

**HEALDSBURG DISTRICT HOSPITAL  
SUMMARY STATEMENT OF OPERATIONS  
(PRELIMINARY - SUBJECT TO CHANGE)**

	Monthly			Year to Date		
	Mar/2019	Mar/2018	Budget 2019	Mar/2019	Mar/2018	Budget 2019
Net Operating Income (Loss)	(480,806)	(286,203)	(699,436)	(1,553,973)	(1,709,298)	(2,807,505)
Increase(Decrease) in Net Position	1,129,020	(90,335)	(503,567)	613,665	(894,645)	(1,992,853)

**HEALDSBURG DISTRICT HOSPITAL  
STATEMENT OF NET POSITION  
THIS MONTH vs LAST MONTH  
(PRELIMINARY - SUBJECT TO CHANGE)**

	This Month Mar-31-2019	Last Month Feb-28-2019	Variance	
			\$	%
<b>1 Assets</b>				
<b>2 Cash and Cash Equivalents</b>				
3 Unrestricted	7,421,540	6,555,962	865,578	13.2%
4 Board Designated	1,525,000	1,563,000	(38,000)	-2.4%
5 Restricted	4,482,360	5,774,421	(1,292,061)	-22.4%
<b>6 Accounts receivable</b>				
7 Gross	24,030,153	24,681,180	(651,027)	-2.6%
8 Reserves	(19,198,498)	(19,136,990)	(61,507)	0.3%
9 Net Accounts Receivable	4,831,655	5,544,190	(712,535)	-12.9%
10 Other Accounts Receivable	3,928,057	2,835,081	1,092,975	38.6%
11 Inventory	793,832	795,384	(1,552)	-0.2%
12 Pre-Paid Expenses	269,521	260,957	8,564	3.3%
<b>13 Total Current Assets</b>	<b>23,251,964</b>	<b>23,328,995</b>	<b>(77,030)</b>	<b>-0.3%</b>
<b>14 Fixed Assets</b>				
15 Land & Buildings	13,520,967	13,520,967	0	0.0%
16 Equipment	10,075,509	10,075,509	0	0.0%
17 Construction In Process	3,004,101	2,768,847	235,254	8.5%
18 Depreciation	(17,195,075)	(16,985,908)	(209,167)	-1.2%
19 Total Property & Equip.	9,405,501	9,379,414	26,087	0.3%
20 Investments & Long-Term Assets	113,182	113,182	0	0.0%
<b>21 Total Assets</b>	<b>32,770,648</b>	<b>32,821,591</b>	<b>(50,943)</b>	<b>-0.2%</b>
<b>22 Liabilities</b>				
23 Vendor AP	2,885,095	3,739,372	(854,276)	-22.8%
24 Other Payables	3,406,552	3,815,552	(409,000)	-10.7%
25 Accrued Payroll, Taxes & Benefits	2,472,838	2,253,856	218,981	9.7%
26 Other Current Liabilities	590,218	725,885	(135,668)	-18.7%
<b>27 Total Current Liabilities</b>	<b>9,354,703</b>	<b>10,534,665</b>	<b>(1,179,963)</b>	<b>-11.2%</b>
28 Long-Term Liabilities	11,193,000	11,193,000	0	0.0%
<b>29 Total Liabilities</b>	<b>20,547,703</b>	<b>21,727,665</b>	<b>(1,179,963)</b>	<b>-5.4%</b>
<b>30 Net Position</b>				
31 Prior Year Earnings	11,609,280	11,609,280	0	0.0%
32 Current Earnings	613,665	(515,355)	1,129,020	-219.1%
<b>33 Total Net Position</b>	<b>12,222,945</b>	<b>11,093,925</b>	<b>1,129,020</b>	<b>10.2%</b>
<b>34 Total Liabilities &amp; Net Position</b>	<b>32,770,648</b>	<b>32,821,591</b>	<b>(50,943)</b>	<b>-0.2%</b>

**STATEMENT OF NET POSITION AS OF MARCH 31, 2019 COMPARED TO FEBRUARY 28, 2019 (PAGE 2)**

**Line 3:** Unrestricted Cash and Cash Equivalents increased \$866 thousand. In addition to a very strong month of collections on patient accounts, the Hospital received \$1.5 million in supplemental outpatient funding from Partnership for the AB 915 Program, and \$370 thousand from the quarterly HQAF payment from The CA Department of Healthcare Services (DHCS). The Hospital also transferred \$767 thousand from Opus Bank Restricted Cash and Cash Equivalents to Unrestricted as reimbursement for capital outlay. These increases were offset by a \$963 thousand payment to DHCS to initiate the Rate Range IGT and normal operating expenses.

**Line 5:** Restricted Cash and Cash Equivalents decreased \$1.3 million from the transfer of funds from Opus Bank for capital described above and a \$516 thousand semi-annual payment for the 2016 COP. \$145 thousand of the payment went to interest, and \$371 thousand went to principal.

**Line 9:** Net Accounts Receivable decreased \$713 thousand due to very strong cash collections on patient accounts.

**Line 10:** Other Accounts Receivable increased \$1.1 million due to the monthly accrual of parcel tax revenue and the initiation of the Rate Range IGT discussed above. There is currently \$1.7 million in Other Accounts Receivable related to unreimbursed IGT's, from which we are expecting a total reimbursement of \$4.4 million.

**Line 23:** Vendor AP decreased \$854 thousand due to the availability of cash to pay vendors, and the timing of payments to vendors.

**Line 24:** Other Payables decreased \$409 thousand primarily from the 2016 COP principal payment of \$371 thousand discussed above.

**HEALDSBURG DISTRICT HOSPITAL  
STATEMENT OF NET POSITION  
THIS YEAR vs LAST YEAR  
(PRELIMINARY - SUBJECT TO CHANGE)**

	This Fiscal Year Mar-31-2019	Last Fiscal Year Mar-31-2018	Variance	
			\$	%
<b>1 Assets</b>				
<b>2 Cash and Cash Equivalents</b>				
3 Unrestricted	7,421,540	1,664,001	5,757,539	346.0%
4 Board Designated	1,525,000	1,520,000	5,000	0.3%
5 Restricted	4,482,360	1,151,057	3,331,303	289.4%
<b>6 Accounts receivable</b>				
7 Gross	24,030,153	19,552,664	4,477,488	22.9%
8 Reserves	(19,198,498)	(15,288,632)	(3,909,866)	-25.6%
9 Net Accounts Receivable	4,831,655	4,264,033	567,622	13.3%
10 Other Accounts Receivable	3,928,057	6,996,147	(3,068,091)	-43.9%
11 Inventory	793,832	815,276	(21,444)	-2.6%
12 Pre-Paid Expenses	269,521	406,764	(137,244)	-33.7%
<b>13 Total Current Assets</b>	<b>23,251,964</b>	<b>16,817,279</b>	<b>6,434,685</b>	<b>38.3%</b>
<b>14 Fixed Assets</b>				
15 Land & Buildings	13,520,967	13,520,967	0	0.0%
16 Equipment	10,075,509	7,913,213	2,162,295	27.3%
17 Construction In Process	3,004,101	2,366,493	637,608	26.9%
18 Depreciation	(17,195,075)	(14,662,886)	(2,532,189)	17.3%
19 Total Property & Equip.	9,405,501	9,137,787	267,714	2.9%
20 Investments & Long-term Assets	113,182	209,700	(96,518)	-46.0%
<b>21 Total Assets</b>	<b>32,770,648</b>	<b>26,164,766</b>	<b>6,605,882</b>	<b>25.2%</b>
<b>22 Liabilities</b>				
23 Vendor AP	2,885,095	3,889,891	(1,004,795)	-25.8%
24 Other Payables	3,406,552	2,693,859	712,693	26.5%
25 Accrued Payroll, Taxes & Benefits	2,472,838	2,117,073	355,765	16.8%
26 Other Current Liabilities	590,218	638,481	(48,263)	-7.6%
<b>27 Total Current Liabilities</b>	<b>9,354,703</b>	<b>9,339,304</b>	<b>15,399</b>	<b>0.2%</b>
28 Long Term Liabilities	11,193,000	4,435,122	6,757,878	152.4%
<b>29 Total Liabilities</b>	<b>20,547,703</b>	<b>13,774,426</b>	<b>6,773,277</b>	<b>49.2%</b>
<b>30 Net Position</b>				
31 Prior Year Earnings	11,609,280	13,284,985	(1,675,705)	-12.6%
32 Current Earnings	613,665	(894,645)	1,508,310	-168.6%
33 Total Net Position	12,222,945	12,390,340	(167,395)	-1.4%
<b>34 Total Liabilities &amp; Net Position</b>	<b>32,770,648</b>	<b>26,164,766</b>	<b>6,605,882</b>	<b>25.2%</b>

**STATEMENT OF NET POSITION AS OF MARCH 31, 2019 COMPARED TO MARCH 31, 2018 (PAGE 3)**

**Lines 3 & 4:** Unrestricted and Board Designated Cash & Cash Equivalents were up \$5.8 million. In addition to improved cash collections on patient accounts, the increase in and timing of supplemental funding payments from both DHCS and Partnership accounted for the increase.

**Line 5:** Restricted Cash and Cash Equivalents were up \$3.3 million primarily due to the drawdown of funds from the 2016 COP's for capital in excess of amounts transferred to Unrestricted for spending.

**Line 10:** Other Accounts Receivable was down \$3.1 million primarily from the settlement with Partnership Health Plan offset by an increase in the IGT Receivable of \$1.1 million.

**Lines 16 & 17:** The increase in Equipment and Construction In Process of \$2.8 million is due to the new MRI being placed in service in May 2018 (at March 28, 2018 these costs were in CIP) and various projects being funded by the 2016 COP.

**Lines 23 & 24:** Vendor AP and Other Payables decreased \$292 thousand. Decreases from continued efforts to pay down amounts owed to vendors and the settlement and completion of Medicare cost reports accounted for the change.

**Line 25:** Accrued Payroll, Taxes & Benefits were up \$356 thousand from an overall increase in payroll and benefits from staffing and wage and salary adjustments which impact both the payroll and PTO liability.

**Line 29:** Long-Term Liabilities were up \$6.8 million due to the \$7.5 million drawdown of funds from the 2016 COP's less the scheduled principal payments made for the 2016 COP and Capital Lease.

HEADSBERG DISTRICT HOSPITAL  
STATEMENT OF OPERATIONS  
2019 ACTUAL vs BUDGET  
(PRELIMINARY - SUBJECT TO CHANGE)

	MONTHLY			YEAR TO DATE		
	Actual	Budget	Variance	Actual	Budget	Variance
	Mar-19		\$ %	Mar-19		\$ %
<b>1 GROSS REVENUE:</b>						
2 Inpatient Routine	1,911,740	1,925,508	(13,768) -0.7%	5,733,672	5,718,984	14,688 0.3%
3 Inpatient Ancillary	1,764,397	1,734,155	30,242 1.7%	5,501,716	5,042,549	459,167 9.1%
4 Total Inpatient	3,676,137	3,659,663	16,474 0.5%	11,235,388	10,761,533	473,855 4.4%
5 Outpatient	6,521,272	5,763,860	757,412 13.1%	18,670,973	16,774,742	1,896,231 11.3%
<b>6 Total Gross Patient Revenue</b>	<b>10,197,409</b>	<b>9,423,523</b>	<b>773,886 8.2%</b>	<b>29,906,361</b>	<b>27,536,275</b>	<b>2,370,086 8.6%</b>
7 Contractual Expenses	6,086,739	5,302,957	(783,782) -14.8%	17,518,150	15,495,658	(2,022,492) -13.1%
8 Bad Debt Expense	186,661	178,087	(8,574) -4.8%	575,553	520,383	(55,169) -10.6%
<b>9 Total Revenue Deductions</b>	<b>6,273,400</b>	<b>5,481,044</b>	<b>(792,356) -14.5%</b>	<b>18,093,703</b>	<b>16,016,041</b>	<b>(2,077,662) -13.0%</b>
<b>10 NET PATIENT REVENUE</b>	<b>3,924,009</b>	<b>3,942,479</b>	<b>(18,470) -0.5%</b>	<b>11,812,658</b>	<b>11,520,234</b>	<b>292,424 2.5%</b>
11 Other Revenue	507,546	172,403	335,143 194.4%	1,119,128	330,072	789,056 239.1%
<b>12 Total Net Revenue</b>	<b>4,431,555</b>	<b>4,114,882</b>	<b>316,673 7.7%</b>	<b>12,931,785</b>	<b>11,850,305</b>	<b>1,081,480 9.1%</b>
<b>13 Operating Expense:</b>						
14 Salaries & Wages	1,968,075	2,058,721	(90,646) -4.4%	5,600,745	6,176,163	(575,418) -9.3%
15 Benefits	759,581	736,904	22,676 3.1%	2,492,662	2,425,570	67,092 2.8%
16 Contract Labor	179,536	127,825	51,711 40.5%	475,807	383,475	92,332 24.1%
17 Medical Pro Fees	410,828	477,056	(66,228) -13.9%	1,224,446	1,431,168	(206,722) -14.4%
18 Other Professional Fees	55,255	37,165	18,090 48.7%	140,469	111,495	28,974 26.0%
19 Purchased Services	230,597	214,574	16,023 7.5%	723,091	643,722	79,369 12.3%
20 Supplies	770,758	556,271	214,487 38.6%	1,997,327	1,668,813	328,514 19.7%
21 Repairs & Maintenance	60,130	72,010	(11,879) -16.5%	194,883	216,029	(21,146) -9.8%
22 Rents & Leases	70,584	106,153	(35,569) -33.5%	326,176	318,459	7,717 2.4%
23 Utilities	55,648	60,261	(4,613) -7.7%	159,437	180,783	(21,346) -11.8%
24 Other Direct Expenses	118,864	134,461	(15,597) -11.6%	451,600	403,383	48,217 12.0%
25 Interest Expense	23,338	23,750	(412) -1.7%	71,616	71,250	366 0.5%
26 Depreciation & Amortization	209,167	209,167	0 0.0%	627,501	627,501	0 0.0%
<b>27 Total Operating Expenses</b>	<b>4,912,361</b>	<b>4,814,318</b>	<b>98,043 2.0%</b>	<b>14,485,759</b>	<b>14,657,811</b>	<b>(172,052) -1.2%</b>
<b>28 Net Operating Income (Loss)</b>	<b>(480,806)</b>	<b>(699,436)</b>	<b>218,630 31.3%</b>	<b>(1,553,973)</b>	<b>(2,807,505)</b>	<b>1,253,532 44.6%</b>
29 Total Non-Operating	1,609,825	195,869	1,413,956 721.9%	2,167,638	814,653	1,352,986 166.1%
30 Revenue Over (Under) Expenses	1,129,020	(503,567)	1,632,587 324.2%	613,665	(1,992,853)	2,606,517 130.8%
31 Capital Contributions	0	0	0 0.0%	0	0	0 0.0%
<b>32 Change in Fund Balance</b>	<b>1,129,020</b>	<b>(503,567)</b>	<b>1,632,587 324.2%</b>	<b>613,665</b>	<b>(1,992,853)</b>	<b>2,606,517 130.8%</b>

## **SUMMARY STATEMENT OF OPERATIONS ACTUAL VS BUDGET (PAGE 4)**

**Lines 1 – 6:** For the month and year the favorable budget variances in Gross Patient Revenues of \$774 thousand and \$2.4 million are primarily due to Outpatient. Within Outpatient revenues, unfavorable budget variances in Outpatient and Clinic visits were more than offset by the higher dollar procedures and volumes in Surgeries.

**Lines 7-9:** Total Revenue Deductions were \$793 thousand over budget for the month and \$2.1 million over budget for the year. The increases in Contractual Expenses are consistent with the increases in Total Gross Patient Revenues, in addition to unfavorable variances in the payor mix.

**Line 11:** Other Revenue was over budget \$335 thousand for the month due to a \$370 payment from DHCS for the AB 915 program for state fiscal years 2014-2016. Other Revenue is over budget \$789 thousand for the year due to increased quarterly payments from the HQAF Program (approximately \$300 thousand/quarter) and the AB 915 payment previously discussed.

**Lines 14 and 15:** Salaries & Wages and Benefits were under budget \$68 thousand for the month and \$508 thousand for the year. Year-to-Date FTE's are down 8 from the fourth quarter of 2018 that was used for development of the salary and wage budget. There was also increased use of PTO in January and February (\$170 thousand) due to a large number of employee leaves of absence and general PTO usage that shifted costs from salaries to benefits.

**Line 20:** Supplies were over budget \$214 thousand for the month and \$329 thousand for the year. Surgical Services implants and prosthesis (primarily pain management) were over budget \$195 thousand for the month and \$387 thousand for the year.

**Line 29:** Total Non-Operating was over budget \$1.4 million for the month and \$1.4 million for the year due to the \$1.5 million supplemental outpatient funding payment from Partnership for the AB 915 Program (direct grant) previously discussed. This payment was budgeted for June in the amount of \$1 million.

HEADLSBURG DISTRICT HOSPITAL  
STATEMENT OF OPERATIONS  
ACTUAL 2019 vs ACTUAL 2018  
(PRELIMINARY - SUBJECT TO CHANGE)

	MONTHLY			YEAR TO DATE		
	ACTUAL		Variance	ACTUAL		Variance
	Mar-19	Mar-18		Mar-19	Mar-18	
	\$	%	\$	%	\$	%
<b>1 GROSS REVENUE:</b>						
2 Inpatient Routine	1,911,740	2,064,074	(152,334)	6,171,081	(437,409)	-7.1%
3 Inpatient Ancillary	1,764,397	2,051,991	(287,594)	5,784,280	(282,565)	-4.9%
4 Total Inpatient	3,676,137	4,116,065	(439,928)	11,955,361	(719,974)	-6.0%
5 Outpatient	6,521,272	5,815,604	705,668	16,714,256	1,956,717	11.7%
<b>6 Total Gross Patient Revenue</b>	<b>10,197,409</b>	<b>9,931,669</b>	<b>265,740</b>	<b>28,669,618</b>	<b>1,236,743</b>	<b>4.3%</b>
7 Contractual Expenses	6,086,739	5,775,424	(311,315)	17,455,748	(62,403)	-0.4%
8 Bad Debt Expense	186,661	151,053	(35,608)	466,129	(109,424)	-23.5%
<b>9 Total Revenue Deductions</b>	<b>6,273,400</b>	<b>5,926,477</b>	<b>(346,922)</b>	<b>17,921,876</b>	<b>(171,827)</b>	<b>-1.0%</b>
<b>10 NET PATIENT REVENUE</b>	<b>3,924,009</b>	<b>4,005,191</b>	<b>(81,182)</b>	<b>10,747,741</b>	<b>1,064,917</b>	<b>9.9%</b>
11 Other Revenue	507,546	153,021	354,525	308,188	810,940	263.1%
<b>12 Total Net Revenue</b>	<b>4,431,555</b>	<b>4,158,213</b>	<b>273,342</b>	<b>11,055,929</b>	<b>1,875,856</b>	<b>17.0%</b>
<b>13 Operating Expense:</b>						
14 Salaries & Wages	1,968,075	1,878,142	89,933	5,600,745	485,568	9.5%
15 Benefits	759,581	650,452	109,128	2,492,662	489,800	24.5%
16 Contract Labor	179,536	182,918	(3,382)	475,807	(59,526)	-11.1%
17 Medical Pro Fees	410,828	415,939	(5,111)	1,224,446	(243,095)	-16.6%
18 Other Professional Fees	55,255	40,942	14,313	140,469	126,763	10.8%
19 Purchased Services	230,597	145,016	85,581	723,091	275,831	61.7%
20 Supplies	770,758	513,422	257,336	1,997,327	736,398	58.4%
21 Repairs & Maintenance	60,130	112,557	(52,426)	194,883	(151,985)	-43.8%
22 Rents & Leases	70,584	83,021	(12,437)	326,176	(3,757)	-1.1%
23 Utilities	55,648	49,188	6,461	159,437	8,827	5.9%
24 Other Direct Expenses	118,864	122,553	(3,689)	451,600	122,275	37.1%
25 Interest Expense	23,338	38,635	(15,297)	71,616	(46,114)	-39.2%
26 Depreciation & Amortization	209,167	211,632	(2,465)	627,501	92,605	17.3%
<b>27 Total Operating Expenses</b>	<b>4,912,361</b>	<b>4,444,416</b>	<b>467,944</b>	<b>14,485,759</b>	<b>1,720,532</b>	<b>13.5%</b>
<b>28 Net Operating Income (Loss)</b>	<b>(480,806)</b>	<b>(286,203)</b>	<b>(194,602)</b>	<b>(1,553,973)</b>	<b>155,324</b>	<b>9.1%</b>
29 Total Non-Operating	1,609,825	195,869	1,413,956	2,167,638	1,352,986	166.1%
30 Revenue Over (Under) Expenses	1,129,020	(90,335)	1,219,354	613,665	1,508,310	168.6%
31 Capital Contributions	0	0	0	0	0	0.0%
<b>32 Change in Fund Balance</b>	<b>1,129,020</b>	<b>(90,335)</b>	<b>1,219,354</b>	<b>613,665</b>	<b>1,508,310</b>	<b>168.6%</b>



**SUMMARY STATEMENT OF OPERATIONS ACTUAL 2019 VS ACTUAL 2018 (PAGE 5)**

**Line 6:** Gross Patient Revenue was up \$266 thousand for the month and \$1.2 million for the year as increased revenue from Surgeries offset decreases in Inpatient Revenue.

**Line 9:** Total Revenue Deductions were up \$347 thousand for the month, which is consistent with the increase in Total Gross Patient Revenue. Total Revenue Deductions were up \$172 thousand for the year. This is a combination of increased revenues being offset by improvements in collection rates, primarily from Partnership Sub-Acute.

**Lines 14 and 15:** Salaries & Wages and Benefits were up \$199 thousand for the month and \$975 thousand for the year. The primary reasons for the increase were the 2018 lump sum salary adjustments and wage increases in addition to generally higher staffing levels, and we currently have 5 physicians on payroll compared to 4 at this time last year. These more than offset an overall decrease in worked hours from use of PTO and employee leaves of absence. Benefits are up primarily due to PTO as previously discussed and employee health costs, which are up \$243 thousand from the prior year.

**Line 20:** Supplies were up \$257 thousand for the month and \$736 thousand for the year primarily from Surgical Services implants and prosthesis (mostly pain management) and pharmaceuticals.

**Line 29:** Total Non-Operating was up \$1.4 million for the month and the year due to the \$1.5 million supplemental outpatient funding payment from Partnership for the AB 915 Program (direct grant) previously discussed. This is a \$500 thousand increase over the prior year's payment which was received in June.



**KEY STATISTICS – ACTUAL 2019 VS ACTUAL 2018 AND BUDGET 2019 (PAGE 6)**

**Line 1:** Days Cash on Hand was up 36 days for month and 35 days for the year due to increased cash collections on patient accounts and supplemental funding more than offsetting the increase in operating expenses.

**Line 4:** Days Expense in Accounts Payable was down 10 days for the month and the year as the improved cash position has enabled the Hospital to pay down amounts owed to vendors, and there has been a significant increase in operating expenses.

**Lines 8-12:** Overall, Patient Days were comparable to the prior month, year, and budget as increases and favorable variances in Swing and Sub-Acute mostly offset decreases and unfavorable budget variances in Med/Surg and ICU.

**Line 27:** Total Surgeries were up 172 for the month and 491 for the year primarily due to pain management procedures.

**Line 28:** Total Outpatient Visits were down 223 for the month and 635 for the year. For the month the decrease was primarily attributable to HBH (43), HPG (63), and Specialty Medical (111). For the year, decreases in Lab (202), Specialty Medical (256), ER (204), HBH (74), and HPG (171) were slightly offset by increases in Reference Lab (219).

**Line 29:** Total Clinic Visits were down 215 for the month and 444 for the year due to the decreased visits for HPG and Specialty Medical noted above.

## KEY STATISTICS - DEFINITIONS AND CONTEXT (PAGE 6)

- **Days Cash on Hand:** Measures the number of days the hospital could continue paying its operating expenses from existing unrestricted cash and investments in the absence of any future cash collections. A higher ratio indicates greater financial flexibility. A good days cash on hand for a critical access hospital is at least 60 days.
- **Days Revenue in Accounts Receivable:** Measures the amount of time between patient discharge and when payment is received. This directly impacts cash flows for the facility and is a measure of the efficiency of the billing and collection in the revenue cycle. Gross and net days in accounts receivable are close in value in high functioning revenue cycles. A lower ratio indicates greater financial flexibility. A good days in AR for a critical access hospital is 45 days or less.
- **Days Expense in Accounts Payable:** Measures the average amount of time that elapses before the hospital meets its current liabilities. In other words, the number of days of cash expenses that are outstanding (not currently paid). High values for the average payment period often indicate a lack of liquidity.
- **Case Mix:** Case Mix Index (CMI) is a measure of the average severity level of a hospital's procedures. The CMI of a hospital reflects the diversity, clinical complexity and the needs for resources in the population of all the patients in the hospital. Hospitals with a higher CMI receive a higher reimbursement rate for its cases than a hospital with a lower CMI.
- **Patient Days:** The total number of days for all patients for an episode of care
- **Patient Admissions:** Patient admission to the hospital
- **Average Length of Stay (ALOS):** The average length of stay in hospitals is often used as an indicator of efficiency. All other things being equal, a shorter stay will reduce the cost per discharge and shift care from inpatient to less expensive post-acute settings.
- **Average Daily Census:** The average number of patients treated during a day.
- **Surgeries:** There is a strong correlation in hospitals between surgery volumes and operating margins.
- **Outpatient Visits:** An outpatient hospital service is any type of medical or surgical care performed at a hospital that your doctor does not expect will be an overnight hospital stay. In some cases, you may stay overnight in the hospital, but not be admitted as an inpatient (this would be considered outpatient service).
- **Clinic Visits:** a patient who is not hospitalized overnight but who visits clinic or associated facility for diagnosis or treatment
- **ER Visits:** Significant not only because of the visit, but also the transfer of patients to the hospital for other services.

