



**Report on Uncompensated Hospital Costs and
Hospital Profitability**

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EXECUTIVE SUMMARY

The years of 2011 through 2015 have seen big growth and even bigger drops in hospital uncompensated care, ending up about back to where it started five years earlier. Profitability over this same time period, though, was somewhat more steady due to actions taken by AHCCCS to help stabilize the marketplace. From Hospital Fiscal Year (HFY) 2011 to HFY 2013, hospital uncompensated care grew from \$500 million to almost \$900 million. This increase was followed by a sharp decline from HFY 2013 to HFY 2015. By HFY 2015, uncompensated care fell below its HFY 2011 levels. These fluctuations were due in part to state budgetary changes implemented during this time period. Of particular importance was the imposition of a freeze on childless adult enrollment, effective July 2011 and its restoration and the Medicaid expansion in January 2014.

Despite large increases in uncompensated care, total net operating profit remained relatively stable from HFY 2011 to HF 2015, fluctuating between \$576 million and \$765 million. This was achieved with the help of the Safety Net Care Pool program, a temporary program designed to help mitigate the increase in uncompensated care associated with the enrollment freeze.

While net operating margins have declined some during this period – falling from 5.1% to 3.8% - total operating margins have declined less and averaged 5.2% during the same time period. In both years, almost two-thirds of hospitals were profitable. More recent data from the Arizona Hospital and Healthcare Association also show that net operating profits are increasing above the 3.8% that was reported in HFY 2015.

Operating profitability varies considerably by hospital type. Both net operating and total margins for rehabilitation, psychiatric, and short-term specialty hospitals exceeded 9.5% in HFYs 2014 and 2015. Net operating and total margins for general acute care hospitals were 4.7% and 5.4%, respectively in HFY 2014 and 3.5% and 3.8% in HFY 2015. Net operating margins for critical access hospitals increased from 0.8% in HFY 2014 to 4.5% in HFY 2015, and their total margin increased from 1.2% to 5.2% during that same period. Long term hospitals had negative net operating and total margins for both years.

Finally, it is important to note that there are a number of factors that influence hospital profitability and uncompensated care including long-term and short-term business decisions made by hospitals, occupancy rates (which are approximately 60%), the economy, federal and state policies, and changes in the healthcare industry as a whole.

BACKGROUND

A. R. S. § 36-2903.08 mandates that AHCCCS provide a report on hospital finances, specifically:

AHCCCS uncompensated care; hospital assessment; reports

A. On or before October 1, 2014, and annually thereafter, the Arizona health care cost containment system administration shall report to the speaker of the house of representatives, the president of the senate and the directors of the joint legislative budget committee and governor's office of strategic planning and budgeting on the change in uncompensated hospital costs experienced by Arizona hospitals and hospital profitability during the previous fiscal year.

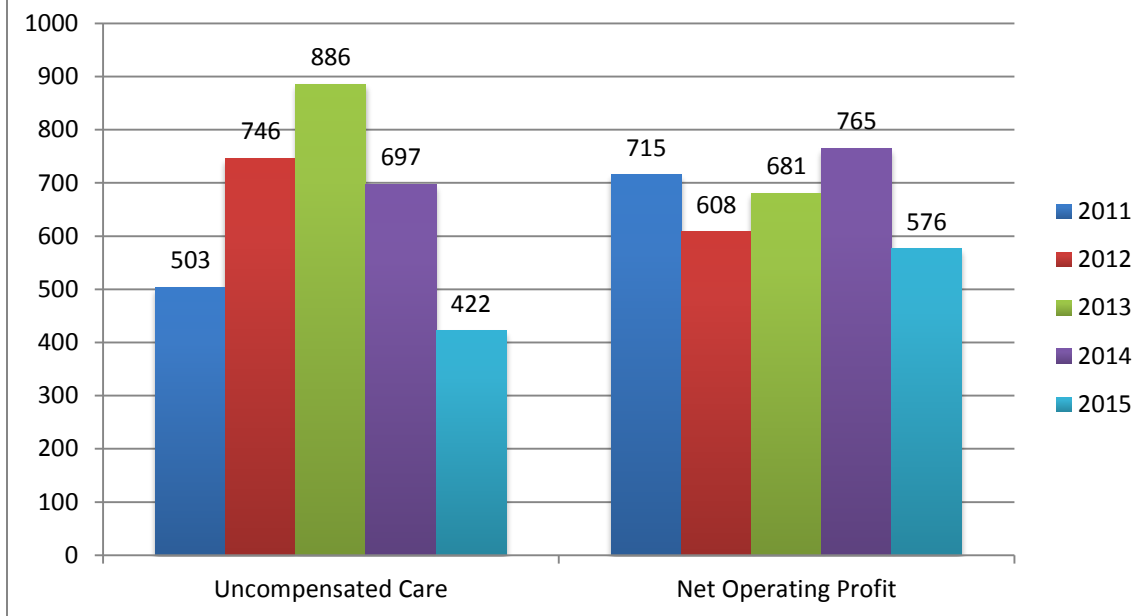
The hospital-reported data shows that uncompensated care decreased from Hospital Fiscal Year (HFY) 2014 to HFY 2015 on both a total and an average basis, declining by approximately 40%. During that time frame, average operating profit, as well as total profit, also declined. The table below displays summary figures for Arizona hospitals going back to HFY 2011.

Hospital Profitability and Uncompensated Care, HFY 2011-2015						
(\$ in Millions)						
	<u>2011¹</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2014-2015 Change</u>
Total Uncompensated Care	\$503.3	\$745.7	\$885.9	\$697.4	\$422.3	\$(275.1)
Average Uncompensated Care Costs	\$5.8	\$8.0	\$8.9	\$7.0	\$4.2	\$(2.8)
Total Net Operating Profitability	\$714.6	\$607.6	\$681.1	\$765.2	\$575.6	\$(189.6)
Average Operating Profitability	\$8.1	\$6.8	\$6.9	\$7.7	\$5.7	\$(2.0)
Average Operating Margin	5.1%	4.5%	4.9%	4.9%	3.8%	(1.2)%
Hospitals with a Positive Operating Margin	79.5%	73.3%	64.6%	64.0%	64.3%	0.3%
Average Total Income Margin	5.1%	5.1%	6.0%	5.5%	4.1%	(1.4)%
Average Occupancy Rate	62.0%	60.0%	59.0%	59.6%	60.7%	1.1%

From HFY 2011 to 2015, total uncompensated care grew from approximately \$500 million to almost \$900 million in HFY 2013 and then fell in HFY 2015 to just under \$425 million in HFY 2015. Meanwhile, total net operating profits have fluctuated between \$715 million and \$576 million between these same years, with their lowest point in the most recent HFY.

¹ 2011 figures taken from the 2013 Hospital Uncompensated Costs and Hospital Profitability Report. These numbers were not audited by AHCCCS.

Hospital Uncompensated Care and Net Operating Profits , HFY 2011 -2015 (\$ in millions)



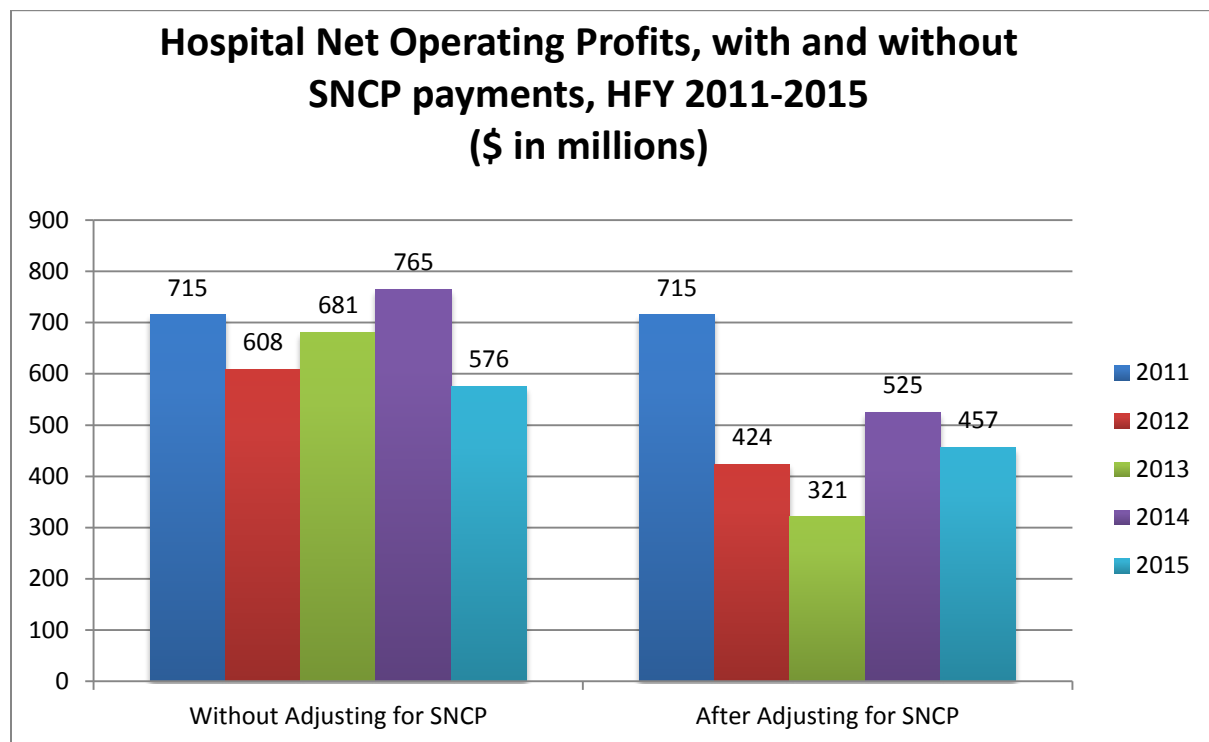
Among other factors, these figures incorporate the impact of a number of different budgetary changes which have occurred since 2011:

- The continued 5 percent hospital payment rate decrease, effective April 1, 2011
- The continued 5 percent decrease to the outlier cost-to-charge ratios, effective April 1, 2011
- The continued 5 percent hospital rate decrease, effective October 1, 2011
- The continued 5 percent increase to the outlier threshold, effective October 1, 2011
- The establishment of a 25-day inpatient day limit, effective October 1, 2011-September 30, 2014
- The imposition of a freeze on the spend-down program (MED) population effective May 1, 2011, and the subsequent elimination of the program effective October 1, 2011
- The implementation and expansion of several short-term funding mechanisms, such as the Safety Net Care Pool (SNCP) program designed to help mitigate the increase in uncompensated care associated with the enrollment freeze
- The imposition of a freeze on childless adult enrollment, effective July 8, 2011 and its restoration on January 1, 2014
- The expansion of AHCCCS to adults from 106-138% of the federal poverty level beginning January 1, 2014.

- The implementation of a hospital assessment beginning on January 1, 2014. The hospital assessment is expected to collect \$265 million in SFY 2017.

It is important to note the role that SNCP, a temporary program designed to mitigate the increase in uncompensated care during the freeze, played in those years. In Federal Fiscal Year (FFY) 2012, SNCP payments were made to four hospitals. The program was then expanded for FFY 2013 to include nine additional hospitals through a City of Phoenix assessment. By the third year of the program, 17 hospitals had received SNCP payments. Total SNCP payments increased from approximately \$185 million for FFY 2012 to \$510 million for FFY 2013, a \$325 million increase. With the exception of payments to Phoenix Children’s Hospital (PCH), SNCP payments ended on December 31, 2013. Consequently, SNCP payments fell to \$240 million for FFY 2014 and were \$119 million in HFY 2015. SNCP payments are expected to decline further in future years as the program is being phased out, with the last payments being made to PCH for HFY 2017.

Due to the differences between hospital and federal fiscal years, as described in more detail in the next section, the reporting of SNCP payments on the UARs does not always match the FFY in which the payments were made. Additionally, the nine hospitals that received a payment where the state match was provided by the City of Phoenix assessment reduced their net operating revenues by the amount they contributed for the assessment. After adjusting the net operating revenues for net SNCP payments, hospitals report net operating profit falling from \$715 million in HFY 2011 to between \$321 million and \$525 million in HFYs 2012 through 2015. A comparison is displayed in the chart below.



DEFINITIONS, DATA SOURCES, AND LIMITATIONS

Under the authority of Arizona Revised Statutes §§ 36-125.04 and 36-436, Arizona Administrative Code, Title 9, Chapter 11 specifies requirements for hospital financial reporting to the State of Arizona. With the exception of Indian Health Services hospitals and tribally owned or operated hospitals, Arizona hospitals are required to submit annual audited financial statements, the Uniform Accounting Report (UAR), and hospital charge master rates and changes to the Arizona Department of Health Services (ADHS). AHCCCS used hospital-reported information in the UAR for the analysis conducted for this report. The data was reviewed by AHCCCS, and AHCCCS attempted to follow up with hospitals when hospital-submitted data was incomplete or appeared to contain errors. Any revisions made to the UAR data were reported to ADHS. AHCCCS chose to exclude four hospitals from this report: one tribal hospital, since it was the only tribal hospital to submit a UAR, and three hospitals that are not registered for Medicaid or Medicare.

The most recent complete year for which UAR data was available was HFY 2015. Reporting periods in each year vary by hospital based on each hospital's fiscal year date span; HFYs ended in March, May, June, August, September, October, or December. In a few cases, hospitals had less than twelve months of data due to the hospital deciding to change its fiscal year. In cases where the hospital was open for the entire 12 months but less than or more than 12 months of data appears in the report, we have annualized the data for a more accurate year-over-year comparison and to approximate a 12 month period for each hospital.

Various data points may provide a picture of hospital uncompensated care. Common definitions of uncompensated care include bad debt and charity care; other figures may specifically delineate the difference between Medicare and Medicaid payments and hospital "costs" (known as Medicare and Medicaid shortfall amounts). AHCCCS has defined uncompensated care costs to include bad debt and charity care data.

Bad debt consists of services for which the hospital anticipated but did not receive payments. Charity care, in contrast, consists of services which the hospital voluntarily provided free of charge or at a reduced charge due to the patient's inability to pay. Uncompensated care, charity care, and bad debt in this report are stated in terms of costs as opposed to charges. Costs are determined by multiplying the charges by the hospital specific cost-to-charge ratio computed by AHCCCS. The cost to charge ratio was calculated as follows:

Total expenses exclusive of bad debt

Gross patient revenue + other operating revenue

In both HFYs 2014 and 2015, the cost-to-charge ratio averaged between 23% and 24%. That is, for every one dollar of hospital charges, hospital costs average between twenty-three and twenty-four cents.

As with uncompensated care, there are several ways to examine profit levels. Total net operating profit is the amount of remaining operating revenue after all operating expenses are paid. A hospital's operating expenses include items such as salaries, employee benefits, supplies, purchased services and rentals. Total net profit includes total operating profit as well as revenues and expenses related to non-operating revenues and expenses. Non-operating revenues and expenses include items such as investments, endowments, donations, cafeteria and gift shop sales, and federal taxes paid by for-profit hospitals. Total net operating margin represents the percent of operating revenues left after operating expenses have been paid. Similarly, total income margin represents the total income available after operating and non-operating expenses are paid. AHCCCS has included both net operating margin and total income margin in this report.

SUMMARY OF FINDINGS

Statistics provided in this Summary of Findings are compiled based on individual and summary data for hospitals included in Appendix C. The HFY 2014 data has been updated to incorporate changes hospitals made to their reports since last year including incorporating some cost reports which were not submitted at the time we were working on the report. We have also annualized data for hospitals which had more or less than 12 months' worth of data in their UAR but which were open for the entire year.

1. Uncompensated Care Costs

AHCCCS found a wide range of uncompensated care costs reported by hospitals, with such costs across all hospitals reaching almost \$700 million in HFY 2014 and declining to just under \$425 million in HFY 2015. This decline is consistent with the implementation of the Proposition 204 Restoration and the Adult Expansion. Uncompensated care costs are noted in Table 1 (in total dollars):

Table 1—Uncompensated Care Costs, All Hospitals

	<u>2014</u>	<u>2015</u>	<u>Percentage Change</u>
Total Uncompensated Care Costs	\$697.4 Million	\$422.3 Million	(39.5)%
Statewide Average Uncompensated Care Costs Per Hospital	\$7.0 Million	\$4.2 Million	(40.1)%
Lowest Uncompensated Care Costs *	\$11,821	\$492	
Highest Uncompensated Care Costs	\$113.4 Million	\$76.0 Million	

* Excludes hospitals which do not provide uncompensated care

2. Percentage of Uncompensated Care

Uncompensated care costs were also examined as a percentage of total expenses. Statewide average uncompensated care costs fell significantly during this time period, falling from 4.7% to 2.9%, as shown in Table 2.

Table 2—Percent of Uncompensated Care, All Hospitals

	<u>2014</u>	<u>2015</u>	<u>Percentage Change</u>
Average % of Uncompensated Care	4.7%	2.9%	(39.2)%
Lowest % of Uncompensated Care Costs	0.1%	0.1%	
Highest % of Uncompensated Care	21.1%	14.9%	

3. Operating Profitability

Operating profitability also ranged greatly, from significant losses to significant gains. Total and statewide average profitability decreased from HFY 2014 to HFY 2015. In total, Arizona hospitals included in this analysis had operating profits decline by \$(190) million during this period. As mentioned in the last section, hospitals reported SNCP payments differently, and only some of the payments would be captured in the operating profitability. Table 3 shows net operating profit (and loss) statistics observed.

Table 3—Operating Profitability, All Hospitals

	<u>2014</u>	<u>2015</u>	<u>Percentage Change</u>
Total Profitability	\$765.2 Million	\$575.6 Million	(24.8)%
Statewide Average Profitability	\$7.7 Million	\$5.7 Million	(25.6)%
Lowest Profitability/(Highest Loss)	(\$89.1) Million	(\$113.6) Million	
Highest Profitability	\$96.9 Million	\$77.9 Million	
Percent of Hospitals with a Profit	64.0%	64.3%	

4. Net Operating Margin

Net operating margin, defined as profit/loss as a percentage of total revenue, averaged 4.9% across all hospitals in HFY 2014 and 3.8% in HFY 2015 as shown in Table 4. For the purpose of this analysis, net operating margin equals the statewide total profit(loss)/statewide total revenue. Overall, 64.0% of hospitals in HFY 2014 and 64.3% in HFY 2015 had a positive operating margin.

Table 4—Net Operating Margin, All Hospitals

	<u>2014</u>	<u>2015</u>	<u>Percentage Change</u>
Average Net Operating Margin	4.9%	3.8%	(23.6)%
Lowest Net Operating Margin	(49.4)%	(283.1)%	
Highest Net Operating Margin	41.6%	52.6%	
Hospitals with a Positive Margin	64.0%	64.3%	

5. Total Margin

As discussed earlier, total margin provides another way to evaluate the financial status of hospitals, as it includes non-operating revenues and expenses in addition to operating revenues and expenses. Total margin, defined as statewide operating and non-operating profit/loss as a percentage of total operating and non-operating revenue, was 5.5% across all hospitals in HFY 2014, declining to 4.1% in HFY 2015, as shown in Table 5.

Table 5—Total Margin, All Hospitals

	<u>2014</u>	<u>2015</u>	<u>Percentage Change</u>
Average Total Margin	5.5%	4.1%	(26.2)%
Lowest Total Margin	(49.4)%	(228.3)%	
Highest Total Margin	41.6%	52.6%	
Hospitals with Positive Margin	65.0%	65.3%	

6. Occupancy Rates

In addition to the items specifically requested in legislation, hospital occupancy rates may also be of interest in helping provide context to these figures. Table 6 shows an increase from HFY 2014 to HFY 2015, with occupancy rates increasing from 59.6% in HFY 2014 to 60.7% in HFY 2015.

Table 6—Occupancy Rates, All Hospitals

	<u>2014</u>	<u>2015</u>	<u>Percentage Change</u>
Average Occupancy Rate	59.6%	60.7%	1.9%
Lowest Occupancy Rate	3.0%	1.1%	
Highest Occupancy Rate	99.0%	100.0%	

7. Days in Accounts Receivable

Days in accounts receivable may also be of interest as an additional variable to provide context to the financial status of Arizona hospitals. Days in accounts receivable, or the average number of days that a hospital takes to collect payments, is one factor that is used to measure the liquidity of businesses. A high number of days in accounts receivable can indicate that a hospital is having trouble collecting payments and can have significant impacts on cash flow. As shown in Table 7, average days in accounts receivable were 63 in both HFY 2014 and HFY 2015. Moody's Investors Service reports an average accounts receivable of 49.5 days for not-for-profit hospitals in 2014.²

Table 7—Days in Accounts Receivable, All Hospitals

	<u>2014</u>	<u>2015</u>	<u>Percentage Change</u>
Average Days in Accounts Receivable	63	63	0%
Fewest Days	28	4	
Most Days	152	156	

DATA BY HOSPITAL TYPES

In order to provide more meaningful results, AHCCCS has stratified the data in a variety of ways. Below is a comparison of hospitals by peer group, urban and rural locations, for-profit and non-profit, number of Medicaid patients, and by hospital system.

Hospital Peer Types

Table 8 on the next page, breaks out Arizona hospitals into 6 categories: critical access, long term, rehabilitation, psychiatric, short term specialty, and general acute care. Hospitals were assigned these categories based on their classification in the Arizona Department of Health Services' Provider and Facility Database as of April 1, 2016. For purposes of this report, we have termed hospitals which do not fall into any of the other 5 categories as general acute care hospitals. Slightly more than half of the hospitals are classified as general acute care hospitals, but over 90% of the revenues are from general acute care hospitals.

In HFY 2014 and HFY 2015, hospital uncompensated care as a percentage of total expenses varied considerably by hospital peer type, but the differential was smaller than what has been seen in recent years. Long term facilities, short-term specialty hospitals, and rehabilitation

² <http://www.beckershospitalreview.com/lists/150-hospital-benchmarks-2016.html>

	Critical Access	Long Term	Rehabilitation	Psychiatric	Short Term Specialty	General Acute Care
Number of Hospitals	11	8	8	11	7	54
2014 Uniform Accounting Report						
Occupancy Rate	28.9%	51.7%	67.9%	87.0%	34.2%	59.2%
Total Gains, Revenues, and Other Support	\$ 227,519,793	\$ 140,325,258	\$ 153,133,475	\$ 193,321,559	\$ 268,243,823	\$ 14,488,242,476
Total Expenses	\$ 225,640,857	\$ 145,335,600	\$ 126,440,134	\$ 166,783,262	\$ 238,473,502	\$ 13,802,928,426
Net Operating Profit(Loss)	\$ 1,878,937	\$ (5,010,342)	\$ 26,693,341	\$ 26,538,297	\$ 29,770,321	\$ 685,314,050
Net Operating Margin	0.8%	-3.6%	17.4%	13.7%	11.1%	4.7%
Total Margin	1.2%	-4.2%	15.3%	13.3%	10.4%	5.4%
Days in Accounts Receivable	57	98	55	67	42	63
Cost to Charge Ratio	38.2%	35.1%	51.5%	35.1%	20.9%	23.6%
Cost of Bad Debts	\$ 9,563,168	\$ 457,588	\$ 991,138	\$ 2,004,712	\$ 1,115,471	\$ 311,639,818
Charity Cost	\$ 3,279,174	\$ -	\$ 464,921	\$ 2,655,128	\$ 1,117,373	\$ 360,423,343
Uncompensated Care Cost	\$ 12,842,342	\$ 457,588	\$ 1,456,059	\$ 4,659,840	\$ 2,232,844	\$ 672,063,161
Uncompensated Care Cost as a % of Total Expenses	5.7%	0.3%	1.2%	2.8%	0.9%	4.9%
2015 Uniform Accounting Report						
Occupancy Rate	30.8%	62.1%	71.7%	82.0%	38.0%	59.8%
Total Gains, Revenues, and Other Support	\$ 238,383,150	\$ 145,503,853	\$ 165,433,046	\$ 231,050,380	\$ 248,509,802	\$ 14,217,078,940
Total Expenses	\$ 227,564,567	\$ 156,350,940	\$ 134,583,817	\$ 204,827,999	\$ 224,698,552	\$ 13,725,721,039
Net Operating Profit(Loss)	\$ 10,818,583	\$ (10,847,087)	\$ 30,849,229	\$ 26,222,381	\$ 23,811,250	\$ 491,357,901
Net Operating Margin	4.5%	-7.5%	18.6%	11.3%	9.6%	3.5%
Total Margin	5.2%	-6.2%	15.1%	9.6%	9.7%	3.8%
Days in Accounts Receivable	61	77	43	61	56	64
Cost to Charge Ratio	36.5%	32.0%	49.9%	36.5%	19.9%	22.6%
Cost of Bad Debts	\$ 7,091,493	\$ 437,473	\$ 848,344	\$ 3,291,031	\$ 602,980	\$ 213,274,001
Charity Cost	\$ 1,683,375	\$ -	\$ 394,060	\$ 1,176,192	\$ 541,381	\$ 193,317,042
Uncompensated Care Cost	\$ 8,774,868	\$ 437,473	\$ 1,242,405	\$ 4,467,223	\$ 1,144,361	\$ 406,591,043
Uncompensated Care Cost as a % of Total Expenses	3.9%	0.3%	0.9%	2.2%	0.5%	3.0%
CHANGE: 2014 to 2015						
Average Occupancy Percentage Points	1.9	10.4	3.8	(5.0)	3.8	0.6
Total Gains, Revenues, and Other Support	\$ 10,863,356	\$ 5,178,595	\$ 12,299,571	\$ 37,728,821	\$ (19,734,021)	\$ (271,163,536)
Total Expenses	\$ 1,923,711	\$ 11,015,339	\$ 8,143,683	\$ 38,044,737	\$ (13,774,950)	\$ (77,207,386)
Net Operating Profit(Loss)	\$ 8,939,646	\$ (5,836,744)	\$ 4,155,888	\$ (315,916)	\$ (5,959,071)	\$ (193,956,149)
Net Operating Margin	3.7	(3.9)	1.2	(2.4)	(1.5)	(1.3)
Total Margin	3.9	(2.0)	(0.2)	(1.9)	(0.7)	(1.6)
Average Days in Accounts Receivable	4.0	(21.0)	(12.0)	(6.0)	14.0	1.0
Cost to Charge Ratio	(1.7)	(3.1)	(1.6)	1.4	(1.0)	(1.0)
Cost of Bad Debts	\$ (2,471,676)	\$ (20,115)	\$ (142,794)	\$ 1,286,319	\$ (512,492)	\$ (98,365,817)
Charity Cost	\$ (1,595,799)	\$ -	\$ (70,860)	\$ (1,478,937)	\$ (575,992)	\$ (167,106,301)
Uncompensated Care Cost	\$ (4,067,475)	\$ (20,115)	\$ (213,655)	\$ (192,617)	\$ (1,088,484)	\$ (265,472,118)
Uncompensated Care Cost as a % of Total Expenses	(1.8)	(0.0)	(0.2)	(0.6)	(0.4)	(1.9)

hospitals averaged less than 1% for uncompensated care in HFY 2015, while psychiatric, general acute care, and critical access hospitals averaged 2.2%, 3.0%, and 3.9%, respectively. All hospital types saw a decline in uncompensated care in between these two years with uncompensated care declining by almost two percentage points for general acute care hospitals and critical access hospitals.

Despite declining uncompensated care, four of the six peer types also saw a reduction in net operating margin. The largest year-over-year reduction was long-term care hospitals which net operating margin declined from (3.6)% in HFY 2014 to (7.5)% in HFY 2015.

Overall, net operating margin was positive for all peer groups in HFY 2015, with the exception of long term hospitals. The remaining peer groups' net operating margin varied from 3.5% (general acute care hospitals) to 18.6% (rehabilitation hospitals).

Urban and Rural Hospitals

In addition to breaking out hospitals by peer type the report displays the differences in uncompensated care and profitability for rural and urban hospitals in Table 9. For purposes of this report, we have defined "urban hospital" consistent with R9-22-718, or one which is physically located in Maricopa County or Pima County. Rural hospitals include those located in any other Arizona county. During these two years, approximately 70% of hospitals were located in urban areas, and 79% of net patient revenues went to urban hospitals. As a whole, both urban and rural hospitals had a decline in uncompensated care from HFY 2014 to HFY 2015, with uncompensated care declining by 1.6 percentage points for urban hospitals and 2.9 percentage points for rural hospitals. By HFY 2015, uncompensated care was 2.9% and 2.8% for urban and rural hospitals, respectively. Despite the similarity in percentage of uncompensated care, the disparity between net operating margins increased. From HFY 2014 to HFY 2015, net operating margins for urban hospitals declined from 4.6% to 2.8% while net operating profits for rural hospitals increased from 6.1% to 8.6%. At 4.5% for HFY 2015, net operating profit levels for CAHs, which are a subset of rural hospitals, was considerably lower than rural hospitals as a whole, but was slightly higher than urban net operating profits.

For Profit and Non-Profit Hospitals

Table 9 also stratifies hospitals by their tax status: for-profit and non-profit. Arizona non-profit hospitals are exempt from federal income taxes, sales taxes on most supplies and equipment, and some property taxes. Non-profit hospitals are required to provide charity care and community benefit³.

Being a non-profit hospital does not mean that a hospital cannot make a profit. In fact, the most profitable hospital in HFYs 2013, 2014, and 2015 was a non-profit hospital (Mayo Clinic),

³ Community benefits include patient financial assistance, unreimbursed Medicaid costs and other means-tested public programs, community health improvement services, health professions education, research, subsidized health services, and cash and in-kind support to community groups and organizations.

Table 9 -- Uncompensated Care and Profitability by Various Hospital Type

	Urban	Rural	For-Profit	Non-Profit	Medicaid Volume > 50%	Medicaid Volume 25%-50%	Medicaid Volume < 25%
Number of Hospitals	72	31	47	56	13	39	48
2014 Uniform Accounting Report							
Occupancy Rate	61.4%	52.0%	55.5%	61.1%	67.2%	61.0%	55.1%
Total Gains, Revenues, and Other Support	\$ 12,188,805,468	\$ 3,281,980,917	\$ 2,339,329,133	\$ 13,131,457,252	\$ 1,712,253,182	\$ 8,620,302,872	\$ 5,116,447,490
Total Expenses	\$ 11,625,420,089	\$ 3,080,181,692	\$ 2,147,428,780	\$ 12,558,173,000	\$ 1,725,676,246	\$ 8,215,290,142	\$ 4,744,974,051
Net Operating Profit(Loss)	\$ 563,385,379	\$ 201,799,225	\$ 191,900,353	\$ 573,284,252	\$ (13,423,064)	\$ 405,012,730	\$ 371,473,439
Net Operating Margin	4.6%	6.1%	8.2%	4.4%	-0.8%	4.7%	7.3%
Total Margin	5.0%	7.6%	7.1%	5.3%	1.5%	5.2%	7.5%
Days in Accounts Receivable	63	62	69	62	65	55	76
Cost to Charge Ratio	23.6%	25.6%	19.2%	25.0%	27.4%	24.2%	22.5%
Cost of Bad Debts	\$ 223,581,935	\$ 105,310,683	\$ 41,085,227	\$ 286,807,265	\$ 26,809,257	\$ 202,325,508	\$ 95,913,740
Charity Cost	\$ 301,786,503	\$ 68,944,680	\$ 6,700,995	\$ 379,016,110	\$ 133,431,824	\$ 192,511,201	\$ 60,275,780
Uncompensated Care Cost	\$ 525,368,438	\$ 174,255,363	\$ 47,786,222	\$ 665,823,375	\$ 160,241,081	\$ 394,836,709	\$ 156,189,519
Uncompensated Care Cost as a % of Total Expenses	4.5%	5.7%	2.2%	5.3%	9.3%	4.8%	3.3%
2015 Uniform Accounting Report							
Occupancy Rate	62.9%	48.8%	57.4%	61.9%	65.7%	61.5%	57.6%
Total Gains, Revenues, and Other Support	\$ 12,643,672,619	\$ 2,602,286,553	\$ 2,323,111,355	\$ 12,922,847,816	\$ 1,744,634,788	\$ 8,106,348,116	\$ 5,371,871,522
Total Expenses	\$ 12,294,970,199	\$ 2,378,776,716	\$ 2,212,477,778	\$ 12,461,269,137	\$ 1,795,833,039	\$ 7,799,876,247	\$ 5,054,778,606
Net Operating Profit(Loss)	\$ 348,702,420	\$ 223,509,837	\$ 110,633,577	\$ 461,578,679	\$ (51,198,251)	\$ 306,471,869	\$ 317,092,915
Net Operating Margin	2.8%	8.6%	4.8%	3.6%	-2.9%	3.8%	5.9%
Total Margin	3.4%	7.2%	4.5%	4.0%	1.0%	3.7%	5.7%
Days in Accounts Receivable	65	56	63	63	67	55	75
Cost to Charge Ratio	22.9%	23.5%	18.7%	24.0%	26.4%	23.0%	21.9%
Cost of Bad Debts	\$ 180,180,280	\$ 44,981,951	\$ 32,915,917	\$ 192,308,408	\$ 30,195,046	\$ 114,255,874	\$ 80,363,458
Charity Cost	\$ 176,311,472	\$ 22,761,973	\$ 2,336,900	\$ 204,908,122	\$ 77,545,745	\$ 92,558,930	\$ 37,295,416
Uncompensated Care Cost	\$ 356,491,752	\$ 67,743,924	\$ 35,252,817	\$ 397,216,530	\$ 107,740,791	\$ 206,814,805	\$ 117,658,874
Uncompensated Care Cost as a % of Total Expenses	2.9%	2.8%	1.6%	3.2%	6.0%	2.7%	2.3%
CHANGE: 2014 to 2015							
Average Occupancy Percentage Points	1.5	(3.2)	1.9	0.8	(1.5)	0.5	2.5
Total Gains, Revenues, and Other Support	\$ 454,867,151	\$ (679,694,364)	\$ (16,217,777)	\$ (208,609,436)	\$ 32,381,606	\$ (513,954,756)	\$ 255,424,032
Total Expenses	\$ 669,550,110	\$ (701,404,975)	\$ 65,048,998	\$ (96,903,864)	\$ 70,156,793	\$ (415,413,895)	\$ 309,804,556
Net Operating Profit(Loss)	\$ (214,682,959)	\$ 21,710,612	\$ (81,266,775)	\$ (111,705,572)	\$ (37,775,187)	\$ (98,540,861)	\$ (54,380,524)
Net Operating Margin	(1.9)	2.4	(3.4)	(0.8)	(2.2)	(0.9)	(1.4)
Total Margin	(1.6)	(0.4)	(2.6)	(1.3)	(0.5)	(1.5)	(1.8)
Average Days in Accounts Receivable	2.0	(6.0)	(6.0)	1.0	2.0	-	(1.0)
Cost to Charge Ratio	\$ (1)	\$ (2)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (1)
Cost of Bad Debts	\$ (43,401,655)	\$ (60,328,732)	\$ (8,169,310)	\$ (94,498,857)	\$ 3,385,790	\$ (88,069,633)	\$ (15,550,282)
Charity Cost	\$ (125,475,031)	\$ (46,182,707)	\$ (4,364,095)	\$ (174,107,988)	\$ (55,886,079)	\$ (99,952,271)	\$ (22,980,364)
Uncompensated Care Cost	\$ (168,876,686)	\$ (106,511,438)	\$ (12,533,405)	\$ (268,606,845)	\$ (52,500,289)	\$ (188,021,904)	\$ (38,530,645)
Uncompensated Care Cost as % of Total Expenses	(1.6)	(2.8)	(0.6)	(2.1)	(3.3)	(2.2)	(1.0)

with a net operating profit of \$64 million in HFY 2013, \$97 million in HFY 2014, and \$78 million in HFY 2015. As a whole, non-profit hospitals had a net operating profit of \$462-\$573 million in HFYs 2014 and 2015. In comparison, for-profit hospitals' net operating profit was \$111 -\$192 million in each year.

These dollar figures, however, must be viewed in the context of hospital size and business model. While non-profit hospitals constitute just more than half of all hospitals in Arizona, they received approximately 85% of net patient revenues. Therefore, while non-profit hospitals experience higher margins in dollar terms (in part because they are typically much larger than the types of hospitals that are more often for-profit), the for-profit hospitals perform better as a percentage of revenue. For-profit hospitals are more likely to be rehabilitative, psychiatric, short term specialty or long term care hospitals, whereas the majority of non-profit hospitals are acute care hospitals, which tend to be larger than other hospital types. For-profits also averaged higher net operating margins in both years, 8.2% in HFY 2014 and 4.8% in HFY 2015. Non-profit hospitals averaged 4.4% in HFY 2014 and 3.6% in HFY 2015. The total margin for for-profit hospitals was less than their net operating margin in both years, but it was still higher than the net operating and total margins of non-profit hospitals. Non-profit hospitals, on the other hand, had higher total margins than net operating margins in both years.

Medicaid Volume

Table 9 also compares hospital uncompensated care and profitability by Medicaid volume: hospitals with Medicaid volume less than 25%, from 25-50%, and greater than 50%.⁴

Percentage of uncompensated care in both years was lowest at hospitals with Medicaid volume less than 25%, with uncompensated care at 3.3% and 2.3% in HFY 2014 and HFY 2015, respectively. Hospitals with Medicaid volume above 50% had the largest amounts of uncompensated care: 9.3% in HFY 2014 and 6.0% in HFY 2015. As explained earlier, we are defining uncompensated care in this report as the sum of charity care and the provision of bad debts, so the uncompensated care would not include any shortfall associated with Medicaid payments and the cost of services.

In addition to uncompensated care costs, there continues to be a strong correlation between Medicaid volume and net operating margin. In both years, hospitals with Medicaid volume greater than 50% collectively had the lowest net operating margins (which were negative in both years) and hospitals with Medicaid volume less than 25% had the highest net operating margins.

⁴ To calculate Medicaid volume, AHCCCS divided inpatient days recorded in the AHCCCS payment system by total inpatient days as recorded on the hospital's 2014 Medicare Cost Report.

HOSPITAL SYSTEMS

Finally, AHCCCS has presented hospital profitability and uncompensated care by hospital systems. Table 10 lists hospital systems which include at least 3 hospitals, and a listing of hospitals in each system can be found in Appendix B. Nine hospital systems are included in Table 10, and net patient revenues and expenses have been included, as well as other variables provided in previous tables. Hospitals are included as part of a hospital system if they were in that system as of June 30, 2016, regardless of whether they were in that hospital system in both years. Hospital system operating profits ranged from approximately \$209 million to \$(2) million in HFY 2014 and \$226 million to \$(63) million in HFY 2015. Net operating margin ranged from 19.1% (HealthSouth) to (4.8)% (Kindred Healthcare) in HFY 2014 and from 21.0% (HealthSouth) to (8.3)% (Kindred Healthcare) in HFY 2015. While only one hospital experienced a net operating loss in HFY 2014 (Kindred Healthcare), three hospital systems had a loss in HFY 2015 (Kindred Healthcare, Abrazo Healthcare, and Select Specialty Hospital).

Uncompensated care ranged widely between health systems, from a high of 6.6% (Dignity Health) to a low of 0.2% (Kindred Healthcare) in HFY 2014 and a high of 4.4% (Dignity Health) to a low of 0.1% (Kindred Health) in HFY 2015. With the exception of one hospital system, all hospital systems experienced a decrease with uncompensated care from HFY 2014 to HFY 2015. While Select Specialty Hospital did have an increase in uncompensated care, the increase was only by 0.1%.

Banner Health, the state's largest health system, included 17 hospitals at the end of SFY 2016 and had annual hospital net patient revenues of approximately \$4.4 billion in each year. The next largest health systems had annual net patient revenues of approximately \$1.6 billion (Dignity Health) and \$1.5 billion (HonorHealth) in HFY 2014 and HFY 2015. Banner Health had net operating profits of just over \$200 million in HFY 2014 and HFY 2015. Banner's uncompensated care was 3.9% and 2.3% during those years, respectively. Dignity Health's net operating profit was \$118 million in HFY 2014 and \$38 million in HFY 2015, with a net operating margin of 7.6% in HFY 2014 and 2.2% in HFY 2015. HonorHealth, the third largest hospital system in terms of revenue, had a net operating profit of around \$58 million in HFY 2014 and \$82 million in HFY 2015. Its uncompensated care fell from 4.6% in HFY 2014 to 2.6% in HFY 2015.

Regarding the system data, it is noted that HealthSouth consists of rehabilitative hospitals and Kindred Healthcare and Select Specialty Hospital consist of long-term care hospitals. Consistent with their peer groups, all 3 systems had a low level of uncompensated care in both years (0-1.2%). There were, however, variations in profit levels among the systems, with HealthSouth the only one of the three to maintain a profit in both years.

Table 10 -- Uncompensated Care and Profitability by Hospital System

	Abrazo Health Care	Banner Health Systems	Community Health Systems	Dignity Health	HealthSouth	HonorHealth	IASIS Healthcare	Kindred Healthcare	Select Specialty Hospital
Number of Hospitals	9	17	3	5	6	6	4	3	3
2014 Uniform Accounting Report									
Occupancy Rate	44.1%	65.6%	54.2%	67.5%	65.0%	57.3%	58.9%	45.2%	73.6%
Total Revenue, Gains, and Other Support	\$ 1,096,183,239	\$ 4,349,861,936	\$ 518,317,860	\$ 1,560,573,486	\$ 115,944,468	\$ 1,457,519,182	\$ 332,260,000	\$ 46,197,573	\$ 48,005,163
Total Operating Expenses	\$ 1,077,410,577	\$ 4,140,961,558	\$ 457,696,539	\$ 1,442,119,309	\$ 93,834,710	\$ 1,399,992,034	\$ 320,865,000	\$ 48,408,537	\$ 47,044,588
Net Operating Profit(Loss)	\$ 18,772,662	\$ 208,900,378	\$ 60,621,321	\$ 118,454,177	\$ 22,109,758	\$ 57,527,148	\$ 11,395,000	\$ (2,210,964)	\$ 960,575
Net Operating Margin	1.7%	4.8%	11.7%	7.6%	19.1%	3.9%	3.4%	-4.8%	2.0%
Total Margin	0.7%	4.9%	12.1%	9.2%	16.3%	3.5%	3.5%	-2.3%	1.0%
Days in Accounts Receivable	67	48	61	74	56	51	65	\$ 83	\$ 101
Cost to Charge Ratio	21.4%	21.6%	13.7%	22.7%	51.3%	20.8%	16.7%	41.9%	35.3%
Cost of Bad Debts	\$ 16,136,066	\$ 75,140,047	\$ 6,165,363	\$ 50,732,557	\$ 865,839	\$ 28,575,823	\$ 9,908,944	\$ 93,648	\$ 144,561
Charity Cost	\$ 11,904,936	\$ 86,233,677	\$ 2,075,295	\$ 44,773,523	\$ 222,389	\$ 36,482,828	\$ 1,498,823	\$ -	\$ -
Uncompensated Care Cost	\$ 28,041,002	\$ 161,373,724	\$ 8,240,658	\$ 95,506,081	\$ 1,088,228	\$ 65,058,651	\$ 11,407,767	\$ 93,648	\$ 144,561
Uncompensated Care Cost as a % of Total Expenses	2.6%	3.9%	1.8%	6.6%	1.2%	4.6%	3.6%	0.2%	0.3%
2015 Uniform Accounting Report									
Occupancy Rate	45.1%	64.5%	52.4%	69.7%	69.2%	64.0%	57.9%	49.0%	72.5%
Total Revenue, Gains, and Other Support	\$ 1,069,223,113	\$ 4,492,400,682	\$ 488,427,434	\$ 1,698,128,621	\$ 126,500,305	\$ 1,520,266,684	\$ 341,363,000	\$ 46,807,212	\$ 46,431,220
Total Expenses	\$ 1,132,651,083	\$ 4,265,915,563	\$ 448,226,776	\$ 1,660,404,803	\$ 99,895,408	\$ 1,438,261,909	\$ 330,475,000	\$ 50,669,253	\$ 47,781,473
Net Operating Profit(Loss)	\$ (63,427,970)	\$ 226,485,119	\$ 40,200,658	\$ 37,723,818	\$ 26,604,897	\$ 82,004,775	\$ 10,888,000	\$ (3,862,041)	\$ (1,350,253)
Net Operating Margin	-5.9%	5.0%	8.2%	2.2%	21.0%	5.4%	3.2%	-8.3%	-2.9%
Total Margin	-4.4%	5.1%	8.6%	2.8%	16.4%	5.8%	3.2%	-5.3%	-1.8%
Days in Accounts Receivable	62	48	55	77	43	60	62	87	81
Cost to Charge Ratio	20.9%	20.9%	12.8%	22.4%	49.1%	18.8%	16.7%	32.4%	34.5%
Cost of Bad Debts	\$ 14,492,424	\$ 47,091,828	\$ 5,454,662	\$ 42,124,511	\$ 740,430	\$ 19,253,692	\$ 6,093,935	\$ 34,234	\$ 195,813
Charity Cost	\$ 5,745,579	\$ 50,111,178	\$ 219,977	\$ 31,731,156	\$ 204,530	\$ 18,241,975	\$ 336,698	\$ 0.0%	\$ 0.0%
Uncompensated Care Cost	\$ 20,238,003	\$ 97,203,006	\$ 5,674,638	\$ 73,855,667	\$ 944,960	\$ 37,495,667	\$ 6,430,633	\$ 34,233.65	\$ 195,812.68
Uncompensated Care Cost as a % of Total Expenses	1.8%	2.3%	1.3%	4.4%	0.9%	2.6%	1.9%	0.1%	0.4%
CHANGE: 2014 to 2015									
Average Occupancy Percentage Points	1.0	(1.1)	(1.8)	2.2	4.2	6.7	(1.0)	3.8	(1.0)
Total Revenue, Gains, and Other Support	\$ (26,960,126)	\$ 142,538,746	\$ (29,890,426)	\$ 137,555,135	\$ 10,555,837	\$ 62,747,502	\$ 9,103,000	\$ 609,639	\$ (1,573,943)
Total Expenses	\$ 55,240,506	\$ 124,954,005	\$ (9,469,763)	\$ 218,285,494	\$ 6,060,698	\$ 38,269,875	\$ 9,610,000	\$ 2,260,716	\$ 736,885
Total Net Operating Profit(Loss)	\$ (82,200,632)	\$ 17,584,741	\$ (20,420,663)	\$ (80,730,359)	\$ 4,495,139	\$ 24,477,627	\$ (507,000)	\$ (1,651,077)	\$ (2,310,828)
Net Operating Margin	(6.1)	0.3	(3.1)	(4.8)	(2.7)	1.9	(0.2)	(0.5)	(3.8)
Total Margin	(5.1)	0.2	(3.5)	(6.4)	0.1	2.3	(0.3)	(2.9)	(2.9)
Average Days in Accounts Receivable	(5.0)	-	(6.0)	3.0	(13.0)	9.0	(3.0)	4.0	(20.0)
Cost to Charge Ratio	(0.5)	(0.7)	(0.8)	(0.3)	(2.2)	(2.0)	(0.0)	(9.5)	(0.7)
Cost of Bad Debts	\$ (1,643,643)	\$ (28,048,219)	\$ (710,702)	\$ (8,608,046)	\$ (125,409)	\$ (9,322,131)	\$ (3,815,009)	\$ (59,414)	\$ 51,252
Charity Cost	\$ (6,159,357)	\$ (36,122,499)	\$ (1,855,318)	\$ (13,042,368)	\$ (17,859)	\$ (18,240,853)	\$ (1,162,125)	\$ -	\$ -
Uncompensated Care Cost	\$ (7,802,999)	\$ (64,170,718)	\$ (2,566,020)	\$ (21,650,413)	\$ (143,268)	\$ (27,562,984)	\$ (4,977,134)	\$ (59,414)	\$ 51,252
Uncompensated Care Cost as % of Total Expenses	(0.8)	(1.6)	(0.5)	(2.2)	(0.2)	(2.0)	(1.6)	(0.1)	0.1

CONCLUSION

The HFY 2014 and HFY 2015 hospital uncompensated cost and profitability data, and the changes observed year-over-year, continue to provide useful information when evaluating hospital finances and the impact of the AHCCCS-related changes which began in 2011. While uncompensated care decreased considerably from HFY 2014 to HFY 2015, net operating and total margin also declined. It is important to be aware that the most recent data included in this report is from HFY 2015. Since hospitals have different fiscal years, the most recently reported years ended between March 2015 and December 2015.

According to data from the Arizona Hospital and Healthcare Association (AzHHA), which conducts more recent surveys of hospital finances, uncompensated care among Arizona hospitals declined from 7.5% of revenue at the end of 2013 to 2.7% at the end of June 2015. Since then, uncompensated care has remained relatively stable, fluctuating between 2.2% and 3.2% from July 2015 to June 2016.

AzHHA's data also shows some positive news for hospitals regarding operating profits. After seeing net operating profits of 3.8%, 3.6%, and 2.7% in state fiscal year (July 1-June 30) ending 2013, 2014, and 2015, respectively, hospitals, as a whole, report net operating profits of 5.2% in state fiscal year ending 2016. This increase could be the result of hospitals making a number of internal changes in order to ensure that they remain profitable or at least break even.

As mentioned in previous reports, hospitals began responding to these changes in a number of ways. One such response is hospital consolidation and partnership. Scottsdale Healthcare and John C. Lincoln Health Network merged on October 1, 2013, and was recently renamed HonorHealth. After purchasing Casa Grande Regional Medical Center in June 2014 and merging with the University of Arizona Health Network in February 2015, Banner Health purchased Payson Regional Medical Center. Abrazo Health Care also recently grew from six to nine hospitals after creating a partnership with the three Carondelet Health Network Hospitals. This partnership has some unique features, as Dignity Health and Ascension will be minority partners in the hospitals. This consolidation trend is consistent with what is happening at the national level, where a record breaking 201 transactions occurred in 2015.⁵

Nationally, hospital systems are also responding to changes by buying physician groups as well as becoming payers. Purchasing a physician group allows a hospital system to diversify its revenue sources, have a wider reach of referrals, integrate services, increase negotiation power, and have even greater economies of scale. Hospital systems are also merging with insurers in order to provide improved care, obtain higher Medicare payments, reduce costs, and increase economies of scale. Banner Health, for example, which has added four hospitals

⁵ Powderly, Henry. "Healthcare services mergers, deals top \$175 billion in 2015, report says." *Healthcare Finance*. April 21, 2016. <http://www.healthcarefinancenews.com/news/healthcare-services-mergers-deals-top-175-billion-2015-report-says>.

to its health system since the beginning of 2014, also acquired a physician practice (University of Arizona Physicians) and the University of Arizona Health Plans, which include an AHCCCS-contracted health plan (University Family Care), a federal marketplace plan, and a Medicare special needs plan.

One hospital system has expanded by building what is sometimes referred to as a “micro-hospital.” Although AHCCCS has been unable to find an official definition of a “micro-hospital,” they are often described as a small inpatient hospital which operates 24/7, has an emergency department, and is usually around 15,000 to 50,000 square feet.^{6 7 8} Unlike full scale hospitals, micro-hospitals have a limited number of inpatient beds. They offer a small number of services, such as surgical suites, a labor and delivery room, or primary care services on-site.

Even smaller than micro-hospitals, a number of hospital systems have built freestanding emergency departments (FrEDs) in recent years. FrEDs are facilities which are structurally separate and distinct from a hospital and are staffed 24/7 by emergency medicine physicians and nurses and do not offer any inpatient services. Although the services between FrEDs may vary, in addition to emergency and urgent care, most facilities offer x-rays, clinical laboratory services, CT scans, ultrasounds, and pharmaceuticals. While FrEDs initially emerged in the 1970s to fill a void in rural and underserved areas, FrEDs have recently proliferated in suburban areas. From 2008 to 2015 the number of FrEDs in the U.S. grew to 387, a 76% increase.⁹ In Arizona, at least twelve such facilities have opened since 2010. Abrazo opened their first FrED in Peoria in 2010 and another in Buckeye in 2011. Dignity Health has established eight spread throughout Maricopa County, HonorHealth has opened one in northern Phoenix, and Northwest Medical Center operates one located in Vail. Copper Queen Community Hospital is also constructing one in Douglas to replace the hospital which closed there in 2015; it is expected to open in early 2017. AHCCCS is exploring a payment methodology for FrEDs which differs from the methodology used to reimburse hospital on-site emergency departments.

⁶ Saulsberry, Kalyn. “To Grow Your Hospital, Think Micro.” Advisory Board. May 20, 2016. <https://www.advisory.com/research/financial-leadership-council/at-the-margins/2016/05/micro-hospitals>

⁷ Budryk, Zack. “Micro-hospitals Offer Alternative to Urgent Care Model.” FierceHealthcare. June 28, 2016. <http://www.fiercehealthcare.com/healthcare/micro-hospitals-offer-alternative-to-urgent-care-model>

⁸ Andrews, Michelle. “Sometimes Tiny is Just the Right Size: ‘Microhospitals Filling Some ER Needs.’” Kaiser Health News. July 19, 2016. <http://khn.org/news/sometimes-tiny-is-just-the-right-size-microhospitals-filling-some-er-needs/>

⁹ Harish Nir, Jennifer L. Wiler, and Richard Zane. “How the Freestanding Emergency Department Boom Can Help Patients.” NEJM Catalyst. February 18, 2016. <http://catalyst.nejm.org/how-the-freestanding-emergency-department-boom-can-help-patients/>

These strategies to merge and diversify may be the result of a number of changes being made which have impacted the hospitals' bottom lines. As we mentioned in previous reports, in addition to AHCCCS rates remaining flat during the period studied, there are a number of other changes occurring across the health care delivery system that will impact hospital finances. Beginning April 1, 2013, Medicare imposed a 2% reimbursement reduction due to the Sequestration. Since October 2012, Medicare also began reducing payments for hospitals with excessive readmission. While this encourages hospitals to provide better health care, it will also lead to a lower occupancy rate, thereby decreasing revenues. Other trends in the healthcare industry such as continuing to move additional procedures towards outpatient services, increased medical management and care coordination, vertical integration and a continued focus on costs will continue to impact hospital revenues and profits. The actual impacts will depend upon the extent to which hospitals adapt their business models to these new health care delivery reforms.

Finally, it should be noted that a number of changes in the health care industry may be particularly challenging financially for rural hospitals. Since 2010, at least 57 rural hospitals have closed, one of which was located in Arizona -- Cochise Regional Hospital in Douglas closed on July 31, 2015. Experts report varied reasons for these closures, including an often high number of Medicare and Medicaid recipients, the aging of the baby boomers, continued impacts from the recession, smaller economies of scale and challenges in adapting to changing health care service delivery models (e.g., formation of accountable care organizations). Closures of rural hospitals may be particularly challenging to nearby patients, who often must often travel a considerable distance to the next closest hospital. AHCCCS is continuing to monitor the situation to ensure that AHCCCS members have adequate access to care.

Appendix A

Medicaid Volume <25%

Abrazo Arizona Heart
Acuity Hospital of Arizona at Mesa
Acuity Hospital of Arizona at Sun City
Arizona General Hospital
Arizona Orthopedic Surgical Hospital
Arizona Spine & Joint Hospital
Banner Baywood Medical Center
Banner Boswell Medical Center
Banner Del E. Webb Medical Center
Benson Hospital Corp
Carondelet St. Joseph's Hospital
Chandler Regional Medical Center
Cochise Regional Hospital
Cornerstone Hospital of Southeast Arizona
Gilbert Hospital
Havasu Regional Medical Center
Haven Senior Horizons
HealthSouth East Valley Rehabilitation Hospital
HealthSouth Rehabilitation Hospital of Southern Arizona
HealthSouth Rehabilitation Institute of Tucson
HealthSouth Valley of the Sun Rehabilitation Hospital, LLC
HealthSouth Scottsdale Rehabilitation Hospital
HonorHealth Deer Valley Medical Center
HonorHealth Rehabilitation Hospital
Kindred Hospital Arizona – Phoenix
Kindred Hospital Arizona – NW Phoenix
Kindred Hospital Arizona – Tucson
Kingman Regional Medical Center
La Paz Regional Hospital, Inc.
Mayo Clinic Arizona
Mercy Gilbert Medical Center
Mountain Valley Regional Rehabilitation Hospital
Northern Cochise Community Hospital
Northwest Medical Center
OASIS Hospital
Oro Valley Hospital
Promise Hospital of Phoenix
Select Specialty Hospital – Phoenix
Select Specialty Hospital – Phoenix Downtown
Select Specialty Hospital – Scottsdale

Surgical Specialty Hospital of Arizona
Valley View Medical Center
Verde Valley Medical Center
Western Arizona Regional Medical Center
White Mountain Regional Medical Center
Wickenburg Community Hospital
Yavapai Regional Medical Center
Yuma Rehabilitation Hospital

Medicaid Volume = 25-50%

Abrazo Arrowhead Campus
Abrazo Central Campus
Abrazo Scottsdale Campus
Abrazo West Campus
Banner Behavioral Health Hospital
Banner Casa Grande Medical Center
Banner Desert Medical Center
Banner Estrella Medical Center
Banner Gateway Medical Center
Banner Goldfield Medical Center
Banner Ironwood Medical Center
Banner Payson Medical Center (formerly Payson Regional Medical Center)
Banner Thunderbird Medical Center
Banner - University Medical Center Phoenix
Banner - University Medical Center South
Banner - University Medical Center Tucson
Canyon Vista Medical Center
Carondelet Holy Cross Hospital
Carondelet St. Mary's Hospital & Health Care Center
Cobre Valley Regional Medical Ctr
Flagstaff Medical Center
HonorHealth John C. Lincoln Medical Center
HonorHealth Scottsdale Shea Medical Center
Mt. Graham Medical Center
Mountain Vista Medical Center
Palo Verde Behavioral Health
Quail Run Hospital
Sonora Behavioral Health Hospital
St. Joseph's Hospital Medical Center (including Westgate campus)
St. Luke's Medical Center
Summit Healthcare Association
Tempe St. Luke's Hospital

Tucson Medical Center
TMC Geropsychiatric Center at Handmaker
Valley Hospital
Yavapai Regional Medical Center – East
Yuma Regional Medical Center

Medicaid Volume > 50%

Abrazo Maryvale Campus
Aurora Behavioral Health System
Aurora Behavioral Healthcare-Tempe
Community Counseling Centers, Inc. at PineView Hospital
The Guidance Center, Inc.
Little Colorado Medical Center
Los Niños Hospital
Maricopa Medical Center
Page Hospital
Phoenix Children's Hospital
St. Luke's Behavioral Hospital
Windhaven Psychiatric Hospital

Appendix B

Hospitals included in each hospital system are as follows:

Abrazo/Tenet

Abrazo Arizona Heart Hospital
Abrazo Arrowhead Campus
Abrazo Central Campus
Abrazo Maryvale Campus
Abrazo Scottsdale Campus
Abrazo West Campus
Carondelet Holy Cross Hospital
Carondelet St. Joseph's
Carondelet St. Mary's Hospital & Health Care Center

Banner Health

Banner Baywood Medical Center
Banner Behavioral Health Hospital
Banner Boswell Medical Center
Banner Casa Grande Medical Center
Banner Del E. Webb Medical Center
Banner Desert Medical Center
Banner Estrella Medical Center
Banner Gateway Medical Center
Banner Goldfield Medical Center
Banner Heart Hospital
Banner Ironwood Medical Center
Banner Payson Medical Center (formerly Payson Regional Medical Center)
Banner Thunderbird Medical Center
Banner - University Medical Center Phoenix
Banner - University Medical Center South
Banner - University Medical Center Tucson
Page Hospital

Community Health Systems

Northwest Medical Center
Oro Valley Hospital
Western Arizona Regional Medical Center

Dignity Health

Arizona General Hospital
Chandler Regional Medical Center
Mercy Gilbert Medical Center
St. Joseph's Hospital Medical Center (including Westgate campus)

HealthSouth

HealthSouth East Valley Rehabilitation Hospital
HealthSouth Rehabilitation Hospital of Southern Arizona
HealthSouth Rehabilitation Institute of Tucson
HealthSouth Valley of the Sun Rehabilitation Hospital, LLC
HealthSouth Scottsdale Rehabilitation Hospital
Yuma Rehabilitation Hospital

HonorHealth

HonorHealth Deer Valley Medical Center
HonorHealth John C. Lincoln Medical Center
HonorHealth Rehabilitation Hospital
HonorHealth Scottsdale Osborn Medical Center
HonorHealth Scottsdale Shea Medical Center
HonorHealth Scottsdale Thompson Peak Medical Center

IASIS Healthcare

Mountain Vista Medical Center
St. Luke's Behavioral Hospital
St. Luke's Medical Center
Tempe St. Luke's Hospital

Kindred Healthcare

Kindred Hospital of Tucson
Kindred Hospital Arizona – NW Phoenix
Kindred Hospital Arizona – Phoenix

Select Specialty Hospital

Select Specialty Hospital – Scottsdale
Select Specialty Hospital – Phoenix
Select Specialty Hospital – Phoenix Downtown

Hospital Name	Abrazo Arizona Heart Hospital	Abrazo Arrowhead Campus	Abrazo Central Campus	Abrazo Maryvale Campus	Abrazo Scottsdale Campus	Abrazo West Campus	Acuity Hospital of Arizona at Mesa	Acuity Hospital of Arizona at Sun City	Arizona General Hospital
2014 Uniform Accounting Report									
Occupancy Rate	53.0%	50.8%	41.4%	44.8%	49.7%	54.0%	24.0%	9.0%	
Total Revenue, Gains, and Other Support	\$ 71,457,518	\$ 178,740,684	\$ 111,760,826	\$ 56,820,692	\$ 77,097,353	\$ 139,179,807	\$ 15,355,626	\$ 4,918,004	
Total Expenses	\$ 73,425,226	\$ 143,172,129	\$ 121,275,175	\$ 55,114,852	\$ 79,931,714	\$ 133,275,437	\$ 14,549,306	\$ 7,115,209	
Net Operating Profit(Loss)	\$ (1,967,708)	\$ 35,568,555	\$ (9,514,349)	\$ 1,705,840	\$ (2,834,361)	\$ 5,904,370	\$ 806,320	\$ (2,197,204)	
Net Operating Margin	-2.75%	19.90%	-8.51%	3.00%	-3.68%	4.24%	5.25%	-44.68%	
Total Income Margin	-1.35%	12.07%	-4.93%	1.24%	-2.38%	2.81%	5.25%	-44.68%	
Days in Accounts Receivable	95	69	71	84	76	98	133	117	
Cost to Charge Ratio	23.65%	18.97%	22.94%	19.28%	22.54%	19.71%	23.60%	50.16%	
Cost of Bad Debts	\$ 707,796	\$ 1,465,572	\$ 2,382,555	\$ 1,392,549	\$ 1,555,853	\$ 2,509,064	\$ 12,084	\$ (85,090)	
Charity Cost	\$ 102,477	\$ 280,770	\$ 409,658	\$ 364,438	\$ 338,619	\$ 276,558	\$ -	\$ -	
Uncompensated Care Cost	\$ 810,274	\$ 1,746,342	\$ 2,792,213	\$ 1,756,987	\$ 1,894,472	\$ 2,785,622	\$ 12,084	\$ (85,090)	
Uncompensated Care Cost as a % of Total Expenses	1.10%	1.22%	2.30%	3.19%	2.37%	2.09%	0.08%	-1.20%	
2015 Uniform Accounting Report									
Occupancy Rate	58.0%	51.0%	36.0%	39.0%	48.0%	57.0%	79.0%	38.8%	12.7%
Total Revenue, Gains, and Other Support	\$ 70,562,874	\$ 184,693,156	\$ 96,236,402	\$ 43,019,658	\$ 68,502,736	\$ 150,364,637	\$ 13,664,572	\$ 5,725,363	\$ 24,832,401
Total Expenses	\$ 79,511,018	\$ 167,102,585	\$ 121,587,145	\$ 56,462,710	\$ 78,017,877	\$ 151,580,379	\$ 15,339,430	\$ 7,763,930	\$ 28,422,948
Net Operating Profit(Loss)	\$ (8,948,144)	\$ 17,590,571	\$ (25,350,743)	\$ (13,443,052)	\$ (9,515,141)	\$ (1,215,742)	\$ (1,674,858)	\$ (2,038,566)	\$ (3,590,547)
Net Operating Margin	-12.68%	9.52%	-26.34%	-31.25%	-13.89%	-0.81%	-12.26%	-35.61%	-14.46%
Total Income Margin	-7.72%	5.79%	-16.05%	-19.16%	-8.49%	-0.48%	-12.16%	-35.60%	-14.46%
Days in Accounts Receivable	64	58	79	78	72	75	4	19	139
Cost to Charge Ratio	22.12%	19.66%	22.19%	18.81%	21.58%	18.65%	28.25%	33.47%	26.34%
Cost of Bad Debts	\$ 810,074	\$ 1,987,046	\$ 2,153,007	\$ 1,287,895	\$ 1,349,335	\$ 2,846,664	\$ 34,703	\$ (58,022)	\$ 1,155,796
Charity Cost	\$ 267,689	\$ 157,505	\$ 362,714	\$ 223,369	\$ 244,103	\$ 230,969	\$ -	\$ -	\$ 1,299,038
Uncompensated Care Cost	\$ 1,077,763	\$ 2,144,551	\$ 2,515,721	\$ 1,511,264	\$ 1,593,437	\$ 3,077,632	\$ 34,703	\$ (58,022)	\$ 2,454,834
Uncompensated Care Cost as a % of Total Expenses	1.36%	1.28%	2.07%	2.68%	2.04%	2.03%	0.23%	-0.75%	8.64%
CHANGE: 2014 to 2015									
Average Occupancy Rate Percentage Points	5.0	0.2	-5.4	-5.8	-1.7	3.0	55.0	29.8	
Total Revenue, Gains, and Other Support	\$ (894,644)	\$ 5,952,472	\$ (15,524,424)	\$ (13,801,034)	\$ (8,594,617)	\$ 11,184,830	\$ (1,691,054)	\$ 807,359	
Total Expenses	\$ 6,085,792	\$ 23,930,456	\$ 311,970	\$ 1,347,858	\$ (1,913,837)	\$ 18,304,942	\$ 790,124	\$ 648,721	
Net Operating Profit(Loss)	\$ (6,980,436)	\$ (17,977,984)	\$ (15,836,394)	\$ (15,148,892)	\$ (6,680,780)	\$ (7,120,112)	\$ (2,481,178)	\$ 158,638	
Net Operating Margin	(9.9)	(10.4)	(17.8)	(34.3)	(10.2)	(5.1)	(17.5)	9.1	
Total Income Margin	(6.4)	(6.3)	(11.1)	(20.4)	(6.1)	(3.3)	(17.4)	9.1	
Days in Accounts Receivable	\$ (31)	\$ (11)	\$ 8	\$ (6)	\$ (4)	\$ (23)	\$ (129)	\$ (98)	
Cost to Charge Ratio	-1.5	0.7	-0.8	-0.5	-1.0	-1.1	4.7	-16.7	
Cost of Bad Debts	\$ 102,278	\$ 521,475	\$ (229,548)	\$ (104,654)	\$ (206,518)	\$ 337,600	\$ 22,618	\$ 27,068	
Charity Cost	\$ 165,211	\$ (123,265)	\$ (46,944)	\$ (141,069)	\$ (94,517)	\$ (45,589)	\$ -	\$ -	
Uncompensated Care Cost	\$ 267,489	\$ 398,210	\$ (276,492)	\$ (245,723)	\$ (301,035)	\$ 292,011	\$ 22,618	\$ 27,068	
Uncompensated Care Cost as a % of Total Expenses	0.3	0.1	-0.2	-0.5	-0.3	-0.1	0.1	0.4	

Hospital Name	Arizona Orthopedic Surgical Hospital	Arizona Spine & Joint Hospital	Aurora Behavioral Health System	Aurora Behavioral Healthcare Tempe	Banner Baywood Medical Center	Banner Behavioral Health Hospital	Banner Boswell Medical Center	Banner Casa Grande Medical Center	Banner Del E. Webb Medical Center
2014 Uniform Accounting Report									
Occupancy Rate	8.0%	22.0%	90.0%	93.0%	59.0%	90.0%	67.0%	48.0%	50.0%
Total Revenue, Gains, and Other Support	\$ 21,249,877	\$ 21,821,265	\$ 25,506,030	\$ 19,929,668	\$ 274,542,553	\$ 22,816,886	\$ 280,395,084	\$ 89,226,052	\$ 262,234,790
Total Expenses	\$ 21,654,202	\$ 22,064,093	\$ 19,820,395	\$ 17,061,781	\$ 246,055,681	\$ 27,697,097	\$ 266,946,687	\$ 106,269,473	\$ 243,923,422
Net Operating Profit(Loss)	\$ (404,325)	\$ (242,828)	\$ 5,685,635	\$ 2,867,887	\$ 28,486,872	\$ (4,880,211)	\$ 13,448,397	\$ (17,043,421)	\$ 18,311,368
Net Operating Margin	-1.90%	-1.11%	22.29%	14.39%	10.38%	-21.39%	4.80%	-19.10%	6.98%
Total Income Margin	-1.90%	-1.11%	22.33%	14.39%	10.38%	-21.39%	4.81%	-18.84%	6.99%
Days in Accounts Receivable	45	40	37	28	41	54	31	152	35
Cost to Charge Ratio	19.28%	26.94%	37.79%	41.05%	17.91%	51.22%	19.96%	24.58%	18.21%
Cost of Bad Debts	\$ -	\$ 114,148	\$ 408,738	\$ 261,412	\$ 2,754,780	\$ 978,801	\$ 1,942,659	\$ 3,369,194	\$ 3,267,910
Charity Cost	\$ -	\$ -	\$ 94,500	\$ 140,735	\$ 3,748,678	\$ 995,142	\$ 3,503,034	\$ 165,879	\$ 4,273,883
Uncompensated Care Cost	\$ -	\$ 114,148	\$ 503,237	\$ 402,147	\$ 6,503,458	\$ 1,973,943	\$ 5,445,693	\$ 3,535,073	\$ 7,541,793
Uncompensated Care Cost as a % of Total Expenses	0.00%	0.52%	2.54%	2.36%	2.64%	7.13%	2.04%	3.33%	3.09%
2015 Uniform Accounting Report									
Occupancy Rate	21.0%	20.0%	91.0%	91.0%	60.0%	81.0%	55.0%	45.0%	55.0%
Total Revenue, Gains, and Other Support	\$ 24,055,654	\$ 23,771,722	\$ 25,697,082	\$ 19,826,094	\$ 279,939,995	\$ 24,760,848	\$ 282,442,694	\$ 100,108,013	\$ 281,666,032
Total Expenses	\$ 23,851,801	\$ 24,076,611	\$ 20,425,578	\$ 17,099,206	\$ 260,691,754	\$ 31,674,988	\$ 276,821,363	\$ 119,995,351	\$ 255,170,930
Net Operating Profit(Loss)	\$ 203,853	\$ (304,889)	\$ 5,271,504	\$ 2,726,888	\$ 19,248,241	\$ (6,914,140)	\$ 5,621,331	\$ (19,887,338)	\$ 26,495,102
Net Operating Margin	0.85%	-1.28%	20.51%	13.75%	6.88%	-27.92%	1.99%	-19.87%	9.41%
Total Income Margin	0.85%	-1.32%	20.53%	13.75%	6.89%	-27.92%	2.04%	-19.84%	9.42%
Days in Accounts Receivable	60	52	39	35	42	84	36	48	39
Cost to Charge Ratio	17.32%	27.52%	37.81%	41.82%	17.54%	50.10%	19.76%	20.09%	17.29%
Cost of Bad Debts	\$ -	\$ 73,830	\$ 276,141	\$ 187,446	\$ 1,829,667	\$ 786,107	\$ 1,218,428	\$ (290,103)	\$ 2,024,195
Charity Cost	\$ -	\$ -	\$ 114,969	\$ 83,022	\$ 2,251,365	\$ 718,377	\$ 1,763,714	\$ 3,663,101	\$ 2,561,536
Uncompensated Care Cost	\$ -	\$ 73,830	\$ 391,111	\$ 270,468	\$ 4,081,032	\$ 1,504,485	\$ 2,982,142	\$ 3,372,998	\$ 4,585,732
Uncompensated Care Cost as a % of Total Expenses	0.00%	0.31%	1.91%	1.58%	1.57%	4.75%	1.08%	2.81%	1.80%
CHANGE: 2014 to 2015									
Average Occupancy Rate Percentage Points	13.0	-2.0	1.0	-2.0	1.0	-9.0	-12.0	-3.0	5.0
Total Revenue, Gains, and Other Support	\$ 2,805,777	\$ 1,950,457	\$ 191,052	\$ (103,574)	\$ 5,397,442	\$ 1,943,962	\$ 2,047,610	\$ 10,881,961	\$ 19,431,242
Total Expenses	\$ 2,197,599	\$ 2,012,518	\$ 605,183	\$ 37,425	\$ 14,636,073	\$ 3,977,891	\$ 9,874,676	\$ 13,725,878	\$ 11,247,508
Net Operating Profit(Loss)	\$ 608,178	\$ (62,061)	\$ (414,131)	\$ (140,999)	\$ (9,238,631)	\$ (2,033,929)	\$ (7,827,066)	\$ (2,843,917)	\$ 8,183,734
Net Operating Margin	2.8	(0.2)	(1.8)	(0.6)	(3.5)	(6.5)	(2.8)	(0.8)	2.4
Total Income Margin	2.8	(0.2)	(1.8)	(0.6)	(3.5)	(6.5)	(2.8)	(1.0)	2.4
Days in Accounts Receivable	\$ 15	\$ 12	\$ 2	\$ 7	\$ 1	\$ 30	\$ 5	\$ (104)	\$ 4
Cost to Charge Ratio	-2.0	0.6	0.0	0.8	-0.4	-1.1	-0.2	-4.5	-0.9
Cost of Bad Debts	\$ -	\$ (40,318)	\$ (132,596)	\$ (73,966)	\$ (925,114)	\$ (192,694)	\$ (724,231)	\$ (3,659,297)	\$ (1,243,714)
Charity Cost	\$ -	\$ -	\$ 20,469	\$ (57,713)	\$ (1,497,312)	\$ (276,765)	\$ (1,739,320)	\$ 3,497,222	\$ (1,712,347)
Uncompensated Care Cost	\$ -	\$ (40,318)	\$ (112,127)	\$ (131,679)	\$ (2,422,426)	\$ (469,458)	\$ (2,463,551)	\$ (162,074)	\$ (2,956,061)
Uncompensated Care Cost as a % of Total Expenses	0.0	-0.2	-0.6	-0.8	-1.1	-2.4	-1.0	-0.5	-1.3

Hospital Name	Banner Desert Medical Center	Banner Estrella Medical Center	Banner Gateway Medical Center	Banner Goldfield Medical Center	Banner Heart Hospital	Banner Ironwood Medical Center	Banner Payson Medical Center	Banner Thunderbird Medical Center	Banner--University Medical Center Phoenix
2014 Uniform Accounting Report									
Occupancy Rate	67.0%	61.3%	73.0%	19.0%	54.0%	43.0%	41.0%	77.0%	69.0%
Total Revenue, Gains, and Other Support	\$ 585,318,580	\$ 271,570,506	\$ 288,832,962	\$ 12,719,170	\$ 131,108,488	\$ 52,030,681	\$ 48,723,553	\$ 482,176,609	\$ 701,883,515
Total Expenses	\$ 527,308,660	\$ 235,094,086	\$ 289,669,805	\$ 19,001,498	\$ 102,196,073	\$ 59,573,962	\$ 34,921,534	\$ 441,724,801	\$ 670,867,432
Net Operating Profit(Loss)	\$ 58,009,920	\$ 36,476,420	\$ (836,843)	\$ (6,282,328)	\$ 28,912,415	\$ (7,543,281)	\$ 13,802,019	\$ 40,451,808	\$ 31,016,083
Net Operating Margin	9.91%	13.43%	-0.29%	-49.39%	22.05%	-14.50%	28.33%	8.39%	4.42%
Total Income Margin	9.92%	13.44%	-0.29%	-49.39%	22.05%	-14.50%	28.33%	8.39%	4.44%
Days in Accounts Receivable	42	36	42	50	43	39	53	41	44
Cost to Charge Ratio	22.14%	17.10%	23.32%	21.99%	15.00%	22.65%	11.13%	21.50%	24.71%
Cost of Bad Debts	\$ 12,175,944	\$ 5,740,665	\$ 4,590,239	\$ 778,778	\$ 736,425	\$ 1,861,901	\$ 581,379	\$ 8,970,474	\$ 10,128,166
Charity Cost	\$ 14,553,500	\$ 8,514,649	\$ 5,528,575	\$ 1,052,890	\$ 796,165	\$ 2,073,001	\$ 45,664	\$ 11,463,495	\$ 14,836,484
Uncompensated Care Cost	\$ 26,729,444	\$ 14,255,314	\$ 10,118,813	\$ 1,831,668	\$ 1,532,590	\$ 3,934,902	\$ 627,044	\$ 20,433,969	\$ 24,964,650
Uncompensated Care Cost as a % of Total Expenses	5.07%	6.06%	3.49%	9.64%	1.50%	6.61%	1.80%	4.63%	3.72%
2015 Uniform Accounting Report									
Occupancy Rate	66.0%	65.0%	70.0%	22.0%	52.0%	40.0%	31.1%	73.0%	71.0%
Total Revenue, Gains, and Other Support	\$ 622,051,524	\$ 280,160,932	\$ 318,329,540	\$ 15,361,611	\$ 133,265,859	\$ 56,516,932	\$ 28,993,113	\$ 495,192,008	\$ 750,329,162
Total Expenses	\$ 557,365,954	\$ 241,849,365	\$ 310,866,861	\$ 20,285,395	\$ 103,885,570	\$ 62,474,852	\$ 20,776,794	\$ 441,961,157	\$ 709,490,868
Net Operating Profit(Loss)	\$ 64,685,570	\$ 38,311,567	\$ 7,462,679	\$ (4,923,784)	\$ 29,380,289	\$ (5,957,920)	\$ 8,216,319	\$ 53,230,851	\$ 40,838,294
Net Operating Margin	10.40%	13.67%	2.34%	-32.05%	22.05%	-10.54%	28.34%	10.75%	5.44%
Total Income Margin	10.40%	13.68%	2.35%	-32.05%	22.05%	-10.54%	28.34%	10.76%	5.45%
Days in Accounts Receivable	47	47	43	45	37	42	93	48	52
Cost to Charge Ratio	21.26%	16.06%	22.82%	18.70%	14.64%	21.43%	10.43%	20.54%	23.92%
Cost of Bad Debts	\$ 7,475,041	\$ 3,868,932	\$ 2,864,716	\$ 362,214	\$ 266,541	\$ 1,182,224	\$ 185,185	\$ 4,904,698	\$ 6,865,360
Charity Cost	\$ 8,708,917	\$ 5,621,501	\$ 3,117,233	\$ 786,223	\$ 351,197	\$ 1,260,029	\$ 4,046	\$ 5,760,244	\$ 6,670,533
Uncompensated Care Cost	\$ 16,183,958	\$ 9,490,433	\$ 5,981,949	\$ 1,148,437	\$ 617,738	\$ 2,442,253	\$ 189,232	\$ 10,664,942	\$ 13,535,892
Uncompensated Care Cost as a % of Total Expenses	2.90%	3.92%	1.92%	5.66%	0.59%	3.91%	0.91%	2.41%	1.91%
CHANGE: 2014 to 2015									
Average Occupancy Rate Percentage Points	-1.0	3.7	-3.0	3.0	-2.0	-3.0	-9.9	-4.0	2.0
Total Revenue, Gains, and Other Support	\$ 36,732,944	\$ 8,590,426	\$ 29,496,578	\$ 2,642,441	\$ 2,157,371	\$ 4,486,251	\$ (19,730,440)	\$ 13,015,399	\$ 48,445,647
Total Expenses	\$ 30,057,294	\$ 6,755,279	\$ 21,197,056	\$ 1,283,897	\$ 1,689,497	\$ 2,900,890	\$ (14,144,740)	\$ 236,356	\$ 38,623,436
Net Operating Profit(Loss)	\$ 6,675,650	\$ 1,835,147	\$ 8,299,522	\$ 1,358,544	\$ 467,874	\$ 1,585,361	\$ (5,585,700)	\$ 12,779,043	\$ 9,822,211
Net Operating Margin	0.5	0.2	2.6	17.3	(0.0)	4.0	0.0	2.4	1.0
Total Income Margin	0.5	0.2	2.6	17.3	(0.0)	4.0	0.0	2.4	1.0
Days in Accounts Receivable	\$ 5	\$ 11	\$ 1	\$ (5)	\$ (6)	\$ 3	\$ 40	\$ 7	\$ 8
Cost to Charge Ratio	-0.9	-1.0	-0.5	-3.3	-0.4	-1.2	-0.7	-1.0	-0.8
Cost of Bad Debts	\$ (4,700,903)	\$ (1,871,733)	\$ (1,725,523)	\$ (416,564)	\$ (469,883)	\$ (679,677)	\$ (396,194)	\$ (4,065,776)	\$ (3,262,806)
Charity Cost	\$ (5,844,583)	\$ (2,893,148)	\$ (2,411,342)	\$ (266,667)	\$ (444,968)	\$ (812,972)	\$ (41,618)	\$ (5,703,251)	\$ (8,165,952)
Uncompensated Care Cost	\$ (10,545,486)	\$ (4,764,881)	\$ (4,136,865)	\$ (683,231)	\$ (914,852)	\$ (1,492,649)	\$ (437,812)	\$ (9,769,027)	\$ (11,428,758)
Uncompensated Care Cost as a % of Total Expenses	-2.2	-2.1	-1.6	-4.0	-0.9	-2.7	-0.9	-2.2	-1.8

Hospital Name	Banner--University Medical Center South	Banner--University Medical Center Tucson	Benson Hospital Corp	Canyon Vista Medical Center	Carondelet Holy Cross Hospital	Carondelet St. Joseph's Hospital	Carondelet St. Mary's Hospital & Health Care Center	Chandler Regional Medical Center	Cobre Valley Regional Medical Ctr
2014 Uniform Accounting Report									
Occupancy Rate	67.0%	76.0%	18.0%	67.0%	26.0%	42.0%	37.0%	82.3%	49.0%
Total Revenue, Gains, and Other Support	\$ 149,892,584	\$ 679,176,111	\$ 12,497,652	\$ 949,190,822	\$ 20,842,143	\$ 248,530,812	\$ 191,753,404	\$ 363,460,731	\$ 40,284,475
Total Expenses	\$ 154,869,028	\$ 702,300,775	\$ 13,026,633	\$ 881,194,896	\$ 21,702,061	\$ 260,190,448	\$ 189,323,535	\$ 331,896,511	\$ 38,971,136
Net Operating Profit(Loss)	\$ (4,976,444)	\$ (23,124,664)	\$ (528,981)	\$ 67,995,926	\$ (859,918)	\$ (11,659,636)	\$ 2,429,869	\$ 31,564,220	\$ 1,313,339
Net Operating Margin	-3.32%	-3.40%	-4.23%	7.16%	-4.13%	-4.69%	1.27%	8.68%	3.26%
Total Income Margin	-3.32%	-3.04%	-4.18%	7.71%	-4.28%	-4.84%	1.14%	14.19%	4.30%
Days in Accounts Receivable	72	67	81	60	55	46	51	97	46
Cost to Charge Ratio	27.05%	24.16%	54.40%	28.67%	24.76%	22.59%	21.47%	16.84%	49.80%
Cost of Bad Debts	\$ 6,943,613	\$ 11,954,742	\$ 749,426	\$ 25,430,729	\$ 483,383	\$ 2,659,480	\$ 2,936,159	\$ 14,118,492	\$ 589,525
Charity Cost	\$ 2,403,755	\$ 12,646,540	\$ 43,700	\$ 39,246,849	\$ 387,640	\$ 5,659,391	\$ 4,397,446	\$ 6,811,468	\$ 1,173,954
Uncompensated Care Cost	\$ 9,347,367	\$ 24,601,281	\$ 793,126	\$ 64,677,578	\$ 871,022	\$ 8,318,870	\$ 7,333,604	\$ 20,929,960	\$ 1,763,479
Uncompensated Care Cost as a % of Total Expenses	6.04%	3.50%	6.09%	7.34%	4.01%	3.20%	3.87%	6.31%	4.53%
2015 Uniform Accounting Report									
Occupancy Rate	64.0%	80.0%	27.0%	47.0%	19.7%	44.3%	42.6%	74.0%	59.0%
Total Revenue, Gains, and Other Support	\$ 142,775,093	\$ 663,287,564	\$ 14,205,563	\$ 106,784,294	\$ 24,574,969	\$ 234,051,977	\$ 197,216,704	\$ 446,934,690	\$ 43,727,195
Total Expenses	\$ 153,656,339	\$ 685,969,521	\$ 14,190,589	\$ 102,954,530	\$ 23,009,693	\$ 256,282,244	\$ 199,097,432	\$ 415,388,739	\$ 41,634,257
Net Operating Profit(Loss)	\$ (10,881,246)	\$ (22,681,957)	\$ 14,974	\$ 3,829,764	\$ 1,565,276	\$ (22,230,267)	\$ (1,880,728)	\$ 31,545,951	\$ 2,092,938
Net Operating Margin	-7.62%	-3.42%	0.11%	3.59%	6.37%	-9.50%	-0.95%	7.06%	4.79%
Total Income Margin	-7.58%	-3.40%	0.13%	0.03%	6.40%	-9.47%	-0.93%	8.61%	5.55%
Days in Accounts Receivable	54	55	80	53	42	51	56	88	73
Cost to Charge Ratio	25.71%	24.50%	51.24%	27.28%	24.21%	22.89%	20.70%	16.85%	48.01%
Cost of Bad Debts	\$ 1,964,736	\$ 12,722,702	\$ 484,372	\$ 1,453,334	\$ 373,875	\$ 2,075,327	\$ 1,398,233	\$ 14,630,265	\$ 1,294,119
Charity Cost	\$ 1,741,378	\$ 4,322,120	\$ 22,547	\$ 57,702	\$ 366,609	\$ 1,944,215	\$ 2,116,369	\$ 5,540,960	\$ 24,784
Uncompensated Care Cost	\$ 3,706,113	\$ 17,044,822	\$ 506,919	\$ 1,511,036	\$ 740,483	\$ 4,019,542	\$ 3,514,602	\$ 20,171,225	\$ 1,318,902
Uncompensated Care Cost as a % of Total Expenses	2.41%	2.48%	3.57%	1.47%	3.22%	1.57%	1.77%	4.86%	3.17%
CHANGE: 2014 to 2015									
Average Occupancy Rate Percentage Points	-3.0	4.0	9.0	-20.0	-6.3	2.3	5.6	-8.3	10.0
Total Revenue, Gains, and Other Support	\$ (7,117,491)	\$ (15,888,547)	\$ 1,707,911	\$ (842,406,528)	\$ 3,732,826	\$ (14,478,835)	\$ 5,463,300	\$ 83,473,959	\$ 3,442,720
Total Expenses	\$ (1,212,689)	\$ (16,331,254)	\$ 1,163,956	\$ (778,240,366)	\$ 1,307,632	\$ (3,908,204)	\$ 9,773,897	\$ 83,492,228	\$ 2,663,121
Net Operating Profit(Loss)	\$ (5,904,802)	\$ 442,707	\$ 543,955	\$ (64,166,162)	\$ 2,425,194	\$ (10,570,631)	\$ (4,310,597)	\$ (18,269)	\$ 779,599
Net Operating Margin	(4.3)	(0.0)	4.3	(3.6)	10.5	(4.8)	(2.2)	(1.6)	1.5
Total Income Margin	(4.3)	(0.4)	4.3	(7.7)	10.7	(4.6)	(2.1)	(5.6)	1.2
Days in Accounts Receivable	\$ (18)	\$ (12)	\$ (1)	\$ (7)	\$ (13)	\$ 5	\$ 5	\$ (9)	\$ 27
Cost to Charge Ratio	-1.3	0.3	-3.2	-1.4	-0.5	0.3	-0.8	0.0	-1.8
Cost of Bad Debts	\$ (4,978,877)	\$ 767,961	\$ (265,054)	\$ (23,977,394)	\$ (109,508)	\$ (584,153)	\$ (1,537,926)	\$ 511,773	\$ 704,594
Charity Cost	\$ (662,377)	\$ (8,324,420)	\$ (21,153)	\$ (39,189,147)	\$ (21,031)	\$ (3,715,176)	\$ (2,281,076)	\$ (1,270,508)	\$ (1,149,170)
Uncompensated Care Cost	\$ (5,641,254)	\$ (7,556,459)	\$ (286,207)	\$ (63,166,542)	\$ (130,539)	\$ (4,299,329)	\$ (3,819,002)	\$ (758,735)	\$ (444,576)
Uncompensated Care Cost as a % of Total Expenses	-3.6	-1.0	-2.5	-5.9	-0.8	-1.6	-2.1	-1.5	-1.4

Hospital Name	Cochise Regional Hospital	Community Counseling Centers, Inc at Pine View Hospital	Copper Queen Community Hospital	Cornerstone Hospital of Southeast Arizona	Flagstaff Medical Center	Florence Hospital at Anthem	Freedom Pain Hospital	Gilbert Hospital	The Guidance Center, Inc.
2014 Uniform Accounting Report									
Occupancy Rate	26.0%		30.0%	62.0%	64.0%	18.0%	3.0%	20.0%	53.0%
Total Revenue, Gains, and Other Support	\$ 6,241,428		\$ 23,407,512	\$ 10,354,711	\$ 374,236,000	\$ 20,064,143	\$ 12,830,350	\$ 25,866,974	\$ 3,943,715
Total Expenses	\$ 8,004,476		\$ 22,410,691	\$ 10,781,033	\$ 334,619,000	\$ 18,876,026	\$ 12,701,438	\$ 21,202,353	\$ 4,416,947
Net Operating Profit(Loss)	\$ (1,763,048)		\$ 996,821	\$ (426,322)	\$ 39,617,000	\$ 1,188,117	\$ 128,912	\$ 4,664,621	\$ (473,232)
Net Operating Margin	-28.25%		4.26%	-4.12%	10.59%	5.92%	1.00%	18.03%	-12.00%
Total Income Margin	-28.25%		4.95%	-4.30%	17.12%	9.89%	1.05%	11.24%	-12.00%
Days in Accounts Receivable	28		72	77	57	111	75	80	
Cost to Charge Ratio	38.02%		33.26%	31.64%	35.47%	24.01%	24.15%	21.34%	112.00%
Cost of Bad Debts	\$ 477,018		\$ 497,660	\$ 31,365	\$ 25,258,829	\$ 1,880,558	\$ -	\$ -	\$ -
Charity Cost	\$ 7,212		\$ 373,414	\$ -	\$ 2,505,664	\$ -	\$ -	\$ -	\$ -
Uncompensated Care Cost	\$ 484,230		\$ 871,073	\$ 31,365	\$ 27,764,493	\$ 1,880,558	\$ -	\$ -	\$ -
Uncompensated Care Cost as a % of Total Expenses	6.05%		3.89%	0.29%	8.30%	9.96%	0.00%	0.00%	0.00%
2015 Uniform Accounting Report									
Occupancy Rate		70.0%	33.0%	67.2%	66.0%	25.0%	1.1%	39.0%	65.0%
Total Revenue, Gains, and Other Support		\$ 4,438,744	\$ 26,083,401	\$ 10,363,798	\$ 401,961,000	\$ 23,147,778	\$ 2,282,771	\$ 30,905,275	\$ 4,139,637
Total Expenses		\$ 4,980,698	\$ 23,220,067	\$ 12,682,820	\$ 355,003,000	\$ 21,314,864	\$ 8,744,696	\$ 28,196,120	\$ 3,975,098
Net Operating Profit(Loss)		\$ (541,954)	\$ 2,863,334	\$ (2,319,022)	\$ 46,958,000	\$ 1,832,914	\$ (6,461,925)	\$ 2,709,155	\$ 164,539
Net Operating Margin		-12.21%	10.98%	-22.38%	11.68%	7.92%	-283.07%	8.77%	3.97%
Total Income Margin		-12.21%	12.17%	-22.91%	10.37%	7.92%	-228.27%	8.77%	3.97%
Days in Accounts Receivable		45	50	147	59	118	138	63	156
Cost to Charge Ratio		90.28%	29.48%	31.75%	35.10%	21.93%	89.94%	24.45%	96.03%
Cost of Bad Debts		\$ 245,646	\$ 570,287	\$ 134,033	\$ 13,006,270	\$ 1,144,129	\$ -	\$ 1,936,536	\$ -
Charity Cost		\$ -	\$ 341,135	\$ -	\$ 1,187,460	\$ 10,241	\$ -	\$ 34,752	\$ -
Uncompensated Care Cost		\$ 245,646	\$ 911,421	\$ 134,033	\$ 14,193,730	\$ 1,154,370	\$ -	\$ 1,971,288	\$ -
Uncompensated Care Cost as a % of Total Expenses		4.93%	3.93%	1.06%	4.00%	5.42%	0.00%	6.99%	0.00%
CHANGE: 2014 to 2015									
Average Occupancy Rate Percentage Points			3.0	5.2	2.0	7.0	-1.9	19.0	12.0
Total Revenue, Gains, and Other Support			\$ 2,675,889	\$ 9,087	\$ 27,725,000	\$ 3,083,635	\$ (10,547,579)	\$ 5,038,301	\$ 195,922
Total Expenses			\$ 809,376	\$ 1,901,787	\$ 20,384,000	\$ 2,438,838	\$ (3,956,742)	\$ 6,993,767	\$ (441,849)
Net Operating Profit(Loss)			\$ 1,866,513	\$ (1,892,700)	\$ 7,341,000	\$ 644,797	\$ (6,590,837)	\$ (1,955,466)	\$ 637,771
Net Operating Margin			6.7	(18.3)	1.1	2.0	(284.1)	(9.3)	16.0
Total Income Margin			7.2	(18.6)	(6.8)	(2.0)	(229.3)	(2.5)	16.0
Days in Accounts Receivable			\$ (22)	\$ 70	\$ 2	\$ 7	\$ 63	\$ (17)	\$ 156
Cost to Charge Ratio			-3.8	0.1	-0.4	-2.1	65.8	3.1	-16.0
Cost of Bad Debts			\$ 72,627	\$ 102,668	\$ (12,252,558)	\$ (736,429)	\$ -	\$ 1,936,536	\$ -
Charity Cost			\$ (32,279)	\$ -	\$ (1,318,204)	\$ 10,241	\$ -	\$ 34,752	\$ -
Uncompensated Care Cost			\$ 40,348	\$ 102,668	\$ (13,570,763)	\$ (726,188)	\$ -	\$ 1,971,288	\$ -
Uncompensated Care Cost as a % of Total Expenses			0.0	0.8	-4.3	-4.5	0.0	7.0	0.0

Hospital Name	Havasu Regional Medical Center	Haven Senior Horizons	HealthSouth East Valley Rehabilitation Hospital	HealthSouth Rehabilitation Institute of Tucson	HealthSouth Rehabilitation Hospital of Southern Arizona	HealthSouth Scottsdale Rehabilitation Hospital	HealthSouth Valley of the Sun Rehabilitation Hospital, LLC	HonorHealth Deer Valley Medical Center	HonorHealth John C. Lincoln Medical Center
2014 Uniform Accounting Report									
Occupancy Rate	42.0%	92.0%	81.8%	64.3%	57.0%	49.0%	59.0%	60.0%	66.0%
Total Revenue, Gains, and Other Support	\$ 167,945,000	\$ 8,376,813	\$ 22,477,682	\$ 24,140,824	\$ 15,767,900	\$ 14,760,083	\$ 21,236,428	\$ 242,781,507	\$ 296,454,316
Total Expenses	\$ 134,576,000	\$ 6,881,766	\$ 17,859,450	\$ 19,084,406	\$ 13,623,809	\$ 14,304,423	\$ 18,711,077	\$ 217,401,643	\$ 290,542,150
Net Operating Profit(Loss)	\$ 33,369,000	\$ 1,495,047	\$ 4,618,232	\$ 5,056,417	\$ 2,144,091	\$ 455,660	\$ 2,525,351	\$ 25,379,864	\$ 5,912,166
Net Operating Margin	19.87%	17.85%	20.55%	20.95%	13.60%	3.09%	11.89%	10.45%	1.99%
Total Income Margin	13.14%	17.85%	8.39%	20.95%	17.62%	3.09%	6.22%	9.02%	1.15%
Days in Accounts Receivable	70	52	38	66	45	56	49	44	51
Cost to Charge Ratio	17.57%	58.56%	49.15%	49.08%	54.42%	62.20%	53.15%	17.92%	20.63%
Cost of Bad Debts	\$ 4,198,270	\$ 106,619	\$ 96,687	\$ 157,037	\$ 95,717	\$ 188,595	\$ 141,240	\$ 7,421,299	\$ 12,411,866
Charity Cost	\$ 71,318	\$ 8,281	\$ -	\$ 40,094	\$ 6,077	\$ -	\$ 111,072	\$ 7,370,722	\$ 10,473,299
Uncompensated Care Cost	\$ 4,269,588	\$ 114,900	\$ 96,687	\$ 197,132	\$ 101,795	\$ 188,595	\$ 252,312	\$ 14,792,021	\$ 22,885,165
Uncompensated Care Cost as a % of Total Expenses	3.17%	1.67%	0.54%	1.03%	0.75%	1.32%	1.35%	6.80%	7.88%
2015 Uniform Accounting Report									
Occupancy Rate	51.0%	95.0%	93.0%	67.0%	59.0%	59.0%	57.0%	72.0%	73.0%
Total Revenue, Gains, and Other Support	\$ 188,432,000	\$ 8,865,896	\$ 26,687,525	\$ 25,459,535	\$ 15,924,331	\$ 18,228,988	\$ 20,632,560	\$ 255,449,362	\$ 291,716,994
Total Expenses	\$ 136,025,000	\$ 7,414,675	\$ 20,144,024	\$ 20,226,326	\$ 14,070,792	\$ 15,271,600	\$ 17,723,387	\$ 234,909,212	\$ 292,468,218
Net Operating Profit(Loss)	\$ 52,407,000	\$ 1,451,221	\$ 6,543,501	\$ 5,233,209	\$ 1,853,539	\$ 2,957,388	\$ 2,909,173	\$ 20,540,150	\$ (751,224)
Net Operating Margin	27.81%	16.37%	24.52%	20.56%	11.64%	16.22%	14.10%	8.04%	-0.26%
Total Income Margin	18.31%	16.37%	12.32%	20.56%	6.89%	11.80%	8.51%	8.97%	1.05%
Days in Accounts Receivable	61	69	32	58	23	49	57	60	65
Cost to Charge Ratio	15.32%	60.66%	46.75%	47.59%	50.68%	54.81%	50.45%	17.36%	19.03%
Cost of Bad Debts	\$ 2,047,038	\$ 176,794	\$ 98,405	\$ 143,668	\$ 95,408	\$ 118,663	\$ 112,676	\$ 6,326,369	\$ 8,463,963
Charity Cost	\$ (38,751)	\$ 7,885	\$ -	\$ 49,056	\$ 13,174	\$ 28,417	\$ 64,108	\$ 5,415,292	\$ 4,757,786
Uncompensated Care Cost	\$ 2,008,287	\$ 184,679	\$ 98,405	\$ 192,723	\$ 108,582	\$ 147,080	\$ 176,784	\$ 11,741,661	\$ 13,221,749
Uncompensated Care Cost as a % of Total Expenses	1.48%	2.49%	0.49%	0.95%	0.77%	0.96%	1.00%	5.00%	4.52%
CHANGE: 2014 to 2015									
Average Occupancy Rate Percentage Points	9.0	3.0	11.2	2.7	2.0	10.0	-2.0	12.0	7.0
Total Revenue, Gains, and Other Support	\$ 20,487,000	\$ 489,083	\$ 4,209,843	\$ 1,318,711	\$ 156,431	\$ 3,468,905	\$ (603,868)	\$ 12,667,855	\$ (4,737,322)
Total Expenses	\$ 1,449,000	\$ 532,909	\$ 2,284,574	\$ 1,141,920	\$ 446,983	\$ 967,177	\$ (987,690)	\$ 17,507,569	\$ 1,926,068
Net Operating Profit(Loss)	\$ 19,038,000	\$ (43,826)	\$ 1,925,269	\$ 176,792	\$ (290,552)	\$ 2,501,728	\$ 383,822	\$ (4,839,714)	\$ (6,663,390)
Net Operating Margin	7.9	(1.5)	4.0	(0.4)	(2.0)	13.1	2.2	(2.4)	(2.3)
Total Income Margin	5.2	(1.5)	3.9	(0.4)	(10.7)	8.7	2.3	(0.0)	(0.1)
Days in Accounts Receivable	\$ (9)	\$ 17	\$ (6)	\$ (8)	\$ (22)	\$ (7)	\$ 8	\$ 16	\$ 14
Cost to Charge Ratio	-2.2	2.1	-2.4	-1.5	-3.7	-7.4	-2.7	-0.6	-1.6
Cost of Bad Debts	\$ (2,151,233)	\$ 70,175	\$ 1,718	\$ (13,370)	\$ (309)	\$ (69,933)	\$ (28,564)	\$ (1,094,930)	\$ (3,947,903)
Charity Cost	\$ (110,068)	\$ (396)	\$ -	\$ 8,961	\$ 7,096	\$ 28,417	\$ (46,964)	\$ (1,955,430)	\$ (5,715,513)
Uncompensated Care Cost	\$ (2,261,301)	\$ 69,779	\$ 1,718	\$ (4,408)	\$ 6,787	\$ (41,515)	\$ (75,528)	\$ (3,050,360)	\$ (9,663,415)
Uncompensated Care Cost as a % of Total Expenses	-1.7	0.8	-0.1	-0.1	0.0	-0.4	-0.4	-1.8	-3.4

Hospital Name	HonorHealth Rehabilitation Hospital	HonorHealth Scottsdale Osborn Medical Center	HonorHealth Scottsdale Shea Medical Center	HonorHealth Scottsdale Thompson Peak Medical Center	Kindred Hospital Arizona - NW Phoenix	Kindred Hospital Arizona - Phoenix	Kindred Hospital of Tucson	Kingman Regional Medical Center	La Paz Regional Hospital, Inc.
2014 Uniform Accounting Report									
Occupancy Rate	79.0%	55.2%	51.0%	52.0%	41.0%	40.0%	57.0%	64.5%	31.0%
Total Revenue, Gains, and Other Support	\$ 18,593,609	\$340,379,683	\$ 437,218,448	\$ 122,091,619	\$ 13,542,494	\$ 16,846,293	\$ 15,808,786	\$230,808,250	\$ 25,652,492
Total Expenses	\$ 17,874,350	\$341,592,523	\$ 418,725,519	\$ 113,855,849	\$ 15,021,807	\$ 17,961,958	\$ 15,424,772	\$232,627,038	\$ 24,229,725
Net Operating Profit(Loss)	\$ 719,259	\$ (1,212,840)	\$ 18,492,929	\$ 8,235,770	\$ (1,479,313)	\$ (1,115,665)	\$ 384,014	\$ (1,818,788)	\$ 1,422,768
Net Operating Margin	3.87%	-0.36%	4.23%	6.75%	-10.92%	-6.62%	2.43%	-0.79%	5.55%
Total Income Margin	3.87%	-0.36%	4.23%	6.75%	-6.68%	-2.84%	2.01%	0.43%	5.66%
Days in Accounts Receivable	64	74	34	57	60	100	83	66	66
Cost to Charge Ratio	49.58%	21.28%	21.60%	21.23%	31.68%	67.08%	37.42%	24.10%	37.22%
Cost of Bad Debts	\$ 116,392	\$ 3,793,514	\$ 2,736,144	\$ 1,105,557	\$ 67,164	\$ 57,593	\$ (27,911)	\$ 4,056,042	\$ 1,583,776
Charity Cost	\$ 200,433	\$ 13,139,208	\$ 3,764,114	\$ 868,541	\$ -	\$ -	\$ -	\$ 6,078,377	\$ 90,417
Uncompensated Care Cost	\$ 316,824	\$ 16,932,722	\$ 6,500,258	\$ 1,974,098	\$ 67,164	\$ 57,593	\$ (27,911)	\$ 10,134,419	\$ 1,674,192
Uncompensated Care Cost as a % of Total Expenses	1.77%	4.96%	1.55%	1.73%	0.45%	0.32%	-0.18%	4.36%	6.91%
2015 Uniform Accounting Report									
Occupancy Rate	80.0%	56.7%	61.0%	56.0%	45.0%	42.0%	61.0%	68.9%	39.0%
Total Revenue, Gains, and Other Support	\$ 20,083,761	\$ 375,932,978	\$ 446,237,489	\$ 130,846,100	\$ 15,513,122	\$ 15,508,077	\$ 15,786,013	\$ 258,955,727	\$ 24,273,364
Total Expenses	\$ 19,363,262	\$ 347,911,916	\$ 423,084,286	\$ 120,525,015	\$ 16,073,132	\$ 17,910,171	\$ 16,685,950	\$ 246,456,450	\$ 23,947,166
Net Operating Profit(Loss)	\$ 720,499	\$ 28,021,062	\$ 23,153,203	\$ 10,321,085	\$ (560,010)	\$ (2,402,094)	\$ (899,937)	\$ 12,499,277	\$ 326,198
Net Operating Margin	3.59%	7.45%	5.19%	7.89%	-3.61%	-15.49%	-5.70%	4.83%	1.34%
Total Income Margin	3.59%	7.45%	5.19%	7.89%	-2.23%	-10.54%	-3.04%	8.32%	1.70%
Days in Accounts Receivable	39	73	43	69	74	97	90	64	45
Cost to Charge Ratio	50.03%	17.67%	19.85%	19.52%	30.84%	33.27%	33.13%	22.53%	36.33%
Cost of Bad Debts	\$ 95,856	\$ 1,071,801	\$ 2,288,517	\$ 712,986	\$ -	\$ -	\$ 34,989	\$ 4,106,111	\$ 655,253
Charity Cost	\$ 186,191	\$ 4,572,152	\$ 2,149,098	\$ 724,886	\$ -	\$ -	\$ -	\$ 1,388,172	\$ 128,055
Uncompensated Care Cost	\$ 282,047	\$ 5,643,954	\$ 4,437,615	\$ 1,437,872	\$ -	\$ -	\$ 34,989	\$ -	\$ 783,308
Uncompensated Care Cost as a % of Total Expenses	1.46%	1.62%	1.05%	1.19%	0.00%	0.00%	0.21%	0.00%	3.27%
CHANGE: 2014 to 2015									
Average Occupancy Rate Percentage Points	1.0	1.5	10.0	4.0	4.0	2.0	4.0	4.4	8.0
Total Revenue, Gains, and Other Support	\$ 1,490,152	\$ 35,553,295	\$ 9,019,041	\$ 8,754,481	\$ 1,970,628	\$ (1,338,216)	\$ (22,773)	\$ 28,147,477	\$ (1,379,128)
Total Expenses	\$ 1,488,912	\$ 6,319,393	\$ 4,358,767	\$ 6,669,166	\$ 1,051,325	\$ (51,787)	\$ 1,261,178	\$ 13,829,412	\$ (282,559)
Net Operating Profit(Loss)	\$ 1,240	\$ 29,233,902	\$ 4,660,274	\$ 2,085,315	\$ 919,303	\$ (1,286,429)	\$ (1,283,951)	\$ 14,318,065	\$ (1,096,570)
Net Operating Margin	(0.3)	7.8	1.0	1.1	7.3	(8.9)	(8.1)	5.6	(4.2)
Total Income Margin	(0.3)	7.8	1.0	1.1	4.5	(7.7)	(5.0)	7.9	(4.0)
Days in Accounts Receivable	\$ (25)	\$ (1)	\$ 9	\$ 12	\$ 14	\$ (3)	\$ 7	\$ (2)	\$ (21)
Cost to Charge Ratio	0.4	-3.6	-1.7	-1.7	-0.8	-33.8	-4.3	-1.6	-0.9
Cost of Bad Debts	\$ (20,535)	\$ (2,721,712)	\$ (447,627)	\$ (392,571)	\$ (67,164)	\$ (57,593)	\$ 62,900	\$ 50,069	\$ (928,523)
Charity Cost	\$ (14,242)	\$ (8,567,056)	\$ (1,615,016)	\$ (143,655)	\$ -	\$ -	\$ -	\$ (4,690,206)	\$ 37,638
Uncompensated Care Cost	\$ (34,777)	\$ (11,288,768)	\$ (2,062,643)	\$ (536,227)	\$ (67,164)	\$ (57,593)	\$ 62,900	\$ (10,134,419)	\$ (890,885)
Uncompensated Care Cost as a % of Total Expenses	-0.3	-3.3	-0.5	-0.5	-0.4	-0.3	0.4	-4.4	-3.6

Hospital Name	Little Colorado Medical Center	Los Niños Hospital	Maricopa Medical Center	Mayo Clinic Arizona	Mercy Gilbert Medical Center	Mt. Graham Medical Center	Mountain Valley Regional Rehabilitation Hospital	Mountain Vista Medical Center	Northern Cochise Community Hospital
2014 Uniform Accounting Report									
Occupancy Rate	39.0%	48.0%	68.0%	67.0%	59.0%	30.0%	81.0%	63.0%	28.0%
Total Revenue, Gains, and Other Support	\$ 24,083,154	\$ 15,711,135	\$ 447,627,917	\$ 1,052,474,416	\$ 247,325,701	\$ 57,726,706	\$ 18,595,398	\$ 142,852,000	\$ 16,670,096
Total Expenses	\$ 28,312,765	\$ 13,217,782	\$ 536,755,147	\$ 955,543,931	\$ 222,313,046	\$ 57,255,335	\$ 14,731,074	\$ 139,805,000	\$ 16,951,355
Net Operating Profit(Loss)	\$ (4,229,611)	\$ 2,493,353	\$ (89,127,230)	\$ 96,930,485	\$ 25,012,655	\$ 471,371	\$ 3,864,324	\$ 3,047,000	\$ (281,259)
Net Operating Margin	-17.56%	15.87%	-19.91%	9.21%	10.11%	0.82%	20.78%	2.13%	-1.69%
Total Income Margin	-17.51%	38.28%	-4.55%	9.59%	10.13%	2.98%	20.78%	2.01%	-1.68%
Days in Accounts Receivable	67	34	112	142	92	44		50	51
Cost to Charge Ratio	32.15%	47.01%	25.83%	49.92%	17.04%	41.37%	56.00%	15.34%	42.12%
Cost of Bad Debts	\$ 1,534,531	\$ 15,036	\$ 12,552,301	\$ 7,699,235	\$ 8,257,574	\$ -	\$ -	\$ 3,688,000	\$ 1,532,891
Charity Cost	\$ 533,936	\$ -	\$ 100,820,403	\$ 7,777,253	\$ 3,225,047	\$ -	\$ 35,939	\$ 181,470	\$ 32,436
Uncompensated Care Cost	\$ 2,068,467	\$ 15,036	\$ 113,372,705	\$ 15,476,488	\$ 11,482,621	\$ -	\$ 35,939	\$ 3,869,470	\$ 1,565,327
Uncompensated Care Cost as a % of Total Expenses	7.31%	0.11%	21.12%	1.62%	5.17%	0.00%	0.24%	2.77%	9.23%
2015 Uniform Accounting Report									
Occupancy Rate	44.0%	27.0%	70.0%	68.0%	68.0%	25.0%	85.0%	59.0%	21.0%
Total Revenue, Gains, and Other Support	\$ 27,739,120	\$ 14,018,599	\$ 397,111,055	\$ 1,135,001,323	\$ 250,935,411	\$ 61,228,288	\$ 18,848,980	\$ 149,430,000	\$ 17,348,234
Total Expenses	\$ 28,789,047	\$ 11,823,500	\$ 510,663,795	\$ 1,057,090,876	\$ 233,136,890	\$ 57,738,656	\$ 15,325,147	\$ 145,955,000	\$ 17,286,729
Net Operating Profit(Loss)	\$ (1,049,927)	\$ 2,195,099	\$ (113,552,740)	\$ 77,910,447	\$ 17,798,521	\$ 3,489,632	\$ 3,523,833	\$ 3,475,000	\$ 61,505
Net Operating Margin	-3.79%	15.66%	-28.59%	6.86%	7.09%	5.70%	18.70%	2.33%	0.35%
Total Income Margin	-2.17%	13.87%	-8.77%	6.95%	7.12%	6.81%	18.70%	2.37%	0.36%
Days in Accounts Receivable	61	50	118	139	78	33	42	54	62
Cost to Charge Ratio	27.68%	47.68%	25.47%	50.73%	16.88%	41.08%	55.75%	15.17%	42.36%
Cost of Bad Debts	\$ 1,191,979	\$ 17,869	\$ 17,552,936	\$ 9,614,252	\$ 6,863,895	\$ 1,673,215	\$ -	\$ 2,143,428	\$ 601,491
Charity Cost	\$ 169,711	\$ -	\$ 58,433,324	\$ 6,972,943	\$ 2,575,544	\$ 376,190	\$ 492	\$ 38,982	\$ 7,625
Uncompensated Care Cost	\$ 1,361,690	\$ 17,869	\$ 75,986,260	\$ 16,587,195	\$ 9,439,439	\$ 2,049,404	\$ 492	\$ 2,182,411	\$ 609,116
Uncompensated Care Cost as a % of Total Expenses	4.73%	0.15%	14.88%	1.57%	4.05%	3.55%	0.00%	1.50%	3.52%
CHANGE: 2014 to 2015									
Average Occupancy Rate Percentage Points	5.0	-21.0	2.0	1.0	9.0	-5.0	4.0	-4.0	-7.0
Total Revenue, Gains, and Other Support	\$ 3,655,966	\$ (1,692,536)	\$ (50,516,862)	\$ 82,526,907	\$ 3,609,710	\$ 3,501,582	\$ 253,582	\$ 6,578,000	\$ 678,138
Total Expenses	\$ 476,282	\$ (1,394,282)	\$ (26,091,352)	\$ 101,546,945	\$ 10,823,844	\$ 483,321	\$ 594,073	\$ 6,150,000	\$ 335,374
Net Operating Profit(Loss)	\$ 3,179,684	\$ (298,254)	\$ (24,425,510)	\$ (19,020,038)	\$ (7,214,134)	\$ 3,018,261	\$ (340,491)	\$ 428,000	\$ 342,764
Net Operating Margin	13.8	(0.2)	(8.7)	(2.3)	(3.0)	4.9	(2.1)	0.2	2.0
Total Income Margin	15.3	(24.4)	(4.2)	(2.6)	(3.0)	3.8	(2.1)	0.4	2.0
Days in Accounts Receivable	\$ (6)	\$ 16	\$ 6	\$ (3)	\$ (14)	\$ (11)	\$ 42	\$ 4	\$ 11
Cost to Charge Ratio	-4.5	0.7	-0.4	0.8	-0.2	-0.3	-0.3	-0.2	0.2
Cost of Bad Debts	\$ (342,551)	\$ 2,833	\$ 5,000,635	\$ 1,915,017	\$ (1,393,680)	\$ 1,673,215	\$ -	\$ (1,544,572)	\$ (931,401)
Charity Cost	\$ (364,225)	\$ -	\$ (42,387,080)	\$ (804,310)	\$ (649,502)	\$ 376,190	\$ (35,447)	\$ (142,488)	\$ (24,811)
Uncompensated Care Cost	\$ (706,777)	\$ 2,833	\$ (37,386,445)	\$ 1,110,707	\$ (2,043,182)	\$ 2,049,404	\$ (35,447)	\$ (1,687,060)	\$ (956,212)
Uncompensated Care Cost as a % of Total Expenses	-2.6	0.0	-6.2	-0.1	-1.1	3.5	-0.2	-1.3	-5.7

Hospital Name	Northwest Medical Center	Oasis Behavioral Health Hospital	OASIS Hospital	Oro Valley Hospital	Page Hospital	Palo Verde Behavioral Health	Phoenix Children's Hospital	Promise Hospital of Phoenix
2014 Uniform Accounting Report								
Occupancy Rate	63.0%	86.9%	33.0%	39.0%	11.0%	72.7%	69.0%	56.5%
Total Revenue, Gains, and Other Support	\$ 305,785,465	\$ 8,952,490	\$ 64,164,272	\$ 94,383,700	\$ 17,213,812	\$ 7,728,665	\$ 717,240,254	\$ 15,494,181
Total Expenses	\$ 282,502,848	\$ 6,959,904	\$ 62,325,652	\$ 96,630,434	\$ 12,541,544	\$ 9,839,824	\$ 661,305,798	\$ 17,436,928
Net Operating Profit(Loss)	\$ 23,282,617	\$ 1,992,586	\$ 1,838,620	\$ (2,246,734)	\$ 4,672,268	\$ (2,111,159)	\$ 55,934,456	\$ (1,942,747)
Net Operating Margin	7.61%	22.26%	2.87%	-2.38%	27.14%	-27.32%	7.80%	-12.54%
Total Income Margin	7.61%	22.26%	0.00%	-2.38%	27.14%	-46.49%	3.74%	-24.04%
Days in Accounts Receivable	55	134	36	54	35	304	40	109
Cost to Charge Ratio	16.11%	40.67%	38.78%	16.75%	34.12%	39.67%	34.08%	31.47%
Cost of Bad Debts	\$ 3,620,591	\$ 291,584	\$ -	\$ 957,958	\$ 370,739	\$ -	\$ 5,914,125	\$ 217,142
Charity Cost	\$ 259,114	\$ 5,773	\$ -	\$ 25,582	\$ 360,193	\$ -	\$ 8,628,189	\$ -
Uncompensated Care Cost	\$ 3,879,705	\$ 297,357	\$ -	\$ 983,540	\$ 730,932	\$ -	\$ 14,542,313	\$ 217,142
Uncompensated Care Cost as a % of Total Expenses	1.37%	4.27%	0.00%	1.02%	5.83%	0.00%	2.20%	1.25%
2015 Uniform Accounting Report								
Occupancy Rate	61.0%	97.0%	34.1%	42.0%	10.0%	49.0%	62.5%	83.0%
Total Revenue, Gains, and Other Support	\$ 279,720,538	\$ 20,821,975	\$ 65,133,796	\$ 99,898,005	\$ 17,219,762	\$ 12,349,494	\$ 772,312,826	\$ 22,511,688
Total Expenses	\$ 273,858,929	\$ 14,514,327	\$ 64,139,874	\$ 99,708,918	\$ 12,978,501	\$ 13,551,207	\$ 744,650,140	\$ 22,114,034
Net Operating Profit(Loss)	\$ 5,861,609	\$ 6,307,648	\$ 993,922	\$ 189,087	\$ 4,241,261	\$ (1,201,713)	\$ 27,662,686	\$ 397,654
Net Operating Margin	2.10%	30.29%	1.53%	0.19%	24.63%	-9.73%	3.58%	1.77%
Total Income Margin	2.10%	18.18%	1.53%	0.19%	24.63%	-27.61%	2.42%	1.77%
Days in Accounts Receivable	50	45	91	48	45	67	43	76
Cost to Charge Ratio	15.11%	42.59%	35.22%	14.97%	33.90%	39.49%	35.13%	28.68%
Cost of Bad Debts	\$ 3,215,603	\$ 229,951	\$ 329,086	\$ 792,696	\$ 507,199	\$ 284,795	\$ 8,182,654	\$ 93,005
Charity Cost	\$ 40,316	\$ 28,491	\$ 111,108	\$ 1,873	\$ 209,522	\$ 85,975	\$ 12,280,913	\$ -
Uncompensated Care Cost	\$ 3,255,919	\$ 258,442	\$ 440,194	\$ 794,569	\$ 716,721	\$ 370,770	\$ 20,463,567	\$ 93,005
Uncompensated Care Cost as a % of Total Expenses	1.19%	1.78%	0.69%	0.80%	5.52%	2.74%	2.75%	0.42%
CHANGE: 2014 to 2015								
Average Occupancy Rate Percentage Points	-2.0	10.1	1.1	3.0	-1.0	-23.7	-6.5	26.5
Total Revenue, Gains, and Other Support	\$ (26,064,927)	\$ 11,869,485	\$ 969,524	\$ 5,514,305	\$ 5,950	\$ 4,620,829	\$ 55,072,572	\$ 7,017,507
Total Expenses	\$ (8,643,919)	\$ 7,554,423	\$ 1,814,222	\$ 3,078,484	\$ 436,957	\$ 3,711,383	\$ 83,344,342	\$ 4,677,106
Net Operating Profit(Loss)	\$ (17,421,008)	\$ 4,315,062	\$ (844,698)	\$ 2,435,821	\$ (431,007)	\$ 909,446	\$ (28,271,770)	\$ 2,340,401
Net Operating Margin	(5.5)	8.0	(1.3)	2.6	(2.5)	17.6	(4.2)	14.3
Total Income Margin	(5.5)	(4.1)	1.5	2.6	(2.5)	18.9	(1.3)	25.8
Days in Accounts Receivable	\$ (5)	\$ (89)	\$ 55	\$ (6)	\$ 10	\$ (237)	\$ 3	\$ (33)
Cost to Charge Ratio	-1.0	1.9	-3.6	-1.8	-0.2	-0.2	1.0	-2.8
Cost of Bad Debts	\$ (404,988)	\$ (61,633)	\$ 329,086	\$ (165,262)	\$ 136,460	\$ 284,795	\$ 2,268,530	\$ (124,137)
Charity Cost	\$ (218,798)	\$ 22,718	\$ 111,108	\$ (23,710)	\$ (150,671)	\$ 85,975	\$ 3,652,724	\$ -
Uncompensated Care Cost	\$ (623,786)	\$ (38,915)	\$ 440,194	\$ (188,972)	\$ (14,211)	\$ 370,770	\$ 5,921,254	\$ (124,137)
Uncompensated Care Cost as a % of Total Expenses	-0.2	-2.5	0.7	-0.2	-0.3	2.7	0.5	-0.8

Hospital Name	Quail Run Hospital	Select Specialty Hospital - Phoenix	Select Specialty Hospital - Phoenix Downtown	Select Specialty Hospital - Scottsdale	Sonora Behavioral Health Hospital	St. Joseph's Hospital Medical Center, including Westgate campus	St. Luke's Behavioral Hospital	St. Luke's Medical Center
2014 Uniform Accounting Report								
Occupancy Rate		76.0%	71.0%	71.0%	87.0%	64.7%	99.0%	40.0%
Total Revenue, Gains, and Other Support		\$ 23,438,522	\$ 13,156,843	\$ 11,409,798	\$ 20,431,256	\$949,787,054	\$ 39,941,000	\$ 108,829,000
Total Expenses		\$ 21,472,027	\$ 13,334,404	\$ 12,238,157	\$ 15,404,809	\$887,909,752	\$ 31,635,000	\$ 105,099,000
Net Operating Profit(Loss)		\$ 1,966,495	\$ (177,561)	\$ (828,359)	\$ 5,026,447	\$ 61,877,302	\$ 8,306,000	\$ 3,730,000
Net Operating Margin		8.39%	-1.35%	-7.26%	24.60%	6.51%	20.80%	3.43%
Total Income Margin		5.05%	0.16%	-6.19%	24.60%	7.06%	20.80%	3.82%
Days in Accounts Receivable		111	92	91	53	60	78	70
Cost to Charge Ratio		33.78%	35.75%	37.64%	42.06%	28.84%	22.95%	17.92%
Cost of Bad Debts		\$ 16,818	\$ 60,006	\$ 72,343	\$ 157,042	\$ 26,312,496	\$ (159,739)	\$ 2,576,959
Charity Cost		\$ -	\$ -	\$ -	\$ 17,877	\$ 39,774,777	\$ 1,055,288	\$ 347,046
Uncompensated Care Cost		\$ 16,818	\$ 60,006	\$ 72,343	\$ 174,919	\$ 66,087,272	\$ 895,549	\$ 2,924,005
Uncompensated Care Cost as a % of Total Expenses		0.08%	0.45%	0.59%	1.14%	7.44%	2.83%	2.78%
2015 Uniform Accounting Report								
Occupancy Rate	52.7%	68.0%	80.0%	66.0%	86.0%	69.2%	100.0%	43.0%
Total Revenue, Gains, and Other Support	\$ 10,095,485	\$ 12,761,964	\$ 22,660,420	\$ 11,008,836	\$ 20,461,387	\$ 975,426,119	\$ 38,786,000	\$ 110,806,000
Total Expenses	\$ 12,374,587	\$ 13,537,050	\$ 22,387,272	\$ 11,857,151	\$ 15,538,186	\$ 983,456,226	\$ 31,575,000	\$ 107,796,000
Net Operating Profit(Loss)	\$ (2,279,102)	\$ (775,086)	\$ 273,148	\$ (848,315)	\$ 4,923,201	\$ (8,030,107)	\$ 7,211,000	\$ 3,010,000
Net Operating Margin	-22.58%	-6.07%	1.21%	-7.71%	24.06%	-0.82%	18.59%	2.72%
Total Income Margin	-22.58%	-3.72%	0.80%	-5.00%	24.06%	-0.60%	18.59%	2.72%
Days in Accounts Receivable	106	93	82	65	72	69	71	62
Cost to Charge Ratio	43.19%	33.50%	33.44%	38.19%	43.84%	28.31%	22.50%	17.78%
Cost of Bad Debts	\$ 353,249	\$ 54,218	\$ 111,967	\$ 26,936	\$ 371,141	\$ 16,016,461	\$ 471,171	\$ 1,480,164
Charity Cost	\$ 23,593	\$ -	\$ -	\$ -	\$ -	\$ 25,162,102	\$ 192,384	\$ 93,688
Uncompensated Care Cost	\$ 376,842	\$ 54,218	\$ 111,967	\$ 26,936	\$ 371,141	\$ 41,178,563	\$ 663,555	\$ 1,573,852
Uncompensated Care Cost as a % of Total Expenses	3.05%	0.40%	0.50%	0.23%	2.39%	4.19%	2.10%	1.46%
CHANGE: 2014 to 2015								
Average Occupancy Rate Percentage Points	52.7	-8.0	9.0	-5.0	-1.0	4.6	1.0	3.0
Total Revenue, Gains, and Other Support	\$ 10,095,485	\$ (10,676,558)	\$ 9,503,577	\$ (400,962)	\$ 30,131	\$ 25,639,065	\$ (1,155,000)	\$ 1,977,000
Total Expenses	\$ 12,374,587	\$ (7,934,977)	\$ 9,052,868	\$ (381,006)	\$ 133,377	\$ 95,546,474	\$ (60,000)	\$ 2,697,000
Net Operating Profit(Loss)	\$ (2,279,102)	\$ (2,741,581)	\$ 450,709	\$ (19,956)	\$ (103,246)	\$ (69,907,409)	\$ (1,095,000)	\$ (720,000)
Net Operating Margin	(22.6)	(14.5)	2.6	(0.4)	(0.5)	(7.3)	(2.2)	(0.7)
Total Income Margin	(22.6)	(8.8)	0.6	1.2	(0.5)	(7.7)	(2.2)	(1.1)
Days in Accounts Receivable	\$ 106	\$ (18)	\$ (10)	\$ (26)	\$ 19	\$ 9	\$ (7)	\$ (8)
Cost to Charge Ratio	43.2	-0.3	-2.3	0.5	1.8	-0.5	-0.5	-0.1
Cost of Bad Debts	\$ 353,249	\$ 37,400	\$ 51,961	\$ (45,407)	\$ 214,100	\$ (10,296,035)	\$ 630,910	\$ (1,096,795)
Charity Cost	\$ 23,593	\$ -	\$ -	\$ -	\$ (17,877)	\$ (14,612,675)	\$ (862,904)	\$ (253,358)
Uncompensated Care Cost	\$ 376,842	\$ 37,400	\$ 51,961	\$ (45,407)	\$ 196,222	\$ (24,908,709)	\$ (231,994)	\$ (1,350,153)
Uncompensated Care Cost as a % of Total Expenses	3.0	0.3	0.1	-0.4	1.3	-3.3	-0.7	-1.3

Hospital Name	Summit Healthcare Association	Surgical Specialty Hospital of Arizona	Tempe St. Luke's Hospital	TMC Geropsychiatric Center at Handmaker	Tucson Medical Center	Valley Hospital	Valley View Medical Center	Verde Valley Medical Center	Western Arizona Regional Medical Center
2014 Uniform Accounting Report									
Occupancy Rate	38.0%	11.0%	37.0%		69.0%	87.0%	34.0%	46.1%	53.0%
Total Revenue, Gains, and Other Support	\$ 139,838,251	\$ 17,069,571	\$ 40,638,000		\$ 451,679,000	\$ 31,838,914	\$ 50,089,000	\$ 138,191,000	\$ 118,148,695
Total Expenses	\$ 137,917,298	\$ 17,532,044	\$ 44,326,000		\$ 443,642,000	\$ 23,164,027	\$ 55,781,000	\$ 129,041,000	\$ 78,563,257
Net Operating Profit(Loss)	\$ 1,920,953	\$ (462,473)	\$ (3,688,000)		\$ 8,037,000	\$ 8,674,887	\$ (5,692,000)	\$ 9,150,000	\$ 39,585,438
Net Operating Margin	1.37%	-2.71%	-9.08%		1.78%	27.25%	-11.36%	6.62%	33.50%
Total Income Margin	2.21%	-2.71%	-8.84%		2.21%	27.25%	-7.17%	7.20%	34.79%
Days in Accounts Receivable	72	33	96		51	45	79	53	84
Cost to Charge Ratio	32.58%	34.18%	15.58%		27.40%	25.46%	15.84%	24.89%	7.71%
Cost of Bad Debts	\$ 6,253,593	\$ -	\$ 3,361,638		\$ 5,601,543	\$ 217,112	\$ 2,404,281	\$ 7,131,043	\$ 1,304,896
Charity Cost	\$ 939,225	\$ 11,821	\$ 195,094		\$ 7,666,898	\$ 1,598	\$ (6,812)	\$ 1,347,401	\$ 1,034,981
Uncompensated Care Cost	\$ 7,192,818	\$ 11,821	\$ 3,556,732		\$ 13,268,441	\$ 218,710	\$ 2,397,469	\$ 8,478,443	\$ 2,339,877
Uncompensated Care Cost as a % of Total Expenses	5.22%	0.07%	8.02%		2.99%	0.94%	4.30%	6.57%	2.98%
2015 Uniform Accounting Report									
Occupancy Rate	39.0%		31.0%	60.9%	71.0%	90.0%	28.0%	49.0%	47.0%
Total Revenue, Gains, and Other Support	\$ 158,281,934		\$ 42,341,000	\$ 2,179,707	\$ 487,478,715	\$ 34,234,798	\$ 50,014,000	\$ 143,790,000	\$ 108,808,891
Total Expenses	\$ 149,368,882		\$ 45,149,000	\$ 2,356,332	\$ 482,744,000	\$ 24,850,267	\$ 55,049,000	\$ 127,683,000	\$ 74,658,929
Net Operating Profit(Loss)	\$ 8,913,052		\$ (2,808,000)	\$ (176,625)	\$ 4,734,715	\$ 9,384,531	\$ (5,035,000)	\$ 16,107,000	\$ 34,149,962
Net Operating Margin	5.63%		-6.63%	-8.10%	0.97%	27.41%	-10.07%	11.20%	31.39%
Total Income Margin	4.57%		-6.63%	-8.10%	0.67%	27.41%	-6.47%	0.92%	32.45%
Days in Accounts Receivable	73		83	67	51	48	65	52	75
Cost to Charge Ratio	30.38%		16.61%	35.27%	26.83%	25.57%	14.97%	23.58%	7.37%
Cost of Bad Debts	\$ 3,941,941		\$ 1,989,009	\$ -	\$ 4,989,773	\$ 175,234	\$ 1,210,381	\$ 4,088,529	\$ 1,172,932
Charity Cost	\$ 788,440		\$ 62,961	\$ -	\$ 3,072,331	\$ 6,122	\$ 150	\$ 1,009,098	\$ 105,748
Uncompensated Care Cost	\$ 4,730,381		\$ 2,051,971	\$ -	\$ 8,062,104	\$ 181,356	\$ 1,210,531	\$ 5,097,626	\$ 1,278,680
Uncompensated Care Cost as a % of Total Expenses	3.17%		4.54%	0.00%	1.67%	0.73%	2.20%	3.99%	1.71%
CHANGE: 2014 to 2015									
Average Occupancy Rate Percentage Points	1.0		-6.0		2.0	3.0	-6.0	2.9	-6.0
Total Revenue, Gains, and Other Support	\$ 18,443,683		\$ 1,703,000		\$ 35,799,715	\$ 2,395,884	\$ (75,000)	\$ 5,599,000	\$ (9,339,804)
Total Expenses	\$ 11,451,584		\$ 823,000		\$ 39,102,000	\$ 1,686,240	\$ (732,000)	\$ (1,358,000)	\$ (3,904,328)
Net Operating Profit(Loss)	\$ 6,992,099		\$ 880,000		\$ (3,302,285)	\$ 709,644	\$ 657,000	\$ 6,957,000	\$ (5,435,476)
Net Operating Margin	4.3		2.4		(0.8)	0.2	1.3	4.6	(2.1)
Total Income Margin	2.4		2.2		(1.5)	0.2	0.7	(6.3)	(2.3)
Days in Accounts Receivable	\$ 1		\$ (13)		\$ -	\$ 3	\$ (14)	\$ (1)	\$ (9)
Cost to Charge Ratio	-2.2		1.0		-0.6	0.1	-0.9	-1.3	-0.3
Cost of Bad Debts	\$ (2,311,652)		\$ (1,372,629)		\$ (611,770)	\$ (41,878)	\$ (1,193,900)	\$ (3,042,514)	\$ (131,964)
Charity Cost	\$ (150,785)		\$ (132,133)		\$ (4,594,567)	\$ 4,524	\$ 6,962	\$ (338,303)	\$ (929,234)
Uncompensated Care Cost	\$ (2,462,437)		\$ (1,504,762)		\$ (5,206,337)	\$ (37,354)	\$ (1,186,938)	\$ (3,380,817)	\$ (1,061,197)
Uncompensated Care Cost as a % of Total Expenses	-2.0		-3.5		-1.3	-0.2	-2.1	-2.6	-1.3

Hospital Name	White Mountain Regional Medical Center	Wickenburg Community Hospital	Windhaven Psychiatric Hospital	Yavapai Regional Medical Center	Yavapai Regional Medical Center - East	Yuma Regional Medical Center	Yuma Rehabilitation Hospital
2014 Uniform Accounting Report							
Occupancy Rate	19.0%	40.0%	97.0%	47.0%	38.0%	47.0%	88.0%
Total Revenue, Gains, and Other Support	\$ 16,840,200	\$ 23,786,829	\$ 3,856,122	\$ 160,996,959	\$ 91,325,537	\$ 333,031,347	\$ 17,561,551
Total Expenses	\$ 16,537,782	\$ 22,952,689	\$ 3,901,712	\$ 176,365,453	\$ 67,597,581	\$ 320,011,896	\$ 10,251,544
Net Operating Profit(Loss)	\$ 302,418	\$ 834,140	\$ (45,590)	\$ (15,368,494)	\$ 23,727,956	\$ 13,019,451	\$ 7,310,007
Net Operating Margin	1.80%	3.51%	-1.18%	-9.55%	25.98%	3.91%	41.63%
Total Income Margin	2.98%	4.04%	-1.18%	-9.55%	25.98%	9.04%	41.63%
Days in Accounts Receivable	44	66	66	66	31	45	82
Cost to Charge Ratio	52.21%	45.89%	97.45%	31.27%	23.46%	26.46%	41.83%
Cost of Bad Debts	\$ 1,078,004	\$ 884,815	\$ -	\$ 6,422,246	\$ 4,026,487	\$ 8,234,928	\$ 178,502
Charity Cost	\$ 99,901	\$ 93,499	\$ 143,745	\$ 2,067,472	\$ 813,441	\$ 11,716,768	\$ 55,117
Uncompensated Care Cost	\$ 1,177,905	\$ 978,314	\$ 143,745	\$ 8,489,719	\$ 4,839,927	\$ 19,951,696	\$ 233,618
Uncompensated Care Cost as a % of Total Expenses	7.12%	4.26%	3.68%	4.81%	7.16%	6.23%	2.28%
2015 Uniform Accounting Report							
Occupancy Rate	20.2%	37.0%	84.0%	48.0%	37.0%	50.0%	92.0%
Total Revenue, Gains, and Other Support	\$ 16,805,612	\$ 26,405,930	\$ 4,393,233	\$ 153,615,698	\$ 111,541,069	\$ 371,381,025	\$ 19,567,366
Total Expenses	\$ 17,186,784	\$ 25,321,734	\$ 4,497,850	\$ 182,954,982	\$ 52,832,980	\$ 349,723,146	\$ 12,459,279
Net Operating Profit(Loss)	\$ (381,172)	\$ 1,084,196	\$ (104,617)	\$ (29,339,284)	\$ 58,708,089	\$ 21,657,879	\$ 7,108,087
Net Operating Margin	-2.27%	4.11%	-2.38%	-19.10%	52.63%	5.83%	36.33%
Total Income Margin	-0.98%	4.67%	-2.38%	-19.17%	52.63%	3.70%	36.33%
Days in Accounts Receivable	69	77	68	49	32	42	37
Cost to Charge Ratio	53.00%	47.59%	101.12%	31.65%	16.01%	25.83%	45.81%
Cost of Bad Debts	\$ 621,959	\$ 995,124	\$ -	\$ 4,158,370	\$ 1,047,408	\$ 2,155,943	\$ 168,677
Charity Cost	\$ 11,129	\$ 103,668	\$ 55,297	\$ 1,831,311	\$ 825,995	\$ 8,833,061	\$ 49,823
Uncompensated Care Cost	\$ 633,089	\$ 1,098,792	\$ 55,297	\$ 5,989,681	\$ 1,873,403	\$ 10,989,005	\$ 218,500
Uncompensated Care Cost as a % of Total Expenses	3.68%	4.34%	1.23%	3.27%	3.55%	3.14%	1.75%
CHANGE: 2014 to 2015							
Average Occupancy Rate Percentage Points	1.2	-3.0	-13.0	1.0	-1.0	3.0	4.0
Total Revenue, Gains, and Other Support	\$ (34,588)	\$ 2,619,101	\$ 537,111	\$ (7,381,261)	\$ 20,215,532	\$ 38,349,678	\$ 2,005,815
Total Expenses	\$ 649,002	\$ 2,369,045	\$ 596,138	\$ 6,589,529	\$ (14,764,601)	\$ 29,711,250	\$ 2,207,735
Net Operating Profit(Loss)	\$ (683,590)	\$ 250,056	\$ (59,027)	\$ (13,970,790)	\$ 34,980,133	\$ 8,638,428	\$ (201,920)
Net Operating Margin	(4.1)	0.6	(1.2)	(9.6)	26.7	1.9	(5.3)
Total Income Margin	(4.0)	0.6	(1.2)	(9.6)	26.7	(5.3)	(5.3)
Days in Accounts Receivable	\$ 25	\$ 11	\$ 2	\$ (17)	\$ 1	\$ (3)	\$ (45)
Cost to Charge Ratio	0.8	1.7	3.7	0.4	-7.5	-0.6	4.0
Cost of Bad Debts	\$ (456,045)	\$ 110,309	\$ -	\$ (2,263,877)	\$ (2,979,078)	\$ (6,078,984)	\$ (9,825)
Charity Cost	\$ (88,772)	\$ 10,169	\$ (88,449)	\$ (236,161)	\$ 12,554	\$ (2,883,707)	\$ (5,294)
Uncompensated Care Cost	\$ (544,816)	\$ 120,477	\$ (88,449)	\$ (2,500,038)	\$ (2,966,524)	\$ (8,962,692)	\$ (15,118)
Uncompensated Care Cost as a % of Total Expenses	-3.4	0.1	-2.5	-1.5	-3.6	-3.1	-0.5

Hospital Name		
	Summary	
2014 Uniform Accounting Report	2014 Uniform Accounting Report	
Occupancy Rate	Average Occupancy Rate	59.64%
Total Revenue, Gains, and Other Support	Total Revenues, Gains, and Other Support	\$15,470,786,385
Total Expenses	Total Expenses	\$14,705,601,780
Net Operating Profit(Loss)	Total Net Operating Profit(Loss)	\$765,184,604
Net Operating Margin	Total Net Operating Margin	4.95%
Total Income Margin	Total Income Margin	5.53%
Days in Accounts Receivable	Average Days in Accounts Receivable	63
Cost to Charge Ratio	Cost to Charge Ratio	23.95%
Cost of Bad Debts	Total Cost of Bad Debts	\$325,936,894
Charity Cost	Total Charity Care Cost	\$371,437,800
Uncompensated Care Cost	Total Cost of Uncompensated Care	\$697,374,694
Uncompensated Care Cost as a % of Total Expenses	Uncompensated Care Cost as a % of Total Expenses	4.74%
2015 Uniform Accounting Report	2015 Uniform Accounting Report	
Occupancy Rate	Average Occupancy Rate	60.74%
Total Revenue, Gains, and Other Support	Total Revenues, Gains, and Other Support	15,221,834,255
Total Expenses	Total Expenses	14,646,272,289
Net Operating Profit(Loss)	Total Net Operating Profit(Loss)	575,561,966
Net Operating Margin	Total Net Operating Margin	3.78%
Total Income Margin	Total Income Margin	4.08%
Days in Accounts Receivable	Average Days in Accounts Receivable	63
Cost to Charge Ratio	Cost to Charge Ratio	23.02%
Cost of Bad Debts	Total Cost of Bad Debts	\$223,999,008
Charity Cost	Total Charity Care Cost	\$198,251,529
Uncompensated Care Cost	Total Cost of Uncompensated Care	\$422,250,537
Uncompensated Care Cost as a % of Total Expenses	Uncompensated Care Cost as a % of Total Expenses	2.88%
CHANGE: 2014 to 2015	CHANGE: 2014 to 2015	
Average Occupancy Rate Percentage Points	Average Occupancy Percentage Points	1.1
Total Revenue, Gains, and Other Support	Total Revenue, Gains, and Other Support	\$ (248,952,129)
Total Expenses	Total Expenses	\$ (59,329,491)
Net Operating Profit(Loss)	Total Net Operating Profit(Loss)	\$ (189,622,638)
Net Operating Margin	Net Operating Margin	\$ (0.9)
Total Income Margin	Total Margin	(1.45)
Days in Accounts Receivable	Average Days in Accounts Receivable	\$ -
Cost to Charge Ratio	Cost to Charge Ratio	-0.9
Cost of Bad Debts	Cost of Bad Debts	(\$101,937,885)
Charity Cost	Charity Cost	(\$173,186,271)
Uncompensated Care Cost	Uncompensated Care Cost	(\$275,124,156)
Uncompensated Care Cost as a % of Total Expenses	Uncompensated Care Cost as % of Total Expenses	-1.9