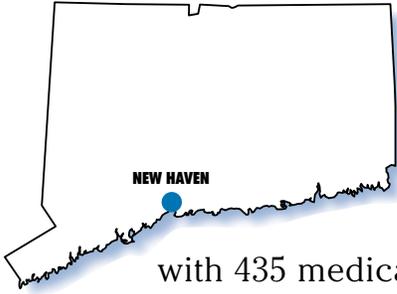


YALE-NEW HAVEN HOSPITAL

Yale-New Haven Hospital was founded in 1826. It is located in New Haven and, in addition to that city, primarily serves 15 other towns in Greater New Haven. In FY 1999, the

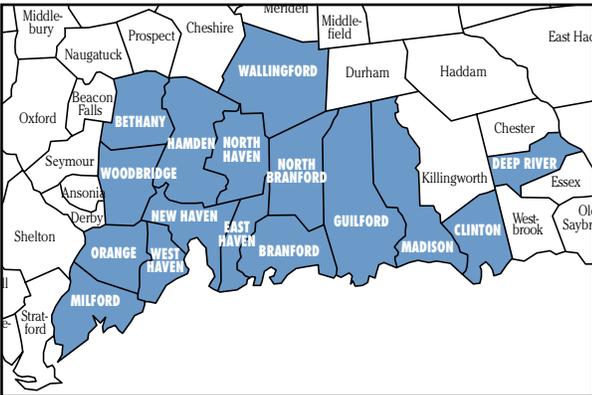


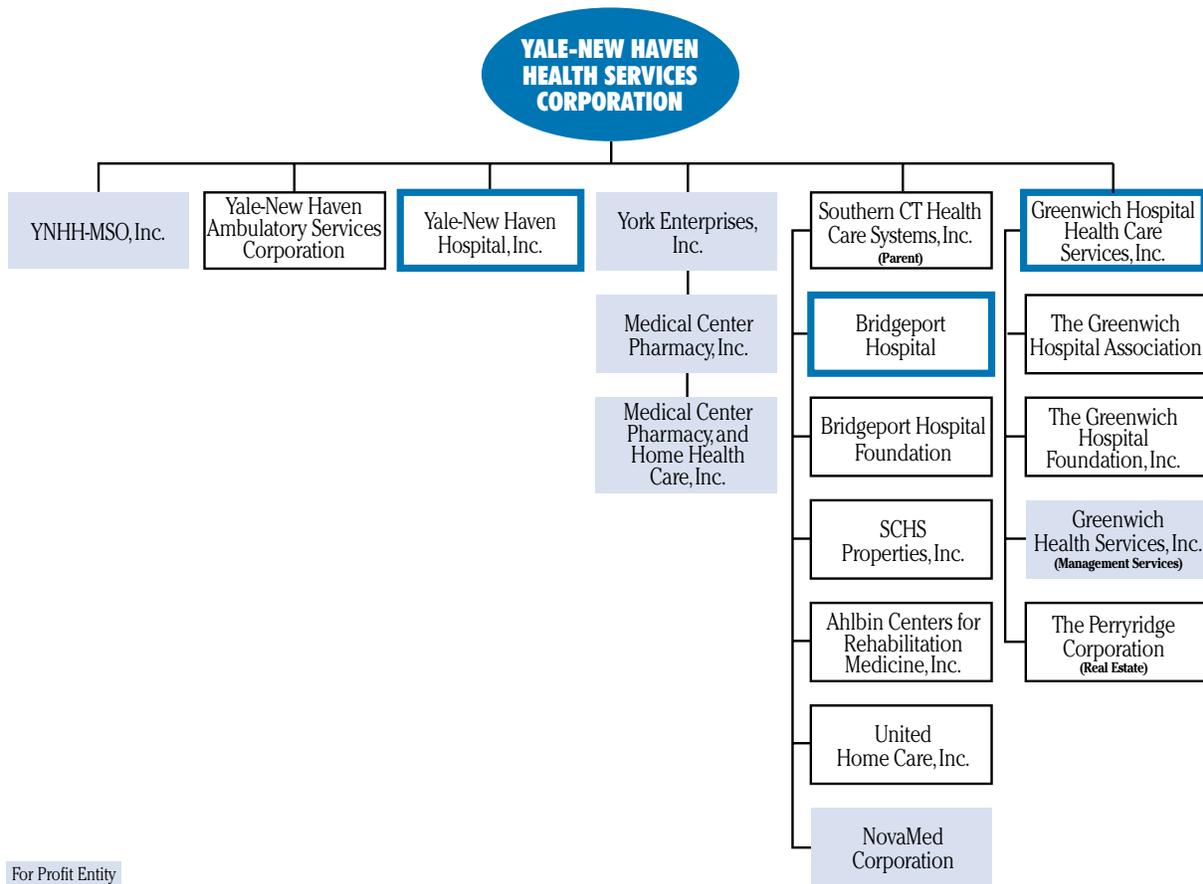
hospital staffed 768 of its 900 licensed beds and employed 4,674 Full Time Equivalents. It is the primary teaching hospital for the Yale School of Medicine

with 435 medical residents in 1999. Yale-New Haven Hospital is a member of the Yale-New Haven Health System

along with Greenwich and Bridgeport Hospitals.

The hospital's average age of plant is 10.1 years as compared to the U.S. average of 9.2 years.





For Profit Entity

MARGINS	1997	1998	1999
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Total margin	5.77%	6.31%	1.99%
Operating margin	3.11%	2.59%	-1.10%

PAYMENT TO COST RATIOS BY PAYER	1997	1998	1999
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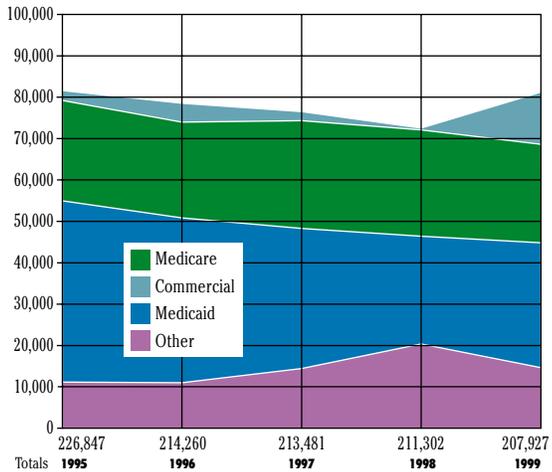
Ratio of cost to charges	.59	.57	.57
Medicare Payment to Cost	1.03	1.05	.99
Medicaid Payment to Cost	.62	.58	.55
Private Payment to Cost	1.24	1.22	1.20
Uncompensated Care Cost	\$16,057,835	\$14,607,953	\$13,286,622
Total expenses	\$432,784,772	\$442,093,514	\$449,561,668
Uncompensated care % of total expenses	3.71%	3.30%	2.96%

CAPITAL STRUCTURE RATIOS	1997	1998	1999
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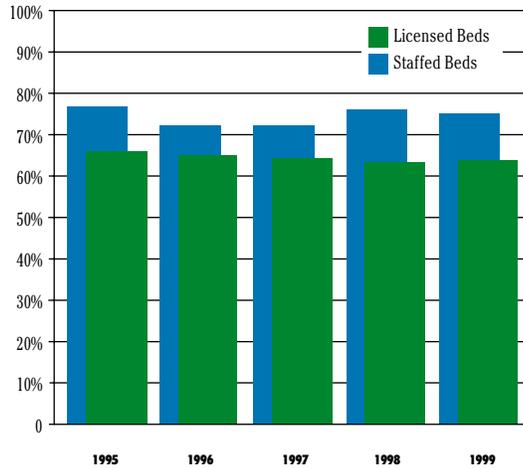
Equity financing ratio	28.70%	35.51%	29.17%
Debt service coverage	5.50	5.78	4.74

LIQUIDITY MEASURES	1997	1998	1999
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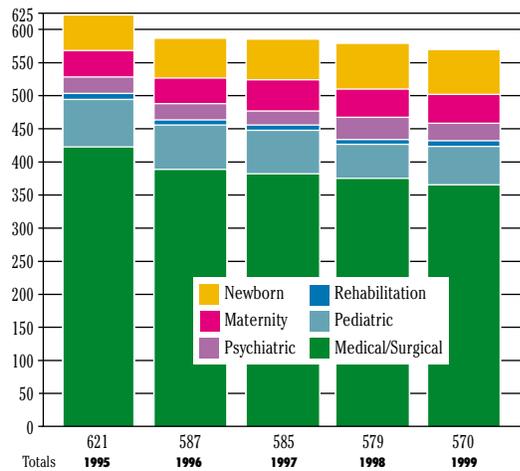
Days of expenses in accounts payable	140.63	126.13	106.02
Days cash on hand	17.42	14.76	13.59
Days of revenue in accounts receivable	57.67	59.23	58.88



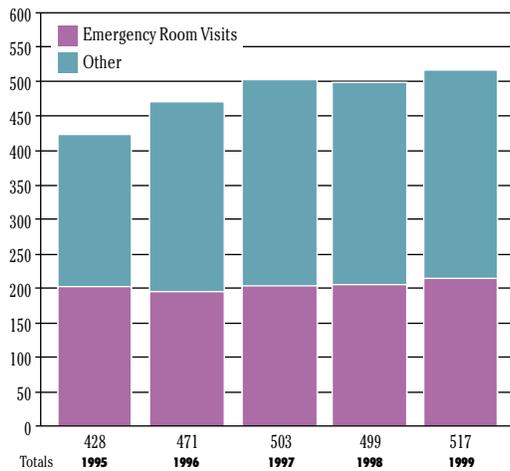
PATIENT DAYS BY PAYER



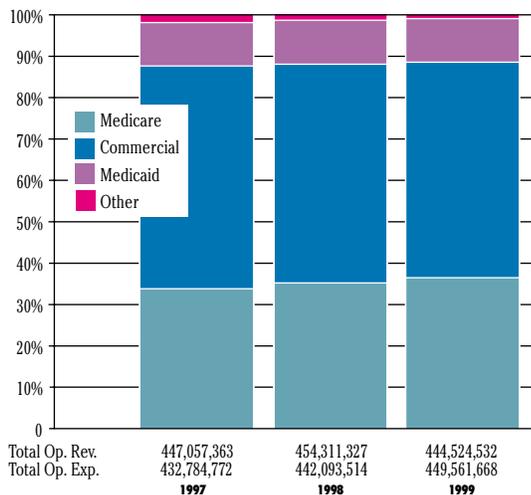
AVERAGE OCCUPANCY



AVERAGE DAILY CENSUS BY SERVICE



AVERAGE DAILY OUTPATIENTS



NET PATIENT REVENUE BY PAYER

KEY PERFORMANCE DRIVERS

- ◆ The hospital has a competitive and cooperative relationship with many surrounding community hospitals. Community hospitals provide a strong referral base but are also significant competitors.
- ◆ Medicaid accounts for 16 percent of the hospital's gross charges, and the hospital provides approximately \$23 million of charity care on an annual basis. Medicaid reimburses Yale-New Haven Hospital at about 56 percent of cost, less than the state average due to the teaching hospital's higher costs.
- ◆ The hospital paid over \$18 million in Gross Earnings Tax (GET) in 1999. The GET repeal will help future financial performance.
- ◆ Slowing payments from commercial payers have affected Yale-New Haven's cash flow position. The payment period for some payers has stretched to 100 days, and only about 20 percent of claims appear to be paid accurately and in a timely fashion.
- ◆ Yale-New Haven Hospital has attempted to keep costs below medical inflation by implementing cost control measures but fears further reductions might affect quality of care.
- ◆ Similar to other hospitals in the state, Yale-New Haven is facing a severe nursing shortage.
- ◆ The hospital has a very strong balance sheet, with over \$400 million in cash reserves. This generates significant non-operating income and is a key source of capital for equipment and facility needs.

SITE VISIT ISSUES RAISED BY HOSPITAL MANAGEMENT

DSH Calculations. Yale-New Haven Hospital reduced the amount of bad debt expenses in 1999, and as a result received lower disproportionate share funding.

Graduate Medical Education. YNHH trains approximately 435 residents annually. The Balanced Budget Act of 1997 is reducing Medicare support for this program.

Managed Care Payments. As noted above, payments to the hospital are increasingly late and inaccurate. Payment collection has become very labor intensive, requiring the hospital to employ an additional 20 employees to support the claims collection process.

Medicaid Payments. The hospital's financial pressures derive in part from the state's low Medicaid payment rates.

Community Hospitals. Yale-New Haven Hospital is attempting to build and strengthen alliances with community hospitals in its market area.