

Flex Monitoring Team Data Summary Report No. 11

CAH Financial Indicators Report: Quartiles of Financial Indicators by State and Peer Group (2009)

December 2012



The Flex Monitoring Team is a consortium of the Rural Health Research Centers located at the Universities of Minnesota, North Carolina at Chapel Hill, and Southern Maine. Under contract with the federal Office of Rural Health Policy (PHS Grant No. U27RH01080), the Flex Monitoring Team is cooperatively conducting a performance monitoring project for the Medicare Rural Hospital Flexibility Program (Flex Program). The monitoring project is assessing the impact of the Flex Program on rural hospitals and communities and the role of states in achieving overall program objectives, including improving access to and the quality of health care services; improving the financial performance of Critical Access Hospitals; and engaging rural communities in health care system development.

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The Medicare Rural Hospital Flexibility Program

The Medicare Rural Hospital Flexibility Program (Flex Program), created by Congress in 1997, allows small hospitals to be licensed as Critical Access Hospitals (CAHs) and offers grants to States to help implement initiatives to strengthen the rural health care infrastructure. To participate in the Flex Program, States are required to develop a rural health care plan that provides for the creation of one or more rural health networks, promotes regionalization of rural health services in the State, and improves the quality of and access to hospital and other health services for rural residents of the State. Consistent with their rural health care plans, states may designate eligible rural hospitals as CAHs.

CAHs must be located in a rural area or an area treated as rural; be more than 35 miles (or 15 miles in areas with mountainous terrain or only secondary roads available) from another hospital, or be certified before January 1, 2006 by the State as being a necessary provider of health care services. CAHs are required to make available 24-hour emergency care services that a State determines are necessary. CAHs may have a maximum of 25 acute care and swing beds, and must maintain an annual average length of stay of 96 hours or less for their acute care patients. CAHs are reimbursed by Medicare on a cost basis (i.e., for the reasonable costs of providing inpatient, outpatient, and swing bed services).

The legislative authority for the Flex Program and cost-based reimbursement for CAHs are described in the Social Security Act, Title XVIII, Sections 1814 and 1820, available at http://www.ssa.gov/OP_Home/ssact/title18/1800.htm.

Quartiles of Financial Indicators by State and Peer Group

Introduction

All hospitals, regardless of size and organizational structure, benefit from comparative data on financial condition and performance. The unique reimbursement and organizational structure of critical access hospitals (CAHs) make it important to have financial indicators that capture their own circumstances for performance assessment. CAHs differ from urban and other rural hospitals that are paid under the Medicare Prospective Payment System (PPS) in important aspects that affect the most appropriate way to measure financial condition. Unlike PPS hospitals, CAHs receive cost-based reimbursement for inpatient and outpatient care, and the incentives, financial management, and utilization practices under these two payment methods differ substantially. There are also organizational differences between CAHs and other hospitals that may affect financial performance; for instance, CAHs have relaxed staffing rules under Medicare, and they have limits on bed-size and average length of stay (and low volume hospitals have been found to face substantially more annual variation in demand for services, making financial planning difficult).

This document presents the the 25th, 50th (median), and 75th percentiles on a national, state, and peer group basis for each of the twenty-one financial indicators included in the *CAH Financial Indicators Report*, a report that is distributed to each CAH administrator annually. As part of ongoing work of the Flex Monitoring Team, these indicators were specifically designed to capture the financial performance of CAHs. In order to identify the indicators that were most relevant to the financial performance of CAHs, a Technical Advisory Group (TAG) of four individuals knowledgeable in CAH financial and operational issues, data, and reporting practices was selected to provide advice to a research team from the University of North Carolina at Chapel Hill. The TAG evaluated frequently used indicators of hospital financial performance for their applicability to CAHs.¹ Their evaluation relied on three criteria: *feasibility* (whether the indicator can be accurately calculated from Medicare cost report data²), *importance* (whether the indicator is an important measure of the financial management of CAHs), and *usefulness* (whether the indicator is useful to CAH administrators). The TAG retained 13 of the most frequently used indicators from the review. In addition, 7 other financial ratios were added that are not commonly used in the financial assessment of larger hospitals, but that group members believed capture important attributes of CAH financial management. One more was added in 2010. The resulting 21 indicators fall under six domains: 1) profitability, 2) liquidity, 3) capital structure, 4) revenue, 5) cost, and 6) utilization. In each of the pages that follow, we present the quartiles for all twenty-one indicators for the nation, each state (and state groupings, for states with few CAHs), and each peer group.

More detailed information about the definition and interpretation of the indicators can be found in the document “Briefing Paper No. 7. Financial Indicators for Critical Access Hospitals May 2005” which can be downloaded from the Flex Monitoring Team website:

http://www.flexmonitoring.org/documents/BriefingPaper7_FinancialIndicators.pdf.

There are 24 peer groups that were created by identifying whether a Critical Access Hospital:

- **Operated a Rural Health Clinic** as defined by whether any of the Worksheet S-2, column 2, line 14.XX [Hospital-Based Health Clinic (specify)] fields have values within the following ranges: 3400–3499, 3975–3999, 8500–8899.
- **Was owned by a government entity** as defined by S-2, column 1, line 18 [Type of Control (see instructions)] values 7–13.
- **Had less than 7.5 million, 7.5-20 million, or over 20 million dollars in net patient revenue** as defined by net patient revenue (G3, column 1, line 3; [Net patient revenues (line 1 minus line 2)]).
- **Provided long-term care** as defined by whether Worksheet S-3, Part I, column 6, lines 15, 16, and/or 17 [Skilled Nursing Facility; Nursing Facility; Other Long-Term Care] are strictly positive and nonmissing. Column 6 is “Total All Patients.” Note that this category does not include hospitals that provide long-term care only through swing beds.

More information on peer group definitions and justification can be obtained from “Variations in Financial Performance Among Peer Groups of Critical Access Hospitals” (Pink et al., *J Rural Health*, 2007).

Note: higher values do not necessarily denote better performance. For example, a higher long term debt to capitalization ratio implies greater leverage, and so denotes greater risk. Higher days in accounts receivable denotes the hospital collects its receivables at a slower rate.

¹The list of potential indicators resulted from a review of financial ratios in articles, peer-reviewed journals, and other industry and scientific publications.

²Medicare cost reports were selected as the data source for calculating indicator values because they are the only national data that use standard definitions, have sufficient detail, and will eventually include data for all CAHs.

2009 Quartile Values for US

CAH Financial Indicators Report

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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-2.33	1.89	5.73
Cash Flow Margin	0.29	5.65	10.38
Return on Equity	-3.20	4.54	10.81
Operating Margin	-5.01	0.63	5.04
Current Ratio	1.51	2.26	3.60
Days Cash on Hand	20.31	65.94	131.40
Net Days Revenue in Accounts Receivable	44.63	53.47	64.61
Equity Financing	41.37	60.32	77.65
Debt Service Coverage	0.85	2.44	5.01
Long-Term Debt to Capitalization	7.88	26.71	48.17
Outpatient Revenues to Total Revenues	62.12	70.43	77.44
Patient Deductions	25.79	35.99	46.28
Medicare Inpatient Payer Mix	61.07	73.23	83.13
Medicare Outpatient Payer Mix	29.39	35.94	42.63
Medicare Outpatient Cost to Charge	0.38	0.48	0.58
Medicare Revenue per Day	1395	1763	2238
Salaries to Net Patient Revenue	39.03	44.65	51.19
Average Age of Plant	6.82	9.88	13.75
FTEs per Adjusted Occupied Bed	4.37	5.74	7.91
Average Daily Census Swing-SNF Beds	0.85	1.61	2.72
Average Daily Census Acute Beds	2.10	4.20	7.69
Number of Included CAHs	1263	1263	1263

Number of Included CAHs is the Number of CAHs with a Medicare Cost Report for at least 360 days (used in analysis).
See complete report for discussion.

2009 Quartile Values for HI

CAH Financial Indicators Report

Issue 9

Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-20.01	-6.87	8.97
Cash Flow Margin	-20.72	-14.74	-10.53
Return on Equity	-10.40	5.59	22.07
Operating Margin	-29.72	-21.04	-15.69
Current Ratio	1.19	1.95	3.60
Days Cash on Hand	12.48	15.00	17.21
Net Days Revenue in Accounts Receivable	64.12	65.05	79.81
Equity Financing	65.69	84.03	92.26
Debt Service Coverage	-5.89	-5.89	-5.89
Long-Term Debt to Capitalization	0.00	2.73	6.22
Outpatient Revenues to Total Revenues	16.44	27.53	51.70
Patient Deductions	25.34	28.53	34.34
Medicare Inpatient Payer Mix	22.47	32.08	46.02
Medicare Outpatient Payer Mix	12.24	15.09	16.70
Medicare Outpatient Cost to Charge	0.73	0.74	0.85
Medicare Revenue per Day	1152	2005	3612
Salaries to Net Patient Revenue	59.98	63.81	73.39
Average Age of Plant	9.96	16.63	24.11
FTEs per Adjusted Occupied Bed	3.80	5.59	18.95
Average Daily Census Swing-SNF Beds	0.45	1.10	2.34
Average Daily Census Acute Beds	0.03	0.10	0.69
Number of Included CAHs	9	9	9

Number of Included CAHs is the Number of CAHs with a Medicare Cost Report for at least 360 days (used in analysis).
See complete report for discussion.

2009 Quartile Values for Government, <\$7.5m, LTC, NoRHC
CAH Financial Indicators Report
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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-7.42	-1.98	9.43
Cash Flow Margin	-21.05	-4.63	1.93
Return on Equity	-9.14	-5.24	22.07
Operating Margin	-26.20	-10.92	-5.31
Current Ratio	1.49	1.99	2.47
Days Cash on Hand	17.21	74.31	112.13
Net Days Revenue in Accounts Receivable	50.70	55.04	69.79
Equity Financing	26.16	65.69	80.70
Debt Service Coverage	0.67	1.53	1.83
Long-Term Debt to Capitalization	0.15	20.61	72.25
Outpatient Revenues to Total Revenues	38.12	51.47	52.06
Patient Deductions	18.36	23.37	30.95
Medicare Inpatient Payer Mix	63.42	87.72	93.64
Medicare Outpatient Payer Mix	16.70	44.42	50.63
Medicare Outpatient Cost to Charge	0.57	0.74	0.78
Medicare Revenue per Day	1212	1502	1723
Salaries to Net Patient Revenue	53.10	63.07	74.89
Average Age of Plant	9.96	14.43	16.21
FTEs per Adjusted Occupied Bed	5.59	5.82	7.54
Average Daily Census Swing-SNF Beds	1.42	1.68	2.70
Average Daily Census Acute Beds	0.17	0.69	1.34
Number of Included CAHs	9	9	9

Number of Included CAHs is the Number of CAHs with a Medicare Cost Report for at least 360 days (used in analysis).
See complete report for discussion.

2009 Quartile Values for Government, <\$7.5m, LTC, RHC
CAH Financial Indicators Report
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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-7.23	0.88	4.41
Cash Flow Margin	-14.38	-1.93	3.14
Return on Equity	-17.78	1.95	11.63
Operating Margin	-18.58	-7.06	-2.69
Current Ratio	1.85	2.49	3.42
Days Cash on Hand	15.13	38.51	117.25
Net Days Revenue in Accounts Receivable	42.05	51.60	71.57
Equity Financing	56.57	66.33	82.96
Debt Service Coverage	0.27	3.56	5.52
Long-Term Debt to Capitalization	4.38	15.05	30.87
Outpatient Revenues to Total Revenues	44.12	52.96	62.45
Patient Deductions	7.11	19.12	28.63
Medicare Inpatient Payer Mix	81.98	88.69	93.94
Medicare Outpatient Payer Mix	35.20	44.81	52.40
Medicare Outpatient Cost to Charge	0.60	0.70	0.81
Medicare Revenue per Day	1380	1632	2319
Salaries to Net Patient Revenue	50.78	56.34	64.44
Average Age of Plant	10.47	15.48	20.31
FTEs per Adjusted Occupied Bed	6.67	8.62	14.27
Average Daily Census Swing-SNF Beds	0.59	1.04	1.27
Average Daily Census Acute Beds	0.42	0.62	1.34
Number of Included CAHs	35	35	35

Number of Included CAHs is the Number of CAHs with a Medicare Cost Report for at least 360 days (used in analysis).
See complete report for discussion.

2009 Quartile Values for Government, <\$7.5m, NoLTC, NoRHC
CAH Financial Indicators Report
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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-7.76	1.19	6.58
Cash Flow Margin	-8.73	0.08	7.43
Return on Equity	-15.06	1.85	12.43
Operating Margin	-12.65	-6.00	2.75
Current Ratio	1.54	2.75	4.82
Days Cash on Hand	42.98	80.51	132.71
Net Days Revenue in Accounts Receivable	51.93	59.01	85.55
Equity Financing	43.81	63.04	85.66
Debt Service Coverage	-0.80	1.22	4.66
Long-Term Debt to Capitalization	1.40	11.81	39.92
Outpatient Revenues to Total Revenues	57.33	68.67	76.19
Patient Deductions	12.95	25.67	50.50
Medicare Inpatient Payer Mix	75.00	83.96	91.83
Medicare Outpatient Payer Mix	31.33	34.51	41.23
Medicare Outpatient Cost to Charge	0.49	0.60	0.75
Medicare Revenue per Day	1514	1822	2751
Salaries to Net Patient Revenue	44.01	54.28	59.16
Average Age of Plant	7.02	10.74	19.11
FTEs per Adjusted Occupied Bed	4.43	6.17	8.78
Average Daily Census Swing-SNF Beds	0.69	1.31	2.01
Average Daily Census Acute Beds	0.83	1.50	2.58
Number of Included CAHs	49	49	49

Number of Included CAHs is the Number of CAHs with a Medicare Cost Report for at least 360 days (used in analysis).
See complete report for discussion.

2009 Quartile Values for Government, <\$7.5m, NoLTC, RHC
CAH Financial Indicators Report
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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-5.98	-0.98	2.22
Cash Flow Margin	-7.54	-1.45	4.74
Return on Equity	-8.18	-2.52	5.71
Operating Margin	-11.64	-5.98	-0.96
Current Ratio	1.63	2.48	3.94
Days Cash on Hand	31.92	50.13	110.84
Net Days Revenue in Accounts Receivable	52.59	62.78	72.68
Equity Financing	44.15	74.21	83.75
Debt Service Coverage	0.02	0.93	4.76
Long-Term Debt to Capitalization	2.00	10.97	37.59
Outpatient Revenues to Total Revenues	63.29	72.02	80.08
Patient Deductions	12.59	22.55	38.15
Medicare Inpatient Payer Mix	73.59	82.82	88.06
Medicare Outpatient Payer Mix	34.99	42.03	49.32
Medicare Outpatient Cost to Charge	0.52	0.59	0.75
Medicare Revenue per Day	1407	1946	2301
Salaries to Net Patient Revenue	48.32	56.99	65.82
Average Age of Plant	7.54	11.22	20.14
FTEs per Adjusted Occupied Bed	4.94	5.81	8.02
Average Daily Census Swing-SNF Beds	0.65	1.02	1.65
Average Daily Census Acute Beds	0.88	1.60	2.26
Number of Included CAHs	59	59	59

Number of Included CAHs is the Number of CAHs with a Medicare Cost Report for at least 360 days (used in analysis).
 See complete report for discussion.

2009 Quartile Values for Government, >\$20m, LTC, NoRHC
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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	0.93	4.89	6.93
Cash Flow Margin	2.79	7.30	12.85
Return on Equity	2.21	7.72	9.74
Operating Margin	-3.67	1.66	5.67
Current Ratio	1.78	2.59	4.87
Days Cash on Hand	28.71	88.80	149.54
Net Days Revenue in Accounts Receivable	50.03	55.53	66.32
Equity Financing	51.77	59.29	72.05
Debt Service Coverage	1.91	2.99	3.81
Long-Term Debt to Capitalization	13.87	30.26	42.25
Outpatient Revenues to Total Revenues	58.40	65.37	69.71
Patient Deductions	34.38	41.37	44.25
Medicare Inpatient Payer Mix	41.93	62.08	67.85
Medicare Outpatient Payer Mix	22.76	28.73	36.44
Medicare Outpatient Cost to Charge	0.36	0.40	0.44
Medicare Revenue per Day	1662	2052	2495
Salaries to Net Patient Revenue	38.74	40.92	44.24
Average Age of Plant	8.36	10.01	12.66
FTEs per Adjusted Occupied Bed	7.20	10.62	12.31
Average Daily Census Swing-SNF Beds	0.39	1.80	2.95
Average Daily Census Acute Beds	5.18	7.10	11.37
Number of Included CAHs	27	27	27

Number of Included CAHs is the Number of CAHs with a Medicare Cost Report for at least 360 days (used in analysis).
 See complete report for discussion.

2009 Quartile Values for Government, >\$20m, LTC, RHC
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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	0.37	4.75	7.78
Cash Flow Margin	5.24	6.68	12.42
Return on Equity	2.61	8.76	10.37
Operating Margin	-0.56	1.38	8.23
Current Ratio	2.19	3.05	4.32
Days Cash on Hand	86.10	96.76	166.43
Net Days Revenue in Accounts Receivable	46.38	52.93	63.26
Equity Financing	48.81	61.70	75.07
Debt Service Coverage	2.32	4.01	14.32
Long-Term Debt to Capitalization	14.41	30.06	46.52
Outpatient Revenues to Total Revenues	57.28	71.11	74.14
Patient Deductions	32.43	37.41	44.81
Medicare Inpatient Payer Mix	57.74	65.89	79.71
Medicare Outpatient Payer Mix	28.11	32.47	43.51
Medicare Outpatient Cost to Charge	0.33	0.41	0.49
Medicare Revenue per Day	1350	1438	1705
Salaries to Net Patient Revenue	36.19	41.86	46.90
Average Age of Plant	7.20	8.72	12.88
FTEs per Adjusted Occupied Bed	5.89	7.90	9.87
Average Daily Census Swing-SNF Beds	0.81	2.24	5.03
Average Daily Census Acute Beds	4.47	6.68	8.28
Number of Included CAHs	14	14	14

Number of Included CAHs is the Number of CAHs with a Medicare Cost Report for at least 360 days (used in analysis).
See complete report for discussion.

2009 Quartile Values for Government, >\$20m, NoLTC, NoRHC
CAH Financial Indicators Report
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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-1.84	2.15	5.73
Cash Flow Margin	4.72	9.03	12.37
Return on Equity	-3.10	2.54	6.66
Operating Margin	-2.99	2.60	5.40
Current Ratio	2.23	2.65	3.80
Days Cash on Hand	60.37	125.52	212.73
Net Days Revenue in Accounts Receivable	44.21	49.98	63.33
Equity Financing	52.07	63.21	79.01
Debt Service Coverage	1.76	2.58	3.96
Long-Term Debt to Capitalization	12.52	30.14	45.27
Outpatient Revenues to Total Revenues	68.39	73.04	78.32
Patient Deductions	35.24	41.08	50.86
Medicare Inpatient Payer Mix	51.51	60.63	67.76
Medicare Outpatient Payer Mix	28.85	32.80	36.29
Medicare Outpatient Cost to Charge	0.36	0.43	0.53
Medicare Revenue per Day	1639	1934	2403
Salaries to Net Patient Revenue	37.62	39.69	43.74
Average Age of Plant	6.40	8.41	10.85
FTEs per Adjusted Occupied Bed	4.80	5.66	6.82
Average Daily Census Swing-SNF Beds	0.44	1.34	1.95
Average Daily Census Acute Beds	7.85	9.96	11.45
Number of Included CAHs	37	37	37

Number of Included CAHs is the Number of CAHs with a Medicare Cost Report for at least 360 days (used in analysis).
See complete report for discussion.

2009 Quartile Values for Government, >\$20m, NoLTC, RHC
CAH Financial Indicators Report
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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-0.42	3.19	8.03
Cash Flow Margin	0.63	6.59	11.61
Return on Equity	-0.07	6.84	11.52
Operating Margin	-3.99	0.71	5.81
Current Ratio	1.67	2.36	3.51
Days Cash on Hand	50.26	67.75	112.56
Net Days Revenue in Accounts Receivable	44.81	53.90	62.60
Equity Financing	52.57	61.04	75.82
Debt Service Coverage	1.26	4.08	8.15
Long-Term Debt to Capitalization	14.84	28.16	39.54
Outpatient Revenues to Total Revenues	68.69	74.71	80.58
Patient Deductions	34.41	40.57	47.55
Medicare Inpatient Payer Mix	54.22	60.24	71.79
Medicare Outpatient Payer Mix	31.17	34.52	39.84
Medicare Outpatient Cost to Charge	0.34	0.45	0.48
Medicare Revenue per Day	1644	2317	2913
Salaries to Net Patient Revenue	38.57	42.33	48.45
Average Age of Plant	6.50	8.73	12.41
FTEs per Adjusted Occupied Bed	4.80	6.03	7.41
Average Daily Census Swing-SNF Beds	0.75	1.33	2.72
Average Daily Census Acute Beds	6.12	8.63	10.39
Number of Included CAHs	34	34	34

Number of Included CAHs is the Number of CAHs with a Medicare Cost Report for at least 360 days (used in analysis).
See complete report for discussion.

2009 Quartile Values for Government, \$7.5-\$20m, LTC, NoRHC
CAH Financial Indicators Report
Issue 9

Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-1.15	2.41	6.06
Cash Flow Margin	-0.02	4.60	8.93
Return on Equity	-0.84	4.47	9.29
Operating Margin	-5.96	-1.33	2.92
Current Ratio	1.60	2.65	3.60
Days Cash on Hand	33.77	83.76	148.35
Net Days Revenue in Accounts Receivable	45.82	54.73	68.56
Equity Financing	50.51	70.88	83.38
Debt Service Coverage	1.42	3.63	5.70
Long-Term Debt to Capitalization	3.07	15.65	37.21
Outpatient Revenues to Total Revenues	50.99	59.72	66.39
Patient Deductions	20.88	25.05	29.98
Medicare Inpatient Payer Mix	61.34	74.34	78.95
Medicare Outpatient Payer Mix	28.93	36.71	41.59
Medicare Outpatient Cost to Charge	0.51	0.56	0.64
Medicare Revenue per Day	1429	1686	2042
Salaries to Net Patient Revenue	44.18	48.16	51.86
Average Age of Plant	9.98	12.73	17.25
FTEs per Adjusted Occupied Bed	6.41	9.50	13.85
Average Daily Census Swing-SNF Beds	1.09	1.61	2.68
Average Daily Census Acute Beds	1.89	3.06	4.48
Number of Included CAHs	43	43	43

Number of Included CAHs is the Number of CAHs with a Medicare Cost Report for at least 360 days (used in analysis).
See complete report for discussion.

2009 Quartile Values for Government, \$7.5-\$20m, LTC, RHC
CAH Financial Indicators Report
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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-3.46	1.33	3.97
Cash Flow Margin	-5.45	2.35	7.76
Return on Equity	-6.75	3.45	8.45
Operating Margin	-10.81	-2.04	1.18
Current Ratio	1.57	1.99	3.37
Days Cash on Hand	19.55	36.21	91.61
Net Days Revenue in Accounts Receivable	44.74	54.37	63.78
Equity Financing	33.28	57.27	78.02
Debt Service Coverage	0.31	1.56	3.78
Long-Term Debt to Capitalization	10.95	24.61	55.00
Outpatient Revenues to Total Revenues	55.89	63.06	74.71
Patient Deductions	22.27	31.37	40.48
Medicare Inpatient Payer Mix	68.36	82.70	86.14
Medicare Outpatient Payer Mix	32.07	40.80	45.20
Medicare Outpatient Cost to Charge	0.42	0.46	0.57
Medicare Revenue per Day	1209	1513	1915
Salaries to Net Patient Revenue	44.50	50.03	55.23
Average Age of Plant	8.33	12.36	17.25
FTEs per Adjusted Occupied Bed	5.05	7.90	11.49
Average Daily Census Swing-SNF Beds	1.37	1.98	3.44
Average Daily Census Acute Beds	1.99	2.91	3.77
Number of Included CAHs	48	48	48

Number of Included CAHs is the Number of CAHs with a Medicare Cost Report for at least 360 days (used in analysis).
See complete report for discussion.

2009 Quartile Values for Government, \$7.5-\$20m, NoLTC, NoRHC
CAH Financial Indicators Report
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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-2.08	1.75	6.06
Cash Flow Margin	-0.81	5.44	11.23
Return on Equity	-4.23	3.45	9.78
Operating Margin	-6.95	-1.04	3.57
Current Ratio	1.79	2.66	4.20
Days Cash on Hand	39.12	91.94	160.36
Net Days Revenue in Accounts Receivable	46.63	57.41	68.55
Equity Financing	40.64	64.68	81.78
Debt Service Coverage	0.74	2.39	4.14
Long-Term Debt to Capitalization	6.12	24.02	55.69
Outpatient Revenues to Total Revenues	64.65	71.92	77.65
Patient Deductions	26.30	32.31	42.77
Medicare Inpatient Payer Mix	63.11	74.59	81.51
Medicare Outpatient Payer Mix	29.98	37.12	44.07
Medicare Outpatient Cost to Charge	0.44	0.53	0.61
Medicare Revenue per Day	1398	1794	2211
Salaries to Net Patient Revenue	38.87	43.05	48.49
Average Age of Plant	7.07	9.24	11.35
FTEs per Adjusted Occupied Bed	4.00	4.91	6.10
Average Daily Census Swing-SNF Beds	1.16	2.03	2.91
Average Daily Census Acute Beds	2.90	4.00	5.83
Number of Included CAHs	88	88	88

Number of Included CAHs is the Number of CAHs with a Medicare Cost Report for at least 360 days (used in analysis).
See complete report for discussion.

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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-1.22	1.96	5.48
Cash Flow Margin	0.85	6.09	9.90
Return on Equity	-3.20	3.69	10.38
Operating Margin	-5.70	-0.23	3.94
Current Ratio	1.67	2.67	4.39
Days Cash on Hand	31.32	78.72	162.38
Net Days Revenue in Accounts Receivable	46.52	56.78	69.07
Equity Financing	33.26	56.90	75.10
Debt Service Coverage	1.58	3.32	5.81
Long-Term Debt to Capitalization	12.52	30.37	59.46
Outpatient Revenues to Total Revenues	69.70	75.32	80.38
Patient Deductions	25.94	36.42	45.28
Medicare Inpatient Payer Mix	68.21	76.11	82.46
Medicare Outpatient Payer Mix	32.15	38.38	44.37
Medicare Outpatient Cost to Charge	0.42	0.50	0.57
Medicare Revenue per Day	1344	1623	2084
Salaries to Net Patient Revenue	41.83	47.33	53.41
Average Age of Plant	6.28	9.72	11.98
FTEs per Adjusted Occupied Bed	4.13	5.13	6.16
Average Daily Census Swing-SNF Beds	0.98	1.75	3.05
Average Daily Census Acute Beds	2.70	4.10	5.99
Number of Included CAHs	105	105	105

Number of Included CAHs is the Number of CAHs with a Medicare Cost Report for at least 360 days (used in analysis).
See complete report for discussion.

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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-4.33	2.73	5.25
Cash Flow Margin	-3.54	4.59	8.65
Return on Equity	-2.99	9.92	14.50
Operating Margin	-8.84	-3.96	3.96
Current Ratio	1.45	1.79	2.56
Days Cash on Hand	9.09	37.51	158.82
Net Days Revenue in Accounts Receivable	41.87	47.63	61.80
Equity Financing	35.15	71.79	84.02
Debt Service Coverage	0.74	0.98	2.11
Long-Term Debt to Capitalization	0.00	9.68	33.55
Outpatient Revenues to Total Revenues	33.35	39.75	51.12
Patient Deductions	5.70	12.75	27.85
Medicare Inpatient Payer Mix	79.62	84.21	89.22
Medicare Outpatient Payer Mix	28.05	37.17	54.04
Medicare Outpatient Cost to Charge	0.53	0.61	0.82
Medicare Revenue per Day	1275	1372	2001
Salaries to Net Patient Revenue	46.65	49.06	58.96
Average Age of Plant	6.96	12.62	20.07
FTEs per Adjusted Occupied Bed	7.18	10.78	17.26
Average Daily Census Swing-SNF Beds	0.60	0.78	2.17
Average Daily Census Acute Beds	0.35	0.70	1.17
Number of Included CAHs	12	12	12

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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-5.12	-1.79	3.48
Cash Flow Margin	-3.17	1.72	5.00
Return on Equity	-17.87	-1.43	7.71
Operating Margin	-5.51	-2.36	-1.07
Current Ratio	0.76	1.69	2.86
Days Cash on Hand	13.80	32.96	87.83
Net Days Revenue in Accounts Receivable	52.35	57.51	66.88
Equity Financing	24.88	71.86	86.21
Debt Service Coverage	0.16	2.27	6.58
Long-Term Debt to Capitalization	5.73	14.73	47.03
Outpatient Revenues to Total Revenues	36.64	52.03	62.66
Patient Deductions	10.80	16.85	24.16
Medicare Inpatient Payer Mix	80.69	87.60	94.50
Medicare Outpatient Payer Mix	38.49	46.26	50.12
Medicare Outpatient Cost to Charge	0.50	0.61	0.74
Medicare Revenue per Day	1091	1312	1706
Salaries to Net Patient Revenue	49.80	55.00	59.98
Average Age of Plant	9.46	13.92	16.22
FTEs per Adjusted Occupied Bed	7.19	11.86	15.46
Average Daily Census Swing-SNF Beds	1.05	1.85	2.23
Average Daily Census Acute Beds	0.72	0.96	1.33
Number of Included CAHs	19	19	19

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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-8.89	-2.76	3.73
Cash Flow Margin	-4.40	1.35	8.09
Return on Equity	-13.66	-6.36	6.66
Operating Margin	-9.31	-5.01	3.27
Current Ratio	0.80	1.60	2.76
Days Cash on Hand	3.27	31.32	90.21
Net Days Revenue in Accounts Receivable	43.98	52.55	67.06
Equity Financing	38.69	59.63	86.00
Debt Service Coverage	-0.01	0.59	2.53
Long-Term Debt to Capitalization	0.00	22.02	47.29
Outpatient Revenues to Total Revenues	61.90	67.04	76.53
Patient Deductions	20.07	26.91	40.91
Medicare Inpatient Payer Mix	71.30	82.91	90.95
Medicare Outpatient Payer Mix	33.86	45.45	52.38
Medicare Outpatient Cost to Charge	0.47	0.58	0.66
Medicare Revenue per Day	1323	1714	1921
Salaries to Net Patient Revenue	40.59	44.88	52.56
Average Age of Plant	3.77	8.89	14.50
FTEs per Adjusted Occupied Bed	3.94	4.66	6.19
Average Daily Census Swing-SNF Beds	1.01	1.73	2.20
Average Daily Census Acute Beds	0.99	1.71	3.26
Number of Included CAHs	38	38	38

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See complete report for discussion.

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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-3.13	1.52	4.44
Cash Flow Margin	-3.12	1.52	6.91
Return on Equity	-3.61	4.34	16.48
Operating Margin	-6.88	-2.66	3.62
Current Ratio	1.21	2.00	2.84
Days Cash on Hand	12.74	30.93	78.80
Net Days Revenue in Accounts Receivable	46.98	57.05	69.10
Equity Financing	39.85	61.79	72.27
Debt Service Coverage	0.36	1.29	2.69
Long-Term Debt to Capitalization	5.11	17.86	30.91
Outpatient Revenues to Total Revenues	65.31	72.71	81.19
Patient Deductions	10.44	19.29	35.70
Medicare Inpatient Payer Mix	78.27	84.20	90.62
Medicare Outpatient Payer Mix	37.81	42.01	48.38
Medicare Outpatient Cost to Charge	0.49	0.60	0.74
Medicare Revenue per Day	1375	1718	2552
Salaries to Net Patient Revenue	44.86	50.95	57.18
Average Age of Plant	3.31	8.79	14.58
FTEs per Adjusted Occupied Bed	3.81	4.75	6.15
Average Daily Census Swing-SNF Beds	0.72	1.10	2.15
Average Daily Census Acute Beds	0.70	1.42	2.47
Number of Included CAHs	46	46	46

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See complete report for discussion.

2009 Quartile Values for Non Government, >\$20m, LTC, NoRHC
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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-0.05	2.58	5.99
Cash Flow Margin	6.06	7.82	11.09
Return on Equity	-0.17	5.16	10.58
Operating Margin	0.19	3.03	5.94
Current Ratio	1.90	2.27	3.55
Days Cash on Hand	50.04	82.10	147.03
Net Days Revenue in Accounts Receivable	44.75	52.41	60.91
Equity Financing	48.13	60.42	71.64
Debt Service Coverage	1.69	2.88	5.04
Long-Term Debt to Capitalization	17.24	30.99	45.55
Outpatient Revenues to Total Revenues	60.67	65.21	73.51
Patient Deductions	31.30	38.94	49.57
Medicare Inpatient Payer Mix	50.91	62.28	70.64
Medicare Outpatient Payer Mix	25.44	29.96	35.76
Medicare Outpatient Cost to Charge	0.36	0.43	0.50
Medicare Revenue per Day	1527	1971	2402
Salaries to Net Patient Revenue	40.18	42.20	47.74
Average Age of Plant	6.94	10.21	12.85
FTEs per Adjusted Occupied Bed	6.65	8.59	10.65
Average Daily Census Swing-SNF Beds	1.36	2.14	3.27
Average Daily Census Acute Beds	6.32	8.14	11.11
Number of Included CAHs	56	56	56

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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-1.04	1.27	4.83
Cash Flow Margin	1.86	5.98	10.00
Return on Equity	-1.09	3.79	8.89
Operating Margin	0.00	2.41	6.67
Current Ratio	1.37	1.92	3.35
Days Cash on Hand	34.65	87.00	134.72
Net Days Revenue in Accounts Receivable	41.16	50.29	61.16
Equity Financing	41.37	50.65	70.95
Debt Service Coverage	0.54	2.28	4.56
Long-Term Debt to Capitalization	20.34	42.39	50.54
Outpatient Revenues to Total Revenues	64.98	70.47	74.04
Patient Deductions	30.56	38.32	45.21
Medicare Inpatient Payer Mix	56.83	62.62	69.74
Medicare Outpatient Payer Mix	30.41	34.21	38.55
Medicare Outpatient Cost to Charge	0.36	0.39	0.46
Medicare Revenue per Day	1641	1805	2130
Salaries to Net Patient Revenue	43.83	46.92	49.31
Average Age of Plant	7.70	10.58	12.21
FTEs per Adjusted Occupied Bed	7.97	9.13	11.28
Average Daily Census Swing-SNF Beds	0.99	1.85	2.64
Average Daily Census Acute Beds	5.73	7.15	11.03
Number of Included CAHs	28	28	28

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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	0.00	3.85	8.46
Cash Flow Margin	5.03	9.15	14.30
Return on Equity	1.07	7.12	15.81
Operating Margin	0.78	4.43	10.21
Current Ratio	1.51	2.44	3.46
Days Cash on Hand	23.53	71.54	155.63
Net Days Revenue in Accounts Receivable	38.98	48.07	57.83
Equity Financing	43.33	61.10	80.88
Debt Service Coverage	1.37	2.86	6.30
Long-Term Debt to Capitalization	7.70	29.39	47.61
Outpatient Revenues to Total Revenues	67.38	73.51	77.88
Patient Deductions	35.09	43.88	53.42
Medicare Inpatient Payer Mix	47.88	57.42	68.66
Medicare Outpatient Payer Mix	25.46	29.98	35.94
Medicare Outpatient Cost to Charge	0.32	0.41	0.48
Medicare Revenue per Day	1831	2093	2530
Salaries to Net Patient Revenue	32.44	37.65	42.38
Average Age of Plant	6.28	8.53	12.10
FTEs per Adjusted Occupied Bed	4.63	5.48	6.46
Average Daily Census Swing-SNF Beds	0.42	1.10	2.07
Average Daily Census Acute Beds	7.44	9.42	12.28
Number of Included CAHs	149	149	149

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 See complete report for discussion.

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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-0.27	2.85	6.52
Cash Flow Margin	3.81	7.50	11.32
Return on Equity	1.13	6.79	11.76
Operating Margin	-0.02	3.83	6.78
Current Ratio	1.86	2.59	3.36
Days Cash on Hand	19.05	66.40	161.23
Net Days Revenue in Accounts Receivable	43.03	48.35	57.60
Equity Financing	48.85	63.42	75.60
Debt Service Coverage	1.42	3.25	6.09
Long-Term Debt to Capitalization	13.49	28.68	45.45
Outpatient Revenues to Total Revenues	70.46	74.09	78.71
Patient Deductions	34.85	41.30	49.79
Medicare Inpatient Payer Mix	54.71	65.23	76.38
Medicare Outpatient Payer Mix	30.45	35.51	41.34
Medicare Outpatient Cost to Charge	0.35	0.40	0.46
Medicare Revenue per Day	1612	2043	2478
Salaries to Net Patient Revenue	36.31	41.03	45.41
Average Age of Plant	6.47	9.33	12.10
FTEs per Adjusted Occupied Bed	4.34	5.57	6.60
Average Daily Census Swing-SNF Beds	0.80	1.68	2.82
Average Daily Census Acute Beds	6.58	8.21	11.21
Number of Included CAHs	62	62	62

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2009 Quartile Values for Non Government, \$7.5-\$20m, LTC, NoRHC
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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-4.40	1.39	4.23
Cash Flow Margin	1.53	3.83	9.46
Return on Equity	-9.53	3.84	10.01
Operating Margin	-4.28	-0.38	4.29
Current Ratio	1.10	1.82	2.94
Days Cash on Hand	24.88	63.38	121.06
Net Days Revenue in Accounts Receivable	42.68	51.64	61.42
Equity Financing	35.65	51.51	70.58
Debt Service Coverage	0.58	1.49	3.54
Long-Term Debt to Capitalization	17.03	34.32	57.24
Outpatient Revenues to Total Revenues	50.80	59.67	67.02
Patient Deductions	19.85	30.11	40.10
Medicare Inpatient Payer Mix	69.65	76.81	86.09
Medicare Outpatient Payer Mix	29.53	37.55	44.50
Medicare Outpatient Cost to Charge	0.46	0.52	0.61
Medicare Revenue per Day	1185	1524	2042
Salaries to Net Patient Revenue	42.73	46.53	52.23
Average Age of Plant	8.64	11.08	13.95
FTEs per Adjusted Occupied Bed	7.70	9.04	11.58
Average Daily Census Swing-SNF Beds	1.35	2.00	3.34
Average Daily Census Acute Beds	1.59	2.79	4.23
Number of Included CAHs	51	51	51

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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-4.15	-1.06	1.64
Cash Flow Margin	-0.08	3.61	6.72
Return on Equity	-9.06	1.14	9.28
Operating Margin	-4.80	-0.59	2.05
Current Ratio	0.97	1.64	2.31
Days Cash on Hand	7.74	33.01	88.61
Net Days Revenue in Accounts Receivable	44.91	53.11	59.78
Equity Financing	25.87	41.89	55.88
Debt Service Coverage	0.23	1.25	3.16
Long-Term Debt to Capitalization	25.12	47.00	59.46
Outpatient Revenues to Total Revenues	57.98	64.80	71.19
Patient Deductions	25.91	33.09	40.99
Medicare Inpatient Payer Mix	68.25	77.91	84.64
Medicare Outpatient Payer Mix	34.26	38.03	44.69
Medicare Outpatient Cost to Charge	0.38	0.47	0.53
Medicare Revenue per Day	1263	1597	1869
Salaries to Net Patient Revenue	44.11	47.87	52.29
Average Age of Plant	6.27	12.11	15.13
FTEs per Adjusted Occupied Bed	5.24	8.55	11.73
Average Daily Census Swing-SNF Beds	0.96	1.80	3.19
Average Daily Census Acute Beds	1.87	3.07	4.25
Number of Included CAHs	45	45	45

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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-2.26	2.02	6.17
Cash Flow Margin	1.74	7.30	12.11
Return on Equity	0.29	5.64	12.79
Operating Margin	-2.90	2.59	7.30
Current Ratio	1.42	2.11	3.38
Days Cash on Hand	13.02	40.47	120.20
Net Days Revenue in Accounts Receivable	43.91	53.97	64.38
Equity Financing	39.44	60.83	79.59
Debt Service Coverage	0.86	2.53	6.09
Long-Term Debt to Capitalization	1.30	17.98	43.87
Outpatient Revenues to Total Revenues	66.20	71.90	79.07
Patient Deductions	33.77	42.88	51.47
Medicare Inpatient Payer Mix	62.91	73.30	82.54
Medicare Outpatient Payer Mix	27.54	33.36	41.56
Medicare Outpatient Cost to Charge	0.35	0.42	0.52
Medicare Revenue per Day	1282	1563	2032
Salaries to Net Patient Revenue	35.59	40.38	45.59
Average Age of Plant	4.82	8.81	12.58
FTEs per Adjusted Occupied Bed	3.47	4.08	5.37
Average Daily Census Swing-SNF Beds	1.11	2.12	3.39
Average Daily Census Acute Beds	3.08	4.36	6.58
Number of Included CAHs	130	130	130

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2009 Quartile Values for Non Government, \$7.5-\$20m, NoLTC, RHC
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Indicator	25th Percentile	50th Percentile	75th Percentile
Total Margin	-1.24	1.54	6.03
Cash Flow Margin	1.19	5.16	9.31
Return on Equity	0.61	6.19	14.33
Operating Margin	-3.58	0.23	5.53
Current Ratio	1.56	2.08	2.93
Days Cash on Hand	8.28	34.19	87.83
Net Days Revenue in Accounts Receivable	44.64	53.47	65.83
Equity Financing	34.56	56.77	67.53
Debt Service Coverage	0.94	2.46	5.79
Long-Term Debt to Capitalization	12.61	32.97	55.65
Outpatient Revenues to Total Revenues	67.51	76.22	82.24
Patient Deductions	29.52	38.11	48.62
Medicare Inpatient Payer Mix	64.94	74.37	83.29
Medicare Outpatient Payer Mix	29.58	36.58	41.54
Medicare Outpatient Cost to Charge	0.37	0.44	0.51
Medicare Revenue per Day	1301	1545	1949
Salaries to Net Patient Revenue	39.48	43.84	49.84
Average Age of Plant	6.96	9.76	14.82
FTEs per Adjusted Occupied Bed	3.92	4.84	5.64
Average Daily Census Swing-SNF Beds	1.01	1.97	3.31
Average Daily Census Acute Beds	2.92	3.87	6.13
Number of Included CAHs	79	79	79

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