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[Home](#) / [news](#) / [local](#) /

## CRH loses nearly \$400K in 2009

By Rhonda Simmons



Culpeper Regional Hospital lost nearly \$400,000 in fiscal year 2009, according to chief financial officer Sam Morgan.

“The hospital did, in fact, lose money,” said Morgan. “But we are part of a system and the system made money.”

Culpeper Regional Health System, the hospital’s parent company, gained \$742,000 in 2009, Morgan said.

According to the Virginia Health Information’s website, a non-profit state agency that reports health care data, CRH earned \$68,877,198 in net patient revenue in 2009. But expenses that year totaled \$69,862,665.

Morgan also pointed to the two-story, 70-bed hospital’s other assets, which helped offset the overall loss.

Additionally, Morgan said, the hospital netted \$591,344 in other operating revenue, explaining the final loss of \$394,123 last year.

The hospital’s 2009 fiscal year spans Oct. 1, 2008 to Sept. 30, 2009.

If CRH ends the year with a surplus, the money would be invested in a reserve fund for future expansion or replacing equipment.

“That’s the importance of having a reserve,” Morgan said during a telephone interview with the Star-Exponent Friday. “It’s important to add to the reserves, and not take out of them. But when you have a loss you have to dip into your reserves.”

Morgan explained that the hospital also collects money through patient revenue, rental income and year-round fundraisers. The expenses, however, include employee costs and benefits and operating expenses.

According to Morgan, the hospital pays more than 50 percent in salary and benefits.

CRH employs 681 people in about 40 departments. CRHS has more than 150 physicians and more than 900 employees working at CRH, Powell Wellness Center, Culpeper Surgery Center, Free Clinic of Culpeper, CRH Foundation, and the Culpeper Physician Hospital Organization.

Another bright spot for CRHS is its recent partnership with the University of Virginia Medical Center, where the Charlottesville-based health care organization will invest \$40 million in the Culpeper facility over a three-year period. The partnership was finalized in January 2009.

“The U.Va. partnership provides a source of funding in lieu of the reserves so we have a source of funding for some of those expanded services and replacement of equipment,” Morgan continued.

So far, the merger has garnered a new UVA Specialty Clinic—Culpeper featuring endocrinology, physical medicine and rehabilitation, infectious disease and pediatric cardiology services.

This facility is located near CRH’s main entrance on Sunset Lane.

Also, construction on a new temporary radiation/oncology facility began near the HOPE Cancer Center and Blue Ridge Cardiovascular Associates in October. This temporary facility is scheduled to open in January.

A permanent 6,000-square-foot oncology/radiation facility is planned for the next three to five years, according to hospital staff.

### **CRH’s financial information for fiscal year 2009**

Net patient revenue: \$68,877,198

Total operating expense: \$69,862,665

Other operating revenue: \$591,344

Total loss: \$394,123

Source: Virginia Health Information website (vhi.org)

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