

Executive Summary for Colorado

This is a two page state-level executive summary of the 8th issue of the CAH Financial Indicator Report. It contains a high-level snapshot of key financial measures for the CAHs in CO based on analysis of Medicare Cost Reports.

How does CO's financial performance in 2009 compare to 2008 and the nation?

How do we compare to..	...ourselves last year?	...the country?
<i>Profitability Indicators</i>		
Total Margin	About the same	About the same
Cash Flow Margin	About the same	About the same
Return on Equity	About the same	↑ Higher
Operating Margin	About the same	↓ Lower
<i>Liquidity Indicators</i>		
Current Ratio	About the same	↑ Higher
Days Cash on Hand	About the same	↑ Higher
Days Revenue in Accounts Receivable	About the same	About the same
<i>Capital Structure Indicators</i>		
Equity Financing	About the same	About the same
Debt Service Coverage	About the same	About the same
Long-Term Debt to Capitalization	About the same	↑ Higher
<i>Revenue Indicators</i>		
Outpatient Revenues to Total Revenues	About the same	About the same
Patient Deductions	About the same	About the same
Medicare Inpatient Payer Mix	About the same	About the same
Medicare Outpatient Payer Mix	About the same	About the same
Medicare Outpatient Cost to Charge	About the same	About the same
Medicare Revenue per Day	About the same	About the same
<i>Cost Indicators</i>		
Salaries to Net Patient Revenue	About the same	About the same
Average Age of Plant	About the same	About the same
FTEs per Adjusted Occupied Bed	About the same	About the same
<i>Utilization Indicators</i>		
Average Daily Census Swing-SNF Beds	About the same	About the same
Average Daily Census Acute Beds	About the same	↓ Lower

How does CO's financial performance in 2009 compare to benchmark?

Benchmarks are a key component of many performance measurement systems because they help identify good financial performance and provide specific targets for improvement. Benchmarks for five indicators were created from a survey of CAH CEOs and CFOs. Medians change over time but benchmarks provide a constant basis on which to judge financial performance and condition. *For more information see the Benchmark section in the CAH Financial Indicator Report.*

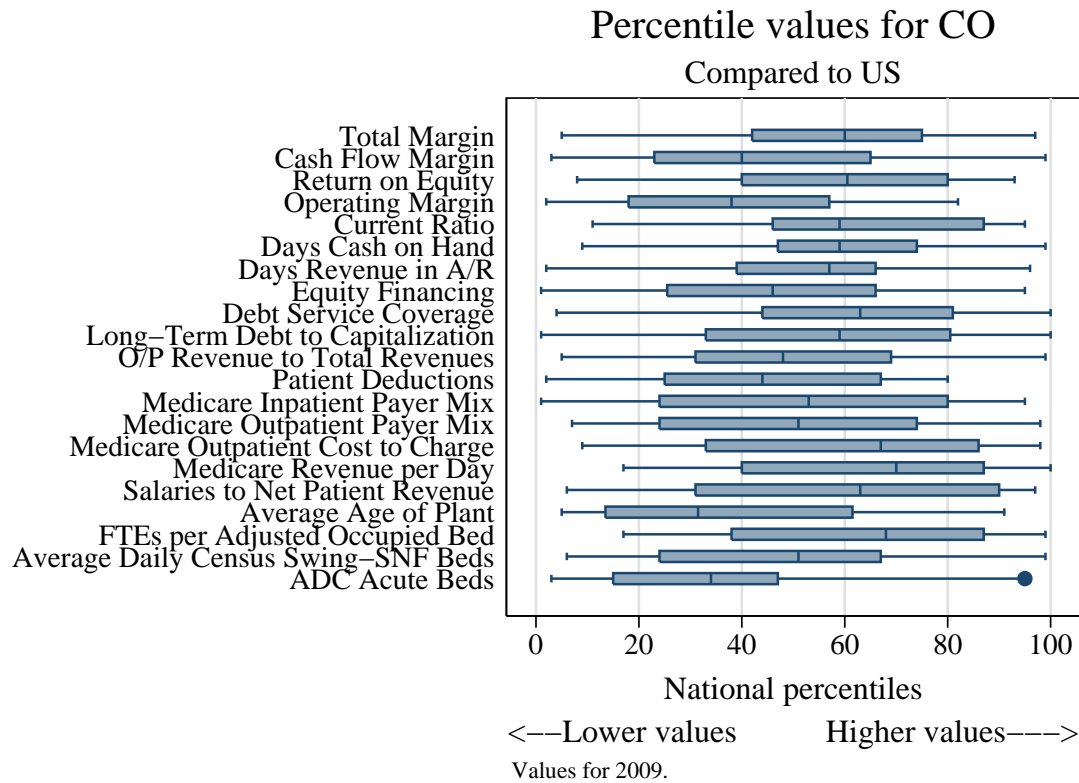
Your 2009 Performance Compared to Benchmarks

Indicator	Benchmark	Percent of CAHs Meeting Benchmark	
		CO	Nation
Cash Flow Margin (percent)	5	41.4%	53.5%
Days Cash on Hand (days)	60	72.4%	52.8%
Debt Service Coverage (times)	3	52.0%	42.3%
LT Debt to Capitalization [†] (percent)	25	28.6%	47.4%
Medicare O/P Cost to Charge [†] (times)	.55	51.7%	68.3%

† For these ratios, lower values are associated with better financial performance.

How does CO's financial performance in 2009 compare to other CAHs in the nation?

The figure below presents the percentile values for your state(s) compared to the US. A box on the left side of the graph suggests values below the US; a box on the right side of the graph suggests your state typically has values above the nation. The left edge of the box represents the 25th percentile of values for your state(s), and the right edge of the box represents the 75th percentile for your state(s). The line in the middle of the box represents the median value for your state(s), and dots represent "outlier" values for your state(s).



For the CAHs in CO, what is the current risk of financial distress compared to all CAHs?

A well-functioning prediction model can be used by administrators and boards as an early warning system so that remedial action may be taken before financial distress occurs. The model uses financial performance variables (current profitability, reinvestment, and hospital size) and market characteristics variables (competition, economic status, and market size) to predict financial distress (equity decline, unprofitability, and closure) two years later.

Risk	Risk of Financial Distress	
	Number (Percent) of CAHs	
	CO	US
Low	17 (61%)	813 (63%)
Mid-Low	5 (18%)	232 (18%)
Mid-High	4 (14%)	119 (9%)
High	2 (7%)	124 (10%)
Total	28	1288

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