

Identifying Crucial Rural Healthcare Facilities

The Problem:

Certain healthcare facilities require a special payment methodology specific to their special nature. That special nature is defined by their being small, rural, essential to their communities, and financially stressed.

Those defining qualities are intimately inter-related: if a facility is small and rural, it is almost certainly financially stressed; if it is small and financially stressed, it is almost certainly rural; if it is rural and financially stressed, it is almost certainly small.

That is because below a certain threshold of patient traffic, the usual cost/revenue relation breaks down. There is a minimum staffing size necessary for a healthcare facility to be open at all, especially if it maintains a 24/7 Emergency Department (a necessary element of its being “essential” to its community). That minimum staffing (and equipment and structure) will, in most rural communities, be able to handle more traffic than it receives—but cannot be further reduced without closing the facility altogether. That necessarily means a cost/revenue relation that looks worse than norms when those “norms” include larger urban and suburban facilities that can readily adapt their costs to match their revenues.

To keep those facilities open, payment methods adapted to their particular needs are necessary. Here, we will not deal in the nature of such methods, or even on the necessity of preserving those facilities; here we focus on constructing a reliable, simple, clear methodology for identifying all the healthcare facilities in the state in that special class. (We say “in the state”, but the same methodology should work in any state, making it an excellent pilot for a possible national approach.)

The Solution:

One very important thing to note before we begin: the list that emerges is *not* particularly dependent on some exact values for the screening parameters. No one of them needs to be “tuned” to some precise value (as will be seen when we get to specifics). There was no “reverse engineering” used to get pre-selected results. *This is a robust methodology.*

The concept is simple: we begin with all hospitals in the state, then progressively remove those that fail the screening tests, finally leaving only those that fit all of those criteria.

Manifestly, the highest-level criteria to be met by such facilities are just two: *they are at clear risk of financially dictated closure, and their loss would be a severe detriment to the communities they currently serve.*

The criterion of being at manifest risk of financially dictated closure is readily defined: an annual Total Margin (bottom-line net) persistently averaging less than the generally accepted minimum for sustainable, continuing viability. The critical point here is that **“breaking even” is not sufficient for long-term viability.**

Hospitals (like all businesses) *must* have a cash reserve on which they can draw for occasional extraordinary large expenses—capital or operating, planned or unexpected. Their net must include what the facility requires to run its normal day-to-day business—but it must *also* include an amount representing the average draw-down of its reserves. If a hospital does *not* maintain an average Total Margin above that critical minimum, its reserves will drain—rapidly or slowly, depending on the size of the shortfall—till the hospital no longer has the cash to continue to provide sound medical services and must close its doors.

(The standard financial benchmark “Days Cash On Hand” [DCOH] is a *snapshot* measure of the reserves a given hospital has; included in the Appendix Tables is a list of the at-risk hospitals' DCOHs and a comparison of them with financial-grading services' evaluations of hospital DCOH sizes.)

The critical size of Total Margin required by a hospital is obviously not a bright-line number; but a survey of the literature will show that most sources quote +4.0% as the threshold for sustainable viability, and none say anything less than +3.0%. In the reckonings here, the figure of +3.5% (multi-year average) was used to establish whether a hospital is “financially stressed”; but that is a bare minimum that arguably should be higher.

A hospital *not* averaging a Total Margin of *at least* +3.5% is thus a hospital slowly but surely bleeding its resources. It is a hospital that will, soon or late, run out of cash and have to close its doors at the next financial hiccup to come along. And these at-risk hospitals have been continually running Total Margins below, often far below, that critical threshold for so long that for them today “soon or late” is just about here.

That margin parameter is *not* finely tuned for a result: given the actual hospitals in Washington State, it could be as low as +3.25% (or as high as even +6.70%) without affecting the final list, owing to the other parameters used to screen. As noted earlier, such insensitivity to an exact particular value will be seen to be the case with all of the screening parameters used; again: *this is this is a robust methodology*.

The criterion of “essentialness” comprises three subsidiary criteria. The first is size, as that determines whether the facility is above or below the threshold discussed earlier, the size below which the facility can no longer lower costs to match revenue. Regrettably, no reliable generally available data on medical-provider staff sizes exist, so Net Operating Revenue in dollars was used as a reasonable proxy measure of approximate facility size.

The threshold value adopted here was \$33 million. Appendix 4 shows the Net Operating Revenue for each of Washington State's hospitals; it can be seen there that \$33 million lies in a between-hospitals gap of over \$2.5 million, a gap wider than most in that range of the tabulation. Moreover, *this is another not especially sensitive or critical value*: raising it to as much as \$90 million would not (owing to application of the other criteria) add even a single hospital to the list—nor would lowering it to just \$30 million exclude any now on the at-risk list. (That threshold will also agree with most observers' reckoning of “small” for a hospital.)

After size comes remoteness. An additional travel time of over 25 minutes was the cutoff—but that too is an insensitive value: once the Margin and Size filters had been applied, there were only two hospitals excluded solely owing to proximity, and they were not marginal (being in one case 12 and in the other 14 minutes from their next-nearest ER-equipped hospital).

Finally, to be “essential” a hospital obviously must maintain an Emergency Room. But no hospital that made it through the three preceding filters was without an associated ER.

So, the criteria for *screening out* hospitals are, as wanted, **reliable, simple, and clear**:

- *not* financially stressed: Total Margin at or above +3.5%; or
- *not* small: Net Operating Revenue greater than \$33 million; or
- *not* remote enough to be essential: drive time to next-nearest ER of 25 minutes or less; or
- *not* having a 24/7 Emergency Room.

What is left after such screening is the wanted list of small essential rural facilities at financial risk. *The selection is stringent.* The final list is 21 hospitals. All are Critical Access Hospitals (CAHs), but by no means do all state CAHs make this list—there are 39 CAHs in Washington, so almost half the state's CAHs are not “critical” *enough* to fall into this category.

Of the 21, some 19 are Public Hospital Districts (PHDs) and another is a contractual partnership between a private non-profit system (PeaceHealth) and a PHD (San Juan County PHD #1) that heavily subsidizes that facility, making it what one might call a “virtual PHD”. And of the 21, all but two operate primary-care clinics (and all, of course, have 24/7 ERs).

The Data:

All data came from state records. The source for most of the hospitals was the state Department of Health annual Form FS3 hospital reports, available online at:

<https://www.doh.wa.gov/DataandStatisticalReports/HealthcareinWashington/HospitalandPatientData/HospitalFinancialData/YearEndReports/>

(In some cases, discrepancies were found between available audits and FS3s; in those cases, the data from the applicable auditor reports was substituted for the FS3 data as being the more likely to be correct; the differences, though, are typically not great, and probably arise from audit corrections rendered after the corresponding FS3 had been filed.)

For some hospitals, data for one or more years were not available, neither FS3 nor audit. The cumulative averages are all based on such years' data as were available for each hospital.

Hospital names can change from year to year; the names used here are from the most recent year available (2017), but in all cases the license number is shown, being an unchanging ID.

Notes on the Individual Tables:

[Notes start on next page.]

Appendix 1:

This is the paramount result. It is a tabulation of all 100 licensed hospital in Washington state, showing for each a number of data:

- the hospital's name (the “dba”, not the legal identity);
- hospital license number (for definite identification);
- whether the hospital has an Emergency Room;
- the driving travel time from that hospital to the next-nearest Emergency Room, in minutes (as acquired from Google Maps on a clear weekday afternoon);
- the hospital's average Net Operating Revenue (used as a proxy for hospital size); and
- three financial margins, all also multi-year averages—
 - the standard Total Margin;
 - what the Total Margin *would have been* without any tax revenue; and
 - the standard Operating Margin.

The table is divided into color-coded blocks. Those blocks indicate which screening test each omitted hospital failed. A large number of hospitals failed on multiple counts; the blocks indicate only the *first* screening fail, but the other failing parameters are shown in **boldface**. The order in which the filters were applied (which is arbitrary and immaterial) was being (a) financially stressed, (b) small, and (c) remote enough to be essential to their communities (and with a 24/7 ER). There are much more extensive Notes just below the Table.

Appendix 2:

This shows the standard financial benchmark “Days Cash on Hand” for the at-risk hospitals in Appendix 1, and compares them to various averages and standards. It shows just how weak those hospitals' financial positions now are.

Appendix 3:

As an exercise, to get a crude, broad-brush idea of the size of the problem in dollars, a table was constructed for the 21 at-risk essential hospitals. For each, a calculation was made of the annual dollar amount of net that *would have* represented a Total Margin of +3.5%; then, from that the *actual* net was subtracted—the result being that hospital's average annual *shortfall* from the minimally acceptable Total Margin. (In 5 of the 21 cases, the hospital was actually running a *negative* Total Margin.) Those figures were also cumulated to get an all-21 total.

In that process, it was noted that just two hospitals together accounted for close to half (44%) of the all-21 total. To keep those two outlier cases from unduly distorting the average, a second estimate was made using the 19 other hospitals to get their average need, which was then multiplied by 21. The total so reached was just under \$9.5 million. That amount, distributed by need, would bring 19 of the 21 hospitals to a viable (if barely so) Total Margin.

(Note well that “distributed by need” is *definitely not* a proposed allocation method; the point of these tabulations was simply to determine the rough magnitude of the problem in dollars.)

The material in Appendix 3 is, as stated above, only a broad-brush handle on the magnitude of the need. But, in the overall scope of things, it demonstrates clearly that the need is not a huge need: the estimated roughly \$9.5 million (or even the full \$15.3 million), when compared to the State's \$13.4 billion annual health-care budget, is virtually a rounding error.

Further, directing a relatively small amount of extra funding to those small, essential, stressed hospitals should have the medium-term effect of *lowering* overall statewide health-care spending. Giving those “medical home” hospitals the ability to better serve their patient bases implies a reduction over time in out-of-District costs from conditions that could have and should have been headed off by a primary-care physician. For small rural hospital Districts' patients, *the great majority of healthcare expenses are out-of-District costs*—costs very often avoidable by earlier and much less costly interventions at their local District facility.

And were these small *essential* hospitals to start failing, as may well happen soon now without quick relief, *total* state spending on health care would *rise* nontrivially, as patients who could and should have had their needs attended to locally and promptly instead end up hospitalized, often for extended periods. Aside from the needless pain and suffering (and occasional death) such closings would engender, *they would end up costing a deal more than preventing such closures will.*

Appendix 4:

This simply lists the Net Operating Revenue for all 100 Washington State hospitals (sorted from highest to lowest), showing where the \$33 million cutpoint lies.

Appendix 5:

This simply lists the Total Margin for all 100 Washington State hospitals (sorted from highest to lowest), showing where the +3.5% threshold lies.

Appendix 6:

This is a map showing the locations of the 21 of the at-risk essential hospitals; it includes a link to an interactive online version.

[The Appendix Tables start on the next page, and are separately paginated.]

Appendix 1: All Washington State Hospitals

Key:

Not "stressed": Total Margin \geq +3.5%

Not "small": Net Operating Revenue > \$33 million

Not "essential": too close to next-nearest

See Notes at end of Table

(Also see "Notes on the Individual Tables" in the main text and the Notes at the end of this Table.

| HOSPITAL NAME | LIC NUM | HAS ER? | TRAV TIME | NET OPERATING REVENUE | -----MARGINS----- | | |
|----------------------------------------------------|------------|------------|--------------|--------------------------|-------------------|--------|-----------|
| | | | | | TOTAL | NO-TAX | OPERATING |
| Coulee Community Hospital | 150 | Y | 53 | \$ 22,972,209 | -18.0% | -18.8% | -17.0% |
| Garfield County Memorial Hospital | 082 | Y | 38 | \$ 5,422,035 | - 7.6% | -11.0% | -11.4% |
| Quincy Valley Hospital | 129 | Y | 27 | \$ 8,248,017 | - 6.3% | -23.4% | -25.2% |
| Providence Saint Joseph's Hospital of Chewelah | 194 | Y | 29 | \$ 19,976,443 | - 5.8% | - 5.8% | - 6.2% |
| Forks Community Hospital | 054 | Y | 72 | \$ 25,378,253 | - 2.7% | - 5.3% | - 6.0% |
| Mid-Valley Hospital | 147 | Y | 34 | \$ 29,811,738 | - 0.1% | - 2.8% | - 3.2% |
| Lincoln Hospital | 137 | Y | 42 | \$ 21,142,330 | + 0.4% | - 2.4% | - 3.0% |
| East Adams Rural Healthcare | 111 | Y | 40 | \$ 7,281,600 | + 0.5% | -12.5% | -12.5% |
| Willapa Harbor Hospital | 056 | Y | 49 | \$ 17,787,545 | + 0.5% | - 6.3% | - 6.3% |
| Lake Chelan Community Hospital | 165 | Y | 32 | \$ 24,082,049 | + 0.7% | - 5.1% | - 6.5% |
| Ferry County Memorial Hospital | 167 | Y | 49 | \$ 10,237,400 | (+ 1.0% | - 1.5% | - 1.6%) |
| Cascade Medical Center | 158 | Y | 32 | \$ 12,996,037 | + 1.7% | -14.2% | -15.4% |
| Morton General Hospital | 173 | Y | 49 | \$ 22,726,866 | + 1.7% | - 5.2% | - 5.5% |
| Othello Community Hospital | 125 | Y | 31 | \$ 15,468,705 | + 2.0% | - 4.7% | - 7.4% |
| Dayton General Hospital | 141 | Y | 41 | \$ 12,421,176 | + 2.1% | - 8.9% | -10.9% |
| Odessa Memorial Hospital | 080 | Y | 40 | \$ 6,880,614 | + 2.3% | - 8.1% | - 9.6% |
| Three Rivers Hospital | 023 | Y | 32 | \$ 11,300,863 | + 2.3% | - 8.7% | -10.8% |
| PeaceHealth Peace Island Medical Center | 211 | Y | 114 | \$ 15,718,024 | + 2.6% | - 3.8% | + 2.6% |
| Klickitat Valley Hospital | 008 | Y | 40 | \$ 20,446,372 | + 2.7% | - 1.0% | - 4.4% |
| North Valley Hospital | 107 | Y | 32 | \$ 21,976,431 | (+ 3.1% | - 1.9% | - 4.7%) |
| Columbia Basin Hospital | 045 | Y | 26 | \$ 15,898,308 | + 3.2% | + 0.7% | - 7.7% |
| Mason General Hospital | 152 | Y | 28 | \$ 90,269,323 | + 3.5% | + 1.2% | + 0.6% |
| Whitman Hospital & Medical Center | 153 | Y | 25 | \$ 26,492,299 | + 3.6% | + 1.2% | + 1.1% |
| Providence Regional Medical Center - Everett | 084 | Y | 24 | \$ 692,543,232 | + 3.7% | + 3.7% | + 3.8% |
| Swedish Medical Center First Hill | 001 | Y | 4 | \$1,231,807,312 | + 3.7% | + 3.7% | + 3.7% |
| Astria Toppenish Hospital | 199 | Y | 24 | \$ 20,762,520 | + 3.8% | + 3.8% | + 3.8% |
| Prosser Memorial Health Medical Center | 046 | Y | 18 | \$ 43,289,071 | + 3.9% | + 2.2% | + 0.7% |
| Regional Hospital for Respiratory and Complex Care | 202 | N | 11 | \$ 15,581,481 | + 4.1% | + 4.1% | + 5.2% |
| Jefferson Healthcare | 085 | Y | 62 | \$ 82,394,072 | + 4.4% | + 3.8% | + 3.3% |
| Tri-State Memorial Hospital | 108 | Y | 8 | \$ 66,408,407 | + 4.5% | + 4.5% | + 2.8% |
| Overlake Hospital Medical Center | 131 | Y | 14 | \$ 484,074,886 | + 4.6% | + 4.6% | + 2.1% |
| Astria Regional Medical Center | 102 | Y | 6 | \$ 109,945,021 | + 4.7% | + 4.7% | + 4.7% |

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| HOSPITAL NAME | LIC NUM | HAS ER? | TRAV TIME | NET OPERATING REVENUE | -----MARGINS----- | | |
|-----------------------------------------------|------------|------------|--------------|--------------------------|-------------------|--------|-----------|
| | | | | | TOTAL | NO-TAX | OPERATING |
| Central Washington Hospital | 168 | Y | 7 | \$ 293,559,648 | + 4.8% | + 4.8% | + 6.2% |
| Providence Saint Peter Hospital | 159 | Y | 14 | \$ 441,224,100 | + 4.8% | + 4.8% | + 4.5% |
| Highline Medical Center | 126 | Y | 20 | \$ 190,469,778 | + 5.2% | + 5.2% | + 4.9% |
| Fairfax Behavioral Health Hospital - Kirkland | 904 | Y | 5 | \$ 52,347,352 | + 5.8% | + 5.8% | + 5.8% |
| Kittitas Valley Healthcare | 140 | Y | 45 | \$ 69,882,395 | + 6.1% | + 5.2% | + 3.6% |
| PeaceHealth United General Hospital | 206 | Y | 17 | \$ 36,294,071 | + 6.1% | + 6.1% | + 6.0% |
| Samaritan Hospital | 078 | Y | 26 | \$ 60,113,337 | + 6.1% | + 5.4% | + 3.6% |
| Saint Clare Hospital | 132 | Y | 15 | \$ 141,603,424 | + 6.4% | + 6.4% | + 5.7% |
| Newport Community Hospital | 021 | Y | 41 | \$ 31,489,653 | + 6.8% | + 5.5% | + 5.0% |
| Cascade Behavioral Health | 921 | N | 11 | \$ 25,582,889 | + 7.1% | + 7.1% | + 7.1% |
| Seattle Cancer Care Alliance | 204 | N | 7 | \$ 478,787,311 | + 7.5% | + 7.5% | + 7.9% |
| MultiCare Tacoma General/Allenmore Hospital | 176 | Y | 2 | \$ 751,293,875 | + 8.1% | + 8.1% | + 8.1% |
| PeaceHealth Saint Joseph Hospital | 145 | Y | 31 | \$ 505,407,023 | + 8.7% | + 8.7% | + 7.2% |
| Harrison Medical Center | 142 | Y | 32 | \$ 458,624,211 | + 8.9% | + 8.9% | + 6.5% |
| Summit Pacific Medical Center | 186 | Y | 30 | \$ 25,087,609 | + 9.3% | + 7.2% | + 6.2% |
| Astria Sunnyside Hospital | 198 | Y | 22 | \$ 77,016,791 | + 9.5% | + 9.5% | + 9.5% |
| Providence Mount Carmel Hospital | 193 | Y | 29 | \$ 48,974,371 | + 9.9% | + 9.9% | +10.3% |
| Providence Centralia Hospital | 191 | Y | 35 | \$ 164,254,152 | +10.0% | +10.0% | + 9.9% |
| Capital Medical Center | 197 | Y | 16 | \$ 107,607,527 | +10.7% | +10.7% | +11.6% |
| Ocean Beach Hospital | 079 | Y | 30 | \$ 21,389,009 | +10.9% | + 3.4% | + 2.5% |
| Legacy Salmon Creek | 208 | Y | 15 | \$ 286,983,635 | +11.4% | +11.4% | +10.2% |
| MultiCare Good Samaritan Hospital | 081 | Y | 17 | \$ 459,695,120 | +11.5% | +11.5% | +11.5% |
| Saint Joseph Medical Center | 032 | Y | 19 | \$ 686,285,505 | +11.7% | +11.7% | +11.5% |
| Saint Anthony Hospital | 209 | Y | 16 | \$ 135,965,362 | +14.2% | +14.2% | +13.6% |
| Seattle Children's Hospital | 014 | Y | 9 | \$1,278,886,726 | +14.2% | +14.2% | +11.9% |
| Navos | 919 | N | 7 | \$ 12,250,376 | +15.8% | +15.8% | +15.8% |
| Saint Francis Community Hospital | 201 | Y | 13 | \$ 234,204,363 | +18.8% | +18.8% | +18.4% |
| MultiCare Mary Bridge Children's Hospital | 175 | Y | 2 | \$ 244,656,757 | +19.2% | +19.2% | +19.2% |
| Saint Elizabeth Hospital | 035 | Y | 27 | \$ 55,510,176 | +21.0% | +21.0% | +16.4% |
| MultiCare Valley Hospital | 180 | Y | 15 | \$ 115,934,720 | +22.2% | +22.2% | +22.0% |
| Cascade Valley Hospital | 106 | Y | 23 | \$ 35,332,725 | +29.2% | +27.8% | + 4.8% |

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|------------------------------------------------------|------------|------------|--------------|--------------------------|-------------------|--------|-----------|
| | | | | | TOTAL | NO-TAX | OPERATING |
| Kaiser Permanente Central Hospital | 020 | Y | 6 | \$ 34,050,218 | + 0.0% | + 0.0% | + 0.0% |
| Kindred Hospital Seattle | 148 | N | 12 | \$ 39,929,616 | + 0.1% | + 0.1% | + 0.1% |
| EvergreenHealth Monroe | 104 | Y | 25 | \$ 42,958,121 | + 2.7% | + 2.7% | - 5.1% |
| Saint Luke's Rehab Institute | 157 | N | 1 | \$ 43,177,519 | - 0.5% | - 0.5% | - 0.4% |
| Pullman Regional Hospital | 172 | Y | 18 | \$ 60,145,486 | + 1.9% | + 0.1% | + 3.0% |
| Island Hospital | 134 | Y | 29 | \$ 91,952,752 | + 2.4% | - 1.1% | - 1.1% |
| Whidbey General Hospital | 156 | Y | 47 | \$ 95,788,502 | + 3.2% | - 1.4% | - 5.4% |
| Lourdes Medical Center | 022 | Y | 18 | \$ 97,106,854 | + 1.8% | + 1.8% | + 2.1% |
| Grays Harbor Community Hospital | 063 | Y | 34 | \$ 98,000,014 | - 5.3% | - 5.3% | - 6.4% |
| MultiCare Auburn Regional Medical Center | 183 | Y | 6 | \$ 152,947,719 | - 8.3% | - 8.3% | - 8.3% |
| Providence Saint Mary Medical Center | 050 | Y | 43 | \$ 158,157,223 | - 0.0% | - 0.0% | - 0.8% |
| Olympic Medical Center | 038 | Y | 58 | \$ 159,697,338 | + 2.0% | - 0.7% | - 0.9% |
| Trios Health | 039 | Y | 18 | \$ 174,274,742 | - 5.9% | - 6.7% | - 8.6% |
| Swedish Medical Center - Issaquah | 210 | Y | 16 | \$ 189,967,520 | - 4.1% | - 4.1% | - 4.1% |
| Providence Holy Family Hospital | 139 | Y | 14 | \$ 195,784,807 | - 0.5% | - 0.5% | - 0.5% |
| Swedish Medical Center - Edmonds | 138 | Y | 16 | \$ 225,419,282 | - 6.6% | - 6.6% | - 6.7% |
| PeaceHealth Saint John Medical Center | 026 | Y | 35 | \$ 252,319,191 | + 1.6% | + 1.6% | - 1.5% |
| MultiCare Deaconess Hospital | 037 | Y | 5 | \$ 260,077,329 | - 0.8% | - 0.8% | - 2.6% |
| Skagit Valley Hospital | 207 | Y | 13 | \$ 291,482,490 | + 2.6% | - 1.6% | - 2.3% |
| Wenatchee Valley Hospital | 205 | N | 7 | \$ 316,746,853 | + 1.2% | + 1.2% | + 1.2% |
| University of Washington Medicine/Northwest Hospital | 130 | Y | 17 | \$ 333,943,214 | - 3.0% | - 3.0% | - 5.2% |
| Virginia Mason Memorial Hospital | 058 | Y | 6 | \$ 401,785,830 | + 0.5% | + 0.5% | + 2.5% |
| Swedish Medical Center - Cherry Hill | 003 | Y | 4 | \$ 474,299,291 | + 2.0% | + 2.0% | + 2.0% |
| Kadlec Medical Center | 161 | Y | 20 | \$ 501,684,297 | + 2.5% | + 2.5% | + 2.2% |
| PeaceHealth Southwest Medical Center | 170 | Y | 20 | \$ 531,278,081 | + 0.6% | + 0.6% | - 2.1% |
| University of Washington Valley Medical Center | 155 | Y | 17 | \$ 531,559,962 | + 0.5% | + 0.5% | - 0.2% |
| EvergreenHealth | 164 | Y | 14 | \$ 596,530,317 | + 3.2% | - 0.9% | - 1.1% |
| Providence Sacred Heart Medical Center | 162 | Y | 5 | \$ 850,218,042 | + 1.1% | + 1.1% | + 0.5% |
| University of Washington Harborview Medical Center | 029 | Y | 9 | \$ 902,951,950 | + 1.7% | + 1.7% | + 4.0% |
| Virginia Mason Medical Center | 010 | Y | 2 | \$1,041,757,008 | + 3.1% | + 3.1% | + 2.7% |
| University of Washington Medical Center | 128 | Y | 5 | \$1,055,766,636 | + 0.4% | - 0.2% | + 1.7% |

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|----------------------------------------------|------------|------------|--------------|--------------------------|-------------------|---------|-----------|
| | | | | | TOTAL | NO-TAX | OPERATING |
| Fairfax Behavioral Health Hospital - Everett | 922 | N | 21 | \$ 6,659,640 | + 1.6% | + 1.6% | + 1.6% |
| Skyline Hospital | 096 | Y | 14 | \$ 16,962,033 | - 3.7% | - 6.9% | - 6.7% |
| Snoqualmie Valley Hospital | 195 | Y | 12 | \$ 29,722,628 | - 5.4% | -17.7% | -20.2% |
| Lourdes Counseling Center | 915 | N | 4 | \$ 18,659,743 | + 2.0% | + 2.0% | + 1.3% |
| Fairfax Behavioral Health Hospital - Monroe | 923 | N | 2 | \$ 5,130,543 | -19.0% | -19.0% | -19.0% |
| Shriner's Hospital - Spokane | 042 | N | 1 | \$ 9,966,990 | -125.6% | -126.5% | -126.5% |

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Notes:

General:

The "filters" indicated by colors were applied successively in the order shown in the Key; many hospitals would fail the list on multiple counts, but only the first that applied was used to select the color code (where other parameters would *also* disqualify, they are shown in **boldface** in the Table). The order of application of the filters is immaterial to the final list.

Within each block, the hospitals are sub-sorted by the value of the block parameter, from closest to farthest from the threshold value.

All data are cumulative from as many of the years 2014 through 2017 (inclusive) as the state has on record for that hospital. As noted earlier, most data are from the hospitals' FS3 forms as filed by them with the State; but, in several cases, data was instead taken from audit reports, also as filed with the State. The two sets of data can differ in two ways: the years covered (some hospitals lack FS3 forms for years reported in audit), and the actual numbers. The discrepancies in the actual numbers are usually not large, and probably result from audit adjustments made after the corresponding FS3 had been filed.

Hospital license numbers are provided because some hospitals changed name during the time period for these data.

[Discussion of the colored blocks begins on next page]

Notes, continued:

About Each Block:

The White/Grey block (21 hospitals): the at-risk essential hospitals

- All but two operate primary-care clinics.
- Thirteen are members of the WRHAP Group (all WRHAP members are in this block).
- PeaceHealth Peace Island Medical Center is not a Public Hospital District, and so has no taxing powers; but it does receive a contractual tax-derived annual subsidy from San Juan County Public Hospital District #1, at a little over a million dollars a year; that amount was used in deriving the “No-Tax” margin for that hospital.
- All 21 are Critical Access Hospitals (CAHs). There are 39 CAHs in the state, and these at-risk hospitals are thus hardly over half of the CAHs, which signifies that the criteria used here to identify at-risk hospitals are a good deal more stringent than those that define a CAH.
- All but two of the twenty-one (Providence St. Joseph Hospital and PeaceHealth Peace Island Medical Center are the exceptions) are Public Hospital Districts, and one of those two is subsidized by a PHD (as noted above).
- Two of the hospitals in this list, those in light grey, were initially screened out owing to over-threshold cumulative Total Margins, but closer examination of their year-by-year data showed in each case a skewing factor that distorted the reckoning. Those two are elaborated below. (And their margins, in parentheses in the Table, are those appropriately adjusted for the skews.)

Ferry County Memorial Hospital:

For the years used in the initial screening, Ferry's Total Margin was +4.5%. That initial screening was derived from averaged data from as many years from 2014 through 2017 as were available. But for Ferry, only two years' worth of data, 2014 and 2015, were initially used (being the only years with *audit* data on file); but one of those years was a one-time unusual one. Using data that includes 2013 better shows the true case: a three-year average Total Margin of +1.03%. (rounded in the Table above to +1.0%). The true three-year margins are what is shown in the Table. For consistency, the three years of data are all from the FS3s.

(The chief skew factor in 2014 seems to be a one-time Grants total of \$613,612, whereas the Grants totals for the other two years were \$44,914 and \$30,989, an annualized average of \$37,952, making 2014's total \$575,660 above the norm for Ferry. Without that extra grant amount, using the Grants-amount average instead, Ferry's Total Margin for 2014 would have been +2.98%, making its three-year average negative at -0.66%; but *even with it, Ferry is barely positive over the three years.*)

[Discussion of the colored blocks continues on next page]

[Discussion of the colored blocks continued from previous page]

North Valley Hospital:

For the years used in the initial screening, North Valley's Total Margin was +9.9%. That initial screening was derived from averaged data from audit reports for just 2015 and 2016 (which show data *slightly but not materially* different from the corresponding FS3 forms: the data used to screen shows 2015 at +12.17% and 2016 at +7.68%, while the FS3 data for those years show +13.75% and +7.59%, respectively).

Looking at a fuller, five-year picture centered on 2015, we find that the FS3 data show that North Valley's 2015 Total Margin was between 4 and 5 times its average for the other four years, the two prior and the two succeeding. More exactly, the average for those four years is +3.10% while 2015's value was +13.75%, some 4.4 times that four-year average.

In 2017, the most recent full year, the District's Total Margin was actually *negative*, -1.23%; further, their Operating Margin was negative three of those four surrounding years (and was a substantial -7.16% in 2017).

Regardless of whether one uses FS3 data or audit data, North Valley obviously belongs with the others identified as "small, remote, essential, and financially stressed"; the cumulative margins from the four years of 2013, 2014, 2016, and 2017 were used in the Table.

The Brown block (42 hospitals): not stressed—Total Margins at or over +3.5%

- 34 (77%) are also over the size limit of \$33 million in Net Operating Revenue, many substantially so.
- 30 (68%) also fail the travel-time criterion by not being over 25 minutes' drive from the next-nearest ER hospital.
- 4 of these hospitals further fail by having no ER.
- The high incidence of “over-size” and “too-near” screenouts amply demonstrates that high-margin hospitals are predominantly large urban/suburban hospitals.

The Blue block (31 hospitals): not small--Net Operating Revenue over \$33 million:

- 25 (81%) would also fail on the travel-time criterion.
- 3 of these hospital have no ER.
- The high incidence of short travel times to adjacent facilities again demonstrates a concentration of urban/suburban in these large hospitals.

[Discussion of the colored blocks continues on next page]

[Discussion of the colored blocks continued from previous page]

The Yellow block (6 hospitals): travel time to next-nearest ER over 25 minutes

- Four of the mere six hospitals in this block would be disqualified anyway for not having an Emergency Room.
- That only two hospitals in the state would be disqualified *solely* on the travel-time parameter makes it clear that that parameter is not at all critical in determining essential at-risk hospitals (and these two are a mere 12 and 14 minutes from the next-nearest facility). Put another way, it shows that being small and financially stressed is virtually synonymous with being a relatively remote (and hence rural) facility.

A general observation: of the 100 licensed hospitals in Washington, only three (3%) are small, remote, essential, and rural without also being financially stressed. (And those could stand a closer examination for unusual circumstances.)

[End of Appendix 1 Notes.]

Appendix 2: Cash Reserves for the 21 Stressed Essential Hospitals

Data Source: Washington State Department of Health Spreadsheet on line at:

<https://www.doh.wa.gov/Portals/1/Documents/2300/HospPatientData/FinancialRatios.xlsx>

Data are from 2016 unless otherwise noted (most recent pre-2017 data used in all cases)..

| Hospital | Days |
|-------------------------------------------------------------------------|--------------|
| Odessa Memorial Hospital 080 | 130.3 |
| Dayton General Hospital 141 | 103.6 |
| North Valley Hospital 107 | 102.5 |
| Othello Community Hospital 125 | 101.6 (2010) |
| Klickitat Valley Hospital 008 | 90.6 |
| Morton General Hospital 173 | 65.1 |
| Columbia Basin Hospital 045 | 60.3 |
| Ferry County Memorial Hospital 167 | 46.5 (2015) |
| Cascade Medical Center 158 | 43.8 |
| Forks Community Hospital 054 | 41.5 |
| East Adams Rural Healthcare 111 | 41.1 |
| Garfield County Memorial Hospital 082 | 38.9 (2014) |
| Willapa Harbor Hospital 056 | 34.5 |
| Mid-Valley Hospital 147 | 22.2 |
| Lincoln Hospital 137 | 22.0 (2015) |
| Lake Chelan Community Hospital 165 | 4.9 |
| Quincy Valley Hospital 129 | 4.7 (2012) |
| Coulee Community Hospital 150 | 4.7 |
| Three Rivers Hospital (formerly Okanogan Douglas District Hospital) 023 | 4.4 |
| Providence Saint Joseph's Hospital of Chewelah | 0.5 |
| PeaceHealth Peace Island Medical Center 211 | n/a |

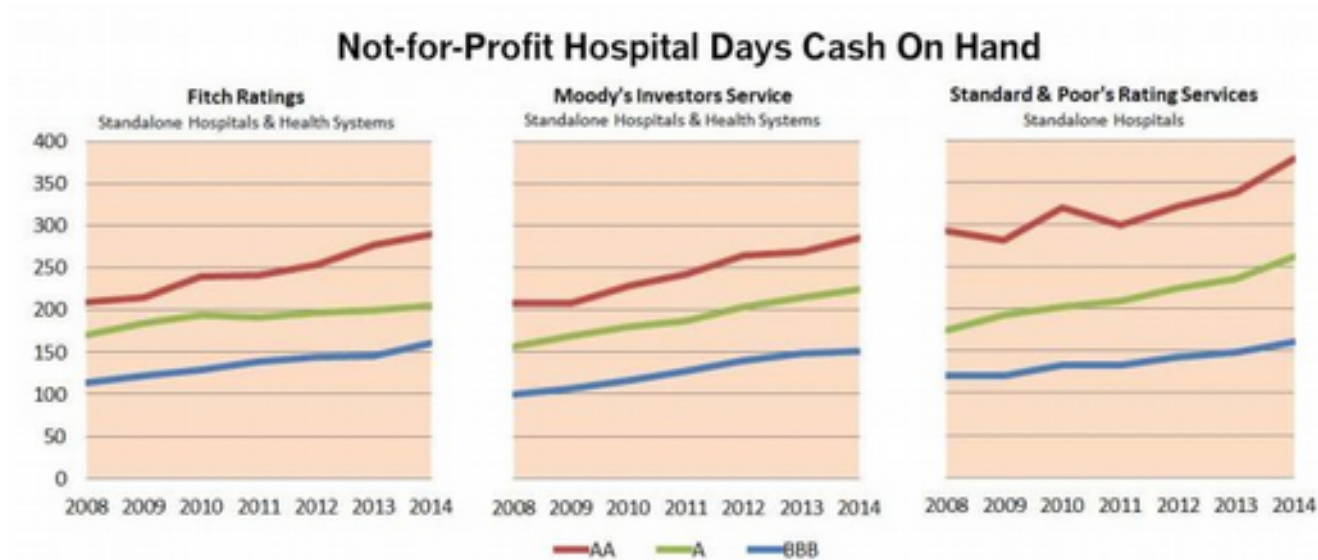
For comparison, the 2017 median value nationally for non-profit hospitals was **213.9 days**.

“Days Cash on Hand” values correlate well with the financial-health ratings assigned by various rating services, as shown in the graphs on the next page: low “Days Cash on Hand” signifies a financially low-rated hospital, and vice-versa. Note that all 21 of these hospitals are under, many far under, even the BBB (very lowest) rating category's median value. Some have less than a week's reserves.

[Rating Services' Graphs on next page]

Appendix 2, continued:

Rating Services: graphs of Days Cash on Hand vs. hospital financial rating.



[End of Appendix 2]

Appendix 3: Shortfalls for the 21 Stressed Essential Hospitals

Key:

“Gross” is the sum of FS3 entries *Total Operating Revenue + Tax Revenues + Non Operating Revenue Net of Expenses*

“Net” is the FS3 entry *Net Revenue or (Expense)*

“@+3.5%” is the amount of net needed to make a +3.50% Total Margin (Total Margin = 100 x Net/Gross)

“Shortfall” is the amount by which the actual net falls short of the 3.5% net

“Need %” is that shortfall as a percentage of gross income

All data are the annualized cumulative figures for the period 2014 – 2017 inclusive, or of whatever data were available from that period (some hospitals are missing years in that period).

Alphabetical by hospital:

| Hospital | Gross | Net | Net @ 3.5% | Shortfall | Need % |
|------------------------------------------------|--------------|--------------|-------------|-------------|--------|
| Cascade Medical Center | \$15,259,685 | \$ 258,735 | \$ 534,089 | \$ 275,354 | 1.8% |
| Columbia Basin Hospital | \$17,696,144 | \$ 567,933 | \$ 619,365 | \$ 51,432 | 0.3% |
| Coulee Community Hospital | \$22,771,353 | \$-4,103,517 | \$ 796,997 | \$4,900,514 | 21.5% |
| Dayton General Hospital | \$14,064,882 | \$ 290,731 | \$ 492,271 | \$ 201,540 | 1.4% |
| East Adams Rural Healthcare | \$ 8,235,377 | \$ 43,264 | \$ 288,238 | \$ 244,974 | 3.0% |
| Ferry County Memorial Hospital | \$10,219,204 | \$ 186,437 | \$ 357,672 | \$ 171,236 | 1.7% |
| Forks Community Hospital | \$26,174,516 | \$ -700,358 | \$ 916,108 | \$1,616,466 | 6.2% |
| Garfield County Memorial Hospital | \$ 5,613,559 | \$ -428,440 | \$ 196,475 | \$ 624,915 | 11.1% |
| Klickitat Valley Hospital | \$21,935,760 | \$ 585,451 | \$ 767,752 | \$ 182,301 | 0.8% |
| Lake Chelan Community Hospital | \$25,845,895 | \$ 187,277 | \$ 904,606 | \$ 717,329 | 2.8% |
| Lincoln Hospital | \$21,850,425 | \$ 76,893 | \$ 764,765 | \$ 687,872 | 3.1% |
| Mid-Valley Hospital | \$30,896,225 | \$ -35,563 | \$1,081,368 | \$1,116,931 | 3.6% |
| Morton General Hospital | \$24,379,816 | \$ 413,097 | \$ 853,294 | \$ 440,197 | 1.8% |
| North Valley Hospital | \$22,688,635 | \$ 711,204 | \$ 794,102 | \$ 82,898 | 0.4% |
| Odessa Memorial Hospital | \$ 7,723,041 | \$ 180,371 | \$ 270,306 | \$ 89,935 | 1.2% |
| Othello Community Hospital | \$16,940,993 | \$ 333,637 | \$ 592,935 | \$ 259,298 | 1.5% |
| PeaceHealth Peace Island Medical Center | \$15,718,024 | \$ 408,713 | \$ 550,131 | \$ 141,418 | 0.9% |
| Providence Saint Joseph's Hospital of Chewelah | \$20,050,099 | \$-1,155,162 | \$ 701,753 | \$1,856,915 | 9.3% |
| Quincy Valley Hospital | \$ 9,715,727 | \$ -612,109 | \$ 340,050 | \$ 952,159 | 9.8% |
| Three Rivers Hospital | \$12,819,373 | \$ 294,403 | \$ 448,678 | \$ 154,275 | 1.2% |
| Willapa Harbor Hospital | \$18,991,296 | \$ 92,009 | \$ 664,695 | \$ 572,686 | 3.0% |

[Appendix 3 continues on next page]

[Appendix 3 continued from previous page]

Appendix 3, continued:

Key:

“Gross” is FS3 entries *Total Operating Revenue + Tax Revenues + Non Operating Revenue Net of Expenses*

“Net” is FS3 entry *Net Revenue or (Expense)*

“@+3.5%” is the amount of net needed to make a +3.50% Total Margin (Total Margin = Net/Gross)

“Shortfall” is the amount by which the actual net falls short of the 3.5% net

“Need %” is that shortfall as a percentage of gross income

All data are the annualized cumulative figures for the period 2014 – 2017 inclusive, or of whatever data were available from that period (some hospitals are missing years in that period).

Sorted By Need As a Percentage of Gross:

| Hospital | Gross | Net | Net @ 3.5% | Shortfall | Need % |
|------------------------------------------------|--------------|--------------|-------------------|------------------|---------------|
| Columbia Basin Hospital | \$17,696,144 | \$ 567,933 | \$ 619,365 | \$ 51,432 | 0.3% |
| North Valley Hospital | \$22,688,635 | \$ 711,204 | \$ 794,102 | \$ 82,898 | 0.4% |
| Klickitat Valley Hospital | \$21,935,760 | \$ 585,451 | \$ 767,752 | \$ 182,301 | 0.8% |
| PeaceHealth Peace Island Medical Center | \$15,718,024 | \$ 408,713 | \$ 550,131 | \$ 141,418 | 0.9% |
| Odessa Memorial Hospital | \$ 7,723,041 | \$ 180,371 | \$ 270,306 | \$ 89,935 | 1.2% |
| Three Rivers Hospital | \$12,819,373 | \$ 294,403 | \$ 448,678 | \$ 154,275 | 1.2% |
| Dayton General Hospital | \$14,064,882 | \$ 290,731 | \$ 492,271 | \$ 201,540 | 1.4% |
| Othello Community Hospital | \$16,940,993 | \$ 333,637 | \$ 592,935 | \$ 259,298 | 1.5% |
| Ferry County Memorial Hospital | \$10,219,204 | \$ 186,437 | \$ 357,672 | \$ 171,236 | 1.7% |
| Cascade Medical Center | \$15,259,685 | \$ 258,735 | \$ 534,089 | \$ 275,354 | 1.8% |
| Morton General Hospital | \$24,379,816 | \$ 413,097 | \$ 853,294 | \$ 440,197 | 1.8% |
| Lake Chelan Community Hospital | \$25,845,895 | \$ 187,277 | \$ 904,606 | \$ 717,329 | 2.8% |
| East Adams Rural Healthcare | \$ 8,235,377 | \$ 43,264 | \$ 288,238 | \$ 244,974 | 3.0% |
| Willapa Harbor Hospital | \$18,991,296 | \$ 92,009 | \$ 664,695 | \$ 572,686 | 3.0% |
| Lincoln Hospital | \$21,850,425 | \$ 76,893 | \$ 764,765 | \$ 687,872 | 3.1% |
| Mid-Valley Hospital | \$30,896,225 | \$ -35,563 | \$1,081,368 | \$1,116,931 | 3.6% |
| Forks Community Hospital | \$26,174,516 | \$ -700,358 | \$ 916,108 | \$1,616,466 | 6.2% |
| Providence Saint Joseph's Hospital of Chewelah | \$20,050,099 | \$-1,155,162 | \$ 701,753 | \$1,856,915 | 9.3% |
| Quincy Valley Hospital | \$ 9,715,727 | \$ -612,109 | \$ 340,050 | \$ 952,159 | 9.8% |
| Garfield County Memorial Hospital | \$ 5,613,559 | \$ -428,440 | \$ 196,475 | \$ 624,915 | 11.1% |
| Coulee Community Hospital | \$22,771,353 | \$-4,103,517 | \$ 796,997 | \$4,900,514 | 21.5% |

[Appendix 3 continues on next page]

[Appendix 3 continued from previous page]

Appendix 3, continued:

Key:

“Shortfall” is that hospital's shortfall below +3.5% Total Margin, expressed in dollars

“Percent of Total” is that hospital's shortfall as a percentage of the total shortfall for all 21 hospitals listed

“Cumulative Shortfall” is the line-by-line running total shortfall for that line and all above it

“Cum. Pct. Of total” is the Cumulative shortfall for that line as a percentage of the total all-21 shortfall amount

Shortfalls Cumulated (sorted smallest to largest):

| Hospital | Shortfall | Percent of total | Cumulative shortfall | Cum.Pct. of total |
|------------------------------------------------|------------------|-----------------------------|---------------------------------|------------------------------|
| Columbia Basin Hospital | \$ 51,432 | + 0.3% | \$ 51,432 | + 0.3% |
| North Valley Hospital | \$ 82,898 | + 0.5% | \$ 134,330 | + 0.9% |
| Odessa Memorial Hospital | \$ 89,935 | + 0.6% | \$ 224,265 | + 1.5% |
| PeaceHealth Peace Island Medical Center | \$ 141,418 | + 0.9% | \$ 365,683 | + 2.4% |
| Three Rivers Hospital | \$ 154,275 | + 1.0% | \$ 519,958 | + 3.4% |
| Ferry County Memorial Hospital | \$ 171,235 | + 1.1% | \$ 691,193 | + 4.5% |
| Klickitat Valley Hospital | \$ 182,301 | + 1.2% | \$ 873,494 | + 5.7% |
| Dayton General Hospital | \$ 201,540 | + 1.3% | \$ 1,075,034 | + 7.0% |
| East Adams Rural Healthcare | \$ 244,974 | + 1.6% | \$ 1,320,008 | + 8.6% |
| Othello Community Hospital | \$ 259,298 | + 1.7% | \$ 1,579,306 | + 10.3% |
| Cascade Medical Center | \$ 275,354 | + 1.8% | \$ 1,854,660 | + 12.1% |
| Morton General Hospital | \$ 440,197 | + 2.9% | \$ 2,294,857 | + 15.0% |
| Willapa Harbor Hospital | \$ 572,686 | + 3.7% | \$ 2,867,543 | + 18.7% |
| Garfield County Memorial Hospital | \$ 624,915 | + 4.1% | \$ 3,492,458 | + 22.8% |
| Lincoln Hospital | \$ 687,872 | + 4.5% | \$ 4,180,330 | + 27.3% |
| Lake Chelan Community Hospital | \$ 717,329 | + 4.7% | \$ 4,897,659 | + 31.9% |
| Quincy Valley Hospital | \$ 952,159 | + 6.2% | \$ 5,849,818 | + 38.1% |
| Mid-Valley Hospital | \$ 1,116,931 | + 7.3% | \$ 6,966,749 | + 45.4% |
| Forks Community Hospital | \$ 1,616,466 | + 10.5% | \$ 8,583,215 | + 56.0% |
| Providence Saint Joseph's Hospital of Chewelah | \$ 1,856,915 | + 12.1% | \$10,440,130 | + 68.1% |
| Coulee Community Hospital | \$ 4,900,514 | + 31.9% | \$15,340,644 | +100.0% |
| average | \$ 730,507 | + 4.8% | | |

[Appendix 3 continues on next page]

[Appendix 3 continued from previous page]

Appendix 3, concluded:

As a thought experiment, the two hospitals with the largest shortfall values, which between them are 44% of the state total, were set at the average shortfall of the other 19 hospitals in the group, to avoid skewing the end result. Doing so, as the Table below shows, reduced the overall total shortfall from \$15,340,644 to \$9,486,711.

The cutoff of “two highest” is quite arbitrary. The first 16 fall into a fairly regular pattern—a fairly even scatter between zero and +4.7%—but above those the gaps are progressively larger and not consistent.

The “Key” is as for the previous page’s Table.

Shortfalls Cumulated, REVISED (worst 2 set at average of other 19):

| Hospital | Shortfall | Percent of total | Cumulative shortfalls | Cum. Pct. of total |
|------------------------------------------------|--------------|------------------|-----------------------|--------------------|
| Columbia Basin Hospital | \$ 51,432 | + 0.3% | \$ 51,432 | + 0.5% |
| North Valley Hospital | \$ 82,898 | + 0.5% | \$ 134,330 | + 1.4% |
| Odessa Memorial Hospital | \$ 89,935 | + 0.6% | \$ 224,265 | + 2.4% |
| PeaceHealth Peace Island Medical Center | \$ 141,418 | + 0.9% | \$ 365,683 | + 3.9% |
| Three Rivers Hospital | \$ 154,275 | + 1.0% | \$ 519,958 | + 5.5% |
| Ferry County Memorial Hospital | \$ 171,235 | + 1.1% | \$ 691,193 | + 7.3% |
| Klickitat Valley Hospital | \$ 182,301 | + 1.2% | \$ 873,494 | + 9.2% |
| Dayton General Hospital | \$ 201,540 | + 1.3% | \$ 1,075,034 | + 11.3% |
| East Adams Rural Healthcare | \$ 244,974 | + 1.6% | \$ 1,320,008 | + 13.9% |
| Othello Community Hospital | \$ 259,298 | + 1.7% | \$ 1,579,306 | + 16.6% |
| Cascade Medical Center | \$ 275,354 | + 1.8% | \$ 1,854,660 | + 19.6% |
| Morton General Hospital | \$ 440,197 | + 2.9% | \$ 2,294,857 | + 24.2% |
| Willapa Harbor Hospital | \$ 572,686 | + 3.7% | \$ 2,867,543 | + 30.2% |
| Garfield County Memorial Hospital | \$ 624,915 | + 4.1% | \$ 3,492,458 | + 36.8% |
| Lincoln Hospital | \$ 687,872 | + 4.5% | \$ 4,180,330 | + 44.1% |
| Lake Chelan Community Hospital | \$ 717,329 | + 4.7% | \$ 4,897,659 | + 51.6% |
| Quincy Valley Hospital | \$ 952,159 | + 6.2% | \$ 5,849,818 | + 61.7% |
| Mid-Valley Hospital | \$ 1,116,931 | + 7.3% | \$ 6,966,749 | + 73.4% |
| Forks Community Hospital | \$ 1,616,466 | + 10.5% | \$ 8,583,215 | + 90.5% |
| Providence Saint Joseph's Hospital of Chewelah | \$ 451,748 | + 2.9% | \$ 9,034,963 | + 95.2% |
| Coulee Community Hospital | \$ 451,748 | + 2.9% | \$ 9,486,711 | +100.0% |
| average | \$ 451,748 | + 4.8% | | |

[end of Appendix 3]

Appendix 4: Net Operating Income for all Washington State Hospitals

The trailing 3-digit numbers are that hospital's State License Number; a leading # signifies a hospital with no ER.

| | |
|------------------|----------------------------------------------------------|
| \$ 1,278,886,726 | Seattle Children's Hospital 014 |
| \$ 1,231,807,312 | Swedish Medical Center First Hill 001 |
| \$ 1,055,766,636 | University of Washington Medical Center 128 |
| \$ 1,041,757,008 | Virginia Mason Medical Center 010 |
| \$ 902,951,950 | University of Washington Harborview Medical Center 029 |
| \$ 850,218,042 | Providence Sacred Heart Medical Center 162 |
| \$ 751,293,875 | MultiCare Tacoma General/Allenmore Hospital 176 |
| \$ 692,543,232 | Providence Regional Medical Center - Everett 084 |
| \$ 686,285,505 | Saint Joseph Medical Center 032 |
| \$ 596,530,317 | EvergreenHealth 164 |
| \$ 531,559,962 | University of Washington Valley Medical Center 155 |
| \$ 531,278,081 | PeaceHealth Southwest Medical Center 170 |
| \$ 505,407,023 | PeaceHealth Saint Joseph Hospital 145 |
| \$ 501,684,297 | Kadlec Medical Center 161 |
| \$ 484,074,886 | Overlake Hospital Medical Center 131 |
| \$ 478,787,311 | #Seattle Cancer Care Alliance 204 |
| \$ 474,299,291 | Swedish Medical Center - Cherry Hill 003 |
| \$ 459,695,120 | MultiCare Good Samaritan Hospital 081 |
| \$ 458,624,211 | Harrison Medical Center 142 |
| \$ 441,224,100 | Providence Saint Peter Hospital 159 |
| \$ 401,785,830 | Virginia Mason Memorial Hospital 058 |
| \$ 333,943,214 | University of Washington Medicine/Northwest Hospital 130 |
| \$ 316,746,853 | #Wenatchee Valley Hospital 205 |
| \$ 293,559,648 | Central Washington Hospital 168 |
| \$ 291,482,490 | Skagit Valley Hospital 207 |
| \$ 286,983,635 | Legacy Salmon Creek 208 |
| \$ 260,077,329 | MultiCare Deaconess Hospital 037 |
| \$ 252,319,191 | PeaceHealth Saint John Medical Center 026 |
| \$ 244,656,757 | MultiCare Mary Bridge Children's Hospital 175 |
| \$ 234,204,363 | Saint Francis Community Hospital 201 |
| \$ 225,419,282 | Swedish Medical Center - Edmonds 138 |
| \$ 195,784,807 | Providence Holy Family Hospital 139 |
| \$ 190,469,778 | Highline Medical Center 126 |
| \$ 189,967,520 | Swedish Medical Center - Issaquah 210 |
| \$ 174,274,742 | Trios Health 039 |
| \$ 164,254,152 | Providence Centralia Hospital 191 |

[list continued on next page]

[list continued from previous page]

Appendix 4, continued

The trailing 3-digit numbers are that hospital's State License Number; a leading # signifies a hospital with no ER.

| | |
|----------------|---------------------------------------------------|
| \$ 159,697,338 | Olympic Medical Center 038 |
| \$ 158,157,223 | Providence Saint Mary Medical Center 050 |
| \$ 152,947,719 | MultiCare Auburn Regional Medical Center 183 |
| \$ 141,603,424 | Saint Clare Hospital 132 |
| \$ 135,965,362 | Saint Anthony Hospital 209 |
| \$ 115,934,720 | MultiCare Valley Hospital 180 |
| \$ 109,945,021 | Astria Regional Medical Center 102 |
| \$ 107,607,527 | Capital Medical Center 197 |
| \$ 98,000,014 | Grays Harbor Community Hospital 063 |
| \$ 97,106,854 | Lourdes Medical Center 022 |
| \$ 95,788,502 | Whidbey General Hospital 156 |
| \$ 91,952,752 | Island Hospital 134 |
| \$ 90,269,323 | Mason General Hospital 152 |
| \$ 82,394,072 | Jefferson Healthcare 085 |
| \$ 77,016,791 | Astria Sunnyside Hospital 198 |
| \$ 69,882,395 | Kittitas Valley Healthcare 140 |
| \$ 66,408,407 | Tri-State Memorial Hospital 108 |
| \$ 60,145,486 | Pullman Regional Hospital 172 |
| \$ 60,113,337 | Samaritan Hospital 078 |
| \$ 55,950,077 | Adventist Health/Walla Walla General Hospital 043 |
| \$ 55,510,176 | Saint Elizabeth Hospital 035 |
| \$ 52,347,352 | Fairfax Behavioral Health Hospital - Kirkland 904 |
| \$ 48,974,371 | Providence Mount Carmel Hospital 193 |
| \$ 43,289,071 | Prosser Memorial Health Medical Center 046 |
| \$ 43,177,519 | #Saint Luke's Rehab Institute 157 |
| \$ 42,958,121 | EvergreenHealth Monroe 104 |
| \$ 39,929,616 | #Kindred Hospital Seattle 148 |
| \$ 36,294,071 | PeaceHealth United General Hospital 206 |
| \$ 35,332,725 | Cascade Valley Hospital 106 |
| \$ 34,050,218 | Kaiser Permanente Central Hospital 020 |
| \$ 33,000,000 | ===== |

[list continued on next page]

[list continued from previous page]

Appendix 4, continued

The trailing 3-digit numbers are that hospital's State License Number; a leading # signifies a hospital with no ER.

| | | | |
|----|------------|-----------------------------------------------------|-----|
| \$ | 33,000,000 | ===== | |
| \$ | 31,489,653 | Newport Community Hospital | 021 |
| \$ | 29,811,738 | Mid-Valley Hospital | 147 |
| \$ | 29,722,628 | Snoqualmie Valley Hospital | 195 |
| \$ | 26,492,299 | Whitman Hospital & Medical Center | 153 |
| \$ | 25,582,889 | #Cascade Behavioral Health | 921 |
| \$ | 25,378,253 | Forks Community Hospital | 054 |
| \$ | 25,087,609 | Summit Pacific Medical Center | 186 |
| \$ | 24,082,049 | Lake Chelan Community Hospital | 165 |
| \$ | 22,972,209 | Coulee Community Hospital | 150 |
| \$ | 22,726,866 | Morton General Hospital | 173 |
| \$ | 21,976,431 | North Valley Hospital | 107 |
| \$ | 21,389,009 | Ocean Beach Hospital | 079 |
| \$ | 21,142,330 | Lincoln Hospital | 137 |
| \$ | 20,762,520 | Astria Toppenish Hospital | 199 |
| \$ | 20,446,372 | Klickitat Valley Hospital | 008 |
| \$ | 19,976,443 | Providence Saint Joseph's Hospital of Chewelah | 194 |
| \$ | 18,659,743 | #Lourdes Counseling Center | 915 |
| \$ | 17,787,545 | Willapa Harbor Hospital | 056 |
| \$ | 16,962,033 | Skyline Hospital | 096 |
| \$ | 15,898,308 | Columbia Basin Hospital | 045 |
| \$ | 15,718,024 | PeaceHealth Peace Island Medical Center | 211 |
| \$ | 15,581,481 | #Regional Hospital for Respiratory and Complex Care | 202 |
| \$ | 15,468,705 | Othello Community Hospital | 125 |
| \$ | 12,996,037 | Cascade Medical Center | 158 |
| \$ | 12,421,176 | Dayton General Hospital | 141 |
| \$ | 12,250,376 | #Navos | 919 |
| \$ | 11,300,863 | Three Rivers Hospital | 023 |
| \$ | 10,237,400 | Ferry County Memorial Hospital | 167 |
| \$ | 9,966,990 | #Shriner's Hospital - Spokane | 042 |
| \$ | 8,248,017 | Quincy Valley Hospital | 129 |
| \$ | 7,281,600 | East Adams Rural Healthcare | 111 |
| \$ | 6,880,614 | Odessa Memorial Hospital | 080 |
| \$ | 6,659,640 | #Fairfax Behavioral Health Hospital - Everett | 922 |
| \$ | 5,422,035 | Garfield County Memorial Hospital | 082 |
| \$ | 5,130,543 | #Fairfax Behavioral Health Hospital - Monroe | 923 |

[list end]

Appendix 5: Total Margin for all Washington State Hospitals

| | | |
|--------|-----------------------------------------------------|-----|
| + 29.2 | Cascade Valley Hospital | 106 |
| + 22.2 | MultiCare Valley Hospital | 180 |
| + 21.0 | Saint Elizabeth Hospital | 035 |
| + 19.2 | MultiCare Mary Bridge Children's Hospital | 175 |
| + 18.8 | Saint Francis Community Hospital | 201 |
| + 15.8 | #Navos | 919 |
| + 14.2 | Seattle Children's Hospital | 014 |
| + 14.2 | Saint Anthony Hospital | 209 |
| + 11.7 | Saint Joseph Medical Center | 032 |
| + 11.5 | MultiCare Good Samaritan Hospital | 081 |
| + 11.4 | Legacy Salmon Creek | 208 |
| + 10.9 | Ocean Beach Hospital | 079 |
| + 10.7 | Capital Medical Center | 197 |
| + 10.0 | Providence Centralia Hospital | 191 |
| + 9.9 | Providence Mount Carmel Hospital | 193 |
| + 9.9 | North Valley Hospital | 107 |
| + 9.5 | Astria Sunnyside Hospital | 198 |
| + 9.3 | Summit Pacific Medical Center | 186 |
| + 8.9 | Harrison Medical Center | 142 |
| + 8.7 | PeaceHealth Saint Joseph Hospital | 145 |
| + 8.1 | MultiCare Tacoma General/Allenmore Hospital | 176 |
| + 7.5 | #Seattle Cancer Care Alliance | 204 |
| + 7.1 | #Cascade Behavioral Health | 921 |
| + 6.8 | Newport Community Hospital | 021 |
| + 6.4 | Saint Clare Hospital | 132 |
| + 6.1 | Samaritan Hospital | 078 |
| + 6.1 | PeaceHealth United General Hospital | 206 |
| + 6.1 | Kittitas Valley Healthcare | 140 |
| + 5.8 | Fairfax Behavioral Health Hospital - Kirkland | 904 |
| + 5.2 | Highline Medical Center | 126 |
| + 4.8 | Providence Saint Peter Hospital | 159 |
| + 4.8 | Central Washington Hospital | 168 |
| + 4.7 | Astria Regional Medical Center | 102 |
| + 4.6 | Overlake Hospital Medical Center | 131 |
| + 4.5 | Tri-State Memorial Hospital | 108 |
| + 4.5 | Ferry County Memorial Hospital | 167 |
| + 4.4 | Jefferson Healthcare | 085 |
| + 4.1 | #Regional Hospital for Respiratory and Complex Care | 202 |
| + 3.9 | Prosser Memorial Health Medical Center | 046 |
| + 3.8 | Astria Toppenish Hospital | 199 |
| + 3.7 | Swedish Medical Center First Hill | 001 |
| + 3.7 | Providence Regional Medical Center - Everett | 084 |
| + 3.6 | Whitman Hospital & Medical Center | 153 |
| + 3.5 | Mason General Hospital | 152 |
| + 3.5 | ===== | |

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Appendix 5, continued

- + 3.5 =====
- + 3.2 Whidbey General Hospital 156
- + 3.2 EvergreenHealth 164
- + 3.2 Columbia Basin Hospital 045
- + 3.1 Virginia Mason Medical Center 010
- + 2.7 Klickitat Valley Hospital 008
- + 2.7 EvergreenHealth Monroe 104
- + 2.6 Skagit Valley Hospital 207
- + 2.6 PeaceHealth Peace Island Medical Center 211
- + 2.5 Kadlec Medical Center 161
- + 2.4 Island Hospital 134
- + 2.3 Three Rivers Hospital 023
- + 2.3 Odessa Memorial Hospital 080
- + 2.1 Dayton General Hospital 141
- + 2.0 Swedish Medical Center - Cherry Hill 003
- + 2.0 Othello Community Hospital 125
- + 2.0 Olympic Medical Center 038
- + 2.0 #Lourdes Counseling Center 915
- + 1.9 Pullman Regional Hospital 172
- + 1.8 Lourdes Medical Center 022
- + 1.7 University of Washington Harborview Medical Center 029
- + 1.7 Morton General Hospital 173
- + 1.7 Cascade Medical Center 158
- + 1.6 PeaceHealth Saint John Medical Center 026
- + 1.6 #Fairfax Behavioral Health Hospital - Everett 922
- + 1.2 #Wenatchee Valley Hospital 205
- + 1.1 Providence Sacred Heart Medical Center 162
- + 0.7 Lake Chelan Community Hospital 165
- + 0.6 PeaceHealth Southwest Medical Center 170
- + 0.5 Willapa Harbor Hospital 056
- + 0.5 Virginia Mason Memorial Hospital 058
- + 0.5 University of Washington Valley Medical Center 155
- + 0.5 East Adams Rural Healthcare 111
- + 0.4 University of Washington Medical Center 128
- + 0.4 Lincoln Hospital 137
- + 0.1 #Kindred Hospital Seattle 148
- + 0.0 Kaiser Permanente Central Hospital 020
- 0.0 Providence Saint Mary Medical Center 050
- 0.1 Mid-Valley Hospital 147
- 0.5 #Saint Luke's Rehab Institute 157
- 0.5 Providence Holy Family Hospital 139
- 0.8 MultiCare Deaconess Hospital 037

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Appendix 5, continued

- 2.7 Forks Community Hospital 054
- 3.0 University of Washington Medicine/Northwest Hospital 130
- 3.7 Skyline Hospital 096
- 4.1 Swedish Medical Center - Issaquah 210
- 5.3 Grays Harbor Community Hospital 063
- 5.4 Snoqualmie Valley Hospital 195
- 5.8 Providence Saint Joseph's Hospital of Chewelah 194
- 5.9 Trios Health 039
- 6.3 Quincy Valley Hospital 129
- 6.6 Swedish Medical Center - Edmonds 138
- 7.6 Garfield County Memorial Hospital 082
- 8.3 MultiCare Auburn Regional Medical Center 183
- 15.8 Adventist Health/Walla Walla General Hospital 043
- 18.0 Coulee Community Hospital 150
- 19.0 #Fairfax Behavioral Health Hospital - Monroe 923
- 125.6 #Shriner's Hospital - Spokane 042

[list end]

Appendix 6: Locations of the 21 Stressed Essential Hospitals

(An interactive version of this map can be found [online](#).)

