

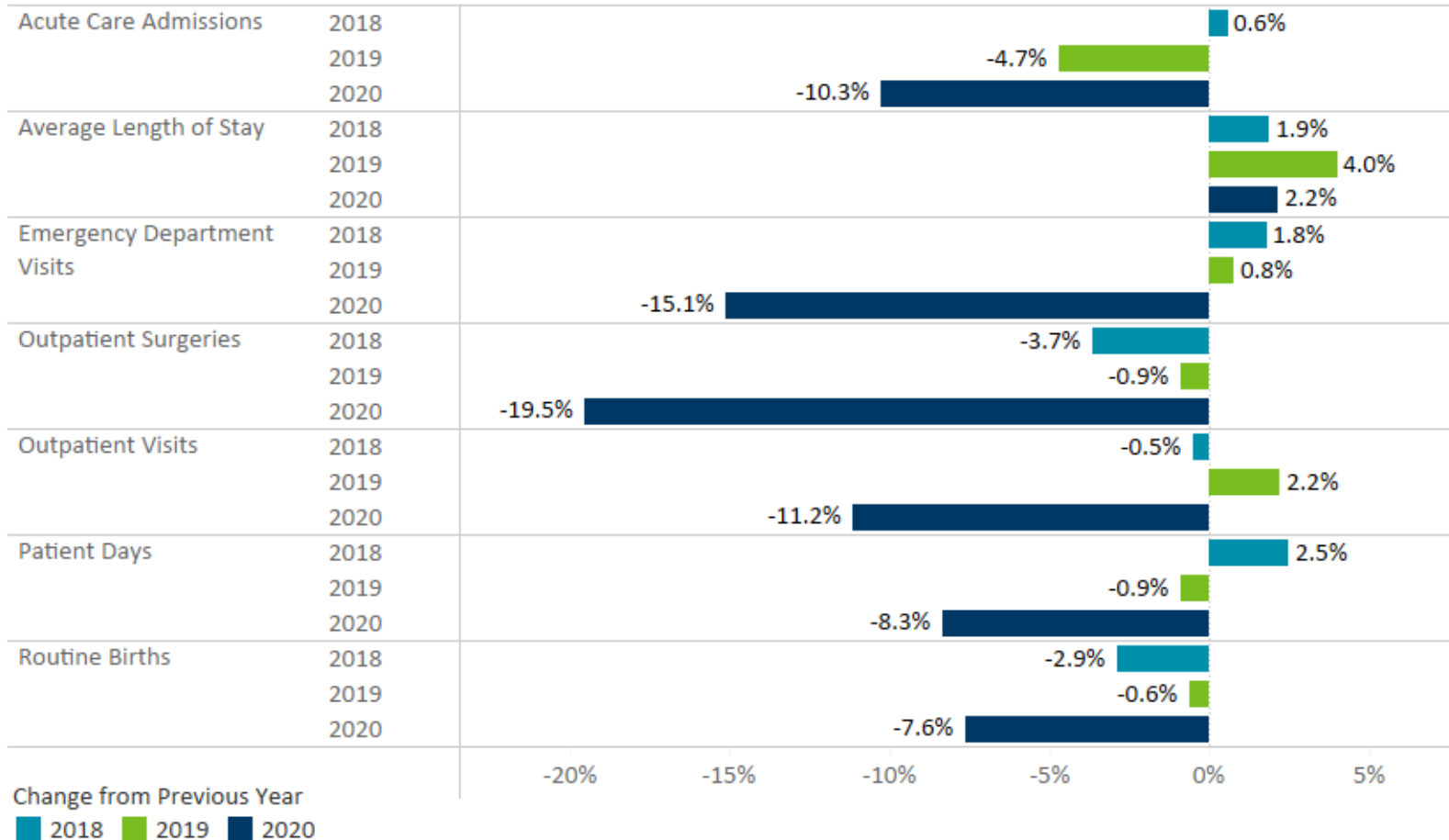


Minnesota Community Hospital Trends, 2017 – 2020: A Data Short Take

March, 2022

Utilization

Annual Percent Change in Hospital Utilization Measures, 2017 -2020



- Minnesota hospital use declined markedly in 2020 compared to the past couple of years— particularly for outpatient care.
- Average length of stay for inpatient admissions continued to increase for a third year in a row.

Source: MDH Health Economics Program analysis of hospital annual reports, February 2022.

Acute Care Admissions at Minnesota Hospitals, 2017-2020

	2017	2018	2019	2020
Bed Size				
24 or fewer beds	12,200	13,239	11,242	7,562
25 to 49 beds	47,239	46,890	44,249	39,206
50 to 99 beds	61,713	50,566	51,338	46,618
100 to 199 beds	49,618	61,282	57,357	51,558
200 and more beds	361,209	363,059	345,709	312,580
Critical Access Hospital (CAH)¹				
Critical Access Hospital (CAH)	37,040	36,653	33,566	29,519
Non-CAH	494,939	498,383	476,329	428,005
Rural/Urban²				
Rural	80,569	79,942	75,435	65,860
Urban	451,410	455,094	434,460	391,664
Health System Affiliation				
Affiliated with a Health System	464,843	480,050	460,410	414,627
Not Affiliated	67,136	54,986	49,485	42,897
All Hospitals	531,979	535,036	509,895	457,524

- Acute care admissions declined in 2020 across all types of hospitals in Minnesota.
- However, acute care admissions were also in decline before the pandemic for many hospitals across the state.

¹ A Critical Access Hospital (CAH) is a federal designation for a rural hospital that meets certain criteria

² Terms “urban” and “rural” are defined using Rural-Urban Commuting Area (RUCA) codes. For more information on RUCA codes, see slide 18.

Source: MDH Health Economics Program analysis of hospital annual reports, February 2022.

Average Length of Stay at Minnesota Hospitals, 2017-2020

	2017	2018	2019	2020
Bed Size				
24 or fewer beds	2.7	2.8	2.9	3.9
25 to 49 beds	3.1	3.2	3.2	3.2
50 to 99 beds	3.5	3.7	3.7	3.8
100 to 199 beds	4.4	4.2	4.4	4.1
200 and more beds	5.1	5.2	5.5	5.6
Critical Access Hospital (CAH)¹				
Critical Access Hospital (CAH)	3.1	3.2	3.2	3.2
Non-CAH	4.8	4.8	5.0	5.1
Rural/Urban²				
Rural	3.3	3.3	3.4	3.4
Urban	4.9	5.0	5.2	5.3
Health System Affiliation				
Affiliated with a Health System	4.7	4.8	5.0	5.1
Not Affiliated	4.1	4.2	4.5	4.6
All Hospitals	4.6	4.7	4.9	5.0

- The average length of stay for acute admissions has been increasing annually across many different types of Minnesota hospitals.
- Small hospital facilities (fewer than 25 beds) had a particularly large increase in average length of stay in 2020.

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Source: MDH Health Economics Program analysis of hospital annual reports, February 2022.

Outpatient Visits at Minnesota Hospitals, 2017-2020

	2017	2018	2019	2020
Bed Size				
24 or fewer beds	1,152,246	1,269,905	1,198,077	880,376
25 to 49 beds	2,845,635	2,902,284	2,928,777	2,742,806
50 to 99 beds	2,047,450	1,574,658	1,958,882	1,910,150
100 to 199 beds	1,663,191	1,751,902	1,568,688	1,393,163
200 and more beds	4,986,361	5,130,494	5,250,693	4,536,537
Critical Access Hospital (CAH)¹				
Critical Access Hospital (CAH)	2,731,931	2,671,330	2,654,422	2,464,713
Non-CAH	9,962,952	9,957,913	10,250,695	8,998,319
Rural/Urban²				
Rural	5,203,826	4,921,054	4,893,298	4,516,892
Urban	7,491,057	7,708,189	8,011,819	6,946,140
Health System Affiliation				
Affiliated with a Health System	8,922,697	9,314,126	9,592,159	8,498,011
Not Affiliated	3,772,186	3,315,117	3,312,958	2,965,021
All Hospitals	12,694,883	12,629,243	12,905,117	11,463,032

- Hospital outpatient visits (including emergency department visits and outpatient surgeries) declined across Minnesota hospitals in 2020.
- This decline in more pronounced in larger, urban and affiliated hospitals

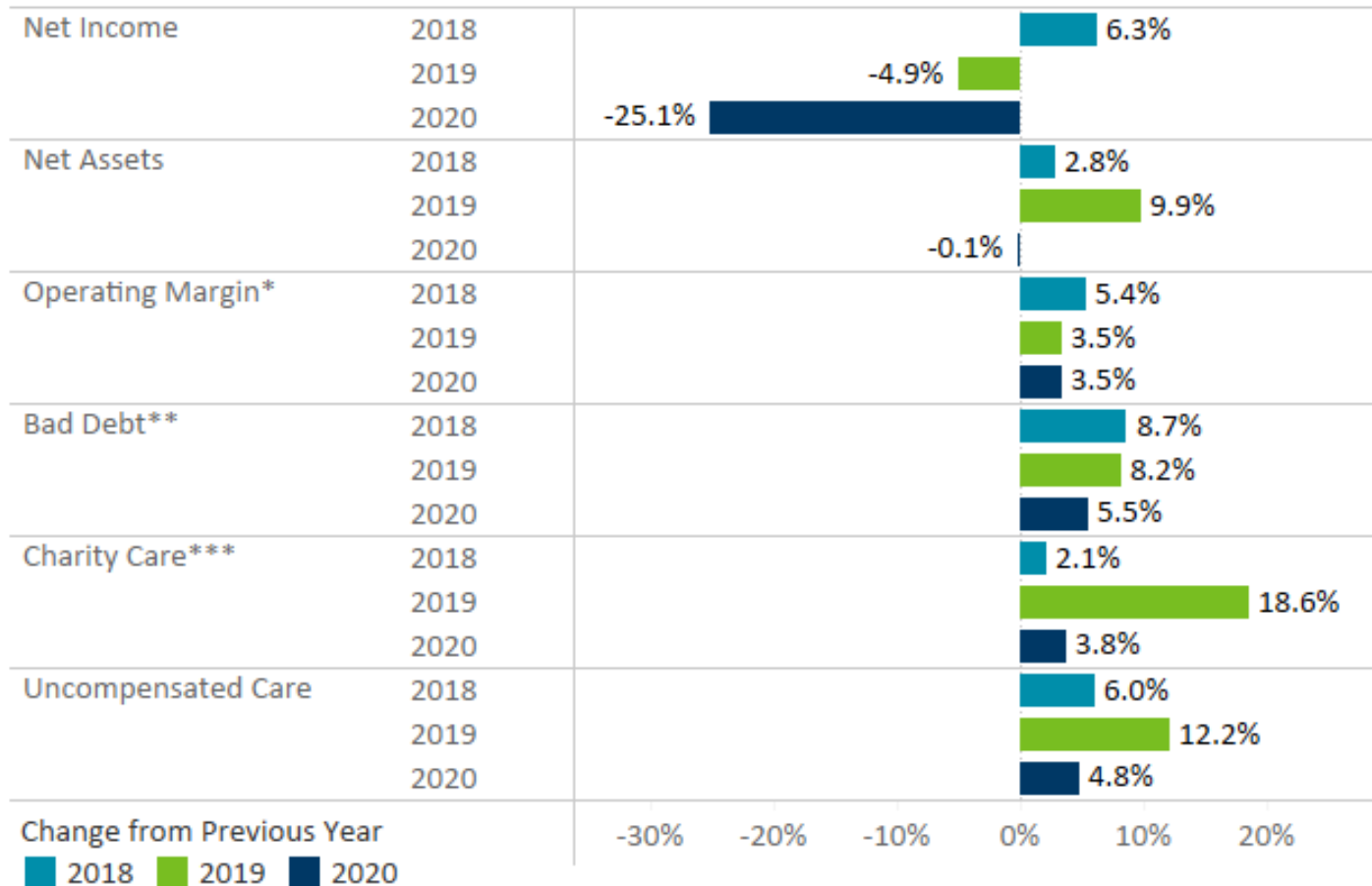
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Source: MDH Health Economics Program analysis of hospital annual reports, February 2022.

Financials

Annual Percent Change in Financial Measures, 2017-2020



- Major financial measures declined for Minnesota hospitals in 2020 compared to the past few years such as net income, net assets, and operating margins.
- Uncompensated care, including charity care and bad debt, increased more slowly in 2020 after larger increases in 2019.

*Operating margin is the median value of all hospitals.

**Bad debt is incurred when hospitals cannot obtain reimbursement for care provided to patients who appear not eligible for free or discounted care.

***Charity care is care for which hospitals never expect to be reimbursed.

Source: MDH Health Economics Program analysis of hospital annual reports, February 2022.

Net Income, 2017-2020

Millions of \$	2017	2018	2019	2020
Bed Size				
24 or fewer beds	\$40.7	\$42.1	\$19.5	\$73.8
25 to 49 beds	\$166.6	\$189.3	\$172.1	\$190.6
50 to 99 beds	\$140.6	\$211.7	\$99.1	\$36.6
100 to 199 beds	\$166.2	\$187.8	\$144.3	\$69.2
200 and more beds	\$1,430.5	\$1,435.4	\$1,529.5	\$1,101.1
Critical Access Hospital (CAH)¹				
Critical Access Hospital (CAH)	\$166.1	\$170.6	\$150.9	\$234.6
Non-CAH	\$1,778.5	\$1,895.7	\$1,813.5	\$1,236.7
Rural/Urban²				
Rural	\$258.9	\$395.6	\$234.8	\$304.5
Urban	\$1,685.6	\$1,670.7	\$1,729.6	\$1,166.8
Health System Affiliation				
Affiliated with a Health System	\$1,894.5	\$1,929.7	\$1,848.9	\$1,299.2
Not Affiliated	\$50.0	\$136.6	\$115.6	\$172.1
All Hospitals	\$1,944.5	\$2,066.3	\$1,964.4	\$1,471.3

- Changes in net income (revenue minus expenses) in 2020 varied greatly by hospital size, with smaller hospitals seeing gains, and larger hospitals seeing declines.
- Rural², unaffiliated, and Critical Access Hospitals¹ also saw gains in net income while there were net income declines among hospitals in urban settings and affiliated with health systems in 2020.

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Source: MDH Health Economics Program analysis of hospital annual reports, February 2022.

Median Operating Margin, 2017-2020

	2017	2018	2019	2020
Bed Size				
24 or fewer beds	3.1%	3.1%	1.3%	5.6%
25 to 49 beds	5.9%	6.6%	4.8%	4.2%
50 to 99 beds	3.4%	4.9%	3.7%	2.2%
100 to 199 beds	7.8%	7.5%	7.5%	6.7%
200 and more beds	6.9%	7.3%	5.1%	1.7%
Critical Access Hospital (CAH)¹				
Critical Access Hospital (CAH)	5.5%	5.1%	3.1%	5.6%
Non-CAH	6.0%	6.9%	4.3%	2.2%
Rural/Urban¹				
Rural	4.9%	4.6%	2.9%	4.9%
Urban	7.0%	7.3%	4.5%	1.7%
Health System Affiliation				
Affiliated with a Health System	6.8%	6.6%	4.5%	5.6%
Not Affiliated	2.1%	3.7%	1.5%	1.7%
All Hospitals	5.6%	5.4%	3.5%	3.5%

- While median operating margins were positive during 2020, they were lower than 2019 for larger hospitals, hospitals in urban² settings, and hospitals not affiliated with health systems.
- Median operating margins were higher in 2020 compared to 2019 for small facilities, Critical Access Hospitals, and hospitals located in rural areas.

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Source: MDH Health Economics Program analysis of hospital annual reports, February 2022.

Public Funding, 2018-2020

Public Funding (in \$ millions)	2018	2019	2020
Bed Size			
24 or fewer beds	\$3.6	\$4.6	\$46.0
25 to 49 beds	\$4.7	\$6.2	\$130.7
50 to 99 beds	\$3.9	\$3.8	\$110.0
100 to 199 beds	\$3.0	\$5.0	\$73.3
200 and more beds	\$117.6	\$124.6	\$519.3
Critical Access Hospital (CAH)²			
Critical Access Hospital (CAH)	\$5.5	\$7.7	\$118.4
Non-CAH	\$127.3	\$136.5	\$760.8
Rural/Urban³			
Rural	\$11.1	\$14.2	\$253.7
Urban	\$121.7	\$130.0	\$625.5
Health System Affiliation			
Affiliated with a Health System	\$52.5	\$55.8	\$726.8
Not Affiliated	\$80.3	\$88.4	\$152.5
Total	\$132.8	\$144.2	\$879.2

- Public funding¹ for Minnesota Hospitals rose by 510% between 2019 and 2020, with growth in all categories of hospitals.
- Hospitals that saw the most growth were Critical Access hospitals,² rural hospitals,³ and affiliated hospitals.

1 Public funding are municipal, county, state, or federal government sources of revenue, including grants and subsidies. It does not include funding for charity care.

2 A Critical Access Hospital (CAH) is a federal designation for a rural hospital that meets certain criteria

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Source: MDH Health Economics Program analysis of hospital annual reports, February 2022.

Public Funding Received by System, 2020

Hospital System	Hospitals	Available Beds	Public Funding ³ (in \$ millions)
Sanford Health	15	413	\$34.4
M Health Fairview	11	1,966	\$145.8
Essentia Health	11	772	\$47.8
Allina Health System	10	1,839	\$149.8
Mayo Clinic	10	1,704	\$35.4
CentraCare Health System	9	700	\$43.2
HealthPartners, Inc.	4	600	\$42.0
Avera Health	4	105	\$11.2
Catholic Health Initiatives	4	90	\$6.2
Park Nicollet Health Services	3	428	\$53.0
Ridgeview Medical Center	3	123	\$6.9
North Memorial Health Care	2	458	\$65.0
St. Luke's Hospital, Duluth	2	283	\$18.8
Other ¹	4	398	\$67.2
Unaffiliated Hospitals	36	1,430	\$152.5
Total²	127	11,308	\$879.2

- There were 110 Minnesota hospitals that reported receiving public funding in 2020, including 30 unaffiliated hospitals.
- Only two hospital systems, of one hospital each, did not receive public funding.

¹ Systems with only one hospital each, included: Lake Region Healthcare – Fergus Falls, Children's Hospitals and Clinics, Ascension Health, and Select Medical Corporation.

² Hospitals with multiple affiliations are counted under each affiliation and available beds are divided across systems equally.

³ Public funding are municipal, county, state, or federal government sources of revenue, including grants and subsidies. It does not include funding for charity care.

Source: MDH Health Economics Program analysis of hospital annual reports, February 2022.

Staffing & Capacity

Hospital Staffing in Full-Time Equivalents (FTE), 2017-2020

	2017	2018	2019	2020
Bed Size				
24 or fewer beds	4,534	4,931	4,667	4,143
25 to 49 beds	12,409	12,645	12,625	12,269
50 to 99 beds	11,033	9,770	10,549	10,951
100 to 199 beds	8,730	9,746	9,163	8,703
200 and more beds	55,498	56,132	56,626	54,658
Critical Access Hospital (CAH)¹				
Critical Access Hospital (CAH)	12,128	11,872	11,889	11,820
Non-CAH	80,075	81,351	81,739	78,903
Rural/Urban²				
Rural	22,253	22,110	22,102	21,593
Urban	69,951	71,114	71,527	69,129
Health System Affiliation				
Affiliated with a Health System	73,180	76,462	77,505	75,288
Not Affiliated	19,024	16,762	16,124	15,435
All Hospitals	92,204	93,224	93,629	90,723

- Staffing at Minnesota hospitals decreased by 2,900 FTE positions in 2020 (-3.1%) after several years of gains.
- Most of the staffing decrease was at hospitals in urban settings (82.5%); these hospitals had 76.2% of FTE positions.
- Small hospitals (less than 25 beds) had the largest loss of staff in 2020 compared to 2019 (-11.2%).

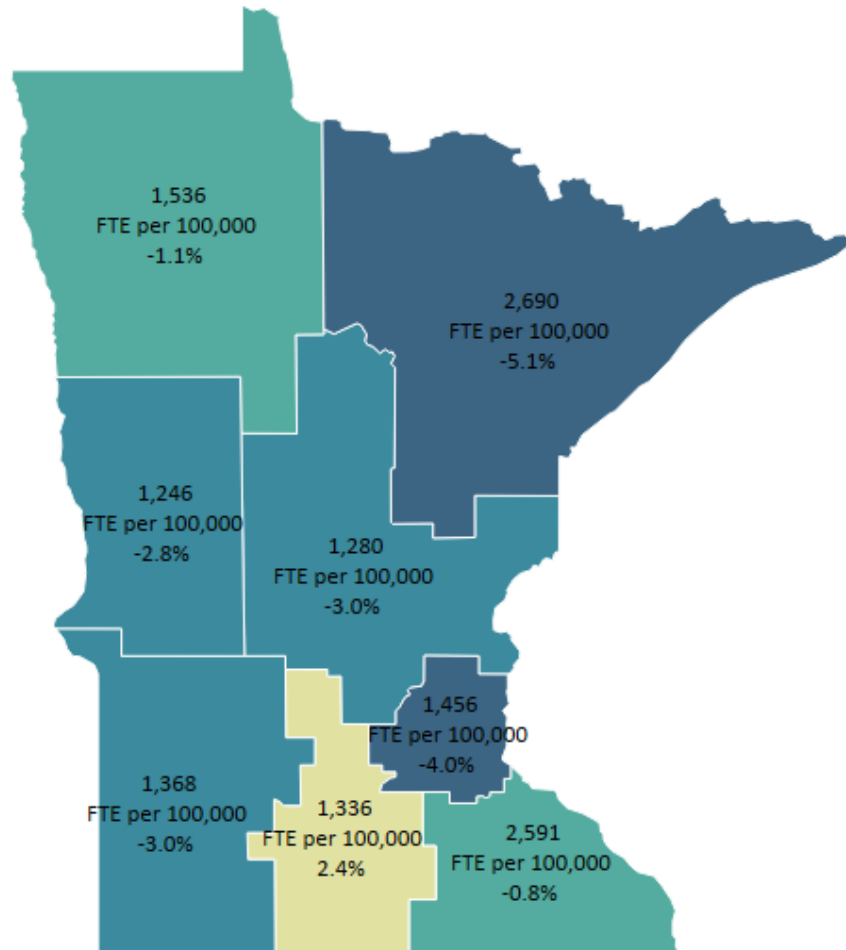
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Source: MDH Health Economics Program analysis of hospital annual reports, February 2022.

Full-Time Equivalent (FTE) Staffing by SCHSAC Region, 2020

Statewide:
1,590 FTE
per 100,000
-3.1%



- Staffing rates per 100,000 residents decreased at Minnesota hospitals from 2019 to 2020.
- All regions had declines in FTE rates except South Central Minnesota.
- The largest declines in FTE rates were in the Northwest and Metro regions, but the Northwest continues to have the highest FTE per resident population.

Percent Change in Rates 2019 to 2020



Source: MDH Health Economics Program analysis of hospital annual reports, February 2022.
Population data is from the 2020 Census.
For more information on SCHSAC regions, see slide 18.

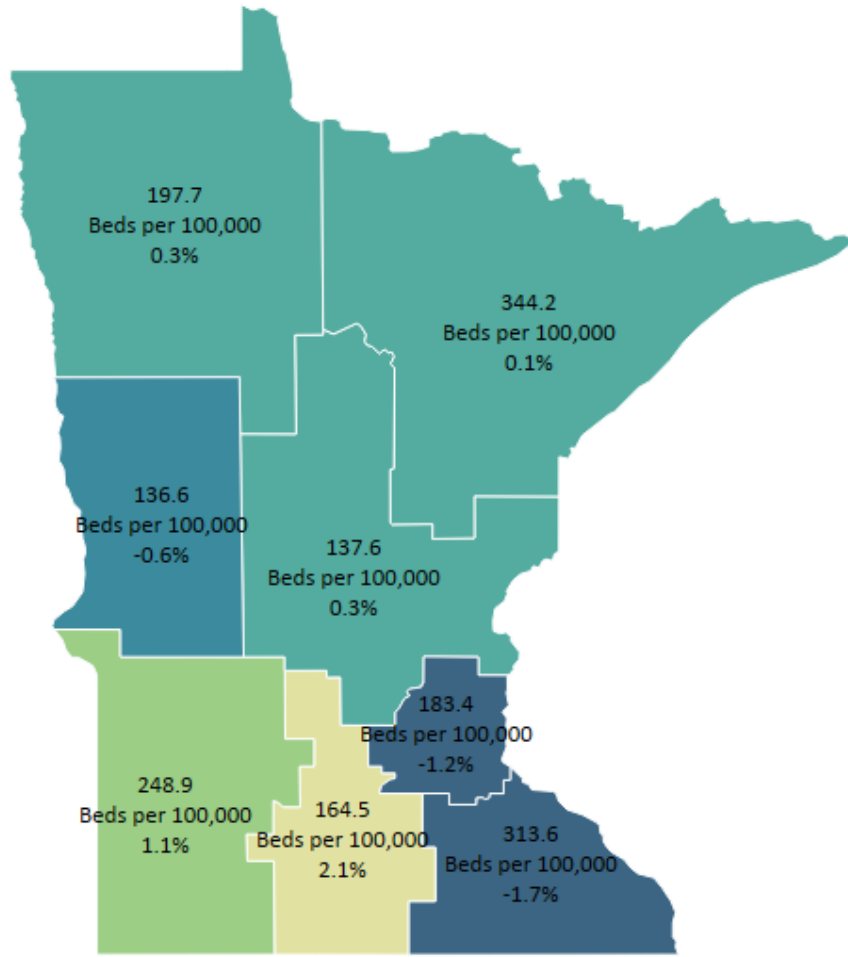
Available Hospital Beds, 2017-2020

	2017	2018	2019	2020
Bed Size				
24 or fewer beds	658	740	702	671
25 to 49 beds	1,374	1,323	1,351	1,336
50 to 99 beds	1,178	1,042	1,133	1,241
100 to 199 beds	1,093	1,231	1,100	986
200 and more beds	7,062	7,000	7,101	7,074
Critical Access Hospital (CAH)¹				
Critical Access Hospital (CAH)	1,583	1,566	1,561	1,561
Non-CAH	9,782	9,770	9,826	9,747
Rural/Urban¹				
Rural	2,616	2,593	2,558	2,609
Urban	8,749	8,743	8,829	8,699
Health System Affiliation				
Affiliated with a Health System	9,564	9,769	9,919	9,878
Not Affiliated	1,801	1,567	1,468	1,430
All Hospitals	11,365	11,336	11,387	11,308

- Available beds declined 0.7% in 2020, after a slight rise in 2019.
- One hospital closed between 2019 and 2020, Mayo Clinic Health System, Springfield, a 10-bed CAH.

Available Hospital Beds by SCHSAC Region, 2020

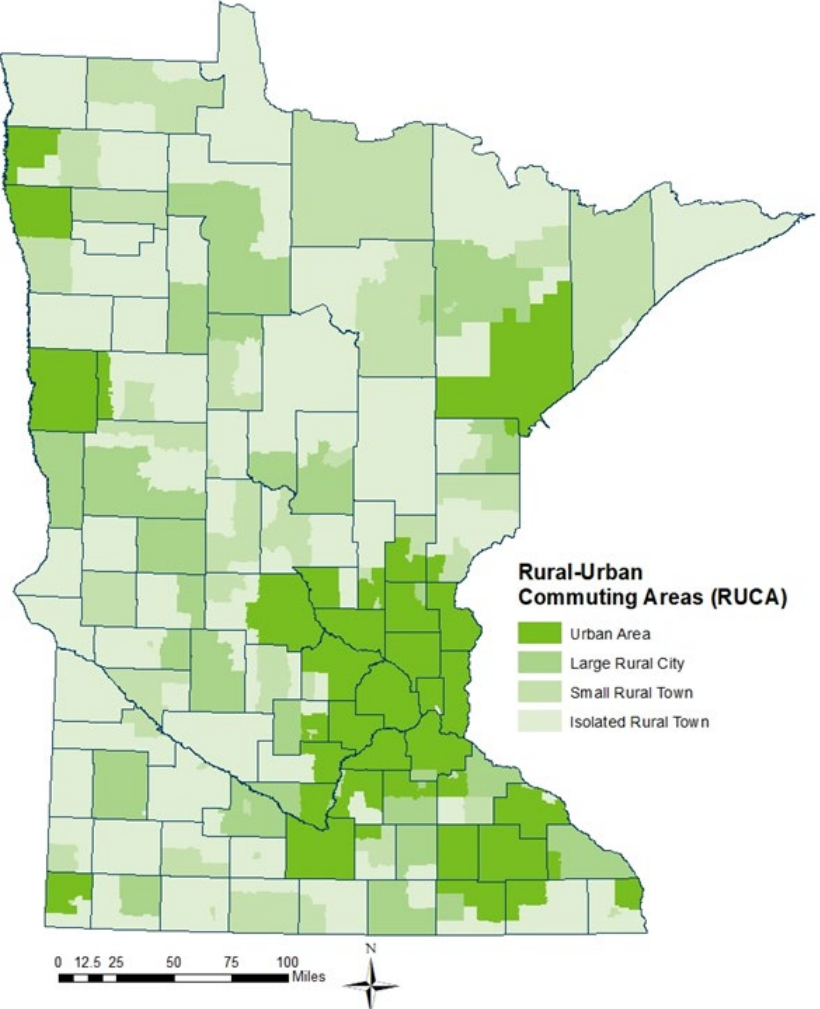
Statewide:
198 beds per
100,000
-0.7%



- Available beds per 100,000 residents decreased statewide from 2019 to 2020.
- Declines in rates of hospital beds per resident were seen in the Metro, Southeast, and West Central regions.
- The Northwest region continued to have the highest number of beds per resident population.



Rural-Urban Commuting Areas (RUCA) & State Community Health Services Advisory Committee Regions (SCHSAC)



Rural and urban areas are identified using the Rural-Urban Commuting Areas (RUCA). For more information on RUCA, visit: www.health.state.mn.us/data/workforce/method.html#ruca



Minnesota counties are grouped into State Community Health Services Advisory Committee (SCHSAC) Regions for state and local public health cooperation. For more information on SCHSAC, visit: www.health.state.mn.us/schsac/

Health Economics Program

<https://www.health.state.mn.us/data/economics/index.html>

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