

# Health Care Financing Trends

## Health care facilities participating in Medicare and Medicaid programs, 1987

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This article presents current and recent historical data on the number of providers and suppliers of services certified to participate in the Medicare and/or Medicaid programs. Presented in Table 1 is a historical perspective for the years 1981-87. Presented in Tables 2 and 3 are regional and State data on the number of certified health facilities at the beginning of 1987. Selected highlights are as follows:

- The number of Medicare certified hospitals classified as short stay peaked in 1982 and declined to 5,912 by the beginning of 1987. A factor that may have contributed to this decrease is the prospective payment system (PPS) that became effective on October 1, 1983. Certain short-stay

hospitals were categorically excluded from PPS and were reclassified and assigned nonshort-stay provider numbers for reimbursement purposes.

- Although the number of short-stay hospitals decreased, the number of certified beds continued to increase from 1981 to 1985 and has since declined to slightly more than 1 million. This number is still higher than 1981 levels.
- The number of skilled nursing facilities increased steadily to 7,148 in January 1987, a 39-percent increase since 1981. There were 444,326 skilled nursing facility beds certified for Medicare participation during this period.
- The number of home health agencies increased 98 percent, from 3,012 in January 1981 to 5,953 in January 1987. Most of the growth occurred between 1982 and 1986, with a 14.5-percent average annual rate of change. One of the primary factors for this increase was the Omnibus Reconciliation Act of 1980, which permitted the certification of proprietary home health agencies in States not having licensure laws. During the most recent

**Table 1**  
**Number of Medicare participating facilities and beds, by type of provider, all areas:**  
**January 1981-87**

Type of provider	1987	1986	1985	1984	1983	1982	1981	Percent change 1981-87
<b>Hospitals</b>								
Total	6,731	6,710	6,676	6,687	6,737	6,749	6,736	-0.1
Short-stay	5,912	5,991	6,029	6,048	6,063	6,077	6,069	-2.6
Psychiatric	542	501	448	430	416	414	411	31.9
Other long-stay	277	218	199	209	258	258	256	8.2
<b>Facilities</b>								
Skilled nursing facilities	7,148	6,725	6,183	5,760	5,510	5,295	5,155	38.7
Home health agencies	5,953	5,932	5,237	4,235	3,627	3,169	3,012	97.6
Independent laboratories	4,298	4,029	3,890	3,708	3,643	3,511	3,374	27.4
Outpatient physical therapy and/or speech pathology	966	871	827	702	631	554	459	110.5
Portable X-ray	361	329	281	266	257	234	225	60.4
End stage renal disease facilities	1,578	1,463	1,367	1,308	1,218	1,162	1,054	49.7
Rural health clinics	438	423	432	423	421	421	403	8.7
Comprehensive outpatient rehabilitation facilities <sup>1</sup>	119	86	61	43	N/A	N/A	( <sup>4</sup> )	( <sup>4</sup> )
Ambulatory surgical centers <sup>2</sup>	709	505	253	155	N/A	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Hospices <sup>3</sup>	355	233	159	76	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
<b>Beds</b>								
Total hospital beds	1,137,853	1,144,589	1,146,093	1,143,544	1,146,480	1,152,877	1,145,245	-0.6
Short-stay	1,010,774	1,024,078	1,027,666	1,021,086	1,017,978	1,005,475	989,954	2.1
Psychiatric	94,423	97,700	95,261	96,870	102,053	120,835	127,451	-25.9
Other long-stay	32,656	22,811	23,166	25,588	26,449	26,567	27,840	17.3
Skilled nursing facilities	444,326	N/A	N/A	N/A	N/A	N/A	N/A	( <sup>4</sup> )

<sup>1</sup> Effective July 1981.

<sup>2</sup> Effective September 1982.

<sup>3</sup> Effective November 1983.

<sup>4</sup> Data is zero quantity.

NOTES: Facilities certified under Medicare are deemed eligible for participation in Medicaid. N/A means not available.

SOURCE: Health Care Financing Administration, Bureau of Data Management and Strategy, and Office of Research and Demonstrations: Data from the Provider of Service File, July 1987.

**Table 2**  
**Medicare participating providers and suppliers of service, by HCFA administrative region and State: January 1987**

Region and State	Short-stay		Long-stay		Home health agencies	Independent laboratories	Outpatient physical therapy and/or speech pathology	Portable X-ray	End stage renal disease facilities	Rural health clinics	Comprehensive outpatient rehabilitation facilities	Ambulatory surgical centers	Hospices
	Hospitals	Beds	Hospitals	Beds									
All areas	5,912	1,010,774	819	127,079	5,953	4,298	966	361	1,578	438	119	709	355
Boston region	254	50,049	75	14,741	351	350	27	26	59	34	10	26	26
Connecticut	36	11,391	17	4,030	111	99	12	10	17	0	5	12	2
Maine	45	4,540	4	607	16	6	4	4	5	24	0	0	0
Massachusetts	114	25,414	43	8,035	151	183	8	8	26	0	2	7	15
New Hampshire	29	3,169	5	570	41	15	1	1	4	2	2	4	0
Rhode Island	14	3,470	5	1,350	12	45	1	3	6	3	1	3	4
Vermont	16	2,065	1	149	20	2	1	0	1	5	0	0	5
New York region	432	113,790	73	28,132	263	435	46	41	151	25	7	26	33
New Jersey	99	30,143	24	4,636	63	105	24	12	28	0	1	16	17
New York	274	73,109	47	23,013	158	255	21	29	106	25	6	5	15
Puerto Rico	57	10,038	2	483	41	75	1	0	15	0	0	5	1
Virgin Islands	2	500	0	0	1	0	0	0	2	0	0	0	0
Philadelphia region	475	101,754	104	17,235	633	460	149	29	204	55	20	44	35
Delaware	7	2,150	3	165	22	16	7	0	4	0	1	0	4
District of Columbia	11	4,546	4	1,082	10	12	0	0	17	0	0	1	1
Maryland	57	14,347	17	4,202	94	105	33	7	31	1	3	16	3
Pennsylvania	229	48,057	53	8,983	291	255	72	17	92	24	14	16	20
Virginia	105	22,384	25	2,697	161	41	36	3	47	0	2	6	4
West Virginia	66	10,270	2	106	55	31	1	2	13	30	0	5	2
Atlanta region	1,090	193,733	147	16,696	1,104	579	260	42	329	119	39	129	74
Alabama	128	20,415	12	1,151	121	76	6	3	31	5	4	18	6
Florida	223	53,969	45	3,479	185	198	121	20	96	13	17	37	27
Georgia	170	25,149	23	2,669	71	73	52	1	55	22	5	11	13
Kentucky	105	16,510	11	1,737	102	70	11	3	16	8	0	13	7
Mississippi	116	13,302	6	378	128	28	6	2	21	9	4	6	3
North Carolina	131	23,956	24	4,336	120	42	14	7	33	37	1	24	11
South Carolina	73	12,457	10	1,411	44	20	33	2	26	2	3	6	1
Tennessee	144	27,975	16	1,535	333	72	17	4	51	23	5	14	6
Chicago region	1,058	209,548	123	15,870	1,193	595	156	63	216	24	12	78	67
Illinois	237	55,789	21	2,708	268	179	38	15	70	1	7	20	11
Indiana	118	24,803	25	1,372	135	69	14	6	20	0	0	16	1
Michigan	195	36,005	12	1,489	181	145	29	8	42	0	0	12	18
Minnesota	174	20,726	9	2,154	196	27	23	4	18	3	2	8	8
Ohio	191	51,066	34	6,032	250	138	35	20	42	16	3	17	19
Wisconsin	143	21,159	22	2,115	163	37	17	10	24	4	0	5	10
Dallas region	890	118,981	111	11,533	988	486	121	34	231	22	8	105	37
Arkansas	94	11,207	11	895	156	43	17	4	21	0	2	9	4
Louisiana	152	23,185	23	3,314	165	76	26	8	54	0	1	22	10
New Mexico	49	4,921	10	610	46	26	13	1	15	22	0	2	4
Oklahoma	133	15,664	15	2,051	141	50	18	3	25	0	0	12	3
Texas	462	64,004	52	4,663	480	291	47	18	116	0	5	60	16

See footnote at end of table.

**Table 2—Continued**  
**Medicare participating providers and suppliers of service, by HCFA administrative region and State: January 1987**

Region and State	Short-stay		Long-stay		Home health agencies	Independent laboratories	Outpatient physical therapy and/or speech pathology	Portable X-ray	End stage renal disease facilities	Rural health clinics	Comprehensive outpatient rehabilitation facilities	Ambulatory surgical centers	Hospices
	Hospitals	Beds	Hospitals	Beds									
Kansas City region	525	62,927	45	5,987	533	178	62	19	71	12	4	27	17
Iowa	131	14,277	4	1,165	159	24	23	3	13	10	0	2	7
Kansas	145	13,121	10	1,827	132	40	15	2	10	2	0	8	3
Missouri	146	27,462	25	2,337	198	95	21	11	39	0	4	15	6
Nebraska	103	8,067	6	658	44	19	3	3	9	0	0	2	1
Denver region	335	29,183	32	4,238	263	117	31	6	40	43	2	32	19
Colorado	81	11,009	12	2,205	113	53	25	4	12	12	1	11	17
Montana	63	3,353	2	62	33	11	3	0	4	0	0	8	0
North Dakota	56	4,366	2	774	33	14	1	0	4	0	0	4	1
South Dakota	67	4,207	1	51	23	8	1	0	6	22	0	4	1
Utah	41	4,430	11	959	32	20	1	2	13	8	0	4	0
Wyoming	27	1,818	4	187	29	11	0	0	1	1	1	1	0
San Francisco region	605	103,556	80	8,217	463	950	80	87	240	61	10	203	28
American Samoa	1	120	0	0	0	0	0	0	1	0	0	0	0
Arizona	72	11,214	9	1,193	60	55	13	4	27	7	1	47	3
California	483	86,174	61	6,395	367	844	65	79	198	48	7	142	22
Guam	1	145	0	0	1	4	0	0	1	0	0	0	0
Hawaii	21	2,400	3	214	16	28	1	1	8	0	1	7	3
Nevada	27	3,503	7	415	19	19	1	3	4	6	1	7	0
Seattle region	248	27,253	29	4,430	162	19	34	14	37	43	7	39	19
Alaska	23	1,450	2	254	6	8	6	1	3	16	1	3	0
Idaho	47	2,943	8	333	31	16	7	1	6	7	1	6	6
Oregon	73	9,090	9	1,820	63	50	8	3	9	8	2	7	3
Washington	105	13,770	10	2,023	62	74	13	9	19	12	3	23	10

SOURCE: Health Care Financing Administration, Bureau of Data Management and Strategy, and Office of Research and Demonstrations: Data from the Provider of Service File, July 1987.

**Table 3**  
**Number of selected Medicare and/or Medicaid participating providers, by HCFA administrative region and State: January 1987**

Region and State	Skilled nursing facilities				Intermediate care facilities		Institutions for mentally retarded	
	Title XVIII and XVIII/XIX		Title XIX only		Title XIX		Title XIX	
	Number	Beds	Number	Beds	Number	Beds	Number	Beds
All areas	7,148	444,326	1,977	177,144	5,600	433,680	3,550	148,953
Boston region	428	29,414	213	14,113	486	28,403	307	7,906
Connecticut	177	19,073	20	936	33	2,159	96	1,419
Maine	17	435	1	38	126	7,720	42	834
Massachusetts	128	6,775	188	13,076	212	10,816	45	4,029
New Hampshire	22	465	0	0	50	4,723	15	377
Rhode Island	67	2,062	0	0	40	1,696	97	976
Vermont	17	604	4	63	25	1,289	12	271
New York region	737	91,054	94	11,210	57	7,202	707	20,918
New Jersey	170	14,413	92	11,057	16	1,636	11	3,881
New York	562	76,422	2	153	41	5,566	696	17,037
Puerto Rico	5	219	0	0	0	0	0	0
Virgin Islands	0	0	0	0	0	0	0	0
Philadelphia region	803	48,500	55	3,107	374	34,928	203	14,898
Delaware	25	1,749	3	179	8	434	9	474
District of Columbia	7	474	0	0	5	802	46	358
Maryland	117	11,112	0	0	84	7,286	9	2,256
Pennsylvania	529	29,721	52	2,928	113	10,716	117	8,392
Virginia	85	2,253	0	0	101	10,784	17	3,153
West Virginia	40	3,191	0	0	63	4,906	5	265
Atlanta region	1,147	62,267	399	38,021	455	37,711	210	17,181
Alabama	188	10,363	2	102	18	1,164	8	1,437
Florida	354	18,182	86	7,983	4	158	70	3,261
Georgia	108	6,365	181	18,498	37	2,526	11	2,240
Kentucky	96	3,737	0	0	123	9,543	9	1,203
Mississippi	7	333	130	11,438	19	1,137	11	1,572
North Carolina	186	9,841	0	0	52	3,626	44	3,183
South Carolina	106	8,456	0	0	28	1,740	50	2,767
Tennessee	102	4,990	0	0	174	17,817	7	1,518
Chicago region	1,675	99,124	517	54,444	1,333	93,682	1,222	35,776
Illinois	326	7,707	167	16,169	253	23,482	102	8,244
Indiana	204	10,216	9	485	308	22,242	270	3,967
Michigan	302	23,603	7	650	126	9,055	249	3,992
Minnesota	235	12,067	95	9,574	114	6,906	355	7,779
Ohio	458	40,159	0	0	484	29,603	221	7,935
Wisconsin	150	5,372	239	27,566	48	2,394	25	3,859
Dallas region	369	14,817	121	11,838	1,521	138,419	442	25,814
Arkansas	48	1,605	111	11,350	88	6,210	9	1,484
Louisiana	57	4,196	0	0	45	3,632	181	6,023
New Mexico	18	417	0	0	45	3,632	18	712
Oklahoma	20	393	2	106	358	28,417	20	3,206
Texas	226	8,206	8	382	779	71,368	214	14,389
Kansas City region	280	8,285	139	10,782	1,027	73,426	71	6,207
Iowa	41	986	2	47	412	30,412	20	1,339
Kansas	47	1,093	27	1,204	313	20,673	21	2,171
Missouri	164	5,084	91	8,228	126	9,697	26	1,842
Nebraska	28	1,122	19	1,303	176	12,644	4	855
Denver region	301	9,922	145	9,908	150	8,179	103	4,618
Colorado	98	2,826	65	4,547	28	1,375	11	1,302
Montana	75	2,371	12	558	11	756	3	316
North Dakota	59	3,467	0	0	23	1,450	58	887
South Dakota	11	243	57	3,949	45	2,441	19	794
Utah	47	793	0	0	35	1,694	12	1,319
Wyoming	11	222	11	854	8	463	0	0

See footnotes at end of table.

**Table 3—Continued**

**Number of selected Medicare and/or Medicaid participating providers, by HCFA administrative region and State: January 1987**

Region and State	Skilled nursing facilities				Intermediate care facilities		Institutions for mentally retarded	
	Title XVIII and XVIII/XIX		Title XIX only		Title XIX		Title XIX	
	Number	Beds	Number	Beds	Number	Beds	Number	Beds
San Francisco region	1,145	74,586	162	12,221	53	3,619	213	10,029
American Samoa	0	0	0	0	0	0	0	0
Arizona	70	1,516	0	0	0	0	0	0
California	1,022	69,025	161	12,221	40	2,634	203	9,458
Guam	1	36	0	0	0	0	0	0
Hawaii	26	1,756	1	0	9	780	7	378
Nevada	26	2,253	0	0	4	205	3	193
Seattle region	263	6,357	132	11,500	144	8,111	72	5,606
Alaska	7	184	3	90	3	41	6	104
Idaho	63	2,575	0	0	1	45	17	536
Oregon	66	1,342	3	93	111	6,912	10	2,131
Washington	127	2,256	126	11,317	29	1,113	39	2,835

NOTE: Title XVIII is Health Insurance for the Aged and Disabled under the Social Security Act. Title XIX is Grants to States for Medical Assistance Programs under the Social Security Act.

SOURCE: Health Care Financing Administration, Bureau of Data Management and Strategy, and Office of Research and Demonstrations: Data from the Provider of Service File, July 1987.

period of change, 1986-87, there was a net increase of 0.4 percent.

- In recent years, the trend has been to treat patients in a non-inpatient hospital setting to reduce health care costs. In addition to the increases noted for skilled nursing facilities and home health agencies,

it is significant to note the increase in ambulatory surgical centers, comprehensive outpatient rehabilitation facilities, and hospices.

- Data are also shown in Table 1 for other Medicare certified providers.