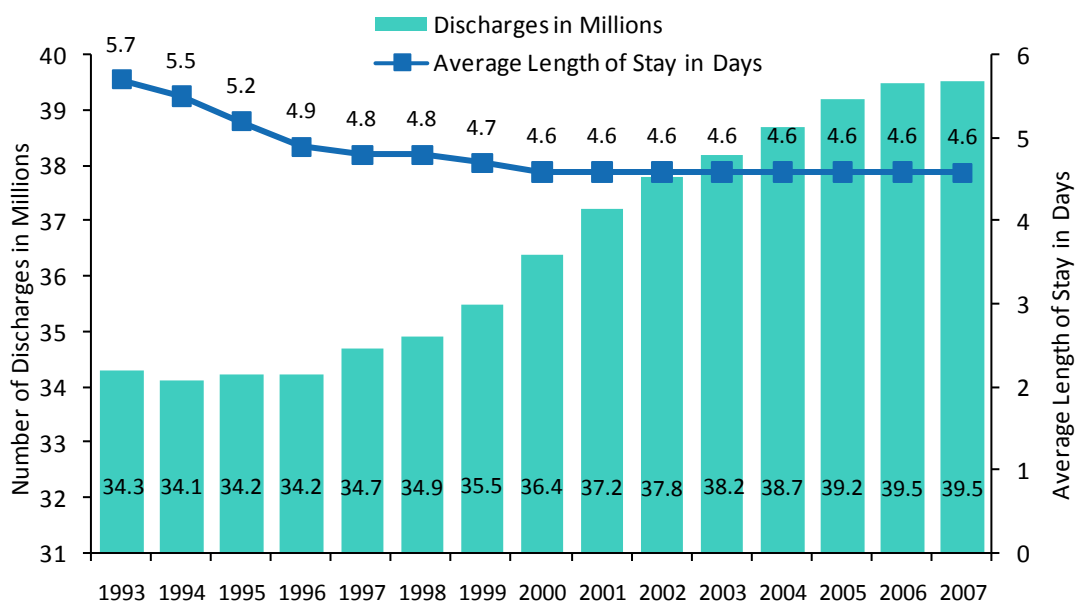


## EXHIBIT 1.2 Inpatient Hospital Stays and Average Length of Stay

Number of Inpatient Hospital Stays and Average Length of Stay, 1993-2007



Source: AHRQ, Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 1993-2007.

The average length of stay in U.S. community hospitals stabilized beginning in 2000, while the number of hospital stays continued to slowly rise.

- The average length of stay (ALOS) in 2007 was 4.6 days—almost 20 percent shorter than in 1993, when the ALOS was 5.7 days. The ALOS declined throughout most of the 1990s and has stabilized during the current decade.
- From 1993 to 1998, the number of discharges grew very slowly, increasing by only 0.6 million.
  - Growth in the number of discharges (an average of 0.3 percent annually) did not keep pace with the growth in population (1.2 percent annually).
- From 1998 through 2006, the number of discharges rose by 4.6 million.
  - Growth in the number of discharges (an average of 1.6 percent annually) exceeded population growth (1.0 percent annually).
- In 2007, growth in the number of discharges slowed to just 0.2 percent, once again increasing at a slower pace than population growth (1.0 percent).