

***Modern Healthcare* Report: U.S. Hospitals Saw Record Profits in '07: AHA**

U.S. community hospitals enjoyed record profits in 2007, posting \$43 billion more in revenue than expenses and creating the largest single-year jump in profit margins in at least 15 years, according to figures released by the American Hospital Association. Net revenue at the 4,897 community hospitals grew 6.7% to \$626 billion in 2007, while aggregate expenses grew 5.7% to \$583 billion. Although both rates of growth slowed compared to 2006, expenses grew slower than revenue—a trend that has held since 2002—producing an overall profit margin of 6.9% for 2007. Community hospitals include nonfederal, short-term, general and specialty hospitals.

Meanwhile, operating revenue at community hospitals topped \$600 billion for the first time. But the statistic climbed at a slower rate of growth, 6%, than in 2006 and 2005, when operating revenue grew by 7.3%.

In a resumption of historical trends, the number of public not-for-profit community hospitals decreased by 0.7% to 1,111 in 2007; in the past two decades, 2006 was the only year in which the number of public hospitals grew. The number of investor-owned community hospitals also decreased, by 1.9% to 873 in 2007, in the first such decrease since 1999. -- by Joe Carlson

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