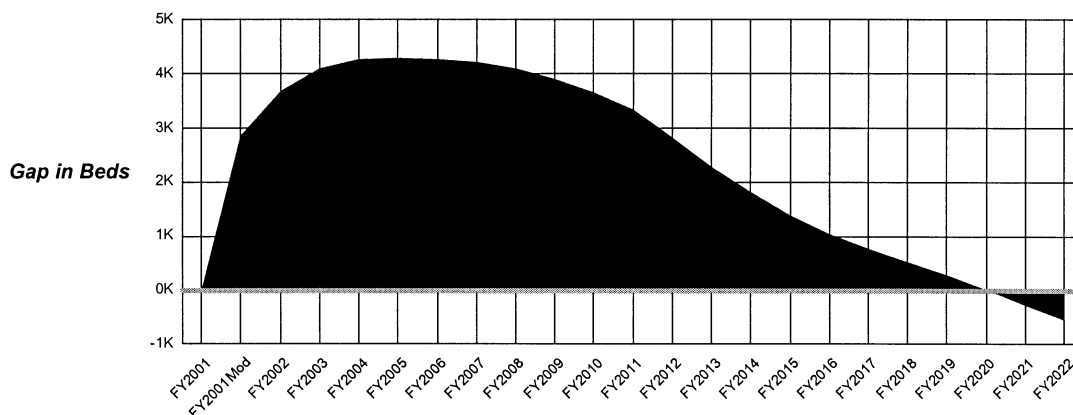


Figure 6.1 CARES National Inpatient Workload Gaps
Inpatient Medicine, Surgery, and Psychiatry Beds (Includes Contract Care)



Estimated Beds = Bed Days of Care/365 days/.85 Percent Occupancy

Because this trend line masks significant differences in projected gaps for the three inpatient CARES categories, each category and its trend line will be discussed separately.

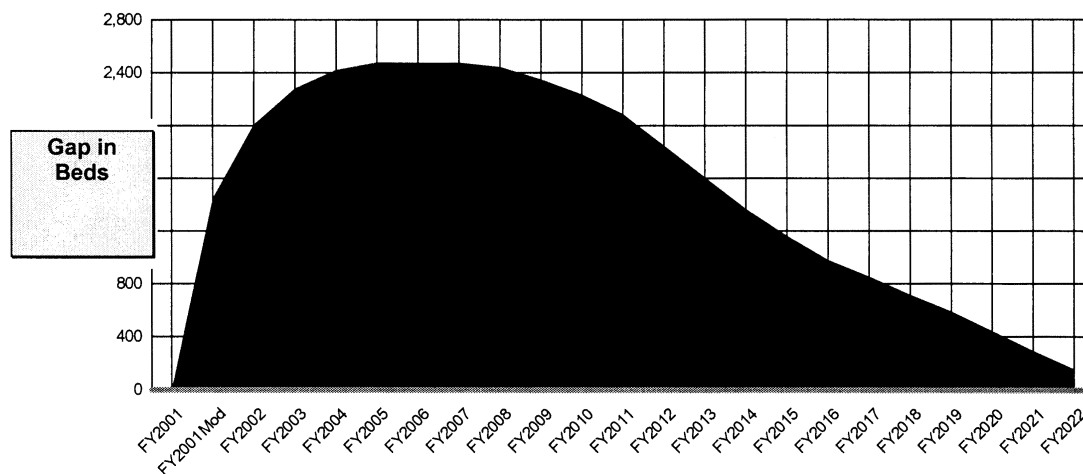
Inpatient Medicine

National projected workload gaps, measured in projected beds, for

inpatient medicine are shown in Figure 6.2. As seen with the outpatient trends in Chapter 5, a significant gap in workload occurs between the baseline year (FY 2001) and the first year of forecasted demand (FY 2002), a reflection of the demand model's implication that budget, capital and staffing constraints existed in FY 2001

and are removed from future workload projections. The positive inpatient medicine gaps peak in FY 2008 when the impact of enrollment levels and trends in inpatient medicine begin reducing demand. By FY 2022, inpatient medicine beds are only slightly higher than in FY 2001.

Figure 6.2 Projected Gaps in Inpatient Medicine Beds by Fiscal Year (Includes Contract Care)



Inpatient Surgery

Projected workload gaps for inpatient surgery show an opposite trend than for inpatient medicine (as shown in Figure 6.3 below). Actual FY 2001 baseline beds days of care for inpatient surgery

are greater than the first year of forecasted demand (FY 2002) indicating a slight overcapacity of 4,907 bed days of care, or 16 beds for inpatient surgery on a national basis. However, the gap grows in a positive direction until FY 2007 when enrollment levels and trends

in inpatient surgery, such as declines in lengths of stay and more treatments being provided on an outpatient basis, become significant factors. By FY 2022 inpatient surgical demand is significantly lower than in FY 2001.