

## SECTION 1 OVERVIEW STATISTICS FOR INPATIENT HOSPITAL STAYS

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### HIGHLIGHTS

- The number of hospital stays increased from 34.7 million in 1997 to 39.4 million in 2009, a 14-percent increase overall, or an average annual increase of 1.1 percent. However, the rate of hospitalizations remained unchanged between 1997 and 2009: there were 1,278 hospital stays for every 10,000 persons in the United States in 1997 and 1,284 stays per 10,000 persons in 2009.
- Between 1997 and 2009, the aggregate inflation-adjusted costs for hospitalizations—the actual costs of producing hospital services—increased 57 percent. Costs rose from \$229.6 billion to \$361.5 billion—an average annual increase of 3.9 percent.
- The average length of stay (ALOS) in 2009 (4.6 days) was almost 20-percent shorter than in 1993 (5.7 days). The ALOS declined throughout most of the 1990s and has remained unchanged since 2000.
- In 2009, Medicare and Medicaid were the expected primary payers for more than half (57 percent) of all inpatient hospital stays (accounting for 14.7 and 8.0 million hospital stays, respectively).
- Between 1997 and 2009, uninsured and Medicaid stays (both up 42 percent) grew at three times the rate of all stays.
- The number of stays billed to Medicare grew by 17 percent from 1997 to 2009, while private insurance was unchanged.
- The number of discharges to home health care grew by 68 percent between 1997 and 2009.
- Uninsured and Medicaid stays accounted for over half (52 percent) of all stays discharged against medical advice, but only one-quarter (26 percent) of all other stays.
- Persons residing in the poorest communities had a 19-percent higher rate of hospitalization in 2009 (1,420 stays per 10,000 population) than those residing in all other communities (1,189 stays per 10,000 population).

## EXHIBIT 1.1 Characteristics of U.S. Community Hospitals

### Characteristics of U.S. Community Hospitals, 1997 and 2009

UTILIZATION, CHARGES, AND COSTS	1997	2009
<b>Stays</b>		
Total stays in millions	34.7	39.4
Number of stays per 10,000 population*	1,278	1,284
Total days of care in millions	168.1	180.6
Average length of stay in days	4.8	4.6
<b>Percent of discharges from:</b>		
Metropolitan hospitals	84%	86%
Teaching hospitals	47%	46%
<b>Hospital ownership</b>		
Non-Federal government hospitals	14%	13%
Private not-for-profit hospitals	73%	71%
Private for-profit hospitals	13%	14%
<b>Charges and costs †</b>		
<b>Charges</b>		
Average charges per stay	\$11,300	\$30,700
Average inflation-adjusted charges per stay in 2009 dollars**	\$14,600	\$30,700
<b>Costs</b>		
Total aggregate costs in billions	\$177.1	\$361.5
Average costs per stay	\$5,100	\$9,200
Inflation-adjusted costs in 2009 dollars**		
Total aggregate costs in billions	\$229.6	\$361.5
Average costs per stay	\$6,600	\$9,200

\* Calculated using resident population for July 2009 from the U.S. Bureau of the Census, retrieved on June 27, 2011 (<http://www.census.gov/popest/national/asrh/2009-nat-res.html>).

† Charges represent amounts billed by hospitals. These amounts are seldom paid in full by insurers or patients. Costs are calculated from charges using reported cost-to-charge ratios calculated from information on Medicare Cost Reports, submitted by hospitals to the Centers for Medicare and Medicaid Services (CMS).

\*\* Adjusted for inflation using the GDP deflator (<http://www.bea.gov/national/nipaweb/SelectTable.asp>, Table 1.1.4. Price Indexes for Gross Domestic Product).

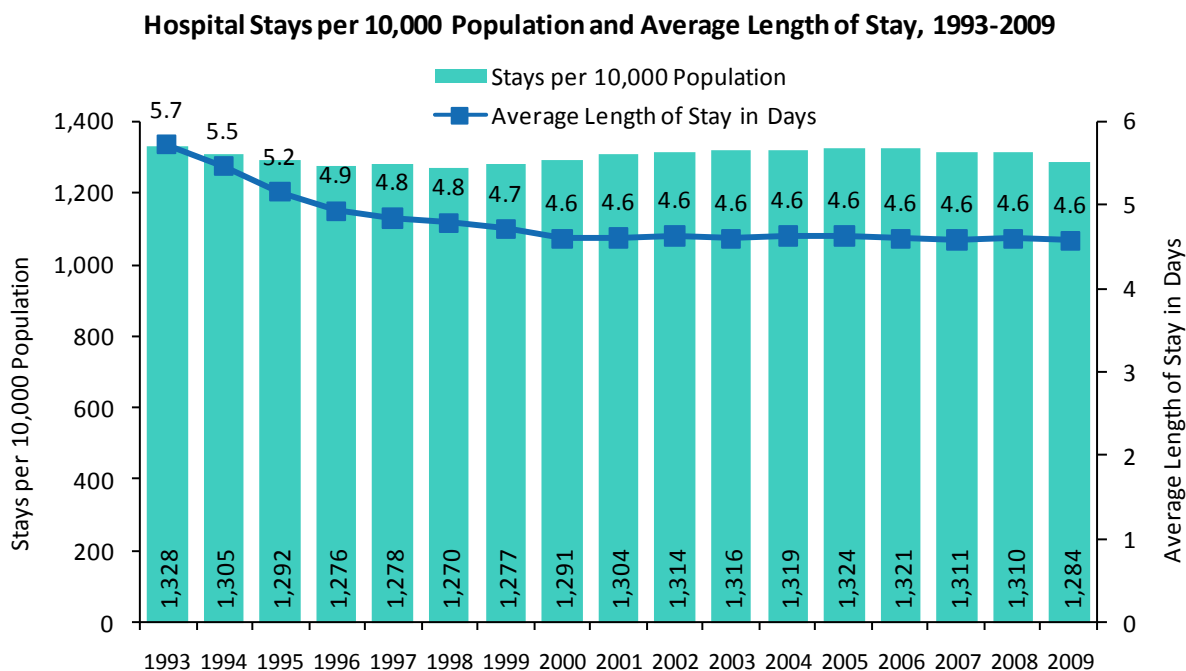
Source: AHRQ, Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 1997 and 2009.

Hospital costs rose rapidly and hospital characteristics changed slowly over time.

- The number of hospital stays increased from 34.7 million in 1997 to 39.4 million in 2009, a 14-percent increase overall, or an average annual increase of 1.1 percent. However, the rate of hospitalizations remained unchanged between 1997 and 2009: there were 1,278 hospital stays for every 10,000 persons in the United States in 1997 and 1,284 stays per 10,000 persons in 2009.
- The percent of community hospital stays changed little in terms of metropolitan location, teaching status, and type of ownership between 1997 and 2009. Most hospital stays (86 percent) were in facilities located in metropolitan areas, nearly half were in teaching hospitals, and almost three-quarters were in private not-for-profit facilities.

- Average inflation-adjusted charges per stay—what patients are billed for their rooms, nursing care, diagnostic tests, procedures, and other services—rose from \$14,600 in 1997 to \$30,700 in 2009. Few patients or insurers paid those amounts because of discounts negotiated with hospitals.
- Between 1997 and 2009, the aggregate inflation-adjusted costs for hospitalizations—the actual costs of producing hospital services—increased 57 percent. Costs rose from \$229.6 billion to \$361.5 billion—an average annual increase of 3.9 percent.

## EXHIBIT 1.2 Inpatient Hospital Stays and Average Length of Stay

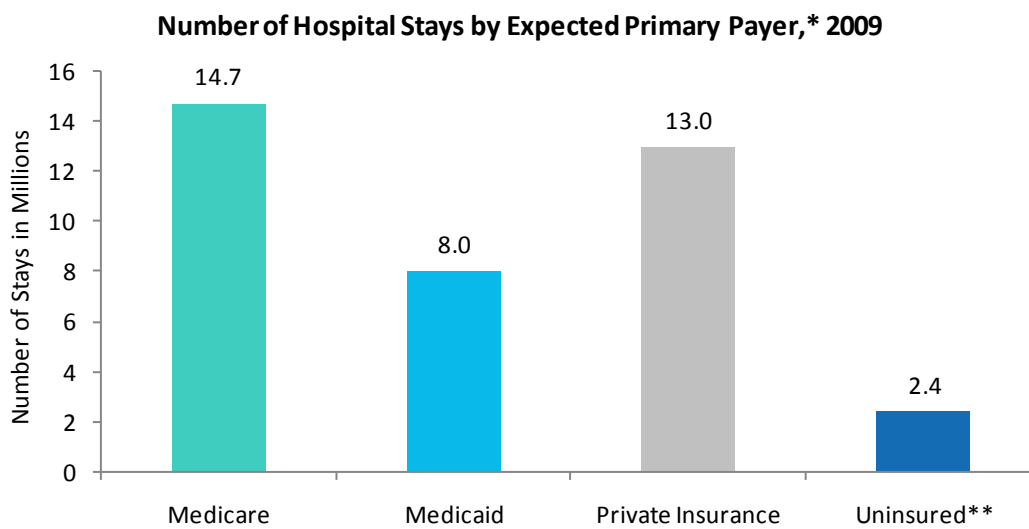


Source: AHRQ, Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 1993-2009.

The average length of stay in U.S. community hospitals stabilized beginning in 2000, while the number of hospital stays per 10,000 population remained stable throughout the 1993-2009 period.

- The average length of stay (ALOS) in 2009 (4.6 days) was almost 20-percent shorter than in 1993 (5.7 days). The ALOS declined throughout most of the 1990s and has remained unchanged since 2000.
- From 1993 to 2009, the annual rate of stays was relatively stable at about 1,300 stays per 10,000 population.

## EXHIBIT 1.3 Expected Primary Payer



\* There are an additional 1.3 million stays (3 percent of stays) with "other" as the expected primary payer. "Other" payer includes Workers' Compensation, TRICARE, CHAMPUS, CHAMPVA, Title V, and other government programs.

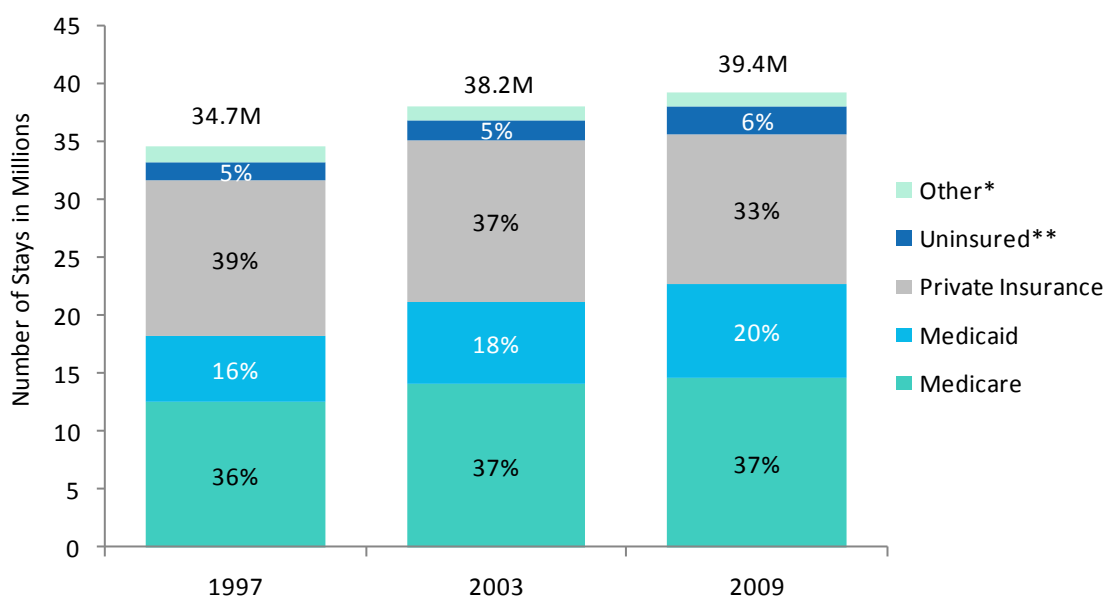
\*\* Includes stays classified as self-pay or no charge.

Source: AHRQ, Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 2009.

The primary payer bears the major financial responsibility for the hospital stay. Although other payers, including the patients themselves, may also pay part of the cost of hospitalization, only the expected primary payers are depicted in this section.

- In 2009, Medicare, which covers patients who are 65 and older or disabled, was the expected primary payer for the largest number of stays (14.7 million), followed by private insurance (13.0 million).
- Medicaid, the primary source of insurance for low-income families and individuals, was the expected primary payer for 8.0 million stays.
- There were 2.4 million uninsured stays in 2009.

### Number and Distribution of Hospital Stays by Expected Primary Payer, 1997-2009



\* Includes other payers such as Workers' Compensation, TRICARE, CHAMPUS, CHAMPVA, Title V, and other government programs.

\*\* Includes stays classified as self-pay or no charge.

Note: Excludes a small number of stays (96,000 or 0.3 percent in 1997, 76,000 or 0.2 percent in 2003, 84,000 or 0.2 percent in 2009) with missing payer.

Note: Bar segments representing 4 percent or less have not been labeled.

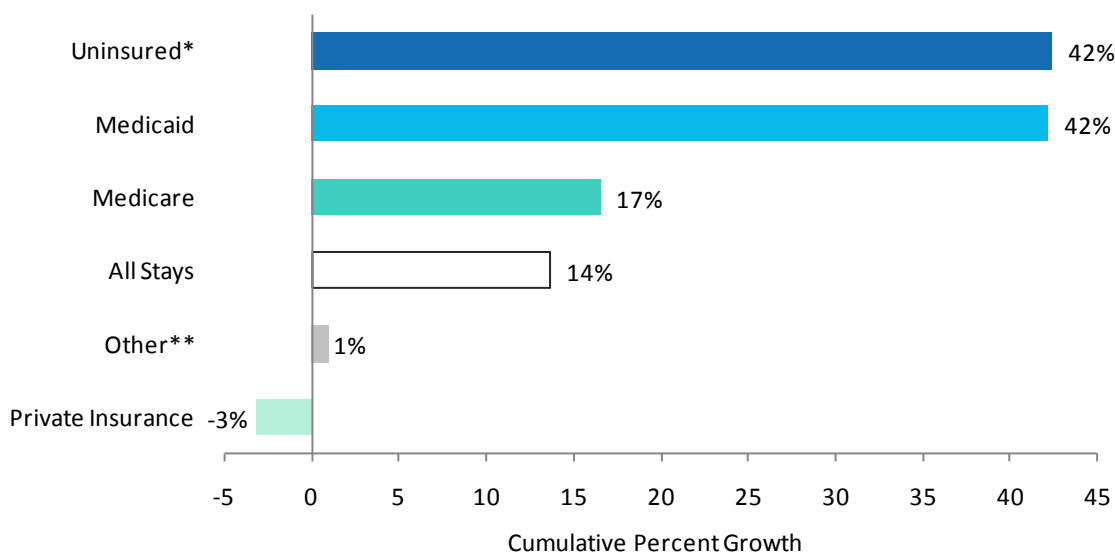
Source: AHRQ, Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 1997-2009.

The number of stays increased steadily in the 12-year period, growing from 34.7 million in 1997 to 39.4 million in 2009.

- In 2009, Medicare and Medicaid were the expected primary payers for more than half (57 percent) of all inpatient hospital stays (accounting for 14.7 and 8.0 million hospital stays, respectively).
  - The percentage of stays billed to Medicare remained relatively stable from 1997 to 2009 at 36-37 percent.
  - Unlike Medicare, the share of stays with Medicaid as an expected payer increased throughout most of the period, from 16 percent in 1997 to 20 percent in 2009.
- Between 1997 and 2009, the percentage of stays billed to private insurance fell from 39 percent to 33 percent. This reflects the steady decline in the share of the population with private insurance coverage.<sup>1</sup>
- In both 1997 and 2009, about 5 percent of stays were listed as uninsured, but increased from 1.7 million hospital stays in 1997 to 2.4 million in 2009.

<sup>1</sup> National Center for Health Statistics. Health, United States, 2010: With Special Feature on Death and Dying. Hyattsville, MD, 2011.

### Growth in Number of Hospital Stays by Expected Primary Payer, 1997-2009



\* Includes stays classified as self-pay or no charge.

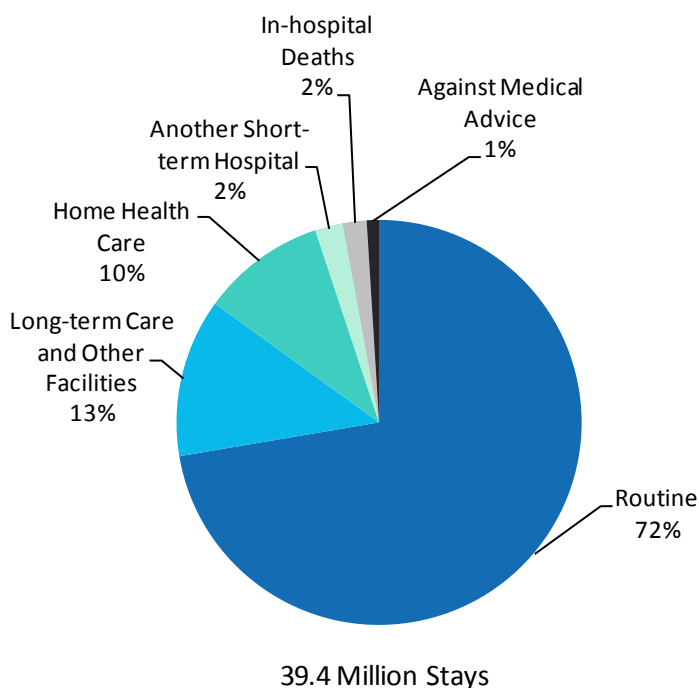
\*\* Includes other payers such as Workers' Compensation, TRICARE, CHAMPUS, CHAMPVA, Title V, and other government programs.  
Source: AHRQ, Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 1997 and 2009.

Between 1997 and 2009, the number of hospital stays grew by 14 percent; however, growth varied widely by expected primary payer.

- Uninsured and Medicaid stays (both up 42 percent) grew at three times the rate of all stays.
- The number of stays billed to Medicare grew by 17 percent from 1997 to 2009.
- While stays billed to the uninsured, Medicaid, and Medicare experienced substantial growth between 1997 and 2009, growth in the number of stays billed to private insurance and other payers was not significant (-3 percent and 1 percent, respectively).

## EXHIBIT 1.4 Discharge Status

**Distribution of Hospital Stays by Discharge Status, 2009**



Note: Excludes a small number of stays with missing discharge status.

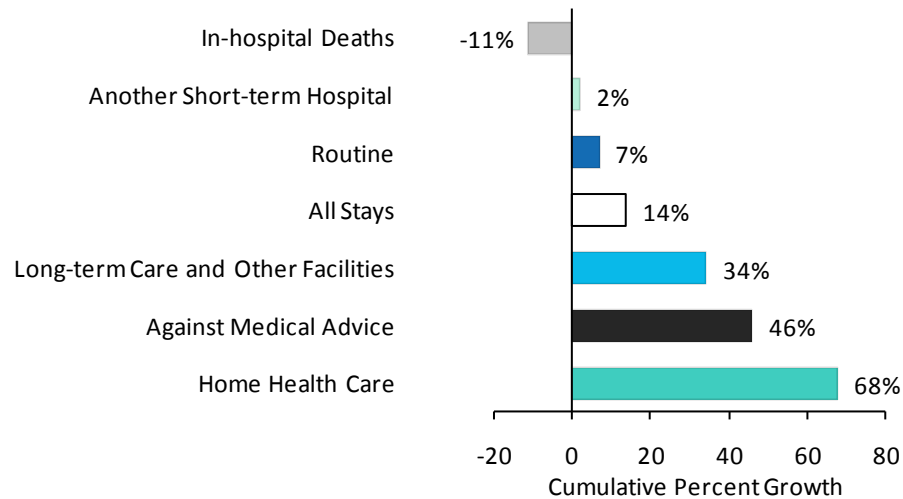
Source: AHRQ, Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 2009.

Discharge status indicates the circumstance surrounding the discharge or where the patient went after discharge from the hospital. Most discharges were routine in nature, but discharges to follow-on care were also frequent.

- The most common patient discharge status was routine (72 percent, or 28.5 million stays), with the patient being sent home without closely-supervised health care.
- Discharge to a long-term care facility (5.0 million stays) was the second most common type of discharge, accounting for 13 percent of stays.
- Discharge to the home with home health care supervision accounted for 10 percent of stays (3.9 million stays).
- Remaining discharge circumstances each accounted for 2 percent or less of stays. These included discharge to another short-term hospital (864,500 stays), in-hospital deaths (757,800 stays), or discharge against medical advice (385,600 stays).



### Growth in Number of Hospital Stays by Discharge Status, 1997-2009

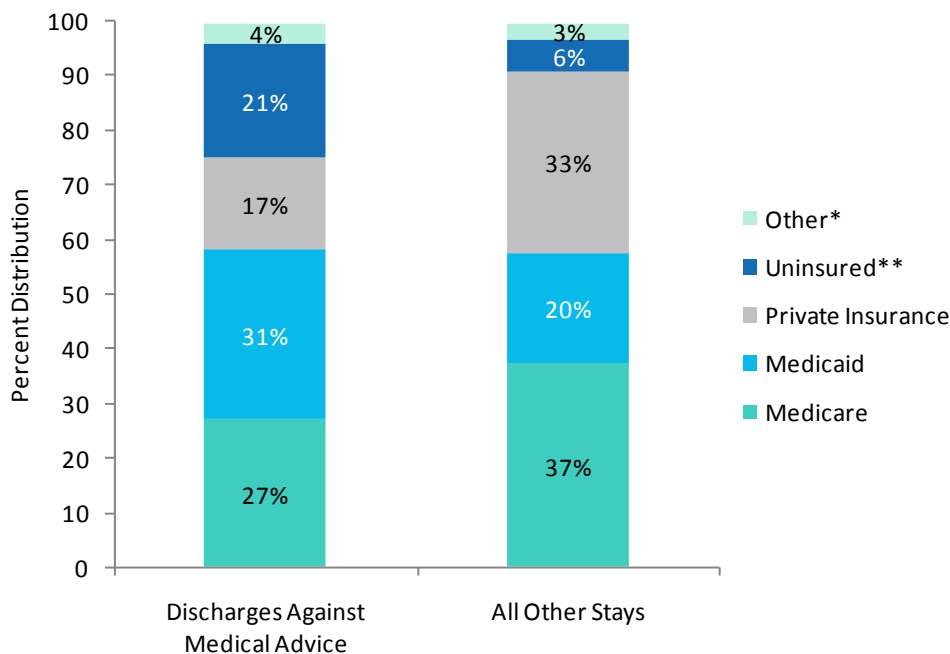


Source: AHRQ, Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 1997 and 2009.

The total number of stays increased 14 percent from 1997 to 2009, but the rate of growth varied by discharge status.

- The number of stays discharged to follow-on care has increased as the average length of stay has fallen.
  - The number of discharges to home health care grew by 68 percent.
  - Discharges to nursing homes and long-term care increased by 34 percent.
- The number of patients who left the hospital against medical advice, although small, rose by 46 percent—the second fastest increase of any discharge type.
- The number of discharges for in-hospital deaths declined by 11 percent between 1997 and 2009.
- Discharges to another short-term hospital remained stable between 1997 and 2009.

### Distribution of Discharges Against Medical Advice and All Other Hospital Stays by Payer, 2009



\* Includes other payers such as Workers' Compensation, TRICARE, CHAMPUS, CHAMPVA, Title V, and other government programs.

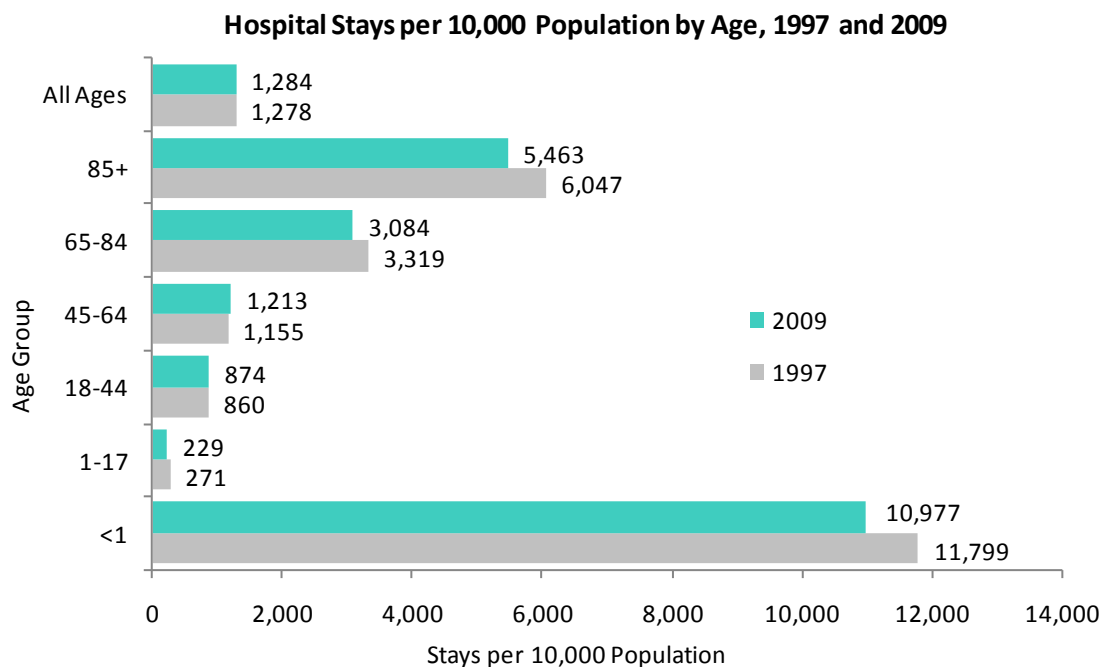
\*\* Includes stays classified as self-pay or no charge.

Note: Excludes a small number of stays (84,000 or 0.2 percent) with missing payer.

Source: AHRQ, Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 2009.

- Uninsured and Medicaid stays accounted for over half (52 percent) of all stays discharged against medical advice, but only one-quarter (26 percent) of all other stays.
  - Twenty-one percent of all discharges against medical advice were uninsured, while only 6 percent of all other stays were uninsured.
  - Similarly, Medicaid covered 31 percent of discharges against medical advice, but only 20 percent of all other stays.
- Private insurance was the primary payer for only 17 percent of discharges against medical advice but for 33 percent of all other stays.
- Medicare-covered discharges accounted for 27 percent of stays discharged against medical advice and 37 percent of all other stays.

## EXHIBIT 1.5 Patient Age

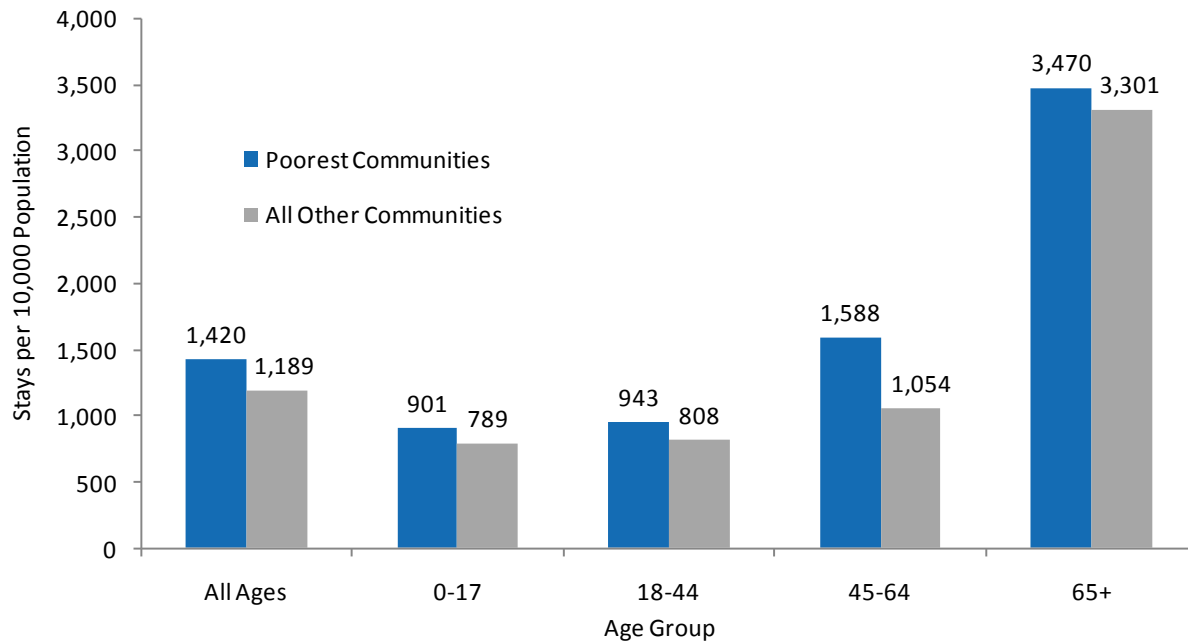


Note: Excludes a small number of stays (10,000 or 0.3 percent in 1997, 52,000 or 0.1 percent in 2009) with missing age.  
 Source: AHRQ, Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 1997 and 2009.

Across all age groups, there were 1,284 hospital stays for every 10,000 persons in the United States in 2009, essentially the same as the rate of 1,278 stays in 1997.

- Older people had a greater chance of hospitalization in both 1997 and 2009.
  - For adults 85 and older, there were 6,047 stays per 10,000 persons in 1997 and 5,463 in 2009.
  - Adults 65-84 years old were hospitalized at a rate of 3,084 stays per 10,000 population, down from 3,319 stays per 10,000 population in 1997.
- There were fewer than 300 hospital stays for every 10,000 children 1-17 years old in 1997 and 2009.
- While older age was generally associated with higher hospitalization rates, infants younger than 1 year of age experienced the highest rates of hospitalization: 11,799 hospitalizations per 10,000 infants in 1997 and 10,977 hospitalizations per 10,000 infants in 2009. These high rates of hospital stays occur because nearly all births happen in the hospital and some infants require additional hospitalization in the first year of life.
- The rate of hospitalization per 10,000 population for 65-84 year olds and those 85 and older fell by 7 percent and 10 percent, respectively, between 1997 and 2009, while the rates for the younger age groups remained stable.

### Hospital Stays per 10,000 Population by Age in the Poorest\* and All Other Communities, 2009



\* The poorest communities are defined by ZIP Code and have median household income of less than \$40,000, the lowest income quartile.

Note: Excludes a small number of stays (1,274,100 or 3 percent) with missing age or income.

Source: AHRQ, Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 2009.

- Persons residing in the poorest communities had a 19-percent higher rate of hospitalization in 2009 (1,420 stays per 10,000 population) than those residing in all other communities (1,189 stays per 10,000 population). This was especially pronounced for adults 18-44 and 45-64 where hospitalization rates were significantly higher in the poorest communities than in all other communities.
- Community income level had the least impact on the hospitalization rates of the youngest and oldest patients, since hospitalization rates in the poorest communities were not significantly different from rates in all other communities.
  - The rate of hospitalization for children 0-17 in the lowest income communities was 901 stays per 10,000 population, and 789 stays per 10,000 population in all other communities.
  - Among adults 65 and older, there were 3,470 stays per 10,000 population in the poorest communities and 3,301 stays per 10,000 population in wealthier communities.