



**Greater Milwaukee Business Foundation on Health
Key Factors Influencing 2003 – 2007
Southeastern Wisconsin Commercial
Payer Hospital Payment Levels**

Appendix

Prepared for:
Greater Milwaukee Business Foundation on Health

Prepared by:
Milliman, Inc.

Keith Kieffer, CPA, RPh
Healthcare Management Consultant

15800 Bluemound Road
Suite 400
Brookfield, WI 53005
USA
Tel +1 262 784 2250
Fax +1 262 784 0033

milliman.com

TABLE OF CONTENTS

I.	OVERVIEW	1
II.	DEFINITION OF SOUTHEASTERN WISCONSIN HEALTH SYSTEMS	2
III.	DATA SOURCES AND TIME PERIOD	3
IV.	HOSPITAL SERVICES FORM THE BASIS OF COMPARISON	4
V.	QUALITY COMPARISONS	4
VI.	METHODOLOGY AND ASSUMPTIONS	4
	Hospital Payment Level Comparisons	4
	Hospital Operating Cost Comparisons	4
	Cost Shift Burden Estimates	5
	Geographic Market Concentration Comparisons	5
VII.	USES OF INFORMATION	6
VIII.	CAVEATS AND LIMITATIONS ON USE	6
IX.	FOR FURTHER INFORMATION	7

ATTACHMENT 1 Predominant Health System Commercial Market Share by Zip Code

h:\gmb01 (greater milwaukee business foundation on health)\gmb21 (2007 update to milwaukee factors study)\work product\report\final report\final report with commercial payment info\2-20-09 - kak- key factors . .report . . appendix a - final.docx

This appendix describes the data, methods, assumptions and tools Milliman used to compare Southeastern Wisconsin market average and health system specific hospital commercial payment levels, total hospital operating cost levels, cost shift burdens from governmental payers and overall levels of geographic commercial market concentration among Southeastern Wisconsin health systems from 2003 through 2007. Measuring hospital commercial payment and operating cost levels, impacts of commercial and governmental payments to hospitals, and market share concentrations is complicated and often controversial. Therefore, the descriptions in this appendix are crucial to the effective use of this hospital comparison. Milliman's comparison of Milwaukee hospital commercial payment and operating cost levels, cost shift burdens and market concentrations should only be considered in its entirety and only with this appendix attached.

I. OVERVIEW

The Greater Milwaukee Business Foundation on Health (the Foundation) commissioned Milliman to provide updated comparisons of five market factors previously identified by Milliman as contributing to higher 2003 commercial hospital inpatient payment levels in the Milwaukee area (Milwaukee, Ozaukee, Washington and Waukesha counties) compared to other Midwest cities. This report provides comparisons of 2003 baseline measures for Southeastern Wisconsin (Milwaukee, Kenosha, Racine, Ozaukee, Washington, Walworth and Waukesha counties) commercial hospital payment levels and three of the five factors (hospital operating cost levels, cost shift burdens, and geographic commercial market concentration) to market and individual health system measures in 2004, 2005, 2006 and 2007.

The Foundation's goals for these comparisons are to:

- > Provide overall market average and individual health system hospital commercial payment level, operating cost and cost shift comparisons,
- > Provide measures of the geographic concentration of health systems operating in Southeastern Wisconsin, and
- > Measure changes in each factor from 2003 to 2007.

Hospital commercial payment comparisons are based on a hospital's total inpatient and outpatient commercial net revenues (allowed amounts) as reported in hospital financial statements, measured on a per-unit basis. Milliman adjusted each hospital's per-unit commercial payments for differences in commercial inpatient case mix and severity, relative percentages of commercial inpatient and outpatient business, and mix of commercial outpatient services among all hospitals.

Hospital operating cost comparisons are based on a hospital's underlying total expenses incurred in providing services to all patients as reported in hospital financial statements, measured on a per-unit basis. Milliman adjusted each hospital's per-unit expenses for differences in inpatient case mix and severity, relative percentages of inpatient and outpatient business, and mix of outpatient services among all hospitals.

Comparisons of "cost shift burdens" are based on the impact to commercial payers resulting from government payment shortfalls to Milwaukee area hospitals. "Cost shift burden" is defined as the increase in commercial insurance payment levels for hospitals necessary to offset the impact of government payments that do not fully cover operating costs and profit.

Market share concentration measurements are based on health system commercial inpatient discharge market shares of residents in each of the 130 zip codes in Milwaukee, Kenosha, Racine, Ozaukee, Washington, Walworth and Waukesha counties. Results of the analyses of individual zip code market shares are weighted for differences in commercial discharges among all zip codes when providing overall market comparisons among years.

II. DEFINITION OF SOUTHEASTERN WISCONSIN HEALTH SYSTEMS

Milliman’s analyses of hospital operating costs and cost shift burdens include all adult, general acute care hospitals with 25 or more licensed beds located in Milwaukee, Kenosha, Racine, Ozaukee, Washington, Walworth and Waukesha counties.

Milliman’s analysis of Southeastern Wisconsin health system geographic market share concentration includes all adult, general, acute care hospitals with commercial market shares of at least 10% in any zip codes located in Milwaukee, Kenosha, Racine, Ozaukee, Washington, Walworth and Waukesha counties.

Children’s Hospital and Health System and Columbia Center (Columbia Health System) are not included in the analyses or in Southeastern Wisconsin averages because of their unique demographic and service characteristics. Mercy Health System is not included in the operating cost and cost shift analyses because of the unique configuration of its Lake Geneva Hospital (six beds), its only hospital located within the study area. Discharges from Mercy Health System’s Lake Geneva and Janesville hospitals are included in our analysis of geographic concentration of health systems.

Sub-acute care and non-medical / surgical specialty hospitals (e.g., behavioral health, rehabilitation, and long-term acute care) are also not included in the analysis.

Southeastern Wisconsin Comparisons Included Hospitals and Health Systems	
Health System	Included Hospitals
Aurora Health Care (Aurora)	Aurora Medical Center – Kenosha Aurora Medical Center of Washington County (Hartford) Aurora Sinai Medical Center Aurora St. Luke’s Medical Center (Oklahoma Campus) Aurora St. Luke’s Medical Center (South Shore Campus) Aurora West Allis Memorial Medical Center
Columbia St. Mary’s (CSM)	Columbia St. Mary’s Hospital - Columbia Campus Orthopedic Hospital of Wisconsin Columbia St. Mary’s Hospital – Milwaukee Campus Columbia St. Mary’s Hospital - Ozaukee
Froedtert & Community Health (F&CH)	Community Memorial Hospital Froedtert Hospital
SynergyHealth (Synergy)	St. Joseph’s Hospital (West Bend)
United Hospital System (United)	Kenosha Medical Center Campus St. Catherine’s Medical Center Campus

Southeastern Wisconsin Comparisons Included Hospitals and Health Systems	
ProHealth Care (ProHealth)	Oconomowoc Memorial Hospital Waukesha Memorial Hospital
Wheaton Franciscan Healthcare (Wheaton)	Wheaton Franciscan Healthcare - All Saints Wheaton Franciscan Healthcare - Elmbrook Memorial Wheaton Franciscan Healthcare - St. Francis Wheaton Franciscan Healthcare - St. Joseph St. Michael Hospital (closed in 2006) Wheaton Franciscan Healthcare - Wisconsin Heart Hospital

III. DATA SOURCES AND TIME PERIOD

Milliman used hospital inpatient claims data and information included in the Wisconsin Hospital Fiscal Survey as reported by each hospital obtained from the Wisconsin Hospital Association (WHA) Information Center as the basis for each analysis.

The hospital commercial payment, operating cost and cost shift burden comparisons are based on inpatient claims and financial report data from each health system's fiscal year as reported to WHA. Southeastern Wisconsin health systems have different fiscal years ending from June 30 through December 31 of each year. Milliman does not believe the differences in health system fiscal years are likely to have a material impact on our comparisons. Individual hospital system information included in the comparisons was developed from summaries of the respective individual hospital Fiscal Survey reports. These summaries may differ from other publicly available financial information from each hospital system due to exclusion of non-hospital subsidiaries or accounting treatment of intercompany revenues and expenses. Hospital service and payer mix, reimbursement levels (i.e., discounts), operating costs and profit levels may change over time. The results of this comparison may be different if the analysis was performed on more recent data.

Fiscal year 2006 operating expenses reported for St. Michael Hospital were adjusted to remove estimated additional depreciation costs resulting from Wheaton's decision to close the hospital in late 2006. This adjustment was made to improve comparability of Wheaton operating cost and cost shift burden estimates to other area health systems. These adjustments may not include all one-time operating costs related to closure of the facility.

The measures of geographic market share concentration among health systems are based on commercial inpatient discharge data for residents of Milwaukee, Kenosha, Racine, Ozaukee, Washington, Walworth and Waukesha counties admitted to Included Hospitals or Mercy Health Services' Lake Geneva or Janesville hospitals from January 1 through December 31 of each measurement year. Newborn infants and their mothers were counted as single discharges for the purpose of this analysis.

Milliman excluded inpatient psychiatric, rehabilitation, and transfer patients from each hospital's data. Estimated commercial payments and costs of the excluded patients were removed from each hospital's total commercial payments or expenses based on each hospital's overall ratio of commercial payments or operating costs to charges.

IV. HOSPITAL SERVICES FORM THE BASIS OF COMPARISON

The hospital commercial payment, operating cost, cost shift, and market share comparisons are based solely on hospital services, payments, costs, and profits. The comparisons do not include commercial payments, operating costs, cost shift burdens, or market shares related to other types of health care services such as physicians, home health agencies, pharmacies, and other providers that are not included in each health system's hospital financial statements as reported to WHA.

The reader of this report should consider all elements of health care costs before drawing conclusions from this report.

V. QUALITY COMPARISONS

Milliman's analysis did not include any comparisons of quality or outcomes information because such data was outside the scope of the comparisons. Quality information is a critical component of provider evaluation and should be considered when evaluating hospital performance.

VI. METHODOLOGY AND ASSUMPTIONS

HOSPITAL COMMERCIAL PAYMENT COMPARISONS

Per-unit hospital commercial payment levels were calculated for each health system by dividing total hospital commercial payments (billed commercial charges less corresponding contractual allowances) by each health system's total adjusted equivalent discharges. Adjusted equivalent discharges are a standardized unit for measuring each hospital's combined inpatient and outpatient activity adjusting for differences in inpatient case-mix and severity, outpatient service mix, and relative mix of inpatient and outpatient business mix among hospitals.

Milliman compared changes in Southeastern Wisconsin average hospital commercial payment levels to estimated changes in national average commercial hospital payments using the United States Bureau of Labor Statistics Hospital Services component of the All Urban Consumer Price Index for each year.

HOSPITAL OPERATING COST COMPARISONS

Per-unit hospital operating cost levels were calculated for each health system by dividing total hospital operating costs (net of other operating revenues) by each health system's total adjusted equivalent discharges. Adjusted equivalent discharges are a standardized unit for measuring each hospital's combined inpatient and outpatient activity adjusting for differences in inpatient case-mix and severity, outpatient service mix, and relative mix of inpatient and outpatient business mix among hospitals.

Milliman compared changes in Southeastern Wisconsin average hospital operating cost levels to estimated changes in national average hospital costs using the Centers for Medicare and Medicaid Services' Hospital Market Basket Index and the United States Bureau of Labor Statistics Hospital Producer Price Index for each year.

COST SHIFT BURDEN ESTIMATES

Southeastern Wisconsin hospital cost shift burdens are calculated for Medicare, Wisconsin Medicaid, and Milwaukee County General Assistance (GAMP) patient activity at each hospital.

Cost shift burdens related to patients covered by other governmental payers such as CHAMPUS or non-Wisconsin Medicaid and patients receiving charity care are not reported separately in the comparisons due to the relatively immaterial impact of these patients on overall cost shift burden levels.

Payment shortfalls related to “bad debts” as determined by each hospital are included in the operating expenses of each hospital system.

Medicare, Medicaid and GAMP Cost Shift Burden Estimates by payer were developed using Wisconsin Hospital Fiscal Survey data for each hospital summarized to provide the information presented in the market and hospital system comparisons. The payer specific cost shift burdens for each health system were estimated by comparing total reimbursement from each government payer to the sum of the net operating cost and hospital profit for each payer on a combined basis for all system hospitals. Hospital net operating costs and profits were allocated among payers based on each payer’s proportion of gross patient revenues (billed charges). Total hospital operating expenses were reduced by non-payer sources of revenue (other operating revenue) and adjusted for non-operating gains or losses to calculate the net operating costs used to develop the cost shift burden estimates for each health system.

GEOGRAPHIC MARKET CONCENTRATION COMPARISONS

The analysis of health system geographic market concentration was based on health system market share calculations using commercial discharge data from residents of each zip code in Milwaukee, Kenosha, Racine, Ozaukee, Washington, Walworth and Waukesha counties (130 total zip codes) to Included Hospitals or Mercy Health Services hospitals in Lake Geneva or Janesville, Wisconsin. The analysis was limited to commercial data in order to better illustrate market characteristics and changes impacting commercial insurance and self funded health plans.

Milliman measured changes in the overall geographic market concentration of health systems in the Southeastern Wisconsin by comparing measures of “predominant” health system market shares across all zip codes included in the study. The predominant health system was defined as the health system with the highest commercial inpatient discharge market share within each zip code. Overall measures of Southeastern Wisconsin geographic market concentration were developed by summarizing total commercial inpatient hospital discharge volumes from each zip code based on the “predominant” health system market share within the zip code.

“Predominant” health system market share measures for each zip code are included in Attachment 1 of this appendix.

VII. USES OF INFORMATION

Milliman encourages the business, provider, and government communities to use this information to collaborate on quality and cost improvement initiatives. We did not create this information for, and we ask that it not be used in, hospital-specific public relations efforts or for general media purposes. We also ask that this information be reviewed and used in its entirety. Market comparisons using only one measure or even a limited number of measures can be misleading. An informed comparison of health care market characteristics should also incorporate other information, particularly additional quality measures, not included in this report. This information is designed for use by the business community and health care providers, not individual consumers of health care services.

VIII. CAVEATS AND LIMITATIONS ON USE

Milliman relied, without audit, on public data sources. To the extent this information is not accurate; the results of Milliman's analyses may not be accurate.

This report is designed to measure changes in certain market factors affecting hospital commercial payment levels. This information may not be appropriate, and should not be used, for other purposes.

"Predominant" health system commercial market share measures are subject to random variation from year to year, which is most likely to have the greatest effect in zip codes with the lowest numbers of commercial discharges.

This report is intended for use by the Greater Milwaukee Business Foundation on Health. We do not intend this information to benefit any third party.

The terms of Milliman's Consulting Services Agreement with the Greater Milwaukee Business Foundation on Health signed on September 4, 2003 apply to this report and its use.

IX. FOR FURTHER INFORMATION

Please contact Keith Kieffer, CPA, RPh, in the Milwaukee office of Milliman (Phone: (262) 784-2250, email: keith.kieffer@milliman.com) with questions and comments about the comparisons in this report.

Attachment 1

Southeastern Wisconsin “Predominant” Health System Market Share by Zip Code

Attachment 1

Predominant Health System Key	
A - Aurora	P - ProHealth
C - CSM	S- Synergy
F - F&CH	U - United
M - Mercy	W - Wheaton

Southeastern Wisconsin Predominant Health System Commercial Market Share by ZIP Code

ZIP Code			Predominant Health System Market Share					Predominant Health System					Commercial Discharges				
<i>City</i>	<i>County</i>	<i>Zip</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
Kenosha	Kenosha	53141	50.0%	50.0%	60.0%	33.3%	91.7%	W	U	U	A	U	14	16	5	6	12
Dousman	Waukesha	53118	77.7%	78.3%	77.9%	78.0%	85.3%	P	P	P	P	P	341	350	357	409	353
Port Washington	Ozaukee	53074	86.1%	82.8%	85.4%	82.2%	85.0%	C	C	C	C	C	617	583	616	628	555
Williams Bay	Walworth	53191	84.1%	76.6%	83.3%	76.3%	84.6%	A	A	A	A	A	107	107	108	114	104
Belgium	Ozaukee	53004	83.0%	76.4%	63.8%	85.2%	84.4%	C	C	C	C	C	153	161	160	149	179
Lake Geneva	Walworth	53147	78.6%	83.0%	83.4%	81.1%	82.5%	A	A	A	A	A	635	610	609	635	504
Genoa City	Kenosha	53128	83.5%	88.6%	83.7%	76.9%	82.3%	A	A	A	A	A	212	166	202	186	192
Waukesha	Waukesha	53188	75.6%	74.7%	75.4%	78.0%	81.9%	P	P	P	P	P	1,928	1,910	2,034	2,022	2,131
Oconomowoc	Waukesha	53066	78.7%	80.5%	79.3%	78.4%	80.1%	P	P	P	P	P	1,579	1,686	1,832	1,885	1,860
Racine	Racine	53404	85.5%	85.7%	88.0%	86.2%	79.6%	W	W	W	W	W	718	673	702	759	505
Wales	Waukesha	53183	77.9%	70.2%	79.2%	73.2%	78.7%	P	P	P	P	P	172	151	120	153	155
Grafton	Ozaukee	53024	80.5%	79.2%	77.8%	78.8%	77.1%	C	C	C	C	C	844	725	747	788	748
Racine	Racine	53403	82.5%	82.0%	81.3%	80.6%	76.4%	W	W	W	W	W	1,312	1,199	1,339	1,441	1,121
Fontana	Walworth	53125	77.6%	65.7%	79.0%	70.4%	76.0%	A	A	A	A	A	76	70	62	71	50
North Prairie	Waukesha	53153	75.2%	82.5%	75.9%	76.3%	75.2%	P	P	P	P	P	121	126	116	118	129
Nashotah	Waukesha	53058	64.7%	65.5%	74.0%	75.2%	74.7%	P	P	P	P	P	190	171	204	161	194
Racine	Racine	53405	81.2%	83.0%	81.7%	78.8%	74.7%	W	W	W	W	W	1,496	1,362	1,428	1,465	1,259
Eagle	Waukesha	53119	69.9%	73.9%	73.8%	73.1%	74.1%	P	P	P	P	P	312	299	317	305	266
Thiensville	Ozaukee	53092	70.2%	68.2%	68.2%	70.9%	73.9%	C	C	C	C	C	953	964	899	864	874
Waukesha	Waukesha	53186	67.9%	68.5%	71.0%	73.3%	73.4%	P	P	P	P	P	1,951	1,810	1,923	1,993	1,989
Sharon	Walworth	53585	61.9%	65.0%	77.3%	55.3%	72.9%	A	A	A	A	A	63	60	66	85	70
Mukwonago	Waukesha	53149	67.2%	66.3%	70.4%	69.8%	72.8%	P	P	P	P	P	966	921	1,030	1,034	1,003
Cedarburg	Ozaukee	53012	75.6%	72.8%	71.2%	74.0%	72.7%	C	C	C	C	C	817	830	826	723	750
Saukville	Ozaukee	53080	78.8%	75.9%	80.1%	74.1%	72.6%	C	C	C	C	C	312	303	272	259	307
Burlinton	Racine	53105	74.8%	73.5%	68.5%	72.1%	72.4%	A	A	A	A	A	1,334	1,364	1,299	1,268	1,196
Racine	Racine	53406	79.8%	78.4%	78.7%	75.2%	72.2%	W	W	W	W	W	1,241	1,155	1,312	1,348	1,279
Walworth	Walworth	53184	70.6%	76.0%	84.8%	74.7%	72.1%	A	A	A	A	A	180	150	132	158	172
Waukesha	Waukesha	53189	67.1%	69.0%	68.0%	72.4%	71.6%	P	P	P	P	P	1,254	1,345	1,392	1,466	1,438
Elkhorn	Walworth	53121	74.5%	74.4%	74.8%	73.9%	71.1%	A	A	A	A	A	933	831	873	935	855
Racine	Racine	53402	78.3%	78.2%	78.1%	77.2%	71.0%	W	W	W	W	W	1,826	1,771	1,734	1,915	1,594
Milwaukee	Milwaukee	53217	66.6%	64.5%	66.2%	63.5%	70.1%	C	C	C	C	C	1,559	1,303	1,216	1,243	1,312
Pell Lake	Walworth	53157	84.4%	86.8%	87.7%	85.5%	69.8%	A	A	A	A	A	45	38	57	69	43
Menomonee Falls	Waukesha	53051	68.4%	66.6%	66.2%	65.4%	69.7%	F	F	F	F	F	2,142	1,897	1,634	1,752	1,912
Delafield	Waukesha	53018	69.2%	67.6%	71.8%	66.9%	69.5%	P	P	P	P	P	289	355	344	344	344
Hartland	Waukesha	53029	60.4%	62.8%	67.1%	62.9%	68.5%	P	P	P	P	P	962	929	996	1,010	947

Greater Milwaukee Business Foundation on Health
Key Factors Influencing 2003 - 2007
Southeastern Wisconsin Commercial
Payer Hospital Payment Levels

Appendix

Attachment 1

Predominant Health System Key	
A - Aurora	P - ProHealth
C - CSM	S- Synergy
F - F&CH	U - United
M - Mercy	W - Wheaton

Southeastern Wisconsin Predominant Health System Commercial Market Share by ZIP Code

ZIP Code			Predominant Health System Market Share					Predominant Health System					Commercial Discharges				
<i>City</i>	<i>County</i>	<i>Zip</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
Delavan	Walworth	53115	72.4%	71.5%	69.1%	70.9%	68.4%	A	A	A	A	A	671	688	674	647	589
Darien	Walworth	53114	61.2%	65.3%	71.3%	73.2%	68.1%	A	A	A	A	A	98	98	87	112	94
Lannon	Waukesha	53046	69.2%	76.7%	77.8%	73.8%	67.9%	F	F	F	F	F	13	43	45	65	56
Hubertus	Washington	53033	68.7%	62.0%	66.4%	63.2%	67.8%	F	F	F	F	F	284	271	277	242	292
Fredonia	Ozaukee	53021	69.2%	66.5%	77.9%	67.0%	67.5%	C	C	C	C	C	247	233	249	276	228
Milwaukee	Milwaukee	53221	49.7%	48.5%	53.6%	58.9%	66.3%	A	A	A	A	A	1,994	1,900	1,810	1,646	1,710
Germantown	Washington	53022	63.1%	61.7%	63.5%	65.1%	65.9%	F	F	F	F	F	1,097	1,021	995	1,002	1,035
Milwaukee	Milwaukee	53211	70.8%	66.3%	70.4%	65.2%	65.3%	C	C	C	C	C	1,276	1,150	1,043	1,091	1,081
Colgate	Washington	53017	60.2%	61.8%	59.5%	64.1%	65.0%	F	F	F	F	F	266	259	252	256	246
Mequon	Ozaukee	53097	68.6%	68.9%	70.3%	67.3%	65.0%	C	C	C	C	C	188	196	222	211	254
Richfield	Washington	53076	65.3%	55.1%	67.8%	63.6%	64.7%	F	F	F	F	F	173	156	227	173	153
Big Bend	Waukesha	53103	59.5%	61.8%	59.9%	59.7%	64.5%	P	P	P	P	P	190	186	222	201	166
Twin Lakes	Kenosha	53181	73.6%	67.8%	74.0%	72.3%	64.2%	A	A	A	A	A	254	227	246	238	232
Franklin	Milwaukee	53132	54.3%	50.7%	53.4%	62.8%	64.2%	A	A	A	A	A	1,573	1,549	1,608	1,576	1,635
Oak Creek	Milwaukee	53154	48.6%	46.9%	52.5%	61.9%	64.0%	A	A	A	A	A	1,803	1,807	1,694	1,835	1,726
Cudahy	Milwaukee	53110	46.7%	46.7%	54.2%	61.4%	63.5%	A	A	A	A	A	1,018	1,047	841	894	873
Sturtevant	Kenosha	53177	80.2%	70.3%	70.7%	72.3%	63.0%	W	W	W	W	W	354	323	362	390	376
Milwaukee	Milwaukee	53220	50.2%	48.6%	55.3%	66.2%	63.0%	A	A	A	A	A	1,422	1,464	1,314	1,306	1,225
Greendale	Milwaukee	53129	46.5%	52.4%	56.0%	64.1%	62.3%	A	A	A	A	A	709	695	632	557	555
South Milwaukee	Milwaukee	53172	49.3%	52.2%	53.9%	62.6%	62.1%	A	A	A	A	A	1,139	1,050	1,013	1,008	992
Silver Lake	Kenosha	53170	68.6%	56.1%	58.4%	53.3%	61.6%	A	A	A	A	A	86	123	113	107	86
Milwaukee	Milwaukee	53219	46.1%	48.4%	52.7%	58.9%	61.5%	A	A	A	A	A	1,867	1,857	1,736	1,662	1,702
Milwaukee	Milwaukee	53212	43.8%	48.3%	58.9%	68.0%	61.3%	C	C	C	C	C	1,243	983	964	1,062	846
Hales Corners	Milwaukee	53130	48.1%	43.1%	50.0%	56.8%	60.8%	A	A	A	A	A	372	364	368	347	383
Union Grove	Racine	53182	61.5%	56.5%	59.3%	61.7%	60.5%	W	W	W	W	W	452	421	509	426	413
Milwaukee	Milwaukee	53201	40.0%	30.0%	43.5%	40.0%	60.0%	C	C	C	F	W	35	10	23	10	10
Pewaukee	Waukesha	53072	52.6%	52.6%	53.9%	58.4%	59.2%	P	P	P	P	P	1,231	1,252	1,191	1,167	1,163
Kenosha	Kenosha	53140	49.1%	48.0%	50.3%	50.8%	57.9%	U	U	U	U	U	1,243	1,322	1,391	1,302	1,270
Milwaukee	Milwaukee	53202	60.4%	56.7%	65.8%	62.1%	57.8%	C	C	C	C	C	732	644	626	552	555
Kenosha	Kenosha	53143	51.3%	47.7%	48.6%	49.7%	57.3%	U	U	U	U	U	1,206	1,057	1,146	1,084	1,186
East Troy	Walworth	53120	48.8%	53.5%	54.6%	54.4%	56.8%	P	P	P	P	P	545	482	489	507	449
Milwaukee	Milwaukee	53228	50.4%	47.5%	56.8%	55.0%	56.7%	A	A	A	A	A	738	755	660	722	675
Milwaukee	Milwaukee	53227	46.4%	47.5%	47.8%	57.1%	56.6%	A	A	A	A	A	1,175	1,216	1,100	1,148	1,079
Milwaukee	Milwaukee	53235	45.6%	44.3%	52.0%	53.9%	55.3%	A	A	A	A	A	432	411	408	414	450
Kenosha	Kenosha	53142	48.6%	51.0%	49.7%	48.1%	54.3%	U	U	U	U	U	1,440	1,605	1,499	1,540	1,518

Greater Milwaukee Business Foundation on Health
Key Factors Influencing 2003 - 2007
Southeastern Wisconsin Commercial
Payer Hospital Payment Levels

Appendix

February 20, 2009

Attachment 1

Predominant Health System Key	
A - Aurora	P - ProHealth
C - CSM	S- Synergy
F - F&CH	U - United
M - Mercy	W - Wheaton

Southeastern Wisconsin Predominant Health System Commercial Market Share by ZIP Code

ZIP Code			Predominant Health System Market Share					Predominant Health System					Commercial Discharges				
<i>City</i>	<i>County</i>	<i>Zip</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
Pleasant Prairie	Kenosha	53158	47.9%	52.5%	47.9%	45.9%	54.1%	U	U	U	U	U	585	687	633	699	673
Trevor	Kenosha	53179	66.1%	61.7%	52.5%	49.4%	52.0%	A	A	A	A	A	177	193	181	235	204
Whitewater	Walworth	53190	52.4%	51.6%	53.9%	43.4%	51.4%	M	M	M	M	M	164	186	206	198	222
Milwaukee	Milwaukee	53233	35.1%	36.1%	43.4%	41.4%	51.2%	W	A	A	A	A	279	263	212	181	162
Milwaukee	Milwaukee	53214	38.4%	37.6%	41.1%	47.1%	51.0%	A	A	A	A	A	1,894	1,851	1,653	1,653	1,737
West Bend	Washington	53095	49.9%	48.3%	46.9%	46.1%	50.0%	S	S	S	S	S	1,424	1,359	1,334	1,348	1,291
Kewaskum	Washington	53040	61.2%	59.0%	52.1%	51.0%	50.0%	S	S	S	S	S	330	351	386	437	368
Salem	Kenosha	53168	54.6%	57.3%	55.9%	48.4%	50.0%	A	A	A	A	A	416	389	374	384	328
Kenosha	Kenosha	53144	43.8%	44.1%	48.2%	44.1%	49.9%	U	U	U	U	U	1,094	1,198	1,223	1,169	1,138
Milwaukee	Milwaukee	53209	45.5%	41.4%	43.6%	48.1%	49.5%	W	W	C	C	C	2,464	2,162	1,809	1,660	1,574
Milwaukee	Milwaukee	53207	41.6%	40.1%	45.2%	48.7%	49.2%	A	A	A	A	A	2,018	1,908	1,681	1,810	1,786
Milwaukee	Milwaukee	53215	40.0%	36.3%	44.0%	44.4%	48.8%	W	A	A	A	A	2,582	2,265	1,902	1,904	1,857
Waterford	Racine	53185	46.8%	46.1%	38.2%	48.2%	48.8%	A	A	A	A	A	961	944	972	901	834
Hartford	Washington	53027	42.0%	43.1%	44.5%	43.9%	47.4%	A	A	A	A	A	1,209	1,240	1,295	1,190	1,154
West Bend	Washington	53090	50.9%	51.6%	45.3%	47.7%	47.2%	S	S	S	S	S	271	1,054	1,101	1,064	1,099
Milwaukee	Milwaukee	53206	50.1%	47.6%	44.9%	47.2%	45.4%	W	W	C	C	C	1,213	1,125	732	741	628
Butler	Waukesha	53007	46.0%	48.0%	47.4%	51.5%	45.2%	F	F	F	F	F	113	100	78	97	93
Sussex	Waukesha	53089	45.6%	48.8%	43.5%	44.6%	44.7%	F	F	F	F	F	928	1,029	942	960	917
Franksville	Racine	53126	60.4%	62.0%	60.0%	48.0%	44.5%	W	W	W	W	W	278	295	315	271	301
Allenton	Washington	53002	45.5%	44.7%	43.7%	44.3%	43.8%	S	S	S	S	S	145	123	119	115	130
Kansasville	Racine	53139	45.8%	46.8%	46.3%	44.8%	43.4%	A	W	W	A	A	168	141	136	143	136
Bristol	Kenosha	53104	47.4%	49.6%	42.7%	40.3%	43.4%	A	A	A	A	U	209	232	178	196	196
Caledonia	Racine	53108	65.8%	50.0%	48.6%	51.4%	43.2%	W	W	W	A	W	187	182	212	177	169
Brookfield	Waukesha	53045	53.1%	52.9%	49.7%	43.1%	41.5%	W	W	W	W	W	966	953	860	880	866
Milwaukee	Milwaukee	53223	36.0%	35.0%	38.4%	45.5%	40.9%	W	W	C	C	C	1,493	1,303	1,242	1,274	1,178
Brookfield	Waukesha	53005	49.3%	50.1%	49.8%	42.9%	40.8%	W	W	W	W	W	900	897	891	884	870
Muskego	Waukesha	53150	36.0%	34.8%	34.2%	38.4%	39.9%	A	P	P	A	A	1,168	1,185	1,238	1,300	1,271
Elm Grove	Waukesha	53122	43.4%	49.5%	43.0%	44.3%	39.7%	W	W	W	W	W	249	295	263	212	199
New Berlin	Waukesha	53151	36.1%	32.9%	32.6%	37.5%	39.6%	A	A	A	A	A	1,624	1,533	1,581	1,489	1,522
Jackson	Washington	53037	35.8%	32.7%	32.2%	32.2%	39.4%	F	F	F	F	F	481	532	444	572	546
Milwaukee	Milwaukee	53205	39.3%	31.2%	35.8%	38.2%	39.2%	W	W	C	C	A	354	343	243	233	222
Milwaukee	Milwaukee	53204	39.9%	38.1%	33.0%	36.5%	37.8%	W	W	A	C	A	1,273	1,198	912	899	756
Milwaukee	Milwaukee	53224	36.0%	37.6%	30.6%	33.1%	37.4%	W	W	F	F	F	1,050	981	829	801	847
Milwaukee	Milwaukee	53210	56.6%	50.4%	41.0%	37.6%	35.9%	W	W	W	W	W	1,432	1,281	902	971	853
Milwaukee	Milwaukee	53222	51.5%	45.0%	44.5%	37.2%	35.2%	W	W	W	W	W	1,469	1,361	1,206	1,320	1,263

Greater Milwaukee Business Foundation on Health
Key Factors Influencing 2003 - 2007
Southeastern Wisconsin Commercial
Payer Hospital Payment Levels

Appendix

February 20, 2009

Attachment 1

Predominant Health System Key	
A - Aurora	P - ProHealth
C - CSM	S- Synergy
F - F&CH	U - United
M - Mercy	W - Wheaton

Southeastern Wisconsin Predominant Health System Commercial Market Share by ZIP Code

ZIP Code			Predominant Health System Market Share					Predominant Health System					Commercial Discharges				
<i>City</i>	<i>County</i>	<i>Zip</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
Slinger	Washington	53086	37.7%	40.1%	37.4%	40.3%	35.2%	A	A	A	A	A	374	374	377	467	438
New Berlin	Waukesha	53146	31.8%	31.1%	37.4%	33.4%	34.7%	P	P	P	P	P	390	421	358	320	354
Milwaukee	Milwaukee	53226	43.2%	45.4%	39.3%	40.3%	34.5%	W	W	W	W	F	940	949	852	896	910
Milwaukee	Milwaukee	53216	51.8%	50.7%	44.5%	35.2%	34.0%	W	W	W	W	W	1,829	1,500	1,205	1,225	1,143
Milwaukee	Milwaukee	53218	50.8%	46.9%	38.9%	34.2%	34.0%	W	W	W	W	W	2,191	2,011	1,508	1,496	1,458
Milwaukee	Milwaukee	53213	38.9%	38.8%	39.6%	30.1%	32.2%	W	W	W	W	F	1,445	1,327	1,254	1,146	1,147
Milwaukee	Milwaukee	53225	43.3%	41.8%	35.2%	34.5%	32.2%	W	W	W	W	W	1,481	1,331	1,151	1,052	1,054
Milwaukee	Milwaukee	53208	43.0%	40.3%	27.8%	28.5%	28.8%	W	W	W	A	A	1,434	1,326	1,027	1,072	1,022
Total Commercial Discharges													96,872	93,634	89,016	89,579	86,621

Greater Milwaukee Business Foundation on Health
Key Factors Influencing 2003 - 2007
Southeastern Wisconsin Commercial
Payer Hospital Payment Levels

Appendix

February 20, 2009