

FINANCIAL STATUS OF CONNECTICUT'S SHORT-TERM ACUTE CARE HOSPITALS

Fiscal Year 2017 - Summary

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Presented by: Ronald Ciesones



A strong healthcare system is an important economic sector in Connecticut that:

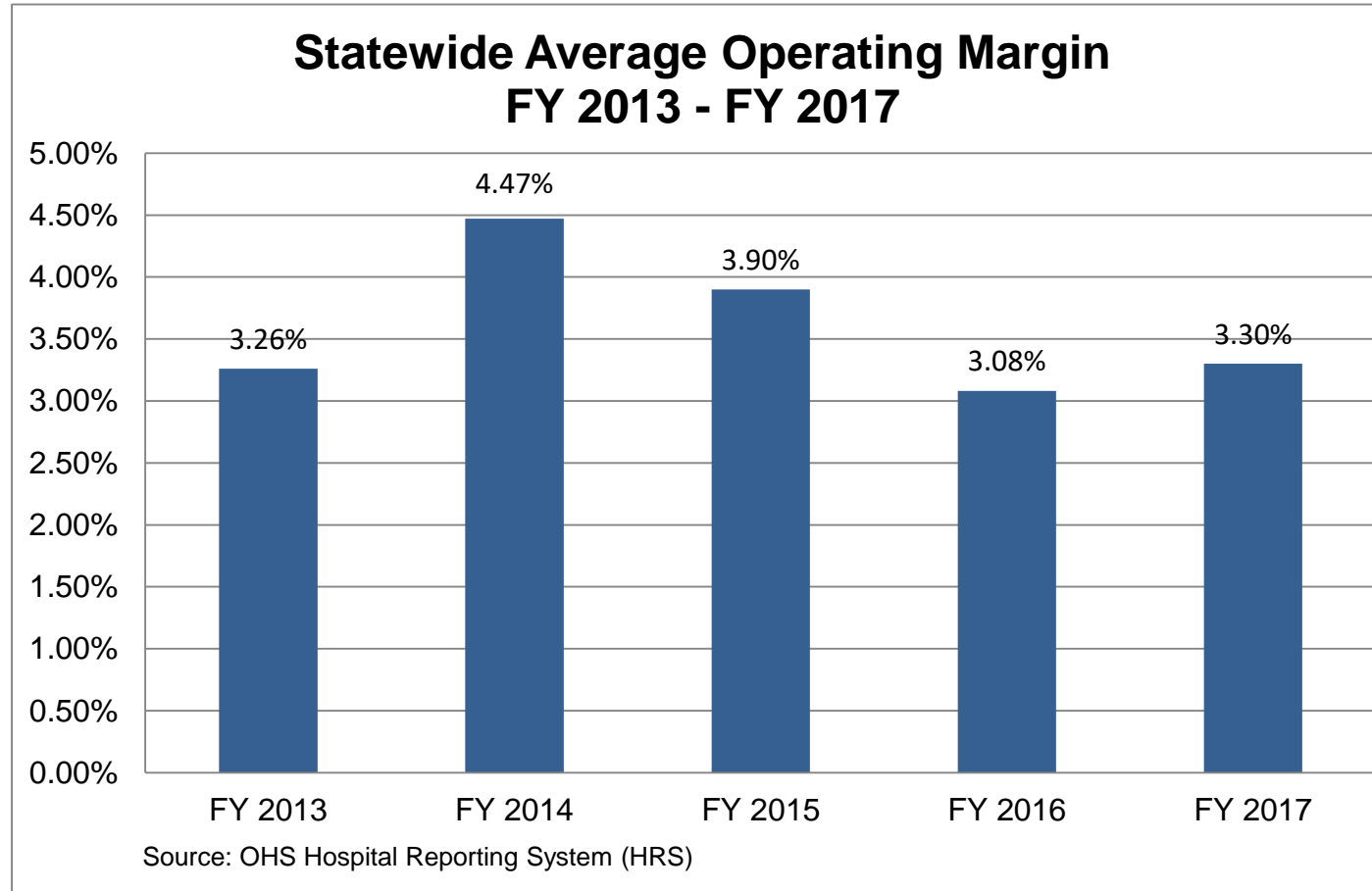
- Attracts a talented workforce.
- Drives modernization efforts.
- Provides high quality healthcare to our citizens.

Profitability

It's necessary for hospitals to operate efficiently, creating financial stability and funding to invest in:

- Day to day operations
- Debt servicing
- Cash reserves
- Facility upgrades

Statewide Operating Margin



Operating Margin:

Gain/Loss from Operations
Total Operating Revenue

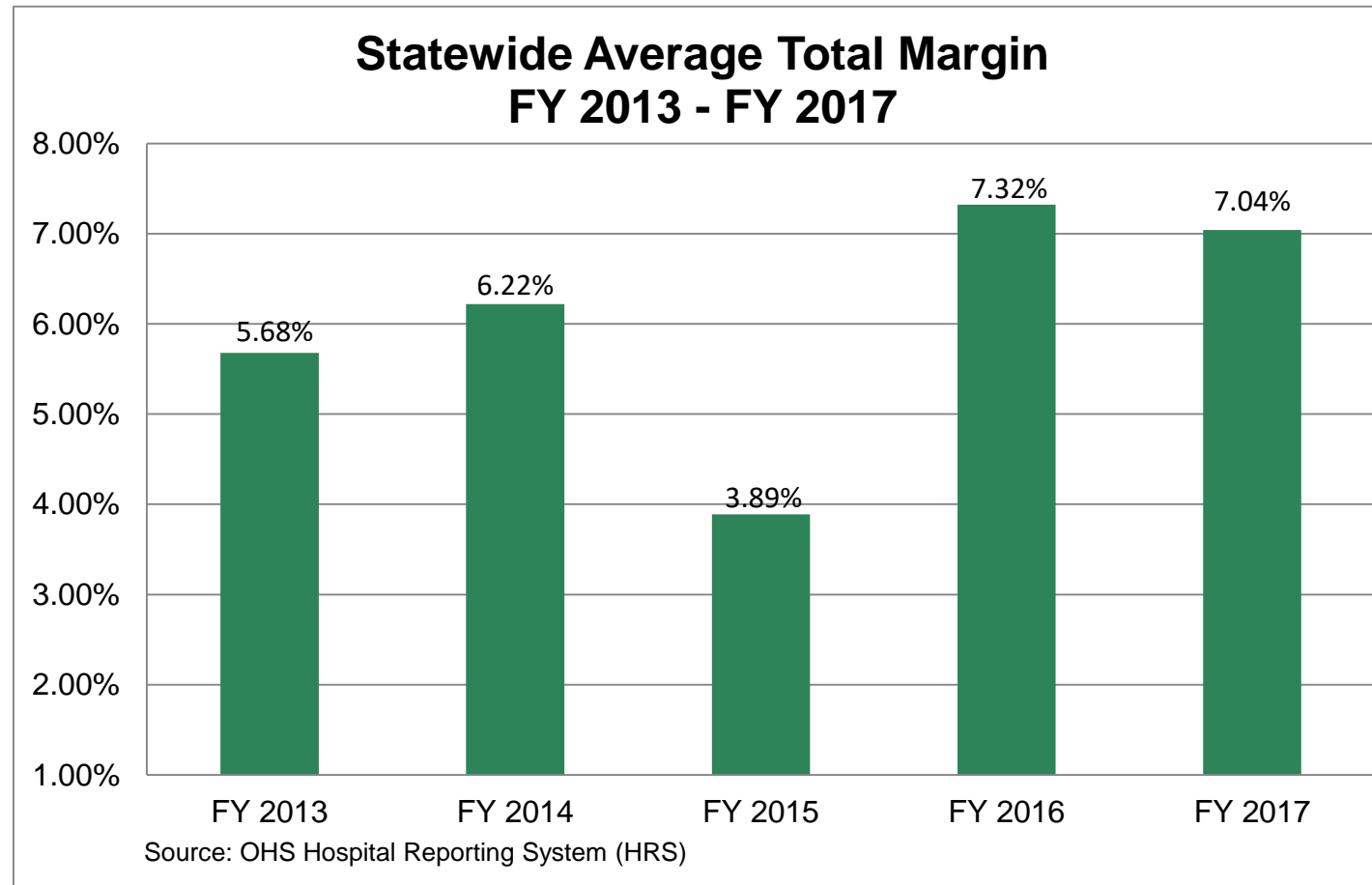
Indicator of:

- Patient Care Revenue
- Other Operating Revenue

FY 2017 totals:

-Operating Revenues - \$11.5b
-Operating Expense - \$11.2b
-Gains - \$381m (\$348m in 2016)

Total Margin (Overall Measure of Profitability)



Total Margin:

Gain/Loss from Operations +
Non-Operating Gain/Loss
Total Revenue

Indicator of:

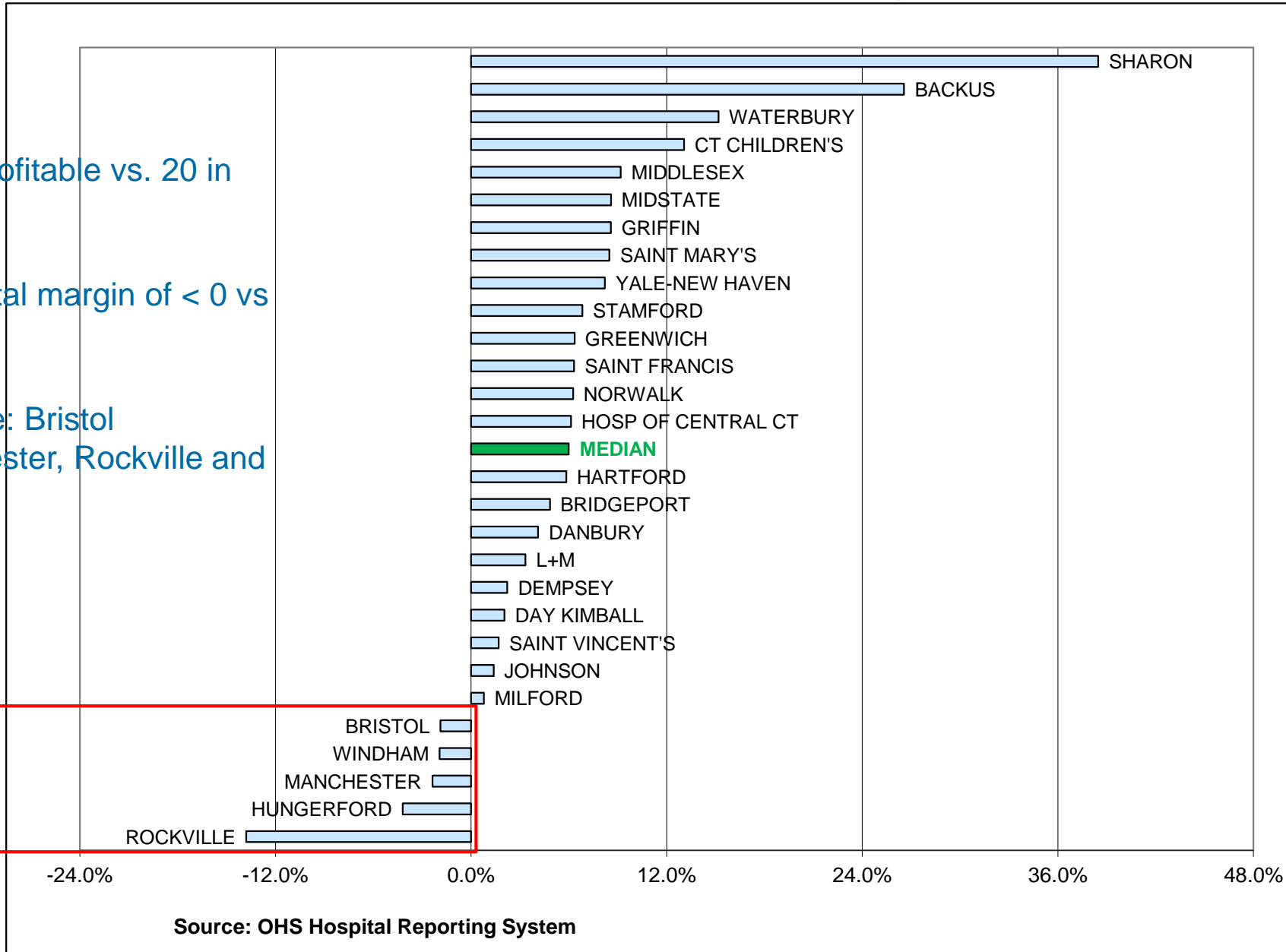
Overall excess or
deficit of revenues
over expenses

FY 2017 totals:

Operating Gain	\$381m (\$348m in FY 2016)
Non Operating Revenue	\$464m (\$516m in FY2016)
Total Gain	\$845m (\$864m in FY 2016)

FY 2017 Hospital Total Margins

- 23 hospitals were profitable vs. 20 in FY 2016.
- 5 Hospitals had a total margin of < 0 vs 8 in FY 2016.
- The 5 hospitals were: Bristol
Hungerford, Manchester, Rockville and
Windham.



5 hospitals with a Total Margin < 0

Five Year Hospital Performance

6 hospitals
with a five
Year Total
Margin < 0

	FY 2013-2017 5 YEAR AVERAGE TOTAL MARGIN	FY 2013 TOTAL MARGIN	FY 2014 TOTAL MARGIN	FY 2015 TOTAL MARGIN	FY 2016 TOTAL MARGIN	FY 2017 TOTAL MARGIN
WINDHAM	-8.01%	-8.58%	-5.51%	-6.84%	-18.96%	-1.93%
MILFORD	-5.85%	-12.46%	-11.10%	-7.20%	1.11%	0.78%
ROCKVILLE	-5.78%	3.58%	3.20%	-6.47%	-20.47%	-13.79%
JOHNSON	-3.37%	-4.94%	1.78%	-6.05%	-9.64%	1.39%
MANCHESTER	-1.16%	-0.11%	1.33%	3.91%	-9.04%	-2.37%
HUNGERFORD	-0.42%	2.11%	2.42%	1.24%	-4.06%	-4.19%
BRISTOL	0.20%	1.66%	1.61%	0.96%	-1.36%	-1.88%
WATERBURY	1.83%	2.62%	1.60%	-4.78%	-7.60%	15.18%
DAY KIMBALL	2.13%	0.80%	2.73%	-0.52%	5.49%	2.05%
SHARON	2.47%	8.81%	5.75%	-57.10%	-38.28%	38.47%
SAINT FRANCIS	2.52%	4.13%	2.29%	-2.56%	1.59%	6.31%
L+M	3.19%	4.95%	2.61%	4.44%	0.67%	3.34%
SAINT VINCENT	4.23%	12.02%	10.15%	-3.68%	0.02%	1.70%
DANBURY	4.49%	7.36%	9.23%	-0.91%	3.69%	4.11%
HOSP OF CENTRAL CT (HOCC)	4.65%	6.26%	6.35%	-1.19%	5.12%	6.13%
HARTFORD	4.87%	2.39%	4.89%	5.30%	5.60%	5.84%
GRIFFIN	6.35%	3.28%	5.67%	3.48%	9.51%	8.58%
YALE NEW HAVEN	6.54%	7.40%	6.77%	4.33%	5.85%	8.21%
CT CHILDREN'S	6.71%	0.12%	-0.57%	8.90%	9.14%	13.07%
MIDDLESEX	7.57%	6.59%	9.35%	3.30%	9.16%	9.18%
STAMFORD	7.72%	6.68%	8.21%	9.21%	7.77%	6.82%
GREENWICH	8.30%	8.24%	10.27%	7.56%	9.20%	6.36%
BRIDGEPORT	8.42%	8.18%	9.14%	11.14%	9.03%	4.84%
NORWALK	8.47%	6.05%	10.77%	10.07%	9.18%	6.26%
SAINT MARY	9.08%	7.67%	9.99%	8.09%	10.97%	8.49%
MIDSTATE	9.16%	8.90%	9.57%	6.36%	12.21%	8.59%
DEMPSEY	15.53%	3.63%	-2.61%	7.52%	43.32%	2.22%
BACKUS	18.89%	12.45%	18.63%	13.78%	20.27%	26.56%
NEW MILFORD	n/a	-2.94%	-3.20%	n/a	n/a	n/a
STATEWIDE (Note A)	6.08%	5.68%	6.22%	3.89%	7.32%	7.04%
Median	4.6%	4.1%	4.9%	3.4%	5.3%	6.0%

Margin Comparison Hospitals vs. Health Systems - 2017

	Hospitals FY 2017	Health Systems FY 2017	
Net Patient Revenue	\$10,879,177,154	\$12,399,668,154	
Other Operating Revenue	\$652,035,437	<u>\$1,022,019,449</u>	
Total Operating Revenue	\$11,531,212,591	\$13,421,687,603	
Total Operating Expenses	\$11,150,306,337	\$13,655,264,596	
Income/(Loss) from Operations	\$380,906,254	(\$233,576,993)	*Profits were higher at hospitals than at the full health system.
Non Operating Revenue	<u>\$464,007,534</u>	<u>\$813,207,310</u>	
Excess/(Deficiency) of Revenue over Expenses	\$844,913,788	\$579,630,317	
Operating Margin	3.30%	-1.64%	
Total Margin	7.04%	4.07%	

*Source: OHS Hospital Reporting System

Non Operating Revenues - Special Situations

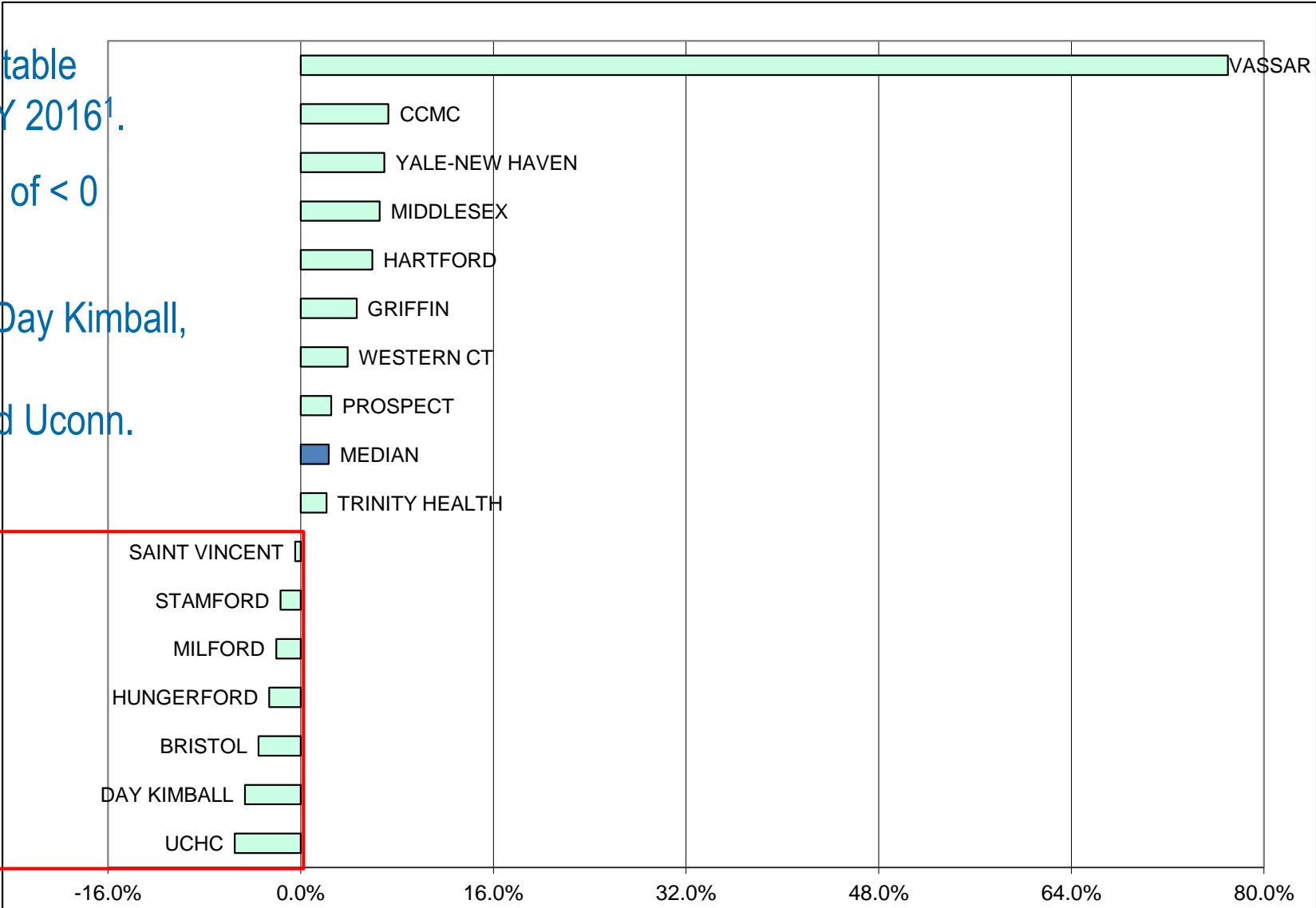
- Vassar Health CT reported approximately \$27 million in Non Operating Revenue due to the HealthQuest affiliation.
- UCONN Health Center received \$322 million in State and Capital appropriations.

FY 2017 Health System Total Margins

- 9 systems were profitable compared to 11 in FY 2016¹.
- 7 Systems had a TM of < 0 vs. 9 in FY 2016¹.
- The 7 were: Bristol, Day Kimball, Hungerford, Milford, St. V's, Stamford, and Uconn.

¹Note there were 20 Systems in FY 2016.

7 systems with a Total Margin < 0



Source: OHS Hospital Reporting System

FY 2013 – FY 2017

Non Operating Revenues - Special Situations

FY 2017

- Vassar Health CT reported approximately \$27 million contribution due to the HealthQuest affiliation.
- UCONN Health Center received \$322 million in State and Capital appropriations.
Net Profit: \$231 million

FY 2016

- Yale New Haven Health had a \$241 million contribution for the acquisition of L+M.
- UCONN Health Center received \$464 million in State and Capital appropriations.
Net Profit: \$178 million

FY 2015

- UCONN Health Center received \$440 million in State and Capital appropriations.
Net Profit: (\$162 million)

FY 2014

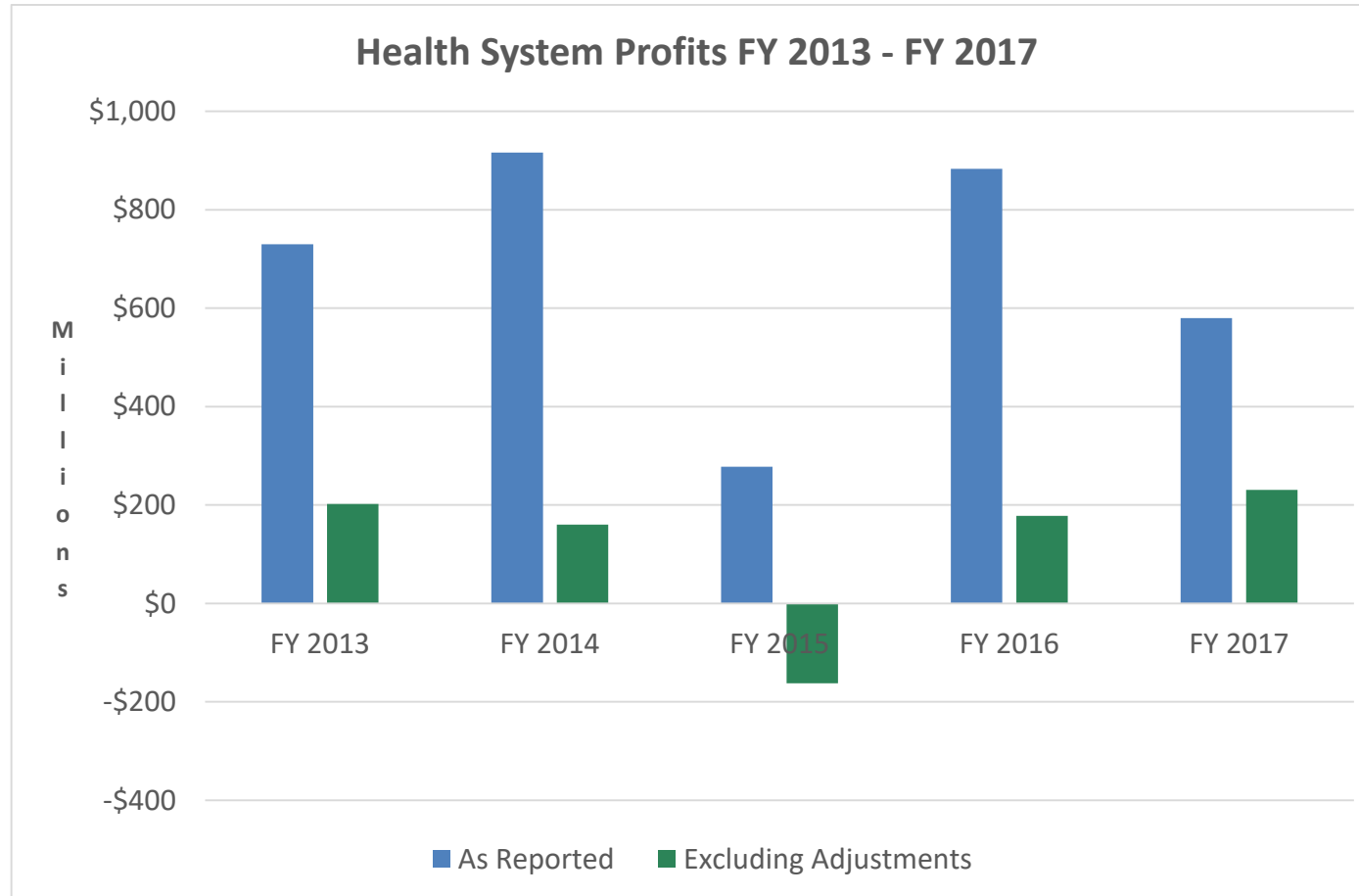
- Western CT Health Network had a \$297 million contribution for the acquisition of Norwalk Health Services Corporation.
- UCONN Health Center received \$459 million in State and Capital appropriations.
Net Profit: \$160 million

FY 2013

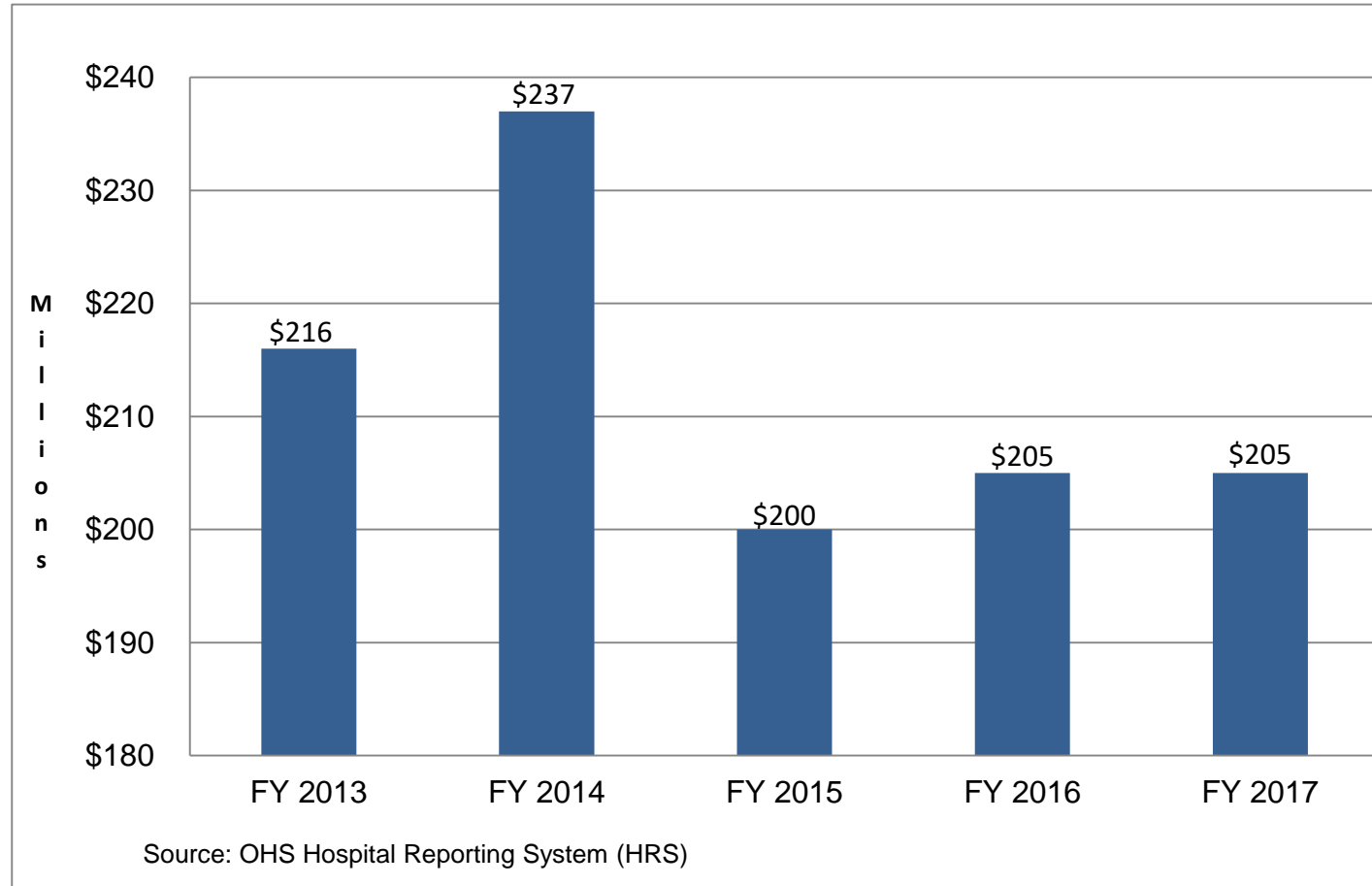
- Hartford Healthcare had a \$310 million contribution for the acquisition of Backus Corporation.
- UCONN Health Center received \$218 million in State and Capital appropriations.
Net Profit: \$202 million

FY 2013 – FY 2017

Health System Profits with and without special situations



Uncompensated Care Costs FY 2013 – FY 2017



- Uncompensated Care = Charity Care (CC) + Bad Debt (BD).
- Uncompensated Care Cost excludes mark-ups for profits.
- UCC Cost = UCC Charges x Ratio of Cost to Charge.
- Statewide uncompensated care costs were 2% of total expenses.

Utilization

- Discharges decreased by 5k to 395k.
11 hospitals had increases vs. 17 decreases
Range: Rockville 13% to St. Vincent's (8%).
- Total patient days decreased by 2k to 1.9 million.
13 hospitals had increases vs. 15 decreases
Range: Rockville 22% to St. Vincent's (12%).
- ED visits decreased by 25k to 1.7 million.
7 Hospitals had increases vs. 21 decreases
Range: Stamford +12% to Midstate (15%).
- FTE's increased by about 500 to 52k.
12 Hospitals had increases vs. 16 decreases
Range: Stamford +13%, 271; to Johnson (15%, 69).

Where to find hospital financial data on the OHS website?

Additional Data is available on the OHS website by clicking:

- **Health Systems Planning \ Hospital Financial Data**
- or
- **Health Systems Planning \ Hospital Reporting System**

Users can find the following items by hospital:

- Annual Reporting & 12 Month Filings
- Audited Financial Statements
- Hospital Dashboards
- IRS Form 990's

THE END