

Oregon Acute Care Hospitals

Financial & Utilization Trends Q2 2023

This brief summarizes the 2nd quarter (Q2) 2023 update of the [Oregon Hospital Financial and Utilization Dashboard](#), OHA's interactive display of statewide hospital financial and utilization data. For definitions of the measures in this report, see the [glossary of key terms](#) or visit the [Hospital Reporting Program website](#). Data are self-reported and subject to change. Shriners Children's Portland is excluded because it is a charity hospital and does not directly bill patients.

Key Takeaways

Compared to Q2 2022:

- Total operating revenue **increased** 12 percent from \$4.12 billion to \$4.61 billion.
- Net patient revenue **increased** 12 percent from \$3.86 billion to \$4.32 billion.
- Total operating expense **increased** 6 percent from \$4.26 billion to \$4.52 billion.
- Operating margin (profit) **increased** 167 percent from -\$341.8 million to \$235.9 million.

Statewide total operating revenue exceeded total operating expense for the first time in five quarters

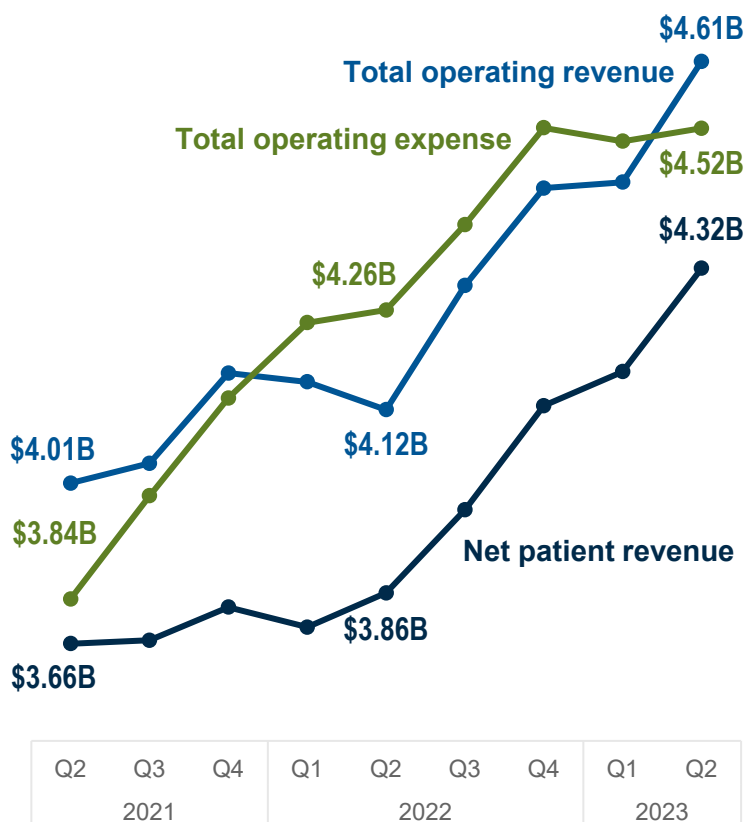
In Q2 2023, statewide **total operating revenue**, the amount hospitals received for providing patient care and other hospital services, was \$4.61 billion. It **increased** \$170.9 million (3.8 percent) from the previous quarter, Q1 2023, and **increased** \$492.1 million (12 percent) from Q2 2022, one year prior.

In Q2 2023, nearly 94 percent of **total operating revenue** came from **net patient revenue**, the amount hospitals received for providing care to patients. The remaining revenue came from other operating revenue, or money earned from non-health care services like grants, federal funds, gift shops, or cafeterias.

In Q2 2023, statewide **net patient revenue** was \$4.32 billion. It **increased** \$146.1 million (3.5 percent) from the previous quarter, Q1 2023, and **increased** \$459.4 million (11.9 percent) from Q2 2022, one year prior.

In Q2 of 2023, statewide **total operating expense**, the amount hospitals paid to provide hospital services, was \$4.52 billion. It **increased** \$18.2 million (0.4 percent) from the previous quarter, Q1 2023, and **increased** \$257 million (6 percent) from Q2 2022, one year prior.

Total operating revenue and **net patient revenue** grew faster than **total operating expense** in Q2 2023.



Data source: Databank (hospital self-report)

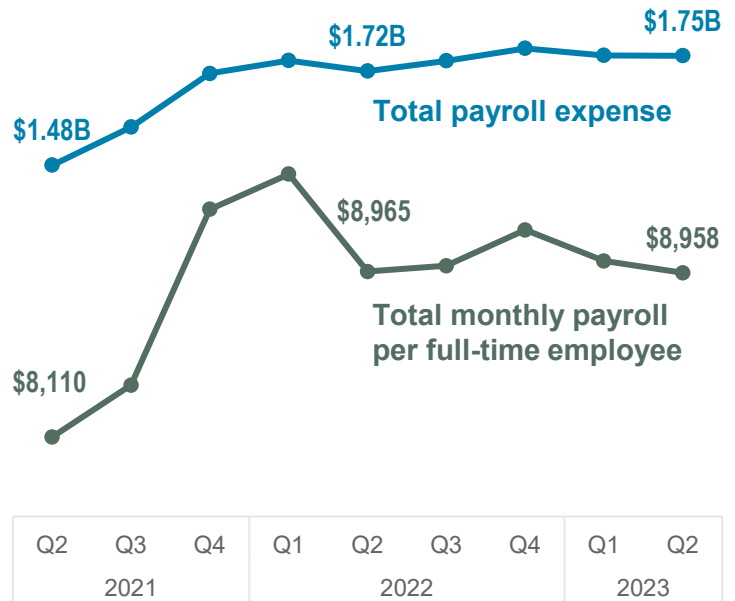
Stable payroll expense contributed to reduced operating expense

In Q2 2023 about 40 percent of statewide **total operating expense** came from **total payroll expense**, the amount of money hospitals spent to compensate their employees.

In Q2 2023, statewide **total payroll expense** was \$1.75 billion. It **decreased** \$929,981 (-0.1 percent) from the previous quarter, Q1 2023, and **increased** \$38.5 million (2.2 percent) from Q2 2022, one year prior.

In Q2 2023, statewide **total monthly payroll per full-time employee**, the average amount of money a full-time hospital employee earned per month, was \$8,958. It **decreased** \$62 (-0.7 percent) from the previous quarter, Q1 2023, and **decreased** \$7 (-0.1 percent) from Q2 2022, one year prior.

Statewide **total payroll expense** and **total monthly payroll per full-time employee** stabilized and showed little change over the past four quarters.



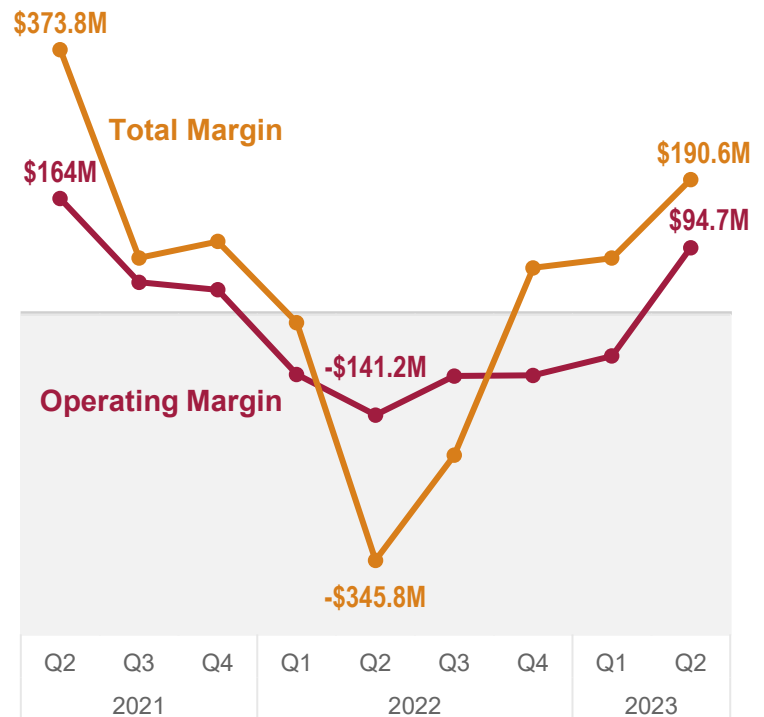
Data source: Databank (hospital self-report)

Oregon hospitals profited at the statewide level

In Q2 2023, statewide **operating margin**, the profit hospitals kept after subtracting total operating expense from total operating revenue, was \$94.7 million. It **increased** \$152.6 million (263.3 percent) from the previous quarter, Q1 2023, and **increased** \$235.9 million (167 percent) from Q2 2022, one year prior. A positive **operating margin** is an indicator of financial health and shows that hospitals earned enough operating revenue to cover their operating expenses.

In Q2 2023, statewide **total margin**, the profit hospitals kept after subtracting total expenses from total revenue, was \$190.6 million. It **increased** \$110.5 million (138 percent) from the previous quarter, Q1 2023, and **increased** \$536.4 million (155.1 percent) from Q2 2022, one year prior. Total revenue includes all sources of hospital income, such as profit, investments, and tax subsidies. A positive **total margin** is an indicator of overall financial standing and shows that hospitals earned enough total revenue to cover their total expenses.

Both **operating margin** and **total margin** were positive in Q2 2023 for the first time in five quarters, indicating that hospitals are collectively profitable again.



Data source: Databank (hospital self-report)