

# Definitions for Modern Healthcare's 2012 Hospital Systems Survey

Questions about this survey? Contact [research@modernhealthcare.com](mailto:research@modernhealthcare.com) or 312-397-5511

**Acute care:** A facility providing emergency services, general medical and surgical treatment for acute disorders rather than long-term residential care for illnesses.

**Assisted-living facilities:** A non-medical, residential setting that provides or coordinates personal and healthcare services, 24-hour supervision and assistance for the care of four or more adults who are aged, infirm or disabled. This care may be provided in one or more locations.

**CCRC (continuing-care retirement community):** A congregate living arrangement for functional elderly that includes a healthcare component. Most are designed for independent living, but assisted-living and long-term-care services also may be provided on premises or through contractual arrangements. Note: A liability should be reported by a CCRC recognizing the obligation to provide future services to and use of facilities by current residents without additional compensation for the term of contracts or the lives of the residents.

**Free-standing outpatient-care center:** A facility owned and operated by the hospital, but physically separate from the hospital, that provides various medical treatments on an outpatient basis only.

## Income

Net operating income: Difference between net patient service revenue and operating expenses, which include salaries and benefits for employees, services and supplies. Exclude extraordinary gains and losses.

Net income: Includes net operating income and investment. Exclude extraordinary gains and losses.

**Indemnity fee for service:** Insurance benefits provided in cash to the beneficiary in which each service carries a fee.

**Independent group practice:** A practice that is affiliated with a hospital system, but not owned or operated, that the hospital system does not have employees within that practice—the practice itself is just affiliated with the system.

## Liabilities

Current: May include notes payable to banks, the current position of long-term debt, accounts payable, advances from and amounts payable to third-party payers for estimated and final reimbursement settlements, refunds to and deposits from patients and others, deferred revenue, accrued salaries and payroll taxes, and other accruals such as pension or profit-sharing contributions, compensated absences, and income and other taxes. In addition, there may be a current portion of estimated malpractice costs.

Long-term: May include notes, mortgages, capital leases, bonds and obligations under continuing-care contracts. They may also include estimated malpractice costs and risk-contract recognized losses.

**PHO (physician-hospital organization):** Arrangements between physicians and hospitals that are created to contract with a purchaser, such as an industry, an insurance company or a health alliance, in order to provide services under a single contract.

**Private not-for-profit, Secular:** Private, nonprofit ownership that is not under religious control.

## Revenue

Net patient service revenue: Difference between charges (gross patient revenue) and contractual adjustments. This is the amount received for all patient care.

Total net revenue: Sum of net patient service revenue, other operating revenue, non-operating revenue, revenue from insurance activities and revenue from non-patient services. This is the total amount of money received by the system or corporate entity.

**Sponsor:** Facilities that are affiliated or associated with a Catholic-based congregation or other religious-based group.

**Staffed beds:** "Number of beds, cribs, pediatric and neonatal bassinets regularly maintained for inpatients as of the close of the reporting period." Does not include bassinets for normal newborn infants.  
(American Hospital Association's *Guide to the Healthcare Field*)