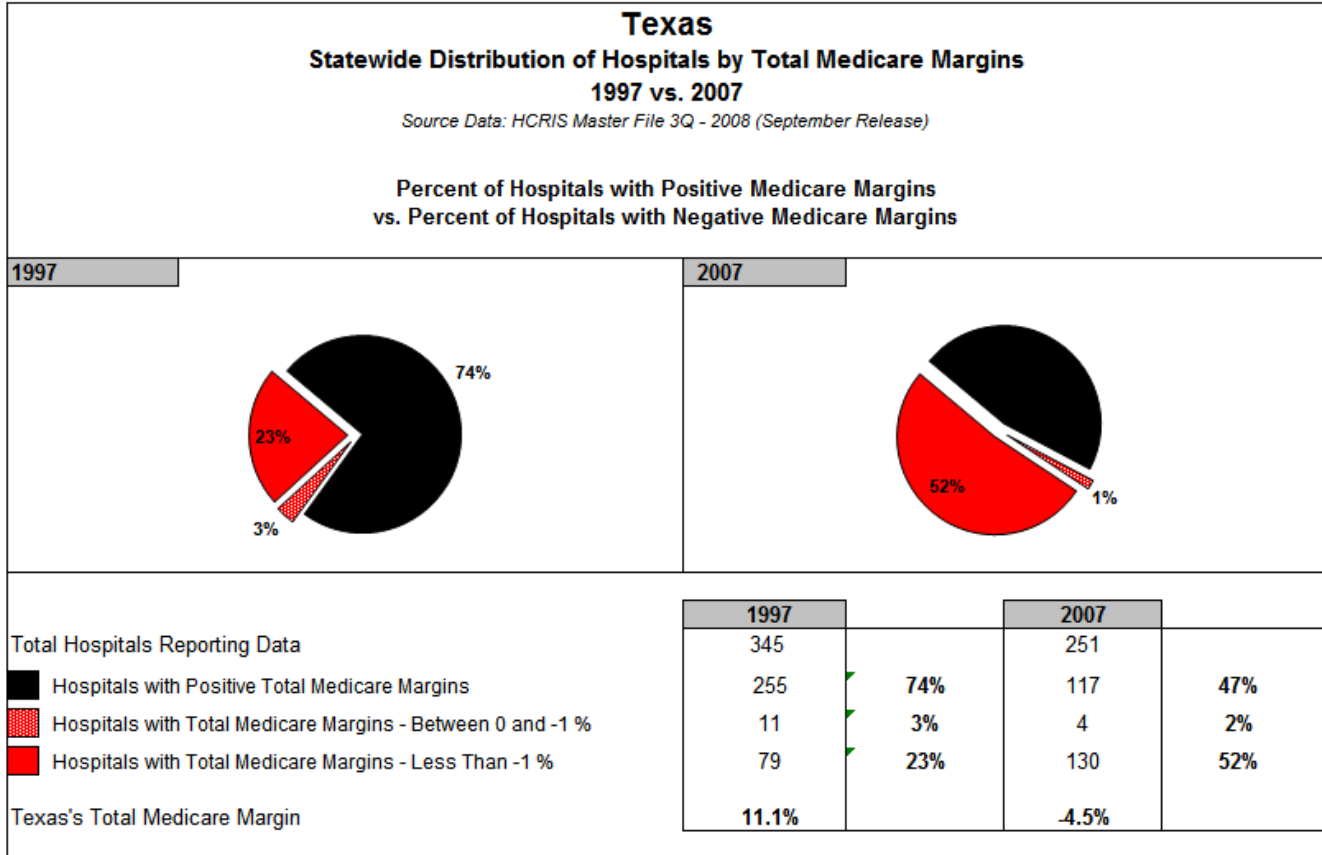


Distribution of Overall Medicare Margins for Texas Cost Reporting Years - 2007

(Margins Incorporate Full Inpatient Revenue)

Source Data: HCRIS Master File 3Q - 2008 (September Release)



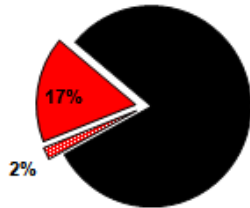
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Texas - Urban Facilities
Statewide Distribution of Hospitals by Total Medicare Margins
1997 vs. 2007

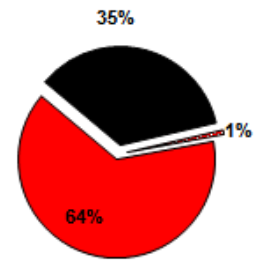
Source Data: HCRIS Master File 3Q - 2008 (September Release)

**Percent of Hospitals with Positive Medicare Margins
vs. Percent of Hospitals with Negative Medicare Margins**

1997



2007



Total Urban Hospitals Reporting Data

- Hospitals with Positive Total Medicare Margins
- Hospitals with Total Medicare Margins - Between 0 and -1 %
- Hospitals with Total Medicare Margins - Less Than -1 %

Texas's Total Medicare Margin - Urban Facilities

		1997		2007
		204		139
		165	▼ 81%	49
		4	▼ 2%	1
		35	▼ 17%	89
		11.5%		-4.5%

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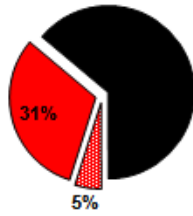
Texas - Rural Facilities

Statewide Distribution of Hospitals by Total Medicare Margins 1997 vs. 2007

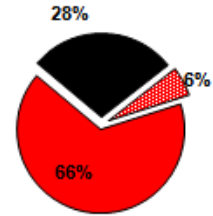
Source Data: HCRIS Master File 3Q - 2008 (September Release)

**Percent of Hospitals with Positive Medicare Margins
vs. Percent of Hospitals with Negative Medicare Margins**

1997



2007



Total Rural Hospitals Reporting Data

- Hospitals with Positive Total Medicare Margins
- Hospitals with Total Medicare Margins - Between 0 and -1 %
- Hospitals with Total Medicare Margins - Less Than -1 %

Texas's Total Medicare Margin - Rural Facilities

1997		2007	
141		53	
90	64%	15	28%
7	5%	3	6%
44	31%	35	66%
8.5%		-6.7%	

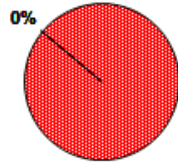
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Texas- Critical Access Facilities
Statewide Distribution of Hospitals by Total Medicare Margins
1997 vs. 2007

Source Data: HCRIS Master File 3Q - 2008 (September Release)

Percent of Hospitals with Positive Medicare Margins
vs. Percent of Hospitals with Negative Medicare Margins

1997



2007



Total Critical Access Hospitals Reporting Data

- Hospitals with Positive Total Medicare Margins
- Hospitals with Total Medicare Margins - Between 0 and -1 %
- Hospitals with Total Medicare Margins - Less Than -1 %

Texas's Total Medicare Margin - Critical Access Facilities

	1997		2007	
	0		59	
	0	0%	53	90%
	0	0%	0	0%
	0	0%	6	10%
	0.0%		1.2%	

Notes: (1) State hospital counts include PPS and CAH facilities with cost report data.

(2) Occasional rounding errors in Excel may lead to a total percentage of 99%.

(3) Although Indirect Medical Education (IME) payments for Medicare Managed Care patients are included in the cost report, they are purposely excluded in this analysis because the associated costs for the managed care patients are not reported.