

Fauquier Hospital earned \$20-million profit in '18

 fauquiernow.com/fauquier_news/article/fauquier-hospital-earned-20-million-profit-in-18-1-2020

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Photo/Lawrence Emerson

Fauquier's 2018 profit margin of 15.7 percent ranked 15th among 105 Virginia hospitals, according to the annual industry report.

Fauquier Hospital in 2018

- **Beds:** 97
- **Patient days:** 16,438
- **Admissions:** 4,796
- **Full-time employees:** 602
- **Net revenue per admission:** \$10,474
- **Total revenue:** \$157.1 million
- **Profit:** \$20.1 million
- **Margin:** 15.7 percent

• **Net worth:** \$157 million

Source: Virginia Health Information Industry Report

For the third consecutive year, Fauquier Hospital earned a profit of more than \$20 million in 2018, according to the most recent report on the industry in Virginia.

The Warrenton hospital produced a 15.7-percent profit on revenue of \$127.1 million in 2018, Virginia Health Information reported last month.

The hospital consistently has recorded earnings of more than \$19 million annually since Tennessee-based LifePoint Health purchased it in late 2013.

In 2018, Fauquier Hospital's \$20.1-million profit ranked 29th among 105 Virginia hospitals, according to the report. The 15.7-percent "margin" ranked 15th.

The hospital reported \$10.5 million in charity care and \$12.2 million in bad debt for 2018.

The report deals only with the hospital business, not with affiliates such as medical practices, rehabilitation centers or nursing homes (covered in a separate report).

The local hospital in 2017 earned a record \$23.7 million profit, almost 18 percent of revenue.

Statewide, 33 hospitals — including those in Manassas and Front Royal — lost money in 2018, Virginia Health Information reported.

Its annual report details the efficiency and productivity of hospitals, ambulatory surgical centers and nursing homes licensed in Virginia. The data includes charity care, staffing levels, profit margins and more than a dozen other utilization and efficiency indicators across five performance categories: charges, costs, productivity and utilization, financial viability and community support.

Published every year, the report gives consumers and purchasers information about the facilities' efficiency, costs and performance.

Region's hospital profits

Ranked by their 2018 operating margin percentages, all these selected hospitals, except Fauquier and Reston, are not-for-profit:

23.9 percent — **Reston Hospital Center**, \$86.4 million

16.2 percent — **Inova Fair Oaks**, \$49.5 million

15.7 percent — **Fauquier Hospital**, \$20.1 million

12.4 percent — **Novant/U.Va. Haymarket Medical Center**, \$10 million

11.8 percent — **Winchester Medical Center**, \$78.8 million

9.6 percent — **Inova Loudoun**, \$37.2 million

8.2 percent — **Inova Fairfax**, \$127.2 million

5.3 percent — **U.Va. Medical Center** (Charlottesville), \$136.3 million

5.2 percent — **Mary Washington** (Fredericksburg), \$21.5 million

2.8 percent — **Novant/U.Va. Culpeper**, \$2.8 million

- 6 percent — **Novant/U.Va. Prince William** (Manassas), \$9.7 million loss

-40.2 percent — **Warren Memorial** (Front Royal), \$19.4 million loss

Nursing homes

VHI also provided this information on Warrenton nursing homes' financial performance in 2017:

- Fauquier Health Rehabilitation & Nursing Center lost \$126,787 on patient revenue of \$8.8 million. The 113-bed nursing home has the equivalent of 100 full-time employees.

- Brookside Rehabilitation and Nursing of Warrenton lost \$299.658 on revenue of \$11.8 million. The 130-bed nursing home has the equivalent of 154 full-time employees.

Fauquier Hospital Financial... by Fauquier Now on Scribd



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DonkeyFarmer · January 29, 2020 at 11:22 pm

AngryBob is absolutely correct

brandonj · January 29, 2020 at 8:19 pm

Nothing goin' change til yer gubmint dun get outta ar healthcare!

In all seriousness, what's wrong with profit? If you don't like it, go to one of the other other regional hospitals that, wait for it.... makes slightly less profit!

Or truck your butt to WV and get some quality meth, er care.

AngryBob · January 29, 2020 at 12:41 pm

Mark House: The "losses" are just a way to game the system. If an in-network appendicitis is \$5k, they'll charge an uninsured patient \$50k, assuming they won't pay, and then write it off as a "loss". How much did they really lose? Nothing. The write-off turns it into a profit.

And that is what's wrong with healthcare in the U.S.

steelernation · January 29, 2020 at 12:06 pm

Contrary to the good doctor's comment I am neither misinformed nor do i have an axe to grind.

The following facts i know to be true:

1. Some inpatient nursing units are closed.
2. Staffing has been significantly reduced.
3. Morale among existing staff is low.
4. All OR rooms are not operating at full capacity every day as I am sure he knows.
5. Fauquier Health's reputation has been sorely damaged post-Lifepoint - both in the general population and among medical professionals.

I applaud Dr. Ramser's dedication to his patients. I am sure that most of the hospital staff try to provide good care. But it is very hard to do so when the above conditions exist.

Mark House · January 28, 2020 at 6:37 pm

"The hospital reported \$10.5 million in charity care and \$12.2 million in bad debt for 2018."

No wonder our healthcare system is said to be out of control. A \$22.7 Million loss and they still made money? These debts and charity case costs are passed on to those that can pay, for now, what happens when even those people can't pay their premiums or bills?

Netnet · January 28, 2020 at 6:31 pm

A couple of observations.

These impressive profit and margin figures provide further confirmation of the egregiously poor decision made by those who allowed the remaining 20% stake of the former community hospital to be sold off. By simply retaining that 1/5 ownership, the greater Fauquier Community could have received a steady flow of dollars via monies paid to the Health Foundation as a yearly dividend and used for outreach, care, and health assistance to those in need to the tune of \$4 mil per year (based on \$20 mil figure). Instead, the private equity folks and bankers who persuaded those Fauquier Hospital Board members to sellout are laughing all the way to the bank with the ROI they are realizing on their investment. It must be noted that the date of this final stake sale, and the buyout by Apollo of Lifepoint are suspiciously close together. Perhaps Apollo made this a prerequisite to any deal?

Second, these figures attest to the mediocrity and self serving former management at the Fauquier Hospital when still owned by the community. Sure there were economies of scale realized with the Lifepoint takeover, however the dramatic and fast improvements in operating margins (in a relatively flat and/or declining revenue environment) speaks to the enormous and out of line costs incurred by former management associated with bloated salaries for countless and unnecessary "Vice-Presidents", costs associated with self serving schemes, and general mis-management of hospital assets.

Business schools will be using this as a case study for years to come. Hopefully other communities can learn from this and avoid a similar fleecing.

Jramser · January 28, 2020 at 4:53 pm

"Steelernation", you are either terribly misinformed or have an axe to grind. With your anonymous, caustic comment you have disparaged hundreds of kind people that pour their souls into the daily service of our community. As a joint replacement surgeon that has worked in many hospitals, I can state with certainty that the surgical services at Fauquier Hospital are among the best in the region. I am reminded of this fact on a daily basis by the grateful patients that I am honored to serve.

James Ramser

steelernation · January 28, 2020 at 4:30 pm

easy to make a profit when half of the patient nursing units are closed. i realize that the article was all about the money - too bad that the quality of care was not addressed . Fauquier Health under Lifepoint is not an asset to the community.

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