**25 YEARS OF HOSPITAL FINANCES**

**THE RISE OF EMERGENCY CARE**
The number of hospitals has dropped, but the number of ER visits has increased 70% since 1983. Shown are the ER visits per hospital.

![Graph showing the rise of emergency care](image)

**INDUSTRYWIDE U.S. GENERAL HOSPITALS**
Total amounts of patient reimbursements and expenses. ($ in trillions)

- Patient revenue: $7.929
- Total expenses: $8.140

**PER-PATIENT DEFICIT**
Hospitals’ patient-revenue losses measured by adjusted daily census, including inpatient and outpatient volumes.

- 1983: $9
- 2008: $45

**THE OUTPATIENT REVOLUTION**
The number of days that patients spent in hospitals dropped by 28%. In the same time, the number of outpatients grew nearly 200%.

**AVERAGE ANNUAL RATES OF GROWTH**
Expenses and patient revenue have grown at almost identical average rates, but profit has grown faster than both.

- Patient revenue: 7.16%
- Expenses: 7.14%
- Profit: 7.59%

**LABOR COSTS**
The cost of hospital labor has risen, but fallen as a percentage of total expenses. Dollars are inflation-adjusted.

- 2008: $321,935,972,000
- 1983: $141,952,829,374

**25 YEARS OF HOSPITAL FINANCES**

- Annual inpatient days: 273,196,906
- Outpatient utilization: 210,044,017
- Total expenses: $8.140 trillion
- Patient revenue: $7.929 trillion
- Profit margin: 4.96%

**TOTAL PROFIT**
$425 billion

**TOTAL NET REVENUE**
$8.6 trillion

**PROFIT MARGIN**
4.96%
BED COUNTS DROP
Managed care, prospective payment and outpatient technology have decreased hospital bed counts since the all-time peak in 1983.

THE PATIENT REVENUE DISCONNECT
In the past 25 years, hospitals have never turned a profit on patient care, yet have posted a net profit in each of those years because of other revenue. Below, hospitals’ total net profit is shown in blue, while the shortfall between patient revenue and expenses is shown in gold.

($ in billions)

Note: Figures not adjusted for inflation

Source: American Hospital Association annual statistics guides, 1984-2010; Modern Healthcare reporting.