

Financial Indicators Analysis

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Version 1, January 2018

The Financial Indicators Analysis is intended to provide hospitals with a comprehensive and comparative review of all-payer financial indicator performance. The analysis utilizes data from the Healthcare Cost Report Information System (HCRIS) database provided by CMS. The current version reflects data from the 3Q2017 release.

Profitability Indicators

Provides measures that evaluate a hospital's ability to generate earnings as compared to its relative expenses and costs: total margin, operating margin, earnings before interest, tax, depreciation and amortization (EBITDA) margin, and operating cash flow margin

Liquidity Indicators

Provides measures that evaluate a hospital's ability to pay off its short-term debt obligations: current ratio, average payment period, days cash on hand - all sources, and net days revenue in accounts receivable

Capital Structure Indicators

Provides measures that assess the financial strength of a hospital's capitalization structure: average age of plant, capital expenditures as a percent of depreciation, debt to capitalization, and debt service coverage

Tabular Data

Provides a summary of ratio value and statewide ratio ranking for each hospital

Dictionary

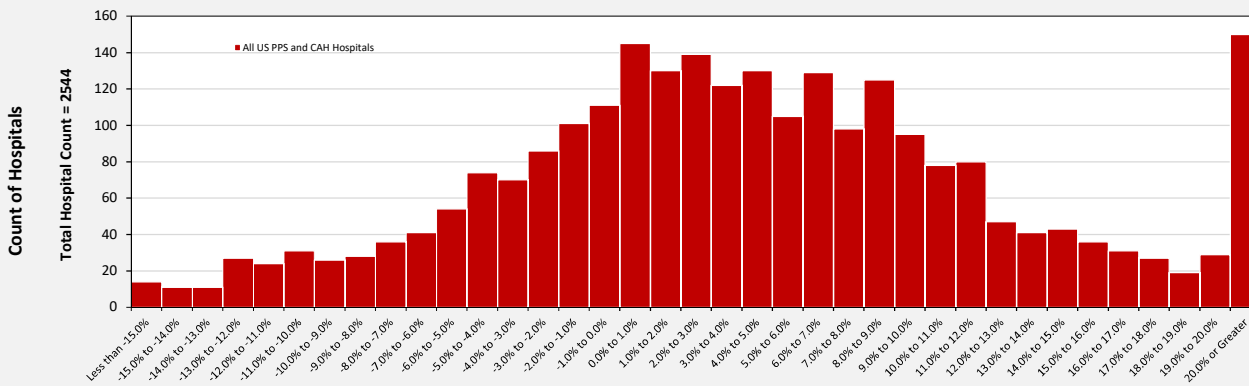
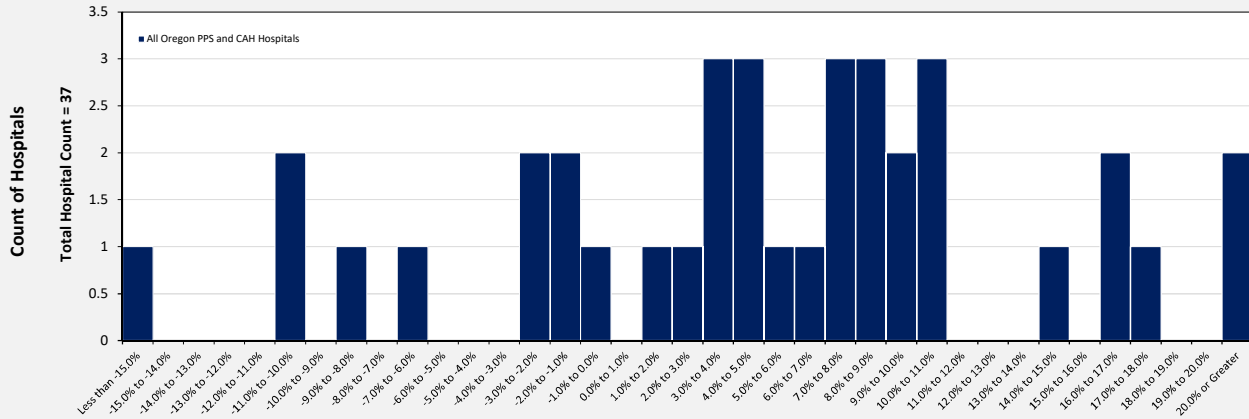
Provides a dictionary on indicator formulas and calculations

Financial Indicators Analysis

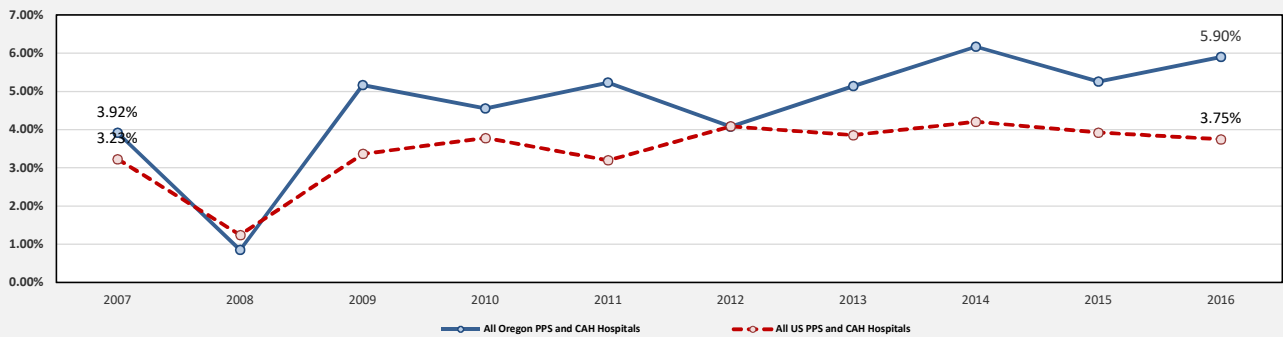
Peer Group Summary Report

All Oregon PPS and CAH Hospitals compared to All US PPS and CAH Hospitals

FFY 2016 Indicator Distribution - Total Margin



10 Years Indicator Trend - Total Margin



		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
All Oregon PPS and CAH Hospitals											
Profitability	Total Margin	3.92%	0.85%	5.16%	4.55%	5.23%	4.07%	5.14%	6.17%	5.26%	5.90%
	Operating Margin	2.74%	1.37%	4.50%	3.30%	4.58%	2.93%	3.90%	5.76%	4.74%	3.84%
	EBITDA Margin	8.03%	6.56%	9.72%	9.13%	10.37%	8.87%	9.37%	10.60%	8.74%	7.89%
	Operating Cash Flow Margin	8.23%	8.38%	9.90%	9.30%	10.83%	8.98%	11.11%	11.23%	9.54%	7.89%
Liquidity	Current Ratio	2.22	2.05	2.32	2.23	2.45	2.64	2.43	2.33	2.65	2.20
	Average Payment Period	46.42	48.55	44.24	42.75	41.86	40.22	38.75	39.36	36.93	30.66
	Days Cash on Hand - All Sources	46.88	37.90	52.39	56.80	65.26	51.86	30.94	36.19	41.13	19.38
	Net Days Revenue in Accounts Receivable	59.10	58.56	52.25	51.76	49.86	50.47	52.69	47.32	47.82	44.02
Capital Structure	Average Age of Plant	9.16	9.09	8.74	8.94	9.49	9.90	10.28	10.60	10.33	10.67
	Capital Expenditures as a Percent of Depreciation	132.43%	93.67%	71.15%	88.57%	113.70%	88.48%	96.53%	69.83%	105.44%	77.01%
	Debt to Capitalization	0.29	0.32	0.30	0.28	0.28	0.30	0.31	0.25	0.30	0.25
	Debt Service Coverage	4.82	2.88	4.93	5.39	6.10	6.55	6.73	8.16	9.02	6.64
All US PPS and CAH Hospitals											
Profitability	Total Margin	3.23%	1.25%	3.37%	3.78%	3.20%	4.09%	3.86%	4.21%	3.93%	3.75%
	Operating Margin	2.93%	2.32%	3.20%	3.26%	3.41%	3.67%	3.36%	4.26%	4.07%	3.60%
	EBITDA Margin	7.79%	6.73%	8.57%	8.87%	8.68%	9.23%	8.88%	9.39%	9.17%	8.81%
	Operating Cash Flow Margin	8.85%	8.50%	9.42%	9.57%	9.63%	9.98%	9.52%	10.19%	10.00%	9.48%
Liquidity	Current Ratio	2.06	1.99	2.05	2.03	2.03	2.02	2.04	2.02	2.05	2.04
	Average Payment Period	51.44	52.81	51.36	50.90	52.08	53.58	53.56	55.60	53.92	53.70
	Days Cash on Hand - All Sources	44.52	43.08	47.96	47.44	45.51	45.25	44.49	45.44	43.11	34.72
	Net Days Revenue in Accounts Receivable	53.56	50.81	47.75	47.10	48.79	49.89	50.88	49.54	49.05	48.95
Capital Structure	Average Age of Plant	9.65	9.69	9.76	10.01	10.25	10.55	10.89	11.14	11.27	11.14
	Capital Expenditures as a Percent of Depreciation	95.43%	90.75%	76.77%	75.31%	84.48%	87.34%	85.80%	78.17%	82.33%	83.10%
	Debt to Capitalization	0.33	0.34	0.33	0.32	0.32	0.31	0.29	0.28	0.29	0.28
	Debt Service Coverage	3.95	2.82	4.21	4.33	3.99	4.64	4.65	5.02	4.63	4.51

- Financial ratios are calculated using standard accepted formulas, as defined and published by various ratings agencies.

- Financial ratios are calculated using data from the 3Q2017 update to the Healthcare Cost Report Information System (HCRIS) database. Indicator data is used as reported and may differ from audited financial reports and/or reconciled cost report data.

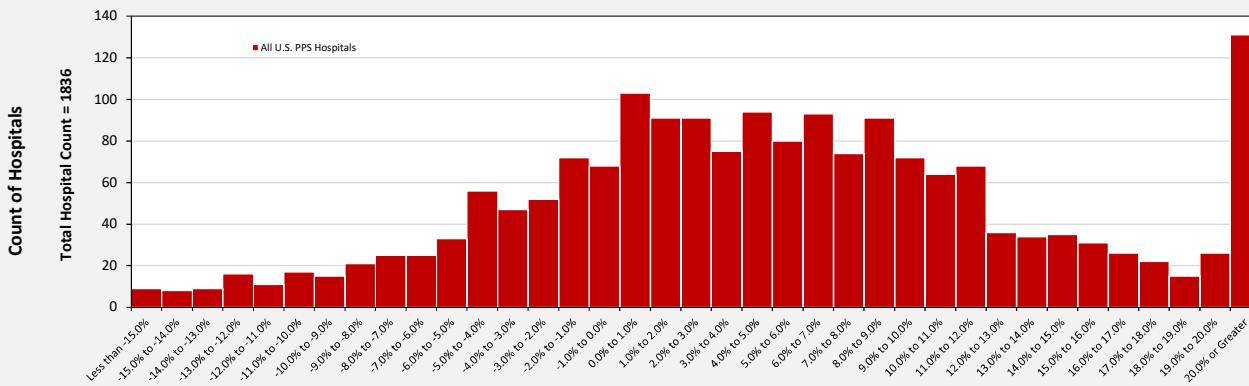
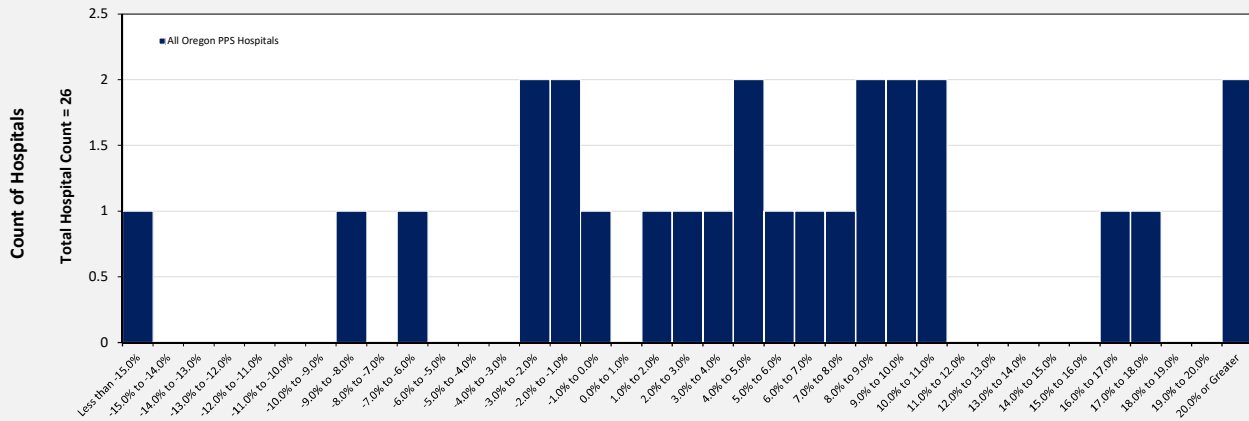
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Financial Indicators Analysis

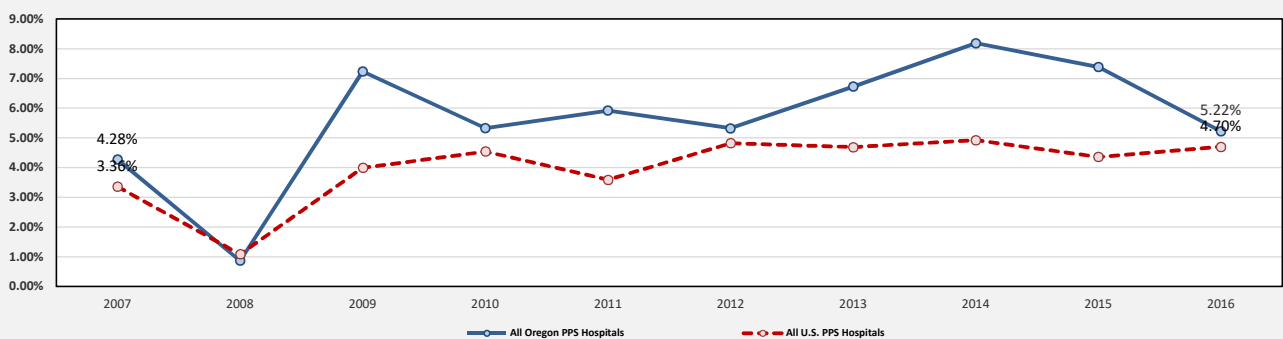
Peer Group Summary Report

All Oregon PPS Hospitals compared to All U.S. PPS Hospitals

FFY 2016 Indicator Distribution - Total Margin



10 Years Indicator Trend - Total Margin



		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
All Oregon PPS Hospitals											
Profitability	Total Margin	4.28%	0.86%	7.23%	5.33%	5.91%	5.32%	6.73%	8.18%	7.38%	5.22%
	Operating Margin	3.52%	2.57%	4.87%	4.76%	5.37%	4.09%	6.30%	6.40%	6.28%	3.21%
	EBITDA Margin	8.36%	6.72%	10.16%	9.54%	10.26%	8.87%	10.87%	11.00%	9.07%	7.17%
	Operating Cash Flow Margin	9.05%	9.43%	10.20%	9.74%	11.40%	9.13%	11.12%	11.57%	9.14%	7.26%
Liquidity	Current Ratio	2.22	1.87	2.01	2.17	2.37	2.44	1.92	2.05	2.34	2.32
	Average Payment Period	46.08	48.99	42.66	42.09	41.01	38.71	37.50	37.98	28.76	30.49
	Days Cash on Hand - All Sources	33.60	38.25	47.05	59.13	66.54	50.81	18.99	21.12	28.85	29.59
	Net Days Revenue in Accounts Receivable	59.08	57.03	48.97	49.44	49.67	50.08	51.78	46.47	46.74	44.53
Capital Structure	Average Age of Plant	9.31	9.43	9.17	9.75	10.32	11.63	11.55	10.83	11.60	11.61
	Capital Expenditures as a Percent of Depreciation	217.39%	89.95%	94.38%	83.07%	118.32%	110.11%	112.58%	71.31%	110.49%	98.69%
	Debt to Capitalization	0.28	0.36	0.30	0.27	0.26	0.27	0.25	0.21	0.22	0.30
	Debt Service Coverage	4.80	2.18	4.70	5.26	5.63	7.14	7.49	8.50	9.72	5.25
All U.S. PPS Hospitals											
Profitability	Total Margin	3.36%	1.09%	3.99%	4.55%	3.59%	4.82%	4.69%	4.93%	4.36%	4.70%
	Operating Margin	3.12%	2.59%	3.78%	4.06%	4.05%	4.41%	4.07%	4.96%	4.73%	4.57%
	EBITDA Margin	8.15%	6.83%	9.09%	9.36%	9.13%	9.74%	9.51%	10.07%	9.70%	9.74%
	Operating Cash Flow Margin	9.14%	8.82%	9.97%	10.08%	10.05%	10.45%	10.18%	10.91%	10.56%	10.40%
Liquidity	Current Ratio	1.98	1.88	1.93	1.92	1.91	1.92	1.93	1.90	1.95	1.97
	Average Payment Period	51.11	52.43	51.56	51.74	52.73	53.91	53.35	55.16	54.34	54.01
	Days Cash on Hand - All Sources	39.73	37.75	40.68	38.15	38.57	37.53	34.22	34.20	29.24	23.65
	Net Days Revenue in Accounts Receivable	52.00	49.15	45.99	45.67	47.51	48.93	49.60	48.40	48.10	48.05
Capital Structure	Average Age of Plant	9.54	9.64	9.79	10.06	10.33	10.56	10.79	10.96	11.02	10.65
	Capital Expenditures as a Percent of Depreciation	97.94%	93.35%	79.51%	78.26%	87.02%	89.66%	88.03%	79.50%	84.81%	86.89%
	Debt to Capitalization	0.34	0.36	0.35	0.33	0.33	0.32	0.29	0.28	0.28	0.28
	Debt Service Coverage	4.26	2.85	4.69	4.94	4.58	5.51	5.77	6.06	5.61	5.55

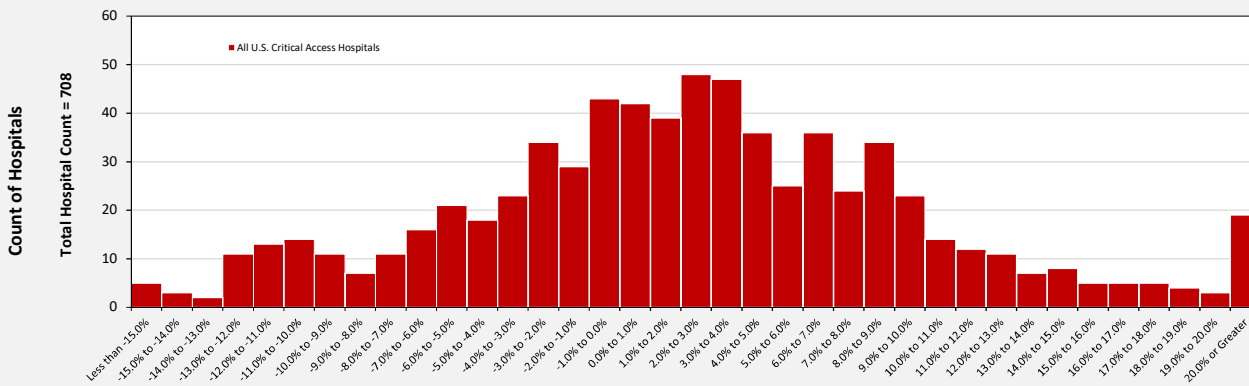
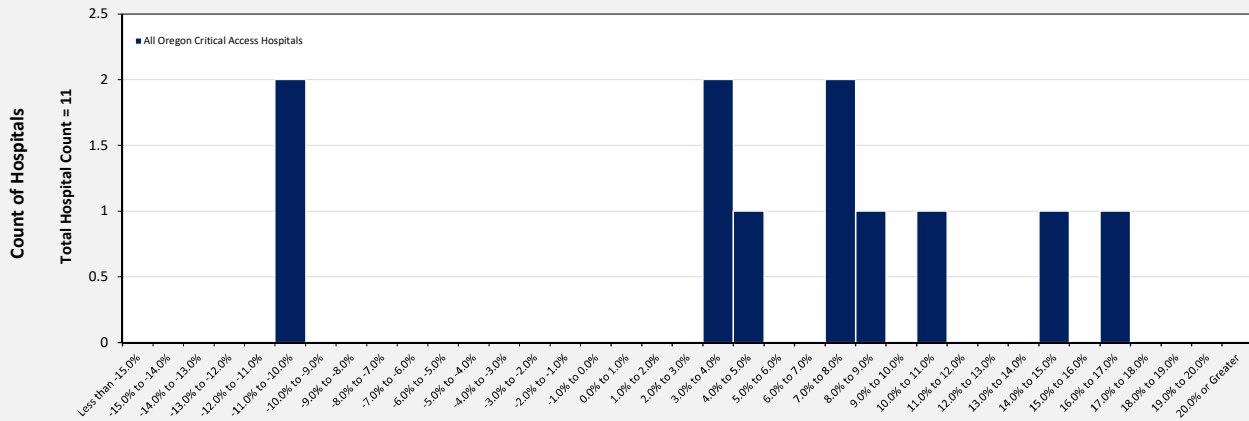
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Financial Indicators Analysis

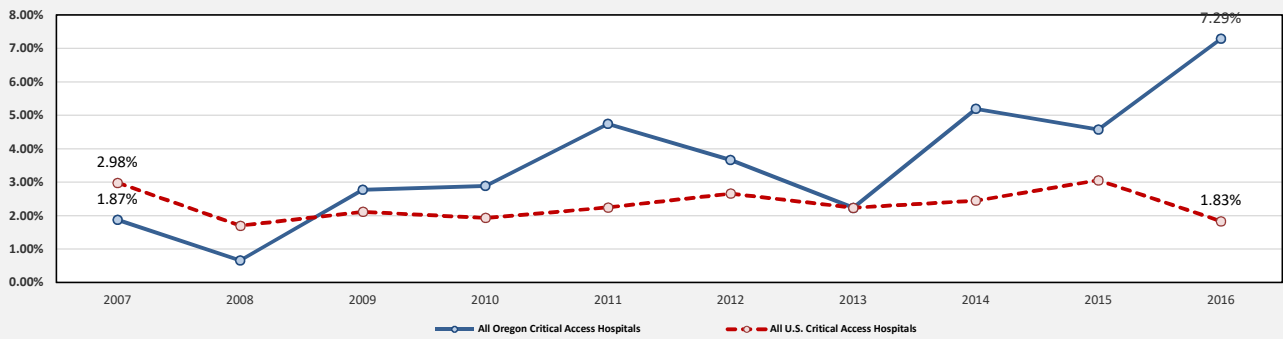
Peer Group Summary Report

All Oregon Critical Access Hospitals compared to All U.S. Critical Access Hospitals

FFY 2016 Indicator Distribution - Total Margin



10 Years Indicator Trend - Total Margin



		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
All Oregon Critical Access Hospitals											
Profitability	Total Margin	1.87%	0.66%	2.77%	2.89%	4.74%	3.67%	2.23%	5.19%	4.57%	7.29%
	Operating Margin	1.21%	1.17%	3.23%	3.04%	4.21%	2.68%	1.01%	4.59%	4.54%	4.71%
	EBITDA Margin	7.63%	6.38%	8.45%	8.76%	10.75%	8.43%	8.25%	10.39%	8.28%	7.89%
	Operating Cash Flow Margin	7.86%	6.94%	9.02%	9.13%	10.83%	8.58%	9.76%	10.90%	11.93%	7.89%
Liquidity	Current Ratio	2.11	2.31	2.72	2.23	2.84	2.64	3.13	3.02	3.09	2.07
	Average Payment Period	47.78	46.56	44.52	42.95	42.42	43.18	38.75	39.48	39.62	31.22
	Days Cash on Hand - All Sources	55.64	35.20	56.87	56.80	60.20	51.86	38.36	44.10	59.90	6.39
	Net Days Revenue in Accounts Receivable	59.10	62.24	58.91	58.63	52.09	51.89	59.68	52.47	53.72	42.76
Capital Structure	Average Age of Plant	6.84	6.21	7.05	6.75	6.79	7.18	7.70	8.08	8.17	8.21
	Capital Expenditures as a Percent of Depreciation	82.16%	123.76%	54.45%	88.57%	94.05%	48.22%	75.94%	63.12%	104.43%	46.09%
	Debt to Capitalization	0.31	0.25	0.41	0.39	0.35	0.36	0.37	0.36	0.35	0.12
	Debt Service Coverage	4.93	3.63	6.62	7.81	7.24	6.24	6.58	6.15	6.06	0.00
All U.S. Critical Access Hospitals											
Profitability	Total Margin	2.98%	1.70%	2.12%	1.93%	2.24%	2.66%	2.23%	2.45%	3.06%	1.83%
	Operating Margin	2.34%	1.69%	1.62%	1.59%	2.04%	2.41%	1.95%	2.33%	2.98%	1.53%
	EBITDA Margin	6.94%	6.49%	7.29%	7.40%	7.36%	8.03%	7.26%	7.74%	8.02%	6.71%
	Operating Cash Flow Margin	7.94%	7.58%	7.94%	8.18%	8.30%	8.67%	8.12%	8.43%	8.93%	7.48%
Liquidity	Current Ratio	2.26	2.24	2.30	2.35	2.32	2.37	2.35	2.31	2.40	2.36
	Average Payment Period	52.45	53.50	50.92	49.75	50.04	53.19	54.00	56.52	52.80	52.77
	Days Cash on Hand - All Sources	55.99	58.06	64.68	66.99	64.95	64.81	67.17	71.21	70.42	63.62
	Net Days Revenue in Accounts Receivable	58.89	55.61	52.58	51.87	52.69	53.12	54.36	53.16	51.92	51.71
Capital Structure	Average Age of Plant	9.96	9.88	9.69	9.83	9.92	10.52	11.27	11.45	11.81	12.45
	Capital Expenditures as a Percent of Depreciation	87.36%	84.40%	70.07%	64.16%	76.24%	78.20%	78.78%	72.18%	73.92%	66.70%
	Debt to Capitalization	0.28	0.29	0.28	0.29	0.29	0.28	0.27	0.29	0.29	0.30
	Debt Service Coverage	3.36	2.78	3.10	2.99	2.70	3.09	2.99	3.16	2.97	2.63

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Financial Indicators Analysis
Data Dictionary: 2016 Data (10/01/2015 - 09/30/2016)
 Asante Ashland Community Hospital

Profitability Indicators

Total Margin	=	$\frac{\text{Net Income}}{\text{Total Revenue}}$	=	$\frac{\text{G-3 Ln 29}}{\text{G-3 Ln 3} + \text{G-3 Ln 25}}$	=	$\frac{\$5,795,437}{\$57,138,110 + \$1,498,471}$	=	9.9%
Operating Margin	=	$\frac{\text{Operating Income}}{\text{Operating Revenue}}$	=	$\frac{\text{G-3 Ln 5} + (\text{G-3 Ln 25} - (\text{G-3 Ln 6} + \text{G-3 Ln 7}))}{\text{G-3 Ln 3} + (\text{G-3 Ln 25} - (\text{G-3 Ln 6} + \text{G-3 Ln 7}))}$	=	$\frac{\$4,296,966 + (\$1,498,471 - (\$113,872 + \$100,622))}{\$57,138,110 + (\$1,498,471 - (\$113,872 + \$100,622))}$	=	9.6%
EBITDA Margin	=	$\frac{\text{Change in Unrestricted Net Assets} + \text{Interest} + \text{Depreciation} + \text{Taxes}}{\text{Total Revenues}}$	=	$\frac{\text{G-3 Ln 29} - (\text{G-3 Ln 6} + \text{G-3 Ln 7}) + \text{Final Interest} + \text{A-7 Pt III Ln 3 Col 9} + \text{A-7 Pt III Ln 3 Col 6}}{\text{G-3 Ln 3} + \text{G-3 Ln 25}}$	=	$\frac{\$5,795,437 - (\$113,872 + \$100,622) + \$237,171 + \$3,224,600 + \$0}{\$57,138,110 + \$1,498,471}$	=	15.4%
Operating Cash Flow Margin	=	$\frac{\text{Operating Income} + \text{Depreciation} + \text{Interest}}{\text{Operating Revenue}}$	=	$\frac{\text{G-3 Ln 5} + \text{G-3 Ln 25} - \text{G-3 Ln 6} - \text{G-3 Ln 7} + \text{A-7 Pt III Col 9 Ln} + \text{Final Interest}}{\text{G-3 Ln 3} + (\text{G-3 Ln 25} - (\text{G-3 Ln 6} + \text{G-3 Ln 7}))}$	=	$\frac{\$4,296,966 + \$1,498,471 - \$113,872 - \$100,622 + \$3,224,600 + \$237,171}{\$57,138,110 + (\$1,498,471 - (\$113,872 + \$100,622))}$	=	15.5%

Financial Indicators Analysis
Data Dictionary: 2016 Data (10/01/2015 - 09/30/2016)
 Asante Ashland Community Hospital

Capital Structure			
Average Age of Plant	=	$\frac{\text{Accumulated Depreciation}}{\text{Depreciation Expense}}$	=
		$\frac{\text{absolute(Sum (G Lines 14, 16, 18, 20, 22, 24, 26 \& 28 Col 1-4))}}{\text{A-7 Pt III Ln 3 Col 9}}$	
		$\frac{\$6,080,325}{\$3,224,600}$	1.9
Capital Expenditures as a Percent of Depreciation	=	$\frac{\text{Old and New Capital Expense}}{\text{Depreciation Expense}}$	=
		$\frac{\text{A-7 Pt I Ln 10 Col 2} + \text{A-7 Pt I Ln 10 Col 3}}{\text{A-7 Pt III Ln 3 Col 9}}$	
		$\frac{\$0 + \$139,894}{\$3,224,600}$	4.3%
Debt to Capitalization	=	$\frac{\text{Notes payable (short term) + Long Term Debt + Capital Leases}}{\text{Notes payable (short term) + Long Term Debt + Capital Leases + Unrestricted Assets}}$	=
		$\frac{\text{G Ln 40 Col 1-4} + \text{G Ln 50 Col 1-4} + \text{A-7 Pt III Ln 3 Col 2}}{\text{G Ln 40 Col 1-4} + \text{G Ln 50 Col 1-4} + \text{A-7 Pt III Ln 3 Col 2} + \text{G Ln 59 Col 1-4}}$	
		$\frac{\$26,744,607 + \$0 + \$0}{\$26,744,607 + \$0 + \$0 + \$5,577,349}$	0.8
Debt Service Coverage	=	$\frac{(\text{Net Income} + \text{Interest} + \text{Depreciation} + \text{Taxes})}{(\text{Current Portion of Long-term Debt} + \text{Interest})}$	=
		$\frac{\text{G-3 Ln 29} + \text{Final Interest} + \text{A-7 Pt III Ln 3 Col 9} + \text{A-7 Pt III Ln 3 Col 6}}{\text{G Ln 40 Col 1-4} + \text{Final Interest}}$	
		$\frac{\$5,795,437 + \$237,171 + \$3,224,600 + \$0}{\$0 + \$237,171}$	39.0

Notes:
 - Financial ratios on dictionary are based on hospitals' most current year cost report (FFY 2015 or FFY 2016).
 - Final Interest is Total Interest Expense on worksheet A, line 113, column 3. For hospitals which do not report interest expense on worksheet A, final interest is Total Interest on worksheet A-7 Part III, line 3, column 11.