



*Fall 1999*

# *Financial Indicators*

*Fiscal Year 1998*

Children's National Medical Center  
Columbia Hospital for Women Medical Center  
District of Columbia General Hospital  
George Washington University Hospital  
Georgetown University Hospital  
Greater Southeast Community Hospital  
Hadley Memorial Hospital  
Howard University Hospital  
MedLINK Hospital at Capitol Hill  
National Rehabilitation Hospital  
Providence Hospital  
Psychiatric Institute of Washington, D.C.  
Riverside Hospital  
Saint Elizabeths Hospital - Commission on  
Mental Health Services  
Sibley Memorial Hospital  
Veterans Affairs Medical Center  
Walter Reed Army Medical Center  
Washington Hospital Center

Kenneth A. Samet  
Chairman of the Board

Robert A. Malson  
President

# ABOUT THIS REPORT ON FINANCIAL INDICATORS

The charts in this package are intended to provide a financial picture of the hospital community in the District of Columbia for fiscal year 1998. The source of each chart is noted. Some of the financial changes depicted by the graphs in this report are a reflection of an industry-wide movement towards restructuring the delivery of health care services. Increased outpatient utilization, managed care penetration, and service integration have all had an impact on the financial status of District hospitals.

The material comes from the DCHA Annual Hospital Survey, which gathers standard information from the hospitals in the District. The information in this report is based on each hospital's own 1998 fiscal year, which does vary. The charts and graphs on the financial condition of hospitals provide collective (and some individual) information about twelve of the nineteen hospitals in the District of Columbia. The seven hospitals excluded from all aggregate data are: Hadley Memorial Hospital, Hospital for Sick Children, the three facilities providing only psychiatric services, and the two which are federally owned. It is important to note the following variations from these generalizations: for 1998, Columbia Hospital for Women Medical Center is only included in the aggregate information on operating margins; and MedLINK Hospital at Capitol Hill opened in July 1995 and is included in 1996, 1997 and 1998 analysis only. MedLINK serves long-term acute care patients and is excluded from "acute care only" analysis.

Data are reported to DCHA directly by individual hospitals which follow the accounting guidelines defined in the *Audits of Providers of Health Care Services* of the American Institute of Certified Public Accountants (AICPA). AICPA guidelines require health care providers to classify bad debt as a part of operating expenses, and to establish and disclose their policies regarding charity care along with the amount of charity care provided. These rules went into effect in 1990 and two related rules also went into effect during 1995. For analysis purposes, DCHA has classified bad debt as a separate line item.

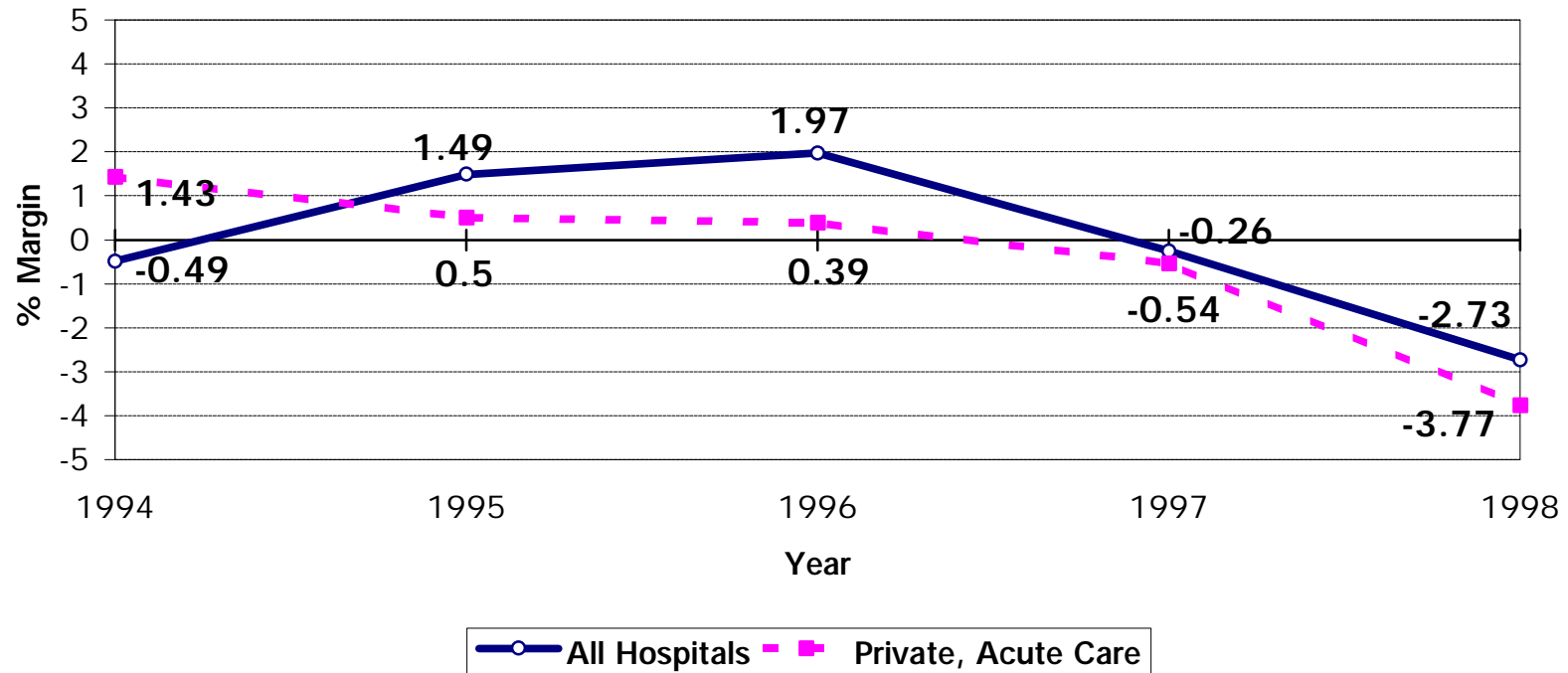
For additional information about this report, please contact the District of Columbia Hospital Association.

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# Aggregate Operating Margin Percent

## District of Columbia Hospitals



**Note:** "Private, Acute Care" hospitals include Children's National Medical Center, Columbia Hospital for Women Medical Center, George Washington University Hospital, Georgetown University Hospital, Greater Southeast Community Hospital, Howard University Hospital, Providence Hospital, Sibley Memorial Hospital and Washington Hospital Center.

**Note:** Calculations exclude Hadley Memorial Hospital, psychiatric and federal hospitals.

**Note:** MedLINK Hospital at Capitol Hill is included in 1996, 1997 and 1998 data only.

**Source:** 1998 DCHA Annual Hospital Survey.

# Operating Margin Percent

## District of Columbia Hospitals

	Operating Margin Percent		
	1996	1997	1998
Children's National Medical Center	-0.61%	3.13%	-1.86%
Columbia Hospital for Women Medical Center	-29.33%	-55.43%	-15.28%
District of Columbia General Hospital	5.58%	1.58%	5.81%
George Washington University Hospital	0.39%	1.07%	-2.54%
Georgetown University Hospital	-2.24%	-14.62%	-14.15%
Greater Southeast Community Hospital	6.18%	1.69%	-51.94%
Howard University Hospital	-5.19%	-3.15%	1.07%
MedLINK Hospital at Capitol Hill	0.14%	0.00%	-8.87%
National Rehabilitation Hospital	-0.89%	0.81%	5.18%
Providence Hospital	5.67%	3.53%	3.28%
Sibley Memorial Hospital	9.88%	5.35%	5.05%
Washington Hospital Center	4.27%	5.10%	3.02%
<b>Aggregate Percentage</b>	1.97%	-0.26%	-2.73%

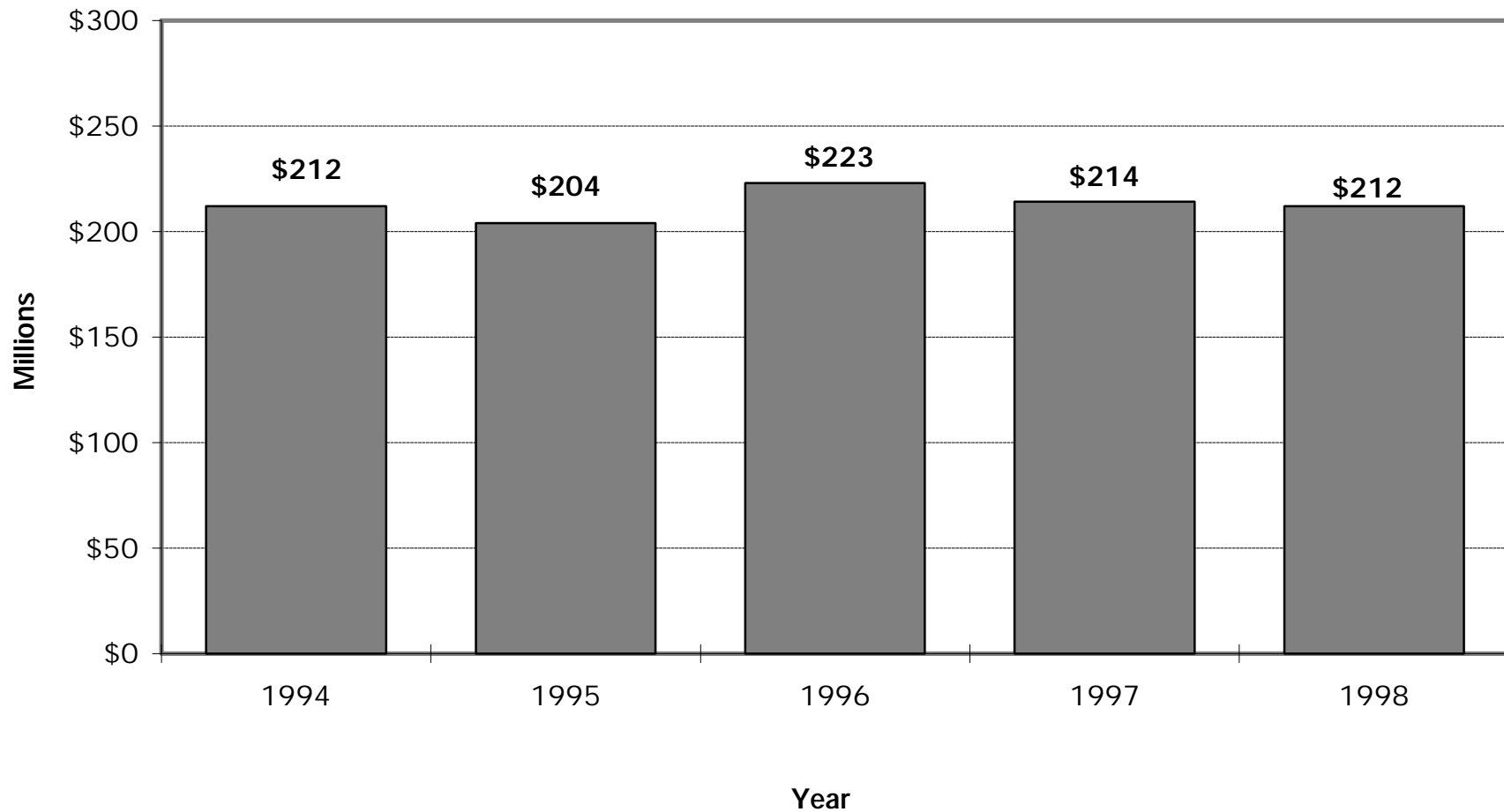
**Note:** Aggregate Operating Margin Percent is computed by calculating the percentage difference between aggregate operating expenses and aggregate operating revenues.

**Source:** 1998 DCHA Annual Hospital Survey.

# Dollar Cost of Un-sponsored Care

District of Columbia Hospitals

Five Year Trend: 1994 - 1998



**Note:** Columbia Hospital for Women Medical Center and Hospital for Sick Children are not included in 1998 data.

**Note:** Hadley Memorial Hospital is included in 1996 and 1997 data only.

**Note:** Calculation excludes MedLINK Hospital at Capitol Hill, and psychiatric and federal hospitals.

**Source:** 1998 DCHA Annual Hospital Survey.

# Un-sponsored Care

## *Cost and Percentage of Individual Hospital Total Care*

### District of Columbia Hospitals

	<u>1996</u>		<u>1997</u>		<u>1998</u>	
	Cost of Un-sponsored Care	Percent of Total Care	Cost of Un-sponsored Care	Percent of Total Care	Cost of Un-sponsored Care	Percent of Total Care
Children's National Medical Center	\$32,943,000	16.68%	\$26,013,000	12.52%	\$31,331,000	14.23%
Columbia Hospital for Women Medical	\$2,107,000	3.75%	\$2,369,000	4.11%	NA	NA
District of Columbia General Hospital	\$74,264,000	58.77%	\$79,979,000	52.80%	\$80,316,000	55.30%
George Washington University Hospital	\$11,688,000	6.26%	\$7,297,000	5.60%	\$7,872,000	5.48%
Georgetown University Hospital	\$8,333,000	3.80%	\$10,073,000	4.65%	\$6,321,000	2.81%
Greater Southeast Community Hospital	\$8,087,000	7.39%	\$8,758,000	7.75%	\$12,883,000	9.20%
Hadley Memorial Hospital	\$1,220,000	6.02%	\$875,000	6.97%	NA	NA
Hospital for Sick Children	\$110,000	0.35%	\$2,255,000	6.66%	NA	NA
Howard University Hospital	\$35,504,000	19.87%	\$29,435,000	18.10%	\$27,461,000	16.09%
National Rehabilitation Hospital	\$2,158,000	4.18%	\$1,691,000	3.16%	\$1,481,000	2.97%
Providence Hospital	\$6,666,000	6.38%	\$8,315,000	7.34%	\$8,456,000	6.55%
Sibley Memorial Hospital	\$4,825,000	5.14%	\$4,795,000	4.87%	\$4,905,000	4.65%
Washington Hospital Center	\$34,814,000	8.56%	\$32,134,000	7.23%	\$30,423,000	5.69%
<b>District Total</b>	<b>\$222,719,000</b>	<b>11.20%</b>	<b>\$213,989,000</b>	<b>10.16%</b>	<b>\$211,655,000</b>	<b>9.76%</b>

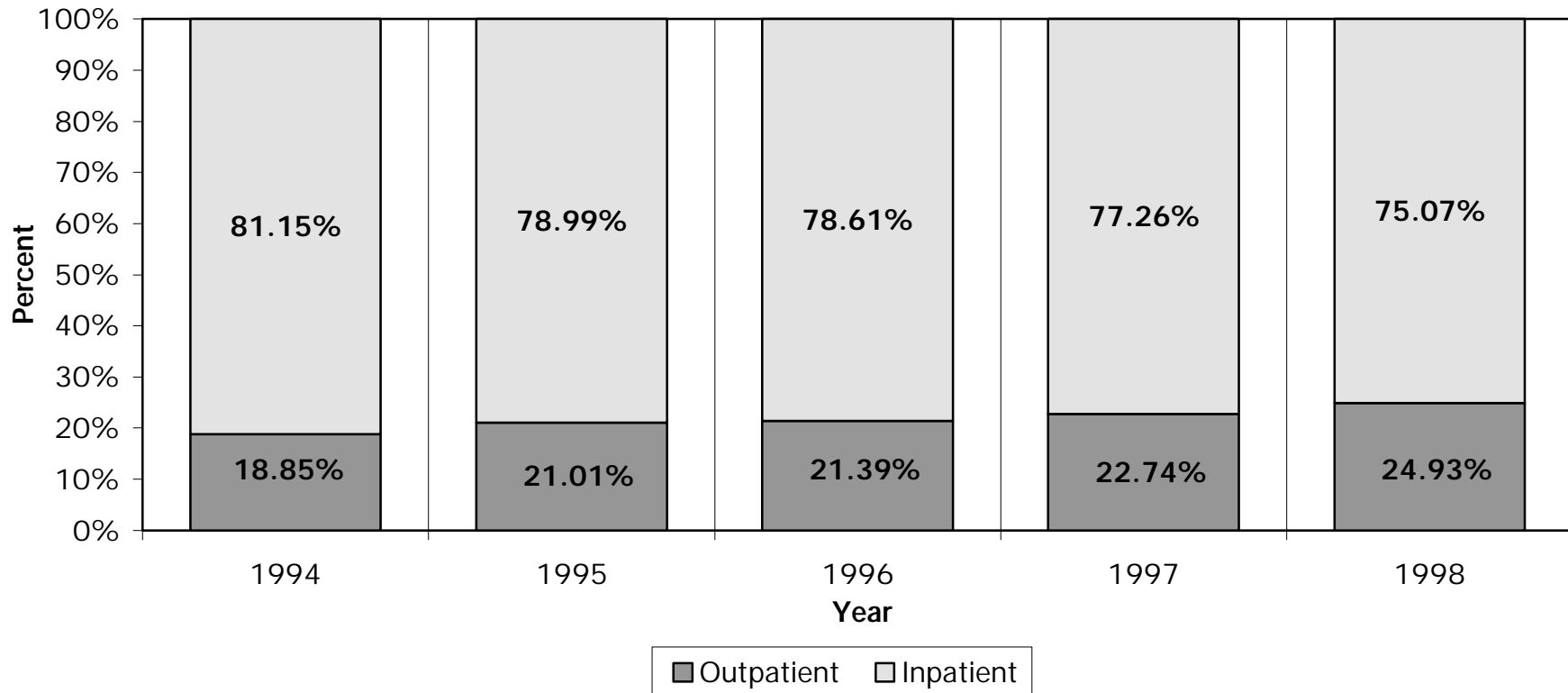
**Note:** Calculation excludes MedLINK Hospital at Capitol Hill, and psychiatric and federal hospitals.

**Note:** Columbia Hospital for Women Medical Center, Hadley Memorial Hospital and Hospital for Sick Children did not report for 1998.

**Source:** 1998 DCHA Annual Hospital Survey.

# Inpatient and Outpatient Revenue as a Percentage of Total Gross Patient Revenue

## District of Columbia Acute Care Hospitals

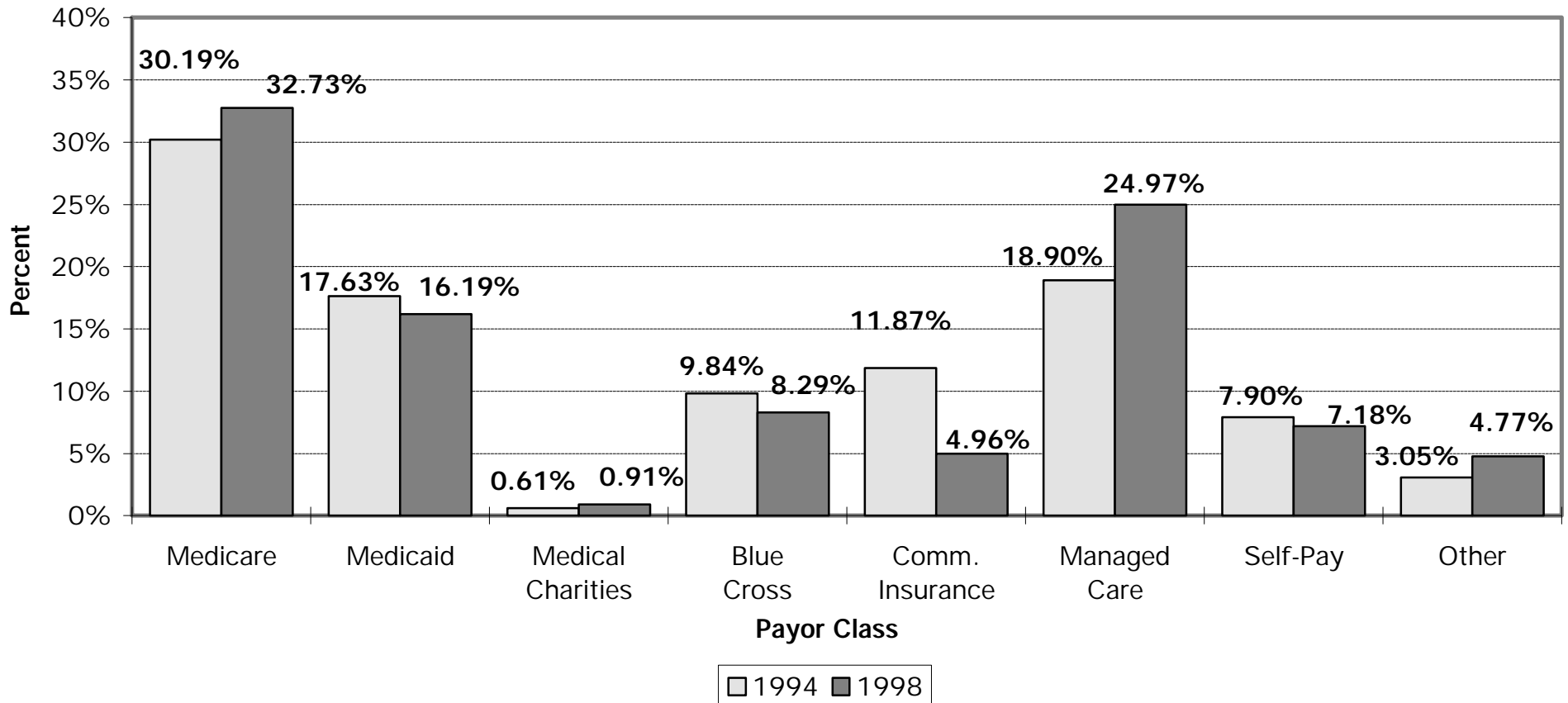


- Note:** Columbia Hospital for Women Medical Center and Hadley Memorial Hospital are excluded from the 1998 calculations.
- Note:** Calculation excludes MedLINK Hospital at Capitol Hill, National Rehabilitation Hospital, and psychiatric and federal hospitals.
- Source:** DCHA Annual Hospital Survey.

# Revenue by Payor Class

## *Five-Year Comparison: 1994 v. 1998*

### District of Columbia Hospitals



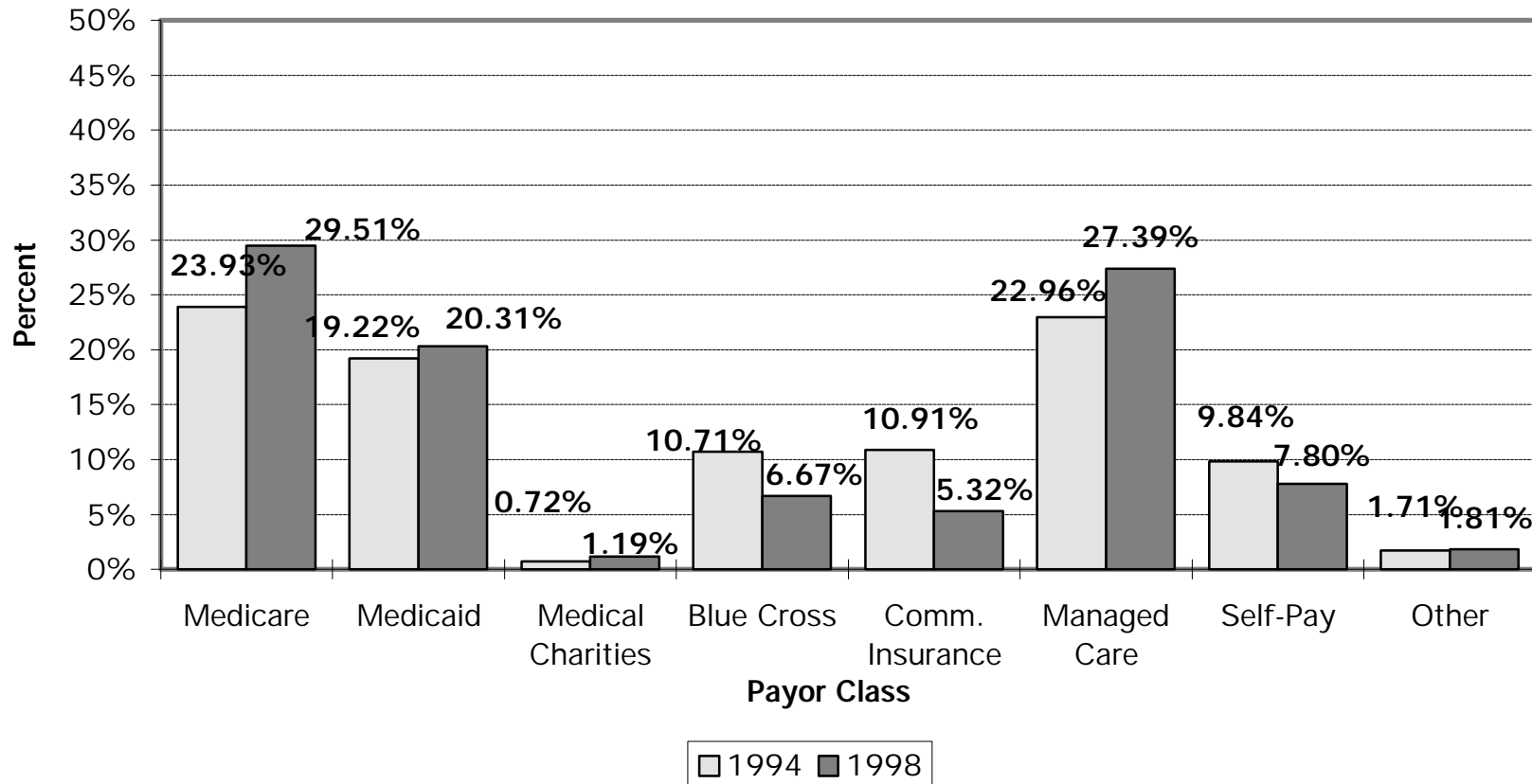
**Note:** Calculation excludes federal and psychiatric hospitals.  
**Note:** MedLINK Hospital at Capitol Hill is included in 1998 data only.  
**Note:** Columbia Hospital for Women Medical Center, Hadley Memorial Hospital and Georgetown University Hospital were excluded from the 1998 calculation.

**Source:** DCHA Annual Hospital Survey.

# Discharges by Payor Class

## *Five-Year Comparison: 1994 v. 1998*

### District of Columbia Hospitals



**Note:** Calculation excludes federal and psychiatric hospitals.

**Note:** MedLINK Hospital at Capitol Hill is included in 1998 data only.

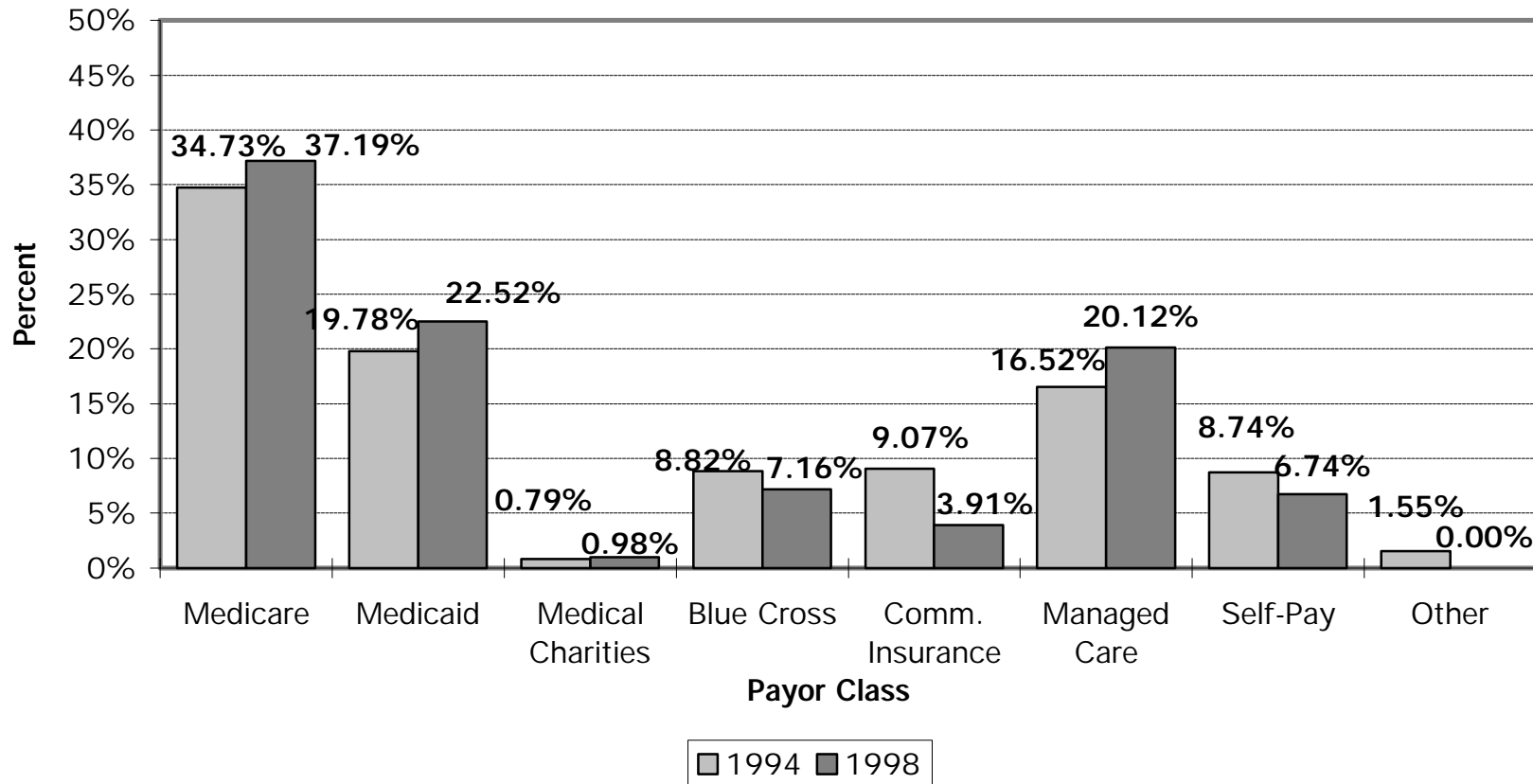
Note: Columbia Hospital for Women Medical Center, Hadley Memorial Hospital and Georgetown University Hospital are excluded from the 1998 calculations.

**Source:** DCHA Annual Hospital Survey.

# Patient Days by Payor Class

## *Five-Year Comparison: 1994 v. 1998*

### District of Columbia Hospitals



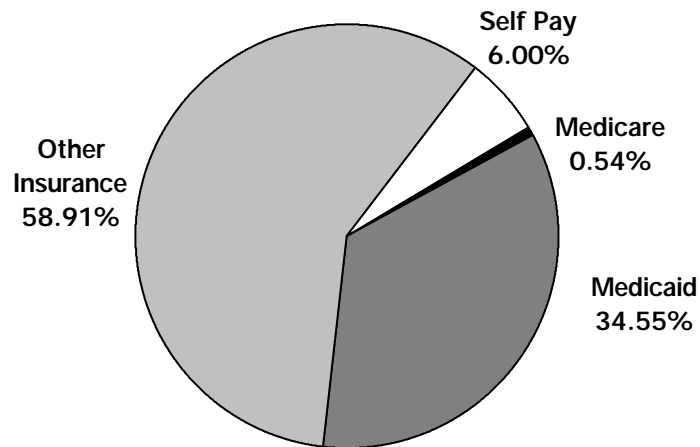
- Note:** Calculation excludes federal and psychiatric hospitals.
- Note:** MedLINK Hospital at Capitol Hill is included in 1998 data only.
- Note:** Columbia Hospital for Women Medical Center, Hadley Memorial Hospital and Georgetown University Hospital are excluded from the 1998 calculations.
- Source:** DCHA Annual Hospital Survey.

# Payor Mix by Gross Patient Revenue - 1998

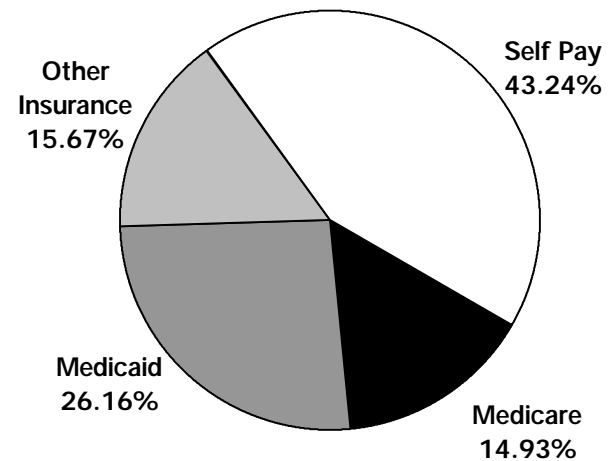
## District of Columbia Hospitals

The following charts represent the gross patient revenue by payor mix for eleven District of Columbia hospitals in 1998. "Medicaid" includes all Medicaid and medical charity payors. "Other Insurance" includes Blue Cross, commercial managed care, commercial and other insurers.

**Children's National Medical Center**



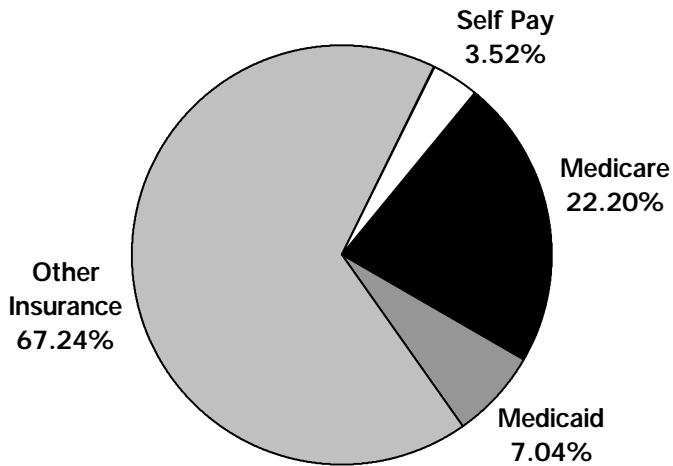
**District of Columbia General Hospital**



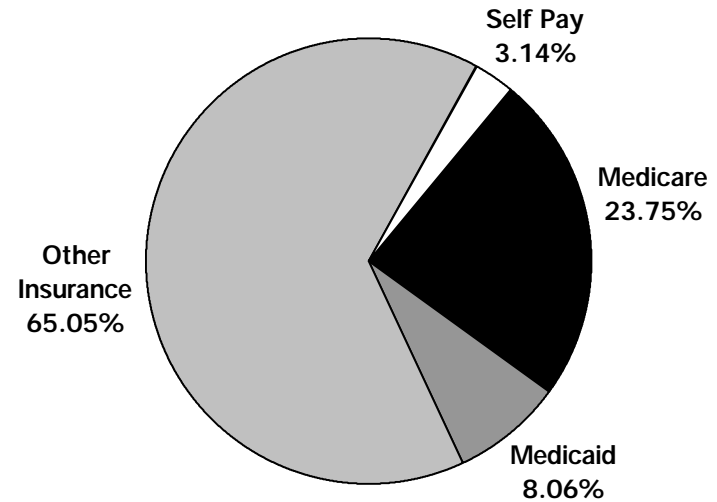
# Payor Mix by Gross Patient Revenue - 1998

## District of Columbia Hospitals (continued)

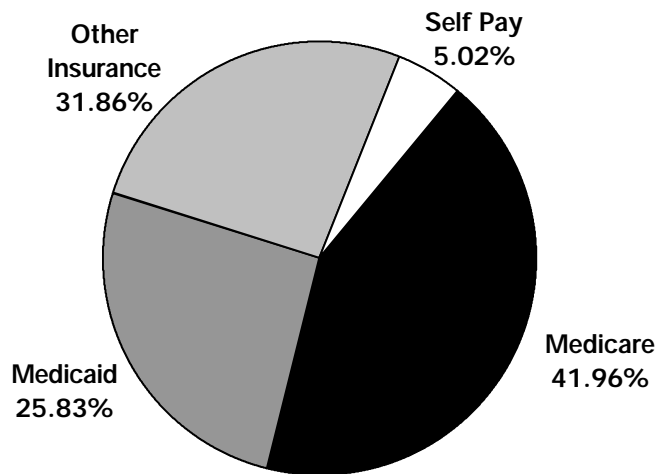
George Washington University Hospital



Georgetown University Hospital



Greater Southeast Community Hospital

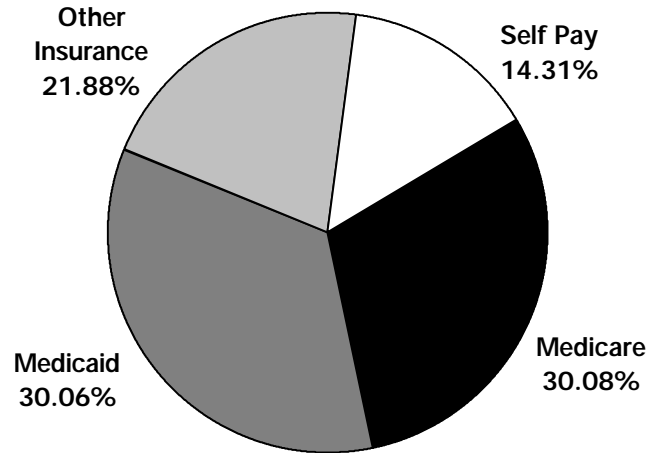


Source: DCHA Annual Hospital Survey

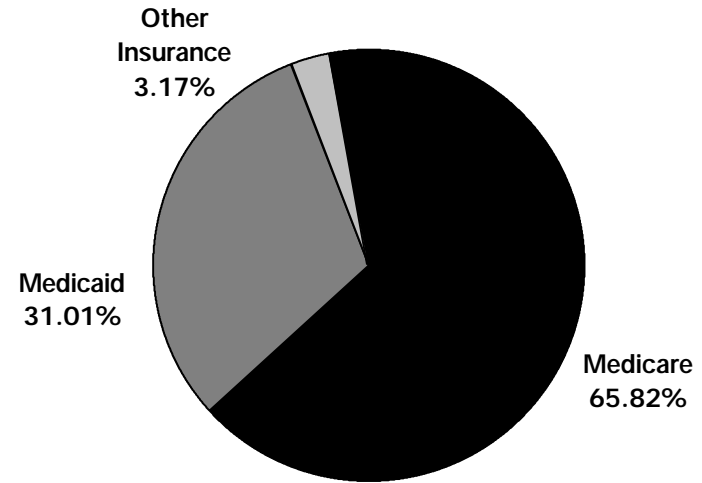
# Payor Mix by Gross Patient Revenue - 1998

## District of Columbia Hospitals (continued)

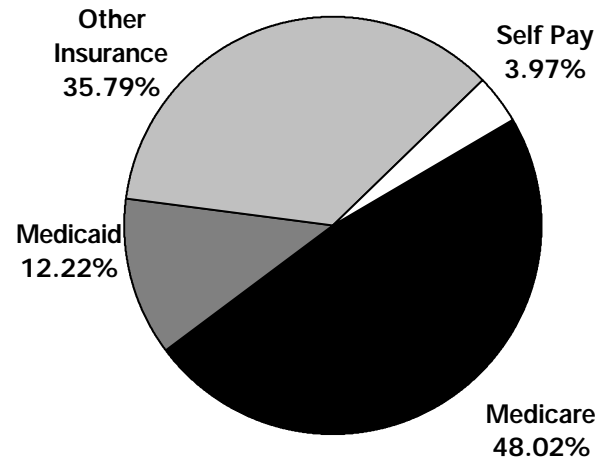
Howard University Hospital



MedLINK Hospital at Capitol Hill



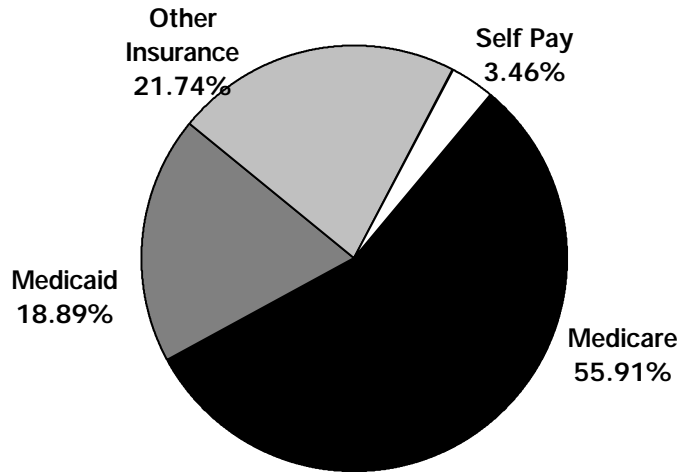
National Rehabilitation Hospital



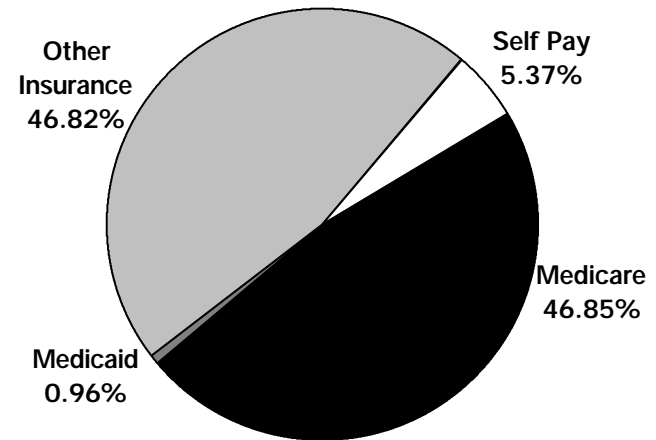
# Payor Mix by Gross Patient Revenue - 1998

## District of Columbia Hospitals (continued)

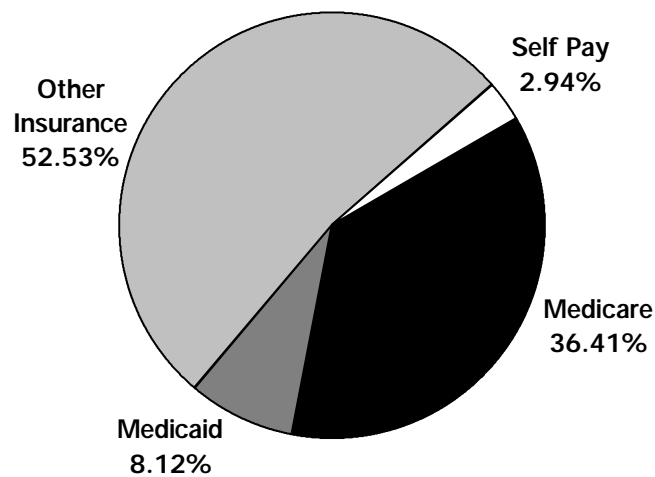
Providence Hospital



Sibley Memorial Hospital



Washington Hospital Center

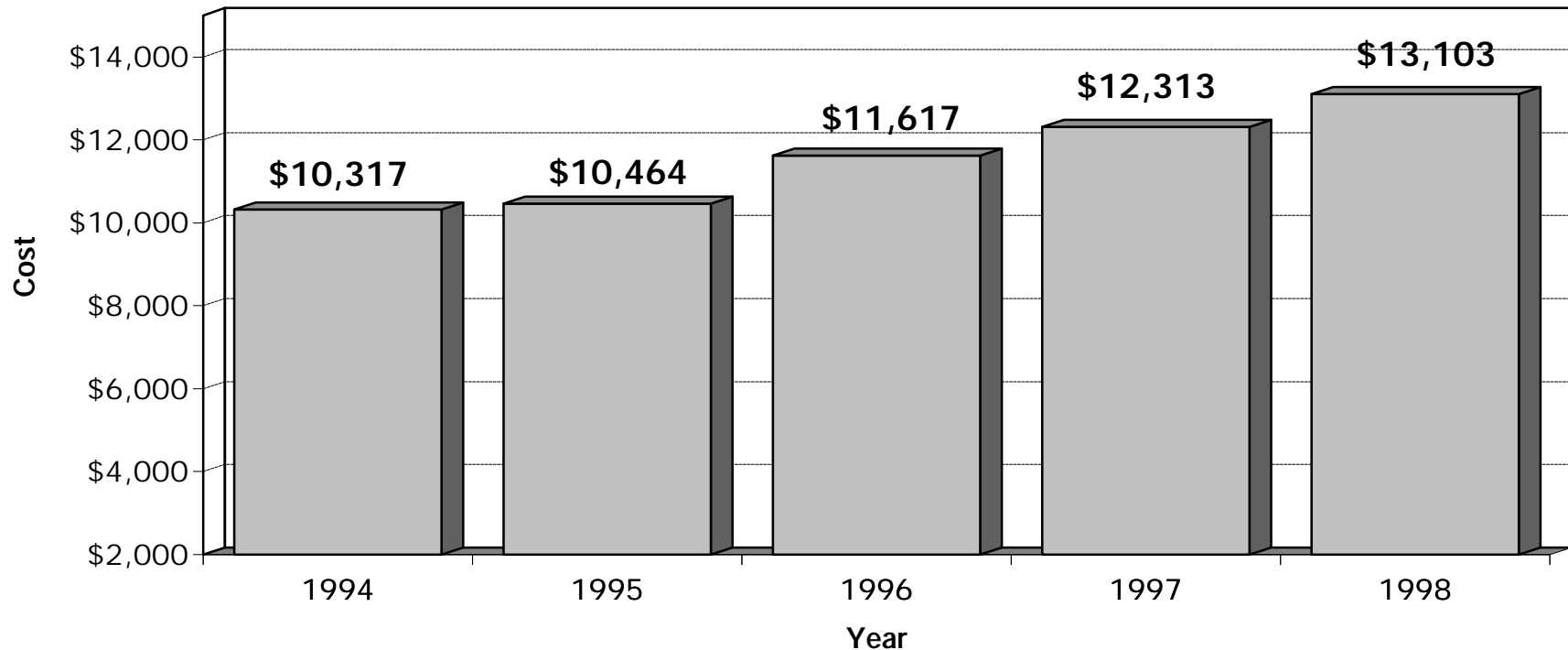


Source: DCHA Annual Hospital Survey

# Average Cost per Discharge

## *Six-Year Trend: 1994 - 1998*

District of Columbia Acute Care Hospitals



**Note:** Average cost includes the cost of patient care, nursing, pharmaceuticals, dietary, housekeeping, laundry services, payroll, plant operations, maintenance, supplies, malpractice insurance, etc.

**Note:** Calculation excludes Columbia Hospital for Women Medical Center, Hadley Memorial Hospital, MedLINK Hospital at Capitol Hill, National Rehabilitation Hospital, psychiatric and federal hospitals.

**Source:** DCHA Annual Hospital Survey.

# Acute Operating Beds By Service

## District of Columbia Hospitals

	MED/ SURG	OB/ GYN	PEDS	ICU	NICU	PSYCH	SUBST ABUSE	OTHER	TOTAL
Children's National Medical Center			122	16	30	20			188
Columbia Hospital for Women Medical Center	28	43		4	21			14	110
District of Columbia General Hospital	158	15	23	25	14		15		250
George Washington University Hospital	175	23		27	17	25			267
Georgetown University Hospital	170	30	42	33	41	12			328
Greater Southeast Community Hospital	193	14	10	19	15	15			266
Hadley Memorial Hospital	63			8					71
Howard University Hospital	175	30	23	27	9	15			279
Providence Hospital	217	32		17	9	29	12		316
Sibley Memorial Hospital	154	24		14				28	220
Washington Hospital Center	561	41		64	20	42	22	23	773
<b>TOTAL</b>	<b>1,894</b>	<b>252</b>	<b>220</b>	<b>254</b>	<b>176</b>	<b>158</b>	<b>49</b>	<b>65</b>	<b>3,068</b>

**Note:** "MED/SURG" - medical/surgical; "OB/GYN" - obstetric/gynecology; "PEDS" - pediatric; "ICU" - intensive care unit; "NICU" - neonatal intensive care unit; "PSYCH" - psychiatric; "SUBST ABUSE" - substance abuse.

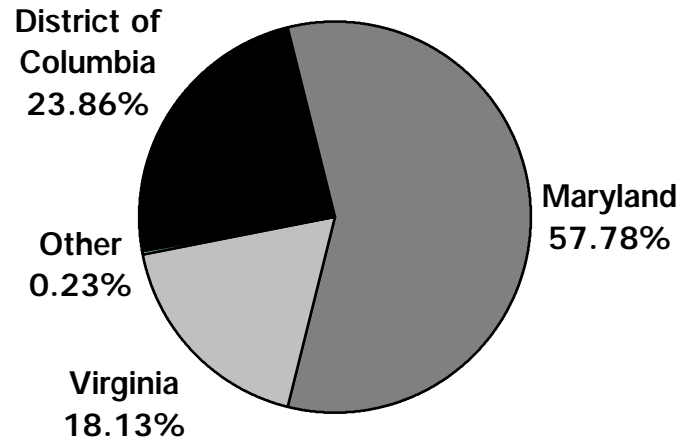
**Note:** "Other" includes nursery, rehabilitation and subacute beds.

**Note:** The total number of beds is the average for each hospital for the entire year.

**Source:** DCHA Annual Hospital Survey

# Employees By State of Residence

## District of Columbia Hospitals



	District of Columbia	Maryland	Virginia	Other
Children's National Medical Center	22.80%	61.90%	14.34%	0.96%
George Washington University Hospital	25.57%	44.60%	29.83%	0.00%
Georgetown University Hospital	26.29%	39.32%	34.38%	0.00%
Greater Southeast Community Hospital	17.66%	57.97%	24.38%	0.00%
Howard University Hospital	26.25%	66.41%	7.24%	0.10%
MedLINK Hospital at Capitol Hill	41.51%	56.60%	1.89%	0.00%
Providence Hospital	25.04%	67.39%	7.36%	0.20%
Sibley Memorial Hospital	20.73%	54.66%	24.55%	0.06%
Washington Hospital Center	22.57%	63.49%	13.62%	0.32%

**Note:** Calculation excludes Columbia Hospital for Women Medical Center, D.C. General Hospital, Hadley Memorial Hospital, National Rehabilitation Hospital and psychiatric and federal hospitals.

**Source:** DCHA Annual Hospital Survey

# GLOSSARY OF FINANCIAL TERMS

**BAD-DEBT:** The amounts from patient accounts which are “written off” because they are unpaid despite attempts to collect payment from either the patient and/or the insurance company.

**CHARGES:** The dollar amount billed for a service by a health care provider, similar to the “retail” price.

**CHARITY CARE:** The amount from patient accounts which are “written off” because a patient cannot pay for services rendered by the health care provider. These are services for which the provider never expected payment.

**COSTS:** The actual dollar amount incurred in providing a health service.

**DISCHARGE:** The formal release of a patient from a hospital after an acute episode of illness.

**INPATIENT SERVICES:** Health care treatment rendered to a patient while residing in the hospital.

**MANAGED CARE:** An entity that “manages” or controls what it spends on health care by closely monitoring how health care providers render services to patients.

**OPERATING MARGIN:** The percent difference between operating expenses and operating revenue.

**OUTPATIENT SERVICES:** Health care treatment rendered to a patient without being admitted to stay overnight in the hospital.

**PAYOR MIX:** The percentage of patients from each category of payors. The major payor classes included in the payor mix are: Medicare, Medicaid, Blue Cross, commercial insurance, managed care contracts, and self-pay patients.

**UNSPONSORED CARE:** The actual cost of services rendered to patients for which the health care provider does not expect to receive payment. Un-sponsored care is a combination of bad-debt and charity care.