

[ Send Feedback ]



# ModernHealthcare.com

Welcome **Kim!**  
View your profile  
Not Kim? Log out

HOME ARCHIVES CONTACT US ABOUT US LISTS SUBSCRIBE ADVERTISING CLASSIFIEDS RSS TEXT SIZE: A A

Name	Last	Chg	% Chg
Health Care Ind	60.40	▲ 0.70	1.17%
MS HC Payors	947.26	▲ 11.01	1.18%
MS HC Products	1238.15	▲ 27.03	2.23%
MS HC Provider	309.79	▲ 1.31	0.42%

Sponsor [More Stocks >](#)

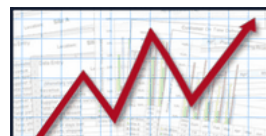
## Modern Healthcare

ORDER REPRINTS PRINT ARTICLE EMAIL ARTICLE

### U.S. hospitals saw record profits in '07

Posted: November 7, 2008 - 1:00 pm EDT

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. The AHA figures refer to 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.

Caroline Steinberg, vice president of trend analysis at AHA, said the “modest” revenue growth in 2007 was a product of increases in nonoperating revenues like investments, which have in many cases already been wiped out by the market downturn. “The concern is, as those (nonoperating revenues) evaporate, the underpayments from Medicare and Medicaid will be more of a factor,” she said. -- by [Joe Carlson](#)

**What do you think?** Post a comment on this article and share your opinion with other readers. Submit your comments to *Modern Healthcare Online* at [mheditorial@crain.com](mailto:mheditorial@crain.com). Please be sure to include your hometown and state, along with your organization and title.

Advertisement

#### Related Articles

[HCA adjusts bond, capital-spending plans](#)  
November 06, 2008

[S&P shifts outlook on U.S. health insurers to negative](#)

#### This Week's Issue



#### Top Stories

- They see bad debt rising
- Pay it forward

#### Chart

- Largest health insurers

[Table of Contents](#)

[See Past Issues](#)



#### Search

[Advanced Search](#)

#### Events

- [Leadership Forum](#)
- [Trendwatch](#)
- [Awards & Honors](#)

#### Features

- [Databank/Surveys](#)
- [Exclusive Series](#)
- [Special Sections & Supplements](#)

#### Multimedia

- [Video](#)
- [Photo Gallery](#)
- [Podcasts](#)

#### Special Sections

- [International](#)
- [Legislation/Regulation](#)
- [Public Health](#)
- [Regional News](#)
- [Regular Features](#)
- [Supply Chain](#)
- [Extra! Extra!](#)

#### Sponsored

- [Career Center](#)
- [Case Studies & White Papers](#)
- [Classifieds](#)
- [Contracts Awarded](#)
- [IT Solution Finder](#)
- [Marketplace](#)

Sponsored Awards

November 06, 2008

**Customer Service**

[President-elect urged to forge 'new deal' for world economy](#)

Subscribe & Renew

November 06, 2008

Marketing

[Investment losses weigh on Kaiser's third-quarter results](#)

November 05, 2008

Advertising

[How Obama will deal with the economy in 2009](#)

November 05, 2008

Reprints/Licensing

[More Related Articles >>](#)

View My Profile

Contact Us

**E-Newsletters**

Daily Dose

Health IT Strategist

Modern Healthcare  
Alert

Modern Physician

Most Requested  
Articles

---

**EVENT CALENDAR**

« [November 2008](#) »  
S M T W T F S

26 27 28 29 30 31 1  
2 3 4 5 6 7 8  
9 10 11 12 13 14 15  
16 17 18 19 20 21 22  
23 24 25 26 27 28 29  
30 1 2 3 4 5 6

Search Events  
Submit an Event



[HOME](#) | [CONTACT US](#) | [ABOUT US](#) | [CALENDAR](#) | [MY PROFILE](#) | [DAILY DOSE](#) |

Copyright 1996-2008 Crain Communications, Inc.

[PRIVACY STATEMENT](#) | [DISCLAIMER](#)