

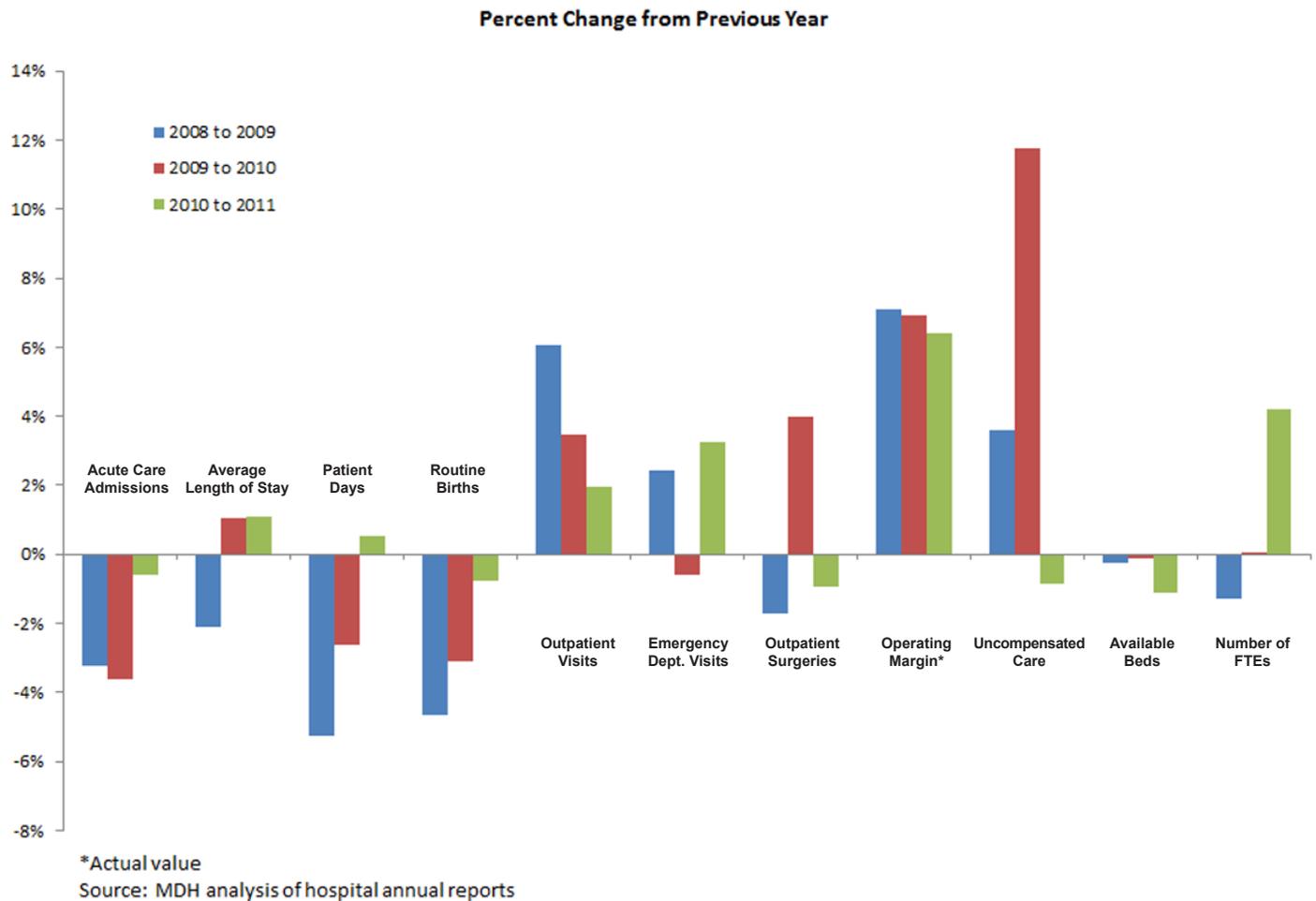
Trends at Minnesota's Community Hospitals 2008 to 2011

Introduction

This issue brief presents a high-level analysis of trends for a select number of indicators at Minnesota's 133 community hospitals¹ in operation for the years 2008 to 2011. The analysis relies on utilization, financial performance and workforce data annually reported by hospitals to the Minnesota Department of Health.

Figure 1

Trends at Minnesota Community Hospitals, 2008 to 2011



Trends at Minnesota Community Hospitals, 2008 to 2011

Table 1

Trends at Minnesota Community Hospitals, 2008 to 2011

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Inpatient Utilization</u>				
Acute Care Admissions	612,684	592,828	571,371	568,059
Average Length of Stay	4.26	4.17	4.21	4.26
Patient Days	2,608,233	2,470,578	2,405,989	2,418,312
Routine Births	72,168	68,823	66,691	66,171
<u>Outpatient Utilization</u>				
Outpatient Visits	9,235,007	9,795,588	10,134,992	10,331,967
Emergency Dept. Visits	1,662,611	1,702,789	1,692,875	1,747,963
Outpatient Surgeries	409,953	402,943	418,936	414,931
<u>Financials</u>				
Operating Margin*	5.2%	7.1%	6.9%	6.4%
Uncompensated Care	\$268,387,350	\$278,034,400	\$310,776,099	\$308,111,896
<u>Staffing & Bed Capacity</u>				
Available Beds	11,899	11,872	11,858	11,724
Number of FTEs	79,175	78,172	78,174	81,458
<u>PERCENT CHANGE FROM PREVIOUS YEAR</u>				
<u>Inpatient Utilization</u>				
Acute Care Admissions	-	-3.2%	-3.6%	-0.6%
Average Length of Stay	-	-2.1%	1.0%	1.1%
Patient Days	-	-5.3%	-2.6%	0.5%
Routine Births	-	-4.6%	-3.1%	-0.8%
<u>Outpatient Utilization</u>				
Outpatient Visits	-	6.1%	3.5%	1.9%
Emergency Dept. Visits	-	2.4%	-0.6%	3.3%
Outpatient Surgeries	-	-1.7%	4.0%	-1.0%
<u>Financials</u>				
Operating Margin**	-	1.9%	-0.2%	-0.5%
Uncompensated Care	-	3.6%	11.8%	-0.9%
<u>Staffing & Bed Capacity</u>				
Available Beds	-	-0.2%	-0.1%	-1.1%
Number of FTEs	-	-1.3%	0.0%	4.2%

* Actual value

** Percentage point change

Source: MDH analysis of hospital annual reports

Utilization

In 2011, Minnesota hospitals saw a third consecutive year of declining inpatient admissions. As shown in Figure 1 and Table 1, the rate of decline has been slowing in 2011, both in aggregate and as a percent of the Minnesota population. Approximately 568,000 admissions occurred in 2011, which amounted to nearly 10,700 admissions per 100,000 Minnesota residents. Because of a modest increase in the average length of stay (to 4.3 days), acute care patient days rose slightly to about 2.4 million days in 2011, after having fallen the previous two years. The decline in routine births performed in hospitals in Minnesota mirrors the trend in overall admissions during the economic downturn and slow recovery. Consistent with evidence at the national level, the number of births in Minnesota has declined every year since 2009; in 2011 the number of hospital births fell by 0.8 percent to about 66,000.

In contrast to utilization of inpatient care, outpatient visits have been growing steadily in the past few years. The economic downturn may have had an effect on health care utilization overall, but outpatient visits are up despite that. This trend continued in 2011, when outpatient visits in aggregate rose again by 1.9 percent. Emergency department visits and outpatient surgeries, both components of outpatient visits, presented opposite trends in 2011. While emergency department visits rose by 3.3 percent, outpatient surgeries fell by 1 percent. Both trends reversed patterns of the year before.²

Financials

Consistent with the modest changes in utilization at Minnesota's community hospitals in 2011, financial performance for the hospital industry overall remained at levels comparable to the previous year. The overall operating margin was about 6.4 percent; the median operating margin which takes the distribution of hospitals' performance into consideration, was 5.2 percent, slightly up from the previous year. After rising throughout the recession (9.9 percent in 2008, 3.6 percent in 2009 and 11.8 percent in 2010), uncompensated care dropped slightly in 2011 (0.9 percent) to \$308 million.

Capacity and Staffing

The number of available beds³ in Minnesota hospitals dropped slightly by 134 beds or 1.1 percent in 2011. This is consistent with the overall downward trend in utilization of inpatient care. Hospital staffing, on the other hand, rose in 2011 as measured by the increase in the number of full time equivalent positions (4.2 percent). About one-third (38.5 percent) of the new positions that we've filled in 2011 were filled by registered nurses. Physicians account for 4.2 percent of the new staff, and pharmacists, x-ray technicians and nurse anesthetists for another 6.3 percent.

Endnotes

¹ Minnesota community hospitals are non-federal hospitals, including specialty hospitals, such as long-term and childrens' facilities.

² HEP forthcoming publications study emergency room utilization statistics more closely and with particular focus on trends in potentially preventable visits.

³ The number of acute care beds that are immediately available for use or could be brought online within a short period of time.

The Health Economics Program conducts research and applied policy analysis to monitor changes in the health care marketplace; to understand factors influencing health care cost, quality and access; and to provide technical assistance in the development of state health care policy.

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