

Financial Health Indicators

Metric	Flex Program Medians 2016	2018 Almanac of Hospital Financial and Operating Indicators (Optum) 2016				Definition
	US CAHs	Northeast CAH	25-99 beds	100-199 beds	Teaching	
Profitability						
Total Margin %	2.7%	0.0%	1.9%	6.0%	3.7%	Measures expenses relative to revenues, in %
Operating Margin (\$)						Measures the control of operating expenses relative to operating revenue, in \$
EBIDA Margin %		7.3%	7.7%	10.7%	10.7%	Measures the control of operating expenses less interest, depreciation and amortization relative to operating revenue, in %
Operating Margin %	0.9%	-2.1%	-0.5%	2.1%	2.1%	Measures the control of operating expenses relative to operating revenue, in %
Return on Assets %		0.0%	2.0%	5.3%	3.7%	Measures the net income generated by equity investment (net investments), in %
Liquidity						
Cash/Investments (\$)						
Days Cash on Hand*	78	92.7	116.3	80.4	98.4	Measures the number of days an organization could operate if no cash was collected or received
Expenses Per Day (\$)						Measures the daily operating expenses
Net Days in Accounts Receivable	51	46.3	48.6	42.8	42.3	Measures the number of days that it takes an organization to collect its receivables
Net Days in Accounts Payable*		66	48.8	65.2	67.7	Measures the average time that elapses before current liabilities are paid, in days
Capital Structure						
Debt Service Coverage Ratio*	3.35	1.39	3.10	6.70	6.00	Measures ability to pay obligations related to long-term debt
Long Term Debt/Capitalization %	27.2%	23.0%	26.6%	19.0%	32.8%	Measures the % of total capital to debt
Cash to Long Term Debt %						Measures % of Cash and investments to Long Term Debt
Average Age of Plant (yrs.)*	10.48	14.43	10.6	12.4	10.5	Measures the average age in years of the fixed assets of an organization
Capital Spending %*						Measures the percentage of operating cash to capital expenditures
Equity Financing	59.8%					Measures the percentage of assets that are financed by equity
Cost						
Salaries to NPR %	44.9					Measures the percentage of net patient revenue that is labor costs
FTE per Adjusted Occupied Bed	5.6		3.14	3.02	3.16	Measures the number of full-time employees per occupied bed, adjusted for acuity
Compensation Ratio						Measures total salaries and fringe benefits relative to total operating revenue

*Uses 12 month rolling calculation