

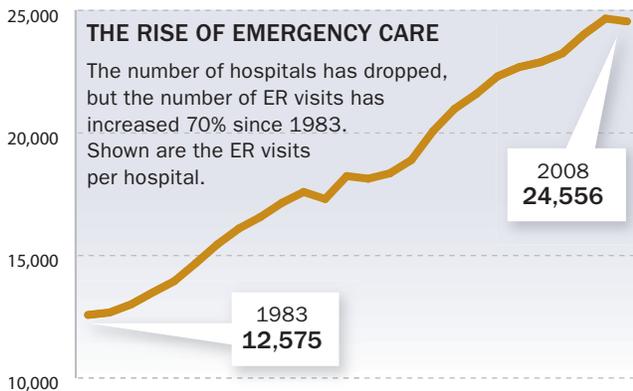
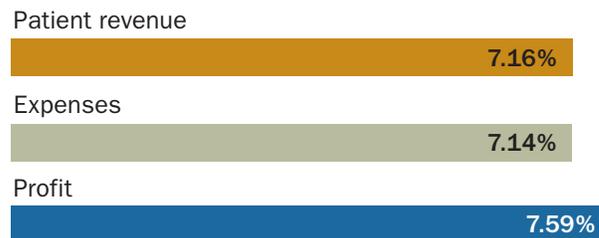
Modern Healthcare

25 YEARS OF HOSPITAL FINANCES



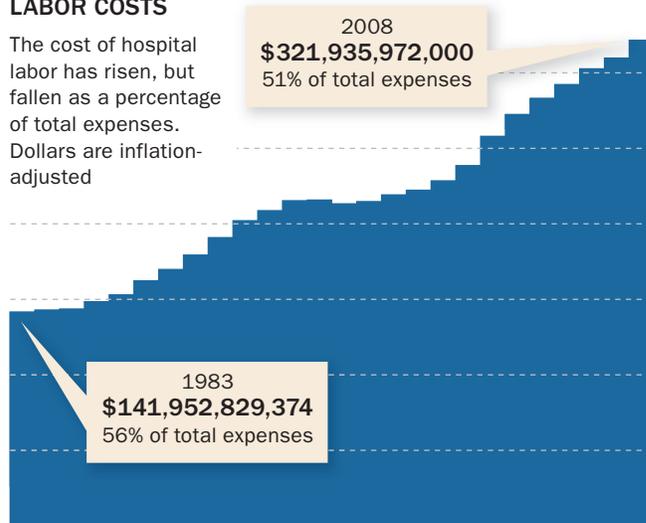
AVERAGE ANNUAL RATES OF GROWTH

Expenses and patient revenue have grown at almost identical average rates, but profit has grown faster than both.



LABOR COSTS

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



INDUSTRYWIDE U.S. GENERAL HOSPITALS

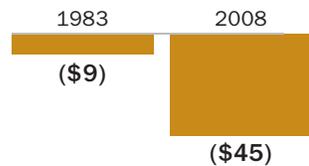
Total amounts of patient reimbursements and expenses.

(\$ in trillions)



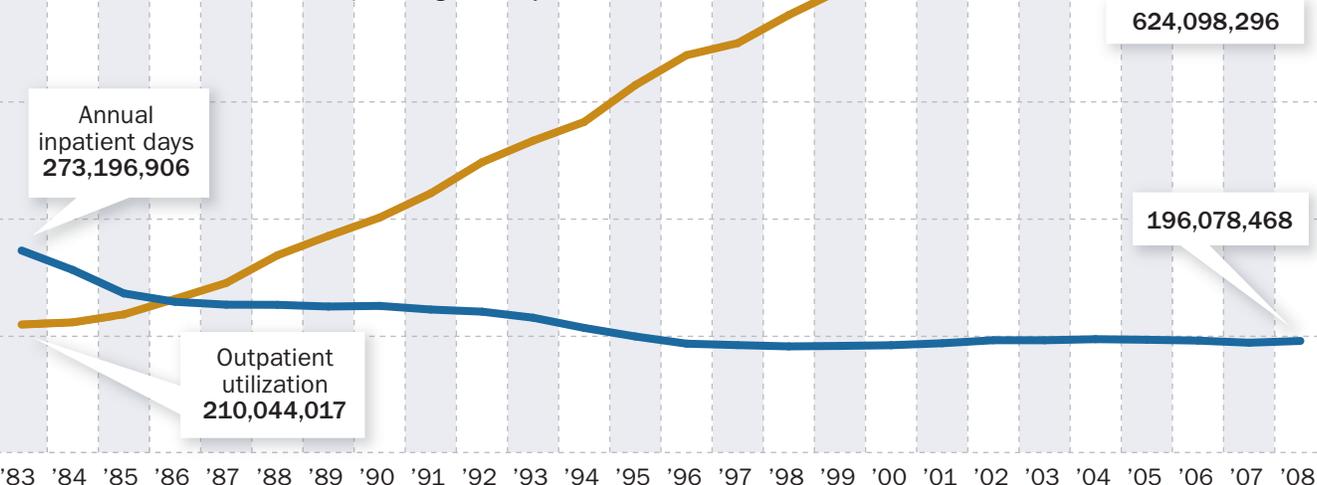
PER-PATIENT DEFICIT

Hospitals' patient-revenue losses measured by adjusted daily census, including inpatient and outpatient volumes.



THE OUTPATIENT REVOLUTION

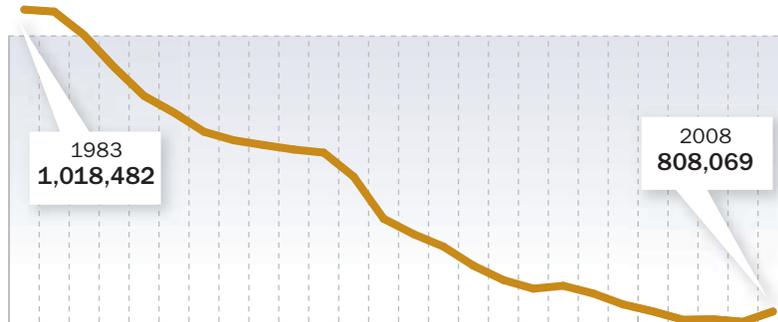
The number of days that patients spent in hospitals dropped by 28%. In the same time, the number of outpatients grew nearly 200%.



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BED COUNTS DROP

Managed care, prospective payment and outpatient technology have decreased hospital bed counts since the all-time peak in 1983.

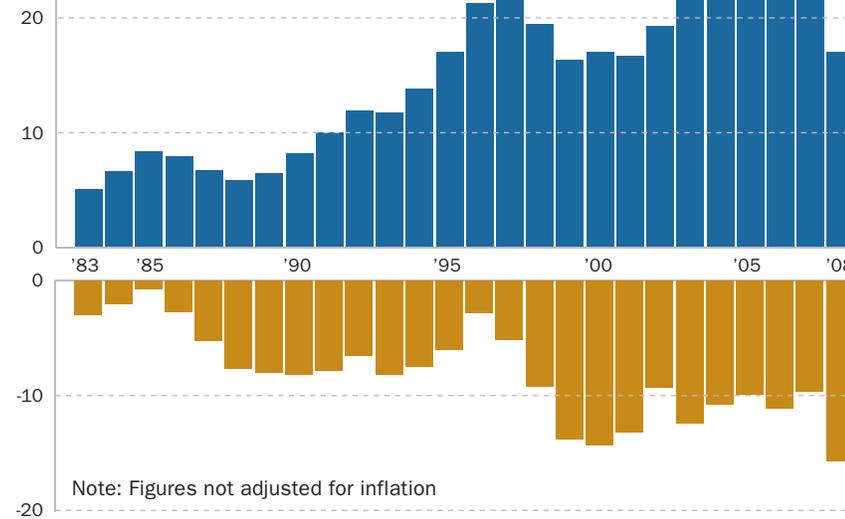


\$50

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.

MODERN HEALTHCARE GRAPHIC