

Financial Analysis 2014

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



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



Pennsylvania Health Care Cost Containment Council
November 2015



About PHC4

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

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

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

Table of Contents

Hospital Income	1
Statewide Utilization	4
Individual Hospital Data	9
Explanation of Terms & Measures	18
Non-Compliant Hospitals	19

Foreword

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

This is the third volume of a three-volume series of *Financial Analysis 2014* reports. *Volume One*, released in May 2015, focused on the financial health of Pennsylvania's general acute care (GAC) hospitals. *Volume Two*, released in October 2015, concentrated on Pennsylvania's ambulatory surgery centers (ASCs). This report, *Volume Three*, focuses on Pennsylvania's non-GAC hospitals, which include rehabilitation hospitals, psychiatric hospitals, long-term acute care hospitals, and specialty hospitals.

The data included in *Volume Three* for non-GAC hospitals is based on each facility's fiscal year that ended during 2014. The fiscal year for the majority of non-GAC hospitals is the calendar year ending on December 31, 2014. For those hospitals that do not utilize a calendar year, the fiscal year typically ended on June 30, 2014.

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

Hospital Income

Pennsylvania's Hospitals

There were 247 total hospitals licensed in Pennsylvania that operated during at least some portion of fiscal year 2014 (FY14) (Table 1). One-hundred seventy-one hospitals were general acute care (GAC) hospitals. The remaining 76 hospitals were rehabilitation hospitals, psychiatric hospitals, state psychiatric hospitals, long-term acute care hospitals, and specialty hospitals.

This report presents statewide analysis for non-GAC hospitals, which consist of rehabilitation hospitals, psychiatric hospitals, long-term acute care hospitals, and specialty hospitals. GAC hospitals are incorporated into the statewide analysis for comparative purposes. Individual hospital-specific FY14 financial data is presented for the non-GAC hospitals and for state psychiatric hospitals.

Hospital Income

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

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

Alternatively, a hospital with a history of continuous moderate income levels in all likelihood can maintain operations with a lower income level if

Table 1
Number of Hospitals, FY14
by Facility Type

Facility Type	Number of Hospitals
General Acute Care Hospitals	171
Rehabilitation Hospitals	20
Psychiatric Hospitals	20
State Psychiatric Hospitals	6
Long-Term Acute Care Hospitals	25
Specialty Hospitals	5
Total	247

it has kept pace with needed improvements and has not depleted its capital reserves or acquired debt in order to meet expenses.

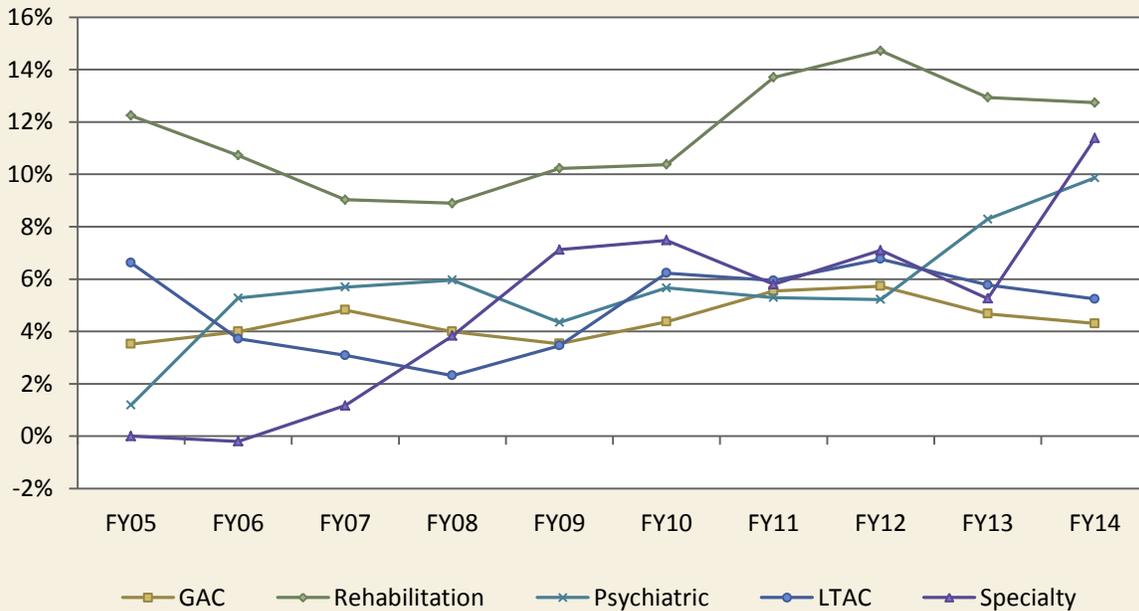
Operating Margin & Total Margin

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

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

Hospital Income

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



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 very similar operating and total margins. In such cases, a low or negative operating and/or total margin may reveal the hospital is under financial stress.

Statewide Margins

Statewide average operating margins experienced by each facility type during FY14 ranged from 4.30% at GAC hospitals to 12.74% at rehabilitation

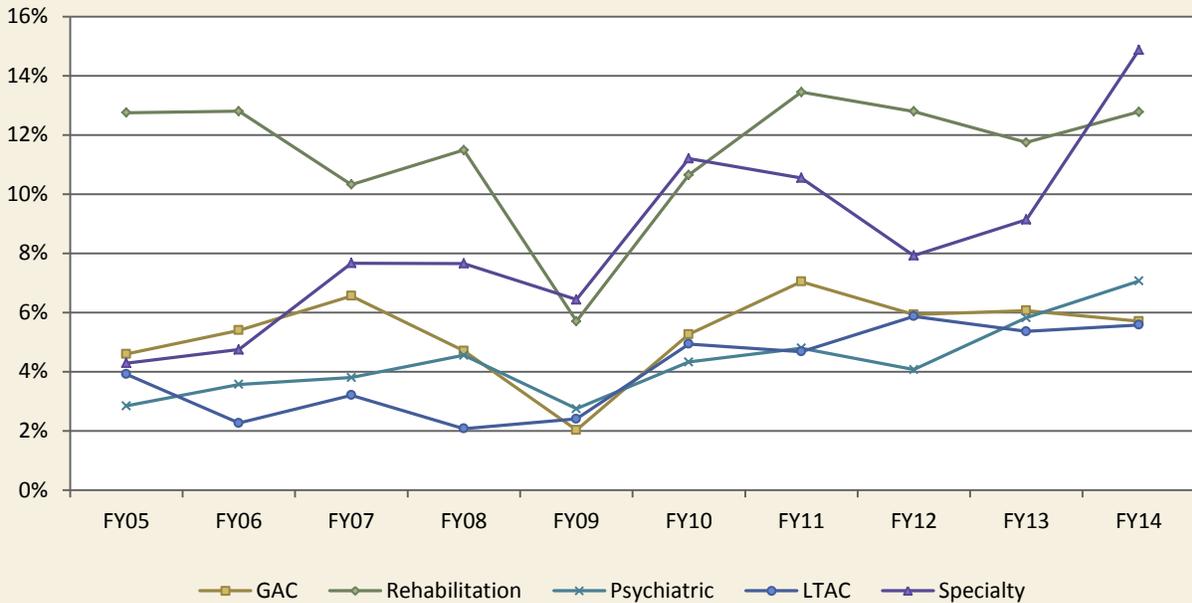
hospitals (Figure 1). Over a ten year reporting period the operating margin ranged from -0.20% at specialty hospitals during FY06 to 14.71% at rehabilitation hospitals in FY12.

Among the non-GAC hospitals, the rehabilitation hospitals average operating margin ranged from 8.90% in FY08 to 14.71% in FY12. The psychiatric hospitals average operating margin ranged from 1.19% in FY05 to 9.87% in FY14. The long-term acute care (LTAC) hospitals average operating margin ranged from 2.31% in FY08 to 6.76% in FY12. The specialty hospitals average operating margin ranged from -0.20% in FY06 to 11.38% in FY14.

Statewide average total margins experienced by each facility type during FY14 ranged from 5.58% at long-term acute care hospitals to 14.87% at specialty hospitals (Figure 2). Over a ten year reporting period the total margin ranged from 2.03% at GAC hospitals during FY09 to 14.87% at specialty hospitals in FY14.

Hospital Income

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



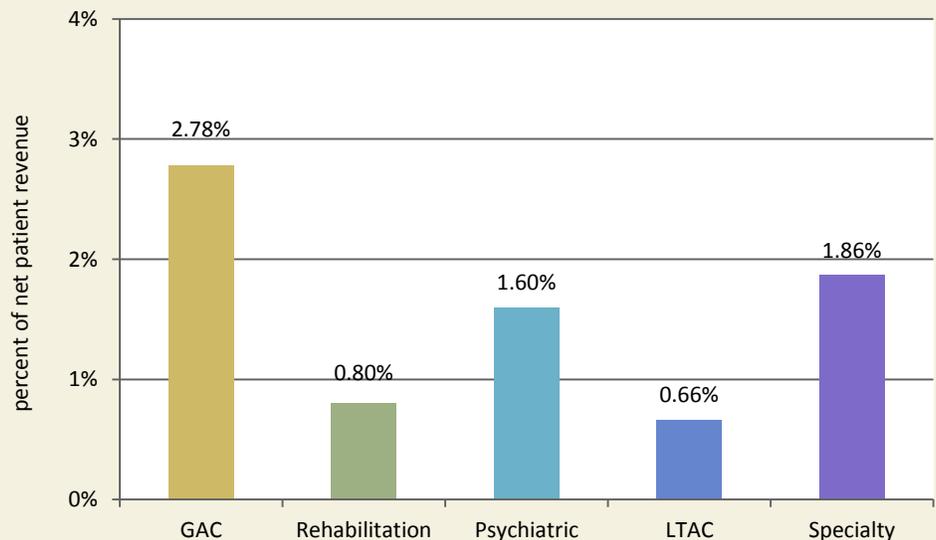
Among the non-GAC hospitals, the rehabilitation hospitals average total margin ranged from 5.70% in FY09 to 13.45% in FY11. The psychiatric hospitals average total margin ranged from 2.74% in FY09 to 7.06% in FY14. The long-term acute care hospitals average total margin ranged from 2.07% in FY08 to 5.87% in FY12. The specialty hospitals average total margin ranged from 4.29% in FY05 to 14.87% in FY14.

Uncompensated Care Levels

As a group the non-GAC hospitals foregone dollar value of uncompensated care during FY14 was \$18.9 million. Uncompensated care as a

percent of net patient revenue in FY14 ranged from 0.66% at long-term acute care hospitals to 1.86% at specialty hospitals (Figure 3).

Figure 3
Percent of Uncompensated Care, FY14
by Facility Type



STATEWIDE UTILIZATION

Statewide Utilization

Combined, rehabilitation, psychiatric, long-term acute care and specialty hospitals received 6.27% of the statewide net patient revenue during FY14 (Figure 4). GAC hospitals (including their hospital-based subunits) are the predominate providers of hospital-based health care in Pennsylvania. GAC hospitals received 93.73% of the statewide net patient revenue in FY14.

The non-GAC hospitals treated 5.89% of the patients that received inpatient care during FY14 (Figure 5). GAC hospitals covered 94.11% of the patients that received inpatient care.

Non-GAC hospitals provided services for 5.48% of the statewide outpatient visits during FY14 (Figure 6). The remaining 94.52% of statewide hospital outpatient visits were treated at GAC hospitals.

The total statewide patient days for inpatient care at hospitals during FY14 were 9,852,756 (Table 2). The majority of the inpatient care provided was for medical-surgical services.

Regardless of where services were delivered, 71.32% of the statewide patient days were for

medical-surgical services during FY14 (Figure 7), 14.17% were for inpatient psychiatric related conditions, and 7.35% were for rehabilitation services. The remaining 7.16% of statewide patient days were for other types of services, such as skilled nursing, long-term, etc.

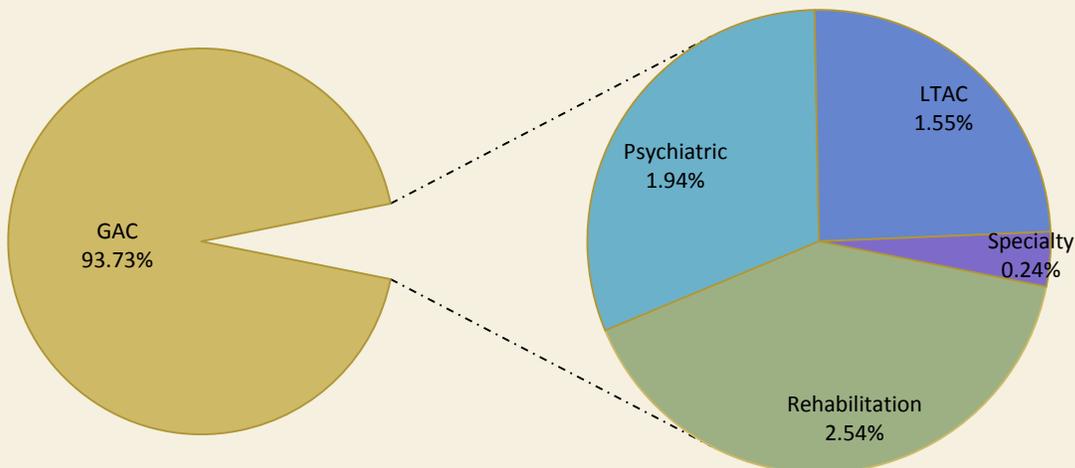
The average age of patients treated at rehabilitation hospitals is greater than twice the average age of patients at psychiatric hospitals (Figure 8). Long-term acute care hospitals treat patients with complex medical conditions that require continuous care and their patients have a longer average length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

The average revenue per discharge during FY14 ranged from \$5,586 at specialty hospitals to \$42,824 at long-term acute care hospitals (Table 3).

The average outpatient revenue per visit ranged from \$104 at both psychiatric and rehabilitation hospitals to \$441 at GAC hospitals (Table 4).

Statewide, inpatient revenue per discharge increased from \$12,538 in FY13 to \$13,174 in FY14 and outpatient revenue per visit increased from \$392 in FY13 to \$425 in FY14.

Figure 4
Net Patient Revenue, FY14
by Facility Type



STATEWIDE UTILIZATION

Figure 5
Discharges, FY14
by Facility Type

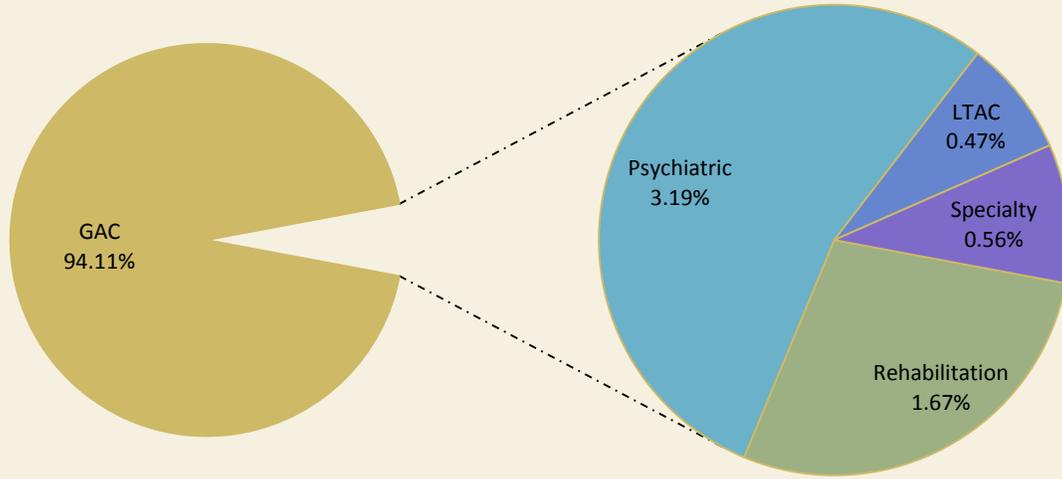
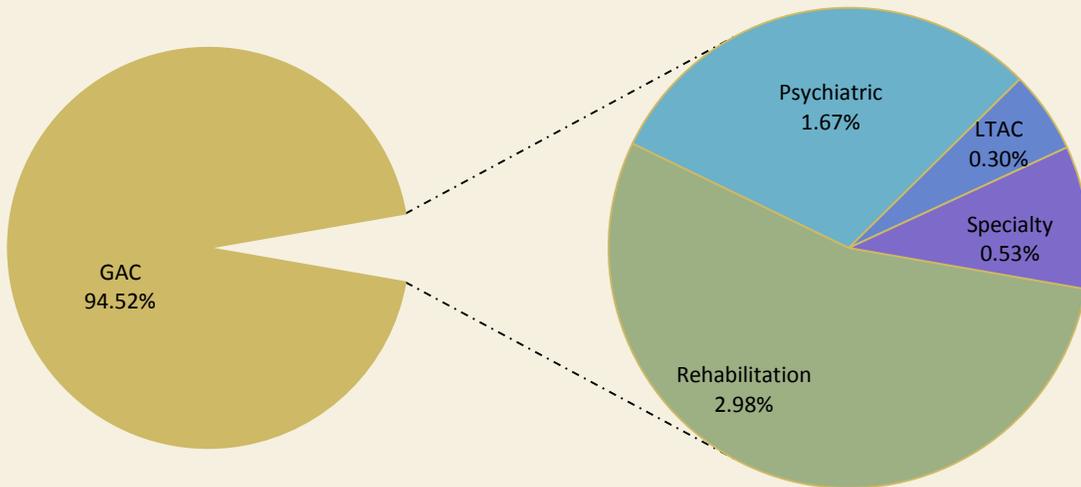


Figure 6
Outpatient Visits, FY14
by Facility Type



STATEWIDE UTILIZATION

Figure 7
Patient Days, FY14
by Type of Care

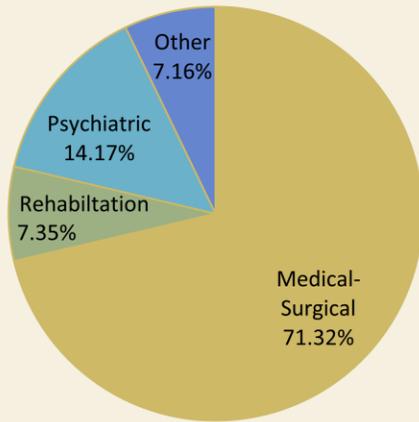
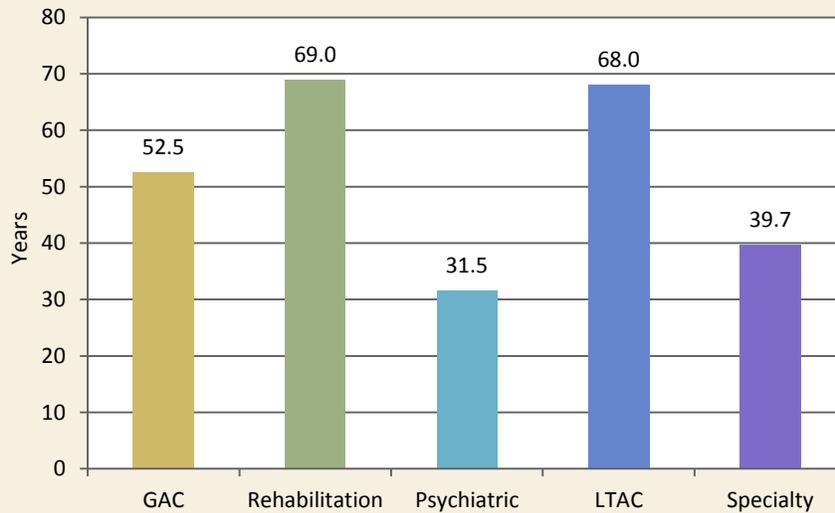


Table 2
Patient Days, FY14
by Type of Care

Type of Services	Patient Days
Medical-Surgical	7,026,852
Rehabilitation	724,483
Psychiatric	1,395,976
Other	705,445
Statewide	9,852,756

Figure 8
Average Patient Age, FY14
by Facility Type



STATEWIDE UTILIZATION

Figure 9
Average Length of Stay, FY14
by Facility Type

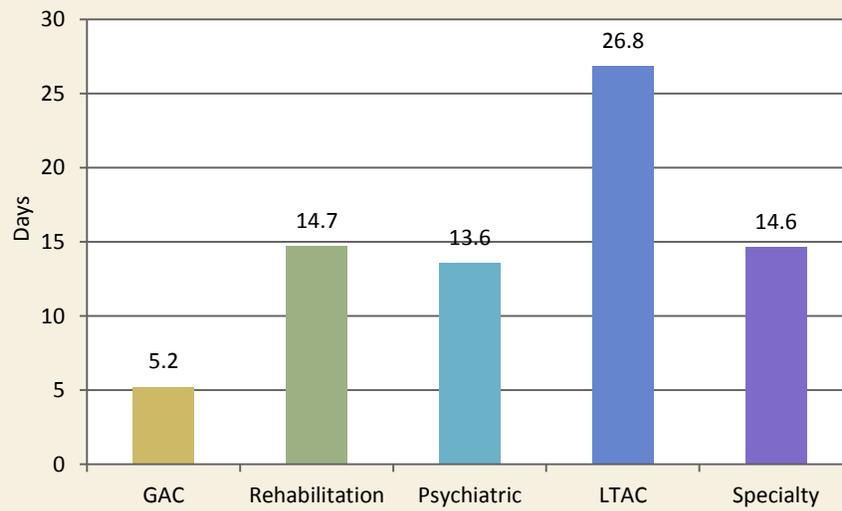


Table 3
Utilization and Net Inpatient Revenue, FY14
by Facility Type

Facility Type	Staffed Beds	Patient Days	Discharges	Net Inpatient Revenue (thousands)	Average Inpatient Revenue per Day	Average Inpatient Revenue per Discharge
GAC	36,148	8,345,910	1,595,302	\$20,932,088	\$2,508	\$13,121
Rehabilitation	1,803	415,786	28,263	\$568,198	\$1,367	\$20,104
Psychiatric	2,374	735,256	54,067	\$433,742	\$590	\$8,022
LTAC	1,016	216,354	8,059	\$345,117	\$1,595	\$42,824
Specialty	460	139,450	9,524	\$53,198	\$381	\$5,586
Statewide	41,801	9,852,756	1,695,215	\$22,332,342	\$2,267	\$13,174

STATEWIDE UTILIZATION

Table 4
Outpatient Visits and Net Outpatient Revenue, FY14
by Facility Type

Facility Type	Visits	Net Outpatient Revenue (thousands)	Average Outpatient Revenue per Visit
GAC	39,343,654	\$17,350,002	\$441
Rehabilitation	1,241,804	\$128,951	\$104
Psychiatric	694,419	\$72,385	\$104
LTAC	126,051	\$30,845	\$245
Specialty	219,504	\$96,323	\$439
Statewide	41,625,432	\$17,678,506	\$425

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 FY14. The 73 hospitals are arranged by provider category. Three hospitals did not submit FY14 data.

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

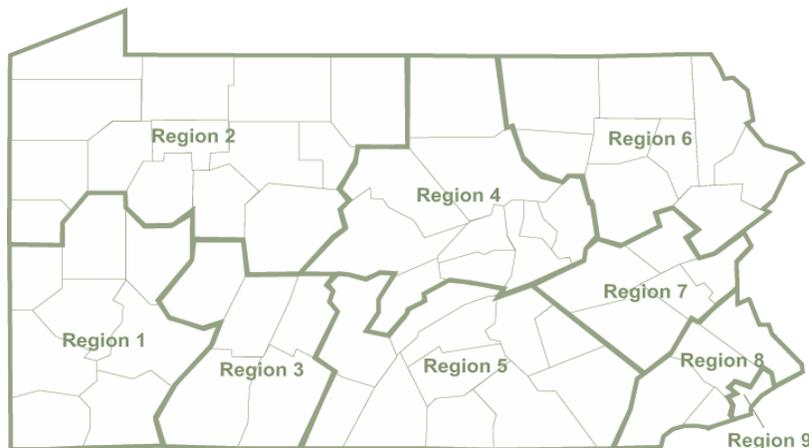
Averages for all of the hospitals in the state are presented in the first row of each table. The statewide averages that are expressed as a percentage are calculated as if the entire state was a single reporting entity. For example, the statewide average operating margins are calculated by adding operating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

In calculating the statewide 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.

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. FY14 data is less than 12 months; therefore, a three-year comparison is not appropriate for some of the measures.
 3. Prior year(s) reflect less than 12 months of data; therefore, a three-year comparison is not appropriate for some of the measures.
 4. This is the first reporting year for this facility. Expenses are often higher than operating revenue during the start-up period. Three-year comparisons are not appropriate for this facility.
 5. The hospital has specialty units such as psychiatric, rehabilitation, long-term care, skilled nursing, etc., which are included in the data presented for the facility.
 6. Extraordinary item(s) was included in the calculation of total margin.
 7. Balance sheet ratios are for the parent organization.
 8. Acquired or merged with another licensed hospital during the FY14 reporting period.
 9. Acquired or merged with another licensed hospital during the FY12 or FY13 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 FY14 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.



INDIVIDUAL HOSPITAL DATA

Region / Rehabilitation Hospital	Net Patient Revenue (NPR) (millions)				3-yr Avg Change in NPR FY11-14	Total Operating Expenses (TOE) (millions)				3-yr Avg Change in TOE FY11-14
	FY14	FY13	FY12	FY11		FY14	FY13	FY12	FY11	
Statewide Average	\$35	\$36	\$35	\$34	0.85%	\$32	\$34	\$32	\$31	1.05%
6 Allied Services	\$35	\$36	\$35	\$35	-0.67%	\$35	\$36	\$34	\$34	1.18%
1 Children's Inst Pgh	\$21	\$22	\$24	\$23	-2.15%	\$43	\$47	\$42	\$40	2.22%
3 Crichton Rehab ⁷	\$12	\$11	\$11	\$11	4.52%	\$10	\$9	\$9	\$8	8.85%
4 Geisinger HealthSouth ^{1,10}	\$18	\$18	\$18	\$17	2.10%	\$18	\$17	\$16	\$16	4.52%
7 Good Shepherd Rehab	\$70	\$68	\$67	\$64	3.15%	\$74	\$73	\$70	\$68	2.85%
3 HealthSouth Altoona ^{1,10}	\$35	\$36	\$36	\$33	1.74%	\$32	\$32	\$32	\$30	1.81%
2 HealthSouth Erie ^{1,10}	\$22	\$26	\$27	\$29	-7.98%	\$19	\$20	\$21	\$22	-5.79%
1 HealthSouth Harmorville ^{1,5,10}	\$38	\$44	\$45	\$42	-3.30%	\$31	\$36	\$36	\$34	-3.69%
5 HealthSouth Mechanicsburg ^{1,10}	\$28	\$28	\$26	\$23	7.54%	\$21	\$21	\$21	\$20	2.94%
4 HealthSouth Nittany ^{1,10}	\$23	\$21	\$17	\$16	13.88%	\$19	\$19	\$16	\$16	7.34%
7 HealthSouth Reading ^{1,10}	\$21	\$22	\$21	\$18	5.48%	\$17	\$17	\$16	\$16	3.97%
1 HealthSouth Sewickley ^{1,10}	\$17	\$16	\$14	\$12	11.55%	\$13	\$12	\$11	\$10	8.17%
5 HealthSouth York ^{1,10}	\$29	\$27	\$28	\$28	0.87%	\$24	\$23	\$24	\$23	0.83%
6 John Heinz Rehab ⁵	\$34	\$35	\$37	\$38	-3.55%	\$37	\$36	\$35	\$36	0.87%
5 Lancaster Rehab ^{1,10}	\$24	\$24	\$22	\$21	5.63%	\$18	\$18	\$17	\$17	3.24%
9 Magee Rehab	\$58	\$58	\$56	\$58	-0.14%	\$59	\$60	\$56	\$56	2.06%
8 Main Line Bryn Mawr Rehab	\$75	\$73	\$74	\$75	0.20%	\$63	\$60	\$60	\$61	1.17%
9 Moss Rehab ⁷	\$103	\$101	\$93	\$84	7.48%	\$82	\$82	\$75	\$72	4.58%
5 Penn State Hershey Rehab ^{1,5,10}	\$26	\$22	\$21	\$18	14.18%	\$27	\$21	\$21	\$20	11.55%
8 St Mary Rehab ^{1,2,4,10}	\$8	NA	NA	NA	NA	\$8	NA	NA	NA	NA

See footnotes on page 9.

INDIVIDUAL HOSPITAL DATA

Rehabilitation Hospital	Operating Margin FY14	Total Margin FY14	3-yr Avg Total Margin FY12-FY14	Percent of Uncompensated Care FY14	Medicare Share of NPR FY14	Medical Assistance Share of NPR FY14
Statewide Average	12.74%	12.78%	12.44%	0.80%	57.42%	7.97%
Allied Services	4.31%	11.25%	11.83%	0.80%	81.45%	2.32%
Children's Inst Pgh	-15.17%	15.46%	2.62%	0.30%	8.33%	39.14%
Crichton Rehab ⁷	13.33%	13.33%	16.85%	0.24%	78.81%	5.76%
Geisinger HealthSouth ^{1, 10}	21.03%	16.67%	17.87%	1.19%	68.04%	3.69%
Good Shepherd Rehab	4.30%	4.30%	3.86%	0.97%	40.69%	12.37%
HealthSouth Altoona ^{1, 10}	12.15%	7.49%	7.93%	0.99%	82.76%	3.28%
HealthSouth Erie ^{1, 10}	20.15%	12.73%	14.83%	0.64%	86.45%	3.53%
HealthSouth Harmarville ^{1, 5, 10}	22.73%	13.55%	11.52%	0.75%	58.25%	1.90%
HealthSouth Mechanicsburg ^{1, 10}	27.01%	16.22%	15.15%	0.93%	82.46%	2.00%
HealthSouth Nittany ^{1, 10}	20.50%	12.36%	11.06%	1.04%	76.72%	2.45%
HealthSouth Reading ^{1, 10}	20.98%	12.30%	12.65%	1.15%	86.61%	2.43%
HealthSouth Sewickley ^{1, 10}	25.60%	14.65%	15.11%	0.64%	57.98%	1.57%
HealthSouth York ^{1, 10}	19.72%	11.76%	11.56%	1.15%	84.24%	1.63%
John Heinz Rehab ⁵	-3.22%	0.07%	4.05%	0.84%	73.56%	2.08%
Lancaster Rehab ^{1, 10}	24.30%	24.30%	24.42%	0.70%	76.78%	3.41%
Magee Rehab	4.36%	8.61%	9.42%	0.98%	27.50%	11.72%
Main Line Bryn Mawr Rehab	18.14%	19.97%	21.40%	0.70%	45.98%	3.02%
Moss Rehab ⁷	21.37%	21.57%	20.60%	0.46%	38.87%	17.81%
Penn State Hershey Rehab ^{1, 5, 10}	0.58%	0.58%	2.80%	1.09%	59.03%	10.07%
St Mary Rehab ^{1, 2, 4, 10}	-3.77%	-3.77%	NA	0.47%	81.12%	0.21%

See footnotes on page 9.

INDIVIDUAL HOSPITAL DATA

Region / Psychiatric Hospital	Net Patient Revenue (NPR) (millions)				3-yr Avg Change in NPR FY11-14	Total Operating Expenses (TOE) (millions)				3-yr Avg Change in TOE FY11-14
	FY14	FY13	FY12	FY11		FY14	FY13	FY12	FY11	
Statewide Average	\$25	\$25	\$25	\$23	2.74%	\$23	\$24	\$24	\$23	1.04%
9 Belmont Center	\$38	\$39	\$40	\$39	-1.14%	\$40	\$41	\$40	\$39	0.78%
8 Brooke Glen Behavioral ^{1, 3, 10}	\$29	\$29	\$22	\$20	NA	\$28	\$12	\$29	\$25	NA
2 Clarion Psych ^{1, 10}	\$19	\$16	\$16	\$17	4.77%	\$12	\$11	\$11	\$10	6.85%
8 Devereux Behavioral Hlth ⁷	\$8	\$7	\$6	\$6	8.80%	\$8	\$8	\$6	\$6	11.41%
9 Fairmount Behavioral ^{1, 5, 10}	\$46	\$45	\$44	\$43	2.19%	\$41	\$40	\$39	\$37	4.10%
6 First Wyoming Valley ^{1, 10}	\$26	\$20	\$23	\$21	6.63%	\$22	\$19	\$17	\$17	8.70%
8 Foundations Behavioral ^{1, 5, 10}	\$29	\$27	\$25	\$27	2.27%	\$25	\$24	\$24	\$25	-0.61%
9 Friends ^{1, 5, 10}	\$44	\$45	\$40	\$36	7.66%	\$42	\$42	\$41	\$39	2.51%
7 Haven Behavioral Eastern ^{1, 10}	\$13	\$12	\$11	\$7	26.08%	\$11	\$10	\$10	\$8	16.06%
9 Haven Behavioral Phil ^{1, 4, 10}	\$4	NA	NA	NA	NA	\$7	NA	NA	NA	NA
8 Horsham Clinic ^{1, 10}	\$45	\$42	\$43	\$42	2.50%	\$42	\$43	\$41	\$39	2.56%
7 KidsPeace ¹	\$24	\$23	\$24	\$23	1.32%	\$24	\$24	\$24	\$22	2.83%
9 Kirkbride Center ^{5, 10}	\$18	\$17	\$18	\$19	-1.17%	\$10	\$20	\$20	\$17	-14.22%
4 Meadows Psych Center ^{1, 10}	\$22	\$20	\$19	\$14	19.81%	\$17	\$17	\$16	\$14	9.09%
8 Montgomery Cty ES ⁵	\$17	\$17	\$17	\$17	-0.43%	\$18	\$18	\$17	\$17	2.46%
5 PA Psych Inst	\$20	\$22	\$23	\$20	0.27%	\$27	\$27	\$27	\$31	-3.80%
5 Philhaven ⁵	\$57	\$55	\$54	\$53	2.44%	\$59	\$60	\$56	\$54	3.12%
5 Roxbury Treatment ^{1, 5, 10}	\$19	\$17	\$17	\$17	3.88%	\$13	\$13	\$12	\$12	2.70%
1 Southwood Psych ^{1, 5, 10}	\$21	\$20	\$17	\$16	9.86%	\$16	\$16	\$16	\$15	1.98%
8 St John Vianney ⁵	\$8	\$7	\$7	\$7	2.24%	\$8	\$8	\$8	\$7	6.23%

See footnotes on page 9.

Region / State Psychiatric Hospital	Net Patient Revenue (NPR) (millions)				3-yr Avg Change in NPR FY11-14	Total Operating Expenses (TOE) (millions)				3-yr Avg Change in TOE FY11-14
	FY14	FY13	FY12	FY11		FY14	FY13	FY12	FY11	
Statewide Average	\$12	\$10	\$11	\$10	5.65%	\$58	\$56	\$56	\$49	5.98%
6 Clark Summit State	\$13	\$12	\$11	\$12	3.97%	\$52	\$50	\$49	\$50	1.40%
4 Danville State	\$12	\$11	\$11	\$10	8.85%	\$43	\$41	\$40	\$40	2.03%
8 Norristown State	\$7	\$9	\$10	\$10	-10.25%	\$75	\$74	\$78	\$81	-2.48%
1 Torrance State	\$10	\$7	\$9	\$10	-0.76%	\$70	\$65	\$68	\$66	2.42%
2 Warren State	\$11	\$10	\$10	\$10	3.43%	\$46	\$43	\$43	\$43	2.62%
7 Wernersville State	\$16	\$14	\$15	\$14	4.64%	\$64	\$61	\$61	\$58	3.62%

See footnotes on page 9.

INDIVIDUAL HOSPITAL DATA

Psychiatric Hospital	Operating Margin FY14	Total Margin FY14	3-yr Avg Total Margin FY12-FY14	Percent of Uncompensated Care FY14	Medicare Share of NPR FY14	Medical Assistance Share of NPR FY14
Statewide Average	9.87%	7.06%	5.69%	1.60%	17.64%	53.11%
Belmont Center	-5.00%	-4.75%	-2.34%	1.52%	26.76%	55.31%
Brooke Glen Behavioral ^{1, 3, 10}	8.20%	4.52%	9.13%	0.81%	26.12%	42.47%
Clarion Psych ^{1, 10}	38.25%	21.07%	19.58%	1.60%	23.44%	54.49%
Devereux Behavioral Hlth ⁷	2.31%	2.31%	1.03%	0.73%	0.00%	70.83%
Fairmount Behavioral ^{1, 5, 10}	11.05%	17.78%	17.23%	0.79%	16.88%	63.97%
First Wyoming Valley ^{1, 10}	14.37%	8.41%	9.82%	0.80%	23.75%	54.51%
Foundations Behavioral ^{1, 5, 10}	14.76%	8.13%	5.98%	0.78%	0.00%	39.87%
Friends ^{1, 5, 10}	7.40%	4.08%	2.85%	1.60%	29.88%	50.79%
Haven Behavioral Eastern ^{1, 10}	14.62%	14.62%	9.79%	1.82%	43.50%	37.74%
Haven Behavioral Phil ^{1, 4, 10}	-55.09%	-55.09%	NA	4.81%	87.20%	4.61%
Horsham Clinic ^{1, 10}	8.90%	4.91%	3.57%	1.36%	21.07%	45.86%
KidsPeace ¹	0.80%	0.86%	-1.27%	1.35%	0.00%	72.37%
Kirkbride Center ^{5, 10}	50.16%	31.71%	5.09%	3.82%	0.52%	98.44%
Meadows Psych Center ^{1, 10}	23.65%	13.03%	11.37%	0.96%	21.05%	46.87%
Montgomery Cty ES ⁵	-7.35%	-4.91%	-1.20%	7.89%	29.61%	41.73%
PA Psych Inst	-13.51%	-13.54%	-9.37%	4.70%	20.23%	37.81%
Philhaven ⁵	1.89%	2.22%	-0.05%	0.93%	10.52%	58.74%
Roxbury Treatment ^{1, 5, 10}	31.78%	17.51%	15.70%	0.84%	11.79%	42.24%
Southwood Psych ^{1, 5, 10}	22.32%	20.22%	15.02%	0.69%	0.00%	71.78%
St John Vianney ⁵	7.30%	11.58%	7.56%	0.29%	0.00%	0.00%

See footnotes on page 9.

State Psychiatric Hospital	Percent of Expenses Not Covered by NPR FY14	Medicare Share of NPR FY14	Medical Assistance Share of NPR FY14
Statewide Average	77.44%	21.04%	67.28%
Clark Summit State	73.94%	21.62%	65.77%
Danville State	70.99%	19.15%	70.23%
Norristown State	89.71%	14.16%	75.03%
Torrance State	86.13%	24.09%	62.82%
Warren State	73.96%	23.54%	65.26%
Wernersville State	74.20%	21.47%	66.97%

See footnotes on page 9.

INDIVIDUAL HOSPITAL DATA

Region / Long-Term Acute Care Hospital	Net Patient Revenue (NPR) (millions)				3-yr Avg Change in NPR FY11-14	Total Operating Expenses (TOE) (millions)				3-yr Avg Change in TOE FY11-14
	FY14	FY13	FY12	FY11		FY14	FY13	FY12	FY11	
Statewide Average	\$15	\$16	\$15	\$15	-0.40%	\$14	\$15	\$15	\$14	-0.18%
7 Good Shepherd Bethlehem	\$17	\$16	\$17	\$17	0.41%	\$15	\$14	\$15	\$16	-2.04%
9 Good Shepherd Penn/Phila	\$49	\$45	\$39	\$36	11.48%	\$39	\$37	\$33	\$29	11.61%
1 Kindred Heritage Valley ^{1, 10}	\$12	\$10	\$12	\$13	-1.88%	\$11	\$11	\$11	\$11	0.43%
8 Kindred/Havertown ^{1, 10}	\$23	\$25	\$24	\$19	7.89%	\$21	\$21	\$20	\$18	5.30%
9 Kindred/Philadelphia ^{1, 10}	\$19	\$18	\$20	\$22	-4.71%	\$20	\$18	\$18	\$20	-0.17%
1 Kindred/Pittsburgh ^{1, 10}	\$15	\$16	\$16	\$17	-2.74%	\$18	\$17	\$17	\$17	0.65%
9 Kindred/South Phila ^{1, 10}	\$18	\$17	\$17	\$5	79.17%	\$19	\$18	\$17	\$8	50.82%
8 LifeCare Chester County ^{1, 10}	\$15	\$14	\$13	\$16	-1.70%	\$15	\$14	\$14	\$15	0.01%
5 LifeCare Mechanicsburg ^{1, 3, 10}	\$11	\$14	\$14	\$6	NA	\$13	\$15	\$15	\$7	NA
1 LifeCare Pgh/Alle-Kiski ^{1, 10}	\$10	\$10	\$12	\$11	-2.80%	\$8	\$8	\$8	\$8	-2.17%
1 LifeCare Pgh/Main ^{1, 10}	\$14	\$25	\$28	\$30	-18.07%	\$21	\$29	\$29	\$32	-11.88%
1 LifeCare Pgh/Suburban ^{1, 10}	\$12	\$17	\$17	\$12	0.64%	\$11	\$16	\$16	\$12	-2.47%
1 New Pittsburgh Specialty ^{1, 3, 10}	\$17	\$18	\$19	\$7	NA	\$16	\$17	\$18	\$7	NA
5 Select/Camp Hill ^{1, 10}	\$17	\$16	\$15	\$13	8.39%	\$12	\$12	\$12	\$11	3.12%
4 Select/Danville ^{1, 10}	\$10	\$10	\$8	\$8	7.69%	\$9	\$10	\$8	\$8	5.60%
2 Select/Erie ^{1, 10}	\$15	\$13	\$15	\$17	-3.42%	\$14	\$13	\$15	\$16	-3.23%
5 Select/Harrisburg ^{1, 10}	\$19	\$19	\$16	\$16	5.89%	\$14	\$14	\$13	\$13	3.56%
3 Select/Johnstown ^{1, 10}	\$15	\$16	\$16	\$16	-2.45%	\$13	\$14	\$13	\$13	1.01%
1 Select/Laurel ^{1, 10}	\$11	\$10	\$11	\$12	-2.36%	\$10	\$9	\$9	\$10	-1.44%
1 Select/McKeesport ^{1, 10}	\$11	\$11	\$11	\$11	-1.01%	\$9	\$10	\$9	\$9	-0.42%
1 Select/UPMC ^{1, 10}	\$16	\$15	\$14	\$14	4.96%	\$13	\$13	\$12	\$12	4.27%
5 Select/York ^{1, 10}	\$10	\$10	\$11	\$10	1.88%	\$8	\$9	\$9	\$8	1.45%
6 Special Care 1, 10, 11	\$7	\$11	\$14	\$16	-19.09%	\$11	\$14	\$16	\$18	-13.44%

See footnotes on page 9.

INDIVIDUAL HOSPITAL DATA

Long-Term Acute Care Hospital	Operating Margin FY14	Total Margin FY14	3-yr Avg Total Margin FY12-FY14	Percent of Uncompensated Care FY14	Medicare Share of NPR FY14	Medical Assistance Share of NPR FY14
Statewide Average	5.24%	5.58%	5.61%	0.66%	70.12%	1.75%
Good Shepherd Bethlehem	14.99%	14.99%	12.52%	0.16%	73.17%	0.00%
Good Shepherd Penn/Phila	20.82%	20.82%	18.36%	1.08%	35.05%	1.24%
Kindred Heritage Valley ^{1, 10}	8.77%	5.33%	2.84%	0.15%	75.29%	10.90%
Kindred/Havertown ^{1, 10}	9.42%	5.82%	8.13%	0.49%	85.52%	1.36%
Kindred/Philadelphia ^{1, 10}	-9.26%	-5.45%	-0.70%	2.70%	62.51%	16.26%
Kindred/Pittsburgh ^{1, 10}	-16.37%	-9.95%	-4.25%	0.50%	75.61%	3.89%
Kindred/South Phila ^{1, 10}	-7.31%	-4.43%	-3.49%	1.93%	76.48%	0.73%
LifeCare Chester County ^{1, 10}	1.77%	1.13%	0.83%	0.28%	81.30%	0.00%
LifeCare Mechanicsburg ^{1, 3, 10}	-18.18%	-11.81%	-6.17%	0.53%	81.72%	0.00%
LifeCare Pgh/Alle-Kiski ^{1, 10}	24.71%	16.06%	17.45%	0.27%	78.14%	0.00%
LifeCare Pgh/Main ^{1, 10}	-49.13%	-31.91%	-10.62%	0.28%	71.33%	0.00%
LifeCare Pgh/Suburban ^{1, 10}	10.32%	6.75%	5.20%	0.29%	77.65%	0.00%
New Pittsburgh Specialty ^{1, 3, 10}	4.05%	2.57%	4.12%	0.44%	80.25%	0.00%
Select/Camp Hill ^{1, 10}	26.11%	26.12%	23.38%	0.42%	73.04%	0.00%
Select/Danville ^{1, 10}	4.91%	2.41%	4.16%	0.39%	76.28%	0.00%
Select/Erie ^{1, 10}	3.33%	1.49%	1.23%	0.37%	79.92%	0.37%
Select/Harrisburg ^{1, 10}	25.33%	25.33%	22.85%	0.43%	62.99%	0.00%
Select/Johnstown ^{1, 10}	10.76%	7.51%	10.08%	0.64%	78.07%	0.00%
Select/Laurel ^{1, 10}	12.77%	7.95%	8.64%	0.41%	78.30%	0.00%
Select/McKeesport ^{1, 10}	12.98%	8.48%	8.01%	0.47%	78.87%	0.00%
Select/UPMC ^{1, 10}	13.44%	8.78%	8.85%	0.73%	67.14%	0.00%
Select/York ^{1, 10}	16.64%	16.64%	16.67%	0.07%	81.63%	0.00%
Special Care ^{1, 10, 11}	-52.54%	-27.31%	-16.80%	-0.25%	81.94%	0.37%

See footnotes on page 9.

INDIVIDUAL HOSPITAL DATA

Region / Specialty Hospital	Net Patient Revenue (NPR) (millions)				3-yr Avg Change in NPR FY11-14	Total Operating Expenses (TOE) (millions)				3-yr Avg Change in TOE FY11-14
	FY14	FY13	FY12	FY11		FY14	FY13	FY12	FY11	
Statewide Average	\$30	\$28	\$28	\$27	4.24%	\$33	\$28	\$27	\$26	8.70%
1 Children's Home Pgh	\$8	\$11	\$7	\$8	-1.31%	\$11	\$11	\$9	\$10	6.11%
4 Divine Providence	\$84	\$75	\$78	\$79	2.19%	\$78	\$74	\$75	\$75	1.24%
8 Eagleville ⁵	\$37	\$33	\$34	\$29	8.54%	\$34	\$33	\$33	\$29	6.40%
9 Kensington ⁵	\$8	\$7	\$7	\$7	2.22%	\$8	\$7	\$7	\$7	3.24%

See footnotes on page 9.

INDIVIDUAL HOSPITAL DATA

Specialty Hospital	Operating Margin FY14	Total Margin FY14	3-yr Avg Total Margin FY12-FY14	Percent of Uncompensated Care FY14	Medicare Share of NPR FY14	Medical Assistance Share of NPR FY14
Statewide Average	11.38%	14.87%	10.82%	1.86%	30.52%	25.06%
Children's Home Pgh	12.46%	18.80%	16.04%	3.95%	0.00%	78.03%
Divine Providence	12.00%	17.42%	12.80%	1.21%	36.58%	3.85%
Eagleville ⁵	11.19%	14.54%	9.61%	1.55%	24.48%	59.06%
Kensington ⁵	7.21%	7.44%	4.81%	5.90%	16.47%	74.91%

See footnotes on page 9.

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 FY11 through FY14.

$$(((\text{NPR}_{14} - \text{NPR}_{11}) / \text{NPR}_{11}) / 3) \text{ or } (((\text{TOE}_{14} - \text{TOE}_{11}) / \text{TOE}_{11}) / 3)$$

3-year Average Total Margin: The average total margin realized by the hospital during FY12 through FY14.

$$(\Sigma \text{ revenue over expenses}_{14, 13, 12} / \Sigma \text{ total revenue}_{14, 13, 12})$$

Discharges: 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 only and does not include revenue from other operations such as cafeteria, parking, rent, research and educational activities. Revenue from those operations is included in total operating revenue. NPR may include retroactive adjustments from third-party payers for care provided during a previous fiscal year.

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 or surgery center during the fiscal year.

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

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

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

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

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

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

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

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

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

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

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

Total Operating Revenue (TOR): All revenues allocated by the hospital to meet operating expenses. Includes revenue sources such as net patient revenue, 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.

No Submission

The following hospitals did not comply with PHC4's filing requirements and are not included in this report.

- Kindred Hospital/Pittsburgh - North Shore (*closed 8/2014*)
- Kindred Hospital/Wyoming Valley (*closed 9/2014*)
- Valley Forge Medical Center & Hospital



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.