NASHP Hospital Cost Tool

National Healthcare Price Transparency Conference 2024

Marilyn Bartlett, CPA, CMA, CFM, CGMA Senior Policy Fellow May 13, 2024



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/



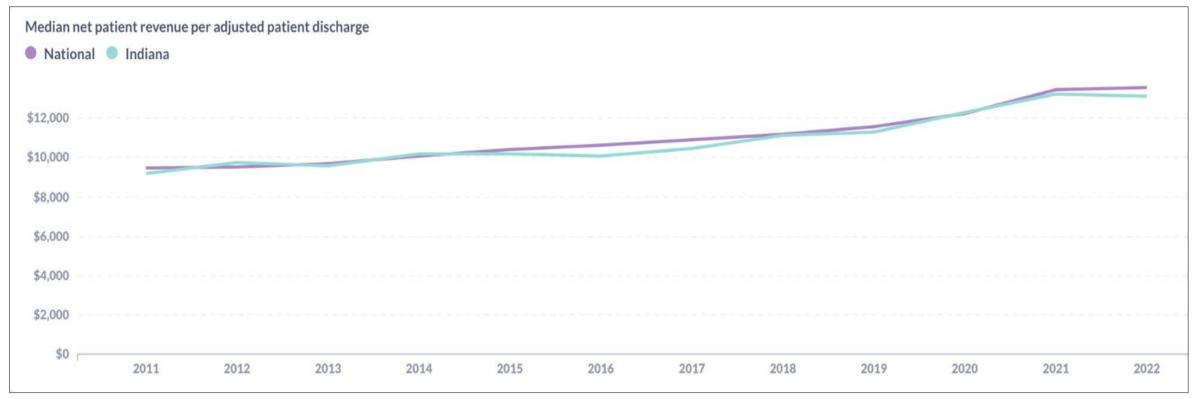
NASHP's Hospital Cost Tool includes:

- 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



nashp.org

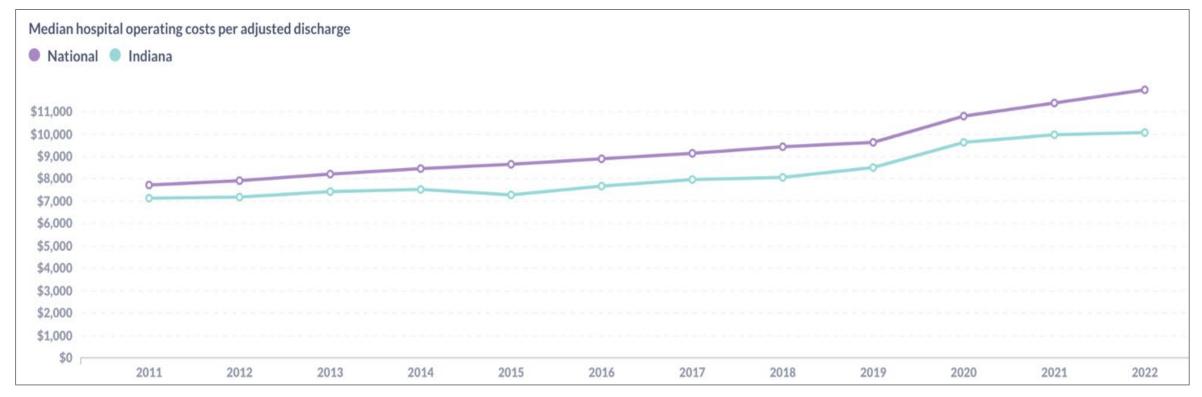
Indiana and National: Net Patient Revenue



Net Patient Revenue per adjusted discharge follows National trend



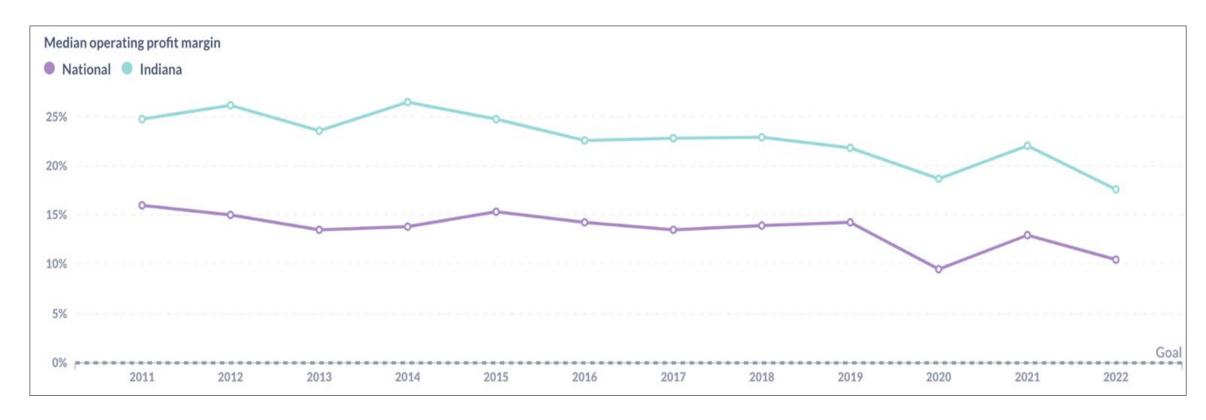
Indiana and National: Operating Costs



Hospital Operating Costs per adjusted discharge lower than National Trend



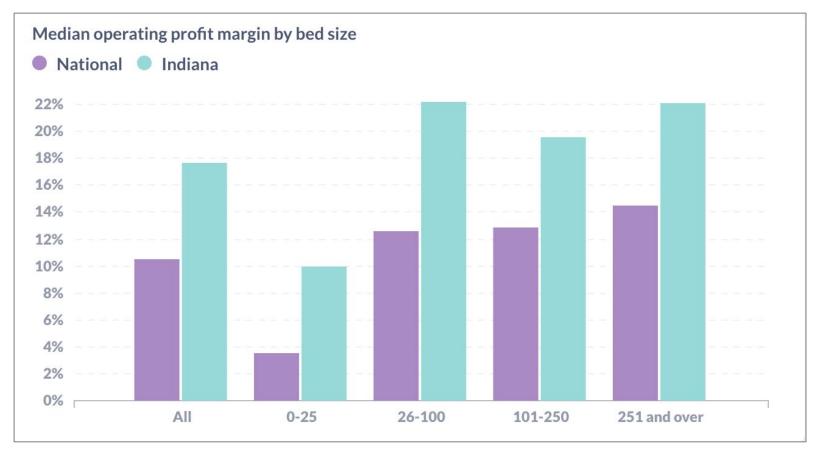
Indiana and National: Operating Margin



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



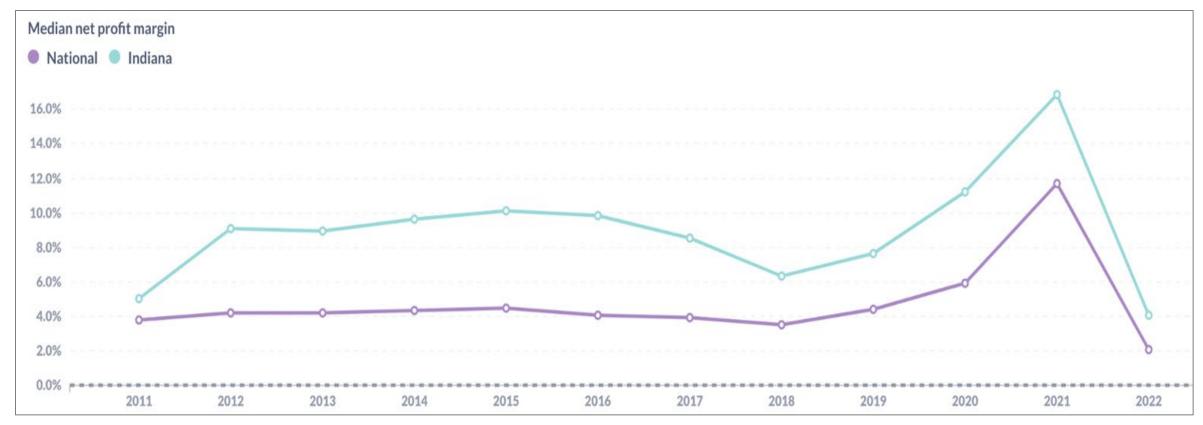
Indiana and National: Operating Margin



2022: Indiana higher than National medians by hospital bed size



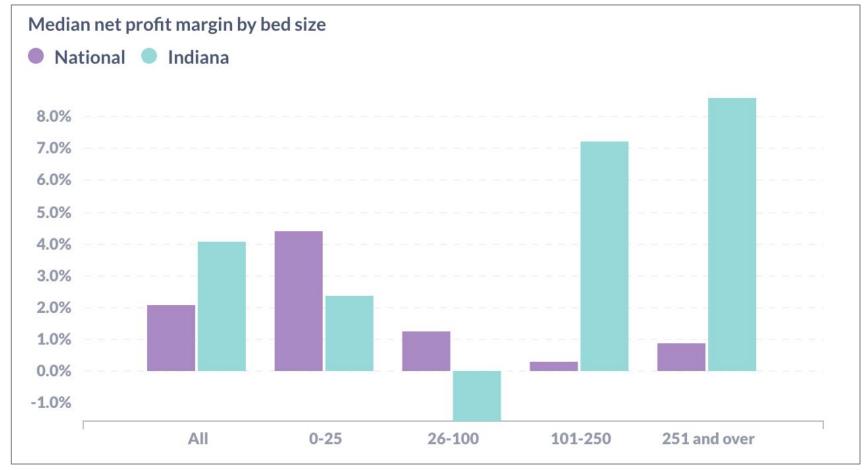
Indiana and National: Net Profit Margin



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



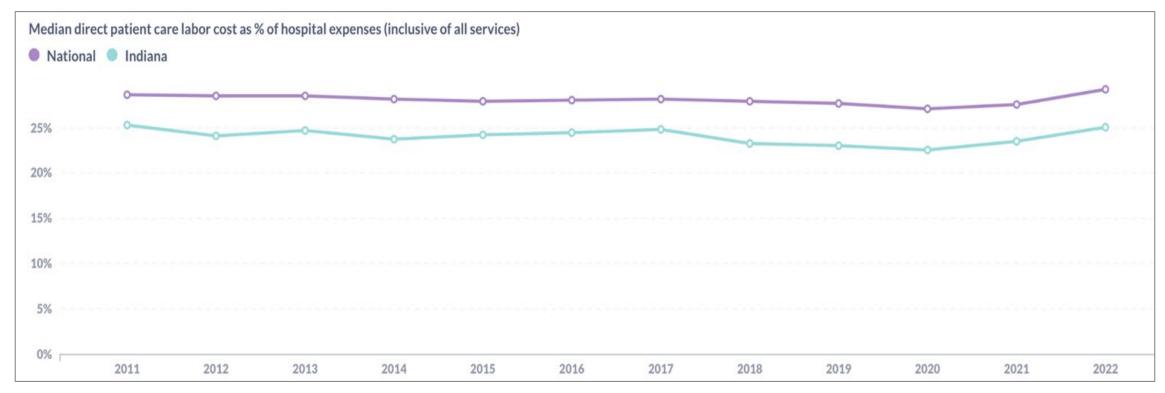
Indiana and National: Net Profit Margin





2022 by hospital bed size

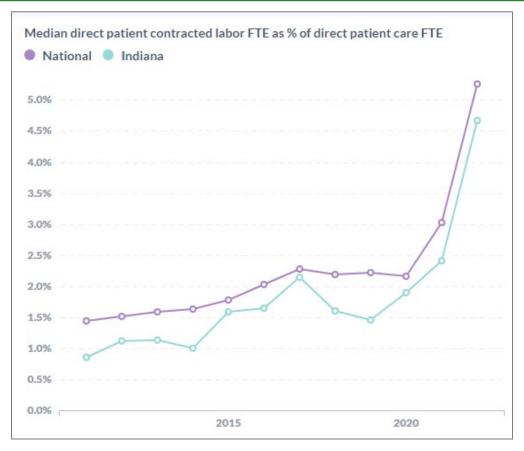
Indiana and National: Direct Patient Care Cost as % of Hospital Expenses



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



Indiana and National: Direct Patient Care



Median direct patient care contracted labor hourly rate National Indiana \$120 \$110 \$70 \$60 2015 2020

Contracted Labor FTEs

Contracted Labor Hourly Rate



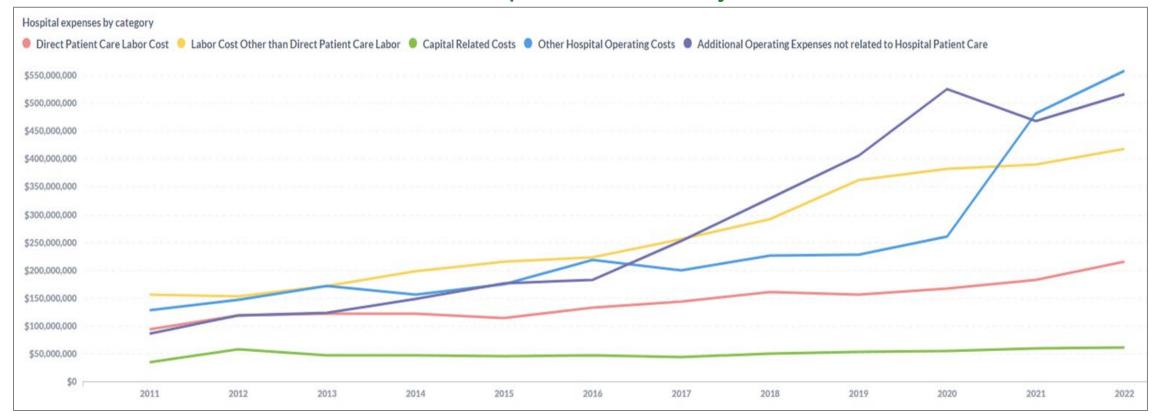
View a Hospital

https://tool.nashp.org



Hospital Expenses

Parkview Hospital – Fort Wayne





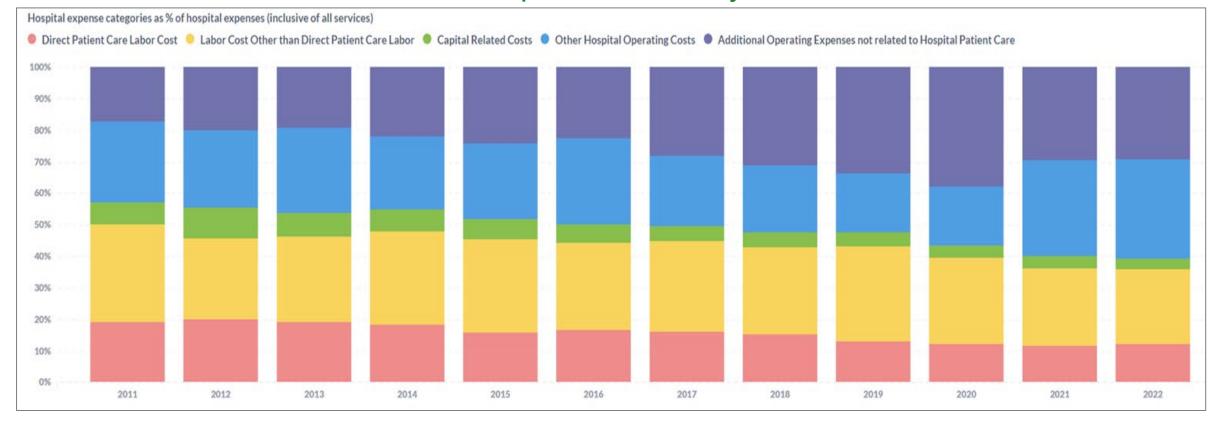
nashp.org

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

(2018 - 2022) = **35%**

Hospital Expenses – How did Expense Allocation Change?

Parkview Hospital – Fort Wayne

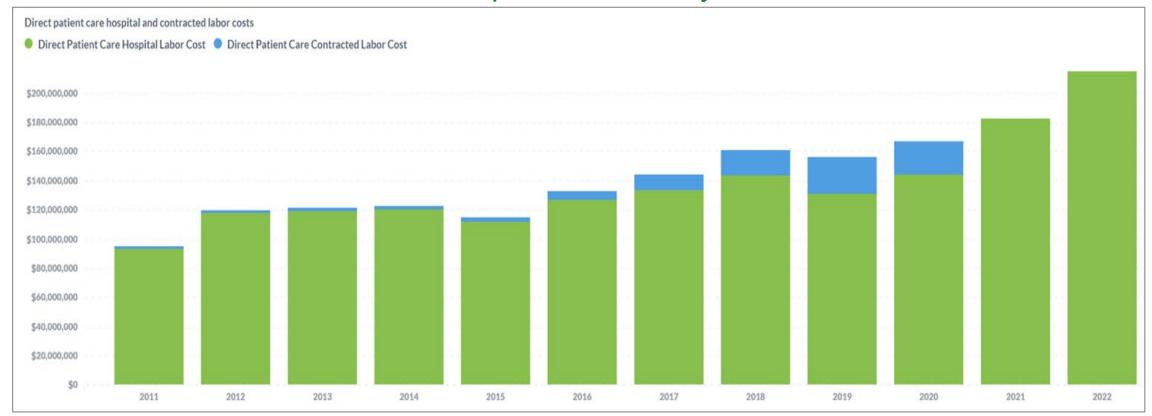




\$499 million (2011) to \$1.8 billion (2022)

Direct Patient Care Labor – Total Cost

Parkview Hospital – Fort Wayne

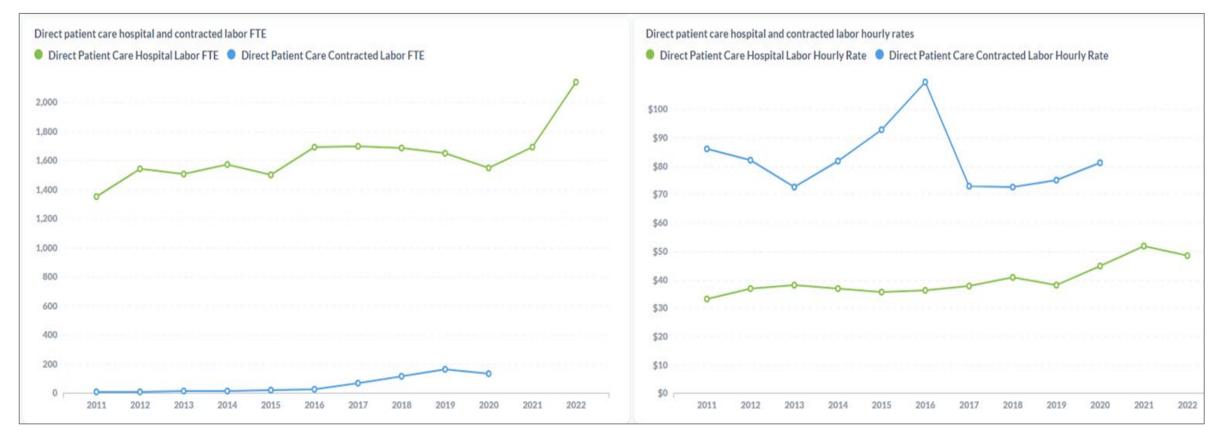




2022 = \$215 million; no contracted labor

Direct Patient Care Labor – FTE Count and Hourly Rate

Parkview Hospital – Fort Wayne



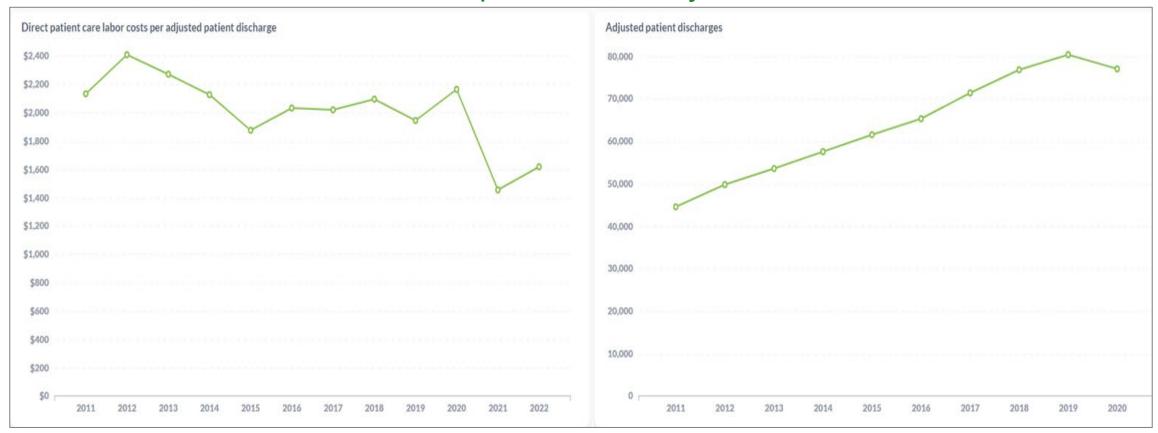


2020-2022: Increased FTE count and Hourly Rate for staff

Source: https://tool.nashp.org/75

Direct Patient Care Labor Cost & Adjusted Discharges

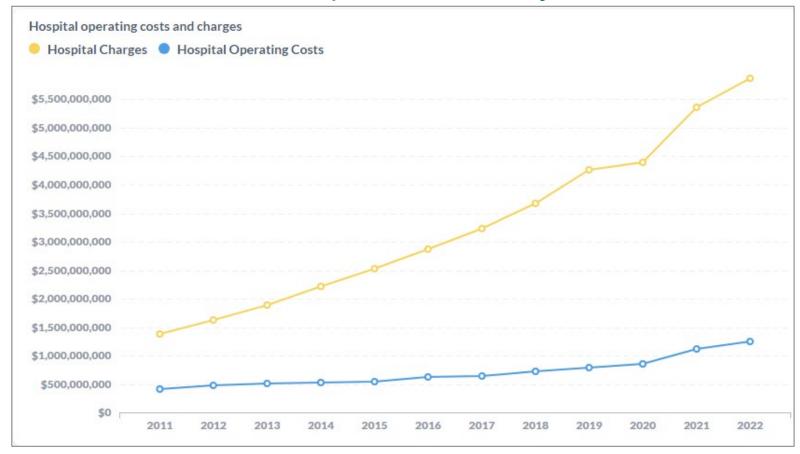
Parkview Hospital – Fort Wayne





Cost to Charge Ratio

Parkview Hospital – Fort Wayne





Breakeven Analysis

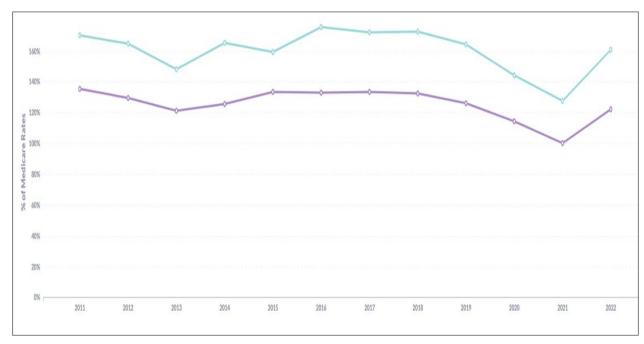
- NASHP's Hospital Cost Tool shows a hospital's breakeven point: when Revenue = Expenses
- NASHP Commercial Breakeven how much a
 hospital needs to be reimbursed by commercial payers
 to cover commercial patient hospital costs, losses from
 other payers, charity care, uninsured, all Medicare
 disallowed 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

NationalIndiana





Commercial Breakeven

Parkview Hospital – Fort Wayne



Impacts to Commercial Breakeven

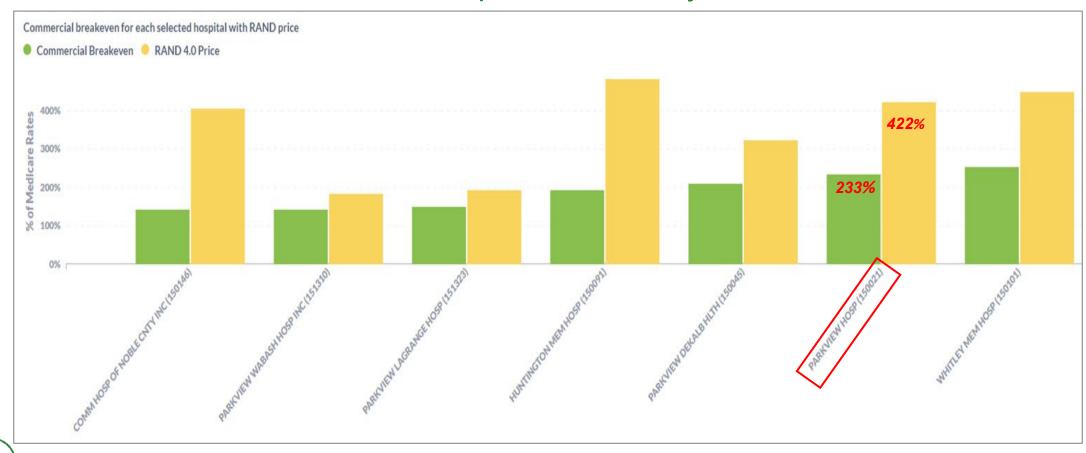
- "Physician Group Subsidy"
 - **√** \$239 million (2022)
 - **√** \$71 million (2015)
- Investment Gains/Losses (Realized & Unrealized)



2022 Commercial Breakeven compared to RAND 4.0

nashp.org

Parkview Hospital – Fort Wayne



Health Systems

https://tool.nashp.org/

Municipal Securities Rulemaking Board::EMMA (msrb.org)

Nonprofit Explorer - ProPublica



Parkview Health Systems, Inc. and Subsidiaries Parkview Health System Managed Care Services (90% PH; 10% PVH) (PH) Woodland Plaza Medical Park Condo Parkview Physicians Assoc (93% Orthopaedic Group (PPG) ownership) Parkview Huntington Hospital at Parkview Hospital, Hospital Foundation, Parkview North Inc.(PVH) Parkview Parkview Inc. for profit joint Occupational Health Professionals venture - 60% Centers Programs, Inc. Whitley Memorial ownership Parkview Randallia Hospital Foundation, Inc. Excel Sports Group, Park Center Inc. Ambulatory (Community Mental LLC (sports Surgery Center Park Center, Inc. Health Center) recreation centers) Community Hospital of Noble County Foundation, Inc. Managed Care **Imaging Services** Parkview Regional Quabache Village Services Holding Company Medical Center Inc. Parkview LaGrange Midwest Huntington Foundation Richardsonville Hospital Foundation. Community Health Memorial Hospital, Surgery Apartments, Inc. Inc. Associates Inc. Affiliate Richardsonville Orthopedic N Clinton Parkview Wabash Apartments II, Inc Whitley Memorial Development LLC Physician Hospital Foundation. Hospital, Inc. (Real Estate) Group Inc. Seddlemeyer Parkview Care Parkview Ortho Apartments, Inc. Partners LLC Community Hospital Performance Parkview Dekalb (Network) of Noble County, Inc. Center Hospital Foundation. Waynedale Parkview Inc. Apartment, Inc. Accountable Care Community Hospital LLC of LaGrange County, Parkview Waynedale Parkview Strategic Inc. Foundation, Inc. ApartmentII, Inc. Enterprises LLC (Holding Company) Parkview Wabash Sources: Woodside Hospital, Inc. Parkview Health Systems Inc and Apartments, Inc. Parkview Retail Subsidiaries Audited Financial Statement, Services LLC (Retail) 12.31.2022 https://emma.msrb.org/ Foundation Surgery DeKalb Memorial Parkview Health System, Form 990, Affiliate of Fort Hospital, Inc. Parkview 12.31.2022https://projects.propublica.org/ Wayne LLC (Surgical Innovations LLC nonprofits/ Services)

Health System Ownership Transparency

Not For Profit Hospital

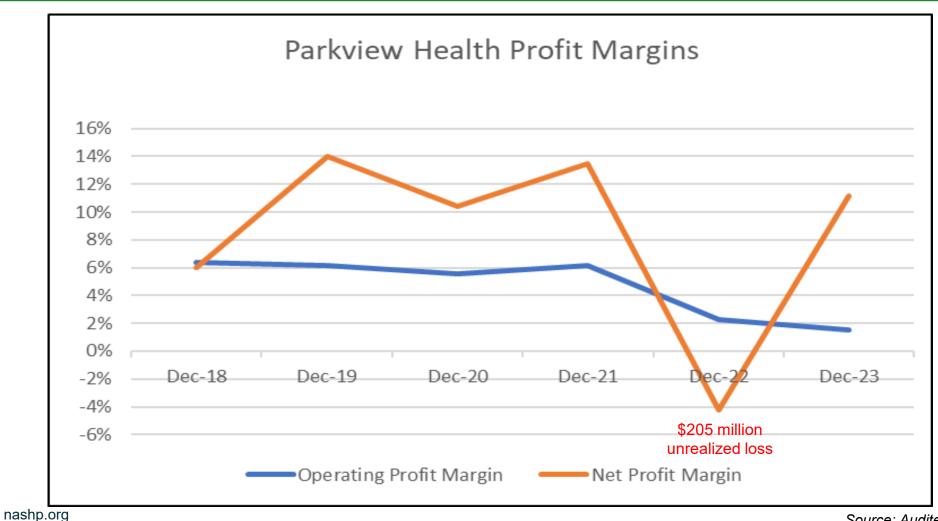
Not For Profit Entity

For Profit Entity

Joint Venture/Affiliate

Disregarded Entity

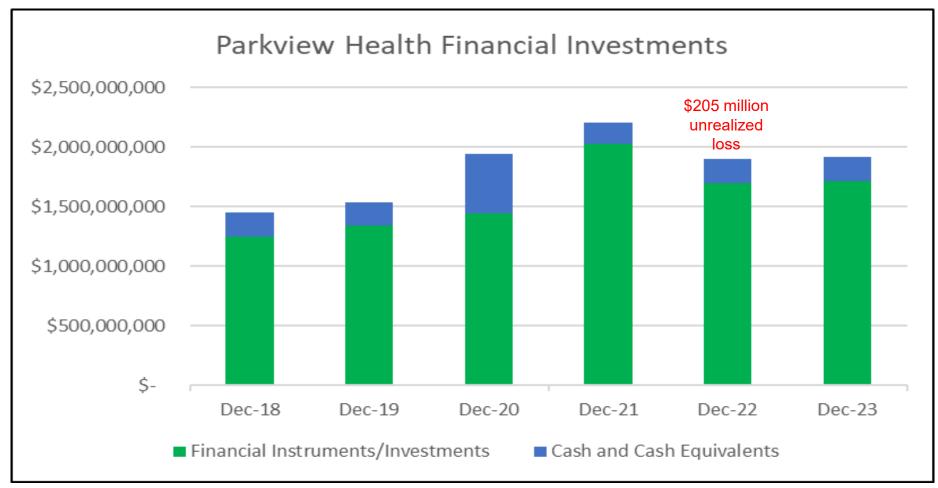
Parkview Health System, Inc. and Subsidiaries





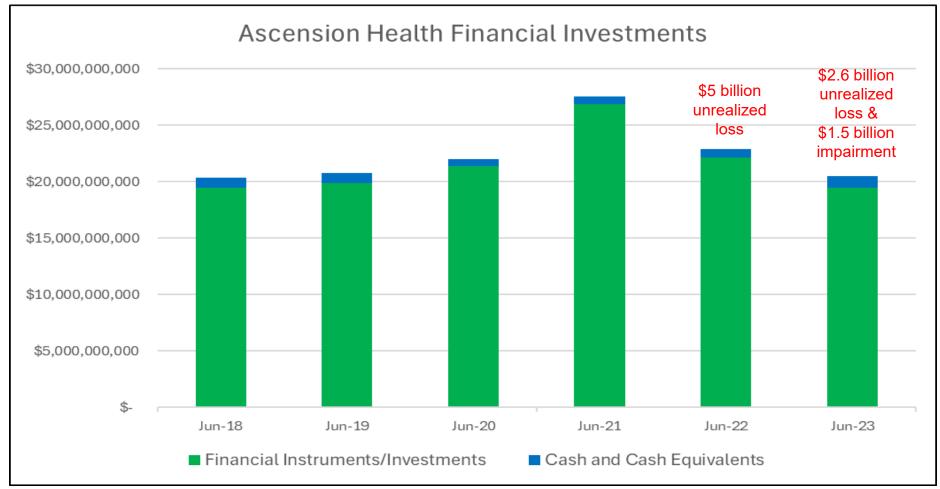
Source: Audited Financial Statements https://emma.msrb.org/

Parkview Health System, Inc. and Subsidiaries



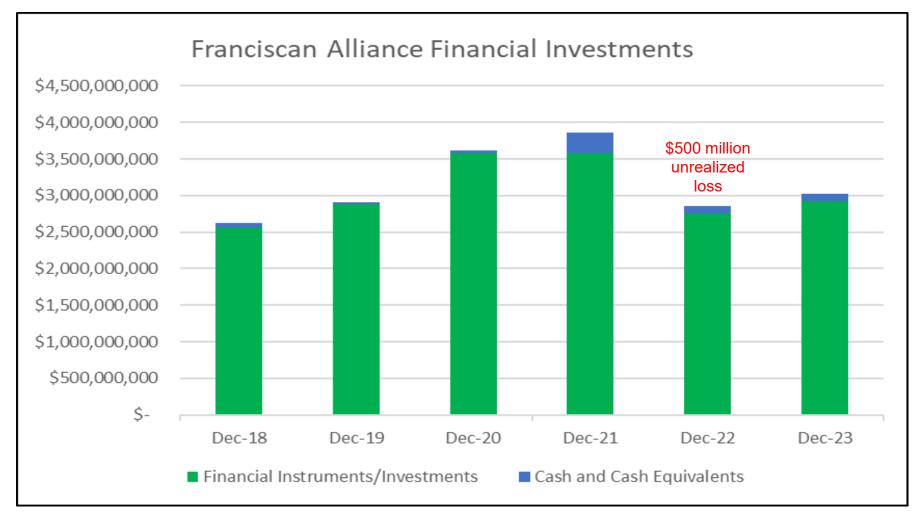


Ascension Health



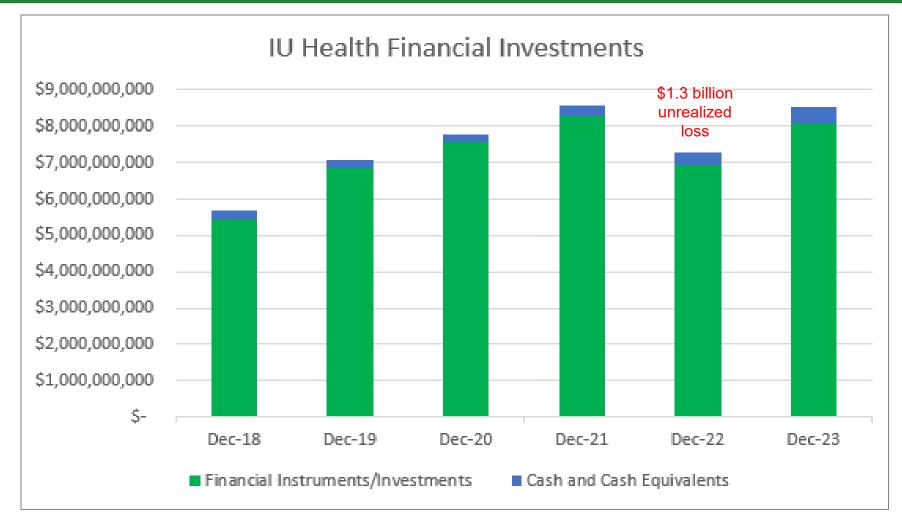


Franciscan





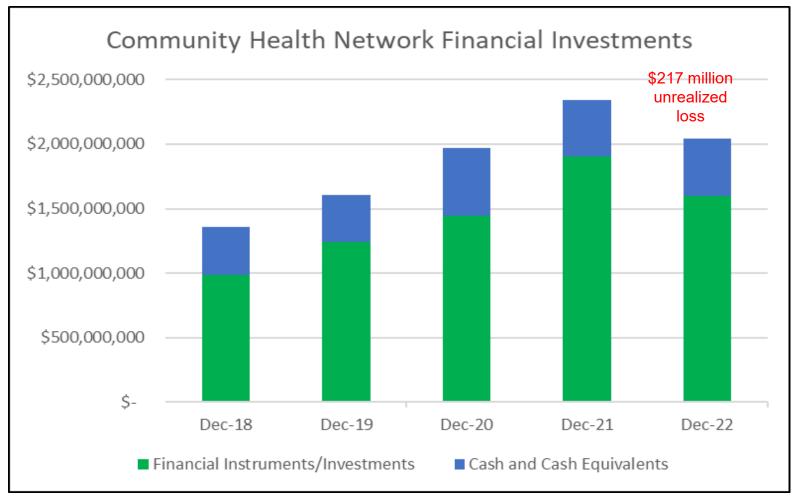
IU Health





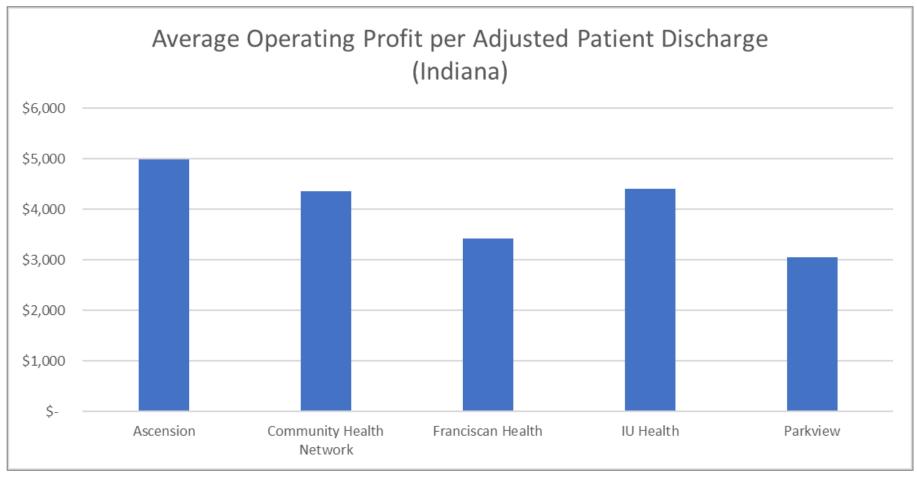
Source: Audited Financial Statements https://emma.msrb.org/

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/

Municipal Bond Filings Public Access - https://emma.msrb.org/





