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Despite financial success for some hospitals, recession concerns loom

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With improving investment portfolios, cost control and delayed expansion, the hospital industry is looking stronger than it has since the start of the recession. Case in point, 22 Minneapolis-St. Paul hospitals were able to use effective cost-control efforts to raise their net income to \$327 million for the first three quarters of 2009, up from a loss of \$42 million for the same period the year before, reports the *Star Tribune*.

"It has been a huge turnaround for us," said Pam Lindemoen, chief operating officer at North Memorial Health Care in Robbinsdale, Minn.

Despite the success of those hospitals though, experts are concerned that the full effect of the recession has not yet hit the market, according to *American Medical News*.

"Investment income has come back, but we have so many patients who are uninsured or covered through government programs," said Bruce Rueben, president of the Florida Hospital Association. "We're using investment income to subsidize operations."

Still, length of stays have decreased, which means more beds for other patients and more money to be earned per patient, with more patients flowing through hospitals. And while money for construction and physical improvements has been delayed, the bond ratings of 20 nonprofit hospitals and health systems were upgraded in 2009 by Standard & Poor's. The rating agency has also said that healthcare is one of three sectors that most likely will see credit ratings go up in 2010.

Regardless, the American Hospital Association advises caution in the good news, pointing out that with high unemployment and state budget deficits, financial pressures will continue.

For more information:

- check out this *American Medical News* [article](#) [1]

- read this *Star Tribune* [offering](#) [2]

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