

4609 Bee Caves Road
Suite 200
Austin, Texas 78746
512.306.0201
usascn.com



UTILIZATION REPORT - SMALL THREE HOSPITAL SYSTEM

From 2017 to 2018 a three hospital system comprised of two acute care facilities and one critical care facility, saw a significant decline in inpatient admissions of Medicare Supplement policyholders from USA SCN client carriers. The decline across all facilities was 16%, representing \$2.6 million in lost inpatient revenue.

The system contracted with USA Senior Care Network to join our Medicare Supplement Network in December of 2018. After a full year as part of USA SCN, the three facilities experienced a net increase of 478 admissions. This represents a 64.5% increase and translates to an estimated **\$7.1 million in additional inpatient revenue**.

Contracted with USA Senior Care Network 12/20/18
Number of Medigap Policyholders in their CBSA: 21,651
Number of Competing Hospitals - 5 Acute Care representing 1,261 Beds

Hospital Name	Beds	2017 Admits	2018 Admits	2019 Admits (Contracted)	% Increase in Admissions 2018 to 2019	Average Payment *	2018 Inpatient Revenue Prior to USA	2019 Inpatient Revenue with USA	Part A Deductible Waived	2019 Net Inpatient Revenue
Acute Care Hospital 01	28	112	102	169	65.6%	\$15,004	\$1,530,408	\$2,535,676	\$230,516	\$2,305,160
Acute Care Hospital 02 (includes 38 Bed Rehabilitation Hospital)	363	726	618	1028	66.3%	\$19,016	\$11,751,888	\$19,548,448	\$1,402,192	\$18,146,256
Critical Access Hospital	11	45	21	22	4.8%	\$16,801	\$352,821	\$369,622	\$30,008	\$339,614
		883	741	1219	64.5%		\$13,635,117	\$22,453,746	\$1,662,716	\$20,791,030

*Average Payment obtained from AHD.com per hospitals' cost report for the period ending 12/31/2017

- **The increase in inpatient admissions from 2018 to 2019 equals \$7,155,913 in new inpatient revenue**
- **Additional inpatient admissions results in an estimated increase of \$5,215,936 in 2019 Part B revenue****

**Based on actuarial findings, policyholders that experienced a hospital admission generated additional Part B revenue more than 8 times higher than the amount of the Part A deductible: $478 \times (8 \times \$1,364) = \$5,215,936$