

Report on the Financial Condition of Maryland Hospitals

Fiscal Year 2003

June 2, 2004
Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, MD 21215

Maryland Hospitals Financial Conditions Report, Fiscal Year 2003

Introduction: This report presents an analysis of trends in selected financial and operating indicators of Maryland hospitals. It contains tables summarizing these indicators by hospital category - Acute hospitals, and Specialty and Psychiatric hospitals combined. Table 1 provides the current financial and operating indicators of Maryland Acute hospitals with their respective target values. Table 2 provides selected statistics for operating and financial indicators. Table 3 contains the financial and operating indicators for the Specialty and Psychiatric hospitals. The current and historical patterns of these indicators are summarized in paragraphs following the introduction. Charts showing trends in financial and operating indicators follow the summary discussion. Data used in producing these charts are provided in Appendix tables 1, 2 and 3. The target indicators used for this study are those approved and adopted by the Commission. The data used to calculate the financial indicators are from MHA audited financial statements submitted annually to the Commission. The margins of profit and cost per equivalent inpatient admission (EIPA) data for the nation and for Maryland used in charts 2, 4 and 5 were obtained from Hospital Statistics, American Hospital Association (AHA). The US hospital statistics for the year 2003 are not available; therefore, all comparisons of Maryland and the nation are made using the previous year's data.

Appendix-I presents the background information on the need for this study, appendix II contains a brief note on the Financial Conditions Work Group, and appendix III presents a note on terms and definitions of financial and operating indicators. Appendix table 1 presents selected historical and current financial indicators for Maryland hospitals, Appendix table 2 contains information on Margin of profits for Maryland and the US, and Appendix table 3 contains cost per EIPA for Maryland and the US. Appendix tables 4, 5 and 6 contain selected financial indicators by hospital for Maryland for fiscal years 2003, 2002 and 2001 respectively.

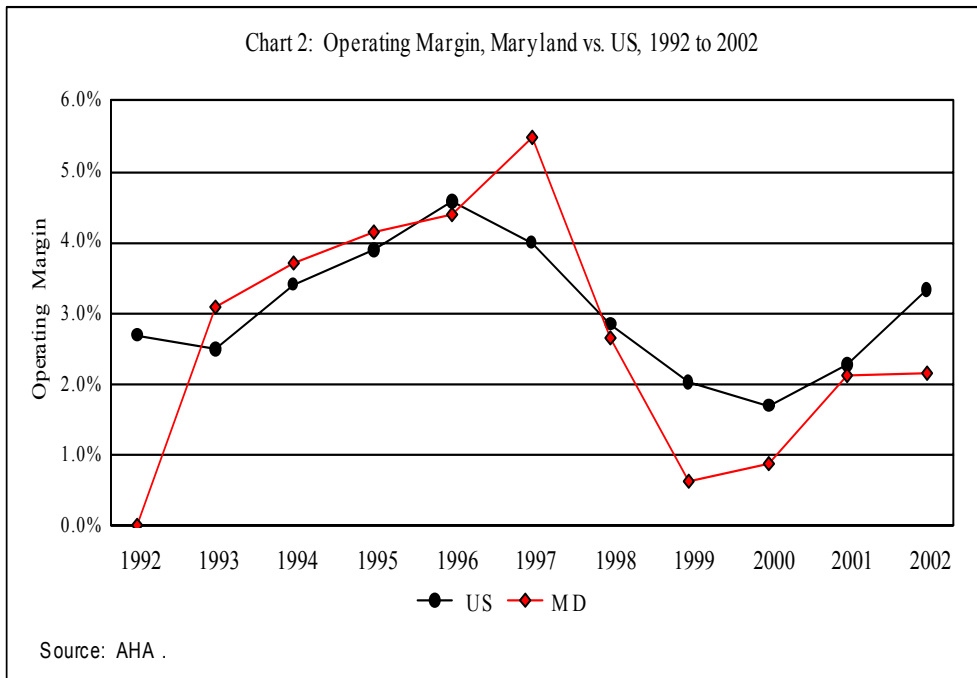
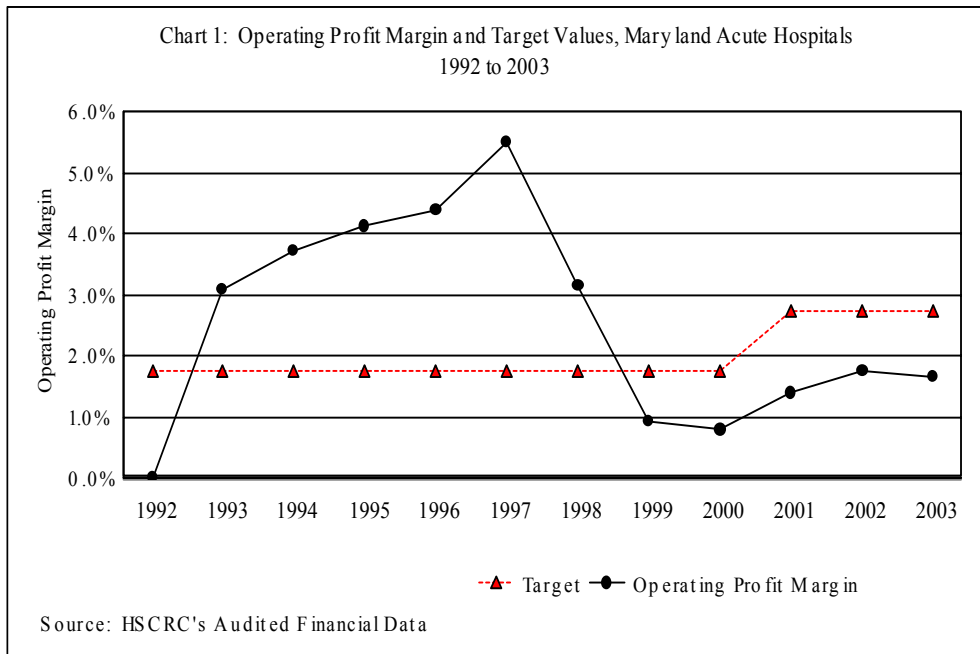
Maryland Acute Hospitals Financial Performance during 1970-2003: This period is characterized by a general improvement in Maryland hospitals' operating performance with significant increases in both operating and excess margins in the mid to late 1990s (charts 1 & 3). Operating profit margin reached 5.50% level in 1997 and the excess margin reached 5.31% in 1996, the highest in three decades. The operating and the excess margins of profit decreased in subsequent years, reaching 1.64% (Target = 2.75%) and 2.22% (Target = 4.0%). In 2002 the

operating and the excess margins of profit remained below the US Average (Charts 2 &4). These trends mirror the pattern of operating and excess margins in the rest of the country. However, rate setting has the advantage of affording greater year to year stabilizing influence, therefore hospitals in Maryland are at less risk of financial erosion and insolvency.

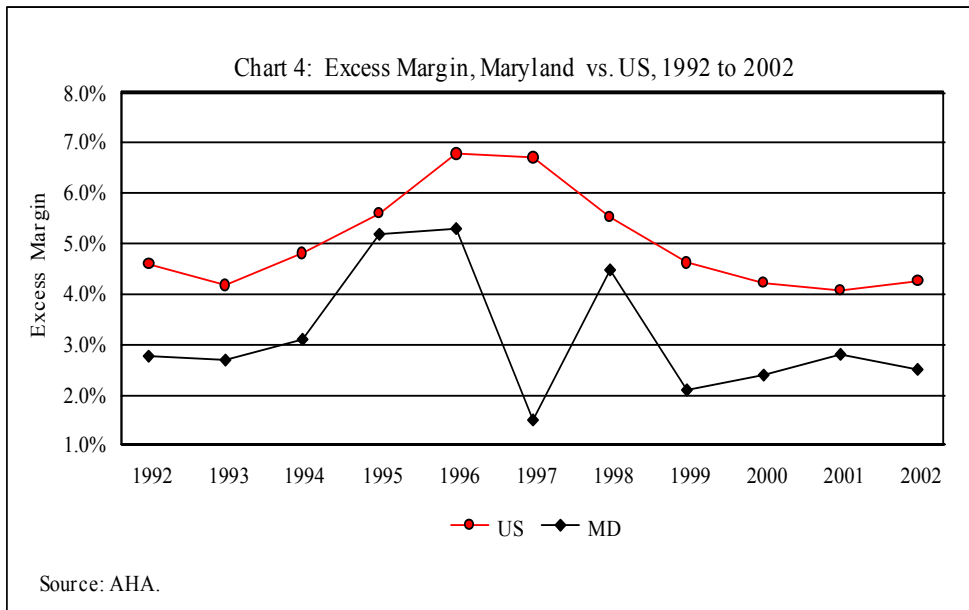
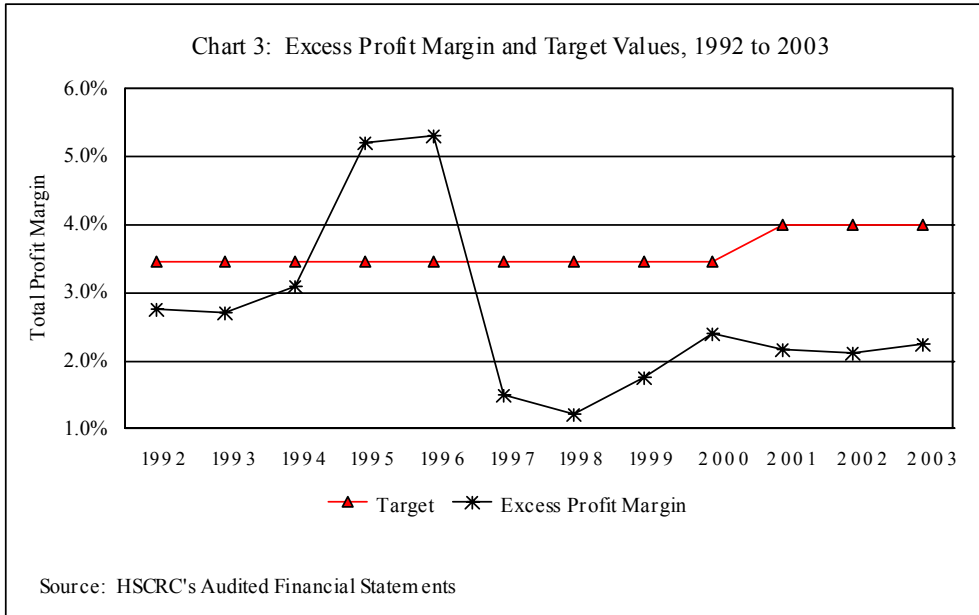
The cost per EIPA, a measure of hospitals efficiency, remained below the US average during 1992-2002 period with the exception of 1997 (Table 3 and Chart 5). The most recent estimate of cost per EIPA, as reported by the American Hospital Association, was \$7,496 for Maryland and \$7,717 for the nation. In 2002 the Maryland cost per EIPA remained close to the upper limit of the set target of 3% - 6% below the nation.

The average age of plants in Maryland hospitals has increased from 8 years in 1997 to 10.3 years in 2003 (Chart 6), about 21% higher than the set target of 8.5 years. The debt to capitalization ratio fell from 0.51 in 1994 to 0.44 in 2003 (Chart 7), the target position was 0.4. Days of Cash in 2003 was 110 days, same as it was a year ago (Chart 8), the target was 115 days.

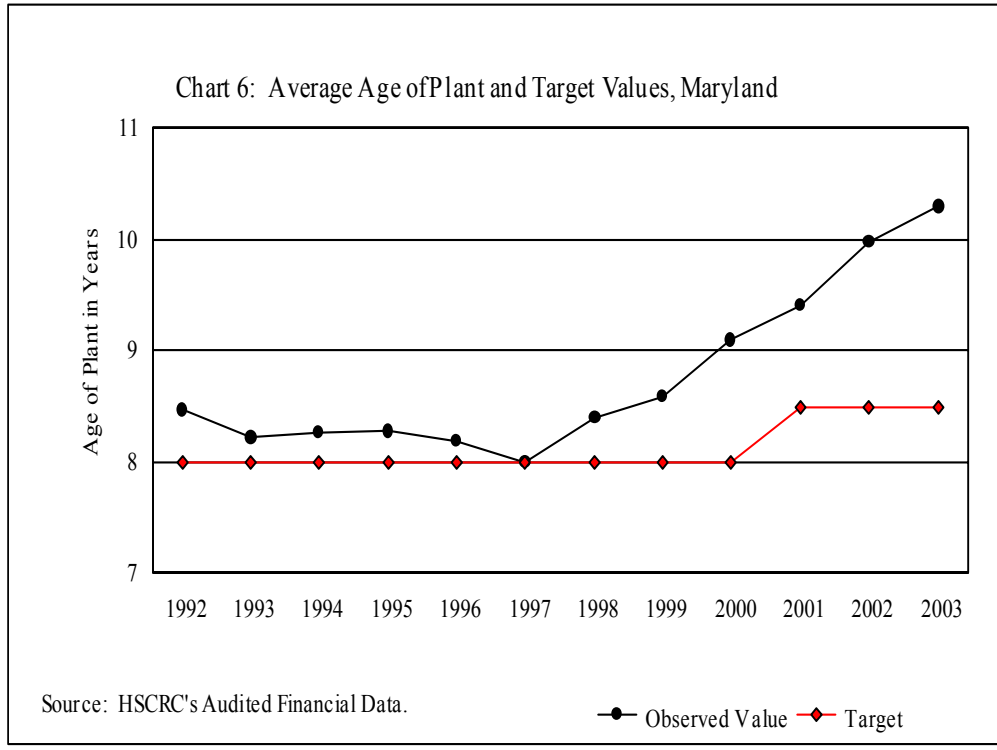
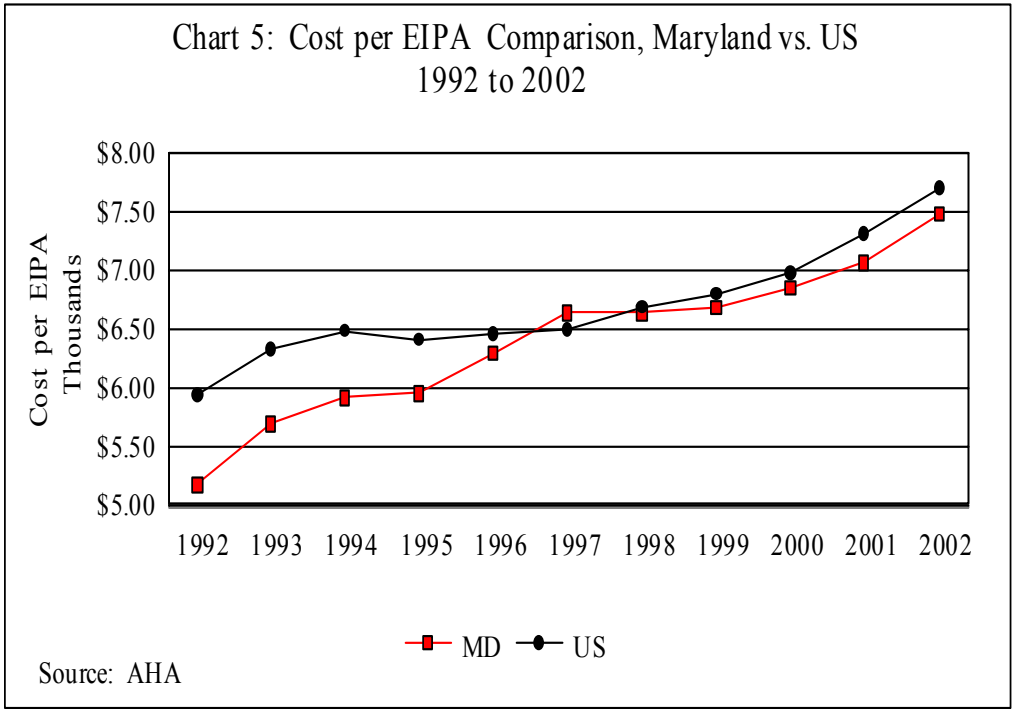
Charts Showing Trends in Selected Financial and Operating Indicators, Target Values, and Comparison to the Nation -- Maryland Acute Hospitals



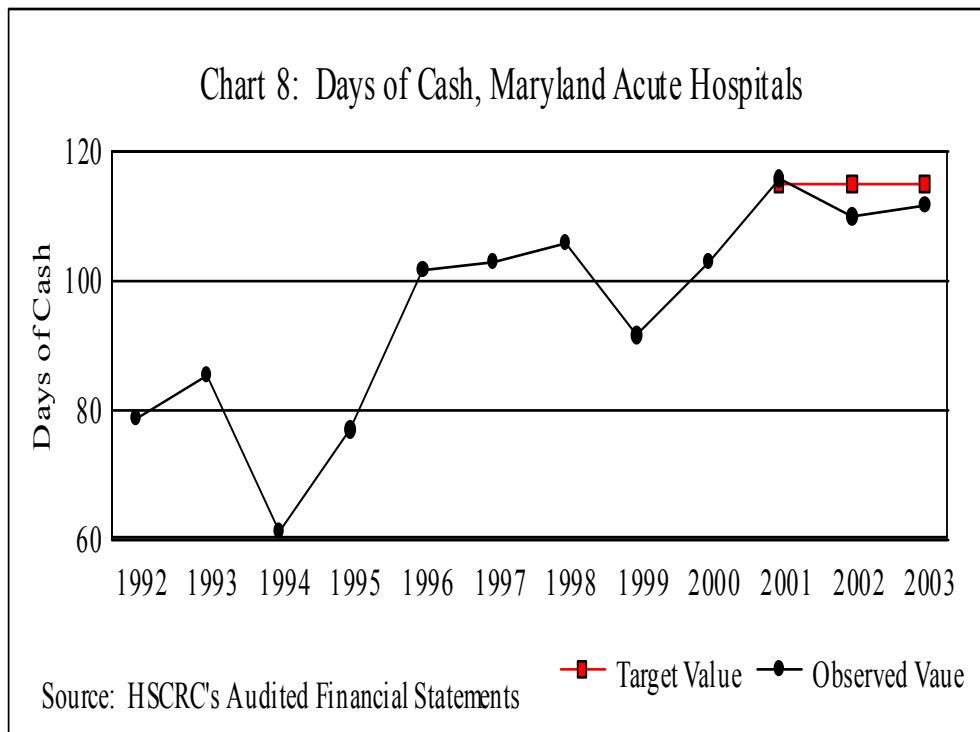
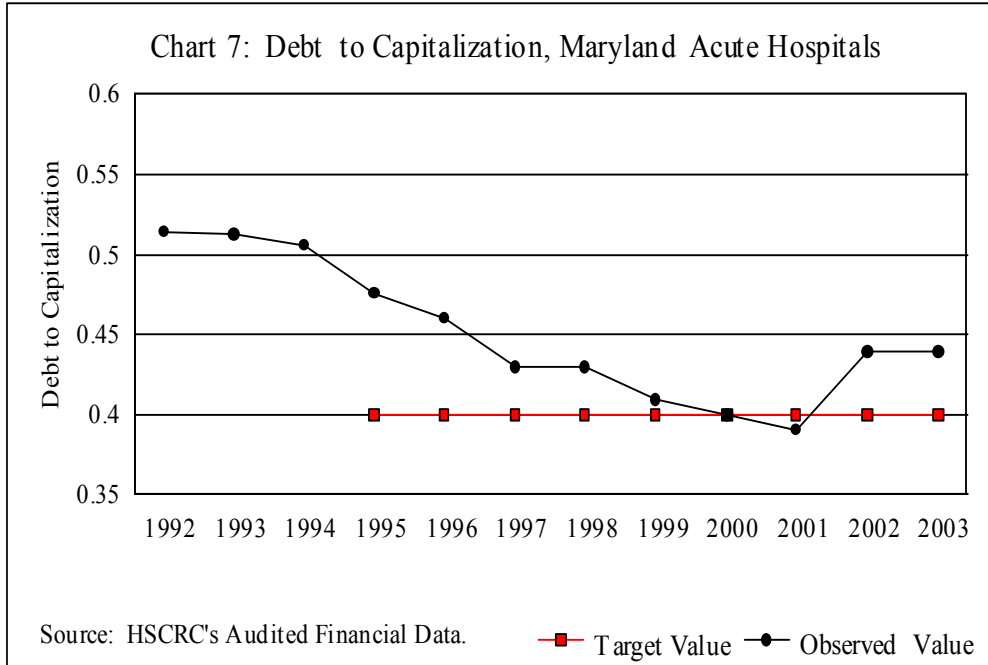
Charts Showing Trends in Selected Financial and Operating Indicators, Target Values, and Comparison to the Nation -- Maryland Acute Hospitals



Charts Showing Trends in Selected Financial and Operating Indicators, Target Values, and Comparison to the Nation -- Maryland Acute Hospitals



Charts Showing Trends in Selected Financial and Operating Indicators, Target Values, and Comparison to the Nation -- Maryland Acute Hospitals



A brief summary of the financial and operating indicators' current performance, one for the acute hospitals and one for psychiatric and specialty hospitals combined, is provided in the following paragraphs. Where Maryland and US comparison of cost per equivalent inpatient admissions is made the data used are from AHA and refers to the year 2002.

Maryland Acute Hospitals' Current Performance:

- ▶ The operating and the excess margins of profit were 1.64 and 2.22% respectively. Their respective targets were 2.75% and 4.00%. Current position is below the desired target. The median values for operating and excess margins were 1.46% and 1.71%.
- ▶ Average age of plants was 10.31 years. Current position is 21.% above the desired target of 8.5 years. The median value was 10.82 years.
- ▶ The debt to capitalization ratio was 0.44., 9.0% above the target. The median value was 0.37.
- ▶ Days of Cash was 110 days, 4.3% below the target of 115 days. The median value was 85 days.
- ▶ In 2002 the cost per EIPA for Maryland acute hospitals was \$7,496 as compared to \$7,717 for the US. This is close to the upper limit of the set target of 3% to 6% below the national average.

Table 1: Maryland Acute Hospitals Financial and Operating Indicators' Performance

Fiscal Year 2003

Financial Indicators	Target Value	Observed Value
Operating Margin	2.75%	1.64%
Excess Margin	4.00%	2.22%
Average Age of Plant	8.5 Years	10.30 Years
Debt to Capitalization	0.40	0.435
Days of Cash	115 Days	112 Days
Efficiency: Cost/EIPA	3.0%-6.0% Below USA \$7,485 - \$7,254	US =\$7,717 MD =\$7,496

Source: Appendix Tables 1 & 3.

Table 2: Maryland Acute Hospitals' Operating and Financial Indicators, Selected Statistics

FY 2003 vs. FY 2002.

Selected Statistics	Operating Margin	Excess Margin	Age of Plants (in Years)	Debt/Cap.	Days of Cash
Statewide 2003	1.64%	2.22%	10.31	0.435	110
Average 2002	1.75%	2.11%	9.98	0.436	110
Median 2003	1.46%	1.71%	10.82	0.37	85
2002	1.44%	2.00%	10.17	0.35	72
Highest Value 2003	6.94%	7.11%	18.20	0.97	363
2002	8.03%	8.46%	15.68	1.19	262
Lowest Value 2003	-6.31%	- 4.99%	3.52	0.031	7
2002	-16.00%	- 6.80%	1.67	0.011	2

Note: Hospitals reporting zero long-term debt and zero days of cash are not considered for the range Value as their long-term debt and cash are managed by their parent organization.

Source: Appendix tables 4 and 5.

Maryland Specialty and Psychiatric Hospitals, 2003 vs. 2002:

- ▶ The operating margin was 0.12% in 2003 as compared to 2.83% in 2002.
- ▶ The excess margin in 2003 was 0.07% as compared to 4.92% in 2002.
- ▶ The average age of plants was 11.95 years, lower than 12.14 in 2002.
- ▶ The debt to capitalization ratio was 0.475, higher than 0.23 in 2002.
- ▶ The days of cash was 204 days. The previous year level was 68 days.

Table 3: Maryland Specialty and Psychiatric Hospitals' Financial and Operating Indicators' Performance, 2003 vs. 2002

Financial Indicators	Fiscal Year 2003	Fiscal Year 2002
Operating Margin	0.12%	3.44%
Excess Margin	0.07%	9.76%
Average Age of Plant	11.95 Years	12.14 Years
Debt to Capitalization	0.475	0.23
Days of Cash	204 Days	68 Days

Source: Appendix tables 4 and 5.

Conclusion:

The Operating and excess margin and the days of cash fell short of meeting the set targets while the age of plants and the debt to capital ratio exceeded their respective targets. This is of some concern to both the hospital industry and the HSCRC. The HSCRC's Rate Redesign Arrangement is an effective means to govern hospital increases for fiscal year 2004 through 2006. One of the stated objectives of the Redesign Arrangement is to "make substantial progress on current financial deficiencies." This was to be achieved through a combination of revenue enhancement by the Commission and continued cost containment by hospitals.

It is hoped that this approach, will allow hospitals to increase profitability and use these profits to reinvest in their asset base. The HSCRC will continue to monitor the success of these initiatives through this financial condition report.

APPENDICES

Appendix I:

Background Information: The Health Services Cost Review Commission (HSCRC or Commission) was created in 1971 in response to concerns about rising hospital costs and the solvency of certain hospitals that treated a significant number of non-paying patients (un- or under-insured persons). In 1974, the Commission began reviewing and approving rates for Maryland hospitals and made relevant financial information about these facilities available to the public. The Commission has continued over the years to review rates in a manner that ensures rates are reasonably related to facility costs and that they are set equitably among all purchasers of services.

In addition to achieving the long-standing legislative objectives of cost containment, providing access to hospital care, maintaining equity in hospital prices and public disclosure, the Commission is directed to concern itself with whether an efficient and effective hospital has the resources to meet its financial requirements. A 1976 Court of Appeals case demonstrated that the Commission has broad authority over financial affairs of hospitals and directed the Commission to only approve those rates best designed to assure fair costs and fiscal integrity. In a 1984 Court of Appeals case, the Court found that the HSCRC statute does not require the Commission to guarantee the solvency of a hospital but is required to set reasonable rates such that if a hospital operated efficiently, as determined by the Commission, that it will be operated on a solvent basis and will receive fair return on fair value of its assets.

In order to evaluate the overall financial condition of Maryland Hospitals, the HSCRC has periodically reviewed and issued a financial conditions report. This report presents the Commission's most recent review of the financial performance and condition of the hospital industry in the state.

The Commission has established a set of financial and efficiency-based targets. As stated in the original Financial Condition Study (1989), in utilizing these targets "no one targets, financial or operating, was intended to be viewed as dominant. All targets should be evaluated in conjunction with each other before conclusions can be drawn as to the financial condition of the industry."

Appendix II:

Financial Condition Work Group: In 2000, the HSCRC refined and formalized its Charge Per Case system through a Rate Redesign initiative, a process that resulted in a series of Rate Policy changes also supported by both payer and hospital representatives. Many recommendations came out of the Rate Redesign Work Group, one of which was that the HSCRC revise and republish its report on financial conditions and the associated financial performance targets in accordance with existing industry trends and financial market standards. The Work Group also suggested that the HSCRC continue to monitor various indicators of hospital performance. Similar to the original Financial Conditions Work Group recommendations, the Redesign Work Group recommended these indicators be “evaluated over time and collectively to allow for an assessment of industry performance on the dimensions efficiency, quality, and financial stability.” The Redesign Work Group recommended the report examine the “Maryland hospital industry’s overall financial condition (including regulated and unregulated services) and how regulated services have contributed to this overall condition.”

In the Summer of 2001 the Commission convened a Financial Condition Work Group comprised of representatives from Maryland hospitals, payors, HSCRC staff, the MHA and many other interested parties. This group has diligently reviewed, evaluated, and suggested revisions to the Commission’s financial indicators/targets. The Work Group sought the advice of appropriate experts to facilitate analysis, and made recommendations to the Commission for approval of target indicators. Three sets of revised targets were presented to the Commission – One each from HSCRC staff, the hospitals, and the payers. Staff’s recommendations were subsequently approved and are, therefore used in the analysis of Maryland hospitals’ financial performance indicators.

The Work Group developed the targets based on the general consensus that Maryland hospitals have experienced an erosion in operating performance and balance sheet position, resulting in reduced investment in property, plants and equipments particularly and a corresponding increase in average age of plants. The targets were established according to several guiding principles:

- Targets should be realistic and demonstrably achievable, and should be viewed as achievable in the context of current Commission rate setting policy (i.e. the Charge per Case Methodology, the current Inter-Hospital Cost Containment Policy, and the Rate Redesign Update Formula).
- The revised targets should reflect the desire of the Commission, the hospital community, payers and patients to facilitate gradual improvement in the financial condition of Maryland hospitals. This is particularly true, given recent deterioration of hospital financials both here in Maryland and nationally.
- This improvement should be accomplished over a period of time (likely three to five years).
- Targets should take into consideration consistent interrelationships among targets. For example, efficiency targets should be realistic and help create operating and excess profit margin goals in the context of current rate setting policy. Additionally, operating and total profit targets should be consistent with the achievement of capital and cash targets .

Appendix III:

Definition of Financial and Operating Indicators.

Operating Margin: The operating margin is excess of operating revenue over operating expenditure as a proportion of total operating revenue. In other words, it is profit/loss per unit operating revenue. This ratio focuses on the operating performance of an industry. This does not include revenue from non-operation resources. It is used by many as primary test of profitability. Three major uses of operating income are working capital increases, debt retirement, and fixed asset investment. Therefore, positive operating margins help to support growth and expansion of services; to accommodate inflation; to purchase replacement equipment; to acquire new technology; and to maintain modern physical plants.

$$\text{Operating Margin} = (\text{Total Operating Revenue} - \text{Operating Expense}) / \text{Total Operating Revenue}$$

Excess Margin: The excess margin is the proportion of total revenue that exceeds total expenses (before taxes). This ratio takes into account non-operating revenues such as contributions and income from investments and auxiliary enterprises, as well as operating sources. It indicates a major source of revenue available to the institution for replacing capital, acquiring technology, and expanding services.

$$\text{Excess Margin} = (\text{Total Revenue} - \text{Total Expense}) / (\text{Total Operating Revenue} + \text{Non Operating Revenue})$$

Average Age of Plant: Average age of plant is an accounting measure of the average age of fixed assets in years. Lower values indicate a newer fixed asset base and, thus, fewer needs for near term replacement. Caution must be used in interpreting the significance of age of plant ratio. The ratio can be altered significantly by the purchase or sale of fixed assets. Also, as with all of the indicators, more credence should be placed on the trend being experienced rather than on a value at a given point in time.

Average Age of Plant = Accumulated Depreciation / Depreciation

Debt to Capitalization: This ratio measures the financial performance of the hospital.

$$\text{Long-Term-Debt} / (\text{Long-Term Debt} + \text{Fund Balance})$$

Days of Cash: This ratio measures the number of days an entity could meet its average daily expenditures with existing liquid assets, namely cash and short term investment. Higher values of this ratio imply a more liquid position, other factors remaining constant.

$$(\text{Cash} + \text{Short-Term Investment} + \text{Long-Term Investment}) \times 365 / (\text{Total Expenditure} - \text{Depreciation})$$

Efficiency or Cost per Equivalent Admission: This is the average cost of inpatient admission plus a conversion of outpatient visits into equivalents. This has been the basic indicator for gauging the success of the Maryland hospital industry performance on the dimensions of hospitals' cost control mechanism since its inception.

Cost per EIPA = Total Expenditure/EIPA.

**Appendix Table 1: Selected Financial and Operating Indicators, Maryland
Acute Hospitals, 1970 to 2003**

Years	Operating Margin	Excess Margin	Age of Plant	Debt to Capitalization	Days of
1970	- 0.18%	1.83%	7.22	0.22	NA
1971	0.30%	2.43%	7.27	0.22	NA
1972	1.00%	2.94%	7.04	0.23	NA
1973	-0.13%	2.33%	7.72	0.28	NA
1974	0.03%	2.06%	8.20	0.27	NA
1975	- 0.49%	0.90%	8.54	0.29	NA
1976	0.06%	1.41%	8.52	0.34	NA
1977	0.46%	1.75%	8.78	0.38	NA
1978	0.50%	2.17%	8.18	0.43	NA
1979	0.87%	2.40%	7.94	0.45	NA
1980	0.81%	2.69%	8.11	0.50	NA
1981	- 1.71%	0.47%	7.79	0.49	33
1982	- 1.73%	1.15%	8.09	0.49	31
1983	1.72%	3.43%	8.11	0.46	27
1984	0.96%	2.64%	8.30	0.43	28
1985	0.29%	1.93%	8.35	0.44	23
1986	2.26%	3.82%	7.90	0.40	26
1987	2.45%	3.79%	8.18	0.40	28
1988	0.51%	1.32%	8.02	0.41	26
1989	1.26%	2.85%	8.40	0.41	27
1990	0.95%	1.89%	8.49	0.45	34
1991	1.02%	1.80%	8.78	0.49	34
1992	0.00%	2.77%	8.48	0.51	79
1993	3.09%	2.71%	8.22	0.51	86
1994	3.73%	3.11%	8.26	0.51	61
1995	4.14%	5.21%	8.29	0.48	77
1996	4.39%	5.31%	8.20	0.46	102
1997	5.50%	1.51%	8.00	0.43	103
1998	3.15%	1.22%	8.40	0.43	106
1999	0.93%	1.76%	8.60	0.41	92
2000	0.80%	2.40%	9.10	0.40	103
2001	1.42%	2.16%	9.40	0.39	116
2002	1.75%	2.11%	9.98	0.44	110
2003	1.64%	2.22%	10.31	0.44	110

NA: Cash not reported.

Source: HSCRC Maryland Hospitals' Audited Financial tatements.

**Appendix Table 2: Operating and Excess Margins for Maryland and the USA
1992 to 2002**

Year	Operating Margin USA	Operating Margin Maryland	Excess Margin USA	Excess Margin Maryland
1992	2.70%	0.00%	4.60%	2.77%
1993	2.50%	3.09%	4.60%	2.71%
1994	3.40%	3.73%	4.80%	3.10%
1995	3.90%	4.14%	5.60%	5.21%
1996	4.60%	4.39%	6.80%	5.31%
1997	4.00%	5.50%	6.70%	1.51%
1998	2.83%	2.67%	5.51%	4.48%
1999	2.04%	0.62%	4.64%	2.08%
2000	1.68%	0.89%	4.19%	2.39%
2001	2.30%	2.14%	4.08%	2.80%
2002	3.35%	2.17%	4.27%	2.51%

Source: AHA Hospitals' Financial data..

Appendix Table 3: Cost Per EIPA Maryland vs. US, 1992 to 2002

Year	Maryland	US Average	6% Below US	3% Below US
1992	\$5,192	\$5,961	\$5,603	\$5,782
1993	\$5,714	\$6,333	\$5,953	\$6,143
1994	\$5,939	\$6,486	\$6,097	\$6,291
1995	\$5,968	\$6,426	\$6,040	\$6,233
1996	\$6,303	\$6,465	\$6,077	\$6,271
1997	\$6,662	\$6,502	\$6,112	\$6,307
1998	\$6,655	\$6,702	\$6,300	\$6,501
1999	\$6,694	\$6,810	\$6,401	\$6,606
2000	\$6,865	\$6,996	\$6,576	\$6,786
2001	\$7,087	\$7,315	\$6,876	\$7,096
2002	\$7,496	\$7,717	\$7,254	\$7,485

Source: AHA Hospitals' Financial data..

Appendix Table 4: Selected Financial Indicators by Hospital, Maryland, Fiscal Year 2003
Audited Data

Hospital ID	Hospital Name	Operating Margin	Excess Margin	Average Age of Plant	Debt to Capitalization	Days of Cash
Acute Hospitals:						
210023	Anne Arundel	6.94%	7.11%	8.5	0.404	248.9
210061	Atlantic General	0.12%	0.78%	6.1	0.469	78.6
210013	Bon Secours	-2.43%	-1.13%	18.2	0.264	13
210039	Calvert Memorial	3.53%	3.64%	6.8	0.492	94.6
210033	Carroll County	-2.32%	-1.41%	9.1	0.639	322.4
210035	CIVISTA Medical Ctr	3.37%	3.98%	12.9	0.1	65.1
210051	Doctors Community	-1.43%	-1.43%	8.3	0.671	161.2
210010	Dorchester General	1.46%	1.71%	13.9	0.125	85
210015	Franklin Square	2.89%	2.87%	11.2	0	13.8
210005	Frederick Memorial	0.68%	1.13%	9.5	0.454	312.9
210060	Ft Washington	3.25%	3.00%	11.3	0	18.6
210017	Garrett County	1.71%	2.65%	9.1	0.307	291
210044	GBMC	0.66%	1.92%	9.5	0.484	160.2
212004	Good Samaritan	4.84%	4.86%	9.2	0	5.2
210034	Harbor Hospital Ctr	-1.81%	-1.76%	12.7	0	2.9
210006	Harford Memorial	1.62%	6.05%	0.0	0.416	167
210004	Holy Cross	3.28%	3.49%	10.8	0.263	118.3
210029	Hopkins Bayview Med	1.01%	1.34%	9.0	0.486	80.3
210048	Howard County	1.32%	1.32%	3.9	0.949	75.9
210009	Johns Hopkins	1.89%	2.36%	12.3	0.462	86.3
210030	Kent and Queen Anne's	3.71%	6.33%	8.3	0.193	129.6
212001	Kernan	-4.59%	-3.64%	8.7	0.199	69.2
210055	Laurel Regional	-5.28%	-4.99%	11.0	0	0.2
210038	Maryland General	2.91%	3.45%	12.5	0.245	97.2
210045	McCready Memorial	-6.31%	2.84%	17.0	0.969	7.4
210037	Memorial at Easton	0.61%	0.89%	12.5	0.323	68.6
210025	Memorial of	0.82%	2.18%	14.3	0.172	124.5
210008	Mercy Medical Ctr	3.47%	0.95%	9.4	0.544	146
210018	Montgomery General	-1.77%	-0.64%	11.3	0.336	145.9
210043	North Arundel	3.83%	4.52%	11.5	0.461	125.1
210040	Northwest Hospital Ctr	0.07%	0.95%	15.2	0.372	157
210019	Peninsula Regional	0.31%	0.80%	10.0	0.276	124.2
210003	Prince George's	-1.30%	-1.08%	10.8	0.015	0.7
210027	Sacred Heart	-0.07%	0.76%	11.7	0.374	39.8
215050	Shady Grove	2.21%	2.22%	9.4	0.745	30.6
210012	Sinai	3.48%	3.94%	16.1	0.503	72.4
210054	Southern Maryland	5.00%	5.32%	13.2	0	18
210011	St Agnes	1.58%	-0.36%	10.0	0.331	23.1
210007	St Joseph Medical Ctr	1.37%	0.93%	11.5	0.394	28.7
210028	St Mary's	0.01%	1.14%	8.1	0.463	146.6
210022	Suburban Hospital	-4.31%	-4.27%	6.9	0.864	70
210024	Union Memorial	4.94%	3.52%	11.3	0.442	362.9
210032	Union Hospital	5.50%	5.16%	13.9	0.031	96.3
210002	Univ of MD	1.55%	5.91%	8.8	0.542	287.1
210049	Upper Ches	4.78%	4.78%	0.0	0.609	92.9
210016	Washington Adventist	1.73%	1.70%	10.0	0.641	27.1
210001	Washington County	-2.59%	-3.82%	12.1	0.07	27
	Statewide	1.64%	2.22%	10.3	0.435	110
	Median	1.46%	1.71%	10.8	0.37	85
Psychiatric and Specialty Hospitals						
214000	Sheppard Pratt	-0.18%	-1.55%	14.8	0.51	418
214013	Potoma Ridge	6.02%	6.82%	2.3	0	0.2
215034	Mt Washington Ped	-1.77%	0.48%	12.8	0.289	28.9
215089	University	-1.77%	-0.90%	6.2	0.525	3.9
214003	Brook Lane	1.40%	0.58%	10.9	0.407	99.3
	Statewide	0.12%	0.07%	12.0	0.475	204.4

Source: HSCRC's Maryland Hospitals' Audited Financial Statements.

Appendix Table 5: Selected Financial Indicators by Hospital, Maryland, Fiscal Year 2003
Audited Data

Hospital ID	Hospital Name	Operating Margin	Excess Margin	Average Age of Plant	Debt to Capitalization	Days of Cash
Acute Hospitals:						
210023	Anne Arundel	0.72%	2.46%	8.9	0.431	156.89
210061	Atlantic General	2.22%	2.73%	6.0	0.471	24.22
210013	Bon Secours	-3.67%	-3.69%	15.7	0.561	10.44
210039	Calvert Memorial	3.14%	4.28%	6.3	0.516	61.34
210033	Carroll County	2.98%	5.70%	10.6	0.623	261.66
210035	CIVISTA Medical Ctr	0.43%	1.51%	11.1	0.128	5.64
210051	Doctors Community	-1.12%	-1.12%	7.6	0.687	86.78
210010	Dorchester General	1.03%	1.45%	13.5	0.138	9.66
210015	Franklin Square	1.44%	1.41%	8.6	0.000	8.90
210005	Frederick Memorial	4.06%	2.00%	10.1	0.250	132.97
210060	Ft Washington	-5.40%	-5.34%	10.2	0.000	0.00
210017	Garrett County Memorial	4.54%	4.50%	8.3	0.139	101.10
210044	GBMC	2.12%	3.01%	9.1	0.476	134.71
212004	Good Samaritan	5.26%	5.33%	8.7	0.000	9.46
210034	Harbor Hospital Ctr	0.27%	0.35%	12.1	0.000	2.60
210006	Harford Memorial	-5.52%	-6.80%	14.9	0.376	119.38
210004	Holy Cross	2.66%	2.68%	10.6	0.163	83.71
210029	Hopkins Bayview Med.	0.37%	0.65%	8.2	0.489	66.78
210048	Howard County	0.97%	1.33%	3.5	0.964	154.16
210009	Johns Hopkins	4.26%	4.67%	11.7	0.594	80.12
210030	Kent and Queen Anne's	1.57%	1.78%	9.6	0.207	211.58
212001	Kernan	-4.59%	-3.68%	8.6	0.199	66.07
210055	Laurel Regional	-3.20%	-2.82%	10.1	0.000	0.22
210038	Maryland General	4.32%	4.99%	12.0	0.273	77.75
210045	McCready	-16.00%	3.83%	15.5	1.193	1.72
210037	Memorial at Easton	0.79%	1.34%	11.6	0.339	59.58
210025	Memorial of Cumberland	6.53%	8.15%	13.6	0.112	147.47
210008	Mercy Medical Ctr	2.95%	3.04%	10.1	0.547	168.98
210018	Montgomery General	2.36%	3.87%	11.5	0.339	164.92
210043	North Arundel	4.31%	4.91%	10.9	0.517	121.77
210040	Northwest Hospital Ctr	8.03%	8.46%	15.3	0.375	184.04
210019	Peninsula Regional	0.57%	2.20%	9.6	0.282	124.57
210003	Prince George's	-3.33%	-3.12%	10.2	0.000	0.16
210027	Sacred Heart	1.33%	2.85%	12.2	0.189	44.01
215050	Shady Grove	1.81%	1.81%	9.5	0.796	0.00
210012	Sinai	-1.64%	-1.55%	15.3	0.512	61.36
210054	Southern Maryland	5.21%	5.94%	12.7	0.000	2.66
210011	St Agnes	3.03%	3.33%	9.5	0.254	12.41
210007	St Joseph Medical Ctr	-1.09%	-1.09%	10.8	0.411	27.02
210028	St Mary's	3.61%	4.96%	8.4	0.486	257.99
210032	Union Hospital	3.91%	1.69%	11.2	0.305	212.05
210024	Union Memorial	6.76%	6.13%	10.4	0.019	89.86
210002	Univ of Maryland	1.77%	2.06%	8.6	0.582	237.63
210049	Upper Ches	-4.80%	-3.78%	1.7	0.686	49.32
210016	Washington Adventist	0.26%	0.26%	10.8	0.364	0.00
210001	Washington County	-0.05%	-1.20%	11.4	0.064	25.29
	Statewide	1.75%	2.11%	10.0	0.436	110.00
	Median	1.44%	2.00%	10.2	0.350	72.00
Specialty and Psychiatric Hospitals:						
214000	Sheppard Pratt	4.37%	18.32%	14.65	0.21	90.69
214003	Brook Lane	3.78%	4.33%	10.08	0.35	24.69
214013	Potomac Ridge	2.07%	2.05%	1.53	0.00	0.00
215033	Levindale	3.44%	2.67%	9.93	0.17	90.44
215034	Mt. Wash. Ped.	1.59%	1.85%	11.53	0.31	29.11
	Statewide	3.44%	9.76%	12.14	0.23	68.00

Source: HSCRC's Maryland Hospitals' Audited Financial Statements.

Appendix Table 6: Selected Financial Indicators by Hospital, Maryland, Fiscal Year 2001
Audited Data

Hospital ID	Hospital Name	Operating Margin	Excess Margin	Average Age of Plant	Debt to Capitalization	Days of Cash
Acute Hospitals:						
210023	Anne Arundel	4.59%	7.70%	8.72	0.44	248.44
210061	Atlantic General	-0.80%	0.74%	5.69	0.51	60.28
210013	Bon Secours	0.80%	0.66%	12.41	0.52	40.42
210039	Calvert Memorial	4.44%	4.80%	7.83	0.54	95.99
210033	Carroll County	7.31%	9.21%	9.67	0.40	152.41
210035	CIVISTA Medical Ctr	0.67%	1.08%	9.18	0.14	26.93
210051	Doctors Community	0.72%	0.72%	7.74	0.69	195.52
210010	Dorchester General	3.07%	3.92%	13.33	0.17	76.27
210015	Franklin Square	0.70%	2.73%	8.14	0.00	169.42
210005	Frederick Memorial	2.23%	1.54%	8.90	0.26	182.55
210060	Ft Washington	-20.58%	-20.91%	9.61	0.00	4.64
210017	Garrett County	4.39%	7.34%	8.17	0.16	110.36
210044	GBMC	2.02%	4.49%	9.83	0.42	111.87
212004	Good Samaritan	13.28%	17.18%	8.45	0.00	407.28
210034	Harbor Hospital Ctr	-3.04%	-2.85%	9.30	0.00	16.69
210006	Harford Memorial	-2.78%	-2.11%	14.12	0.33	139.38
210004	Holy Cross	0.32%	1.18%	9.60	0.18	70.00
210029	Hopkins Bayview Med	1.06%	1.39%	8.20	0.49	35.24
210048	Howard County	0.53%	1.50%	2.83	0.97	138.61
210009	Johns Hopkins	1.27%	1.83%	12.40	0.58	69.71
210030	Kent and Queen Anne's	0.74%	2.82%	6.85	0.23	205.65
212001	Kernan	0.40%	1.84%	8.97	0.19	95.62
210055	Laurel Regional	-4.73%	-4.32%	9.16	0.00	8.89
210038	Maryland General	1.57%	2.11%	11.47	0.39	61.08
210045	McCready	-7.17%	0.47%	14.80	1.32	0.15
210037	Memorial at Easton	-1.48%	-1.05%	9.93	0.34	49.15
210025	Memorial of	4.75%	9.18%	12.50	0.12	133.09
210008	Mercy Medical Ctr	2.63%	0.93%	10.11	0.48	80.04
210018	Montgomery General	0.77%	3.37%	10.76	0.35	138.67
210043	North Arundel	2.91%	3.55%	9.49	0.56	105.60
210040	Northwest Hospital Ctr	3.53%	6.51%	11.06	0.38	219.92
210019	Peninsula Regional	0.86%	3.98%	8.98	0.29	136.59
210003	Prince George's	-2.66%	-2.33%	8.65	0.01	0.03
210027	Sacred Heart	-1.41%	0.52%	13.11	0.20	37.72
215050	Shady Grove	-2.58%	-2.27%	8.62	0.82	0.00
210012	Sinai	0.40%	0.90%	12.81	0.51	85.81
210054	Southern Maryland	2.78%	4.44%	12.64	0.00	2.76
210011	St Agnes	-1.24%	-0.86%	9.60	0.27	13.16
210007	St Joseph Medical Ctr	-1.12%	-1.12%	9.72	0.41	76.62
210028	St Mary's	6.83%	7.86%	8.35	0.30	119.49
210032	Union Hospital	4.48%	6.19%	11.04	0.32	255.15
210024	Union Memorial	7.06%	7.94%	9.79	0.03	182.92
210002	Univ of Maryland	2.97%	1.10%	7.69	0.54	168.77
210049	Upper Ches.	-14.41%	-13.26%	0.80	0.66	90.62
210016	Washington Adventist	-4.82%	-4.02%	9.45	0.66	0.00
210001	Washington County	1.77%	1.15%	10.43	0.07	21.07
	Statewide	1.42%	2.16%	9.40	0.39	116.00
	Median	0.78%	1.44%	9.54	0.34	88.22
Specialty						
214000	Sheppard Pratt	3.51%	6.28%	14.16	0.26	65.70
214003	Brook Lane	-0.28%	0.34%	9.68	0.38	24.03
214013	Potomac Ridge	-8.89%	-8.89%	0.83	0.00	0.11
215033	Levindale	6.36%	7.05%	9.14	0.19	104.28
215034	Mt. Wash. Ped.	-2.87%	0.85%	10.90	0.03	30.47
	Statewide	2.83%	4.92%	12.06	0.21	67.00

Source: HSCRC Maryland Hospitals' Audited Financial Statements.