

Fiscal Year 2023 Oregon Hospital Community Benefit Data Brief

This report accompanies OHA's interactive 2023 Oregon Community Benefit Dashboard. The aligning 2023 Community Benefit Investments Report will be published summer 2025. These data are self-reported and may be subject to change. For more information, visit the [Hospital Reporting Program website](#).

[View the dashboard](#)

What is community benefit?

Community benefit refers to services, activities or programs that hospitals provide to improve the health and wellbeing for their local community. Nonprofit hospitals are required to provide and report their community benefit activities in lieu of paying federal or state income taxes or county property taxes.

Community benefit decreased by 8.7% to \$2.0 billion in 2023

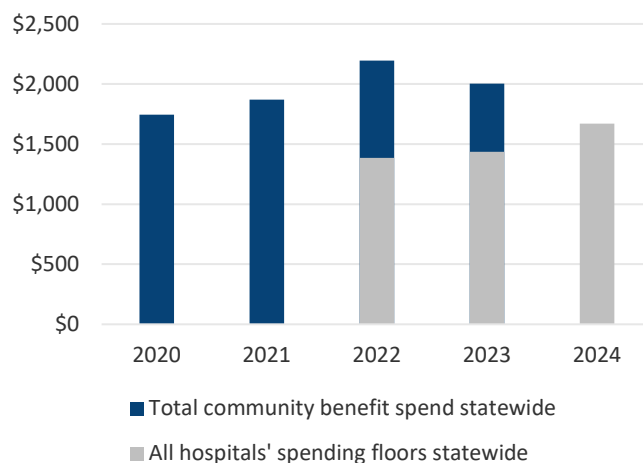
In 2023, hospitals in Oregon spent \$2.0 billion on community benefit, which was 8.7% or \$191.7 million lower than 2022, the first year-over-year decrease in overall statewide community benefit spending since the Affordable Care Act in 2014. Overall, community benefit was 10.8% of hospitals' operating expenses. Fiscal year (FY) 2023 was an outlier year of shrinking spending, following a decade of rapid growth and the largest year-over-year spending increase in 2022.

97.4% of hospitals met their community benefit minimum spending floors

House Bill (HB) 3076 created the community benefit minimum spending floor, a requirement that OHA assign a minimum amount of money each hospital must spend on community benefit programs and investments in its community, effective beginning FY 2022. Hospitals chose to report by individual hospital or by health system, if applicable. All reportable categories contribute to a hospital reaching its floor. Of the 38 spending floors assigned to 58 hospitals or health systems in the state, 37 out of 38 (97.4%) met or exceeded their spending floor. Statewide total spending was 139.8% of the statewide assigned spending floor and hospitals exceeded the spending floor by \$570 million statewide.

Statewide total community benefit spending exceeded the assigned spending floor by 39.8% (\$570 million) in 2023

\$ Millions

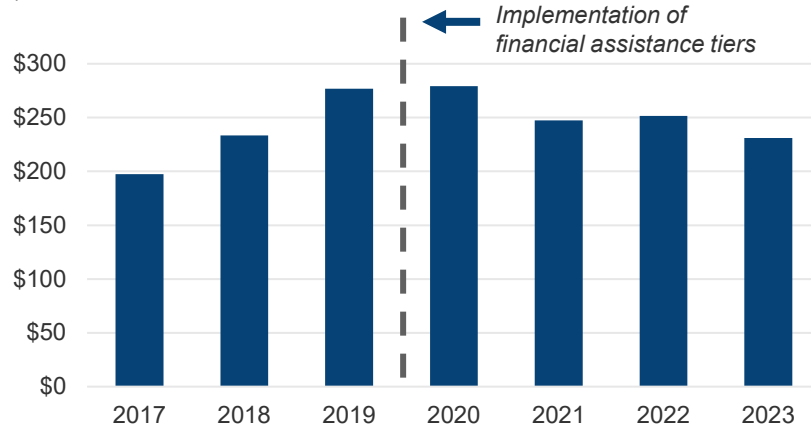


Note: 2024 spending floors have been established but 2024 total spending will not be reported until 2025.

Charity care spending fell again despite expanded financial assistance requirements

Recent legislation expanded hospital **charity care**, also called financial assistance, an existing category of community benefit spending. HB 3076 (2019) established minimum financial assistance tiers on January 1, 2020. Following implementation of the minimum financial assistance tiers, statewide charity care spending decreased 8.2%, or \$20.5 million, to \$230.9 million in 2023. Charity care fell 17.3%, or \$48.2 million, since its peak of \$279.1 million in 2020.

Since implementation of financial assistance tiers, **charity care** spending has steadily decreased

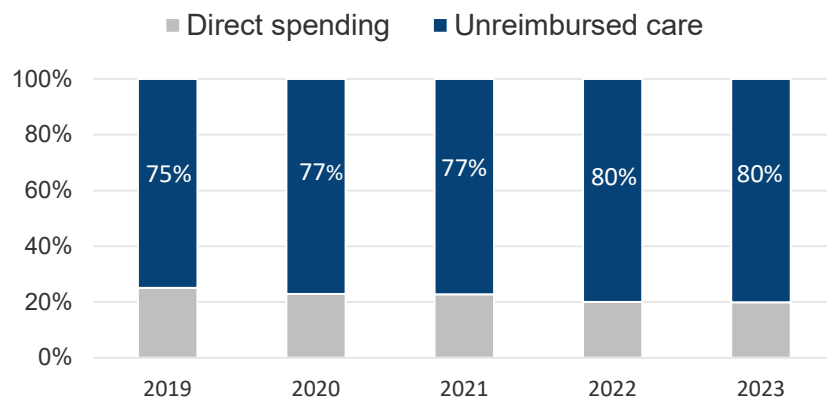


Unreimbursed care continued to dominate community benefit

Community benefit may be reported in up to ten different categories. OHA groups these into two types of costs, **unreimbursed care** and **direct spending**. Of all community benefit costs, \$1.6 billion (80.0%) was **unreimbursed care**, or health care services provided to patients where the hospital was not reimbursed enough to cover its costs. The remaining \$400 million (20.0%) was **direct spending**, or specific, proactive activities the hospital engaged in to improve the health and wellbeing of its community. Both types of community benefit spending decreased in 2023. Unreimbursed care costs fell \$151.9 million or 8.6% and direct spending costs fell \$39.8 million or 9.0% when compared with 2022.

Unreimbursed care is comprised of charity care, Medicaid unreimbursed costs, other public programs, and subsidized health services. Each year, unreimbursed care has become a larger share of total community benefit spending, increasing from 75% in 2019 to 80% in 2022. The proportion held steady in 2023 despite overall decreases in spending.

Unreimbursed care continued to be an outsized portion of community benefit



Unreimbursed Medicaid and subsidized health services are the leading sources of overall unreimbursed care costs

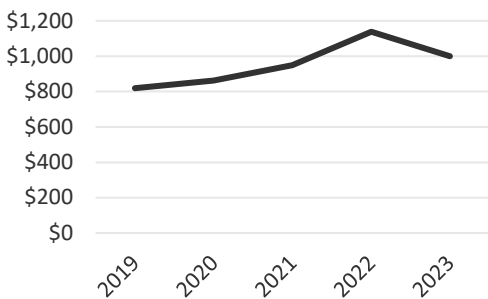
Unreimbursed Medicaid fell 12.2% in 2023 to \$999.5 million, from \$1.14 billion in 2022.

Subsidized health services, clinical service lines that meet a community need but are provided at a loss, e.g., a burn unit, increased 0.5% in 2023 to \$255.4 million.

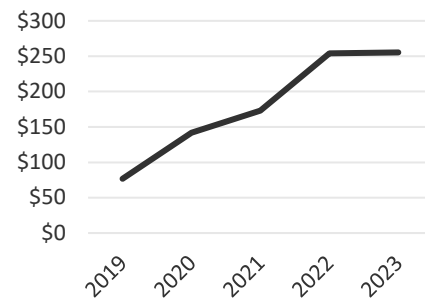
Charity care, which are services hospitals provide at a discount or for free based on hospital financial assistance policies, fell 8.2% to \$230.9 million in 2023. See chart on page 2.

Other public programs, which are government-run programs other than Medicaid, grew 5.7% in 2023. Proportionally, this is the smallest unreimbursed care category, accounting for just over \$118 million in 2023.

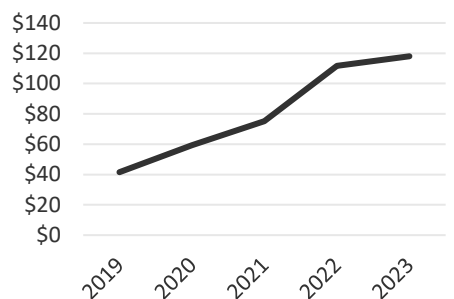
Unreimbursed Medicaid
\$ Millions



Subsidized health services
\$ Millions



Other public programs
\$ Millions

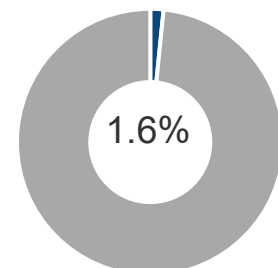


Social determinants of health spending from community building and cash and in-kind was less than 2% of overall spending

Social determinants of health (SDOH) are the social, economic and environmental conditions in which people are born, grow, work, live and age that may influence health. Direct spending is the portion of community benefit for proactive actions to improve health and wellbeing in the community, with a particular focus on SDOH. Total direct spending fell 9.0% to \$400 million in 2023 and comprises 20.0% of overall community benefit (see page 2).

There are six categories of direct spending. The categories that most closely target SDOH are **community building activities (CBA)** and **cash and in-kind**. These are programs and investments made in prioritized SDOH needs in a hospital's community. In 2023, these impactful categories accounted for \$32.3 million total (CBA at \$9.2 million; cash and in-kind at \$23.1 million), 1.6% percent of total community benefit spending. SDOH spending increased 10.0% (\$2.9 million) in 2023, following a 20.5% decrease (\$7.6 million) from 2021 to 2022.

1.6% of all community benefit spending was on SDOH



Health professions education drove direct spending, followed by community health improvement

Health professions education, costs incurred to educate doctors, nurses and other health professionals, was the largest category of direct spending at \$269.4 million. Spending decreased 7.8% in 2023.

Community health improvement activities (CHI), programs that provide health services such as preventive screening or vaccine clinics that are available to all, were the next largest at \$49.1 million in 2023. Spending in community health improvement decreased 5.9% from 2022.

Research, costs for research made publicly available and consistent with community need, was \$33.8 million in 2023, a 30.0% decrease from 2022.

Community benefit operations (CBO), administrative costs incurred by hospitals running a community benefit program, were \$15.4 million in 2023, a 13.9% drop from 2022. Prior to 2023, community benefit operations had been on the rise, reflective of hospitals expanding the size and scope of their community benefit programs to better serve their communities.

Health Professions Education drove direct spending, followed by Community Health Improvement



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