

Penn Medicine / UPHS Investigation

Philadelphia, PA · University-controlled nonprofit system

The system has financial strength, but the three Philadelphia hospitals earn different margins. Pay decisions still depend on system budgets and bargaining choices.



Hospital of the University of Pennsylvania

OWNER → MONEY → WORKFORCE → CONTRACTS → PUBLIC IMPACT

A visual guide to this investigation, with a full research edition and original records one click away.

[Open this hospital's online record and downloads](#)

Penn Medicine / UPHS

Philadelphia, Pennsylvania | University-controlled nonprofit system

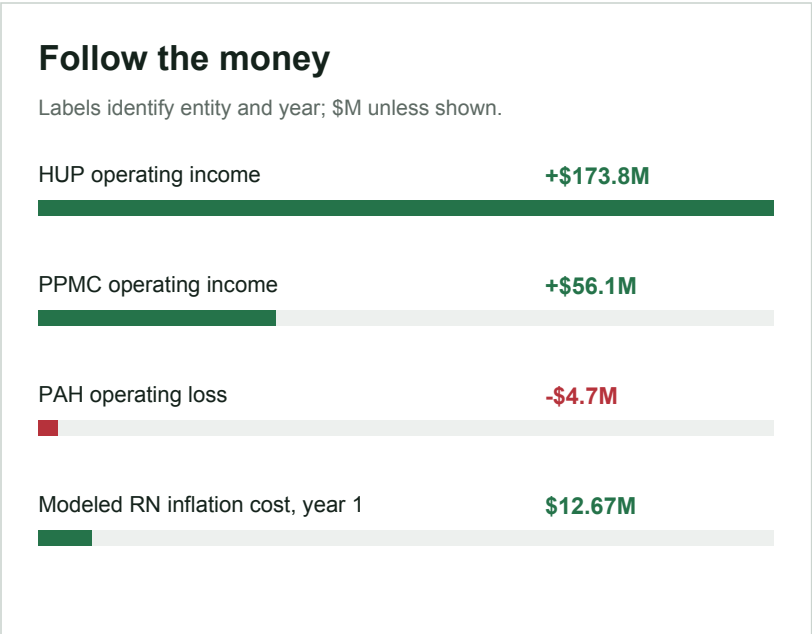
Evidence through August 27, 2026

The system has financial strength, but the three Philadelphia hospitals earn different margins. Pay decisions still depend on system budgets and bargaining choices.

\$11.996B FY2025 operating revenue UPHS	\$246.7M operating income 2.06% margin	\$10.020B net assets UPHS
AA credit rating S&P, Aug. 2025	\$225.3M three-hospital op. income FY2024 combined	-\$4.7M PAH op. result FY2024

WHO CONTROLS WHAT

University controller Trustees of the University of Pennsylvania
Health system University of Pennsylvania Health System (UPHS)
Hospitals in this case HUP / Penn Presbyterian / Pennsylvania Hospital



Sources: PENN-01, PENN-02, PENN-03. Amounts are separate measures, not an addition.

What matters - and why

DOCUMENTED / MONEY

Financial strength with a narrower cushion

UPHS reported \$11.996B operating revenue, \$246.7M operating income, and \$10.020B net assets in FY2025. Recent margins around 2% are thin, but the eight-year record does not support near-insolvency.

Sources: PENN-01

MODELED / PAY

A 3% raise did not match the latest local inflation

At 5.4% Philadelphia inflation, a 3% increase implies about a 2.28% real-pay decline before insurance or parking. A hospital-specific RN payroll model put first-year 2.3% inflation protection at \$12.67M direct, using 2022 CMS paid hours.

Sources: PENN-07

DOCUMENTED / SCOPE

The three hospitals did not perform the same

HUP and PPMC had FY2024 operating margins above 4%, while PAH reported a \$4.7M operating loss. Campus results influence decisions but do not mechanically determine lawful raises.

Sources: PENN-07

DOCUMENTED / CONTRACTS

Penn is nonprofit; some vendors are private-capital backed

PPMC and PAH filings identify staffing/security vendors with dated private-capital links. Society Hill Anesthesia received about \$53.64M across five reported years; its PE ownership was not established.

Sources: PENN-07

DOCUMENTED / 340B

The three hospitals received a \$125.39M remedy

The CMS 340B remedy corrected Medicare underpayments from 2018-2022. It was a one-time correction; annual 340B economics require separate drug-acquisition, reimbursement, fee and patient-benefit records.

Sources: PENN-06

PARTIAL / GOVERNANCE

The 76ers overlap is a records question

Penn trustee David Blitzer is connected to the 76ers ownership group while Penn and the team have a partnership. Public records reviewed did not show contract price, recusal, personal receipt, or failure to follow Penn's related-party policy.

Sources: PENN-07

THE INSTITUTIONAL EXPLANATION

Operating margins have narrowed, and wages create recurring costs.

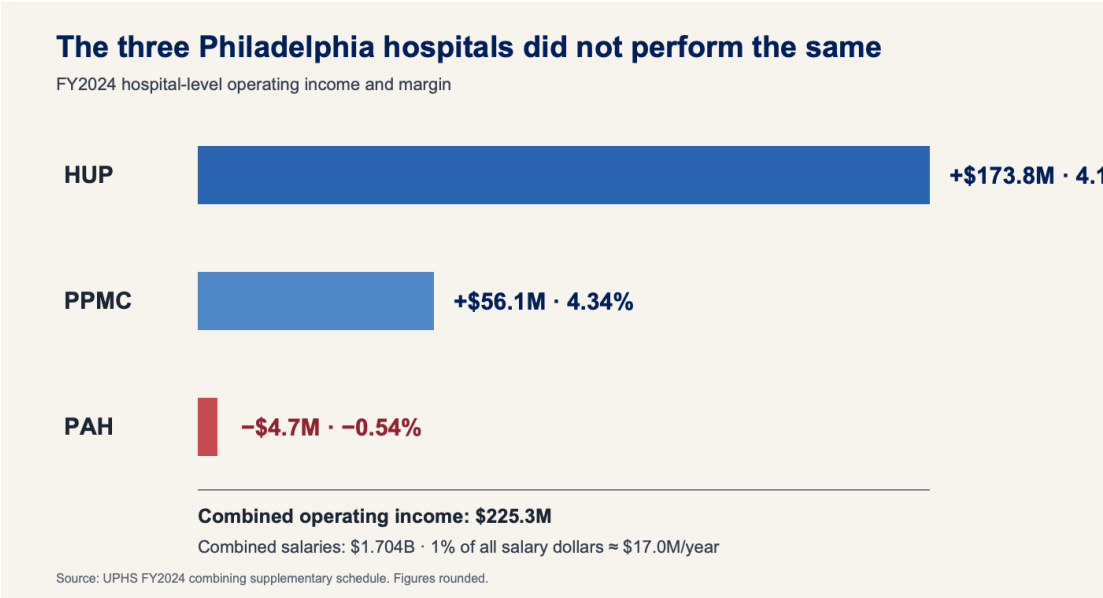
THE PUBLIC-INTEREST QUESTION

Publish the payroll and retention assumptions used to decide what raise the system can sustain.

Full investigation, supporting records and historical context: [open the research edition](#).

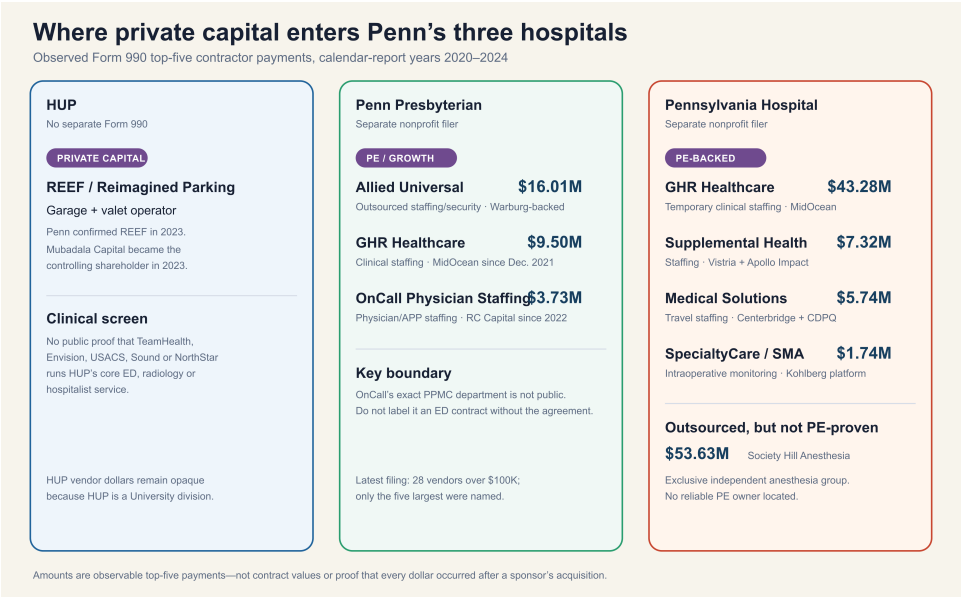
See the pattern

Three hospitals, three different operating results



HUP and Penn Presbyterian were positive in FY2024; Pennsylvania Hospital was negative. The combined operating result was \$225.3M.

Where private-capital vendors enter the picture



Read each column as a hospital-to-vendor relationship. The supplier ownership and dates are part of the evidence, not a change in hospital ownership.

Three hospitals inside one system



Hospital of the University of Pennsylvania

Official/locally archived building image.



Penn Presbyterian Medical Center

Official/locally archived building image.



Pennsylvania Hospital

Official/locally archived building image.



Kevin B. Mahoney

UPHS chief executive; portrait identifies the role.

HUP, Penn Presbyterian and Pennsylvania Hospital have separate campus-level results. Kevin Mahoney is the UPHS chief executive in the reviewed investigation.

Hospital of the University of Pennsylvania



Official/locally archived building image.

[Open the full-size image](#) · [Read its source context](#)

THE VISUAL EVIDENCE

Penn Presbyterian Medical Center



Official/locally archived building image.

[Open the full-size image](#) · [Read its source context](#)

Pennsylvania Hospital



Official/locally archived building image.

[Open the full-size image](#) · [Read its source context](#)

THE VISUAL EVIDENCE

Kevin B. Mahoney

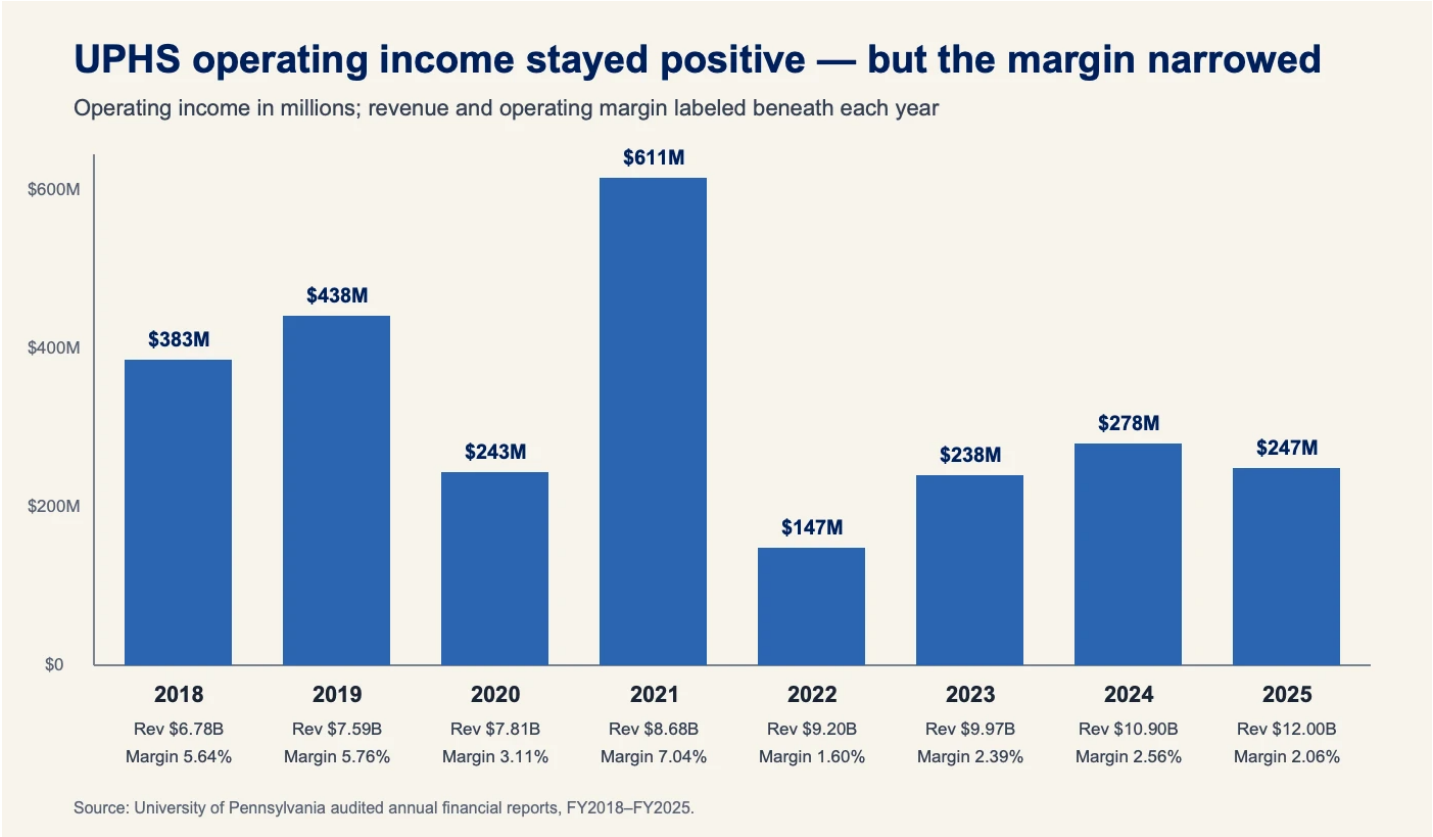


UPHS chief executive; portrait identifies the role.

[Open the full-size image](#) · [Read its source context](#)

THE VISUAL EVIDENCE

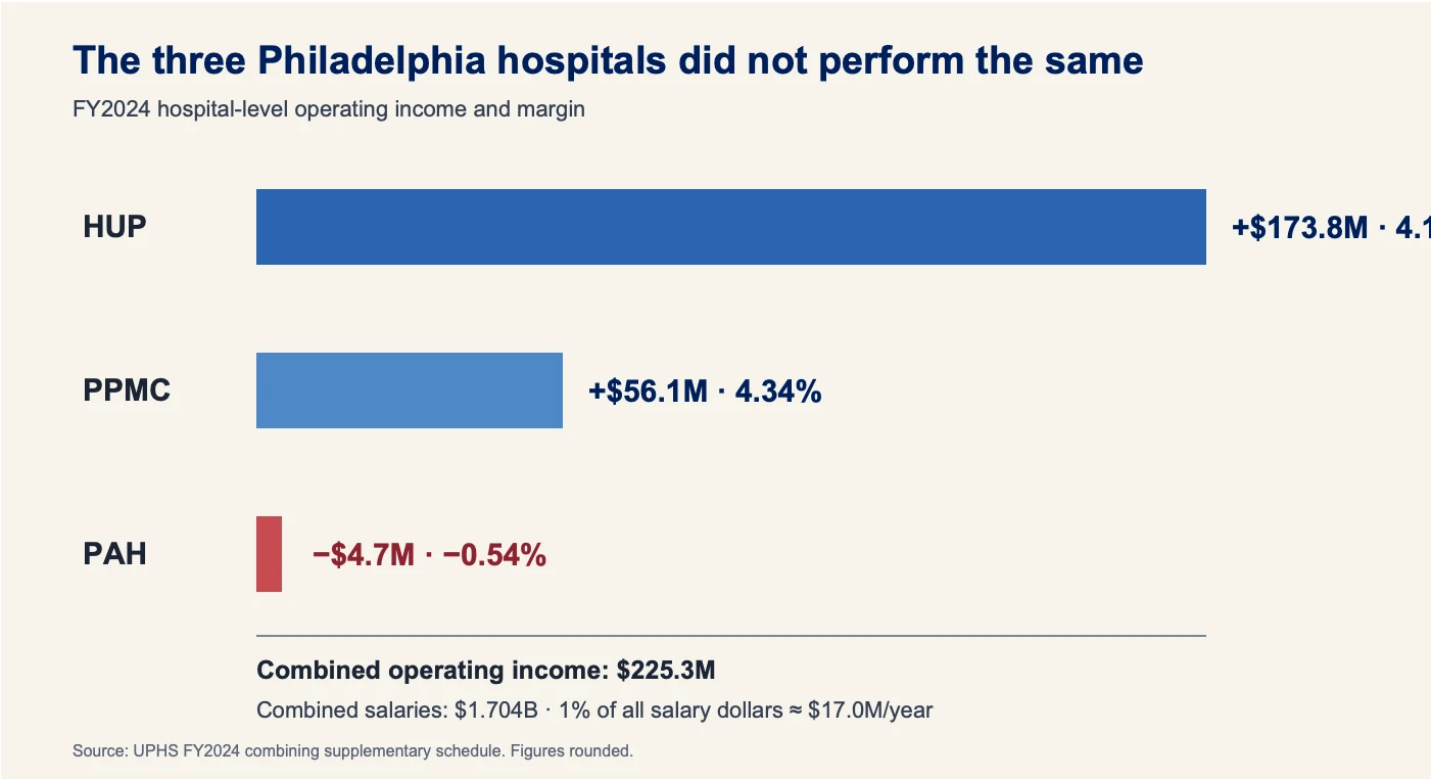
UPHS eight-year financial trend



Audited UPHS figures; observed values.

[Open the full-size image](#) · [Read its source context](#)

Three Philadelphia hospitals

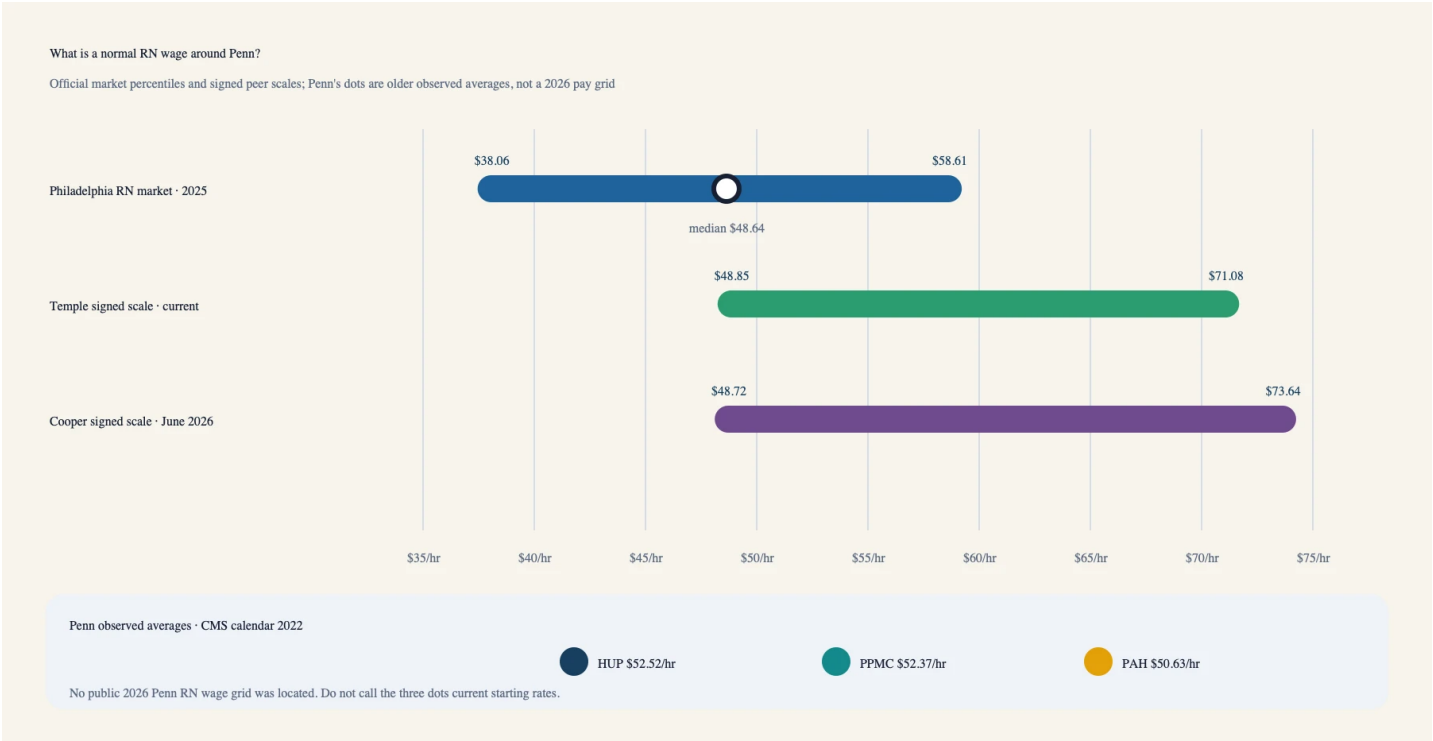


FY2024 hospital-level operating comparison.

[Open the full-size image](#) · [Read its source context](#)

THE VISUAL EVIDENCE

RN wage benchmarks

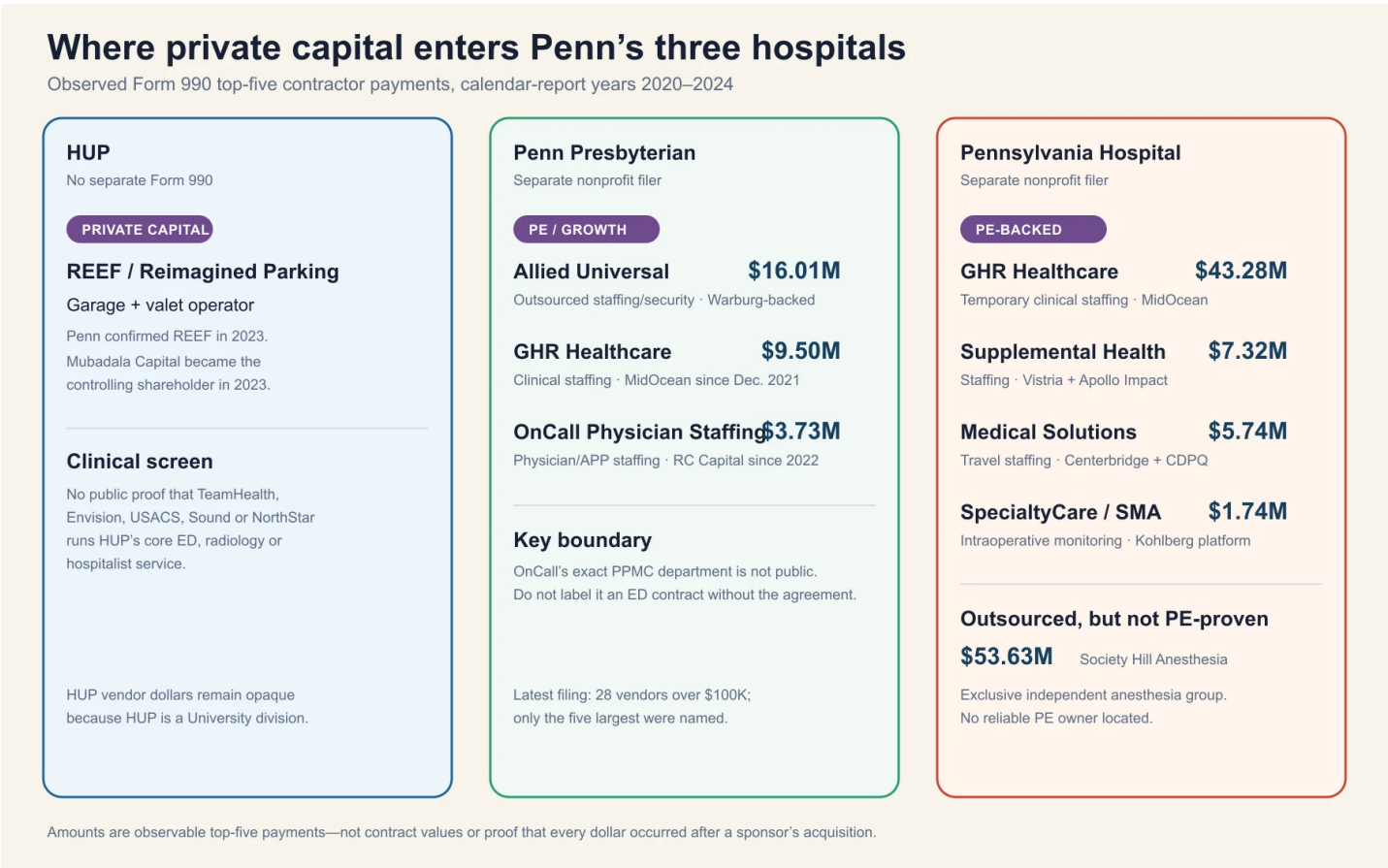


Current market and signed-peer comparison with scope labels.

[Open the full-size image](#) · [Read its source context](#)

THE VISUAL EVIDENCE

Private-capital contract matrix



The research behind the reader

The visual PDF is the entry point. These links preserve the detailed investigation and its supporting records. They all belong to this hospital or the system identified in this case.

[Read or download the full research edition](#)

[Open the source ledger](#)

Real-pay illustration: $(1.03 / 1.054 - 1) \times 100 = -2.28\%$. This compares a 3% raise with June 2026 Philadelphia year-over-year CPI of 5.4%, before deductions.

Raise-budget formula: affected RN payroll x incremental raise + payroll/benefit load - documented retention and agency savings. The full note contains the campus assumptions for the \$12.67M first-year inflation model.

Evidence periods are stated beside the figures. Historical source documents keep their original dates. For an emergency, call 911 or use the nearest appropriate emergency department.

The timeline and the records

1995-1997	PPMC and PAH joined UPHS.
2018	Princeton joined through a nonprofit membership substitution with no cash consideration.
2021	The \$1.6B HUP Pavilion opened.
Apr. 2025	Doylestown joined; Penn assumed substantial liabilities and no consideration was exchanged.
2025-2026	Major proton/cancer projects and current pay/parking questions overlapped.
Aug. 2026	The comprehensive UPHS canvas and dossier were refreshed.

THE NEXT RECORDS TO ASK FOR

1. Release current RN/ancillary wage grids, step distribution, differentials, and raise memos by hospital.
2. Publish vacancies, turnover, agency, overtime, missed breaks, and retention savings.
3. Break down the \$1.136B three-hospital corporate/inter-entity charge.
4. Disclose sports, parking, clinical staffing, anesthesia, and revenue-cycle contract terms and beneficial owners.

VERIFY THIS CHAPTER

- PENN-01 [Annual financial reports](#) (FY2018-FY2025; Audits and summaries)
- PENN-02 [UPHS combining statements portal](#) (FY2024; Combining schedule)
- PENN-03 [Hospital General Information](#) (Released 2026-08-13; Facility records)
- PENN-04 [UPHS rating rationale](#) (2025-08; Rating rationale)
- PENN-05 [Philadelphia RN wage estimates](#) (2025 estimates; Percentile table)
- PENN-06 [340B registration and remedy sources](#) (2018-2023 remedy; Remedy file and covered-entity records)
- PENN-07 [Comprehensive investigation](#) (Cutoff 2026-08-27; Local note)