

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILE 8672
2196 SCOMM 86: HEALTH RESOURCES & ACCESS TASK FORCE, 1991-93

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in charges then current users may not be paying the full surplus bed surcharge. The analysis further assumes that for co-located facilities the portion of total costs attributable to the operation of the acute care portion of the hospital is properly reported as such.

The surplus excess bed surcharge is set at \$0 for the 4 facilities with occupancy rates above the national average.

METHODOLOGY--The reported acute care expenditure per inpatient day for each hospital is divided into a fixed and variable component based on the fixed cost percentage assumption. The acute care expenditure per inpatient day is then calculated based on the number of inpatient days implied by the higher assumed benchmark occupancy rate. This expenditure is the sum of a fixed and variable component. The variable component is the same at the high occupancy level as at the low occupancy level. The fixed cost per inpatient day is lower at the higher occupancy rate because it is a fixed amount spread over a larger number of inpatient days. The difference in expenditure per inpatient day at the lower and higher occupancy rates is the difference in fixed cost per inpatient day between the two cases. This represents the surcharge for surplus bed capacity per inpatient day.

DATA SOURCE--Bed capacity data, inpatient days and expenditures for Alaska acute care community hospitals were taken from information provided by the hospitals to the Medicaid Rate Setting Commission. Use of this data source allowed for the calculation of occupancy rates comparable to the definition used by the American Hospital Association which was the source for the national average data on occupancy and expenditures. The Alaska expenditure information excluded the costs associated with long term care, but included the costs associated with outpatient care. The US expenditure data included the costs associated with long term care for co-located facilities, but these comprise an insignificant percent of the total costs for the US community hospitals. The data was for the most recent fiscal year available, which varied somewhat among hospitals, but generally covered 1989. The data base included the 16 community hospitals in the state of which 7 are co-located facilities (facilities that provide both acute care and long term care).

ACUTE CARE BEDS COMMUNITY HOSPITAL (CO-LOCATED FACILITY)	AVERAGE OR SUM	ANCH & FRBKS	AVERAGE/SUM NET ANCH & FRBKS	AVERAGE/SUM ACUTE CARE FACILITIES	AVERAGE/SUM CO-LOCATED FACILITIES

[1] SURPLUS EXCESS CAPACITY ANALYSIS					
available beds in acute care	1,027	695	332	899	128
potential utilization days	375,950	253,675	122,275	328,135	47,815
actual utilization	167,839	125,652	42,187	152,354	15,485
occupancy rate	44.64%	49.53%	34.50%	46.43%	32.39%
national occupancy rate (AHA 89)	58.17%	67.01%	39.84%	61.36%	36.28%
percent of national rate	76.74%	73.92%	86.59%	75.66%	89.26%
beds at national occupancy rate	798	512	285	685	113
utilization at national occupancy rate	218,703	169,984	48,719	201,356	17,348
excess beds	229	183	47	214	15
excess available bed days	50,864	44,332	6,532	49,002	1,863
excess capacity percent of beds	22.31%	26.27%	14.01%	23.81%	11.78%
outpatient visits	431,563	329,679	101,884	398,897	32,666
ratio outpatient visits/inpatient days	2.57	2.62	2.42	2.62	2.11
expenditures	\$296,313,764	\$202,223,011	\$94,090,753	\$253,030,907	\$43,282,857
% expenditures acute care	96%	100%	86%	100%	74%
expenditures for acute care	\$284,839,130	\$202,223,011	\$82,809,424	\$253,030,907	\$32,118,656
% expenditures fixed [a]	10%	10%	10%	10%	10%
item:actual capital/total	11%	12%	8%	12%	7%
item:actual depreciation/total	9%	9%	8%	9%	8%
fixed expenditures	\$28,483,913	\$20,222,301	\$8,280,942	\$25,303,091	\$3,211,866
variable expenditures	\$256,355,217	\$182,000,710	\$74,528,482	\$227,727,816	\$28,906,790
expenditures per inpatient day					
actual: total	\$1,697	\$1,609	\$1,963	\$1,661	\$2,074
fixed	\$170	\$161	\$196	\$166	\$207
variable	\$1,527	\$1,448	\$1,767	\$1,495	\$1,867
at national average occupancy: total	\$1,658	\$1,567	\$1,937	\$1,620	\$2,052
fixed	\$130	\$119	\$170	\$126	\$185
variable	\$1,527	\$1,448	\$1,767	\$1,495	\$1,867
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$39	\$42	\$26	\$40	\$22
total (all inpatient days) [c]	\$5,791,669	\$4,768,937	\$1,122,732	\$5,385,660	\$406,009
per admission	\$149	\$182	\$81	\$157	\$89
EXCESS BED PREMIUM % of Charge	2.03%	2.36%	1.24%	2.13%	1.26%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

[b] The premium for the average patient day.

[c] The sum of the premium over all patient days.

ACUTE CARE BEDS
COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

	1 341 PROVIDENCE	2 238 HUMANA/ ALASKA	3 116 FAIRBANKS MEM.	4 51 BARTLETT MEM.	5 46 CENTRAL PENINSULA
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[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	341	238	116	51	46
potential utilization days	124,465	86,870	42,340	18,615	16,790
actual utilization	76,073	29,333	20,246	9,071	5,825
occupancy rate	61.12%	33.77%	47.82%	48.73%	34.69%
national occupancy rate (AHA 89)	69.30%	66.80%	60.70%	53.00%	40.60%
percent of national rate	88.20%	50.55%	78.78%	91.94%	85.45%
beds at national occupancy rate	301	120	91	47	39
utilization at national occupancy rate	86,254	58,029	25,700	9,866	6,817
excess beds	40	118	25	4	7
excess available bed days	10,181	28,696	5,454	795	992
excess capacity percent of beds	11.80%	49.45%	21.22%	8.06%	14.55%
outpatient visits	146,948	67,522	115,209	13,395	20,119
ratio outpatient visits/inpatient days	1.93	2.30	5.69	1.48	3.45
expenditures	\$112,832,871	\$54,553,789	\$34,836,351	\$16,470,474	\$14,229,320
% expenditures acute care	100%	100%	100%	100%	100%
expenditures for acute care	\$112,832,871	\$54,553,789	\$34,836,351	\$16,470,474	\$14,229,320
% expenditures fixed [a]	10%	10%	10%	10%	10%
item:actual capital/total	14%	11%	7%	9%	8%
item:actual depreciation/total	10%	9%	7%	8%	9%
fixed expenditures	\$11,283,287	\$5,455,379	\$3,483,635	\$1,647,047	\$1,422,932
variable expenditures	\$101,549,584	\$49,098,410	\$31,352,716	\$14,823,427	\$12,806,388
expenditures per inpatient day					
actual: total	\$1,483	\$1,860	\$1,721	\$1,816	\$2,443
fixed	\$148	\$186	\$172	\$182	\$244
variable	\$1,335	\$1,674	\$1,549	\$1,634	\$2,199
at national average occupancy: total	\$1,466	\$1,768	\$1,684	\$1,801	\$2,407
fixed	\$131	\$94	\$136	\$167	\$209
variable	\$1,335	\$1,674	\$1,549	\$1,634	\$2,199
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$18	\$92	\$37	\$15	\$36
total (all inpatient days) [c]	\$1,331,852	\$2,697,754	\$739,330	\$132,711	\$207,017
per admission	\$33	\$418	\$137	\$49	\$100
EXCESS BED PREMIUM % of Charge	1.18%	4.95%	2.12%	0.81%	1.45%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

[b] The premium for the average patient day.

[c] The sum of the premium over all patient days.

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

6	36	7	37	8	32	9	25	10	24
VALLEY HOSPITAL		KETCHIKAN GENL (CLF)		SEWARD GENERAL		KODIAK ISLAND (CLF)		SITKA COMMUNITY	

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	36	37	32	25	24
potential utilization days	13,140	13,505	11,680	9,125	8,760
actual utilization	6,557	5,959	1,333	3,946	2,539
occupancy rate	49.90%	44.12%	11.41%	43.24%	28.98%
national occupancy rate (AHA 89)	40.60%	40.60%	40.60%	40.60%	32.10%
percent of national rate	122.91%	108.68%	28.11%	106.51%	89.46%
beds at national occupancy rate	44	40	9	27	21
utilization at national occupancy rate	5,335	5,483	4,742	3,705	2,838
excess beds	(8)	(3)	23	(2)	3
excess available bed days	(1,222)	(476)	3,409	(241)	299
excess capacity percent of beds	-22.91%	-8.68%	71.89%	-6.51%	10.54%
outpatient visits	12,183	19,319	2,328	4,229	11,280
ratio outpatient visits/inpatient days	1.86	3.24	1.75	1.07	4.44
expenditures	\$10,795,000	\$14,299,525	\$2,558,612	\$7,251,452	\$4,908,279
% expenditures acute care	100%	81%	100%	78%	100%
expenditures for acute care	\$10,795,000	\$11,520,384	\$2,558,612	\$5,669,745	\$4,908,279
% expenditures fixed [a]	10%	10%	10%	10%	10%
item: actual capital/total	10%	6%	6%	3%	10%
item: actual depreciation/total	9%	4%	3%	5%	9%
fixed expenditures	\$1,079,500	\$1,152,038	\$255,861	\$566,975	\$490,828
variable expenditures	\$9,715,500	\$10,368,345	\$2,302,751	\$5,102,771	\$4,417,451
expenditures per inpatient day					
actual: total	\$1,646	\$1,933	\$1,919	\$1,437	\$1,933
fixed	\$165	\$193	\$192	\$144	\$193
variable	\$1,482	\$1,740	\$1,727	\$1,293	\$1,740
at national average occupancy: total	\$1,646	\$1,933	\$1,781	\$1,437	\$1,913
fixed	\$165	\$193	\$54	\$144	\$173
variable	\$1,482	\$1,740	\$1,727	\$1,293	\$1,740
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$0	\$0	\$138	\$0	\$20
total (all inpatient days) [c]	\$0	\$0	\$183,939	\$0	\$51,749
per admission	\$0	\$0	\$458	\$0	\$84
EXCESS BED PREMIUM % of Charge	0.00%	0.00%	7.19%	0.00%	1.05%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

[b] The premium for the average patient day.

[c] The sum of the premium over all patient days.

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

21	15	15	13	8
11 NORTON SOUND (CLF)	12 SOUTH PENINSULA (CLF)	13 VALDEZ COMM.	14 CORDOVA COMM. (CLF)	15 PETERSBURG (CLF)

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	21	15	15	13	8
potential utilization days	7,665	5,475	5,475	4,745	4,015
actual utilization	1,813	2,211	1,377	718	479
occupancy rate	23.65%	40.38%	25.15%	15.13%	11.93%
national occupancy rate (AHA 89)	32.40%	32.40%	32.40%	32.40%	32.40%
percent of national rate	73.00%	124.64%	77.63%	46.70%	36.82%
beds at national occupancy rate	15	19	12	6	3
utilization at national occupancy rate	2,483	1,774	1,774	1,537	1,301
excess beds	6	(4)	3	7	5
excess available bed days	670	(437)	397	819	822
excess capacity percent of beds	27.00%	-24.64%	22.37%	53.30%	63.18%
outpatient visits	3,056	0	9,913	0	6,062
ratio outpatient visits/inpatient days	1.69	0.00	7.20	0.00	12.66
expenditures	\$7,115,296	\$7,191,757	\$1,846,211	\$2,583,678	\$2,469,070
% expenditures acute care	77%	72%	100%	61%	53%
expenditures for acute care	\$5,454,591	\$5,199,780	\$1,846,211	\$1,579,416	\$1,302,625
% expenditures fixed (a)	10%	10%	10%	10%	10%
item: actual capital/total	6%	7%	4%	16%	14%
item: actual depreciation/total	7%	8%	4%	21%	21%
fixed expenditures	\$545,459	\$519,978	\$184,621	\$157,942	\$130,262
variable expenditures	\$4,909,132	\$4,679,802	\$1,661,590	\$1,421,474	\$1,172,362
expenditures per inpatient day					
actual: total	\$3,009	\$2,352	\$1,341	\$2,200	\$2,719
fixed	\$301	\$235	\$134	\$220	\$272
variable	\$2,708	\$2,117	\$1,207	\$1,980	\$2,448
at national average occupancy: total	\$2,927	\$2,352	\$1,311	\$2,083	\$2,548
fixed	\$220	\$235	\$104	\$103	\$100
variable	\$2,708	\$2,117	\$1,207	\$1,980	\$2,448
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day (b)	\$81	(\$0)	\$30	\$117	\$172
total (all inpatient days) (c)	\$147,258	(\$0)	\$41,308	\$84,178	\$82,297
per admission	\$219	(\$0)	ERR	\$304	\$556
EXCESS BED PREMIUM % of Charge	2.70%	-0.00%	2.24%	5.33%	6.32%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

[b] The premium for the average patient day.

[c] The sum of the premium over all patient days.

ACUTE CARE BEDS

9

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

16
WRANGELL
GENL
(CLF)

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	9
potential utilization days	3,285
actual utilization	359
	11.48%
occupancy rate	10.93%
national occupancy rate (AHA 89)	32.40%
percent of national rate	33.73%
beds at national occupancy rate	3
utilization at national occupancy rate	1,064
excess beds	6
excess available bed days	705
excess capacity percent of beds	66.27%
outpatient visits	0
ratio outpatient visits/inpatient days	0.00
expenditures	\$2,372,079
% expenditures acute care	59%
expenditures for acute care	\$1,392,414
% expenditures fixed (a)	10%
item: actual capital/total	9%
item: actual depreciation/total	12%
fixed expenditures	\$139,241
variable expenditures	\$1,253,173
expenditures per inpatient day	
actual: total	\$3,879
fixed	\$388
variable	\$3,491
at national average occupancy: total	\$3,622
fixed	\$131
variable	\$3,491
EXCESS BED PREMIUM (ANNUAL)	
per inpatient day (b)	\$257
total (all inpatient days) (c)	\$92,276
per admission	\$756
EXCESS BED PREMIUM % of Charge	6.63%

Note: Several Facilities have occupancy rates exceeding the national average.

- [a] If more patient days, how much of the costs of the hospital would remain constant--not grow.
- [b] The premium for the average patient day.
- [c] The sum of the premium over all patient days.

C-13

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

AVERAGE
OR
SUM

ANCH & FRBKS

AVERAGE/SUM
NET
ANCH & FRBKS

AVERAGE/SUM
ACUTE CARE
FACILITIES

AVERAGE/SUM
CO-LOCATED
FACILITIES

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	1,027	695	332	899	128
potential utilization days	375,950	253,675	122,275	328,135	47,815
actual utilization	167,839	125,652	42,187	152,354	15,485
occupancy rate	44.64%	49.53%	34.50%	46.43%	32.39%
national occupancy rate (AHA 89)	58.17%	67.01%	39.84%	61.36%	36.28%
percent of national rate	76.74%	73.92%	86.59%	75.66%	89.26%
beds at national occupancy rate	798	512	285	685	113
utilization at national occupancy rate	218,703	169,984	48,719	201,356	17,348
excess beds	229	183	47	214	15
excess available bed days	50,864	44,332	6,532	49,002	1,863
excess capacity percent of beds	22.31%	26.27%	14.01%	23.81%	11.78%
outpatient visits	431,563	329,679	101,884	398,897	32,666
ratio outpatient visits/inpatient days	2.57	2.62	2.42	2.62	2.11
expenditures	\$296,313,764	\$202,223,011	\$94,090,753	\$253,030,907	\$43,282,857
% expenditures acute care	96%	100%	88%	100%	74%
expenditures for acute care	\$284,839,130	\$202,223,011	\$82,809,424	\$253,030,907	\$32,118,656
% expenditures fixed (a)	15%	15%	15%	15%	15%
item: actual capital/total	11%	12%	8%	12%	7%
item: actual depreciation/total	9%	9%	8%	9%	8%
fixed expenditures	\$42,725,870	\$30,333,452	\$12,421,414	\$37,954,636	\$4,817,798
variable expenditures	\$242,113,261	\$171,889,559	\$70,388,011	\$215,076,271	\$27,300,857
expenditures per inpatient day					
actual: total	\$1,697	\$1,609	\$1,963	\$1,661	\$2,074
fixed	\$255	\$241	\$294	\$249	\$311
variable	\$1,443	\$1,368	\$1,668	\$1,412	\$1,763
at national average occupancy: total	\$1,638	\$1,546	\$1,923	\$1,600	\$2,041
fixed	\$195	\$178	\$255	\$188	\$278
variable	\$1,443	\$1,368	\$1,668	\$1,412	\$1,763
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day (b)	\$59	\$63	\$39	\$61	\$33
total (all inpatient days) (c)	\$8,687,503	\$7,153,406	\$1,534,098	\$8,078,490	\$609,014
per admission	\$223	\$273	\$121	\$235	\$134
EXCESS BED PREMIUM % of Charge	3.05%	3.54%	1.85%	3.19%	1.90%

Note: Several Facilities have occupancy rates exceeding the national average.

(a) If more patient days, how much of the costs of the hospital would remain constant--not grow.

(b) The premium for the average patient day.

(c) The sum of the premium over all patient days.

ACUTE CARE BEDS	341	238	116	51	46
COMMUNITY HOSPITAL (CO-LOCATED FACILITY)	1 PROVIDENCE	2 HUMANA/ ALASKA	3 FAIRBANKS MEM.	4 BARTLETT MEM.	5 CENTRAL PENINSULA

(1) SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	341	238	116	51	46
potential utilization days	124,465	86,870	42,340	18,615	16,790
actual utilization	76,073	29,333	20,246	9,071	5,825
occupancy rate	61.12%	33.77%	47.82%	48.73%	34.69%
national occupancy rate (AHA 89)	69.30%	66.80%	60.70%	53.00%	40.60%
percent of national rate	88.20%	50.55%	78.78%	91.94%	85.45%
beds at national occupancy rate	301	120	91	47	39
utilization at national occupancy rate	86,254	58,029	25,700	9,866	6,817
excess beds	40	118	25	4	7
excess available bed days	10,181	28,696	5,454	795	992
excess capacity percent of beds	11.80%	49.45%	21.22%	8.06%	14.55%
outpatient visits	146,948	67,522	115,209	13,395	20,119
ratio outpatient visits/inpatient days	1.93	2.30	5.69	1.48	3.45
expenditures	\$112,832,871	\$54,553,789	\$34,836,351	\$16,470,474	\$14,229,320
% expenditures acute care	100%	100%	100%	100%	100%
expenditures for acute care	\$112,832,871	\$54,553,789	\$34,836,351	\$16,470,474	\$14,229,320
% expenditures fixed [a]	15%	15%	15%	15%	15%
item:actual capital/total	14%	11%	7%	9%	8%
item:actual depreciation/total	10%	9%	7%	8%	8%
fixed expenditures	\$16,924,931	\$8,183,068	\$5,225,453	\$2,470,571	\$2,134,398
variable expenditures	\$95,907,940	\$46,370,721	\$29,610,898	\$13,999,903	\$12,094,922
expenditures per inpatient day					
actual: total	\$1,483	\$1,860	\$1,721	\$1,816	\$2,443
fixed	\$222	\$279	\$258	\$272	\$366
variable	\$1,261	\$1,581	\$1,463	\$1,543	\$2,076
at national average occupancy: total	\$1,457	\$1,722	\$1,666	\$1,794	\$2,389
fixed	\$196	\$141	\$203	\$250	\$313
variable	\$1,261	\$1,581	\$1,463	\$1,543	\$2,076
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$26	\$138	\$55	\$22	\$53
total (all inpatient days) [c]	\$1,997,778	\$4,046,632	\$1,108,995	\$199,067	\$310,525
per admission	\$139	\$627	\$205	\$74	\$150
EXCESS BED PREMIUM % of Charge	1.77%	7.42%	3.18%	1.21%	2.18%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

[b] The premium for the average patient day.

[c] The sum of the premium over all patient days.

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

6	7	8	9	10
36	37	32	25	24
VALLEY HOSPITAL	KETCHIKAN GENL (CLF)	SEWARD GENERAL	KODIAK ISLAND (CLF)	SITKA COMMUNITY

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	36	37	32	25	24
potential utilization days	13,140	13,505	11,680	9,125	8,760
actual utilization	6,557	5,959	1,333	3,946	2,539
occupancy rate	49.90%	44.12%	11.41%	43.24%	28.98%
national occupancy rate (AHA 89)	40.60%	40.60%	40.60%	40.60%	32.40%
percent of national rate	122.91%	108.68%	28.11%	106.51%	89.46%
beds at national occupancy rate	44	40	9	27	21
utilization at national occupancy rate	5,335	5,483	4,742	3,705	2,838
excess beds	(8)	(3)	23	(2)	3
excess available bed days	(1,222)	(476)	3,409	(241)	299
excess capacity percent of beds	-22.91%	-8.68%	71.89%	-6.51%	10.54%
outpatient visits	12,183	19,319	2,328	4,229	11,280
ratio outpatient visits/inpatient days	1.86	3.24	1.75	1.07	4.44
expenditures	\$10,795,000	\$14,299,525	\$2,558,612	\$7,251,452	\$4,908,279
% expenditures acute care	100%	81%	100%	78%	100%
expenditures for acute care	\$10,795,000	\$11,520,384	\$2,558,612	\$5,669,745	\$4,908,279
% expenditures fixed [a]	15%	15%	15%	15%	15%
item: actual capital/total	10%	6%	6%	3%	10%
item: actual depreciation/total	9%	4%	3%	5%	9%
fixed expenditures	\$1,619,250	\$1,728,058	\$383,792	\$850,462	\$736,242
variable expenditures	\$9,175,750	\$9,792,326	\$2,174,820	\$4,819,283	\$4,172,037
expenditures per inpatient day					
actual: total	\$1,646	\$1,933	\$1,919	\$1,437	\$1,933
fixed	\$247	\$290	\$288	\$216	\$290
variable	\$1,399	\$1,643	\$1,632	\$1,221	\$1,643
at national average occupancy: total	\$1,646	\$1,933	\$1,712	\$1,437	\$1,903
fixed	\$247	\$290	\$81	\$216	\$259
variable	\$1,399	\$1,643	\$1,632	\$1,221	\$1,643
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$0	(\$0)	\$207	\$0	\$31
total (all inpatient days) [c]	\$0	(\$0)	\$275,908	\$0	\$77,623
per admission	\$0	(\$0)	\$686	\$0	\$125
EXCESS BED PREMIUM % of Charge	0.00%	-0.00%	10.78%	0.00%	1.58%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

[b] The premium for the average patient day.

[c] The sum of the premium over all patient days.

C-16

ACUTE CARE BEDS	21	15	15	13	8
COMMUNITY HOSPITAL (CO-LOCATED FACILITY)	11 NORTON SOUND (CLF)	12 SOUTH PENINSULA (CLF)	13 VALDEZ COMM.	14 CORDOVA COMM. (CLF)	15 PETERSBURG (CLF)

(1) SURPLUS EXCESS CAPACITY ANALYSIS					
available beds in acute care	21	15	15	13	8
potential utilization days	7,665	5,475	5,475	4,745	4,015
actual utilization	1,813	2,211	1,377	718	479
occupancy rate	23.65%	40.38%	25.15%	15.13%	11.93%
national occupancy rate (AHA 89)	32.40%	32.40%	32.40%	32.40%	32.40%
percent of national rate	73.00%	124.64%	77.63%	46.70%	36.82%
beds at national occupancy rate	15	19	12	6	3
utilization at national occupancy rate	2,483	1,774	1,774	1,537	1,301
excess beds	6	(4)	3	7	5
excess available bed days	670	(427)	397	819	822
excess capacity percent of beds	27.00%	-24.64%	22.37%	53.30%	63.18%
outpatient visits	3,056	0	9,913	0	6,062
ratio outpatient visits/inpatient days	1.69	0.00	7.20	0.00	12.66
expenditures	\$7,115,296	\$7,191,757	\$1,846,211	\$2,583,678	\$2,469,070
% expenditures acute care	77%	72%	100%	61%	53%
expenditures for acute care	\$5,454,591	\$5,199,780	\$1,846,211	\$1,579,416	\$1,302,625
% expenditures fixed [a]	15%	15%	15%	15%	15%
item:actual capital/total	6%	7%	4%	16%	14%
item:actual depreciation/total	7%	8%	4%	21%	21%
fixed expenditures	\$818,189	\$779,967	\$276,932	\$236,912	\$195,394
variable expenditures	\$4,636,403	\$4,419,813	\$1,569,279	\$1,342,504	\$1,107,231
expenditures per inpatient day					
actual: total	\$3,009	\$2,352	\$1,341	\$2,200	\$2,719
fixed	\$451	\$353	\$201	\$330	\$408
variable	\$2,557	\$1,999	\$1,140	\$1,870	\$2,312
at national average occupancy: total	\$2,887	\$2,352	\$1,296	\$2,024	\$2,462
fixed	\$329	\$353	\$156	\$154	\$150
variable	\$2,557	\$1,999	\$1,140	\$1,870	\$2,312
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$122	\$0	\$45	\$176	\$258
total (all inpatient days) [c]	\$220,887	\$0	\$61,962	\$126,268	\$123,446
per admission	\$328	\$0	ERR	\$456	\$834
EXCESS BED PREMIUM % of Charge	4.05%	0.00%	3.36%	7.99%	9.48%

Note: Several Facilities have occupancy rates exceeding the national average.

- [a] If more patient days, how much of the costs of the hospital would remain constant--not grow.
 [b] The premium for the average patient day.
 [c] The sum of the premium over all patient days.

ACUTE CARE BEDS

9

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

16
WRANGELL
GENL
(CLF)

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	9
potential utilization days	3,285
actual utilization	359
	11.48%
occupancy rate	10.93%
national occupancy rate (AHA 89)	32.40%
percent of national rate	33.73%
beds at national occupancy rate	3
utilization at national occupancy rate	1,064
excess beds	6
excess available bed days	705
excess capacity percent of beds	65.27%
outpatient visits	0
ratio outpatient visits/inpatient days	0.00
expenditures	\$2,372,079
% expenditures acute care	59%
expenditures for acute care	\$1,392,414
% expenditures fixed [a]	15%
item:actual capital/total	9%
item:actual depreciation/total	12%
fixed expenditures	\$208,862
variable expenditures	\$1,183,552
expenditures per inpatient day	
actual: total	\$3,879
fixed	\$582
variable	\$3,297
at national average occupancy: total	\$3,493
fixed	\$196
variable	\$3,297
EXCESS BED PREMIUM (ANNUAL)	
per inpatient day [b]	\$386
total (all inpatient days) [c]	\$138,413
per admission	\$1,135
EXCESS BED PREMIUM % of Charge	9.94%

Note: Several Facilities have occupancy rates exceeding the national average.

- [a] If more patient days, how much of the costs of the hospital would remain constant--not grow.
[b] The premium for the average patient day.
[c] The sum of the premium over all patient days.

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)AVERAGE
OR
SUM

ANCH & FRBKS

AVERAGE/SUM
NET
ANCH & FRBKSAVERAGE/SUM
ACUTE CARE
FACILITIESAVERAGE/SUM
CO-LOCATED
FACILITIES

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	1,027	695	332	899	128
potential utilization days	375,950	253,675	122,275	328,135	47,815
actual utilization	167,839	125,652	42,187	152,354	15,485
occupancy rate	44.64%	49.53%	34.50%	46.43%	32.39%
national occupancy rate (AHA 89)	58.17%	67.01%	39.84%	61.36%	36.28%
percent of national rate	76.74%	73.92%	86.59%	75.66%	89.26%
beds at national occupancy rate	798	512	285	685	113
utilization at national occupancy rate	218,703	169,984	48,719	201,356	17,348
excess beds	229	183	47	214	15
excess available bed days	50,864	44,332	6,532	49,002	1,863
excess capacity percent of beds	22.31%	26.27%	14.01%	23.81%	11.78%
outpatient visits	431,563	329,679	101,884	398,897	32,666
ratio outpatient visits/inpatient days	2.57	2.62	2.42	2.62	2.11
expenditures	\$296,313,764	\$202,223,011	\$94,090,753	\$253,030,907	\$43,282,857
% expenditures acute care	96%	100%	88%	100%	74%
expenditures for acute care	\$284,839,130	\$202,223,011	\$82,809,424	\$253,030,907	\$32,118,656
% expenditures fixed [a]	20%	20%	20%	20%	20%
item:actual capital/total	11%	12%	8%	12%	7%
item:actual depreciation/total	9%	9%	8%	9%	8%
fixed expenditures	\$56,967,826	\$40,444,602	\$16,561,885	\$50,606,181	\$6,423,731
variable expenditures	\$227,871,304	\$161,778,409	\$66,247,539	\$202,424,726	\$25,694,925
expenditures per inpatient day					
actual: total	\$1,697	\$1,609	\$1,963	\$1,661	\$2,074
fixed	\$339	\$322	\$393	\$332	\$415
variable	\$1,358	\$1,288	\$1,570	\$1,329	\$1,659
at national average occupancy: total	\$1,618	\$1,525	\$1,910	\$1,580	\$2,030
fixed	\$260	\$238	\$340	\$251	\$370
variable	\$1,358	\$1,288	\$1,570	\$1,329	\$1,659
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$79	\$84	\$53	\$81	\$45
total (all inpatient days) [c]	\$11,583,338	\$9,537,874	\$2,045,464	\$10,771,320	\$812,018
per admission	\$298	\$364	\$161	\$313	\$179
EXCESS BED PREMIUM % of Charge	4.07%	4.72%	2.47%	4.26%	2.53%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

ACUTE CARE BEDS
COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

1	2	3	4	5
341	238	116	51	46
PROVIDENCE	NUMANA/ ALASKA	FAIRBANKS MEM.	BARTLETT MEM.	CENTRAL PENINSULA

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	341	238	116	51	46
potential utilization days	124,465	86,870	42,340	18,615	16,790
actual utilization	76,073	29,333	20,246	9,071	5,825
occupancy rate	61.12%	33.77%	47.82%	48.73%	34.69%
national occupancy rate (AHA 89)	69.30%	66.80%	60.70%	53.00%	40.60%
percent of national rate	88.70%	50.55%	78.78%	91.94%	85.45%
beds at national occupancy rate	301	120	91	47	39
utilization at national occupancy rate	86,254	58,029	25,700	9,866	6,817
excess beds	40	118	25	4	7
excess available bed days	10,181	28,696	5,454	795	992
excess capacity percent of beds	11.80%	49.45%	21.22%	8.06%	14.55%
outpatient visits	146,948	67,522	115,209	13,395	20,119
ratio outpatient visits/inpatient days	1.93	2.30	5.69	1.48	3.45
expenditures	\$112,832,871	\$54,553,789	\$34,836,351	\$16,470,474	\$14,229,320
% expenditures acute care	100%	100%	100%	100%	100%
expenditures for acute care	\$112,832,871	\$54,553,789	\$34,836,351	\$16,470,474	\$14,229,320
% expenditures fixed [a]	20%	20%	20%	20%	20%
item:actual capital/total	14%	11%	7%	9%	8%
item:actual depreciation/total	10%	9%	7%	8%	8%
fixed expenditures	\$22,566,574	\$10,910,758	\$6,967,270	\$3,294,095	\$2,845,864
variable expenditures	\$90,266,297	\$43,643,031	\$27,869,081	\$13,176,379	\$11,383,456
expenditures per inpatient day					
actual: total	\$1,483	\$1,860	\$1,721	\$1,816	\$2,443
fixed	\$297	\$372	\$344	\$363	\$489
variable	\$1,187	\$1,488	\$1,377	\$1,453	\$1,954
at national average occupancy: total	\$1,448	\$1,676	\$1,648	\$1,786	\$2,372
fixed	\$262	\$188	\$271	\$334	\$417
variable	\$1,187	\$1,488	\$1,377	\$1,453	\$1,954
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$35	\$184	\$73	\$29	\$71
total (all inpatient days) [c]	\$2,663,705	\$5,395,509	\$1,478,661	\$265,422	\$414,033
per admission	\$185	\$836	\$274	\$98	\$200
EXCESS BED PREMIUM % of Charge	2.36%	9.89%	4.24%	1.61%	2.91%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

6	7	8	9	10
VALLEY HOSPITAL	KETCHIKAN GENL (CLF)	SEWARD GENERAL	KODIAK ISLAND (CLF)	SITKA COMMUNITY

[1] SURPLUS EXCESS CAPACITY ANALYSIS

	36	37	32	25	24
available beds in acute care	36	37	32	25	24
potential utilization days	13,140	13,505	11,680	9,125	8,760
actual utilization	6,557	5,959	1,333	3,946	2,539
occupancy rate	49.90%	44.12%	11.41%	43.24%	28.98%
national occupancy rate (AHA 89)	40.60%	40.60%	40.60%	40.60%	32.40%
percent of national rate	122.91%	108.68%	28.11%	106.51%	89.46%
beds at national occupancy rate	44	40	9	27	21
utilization at national occupancy rate	5,335	5,483	4,742	3,705	2,838
excess beds	(8)	(3)	23	(2)	3
excess available bed days	(1,222)	(476)	3,409	(241)	299
excess capacity percent of beds	-22.91%	-8.68%	71.89%	-6.51%	10.54%
outpatient visits	12,183	19,319	2,328	4,229	11,280
ratio outpatient visits/inpatient days	1.86	3.24	1.75	1.07	4.44
expenditures	\$10,795,000	\$14,299,525	\$2,558,612	\$7,251,452	\$4,908,279
% expenditures acute care	100%	81%	100%	78%	100%
expenditures for acute care	\$10,795,000	\$11,520,384	\$2,558,612	\$5,669,745	\$4,908,279
% expenditures fixed [a]	20%	20%	20%	20%	20%
item: actual capital/total	10%	6%	6%	3%	10%
item: actual depreciation/total	9%	4%	3%	5%	9%
fixed expenditures	\$2,159,000	\$2,304,077	\$511,722	\$1,133,949	\$981,656
variable expenditures	\$8,636,000	\$9,216,307	\$2,046,890	\$4,535,796	\$3,926,623
expenditures per inpatient day					
actual: total	\$1,646	\$1,933	\$1,919	\$1,437	\$1,933
fixed	\$329	\$387	\$384	\$287	\$387
variable	\$1,317	\$1,547	\$1,536	\$1,149	\$1,547
at national average occupancy: total	\$1,646	\$1,933	\$1,643	\$1,437	\$1,892
fixed	\$329	\$387	\$108	\$287	\$346
variable	\$1,317	\$1,547	\$1,536	\$1,149	\$1,547
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$0	(\$0)	\$276	(\$0)	\$41
total (all inpatient days) [c]	\$0	(\$0)	\$367,877	(\$0)	\$103,497
per admission	\$0	(\$0)	\$915	(\$0)	\$167
EXCESS BED PREMIUM % of Charge	0.00%	-0.00%	14.38%	-0.00%	2.11%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

ACUTE CARE BEDS

	21	15	15	13	8
COMMUNITY HOSPITAL (CO-LOCATED FACILITY)	11 NORTON SOUND (CLF)	12 SOUTH PENINSULA (CLF)	13 VALDEZ COMM.	14 CORDOVA COMM. (CLF)	15 PETERSBURG (CLF)

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	21	15	15	13	8
potential utilization days	7,665	5,475	5,475	4,745	4,015
actual utilization	1,813	2,211	1,377	718	479
occupancy rate	23.65%	40.38%	25.15%	15.13%	11.93%
national occupancy rate (AHA 89)	32.40%	32.40%	32.40%	32.40%	32.40%
percent of national rate	73.00%	124.64%	77.63%	46.70%	36.82%
beds at national occupancy rate	15	19	12	6	3
utilization at national occupancy rate	2,483	1,774	1,774	1,537	1,301
excess beds	6	(4)	3	7	5
excess available bed days	670	(437)	397	819	822
excess capacity percent of beds	27.00%	-24.64%	22.37%	53.30%	63.18%
outpatient visits	3,056	0	9,913	0	6,062
ratio outpatient visits/inpatient days	1.69	0.00	7.20	0.00	12.66
expenditures	\$7,115,296	\$7,191,757	\$1,846,211	\$2,583,678	\$2,469,070
% expenditures acute care	77%	72%	100%	61%	53%
expenditures for acute care	\$5,454,591	\$5,199,780	\$1,846,211	\$1,579,415	\$1,302,625
% expenditures fixed [a]	20%	20%	20%	20%	20%
item:actual capital/total	6%	7%	4%	16%	14%
item:actual depreciation/total	7%	8%	4%	21%	21%
fixed expenditures	\$1,090,918	\$1,039,956	\$369,242	\$315,883	\$260,525
variable expenditures	\$4,363,673	\$4,159,824	\$1,476,969	\$1,263,533	\$1,042,100
expenditures per inpatient day					
actual: total	\$3,009	\$2,352	\$1,341	\$2,200	\$2,719
fixed	\$602	\$470	\$268	\$440	\$544
variable	\$2,407	\$1,881	\$1,073	\$1,760	\$2,176
at national average occupancy: total	\$2,846	\$2,352	\$1,281	\$1,965	\$2,376
fixed	\$439	\$470	\$208	\$205	\$200
variable	\$2,407	\$1,881	\$1,073	\$1,760	\$2,176
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$162	\$0	\$60	\$234	\$344
total (all inpatient days) [c]	\$294,515	\$0	\$82,616	\$168,357	\$164,595
per admission	\$438	\$0	ERR	\$608	\$1,112
EXCESS BED PREMIUM % of Charge	5.40%	0.00%	4.47%	10.66%	12.64%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

ACUTE CARE BEDS

9

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

16
WRANGELL
GENL
(CLF)

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	9
potential utilization days	3,285
actual utilization	359
	11.48%
occupancy rate	10.93%
national occupancy rate (AHA 89)	32.40%
percent of national rate	33.73%
beds at national occupancy rate	3
utilization at national occupancy rate	1,064
excess beds	6
excess available bed days	705
excess capacity percent of beds	66.27%
outpatient visits	
ratio outpatient visits/inpatient days	0.00
expenditures	\$2,372,079
% expenditures acute care	59%
expenditures for acute care	\$1,392,414
% expenditures fixed [a]	20%
item: actual capital/total	9%
item: actual depreciation/total	12%
fixed expenditures	\$278,483
variable expenditures	\$1,113,931
expenditures per inpatient day	
actual: total	\$3,879
fixed	\$776
variable	\$3,103
at national average occupancy: total	\$3,365
fixed	\$262
variable	\$3,103
EXCESS BED PREMIUM (ANNUAL)	
per inpatient day [b]	\$514
total (all inpatient days) [c]	\$184,551
per admission	\$1,513
EXCESS BED PREMIUM % of Charge	13.25%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

C-23

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)AVERAGE
OR
SUM

ANCH & FRBKS

AVERAGE/SUM
NET
ANCH & FRBKSAVERAGE/SUM
ACUTE CARE
FACILITIESAVERAGE/SUM
CO-LOCATED
FACILITIES

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	1,027	695	332	899	128
potential utilization days	375,950	253,675	122,275	328,135	47,815
actual utilization	167,839	125,652	42,187	152,354	15,485
occupancy rate	44.64%	49.53%	34.50%	46.43%	32.39%
Benchmark occupancy rate	75.00%	75.00%	75.00%	75.00%	75.00%
percent of national rate	59.53%	66.04%	46.00%	61.91%	43.18%
beds at national occupancy rate	613	459	154	557	56
utilization at national occupancy rate	281,963	190,256	91,706	246,101	35,861
excess beds	414	236	178	342	72
excess available bed days	114,124	64,604	49,519	93,747	20,376
excess capacity percent of beds	40.35%	33.96%	53.73%	38.09%	56.18%
outpatient visits	431,563	329,679	101,884	398,897	32,666
ratio outpatient visits/inpatient days	2.57	2.62	2.42	2.62	2.11
expenditures	\$296,313,764	\$202,223,011	\$94,090,753	\$253,030,907	\$43,282,857
% expenditures acute care	96%	100%	88%	100%	74%
expenditures for acute care	\$284,839,130	\$202,223,011	\$82,809,424	\$253,030,907	\$32,118,656
% expenditures fixed [a]	10%	10%	10%	10%	10%
item:actual capital/total	11%	12%	8%	12%	7%
item:actual depreciation/total	9%	9%	8%	9%	8%
fixed expenditures	\$28,483,913	\$20,222,301	\$8,280,942	\$25,303,091	\$3,211,866
variable expenditures	\$256,355,217	\$182,000,710	\$74,528,482	\$227,727,816	\$28,906,790
expenditures per acute care inpatient day					
actual: total	\$1,697	\$1,609	\$1,963	\$1,661	\$2,074
fixed	\$170	\$161	\$196	\$166	\$207
variable	\$1,527	\$1,448	\$1,767	\$1,495	\$1,867
at national average occupancy: total	\$1,628	\$1,555	\$1,857	\$1,598	\$1,956
fixed	\$101	\$106	\$90	\$103	\$90
variable	\$1,527	\$1,448	\$1,767	\$1,495	\$1,867
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$69	\$55	\$106	\$63	\$118
total (all inpatient days) [c]	\$10,376,000	\$6,349,994	\$4,026,006	\$8,693,667	\$1,682,334
per admission	\$267	\$242	\$317	\$253	\$370
EXCESS BED PREMIUM % of Charge	3.64%	3.14%	4.86%	3.44%	5.24%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

	1	2	3	4	5
	PROVIDENCE	HUMANA/ ALASKA	FAIRBANKS MEM.	BARTLETT MEM.	CENTRAL PENINSULA
	341	238	116	51	46
available beds in acute care	341	238	116	51	46
potential utilization days	124,465	86,870	12,340	18,615	16,790
actual utilization	76,073	29,333	20,246	9,071	5,825
occupancy rate	61.12%	33.77%	47.82%	48.73%	34.69%
Benchmark occupancy rate	75.00%	75.00%	75.00%	75.00%	75.00%
percent of national rate	81.49%	45.02%	63.76%	64.97%	46.26%
beds at national occupancy rate	278	107	74	33	21
utilization at national occupancy rate	93,349	65,153	31,755	13,961	12,593
excess beds	63	131	42	18	25
excess available bed days	17,276	35,820	11,509	4,890	6,768
excess capacity percent of beds	18.51%	54.98%	36.24%	35.03%	53.74%
outpatient visits	146,948	67,522	115,209	13,395	20,119
ratio outpatient visits/inpatient days	1.93	2.30	5.69	1.48	3.45
expenditures	\$112,832,871	\$54,553,789	\$34,836,351	\$16,470,474	\$14,229,320
% expenditures acute care	100%	100%	100%	100%	100%
expenditures for acute care	\$112,832,871	\$54,553,789	\$34,836,351	\$16,470,474	\$14,229,320
% expenditures fixed [a]	10%	10%	10%	10%	10%
item: actual capital/total	14%	11%	7%	9%	8%
item: actual depreciation/total	10%	9%	7%	8%	8%
fixed expenditures	\$11,283,287	\$5,455,379	\$3,483,635	\$1,647,047	\$1,422,932
variable expenditures	\$101,549,584	\$49,098,410	\$31,352,716	\$14,823,427	\$12,806,388
expenditures per acute care inpatient					
actual: total	\$1,483	\$1,860	\$1,721	\$1,816	\$2,443
fixed	\$148	\$186	\$172	\$182	\$244
variable	\$1,335	\$1,674	\$1,549	\$1,634	\$2,199
at national average occupancy: total	\$1,456	\$1,758	\$1,658	\$1,752	\$2,312
fixed	\$121	\$84	\$110	\$118	\$113
variable	\$1,335	\$1,674	\$1,549	\$1,634	\$2,199
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$27	\$102	\$62	\$64	\$131
total (all inpatient days) [c]	\$2,088,161	\$2,999,255	\$1,262,578	\$576,916	\$764,716
per admission	\$145	\$465	\$234	\$213	\$369
EXCESS BED PREMIUM % of Charge	1.85%	5.50%	3.62%	3.50%	5.37%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

36	37	32	25	24
6 VALLEY HOSPITAL	7 KETCHIKAN GENL (CLF)	8 SEWARD GENERAL	9 KODIAK ISLAND (CLF)	10 SITKA COMMUNITY

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	36	37	32	25	24
potential utilization days	13,140	13,505	11,680	9,125	8,760
actual utilization	6,557	5,959	1,333	3,946	2,539
occupancy rate	49.90%	44.12%	11.41%	43.24%	28.98%
Benchmark occupancy rate	75.00%	75.00%	75.00%	75.00%	75.00%
percent of national rate	66.53%	58.83%	15.22%	57.66%	38.65%
beds at national occupancy rate	24	22	5	14	9
utilization at national occupancy rate	9,855	10,129	8,760	6,844	6,570
excess beds	12	15	27	11	15
excess available bed days	3,298	4,170	7,427	2,898	4,031
excess capacity percent of beds	33.47%	41.17%	84.78%	42.34%	61.35%
outpatient visits	12,183	19,319	2,328	4,229	11,280
ratio outpatient visits/inpatient days	1.86	3.24	1.75	1.07	4.44
expenditures	\$10,795,000	\$14,299,525	\$2,558,612	\$7,251,452	\$4,908,279
% expenditures acute care	100%	81%	100%	78%	100%
expenditures for acute care	\$10,795,000	\$11,520,384	\$2,558,612	\$5,669,745	\$4,908,279
% expenditures fixed [a]	10%	10%	10%	10%	10%
item:actual capital/total	10%	6%	6%	3%	10%
item:actual depreciation/total	9%	4%	3%	5%	9%
fixed expenditures	\$1,079,500	\$1,152,038	\$255,861	\$566,975	\$490,828
variable expenditures	\$9,715,500	\$10,368,345	\$2,302,751	\$5,102,771	\$4,417,451
expenditures per acute care inpatient					
actual: total	\$1,646	\$1,933	\$1,919	\$1,437	\$1,933
fixed	\$165	\$193	\$192	\$144	\$193
variable	\$1,482	\$1,740	\$1,727	\$1,293	\$1,740
at national average occupancy: total	\$1,591	\$1,854	\$1,757	\$1,376	\$1,815
fixed	\$110	\$114	\$29	\$83	\$75
variable	\$1,482	\$1,740	\$1,727	\$1,293	\$1,740
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$55	\$80	\$163	\$61	\$119
total (all inpatient days) [c]	\$261,357	\$474,265	\$216,927	\$240,066	\$301,146
per admission	\$154	\$275	\$540	\$190	\$487
EXCESS BED PREMIUM % of Charge	3.35%	4.12%	8.48%	4.23%	6.14%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

21	15	15	13	8
11	12	13	14	15
NORTON	SOUTH	VALDEZ	CORDOVA	PETERSBURG
SOUND	PENINSULA	COMM.	COMM.	
(CLF)	(CLF)		(CLF)	(CLF)

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	21	15	15	13	8
potential utilization days	7,665	5,475	5,475	4,745	4,015
actual utilization	1,813	2,211	1,377	718	479
occupancy rate	23.65%	40.38%	25.15%	15.13%	11.93%
Benchmark occupancy rate	75.00%	75.00%	75.00%	75.00%	75.00%
percent of national rate	31.54%	53.84%	33.53%	20.18%	15.91%
beds at national occupancy rate	7	8	5	3	1
utilization at national occupancy rate	5,749	4,106	4,106	3,559	3,011
excess beds	14	7	10	10	7
excess available bed days	3,936	1,895	2,729	2,841	2,532
excess capacity percent of beds	68.46%	46.16%	66.47%	79.82%	84.09%
outpatient visits	3,056	0	9,913	0	6,062
ratio outpatient visits/inpatient days	1.69	0.00	7.20	0.00	12.66
expenditures	\$7,115,296	\$7,191,757	\$1,846,211	\$2,583,678	\$2,469,070
% expenditures acute care	77%	72%	100%	61%	53%
expenditures for acute care	\$5,454,591	\$5,199,780	\$1,846,211	\$1,579,416	\$1,302,625
% expenditures fixed (a)	10%	10%	10%	10%	10%
item:actual capital/total	6%	7%	4%	16%	14%
item:actual depreciation/total	7%	8%	4%	21%	21%
fixed expenditures	\$545,459	\$519,978	\$184,621	\$157,942	\$130,262
variable expenditures	\$4,909,132	\$4,679,802	\$1,661,590	\$1,421,474	\$1,172,362
expenditures per acute care inpatient					
actual: total	\$3,009	\$2,352	\$1,341	\$2,200	\$2,719
fixed	\$301	\$235	\$134	\$220	\$272
variable	\$2,708	\$2,117	\$1,207	\$1,980	\$2,448
at national average occupancy: total	\$2,803	\$2,247	\$1,252	\$2,024	\$2,491
fixed	\$95	\$127	\$45	\$44	\$43
variable	\$2,708	\$2,117	\$1,207	\$1,980	\$2,448
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day (b)	\$206	\$109	\$89	\$176	\$229
total (all inpatient days) (c)	\$373,436	\$239,997	\$122,710	\$126,076	\$109,542
per admission	\$555	\$706	ERR	\$455	\$740
EXCESS BED PREMIUM % of Charge	6.85%	4.62%	6.65%	7.98%	8.41%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

ACUTE CARE BEDS

9

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

16
WRANGELL
GENL
(CLF)

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	9
potential utilization days	3,285
actual utilization	359
	11.48%
occupancy rate	10.93%
Benchmark occupancy rate	75.00%
percent of national rate	14.57%
beds at national occupancy rate	1
utilization at national occupancy rate	2,464
excess beds	8
excess available bed days	2,105
excess capacity percent of beds	85.43%
outpatient visits	0
ratio outpatient visits/inpatient days	0.00
expenditures	\$2,372,079
% expenditures acute care	59%
expenditures for acute care	\$1,392,414
% expenditures fixed [a]	10%
item: actual capital/total	9%
item: actual depreciation/total	12%
fixed expenditures	\$139,241
variable expenditures	\$1,253,173
expenditures per acute care inpatient	
actual, total	\$3,879
fixed	\$388
variable	\$3,491
at national average occupancy: total	\$3,547
fixed	\$57
variable	\$3,491
EXCESS BED PREMIUM (ANNUAL)	
per inpatient day [b]	\$331
total (all inpatient days) [c]	\$118,952
per admission	\$975
EXCESS BED PREMIUM % of Charge	8.54%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

ACUTE CARE BEDS COMMUNITY HOSPITAL (CO-LOCATED FACILITY)	AVERAGE OR SUM	ANCH & FRBKS	AVERAGE/SUM NET ANCH & FRBKS	AVERAGE/SUM ACUTE CARE FACILITIES	AVERAGE/SUM CO-LOCATED FACILITIES

[1] SURPLUS EXCESS CAPACITY ANALYSIS					
available beds in acute care	1,027	695	332	899	128
potential utilization days	375,950	253,675	122,275	328,135	47,815
actual utilization	167,839	125,652	42,187	152,354	15,485
occupancy rate	44.64%	49.53%	34.50%	46.43%	32.39%
Benchmark occupancy rate	75.00%	75.00%	75.00%	75.00%	75.00%
percent of national rate	59.53%	66.04%	46.00%	61.91%	43.18%
beds at national occupancy rate	613	459	154	557	56
utilization at national occupancy rate	281,963	190,256	91,706	246,101	35,861
excess beds	414	236	178	342	72
excess available bed days	114,124	64,604	49,519	93,747	20,376
excess capacity percent of beds	40.35%	33.96%	53.73%	38.09%	56.18%
outpatient visits	431,563	329,679	101,884	398,897	32,666
ratio outpatient visits/inpatient days	2.57	2.62	2.42	2.62	2.11
expenditures	\$296,313,764	\$202,223,011	\$94,090,753	\$253,030,907	\$43,282,857
% expenditures acute care	96%	100%	88%	100%	74%
expenditures for acute care	\$284,839,130	\$202,223,011	\$82,809,424	\$253,030,907	\$32,118,656
% expenditures fixed [a]	15%	15%	15%	15%	15%
item:actual capital/total	11%	12%	8%	12%	7%
item:actual depreciation/total	9%	9%	8%	9%	8%
fixed expenditures	\$42,725,870	\$30,333,452	\$12,421,414	\$37,954,636	\$4,817,798
variable expenditures	\$242,113,261	\$171,889,559	\$70,388,011	\$215,076,271	\$27,300,857
expenditures per inpatient day					
actual: total	\$1,697	\$1,609	\$1,963	\$1,661	\$2,074
fixed	\$255	\$241	\$294	\$249	\$311
variable	\$1,443	\$1,368	\$1,668	\$1,412	\$1,763
at national average occupancy: total	\$1,594	\$1,527	\$1,804	\$1,566	\$1,897
fixed	\$152	\$159	\$135	\$154	\$134
variable	\$1,443	\$1,368	\$1,668	\$1,412	\$1,763
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$103	\$82	\$159	\$95	\$177
total (all inpatient days) [c]	\$15,564,000	\$9,524,991	\$6,039,010	\$13,040,500	\$2,523,501
per admission	\$400	\$363	\$476	\$379	\$555
EXCESS BED PREMIUM % of Charge	5.46%	4.71%	7.29%	5.15%	7.86%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

[b] The premium for the average patient day.

[c] The sum of the premium over all patient days.

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

1	2	3	4	5
PROVIDENCE	HUMANA/ ALASKA	FAIRBANKS MEM.	BARTLETT MEM.	CENTRAL PENINSULA

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	341	238	116	51	46
potential utilization days	124,465	86,870	42,340	18,615	16,790
actual utilization	76,073	29,333	20,246	9,071	5,825
occupancy rate	61.12%	33.77%	47.82%	48.73%	34.69%
Benchmark occupancy rate	75.00%	75.00%	75.00%	75.00%	75.00%
percent of national rate	81.49%	45.02%	63.76%	64.97%	46.26%
beds at national occupancy rate	278	107	74	33	21
utilization at national occupancy rate	93,349	65,153	31,755	13,961	12,593
excess beds	63	131	42	18	25
excess available bed days	17,276	35,820	11,509	4,890	6,768
excess capacity percent of beds	18.51%	54.98%	36.24%	35.03%	53.74%
outpatient visits	146,948	67,522	115,209	13,395	20,119
ratio outpatient visits/inpatient days	1.93	2.30	5.69	1.48	3.45
expenditures	\$112,832,871	\$54,553,789	\$34,836,351	\$16,470,474	\$14,229,320
% expenditures acute care	100%	100%	100%	100%	100%
expenditures for acute care	\$112,832,871	\$54,553,789	\$34,836,351	\$16,470,474	\$14,229,320
% expenditures fixed (a)	15%	15%	15%	15%	15%
item:actual capital/total	14%	11%	7%	9%	8%
item:actual depreciation/total	10%	9%	7%	8%	8%
fixed expenditures	\$16,924,931	\$8,183,068	\$5,225,453	\$2,470,571	\$2,134,398
variable expenditures	\$95,907,940	\$46,370,721	\$29,610,898	\$13,999,903	\$12,094,922
expenditures per inpatient day					
actual: total	\$1,483	\$1,860	\$1,721	\$1,816	\$2,443
fixed	\$222	\$279	\$258	\$272	\$366
variable	\$1,261	\$1,581	\$1,463	\$1,543	\$2,076
at national average occupancy: total	\$1,442	\$1,706	\$1,627	\$1,720	\$2,246
fixed	\$181	\$126	\$165	\$177	\$169
variable	\$1,261	\$1,581	\$1,463	\$1,543	\$2,076
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day (b)	\$41	\$153	\$94	\$95	\$197
total (all inpatient days) (c)	\$3,132,242	\$4,498,882	\$1,893,867	\$865,375	\$1,147,075
per admission	\$218	\$697	\$350	\$320	\$554
EXCESS BED PREMIUM % of Charge	2.78%	8.25%	5.44%	5.25%	8.06%

Note: Several Facilities have occupancy rates exceeding the national average.

(a) If more patient days, how much of the costs of the hospital would remain constant--not grow.

(b) The premium for the average patient day.

(c) The sum of the premium over all patient days.

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

6	7	8	9	10
VALLEY HOSPITAL	KETCHIKAN GENL (CLF)	SEWARD GENERAL	KODIAK ISLAND (CLF)	SITKA COMMUNITY

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	36	37	32	25	24
potential utilization days	13,140	13,505	11,680	9,125	8,760
actual utilization	6,557	5,959	1,333	3,946	2,539
occupancy rate	49.90%	44.12%	11.41%	43.24%	28.98%
Benchmark occupancy rate	75.00%	75.00%	75.00%	75.00%	75.00%
percent of national rate	66.53%	58.83%	15.22%	57.66%	38.65%
beds at national occupancy rate	24	22	5	14	9
utilization at national occupancy rate	9,855	10,129	8,760	6,844	6,570
excess beds	12	15	27	11	15
excess available bed days	3,298	4,170	7,427	2,898	4,031
excess capacity percent of beds	33.47%	41.17%	84.78%	42.34%	61.35%
outpatient visits	12,183	19,319	2,328	4,229	11,280
ratio outpatient visits/inpatient days	1.86	3.24	1.75	1.07	4.44
expenditures	\$10,795,000	\$14,299,525	\$2,558,612	\$7,251,452	\$4,908,279
% expenditures acute care	100%	81%	100%	78%	100%
expenditures for acute care	\$10,795,000	\$11,520,384	\$2,558,612	\$5,669,745	\$4,908,279
% expenditures fixed [a]	15%	15%	15%	15%	15%
item:actual capital/total	10%	6%	6%	3%	10%
item:actual depreciation/total	9%	4%	3%	5%	9%
fixed expenditures	\$1,619,250	\$1,728,058	\$383,797	\$850,462	\$736,242
variable expenditures	\$9,175,750	\$9,792,326	\$2,174,815	\$4,819,283	\$4,172,037
expenditures per inpatient day					
actual: total	\$1,646	\$1,933	\$1,919	\$1,437	\$1,933
fixed	\$247	\$290	\$288	\$216	\$290
variable	\$1,399	\$1,643	\$1,632	\$1,221	\$1,643
at national average occupancy: total	\$1,564	\$1,814	\$1,675	\$1,346	\$1,755
fixed	\$164	\$171	\$44	\$124	\$112
variable	\$1,399	\$1,643	\$1,632	\$1,221	\$1,643
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$83	\$119	\$244	\$91	\$178
total (all inpatient days) [c]	\$541,886	\$711,398	\$325,391	\$360,099	\$451,719
per admission	\$232	\$412	\$809	\$285	\$730
EXCESS BED PREMIUM % of Charge	5.02%	6.18%	12.72%	6.35%	9.20%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

[b] The premium for the average patient day.

[c] The sum of the premium over all patient days.

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

21	15	15	13	8
11 NORTON SOUND (CLF)	12 SOUTH PENINSULA (CLF)	13 VALDEZ COMM.	14 CORDOVA COMM. (CLF)	15 PETERSBURG (CLF)

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	21	15	15	13	8
potential utilization days	7,665	5,475	5,475	4,745	4,015
actual utilization	1,813	2,211	1,377	718	479
occupancy rate	23.65%	40.38%	25.15%	15.13%	11.93%
Benchmark occupancy rate	75.00%	75.00%	75.00%	75.00%	75.00%
percent of national rate	31.54%	53.84%	33.53%	20.18%	15.91%
beds at national occupancy rate	7	8	5	3	1
utilization at national occupancy rate	5,749	4,106	4,106	3,559	3,011
excess beds	14	7	10	10	7
excess available bed days	3,936	1,895	2,729	2,841	2,532
excess capacity percent of beds	68.46%	46.16%	66.47%	79.82%	84.09%
outpatient visits	3,056	0	9,913	0	6,062
ratio outpatient visits/inpatient days	1.69	0.00	7.20	0.00	12.66
expenditures	\$7,115,296	\$7,191,757	\$1,846,211	\$2,593,678	\$2,469,070
% expenditures acute care	77%	72%	100%	61%	53%
expenditures for acute care	\$5,454,591	\$5,199,780	\$1,846,211	\$1,579,416	\$1,302,625
% expenditures fixed [a]	15%	15%	15%	15%	15%
item: actual capital/total	6%	7%	4%	16%	14%
item: actual depreciation/total	7%	8%	4%	21%	21%
fixed expenditures	\$818,189	\$779,967	\$276,932	\$236,912	\$195,394
variable expenditures	\$4,636,403	\$4,419,813	\$1,569,279	\$1,342,504	\$1,107,231
expenditures per inpatient day					
actual: total	\$3,009	\$2,352	\$1,341	\$2,200	\$2,719
fixed	\$451	\$353	\$201	\$330	\$408
variable	\$2,557	\$1,999	\$1,140	\$1,870	\$2,312
at national average occupancy: total	\$2,700	\$2,189	\$1,207	\$1,936	\$2,376
fixed	\$142	\$190	\$67	\$67	\$65
variable	\$2,557	\$1,999	\$1,140	\$1,870	\$2,312
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$309	\$163	\$134	\$263	\$343
total (all inpatient days) [c]	\$560,154	\$359,996	\$184,065	\$189,114	\$164,312
per admission	\$832	\$1,059	ERR	\$683	\$1,110
EXCESS BED PREMIUM % of Charge	10.27%	6.92%	9.97%	11.97%	12.61%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

[b] The premium for the average patient day.

[c] The sum of the premium over all patient days.

ACUTE CARE BEDS

9

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

16
WRANGELL
GENL
(CLF)

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	9
potential utilization days	3,285
actual utilization	359
	11.48%
occupancy rate	10.93%
Benchmark occupancy rate	75.00%
percent of national rate	14.57%
beds at national occupancy rate	1
utilization at national occupancy rate	2,464
excess beds	8
excess available bed days	2,105
excess capacity percent of beds	85.43%
outpatient visits	0
ratio outpatient visits/inpatient days	0.00
expenditures	\$2,372,079
% expenditures acute care	59%
expenditures for acute care	\$1,392,414
% expenditures fixed [a]	15%
item: actual capital/total	9%
item: actual depreciation/total	12%
fixed expenditures	\$208,862
variable expenditures	\$1,183,552
expenditures per inpatient day	
actual: total	\$3,879
fixed	\$582
variable	\$3,297
at national average occupancy: total	\$3,382
fixed	\$85
variable	\$3,297
EXCESS BED PREMIUM (ANNUAL)	
per inpatient day [b]	\$497
total (all inpatient days) [c]	\$178,428
per admission	\$1,463
EXCESS BED PREMIUM % of Charge	12.81%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

[b] The premium for the average patient day.

[c] The sum of the premium over all patient days.

C-33

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)AVERAGE
OR
SUM

ANCH & FRBKS

AVERAGE/SUM
NET
ANCH & FRBKSAVERAGE/SUM
ACUTE CARE
FACILITIESAVERAGE/SUM
CO-LOCATED
FACILITIES

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	1,027	695	332	899	128
potential utilization days	375,950	253,675	122,275	328,135	47,815
actual utilization	167,839	125,652	42,187	152,354	15,485
occupancy rate	44.64%	49.53%	34.50%	46.43%	32.39%
Benchmark occupancy rate	75.00%	75.00%	75.00%	75.00%	75.00%
percent of national rate	59.53%	66.04%	46.00%	61.91%	43.18%
beds at national occupancy rate	613	459	154	557	56
utilization at national occupancy rate	281,963	190,256	91,706	246,101	35,861
excess beds	414	236	178	342	72
excess available bed days	114,124	64,604	49,519	93,747	20,376
excess capacity percent of beds	40.35%	33.96%	53.73%	38.09%	56.18%
outpatient visits	431,563	329,679	101,884	398,897	32,666
ratio outpatient visits/inpatient days	2.57	2.62	2.42	2.62	2.11
expenditures	\$296,313,764	\$202,223,011	\$94,090,753	\$253,030,907	\$43,282,857
% expenditures acute care	96%	100%	88%	100%	74%
expenditures for acute care	\$284,839,130	\$202,223,011	\$82,809,424	\$253,030,907	\$32,118,656
% expenditures fixed [a]	20%	20%	20%	20%	20%
item:actual capital/total	11%	12%	8%	12%	7%
item:actual depreciation/total	9%	9%	8%	9%	8%
fixed expenditures	\$56,967,826	\$40,444,602	\$16,561,885	\$50,606,181	\$6,423,731
variable expenditures	\$227,871,304	\$161,778,409	\$66,247,539	\$202,424,726	\$25,694,925
expenditures per acute care inpatient day					
actual: total	\$1,697	\$1,609	\$1,963	\$1,661	\$2,074
fixed	\$339	\$322	\$393	\$332	\$415
variable	\$1,358	\$1,288	\$1,570	\$1,329	\$1,659
at national average occupancy: total	\$1,560	\$1,500	\$1,751	\$1,534	\$1,838
fixed	\$202	\$213	\$181	\$206	\$179
variable	\$1,358	\$1,288	\$1,570	\$1,329	\$1,659
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$137	\$109	\$212	\$127	\$236
total (all inpatient days) [c]	\$20,752,001	\$12,699,988	\$8,052,013	\$17,387,333	\$3,364,667
per admission	\$533	\$404	\$635	\$506	\$740
EXCESS BED PREMIUM % of Charge	7.29%	6.28%	9.72%	6.87%	10.48%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

[1] SURPLUS EXCESS CAPACITY ANALYSIS

	341	238	116	51	46
	1	2	3	4	5
	PROVIDENCE	HUMANA/ ALASKA	FAIRBANKS MEM.	BARTLETT MEM.	CENTRAL PENINSULA
available beds in acute care	341	238	116	51	46
potential utilization days	124,465	86,870	42,340	18,615	16,790
actual utilization	76,073	29,333	20,246	9,071	5,825
occupancy rate	61.12%	33.77%	47.82%	48.73%	34.69%
Benchmark occupancy rate	75.00%	75.00%	75.00%	75.00%	75.00%
percent of national rate	81.49%	45.02%	63.76%	64.97%	46.26%
beds at national occupancy rate	278	107	74	33	21
utilization at national occupancy rate	93,349	65,153	31,755	13,961	12,593
excess beds	63	131	42	18	25
excess available bed days	17,276	35,820	11,509	4,890	6,768
excess capacity percent of beds	18.51%	54.98%	36.24%	35.03%	53.74%
outpatient visits	146,948	57,522	115,209	13,395	20,119
ratio outpatient visits/inpatient days	1.93	2.30	5.69	1.48	3.45
expenditures	\$112,832,871	\$54,553,789	\$34,836,351	\$16,470,474	\$14,229,320
% expenditures acute care	100%	100%	100%	100%	100%
expenditures for acute care	\$112,832,871	\$54,553,789	\$34,836,351	\$16,470,474	\$14,229,320
% expenditures fixed [a]	20%	20%	20%	20%	20%
item:actual capital/total	14%	11%	7%	9%	8%
item:actual depreciation/total	10%	9%	7%	8%	8%
fixed expenditures	\$22,566,574	\$10,910,758	\$6,967,270	\$3,294,095	\$2,845,864
variable expenditures	\$90,266,297	\$43,643,031	\$27,869,081	\$13,176,379	\$11,383,456
expenditures per acute care inpatient					
actual: total	\$1,483	\$1,860	\$1,721	\$1,816	\$2,443
fixed	\$297	\$372	\$344	\$363	\$489
variable	\$1,187	\$1,488	\$1,377	\$1,453	\$1,954
at national average occupancy: total	\$1,428	\$1,655	\$1,596	\$1,689	\$2,180
fixed	\$242	\$167	\$219	\$236	\$226
variable	\$1,187	\$1,488	\$1,377	\$1,453	\$1,954
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$55	\$204	\$125	\$127	\$263
total (all inpatient days) [c]	\$4,176,323	\$5,998,509	\$2,525,155	\$1,153,833	\$1,529,433
per admission	\$290	\$930	\$467	\$427	\$738
EXCESS BED PREMIUM % of Charge	3.70%	11.00%	7.25%	7.01%	10.75%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

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ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

6	7	8	9	10
36	37	32	25	24
VALLEY HOSPITAL	KETCHIKAN GENL (CLF)	SEWARD GENERAL	KODIAK ISLAND (CLF)	SITKA COMMUNITY

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	36	37	32	25	24
potential utilization days	13,140	13,505	11,680	9,125	8,760
actual utilization	6,557	5,959	1,333	3,946	2,539
occupancy rate	49.90%	44.12%	11.41%	43.24%	28.98%
Benchmark occupancy rate	75.00%	75.00%	75.00%	75.00%	75.00%
percent of national rate	66.53%	58.83%	15.22%	57.66%	38.65%
beds at national occupancy rate	24	22	5	14	9
utilization at national occupancy rate	9,855	10,129	8,760	6,844	6,570
excess beds	12	15	27	11	15
excess available bed days	3,298	4,170	7,427	2,898	4,031
excess capacity percent of beds	33.47%	41.17%	84.78%	42.34%	61.35%
outpatient visits	12,183	19,319	2,328	4,229	11,280
ratio outpatient visits/inpatient days	1.86	3.24	1.75	1.07	4.44
expenditures	\$10,795,000	\$14,299,525	\$2,558,612	\$7,251,452	\$4,908,279
% expenditures acute care	100%	81%	100%	78%	100%
expenditures for acute care	\$10,795,000	\$11,520,384	\$2,558,612	\$5,669,745	\$4,908,279
% expenditures fixed [a]	20%	20%	20%	20%	20%
item: actual capital/total	10%	6%	6%	3%	10%
item: actual depreciation/total	9%	4%	3%	5%	9%
fixed expenditures	\$2,159,000	\$2,304,077	\$511,722	\$1,133,949	\$981,656
variable expenditures	\$8,636,000	\$9,216,307	\$2,046,890	\$4,535,796	\$3,926,623
expenditures per acute care inpatient					
actual: total	\$1,646	\$1,933	\$1,919	\$1,437	\$1,933
fixed	\$329	\$387	\$384	\$287	\$387
variable	\$1,317	\$1,547	\$1,536	\$1,149	\$1,547
at national average occupancy: total	\$1,536	\$1,774	\$1,594	\$1,315	\$1,696
fixed	\$219	\$227	\$58	\$166	\$149
variable	\$1,317	\$1,547	\$1,536	\$1,149	\$1,547
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$110	\$159	\$325	\$122	\$237
total (all inpatient days) [c]	\$722,515	\$948,530	\$433,854	\$480,132	\$602,291
per admission	\$309	\$550	\$1,079	\$380	\$973
EXCESS BED PREMIUM % of Charge	6.69%	8.23%	16.96%	8.47%	12.27%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

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ACUTE CARE BEDS

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

21	15	15	13	8
11	12	13	14	15
NORTON	SOUTH	VALDEZ	CORDOVA	PETERSBURG
SOUND	PENINSULA	COMM.	COMM.	
(CLF)	(CLF)		(CLF)	(CLF)

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	21	15	15	13	8
potential utilization days	7,665	5,475	5,475	4,745	4,015
actual utilization	1,813	2,211	1,377	718	479
occupancy rate	23.65%	40.38%	25.15%	15.13%	11.93%
Benchmark occupancy rate	75.00%	75.00%	75.00%	75.00%	75.00%
percent of national rate	31.54%	53.84%	33.53%	20.18%	15.91%
beds at national occupancy rate	7	8	5	3	1
utilization at national occupancy rate	5,749	4,106	4,106	3,559	3,011
excess beds	14	7	10	10	7
excess available bed days	3,936	1,895	2,729	2,841	2,532
excess capacity percent of beds	68.46%	46.16%	66.47%	79.82%	84.09%
outpatient visits	3,056	0	9,913	0	6,052
ratio outpatient visits/inpatient days	1.69	0.00	7.20	0.00	12.66
expenditures	\$7,115,296	\$7,191,757	\$1,846,211	\$2,583,678	\$2,469,070
% expenditures acute care	77%	72%	100%	61%	53%
expenditures for acute care	\$5,454,591	\$5,199,780	\$1,846,211	\$1,579,416	\$1,302,625
% expenditures fixed [a]	20%	20%	20%	20%	20%
item:actual capital/total	6%	7%	4%	16%	14%
item:actual depreciation/total	7%	8%	4%	21%	21%
fixed expenditures	\$1,090,918	\$1,039,956	\$369,242	\$315,883	\$260,525
variable expenditures	\$4,363,673	\$4,159,824	\$1,476,969	\$1,263,533	\$1,042,100
expenditures per acute care inpatient					
actual: total	\$3,009	\$2,352	\$1,341	\$2,200	\$2,719
fixed	\$602	\$470	\$268	\$440	\$544
variable	\$2,407	\$1,881	\$1,073	\$1,760	\$2,176
at national average occupancy: total	\$2,597	\$2,135	\$1,163	\$1,849	\$2,262
fixed	\$190	\$253	\$90	\$89	\$87
variable	\$2,407	\$1,881	\$1,073	\$1,760	\$2,176
EXCESS BED PREMIUM (ANNUAL)					
per inpatient day [b]	\$412	\$217	\$178	\$351	\$457
total (all inpatient days) [c]	\$746,872	\$479,994	\$245,420	\$252,152	\$219,083
per admission	\$1,110	\$1,412	ERR	\$910	\$1,480
EXCESS BED PREMIUM % of Charge	13.69%	9.23%	13.29%	15.96%	16.82%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

ACUTE CARE BEDS

9

COMMUNITY
HOSPITAL
(CO-LOCATED FACILITY)

16
WRANGELL
GENL
(CLF)

[1] SURPLUS EXCESS CAPACITY ANALYSIS

available beds in acute care	9
potential utilization days	3,285
actual utilization	359
	11.48%
occupancy rate	10.93%
Benchmark occupancy rate	75.00%
percent of national rate	14.57%
beds at national occupancy rate	1
utilization at national occupancy rate	2,464
excess beds	8
excess available bed days	2,105
excess capacity percent of beds	85.43%
outpatient visits	0
ratio outpatient visits/inpatient days	0.00
expenditures	\$2,372,079
% expenditures acute care	59%
expenditures for acute care	\$1,392,414
% expenditures fixed [a]	20%
item: actual capital/total	9%
item: actual depreciation/total	12%
fixed expenditures	\$278,483
variable expenditures	\$1,113,931
expenditures per acute care inpatient	
actual: total	\$3,879
fixed	\$776
variable	\$3,103
at national average occupancy: total	\$3,216
fixed	\$113
variable	\$3,103
EXCESS BED PREMIUM (ANNUAL)	
per inpatient day [b]	\$663
total (all inpatient days) [c]	\$237,904
per admission	\$1,950
EXCESS BED PREMIUM % of Charge	17.09%

Note: Several Facilities have occupancy rates exceeding the national average.

[a] If more patient days, how much of the costs of the hospital would remain constant--not grow.

[2] SAVINGS FROM REBUILDING HOSPITALS TO EFFICIENT SIZE

(Refer to the Downsizing Analysis Worksheet)

QUESTION--If the Alaska community hospital acute care facilities were replaced with smaller facilities that could maintain national average occupancy rates and at the same time could be operated at a cost no greater than double the national average, how would average costs per inpatient day and for the health care system as a whole be impacted?

RESULTS--The downsizing would eliminate 228 beds and the potential annual saving would be \$156 per inpatient day, and \$41.7 million annually. Half of the savings would occur in Anchorage and Fairbanks.

ASSUMPTIONS--The average cost per acute care inpatient day in Alaska community hospitals is \$1,697 compared to the national average of \$771--a difference of 120 %. The range of average daily expenditures for Alaska hospitals is from a low of \$1,483 to a high of \$3,879. As shown in Figure I.5, the daily expenditure is inversely related to hospital size as measured by the number of beds. It is also inversely related to occupancy rates since small hospitals tend to have lower occupancy rates. Only two Alaska hospitals have costs per acute care inpatient day that are less than double the national average. The average daily inpatient expenditure includes outpatient care costs and this tends to exaggerate the cost differential between Alaska and the US average. On the other hand the cost differential for medical care in Alaska as measured by the available indices is below 100%. Consequently a target differential for planning purposes of 100% for this analysis does not seem unreasonable.

When hospitals are being designed and built all costs are variable since this is the time that the size of the hospital is determined. In fact for extremely small hospitals there will be some minimum size below which fixed costs can no longer be reduced. For example, there is a minimum number of nurses required to staff even the smallest hospital.

The national average occupancy rates were used as the benchmark for sizing the Alaska hospitals.

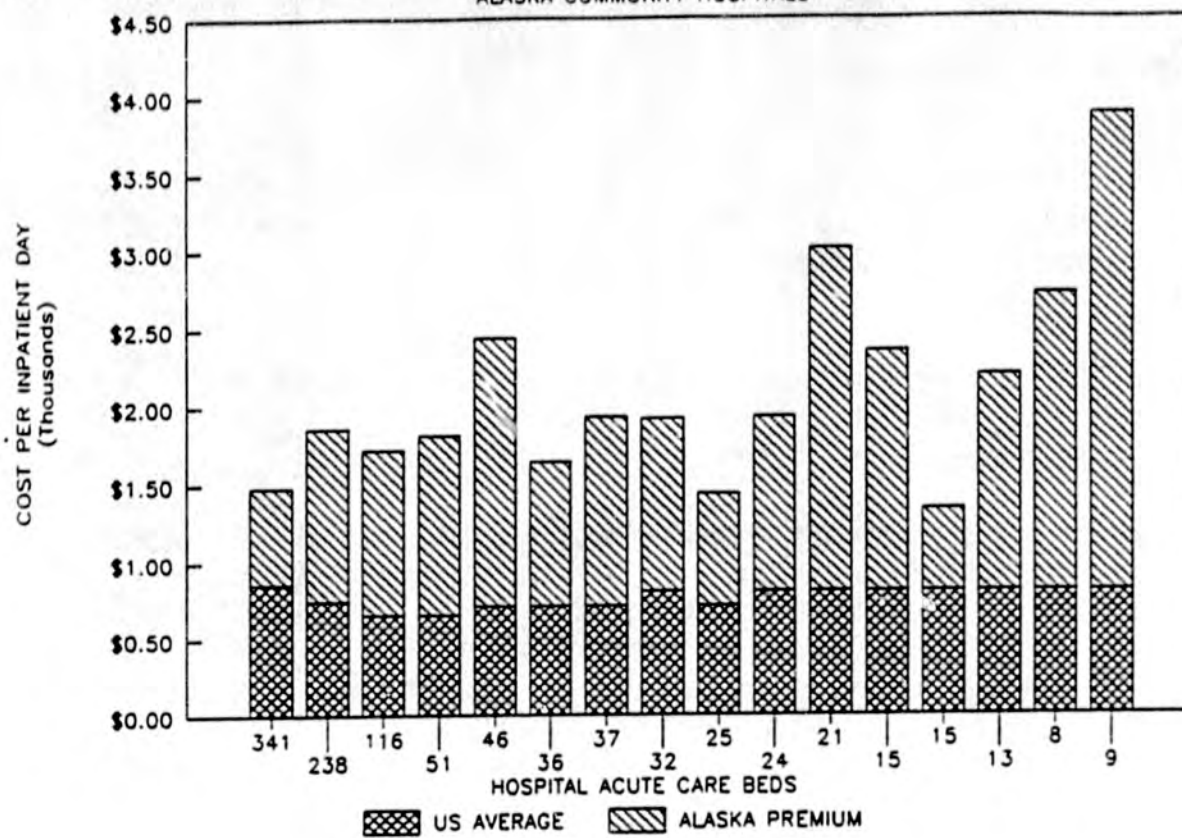
Expenses in two Alaska hospitals were calculated at less than 2 times the national average. In this analysis no savings was achieved by resizing these hospitals when in fact downsizing could lead to savings through the elimination of excess capacity for these facilities.

In assuming the national average expense per inpatient day as the standard we recognize that hospital costs are influenced by average age of facility, the types of

Figure 1.5

COST PER INPATIENT DAY

ALASKA COMMUNITY HOSPITALS



services offered, etc. The data does not allow this detail in the analysis.

The analysis looks at the savings in one year. It does not take into account that demand for facility utilization is changing over time.

METHODOLOGY--The cost per inpatient day in US hospitals of a size appropriate for each Alaska location based on the national average occupancy rate was compared to the reported cost per inpatient day at Alaska hospitals. The US hospital expenses were doubled and the difference between these expenses across all inpatients and the reported Alaska expenses across all inpatients was calculated. This is the estimate of potential savings from downsizing.

DATA SOURCE--Occupancy rates for Alaska acute care hospitals as well as expenditures per inpatient day were based on information provided by the hospitals to the Medicaid Rate Setting Commission. The expenditure information excluded the costs associated with Long Term Care, but included the costs associated with outpatient care. The data was for the most recent fiscal year available, which varied somewhat among hospitals, but generally covered 1989. The data includes the 16 community hospitals in the state. Co-located facilities are indicated on the worksheet. All expenses, including replacement costs, are assumed included in the data. The national average data was obtained from the American Hospital Association.

COMMUNITY HOSPITAL (CO-LOCATED FACILITY)	AVERAGE OR SUM	AVERAGE/SUM NET ANCH & FRBKS	AVERAGE/SUM ACUTE CARE FACILITIES	AVERAGE/SUM CO-LOCATED FACILITIES
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[2] DOWNSIZING ANALYSIS

available beds	1,027	332	899	128
actual utilization	167,839	42,187	152,354	15,485
occupancy rate	44.64%	34.50%	46.43%	32.39%
national occupancy rate	58.17%			
target beds	799	287	685	114
change from current level	228	45	214	14
expenditures per inpatient day	\$1,697	\$1,963	\$1,661	\$2,074
US avg expenditures per inpatient day	\$771	\$730	\$774	\$748
ratio: Ak/US avg	2.20	2.69	2.15	2.77
US avg expenditures -- doubled	\$1,541	\$1,459	\$1,549	\$1,497
potential saving from reconstruction				
per inpatient day	\$156 ^a	\$504 ^a	\$112 ^a	\$578
annual total	\$41,733,524	\$22,413,990	\$32,632,499	\$9,101,025

^a Does not reflect fact that 2 hospitals
have costs less than double national average

COMMUNITY HOSPITAL (CO-LOCATED FACILITY)	1 PROVIDENCE	2 HUMANA/ ALASKA	3 FAIRBANKS MEM.	4 BARTLETT MEM.	5 CENTRAL PENINSULA	6 VALLEY HOSPITAL	7 KETCHIKAN GENL (CLF)	8 SEWARD GENERAL
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[2] DOWNSIZING ANALYSIS

available beds	341	238	116	51	46	36	37	32
actual utilization	76,073	29,333	20,246	9,071	5,825	6,557	5,959	1,333
occupancy rate	61.12%	33.77%	47.82%	48.73%	34.69%	49.90%	44.12%	11.41%
national occupancy rate	69.30%	66.80%	60.70%	53.00%	40.60%	40.60%	40.60%	40.60%
target beds	301	120	91	47	39	44	40	9
change from current level	40	118	25	4	7	(8)	(3)	23
expenditures per inpatient day	\$1,483	\$1,860	\$1,721	\$1,816	\$2,443	\$1,646	\$1,933	\$1,919
US avg expenditures per inpatient day	\$856	\$743	\$654	\$654	\$709	\$709	\$709	\$804
ratio: Ak/US avg	1.73	2.50	2.63	2.78	3.45	2.32	2.73	2.39
US avg expenditures -- doubled	\$1,712	\$1,486	\$1,308	\$1,308	\$1,418	\$1,418	\$1,418	\$1,608
potential saving from reconstruction								
per inpatient day	\$0	\$374	\$413	\$508	\$1,025	\$228	\$515	\$311
annual total	\$0	\$10,964,951	\$8,354,583	\$4,605,606	\$5,969,470	\$1,497,174	\$3,070,522	\$415,148

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COMMUNITY HOSPITAL (CO-LOCATED FACILITY)	9 KODIAK ISLAND (CLF)	10 SITKA COMMUNITY	11 NORTON SOUND (CLF)	12 SOUTH PENINSULA (CLF)	13 VALDEZ COMM.	14 CORDOVA COMM. (CLF)	15 PETERSBURG (CLF)	16 WRANGELL GENL (CLF)
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[2] DOWNSIZING ANALYSIS

available beds	25	24	21	15	15	13	8	9
actual utilization	3,946	2,539	1,813	2,211	1,377	718	479	359
occupancy rate	43.24%	28.98%	23.65%	40.38%	25.15%	15.13%	11.93%	10.93%
national occupancy rate	40.60%	32.40%	32.40%	32.40%	32.40%	32.40%	32.40%	32.40%
target beds	27	21	15	19	12	6	4	3
change from current level	(2)	3	6	(4)	3	7	4	6
expenditures per inpatient day	\$1,437	\$1,933	\$3,009	\$2,352	\$1,341	\$2,200	\$2,719	\$3,879
US avg expenditures per inpatient day	\$709	\$804	\$804	\$804	\$804	\$804	\$804	\$804
ratio: Ak/US avg	2.03	2.40	3.74	2.93	1.67	2.74	3.38	4.82
US avg expenditures -- doubled	\$1,418	\$1,608	\$1,608	\$1,608	\$1,608	\$1,608	\$1,608	\$1,608
potential saving from reconstruction								
per inpatient day	\$19	\$325	\$1,401	\$744	\$0	\$592	\$1,111	\$2,271
annual total	\$74,317	\$825,567	\$2,539,287	\$1,644,492	\$0	\$424,872	\$532,393	\$815,142

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[3] SAVINGS FROM CHANGING SERVICES PROVIDED AT UNDERUTILIZED HOSPITALS

(Refer to Facility Reconfiguration Worksheet)

QUESTION--Is there a cost savings from reconfiguration of existing facilities?

RESULTS--Using the example of serving the acute care inpatient needs of Petersburg and Wrangell by transferring them to Ketchikan, the net savings estimate ranges from \$229 thousand to \$391 thousand annually. Savings for other reconfigurations depend upon relative costs of service in different locations (usually less at larger and more fully utilized facilities) and costs of patient transportation.

The transfer of inpatients to Ketchikan would reduce the daily inpatient cost not only for patients from Wrangell and Petersburg because they would receive care at the less costly Ketchikan hospital, but also for the current users of the Ketchikan hospital because fixed costs would be shared among a larger number of patients and thus reduce the cost per patient. The cost savings would be partially offset by the fact that residents of Wrangell and Petersburg would incur travel costs to get to and from Ketchikan for care.

ASSUMPTIONS--Fixed costs range from 10% to 20% of total expenses. Facilities which lose patients can be put to some other use, for example long term care, which would absorb these fixed costs. The outpatient services currently provided at Wrangell and Petersburg would continue to be provided in those communities at their current cost. The transportation cost associated with each admission from Wrangell and Petersburg into Ketchikan is \$400. This is an arbitrary figure.

The acute care facilities at Petersburg and Wrangell have a combined total of 17 beds with an occupancy rate of 11%. The cost per acute care inpatient day at the three facilities is as follows (the outpatient service expenditures are included in these figures):

Ketchikan	\$1,933
Petersburg	\$2,719
Wrangell	\$3,879

METHODOLOGY--The cost at Ketchikan of providing services for the patients now handled at Wrangell and Petersburg is calculated (including outpatient costs). The savings in expense from closing the acute care beds in Wrangell and Petersburg is netted out. This results in a savings in the 10% fixed cost case (assuming the fixed costs in Wrangell and Petersburg are allocated to an alternative use) of \$1.2 million annually. From this savings the transportation costs are netted out. This reduces the savings to \$1.1 million annually. Finally the cost of outpatient care provided in Wrangell and Petersburg is added back in at the current amount. This is approximately \$.9 million. This reduces the net savings to \$229 thousand which is the result of a reduction in costs

of \$918 thousand in Wrangell and Petersburg partially offset by a \$768 thousand increase in costs associated with the provision of care at Ketchikan.

DATA SOURCE--Occupancy rates for Alaska acute care hospitals as well as expenditures per inpatient day were based on data provided by the hospitals to the Medicaid Rate Setting Commission. The expenditure information excluded the costs associated with long term care, but included the costs associated with outpatient care. The data was for the most recent fiscal year available, which varied somewhat among hospitals, but generally covered 1989. The data includes the 16 community hospitals in the state. Co-located facilities are indicated on the worksheet. All expenses, including replacement costs, are assumed included in the data. The national average data was obtained from the American Hospital Association.

COMMUNITY HOSPITAL (CO-LOCATED FACILITY)	ISER			
	AVERAGE OR SUM	7 KETCHIKAN GENL (CLF)	15 PETERSBURG (CLF)	16 WRANGELL GENL (CLF)

[3] FACILITY RECONFIGURATION				
Facilities Moved	1 2	PETERSBURG WRANGELL		
available beds		37	8	9
potential utilization days		13,505	4,015	3,285
present utilization		5,959	479	359
ADD: transfers in		838		
MINUS: transfers out			479	359
net utilization		6,797	0	0
occupancy rate with transfers		50.33%	0.00%	0.00%
national occupancy rate		40.60%	32.40%	32.40%
percent of national rate		123.96%	0.00%	0.00%
expenditures for acute care		\$11,520,384	\$1,302,625	\$1,392,414
% expenditures fixed		10%	10%	10%
fixed expenditures		\$1,152,038	\$130,262	\$139,241
variable expenditures		\$10,368,345	\$1,172,362	\$1,253,173
expenditures per inpatient day				
local demand				
total		\$1,933	\$2,719	\$3,879
fixed		\$193	\$272	\$388
variable		\$1,740	\$2,448	\$3,491
transfer				
total		\$1,740	\$2,448	\$3,491
fixed		\$0	\$0	\$0
variable		\$1,740	\$2,448	\$3,491
transportation cost				
per patient			\$400	\$400
number of admissions	270		148	122
total	\$108,000		\$59,200	\$48,800
total system acute care expenditures				
before transfer	\$285,149,862	\$11,520,384	\$1,302,625	\$1,392,414
after transfers (with fixed costs)	\$284,182,403	\$12,978,459	\$130,262	\$139,241
after transfers (no fixed costs)	\$283,912,899			
acute care expenditure savings				
continue to pay fixed costs	\$967,459	(\$1,458,076)	\$1,172,362	\$1,253,173
fixed costs reallocated	\$1,236,963	(\$1,458,076)	\$1,302,625	\$1,392,414
system savings net of transportation cost				
continue to pay fixed costs	\$859,459	(\$1,458,076)	\$1,113,162	\$1,204,373
fixed costs reallocated	\$1,128,963	(\$1,458,076)	\$1,243,425	\$1,343,614
Outpatient expenditures	\$5,833,480	\$4,933,249	\$474,963	\$425,268
Share of acute care		56.02%	40.04%	51.09%
System savings net of transportation cost and outpatient cost				
continue to pay fixed costs	(\$40,772)	(\$1,458,076)	\$638,199	\$779,104
fixed costs reallocated	\$228,732	(\$1,458,076)	\$768,462	\$918,346
Savings per transferred inpatient day	\$273			
fixed costs reallocated				

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COMMUNITY HOSPITAL (CO-LOCATED FACILITY)	ISER			
	AVERAGE OR SUM	7 KETCHIKAN GENL (CLF)	15 PETERSBURG (CLF)	16 WRANGELL GENL (CLF)

[3] FACILITY RECONFIGURATION				
Facilities Moved	1 2	PETERSBURG WRANGELL		
available beds		37	8	9
potential utilization days		13,505	4,015	3,285
present utilization		5,959	479	359
ADD: transfers in		838		
MINUS: transfers out			479	359
net utilization		6,797	0	0
occupancy rate with transfers		50.33%	0.00%	0.00%
national occupancy rate		40.60%	32.40%	32.40%
percent of national rate		123.96%	0.00%	0.00%
expenditures for acute care		\$11,520,384	\$1,302,625	\$1,392,414
% expenditures fixed		20%	20%	20%
fixed expenditures		\$2,304,077	\$260,525	\$278,483
variable expenditures		\$9,216,307	\$1,042,100	\$1,113,931
expenditures per inpatient day				
local demand	total	\$1,933	\$2,719	\$3,879
	fixed	\$387	\$544	\$776
	variable	\$1,547	\$2,176	\$3,103
transfer	total	\$1,547	\$2,176	\$3,103
	fixed	\$0	\$0	\$0
	variable	\$1,547	\$2,176	\$3,103
transportation cost				
per patient			\$400	\$400
number of admissions	270		148	122
total	\$108,000		\$59,200	\$48,800
total system acute care expenditures				
before transfer	\$285,149,862	\$11,520,384	\$1,302,625	\$1,392,414
after transfers (with fixed costs)	\$284,289,898	\$12,816,451	\$260,525	\$278,483
after transfers (no fixed costs)	\$283,750,890			
acute care expenditure savings				
continue to pay fixed costs	\$859,964	(\$1,296,067)	\$1,042,100	\$1,113,931
fixed costs reallocated	\$1,398,971	(\$1,296,067)	\$1,302,625	\$1,392,414
system savings net of transportation cost				
continue to pay fixed costs	\$751,964	(\$1,296,067)	\$982,900	\$1,065,131
fixed costs reallocated	\$1,290,971	(\$1,296,067)	\$1,243,425	\$1,343,614
Outpatient expenditures	\$5,833,480	\$4,933,249	\$474,963	\$425,268
Share of acute care		56.02%	40.04%	51.09%
System savings net of transportation cost and outpatient cost				
continue to pay fixed costs	(\$148,267)	(\$1,296,067)	\$507,937	\$639,863
fixed costs reallocated	\$390,740	(\$1,296,067)	\$768,462	\$918,346
Savings per transferred inpatient day	\$466			
fixed costs reallocated				

II. ALASKA EMPLOYMENT BY INDUSTRY AND FIRM SIZE

The proportion of workers employed in the public sector in Alaska in 1990 was twice the national average (US Department of Commerce, Bureau of Economic Analysis). This includes both full and part time employment and consequently may include some double counting. The percentages were as follows:

	Alaska	US Average
Total Public	30.0%	15.4%
Military	9.2	2.0
Federal Civilian	5.7	2.4
State and Local	15.1	11.1

This information suggests that a smaller proportion of the population in Alaska is provided or potentially provided with employer based health insurance from private employers. This is likely true even though a larger portion of the Alaska public employment may be part time (such as the National Guard) and thus not covered by health insurance.

The proportion of Alaska workers who were self-employed in 1990 is also considerably above the national average (17.5 percent compared to 14.4 percent). This is due in large part to the importance of fish harvesting and construction in the Alaska economy. Since this data also includes part time workers who may have health insurance coverage in other jobs (teachers who fish or professors who have a consulting business), it is not clear from this data whether the health insurance problems of the self employed are more severe in Alaska than elsewhere.

Seasonality is a characteristic of several important Alaska industries including seafood harvesting and processing, forest products, construction, and tourism. The extent of variation in employment in these industries is indicated by the percent change from the minimum to the maximum monthly employment over the year. Percent changes during 1990 were (Alaska Department of Labor, Alaska Economic Trends, August 1991):

Industry	Percent Change in Employment From Minimum to Maximum Month
All Industries	24 %
Construction	70
Seafood Processing	322
Lumber and Wood Products	118
Hotels and Motels (Tourism)	56

The seasonality of employment is accompanied by a high turnover rate of employment. This is indicated by the fact that 17 percent of Alaska workers--53 thousand--were non-residents in 1988 (the last year before the oil spill cleanup economic boom). These non-resident workers were concentrated in the seasonal industries--seafood, timber, construction, and tourism. Non-residents in seafood processing comprised 51 percent (15 thousand) of all workers in the industry (Alaska Department of Labor, Nonresidents Working in Alaska).

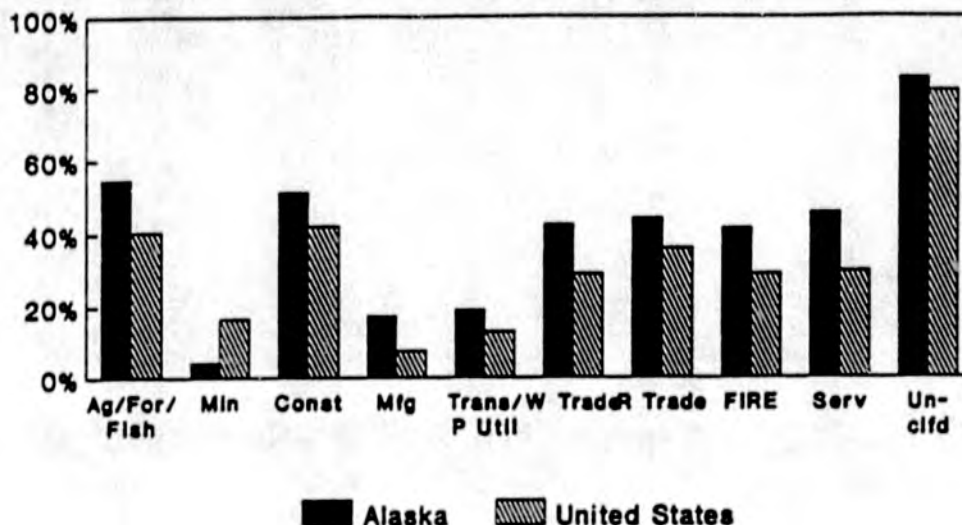
Within the private economy in Alaska the average firm size is less than the national average for all industries except mining/petroleum which in Alaska is dominated by a small number of large firms. (The data on firm size excludes the self employed such as many miners and fishermen. US Department of Commerce, County Business Patterns for 1988.)

39 percent of private employees in Alaska work in firms with fewer than 20 employees compared to the national average of 27 percent (Figure II.1). This represents about 53 thousand Alaskan workers who are primarily in the trade and service sectors but include all industries (Figure II.2 and Figure II.3).

Many of the largest firms in Alaska are in seasonal industries. In 1989 the firm with the largest number on the payroll at some time during the year was Veco Inc. which was the primary contractor for the oilspill cleanup effort. Of the 32 firms that has more than 1000 employees on the payroll during the year 11 can be identified with the seasonal industries of seafood processing, tourism, or oilspill cleanup. (Alaska Department of Labor, special computer printout of 1989 employment by firm)

Figure II.1

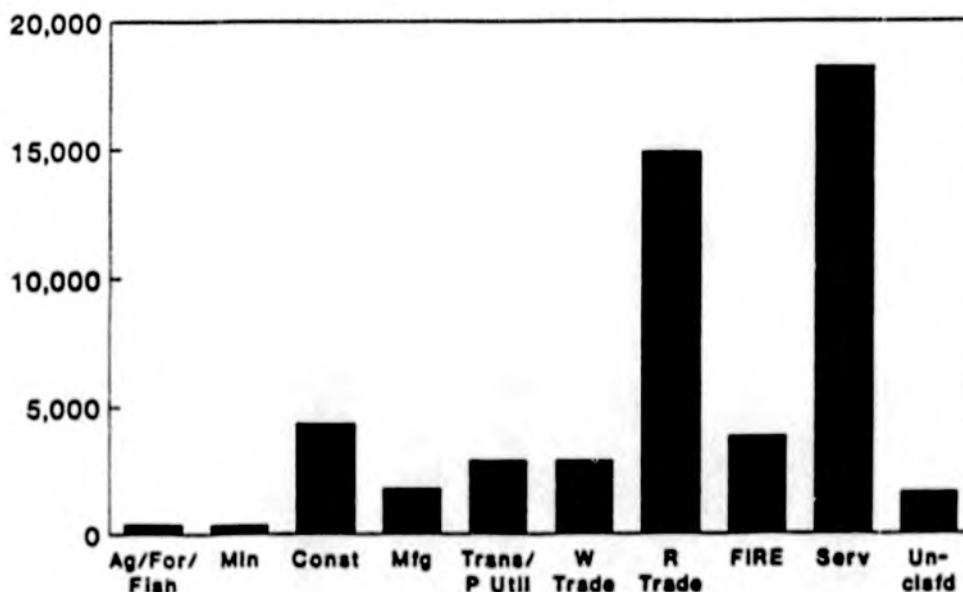
**Percent of Employees in Alaska and U.S.
That Are In Firms That Have
Fewer Than 20 Employees**



Values for Alaska are not reported for Ag/For/Fish, Trans/P Util, and W Trade where no. of employees was fewer than 5.

Figure II.2

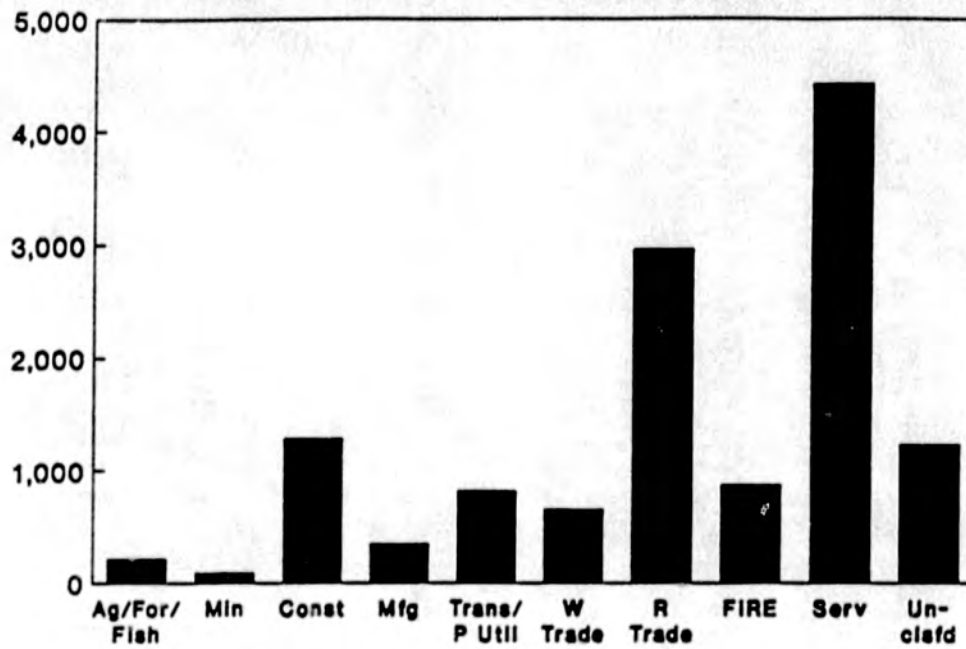
**Number of Employees in Alaska Firms
that have fewer than 20 Employees**



Values for Ag/For/Fish, Trans/P Util, and W Trade are for firms having 5-19 employees.

Figure II.3

**Number of Alaska Firms
with fewer than 20 Employees**



III. MEASURES OF THE MEDICAL COST OF LIVING DIFFERENTIAL FOR ALASKA AND MEDICAL INFLATION

Studies of the cost of living differential between Anchorage and the rest of the US consistently report that the differential is twice as large for medical care compared to the overall budget for a consumer. These studies measure the relative price for only that portion of medical expenditures paid directly by consumers, and then only for a small sample of items. They typically exclude the prices of items paid by government, such as the majority of long term care costs, and the cost of employer contributions to health insurance. Consequently they should be considered only a very imprecise measure of the differences in prices for medical care in Anchorage compared to the rest of the US. In addition they do not measure price differences between locations in Alaska outside of Anchorage and the lower 48 states.

The 1991 Anchorage cost of living differential compared to the US city average as measured by the US Chamber of Commerce was 73 percent for health care compared to 35 percent for the composite index (Figure III.1)(ACCRA INDEX for 1991:1).

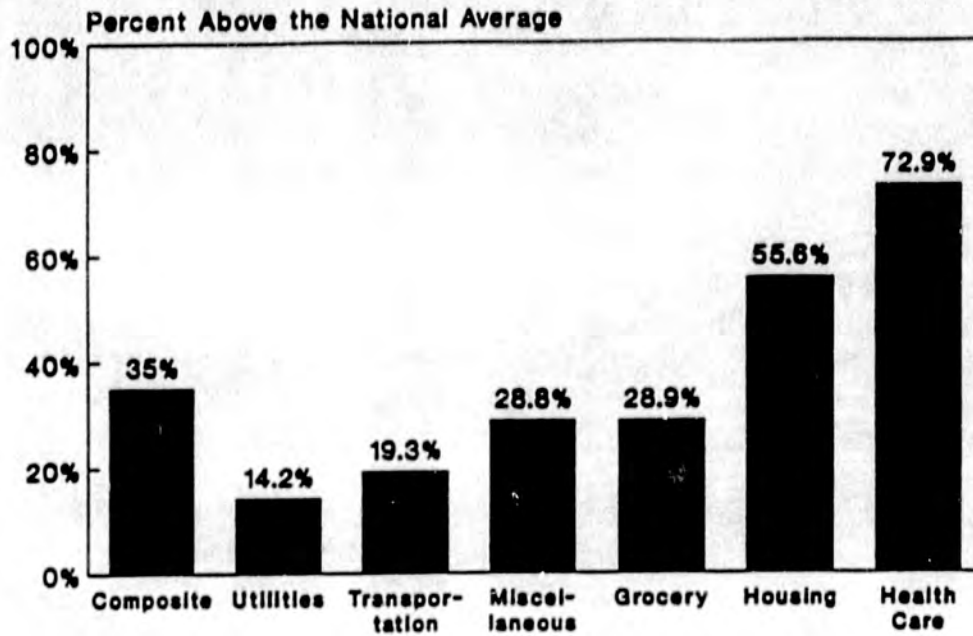
The Anchorage cost of living differential compared to Seattle for medical care was 30 percent compared to 16 percent for the total differential as reported in 1985 in the Alaska Geographic Differential Study (April 1985 by the McDowell Group for Alaska Department of Administration).

The cost of medical care for a family of 4 was estimated to be 60 percent above the US urban average in Anchorage in 1981. This compared to a differential for the entire family budget ranging from a low of 22 percent for a high income family to a high of 46 percent for a low income family (Figure III.2) (US Department of Labor, 3 Family Budgets 1981, [last published in 1981]).

The Alaska differential in the price of medical care, whatever its specific value, has remained constant over time as measured by the medical care component of the Anchorage Consumer price index. This measure of the rate of inflation in medical care costs from year to year has increased at approximately the same rate as the US average since the mid 1970s (Figure III.3) (US Department of Labor, Consumer Price Index for All Urban Consumers).

Figure III.1

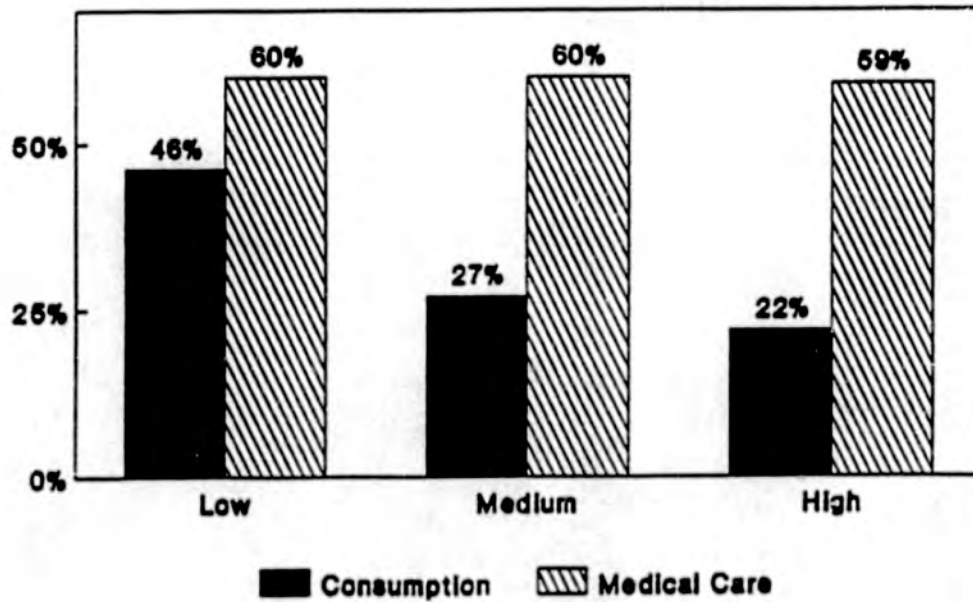
**Anchorage Cost of Living Differential
According to the US Chamber of Commerce**



ACCRA 1991:1

Figure III.2

**3 Family Budgets in Anchorage
Total Consumption and Medical Care
Percent Above the US City Average, 1981**



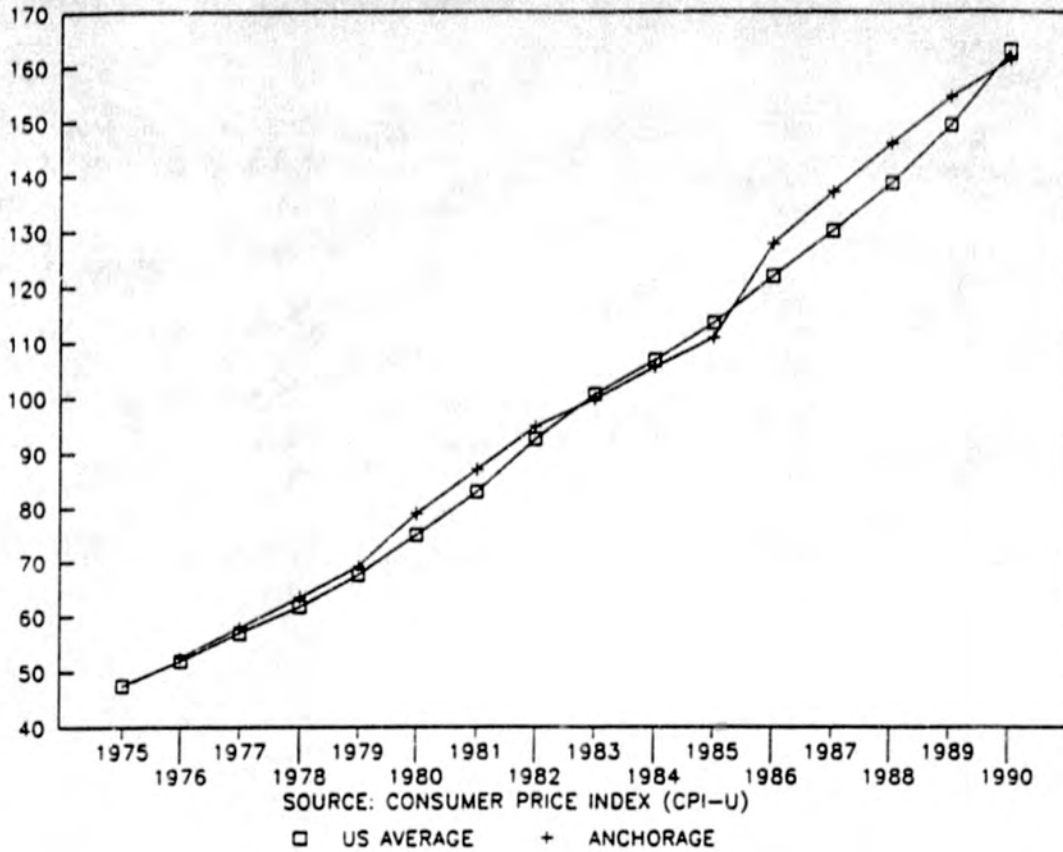
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Figure III.3

MEDICAL CARE CONSUMER PRICE INDEX

ANCHORAGE AND THE US AVERAGE

1982-84=100



IV. DEMOGRAPHIC CHANGE IN ALASKA AND ITS INFLUENCE ON HEALTH CARE EXPENDITURES

The population of Alaska has grown at three times the national average since Alaska became a state. The annual growth rate averaged 3 percent between 1960 and 1990 in Alaska. During the same period the average annual growth rate of the US population was 1.1 percent. In the most recent decade Alaska population increased 37 percent--a 3.2 percent average annual rate of growth.

As important for medical care expenditures as the growth in the total population has been the aging of the Alaska population. This is because average health care expenditures by the elderly are about three times the average for the entire population. Data from the Health Care Financing Administration shows that health care spending per capita is related to age. Specifically the annual per capita expenditure for the entire population on health care in 1987 was \$1,776 but \$5,360 for the over 65 population (Health Care Financing Review, Summer 1989, Volume 10, Number 4).

The over 65 population is a small percentage of the total population in Alaska, particularly in relation to the US as a whole. In 1990 4.1 percent of the Alaska population was 65+ compared to 12.3 percent for the US.

More significant however is the rate of growth of the 65+ population in the state. During the first decade of statehood the 65+ population grew at a slower rate than the total--2.1 percent. In the 1970s the 65+ population began increasing at a faster rate than the total population--5.6 percent. In the decade of the 1980s the 65+ population grew at the annual average rate of 6.8 percent--twice as fast as the total population. In contrast, in the US as a whole the 65+ population grew at the rate of 2.1 percent annually during the 1980s.

The net result of this growth is that the age structure of the Alaska population is approaching that of the nation as a whole. Not only is 65+ population becoming a larger portion of the total, the average age of the population is increasing. In particular between 1980 and 1990 the population aged 35-44 increased the most--49 thousand--while the population aged 19-24 declined by 4 thousand. The average age of males in Alaska is now 28.4 compared to 31.5 for the total US. The average age of females in Alaska is 28.5 compared to 33.8 for the total US.

V. PROJECTING ALASKA HEALTH CARE EXPENDITURES

Health care expenditures in a population increase over time as a result of 4 factors- general inflation, medical inflation in excess of the general inflation rate, increases in population, and increases in utilization and the intensity of use.

If the rate of medical inflation in the 1990s is the same as it has been for the last 15 years and nothing else changes health care expenditures in Alaska will more than double by 2000 to \$3 billion annually.

Population growth and aging will add to the increase. Economic projections suggest that the rate of population growth in the 1990s will be less than in prior decades (see for example Economic Projections for Southcentral Alaska:1990-2015, ISER 1991). If that is the case and the population increases only 100 thousand during the 1990s this will engender \$500 million in additional health care expenditures annually. On the other hand if we assume a continuation of the historical rate of population increase, an additional 241 thousand Alaskans will reside in the state in 2000. These Alaskans will add \$1.5 billion to health care expenditures in the state at that time.

These projections assume that each age cohort of the population grows at the historical rate or, in the lower case, at a fixed percentage of the historical rate. As a consequence the 65+ population increases at a faster rate than the overall population and contributes to increased expenditures through greater utilization of health services than the average resident. The projections make no other assumptions about changes in utilization rates for health care services or for the intensity of use. If age specific utilization rates increase, or if the intensity of care for particular health problems increases total health care expenditures would be higher than projected here.

VI. HISTORICAL PERFORMANCE STATISTICS OF ALASKA COMMUNITY ACUTE CARE HOSPITALS

Community acute care hospitals in Alaska can be historically compared with similar sized hospitals in the rest of the United States using information collected and disseminated by the American Hospital Association.

When interpreting these comparisons two important factors must be kept in mind.

First, several of the Alaska community hospitals are co-located facilities which means that they contain long term care beds in addition to acute care beds. (Of the total of 1148 beds in the 16 community acute care hospitals in Alaska 121, 10.5 percent, are not acute care beds. [Medicaid Rate Setting Commission data]) In the nation as a whole co-located facilities are not as common as in Alaska. Therefore although the national data contains some long term care beds mixed in with the acute care beds, the proportion is smaller than for Alaska. This is important because the occupancy rate of long term care beds is generally higher than for acute care beds, and the cost per inpatient day of long term care is generally much lower than for acute care beds.

Second, the average number of beds per hospital is much smaller in Alaska than in the United States as a whole. In comparing Alaska to the US the US data has been weighted by the actual Alaska hospital bed size distribution. This results in data that is directly comparable to Alaska. For example the utilization rate for all US hospitals in 1989 was 66.2 percent. But if the US had the same size distribution of hospitals as Alaska the occupancy rate would have been 57.4 percent. This later figure is used for comparison with the Alaska occupancy rate of 48.9 percent.

INPATIENT DAYS PER CAPITA (Figure VI.1)--After subtracting out the large military and Native components of the Alaska population, inpatient days per capita in Alaska community hospitals (.53 days in 1989) have remained at about half the national average (.92 in 1989) since the early 1970s. This is probably explained by the young age of the Alaska population and the fact that some Alaskans travel to other states for their hospitalization.

OUTPATIENT VISITS PER CAPITA (Figure VI.2)--After subtracting out the large military and Native components of the Alaska population, outpatient visits per capita in Alaska community hospitals (.99 visits per capita in 1989) are less than the national average (1.17 visits per capita in 1989). However Alaskans are more comparable to the US average in their use of outpatient services than in their use of inpatient services.

AVERAGE LENGTH OF STAY (Figure VI.3)--The average length of stay in Alaska hospitals is less than the US average although it is increasing while the average stay in

Figure VI.1
ALASKA COMMUNITY HOSPITALS
 INPATIENT DAYS PER CAPITA

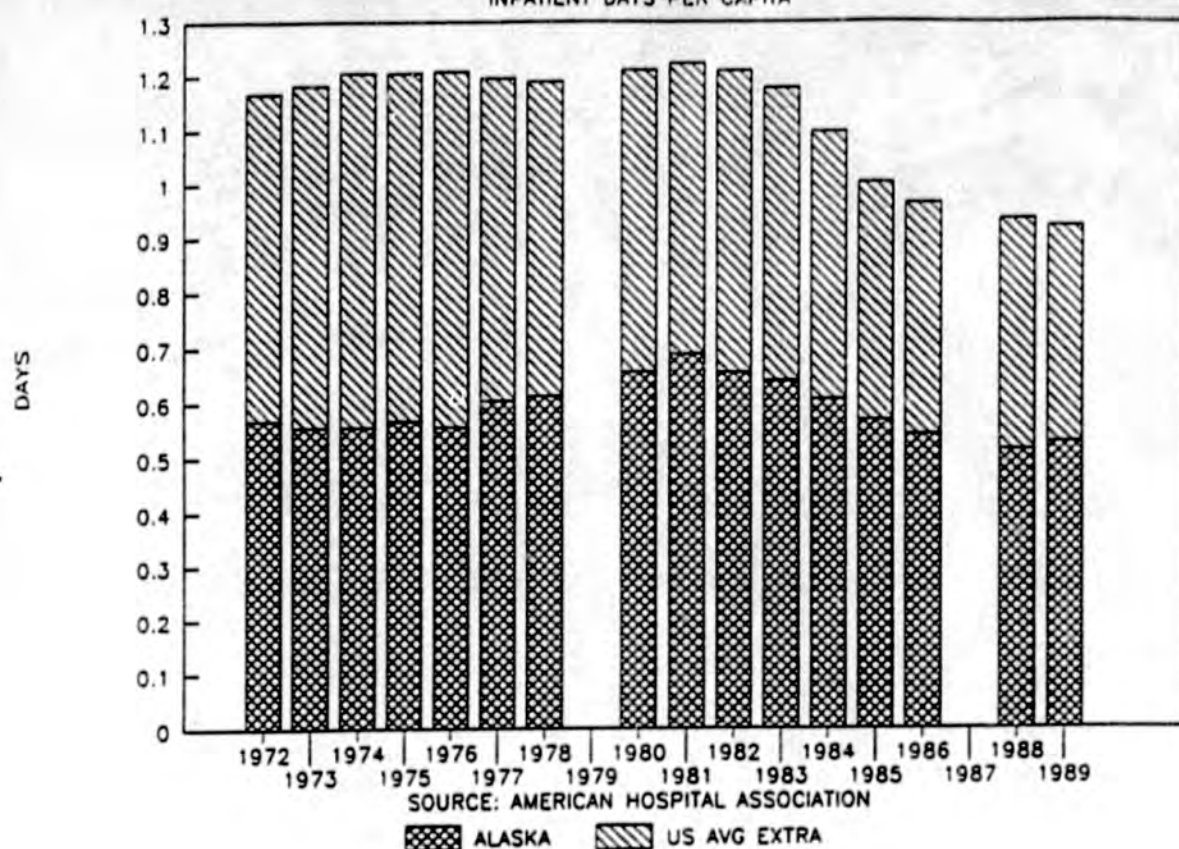


Figure VI.2
ALASKA COMMUNITY HOSPITALS
 OUTPATIENT VISITS PER CAPITA

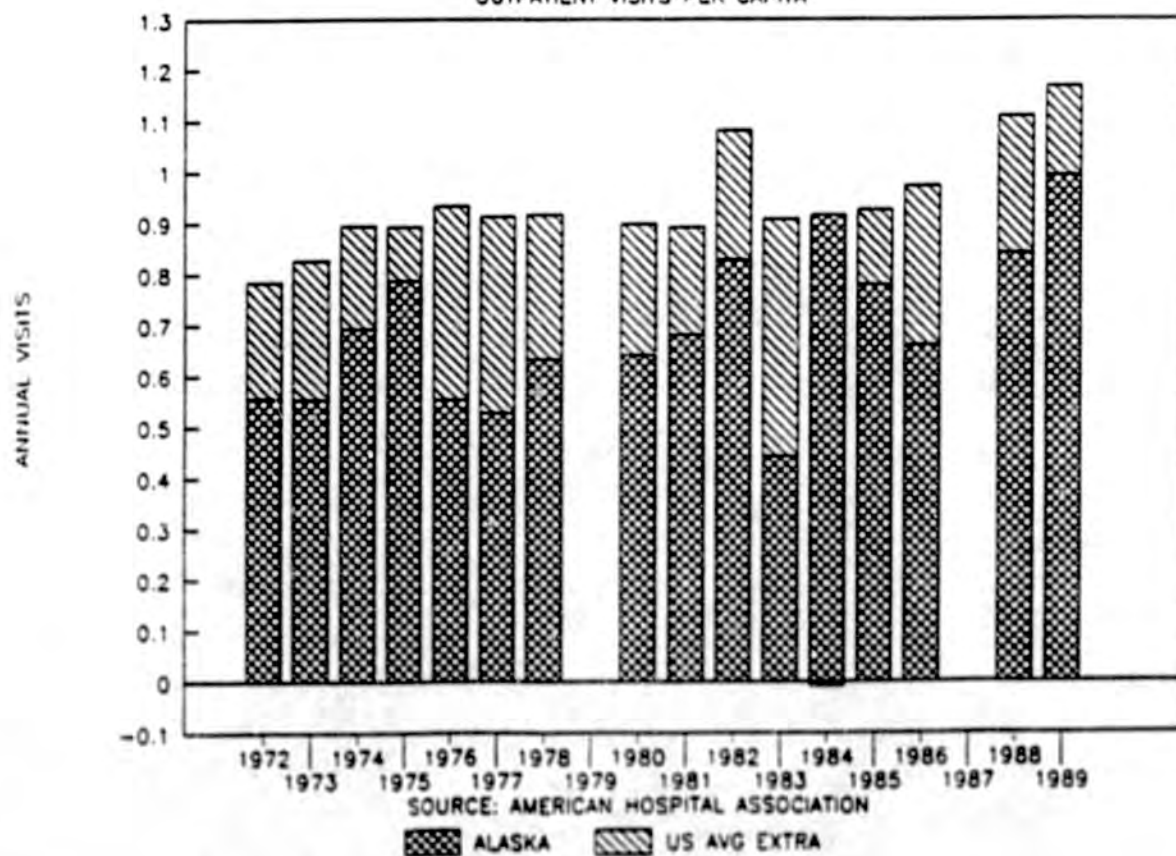


Figure VI.3
ALASKA COMMUNITY HOSPITALS
AVERAGE LENGTH OF STAY

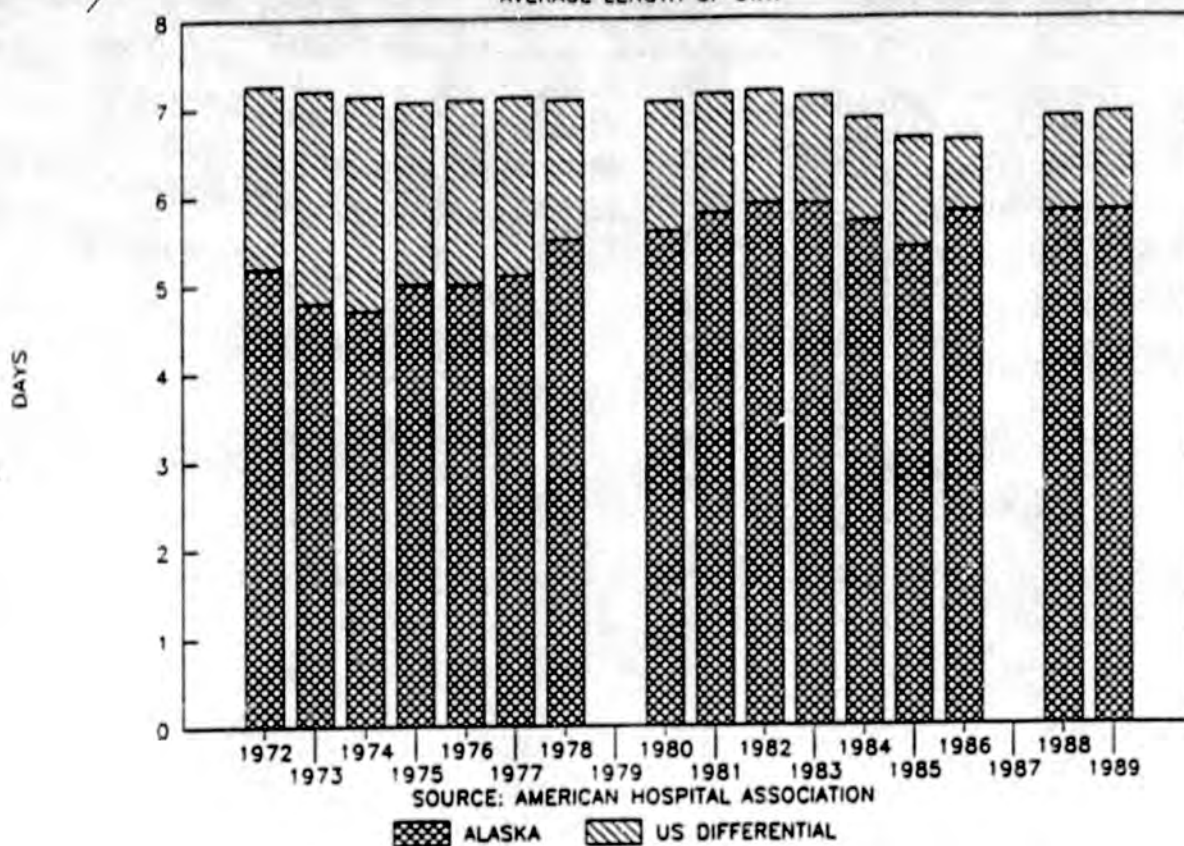
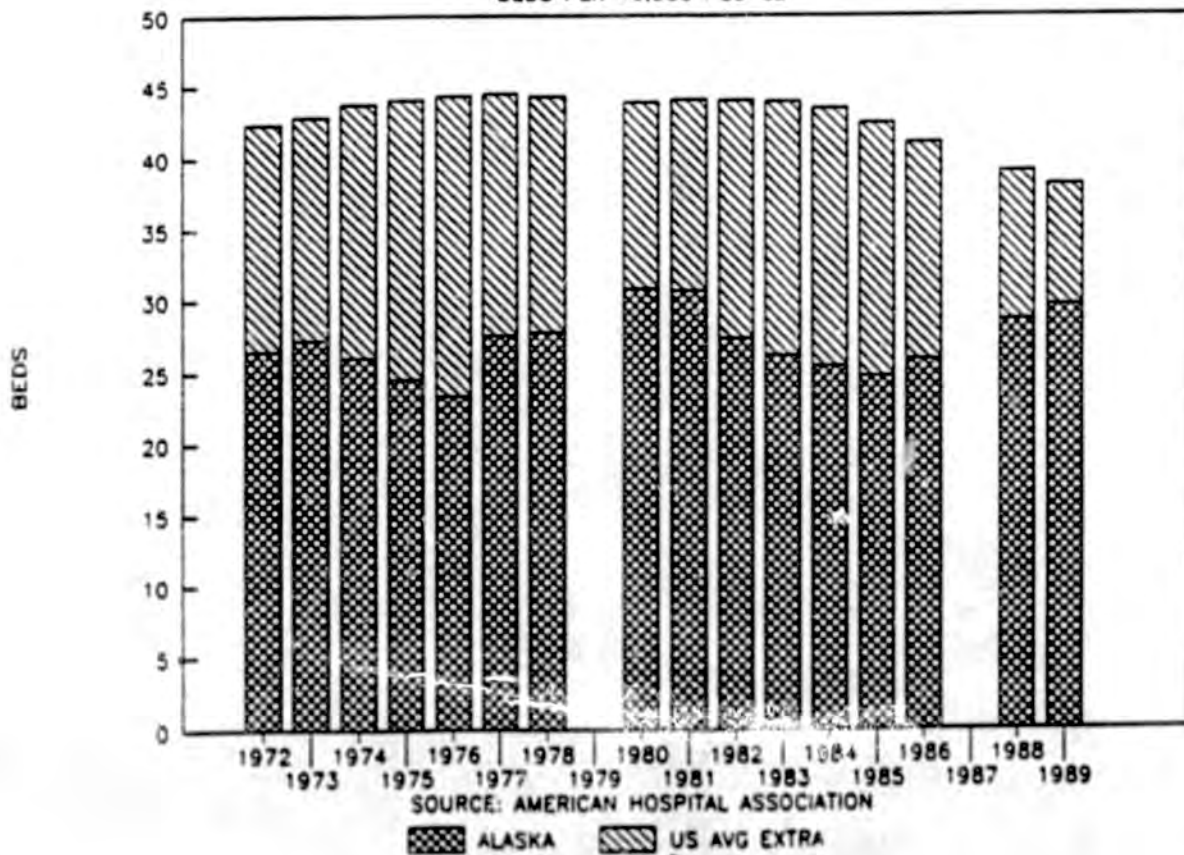


Figure VI.4
ALASKA COMMUNITY HOSPITALS
BEDS PER 10,000 PEOPLE



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hospitals across the US is declining. In 1989 the average length of stay in Alaska hospitals was 5.8 days. The US average was 6.9 days.

BEDS PER 10,000 POPULATION (Figure VI.4)--After subtracting out the large military and Native components of the Alaska population, the number of beds per 10,000 population is considerably below the national average. There are 30 beds in Alaska for 10,000 population. In the US as a whole there are 38 beds for every 10,000 population. This is consistent with lower than average inpatient and outpatient visits per capita. The number of beds per capita in the US have been falling since the mid 1980s. In Alaska there is no such trend.

INPATIENT DAYS (Figure VI.5)--The number of inpatient days has fallen in Alaska in recent years after increasing sharply in the 1970s. In the US inpatient days has also fallen in recent years.

OCCUPANCY RATE (Figure VI.6)--The occupancy rate in Alaska community hospitals has in recent years been below the national average. In 1989 the rate for Alaska was 48.9 percent compared to 57.4 percent for the nation as a whole. The occupancy rate in Alaska hospitals was above the national average for 4 years in the mid 1980s. Occupancy rates both in Alaska and the nation as a whole have fallen since the mid 1980s. This is consistent with the fact that both admissions and inpatient days are lower in Alaska than in the mid 1980s. Occupancy rate is defined as the number of inpatient days (excluding newborns) divided by total beds multiplied by 365 (excluding newborn bassinets).

EXPENSES PER ADJUSTED PATIENT DAY (Figure VI.7. & Figure VI.8)--Expenses in Alaska hospitals per adjusted patient day are considerably above the US average. In 1989 the facility cost per adjusted patient day in Alaska hospitals was \$996--76 percent above the national average of \$565. Historically this differential has ranged from 60 to over 100 percent. Long term care costs are included for Alaska co-located facilities in this comparison. Because of the lower cost and higher occupancy rate for long term care beds (a 91% occupancy rate in 1989 based on Medicaid Rate Setting Commission data), the Alaska figure underestimates the cost for acute care per adjusted patient day.

The cost per adjusted patient day has increased at a rate in excess of the rate of medical inflation as measured by the medical care component of the Anchorage consumer price index. The average growth rate in cost has been 13.8 percent.

The use of an adjusted patient day takes into account outpatient utilization of hospitals by combining inpatient days with an estimate of outpatient visits converted to patient days. This is done by dividing outpatient visits by the ratio of the average cost for an inpatient day to the average cost of an outpatient visit.

For example assume that the average cost of an inpatient day is \$1000 and the

Figure VI.5
INPATIENT DAYS: ALASKA AND THE US
COMMUNITY HOSPITALS

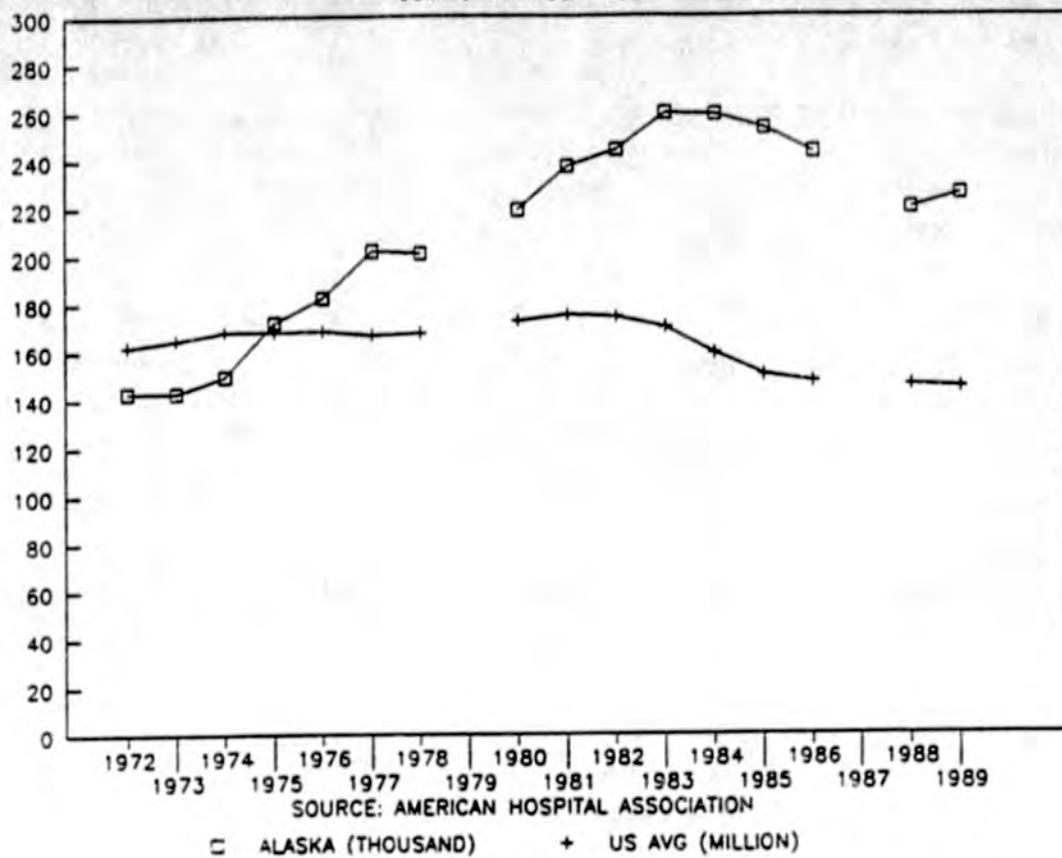
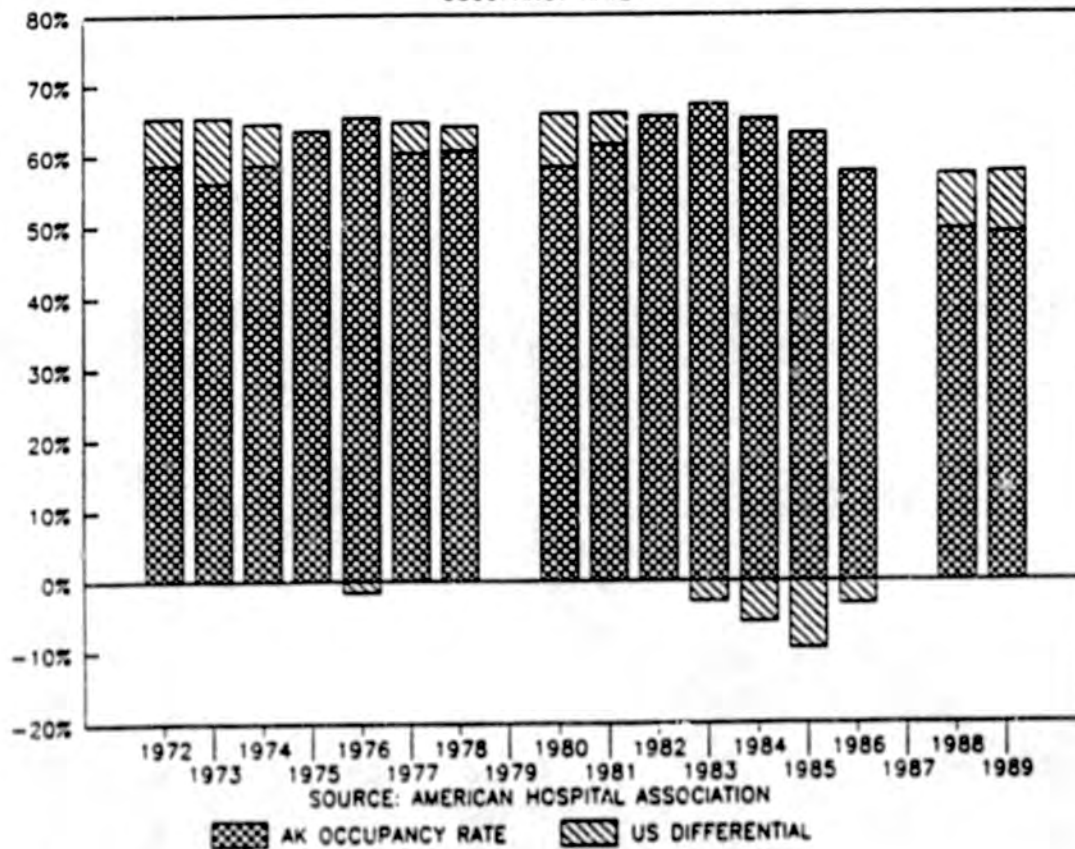


Figure VI.6
ALASKA COMMUNITY HOSPITALS
OCCUPANCY RATE



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Figure VI.7
ALASKA COMMUNITY HOSPITALS
 EXPENSES PER ADJUSTED PATIENT DAY

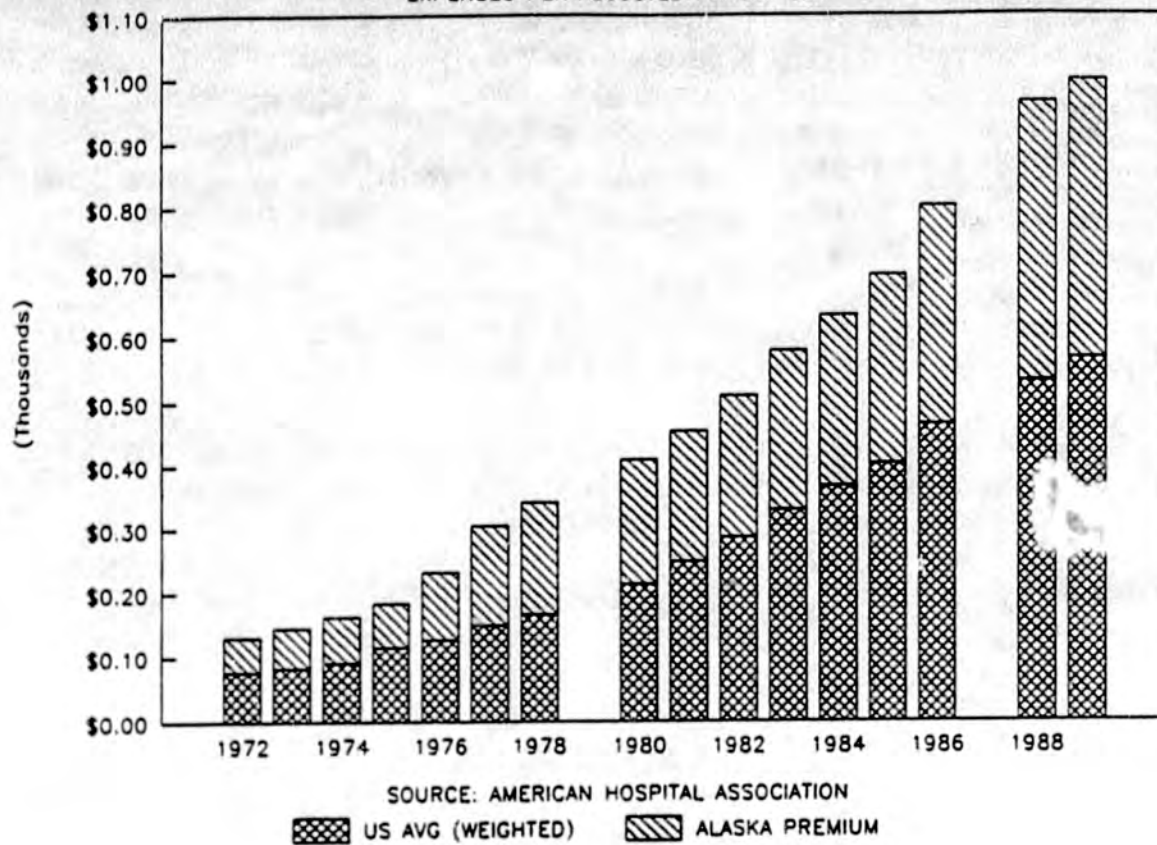
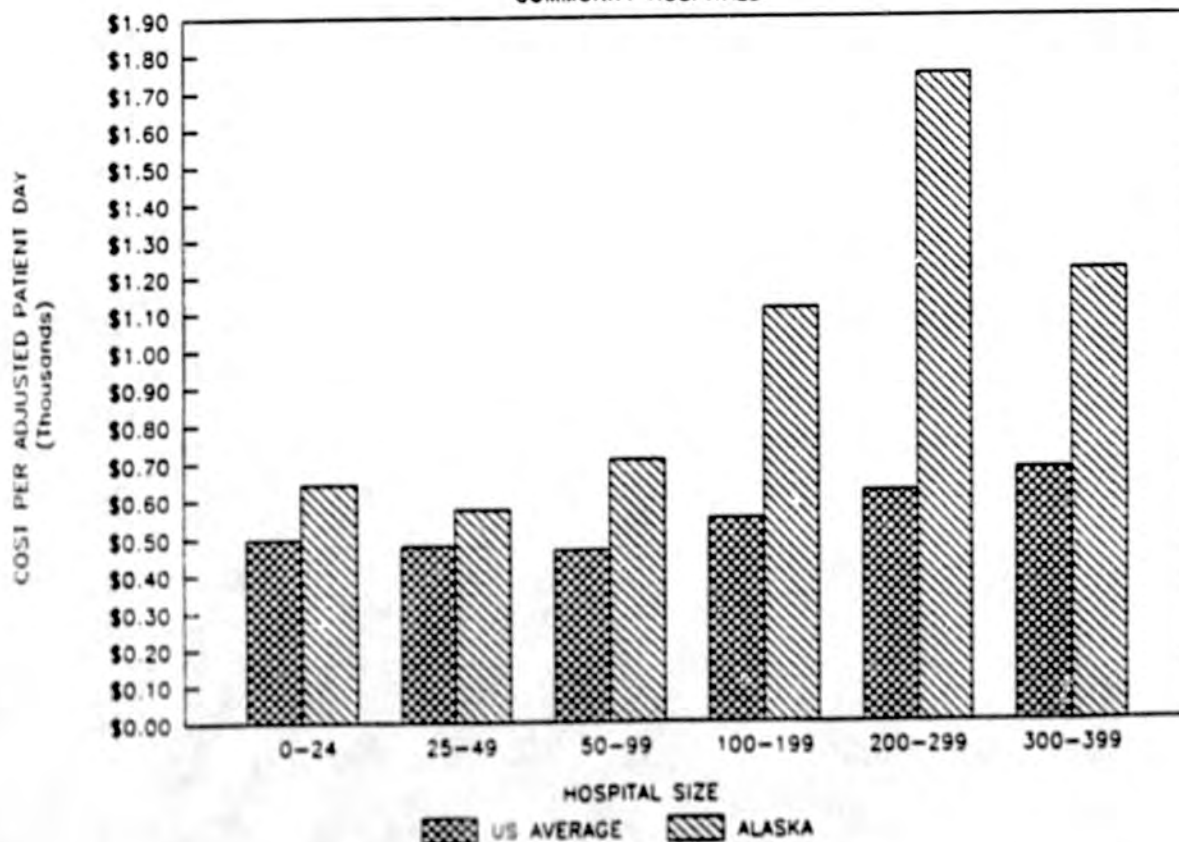


Figure VI.8
COST PER ADJUSTED PATIENT DAY
 COMMUNITY HOSPITALS



average cost of an outpatient visit is \$200 so that the ratio of the two is 5. This suggests that the cost of treating 5 outpatients is equal to the cost of one inpatient day. Outpatient visits can then be converted to patient days for direct comparison with inpatient days by dividing the total number of outpatient visits by 5. If there are 800 inpatient days and 1500 outpatient visits, the number of adjusted patient days in this example would be 800 plus 300 ($1500/5$) equals 800. If total hospital costs are divided among adjusted patient days, some of the cost of providing services is allocated to outpatients.

The Alaska differential in cost appears to be a function of the size of the hospital with larger hospitals having a larger cost differential. This result is due to the fact that the small hospitals are the co-located facilities with long term care beds.

AVERAGE PAYROLL (Figure VI.9)--The average payroll in Alaska community hospitals is considerably above the national average. The average annual payroll in 1989 in Alaska, excluding benefits, was \$36 thousand compared to \$23 thousand for the US as a whole. The differential, which is currently 55 percent, has historically ranged between 37 and 72 percent. Payroll and benefits account for more than half of total hospital expenses but average payroll which is growing at an average rate of 9.8 percent is not increasing at as rapid a rate as total hospital costs.

STAFF (Figure VI.10)--The hospital staffing level per 1000 adjusted patient days in Alaska is above the US average. In 1989 the Alaska staffing level was 11.9 per 1000 compared to 10.9 for the US as a whole. The staff per 1000 adjusted patient days has been increasing over time both in Alaska and in the US as a whole. In Alaska it has grown at an average annual rate of 2.3 percent.

Figure VI.9
ALASKA COMMUNITY HOSPITALS
AVERAGE PAYROLL

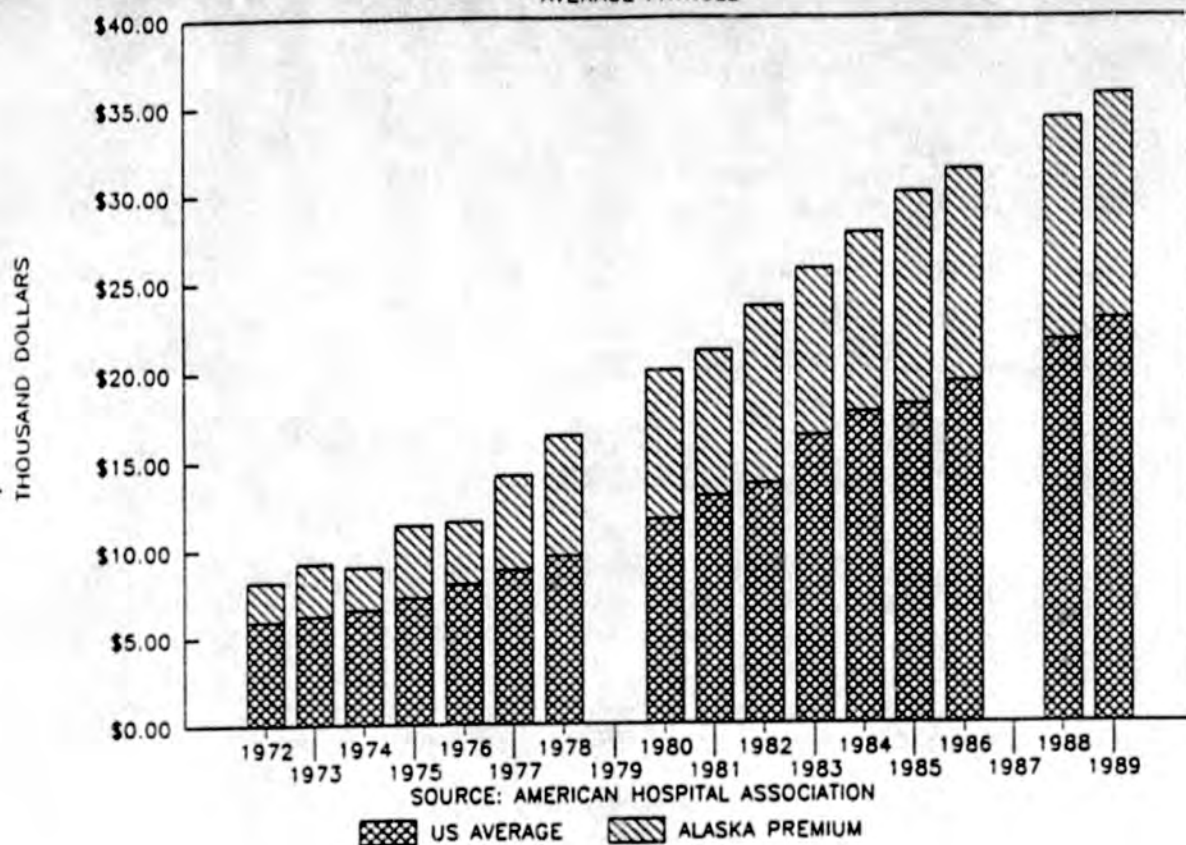
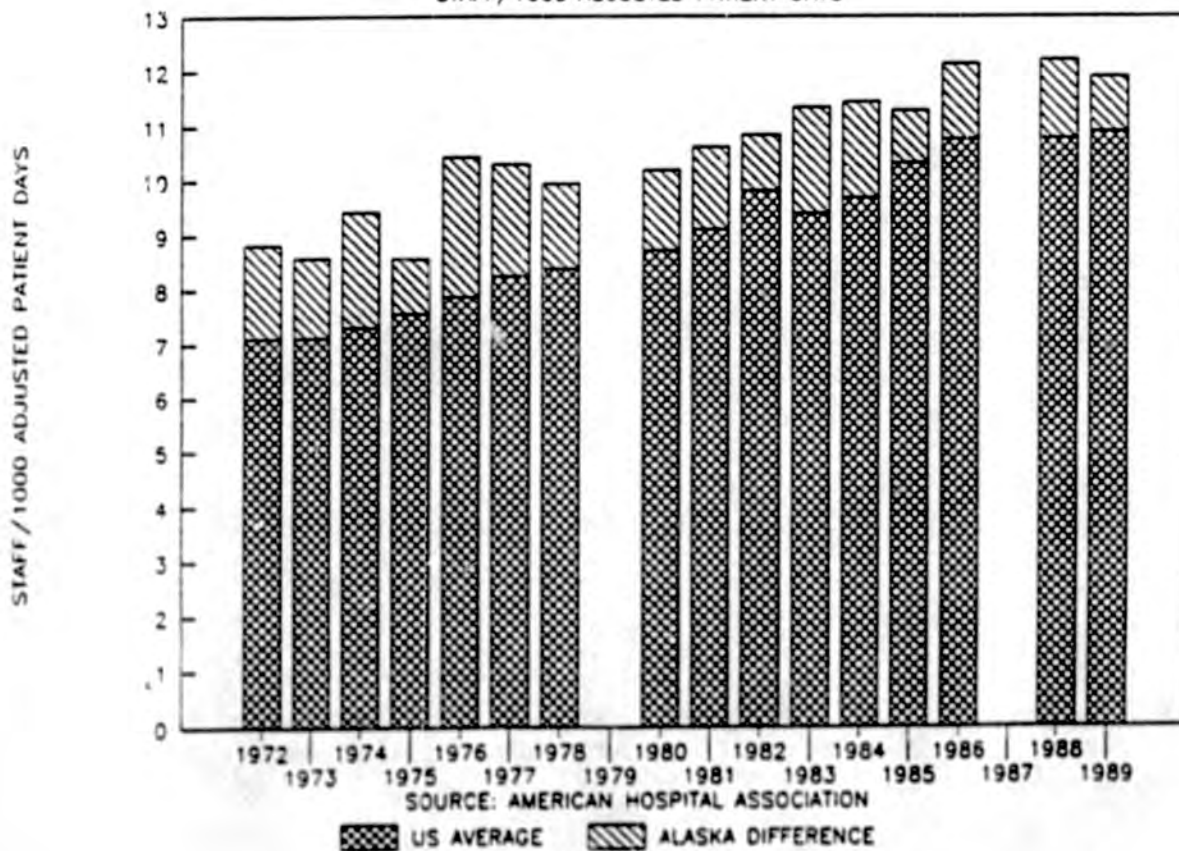


Figure VI.10
ALASKA COMMUNITY HOSPITALS
STAFF/1000 ADJUSTED PATIENT DAYS



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Memo

To: Health Resources and Access Task Force

From: Scott Goldsmith
Institute of Social and Economic Research
University of Alaska Anchorage

Subject: Additional Findings for Inclusion in Draft Interim Report

Date: January 10, 1992

Charges/Prices for Health Services in Alaska

The state average for expenses per adjusted patient day in Alaska community hospitals as reported by the American Hospital Association has historically ranged from 60 to 100 percent above the national average. The Alaska differential in 1989 was 76 percent above the national average. The average annual growth rate in this measure of cost has been 13.8 percent.

Average payroll in Alaska community hospitals as reported by the American Hospital Association has historically been from 37 to 72 percent above the national average. The Alaska differential in 1989 was 55 percent above the national average. The average annual growth rate in this measure of cost has been 9.8 percent.

Patient Utilization Patterns in Alaska

Inpatient days per capita as reported by the American Hospital Association have historically been considerably less than the national average. After subtracting out the Native and military from the Alaskan population, the number of inpatient days per capita in Alaska community hospitals was .53 compared to the national average of .92. The young average age of the population and the selection of out of state hospital care by some Alaskans explain this phenomenon.

Outpatient days per capita as reported by the American Hospital Association have historically been below the national average. After subtracting out the Native and military from the Alaskan population, the number of outpatient visits per capita in Alaska community hospitals was .99 in 1989 compared to the national average of 1.17 visits.

Average length of stay as reported by the American Hospital Association has historically been below the national average. The average length of stay in Alaska community hospitals in 1989 was 5.8 days compared to the national average of 6.9 days.

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MEMO

TO: Health Resources and Access Task Force

FROM: Scott Goldsmith

SUBJECT: Summary of Analysis of Cost of Excess Capacity in Alaska
Community Acute Care Facilities

DATE: January 10, 1992--Revised on January 22, 1992

Occupancy rates in Alaska community acute care facilities have historically been below the national average for comparable sized hospitals except during the economic boom of the mid 1980's. In 1989 the Alaska rate was 45% compared to the US average of 57%.

Using the national average occupancy rate as a benchmark, 12 of the 16 Alaska acute care facilities had surplus beds in 1989.

These 229 surplus beds represent 22% of the total 1,027 beds. 183 are located in the Anchorage/Fairbanks area (26% of that market) with 47 in the remainder of the state (14% of that market).

The annual cost of maintaining the beds defined as surplus in this way is conservatively estimated at between \$5.8 and \$11.6 million, adding 2% to 4% to total hospital costs.

Using a 75% target occupancy rate--a more rigorous standard than the current national average--increases the estimate of excess capacity cost to the range of \$10.4 to \$20.8 million annually.

Reduction of the excess capacity costs requires that hospitals be reconfigured to the appropriate size to serve their market. This can only be accomplished after a case by case evaluation to determine whether it is cost effective to eliminate, downsize, or reallocate resources to other health related needs.

The reallocation of resources currently tied up in excess capacity could simultaneously reduce the cost and increase the quality of health care in the state.

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APPENDIX D

Memo to Members, Alaska Health Resources and Access Task Force

Regarding Additional Information

From Lawrence Bartlett, Ph.D., Health Systems Research, Inc.

Washington, D. C.

February 11, 1992

HSR inc. _____

HEALTH SYSTEMS RESEARCH, INC.

DATE: February 11, 1992
TO: Members, Alaska Health Resources and Access Task Force
FROM: Larry Bartlett *LB*
RE: Additional Information

At your February 1-2 meeting, you identified several areas in which you requested of me either additional information or recommendations. These areas are the following:

- Recommendations concerning the elements of revised provider reimbursement systems;
- Information on the Maryland hospital rate setting system and on global budgeting approaches;
- Suggestions on how to approach providing access to the various subgroups within the uninsured population; and
- The identification of the pros and cons of establishing a single pool versus multiple pools.

My comments in each of these areas are presented below.

A. Recommendations on New Reimbursement Systems

With respect to the characteristics of revised reimbursement systems, I would begin by noting that the most important aspect of these new systems is that they are to be developed and implemented within the broader context of statewide expenditure goals. That is, these reimbursement systems and their rates should be structured so that they result in expenditures that fall within the targets established by the state's health care Authority/Commission. To the extent possible, the overall state expenditure target should be subdivided into separate targets for major services such as hospital care, physician services, etc. It also may be appropriate to set a separate sub-goal for capital expenditures, which should be closely coordinated with the state's certificate of need policies.

I understand that your discussions, based upon the content of the CHIPRA proposal, are moving toward the establishment of an overall expenditure goal that would limit increases in health care expenditures in Alaska to the annual rate of growth of the Consumer Price Index (CPI). In developing this overall expenditure goal, the appropriate baseline would be health care spending in a prior year. And, while the overall objective would be to limit increases in this baseline to increases in the overall rate of inflation (CPI), it may be appropriate to adjust this rate of growth (either upward and downward) to reflect such factors as:

- Changes in the size and/or demographic characteristics (e.g., age distribution) of the state's population that may affect the need/demand for health care in the future;
- Changes in technology that may increase or decrease health care costs;
- Improvements in health care productivity;
- The identification and reduction of the provision of unnecessary health care;
- Desired changes in some segments of the population's (e.g., the uninsured's) access to adequate health care services;
- Reductions in administrative costs; and
- Other such factors as the state Commission/Authority may determine to be appropriate.

Having established these expenditure goals, the payment systems for individual providers should be designed to result in expenditures that fall within these targets. With respect to the reimbursement system to be used for inpatient hospital services, we would suggest the following elements:

- The unit of payment be made on a DRG-specific per discharge basis;
- The base for the expenditure target for inpatient hospital care (and the reimbursement levels paid to individual facilities) should be actual hospital costs in a prior period. As noted in the above discussion concerning adjustments, the state Authority/Commission may determine that, in some future year, this cost base should be adjusted above or below the CPI to reflect such factors as increased hospital use that might result from expanded health care coverage/increased access, or the introduction of new cost saving technology that would reduce hospital expenses; and

- The prices or charge levels that result from this payment system would be higher than these cost levels to account for such factors as facilities' uncompensated care loads and/or Medicare payment rates that may not be sufficient to cover costs.

For payment of physician services, we would recommend a reimbursement system that utilizes resource-based relative value scale (RBRVS). The specifics of the systems used to reimburse for other services should be developed by the state Commission/Authority.

B. Information on the Maryland Hospital Rate-setting System and on Global Budgeting Proposals

Enclosed are several documents (including one that is somewhat dated, but nonetheless contain good information) describing the State of Maryland's hospital rate-setting system.

It is my understanding that Nancy Cornwell has sent to you one or two articles that discuss global budgeting. In addition, I have enclosed the section of the health care reform bill recently reported out by the U.S. Senate Human Resources Committee that describes its proposed approach to the establishment of global expenditure goals and the design of reimbursement systems to meet these goals. You may wish to review this legislative language with respect to the information presented in the previous section.

C. Additional Information on the Uninsured

Nancy Cornwell's February 3 memo to me indicated that the Task Force raised several specific questions about the characteristics of uninsured Alaskans. They are:

- How many full-time/full-year uninsured workers had adequate incomes and could therefore afford private insurance? How many have inadequate incomes?
- How many uninsured children are in low-income families?
- How many children are "uninsurable?"

This section provides estimates of the number of uninsured full-time workers in Alaska by household poverty status, as well as the number of uninsured children by poverty status. These estimates were derived from a combined sample of the Alaska portion of the Current Population Survey for 1988 through 1991. The survey data for these years were combined to increase sample size and provide more robust

estimates of the size and characteristics of this population. However, we would caution that problems of small sample size still exist and that not all table cells contain statistically reliable estimates. We present these figures only to provide the Task Force with an "order-of-magnitude" sense of the characteristics of the state's uninsured population. The percentages shown in the table represent the portion of the population subgroup that falls within a given poverty range; they sum across each row. We would also note that, based upon the Task Force's instructions that Alaska Natives be assumed to be covered through the Alaska Area Native Health Service, these estimates of uninsured Alaskans exclude Alaska Natives.

With respect to the issue of a family's ability to purchase health care coverage, a 1989 study by the National Health Care Campaign found that, in most states, it is only when families earn more than 250% of the poverty level that they begin to accumulate the disposable income required to contribute toward a portion of premium costs. On a more applied basis, states that have established programs providing subsidized insurance coverage will often use something close to 200% of poverty as the upper limit for eligibility for some form of subsidy. Under many of these programs, families with income between 100% and 200% of poverty can purchase coverage on an income-related sliding scale basis, while families below the poverty level are usually not required to contribute to a portion of premium costs.

TABLE 1.
UNINSURED ALASKANS BY AGE AND POVERTY STATUS
(EXCLUDES NATIVE ALASKANS)

AGE	POVERTY STATUS				
	≤100%	101-200%	201-300%	over 300%	TOTAL
<18	3,877 (18%)	4,481 (21%)	6,214 (29%)	6,728 (32%)	21,300
18-24	2,222 (20%)	2,385 (21%)	2,135 (19%)	4,589 (40%)	11,331
25-49	6,059 (17%)	8,604 (23%)	7,371 (20%)	14,636 (40%)	36,670
50-64	1,374 (20%)	834 (12%)	1,191 (18%)	3,352 (50%)	6,751
TOTAL	13,532 (18%)	16,304 (21%)	16,911 (22%)	29,305 (39%)	76,052

The 1991 annual federal poverty level for Alaska, which varies by family size, was set at \$13,930 for a family of three. As indicated in Table 1 above, approximately 60% of uninsured non-Native Alaskan children were in households with income above 200% of the federal poverty level (e.g., \$27,860 for a family of three). Nearly a third were in families with annual incomes above 300% of poverty. Also presented in this table is the poverty distribution of uninsured non-elderly adults by age categories. In

general, a similar poverty distribution can be seen in the adult population, although uninsured adults are more likely to be in households with incomes above 300% of poverty than uninsured children.

Table 2 examines the poverty status of uninsured non-Native Alaskans (both children and adults) according to the employment status of the head of the household. As can be seen in this table, the poverty distribution of uninsured non-Native Alaskans varies significantly according to the family head's employment status. Over 40% of uninsured Alaskans in families in which the head of the household reported being unemployed the entire year were also in households whose income fell below the federal poverty level. By contrast, not more than 7% of uninsured Alaskans in families where the head of the household was reported to have worked either full time or part time for the entire year fell below the poverty line.

TABLE 2. UNINSURED ALASKANS BY FAMILY POVERTY STATUS AND EMPLOYMENT STATUS OF THE HEAD OF THE HOUSEHOLD (EXCLUDES NATIVE ALASKANS)					
HEAD OF HOUSEHOLD EMPLOYMENT STATUS	POVERTY STATUS				
	≤100%	101-200%	201-300%	over 300%	TOTAL
Full-time/ Full-year	2,201 (7%)	5,431 (17%)	6,787 (21%)	18,117 (56%)	32,538
Part-time/ Full-year	153 (6%)	871 (27%)	1,026 (41%)	668 (27%)	2,518
Full-time/ Part-year	4,882 (19%)	6,956 (26%)	8,039 (23%)	8,424 (32%)	26,301
Part-time/ Part-year	2,826 (41%)	1,548 (23%)	1,534 (23%)	904 (13%)	6,812
Not Employed	3,554 (44%)	1,709 (21%)	1,449 (18%)	1,375 (17%)	8,087
TOTAL	13,616 (18%)	16,315 (21%)	16,835 (22%)	29,488 (39%)	76,254

Not surprisingly, uninsured Alaskans in households where the head was employed full time, full year reported the highest incomes, with over half reporting incomes in excess of 300% of poverty and another fifth having incomes between 200% and 300% of poverty. It should be noted that this category (i.e., uninsured in households in which the head was employed full time, full year) represented the

largest segment of the non-Native uninsured population. For the next largest category -- those in households in which the family head worked full time, part year -- approximately a third reported incomes in excess of 300% of poverty, while less than a quarter were in the 200% to 300% of poverty range.

In addition to the above tables, we are enclosing as an attachment to this memo a copy of additional descriptive statistics on uninsured non-Native Alaskans that we generated from our analysis of the CPS. These tables provide further information on the age, income, employment status and other characteristics of this uninsured population. Individual Task Force members may find in these tables information that will be useful to them in deciding which access-related policy options to pursue.

On the question of the number of "uninsurable" Alaskans, as I discussed with the Task Force at an earlier meeting, it is difficult to accurately determine the number of individuals who are "uninsurable" because this is a function of: (a) the health characteristics of the individual (which are not collected in the surveys we normally use for measuring the number of uninsured persons); (b) whether the individual is seeking coverage under a large or small group policy; and (c) insurers' medical underwriting practices. Therefore, we are not able to develop precise estimates of the number of either uninsurable children or adults. However, very rough national estimates place the number of uninsurable persons at about 1-2% of the total population. Given the tightening of medical underwriting that has occurred in recent years, this 2% figure now would likely represent a conservative estimate. If applied to Alaska, it would mean that there are approximately 2,500 children and 5,500 non-elderly adults (excluding Native Alaskans) who might be considered "uninsurable" if they were subjected to a medical underwriting process.

With respect to the Task Force's question about how it might approach extending coverage to the various uninsured subgroups, I would note the following options, each of which was discussed in previous Task Force sessions:

- Subsidized coverage for low-income children;
- Subsidized coverage for low-income individuals and families that is not provided through the workplace (e.g., the State of Washington's Basic Health Plan);
- Subsidies to small businesses that have not previously offered health care coverage to their workers;
- Expansion of the "hour-bank" concept to cover more full-time/part year workers and their families; and/or
- A "pay or play" approach that would either require employers to provide health care coverage for their full-time workers or pay additional taxes.

If you desire, we will begin to develop estimates of the impact of these options and will be prepared to discuss them with you at your February 29 - March 1 meeting.

D. Single Versus Multiple Pools

You also asked that I outline the pros and cons of establishing either a single pool or multiple pools through which individuals and businesses could purchase health care coverage in Alaska. Before doing so, it would be helpful to establish working definitions of a "single pool" and "multiple pools," as these terms may mean different things to different people.

As the term is being used here, a single pool refers to a mechanism through which any individual or business can purchase coverage at a premium cost that is based upon the experience of all persons enrolled in the pool (i.e., a community rate). Under a single pool approach, the same rate could be charged for each and every person enrolling in the pool (a true community rate), or pool rates could vary by such things as the age and sex of the individual.¹ In this latter case, the rate for a particular age-sex category would still be based upon the experience of all persons in the pool who fell into that category. Under this concept of a single pool, the basic benefit package would be the same for all individuals.

A multiple pool approach does not necessarily mean that a number of separate administrative entities are established, but rather that the establishment of rates is not based upon the experience of all enrolled individuals, even if they have the same age and sex characteristics. Rather, separate rates are established for certain subgroups with other similar characteristics, such as businesses or unions involved in the same industries (e.g., logging, fishing or retail sales), or even businesses of a similar size. For these subgroups (or "blocks of business" as they are known) a range of different approaches are possible for establishing rates, ranging from a single rate for a block to age and sex-specific rating within each block. Under a multiple pool approach there is no need for benefit packages to be the same across separate pools or blocks of business.

With respect to the relative pros and cons of establishing a single pool versus a structure with multiple pooling arrangements, these are summarized in Table 3, on the next page.

¹ Note that some parties might use an even more narrow definition of a "single pool" to include only arrangements that establish a single rate for all enrollees, regardless of age or sex, or one that uses only two rates: one for children, the other for adults.

TABLE 3.	
SINGLE POOL	MULTIPLE POOLS
PROS	
▪ Spreads risk/costs over a greater number of people. ▪ Reduces premium costs to persons with greatest medical needs. ▪ Some administrative cost savings likely to result.	▪ More likely to attract healthier, lower cost individuals and businesses than a single pool approach. ▪ Increased ability to target benefits packages to individual businesses, etc. ▪ Better able to compete in private insurance marketplace.
CONS	
▪ Increases premium costs to healthy, low cost individuals/businesses. Unless enrollment is mandatory, may cause them to seek coverage elsewhere. ▪ As result of above, higher risk of adverse selection vis-a-vis private insurance market. ▪ Allowing the purchase of optional benefits could increase administrative costs and the risk of adverse selection.	▪ Greater potential for undesirable discrimination if pools are defined too narrowly. ▪ Higher risk categories of businesses to face higher premiums. ▪ Administrative costs likely to be somewhat higher than single pool approach.

However, it should be noted that there are many variations on these basic definitions that could serve to reduce the distinction between a single pool and multiple pools. For example, while providing for the establishment of multiple pools, a state could also stipulate that unlike the current practice of establishing the rate for a business within a particular block of business upon both the experience of the business itself and the overall block or pool, the state could require that only age and sex differences be used to establish rates for individuals within a given block of business or pool.

While the issue of whether to establish a single pool or to allow the establishment of individual blocks of business within the pool for rating purposes is an important one, I would suggest that it is also a complex one and does not need to be fully resolved in legislative language. The Task Force might wish to focus its discussions on the question of what definition of "equity" is most appropriate with respect to establishing the pool(s). Should equity be defined as having each enrollee within the pool be responsible for an equal share of overall pool costs (i.e., community rating)? Or should equity be defined as setting rates that come as close as possible

to having individuals or businesses be responsible for their own share of pool expenses (i.e., experience rating)? The outcome of this discussion can provide direction to the state Authority/Commission that will have responsibility for the final design of the pool(s). While enactment of small group market reforms will reduce this risk, it will not eliminate it entirely if the pool differs from other insurers in important areas, such as medical underwriting.

I would emphasize, however, that whatever the Task Force's resolution of the somewhat philosophical questions raised above, a key issue in establishing either a single pool or multiple pools is to structure them so that they are not at a competitive disadvantage with respect to other private insurers in the marketplace. That is, private insurers should not be allowed to attract the healthiest segment of the population with lower rates and dump the higher risk individuals into these pool(s).

Finally, with respect to economies of scale or efficiencies associated with pooling arrangements, we would anticipate that, all other things being equal, a single pool offering a single benefit package would be somewhat less costly to administer than an approach involving multiple blocks of business. However, if variations from these basic models are introduced (e.g., the offering of optional benefits to members of the single pool approach) or if one approach utilizes medical underwriting and the other does not, the existence and/or magnitude of these administrative cost differences are likely to change. It should also be emphasized that the administrative cost savings associated with pooling approaches is highly dependent upon the nature of the entities to be enrolled in the pool. For example, a pool that provides coverage to thirty thousand individuals who are workers or the dependents of workers of three large firms can be expected to have significantly lower administrative costs than a thirty thousand enrollee pool that draws its membership from three thousand small businesses, each having ten enrollees.

Attachments:

1. Information on the Maryland hospital rate-setting system
2. Section of the HealthAmerica bill relating to global budgets and payment systems
3. Additional analyses of Alaska's non-Native uninsured population, based upon Current Population Survey data

APPENDIX E

Worksheet: Computations of Actual Costs which were
Shifted to Other Payors to Cover Charity Care, Bad Debt,
and Hill Burton Free Care at Alaska's Acute Care
Community Hospitals, 1990"

By Nancy Cornwell, Health Resources and Access
Task Force Project Director, January 26, 1992

"Letter to Nancy Cornwell"

From Garrey Peska, Alaska State Hospital and Nursing
Home Association, January 13, 1992

"Letter to Senator Jim Duncan and Representative Johnny Ellis,
Co-Chairmen, Health Resources and Access Task Force"

From Garrey Peska, Alaska State Hospital and Nursing Home Association
January 10, 1992

WORKSHEET: COMPUTATION OF ACTUAL COSTS
WHICH WERE SHIFTED TO OTHER PAYORS TO COVER CHARITY CARE,
BAD DEBT, AND HILL BURTON FREE CARE AT
ALASKA'S ACUTE CARE COMMUNITY HOSPITALS, 1990

	1990					
	Total Charity, Bad Debt, & Hill Burton Free Care at Full Chg. Rate(x)	FY 90 Cost to Full Chg. Ratio		Actual Cost to Provide Charity Bad Debt & Hill Burton Free Care	Other State & Local Govt. Revenue (most is revenue sharing)	Beds (1989 MRAC bed count)
(Acute Care)						
Bartlett	\$1,409,717	x .837	=	\$1,179,933	123,056	51
Fairbanks	1,628,227	x .8234	=	1,340,682	1,674,890	116
Humana	4,832,276	x .9437	=	4,560,219	847,438	228
Ketchikan	993,774	x .8812	=	875,714	123,055	37
Providence	11,481,542	x .6519	=	7,484,817	140,000	341
(M) Seward	-0-	-0-	=	-0-	182,485	32
- Sitka	176,853	1.0232	=	180,956	250,000	24
(Co-located)						
Kodiak	823,250*	x .9335	=	786,504	134,460	25
Petersburg	31,527*	x 1.0476	=	33,028	127,670	8
Wrangell	392,286*	x .8870	=	347,958	127,724	9
Total				16,771,811	3,730,778	881
				(6% of total net revenues)		(acute care only)

Note: 10 of 16 acute care community hospitals reporting; 881 of 1027 acute care community hospital beds reporting, or 86% of acute care community hospital beds in Alaska. (*Includes 47 nursing beds at Kodiak, Petersburg and Wrangell). Total net revenues in 1990 equalled \$283,409,999.

Source: N. Cornwell, HRATF Project Director 1/26/92.

ALASKA STATE

HOSPITAL & NURSING HOME

ASSOCIATION

January 13, 1992

Ms. Nancy Cornwell
Staff Assistant
Legislative Health Resources & Access Task Force
P.O. Box Y
Juneau, AK 99811

Dear Nancy:

As you requested, I have prepared the attached worksheets separating respondent facilities by type.

Table #1 lists the respondent facilities that operate only acute care beds.

Table #2 lists the respondent facilities that operate only nursing care beds.

Table #3 lists the respondent facilities that operate both acute care and nursing care beds.

You also asked that I add some information about the number of beds represented by the respondents and the number of beds state wide.

I have added the number of beds in each of the respondent facilities to the bottom of the attached worksheets.

The respondent facilities represent 978 acute care beds and 594 nursing care beds. This information comes from the 1990 Alaska Hospital Survey published by the State Department of Health & Social Services on April 1, 1991.

The 1990 Alaska Hospital Survey shows there was a total 1,645 acute care beds and 1,120 nursing care beds state wide.

The respondents to our survey then represent 59.5% of the total acute care beds and 53% of the total nursing care beds state wide.

In reviewing the uncompensated care amounts shown on the attached tables, please keep in mind that the second largest facility in the state reported that their charity care amount was "unavailable". With such significant data missing, it is impossible for me to estimate the total amount of uncompensated care for all facilities in the state in 1990.

Sincerely,


Garrey M. Peska, C.P.A.
Vice President for Finance

Fiscal Year 1990 Data - Acute Care	Bartlett	Fairbanks	Humana	Ketchikan	Providence	Seward	Sitka	Total
Total Full Charges	19,676,844	47,053,731	85,798,873	15,513,106	172,471,593	2,305,008	4,533,354	347,352,509
LESS								
Charity care	0	492,000	0	13,542	4,544,604	0	0	5,050,146
Bad debts	1,157,473	1,136,227	4,832,276	811,515	5,921,054	0	176,853	14,035,398
Hill Burton free care	252,244	0	0	168,717	1,015,884	0	0	1,436,845
Total Charity, Bad Debts & Hill Burton	1,409,717	1,628,227	4,832,276	993,774	11,481,542	0	176,853	20,522,389
Contractual discounts or allowances	1,088,805	5,377,678	15,806,362	956,093	31,179,458	250,060	89,644	54,748,100
Total uncompensated care	2,498,522	7,005,905	20,638,638	1,949,867	42,661,000	250,060	266,497	75,270,489
Total Net Revenue	17,178,322	40,047,826	65,160,235	13,563,239	129,810,593	2,054,948	4,266,857	272,082,020
Acute Care Beds	51	177	238	46	365	32	24	933
Nursing Beds	0	0	0	0	0	0	0	0

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Alaska State Hospital and Nursing Home Association Data Collection

Table #2

Fiscal Year 1990 Data - Nursing Care	Denali	Heritage	MaryConrad	Our Lady	St. Ann's	Wesley	Total
Total Full Charges	5,905,613	2,871,742	7,471,307	19,841,000	3,481,433	3,206,614	42,777,709
LESS							
Charity care	56,000	0	0	128,000	0	21,405	205,405
Bad debts	20,332	8,254	53,237	53,000	0	101,204	236,027
Hill Burton free care	0	0	0	0	0	0	0
Total Charity, Bad Debts & Hill Burton	76,332	8,254	53,237	181,000	0	122,609	441,432
Contractual discounts or allowances	1,172,180	774,741	172,787	5,713,000	354,826	319,692	8,507,226
Total uncompensated care	1,248,512	782,995	226,024	5,894,000	354,826	442,301	8,948,658
Total Net Revenue	4,657,101	2,088,747	7,245,283	13,947,000	3,126,607	2,764,313	33,829,051
Acute Care Beds	0	0	0	0	0	0	0
Nursing Beds	101	45	66	224	45	66	547

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Fiscal Year 1990 Data - Co-located	Kodiak	Petersburg	Wrangell	Total
Total Full Charges	8,210,388	2,356,912	2,674,246	13,241,546
LESS				
Charity care	0	0	199,901	199,901
Bad debts	657,264	28,900	141,436	827,600
Hill Burton free care	165,986	2,627	50,949	219,562
Total Charity, Bad Debts & Hill Burton	823,250	31,527	392,286	1,247,063
Contractual discounts or allowances	222,205	251,766	192,533	666,504
Total uncompensated care	1,045,455	283,293	584,819	1,913,567
Total Net Revenue	7,164,933	2,073,619	2,089,427	11,327,979
Acute Care Beds	25	11	9	45
Nursing Beds	19	14	14	47

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ALASKA STATE

HOSPITAL & NURSING HOME

ASSOCIATION

January 10, 1992

Senator Jim Duncan &
Representative Johnny Ellis, Co Chairmen
Legislative Health Resources & Access Task Force
P.O. Box Y
Juneau, Alaska 99811

Gentlemen:

The Alaska State Hospital and Nursing Home Association conducted a financial data survey of member facilities over the past month at the request of your task force.

We asked the members to report their 1990:

- Charity care, bad debts and Hill Burton free care
- Revenues at full charge and allowances or discounts by payer
- Operating Costs with depreciation stated separately
- Other sources of operating revenues (State Revenue Sharing, etc.)
- Outstanding debt and annual debt service

Questionnaires were mailed out on December 5, 1991 and follow up mail and telephone requests for responses were made at the end of December.

Sixteen of ASHNHA's 26 private hospital and nursing home members responded to the requests for information. A separate worksheet is attached showing the data for each respondent.

The respondents are listed in Table #1 on the following page in order according to size.

Table #1 shows that of the \$403,371,764 billed by the respondents for 1990 services, \$317,239,050 was actually collected.

The difference of \$86,132,714 is shown on Chart #1 as "Total 1990 Unpaid Charges for Services".

The amount shown on Chart #1 is the total of Bad debts, charity care, Hill Burton free care and discounts taken by other payers such as Medicaid and Medicare.

Chart #1 shows that 36.79% of the 1990 unpaid charges was due to the Medicaid reimbursement rate, 23.82% was due to the Medicare reimbursement rate, 17.53% was from bad debts, etc.

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Chart #2 shows the break down of the total \$22,210,884 in bad debts, charity and Hill Burton free care. Charity care represents 67.98% of that total.

Chart #3 shows the break down of the \$63,921,830 in contractual discounts or allowances taken by payers. Medicaid made up 49.58% of that total and Medicare represented another 32.09%.

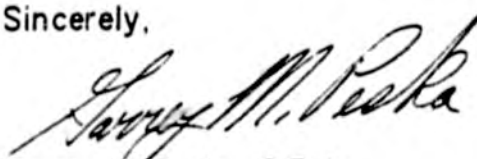
Task force members and staff have expressed interest in the facilities' cost to charges ratios. That ratio is shown on line 16 of each facility worksheet for 1990.

Members have also asked for details regarding outstanding debt at each facility. That information is on line 14 of the facility worksheets.

Comparing lines 12(A) and 11(C) of the facility worksheets shows that 9 of the 16 respondents had operating costs that exceeded ordinary net operating revenue during 1990.

We hope this information helps answer some of the questions your task force members are trying to answer as you work on issues related to health resources and access.

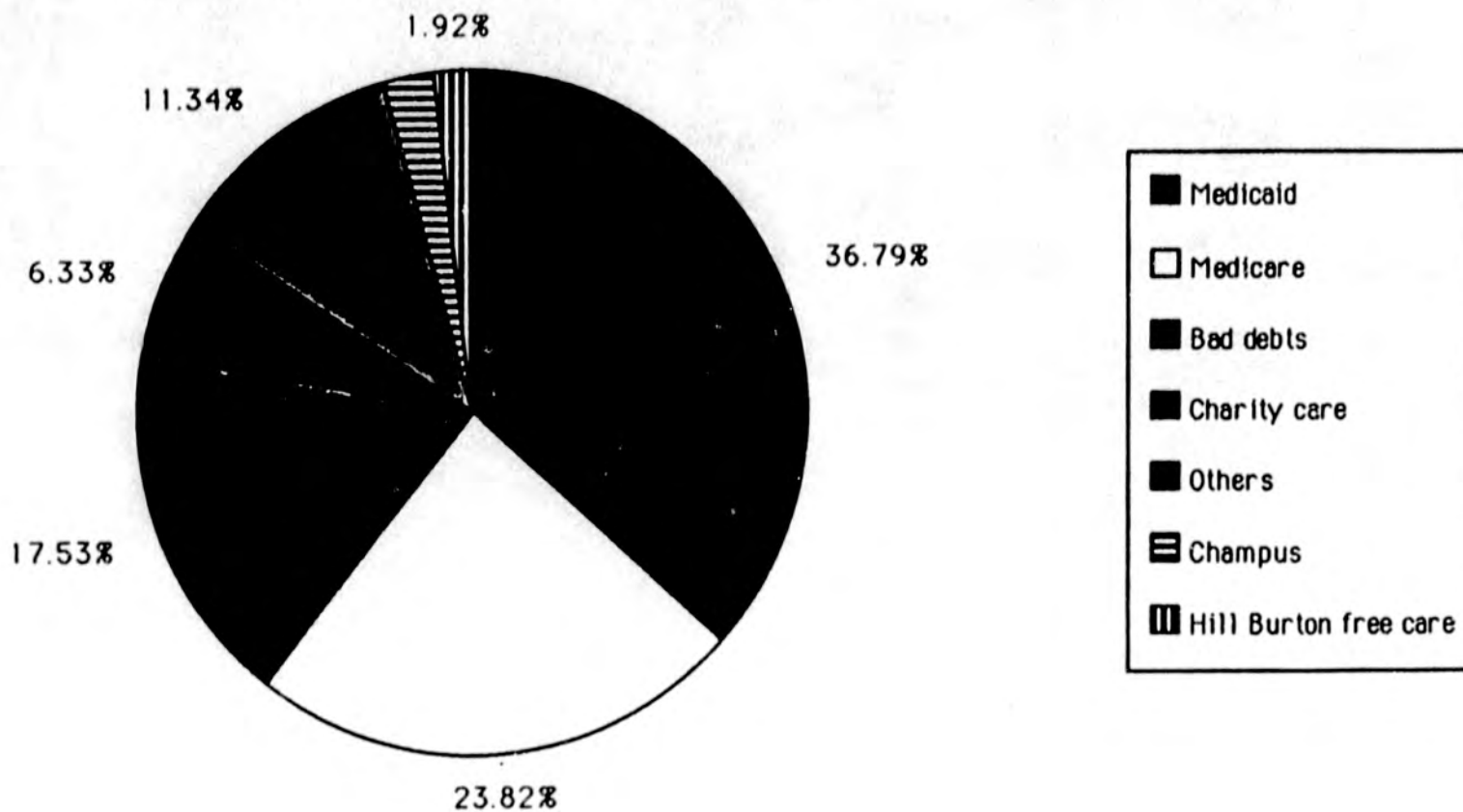
Sincerely,



Garrey M. Peska, C.P.A.
Vice President / Finance

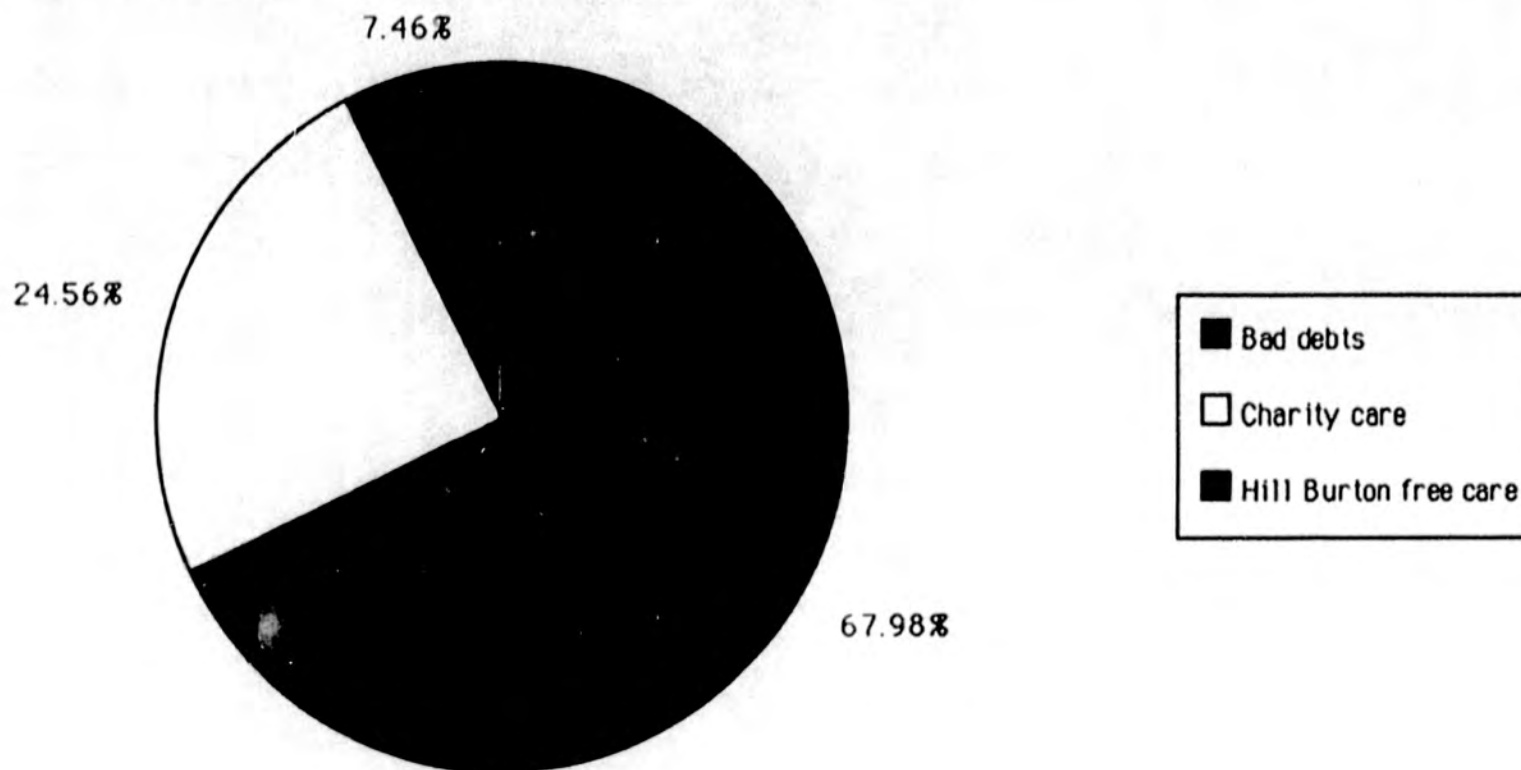
Facilities Responding to ASHNHA Questionnaire by 1/7/92:	1990 Revenues at the Full Charge Rates	1990 Actual Collections (Net Revenue)
Providence Hospital	172,471,593	129,810,593
Humana Hospital - Alaska	85,798,873	65,160,235
Fairbanks Memorial Hospital	47,053,731	40,047,826
Our Lady of Compassion Care Center	19,841,000	13,947,000
Bartlett Memorial Hospital	19,676,844	17,178,322
Ketchikan General Hospital	15,513,106	13,563,239
Kodiak Island Hospital	8,210,388	7,164,933
Mary Conrad Center	7,471,307	7,245,283
Denali Center	5,905,613	4,657,101
Sitka Community Hospital	4,533,354	4,266,857
St. Ann's Nursing Home	3,481,433	3,126,607
Wesley Rehabilitation & Care Center	3,206,614	2,764,313
Heritage Place	2,871,742	2,088,747
Wrangell General Hospital	2,674,246	2,089,427
Petersburg General Hospital	2,356,912	2,073,619
Seward General Hospital	2,305,008	2,054,948
Total Fiscal Year 1990 Full Charges Reported - 16 facilities	403,371,764	317,239,050

Total 1990 Unpaid Charges for Services \$86,132,714

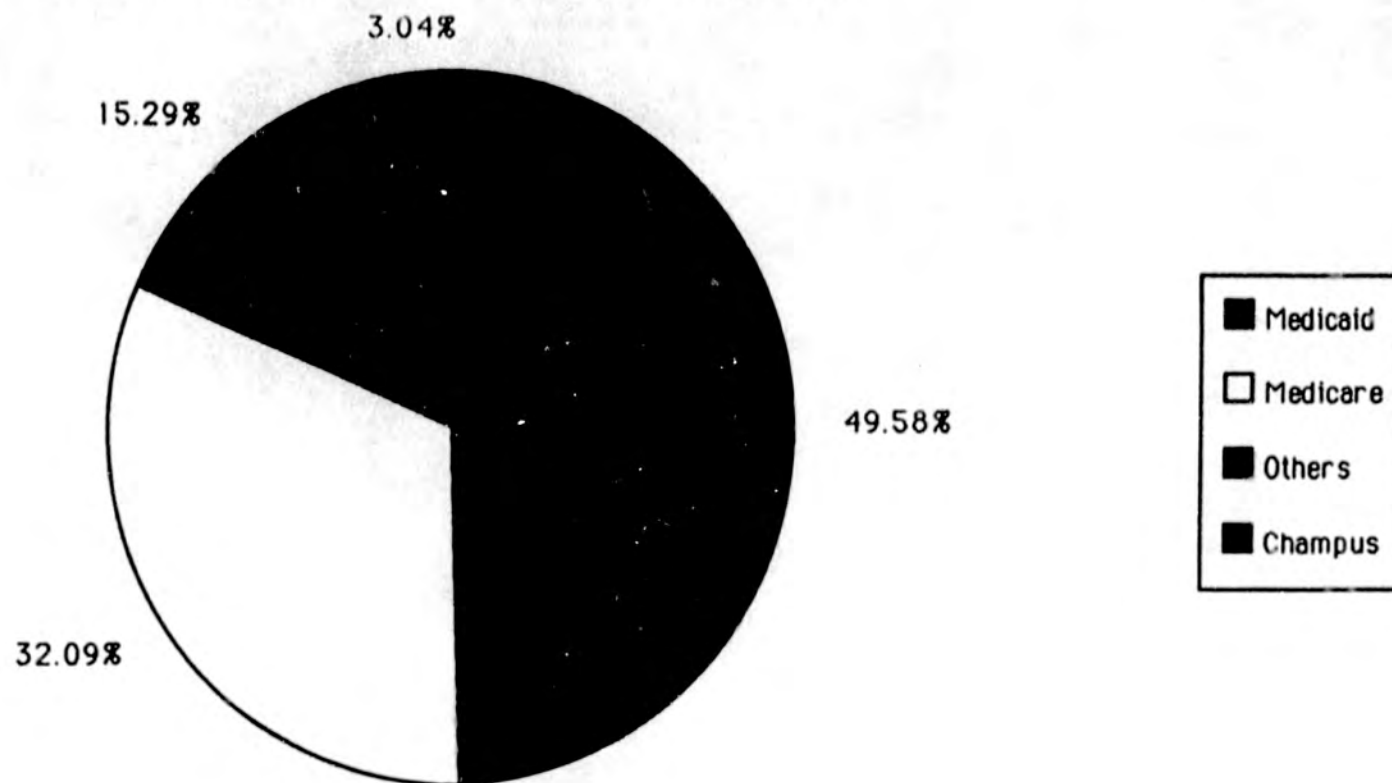


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Total 1990 Bad debts, Charity and Hill Burton \$22,210,884



Total 1990 Contractual Discounts / Allowances \$63,921,830



E-12

Alaska State Hospital Nursing Home Association Data Collection

Question Number	FACILITY NAME: Bartlett Memorial Hospital	Percent of Total Charges	(A) Revenues At the full Charge Rate	(B) Contract Allowances Discounts	(C) Actual Collections (Net Revenue)	(D) % of net Revenues to Full Charges
	Uncompensated Care					
1 (A)	Charity care /	0 %	0		0	
1 (B)	Bad debts	6 %	1,157,473	1,157,473	0	
1 (C)	Hill Burton free care	1 %	252,244	252,244	0	
	Federal Payers					
2	Medicaid	8 %	1,485,454	188,342	1,297,112	87.32%
3	Medicare	17 %	3,274,652	688,281	2,586,371	78.98%
4	Indian Health Service	3 %	541,600	54,756	486,844	89.89%
5	Champus	1 %	120,985	0	120,985	100.00%
6	Veterans' Administration	3 %	556,673	0	556,673	100.00%
7	Other (Worker's Comp.)	3 %	678,524	0	678,524	100.00%
	Charges not covered by State & Federal programs			157,426	-157,426	
	Private Payers					
8	Blue Cross	9 %	1,864,295	0	1,864,295	100.00%
9	Commercial Insurance	33 %	6,456,391	0	6,456,391	100.00%
10	Paid by Patient	17 %	3,288,553	0	3,288,553	100.00%
11 (A)	Subtotal 1990 charges for services	100%	19,676,844	2,498,522	17,178,322	87.30%
	Explanation:					
11 (B)	Other Payer:					
11 (C)	Total 1990 charges for services		19,676,844	2,498,522	17,178,322	87.30%
12 (A)	Total 1990 operating costs		16,470,464	N/A		
12 (B)	Depreciation included in operating costs		1,181,654	N/A		
	Other sources of operating revenues					
13	State Government			N/A		
	Revenue Sharing		123,056	N/A		
	Other -Cafeteria, rental income, misc. supply sales		264,313	N/A		
	Local Government			N/A		
	Taxation		0	N/A		
	General Fund		0	N/A		
	Other non service revenues			N/A		
14 (A)	Amount of your outstanding general obligation debt		9,469,522	N/A		
14 (B)	Type of debt Local Gov't General Obligation Bonds		Tax Exempt	N/A		
15 (A)	Debt service paid by your facility in FY 90		275,057	N/A		
15 (B)	Debt service paid by third party:		0			
	Local Government		670,000	N/A		
	Corporate parent		N/A	N/A		
	Other		N/A	N/A		
16	FY '90 Cost to Full Charge ratio (12A / 11C)		83.70%			
	Questions or Comments? Contact:					
	Garrey M. Peska, CPA					
	Vice President for Financial Affairs					
	Alaska State Hospital & Nursing Home Association					
	319 Seward St. #11					
	Juneau, Alaska 99801					
	Phone (907) 586-1790 Fax (907) 463-3573					

Alaska State Hospital Nursing Home Association Data Collection

Question Number	FACILITY NAME: Denali Center	Percent of Total Charges	(A) Revenues At the full Charge Rate	(B) Contract Allowances Discounts	(C) Actual Collections (Net Revenue)	(D) % of net Revenues to Full Charges
	Uncompensated Care					
1 (A)	Charity care	1 %	56,000	56,000	0	0.00 %
1 (B)	Bad debts	0 %	20,332	20,332	0	0.00 %
1 (C)	Hill Burton free care	0 %	0		0	
	Federal Payers					
2.	Medicaid	69 %	4,096,696	635,517	3,461,179	84.49 %
3.	Medicare	12 %	690,139	289,126	401,013	58.11 %
4.	Indian Health Service	1 %	85,307	20,678	64,629	75.76 %
5.	Champus	0 %	0		0	
6.	Veterans' Administration	4 %	253,837	61,014	192,823	75.96 %
7.	Other	0 %	0		0	
	Private Payers					
8.	Blue Cross	0 %	0		0	
9.	Commercial Insurance	5 %	285,937	28,035	257,902	90.20 %
10.	Paid by Patient	7 %	409,918	137,810	272,108	66.38 %
11 (A)	Subtotal 1990 charges for services	100 %	5,898,166	1,248,512	4,649,654	78.83 %
	Explanation:					
11 (B)	Other Payer: Respite / Adult Day Care		7,447	0	7,447	
11 (C)	Total 1990 charges for services		5,905,613	1,248,512	4,657,101	78.86 %
12 (A)	Total 1990 operating costs		4,858,460	N/A		
12 (B)	Depreciation included in operating costs		109,789	N/A		
	Other sources of operating revenues					
13	State Government			N/A		
	Revenue Sharing		113,018	N/A		
	Other (explain) _____			N/A		
	Local Government			N/A		
	Taxation		0	N/A		
	General Fund		0	N/A		
	Other non service revenues - Miscellaneous		33,234	N/A		
14 (A)	Amount of your outstanding general obligation debt		0	N/A		
14 (B)	Type of debt (taxable, tax exempt, other)		N/A	N/A		
15 (A)	Debt service paid by your facility in FY 90		0	N/A		
15 (B)	Debt service paid by third party:		0			
	Local Government			N/A		
	Corporate parent		N/A	N/A		
	Other		N/A	N/A		
16	FY '90 Cost to Full Charge ratio (12A / 11C)		82.27 %			
	Questions or Comments? Contact:					
	Garrey M. Peska, CPA					
	Vice President for Financial Affairs					
	Alaska State Hospital & Nursing Home Association					
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