

Kentucky Hospital Association



Kentucky Hospital Statistics

Published 2009





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Introduction

Kentucky Hospital Statistics is a comprehensive compilation of data on Kentucky hospitals, including trends through 2007. Data in this report is primarily based on the Kentucky Hospital Association (KHA) Discharge Database, which includes data from billing forms for all patients hospitalized in a Kentucky facility. The report also includes data from the AHA Annual Survey of Hospitals and various other state and national data reports.

This report provides data about the numbers, types and location of hospitals in Kentucky as well as utilization of services, hospital finances, quality indicators, workforce and the economic impact of Kentucky's hospitals as employers. It also contains information on Kentucky's changing demographics along with state rankings on mortality, health status and utilization measures.

Kentucky's hospitals are operating in a period of changing public policy and increasing demographic and economic pressures. This publication is intended to serve as a resource for consumers, business and community leaders, and help health policy decision makers to better understand how those pressures and emerging trends are affecting hospitals.

Founded in 1929, the Kentucky Hospital Association (KHA) is the trade association for Kentucky hospitals, all of which are members. KHA provides services to help Kentucky's hospitals further their mission of improving the health of the people of the commonwealth.



Kentucky Hospital Association
Representing Kentucky Health Care Organizations



Kentucky Hospital Statistics

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Section 1

Hospital Characteristics



Kentucky Hospital Statistics

Hospital Characteristics

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Hospitals in Kentucky

In 2007, there were 72 community hospitals (general short-term acute care hospitals), 30 critical access hospitals (CAHs), one freestanding long-term acute care hospital (LTACH), 12 freestanding psychiatric/chemical dependency hospitals, seven rehabilitation hospitals and two government-owned hospitals operating in Kentucky.

Breakdown of Hospital Types

Community Hospitals	
Short-term Acute Care	72
Critical Access Hospitals	30
Specialty	
Government-owned Veterans' Hospitals	2
Long-term Acute Care	
Freestanding	1
Hospital-within-a-Hospital	7
Rehabilitation	
Freestanding	7
Distinct Part Units	11
Psychiatric*	
Freestanding – state-owned	3
Freestanding – privately-owned	9
Distinct Part Units	29

For-Profit	26
Not-For-Profit	80
Government-Owned	20
Urban/MSA	48
Rural/Non-MSA	75

- All Kentucky hospitals are licensed by the state of Kentucky and are Medicare certified, thus assuring that minimum standards for hospital organization and operation are met.
- Ninety-three (93) percent of all short-term acute hospitals and 43 percent of critical access hospitals (67 acute hospitals and 13 critical access hospitals) were voluntarily accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), while two acute hospitals and one critical access hospital were accredited by the American Osteopathic Association (AOA). Both are organizations that recognize hospitals for meeting standards which aim for excellence and optimal quality care.
- Eighty-three (83) percent of Kentucky's freestanding psychiatric hospitals were voluntarily accredited by JCAHO.
- Eighty-three (83) percent of Kentucky's freestanding rehabilitation hospitals were voluntarily accredited by JCAHO, 50 percent were accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF), and two rehabilitation hospitals received accreditation from both JCAHO and CARF.
- Seventy-five (75) of Kentucky's hospitals are located outside a Metropolitan Statistical Area (MSA) and are considered to be rural. The remaining hospitals are classified as urban hospitals because they are located within an MSA.
- Eighty (80) of Kentucky's hospitals are considered not-for-profit. Almost one quarter of the state's hospitals are for-profit proprietary facilities (26 hospitals), and 12 percent (20 hospitals) are government owned.

Source: Kentucky Cabinet for Health and Family Services Office of Inspector General;
American Hospital Association Hospital Statistics 2009

Note: A listing of all Kentucky hospitals appears in the index.

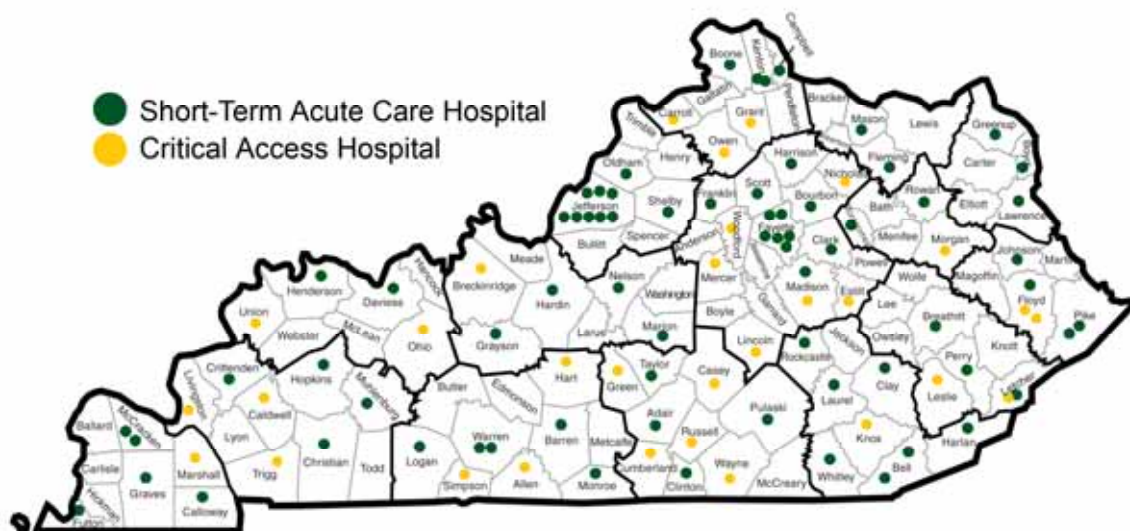
Eighty-one (81) of Kentucky's 120 counties contain at least one hospital (including specialty). Of the 120 counties in Kentucky, 67 counties have one hospital, 14 counties contain more than one hospital, and 39 counties are without a hospital.

* Does not include units in correctional facilities.

Community Hospitals

Kentucky is served by 102 community hospitals (72 general short-term acute care and 30 critical access hospitals). Community hospitals include both general short-term acute care hospitals and critical access hospitals (CAHs).

The map below shows the distribution of community hospitals and critical access hospitals around the state.



*Includes: General Short-term Acute Care and Critical Access Hospitals
Source: Kentucky Hospital Association*

Short-Term Acute Care Hospitals

Short-term acute care hospitals provide inpatient and outpatient services, including emergency room services, for a variety of medical conditions. As defined by the American Hospital Association, general short-term acute care hospitals may provide either non-specialized or specialized care, and the majority of their patients stay for fewer than 30 days.

Critical Access Hospitals

In 1997, Congress recognized the significant and vital role rural hospitals play in the health of their communities and created a special category for small, rural acute care hospitals known as critical access hospitals (CAHs).

Critical Access Hospital Requirements

1. The facility must be in a rural county at least 35 miles from another acute care facility (15 miles if in a mountainous area);
2. Or, deemed by the state, as an “essential provider of care” by serving a large proportion of Medicare and Medicaid patients and located in an area with high unemployment and poverty levels;
3. May operate only 25 acute care beds;
4. Have an average annual inpatient length of stay not greater than 96 hours;
5. The Emergency Room or Department should have 24-hour availability.

Critical Access Hospital Requirements *continued*

A critical access hospital must provide the following services:

- Basic laboratory services essential to the immediate diagnosis and treatment of the patient
- Medical emergency procedures as a first response to common life-threatening injuries and acute illness
- Basic pharmacy services essential to the treatment of the patient
- Basic radiology services essential to the immediate diagnosis and treatment of the patient
- Dietary services if a patient is admitted and remains in the hospital for more than twelve (12) hours

Because critical access hospitals in Kentucky receive Medicare and Medicaid reimbursement on a reasonable cost basis, many small, rural hospitals experiencing financial strain have converted to critical access status. The financial stability gained by these hospitals has preserved access to acute care services in rural areas.

The number of critical access hospitals in Kentucky has increased significantly in the last five years, representing an overall loss of 204 licensed acute beds (CAHs hold their original license but are required to operate no more than 25 beds). Since 2001, 18 general short-term acute care hospitals have been reclassified as critical access. In 2007, Kentucky had 30 CAHs, representing one-third of the state's acute care hospitals.

Kentucky Critical Access Hospitals

Hospital	City	County	Area Development District
Bluegrass Community Hospital	Versailles	Woodford	Bluegrass
Breckinridge Memorial Hospital	Hardinsburg	Breckinridge	Lincoln Trail
Caldwell County Hospital	Princeton	Caldwell	Pennyrile
Carroll County Memorial Hospital	Carrollton	Carroll	Northern KY
Casey County Hospital	Liberty	Casey	Lake Cumberland
Caverna Memorial Hospital Inc.	Horse Cave	Hart	Barren River
Cumberland County Hospital	Burkesville	Cumberland	Lake Cumberland
Fort Logan Hospital	Stanford	Lincoln	Bluegrass
(The) James B. Haggin Memorial Hospital	Harrodsburg	Mercer	Bluegrass
Jane Todd Crawford Hospital	Greensburg	Green	Lake Cumberland
Jenkins Community Hospital	Jenkins	Letcher	Kentucky River
Knox County Hospital	Barbourville	Knox	Cumberland Valley
Livingston Hospital and Healthcare Services	Salem	Livingston	Pennyrile
Marcum & Wallace Memorial Hospital	Irvine	Estill	Bluegrass
Marshall County Hospital	Benton	Marshall	Purchase
Mary Breckinridge Healthcare, Inc.	Hyden	Leslie	Kentucky River
McDowell Appalachian Regional Hospital	McDowell	Floyd	Big Sandy
Methodist Hospital Union County	Morganfield	Union	Green River
Morgan County Appalachian Regional Hospital	West Liberty	Morgan	Gateway
New Horizons Health Systems, Inc.	Owenton	Owen	Northern KY
Nicholas County Hospital	Carlisle	Nicholas	Bluegrass
Ohio County Hospital	Hartford	Ohio	Green River
Russell County Hospital	Russell Springs	Russell	Lake Cumberland
Saint Joseph Berea	Berea	Madison	Bluegrass
Saint Joseph Martin	Martin	Floyd	Big Sandy
St. Elizabeth Medical Center of Grant County	Williamstown	Grant	Northern KY
The Medical Center at Franklin	Franklin	Simpson	Barren River
The Medical Center/Scottsville	Scottsville	Allen	Barren River
Trigg County Hospital Inc.	Cadiz	Trigg	Pennyrile
Wayne County Hospital, Inc.	Monticello	Wayne	Lake Cumberland

According to the Kentucky Annual Hospital Utilization and Services Report compiled by the Cabinet for Health and Family Services (CHFS), there were 13,591 acute (non-psychiatric) beds licensed to community hospitals (including critical access) across the state in 2007. This is compared with 13,809 licensed acute beds five years earlier.

Licensed Acute Non-Psychiatric Beds: 2007

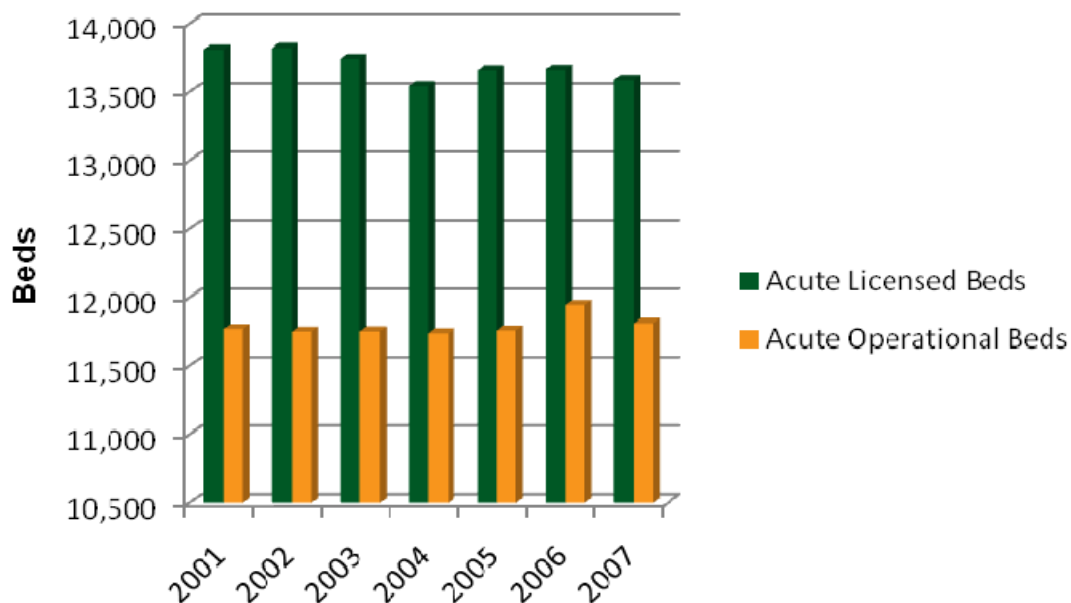
Year	Acute Licensed Beds	Acute Operational Beds
2003	13,743	11,753
2004	13,545	11,739
2005	13,655	11,761
2006	13,658	11,946
2007	13,591	11,814

Source: Kentucky Annual Hospital Utilization and Services Report compiled by the Cabinet for Health and Family Services, 2003 – 2007. Excludes Kindred Healthcare and HealthSOUTH Rehabilitation from State Utilization report in years 2001 – 2003.

Since 2002, short-term acute care hospitals have added acute beds, but 18 small, rural hospitals lost a total of 204 beds when they converted to critical access. There is an overall net loss of 218 acute care beds. Also in this five year period, Garrard County Memorial Hospital closed, resulting in an additional loss of 15 acute beds.

Kentucky's Community Hospital Beds

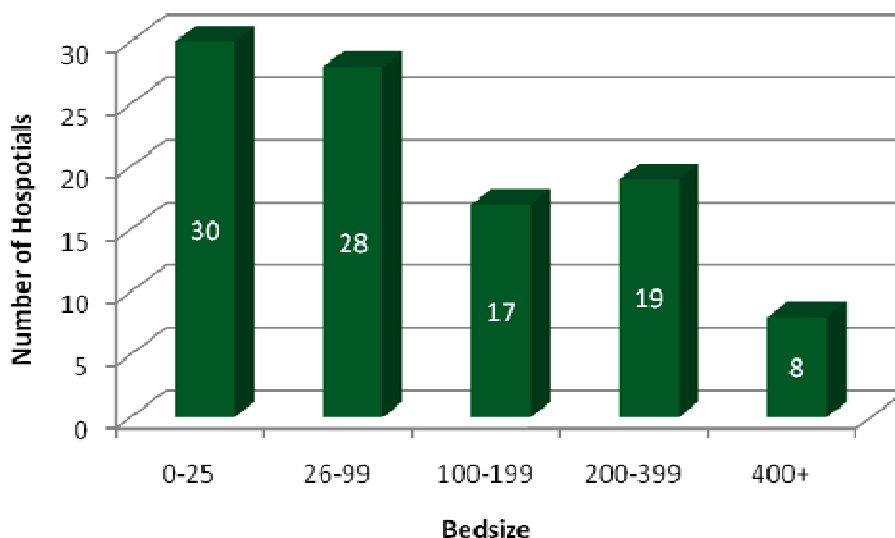
(Licensed versus Operational)



Source: Kentucky Annual Hospital Utilization and Services Report compiled by the Cabinet for Health and Family Services, 2001 – 2007. Excludes Kindred Healthcare and HealthSOUTH Rehabilitation from State Utilization report in years 2001 – 2003.

More than half of Kentucky's community hospitals (58 percent) have fewer than 100 beds. Conversely, approximately six percent have more than 400 beds.

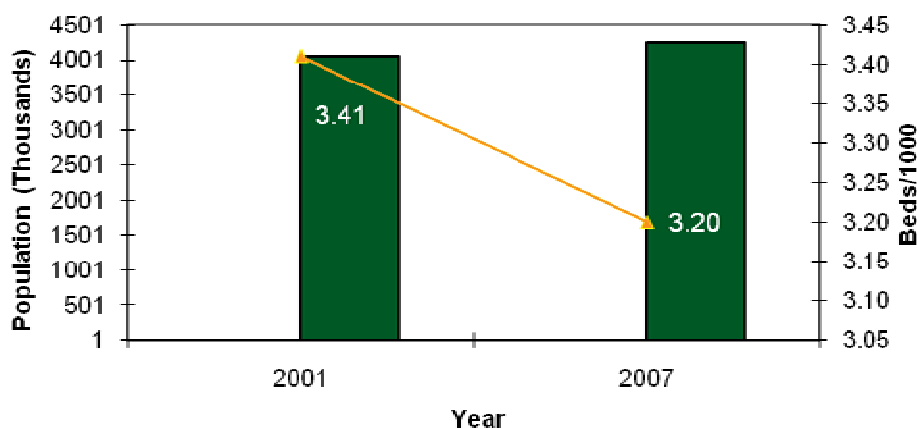
Community Hospitals by Bedsize



Source: Kentucky Office of Inspector General Directory, 2009

Kentucky has an average of 3.20 acute, non-psychiatric beds per thousand residents compared to 3.41 beds per thousand residents in 2001.

Kentucky Beds per 1000 Population



	Population Estimate	Total Acute Beds	Acute Beds per 1000 Population
2001	4,049,260	13,809	3.41
2007	4,241,474	13,591	3.20

Source: Census Bureau & Kentucky Annual Hospital Utilization and Services Report

Specialty Hospitals

In Kentucky, there are many specialty hospitals whose services are tailored to meet the needs of specific types of patients. These include eight long-term acute care hospitals (LTACHs), seven freestanding inpatient rehabilitation hospitals, and 12 psychiatric hospitals, of which nine are private hospitals and three are state-owned and operated facilities.

In addition, Kentucky has two Veterans Administration Medical Centers (one located in Louisville and the other in Lexington) and two federally-owned Army hospitals: Blanchfield Army Community Hospital at Fort Campbell (Christian County) and Ireland Army Community Hospital at Fort Knox (Hardin County).

Long-Term Acute Care Hospitals

Long-term acute care hospitals (LTACHs) furnish extended medical and rehabilitative care to individuals who are clinically complex and have multiple acute or chronic conditions. An LTACH must be certified as an acute care hospital that meets criteria to participate in the Medicare program and has an average length of stay greater than 25 days.

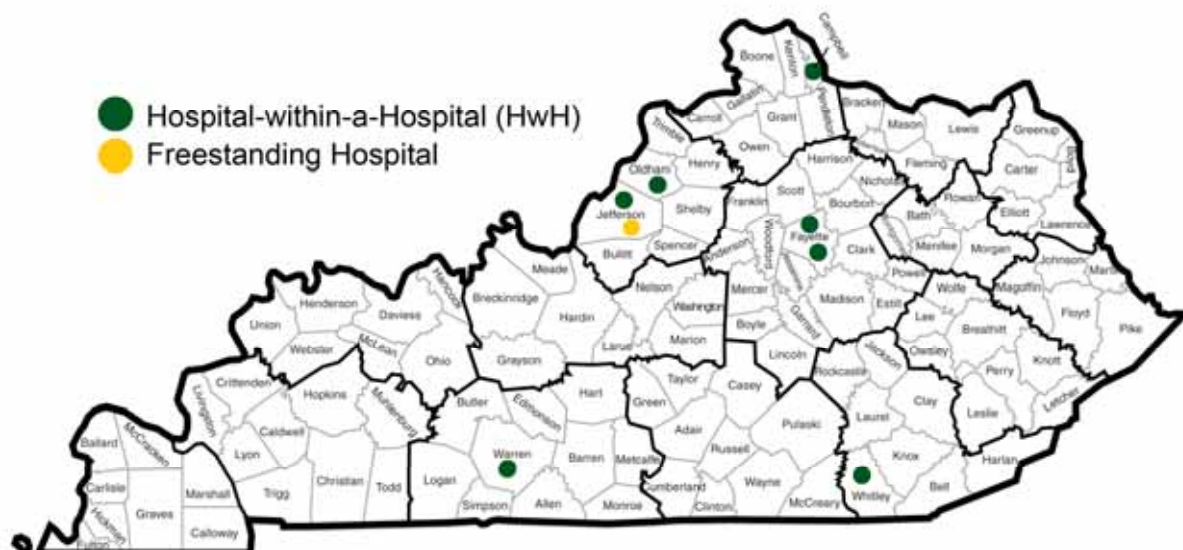
Congress introduced LTACHs into the health care system to address a gap in the continuum of care for the sickest patients and those requiring long-term, medically complex treatment.

There are two types of LTACHs. An LTACH hospital may be a freestanding facility or it may be located within a host hospital, commonly referred to as a Hospital-within-a-Hospital (HwH).

In 2007, there were eight recognized LTACHs in Kentucky. Kentucky has one freestanding LTACH (Kindred Hospital in Louisville) and seven LTACHs co-located within another hospital.

- Cardinal Hill Specialty Hospital (at St. Luke Hospital East)
- Continuing Care Hospital (at Saint Joseph East)
- Commonwealth Regional Specialty Hospital (at The Medical Center/Bowling Green)
- Kindred (at Jewish Hospital)
- Kindred Hospital (Freestanding and located in Louisville)
- Oak Tree Hospital (at Baptist Regional Medical Center)
- Oak Tree Hospital (at Baptist Hospital Northeast)
- Select Specialty Hospital (at UK HealthCare Good Samaritan Hospital)

Map of Kentucky Long Term Acute Care Hospitals



Rehabilitation Hospitals

A rehabilitation hospital provides care to handicapped or disabled individuals requiring restorative services and treatment for neurological, musculoskeletal, orthopedic and other medical conditions following the stabilization of their acute medical issues.

Rehabilitation hospitals use a multidisciplinary, coordinated, team approach (comprehensive physical, occupational and speech rehabilitation services) to improve a patient's ability to function. An individual must meet specific criteria to be eligible for admission into a rehabilitation facility.

Rehabilitation hospital services are provided in freestanding hospitals or in distinct part units (DPUs) within a general acute care hospital.

In 2007, there were seven rehabilitation hospitals and 11 hospitals having DPUs with beds licensed to provide rehabilitative care. In late 2007, Gateway Rehabilitation Hospital at Norton Pavilion in Louisville, a forty-bed facility, announced that it would be closing. According to the Hospital Utilization Report, there were 688 licensed rehabilitation beds in 2007 compared with 644 licensed rehabilitation beds in 2001; an overall **increase of 44 rehabilitation beds**.

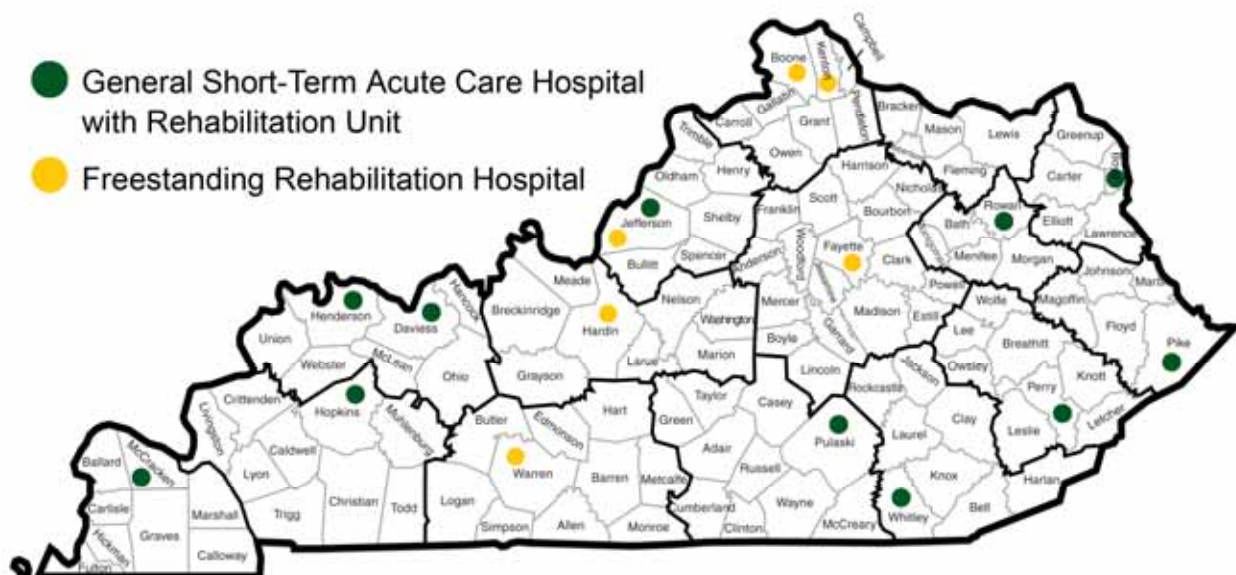
Freestanding Rehabilitation Hospitals

Hospital	City
Cardinal Hill Rehabilitation Hospital	Lexington
Frazier Rehab	Louisville
Gateway Rehabilitation at Florence	Florence
HealthSouth Rehabilitation Hospital of Central Kentucky	Elizabethtown
HealthSouth Rehabilitation Hospital of Northern Kentucky	Edgewood
Southern Kentucky Rehabilitation Hospital	Bowling Green

General Short-Term Acute Care Hospitals with Rehab Units

Hospital	City
ARH Regional Medical Center	Hazard
Baptist Hospital East	Louisville
Baptist Regional Medical Center	Corbin
King's Daughters Medical Center	Ashland
Lake Cumberland Regional Hospital	Somerset
Lourdes Hospital	Paducah
Methodist Hospital	Henderson
Owensboro Medical Health System	Owensboro
Pikeville Medical Center	Pikeville
Regional Medical Center	Madisonville
St. Claire Regional Medical Center	Morehead

Map of Kentucky Rehabilitation Hospitals



Psychiatric Hospitals

Psychiatric hospitals provide care for the diagnosis and treatment of mentally ill persons. The primary function of a psychiatric hospital is to provide diagnostic and treatment services for patients who have psychiatric-related illnesses.

Psychiatric services are provided in freestanding psychiatric hospitals or in distinct part units (DPUs) of general acute care hospitals.

Kentucky has three freestanding state-owned psychiatric hospitals, nine freestanding privately-owned psychiatric/chemical dependency hospitals and 29 hospitals with distinct part units having licensed psychiatric beds.

Psychiatric Hospitals State-owned

Hospital	City
Central State Hospital	Louisville
Eastern State Hospital	Lexington
Western State Hospital	Hopkinsville

Psychiatric/Chemical Dependency Hospitals: Privately-owned

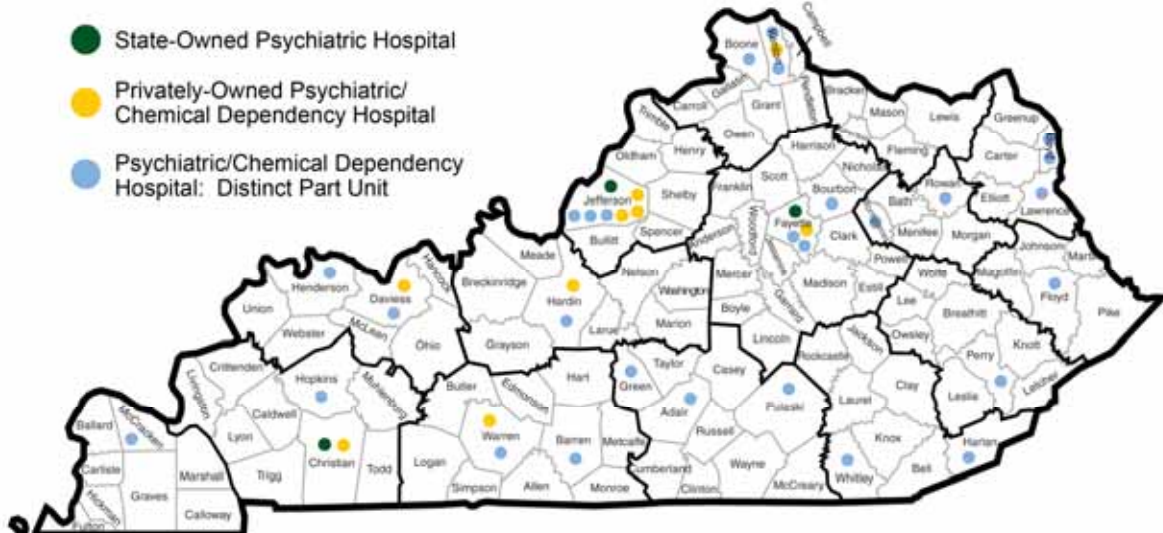
Hospital	City
Cumberland Hall Behavioral Health	Hopkinsville
Lincoln Trail Behavioral Health System	Radcliff
NorthKey Community Care	Covington
Our Lady of Peace Hospital	Louisville
The Ridge Behavioral Health System	Lexington
Rivendell Behavioral Health System	Bowling Green
River Valley Behavioral Health Hospital	Owensboro
The Brook Hospital – DuPont	Louisville
The Brook Hospital – KMI	Louisville

Psychiatric/Chemical Dependency Hospitals: Distinct Part Units

Hospital	City
ARH Regional Medical Center	Hazard
Baptist Hospital East	Louisville
Baptist Regional Medical Center	Corbin
Bourbon Community Hospital	Paris
Ephraim McDowell Regional Medical Ctr	Danville
Hardin Memorial Hospital	Elizabethtown
Harlan Appalachian Regional Hospital	Harlan
Highlands Regional Medical Center	Prestonsburg
Jane Todd Crawford Hospital	Greensburg
King's Daughters Medical Center	Ashland
Lake Cumberland Hospital	Somerset
Lourdes	Paducah
Methodist Hospital	Henderson
Norton Hospital/Kosair Children's	Louisville
Our Lady of Bellefonte Hospital	Ashland

Hospital	City
Owensboro Medical Health System	Owensboro
Regional Medical Center	Madisonville
St. Claire Regional Medical Center	Morehead
St. Elizabeth Medical Center North	Edgewood
St. Elizabeth Medical Center South	Covington
Saint Joseph Mt. Sterling	Mt. Sterling
St. Luke Hospital West	Florence
T.J. Samson Community Hospital	Glasgow
The Medical Center/Bowling Green	Bowling Green
Three Rivers Medical Center	Louisia
UK HealthCare Good Samaritan	Lexington
University of Kentucky Hospital	Lexington
University of Louisville Hospital	Louisville
Westlake Regional Hospital	Columbia

Map of Kentucky Psychiatric Hospitals



Medicare Special Designation Hospitals

Medicare reimburses acute care hospitals on a fixed amount based on the patient's diagnosis. However, Medicare has special payment adjustments for certain types of hospitals that serve a disproportionate number of Medicare patients, those that serve as referral centers and hospitals that are the only provider in the geographic area.

Medicare Dependent Hospital

A Medicare dependent hospital is a rural hospital with no more than 100 beds and with Medicare utilization of at least 60 percent. Kentucky has eight Medicare dependent hospitals:

- Fleming County Hospital
- Williamson ARH
- Twin Lakes Regional Medical Center
- Harrison Memorial Hospital
- Logan Memorial Hospital
- Monroe County Medical Center
- Parkway Regional Hospital
- Westlake Regional Hospital

Rural Referral Centers

A rural referral center is a hospital with at least 275 beds, or with at least 50 percent of its Medicare patients from other hospitals or physicians that are not part of the hospital's medical staff. In addition, at least 60 percent of the rural referral center's Medicare patients live more than 25 miles from the facility. The following hospitals in Kentucky are rural referral centers:

- | | |
|--|---------------------------------------|
| • ARH Regional Medical Center | • Jackson Purchase Medical Center |
| • Baptist Regional Medical Center | • Lourdes |
| • Ephraim McDowell Regional Medical Center | • Murray-Calloway County Hospital |
| • Frankfort Regional Medical Center | • Pattie A. Clay Hospital |
| • Greenview Regional Hospital | • Saint Joseph London |
| • Hardin Memorial Hospital | • T.J. Samson Community Hospital |
| • Harlan ARH | • The Medical Center at Bowling Green |
| • Highlands Regional Medical Center | • Western Baptist Hospital |

Sole Community Hospitals

A sole community hospital is the only hospital located in a community, and must be more than 35 miles from the nearest short-term, acute care hospital. Four hospitals in Kentucky meet this criteria:

- Clinton County Hospital
- Crittenden Health System
- Kentucky River Medical Center
- Pikeville Medical Center

Sole Community Hospitals & Rural Referral Centers

- Lake Cumberland Regional Hospital
- Memorial Hospital
- Owensboro Medical Health System
- Regional Medical Center
- St. Claire Regional Medical Center

Source: Centers for Medicare and Medicaid Services Cost Reports

Multi-hospital Systems/Affiliations

Multi-hospital systems/affiliations range from integrated health systems to corporate entities that own, lease, operate or manage two or more hospitals. A more loosely-structured affiliation of hospitals may also be considered a system.

Advantages of systems/affiliations include cost reduction from enhanced purchasing power with suppliers, improved access to expensive equipment, enhanced referral to specialists, better access to capital and shared availability of professional expertise.

There are 18 multi-hospital systems that own hospitals in Kentucky.

Multi-hospital Systems — Ownership

Hospital	System
ARH Regional Medical Center (Hazard)	Appalachian Regional Healthcare
Harlan Appalachian Regional Hospital	Appalachian Regional Healthcare
McDowell Appalachian Regional Hospital	Appalachian Regional Healthcare
Middlesboro Appalachian Regional Hospital	Appalachian Regional Healthcare
Morgan County Appalachian Regional Hospital	Appalachian Regional Healthcare
Whitesburg Appalachian Regional Hospital	Appalachian Regional Healthcare
Williamson Appalachian Regional Hospital	Appalachian Regional Healthcare
Baptist Hospital East	Baptist Healthcare System
Baptist Hospital Northeast	Baptist Healthcare System
Baptist Regional Medical Center	Baptist Healthcare System
Central Baptist Hospital	Baptist Healthcare System
Western Baptist Hospital	Baptist Healthcare System
Flaget Memorial Hospital	Catholic Health Initiatives
Saint Joseph Berea	Catholic Health Initiatives
Saint Joseph East	Catholic Health Initiatives
Saint Joseph Hospital	Catholic Health Initiatives
Saint Joseph London (formerly Marymount Medical Center)	Catholic Health Initiatives
Saint Joseph Martin (formerly Our Lady of the Way Hospital)	Catholic Health Initiatives
Saint Joseph Mount Sterling	Catholic Health Initiatives
Lourdes	Catholic Healthcare Partners, Cincinnati
Marcum & Wallace Memorial Hospital	Catholic Healthcare Partners, Cincinnati
The Medical Center at Franklin	Commonwealth Health Corporation
The Medical Center/Bowling Green	Commonwealth Health Corporation
The Medical Center/Scottsville	Commonwealth Health Corporation
Kentucky River Medical Center	Community Health Systems, Inc.
Parkway Regional Hospital	Community Health Systems, Inc.
Three Rivers Medical Center	Community Health Systems, Inc.
Methodist Hospital	Community United Methodist Hospital
Methodist Hospital Union County	Community United Methodist Hospital
St. Elizabeth Medical Center Grant	Dioceses of Covington
St. Elizabeth Medical Center Edgewood	Dioceses of Covington
St. Elizabeth Medical Center Ft. Thomas (formerly St. Luke Hospital East)	Dioceses of Covington
St. Elizabeth Medical Center Florence (formerly St. Luke Hospital West)	Dioceses of Covington

Continued on next page

Multi-hospital Systems — Ownership *continued*

Hospital	System
Ephraim McDowell Regional Medical Center	Ephraim McDowell
Fort Logan Hospital	Ephraim McDowell
Frankfort Regional Medical Center	HCA - The Healthcare Company
Greenville Regional Hospital	HCA - The Healthcare Company
HealthSouth Rehabilitation of Central Kentucky	HealthSouth Corporation
HealthSouth Rehabilitation of Northern Kentucky	HealthSouth Corporation
Frazier Rehab Institute	Jewish Hospital & St. Mary's Healthcare
Jewish Hospital	Jewish Hospital & St. Mary's Healthcare
Jewish Hospital - Shelbyville	Jewish Hospital & St. Mary's Healthcare
Our Lady of Peace	Jewish Hospital & St. Mary's Healthcare
Sts. Mary & Elizabeth Hospital	Jewish Hospital & St. Mary's Healthcare
Bluegrass Community Hospital	LifePoint Hospitals, Inc.
Bourbon Community Hospital	LifePoint Hospitals, Inc.
Georgetown Community Hospital	LifePoint Hospitals, Inc.
Jackson Purchase Medical Center	LifePoint Hospitals, Inc.
Lake Cumberland Regional Hospital	LifePoint Hospitals, Inc.
Logan Memorial Hospital	LifePoint Hospitals, Inc.
Meadowview Regional Medical Center	LifePoint Hospitals, Inc.
Spring View Hospital	LifePoint Hospitals, Inc.
Norton Audubon Hospital	Norton Hospitals, Inc.
Norton Brownsboro	Norton Hospitals, Inc.
Norton Hospital/Kosair Children's	Norton Hospitals, Inc.
Norton Suburban Hospital	Norton Hospitals, Inc.
The Brook Hospital - Dupont	Psychiatric Solutions, Inc.
The Brook Hospital - KMI	Psychiatric Solutions, Inc.
Gateway Rehabilitation Hospital at Norton Pavilion (now closed)	United Rehab
Gateway Rehabilitation Hospital at Florence	United Rehab
Lincoln Trail Behavioral Health System	Universal Health Services
The Ridge Behavioral Health System	Universal Health Services
Rivendell Behavioral Health System	Universal Health Services
University of Kentucky Medical Center	University of Kentucky HealthCare
UK HealthCare Good Samaritan Hospital	University of Kentucky HealthCare

Multi-hospital Systems — Management

There are two management companies that manage more than one hospital in Kentucky.

Hospital	Ownership	Management
Breckinridge Memorial Hospital	Breckinridge County Buildings Commission	Alliant Management Services, Inc.
Carroll County Memorial Hospital	CCMH, Inc.	Alliant Management Services, Inc.
Caverna Memorial Hospital Inc.	Caverna Memorial Hospital, Inc.	Alliant Management Services, Inc.
Livingston Hospital and Healthcare Services	Livingston Hospital and Healthcare Services, Inc.	Alliant Management Services, Inc.
Muhlenberg Community Hospital	Muhlenberg Community Hospital, Inc.	Alliant Management Services, Inc.
Russell County Hospital	Russell County	Alliant Management Services, Inc.
The James B. Haggin Memorial Hospital		Alliant Management Services, Inc.
Twin Lakes Regional Medical Center	Grayson County Hospital Foundation	Alliant Management Services, Inc.

Hospital	Ownership	Management
Caldwell County Hospital	Caldwell County Fiscal Court	Community Health Systems, Inc.
Fleming County Hospital	Fleming County Fiscal Court	Community Health Systems, Inc.
Jennie Stuart Medical Center	Jennie Stuart Medical Center, Inc.	Community Health Systems, Inc.
Monroe County Medical Center	Monroe Medical Foundation, Inc.	Community Health Systems, Inc.
Ohio County Hospital	Ohio County Fiscal Court	Community Health Systems, Inc.
Trigg County Hospital Inc.	Trigg County Hospital, Inc.	Community Health Systems, Inc.

Section 2

Hospital Utilization



Kentucky Hospital Statistics

Hospital Utilization

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Acute Hospitalizations

Statewide discharges for community hospitals, including critical access hospitals (CAHs), continued to increase steadily from year to year, until 2007. There were 549,802 discharges (excluding normal newborns, psychiatric and rehabilitation discharges) from Kentucky's community hospitals in 2007 compared to 538,944 in 2002, an overall increase of 2.0 percent. Discharges decreased 2.1 percent between 2006 and 2007. Normal Newborn cases declined slightly in 2007.

Average Length of Stay, which is the average time a patient stays in the hospital, remained at approximately 4.5 days over the last five years.

Adult and Pediatric Cases

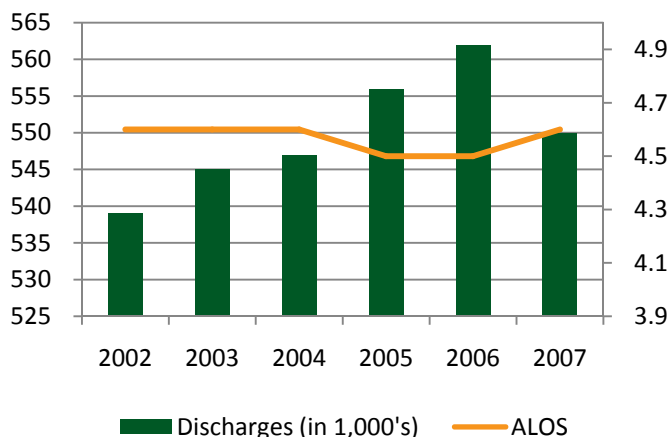
Year	Discharges	Average Length of Stay	Inpatient Days*	License Beds**	Licensed Beds Occupancy Rate	Operating Beds**	Operating Beds Occupancy Rate
2002	538,944	4.59	2,474,341	13,823	49.04%	11,752	57.68%
2003	545,175	4.58	2,498,065	13,743	49.80%	11,753	58.23%
2004	546,691	4.56	2,490,481	13,545	50.37%	11,739	58.12%
2005	556,009	4.51	2,508,046	13,655	50.32%	11,761	58.42%
2006	561,800	4.53	2,547,591	13,658	51.10%	11,946	58.43%
2007	549,802	4.55	2,502,436	13,658	50.20%	11,946	57.40%

Excludes MS-DRGs/DRGs for Psychiatry, Chemical Dependency and Physical Rehabilitation and Normal Newborns

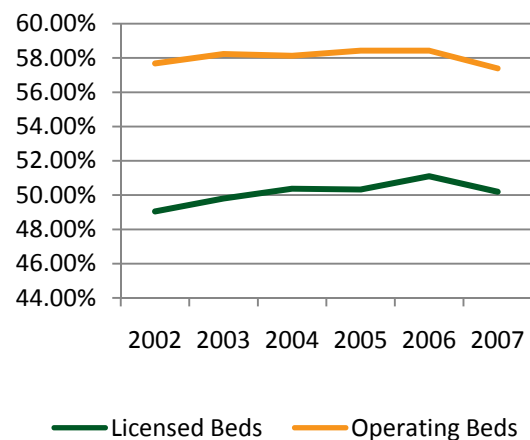
Normal Newborn Cases

Year	Discharges	Average Length of Stay	Inpatient Days*
2002	37,708	2.20	82,780
2003	38,521	2.22	85,503
2004	39,071	2.23	87,082
2005	38,863	2.25	87,565
2006	39,698	2.23	88,439
2007	39,561	2.23	88,326

Discharges and Average Length of Stay



Occupancy Rates



*Source: Community and Critical Access Hospitals Only, KHA Discharge Database 2001 – 2006 excluding MDC 14 and 15 – Births and Newborns, Excludes Psychiatric & Rehab DRGs

** Kentucky Annual Hospital Utilization and Services Report. Excludes Kindred and HealthSOUTH from the 2001 – 2003 bed numbers.

Kentucky community hospitals provided just over 2.5 million inpatient days of care in 2007, representing a 1.1 percent increase since 2002. Inpatient days have risen steadily over the last five years except for a slight decline in 2004, which is attributed to a drop in the length of stay, since discharges also increased that year. Average length of stay has remained fairly constant through 2007, with a patient day reduction of 1.1 percent caused by reduced discharges in 2007.

Acute care bed occupancy rates had also steadily risen until 2007, increasing by two percentage points since 2002, but falling by one point from 2006 to 2007. Bed occupancy can be calculated based on licensed beds (the number of beds a hospital is authorized by the state to maintain) or on operational beds (the number of beds the hospital has set up and staffed). There were no changes for total beds, or beds in service, for acute care and critical access beds from 2006 to 2007.

Occupancy rates of operational beds provide a more accurate depiction of utilization of available beds to treat patients. Kentucky hospital bed occupancy rates understate the true utilization of acute care beds. These rates can be misleading because occupancy is measured on midnight census which is generally the lowest occupancy of the day, and reported occupancy is a yearly average that does not reflect seasonal effects or disparities between weekdays and weekends when census is lower.

Additional factors that affect bed utilization include the mix of private and semi-private rooms, patient matching limitations caused by isolation needs and gender, and use of acute care beds by outpatients in 23-hour observation whose condition is being monitored to determine the need for inpatient admission. Because of these factors, peak occupancy may be 10 to 15 percent higher than published occupancy rates.

2007 Hospital Utilization by Area Development District

ADD #	Area Development District	Cases	Total Days	ALOS	Occupancy	Licensed Acute Beds
1	Purchase	35,887	159,931	4.46	47.0%	932
2	Pennyrile	22,138	89,543	4.04	36.1%	680
3	Green River	23,889	99,379	4.16	45.5%	599
4	Barren River	33,412	148,507	4.44	51.0%	798
5	Lincoln Trail	19,379	82,948	4.28	49.4%	460
6	Kentuckiana	136,222	724,027	5.32	61.0%	3,254
7	Northern Kentucky	42,944	194,528	4.53	58.5%	911
8	Buffalo Trace	5,617	19,051	3.39	34.1%	153
9	Gateway	6,411	22,516	3.51	35.3%	175
10	Fivco	31,136	127,106	4.08	61.5%	566
11	Big Sandy	17,554	76,970	4.38	37.7%	560
12	Kentucky River	17,920	71,648	4.00	58.9%	333
13	Cumberland Valley	31,220	117,841	3.77	47.1%	686
14	Lake Cumberland	21,603	89,393	4.14	62.2%	394
15	Bluegrass	104,470	479,048	4.59	55.8%	2,353
	Total	549,802	2,502,436	4.55	53.3%	12,854

Source: Community and Critical Access Hospitals Only, KHA Discharge Database;
Excludes MS-DRGs/DRGs for Psychiatry, Chemical Dependency and Physical Rehabilitation and Normal Newborns

Patient Migration: Percent of Total Inpatient Discharges by Residence

State	2002	2003	2004	2005	2006	2007
Kentucky Residents	93.55%	93.59%	93.47%	93.49%	93.68%	93.79%
Out of State Residents	6.45%	6.41%	6.53%	6.51%	6.32%	6.21%

Source: Community and Critical Access Hospitals Only, KHA Discharge Database;
Excludes MS-DRGs/DRGs for Psychiatry, Chemical Dependency and Physical Rehabilitation and Normal Newborns

Patient Migration indicates how many inpatients reside in Kentucky verses how many were from out of state. On average, about 6.5 percent of the patients treated in Kentucky hospitals migrate into the state for hospital care from surrounding states.

Age Characteristics of Hospital Inpatients

Age Range	2002				2007			
	Discharges	% of Total	ALOS	Total Days	Discharges	% of Total	ALOS	Total Days
Age 0-5	34,725	6.44%	4.35	151,084	34,665	6.30%	4.79	166,013
Age 6-17	15,054	2.79%	3.08	46,382	14,740	2.68%	3.15	46,470
Age 18-44	140,255	26.02%	3.30	462,829	140,356	25.53%	3.37	473,191
Age 45-64	138,201	25.64%	4.61	636,818	150,444	27.36%	4.61	694,167
Age 65-74	87,303	16.20%	5.37	468,729	87,355	15.89%	5.17	451,907
Age 75-84	84,110	15.61%	5.76	484,124	81,480	14.82%	5.51	448,757
Age 85+	39,296	7.29%	5.71	224,375	40,762	7.41%	5.44	221,931
Total	538,944		4.59	2,474,341	549,802		4.55	2,502,436

Source: Community and Critical Access Hospitals Only, KHA Discharge Database;
Excludes MS-DRGs/DRGs for Psychiatry, Chemical Dependency and Physical Rehabilitation and Normal Newborns

The 65 and older age group accounted for the highest proportion (38 percent) of Kentucky's discharges in 2007, followed by patients between the ages of 45 and 64 years (27 percent), just slightly more than the discharges of patients between 18 and 44 years, which also accounted for just less than one quarter of the discharges (25 percent).

Between 2002 and 2007 there has been little change in the breakdown of inpatient discharges by age. Cases among patients ages 45 to 64 grew almost two percent, while the proportion of patients ages 18 to 44 increased slightly and patients 65 and older declined slightly. Although the average length of stay remained essentially constant across years and patient age ranges, there was a 9 percent increase in the length of stay for children and a 4 percent decline among patients age 65 or older.

Utilization by Major Diagnostic Category by Age

Almost one-quarter of patients 65 and older (209,597 cases) were seen for problems involving the circulatory system (55,904 case or 26.7 percent), followed by the respiratory system (40,748 cases or 19.4 percent) and then the digestive system, which ranked a distant third (22,391 cases or 10.7 percent).

Patients aged 45 to 64 years were more likely to be hospitalized for the same diagnosis and disorders as their more mature counterparts. Patients 45 to 64 years were also likely to have medical problems related to the circulatory system (38,644 cases or 25.7 percent), followed by respiratory system (23,762 cases or 15.8 percent) and digestive system (18,434 cases or 12.3 percent).

Because the 18-44 age category encompasses women of child-bearing age, pregnancy and childbirth (60,044 cases or 42.8 percent) were the most common reasons for hospitalization among these patients. Digestive disorders (12,204 cases or 8.7 percent) was the second leading discharge diagnoses, followed by circulatory disorders (9,907 cases or 7.1 percent).

In 2007, children ages 0 to 17 were most likely to be hospitalized for conditions related to their birth (representing 17,018 cases or 34.4 percent), followed distantly by diagnosis and disorders related to the children's respiratory systems (10,875 cases or 11.8 percent) and the digestive system (5,131 cases or 5.8 percent).

The distribution of cases by age group and MDC has not changed significantly from 2006.

Major Diagnostic Category by Age - 2007

(D&D – Diagnosis and Disorders)

MDC Code	MDC Description	Age 0-5	Age 6-17	Age 18-44	Age 45-64	Age 65-74	Age 75-84	Age 85+	Grand Total
1	Nervous System	996	1,069	5,685	9,610	5,944	6,673	3,463	33,440
2	Eye	78	47	154	158	81	48	25	591
3	Ear, Nose, And Throat	1,231	614	1,335	1,378	659	599	260	6,076
4	Respiratory System	6,639	2,133	7,805	23,762	17,712	15,537	7,499	81,087
5	Circulatory System	330	259	9,907	38,644	23,964	21,787	10,153	105,044
6	Digestive System	2,513	2,087	12,204	18,434	9,367	8,657	4,367	57,629
7	Hepatobiliary System And Pancreas	32	260	5,460	7,267	2,773	1,963	814	18,569
8	Musculoskeletal Sys & Connective Tissue	521	1,407	6,608	15,434	9,407	8,769	4,455	46,601
9	Skin, Subcutaneous Tissue, And Breast	1,047	867	4,840	4,866	1,781	1,651	948	16,000
10	Metabolic Diseases/Disorders	1,564	952	4,784	6,082	2,854	3,014	1,722	20,972
11	Kidney And Urinary Tract	634	645	5,230	7,241	4,721	5,583	3,522	27,576
12	Male Reproductive System	22	32	250	1,061	793	548	146	2,852
13	Female Reproductive System	60	178	6,777	4,521	949	487	125	13,097
14	Pregnancy, Childbirth, And The Puerperium		2,542	60,044	41				62,627
15	Neonates (Excludes Normal Newborns)	17,018							17,018
16	Blood/Blood Forming Organs/Immunity Dis	325	323	1,149	1,640	1,140	1,146	644	6,367
17	Myeloproliferative	182	290	702	1,706	828	486	138	4,332
18	Infectious And Parasitic Diseases	1,123	405	2,261	4,481	3,021	3,261	1,889	16,441
19	Mental Diseases/Disorders				2				2
20	Substance Use			9	14	3	3	1	30
21	Injury, Poisoning, And Toxic Effects	188	421	3,609	2,622	758	566	198	8,362
22	Burns	60	42	151	116	34	13	5	421
23	Factors Influencing Hlth Status	87	45	451	844	475	565	327	2,794
24	Multiple Significant Trauma	14	122	655	322	78	121	61	1,373
25	Human Immunodeficiency Virus Infection (AIDS)	1		284	192	9	2		488
	Unknown			2	6	4	1		13
Total		34,665	14,740	140,356	150,444	87,355	81,480	40,762	549,802

Source: Community and Critical Access Hospitals Only, KHA Discharge Database;

Excludes MS-DRGs/DRGs for Psychiatry, Chemical Dependency and Physical Rehabilitation and Normal Newborns

Patient Discharge Status

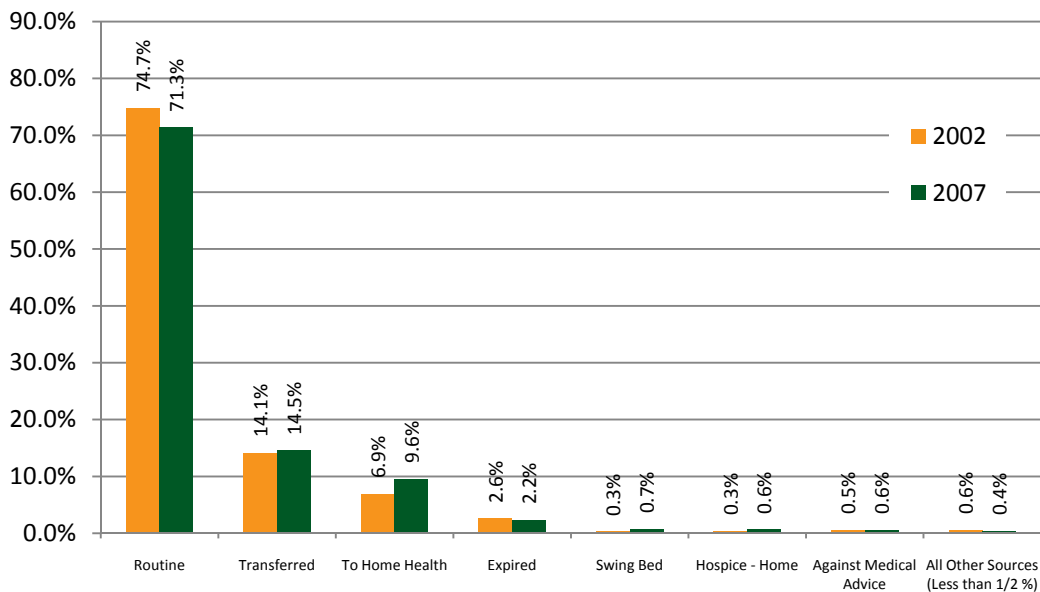
In 2007, over 71 percent of inpatient discharges in Kentucky's community and critical access hospitals were routine (discharged to their home) with 9.6 percent also receiving home health services. In 2.6 percent of the cases, patients were discharged to another short-term hospital for additional acute care service. A small percentage of patients were transferred for rehabilitative (2.0 percent) or psychiatric care (0.3 percent) and 9.4 percent were transferred to long-term care (which includes skilled nursing facilities, immediate care facilities, swing beds, long-term care, and Medicaid-certified nursing facilities).

Over the last five years there has been a 3.4 percentage point decline in routine discharges. A greater percentage of patients are receiving home health care, hospice services, or requiring additional post acute care from another type of facility following hospital discharge. In addition, fewer inpatients died in 2007 (2.2 percent), as compared to 2002 (2.6 percent).

Discharge Status Breakdown for 2007

Code	Discharge Status	Cases	% of Total	ALOS	Average Age
01	Routine Discharge (to Home Or Self Care)	392,164	71.3%	3.58	46.67
02	Discharge/Transferred To Another Short-term Hospital	14,344	2.6%	3.82	54.74
03	Discharge/Transferred To Skilled Nursing Facility (snf)	44,448	8.1%	7.70	77.27
04	Discharge/Transferred To Intermediate Care Facility (ic)	3,344	0.6%	5.52	74.79
05	Discharge/Transferred To Another Type Institution	2,520	0.5%	5.95	48.18
06	Discharge/Transferred To Home Health Care Service	52,597	9.6%	6.77	63.39
07	Left Against Medical Advice	3,505	0.6%	2.61	45.97
09	Admitted As An Inpatient To This Hospital (Medicare Only)	88	0.0%	5.24	44.73
20	Expired (or Did Not Recover-Christian Scientist Patient	12,355	2.2%	7.86	71.06
40	Expired At Home (Medicare Claims For Hospice Care)	1	0.0%	1.00	42.00
41	Expired In Medical Facility (Medicare Claims For Hospice)	81	0.0%	3.88	75.01
43	Discharged/Transferred To A Federal Hospital	301	0.1%	6.74	67.27
50	Hospice - Home	3,542	0.6%	7.14	70.73
51	Hospice - Medical Facility	1,795	0.3%	8.26	75.02
61	Discharge/Transfer Within Inst To Hosp Based Medicare S	3,800	0.7%	5.97	76.50
62	Discharge/Transfer To Rehab Facility Or Hospital Unit	10,722	2.0%	8.54	69.44
63	Discharge/Transfer To Long-term Care Hospital	2,587	0.5%	17.20	67.27
64	Disch/Trans To Nursing Fac Certified Under Medicaid -no	162	0.0%	5.75	65.30
65	Disch/Trans To Psych Hosp Or Psych Distinct Part Unit O	1,400	0.3%	3.62	47.11
66	Discharge/Transfer To Critical Access Hospital (CAH)	46	0.0%	3.13	41.30
	Total	549,802		4.55	52.69

Source: Community and Critical Access Hospitals Only, KHA Discharge Database;
Excludes MS-DRGs/DRGs for Psychiatry, Chemical Dependency and Physical Rehabilitation and Normal Newborns



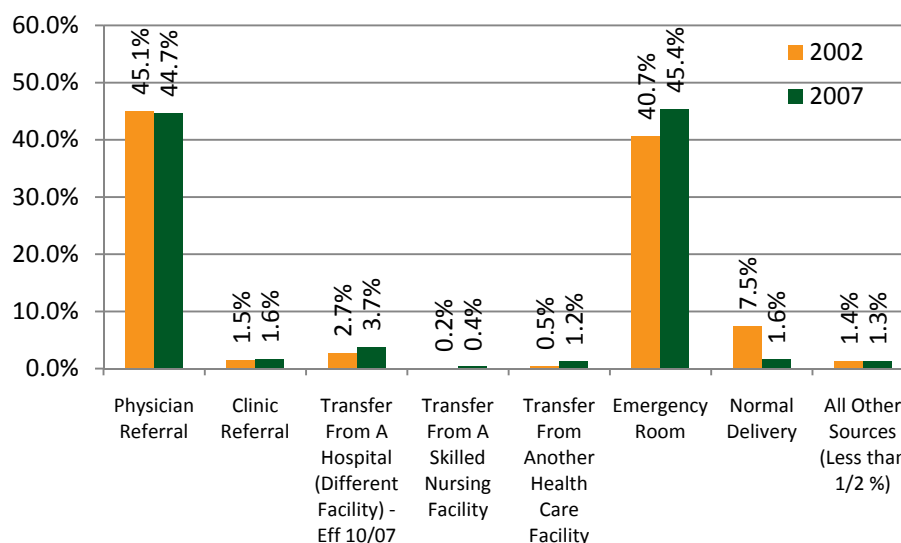
(Transfers include Discharge Status Codes 02, 03, 04, 05, 43, 62-72)

Patient Admit Source

The admit source is a code indicating the source of the admission. In 2007, based on 549,802 total discharges excluding newborns, 44.7 percent of the patients (245,981 cases) were admitted as a result of a physician referral. Admissions through the emergency room (45.4 percent of cases) are growing, and in 2007, they again surpassed the number of admissions from physician referral. Of the total admissions, approximately 5.4 percent were admitted as transfers from a hospital or other health care facilities.

Code	Admit Source Description	2002	2003	2004	2005	2006	2007	% Change
01	Physician Referral	262,542	258,131	252,164	253,784	259,684	245,981	-6.3%
02	Clinic Referral	8,511	7,263	6,228	6,677	7,797	9,066	6.5%
03	HMO Referral	2,662	2,899	2,782	1,690	267	180	-93.2%
04	Transfer From A Hospital (Different Facility) - Eff 10/07	15,972	16,553	19,110	18,200	19,383	20,450	28.0%
05	Transfer From A Skilled Nursing Facility	1,004	996	1,307	1,760	1,457	2,031	102.3%
06	Transfer From Another Health Care Facility	2,863	3,341	3,442	3,115	2,319	6,708	134.3%
07	Emergency Room	236,914	245,155	252,972	260,267	261,227	249,389	5.3%
08	Court/Law Enforcement	287	98	108	214	230	199	-30.7%
09	Information Not Available	3,029	5,033	3,003	2,980	2,279	732	-75.8%
A	Transfer From A Critical Access Hospital	1	3	57	142	163	253	
D	Tsfr From Hosp IP In Same Fac - Sep Clm To Payer Eff 10/07	-	-	-	-	230	515	
11	Normal Delivery	43,617	43,716	46,822	46,125	46,757	8,689	-80.1%
12	Premature Delivery	715	797	849	939	1,096	863	20.7%
13	Sick Baby	326	374	396	345	533	347	6.4%
14	Extramural Birth	1,452	1,240	933	877	403	101	-93.0%
19	Information Not Available	2,289	3,564	2,417	2,831	2,764	1,041	-54.5%
15	Born Inside this Hospital	-	-	-	-	-	3,245	
16	Born Outside of this Hospital	-	-	-	-	-	7	
E	Transfer from Ambulatory Surgery Center (Eff 10/07)	-	-	-	-	-	1	
F	Transfer from Hospice Program (Eff 10/07)	-	-	-	-	-	4	

Excludes MS-DRGs/DRGs for Psychiatry, Chemical Dependency and Physical Rehabilitation and Normal Newborns



Source: Community and Critical Access Hospitals Only, KHA Discharge Database

Although a small proportion of total admissions, there has been almost a 39 percent increase in transfers from skilled nursing facilities from 2006 to 2007.

Distribution of Discharges and Patient Days by Payer

Nearly all care provided by Kentucky's hospitals is paid for through third party government or private insurance. For state reporting, Kentucky defines the payers as follows:

Government Payers

- **Medicare** is a federal health program administered by the United States government, covering people who are age 65 and over, and some disabled people.
- **Medicaid** is a federally-established, state-administered program designed to pay for the care provided to specifically defined categories of the poor (i.e., low-income families, disabled, and low-income seniors). Medicaid is funded jointly by federal and state government.
- **Passport Health Plan** is a Medicaid Managed Care Program covering Medicaid enrollees in Jefferson County and surrounding counties in Kentucky.
- **Other Federal Programs** include programs such as the Federal Employee Program (FEP)
- **CHAMPUS (TRICARE)** is a military health care program for active duty and retired members of the uniformed services, their families, and survivors.

Private Payers

- **Commercial Health Insurance** provides coverage to large and small groups and individuals through the private health insurance market and includes Preferred Provider Organization (PPO), Health Maintenance Organization (HMO) and indemnity plans.
- **Self-Pay** patients include the population that is not covered by health insurance. This may also include charity care for which the hospital is not reimbursed.
- **Workers' Compensation** pays the medical cost for employees who are injured in the course of employment.
- **Other** includes all other insurance programs or claims where the insurance company may be unknown at the time.

Distribution of Discharges and Patient Days by Payer

Payer Code	Payer Description	2002 Discharges	2007 Discharges	% Change	2002 Total Days	2007 Total Days	% Change
C	Medicare	229,018	238,697	4.2%	1,227,774	1,247,942	1.6%
D/P	Medicaid/Passport	82,634	100,113	21.2%	319,913	407,104	27.3%
I	Other	40,858	42,202	3.3%	182,716	182,351	-0.2%
J	Commercial - Indemnity	38,010	33,947	-10.7%	138,173	127,502	-7.7%
K	Commercial - Preferred Provider	21,286	33,268	56.3%	75,332	137,948	83.1%
F/G	Commercial - Unknown	65,494	28,844	-56.0%	299,350	114,991	-61.6%
A	Self Pay	15,014	26,649	77.5%	49,068	101,697	107.3%
L	Commercial - HMO	24,978	22,697	-9.1%	93,011	86,892	-6.6%
M	Commercial - Managed Care	13,024	13,454	3.3%	51,902	52,243	0.7%
H	Champus	2,115	3,625	71.4%	9,134	15,420	68.8%
B	Workers' Compensation	4,164	3,211	-22.9%	17,669	13,639	-22.8%
E	Other Federal Programs	2,349	3,095	31.8%	10,299	14,707	42.8%
	<i>All Commercial Aggregated</i>	162,792	132,210	-18.8%	657,768	519,576	-21.0%

Source: Community and Critical Access Hospitals Only, KHA Discharge Database
 Excludes MS-DRGs/DRGs for Psychiatry, Chemical Dependency and Physical Rehabilitation and Normal Newborns
 *2002 Self-Pay patients were not accurately reported

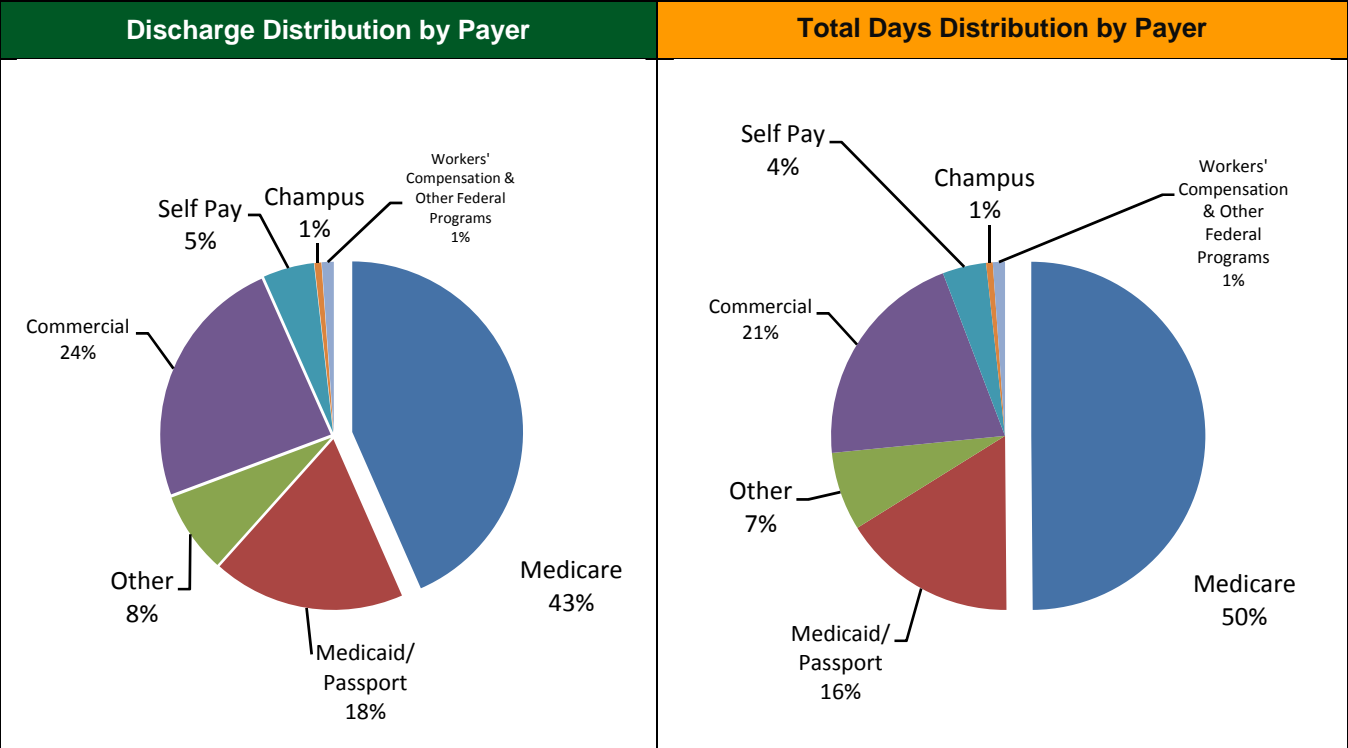
Payer Distribution by Discharges and Inpatient Days

In 2007, the care for 63 percent of all community hospital acute care discharges and 68 percent of inpatient acute care days was reimbursed through government payers.

The proportion of inpatient care paid through government programs is much higher in areas of Kentucky where a large portion of the population is poor or elderly. In some hospitals, Medicare and Medicaid patients comprise more than 80 percent of all inpatients. The extremely high proportion of care reimbursed by government payers makes the adequacy of those payments key to the stability and long-term viability of Kentucky hospitals.

Due to longer lengths of stay of elderly patients, Medicare covers nearly 43.4 percent of all hospital discharges, but 49.6 percent of inpatient days. Medicaid, including Medicaid Managed Care, covers about 18.2 percent of all inpatients and 16.3 percent of inpatient days in community hospitals.

Private insurance pays for the care of 24 percent of hospital patients and 20.8 percent of inpatient days. About five percent of patients are categorized as self-pay, although some uninsured patients may be included as “other” if they presented themselves as having insurance, but their services were not covered.



Source: Community and Critical Access Hospitals Only, KHA Discharge Database
Excludes MS-DRGs/DRGs for Psychiatry, Chemical Dependency and Physical Rehabilitation and Normal Newborns

Changes in the distribution of the Kentucky hospital payer mix from 2002 to 2007 continues to illustrate a shift in insurance coverage among hospitalized patients towards a reduction in private health insurance and an increase in the number and utilization of patients covered by Medicaid, or who are uninsured.

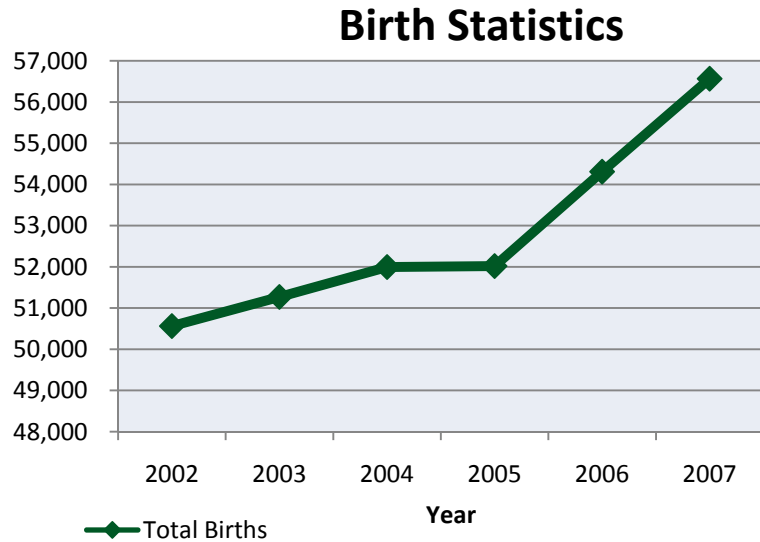
Specifically, there has been a six percent drop in the proportion of commercially insured patients, an 18.8 percent decline in the number of commercial discharges and a 21 percent drop in commercial patient days. However, during the same time, there has been a 21 percent increase in the number of Medicaid patients and a 27 percent jump in Medicaid inpatient days. This creates a significant financial impact on hospitals since Kentucky Medicaid payments cover only about 83 percent of the actual cost of care.

The proportion of Medicare patients has remained at 43 percent. Workers' compensation patients and days have also remained constant at just over one percent.

Births

There were 56,564 births in Kentucky hospitals in 2007. Births have been steadily rising each year and have increased 11.9 percent from 2002 to 2007, with the largest percent increases in the last two years (4.4 and 4.2 percent).

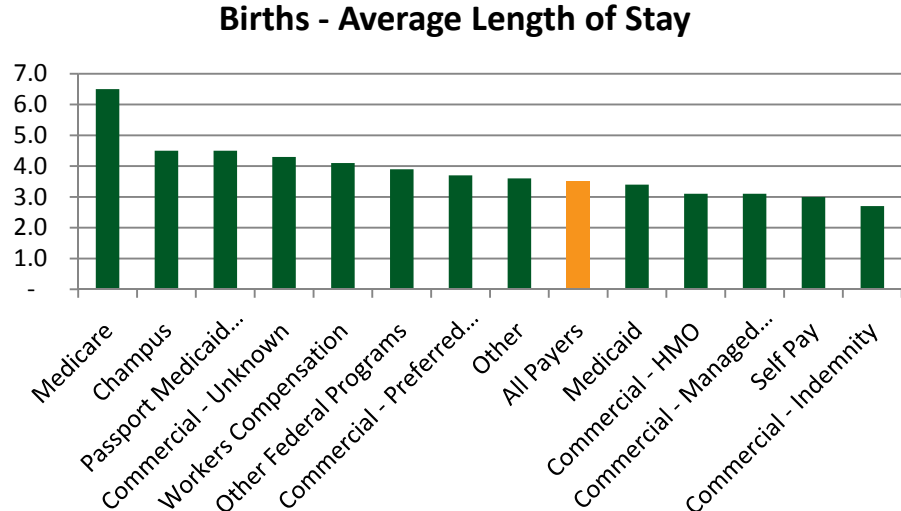
Kentucky's birth rate (13.2 per 1,000 population), ranked Kentucky 26th highest in the U.S. in 2007 (tied with Alaska). The U.S average per 1,000 was 13.5.



Source: Annual Survey of Hospitals American Hospital Association (AHA) - Trend Analysis Group, 2007

Births by Payer – Average Length of Stay

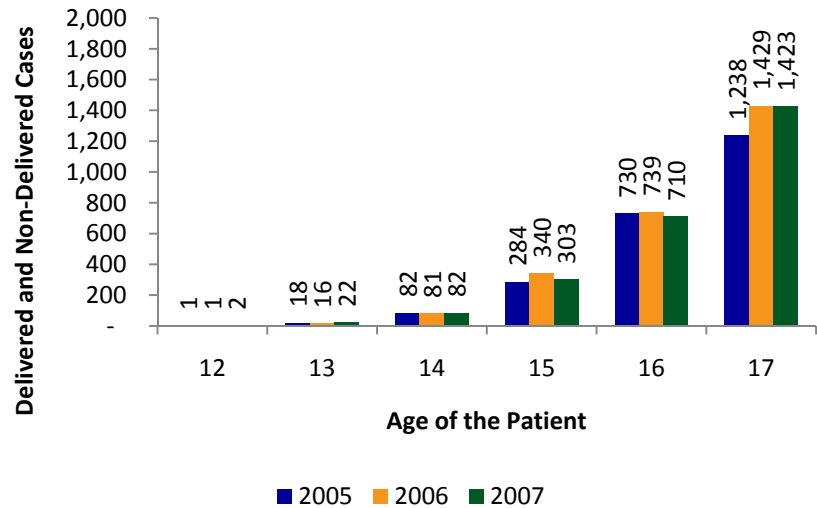
For the most part, governmental payers have a higher average length of stay than births as a whole. Medicaid was the exception to this, at 3.4 days per stay.



Source: KHA Database 2007

Teenage Births in Kentucky

Teenage births have remained fairly constant over the last three years. Cases rose from 2,353 in 2005 to 2,606 in 2006. In 2007, cases declined slightly to 2,542. The chart shows the distribution of cases by specific age, showing the vast majority of cases centers on mothers, age 16 and 17 (over 80 percent of the total cases).



Source: KHA Database 2007

Teenage Births in Kentucky by Payer

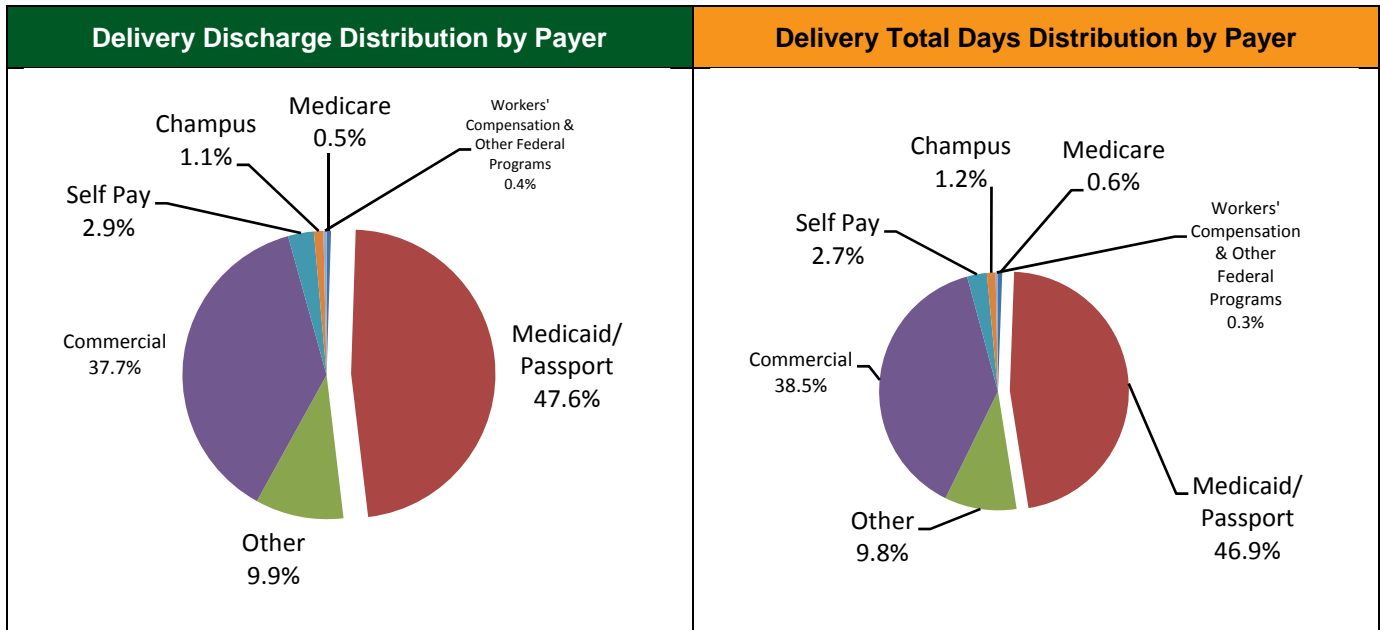
Nearly three of every four teenage births have Medicaid or Passport as the primary payer.

Payer	2005		2006		2007	
	Cases	%	Cases	%	Cases	%
Medicaid/Passport	1,717	73.0%	1,966	75.4%	1,884	74.1%
Other	119	5.1%	132	5.1%	124	4.9%
Commercial	393	16.7%	397	15.2%	411	16.2%
Self Pay	96	4.1%	73	2.8%	86	3.4%
Champus	17	0.7%	23	0.9%	18	0.7%
Medicare	-	0.0%	1	0.0%	-	0.0%
Workers Comp & Other Federal Programs	11	0.5%	14	0.5%	19	0.7%
Total Cases Age <18	2,353		2,606		2,542	

Source: KHA Database 2005-2007

Deliveries by Payer

Unlike the general inpatient population, Medicaid and Passport are the primary payers for vaginal and cesarean deliveries, constituting 47 percent of all cases. Patient days by payer closely mirror the distribution of cases. Note that the Medicare cases may reflect patients who qualified for a disability or were qualified dependents and were eligible for Medicare coverage.



Cesarean Deliveries

Currently, about one mother out of three is now giving birth by Cesarean Section (C-section). Kentucky, like the rest of the nation, has seen an increase in the number of C-sections performed each year. Although the state's 2006 C-section rate declined slightly from 2005, the rate rebounded in 2007. Kentucky's C-section rate has been consistently higher than national rates. In 2006, the most recent year that national data is available, Kentucky's rate was 3.2 percentage points higher than the U.S. average rate. Because the length of stay for C-sections is longer than vaginal deliveries, the increase in C-section cases is accompanied by an increase in patient days. However, in 2007 the average length of stay was lower than the previous year.

Since the age of patients having C-sections has remained relatively constant, the rise in C-section procedures appears to be related to factors other than maternal age.

Cesarean Section Rates by Year

Year	Total Births	C-section Cases	Kentucky C-Section Rate	National Rate	ALOS	Total Days	Average Age
2002	50,562	14,577	28.8%	26.1%	3.49	50,921	28
2003	51,269	15,932	31.1%	27.5%	3.44	54,850	28
2004	51,996	17,121	32.9%	29.1%	3.45	59,040	28
2005	52,019	18,056	34.7%	30.3%	3.44	62,187	28
2006	54,310	18,643	34.3%	31.1%	3.47	64,618	27
2007	56,564	19,781	36.2%	**	3.43	67,804	27

Source for Kentucky Rate: KHA Discharge Database

Source for National Rate: American College of Obstetricians and Gynecologists (ACOG), 2006

**National Data not available in 2007

Cesarean Section Rates and Deliveries by Payer in 2007

Payer Description	Total Deliveries	C-Sections	C-Section Rate	Average Age
Commercial	20,596	8,068	39.2%	29.2
Medicaid	19,752	6,826	34.6%	24.0
Other (including Workers' Compensation)	5,488	2,092	38.1%	28.9
Passport Medicaid Managed Care	6,293	1,980	31.5%	25.0
Self Pay	1,579	410	26.0%	27.3
Champus	581	209	36.0%	25.6
Medicare	272	130	47.8%	29.6
Other Federal Programs	134	66	49.3%	24.1

Source: Community and Critical Access Hospitals Only, KHA Discharge Database

Cesarean rates are highest among Medicare patients (47.8 percent) followed by Commercial payer patients (39.2 percent). The fewest C-sections occurred among self-pay patients (26.0 percent).

Again, note that the Medicare cases had an average age of 29.6 years. This may reflect patients who qualified for a disability or were qualified dependents and were eligible for Medicare coverage.

In 2007, there were 26,045 deliveries to Medicaid patients (including Passport), representing nearly half (47.6 percent) of all deliveries in Kentucky. Thirty-eight percent of all deliveries were covered by commercial insurers. C-section rates for Medicaid patients continue to be lower than the commercially insured patients. Passport managed care patients had lower rates (31.5 percent) than other Medicaid patients (34.6 percent) whose rates were two percentage points lower than the statewide average. C-section rates for all commercial patients combined (39.2 percent) were 3 percentage points higher than the state average of 36.2 percent. This may be due in part to maternal age, which was between four and five years older for commercial patients as compared to Medicaid.

Top 30 Most Frequent Diagnosis-Related Groups Statewide

Medicare Severity Diagnosis Related Groups (MSDRG) is a system by which hospital cases are classified into one of approximately 775 groups, based on the patient's diagnosis, procedure, age, sex, and the presence of complications. MSDRGs recognize the severity of illness and resource use and are based on complexity of the case.

Deliveries (MSDRGs 765-768 and 774-775) were the top reason for hospitalization, accounting for 9.3 percent of all cases (54,695 cases) in Kentucky hospitals. Esophagitis and Digestive Disorders was the most frequent non-birth related MSDRG, followed by Major Joint Replacement/Reattachment, COPD and Simple Pneumonia.

The 30 most frequent MSDRGs listed below account for 52 percent of the general short-term acute discharges and 35.9 percent of the general short-term acute inpatient days in Kentucky hospitals annually, not including patients who may have been hospitalized for mental or psychiatric disorders or physical rehabilitation. However, the number of psychiatric and rehabilitation patients and days of care are very significant. When care provided only in acute care psychiatric units and private psychiatric hospitals is considered, inpatient psychiatric care would rank second in terms of the number of cases (36,811), but first in the number of days (405,175), as there were over 2.6 times more inpatient psychiatric days than for normal newborns and uncomplicated deliveries. This highlights the significant mental health needs of the population. Physical rehabilitation care would also fall in the top ten — following COPD in terms of cases (11,143), but would rank second, after psychiatric care, in terms of inpatient days (148,315).

MS DRG	MSDRG Description	2007 Cases	% of Total	ALOS	Total Days	Average Age
795	Normal newborn	39,561	6.7%	2.23	88,326	-
775	Vaginal delivery w/o complicating diagnoses	29,039	4.9%	2.28	66,317	25.4
392	Esophagitis, gastroent & misc digest disorders w/o MCC	18,448	3.1%	3.03	55,825	48.8
766	Cesarean section w/o CC/MCC	13,206	2.2%	3.02	39,916	26.9
470	Major joint replacement or reattachment of lower extremity w/o MCC	11,842	2.0%	3.71	43,882	66.4
192	Chronic obstructive pulmonary disease w/o CC/MCC	11,470	1.9%	3.72	42,628	63.9
194	Simple pneumonia & pleurisy w CC	10,326	1.8%	4.77	49,284	62.9
313	Chest pain	9,851	1.7%	1.94	19,079	56.3
641	Nutritional & misc metabolic disorders w/o MCC	9,231	1.6%	3.23	29,812	53.5
603	Cellulitis w/o MCC	8,867	1.5%	3.64	32,249	44.4
287	Circulatory disorders except AMI, w card cath w/o MCC	8,603	1.5%	2.83	24,319	58.7
247	Perc cardiovasc proc w drug-eluting stent w/o MCC	8,600	1.5%	2.02	17,331	61.9
195	Simple pneumonia & pleurisy w/o CC/MCC	8,442	1.4%	3.44	29,010	50.0
690	Kidney & urinary tract infections w/o MCC	8,008	1.4%	3.62	28,953	58.3
794	Neonate w other significant problems	7,758	1.3%	2.61	20,247	-
743	Uterine & adnexa proc for non-malignancy w/o CC/MCC	7,541	1.3%	2.14	16,134	42.8
765	Cesarean section w CC/MCC	6,575	1.1%	4.24	27,888	27.0
189	Pulmonary edema & respiratory failure	6,279	1.1%	7.35	46,172	67.5
203	Bronchitis & asthma w/o CC/MCC	6,265	1.1%	2.57	16,124	22.2
871	Septicemia w/o MV 96+ hours w MCC	6,153	1.0%	7.23	44,474	69.6
293	Heart failure & shock w/o CC/MCC	5,863	1.0%	3.59	21,024	73.4
292	Heart failure & shock w CC	5,781	1.0%	4.81	27,785	73.3
310	Cardiac arrhythmia & conduction disorders w/o CC/MCC	5,589	0.9%	2.52	14,080	66.0
191	Chronic obstructive pulmonary disease w CC	5,269	0.9%	4.66	24,557	66.4
291	Heart failure & shock w MCC	5,061	0.9%	6.49	32,825	73.2
312	Syncope & collapse	4,637	0.8%	2.86	13,253	66.3
774	Vaginal delivery w complicating diagnoses	4,366	0.7%	2.90	12,645	25.7
781	Other antepartum diagnoses w medical complications	3,984	0.7%	3.18	12,679	25.3
683	Renal failure w CC	3,759	0.6%	5.23	19,654	69.2
552	Medical back problems w/o MCC	3,585	0.6%	3.72	13,350	60.2
	All Other	305,404	51.8%	5.44	1,660,940	
	Total	589,363		4.40	2,590,762	

Source: Community and Critical Access Hospitals Only, KHA Discharge Database, excludes psychiatric and rehab DRGs

Kentucky's Area Development Districts

There are 15 Area Development Districts (ADDs) in Kentucky, which have been in existence for more than 40 years. These ADDs are designed to be the focal point of an essential Federal-State-Local partnership whose objective is to improve the quality of life in the commonwealth. Unlike other organizations structured along multi-jurisdictional lines, the ADDs have both federal and state statutory authority.



Kentucky's ADDs provide a system of complete coverage to all 120 counties, and serve as planning areas for many regional services, including health care. ADDs allow planners to better understand the distribution of services throughout the state, including the differences in utilization and the differences in medical needs. The ADDs also indicate more readily where gaps in medical care exist.

Different health problems emerge when the top DRGs are compared among Kentucky's 15 area development districts.

Normal deliveries represent the top MS-DRG in all Area Development Districts (ADDs) except Big Sandy and Kentucky River where Chronic Obstructive Pulmonary Disease (COPD) tops the list. Normal newborns and uncomplicated deliveries rank second and fourth in Big Sandy; third and fourth in Kentucky River behind other MS-DRGs.

The most frequent non-birth related MS-DRG varies among ADDs. Esophagitis, Gastroenteritis and Miscellaneous Digestive Disorders without MCC rank second, followed by Major Joint Replacement, Cesarean Section without CC/MCC and COPD.

No single ADD matched statewide top 10 MS-DRGs. For four ADDs, all in the west and south-central part of the state, 195-Simple Pneumonia & pleurisy without MCC was the sole difference. For six ADDs, all in the eastern half of the state, other pulmonary-related MS-DRGs and Percutaneous Cardiovascular Procedures with drug-eluting stent without MCC appeared in the top ten.

Prevalent MS-DRGs in ADDs, Not in State Top 10 MS-DRGs - 2007

MS-DRG	MS-DRG Description	Area Development District
189	Pulmonary edema & respiratory failure	Kentuckiana, Gateway
191	Chronic obstructive pulmonary disease w CC	Kentucky River
195	Simple pneumonia & pleurisy w/o CC/MCC	Purchase, Pennyrite, Green River, Barren River, Buffalo Trace, Gateway, Fiveco, Big Sandy, Cumberland Valley, Lake Cumberland
203	Bronchitis & asthma w/o CC/MCC	Buffalo Trace, Big Sandy, Kentucky River
247	Percutaneous cardiovascular procedures with drug-eluting stent w/o MCC	Northern Kentucky, Gateway, Fiveco, Big Sandy, Cumberland Valley, Bluegrass
287	Circulatory disorders except AMI, w card catheterization w/o MCC	Kentuckiana, Northern Kentucky
690	Kidney & urinary tract infections w/o MCC	Lincoln Trail, Buffalo Trace, Lake Cumberland
743	Uterine & adnexa procedure for non-malignancy w/o CC/MCC	Lincoln Trail, Northern Kentucky, Fiveco, Bluegrass
794	Neonate w other significant problems	Lincoln Trail, Kentuckiana, Northern Kentucky, Bluegrass
871	Septicemia w/o MV 96+ hours w MCC	Kentuckiana

Source: KHA Discharge Database, Excludes Psychiatric and Rehabilitation DRGs

This illustrates geographic differences in health problems, although part of the reason for the prevalence of certain conditions may be due to the availability of specialized services in certain ADDs, such as neonatal intensive care units or heart programs.

Top 10 MS-DRGs by Kentucky's Area Development Districts

(Boldface indicates Top 10 Statewide MSDRG)

1	Purchase Area Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
795	Normal newborn	1,565	4.0%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	1,564	4.0%
775	Vaginal delivery w/o complicating diagnoses	1,203	3.1%
194	Simple pneumonia & pleurisy w CC	654	1.7%
195	Simple pneumonia & pleurisy w/o CC/MCC	646	1.7%
313	Chest pain	616	1.6%
192	Chronic obstructive pulmonary disease w/o CC/MCC	585	1.5%
470	Major joint replacement or reattachment of lower extremity w/o MCC	571	1.5%
766	Cesarean section w/o CC/MCC	570	1.5%
603	Cellulitis w/o MCC	528	1.4%
	All Other	30,427	78.2%

2	Pennyrile Area Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
795	Normal newborn	1,727	6.4%
775	Vaginal delivery w/o complicating diagnoses	1,167	4.4%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	975	3.6%
192	Chronic obstructive pulmonary disease w/o CC/MCC	660	2.5%
641	Nutritional & misc metabolic disorders w/o MCC	635	2.4%
766	Cesarean section w/o CC/MCC	558	2.1%
194	Simple pneumonia & pleurisy w CC	530	2.0%
195	Simple pneumonia & pleurisy w/o CC/MCC	529	2.0%
470	Major joint replacement or reattachment of lower extremity w/o MCC	487	1.8%
313	Chest pain	465	1.7%
	All Other	19,060	71.1%

3	Green River Area Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
795	Normal newborn	2,050	7.7%
775	Vaginal delivery w/o complicating diagnoses	1,282	4.8%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	1,113	4.2%
766	Cesarean section w/o CC/MCC	715	2.7%
192	Chronic obstructive pulmonary disease w/o CC/MCC	541	2.0%
470	Major joint replacement or reattachment of lower extremity w/o MCC	531	2.0%
194	Simple pneumonia & pleurisy w CC	492	1.8%
195	Simple pneumonia & pleurisy w/o CC/MCC	439	1.6%
313	Chest pain	423	1.6%
641	Nutritional & misc metabolic disorders w/o MCC	376	1.4%
	All Other	18,774	70.2%

Source: KHA Discharge Database, Excludes Psychiatric and Rehabilitation DRGs

Top 10 MS-DRGs by Kentucky's Area Development Districts (continued)

(Boldface indicates Top 10 Statewide MSDRG)

4	Barren River Area Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
795	Normal newborn	2,727	7.6%
775	Vaginal delivery w/o complicating diagnoses	2,043	5.7%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	1,200	3.3%
313	Chest pain	952	2.6%
641	Nutritional & misc metabolic disorders w/o MCC	879	2.4%
195	Simple pneumonia & pleurisy w/o CC/MCC	783	2.2%
766	Cesarean section w/o CC/MCC	774	2.1%
192	Chronic obstructive pulmonary disease w/o CC/MCC	729	2.0%
194	Simple pneumonia & pleurisy w CC	714	2.0%
470	Major joint replacement or reattachment of lower extremity w/o MCC	698	1.9%
	All Other	24,593	68.1%

5	Lincoln Trail Area Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
795	Normal newborn	2,284	7.6%
775	Vaginal delivery w/o complicating diagnoses	1,768	5.9%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	806	2.7%
766	Cesarean section w/o CC/MCC	778	2.6%
470	Major joint replacement or reattachment of lower extremity w/o MCC	732	2.4%
194	Simple pneumonia & pleurisy w CC	707	2.3%
192	Chronic obstructive pulmonary disease w/o CC/MCC	503	1.7%
794	Neonate w other significant problems	466	1.5%
690	Kidney & urinary tract infections w/o MCC	444	1.5%
743	Uterine & adnexa proc for non-malignancy w/o CC/MCC	443	1.5%
	All Other	21,168	70.3%

6	Kentuckiana Area Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
795	Normal newborn	9,369	8.0%
775	Vaginal delivery w/o complicating diagnoses	6,723	5.7%
470	Major joint replacement or reattachment of lower extremity w/o MCC	3,036	2.6%
766	Cesarean section w/o CC/MCC	2,877	2.4%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	2,827	2.4%
794	Neonate w other significant problems	1,740	1.5%
287	Circulatory disorders except AMI, w card cath w/o MCC	1,695	1.4%
871	Septicemia w/o MV 96+ hours w MCC	1,670	1.4%
189	Pulmonary edema & respiratory failure	1,666	1.4%
603	Cellulitis w/o MCC	1,619	1.4%
	All Other	84,481	71.8%

Source: KHA Discharge Database, Excludes Psychiatric and Rehabilitation DRGs

Top 10 MS-DRGs by Kentucky's Area Development Districts (continued)

(Boldface indicates Top 10 Statewide MSDRG)

7	Northern Kentucky Area Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
795	Normal newborn	3,585	7.8%
775	Vaginal delivery w/o complicating diagnoses	2,969	6.4%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	1,253	2.7%
287	Circulatory disorders except AMI, w card cath w/o MCC	1,212	2.6%
313	Chest pain	1,206	2.6%
766	Cesarean section w/o CC/MCC	1,138	2.5%
794	Neonate w other significant problems	819	1.8%
603	Cellulitis w/o MCC	718	1.6%
247	Perc cardiovasc proc w drug-eluting stent w/o MCC	709	1.5%
743	Uterine & adnexa proc for non-malignancy w/o CC/MCC	688	1.5%
	All Other	31,827	69.0%

8	Buffalo Trace Area Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
795	Normal newborn	515	6.5%
775	Vaginal delivery w/o complicating diagnoses	357	4.5%
641	Nutritional & misc metabolic disorders w/o MCC	271	3.4%
195	Simple pneumonia & pleurisy w/o CC/MCC	265	3.3%
194	Simple pneumonia & pleurisy w CC	210	2.7%
192	Chronic obstructive pulmonary disease w/o CC/MCC	209	2.6%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	200	2.5%
690	Kidney & urinary tract infections w/o MCC	151	1.9%
766	Cesarean section w/o CC/MCC	148	1.9%
203	Bronchitis & asthma w/o CC/MCC	146	1.8%
	All Other	5,447	68.8%

9	Gateway Area Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
795	Normal newborn	651	6.8%
775	Vaginal delivery w/o complicating diagnoses	555	5.8%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	254	2.6%
766	Cesarean section w/o CC/MCC	212	2.2%
192	Chronic obstructive pulmonary disease w/o CC/MCC	206	2.1%
247	Perc cardiovasc proc w drug-eluting stent w/o MCC	205	2.1%
195	Simple pneumonia & pleurisy w/o CC/MCC	192	2.0%
194	Simple pneumonia & pleurisy w CC	191	2.0%
470	Major joint replacement or reattachment of lower extremity w/o MCC	166	1.7%
189	Pulmonary edema & respiratory failure	142	1.5%
	All Other	6,821	71.1%

Source: KHA Discharge Database, Excludes Psychiatric and Rehabilitation DRGs

Top 10 MS-DRGs by Kentucky's Area Development Districts (continued)

(Boldface indicates Top 10 Statewide MSDRG)

10	Fiveco Area Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
795	Normal newborn	1,012	4.7%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	858	4.0%
775	Vaginal delivery w/o complicating diagnoses	741	3.5%
247	Perc cardiovasc proc w drug-eluting stent w/o MCC	703	3.3%
192	Chronic obstructive pulmonary disease w/o CC/MCC	464	2.2%
470	Major joint replacement or reattachment of lower extremity w/o MCC	456	2.1%
194	Simple pneumonia & pleurisy w CC	422	2.0%
766	Cesarean section w/o CC/MCC	416	1.9%
195	Simple pneumonia & pleurisy w/o CC/MCC	391	1.8%
743	Uterine & adnexa proc for non-malignancy w/o CC/MCC	349	1.6%
	All Other	15,536	72.8%

11	Big Sandy Area Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
192	Chronic obstructive pulmonary disease w/o CC/MCC	870	3.8%
795	Normal newborn	814	3.6%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	812	3.6%
775	Vaginal delivery w/o complicating diagnoses	684	3.0%
247	Perc cardiovasc proc w drug-eluting stent w/o MCC	597	2.6%
194	Simple pneumonia & pleurisy w CC	578	2.6%
641	Nutritional & misc metabolic disorders w/o MCC	443	2.0%
195	Simple pneumonia & pleurisy w/o CC/MCC	424	1.9%
203	Bronchitis & asthma w/o CC/MCC	409	1.8%
313	Chest pain	404	1.8%
	All Other	16,597	73.3%

12	Kentucky River Area Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
192	Chronic obstructive pulmonary disease w/o CC/MCC	1,076	4.6%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	947	4.1%
795	Normal newborn	786	3.4%
775	Vaginal delivery w/o complicating diagnoses	668	2.9%
191	Chronic obstructive pulmonary disease w CC	537	2.3%
603	Cellulitis w/o MCC	522	2.2%
194	Simple pneumonia & pleurisy w CC	518	2.2%
313	Chest pain	503	2.2%
641	Nutritional & misc metabolic disorders w/o MCC	468	2.0%
203	Bronchitis & asthma w/o CC/MCC	449	1.9%
	All Other	16,900	72.3%

Source: KHA Discharge Database, Excludes Psychiatric and Rehabilitation DRGs

Top 10 MS-DRGs by Kentucky's Area Development Districts (continued)

(Boldface indicates Top 10 Statewide MSDRG)

13	Cumberland Valley Area Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
795	Normal newborn	2,156	5.3%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	1,590	3.9%
775	Vaginal delivery w/o complicating diagnoses	1,533	3.8%
192	Chronic obstructive pulmonary disease w/o CC/MCC	1,297	3.2%
247	Perc cardiovasc proc w drug-eluting stent w/o MCC	876	2.2%
313	Chest pain	872	2.2%
603	Cellulitis w/o MCC	782	1.9%
641	Nutritional & misc metabolic disorders w/o MCC	779	1.9%
766	Cesarean section w/o CC/MCC	777	1.9%
195	Simple pneumonia & pleurisy w/o CC/MCC	756	1.9%
	All Other	29,061	71.8%

14	Lake Cumberland Area Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
795	Normal newborn	1,835	6.0%
775	Vaginal delivery w/o complicating diagnoses	1,265	4.1%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	1,139	3.7%
192	Chronic obstructive pulmonary disease w/o CC/MCC	798	2.6%
641	Nutritional & misc metabolic disorders w/o MCC	758	2.5%
194	Simple pneumonia & pleurisy w CC	690	2.2%
195	Simple pneumonia & pleurisy w/o CC/MCC	642	2.1%
766	Cesarean section w/o CC/MCC	616	2.0%
690	Kidney & urinary tract infections w/o MCC	578	1.9%
470	Major joint replacement or reattachment of lower extremity w/o MCC	511	1.7%
	All Other	22,000	71.4%

15	BluegrassArea Development District		
MS-DRG	MS-DRG Description	Cases	% of Total
795	Normal newborn	7,153	8.7%
775	Vaginal delivery w/o complicating diagnoses	5,143	6.2%
766	Cesarean section w/o CC/MCC	2,437	3.0%
470	Major joint replacement or reattachment of lower extremity w/o MCC	2,061	2.5%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	1,852	2.2%
794	Neonate w other significant problems	1,602	1.9%
743	Uterine & adnexa proc for non-malignancy w/o CC/MCC	1,442	1.7%
194	Simple pneumonia & pleurisy w CC	1,333	1.6%
247	Perc cardiovasc proc w drug-eluting stent w/o MCC	1,283	1.6%
641	Nutritional & misc metabolic disorders w/o MCC	1,237	1.5%
	All Other	57,058	69.1%

Source: KHA Discharge Database, Excludes Psychiatric and Rehabilitation DRGs

Top Inpatient Procedures by ICD-9 Codes Statewide

Provided below is a table compiled from the Kentucky Hospital Association Discharge Database showing the number of procedures for the most frequent inpatient procedures in Kentucky's community and Critical Access Hospitals.

ICD-9 Code	Procedure	2002 Cases	2007 Cases	% Change
741	Low Cervical C-section	14,175	19,496	37.5%
7359	Manual Assist Deliv Nec	13,657	15,157	11.0%
0066	PTCA Or Coronary Ather <i>(formerly 3601)</i>	12,489	14,514	16.2%
3722	Left Heart Cardiac Cath	13,435	11,771	-12.4%
9904	Packed Cell Transfusion	6,747	9,403	39.4%
4516	Egd With Closed Biopsy	8,512	9,206	8.2%
3893	Venous Cath Nec	5,878	8,599	46.3%
7569	Repair Ob Laceration Nec	6,053	7,990	32.0%
8154	Total Knee Replacement	4,460	7,891	76.9%
9955	Vaccination Nec	4,554	7,665	68.3%
5123	Laparoscopic Cholecystec	5,727	5,769	0.7%
6849	Total Abd Hyst Nec/nos <i>(includes 684 in 2002)</i>	8,284	5,707	-31.1%
9671	Cont Inv Mec Ven <96 Hrs	4,317	5,532	28.1%
8872	Dx Ultrasound-heart	2,335	4,773	104.4%
4513	Sm Bowel Endoscopy Nec	4,582	4,532	-1.1%
3995	Hemodialysis	2,907	4,002	37.7%
8622	Exc Wound Debridement	3,263	3,428	5.1%
8151	Total Hip Replacement	2,305	3,219	39.7%
8604	Other Skin & Subq I & D	1,197	3,200	167.3%
0331	Spinal Tap	3,358	3,153	-6.1%
9672	Cont Inv Mec Ven 96+ Hrs	2,200	2,352	6.9%
7935	Open Reduc-int Fix Femur	2,619	2,222	-15.2%
3950	Angio Oth Non-coronary	1,218	2,190	79.8%
3324	Closed Bronchial Biopsy	1,488	2,159	45.1%
4701	Lap Appendectomy	1,299	2,154	65.8%
9925	Inject CA Chemother Nec	1,690	2,141	26.7%
8108	Lumbar/lumbosac Fus Post	1,628	2,091	28.4%
4525	Clos Large Bowel Biopsy	2,156	2,012	-6.7%
3812	Head & Neck Endarter Nec	2,362	2,007	-15.0%
7936	Op Red-int Fix Tib/fibul	1,880	1,952	3.8%

*Source: Community and Critical Access Hospitals Only, KHA Discharge Database
Excludes MS-DRGs/DRGs for Psychiatry, Chemical Dependency and Physical Rehabilitation and Normal Newborns*

In 2007, as in 2006, Cesarean deliveries accounted for the greatest number of inpatient procedures, up nearly 38 percent in five years, followed by manual assisted delivery NEC, up by 11 percent, balloon angioplasty of coronary artery up by 16.2 percent, left heart cardiac catheterization, down by 12.4 percent and packed cell transfusion, up 39.4 percent since 2002. Hysterectomies of all types continue to decline from previous years, down by 25 percent since 2002,

The data on surgical procedures performed in Kentucky hospitals continue to illustrate the shift of some procedures from the inpatient to outpatient setting, as well as technological advances where less invasive procedures are replacing major surgeries. In the inpatient setting, this is most evident in cardiac surgery where angioplasty has grown and is replacing coronary artery bypass graft (CABG) surgery. Bypass surgery involving two coronary arteries (primary procedure code 3612) has declined by 83.6 percent and surgeries involving three arteries (primary procedure cod 3613) have dropped by nearly 89 percent.

There has been a continued shift in performing more laparoscopy procedures, particularly appendectomies and hysterectomies. Traditional surgical appendectomy procedures made up 63 percent of total appendectomy procedures in 2002. By 2007, laparoscopic appendectomy procedures comprised 64 percent of the total appendectomy procedures performed. Also, between 2002 and 2007, the total number of inpatient vaginal hysterectomies decreased by 31 percent (outpatient hysterectomies increased by nearly 200 cases or 38 percent), but the portion of hysterectomies being laparoscopically performed, on an inpatient basis, has grown from 10.6 percent to 15.3 percent, while outpatient hysterectomy laparoscopic procedures have increased by nearly 111 percent.

Top Outpatient Procedures

The most frequently performed outpatient procedure in 2007 (as in 2006) was colonoscopy, with 46,819 cases. Second was esophagogastroduodenoscopy (EGD) with closed biopsy, also known as upper endoscopy (37,454 cases). The number of cases was up 23.4 percent from 2002. It is ordered to diagnose peptic ulcers, digestive problems and cancer. This rate of increase has declined by half from the previous year. As in the previous year, stitches (down 5.6 percent), and removal of polyps from the large intestine (up 25.6 percent), which both had more than 20,000 procedures, were the third and fourth most frequently performed outpatient procedures.

While most of the top outpatient procedures experienced an increase in volume, other procedures continued to show declines from the previous year. Lumpectomies were down by 22.2 percent. Dilation and curettage declined by 27.2 percent, and peripheral nerve pain injections dropped by 39.6 percent. The reduction in left heart catheterization (down by 10.7 percent) may be due to diagnostic procedures shifting from the hospital to physician-operated catheterization labs.

There were six procedures with volumes that more than doubled over the last five years, within the top 30 most frequently performed outpatient procedures in 2007. As in the previous year's report, the greatest percentage increase occurred in endometrial ablation (up 386 percent), other fetal monitoring (up 322 percent), extracap lens extract (up 130 percent) and blood transfusion (up 246 percent). Significant increases in utilization of some procedures may be due to reclassification or changes in codes for procedures and/or approval of certain procedures for diagnosis or treatment.

Top Outpatient Procedures

ICD-9 Code	Procedure	2002 Cases	2007 Cases	% Change
4523	Colonoscopy	42,929	46,819	9.1%
4516	Egd With Closed Biopsy	30,341	37,454	23.4%
8659	Skin Closure Nec	27,729	26,444	-4.6%
4542	Endo Polpectomy Lrge Int	19,817	24,887	25.6%
0392	Spinal Canal Inject Nec	17,108	23,845	39.4%
5123	Laparoscopic Cholecystec	13,499	16,319	20.9%
4525	Clos Large Bowel Biopsy	11,802	15,954	35.2%
8622	Exc Wound Debridement	5,625	14,392	155.9%
3722	Left Heart Cardiac Cath	15,610	13,935	-10.7%
1341	Catarac Phacoemuls/aspir	16,411	13,759	-16.2%
7534	Other Fetal Monitoring	2,961	12,483	321.6%
863	Other Local Destruc Skin	11,251	10,936	-2.8%
2001	Myringotomy W Intubation	9,857	10,063	2.1%
4513	Sm Bowel Endoscopy Nec	8,665	9,025	4.2%
8604	Other Skin & Subq I & D	2,574	8,282	221.8%
806	Excis Knee Semilun Cartl	6,268	8,184	30.6%
1359	Extracap Lens Extrac Nec	3,295	7,597	130.6%
283	Tonsillectomy/adenoidec	5,964	7,245	21.5%
0391	Anesth Inject-spin Canal	11,777	7,117	-39.6%
8511	Closed Breast Biopsy	3,801	5,037	32.5%
8521	Local Excis Breast Les	6,455	5,022	-22.2%
3899	Venous Puncture Nec	1,289	4,688	263.7%
0443	Carpal Tunnel Release	4,251	4,292	1.0%
6823	Endometrial Ablation	824	4,006	386.2%
8607	Insert Vasc Access Dev	2,544	3,875	52.3%
560	Tu Remov Ureter Obstruct	2,348	3,684	56.9%
6909	D & C Nec	4,952	3,607	-27.2%
9903	Whole Blood Transfus Nec	1,032	3,574	246.3%
4292	Esophageal Dilation	3,695	3,433	-7.1%
6629	Bilat Endos Occ Tube Nec	2,932	3,178	8.4%

Source: Community and Critical Access Hospitals Only, KHA Discharge Database; Excludes Mammograms

Outpatient Procedures Increasing More than 100 Percent from 2002 to 2007

ICD-9 Code	Procedure	2002 Cases	2007 Cases	% Change
8622	Exc Wound Debridement	5,625	14,392	155.9%
7534	Other Fetal Monitoring	2,961	12,483	321.6%
8604	Other Skin & Subq I & D	2,574	8,282	221.8%
1359	Extracap Lens Extrac Nec	3,295	7,597	130.6%
3899	Venous Puncture Nec	1,289	4,688	263.7%
6823	Endometrial Ablation	824	4,006	386.2%
9903	Whole Blood Transfus Nec	1,032	3,574	246.3%
4701	Lap Appendectomy	876	1,904	117.4%
0611	Closed Thyroid Gland Bx	584	1,752	200.0%
7932	OP Red-int Fix Rad/ulna	701	1,606	129.1%
5979	Urin Incontin Repair Nec	622	1,248	100.6%
6816	Closed Uterine Biopsy	501	1,235	146.5%
8849	Contrast Arteriogram	373	859	130.3%
3787	Repl Pacem W Dual-Cham	393	799	103.3%

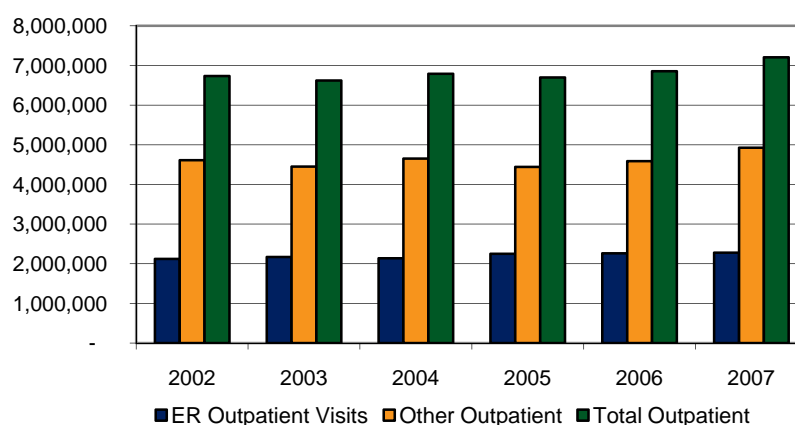
Source: Community and Critical Access Hospitals Only, KHA Discharge Database

Outpatient Visits

Kentucky community hospitals provided just over 7.2 million outpatient visits in 2007, nearly 2.3 million of which were emergency room visits.

Growth in Outpatient Visits

Year	ER Outpatient Visits	Other Outpatient	Total Outpatient
2002	2,123,878	4,609,307	6,733,185
2003	2,169,353	4,451,152	6,620,505
2004	2,138,158	4,650,577	6,788,735
2005	2,252,251	4,443,747	6,695,998
2006	2,264,145	4,588,460	6,852,605
2007	2,280,134	4,925,673	7,205,807



Source: Kentucky Cabinet for Health and Family Services Annual Hospital Utilization and Services Reports, 2002 - 2007

Outpatient visits occurring outside of the emergency room and total outpatient visits have fluctuated, with other outpatient visits growing by 6.9 percent since 2002. Except for a decline in 2004, emergency room visits have risen steadily over the last five years, and the use of Kentucky hospital emergency rooms has grown by 7.4 percent.

Psychiatric Utilization

The number of licensed psychiatric beds in the state has declined by 64 since 2002. In 2007, there were 2,899 licensed psychiatric beds in the commonwealth compared to 2,963 in 2002. In 2007, forty-four beds were added. Further, acute psychiatric beds in operation have declined by 13.9 percent during the same period. Freestanding psychiatric beds in operation have increased by 2.9 percent. There has been no significant change in psychiatric beds operated by the commonwealth.

Despite the loss in beds, statewide discharges have increased 1.1 percent since 2002. Discharge days have declined by 12.2 percent since 2002, but days have fluctuated throughout the period, with peak utilization occurring in 2005 when length of inpatient hospitalization was also at its highest. The nine percent drop in days from 2005 to 2006 was accompanied by a one-day reduction in length of stay.

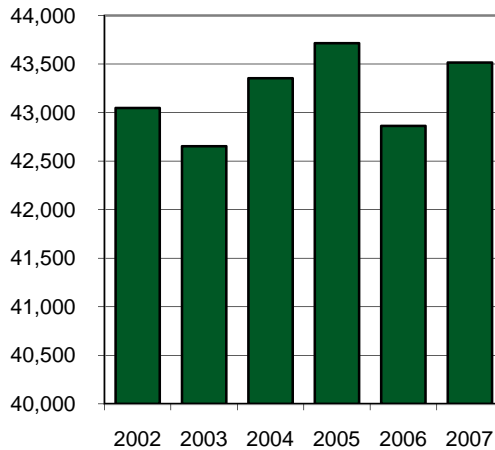
Type	Licensed Beds	% Distribution	Beds in Operation	% Distribution	% In Operation to Licensed
2007					
Acute Hospital	800	27.6%	642	31.1%	80.3%
Freestanding	992	34.2%	796	38.5%	80.2%
State	1,107	38.2%	629	30.4%	56.8%
Grand Total	2,899	0.0%	2,067	0.0%	71.3%
2002					
Acute Hospital	904	30.5%	851	38.4%	94.1%
Freestanding	952	32.1%	736	33.2%	77.3%
State	1,107	37.4%	631	28.4%	57.0%
Grand Total	2,963	0.0%	2,218	0.0%	74.9%
Change					
Acute Hospital	(104)		(209)		-13.9%
Freestanding	40		60		2.9%
State	-		(2)		-0.2%
Grand Total	(64)		(151)		-3.6%

Source: Kentucky Cabinet for Health and Family Services Annual Hospital Utilization and Services Reports, 2002 – 2007

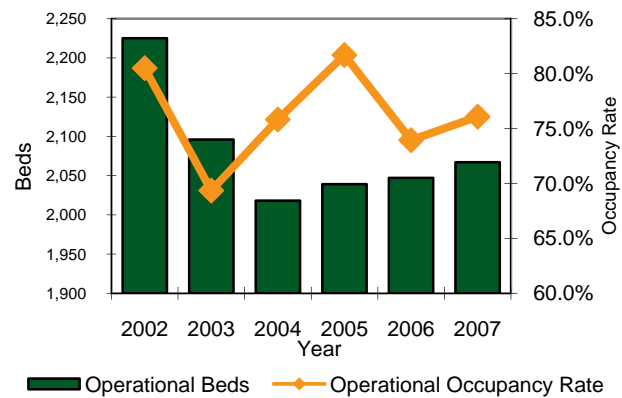
Inpatient Psychiatric Utilization

Year	Discharges	Total Days	ALOS	Licensed Beds	Licensed Occupancy Rate	Operational Beds	Operational Occupancy Rate
2002	43,046	653,675	15.19	2,979	60.1%	2,225	80.5%
2003	42,653	530,509	12.44	2,835	51.3%	2,096	69.3%
2004	43,354	558,405	12.88	2,828	54.1%	2,018	75.8%
2005	43,715	607,979	13.91	2,846	58.5%	2,039	81.7%
2006	42,862	552,439	12.89	2,855	53.0%	2,047	73.9%
2007	43,515	573,938	13.19	2,899	54.2%	2,067	76.1%

Psychiatric Cases



Operational Beds and Occupancy Rate



Source: Kentucky Cabinet for Health and Family Services Annual Hospital Utilization and Services Reports, 2002 – 2007

Freestanding and State facilities make up 72 percent (2,099 beds) of the licensed psychiatric beds in the commonwealth. Acute care hospitals have 28 percent (800 beds). The largest loss in these beds occurred from 2002 to 2003.

Thirty-two acute care hospitals had licensed beds in 2002, with 30 having beds in operation. By contrast, only 28 hospitals did so in 2007, down by three from the previous year. Further, only 23 of those facilities had beds in operation in 2007. The difference between licensed and operational beds is related to patient demand and availability of staff. Although discharges from psychiatric units declined slightly between 2005 and 2006, discharge days increased nearly 5 percent from 155,482 to 162,682 days.

There has been little statewide change in the number of licensed psychiatric beds in freestanding private psychiatric hospitals over the last five years. Of the nine facilities, one hospital increased its licensed bed capacity by 40 beds. In 2007, private psychiatric hospitals operated 796 of their 992 licensed beds. This represents an increase of 3 percent compared to 2002, due to the addition of 40 beds by one facility.

There has been no change in the number of licensed beds and no significant change in the beds in operation for the four state psychiatric hospitals. In 2007, 629 of 1,107 licensed beds were operational. Over the last five years, Kentucky has seen a 22.1 percent increase in discharges from the state's psychiatric hospitals but a 12.2 percent reduction in discharge days. The length of stay has significantly declined from 49.5 days in 2002 to 25.3 days in 2007 for these patients.

Differences in length of stay between private psychiatric hospitals (19 days) and state hospitals (25 days) compared to psychiatric beds in acute care hospitals (6.9 days) are due to the differences in the mix of patients served in these facilities.

Private freestanding psychiatric hospitals and psychiatric units in acute care hospitals both treat patients of all ages. However, Medicaid adults can only be treated in acute care units because Medicaid is federally prohibited from paying for adult care in a freestanding psychiatric hospital. Therefore, the majority of beds in private hospitals are reserved for child and adolescent treatment and a smaller percentage of adults with private insurance. Children are also treated in psychiatric distinct part units (DPUs) of general short-term community hospitals. State psychiatric hospitals, on the other hand, provide treatment primarily for indigent adults and wards of the state.

Utilization by Type of Psychiatric Hospital

Type	2002					2007				
	Licensed Beds	Beds in Operation	Discharges	Discharge Days	ALOS	Licensed Beds	Beds in Operation	Discharges	Discharge Days	ALOS
Acute	904	851	25,978	172,283	6.6	800	642	24,214	167,209	6.9
Freestanding	952	736	11,602	210,692	18.2	992	796	12,597	237,966	18.9
State	1,107	631	5,466	270,700	49.5	1,107	629	6,674	168,763	25.3
Total	2,963	2,218	43,046	653,675	15.2	2,899	2,067	43,485	573,938	13.2

Source: Kentucky Cabinet for Health and Family Services Annual Hospital Utilization and Services Reports, 2002 - 2007

Psychiatric Utilization by ADD

From 2002 to 2007, beds were added in 3 ADDs (Green River, Lincoln Trail and Cumberland Valley), while beds were reduced in five ADDs (Barren River, Kentuckiana, Big Sandy, Lake Cumberland and Bluegrass). The greatest bed reduction (46 beds) occurred in the Bluegrass ADD, followed by Big Sandy ADD that lost 37 beds and the Kentuckiana ADD which now has 14 fewer psychiatric beds. Of the 14 ADDs that have psychiatric beds, an equal number of ADDs experienced gains and declines in the number of psychiatric discharges, with the largest increases occurring in the Bluegrass and Northern Kentucky ADDs where discharges rose by approximately 1,500 and 1,100 respectively. The biggest decline in discharges occurred in the Lake Cumberland ADD, followed closely by declines in the Barren River ADD and the Big Sandy ADD. When state mental hospitals are excluded, Kentuckiana ADD (680) and Bluegrass ADD (213) still have the most licensed psychiatric beds followed by Northern Kentucky ADD (125), Barren River ADD (120), Lincoln Trail ADD (102), Green River ADD (100), and Kentucky River ADD (100).

2002-2007 Change in Psychiatric Beds and Utilization

ADD #	ADD Name	Change in License Beds	Change in Operational Beds	Change in Discharges	Change in discharge Days	Change in ALOS
1	Purchase	-	4	206	2,003	0.79
2	Pennyrile	-	(21)	(625)	(14,523)	(0.43)
3	Green River	8	-	202	4,189	1.07
4	Barren River	(3)	(3)	(582)	2,973	8.36
5	Lincoln Trail	28	28	374	2,770	(1.31)
6	Kentuckiana	(14)	(16)	105	(61,243)	(5.51)
7	Northern Kentucky	-	1	751	2,159	(0.55)
9	Gateway	-	-	(54)	(303)	(0.18)
10	Fiveco	-	-	153	843	0.01
11	Big Sandy	(37)	(37)	(565)	(1,711)	6.96
12	Kentucky River	-	-	366	3,956	(0.26)
13	Cumberland Valley	10	-	(271)	286	1.04
14	Lake Cumberland	(10)	(38)	(808)	(3,836)	0.74
15	Bluegrass	(46)	(69)	1,187	(17,300)	(4.08)
	Grand Total	(64)	(151)	439	(79,737)	(1.99)

Source: Kentucky Cabinet for Health and Family Services Annual Hospital Utilization and Services Reports, 2002 - 2007

Psychiatric Utilization by Patient Age

Differences in psychiatric utilization between children (ages 0 to 17) and adults (ages 18+) are illustrated in the table below. In 2007, 672 beds in all nine private psychiatric hospitals and in four acute care hospital units were designated for treatment of children and adolescents while 1,395 beds in 33 facilities were reserved for adults. The vast majority of inpatient psychiatric care (79 percent) is provided to adults. Children and adolescents make up 21 percent of all psychiatric discharges but 35 percent of total discharge days. This is because children and adolescents stay two and one-half times longer than adults once hospitalized. In addition, child/adolescent beds run at much higher occupancy levels than adult beds (82 percent vs. 73 percent in 2006).

Only eight ADDs have facilities with child/adolescent psychiatric beds:

Pennyrile	Kentuckiana
Green River	Northern Kentucky
Barren River	Cumberland Valley
Lincoln Trail	Bluegrass

Adult beds are located in all ADDs except Buffalo Trace.

2007 Psychiatric Inpatient Utilization by Facility and Region Children 0-17 Years of Age

ADD	Facility	Beds in Operation 0-17	Discharges	Discharge Days	ALOS	Operational Percent Occupancy
2	Cumberland Hall	24	420	8,647	20.6	101.9%
3	River Valley Behavioral Health	80	645	17,943	27.8	61.4%
4	Rivendell Behavioral Health	84	483	27,782	57.5	93.6%
5	Lincoln Trail Behavioral Health	66	577	13,400	23.2	57.3%
6	Norton Hospital/Kosair/Norton Pav	20	423	5,216	12.3	72.4%
6	Our Lady of Peace	172	1,343	59,633	44.4	95.4%
6	The Brook - Dupont	32	325	12,154	37.4	101.9%
6	The Brook - KMI	70	723	23,668	32.7	94.1%
7	Northkey Community Care	25	374	5,844	15.6	68.6%
13	Baptist Regional Medical Center	12	268	1,628	6.1	37.4%
15	Bourbon Community Hospital	9	221	1,996	9.0	51.6%
15	Ridge Behavioral Health System	66	1,448	19,214	13.3	79.8%
15	UK Healthcare Good Samaritan Hosp	12	297	1,924	6.5	46.4%
	STATE TOTAL	672	7,547	199,049	26.4	82.1%

Source: Kentucky Cabinet for Health and Family Services Annual Hospital Utilization and Services Reports, 2002 - 2007

2007 Psychiatric Adult Inpatient Utilization by Facility and Region (Age 18+)

ADD	Hospital Name	Licensed Beds	Beds in Operation	Discharges	Discharge Days	ALOS	Operational Percent Occupancy
01	Lourdes Hospital	45	22	1,007	6,696	6.6	83.4%
02	Cumberland Hall	48	24	571	4,395	7.7	50.2%
02	Western State Hospital	495	222	2,229	53,395	24	65.9%
03	Owensboro Medical Health System	12	12	849	2,854	3.4	65.2%
04	The Medical Center at Bowling Green	36	36	951	6,417	6.7	48.8%
05	Hardin Memorial Hospital	15	15	779	3,228	4.1	59.0%
05	Lincoln Trail Behavioral Health System	87	21	363	4,184	11.5	54.6%
06	Baptist Hospital East	22	22	922	5,311	5.8	66.1%
06	Central State Hospital	192	125	1,182	36,665	31	80.4%
06	Kentucky Correctional Psychiatric Ctr	97	85	674	27,667	41	89.2%
06	Norton / Kosair / Pavillion	66	21	767	6,162	8	80.4%
06	Our Lady of Peace	416	74	2,978	22,362	7.5	82.8%
06	The Brook - Dupont	54	22	675	6,442	9.5	80.2%
06	The Brook - KMI	82	12	458	4,243	9.3	96.9%
06	University of Louisville Hospital	40	40	1,110	12,506	11.3	85.7%
07	St. Elizabeth Medical Center South	44	44	2,441	10,893	4.5	67.8%
07	St. Luke Hospital West	22	22	1,438	6,080	4.2	75.7%
09	St. Claire Medical Center	20	20	555	1,993	3.6	27.3%
10	Kings Daughters Medical Center	27	27	1,513	7,556	5	76.7%
10	Our Lady of Bellefonte Hospital	16	16	687	2,419	3.5	41.4%
10	Three Rivers Medical Center	19	19	754	5,734	7.6	82.7%
11	Highlands Regional Medical Center	12	12	227	2,903	12.8	66.3%
12	Hazard ARH Regional Medical Center	100	100	2,902	36,540	12.6	100.1%
13	Baptist Regional Medical Center	34	22	1,024	6,392	6.2	79.6%
13	Harlan ARH Hospital	30	20	500	4,420	8.8	60.5%
14	Jane Todd Crawford Memorial Hospital	10	10	406	3,052	7.5	83.6%
14	Lake Cumberland Regional Hospital	34	34	1,217	8,256	6.8	66.5%
15	Bourbon Community Hospital	25	16	400	1,689	4.2	28.9%
15	Eastern State Hospital	323	197	2,589	51,036	19.7	71.0%
15	Ephraim McDowell Regional Medical Center	38	23	644	6,307	9.8	75.1%
15	Ridge Behavioral Health System	90	24	1,201	7,906	6.6	90.3%
15	UK Healthcare Good Samaritan Hospital	43	19	1,041	3,798	3.6	54.8%
15	University of Kentucky Hospital	17	17	883	5,125	5.8	82.6%
	STATE TOTAL	2,611	1,395	35,937	374,626	10.4	73.6%

Source: Kentucky Cabinet for Health and Family Services Annual Hospital Utilization and Services Reports, 2002 - 2007

Rehabilitation Utilization

Over the past five years, discharges for inpatient rehabilitation care increased each year peaking in 2004, then declined steadily since that time. Inpatient days followed the same pattern. Total days fell 6 percent from 2004 to 2005 and nearly 7 percent each year since, despite only a slight reduction and then leveling in length of stay.

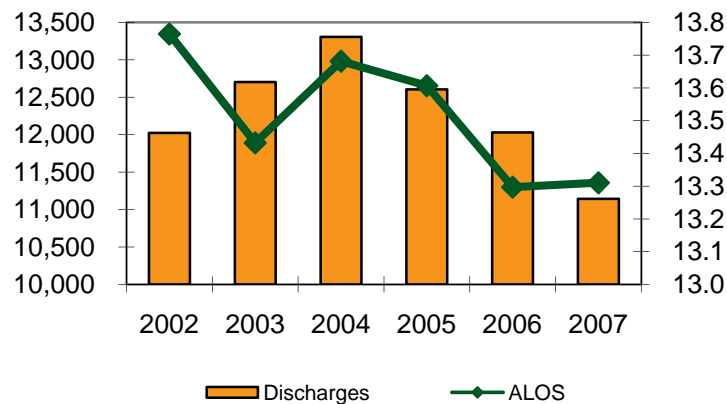
The drop in inpatient rehabilitation utilization that occurred after 2004 is a direct result of Medicare's implementation of its "75 Percent Rule," under which at least 75 percent of patients must have one of only 13 specific diagnoses to qualify as an inpatient rehabilitation facility under Medicare. Cancer, cardiac and pulmonary patients are excluded from the diagnoses eligible for acute rehab care.

Hospital compliance with the "75 Percent Rule" began in July 2004, on a phased-in basis when at least 50 percent of patients had to fall within the 13 diagnoses. The "75 Percent Rule" was modified and is now the "60 Percent Rule." Further decline in discharges in 2007 reflect the impact of this rule.

Inpatient Rehabilitation Utilization Trends

Year	Licensed Rehab Beds	Discharges	Total Days	ALOS	Licensed Occupancy Rate
2002	644	12,024	165,506	13.8	70.4%
2003	728	12,704	170,640	13.4	64.2%
2004	728	13,305	182,030	13.7	68.5%
2005	728	12,604	171,497	13.6	64.5%
2006	728	12,029	159,945	13.3	60.2%
2007	668	11,143	148,315	13.3	60.8%

Inpatient Rehabilitation Utilization



Source: Kentucky Cabinet for Health and Family Services Annual Hospital Utilization and Services Reports, 2002 – 2007

2007 Inpatient Rehabilitation Utilization by Area Development District (ADD)

The majority of inpatient rehabilitation care is rendered in the Kentuckiana, Bluegrass and Northern Kentucky ADDs. Rehabilitation hospitals and units in these areas treat 53 percent of all rehabilitation inpatients and operate 51 percent of all licensed rehabilitation beds in the state, of which there are a total of 688.

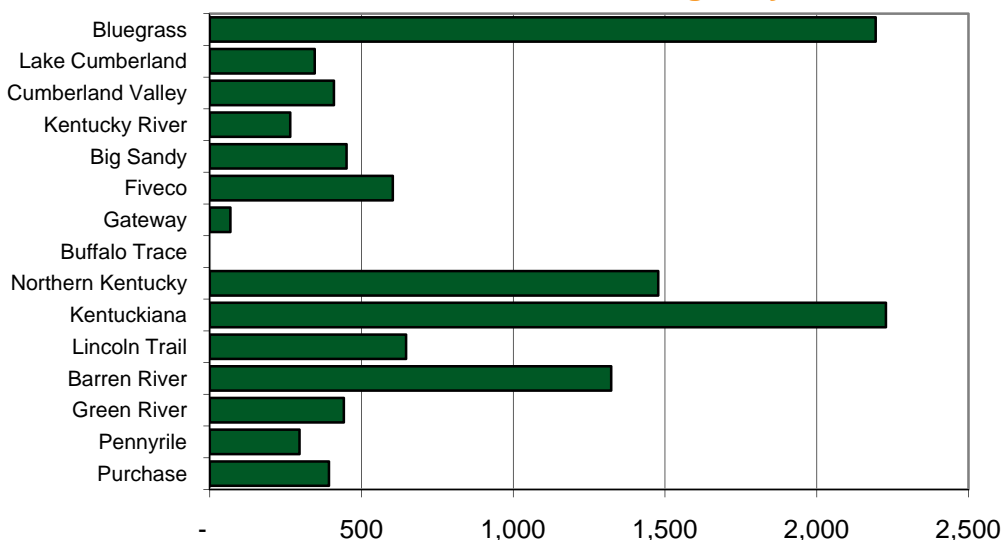
Outside of the above ADDs, Barren River (12 percent of total) and Lincoln Trail (6 percent of total) serve the largest numbers of rehab patients.

The highest occupancy rates are found in the Bluegrass ADD (83 percent) and the Fivco ADD (76 percent). The highest ALOS is found in the Purchase ADD (15.5 days).

2007 Rehabilitation Discharges by ADD

ADD #	Area Development District	Licensed Beds	Discharges	%Total Discharges	Total Days	% Total Days	ALOS	Licensed Occupancy Rate
01	Purchase	28	393	3.5%	6,077	4.1%	15.5	59.5%
02	Pennyrile	20	296	2.7%	3,724	2.5%	12.6	51.0%
03	Green River	44	442	4.0%	5,076	3.4%	11.5	31.6%
04	Barren River	60	1,323	11.9%	13,785	9.3%	10.4	62.9%
05	Lincoln Trail	40	647	5.8%	8,597	5.8%	13.3	58.9%
06	Kentuckiana	164	2,228	20.0%	34,154	23.0%	15.3	57.1%
07	Northern Kentucky	80	1,478	13.3%	18,603	12.5%	12.6	63.7%
08	Buffalo Trace							
09	Gateway	10	68	0.6%	95	0.1%	1.4	2.6%
10	Fiveco	27	603	5.4%	7,503	5.1%	12.4	76.1%
11	Big Sandy	40	451	4.0%	5,032	3.4%	11.2	34.5%
12	Kentucky River	20	265	2.4%	3,431	2.3%	12.9	47.0%
13	Cumberland Valley	20	409	3.7%	5,342	3.6%	13.1	73.2%
14	Lake Cumberland	27	346	3.1%	4,278	2.9%	12.4	43.4%
15	Bluegrass	108	2,194	19.7%	32,618	22.0%	14.9	82.7%
	State Total	688	11,143		148,315		13.3	59.1%

2007 Rehabilitation Discharges by ADD



Source: Kentucky Cabinet for Health and Family Services Annual Hospital Utilization and Services Reports, 2007

Section 3

Hospital Finances



Kentucky Hospital Statistics

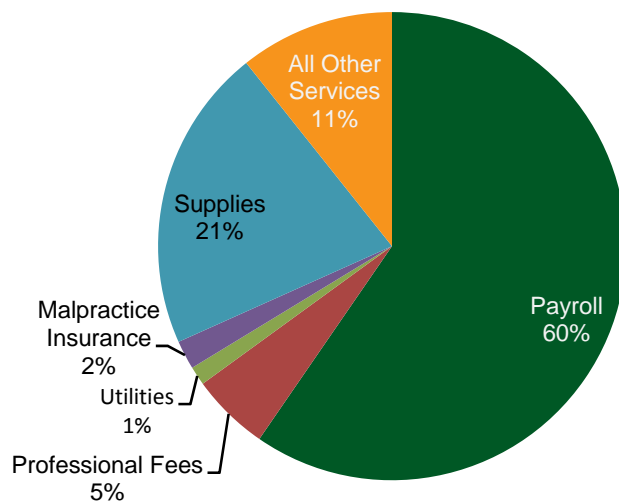
Hospital Finances

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Hospital Expenses

Total expenses of Kentucky's hospitals were \$8.4 billion in 2007, representing a 3.7 percent increase from 2006. Because hospitals are staffed around the clock, payroll and benefits are the largest expense component, representing approximately 50 percent of Kentucky hospital costs – lower than the national average of 60 percent. Kentucky hospitals' costs for other items are similar to national averages. Nationally, professional fees were 5 percent of total expenses and malpractice insurance was 2 percent. Expenses for supplies accounted for 21 percent and utilities amounted to 1 percent of total expenses. All other services made up 11 percent of hospitals' total expenses.

Breakdown of Expenditures, U.S. Hospitals



Source: Health Care Cost Review, First Quarter 2008, Global Insight

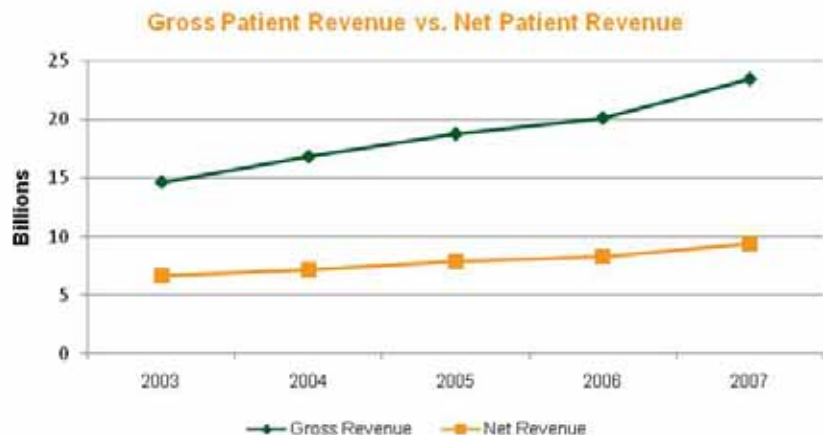
Trends in Kentucky Hospital Revenue: 2003 through 2007

Kentucky hospital gross patient revenue, which represents total charges for patient services, has steadily increased over a four-year period, rising from \$14.6 billion in 2003 to \$23.5 billion in 2007. Between 2006 and 2007, total gross patient revenue has increased \$3.4 billion.

Deductions from Revenue

The difference between what hospitals charge (gross revenue) and the amount they receive in payment (net revenue) is considered a contractual adjustment. Contractual adjustments include the difference between charges and fixed payments set by the federal and state governments for Medicare and Medicaid, as well as contractually negotiated discounts with private insurers.

Hospital deductions from revenue include contractual allowances as well as charity care. In 2007, these payment shortfalls topped \$14.1 billion and accounted for 60 percent of Kentucky community hospitals' gross patient revenue.



Source: Datagen KeyStats & Medicare Cost Reports

As a result of contractual adjustments, Kentucky hospital net patient revenue, which represents payments received by hospitals for patient care services, was \$9.38 billion in 2007. Net patient revenue has risen by 40 percent since 2003. In 2007, statewide, Kentucky hospitals received only 40 percent of billed charges.

Underpayment by Medicare and Medicaid

Not only is there a widening gap between payments and charges for hospital services, but there is growing “underpayment” which is occurring because the payment hospitals receive from Medicare and Medicaid is less than the costs hospitals incur to care for Medicare and Medicaid patients.

Medicare Hospital Payments Fail to Keep Up with the Cost of Care

The following table shows the financial loss to Kentucky hospitals from the Medicare program. In 2008, Kentucky hospital revenue from Medicare was projected at \$2.97 billion while hospital Medicare patient care costs were \$3.12 billion, resulting in a \$150 million shortfall. **In 2009, this payment shortfall is expected to top \$180 million.** These Medicare payment shortfalls have resulted in a precipitous reduction in aggregate Medicare margins. **Medicare margins first became negative in 2002 at minus 2.2 percent, and in 2009, are projected to be negative 6.1 percent.** Consequently, any further Medicare payment reductions would exacerbate this situation and continue the downward spiral of Kentucky hospitals' Medicare margins. **More than 45 percent of Kentucky's hospitals already have negative Medicare margins, and this percentage is expected to increase to 55 percent through 2010.**

On average, 55 percent of all patients treated by Kentucky hospitals are covered by Medicare; therefore, maintaining adequate Medicare reimbursement is essential to assure that beneficiaries are able to have continued access to quality health care services.

Note: This chart shows the trend in Medicare margins for Kentucky hospitals from 1997 through 2012. The 1997 through 2006 margins, and part of the 2007 margin are based on actual Medicare Cost Reports. The remainder of the 2007 and the 2008 to 2012 margins are based on projections of revenue and costs based on legislated policy, over this time period, and cost increases equal to hospital marketbasket projections.

Kentucky Hospitals' Aggregate Medicare Margins Actual and Projected Margins for PPS and Critical Access Hospitals



Source: Medicare Cost Report data provided by Datagen Keystats™

1997 to 2012 Medicare Margins

	1997 Actual	1998 Actual	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual
Number of Hospitals	99	98	97	89	93	94	96	92
Revenues	\$1,962,868,634	\$1,810,283,550	\$1,770,545,966	\$1,942,690,163	\$2,164,960,655	\$2,280,375,313	\$2,437,944,138	\$2,647,096,788
Costs	\$1,794,226,399	\$1,758,717,790	\$1,721,047,239	\$1,897,065,973	\$2,101,608,402	\$2,329,318,545	\$2,507,848,798	\$2,686,280,187
Gains/(Losses)	\$168,642,235	\$51,565,760	\$49,498,726	\$45,624,190	\$63,352,252	-\$48,943,232	-\$69,904,661	-\$39,183,399
Margin	8.6%	2.8%	2.8%	2.3%	2.9%	-2.1%	-2.9%	-1.5%
Percentage of Hospitals with Negative Margins	13.1%	43.9%	40.2%	44.4%	39.4%	44.8%	47.9%	41.5%
	2005 Actual	2006 Actual	2007	2008	2009	2010	2011	2012
Number of Hospitals	91	94	62 Actual, 32 Projected	94 Projected	94 Projected	94 Projected	94 Projected	94 Projected
Revenues	\$2,703,607,118	\$2,821,113,638	\$2,904,528,692	\$2,965,659,302	\$3,026,999,656	\$3,087,410,103	\$3,173,700,343	\$3,265,977,805
Costs	\$2,752,267,963	\$2,897,581,411	\$3,016,155,118	\$3,115,927,739	\$3,211,569,499	\$3,298,073,615	\$3,391,554,904	\$3,490,985,265
Gains/(Losses)	-\$48,660,845	-\$76,467,773	-\$111,626,426	-\$150,268,437	-\$184,569,843	-\$210,663,513	-\$217,854,562	-\$225,007,460
Margin	-1.8%	-2.7%	-3.8%	-5.1%	-6.1%	-6.8%	-6.9%	-6.9%
Percentage of Hospitals with Negative Margins	46.2%	44.7%	68.3%	46.8%	51.1%	54.3%	55.3%	55.3%

Source: Medicare Cost Report data provided by Datagen Keystats TM

Medicare Wage Index

Kentucky hospitals, despite being efficient providers with a lower average cost, receive lower payments than most other states due to the Medicare Wage Index.

Medicare pays acute care hospitals (excluding critical access hospitals) a flat fee based on a patient's diagnosis, or DRG (Diagnosis Related Group). A hospital's DRG payment is the product of two components: (1) a standardized amount, or base rate, which is adjusted by the hospital's area average wage level and (2) the DRG's relative weight.

The base rate is intended to represent the cost of an average Medicare inpatient discharge. One standardized amount is applied to all hospitals paid under the DRG system within the 48 contiguous states. This payment system is known as the Inpatient Prospective Payment System (PPS).

The hospital wage index is used to adjust the standardized amount for area differences in hospital wage levels to account for the local wage variation or cost of labor in the hospital's area. It is intended to measure the average wage level for hospital workers in each Metropolitan Statistical Area (MSA) or rural area (comprised of counties that have not been assigned to an MSA), relative to the national average wage level.

Because Kentucky has a lower average wage level, hospitals in Kentucky historically have been paid less under the Medicare program than hospitals in adjacent states. Although Kentucky's hospitals must compete regionally for skilled employees, Kentucky's Medicare wage index for both urban and rural hospitals is lower than its regional counterparts. This situation is perpetuated because continued low payment negatively impacts hospitals' ability to increase wages.

Kentucky's rural hospitals are paid less than rural hospitals in six surrounding states, and Louisville hospitals, despite treating sicker Medicare patients, continue to be paid less than hospitals in Cincinnati, Indianapolis and Nashville.

Rural Wage Index		Urban Area Wage Index	
State	FFY 2009 Wage Index	City/MSA	FFY 2009 Wage Index
Ohio	0.8570	Huntington/Ashland	0.9093
Indiana	0.8465	Clarksville/Hopkinsville	0.8271
Illinois	0.8398	Evansville/Henderson	0.8499
Virginia	0.8032	Owensboro	0.8731
Missouri	0.8415	Bowling Green	0.8313
West Virginia	0.7620	Elizabethtown	0.8435
Tennessee	0.7943	Lexington	0.8917
		Louisville	0.9210
KENTUCKY	0.7899		
		Cincinnati	0.9561
		Indianapolis	0.9783
		Nashville	0.9430

Source: CMS Federal Register

Medicaid Underpayment

In state fiscal year 2008, the Kentucky Medicaid program covered more than 700,000 Kentuckians, or approximately 17 percent of the state's population. The number of average monthly eligibles has grown by 7.0 percent since 2004. Medicaid covers persons who are aged, blind and disabled as well as mothers and children. The Kentucky Children's Health Insurance Program (KCHIP) is also administered as part of the Medicaid program. Most of the growth in eligibility has occurred among persons meeting the categorical and/or medically needy criteria as opposed to KCHIP. However, KCHIP costs per eligible have risen much faster than for other Medicaid recipients. Although the monthly cost for KCHIP is significantly lower, the per eligible cost has risen 11.3 percent since 2004.

Change in Medicaid Eligibles and Monthly Cost SFY 2004-2007

	State Fiscal Year		
	2003-2004	2007-2008	% Change
Average Monthly Eligibles	672,266	722,559	7.0%
Average Monthly Medicaid	622,318	670,530	7.2%
Average Monthly KCHIP	49,948	52,029	4.0%
Cost per eligible per month	\$522.16	\$567.94	8.1%
Cost per eligible per month Medicaid	\$551.69	\$598.52	7.8%
Cost per eligible per month KCHIP	\$154.27	\$173.84	11.3%

Source: Kentucky Legislative Research Commission Report SFY 2008 EOYCM

The Kentucky Medicaid program pays hospitals less than the actual costs to treat Medicaid patients. Medicaid patients residing in the greater Louisville area are covered by Passport Health Plan, a Medicaid HMO that establishes hospital payments rates for physical health services. Care for all other Medicaid patients is paid on a fee-for-service basis at rates set by the state Department for Medicaid Services.

In state fiscal year 2008, acute care hospitals received slightly more than \$1.1 billion in Medicaid payments under the fee-for-service system and from Passport Health Plan. Total fee-for-service payments* for inpatient and outpatient care of \$878 million, however, comprised nearly 78 percent of total payments as compared to \$257 million, or about 22 percent from Passport.

Hospital Medicaid Payment Breakdown SFY 2007-2008

	Fee-For-Service	Passport	Total
Inpatient Services*	\$ 568,038,521	\$ 153,873,019	\$ 721,911,540
Outpatient Services	\$ 310,843,896	\$ 103,418,251	\$ 414,262,147
Total	\$ 878,882,417	\$ 257,291,270	\$1,136,173,687

Source: Kentucky Legislative Research Commission Report SFY 2008 EOYCM

Because nearly 80 percent of all hospital Medicaid payments are tied directly to rates set by the state, the adequacy of those payments is critical, particularly for inpatient services since 65 percent of total Medicaid payments are made for inpatient care.

In state fiscal year 2008, acute care hospitals received \$568 million in fee-for-service inpatient payments*. However, as Medicaid inpatient payments cover, on average, only 78 percent of costs, hospitals actually incurred an estimated \$728 million in costs to deliver those inpatient services to Medicaid patients – leaving a **\$160 million unpaid shortfall**.

Over the last several years, the Department for Medicaid Services instituted additional supplemental payments to state university teaching hospitals through the use of intergovernmental transfers. The state also makes supplemental payments to pediatric teaching hospitals to cover the unpaid cost of Medicaid patients. In state fiscal year 2008, only three facilities received \$39.8 million in supplemental payments. Therefore, the impact of these payments has not been included in aggregate hospital Medicaid payment totals.

Although inpatient fee-for-service Medicaid payments currently cover only approximately 78 percent of costs, this cost coverage percentage represents an increase from earlier years when payments covered only 69 percent of costs. Inpatient fee-for-service payments in state fiscal year 2008 rose by approximately \$88 million from 2004 inpatient payments, for an 18 percent growth. These expanded payments were made possible due to additional funding from a provider tax paid by Kentucky hospitals being used to improve Medicaid payments to hospitals. Outpatient hospital payments increased by 21 percent from 2004 to 2008, largely due to growth in service volume since rates under the outpatient fee schedule have not been raised since they were adopted in 2003.

* Excluding supplemental payments and mental hospital payments, includes rehabilitation and psychiatric distinct part units

Fee-for-service payments to hospitals, however, did not represent the largest percentage increase from 2004 to 2008. The table below illustrates both the percent change in dollar growth among categories of Medicaid providers as well as the change in each category's contribution to total expenditures for provider payments.

Hospital payments* rose from 21.7 percent of expenditures in state fiscal year 2004 to 23.5 percent in 2008, with the increase primarily attributable to improved inpatient payment rates implemented from a portion of provider taxes paid by hospitals. Payments to nursing homes also rose from 17.5 percent to 21.3 percent of total spending from 2004 to 2008. Physician payments accounted for 7.7 percent of spending in 2004 and 8.5 percent in 2008. Among optional services, spending for pharmacy services declined from 23 percent of total provider spending in 2004 to 13.4 percent in 2008. Yet, in raw dollars, pharmaceutical expenditures were approaching the total dollars spent on inpatient hospital care.

Department for Medicaid Services Fee-For-Service Expenditures by Category of Services, 2004 – 2008

Type of Service	2003 - 2004 Total	2007-2008 Total	Dollar % Change 2003- 2008	% of 03-04 Total	% of 07-08 Total
Mandatory					
Inpatient Hospital	\$478,400,271	541,444,947		14.10%	14.49%
* Psych Distinct Part Unit - Acute Care Hospitals	\$1,971,217	23,681,634		0.10%	0.63%
* Rehab Distinct Part Unit - Acute Care Hospitals	\$96,107	2,911,940		0.00%	0.08%
Total Inpatient Hospital*	\$480,467,595	568,038,521	18.2%	14.20%	15.20%
Outpatient Hospital	\$256,411,467	310,843,896	21.2%	7.60%	8.32%
Total Inpatient* and Outpatient Hospital	\$736,879,062	878,882,417	19.3%	21.70%	23.52%
Physicians	\$273,843,327	290,857,798	6.2%	8.10%	7.78%
Nursing Facilities	\$593,649,490	796,056,739	34.1%	17.50%	21.30%
Home Health	\$59,436,198	51,024,660	-14.2%	1.80%	1.37%
Durable Medical Equipment (DME)	\$45,144,315	56,601,711	25.4%	1.30%	1.51%
EPSDT - Related	\$41,475,991	69,810,272	68.3%	1.20%	1.87%
Laboratories	\$11,288,290	19,254,820	70.6%	0.30%	0.52%
Dental	\$50,072,570	63,005,310	25.8%	1.50%	1.69%
Non-Emergency Transportation	\$2,990,207	3,856,737	29.0%	0.10%	0.10%
Ambulance	\$12,043,062	16,286,225	35.2%	0.40%	0.44%
Vision	\$11,466,386	16,544,484	44.3%	0.30%	0.44%
Hearing	\$84,749	155,738	83.8%	0.00%	0.00%
Primary Care (FQHC)	\$41,158,045	64,435,369	56.6%	1.20%	1.72%
Rural Health	\$32,412,196	47,271,784	45.8%	1.00%	1.26%
Qualified Medicare Beneficiaries (QMBs)*	\$466,704	721,905	54.7%	0.00%	0.02%
Nurse Practitioner/Midwife	\$5,672,868	6,598,587	16.3%	0.20%	0.18%
Family Planning	\$1,154	(157)	-113.6%	0.00%	0.00%
Subtotal Mandatory:	\$1,918,084,613	\$ 2,577,961,970	34.4%	56.60%	63.72%

Source: Kentucky Legislative Research Commission Report SFY 2008 EOYCM

* Excluding supplemental payments and mental hospital payments, includes rehabilitation and psychiatric distinct part units

**Department for Medicaid Services Fee-For-Service Expenditures
by Category of Services, 2004 – 2008 (continued)**

Type of Service	2003 - 2004 Total	2007-2008 Total	Dollar % Change 2003- 2008	% of 03-04 Total	% of 07-08 Total
Optional					
ICF-MR	\$111,139,835	128,277,069	32.40%	3.30%	3.43%
Pharmacy	\$779,129,940	505,506,679	-39.90%	23.00%	13.53%
Community Mental Health Centers	\$81,757,952	74,315,224	-8.90%	2.40%	1.99%
Mental Hospital	\$36,070,318	30,183,247	-31.10%	1.10%	0.81%
Psychiatric Residential Treatment Facilities (PRTF)	\$11,864,817	12,504,688	14.60%	0.40%	0.33%
Renal Dialysis	\$13,257,298	14,150,623	17.30%	0.40%	0.38%
Podiatry	\$1,237,383	1,728,012	15.80%	0.00%	0.05%
Support for Community Living	\$128,799,437	202,686,704	48.50%	3.80%	5.42%
Ambulatory Surgical	\$9,236,557	9,192,961	1.30%	0.30%	0.25%
Home & Community Based Services	\$37,543,183	31,104,049	-17.80%	1.10%	0.83%
Adult Day Care	\$21,068,430	35,805,504	35.70%	0.60%	0.96%
Model Waivers	\$5,802,643	5,247,591	-6.60%	0.20%	0.14%
Hospice	\$16,197,392	31,293,846	40.10%	0.50%	0.84%
Preventive	\$24,064,233	31,236,534	9.50%	0.70%	0.84%
Children with Special Health Care Needs	\$7,899,978	4,988,057	22.20%	0.20%	0.13%
Targeted Case Mgmt. - Emotionally Disturbed Child	\$10,640,638	11,550,755	6.40%	0.30%	0.31%
Targeted Case Mgmt. - Mentally Ill Adults	\$8,887,070	9,770,272	-2.10%	0.30%	0.26%
Other Lab/X-Ray	\$1,363,210	1,222,957	17.50%	0.00%	0.03%
Nurse Anesthetist	\$3,703,445	7,032,427	47.30%	0.10%	0.19%
Title V/DCBS	\$98,981,120	128,606,886	14.80%	2.90%	3.44%
School-Based Services	\$2,145,715	3,469,876	13.00%	0.10%	0.09%
Early Intervention - First Steps	\$18,991,510	14,073,720	-13.70%	0.60%	0.38%
Brain Injury	\$5,362,061	10,457,370	57.70%	0.20%	0.28%
HANDS	\$14,713,099	22,580,549	7.10%	0.40%	0.60%
Home Care Waiver	\$20,243	-	-100.00%	0.00%	0.00%
Personal Care Assistance	\$105	-	-100.00%	0.00%	0.00%
Chiropractic	\$1,923,568	4,438,110	73.20%	0.10%	0.12%
Specialized Children's Service Clinics	\$310,810	451,901	43.20%	0.00%	0.01%
Impact Plus	\$18,181,885	24,129,360	26.40%	0.50%	0.65%
Subtotal	\$1,470,293,875	\$ 1,356,004,972	-12.90%	43.40%	36.28%
Total FFS Provider Payments	\$3,388,378,489	\$ 3,737,369,371		100.00%	100.00%

Source: Kentucky Legislative Research Commission Report SFY 2008 EOYCM

Passport Health Plan Expenditures by Category of Services State Fiscal Year 2008

Medicaid patients residing in the greater Louisville area are covered by Passport Health Plan, a Medicaid HMO that establishes hospital payment rates for physical health services.

Type of Service	State Fiscal Year 2007-2008 Total
<i>Mandatory</i>	
Inpatient Hospital	\$153,873,019
Physicians	\$115,660,357
Nursing Facilities	\$0
Outpatient Hospital	\$103,418,251
Home Health	\$2,545,931
DME	\$17,929,222
Family Planning	\$4,508,409
EPSDT Screens	\$0
EPSDT Related	\$2,176,266
Laboratories	\$5,082,456
Dental	\$19,537,771
Non-emergency Trans	\$4,946
Ambulance	\$2,351,351
Vision	\$4,107,587
Hearing	\$409,804
Primary Care	\$21,031,793
Rural Health	\$28,109
Qualified Medicare Beneficiaries (QMBs)	\$205,446
Nurse Practitioner/Midwife	\$2,432,396
Rehab Distinct Part Unit	\$2,492,056
Subtotal:	\$457,795,168
<i>Optional</i>	
ICF-MR	
Pharmacy	\$83,066,845
Community Mental Health Centers	\$0
Renal Dialysis	\$2,706,740
Podiatry	\$673,663
Ambulatory Surgical Center	\$1,907,781
Department Social Services	\$0
Home & Community Based Services	\$0
Model Waivers	\$0
Hospice	\$1,584,025
Preventive	\$734,896
Children with Special Health Care Needs	\$1,012,791
Other/Lab/X-ray	\$352,303
Nurse Anesthetist	\$438,343
Chiropractor	\$1,232,274
Hands	\$0
Lab & X-Ray Technician	\$0
SCL	\$0
Physician Assistant	\$57,591
Unknown Type	\$13,403
Subtotal:	\$93,780,654
Total Provider Payments	\$551,575,822
KCHIP	\$25,868,952
Reinsurance	\$530,471
Pharmacy Rebates	-\$2,809,050
GRAND TOTAL:	\$575,166,195

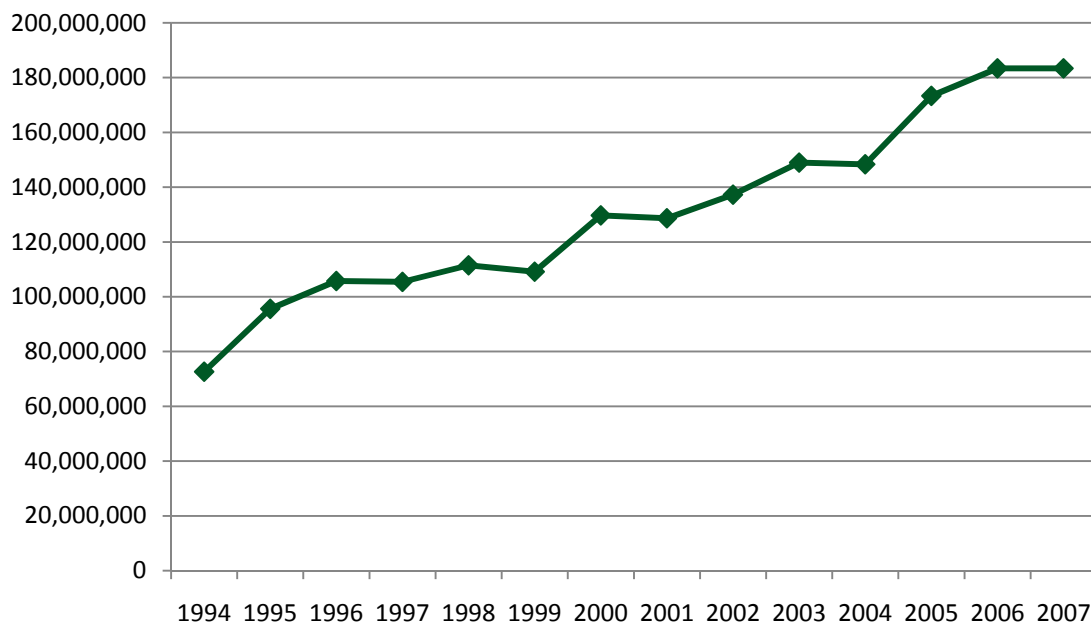
Source: Kentucky Legislative Research Commission Report SFY 2007 EOYCM

Hospital Provider Tax

Since state fiscal year 1994, all Kentucky hospitals have paid a provider tax to the state equal to 2.5 percent of gross revenue received by the hospital for patient care services. By being based on net revenue, regardless of expenses, hospitals were subject to being taxed even if they lost money. The tax grew from \$72.6 million at its inception to \$183 million in state fiscal year 2005 - 2006 when the Kentucky General Assembly recognized that continued escalation was not sustainable on hospitals and the tax was frozen at that level for future years. Because the Medicaid program is jointly funded by the federal and state government with the federal government supplying roughly \$2.00 in matching funds for every \$1.00 in state funds, the \$183 million annual hospital provider tax, when federally matched, generates approximately \$610 million in state Medicaid spending each year. Approximately \$175 million of those funds are directly earmarked for hospital payments leaving the remaining \$435 million to pay for other expenses within the Medicaid program.

At the time that the provider tax was initiated, in addition to hospitals, it included physicians, nursing homes, prescription drugs, home health, ICF-MR and HMOs. The tax was removed from physicians in 1999 and from prescription drugs in 2000.

Growth in Kentucky Hospital Provider Tax, 1994-2007



Source: Kentucky Revenue Cabinet

Operating Margins

Hospitals need a positive total income (total margin) to stay in business. Hospitals that have a negative total margin (deficit) are not receiving sufficient revenue to pay all their expenses and must use other sources of funds, such as cash reserves, investment income or the sale of assets to pay for their expenses. Unless these hospitals can alleviate the deficit by increasing revenues and/or cutting expenses, they may be forced to shut down operations. Shortfalls and the deterioration of margins limit a hospital's ability to provide charity care, invest in new equipment, update facilities and pay principal on current and long-term debt. Excess revenues over costs are necessary to hire well-trained staff, replace worn out or obsolete buildings and equipment, conduct medical research, keep pace with advances in medical technology and information systems and help cover the cost of care for patients who cannot pay.

Although short-term acute care hospitals in Kentucky saw, overall, a slight increase in operating margins over the four year period from 2003 to 2006, there was a significant decrease from 2006 to 2007. Due to the economic downturn resulting in an increase in indigent care and the inability for many insured citizens to pay co-pays and deductibles, a continued reduction in operating margins is expected for the near future. The Lewin Group, a national consulting firm based in Washington, DC, noted in a 2004 report that "hospitals need to maintain margins between four and six percent to acquire technology and meet changing community health care needs." Even though Kentucky's hospitals are efficient and the cost per discharge in Kentucky is lower than most other states, hospitals cannot meet the minimum margin on operations to maintain or improve services. In fact, in 2007, 46 percent of short-term acute care hospitals in Kentucky lost revenue from providing patient services.

Kentucky Short-Term Acute Care Hospital Margins

Year	Percent of Hospitals with Loss from Patient Services	Operating Margin
2007	46%	1.45%
2006	43%	2.94%
2005	43%	1.48%
2004	50%	-0.46%
2003	52%	-0.82%

Source: Medicare Cost Reports

The calculation of total margin includes both operating income and income from other sources. Examples of non-operating income include investments, trust income, contributions and county tax appropriations. Total margin reveals the composite financial health of a facility over the course of a given period, for example, one year. If total margin is negative, the hospital is losing money after all sources of revenue and income have been considered.

Some hospitals have endowments that enable them to continue to provide services beyond the level of operating income they receive. For those hospitals, a negative operating margin may not be that critical as long as their total margin is positive. However, income from sources other than hospitals' primary business is not always readily available and is insufficient to ensure survival indefinitely. During periods when the economy has slowed and investments perform poorly, hospitals depending on endowments and other investment income sources to supplement their budgets are challenged financially to keep their doors open and continue to provide care to their community. Other hospitals may not have large endowments or sources of other income. As a result, their operating margin and total margin will be similar. In these situations, a low or negative operating margin and total margin may reveal the hospital is under financial stress.

Trends in Operating Margin - Kentucky Acute and Critical Access Hospitals, 2003-2007

	Year	Number of Hospitals Reporting	Number of Hospitals Experiencing Loss from Patient Service	Number of Hospitals Experiencing Loss from Total Operations	Operating Margin	Total Margin
Acute Hospitals	2007	67	29	11	1.51%	5.71%
	2006	65	29	11	2.94%	5.36%
	2005	67	29	14	1.48%	3.87%
	2004	67	33	14	-0.46%	3.32%
	2003	67	35	15	-0.82%	1.88%
Critical Access Hospitals	2007	28	17	8	0.11%	2.61%
	2006	25	12	7	1.75%	2.66%
	2005	28	13	10	-1.20%	2.47%
	2004	28	19	10	-5.57%	0.77%
	2003	28	18	14	-8.59%	-2.07%

Source: Medicare Cost Report data provided by Datagen Keystats™

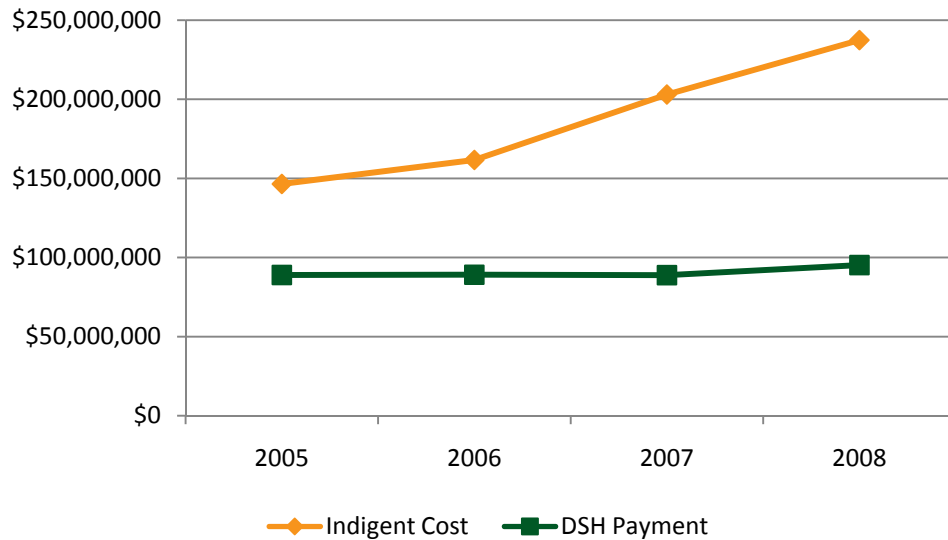
Caring For the Indigent

As Kentucky hospital margins have decreased, hospitals have seen a significant rise in the number of indigent and uninsured patients in hospitals.

Hospitals receive some limited funding through the Medicaid Disproportionate Share Hospital (DSH) program to reimburse for indigent care provided to persons who are uninsured and do not qualify for Medicaid with income below the federal poverty level.

Over the last four years, these indigent hospital costs among non-university acute care, rehabilitation and private psychiatric hospitals have increased 62 percent from \$146 million in 2005 to more than \$237 million in 2008 while DSH funding has been frozen at approximately \$89 million until 2008. In 2008, an inflationary increase of four percent was provided to Kentucky's DSH allotment. Additionally, an increase of 2.5 percent in federal DSH allotments for FFY 2008 and 2009 was included in the American Recovery and Reinvestment Act (ARRA) in recognition of increased indigent care being incurred by hospitals throughout the country from loss of insurance coverage due to rising unemployment. Even with these increases, DSH payments of \$92 million in 2008 leave a \$145 million gap in unreimbursed care, with only 40 percent of indigent care costs to persons below poverty being covered by DSH funding.

Cost of Indigent Care below Poverty Compared to DSH Payments for Non-Teaching Hospitals, 2005 – 2008



	2005	2006	2007	2008
Indigent Cost	\$146,520,000	\$161,677,374	\$203,066,620	\$237,425,645
DSH Payment	\$88,908,772	\$89,094,182	\$88,838,826	\$95,217,804

Source: KHA and Hospital DSH Reports

**Includes 4 percent inflationary increase and on-time 2.5 percent increase from ARA*

University hospitals also provide a tremendous amount of indigent care, but like the other acute care hospitals, Medicaid DSH payments cover only a portion of actual indigent costs. University hospitals supply the state funds that are required to match the federal portion of their DSH payments.

2008 University Hospital Indigent Costs and DSH Payments

\$ 123,824,977	Indigent Care Costs
\$ 76,813,422	DSH Payment
<u>- 23,044,026</u>	Less Funds Supplied by Hospitals
\$53,769,396	Net DSH Payment

The total cost of uncompensated care among all Kentucky hospitals – including charity care rendered to uninsured and underinsured persons at all income levels as well as bad debt – has more than doubled in seven years from approximately \$255 million in 2000 to nearly \$640 million in 2007. These costs rose by 14 percent from 2006 to 2007.

Kentucky Hospital Total Uncompensated Care Costs - 2000 through 2007

Year	Uncompensated Care Costs
2000	\$254,832,649
2001	\$290,293,921
2002	\$299,020,919
2003	\$332,708,977
2004	\$406,604,439
2005	\$516,008,953
2006	\$545,917,445
2007	\$638,413,498

Source: AHA Annual Survey

Kentucky HMO Market

As of December 31, 2007, there were nine health maintenance organizations (HMOs) licensed to do business in the state of Kentucky. Only one plan, Humana Health Plan of Ohio, is licensed but not doing business in the state. Four of the nine plans (Anthem, Bluegrass Family Health, CHA and University Health Care) do business exclusively in Kentucky. Anthem and University Health Care provide Medicare coverage. Only University Health Care provides Medicaid coverage, as they operate Passport Health Plan. HMO enrollment decreased by 25,633 for the year ended December 31, 2007, for a total enrollment of 884,760 or 21 percent of the state's population.

Kentucky HMO Enrollment 2006 and 2007

HMO NAME	2007		2006		2005	
	Enrollment	Market%	Enrollment	Market%	Enrollment	Market%
Aetna Health, Inc.	4,648	0.53%	5,787	0.60%	5,779	0.50%
Anthem Health Plans	463,601	52.40%	470,637	51.70%	469,638	43.50%
Bluegrass Family Health	53,217	6.01%	51,989	5.70%	140,010	13.00%
CHA HMO	13,033	1.47%	53,152	5.80%	110,678	10.30%
Humana Health Plan	180,076	20.35%	159,570	17.50%	186,263	17.30%
United Healthcare of Kentucky	14,638	1.65%	18,367	2.00%	21,642	2.00%
United Healthcare of Ohio	1,510	0.17%	2,942	0.30%	8,162	0.80%
University Health Care	154,037	17.41%	147,949	16.30%	136,757	12.70%
TOTAL	884,760	100.00%	910,393	100.00%	1,078,929	100.00%

Source: Kentucky HMO Book

The eight plans doing business in Kentucky experienced a \$294.6 million profit in 2007 on their entire HMO operations compared to \$245 million in 2006. The four plans doing business exclusively in Kentucky (Anthem, Bluegrass Family Health, CHA and University Health Plan) had combined net income in 2007 of \$141.3 million or \$13.31 per member per month. The four plans not doing business exclusively in Kentucky earned \$12.26 per member per month on their national book of business

Plan Profitability per Member per Month 2003 - 2007

HMO NAME	2007	2006	2005	2004	2003
Aetna Health Inc.	\$17.25	\$2.32	\$5.51	\$5.21	\$24.51
Anthem Health Plan	13.48	16.77	14.22	8.89	8.93
Bluegrass Family Health	5.39	17.76	8.26	0.91	3.34
CHA HMO	35.6	-10.31	15.96	2.16	2.36
Humana Health Plan	-4.12	15	-1.29	1.04	4.18
United Healthcare of Kentucky	24.47	8.81	10.7	9.03	12.97
United Healthcare of Ohio	14.79	10.58	1.76	6.27	11.52
University Health Care	38.76	8.58	5.8	7.2	4.7
TOTAL	\$13.05	\$13.00	\$5.64	\$5.08	\$7.23

Source: Kentucky HMO Book

Note: Plans in bold only operate in Kentucky

Economic Importance of Kentucky Hospitals

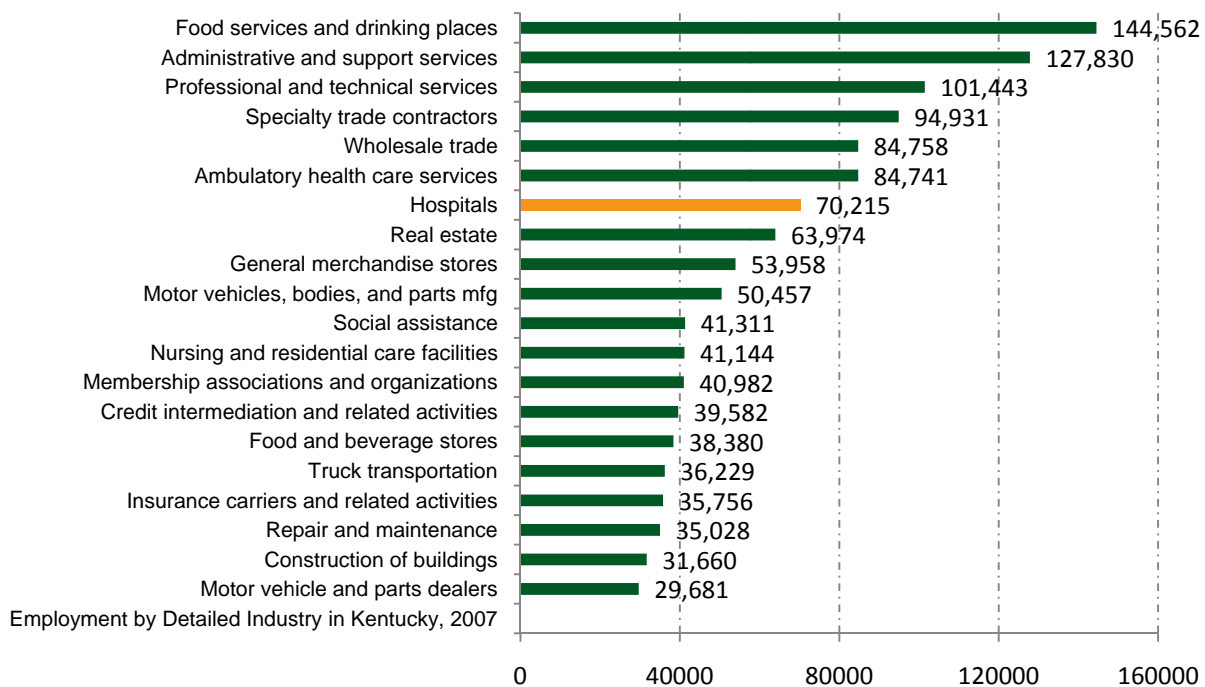
Kentucky's hospitals are the cornerstones of their communities – always there when you need them – 24 hours a day, 7 days a week, 365 days a year. Accessible hospital care is just as necessary for quality of life as are public schools, transportation, public utilities and police protection. In addition to contributing to the quality of life and health, Kentucky's hospitals make a tremendous contribution to the state's economy and the financial well-being of the communities they serve. Hospitals provide a growing source of well-paying jobs that supply state and local tax revenue. Hospitals and their employees also support other Kentucky businesses through their purchases of goods and services.

Kentucky's hospitals spend nearly \$5 billion each year on staff salaries and the purchase of supplies and services. These dollars have a "ripple effect" as they move through the larger economy, as they support other businesses and jobs in the community, and as they generate tax revenue used to fund state programs.

Kentucky hospitals provide more than 70,000* jobs in the community, generating approximately \$3.3 billion in annual local payroll.

Employment by Detailed Industry in Kentucky, 2007

Hospitals rank 7th highest among other industries in Kentucky in terms of jobs, but 5th highest in wages and salaries. In many communities, the local hospital is the largest private employer. The largest industry in terms of raw jobs is "food services and drinking places" (AKA restaurants and bars), with about twice the employment as hospitals; however, the restaurant industry is characterized by part-time employment with low-pay per job.



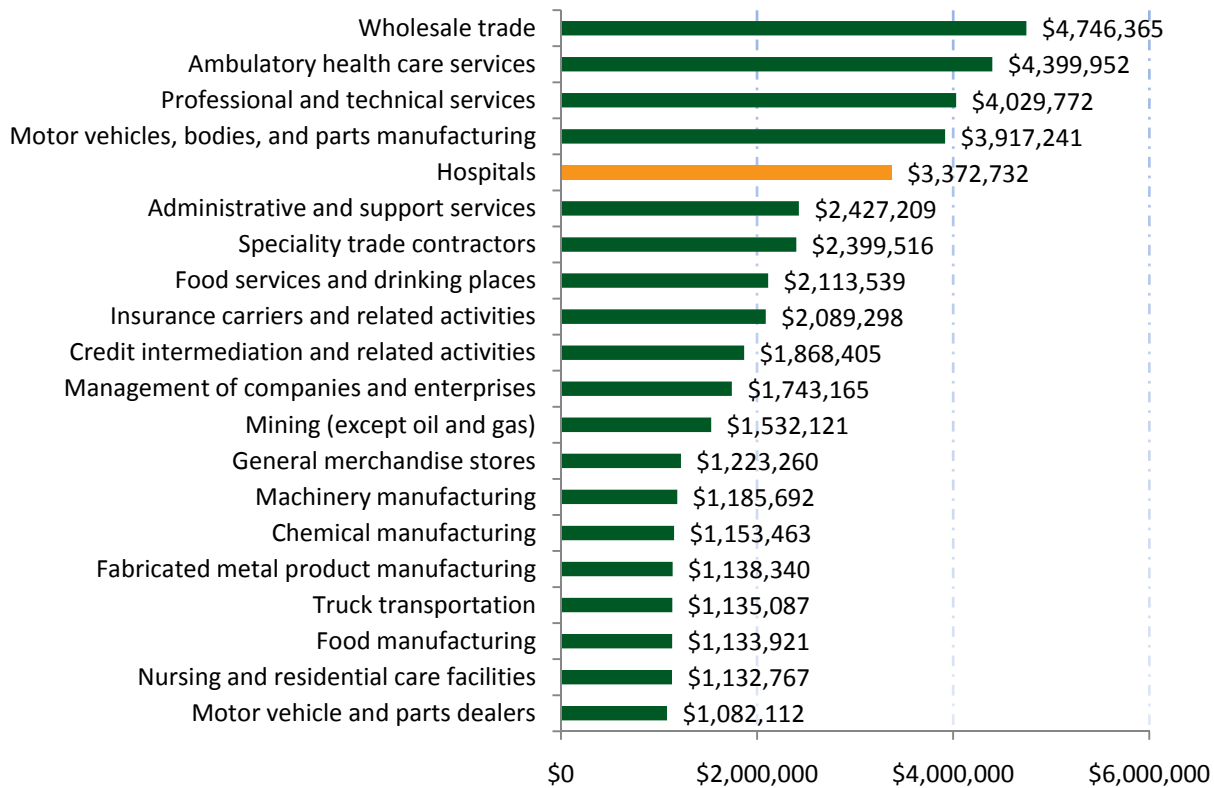
Source: U.S. Bureau of Economic Analysis; Includes wages, salaries and supplements

Because hospital workers are highly trained, the average Kentucky hospital employee wage in 2007 (\$41,326) was 14 percent higher than the average wage of all other private employers in the state (\$36,210) according to the U.S. Bureau of Labor Statistics, Employment and Wages (2007).

* Represents full-time equivalents

Employee Compensation by Detailed Industry in Kentucky, 2007

Because of the sheer number of jobs, as well as their relatively high pay, hospitals remain one of the largest paychecks in Kentucky. Among industries defined at the comparable level of detail, only motor vehicle manufacturing and ambulatory health care services have greater employee compensation.



Source: U.S. Bureau of Economic Analysis; Includes wages, salaries and supplements

Tax Revenue

Kentucky's hospitals are responsible for approximately \$574 million in state and local tax revenue through the taxes they pay directly and tax revenue generated from their employees.

- Kentucky hospitals paid more than \$63 million in city and county occupational taxes and public school occupational taxes.
- Hospitals paid another \$183 million in provider taxes to the state to help support the Kentucky Medicaid program. When matched with federal funds, their provider tax supports approximately \$610 million annually in state Medicaid spending.
- Kentucky receives \$303 million in income and sales taxes linked to the wages and salaries of Kentucky hospital employees.

Hospital Spending

Funds spent by hospitals and their employees to buy goods and services flow to local businesses and then ripple throughout the economy. Kentucky's hospitals are responsible for generating approximately \$3.1 billion in local economic activity from the purchases they make and those made by their employees.

- Kentucky hospitals purchase many goods and services and generate nearly \$2 billion annually in purchases from local companies. The chart below estimates the top 20 hospital purchases made from local companies.

Estimated Kentucky Hospital Purchases from Local Companies

TOTAL HOSPITAL LOCAL PURCHASES	\$1,748,921,297
Sum of commodities not shown	\$627,700,893
Real estate	\$304,541,296
Food services and drinking places	\$111,344,884
Wholesale trade	\$107,668,431
Pharmaceutical and medicine manufacturing	\$97,714,128
Securities- commodity contracts- investments	\$93,473,653
Legal services	\$79,944,822
Management of companies and enterprises	\$64,900,075
Employment services	\$62,045,371
Management consulting services	\$57,224,599
Postal service	\$56,157,979
Services to buildings and dwellings	\$53,317,043
Plastics plumbing fixtures and all other plastics	\$51,446,764
Power generation and supply	\$42,542,982
Colleges- universities- and junior colleges	\$40,397,589
Maintenance and repair of nonresidential buildings	\$32,055,769
Surgical appliance and supplies manufacturing	\$31,594,139
Office administrative services	\$30,177,141
Business support services	\$26,345,765
Telecommunications	\$23,784,929
Automotive equipment rental and leasing	\$20,599,708

Source: KHA Economic Impact Study. Prepared for Kentucky Hospital Association by Paul Coomes, Ph.D., Professor of Economics and Barry Kornstein, Senior Research Analyst, University of Louisville using data from Medicare Cost Reports and IMPLAN.

Hospital Employee Spending

Hospital employees spend an estimated \$1.4 billion in local purchases. The top 20 local purchases made by hospital employees are listed below:

Estimated Local Spending by Kentucky Hospital Employees

TOTAL EMPLOYEE LOCAL PURCHASES	\$1,357,733,766
Sum of commodities not shown	\$469,412,230
Owner-occupied dwellings	\$285,608,655
Hospitals	\$126,273,735
Food services and drinking places	\$120,107,903
Offices of physicians-dentists- and other health care	\$115,431,418
Wholesale trade	\$73,017,009
Motor vehicle and parts dealers	\$47,906,823
Depository credit institutions & monetary auth.	\$43,539,333
Food and beverage stores	\$33,188,652
General merchandise stores	\$32,038,019
Real estate	\$28,723,611
Nursing and residential care facilities	\$28,623,926
Insurance carriers	\$28,303,595
Other ambulatory health care services	\$25,591,649
Colleges, universities and junior colleges	\$25,118,059
Petroleum refineries	\$24,509,044
Power generation and supply	\$24,131,176
Building material and garden supply stores	\$21,650,689
Telecommunications	\$21,195,739
Cut and sew apparel manufacturing	\$20,710,992
Automotive repair and maintenance-except car	\$20,025,202

Source: KHA Economic Impact Study. Prepared for Kentucky Hospital Association by Paul Coomes, Ph.D., Professor of Economics and Barry Kornstein, Senior Research Analyst, University of Louisville using data from Medicare Cost Reports and IMPLAN.

Economic Impact of Hospital Payment Reductions

Kentucky hospitals are also an important part of the state and local economic development strategies. Therefore, it is important that they be financially strong and stable. The financial strength of hospitals is intimately tied to payments from Medicare and Medicaid because approximately 72 percent of their patients are covered by one of these programs. Reductions in reimbursement from these governmental programs not only adversely impact hospitals and their employees, but state and local government and the broader economy as well.

- A 10 percent change in Kentucky hospital net patient revenue (the amount hospitals actually collect) resulting from payment cuts in Medicare, Medicaid or other programs, would:
 - Reduce hospital employee wages and salaries by about \$330 million, and result in some combination of lost jobs and reduced pay per job in the broader community.
 - Reduce state and local government tax revenue by nearly \$73 million.
 - The ripple effect to other businesses would be a loss of \$1.4 billion in regional sales and a reduction of nearly \$440 million in regional wages and salaries.

Section 4

Hospitals as Employers



Kentucky Hospital Statistics

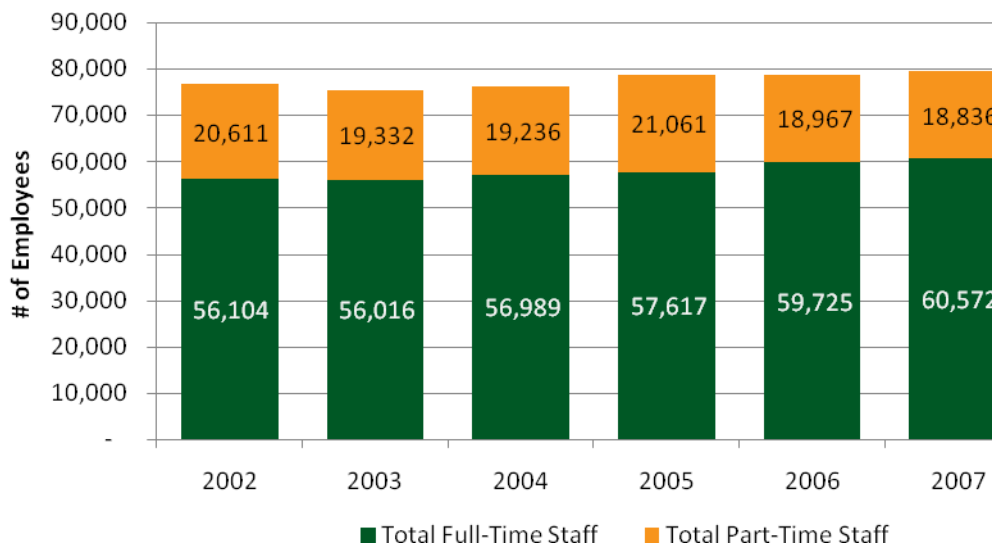
Hospitals as Employers

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Kentucky Hospital Total Personnel: 2002 – 2007

Increase in Total Hospital Employment

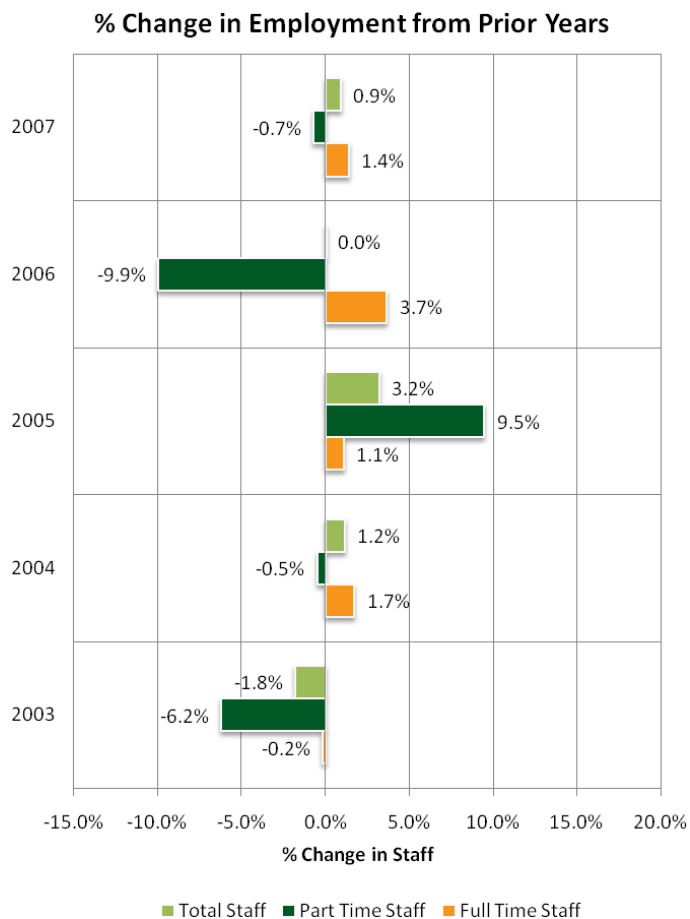
The number of people employed by Kentucky hospitals has continued to increase due to greater demand for inpatient and outpatient services, as well as service intensity. In 2007, Kentucky community hospitals employed 79,408 full and part-time people, up almost one percent from 2006.



Source: AHA Annual Survey, 2008 and 2003 Editions

Trends in Full and Part-Time Employment, 2002-2007 Kentucky Community Hospitals

Seventy-six (76) percent of hospital workers were full-time employees in 2007, a slightly higher percentage than in 2002 when 73 percent were full-time. Between 2002 and 2007, an additional 847 full-time jobs were added in community hospitals, representing a 1.4 percent increase, while part-time employment fell by 0.7 percent, or 131.



Source: AHA Annual Survey, 2008 and 2003 Editions

Trends in Payroll and Benefit Costs, 2002-2007 Kentucky Community Hospitals

While total hospital employment rose by 4.2 percent from 2002 to 2007, total wages and benefits paid to those employees increased by nearly 35 percent, from approximately \$3 billion in 2002 to nearly \$ 4.1 billion in 2007. Hospital costs for employee benefits comprise a larger share of total salary and benefit costs, rising from 18.2 percent in 2002 to 20.7 percent in 2007. In raw dollars, payroll costs increased by 30.6 percent over the five year period, with benefit expenses rising by 52.7 percent.

	2002	2007	Difference	% Change
Payroll	\$2,480,637,000	\$3,238,610,000	\$ 757,973,000	30.6%
Benefits	553,535,000	845,505,000	291,970,000	52.7%
Total Wages and Benefits	\$3,034,172,000	\$4,084,115,000	\$1,049,943,000	34.6%

Source: AHA Annual Survey, 2008 and 2003 Editions.

Trends in Kentucky Hospital Nursing Employment, 2002-2007 Kentucky Community Hospitals

Nurses continue to represent the largest group of hospital workers. In 2007, there were 24,329 full and part-time registered nurses (RNs) and licensed practical nurses (LPNs) employed in Kentucky community hospitals which comprised 30.6 percent of all hospital full and part-time workers, up from 29.5 percent in 2002. However, hospitals continue to staff with more registered nurses and less LPNs. The number of full and part-time RNs increased by 2,167, or 11.1 percent, from 2002 to 2007. At the same time, the number of full and part-time LPNs declined by 491, or 16.0 percent.

Nearly 72 percent of RNs and LPNs worked full-time in 2007, the same as in 2006. The number of full-time nurses grew 12 percent from 15,585 in 2002 to 17,455 in 2007. The growth was due entirely to increased employment of full-time RNs. Over the last five years, full-time RNs increased by 2,186 while the number of full-time LPNs declined by 316. However, with respect to part-time employment, the number of part-time RNs essentially remained the same, increasing by only 19, or 0.3 percent. The number of part-time LPNs declined by 175, or 24.5 percent. Over the last year, the number of full-time nurses has increased; however this was due to the continuing trend of hospitals using more registered nurses and fewer licensed practical nurses. Kentucky hospitals employed over 300 more full-time registered nurses and 100 fewer licensed practical nurses in 2007, compared to 2006. The number of part-time nurses, both registered nurses and licensed practical nurses has declined from 2006.

	2002	2006	2007	Difference 2002-2007	% Change 2002-2007	Difference 2006-2007	% Change 2006-2007
Total Full-Time Employees	56,104	59,725	60,572	4,468	8.0%	847	1.4%
Total Part-Time Employees	20,611	18,967	18,836	(1,775)	-8.6%	(131)	-0.7%
Total Personnel	76,715	80,698	79,408	2,693	3.5%	(1,290)	-1.6%
Full-Time RNs	13,224	15,106	15,410	2,186	16.5%	304	2.0%
Full-Time LPNs	2,361	5,146	2,045	(316)	-13.4%	(3,101)	-151.6%
Total Full-Time Nurses	15,585	20,252	17,455	1,870	12.0%	(2,797)	-16.0%
Part-Time RNs	6,354	6,400	6,335	(19)	-0.3%	(65)	-1.0%
Part-Time LPNs	714	547	539	(175)	-24.5%	(8)	-1.5%
Total Part-Time Nurses	7,068	6,947	6,874	(194)	-2.7%	(73)	-1.1%
Total RNs - FT & PT	19,578	21,506	21,745	2,167	11.1%	239	1.1%
% of Total Personnel	25.5%	26.6%	27.4%				
Total LPNs - FT & PT	3,075	5,693	2,584	(491)	-16.0%	(2,584)	-100.0%
% of Total Personnel	4.0%	7.1%	3.3%				

Source: AHA Annual Survey, 2008 and 2003 Editions.

Employment of RNs by Industry – Across the United States

Employment of registered nurses is expected to grow 23 percent from 2006 to 2016, much faster than the average for all occupations. Growth will be driven by technological advances in patient care, which permit a greater number of health problems to be treated, and by an increasing emphasis on preventive care. In addition, the number of older people, who are much more likely than younger people to need nursing care, is projected to grow rapidly. However, employment of RNs will not grow at the same rate in every industry. The projected growth rates for RNs in the industries with the highest employment of these workers are:

Industry	Percent
Offices of physicians	39
Home health care services	39
Outpatient care centers, except mental health and substance abuse	34
Employment services	27
General medical and surgical hospitals, public and private	22
Nursing care facilities	20

Source: <http://www.bls.gov/oco/ocos083.htm>

Hospitals continue to face a critical shortage of health care professionals. A combination of factors, including the aging “baby boomer generation” of nurses who soon will be retiring, years of declining unemployment that give today’s workers more choices, and younger people not choosing health care careers, are all causes for both long and short-term shortages in the health care field.

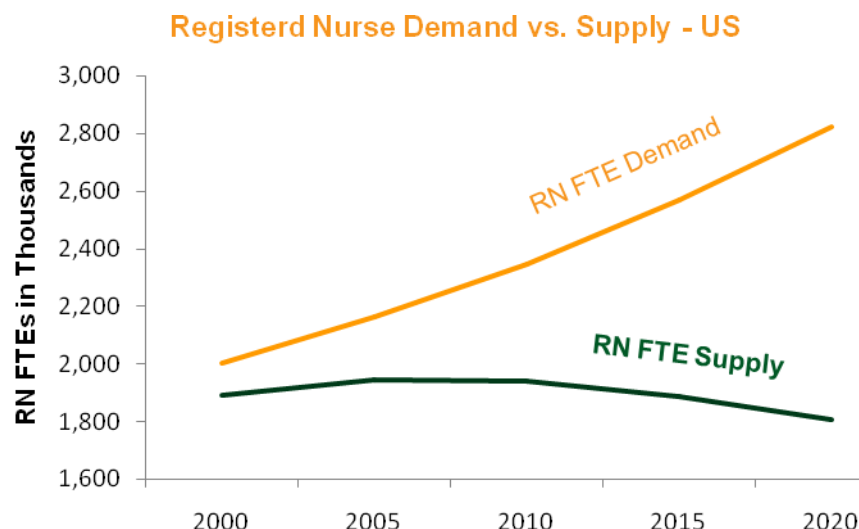
Characteristics of Registered Nurses - Across the United States

Age Group	Male	Female	Percent
< 25	1,731	57,843	2.50%
25 to 29	10,955	148,721	6.70%
30 to 34	15,508	205,543	9.20%
35 to 39	19,217	237,693	10.70%
40 to 44	23,951	336,195	15.00%
45 to 49	30,986	418,634	18.80%
50 to 54	24,098	382,650	17.00%
55 to 59	13,469	257,640	11.30%
60 to 64	4,909	131,281	5.70%
65 +	1,819	73,486	3.10%
Total	146,643	2,249,686	
Total Percent	6.10%	93.90%	

Source: 2004 NSSRN

- The table above shows that although 6.1 percent of RNs were men in 2004, which is higher than in previous years, nursing remains a female-dominated profession. This means that, at least in the near future, recruiting more men to the profession is not likely to be an important avenue for increasing the supply.

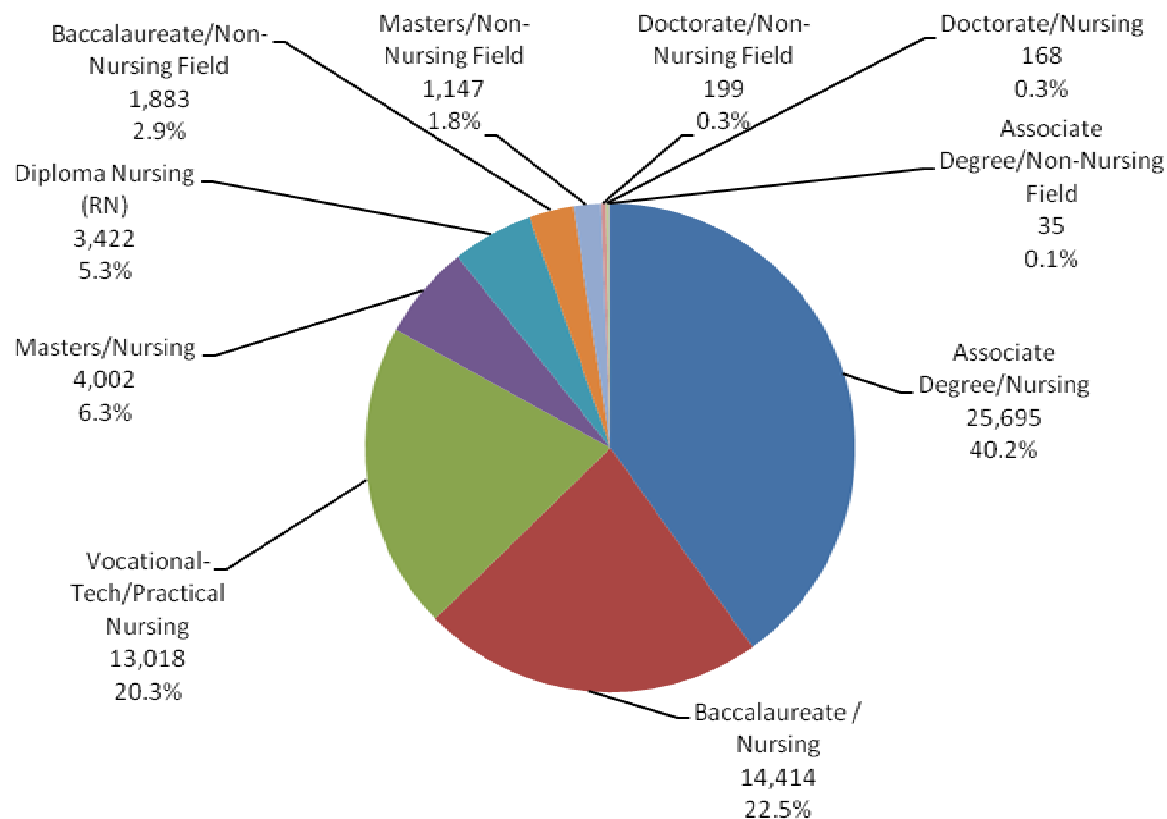
- The graph on the right demonstrates how demand for RN FTEs is expected to outpace the RN FTE supply through 2020.
- The latest estimates developed by the Bureau of Labor Statistics [BLS, 2006] indicate that the U.S. will require 1.2 million new RNs by 2014 to meet the nursing needs of the country, 500,000 to replace those leaving practice and an additional 700,000 to meet growing demands for nursing services.



Source: National Center for Health Workforce Analysis, Bureau of Health Professions, Health Resources and Services Administration, 2004

Distribution of Kentucky Nurses by Education Level

In 2007, nearly two-thirds of all Kentucky nurses had either an associate degree or a baccalaureate degree in nursing, followed by those with a vocational-tech or practical nursing education.



Source: Kentucky Board of Nursing, 2007

Kentucky Nurse Graduates

Year	BSN	ADN	LPN	Total
2001	396	941	588	1,925
2002	371	850	643	1,864
2003	329	1,029	720	2,078
2004	454	1,132	763	2,349
2005	633	1,357	783	2,773
2006	664	1,518	800	2,982
2007	660	1,666	928	3,254

Source: Kentucky Board of Nursing

Kentucky has successfully increased the number of nurses graduating by 69 percent over the past seven years. However, a 2006 study by the U.S. Health Resources and Service Administration (HRSA) reports that the U.S. needs to consistently graduate approximately 90 percent more nurses than it did in 2000 to meet the projected growth and demand.

Kentucky NCLEX Pass Rates

Kentucky Nursing Graduates in each category have exceeded the national average NCLEX exam pass rate each year since 2002, with the exception of 2007 for Associate Degree Nursing graduates. Since that time, modifications have been made with respect to prerequisite requirements and the pass rate is expected to improve in future years.

Year	Baccalaureate Degree Nursing				Associate Degree Nursing				Licensed Practical Nurse			
	Testing	Passed	KY Avg.	US Avg.	Testing	Passed	KY Avg.	US Avg.	Testing	Passed	KY Avg.	US Avg.
2002	362	344	95%	86%	850	785	92%	85%	601	540	90%	86%
2003	325	288	89%	86%	1,029	951	92%	86%	659	578	88%	88%
2004	450	424	94%	85%	1,132	1,021	90%	85%	722	646	89%	89%
2005	625	571	91%	85%	1,357	1,218	90%	85%	753	713	95%	90%
2006	660	594	90%	86%	1,518	1,340	88%	85%	715	649	91%	88%
2007	680	602	89%	86%	1,705	1,414	83%	84%	868	829	96%	87%

Source: Kentucky Board of Nursing

Kentucky Active Nurses

While the number of graduates has been increasing steadily since 2002, the number of active nurses has not kept pace with the outstanding need. The table below shows a slow increase, with a slight decline in 2007 for active RNs and a decline in 2007 from 2005 to 2006 levels for LPNs.

Year	Total	RNs	LPNs
2003	61,926	48,206	13,720
2004	65,652	51,778	13,874
2005	63,909	48,847	15,062
2006	66,423	51,982	14,441
2007	64,741	50,973	13,768

Source: Kentucky Board of Nursing

Kentucky Hospital Association's Health Profession Workforce Shortage Survey: 2007 Trend Analysis of the Hospital-based Health Workforce

The Kentucky Hospital Association's (KHA) latest analysis of Kentucky's hospital-based health workforce shows continued progress being made in addressing the labor shortage impacting the state's hospitals. The analysis is based on a 2007 survey of Kentucky hospitals focusing on nine categories of RN sub-groupings, LPNs, and 25 categories of allied health staff.

Age of Kentucky Hospital Registered Nurses

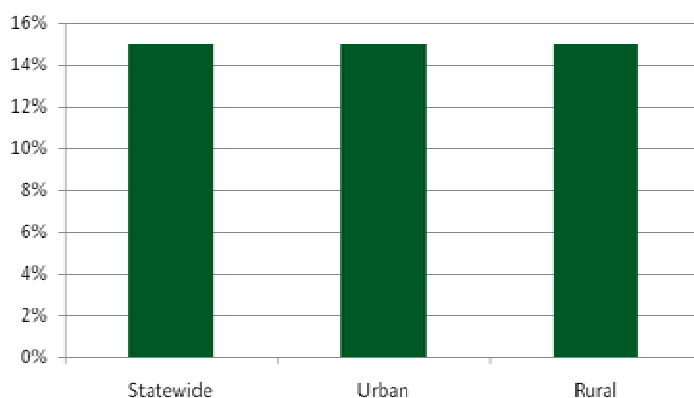
	Statewide	Urban	Rural
2004	42	44	41
2005	42	44	41
2006	42	43	42
2007	43	44	42

Source: 2007 KHA Workforce Shortage Survey

According to the KHA Workforce Shortage Survey, in 2007 the average age for Registered Nurses (RNs) was 43 statewide and only slightly older (44 years) for the RNs in urban areas. There has been little fluctuation in the average age of the state's supply of RNs, prior to 2007. The Health Resources and Services Administration (HRSA) 2004 Survey of Registered Nurses noted the average age of the RN population to be 46.8 years of age nationwide (<http://bhpr.hrsa.gov/healthworkforce/rnsurvey04>).

Registered Nurse Turnover Rate for Kentucky in 2007

According to the 2007 KHA Workforce Shortage Survey in which 86 percent of the hospitals in Kentucky participated (90 percent of the licensed hospital beds), the 2007 RN turnover rate is up by one percent, with rural rates being one percentage point higher than urban rates. In 2007, the statewide turnover rate for RNs is two percentage points lower than the rate for all hospital employees.



Source: 2007 KHA Workforce Shortage Survey

Registered Nurse Turnover Rate by Bed Size for 2004 – 2007

Year	0-50 Beds	51-100 Beds	101-250 Beds	251-399 Beds	400+ Beds
2004	15%	13%	15%	10%	13%
2005	17%	16%	14%	12%	11%
2006	13%	14%	14%	13%	12%
2007	15%	14%	16%	14%	11%

Source: 2007 KHA Workforce Shortage Survey

The Registered Nurse Turnover rate varies little based on the bed size of the hospital. In 2007, there was a five percentage point spread among hospitals of all sizes, a little wider than in 2006, but fairly consistent in previous years.

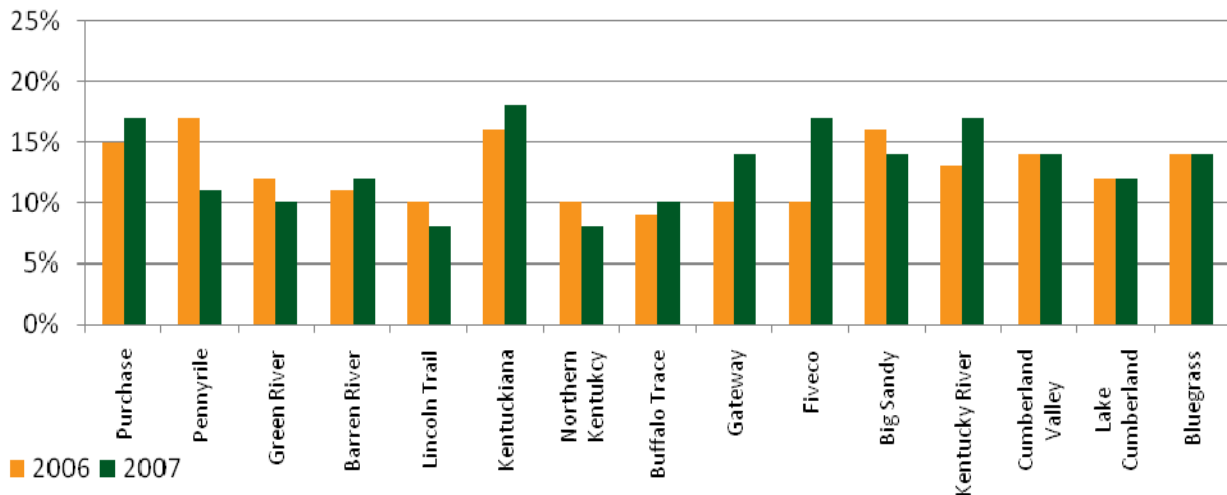
Registered Nurse Turnover by Area Development District (ADD)

In 2007, the Area Development District (ADD) with the lowest RN Turnover Rate was Big Sandy (seven percent) while the ADD with the highest RN turnover was Buffalo Trace with 22 percent, based in part on the small number of RN employees and RN separated employees.

Area Development District	Total Employees 07/01/2007	Employees Hired	Separated Employees	Turnover Rate
01-Purchase (5 of 6)	951	192	197	17%
02-Pennyrile (8 of 9)	787	151	100	11%
03-Green River ((5 of 5)	1,283	225	150	10%
04-Barren River (10 of 11)	1,038	151	138	12%
05-Lincoln Trail ((6 of 7)	766	137	69	8%
06-Kentuckiana (10 of 18)	466	128	109	18%
07-Northern Kentucky (8 of 10)	1,268	150	115	8%
08-Buffalo Trace (2 of 2)	104	15	12	10%
09-Gateway (3 of 3)	306	89	55	14%
10-Fiveco 2 of 3)	972	214	200	17%
11-Big Sandy (5 of 6)	636	123	109	14%
12-Kentucky River (4 of 5)	5,500	1,407	1,193	17%
13-Cumberland Valley (8 of 9)	1,003	210	175	14%
14-Lake Cumberland (5 of 6)	549	104	77	12%
15-Bluegrass (16 of 23)	4,288	860	731	14%

Source: 2007 KHA Workforce Shortage Survey

RN Turnover Rate by ADD



Source: 2007 KHA Workforce Shortage Survey

Employee Turnover Rates for 2004 – 2007

In 2007, the turnover rate for all employees was 15 percent statewide, with no difference between urban and rural hospitals. It was lowest among hospitals with 400 or more beds (13 percent) and highest for hospitals with 101 to 250 beds (19 percent). Hospitals with 250 beds or less had one to two percent increases in turnover.

All Hospital Employee Turnover Rates

	Statewide	Urban	Rural
Turnover Rate 2007	15%	15%	15%

Source: 2007 KHA Workforce Shortage Survey

All Hospital Employee Turnover Rates by Bed Size

Year	0-50 Beds	51-100 Beds	101-250 Beds	251-399 Beds	400+ Beds
2004	16%	16%	18%	15%	15%
2005	15%	18%	15%	15%	15%
2006	15%	14%	17%	16%	13%
2007	16%	16%	19%	14%	13%

Source: 2007 Workforce Shortage Survey

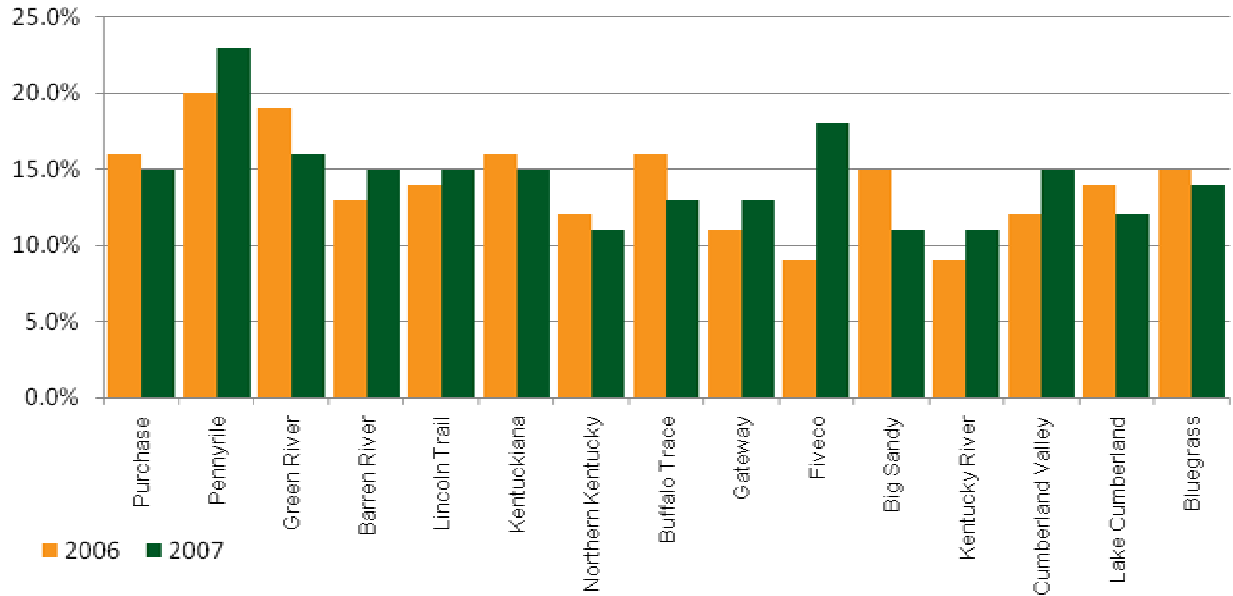
All Hospital Employee Turnover by Area Development District

Area Development District	Total Employees 07/01/2007	Employees Hired	Separated Employees	Turnover Rate
01-Purchase (5 of 6)	5,923	1,298	1,056	15.0%
02-Pennyrite (8 of 9)	4,168	1,315	1,280	23.0%
03-Green River (5 of 5)	1,578	311	307	16.0%
04-Barren River (10 of 11)	4,204	688	728	15.0%
05-Lincoln Trail (6 of 7)	2,934	552	524	15.0%
06-Kentuckiana (10 of 18)	21,675	4,483	386	15.0%
07-Northern Kentucky (8 of 10)	4,995	671	604	11.0%
08-Buffalo Trace (2 of 2)	441	65	67	13.0%
09-Gateway (3 of 3)	1,817	447	297	13.0%
10-Fiveco (2 of 3)	3,700	1,121	849	18.0%
11-Big Sandy (5 of 6)	2,481	512	336	11.0%
12-Kentucky River (4 of 5)	1,275	118	155	11.0%
13-Cumberland Valley (8 of 9)	3,467	637	628	15.0%
14-Lake Cumberland (5 of 6)	1,763	296	239	12.0%
15-Bluegrass (16 of 23)	11,244	2,107	1,888	14.0%
Statewide	71,665	14,621	9,344	15.0%

Source: 2007 Workforce Shortage Survey

Note: Ratio in parenthesis represents the proportion of hospitals in that ADD that submitted data

All Employee Turnover Rate by ADD



Source: 2007 KHA Workforce Shortage Survey

Registered Nurse Vacancy Rates

The 2007 KHA Workforce Shortage Survey found that the vacancy rate for Pediatric RNs in rural areas is twice as high compared to urban areas. Conversely, the vacancy rate for Psychiatric RNs is two times greater in urban areas (fourteen percent) than in rural areas (seven percent).

	Statewide Current Employees	Statewide Vacancies		Urban		Rural		Current Employees Age 55+		2009 Projected Staff Increase	
		#	%	#	%	#	%	#	%	#	%
CRNAs	260	13	5%	6	4%	7	6%	40	15%	11	4%
Medical/Surgical RNs	3,429	309	9%	199	8%	110	9%	476	14%	124	4%
ED RNs	1,525	112	7%	78	8%	34	5%	178	12%	69	5%
ICU/CCU RNs	2,398	170	7%	124	7%	46	6%	243	10%	176	7%
OR/PACU RNs	1,850	108	6%	81	6%	27	5%	385	21%	87	5%
Labor/Delivery/Maternal Child RNs	2,568	66	3%	47	2%	19	4%	185	7%	31	1%
Pediatric RNs	765	35	5%	28	4%	7	9%	90	12%	13	2%
Psych Nurse	553	79	14%	68	14%	11	7%	176	32%	36	7%
Other RNs	5,400	272	5%	193	5%	79	5%	855	16%	38	1%
Overall RNs	18,748	1,164	6%	824	6%	340	6%	2,628	14%	585	3%

Source: 2007 Workforce Shortage Survey

Vacancy Rates for Registered Nurses by Area Development District (ADD)

In 2007, the ADD with the highest vacancy rate for CRNAs was Cumberland Valley, with a 19 percent CRNA vacancy rate for three vacant positions. For Medical/Surgical RNs, the vacancy rate was highest in the Lake Cumberland ADD (16 percent). The table on the following page presents the full-time equivalent RN vacancy rates for each ADD and each RN specialty classification.

Area Development District	CRNAs	Med/ Surg RNs	ED RNs	ICU/ CCU RNs	OR/ PACU RNs	Labor/ Delivery/ Maternal Child RNs	Ped RNs	Psych RN	Other RNs	Overall RNs
04-Barren River (10 of 11)	(0%)	30 (10%)	8 (7%)	6 (6%)	3 (3%)	3(4%)	1(2%)	1(3%)	7 (2%)	59(5%)
11-Big Sandy (5 of 6)	(0%)	5 (6%)	3 (5%)	7(9%)	1 (2%)	(0%)	(0%)	1(14%)	4 (2%)	22 (4%)
15-Bluegrass (16 of 23)	6 (10%)	46 (7%)	28 (10%)	16(4%)	23 (7%)	18(1%)	5(2%)	1(3%)	73 (8%)	216(5%)
08-Buffalo Trace (2 of 2)	(0%)	4 (12%)	(0%)	2(12%)	(0%)	(0%)	(0%)	(0%)	(0%)	6 (5%)
13-Cumberland Valley (8 of 9)	3 (19%)	7(6%)	6(6%)	3 (3%)	2 (3%)	2(3%)	2 (14%)	1 (4%)	16(6%)	41(5%)
10-Fiveco 2 of 3)	(0%)	17 (12%)	2 (3%)	1(1%)	4(5%)	(0%)	(0%)	(0%)	8 (2%)	32(3%)
09-Gateway (3 of 3)	(0%)	4 (7%)	3 (8%)	3 (10%)	3 (15%)	1 (3%)	(0%)	(0%)	(0%)	13(6%)
03-Green River (5 of 5)	(0%)	30 (9%)	3(2%)	12 (9%)	6(5%)	(0%)	1 (6%)	4(25%)	15(6%)	70(7%)
06-Kentuckiana (10 of 18)	(0%)	14(12%)	3 (6%)	5(17%)	3(12%)	3 (17%)	2(25%)	4 (9%)	(0%)	34 (11%)
12-Kentucky River (4 of 5)	(0%)	90(10%)	38 (11%)	63(9%)	39(6%)	22(6%)	15 (4%)	32 (13%)	52 (3%)	350(6%)
14-Lake Cumberland (5 of 6)	(0%)	18(16%)	5 (10%)	9 (8%)	6(8%)	1 (2%)	3 (25%)	3 (18%)	8(7%)	53(9%)
05-Lincoln Trail (6 of 7)	(0%)	13(7%)	4 (4%)	4(5%)	4(5%)	7 (11%)	3 (18%)	(0%)	2 (1%)	36 (5%)
07-Northern Kentucky (8 of 10)	2 (6%)	2 (1%)	2 (2%)	27 (9%)	3 (2%)	(0%)	1(2%)	1(2%)	16 (6%)	53(4%)
02-Pennyrile (8 of 9)	2 (12%)	11 (8%)	3(4%)	1(1%)	4(8%)	5(12%)	2(9%)	30 (31%)	19 (6%)	76(9%)
01-Purchase (5 of 6)	(0%)	20 (7%)	5 (4%)	12(5%)	8 (5%)	3 (5%)	(0%)	1(8%)	54(8%)	102(7%)

Source: 2007 KHA Workforce Shortage Survey

Note: Ratio in parenthesis represents the proportion of hospitals in that ADD that submitted data.

Trend in Vacancies across Health Professions: 2003 – 2007

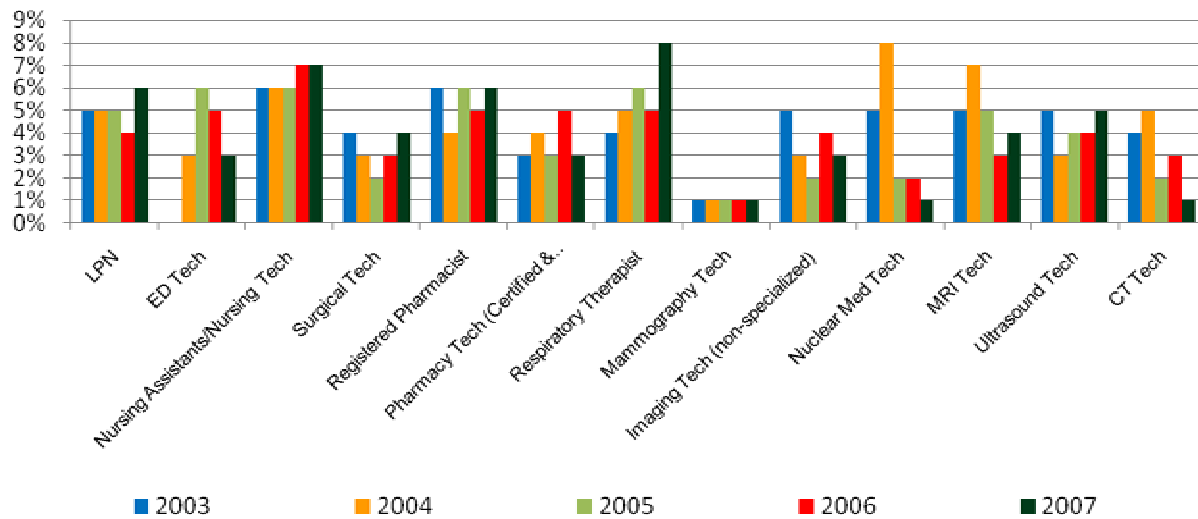
Health professions experiencing the greatest number of vacancies in Kentucky's hospitals over the past five years:

Position	2003	2004	2005	2006	2007
LPN	5%	5%	5%	4%	6%
ED Tech	*	3%	6%	5%	3%
Nursing Assistants/Nursing Tech	6%	6%	6%	7%	7%
Surgical Tech	4%	3%	2%	3%	4%
Registered Pharmacist	6%	4%	6%	5%	6%
Pharmacy Tech (Certified & Non-Certified)	3%	4%	3%	5%	3%
Respiratory Therapist	4%	5%	6%	5%	8%
mammography Tech	1%	1%	1%	1%	1%
Imaging Tech (non-specialized)	5%	3%	2%	4%	3%
Nuclear Med Tech	5%	8%	2%	2%	1%
MRI Tech	5%	7%	5%	3%	4%
Ultrasound Tech	5%	3%	4%	4%	5%
CT Tech	4%	5%	2%	3%	1%
CV Tech (ECG,Echo)	6%	7%	5%	6%	4%
EEG Tech	2%	5%	3%	3%	4%
Physical Therapist	10%	13%	11%	10%	11%
PT Assistant	3%	8%	8%	4%	8%
Occupational Therapist	8%	5%	10%	7%	10%
Speech/Language Path		13%	13%	9%	10%
MLT	3%	7%	4%	5%	3%
Med Tech	3%	4%	2%	4%	5%
Monitor Tech	5%	3%	4%	8%	3%
Coder	6%	4%	5%	3%	6%
Registered Dietitian	0%	3%	2%	1%	4%
Unit Secretary/Ward Clerk	3%	4%	5%	5%	5%
Phlebotomist	*	8%	5%	6%	5%

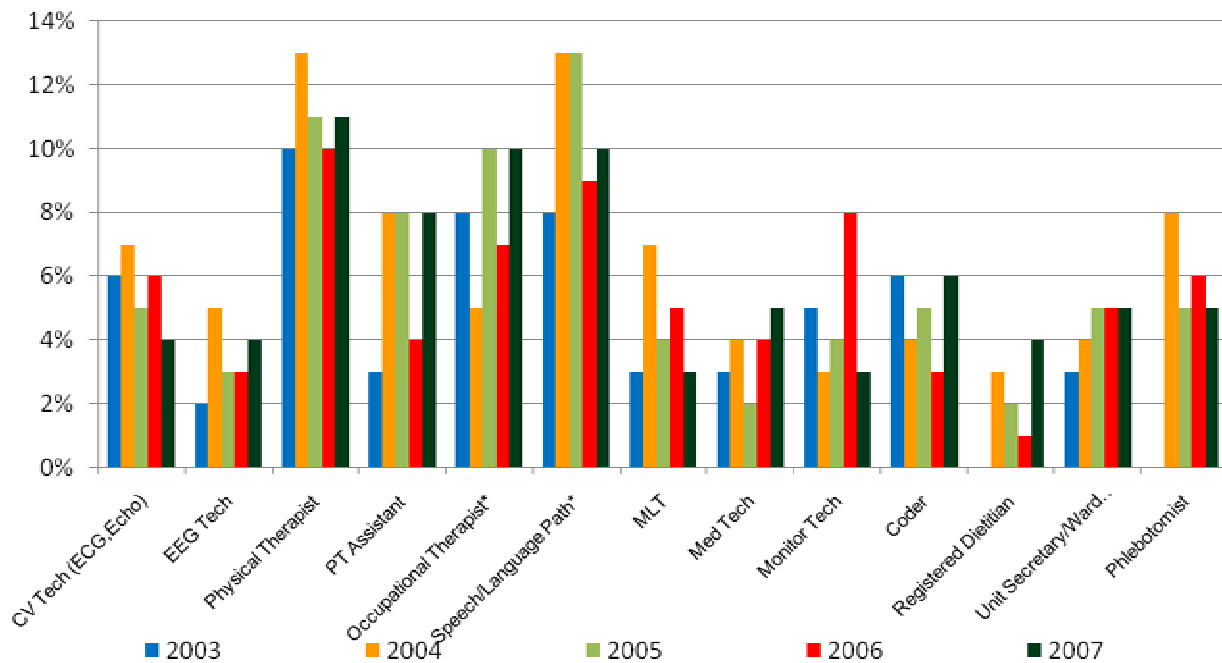
* Not Measured

Source: 2007 KHA Workforce Shortage Survey

Trends in Vacancy Rates by Position



The last five Workforce Shortage Surveys found physical therapists are in the highest demand for all five years from 2003 to 2007, followed closely by Speech and Language Pathologists and Occupational Therapists.



Source: 2007 KHA Workforce Shortage Survey

The last four Workforce Shortage Surveys also show that the vacancy rate for nursing assistants and pharmacy technicians in urban areas is triple that of rural areas. Similarly, non-specialized and specialized imaging technicians have a much higher vacancy rate in urban areas.

Allied Health Vacancy Rates

The 2007 KHA Workforce Shortage Survey continued to find that physical therapists are in the highest demand in Kentucky with over 10 percent vacancy in the urban areas and 14 percent in the rural areas. The vacancy rate for respiratory therapists in urban areas continues to be four times as high as in rural areas. The vacancy rate for speech pathologists is nearly four times the rate in rural areas (17 percent) than in urban areas (4 percent).

Position	Statewide Current Employees	Statewide Vacancies	Urban	Rural
LPNs	2,194	138 (6%)	78 (7%)	60 (5%)
ED/ Emergency Techs	602	21 (3%)	19 (4%)	2 (1%)
Nursing Assist./ Nursing Techs	4,275	342 (7%)	264 (9%)	78 (5%)
Surgical Techs	922	42 (4%)	28 (5%)	14 (4%)
Registered Pharmacists	563	36 (6%)	21 (5%)	15 (7%)
Pharmacy Techs (certified & non-certified)	816	21 (3%)	15 (3%)	6 (2%)
Respiratory Therapists	1,264	110 (8%)	92 (12%)	18 (3%)
Mammography Tech	208	3 (1%)	2 (1%)	1 (1%)
Imaging Techs (non-specialized)	862	29 (3%)	21 (4%)	8 (2%)
Nuclear Med Tech	168	1 (1%)	1 (1%)	0%
MRI Techs	198	7 (4%)	7 (5%)	0%
Ultrasound Techs	230	13 (5%)	9 (6%)	4 (4%)
CT Techs	392	3 (1%)	3 (1%)	0%
CV Techs (ECG, Echo)	178	8 (4%)	6 (6%)	2 (2%)
EEG Techs	87	4 (4%)	0 (< 1%)	4 (9%)
Physical Therapists	510	65 (11%)	40 (10%)	26 (14%)
PT Assistants	330	30 (8%)	15 (8%)	15 (8%)
Occupational Therapist	279	32 (10%)	21 (10%)	11 (10%)
Speech/ Language Path	156	17 (10%)	8 (7%)	9 (17%)
MLTs	491	14 (3%)	7 (3%)	7 (2%)
Med Techs	1,107	53 (5%)	34 (5%)	20 (5%)
Monitor Techs	308	11 (3%)	9 (4%)	2 (2%)
Coders	431	26 (6%)	16 (6%)	10 (5%)
Registered Dietitians	163	6 (4%)	5 (4%)	2 (3%)
Unit Secretaries/ Ward Clerks	1,769	101 (5%)	86 (7%)	16 (3%)
Phlebotomists	665	34 (5%)	21 (5%)	13 (5%)

Source: 2007 KHA Workforce Shortage Survey

Recruitment and Retention Strategies

Kentucky hospitals continue to employ a variety of strategies to meet the professional workforce demands of the state's rapidly changing demographics. For example, to retain current staff and attract new workers, Kentucky hospitals are offering improved compensation and benefits with flexible staffing options and opportunities for professional development. Several hospitals provide scholarships to students who agree to work at the facility upon graduation and some are pursuing foreign nurse recruitment.

The Physician Recruitment Struggle in Kentucky

For decades Kentucky has had a shortage of physicians, particularly in rural portions of the state, creating a situation that, along with residents' poor lifestyle choices, has resulted in an unfavorable health status. Access to health care services is vital to the health of all Kentuckians. An adequate number of physicians, including an appropriate distribution of specialists by discipline and geography, are critical to ensuring that care is available.

With Kentucky's more than four million population (26th most populous state according to the U.S. Census Bureau, Population Division, up from 27th the previous year) and 9,523 active physicians (per the U.S. Census Bureau), Kentucky has a ratio of 223.1 active physicians per 100,000 population, compared to that of 256.7 for the U.S.

Kentucky's current ratio ranks as the 33rd lowest among the 50 states, down from 32nd the previous year. This ratio is significantly lower than the national rate of 256.7 and it trails all bordering states except Indiana.

State	Population	Active Physicians	Active Physicians per 100,000 Pop	Rank
Illinois	12,901,563	34,514	267.5	13
Virginia	7,769,089	20,183	259.8	15
Ohio	11,485,910	29,833	259.7	16
Tennessee	6,214,888	15,357	247.1	22
Missouri	5,911,605	13,790	233.3	29
West Virginia	1,814,468	4,150	228.7	32
Kentucky	4,269,245	9,523	223.1	33
Indiana	6,376,792	13,283	208.3	39

Source: U.S. Bureau of Census - 2008

As with many predominantly rural states, Kentucky historically has had difficulty producing, recruiting and retaining physicians. According to the U.S. Census Bureau, Kentucky needs 1,438 more active physicians to bring it to the 2008 U.S. ratio. The state's rural counties have a high proportion of chronic illness, which places significant stress on physician practices and medical resources (Kentucky has the highest cancer and heart disease mortality rates in the U.S. While these high disease burdens are spread throughout the entire state, the most severe rates usually occur in Kentucky's 85 rural counties).

Section 5

Health Care Quality and Pricing Transparency



Kentucky Hospital Statistics

Health Care Quality and Pricing Transparency

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Health Care Quality and Pricing Transparency

Kentucky hospitals believe people deserve meaningful information about the price and quality of their health care. For this reason, they have taken the lead in voluntarily sharing information to help consumers make important health care decisions. In fact, the Kentucky Hospital Association (KHA) was the first organization in the commonwealth to provide both pricing and quality information on Kentucky hospitals for the public's use. Kentucky was one of the first states to publish this information and this was accomplished through voluntary reporting by the hospitals. This information is available on the KHA Web site at www.kyha.com.

Pricing

In 2005, in response to the public's need for meaningful, comparative price information, KHA launched a new public Web site that provides comparative, hospital-specific pricing information for the top 100 Diagnosis Related Groups (DRGs) in the state. The site contains data for all Kentucky hospitals and uses charge data, updated annually, for all patients and payers. The Web site allows consumers to view a hospital's median charge, as well as their charges at the 10th and the 90th percentile so that consumers can better understand how prices can vary for a DRG due to differences in patient health status and the specific treatment and tests ordered by the patient's physician. Consumers also can view this information based on three severity levels to see how charges vary between uncomplicated and complicated cases. The data also shows consumers which hospitals have more experience treating certain conditions (based on the volume of discharges), as well as the average time patients spend hospitalized for a condition.

<http://info.kyha.com/Pricing>

TOP 150 Diagnosis Related Groups

- Volume of Cases by Hospital
- Severity Adjusted
- Median Charges
- 10th and 90th Percentile of Charges
- Median Length of Stay
- Median Age

Quality

KHA's Web site also provides the public with information on hospital performance. In October 2006, KHA published each hospital's performance on the Inpatient Hospital Quality Indicators developed by the Agency for Healthcare Research and Quality (AHRQ). AHRQ is a federal agency whose mission is to "support research designed to improve the quality, safety, efficiency and effectiveness of health care for all Americans." The agency also provides information that helps policymakers, clinicians, purchasers and ordinary people make better health care decisions.

The indicators are a set of measures that provide a perspective on hospital quality of care using hospital administrative data. These indicators reflect quality of care inside hospitals and include inpatient mortality for certain procedures and medical conditions; utilization of procedures for which there are questions of overuse, underuse and misuse; and volume of procedures for which there is some evidence that a higher volume of procedures is associated with lower mortality.

Through this voluntary effort of sharing and reporting quality data, Kentucky was one of the first states to publish this information. The KHA Quality Data Web site is available at <http://info.kyha.com/QualityData> and is updated annually.

AHRQ Quality Indicators

IQI-ID	IQIDesc	Kentucky Hospital Rates			IQI-Natl-Rate
		2004-2005	2005-2006	2006-2007	
12	In-Hosp Mortality CABG	2.50%	3.08%	2.62%	3.07
13	In-Hosp Mortality Craniotomy	7.58%	6.86%	5.32%	7.50
14	In-Hosp Mortality Hip Replacement	0.41%	0.19%	0.37%	0.23
15	In-Hosp Mortality AMI	7.29%	7.51%	6.76%	8.44
16	In-Hosp Mortality CHF	3.78%	3.51%	3.34%	4.13
17	In-Hosp Mortality Stroke	11.36%	10.97%	10.85%	11.18
18	In-Hosp Mortality GI Hemorrhage	2.27%	2.31%	2.10%	2.75
19	In-Hosp Mortality Hip Fracture	3.32%	2.58%	2.09%	3.01
20	In-Hosp Mortality Pneumonia	6.10%	4.81%	4.96%	5.49
21	Cesarean Section Delivery	32.64%	33.01%	33.10%	26.56
22	Vaginal Birth After C-Section (Uncomplicated)	5.00%	7.66%	9.24%	12.04
24	Incidental Appendectomy in the Elderly	2.50%	2.67%	1.89%	2.10
25	Bi-Lateral Catheterization	3.96%	3.58%	3.08%	6.51
30	In-Hosp Mortality PTCA	1.22%	1.33%	1.14%	1.21
31	In-Hosp Mortality Carotid Endarterectomy	0.91%	0.55%	0.74%	0.66
32	In-Hosp Mortality AMI without Transfer Cases	8.07%	8.28%	7.39%	9.35
33	Primary Cesarean Section Delivery	20.83%	21.05%	20.99%	16.57
34	VBAC after C-Section (All)	5.18%	7.68%	9.40%	11.78

Note: All numbers calculated using Version 3.2a/apr of the AHRQ Windows QI software which includes the APR-DRG Grouper. Previous years data were also run through the new version due to errors in the program being fixed so previous report numbers may not match. Indicators not displayed were excluded due to insufficient number of cases, or if there were questions about the statistical validity of the indicator.

Source: Kentucky Hospital Association and AHRQ

In 2006 and 2007, Kentucky hospitals performed “better or equal to” the national average on nearly all the AHRQ mortality indicators. Kentucky hospitals performed better than the average for all U.S. hospitals in those measures highlighted in green (see table above).

In Kentucky, C-section rates are higher than the national rate and VBAC are lower; however, these rates are not indicators of quality. While the appropriateness of Cesarean delivery or VBAC depends largely on a patient’s clinical characteristics, studies have shown that individual physician practice patterns account for a significant portion of the variation in Cesarean and VBAC delivery rates. Non-clinical factors such as patient insurance status, hospital characteristics, and geographic region have also been related to the type of delivery. (Source: AHRQ, *Guide to Inpatient Quality Indicators, Version 3.1, March 12, 2007, p.61*)

The area and volume indicators are not reported here since they are not hospital specific. The Prevention Quality (Volume) indicators can be found on the Kentucky Department of Health’s Web site at: <http://chfs.ky.gov/ohp/healthdata/pqis.htm>.

Hospital Quality Alliance

In addition to the internal hospital quality improvement initiatives, all Kentucky community hospitals are reporting on the Center for Medicare & Medicaid Services' (CMS) quality indicators. The CMS National Hospital Quality Initiative began in 2003 for the public reporting of hospital performance data with the launching of the National Hospital Quality Alliance (NHQA). The Alliance is a collaboration of consumers, CMS, Joint Commission on Accreditation for Healthcare Organizations (JCAHO) and United States hospitals that joined together to provide for quality improvement and public reporting using valid and reliable, nationally-endorsed measures to reflect quality care.

In 2004, hospitals began submitting performance data to CMS for heart attack, heart failure and pneumonia using ten uniform national measures developed by CMS and JCAHO and endorsed by the National Quality Forum (NQF), a national organization comprised of consumers, government, quality experts, researchers, health care providers and insurers to develop consensus-based national standards for public reporting of health care performance. Kentucky's hospitals support the use of national measures for public reporting and strongly believe these measures should be adopted by all entities as the single set of indicators for data collection and reporting. Kentucky's hospitals support these measures because:

- The national measures have been developed by the nation's leading researchers and experts in quality
- There are standardized definitions for case selection and data abstraction so that the measures are risk adjusted
- The measures have been tested for validity
- State results can be compared against national averages and other states

The CMS measures address and encompass infection reporting under the Surgical Care Improvement Project (SCIP). Under this project, hospitals are currently reporting surgical site infection measures to CMS. Many Kentucky hospitals participated in the SCIP pilot project to help develop the national standards. Specifically, hospitals are reporting data on the proportion of patients that received prophylactic antibiotics within one hour before surgical incision; the proportion of patients given prophylactic antibiotics consistent with current recommendations; the proportion of patients who received prophylactic antibiotics that were discontinued 24 hours after surgery. Additionally, reporting of data regarding measures taken to prevent blood clots and the control of blood sugar are also part of the SCIP measure set. **Kentucky's hospitals with more than 24 cases annually excel on these infection control measures and outscore the top performing hospitals in the nation.** The KHA Web site links to this data, which is published on the CMS Hospital Compare Web site.

CMS developed the Hospital Compare Web site (www.hospitalcompare.hhs.gov) to publicly report these health care performance measures by hospital. The Web site displays rates for "Process of Care" measures that show how often hospitals provide some of the care that is recommended for patients being treated for a heart attack, heart failure or pneumonia, or patients having surgery. Hospitals voluntarily submit data from their medical records about the treatments their adult patients receive for these conditions, including patients with Medicare and those who do not have Medicare.

Currently Reported Measures

Beginning in 2008, hospitals began reporting on 27 measures of hospital performance including patients' experience of care, 30-day mortality rates for heart attack and heart failure and care for surgical patients. The goal of all the measures is to ensure the right care for the right patient at the right time is delivered. Hospitals with effective quality improvement programs are continually working toward this goal. A list of measures and brief descriptions of these measures are found in the table below.

Heart Attack Process of Care Measures	Brief Explanation
Percent of Heart Attack Patients Given Aspirin at Arrival	Aspirin can help keep blood clots from forming and dissolve blood clots that can cause heart attacks.
Percent of Heart Attack Patients Given Aspirin at Discharge	Taking aspirin may help prevent further heart attacks.
Percent of Heart Attack Patients Given ACE Inhibitor or ARB for Left Ventricular Systolic Dysfunction (LVSD)	ACE (angiotensin converting enzyme) inhibitors and ARBs (angiotensin receptor blockers) are medicines used to treat heart attacks, heart failure, or a decreased function of the heart.
Percent of Heart Attack Patients Given Smoking Cessation Advice/Counseling	Smoking is linked to heart attacks. Quitting may help prevent another heart attack.
Percent of Heart Attack Patients Given Beta Blocker at Discharge	Beta blockers are a type of medicine used to lower blood pressure, treat chest pain (angina) and heart failure, and to help prevent a heart attack.
Percent of Heart Attack Patients Given Fibrinolytic Medication Within 30 Minutes Of Arrival	Blood clots can cause heart attacks. Doctors may give this medicine, or perform a procedure to open the blockage, and in some cases, may do both.
Percent of Heart Attack Patients Given PCI Within 90 Minutes Of Arrival	The procedures called Percutaneous Coronary Interventions (PCI) are among those that are the most effective for opening blocked blood vessels that cause heart attacks. Doctors may perform PCI, or give medicine to open the blockage, and in some cases, may do both.
Heart Failure Process of Care Measures	Brief Explanation
Percent of Heart Failure Patients Given Discharge Instructions	The staff at the hospital should provide you with information to help you manage your heart failure symptoms when you are discharged.
Percent of Heart Failure Patients Given an Evaluation of Left Ventricular Systolic (LVS) Function	An evaluation of the LVS function checks how the left chamber of the heart is pumping.
Percent of Heart Failure Patients Given ACE Inhibitor or ARB for Left Ventricular Systolic Dysfunction (LVSD)	ACE (angiotensin converting enzyme) inhibitors and ARBs (angiotensin receptor blockers) are medicines used to treat heart attacks, heart failure, or a decreased function of the heart.
Percent of Heart Failure Patients Given Smoking Cessation Advice/Counseling	Smoking is linked to heart failure. Quitting may help improve your condition.

Pneumonia Process of Care Measure	Brief Explanation
Percent of Pneumonia Patients Given Oxygenation Assessment	Having enough oxygen in your blood is important to your health.
Percent of Pneumonia Patients Assessed and Given Pneumococcal Vaccination	A pneumonia (pneumococcal) shot can help prevent pneumonia in the future, even for patients who have been hospitalized for pneumonia.
Percent of Pneumonia Patients Whose Initial Emergency Room Blood Culture Was Performed Prior To The Administration Of The First Hospital Dose Of Antibiotics	A blood culture tells what kind of medicine will work best to treat your pneumonia.
Percent of Pneumonia Patients Given Smoking Cessation Advice/Counseling	Smoking is linked to pneumonia. Quitting may help prevent you from getting pneumonia again.
Percent of Pneumonia Patients Given Initial Antibiotic(s) within 6 Hours After Arrival	Timely use of antibiotics can improve the treatment of pneumonia caused by bacteria.
Percent of Pneumonia Patients Given the Most Appropriate Initial Antibiotic(s)	Antibiotics are medicines that treat infection, and each one is different. Hospitals should choose the antibiotics that best treat the infection type for each pneumonia patient.
Percent of Pneumonia Patients Assessed and Given Influenza Vaccination	An influenza shot can help prevent influenza in the future, even for patients who have been hospitalized for pneumonia.
Surgical Care Improvement Project Process of Care Measures	Brief Explanation
Preventing Blood Clots	
Percent of Surgery patients whose doctors ordered treatments to prevent blood clots after certain types of surgeries	Certain types of surgery can increase patients' risk of having blood clots after surgery. For these types of surgery, this measure tells how often treatment to help prevent blood clots was ordered by the doctor.
Percent of Patients who got treatment at the right time (within 24 hours before or after their surgery) to help prevent blood clots after certain types of surgery	This measure tells how often patients having certain types of surgery received treatment to prevent blood clots in the period from 24 hours before surgery to 24 hours after surgery.
Preventing Infection	
Percent of Surgery patients whose preventive antibiotics were stopped at the right time (within 24 hours after surgery)	Taking preventive antibiotics for more than 24 hours after routine surgery is usually not necessary. This measure shows how often hospitals stopped giving antibiotics to surgery patients when they were no longer needed to prevent surgical infection.
Percent of all heart surgery patients whose blood sugar (blood glucose) is kept under good control in the days right after surgery	All heart surgery patients get their blood sugar checked after surgery. Any patient who has high blood sugar after heart surgery has a greater chance of getting an infection. This measure tells how often the blood sugar of heart surgery patients was kept under good control in the days right after their surgery.
Percent of Surgery patients needing hair removed from the surgical area before surgery, who had hair removed using a safer method (electric clippers or hair removal cream – not a razor)	For those patients who needed to have hair removed to prepare for surgery, this measure tells how often one of the safer methods was used (electric clippers or hair removal cream).

Percent of Surgery patients who were given an antibiotic at the right time (within one hour before surgery) to help prevent infection	Getting an antibiotic within one hour before surgery reduces the risk of wound infections. This measure shows how often hospital staff make sure surgery patients get antibiotics at the right time.
Percent of Surgery patients who were given the right kind of antibiotic to help prevent infection	Some antibiotics work better than others to prevent wound infections for certain types of surgery. This measure shows how often hospital staff make sure patients get the right kind of preventive antibiotic medication for their surgery.
Children's Asthma Care Process of Care Measures	Brief Explanation
Percent of Children Who Received Reliever Medication While Hospitalized for Asthma	National guidelines recommend using reliever medication in the severe phase and gradually cutting down the dosage of medications to provide control of asthma symptoms. Relievers are medications that relax the bands of muscle surrounding the airways and are used to quickly make breathing easier.
Percent of Children Who Received Systemic Corticosteroid Medication (oral and IV Medication That Reduces Inflammation and Controls Symptoms) While Hospitalized for Asthma	National guidelines recommend using systemic corticosteroid medication (oral and IV medication that reduces inflammation and controls symptoms) in the severe phase and gradually cutting down the dosage of medications to provide control of the asthma symptoms. Systemic corticosteroids are a type of medication that work in the body as a whole. Systemic corticosteroids help control allergic reactions and reduce inflammation.

Hospital Performance

Hospital performance rates indicate the proportion of cases where a hospital provided the recommended "Process of Care." Only patients meeting the inclusion criteria for a measure are included in the calculation of the rate for a measure. A rate of 88 percent means the hospital provided the recommended process of care 88 percent of the time. For example, one indicator under Hospital Compare measures the rates for aspirin at discharge for individuals who have had an acute myocardial infarction (heart attack).

A quality measure is one way to see how well a hospital is caring for its patients. The quality measures indicate how often hospitals provide the recommended care known to achieve the best results for most adult patients being treated for a heart attack, heart failure, pneumonia, patients having surgery or children's asthma. Hospitals following the recommended quality measures/guidelines tend to have better patient outcomes.

In some cases, following a recommended quality measure/guideline is not the best course of care to follow for a particular patient. For example, a recommended treatment to help prevent a heart attack is to take aspirin daily. However, patients who have an allergy to aspirin should not be given aspirin. In such instances, patients who should not receive the recommended care are not counted in the measures.

The measures are based on scientific evidence about treatments that are known to get the best results. Health care experts and researchers are continuously evaluating the evidence to make sure the guidelines and measures continue to reflect the most up-to-date information and clinical evidence. In some cases, guidelines and measures are modified to reflect new evidence.

The tables on the following pages compare Kentucky hospitals to the national standards. Kentucky hospitals performed best in comparison to U.S. hospitals on pneumonia care measures, but fell below the U.S. average on the heart attack, heart failure measures and pneumonia. Areas of low performance were due to scores achieved by hospitals with less than 25 cases (generally smaller hospitals) where, due to the small volume, one or two cases outside the guidelines can negatively affect the score.

Heart Attack (Acute Myocardial Infarction [AMI]) - A heart attack is a condition that occurs when the arteries leading to the heart become blocked and the blood supply is slowed or stopped. As a result, the heart muscle cannot get the oxygen and nutrients it needs, which can cause the affected heart tissue to die.

Scientific evidence indicates that the following process of care measures represent the best practices for the treatment of AMI. Higher scores are better.

Heart Attack (AMI) Care

CMS Calculated Performance Measures	ACE Inhibitor or ARB for LVSD		Aspirin at Arrival		Aspirin at Discharge		Beta Blocker at Arrival		Beta Blocker at Discharge		Smoking Cessation Advice/ Counseling		Fibrinolytic Medication Within 30 Minutes Of Arrival		PCI Within 90 Minutes Of Arrival	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
Top 10% Performance Level for All United States Hospitals	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	90%	93%
Average Performance Level for All United States Hospitals	82%	89%	92%	94%	90%	91%	87%	89%	89%	92%	87%	93%	31%	41%	69%	70%
Average Performance Level for All Kentucky Hospitals	73%	86%	90%	92%	86%	89%	81%	86%	87%	90%	84%	94%	24%	44%	65%	68%
State Average Comparisons (Case-weighted)																
Kentucky Average Score - All Hospitals	81%	91%	95%	97%	96%	97%	89%	91%	95%	96%	97%	97%	44%	55%	71%	75%
Kentucky - Hospitals Reporting < 25 Cases	71%	87%	84%	90%	82%	87%	76%	83%	82%	87%	88%	95%	33%	51%	63%	47%
Kentucky - Hospitals Reporting > 24 Cases	83%	91%	96%	97%	97%	97%	90%	92%	96%	97%	98%	99%	73%	59%	71%	80%
Top 10% Performance Level Comparisons (Hospitals Reporting More Than 24 Cases)																
All United States Hospitals	97%	100%	100%	100%	100%	100%	99%	100%	100%	100%	100%	100%	77%	88%	90%	93%
Kentucky	96%	100%	99%	100%	100%	100%	98%	99%	100%	100%	100%	100%	73%	59%	88%	95%
United States Non-Teaching	98%	100%	100%	100%	100%	100%	99%	100%	100%	100%	100%	100%	77%	84%	90%	93%
Kentucky Non-Teaching	95%	100%	98%	100%	100%	100%	97%	99%	100%	100%	100%	100%	73%	59%	90%	95%
United States Urban	97%	100%	100%	100%	100%	100%	99%	100%	100%	100%	100%	100%	77%	88%	90%	93%
Kentucky Urban	97%	100%	100%	100%	100%	100%	98%	99%	100%	100%	100%	100%	73%	59%	91%	95%
United States Rural	100%	100%	100%	100%	100%	100%	99%	100%	100%	100%	100%	100%	81%	NSF	88%	93%
Kentucky Rural	96%	100%	98%	100%	98%	100%	99%	99%	100%	100%	100%	100%	NSF	NSF	79%	91%

Source: Hospital Compare Data (CMS Release March 2008)

As in 2007, Kentucky hospitals with less than 25 cases (smaller sample size) were below the US Average in almost every Care Measure for heart attack. This could be due to the fact that when measuring less than 25 cases, one or two cases outside the measuring guidelines can negatively impact the sample results. However, Kentucky's average score of all hospitals, as well as the scores for hospitals with less than 25 cases and those with more than 25 cases, have risen in all process of care indicators that were consistently measured in both years. The measurement for receipt of PCI services was lowered from 2 hours to 90 minutes from a patient's arrival at the hospital. Since availability of PCI services is limited in rural areas, it is more difficult for hospital to assess patients, and have them transferred and treated within this time frame. Nevertheless, the overall improvement in Kentucky hospital scores demonstrates that with education and collaboration among physicians, clinical nursing staff, care managers and quality managers, the numbers should continue to improve. Providing a focused effort, in areas which affect the results in Kentucky hospitals reporting less than 25 cases, will greatly improve Kentucky's overall rating.

Heart Failure - Heart failure is a weakening of the heart's pumping power. With heart failure, the body does not get sufficient oxygen and nutrients.

Substantial scientific evidence indicates that the following process of care measures represent the best practices for the treatment of heart failure. Higher scores are better.

Heart Failure Care

CMS Calculated Performance Measures	ACE Inhibitor or ARB for LVSD		LVS Function Evaluation		Discharge Instructions		Smoking Cessation Advice/Counseling	
	2006	2007	2006	2007	2006	2007	2006	2007
Top 10% Performance Level for All United States Hospitals	100%	100%	99%	100%	92%	97%	100%	100%
Average Performance Level for All United States Hospitals	82%	88%	83%	87%	60%	71%	81%	90%
Average Performance Level for All Kentucky Hospitals	78%	82%	80%	82%	57%	71%	84%	90%
State Average Comparisons (Case-weighted)								
Kentucky Average Score - All Hospitals	79%	87%	88%	92%	58%	70%	91%	96%
Kentucky - Hospitals Reporting < 25 Cases	77%	78%	77%	67%	58%	62%	76%	90%
Kentucky - Hospitals Reporting > 24 Cases	79%	88%	88%	92%	58%	70%	94%	97%
Top 10% Performance Level Comparisons (Hospitals Reporting More Than 24 Cases)								
All United States Hospitals	97%	99%	99%	100%	92%	97%	100%	100%
Kentucky	93%	99%	97%	100%	92%	99%	100%	100%
United States Non-Teaching	97%	100%	98%	100%	92%	97%	100%	100%
Kentucky Non-Teaching	92%	100%	96%	100%	88%	100%	100%	100%
United States Urban	97%	99%	99%	100%	91%	97%	100%	100%
Kentucky Urban	93%	98%	98%	100%	92%	99%	100%	100%
United States Rural	96%	100%	97%	100%	93%	97%	100%	100%
Kentucky Rural	96%	100%	96%	100%	91%	100%	100%	100%

Source: Hospital Compare Data (CMS Release March 2008)

Kentucky hospitals' overall performance levels were slightly below the average rate for U.S. hospitals on two of the four "Process of Care Measures" for Heart Failure. Following Care standards for Discharge Instructions continues to be an issue requiring focused effort across the nation. Kentucky hospitals with less than 25 cases (smaller sample size) were below the US Average. This could be due to the fact that when measuring less than 25 cases, one or two cases outside the measuring guidelines can negatively impact the sample results. However, all Kentucky hospitals, including those with less than 25 cases, have seen substantial improvement in the scores over the last year.

Pneumonia Care - Pneumonia is a serious lung infection that causes difficulty breathing, fever, cough and fatigue.

Scientific evidence indicates that the following process of care measures represent the best practices for the treatment of community-acquired pneumonia. Higher scores are better.

Pneumonia Care

CMS Calculated Performance Measures	Pneumococcal Vaccination		Oxygenation Assessment		Smoking Cessation Advice/Counseling		Appropriate Initial Antibiotic(s)		Initial ER Blood Culture Prior to First Dose of Antibiotics		Influenza Vaccination		Initial Antibiotic(s) within 6 Hours After Arrival	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
Top 10% Performance Level for All U.S. Hospitals	93%	97%	100%	100%	100%	100%	93%	97%	100%	100%	100%	97%	93%	100%
Average Performance Level for All United States Hospitals	67%	80%	99%	99%	79%	87%	83%	87%	90%	90%	70%	79%	79%	93%
Average Performance Level for All Kentucky Hospitals	72%	82%	99%	99%	83%	91%	81%	84%	89%	88%	76%	80%	81%	94%
State Average Comparisons (Case-weighted)														
Kentucky Average Score - All Hospitals	76%	86%	99%	100%	88%	95%	82%	87%	90%	91%	78%	84%	79%	94%
Kentucky - Hospitals Reporting < 25 Cases	66%	60%	100%	100%	68%	78%	84%	62%	87%	89%	72%	73%	85%	93%
Kentucky - Hospitals Reporting > 24 Cases	76%	86%	99%	100%	89%	96%	82%	87%	90%	91%	79%	84%	79%	94%
Top 10% Performance Level Comparisons (Hospitals Reporting More Than 24 Cases)														
All U.S. Hospitals	93%	97%	100%	100%	100%	100%	92%	96%	97%	98%	95%	97%	92%	99%
Kentucky	93%	97%	100%	100%	100%	100%	93%	96%	96%	97%	98%	96%	93%	99%
United States Non-Teaching	93%	97%	100%	100%	100%	100%	91%	96%	97%	98%	96%	97%	92%	99%
Kentucky Non-Teaching	93%	98%	100%	100%	100%	100%	93%	96%	96%	97%	98%	96%	93%	99%
United States Urban	92%	97%	100%	100%	100%	100%	92%	96%	97%	98%	95%	96%	90%	99%
Kentucky Urban	96%	98%	100%	100%	100%	100%	93%	95%	95%	96%	100%	96%	89%	98%
United States Rural	93%	98%	100%	100%	100%	100%	91%	96%	98%	98%	96%	97%	94%	99%
Kentucky Rural	92%	97%	100%	100%	100%	100%	93%	96%	97%	98%	98%	96%	93%	99%

Source: Hospital Compare Data (CMS Release March 2008)

Both classifications of Kentucky hospitals recorded areas of strengths and weaknesses for the “Process of Care” Pneumonia Care Measures. Overall, Kentucky hospitals performed better than the national average, scoring higher on four of the seven measures, the same as the U.S. average on one measure, and slightly below on two. However, even on these measures — appropriate initial antibiotic and initial ER blood culture — the recommended indicator was met more than 80 percent of the time. As in the case of other indicators, the overall scores for Kentucky hospitals have improved on pneumonia measures. While hospitals with less than 25 cases have seen some declines, when measuring less than 25 cases, one or two cases outside the measuring guidelines can significantly impact the sample results.

Surgical Infection Prevention - Hospitals can reduce the risk of wound infection after surgery by making sure patients get the right medicines at the right time on the day of their surgery.

Scientific evidence shows that the following process of care measures represent the best practices for preventing complications after certain surgeries (colon surgery, hip and knee arthroplasty, abdominal and vaginal hysterectomy, cardiac surgery (including coronary artery bypass grafts [CABG] and vascular surgery). Higher scores are better.

Surgical Infection Prevention

CMS Calculated Performance Measures	Preventative Antibiotic(s) One Hour Before Incision	Preventative Antibiotic(s) Stopped Within 24 hours of Surgery	Prophylactic Antibiotic Selection	Treatment To Prevent Blood Clots Within 24 Hours Before or After Surgeries	Treatments to Venous Thromboembolism For Certain Surgeries	Controlled Postoperative Blood Glucose	Appropriate Hair Removal
Top 10% Performance Level for All United States Hospitals	98%	98%	99%	96%	97%	100%	100%
Average Performance Level for All United States Hospitals	85%	83%	92%	79%	82%	86%	95%
Average Performance Level for All Kentucky Hospitals	84%	80%	90%	80%	83%	83%	95%
State Average Comparisons (Case-weighted)							
Kentucky Average Score - All Hospitals	90%	84%	95%	82%	86%	88%	97%
Kentucky - Hospitals Reporting < 25 Cases	56%	57%	83%	61%	61%	84%	95%
Kentucky - Hospitals Reporting > 24 Cases	90%	84%	95%	82%	86%	88%	97%
Top 10% Performance Level Comparisons (Hospitals Reporting More Than 24 Cases)							
All United States Hospitals	97%	96%	99%	95%	97%	98%	100%
Kentucky	97%	96%	98%	95%	96%	96%	100%
United States Non-Teaching	97%	96%	99%	95%	97%	98%	100%
Kentucky Non-Teaching	97%	96%	99%	95%	98%	96%	100%
United States Urban	97%	96%	99%	95%	97%	98%	100%
Kentucky Urban	96%	96%	98%	94%	95%	95%	100%
United States Rural	97%	97%	99%	95%	97%	100%	100%
Kentucky Rural	99%	97%	100%	95%	98%	96%	100%

There are 5 new SCIP measures reported in 2008. Kentucky hospitals on average scored better than the US average on two of these measures, the same on one measure and scored lower on four measures. However, Kentucky hospitals with > 24 cases scored better than the US average on every measure. When comparing Kentucky's top 10 percent with the nation's top 10 percent, Kentucky hospitals performed comparatively to the national group. Again, focused education and collaborative efforts will be needed to help overcome the significant influence of smaller sample size.

Hospital CAHPS Survey – The Hospital CAHPS® Survey (Consumer Assessment of Healthcare Providers and Systems), also known HCAHPS, is a standardized survey instrument and data collection methodology for measuring patients' perspectives of hospital care. Three broad goals have shaped the HCAHPS survey: the survey is designed to produce comparable data on patients' perspectives of care; public reporting of the survey results is designed to create incentives for hospitals to improve quality of care; and, public reporting will serve to enhance public accountability in health care by increasing transparency. Kentucky critical access hospitals (25 beds or less) are not yet participating in reporting of HCAHPS data.

HCAHPS

CMS Reported Averages		Hospital Rating of 9 or Higher on a Scale of 0 to 10	Doctors Always Communicated Well	Nurses Always Communicated Well	Received Help Quickly	Staff Explained Medicines Before Giving Them	Patients' Pain Was Always Well Controlled	Area Around Patients' Rooms Kept Quiet at Night	Rooms and Bathrooms Were Kept Clean	Given Information About Recovery at Home	Patient Would Recommend Hospital
U.S. Average Percentage of Patients Who Gave a High Rating		64.0%	80.0%	74.0%	62.0%	59.0%	68.0%	56.0%	69.0%	80.0%	68.0%
Kentucky Percentage of Patients Who Gave a High Rating		64.0%	83.0%	77.0%	64.0%	60.0%	69.0%	57.0%	71.0%	79.0%	68.0%
Top 10% Performance Level Comparisons (Percentage of Patients Who Gave a High Rating)											
All United States Hospitals		75.0%	86.0%	81.0%	72.0%	66.0%	74.0%	67.0%	80.0%	86.0%	80.0%
Kentucky		73.5%	88.0%	82.5%	73.0%	67.0%	77.5%	66.0%	80.0%	85.0%	77.0%
United States Non-Teaching		76.0%	87.0%	82.0%	74.0%	67.0%	75.0%	69.0%	81.0%	86.0%	81.0%
Kentucky Non-Teaching		73.2%	87.4%	82.2%	72.4%	67.0%	78.0%	67.0%	80.0%	85.2%	77.0%
United States Urban		74.0%	84.0%	79.0%	68.0%	64.0%	73.0%	65.0%	76.0%	85.0%	80.0%
Kentucky Urban		71.6%	85.6%	81.6%	73.2%	65.6%	75.6%	67.0%	78.2%	86.6%	79.6%
United States Rural		78.0%	89.0%	84.0%	78.0%	70.0%	78.0%	72.0%	84.0%	88.0%	81.0%
Kentucky Rural		74.8%	89.0%	83.0%	74.4%	73.6%	78.0%	64.8%	83.6%	84.0%	76.6%

Kentucky hospitals performed equal to or better than the national average for all U.S. hospitals on every HCAHPS measure. Additionally, the top 10 percent performers in Kentucky outscored the top 10 percent nationally in half of the measures.

One way to tell whether a hospital is doing a good job is to find out whether patients admitted to the hospital have risk-adjusted death (mortality) rates that are lower (better) than the U.S. National rate, about the same as the U.S. National rate, or higher (worse) than the U.S. National rate, given how sick they were when they were admitted to the hospital. The information in this table shows how the 30-day risk-adjusted death rates for heart attack, heart failure and pneumonia at Kentucky hospitals compare to the U.S. National rate. The rates are "risk-adjusted" meaning that the model calculates a death (mortality) rate that considers the kinds of patients who go to that hospital using Medicare claims and enrollment data in a complex statistical model.

CMS Mortality Data

CMS Reported Averages		Heart Attack	Heart Failure	Pneumonia
U.S. 30-day Mortality Rate		16.1%	11.1%	11.4%
Kentucky State Statistics				
Number of hospitals with mortality rates that are no different than the U.S. average		91	94	93
Number of hospitals with mortality rates that are better than the U.S. average		0	1	2
Number of hospitals with mortality rates that are worse than the U.S. average		0	1	1
Performance Level Comparisons (Weighted Averages)				
All United States Hospitals		15.9%	10.9%	11.3%
Kentucky		15.9%	10.7%	11.0%
United States Non-Teaching		16.0%	11.1%	11.5%
Kentucky Non-Teaching		16.1%	11.0%	11.2%
United States Rural		16.2%	11.3%	11.8%
Kentucky Rural		16.1%	11.0%	11.4%
United States Less Than 100 Beds		16.0%	11.2%	11.7%
Kentucky Less Than 100 Beds		16.0%	11.1%	11.6%

The vast majority of Kentucky hospitals have mortality rates no different than those of the U.S. Average. Only one hospital has a higher mortality rate for Heart Failure and Pneumonia than the U.S. average.

Kentucky MRSA Collaborative

Methicillin-resistant *Staphylococcus aureus* (MRSA) is a type of bacteria that is resistant to certain antibiotics including methicillin and other more common antibiotics. Staph infections, including MRSA, occur most frequently among persons in hospitals and health care facilities such as nursing homes and dialysis centers. MRSA is becoming more prevalent in community and health care settings. According to CDC data, the proportion of infections that are antimicrobial resistant has been growing. In 1974, MRSA infections accounted for two percent of the total number of staph infections; in 1995 it was 22 percent; in 2004 it was 63 percent.

The Kentucky Hospital Association (KHA), in partnership with the University of Louisville School of Public Health and Information Sciences, the University of Kentucky, the Kentucky Department for Public Health and Health Care Excel of Kentucky are launching a statewide MRSA Collaborative aimed at increasing knowledge regarding identification, treatment and containment of MRSA. The Collaborative utilizes current best practices, easily accessible Web-based tools and data reporting to educate health care providers as well as members of other disciplines and the community at large on how to prevent the transmission of MRSA and other infections. Currently, 117 of Kentucky's hospitals (93 percent) participate in the MRSA Collaborative, with 100 percent participation by acute hospitals.

Kentucky Hospitals Participating in the MRSA Collaborative

Appalachian Regional Hospital - Hazard	Lourdes
Baptist Hospital East	Marcum & Wallace Memorial Hospital
Baptist Regional Medical Center	Mary Breckinridge Healthcare, Inc.
Bluegrass Community Hospital	McDowell Appalachian Regional Hospital
Bourbon Community Hospital	Meadowview Regional Medical Center
Breckinridge Memorial Hospital	Memorial Hospital Inc.
Caldwell County Hospital	Methodist Hospital
Cardinal Hill Rehabilitation Hospital	Methodist Hospital Union County
Carroll County Memorial Hospital	Middlesboro Appalachian Regional Hospital
Casey County Hospital	Monroe County Medical Center
Caverna Memorial Hospital Inc.	Morgan County Appalachian Regional Hospital
Central Baptist Hospital	Muhlenberg Community Hospital
Central State Hospital	New Horizons Health Systems, Inc.
Clinton County Hospital	Nicholas County Hospital
Commonwealth Regional Specialty Hospital	Norton Audubon Hospital
Crittenden Health System	Norton Brownsboro Hospital
Cumberland County Hospital	Norton Hospital/Kosair
Cumberland Hall Behavioral Health Services	Norton Suburban Hospital
Ephraim McDowell Regional Medical Center	Oak Tree Hospital
Flaget Memorial Hospital	Ohio County Hospital
Fleming County Hospital	Our Lady of Bellefonte Hospital
Fort Logan Hospital	Our Lady of Peace Hospital
Frankfort Regional Medical Center	Owensboro Medical Health System, Inc.
Gateway Rehabilitation Hospital	Parkway Regional Hospital
Georgetown Community Hospital	Pattie A. Clay Regional Medical Center
Hardin Memorial Hospital	Paul B. Hall Regional Medical Center
Harlan Appalachian Regional Hospital	Pikeville Medical Center
Harrison Memorial Hospital	Pineville Community Hospital
HealthSOUTH Rehabilitation of Central Kentucky	Ridge Behavioral Health System
HealthSOUTH Rehabilitation of Northern Kentucky	Rivendell Behavioral Health Services
Highlands Regional Medical Center	River Valley Behavioral Health Hospital
Jackson Purchase Medical Center	Rockcastle Hospital Inc.
Jane Todd Crawford Hospital	Russell County Hospital
Jenkins Community Hospital	Saint Joseph Berea
Jennie Stuart Medical Center	Saint Joseph East
Jewish Hospital - Shelbyville	Saint Joseph Hospital
Kentucky River Medical Center	Saint Joseph London
Kindred Hospital - Louisville	Saint Joseph Martin
King's Daughters Medical Center	Saint Joseph Mount Sterling
Knox County Hospital	Shriners Hospital for Children - Lexington
Lake Cumberland Regional Hospital	Southern Kentucky Rehabilitation Hospital
Lincoln Trail Behavioral Health System	Spring View Hospital
Livingston Hospital and Healthcare Services	St. Claire Regional Medical Center
Logan Memorial Hospital	St. Elizabeth Edgewood

Kentucky Hospitals Participating in the MRSA Collaborative *(continued)*

St. Elizabeth Grant
St. Elizabeth Fort Thomas
St. Luke Hospital Florence
Sts. Mary & Elizabeth Hospital
T. J. Samson Community Hospital
Taylor Regional Hospital
The Brook Hospital - KMI
The James B. Haggin Memorial Hospital
The Medical Center at Franklin
The Medical Center/Bowling Green
The Medical Center/Scottsville
Three Rivers Medical Center
Trigg County Hospital Inc.
Twin Lakes Regional Medical Center
UK HealthCare Good Samaritan Hospital
University of Kentucky Hospital
University of Louisville Hospital
VA Medical Center - Louisville
Wayne County Hospital, Inc.
Western Baptist Hospital
Westlake Regional Hospital
Whitesburg Appalachian Regional Hospital
Williamson Appalachian Regional Hospital

Section 6

Demographics



Kentucky Hospital Statistics

Demographics

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Population

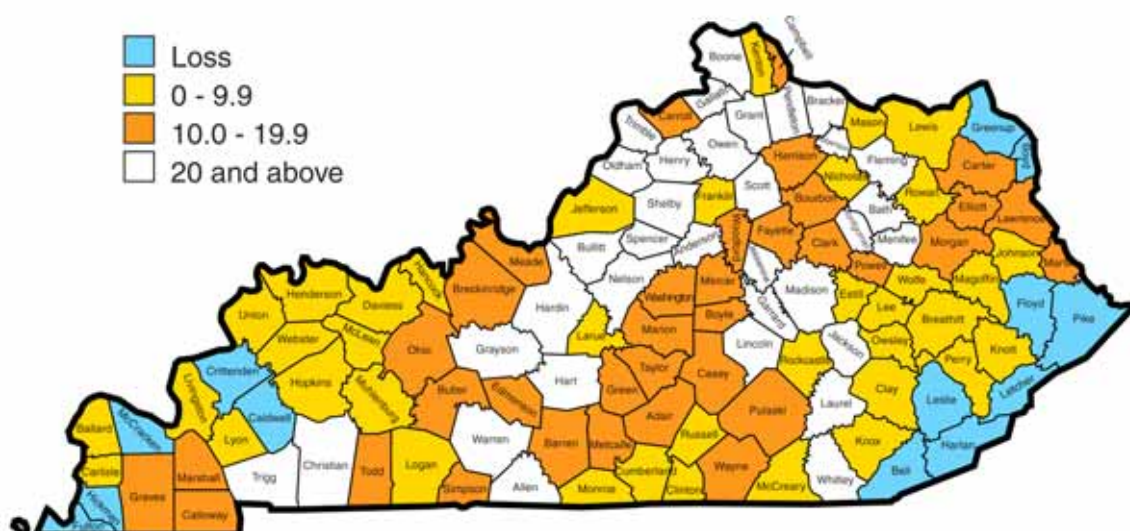
The population of Kentucky was estimated at 4,230,084 in 2007. This reflects a 4.7 percent increase since the 2000 census. Kentucky's population is projected to increase at a rate between 3.5 percent and 4.1 percent through 2020. The tables below present trends in Kentucky's population and estimated population projections.

Historical and Projected Populations for State of Kentucky, Area Development Districts

State/ADD/County	Census 1990	Estimate 1995	Census 2000	Projection 2005	Projection 2007	Projection 2010	Projection 2015	Projection 2020
Kentucky	3,686,891	3,887,427	4,041,769	4,165,814	4,230,084	4,326,490	4,502,595	4,660,703
ADDs								
Barren River	222,766	240,551	255,225	265,016	270,101	277,729	291,306	303,389
Big Sandy	165,020	166,230	160,532	160,774	160,124	159,150	157,803	156,170
Bluegrass	590,336	640,265	686,003	719,276	735,804	760,597	803,692	842,327
Buffalo Trace	51,877	53,944	55,229	56,231	56,804	57,663	59,666	61,362
Cumberland Valley	223,024	232,646	238,270	243,599	246,095	249,839	256,768	262,429
FIVCO	132,685	135,634	135,849	137,448	137,792	138,308	140,063	141,439
Gateway	66,346	71,409	76,237	78,937	80,451	82,721	86,256	89,280
Green River	199,342	204,457	207,377	209,357	210,760	212,864	217,769	221,895
Kentuckiana	796,491	836,533	869,306	895,928	909,080	928,809	963,119	995,316
Kentucky River	123,495	123,786	120,656	120,452	120,009	119,344	119,524	119,333
Lake Cumberland	174,283	186,249	193,452	199,525	202,031	205,790	212,545	218,267
Lincoln Trail	219,101	230,300	243,202	255,229	260,911	269,434	283,731	296,355
Northern KY	334,979	363,434	391,417	411,952	424,812	444,102	478,285	510,065
Pennyrile	205,800	213,167	215,519	218,901	221,297	224,891	231,950	238,761
Purchase	181,346	188,822	193,495	193,189	194,013	195,249	200,118	204,315

Source: Kentucky State Data Center

Kentucky's Projected Population Growth 2000 - 2020 (Percent Change)



Source: Kentucky State Data Center

Kentucky Population by Age

Age	Census 1990	Estimate 1995	Census 2000	Projection 2005	Projection 2007	Projection 2010	Projection 2015	Projection 2020
All Ages	3,686,891	3,887,427	4,041,769	4,165,814	4,230,084	4,326,490	4,502,595	4,660,703
00-04	254,640	261,960	265,901	269,609	270,228	271,156	274,981	277,702
05-09	265,412	274,081	279,258	273,894	275,856	278,798	280,261	283,231
10-14	274,838	279,178	279,481	284,473	282,879	280,488	285,485	286,457
15-19	286,438	290,010	289,004	290,779	293,163	296,740	293,536	297,683
20-24	278,821	283,204	283,032	286,399	288,425	291,465	298,278	297,747
25-29	301,034	293,894	281,134	280,647	282,857	286,171	290,778	295,942
30-34	309,123	300,878	286,974	284,644	285,607	287,052	293,147	296,835
35-39	287,338	306,137	321,931	295,905	295,816	295,683	299,343	304,771
40-44	260,745	291,786	320,734	326,168	317,059	303,396	304,308	307,372
45-49	205,520	249,957	293,976	318,660	322,865	329,172	307,766	308,033
50-54	175,352	218,988	262,956	289,345	301,430	319,557	332,011	309,853
55-59	162,356	183,895	204,483	254,186	266,312	284,500	317,814	329,997
60-64	160,206	165,283	168,112	193,508	213,872	244,417	277,149	309,754
65-69	150,235	148,750	144,671	152,981	163,314	178,813	229,616	260,838
70-74	117,155	124,005	129,272	125,100	128,748	134,221	159,668	205,542
75-79	92,144	99,054	104,760	104,225	103,550	102,537	112,054	133,899
80-84	59,816	64,196	67,829	74,532	74,877	75,395	75,498	82,751
85+	45,718	52,149	58,261	60,759	63,227	66,929	70,902	72,296

Source: Kentucky State Data Center

The number and proportion of older persons has grown and will continue to grow faster than the general population. The increases in the elderly population will primarily be due to the aging of “baby boomers,” individuals born between 1946 and 1960, representing the largest population group in the country.

The most notable trend is the projected 41.5 percent increase in persons aged 65 and older from 2007 through 2020. In 2007, 12.6 percent of Kentucky’s population was made up of individuals aged 65 and over. In 2020, that percentage will change to 16.2 percent.

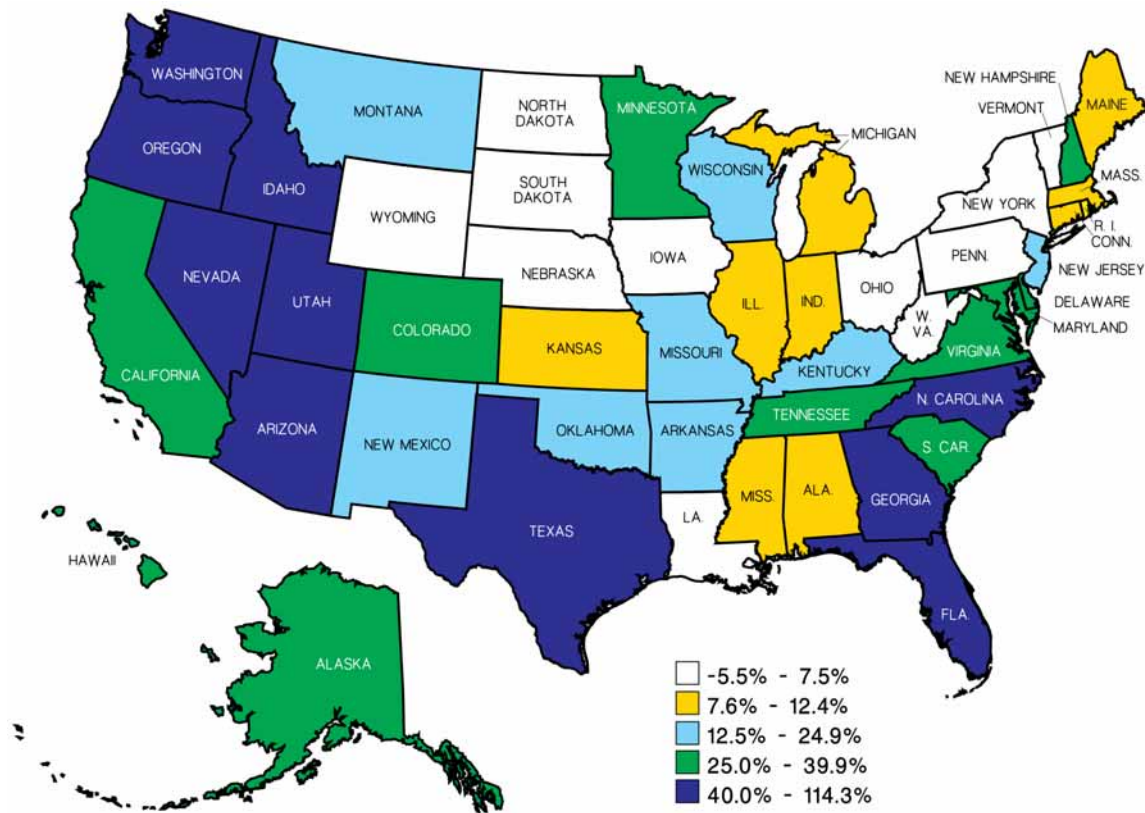
Age Groups	Projection 2007	Projection 2020	% Change from 2007-2020
0-19	1,122,126	1,145,073	2.0%
20-44	1,469,765	1,502,667	2.2%
45-64	1,104,478	1,257,637	13.9%
65+	533,716	755,326	41.5%

The oldest of the baby boomers turn 65 in the year 2011, at which time the United States will experience an accelerated increase in the proportion of elderly persons continuing for several years. According to the Census Bureau, by the year 2050 as much as 25 percent of the population may be over age 65, and one in twenty people may be 80-85 years of age, the majority of whom will be women. The growing elderly population will require expanded health care services and hospitals may be the entity most appropriate and capable of providing such services.

Population Growth

According to the U.S. Census Bureau's projections, Kentucky's population will outpace the growth in four of the surrounding states (Illinois, Indiana, Ohio and West Virginia).

Projected Percentage Change in Population, 2000 - 2030



Source: U.S. Census Bureau, Population Division,
Interim State Population Projections, August 28, 2008

Poverty

The poverty guidelines are issued each year in the *Federal Register* by the Department of Health and Human Services (HHS). The guidelines are a simplification of the poverty thresholds (released each year by the U.S. Census Bureau), and are used for administrative purposes — for instance, determining financial eligibility for certain federal programs. The poverty guidelines are sometimes loosely referred to as the “federal poverty level” (FPL).

2007 HHS Poverty Guidelines

Persons in Family or Household	48 Contiguous States and the District of Columbia		
	2007	2008	2009
1	\$ 10,210	\$ 10,400	\$ 10,830
2	13,690	14,000	14,570
3	17,170	17,600	18,310
4	20,650	21,200	22,050
5	24,130	24,800	25,790
6	27,610	28,400	29,530
7	31,090	32,000	33,270
8	34,570	35,600	37,010
<i>For Each additional person, add</i>	<i>3,480</i>	<i>3,600</i>	<i>3,740</i>

Source: 2007 - *Federal Register*, vol. 72 no. 15 January 24, 2009 p. 3147

2008 - *Federal Register*, vol. 73 no. 15 January 23, 2008 pp. 3971-3972

2009 - *Federal Register*, vol. 74 no. 14 January 23, 2009 p. 4200

Percentage of People in Kentucky whose Income was Below the Poverty Level – 2007

Subject	Percent of Population	Margin of Error
All people	17.1%	+/-0.3
Under 18 years	23.0%	+/-0.6
Related children under 18 years	22.5%	+/-0.6
Related children under 5 years	26.6%	+/-1.1
Related children 5 to 17 years	20.9%	+/-0.6
18 years and over	15.2%	+/-0.2
18 to 64 years	15.5%	+/-0.3
65 years and over	13.4%	+/-0.4
People in families	14.2%	+/-0.3
Unrelated individuals 16 years and over	30.3%	+/-0.6

Source: U.S. Census Bureau, 2007 American Community Survey

Percentage of People whose Income was Below the Poverty Level – Kentucky vs. Surrounding States

Kentucky has a higher percentage of people below the poverty level than all but one of its surrounding states. In fact, Kentucky has the fifth highest poverty level in the nation. This places a large burden on Kentucky hospitals that treat patients regardless of their ability to pay for care.

	2007	2006
United States	13.3%	13.3%
West Virginia	17.7%	17.3%
Kentucky	17.1%	17.0%
Tennessee	15.9%	16.2%
Missouri	13.4%	13.6%
Ohio	13.2%	13.3%
Indiana	12.5%	12.7%
Illinois	12.1%	12.3%
Virginia	9.9%	9.6%

Source: U.S. Census Bureau, 2006 and 2007 American Community Survey

The Uninsured

According to the U.S. Census Bureau, 13.8 percent of Kentuckians had no health insurance in 2007. Twenty-six states have a higher percentage of citizens who are covered by health insurance. Health insurance helps people get timely access to medical care and protects them against the risk of expensive and unanticipated medical events.

Health insurance makes a great impact on the health of individuals. The insurance status of an individual often determines whether or not they seek care for their health, how long they wait to seek that care, where they obtain care and their overall quality of health. Adults without insurance coverage are at a greater risk for delaying or avoiding necessary medical attention, and are often unable to afford the cost of treatment or prescriptions. This can have a serious impact on a person's health, especially when preventative care is not obtained.*

Hospitals are required to provide an emergency medical evaluation and stabilizing treatment to any person who presents to the Emergency Room, regardless of ability to pay.

Despite rising costs and governmental payments that do not cover the cost of care, Kentucky hospitals continue to provide the safety net for the uninsured and low income population, and provide millions of dollars in uncompensated care each and every year.

* Kaiser Family Foundation

Number and Percentage of People without Health Insurance Coverage by State Using 3-Year Average: 2005 to 2007

(Numbers in thousands)

	Number of People (in thousands)	Percentage of Population	Rank (by %)
United States	45,822	15.4%	
Texas	5,687	24.4%	51
New Mexico	425	21.9%	50
Florida	3,698	20.5%	49
Arizona	1,219	19.6%	48
Louisiana	807	19.4%	47
Mississippi	543	18.8%	46
California	6,720	18.6%	45
Oklahoma	640	18.2%	44
Nevada	452	17.9%	43
Georgia	1,658	17.8%	42
Arkansas	485	17.5%	41
Alaska	115	17.3%	40
Oregon	621	16.8%	39
Colorado	799	16.7%	38
North Carolina	1,469	16.6%	37
South Carolina	705	16.5%	36
Montana	150	16.1%	35
Utah	399	15.6%	34
New Jersey	1,318	15.2%	33
West Virginia	268	14.9%	32
Idaho	216	14.7%	31
Wyoming	73	14.3%	30
Tennessee	830	13.9%	29
Alabama	632	13.9%	28
Kentucky	569	13.8%	27
Illinois	1,735	13.7%	26
Virginia	1,031	13.6%	25
Maryland	761	13.6%	24
New York	2,551	13.4%	23
Missouri	723	12.5%	22
Indiana	766	12.3%	21
Washington	770	12.1%	20
Nebraska	212	12.0%	19
Kansas	320	11.8%	18
Delaware	101	11.8%	17
<i>District of Columbia</i>	<i>64</i>	<i>11.4%</i>	<i>16</i>
South Dakota	87	11.2%	15
North Dakota	68	11.1%	14
Vermont	68	11.0%	13
Ohio	1,249	11.0%	12
Michigan	1,075	10.8%	11
New Hampshire	138	10.5%	10
Rhode Island	108	10.3%	9
Connecticut	344	9.9%	8
Pennsylvania	1,203	9.8%	7
Maine	125	9.5%	6
Iowa	274	9.4%	5
Wisconsin	480	8.8%	4
Minnesota	438	8.5%	3
Massachusetts	527	8.3%	2
Hawaii	105	8.3%	1

Source: U.S. Census Bureau, Current Population Survey, 2005 to 2007 Annual Social and Economic Supplements

In Kentucky, there are 569,000 people without health insurance (13.8 percent of the population); Kentucky ranks 27th highest in uninsured population.

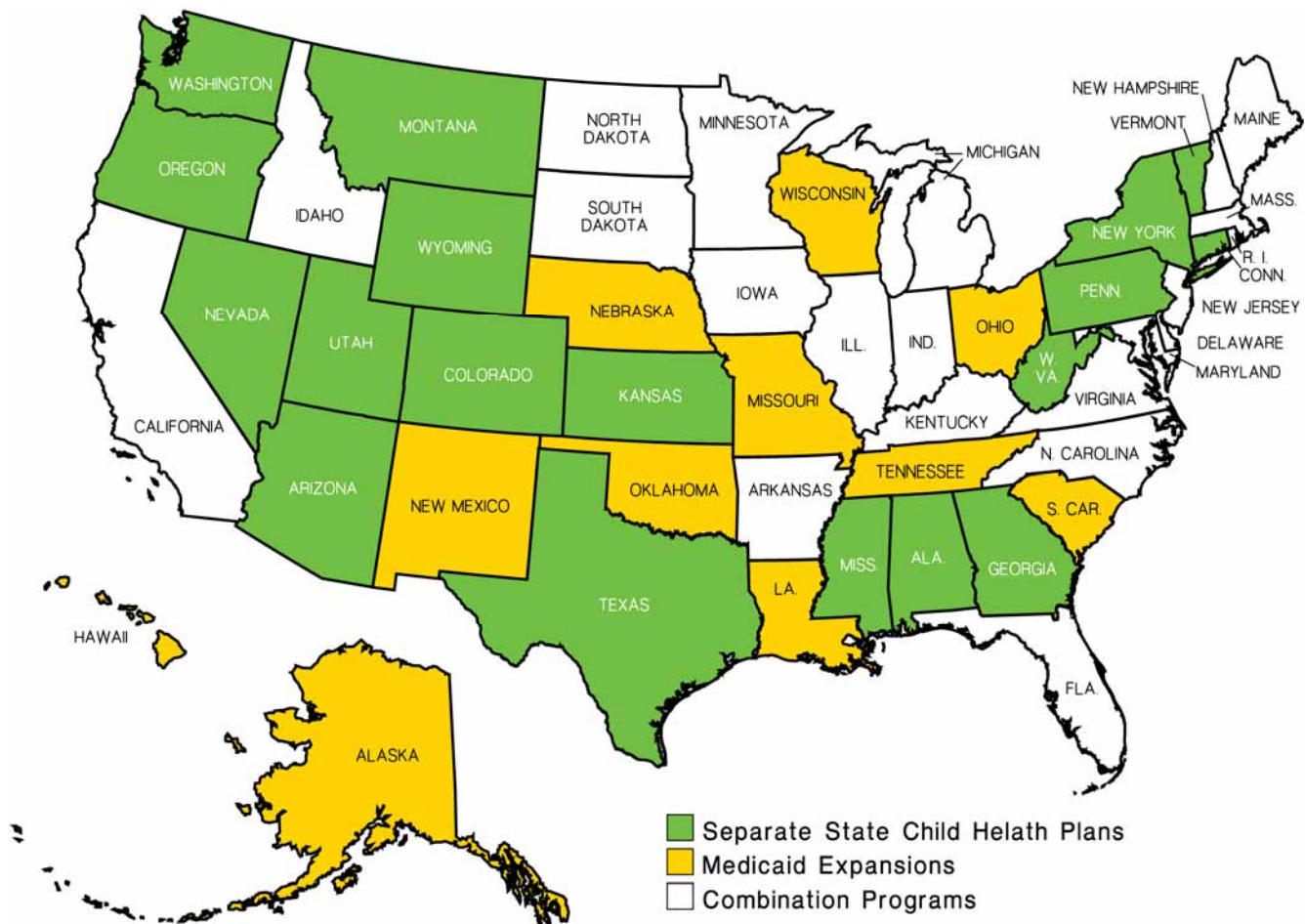
State Children's Health Insurance Program (SCHIP)

The State Children's Health Insurance Program (SCHIP) provides coverage for approximately 50,000 uninsured Kentucky children and over 6 million children nationally. Congress reauthorized federal funding for the program recently.

The Kentucky Children's Health Insurance Program (KCHIP) covers children whose family income falls at or below 200 percent of the federal poverty level (FPL) under a Medicaid expansion where eligible children have access to all services covered under Medicaid. According to CMS, Kentucky's CHIP Plan was last amended May 15, 2006, and updated April 12, 2007.

Kentucky has also implemented a separate KCHIP insurance program, which operates as a Medicaid buy-in, for children with family income between 151 and 200 percent of the poverty level. These families must pay a \$20 monthly premium to obtain Medicaid benefits, with the exception of non-emergency transportation. There is a six month waiting period for coverage if families voluntarily drop the child's private health insurance.

State Children's Health Insurance Program Plan Type by state, 2007

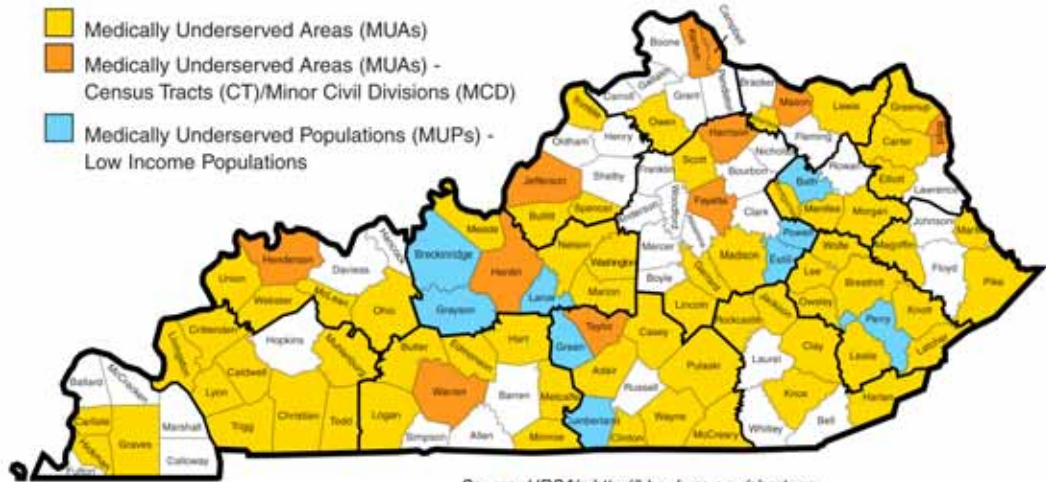


Sources: CMS Center for Medicaid and State Operations;
<http://www.cms.hhs.gov/LowCostHealthInsFamChild/downloads/KYCurrentFactsheet.pdf>;
<http://www.cms.hhs.gov/LowCostHealthInsFamChild/downloads/CHIPStatePlanActivityMap.pdf>

Medically Underserved Areas or Populations in Kentucky

Kentucky is the sixth most rural state in the country, with only 35 of its 120 counties classified as urban according to the U.S. Department of Agriculture's Rural/Urban Continuum Codes. In addition, 74 counties (whole or partial/census tracts) are considered "Medically Underserved Areas"

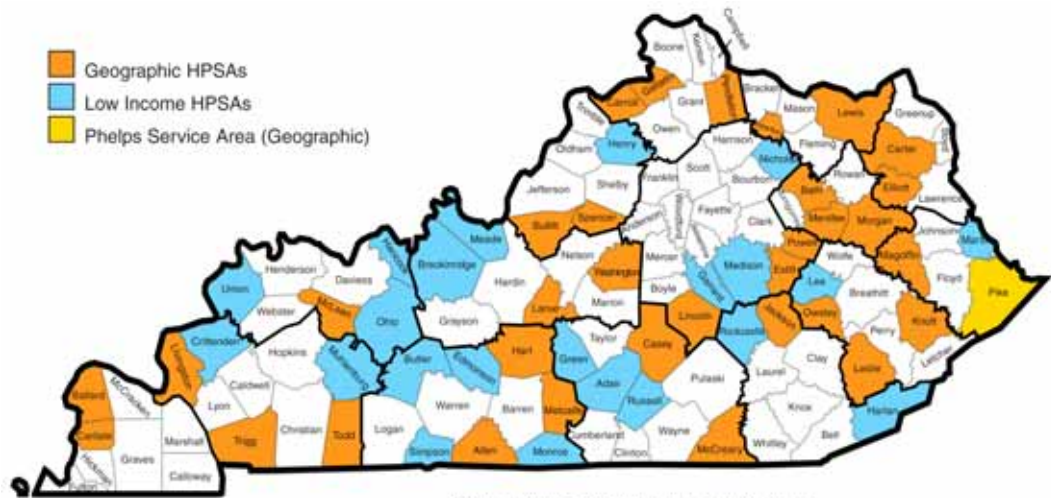
(MUAs) according to the U.S. Department of Health and Human Services Health Resources and Services Administration (HRSA). There are also ten additional counties having a "Medically Underserved Population." This, despite the fact that Kentucky has 70 acute care hospitals located within these shaded medically underserved areas.



Source: HRSA's <http://bhpr.hrsa.gov/shortage>

Health Professional Shortage Areas in Kentucky

Of Kentucky's 120 counties, 63 are officially designated a Health Professional Shortage Area (HPSA) for primary medical care according to income or geographic region. A criterion for this designation is a ratio of at least one full-time-equivalent (FTE) primary care physician per 3,500 in population.



Source: HRSA's <http://bhpr.hrsa.gov/shortage>

- There were nearly 6,900 active patient care physicians in Kentucky in 2000. With 170 physicians per 100,000 population, Kentucky was lower than the national ratio of 198 physicians per 100,000. Kentucky ranked 35th among states in physicians per capita.
- Kentucky had 60 active primary care physicians per 100,000 population in 2000, lower than the rate of 69 per 100,000 for the entire country.
- Medical schools in Kentucky graduated 225 new physicians in 1999-2000. Kentucky ranked 23rd among the 46 states with medical schools in number of medical school graduates. On a per capita basis, Kentucky graduated fewer new physicians per 100,000 population (5.6) than did the entire United States (6.4) and ranked 26th among the 46 states with medical schools in medical school graduates per capita.
- There were 581 physician assistants practicing in Kentucky in 2000. This is equal to 14.3 physician assistants per 100,000 population, comparable to the national rate of 14.4.

Section 7

Kentucky's Health Status and Ranking on Hospital Utilization & Cost



Kentucky Hospital Statistics

Kentucky's Health Status and Ranking on Hospital Utilization & Cost

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Mortality

Mortality data are frequently used as indicators to assess a population's health status. According to the Centers for Disease Control (CDC), in 2005, more than 2.4 million deaths were reported nationwide and 40,223 were reported in Kentucky. The age adjusted U.S. death rate was 798.8 deaths per 100,000 standard population, representing a decrease from the 2004 rate of 800.8. In Kentucky, the overall age adjusted rate of 958.4 was a two percent increase from 2004. (Source: Centers for Disease Control and Prevention, National Vital Statistics Reports, Table 29, Vol. 56, No. 10, April 24, 2008.)

In Kentucky, and in the nation, heart disease, cancer and stroke accounted for more than half of all deaths. The top ten leading causes of death in 2005 were:

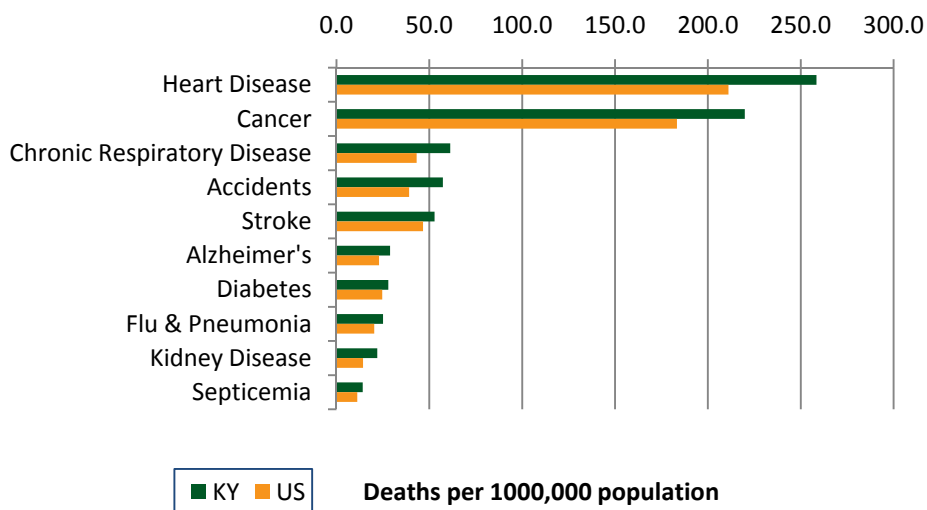
- Diseases of the heart
- Malignant neoplasms (Cancer)
- Cerebrovascular diseases (stroke)
- Chronic lower respiratory diseases
- Accidents (Unintentional injuries)
- Diabetes Mellitus
- Alzheimer's disease
- Influenza and pneumonia
- Nephritis, nephritic syndrome and nephrosis (kidney disease)
- Septicemia

In its report on 2005 mortality, the CDC noted that differences in mortality between men and women continued to narrow. The difference between male and female life expectancy in 2005 was 5.2 years – the smallest since 1946. This was the same as reported in 2004. Additionally, for the total population and for males and females individually, there is a lower risk of death associated with higher educational attainment.

Mortality also varies among states, with differences due to socioeconomic factors, ethnic composition, access to care and prevalence of at-risk lifestyles and behaviors. Kentucky has seen a reduction in age adjusted death rates for only three of the leading causes of death when comparing 2005 data to 2004 data. Additionally, the state continues to rank poorly in comparison with other states and the nation. Age adjusted rates are better indicators when comparing mortality across geographic areas to account for different age compositions.

Kentucky's age adjusted death rate in 2005 was higher than the U.S. rate overall and for each of the leading causes of death.

Age Adjusted Death Rates, US vs. Kentucky 2005



	Heart Disease	Cancer	Chronic Respiratory Disease	Accidents	Stroke	Alzheimer's	Diabetes	Flu & Pneumonia	Kidney Disease	Septicemia
KY	258.5	219.9	61.3	57.3	52.8	28.9	27.9	25.1	22.0	14.1
US	211.1	183.3	43.2	39.1	46.6	22.9	24.6	20.3	14.3	11.2

Age-adjusted rates are per 100,000 U.S. standard population.
Source: 2005 age adjusted death rates, National Vital Statistics Reports

Lifestyle Factors

Kentucky's age adjusted death rates are not only generally high but predisposing factors, including smoking rates and obesity, are also some of the highest in the country.

- In 2007, Kentucky had the highest adult smoking rate in the nation at 28.2 percent. (Source: CDC, Behavioral Risk Factor Surveillance System Survey Data)
- Additionally, the state ranked first in the percent of adults who are overweight or obese. (Source: CDC, Behavioral Risk Factor Surveillance System Survey Data)
- In 2007, Kentucky ranked first in the percent of adults having fair or poor health. (Source: CDC, Behavioral Risk Factor Surveillance System Survey Data)

Thus, while smoking and obesity are national health issues, they are clearly more significant problems for Kentucky's population. The impact of these factors on mortality and incidence of disease is evident – Kentucky ranks eighth in deaths due to heart disease, has the highest cancer death rate and ranks twelfth in deaths due to stroke and diabetes when comparing to all states.

State Rankings - Age Adjusted Death Rate for Leading Causes of Death, 2005

	All Causes		Heart Disease		Cancer		Stroke		Diabetes		Accidents	
	Age-adjusted rate ¹	Rank	Age-adjusted rate ¹	Rank	Age-adjusted rate ¹	Rank	Age-adjusted rate ¹	Rank	Age-adjusted rate ¹	Rank	Age-adjusted rate ¹	Rank
United States	798.8		211.1		183.8		46.6		24.6		39.1	
Alabama	998.0	3	273.5	2	204.1	8	63.1	1	29.8	9	51.8	11
Alaska	750.5	34	162.6	48	169.2	42	53.2	11	22.2	40	51.3	12
Arizona	771.7	30	185.0	33	163.7	47	40.1	42	20.2	44	53.8	7
Arkansas	930.2	9	249.5	9	208.3	5	61.0	4	27.1	14	46.8	19
California	713.0	47	196.3	27	167.0	46	47.4	26	23.5	32	31.4	45
Colorado	742.8	39	162.0	49	159.6	49	41.7	39	19.2	48	43.8	21
Connecticut	696.2	49	172.9	43	175.7	37	34.7	50	19.7	46	29.8	46
Delaware	830.5	17	224.3	16	197.8	11	42.5	37	25.9	20	33.9	41
District of Columbia	971.4	5	268.2	4	206.0	7	40.9	41	34.6	2	37.0	35
Florida	749.4	36	194.6	28	178.1	36	39.2	44	22.6	38	47.1	18
Georgia	905.8	10	234.8	13	190.4	20	55.2	10	23.3	33	44.4	20
Hawaii	609.0	51	152.0	50	148.9	50	44.1	35	14.7	51	31.7	44
Idaho	766.7	31	177.9	38	174.1	39	52.2	15	22.1	41	43.1	22
Illinois	798.2	26	214.3	21	190.1	21	47.5	25	23.6	29	32.4	43
Indiana	858.7	15	222.3	17	199.3	10	50.4	19	26.7	15	38.9	31
Iowa	742.0	40	191.4	29	182.5	30	47.7	22	19.8	45	36.1	36
Kansas	806.8	22	189.2	30	185.4	25	49.4	20	23.6	30	40.2	28
Kentucky	958.4	8	258.5	5	219.9	1	52.8	12	27.9	12	57.3	5
Louisiana	1,020.8	2	255.7	6	209.3	3	57.6	8	38.7	1	68.8	1
Maine	813.0	20	182.7	35	201.9	9	42.8	36	24.2	28	41.1	25
Maryland	796.4	27	210.3	23	188.3	23	45.1	33	25.5	24	24.7	50
Massachusetts	722.0	45	172.7	44	185.2	26	38.1	45	17.4	49	27.7	48
Michigan	812.3	21	231.4	14	190.8	19	46.5	28	26.7	16	33.3	42
Minnesota	683.9	50	141.5	51	167.8	44	42.2	38	23.2	35	35.4	37
Mississippi	1,026.9	1	306.8	1	208.4	4	58.0	6	23.5	31	66.6	2
Missouri	869.4	14	235.5	12	197.7	12	52.6	14	24.7	27	47.4	16
Montana	798.4	25	169.4	45	184.4	27	47.7	24	26.5	18	52.4	10
Nebraska	749.5	35	176.7	39	174.8	38	47.7	23	23.2	34	37.1	34
Nevada	892.0	12	242.1	10	191.0	18	46.8	27	15.3	50	47.3	17
New Hampshire	732.4	42	179.4	37	183.7	29	35.5	49	22.5	39	35.2	39
New Jersey	745.9	38	208.9	25	182.1	32	36.7	47	26.7	17	28.3	47
New Mexico	795.0	28	184.5	34	162.6	48	39.6	43	31.2	5	66.6	3
New York	718.0	46	239.6	11	170.8	41	30.6	51	19.3	47	22.9	51
North Carolina	876.0	13	209.6	24	192.8	17	58.0	7	26.3	19	47.8	15
North Dakota	699.1	48	175.3	40	168.9	43	41.5	40	25.8	22	39.3	30
Ohio	856.8	16	224.3	15	196.5	15	48.3	21	30.0	8	37.1	33
Oklahoma	980.8	4	272.6	3	197.6	13	61.0	3	32.6	4	55.8	6
Oregon	773.5	29	164.7	46	186.9	24	55.5	9	29.0	11	38.1	32
Pennsylvania	814.7	19	218.5	20	193.3	16	45.5	31	22.6	36	40.3	27
Rhode Island	747.3	37	213.8	22	184.1	28	37.4	46	21.6	42	26.7	49
South Carolina	904.4	11	218.9	19	197.3	14	58.5	5	27.2	13	53.1	8
South Dakota	757.0	32	182.1	36	180.9	33	51.4	18	25.8	21	48.1	14
Tennessee	959.8	7	252.1	7	211.5	2	63.0	2	30.4	6	52.5	9
Texas	828.7	18	219.5	18	178.5	35	52.1	16	29.6	10	40.3	26
Utah	731.2	43	162.6	47	139.4	51	45.4	32	30.4	7	34.0	40
Vermont	728.4	44	173.6	42	172.9	40	36.5	48	25.1	26	41.2	24
Virginia	801.5	23	198.0	26	188.8	22	52.1	17	22.6	37	35.3	38
Washington	738.1	41	174.3	41	179.5	34	46.3	29	25.1	25	39.6	29
West Virginia	960.4	6	251.8	8	207.7	6	52.6	13	34.4	3	49.4	13
Wisconsin	752.2	33	185.8	32	182.3	31	46.1	30	20.8	43	42.2	23
Wyoming	801.4	24	186.9	31	167.7	45	44.8	34	25.7	23	58.6	4

Source: CDC/NCHS, National Vital Statistics System, KHA

Utilization of Emergency Rooms by State, 2007

United States	400.5
Alabama	486.9
Alaska	481.3
Arizona	334.9
Arkansas	456.5
California	273.7
Colorado	318.5
Connecticut	417.4
DC	784.4
Delaware	397.5
Florida	388.2
Georgia	392.6
Hawaii	264.1
Idaho	347.7
Illinois	394.3
Indiana	485.4
Iowa	390.0
Kansas	361.4
Kentucky	543.5
Louisiana	511.1
Maine	545.3
Maryland	406.8
Massachusetts	494.4
Michigan	443.7
Minnesota	332.4
Mississippi	594.8
Missouri	455.5
Montana	370.6
Nebraska	355.1
Nevada	293.1
New Hampshire	471.0
New Jersey	365.6
New Mexico	330.0
New York	424.6
North Carolina	449.0
North Dakota	428.7
Ohio	516.1
Oklahoma	447.5
Oregon	347.3
Pennsylvania	464.2
Rhode Island	459.1
South Carolina	429.0
South Dakota	284.0
Tennessee	528.4
Texas	353.3
Utah	340.6
Vermont	418.0
Virginia	394.3
Washington	362.4
West Virginia	646.5
Wisconsin	376.0
Wyoming	434.9

Source: AHA Hospital Statistics 2009

The poor health status and high incidence of chronic disease among the state's population coupled with low socioeconomic status and the state's large number of underserved areas is impacting not only mortality but utilization of health services, including hospital services.

- Kentucky had the fifth highest utilization of emergency room visits per 1,000 in population.
- Kentucky's emergency room visit rate of 543.5 per 1,000 in population is 36 percent higher than the U.S. average rate of 400.5 per 1,000 in population.

Hospital Utilization by State, 2007

State	Hospital Beds/1000 Population	Inpatient Admits/1000 Population	Inpatient Days/1000 Population	Average Length of Stay
Alabama	3.4	150.4	767.4	4.8
Alaska	2.3	82.8	493.1	4.5
Arizona	1.9	479.9	4.4	4.4
Arkansas	3.4	129.3	673.4	4.8
California	1.9	89.6	469.3	4.9
Colorado	2	87.6	446.3	4.7
Connecticut	2.1	113.3	607.7	5.1
DC	5.8	232	1545	6
Delaware	2.6	123.8	776.7	5.1
Florida	2.8	130.8	676.7	5
Georgia	2.7	101	657.8	5.4
Hawaii	2.3	86.3	620.9	6.6
Idaho	2.2	89.3	436.7	4.1
Illinois	2.7	125	630.8	4.8
Indiana	2.7	108.9	553.7	4.8
Iowa	3.5	123.2	758.4	4.5
Kansas	3.6	117.2	729.7	4.6
Kentucky	3.4	144.2	751.8	4.8
Louisiana	3.6	146.9	803.2	5.1
Maine	2.7	115.3	637.6	4.7
Maryland	2.1	124.2	577.2	4.4
Massachusetts	2.6	130.6	680.9	5.2
Michigan	2.5	119.6	623	4.8
Minnesota	3	122.2	756.1	4.6
Mississippi	4.4	143.2	916.6	5
Missouri	3.1	141.7	733.2	4.8
Montana	4.2	111.6	999.4	4.5
Nebraska	4.2	120.9	912.6	5.5
Nevada	2	95.2	497.3	5.2
New Hampshire	2.2	92.5	501.2	5
New Jersey	2.5	124.8	646.2	5.1
New Mexico	1.9	86.3	388.1	4.3
New York	3.2	131.7	950.6	6.4
North Carolina	2.6	113.4	669.9	5
North Dakota	5.5	139.1	1207.8	5.5
Ohio	2.9	134.5	676.2	4.8
Oklahoma	3	125.5	652.4	5
Oregon	1.8	92.6	409.6	4.2
Pennsylvania	3.2	151.2	825	5.2
Rhode Island	2.3	121.5	363	5.2
South Carolina	2.7	117.7	682	5.2
South Dakota	5.3	125.5	1266.5	4.7
Tennessee	3.5	157.5	872.6	5.1
Texas	2.4	103.2	536.2	5.1
Utah	1.7	84.7	379.5	4.3
Vermont	2.2	80.3	542.5	5.1
Virginia	2.2	102.1	564.6	5.1
Washington	1.7	88.8	398.5	4.3
West Virginia	4.1	158.3	914.2	4.9
Wisconsin	2.5	109.5	565.6	4.3
Wyoming	4	101.5	808.8	3.6
US	2.7	117.2	645	5

Source: AHA Hospital Statistics 2009

- Kentucky ranks sixteenth highest among states in the number of inpatient hospital days per 1,000 population. This results partially from the state's higher proportion of elderly population, which uses hospital services at a much higher rate, but also is due to the prevalence of chronic conditions and relative poor health status of the overall population.
- As shown in this table, Kentucky has the seventh highest inpatient admission rate per 1,000 population and is ranked thirteenth in the number of inpatient hospital beds per 1,000 in population.
- Although Kentucky hospitals face higher demands for services, they provide care very efficiently to patients with complex needs as evidenced by having a low length of stay. In 2007, only 22 states had a lower average length of stay.

Hospital Cost of Care by State, 2007

State	Hospital Cost per Admission	Hospital Cost per Day
Alabama	\$6,658.12	\$1,331.51
Alaska	\$12,682.48	\$2,104.47
Arizona	\$9,195.17	\$2,038.80
Arkansas	\$6,962.45	\$1,353.15
California	\$11,750.71	\$2,250.26
Colorado	\$10,549.46	\$1,998.00
Connecticut	\$10,272.60	\$1,988.48
DC	\$15,942.15	\$2,381.30
Delaware	\$11,363.33	\$1,778.15
Florida	\$8,494.65	\$1,651.81
Georgia	\$8,519.57	\$1,279.42
Hawaii	\$11,060.00	\$1,555.55
Idaho	\$8,096.27	\$1,643.33
Illinois	\$9,210.07	\$1,799.23
Indiana	\$9,193.81	\$1,849.37
Iowa	\$7,397.82	\$1,131.66
Kansas	\$7,094.60	\$1,092.51
Kentucky	\$7,055.72	\$1,390.19
Louisiana	\$7,546.83	\$1,417.35
Maine	\$9,428.90	\$1,728.81
Maryland	\$9,772.22	\$2,113.27
Massachusetts	\$10,751.65	\$2,113.02
Michigan	\$9,108.26	\$1,641.90
Minnesota	\$9,938.71	\$1,499.56
Mississippi	\$7,688.82	\$1,179.29
Missouri	\$9,162.96	\$1,767.77
Montana	\$8,707.62	\$975.27
Nebraska	\$9,627.60	\$1,249.77
Nevada	\$9,763.02	\$1,875.42
New Hampshire	\$10,081.71	\$1,853.81
New Jersey	\$10,409.46	\$2,014.20
New Mexico	\$8,306.17	\$1,899.85
New York	\$12,133.88	\$1,673.40
North Carolina	\$8,447.22	\$1,432.98
North Dakota	\$8,430.33	\$957.97
Ohio	\$9,104.60	\$1,833.30
Oklahoma	\$7,139.41	\$1,423.57
Oregon	\$10,252.51	\$2,336.08
Pennsylvania	\$8,821.05	\$1,625.77
Rhode Island	\$9,978.90	\$1,923.43
South Carolina	\$9,100.49	\$1,557.28
South Dakota	\$9,253.28	\$869.12
Tennessee	\$7,776.37	\$1,395.56
Texas	\$9,140.99	\$1,806.23
Utah	\$9,006.20	\$1,958.60
Vermont	\$9,725.88	\$1,434.19
Virginia	\$8,830.79	\$1,621.89
Washington	\$10,486.70	\$2,331.73
West Virginia	\$6,740.40	\$1,176.01
Wisconsin	\$9,313.33	\$1,681.57
Wyoming	\$8,145.86	\$887.18
US	\$9,341.67	\$1,689.68

Source: AHA Hospital Statistics 2009

- Kentuckians benefit because the average cost of hospital care in Kentucky is one of the lowest in the nation.
- In 2007, Kentucky's hospital cost per day of \$1,390.19 was the **38th lowest** among all states and the District of Columbia, and the hospital cost per admission of \$7,055.72 was even lower – ranking **48th lowest** in the country.
- Kentucky hospital costs per day and per stay were **lower than all seven surrounding states except West Virginia**. Kentucky's hospital cost per day fell 18 percent below the US average of \$1,689.68 and costs per admission were 24 percent lower than the national average of \$9,341.67.

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Hospital Index			Organizational Structure				
Area Development District	County	Hospital Name(as of April 2009)	Type	US Census County Designation	Ownership	Multihospital	TimeZone
Kentuckiana	Jefferson	Baptist Hospital East	ACU	Metro	N	Y	ET
Kentuckiana	Oldham	Baptist Hospital Northeast	ACU	Metro	N	Y	ET
Cumberland Valley	Whitley	Baptist Regional Medical Center	ACU	Micro	N	Y	ET
Bluegrass	Woodford	Bluegrass Community Hospital	CAH	Metro	F	Y	ET
Bluegrass	Bourbon	Bourbon Community Hospital	ACU	Metro	F	Y	ET
Lincoln Trail	Breckinridge	Breckinridge Memorial Hospital	CAH	Rural	N		CT
Pennyrile	Caldwell	Caldwell County Hospital	CAH	Rural	N		CT
Bluegrass	Fayette	Cardinal Hill Rehabilitation Hospital	REH	Metro	N		ET
Northern Kentucky	Carroll	Carroll County Regional Medical Center	CAH	Rural	G		ET
Lake Cumberland	Casey	Casey County Hospital	CAH	Rural	G		CT
Barren River	Hart	Caverna Memorial Hospital Inc.	CAH	Rural	N		CT
Bluegrass	Fayette	Central Baptist Hospital	ACU	Metro	N	Y	ET
Kentuckiana	Jefferson	Central State Hospital ²	ST	Metro	G		ET
Bluegrass	Clark	Clark Regional Medical Center	ACU	Metro	G		ET
Lake Cumberland	Clinton	Clinton County Hospital	ACU	Rural	N		CT
Barren River	Warren	Commonwealth Regional Specialty Hospital ⁴	LTAC	Metro	N	Y	CT
Pennyrile	Crittenden	Crittenden Health System	ACU	Rural	N		CT
Lake Cumberland	Cumberland	Cumberland County Hospital	CAH	Rural	N		CT
Pennyrile	Christian	Cumberland Hall Behavioral Health	PSY	Metro	F	Y	CT
Bluegrass	Fayette	Eastern State Hospital ²	ST	Metro	G		ET
Bluegrass	Boyle	Ephraim McDowell Regional Medical Center	ACU	Micro	N	Y	ET
Lincoln Trail	Nelson	Flaget Memorial Hospital	ACU	Metro	N	Y	ET
Buffalo Trace	Fleming	Fleming County Hospital	ACU	Rural	G		ET
Bluegrass	Lincoln	Fort Logan Hospital	CAH	Micro	N	Y	ET
Bluegrass	Franklin	Frankfort Regional Medical Center	ACU	Micro	F	Y	ET
Kentuckiana	Jefferson	Frazier Rehabilitation Hospital	REH	Metro	N	Y	ET
Northern Kentucky	Boone	Gateway Rehabilitation Hospital	REH	Metro	F	Y	ET
Kentuckiana	Jefferson	Gateway Rehabilitation Hospital at Norton Healthcare Pavilion	REH	Metro	F	Y	ET
Bluegrass	Scott	Georgetown Community Hospital	ACU	Metro	F	Y	ET
Barren River	Warren	Greenview Regional Hospital	ACU	Metro	F	Y	CT
Lincoln Trail	Hardin	Hardin Memorial Hospital	ACU	Metro	G	Y	ET
Cumberland Valley	Harlan	Harlan ARH Hospital	ACU	Rural	N	Y	ET
Bluegrass	Harrison	Harrison Memorial Hospital	ACU	Rural	N		ET
Kentucky River	Perry	Hazard ARH Regional Medical Center	ACU	Rural	N	Y	ET
Lincoln Trail	Hardin	HealthSOUTH Rehabilitation Hospital of Central Kentucky	REH	Metro	F	Y	ET
Northern Kentucky	Kenton	HealthSOUTH Rehabilitation Hospital of Northern Kentucky	REH	Metro	F	Y	ET
Big Sandy	Floyd	Highlands Regional Medical Center ¹	ACU	Rural	N		ET
Purchase	Graves	Jackson Purchase Medical Center	ACU	Micro	F	Y	CT
Bluegrass	Mercer	James B Haggin Memorial Hospital, The	CAH	Rural	N		ET
Lake Cumberland	Green	Jane Todd Crawford Hospital	CAH	Rural	G	Y	CT
Kentucky River	Letcher	Jenkins Community Hospital	CAH	Rural	F		ET
Pennyrile	Christian	Jennie Stuart Medical Center	ACU	Metro	N		CT
Kentuckiana	Jefferson	Jewish Hospital	ACU	Metro	N	Y	ET
Kentuckiana	Jefferson	Jewish Hospital Kindred Hospital Satellite ⁴	LTAC	Metro		Y	ET

Footnotes:
¹ Hospital may not have submitted all data by deadline.

² Hospital not required or unable to submit data to KHA Database at this time

³ Included with Sts. Mary and Elizabeth Hospital

⁴ Acute Care Beds are net of LTAC beds within the facility

⁵ Staffed Beds according to 2009 AHA Guide

⁶ 2007 Kentucky Annual Hospital Utilization and Services Report

Hospital Types
ACU - Acute Care

CAH - Critical Access

LTAC - Long Term Acute Care

REH - Rehab

PSY - Behavioral Health

CHIL - Children's

ST - State

FED - Federal

	Beds (As of April 2009 - OIG)						Beds (as of December 31, 2007)					
Accreditation As of April 2009	2009 Total Beds ⁴	2009 Licensed Acute Beds	2009 CD Beds	2009 Lic. Psych Beds	2009 Rehab Beds	2009 LTACH Beds	2007 Total Beds	2007 Licensed Acute Beds	2007 CD Beds	2007 Lic. Psych Beds	2007 Rehab Beds	2007 LTACH Beds
JCAHO	519	468		22	29		407	356		22	29	
AOA	65	65					90	90				
JCAHO	241	162	15	44	20		231	162	15	34	20	
	25	25					25	25				
JCAHO	58	33		25			58	33		25		
JCAHO	25	25					25	25				
JCAHO	25	25					25	25				
JCAHO	108				108		108				108	
	25	25					25	25				
JCAHO	24	24					24	24				
	25	25					25	25				
JCAHO	371	371					371	371				
JCAHO	192			192			192			192		
AOA	75	75					75	75				
	42	42					42	42				
	28					28	28					28
JCAHO	48	48					48	48				
	25	25					25	25				
JCAHO	56			56			52		4	48		
JCAHO	323			323			323			323		
JCAHO	175	137		38			162	124		38		
JCAHO	40	40					40	40				
JCAHO	52	52					52	52				
	25	25					25	25				
JCAHO	173	173					173	173				
JCAHO/CARF	135				135		135				135	
JCAHO	40				40		40				40	
JCAHO	40				40		0					
JCAHO	75	75					75	75				
JCAHO	211	211					211	211				
JCAHO	285	270		15			285	270		15		
JCAHO	150	130		20			160	130		30		
JCAHO	61	61					61	61				
JCAHO	308	188		100	20		308	188		100	20	
JCAHO	40				40		40				40	
JCAHO	40				40		40				40	
JCAHO	166	154		12			166	154		12		
JCAHO	107	107					107	107				
JCAHO	25	25					25	25				
	35	25		10			35	25		10		
JCAHO	25	25					25	25				
JCAHO	194	194					194	194				
JCAHO	462	442		20			412	412				
JCAHO	30					30	30					30

Timezone
ET - Eastern Time
CT - Central Time

Ownership
F - For Profit
N - Non-Profit
G - Government Owned

U.S. Census Bureau County Designation

Metropolitan (Metro) - urban areas in the United States based around a core city or town with a population of 50,000 or more.
Micropolitan (Micro) - urban areas in the United States based around a core city or town with a population of 10,000 to 49,999.
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Hospital Index			Organizational Structure				
Area Development District	County	Hospital Name(as of April 2009)	Type	US Census County Designation	Ownership	Multihospital	TimeZone
Kentuckiana	Shelby	Jewish Hospital-Shelbyville	ACU	Metro	N	Y	ET
Kentuckiana	Oldham	Kentucky Correctional Psychiatric Center	PSY	Metro	G		ET
Kentucky River	Breathitt	Kentucky River Medical Center	ACU	Rural	F	Y	ET
Kentuckiana	Jefferson	Kindred Hospital - Louisville	LTAC	Metro	F		ET
Fivco	Boyd	King's Daughter's Medical Center	ACU	Metro	N		ET
Cumberland Valley	Knox	Knox County Hospital	CAH	Rural	G		ET
Lake Cumberland	Pulaski	Lake Cumberland Regional Hospital	ACU	Micro	F	Y	ET
Lincoln Trail	Hardin	Lincoln Trail Behavioral Health System	PSY	Metro	F	Y	ET
Pennyrile	Livingston	Livingston Hospital and Healthcare Services	CAH	Micro	N		CT
Barren River	Logan	Logan Memorial Hospital	ACU	Rural	F	Y	CT
Purchase	McCracken	Lourdes	ACU	Micro	N	Y	CT
Bluegrass	Estill	Marcum & Wallace Memorial Hospital	CAH	Rural	N	Y	ET
Purchase	Marshall	Marshall County Hospital	CAH	Rural	G		CT
Kentucky River	Leslie	Mary Breckinridge Healthcare, Inc.	CAH	Rural	N		ET
Big Sandy	Floyd	McDowell ARH Hospital	CAH	Rural	N	Y	ET
Buffalo Trace	Mason	Meadowview Regional Medical Center	ACU	Micro	F	Y	ET
Cumberland Valley	Clay	Memorial Hospital Inc.	ACU	Rural	N		ET
Green River	Henderson	Methodist Hospital	ACU	Metro	N	Y	CT
Green River	Union	Methodist Hospital Union County	CAH	Rural	N	Y	CT
Cumberland Valley	Bell	Middlesboro ARH Hospital	ACU	Micro	N	Y	ET
Barren River	Monroe	Monroe County Medical Center	ACU	Rural	N		CT
Gateway	Morgan	Morgan County ARH Hospital	CAH	Rural	N	Y	ET
Pennyrile	Muhlenberg	Muhlenberg Community Hospital	ACU	Micro	N		CT
Purchase	Calloway	Murray-Calloway County Hospital	ACU	Micro	G		CT
Northern Kentucky	Owen	New Horizons Health Systems, Inc.	CAH	Rural	N		ET
Bluegrass	Nicholas	Nicholas County Hospital	CAH	Rural	N		ET
Northern Kentucky	Kenton	NorthKey Community Care ²	PSY	Metro	N		ET
Kentuckiana	Jefferson	Norton Audubon Hospital	ACU	Metro	N	Y	ET
Kentuckiana	Jefferson	Norton Brownsboro Hospital (Opening 2009)	ACU	Metro	N	Y	ET
Kentuckiana	Jefferson	Norton Hospital	ACU	Metro	N	Y	ET
Kentuckiana	Jefferson	Norton Kosair Children's Hospital	CHIL	Metro	N	Y	ET
Kentuckiana	Jefferson	Norton Suburban Hospital	ACU	Metro	N	Y	ET
Kentuckiana	Oldham	Oaktree Hospital at Baptist Hospital Northeast ⁴	LTAC	Metro			ET
Cumberland Valley	Whitley	Oaktree Hospital at Baptist Regional Medical Center ⁴	LTAC	Micro	N		ET
Green River	Ohio	Ohio County Hospital	CAH	Rural	N		CT
Fivco	Greenup	Our Lady of Bellefonte Hospital	ACU	Metro	N		ET
Kentuckiana	Jefferson	Our Lady of Peace Hospital ³	PSY	Metro	N	Y	ET
Green River	Daviess	Owensboro Medical Health System, Inc.	ACU	Metro	N		CT
Purchase	Fulton	Parkway Regional Hospital	ACU	Micro	F	Y	CT
Bluegrass	Madison	Pattie A. Clay Regional Medical Center	ACU	Micro	N		ET
Big Sandy	Johnson	Paul B Hall Regional Medical Center	ACU	Rural	F		ET
Big Sandy	Pike	Pikeville Medical Center	ACU	Rural	N		ET
Cumberland Valley	Bell	Pineville Community Hospital	ACU	Micro	N		ET
Pennyrile	Hopkins	Regional Medical Center	ACU	Micro	N		CT

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	Beds (As of April 2009 - OIG)						Beds (as of December 31, 2007)					
Accreditation As of April 2009	2009 Total Beds ⁴	2009 Licensed Acute Beds	2009 CD Beds	2009 Lic. Psych Beds	2009 Rehab Beds	2009 LTACH Beds	2007 Total Beds	2007 Licensed Acute Beds	2007 CD Beds	2007 Lic. Psych Beds	2007 Rehab Beds	2007 LTACH Beds
	70	70					70	70				
JCAHO	97			97			97			97		
JCAHO	55	55					55	55				
JCAHO	337					337	337					337
JCAHO	375	321		27	27		375	321		27	27	
JCAHO/AOA	25	25					25	25				
JCAHO	247	186		34	27		274	213		34	27	
JCAHO	116		29	87			116		29	87		
	25	25					25	25				
JCAHO	92	92					92	92				
JCAHO/CARF	359	286		45	28		359	286		45	28	
JCAHO	25	25					25	25				
JCAHO	25	25					25	25				
	25	25					25	25				
JCAHO	25	25					25	25				
JCAHO	101	101					101	101				
	63	63					63	63				
JCAHO/CARF	205	177		8	20		216	184		8	24	
JCAHO	25	25					25	25				
JCAHO	96	96					96	96				
JCAHO	49	49					49	49				
JCAHO	25	25					20	20				
JCAHO	90	90					90	90				
JCAHO	152	140			12		140	140				
AOA	25	25					25	25				
	18	18					18	18				
	51			51			51			51		
JCAHO	432	432					432	432				
	0						0					
JCAHO	955	889		66			925	859		66		
JCAHO	343	343					373	373				
JCAHO	25					25						
JCAHO	32					32	32					32
JCAHO	25	25					25	25				
JCAHO	214	174	24	16			214	174	24	16		
	416			416			416			416		
CARF	447	415		12	20		447	415		12	20	
JCAHO	70	50	20				70	50	20			
JCAHO	105	105					105	105				
JCAHO	72	72					72	72				
JCAHO	261	221			40		261	221			40	
JCAHO	120	120					120	120				
JCAHO	390	348		22	20		390	348		22	20	

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Hospital Index			Organizational Structure				
Area Development District	County	Hospital Name(as of April 2009)	Type	US Census County Designation	Ownership	Multihospital	TimeZone
Bluegrass	Fayette	Ridge Behavioral Health System, The	PSY	Metro	F	Y	ET
Barren River	Warren	Rivendell Behavioral Health Services	PSY	Metro	F	Y	CT
Green River	Daviess	River Valley Behavioral Health Hospital ²	PSY	Metro	N		CT
Cumberland Valley	Rockcastle	Rockcastle Hospital Inc	ACU	Micro	N		ET
Lake Cumberland	Russell	Russell County Hospital	CAH	Rural	G		CT
Bluegrass	Madison	Saint Joseph Berea	CAH	Micro	N	Y	ET
Bluegrass	Fayette	Saint Joseph East	ACU	Metro	N	Y	ET
Bluegrass	Fayette	Saint Joseph East - Continuing Care Hospital ⁴	LTAC	Metro		Y	ET
Bluegrass	Fayette	Saint Joseph Hospital	ACU	Metro	N	Y	ET
Bluegrass	Fayette	Saint Joseph Hospital - Continuing Care Hospital ⁴	LTAC	Metro		Y	ET
Cumberland Valley	Laurel	Saint Joseph London	ACU	Micro	N	Y	ET
Big Sandy	Floyd	Saint Joseph Martin	CAH	Rural	N	Y	ET
Gateway	Montgomery	Saint Joseph Mount Sterling	ACU	Micro	N	Y	ET
Bluegrass	Fayette	Shriners Hospital for Children - Lexington	ACU	Metro	N		ET
Barren River	Warren	Southern Kentucky Rehabilitation Hospital (SKY)	REH	Metro	F		CT
Lincoln Trail	Marion	Spring View Hospital	ACU	Rural	F	Y	ET
Gateway	Rowan	St. Claire Regional Medical Center	ACU	Rural	N		ET
Northern Kentucky	Kenton	St. Elizabeth Edgewood	ACU	Metro	N	Y	ET
Northern Kentucky	Kenton	St. Elizabeth Covington	ACU	Metro	N	Y	ET
Northern Kentucky	Grant	St. Elizabeth Grant	CAH	Metro	N	Y	ET
Northern Kentucky	Campbell	St. Elizabeth Ft. Thomas	ACU	Metro	N	Y	ET
Northern Kentucky	Campbell	St. Elizabeth Ft. Thomas - Cardinal Hill Specialty Hospital ⁴	LTAC	Metro		Y	ET
Northern Kentucky	Boone	St. Elizabeth Florence	ACU	Metro	N	Y	ET
Kentuckiana	Jefferson	Sts. Mary & Elizabeth Hospital	ACU	Metro	N	Y	ET
Barren River	Barren	T. J. Samson Community Hospital	ACU	Micro	N		CT
Lake Cumberland	Taylor	Taylor Regional Hospital	ACU	Micro	G		ET
Kentuckiana	Jefferson	The Brook Hospital - DuPont	PSY	Metro	F	Y	ET
Kentuckiana	Jefferson	The Brook Hospital - KMI	PSY	Metro	F	Y	ET
Barren River	Warren	The Medical Center (Bowling Green)	ACU	Metro	N	Y	CT
Barren River	Simpson	The Medical Center (Franklin)	CAH	Rural	N	Y	CT
Barren River	Allen	The Medical Center (Scottsville)	CAH	Rural	N	Y	CT
Fivco	Lawrence	Three Rivers Medical Center	ACU	Rural	F	Y	ET
Pennyriple	Trigg	Trigg County Hospital Inc.	CAH	Metro	G		CT
Lincoln Trail	Grayson	Twin Lakes Regional Medical Center	ACU	Rural	N		CT
Bluegrass	Fayette	UK HealthCare Good Samaritan Hospital	ACU	Metro	N	Y	ET
Bluegrass	Fayette	UK HealthCare Good Samaritan Hospital - Select Specialty Hospital ⁴	LTAC	Metro		Y	ET
Bluegrass	Fayette	University of Kentucky Hospital	ACU	Metro	G	Y	ET
Kentuckiana	Jefferson	University of Louisville Hospital	ACU	Metro	N		ET
Bluegrass	Fayette	VA Medical Center - Lexington ^{2,5}	FED	Metro	G	Y	ET
Kentuckiana	Jefferson	VA Medical Center - Louisville ^{2,5}	FED	Metro	G	Y	ET
Lake Cumberland	Wayne	Wayne County Hospital, Inc.	CAH	Rural	N		ET
Purchase	McCracken	Western Baptist Hospital	ACU	Micro	N	Y	CT
Pennyriple	Christian	Western State Hospital ²	ST	Metro	G		CT
Lake Cumberland	Adair	Westlake Regional Hospital	ACU	Rural	G		CT

Footnotes:

¹ Hospital may not have submitted all data by deadline.

² Hospital not required or unable to submit data to KHA Database at this time

³ Included with Sts. Mary and Elizabeth Hospital

⁴ Acute Care Beds are net of LTAC beds within the facility

⁵ Staffed Beds according to 2009 AHA Guide

⁶ 2007 Kentucky Annual Hospital Utilization and Services Report

Hospital Types

ACU - Acute Care

CAH - Critical Access

LTAC - Long Term Acute Care

REH - Rehab

PSY - Behavioral Health

CHIL - Children's

ST - State

FED - Federal

	Beds (As of April 2009 - OIG)						Beds (as of December 31, 2007)					
Accreditation As of April 2009	2009 Total Beds 4	2009 Licensed Acute Beds	2009 CD Beds	2009 Lic. Psych Beds	2009 Rehab Beds	2009 LTACH Beds	2007 Total Beds	2007 Licensed Acute Beds	2007 CD Beds	2007 Lic. Psych Beds	2007 Rehab Beds	2007 LTACH Beds
AOA	110		20	90			110		20	90		
JCAHO	125			125			84			84		
	80			80			80			80		
JCAHO	26	26					26	26				
	25	25					25	25				
JCAHO	25	25					25	25				
JCAHO	144	144					144	144				
JCAHO	30					30	30					30
JCAHO	453	453					453	453				
JCAHO	15					15	15					15
JCAHO	89	89					89	89				
JCAHO	25	25					25	25				
JCAHO	63	56		7			63	56		7		
JCAHO	50	50					50	50				
JCAHO/CARF	60				60		60				60	
JCAHO	65	65					75	75				
JCAHO	149	119		20	10		149	119		20	10	
JCAHO	362	318		44			480	436		44		
JCAHO	151	85	58	8			151	85	58	8		
	25	25					25	25				
JCAHO	284	284					279	251	28			
	33					33	33					33
JCAHO	161	139		22			161	139		22		
JCAHO	298	298					298	298				
JCAHO	180	180					180	180				
JCAHO	90	90					90	90				
	66		12	54			66		12	54		
	94		12	82			94		12	82		
JCAHO	330	294		36			302	266		36		
JCAHO	25	25					25	25				
JCAHO	25	25					25	25				
JCAHO	90	71		19			90	71		19		
	25	25					25	25				
JCAHO	75	75					75	75				
JCAHO	261	230		31			261	218		43		
JCAHO	41					41	41					41
JCAHO	489	472		17			473	456		17		
JCAHO	404	364		40			404	364		40		
JCAHO	199						199					
JCAHO	110						110					
AOA	25	25					25	25				
JCAHO	349	349					349	349				
JCAHO	495			495			495			495		
JCAHO	77	49		28			77	49		28		

Timezone
ET - Eastern Time
CT - Central Time

Ownership
F - For Profit
N - Non-Profit
G - Government Owned

U.S. Census Bureau County Designation

Metropolitan (Metro) - urban areas in the United States based around a core city or town with a population of 50,000 or more.
Micropolitan (Micro) - urban areas in the United States based around a core city or town with a population of 10,000 to 49,999.
Rural (Rural) - areas in the United States that do not meet the definition of Metropolitan or Micropolitan Statistical Areas.

Hospital Index			Organizational Structure				
Area Development District	County	Hospital Name(as of April 2009)	Type	US Census County Designation	Ownership	Multihospital	TimeZone
Kentucky River	Letcher	Whitesburg ARH Hospital	ACU	Rural	N	Y	ET
Big Sandy	Pike	Williamson ARH Hospital	ACU	Rural	N	Y	ET
Total							

Footnotes:

- ¹ Hospital may not have submitted all data by deadline.
² Hospital not required or unable to submit data to KHA Database at this time
³ Included with Sts. Mary and Elizabeth Hospital
⁴ Acute Care Beds are net of LTAC beds within the facility
⁵ Staffed Beds according to 2009 AHA Guide
⁶ 2007 Kentucky Annual Hospital Utilization and Services Report

Hospital Types

ACU - Acute Care
CAH - Critical Access
LTAC - Long Term Acute Care
REH - Rehab
PSY - Behavioral Health
CHIL - Children's
ST - State
FED - Federal

	Beds (As of April 2009 - OIG)						Beds (as of December 31, 2007)					
Accreditation As of April 2009	2009 Total Beds ⁴	2009 Licensed Acute Beds	2009 CD Beds	2009 Lic. Psych Beds	2009 Rehab Beds	2009 LTACH Beds	2007 Total Beds	2007 Licensed Acute Beds	2007 CD Beds	2007 Lic. Psych Beds	2007 Rehab Beds	2007 LTACH Beds
JCAHO	90	90					90	90				
JCAHO	113	113					113	113				
	18,400	13,638	190	2,956	736	571	18,240	13,576	222	2,899	688	546

Timezone
ET - Eastern Time

CT - Central Time

Ownership
F - For Profit

N - Non-Profit

G - Government Owned

U.S. Census Bureau County Designation

Metropolitan (Metro) - urban areas in the United States based around a core city or town with a population of 50,000 or more.

Micropolitan (Micro) - urban areas in the United States based around a core city or town with a population of 10,000 to 49,999.

Rural (Rural) - areas in the United States that do not meet the definition of Metropolitan or Micropolitan Statistical Areas.

Accreditation as of May 2008 - 2009 AHA Guide

Hospital Index			Utilization		
Area Development District	County	Hospital Name(as of April 2009)	2007 Births	2007 Acute Inpatient Discharges	2007 Acute Discharge Days
Kentuckiana	Jefferson	Baptist Hospital East	3,453	25,464	117,958
Kentuckiana	Oldham	Baptist Hospital Northeast	392	3,025	11,959
Cumberland Valley	Whitley	Baptist Regional Medical Center	893	7,222	29,263
Bluegrass	Woodford	Bluegrass Community Hospital		477	1,994
Bluegrass	Bourbon	Bourbon Community Hospital		992	2,950
Lincoln Trail	Breckinridge	Breckinridge Memorial Hospital		1,014	4,577
Pennyryle	Caldwell	Caldwell County Hospital		762	2,439
Bluegrass	Fayette	Cardinal Hill Rehabilitation Hospital			
Northern Kentucky	Carroll	Carroll County Regional Medical Center		839	3,091
Lake Cumberland	Casey	Casey County Hospital		894	4,089
Barren River	Hart	Caverna Memorial Hospital Inc.		588	1,667
Bluegrass	Fayette	Central Baptist Hospital	3,756	19,005	84,975
Kentuckiana	Jefferson	Central State Hospital ²			
Bluegrass	Clark	Clark Regional Medical Center	643	2,895	8,837
Lake Cumberland	Clinton	Clinton County Hospital		2,045	8,483
Barren River	Warren	Commonwealth Regional Specialty Hospital ⁴		296	7,107
Pennyryle	Crittenden	Crittenden Health System		1,606	5,346
Lake Cumberland	Cumberland	Cumberland County Hospital		1,304	5,817
Pennyryle	Christian	Cumberland Hall Behavioral Health			
Bluegrass	Fayette	Eastern State Hospital ²			
Bluegrass	Boyle	Ephraim McDowell Regional Medical Center	784	7,341	32,981
Lincoln Trail	Nelson	Flaget Memorial Hospital	329	2,406	7,979
Buffalo Trace	Fleming	Fleming County Hospital		1,889	8,422
Bluegrass	Lincoln	Fort Logan Hospital	237	906	2,870
Bluegrass	Franklin	Frankfort Regional Medical Center	850	4,525	17,632
Kentuckiana	Jefferson	Frazier Rehabilitation Hospital			
Northern Kentucky	Boone	Gateway Rehabilitation Hospital			
Kentuckiana	Jefferson	Gateway Rehabilitation Hospital at Norton Healthcare Pavilion			
Bluegrass	Scott	Georgetown Community Hospital	541	2,555	7,449
Barren River	Warren	Greenview Regional Hospital		3,553	14,008
Lincoln Trail	Hardin	Hardin Memorial Hospital	1,624	11,167	53,304
Cumberland Valley	Harlan	Harlan ARH Hospital	297	3,776	12,278
Bluegrass	Harrison	Harrison Memorial Hospital	277	1,789	5,959
Kentucky River	Perry	Hazard ARH Regional Medical Center	278	9,521	46,599
Lincoln Trail	Hardin	HealthSOUTH Rehabilitation Hospital of Central Kentucky			
Northern Kentucky	Kenton	HealthSOUTH Rehabilitation Hospital of Northern Kentucky			
Big Sandy	Floyd	Highlands Regional Medical Center ¹	903	6,591	24,293
Purchase	Graves	Jackson Purchase Medical Center	464	4,617	17,621
Bluegrass	Mercer	James B Haggin Memorial Hospital, The		989	4,451
Lake Cumberland	Green	Jane Todd Crawford Hospital		438	4,069
Kentucky River	Letcher	Jenkins Community Hospital		937	2,237
Pennyryle	Christian	Jennie Stuart Medical Center	882	7,097	32,209
Kentuckiana	Jefferson	Jewish Hospital		21,088	124,943
Kentuckiana	Jefferson	Jewish Hospital Kindred Hospital Satellite ⁴		237	5,001

Footnotes:

1 Hospital may not have submitted all data by deadline.

2 Hospital not required or unable to submit data to KHA Database at this time

3 Included with Sts. Mary and Elizabeth Hospital

4 Some LTACs reported Annual Data but did not report complete data to the KHA Database

					Medicare/Medicaid Utilization				
2007 Total Inpatient Discharges *	2007 Total Discharge Days *	2007 ER Outpatient Visits	2007 Other Outpatient	2007 Total Outpatient	2007 Medicare Inpatient Discharges*	2007 Medicare Inpatient Discharge Days*	2007 Medicaid Inpatient Discharges*	2007 Medicaid Inpatient Discharge Days*	Hospital % Medicare + Medicaid Discharge Days*
29,509	135,379	56,158	115,570	171,728	12,972	74,498	2,188	7,531	60.59%
3,335	12,668	15,457	45,120	60,577	1,206	5,720	639	1,783	59.23%
10,456	48,170	38,405	27,435	65,840	4,291	24,686	3,783	14,875	82.13%
427	1,533	10,192	8,356	18,548	221	812	33	112	60.27%
1,580	6,556	11,175	13,414	24,589	637	2,279	446	2,610	74.57%
893	3,344	7,639	17,586	25,225	624	2,431	88	353	83.25%
152	442	9,087	16,294	25,381	95	303	14	38	77.15%
2,168	33,659	-	-	-	1,309	19,226	316	5,980	74.89%
460	1,594	8,686	10,780	19,466	250	910	55	173	67.94%
655	1,863	6,564	6,269	12,833	419	1,284	129	329	86.58%
539	1,686	8,978	10,943	19,921	358	1,258	76	188	85.77%
21,669	91,250	29,380	67,625	97,005	7,585	38,711	3,569	14,557	58.38%
3,287	9,752	25,969	42,784	68,753	1,112	4,552	1,081	2,419	71.48%
2,043	8,481	7,438	12,579	20,017	1,171	5,318	436	1,494	80.32%
					226	5,813	29	526	90.76%
1,600	5,324	4,211	7,859	12,070	1,002	3,262	209	672	73.89%
1,202	4,885	5,643	5,082	10,725	680	3,172	208	688	79.02%
1,152	12,797	-	-	-	59	459	225	3,082	27.67%
8,463	40,348	29,240	78,649	107,889	4,019	23,919	1,696	6,052	74.28%
2,665	8,495	17,797	19,527	37,324	1,238	4,568	524	1,379	70.01%
1,882	8,366	8,466	30,709	39,175	1,114	5,864	216	620	77.50%
1,132	3,287	9,491	7,726	17,217	414	1,656	428	936	78.86%
5,349	18,792	32,173	40,512	72,685	2,152	9,934	1,180	3,236	70.08%
1,808	27,603				915	12,858	115	2,176	54.47%
668	7,950				461	5,519	20	219	72.18%
375	4,619				255	3,182	13	239	74.06%
3,091	8,596	22,709	18,559	41,268	914	3,158	800	1,826	57.98%
3,534	14,052	17,450	18,249	35,699	2,018	9,096	337	1,201	73.28%
13,437	59,739	42,655	58,878	101,533	5,562	33,750	2,535	7,729	69.43%
4,476	16,861	22,557	47,285	69,842	1,865	8,065	1,400	4,865	76.69%
2,109	6,898	13,637	22,705	36,342	852	3,512	579	1,501	72.67%
12,387	80,687	27,361	76,039	103,400	5,034	39,262	3,583	22,198	76.17%
487	6,432				392	5,286	13	141	84.38%
810	10,481				586	7,507	41	570	77.06%
1,280	5,030	25,506	33,351	58,857	93	474	64	187	13.14%
5,026	18,444	25,327	26,716	52,043	2,480	11,312	1,246	3,354	79.52%
878	3,489	7,955	11,655	19,610	501	2,167	56	196	67.73%
659	4,091	6,503	11,817	18,320	321	2,096	150	998	75.63%
768	1,867	4,780	14,322	19,102	375	1,016	220	486	80.45%
7,967	31,721	34,357	103,211	137,568	3,312	16,655	1,710	5,335	69.32%
19,983	116,097	82,548	196,604	279,152	8,943	56,676	2,061	12,470	59.56%

Source: 2007 Kentucky Annual Hospital Utilization and Services Report

* KHA Database - All services

Hospital Index			Utilization		
Area Development District	County	Hospital Name(as of April 2009)	2007 Births	2007 Acute Inpatient Discharges	2007 Acute Discharge Days
Kentuckiana	Shelby	Jewish Hospital-Shelbyville		2,481	10,796
Kentuckiana	Oldham	Kentucky Correctional Psychiatric Center			
Kentucky River	Breathitt	Kentucky River Medical Center		3,706	10,687
Kentuckiana	Jefferson	Kindred Hospital - Louisville	-	731	26,442
Fivco	Boyd	King's Daughter's Medical Center	1,743	22,079	92,792
Cumberland Valley	Knox	Knox County Hospital		1,593	5,012
Lake Cumberland	Pulaski	Lake Cumberland Regional Hospital	1,525	12,371	64,311
Lincoln Trail	Hardin	Lincoln Trail Behavioral Health System			
Pennyriple	Livingston	Livingston Hospital and Healthcare Services		1,196	3,812
Barren River	Logan	Logan Memorial Hospital	184	1,741	7,317
Purchase	McCracken	Lourdes	430	10,486	47,447
Bluegrass	Estill	Marcum & Wallace Memorial Hospital		852	3,034
Purchase	Marshall	Marshall County Hospital		780	2,503
Kentucky River	Leslie	Mary Breckinridge Healthcare, Inc.	95	1,214	3,672
Big Sandy	Floyd	McDowell ARH Hospital		972	2,709
Buffalo Trace	Mason	Meadowview Regional Medical Center	535	3,711	10,615
Cumberland Valley	Clay	Memorial Hospital Inc.	155	3,053	13,384
Green River	Henderson	Methodist Hospital	736	6,497	27,638
Green River	Union	Methodist Hospital Union County		815	3,798
Cumberland Valley	Bell	Middlesboro ARH Hospital	320	3,290	11,301
Barren River	Monroe	Monroe County Medical Center		2,377	9,818
Gateway	Morgan	Morgan County ARH Hospital		872	2,712
Pennyriple	Muhlenberg	Muhlenberg Community Hospital	233	2,915	10,394
Purchase	Calloway	Murray-Calloway County Hospital	587	5,232	23,030
Northern Kentucky	Owen	New Horizons Health Systems, Inc.		514	1,672
Bluegrass	Nicholas	Nicholas County Hospital		646	2,149
Northern Kentucky	Kenton	NorthKey Community Care ²			
Kentuckiana	Jefferson	Norton Audubon Hospital		13,249	71,509
Kentuckiana	Jefferson	Norton Brownsboro Hospital (Opening 2009)			
Kentuckiana	Jefferson	Norton Hospital	2,433	26,446	145,849
Kentuckiana	Jefferson	Norton Kosair Children's Hospital			
Kentuckiana	Jefferson	Norton Suburban Hospital	5,995	17,522	80,583
Kentuckiana	Oldham	Oaktree Hospital at Baptist Hospital Northeast ⁴			
Cumberland Valley	Whitley	Oaktree Hospital at Baptist Regional Medical Center ⁴		357	8,674
Green River	Ohio	Ohio County Hospital		1,248	3,397
Fivco	Greenup	Our Lady of Bellefonte Hospital		6,067	25,812
Kentuckiana	Jefferson	Our Lady of Peace Hospital ³			
Green River	Daviess	Owensboro Medical Health System, Inc.	1,843	15,987	60,261
Purchase	Fulton	Parkway Regional Hospital		1,458	4,601
Bluegrass	Madison	Pattie A. Clay Regional Medical Center	946	3,791	14,255
Big Sandy	Johnson	Paul B Hall Regional Medical Center	146	3,973	16,190
Big Sandy	Pike	Pikeville Medical Center	937	8,244	38,461
Cumberland Valley	Bell	Pineville Community Hospital	202	3,918	17,842
Pennyriple	Hopkins	Regional Medical Center	1,011	9,496	38,314

Footnotes:

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4 Some LTACs reported Annual Data but did not report complete data to the KHA Database

					Medicare/Medicaid Utilization				
2007 Total Inpatient Discharges *	2007 Total Discharge Days *	2007 ER Outpatient Visits	2007 Other Outpatient	2007 Total Outpatient	2007 Medicare Inpatient Discharges*	2007 Medicare Inpatient Discharge Days*	2007 Medicaid Inpatient Discharges*	2007 Medicaid Inpatient Discharge Days*	Hospital % Medicare + Medicaid Discharge Days*
2,459	10,702	18,011	26,338	44,349	1,353	6,583	279	1,226	72.97%
3,525	10,036	12,543	12,665	25,208	1,791	5,819	1,110	2,825	86.13%
374	14,918	-	2,402	2,402	3	115	70	3,379	23.42%
25,496	111,658	74,137	293,802	367,939	11,847	59,885	4,002	15,111	67.17%
1,512	4,830	17,194	22,887	40,081	865	2,968	332	989	81.93%
13,426	62,764	36,128	63,998	100,126	5,917	36,271	3,924	14,122	80.29%
1,591	19,922				348	4,964	465	6,184	55.96%
1,310	4,504	4,020	13,862	17,882	934	3,531	177	437	88.10%
1,914	7,206	12,098	33,141	45,239	962	4,341	446	1,284	78.06%
11,814	59,021	31,097	83,918	115,015	5,775	34,687	934	4,488	66.37%
677	1,870	13,509	27,007	40,516	408	1,249	109	254	80.37%
601	1,958	7,329	17,792	25,121	451	1,551	41	112	84.93%
853	2,404	9,375	30,683	40,058	491	1,521	217	509	84.44%
962	2,817	11,338	25,850	37,188	529	1,825	223	500	82.53%
4,211	11,587	16,240	25,728	41,968	1,539	5,212	1,222	2,684	68.15%
2,936	12,593	17,016	20,565	37,581	1,295	7,471	1,101	3,360	86.01%
7,207	30,481	26,335	102,257	128,592	2,977	15,757	1,932	6,671	73.58%
573	2,036	8,049	8,954	17,003	394	1,503	28	81	77.80%
3,555	11,731	20,365	44,193	64,558	1,275	6,091	1,571	3,761	83.98%
2,363	9,766	8,799	32,331	41,130	1,288	6,086	560	2,112	83.94%
854	2,680	10,843	19,887	30,730	607	2,065	118	279	87.46%
3,141	11,003	16,682	27,746	44,428	1,321	5,477	834	2,421	71.78%
5,548	24,305	17,886	49,551	67,437	2,539	14,321	1,106	3,522	73.41%
464	1,359	4,972	4,702	9,674	340	1,078	36	85	85.58%
668	2,324	3,115	8,066	11,181	421	1,651	108	261	82.27%
		-	-	-					
13,219	71,472	42,609	55,579	98,188	6,486	38,699	1,530	8,209	65.63%
		#N/A	#N/A	#N/A					
20,056	98,459	73,015	98,194	171,209	6,341	38,423	6,056	24,982	64.40%
9,320	62,312				32	155	4,655	35,256	56.83%
22,770	93,405	32,916	59,470	92,386	4,270	22,425	4,643	18,293	43.59%
1,036	4,006	13,468	14,800	28,268	671	2,986	112	353	83.35%
7,201	29,276	27,122	43,397	70,519	3,420	16,179	1,049	3,898	68.58%
18,650	76,771	92,453	89,130	181,583	8,440	42,782	3,313	10,944	69.98%
1,726	4,941	4,931	29,773	34,704	753	2,630	496	1,254	78.61%
4,667	16,391	28,252	51,881	80,133	1,328	6,702	1,534	4,227	66.68%
3,976	16,316	20,091	13,544	33,635	1,593	8,609	1,514	5,039	83.65%
9,359	44,731	35,503	168,447	203,950	4,028	24,242	2,389	9,018	74.36%
4,099	16,719	13,417	32,040	45,457	1,849	8,929	1,292	4,685	81.43%
9,872	43,501	24,936	165,766	190,702	4,355	22,950	2,306	8,588	72.50%

Source: 2007 Kentucky Annual Hospital Utilization and Services Report

* KHA Database - All services

Hospital Index			Utilization		
Area Development District	County	Hospital Name(as of April 2009)	2007 Births	2007 Acute Inpatient Discharges	2007 Acute Discharge Days
Bluegrass	Fayette	Ridge Behavioral Health System			
Barren River	Warren	Rivendell Behavioral Health Services			
Green River	Daviess	River Valley Behavioral Health Hospital ²			
Cumberland Valley	Rockcastle	Rockcastle Hospital Inc		1,489	4,465
Lake Cumberland	Russell	Russell County Hospital		998	3,466
Bluegrass	Madison	Saint Joseph Berea		1,600	6,288
Bluegrass	Fayette	Saint Joseph East	1,963	8,362	31,849
Bluegrass	Fayette	Saint Joseph East - Continuing Care Hospital ⁴		418	9,779
Bluegrass	Fayette	Saint Joseph Hospital		16,208	83,712
Bluegrass	Fayette	Saint Joseph Hospital - Continuing Care Hospital ⁴		10	180
Cumberland Valley	Laurel	Saint Joseph London	742	6,937	26,224
Big Sandy	Floyd	Saint Joseph Martin		867	3,336
Gateway	Montgomery	Saint Joseph Mount Sterling	411	2,061	6,845
Bluegrass	Fayette	Shriners Hospital for Children - Lexington		1,335	5,416
Barren River	Warren	Southern Kentucky Rehabilitation Hospital (SKY)			
Lincoln Trail	Marion	Spring View Hospital	432	2,070	7,184
Gateway	Rowan	St. Claire Regional Medical Center	482	4,616	16,932
Northern Kentucky	Kenton	St. Elizabeth Edgewood	3,256	26,765	115,402
Northern Kentucky	Kenton	St. Elizabeth Covington		72	310
Northern Kentucky	Grant	St. Elizabeth Grant		599	1,673
Northern Kentucky	Campbell	St. Elizabeth Ft. Thomas	885	7,047	35,104
Northern Kentucky	Campbell	St. Elizabeth Ft. Thomas - Cardinal Hill Specialty Hospital ⁴		170	4,936
Northern Kentucky	Boone	St. Elizabeth Florence	1,126	7,024	33,491
Kentuckiana	Jefferson	Sts. Mary & Elizabeth Hospital		11,681	56,831
Barren River	Barren	T. J. Samson Community Hospital	1,136	7,570	27,794
Lake Cumberland	Taylor	Taylor Regional Hospital	335	2,623	11,909
Kentuckiana	Jefferson	The Brook Hospital - DuPont			
Kentuckiana	Jefferson	The Brook Hospital - KMI			
Barren River	Warren	The Medical Center (Bowling Green)	2,280	15,187	69,141
Barren River	Simpson	The Medical Center (Franklin)		949	5,197
Barren River	Allen	The Medical Center (Scottsville)		690	4,888
Fivco	Lawrence	Three Rivers Medical Center	195	4,237	11,541
Pennyryle	Trigg	Trigg County Hospital Inc.		470	2,514
Lincoln Trail	Grayson	Twin Lakes Regional Medical Center	393	3,317	13,392
Bluegrass	Fayette	UK HealthCare Good Samaritan Hospital		3,979	17,744
Bluegrass	Fayette	UK HealthCare Good Samaritan Hospital - Select Specialty Hospital ⁴		195	5,553
Bluegrass	Fayette	University of Kentucky Hospital	2,039	26,272	147,428
Kentuckiana	Jefferson	University of Louisville Hospital	2,282	14,914	91,013
Bluegrass	Fayette	VA Medical Center - Lexington ²			
Kentuckiana	Jefferson	VA Medical Center - Louisville ^{2,5}			
Lake Cumberland	Wayne	Wayne County Hospital, Inc.		1,242	3,767
Purchase	McCracken	Western Baptist Hospital	1,268	13,461	65,996
Pennyryle	Christian	Western State Hospital ²			
Lake Cumberland	Adair	Westlake Regional Hospital		1,903	6,667

Footnotes:

1 Hospital may not have submitted all data by deadline.

2 Hospital not required or unable to submit data to KHA Database at this time

3 Included with Sts. Mary and Elizabeth Hospital

4 Some LTACs reported Annual Data but did not report complete data to the KHA Database

					Medicare/Medicaid Utilization				
2007 Total Inpatient Discharges *	2007 Total Discharge Days *	2007 ER Outpatient Visits	2007 Other Outpatient	2007 Total Outpatient	2007 Medicare Inpatient Discharges*	2007 Medicare Inpatient Discharge Days*	2007 Medicaid Inpatient Discharges*	2007 Medicaid Inpatient Discharge Days*	Hospital % Medicare + Medicaid Discharge Days*
2,979	25,457				273	2,429	1,104	12,974	60.51%
483	6,964				-	-	445	6,577	94.44%
1,474	4,469	9,526	16,284	25,810	780	2,915	285	668	80.17%
968	3,373	10,730	11,041	21,771	594	2,271	123	343	77.50%
1,428	5,666	25,267	58,625	83,892	867	3,766	225	774	80.13%
10,248	36,827	31,014	51,233	82,247	2,995	12,098	1,474	6,310	49.99%
15,931	82,140	39,396	66,570	105,966	8,502	47,817	801	4,389	63.56%
7,692	27,941	33,708	33,906	67,614	3,208	14,578	2,154	5,996	73.63%
772	3,064	16,964	16,894	33,858	411	1,966	161	511	80.84%
2,310	7,082	25,692	40,782	66,474	872	3,342	690	1,566	69.30%
974	5,001	-	16,093	16,093	-	-	-	-	0.00%
1,314	13,826				962	10,196	64	814	79.63%
2,416	7,532	13,219	16,362	29,581	884	3,650	215	543	55.67%
4,290	15,810	34,332	225,360	259,692	1,972	8,749	1,174	3,421	76.98%
31,221	127,243	67,464	180,137	247,601	10,892	59,381	4,065	13,960	57.64%
		28,857	15,740	44,597					
566	1,595	17,463	44,644	62,107	307	943	69	173	69.97%
8,331	40,371	38,092	66,781	104,873	3,568	21,579	1,414	4,975	65.77%
9,180	41,113	43,916	87,693	131,609	2,968	18,104	1,986	6,897	60.81%
15,702	126,221	42,128	107,149	149,277	6,964	42,534	2,748	52,740	75.48%
8,659	29,945	28,049	33,136	61,185	3,433	16,766	2,410	5,781	75.29%
3,186	12,639	18,541	60,318	78,859	1,344	7,308	834	2,233	75.49%
1,400	20,781				261	2,771	255	9,661	59.82%
1,598	32,396				190	2,428	449	18,880	65.77%
18,281	80,396	35,158	39,963	75,121	7,600	43,061	3,346	12,037	68.53%
965	5,200	6,268	6,227	12,495	692	4,452	58	176	89.00%
698	4,954	8,232	9,439	17,671	528	4,170	68	418	92.61%
3,244	9,281	17,383	18,031	35,414	1,252	4,012	1,258	3,206	77.77%
128	421	5,693	12,528	18,221	83	312	10	26	80.29%
2,881	11,524	19,383	30,272	49,655	1,244	6,479	842	2,417	77.20%
5,151	23,432	16,996	24,496	41,492	2,058	10,245	894	4,771	64.08%
28,726	153,442	33,371	214,403	247,774	6,769	40,503	8,729	46,206	56.51%
17,399	104,348	38,035	141,819	179,854	3,687	28,070	4,580	25,719	51.55%
1,043	2,744	10,956	25,230	36,186	556	1,571	229	534	76.71%
14,697	68,902	41,258	141,787	183,045	6,844	39,483	2,411	9,052	70.44%
1,899	6,656	12,342	5,128	17,470	1,088	4,525	466	1,222	86.34%

Source: 2007 Kentucky Annual Hospital Utilization and Services Report
 * KHA Database - All services

Hospital Index			Utilization		
Area Development District	County	Hospital Name(as of April 2009)	2007 Births	2007 Acute Inpatient Discharges	2007 Acute Discharge Days
Kentucky River	Letcher	Whitesburg ARH Hospital	490	3,690	14,156
Big Sandy	Pike	Williamson ARH Hospital	199	2,989	14,481
Total			56,573	565,747	2,614,254

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					Medicare/Medicaid Utilization				
2007 Total Inpatient Discharges *	2007 Total Discharge Days *	2007 ER Outpatient Visits	2007 Other Outpatient	2007 Total Outpatient	2007 Medicare Inpatient Discharges*	2007 Medicare Inpatient Discharge Days*	2007 Medicaid Inpatient Discharges*	2007 Medicaid Inpatient Discharge Days*	Hospital % Medicare + Medicaid Discharge Days*
4,069	14,839	14,555	35,882	50,437	1,599	7,406	1,379	4,116	77.65%
3,041	14,534	14,858	27,164	42,022	1,553	8,740	638	2,413	76.74%
639,975	3,081,216	2,280,134	4,925,673	7,205,807	255,069	1,418,579	132,398	619,226	

Source: 2007 Kentucky Annual Hospital Utilization and Services Report

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