

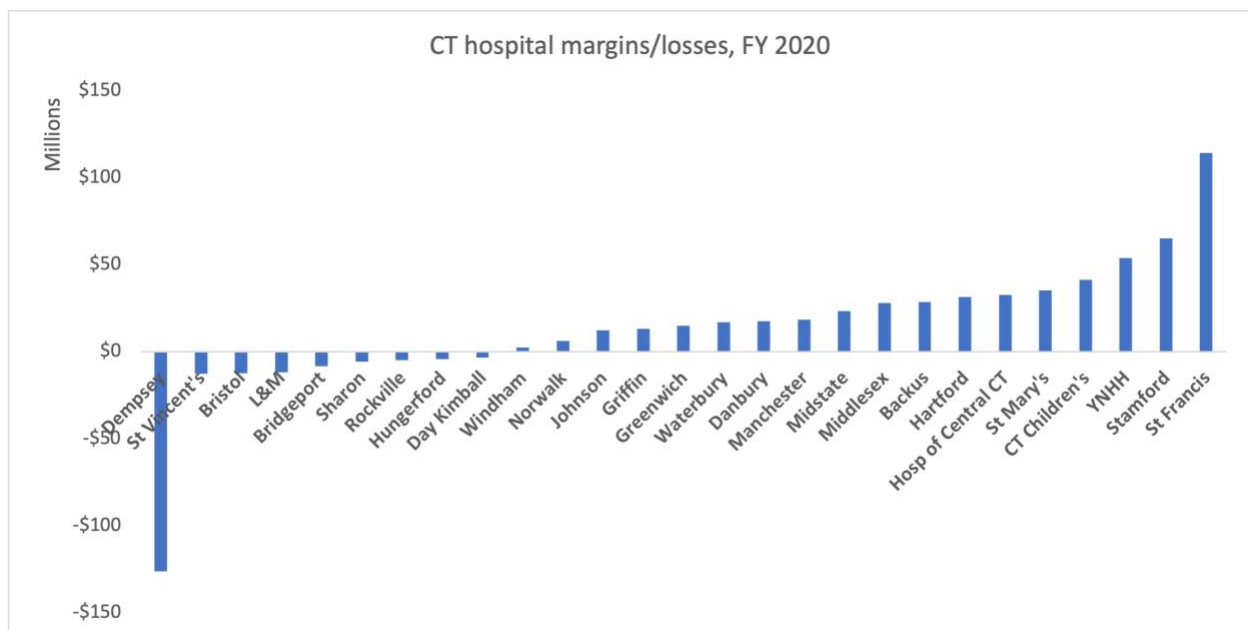
## ANALYSIS

# CT hospital finances during COVID's first year

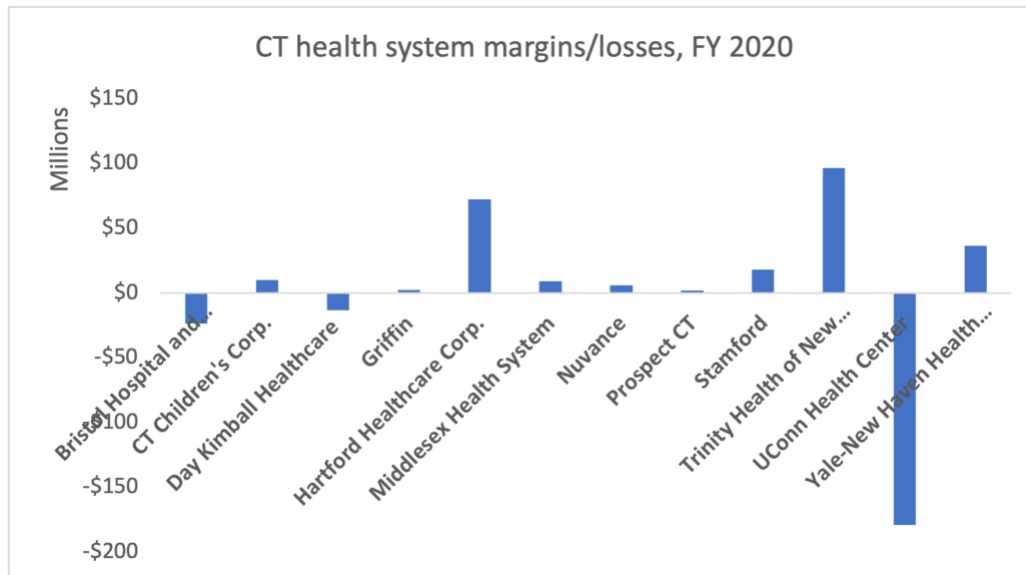
February 9, 2022

*In 2020, Connecticut hospitals' revenues exceeded expenses by 2.61% or \$325 million. Hospitals averaged 1.9% of expenses in uncompensated care, less than the US average. Top hospital executives averaged \$2.6 million in total compensation. Hospitals paid \$1.3 billion in fees to corporate parent health systems. Large health systems received \$1 billion in federal COVID relief, but it didn't track with hospital financial need. There is little relationship between hospital profits and the proportion of Medicaid or private pay revenue. Connecticut hospitals spent 34% of total expenses on medical professionals. There is wide variation between hospitals in how much and which types of medical labor is contracted out.*

According to the latest Office of Health Strategy [hospital financial report](#) and [hospital financing reporting system](#), in 2020 Connecticut hospitals gained \$365,498,404 million more than they spent. At \$40.9 million, Connecticut hospital profits from patient care were down from the year before, but non-operating revenue was up almost four-fold, mainly due to investment gains. Two thirds of hospitals had positive margins in 2020. St. Francis led the state gaining \$114,138,390 over expenses (12% increase), while Dempsey lost \$126,203,017 (a 25% drop).



Overall, Connecticut's large health systems realized profits of \$37,594,865 in 2020. As for hospitals, gains were mixed between systems.

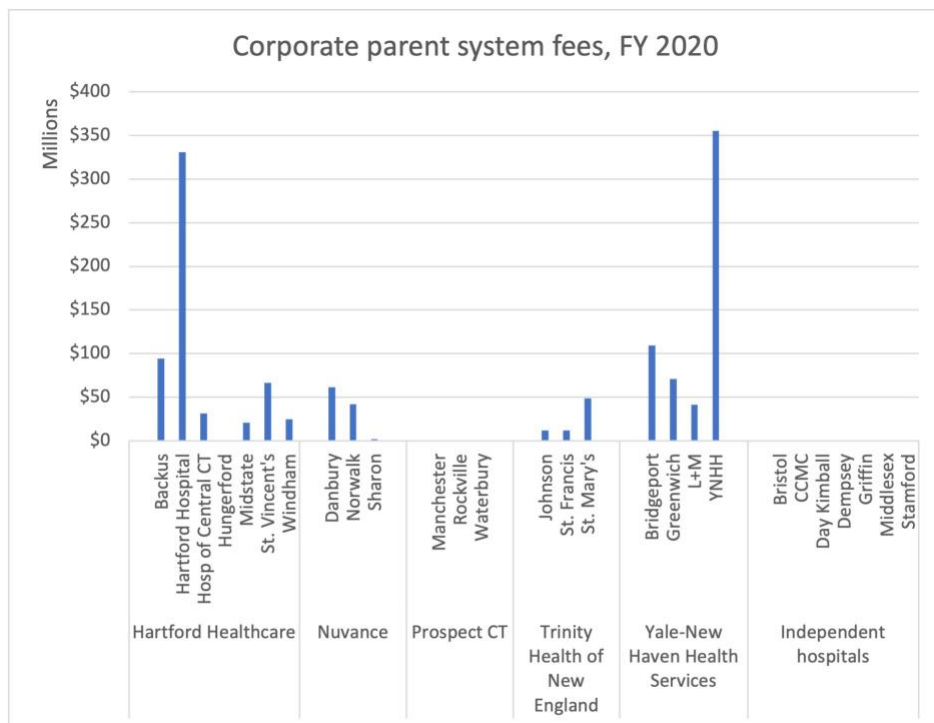


In 2020 Connecticut hospitals provided \$13.6 billion in uncompensated care, or 1.9% of total expenses. Hospital uncompensated care varied from -0.43% to 3.7%. For comparison, [the average US hospital](#) spent 3.6% of [total expenses](#) on uncompensated care in 2019.

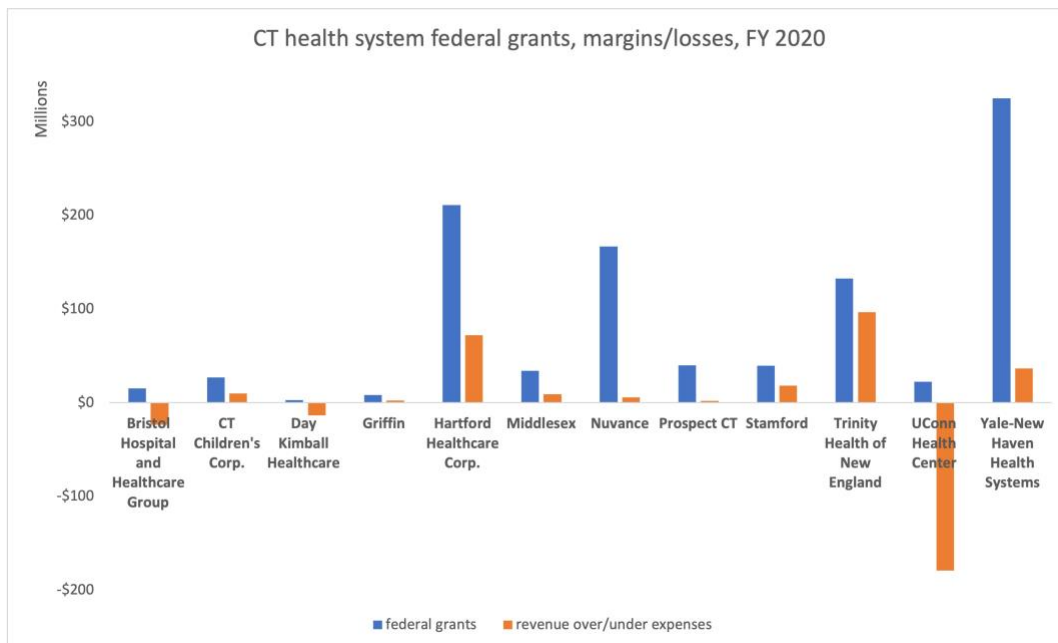
In 2020 top executives at Connecticut's hospitals earned a total of \$31,841,415 total compensation, averaging \$2,653,451 each. Executive compensation varied from \$486,394 to \$14,006,954.

Connecticut hospitals spent \$14,713,713 on advertising in 2020, but it is not clear that this includes all advertising spending by health systems. Yale-New Haven Hospital topped the list at \$4,070,00.

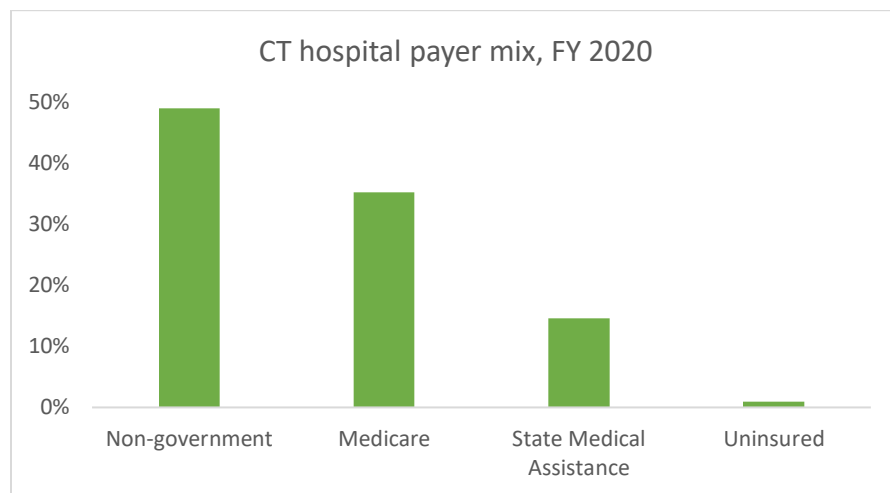
Connecticut hospitals paid \$1.3 billion in corporate parent system fees in 2020. It is unclear how much of this funding supports patient care in hospitals. Independent hospitals paid no system fees.



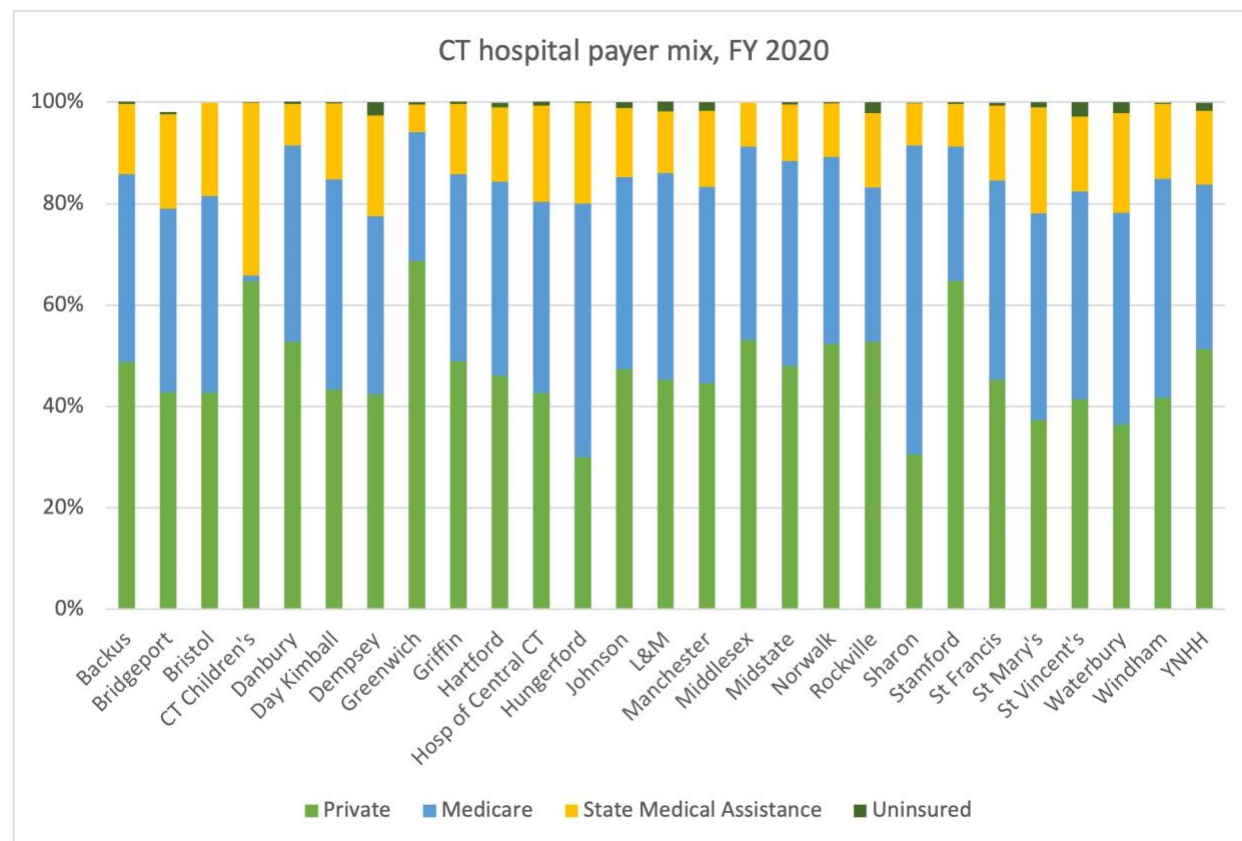
To address the costs of COVID, hospital systems received over a billion dollars in federal grants in 2020. However, the grant amounts didn't track well with hospitals' financial need.



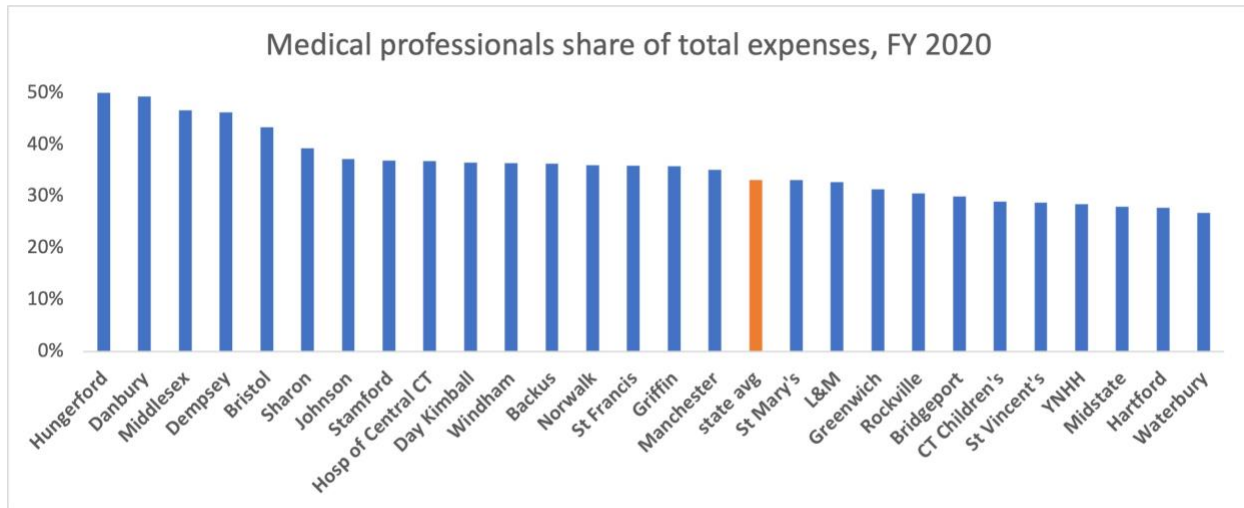
In 2020, Connecticut hospitals received 49% of their revenue from private plans, 35% from Medicare, 15% from Medicaid, and just 1.0% from uninsured patients on average.



Hospitals varied significantly in payer mix. There appears to be little relationship between hospital profits and either private pay or Medicaid shares of payer mix. Greenwich Hospital ranked first in the state in private pay revenues at 69% but ranked 13<sup>th</sup> in net profits. While Johnson Memorial ranked best in profits, it was 12<sup>th</sup> in private pay patients. Connecticut Children’s Medical Center ranked first in Medicaid patients at 34% and 4<sup>th</sup> in overall profits.



In 2020 Connecticut hospitals spent 34% of expenses paying medical providers. Charlotte Hungerford led the state, spending half their expenses on medical providers, while Waterbury Hospital devoted the least at 27% to paying providers.



In 2020 Connecticut hospitals spent 48% of total medical professional spending on nurses, 21% on physicians, and 31% on other medical professionals. Among total spending on nurses, 5.6% was spent on contracts, while 46% of physician spending was by contract, and 10% for other medical professionals. These ratios varied significantly between hospitals suggesting very different staffing models.

Medical professional spending	State average	Range
Medical professional/total expenses	33.6%	27.8% to 50.1%
Nursing/total medical professional	47.6%	32.3% to 71.7%
Physician/total medical professional	21.3%	0 to 37.9%
Other medical/total medical professional	31.0%	0.7% to 53.6%
Contract share of total nursing spending	5.6%	0 to 22.7%
Contract share of total physician spending	46.2%	0 to 96%
Contract share of total other medical professional spending	31.0%	0 to 100%