

**Director's Office**

400 R Street, Suite 310  
Sacramento, California 95811-6213  
(916) 326-3600  
Fax (916) 322-2531  
[www.oshpd.ca.gov](http://www.oshpd.ca.gov)

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**CONTACT: DAVID BYRNES**  
**(916) 326-3606**

**NEW DATA TOOL ASSESSES FINANCIAL HEALTH  
OF CALIFORNIA HOSPITALS**

SACRAMENTO – The Office of Statewide Health Planning and Development (OSHPD) today released a new tool that highlights the financial health of California's hospitals. *Statewide Hospital Financial Trends 2006-2010*, shows a persistent financial gap between for-profit, non-profit and public hospitals.

This data tool was created to provide greater transparency to the financial health of the health care industry. The interactive tool uses audited annual data reported to OSHPD from 2006-2010.

"Evaluating the financial picture of California's hospitals is especially important as California works to implement the Affordable Care Act," said OSHPD Director Robert P. David. "The demand for services is expected to increase steadily after 2014." The report highlights a number of important trends in California's multi-billion dollar hospital industry, including:

- Operating margin averaged 0.58% from 2006 to 2008, but increased to 1.98% in 2009 and 2.59% in 2010.
- City/county hospitals provided significantly more uncompensated care than other facility types, averaging 23.8% of gross revenue, and increasing to 25.5% in 2010, while Investor and Non-Profit hospitals provided an average of 4.1% and 4.3%, respectively, of their gross revenue to cover the cost of providing uncompensated care.
- Payments from private managed care health plans were substantially higher than any other payer, increasing from \$3,627 per adjusted day in 2006 to \$5,054 per adjusted day in 2010, or by 39%.
- Labor costs (salaries, wages and employee benefits) were substantially higher and increased faster than any other expense category increasing from \$28.1 billion in 2006 to \$36.4 billion in 2010, or by 29.5%.

*Statewide Hospital Financial Trends 2006-2010* can be accessed at [www.oshpd.ca.gov](http://www.oshpd.ca.gov).

