



## A QUICK LOOK AT MICHIGAN HOSPITAL FINANCES

This CRC Memorandum is an update of previous efforts to document the financial health of Michigan’s hospitals. See [Michigan Hospital Finances: Fiscal Years 1998-2002](#) (Memo 1075, December 2003) and [Michigan Hospital Finances](#) (Memo 1060, June 2002).

### In Brief

Michigan hospitals, in total, showed revenues from all sources exceeding expenses resulting in surpluses of \$821.5 million in 2011, \$1.3 billion in 2012, \$1.6 billion in 2013, and \$1.4 billion in 2014. Surplus as a percent of net patient revenue rose from 3.4 percent to 5.4 percent over the period. Of the 135 hospitals covered in this report (see **Box** on page 3), 65 showed a surplus in net income from patient care in 2011 compared with 50 in 2012, 44 in 2013, and 62 in 2014.

Generally, reimbursements for inpatient and outpatient care did not cover the operating expenses of providing that care. Net income from services to patients reflects this deficit gap, which widened from \$485.3 million in 2011 to a high of \$869.9 million in 2013. By 2014, growth in operating expenses had slowed relative to patient revenue, mitigating the previous trend and resulting in a net patient income loss of \$220.0 million.

Net income from sources other than patient services fell from a high of nearly \$2.4 billion in 2013 to \$1.60 billion in 2014. When non-patient services income is added, 98 of the 135 hospitals showed surpluses in total income in 2011, 103 hospitals in 2012, 102 hospitals in 2013, and 99 hospitals in 2014.

The Upper Peninsula experienced deficits in all years except 2012. All other Michigan prosperity regions (see **Map 1** on page 13) experienced surpluses in each year in the aggregate.

Of the 135 hospitals covered in this report, 86 were formally affiliated with an organizational entity in 2014. There were 16 hospital networks operating in Michigan for which data is available in 2014.

### Introduction

Hospitals are organized in a number of ways: for profit, not-for-profit, and municipally operated. Regardless of their organization, their financing is greatly influenced by state and federal laws and regulations. The federal Patient Protection and Affordable Care Act of 2010 and Michigan’s expansion of Medicaid in 2014 through the Healthy Michigan Plan are two recent examples of major policies impacting hospital finances.

The financial health of hospitals matters to the

communities served in that it impacts their long-term sustainability, the ability to attract and compensate quality health care professionals, and the quality of care provided to patients. Examining the status of hospital finances individually, regionally, and at a statewide level has the potential to provide feedback regarding state and federal policies as well as signal important changes and trends that may impact hospitals’ ability to provide safe and high quality health services presently and in the future.



CITIZENS RESEARCH COUNCIL OF MICHIGAN

Eric W. Lupher, President

MAIN OFFICE 38777 Six Mile Road, Suite 208 • Livonia, MI 48152-3974 • 734-542-8001 • Fax 734-542-8004

LANSING OFFICE 115 West Allegan, Suite 480 • Lansing, MI 48933-1738 • 517-485-9444

CRCMICH.ORG

Summary Financial Results

Between 2011 and 2014, hospital net patient revenues grew by \$1.2 billion (5.0 percent) while total operating expenses rose \$947.7 million (3.9 percent). The slower growth in operating expenses was not sufficient to offset the losses from patient care reimbursements, however, and for all years, there was a loss in net income from services to patients.

Revenue from sources other than patient services nearly doubled from \$1.3 billion in 2011 to \$2.4

billion by 2013, before dropping to \$1.6 billion (21 percent) in 2014. Between 2011 and 2014 these revenues rose 22.3 percent so that the statewide overall surplus grew by \$556.4 million (67.7 percent). The 2014 surplus represents 5.4 percent of statewide net patient revenues. Summary financial results for Michigan hospitals during fiscal years ending in 2011, 2012, 2013, and 2014 are shown in **Table 1**.

**Table 1**  
**Summary Finances of Michigan Hospitals: Fiscal Years 2011-2014**  
**(Dollars in Thousands)**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Cumulative Total 2011-2014</b>	<b>Difference 2011 vs. 2014</b>		<b>Difference 2013 vs. 2014</b>	
						<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>
+ Inpatient revenue	\$30,981.9	\$32,366.1	\$32,283.0	\$33,583.5	\$129,214.6	2,601.6	8.4%	\$1,300.5	4.0%
+ Outpatient revenue	<u>30,323.4</u>	<u>31,803.5</u>	<u>34,544.2</u>	<u>36,422.5</u>	<u>133,093.5</u>	<u>6,099.1</u>	20.1	<u>1,878.3</u>	5.4
Total patient revenue	61,305.3	64,169.6	66,827.2	70,006.0	262,308.1	8,700.7	14.2	3,178.8	4.8
- Contractual allowances & discounts	<u>37,191.7</u>	<u>39,963.2</u>	<u>42,357.0</u>	<u>44,679.4</u>	<u>164,191.2</u>	<u>7,487.7</u>	20.1	<u>2,322.3</u>	5.5
Net patient revenue (NPR)	24,113.6	24,206.4	24,470.2	25,326.7	98,116.9	1,213.0	5.0	856.5	3.5
- Total operating expenses	<u>24,599.0</u>	<u>24,939.1</u>	<u>25,340.1</u>	<u>25,546.7</u>	<u>100,424.8</u>	<u>947.7</u>	3.9	<u>206.6</u>	0.8
Net income from services to patients	(485.3)	(732.7)	(869.9)	(220.0)	(2,307.9)	265.3	54.7	649.8	74.7
+ Other income and expenses (OIE)	<u>1,306.9</u>	<u>2,034.9</u>	<u>2,430.9</u>	<u>1,598.0</u>	<u>7,370.6</u>	<u>291.1</u>	22.3	<u>(832.9)</u>	(34.3)
<b>Surplus/deficit</b>	<b>\$821.5</b>	<b>\$1,302.2</b>	<b>\$1,561.0</b>	<b>\$1,378.0</b>	<b>\$5,062.7</b>	<b>\$556.4</b>	<b>67.7%</b>	<b>\$(183.1)</b>	<b>(11.7)%</b>
Contractual allowance and discounts as a percent of total patient revenue	60.7%	62.3%	63.4%	63.8%					
Other income and expense as a percent of total revenue (NPR+OIE=Total)	5.1%	7.8%	9.0%	5.9%					
Surplus as percent of net patient revenue	3.4%	5.4%	6.4%	5.4%					
Surplus as a percent of total revenue	1.3%	2.0%	2.3%	2.0%					

Source: Centers for Medicare & Medicaid Services, Hospital Cost Reports

CRC BOARD OF DIRECTORS

TERENCE M. DONNELLY, Chair  
 ALEKSANDRA A. MIZIOLEK, Vice Chair  
 KELLY ROSSMAN-McKINNEY, Treasurer  
 LAURA APPEL  
 MICHAEL G. BICKERS  
 JIM DAVLIN

DANIEL P. DOMENICUCCI  
 BETH DRYDEN  
 RANDALL W. EBERTS  
 SHERRIE L. FARRELL  
 RICHARD A. FAVOR JR.  
 JOHN J. GASPAROVIC

JUNE SUMMERS HAAS  
 DAVID R. HAY  
 MARYBETH S. HOWE  
 GORDON KRATER  
 WILLIAM J. LAWRENCE III  
 KRISTEN McDONALD

MICHAEL P. McGEE  
 PAUL OBERMEYER  
 KEVIN PROKOP  
 JAY RISING  
 MILTON W. ROHWER  
 CANDEE SAFERIAN

CAROLEE K. SMITH  
 CHRISTINE MASON SONERAL  
 LARRY YACHCIK



## About the Data

Each year hospitals participating in the Medicare and Medicaid programs file cost reports and supplemental data with the federal and state governments. The tables and analyses in this memorandum are based on information files for fiscal years 2011, 2012, 2013 and 2014 using the new CMS Hospital 2552-10 Cost Reporting Form. Five types of facilities are included in this memorandum: short term general and specialty hospitals, rural primary care hospitals, long-term hospitals, rehabilitation hospitals, and children's hospitals. This memorandum does not include psychiatric hospitals and reflects the closings, mergers and other organizational changes that occurred over the four years reported. Hospitals are those with a unique Medicare and Medicaid identification number. In some cases, separate facility locations are included in the data of the legal entity with the unique identifier. Overall financial results for the 135 hospitals that have reported data for all four years are included; while the number of hospitals reporting data for each year is greater than 135, the report does not include hospitals that did not report data for one or more years.

CMS Hospital 2552-10 Cost Reporting Form was new as of 2010 and because of differences in hospital fiscal years, the number of hospitals reporting financial data using this form in 2010 is significantly fewer than in other years. The most recent update to the database was in January 2016 and includes the majority of Michigan hospitals through fiscal year 2014. Because of delays in reporting and CMS's release of data, 2015 data is not substantial enough to be included.

## Data Characteristics

Hospitals across the state operate on different fiscal years (most have fiscal years that end either December 31 or June 30) so that the impact of a particular event affecting hospital finances (e.g. a federal or state policy change or reimbursement alteration, change in economic climate, etc.) can be reflected unevenly in the data of different hospitals. Hospitals may also file amended reports and the data in this memorandum may not reflect all of these.

Certain hospital entities have merged, changed names and/or received new identification numbers between 2011 and 2014. In these cases, the 2014 name and identifier are used. Also, certain hospital entities have changed affiliations or become affiliated with other organizational entities. In these cases, the 2014 affiliation is used in all tables except for **Table 4**, in which case the data shown reflects hospital affiliations for that specific year. However, even **Table 4** uses only data from the 135 hospitals that consistently reported data for all four years.

Occasionally, a hospital has duplicate data for the same fiscal year, which may occur as hospitals change their fiscal year end-date cycle or undergo a change of ownership. In these cases, the hospital for which there is duplicate data is not included in the aggregate due to concerns of double counting.

One-time income and/or expense events occur. Reimbursement from Medicare and Medicaid are sometimes in dispute for a period of years with the final result being recorded in a single year. Large bequests are required to be recorded in their entirety in the year a hospital is given the commitment although actual receipts may be spread across future time periods. Bad debt write-offs may fluctuate from one year to the next.

While psychiatric hospitals are not included, many non-psychiatric hospitals do provide psychiatric services and those revenues and costs are reflected in the data.

## Hospital Specific Data

Over the four-year period, 106 hospitals (78.5 percent) reported a cumulative surplus totaling \$5.31 billion and 29 hospitals (21.5 percent) reported a cumulative deficit totaling \$246.3 million. Surplus/deficit results for 135 individual hospitals are shown in **Table 2**.

Overall, the number of hospitals reporting deficits changed very little year-over-year in this period, while the total combined surpluses rose by 54.4 percent. The average individual hospital surplus grew between 2011 and 2013 before falling slightly in 2014, while the average deficit remained relatively constant over the period (**Chart 1**).

# CRC MEMORANDUM

**Table 2**  
**Summary Finances of Individual Michigan Hospitals: Fiscal Years 2011-2014**  
**(Dollars in Thousands, Sorted by 2014 Surplus/Deficit Rank)**

Hospital Name 2014	2011		2012		2013		2014		Cumulative	
	Surplus (Deficit)	Rank	Surplus (Deficit)	Rank	Surplus (Deficit)	Rank	Surplus (Deficit)	Rank	Surplus (Deficit)	Rank
Butterworth Hospital (n)	\$111,949.5	1	\$171,806.1	1	\$174,937.0	2	\$196,125.6	1	\$654,818.2	1
Beaumont Hospital (c)	55,927.4	2	66,819.4	3	63,309.7	6	127,309.8	2	313,366.4	3
University Of Michigan Hospitals	(9,888.1)	130	67,840.3	2	176,799.8	1	112,098.1	3	346,850.1	2
Beaumont Hospital-Troy (c)	42,953.0	3	49,964.9	8	46,199.2	13	83,363.9	4	222,480.9	5
St. Joseph Mercy Ann Arbor (o)	33,683.7	10	55,986.0	5	70,970.7	5	72,757.6	5	233,398.0	4
Sparrow Hospital (m)	31,742.0	12	55,605.0	6	59,723.0	8	67,018.4	6	214,088.4	6
Munson Medical Center (j)	25,826.8	15	43,236.7	10	60,576.4	7	60,512.0	7	190,151.8	7
St. Mary's Health Care (a)	32,269.5	11	58,766.5	4	53,374.6	11	43,871.4	8	188,282.0	8
Bronson Methodist Hospital (d)	34,959.2	8	39,902.0	12	17,841.2	27	43,098.5	9	135,800.9	12
St. John Hospital (a)	9,219.0	27	31,573.4	15	55,469.6	10	36,060.3	10	132,322.3	14
Oakwood Hospital - Dearborn (c)	40,670.0	5	27,447.2	18	35,998.0	16	36,042.7	11	140,157.9	11
Covenant Medical Center	23,459.6	16	31,572.1	16	34,339.5	18	31,281.9	12	120,653.1	16
MidMichigan Medical Center - Midland (i)	6,869.6	35	18,015.3	24	46,637.4	12	29,988.3	13	101,510.5	20
McLaren - Flint (h)	11,404.3	21	39,840.0	13	41,234.8	14	29,128.9	14	121,607.9	15
Harper University Hospital (e)	36,622.9	7	47,590.0	9	20,424.9	24	28,485.1	15	133,122.9	13
McLaren - Macomb (h)	10,998.9	23	28,128.4	17	34,854.2	17	28,376.0	16	102,357.5	19
Borgess Medical Center (a)	17,482.2	17	52,527.9	7	55,860.4	9	28,180.9	17	154,051.4	10
Providence Hospital-Southfield (a)	27,684.6	13	43,002.2	11	77,129.8	3	25,513.9	18	173,330.4	9
Hurley Medical Center	4,229.7	43	(3,020.3)	126	3,742.4	52	24,343.2	19	29,295.0	36
Lakeland Medical Center, St. Joseph (g)	40,970.8	4	12,039.3	30	36,213.8	15	23,682.2	20	112,906.1	17
Detroit Receiving Hospital (e)	11,105.8	22	8,425.1	38	(10,089.9)	133	22,969.6	21	32,410.5	34
McLaren - Bay Region (h)	(11,087.0)	132	22,412.1	21	31,766.0	20	22,507.8	22	65,598.9	22
St. John Macomb-Oakland Hospital (a)	16,059.3	19	35,224.5	14	33,956.2	19	21,276.5	23	106,516.5	18
Henry Ford Macomb Hospitals - Clinton Twp (f)	(29,787.3)	135	(4,317.6)	130	733.7	83	18,523.6	24	(14,847.7)	130
St. Mary Mercy Hospital (o)	9,907.1	25	3,444.3	57	12,651.4	31	17,235.7	25	43,238.5	27
St. Joseph Mercy Livingston Hospital (o)	6,841.1	36	3,299.2	60	6,239.8	41	16,474.2	26	32,854.3	33
Beaumont Hospital - Trenton (c)	9,017.8	28	12,261.5	29	12,224.9	32	14,687.5	27	48,191.6	25
McLaren Northern Michigan (h)	7,164.7	33	17,927.9	25	25,291.0	21	12,709.4	28	63,093.0	24
Genesys Regional Medical Center (a)	380.0	91	9,021.2	35	16,424.4	29	12,030.9	29	37,856.5	30
Holland Community Hospital	9,879.1	26	19,059.5	23	23,859.7	22	11,965.5	30	64,763.8	23
Sinai-Grace Hospital (e)	7,503.9	32	22,796.0	20	(5,119.6)	129	11,581.6	31	36,761.8	31
Bon Secours Cottage Health Services (f)	(10,162.5)	131	17,323.9	27	2,980.9	59	11,466.9	32	21,609.1	43
Mercy Memorial Hospital	6,005.6	41	472.3	95	13,347.3	30	10,629.3	33	30,454.5	35
Crittenton Hospital	(8,833.2)	129	(4,668.3)	132	(4,712.4)	128	10,438.3	34	(7,775.6)	126
St. Joseph Mercy Chelsea (o)	2,088.0	61	5,060.4	48	8,724.1	35	9,710.0	35	25,582.5	41
Sparrow Clinton Hospital (m)	8,136.3	31	11,725.2	31	10,529.0	33	9,539.3	36	39,929.9	28
Reed City Hospital (n)	2,443.9	57	4,204.5	53	5,980.5	43	7,771.6	37	20,400.5	45
United Hospital (n)	6,316.7	38	5,893.5	44	7,092.3	38	6,774.3	38	26,076.8	39
McLaren - Greater Lansing (h)	(1,908.0)	118	11,627.0	32	7,434.0	36	6,244.4	39	23,397.4	42
Otsego Memorial Hospital (j)	4,245.3	42	7,135.1	42	2,343.2	62	6,173.1	40	19,896.7	46
West Branch Regional Medical Center	(713.1)	107	(3,732.0)	128	245.8	94	6,058.7	41	1,859.5	95
Alpena Regional Medical Center	6,913.8	34	7,930.2	39	6,879.8	39	5,474.6	42	27,198.4	37
McLaren - Oakland (h)	(154.0)	101	8,859.4	36	6,581.8	40	5,181.1	43	20,468.4	44
Pennock Hospital	1,084.3	79	8,802.5	37	4,355.7	48	5,077.4	44	19,320.0	47
McLaren - Lapeer Region (h)	(4,911.4)	125	(381.2)	107	10,178.0	34	5,066.1	45	9,951.4	65
Dickinson County Healthcare System	(1,639.2)	116	21.7	103	(1,501.2)	114	4,835.6	46	1,716.9	96
Bronson LakeView Hospital (d)	2,659.6	56	(485.4)	109	1,923.1	71	4,832.5	47	8,929.8	70
Karmanos Cancer Institute (h)	1,568.8	70	3,545.6	56	5,723.6	45	4,746.3	48	15,584.2	53
Barix Clinics at Forest Health Medical Center	58.6	97	3,400.4	59	3,671.4	53	4,667.1	49	11,797.4	56
MidMichigan Medical Center - Clare (i)	(2,060.4)	120	1,378.5	80	963.4	82	3,943.6	50	4,225.1	89
Kalkaska Memorial Health Center (j)	244.3	94	2,741.6	63	3,365.0	56	3,868.7	51	10,219.6	63
Botsford General Hospital (c)	10,038.8	24	4,044.2	54	1,156.8	79	3,826.1	52	19,065.9	48
McLaren Bay Special Care Hospital (h)	388.3	90	2,651.8	65	3,458.6	55	3,240.8	53	9,739.5	66
Vibra Hospital of Southeast Michigan	1,243.1	75	1,349.5	81	3,519.9	54	2,956.1	54	9,068.6	69
McLaren - Central Michigan (h)	3,268.0	51	(720.2)	111	156.4	97	2,934.9	55	5,639.1	82
Borgess-Pipp Hospital (a)	816.9	83	2,514.1	66	4,268.8	49	2,899.1	56	10,498.9	61
Aspirus Keweenaw Hospital (b)	2,155.4	60	2,078.2	68	694.5	84	2,749.4	57	7,677.5	71
Scheurer Hospital	1,686.4	68	1,815.4	73	3,848.7	50	2,676.1	58	10,026.6	64

# CRC MEMORANDUM

### Table 2 (continued)

Hospital Name 2014	2011		2012		2013		2014		Cumulative Surplus (Deficit)	
	Surplus (Deficit)	Rank	Surplus (Deficit)	Rank	Surplus (Deficit)	Rank	Surplus (Deficit)	Rank	2011-2014	Rank
Select Specialty Hospital - Ann Arbor (l)	\$3,003.5	54	\$1,631.4	77	\$3,245.0	57	\$2,531.0	59	\$10,410.8	62
Select Specialty Hospital - Battle Creek (l)	1,193.4	78	441.5	96	2,404.6	61	2,365.5	60	6,405.0	77
Select Specialty Hospital - Pontiac (l)	2,191.8	58	1,712.8	74	1,301.6	76	2,315.9	61	7,522.1	73
Charlevoix Area Hospital (j)	(2,044.4)	119	201.1	101	(377.2)	109	2,254.2	62	33.7	106
Oakland Regional Hospital	3,684.7	49	2,690.1	64	2,060.1	67	2,191.2	63	10,626.0	60
Memorial Healthcare Center	6,318.8	37	10,138.6	33	7,268.2	37	2,140.3	64	25,865.9	40
ProMedica Bixby Hospital (k)	3,908.9	47	4,733.3	49	5,044.2	47	2,119.7	65	15,806.2	52
War Memorial Hospital	1,700.7	67	(1,101.3)	118	597.2	85	2,051.8	66	3,248.5	91
Sparrow Specialty Hospital (m)	1,904.9	63	1,668.5	76	1,250.9	78	2,031.7	67	6,856.1	76
Oakwood Hospital - Wayne (c)	(6,097.6)	126	9,268.3	34	128.2	100	2,024.1	68	5,323.0	84
Kelsey Hospital (n)	399.2	89	1,438.3	79	2,268.9	64	1,988.2	69	6,094.6	79
Select Specialty Hospital - Grosse Pointe (l)	1,200.2	77	3,064.6	62	3,010.1	58	1,911.3	70	9,186.2	67
St. Joseph Hospital - Tawas City (a)	4,208.7	44	3,427.1	58	1,132.2	80	1,897.3	71	10,665.3	59
Michigan Surgical Hospital	(1,598.4)	114	(2,931.2)	125	(1,283.6)	113	1,852.0	72	(3,961.2)	121
Great Lakes Specialty Hospital - Hackley Campus	709.1	84	1,543.4	78	1,778.9	74	1,696.6	73	5,728.0	81
Select Specialty Hospital - Flint (l)	1,263.3	74	2,035.6	70	1,890.6	72	1,674.0	74	6,863.5	75
Paul Oliver Memorial Hospital (j)	3,944.3	46	1,277.2	82	2,255.5	65	1,661.7	75	9,138.7	68
Promedica Herrick Hospital (k)	3,222.9	52	4,631.1	50	1,733.4	75	1,564.3	76	11,151.6	58
Healthsource Saginaw	2,771.9	55	(1,030.6)	116	(41.8)	103	1,452.0	77	3,151.5	92
Kindred Hospital - Detroit	6,019.5	40	4,278.6	52	5,466.0	46	1,337.1	78	17,101.1	50
Brighton Center for Recovery (a)	859.6	82	762.4	89	1,993.8	70	1,244.2	79	4,860.0	87
Select Specialty Hospital - Saginaw (l)	1,674.5	69	621.4	92	1,792.6	73	1,194.1	80	5,282.5	85
Select Specialty Hospital - Macomb County (l)	1,751.8	65	2,016.6	71	379.0	92	1,187.0	81	5,334.4	83
Select Specialty Hospital - Downriver (l)	3,975.0	45	4,452.1	51	2,549.7	60	1,114.2	82	12,091.0	55
Carson City Hospital	689.0	85	(600.0)	110	(2,819.2)	120	870.1	83	(1,860.1)	114
Lakeland Hospital, Watervliet (g)	553.8	87	5,374.2	47	528.3	86	805.2	84	7,261.5	74
Caro Community Hospital	(712.6)	106	341.8	99	341.2	93	774.5	85	744.8	101
Great Lakes Specialty Hospital - Grand Rapids	(145.2)	100	130.7	102	148.3	98	667.6	86	801.4	100
Eaton Rapids Medical Center	1,752.2	64	593.5	94	2,024.9	68	662.6	87	5,033.1	86
McLaren Port Huron Hospital (h)	8,692.1	30	12,654.8	28	72,107.0	4	549.6	88	94,003.5	21
Borgess-Lee Memorial Hospital (a)	(1,772.7)	117	285.0	100	(195.3)	107	394.5	89	(1,288.5)	111
Baraga County Memorial Hospital	(3,348.9)	124	(1,414.4)	121	974.5	81	373.6	90	(3,415.2)	120
CareLink of Jackson	(996.2)	111	618.9	93	218.4	95	342.4	91	183.4	105
Straith Hospital For Special Surgery	(1,600.1)	115	(1,446.1)	122	2,008.8	69	314.5	92	(723.0)	109
Mercy Hospital Cadillac (o)	1,070.6	80	5,597.8	45	5,841.9	44	252.5	93	12,762.8	54
MidMichigan Medical Center - Gladwin (i)	1,716.1	66	2,006.2	72	2,158.0	66	236.5	94	6,116.9	78
Hills & Dales General Hospital	(138.4)	99	401.1	97	(154.2)	106	184.5	95	293.0	104
St. Mary's of Michigan - Standish Hospital (a)	(733.8)	108	1,221.8	84	3,806.4	51	152.8	96	4,447.2	88
Deckerville Community Hospital	1,352.8	73	400.8	98	492.4	88	45.2	97	2,291.1	94
Aspirus Ontonagon Hospital (b)	(709.1)	105	744.1	90	445.9	91	45.1	98	525.9	102
McKenzie Memorial Hospital	(193.5)	102	883.7	86	514.0	87	18.8	99	1,223.0	98
Huron Memorial Hospital	1,514.4	71	1,679.8	75	489.2	89	(0.4)	100	3,682.9	90
Huron Valley-Sinai Hospital (e)	16,351.2	18	17,723.5	26	(103.8)	105	(128.6)	101	33,842.3	32
Munising Memorial Hospital	(961.7)	110	(392.8)	108	60.8	101	(137.6)	102	(1,431.3)	112
Hillsdale Community Health Center	2,047.1	62	1,267.3	83	(3,672.4)	123	(237.8)	103	(595.8)	108
Hayes Green Beach Memorial Hospital	3,182.5	53	1,217.6	85	(2,426.9)	118	(311.3)	104	1,662.0	97
Schoolcraft Memorial Hospital	69.3	96	(1,215.2)	119	(1,830.2)	115	(409.6)	105	(3,385.7)	119
Harbor Beach Community Hospital	50.4	98	(194.7)	104	130.8	99	(420.8)	106	(434.3)	107
Marlette Regional Hospital	(369.8)	103	(1,084.9)	117	(347.5)	108	(550.2)	107	(2,352.4)	115
Allegan General Hospital	528.1	88	847.0	88	465.3	90	(861.0)	108	979.4	99
Sheridan Community Hospital	599.7	86	(333.3)	106	(618.2)	111	(1,269.6)	109	(1,621.5)	113
Mercy Hospital Grayling (o)	15,698.2	20	3,134.9	61	(860.5)	112	(1,732.6)	110	16,240.0	51
UP Health System - Portage (p)	3,847.3	48	7,188.8	41	2,342.6	63	(1,814.6)	111	11,564.1	57
Rehabilitation Institute Of Michigan (e)	6,065.1	39	5,382.6	46	(3,590.0)	122	(1,865.4)	112	5,992.3	80
South Haven Community Hospital	1,036.1	81	(319.7)	105	(93.7)	104	(1,895.0)	113	(1,272.3)	110
Northstar Health System (b)	(772.9)	109	(740.1)	112	(2,099.9)	116	(1,948.8)	114	(5,561.7)	123
Helen Newberry Joy Hospital and Healthcare Center	261.4	93	2,226.8	67	6.0	102	(2,005.5)	115	488.7	103
St. Joseph Mercy Port Huron (o)	1,499.2	72	2,041.1	69	(4,363.2)	126	(2,468.2)	116	(3,291.1)	118
Allegiance Health	(14,342.9)	134	20,992.7	22	22,740.3	23	(2,670.3)	117	26,719.8	38
Beaumont Hospital - Taylor (c)	(2,341.3)	121	(3,711.6)	127	(3,840.3)	124	(2,692.4)	118	(12,585.6)	129
Southwest Rehabilitation Hospital	(1,322.2)	112	(1,017.0)	115	(2,869.2)	121	(2,975.7)	119	(8,184.1)	127

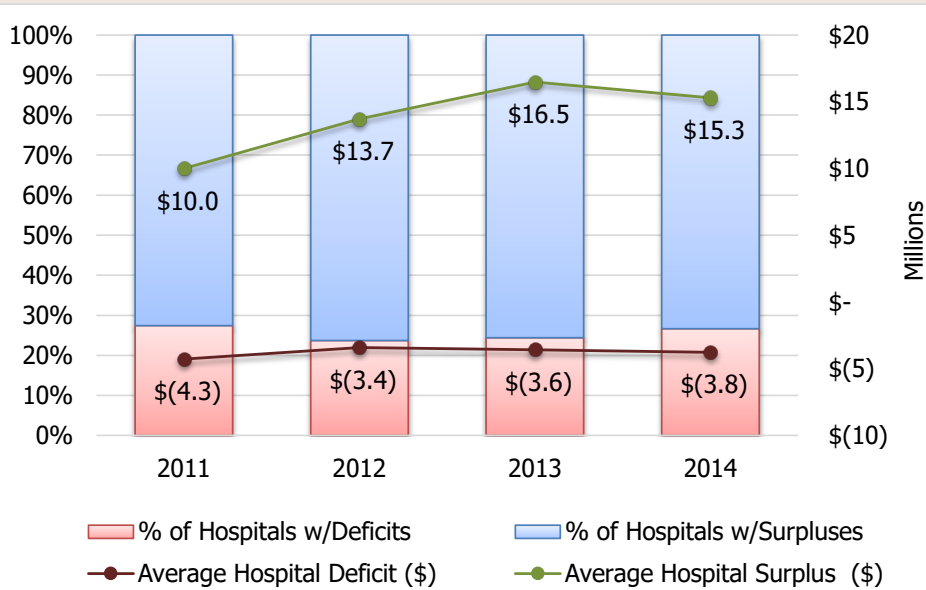
# CRC MEMORANDUM

**Table 2 (continued)**

Hospital Name 2014	2011		2012		2013		2014		Cumulative Surplus (Deficit)	
	Surplus (Deficit)	Rank	Surplus (Deficit)	Rank	Surplus (Deficit)	Rank	Surplus (Deficit)	Rank	2011-2014	Rank
Spectrum Health Big Rapids Hospital (n)	\$3,312.7	50	\$(2,707.3)	124	\$19,747.2	25	\$(2,994.9)	120	\$17,357.7	49
Mary Free Bed Rehabilitation Hospital	(2,377.9)	122	6,982.8	43	6,056.2	42	(3,130.8)	121	7,530.3	72
Sparrow Ionia Hospital (m)	72.3	95	858.0	87	(391.9)	110	(3,131.0)	122	(2,592.6)	116
Community Health Center Of Branch County	291.3	92	737.2	91	(4,644.3)	127	(3,199.5)	123	(6,815.2)	125
Henry Ford Wyandotte Hospital (f)	(2,969.7)	123	3,700.3	55	208.6	96	(3,675.1)	124	(2,735.9)	117
Bronson Battle Creek (d)	1,202.9	76	(13,918.4)	134	18,970.8	26	(3,832.0)	125	2,423.3	93
St. John River District Hospital (a)	(13,022.5)	133	(4,472.9)	131	(6,030.3)	131	(4,227.0)	126	(27,752.7)	133
MidMichigan Medical Center - Gratiot (i)	8,962.2	29	(5,079.3)	133	(3,976.5)	125	(4,455.5)	127	(4,549.0)	122
Spectrum Health Special Care Hospital (n)	(510.4)	104	(945.9)	114	(5,840.7)	130	(4,653.0)	128	(11,949.9)	128
Sturgis Hospital	2,168.5	59	(1,330.8)	120	(2,596.5)	119	(4,883.5)	129	(6,642.3)	124
Mackinac Straits Hospital & Health Center	(1,544.5)	113	(1,450.8)	123	(6,074.9)	132	(5,930.7)	130	(15,000.9)	131
North Ottawa Community Hospital	(8,769.8)	128	(937.7)	113	1,259.1	77	(8,568.7)	131	(17,017.1)	132
Doctors' Hospital of Michigan	(7,984.9)	127	(4,085.9)	129	(11,997.8)	134	(12,190.2)	132	(36,258.8)	134
Henry Ford Hospital (f)	34,383.7	9	(39,327.5)	135	(21,677.4)	135	(13,771.8)	133	(40,393.0)	135
St. Mary's of Michigan - Saginaw (a)	27,485.0	14	7,690.6	40	17,563.3	28	(14,697.9)	134	38,041.0	29
Children's Hospital of Michigan (e)	39,552.4	6	24,218.9	19	(2,140.2)	117	(15,784.2)	135	45,846.9	26
<b>Total</b>	<b>\$821,531.9</b>		<b>\$1,302,172.5</b>		<b>\$1,561,026.6</b>		<b>\$1,377,950.1</b>		<b>\$5,062,681.0</b>	

Source: Centers for Medicare & Medicaid Services, Hospital Cost Reports

**Chart 1**  
**Summary Finances of Michigan Hospitals,**  
**Fiscal Years 2011-2014**



Source: Centers for Medicare & Medicaid Services, Hospital Cost Reports

**Hospital Affiliations 2014**

- (a) Ascension Health
- (b) Aspirus Network
- (c) Beaumont Health
- (d) Bronson Healthcare
- (e) Tenet Healthcare
- (f) Henry Ford Health System
- (g) Lakeland Health
- (h) McLaren Health Care Corporation
- (i) MidMichigan Health
- (j) Munson Healthcare
- (k) ProMedica
- (l) Select Medical Corporation
- (m) Sparrow Health System
- (n) Spectrum Health
- (o) Trinity Health
- (p) Duke LifePoint

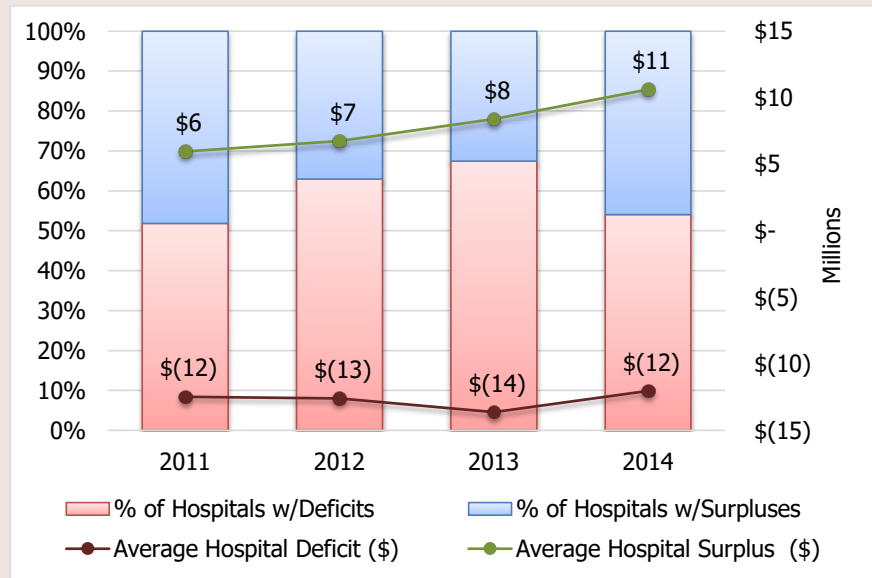


## Income from Patient Services

The majority of hospitals in Michigan are losing money caring for patients. The aggregate loss steadily grew bigger from 2011 to 2013 and then declined 74.7 percent in 2014. In 2014, the financial loss from caring for patients totaled \$220.0 million (**Table 3**). Losses from providing patient services nearly doubled between 2011 and 2013, rising from \$485.3 million to \$869.9 million. The losses in 2014 are the lowest of the period.

Over the period, the average individual hospital surplus incurred from patient services by Michigan hospitals increased despite a decline in the share of hospitals with surpluses between 2011 and 2013 (**Chart 2**). Average individual hospital deficits remained relatively constant over the period.

**Chart 2**  
**Summary of Net Income from Patient Services at Michigan Hospitals, Fiscal Years 2011-2014**



Source: Centers for Medicare & Medicaid Services, Hospital Cost Reports

despite a decline in the share of hospitals with surpluses between 2011 and 2013 (**Chart 2**). Average individual hospital deficits remained relatively constant over the period.

## Income from Non-patient Related Activities

The addition of income and expenses not directly related to patient care improves the overall financial picture. Many hospitals have significant income from contributions, investments and other income producing activities, such as operating cafeterias and gift shops. The total amount of this combined income and expense grew 22.6 percent between 2011 and 2014, peaking at \$2.4 billion in 2013, nearly double the net 2011 amount. This has more than offset

the large increase in losses (except for between 2013 and 2014) from providing patient services in the same time period, resulting in an overall growth in hospital surpluses from \$821.5 million in 2011 to \$1.4 billion in 2014.

The combination of "Net Income from Services to Patients" and "Other Income and Expenses" results in the overall surplus or deficit for each hospital.

**Table 3**  
**Income and Expense Data by Individual Michigan Hospitals: Fiscal Years 2011-2014**  
 (Dollars in Thousands, Sorted by Net Income from Services to Patients Rank)

Hospital Name 2014	2011			2012			2013			2014				
	Net Income From Services To Patients	Total Other Income/Expense	Rank	Net Income From Services To Patients	Total Other Income/Expense	Rank	Net Income From Services To Patients	Total Other Income/Expense	Rank	Net Income From Services To Patients	Total Other Income/Expense	Rank		
Butterworth Hospital (n)	\$24,348.7	\$87,600.8	5	\$41,251.5	\$130,554.7	4	\$49,477.0	\$125,460.0	1	\$147,735.1	\$48,390.4	1		
Beaumont Hospital (c)	30,513.7	25,413.7	13	43,593.8	23,225.6	21	47,818.8	15,491.0	35	105,657.2	2,165.2	18		
Beaumont Hospital-Troy (c)	30,395.8	12,557.2	2	39,675.1	10,289.8	41	34,053.0	12,146.2	39	71,244.5	3,12,119.3	29		
Munson Medical Center (j)	8,740.4	17,086.3	15	3,650.4	46,887.1	95	6,683.8	53,892.6	10	35,130.2	4,25,381.8	15		
Oakwood Hospital - Dearborn (c)	20,691.0	19,979.0	6	14,126.4	13,320.8	32	26,744.3	9,253.7	48	23,665.4	5,12,377.3	28		
MidMichigan Medical Center - Midland (l)	(27,793.1)	34,662.7	11	(22,343.7)	40,359.0	12	14,459.5	32,177.8	22	23,339.2	6,6,649.1	42		
St. John Hospital (a)	(15,876.9)	25,095.8	14	(33.1)	31,906.5	16	11,992.6	43,477.1	12	21,680.8	7,14,379.5	25		
Providence Hospital-Southfield (a)	13,248.5	10,436.1	10	14,926.5	28,075.7	19	24,472.5	52,657.2	5	19,855.6	8,5,658.3	50		
Lakeland Medical Center, St. Joseph (g)	27,366.9	13,603.9	4	13,603.9	11,384.7	35	23,361.0	12,852.9	38	19,391.2	9,4,291.0	55		
St. John Macomb-Oakland Hospital (a)	10,815.9	5,243.4	40	24,571.6	10,653.0	38	14,380.4	19,575.8	33	19,067.5	10,2,209.0	71		
Sparrow Hospital (m)	5,089.0	26,653.0	12	(4,781.0)	60,386.0	8	20,721.5	39,001.5	7	13,728.4	11,53,290.0	6		
Beaumont Hospital - Trenton (c)	7,153.2	1,864.5	67	10,856.8	1,404.7	94	9,255.1	2,969.7	77	13,308.6	12,1,378.9	83		
St. Joseph Mercy Livingston Hospital (o)	1,063.8	49,577.2	37	(2,748.5)	6,047.7	58	180.6	6,059.2	59	12,335.9	13,4,138.4	56		
St. Mary Mercy Hospital (o)	3,756.9	6,150.2	35	(7,873.5)	11,131,718	36	(1,552.2)	65	14,203.6	37	9,217.9	14,8,017.8	37	
St. Joseph Mercy Ann Arbor (o)	(23,932.4)	57,616.1	7	(36,287.8)	92,273.8	6	(29,816.2)	128	100,786.9	6	8,324.8	15,64,432.9	5	
McLaren - Macomb (h)	6,338.0	4,660.9	44	(800.8)	28,929.2	18	1,856.8	32,997.4	21	7,640.0	16,20,736.0	19		
Reed City Hospital (n)	2,148.3	295.6	100	3,935.4	269.1	113	5,569.0	411.5	114	7,497.6	17,274.0	110		
United Hospital (n)	5,481.0	835.7	84	5,030.2	863.2	104	4,487.8	2,604.5	83	5,777.3	18,997.0	92		
McLaren - Flint (h)	9,138.3	2,266.0	62	4,272.7	35,567.3	15	(1,584.9)	67	42,819.7	13	5,638.1	19,23,490.8	17	
Mon Secours Cottage Health Services (f)	2,250.7	(12,413.2)	135	9,970.7	7,353.1	50	(2,771.1)	82	5,752.0	62	5,367.6	20,6,099.2	46	
Barix Clinics at Forest Health Medical Center	10,583.1	(10,524.5)	134	3,275.7	124.7	118	3,460.8	210.6	117	5,191.0	21	(524.0)	126	
Select Specialty Hospital - Battle Creek (l)	1,929.4	(736.0)	120	1,693.9	(1,252.4)	131	3,451.0	(1,046.3)	129	4,436.4	22	(2,071.0)	134	
Select Specialty Hospital - Ann Arbor (l)	4,609.1	(1,605.6)	123	3,692.0	(2,060.6)	135	5,445.2	(2,200.1)	135	4,346.0	23	(1,815.0)	133	
West Branch Regional Medical Center	(1,014.5)	301.4	97	(5,409.3)	16,772.2	89	(2,503.6)	75	2,503.6	86	4,279.5	24	1,779.2	76
Select Specialty Hospital - Grosse Pointe (l)	2,320.3	(1,120.1)	121	4,297.3	(1,232.7)	130	5,074.6	(2,064.5)	134	4,183.6	25	(2,272.3)	135	
Select Specialty Hospital - Pontiac (l)	4,003.6	(1,811.8)	126	3,556.4	(1,843.6)	133	3,094.5	(1,792.9)	132	3,849.1	26	(1,533.2)	131	
Select Specialty Hospital - Flint (l)	2,987.3	(1,724.0)	125	3,379.5	(1,343.9)	132	3,556.2	(1,665.6)	133	3,476.3	27	(1,802.2)	132	
St. Joseph Mercy Chelsea (o)	(3,099.2)	5,187.2	41	(1,332.7)	6,393.1	55	1,209.3	7,514.8	54	3,434.1	28	6,276.0	43	
Detroit Receiving Hospital (e)	(11,953.3)	23,059.1	15	(8,467.1)	16,892.2	25	(32,705.8)	129	22,615.9	29	3,154.2	29	19,815.4	20
Bronson LakeView Hospital (d)	1,482.2	1,177.3	77	(1,811.0)	1,325.6	95	(2,421.1)	79	4,344.2	68	3,107.9	30	1,724.6	79
Vibra Hospital of Southeast Michigan	1,197.8	45.3	108	1,311.0	38.5	121	4,530.8	(1,010.9)	128	2,916.1	31	40.0	120	
Ossego Memorial Hospital (j)	2,171.5	2,073.9	65	2,548.6	4,586.5	63	(2,101.1)	73	4,444.3	67	2,865.0	32	3,308.2	63
Henry Ford Macomb Hospitals - Clinton Twp (f)	(36,452.7)	6,665.4	34	(26,890.7)	22,573.1	22	(20,997.8)	123	21,731.5	31	2,743.5	33	15,780.1	24
Borgess-Pipp Hospital (a)	816.9	0.0	112	2,355.0	159.1	116	4,086.8	182.1	118	2,713.7	34	185.4	114	
Select Specialty Hospital - Saginaw (l)	4,140.4	(2,465.9)	128	2,571.5	(1,950.1)	134	3,235.6	(1,443.1)	131	2,609.3	35	(1,415.3)	130	
Kalkaska Memorial Health Center (j)	(720.6)	964.9	83	(323.0)	3,064.6	74	(58.2)	45	3,423.3	73	2,492.5	36	1,376.2	84
Lakeland Hospital, Watervliet (g)	2,862.5	(2,308.7)	127	1,247.2	4,127.0	66	1,121.6	(593.2)	127	2,068.0	37	(1,262.9)	129	
St. Joseph Hospital - Tawas City (a)	(8,904.1)	13,112.8	24	(7,632.3)	11,059.4	37	(9,405.6)	111	10,537.8	42	2,053.4	38	(156.1)	125
Sparrow Clinton Hospital (m)	9,817.1	(1,680.8)	124	3,421.0	8,304.3	45	(1,166.6)	48	10,645.6	41	1,972.0	39	7,567.3	38
McLaren Bay Special Care Hospital (h)	579.8	(191.5)	116	165.5	2,486.3	81	1,085.6	32	2,372.9	88	1,888.8	40	1,352.0	85
Great Lakes Specialty Hospital - Heckley Campus	708.1	1.0	111	1,542.4	0.9	125	1,757.6	21.3	121	1,626.8	41	69.8	116	
Kelsey Hospital (n)	177.5	221.7	103	1,085.9	352.4	110	1,488.8	780.2	111	1,597.0	42	391.2	106	
Dickinson County Healthcare System	(3,466.9)	1,827.7	69	(1,954.9)	1,976.6	85	(4,406.0)	92	2,904.8	79	1,545.8	43	3,289.8	64
Michigan Surgical Hospital	(1,049.8)	(548.6)	119	(2,420.3)	(510.9)	128	(2,319.2)	76	1,035.6	108	1,499.4	44	352.6	109
Kindred Hospital - Detroit	5,939.2	80.3	107	4,253.2	25.3	122	5,454.5	11.5	122	1,331.6	45	5.4	122	
McLaren Port Huron Hospital (h)	4,423.1	4,269.0	47	4,050.4	8,604.4	44	(190.1)	50	72,297.2	8	1,096.9	46	(547.3)	128
Sparrow Specialty Hospital (m)	1,391.8	513.1	90	665.5	1,003.0	99	172.5	40	1,078.5	106	1,047.0	47	984.7	93
Promedica Herrick Hospital (k)	2,824.1	398.8	92	1,692.6	2,938.4	35	(71.1)	46	1,804.5	94	947.2	48	617.0	101
Select Specialty Hospital - Downriver (l)	3,965.6	9.4	109	4,442.1	10.1	123	2,474.3	26	75.3	120	859.7	49	254.5	111
Select Specialty Hospital - Macomb County (l)	1,448.5	303.3	96	2,069.0	(52.4)	126	699.4	36	(320.4)	125	820.5	50	366.6	108
Brighton Center for Recovery (a)	492.7	366.9	94	(167.5)	930.0	101	704.3	35	1,289.5	102	817.4	51	426.7	104





Table 3 (continued)

Hospital Name 2014	2011				2012				2013				2014			
	Net Income From Services to Patients		Total Other Income/Expense		Net Income From Services to Patients		Total Other Income/Expense		Net Income From Services to Patients		Total Other Income/Expense		Net Income From Services to Patients		Total Other Income/Expense	
	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank
ProMedica Bixby Hospital (k)	73	\$4,624.0	46	\$2,097.7	32	\$2,635.7	80	\$1,304.8	52	\$5,333.5	65	\$814.9	52	\$1,304.8	86	
Genesys Regional Medical Center (a)	91	2,216.4	63	(11,133.9)	119	20,155.1	23	733.9	97	22,279.5	30	733.9	53	11,297.0	31	
Paul Oliver Memorial Hospital (j)	51	2,977.1	54	768.2	41	509.0	108	692.0	34	1,526.7	100	692.0	54	969.6	94	
Great Lakes Specialty Hospital - Grand Rapids (l48.8)	69	3.6	110	127.4	50	3.3	124	630.7	42	2.4	123	630.7	55	36.9	121	
MidMichigan Medical Center - Clare (i)	102	1,989.7	66	(2,181.4)	87	3,559.9	68	3,378.8	78	3,378.8	75	564.8	56	3,378.8	60	
Caro Community Hospital	86	639.6	87	(269.3)	54	611.1	107	217.5	43	239.8	116	557.0	57	217.5	112	
Oakland Regional Hospital	28	1,899.8	105	2,640.8	27	49.3	120	1,758.7	37	1,795.0	95	432.5	58	1,758.7	77	
Borgess-Lee Memorial Hospital (a)	94	2,032.4	94	(2,032.4)	64	908.0	102	60.6	54	421.1	113	333.9	59	60.6	117	
Baraga County Memorial Hospital	101	400.6	91	(1,657.6)	78	243.2	115	41.4	33	(68.3)	124	332.2	60	41.4	119	
Charlevoix Area Hospital (j)	103	2,619.5	58	(910.6)	69	1,111.7	98	308.7	62	963.1	109	308.7	61	1,945.5	75	
CareLink of Jackson	78	0.0	113	333.1	47	285.8	112	131.6	47	100.0	115	210.8	62	131.6	115	
MidMichigan Medical Center - Gladwin (i)	81	2,786.9	56	(1,446.3)	74	3,452.6	69	402.0	53	(571.7)	81	(165.5)	63	402.0	105	
St. Mary's of Michigan - Standish Hospital (a)	71	(290.7)	117	(467.7)	61	1,689.4	88	(25.7)	57	4,658.5	66	(225.7)	64	378.5	107	
Eaton Rapids Medical Center	60	1,316.0	74	(314.1)	56	907.6	103	898.7	38	1,772.5	96	(236.2)	65	898.7	95	
War Memorial Hospital	6,020.7	(4,320.0)	131	(3,870.2)	99	2,769.0	79	2,589.8	69	(1,992.5)	84	(543.5)	66	2,589.8	67	
Deckerville Community Hospital	1,353.5	(0.7)	114	312.0	48	88.8	119	618.6	44	36.5	112	(573.4)	67	618.6	100	
Strath Hospital For Special Surgery	(1,114.2)	(486.0)	118	(833.9)	68	(612.2)	129	3,064.9	60	(1,056.1)	76	(746.9)	68	1,061.4	90	
McKenzie Memorial Hospital	(2,841.6)	2,648.1	57	(2,130.9)	85	3,014.6	76	1,114.4	55	(696.6)	104	(1,095.6)	69	1,114.4	89	
McLaren - Lapeer Region (h)	2,780.6	(7,692.0)	133	(1,182.2)	71	801.0	105	6,168.0	49	10,313.2	43	(1,101.9)	70	6,168.0	45	
Sinal-Grace Hospital (e)	(6,600.3)	14,104.1	22	15,861.9	5	6,934.0	54	12,688.0	119	11,744.1	40	(1,106.5)	71	12,688.0	27	
Marlette Regional Hospital	(2,094.2)	1,724.5	70	(1,561.5)	76	476.6	109	630.2	64	(1,497.6)	105	(1,180.4)	72	630.2	99	
Aspirus Ontonagon Hospital (b)	(1,428.4)	719.3	86	(675.9)	65	1,419.9	93	1,254.7	56	1,256.5	103	(1,209.6)	73	1,254.7	87	
Healthsource Saginaw	(355.7)	3,127.6	52	(3,908.4)	100	2,877.8	84	2,884.2	84	(2,954.1)	78	(1,432.2)	74	2,884.2	66	
Munising Memorial Hospital	(1,262.9)	301.2	92	(1,031.3)	80	638.5	106	1,675.1	68	1,675.1	97	(1,573.2)	75	1,435.6	82	
Harbor Beach Community Hospital	(1,503.8)	1,554.2	72	(1,768.4)	80	1,573.7	90	1,153.8	58	(944.5)	107	(1,574.6)	76	1,153.8	88	
Allegan General Hospital	(0.6)	528.7	88	(391.3)	59	1,238.3	97	759.6	86	(3,026.6)	72	(1,620.6)	77	759.6	96	
Oakwood Hospital - Wayne (c)	(7,168.4)	1,070.8	80	7,551.1	13	1,717.2	87	3,674.3	77	2,452.7	87	(1,650.2)	78	3,674.3	57	
Hills & Dales General Hospital	(2,442.7)	2,304.3	61	(2,068.7)	84	2,469.7	82	1,951.9	61	(1,074.7)	110	(1,767.5)	79	1,951.9	74	
McLaren - Central Michigan (h)	(1,357.5)	4,625.5	45	(4,929.4)	104	4,209.3	64	4,720.4	99	(6,294.2)	57	(1,785.5)	80	4,720.4	53	
Alpena Regional Medical Center	(2,604.4)	9,518.3	28	987.2	40	6,942.9	53	7,356.1	59	(983.4)	51	(1,881.5)	81	7,356.1	40	
Schoolcraft Memorial Hospital	(1,219.0)	1,288.3	75	(1,523.5)	75	308.3	111	1,507.5	71	(2,009.6)	119	(1,917.0)	82	1,507.5	80	
McLaren - Oakland (h)	(962.2)	808.3	85	(1,738.7)	79	10,598.0	39	7,226.3	83	(2,896.9)	46	(2,045.1)	83	7,226.3	41	
Sheridan Community Hospital	285.8	3,133.9	95	(594.0)	63	260.7	114	1,023.3	81	(2,435.4)	93	(2,292.9)	84	1,023.3	91	
Carson City Hospital	(4,810.6)	5,499.6	39	(5,449.5)	107	4,849.5	62	4,720.4	94	1,817.5	92	(2,447.1)	85	4,720.4	62	
Mercy Hospital Grayling (o)	17,159.6	(1,461.3)	122	(2,594.6)	90	5,729.5	60	733.0	90	2,898.5	80	(2,465.5)	86	733.0	97	
Allegiance Health	(6,885.5)	(7,457.3)	132	(25,616.1)	126	46,608.8	10	(132.7)	122	(20,074.2)	14	(2,537.6)	87	(132.7)	124	
Crittendon Hospital	(14,553.5)	5,720.3	38	(20,556.4)	124	15,888.1	28	13,183.7	127	21,131.9	32	(2,745.3)	88	13,183.7	26	
Hayes Green Beach Memorial Hospital	149.2	3,033.4	53	(2,168.9)	86	3,386.5	72	2,555.7	96	(4,767.9)	89	(2,867.0)	89	2,555.7	68	
Hurley Medical Center	(32,146.7)	36,376.4	9	(34,642.6)	129	31,622.3	17	27,240.3	125	26,288.7	26	(2,897.1)	90	27,240.3	13	
Southwest Rehabilitation Hospital	(1,618.4)	296.2	99	(814.7)	67	(202.3)	127	45.4	80	(437.5)	126	(3,021.0)	91	45.4	118	
Aspirus Keweenaw Hospital (b)	780.5	1,375.0	73	(1,371.1)	73	3,449.3	70	5,801.1	70	(3,592.5)	69	(3,051.7)	92	5,801.1	48	
Memorial Healthcare Center	3,116.2	3,202.6	51	2,265.8	31	7,872.8	47	5,392.4	74	(2,231.0)	45	(3,252.1)	93	5,392.4	51	
Scheurer Hospital	446.6	1,239.9	76	(1,595.9)	77	3,411.3	71	5,948.4	66	(1,557.1)	64	(3,272.3)	94	5,948.4	47	
Mary Free Bed Rehabilitation Hospital	1,069.4	(3,447.3)	130	617.4	46	6,365.3	56	2,156.6	41	5,898.6	61	(3,346.4)	95	2,156.6	113	
Hillsdale Community Health Center	(475.5)	2,522.5	59	(2,883.0)	92	4,150.3	65	3,167.8	102	(7,084.6)	74	(3,405.6)	96	3,167.8	65	
Huron Memorial Hospital	(106.5)	1,620.9	71	(1,899.2)	82	3,579.0	67	3,543.5	85	(2,985.8)	71	(3,543.9)	97	3,543.5	58	
McLaren - Bay Region (h)	(11,608.2)	521.2	89	(13,992.1)	121	36,404.2	14	26,091.3	109	(9,145.3)	16	(3,583.5)	98	26,091.3	14	
Covenant Medical Center	(11,964.7)	35,424.3	120	(10,393.1)	118	41,965.2	11	35,159.8	101	(7,075.2)	15	(3,877.9)	99	35,159.8	11	
Northstar Health System (b)	(1,912.7)	1,139.7	79	(3,778.1)	97	3,038.0	75	2,180.4	95	(4,666.3)	85	(4,129.2)	100	2,180.4	72	
MidMichigan Medical Center - Gratiot (i)	(10,838.6)	19,800.8	116	(13,195.6)	120	8,116.4	46	(106.5)	114	(11,735.6)	52	(4,349.1)	101	(106.5)	123	
Sparrow Ionia Hospital (m)	(130.0)	202.3	104	710.6	42	147.4	117	1,469.3	72	(2,049.3)	98	(4,600.4)	102	1,469.3	81	
Karmanos Cancer Institute (h)	(12,877.4)	14,446.1	20	(10,347.5)	117	13,893.1	31	9,361.7	120	(18,497.1)	27	(4,615.4)	103	9,361.7	35	
Mercy Hospital Cadillac (o)	1.8	1,068.9	81	(4,851.2)	103	10,449.0	40	5,170.9	110	(9,299.0)	36	(4,918.4)	104	5,170.9	52	
South Haven Community Hospital	(1,087.0)	2,123.1	64	(3,582.1)	93	3,262.4	73	3,878.0	91	(3,971.8)	70	(5,262.8)	105	3,878.0	61	
Spectrum Health Big Rapids Hospital (n)	1,476.0	1,836.7	68	(4,467.4)	101	1,760.1	86	2,309.3	104	(7,365.1)	24	(5,304.3)	106	2,309.3	70	

Table 3 (continued)

Hospital Name 2014	2011				2012				2013				2014			
	Net Income From Services to Patients	Rank	Total Other Income/Expense	Rank	Net Income From Services to Patients	Rank	Total Other Income/Expense	Rank	Net Income From Services to Patients	Rank	Total Other Income/Expense	Rank	Net Income From Services to Patients	Rank	Total Other Income/Expense	Rank
Holland Community Hospital	\$1,728.0	40	\$8,151.1	26	\$3,163.4	26	\$15,896.1	27	\$(246.6)	51	\$24,106.3	28	\$(5,310.4)	107	\$17,276.0	23
Sturgis Hospital	(1,896.7)	92	4,065.3	48	(3,643.8)	94	2,312.9	84	(1,372.2)	63	(1,224.3)	130	(5,391.3)	108	507.7	103
Mackinac Straits Hospital & Health Center	(6,256.1)	108	4,711.6	43	(10,179.0)	116	8,728.1	43	(13,591.7)	118	7,516.8	53	(5,394.9)	109	(535.7)	127
Helen Newberry Joy Hospital and Healthcare Center	(742.3)	75	1,003.7	82	695.1	43	1,531.7	91	(1,999.2)	70	2,005.1	90	(5,513.0)	110	3,507.5	59
Community Health Center Of Branch County	402.0	61	(110.7)	115	(576.2)	62	1,313.4	96	(7,308.6)	103	2,664.3	82	(5,692.2)	111	2,492.7	69
McLaren Northern Michigan (h)	1,055.4	50	6,109.3	36	(398.1)	60	18,326.0	24	(4,617.7)	93	29,908.7	23	(6,182.1)	112	18,891.5	22
St. John River District Hospital (a)	(14,195.3)	123	1,172.8	78	(5,415.1)	106	942.2	100	(8,002.9)	106	1,972.6	91	(6,246.3)	113	2,019.3	73
Huron Valley-Sinai Hospital (e)	13,411.0	9	2,940.1	9	11,775.8	9	5,947.8	59	(6,087.1)	98	5,983.2	60	(6,305.8)	114	6,177.2	44
Botsford General Hospital (c)	752.4	54	9,286.4	29	(8,275.0)	113	12,319.1	34	(8,837.8)	108	9,994.6	44	(6,396.6)	115	10,222.8	32
Spectrum Health Special Care Hospital (n)	(791.5)	76	281.2	101	(2,477.0)	89	1,531.1	92	(7,426.7)	105	1,586.0	99	(6,405.2)	116	1,752.3	78
St. Joseph Mercy Port Huron (o)	(6,655.1)	110	8,154.3	30	(5,502.5)	108	7,543.6	48	(13,508.2)	117	9,145.0	49	(6,939.0)	117	4,470.8	54
Pennock Hospital	705.7	56	378.6	93	(15.9)	51	8,818.4	42	(3,669.0)	89	8,024.7	50	(6,996.0)	118	12,073.4	30
Beaumont Hospital - Taylor (c)	(7,085.3)	112	4,744.0	42	(9,962.5)	115	6,250.8	57	(10,137.3)	112	6,297.0	58	(8,406.0)	119	5,713.6	49
Borgess Medical Center (a)	(19,543.1)	126	37,025.3	8	12,414.5	8	40,113.4	13	19,232.9	8	36,627.5	19	(8,446.6)	120	36,627.5	10
North Ottawa Community Hospital	(6,130.5)	107	(2,639.3)	129	(8,171.5)	112	7,233.8	52	(8,187.7)	107	9,446.7	47	(9,271.0)	121	702.3	98
Henry Ford Wyandotte Hospital (f)	(10,072.9)	115	7,103.2	33	(3,704.7)	96	7,405.0	49	(6,988.3)	100	7,196.9	55	(11,152.0)	122	7,476.9	39
Harper University Hospital (e)	(80,398.0)	132	117,020.9	4	(40,092.6)	131	87,682.5	7	(58,734.4)	131	79,159.4	7	(11,416.2)	123	39,901.4	9
UP Health System - Portage (p)	1,412.3	44	2,435.0	60	(125.8)	52	7,314.7	51	(3,133.3)	87	5,475.9	63	(11,771.0)	124	9,956.4	34
Rehabilitation Institute Of Michigan (e)	2,270.8	35	3,794.3	49	(290.5)	55	5,673.2	61	(10,246.8)	113	6,656.8	56	(12,001.2)	125	10,135.8	33
Doctors' Hospital of Michigan	(11,587.6)	117	3,602.8	50	(6,537.4)	109	2,451.4	83	(13,370.4)	116	1,372.6	101	(12,768.9)	126	578.7	102
Mercy Memorial Hospital	(5,762.6)	105	11,768.2	26	(16,359.9)	122	16,832.2	26	(13,175.5)	115	26,522.8	25	(14,249.7)	127	24,879.0	16
St. Mary's of Michigan - Saginaw (a)	27,367.7	3	117.4	106	(18,038.0)	123	25,728.6	20	(19,280.0)	121	36,843.3	18	(22,925.4)	128	8,227.5	36
McLaren - Greater Lansing (h)	(13,396.0)	122	11,488.0	27	(3,809.2)	98	15,436.2	29	(25,634.9)	126	33,068.9	20	(27,678.3)	129	33,922.7	12
Children's Hospital of Michigan (e)	19,771.9	7	19,780.6	18	8,907.8	12	15,311.1	30	(21,501.8)	124	19,361.6	34	(34,968.9)	130	19,184.6	21
Bronson Battle Creek (d)	(6,086.1)	106	7,289.0	32	(26,829.1)	127	12,910.7	33	(36,925.9)	130	55,896.7	9	(47,874.4)	131	44,042.4	8
University Of Michigan Hospitals	(138,392.8)	135	128,504.7	2	(143,683.7)	135	211,524.1	1	(135,743.9)	133	312,154.3	1	(66,258.3)	132	178,356.5	3
Henry Ford Hospital (f)	(53,946.9)	131	88,330.5	5	(140,617.8)	134	101,290.3	5	(124,588.9)	132	102,911.5	5	(115,555.9)	133	101,784.1	4
Bronson Methodist Hospital (d)	(102,113.5)	134	137,072.8	1	(134,115.2)	132	174,017.2	3	(164,700.8)	135	182,542.0	3	(138,823.9)	134	181,922.4	2
St. Mary's Health Care (a)	(88,813.9)	133	121,083.4	3	(134,671.3)	133	193,437.8	2	(160,707.0)	134	214,081.6	2	(144,651.0)	135	188,522.4	1
<b>TOTAL</b>	<b>\$(485,332.8)</b>		<b>\$1,306,864.7</b>		<b>\$(732,719.9)</b>		<b>\$2,034,892.4</b>		<b>\$(869,861.7)</b>		<b>\$2,430,888.3</b>		<b>\$(220,026.8)</b>		<b>\$1,597,976.9</b>	

Source: Centers for Medicare & Medicaid Services, Hospital Cost Reports



## Definitions

Cost reports and supplemental data are reviewed by the state to assure agreement with the financial statements for each institution as stated by the hospital's independent auditor. Definitions are consistent with generally accepted accounting principles (GAAP). At a summary level they are:

**Inpatient Revenue.** The total amount received or carried as accounts receivable as a result of billings (charges) for services related to the provision of inpatient care during the fiscal year. Among items included are room and meals, operating room, laboratory tests, medical supplies, drugs, and similar charges.

**Outpatient Revenue.** This is the same as inpatient revenue but for outpatient care, including outpatient surgery.

**Contractual Allowances and Discounts.** Hospitals agree to accept payment amounts that are less than charges from some third party payers such as Medicare, Medicaid, managed care organizations, and private insurance companies. When done as a result of a formal contract or agreement, the amounts are recorded as a contractual allowance. Other billings for less than usual and customary charges are recorded as discounts.

**Net Patient Revenue.** The sum of inpatient and outpatient revenue less contractual allowances and discounts.

**Total Operating Expenses.** The total of expenses recorded in providing care for both inpatient and outpatient services.

**All Other Expenses.** The costs of all expenses not related to patient care are recorded in this category and include such things as parking, gift shop and cafeteria, fund raising, and investment management.

**All Other Income.** Income for the categories included in other expenses.

**Surplus/Deficit.** Most Michigan hospitals are not-for-profit organizations and year-end financial results are classified as a surplus or deficit rather than a profit or loss.

## Affiliated Hospitals

Eighty-six hospitals were formally affiliated with another organizational entity as of the end of 2014. In 2011 there were 78 such hospitals. The total net patient income, total other income and expenses, and surplus (deficit) for the hospitals of the systems operating in 2014 included in this memorandum are shown in **Table 4**.

It is important to understand that the hospital cost data shown here does not reflect two factors which can cause a hospital system's financial statements to differ significantly from these figures. First, hospital systems often contain entities in addition to hospitals. These may include a corporate office, non-hospital medical organizations, and other units. The financial

results for these are included in the system's financial statements. Second, hospital systems may include adjustments made after the "Net income (or loss) for the period" line on the Statement of Revenues and Expenses. Examples of these include a change in liability caused by a new calculation for minimum pension liability and changes in the unrealized gain or loss in the fair market value of investments for the system. These may be included in an "Other Changes in Assets" section. The cost report data in this memorandum is based on the financial result for each hospital reflected in worksheet G-3, Statement of Revenue and Expenses of Form CMS 2552-10.

# CRC MEMORANDUM

**Table 4**  
**Summary Finances of Affiliated Michigan Hospitals: Fiscal Years 2011-2014**  
**(Dollars in Thousands)**

<b>2014 Hospital System Affiliation</b>	<b>2011</b>			<b>2012</b>		
	<b>Net Income from Services to Patients</b>	<b>Total Other Income/Expense</b>	<b>Surplus/Deficit</b>	<b>Net Income from Services to Patients</b>	<b>Total Other Income/Expense</b>	<b>Surplus/Deficit</b>
Ascension Health	\$(98,903.5)	\$219,839.4	\$120,935.8	\$(124,214.4)	\$365,758.3	\$241,543.9
Aspirus Network	(648.0)	2,094.3	1,446.3	(2,047.0)	4,869.2	2,822.2
Beaumont Health	60,977.4	44,579.4	105,556.8	84,163.3	41,170.9	125,334.2
Bronson Healthcare	(100,631.3)	138,250.1	37,618.8	(162,755.3)	188,253.5	25,498.2
Detroit Medical Center*	(76,375.2)	195,145.2	118,770.0	(22,652.3)	152,333.9	129,681.6
Henry Ford Health System	(98,221.8)	89,686.0	(8,535.8)	(161,242.4)	138,621.5	(22,621.0)
Lakeland Health	30,229.4	11,295.2	41,524.6	1,901.9	15,511.7	17,413.6
McLaren Health Care Corporation	(8,487.3)	16,486.4	7,999.1	(22,412.2)	152,757.5	130,345.3
MidMichigan Health**	(43,752.5)	59,240.1	15,487.6	(39,167.1)	55,487.8	16,320.7
Munson Healthcare	6,494.5	25,721.7	32,216.2	(1,567.2)	56,158.8	54,591.6
ProMedica	2,109.0	5,022.8	7,131.8	3,790.3	5,574.1	9,364.4
Select Medical Corporation	25,404.1	(9,150.7)	16,253.4	25,701.6	(9,725.5)	15,976.1
Sparrow Health System	16,167.9	25,687.6	41,855.5	16.0	69,840.7	69,856.7
Spectrum Health	31,364.0	89,235.0	120,598.9	48,826.0	133,570.5	182,396.5
Trinity Health	(17,790.8)	89,781.7	71,990.9	(61,190.8)	139,754.4	78,563.6
UP Health System***	-	-	-	-	-	-
<b>Affiliations Total</b>	<b>\$(272,064.0)</b>	<b>\$1,002,914.0</b>	<b>\$730,850.0</b>	<b>\$(432,849.7)</b>	<b>\$1,509,937.4</b>	<b>\$1,077,087.7</b>

<b>2014 Hospital System Affiliation</b>	<b>2013</b>			<b>2014</b>		
	<b>Net Income from Services to Patients</b>	<b>Total Other Income/Expense</b>	<b>Surplus/Deficit</b>	<b>Net Income from Services to Patients</b>	<b>Total Other Income/Expense</b>	<b>Surplus/Deficit</b>
Ascension Health	\$(129,849.7)	\$444,603.6	\$314,754.0	\$(115,238.9)	\$269,835.6	\$154,596.7
Aspirus Network	(4,403.1)	5,543.5	1,140.3	(8,390.5)	9,236.2	845.6
Beaumont Health	80,989.6	36,903.9	117,893.5	197,422.8	67,138.9	264,561.7
Bronson Healthcare	(204,047.8)	242,782.9	38,735.1	(183,590.4)	227,689.3	44,098.9
Detroit Medical Center*	(164,636.6)	169,741.7	5,105.1	(62,644.3)	107,902.4	45,258.0
Henry Ford Health System	(155,346.0)	137,591.9	(17,754.2)	(118,596.8)	131,140.3	12,543.5
Lakeland Health	24,482.5	12,259.6	36,742.2	21,459.2	3,028.1	24,487.3
McLaren Health Care Corporation	(47,366.7)	208,321.5	160,954.8	(30,728.1)	151,413.4	120,685.3
MidMichigan Health**	(263.2)	46,045.6	45,782.3	19,389.5	10,323.4	29,712.9
Munson Healthcare	3,913.1	64,249.9	68,162.9	41,488.4	32,981.3	74,469.7
ProMedica	(360.4)	7,138.0	6,777.6	1,762.2	1,921.8	3,684.0
Select Medical Corporation	27,030.8	(10,457.7)	16,573.1	24,580.8	(10,287.9)	14,292.9
Sparrow Health System	18,728.2	52,383.0	71,111.1	12,147.1	63,311.3	75,458.5
Spectrum Health	53,595.9	130,842.2	184,438.1	150,897.6	54,114.2	205,011.8
Trinity Health	(56,544.8)	155,749.0	99,204.3	18,989.6	93,239.7	112,229.3
UP Health System***	-	-	-	(11,771.0)	9,956.4	(1,814.6)
<b>Affiliations Total</b>	<b>\$(554,078.4)</b>	<b>\$1,703,698.6</b>	<b>\$1,149,620.2</b>	<b>\$(42,822.9)</b>	<b>\$1,222,944.5</b>	<b>\$1,180,121.6</b>

\* DMC was purchased by Vanguard Health Systems on 12/31/2010. Vanguard was then purchased by Tenet Healthcare on 10/1/2013.

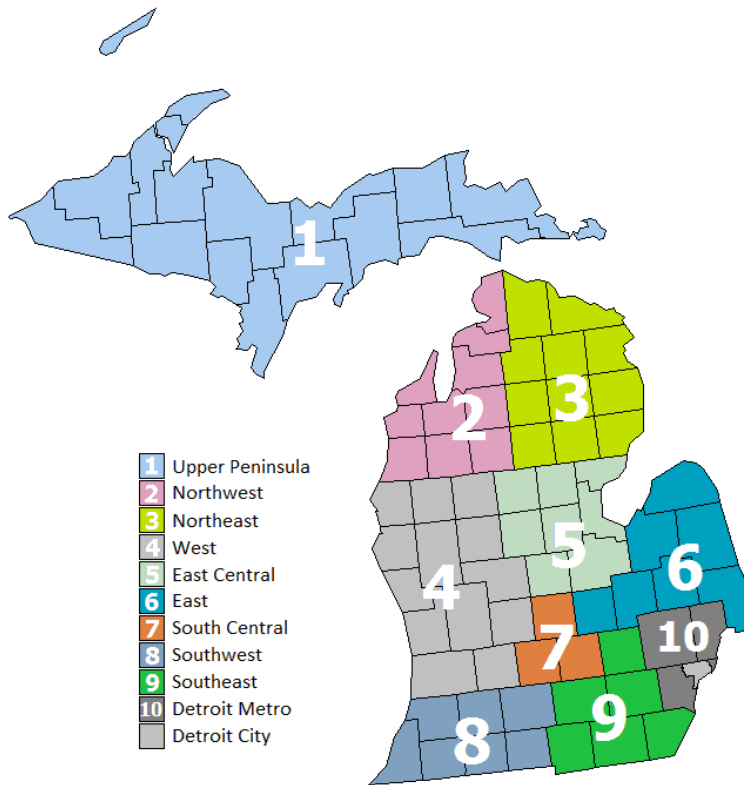
\*\* MidMichigan Health has been affiliated with University of Michigan Health System since 2013.

\*\*\* A Duke LifePoint brand. UP Health System only includes UP Health System - Portage. All other hospitals affiliated with the health system had duplicate entries for one or more years and were excluded from the dataset.

Note: OSF Healthcare System is not included because the sole hospital it operates in Michigan (OSF Saint Francis) does not have data after 2012.

Source: Centers for Medicare & Medicaid Services, Hospital Cost Reports

**Map 1  
Michigan Prosperity Regions**



**Hospital Finances by Region**

In 2014, the state of Michigan debuted a new map for regional service delivery based on commuter, transportation, and economic patterns and indicators within the state. Known as Prosperity Regions, these regions serve as a way to group economic activity within the state (**Map 1**). **Table 5** reflects hospital financial data for these areas with the City of Detroit separated from the Detroit Metro region. The Detroit Metro region (excluding the City of Detroit) has 26 hospitals, making it the largest region in the state. The Northeast region has five hospitals making it the smallest region in the state. The only area to experience a deficit in this time period was the Upper Peninsula in 2011, 2013, and 2014.

**Table 5  
Net Income from Services to Patients and Surplus/Deficit by Region:  
Fiscal Years 2011-2014  
(Dollars in Thousands)**

Region	2011				2012			
	Net Income from Services to Patients	Total Other Income/Expense	Surplus/Deficit	S/D Rank	Net Income from Services to Patients	Total Income/Expense	Surplus/Deficit	S/D Rank
1 Upper Peninsula	\$(11,824)	\$10,882	\$(942)	11	\$(25,472)	\$31,417	\$5,945	11
2 Northwest	5,380	30,826	36,206	8	(9,365)	80,347	70,982	9
3 Northeast	6,808	23,545	30,353	9	(12,100)	29,995	17,895	10
4 West Michigan	(73,806)	243,071	169,265	2	(113,196)	385,120	271,924	2
5 East Central	(26,555)	80,307	53,752	5	(74,963)	160,782	85,819	6
6 East	(40,929)	59,972	19,043	10	(54,890)	126,990	72,100	8
7 South Central	3,487	41,323	44,810	6	(6,987)	89,424	82,437	7
8 Southwest	(99,247)	197,634	98,387	4	(152,403)	246,958	94,556	5
9 Southeast	(160,687)	197,178	36,492	7	(217,988)	388,684	170,696	3
10 Detroit Metro	65,711	116,414	182,126	1	105,771	215,566	321,337	1
11 Detroit City	(153,671)	305,712	152,041	3	(171,126)	279,608	108,483	4
<b>TOTAL</b>	<b>\$(485,333)</b>	<b>\$1,306,865</b>	<b>\$821,532</b>		<b>\$(732,720)</b>	<b>\$2,034,892</b>	<b>\$1,302,173</b>	

**Table 5 (continued)**

Region	2013				2014			
	Net Income from Services to Patients	Total Other Income/Expense	Surplus/Deficit	S/D Rank	Net Income from Services to Patients	Total Income/Expense	Surplus/Deficit	S/D Rank
1 Upper Peninsula	\$(36,773)	\$30,389	\$(6,385)	11	\$(33,225)	\$31,034	\$(2,191)	11
2 Northwest	(7,903)	104,855	96,953	7	27,523	53,736	81,258	7
3 Northeast	(18,507)	28,247	9,741	10	4,851	13,020	17,871	10
4 West Michigan	(148,263)	440,115	291,852	3	(34,279)	283,027	248,748	2
5 East Central	(29,807)	172,407	142,600	5	(5,593)	87,828	82,235	6
6 East	(59,116)	206,882	147,766	4	(21,942)	92,907	70,965	9
7 South Central	(9,373)	87,908	78,535	8	(14,034)	99,219	85,185	5
8 Southwest	(168,610)	292,047	123,437	6	(179,912)	268,380	88,468	4
9 Southeast	(195,355)	506,410	311,056	2	(50,029)	281,259	231,230	3
10 Detroit Metro	69,537	251,468	321,005	1	240,112	160,310	400,422	1
11 Detroit City	(265,691)	310,159	44,467	9	(153,497)	227,256	73,758	8
<b>TOTAL</b>	<b>\$(869,862)</b>	<b>\$2,430,888</b>	<b>\$1,561,027</b>		<b>\$(220,027)</b>	<b>\$1,597,977</b>	<b>\$1,377,950</b>	

Source: Centers for Medicare & Medicaid Services, Hospital Cost Reports

### Recent Hospital Finances Compared to 1998-2002

In 2003, Citizens Research Council published a similar report looking at hospital finances for 1998, 2000, 2001, and 2002.<sup>1</sup> For these four years, up to 149 hospitals were included. Much has changed over this decade— a few hospitals have closed, there have been expansions and new hospital openings, as well as mergers among hospital systems and hospital name changes.

Since the last report, the aggregate hospital surplus grew more than 700 percent, from \$169.7 million in 2002 to \$1.4 billion in 2014. This growth compares to a total increase of 31.6 percent in the rate of inflation. The peak surplus in the early report occurred in 1998; the hospital surplus from 2014 was still 60 percent higher than in 1998, where the cumulative rate of inflation between 1998 and 2014 was 45.2 percent.

The annual surpluses over the 1998 to 2002 period were more variable than in the more recent period. In 1998, the surplus was five times the 2002 amount. In contrast, the annual surplus amount in 2014 was 68 percent greater than the amount in 2011.

Year-over-year changes during the 1998 to 2002

<sup>1</sup> See "Michigan Hospital Finances: Fiscal Years 1998-2002," Memorandum Number 1075, December 2003 <http://crcmich.org/PUBLICAT/2000s/2003/memo1075.pdf>

period compared to the 2011 to 2014 period reveal some changes to hospital finances over time. Contractual allowances and discounts as a percent of total patient revenue grew steadily over the 1998 to 2002 period from 40.4 percent to 48.7 percent. In contrast, during the 2011 to 2014 period, contractual allowances and discounts grew as a percent of total patient revenue from 60.7 percent in 2011 to 63.8 percent in 2014. Accordingly, contractual allowances and discounts comprise a larger portion of total patient revenue between 2011 and 2014 than they did roughly a decade earlier.

The current report uses different region boundaries to group hospitals than were used in the earlier report. Despite this, the boundaries of the Upper Peninsula region have remained entirely the same and it appears that its budget deficits are a more recent woe. Similarly, the Detroit region remained the same between the two reports and in the 1998 to 2002 time period only, hospitals in the City of Detroit (1998, 2000, 2001, and 2002) had cumulative budget deficits. The current hospital cost data shows that hospitals in the City of Detroit now have budget surpluses.

