



SENATE FISCAL OFFICE
ISSUE BRIEF

Hospitals in Rhode Island: Fiscal Overview

MARCH 24, 2011

Rhode Island's 13 hospitals are a crucial part of the state's health care delivery system, and a significant contributor to the overall economy. Combined, the hospitals reported total revenue in 2009 of \$3.2 billion (5.8 percent of Rhode Island's gross state product) and net income (revenue minus expenses) of \$7.9 million. The hospitals employed 25,490 people, and had more than 100,000 inpatient admissions and nearly 500,000 emergency department visits.

This brief provides a capsule summary of each hospital's general characteristics and financial position.

All of Rhode Island's 11 community hospitals (and its two psychiatric hospitals) operate on a not-for-profit basis. By comparison, nationwide 58.3 percent of hospitals are non-profit, 19.6 percent are for-profit, and the remainder are operated by state or local governments.

Rhode Island had 2.3 hospital beds per 1,000 population in 2008, slightly lower than the national average of 2.7 per 1,000. Rhode Island ranked slightly above the national average for hospital admissions and emergency room visits per 1,000 population.

Statistic (per 1,000 population)	RI	US
Hospital beds	2.3	2.7
Hospital admissions	121	117
Emergency room visits	470	404
Inpatient days	633	644
Outpatient visits	2,500	2,050

Source: Kaiser State Health Facts (2008)

Overall, the financial health of Rhode Island's hospitals worsened slightly from 2008 to 2009, but the change was not shared equally among hospitals: network hospitals (Lifespan and Care New England) did much better than the independent hospitals across nearly all financial measures. The net worth of the 13 hospitals combined declined by \$190.5 million, or about 10.5 percent, from 2008.

Change from 2008	Net patient revenue		Net income		Net worth	
Lifespan	\$69.2	5.3%	(\$26.4)	-72.6%	(\$97.7)	-7.4%
Care New England	49.5	7.9%	19.7	386.8%	(9.4)	-3.1%
CharterCARE	12.5	3.7%	4.0	-46.9%	(20.5)	-40.6%
Independents	(0.5)	-0.1%	7.0	-23.9%	(62.9)	-46.4%
Total	\$130.6	4.8%	\$4.3	122.5%	(\$190.5)	-10.5%

\$ in millions

BRADLEY HOSPITAL

Emma Pendleton Bradley Hospital, part of the Lifespan system, is a 60-bed psychiatric hospital for children and adolescents, affiliated with Brown University’s Alpert Medical School. Bradley’s 2009 market share (based on patient revenue) was 1.9 percent. In 2009, Bradley employed 816 people. That same year, Bradley had 1,233 inpatient discharges, provided 18,139 home visits, and had 11,851 outpatient visits.

Summary

Employees	816
Beds	60
Market share	1.9%
Patient revenue	\$54.9 million
Revenue per bed	\$0.9 million
Profit margin	4.7%
Net worth	\$78.3 million

As a psychiatric hospital, Bradley has less patient volume and revenue than the state’s general acute care hospitals. As expected, Bradley and Butler Hospitals have the smallest market shares of the state’s hospitals.

Payor mix and uncompensated care data were not available for Bradley Hospital.

Financials (millions)	2006	2007	2008	2009	2009 Rank	Change from 2008	
Net patient revenue	\$47.4	\$51.1	\$52.9	\$54.9	13 of 13	\$2.0	3.7%
Other operating revenue	6.0	5.0	5.5	6.0	11 of 13	0.6	10.1%
Total revenue	\$53.4	\$56.1	\$58.4	\$60.9	13 of 13	\$2.5	4.3%
Wages and benefits	\$40.2	\$40.3	\$42.9	\$44.3	13 of 13	\$1.4	3.3%
Bad debt	0.4	(0.4)	0.0	0.4	13 of 13	0.4	1225.0%
Other expenses	12.3	11.1	12.3	13.3	13 of 13	1.0	8.0%
Total operating expenses	\$52.9	\$51.1	\$55.2	\$58.1	13 of 13	\$2.8	5.1%
Operating income	\$0.5	\$5.0	\$3.1	\$2.9	3 of 13	(\$0.3)	-9.0%
Non-operating income	-	0.0	0.0	0.0	7 of 13	(0.0)	-86.2%
Net income	\$0.5	\$5.0	\$3.2	\$2.9	4 of 13	(\$0.3)	-9.7%
Total assets	\$66.1	\$91.7	\$92.2	\$115.1	8 of 13	\$22.9	24.9%
Total liabilities	9.3	8.0	11.5	36.9	13 of 13	25.4	219.8%
Net worth	\$56.8	\$83.7	\$80.7	\$78.3	5 of 13	(\$2.4)	-3.0%

Financials	2006	2007	2008	2009	2009 Rank	N.E. Average Benchmark	
Profit margin	0.9%	9.0%	5.4%	4.7%	2 of 13	0.9%	6.6%
Change in net worth	3.5%	47.3%	-3.6%	-3.0%	2 of 13	-6.0%	12.0%
Operating margin	0.9%	8.9%	5.4%	4.7%	1 of 13	0.4%	8.3%
Capital expenses	2.2%	2.4%	2.4%	4.1%	6 of 13	5.7%	3.8%
Days of cash	18	29	10	32	5 of 13	25	89
Market share	1.9%	2.0%	1.9%	1.9%	13 of 13	—	—

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BUTLER HOSPITAL

Butler Hospital, part of the Care New England system, is a 117-bed psychiatric hospital for adolescents and adults located in Providence, affiliated with Brown University's Alpert Medical School. Butler's 2009 market share (based on patient revenue) was 2.0 percent. In 2009, Butler employed 967 people.

Summary

Employees	967
Beds	117
Market share	2.0%
Patient revenue	\$57.7 million
Revenue per bed	\$0.5 million
Profit margin	2.3%
Net worth	\$37.8 million

As a psychiatric hospital, Butler has less patient volume and revenue than the state's general acute care hospitals. As expected, Bradley and Butler Hospitals have the smallest market shares of the state's hospitals.

Payor mix, patient volume, and uncompensated care data were not available for Bradley Hospital.

Financials (millions)	2006	2007	2008	2009	2009 Rank	Change from 2008	
Net patient revenue	\$40.8	\$45.8	\$49.9	\$57.7	12 of 13	\$7.8	15.7%
Other operating revenue	24.0	25.4	29.4	30.5	4 of 13	1.0	3.5%
Total revenue	\$64.8	\$71.2	\$79.3	\$88.2	12 of 13	\$8.9	11.2%
Wages and benefits	\$46.4	\$49.6	\$54.4	\$62.8	9 of 13	\$8.4	15.4%
Bad debt	1.3	1.2	2.1	1.8	12 of 13	(0.3)	-16.1%
Other expenses	17.8	18.8	20.4	21.7	12 of 13	1.3	6.3%
Total operating expenses	\$65.4	\$69.6	\$76.9	\$86.3	12 of 13	\$9.3	12.1%
Operating income	(\$0.6)	\$1.6	\$2.4	\$1.9	5 of 13	(\$0.5)	-19.3%
Non-operating income	0.5	0.8	(0.4)	0.1	6 of 13	0.5	115.5%
Net income	(\$0.1)	\$2.3	\$2.0	\$2.0	5 of 13	\$0.0	1.4%
Total assets	\$68.9	\$76.0	\$72.1	\$74.8	12 of 13	\$2.7	3.7%
Total liabilities	30.4	30.9	30.8	37.0	12 of 13	6.2	20.0%
Net worth	\$38.5	\$45.1	\$41.3	\$37.8	7 of 13	(\$3.5)	-8.5%

Financials	2006	2007	2008	2009	2009 Rank	N.E. Average Benchmark	
Profit margin	-0.2%	3.3%	2.5%	2.3%	3 of 13	0.9%	6.6%
Change in net worth	6.1%	17.2%	-8.5%	-8.5%	5 of 13	-6.0%	12.0%
Operating margin	-1.0%	2.2%	3.0%	2.2%	3 of 13	0.4%	8.3%
Capital expenses	4.8%	5.0%	4.9%	4.2%	5 of 13	5.7%	3.8%
Days of cash	85	76	68	80	1 of 13	25	89
Market share	1.7%	1.8%	1.8%	2.0%	12 of 13	—	—

KENT HOSPITAL

Kent Hospital, located in Warwick and a part of the Care New England system, is a 359-bed general acute care teaching hospital, affiliated with the University of New England's College of Osteopathic Medicine. In 2009, Kent's market share was 9.6 percent. The hospital had 2,300 employees, and had 15,761 inpatient admissions, 60,061 emergency department visits, and 1,078 births.

Kent reported \$11.1 million worth of uncompensated care in 2009 (4.0 percent of net patient revenue). The hospital paid the state a license fee of \$11.4 million and received a total of \$10.5 million in payments.

In 2009, Kent's net income dramatically increased to \$3.7 million from a \$2.1 million loss in 2008. The improvement was driven by modest growth in operating income and a dramatic increase in non-operating income.

Kent Hospital saw its net worth decline by 18.1 percent, driven by a 13.9 percent increase in net liabilities and a modest decline in assets. The hospital now has the sixth largest net worth in the state.

Summary

Employees	2,300
Beds	359
Market share	9.6%
Patient revenue	\$274.5 million
Revenue per bed	\$0.8 million
Profit margin	1.3%
Net worth	\$60.8 million

2009 Payor Mix

Medicare	47.8%
Medicaid	11.8%
Self pay	4.1%
Other	36.3%

2009 Uncompensated Care

Reported costs	\$11.1 million
License fee paid	\$11.4 million
DSH payments	\$8.4 million
UPL payments	\$1.2 million
Other payments	\$0.8 million
Net DSH payment	(\$0.9 million)

Financials (millions)	2006	2007	2008	2009	2009 Rank	Change from 2008	
Net patient revenue	\$227.2	\$233.1	\$254.5	\$274.5	4 of 13	\$20.0	7.9%
Other operating revenue	9.3	8.7	9.5	9.6	7 of 13	0.0	0.5%
Total revenue	\$236.5	\$241.8	\$264.0	\$284.1	4 of 13	\$20.1	7.6%
Wages and benefits	\$135.0	\$140.6	\$143.1	\$154.1	4 of 13	\$11.1	7.7%
Bad debt	14.5	17.7	20.6	21.2	2 of 13	0.6	2.8%
Other expenses	89.0	92.5	99.8	107.7	4 of 13	8.0	8.0%
Total operating expenses	\$238.5	\$250.8	\$263.4	\$283.0	4 of 13	\$19.6	7.4%
Operating income	(\$2.0)	(\$9.0)	\$0.6	\$1.0	6 of 13	\$0.5	77.9%
Non-operating income	1.9	3.7	(2.7)	2.6	2 of 13	5.4	197.0%
Net income	(\$0.1)	(\$5.3)	(\$2.1)	\$3.7	3 of 13	\$5.8	272.0%
Total assets	\$187.3	\$181.7	\$167.9	\$167.5	5 of 13	(\$0.4)	-0.2%
Total liabilities	104.5	92.5	93.7	106.7	4 of 13	13.0	13.9%
Net worth	\$82.8	\$89.2	\$74.3	\$60.8	6 of 13	(\$13.4)	-18.1%
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Financials	2006	2007	2008	2009	2009 Rank	Average	Benchmark
Profit margin	0.0%	-2.2%	-0.8%	1.3%	4 of 13	0.9%	6.6%
Change in net worth	4.5%	7.8%	-16.7%	-18.1%	8 of 13	-6.0%	12.0%
Operating margin	-0.8%	-3.7%	0.2%	0.4%	6 of 13	0.4%	8.3%
Capital expenses	4.7%	4.5%	3.8%	3.3%	11 of 13	5.7%	3.8%
Days of cash	0	0	4	-1	13 of 13	25	89
Market share	9.2%	9.0%	9.3%	9.6%	4 of 13	—	—

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LANDMARK MEDICAL CENTER

Landmark Medical Center is a 214-bed general acute care hospital located in Woonsocket. Landmark's 2008 market share was 4.8 percent.

In 2009, Landmark had 7,114 inpatient admissions with an average length of stay of 5.4 days, and 44,990 emergency department visits. Landmark Medical Center employs 1,021 people.

Landmark reported \$9.0 million worth of uncompensated care in 2009 (8.1 percent of net patient revenue). The hospital paid the state a license fee of \$5.7 million and received a total of \$8.4 million in payments.

Landmark has been in receivership since 2008, under the direction of a court-appointed special master. The hospital is currently in negotiations to be purchased.

Landmark remains insolvent, with liabilities exceeding assets by \$24.3 million, \$4.5 million worse than in 2008.

Payor mix data was not available for Landmark Medical Center.

Summary

Employees	1,021
Beds	214
Market share	3.9%
Patient revenue	\$111.3 million
Revenue per bed	\$0.5 million
Profit margin	-5.2%
Net worth	(\$24.3 million)

2009 Uncompensated Care

Reported costs	\$9.0 million
License fee paid	\$5.7 million
DSH payments	\$6.9 million
UPL payments	\$1.6 million
Other payments	-
Net DSH payment	\$2.8 million

Financials (millions)	2006	2007	2008	2009	2009 Rank	Change from 2008	
Net patient revenue	\$127.7	\$133.4	\$131.5	\$111.3	8 of 13	(\$20.2)	-15.4%
Other operating revenue	2.3	2.2	4.0	10.1	6 of 13	6.1	151.8%
Total revenue	\$130.0	\$135.6	\$135.5	\$121.4	8 of 13	(\$14.1)	-10.4%
Wages and benefits	\$69.7	\$70.5	\$69.3	\$60.2	10 of 13	(\$9.1)	-13.1%
Bad debt	9.9	12.3	13.5	13.9	4 of 13	0.5	3.5%
Other expenses	55.3	61.4	59.0	54.1	9 of 13	(4.9)	-8.4%
Total operating expenses	\$134.8	\$144.2	\$141.8	\$128.2	8 of 13	(\$13.6)	-9.6%
Operating income	(\$4.9)	(\$8.6)	(\$6.3)	(\$6.8)	12 of 13	(\$0.5)	-8.3%
Non-operating income	1.9	0.5	0.2	0.6	4 of 13	0.4	265.7%
Net income	(\$2.9)	(\$8.1)	(\$6.1)	(\$6.3)	11 of 13	(\$0.1)	-2.0%
Total assets	\$47.9	\$44.1	\$44.5	\$40.4	13 of 13	(\$4.1)	-9.2%
Total liabilities	50.4	53.0	64.3	64.7	9 of 13	0.4	0.7%
Net worth	(\$2.4)	(\$9.0)	(\$19.7)	(\$24.3)	13 of 13	(\$4.5)	-23.0%

Financials	2006	2007	2008	2009	2009 Rank	Average	Benchmark
Profit margin	-2.3%	-6.0%	-4.5%	-5.2%	11 of 13	0.9%	6.6%
Change in net worth	378.8%	270.1%	120.3%	23.0%	10 of 13	-6.0%	12.0%
Operating margin	-3.7%	-6.4%	-4.6%	-5.6%	12 of 13	0.4%	8.3%
Capital expenses	3.2%	2.9%	2.4%	2.3%	13 of 13	5.7%	3.8%
Days of cash	23	25	25	22	8 of 13	25	89
Market share	5.2%	5.2%	4.8%	3.9%	8 of 13	—	—

MEMORIAL HOSPITAL

Memorial Hospital of Rhode Island, located in Pawtucket, is a 294-bed teaching hospital associated with Brown University’s Alpert Medical School. Memorial is the main site for the medical school’s primary care academic program.

In 2009, Memorial employed 1,651 people, and had 6,460 inpatient admissions with an average length of stay of 5 days and 32,611 emergency department visits.

Memorial reported \$10.9 million worth of uncompensated care in 2009 (6.5 percent of net patient revenue). The hospital paid the state a license fee of \$7.3 million and received a total of \$10.6 million in payments.

Memorial’s net worth dropped by nearly half in 2009 to \$35.5 million, despite reporting smaller losses in 2009 (\$4.0 million) than in 2008 (\$13.4 million). Memorial’s growth in net patient revenue (1.9 percent) was somewhat behind the state average growth (4.7 percent).

Summary

Employees	1,651
Beds	294
Market share	5.9%
Patient revenue	\$168.6 million
Revenue per bed	\$0.6 million
Profit margin	-2.2%
Net worth	\$35.5 million

2009 Payor Mix

Medicare	47.3%
Medicaid	17.6%
Self pay	4.9%
Other	30.2%

2009 Uncompensated Care

Reported costs	\$10.9 million
License fee paid	\$7.3 million
DSH payments	\$8.3 million
UPL payments	\$2.2 million
Other payments	\$0.0 million
Net DSH payment	\$3.3 million

Financials (millions)	2006	2007	2008	2009	2009 Rank	Change from 2008	
Net patient revenue	\$159.5	\$162.6	\$165.5	\$168.6	7 of 13	\$3.1	1.9%
Other operating revenue	10.3	9.0	8.7	7.9	9 of 13	(0.8)	-9.7%
Total revenue	\$169.9	\$171.6	\$174.2	\$176.5	7 of 13	\$2.3	1.3%
Wages and benefits	\$106.6	\$108.1	\$112.5	\$111.8	5 of 13	(\$0.7)	-0.6%
Bad debt	10.6	11.6	12.4	12.7	5 of 13	0.3	2.3%
Other expenses	55.1	53.8	56.7	57.1	7 of 13	0.4	0.7%
Total operating expenses	\$172.2	\$173.5	\$181.6	\$181.6	7 of 13	\$0.0	0.0%
Operating income	(\$2.4)	(\$1.9)	(\$7.3)	(\$5.1)	11 of 13	\$2.2	30.5%
Non-operating income	5.4	7.0	(6.0)	1.1	3 of 13	7.2	118.8%
Net income	\$3.0	\$5.1	(\$13.4)	(\$4.0)	10 of 13	\$9.4	70.3%
Total assets	\$129.5	\$139.0	\$127.3	\$121.6	7 of 13	(\$5.7)	-4.5%
Total liabilities	49.6	61.8	65.1	86.0	7 of 13	21.0	32.3%
Net worth	\$79.9	\$77.2	\$62.2	\$35.5	9 of 13	(\$26.7)	-42.9%

N.E.

Financials	2006	2007	2008	2009	2009 Rank	Average	Benchmark
Profit margin	1.8%	2.9%	-7.7%	-2.2%	10 of 13	0.9%	6.6%
Change in net worth	6.2%	-3.4%	-19.4%	-42.9%	11 of 13	-6.0%	12.0%
Operating margin	-1.4%	-1.1%	-4.2%	-2.9%	10 of 13	0.4%	8.3%
Capital expenses	3.3%	3.3%	3.1%	3.0%	12 of 13	5.7%	3.8%
Days of cash	3	3	6	7	12 of 13	25	89
Market share	6.5%	6.3%	6.1%	5.9%	7 of 13	—	—

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MIRIAM HOSPITAL

The Miriam Hospital, part of the Lifespan system, is a 247-bed general acute care hospital located in Providence, affiliated with Brown University's Alpert Medical School.

In 2009, the Miriam Hospital employed 2,401 people. The hospital reported 16,135 admissions with an average length of stay of 4.6 days. There were also 50,854 emergency department visits.

Memorial reported \$11.2 million worth of uncompensated care in 2009 (3.3 percent of net patient revenue). The hospital paid the state a license fee of \$14.4 million and received a total of \$12.4 million in payments.

Although the hospital's net worth declined by nearly six percent in 2009, Miriam still had the state's third highest net worth, at \$218.9 million.

Summary

Employees	2,401
Beds	247
Market share	11.6%
Patient revenue	\$334.6 million
Revenue per bed	\$1.4 million
Profit margin	0.2%
Net worth	\$218.9 million

2009 Payor Mix

Medicare	48.7%
Medicaid	7.8%
Self pay	4.6%
Other	38.9%

2009 Uncompensated Care

Reported costs	\$11.2 million
License fee paid	\$14.4 million
DSH payments	\$8.5 million
UPL payments	\$2.3 million
Other payments	\$1.6 million
Net DSH payment	(\$2.0 million)

Financials (millions)	2006	2007	2008	2009	2009 Rank	Change from 2008	
Net patient revenue	\$269.7	\$282.8	\$312.7	\$334.6	2 of 13	\$21.9	7.0%
Other operating revenue	34.7	35.0	35.0	32.9	3 of 13	(2.0)	-5.8%
Total revenue	\$304.3	\$317.8	\$347.7	\$367.5	3 of 13	\$19.9	5.7%
Wages and benefits	\$149.7	\$154.6	\$171.2	\$177.9	3 of 13	\$6.6	3.9%
Bad debt	15.8	16.4	15.7	17.1	3 of 13	1.3	8.5%
Other expenses	134.0	137.7	153.8	169.9	2 of 13	16.1	10.5%
Total operating expenses	\$299.5	\$308.7	\$340.7	\$364.8	3 of 13	\$24.1	7.1%
Operating income	\$4.8	\$9.1	\$6.9	\$2.7	4 of 13	(\$4.2)	-61.4%
Non-operating income	2.0	7.0	0.5	(1.9)	10 of 13	(2.4)	-469.7%
Net income	\$6.8	\$16.2	\$7.4	\$0.8	6 of 13	(\$6.7)	-89.8%
Total assets	\$334.0	\$350.9	\$338.1	\$354.9	3 of 13	\$16.8	5.0%
Total liabilities	126.2	101.4	105.7	136.0	3 of 13	30.3	28.6%
Net worth	\$207.8	\$249.5	\$232.4	\$218.9	3 of 13	(\$13.5)	-5.8%
N.E.							
Financials	2006	2007	2008	2009	2009 Rank	Average	Benchmark
Profit margin	2.2%	5.1%	2.1%	0.2%	6 of 13	0.9%	6.6%
Change in net worth	9.4%	20.1%	-6.9%	-5.8%	3 of 13	-6.0%	12.0%
Operating margin	1.6%	2.9%	2.0%	0.7%	5 of 13	0.4%	8.3%
Capital expenses	3.6%	3.7%	3.9%	3.7%	9 of 13	5.7%	3.8%
Days of cash	22	10	14	21	9 of 13	25	89
Market share	10.9%	10.9%	11.5%	11.7%	2 of 13	—	—

NEWPORT HOSPITAL

Newport Hospital, part of the Lifespan system, is a 129-bed general acute care hospital located in Newport. Newport's 2008 market share (based on patient revenue) was 3.8 percent.

In 2009, Newport Hospital employed 981 people. The hospital reported 5,227 admissions with an average length of stay of 4.9 days and 30,493 emergency department visits.

Newport reported \$5.3 million worth of uncompensated care in 2009 (5.0 percent of net patient revenue). The hospital paid the state a license fee of \$4.8 million and received a total of \$4.8 million in payments.

Newport Hospital reported a 10.9 percent drop in net worth in 2009, and a significant drop in net income, reporting a net loss of \$9.0 million. Operating losses increased by 64.8 percent, but could not be offset by non-operating income in 2009. Newport also has the second highest proportion of capital expenses in Rhode Island.

Summary

Employees	981
Beds	129
Market share	3.7%
Patient revenue	\$106.0 million
Revenue per bed	\$0.8 million
Profit margin	-8.2%
Net worth	\$241.8 million

2009 Payor Mix

Medicare	38.1%
Medicaid	8.4%
Self pay	4.5%
Other	49.0%

2009 Uncompensated Care

Reported costs	\$5.3 million
License fee paid	\$4.8 million
DSH payments	\$4.1 million
UPL payments	\$0.7 million
Other payments	-
Net DSH payment	(\$44,086)

Financials (millions)	2006	2007	2008	2009	2009 Rank	Change from 2008	
Net patient revenue	\$99.8	\$101.7	\$102.8	\$106.0	10 of 13	\$3.2	3.1%
Other operating revenue	3.8	4.2	4.6	4.4	12 of 13	(0.3)	-6.0%
Total revenue	\$103.6	\$105.9	\$107.4	\$110.3	10 of 13	\$2.9	2.7%
Wages and benefits	\$56.1	\$56.9	\$60.5	\$65.1	8 of 13	\$4.6	7.6%
Bad debt	5.8	6.7	4.4	5.6	11 of 13	1.2	26.8%
Other expenses	42.3	43.8	45.3	44.2	10 of 13	(1.1)	-2.3%
Total operating expenses	\$104.2	\$107.4	\$110.2	\$114.9	10 of 13	\$4.7	4.3%
Operating income	(\$0.6)	(\$1.5)	(\$2.8)	(\$4.6)	10 of 13	(\$1.8)	-64.8%
Non-operating income	12.9	22.1	5.5	(4.5)	12 of 13	(10.0)	-180.3%
Net income	\$12.3	\$20.6	\$2.8	(\$9.0)	12 of 13	(\$11.8)	-427.6%
Total assets	\$316.5	\$361.8	\$317.1	\$293.1	4 of 13	(\$24.0)	-7.6%
Total liabilities	48.7	46.3	45.6	51.3	10 of 13	5.7	12.4%
Net worth	\$267.8	\$315.6	\$271.5	\$241.8	2 of 13	(\$29.7)	-10.9%
N.E.							
Financials	2006	2007	2008	2009	2009 Rank	Average	Benchmark
Profit margin	11.9%	19.5%	2.6%	-8.2%	12 of 13	0.9%	6.6%
Change in net worth	7.3%	17.8%	-14.0%	-10.9%	7 of 13	-6.0%	12.0%
Operating margin	-0.6%	-1.4%	-2.6%	-4.2%	11 of 13	0.4%	8.3%
Capital expenses	7.6%	7.4%	7.5%	7.4%	2 of 13	5.7%	3.8%
Days of cash	34	39	27	12	11 of 13	25	89
Market share	4.0%	3.9%	3.8%	3.7%	10 of 13	—	—

ISSUE BRIEF

Hospitals in Rhode Island: Fiscal Overview

RHODE ISLAND HOSPITAL

Rhode Island Hospital, part of the Lifespan system, is a 719-bed general acute care hospital located in Providence, affiliated with Brown University’s Alpert Medical School. Rhode Island Hospital also includes Hasbro Children’s Hospital as its pediatric division.

In 2009, Rhode Island Hospital employed 6,996 people and had 1,599 affiliated physicians. That same year, the hospital had 34,942 inpatient discharges and 197,747 outpatient visits. The emergency department had 147,633 visits. The hospital also performed 24,399 surgeries, including 13,706 on an outpatient basis.

Rhode Island Hospital reported \$58.0 million worth of uncompensated care in 2009 (6.6 percent of net patient revenue). The hospital paid the state a license fee of \$40.9 million and received a total of \$52.2 million in payments.

Rhode Island Hospital continues to be in the strongest financial position among the hospitals in the state, despite significant decreases in net income and net worth in 2009. It is the largest hospital in the state by bed count, market share, and net worth.

Summary

Employees	6,996
Beds	719
Market share	30.8%
Patient revenue	\$881.5 million
Revenue per bed	\$1.2 million
Profit margin	1.1%
Net worth	\$659.1 million

2009 Payor Mix

Medicare	35.9%
Medicaid	17.4%
Self pay	7.8%
Other	39.0%

2009 Uncompensated Care

Reported costs	\$58.0 million
License fee paid	\$40.9 million
DSH payments	\$44.3 million
UPL payments	\$7.9 million
Other payments	-
Net DSH payment	\$11.3 million

Financials (millions)	2006	2007	2008	2009	2009 Rank	Change from 2008	
Net patient revenue	\$770.4	\$809.6	\$840.0	\$881.5	1 of 13	\$41.5	4.9%
Other operating revenue	106.1	97.7	109.6	102.2	1 of 13	(7.5)	-6.8%
Total revenue	\$876.6	\$907.3	\$949.6	\$983.7	1 of 13	\$34.1	3.6%
Wages and benefits	\$438.7	\$465.4	\$490.7	\$519.0	1 of 13	\$28.3	5.8%
Bad debt	58.4	55.9	56.5	51.1	1 of 13	(5.4)	-9.6%
Other expenses	344.8	350.1	376.2	393.7	1 of 13	17.5	4.7%
Total operating expenses	\$842.0	\$871.5	\$923.5	\$963.9	1 of 13	\$40.4	4.4%
Operating income	\$34.6	\$35.9	\$26.2	\$19.8	1 of 13	(\$6.4)	-24.3%
Non-operating income	(0.5)	17.0	1.6	(9.0)	13 of 13	(10.5)	-679.4%
Net income	\$34.2	\$52.9	\$27.7	\$10.8	2 of 13	(\$16.9)	-61.0%
Total assets	\$1,071.2	\$1,191.1	\$1,122.3	\$1,212.6	1 of 13	\$90.4	8.1%
Total liabilities	393.9	403.2	408.1	553.6	1 of 13	145.5	35.7%
Net worth	\$677.3	\$787.9	\$714.2	\$659.1	1 of 13	(\$55.1)	-7.7%
						N.E.	
Financials	2006	2007	2008	2009	2009 Rank	Average Benchmark	
Profit margin	3.9%	5.8%	2.9%	1.1%	5 of 13	0.9%	6.6%
Change in net worth	12.4%	16.3%	-9.4%	-7.7%	5 of 13	-6.0%	12.0%
Operating margin	3.9%	4.0%	2.8%	2.0%	4 of 13	0.4%	8.3%
Capital expenses	4.7%	4.6%	4.4%	4.6%	4 of 13	5.7%	3.8%
Days of cash	22	17	14	32	5 of 13	25	89
Market share	31.2%	31.3%	30.8%	30.8%	1 of 13	—	—

ROGER WILLIAMS MEDICAL CENTER

Roger Williams Medical Center, located in Providence and part of the CharterCARE health system, is a 220-bed general acute-care hospital, associated with the Boston University School of Medicine. Roger Williams has a primary focus on cancer care and elder services.

In 2009, Roger Williams employed 1,400 people, and had 7,969 admissions with an average length of stay of 5.11 days and 24,743 emergency department visits. The hospital reports 2009 patient revenue of \$171.8 million and \$15.8 million worth of uncompensated care.

Roger Williams reported \$10.3 million worth of uncompensated care in 2009 (6.0 percent of net patient revenue). The hospital paid the state a license fee of \$6.6 million and received a total of \$9.1 million in payments.

Roger Williams saw a modest decline in net worth in 2009, but a better-than-average increase in net patient revenue. The hospital reported an operating loss for the second time since 2005.

Summary

Employees	1,400
Beds	220
Market share	6.0%
Patient revenue	\$171.8 million
Revenue per bed	\$0.8 million
Profit margin	-0.7%
Net worth	\$37.3 million

2009 Payor Mix

Medicare	47.0%
Medicaid	12.0%
Self pay	4.3%
Other	36.7%

2009 Uncompensated Care

Reported costs	\$10.3 million
License fee paid	\$6.6 million
DSH payments	\$7.9 million
UPL payments	\$1.3 million
Other payments	-
Net DSH payment	\$2.6 million

Financials (millions)	2006	2007	2008	2009	2009 Rank	Change from 2008	
Net patient revenue	\$147.4	\$154.3	\$161.4	\$171.8	6 of 13	\$10.4	6.4%
Other operating revenue	14.4	14.0	12.3	13.5	5 of 13	1.2	9.7%
Total revenue	\$161.8	\$168.3	\$173.7	\$185.2	5 of 13	\$11.6	6.7%
Wages and benefits	\$81.1	\$87.4	\$89.4	\$90.6	7 of 13	\$1.1	1.3%
Bad debt	7.5	9.0	9.9	10.6	7 of 13	0.7	7.0%
Other expenses	74.4	71.8	74.3	85.0	5 of 13	10.7	14.4%
Total operating expenses	\$163.0	\$168.2	\$173.7	\$186.2	5 of 13	\$12.5	7.2%
Operating income	(\$1.2)	\$0.1	\$0.0	(\$0.9)	8 of 13	(\$0.9)	-6015.6%
Non-operating income	(0.4)	1.7	0.6	(0.4)	9 of 13	(1.0)	-168.0%
Net income	(\$1.7)	\$1.8	\$0.6	(\$1.3)	8 of 13	(\$1.9)	-312.9%
Total assets	\$105.3	\$115.4	\$110.2	\$111.0	9 of 13	\$0.7	0.7%
Total liabilities	66.9	71.7	70.6	73.6	8 of 13	3.0	4.3%
Net worth	\$38.4	\$43.7	\$39.6	\$37.3	8 of 13	(\$2.3)	-5.9%

N.E.

Financials	2006	2007	2008	2009	2009 Rank	Average	Benchmark
Profit margin	-1.0%	1.1%	0.4%	-0.7%	7 of 13	0.9%	6.6%
Change in net worth	-5.0%	13.8%	-9.3%	-5.9%	3 of 13	-6.0%	12.0%
Operating margin	-0.8%	0.1%	0.0%	-0.5%	7 of 13	0.4%	8.3%
Capital expenses	4.7%	4.7%	4.4%	4.1%	6 of 13	5.7%	3.8%
Days of cash	33	31	29	32	5 of 13	25	89
Market share	6.0%	6.0%	5.9%	6.0%	6 of 13	—	—

ISSUE BRIEF

Hospitals in Rhode Island: Fiscal Overview

SOUTH COUNTY HOSPITAL

South County Hospital is a 100-bed general acute-care hospital located in Wakefield. Its 2008 market share was 3.6 percent.

In 2009, South County employed 1,179 people, had 5,384 inpatient admissions with an average length of stay of 4.0 days, and had 28,143 emergency department visits. The hospital reported 2009 patient revenue of \$109.2 million, and \$8.3 million in uncompensated care.

South County reported \$3.9 million worth of uncompensated care in 2009 (3.6 percent of net patient revenue). The hospital paid the state a license fee of \$3.9 million and received a total of \$3.9 million in payments.

South County Hospital has the highest capital costs of any hospital in the state, as a proportion of all expenses. The hospital also saw a significant decline in net worth and continues to show the largest net loss. However, the hospital showed better-than-average growth in net patient revenue.

Summary

Employees	1,179
Beds	100
Market share	3.8%
Patient revenue	\$109.2 million
Revenue per bed	\$1.1 million
Profit margin	-9.7%
Net worth	\$30.0 million

2009 Payor Mix

Medicare	39.8%
Medicaid	6.2%
Self pay	3.1%
Other	50.9%

2009 Uncompensated Care

Reported costs	\$3.9 million
License fee paid	\$3.9 million
DSH payments	\$3.0 million
UPL payments	\$0.4 million
Other payments	\$0.5 million
Net DSH payment	(\$78,036)

Financials (millions)	2006	2007	2008	2009	2009 Rank	Change from 2008	
Net patient revenue	\$82.3	\$87.7	\$99.6	\$109.2	9 of 13	\$9.6	9.7%
Other operating revenue	11.2	10.9	11.0	8.0	8 of 13	(3.1)	-27.9%
Total revenue	\$93.5	\$98.7	\$110.6	\$117.2	9 of 13	\$6.6	5.9%
Wages and benefits	\$48.8	\$53.4	\$57.8	\$60.1	11 of 13	\$2.3	4.0%
Bad debt	4.3	6.4	7.1	7.3	8 of 13	0.2	3.4%
Other expenses	42.9	45.2	48.8	56.8	8 of 13	8.0	16.4%
Total operating expenses	\$96.1	\$105.0	\$113.6	\$124.2	9 of 13	\$10.5	9.3%
Operating income	(\$2.5)	(\$6.4)	(\$3.0)	(\$7.0)	13 of 13	(\$4.0)	-132.5%
Non-operating income	(3.2)	2.0	(7.3)	(4.4)	11 of 13	2.9	39.9%
Net income	(\$5.8)	(\$4.3)	(\$10.3)	(\$11.4)	13 of 13	(\$1.1)	-10.3%
Total assets	\$144.2	\$160.8	\$147.8	\$129.0	6 of 13	(\$18.8)	-12.7%
Total liabilities	83.0	95.1	94.3	99.0	6 of 13	4.6	4.9%
Net worth	\$61.2	\$65.8	\$53.4	\$30.0	11 of 13	(\$23.4)	-43.8%
						N.E.	
Financials	2006	2007	2008	2009	2009 Rank	Average	Benchmark
Profit margin	-6.2%	-4.4%	-9.3%	-9.7%	13 of 13	0.9%	6.6%
Change in net worth	9.3%	7.4%	-18.8%	-43.8%	12 of 13	-6.0%	12.0%
Operating margin	-2.7%	-6.4%	-2.7%	-6.0%	13 of 13	0.4%	8.3%
Capital expenses	9.9%	8.7%	10.3%	12.3%	1 of 13	5.7%	3.8%
Days of cash	105	127	29	61	2 of 13	25	89
Market share	3.3%	3.4%	3.6%	3.8%	9 of 13	—	—

ST. JOSEPH'S

St. Joseph Health Services of Rhode Island operates the Our Lady of Fatima Hospital, a 359-bed general acute-care hospital located in North Providence. Fatima Hospital operates under the sponsorship of the Catholic Diocese of Providence and is part of the CharterCARE health system.

In 2009, St. Joseph's employed 1,873 people. There were 9,448 patient admissions with an average length of stay of 5.4 days and 30,332 emergency department visits. The hospital reports 2009 patient revenue of \$175.3 million and \$17.9 million in uncompensated care.

St. Joseph's reported \$8.0 million worth of uncompensated care in 2009 (4.6 percent of net patient revenue). The hospital paid the state a license fee of \$8.4 million and received a total of \$7.2 million in payments.

St. Joseph's liabilities exceeded assets by \$7.3 million in 2009.

Summary

Employees	1,873
Beds	386
Market share	6.1%
Patient revenue	\$175.3 million
Revenue per bed	\$0.5 million
Profit margin	-1.8%
Net worth	(\$7.3 million)

2009 Payor Mix

Medicare	31.0%
Medicaid	5.4%
Self pay	3.6%
Other	60.0%

2009 Uncompensated Care

Reported costs	\$8.0 million
License fee paid	\$8.4 million
DSH payments	\$6.1 million
UPL payments	\$1.1 million
Other payments	-
Net DSH payment	(\$1.1 million)

Financials (millions)	2006	2007	2008	2009	2009 Rank	Change from 2008	
Net patient revenue	\$171.1	\$172.3	\$173.2	\$175.3	5 of 13	\$2.1	1.2%
Other operating revenue	6.7	6.4	7.4	6.5	10 of 13	(1.0)	-13.3%
Total revenue	\$177.8	\$178.7	\$180.7	\$181.8	6 of 13	\$1.1	0.6%
Wages and benefits	\$102.3	\$106.7	\$108.4	\$104.4	6 of 13	(\$4.0)	-3.7%
Bad debt	9.8	9.1	13.1	12.7	6 of 13	(0.5)	-3.6%
Other expenses	66.3	65.2	68.4	67.9	6 of 13	(0.4)	-0.7%
Total operating expenses	\$178.4	\$181.1	\$189.9	\$185.0	6 of 13	(\$4.9)	-2.6%
Operating income	(\$0.6)	(\$2.4)	(\$9.2)	(\$3.3)	9 of 13	\$6.0	64.8%
Non-operating income	-	-	-	-	8 of 13	-	0.0%
Net income	(\$0.6)	(\$2.4)	(\$9.2)	(\$3.3)	9 of 13	\$6.0	64.8%
Total assets	\$118.9	\$113.1	\$96.5	\$98.0	10 of 13	\$1.5	1.5%
Total liabilities	74.3	73.5	85.7	105.3	5 of 13	19.7	23.0%
Net worth	\$44.6	\$39.6	\$10.9	(\$7.3)	12 of 13	(\$18.2)	-167.0%
						N.E.	
Financials	2006	2007	2008	2009	2009 Rank	Average Benchmark	
Profit margin	-0.3%	-1.4%	-5.1%	-1.8%	9 of 13	0.9%	6.6%
Change in net worth	-3.5%	-11.2%	-72.5%	-167.0%	13 of 13	-6.0%	12.0%
Operating margin	-0.3%	-1.3%	-5.1%	-1.8%	9 of 13	0.4%	8.3%
Capital expenses	3.5%	3.8%	3.9%	4.0%	8 of 13	5.7%	3.8%
Days of cash	65	46	95	33	4 of 13	25	89
Market share	6.9%	6.7%	6.3%	6.1%	5 of 13	—	—

ISSUE BRIEF

Hospitals in Rhode Island: Fiscal Overview

WESTERLY HOSPITAL

Westerly Hospital is a 125-bed general acute care hospital located in Westerly. The hospital serves residents of both Washington County in Rhode Island and New London County in Connecticut. (Although approximately 95.0 percent of Westerly Hospital's employees live in the area served by the hospital, only 72.0 percent are Rhode Island residents.)

Westerly Hospital employed 885 people in 2009, and had 4,789 admissions with an average length of stay of 4 days. The hospital reports 2009 patient revenue of \$87.8 million and \$8.3 million in uncompensated care.

Westerly reported \$3.4 million worth of uncompensated care in 2009 (3.9 percent of net patient revenue). The hospital paid the state a license fee of \$3.5 million and received a total of \$3.6 million in payments.

Westerly reported a 20.8 percent decline in net worth in 2009, and an operating loss for the fifth consecutive year.

Summary

Employees	885
Beds	125
Market share	3.1%
Patient revenue	\$87.8 million
Revenue per bed	\$0.7 million
Profit margin	-0.8%
Net worth	\$31.5 million

2009 Payor Mix

Medicare	44.2%
Medicaid	5.6%
Self pay	3.6%
Other	46.6%

2009 Uncompensated Care

Reported costs	\$3.4 million
License fee paid	\$3.5 million
DSH payments	\$2.6 million
UPL payments	\$0.2 million
Other payments	\$0.8 million
Net DSH payment	\$17,054

Financials (millions)	2006	2007	2008	2009	2009 Rank	Change from 2008	
Net patient revenue	\$70.3	\$72.0	\$80.8	\$87.8	11 of 13	\$6.9	8.6%
Other operating revenue	1.3	1.2	1.4	1.4	13 of 13	(0.1)	-5.0%
Total revenue	\$71.6	\$73.2	\$82.3	\$89.1	11 of 13	\$6.9	8.4%
Wages and benefits	\$43.0	\$44.5	\$45.7	\$48.4	12 of 13	\$2.7	6.0%
Bad debt	4.6	4.6	6.3	7.2	9 of 13	1.0	15.7%
Other expenses	28.9	30.0	31.4	34.4	11 of 13	2.9	9.4%
Total operating expenses	\$76.5	\$79.2	\$83.4	\$90.0	11 of 13	\$6.7	8.0%
Operating income	(\$4.9)	(\$6.0)	(\$1.1)	(\$0.9)	7 of 13	\$0.2	19.6%
Non-operating income	3.4	4.3	1.6	0.2	5 of 13	(1.4)	-88.0%
Net income	(\$1.5)	(\$1.7)	\$0.5	(\$0.7)	7 of 13	(\$1.2)	-234.9%
Total assets	\$90.5	\$88.1	\$84.8	\$82.0	11 of 13	(\$2.8)	-3.3%
Total liabilities	40.0	40.3	45.1	50.6	11 of 13	5.4	12.1%
Net worth	\$50.5	\$47.9	\$39.7	\$31.5	10 of 13	(\$8.3)	-20.8%

N.E.

Financials	2006	2007	2008	2009	2009 Rank	Average	Benchmark
Profit margin	-2.1%	-2.3%	0.6%	-0.8%	8 of 13	0.9%	6.6%
Change in net worth	0.6%	-5.3%	-17.0%	-20.8%	9 of 13	-6.0%	12.0%
Operating margin	-6.9%	-8.2%	-1.3%	-1.0%	8 of 13	0.4%	8.3%
Capital expenses	7.4%	7.3%	6.9%	6.5%	3 of 13	5.7%	3.8%
Days of cash	4	5	28	16	10 of 13	25	89
Market share	2.8%	2.8%	3.0%	3.1%	11 of 13	—	—

WOMEN AND INFANTS HOSPITAL

Women and Infants Hospital is a 137-bed general acute-care hospital affiliated with the Care New England system, located in Providence, affiliated with Brown University’s Alpert Medical School. Its 2009 market share was 11.4 percent.

In 2009, Women and Infants had 3,020 employees, and had 21,363 discharges (of which 7,792 were normal newborn deliveries). The average length of stay was 4.0 days.

Woman and Infants reported \$14.4 million worth of uncompensated care in 2009 (4.4 percent of net patient revenue). The hospital paid the state a license fee of \$14.7 million and received a total of \$16.6 million in payments.

Women and Infants experienced the most positive increase in net worth of Rhode Island’s hospitals, with an increase of \$17.8 million (9.6 percent). It was also the most profitable, with a margin of 6.2 percent.

Summary

Employees	3,020
Beds	137
Market share	11.4%
Patient revenue	\$326.0 million
Revenue per bed	\$2.4 million
Profit margin	6.2%
Net worth	\$204.5 million

2009 Payor Mix

Medicare	7.1%
Medicaid	34.5%
Self pay	3.8%
Other	54.6%

2009 Uncompensated Care

Reported costs	\$14.4 million
License fee paid	\$14.7 million
DSH payments	\$14.3 million
UPL payments	\$2.2 million
Other payments	-
Net DSH payment	\$1.9 million

Financials (millions)	2006	2007	2008	2009	2009 Rank	Change from 2008	
Net patient revenue	\$254.8	\$278.6	\$305.9	\$326.0	3 of 13	\$20.0	6.6%
Other operating revenue	47.4	56.5	59.3	63.1	2 of 13	3.8	6.4%
Total revenue	\$302.2	\$335.0	\$365.3	\$389.1	2 of 13	\$23.8	6.5%
Wages and benefits	\$189.6	\$206.5	\$222.9	\$238.0	2 of 13	\$15.2	6.8%
Bad debt	5.0	7.1	5.4	6.9	10 of 13	1.5	28.1%
Other expenses	103.4	112.5	121.3	130.4	3 of 13	9.1	7.5%
Total operating expenses	\$298.0	\$326.1	\$349.5	\$375.3	2 of 13	\$25.8	7.4%
Operating income	\$4.2	\$8.9	\$15.7	\$13.7	2 of 13	(\$2.0)	-12.5%
Non-operating income	2.2	5.8	(10.2)	10.4	1 of 13	20.7	202.2%
Net income	\$6.4	\$14.7	\$5.5	\$24.2	1 of 13	\$18.7	341.2%
Total assets	\$293.4	\$340.3	\$400.3	\$427.3	2 of 13	\$26.9	6.7%
Total liabilities	138.3	157.6	213.7	222.8	2 of 13	9.1	4.3%
Net worth	\$155.2	\$182.7	\$186.6	\$204.5	4 of 13	\$17.8	9.6%

N.E.

Financials	2006	2007	2008	2009	2009 Rank	Average Benchmark	
Profit margin	2.1%	4.4%	1.5%	6.2%	1 of 13	0.9%	6.6%
Change in net worth	20.6%	17.7%	2.2%	9.6%	1 of 13	-6.0%	12.0%
Operating margin	1.4%	2.7%	4.3%	3.5%	2 of 13	0.4%	8.3%
Capital expenses	4.3%	4.2%	3.9%	3.6%	10 of 13	5.7%	3.8%
Days of cash	29	56	10	53	3 of 13	25	89
Market share	10.3%	10.8%	11.2%	11.4%	3 of 13	—	—

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Hospitals in Rhode Island: Fiscal Overview

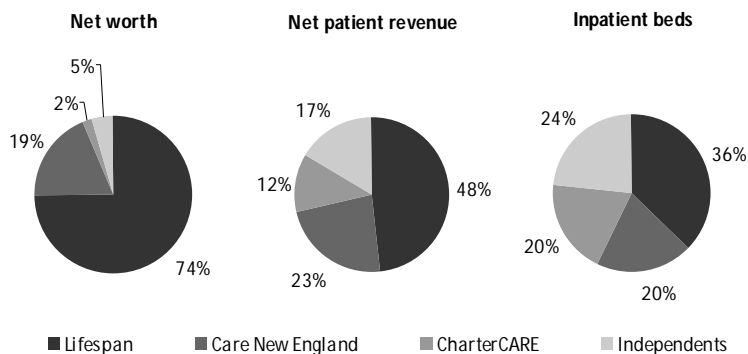
HOSPITAL SYSTEMS

Rhode Island's hospitals are consolidated into three "systems" of affiliated hospitals: Lifespan, consisting of Rhode Island, Miriam, Newport, and Bradley Hospitals; Care New England, consisting of Kent, Women and Infants, and Butler Hospitals; and CharterCARE, consisting of Roger Williams and St. Joseph's.

Lifespan is by far the largest system, with 2009 patient revenue exceeding \$1.4 billion. By contrast, Care New England had revenue of \$658.2 million, CharterCARE had \$347.1 million, and the remaining hospitals totaled \$468.9 million.

In 2009, Lifespan's market share was 48.2 percent (by patient revenue), but it held 74.7 percent of all hospital wealth in the state (by net worth). A 2008 analysis by the Department of Health found a strong correlation between market share and net worth: 95.0 percent of the variation in hospital net worth is explained by differences in market share. Care New England's market share was 23.0 percent, and its share of hospital net worth was only 18.9 percent.

Three measures of market share



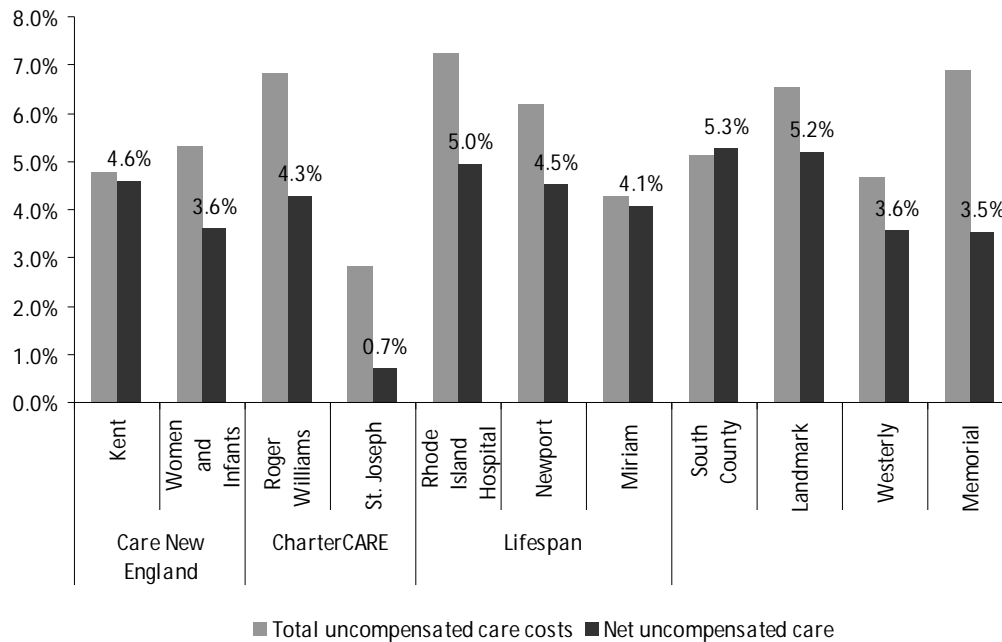
UNCOMPENSATED CARE

Rhode Island does not operate a public assistance hospital for the poor and indigent. Instead, the state's non-profit hospitals provide health care to the poor as part of their charitable mission. This "uncompensated care" generally has three components:

- Charity care, which totaled \$49.7 million in 2007, is the cost for services delivered for which no revenue is recognized. By law, hospitals are required to provide free charity care to uninsured Rhode Island residents with incomes below 200.0 percent of the federal poverty level.
- Bad debt, which totaled \$57.1 million in 2007, is the cost for services for which payment is not collected, including unpaid co-payments and out-of-pocket bills.
- Medicaid shortfall is the difference between the cost of services provided to Medicaid patients and the amount reimbursed by Medicaid.

Each hospital's *net uncompensated care costs* are the total costs of these three components, offset by Disproportionate Hospital Share (DSH) payments from the state and federal government, hospital endowments set aside to pay for charity care (about \$75.0 million per year in total), and federal Medicare "bad debt" payments.

In 2007, total uncompensated care costs for hospitals equaled 4.8 percent of net patient revenue. After reimbursements, net uncompensated care averaged 3.5 percent. (Hospital uncompensated care costs have increased significantly since 2007.)



NOTES ON DATA

Financial information for each hospital for fiscal years 2005 through 2009 comes from *The Health of Rhode Island’s Hospitals (2009)*, a report published by the Department of Health. The following financial metrics from that report are used in this brief:

- **Profit margin** is the overall return from hospital operations and non-operations (revenue minus expenses, divided by total revenue).
- **Change in net worth** measures the year-over-year change in the hospital’s net assets. It represents the percentage by which the hospital’s wealth is growing or shrinking.
- **Operating margin** is the profitability percentage, excluding non-operating income.
- **Capital expenses** is the ratio of capital-related expenses to expenses.
- **Days of cash** measures how many days of average operating expenses the hospital has in cash and short-term securities.
- **Market share** is the hospital’s percentage of statewide patient revenue.

For each metric, the northeast average and a benchmark value (the national 90th percentile) is provided.

Uncompensated care data for 2007 is drawn from the Department of Health’s *RI Uncompensated Care (2007)* report. Data on payor mix, patient volume, and uncompensated care for 2009 was provided by the Hospital Association of Rhode Island. Special thanks to Bruce Cryan and Sam Viner-Brown of the Rhode Island Department of Health, Michael Souza of the Hospital Association of Rhode Island, and Dominic Delmonico of Care New England for their assistance with the data used in this report.

Prepared March 24, 2011, for the Senate Committee on Finance, State of Rhode Island, by Matthew R. Harvey. Please direct any questions to mharvey@rillin.state.ri.us.