



## **Capital Debt and Financial Status**

### **Hospitals**

- Capital Debt
- Revenues and Expenses
- Discharges by Payor

### **Nursing Homes**

- Revenues and Expenses

#### **Factor 4: The Amount of Capital Debt Being Carried by General Hospitals and Nursing Homes and the Financial Status of General Hospitals and Nursing Homes**

The attached table shows total hospital capital debt by patient discharge by region. The second table depicts adjusted revenues and expenses for hospitals by region, with public hospitals depicted separately.

A significant amount of the long-term debt issued for hospital construction projects emanates from the Dormitory Authority of the State of New York (DASNY), a public benefit corporation authorized to issue lower-cost, tax-exempt bonds on behalf of qualified not-for-profit hospital borrowers. While legislation has increased the availability of hospital debt issued through the local Industrial Development Authorities (IDA), DASNY is still considered the primary issuer for hospitals.

In 2000, the Federal Housing Administration (FHA) program insured over 70% of hospital credits issued through DASNY; in fact, over 60% of FHA-insured debt nationwide is in New York State. Private insurance had made slow but steady inroads into the market, but has since retreated after the Allegheny Health, Education and Research Fund (AHERF) default in Pennsylvania in 1999. Bank letters of credit are technically available to New York Hospitals; however, they comprise a small part of the overall hospital credit profile and are generally available for shorter time periods than the debt that they secure. Even though DASNY attempts to “work out” potential problem loan situations, and therefore prevent calls on FHA or private insurance, the continuation of historically thin operating margins in New York State have made the traditional forms of credit enhancement increasingly difficult to secure. Concomitantly, the State's hospitals can ill afford a further decrease in access to capital financing for rightsizing, reconfiguration initiatives and technology investment.

The remaining attached tables depict debt and profit and loss for nursing homes in New York State by region over a ten-year period.

Factor 4

**2003 Hospital Discharges & Debt**

<b><u>Regions</u></b>	<b><u>Total Discharges</u></b>	<b><u>Medicare Discharges</u></b>	<b><u>Medicaid Discharges</u></b>	<b><u>Other Discharges</u></b>	<b><u>Total Hospital Debt</u></b>	<b><u>Net Book Value</u></b>
<b>Long Island</b>	384,407	150,755	49,370	184,282	\$1,358,523,693	\$1,668,195,334
<b>New York City</b>	1,275,640	348,076	511,993	415,571	\$5,840,079,278	\$9,048,396,120
<b>Hudson Valley</b>	275,670	104,663	55,118	115,889	\$930,236,675	\$1,231,750,348
<b>Northern</b>	175,830	75,057	27,084	73,689	\$436,682,212	\$857,095,885
<b>Central</b>	357,420	147,082	62,006	148,332	\$836,572,213	\$1,546,138,362
<b>Western</b>	<u>207,894</u>	<u>84,100</u>	<u>38,284</u>	<u>85,510</u>	<u>\$669,467,126</u>	<u>\$898,247,145</u>
<b>Statewide Total</b>	<b>2,676,861</b>	<b>909,733</b>	<b>743,855</b>	<b>1,023,273</b>	<b>\$10,071,561,197</b>	<b>\$15,249,823,194</b>

**Notes:**

Total Discharges represent commercial indemnity and Managed Care, Worker's Compensation and Self-Pay. Medicaid Discharges include fee-for-service and Managed Care.

Total Hospital Debt includes the current and long term portions of a facility's mortgage offset by non-expended bond proceeds and debt service reserve funds if applicable.

The Net Book Value is the value of capital assets as of 12/31/03 net accumulated depreciation

## COMPARISON OF 2003 AND 2002 ADJUSTED REVENUES AND EXPENSES

HOSPITAL NAME	NET PATIENT REVENUE (LESS ALLOWANCES)		OTHER OPERATING REVENUE		TOTAL EXPENSES		INCOME (LOSS) OPERATIONS (COL 1 + 2 - 3)		NONOPERATING GAIN (LOSS)		NET INCREASE / (DECREASE) UNRESTRICTED NET ASSETS		DOLLAR CHANGE	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	
<b>REGIONAL SUBTOTALS W/O MAJOR PUBLICS:</b>														
LONG ISLAND	5,012,963,500	4,552,232,103	612,230,944	563,912,771	5,548,041,356	5,087,467,987	77,153,088	28,676,887	136,372,796	6,790,396	213,525,884	35,467,283	178,058,601	
NEW YORK CITY	15,155,810,903	14,453,703,700	1,788,907,493	1,781,905,735	17,147,307,746	16,298,030,258	(202,589,350)	(62,420,823)	180,506,095	(136,258,841)	(22,083,255)	(198,679,664)	176,596,409	
HUDSON VALLEY	2,702,364,053	2,454,408,496	152,705,830	139,859,538	2,836,425,796	2,618,509,988	18,644,087	(24,241,954)	53,164,186	(53,797,095)	71,808,273	(78,039,049)	149,847,322	
NORTHERN	2,191,310,422	2,010,318,273	109,967,423	102,915,380	2,264,092,345	2,097,923,408	37,185,500	15,310,245	74,254,753	(47,153,069)	111,440,253	(31,842,824)	143,283,077	
CENTRAL	4,117,084,030	3,852,710,406	156,950,816	154,150,116	4,181,710,784	3,916,780,344	92,324,062	90,080,178	72,084,346	(121,187,084)	164,408,408	(31,106,906)	195,515,314	
WESTERN	1,771,100,190	1,642,770,410	71,082,739	73,547,946	1,860,586,502	1,752,520,809	(18,403,573)	(36,202,453)	45,287,452	(76,398,832)	26,883,879	(112,601,285)	139,485,164	
<b>TOTAL W/O MAJOR PUBLICS</b>	<b>30,950,633,098</b>	<b>28,966,143,388</b>	<b>2,891,845,245</b>	<b>2,816,291,486</b>	<b>33,838,164,529</b>	<b>31,771,232,794</b>	<b>4,313,814</b>	<b>11,202,080</b>	<b>561,669,628</b>	<b>(428,004,525)</b>	<b>565,983,442</b>	<b>(416,802,445)</b>	<b>982,785,887</b>	
<b>MAJOR PUBLICS:</b>														
HHC (NYC HEALTH & HOSP CORP)	3,278,255,000	3,525,491,000	1,358,236,000	1,050,648,000	4,519,855,000	4,467,631,000	116,636,000	108,508,000	221,422,000	63,321,000	338,058,000	171,829,000	166,229,000	
<b>OTHER MAJOR PUBLICS:</b>														
ERIE COUNTY MEDICAL CENTER	-----	SEE NON-COMPARABLE DATA												
HELEN HAYES HOSPITAL	58,118,991	49,435,375	14,945,314	14,621,314	66,922,062	62,175,786	6,142,243	1,880,903	356,375	1,017,706	6,498,618	2,898,609	3,600,009	
NASSAU COUNTY MEDICAL CENTER	-----	SEE NASSAU HEALTH CARE CORPORATION												
NASSAU HEALTH CARE CORPORATION	377,717,000	359,926,000	34,053,000	28,119,000	422,648,000	403,758,000	(10,878,000)	(15,713,000)	2,374,000	2,949,000	(8,504,000)	(12,764,000)	4,260,000	
ROSWELL PARK CANCER INSTITUTE COR	128,524,086	110,344,201	94,124,323	93,894,780	226,308,416	202,711,099	(3,660,007)	1,527,882	4,766,415	6,748,709	1,106,408	8,276,591	(7,170,183)	
UNIVERSITY HOSPITAL - BROOKLYN	294,762,519	271,807,351	115,799,338	63,309,792	387,864,927	311,598,772	22,696,930	23,518,371	(3,508,801)	3,609,392	19,188,129	27,127,763	(7,939,634)	
UNIVERSITY HOSPITAL-STONY BROOK	547,003,000	498,239,000	148,168,000	98,955,000	658,857,000	564,523,000	36,314,000	32,671,000	865,000	1,254,000	37,179,000	33,925,000	3,254,000	
UNIVERSITY HOSPITAL - SYRACUSE	286,547,571	272,422,270	145,396,573	130,513,702	412,810,875	370,318,387	19,133,269	32,617,585	3,960,351	(3,973,430)	23,093,620	28,644,155	(5,550,535)	
WESTCHESTER COUNTY HLTH CARE	459,866,667	465,848,761	59,352,365	48,624,859	606,466,060	579,183,626	(87,247,028)	(64,710,006)	7,146,374	(966,280)	(80,100,654)	(65,676,286)	(14,424,368)	
<b>TOTAL MAJOR PUBLICS</b>	<b>5,430,794,834</b>	<b>5,553,513,958</b>	<b>1,970,074,913</b>	<b>1,528,686,447</b>	<b>7,301,732,340</b>	<b>6,961,899,670</b>	<b>99,137,407</b>	<b>120,300,735</b>	<b>237,381,714</b>	<b>73,960,097</b>	<b>336,519,121</b>	<b>194,260,832</b>	<b>142,258,289</b>	
<b>TOTAL STATEWIDE</b>	<b>36,381,427,932</b>	<b>34,519,657,346</b>	<b>4,861,920,158</b>	<b>4,344,977,933</b>	<b>41,139,896,869</b>	<b>38,733,132,464</b>	<b>103,451,221</b>	<b>131,502,815</b>	<b>799,051,342</b>	<b>(354,044,428)</b>	<b>902,502,563</b>	<b>(222,541,613)</b>	<b>1,125,044,176</b>	
(Excludes non-filers and non-comparable data)														

Factor 4

2003 HOSPITAL PATIENT DISCHARGES

Regions	Total	Medicare	Non-Profit Indemnity Insurance	Medicaid	Worker's Comp	Self Pay	Commercial Indemnity Insurance	HMO / PHSP Medicaid	HMO / PHSP Other	HMO/ Medicare	Self Insured	No Fault	Govt	Free (Charity, Hill-Burton)	Courtesy
Long Island Region	384,407	130,360	43,884	32,204	2,651	11,398	32,619	17,166	86,553	20,395	167	4,240	1,358	88	1,324
NYC Region	1,275,640	286,687	81,097	366,738	5,663	40,637	58,506	145,255	219,065	61,389	653	5,030	3,609	1,311	0
Hudson Valley Region	275,670	98,384	31,313	42,718	1,961	8,235	18,372	12,400	52,505	6,279	0	2,359	987	96	61
Northern Region	175,830	68,980	22,362	20,234	1,312	5,505	11,231	6,850	30,677	6,077	255	1,214	1,100	25	8
Central Region	357,420	137,490	49,790	46,416	3,185	9,619	31,459	15,590	47,233	9,592	884	2,844	3,318	0	0
Western Region	<u>207,894</u>	<u>64,063</u>	<u>14,777</u>	<u>24,659</u>	<u>1,714</u>	<u>9,453</u>	<u>12,986</u>	<u>13,625</u>	<u>43,851</u>	<u>20,037</u>	<u>4</u>	<u>1,723</u>	<u>958</u>	<u>44</u>	<u>0</u>
Statewide Totals	<b>2,676,861</b>	<b>785,964</b>	<b>243,223</b>	<b>532,969</b>	<b>16,486</b>	<b>84,847</b>	<b>165,173</b>	<b>210,886</b>	<b>479,884</b>	<b>123,769</b>	<b>1,963</b>	<b>17,410</b>	<b>11,330</b>	<b>1,564</b>	<b>1,393</b>

Factor 4

**Long Term Debt and Net Value of Residential Health Care Facilities**

<b>Region</b>	<b>1994 <u>Long Term Debt</u></b>	<b>2003 <u>Long Term Debt</u></b>	<b>Increase in Long Term Debt <u>1994 to 2003</u></b>	<b>1994 <u>Net Book Value</u></b>	<b>2003 <u>Net Book Value</u></b>	<b>Increase in Net Book Value <u>1994 to 2003</u></b>
<b>CENTRAL</b>	\$315,186,329	\$507,295,382	\$192,109,053	\$407,828,582	\$570,274,608	\$162,446,026
<b>HUDSON VALLEY</b>	\$130,168,002	\$326,699,047	\$196,531,045	\$162,420,230	\$400,881,277	\$238,461,047
<b>LONG ISLAND</b>	\$155,012,711	\$329,665,709	\$174,652,998	\$147,963,767	\$374,531,913	\$226,568,146
<b>NEW YORK CITY</b>	\$512,926,308	\$1,045,730,180	\$532,803,872	\$640,530,670	\$1,262,331,569	\$621,800,899
<b>NORTHERN</b>	\$187,646,834	\$189,675,796	\$2,028,962	\$183,091,670	\$215,419,576	\$32,327,906
<b>WESTERN</b>	<u>\$97,387,649</u>	<u>\$365,295,818</u>	<u>\$267,908,169</u>	<u>\$144,408,415</u>	<u>\$516,574,163</u>	<u>\$372,165,748</u>
<b>STATEWIDE</b>	<b>\$1,398,327,833</b>	<b>\$2,764,361,932</b>	<b>\$1,366,034,099</b>	<b>\$1,686,243,334</b>	<b>\$3,340,013,106</b>	<b>\$1,653,769,772</b>

**Notes:**

Debt per Bed in 1994 \$13,023

Debt per Bed in 2003 \$22,942

Factor 4

**Residential Health Care Facilities  
Net Profit / Loss**

<u>Region</u>	<u>1994 Net Profit / (Loss)</u>	<u>2002 net Profit / (Loss)</u>	<u>Decrease in Profit 1994 to 2002</u>
CENTRAL	\$13,743,111	(\$50,781,137)	(\$64,524,248)
HUDSON VALLEY	\$11,652,628	\$9,196,897	(\$2,455,731)
LONG ISLAND	\$26,298,946	\$6,668,001	(\$19,630,945)
NEW YORK CITY	\$106,070,800	\$81,243,806	(\$24,826,994)
NORTHERN	\$3,968,973	(\$29,500,674)	(\$33,469,647)
WESTERN	<u>\$16,568,955</u>	<u>(\$29,827,481)</u>	<u>(\$46,396,436)</u>
STATEWIDE	<b>\$178,303,413</b>	<b>(\$13,000,588)</b>	<b>(\$191,304,001)</b>