

rates follows a national trend for non-federal, short-term hospitals that began in the 1980's.

- In 1996, 77% of licensed beds were being staffed in Tennessee hospitals.

Costs³⁴

- While average length of stay and average daily census have been declining from 1991 to 1996, total operating costs for hospitals and cost per patient day have been increasing.
 - From 1991 to 1996, total operating costs for hospitals in Tennessee increased approximately 27%. Total operating costs³⁵ rose from \$4.5 billion in 1990 and \$4.9 billion in 1991 to \$5.8 billion and \$5.9 billion in 1993 and 1995, respectively. In 1996, these costs had reached \$6.2 billion. This represented a 27% increase over the period and a 5% increase in one year from 1995 to 1996.
 - Costs per adjusted patient day also increased from \$709 in 1990 and \$786 in 1991 to \$1,096 in 1996. This represents an overall 55% increase.
 - Total net revenue increased from \$4.76 billion to \$6.55 billion from 1990 to 1996.
- Tennessee hospitals are deriving a larger share of their income from outpatient services. In 1995, 30% of net patient revenue came from outpatient services compared to 33% in 1996.
 - Gross patient charges increased by 9.8% from 1995 (\$9.85 billion) to 1996 (\$10.82 billion).
 - Contractual adjustments to gross charges increased by 12.4% from \$4.17 billion to \$4.69 billion.
 - Net patient revenue (gross patient charges minus contractual adjustments) increased by 7.9% from \$5.68 billion to \$6.13 billion.

³⁴In 1996, 130 out of 133 hospitals reported complete financial data compared to 118 of 124 hospitals in 1995.

³⁵Dollar amounts have not been adjusted for inflation.