

Oregon Acute Care Hospitals

Financial & Utilization Trends Q3 2023

This brief summarizes the 3rd quarter (Q3) 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 with Q3 2022:

- Total operating revenue **increased** 6.7 percent to \$4.58 billion.
- Net patient revenue **increased** 7.4 percent to \$4.27 billion.
- Total operating expense **increased** 4.8 percent to \$4.59 billion.
- Operating margin (profit) **increased** 87.6 percent to -\$10.7 million but remains negative.

Between Q2 and Q3 2023, statewide operating expense increased as operating revenue decreased among Oregon hospitals

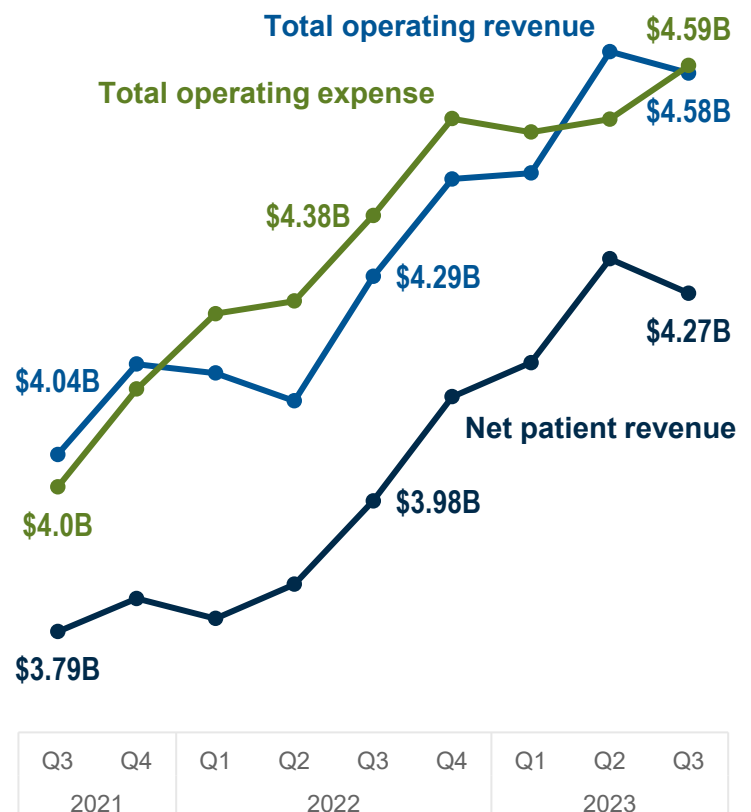
In Q3 2023, statewide **total operating revenue**, the amount hospitals received for providing patient care and other hospital services, was \$4.58 billion. It **decreased** \$30.2 million (-0.7 percent) from the previous quarter, Q2 2023, and **increased** \$287.5 million (6.7 percent) from Q3 2022, one year prior.

In Q3 2023, 93 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, and cafeterias.

In Q3 2023, statewide **net patient revenue** was \$4.27 billion. It **decreased** \$48.7 million (-1.1 percent) from the previous quarter, Q2 2023, and **increased** \$293.6 million (7.4 percent) from Q3 2022, one year prior.

In Q3 2023, statewide **total operating expense**, the amount hospitals paid to provide hospital services, was \$4.59 billion. It **increased** \$75.8 million (1.7 percent) from the previous quarter, Q2 2023, and **increased** \$212.1 million (4.8 percent) from Q3 2022, one year prior.

Total operating expense increased as **total operating revenue** and **net patient revenue** decreased in Q3 2023.



Data source: Databank (hospital self-report)

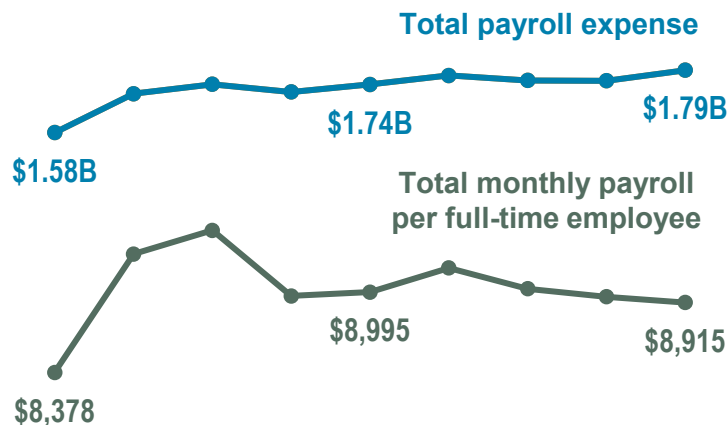
Despite operating expense growth, total payroll expense and total monthly payroll remained stable

In Q3 2023, nearly 40 percent of statewide **total operating expense** came from **total payroll expense**, or the amount of money hospitals spent to compensate their employees.

In Q3 2023, statewide **total payroll expense** was \$1.79 billion. It **increased** \$36.1 million (2.1 percent) from the previous quarter, Q2 2023, and **increased** \$49.1 million (2.8 percent) from Q3 2022, one year prior.

In Q3 2023, statewide **total monthly payroll per full-time employee**, the average amount of money a full-time hospital employee earned per month, was \$8,915. It **decreased** \$44 (-0.5 percent) from the previous quarter, Q2 2023, and **decreased** \$80 (-0.9 percent) from Q3 2022, one year prior.

Total payroll expense and **total monthly payroll per full-time employee** remained stable over the past year.



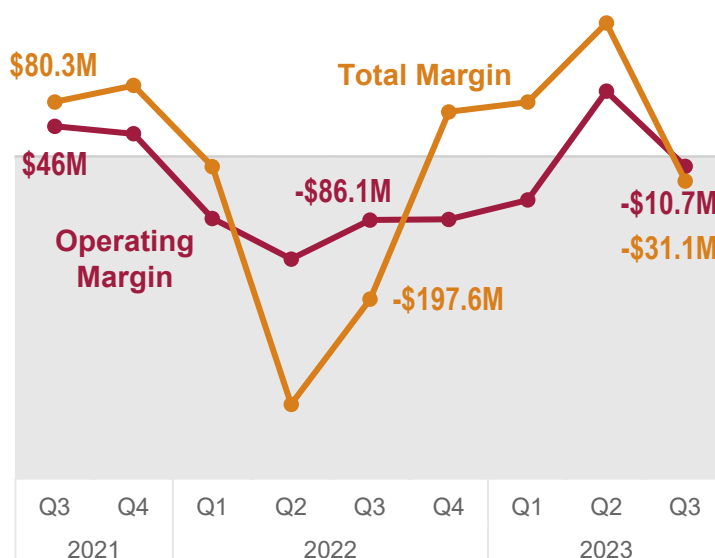
Data source: Databank (hospital self-report)

After a return to profitability in the second quarter, statewide margins slipped in Q3 2023

In Q3 2023, **operating margin**, profit hospitals kept after subtracting total operating expense from total operating revenue, was -\$10.7 million. It **decreased** \$106.1 million (-111.2 percent) from the previous quarter, Q2 2023, and **increased** \$75.4 million (87.6 percent) from Q3 2022, one year prior. **Operating margin** is an indicator of financial health; a positive value indicates hospitals earned enough operating revenue to cover operating expenses, and a negative value indicates hospitals did not earn enough operating revenue to cover operating expenses.

In Q3 2023, statewide **total margin**, profit hospitals kept after subtracting total expense from total revenue, was -\$31.1 million. It **decreased** \$222.4 million (-116.3 percent) from the previous quarter, Q1 2023, and **increased** \$166.5 million (84.3 percent) from Q3 2022, one year prior. Total revenue includes all income sources, like profit, investments, and tax subsidies. **Total margin** is an indicator of overall financial standing; a positive value indicates hospitals earned enough total revenue to cover total expenses, and a negative value indicates hospitals did not earn enough total revenue to cover total expenses.

Operating margin and **total margin** were negative, indicating hospitals collectively lost money in Q3 2023.



Data source: Databank (hospital self-report)