News for Immediate Release

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Twenty-Six Percent of PA General Acute Care Hospitals Post Negative Total Margins in Fiscal Year 2025

Harrisburg – The Pennsylvania Health Care Cost Containment Council (PHC4) released *Financial Analysis 2025 Volume One*, today, displaying Fiscal Year 2025 (FY25) financial data for Pennsylvania general acute care (GAC) hospitals.

The report offers insight into fiscal measures such as uncompensated care, operating margins, net patient revenue, and total margins. These measures are presented by region and hospital, along with statewide trends over time. Barry D. Buckingham, PHC4's Executive Director, stated, "By including 3-year average comparisons and statewide averages along with individual hospital metrics, this report offers a comprehensive view of the financial health of Pennsylvania's general acute care hospitals. These insights give communities across the Commonwealth the tools they need to make informed health care decisions."

The report shows that in FY25, 26% of Pennsylvania hospitals posted a negative total margin and 11% posted a total margin between 0% and 4%. The remaining 63% of GAC hospitals posted a total margin higher than 4%. Additional details shown in the report include:

- **Uncompensated Care:** The foregone dollar value for statewide uncompensated care (bad debt and charity care) increased 16.4%, from $929 million in FY24 to $1.1 billion in FY25.
- **Net Patient Revenue:** The revenue hospitals received for patient care increased 6.4% during FY25. Statewide net patient revenue was $64.9 billion during FY25, making up 91% of statewide hospital total operating revenue.
- **Operating Margin:** Statewide operating income increased from $4.5 billion in FY24 to $5.1 billion in FY25. As a result, the statewide operating margin increased 0.35 percentage points from 6.80% in FY24 to 7.15% in FY25. In FY25, 28% of Pennsylvania hospitals posted a negative operating margin, 13% posted an operating margin between 0% and 4%, and the remaining 58% posted an operating margin higher than 4%.

PHC4 is an independent council formed under Pennsylvania statute (Act 89 of 1986, as amended by Act 15 of 2020) in order to address rapidly growing health care costs. PHC4 continues to produce comparative information about the most efficient and effective health care to individual consumers and group purchasers of health services. In addition, PHC4 produces information used to identify opportunities to contain costs and improve the quality of care delivered.

For more information, visit **phc4.org** or access this report **here**.

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