

# Hospital Financial Indicators

## American Hospital Directory

Indicator / Sources from 2552-10 cost report

Formulae

### EBITDAR - Earnings Before Interest, Taxes, Depreciation, Amortization, and Rent

net income + interest + depreciation + lease cost

Net Income (before taxes) - G-3, line 29, col 1

Interest Expense - A-7, part 3, line 3, col 11

Depreciation and Amortization Expense - A-7, part 3, line 3, col 9

Lease Cost - A-7, part 3, line 3, col 10

### Operating Margin

$(\text{tot oper rev} - \text{tot oper exp}) / \text{tot oper rev} * 100$

Total Operating Revenue - G-3, line 3, col 1

Total Operating Expense - G-3, line 4, col 1

### Excess Margin

$(\text{tot oper rev} - \text{tot oper exp} + \text{non-oper rev}) / (\text{tot oper rev} + \text{non-oper rev}) * 100$

Total Operating Revenue - G-3, line 3, col 1

Total Operating Expense - G-3, line 4, col 1

Non Operating Revenue - G-3, line 25, col 1

### Personnel Expense as pct of Total Operating Revenue

$(\text{salary expense} + \text{contract labor} + \text{fringe benefits}) / \text{total oper rev} * 100$

Salary Expense - A, line 200, col 1

Contract Labor - S-3, part 2, lines 7.01 + 11 + 12 + 13 + 14 + 15 + 16, col 4

Fringe Benefits - A, line 4, col 2

Total Operating Revenue - G-3, line 29, col 1

### Return On Equity

$\text{net income} / (\text{total assets} - \text{total liabilities}) * 100$

Net Income - G-3, line 29, col 1

Total Assets - G, line 36, col 1

Total Liabilities - G, line 51, col 1

### Return On Assets (ROA)

$\text{net income} / \text{total assets} * 100$

Net Income - G-3, line 29, col 1

Total assets - G, line 36, col 1

### Current Ratio

$\text{total current assets} / \text{total current liabilities}$

Total Current Assets - G, line 11, col 1

Total Current Liabilities - G, line 45, col 1

### Quick Ratio

$(\text{total current assets} - \text{inventory}) / \text{total current liabilities}$

Total Current Assets - G, line 11, col 1

Inventory - G, line 7, col 1

Total Current Liabilities - G, line 45, col 1

### Days Cash on Hand

$((\text{cash on hand} + \text{market securities}) / ((\text{tot oper exp} - \text{depreciation expense}) / 365))$

Cash on Hand - G, line 1, col 1

Market Securities - G, line 2, col 1

Total Operating Expense - G-3, line 4, col 1

Depreciation Expense - A-7, part 3, line 3, col 9

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### Days Cash on Hand - All Sources

$(\text{cash on hand} + \text{market securities} + \text{investments}) / ((\text{tot oper exp} - \text{depreciation expense}) / 365)$

Cash on Hand - G, line 1, col 1

Market Securities - G, line 2, col 1

Investments - G, line 31, col 1

Total Operating Expense - G-3, line 4, col 1

Depreciation Expense - A-7, part 3, line 3, col 9

### Days in Net Patient Accounts Receivable

$(\text{accounts receivable} - \text{allow for uncollectible}) / (\text{tot oper rev} / 365)$

Accounts Receivable - G, line 4, column 1

Allowances for uncollectable - G, line 6, column 1

Total operating revenue - G-3 - line 3, col 1

### Days in Net Total Receivable

$(\text{AR} + \text{notes receivable} + \text{oth receivables} - \text{allow for uncollectable}) / (\text{tot oper rev} / 365 \text{ days})$

Accounts Receivable - G, line 4, column 1

Notes Receivable - G, line 3, column 1

Other Receivables - G, line 5, column 1

Allowances for uncollectable - G, line 6, column 1

Total operating revenue - G-3 - line 3, col 1

### Average Payment Period (days)

$\text{total current liabilities} / ((\text{total operating expenses} + \text{total other expenses} - \text{depreciation}) / 365)$

Total Current Liabilities - G, line 45, col 1

Total Operating Expense - G-3, line 4, col 1

Total Other Expense - G-3, line 28, col 1

Depreciation Expense - A-7, part 3, line 3, col 9

### Inventory Turnover

$(\text{total operating revenue} + \text{non-operating revenue}) / \text{inventory}$

Total operating revenue - G3 - line 3, col 1

Non-operating revenue - G-3, line 25, col 1

Inventory - G, line 7, col 1

### Total Asset Turnover

$(\text{total operating revenue} + \text{non-operating revenue}) / \text{total assets}$

Total operating revenue - G-3 - line 3, col 1

Non-operating revenue - G-3, line 25, col 1

Total assets - G, line 36, col 1

### LT Debt to Net Assets

$\text{total long term liabilities} / (\text{total assets} - \text{total liabilities})$

Total long term liabilities - G, line 50, col 1

Total assets - G, line 36, col 1

Total liabilities - G, line 51, col 1

### Total Debt to Net Assets

$\text{total liabilities} / (\text{total assets} - \text{total liabilities})$

Total assets - G, line 36, col 1

Total liabilities - G, line 51, col 1

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### Average Age of Plant

accumulated depreciation / depreciation expense

Accumulated Depreciation - G, lines 14 + 16 + 18 + 20 + 22 + 24 + 26, col 1+2+3+4

Depreciation Expense - A-7, part 3, line 3, col 9