

2015 Washington State

Charity Care in Washington Hospitals

February 2017



For more information or
additional copies of this report contact:

Community Health Systems

PO Box 47853

Olympia, WA 98504-7853

360-236-4210

John Wiesman, DrPH, MPH

Secretary of Health

Contents

EXECUTIVE SUMMARY 1

ABOUT THIS REPORT 2

BACKGROUND ON CHARITY CARE IN WASHINGTON..... 2

 What is Charity Care and how is it Reported? 2

 What are Hospitals Required to Report and When? 2

 How do Hospitals Report Charity Care and How is it Calculated? 3

2015 WASHINGTON STATE CHARITY CARE DATA 4

 Statewide Charity Care Charges for Hospital Fiscal Year 2015 4

 How did the Affordable Care Act affect Charity Care in Washington State? 7

 Distribution of Charity Care among Washington Hospitals 7

 Adjusting Billed Charges to Determine Actual Cost of Providing Charity Care..... 8

 Contribution of all Purchasers of Care to Hospital Charity Care..... 9

 How does Washington Compare to the U.S. in Uncompensated Care? 10

 Summary 11

 Appendix 1: Charity Care by Hospital by Region by Adjusted Patient Service
 Revenue..... 12

 Appendix 2: Charity Care Adjusted for Cost to Charge Ratio..... 15

Executive Summary

By law, hospitals in Washington cannot deny patients access to care based on an inability to pay. To this end, hospitals are required to develop a charity care policy and submit financial data on the charity care they provide to the Department of Health (department). This report summarizes the charity care data received from Washington hospitals for the fiscal year (FY) ending in 2015.

Overall, Washington hospitals reported \$532 million in charity care charges in FY 2015 or approximately \$186 million in actual expenses based on a cost-to-charge formula. These total charity care charges reflect a decrease of 44 percent from that reported in FY 2014, which was 34 percent less than FY 2013. Charity care declined two consecutive years for the first time since the department began collecting these data in 1989. The decrease is likely a result of the federal Affordable Care Act (ACA) implementation. The percentage of uninsured dropped dramatically compared to previous years as more Washingtonians are now covered by health insurance, by either expanded Medicaid or private insurance plans.

The hospital with the highest dollar amount of charity care in FY 2015 was Harborview Medical Center, which alone accounted for 12 percent of the statewide total charity care charges. Wide variation was seen in charity care charges among hospitals, ranging from \$0 to \$62 million. The median amount of charity care per hospital was \$1.6 million; however, the average was much higher at \$6.0 million because several hospitals provided significant amounts of charity care.

Since the charity care data in this report are based on billed charges, not the actual payment expected by the hospital, calculating the approximate cost of providing charity care can be estimated by applying a cost-to-charge ratio. Multiplying the charity care dollars by the cost-to-charge ratio results in an approximate cost of what hospitals actually spent providing charity care to patients. The statewide cost-to-charge ratio is 0.35. Based on the \$532 million reported in charity care charges in FY 2015, the overall cost of providing charity care statewide was approximately \$186 million.

More information on FY 2015 charity care, including detailed reports by hospital, is available on our webpage at

<http://www.doh.wa.gov/DataandStatisticalReports/HealthcareinWashington/HospitalandPatientData/HospitalPatientInformationandCharityCare>

About this Report

The department has issued an annual report since 1990 as directed by Chapter 70.170 of the Revised Code of Washington (RCW). Your feedback is important to us. Submit your comments by email at charitycare@doh.wa.gov to help us continue to improve the charity care report.

Background on Charity Care in Washington

What is Charity Care and how is it Reported?

Charity care is defined in Chapter 70.170 RCW as the “necessary inpatient and outpatient hospital health care rendered to indigent persons.” A person is considered indigent under Washington Administrative Code (WAC) 246-453-040 if family income is at or below 200 percent of the federal poverty level. Chapter 70.170 RCW prohibits any Washington hospital from denying patients access to care based on inability to pay or adopting admission policies that significantly reduce charity care.

Services eligible for charity care are defined as appropriate hospital-based medical services in WAC 246-453-010. Hospitals are required by the law and rules to submit charity care policies for review to the department at least 30 days prior to adoption. Hospitals are also required to submit an annual budget and year-end financial reports to the department within 180 days of the close of the hospital’s fiscal year. Hospitals report this information using a uniform system of accounting. The department uses the financial reports submitted by hospitals to report charity care data and trends for the state each year.

What are Hospitals Required to Report and When?

Hospitals are required to report total patient services revenue, also called billed charges, and the amount of patient services revenue written-off as charity care to the department within 180 days of the close of the hospital’s fiscal year. Fiscal years vary among hospitals in Washington, ending on March 31, June 30, September 30, or December 31. Hospitals are also required to report bad debt. Bad debt is different from charity care and is defined as uncollectible amounts, excluding contractual adjustments, arising from failure to pay by patients whose care has not been classified as charity care. All of these data are reported as part of the hospital’s year-end financial report.

Hospitals report financial data to the department on an income statement. Below is an abbreviated example of an income statement to illustrate the relationships between the various revenue sources and expenses.

Hospital: Sample Community Hospital	Comment	Sample Hospital Revenue
= TOTAL PATIENT SERVICES REVENUE	Inpatient and outpatient revenue equivalent to Total Billed Charges	615,000,000
- Provision for Bad Debts	Unpaid charges billed to patients who are not eligible for charity care, deducted from total revenue	15,000,000
- Contractual Adjustments	Reductions from billed charges negotiated by insurance companies, deducted from total revenue	350,000,000
- Charity Care	Unpaid charges billed to patients eligible for charity care, deducted from total revenue	25,000,000
= NET PATIENT SERVICE REVENUE	Actual patient revenue received	225,000,000
+ OTHER OPERATING REVENUE	Actual revenue received for office rental, cafeteria income etc.	10,000,000
= TOTAL OPERATING REVENUE	Actual patient revenue and other operating revenue	235,000,000
- TOTAL OPERATING EXPENSES	Total expenses for operating the hospital	220,000,000
= NET OPERATING REVENUE	Cash remaining after operation of patient services	15,000,000
+/-NON-OPERATING REVENUE-NET OF EXPENSES	Nonpatient revenue (investments, partnership fees)	5,000,000
= NET REVENUE BEFORE ITEMS LISTED BELOW	Operating plus non operating remainder	20,000,000
+/-EXTRAORDINARY ITEM	One time cash revenue or cash expenses	0
= NET REVENUE OR (EXPENSE)	Net cash remaining after all the transactions	20,000,000

How do Hospitals Report Charity Care and How is it Calculated?

The amount of charity care reported by hospitals is based on patient services revenue, or what is also called billed charges. These charges are based on the hospital's charge master rate sheet, which sets the price for every treatment and supply category a hospital uses. Every patient's total bill is comprised of the sum of the charge master rates of the various services or supplies during the stay before any adjustments based on insurance status. All patients, regardless of insurance status, receive the same billed charges for the same services.

The billed charges reflect a "markup" that varies between hospitals and is significantly higher than the amount the hospital actually expects to be paid. Medicaid and Medicare pay a set rate

for services regardless of billed charges, and private insurance companies negotiate with hospitals for large discounts off the master rate sheet.

Charity care is the amount of billed charges an indigent patient incurs for appropriate hospital-based medical services. Since these charges include the markup, the dollar amount of charity care reported by hospitals overestimates the true cost of providing charity care to indigent patients.

2015 Washington State Charity Care Data

Statewide Charity Care Charges for Hospital Fiscal Year 2015

This report describes data collected from licensed Washington hospitals for their fiscal years (FY) ending in 2015. FY 2015 includes data for the twelve (12) months prior to the end of each hospital's fiscal calendar, including data for months in 2014 if the fiscal year end is prior to December 31, 2015.

All charity care data for FY 2015 were due to the department by June 30, 2016. Although the department provides reminders and follow-up by phone and in writing to hospitals that are late in reporting data, some hospitals still have not provided data for their 2015 fiscal year. For 2015, 86 of 99 hospitals had reported charity care information in year-end financial reports in time to be used in this report. Of the 13 hospitals that did not provide year-end reports, we have provided annual financial estimates for four hospitals based on their quarterly financial reports. For the other nine hospitals, no charity care data are available because no FY 2015 financial reports were submitted to the department.

Overall, Washington hospitals reported \$532 million of charity care charges written off in FY 2015. These charges amounted to 0.9 percent of total patient services revenue and 2.4 percent of adjusted patient services revenue. Adjusted patient services revenue is the amount of revenue for non-Medicare and non-Medicaid payers, which includes private insurance and self-pay. Looking at the adjusted patient services revenue allows a more meaningful comparison of charity care among hospitals.

From the years 2005 through 2015, statewide charity care charges increased by only 15.6 percent over the 10-year period while statewide hospital total patient services revenue, or billed charges, increased by 165 percent (Table 1). However, from 2013 to 2015, charity care decreased 62.6 percent while total patient services increased 17 percent. As a percent of total hospital patient services revenue, charity care charges dropped from 2.9 percent to 0.9 percent from 2013 to 2015 (Table 1 and Figure 1).

Figure 1. Statewide Hospital Charity Care in Washington as a Percent of Total Hospital Patient Service Revenue and as a Percent of Adjusted Patient Service Hospital Revenue, Fiscal Year 2005 - 2015.

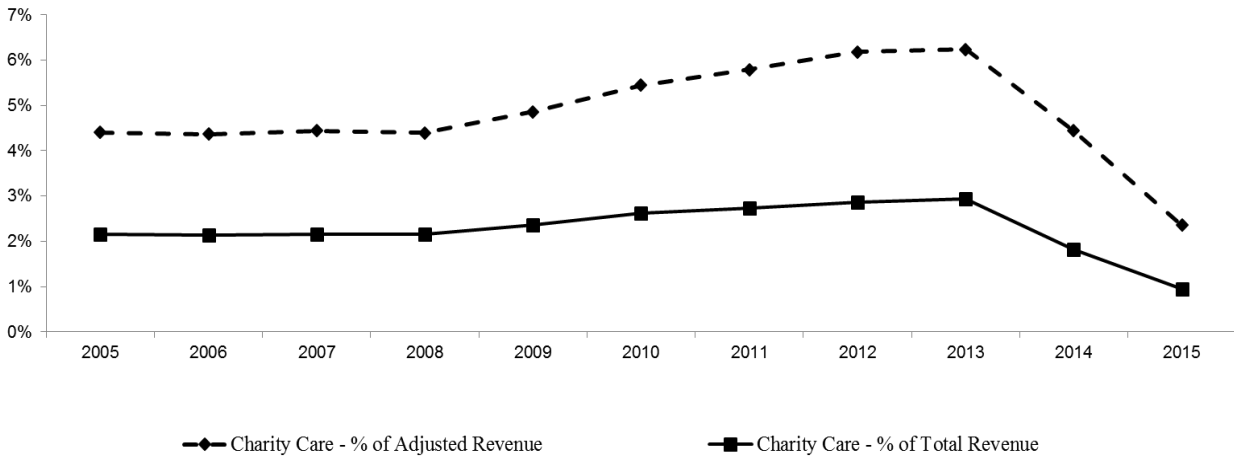


Figure 1 Notes: Adjusted patient service revenue is the total patient service hospital revenue minus Medicare and Medicaid patient service charges. Patient Service Revenue is the same as Billed Charges.

Table 1. Statewide Hospital Charity Care in Washington, Fiscal Year 2005-2015

Year	in Millions			Charity Care		Operating Margin %
	Total Patient Services Revenue	Adjusted Patient Services Revenue	Total Charity Care (Billed Charges)	a % of Total Revenue	a % of Adjusted Revenue	
2005	\$21,357	\$10,457	\$461	2.2%	4.4%	4.8%
2006	\$23,911	\$11,667	\$510	2.1%	4.4%	4.3%
2007	\$27,502	\$13,315	\$592	2.2%	4.4%	5.5%
2008	\$30,847	\$15,187	\$668	2.2%	4.4%	5.3%
2009	\$34,884	\$16,962	\$824	2.4%	4.9%	6.1%
2010	\$38,172	\$18,378	\$1,001	2.6%	5.4%	5.6%
2011	\$41,182	\$19,398	\$1,123	2.7%	5.8%	3.4%
2012	\$44,728	\$20,775	\$1,285	2.9%	6.2%	5.5%
2013	\$48,482	\$22,795	\$1,422	2.9%	6.2%	4.9%
2014	\$51,993	\$21,288	\$944	1.8%	4.4%	4.6%
2015	\$56,739	\$22,595	\$532	0.9%	2.4%	5.3%

Table 1 Notes: Adjusted patient service revenue is the total hospital revenue minus Medicare and Medicaid charges. Operating margin is the total hospital patient service operating revenue (net of deductions) minus total patient service operating expenses expressed as a percent. Note: Patient Service Revenue is the same as Billed Charges.

What Changed in 2015?

Some parts of the federal Patient Protection and Affordable Care Act (ACA) affecting health insurance coverage became effective in 2014. The ACA was signed into law on March 23, 2010, putting into place provisions for expanding healthcare coverage, controlling healthcare costs and improving the healthcare delivery system in the United States. The law requires certain employers to offer healthcare insurance; requires citizens and legal residents to have health insurance; creates health benefit exchanges; expands Medicaid coverage; creates an essential benefits package and consumer protections; and establishes tax credits, premium credits and cost-sharing subsidies, along with many other requirements aimed at cost-containment, preventive wellness, and quality improvement.

On January 1, 2014, the healthcare coverage requirement became effective. According to the U.S. Internal Revenue Code Chapter 48 Section 5000A, “An applicable individual shall for each month beginning after 2013 ensure that the individual, and any dependent of the individual who is an applicable individual, is covered under minimum essential coverage for such month.” This means all affected individuals must have health insurance or pay a federal tax penalty.

As part of the implementation, new private health insurance coverage options were offered through the marketplace, known as health benefit exchanges. The exchanges provide a one-stop shop for consumers to locate, compare, and enroll in ACA-qualified health plans and access financial assistance to make coverage affordable.¹ Some states chose to use the federal government exchange while other states created state-specific exchanges. Washington created the Washington Health Benefit Exchange, launched the Washington Healthplanfinder portal, and began open enrollment on October 1, 2013.

The ACA also expanded and simplified eligibility for Medicaid so that all adults with income up to 138 percent of the federal poverty level (FPL) have coverage under the program effective January 1, 2014. Washington was one of the states that expanded Medicaid coverage, significantly increasing the number of people covered.² As of March 9, 2015, more than half a million adults in Washington had gained health coverage through the Medicaid expansion.³

¹ Advance-payment premium tax credit subsidies, available on a sliding scale to those with income between 100 percent and 400 percent of FPL, were put in place to reduce the monthly premium people pay for non-group coverage.

² Washington State Health Services Research Project, Research Brief No. 076, April 2016, <http://ofm.wa.gov/researchbriefs/2016/brief076.pdf>

³ Ibid

How did the Affordable Care Act affect Charity Care in Washington State?

Because of the Medicaid expansion, patients who were not eligible for Medicaid in the past and therefore, were more likely to qualify for charity care are now covered. According to various sources, the uninsured rate in Washington decreased significantly in 2014 and 2015 as compared to previous years. A report published by the Washington State Insurance Commissioner estimates that 7.3 percent of the state's population was uninsured in 2015 as compared to 8.3 percent in 2014 and 14.5 percent at the end of 2013.⁴ The growth of the insured population in Washington led to a 63 percent decline in the amount of hospital charges written off to charity care from 2013 to 2015.

In 2015 hospitals saw continuing decreases in the proportion of self-pay patients (those who pay strictly out of pocket) and increases in the proportion of Medicaid patients. Hospitals report revenue to the department by the payer types of Medicare, Medicaid and Other. Normally, the patient service revenue associated with each payer type increases each year about the same as the overall rate of increase. From 2014 to 2015, the Other payer revenue, which includes self-pay, increased by about 11.2 percent while Medicaid revenue increased by about 4.7 percent. In the prior 2013 to 2014 period, Other payer had actually decreased by about 2 percent. This compares to the overall increase of total patient service revenue of 9.1 percent. The result of these changes is that the proportion of total revenue from the Other payer category increased by 1.9 percent, the Medicaid proportion increased by 1 percent and the Medicare proportion decreased by 4 percent, despite total revenue in all three categories increasing. This shift toward Medicaid and Other may be the result of previously uninsured patients enrolling in Medicaid and commercial insurance at a higher rate than Medicare enrollment, which was not directly affected by the ACA.

Distribution of Charity Care among Washington Hospitals

Charity care varied widely among hospitals, ranging from \$0 to \$167 million. The median amount of charity care per hospital was \$1.6 million; however, the average was much higher at \$6 million because several hospitals provided significant charity care. Amounts varied among hospitals in rural and urban areas and in different geographic areas of the state. These variations in charity care do not seem to be explained by population size. Some of the variation may be a function of the proportion of hospital revenue coming from Medicare and Medicaid.

Differences in charity care among hospitals may reflect demographic differences in service areas, hospital service availability, and differences in charity care practices within the hospital. A high level of reported charity care, for example, may reflect greater need for charity care in the

⁴ The State of Washington's Uninsured 2014-2015, Office of the Insurance Commissioner, February 3, 2016. <https://www.insurance.wa.gov/about-oic/reports/commissioner-reports/documents/2014-2015-state-of-uninsured.pdf>

community. Likewise, a low level of charity care may reflect a relative absence of need for charity care in a hospital’s service area.

Adjusting Billed Charges to Determine Actual Cost of Providing Charity Care

Because billed charges reflect “mark-ups” that vary between hospitals and are significantly higher than the expected payment, determining the actual cost of providing charity care to eligible patients is challenging. One way to estimate the cost of providing charity care is to use a cost-to-charge ratio⁵. The formula is total operating expenses (the actual cost of running the hospital and providing services) divided by total patient services revenue (billed charges). This report uses the basic formula; however, there are other focused formulas that may look at only inpatient revenue and expenses or include or exclude certain hospital revenue/expense categories.

As an example of how the cost-to-charge ratio works, if a hospital had billed charges of \$1,000,000 and a cost to charge ratio of .345, the actual cost for that hospital to treat patients is \$345,000. If that same hospital reported charity care billed charges of \$100,000, the cost of treating those patients is \$34,500. The higher the ratio, the closer the operating costs are to the actual cost of treating patients. This is only an estimate based on overall hospital performance.

Washington hospitals’ cost-to-charge ratios range from .18 to 1.8. The statewide average was .35 with a majority of hospitals between .32 and .56. Below are some examples of cost to charge ratios for Washington hospitals, including a high, average, and low cost-to-charge ratio. Cost to charge ratios for all hospitals are listed in Appendix 2.

Hospital	Charity Care Charges	Cost to Charge Ratio	Estimated Cost of Charity Care
UW Medicine/Harborview	62.8 million	.414	26 million
Overlake Medical Center	8.9 million	.368	3.3 million
Cascade Medical Center	204,000	.887	181,000

⁵ <http://medical-dictionary.thefreedictionary.com/hospital+cost-to-charge+ratio>

Contribution of all Purchasers of Care to Hospital Charity Care

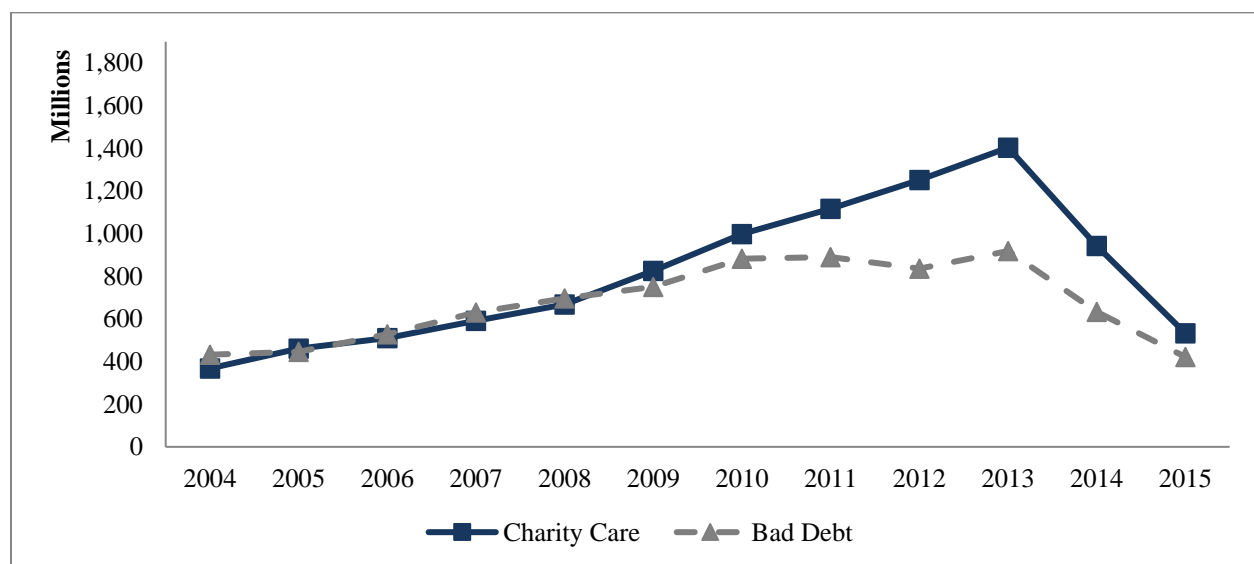
Charity care as a percent of adjusted (non-Medicare, non-Medicaid) revenue increased from 4.4 percent to 6.2 percent from FY 2005 through FY 2013, then declined to 4.4 percent in FY 2014 and 2.4 percent in FY 2015. Because charity care is unreimbursed, all payers—including insurance companies and patients who self-pay—contribute to the cost of charity care to the hospital. Throughout this time, fluctuations in statewide operating margin, which is a measure of hospital profitability, do not appear to have adversely affected the amount of charity care provided in Washington (Table 1).

Uncompensated Care in Washington

Uncompensated care includes both charity care and bad debt. Looking at uncompensated care gives us a bigger picture of the impact of the ACA and a way to compare Washington State to other states.

In 2015, the amount of charity care and bad debt continued to drop due to the increase in people with healthcare insurance. Both charity care and bad debt had been increasing over the past 10 years. In recent years, charity care was rising faster than bad debt (Figure 2). Both had more than doubled between FY 2004 and FY 2013.

Figure 2. Hospital Charity Care and Bad Debt Patient Service Charges in Washington, Fiscal Year 2005 - 2015



How does Washington Compare to the U.S. in Uncompensated Care?

There are no national charity care data available to draw comparisons between Washington and the rest of the United States (U.S.). However, national data are available for uncompensated care, which includes both charity care and bad debt. The national uncompensated care number is built using a formula that includes a cost-to-charge ratio that translates the billed charges written off to uncompensated care into a “cost” or expense. The result is a proxy with which uncompensated care expenses are then compared to total operating costs, not total patient services revenue. The Washington State uncompensated care number is built using the same formula.

Uncompensated care as a percent of hospital expenses is lower in Washington than it is in the U.S. as a whole (Figure 3). In both Washington and the U.S., uncompensated care remained relatively steady over most of the past 10 years, declining from 2013 onward. In the U.S. uncompensated care accounted for 5.3 percent of hospital expenses in FY 2014, the most recent year of data available. In Washington, uncompensated care accounted for 1.6 percent of hospital expenses in FY 2015. (Figure 3).

Figure 3. Hospital Uncompensated Care in Washington and the U.S. as a Percent of Hospital Expenses, Fiscal Years 2005 - 2015

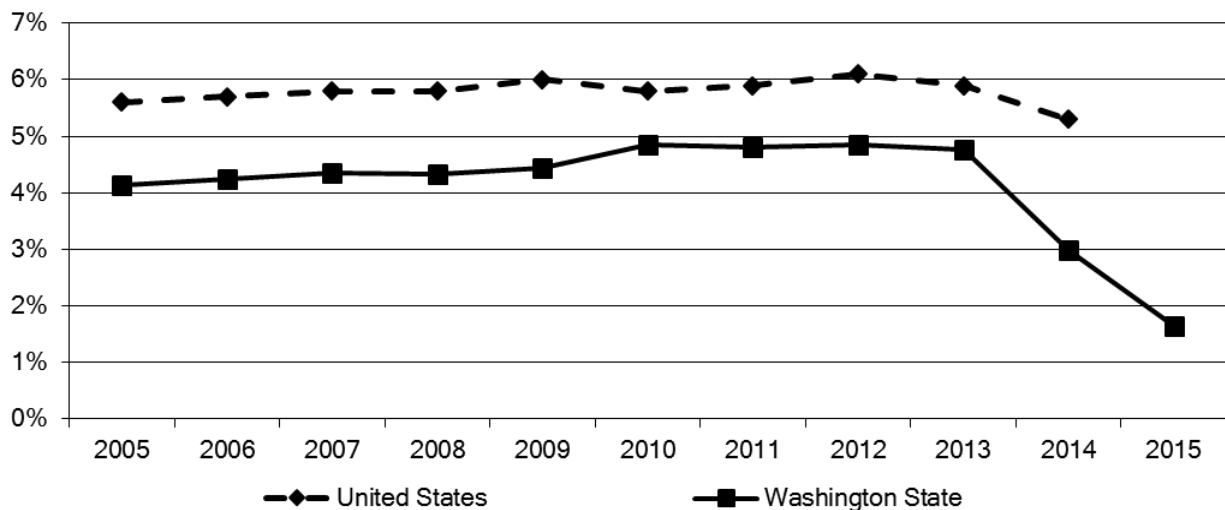


Figure 3 Notes: Uncompensated care includes bad debt and charity care. Uncompensated care as a percent of hospital expenses is calculated by multiplying uncompensated care by the ratio of total expenses to gross patient and other operating revenues. Uncompensated care data for 2015 are not yet available for the U.S. The U.S. data were derived from an American Hospital Association report⁶.

⁶ <http://www.aha.org/content/16/uncompensatedcarefactsheet.pdf>

Summary

Implementation of the ACA continues to change the landscape of charity care in Washington State. More patients have health coverage, either through Medicaid expansion or through purchase of private coverage. As a result, Washington saw the first decline in the amount of charity care reported by hospitals since the department began gathering these data.

The ACA has not been fully implemented and certain requirements may become effective over the next few years depending upon the Trump Administration and the new Congress' actions related to ACA. One major phase set for 2018 is the introduction of a penalty if an employer provides a high-cost health insurance plan. Also in 2018, all health insurance plans must cover approved preventive care and checkups without co-payment. If the ACA becomes fully effective, and the number of insured stabilizes, we will likely see a continued decline in charity care in Washington over the next few years before it levels off again.

Appendix 1 Charity Care by Hospital by Region by Adjusted Patient Service Revenue

Total Patient Service Revenue, Adjusted Patient Service Revenue, and Amount of Charity Care as a Percent for Washington Hospital Fiscal Years Ending During Calendar Year 2015

Revenue Categories - Patient Service Revenue - (Billed Charges)							
Region/Hospital	Total Patient Service Revenue	(Less) Medicare Revenue	(Less) Medicaid Revenue	Adjusted Patient Service Revenue	Charity Care	Charity Care as a % of Total Patient Service Revenue	Charity Care as a % of Adjusted Patient Service Revenue
KING COUNTY (N=22)							
Cascade Behavioral Health	35,922,820	21,067,125	7,591,875	7,263,820	20,353	0.06%	0.28%
CHI/Highline Community Hospital	759,417,495	317,599,619	208,350,326	233,467,550	(2,245,998)	-0.30%	-0.96%
CHI/Regional Hospital	40,966,581	31,047,635	3,010,278	6,908,668	874,412	2.13%	12.66%
CHI/Saint Elizabeth Hospital	151,841,881	41,913,626	29,664,589	80,263,666	922,646	0.61%	1.15%
CHI/Saint Francis Community Hospital	969,970,981	363,113,057	217,056,838	389,801,086	8,989,727	0.93%	2.31%
EvergreenHealth/Kirkland	1,512,772,435	588,414,315	147,077,316	777,280,804	4,940,939	0.33%	0.64%
Kindred Hospital Seattle	126,139,047	61,117,016	6,029,865	58,992,166	0	0.00%	0.00%
MultiCare/Auburn Regional Medical Center*	717,781,091	305,153,866	192,604,257	220,022,968	8,175,121	1.14%	3.72%
Navos	19,147,898	6,474,729	9,155,282	3,517,887	604,020	3.15%	17.17%
Overlake Hospital Medical Center	1,269,191,611	553,309,296	83,673,084	632,209,231	8,890,648	0.70%	1.41%
Providence/Swedish - Cherry Hill	1,667,865,050	834,654,108	217,996,881	615,214,061	14,309,385	0.86%	2.33%
Providence/Swedish - First Hill	3,543,189,488	1,248,537,286	614,499,785	1,680,152,417	24,465,167	0.69%	1.46%
Providence/Swedish - Issaquah	513,667,550	173,381,194	46,580,644	293,705,712	3,834,146	0.75%	1.31%
Seattle Cancer Care Alliance	765,473,963	243,092,765	84,312,810	438,068,388	6,057,574	0.79%	1.38%
Seattle Children's Hospital	2,018,295,479	22,598,469	944,053,131	1,051,643,879	26,061,772	1.29%	2.48%
Snoqualmie Valley Hospital	40,717,733	20,804,889	5,520,928	14,391,916	1,461,873	3.59%	10.16%
UHS/BHC Fairfax Hospital	135,717,138	19,270,127	37,100,831	79,346,180	797,076	0.59%	1.00%
UW Medicine/Harborview Medical Center	2,099,326,843	630,722,132	691,789,660	776,815,051	62,804,689	2.99%	8.08%
UW Medicine/Northwest Hospital	975,532,206	443,105,476	130,044,322	402,382,408	7,341,000	0.75%	1.82%
UW Medicine/University of Washington	2,194,854,816	708,116,252	391,886,447	1,094,852,117	18,046,234	0.82%	1.65%
UW Medicine/Valley Medical Center	1,550,749,311	523,225,604	363,442,241	664,081,466	8,671,895	0.56%	1.31%
Virginia Mason Medical Center	2,107,499,167	899,466,889	128,566,297	1,079,465,981	12,496,081	0.59%	1.16%
KING COUNTY TOTALS	23,216,040,584	8,056,185,475	4,560,007,687	10,599,847,422	217,518,760	0.94%	2.05%
PUGET SOUND REGION (Less King Co. N=21)							
Cascade Valley Hospital	Hospital Late in Reporting to Department of Health			-			
CHI/Harrison Memorial Hospital	1,604,179,392	823,607,710	292,858,164	487,713,518	7,669,635	0.48%	1.57%
CHI/Saint Anthony Hospital	568,546,279	276,803,599	92,997,461	198,745,219	2,216,296	0.39%	1.12%
CHI/Saint Clare Hospital	720,758,427	298,898,160	213,360,018	208,500,249	9,094,400	1.26%	4.36%
CHI/Saint Joseph Medical Center - Tacoma	2,450,746,243	1,148,620,658	314,566,682	987,558,903	17,160,029	0.70%	1.74%
EvergreenHealth/Monroe	Hospital Late in Reporting to Department of Health			-			
Forks Community Hospital	39,955,049	12,193,582	8,863,350	18,898,117	180,274	0.45%	0.95%
Island Hospital	225,545,000	92,592,850	13,584,233	119,367,917	311,603	0.14%	0.26%
Jefferson Healthcare	164,864,437	92,843,428	30,349,902	41,671,107	1,007,943	0.61%	2.42%
MultiCare/Good Samaritan Hospital	1,702,668,468	73,929,446	365,601,432	1,263,137,590	22,002,554	1.29%	1.74%
MultiCare/Mary Bridge Children's Health	673,133,231	557,479	408,232,765	264,342,987	3,963,682	0.59%	1.50%
MultiCare/Tacoma General - Allenmore*	2,790,337,060	1,120,035,497	732,706,178	937,595,385	37,624,390	1.35%	4.01%
Olympic Medical Center	308,879,814	181,106,463	52,358,014	75,415,337	1,303,014	0.42%	1.73%
PeaceHealth/Peace Island Medical Center	18,766,468	10,097,353	2,190,385	6,478,730	140,745	0.75%	2.17%
PeaceHealth/Saint Joseph Hospital	1,172,398,898	590,364,640	214,127,953	367,906,305	6,671,949	0.57%	1.81%
PeaceHealth/United General Hospital	84,221,506	42,478,245	19,438,060	22,305,201	1,098,171	1.30%	4.92%
Providence/Regional Medical Center Everett	1,899,664,541	844,127,582	386,227,209	669,309,750	25,270,273	1.33%	3.78%
Providence/Swedish - Edmonds	720,793,408	329,573,018	119,854,714	271,365,676	7,853,691	1.09%	2.89%
Skagit Valley Hospital	913,794,508	447,784,120	203,698,429	262,311,959	4,794,499	0.52%	1.83%
UHS/BHC Fairfax Hospital - North	27,817,904	5,227,600	8,803,200	13,787,104	147,786	0.53%	1.07%
Whidbey General Hospital	234,410,493	107,068,837	36,345,598	90,996,058	851,462	0.36%	0.94%
PUGET SOUND REGION TOTALS	16,321,481,126	6,497,910,267	3,516,163,747	6,307,407,112	149,362,396	0.92%	2.37%

**Total Patient Service Revenue, Adjusted Patient Service Revenue, and Amount of Charity Care as a Percent
for Washington Hospital Fiscal Years Ending During Calendar Year 2015**

Revenue Categories - Patient Service Revenue - (Billed Charges)							
Region/Hospital	Total Patient Service Revenue	(Less) Medicare Revenue	(Less) Medicaid Revenue	Adjusted Patient Service Revenue	Charity Care Revenue	Charity Care as a % of Total Patient Service Revenue	Charity Care as a % of Adjusted Patient Service Revenue
SOUTHWEST WASHINGTON REGION (N=14)							
Capella/Capital Medical Center	456,192,832	175,046,912	11,639,931	269,505,989	1,187,656	0.26%	0.44%
Grays Harbor Community Hospital	377,004,651	161,864,873	104,918,138	110,221,640	1,383,763	0.37%	1.26%
Klickitat Valley Hospital	35,638,075	16,014,077	9,873,120	9,750,878	298,921	0.84%	3.07%
Legacy/Salmon Creek Hospital	745,888,157	315,480,303	171,646,822	258,761,032	12,966,543	1.74%	5.01%
Mason General Hospital	181,123,561	80,908,810	54,524,928	45,689,823	2,209,564	1.22%	4.84%
Morton General Hospital	33,617,299	19,037,575	6,349,569	8,230,155	95,921	0.29%	1.17%
Ocean Beach Hospital	32,797,644	24,283,605	491,598	8,022,441	96,387	0.29%	1.20%
PeaceHealth/Saint John Medical Center	675,707,379	327,522,739	177,196,117	170,988,523	4,958,034	0.73%	2.90%
PeaceHealth/Southwest Medical Center	1,608,840,057	655,542,318	401,330,863	551,966,876	15,527,029	0.97%	2.81%
Providence/Centralia Hospital	569,816,902	282,503,015	135,516,735	151,797,152	10,258,251	1.80%	6.76%
Providence/Saint Peter Hospital	1,604,220,493	851,833,701	279,240,243	473,146,549	16,773,244	1.05%	3.55%
Skyline Hospital	27,956,366	12,431,417	5,616,423	9,908,526	111,829	0.40%	1.13%
Summit Pacific Medical Center	57,982,978	19,623,200	17,657,619	20,702,159	485,792	0.84%	2.35%
Willapa Harbor Hospital	24,684,025	13,192,032	472,326	11,019,667	376,337	1.52%	3.42%
SOUTHWEST WASH REGION TOTALS	6,431,470,419	2,955,284,577	1,376,474,432	2,099,711,410	66,729,271	1.04%	3.18%
CENTRAL WASHINGTON REGION (N=21)							
Ascension/Lourdes Counseling Center	34,252,756	6,103,052	20,168,631	7,981,073	173,932	0.51%	2.18%
Ascension/Lourdes Medical Center	233,108,574	88,010,801	50,550,607	94,547,166	3,847,632	1.65%	4.07%
Cascade Medical Center	16,879,692	9,272,022	2,190,212	5,417,458	204,078	1.21%	3.77%
CHS/Toppenish Community Hospital	100,630,801	18,525,363	57,470,351	24,635,087	561,969	0.56%	2.28%
CHS/Yakima Regional Medical Center	575,960,865	261,675,642	138,683,455	175,601,768	1,374,246	0.24%	0.78%
Columbia Basin Hospital	19,477,007	7,915,241	6,125,736	5,436,030	57,605	0.30%	1.06%
Confluence/Central Washington Hospital*	659,632,746	359,905,146	121,505,993	178,221,607	5,302,615	0.80%	2.98%
Confluence/Wenatchee Valley Hospital	Hospital Late in Reporting to Department of Health			-			
Coulee Community Hospital	34,226,660	12,261,245	10,292,945	11,672,470	162,685	0.48%	1.39%
Kittitas Valley Hospital	119,500,425	41,358,400	19,102,603	59,039,422	638,704	0.53%	1.08%
Lake Chelan Community Hospital	42,956,753	16,548,757	9,670,359	16,737,637	376,248	0.88%	2.25%
Mid Valley Hospital	66,943,002	28,559,460	20,408,544	17,974,998	742,731	1.11%	4.13%
North Valley Hospital	37,526,542	16,836,065	11,279,723	9,410,754	298,083	0.79%	3.17%
PMH Medical Center	91,280,329	28,251,241	29,432,965	33,596,123	1,391,827	1.52%	4.14%
Providence/Kadlec Medical Center	1,433,385,271	573,018,800	323,485,049	536,881,422	14,547,155	1.01%	2.71%
Quincy Valley Hospital	Hospital Late in Reporting to Department of Health			-			
Samaritan Hospital	186,248,139	56,129,769	11,370,476	118,747,894	3,081,965	1.65%	2.60%
Sunnyside Community Hospital	Hospital Late in Reporting to Department of Health			-			
Three Rivers Hospital	19,694,182	6,573,174	1,598,572	11,522,436	363,876	1.85%	3.16%
Trios Health	489,223,045	191,453,319	118,914,861	178,854,865	3,018,675	0.62%	1.69%
Yakima Valley Memorial Hospital	939,156,729	403,809,128	250,508,938	284,838,663	7,466,519	0.80%	2.62%
CENTRAL WASH REGION TOTALS	5,100,083,518	2,126,206,625	1,202,760,020	1,771,116,873	43,610,545	0.86%	2.46%

**Total Patient Service Revenue, Adjusted Patient Service Revenue, and Amount of Charity Care as a Percent
for Washington Hospital Fiscal Years Ending During Calendar Year 2015**

Revenue Categories - Patient Service Revenue - (Billed Charges)							
Region/Hospital	Total Patient Service Revenue	(Less) Medicare Revenue	(Less) Medicaid Revenue	Adjusted Patient Service Revenue	Charity Care	Charity Care as a % of Total Patient Service Revenue	Charity Care as a % of Adjusted Patient Service Revenue
EASTERN WASHINGTON REGION (N=21)							
Adventist West/Walla Walla General Hospital*	146,145,896	57,432,415	32,272,011	56,441,470	2,306,608	1.58%	4.09%
CHS/Deaconess Hospital	1,167,493,910	579,593,059	260,050,939	327,849,912	2,361,694	0.20%	0.72%
CHS/Valley Hospital	509,116,270	228,012,615	112,887,090	168,216,565	2,069,346	0.41%	1.23%
Dayton General Hospital	14,661,464	6,091,612	2,587,373	5,982,479	44,389	0.30%	0.74%
East Adams Rural Hospital	10,600,417	3,980,772	1,587,868	5,031,777	26,008	0.25%	0.52%
Ferry County Memorial Hospital	Hospital Late in Reporting to Department of Health			-			
Garfield County Memorial Hospital	Hospital Late in Reporting to Department of Health			-			
Lincoln Hospital	19,263,993	10,190,286	4,041,689	5,032,018	200,103	1.04%	3.98%
Newport Community Hospital	41,779,985	17,279,144	13,141,722	11,359,119	431,044	1.03%	3.79%
Odessa Memorial Hospital	5,510,518	1,134,898	1,655,237	2,720,383	26,613	0.48%	0.98%
Othello Community Hospital	Hospital Late in Reporting to Department of Health			-			
Providence/Holy Family Hospital	626,691,910	273,588,615	170,435,568	182,667,727	9,471,514	1.51%	5.19%
Providence/Mount Carmel Hospital	99,762,218	48,013,172	24,124,597	27,624,449	1,581,675	1.59%	5.73%
Providence/Sacred Heart Medical Center	2,255,877,755	933,228,736	573,059,032	749,589,987	24,730,105	1.10%	3.30%
Providence/Saint Joseph's Hospital	41,031,348	20,767,469	11,902,543	8,361,336	584,343	1.42%	6.99%
Providence/Saint Mary Medical Center	408,539,589	210,240,526	64,911,132	133,387,931	6,226,551	1.52%	4.67%
Pullman Regional Hospital	98,855,020	34,650,235	11,965,075	52,239,710	385,497	0.39%	0.74%
Saint Luke's Rehabilitation Institute	70,399,379	39,812,985	10,809,221	19,777,173	270,257	0.38%	1.37%
Shriners Hospital for Children - Spokane	35,017,530	-	15,309,125	19,708,405	3,448,819	9.85%	17.50%
Tri-State Memorial Hospital	119,527,461	65,999,793	12,123,996	41,403,672	1,040,211	0.87%	2.51%
Whitman Medical Center	Hospital Late in Reporting to Department of Health			-			
EASTERN WASH REGION TOTALS	5,670,274,663	2,530,016,332	1,322,864,218	1,817,394,113	55,204,777	0.97%	3.04%
STATEWIDE TOTALS (N=99)	56,739,350,310	22,165,603,276	11,978,270,104	22,595,476,930	532,425,749	0.94%	2.36%

*Hospital late in reporting final data to Department of Health. Amounts displayed are estimates calculated from quarterly reports.

Appendix 1 notes: Group Health Central Hospital is not included in this report because healthcare charges are prepaid through member subscriptions; therefore, uncompensated healthcare is generally not incurred. State-owned psychiatric hospitals, federal Veterans Affairs hospitals, and federal military hospitals are also excluded.

Appendix 2 Charity Care Adjusted for Cost to Charge Ratio

Total Patient Service Revenue, Total Operating Expense, Cost to Charge Ratio and Mark-Up for Washington Hospital Fiscal Years Ending During Calendar Year 2015

Region/Hospital	Total Patient Service Revenue	Operating Expense	Cost to Charge Ratio	Mark-Up	Charity Care as reported by the hospital	Charity Care after modified by Cost to
Adventist West/Walla Walla General Hospital*	146,145,896	63,020,339	0.431	2.319	2,306,608	994,645
BHC Fairfax Hospital	135,717,138	46,616,119	0.343	2.911	797,076	273,780
Capital Medical Center	456,192,832	91,526,612	0.201	4.984	1,187,656	238,281
Cascade Behavioral Health	35,922,820	20,005,860	0.557	1.796	20,353	11,335
Cascade Medical Center	16,879,692	14,970,256	0.887	1.128	204,078	180,993
Cascade Valley Hospital	Hospital Late in Reporting to Department of Health					-
CHI/Harrison Memorial Hospital	1,604,179,392	413,381,705	0.258	3.881	7,669,635	1,976,392
CHI/Highline Community Hospital	759,417,495	174,824,492	0.230	4.344	(2,245,998)	(517,048)
CHI/Regional Hospital	40,966,581	16,572,868	0.405	2.472	874,412	353,740
CHI/Saint Anthony Hospital	568,546,279	111,355,624	0.196	5.106	2,216,296	434,084
CHI/Saint Clare Hospital	720,758,427	129,447,603	0.180	5.568	9,094,400	1,633,347
CHI/Saint Elizabeth Hospital	151,841,881	44,726,656	0.295	3.395	922,646	271,775
CHI/Saint Francis Community Hospital	969,970,981	187,887,840	0.194	5.163	8,989,727	1,741,351
CHI/Saint Joseph Medical Center - Tacoma	2,450,746,243	585,313,128	0.239	4.187	17,160,029	4,098,340
CHS/Deaconess Hospital	1,167,493,910	264,997,698	0.227	4.406	2,361,694	536,057
CHS/Valley Hospital	509,116,270	89,542,610	0.176	5.686	2,069,346	363,953
CHS/Yakima Regional Medical Center	575,960,865	103,154,850	0.179	5.583	1,374,246	246,128
Columbia Basin Hospital	19,477,007	16,774,718	0.861	1.161	57,605	49,613
Confluence/Central Washington Hospital*	659,632,746	279,025,218	0.423	2.364	5,302,615	2,243,011
Confluence/Wenatchee Valley Hospital	Hospital Late in Reporting to Department of Health					-
Coulee Community Hospital	34,226,660	26,230,108	0.766	1.305	162,685	124,676
Dayton General Hospital	14,661,464	26,230,108	1.789	0.559	44,389	79,414
East Adams Rural Hospital	10,600,417	8,170,377	0.771	1.297	26,008	20,046
EvergreenHealth - Kirkland*	1,512,772,435	606,563,820	0.401	2.494	4,940,939	1,981,127
EvergreenHealth - Monroe	Hospital Late in Reporting to Department of Health					-
Fairfax North	27,817,904	7,250,969	0.261	3.836	147,786	38,522
Ferry County Memorial Hospital	Hospital Late in Reporting to Department of Health					-
Forks Community Hospital	39,955,049	27,360,687	0.685	1.460	180,274	123,449
Garfield County Memorial Hospital	Hospital Late in Reporting to Department of Health					-
Grays Harbor Community Hospital	377,004,651	100,678,098	0.267	3.745	1,383,763	369,530
Island Hospital	225,545,000	94,742,698	0.420	2.381	311,603	130,892
Jefferson Healthcare	164,864,437	78,772,668	0.478	2.093	1,007,943	481,598
Kindred Hospital Seattle	126,139,047	40,281,777	0.319	3.131	-	-
Kittitas Valley Hospital	119,500,425	66,068,983	0.553	1.809	638,704	353,124
Klickitat Valley Hospital	35,638,075	20,876,510	0.586	1.707	298,921	175,106
Lake Chelan Community Hospital	42,956,753	25,351,186	0.590	1.694	376,248	222,045
Legacy/Salmon Creek Hospital	745,888,157	254,068,252	0.341	2.936	12,966,543	4,416,730
Lincoln Hospital	19,263,993	22,189,037	1.152	0.868	200,103	230,487
Lourdes Counseling Center	34,252,756	17,172,452	0.501	1.995	173,932	87,200
Lourdes Medical Center	233,108,574	91,156,698	0.391	2.557	3,847,632	1,504,610
Mason General Hospital	181,123,561	86,857,600	0.480	2.085	2,209,564	1,059,594
Mid Valley Hospital	66,943,002	31,129,577	0.465	2.150	742,731	345,382
Morton General Hospital	33,617,299	24,016,207	0.714	1.400	95,921	68,526
MultiCare Auburn Regional Medical Center*	717,781,091	157,087,554	0.219	4.569	8,175,121	1,789,138
MultiCare/Good Samaritan Hospital	1,702,668,468	411,602,210	0.242	4.137	22,002,554	5,318,886
MultiCare/Mary Bridge Children's Health	673,133,231	190,231,363	0.283	3.538	3,963,682	1,120,160
MultiCare/Tacoma General - Allenmore*	2,790,337,060	709,249,883	0.254	3.934	37,624,390	9,563,395
Navos	19,147,898	9,282,664	0.485	2.063	604,020	292,821
Newport Community Hospital	41,779,985	26,543,616	0.635	1.574	431,044	273,850
North Valley Hospital	37,526,542	20,837,678	0.555	1.801	298,083	165,519
Ocean Beach Hospital	32,797,644	19,886,478	0.606	1.649	96,387	58,443

**Total Patient Service Revenue, Total Operating Expense, Cost to Charge Ratio and Mark-Up
for Washington Hospital Fiscal Years Ending During Calendar Year 2015**

Region/Hospital	Total Patient Service Revenue	Operating Expense	Cost to Charge Ratio	Mark-Up	Charity Care as reported by the hospital	Charity Care after modified by Cost to Charge Ratio	
Odesssa Memorial Hospital	5,510,518	7,506,444	1.362	0.734	26,613	36,252	
Olympic Medical Center	308,879,814	152,918,844	0.495	2.020	1,303,014	645,090	
Othello Community Hospital	Hospital Late in Reporting to Department of Health						-
Overlake Hospital Medical Center	1,269,191,611	467,283,698	0.368	2.716	8,890,648	3,273,308	
PeaceHealth/Peace Island Medical Center	18,766,468	15,148,949	0.807	1.239	140,745	113,614	
PeaceHealth/Saint John Medical Center	675,707,379	255,195,198	0.378	2.648	4,958,034	1,872,507	
PeaceHealth/Saint Joseph Hospital	1,172,398,898	460,505,004	0.393	2.546	6,671,949	2,620,666	
PeaceHealth/Southwest Medical Center	1,608,840,057	552,671,335	0.344	2.911	15,527,029	5,333,870	
PeaceHealth/United General Hospital	84,221,506	39,615,155	0.470	2.126	1,098,171	516,545	
PMH Medical Center	91,280,329	41,704,337	0.457	2.189	1,391,827	635,901	
Providence/Centralia Hospital	569,816,902	151,417,795	0.266	3.763	10,258,251	2,725,931	
Providence/Holy Family Hospital	626,691,910	203,546,700	0.325	3.079	9,471,514	3,076,305	
Providence/Kadlec Medical Center	1,433,385,271	508,092,710	0.354	2.821	14,547,155	5,156,536	
Providence/Mount Carmel Hospital	99,762,218	44,119,825	0.442	2.261	1,581,675	699,496	
Providence/Regional Medical Center Everett	1,899,664,541	682,537,900	0.359	2.783	25,270,273	9,079,455	
Providence/Sacred Heart Medical Center	2,255,877,755	855,828,295	0.379	2.636	24,730,105	9,382,035	
Providence/Saint Joseph's Hospital	41,031,348	21,426,304	0.522	1.915	584,343	305,140	
Providence/Saint Mary Medical Center	408,539,589	163,370,304	0.400	2.501	6,226,551	2,489,926	
Providence/Saint Peter Hospital	1,604,220,493	442,675,619	0.276	3.624	16,773,244	4,628,482	
Providence/Swedish - Cherry Hill	1,667,865,050	471,090,725	0.282	3.540	14,309,385	4,041,705	
Providence/Swedish - Edmonds	720,793,408	258,206,831	0.358	2.792	7,853,691	2,813,395	
Providence/Swedish - First Hill	3,543,189,488	1,187,245,516	0.335	2.984	24,465,167	8,197,744	
Providence/Swedish - Issaquah	513,667,550	202,562,418	0.394	2.536	3,834,146	1,511,978	
Pullman Regional Hospital	98,855,020	56,629,376	0.573	1.746	385,497	220,833	
Quincy Valley Hospital	Hospital Late in Reporting to Department of Health						-
Saint Luke's Rehabilitation Institute	70,399,379	40,422,671	0.574	1.742	270,257	155,179	
Samaritan Hospital	186,248,139	69,618,298	0.374	2.675	3,081,965	1,152,018	
Seattle Cancer Care Alliance	765,473,963	441,516,235	0.577	1.734	6,057,574	3,493,936	
Seattle Children's Hospital	2,018,295,479	1,072,908,699	0.532	1.881	26,061,772	13,854,216	
Shriner Hospital for Children - Spokane	35,017,530	21,718,515	0.620	1.612	3,448,819	2,139,021	
Skagit Valley Hospital	913,794,508	297,176,343	0.325	3.075	4,794,499	1,559,225	
Skyline Hospital	27,956,366	17,454,165	0.624	1.602	111,829	69,819	
Snoqualmie Valley Hospital	40,717,733	37,742,545	0.927	1.079	1,461,873	1,355,056	
Summit Pacific Medical Center	57,982,978	23,389,907	0.403	2.479	485,792	195,965	
Sunnyside Community Hospital	Hospital Late in Reporting to Department of Health						-
Three Rivers Hospital	19,694,182	12,713,844	0.646	1.549	363,876	234,905	
Toppenish Community Hospital	100,630,801	20,888,493	0.208	4.818	561,969	116,651	
Trios Health	489,223,045	191,371,526	0.391	2.556	3,018,675	1,180,828	
Tri-State Memorial Hospital	119,527,461	65,067,077	0.544	1.837	1,040,211	566,259	
UW Medicine/Harborview Medical Center	2,099,326,843	868,911,119	0.414	2.416	62,804,689	25,994,853	
UW Medicine/Northwest Hospital	975,532,206	343,919,000	0.353	2.837	7,341,000	2,588,033	
UW Medicine/University of Washington	2,194,854,816	1,029,969,829	0.469	2.131	18,046,234	8,468,477	
UW Medicine/Valley Medical Center	1,550,749,311	502,083,025	0.324	3.089	8,671,895	2,807,682	
Virginia Mason Medical Center	2,107,499,167	1,046,814,313	0.497	2.013	12,496,081	6,206,919	
Whidbey General Hospital	234,410,493	99,606,131	0.425	2.353	851,462	361,805	
Whitman Medical Center	Hospital Late in Reporting to Department of Health						-
Willapa Harbor Hospital	24,684,025	18,637,584	0.755	1.324	376,337	284,152	
Yakima Valley Memorial Hospital	939,156,729	391,708,193	0.417	2.398	7,466,519	3,114,173	
Statewide Totals	56,739,350,310	19,707,970,248	0.347	2.879	532,425,749	184,933,926	

Appendix 2 notes: Cost-to-Charge formula is total operating expense / total patient services revenue while Mark up is total patient services revenue/total operating expense.