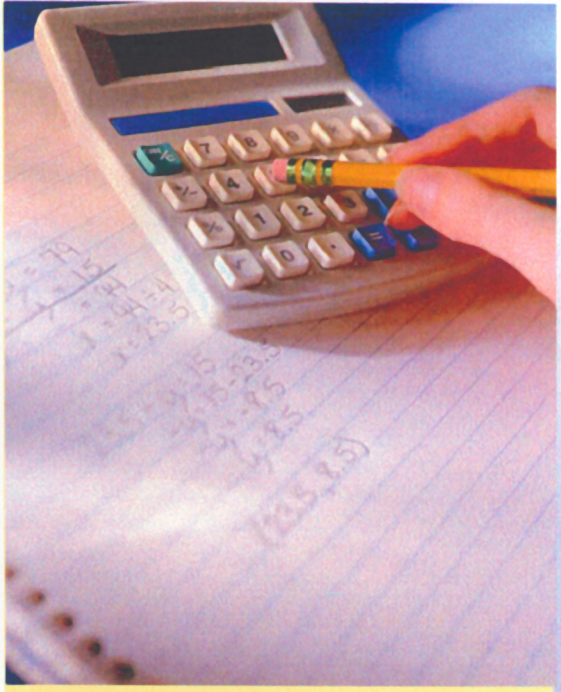

# It's All In The Numbers:

## A Beginner's Guide to Charity Care Analysis

Leslie Bennett
Consumers Union of U.S., Inc.

This guide was prepared by the West Coast Regional Office of Consumers Union of U.S., Inc.

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This publication was made possible with grants from the W.K. Kellogg Foundation which has supported Consumers Union and Community Catalyst in their efforts to preserve charitable assets. Together the two organizations compose the Community Health Assets Project, a national effort that seeks to ensure that community health needs are addressed in the conversion of nonprofit health care institutions to for-profit status.

## Acknowledgements

The author wishes to thank Mark Holtzman, Ned Murphy, Arthur Cobb, and Gerard Duiker for their assistance in all things accounting, Kenny Kwong for being a hospital data guru, William Oman for his dogged researching, Matthew Trunnell, Michelle Jun and Laurie Sobel for their skillful editing, and Evaluz Barrameda, Carol Rivas Pollard, Minerva Novoa, Josephine De los Reyes, Annamarie Simmons and Jenny Lovrin for making it all come together.

# IT'S ALL IN THE NUMBERS: A Beginner's Guide To Charity Care Analysis

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## Introduction

The provision and quantification of charity care is an important component of a nonprofit hospital's operation. Health care is a unique and vital service. Unlike other commodities, all health care providers have an obligation to ensure everyone has access to care. Nonprofit hospitals have a special legal obligation. Under the federal tax code, a hospital with 501(c)(3) status must be organized and operated exclusively for charitable purposes. Thus, a hospital may not merely call itself a nonprofit, but must act that way as well. For many hospitals that means providing care to uninsured and underinsured patients at no cost or at a lower cost than they would normally charge.

When a for-profit assumes operations of a nonprofit hospital, a potential decrease in the amount of charity care provided can be a significant loss. This is an important benefit to the community and advocates should be prepared to raise this issue when a nonprofit hospital converts to for-profit status because it may have lasting effects on the availability of health care services to the uninsured and underinsured populations. By conducting research on the amount of charity care that has been reported by your nonprofit hospital, you can accomplish several goals. First, you can improve your bargaining power in a conversion and be able to provide the community and regulators with an accounting of the historical provision of charity care. Second, you can compare those amounts with other hospitals in the area in an effort to increase the amount of charity care provided. Third, you can use the information you obtain to seek improvements to laws relating to charity care.

Much has been written about the charity care obligations that a nonprofit hospital has to the community it serves. Like many aspects of a nonprofit hospital conversion, this topic is rife with jargon and it is important that those who work in the area of charity care are comfortable with the language and formulas commonly used.

## Charity Care Language

A charity care discussion generally involves two opposing views with advocates arguing that charity care is an important requirement for nonprofit hospitals and the hospitals asserting that charity care is just one component of the "uncompensated care" or "community benefits" provided by the hospital. The

problem with the term "uncompensated care" is that because it typically includes bad debt (services provided to people who are able but refuse to pay for it), it does not accurately depict what a hospital provides to those who cannot afford to pay for their medical services. The term "community benefits" is problematic because there are typically few restrictions on what qualifies as a "community benefit, the term may be applied to hospital expenses that have no connection to the community's needs.

While there are great disputes about whether charity care adequately represents the hospital's entire commitment to improve the health of the surrounding community, there is no question that it is one of the most tangible ways a nonprofit hospital can accomplish its charitable mission. How hospitals report their delivery of charity care may be a different story. Typically, hospitals report their provision of charity care in "charges" (the full amount that a hospital takes credit for) even though that amount has no relation to the amount it cost the hospital to provide the service to the patient. In fact, "charges" have no relation to the amount billed to the vast majority of patients because insurance companies have negotiated a lower rate for services, and in some cases that amount is a fraction of the charge.

For example, California Pacific Medical Center, a nonprofit hospital in San Francisco, lists total "charges" for a surgical procedure at $21,490.71. The negotiated rate with Aetna was $6,382.62. The unfortunate reality is that the only people who are billed "charges" are those without insurance. In other words, those who are least able to pay are called upon to pay the most for their health care.

Hospital patients who meet financial criteria (usually based on the Federal Poverty Guidelines set by the U.S. Department of Health and Human Services and published in the Federal Register) typically set by individual hospitals may be eligible to receive charity care. Hospitals typically report the amount of charity care provided in their annual financial statements and many are required to also report that information to a state agency. This reporting is typically done in "charges." Some advocates, however, prefer to determine the hospital's "cost" or the approximate amount the hospital spent providing the care, because that more accurately depicts the monetary contribution made by the hospital to the community.

## CHARITY CARE FORMULAS

There are several formulas that you can use to calculate the amount of charity care that your hospital has provided to the community. Generally, these fall into two categories, cost and charges. Unless the hospitals in your state are required to report what they actually spent on charity care, you will need to use a Cost-to-Charge ratio and do some simple calculations. Another option is to use a ratio comprised of charges. We will take these two approaches in turn.

### COST-TO-CHARGE RATIO

If you have the amount of a hospital's reported charity care in charges but would prefer to get an idea of what the hospital actually spent to deliver the services, you can get that figure by applying a cost-to-charge ratio. By dividing the Total Operating Expenses by the Gross Patient Revenue, you can obtain a percentage for the hospital's mark-up and by multiplying that amount by the charity care charges you can determine the approximate cost for the hospital to provide the service.

To find the hospital's Cost-to-Charge ratio, divide the Total Operating Expenses by the Gross Patient Revenue.

**Total Operating Expenses/Gross Patient Revenue**

For example, a hospital that reports $60 million in Total Operating Expenses, and a Gross Patient Revenue of $120 million makes a cost-to-charge ratio of 60/120 or .5, or articulated as a percentage by multiplying by 100, it is 50%.

You may also use a Cost-to-Charge ratio that removes from the calculation the hospital's Other Operating Revenue, that is revenue from activities that are not directly related to patient care, such as parking garages and gift shops. This Cost-to-Charge ratio looks like this

**(Total Operating Expenses – Other Operating Revenue)/Gross Patient Revenue**

This Cost-to-Charge ratio is used for example in the San Francisco and Nassau County Charity Care Laws. Both formulas are acceptable, but if you do not

have access to the hospital's Other Operating Revenue you do not need to include it.

Next, to find the amount the hospital actually spent, or the Charity Care Cost, take the percentage you found above and multiply it by the Charity Care Charges.

**Charity Care Charges x Cost-to-Charge Ratio**

To illustrate, if the hospital above reported $1.25 million in Charity Care Charges, by taking 50% of $1.25 million charity care charges, you can determine that the Charity Care Cost was $625,000. This is an estimate of the cost to the hospital incurred in the provision of charity care.

By further comparing the amount of Charity Care Cost to the hospital's Total Operating Expenses you can calculate the estimated percentage of how much of the hospital's costs were spent actually providing charity care to the community.

**Charity Care Cost/Total Operating Expenses**

In the example above, the hospital spent $625,000 in Charity Care Cost out of $60 million in Total Operating Expenses. By dividing $60 million into $625, 000 you get .0104, or expressed as a percentage, the hospital spent about 1.04% of its Total Operating Expenses providing charity care to the community.

We have chosen to compare the Charity Care Cost to Total Operating Expenses, but some prefer to compare it to Net Patient Revenue. If you prefer that comparison, simply use the hospital's Net Patient Revenue where Total Operating Expenses is required.

### Charges Ratio

If you are looking for an easier way, you don't always have to reduce the amount of charity provided to cost. You can do a quick calculation if the only information you have is the Charity Care Charge and the Gross Patient Revenue amounts. The result may surprise you.

**Charity Care Charges/Gross Patient Revenue**

We will use the example above of the hospital that reported $1.25 million in Charity Care Charges and $120 million in Gross Patient Revenue.

First, take the Charity Care Charge (in this case $1.25 million) and divide it by the Gross Patient Revenue amount ($120 million).

**1,250,000/120,000,000 = .0104**

The answer is .0104 or quantified as a percent, it is 1.04%, identical to the amount you got after applying the Cost-to-Charge ratio (and a whole lot simpler). Using this formula you have found that the hospital spent about 1.04% of its Gross Patient Revenue providing charity care to the community.

## Calculating Charity Care: A Real Life Example

In California, all hospitals are required by law to report their financial data to the Office of Statewide Health Planning and Development (OSHPD). OSHPD makes the information available to the public on its website and for a fee. Using the data that was reported by Daniel Freeman Memorial Hospital to OSHPD in fiscal year 2001, we can illustrate how to use the Cost-to-Charge and Charges Ratios.

### Cost-to-Charge Ratio

Daniel Freeman Memorial Hospital reported providing $20,969,838 in Charity Care Charges, $374,081,798 in Gross Patient Revenue, and $130,086,149 in Total Operating Expenses. To calculate the Cost-To-Charge Ratio, divide the Total Operating Expenses by the Gross Patient Revenue:

**130,086,149/374,081,798 = .3477**

Multiplying that amount by 100, you get 34.77%. Next, to find the amount the Charity Care Cost or the hospital actually spent, take the percentage you found above and multiply it by the Charity Care Charges.

**20,969,838 x .3477 = 7,291,212.67**

Rounding up, the amount the hospital actually spent on providing charity care in the hospitals fiscal year 2001 was $7,291,213.

By further comparing the amount of Charity Care Cost to the hospital's Total Operating Expenses, you can calculate the percentage of how much of the hospital's expenses were spent actually providing charity care to the community.

**7,291,213/130,086,149 = .0560**

Multiplying that amount by 100, you get 5.6%. That means that the hospital spent 5.6% of its Total Operating Expenses providing Charity Care. Incidentally this is a relatively large amount for a hospital to provide and reflects a nonprofit hospital appropriately responding to a serious community need.

If you have access to the hospital's Other Operating Revenue, here's what that calculation looks like, removing Other Operating Revenue from the equation. Daniel Freeman Memorial reported $3,289,689 in Other Operating Revenue for fiscal year 2001. Plugging in the amounts for Total Operating Expenses, Other Operating Revenue and Gross Patient Revenue, the Cost-to-Charge Ratio is:

**(130,086,149 - 3,289,689)/374,081,798 = .3390**

Multiplying by 100 to get a percent, it is 33.9%. To find out approximately how much the hospital spent to provide charity care we multiply the Charity Care Charges by the Cost-to-Charge Ratio.

**20,969,838 x .3390 = 7,108,775.08**

Rounding down, the hospital spent $7,108,775 to provide charity care to the community. To compare the different formulas, the result from the formula that included Other Operating Revenue was $7,291,213.

To determine how much of the hospital's expenses were spent on charity care, divide the Charity Care Cost by Total Operating Expenses.

**7,108,775/130,086,149 = .0546**

According to this formula, the hospital spent .0546, or multiplying by 100 and rounding up, 5.5% of its Total Operating Expenses to provide charity care to the community. While the two formulas do not obtain identical results, the difference is quite small, .0014 to be exact.

### Charges Ratio

As mentioned above, you may not be able to find the cost of services if you do not have the hospital's Total Operating Expenses. In that case, you can use only the Charity Care Charge and the Gross Patient Revenue amounts.

**20,969,838/374,081,798 = .0561**

By multiplying by 100 and rounding you get 5.6%. That means that the hospital spent 5.6% of its Gross Patient Revenue providing Charity Care, the same result as comparing Charity Care Cost to Total Operating Expenses.

## Charity Care Numbers at Work: Daniel Freeman Hospital System

When for-profit Tenet Healthsystem DFH, Inc., (Tenet) proposed to buy the Daniel Freeman Memorial and Marina Hospitals (Daniel Freeman), advocates were very concerned. The two facilities, located in Los Angeles, provided a substantial amount of charity care. Daniel Freeman Memorial was especially known for the amount of charity care that it provided to the surrounding community. The community was concerned that the for-profit system would not maintain the historic level of charity care and raised questions about how to ensure that the for-profit would be held to the same level.

One of the biggest concerns that the community had about this transaction was the different amount of charity care that was reported by the facilities. Appendix A-1 illustrates how this reporting can vary widely. In this example, the hospitals reported substantially more charity care to the California Office of Statewide Health Planning and Development (OSHPD) than they did in their annual financial reports.

This was particularly troubling because the conflicting numbers meant there was great uncertainty about what level of charity care the hospitals would be required to provide in the future. In particular, advocates wanted to know whether the new buyer would be held to the figures in the annual reports or in the amounts reported to OSHPD. At a public hearing, the consultant who had produced the health impact statement said after investigating the hospitals' charity care amounts that the owner had reported inappropriately inflated numbers to OSHPD, counting such things as charges that were denied by Medicaid and amounts spent providing community benefits.

This example is particularly concerning because hospitals receive Disproportionate Share Hospital (or DSH) funds indirectly as a result of their charity care reporting. DSH is Medicaid funding distributed to hospitals that provide more care to the indigent population. To qualify for DSH funding in California, a hospital has to report a certain amount of charity care, so there is an incentive for hospitals to inflate their numbers to obtain DSH funding and then when a new buyer is taking over the hospital it is easy to discount the number and say it was incorrectly reported.

This case illustrates the very real problem with the reporting of charity care by some hospitals. When they do not report charity care accurately and include such things as community benefit expenses or other items the community is left without an important resource. As in many things, the numbers should only be relied upon if they are reported accurately. In the Daniel Freeman case, Consumers Union raised the question of the inaccurate charity care reporting with the Attorney General and OSHPD, charging that an investigation should be conducted. Since the owner had profited off of the higher level of reporting and had received millions of dollars in DSH funding as a result, we urged the Attorney General to rely on the OSHPD data and hold the future for-profit to those amounts.

This problem is not unique to the Daniel Freeman example, however. In other conversions where the hospital has been a historically high provider of charity care and the buyer is not interested in maintaining those levels, the selling hospital has an incentive to discredit its own reporting. After all, the seller is not going to continue to operate the hospital and the new buyer would prefer that it not be required to maintain the same level of charity care in future years. There is no motivation for a seller to hold a new buyer to a requirement that may seem onerous, especially if it may jeopardize the purchase.

The difference between the dollar amount a hospital actually spends to provide charity care and the amount it claims in charges can be significant. Appendix A-2 illustrates the huge difference between those two amounts, in some cases a factor of three to four times. Using this chart, we argued that the cost of providing care rather than charges should be articulated in the conditions imposed on the sale, particularly when the future charity care commitment is being determined. You will notice that this Cost-to-Charges Ratio removes Other Operating Revenue, as is the practice in California.

If you are interested in being able to analyze the historical amount of charity care provided by a hospital, it may be helpful to analyze it as a percentage of the hospital's Total Operating Expenses. Appendix A-3 shows how the Charity Care Cost can be articulated as a percentage of the hospital's Total Operating Expenses and tracked over time. Consumers Union argued that it is appropriate to use a percentage of the hospital's Total Operating Expenses when articulating the charity care requirement because it allows for fluctuations over time.

At the public hearings on the proposed sale of Daniel Freeman, there was much testimony about the delivery of charity care, both about the policies that would be in place and the amount that would be provided. Responding to these community concerns, the Attorney General imposed several conditions relating to the requirement that the for-profit buyer continue to provide charity care to the community.

For seven years after the transaction, Memorial Hospital was required to incur at least $2 million in charity care costs. In addition, the Attorney General articulated the number of patient days of charity care that had to be provided, 1,071 patient days per year. More noteworthy was the fact that the Attorney General imposed a penalty if the hospital failed to provide that amount, a fine of $2,000 for each day that it fell short of the number required.

## California Charity Care Analysis

In 2002, Consumers Union conducted a survey of the reporting of charity care by all of California's acute care hospitals (more than 500 nonprofit, for-profit and public facilities) from 1995 to 1999, the latest data that was available. By requesting data from OSHPD and using a cost-to-charge ratio, we were able to compare the total amount of charity care, bad debt, and total operating expenses that were reported by the hospitals per year and produce several interesting graphs. We found that while total operating expenses remained relatively flat from 1995-1999, the hospitals reported a 9% reduction in the amount of charity care provided and a 16% increase in bad debt (see Appendices B-1, B-2, B-3 and B-4). Bad debt is commonly described as the amount "written off" by the hospital when a patient is able to pay, but refuses.

By comparing the amount of charity care in cost to each hospital's total operating expenses (using a cost-to-charge formula that removes other operating revenue, as is the practice in California), we were able to rank hospitals from the highest to the lowest reporters of charity care (see Appendix B-5). We also looked closely at the hospitals that were in the top 5% of charity care reporters and examined their percentage of charity care and whether they were nonprofit, for-profit (investor) or public (city/county) (see Appendix B-6). Not surprisingly, the hospitals that provided the most charity care were often nonprofit or public facilities. By ranking the hospitals in terms of the level of charity care provided we identified all of the facilities that reported no charity care at all (see Appendix B-7). We also broke down the average percentage of charity care provided by hospitals across the state and found that the majority of hospitals reported spending less than 1% of their total operating expenses on charity care (see Appendix B-8).

Before you embark on a similar charity care research effort, you should be aware of some of the complexity.

- First, it is important to find out for what time period the data is reported. Most hospitals report their information on their individual fiscal year and those years can be different. Therefore, you will likely not be quantifying the amount of charity care that was delivered during the traditional calendar year, from January to December for all of the hospitals in your study. You are instead evaluating the charity care reported during that hospital's fiscal year, whatever that may be. To illustrate, Daniel Freeman's fiscal year in 1996 ran from July 1 to June 30 (a June fiscal year), but its nearby competitor, Century City Hospital's fiscal year ran from June 1 to May 31 (a May fiscal year). This means that the charity care reported for Daniel Freeman and Century City fall on different calendar time periods. That is why it is appropriate to articulate this analysis as being based on fiscal years.
- Second, when a hospital changes hands, there may be a change in the fiscal year, meaning that you may get data for only a portion of the year or have multiple reports for one year. For example, when nonprofit OrNda Health Corp. operated Brotman Medical Center, another of Daniel Freeman's neighbors, it had an August fiscal year (running from September 1 to August 31). When it was sold to Tenet, they changed it to a May fiscal year (running from June 1 to May 31). In order to accomplish this shift, they filed a partial report for September 1, 1996 to May 31, 1997 and then were able to file a new fiscal year report for June 1, 1997 to May 31, 1998. That meant that the report filed for the 1997 fiscal year was technically only 9 months long. In our study, when there were multiple reports for a fiscal year they were combined to create a single fiscal year. When the total days in a report numbered less than 365, we adjusted the data to reflect a full fiscal year.
- Third, if you want to do comparisons of dollar amounts over time, you should adjust for inflation. In our survey we used the California Medical Consumer Price Index. The consumer price index for medical care is compiled by the U.S. Department of Labor's Bureau of Labor Statistics and was obtained from the California Department of Industrial Relations. If you would rather avoid adjusting for inflation, you should stick with quantifying charity care as a percentage of operating expenses or gross patient revenue.
- Fourth, there may be instances when a hospital closes. This can be a problem if you are comparing charity care reported by hospitals over a significant period of time. In our analysis the amount of charity care dropped nearly 10% (from $405.4 million to $363.7 million) from 1995 to 1999. Since the number of hospitals in California also decreased about 10% (from 556 to 507), additional analysis may be necessary to determine whether the decrease in the number of hospitals was the cause of the reduction in charity care. Some factors that could be evaluated are whether the number of patient days and volume also decreased or stayed stable over the five year period.
- Finally, whatever you decide to do about these issues, it is helpful to keep a log of your decisions. While it may be more information than people want to know, telling them how you decided to address these problems is key.

At the time that we conducted this survey, the legislature was considering SB 1394, statewide legislation that would have set forth patient notification requirements on charity care and restrictions on the amount a hospital could charge an uninsured patient. To make the information more compelling for lawmakers, we looked at individual hospital reporting by Senate Districts. Appendix B-9 is such a breakdown for California State Senate District 6. Even though SB 1394 was not successful in 2002, three new pieces of legislation focusing on charity care were introduced in the 2003 legislative session.

## National Charity Care Data Survey

If you are interested in doing analysis of your hospital's charity care you will need to become familiar with how the hospitals in your state report charity care. A national survey conducted by Consumers Union in October 2003 shows there are great variations in the philosophies and practices related to the gathering of such information. We contacted every state to determine:

- if individual hospitals are required to file financial information with the state;
- which agency collects the information;
- what kind of information is collected;
- if the data is made available to the public;
- whether there is a fee or special requirement to request the data; and
- how many years of data is available.

We found that more than 30 states collect charity care information in some form, whether it be in charges or cost. In addition, some states also provide sufficient additional information to allow you the opportunity to quantify charity care as a percentage of the hospital's gross patient revenue or total operating expenses. Further, in some states that collect charity care data, there are strict enforcement and penalty mechanisms which may be helpful to your efforts to improve the delivery of charity care in your community. A compilation of the survey results are attached as Appendix C.

Even if you live in a state that does not collect financial data from hospitals in a form that is useful to your efforts, that does not mean that the information is completely unavailable to you. You can ask your nonprofit hospital about the amount of charity care it provides to the community, request to see its annual financial reports or make a formal inquiry under the federal tax code rules pertaining to 501(c)(3) organizations to receive a copy of the hospital's IRS 990

filings. You may also contact your state hospital association to find out if hospitals report their financial information to it and whether it is made publicly available.

## Conclusion

Raising the issue of charity care serves several purposes. First, it will inform the public about the availability of such services, increasing the chance that people who need charity care will be able to get it. Second, providing accurate charity care information to the regulator in your state charged with overseeing nonprofit conversions will improve the likelihood that the appropriate charity care requirement will be imposed on the facility. Third, if you are seeking to improve the delivery of charity care in your state or community, the data may provide a clear accounting of the charity care provided and help policy makers and community leaders address the problem. Fourth, if your hospitals are not required to report charity care, it provides you with an incentive to seek legislative reform. Certainly the more comfortable you are with how hospitals quantify and report charity care in your state, the easier it will be when you work with hospital officials, regulators, policy makers and community members.

## TABLE OF APPENDICES

## APPENDIX A-1

DANIEL FREEMAN HOSPITALS COMBINED CHARITY CARE, FINANCIAL STATEMENTS COMPARED TO OSHPD DATA (REPORTED IN CHARGES).

# Daniel Freeman Hospitals Combined[1] Charity Care

## Financial Statements Compared to OSHPD Data (Reported in Charges)

| Fiscal Year | Financial Statements – Charity Care[2] | OSHPD – Charity Care[3] |
|---|---|---|
| 2000 | $8,632,000 | $12,225,570[4] |
| 1999 | $3,648,000 | $17,790,880 |
| 1998 | $5,238,000 | $18,458,029 |
| 1997 | Not submitted | $23,492,511 |
| 1996 | Not submitted | $24,612,049 |

1 Charity care was not reported by individual facility in the financial statements.

2 Referred to as "Traditional Charity Care Category 1" in FY 1998, 1999 and 2000 Consolidated Financial Statements, Daniel Freeman Hospitals, Inc.

3 Reported to OSHPD as "Charity Care – other than Hill-Burton."

4 Not yet audited (Daniel Freeman Marina's FY 2000 annual disclosure report had not been audited by OSHPD as of 5/30/01).

## APPENDIX A-2

DANIEL FREEMAN HOSPITALS COMBINED CHARITY CARE, CHARITY CARE MEASURED IN COST COMPARED TO CHARITY CARE MEASURED IN CHARGES.

# Daniel Freeman Hospitals
# Combined Charity Care

## Charity Care Measured in Cost
## Compared to Charity Care Measured in Charges

| Fiscal Year | Combined Charity Care In Charges[1] | Combined Charity Care in Cost[2] |
|---|---|---|
| 2000[3] | $12,225,570 | $3,875,506 |
| 1999 | $17,790,880 | $5,643,267 |
| 1998 | $18,458,029 | $6,469,539 |
| 1997 | $23,492,511 | $8,450,256 |
| 1996 | $24,612,049 | $9,357,501 |

1 Reported to OSHPD as "Charity Care – other than Hill-Burton."

2 Calculated using OSHPD Cost-to-Charge formula:
*Total Operating Expenses – Other Operating Revenue / Gross Patient Revenue*

3 Not yet audited (Daniel Freeman Marina's FY 2000 annual disclosure report had not been audited by OSHPD as of 5/30/01).

## APPENDIX A-3

DANIEL FREEMAN HOSPITALS COMBINED CHARITY CARE, IN COST AND AS A PERCENTAGE OF OPERATING EXPENSES.

# Daniel Freeman Hospitals
# Combined Charity Care

## In Cost and as a Percentage of Operating Expenses

| Fiscal Year | Combined Charity Care in Cost[1] | Percentage of Total Operating Expenses[2] |
|---|---|---|
| 2000[3] | $3,875,506 | 7.23% |
| 1999 | $5,643,267 | 9.95% |
| 1998 | $6,469,539 | 10.00% |
| 1997 | $8,450,256 | 13.68% |
| 1996 | $9,357,501 | 14.76% |

1 Calculated using OSHPD Cost-to-Charge formula:
*Total Operating Expenses – Other Operating Revenue / Gross Patient Revenue*

2 *Combined Charity Care Cost / Total Operating Expenses.*

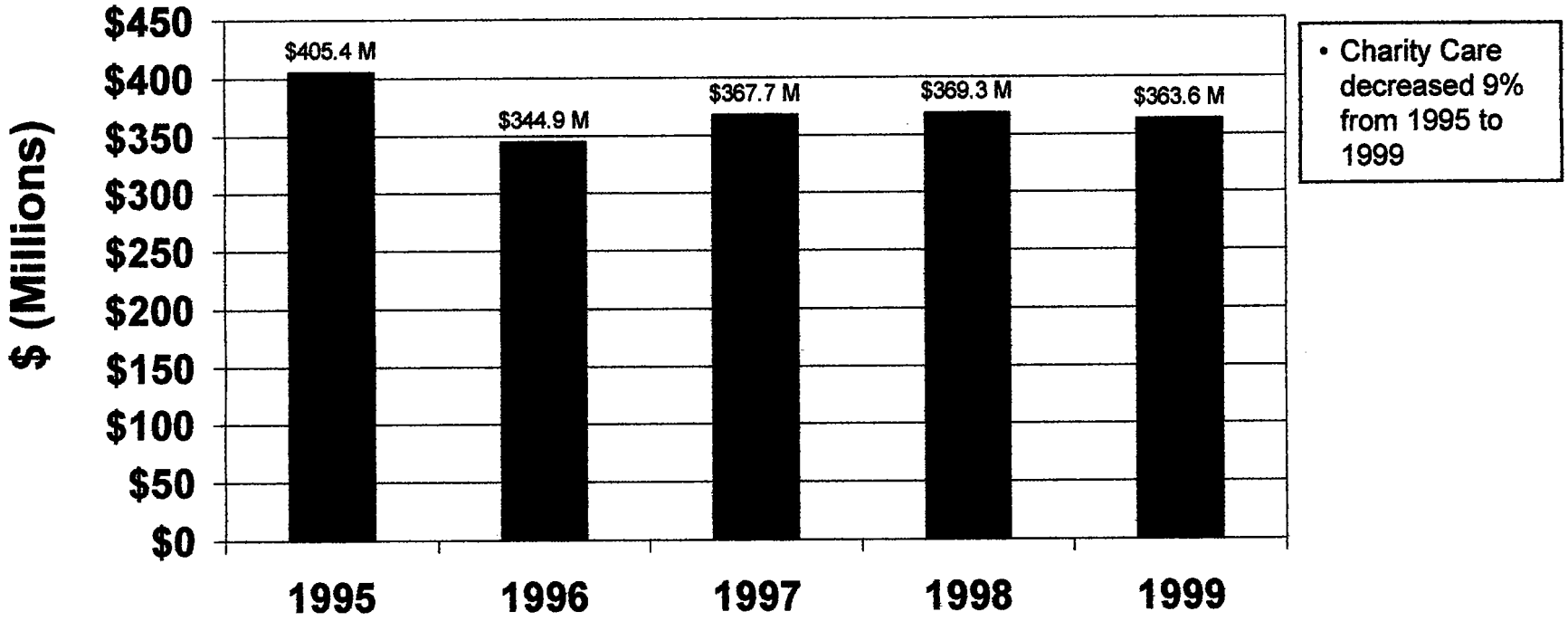
3 Not yet audited (Daniel Freeman Marina's FY 2000 annual disclosure report had not been audited by OSHPD as of 5/30/01).

## APPENDIX B-1

TOTAL CHARITY CARE IN COST FOR ALL CALIFORNIA HOSPITALS FISCAL YEARS 1995-1999.

Consumers Union
Publisher of Consumer Reports

# Total Charity Care in Cost for All California Hospitals Fiscal Years 1995 - 1999




Source: Office of Statewide Health Planning and Development Annual Disclosure Reports.

Adjusted by the California Medical Consumer Price Index, California Department of Industrial Relations. Amounts represented are in 1999 dollars. Cost was determined using a cost-to-charge ratio of (*Total Operating Expenses - Other Operating Revenue / Gross Patient Revenue*).

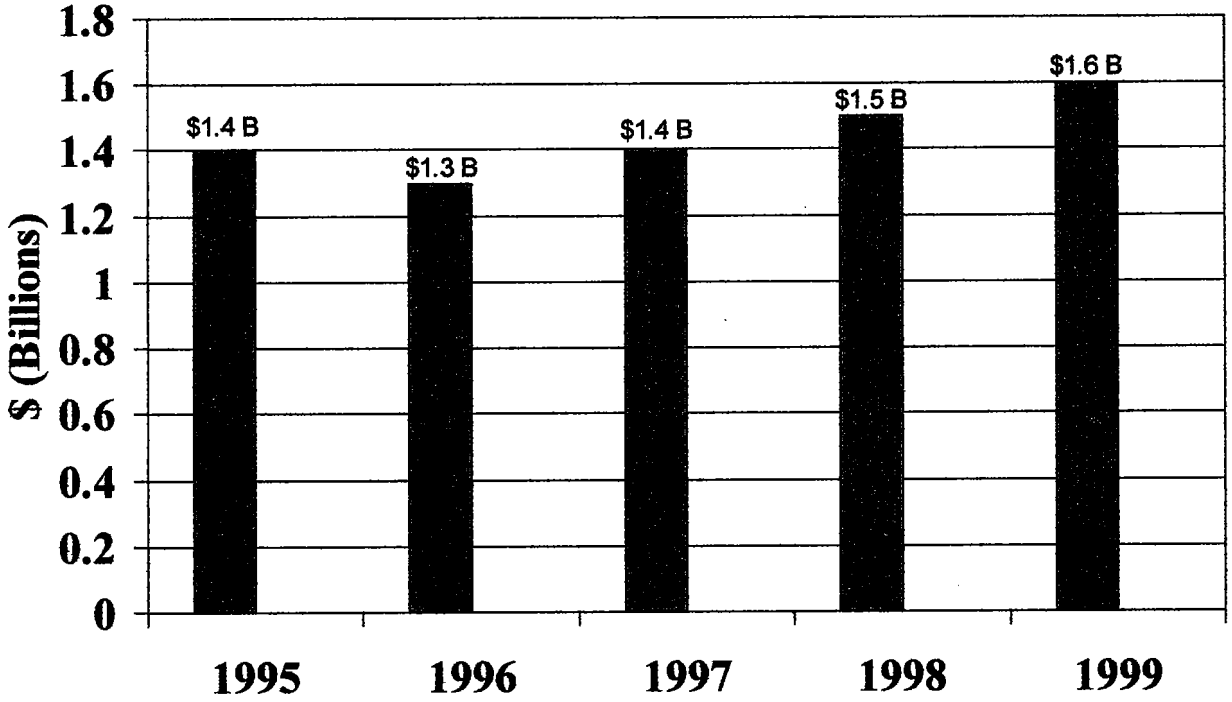
Facilities included are any licensed hospital that operated during 1995 through 1999 with the exception of Kaiser because they are not required to report individual facility financial data to OSHPD.

## APPENDIX B-2

TOTAL BAD DEBT FOR ALL CALIFORNIA HOSPITALS FISCAL YEARS 1995-1999.

Consumers Union
Publisher of Consurrer Reports

# Total Bad Debt for All California Hospitals Fiscal Years 1995 - 1999




- Bad Debt increased 16% from 1995 to 1999

Source: Office of Statewide Health Planning and Development Annual Disclosure Reports.

Adjusted by the California Medical Consumer Price Index, California Department of Industrial Relations. Amounts represented are in 1999 dollars.

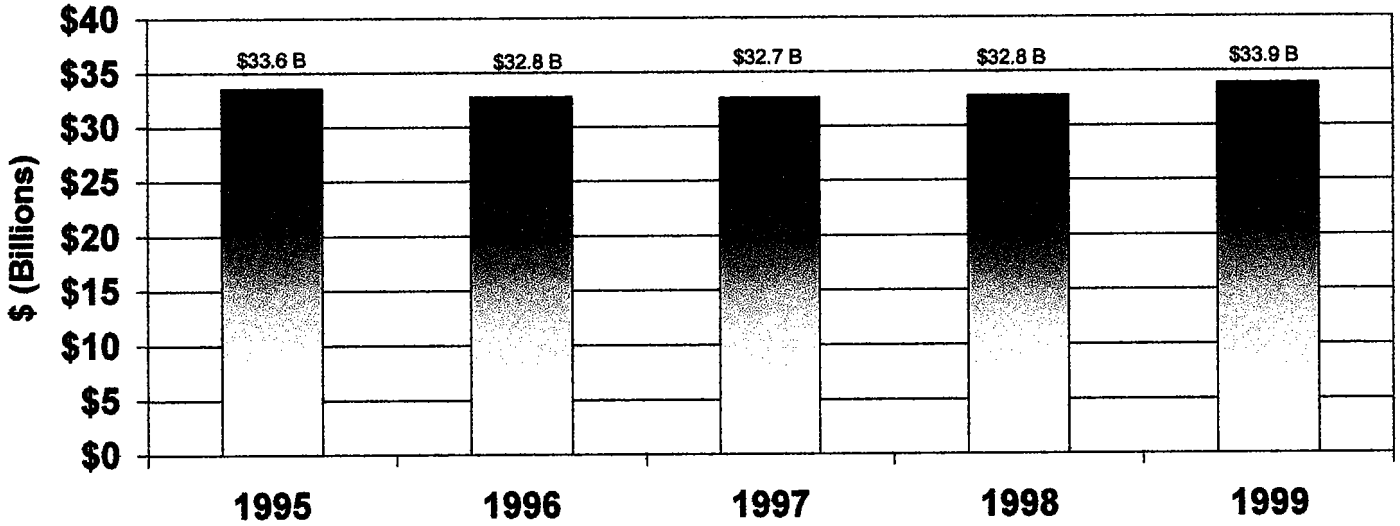
Facilities included are any licensed hospital that operated during 1995 through 1999 with the exception of Kaiser because they are not required to report individual facility financial data to OSHPD.

## APPENDIX B-3

TOTAL OPERATING EXPENSES FOR ALL CALIFORNIA HOSPITALS FISCAL YEARS 1995-1999.

Consumers Union
Publisher of Consumer Reports

# Total Operating Expenses for All California Hospitals Fiscal Years 1995 - 1999




Source: Office of Statewide Health Planning and Development Annual Disclosure Reports.

Adjusted by the California Medical Consumer Price Index, California Department of Industrial Relations. Amounts represented are in 1999 dollars.

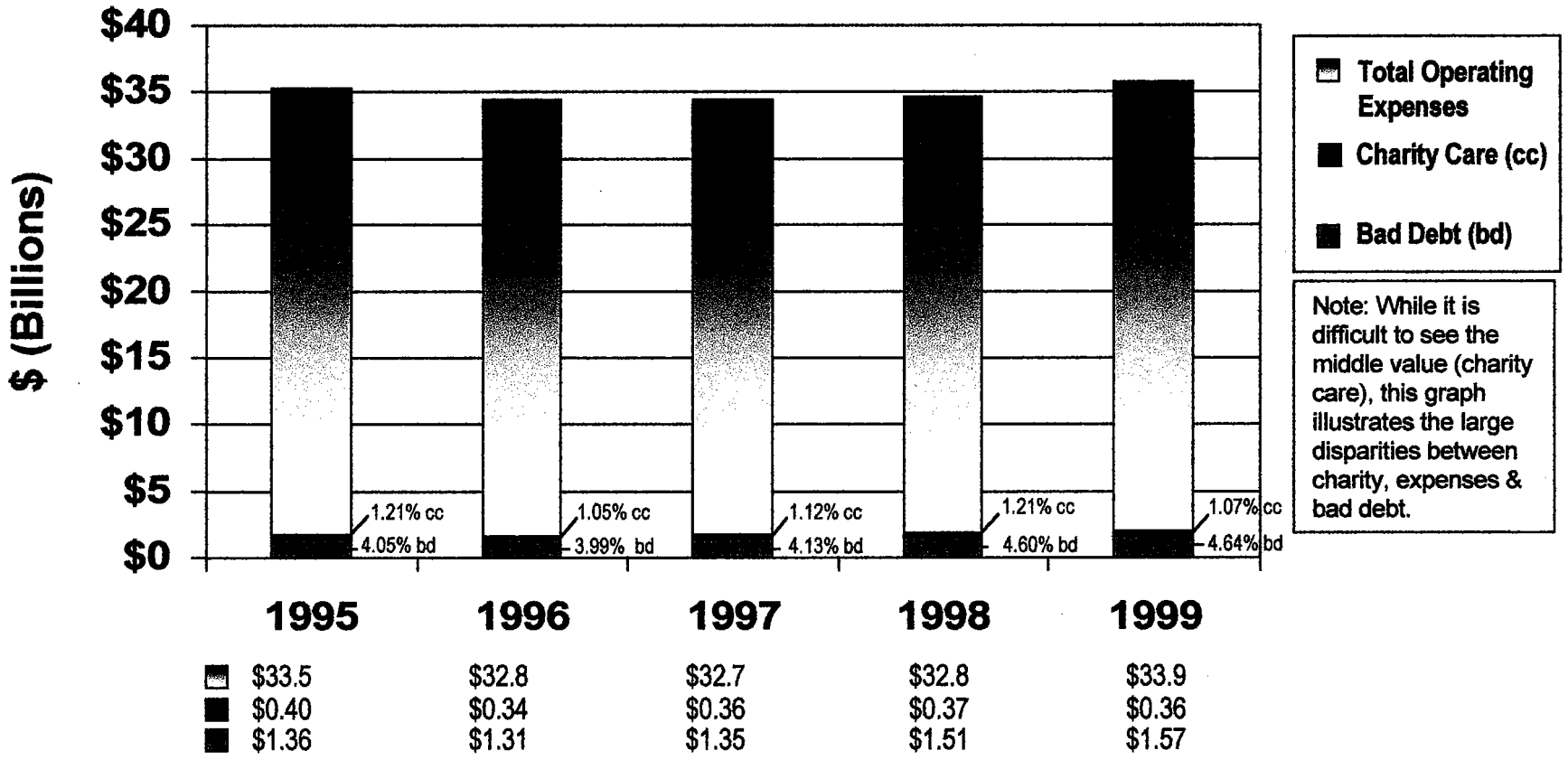
Facilities included are any licensed hospital that operated during 1995 through 1999 with the exception of Kaiser because they are not required to report individual facility financial data to OSHPD.

## APPENDIX B-4

HOW CHARITY CARE, BAD DEBT AND TOTAL OPERATING EXPENSES COMPARE FOR ALL HOSPITALS FROM 1995-1999.

Consumers Union
Publisher of Consumer Reports

# How Charity Care, Bad Debt and Total Operating Expenses Compare for All Hospitals From 1995 - 1999




| | 1995 | 1996 | 1997 | 1998 | 1999 |
|---|---|---|---|---|---|
| Total Operating Expenses | $33.5 | $32.8 | $32.7 | $32.8 | $33.9 |
| Charity Care (cc) | $0.40 | $0.34 | $0.36 | $0.37 | $0.36 |
| Bad Debt (bd) | $1.36 | $1.31 | $1.35 | $1.51 | $1.57 |

Source: Office of Statewide Health Planning and Development Annual Disclosure Reports.

All amounts adjusted by the California Medical Consumer Price Index, California Department of Industrial Relations. Amounts represented are in 1999 dollars. Charity Care in cost was determined using a cost-to-charge ratio of (*Total Operating Expenses - Other Operating Revenue / Gross Patient Revenue*).

Facilities included are any licensed hospital that operated during 1995 through 1999 with the exception of Kaiser because they are not required to report individual facility financial data to OSHPD.

## APPENDIX B-5

CALIFORNIA HOSPITALS THAT REPORTED IN THE TOP DECILE (10%) OF CHARITY CARE AS A PERCENT OF TOTAL OPERATING EXPENSES IN THREE OF FIVE YEARS, FY 1995-1999.

# California Hospitals That Reported In The Top Decile (10%) Of Charity Care As A Percent Of Total Operating Expenses In Three of Five Years, FY 1995-1999[1]

| Hospital Name | Charity As A % Of Total Expenses |
|---|---|
| ST. LUKE'S HOSPITAL - SF | 6.3% |
| HEBREW HOME FOR THE AGED DISABLED | 6.1% |
| COASTAL COMMUNITIES HOSPITAL | 5.7% |
| COLORADO RIVER MEDICAL CENTER | 5.7% |
| SANTA MARTA HOSPITAL | 5.1% |
| CALIFORNIA HOSPITAL MEDICAL CENTER | 5.0% |
| ST. MARY MEDICAL CENTER - LONG BEACH | 4.4% |
| UCSD/SAN DIEGO - UNIVERSITY MEDICAL CTR | 4.3% |
| SUTTER MEDICAL CENTER OF SANTA ROSA | 4.3% |
| ORTHOPAEDIC HOSPITAL | 4.2% |
| DANIEL FREEMAN MEMORIAL HOSPITAL | 3.6% |
| SCRIPPS MEMORIAL HOSPITAL - LA JOLLA | 3.6% |
| PARADISE VALLEY HOSPITAL | 3.3% |
| THUNDER ROAD CHEMICAL DEPNDCY RCVRY HOSP | 3.3% |
| ALAMEDA COUNTY MEDICAL CENTER | 3.3% |
| BROOKSIDE HOSPITAL | 3.2% |
| POMONA VALLEY HOSPITAL MEDICAL CENTER | 3.2% |
| UNIVERSITY MEDICAL CENTER | 3.2% |
| MARIN GENERAL HOSPITAL | 3.2% |
| PALOMAR MEDICAL CENTER | 3.2% |
| SCRIPPS HOSPITAL - EAST COUNTY | 3.1% |

# California Hospitals That Reported In The Top Decile (10%) Of Charity Care As A Percent Of Total Operating Expenses In Three of Five Years, FY 1995-1999[1]

| Hospital Name | Charity As A % Of Total Expenses |
|---|---|
| MISSION COMMUNITY HOSPITAL - PANORAMA | 16.2% |
| SUBURBAN MEDICAL CENTER | 12.8% |
| SCRIPPS MEMORIAL HOSPITAL - CHULA VISTA | 12.3% |
| COLLEGE HOSPITAL | 11.4% |
| GREATER EL MONTE COMMUNITY HOSPITAL | 10.4% |
| SAN FRANCISCO GENERAL HOSP MED CTR | 9.7% |
| KERN MEDICAL CENTER | 9.3% |
| SCRIPPS MERCY HOSPITAL | 8.6% |
| MONTEREY PARK HOSPITAL | 8.4% |
| COLLEGE HOSPITAL COSTA MESA | 8.2% |
| SAN LUIS OBISPO GENERAL HOSPITAL | 8.1% |
| CITY OF HOPE NATIONAL MEDICAL CENTER | 7.7% |
| SAN JOAQUIN GENERAL HOSPITAL | 7.3% |
| VENTURA COUNTY MEDICAL CENTER | 7.3% |
| QUEEN OF ANGELS-HOLLYWOOD PRESB MED CTR | 7.2% |
| ST. FRANCIS MEDICAL CENTER - LYNWOOD | 7.0% |
| COMMUNITY & MISSION HOSPS-HTG PARK | 6.9% |
| UNIVERSITY OF CALIFORNIA IRVINE MED CTR | 6.6% |
| BETTY FORD CENTER OF EISENHOWER THE | 6.6% |
| ROBERT F. KENNEDY MEDICAL CENTER | 6.6% |
| SUTTER MERCED MEDICAL CENTER | 6.5% |

# California Hospitals That Reported In The Top Decile (10%) Of Charity Care As A Percent Of Total Operating Expenses In Three of Five Years, FY 1995-1999[1]

| Hospital Name | Charity As A % Of Total Expenses |
|---|---|
| SAN DIEGO HOSPICE ACUTE CARE CENTER | 2.9% |
| NORTHRIDGE HOSPITAL MEDICAL CTR - SHERMAN | 2.9% |
| HUNTINGTON EAST VALLEY HOSPITAL | 2.9% |

1. The charity care ratio is calculated as charity care adjusted by the individual hospital cost to charge ratio divided by total operating expenses.

Source: OSHPD Annual Disclosure Reports.

## APPENDIX B-6

CALIFORNIA HOSPITALS THAT REPORTED IN THE TOP 5% OF CHARITY CARE AS A PERCENT OF TOTAL OPERATING EXPENSES IN THREE OF FIVE YEARS, FY 1995-1999.

# California Hospitals That Reported In The Top 5% Of Charity Care As A Percent Of Total Operating Expenses In Three of Five Years, FY 1995-1999[1]

| Hospital Name | Charity As A % Of Total Expenses | Type Of Control | Type Of Care | DSH Status |
|---|---|---|---|---|
| MISSION COMMUNITY HOSPITAL - PANORAMA | 16.2% | NON-PROFIT | GENERAL | DSH |
| SCRIPPS MEMORIAL HOSPITAL - CHULA VISTA | 12.3% | NON-PROFIT | GENERAL | DSH |
| COLLEGE HOSPITAL | 11.4% | INVESTOR | PSYCHIATRIC | non-DSH |
| GREATER EL MONTE COMMUNITY HOSPITAL | 10.4% | INVESTOR | GENERAL | DSH |
| SAN FRANCISCO GENERAL HOSP MED CTR | 9.7% | CITY/COUNTY | GENERAL | DSH |
| UNIVERSITY MEDICAL CENTER | 9.4% | NON-PROFIT | GENERAL | DSH |
| KERN MEDICAL CENTER | 9.3% | CITY/COUNTY | GENERAL | DSH |
| HEBREW HOME FOR THE AGED DISABLED | 9.3% | NON-PROFIT | SPECIALTY | Not Available |
| SCRIPPS MERCY HOSPITAL | 8.6% | NON-PROFIT | GENERAL | DSH |
| COLLEGE HOSPITAL COSTA MESA | 8.2% | INVESTOR | GENERAL | DSH |
| SAN LUIS OBISPO GENERAL HOSPITAL | 8.1% | CITY/COUNTY | GENERAL | DSH |
| CITY OF HOPE NATIONAL MEDICAL CENTER | 7.7% | NON-PROFIT | SPECIALTY | DSH |
| SAN JOAQUIN GENERAL HOSPITAL | 7.3% | CITY/COUNTY | GENERAL | DSH |
| VENTURA COUNTY MEDICAL CENTER | 7.3% | CITY/COUNTY | GENERAL | DSH |

## California Hospitals That Reported In The Top 5% Of Charity Care As A Percent Of Total Operating Expenses In Three of Five Years, FY 1995-1999[1]

| Hospital Name | Charity As A % Of Total Expenses | Type Of Control | Type Of Care | DSH Status |
|---|---|---|---|---|
| QUEEN OF ANGELS-HOLLYWOOD PRESB MED CTR | 7.2% | INVESTOR | GENERAL | DSH |
| ST. FRANCIS MEDICAL CENTER - LYNWOOD | 7.0% | NON-PROFIT | GENERAL | DSH |
| COMMUNITY & MISSION HOSPS-HTG PARK | 6.9% | INVESTOR | GENERAL | DSH |
| UNIVERSITY OF CALIFORNIA IRVINE MED CTR | 6.6% | NON-PROFIT | GENERAL | DSH |
| BETTY FORD CENTER OF EISENHOWER THE | 6.6% | NON-PROFIT | SPECIALTY | non-DSH |
| ROBERT F. KENNEDY MEDICAL CENTER | 6.6% | NON-PROFIT | GENERAL | DSH |
| UCSD/SAN DIEGO - UNIVERSITY MEDICAL CTR | 6.1% | NON-PROFIT | GENERAL | DSH |
| CALIFORNIA HOSPITAL MEDICAL CENTER | 6.0% | NON-PROFIT | GENERAL | DSH |
| SANTA MARTA HOSPITAL | 5.0% | NON-PROFIT | GENERAL | DSH |
| ST. MARY MEDICAL CENTER - LONG BEACH | 4.6% | NON-PROFIT | GENERAL | DSH |

1. The charity care ratio is calculated as charity care adjusted by the individual hospital cost to charge ratio divided by total operating Data on type of control, care and disproportionate share status (DSH) are reported based on 1999 data.

2. Disproportionate Share Hospitals (DSH) are those that receive supplemental Medi-Cal payments and serve a high percentage of Medi-Cal and other low-income patients, as provided by SB 855 (Statutes of 1991).

Source: OSHPD Annual Disclosure Reports.

## APPENDIX B-7

CALIFORNIA HOSPITALS THAT REPORTED ZERO CHARITY CARE IN THREE OF FIVE YEARS FY 1995-1999.

# California Hospitals That Reported Zero Charity Care In Three Of Five Years, FY 1995-1999

| Hospital Name |
|---|
| AGNEWS STATE HOSPITAL |
| ALHAMBRA HOSPITAL - ROSEMEAD |
| AMERICAN RECOVERY CENTER |
| ANACAPA HOSPITAL |
| ANAHEIM GENERAL HOSPITAL |
| ATASCADERO STATE HOSPITAL |
| AVALON MUNICIPAL HOSPITAL & CLINIC |
| BAYVIEW HOSPITAL & MENTAL HEALTH SYSTEM |
| BELLFLOWER MEDICAL CENTER |
| BELMONT HILLS HOSPITAL |
| BLOSS MEMORIAL DISTRICT HOSPITAL |
| BUTTE COUNTY MENTAL HEALTH - PHF |
| CALIFORNIA SPECIALTY HOSPITAL |
| CAMARILLO STATE HOSPITAL |
| CANYON RIDGE HOSPITAL |
| CAPISTRANO BY THE SEA HOSPITAL |
| CEDAR VISTA HOSPITAL |
| CEDARS-SINAI MEDICAL CENTER |
| CENTURY CITY HOSPITAL |
| CHICO COMMUNITY HOSPITAL |
| CHICO COMMUNITY REHABILITATION HOSPITAL |
| CHINESE HOSPITAL |

# California Hospitals That Reported Zero Charity Care In Three Of Five Years, FY 1995-1999

| Hospital Name |
|---|
| COALINGA REGIONAL MEDICAL CENTER |
| COAST PLAZA DOCTORS HOSPITAL |
| COLUMBIA LAS ENCINAS HOSPITAL |
| COMMUNITY HOSPITAL OF GARDENA |
| COMMUNITY HOSPITAL OF LOS GATOS |
| CONTINENTAL REHAB HOSP OF SAN DIEGO |
| CONTRA COSTA REGIONAL MEDICAL CTR |
| CRYSTAL SPRINGS REHABILITATION CENTER |
| DEL AMO HOSPITAL |
| DEL PUERTO HOSPITAL |
| DESERT VALLEY HOSPITAL |
| DOCTORS HOSPITAL OF WEST COVINA |
| DOS PALOS MEMORIAL HOSPITAL |
| EAST BAY HOSPITAL |
| EAST LOS ANGELES DOCTOR'S HOSPITAL |
| EDGEMONT HOSPITAL |
| EL CAMINO HOSPITAL |
| EL DORADO COUNTY MENTAL HEALTH - PHF |
| FAIRVIEW DEVELOPMENTAL CENTER |
| FREMONT HOSPITAL - FREMONT |
| FRESNO COUNTY - PHF |
| FRESNO SURGERY CENTER |

# California Hospitals That Reported Zero Charity Care In Three Of Five Years, FY 1995-1999

| Hospital Name |
|---|
| FRIENDLY HILLS REGIONAL MEDICAL CENTER |
| GLADMAN - PHF |
| GLENDALE ADVENTIST MEDICAL CENTER |
| GOOD SAMARITAN HOSPITAL-BAKERSFIELD |
| GUARDIAN REHAB HOSPITAL SAN RAMON |
| GUARDIAN REHABILITATION HOSPITAL MODESTO |
| HAWTHORNE HOSPITAL |
| HEALDSBURG GENERAL HOSPITAL |
| HEALTHSOUTH BAKERSFIELD RGNL REHAB HOSP |
| HERITAGE HOSPITAL |
| HERITAGE OAKS HOSPITAL |
| INGLESIDE HOSPITAL |
| IRVINE MEDICAL CENTER |
| KEDREN COMMUNITY MENTAL HEALTH CENTER |
| KENTFIELD REHABILITATION CENTER |
| KERN VALLEY HEALTHCARE DISTRICT |
| KINGSBURG MEDICAL HOSPITAL |
| KNOLLWOOD PSYCH & CHEMICAL DEPEND CTR |
| LAGUNA HONDA HOSPITAL & REHAB CENTER |
| LANTERMAN STATE HOSP & DEVELOPMENTAL CTR |
| LINCOLN HOSPITAL MEDICAL CENTER |
| LOMPOC DISTRICT HOSPITAL |

# California Hospitals That Reported Zero Charity Care In Three Of Five Years, FY 1995-1999

| Hospital Name |
|---|
| LONG BEACH DOCTORS HOSPITAL |
| LOS ANGELES CO HARBOR+UCLA MEDICAL CTR |
| LOS ANGELES CO HIGH DESERT HOSPITAL |
| LOS ANGELES CO ML KING JR DREW MED CTR |
| LOS ANGELES CO OLIVE VIEW MED CTR |
| LOS ANGELES CO RANCHO LOS AMIGOS HOSP |
| LOS ANGELES CO USC MEDICAL CENTER |
| LOS ANGELES METROPOLITAN MEDICAL CENTER |
| MAD RIVER COMMUNITY HOSPITAL |
| MAMMOTH HOSPITAL |
| MARIE GREEN PSYCHIATRIC CENTER - PHF |
| MEMORIAL HOSPITAL AT EXETER |
| MEMORIAL HOSPITAL OF GARDENA |
| MENDOCINO COUNTY MENTAL HEALTH - PHF |
| MERRITT PERALTA INSTITUTE CDRH |
| METROPOLITAN STATE HOSPITAL |
| MIDWAY HOSPITAL MEDICAL CENTER |
| MILLS-PENINSULA MEDICAL CENTER |
| MISSION BAY HOSPITAL |
| MODOC MEDICAL CENTER |
| MONROVIA COMMUNITY HOSPITAL |
| MT DIABLO MEDICAL PAVILION |

# California Hospitals That Reported Zero Charity Care In Three Of Five Years, FY 1995-1999

| Hospital Name |
|---|
| NAPA STATE HOSPITAL |
| NELSON M HOLDERMAN MEMORIAL HOSPITAL |
| NEWHALL COMMUNITY HOSPITAL |
| NEWPORT BAY HOSPITAL |
| NORTH COAST HEALTH CARE CTR - SOTOYOME |
| OASIS MENTAL HEALTH TREATMENT CTR - PHF |
| ORANGE COAST MEMORIAL MEDICAL CENTER |
| ORANGE COUNTY COMM HOSP - BUENA PARK |
| PACIFIC COAST HOSPITAL |
| PATIENT'S HOSPITAL OF REDDING |
| PATTON STATE HOSPITAL |
| PINE GROVE HOSPITAL |
| PORTERVILLE STATE HOSPITAL |
| RECOVERY INN OF MENLO PARK |
| RIVERSIDE GENERAL HOSP - MENTAL HEALTH FAC |
| RIVERSIDE GENERAL HOSP - UNIV MED CTR |
| ROSS HOSPITAL |
| S.T.A.R.S. - PHF |
| SACRAMENTO MENTAL HLTH TREATMENT CTR - PHF |
| SADDLEBACK MEMORIAL MEDICAL CENTER |
| SAN BERNARDINO COUNTY MEDICAL CENTER |
| SAN BERNARDINO COUNTY MENTAL HEALTH SVCS |

# California Hospitals That Reported Zero Charity Care In Three Of Five Years, FY 1995-1999

| Hospital Name |
|---|
| SAN DIEGO COUNTY PSYCHIATRIC HOSPITAL |
| SAN DIMAS COMMUNITY HOSPITAL |
| SAN JOAQUIN COUNTY MENTAL HEALTH - PHF |
| SAN JOAQUIN VALLEY REHAB HOSPITAL |
| SAN LUIS OBISPO COUNTY MENTAL HEALTH |
| SAN LUIS REY HOSPITAL |
| SAN MATEO GENERAL HOSPITAL |
| SAN VICENTE HOSPITAL |
| SANGER GENERAL HOSPITAL |
| SANTA BARBARA COUNTY - PHF |
| SANTA CLARA VALLEY MEDICAL CENTER |
| SANTA CLARA VALLEY MENTAL HEALTH FAC |
| SEMPERVIRENS - PHF |
| SEQUOIA HOSPITAL |
| SHASTA CO MENTAL HEALTH SVCS - PHF |
| SHC SPECIALTY HOSPITAL |
| SHRINERS HOSPITAL - LOS ANGELES |
| SHRINERS HOSPITAL - NORTHERN CALIF |
| SHRINERS HOSPITAL - SAN FRANCISCO |
| SIERRA KINGS DISTRICT HOSPITAL |
| SIERRA VISTA HOSPITAL |
| SONOMA DEVELOPMENTAL CENTER |

# California Hospitals That Reported Zero Charity Care In Three Of Five Years, FY 1995-1999

| Hospital Name |
|---|
| SONOMA VALLEY HOSPITAL |
| SOUTHERN INYO HOSPITAL |
| STANISLAUS CO MENTAL HEALTH SERVICES |
| STAR VIEW ADOLESCENT - PHF |
| SUN HEALTH ROBERT H BALLARD REHAB HOSP |
| SUTTER-YUBA - PHF |
| TARZANA TREATMENT CENTER |
| TELECARE SOLANO - PHF |
| TOM REDGATE MEMORIAL RECOVERY CENTER |
| TRI-CITY REGIONAL MEDICAL CENTER |
| TUSTIN REHABILITATION HOSPITAL |
| U S FAMILY CARE MED CTR - MONTCLAIR |
| UCLA NEUROPSYCHIATRIC HOSPITAL |
| UKIAH VALLEY MEDICAL CENTER-HOSPITAL DR |
| VALLEY PLAZA DOCTORS HOSPITAL |
| VAN NUYS HOSPITAL |
| VENCOR HOSPITAL - BREA |
| VENCOR HOSPITAL - LOS ANGELES |
| VENCOR HOSPITAL - ONTARIO |
| VENCOR HOSPITAL - ORANGE COUNTY |
| VENCOR HOSPITAL - SACRAMENTO |
| VENCOR HOSPITAL - SAN DIEGO |

# California Hospitals That Reported Zero Charity Care In Three Of Five Years, FY 1995-1999

| Hospital Name |
|---|
| VENCOR HOSPITAL - SAN LEANDRO |
| VERDUGO HILLS HOSPITAL |
| VISTA DEL MAR HOSPITAL |
| VISTA PACIFICA CHEM DEPNDCY RCVRY HOSP |
| WALNUT CREEK HOSPITAL |
| WARRACK MEDICAL CENTER HOSPITAL |
| WASHINGTON HOSPITAL - CULVER CITY |

Source: OSHPD Annual Disclosure Reports.

## APPENDIX B-8

AVERAGE PERCENTAGE OF CHARITY CARE COMPARED TO TOTAL OPERATING EXPENSES FOR ALL HOSPITALS FROM 1995-1999.

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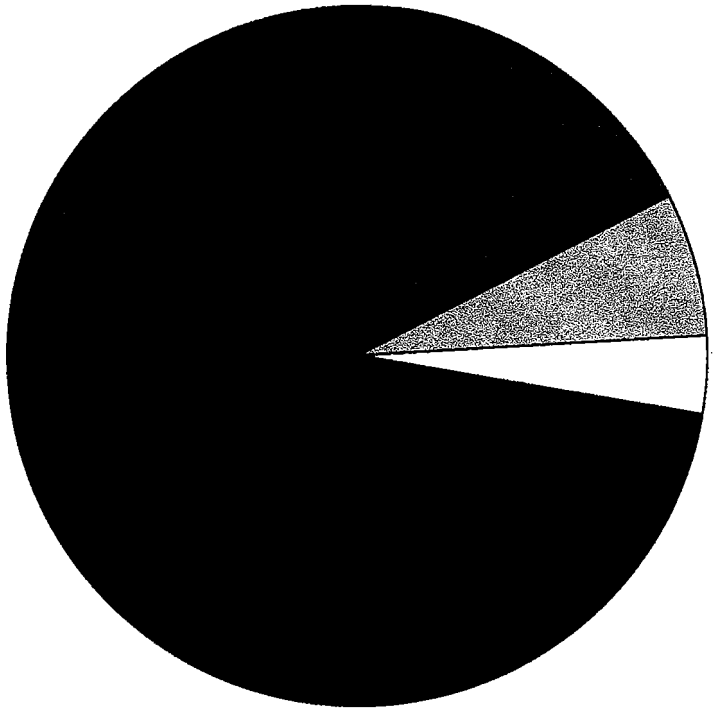
# Average Percentage of Charity Care Compared to Total Operating Expenses for All Hospitals From 1995 - 1999



| # of Hospitals | Charity Care Ratio |
|---|---|
| 132 | 0.0% |
| 307 | 0.01% - 1.00% |
| 52 | 1.01% - 2.00% |
| 37 | 2.01% - 5.00% |
| 20 | 5.01% - Above |

Note: Eighty percent (439) of California hospitals had an average charity care ratio of 1% or less for FY 1995 through FY 1999.

Source: Office of Statewide Health Planning and Development Annual Disclosure Reports.

Adjusted by the California Medical Consumer Price Index, California Department of Industrial Relations. Amounts represented are in 1999 dollars. Charity care cost was determined using a cost-to-charge ratio of (*Total Operating Expenses - Other Operating Revenue / Gross Patient Revenue*).

Facilities included are any licensed hospital that operated during 1995 through 1999 with the exception of Kaiser because they are not required to report individual facility financial data to OSHPD.

## APPENDIX B-9

CHARITY CARE, BAD DEBT AND TOTAL OPERATING EXPENSES FOR CALIFORNIA STATE SENATE DISTRICT 6.

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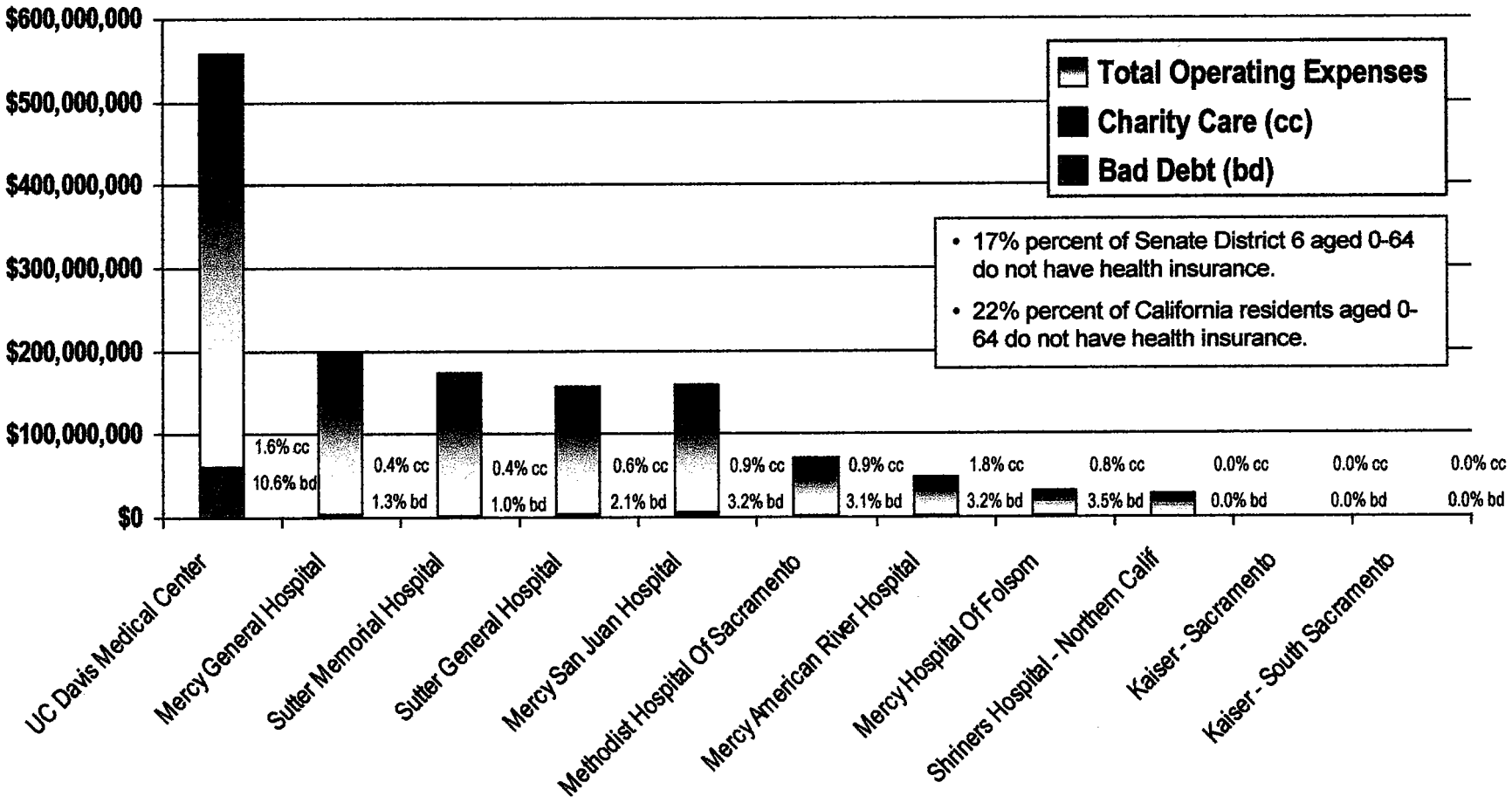
# Senate District 6
# Individual Hospital Comparison of Average Charity Care and Bad Debt to Total Operating Expenses




Source: Office of Statewide Health Planning and Development Annual Disclosure Reports for fiscal years 1995 - 1999. The average total amount of charity care was calculated in cost using a cost-to-charge ratio of *(Total Operating Expenses - Other Operating Revenue / Gross Patient Revenue)*. All amounts were adjusted by the California Medical Consumer Price Index, California Department of Industrial Relations.

Facilities included are hospitals addressed by SB 1394, those licensed under California Health and Safety Code Section 1250 (a), (b) or (f). Kaiser hospitals do not report financial information by individual facility.

## NATIONAL CHARITY CARE DATA SURVEY.

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# National Charity Care Survey
# Methodology

This survey was conducted over a one month period, from September to October 2003. We initially obtained a database from the National Association of Health Data Organizations. From that point, we contacted individuals across the country with the goal of locating all of the states that obtain charity care and other hospital financial data. The priority was to locate which states collect sufficient financial information to allow people to analyze the reporting of charity care in their community. In addition, we wanted to provide a resource for how people could obtain the data, whether the request had to be in writing and whether there was a fee.

What we found is that, not surprisingly, there is a wide variety of approaches by states in relation to the financial information reported by hospitals. Many states collect charity care, total operating expenses and gross patient revenue, making it possible to do some analysis. However, if a state collected other financial information but did not also include charity care, we opted to show it as a nonreporter. Therefore, the summary provides a listing of all states that collect information about charity care and a limited reporting of other financial information received.

States that collect charity care data from individual hospitals are noted with an "i." States that collect the information on an aggregate basis are noted with an "a." In addition, a "$" is used if you can access the information, but are required to pay a fee for it. Most commonly the fee is a charge assessed for copying the material.

We have included contact names and phone numbers, the legal citation and pertinent additional information to enable you to obtain the charity care information that is reported in your state and draw your own conclusions about whether it is sufficient or could stand improvement. We are happy to answer questions about this database. Contact Bill Oman at (415) 431-6747.

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# State Charity Care Survey
## September - October 2003
## Bold States Have Charity Care Data Available
*Italicized States Do Not*

| STATE | FIRST | LAST | AGENCY | PHONE | WEBSITE | CHARITY CARE DATA i=indiv. a=aggre. | AVAILABLE $=fee | co=Charity care in cost ch=Charity care in charges G=Gross patient revenue X=Total operating expenses | DATA FROM | LEGAL CITATION | NOTES |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *Alabama* | Paul | May | Health Planning & Development | 334-242-4102 | www.shpda.state.al.us | n | | | | | |
| **Alaska** | Jack | Nielson | Office of Rate Review | 907-334-2447 | www.health.hss.state.ak.us | y i | y $ | ch GX | 1990 | AS 47.07.073 | Audited financials. |
| **Arizona** | Ed | Welsh | Cost Reporting & Discharge Data Section | 602-542-1216 | www.hs.state.az.us/plan/hosp.htm | y i | y $ | ch GX | 2001 | ARS 36-125.05 | |
| *Arkansas* | Ed | Carson | Dept. of Health | 501-661-2046 | www.healthyarkansas.com/pdf/dataguide_2002.pdf | n | | | | | |
| **California** | Mary | MacDonald | Office of Statewide Health Planning & Development | 916-323-8399 | www.oshpd.ca.gov | y i | y | co ch GX | 1983 | CA Health & Safety Code 128675-128815 | |
| **Colorado** | Chris | Underwood | Dept. of Health Care Policy and Financing | 303-866-5177 | www.chcpf.state.co.us | y i | y | co ch | 1999 | CO Rev. Stat. 26-15-105 | Only Colorado Indigent Care Program data. |
| **Connecticut** | Kaila | Riggott | Office of Health Care Access | 860-418-7037 | www.ohca.state.ct.us/HBS.htm | y a | y | co GX | 1991 | CT Gen. Stat. 19a 612 | |
| **Delaware** | Douglas | Rich | Health Statistics Center | 302-739-4776 | www.dehealthdata.org/Publications.html | y a | y | ch | 1994 | 16 Del. C. 20 sec. 2001-2008 | |
| *Dist. of Columbia* | Fern | Clark | Dept. of Health | 202-442-9032 | www.dchealth.com and www.dcha.org | n | | | | | |
| **Florida** | Michael | Roberts | State Center for Health Statistics | 850-922-5531 | www.doh.state.fl.us/planning_eval/intro.html and www.floridahealthstat.com | y i | y $ | ch GX | 1992 | FL Stat. 408.05 | |
| **Georgia** | Jacqueline | Bennett | Data Quality Unit | 404-463-6420 | www.ph.dhr.state.ga.us | y i | y | ch GX | 1999 | OCGA 31-7-280 | |
| **Hawaii** | Susan | Forbes | Health Information Corporation | 808-534-1277 | www.hhic.org | y a | y | ch GX | 2002 | none | |
| *Idaho* | Tom | Rosenthal | Div. of Medicaid | 208-364-1804 | www.idahohealth.org | n | | | | | |
| **Illinois** | Merwyn | Nelson | Center for Health Statistics | 217-785-1064 | www.idph.state.ia.us/ | y i | y $ | ch GX | 1987 | 410 ILCS 520 | Developing regulations for disclosure. |
| **Indiana** | Thomas | Reed | State Department of Health | 317-233-7541 | www.in.gov/isdh/regsvcs/providers.htm | y a | y | co GX | 1997 | IC 16-21-6 | |
| **Iowa** | Barbara | Nervid | Certificate of Need | 515-281-7689 | www.idph.state.ia.us/ | y i | y | ch GX | 1990 | Iowa Code 135.7476 | Results from Iowa Hospital Association survey. |
| **Kansas** | Rachael | Lindbloom | Dept. of Health & Enviroment | 785-296-8629 | www.ink.org/public/hcdgb | y i | y $ | ch | 1995 | KSA 65-6801-6809, KSA 40-2251 | |

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# State Charity Care Survey
## September - October 2003
## Bold States Have Charity Care Data Available
*Italicized States Do Not*

| STATE | FIRST | LAST | AGENCY | PHONE | WEBSITE | CHARITY CARE DATA i=indiv. a=aggre. | AVAILABLE $=fee | co=Charity care in cost ch=Charity care in charges G=Gross patient revenue X=Total operating expenses | DATA FROM | LEGAL CITATION | NOTES |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *Kentucky* | Charles | Kendell | Health Policy Development Branch | 502-564-9592 | www.chs.ky.gov/publichealth/data-warehouse.htm | n | | | | | |
| *Louisiana* | Louis | Trachman | Office of Public Health | 504-568-5048 | www.dhh.state.la.us/Data_and_Stats.html | n | | | | | |
| **Maine** | Debora | Tuck | Health Data Organization | 207-287-6724 | www.maine.gov/mhdo/ | y i | y $ | ch GX | | 22 MRSA 8707 | Audited financials. Developing system for disclosure. |
| **Maryland** | Charlotte | Thompson | Health Services Cost Review Commission | 410-764-5961 | www.hscrc.state.md.us | y i | y | ch GX | 1987 | MCA Health General Code Ann. 19-201 | |
| **Massachusetts** | Jerry | O'Keefe | Division of Health Care Finance & Policy | 617-988-3140 | www.state.ma.us/dhcfp | y i | y | ch co GX | 1998 | MGLC 118 G | |
| **Michigan** | David | Woldseth | Dept. of Community Health | 517-266-9248 | www.michigan.gov/mdch | y i | y | ch GX | 1987 | MCLS 325.2010 | |
| **Minnesota** | John | Oswald | Health Dept. of Community Health | 651-282-6361 | www.health.state.mn.us | y a | y | ch GX | 1985 | MN145.61-145.67 | |
| *Mississippi* | Melba | Carr | Division of Medicaid | 601-359-6088 | www.dom.state.ms.us | n | | | | | |
| **Missouri** | Susan | Elders | Dept. of Health & Senior Services | 573-751-6279 | www.dhss.state.mo.us | y i | y $ | co GX | 1993 | R.S. MO 192.667 | |
| *Montana* | Brett | Williams | Health Policy & Services Division | 406-444-3634 | www.dphhs.state.mt.us | n | | | | | |
| *Nebraska* | Steve | Frederick | Regulation & Licensure | 402-471-2241 | www.hhs.state.ne.us | n | | | | | |
| **Nevada** | Vern | Manke | Dept. of Healthcare Financing & Policy | 775-684-3641 | www.dhcfp.state.nv.us | y i | y | ch GX | 1994 | NV Rev. Stat. 449.450-449.530 | |
| *New Hampshire* | Andrew | Chalsma | Health Statistics/Data Management | 603-271-4514 | http://www.dhhs.state.nh.us/DHHS/DHHS_SITE/default.htm | n | | | | | |
| **New Jersey** | Vincent | Yarmlak | Dept. of Health & Senior Services | 609-984-7005 | www.state.nj.us/health/hcsa | y i | y | ch co GX | 1990 | NJ Stat. 26:2H-18.55 | |
| *New Mexico* | Camille | Clifford | Health Policy Commission | 505-424-3200 | www.healthlinknm.org/guide | y a | n | | | NM Stat. Ann. 24-14A-2, 24-14-27 | |
| **New York** | James | O'Hare | Records Access Office | 518-474-8734 | www.health.state.ny.us | y i | y $ | ch GX | 1981 | NY CLS Pub. Health 2803-b & 2805-a | Requires written FOIL request. |
| *North Carolina* | Angela | Hodge | Division of Controller's Office | 919-855-3687 | www.dhhs.state.nc.us | n | | | | | |
| *North Dakota* | Fred | Larson | Health Department | 701-328-4831 | www.discovernd.com/healthsafety/health.html | n | | | | | |

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# State Charity Care Survey
## September - October 2003
## Bold States Have Charity Care Data Available
*Italicized States Do Not*

| STATE | FIRST | LAST | AGENCY | PHONE | WEBSITE | CHARITY CARE DATA i=indiv. a=aggre. | AVAILABLE $=fee | co=Charity care in cost ch=Charity care in charges G=Gross patient revenue X=Total operating expenses | DATA FROM | LEGAL CITATION | NOTES |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *Ohio* | John | Paulson | Center for Vitals and Health Statistics | 614-466-5308 | www.ohio.gov/doh | n | | | | | |
| *Oklahoma* | Binitha | Kunnel | Health Care Information | 405-271-6225 | www.ohca.state.ok.us/ | n | | | | | |
| **Oregon** | Liz | Stevenson | Office of Health Policy & Research | 503-378-2422 x 400 | www.ohppr.state.or.us/data/db/data_db_index.htm | y i | y $ | ch GX | 1996 | | Audited financials. |
| **Pennsylvania** | Joe | Martin | Healthcare Cost Containment Council | 717-232-6787 x 1156 | www.phc4.org | y i | y | ch co GX | 1990 | 35 P.S. 449.6 and 35 P.S. 5701.1103 | |
| **Rhode Island** | Bruce | Cryan | Management and Recording | 401-222-5123 | www.health.ri.gov | y i | y | co | 2000 | RIGL 23-17.14-3HCA | |
| **South Carolina** | Jennie | Watson | Office of Research and Statistics | 803-898-9963 | www.ors.state.sc.us | y a | y $ | ch GX | 1990 | SC Code Ann. 44-6-170, 175 & 200 | In conjunction with the SC Hospital Association. |
| *South Dakota* | Kathlene | Mueller | Dept. of Health | 605-773-3361 | www.state.sd.us/doh/ | n | | | | | |
| **Tennessee** | George | Wade | Health Dept. | 615-532-7883 | www.2.state.tn.us/health/statistics/PdfFiles/ResourceGuide02.pdf | y i | y$ | ch | 1995 | TCA 68-1-108, 68 11-130 | |
| **Texas** | Sylvia | Cook | Health Care Information Council | 512-482-3323 | www.thcic.state.tx.us | y i | y $ | ch | 1999 | Tex. Health & Safety Code 311.035, 311.045 | |
| *Utah* | Wu | Xu | Office of Health Data Analysis | 801-538-7048 | www.health.utah.gov/html/health_data.html | n | | | | | |
| **Vermont** | Michael | Davis | Division of Health Care Administration | 802-828-2989 | www.bishca.state.vt.us/HcaDiv/Data_Reports/data_repindex.htm | y i | y | ch GX | 1990 | 18 VSA 9401 | |
| **Virginia** | Michael | Lundberg | Health Information | 804-643-5573 | www.vhi.org | y i | y | co GX | 1993 | VA Code Sec. 32.1-276.3, 276.6 | |
| **Washington** | Tom | Mueller | Center for Health Statistics, Hospital & Patient Data | 360-236-4215 | www.doh.wa.gov/EHSPHL/hospdata/ | y i | y $ | ch GX | 1994 | ARCW 70.170.010 to 100 | |
| **West Virginia** | Carol | Haugen | Health Care Authority | 304-558-7000 | www.hcawv.org | y i | y | ch GX | 1984 | WV Code Sec. 16-5F-1 | |
| **Wisconsin** | David | Woldseth | Bureau of Health Information | 608-266-9248 | www.dhfs.state.wi.us/provider/hospitals.htm | y i | y $ | ch GX | 1989 | Wis. Stat. 153.01 | |
| *Wyoming* | Menlo | Fooda | Dept. of Health | 307-777-6012 | www.wdh.state.wy.us | n | | | | | |