

Greater Dayton Area Hospital Association



Dayton Area Hospital Charge & Cost Indexes

May 31, 2006

Cleverley & Associates

Suite 204, 438 E Wilson Bridge Road/Worthington, OH 43085-2382
888-779-5663/www.cleverleyassociates.com

Outline

Questions to address:

- What are the Hospital Charge & Cost Indexes?
- How does the Dayton market perform?



What are the Hospital Charge & Cost Indexes?

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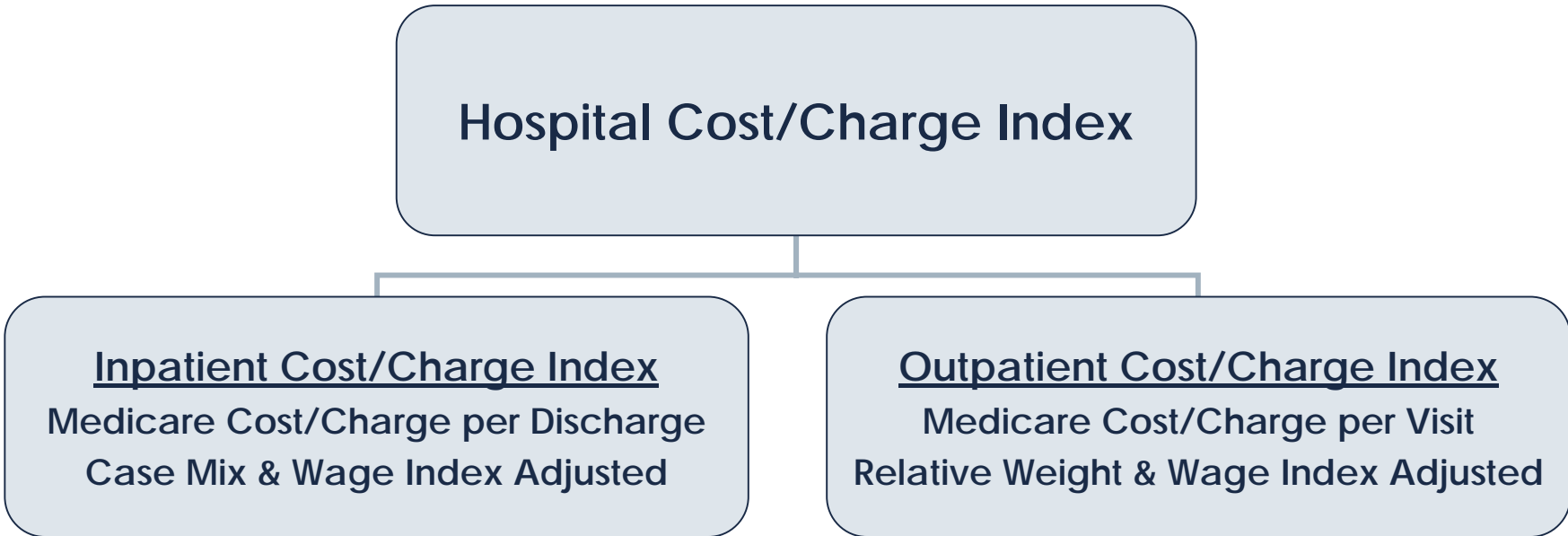
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What are the Hospital Charge & Cost Indexes?

About the Hospital Charge and Cost Indexes

The Hospital Charge and Cost Indexes, developed by Cleverley & Associates, compare the Medicare charge (cost) per discharge and Medicare charge (cost) per visit at the hospital (both adjusted for case complexity and wage index differences) to the US median value for each measure. The result is the most objective overall charge comparison available. A high index score indicates a higher relative charge position.

What are the Hospital Charge & Cost Indexes?



The Inpatient and Outpatient Charge (Cost) Indexes are weighted by Gross Patient Revenue for each area to create the total Hospital Charge (Cost) Index.



How does the Dayton market perform?

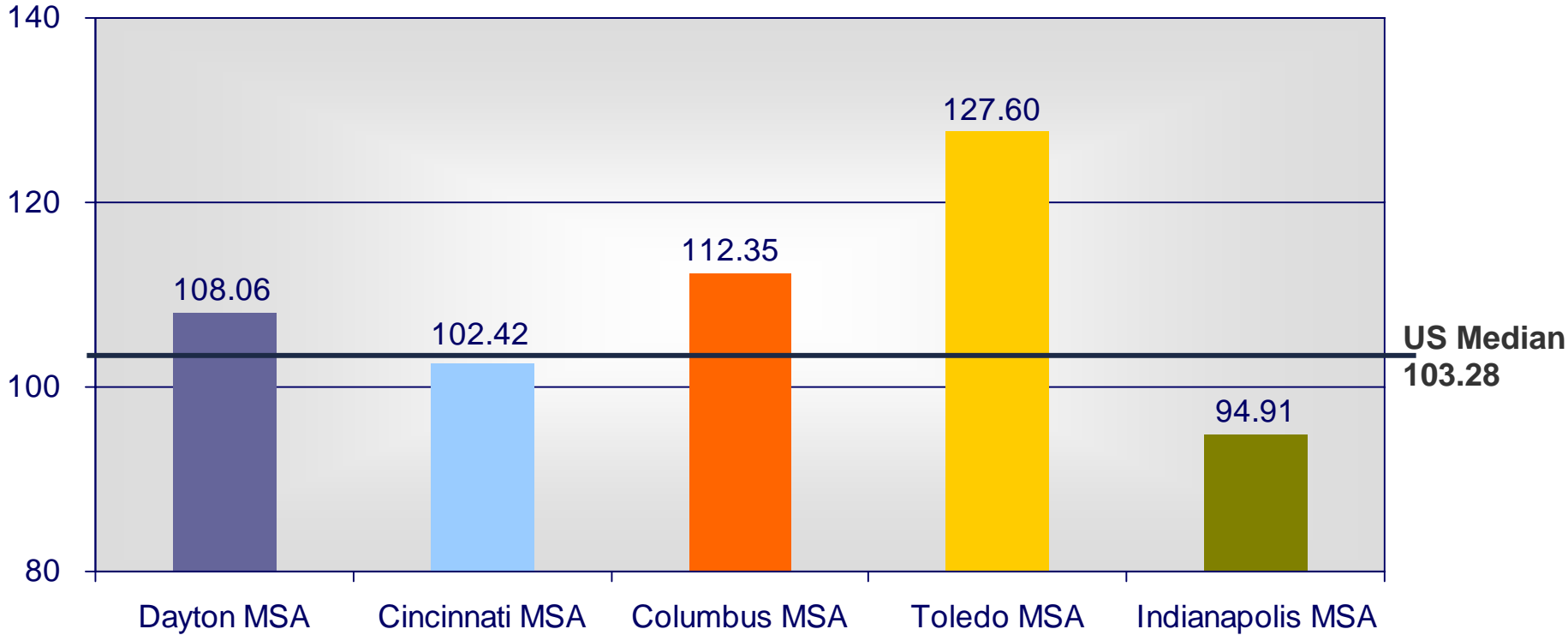


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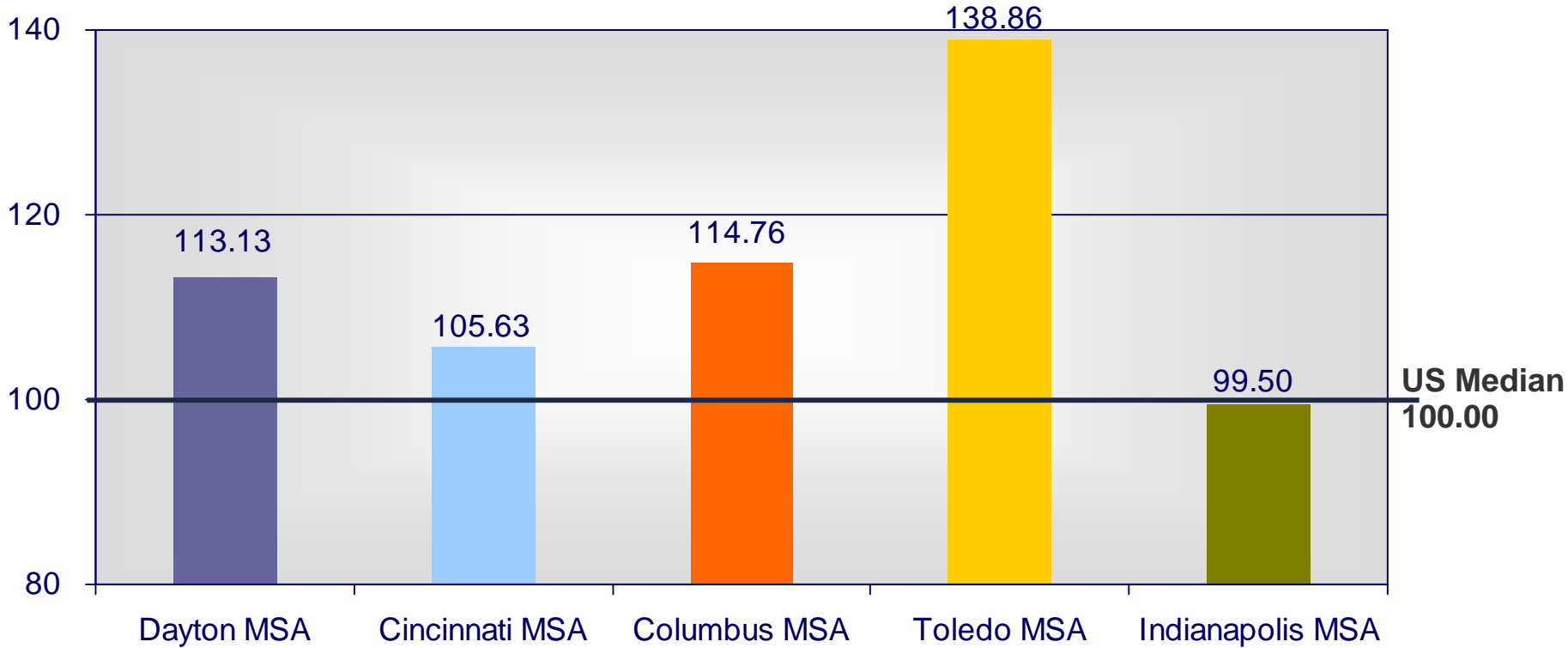
How does the Dayton market perform?

Overall Charge Index (2004) – MSA Weighted Average



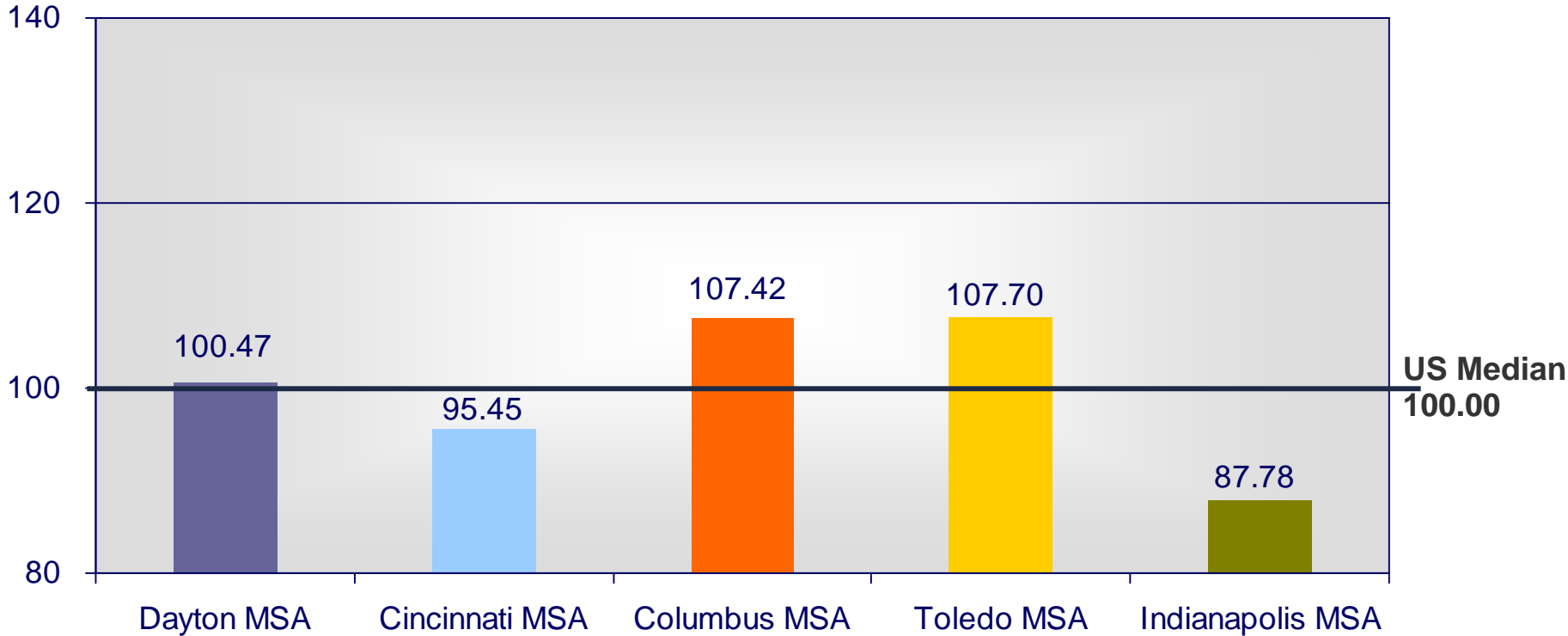
How does the Dayton market perform?

Inpatient Charge Index (2004) – MSA Weighted Average



How does the Dayton market perform?

Outpatient Charge Index (2004) – MSA Weighted Average



How does the Dayton market perform?

Supporting Factors

	Medicare Charge per Discharge (CMI and WI adj)	Medicare Charge per Visit (RW and WI adj)
Dayton MSA Weighted Average	15,215	234
Cincinnati MSA Weighted Average	14,206	223
Columbus MSA Weighted Average	15,434	250
Toledo MSA Weighted Average	18,676	251
Indianapolis MSA Weighted Average	13,382	205
US Median	13,449	233

How does the Dayton market perform?

Supporting Factors

	Medicaid Days %	Medicare Days %	NonGovt Days %
Dayton MSA Weighted Average	13.09	48.78	38.12
Cincinnati MSA Weighted Average	14.53	45.95	39.52
Columbus MSA Weighted Average	15.32	42.86	41.82
Toledo MSA Weighted Average	15.41	44.64	39.96
Indianapolis MSA Weighted Average	18.88	41.55	39.58
US Average	15.04	50.68	34.28

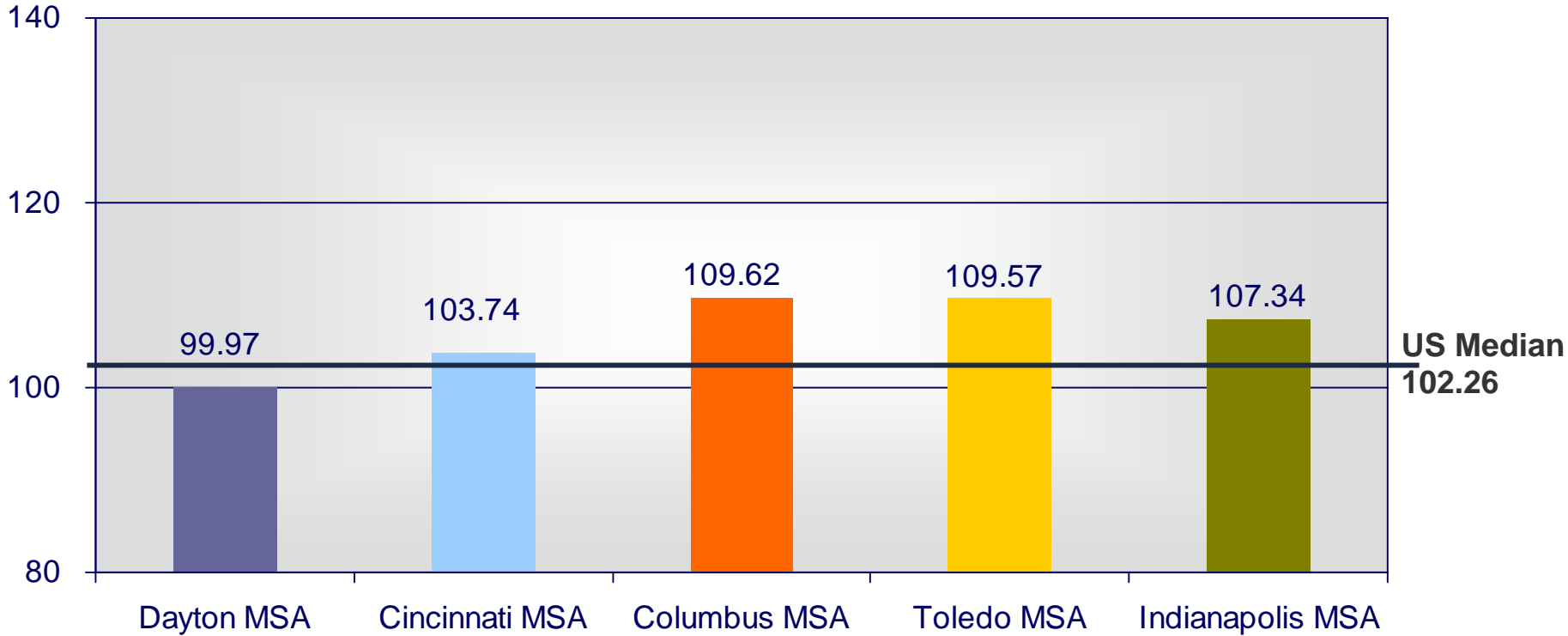
How does the Dayton market perform?

Supporting Factors

	Disproportionate Share Percentage
Dayton MSA Weighted Average	13.75
Cincinnati MSA Weighted Average	12.42
Columbus MSA Weighted Average	11.35
Toledo MSA Weighted Average	16.17
Indianapolis MSA Weighted Average	17.18
US Median	9.14

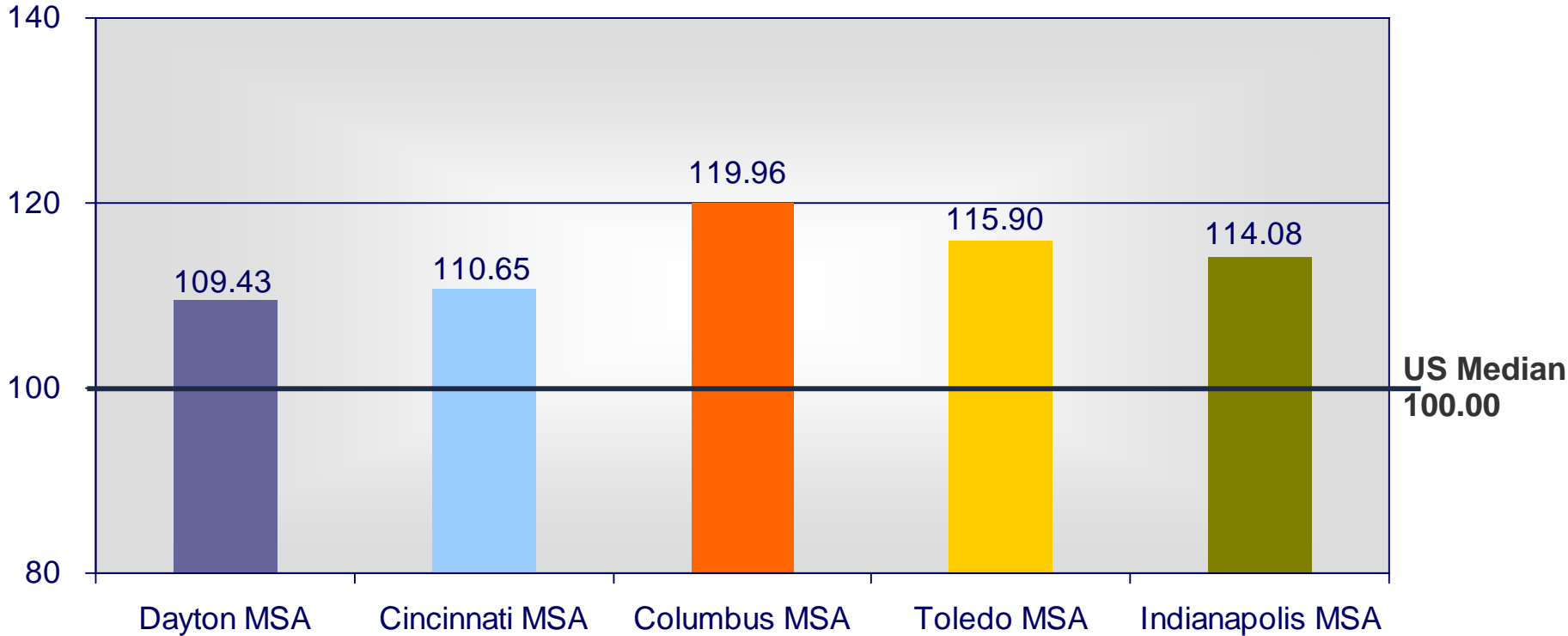
How does the Dayton market perform?

Overall Cost Index (2004) – MSA Weighted Average



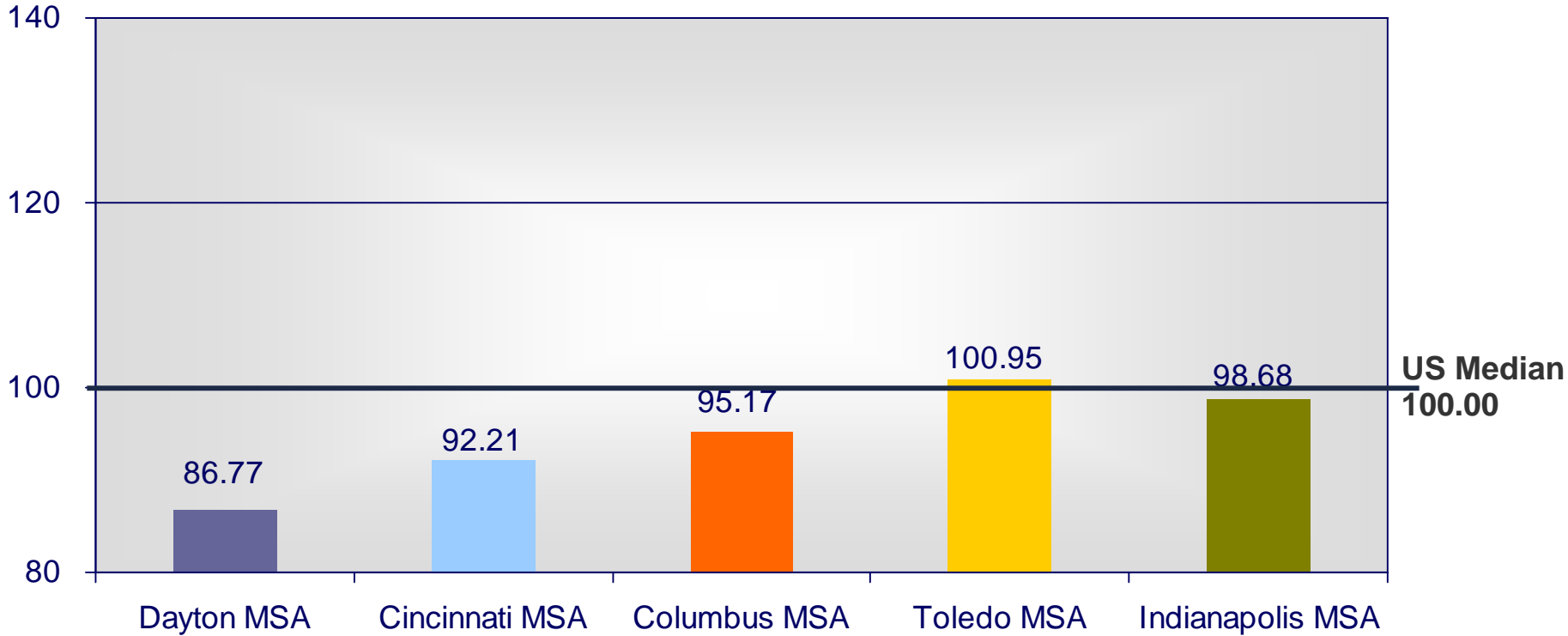
How does the Dayton market perform?

Inpatient Cost Index (2004) – MSA Weighted Average



How does the Dayton market perform?

Outpatient Cost Index (2004) – MSA Weighted Average



How does the Dayton market perform?

Supporting Factors

	Medicare Cost per Discharge (CMI and WI adj)	Medicare Cost per Visit (RW and WI adj)
Dayton MSA Weighted Average	6,570	66
Cincinnati MSA Weighted Average	6,643	70
Columbus MSA Weighted Average	7,202	72
Toledo MSA Weighted Average	6,958	77
Indianapolis MSA Weighted Average	6,849	75
US Median	6,003	76



Summary

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Summary

- Given payer mix variables, the Dayton MSA has a reasonable overall charge position. Charges are not the lowest of all comparison markets, but also not highest.
- The Dayton MSA has the lowest cost position of the comparison markets. This is true for both inpatient and outpatient services.



Study group membership

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Study group

Dayton MSA Hospitals
Dayton Heart Hospital
Greene Memorial Hospital Inc
Miami Valley Hospital
Good Samaritan Hospital
Kettering Medical Center
Mercy Medical Center
Grandview Hospital & Medical Center
Upper Valley Medical Center
Community Hospital
Sycamore Hospital

Study group

Cincinnati MSA Hospitals	
Dearborn County Hospital	Middletown Regional Hospital
St. Luke Hospital, East	Mercy Franciscan Hosp Western Hills
St. Elizabeth Medical Center	Brown County Hospital
St. Luke Hospital, West	Fort Hamilton-Hughes Memorial Hospital
Mercy Hospital Anderson	Good Samaritan Hospital
University of Cincinnati Hospital	The Christ Hospital
Jewish Hospital of Cincinnati	Bethesda North Hospital
The Deaconess Hospital	Mercy Franciscan Hospital - Mt Airy
McCullough-Hyde Memorial Hospital	
Mercy Hospital of Hamilton / Fairfield	

Study group

Columbus MSA Hospitals
Riverside Methodist Hospital
St Anns Hospital Of Columbus
Grant Medical Center
Mt Carmel Health
OSU Hospitals -- East
Fairfield Medical Center
The Ohio State University Hospital
Doctors Hospital Ohio Health
Berger Hospital
Madison County Hospital
Grady Memorial Hospital
Licking Memorial Hospital
James Cancer Hospital

Study group

Toledo MSA Hospitals
Wood County Hospital
Medical College of Ohio
The Toledo Hospital
Fulton County Health Center
Flower Hospital
St. Charles Mercy Hospital
St. Lukes Hospital
St. Vincents Mercy Medical Center
Bay Park Community Hospital
St Anne Mercy Hospital

Study group

Indianapolis MSA Hospitals	
Johnson Memorial Hospital	Community Hospital of Indianapolis
Hendricks Community Hospital	St Vincent Hospital & Health Services
Winona Memorial Hospital	Saint John's Health System
Wishard Memorial Hospital	Major Hospital
St Francis Hospital & Health Centers	Witham Memorial Hospital
Hancock Memorial Hospital	Community Hospital of Anderson
Morgan County Memorial Hospital	Community Hospital -- South
Clarian Health Partners	Westview Hospital
St. Francis Hospital & Health Centers	Heart Center Of Indiana,LLc
Riverview Hospital	Indiana Heart Hospital,The