Revenue per Day | Average Inpatient Revenue per Discharge |
|------------------|---------------|------------------|------------------|-----------------------------------|-----------------------------------|---|
| GAC | 34,876 | 8,078,157 | 1,550,122 | \$23,856,509 | \$2,953 | \$15,390 |
| Rehabilitation | 1,852 | 402,864 | 28,271 | \$620,546 | \$1,540 | \$21,950 |
| Psychiatric | 2,865 | 848,969 | 56,606 | \$561,413 | \$661 | \$9,918 |
| LTAC | 894 | 165,014 | 6,495 | \$283,627 | \$1,719 | \$43,669 |
| Specialty | 490 | 146,372 | 10,270 | \$65,383 | \$447 | \$6,366 |
| Statewide | 40,977 | 9,641,376 | 1,651,764 | \$25,387,478 | \$2,633 | \$15,370 |

STATEWIDE UTILIZATION

Table 4
Statewide Outpatient Visits and Net Outpatient Revenue, FY18
by Facility Type

| Facility Type | Visits | Net Outpatient Revenue (thousands) | Average Outpatient Revenue per Visit |
|----------------|------------|------------------------------------|--------------------------------------|
| GAC | 40,528,599 | \$21,480,571 | \$530 |
| Rehabilitation | 1,305,913 | \$121,596 | \$93 |
| Psychiatric | 699,682 | \$76,894 | \$110 |
| LTAC | 205,966 | \$35,221 | \$171 |
| Specialty | 265,902 | \$110,071 | \$414 |
| Statewide | 43,006,062 | \$21,824,353 | \$507 |

INDIVIDUAL HOSPITAL DATA

Hospital Data

The tables on the following pages provide hospital-specific financial data for rehabilitation, psychiatric, state psychiatric, long-term acute care and specialty hospitals that reported data for FY18. The hospitals are arranged by provider category.

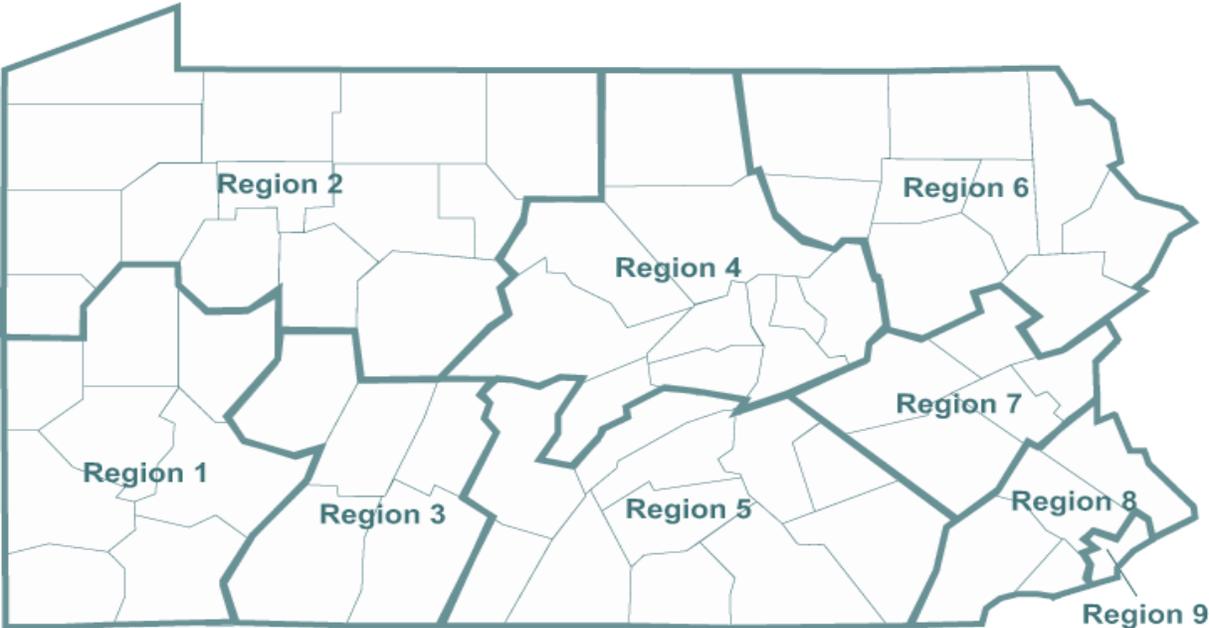
Operating and total margins for each hospital are reported. Each hospital's corresponding operating income, total income, and total operating revenue may be obtained on PHC4's website, www.phc4.org. (Note: Other operating revenue must be included with net patient revenue to calculate the operating income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

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

percentage (e.g., "3-Year Average Change in NPR" and "Operating Margin") are calculated as if the entire state were a single reporting entity. For example, the statewide average operating margins are calculated by adding operating income and operating revenue for all hospitals within the state. The statewide total operating income is divided by the statewide total operating revenue to yield a statewide average operating margin.

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

No estimated data was used for the individual hospital data.



INDIVIDUAL HOSPITAL DATA

| Rehabilitation Region & Hospital | Net Patient Revenue (NPR) (millions) | | | | 3-yr Avg Change in NPR FY15-18 | Total Operating Expenses (TOE) (millions) | | | | 3-yr Avg Change in TOE FY15-18 |
|---|---|-------------|-------------|-------------|---|--|-------------|-------------|-------------|---|
| | FY18 | FY17 | FY16 | FY15 | | FY18 | FY17 | FY16 | FY15 | |
| Statewide Average | \$35 | \$35 | \$36 | \$35 | 0.06% | \$35 | \$34 | \$34 | \$33 | 2.01% |
| 6 Allied Services ⁵ | \$38 | \$36 | \$38 | \$39 | -0.87% | \$39 | \$39 | \$40 | \$38 | 1.08% |
| 8 Bryn Mawr Rehab | \$73 | \$71 | \$78 | \$80 | -2.82% | \$70 | \$71 | \$68 | \$66 | 1.60% |
| 1 Children's Inst Pgh ¹¹ | \$16 | \$19 | \$20 | \$20 | -6.78% | \$46 | \$48 | \$47 | \$43 | 2.45% |
| 3 Crichton Rehab ^{7, 10} | \$7 | \$9 | \$10 | \$11 | -9.73% | \$7 | \$8 | \$8 | \$9 | -6.95% |
| 3 Encompass Altoona ^{1, 10} | \$37 | \$38 | \$37 | \$35 | 1.97% | \$34 | \$34 | \$34 | \$32 | 2.50% |
| 2 Encompass Erie ^{1, 10} | \$21 | \$19 | \$19 | \$19 | 2.92% | \$19 | \$19 | \$19 | \$18 | 1.30% |
| 1 Encompass Harmarville ^{1, 10} | \$26 | \$30 | \$31 | \$32 | -6.40% | \$24 | \$27 | \$27 | \$27 | -3.04% |
| 5 Encompass Mech ^{1, 10} | \$28 | \$25 | \$26 | \$26 | 3.26% | \$24 | \$22 | \$20 | \$20 | 6.34% |
| 4 Encompass Nittany ^{1, 10} | \$24 | \$25 | \$24 | \$23 | 2.36% | \$20 | \$21 | \$20 | \$19 | 1.71% |
| 7 Encompass Reading ^{1, 10} | \$22 | \$21 | \$20 | \$21 | 1.98% | \$18 | \$17 | \$17 | \$16 | 3.16% |
| 1 Encompass Sewickley ^{1, 10} | \$21 | \$19 | \$18 | \$17 | 6.99% | \$17 | \$17 | \$13 | \$13 | 11.53% |
| 5 Encompass York ^{1, 10} | \$30 | \$34 | \$33 | \$31 | -0.48% | \$24 | \$26 | \$26 | \$24 | 0.23% |
| 4 Geisinger Encompass ^{1, 10} | \$19 | \$18 | \$18 | \$18 | 1.25% | \$19 | \$18 | \$18 | \$18 | 2.59% |
| 7 Good Shepherd Rehab | \$73 | \$74 | \$71 | \$74 | -0.45% | \$81 | \$76 | \$79 | \$77 | 1.59% |
| 5 Helen Simpson Rehab ^{1, 10} | \$22 | \$20 | \$16 | \$10 | 36.44% | \$17 | \$17 | \$13 | \$11 | 17.14% |
| 6 John Heinz Rehab ⁵ | \$29 | \$33 | \$35 | \$35 | -5.19% | \$34 | \$36 | \$38 | \$36 | -2.39% |
| 5 Lancaster Rehab ^{1, 10} | \$26 | \$27 | \$27 | \$26 | 0.82% | \$19 | \$19 | \$19 | \$19 | 0.37% |
| 9 Magee Rehab | \$60 | \$59 | \$60 | \$59 | 0.82% | \$66 | \$65 | \$65 | \$61 | 2.77% |
| 9 Moss Rehab ⁷ | \$108 | \$109 | \$114 | \$113 | -1.55% | \$100 | \$95 | \$96 | \$92 | 2.66% |
| 5 Penn State Hlth Rehab ^{1, 5, 10} | \$35 | \$31 | \$32 | \$30 | 5.53% | \$32 | \$31 | \$31 | \$30 | 2.65% |
| 8 St Mary Rehab ^{1, 10} | \$26 | \$24 | \$23 | \$24 | 3.99% | \$18 | \$17 | \$16 | \$17 | 1.66% |

See footnotes on page 22.

INDIVIDUAL HOSPITAL DATA

| Rehabilitation Hospital | Operating Margin FY18 | Total Margin FY18 | 3-yr Avg Total Margin FY16-FY18 | Percent of Uncompensated Care FY18 | Medicare Share of NPR FY18 | Medical Assistance Share of NPR FY18 |
|---|-----------------------|-------------------|---------------------------------|------------------------------------|----------------------------|--------------------------------------|
| Statewide Average | 8.49% | 11.67% | 10.21% | 0.65% | 59.87% | 9.21% |
| Allied Services ⁵ | 3.14% | 7.11% | 5.26% | 0.61% | 74.25% | 2.47% |
| Bryn Mawr Rehab | 8.16% | 12.36% | 12.93% | 0.18% | 46.13% | 2.80% |
| Children's Inst Pgh ¹¹ | -26.39% | -2.63% | -9.35% | 0.36% | 0.03% | 55.10% |
| Crichton Rehab ^{7, 10} | 3.15% | 3.15% | 10.77% | 0.00% | 76.56% | 6.69% |
| Encompass Altoona ^{1, 10} | 11.90% | 12.00% | 9.36% | 1.01% | 80.16% | 5.59% |
| Encompass Erie ^{1, 10} | 13.31% | 8.51% | 6.60% | 0.94% | 82.02% | 3.95% |
| Encompass Harmarville ^{1, 10} | 14.96% | 9.81% | 10.93% | 1.37% | 72.45% | 2.63% |
| Encompass Mech ^{1, 10} | 16.87% | 10.85% | 11.98% | 0.83% | 82.82% | 1.60% |
| Encompass Nittany ^{1, 10} | 20.25% | 12.09% | 11.88% | 0.46% | 87.39% | 2.62% |
| Encompass Reading ^{1, 10} | 20.06% | 13.48% | 12.78% | 0.41% | 88.36% | 3.16% |
| Encompass Sewickley ^{1, 10} | 18.00% | 18.49% | 19.16% | 0.94% | 78.48% | 1.44% |
| Encompass York ^{1, 10} | 22.78% | 15.17% | 15.28% | 0.79% | 85.28% | 1.44% |
| Geisinger Encompass ^{1, 10} | 20.09% | 20.09% | 19.10% | 0.77% | 72.73% | 3.80% |
| Good Shepherd Rehab | -2.85% | -2.85% | 0.13% | 0.59% | 38.43% | 15.77% |
| Helen Simpson Rehab ^{1, 10} | 21.98% | 21.98% | 19.57% | 0.00% | 83.32% | 4.68% |
| John Heinz Rehab ⁵ | -9.78% | -7.71% | -3.48% | 0.51% | 65.39% | 3.16% |
| Lancaster Rehab ^{1, 10} | 28.32% | 28.32% | 29.69% | 1.81% | 82.67% | 1.22% |
| Magee Rehab | -2.32% | 26.24% | 10.78% | 1.34% | 27.49% | 17.58% |
| Moss Rehab ⁷ | 9.18% | 9.66% | 13.41% | 0.45% | 41.18% | 20.98% |
| Penn State Hlth Rehab ^{1, 5, 10} | 9.54% | 9.54% | 5.59% | 0.00% | 61.41% | 8.00% |
| St Mary Rehab ^{1, 10} | 32.30% | 32.30% | 31.72% | 0.40% | 76.67% | 2.02% |

See footnotes on page 22.

INDIVIDUAL HOSPITAL DATA

| Psychiatric Region & Hospital | Net Patient Revenue (NPR) (millions) | | | | 3-yr Avg Change in NPR FY15-18 | Total Operating Expenses (TOE) (millions) | | | | 3-yr Avg Change in TOE FY15-18 |
|--|---|-------------|-------------|-------------|---|--|-------------|-------------|-------------|---|
| | FY18 | FY17 | FY16 | FY15 | | FY18 | FY17 | FY16 | FY15 | |
| Statewide Average | \$28 | \$27 | \$27 | \$27 | 1.07% | \$29 | \$27 | \$25 | \$25 | 5.00% |
| 9 Belmont Behavioral ^{1, 5, 10} | \$57 | \$49 | \$46 | \$36 | 18.77% | \$63 | \$53 | \$52 | \$40 | 19.47% |
| 8 Brooke Glen Behavioral ^{1, 10} | \$35 | \$34 | \$32 | \$32 | 3.19% | \$31 | \$30 | \$29 | \$29 | 2.47% |
| 2 Clarion Psych ^{1, 10} | \$21 | \$20 | \$20 | \$21 | 0.90% | \$16 | \$14 | \$14 | \$12 | 9.23% |
| 8 Devereux Behavioral Hlth ⁷ | \$10 | \$9 | \$8 | \$8 | 7.97% | \$10 | \$9 | \$9 | \$8 | 9.41% |
| 9 Fairmount Behavioral ^{1, 5, 10} | \$45 | \$46 | \$46 | \$45 | 0.33% | \$44 | \$44 | \$42 | \$43 | 0.73% |
| 6 First Wyoming Valley ^{1, 10} | \$24 | \$26 | \$26 | \$26 | -1.70% | \$25 | \$26 | \$25 | \$23 | 2.37% |
| 8 Foundations Behavioral ^{1, 5, 10} | \$34 | \$32 | \$41 | \$37 | -2.45% | \$30 | \$28 | \$34 | \$31 | -0.85% |
| 9 Friends ^{1, 5, 10} | \$51 | \$41 | \$47 | \$49 | 1.17% | \$49 | \$46 | \$42 | \$44 | 3.71% |
| 9 Girard ⁵ | \$37 | NR | NA | NA | NA | \$47 | NR | NA | NA | NA |
| 7 Haven Behavioral East ^{1, 10} | \$20 | \$19 | \$19 | \$13 | 17.97% | \$15 | \$15 | \$14 | \$11 | 13.01% |
| 9 Haven Behavioral Phil ^{1, 10} | \$11 | \$11 | \$10 | \$8 | 13.02% | \$9 | \$10 | \$9 | \$8 | 5.43% |
| 8 Horsham Clinic ^{1, 10} | \$50 | \$49 | \$47 | \$47 | 1.80% | \$49 | \$48 | \$45 | \$43 | 4.43% |
| 7 KidsPeace ¹ | \$26 | \$26 | \$28 | \$28 | -2.90% | \$28 | \$27 | \$27 | \$26 | 2.09% |
| 9 Kirkbride Center ^{5, 10} | \$25 | \$25 | \$22 | \$20 | 8.63% | \$24 | \$23 | \$17 | \$21 | 5.86% |
| 5 Lancaster Behavioral ^{1, 4, 10} | \$2 | NA | NA | NA | NA | \$7 | NA | NA | NA | NA |
| 1 LifeCare Behavioral Pgh ^{1, 10} | \$10 | \$8 | \$3 | NA | NA | \$9 | \$7 | \$5 | NA | NA |
| 4 Meadows Psych Center ^{1, 10} | \$24 | \$26 | \$23 | \$24 | 0.32% | \$19 | \$19 | \$18 | \$18 | 0.88% |
| 8 Montgomery Cty ES ⁵ | \$15 | \$13 | \$16 | \$16 | -0.44% | \$16 | \$15 | \$17 | \$17 | -2.08% |
| 5 PA Psych Inst | \$25 | \$24 | \$22 | \$18 | 14.47% | \$38 | \$33 | \$31 | \$27 | 13.45% |
| 5 Philhaven | \$59 | \$60 | \$61 | \$61 | -1.17% | \$87 | \$75 | \$64 | \$60 | 15.23% |
| 5 Roxbury Treatment ^{1, 5, 10} | \$18 | \$18 | \$19 | \$18 | -0.60% | \$13 | \$14 | \$13 | \$13 | 0.00% |
| 1 Southwood Psych ^{1, 5, 10} | \$28 | \$25 | \$23 | \$23 | 7.48% | \$22 | \$20 | \$19 | \$18 | 8.41% |
| 8 St John Vianney ^{5, 6} | \$10 | \$9 | \$10 | \$8 | 9.40% | \$9 | \$9 | \$9 | \$8 | 4.80% |

See footnotes on page 22.

INDIVIDUAL HOSPITAL DATA

| Psychiatric Hospital | Operating Margin FY18 | Total Margin FY18 | 3-yr Avg Total Margin FY16-FY18 | Percent of Uncompensated Care FY18 | Medicare Share of NPR FY18 | Medical Assistance Share of NPR FY18 |
|--|-----------------------|-------------------|---------------------------------|------------------------------------|----------------------------|--------------------------------------|
| Statewide Average | -0.74% | -2.55% | 0.76% | 1.09% | 17.19% | 57.75% |
| Belmont Behavioral ^{1, 5, 10} | -2.07% | -1.35% | -2.58% | -0.08% | 15.18% | 66.41% |
| Brooke Glen Behavioral ^{1, 10} | 10.90% | 7.76% | 6.18% | 1.01% | 20.36% | 44.86% |
| Clarion Psych ^{1, 10} | 26.22% | 18.66% | 18.13% | 1.06% | 20.57% | 51.02% |
| Devereux Behavioral Hlth ⁷ | 0.58% | 0.58% | 0.04% | 3.04% | 0.00% | 73.53% |
| Fairmount Behavioral ^{1, 5, 10} | 5.39% | 3.83% | 4.24% | 0.79% | 14.84% | 67.96% |
| First Wyoming Valley ^{1, 10} | 0.36% | 0.36% | 1.47% | 0.95% | 15.38% | 60.38% |
| Foundations Behavioral ^{1, 5, 10} | 13.10% | 9.33% | 9.21% | 0.23% | 0.00% | 58.07% |
| Friends ^{1, 5, 10} | 5.47% | 3.73% | 1.89% | 1.05% | 37.96% | 46.56% |
| Girard ⁵ | -25.56% | -15.59% | NA | 0.00% | 0.00% | 100.00% |
| Haven Behavioral East ^{1, 10} | 24.65% | 20.66% | 21.24% | 0.81% | 36.94% | 47.58% |
| Haven Behavioral Phil ^{1, 10} | 17.31% | 15.92% | 10.79% | 1.10% | 88.34% | 2.38% |
| Horsham Clinic ^{1, 10} | 5.04% | -4.08% | 0.40% | 1.19% | 17.86% | 49.62% |
| KidsPeace ¹ | -4.74% | -4.64% | -2.21% | 0.66% | 0.00% | 75.95% |
| Kirkbride Center ^{5, 10} | 7.76% | 3.96% | 5.67% | 0.58% | 0.48% | 98.99% |
| Lancaster Behavioral ^{1, 4, 10} | -346.33% | -346.33% | NA | 0.00% | 26.52% | 65.14% |
| LifeCare Behavioral Pgh ^{1, 10} | 8.24% | 8.24% | -0.01% | 0.62% | 85.98% | 0.00% |
| Meadows Psych Center ^{1, 10} | 23.71% | 16.87% | 15.45% | 1.87% | 21.51% | 49.41% |
| Montgomery Cty ES ⁵ | -4.51% | -3.07% | -5.49% | 3.98% | 25.66% | 47.50% |
| PA Psych Inst | -37.23% | -37.21% | -29.53% | 5.71% | 22.29% | 48.76% |
| Philhaven | -41.18% | -40.48% | -19.58% | 1.24% | 8.76% | 59.16% |
| Roxbury Treatment ^{1, 5, 10} | 25.66% | 18.27% | 16.09% | 0.80% | 15.74% | 55.88% |
| Southwood Psych ^{1, 5, 10} | 20.49% | 18.57% | 16.86% | 0.25% | 0.00% | 72.05% |
| St John Vianney ^{5, 6} | 15.48% | 14.13% | 13.95% | 1.56% | 0.00% | 0.00% |

See footnotes on page 22.

INDIVIDUAL HOSPITAL DATA

| State Psychiatric Region & Hospital | Net Patient Revenue (NPR) (millions) | | | | 3-yr Avg Change in NPR FY15-18 | Total Operating Expenses (TOE) (millions) | | | | 3-yr Avg Change in TOE FY15-18 |
|--|---|-------------|-------------|-------------|---|--|-------------|-------------|-------------|---|
| | FY18 | FY17 | FY16 | FY15 | | FY18 | FY17 | FY16 | FY15 | |
| Statewide Average | \$13 | \$12 | \$12 | \$12 | 0.90% | \$67 | \$65 | \$63 | \$61 | 2.75% |
| 6 Clark Summit State | \$17 | \$17 | \$16 | \$15 | 4.97% | \$56 | \$56 | \$54 | \$54 | 1.30% |
| 4 Danville State | \$11 | \$10 | \$12 | \$12 | -2.88% | \$47 | \$47 | \$46 | \$45 | 1.19% |
| 8 Norristown State | \$6 | \$6 | \$6 | \$7 | -2.12% | \$91 | \$84 | \$81 | \$81 | 4.37% |
| 1 Torrance State | \$10 | \$11 | \$12 | \$11 | -2.73% | \$79 | \$78 | \$76 | \$73 | 2.85% |
| 2 Warren State | \$14 | \$12 | \$12 | \$13 | 1.73% | \$50 | \$49 | \$49 | \$47 | 2.11% |
| 7 Wernersville State | \$18 | \$18 | \$17 | \$16 | 2.89% | \$76 | \$72 | \$70 | \$69 | 3.33% |

See footnotes on page 22.

INDIVIDUAL HOSPITAL DATA

| State Psychiatric Hospital | Percent of Expenses Not Covered by NPR FY18 | Medicare Share of NPR FY18 | Medical Assistance Share of NPR FY18 |
|-------------------------------|--|----------------------------------|---|
| Statewide Average | 80.60% | 21.29% | 68.36% |
| Clark Summit State | 68.88% | 17.00% | 74.89% |
| Danville State | 76.18% | 22.78% | 63.96% |
| Norristown State | 92.68% | 11.75% | 76.85% |
| Torrance State | 87.55% | 24.70% | 65.07% |
| Warren State | 71.03% | 22.20% | 63.81% |
| Wernersville State | 76.49% | 25.27% | 67.19% |

See footnotes on page 22.

INDIVIDUAL HOSPITAL DATA

| Long-term Acute Care Region & Hospital | Net Patient Revenue (NPR) (millions) | | | | 3-yr Avg Change in NPR FY15-18 | Total Operating Expenses (TOE) (millions) | | | | 3-yr Avg Change in TOE FY15-18 |
|--|---|-------------|-------------|-------------|---|--|-------------|-------------|-------------|---|
| | FY18 | FY17 | FY16 | FY15 | | FY18 | FY17 | FY16 | FY15 | |
| Statewide Average | \$14 | \$16 | \$16 | \$17 | -4.59% | \$15 | \$16 | \$16 | \$16 | -1.25% |
| 1 Curahealth Heritage Vllly ^{1,10} | \$6 | \$8 | \$10 | \$11 | -14.25% | \$6 | \$6 | \$10 | \$10 | -14.39% |
| 1 Curahealth Pittsburgh ^{1,10} | \$8 | \$9 | \$15 | \$15 | -14.63% | \$9 | \$13 | \$15 | \$17 | -16.58% |
| 7 Good Shepherd Bethlehem | \$16 | \$15 | \$16 | \$18 | -3.08% | \$16 | \$15 | \$15 | \$16 | 1.73% |
| 9 Good Shepherd Penn Phila | \$54 | \$50 | \$52 | \$54 | 0.25% | \$58 | \$52 | \$48 | \$40 | 14.36% |
| 8 Kindred Havertown ^{1,10} | \$20 | \$20 | \$19 | \$20 | -0.63% | \$20 | \$20 | \$20 | \$20 | 0.07% |
| 9 Kindred Philadelphia ^{1,10} | \$13 | \$14 | \$15 | \$17 | -7.71% | \$16 | \$18 | \$18 | \$19 | -4.18% |
| 9 Kindred South Phila ^{1,10} | \$15 | \$19 | \$17 | \$18 | -4.82% | \$17 | \$19 | \$18 | \$18 | -1.99% |
| 8 LifeCare Chester Cnty ^{1,10,11} | \$14 | \$15 | \$16 | \$15 | -2.55% | \$16 | \$16 | \$17 | \$15 | 1.82% |
| 5 LifeCare Mech ^{1,2,10,11} | \$5 | \$12 | \$14 | \$13 | NA | \$10 | \$15 | \$18 | \$14 | NA |
| 1 LifeCare Pgh Alle-Kiski ^{1,10,11} | \$9 | \$9 | \$11 | \$11 | -5.96% | \$8 | \$10 | \$9 | \$8 | -2.20% |
| 1 LifeCare Pgh Main ^{1,10} | \$14 | \$16 | \$14 | \$13 | 2.41% | \$22 | \$18 | \$20 | \$21 | 1.99% |
| 1 LifeCare Pgh Suburban ^{1,10,11} | \$7 | \$10 | \$11 | \$12 | -12.97% | \$8 | \$9 | \$10 | \$10 | -7.92% |
| 6 PAM Specialty Wilkes ^{1,10} | \$10 | \$16 | \$20 | \$21 | -16.41% | \$10 | \$17 | \$19 | \$19 | -14.47% |
| 5 Select Camp Hill ^{1,10} | \$16 | \$16 | \$16 | \$18 | -3.61% | \$13 | \$12 | \$12 | \$13 | -0.96% |
| 4 Select Danville ^{1,10} | \$14 | \$15 | \$13 | \$13 | 2.31% | \$14 | \$14 | \$13 | \$12 | 3.65% |
| 2 Select Erie ^{1,10} | \$14 | \$17 | \$15 | \$18 | -6.48% | \$15 | \$16 | \$15 | \$16 | -1.64% |
| 5 Select Harrisburg ^{1,10} | \$19 | \$16 | \$17 | \$19 | -0.34% | \$13 | \$13 | \$14 | \$15 | -4.90% |
| 3 Select Johnstown ^{1,10} | \$15 | \$17 | \$16 | \$17 | -3.30% | \$13 | \$14 | \$14 | \$14 | -3.07% |
| 1 Select Laurel ^{1,10} | \$13 | \$15 | \$15 | \$13 | -0.65% | \$12 | \$13 | \$12 | \$11 | 0.64% |
| 1 Select McKeesport ^{1,10} | \$10 | \$12 | \$13 | \$11 | -1.37% | \$10 | \$11 | \$10 | \$9 | 2.97% |
| 1 Select UPMC ^{1,10} | \$14 | \$14 | \$16 | \$17 | -6.29% | \$14 | \$14 | \$14 | \$15 | -1.07% |
| 5 Select York ^{1,10,11} | \$12 | \$11 | \$11 | \$10 | 4.97% | \$10 | \$9 | \$9 | \$9 | 1.97% |

See footnotes on page 22.

INDIVIDUAL HOSPITAL DATA

| Long-term Acute Care Hospital | Operating Margin FY18 | Total Margin FY18 | 3-yr Avg Total Margin FY16-FY18 | Percent of Uncompensated Care FY18 | Medicare Share of NPR FY18 | Medical Assistance Share of NPR FY18 |
|--|-----------------------|-------------------|---------------------------------|------------------------------------|----------------------------|--------------------------------------|
| Statewide Average | -2.62% | -2.23% | 1.16% | 0.31% | 70.73% | 0.92% |
| Curahealth Heritage Vllly ^{1, 10} | 2.62% | 2.62% | 11.33% | 0.00% | 100.76% | -0.03% |
| Curahealth Pittsburgh ^{1, 10} | -1.05% | -1.05% | -11.64% | 0.00% | 52.54% | 0.00% |
| Good Shepherd Bethlehem | -3.25% | -3.25% | 0.39% | 0.44% | 63.43% | 1.08% |
| Good Shepherd Penn Phila | -5.29% | -5.29% | 0.20% | 1.10% | 32.30% | 2.74% |
| Kindred Havertown ^{1, 10} | 1.72% | 1.11% | -0.84% | 0.03% | 89.98% | 0.19% |
| Kindred Philadelphia ^{1, 10} | -24.47% | -14.78% | -14.43% | -2.33% | 89.07% | -0.63% |
| Kindred South Phila ^{1, 10} | -12.84% | -12.77% | -5.31% | 0.35% | 83.96% | 1.32% |
| LifeCare Chester Cnty ^{1, 10, 11} | -18.14% | -18.14% | -8.93% | 0.32% | 79.52% | 0.00% |
| LifeCare Mech ^{1, 2, 10, 11} | -96.91% | -96.91% | -26.49% | 0.65% | 74.82% | 0.00% |
| LifeCare Pgh Alle-Kiski ^{1, 10, 11} | 15.20% | 15.20% | 10.58% | 0.32% | 80.14% | 0.00% |
| LifeCare Pgh Main ^{1, 10} | -55.99% | -55.99% | -29.65% | 0.24% | 81.73% | 0.00% |
| LifeCare Pgh Suburban ^{1, 10, 11} | -10.80% | -10.80% | 1.39% | 0.00% | 76.86% | 0.00% |
| PAM Specialty Wilkes ^{1, 10} | -0.01% | -0.01% | -0.53% | 0.53% | 76.46% | 0.00% |
| Select Camp Hill ^{1, 10} | 20.03% | 20.37% | 22.58% | 0.00% | 73.41% | 0.44% |
| Select Danville ^{1, 10} | 3.34% | 2.42% | 2.86% | 0.00% | 81.41% | 0.09% |
| Select Erie ^{1, 10} | -4.14% | -3.06% | 1.00% | 0.00% | 85.80% | 2.62% |
| Select Harrisburg ^{1, 10} | 30.96% | 30.96% | 24.71% | 0.00% | 67.70% | 0.00% |
| Select Johnstown ^{1, 10} | 13.35% | 11.68% | 10.40% | 0.00% | 86.21% | 0.00% |
| Select Laurel ^{1, 10} | 11.70% | 10.39% | 10.10% | 0.18% | 79.14% | 3.60% |
| Select McKeesport ^{1, 10} | -0.24% | 0.99% | 7.29% | 0.85% | 84.79% | 0.00% |
| Select UPMC ^{1, 10} | -2.36% | -0.76% | 2.48% | 1.82% | 74.62% | 1.23% |
| Select York ^{1, 10, 11} | 18.76% | 18.76% | 18.65% | 0.00% | 73.22% | 0.00% |

See footnotes on page 22.

INDIVIDUAL HOSPITAL DATA

| Specialty Region & Hospital | Net Patient Revenue (NPR) (millions) | | | | 3-yr Avg Change in NPR FY15-18 | Total Operating Expenses (TOE) (millions) | | | | 3-yr Avg Change in TOE FY15-18 |
|-------------------------------------|---|-------------|-------------|-------------|---|--|-------------|-------------|-------------|---|
| | FY18 | FY17 | FY16 | FY15 | | FY18 | FY17 | FY16 | FY15 | |
| Statewide Average | \$35 | \$34 | \$32 | \$31 | 4.57% | \$35 | \$33 | \$32 | \$31 | 5.17% |
| 1 Children's Home Pgh | \$11 | \$10 | \$10 | \$9 | 8.34% | \$16 | \$14 | \$15 | \$13 | 9.03% |
| 4 Divine Providence ^{5,11} | \$108 | \$101 | \$94 | \$87 | 7.98% | \$96 | \$92 | \$88 | \$83 | 5.22% |
| 8 Eagleville ⁵ | \$38 | \$37 | \$36 | \$36 | 1.51% | \$40 | \$37 | \$36 | \$36 | 4.24% |
| 9 Kensington ⁵ | \$5 | \$8 | \$8 | \$6 | -5.89% | \$9 | \$8 | \$8 | \$7 | 8.39% |
| 8 Valley Forge ^{2,5,10} | \$10 | \$15 | \$15 | \$15 | -10.30% | \$13 | \$15 | \$15 | \$15 | -3.69% |

See footnotes on page 22.

INDIVIDUAL HOSPITAL DATA

| Specialty Hospital | Operating Margin FY18 | Total Margin FY18 | 3-yr Avg Total Margin FY16-FY18 | Percent of Uncompensated Care FY18 | Medicare Share of NPR FY18 | Medical Assistance Share of NPR FY18 |
|-----------------------------------|-----------------------------|-------------------------|---------------------------------------|---|----------------------------------|---|
| Statewide Average | 6.97% | 8.99% | 9.77% | 1.20% | 27.56% | 30.20% |
| Children's Home Pgh | -5.58% | 4.31% | -0.26% | 3.46% | 0.00% | 67.00% |
| Divine Providence ^{5,11} | 14.93% | 14.95% | 13.26% | 0.66% | 34.16% | 6.31% |
| Eagleville ⁵ | -3.31% | 2.86% | 10.52% | 0.92% | 19.78% | 72.33% |
| Kensington ⁵ | -9.91% | -9.91% | 1.34% | 6.22% | 6.24% | 92.76% |
| Valley Forge ^{2,5,10} | -3.46% | -2.52% | -2.13% | 2.54% | 29.74% | 54.00% |

See footnotes on page 22.

EXPLANATION OF TERMS & MEASURES

3-year Average Change in Net Patient Revenue (NPR) or Total Operating Expenses (TOE): The average annual change in the hospital's NPR or TOE that occurred from the end of FY15 through FY18.

$$\left(\frac{((\text{NPR}_{18} - \text{NPR}_{15}) / \text{NPR}_{15}) / 3}{\text{or}} \frac{((\text{TOE}_{18} - \text{TOE}_{15}) / \text{TOE}_{15}) / 3} \right)$$

3-year Average Total Margin: The average total margin realized by the hospital during FY15 through FY17.

$$(\Sigma \text{ revenue over expenses}_{18, 17, 16} / \Sigma \text{ total revenue}_{18, 17, 16})$$

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

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

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

Operating Income: The amount by which total operating revenue exceeds total operating expenses.

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

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

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

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

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

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

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

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

Psychiatric Hospital: A licensed institution issued a certificate by the Pennsylvania Department of Human Services to operate as a hospital that provides short-term acute psychiatric services on an inpatient basis. Psychiatric hospitals may also offer long-term residential and outpatient programs. Acute psychiatric care is rendered in response to severe psychiatric conditions requiring intensive or extensive intervention to bring the patient's symptoms under control.

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

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

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

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

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

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

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

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

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

FOOTNOTES & NON-COMPLIANT

Footnotes

1. The end of the fiscal year is not June 30. The data reflects the fiscal year that ended prior to June 30.
 2. FY18 data is less than 12 months; therefore, a three-year comparison is not appropriate for some of the measures.
 3. Prior year(s) reflect less than 12 months of data; therefore, a three-year comparison is not appropriate for some of the measures.
 4. This is the first reporting year for this facility. Expenses are often higher than operating revenue during the start-up period.
 5. The hospital has specialty units such as psychiatric, rehab, long-term care, skilled nursing, etc., which are included in the data presented for the facility.
 6. Extraordinary item(s) is included in the calculation of total margin.
 7. Balance sheet ratios are for the parent organization.
 8. Acquired or merged with another licensed hospital during the FY18 reporting period.
 9. Acquired or merged with another licensed hospital during the FY16 or FY17 reporting periods.
 10. For-profit facility; total margin includes *pro rata* share of the parent corporation's federal income taxes.
 11. Facility is referred to by a different name, or it closed after the FY18 reporting period.
 12. Facility failed to satisfy the financial filing requirements.
 13. One or more of the required financial submissions was filed late.
 14. Facility submitted incomplete or inaccurate data.
- NA Not applicable.
- NR Information necessary to report or calculate this measure was not reported by the hospital.

Non-Compliant

No Submission: All non-GAC hospitals complied with PHC4's filing requirements.

Partial Submission: All hospitals filed complete data and are included in the report.

Pennsylvania Health Care Cost Containment Council

Joe Martin, Executive Director

225 Market Street, Suite 400, Harrisburg, PA 17101

Phone: 717-232-6787 • Fax: 717-232-3821

www.phc4.org



For More Information

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