

NASHP Hospital Cost Tool

National Healthcare Price Transparency Conference 2024

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Introduction to NASHP's Hospital Cost Tool

- **What is the data source?**

- Hospital reported and attested to annual Medicare Cost Reports submitted and posted publicly on the federal HCRIS database

- **What data can the hospital tool provide?**

- Hospital Specific
- 2011-2022 (11-year data set)
- Developed by the National Academy for State Health Policy (NASHP) with Baker Institute of Public Policy (Rice University) and Mathematica (online tool) supported by Arnold Ventures
- Multiple financial metrics from profit/loss to breakeven levels
- Labor metrics for analyses

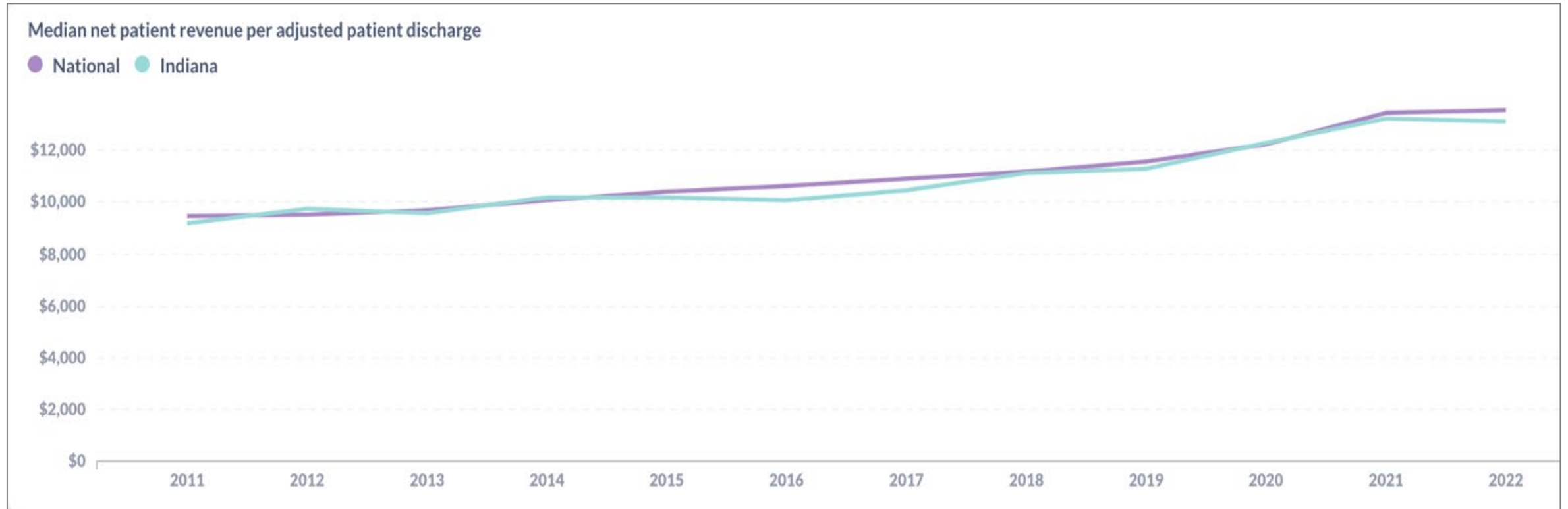
<https://www.nashp.org/hospital-cost-tool/>

NASHP's Hospital Cost Tool includes:



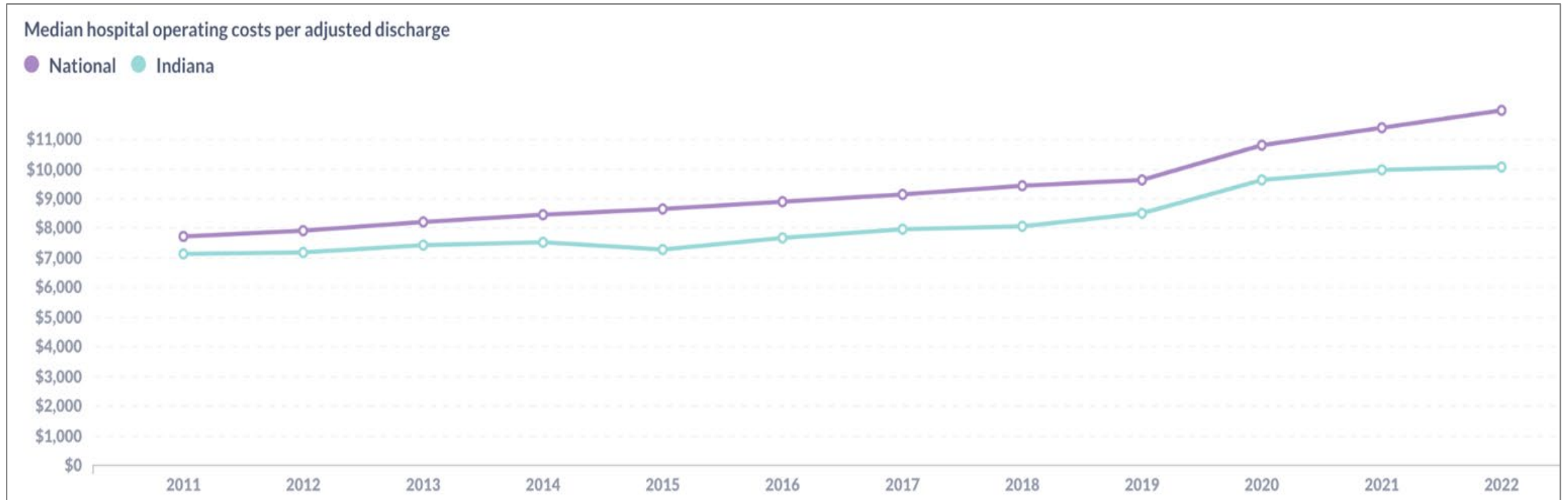
- The online, interactive dashboard highlighting multiple hospital financial measures for almost 5,000 hospitals
- A downloadable excel file with all the metrics highlighted online and more
- The Hospital Cost Calculator that provides detailed steps for the metric calculations

Indiana and National: Net Patient Revenue



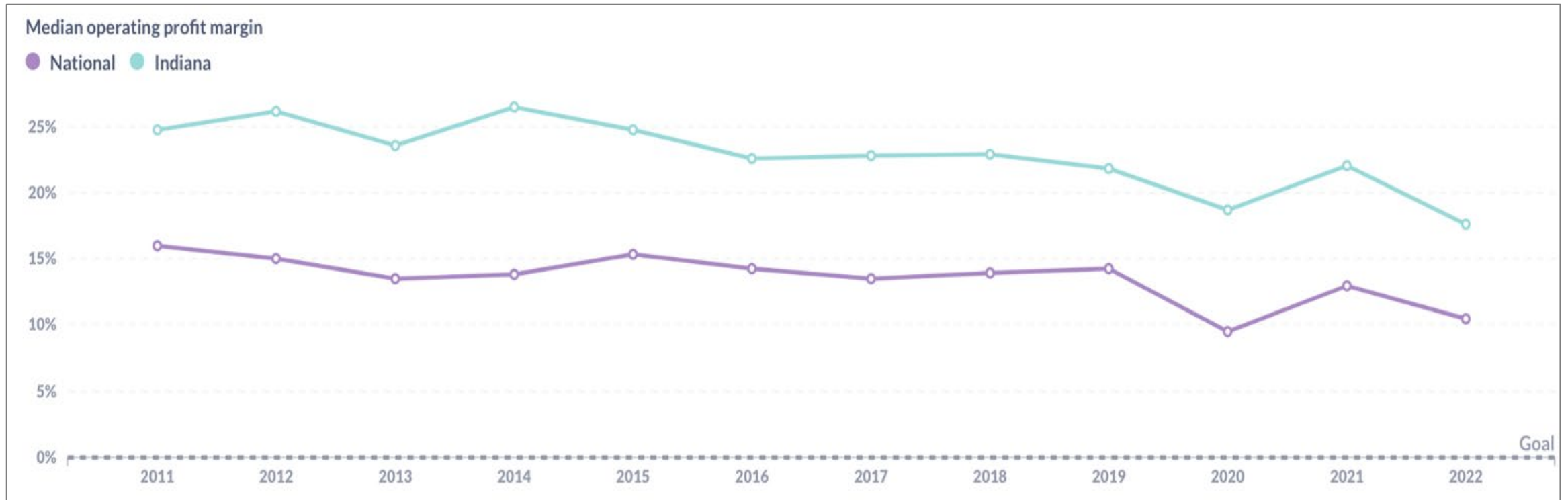
Net Patient Revenue per adjusted discharge follows National trend

Indiana and National: Operating Costs



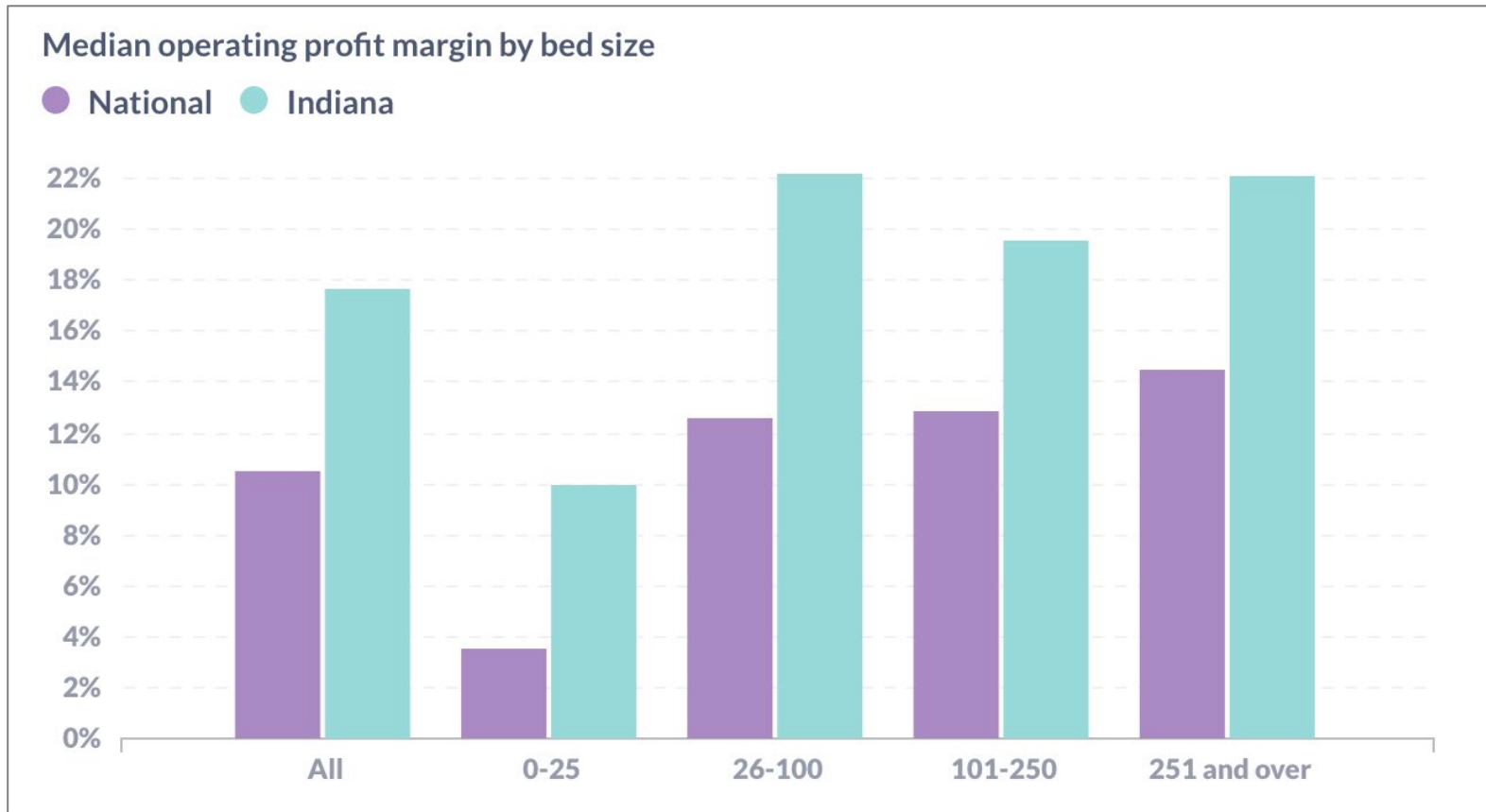
Hospital Operating Costs per adjusted discharge lower than National Trend

Indiana and National: Operating Margin



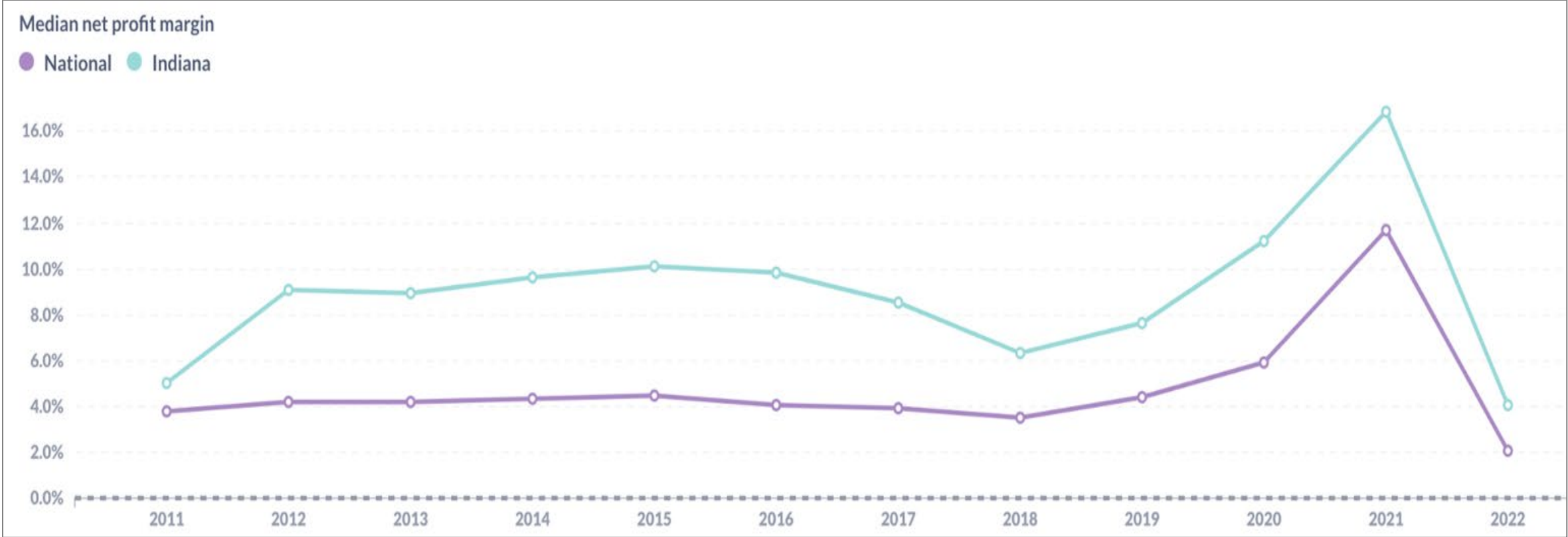
Indiana trend line follows similar pattern, but 7 to 11 percentage points higher than National

Indiana and National: Operating Margin



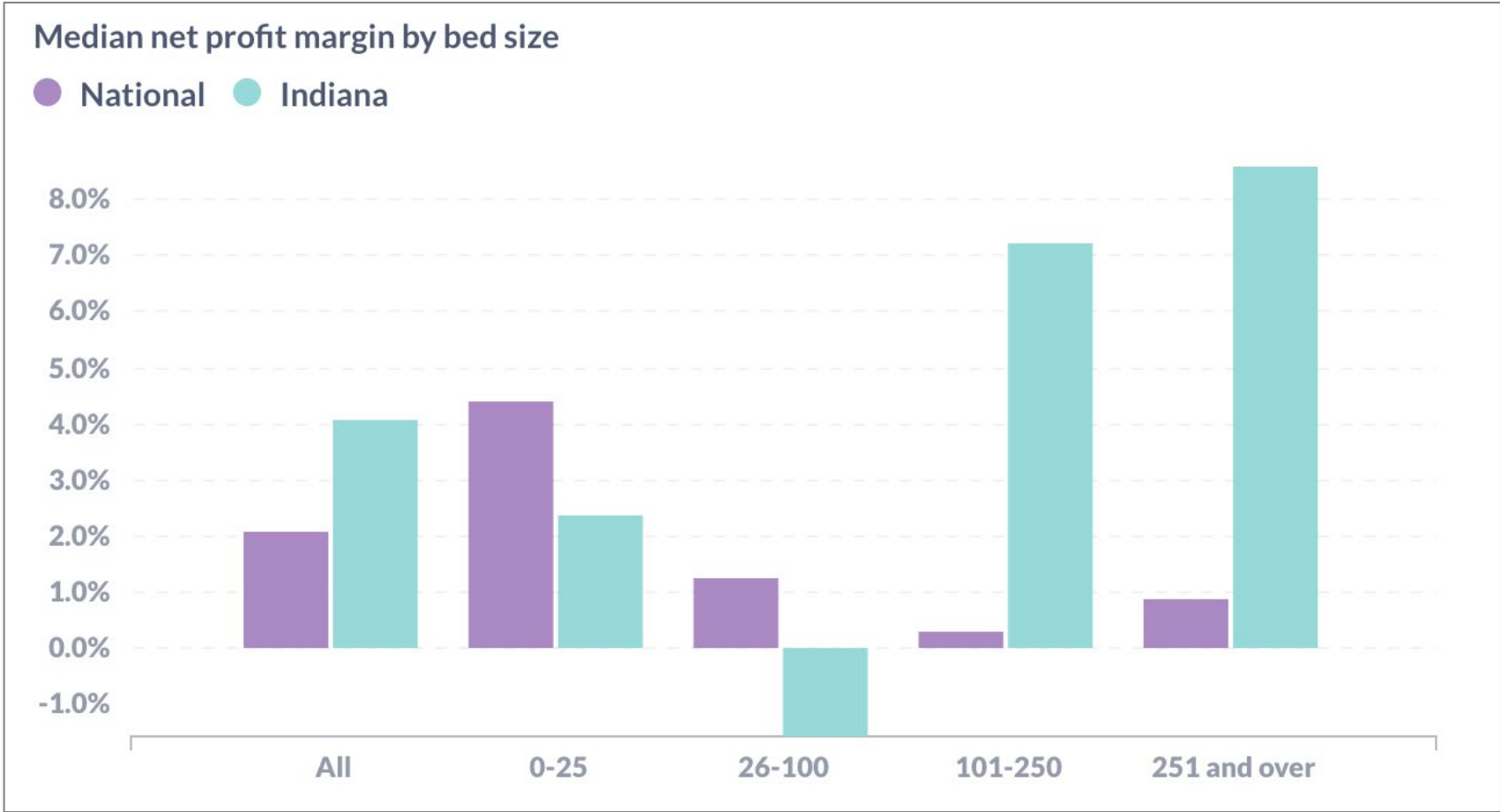
2022: Indiana higher than National medians by hospital bed size

Indiana and National: Net Profit Margin



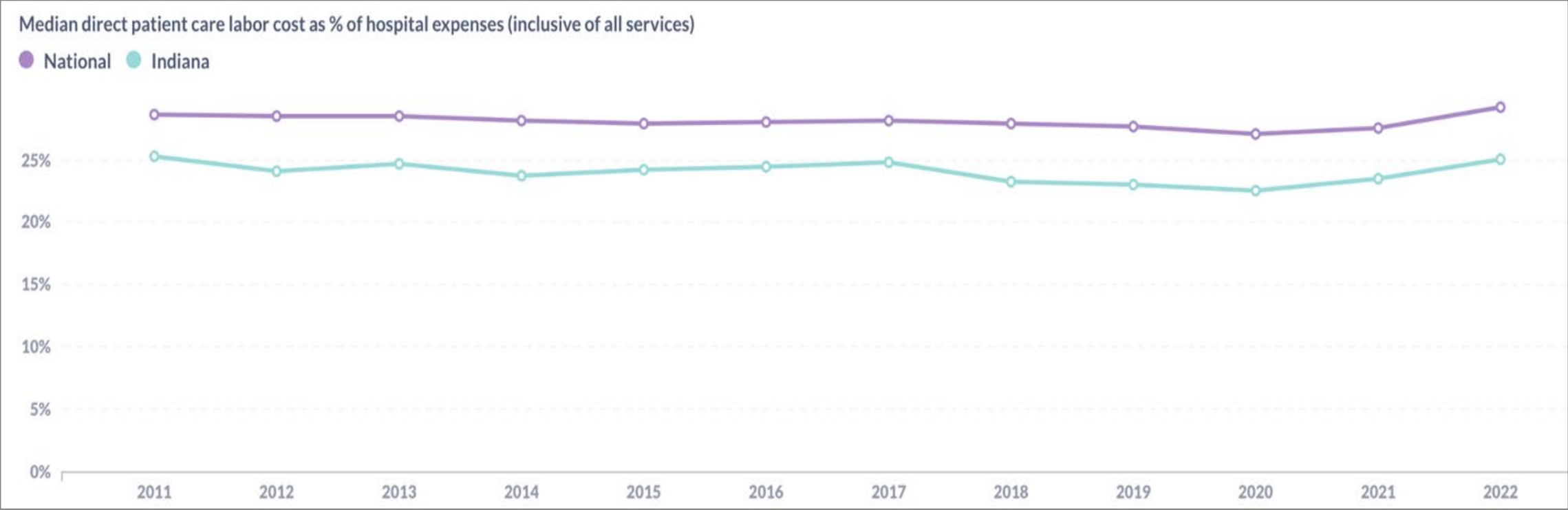
2021 and 2022 show impact of unrealized market gains and losses. Indiana median 2022 = 4.1%

Indiana and National: Net Profit Margin



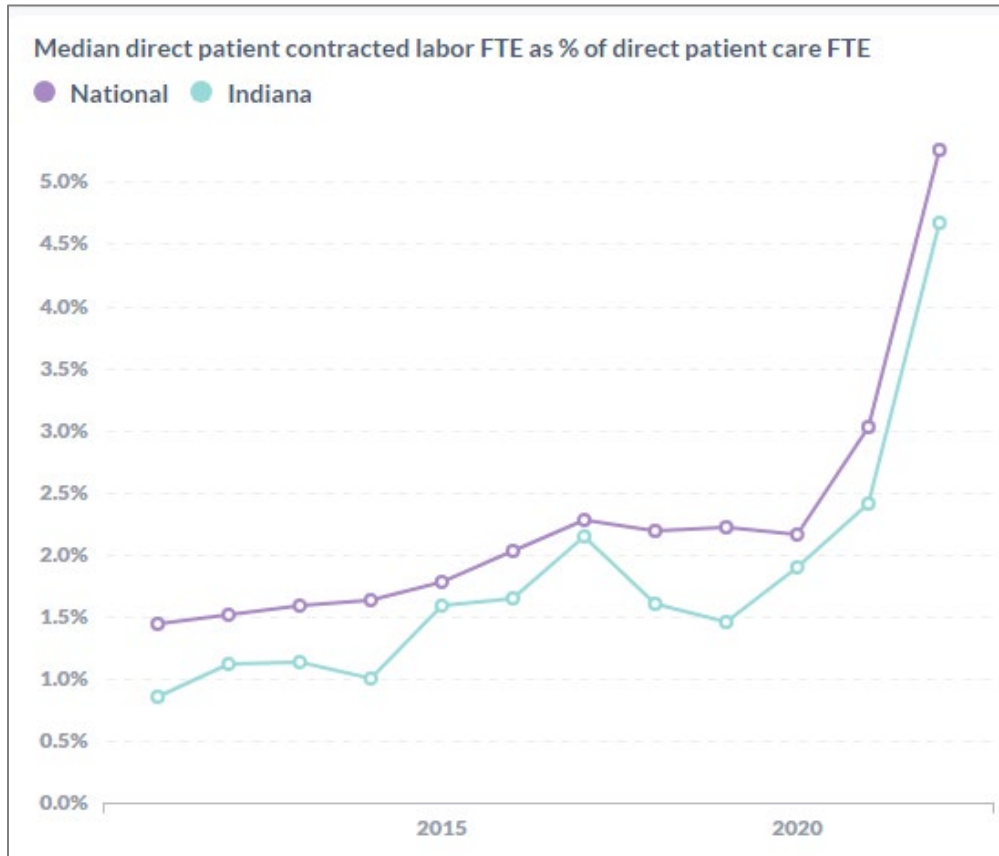
2022 by hospital bed size

Indiana and National: Direct Patient Care Cost as % of Hospital Expenses

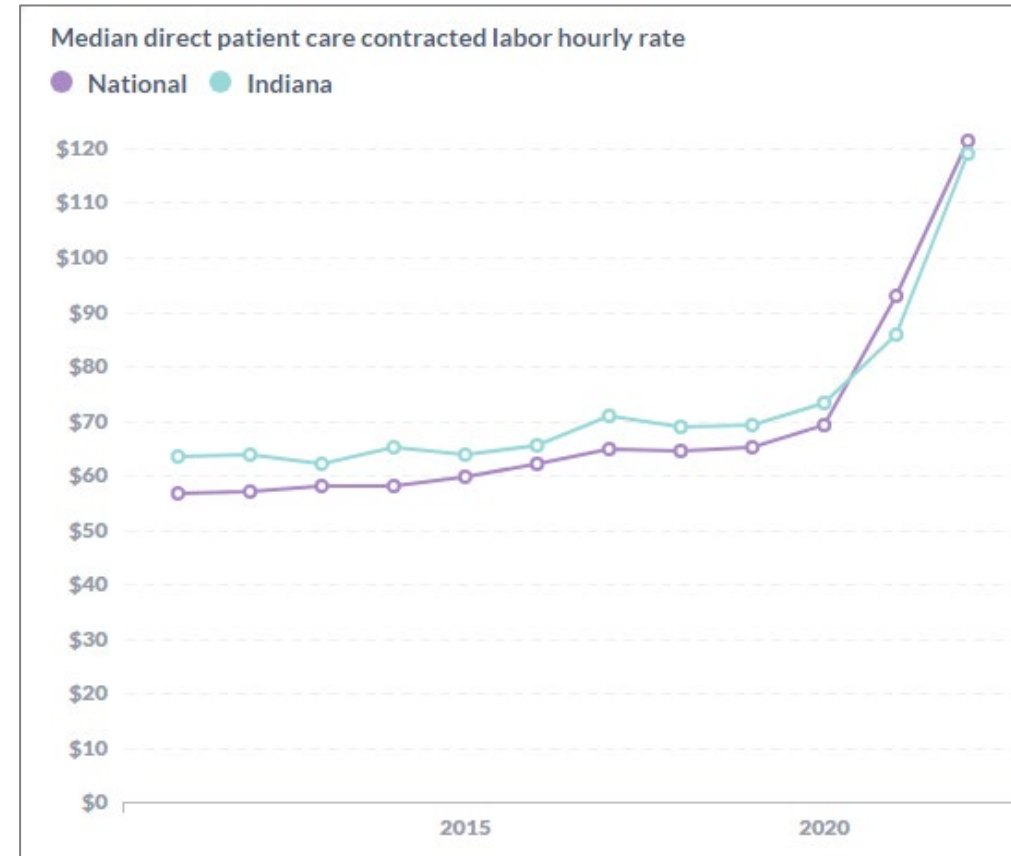


Indiana trend 23% to 25%; 2022 rate the same as 2011

Indiana and National: Direct Patient Care



Contracted Labor FTEs



Contracted Labor Hourly Rate

View a Hospital

<https://tool.nashp.org>

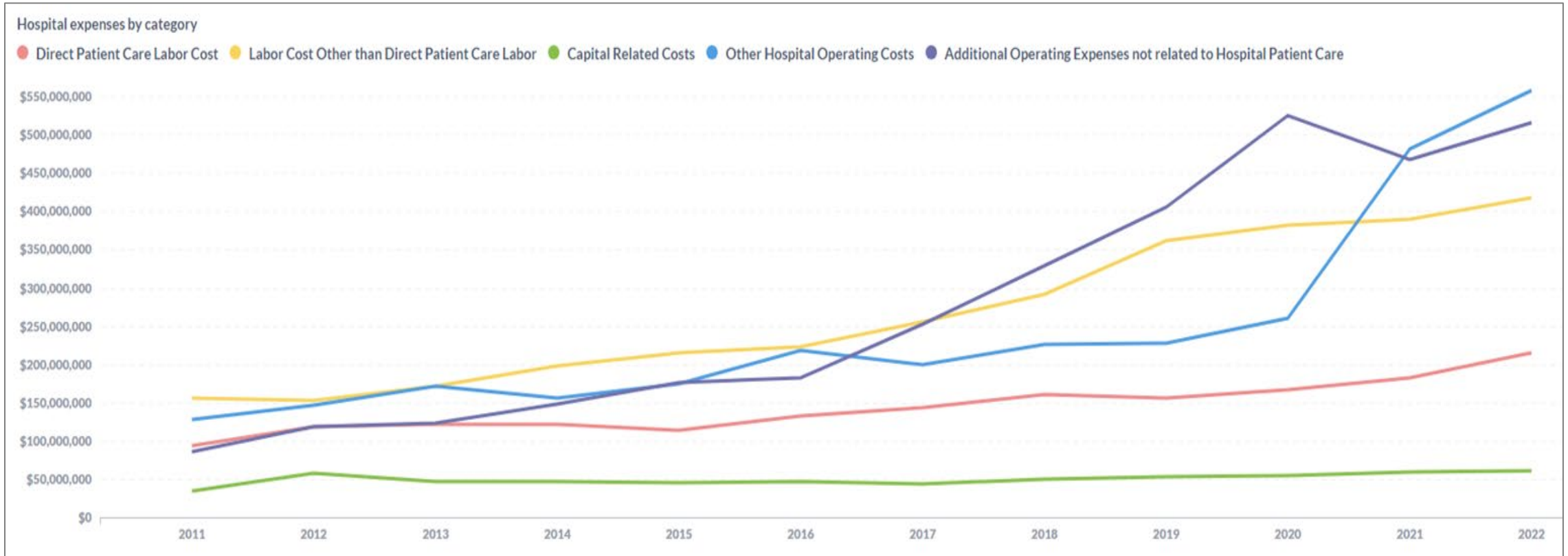


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Hospital Expenses

Parkview Hospital – Fort Wayne



Total Expense Average Increase: (2011 - 2022) = **23%**
(2018 - 2022) = **35%**

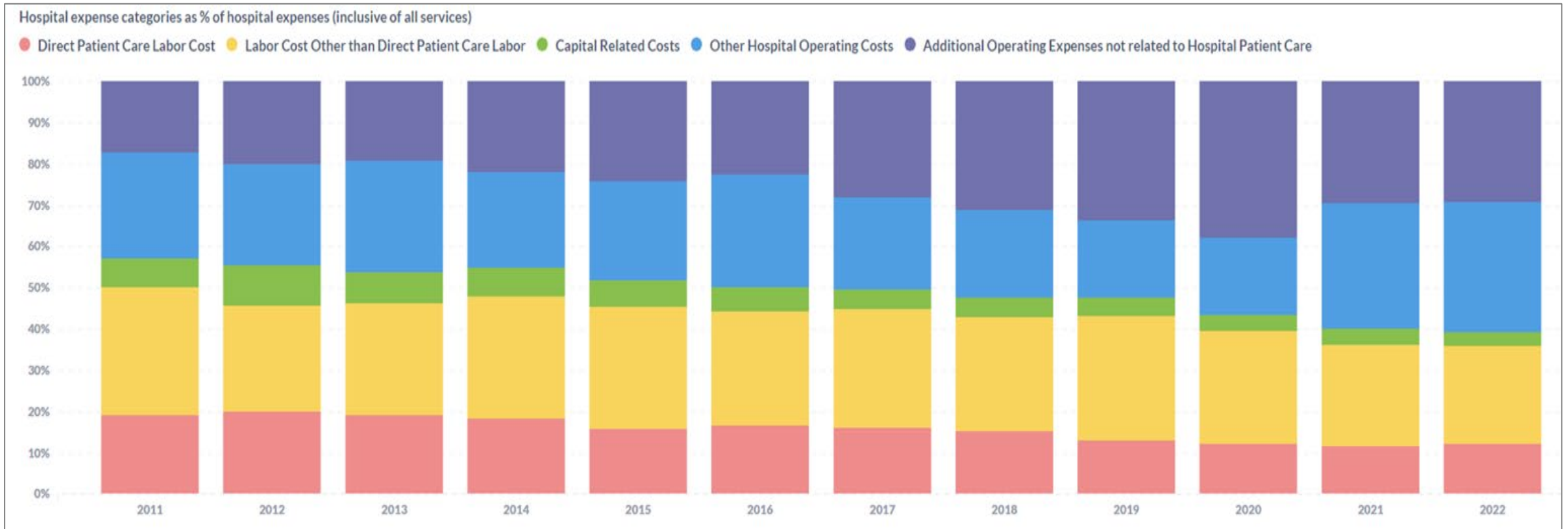


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Source: <https://tool.nashp.org/>

Hospital Expenses – How did Expense Allocation Change?

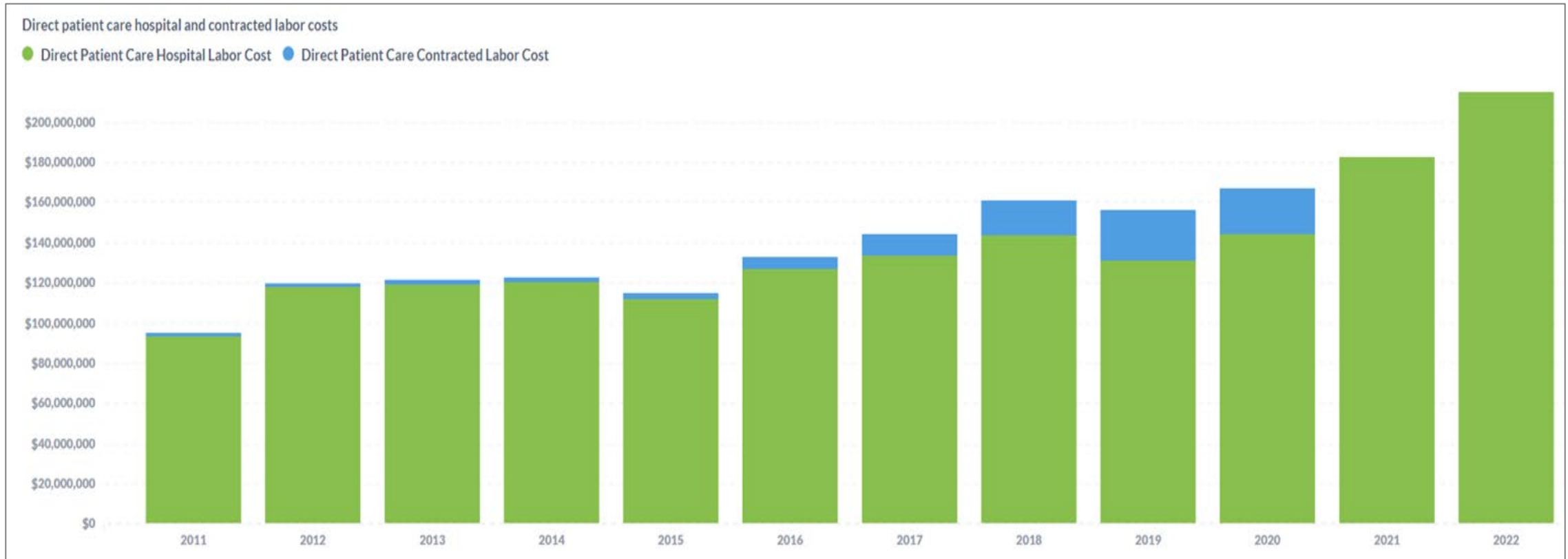
Parkview Hospital – Fort Wayne



\$499 million (2011) to \$1.8 billion (2022)

Direct Patient Care Labor – Total Cost

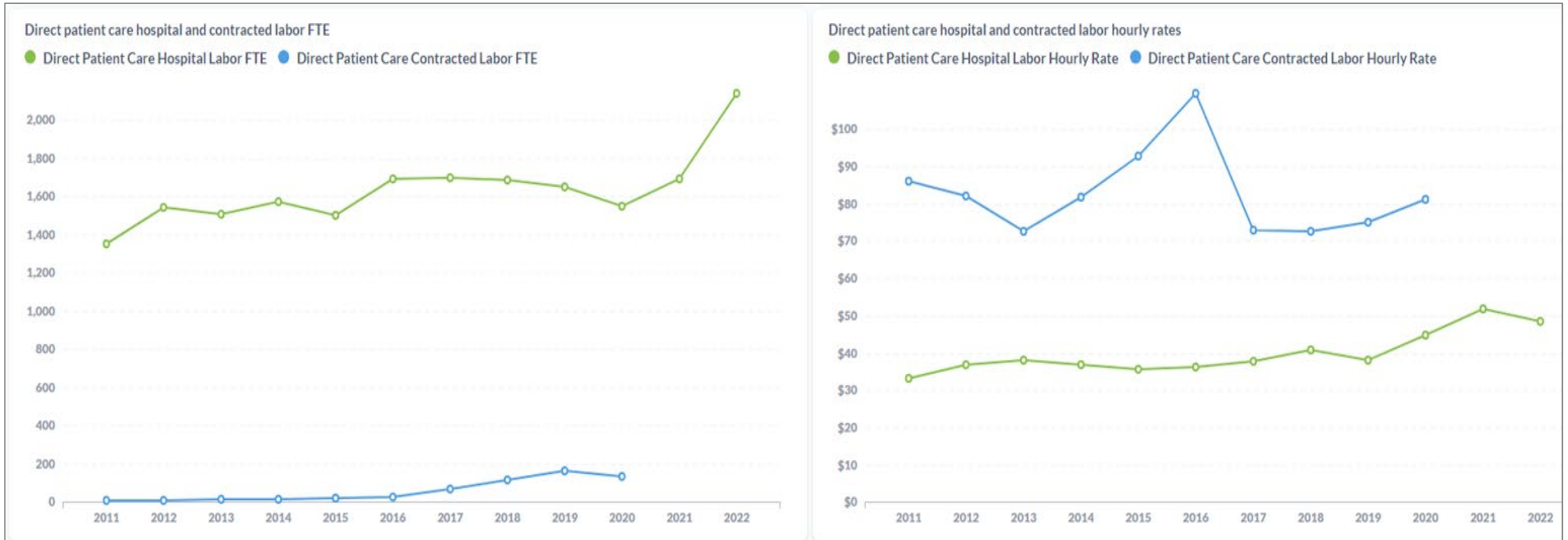
Parkview Hospital – Fort Wayne



2022 = \$215 million; no contracted labor

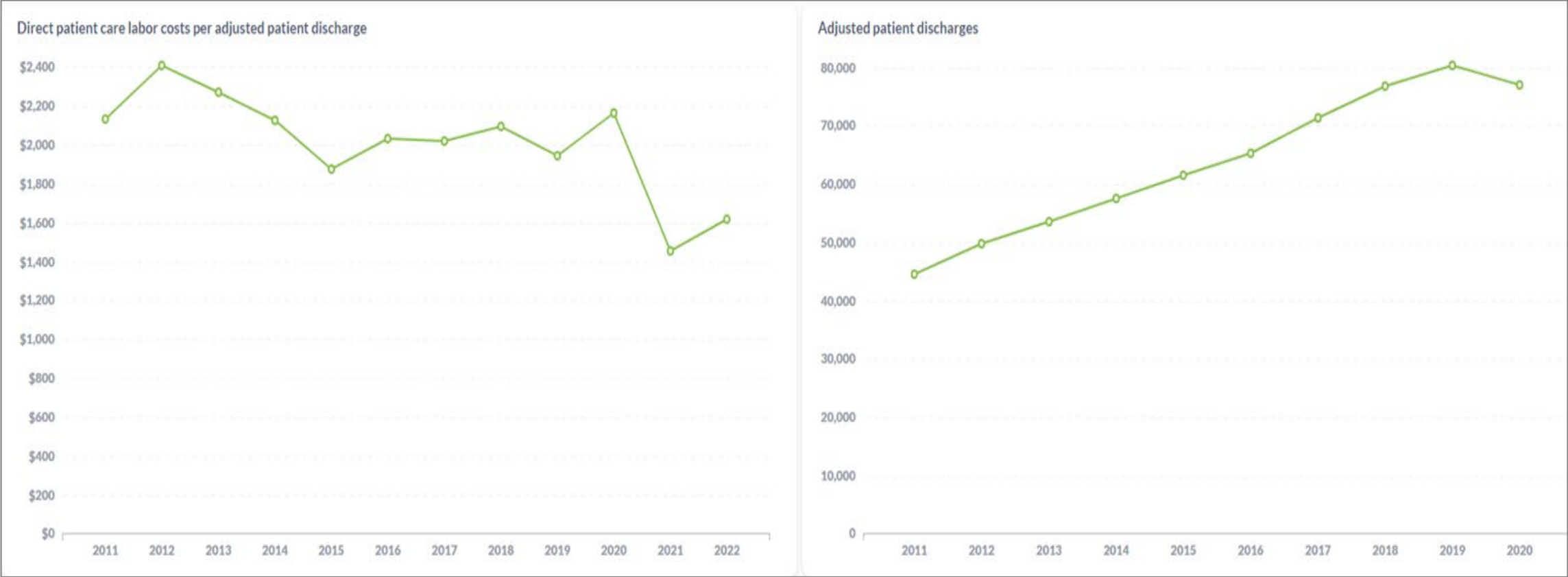
Direct Patient Care Labor – FTE Count and Hourly Rate

Parkview Hospital – Fort Wayne



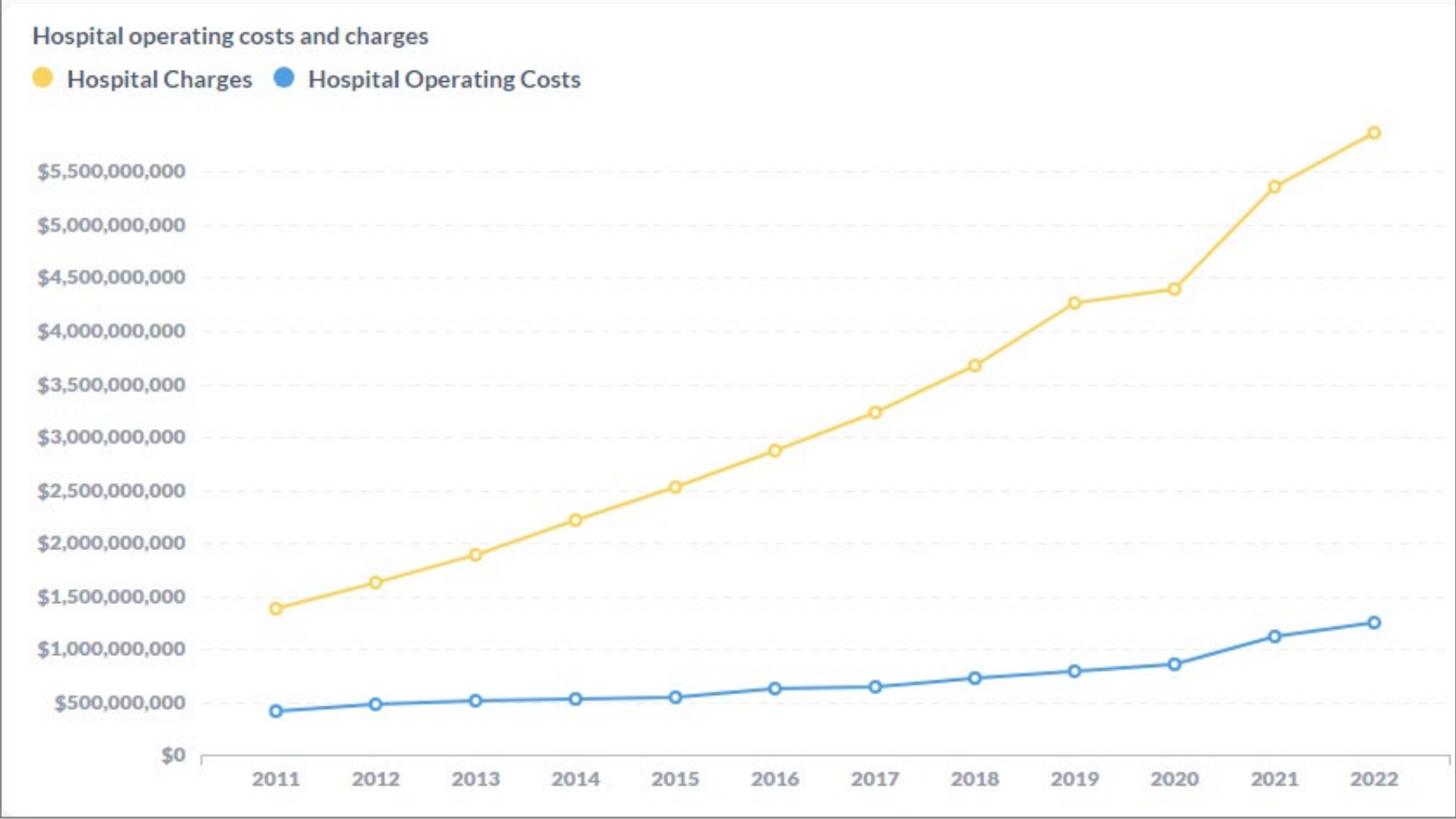
Direct Patient Care Labor Cost & Adjusted Discharges

Parkview Hospital – Fort Wayne



Cost to Charge Ratio

Parkview Hospital – Fort Wayne



Breakeven Analysis

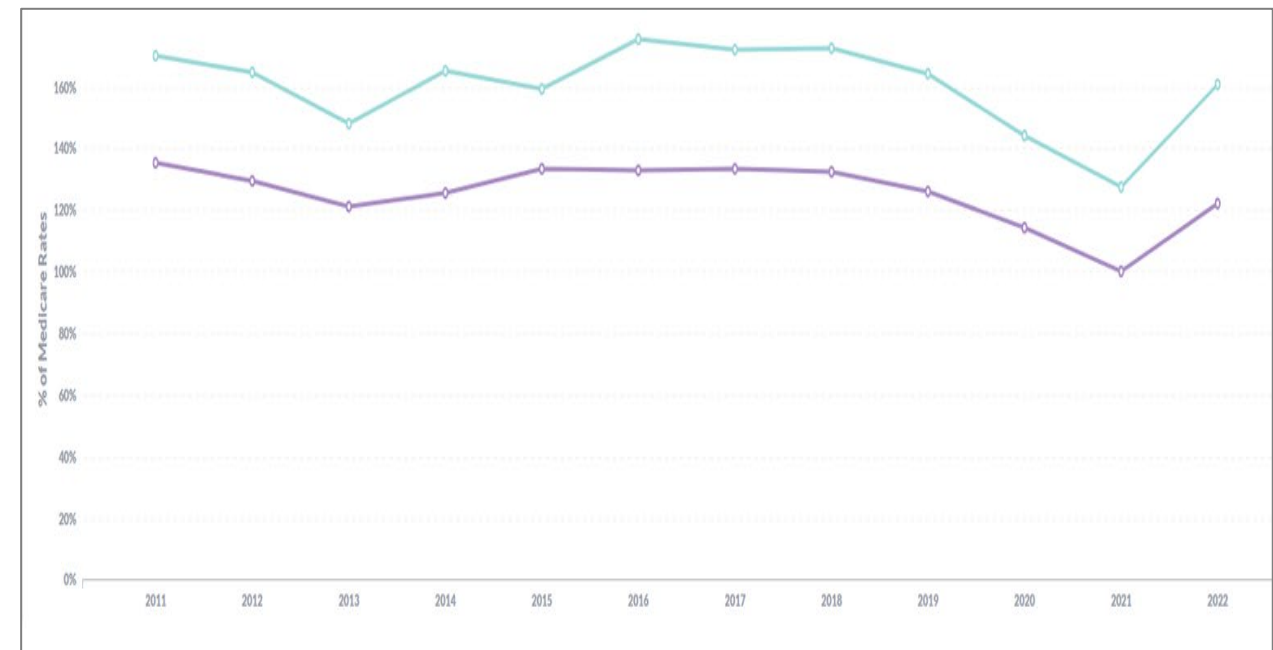
- NASHP's Hospital Cost Tool shows a hospital's **breakeven point**: when **Revenue = Expenses**
- **NASHP Commercial Breakeven** – how much a hospital needs to be reimbursed by commercial payers to cover commercial patient hospital costs, losses from other payers, charity care, uninsured, all Medicare disallowed costs, and other income/other expense.
- **Physician General Services** included; **Direct Patient Services** excluded (paid through other channels: RBRVS, Fee Schedules, Provider Network, etc.)
- Expressed as multiple of Medicare rate – hospital specific

Indiana and National Median Commercial Breakeven Trend

2022: IN = 161% US= 122%

Median commercial breakeven

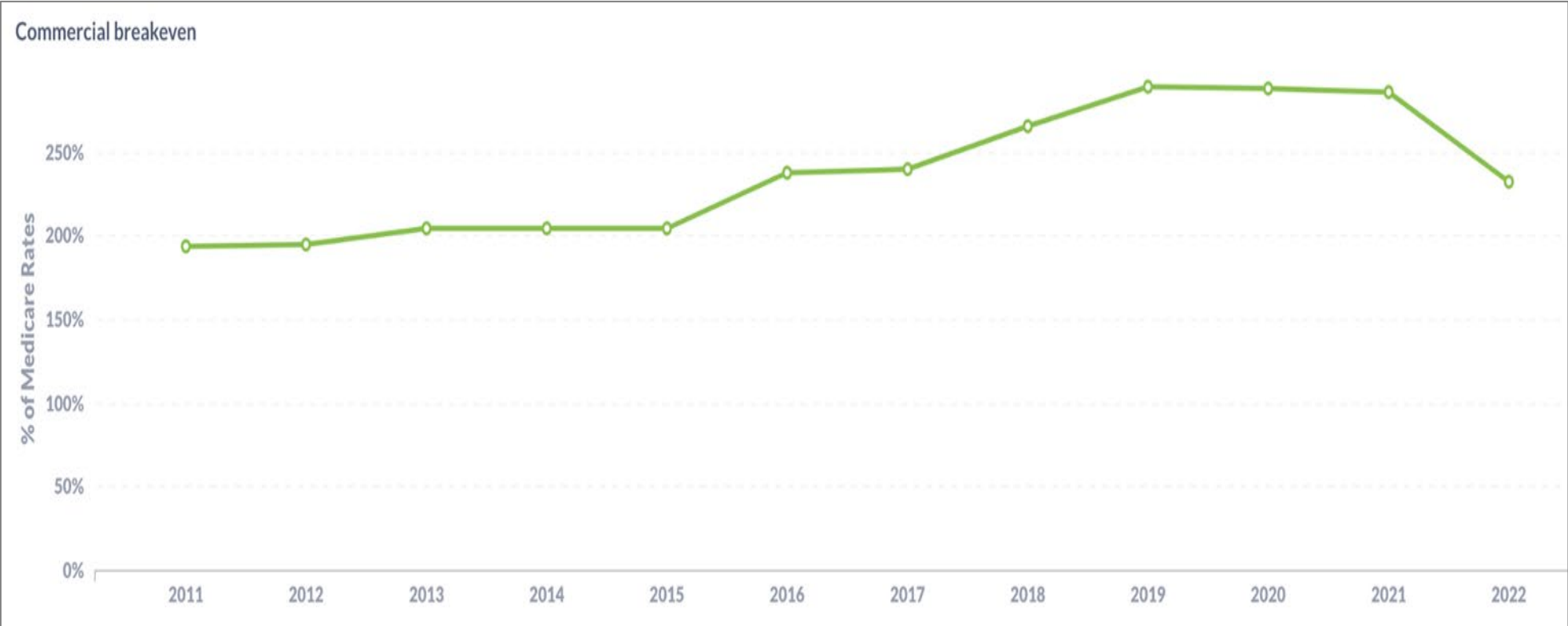
● National ● Indiana



Source: <https://tool.nashp.org/> 78

Commercial Breakeven

Parkview Hospital – Fort Wayne

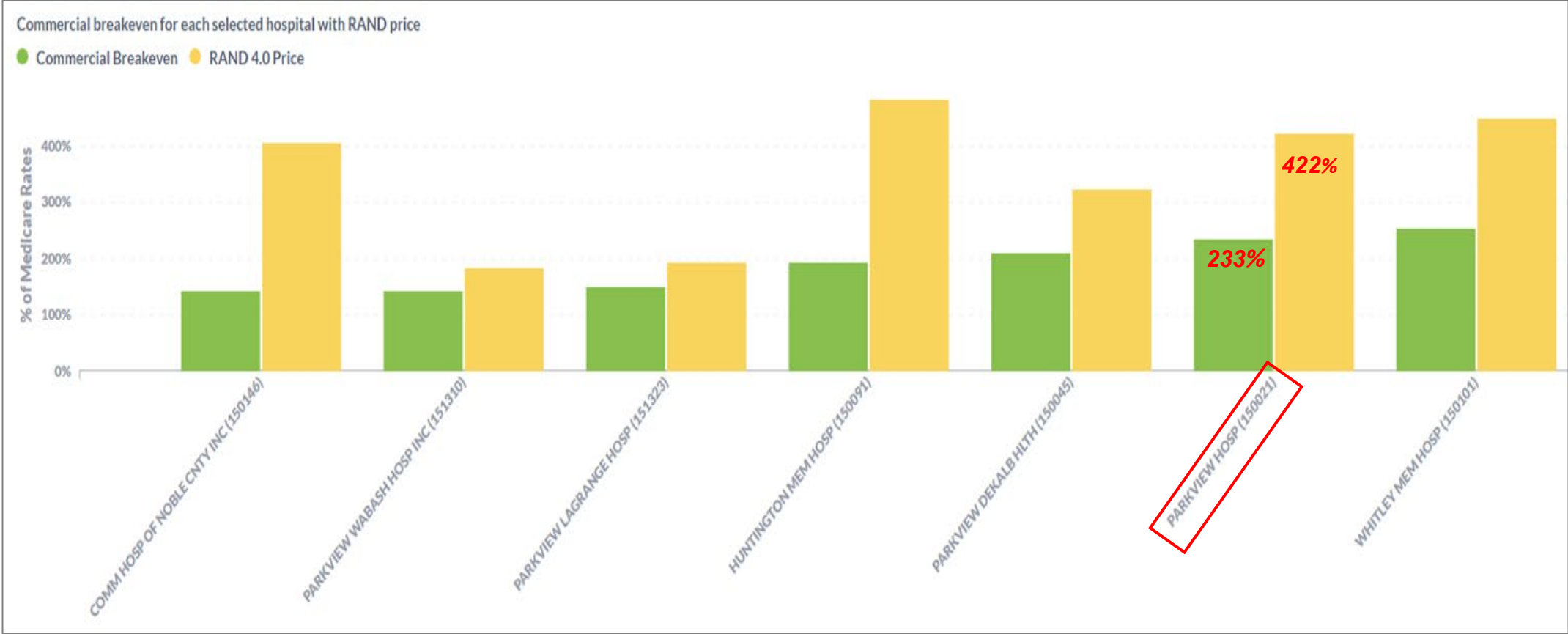


Impacts to Commercial Breakeven

- "Physician Group Subsidy"
 - ✓ \$239 million (2022)
 - ✓ \$71 million (2015)
- Investment Gains/Losses (Realized & Unrealized)

2022 Commercial Breakeven compared to RAND 4.0

Parkview Hospital – Fort Wayne



Health Systems

<https://tool.nashp.org/>

[Municipal Securities Rulemaking Board::EMMA \(msrb.org\)](https://msrb.org/)

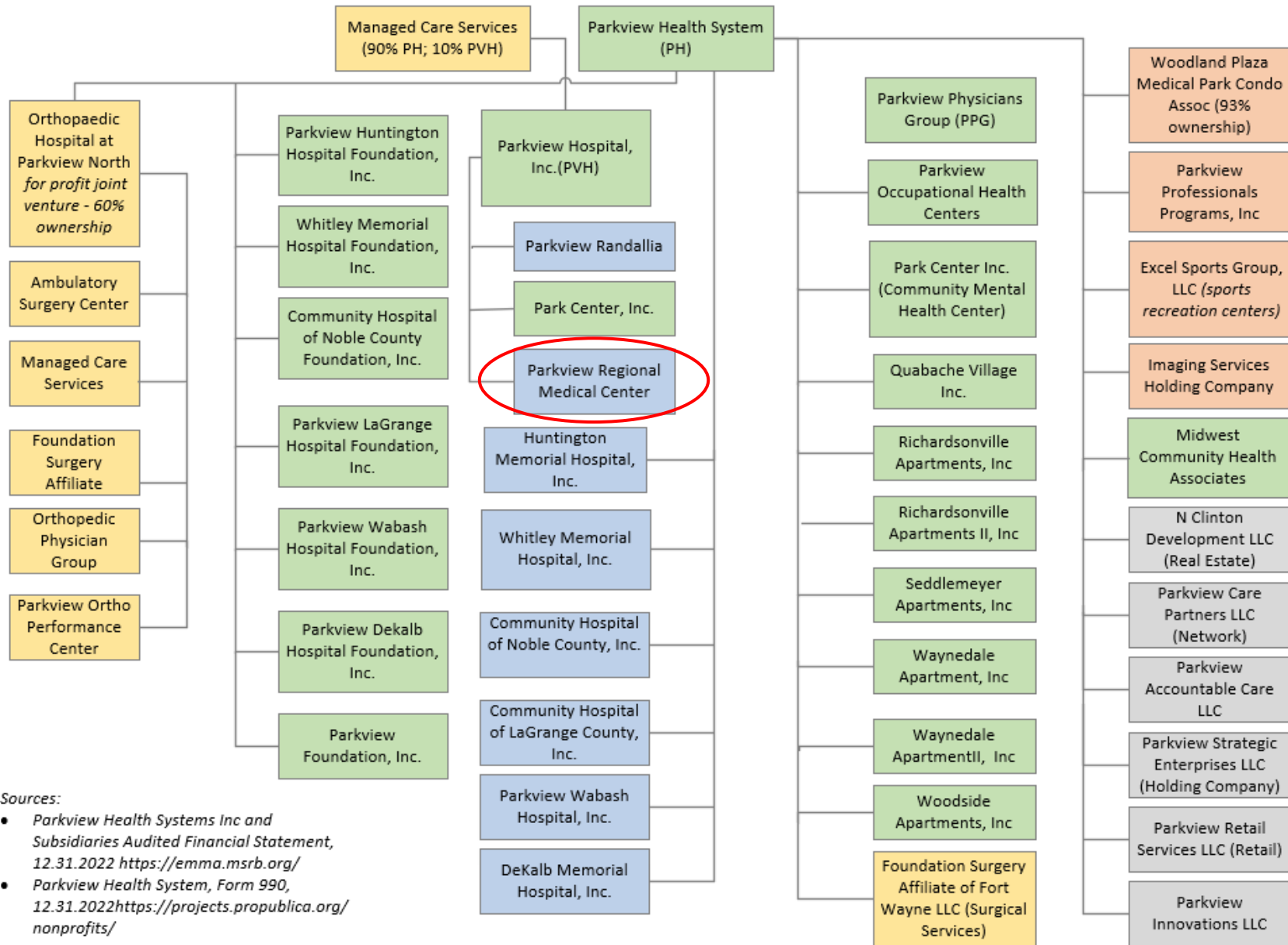
[Nonprofit Explorer - ProPublica](#)



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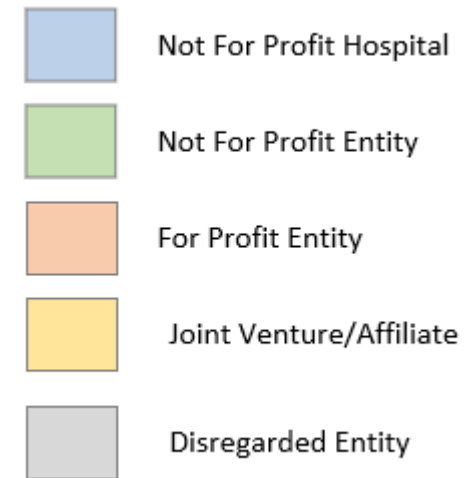
Parkview Health Systems, Inc. and Subsidiaries



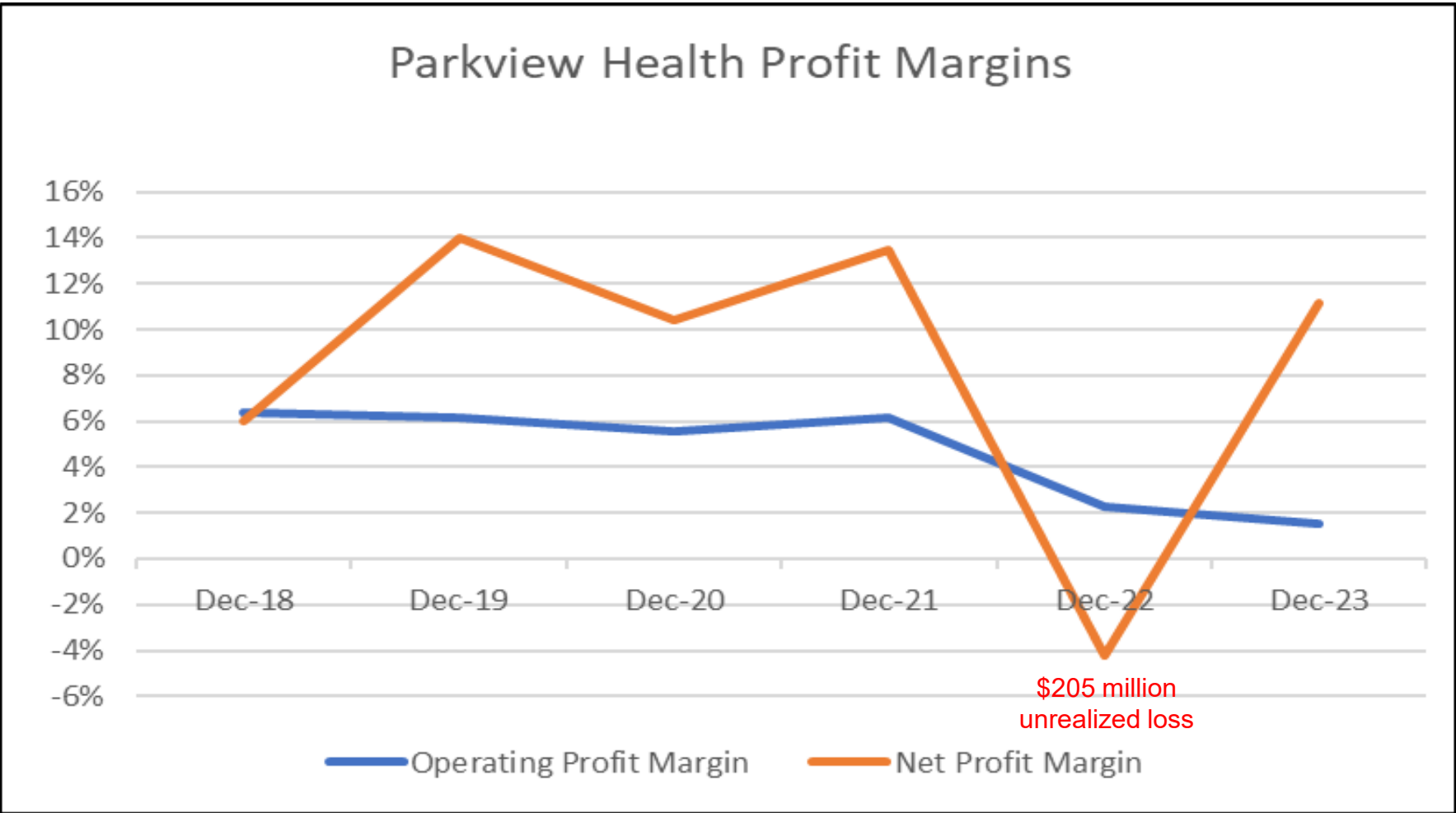
Sources:

- Parkview Health Systems Inc and Subsidiaries Audited Financial Statement, 12.31.2022 <https://emma.msrb.org/>
- Parkview Health System, Form 990, 12.31.2022 <https://projects.propublica.org/nonprofits/>

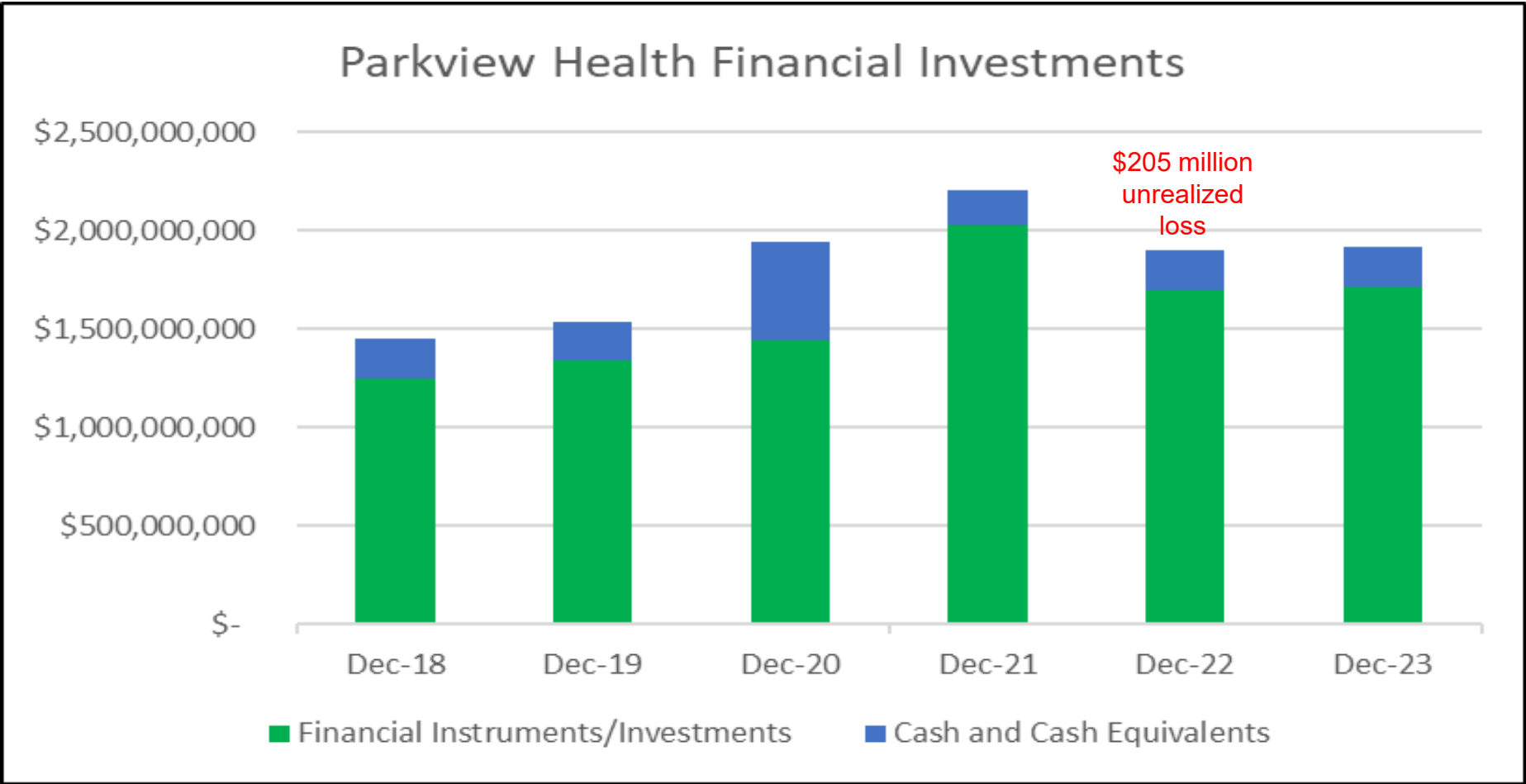
Health System Ownership Transparency



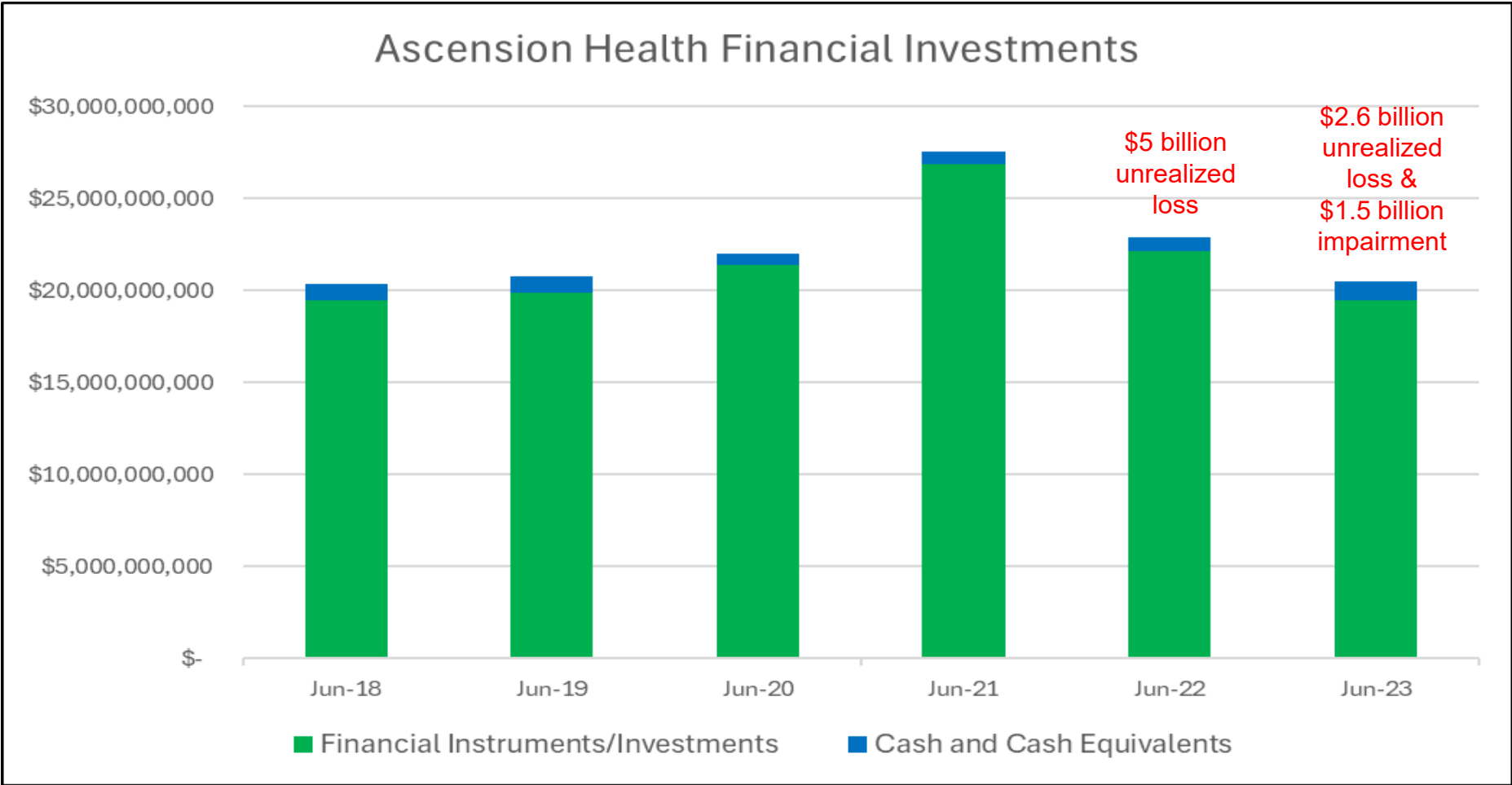
Parkview Health System, Inc. and Subsidiaries



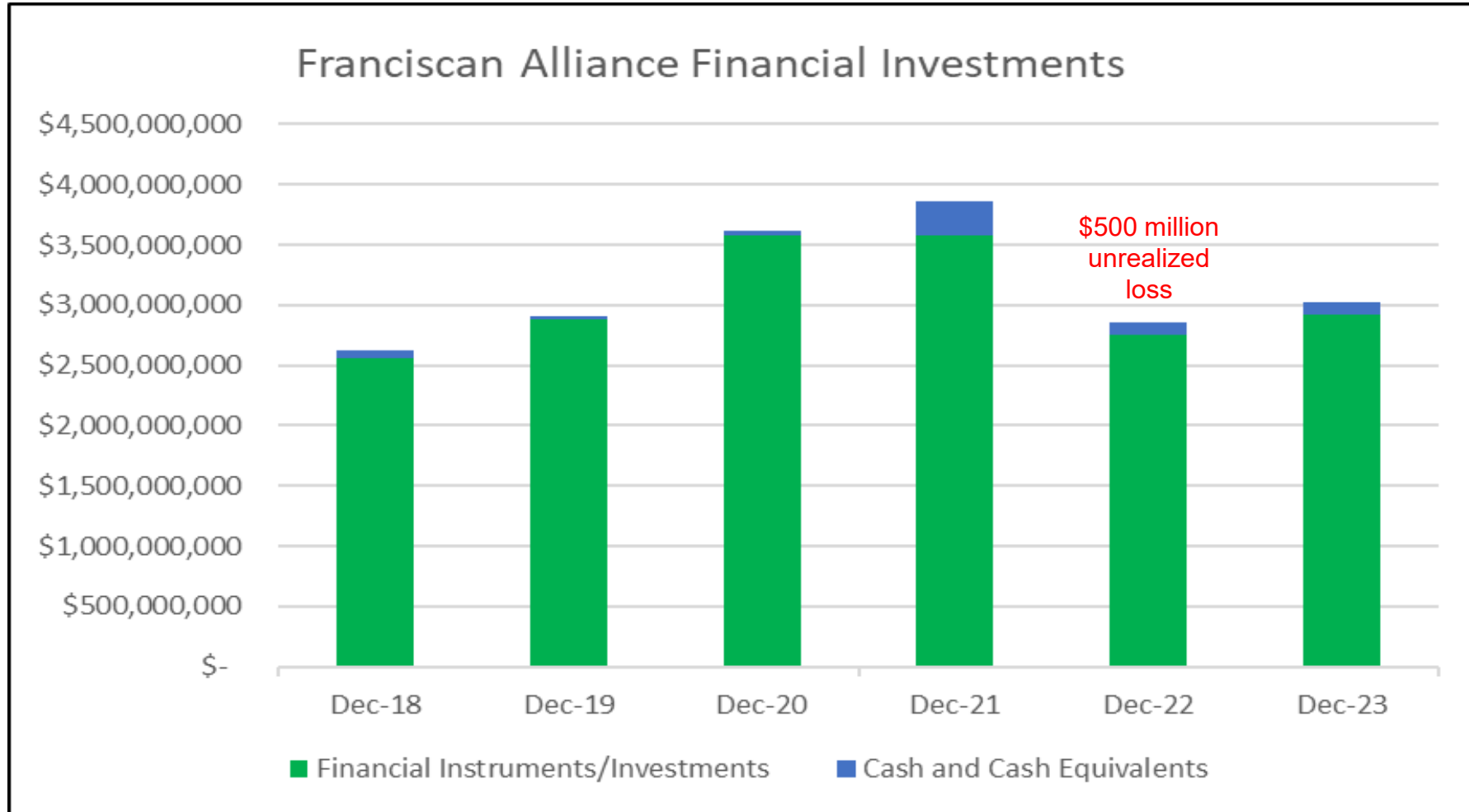
Parkview Health System, Inc. and Subsidiaries



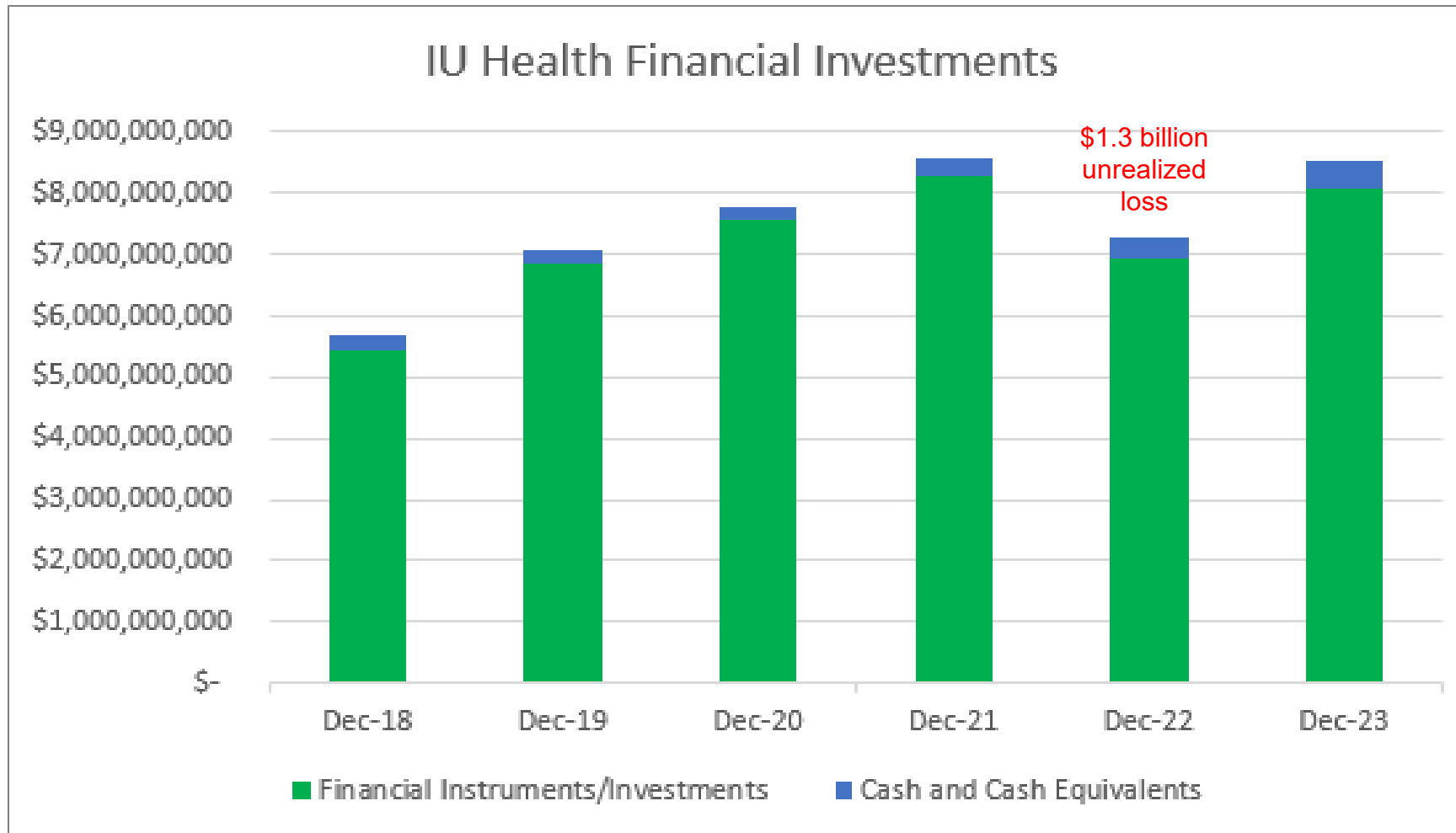
Ascension Health



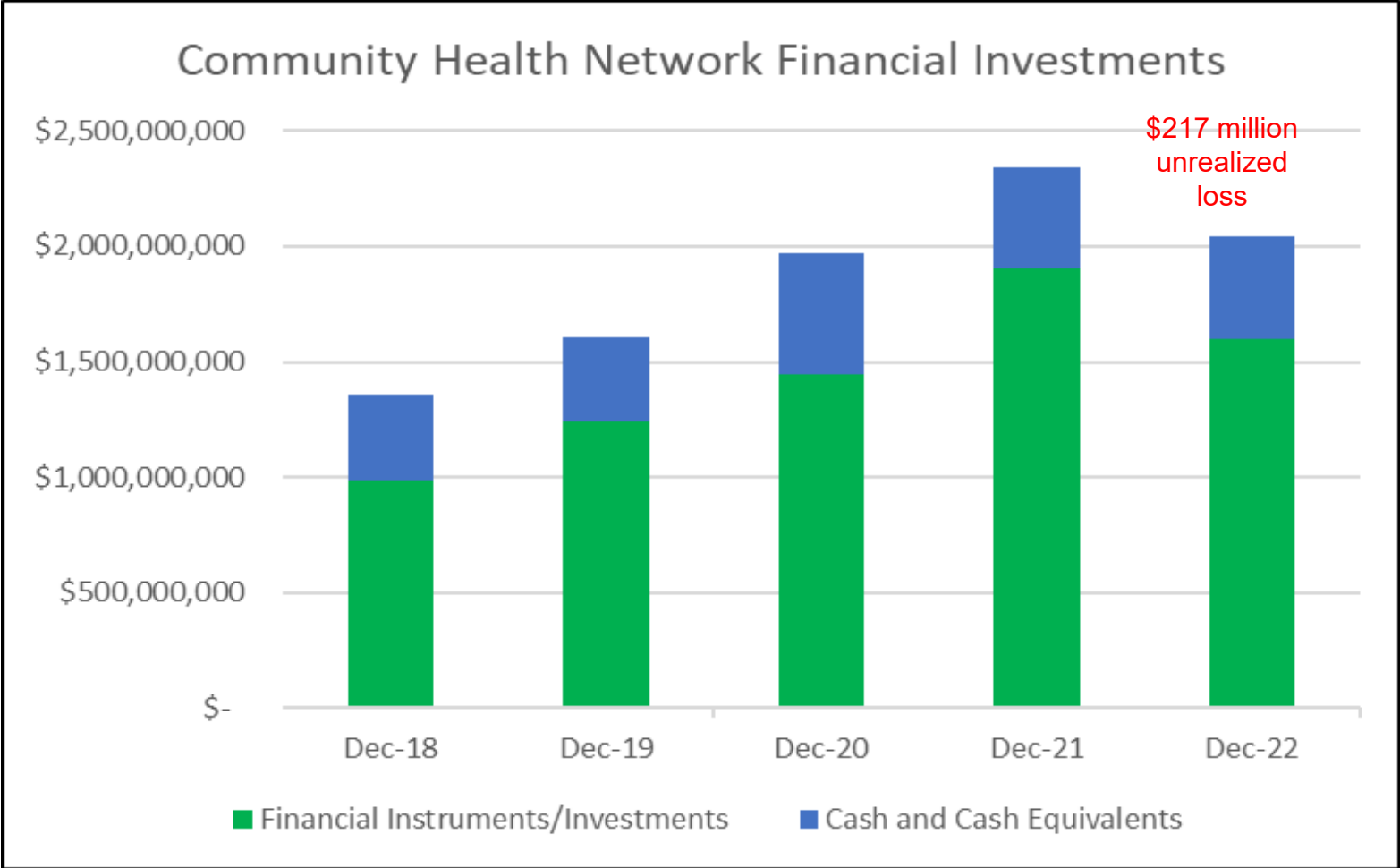
Franciscan



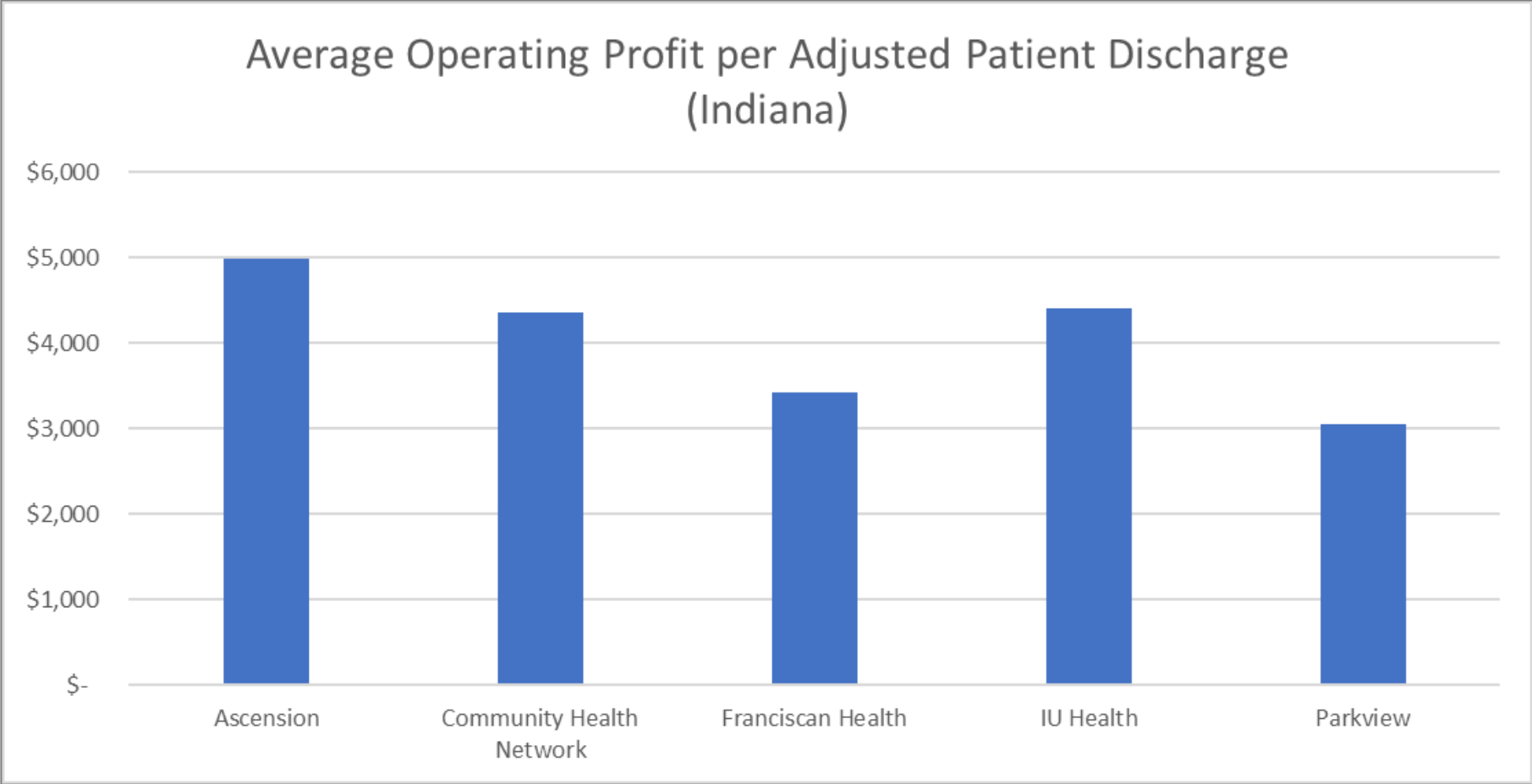
IU Health



Community Health Network



Operating Profit per Adj Patient Discharge (2022)



Thank you

Key Resources:

[NASHP's Center on Hospital and Health System Cost](#)

[NASHP Hospital Cost Tool](https://tool.nashp.org/) - <https://tool.nashp.org/>

[Municipal Bond Filings Public Access](https://emma.msrb.org/) - <https://emma.msrb.org/>



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