

**ANNUAL REPORT**  
*on the*  
Financial Status  
*of*  
Connecticut's  
Short Term  
Acute Care Hospitals

**2002**



**OFFICE OF HEALTH CARE ACCESS**

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### STATE OF CONNECTICUT



*John G. Rowland, Governor*

### OFFICE OF HEALTH CARE ACCESS

*Raymond J. Gorman, Commissioner*

## EXECUTIVE SUMMARY

### MANDATE AND PURPOSE

The *Annual Report on the Financial Status of Connecticut's Short Term Acute Care Hospitals* provides information concerning the financial stability of Connecticut's 31 short term acute care general hospitals in a competitive market, as mandated in Section 19a-670 of the Connecticut General Statutes.

This analysis uses hospital-filed financial and statistical data for hospital fiscal year 2000 (October 1, 1999 to September 30, 2000). It is intended to provide quantitative and qualitative information as well as analytical insights on health policy issues that are important to the State of Connecticut and its citizens.

Although OHCA has produced this report annually since 1995, this year's document is the first such report issued since the January 2001 release of *The Health of Connecticut Hospitals*, OHCA's landmark report on the issues concerning hospitals today.

In preparing this year's Financial Status report, OHCA applied the same model of

analysis used in the production of *The Health of Connecticut Hospitals*. That model was developed under OHCA's direction by The Lewin Group, Inc., of Virginia, a nationally recognized health and human services consulting firm with more than 30 years of experience assisting organizations in the public, non-profit and private sectors. Therefore, this year's report continues to include measures and indicators of "financial strength" and "financial distress" for individual hospitals and the system as a whole.

### PERFORMANCE INDICATORS OVERVIEW

This section highlights statewide hospital performance indicators and summarizes key findings. The featured indicators provide insight on statewide operating and financial results and offer trend analysis among the hospitals. Individual hospital results can be found in the Hospital Profile Section of this report. The indicators featured are:

- ◆ Profitability, capital structure, and liquidity ratios,
- ◆ Volume, price, and length of stay indicators;
- ◆ Uncompensated care expense ratios; and

## Hospital Peer Groups

### Large urban hospitals

Bridgeport Hospital  
Connecticut Children's  
Medical Center  
Hartford Hospital  
Saint Francis Hospital and  
Medical Center  
The Hospital of  
Saint Raphael  
Saint Vincent's  
Medical Center  
Yale-New Haven Hospital

### Medium urban hospitals

Danbury Hospital  
John Dempsey Hospital  
Lawrence and  
Memorial Hospital  
Middlesex Hospital  
New Britain  
General Hospital  
Norwalk Hospital  
Stamford Hospital  
Saint Mary's Hospital  
Waterbury Hospital

### Small urban and large community hospitals

William W. Backus Hospital  
Bristol Hospital  
Charlotte Hungerford  
Hospital  
Day Kimball Hospital  
Greenwich Hospital  
Griffin Hospital  
Manchester Memorial  
Hospital  
MidState Medical Center  
Windham Community  
Memorial Hospital

### Small community hospitals

Bradley Memorial Hospital  
Johnson Memorial Hospital  
Milford Hospital  
New Milford Hospital  
Rockville General Hospital  
Sharon Hospital

- ◆ Cost to charge and payment to cost ratios by payer.

Please note that some of the ratios reported may differ from amounts reported in the hospitals' Audited Financial Statements due to differences in reporting items such as prior period adjustments and courtesy discounts.

For comparison purposes, the hospitals have been categorized into four peer groups: large urban hospitals; medium urban hospitals; small urban and large community hospitals, and small community hospitals, as indicated on page 2.

### PROFITABILITY RATIOS

The two profitability ratios featured in this analysis are the total margin, which reflects profits from both operations and non-operations, and the operating margin which reflects profits from operations. The statewide results are as follows:

- ◆ All of the large urban hospitals reported operating margins above the statewide average.
- ◆ Only one small community hospital had an operating margin above the statewide average.
- ◆ All the hospitals with a Private Payment to Cost Ratio (payments from commercial payers) higher than the statewide average of 1.13 have positive operating margins.
- ◆ The Hospital Gross Earnings Tax was eliminated mid-year<sup>1</sup>, which had a temporary positive impact on the total and operating margins at the hospitals.

Profitability Ratios			
	FY 1999	FY 2000	
Statewide Total Margin	2.3%	3.20%	
Statewide Operating Margin	-0.7%	0.12%	

### CAPITAL STRUCTURE RATIOS

A capital structure ratio demonstrates the relative strength of a hospital's equity and its ability to pay its long-term debt. The capital structure ratio used in this analysis is the equity finance ratio.

#### The Statewide Equity Financing Ratio is 45%

Equity Financing measures the percentage of total assets that have been financed with equity. The higher the ratio, the more favorable the rating, as it implies that the hospital has used little debt financing in its asset acquisition program and has relatively low financial leverage.

- ◆ The Center for Healthcare Industry Performance Studies (CHIPS) 2002 *Almanac of Hospital Financial & Operating Indicators* states that the Northeast region<sup>2</sup> tends to have the lowest equity financing ratios, or the highest levels of debt financing. The Connecticut median ratio is lower than the Northeast median at 46.1% versus 53.2%.
  - ◆ Connecticut's results are similar to the recent national trend of larger hospitals having more debt than smaller hospitals. 80% of Connecticut's small community hospitals have an equity finance ratio above the statewide average, while only 40% Connecticut's large urban hospitals have equity finance ratios above the statewide average.
  - ◆ The medium and small urban, and large community hospitals are equally distributed above and below the statewide average.
  - ◆ According to the Connecticut Health and Educational Facilities Authority (CHEFA), in general, hospital debt

<sup>1</sup>Effective April 1, 2000 under Public Act 00-170, hospitals were no longer required to pay a gross earnings tax.

<sup>2</sup>The Northeast region includes Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey and Pennsylvania.

service ratios continue to deteriorate. Although there have not been any payment defaults, several hospitals have not achieved the debt service coverage ratios as required by their bond documents. Independent consultants are reviewing operational strategies that might be implemented to improve financial results.

## LIQUIDITY RATIOS

These ratios demonstrate the relative strength of a hospital's liquid assets, which is a reflection of its current cash position. The liquidity ratios featured below include the average days for expenses in accounts payable, cash on hand, and accounts receivable.

### **The Statewide Average Days of Expenses in Accounts Payable is 67.5 days**

The Days of Expenses in Accounts Payable provides a measure of the average time that elapses before current liabilities are paid. Higher values may indicate liquidity problems.

- ◆ Three large urban hospitals reported the lowest days in accounts payable among all the hospitals.
- ◆ 80% of the small community hospitals have days in accounts payable above the statewide average.
- ◆ The medium and small urban, and large community hospitals are equally distributed above and below the statewide average.

### **The Statewide Average Number of Days Cash on Hand is 19.5 days**

Days Cash on Hand measures the number of days in average cash expenses that the hospital maintains in cash and marketable securities. Higher values are favored as they imply a greater ability to meet both short- and long-term obligations.

- ◆ Connecticut's statewide average falls

just below the CHIPS-recommended median of twenty days.

- ◆ 85% of Connecticut's large urban hospitals have less cash on hand than the statewide average.
- ◆ 67% of the small community hospitals fall below the statewide average.
- ◆ Six hospitals do not have enough cash on hand to cover one week's expenses.
- ◆ The medium and small urban, and large community hospitals are equally distributed above and below the statewide average.

### **The Statewide Average Number of Days in Accounts Receivable is 60.2 days**

The Days in Accounts Receivable indicator reports the average collection period. Higher collection periods are less desirable as they can lead to greater short-term financing requirements and will often force hospitals to reduce short-term cash or increase short-term debt.

- ◆ 67% of the medium and small urban, and large community hospitals are below the statewide average.
- ◆ The majority of large urban and small community hospitals have higher collection periods than the statewide average.

## VOLUME INDICATORS

Overall, the inpatient volume measures of patient days and discharges have shown a steady 3% increase since leveling out in FY 1998. Outpatient and emergency room visits have increased over 9% during that same period as hospitals continue to refocus their services to meet this increasing demand. The volume indicators profiled below include licensed and staffed bed ratios, length of stay, and emergency room.

### **Licensed and Staffed Beds**

The amount and occupancy percentage of licensed and staffed beds provide a

measure of the size and utilization of a hospital's inpatient services. Hospitals are licensed for a specific number of beds, but frequently actually operate or "staff" fewer beds. An occupancy percentage is calculated to determine the level of bed utilization.

- ◆ The Statewide Average Licensed Bed Occupancy Level is 55.3%—up from the FY 1999 occupancy rate of 52.6%.
- ◆ The Statewide Average Staffed Bed Occupancy Level is 72.8%, showing an increase from the FY 1999 rate of 70.4%.
- ◆ Most of the small community hospitals rank in the lowest staffed bed occupancy rates. The average licensed bed occupancy for this group is only 42.3%.
- ◆ The medium and small urban hospitals and the large community hospitals are evenly dispersed above and below the statewide occupancy percentage in licensed bed occupancy level.
- ◆ Three hospitals have a staffed bed occupancy level greater than 95%.
- ◆ Only four hospitals have a staffed bed occupancy level less than 50%.

#### Average Length of Stay (ALOS)

This measures the average number of days that inpatients stay in the hospital.

- ◆ The Statewide ALOS is 4.8 days, remaining relatively constant since FY 1998.
- ◆ All the large urban hospitals have an ALOS significantly higher than the statewide average.

#### Case-Mix Adjusted Length of Stay

This represents the average length of stay, adjusted by the hospital case-mix index total. A case-mix index is assigned to each diagnosis to measure or "weigh" the severity of the illness and the required level of care. The higher the case-mix index, the more complex the level of care.

- ◆ The Statewide Average Case-Mix Adjusted Length of Stay remained

relatively consistent from 1999 at 4 days.

- ◆ Urban hospitals have case-mix indices well above the statewide median.
- ◆ Most of the small urban and community hospitals are below the statewide case-mix average.

#### Emergency Room Volume

- ◆ Connecticut's emergency room visits continued to grow in FY 2000, showing a statewide increase of 15% over FY 1998.
- ◆ Two small community hospitals are represented in the five hospitals with the highest increase from FY 1998 to FY 2000.

#### PRICE INDICATORS

Price indicators provide information on various issues that affect the pricing or charges for services. The indicators featured in this section include managed care discounts, ratio of cost to charges, and payment to cost ratios by payer.

#### Average Managed Care Discounts

The influence of managed care continues its stronghold on Connecticut's hospitals as indicated by the reduced lengths of stay and the increasing amounts of negotiated discounts. Each hospital negotiates contracts with commercial payers for a variety of reduced payment arrangements

that are classified as non-government contractual allowances.

Average Managed Care Discounts	
Fiscal Year	Average Discount
1996	19.7%
1997	26.6%
1998	29.8%
1999	32.1%
2000	35.8%

The Statewide Average Managed Care Discount for FY 2000 was 35.8%. As the table at right illustrates,

the average discount for non-government contractual allowances for Connecticut hospitals has continued to increase each year indicating that, despite decreasing

profit margins, hospitals are continuing to provide higher than average discounts to payers.

- ◆ The average discounts for large urban hospitals are similar to the statewide average discount.
- ◆ The ten lowest average discount percentages belong to medium and small urban and large community hospitals.
- ◆ Three hospitals reported average discounts of over 50%.

### **The Statewide Ratio of Cost to Charges is .56**

The ratio of cost to charges is a measure of actual hospital cost to the charges billed. The lower the ratio, the higher the difference between the cost and the charges.

- ◆ Urban hospitals have the top five highest ratios.
- ◆ Small community hospitals tend to have the lowest ratio of cost to charges.

### **Statewide Payment to Cost Ratios by Payer**

Payment to cost ratios by payer show the level of payment compared to the cost of care for a particular payer. The greater the ratio, the more profit being generated. A ratio under 1.00 indicates that the reimbursement is lower than the cost of providing the care.

*The Statewide Average Medicare Payment to Cost Ratio is .96*

- ◆ The four hospitals with the highest Medicare payment to cost ratios are all large urban hospitals.
- ◆ Most of the small community hospitals are below the statewide average Medicare payment to cost ratio.

*The Statewide Average Medicaid Payment to Cost Ratio is .76*

- ◆ Hospitals are evenly dispersed above and below the statewide Medicaid payment to cost ratio.

- ◆ The results for urban hospitals vary as the three Hartford and two Waterbury hospitals are above the mean, while the two New Haven and two Bridgeport hospitals are below the mean.

*The Statewide Average Private Payment to Cost Ratio is 1.13*

- ◆ All of the hospitals with ratios above the statewide private payment to cost ratio have positive total margins.
- ◆ There are no large urban hospitals represented in the ten hospitals with the highest ratios.

### **UNCOMPENSATED CARE**

Uncompensated Care represents the level of charges for which hospitals do not receive reimbursement. Two levels of uncompensated care exist: Free Care, which a hospital provides knowing in advance that it will not be reimbursed; and Bad Debt, whereby the hospital learns after providing the care that it will not be reimbursed fully for its services.

- ◆ One half of the total uncompensated care expense in the state is attributable to the nine urban hospitals in Hartford, New Haven, Bridgeport and Waterbury.
- ◆ The larger and medium urban hospital groups both reported the highest percentage increases in uncompensated care expense of 11%. The statewide average increase in uncompensated care expense was 7.2%.

*The Statewide Average Uncompensated Care Cost Percentage of Total Expenses is 3.6%*

This represents the percentage of uncompensated care expenses in relation to the total hospital expenses.

- ◆ The statewide average uncompensated care cost percentage of total expenses remained constant from FY 1999 to FY 2000.

## OVERALL FINANCIAL PERFORMANCE

Despite ongoing issues and concerns that all hospitals have faced in recent years, no Connecticut acute care hospital is in imminent danger of closing. There is no doubt that FY 2000 continued to be financially challenging for Connecticut's 31 acute care hospitals. The recurring themes of decreasing reimbursement, staffing shortages, increasing pharmacy and technology costs, and increasing case-mix and acuity of care continue to strain hospital efficiencies. However, most of Connecticut's hospitals have successfully met these challenges and have remained financially strong.

As noted earlier in this report, OHCA applied the same model of analysis used in the production of its 2000 report, *The Health of Connecticut Hospitals*. Therefore, this year's report continues to include measures and indicators of "financial strength" and "financial distress" for individual hospitals.

Each hospital's financial results have been analyzed and then categorized as either "Financially Strong," "Moderately Distressed" or "Significantly Distressed." Overall, no hospital improved its financial performance to a degree that raised its categorization from the previous year. Also, there does not appear to be any correlation between urban status or hospital size and the financial standing of a hospital.

The 2000 findings are included in the tables and text on the next page.

## CONCLUSION

Although the financial condition of several hospitals deteriorated in 2000, no Connecticut acute care hospital is in imminent danger of closing. The majority of Connecticut hospitals remain strong. However, the future viability of the state's hospitals continues to revolve around several key issues, including a resurgence of hospital utilization, possible refinements to Medicare and Medicaid payment policy, the ability of hospitals to negotiate managed care payments that exceed cost inflation, efforts to ameliorate the shortage of nurses and other medical professionals in the state, medical technology, pharmaceutical developments and the evolving role of informed consumers.

## Financial Analysis

### FINANCIALLY STRONG

William W. Backus Hospital  
 Bristol Hospital  
 Danbury Hospital  
 Day Kimball Hospital  
 Greenwich Hospital  
 Griffin Hospital  
 Hartford Hospital  
 Lawrence & Memorial Hospital  
 MidState Medical Center  
 Middlesex Hospital  
 Milford Hospital  
 New Milford Hospital  
 Norwalk Hospital  
 Saint Francis Medical Center  
 St. Vincent's Medical Center  
 Windham Community Hospital  
 Yale New Haven Hospital

- ◆ Small urban and large community hospitals represent the largest peer group in the Financially Strong category, with seven hospitals represented.
- ◆ Of the seventeen hospitals that remained financially strong from 1999, eight performed significantly better than the prior year. These include Bristol, Griffin, Hartford, Middlesex, and New Milford Hospitals, St. Francis Hospital and Medical Center, MidState Medical Center and Windham Community Memorial Hospital.
- ◆ While industry-wide analysis indicates that overall, hospitals were financially better off in FY 2000, further review indicates that the aggregate results are skewed by the above-referenced eight hospitals.

### MODERATELY DISTRESSED

Connecticut Children's Medical Center  
 Charlotte Hungerford Hospital  
 Manchester Memorial Hospital  
 Rockville General Hospital  
 The Hospital of Saint Raphael  
 Stamford Hospital

- For Fiscal Year 2000, three hospitals moved to the moderately distressed category from the financially strong category. Common characteristics of the six Moderately Distressed hospitals include:
- ◆ Medicare Payment to Cost Ratio below statewide average
  - ◆ Low private Payment to Cost Ratio, yet not as low as the significantly distressed hospitals
  - ◆ High Medicare volume as a percentage of discharges
  - ◆ Less than 50% in Equity Financing for two-thirds of the hospitals
  - ◆ Days in Accounts Payable at or above the statewide median
  - ◆ Low number of Days Cash on Hand (These six hospitals average 5.4 days versus the state average of 19.5 days; they average worse than the significantly distressed in this category.)
  - ◆ Average managed care discount percentage greater than statewide average discount
  - ◆ Percentage increase in Emergency Room visits significantly higher than the statewide average increase.

### SIGNIFICANTLY DISTRESSED

Bradley Memorial Hospital  
 Bridgeport Hospital  
 John Dempsey Hospital  
 Johnson Memorial Hospital  
 New Britain General Hospital  
 Saint Mary's Hospital  
 Sharon Hospital  
 Waterbury Hospital

- In 2000, four hospitals were added to the significantly distressed category. Common characteristics of the eight Significantly Distressed hospitals include:
- ◆ High government volume as a percentage of discharges
  - ◆ Decreasing reimbursement levels
  - ◆ Low private insurance Payment to Cost Ratio
  - ◆ An Equity Financing ratio of less than 50%
  - ◆ Low number of Days Cash on Hand (These eight hospitals average 8.7 days versus the 19.5 days statewide average.)
  - ◆ Most had a staffed bed occupancy less than 70%
  - ◆ Defaults in bond covenants.

## HOSPITAL PROFILE INTRODUCTION

This section provides a profile of each of the thirty-one hospitals in the state. Basic hospital information, such as location and size, utilization figures, and financial indicators are provided. All data used in the profiles were reported by the hospitals to OHCA's Hospital Budget System or Inpatient Discharge Database, unless otherwise noted. The information contained in the profiles includes the following:

**Number of licensed and staffed beds**—Hospitals are licensed for a specific number of beds, but they frequently are staffed to provide services for fewer beds. This measure of a hospital's size relates only to its inpatient services. This information is reported by the hospitals to OHCA's Hospital Budget System.

**Number of full-time equivalents**—This measure of the size of a hospital's work force is reported by the hospitals to OHCA's Hospital Budget System. A full-time equivalent is a full-time position. More than one person may fill this position. For example, two people may each have a part-time job that combines to be a full-time job. This measure is a count of positions, rather than the number of people that are employed.

**Service area map**—OHCA used a two-step method to determine the service area for this report, considering service area from the perspective of the towns in which a hospital's inpatients reside and the hospital a community predominately

uses for its services. First, all towns that comprise the largest number of a hospital's discharges as determined by the town of residence of the patient, up to 65% of the hospital's discharges, were included. Second, towns that have at least 30% of total hospital discharges from that hospital were added to its service area. This second criteria was used so that the service area pattern of smaller towns would be represented. Because this measure is based on the town of residence of its inpatients, it is more indicative of the service area for a hospital's inpatient services.

**Organization chart of the hospital's parent corporation**—This information shows the relationship among the components of the parent organization. Some hospitals have programmatic affiliations with other hospitals that do not involve business ownership among the organizations.

**Key findings**—Factors and variables that affected hospital performance in 2000 or are unique to a particular hospital are listed.

**Total and operating margins** are the basic indicators of whether a hospital's revenue is meeting its expenses.

**Payment to cost ratios** indicate the proportion of the hospital's expenses for services provided to patients in this payment group that is covered by the revenue received by the payer.

**Capital structure ratios**—These ratios demonstrate the relative strength of a hospital's equity and its ability to pay its long-term debt.

**Liquidity measures**—These indicators demonstrate the relative strength of a hospital's liquid assets, which is a reflection of its current cash position.

**Patient days by payer**—This chart gives the total number of inpatient days by the major payer groups: Medicare, Medicaid, commercial and other. The chart is constructed so the different payers are layered upon each other. The total number of days for all payers combined is printed above each year.

**Average occupancy**—This rate is the average daily census divided by the number of licensed beds and the average daily census divided by the number of staffed beds.

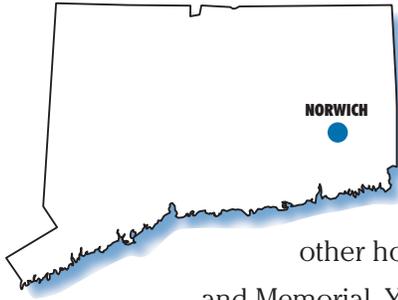
**Average daily census by service**—This stacked bar chart shows the average number of inpatient days that were spent in the major inpatient service areas: maternity, newborn, psychiatric, rehabilitation, medical and surgical, and pediatric services. The average daily census of all services combined is printed at the bottom of each bar.

**Average daily outpatient visits**—Outpatient visits are divided into two categories: those that are in the emergency room and all others. The latter category includes all outpatient services operated by the hospital.

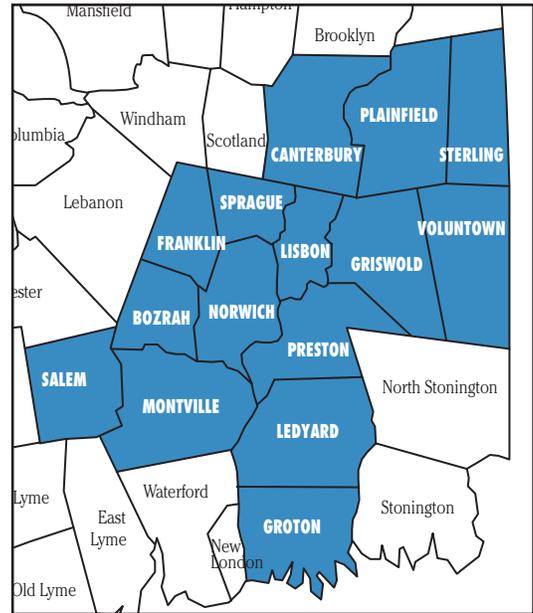
**Net patient revenue by payer**—The amount of revenue from payers for services rendered after adjusted for costs are shown as a percent of total revenue. This stacked bar chart shows the percent of revenue that comes from each payer. The total operating revenue and operating expenditures are included at the bottom of each bar.

## WILLIAM W. BACKUS HOSPITAL

The William W. Backus Hospital, founded in 1893, is located in Norwich and, in addition to that city, primarily serves 14 other towns in New London County. In FY 2000, the hospital

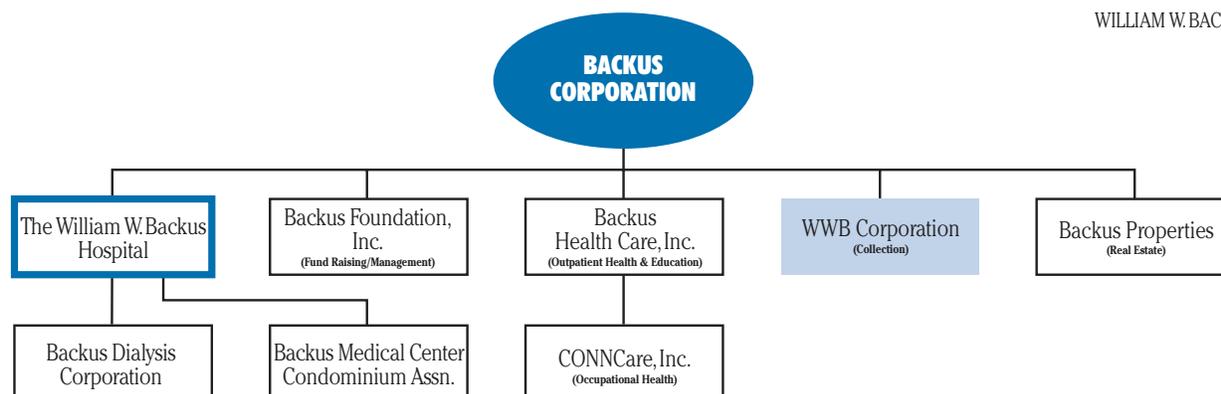


staffed 182 of its 233 licensed beds and employed 1,136 Full Time Equivalents. It has numerous programmatic relationships with other hospitals, including Lawrence and Memorial, Yale-New Haven, and Hartford Hospitals, along with Masonicare.



## KEY RESULTS

- ◆ The operating margin is 4.27% and the total margin is 6.75%, which is better than the statewide average of .12% and 3.16%.
- ◆ The Hospital's equity financing ratio has gradually increased from a 1997 level of 38% to 52% in 2000.
- ◆ Private payment to cost ratio is a healthy 1.35 versus a statewide average of 1.13. This seems to compensate the Hospital for the lower reimbursement from its Medicare rate at .88, versus the state average of .96, and the Hospital's Medicaid rate of .66 versus the state average of .76.
- ◆ Occupancy of staffed and licensed beds has been increasing slightly.
- ◆ The Uncompensated Care percentage of total expense for 2001 is 2.6%, which is lower than the statewide average of 3.6%.
- ◆ Outpatient volume is increasing steadily.



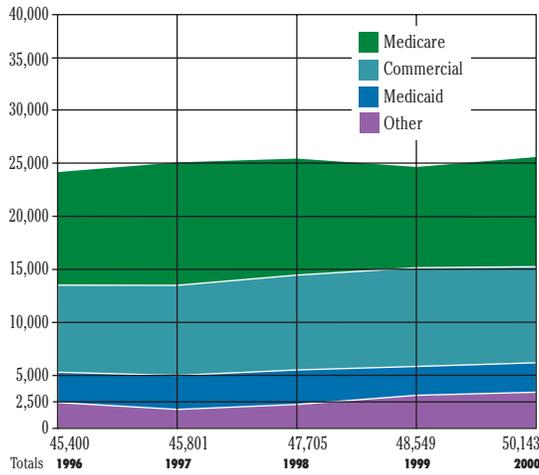
For Profit Entity

MARGINS	1998	1999	2000
Total margin	8.96%	5.16%	6.75%
Operating margin	7.14%	3.63%	4.27%

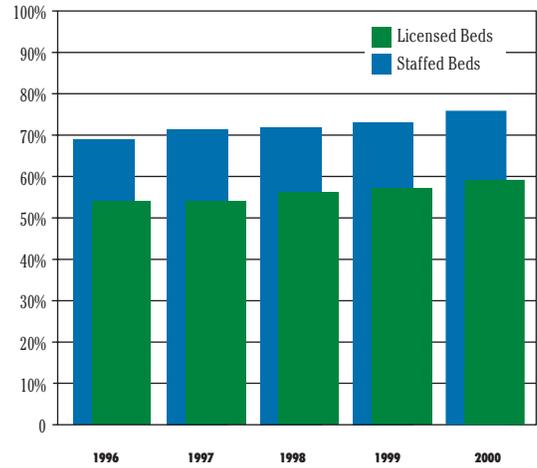
PAYMENT TO COST RATIOS BY PAYER	1998	1999	2000
Ratio of cost to charges	.55	.56	.59
Medicare Payment to Cost	.97	.90	.88
Medicaid Payment to Cost	.66	.71	.66
Private Payment to Cost	1.41	1.35	1.35
Uncompensated Care Cost	\$3,200,284	\$4,337,031	\$2,929,085
Total expenses	\$95,764,297	\$104,273,210	\$112,900,013
Uncompensated care % of total expenses	3.34%	4.16%	2.59%

CAPITAL STRUCTURE RATIO	1998	1999	2000
Equity financing ratio	42.54%	48.35%	52.16%

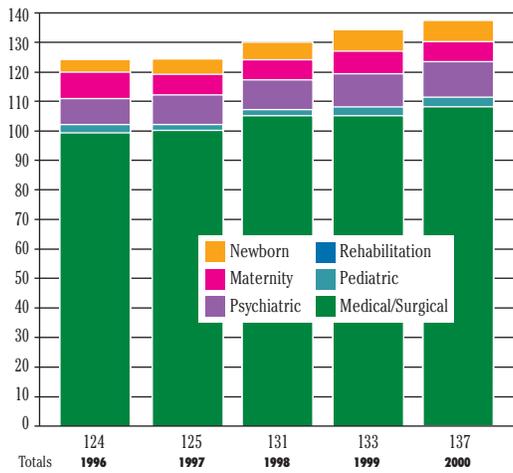
LIQUIDITY MEASURES	1998	1999	2000
Days of expenses in accounts payable	109.96	82.84	46.31
Days cash on hand	41.72	30.14	26.73
Days of revenue in accounts receivable	48.37	61.98	55.28



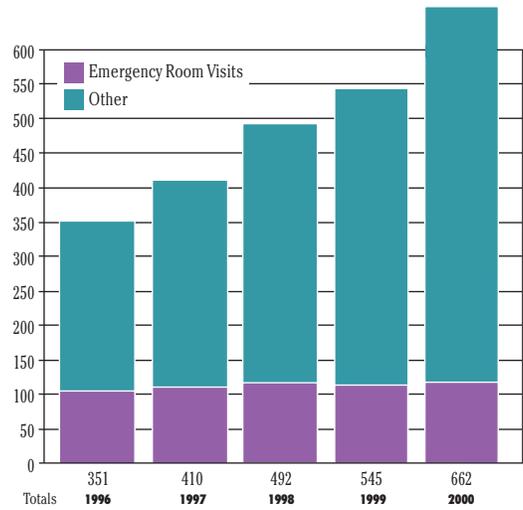
**PATIENT DAYS BY PAYER**



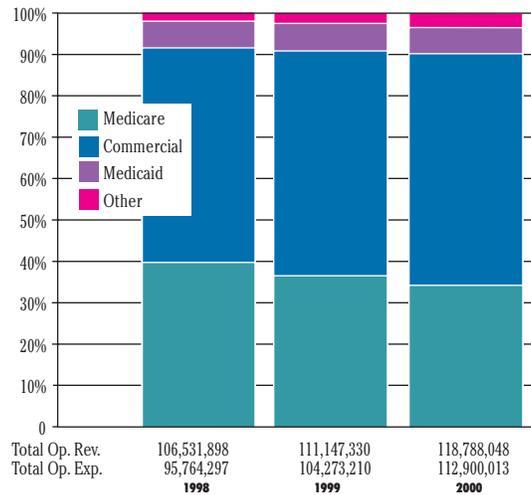
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



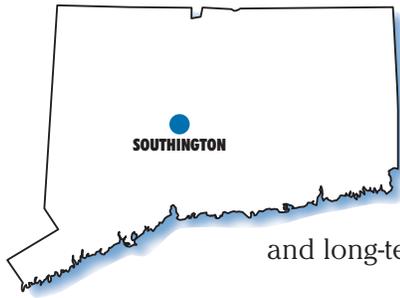
**AVERAGE DAILY OUTPATIENTS**



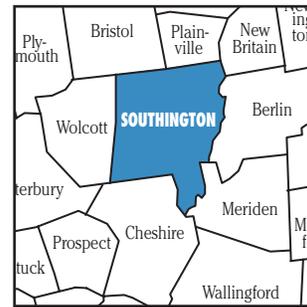
**NET PATIENT REVENUE BY PAYER**

## BRADLEY MEMORIAL HOSPITAL

Bradley Memorial Hospital, founded in 1938, is located in Southington, and primarily serves the residents of that town. In FY 2000, the hospital staffed 74 of its 84 licensed

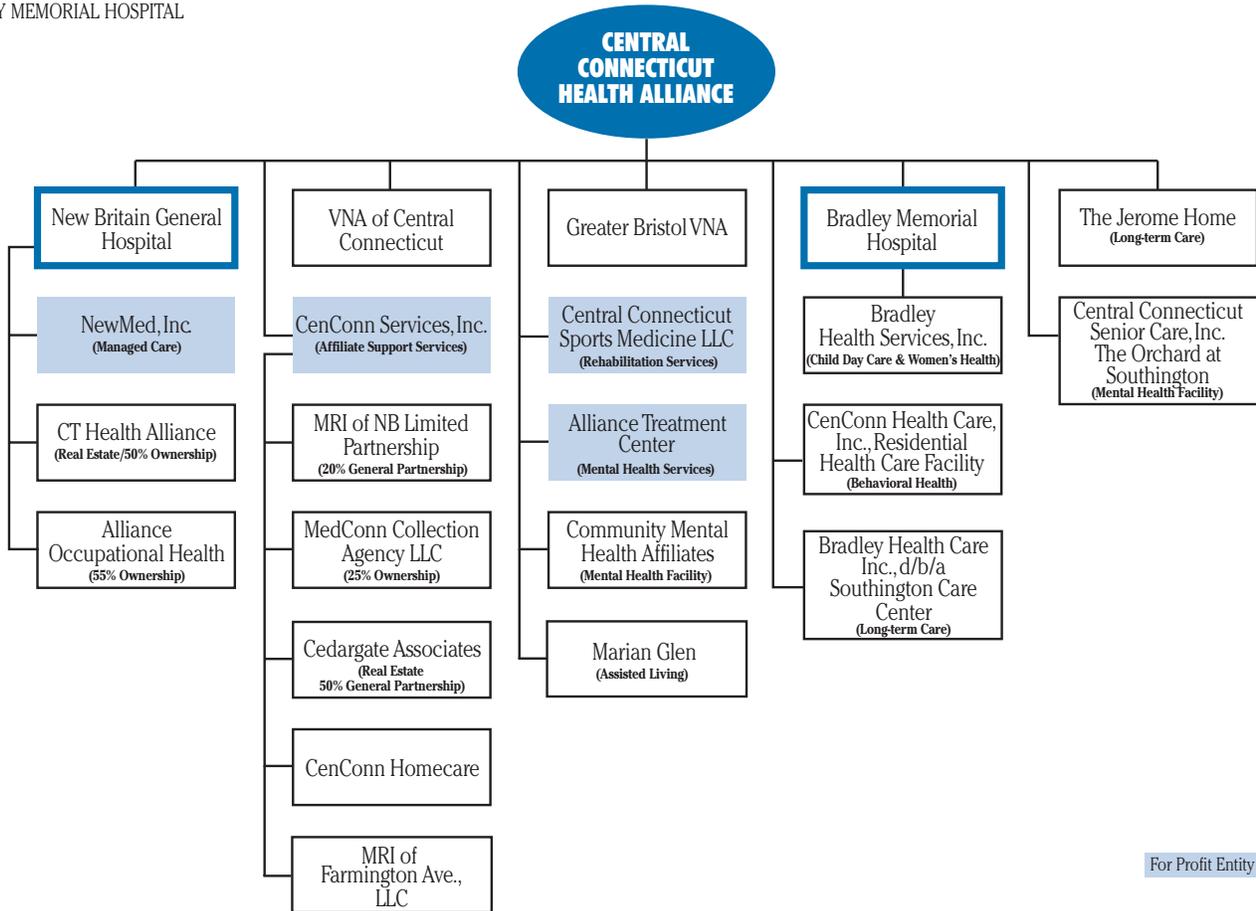


beds and employed 280 Full Time Equivalents. It is a part of the Central Connecticut Health Alliance, which also includes New Britain General Hospital, and home health, behavioral health, rehabilitation, and long-term care entities.



## KEY RESULTS

- ◆ Outpatient visits decreased 3%.
- ◆ Uncompensated Care increased 37% from \$590,187 in FY1999 to \$809,876 in FY 2000.
- ◆ The Hospital experienced an operating loss with an operating margin of -8.96%.
- ◆ The Hospital had less than 13 days of cash on hand.

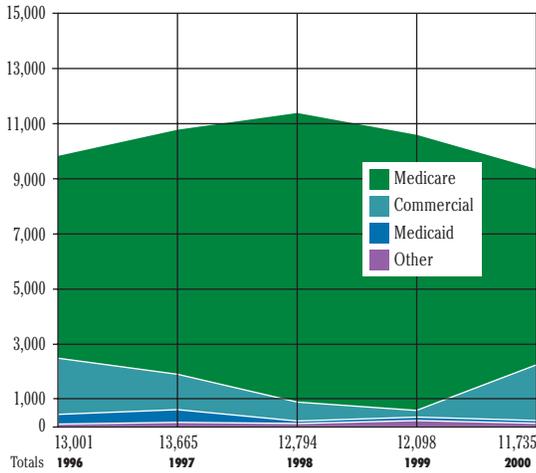


MARGINS	1998	1999	2000
Total margin	-4.85%	2.12%	-3.53%
Operating margin	-4.85%	-10.18%	-8.96%

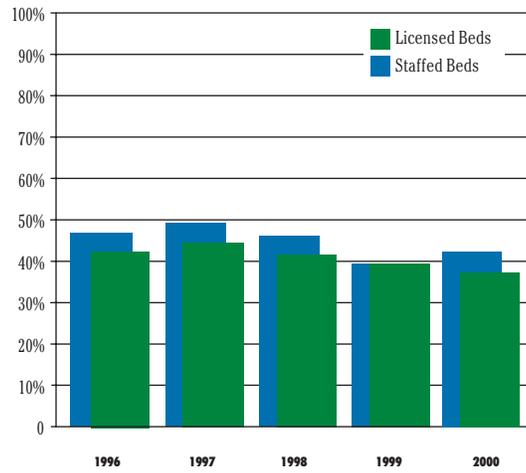
PAYMENT TO COST RATIOS BY PAYER	1998	1999	2000
Ratio of cost to charges	.62	.61	.63
Medicare Payment to Cost	.97	.92	.89
Medicaid Payment to Cost	.53	.60	.45
Private Payment to Cost	1.07	1.05	1.05
Uncompensated Care Cost	\$407,391	\$590,187	\$809,876
Total expenses	\$25,131,615	\$25,205,757	\$26,006,329
Uncompensated care % of total expenses	1.62%	2.34%	3.11%

CAPITAL STRUCTURE RATIO	1998	1999	2000
Equity financing ratio	47.27%	46.31%	46.06%

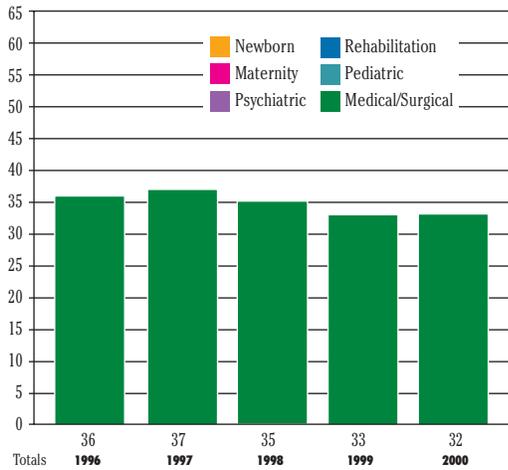
LIQUIDITY MEASURES	1998	1999	2000
Days of expenses in accounts payable	44.61	64.86	53.21
Days cash on hand	21.02	17.19	12.74
Days of revenue in accounts receivable	54.60	56.46	41.78



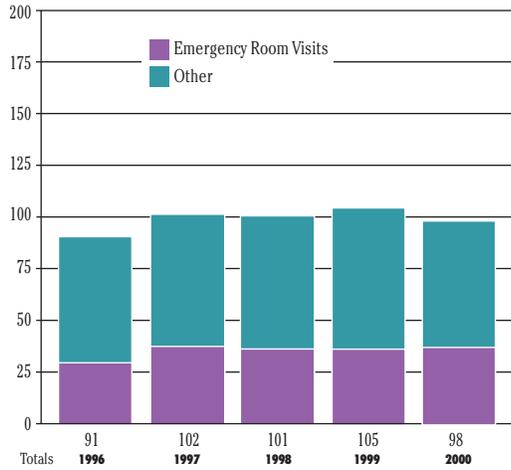
**PATIENT DAYS BY PAYER**



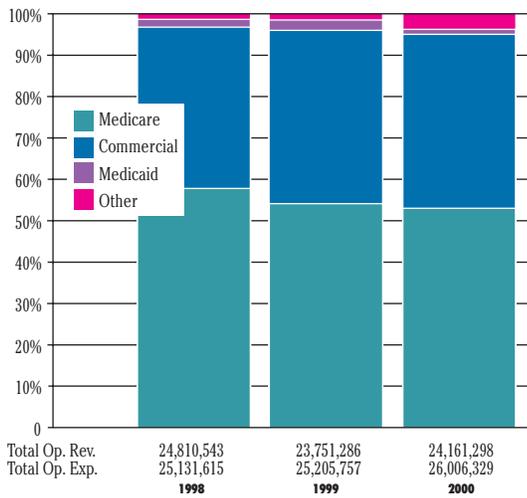
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



**AVERAGE DAILY OUTPATIENTS**

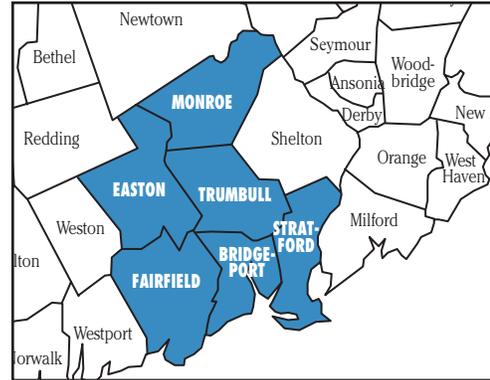


**NET PATIENT REVENUE BY PAYER**

## BRIDGEPORT HOSPITAL

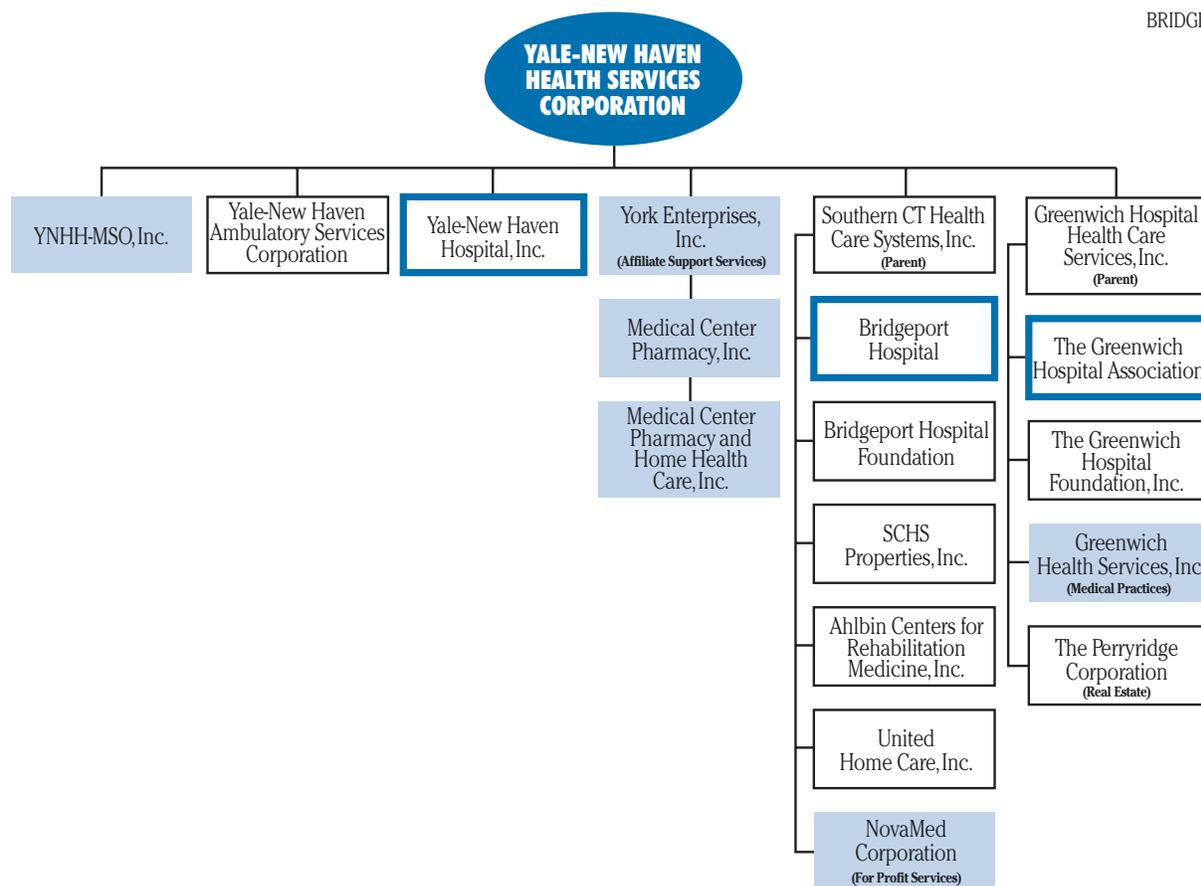


Bridgeport Hospital, founded in 1878, is located in Bridgeport and, in addition to that city, primarily serves five other towns in Fairfield County. In FY 2000, the hospital staffed 285 of its 425 licensed beds and employed 1,664 Full Time Equivalents. The hospital is Bridgeport's largest private employer. Bridgeport Hospital is an affiliate of the Yale-New Haven Health System.



## KEY RESULTS

- ◆ Staffed beds were reduced by 19% in FY 2000, thereby increasing staffed bed occupancy.
- ◆ Total outpatient visits decreased by 2% in FY 2000.
- ◆ The Hospital's Audited Financial Statements showed an operating loss of \$12 million.
- ◆ While days of expenses in accounts payable and days of revenue in accounts receivable showed improvement in FY 2000, liquidity measures including days of expenses in accounts payable, days of cash on hand, and days of revenue in accounts receivable fell short of statewide averages.
- ◆ Days of cash on hand have decreased from 47.4 days in FY 1997 to 11.2 days in FY 2000.



For Profit Entity

<b>MARGINS</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Total margin	4.61%	-1.18%	5.55%
Operating margin	3.16%	-2.45%	4.63%

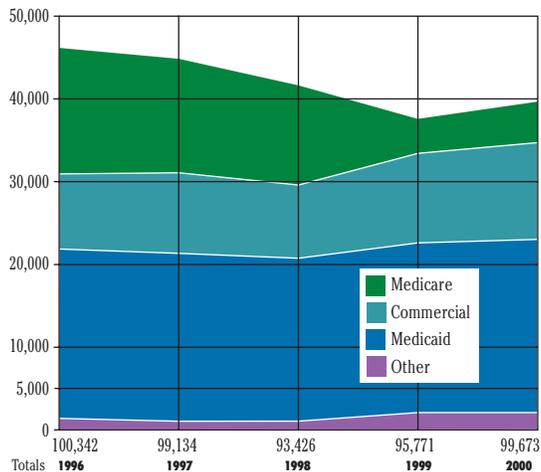
<b>PAYMENT TO COST RATIOS BY PAYER</b>			
Ratio of cost to charges	.57	.54	.50
Medicare Payment to Cost	.81	1.01	1.04
Medicaid Payment to Cost	.66	.71	.72
Private Payment to Cost	1.07	1.09	1.23
Uncompensated Care Cost	\$4,941,062	\$5,869,524	\$5,708,590
Total expenses	\$176,344,851	\$183,399,108	\$192,801,317
Uncompensated care % of total expenses	2.80%	3.20%	2.96%

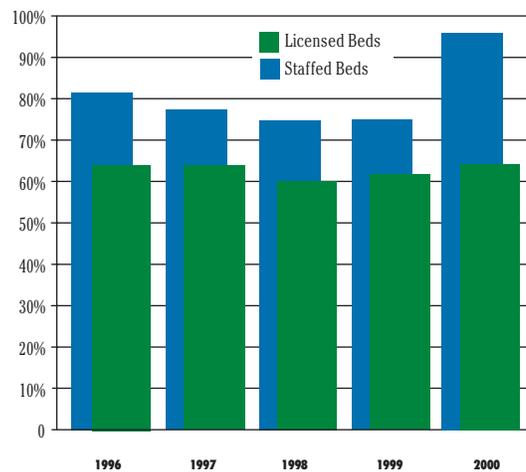
<b>CAPITAL STRUCTURE RATIO</b>			
Equity financing ratio	32.60%	34.24%	32.35%

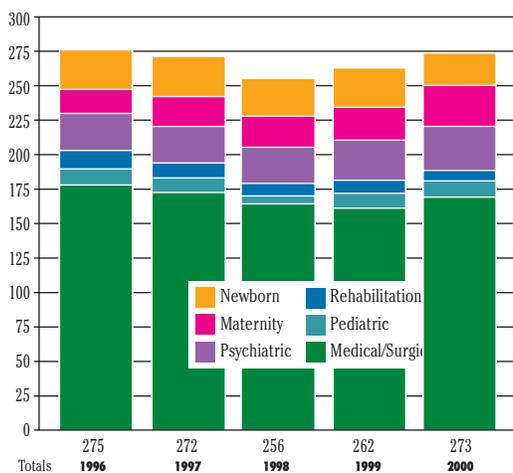
<b>LIQUIDITY MEASURES</b>			
Days of expenses in accounts payable	73.91	79.63	70.37
Days cash on hand	46.99	17.40	11.16
Days of revenue in accounts receivable	57.00	82.88	75.87



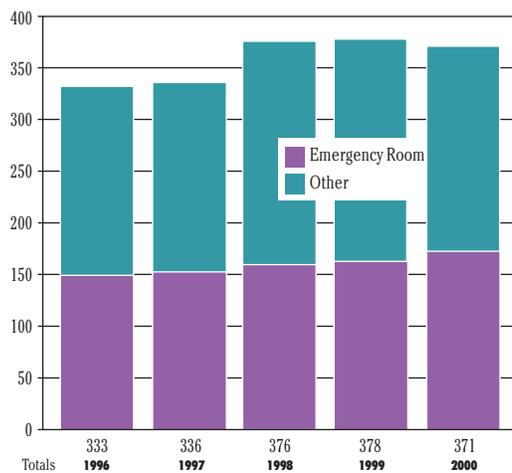
**PATIENT DAYS BY PAYER**



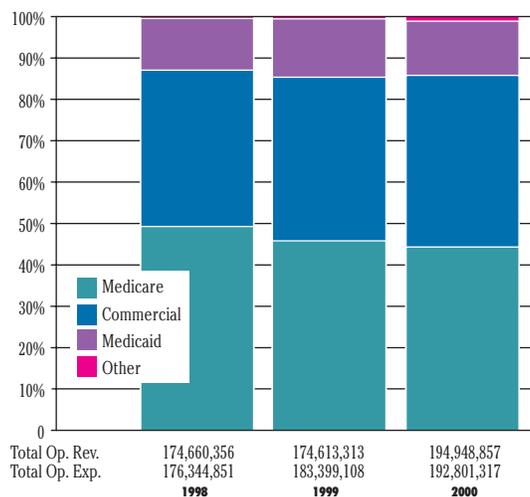
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



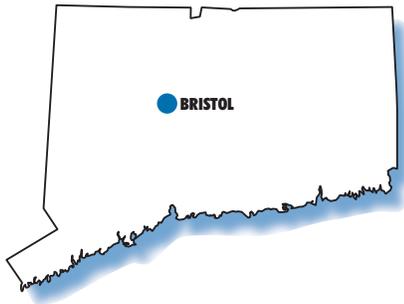
**AVERAGE DAILY OUTPATIENTS**



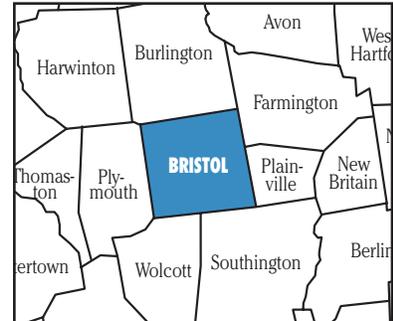
**NET PATIENT REVENUE BY PAYER**

## BRISTOL HOSPITAL

Bristol Hospital, founded in 1921, is located in Bristol and primarily serves the residents of that town. In FY 2000, the hospital staffed 148 of its 172 licensed

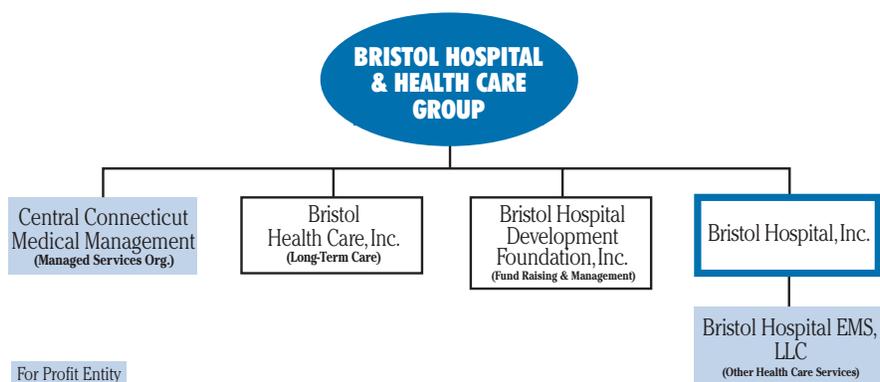


beds and employed 810 Full Time Equivalents. Bristol Hospital is an affiliate of Saint Francis Hospital.



## KEY RESULTS

- ◆ In FY 2000, staffed beds increased by 5%.
- ◆ Discharges increased by 12% in FY 2000.
- ◆ Total outpatient visits increased by 2% in FY 2000.
- ◆ Both the Hospital's total and operating margins (7.6% and 5.1%, respectively) substantially exceed the statewide averages (3.2% and 1.2%, respectively).

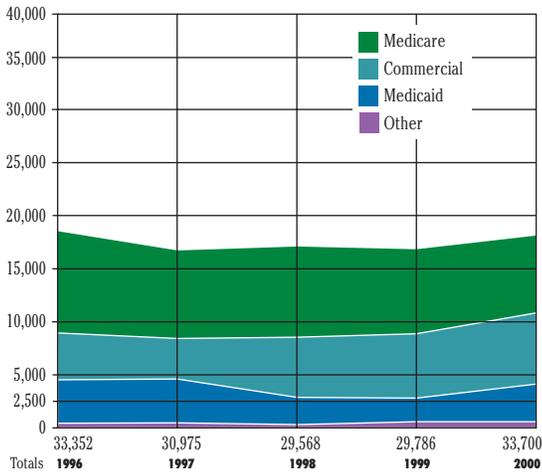


MARGINS	1998	1999	2000
Total margin	4.63%	5.23%	7.66%
Operating margin	0.33%	1.32%	5.10%

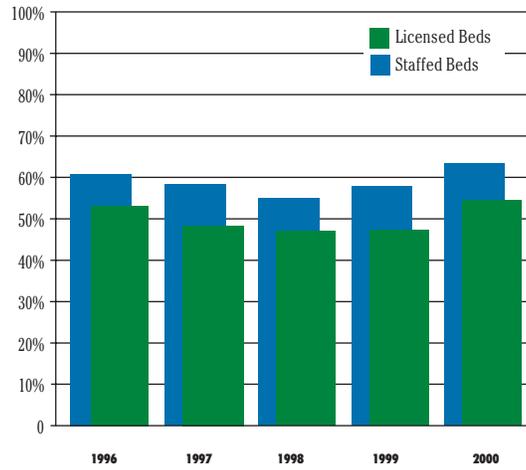
PAYMENT TO COST RATIOS BY PAYER			
Ratio of cost to charges	.51	.48	.46
Medicare Payment to Cost	.97	.94	.95
Medicaid Payment to Cost	.72	.75	.79
Private Payment to Cost	1.13	1.21	1.26
Uncompensated Care Cost	\$2,234,392	\$2,473,339	\$2,618,577
Total expenses	\$66,716,956	\$67,680,578	\$72,446,988
Uncompensated care % of total expenses	3.35%	3.65%	3.61%

CAPITAL STRUCTURE RATIO			
Equity financing ratio	53.89%	59.82%	58.94%

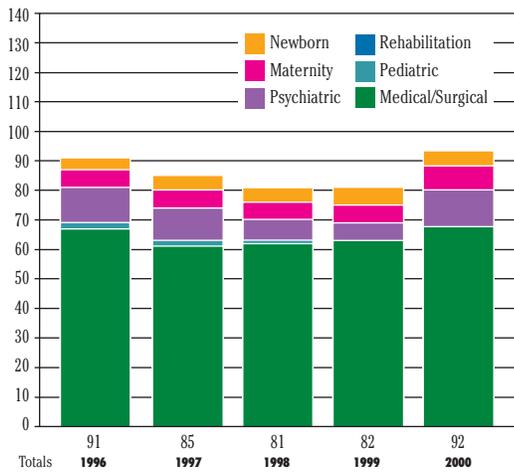
LIQUIDITY MEASURES			
Days of expenses in accounts payable	73.55	47.49	57.04
Days cash on hand	47.14	30.34	46.72
Days of revenue in accounts receivable	64.21	51.19	49.82



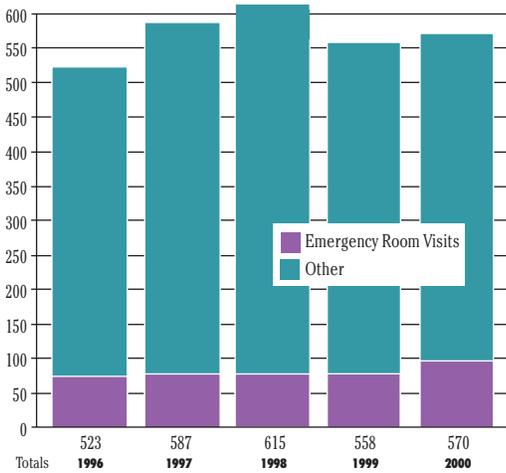
**PATIENT DAYS BY PAYER**



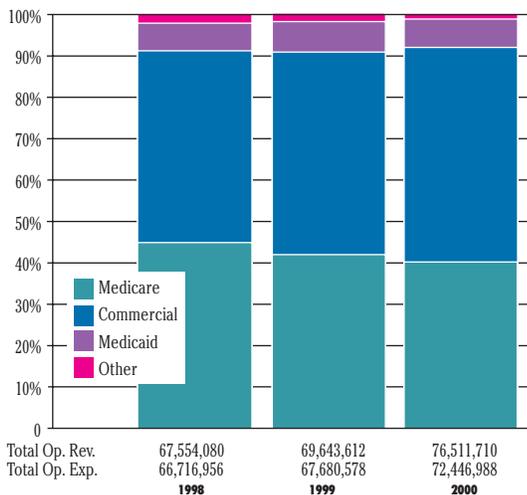
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**

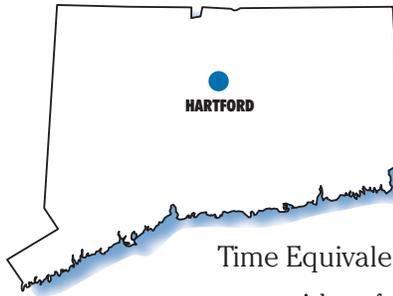


**AVERAGE DAILY OUTPATIENTS**



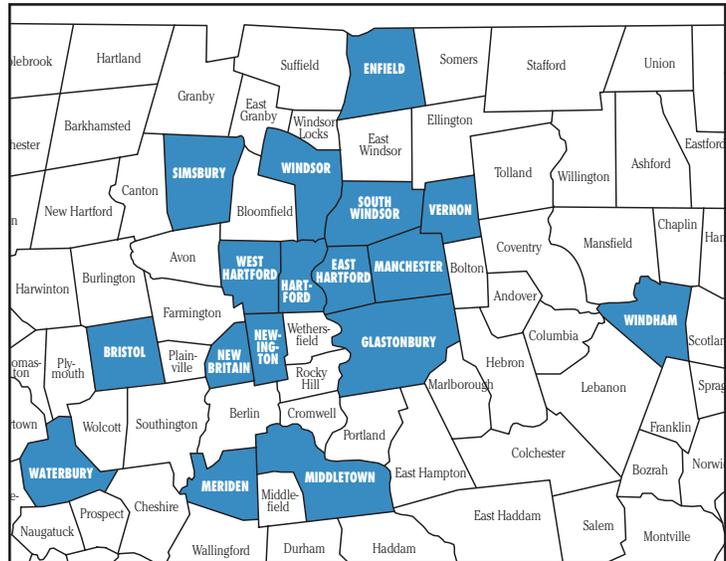
**NET PATIENT REVENUE BY PAYER**

## CONNECTICUT CHILDREN'S MEDICAL CENTER



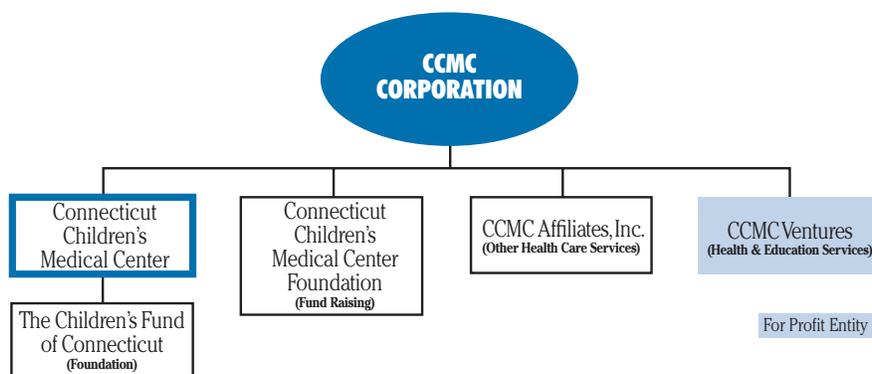
Connecticut Children's Medical Center (CCMC), located in Hartford, began operating in 1996 as the successor to Newington Children's Hospital. In FY 2000, the hospital staffed 102 of its 123 licensed beds and employed 695 Full

Time Equivalents. It is a state-wide referral site for pediatric care.



## KEY RESULTS

- ◆ Staffed beds were reduced by 17% in FY 2000, resulting in a higher staffed bed occupancy rate.
- ◆ Discharges increased by 13%.
- ◆ The Hospital continues to have a low payment to cost ratio for private payers, which decreased from .84 in FY 1999 to .82 in FY 2000.
- ◆ The Hospital's 3 days of cash on hand is significantly lower than the statewide average of 20 days.

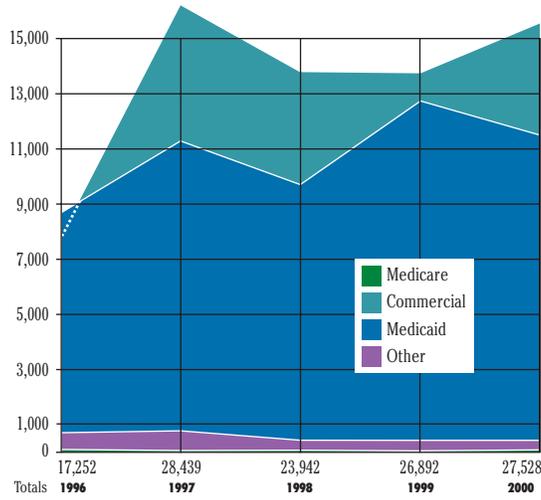


<b>MARGINS</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Total margin	-26.05%	-7.22%	-6.58%
Operating margin	-27.25%	-12.30%	-11.73%

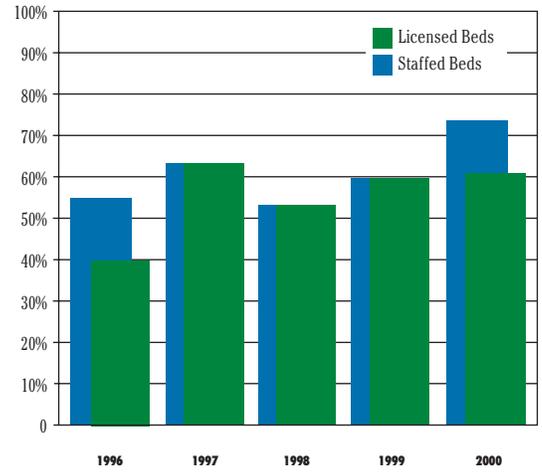
<b>PAYMENT TO COST RATIOS BY PAYER</b>			
Ratio of cost to charges	.76	.73	.68
Medicare Payment to Cost	.66	.18	.84
Medicaid Payment to Cost	.66	.94	.97
Private Payment to Cost	.87	.84	.82
Uncompensated Care Cost	\$1,593,977	\$2,310,227	\$2,604,003
Total expenses	\$64,585,292	\$71,588,478	\$76,312,026
Uncompensated care % of total expenses	2.47%	3.23%	3.41%

<b>CAPITAL STRUCTURE RATIO</b>			
Equity financing ratio	25.20%	24.82%	24.22%

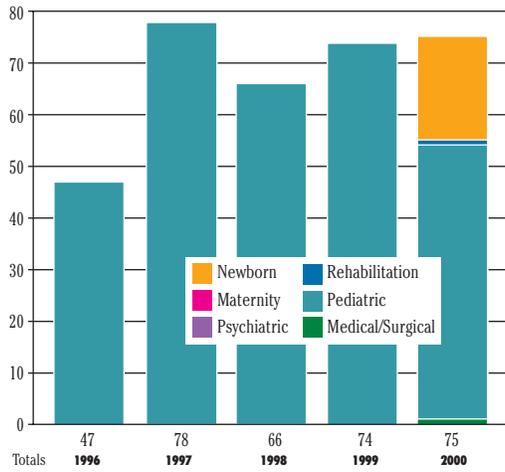
<b>LIQUIDITY MEASURES</b>			
Days of expenses in accounts payable	82.15	79.74	67.63
Days cash on hand	1.18	4.91	2.97
Days of revenue in accounts receivable	68.05	70.14	54.04



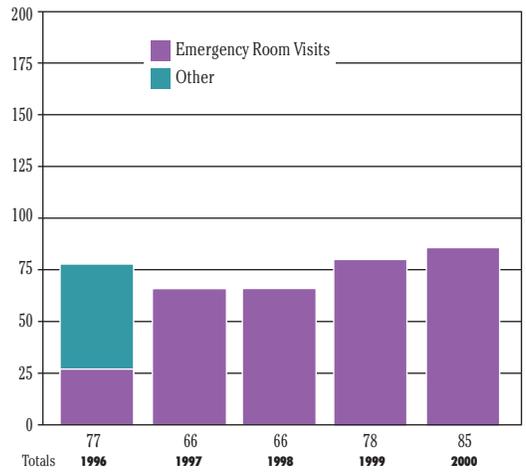
**PATIENT DAYS BY PAYER**



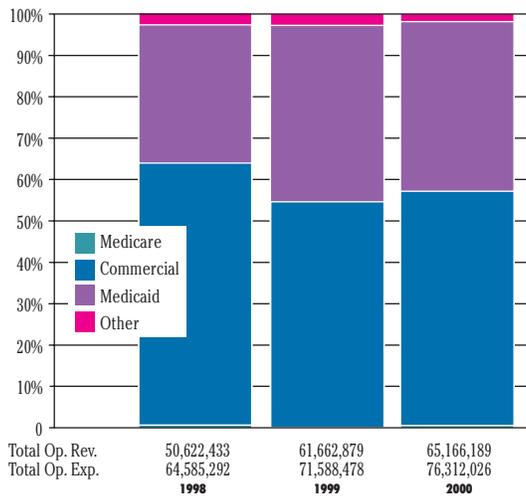
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



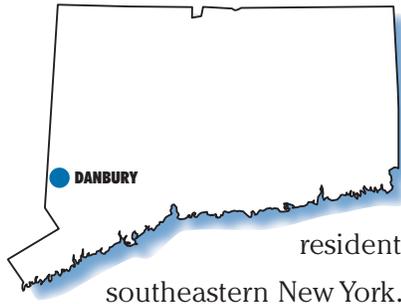
**AVERAGE DAILY OUTPATIENTS**



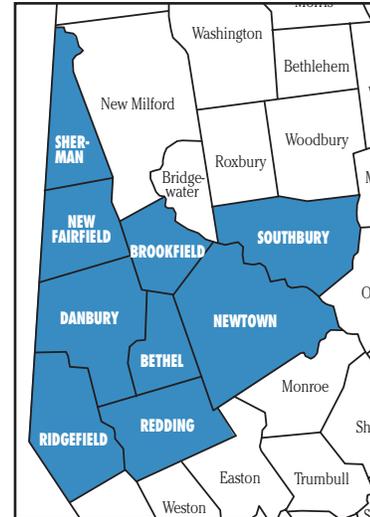
**NET PATIENT REVENUE BY PAYER**

## DANBURY HOSPITAL

The Danbury Hospital, founded in 1885, is located in Danbury and, in addition to that city, primarily serves eight other towns.

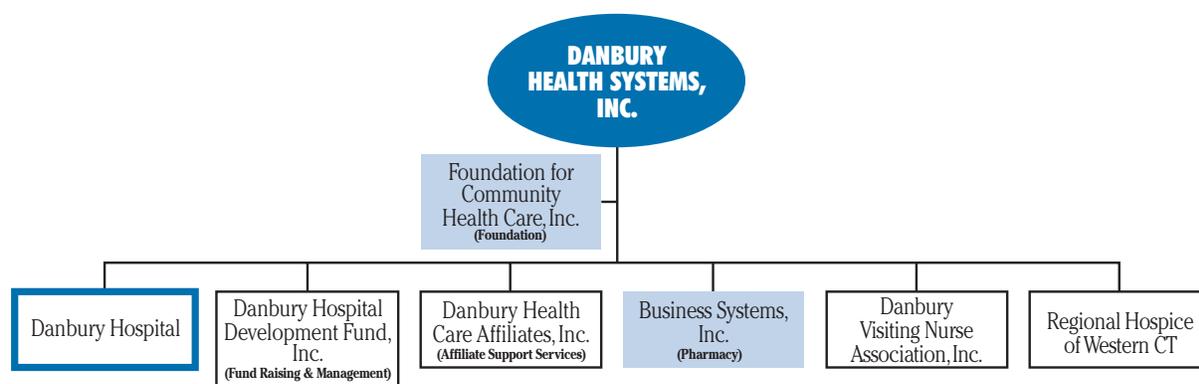


In FY 2000, the hospital staffed 304 of its 371 licensed beds and employed 1,824 Full Time Equivalents. It also serves as a regional referral center for the residents of western Connecticut and southeastern New York.



## KEY RESULTS

- ◆ The operating margin is 5.5% and the total margin is 8.2%—both of which are better than the statewide averages of .12% and 3.16%, respectively.
- ◆ Private payment to cost ratio is a healthy 1.31 versus a statewide average of 1.13.
- ◆ Uncompensated Care as a percentage of total expenses remained relatively constant at 4.46%, but is above the statewide average of 3.6%.
- ◆ Total patient days increased 1% and total discharges increased 3% over 1999 levels.
- ◆ Outpatient visits continue to increase.



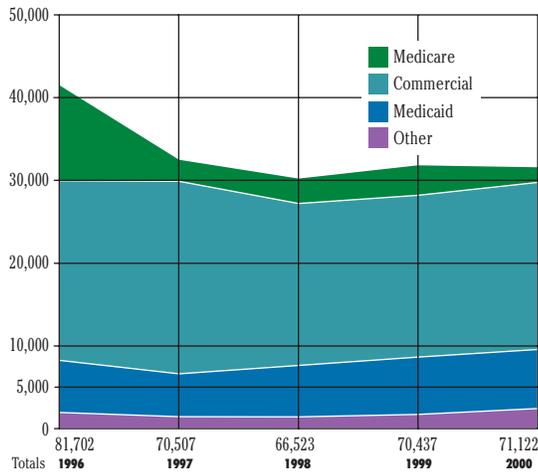
For Profit Entity

MARGINS	1998	1999	2000
Total margin	6.81%	5.44%	8.20%
Operating margin	3.68%	3.61%	5.54%

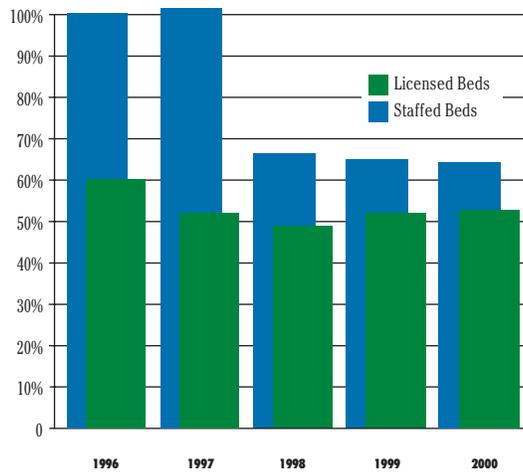
PAYMENT TO COST RATIOS BY PAYER	1998	1999	2000
Ratio of cost to charges	.58	.56	.51
Medicare Payment to Cost	.95	.96	.91
Medicaid Payment to Cost	.69	.71	.57
Private Payment to Cost	1.29	1.26	1.31
Uncompensated Care Cost	\$8,247,154	\$8,992,495	\$8,337,295
Total expenses	\$170,684,375	\$180,607,795	\$187,116,435
Uncompensated care % of total expenses	4.83%	4.98%	4.46%

CAPITAL STRUCTURE RATIO	1998	1999	2000
Equity financing ratio	47.85%	44.43%	46.08%

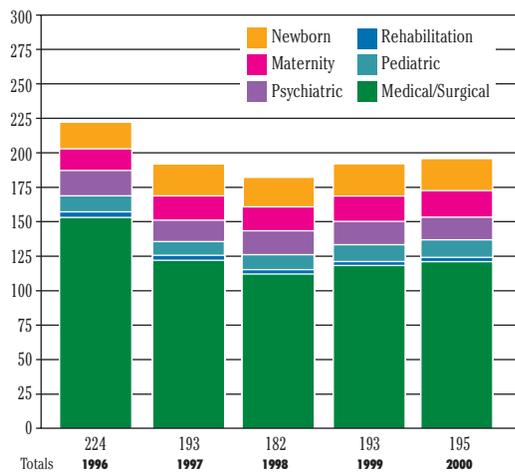
LIQUIDITY MEASURES	1998	1999	2000
Days of expenses in accounts payable	78.74	79.68	80.56
Days cash on hand	58.39	53.40	48.27
Days of revenue in accounts receivable	65.42	72.01	67.16



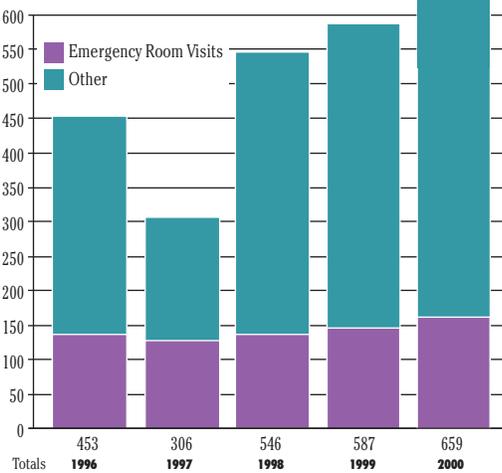
**PATIENT DAYS BY PAYER**



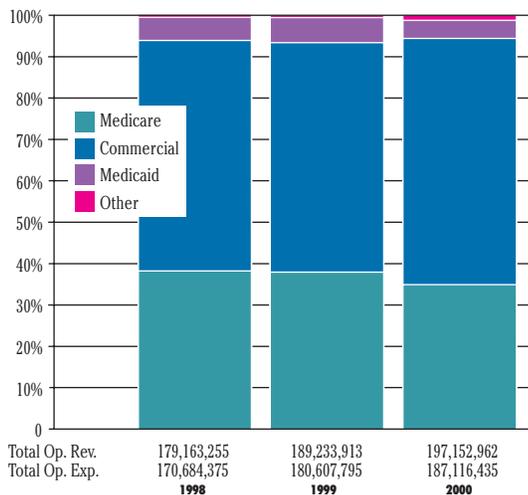
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



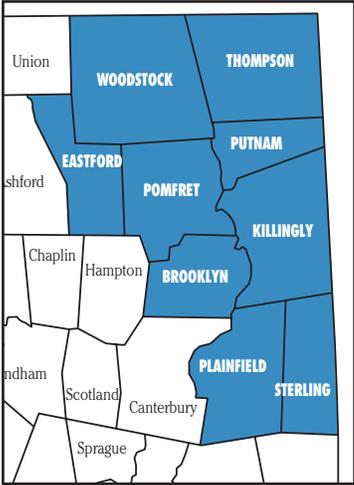
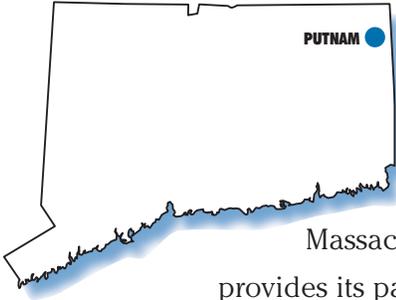
**AVERAGE DAILY OUTPATIENTS**



**NET PATIENT REVENUE BY PAYER**

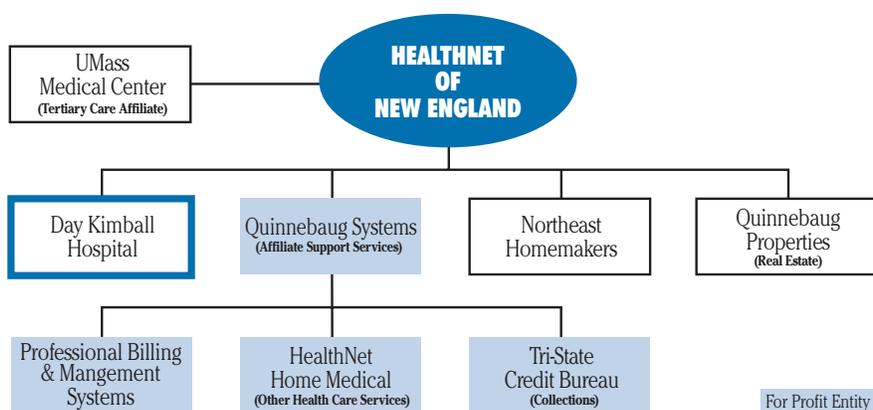
## DAY KIMBALL HOSPITAL

Day Kimball Hospital, founded in 1894, is located in Putnam and, in addition to that town, primarily serves eight other towns. In FY 2000, the hospital staffed 72 of its 122 licensed beds and employed 664 Full Time Equivalents. Day Kimball is part of the HealthNetwork of New England and is affiliated with the University of Massachusetts Memorial Medical Center, which provides its patients with tertiary care.



## KEY RESULTS

- ◆ Hospital occupancy rates have increased to a level closer to the state average.
- ◆ The total margin increased to 2.81% in 2000 and the operating margin increased to 2.26%.
- ◆ Uncompensated Care increased to 3.2% of total expenses. This amount is nearing the 3.6% statewide average.
- ◆ Outpatient volume is increasing steadily.

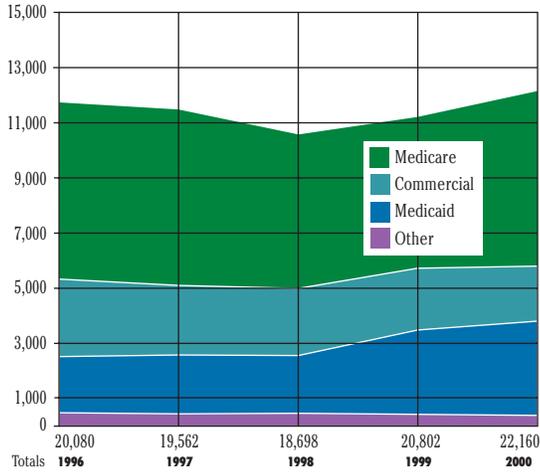


MARGINS	1998	1999	2000
Total margin	1.96%	0.90%	2.81%
Operating margin	1.76%	0.42%	2.26%

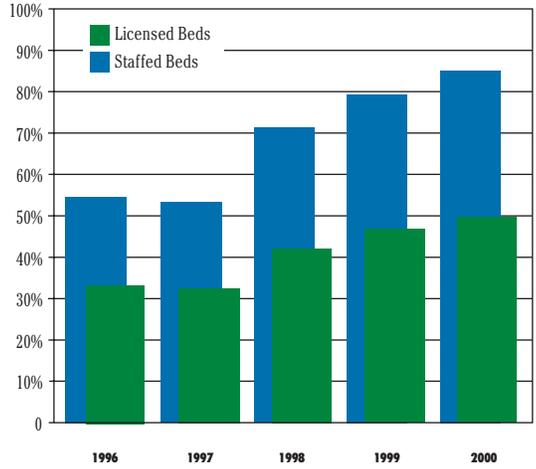
PAYMENT TO COST RATIOS BY PAYER			
Ratio of cost to charges	.62	.61	.58
Medicare Payment to Cost	.91	.94	.92
Medicaid Payment to Cost	.76	.73	.70
Private Payment to Cost	1.38	1.24	1.29
Uncompensated Care Cost	\$1,570,789	\$1,447,632	\$1,855,945
Total expenses	\$53,579,371	\$56,747,079	\$57,930,984
Uncompensated care % of total expenses	2.93%	2.55%	3.20%

CAPITAL STRUCTURE RATIO			
Equity financing ratio	47.71%	49.18%	46.88%

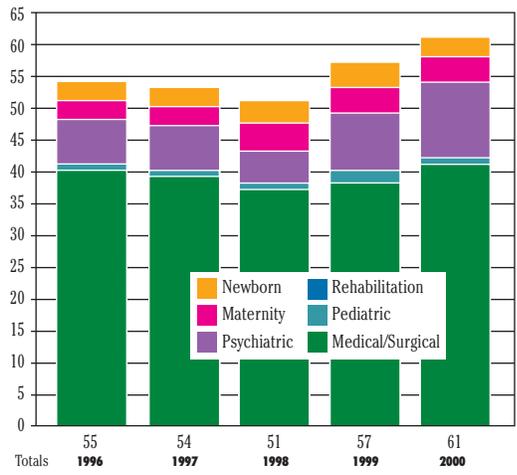
LIQUIDITY MEASURES			
Days of expenses in accounts payable	68.19	45.10	46.87
Days cash on hand	69.54	57.82	74.06
Days of revenue in accounts receivable	54.26	53.37	55.56



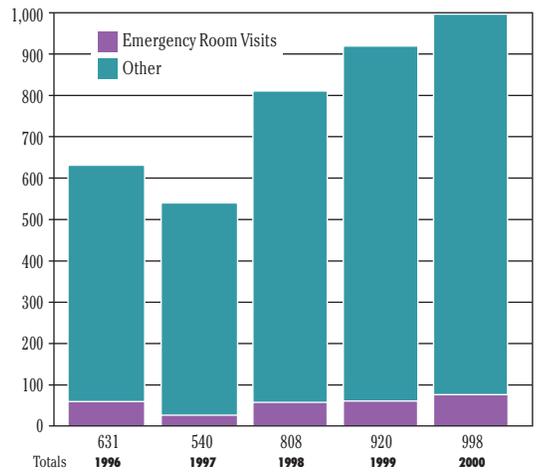
**PATIENT DAYS BY PAYER**



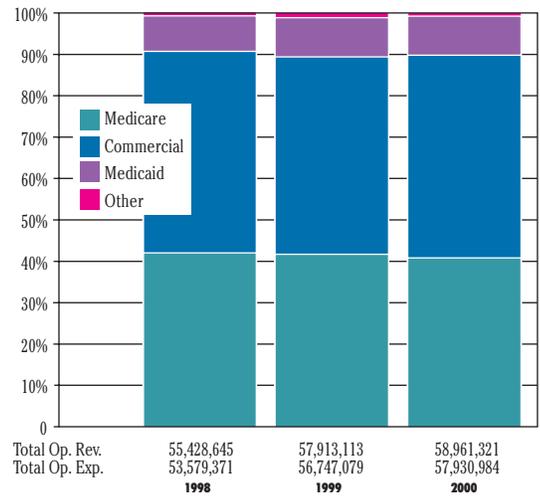
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



**AVERAGE DAILY OUTPATIENTS**

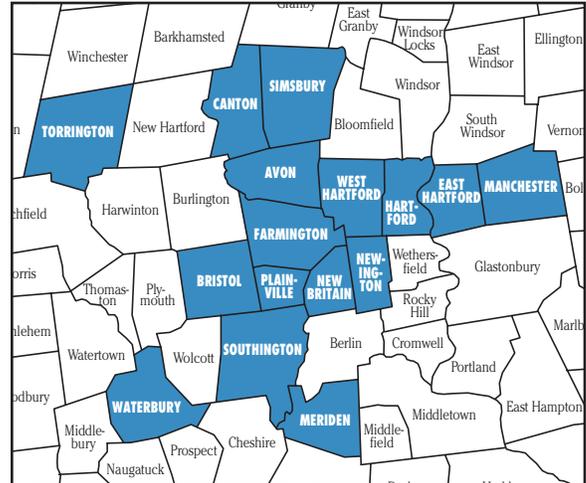


**NET PATIENT REVENUE BY PAYER**

## JOHN DEMPSEY HOSPITAL

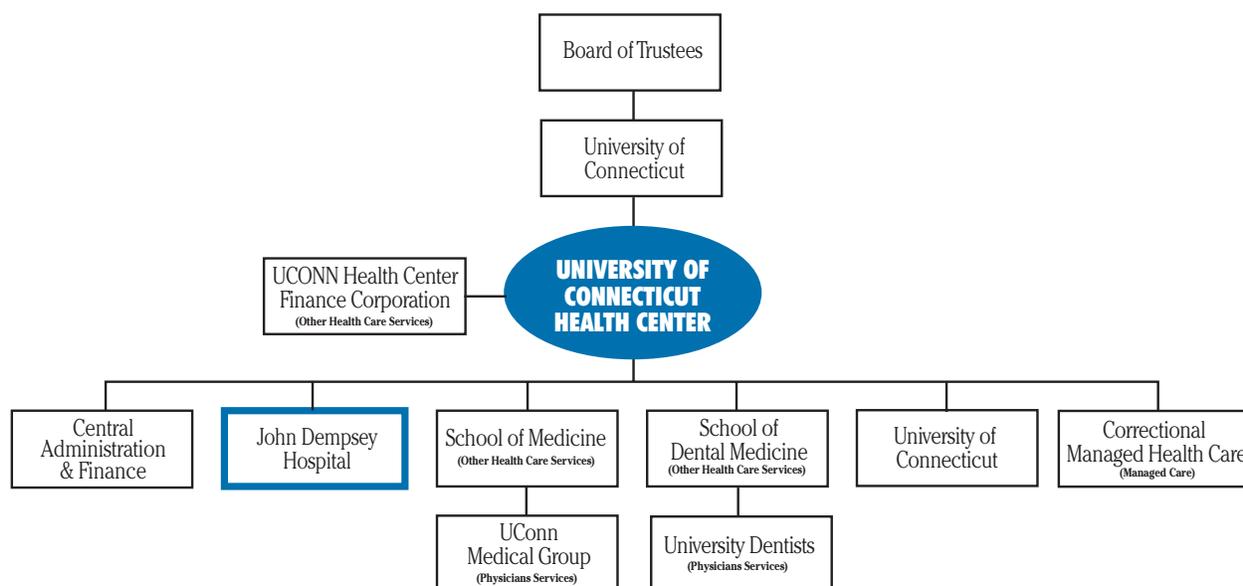


John Dempsey Hospital, located in Farmington, was founded in 1975 as the teaching hospital of the University of Connecticut Health Center. In FY 2000, the hospital staffed all of its 221 licensed beds and employed 927 Full Time Equivalents. It also serves as a statewide referral site for tertiary care.



## KEY RESULTS

- ◆ The Hospital's average length of stay is the highest in Connecticut at 7.1 days compared with a state average of 4.8 days. After adjusting for case mix, the Hospital's length of stay is still one of the state's highest.
- ◆ Discharges increased 9.2%.
- ◆ Private payment to cost ratio is .89, which is significantly below the statewide average of 1.13.
- ◆ The Hospital's deficit increased from -9.53% in FY 1999 to -13.75% in FY 2000.
- ◆ Days of cash on hand remained at zero (0) days, compared to the state average of 20 days.

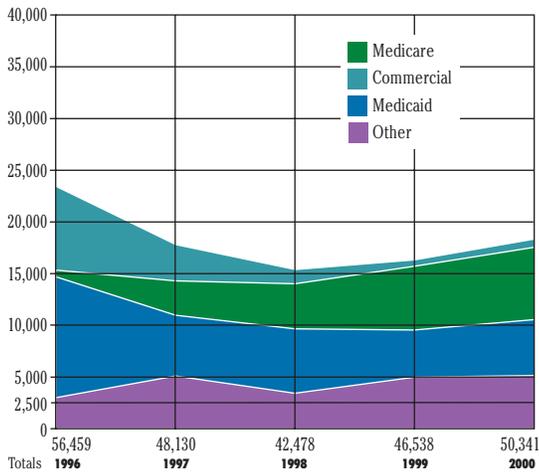


MARGINS	1998	1999	2000
Total margin	-8.17%	-9.53%	-13.75%
Operating margin	-8.17%	-9.53%	-13.75%

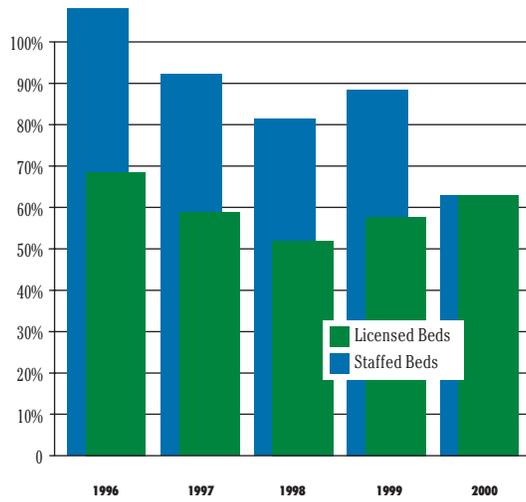
PAYMENT TO COST RATIOS BY PAYER			
Ratio of cost to charges	.72	.73	.68
Medicare Payment to Cost	1.23	1.02	.97
Medicaid Payment to Cost	.81	.72	.77
Private Payment to Cost	.93	1.01	.89
Uncompensated Care Cost	\$3,235,241	\$2,956,808	\$1,405,197
Total expenses	\$120,358,578	\$123,921,621	\$125,124,299
Uncompensated care % of total expenses	2.69%	2.39%	1.12%

CAPITAL STRUCTURE RATIO			
Equity financing ratio	74.12%	73.10%	68.38%

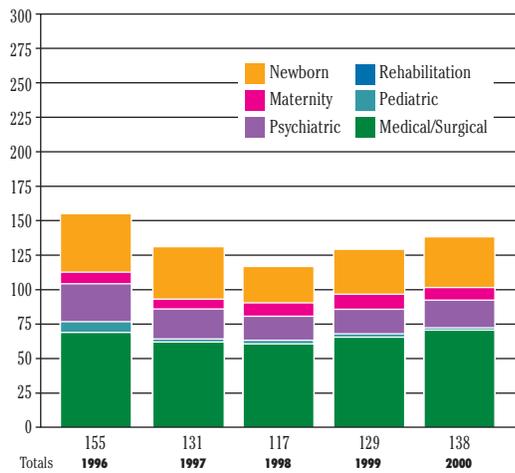
LIQUIDITY MEASURES			
Days of expenses in accounts payable	72.15	63.76	59.98
Days cash on hand	30.32	0.00	0.00
Days of revenue in accounts receivable	77.91	76.65	51.11



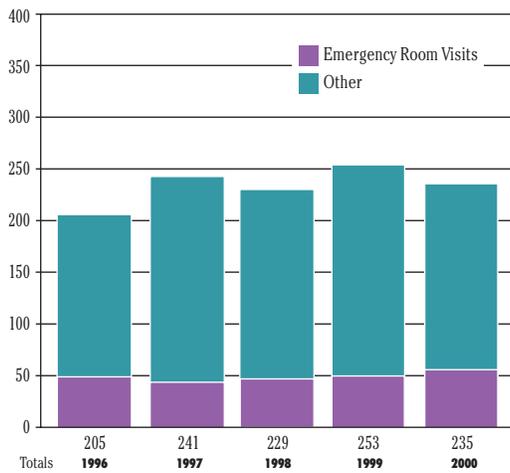
**PATIENT DAYS BY PAYER**



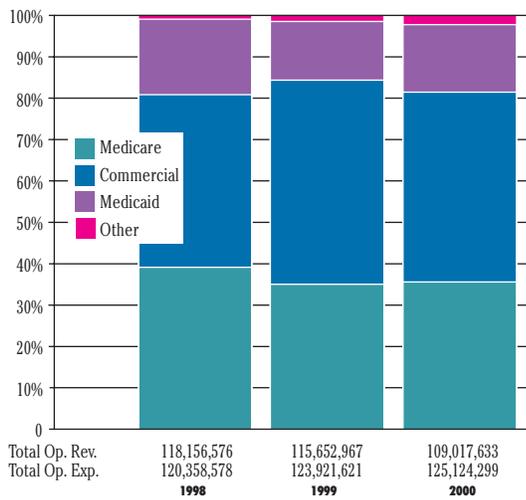
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**

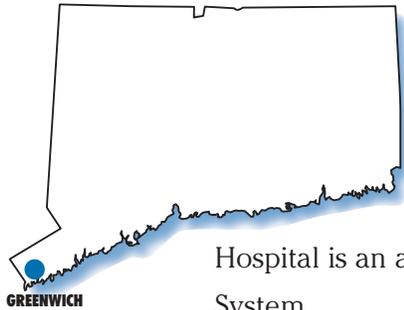


**AVERAGE DAILY OUTPATIENTS**

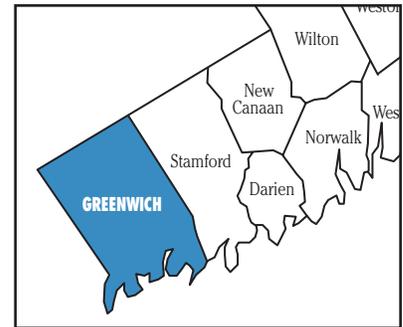


**NET PATIENT REVENUE BY PAYER**

## GREENWICH HOSPITAL

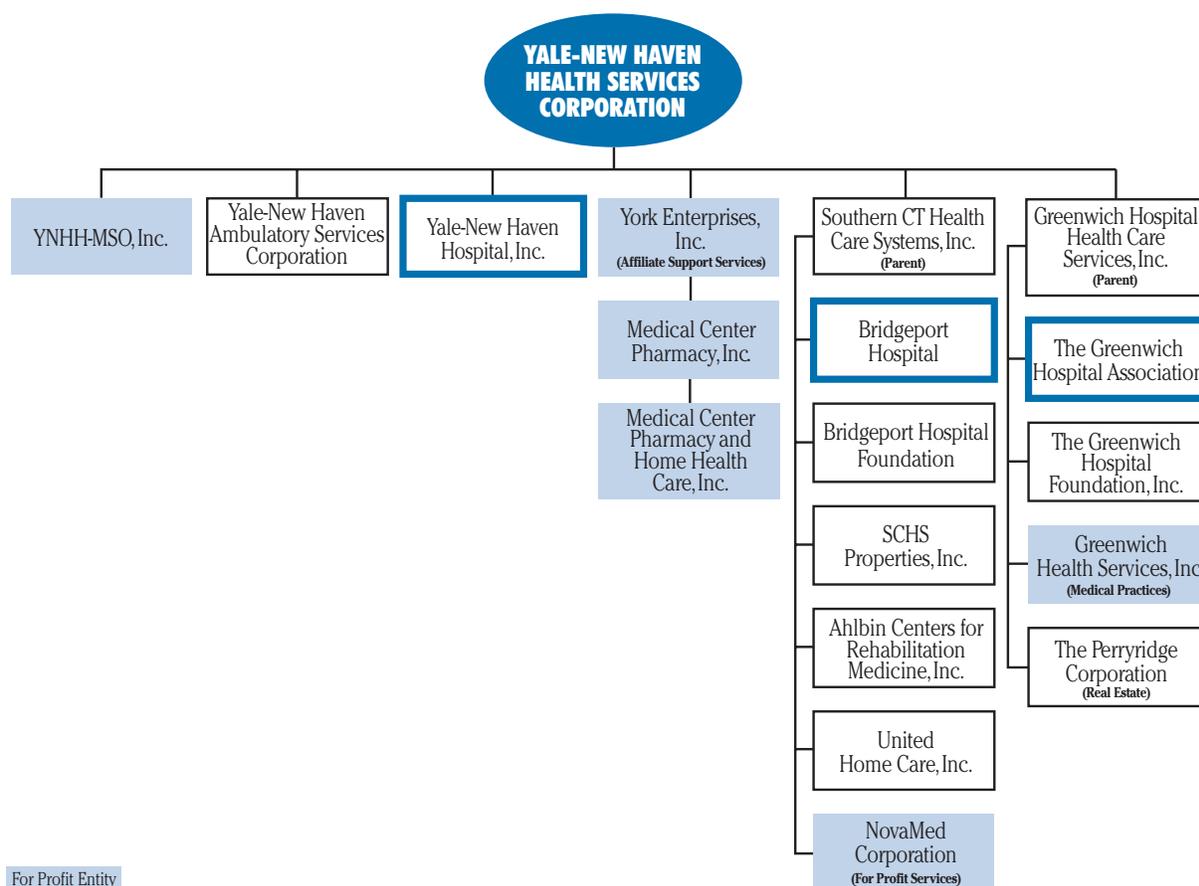


Greenwich Hospital, founded in 1903, is located in Greenwich and primarily serves the residents of that town as well as Westchester County, New York. In FY 2000, the hospital staffed 163 of its 178 licensed beds and employed 1,016 Full Time Equivalents. Greenwich Hospital is an affiliate of the Yale-New Haven Health System.



## KEY RESULTS

- ◆ Outpatient visits increased 12% from FY 1999. Outpatient visits have nearly doubled since FY 1995.
- ◆ Uncompensated Care increased 8.7% from \$3,887,018 in FY 1999 to \$4,225,689 in FY 2000.
- ◆ The Hospital had a negative operating margin of  $-0.76\%$ .

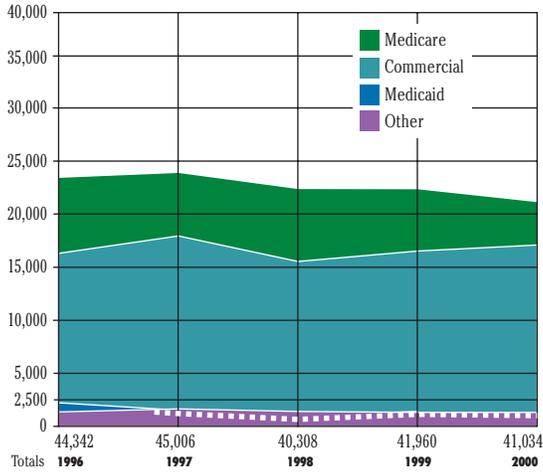


<b>MARGINS</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Total margin	4.51%	7.51%	6.48%
Operating margin	-2.26%	1.65%	-0.76%

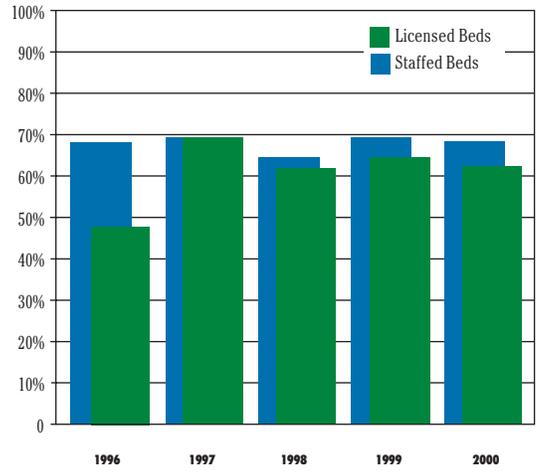
<b>PAYMENT TO COST RATIOS BY PAYER</b>			
Ratio of cost to charges	.59	.56	.56
Medicare Payment to Cost	.79	.83	.79
Medicaid Payment to Cost	.65	.75	.79
Private Payment to Cost	1.39	1.36	1.28
Uncompensated Care Cost	\$3,182,367	\$3,887,018	\$4,225,689
Total expenses	\$103,123,980	\$106,119,745	\$117,365,132
Uncompensated care % of total expenses	3.09%	3.66%	3.60%

<b>CAPITAL STRUCTURE RATIO</b>			
Equity financing ratio	39.79%	45.85%	48.06%

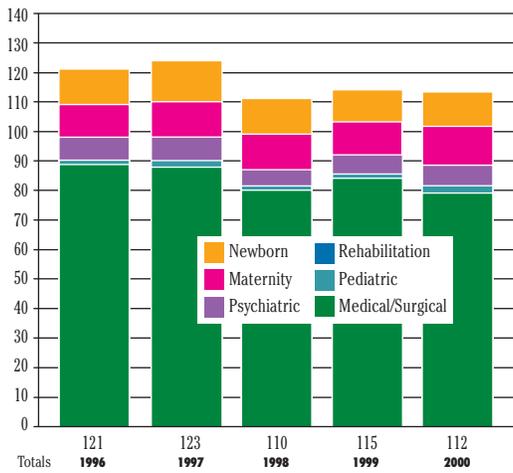
<b>LIQUIDITY MEASURES</b>			
Days of expenses in accounts payable	127.36	123.93	113.05
Days cash on hand	73.08	63.52	28.05
Days of revenue in accounts receivable	51.16	55.70	54.98



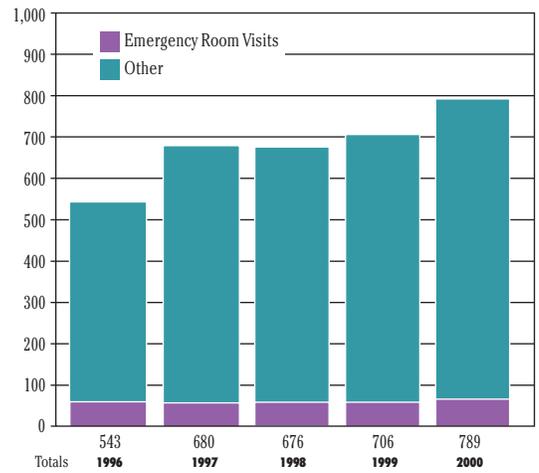
**PATIENT DAYS BY PAYER**



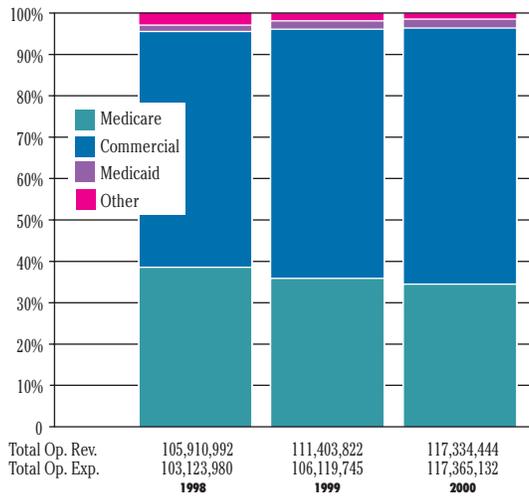
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**

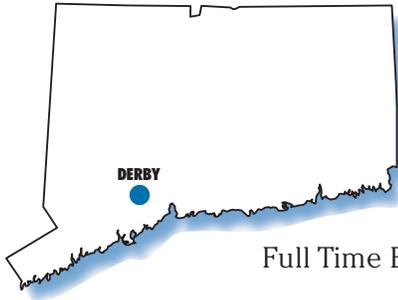


**AVERAGE DAILY OUTPATIENTS**

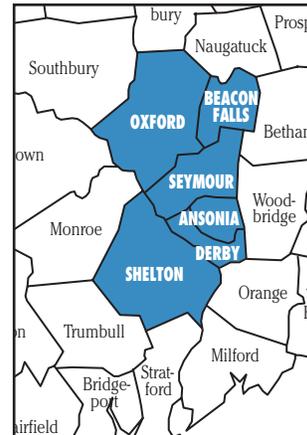


**NET PATIENT REVENUE BY PAYER**

## GRIFFIN HOSPITAL

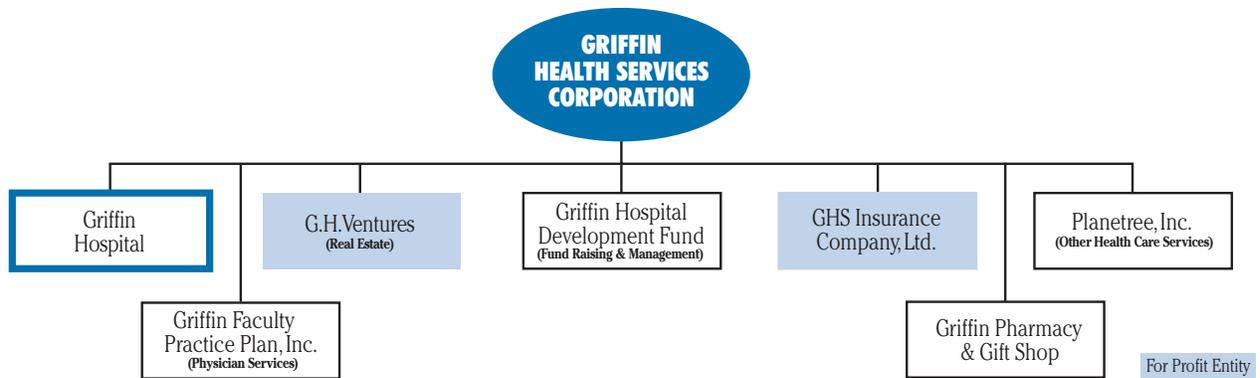


Griffin Hospital was founded in 1909 as Derby Hospital. In addition to Derby, it primarily serves five other Naugatuck valley towns. In FY 2000, the hospital staffed 156 of its 175 licensed beds and employed 684 Full Time Equivalentents.



## KEY RESULTS

- ◆ The Hospital's operating margin was 0.93% in FY 2000.
- ◆ Griffin Hospital's commercial discounts are among the highest in the state at 57.45%.
- ◆ Uncompensated Care increased 31.4% from \$1,682,453 in FY 1999 to \$2,209,981 in FY 2000 due to increases in bad debt.

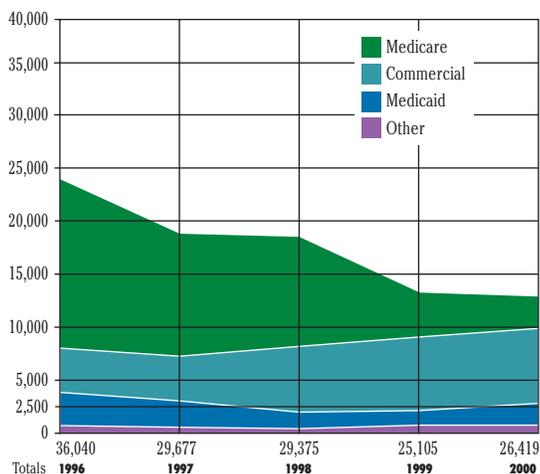


MARGINS	1998	1999	2000
Total margin	-3.22%	3.23%	3.31%
Operating margin	-5.36%	0.52%	0.93%

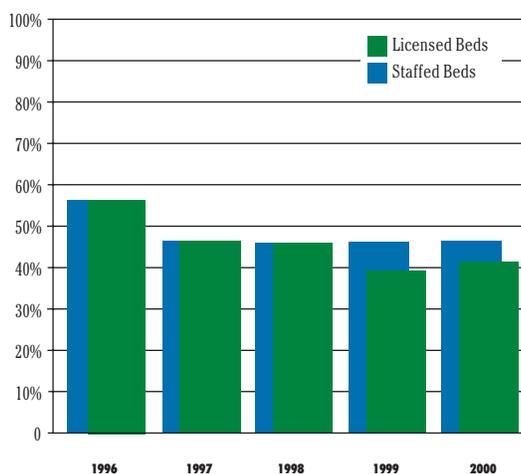
PAYMENT TO COST RATIOS BY PAYER			
Ratio of cost to charges	.38	.35	.37
Medicare Payment to Cost	.91	.91	.98
Medicaid Payment to Cost	.63	.70	.76
Private Payment to Cost	1.10	1.23	1.08
Uncompensated Care Cost	\$1,693,150	\$1,682,453	\$2,209,981
Total expenses	\$61,179,156	\$59,842,229	\$61,271,305
Uncompensated care % of total expenses	2.77%	2.81%	3.61%

CAPITAL STRUCTURE RATIO			
Equity financing ratio	14.37%	21.51%	25.69%

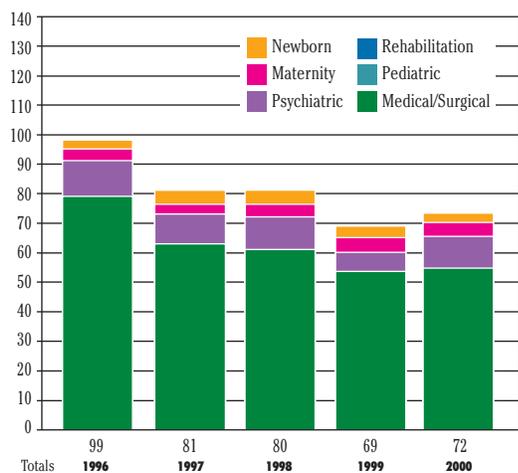
LIQUIDITY MEASURES			
Days of expenses in accounts payable	83.27	85.41	73.03
Days cash on hand	12.46	15.02	8.07
Days of revenue in accounts receivable	53.43	59.59	64.79



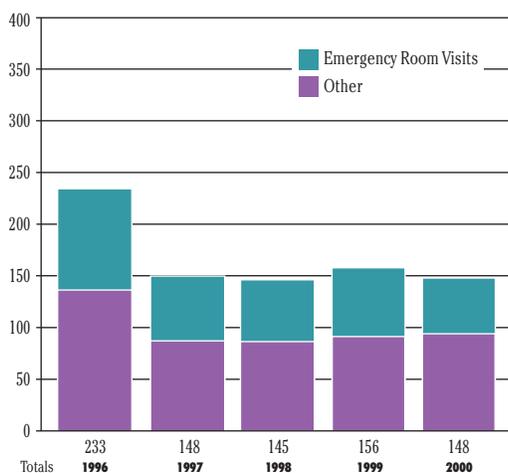
**PATIENT DAYS BY PAYER**



**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



**AVERAGE DAILY OUTPATIENTS**

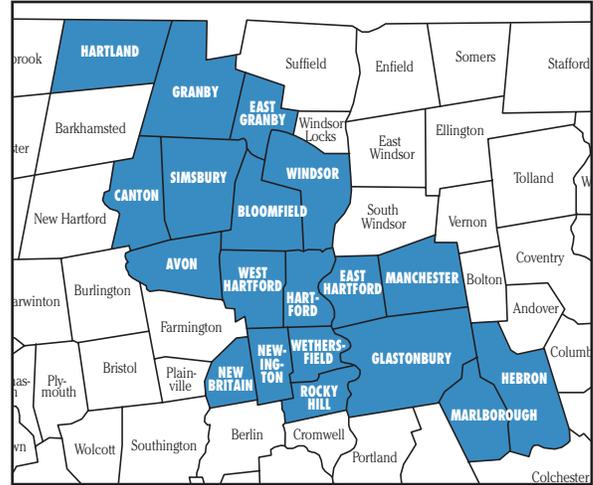


**NET PATIENT REVENUE BY PAYER**

## HARTFORD HOSPITAL

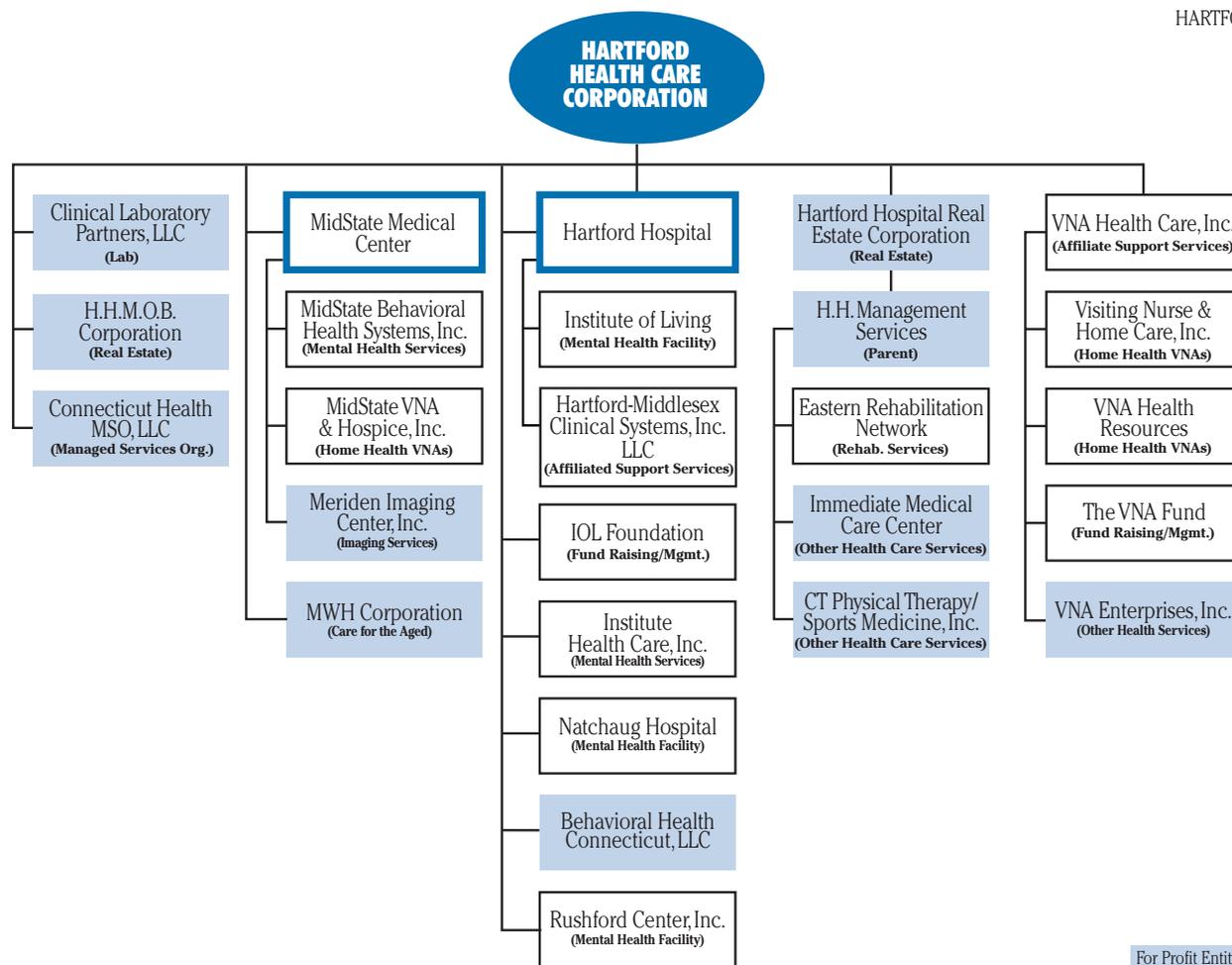


Hartford Hospital, founded in 1854, is located in Hartford and, in addition to that city, it primarily serves 18 other towns. In FY 2000, the hospital staffed 773 of its 867 licensed beds and employed 4,468 Full Time Equivalents. It is a member of the Hartford Health Care Corporation whose components include the Visiting Nurse Association; a Physician-Hospital Organization (PHO) for managed care contracts; Clinical Laboratory Partners; MidState Medical Center; wellness facilities; and outpatient rehabilitation programs.



## KEY RESULTS

- ◆ Outpatient visits increased 3.6%.
- ◆ Total Uncompensated Care cost increased 15.3% from \$14,533,080 in FY 1999 to \$16,751,472 in FY 2000.
- ◆ The Hospital had positive operating and total margins of .56% and 5.08%, respectively.

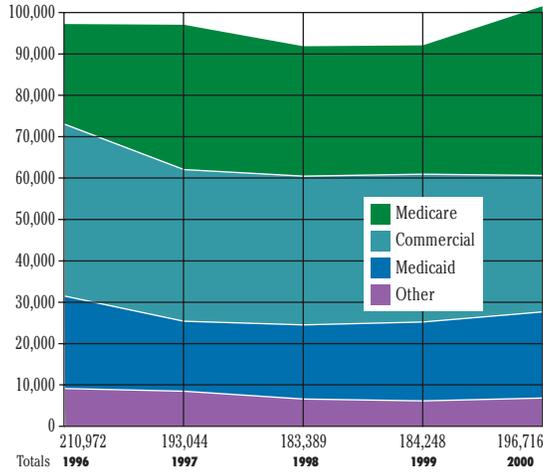


MARGINS	1998	1999	2000
Total margin	10.09%	2.94%	5.08%
Operating margin	2.30%	-3.45%	0.56%

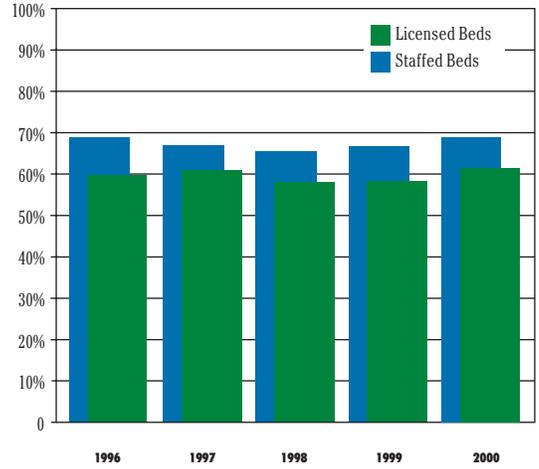
PAYMENT TO COST RATIOS BY PAYER			
Ratio of cost to charges	.74	.70	.66
Medicare Payment to Cost	1.12	1.03	1.05
Medicaid Payment to Cost	.68	.72	.80
Private Payment to Cost	1.00	.98	.97
Uncompensated Care Cost	\$13,526,515	\$14,533,080	\$16,751,472
Total expenses	\$355,898,096	\$368,019,252	\$382,009,304
Uncompensated care % of total expenses	3.80%	3.95%	4.39%

CAPITAL STRUCTURE RATIO			
Equity financing ratio	52.42%	54.27%	51.67%

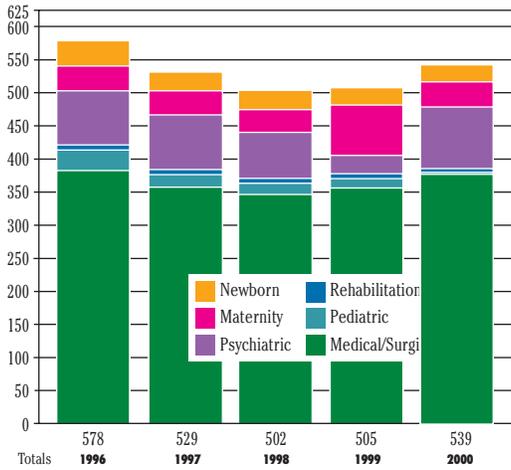
LIQUIDITY MEASURES			
Days of expenses in accounts payable	56.32	42.02	43.40
Days cash on hand	10.62	2.52	0.00
Days of revenue in accounts receivable	51.61	51.34	52.05



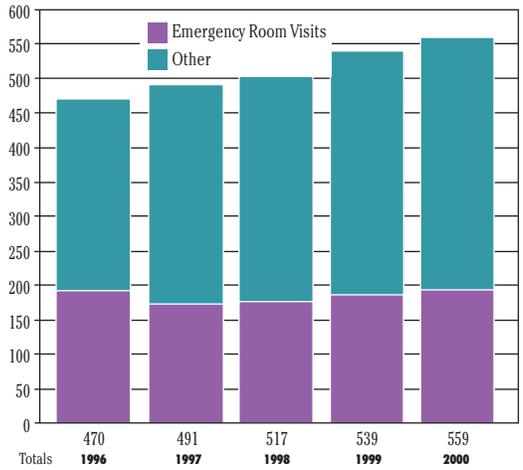
**PATIENT DAYS BY PAYER**



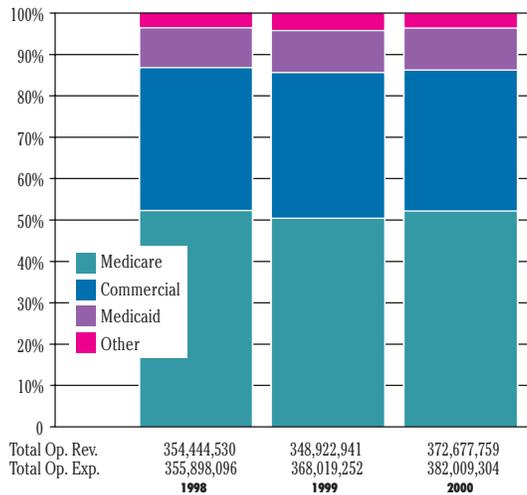
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



**AVERAGE DAILY OUTPATIENTS**



**NET PATIENT REVENUE BY PAYER**

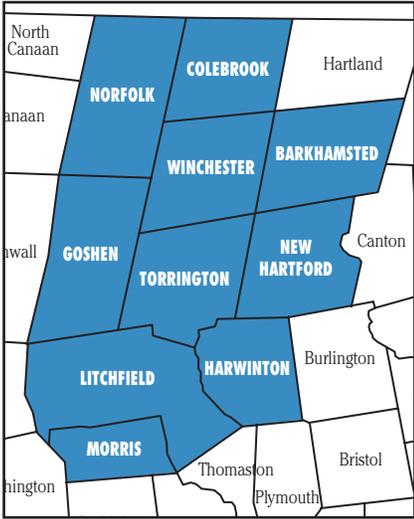
## CHARLOTTE HUNGERFORD HOSPITAL

The Charlotte Hungerford Hospital, founded in 1916, is located in Torrington and, in addition to that town, primarily serves nine other Litchfield County towns. In FY



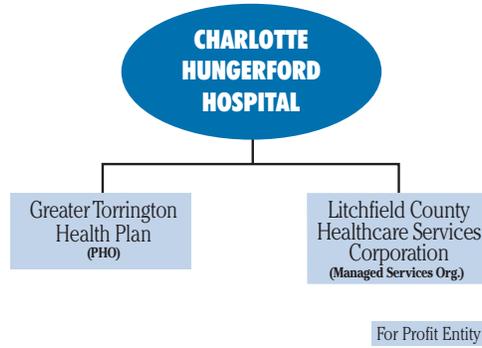
2000, the hospital staffed 109 of its 122 licensed beds and employed 715 Full Time Equivalents.

Charlotte Hungerford is an affiliate of Hartford Health Care Corporation.



## KEY RESULTS

- ◆ Outpatient visits increased 3% from FY 1999.
- ◆ Uncompensated Care costs decreased 10.3% from \$1,907,880 in FY1999 to \$1,712,097 in FY 2000.
- ◆ Even though the Hospital had a negative operating margin, it represents an improvement from the previous year.

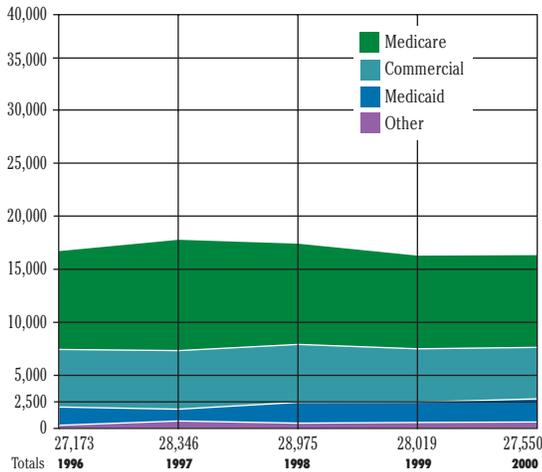


<b>MARGINS</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Total margin	5.07%	-0.86%	0.71%
Operating margin	1.09%	-6.66%	-3.69%

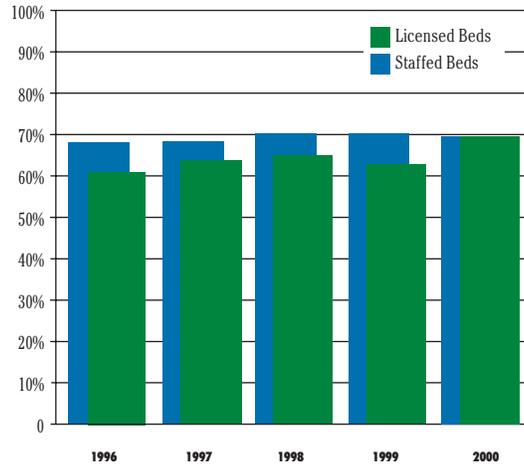
<b>PAYMENT TO COST RATIOS BY PAYER</b>			
Ratio of cost to charges	.63	.66	.64
Medicare Payment to Cost	.97	.92	.91
Medicaid Payment to Cost	.63	.63	.58
Private Payment to Cost	1.21	1.09	1.12
Uncompensated Care Cost	\$1,491,171	\$1,907,880	\$1,712,097
Total expenses	\$52,394,391	\$67,551,361	\$67,064,950
Uncompensated care % of total expenses	2.39%	2.82%	2.55%

<b>CAPITAL STRUCTURE RATIO</b>			
Equity financing ratio	58.54%	58.75%	57.14%

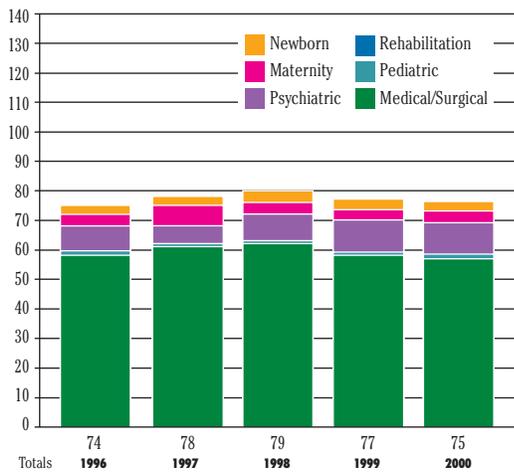
<b>LIQUIDITY MEASURES</b>			
Days of expenses in accounts payable	78.33	50.89	65.97
Days cash on hand	21.48	10.82	4.58
Days of revenue in accounts receivable	64.35	56.03	60.63



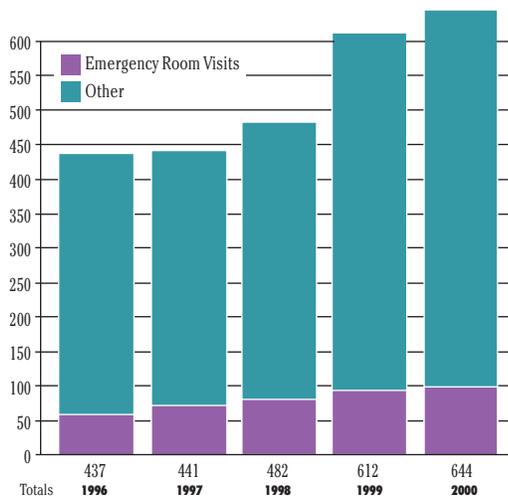
**PATIENT DAYS BY PAYER**



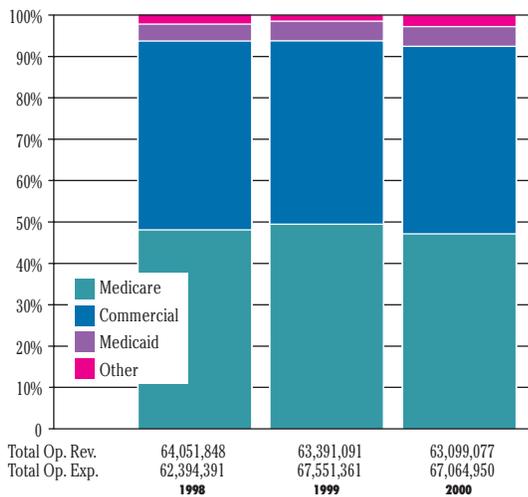
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**

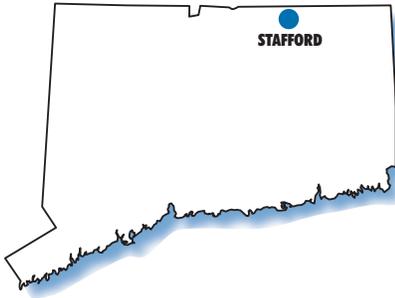


**AVERAGE DAILY OUTPATIENTS**

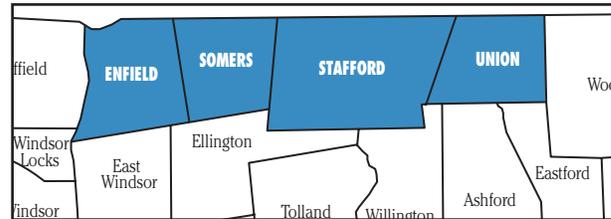


**NET PATIENT REVENUE BY PAYER**

## JOHNSON MEMORIAL HOSPITAL

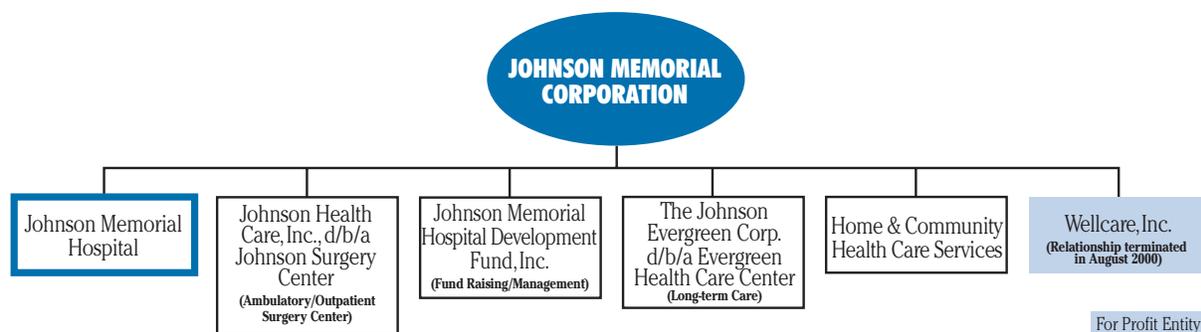


Johnson Memorial Hospital, founded in 1912, is located in Stafford and, in addition to that town, primarily serves three other towns. In FY 2000, the hospital staffed all of its 98 licensed beds and employed 403 Full Time Equivalents.



## KEY RESULTS

- ◆ The Hospital's total margin increased slightly to a positive .98%. However the operating margin decreased for the fourth year in a row to -2.2%.
- ◆ As a percentage of total expenses, Uncompensated Care costs increased to 6.62%, which is significantly above the statewide average of 3.6%.
- ◆ The Hospital has 12 days cash on hand, compared with a state average of 20. The Hospital has 88 days of expenses in accounts payable, compared with a state average of 68.
- ◆ The Hospital's commercial discounts are approximately 53%, which is significantly above the state average of 36%, and the second highest in the state. The payment to cost ratio for commercial insurers is only 1.08, slightly below the state average of 1.13.
- ◆ Occupancy of staffed and licensed beds has been decreasing since 1996.

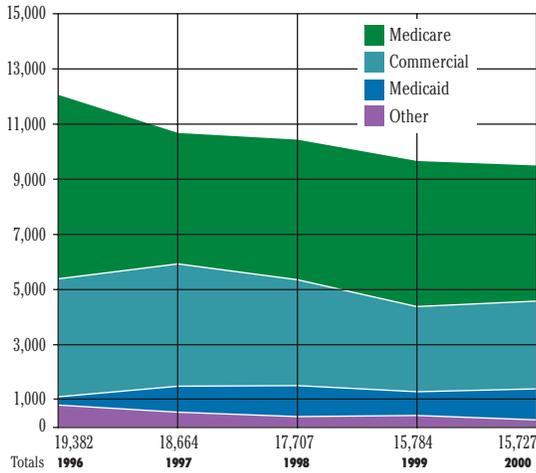


MARGINS	1998	1999	2000
Total margin	0.03%	-0.35%	0.98%
Operating margin	-1.48%	-1.79%	-2.18%

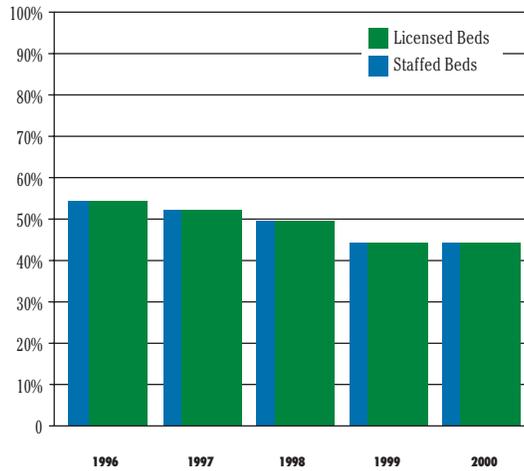
PAYMENT TO COST RATIOS BY PAYER	1998	1999	2000
Ratio of cost to charges	.51	.47	.45
Medicare Payment to Cost	.95	.95	.95
Medicaid Payment to Cost	.82	1.00	.96
Private Payment to Cost	1.19	1.14	1.08
Uncompensated Care Cost	\$1,491,555	\$1,710,743	\$2,222,138
Total expenses	\$35,840,462	\$34,590,685	\$33,553,945
Uncompensated care % of total expenses	4.16%	4.95%	6.62%

CAPITAL STRUCTURE RATIO	1998	1999	2000
Equity financing ratio	36.35%	34.82%	54.69%

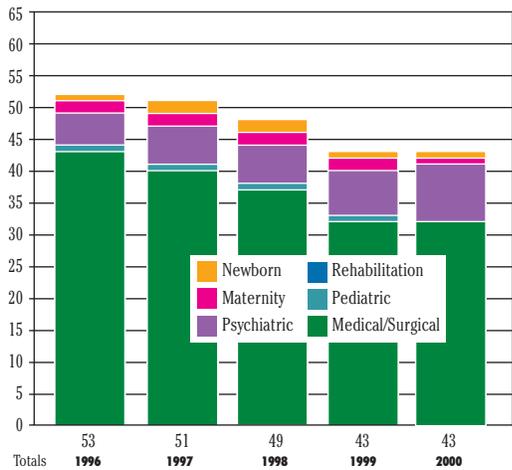
LIQUIDITY MEASURES	1998	1999	2000
Days of expenses in accounts payable	97.04	105.15	88.02
Days cash on hand	0.54	3.99	11.89
Days of revenue in accounts receivable	79.19	75.72	68.45



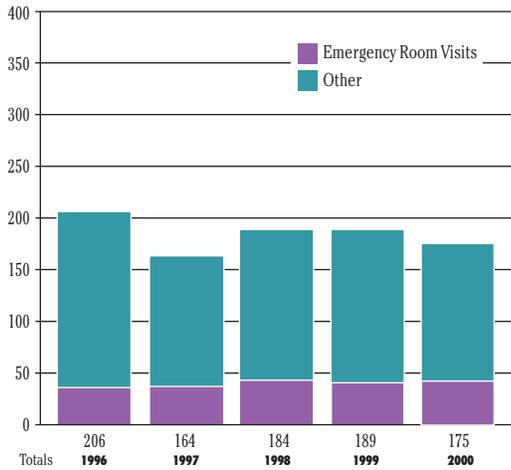
**PATIENT DAYS BY PAYER**



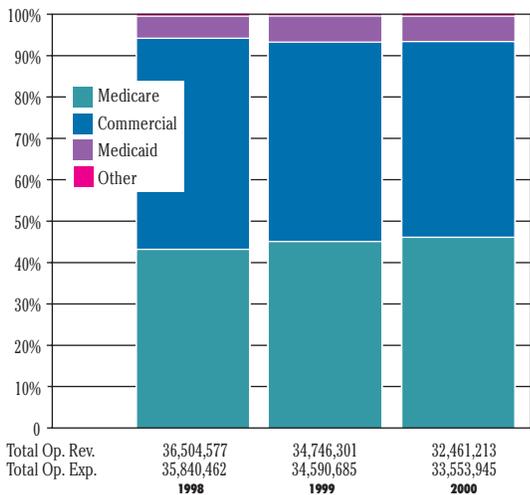
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



**AVERAGE DAILY OUTPATIENTS**



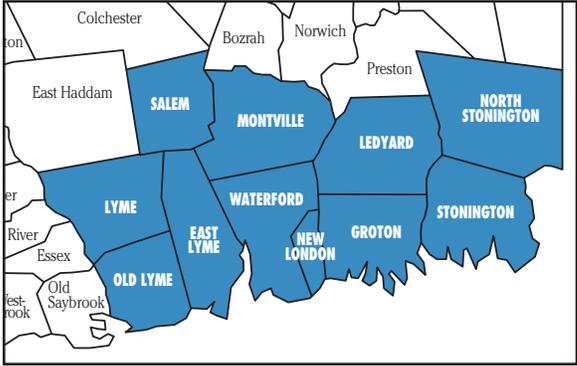
**NET PATIENT REVENUE BY PAYER**

## LAWRENCE AND MEMORIAL HOSPITAL

Lawrence and Memorial Hospital, founded 1912, is located in New London, and in addition to that city, primarily serves 10 other Connecticut towns as well as western Rhode Island. In FY 2000, the hospital staffed 255 of 308 licensed beds and employed 1,571 Full Time

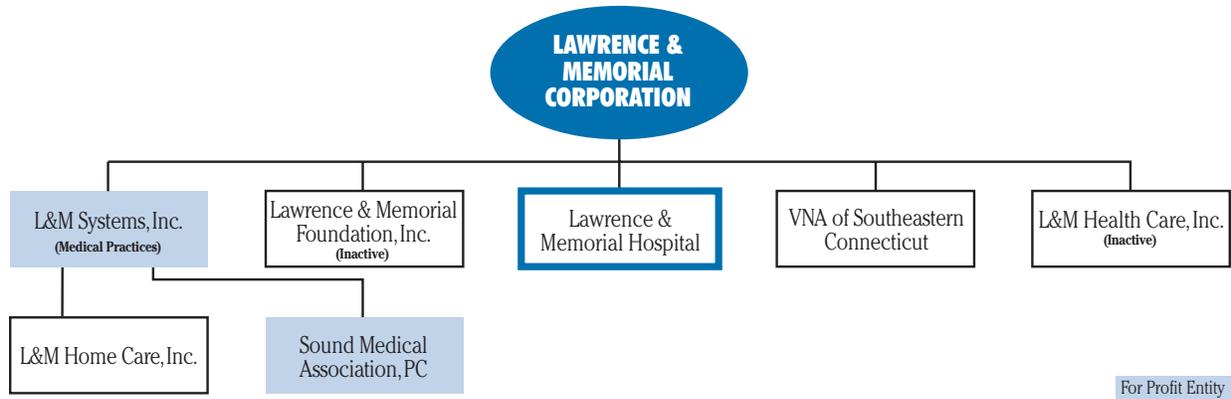


Equivalents. The Lawrence and Memorial Corporation has affiliations with Hospice of Southeastern Connecticut, Harvard's Joslin Diabetes Center, and GAMBRO Healthcare of New London, a renal dialysis center.



## KEY RESULTS

- ◆ Uncompensated Care costs increased 9.2% from \$6,053,766 in FY 1999 to \$6,609,051 in FY 2000.
- ◆ Most financial indicators remained constant.

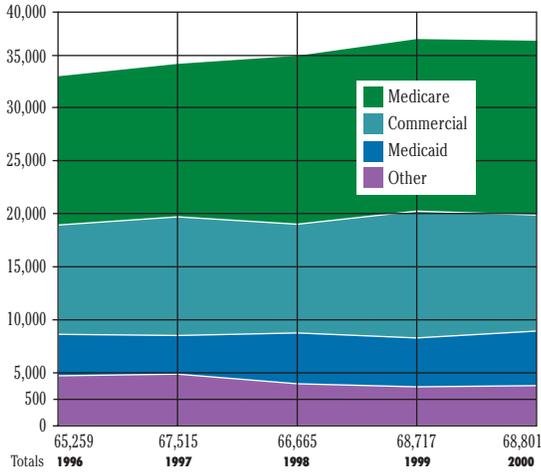


MARGINS	1998	1999	2000
Total margin	2.13%	9.73%	5.15%
Operating margin	0.20%	3.65%	1.76%

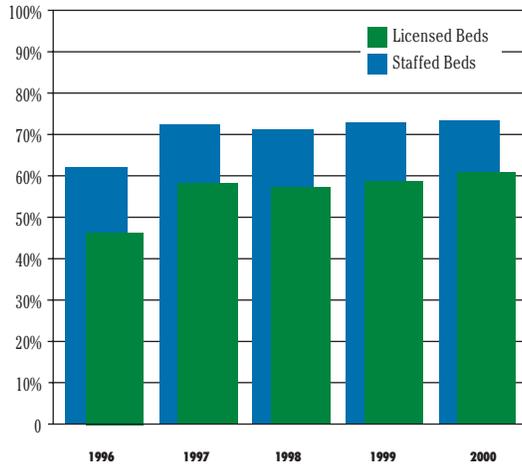
PAYMENT TO COST RATIOS BY PAYER	1998	1999	2000
Ratio of cost to charges	.56	.53	.51
Medicare Payment to Cost	.93	.89	.87
Medicaid Payment to Cost	.75	.71	.76
Private Payment to Cost	1.31	1.39	1.34
Uncompensated Care Cost	\$6,290,832	\$6,053,766	\$6,609,051
Total expenses	\$131,821,112	\$140,033,937	\$147,492,628
Uncompensated care % of total expenses	4.77%	4.32%	4.48%

CAPITAL STRUCTURE RATIO	1998	1999	2000
Equity financing ratio	33.52%	41.00%	41.88%

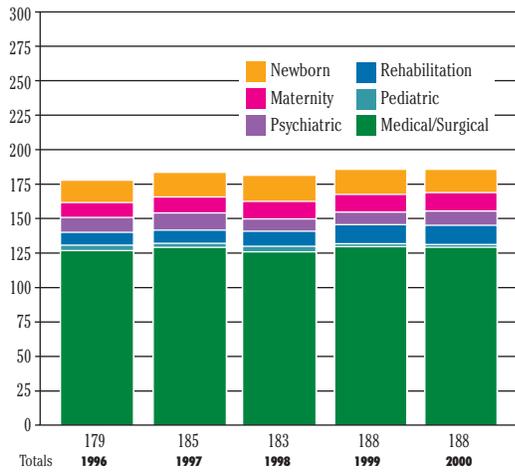
LIQUIDITY MEASURES	1998	1999	2000
Days of expenses in accounts payable	69.79	58.56	65.91
Days cash on hand	79.85	82.37	42.23
Days of revenue in accounts receivable	61.27	62.71	56.58



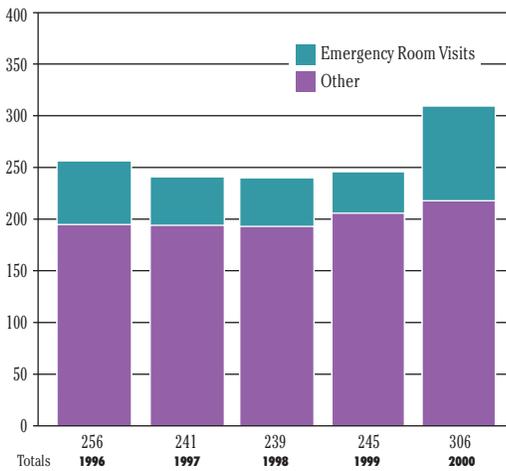
**PATIENT DAYS BY PAYER**



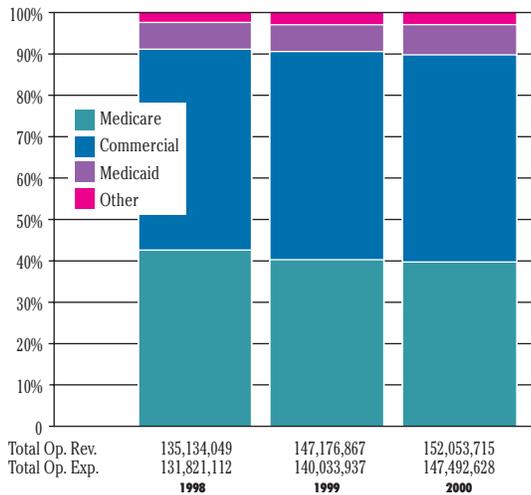
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**

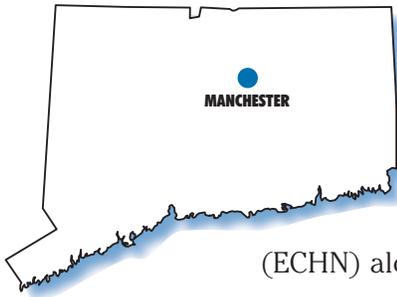


**AVERAGE DAILY OUTPATIENTS**



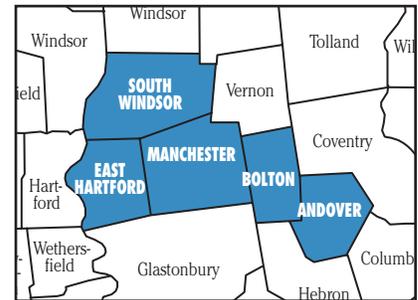
**NET PATIENT REVENUE BY PAYER**

## MANCHESTER MEMORIAL HOSPITAL



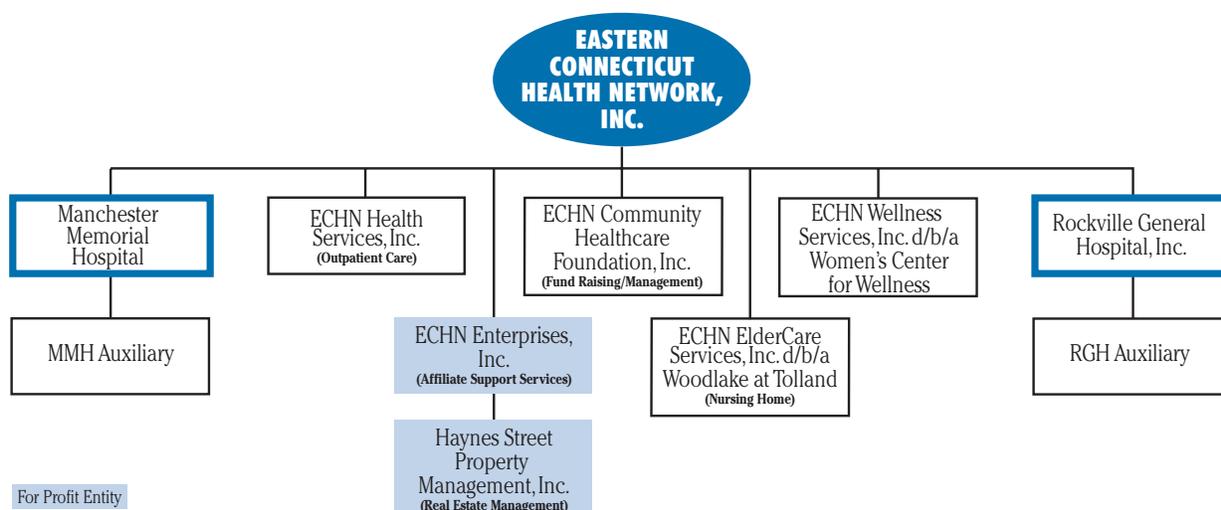
Manchester Memorial Hospital (MMH), founded in 1919, is located in Manchester and, in addition to that town, primarily serves four other towns. In FY 2000, the hospital staffed 140 of its 283 licensed beds and employed 1,015 Full Time Equivalents. It is a member of the Eastern Connecticut Health Network, Inc.

(ECHN) along with Rockville General Hospital (RGH), with whom it was affiliated in 1994.



## KEY RESULTS

- ◆ There was a negative operating margin of 11% and a negative total margin of 8%.
- ◆ The equity-financing ratio dropped to .38 in 2000 from approximately .50 for the previous 3 years.
- ◆ The Hospital's days of cash on hand was 8.
- ◆ Commercial discounts are approximately 51% of charges, which is significantly higher than the statewide average of 36%.

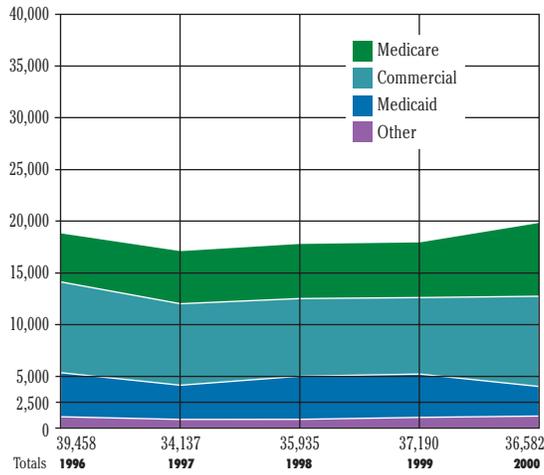


MARGINS	1998	1999	2000
Total margin	1.86%	-1.37%	-8.18%
Operating margin	-1.48%	-3.10%	-11.43%

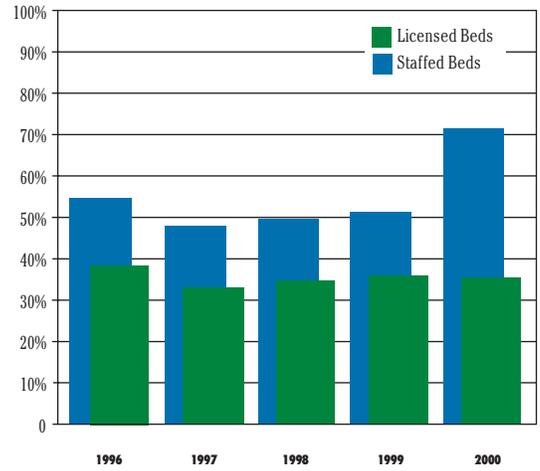
PAYMENT TO COST RATIOS BY PAYER	1998	1999	2000
Ratio of cost to charges	.45	.49	.48
Medicare Payment to Cost	.87	.82	.81
Medicaid Payment to Cost	.35	.50	.80
Private Payment to Cost	1.47	1.27	1.00
Uncompensated Care Cost	\$2,075,718	\$2,511,811	\$3,129,729
Total expenses	\$87,595,581	\$94,739,074	\$99,542,543
Uncompensated care % of total expenses	2.37%	2.65%	3.14%

CAPITAL STRUCTURE RATIO	1998	1999	2000
Equity financing ratio	52.26%	50.16%	38.11%

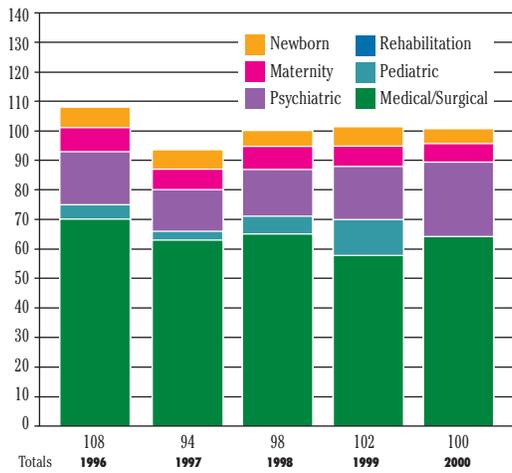
LIQUIDITY MEASURES	1998	1999	2000
Days of expenses in accounts payable	85.32	99.47	75.98
Days cash on hand	5.80	26.55	7.56
Days of revenue in accounts receivable	67.79	100.04	55.16



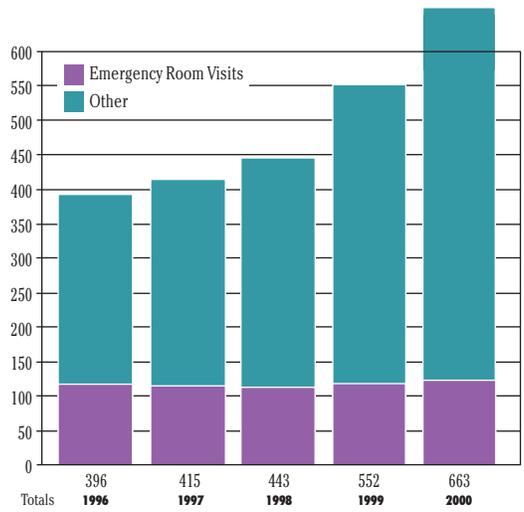
**PATIENT DAYS BY PAYER**



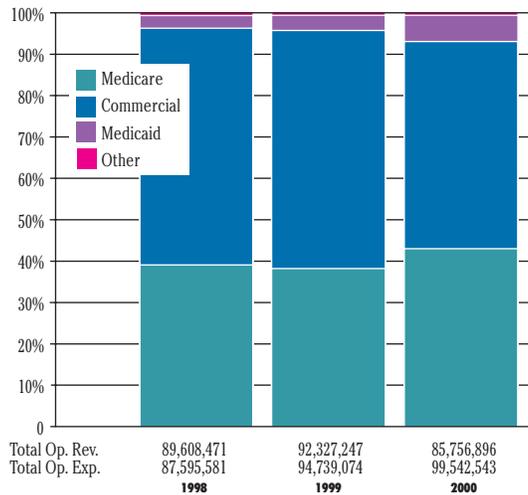
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**

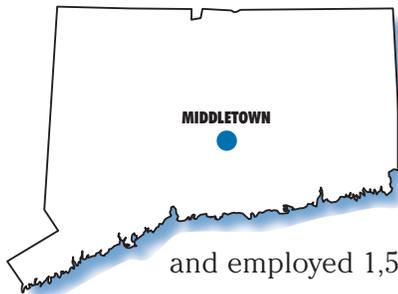


**AVERAGE DAILY OUTPATIENTS**

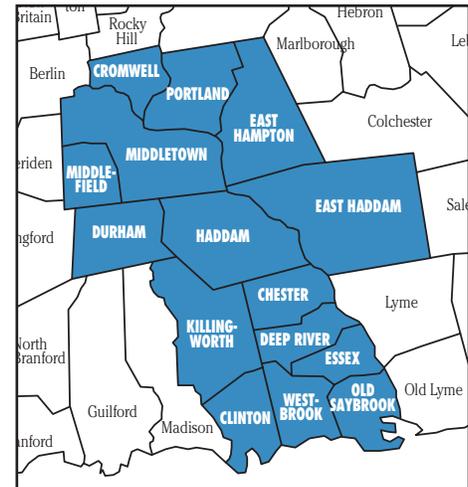


**NET PATIENT REVENUE BY PAYER**

## MIDDLESEX HOSPITAL

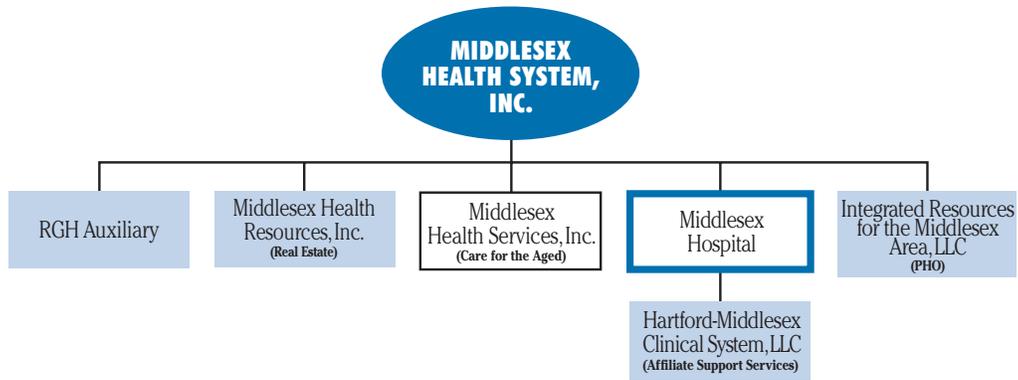


Middlesex Hospital, founded in 1904, is located in Middletown, and, in addition to that town, primarily serves 14 towns in Middlesex County. In FY 2000, the hospital staffed 125 of its 297 licensed beds and employed 1,515 Full Time Equivalents. Middlesex Hospital has a clinical services affiliation with Hartford Hospital.



## KEY RESULTS

- ◆ Staffed beds, discharges and patient days all experienced increases in FY 2000 (4%, 4% and 7%, respectively).
- ◆ Total outpatient visits increased by 8% in FY 2000.
- ◆ Both the Hospital's total and operating margins (6.74% and 3.11%, respectively) substantially exceeded the statewide averages (3.2% and 1.2%, respectively).
- ◆ Liquidity measures including days of expenses in accounts payable, days of cash on hand, and days of revenue in accounts receivable all improved in FY 2000.



For Profit Entity

<b>MARGINS</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Total margin	3.56%	4.75%	6.74%
Operating margin	4.24%	2.73%	3.11%

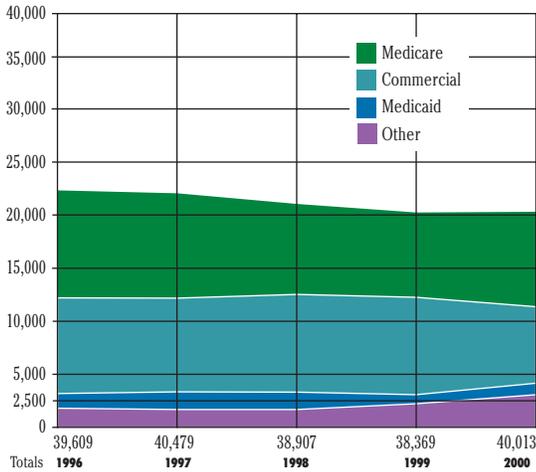
<b>PAYMENT TO COST RATIOS BY PAYER</b>			
Ratio of cost to charges	.64	.62	.63
Medicare Payment to Cost	1.02	1.01	1.01
Medicaid Payment to Cost	.76	.71	.86
Private Payment to Cost	1.24	1.22	1.16
Uncompensated Care Cost	\$4,548,824	\$4,299,367	\$4,495,627
Total expenses	\$121,159,652	\$126,664,377	\$137,899,824
Uncompensated care % of total expenses	3.75%	3.39%	3.26%

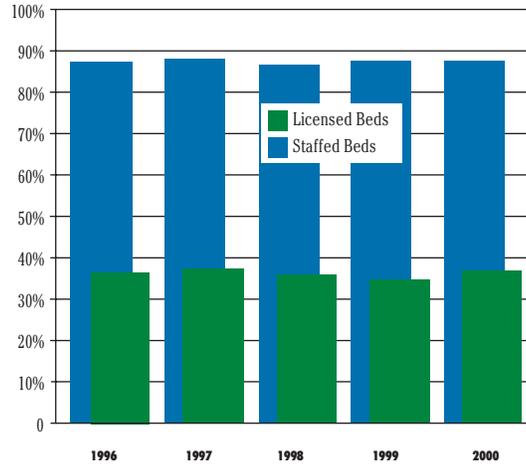
<b>CAPITAL STRUCTURE RATIO</b>			
Equity financing ratio	42.27%	43.81%	46.90%

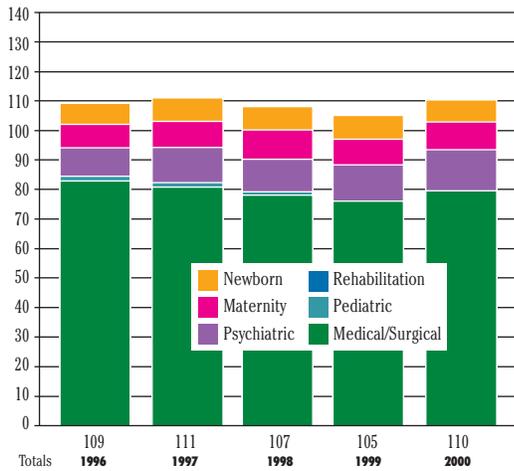
<b>LIQUIDITY MEASURES</b>			
Days of expenses in accounts payable	79.84	63.82	63.50
Days cash on hand	39.96	26.22	28.98
Days of revenue in accounts receivable	65.49	69.62	67.45



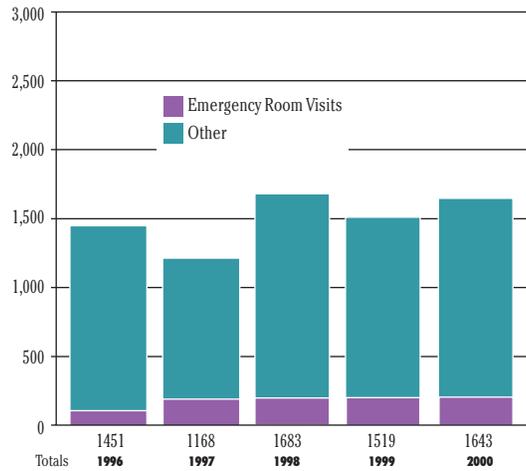
**PATIENT DAYS BY PAYER**



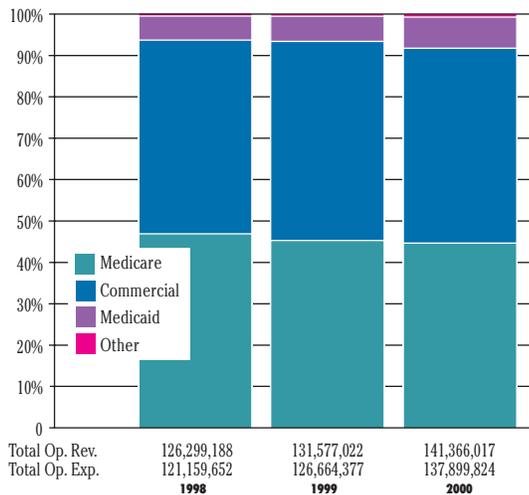
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



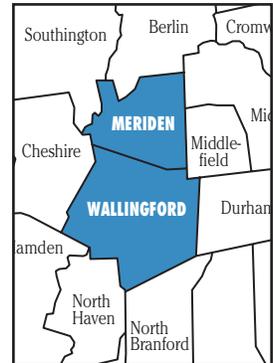
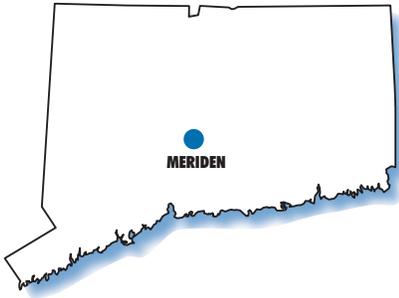
**AVERAGE DAILY OUTPATIENTS**



**NET PATIENT REVENUE BY PAYER**

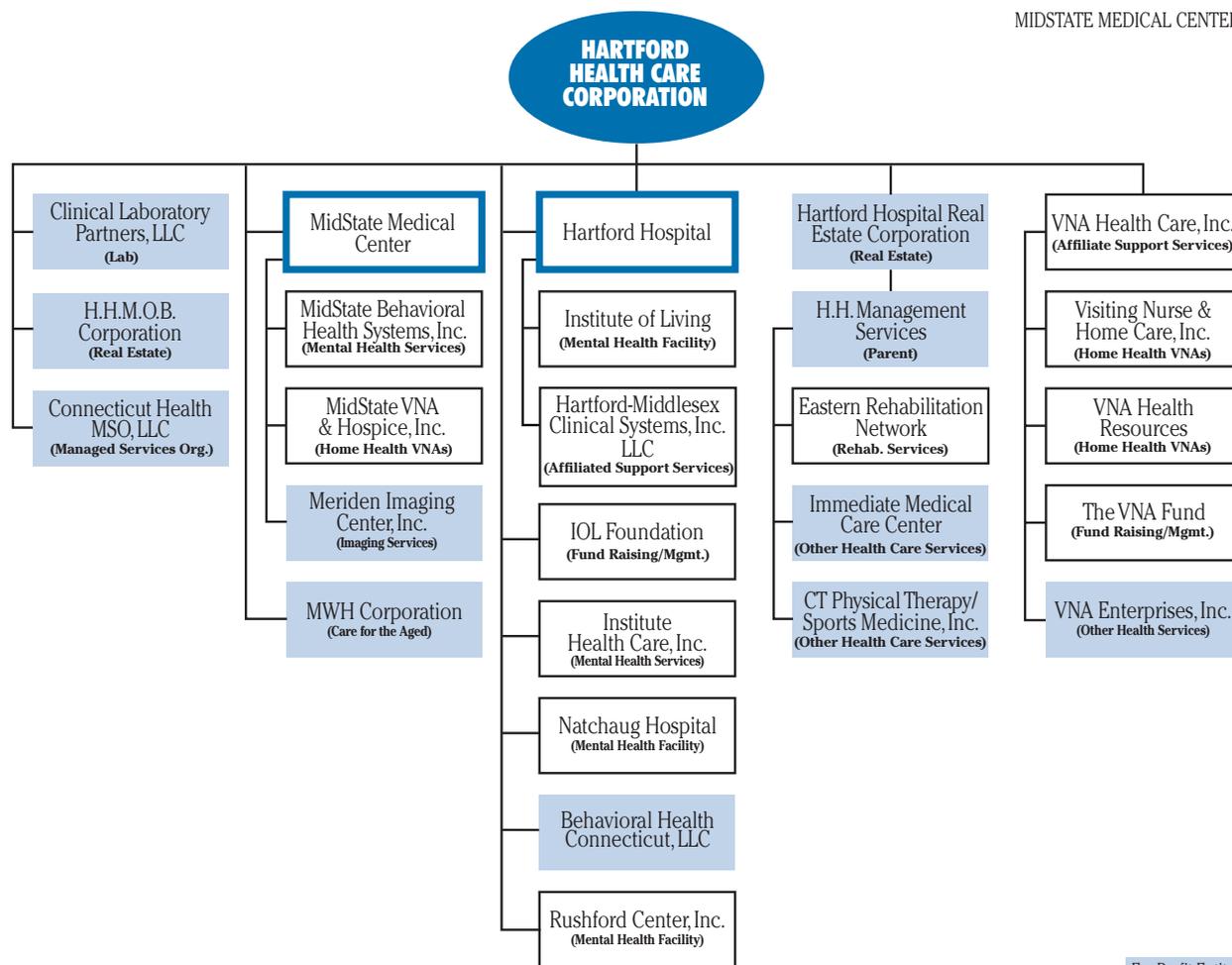
## MIDSTATE MEDICAL CENTER

MidState Medical Center opened in 1998 as the successor to Veterans Memorial Medical Center in a new facility that is located in Meriden, and primarily serves that town and Wallingford. In FY 2000, the hospital staffed all of its 106 licensed beds and employed 717 Full Time Equivalents. MidState is affiliated with Hartford Health Care Corporation and Hartford Hospital.



## KEY RESULTS

- ◆ Outpatient visits increased 7%.
- ◆ The Hospital's days of cash on hand improved during FY 2000, increasing from 32.6 days in FY 1999 to 55.6 days in FY 2000.



For Profit Entity

MARGINS	1998	1999	2000
Total margin	-1.52%	-0.95%	7.64%
Operating margin	-3.39%	-3.50%	5.03%

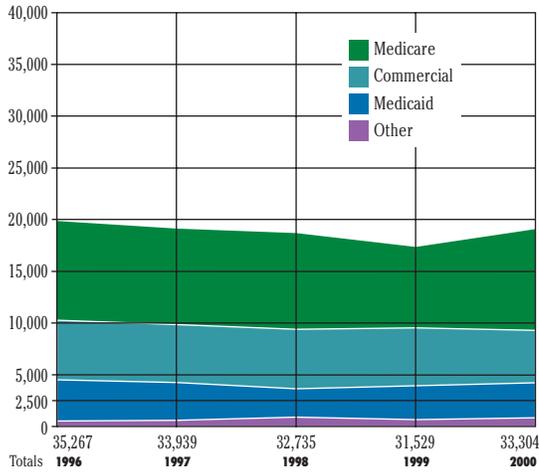
PAYMENT TO COST RATIOS BY PAYER	1998	1999	2000
Ratio of cost to charges	.69	.66	.57
Medicare Payment to Cost	.85	.86	.86
Medicaid Payment to Cost	.73	.72	.76
Private Payment to Cost	1.23	1.25	1.42
Uncompensated Care Cost	\$3,583,757	\$3,301,295	\$3,320,948
Total expenses	\$93,775,957	\$97,870,511	\$99,257,754
Uncompensated care % of total expenses	3.82%	3.37%	3.35%

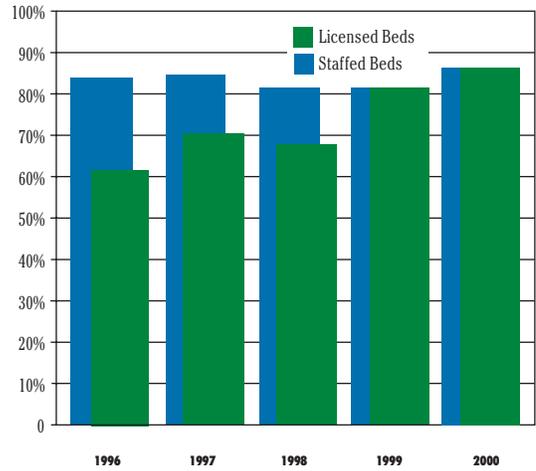
CAPITAL STRUCTURE RATIO	1998	1999	2000
Equity financing ratio	29.73%	29.56%	32.49%

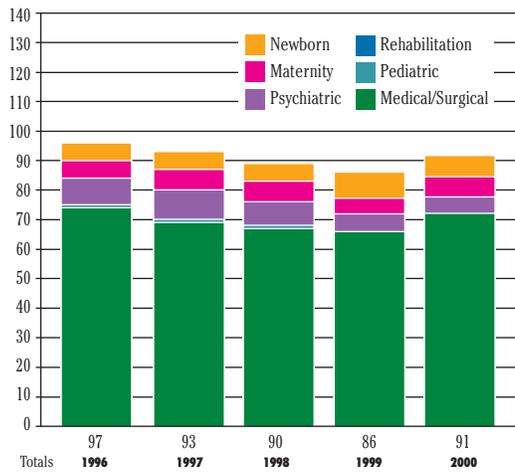
LIQUIDITY MEASURES	1998	1999	2000
Days of expenses in accounts payable	51.77	44.14	53.41
Days cash on hand	50.35	32.57	55.62
Days of revenue in accounts receivable	56.13	62.33	58.94



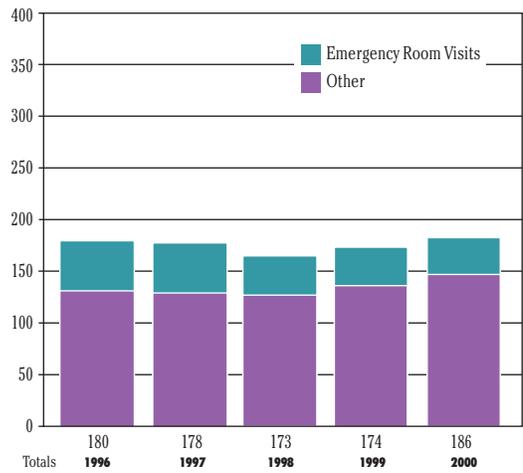
**PATIENT DAYS BY PAYER**



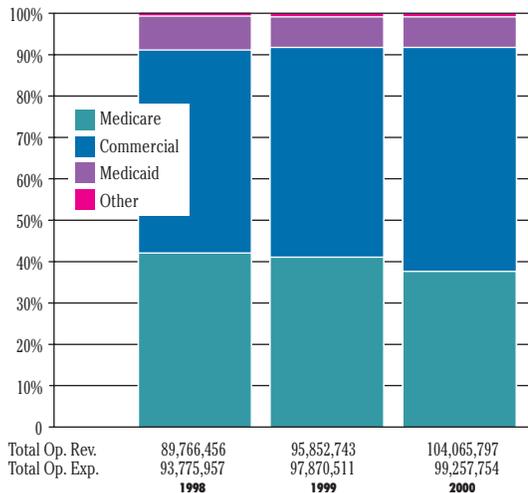
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



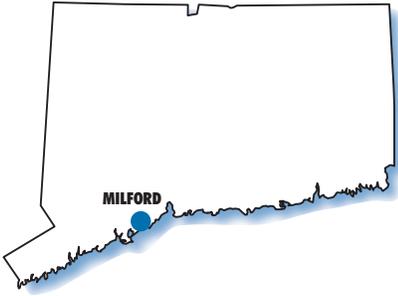
**AVERAGE DAILY OUTPATIENTS**



**NET PATIENT REVENUE BY PAYER**

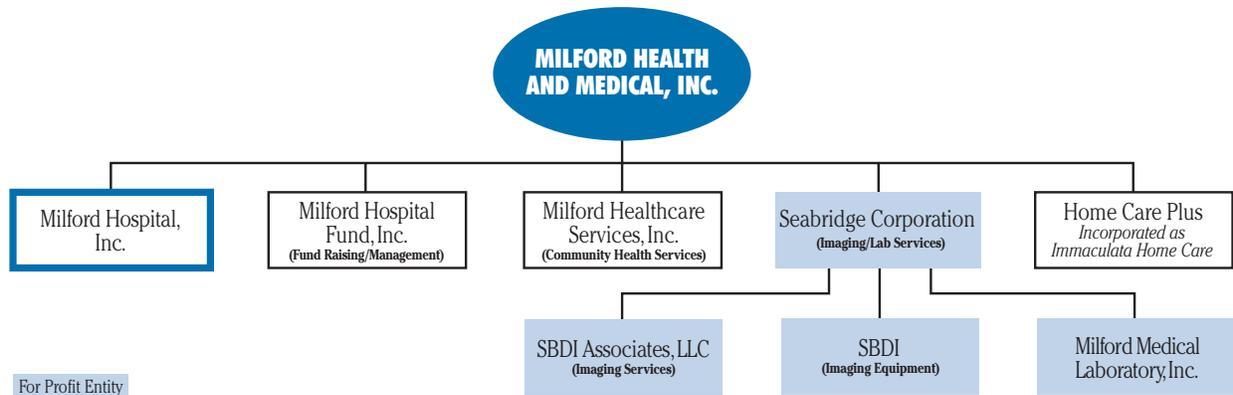
## MILFORD HOSPITAL

Milford Hospital, founded in 1920, is located in Milford and primarily serves that town's residents. In FY 2000, the hospital staffed 59 of its 112 licensed beds and employed 474 Full Time Equivalents.



## KEY RESULTS

- ◆ The Hospital has 175 days of cash on hand, well above the state average of 20.
- ◆ Discounts increased to 49% in FY 2000. Private payment to cost stayed high at 1.34. Overall cost to charges was a rather low 39%.
- ◆ Uncompensated Care percentage of total expenses for 2000 is 2.4% compared with 5.9% in 1999, and this year's statewide average of 3.6%.
- ◆ Discharges increased 8%; patient days increased 12%.
- ◆ Outpatient volume increased 41% over 1999 levels.

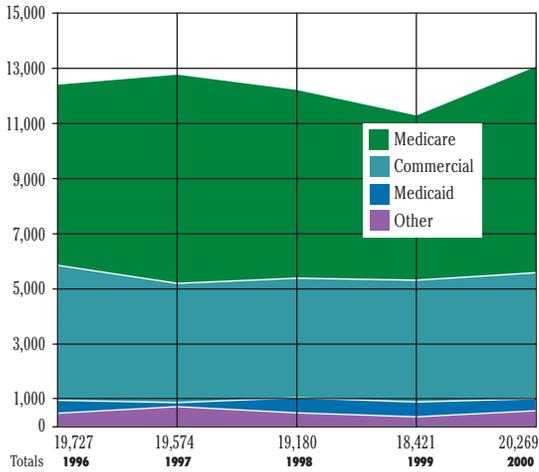


<b>MARGINS</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Total margin	10.79%	4.26%	5.59%
Operating margin	6.26%	-0.30%	0.08%

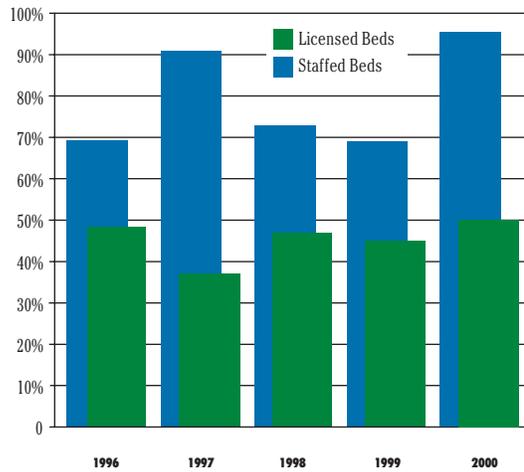
<b>PAYMENT TO COST RATIOS BY PAYER</b>			
Ratio of cost to charges	.41	.39	.39
Medicare Payment to Cost	.93	.79	.81
Medicaid Payment to Cost	.85	.60	.82
Private Payment to Cost	1.39	1.48	1.34
Uncompensated Care Cost	\$1,877,953	\$2,515,263	\$1,090,322
Total expenses	\$38,824,845	\$42,487,688	\$45,170,011
Uncompensated care % of total expenses	4.84%	5.92%	2.41%

<b>CAPITAL STRUCTURE RATIO</b>			
Equity financing ratio	62.73%	63.24%	65.27%

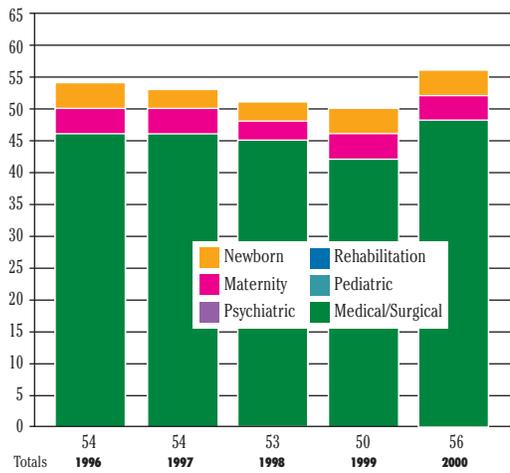
<b>LIQUIDITY MEASURES</b>			
Days of expenses in accounts payable	140.41	140.01	125.14
Days cash on hand	176.25	183.19	174.69
Days of revenue in accounts receivable	62.50	40.37	53.72



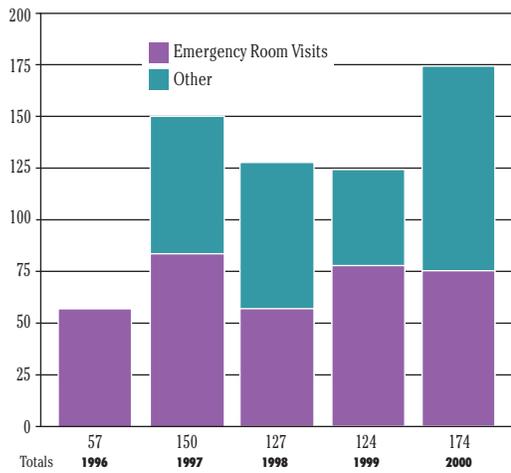
**PATIENT DAYS BY PAYER**



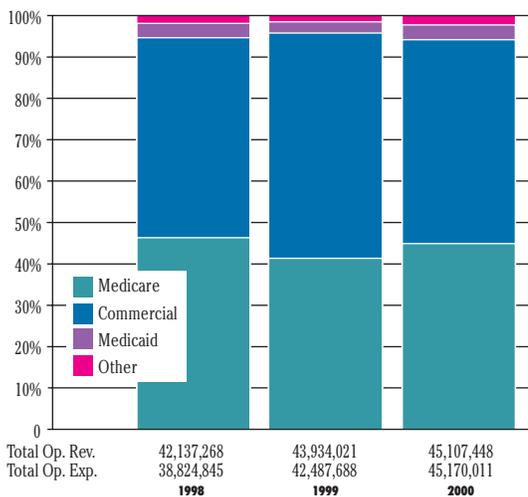
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



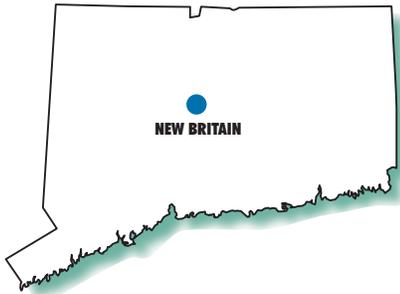
**AVERAGE DAILY OUTPATIENTS**



**NET PATIENT REVENUE BY PAYER**

## NEW BRITAIN GENERAL HOSPITAL

New Britain General Hospital, founded in 1893, is located in New Britain, and in addition to that city, primarily serves three other towns. In FY 2000, the hospital staffed 286 of its 362 licensed

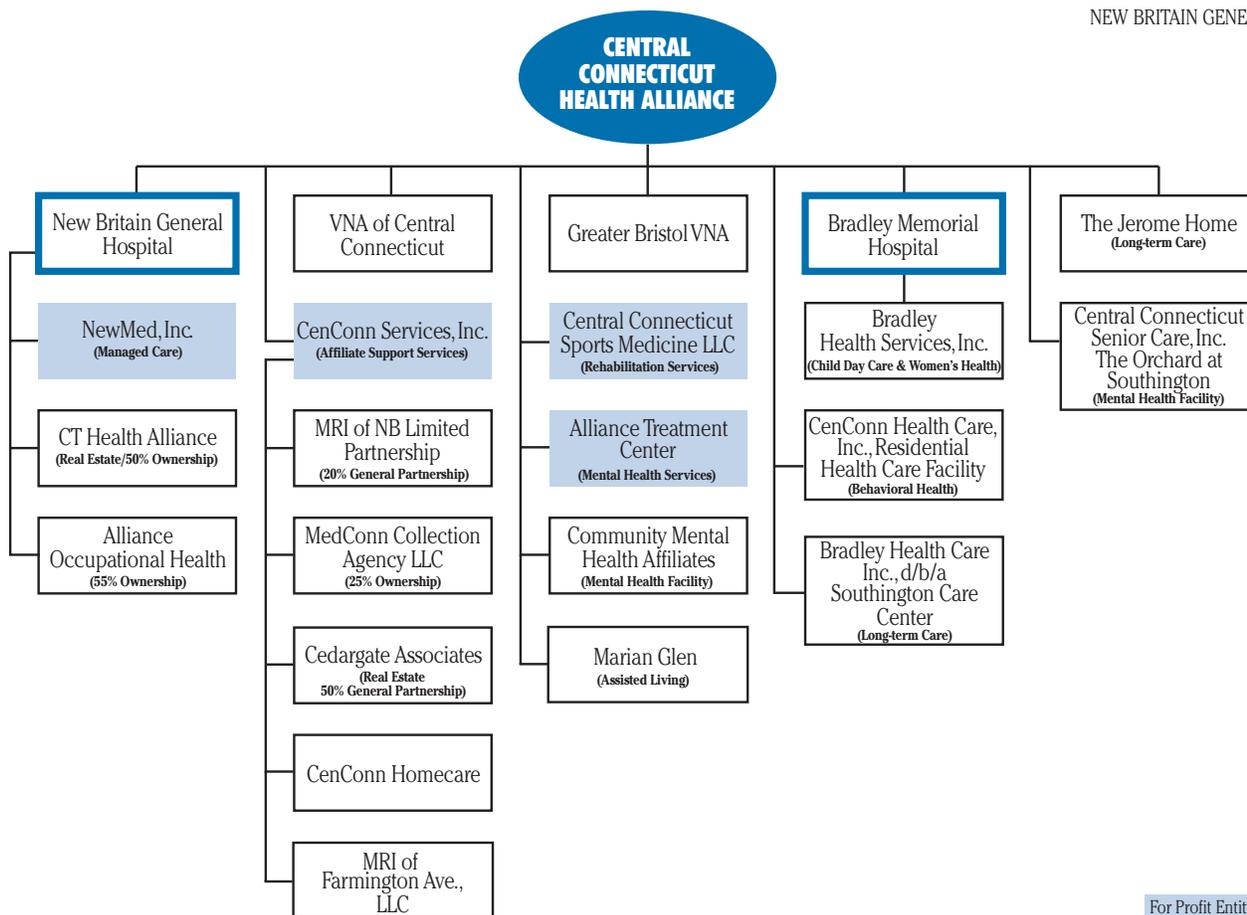


beds and employed 1,707 Full Time Equivalents. It is a part of the Central Connecticut Health Alliance, which also includes Bradley Memorial Hospital, and home health, behavioral health, rehabilitation, and long-term care entities.



## KEY RESULTS

- ◆ Outpatient visits decreased 26.2%.
- ◆ Uncompensated Care increased 52% from \$3,321,435 in FY 1999 to \$5,055,359 in FY 2000.
- ◆ The Hospital's operating margin declined from -5.42% in FY 1999 to -6.97% in FY 2000.
- ◆ The Hospital had less than 10 days of cash on hand, which is half the statewide average of 20 days.

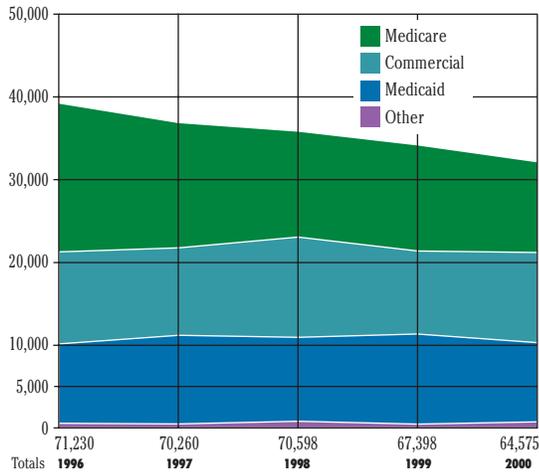


MARGINS	1998	1999	2000
Total margin	2.96%	2.38%	-2.97%
Operating margin	-1.40%	-5.42%	-6.97%

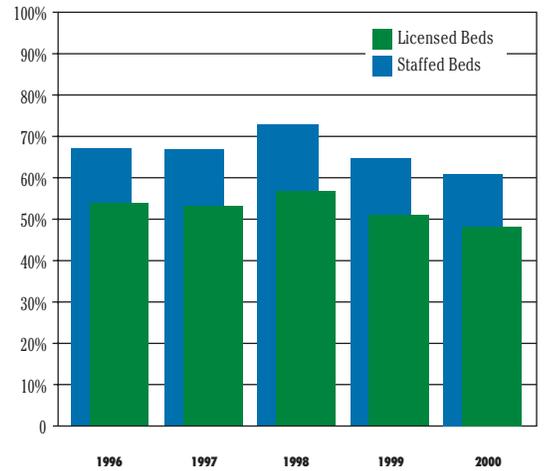
PAYMENT TO COST RATIOS BY PAYER			
Ratio of cost to charges	.65	.67	.66
Medicare Payment to Cost	.95	.92	.94
Medicaid Payment to Cost	.69	.64	.62
Private Payment to Cost	1.15	1.12	1.02
Uncompensated Care Cost	\$3,024,621	\$3,321,435	\$5,055,359
Total expenses	\$150,822,175	\$157,063,321	\$155,006,282
Uncompensated care % of total expenses	2.01%	2.11%	3.26%

CAPITAL STRUCTURE RATIO			
Equity financing ratio	46.33%	45.10%	44.89%

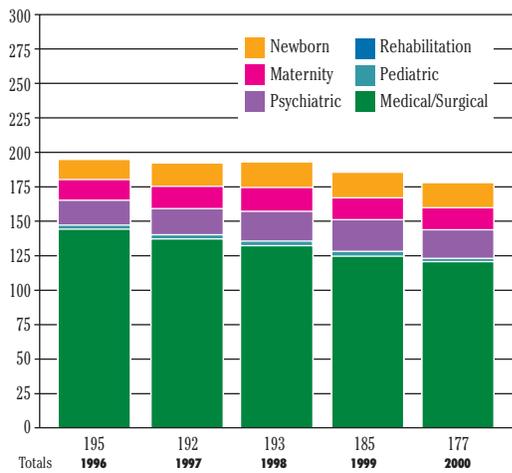
LIQUIDITY MEASURES			
Days of expenses in accounts payable	90.43	73.19	56.51
Days cash on hand	2.06	0	9.28
Days of revenue in accounts receivable	57.09	59.86	43.84



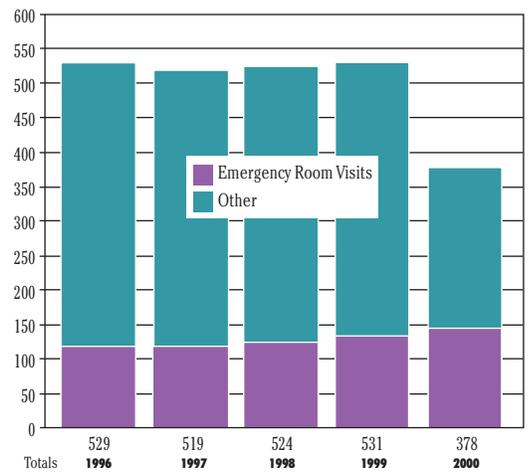
**PATIENT DAYS BY PAYER**



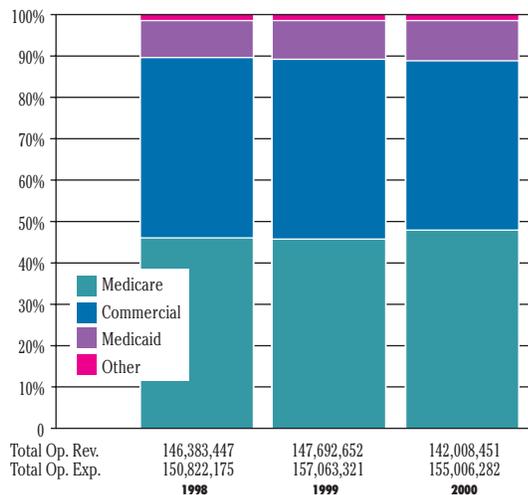
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



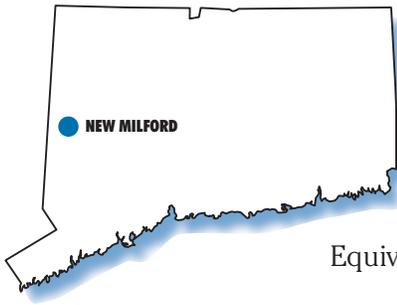
**AVERAGE DAILY OUTPATIENTS**



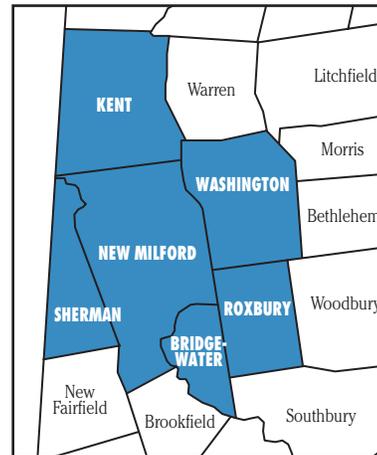
**NET PATIENT REVENUE BY PAYER**

## NEW MILFORD HOSPITAL

New Milford Hospital, founded in 1921, is located in New Milford and, in addition to that town, primarily serves five other Connecticut towns as well as western New York.



New Milford Hospital is an affiliate of the New York Presbyterian Network. In FY 2000, the hospital staffed 72 of its 95 licensed beds and employed 400 Full Time Equivalents.



## KEY RESULTS

- ◆ Outpatient visits increased 58% from 70,068 visits in FY 1999 to 110,734 visits in FY 2000.
- ◆ The Hospital's operating margin increased from 1.24% in FY 1999 to 3.33% in FY 2000.
- ◆ Hospital's days of cash on hand improved during FY 2000, increasing from 4.9 days in FY 1999 to 9 days in FY 2000, but is still fewer than the statewide average of 20 days.



For Profit Entity

<b>MARGINS</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Total margin	2.02%	1.36%	3.47%
Operating margin	1.87%	1.24%	3.33%

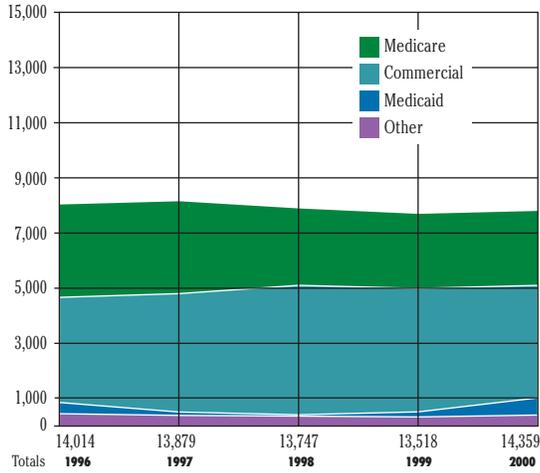
<b>PAYMENT TO COST RATIOS BY PAYER</b>			
Ratio of cost to charges	.48	.45	.44
Medicare Payment to Cost	.92	.93	.87
Medicaid Payment to Cost	.68	.42	.61
Private Payment to Cost	1.26	1.21	1.25
Uncompensated Care Cost	\$1,275,909	\$1,265,934	\$1,212,638
Total expenses	\$40,526,158	\$42,159,277	\$45,384,490
Uncompensated care % of total expenses	3.15%	3.00%	2.67%

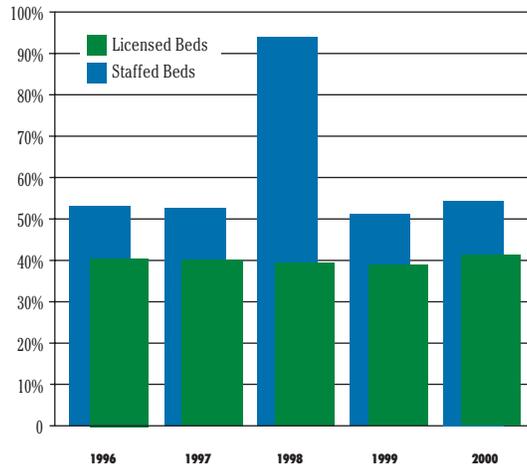
<b>CAPITAL STRUCTURE RATIO</b>			
Equity financing ratio	60.46%	61.58%	71.24%

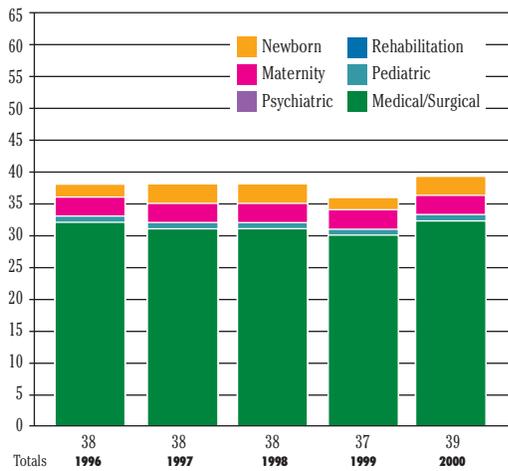
<b>LIQUIDITY MEASURES</b>			
Days of expenses in accounts payable	101.09	110.18	68.38
Days cash on hand	5.48	4.92	9.03
Days of revenue in accounts receivable	86.71	79.48	72.12



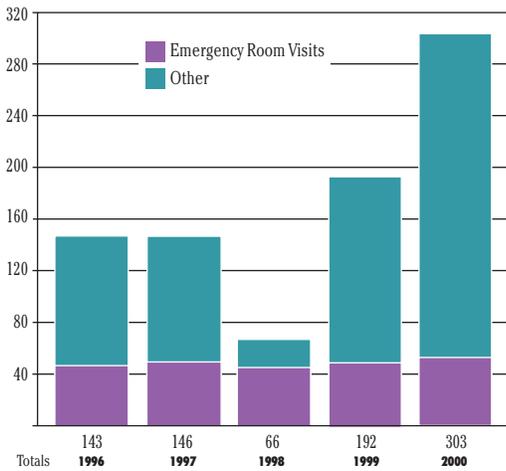
**PATIENT DAYS BY PAYER**



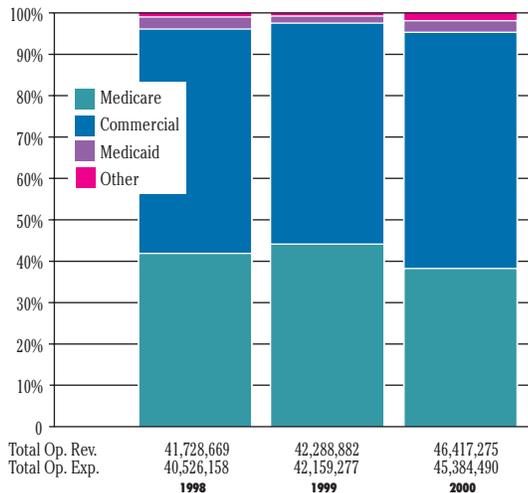
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**

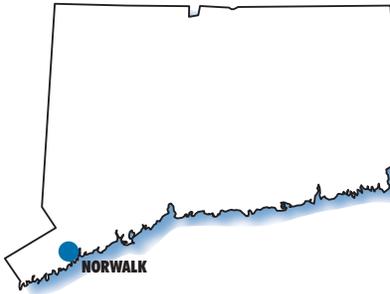


**AVERAGE DAILY OUTPATIENTS**

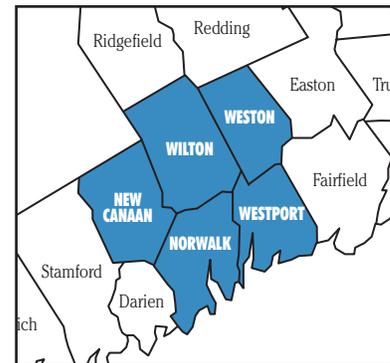


**NET PATIENT REVENUE BY PAYER**

## NORWALK HOSPITAL

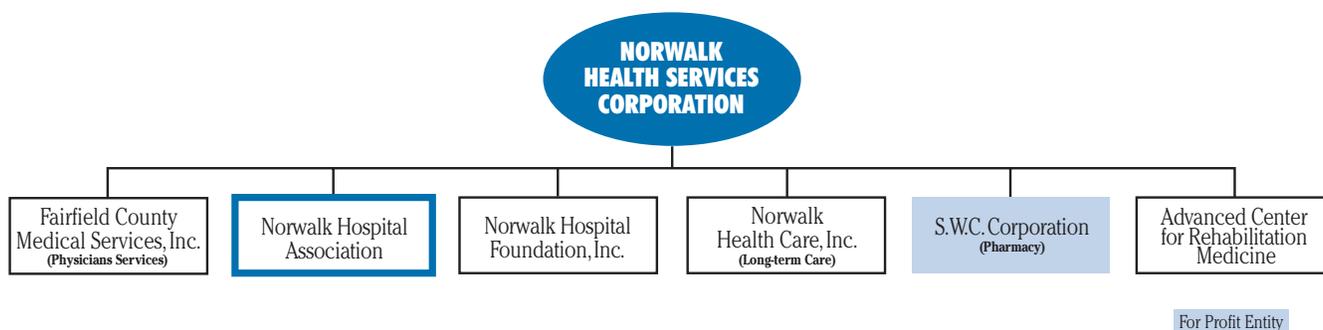


Norwalk Hospital, founded in 1893, is located in Norwalk and, in addition to that town, primarily serves four other Fairfield County towns. In FY 2000, the hospital staffed 220 of its 366 licensed beds and employed 1,468 Full Time Equivalents.



## KEY RESULTS

- ◆ In FY 2000, the Hospital increased the number of staffed beds by 4.8%.
- ◆ Discharges increased by 17%.
- ◆ Total outpatient visits increased by 9.2%.
- ◆ Liquidity measures, including days of expenses in accounts payable, days of cash in hand and days of revenue in accounts receivable, all improved significantly in FY 2000.
- ◆ The Hospital's equity financing ratio of 65.1% was substantially higher than the statewide average of 45%.

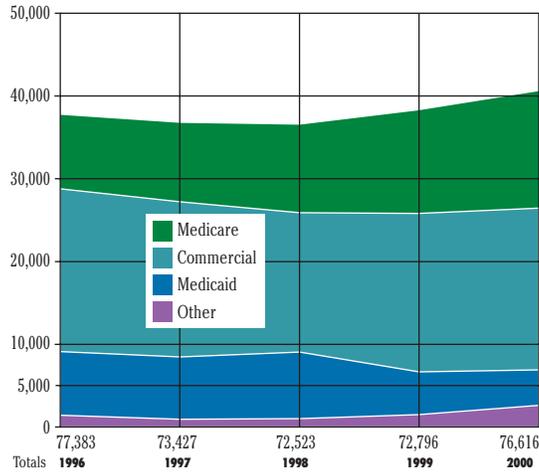


<b>MARGINS</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Total margin	1.52%	-1.62%	4.13%
Operating margin	-0.74%	-3.40%	0.23%

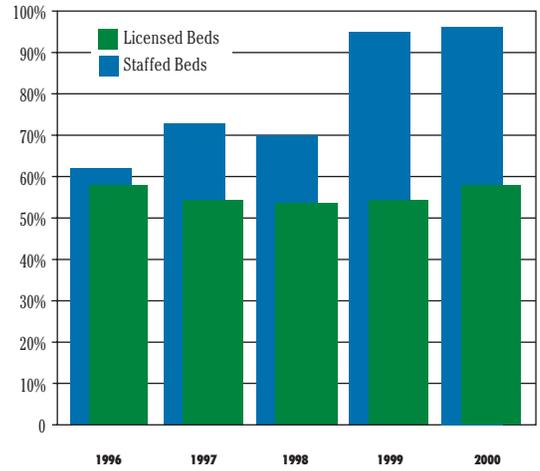
<b>PAYMENT TO COST RATIOS BY PAYER</b>			
Ratio of cost to charges	.63	.63	.61
Medicare Payment to Cost	.89	.88	.92
Medicaid Payment to Cost	.76	.82	.75
Private Payment to Cost	1.22	1.18	1.20
Uncompensated Care Cost	\$7,042,019	\$6,542,939	\$7,519,514
Total expenses	\$146,098,286	\$152,610,428	\$160,317,802
Uncompensated care % of total expenses	4.82%	4.29%	4.69%

<b>CAPITAL STRUCTURE RATIO</b>			
Equity financing ratio	59.72%	61.39%	65.12%

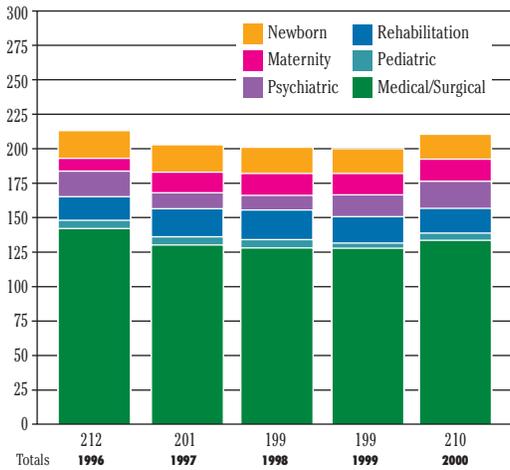
<b>LIQUIDITY MEASURES</b>			
Days of expenses in accounts payable	103.15	98.40	75.06
Days cash on hand	24.81	12.80	22.18
Days of revenue in accounts receivable	46.76	50.63	42.56



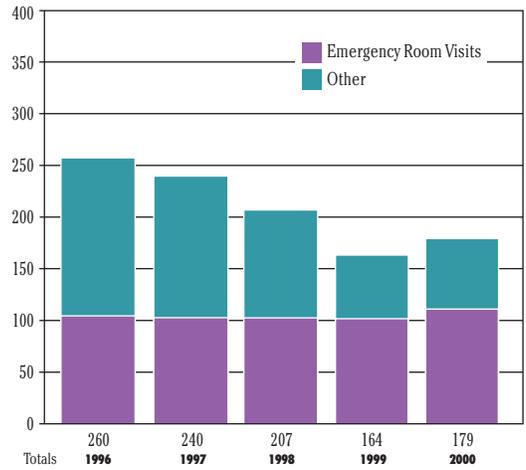
**PATIENT DAYS BY PAYER**



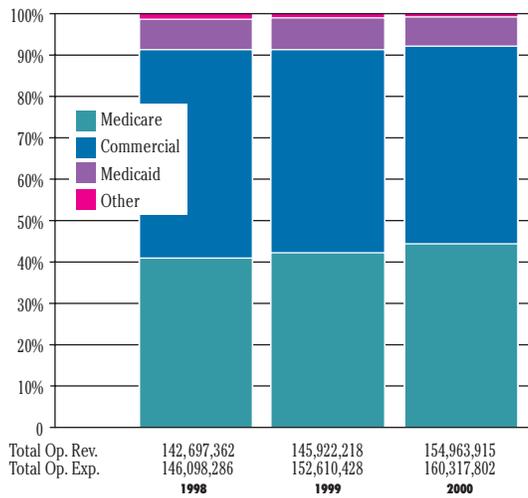
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



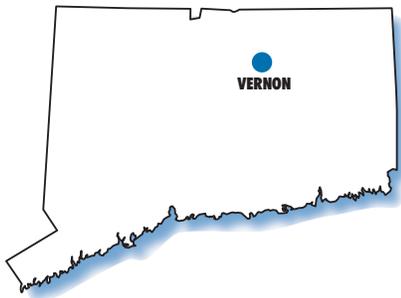
**AVERAGE DAILY OUTPATIENTS**



**NET PATIENT REVENUE BY PAYER**

## ROCKVILLE GENERAL HOSPITAL

Rockville General Hospital, founded in 1921, is located in Vernon and, in addition to that town, primarily serves two other towns in Tolland County. In FY 2000, the hospital staffed 56 of its 118 licensed beds and employed 519 Full Time Equivalents. It is a member

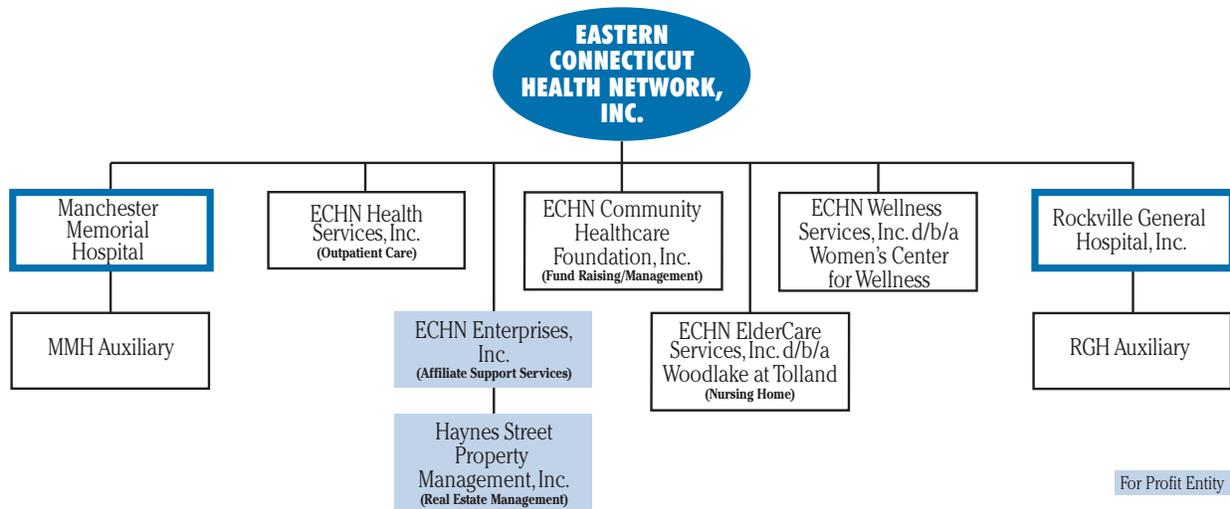


of the Eastern Connecticut Health Network, Inc. (ECHN) along with Manchester Memorial Hospital.



## KEY RESULTS

- ◆ There was a negative operating margin of 7%, and a negative total margin of 4%.
- ◆ The Hospital has equity financing of approximately 70%—the third highest in the state.
- ◆ Uncompensated Care decreased to 2.7% of total expenses in 2000, down from 3% in 1999 and below the state average of 3.6%.
- ◆ Discounts have increased from 39% of charges in 1999 to 47% in 2000.

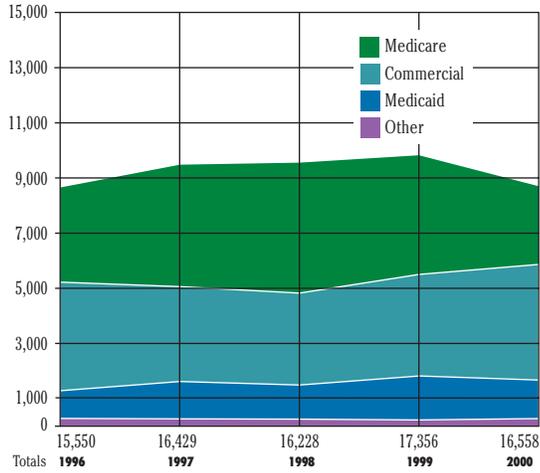


MARGINS	1998	1999	2000
Total margin	8.53%	7.38%	-3.92%
Operating margin	4.39%	0.80%	-7.28%

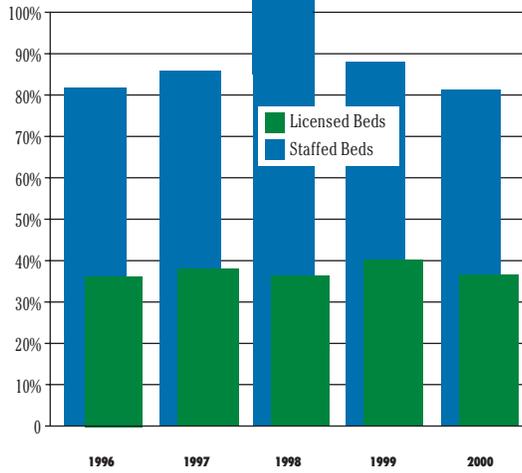
PAYMENT TO COST RATIOS BY PAYER			
Ratio of cost to charges	.44	.43	.46
Medicare Payment to Cost	.93	.85	.78
Medicaid Payment to Cost	1.02	.85	.97
Private Payment to Cost	1.35	1.35	1.13
Uncompensated Care Cost	\$1,174,743	\$1,305,492	\$1,279,591
Total expenses	\$40,784,977	\$43,819,826	\$47,350,951
Uncompensated care % of total expenses	2.88%	2.98%	2.70%

CAPITAL STRUCTURE RATIO			
Equity financing ratio	77.27%	80.26%	69.88%

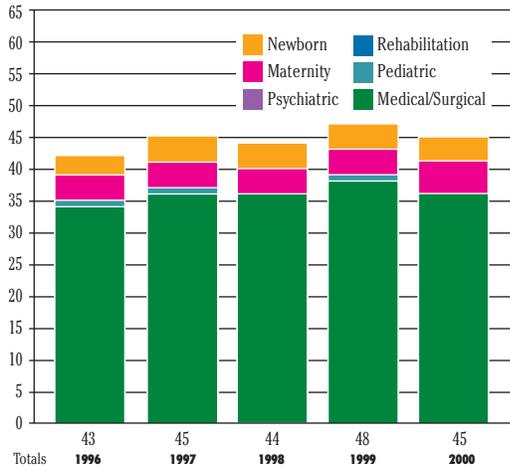
LIQUIDITY MEASURES			
Days of expenses in accounts payable	94.73	79.93	72.49
Days cash on hand	42.32	22.80	21.08
Days of revenue in accounts receivable	94.82	98.94	71.23



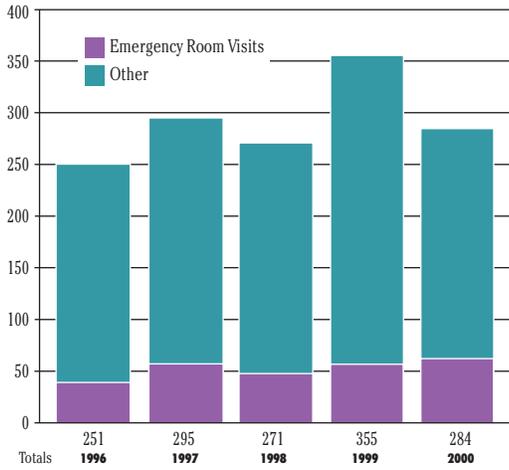
**PATIENT DAYS BY PAYER**



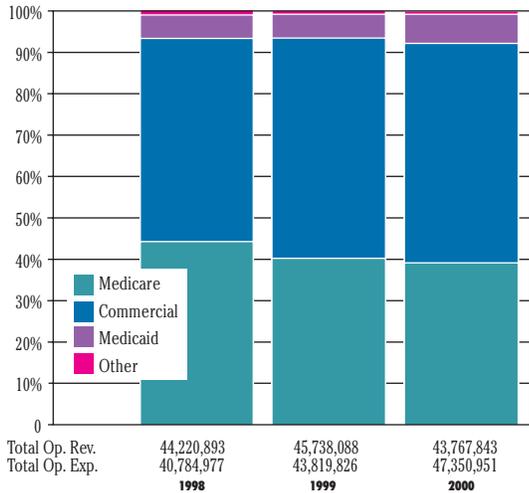
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



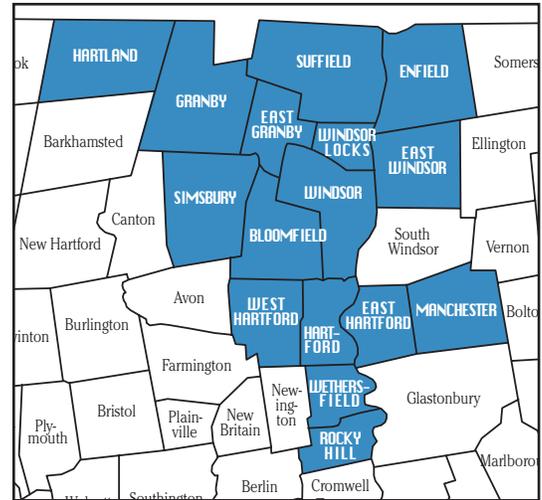
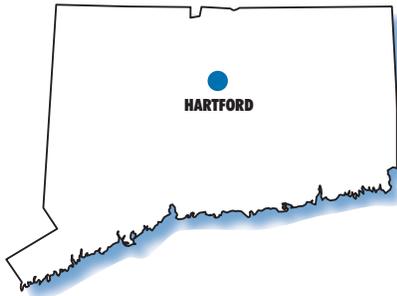
**AVERAGE DAILY OUTPATIENTS**



**NET PATIENT REVENUE BY PAYER**

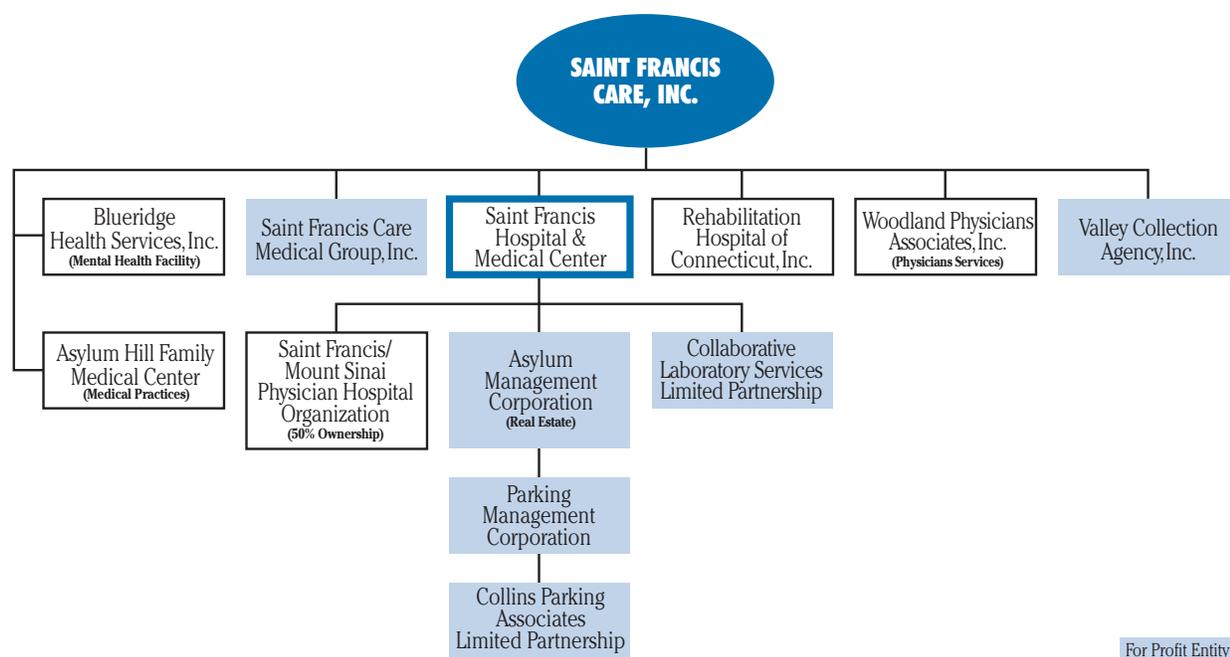
## ST. FRANCIS HOSPITAL AND MEDICAL CENTER

St. Francis Hospital and Medical Center, founded in 1897, is located in Hartford and, in addition to that city, primarily serves 15 other Hartford County towns. In FY 2000, the hospital staffed 531 of its 682 licensed beds and employed 3,035 Full Time Equivalents. It is the largest Catholic hospital in New England. St. Francis is currently affiliated with Bristol and St. Mary's Hospitals.



## KEY RESULTS

- ◆ Discharges were up 6.2%.
- ◆ St. Francis experienced its first operating gain in three years at 4.56% in FY 2000.
- ◆ The Hospital's days of cash on hand improved, increasing from 9.92 days in FY 1999 to 31.87 days for FY 2000.
- ◆ The Hospital's total commercial discounts are 33.75%—lower than the FY 2000 statewide average of 35.81%.

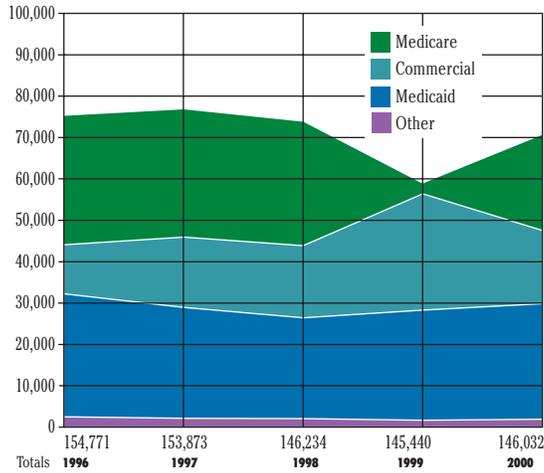


<b>MARGINS</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Total margin	0.30%	4.62%	7.85%
Operating margin	-3.79%	-2.08%	4.56%

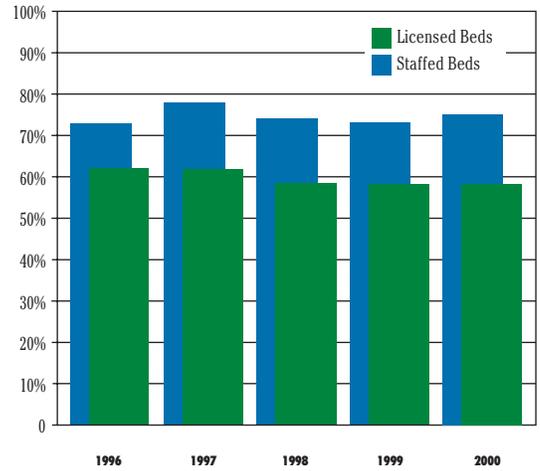
<b>PAYMENT TO COST RATIOS BY PAYER</b>			
Ratio of cost to charges	.72	.67	.65
Medicare Payment to Cost	1.05	1.05	1.14
Medicaid Payment to Cost	.69	.75	.80
Private Payment to Cost	.95	1.03	1.03
Uncompensated Care Cost	\$12,177,745	\$10,175,053	\$9,487,461
Total expenses	\$309,671,045	\$303,349,636	\$304,447,201
Uncompensated care % of total expenses	3.93%	3.35%	3.12%

<b>CAPITAL STRUCTURE RATIO</b>			
Equity financing ratio	46.59%	46.00%	45.70%

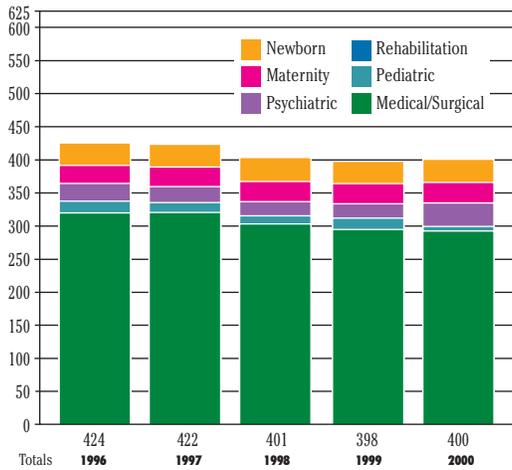
<b>LIQUIDITY MEASURES</b>			
Days of expenses in accounts payable	48.44	36.23	42.10
Days cash on hand	16.42	9.92	31.87
Days of revenue in accounts receivable	53.17	46.69	50.82



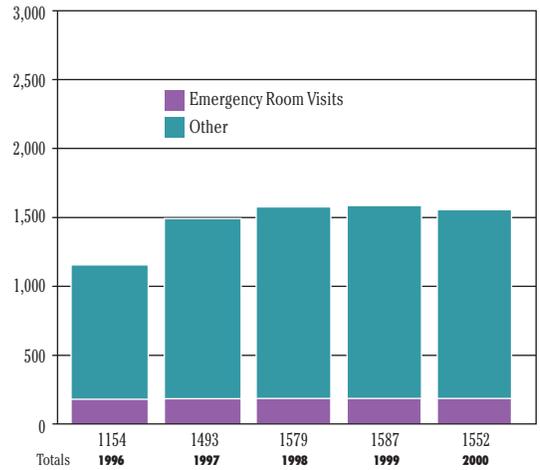
**PATIENT DAYS BY PAYER**



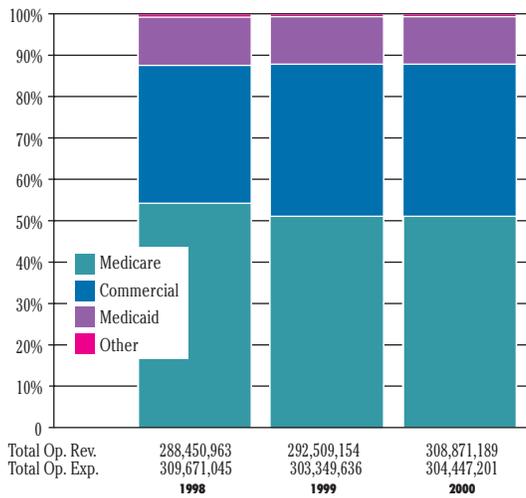
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



**AVERAGE DAILY OUTPATIENTS**

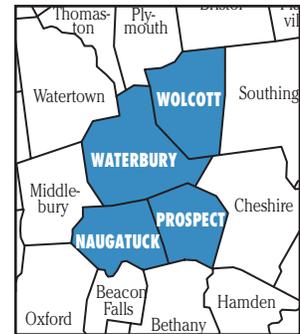


**NET PATIENT REVENUE BY PAYER**

## SAINT MARY'S HOSPITAL

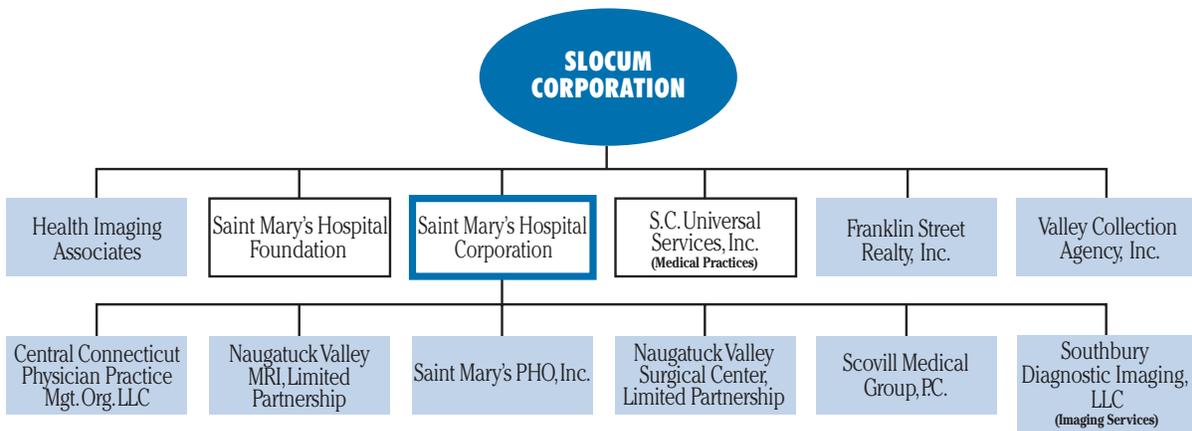
Saint Mary's Hospital, founded in 1907, is located in Waterbury and, in addition to that city, primarily serves three other towns. In FY 2000, the hospital staffed 155 of its 379 licensed beds and employed 1,270 Full Time Equivalents. St.

Mary's Hospital is affiliated with St. Francis Medical Center in Hartford.



## KEY RESULTS

- ◆ Discharges were up 5.2%.
- ◆ The Hospital experienced a small operating gain of 0.71% in FY 2000.
- ◆ Uncompensated Care decreased 17.7% from \$5,820,021 in FY 1999 to \$4,789,427 in FY 2000. Most of the decrease consisted of reduced bad debt.



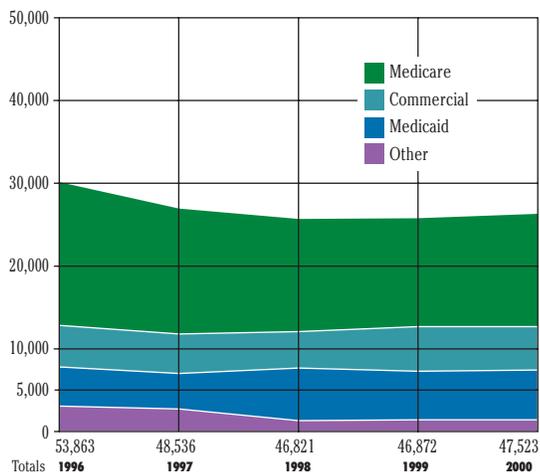
For Profit Entity

MARGINS	1998	1999	2000
Total margin	2.10%	-0.62%	6.13%
Operating margin	-0.60%	-3.58%	0.71%

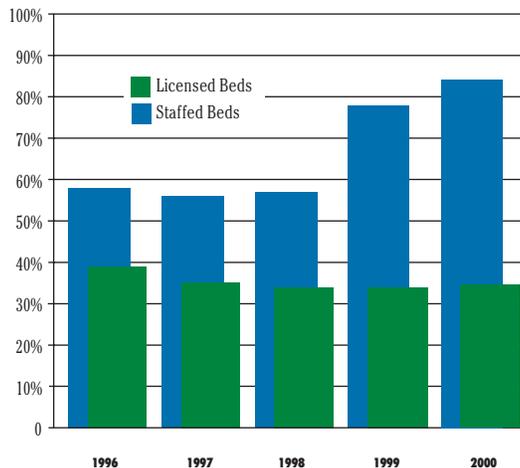
PAYMENT TO COST RATIOS BY PAYER			
Ratio of cost to charges	.58	.57	.51
Medicare Payment to Cost	.99	.93	.95
Medicaid Payment to Cost	.66	.83	.83
Private Payment to Cost	1.15	1.02	1.01
Uncompensated Care Cost	\$5,777,503	\$5,820,021	\$4,789,427
Total expenses	\$117,849,535	\$128,413,068	\$121,492,524
Uncompensated care % of total expenses	4.90%	4.53%	3.94%

CAPITAL STRUCTURE RATIO			
Equity financing ratio	39.08%	36.43%	36.27%

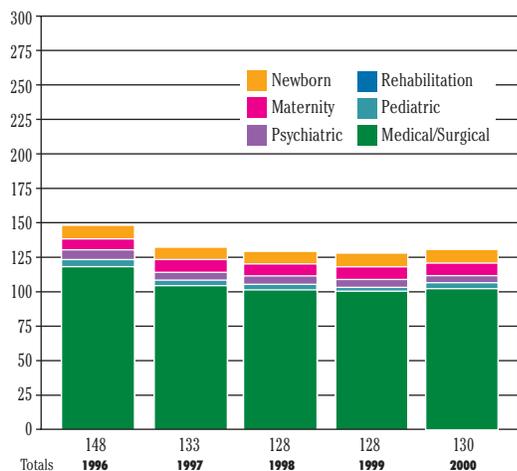
LIQUIDITY MEASURES			
Days of expenses in accounts payable	82.61	73.26	64.89
Days cash on hand	3.89	2.94	7.06
Days of revenue in accounts receivable	52.80	57.85	62.73



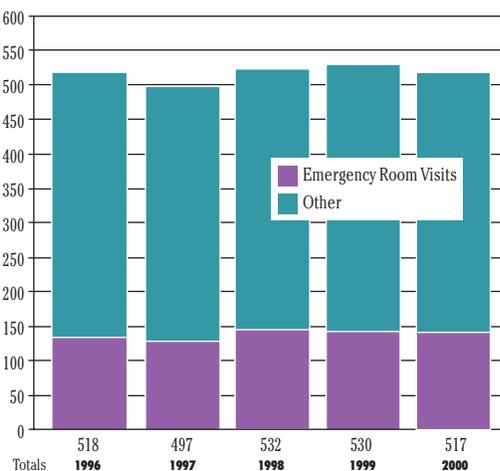
**PATIENT DAYS BY PAYER**



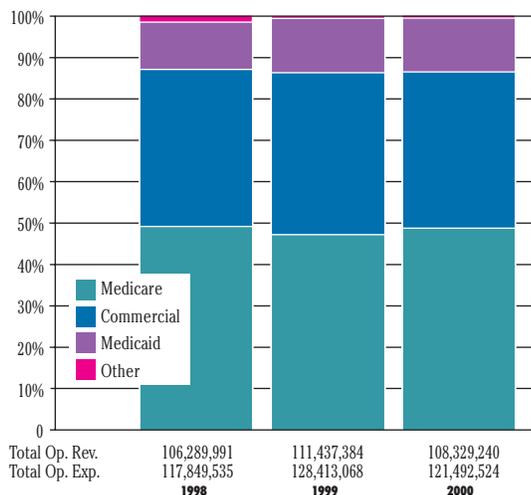
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



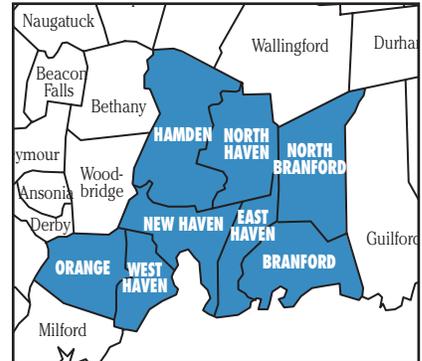
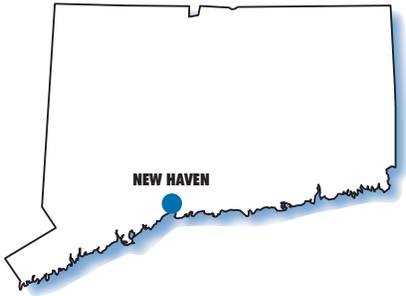
**AVERAGE DAILY OUTPATIENTS**



**NET PATIENT REVENUE BY PAYER**

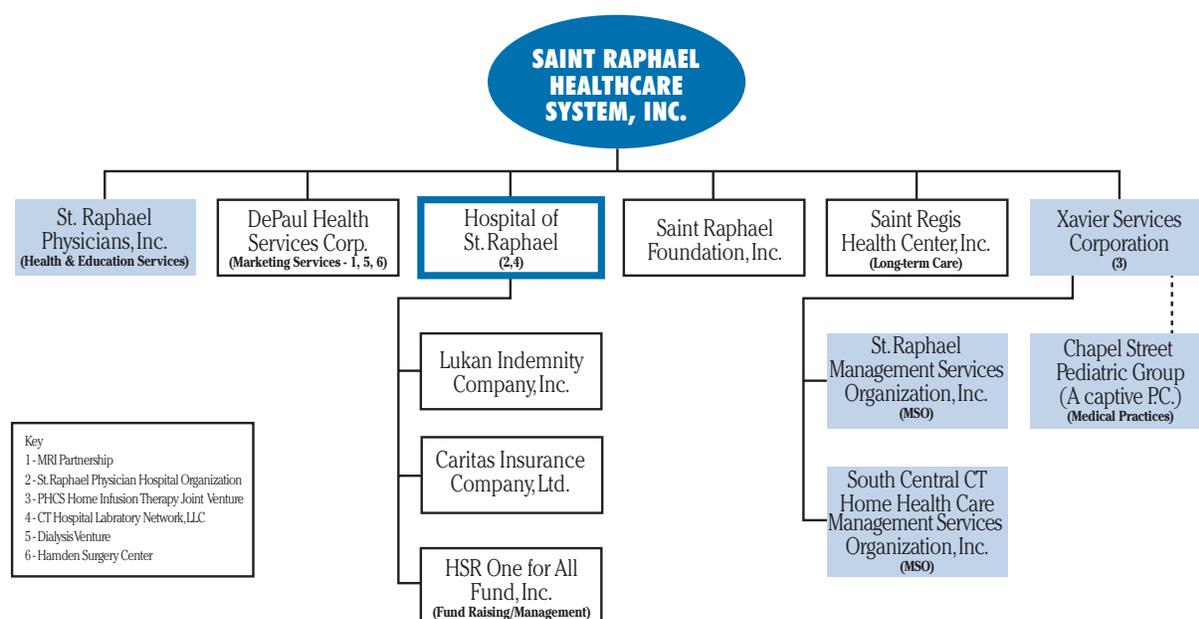
## THE HOSPITAL OF SAINT RAPHAEL

The Hospital of Saint Raphael, founded in 1907, is located in New Haven and, in addition to that city, primarily serves seven New Haven County towns. In FY 2000, the hospital staffed 461 of its 533 licensed beds and employed 2,553 Full Time Equivalents.



## KEY RESULTS

- ◆ The Hospital's total margin is .44% and its operating margin is .85%, which is an improvement from 1999.
- ◆ Uncompensated Care costs decreased from 2.6% of total expenses in 1999 to 1.8% of total expenses in 2000.
- ◆ Discharges increased 3% while patient days decreased by 1%.
- ◆ Outpatient volume remained about the same in 2000 after gradual increases since 1996.

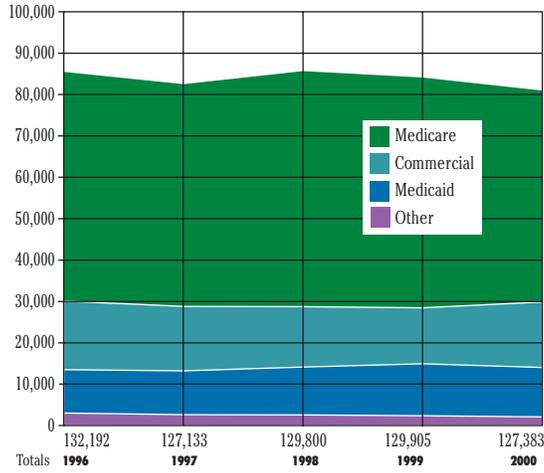


<b>MARGINS</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Total margin	4.25%	-2.73%	0.44%
Operating margin	3.51%	-2.58%	0.85%

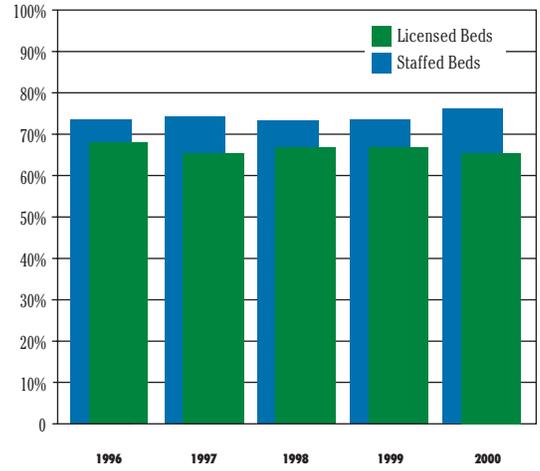
<b>PAYMENT TO COST RATIOS BY PAYER</b>			
Ratio of cost to charges	.53	.55	.51
Medicare Payment to Cost	.99	.93	.95
Medicaid Payment to Cost	.69	.75	.72
Private Payment to Cost	1.28	1.19	1.23
Uncompensated Care Cost	\$3,414,103	\$6,719,992	\$4,784,335
Total expenses	\$245,794,260	\$263,832,722	\$263,846,030
Uncompensated care % of total expenses	1.39%	2.55%	1.81%

<b>CAPITAL STRUCTURE RATIO</b>			
Equity financing ratio	18.59%	20.88%	17.05%

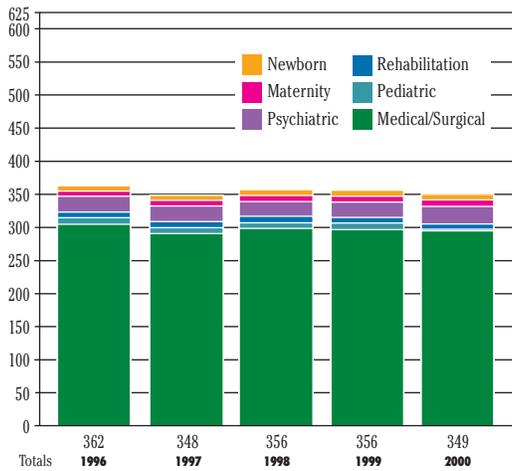
<b>LIQUIDITY MEASURES</b>			
Days of expenses in accounts payable	88.66	84.92	79.30
Days cash on hand	5.36	2.32	6.78
Days of revenue in accounts receivable	80.67	74.39	69.19



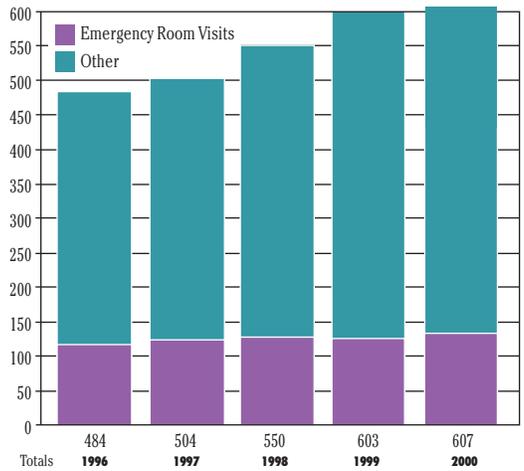
**PATIENT DAYS BY PAYER**



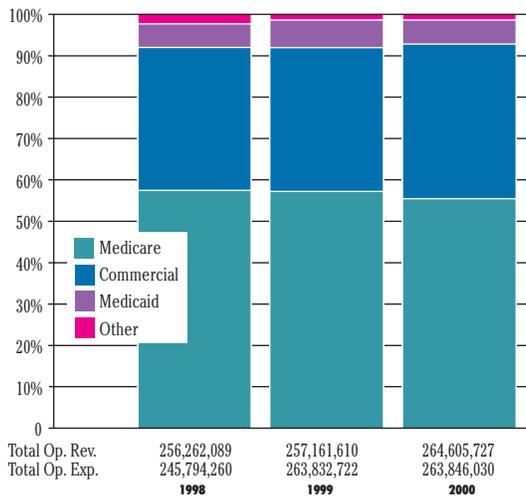
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



**AVERAGE DAILY OUTPATIENTS**

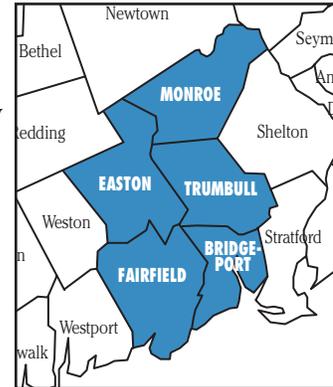
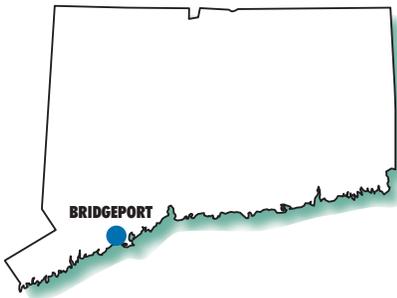


**NET PATIENT REVENUE BY PAYER**

## SAINT VINCENT'S MEDICAL CENTER

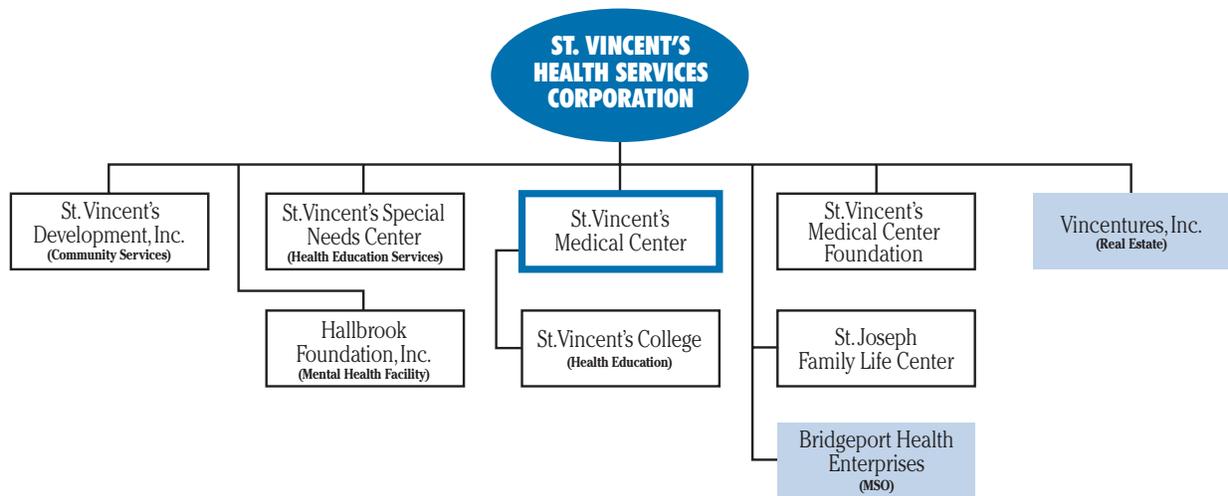
Saint Vincent's Medical Center, founded in 1903, is located in Bridgeport and, in addition to that city, primarily serves four other towns in Fairfield County. In FY 2000, the hospital staffed 305 of its 429 licensed beds and employed 1,592 Full Time

Equivalents. Saint Vincent's is a member of Ascension Health System, a nationally based Catholic health system with 78 member hospitals.



## KEY RESULTS

- ◆ Uncompensated Care increased 68% from \$5,759,816 in FY 1999 to \$9,684,166 in FY 2000 due to an accounting methodology change in accounting for bad debt as mandated by Ascension Health.
- ◆ Hospital's days of cash on hand decreased for the third year in a row, dropping to 8.52 days in FY 2000, which is less than the statewide average of 20 days.
- ◆ The Hospital's days of expenses in accounts payable is one of the lowest in the state at 42 days.



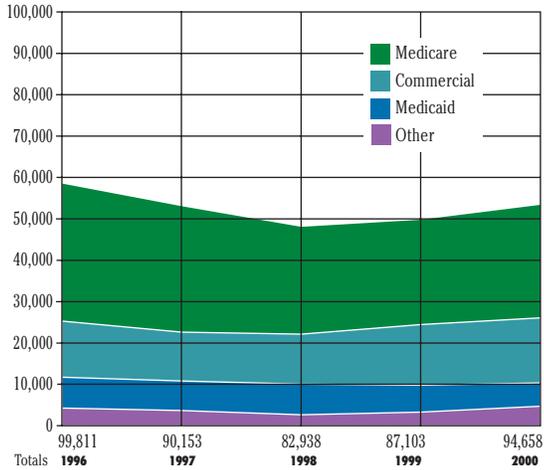
For Profit Entity

MARGINS	1998	1999	2000
Total margin	13.86%	13.78%	4.51%
Operating margin	7.82%	6.40%	-1.60%

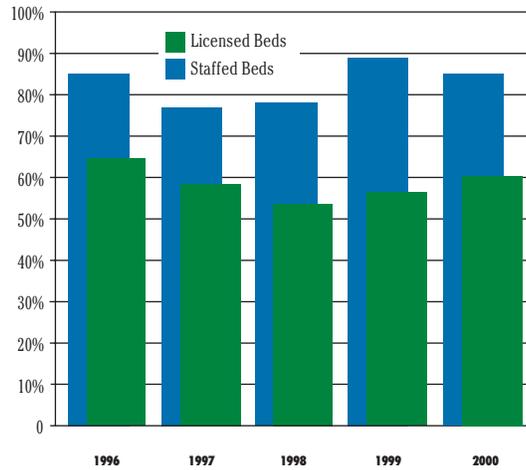
PAYMENT TO COST RATIOS BY PAYER			
Ratio of cost to charges	.51	.53	.56
Medicare Payment to Cost	1.10	.99	.99
Medicaid Payment to Cost	.67	.59	.62
Private Payment to Cost	1.28	1.23	1.08
Uncompensated Care Cost	\$5,404,380	\$5,759,816	\$9,684,166
Total expenses	\$133,253,103	\$146,426,013	\$162,621,253
Uncompensated care % of total expenses	4.06%	3.93%	5.96%

CAPITAL STRUCTURE RATIO			
Equity financing ratio	79.27%	78.29%	79.17%

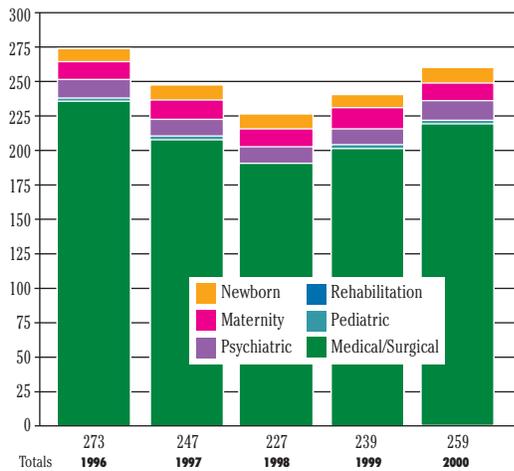
LIQUIDITY MEASURES			
Days of expenses in accounts payable	106.61	48.48	42.05
Days cash on hand	24.11	16.17	8.52
Days of revenue in accounts receivable	91.81	90.63	85.87



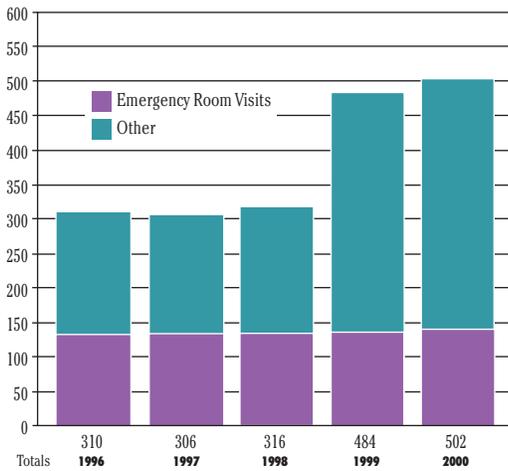
**PATIENT DAYS BY PAYER**



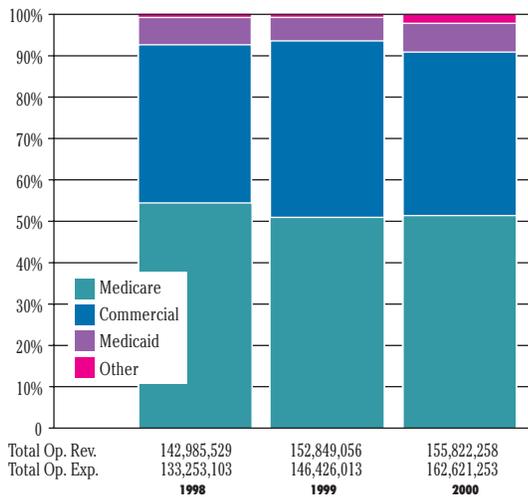
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



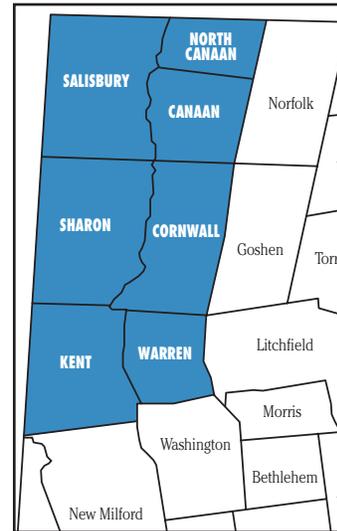
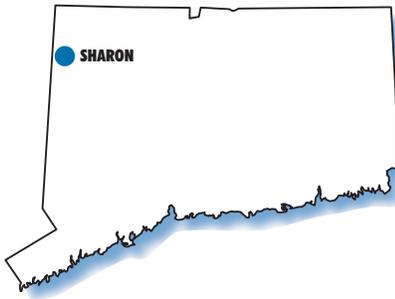
**AVERAGE DAILY OUTPATIENTS**



**NET PATIENT REVENUE BY PAYER**

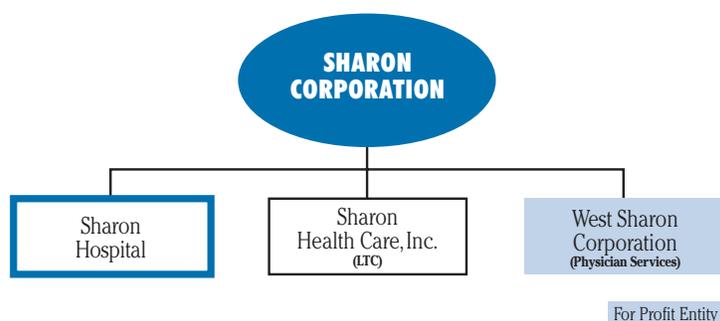
## SHARON HOSPITAL

Sharon Hospital, founded in 1909, is located in Sharon and, in addition to that town, primarily serves six other Litchfield County towns as well as Duchess County, New York. In FY 2000, the hospital staffed 85 of its 94 licensed beds and employed 303 Full Time Equivalents.



## KEY RESULTS

- ◆ The Hospital's average occupancy of staffed beds at 45% is significantly lower than the statewide average of 72.8%.
- ◆ The loss from operations of \$2.4 million is an improvement over FY 1999.
- ◆ The payment to cost ratios for Medicare, Medicaid and commercial payers (.87, .36 and 1.08, respectively), are all lower than statewide averages (.96, .76 and 1.13, respectively).
- ◆ The Hospital's days of revenue in accounts receivable was one of the highest in the state at 70.5 days.

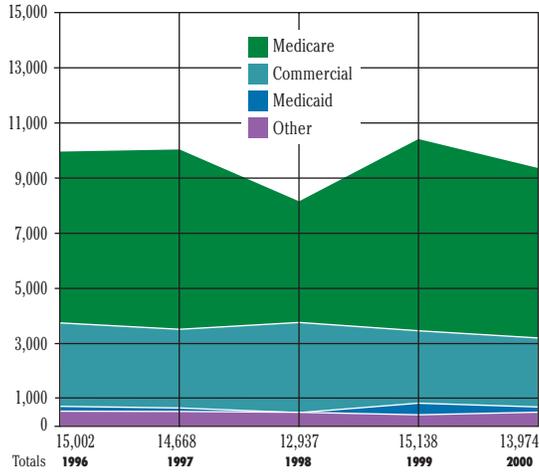


<b>MARGINS</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Total margin	-5.06%	-11.21%	-6.81%
Operating margin	-13.06%	-12.01%	-7.82%

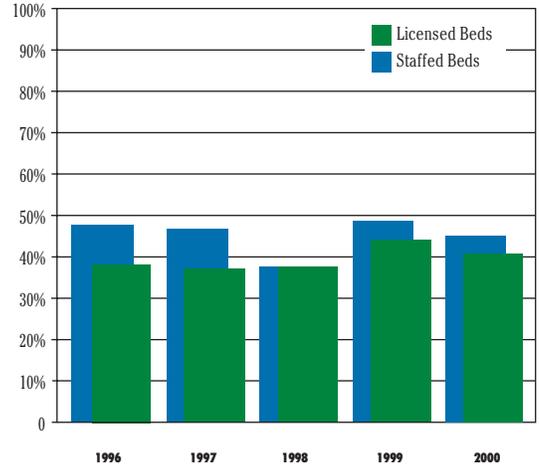
<b>PAYMENT TO COST RATIOS BY PAYER</b>			
Ratio of cost to charges	.55	.62	.57
Medicare Payment to Cost	.81	.72	.87
Medicaid Payment to Cost	.69	.81	.36
Private Payment to Cost	1.27	1.16	1.08
Uncompensated Care Cost	\$1,658,601	\$2,445,213	\$1,371,468
Total expenses	\$28,399,209	\$33,460,988	\$32,356,126
Uncompensated care % of total expenses	5.84%	7.31%	4.24%

<b>CAPITAL STRUCTURE RATIO</b>			
Equity financing ratio	42.49%	33.17%	30.87%

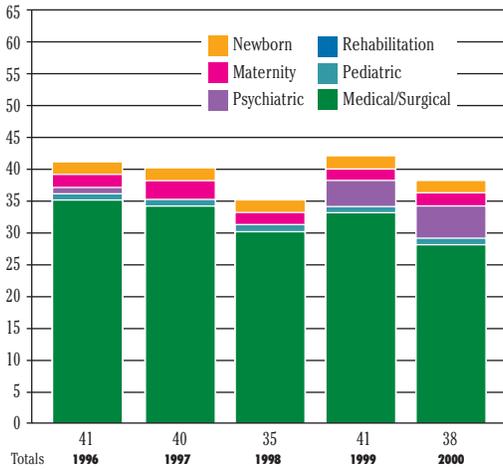
<b>LIQUIDITY MEASURES</b>			
Days of expenses in accounts payable	85.53	169.84	193.66
Days cash on hand	12.37	12.99	17.66
Days of revenue in accounts receivable	82.81	75.40	70.58



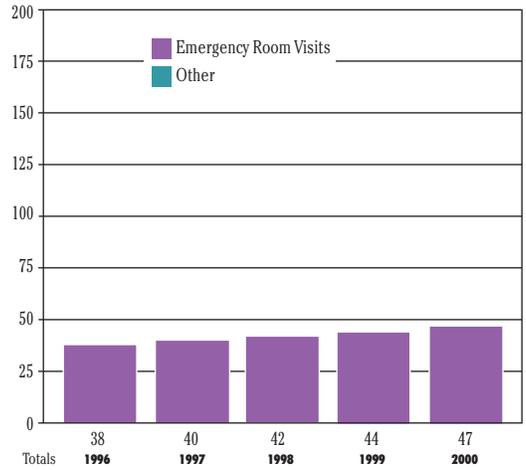
**PATIENT DAYS BY PAYER**



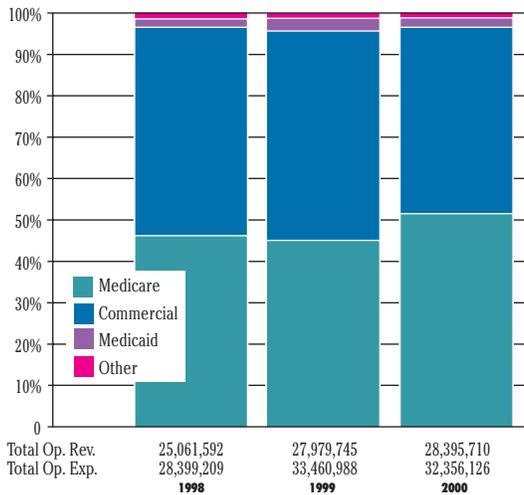
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**

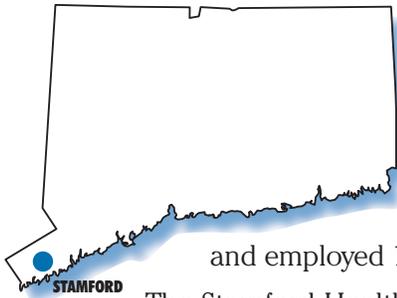


**AVERAGE DAILY OUTPATIENTS**



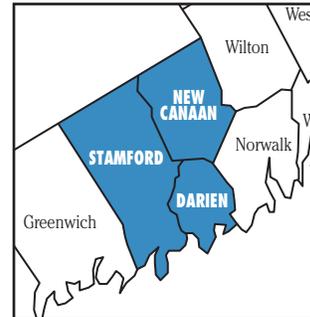
**NET PATIENT REVENUE BY PAYER**

## STAMFORD HOSPITAL



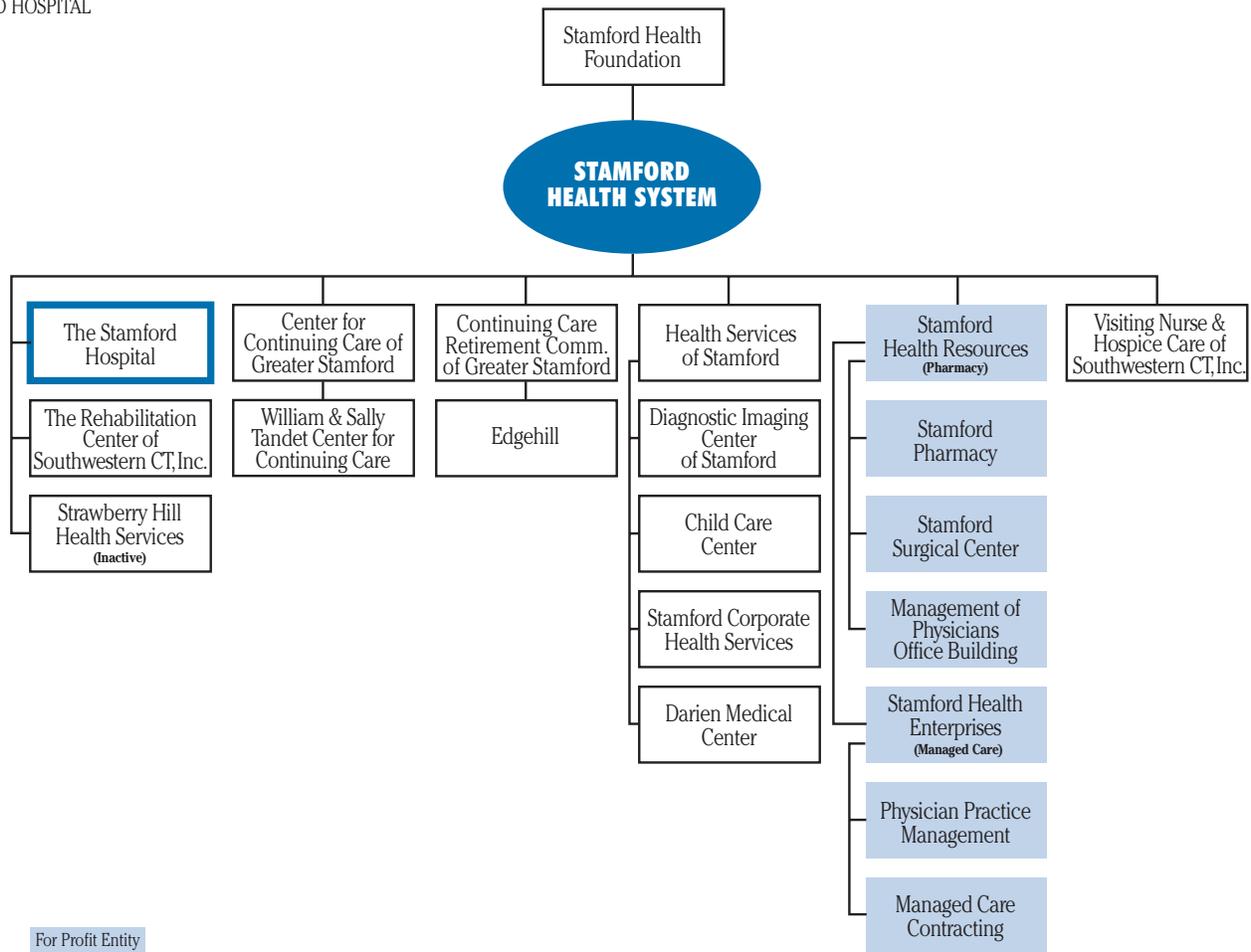
The Stamford Hospital, founded in 1896, is located in Stamford and, in addition to that city, primarily serves two other towns in southern Fairfield County. In FY 2000, the hospital staffed 285 of its 330 licensed beds and employed 1,480 Full Time Equivalents. In 1998,

The Stamford Health System (the parent organization of Stamford Hospital) acquired Saint Joseph Medical Center, which is being converted into an outpatient facility.



## KEY RESULTS

- ◆ The Hospital experienced an operating deficit for the second year in a row of -4.56%.
- ◆ Days cash on hand remained low at .23, compared to a statewide average of 20 days.
- ◆ Days of expense in accounts payable and of revenue in accounts receivable improved in comparison to FY 1999.
- ◆ Uncompensated Care decreased 23% from \$11,050,350 in FY 1999 to \$8,496,854 in FY 2000.
- ◆ Discharges increased 3%.



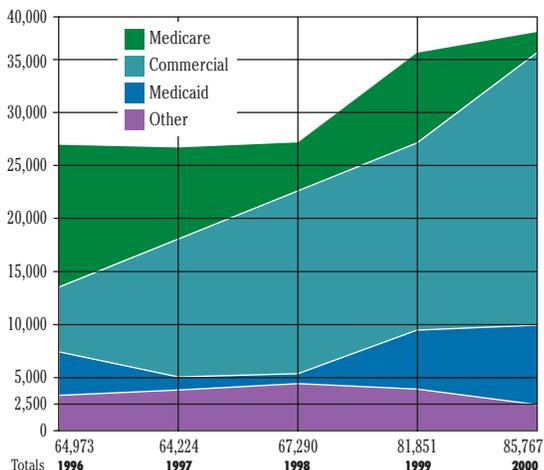
For Profit Entity

MARGINS	1998	1999	2000
Total margin	6.61%	-2.47%	-3.10%
Operating margin	3.54%	-5.09%	-4.56%

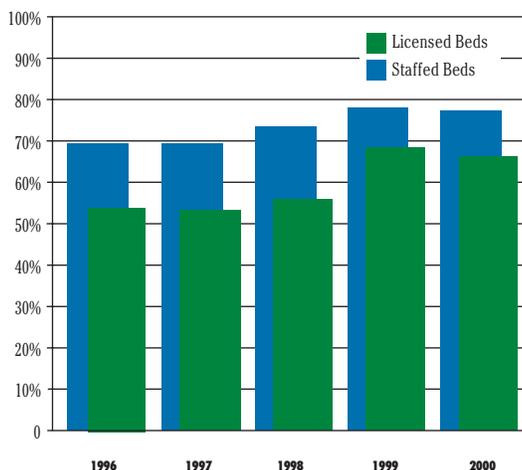
PAYMENT TO COST RATIOS BY PAYER			
Ratio of cost to charges	.53	.57	.57
Medicare Payment to Cost	.95	.93	.87
Medicaid Payment to Cost	.54	.73	.59
Private Payment to Cost	1.26	1.15	1.12
Uncompensated Care Cost	\$9,114,750	\$11,050,350	\$8,496,854
Total expenses	\$115,314,985	\$146,994,439	\$161,563,527
Uncompensated care % of total expenses	7.90%	7.52%	5.26%

CAPITAL STRUCTURE RATIO			
Equity financing ratio	31.14%	26.20%	27.57%

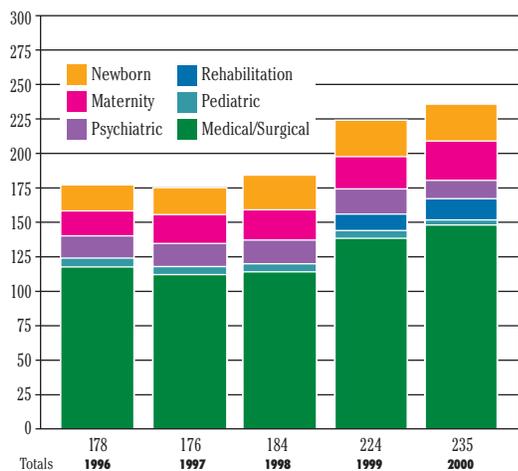
LIQUIDITY MEASURES			
Days of expenses in accounts payable	105.61	88.12	80.16
Days cash on hand	12.52	0.23	0.23
Days of revenue in accounts receivable	58.65	75.65	68.68



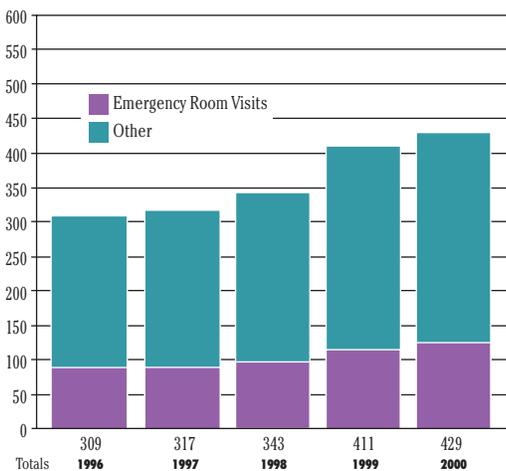
**PATIENT DAYS BY PAYER**



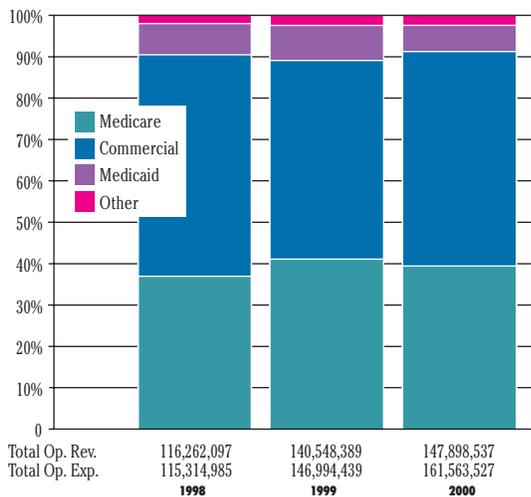
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



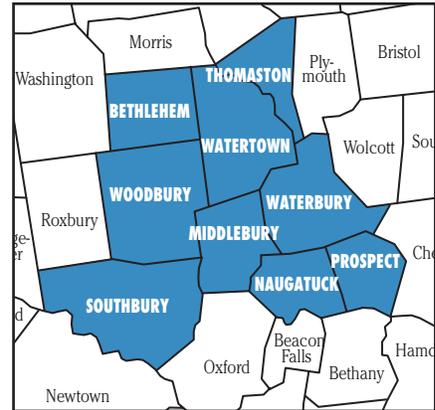
**AVERAGE DAILY OUTPATIENTS**



**NET PATIENT REVENUE BY PAYER**

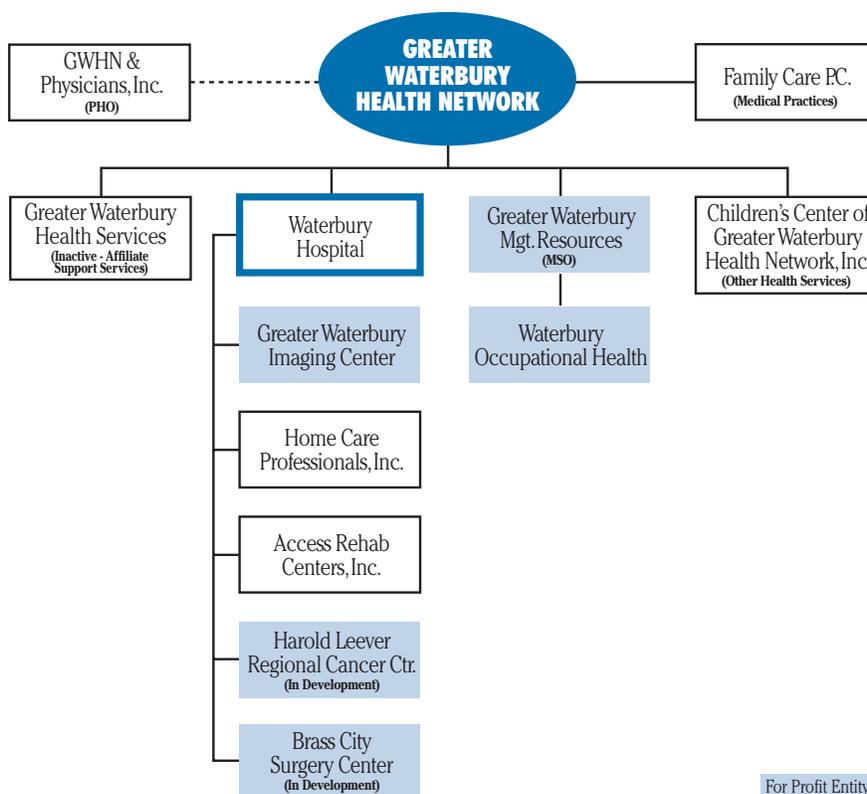
## WATERBURY HOSPITAL

The Waterbury Hospital, opened in 1890, is located in Waterbury and, in addition to that city, primarily serves eight other towns. In FY 2000, the hospital staffed 234 of its 403 licensed beds and employed 1,433 Full Time Equivalents.



## KEY RESULTS

- ◆ Discharges increased 7.7%.
- ◆ The Hospital suffered its third straight year of operating deficits at -11.08%.
- ◆ The Hospital's days of cash on hand improved from 6.06 days to 10.3.
- ◆ The Hospital's private payment to cost ratio was .88, which is a four-year low and significantly lower than the state average of 1.13.

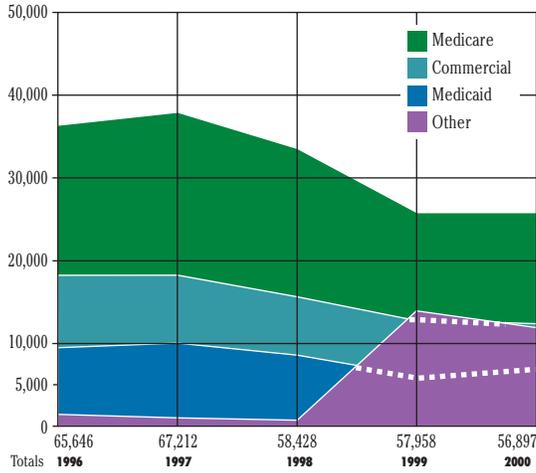


MARGINS	1998	1999	2000
Total margin	-0.65%	-6.38%	-8.23%
Operating margin	-3.32%	-7.54%	-11.08%

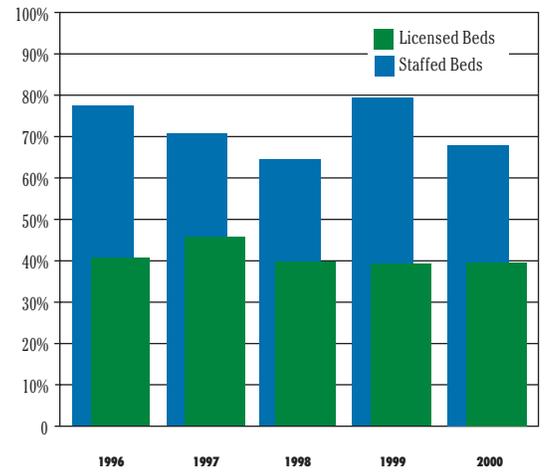
PAYMENT TO COST RATIOS BY PAYER			
Ratio of cost to charges	.56	.58	.56
Medicare Payment to Cost	.97	.95	.90
Medicaid Payment to Cost	.71	.69	.79
Private Payment to Cost	1.04	.60	.88
Uncompensated Care Cost	\$5,670,434	\$5,045,940	\$6,736,989
Total expenses	\$131,068,842	\$132,007,214	\$139,268,949
Uncompensated care % of total expenses	4.33%	3.82%	4.84%

CAPITAL STRUCTURE RATIO			
Equity financing ratio	41.45%	40.39%	33.39%

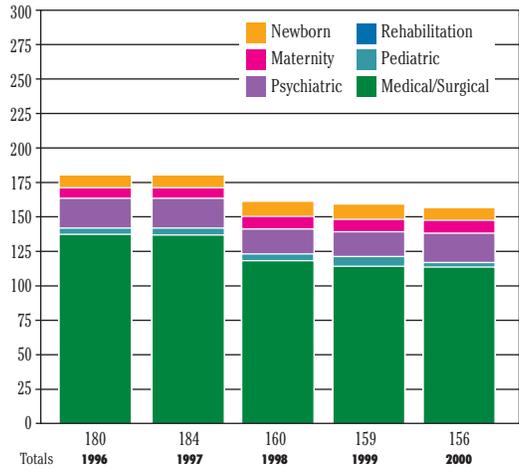
LIQUIDITY MEASURES			
Days of expenses in accounts payable	64.19	49.43	48.47
Days cash on hand	18.44	6.06	10.30
Days of revenue in accounts receivable	48.11	52.50	53.59



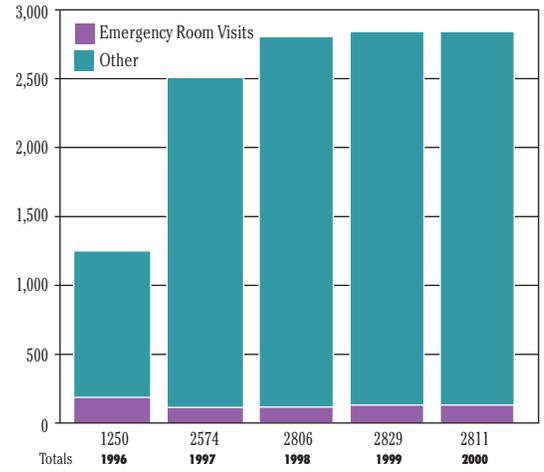
**PATIENT DAYS BY PAYER**



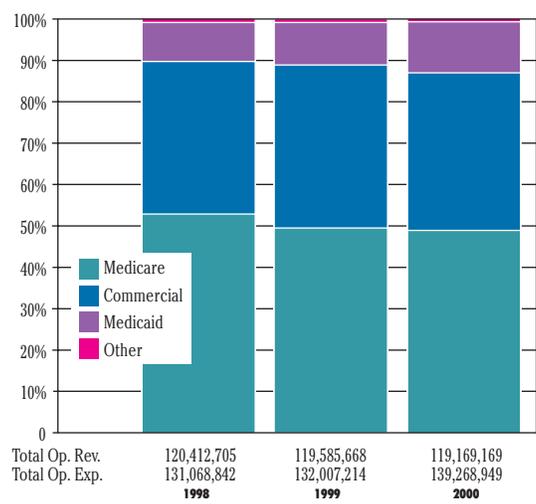
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



**AVERAGE DAILY OUTPATIENTS**



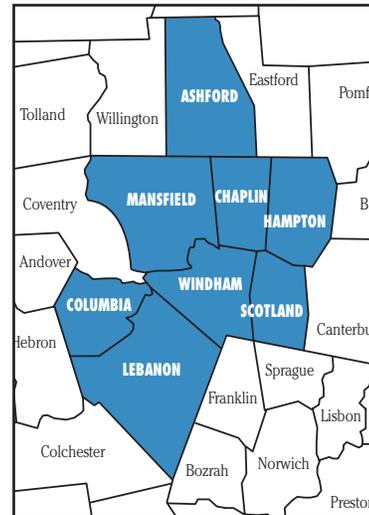
**NET PATIENT REVENUE BY PAYER**

## WINDHAM COMMUNITY MEMORIAL HOSPITAL

Windham Community Memorial Hospital, founded in 1908, is located in Windham and, in addition to that town, primarily serves seven other towns. In

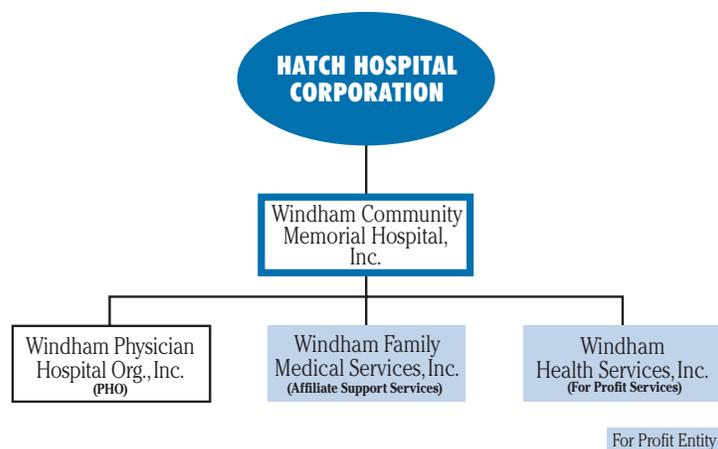


FY 2000, the hospital staffed 92 of its 130 licensed beds and employed 522 Full Time Equivalents.



## KEY RESULTS

- ◆ Discharges increased by 5% in FY 2000.
- ◆ Both the Hospital's total and operating margins (5.69% and 3.96%, respectively) exceed statewide averages (3.2% and 1.2%, respectively).
- ◆ The Hospital's operating margin increased by 74% from 2.27% in FY 1999 to 3.96% in FY 2000.
- ◆ The Hospital's days of cash on hand is 3.5 times greater than the statewide average of 20.

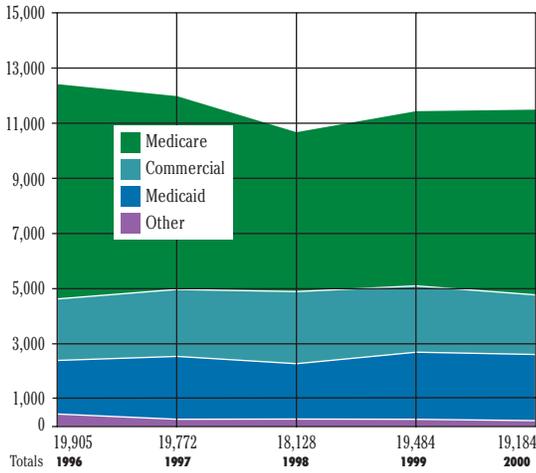


<b>MARGINS</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Total margin	4.72%	4.56%	5.69%
Operating margin	2.17%	2.27%	3.96%

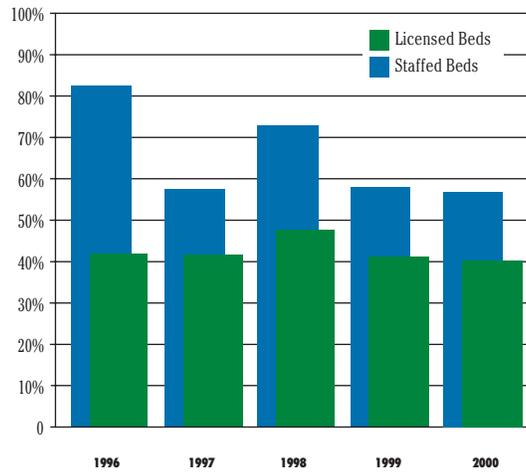
<b>PAYMENT TO COST RATIOS BY PAYER</b>			
Ratio of cost to charges	.46	.46	.49
Medicare Payment to Cost	.91	.87	.94
Medicaid Payment to Cost	.82	.51	.57
Private Payment to Cost	1.30	1.33	1.34
Uncompensated Care Cost	\$1,802,958	\$2,388,816	\$2,173,408
Total expenses	\$41,903,521	\$45,859,024	\$49,430,743
Uncompensated care % of total expenses	4.30%	5.21%	4.40%

<b>CAPITAL STRUCTURE RATIO</b>			
Equity financing ratio	29.42%	32.80%	35.15%

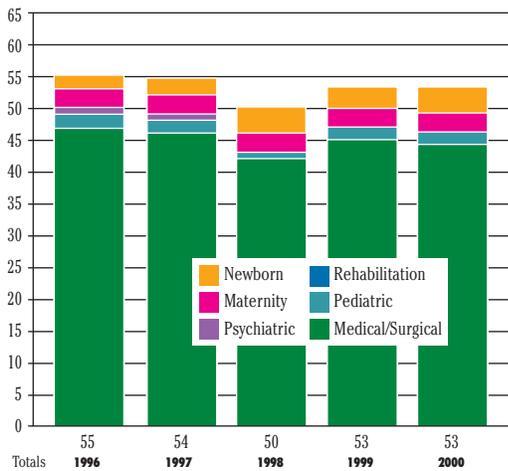
<b>LIQUIDITY MEASURES</b>			
Days of expenses in accounts payable	102.46	75.80	61.61
Days cash on hand	85.01	77.39	67.47
Days of revenue in accounts receivable	55.65	61.44	61.30



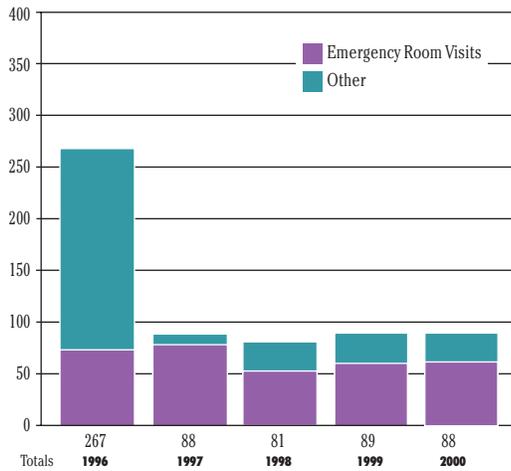
**PATIENT DAYS BY PAYER**



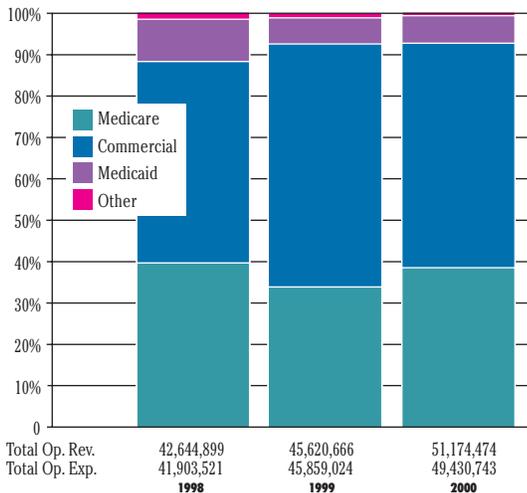
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**

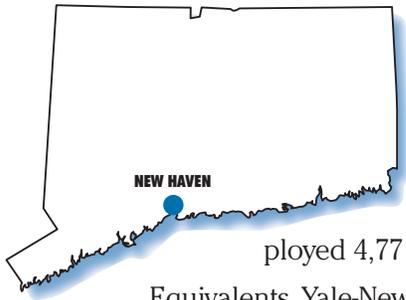


**AVERAGE DAILY OUTPATIENTS**



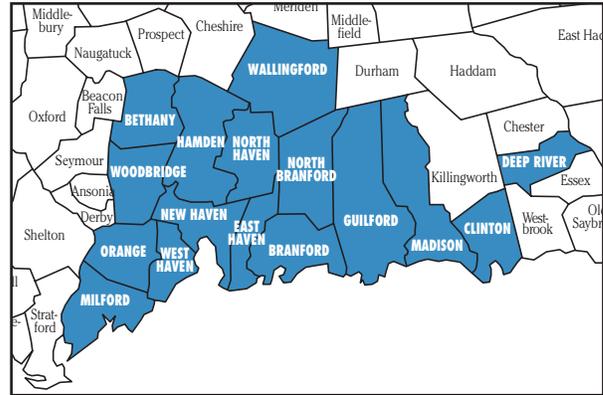
**NET PATIENT REVENUE BY PAYER**

## YALE-NEW HAVEN HOSPITAL



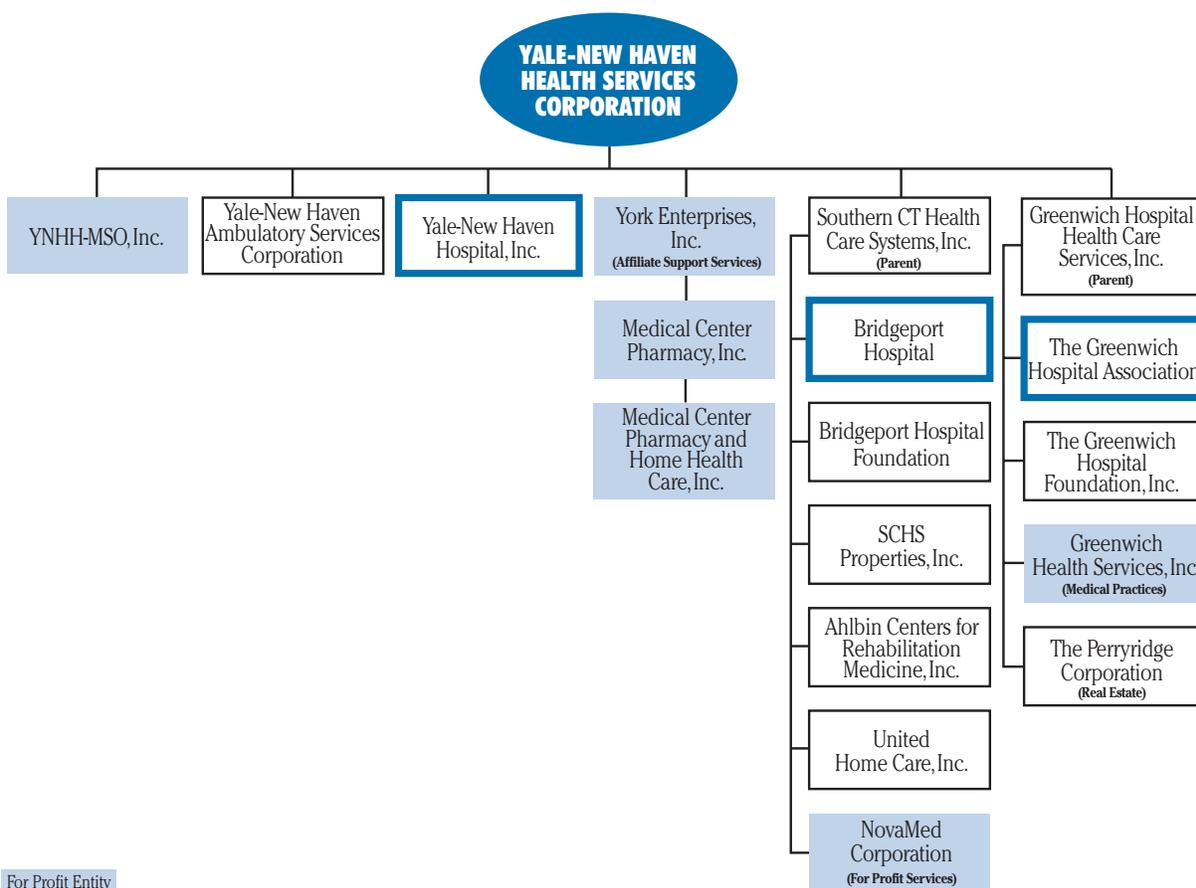
Yale-New Haven Hospital was founded in 1826. It is located in New Haven and, in addition to that city, primarily serves 15 other towns in Greater New Haven. In FY 2000, the hospital staffed 792 of its 944 licensed beds and em-

ployed 4,771 Full Time Equivalents. Yale-New Haven Hospital is a member of the Yale-New Haven Health System along with Greenwich and Bridgeport Hospitals.



## KEY RESULTS

- ◆ In FY 2000, Yale-New Haven Hospital acquired Yale Psychiatric Institute, adding 44 licensed beds and 12 staffed beds to its psychiatric unit.
- ◆ Staffed beds were reduced by 7.3 %.
- ◆ Total outpatient visits increased by 11% in FY 2000.
- ◆ Both the Hospital's total and operating margins (5.8% and 3.3%, respectively) substantially exceed statewide averages (3.2% and 1.2%, respectively).
- ◆ The ratio of payment to cost for private payers dropped by 8% to 1.11, which is slightly below the statewide average of 1.13.
- ◆ There was a 25% increase in the cost of providing Uncompensated Care in FY 2000.
- ◆ While the Hospital's 10.6 days of cash on hand is significantly lower than the statewide average of 20 days, this statistic does not include any of the Hospital's \$140 million in short-term investments (maturing in less than one year).



MARGINS	1998	1999	2000
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Total margin	6.31%	1.99%	5.79%
Operating margin	2.59%	-1.10%	3.28%

PAYMENT TO COST RATIOS BY PAYER	1998	1999	2000
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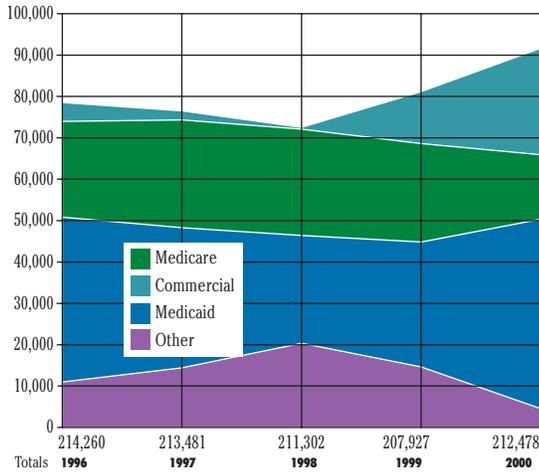
Ratio of cost to charges	.58	.58	.56
Medicare Payment to Cost	1.05	.99	1.06
Medicaid Payment to Cost	.59	.55	.70
Private Payment to Cost	1.23	1.21	1.11
Uncompensated Care Cost	\$14,607,953	\$13,286,622	\$16,663,306
Total expenses	\$442,093,514	\$449,561,668	\$476,979,579
Uncompensated care % of total expenses	3.30%	2.96%	3.49%

CAPITAL STRUCTURE RATIO	1998	1999	2000
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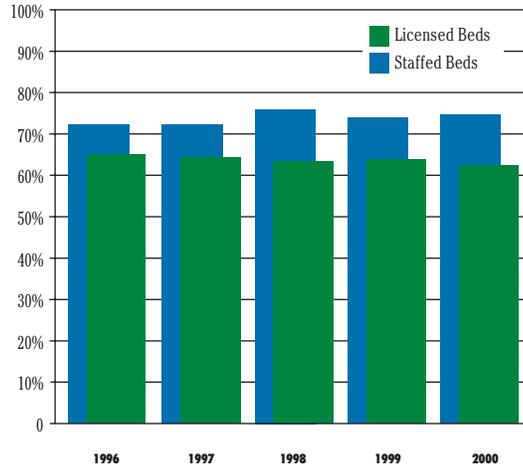
Equity financing ratio	35.51%	29.17%	38.73%
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LIQUIDITY MEASURES	1998	1999	2000
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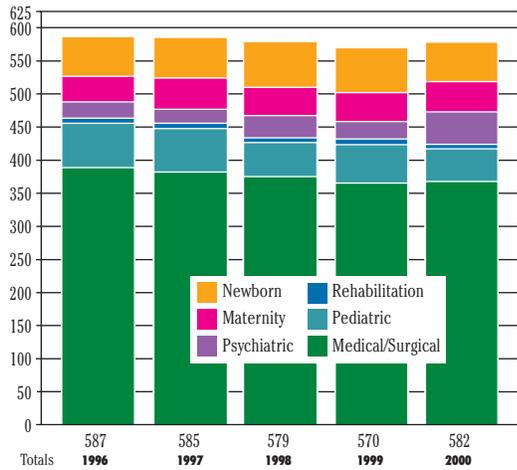
Days of expenses in accounts payable	126.13	106.02	95.97
Days cash on hand	14.76	13.59	10.61
Days of revenue in accounts receivable	59.23	58.88	66.69



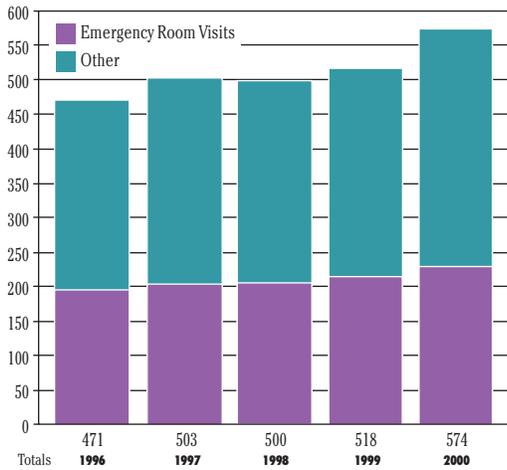
**PATIENT DAYS BY PAYER**



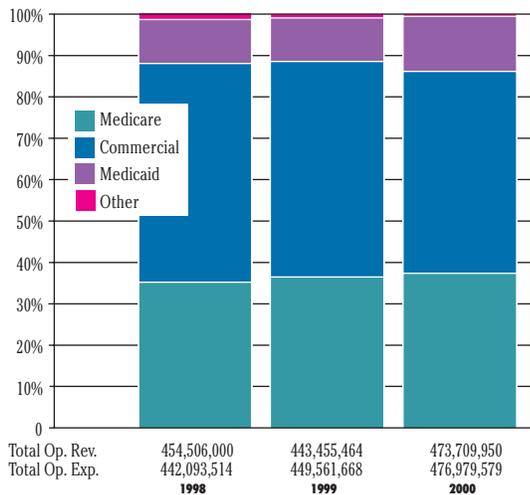
**AVERAGE OCCUPANCY**



**AVERAGE DAILY CENSUS BY SERVICE**



**AVERAGE DAILY OUTPATIENTS**



**NET PATIENT REVENUE BY PAYER**



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410 Capitol Avenue  
MS# 13HCA, PO Box 340308  
Hartford, CT 06134  
(860) 418-7001