

Summary & Highlights

Pennsylvania General Acute Care Hospitals

Fiscal Year 2023

The Pennsylvania Health Care Cost Containment Council (PHC4) produces a series of financial reports measuring the financial condition and utilization of the Commonwealth's hospitals and health systems, as a three-part series. *Volume One* presents a financial profile of Pennsylvania's general acute care (GAC) hospitals. Providing insight into information surrounding uncompensated care, net patient revenue, operating margin, and total margin, *Volume One* is intended to provide stakeholders with fact-based information in order to prioritize resources and make informed decisions.

This report includes insight into the 156 GAC hospitals licensed in the Commonwealth of Pennsylvania that operated during at least some portion of FY23. In last year's reporting period, FY22, there were 158 GAC hospitals operating. Four hospitals opened between the reporting periods. Two hospitals closed, three hospitals merged with other hospitals, and one hospital converted to a psychiatric hospital between reporting periods. *Volume One* includes statewide and regional analysis based on data for all GAC hospitals. All 156 GAC hospitals that operated during FY23 and submitted FY23 data are reported in the individual hospital data tables found within the full report.

Within *Volume One*, you will see that 51% of Pennsylvania's GAC hospitals posted a negative operating margin, 15% posted an operating margin between 0% and 4%, and the remaining 34% posted an operating margin higher than 4%. As a result, the statewide average operating margin decreased 2.11 percentage points from 4.37% in FY22 to 2.26% in FY23.

In regard to total margin, *Volume One* reports 46% of Pennsylvania hospitals posted a negative total margin, 14% posted a total margin between 0% and 4%, and the remaining 40% posted a total margin higher than 4%. The statewide total margin realized by the hospitals decreased 0.86 percentage points, from 4.30% in FY22 to 3.44% in FY23.

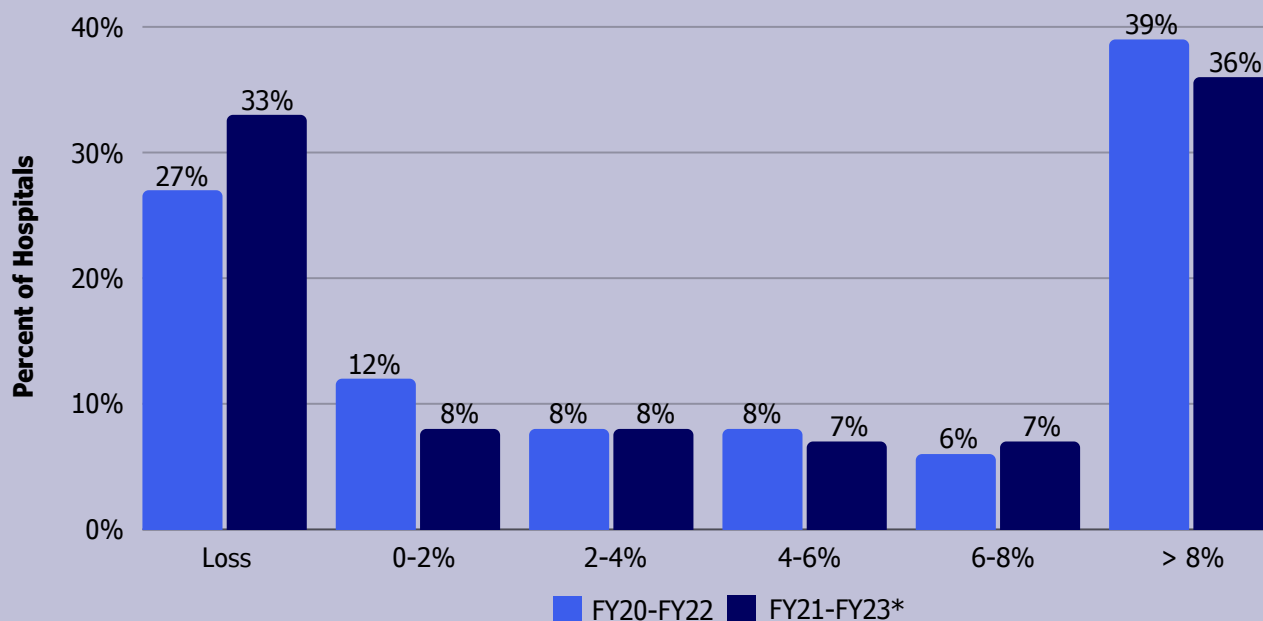
The following displays the statewide distribution of the three-year average total margin, followed by a table showing the GAC hospital regional and statewide measures for operating margin, total margin, uncompensated care, Medicare net patient revenue and Medical Assistance net patient revenue.

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Statewide Distribution of 3-Year Average Total Margin



*Due to rounding figures do not equal 100%

General Acute Care Hospital Regional and Statewide Measures

PHC4 Region	Operating Margin FY23	Total Margin FY23	3-yr Avg Total Margin FY21-23	Percent of Uncompensated Care FY23	Medicare Share of Net Patient Revenue FY23	Medical Assistance Share of Net Patient Revenue FY23
Region 1	-1.91%	-1.63%	2.85%	1.24%	37.67%	15.64%
Region 2	-3.46%	-2.91%	2.48%	1.46%	45.65%	13.14%
Region 3	-4.05%	-3.56%	1.56%	1.31%	48.04%	13.51%
Region 4	6.74%	6.73%	12.65%	1.37%	33.33%	13.32%
Region 5	9.31%	10.97%	12.89%	1.80%	32.08%	8.25%
Region 6	0.24%	1.50%	8.32%	1.22%	38.53%	12.86%
Region 7	11.11%	11.59%	13.36%	1.16%	35.43%	9.42%
Region 8	-6.47%	-4.79%	-4.35%	1.29%	44.37%	11.94%
Region 9	1.49%	3.47%	5.99%	1.40%	28.80%	23.58%
Statewide	2.26%	3.44%	6.45%	1.39%	35.37%	14.90%