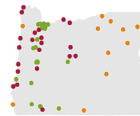


Oregon Acute Care Hospitals: Financial & Utilization Trends Q3 2021

Transparent reporting on the financial health of Oregon hospitals and trends in the use of hospital services helps policymakers and the public understand the role of hospitals in driving health care costs, responding to emergencies like the COVID-19 pandemic, and meeting the needs of their communities. This summary analysis accompanies the third quarter 2021 update of the Oregon Hospital Financial and Utilization Dashboard, OHA's interactive dashboard for hospital financial and utilization data.*

Hospital Financial & Utilization Dashboard



Click here to explore

Key Takeaways

Compared with Q3 2020:

- Statewide **operating margin (profit)** fell 92 percent to \$22.9 million. Year-to-date (Q1-Q3 2021) fell to \$219.1 million (-26.7%).
- Statewide **net patient revenue** rose 9.2 percent to \$3.72 billion. Year-to-date rose to \$10.9 billion (+15.3%).
- Statewide **total operating revenue** rose 7.9 percent to \$3.97 billion. Year-to-date rose to \$11.6 billion (+10.2%).
- Statewide **total operating expense** rose 16.4 percent to \$3.95 billion. Year-to-date rose to \$11.4 billion (+11.3%).
- Statewide **total margin** fell 85.7 percent to \$57.3 million. Year-to-date rose to \$539.4 million (+16.8%).

Key Terms

Net Patient Revenue

Money a hospital receives from providing health care services to patients.

Total Operating Revenue

The sum of net patient revenue and other operating revenue, which is money a hospital receives from services not related to patient care such as grants, gift shop sales, cafeteria sales, or federal CARES Act funds.

Total Operating Expense

All expenses incurred from operating the hospital, including patient care, supplies, salaries, etc.

Operating Margin

The sum of net patient revenue and other operating revenue (including CARES Act and other grant funds) minus total expenses.

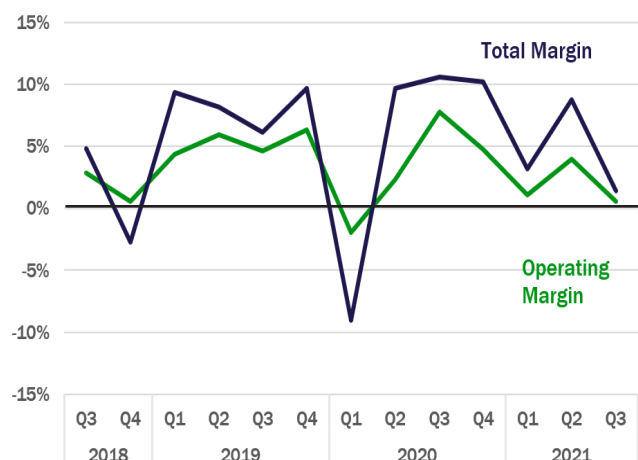
Total Margin

The net sum of all revenue sources (operating and non-operating) minus all expenses. This includes investment income.

Third quarter operating margins are positive but down from the previous quarter and previous year.

The impacts of the Delta wave in the third quarter have slowed earlier margin growth. Statewide **operating margin (profit)** was \$22.9 million (0.6% of operating revenue) in the third quarter of 2021.

Operating margin and **total margin** stayed positive.



Year-to-date **operating margin (profit)** was \$219.1 million (1.9% of operating revenue), which was -26.7 percent lower than the same period in 2020.

Total margin, which includes investment income, fell 85.7 percent to \$57.3 million (1.4% of operating revenue) compared with Q3 2020, and fell 84.2 percent from Q2 2021.

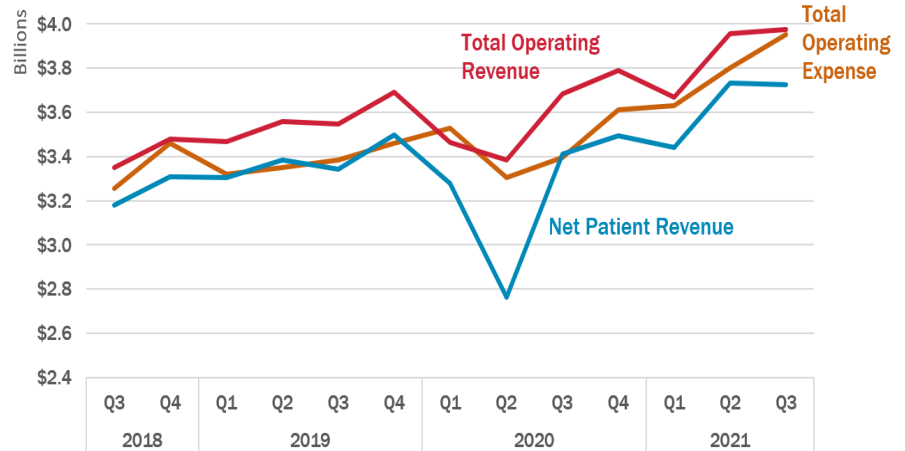
Thanks to strong performance in Q1 and Q2, year-to-date **total margin** rose \$77.5 million (16.8%) compared with the same period in 2020.

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COVID affected revenue and expenses in the third quarter.

- The Delta wave appears to have slowed growth in net patient revenue. Statewide **net patient revenue** dropped 0.2 percent compared with last quarter but rose 9.2 percent compared with Q3 2020 to \$3.72 billion. Year-to-date net patient revenue was \$10.9 billion, a 15.3 percent increase from the same period in 2020.
- At the same time net patient revenue has slowed, expenses have increased. Statewide **total operating expense** in Q3 rose \$149.3 million to \$3.95 billion (3.9%) compared with Q2 2021, and rose 16.4 percent compared with Q3 2020. Year-to-date operating expense was \$11.4 billion, up \$1.15 billion (11.3%) compared with the same period in 2020.

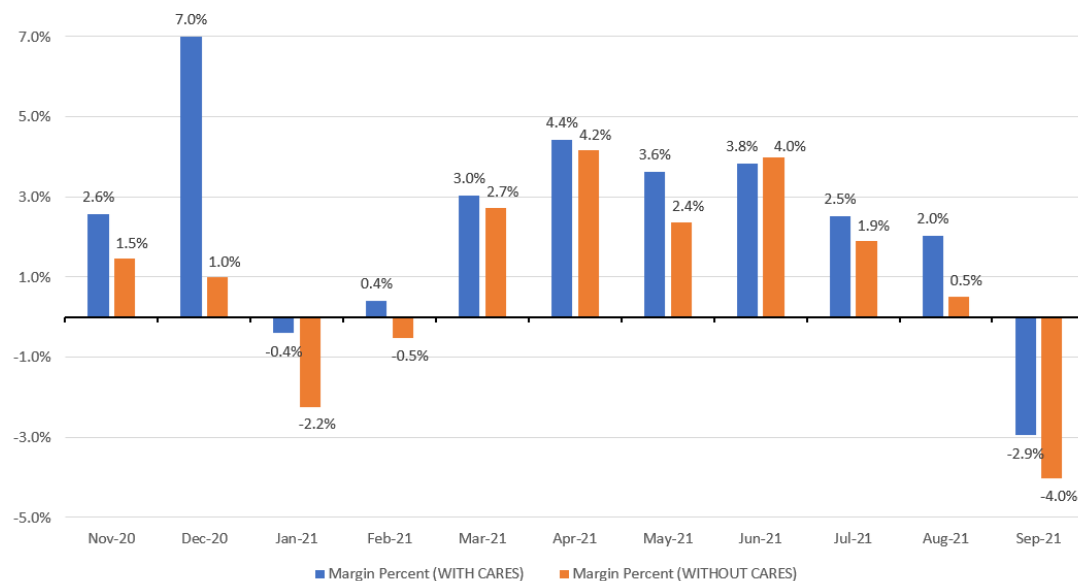
Total operating expense was higher than **net patient revenue** but lower than **total operating revenue**.



CARES Act impact on hospitals.

The CARES Act funds have played a significant role in maintaining the financial stability of hospitals in Oregon. Early in the pandemic, these funds were instrumental in minimizing losses from canceled elective procedures and other drops in utilization. The funds continued to play a role during subsequent waves in 2020 and 2021.

Estimated impact of CARES Act funds on operating margin.



This chart is an estimation of the impact of the CARES Act on operating margins. Figures **with CARES Act** are as reported in Databank. Figures **without CARES Act** are estimated based on the historic ratio of other operating revenue to net patient revenue observed in 2019.

The U.S. Health Resources and Services Administration [reports disbursing](#) an additional \$126 million to 906 Oregon providers in December 2021 and January 2022, which will be reflected in future quarterly reports.