

**Statewide Hospital Expense Data
Fiscal Years 2016 - 2019
Connecticut's Acute Care Hospitals**

Expense Categories	FY 2016	FY 2017	FY 2018	FY 2019	1 Year % Change 2018-2019	1 Year % Change 2018-2019	3 Year % Change 2018-2018	3 Year % Change 2016-2019
Salaries & Wages	\$3,959,572,640	\$4,003,233,376	\$4,149,268,823	\$4,277,756,902	\$128,488,079	3.1%	\$318,184,262	8.0%
Fringe Benefits	\$1,116,178,337	\$979,279,112	\$996,106,661	\$979,596,186	-\$16,510,475	-1.7%	-\$136,582,151	-12.2%
Medical Supplies	\$1,006,367,486	\$1,021,347,304	\$1,079,975,756	\$1,164,917,811	\$84,942,055	7.9%	\$158,550,325	15.8%
Pharmaceutical Costs	\$687,481,107	\$743,163,508	\$837,670,349	\$968,578,538	\$130,908,189	15.6%	\$281,097,431	40.9%
Depreciation and Amortization	\$578,746,162	\$612,521,732	\$582,480,678	\$584,225,550	\$1,744,872	0.3%	\$5,479,388	0.9%
Interest Expense	\$96,936,334	\$117,689,148	\$127,675,447	\$125,889,899	-\$1,785,548	-1.4%	\$28,953,565	29.9%
Other Operating Expenses ¹	\$3,490,707,434	\$3,671,549,357	\$4,094,518,855	\$4,459,600,121	\$365,081,266	8.9%	\$968,892,687	27.8%
Totals	\$10,935,989,500	\$11,148,783,536	\$11,867,696,569	\$12,560,565,007	\$692,868,438	5.8%	\$1,624,575,507	14.9%

Source: Office of Health Strategy (OHS) Hospital Reporting System Report 175 (as reported by hospitals).

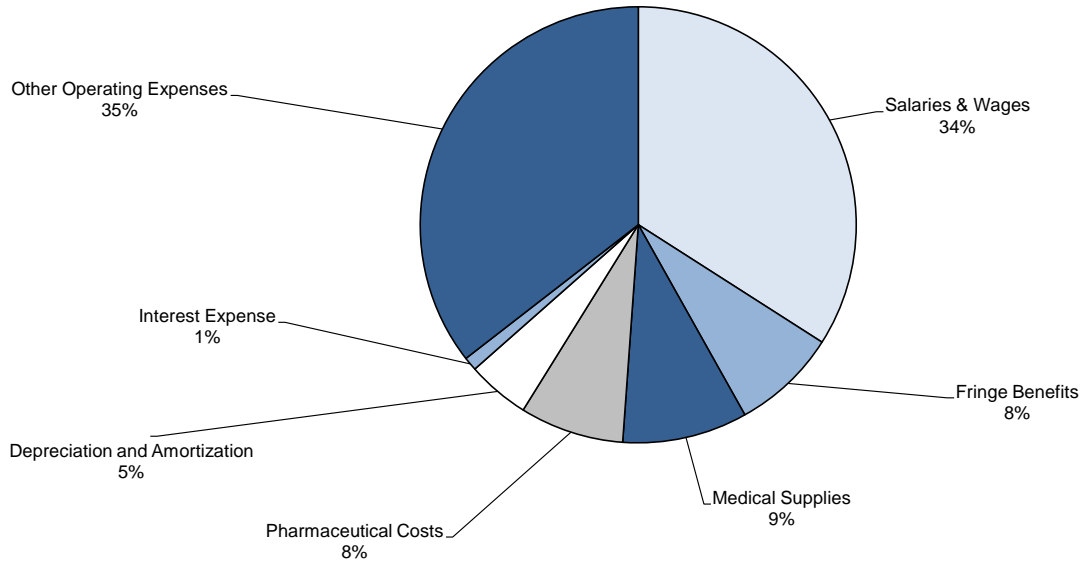
¹ Amounts for FY 2016 include the categories that were reported as Business Expenses and Miscellaneous Other Operating Expenses in OHS's previous reporting system. The categories above are the seven (7) categories presented, in figure 5 of the the Annual Report on the Financial Status of Connecticut's Short Term Acute Care Hospitals for 2019.

In FY 2019, total operating expenses increased \$693 million. The top three categories, salaries and wages (\$129m), pharmaceutical costs (\$131m), and other operating expenses(\$365m) accounted for 90% (\$625 million) of the \$693 million total. Other operating expenses were 53% of the \$693 million difference between FY 2019 and FY 2018.

Since FY 2016, amounts for salaries and wages and fringe benefits have each decreased by two percentage points while other operating expenses have increased by three percentage points.

The following two pages provide a further breakdown of other operating expenses reported by hospitals.

**Summary of
Hospital Expenses - FY 2019**



**Statewide Hospital Analysis of Other Operating Expenses
Fiscal Years 2016 - 2019
Connecticut's Acute Care Hospitals**

Expense Categories	FY 2016	FY 2017	FY 2018	FY 2019	1 Year \$ Change 2018-2019	1 Year % Change 2018-2019	3 Year \$ Change 2016-2019	3 Year % Change 2016-2019
Contract Labor ¹	\$1,031,460,383	\$1,238,870,160	\$1,333,267,943	\$1,472,072,542	\$138,804,599	10.4%	\$440,612,159	42.7%
Utilities ²	\$145,290,636	\$151,114,607	\$156,637,094	\$155,551,310	(\$1,085,784)	-0.7%	\$10,260,674	7.1%
Malpractice Insurance	\$114,947,327	\$116,047,721	\$104,326,109	\$127,927,626	\$23,601,517	22.6%	\$12,980,299	11.3%
Business Fees and Dues ³	\$144,012,942	\$114,712,039	\$97,037,489	\$109,806,013	\$12,768,524	13.2%	(\$34,206,929)	-23.8%
Leases	\$146,568,426	\$143,228,104	\$143,417,155	\$155,391,615	\$11,974,460	8.3%	\$8,823,189	6.0%
Repairs / Maintenance	\$151,482,133	\$155,278,129	\$152,108,859	\$172,017,062	\$19,908,203	13.1%	\$20,534,929	13.6%
Travel, Insurance and Taxes ⁴	\$46,135,114	\$58,131,910	\$62,077,648	\$65,549,485	\$3,471,837	5.6%	\$19,414,371	42.1%
General Supplies	\$78,075,428	\$63,374,244	\$56,045,863	\$70,186,366	\$14,140,503	25.2%	(\$7,889,062)	-10.1%
Corporate parent/system fees ⁵	\$250,061,153	\$490,040,461	\$663,090,044	\$715,517,555	\$52,427,511	7.9%	\$465,456,402	186.1%
Computer software and hardware	\$66,553,189	\$67,407,395	\$47,358,103	\$50,971,116	\$3,613,013	7.6%	(\$15,582,073)	-23.4%
Dietary and Food Services	\$54,574,018	\$58,685,977	\$66,898,132	\$69,490,038	\$2,591,906	3.9%	\$14,916,020	27.3%
Lab Fees / Red Cross Charges	\$58,754,846	\$69,923,927	\$65,259,247	\$76,271,847	\$11,012,600	16.9%	\$17,517,001	29.8%
Billing, Recruiting, Laundry, Waste	\$71,578,558	\$75,323,488	\$73,665,927	\$75,904,930	\$2,239,003	3.0%	\$4,326,372	6.0%
Professional / Physician Fees	\$28,775,074	\$139,264,225	\$154,483,601	\$150,931,999	(\$3,551,602)	-2.3%	\$122,156,925	424.5%
Purchased services ⁶	\$539,129,017	\$458,685,306	\$521,989,215	\$610,109,485	\$88,120,270	16.9%	\$70,980,468	13.2%
Miscellaneous Other Oper. Expenses ⁷	\$563,309,190	\$271,461,666	\$396,856,426	\$381,901,132	(\$14,955,294)	-3.8%	(\$181,408,058)	-32.2%
Totals	\$3,490,707,434	\$3,671,549,357	\$4,094,518,855	\$4,459,600,121	\$365,081,266	8.9%	\$968,892,687	27.8%

Source: Office of Health Strategy (OHS) Hospital Reporting System Report 175 (as reported by hospitals).

Amounts in () below are the percentage of the amount to the category total for FY 2019.

¹ Includes amounts reported for nursing (5%), physicians (40%), other medical personnel (29%) and non medical personnel (27%). In FY 2019, physician fees (51%) and nursing fees (14%) made up almost two thirds of the yearly increase.

² Includes amounts reported for water (8%), gas (15%), oil (3%), electricity (61%), phone (8%), and other (5%).

³ Includes amounts reported for accounting (4%), legal (12%), consulting (30%), membership dues (21%), licenses (9%), postage (11%), and advertising (13%).

⁴ Includes amounts reported for insurance (34%), travel (11%), conferences (13%), property tax (37%) and sales tax (5%). In FY 2019, insurance and travel made up most of the increase.

⁵ Over two-thirds of the FY 2019 expense were accounted for by three hospitals: Hartford Hospital (37%), Saint Francis Hospital and Medical Center (19%) and The William W. Backus Hospital (11%). Twelve hospitals accounted for the remaining one-third.

⁶ Includes amounts for medical (54%) and non medical (46%) purchased services.

⁷ Amounts for FY 2016 include the categories that were reported as Business Expenses and Miscellaneous Other Operating Expenses in OHS's previous reporting system.

In FY 2019, the top 3 categories (contract labor, corporate parent/system fees, and purchased services account for 77% (\$279 million) of the \$365 million increase in other operating expenses and 63% (\$2.8 billion) of the \$4.46 billion total. In FY 2019, five hospitals account for two-thirds of this expense and include Saint Francis Hospital and Medical Center (18%), St. Vincent Hospital and Medical Center (15%), Norwalk Hospital (14%), Middlesex Hospital (9%) and The Waterbury Hospital (9%). There were 14 hospitals having declines in this category.

In FY 2019, Yale-New Haven Hospital (Yale) had the largest year over year increase in contract labor expense (\$47 million) while Hartford Hospital had the largest year-over-year increase in corporate fees (\$44 million). Yale had the largest increase in purchased services (\$46 million) while Norwalk Hospital had the largest increase in misc. other operating expenses (\$31 million).

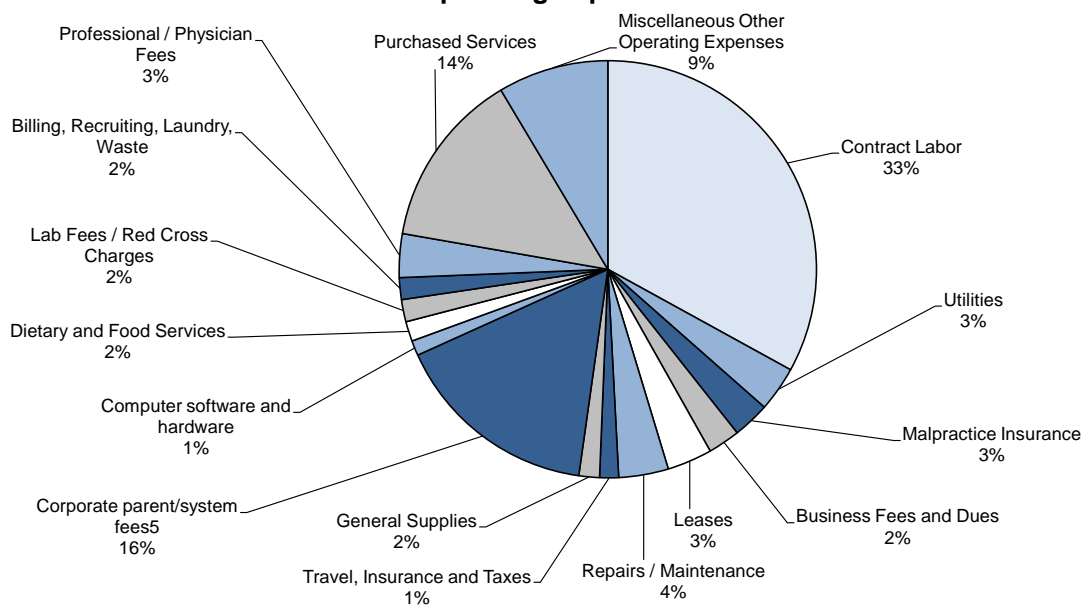
Definitions:

Corporate Parent / System Fees are expenses for management fees, corporate allocation percentage, intercompany or affiliation fees paid to a parent organization.

Purchased Services are expenses for purchased services that are medically and non medically related to patient care.

Physician Fees is total compensation earned by physicians and residents on a fee for service basis for services rendered to the hospital.

**Summary of Hospital
Other Operating Expenses - FY 2019**



Analysis of the 4 largest expense categories that are part of Other Operating Expenses on HRS Report 175.

	Corporate Parent/System Fees			Contract Labor			Purchased Services			Misc. Other Operating Expenses		
	FY 2018	FY 2019	Difference	FY 2018	FY 2019	Difference	FY 2018	FY 2019	Difference	FY 2018	FY 2019	Difference
BCKUS	\$61,102,598	\$78,749,734	\$17,647,136	\$5,148,669	\$8,721,158	\$3,572,489	\$10,116,913	\$9,586,985	(\$529,928)	\$5,659,574	\$5,210,923	(\$448,651)
BRGPT	\$6,616,000	\$7,128,000	\$512,000	\$155,613,000	\$180,585,000	\$24,972,000	\$1,404,000	\$1,594,000	\$190,000	(\$5,575,000)	(\$3,612,000)	\$1,963,000
BRSTL	\$0	\$0	\$0	\$10,492,802	\$11,103,626	\$610,824	\$914,816	\$1,498,544	\$583,728	\$7,724,012	\$2,806,789	(\$4,917,223)
CTCMC	\$0	\$0	\$0	\$12,721,108	\$13,876,291	\$1,155,183	\$29,267,126	\$29,922,541	\$655,415	\$19,927,612	\$21,946,170	\$2,018,558
DANBY	\$21,469,325	\$24,048,103	\$2,578,778	\$97,675,772	\$103,969,551	\$6,293,779	\$23,456,153	\$25,435,905	\$1,979,752	\$0	\$0	\$0
DAYKM	\$0	\$0	\$0	\$3,750,192	\$5,288,883	\$1,538,691	\$1,051,837	\$1,036,542	(\$15,295)	\$14,795,365	\$10,274,510	(\$4,520,855)
DMPSY	\$267,480	\$258,727	(\$8,753)	\$50,764,132	\$50,171,180	(\$592,952)	\$1,785,181	\$1,957,420	\$172,239	\$32,577,112	\$31,277,076	(\$1,300,036)
GRENH	\$4,772,990	\$4,897,829	\$124,839	\$79,945,111	\$97,230,132	\$17,285,021	\$6,983,328	\$7,006,127	\$22,799	(\$868,449)	(\$1,946,742)	(\$1,078,293)
GRIFN	\$0	\$0	\$0	\$239,017	\$330,249	\$91,232	\$3,905,334	\$7,044,636	\$3,139,302	\$21,047,175	\$17,058,037	(\$3,989,138)
HARTF	\$222,178,128	\$266,662,364	\$44,484,236	\$8,715,120	\$12,821,658	\$4,106,538	\$34,683,842	\$52,309,078	\$17,625,236	(\$71,515)	(\$1,021,423)	(\$949,908)
HOCCT	\$20,674,872	\$23,146,140	\$2,471,268	\$64,885,011	\$73,953,463	\$9,068,452	\$7,828,318	\$7,107,788	(\$720,530)	\$581,808	\$1,348,233	\$766,425
HGRFD	\$0	\$0	\$0	\$10,171,796	\$9,986,007	(\$185,789)	\$5,431,237	\$5,893,159	\$461,922	\$575,249	\$1,197,196	\$621,947
JNSON	\$6,110,677	\$8,269,286	\$2,158,609	\$6,463,850	\$6,478,538	\$14,688	\$6,339,828	\$3,830,435	(\$2,509,393)	\$4,764,879	\$5,193,216	\$428,337
LAMEM	\$21,059,945	\$4,750,337	(\$16,309,608)	\$1,383,310	\$1,752,504	\$369,194	\$30,329,985	\$56,260,668	\$25,930,683	\$1,686,456	\$953,918	(\$732,538)
MANCH	\$4,666,347	\$0	(\$4,666,347)	\$0	\$0	\$0	\$8,589,199	\$7,468,694	(\$1,120,505)	\$1,032,372	\$632,366	(\$400,006)
MIDST	\$11,985,660	\$14,481,756	\$2,496,096	\$56,753,150	\$62,758,622	\$6,005,472	\$0	\$0	\$0	\$2,364,008	\$2,838,658	\$474,650
MIDSX	\$0	\$0	\$0	\$8,223,078	\$8,474,305	\$251,227	\$25,422,039	\$27,925,928	\$2,503,889	\$37,263,212	\$34,772,038	(\$2,491,174)
MILFD	\$0	\$0	\$0	\$459,174	\$1,545,003	\$1,085,829	\$3,945,034	\$1,857,009	(\$2,088,025)	\$618,136	\$349,267	(\$268,869)
NRWLK	\$21,132,486	\$15,772,091	(\$5,360,395)	\$19,833,237	\$19,303,611	(\$529,626)	\$15,618,771	\$15,358,016	(\$260,755)	\$23,483,770	\$54,945,143	\$31,461,373
RKVLE	\$1,999,864	\$0	(\$1,999,864)	\$0	\$0	\$0	\$3,653,453	\$3,665,042	\$11,589	\$1,094,791	\$1,043,892	(\$50,899)
SAFNS	\$130,725,446	\$135,848,627	\$5,123,181	\$92,034,127	\$95,042,436	\$3,008,309	\$14,411,142	\$17,313,351	\$2,902,209	\$84,780,117	\$68,711,926	(\$16,068,191)
SAMRY	\$36,971,343	\$41,014,486	\$4,043,143	\$14,156,317	\$18,816,921	\$4,660,604	\$8,802,332	\$5,285,861	(\$3,516,471)	\$29,404,699	\$24,803,606	(\$4,601,093)
SAVCT	\$31,580,000	\$30,560,000	(\$1,020,000)	\$9,941,000	\$10,849,000	\$908,000	\$20,629,000	\$17,194,000	(\$3,435,000)	\$79,325,000	\$59,031,000	(\$20,294,000)
SHARN	\$477,153	\$1,285,983	\$808,830	\$877,538	\$2,529,541	\$1,652,003	\$3,720,951	\$3,167,474	(\$553,477)	(\$550,544)	\$119,832	\$670,376
STMFD	\$0	\$0	\$0	\$27,886,557	\$29,891,046	\$2,004,489	\$31,860,313	\$32,845,332	\$985,019	\$3,662,738	\$4,913,478	\$1,250,740
WATBY	\$6,665,474	\$0	(\$6,665,474)	\$10,213,739	\$11,649,342	\$1,435,603	\$0	\$0	\$0	\$26,958,577	\$33,950,799	\$6,992,222
WNDHM	\$17,403,256	\$20,499,092	\$3,095,836	\$3,541,136	\$6,395,475	\$2,854,339	\$3,149,083	\$2,841,250	(\$307,833)	\$404,272	\$350,924	(\$53,348)
YNHAV	\$35,231,000	\$38,145,000	\$2,914,000	\$581,380,000	\$628,549,000	\$47,169,000	\$218,690,000	\$264,703,700	\$46,013,700	\$4,191,000	\$4,752,300	\$561,300
statewide	\$663,090,044	\$715,517,555	\$52,427,511	\$1,333,267,943	\$1,472,072,542	\$138,804,599	\$521,989,215	\$610,109,485	\$88,120,270	\$396,856,426	\$381,901,132	(\$14,955,294)

Source: Hospital Reporting System Report 175 (as reported by hospitals)

Contract Labor - the sum of amounts reported for contract labor categories Nursing Fees, Physician Fees, Other Medical Personnel and Non Medical Personnel.

Purchased services - includes amounts reported for the categories purchased services medical and purchased services non medical.