

Report on the Financial Condition of the 23 Acute Nonprofit New Hampshire Hospitals

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This report examines the financial performance and condition of the 23 acute care nonprofit hospitals in New Hampshire

The report begins with an overview of the aggregate annual statement of operations (“income statement” equivalent) and changes in net assets (“equity” equivalent) of all 23 hospitals. It then describes key ratios and the variability of those ratios within the 23 hospitals over the five years 2003-2007. New Hampshire hospital performance is compared to hospital performance in the northeast region and nationally where benchmarks are available. Appendix One provides our methodology for calculating key ratios.¹ The final section of the report reviews the aggregate cash flow statements of the hospitals, to gain deeper insight into where funds come from and where they go within the hospital sector.

For the ratio and cash flow analyses, critical access hospitals (CAH) are broken out from the state aggregate numbers for purposes of trend and comparative analysis for this subgroup. The CAH analyses are presented by topic area (profitability, liquidity, solvency, plant age, cash flows) along with the related analyses of the hospital sector as a whole.

Aggregate Annual Statement of Operations and Changes in Net Assets Of Unrestricted Funds

Table 1 below is an aggregate annual income statement of the 23 nonprofit acute New Hampshire hospitals covering the 5-year period 2003-2007. It provides an overview of profitability and related performance features of the hospitals on a combined basis. The data relationships shown in Table 1 should not be construed as representative of a typical hospital. Financial profiles of individual hospitals vary, and there is a wide range of profitability both greater and lesser than indicated in Table 1. Total margins in 2007, for example, ranged from positive 15.5% to negative 7%.

¹ Comparable regional and national performance measures are from the *2008 Almanac of Hospital Financial and Operating Indicators*, Ingenix.

