Hospitals' capacity to serve Medicare patients

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November 3, 2011

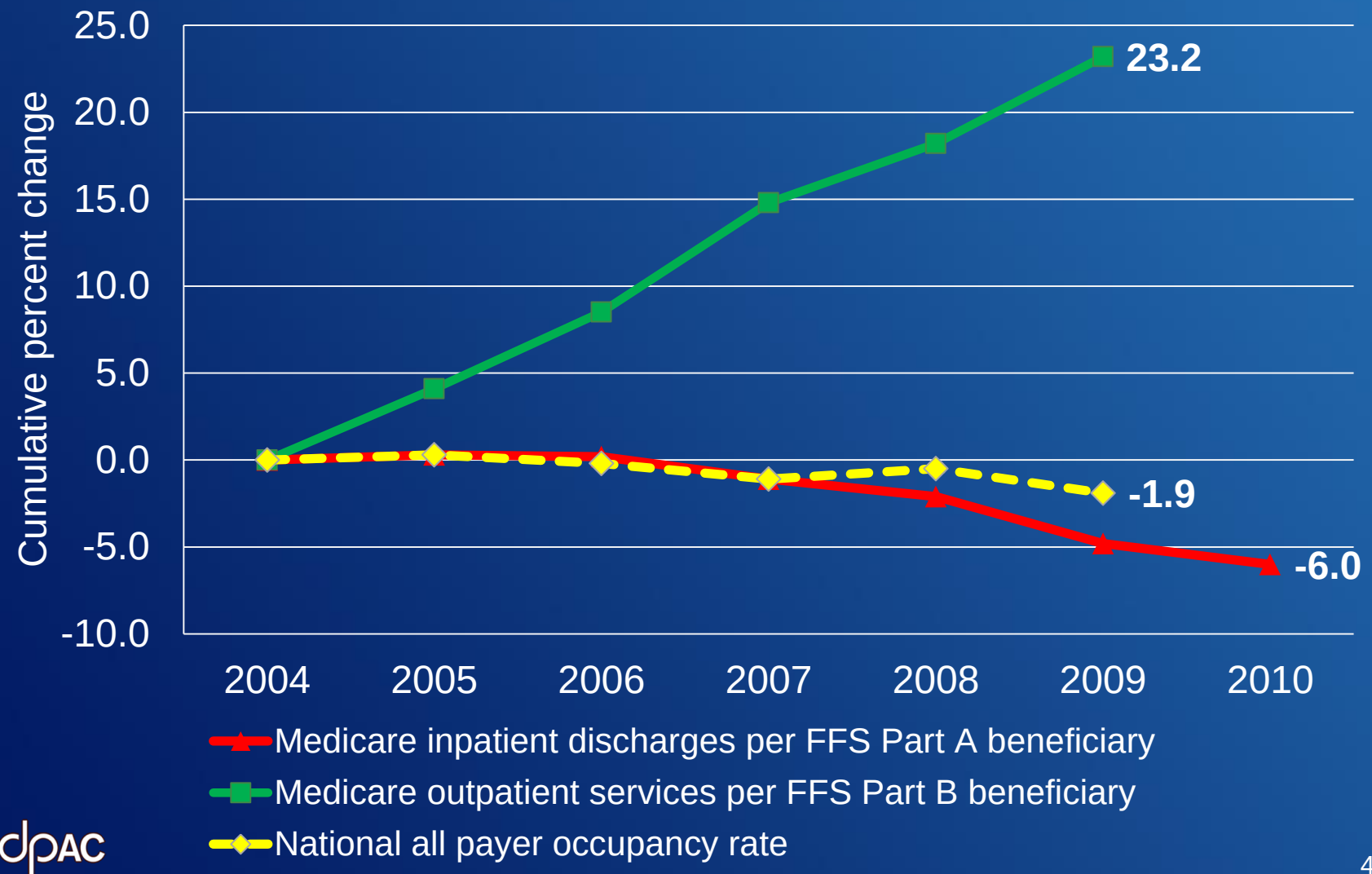
Payment adequacy indicators

- Beneficiaries' access to care
  - Capacity and supply of providers
  - Volume of services
- Access to capital
- Quality of care
- Payments and costs

Summary: Hospitals' capacity to serve Medicare patients

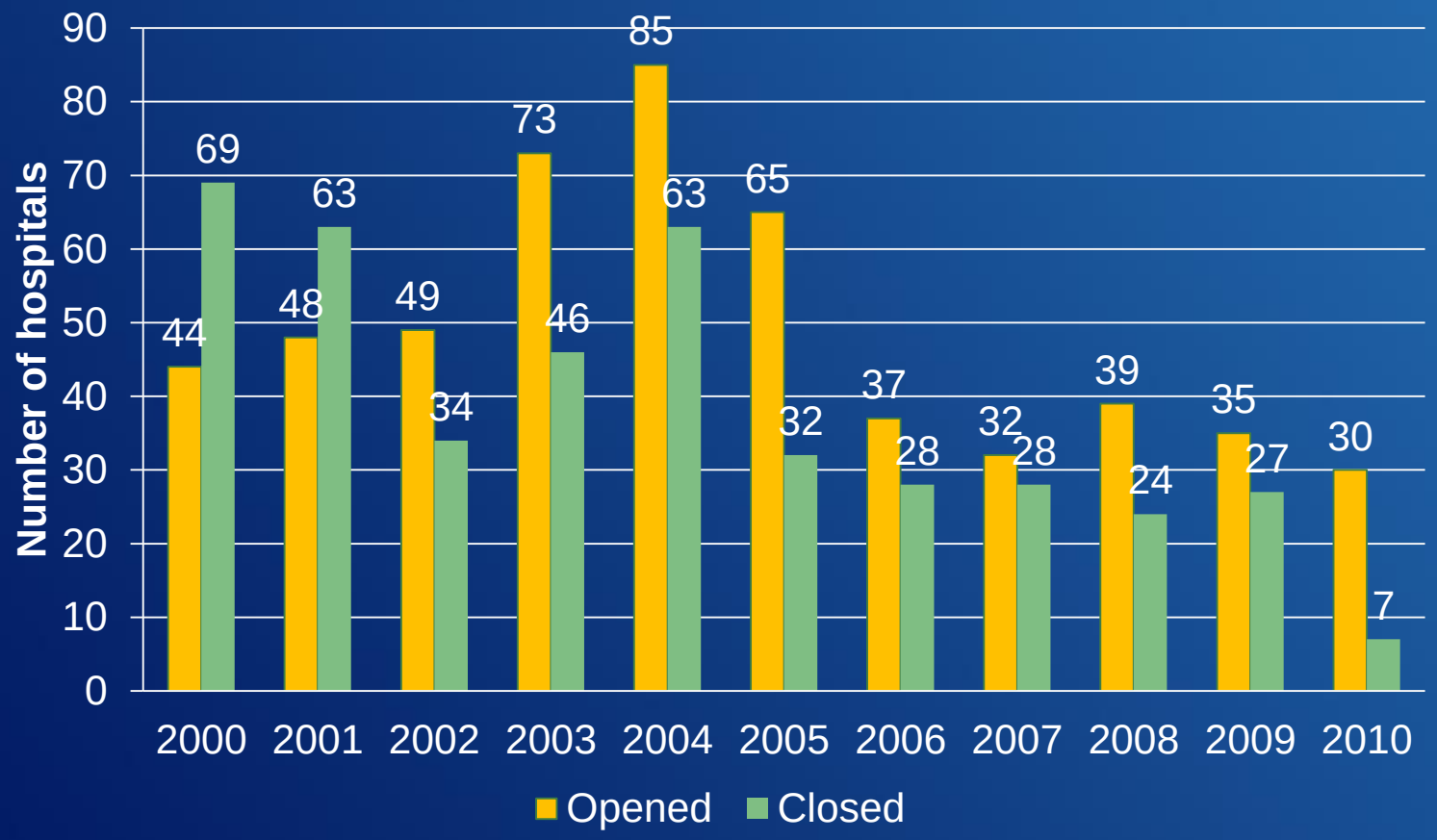
Measure	Status
Utilization and occupancy	**Inpatient: Decrease** **Outpatient : Increase**
Number of facilities	**Slight increase**
Bed capacity (per capita)	**Flat**
Scope of service offerings	**Increase**
Consolidation	**Increase**
Employees	**Increase**
Borrowing	**Moderated**
Construction	**Moderated**

Medicare utilization and all-payer occupancy rate trends



MEDPAC

More hospitals opened than closed each year from 2002 to 2010



Source: MedPAC analysis of CMS Provider of Services file, IPPS Final Rule Impact file, and Hospital Cost Reports

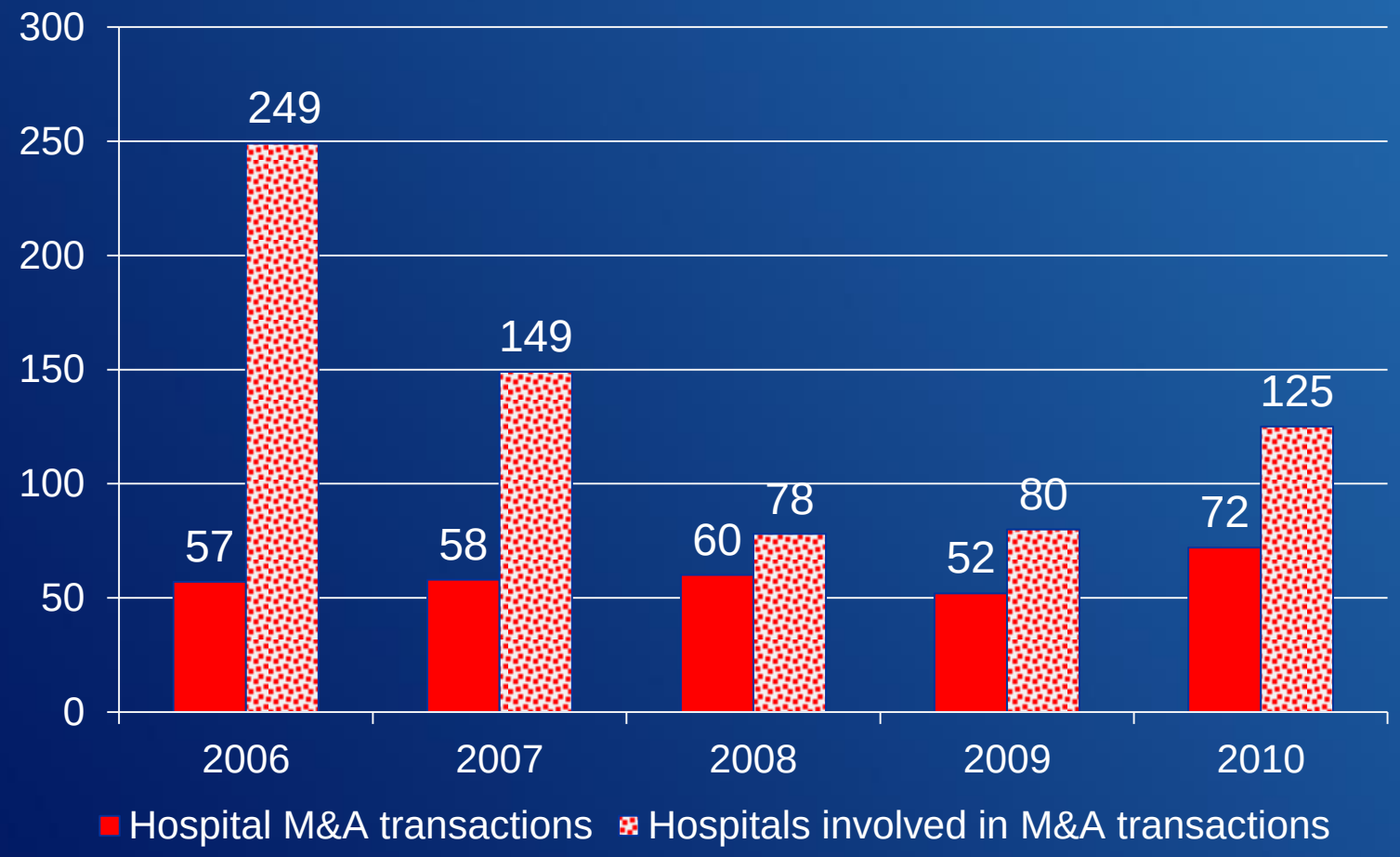
MEDPAC

Share of hospitals offering specialized services grew from 2005 to 2009

Service	2005	2009	Percentage point change from 2005 to 2009
Robotic surgery	11	24	13
Translation	67	76	9
PET or PET/CT scanner	41	49	8
Bariatric/weight control	28	35	7
Indigent care clinic	22	29	7
Assisted living	16	15	-1
Home health	63	61	-2
Skilled nursing	42	40	-2

Note: Services listed represent the 5 most rapidly growing services and the 3 most rapidly declining services of the 50 services we studied. Response rates vary by service. PET (positron emission tomography). CT (computed tomography).
Source: American Hospital Association annual survey of hospitals

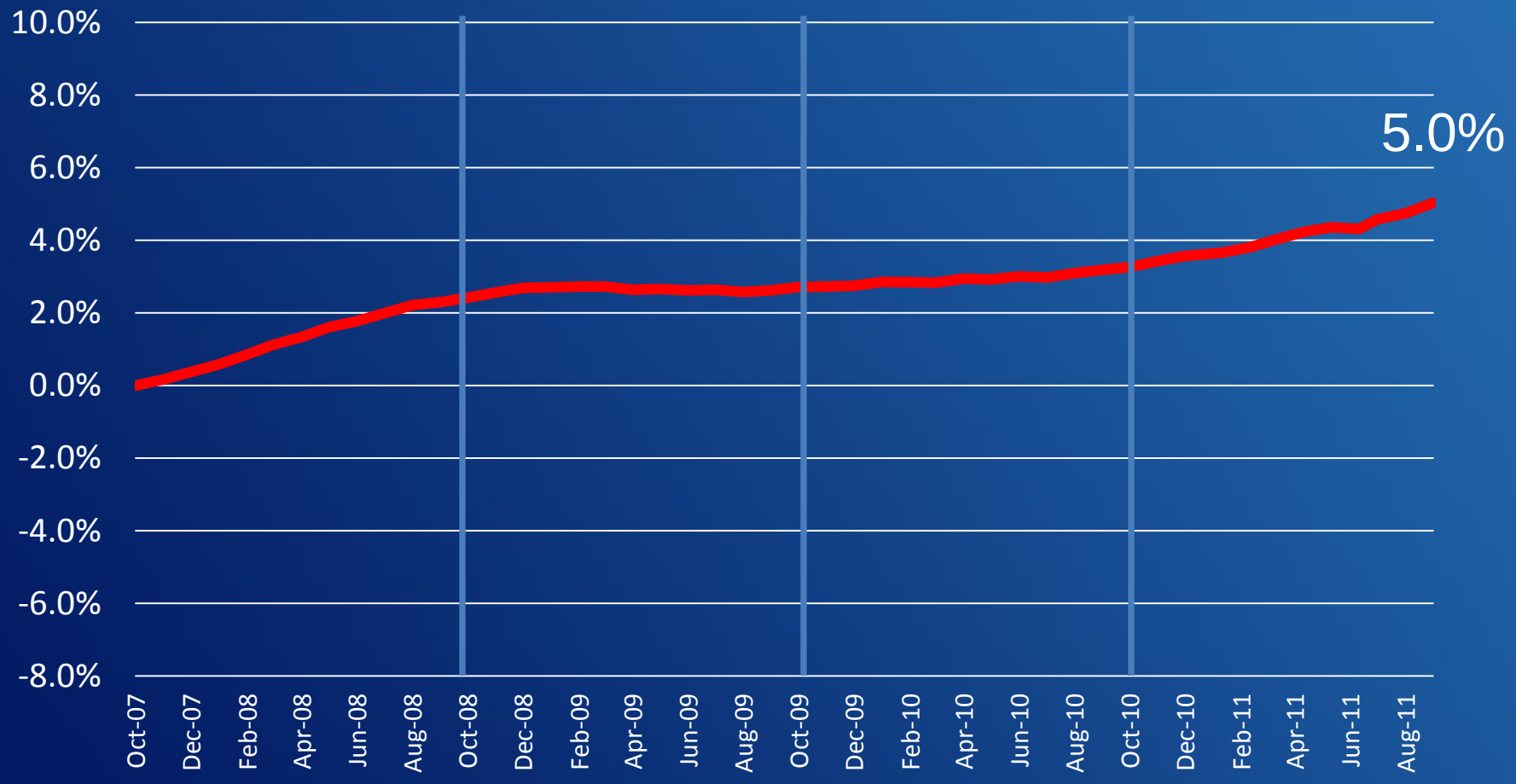
Hospital merger and acquisition activity increased in 2010



Source: Irving Levin Associates, Inc.

MEDPAC

Hospital employment growing again after economic downturn



Source: Bureau of Labor Statistics

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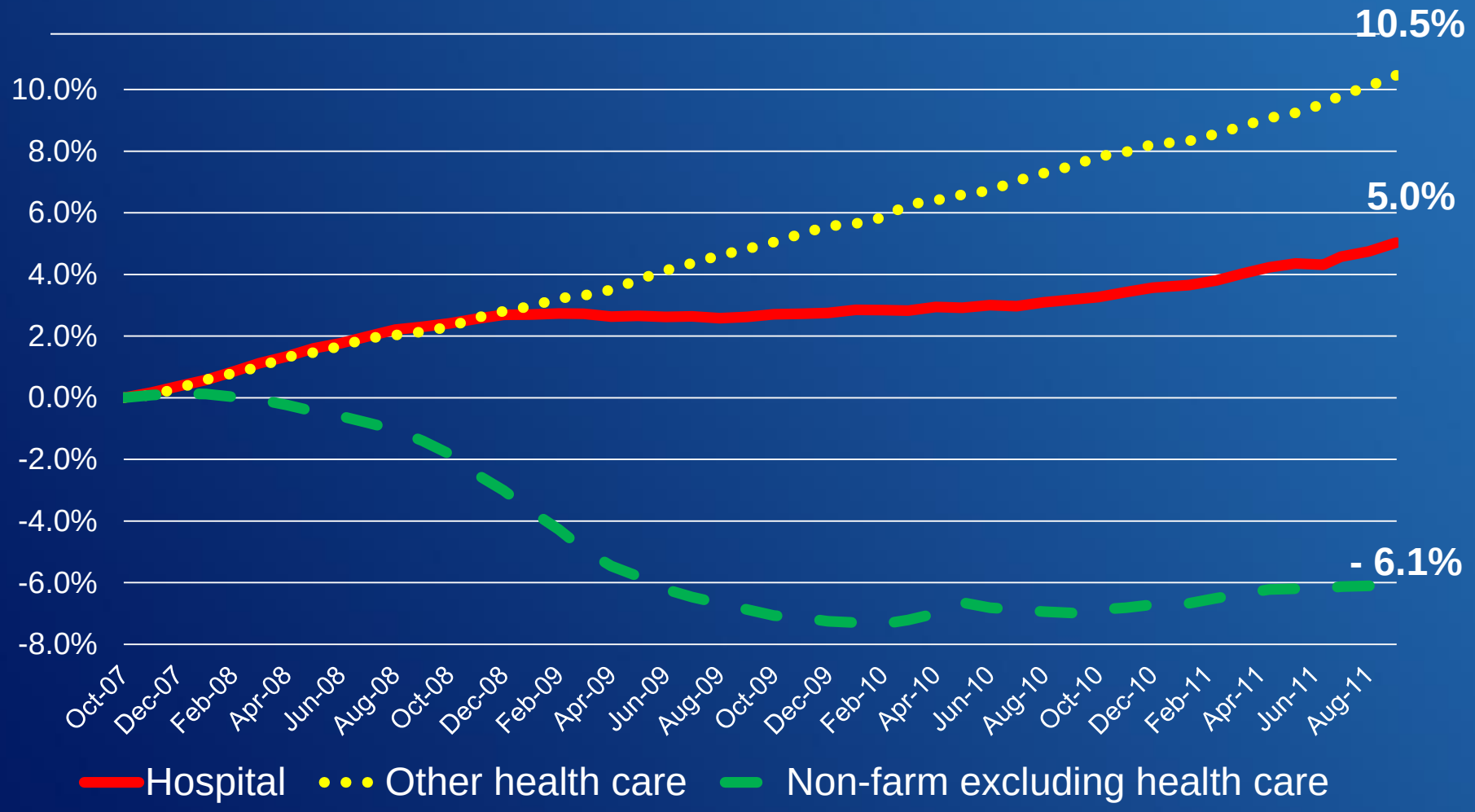
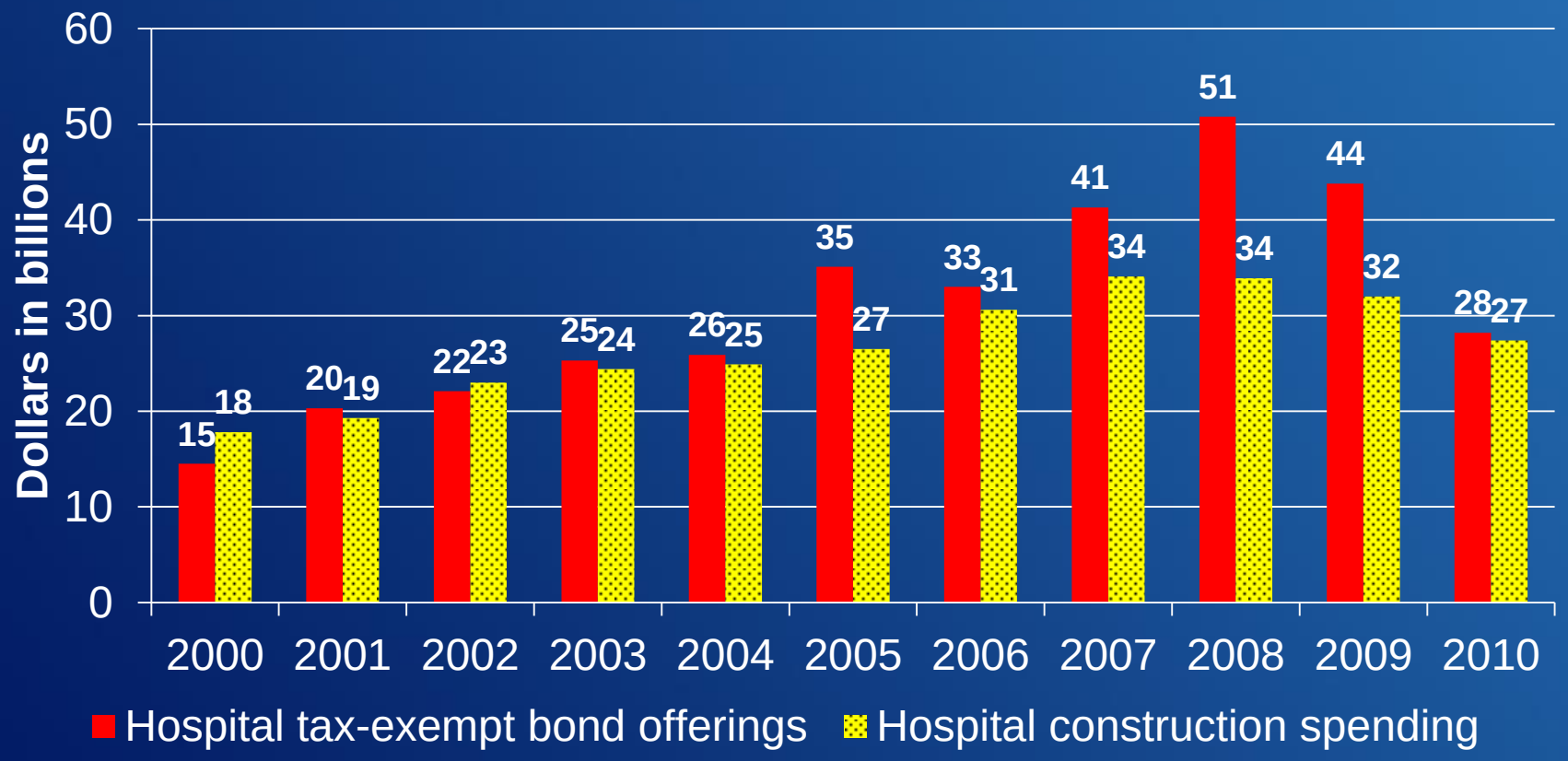
Health care employment increased as other sectors declined



Source: Bureau of Labor Statistics

MEDPAC

Hospital borrowing and construction spending moderated



Source: U.S. Census Bureau , Thomson Financial, and McGraw Hill

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Discussion: Hospital payment update

- Questions
- Feedback on the measures presented
- Other measures we should examine?
- Discussion: Implications of the site of service shift from the inpatient to the outpatient setting