

California Hospitals Profitable in 2011

However, Most Report Lower Profits Than 2010

By David Peel

*Publisher and Editor
California Healthcare News*



The largest California hospitals maintained profitability in 2011 as eighty-one of the largest one-hundred hospitals recorded positive Pretax Net Income. However, the 2011 figures were down from 2010 when ninety-one of the largest one-hundred hospitals reported positive Pretax Net Income. See our report on pages three through five to see summary financial information on large California hospitals.

Information Sources

California is good at making hospital financial information available to the general public. However, it

is difficult to compare hospitals on an “apples to apples” basis for several reasons:

- Most hospitals report and are audited on a calendar year basis. However, some large hospitals report and are audited on a fiscal year basis, making comparisons impossible without adjustments.
- All hospitals report to the California Office of Statewide Health Planning and Development (OSHPD) on a quarterly basis but the figures are unaudited and there’s no requirement to restate figures when adjustments are necessary.
- A few hospitals don’t regularly meet reporting deadlines.

In consideration of these issues, we compiled quarterly figures from the OSHPD web site and prepared a report similar to the report on pages three to five. We then sent the report to hospital representatives at all one-hundred hospitals and asked them to confirm their hospital’s figures. We also asked for correct figures if the figures in the report were wrong.

Hospitals with a “2” to the right

of the name provided a reply and confirmed or changed their figures. If a hospital didn’t provide a reply, or decided to not provide a reply, there is no “2” to the right of the name and OSHPD quarterly report web site figures were used.

Total Operating Revenue

Total Operating Revenue includes inpatient and outpatient revenue for all patient care services (less deductions from revenue), tax revenues, the value of donated commodities, revenue from non-patient care services and sales, and activities to persons other than patients.

Fifty-four of the one-hundred hospitals reported higher 2011 Total Operating Revenue than 2010. This is down sharply from the prior year when eighty-eight of the one-hundred hospitals reported higher 2010 Total Operating Revenue than 2009. There are certainly many factors contributing to this decline but the net result is California hospitals appear to be rapidly losing their ability to exert control over revenue.

Net from Operating

Net from Operating is the excess of revenues over expenses except for

net non-operating gains and losses. This is a key financial metric given it excludes investment gains and losses, a part of net non-operating gains and losses.

Forty-five of the one-hundred hospitals reported a higher Net from operating figure in 2011 than 2010. The hospitals' inability to generate sufficient revenues to maintain 2010 levels is showing up in Net from Operating figures as the 2011 figures are significantly down from 2010 when Sixty-one of the one-hundred hospitals reported a higher Net from Operating figure in 2010 than 2009.

Operating Margin

This statistic, measured as a per-

centage, is one many hospital administrators target to measure financial health. A range between 2% and 6% is considered healthy and normal for California. Percentages higher or lower than this range generally merit further review, particularly if it has occurred over a two year period. However, that level of analysis is beyond the scope of this article.

Pretax Net Income

The excess of revenue over expenses and gains over losses generated from all sources is Pretax Net Income. Thirty-one of the one-hundred hospitals reported higher Pretax Net Income in 2011 than 2010. This is also down significantly from the Sixty-one of the one-hun-

dred hospitals that reported higher Pre-tax Net Income in 2010 than 2009.

Final Comments

California hospitals were still in good financial shape in 2011 but the trend indicates decreasing financial health. This continues to be a concern in light of healthcare reform and state and federal cuts targeting reimbursement to hospitals.

David Peel is the Publisher and Editor of the California Healthcare News, a web site and trade journal focused on issues related to the management of healthcare. David Peel can be reached at dpeel@healthcarenewssite.com.

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California Hospital Financial Results (000's)

100 Largest Hospitals Sorted by 2011 Total Operating Revenue¹

Source: California Healthcare News (www.cahnews.com)

Hospital Name	County	Total Operating Revenue			Net from Operating			Operating Margin			Pretax Net Income		
		CY2011	CY2010	Change	CY2011	CY2010	Change	CY2011	CY2010	Change	CY2011	CY2010	Change
Cedars-Sinai Medical Center	Los Angeles	2,347,554	2,288,346	59,208	193,632	203,659	-10,027	8.2%	8.9%	-0.7%	177,676	240,385	-62,709
Stanford University Hospital ²	Santa Clara	2,135,590	1,948,257	187,333	168,047	120,715	47,332	7.9%	6.2%	1.7%	96,101	152,496	-56,395
UCSF Medical Center	San Francisco	1,962,718	1,834,125	128,593	133,373	158,319	-24,946	6.8%	8.6%	-1.8%	159,383	204,753	-45,370
Ronald Reagan UCLA Medical Center	Los Angeles	1,376,184	1,326,658	49,526	185,179	219,043	-33,864	13.5%	16.5%	-3.1%	171,436	240,654	-69,218
University Of California - Davis Medical Center ²	Sacramento	1,333,513	1,200,625	132,888	47,313	39,320	7,993	3.5%	3.3%	0.3%	55,696	82,209	-26,513
California Pacific Medical Center ²	San Francisco	1,176,004	1,142,789	33,215	226,663	193,231	33,432	19.3%	16.9%	2.4%	242,252	206,764	35,488
Loma Linda University Medical Center ²	San Bernardino	1,155,004	1,121,192	33,812	78,213	73,876	4,337	6.8%	6.6%	0.2%	66,775	64,299	2,476
University Of California - San Diego Med Center	San Diego	1,136,579	1,030,471	106,108	130,898	7,287	123,611	11.5%	0.7%	10.8%	140,273	47,003	93,270
LAC/USC Medical Center ²	Los Angeles	998,568	977,616	20,952	-241,188	-233,048	-8,140	-24.2%	-23.8%	-0.3%	72,360	88,820	-16,460
Lucile S Packard Childrens Hospital ²	Santa Clara	898,786	864,583	34,203	60,442	101,227	-40,785	6.7%	11.7%	-5.0%	86,267	163,189	-76,922
Sharp Memorial Hospital ²	San Diego	842,648	806,117	36,531	142,782	125,174	17,608	16.9%	15.5%	1.4%	144,924	140,125	4,799
Sutter Medical Center - Sacramento	Sacramento	835,055	826,531	8,524	85,101	94,522	-9,421	10.2%	11.4%	-1.2%	90,454	100,715	-10,261
Santa Clara Valley Medical Center ²	Santa Clara	817,612	820,565	-2,953	-204,228	-218,431	14,203	-25.0%	-26.6%	1.6%	-143,117	-11,736	-131,381
Community Regional Medical Center	Fresno	791,069	789,678	1,391	50,983	38,039	12,944	6.4%	4.8%	1.6%	60,110	49,267	10,843
John Muir Medical Center-Walnut Creek Campus	Contra Costa	773,252	744,114	29,138	39,278	66,142	-26,864	5.1%	8.9%	-3.8%	47,625	79,580	-31,955
Hoag Memorial Hospital Presbyterian	Orange	766,299	772,454	-6,155	-14,939	16,544	-31,483	-1.9%	2.1%	-4.1%	-8,475	72,902	-81,377
University Of California - Irvine Medical Center	Orange	733,386	658,801	74,585	84,085	63,159	20,926	11.5%	9.6%	1.9%	84,856	71,884	12,972
San Francisco General Hospital Medical Center	San Francisco	647,908	584,516	63,392	-61,772	-67,374	5,602	-9.5%	-11.5%	2.0%	427	-64,490	64,917
Childrens Hospital Of Los Angeles	Los Angeles	626,836	605,748	21,088	47,447	75,212	-27,765	7.6%	12.4%	-4.8%	18,829	140,617	-121,788
St. Joseph Hospital - Orange ²	Orange	622,850	631,215	-8,365	13,673	25,513	-11,840	2.2%	4.0%	-1.8%	6,596	46,702	-40,106
El Camino Hospital ²	Santa Clara	622,065	575,874	46,191	69,040	17,525	51,515	11.1%	3.0%	8.1%	85,526	37,297	48,229
Alta Bates Summit Medical Center-Alta Bates ²	Alameda	616,933	664,903	-47,970	44,303	98,668	-54,365	7.2%	14.8%	-7.7%	44,526	98,967	-54,441
Rady Childrens Hospital-San Diego	San Diego	598,662	662,877	-64,215	23,652	56,485	-32,833	4.0%	8.5%	-4.6%	-29,796	90,279	-120,075
Alameda County Medical Center	Alameda	590,976	505,897	85,079	99,925	41,650	58,275	16.9%	8.2%	8.7%	113,312	59,687	53,625
Scripps Mercy Hospital	San Diego	588,121	617,278	-29,157	17,559	45,813	-28,254	3.0%	7.4%	-4.4%	17,568	45,831	-28,263
City Of Hope National Medical Center ²	Los Angeles	580,709	580,712	-3	-13,201	19,329	-32,530	-2.3%	3.3%	-5.6%	-1,164	40,840	-42,004
Memorial Hospital Modesto	Stamislus	535,986	549,887	-13,901	56,699	83,094	-26,395	10.6%	15.1%	-4.5%	61,101	86,860	-25,759
LAC/Harbor+UCLA Medical Center ²	Los Angeles	525,325	530,743	-5,418	-188,657	-87,248	-101,409	-35.9%	-16.4%	-19.5%	-14,095	59,486	-73,581
Sharp Grossmont Hospital ²	San Diego	522,393	510,955	11,438	19,850	4,553	15,297	3.8%	0.9%	2.9%	21,072	15,879	5,193
Childrens Hospital & Research Center Oakland ²	Alameda	516,751	415,873	100,878	48,628	-17,652	66,280	9.4%	-4.2%	13.7%	43,723	-20,055	63,778
Long Beach Memorial Medical Center	Los Angeles	503,902	506,943	-3,041	59,244	50,224	9,020	11.8%	9.9%	1.8%	85,142	65,399	19,743
Scripps Memorial Hospital - La Jolla	San Diego	500,084	474,111	25,973	83,586	58,618	24,968	16.7%	12.4%	4.4%	83,588	58,618	24,970
Huntington Memorial Hospital	Los Angeles	495,327	520,413	-25,086	13,591	13,299	292	2.7%	2.6%	0.2%	20,309	35,115	-14,806

¹Figures from the California Office of Statewide Health Planning and Development (OSHPD) as of July 27, 2012 unless otherwise noted.

²Figures were provided directly from the hospital and either confirmed or corrected the OSHPD reported figures.

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California Hospital Financial Results (000's)

100 Largest Hospitals Sorted by 2011 Total Operating Revenue¹

Source: California Healthcare News (www.cahnews.com)

Hospital Name	County	Total Operating Revenue			Net from Operating			Operating Margin			Pretax Net Income		
		CY2011	CY2010	Change	CY2011	CY2010	Change	CY2011	CY2010	Change	CY2011	CY2010	Change
Mercy General Hospital	Sacramento	491,502	479,923	11,579	34,841	28,289	6,552	7.1%	5.9%	1.2%	36,890	39,564	-2,674
Good Samaritan Hospital - San Jose	Santa Clara	490,368	480,473	9,895	88,650	77,617	11,033	18.1%	16.2%	1.9%	88,650	77,894	10,756
Mills-Penninsula Medical Center	San Mateo	475,110	458,619	16,491	27,574	40,190	-12,616	5.8%	8.8%	-3.0%	27,881	40,308	-12,427
Santa Barbara Cottage Hospital	Santa Barbara	472,325	483,235	-10,910	31,116	40,959	-9,843	6.6%	8.5%	-1.9%	5,580	96,769	-91,189
Mercy San Juan Hospital	Sacramento	472,270	475,353	-3,083	4,325	21,486	-17,161	0.9%	4.5%	-3.6%	6,078	31,390	-25,312
St. Jude Medical Center ²	Orange	471,638	480,746	-9,108	34,170	30,062	4,108	7.2%	6.3%	1.0%	38,302	64,433	-26,131
Saint Agnes Medical Center ²	Fresno	463,005	432,640	30,365	7,140	-15,995	23,135	1.5%	-3.7%	5.2%	9,300	10,893	-1,593
Mission Hospital Regional Medical Center	Orange	459,722	468,584	-8,862	36,254	38,464	-2,210	7.9%	8.2%	-0.3%	34,954	51,348	-16,394
Sutter Medical Center - Roseville	Placer	437,813	412,585	25,228	75,510	73,911	1,599	17.2%	17.9%	-0.7%	79,967	79,021	946
Torrance Memorial Medical Center	Los Angeles	437,117	448,555	-11,438	8,681	12,664	-3,983	2.0%	2.8%	-0.8%	15,472	38,500	-23,028
Presbyterian Intercommunity Hospital	Los Angeles	434,934	410,881	24,053	49,611	35,950	13,661	11.4%	8.7%	2.7%	15,472	51,684	-36,212
Childrens Hospital Of Orange County ²	Orange	431,680	440,978	-9,298	11,000	47,606	-36,606	2.5%	10.8%	-8.2%	42,961	49,348	-6,387
Washington Hospital - Fremont	Alameda	430,803	431,473	-670	24,269	46,154	-21,885	5.6%	10.7%	-5.1%	49,815	65,882	-16,067
Childrens Hospital Of Central Calif ²	Madera	427,256	455,367	-28,111	54,717	87,391	-32,674	12.8%	19.2%	-6.4%	51,680	104,255	-52,575
Kaweah Delta Medical Center	Tulare	423,562	431,764	-8,202	-10,301	7,673	-17,974	-2.4%	1.8%	-4.2%	-6,912	15,056	-21,968
Summit Medical Center ²	Alameda	421,332	444,459	-23,127	31,987	31,947	40	7.6%	7.2%	0.4%	32,150	32,104	46
Enloe Medical Center - Esplanade Campus ²	Butte	420,855	367,618	53,237	27,135	9,842	17,293	6.4%	2.7%	3.8%	32,119	13,184	18,935
Community Hospital Of Monterey Peninsula ²	Monterey	418,784	416,857	1,927	30,945	28,500	2,445	7.4%	6.8%	0.6%	30,357	29,509	848
Pomona Valley Hospital Medical Center	Los Angeles	415,508	451,105	-35,597	18,963	30,176	-11,213	4.6%	6.7%	-2.1%	19,599	26,897	-7,298
Riverside Community Hospital	Riverside	409,804	430,725	-20,921	53,056	70,179	-17,123	12.9%	16.3%	-3.3%	81,923	98,613	-16,690
Arrowhead Regional Medical Center	San Bernardino	396,436	301,613	94,823	-6,942	-17,912	10,970	-1.8%	-5.9%	4.2%	440	-72,236	72,676
Providence Saint Joseph Medical Center	Los Angeles	395,458	381,637	13,821	11,831	19,681	-7,850	3.0%	5.2%	-2.2%	12,008	17,832	-5,824
St. Josephs Medical Center Of Stockton ²	San Joaquin	395,364	398,525	-3,161	-6,061	-6,686	625	-1.5%	-1.7%	0.1%	-3,224	4,644	-7,868
Contra Costa Regional Medical Center	Contra Costa	392,433	300,865	91,568	-55,520	-92,624	37,104	-14.1%	-30.8%	16.6%	42,939	-1,880	44,819
Doctors Medical Center	Stanislaus	392,210	389,845	2,365	11,626	20,895	-9,269	3.0%	5.4%	-2.4%	11,995	21,269	-9,274
Patton State Hospital	San Bernardino	383,940	156,778	227,162	78,491	-115,775	194,266	20.4%	-73.8%	94.3%	0	72,721	-72,721
Scripps Green Hospital	San Diego	380,511	372,265	8,246	90,521	78,804	11,717	23.8%	21.2%	2.6%	90,521	78,804	11,717
Eisenhower Medical Center	Riverside	376,566	386,319	-9,753	-78,327	-39,528	-38,799	-20.8%	-10.2%	-10.6%	-59,402	-12,090	-47,312
Mercy Medical Center	Shasta	376,092	352,021	24,071	53,004	35,058	17,946	14.1%	10.0%	4.1%	53,446	54,037	-591
Santa Monica-UCLA Medical Center-Orthopaedic	Los Angeles	361,401	333,944	27,457	53,225	49,190	4,035	14.7%	14.7%	0.0%	47,446	53,168	-5,722
Riverside County Regional Medical Center	Riverside	360,287	374,209	-13,922	-33,927	-23,977	-9,950	-9.4%	-6.4%	-3.0%	6,892	16,041	-9,149
Northridge Hospital Medical Center	Los Angeles	348,721	401,514	-52,793	2,068	44,915	-42,847	0.6%	11.2%	-10.6%	2,773	45,271	-42,498
Palomar Medical Center	San Diego	345,811	335,002	10,809	5,598	12,452	-6,854	1.6%	3.7%	-2.1%	14,463	21,699	-7,236

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		CY2011	CY2010	Change	CY2011	CY2010	Change	CY2011	CY2010	Change	CY2011	CY2010	Change
Desert Regional Medical Center ²	Riverside	344,813	363,575	-18,762	33,730	52,115	-18,385	9.8%	14.3%	-4.6%	33,817	52,388	-18,571
Saddleback Memorial Medical Center	Orange	343,194	341,184	2,010	25,103	3,992	21,111	7.3%	1.2%	6.1%	36,228	18,598	17,630
Glendale Adventist Medical Center ²	Los Angeles	341,532	352,462	-10,930	3,705	14,363	-10,658	1.1%	4.1%	-3.0%	6,643	17,421	-10,778
E & L Miller Childrens Hospital	Los Angeles	341,515	365,095	-23,580	10,069	18,472	-8,403	2.9%	5.1%	-2.1%	15,617	22,168	-6,551
Antelope Valley Hospital	Los Angeles	339,248	328,499	10,749	9,294	6,985	2,309	2.7%	2.1%	0.6%	11,582	8,576	3,006
John Muir Medical Center-Concord Campus	Contra Costa	338,511	329,301	9,210	-12,274	2,086	-14,360	-3.6%	0.6%	-4.3%	-11,144	3,853	-14,997
Santa Rosa Memorial Hospital	Sonoma	334,896	347,234	-12,338	22,777	-3,518	26,295	6.8%	-1.0%	7.8%	25,329	3,774	21,555
St. Francis Medical Center ²	Los Angeles	334,192	387,577	-53,385	7,929	41,920	-33,991	2.4%	10.8%	-8.4%	4,745	52,119	-47,374
Citrus Valley Medical Center - QV Campus	Los Angeles	333,628	376,056	-42,428	-1,265	30,547	-31,812	-0.4%	8.1%	-8.5%	-146	32,485	-32,631
Dominican Santa Cruz Hospital - Soquel	Santa Cruz	332,402	323,842	8,560	29,436	18,907	10,529	8.9%	5.8%	3.0%	32,744	38,334	-5,590
Providence Holy Cross Medical Center	Los Angeles	327,020	324,720	2,300	20,270	44,936	-24,666	6.2%	13.8%	-7.6%	22,180	46,203	-24,023
Los Robles Regional Medical Center	Ventura	323,026	315,004	8,022	80,851	51,606	29,245	25.0%	16.4%	8.6%	81,103	52,176	28,927
Providence Little Co Of Mary Med Ctr-Torrance	Los Angeles	322,551	314,397	8,154	9,164	14,051	-4,887	2.8%	4.5%	-1.6%	9,284	16,799	-7,515
Eden Medical Center ²	Alameda	315,066	325,272	-10,206	7,187	13,159	-5,972	2.3%	4.0%	-1.8%	9,715	14,592	-4,877
Regional Medical Center Of San Jose	Santa Clara	311,465	313,454	-1,989	19,492	1,005	18,487	6.3%	0.3%	5.9%	19,570	1,162	18,408
Salinas Valley Memorial Hospital	Monterey	311,368	352,335	-40,967	-22,894	1,298	-24,192	-7.4%	0.4%	-7.7%	-11,707	5,016	-16,723
San Joaquin Community Hospital	Kern	308,530	268,415	40,115	-20,249	22,799	-43,048	-6.6%	8.5%	-15.1%	-16,260	26,585	-42,845
Napa State Hospital	Napa	302,961	126,784	176,177	30,083	-114,685	144,768	9.9%	-90.5%	100.4%	0	47,264	-47,264
Tri-City Medical Center	San Diego	302,149	280,549	21,600	2,022	-17,778	19,800	0.7%	-6.3%	7.0%	13,642	-5,849	19,491
North Bay Medical Center	Solano	301,189	218,561	82,628	-4,770	685	-5,455	-1.6%	0.3%	-1.9%	-1,527	7,646	-9,173
Fountain Valley Reg Hospital & Med Ctr-Euclid	Orange	298,732	313,017	-14,285	18,579	26,224	-7,645	6.2%	8.4%	-2.2%	18,577	26,196	-7,619
Rideout Memorial Hospital	Yuba	297,387	276,595	20,792	5,813	22,491	-29,322	17.4%	8.1%	9.3%	46,876	38,980	7,896
White Memorial Medical Center	Los Angeles	291,383	323,966	-32,583	-2,758	17,510	-20,268	-0.9%	5.4%	-6.4%	10,166	32,116	-21,950
St. Bernardine Medical Center	San Bernardino	289,662	302,405	-12,743	-9,222	4,850	-14,072	-3.2%	1.6%	-4.8%	-9,237	5,703	-14,940
Marin General Hospital	Marin	289,484	295,278	-5,794	-933	4,389	-5,322	-0.3%	1.5%	-1.8%	-869	4,472	-5,341
Ventura County Medical Center ²	Ventura	285,601	230,063	55,538	-81,023	-81,008	-15	-28.4%	-35.2%	6.8%	43,711	6,893	36,818
Bakersfield Memorial Hospital	Kern	278,546	282,470	-3,924	19,596	21,292	-1,696	7.0%	7.5%	-0.5%	22,120	26,342	-4,222
St. Johns Hospital And Health Center ²	Los Angeles	276,357	280,199	-3,842	-13,105	-19,609	6,504	-4.7%	-7.0%	2.3%	-12,846	-21,919	9,073
Atascadero State Hospital	San Luis Obispo	275,390	221,979	53,411	45,354	-5,137	50,491	16.5%	-2.3%	18.8%	0	0	0
Seton Medical Center	San Mateo	271,098	290,329	-19,231	-18,561	-13,671	-4,890	-6.8%	-4.7%	-2.1%	-15,469	-7,720	-7,749
San Antonio Community Hospital	San Bernardino	269,601	262,678	6,923	15,462	11,566	3,896	5.7%	4.4%	1.3%	29,841	25,574	4,267
Sharp Chula Vista Medical Center ²	San Diego	265,884	274,320	-8,436	-2,483	4,650	-7,133	-0.9%	1.7%	-2.6%	-1,656	12,460	-14,116
O'Connor Hospital ¹	Santa Clara	264,291	291,084	-26,793	-29,131	-19,485	-9,646	-11.0%	-6.7%	-4.3%	-24,955	-6,859	-18,096
Community Memorial Hospital-San Buenaventura	Ventura	262,764	265,316	-2,552	14,319	19,603	-5,284	5.4%	7.4%	-1.9%	17,163	26,270	-9,107

¹Figures from the California Office of Statewide Health Planning and Development (OSHPD) as of July 27, 2012 unless otherwise noted.

²Figures were provided directly from the hospital and either confirmed or corrected the OSHPD reported figures.

Glossary: *Total Operating Revenues:* Inpatient and outpatient revenue for all patient care services (less deductions from revenue), tax revenues, the value of donated commodities, revenue from non-patient care services to patients and sales and activities to persons other than patients. *Net from Operating:* Total Operating Revenues less Operating Expenses. Does not include non-operating income and expenses and gains and losses. *Operating Margin:* Net from Operating divided by Total Operating Revenues. *Pretax Net Income:* The excess of revenue over expense and gains over losses generated from all sources prior to income tax deductions, if any.