

# Oregon Acute Care Hospitals

## Annual Financial Trends 2025

This brief summarizes year-end 2025 data from 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 bill most patients.

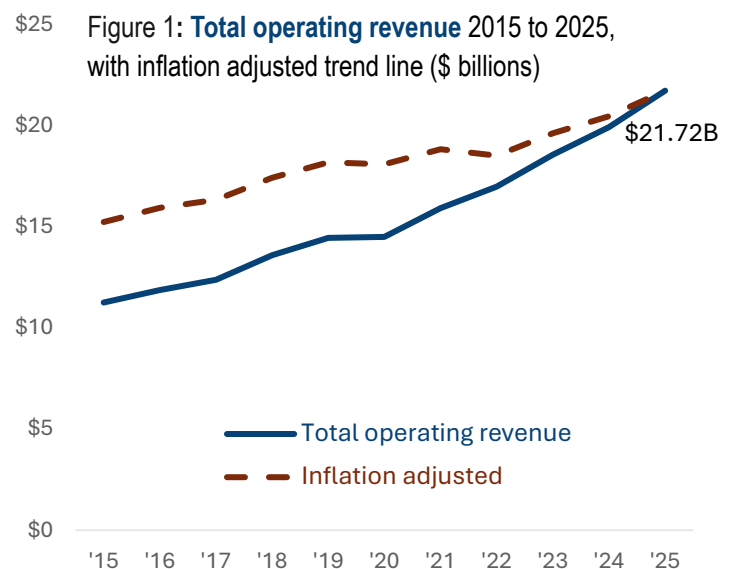
### Year-over-year trends (2024 to 2025)

- Net patient revenue increased 8.6 percent, from \$18.56 billion to \$20.16 billion.
- Total operating expense increased 10.1 percent, from \$20.14 billion to \$22.18 billion.
- Charity care charges increased 21.7 percent, from \$753.7 million to \$917.5 million.
- Operating margin decreased 112.8 percent, from -\$215 million to -\$457.5 million.

### Hospital revenue shows strong growth over the long term

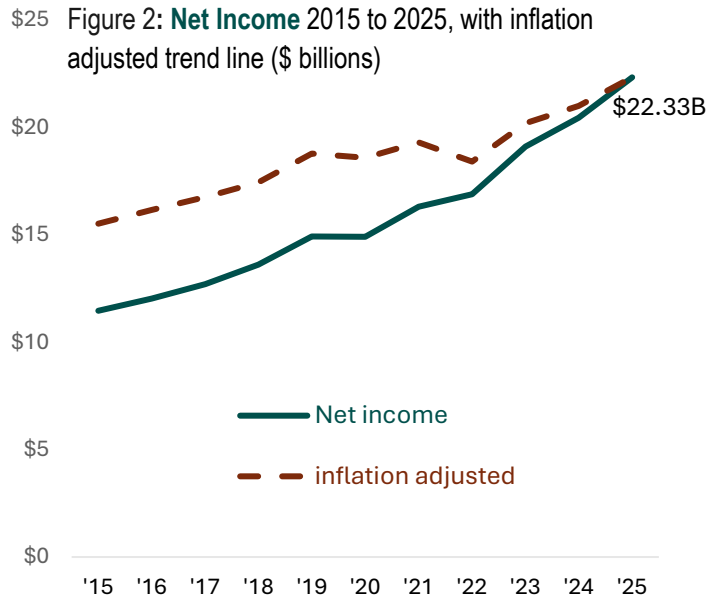
**Total operating revenue**, the amount a hospital earns from running the hospital, was \$21.72 billion in 2025, an increase of \$1.8 billion (9 percent) from 2024. A Compound Average Growth Rate, or CAGR, shows how much something changes on average every year over the period it measures. Total operating revenue has a 5-year CAGR of 8.4 percent or 3.7 percent when adjusted for inflation. This means that over the last five years (2020-2025) total operating revenue has grown, on average, 8.4 percent in each year. It also means that, accounting for the effect of inflation, revenue still grew 3.7 percent each year during that time. Total operating revenue has a 10-year CAGR of 6.8 percent or 3.6 percent when adjusted for inflation. From 2015 to 2025, total operating revenue grew 6.8 percent on average per year, or 3.6 percent after accounting for the effects of inflation.

Most operating revenue comes from providing health care services to patients. Net patient revenue was \$20.16 billion in 2025, an increase of \$1.6 billion (8.6 percent) from 2024. Net patient revenue has a 5-year CAGR of 9 percent or 4.3 percent when adjusted for inflation and a 10-year CAGR of 6.6 percent or 3.5 percent when adjusted for inflation.



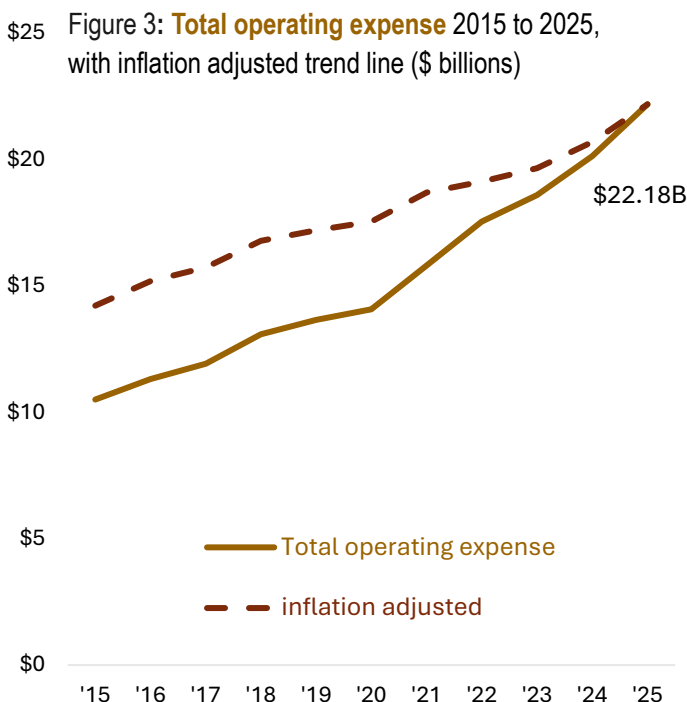
Hospitals also gain income from sources outside of business operations, such as investments or joint ventures with other businesses. This revenue is called non-operating revenue. When non-operating revenue is added to total operating revenue, the resulting amount is called **net income**, or sometimes total revenue. In 2025, net income was \$22.33 billion, an increase of \$1.88 billion (9.2 percent) from 2024. Net income has a 5-year CAGR of 8.4 percent or 3.7 percent when adjusted for inflation and a 10-year CAGR of 6.9 percent or 3.7 percent when adjusted for inflation.

Net income includes both realized and unrealized gains. An unrealized gain is when an investment increases in value, but it has not been converted into cash. Thus, net income doesn't necessarily represent money the hospital has at their immediate disposal.



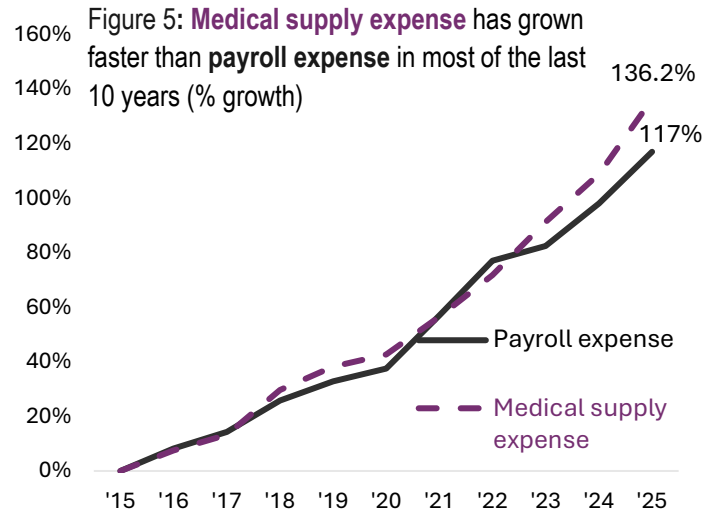
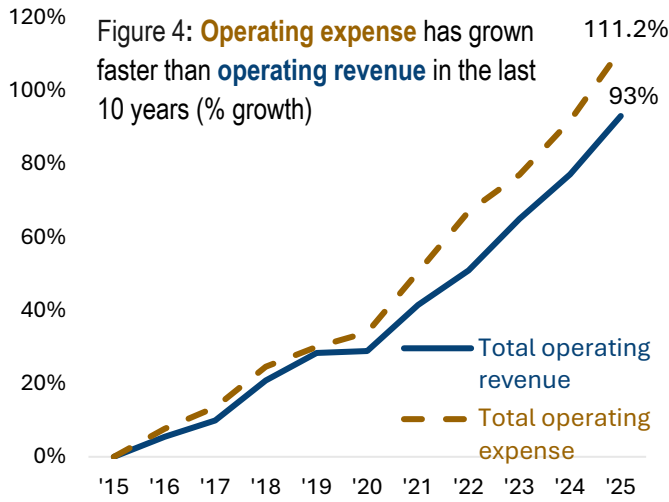
## Total operating expenses have growth faster than revenue over the last ten years

**Total operating expense** was \$22.18 billion in 2025, an increase of \$2.01 billion (10.1 percent) from 2024. Total operating expense has a 5-year CAGR of 9.5 percent or 4.8 percent when adjusted for inflation and a 10-year CAGR of 7.8 percent or 4.5 percent when adjusted for inflation.



Statewide, total operating expenses have growth faster than **total operating revenue** every year for the past ten years. Since 2015, total operating expense has grown 111.2 percent overall while total operating revenue has grown 93 percent. The two fastest growing components of operating expenses are payroll expense and medical supply expense. **Payroll expense**, the cost of salary and wages to hospital employees, was \$8.52 billion in 2025, an increase of \$744.3 million (9.6 percent) from 2024. Payroll expense has a 5-year CAGR of 9.6 percent or 4.8 percent when adjusted for inflation and a 10-year CAGR of 8.1 percent or 4.8 percent when adjusted for inflation. **Medical supply expense**, the cost to purchase supplies to provide health care services, was \$4.13 billion, an increase of \$478.6 million (13.1 percent) from 2024. Medical supply expense has a 5-year

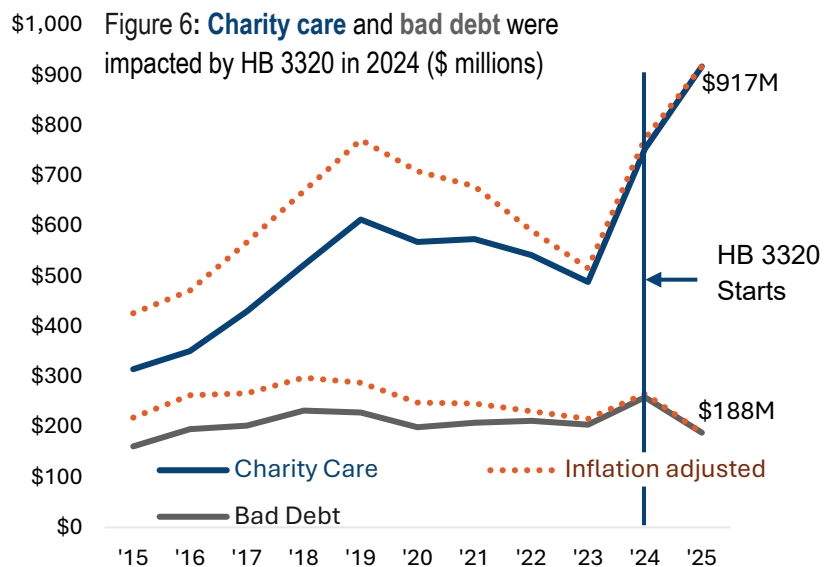
CAGR of 10.6 percent or 5.8 percent when adjusted for inflation and a 10-year CAGR of 9 percent or 5.7 percent when adjusted for inflation. These expenses have grown rapidly in the past 10 years. Payroll expense has grown 117 percent overall since 2015, while medical supply expense has grown 136 percent.



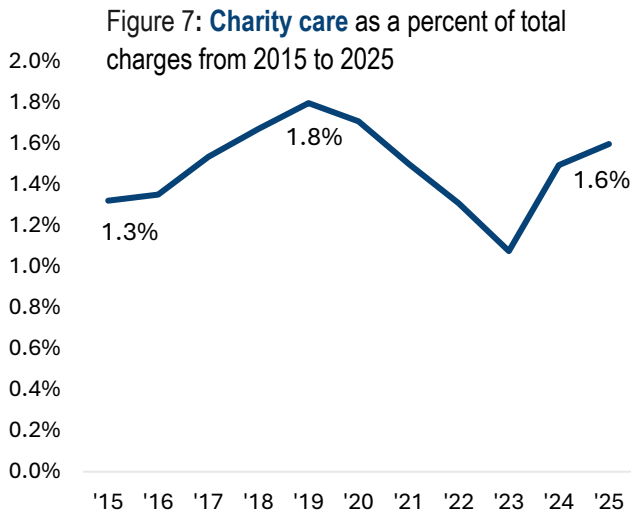
## Uncompensated care grew in 2025 due to changes in financial assistance law

Uncompensated care is when a hospital is not fully reimbursed for providing health care services. Uncompensated care charges were \$1.11 billion in 2025, an increase of \$92.9 million (9.2 percent) from 2024. A charge, or billed amount, is the amount a hospital bills for a service before insurance or other sources of payment are considered. A charge represents what was billed, but it does not represent what a hospital should have received in reimbursement and is generally higher than the paid amount. The amount a hospital is paid is based on individual contracts with insurance companies, and Medicare and Medicaid rates.

Uncompensated care is comprised of two components: charity care and bad debt. **Charity care**, also known as financial assistance, is when a hospital waives all or part of a bill based on the financial assistance policy of the hospital. Charity care is defined in Oregon state law and nonprofit hospitals in Oregon are required to provide it to eligible patients. Charity care charges were \$917.5 million in 2025, an increase of \$163.8 million (21.7 percent) from 2024. Charity care has a 5-year CAGR of 10 percent or 5.3 percent when adjusted for inflation. Charity care has a 10-year CAGR of 11.3 percent or 8 percent when adjusted for inflation. **Bad debt** is when a hospital



expects payment but is unable to collect. Bad debt charges were \$188.2 million in 2025, a decrease of \$70.8 million (-27.3 percent) from 2024. Bad debt has a 5-year CAGR of -1.1 percent or -5.4 percent when adjusted for inflation. Bad debt has a 10-year CAGR of 1.6 percent or -1.5 percent when adjusted for inflation.



On July 1, 2024, a new law began (HB 3320) that required hospitals to screen most patients for their eligibility for charity care, and if found eligible, apply any charity care automatically, prior to the patient receiving their first bill. This policy change is responsible for the sharp increase in charity care seen from 2023 to 2025 and likely responsible for a decrease in bad debt seen in 2025.

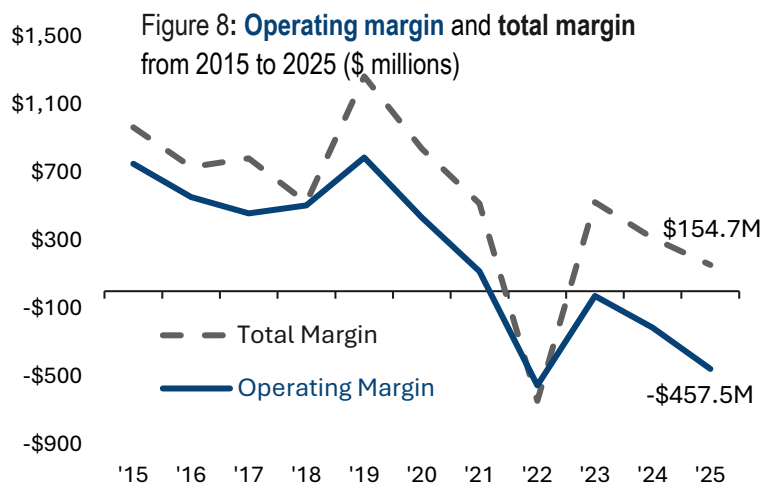
While charity care charges have grown recently, so have total charges. Total charges have grown faster than charity care recently, with a 5-year CAGR of 11.5 percent or 6.7 percent when adjusted for inflation. Showing charity care as a proportion of total

charges can help indicate if charity care is increasing because charges are increasing, or if a hospital has provided more charity care.

As a proportion, charity care made up 1.6 percent of the total amount hospitals charged to all payers such as private health insurance, Medicare, Medicaid and those without insurance. Although charity care charges have increased recently, as a share of total charges, charity care effectively has not changed much over the past 10 years.

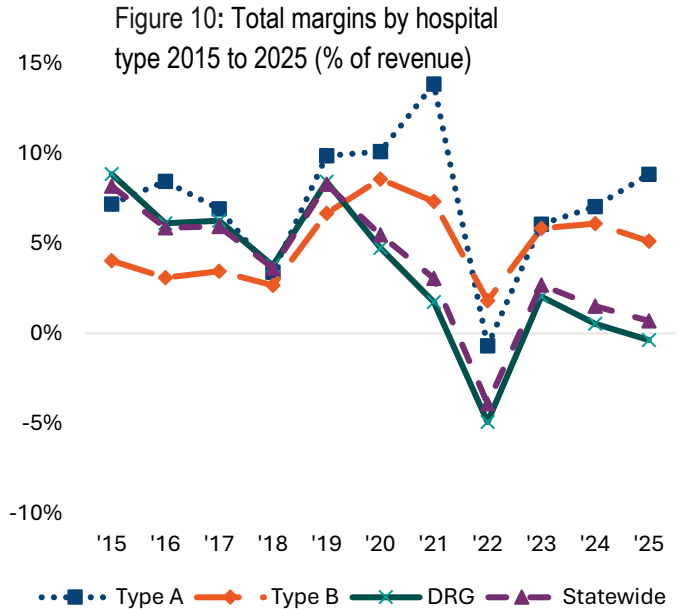
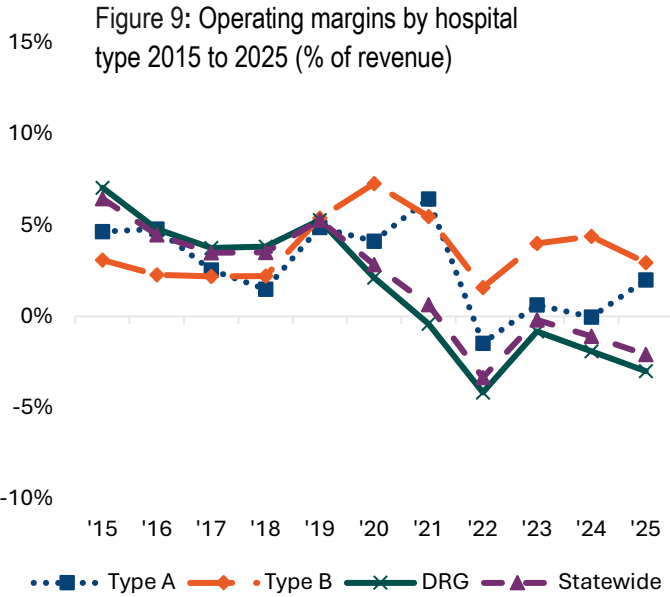
## Operating margins have trended downward in the long term

Operating margin is the difference between the hospital's total operating revenue and total operating expense. Statewide, hospitals lost \$457.5 million on **operating margin** in 2025, a decrease of \$242.5 million (-112.8 percent) from 2024. Most of these operational losses are from Oregon's large urban hospitals, known as DRG hospitals. DRG hospitals lost \$550 million in 2025, a decrease of \$233.6 million (-73.8 percent) from 2024. Hospitals are offsetting operating losses through total margin, gaining additional revenue through non-operational sources such as investments and joint ventures. Statewide **total margin** was \$154.7 million, a decrease of \$158 million (-50.5 percent) from 2024.



# Type A and B hospitals continue to maintain positive margins in 2025

A Type A hospital is a rural hospital that has 50 or fewer beds and is more than 30 miles from another hospital, and a Type B hospital is a rural hospital that has 50 or fewer beds and is within 30 miles of another hospital. Both types of rural hospital have a positive operating margin as a percent of revenue. Type A hospitals had an operating margin of 2 percent, an increase of 2 percentage points from 2024.



Type B hospitals had an operating margin of 3 percent, a decrease of 1.4 percentage points from 2024. DRG hospitals, Oregon’s larger urban hospitals, have negative operating margins, a trend that has continued every year since 2022. In 2025, DRG hospitals’ operating margin was -3 percent, a decrease of 1.11 percentage points from 2024. Statewide, combining all hospital types, operating margin was -2.1 percent, a decrease of 1 percentage point from 2024.

Total margin is when non-operating revenue is included in the total. Non-operating revenue includes investment activities and joint ventures with other businesses. In 2025, DRG hospitals still lost money overall on total margin, though the loss narrowed to a -0.4% total margin percent, a decrease of 1 percentage points from 2024. Type A hospitals had a total margin of 8.8 percent in 2025, an increase of 1.8 percentage points from 2024. Type B hospitals had a total margin of 5.1 percent, a decrease of 1 percentage point from 2024. At the statewide level, total margin was 0.7 percent, a decrease of 0.8 percentage points from 2024.

As previously noted, non-operating revenue includes non-realized gains and amounts included are not representative of cash received by the facility.

## Appendix: Selected Hospital Financial Measures

Metric	2025	2024	Difference	% Change	5- year CAGR	5-year adj.	10- year CAGR	10- year adj.
Net patient revenue	\$20,161,486,699	\$18,560,468,208	\$1,601,018,492	8.6%	9.0%	4.3%	6.6%	3.5%
Total operating revenue	\$21,717,753,219	\$19,920,779,169	\$1,796,974,049	9.0%	8.4%	3.7%	6.8%	3.6%
Net income	\$22,329,990,274	\$20,448,888,373	\$1,881,101,902	9.2%	8.4%	3.7%	6.9%	3.7%
Total operating expense	\$22,175,262,263	\$20,135,775,112	\$2,039,487,151	10.1%	9.5%	4.8%	7.8%	4.5%
Charity care	\$917,445,369	\$753,695,913	\$163,749,455	21.7%	10.0%	5.3%	11.3%	8.0%
Bad debt	\$188,153,186	\$258,975,347	-\$70,822,161	-27.3%	-1.1%	-5.4%	1.6%	-1.5%
Operating margin	-\$457,509,045	-\$214,995,943	-\$242,513,102	-112.8%	-201%	-197%	-195%	-192%
Total margin	\$154,728,011	\$312,775,038	-\$158,047,027	-50.5%	-28.7%	-31.8%	-16.7%	-19%

The measures above are reflected in the figures and text in the main report.

### Table columns:

**2025:** Calendar year 2025 results.

**2024:** Calendar year 2024 results.

**Difference:** result of 2024 subtracted from calendar year 2025, the number difference between the years.

**% Change:** The percentage change from 2024 to 2025.

**5-year CAGR:** Compound Annual Growth Rate from 2020 to 2025, shows the average rate of growth, per year.

**5-year adj.:** The 5-year CAGR adjusted for inflation.

**10-year CAGR:** Compound Annual Growth Rate from 2015 to 2025, shows the average rate of growth, per year.

**10-year adj.:** The 10-year CAGR adjusted for inflation.

### Metrics:

**Net patient revenue:** The amount of money a hospital receives for providing care to patients. The amount is net of (deducts) charity care, bad debt and contractual adjustments from insurance companies.

**Total operating revenue:** The amount of money a hospital receives from running the hospital, including patient care and other services such as gift shop or cafeteria.

**Net income (Total revenue):** Total amount earned by the hospital from all sources. Includes investment income from stocks and bonds, joint ventures, licensing, or local subsidies.

**Total operating expense:** Costs a hospital pays to provide hospital services, such as salaries for employees and money for equipment and supplies.

**Charity Care:** The stated value of care a hospital provided to patients for free or reduced price, based on the hospital's published policies in their financial assistance policy.

**Bad debt:** The amount of money a hospital is owed that it cannot collect.

**Operating margin:** A hospital's profit, or difference between how much money it earned by providing services and the amount it spent running the hospital.

**Total margin:** The amount earned from profit, investments and subsidies combined