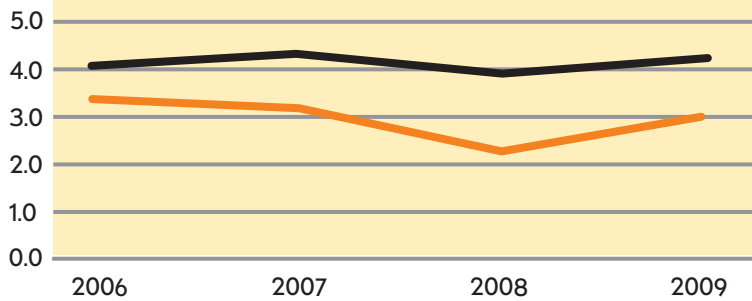




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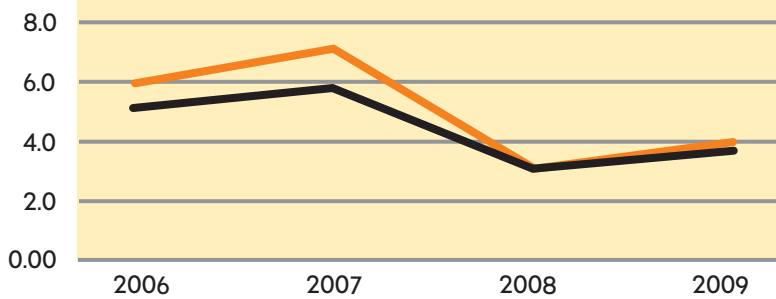
## margin of U.S. not-for-profit and public hospitals

PERCENTAGE OPERATING MARGIN FOR U.S. NOT-FOR-PROFIT AND PUBLIC HOSPITALS



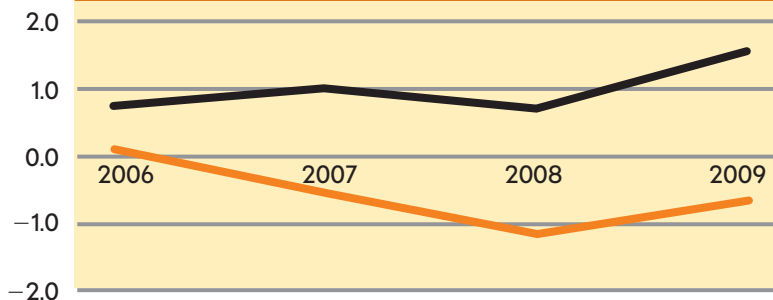
The financial characteristics of not-for-profit and public hospitals can be distinguished for several reasons. The two types of hospitals follow different accounting standards. Treatment of bad debt, for example, is an expense for not-for-profit hospitals, but a deduction from revenues for public hospitals.

PERCENTAGE EXCESS MARGINS FOR U.S. NOT-FOR-PROFIT AND PUBLIC HOSPITALS



Margins are higher on average for not-for-profit hospitals than for public hospitals. Operating margins dipped slightly in 2008, but recovered in 2009 for both types of hospitals. Excess margin, which includes nonoperating revenues such as investment income (or losses) and contributions, dropped sharply in 2008 and only partially recovered in 2009. Patient margin, indicating the ability of hospitals to meet operating expenses from patient revenues alone, was slightly negative from 2006 through 2009 for public hospitals that are subsidized to provide care for the uninsured and indigent. ●

PERCENTAGE PATIENT MARGIN FOR U.S. NOT-FOR-PROFIT AND PUBLIC HOSPITALS



Data for this analysis were developed by Thomson Reuters. The study selected key financial indicators for nonfederal general acute care hospitals that contributed data from 2006 through 2009. Hospital responses were weighted to make the sample comparable to the national distribution of all hospitals based on hospital class, location, ownership, and profitability.

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