

THE TRENDING REPORT

Fourth Quarter & Full Year 2000

EXECUTIVE SUMMARY

INPATIENT & OUTPATIENT UTILIZATION

Statewide average length of stays have continued to remain at 4.35 days during 2000. Admissions and patient days increased 3.4% and 2.8% respectively. The number of births stayed the same (13,500 births in 1999 and 2000), but the number of newborn patient days increased just over 4.3%, causing the newborn average length of stay to move to 3.16 days during January – December 2000 (a 4.35% increase from the same time period a year earlier). Medicare patients represented the largest increase in admissions from 1999 levels, up over 13%. Medicare patient days rose over 9%, making the Medicare average length of stay decline slightly to 5.56 days in 2000. Medicaid volumes also increased in 2000: Medicaid admissions were up 6.8%, patient days up over 9.6%, and average length of stay grew from 3.66 days to 3.75 days.

Most hospitals saw an increase in the percent of ambulatory surgery visits to total surgeries in January – December 2000. Statewide, 66% of all surgeries are done on an ambulatory basis, with a range of 39.3% to 84.9%. The volume of emergency room visits rose 3.9% from 1999 to 2000 to almost one half million visits statewide.

FINANCIAL

Inpatient Revenue per Admission increased 7.9% to \$10,603 during January – December 2000. Inpatient Revenue per Patient Day had similar increases and now stands at \$2,439. Outpatient Revenue as a percent of Gross Revenue rose 2.6% to just over 47%, with a range statewide of 25.7% to 67.2%. With the large increases in the number of Medicare patients, Medicare Revenue as a percent of Gross Revenue grew 6.8% to 40.9%. In comparison, Medicaid Revenue as a percent of Gross Revenue fell slightly to 6.4% statewide.

Net Patient Revenue per Adjusted Admission rose 6.2% to \$6,019, compared to Total Expense per Adjusted Admission of \$6,010 – indicating that hospitals made, on average, \$9 per adjusted admission.

FINANCIAL RATIOS

Statewide, the Deductible Ratio grew 4.8% to 38.35 during January – December 2000, with a range of 30.12 to 46.59. The average Markup ratio was 1.67 in 2000, up 3.7% from 1999 figures.

Operating Margins have increased on a statewide basis, but individual hospital operating margins vary widely, from a low of -12.66% to a high of 12.19%. Statewide, the average Operating Margin was 3.34%, up from 2.61% in 1999. The rural hospital average was 0.05%

during January – December 2000. Total Margins fell over 34.7% from 7.04% in 1999 to 4.60% in 2000.

NOTES

- ?? Littleton Hospital has not been able to submit data since third quarter 1999.
- ?? As of third quarter 2000, the format of the Trending Report changed slightly. Because Concord Hospital and Portsmouth Regional Hospital are now performing cardiac surgeries, we have placed them into the “Other” category (formerly called “Miscellaneous”) for more accurate comparison purposes. This change affects comparisons back to older Trending Reports when using the “Urban”, “Rural & Urban” and “Other” averages. The “Urban & Other” category remains the same. In addition, we have made a clearer distinction on each of the report pages of which hospitals fit into “Rural”, “Urban” and “Other” by providing a horizontal line between the groups.
- ?? While making the changes to the format of the reports, we found that the calculation we used for Net Patient Revenue per Adjusted Admission and Total Expense per Adjusted Admission was incorrect. The mistake affected hospitals with swing, subacute and long term care admissions. The formulas have been fixed and are reflected in this report. We regret the error. Below are the calculations we use for these two indicators:

Adjusted Admissions =

$(\text{Total Admissions} * (\text{Total Inpatient Revenue} + \text{Total Outpatient Revenue} + \text{Total DPU Revenue} + \text{Total Home Health Revenue})) / \text{Total Inpatient Revenue}$

Please note: Total Admissions does NOT include Swing or Subacute/LTC

Net Patient Service Revenue per Adjusted Admission =

$(\text{Net Patient Revenue} / \text{Adjusted Admissions}) * ((\text{Total Gross Revenue} - (\text{Total Swing Bed Rev} + \text{Total SubLTC Rev})) / \text{Total Gross Revenue})$

Total Operating Expense per Adjusted Admission =

$(\text{Total Operating Expense} / \text{Adjusted Admissions}) * ((\text{Total Gross Revenue} - (\text{Total Swing Bed Rev} + \text{Total SubLTC Rev})) / \text{Total Gross Revenue})$

- ?? Please contact Kathy A. Bizarro, Vice President, Strategic Information Services at kbizarro@nhha.org or (603) 225-0900 if you have any questions.
- ?? A copy of this executive summary and statewide totals of the Fourth Quarter 2000 Trending Report are available on NHHA’s web site at <http://www.nhha.org>.