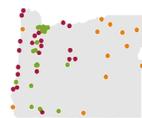


Oregon Acute Care Hospitals: Financial & Utilization Trends Q4 2021

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 fourth 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 Q4 2020:

- Statewide **operating margin (profit)** fell 85.5 percent to \$26.0 million. Year-to-date (Q1-Q4 2021) fell to \$249.1 million (-47.9%) total.
- Statewide **net patient revenue** rose 8.0 percent to \$3.77 billion. Year-to-date rose to \$14.68 billion (+13.4%) total.
- Statewide **total operating revenue** rose 8.3 percent to \$4.10 billion. Year-to-date rose to \$15.72 billion (+9.8%) total.
- Statewide **total operating expense** rose 12.9 percent to \$4.08 billion. Year-to-date rose to \$15.47 billion (+11.7%).
- Statewide **total margin** fell 75.5 percent to \$101.1 million. Year-to-date fell to \$649.8 million (-25.6%).

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.

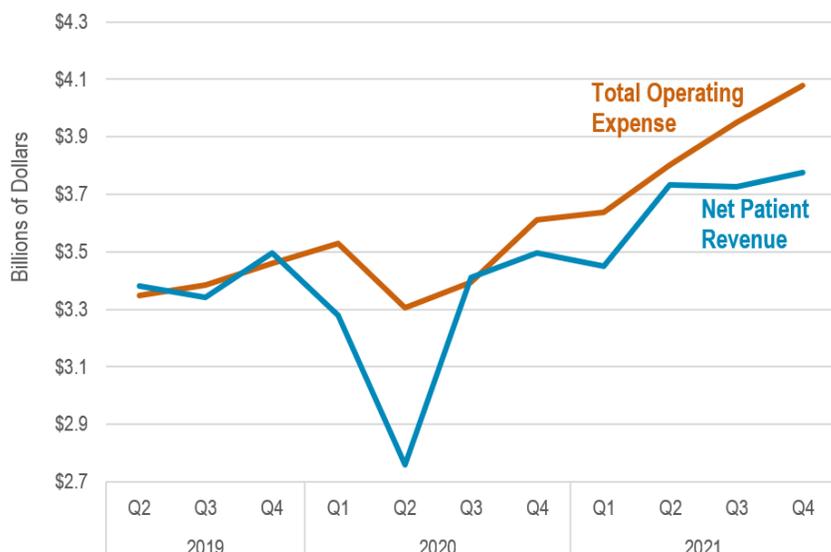
Total Margin

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

Operating expenses rise above pre-pandemic amounts as net patient revenue returns to longer-term trends.

While revenue trends return to pre-pandemic levels, expenses continue to increase. Statewide **total operating expense** was \$4.08 billion in Q4, a 12.9 percent increase compared with Q4 2020. Year-to-date **operating expense** was \$15.47 billion, up \$1.63 billion (+11.7%) compared with the same period in 2020.

Total operating expense has grown faster than **net patient revenue** throughout the pandemic.



Net patient revenue

(NPR) has returned to expected levels after the Delta wave passed and is in line with pre-pandemic trends. Statewide **NPR** rose 8.0 percent compared with Q4 2020 to \$3.77 billion. Year-to-date **NPR** is \$14.68 billion, a 13.4 percent increase from the same period in 2020.

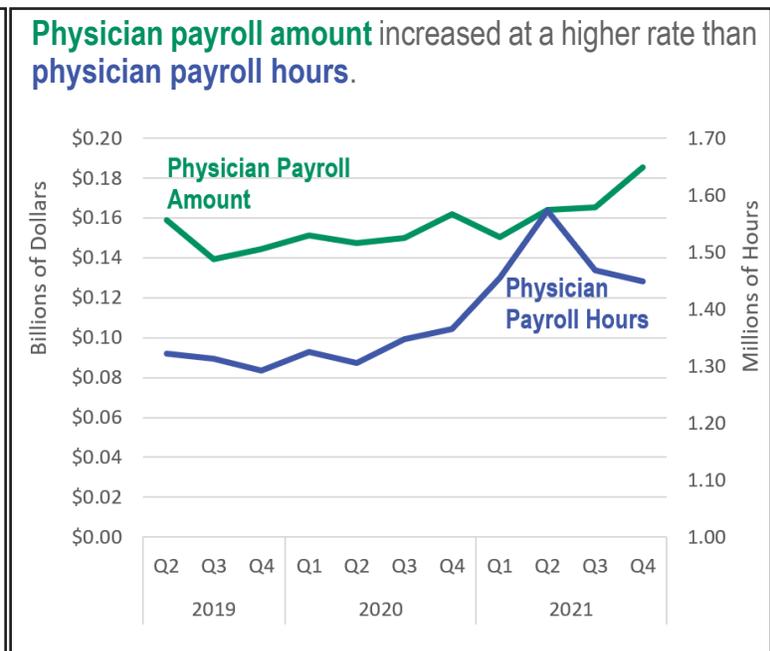
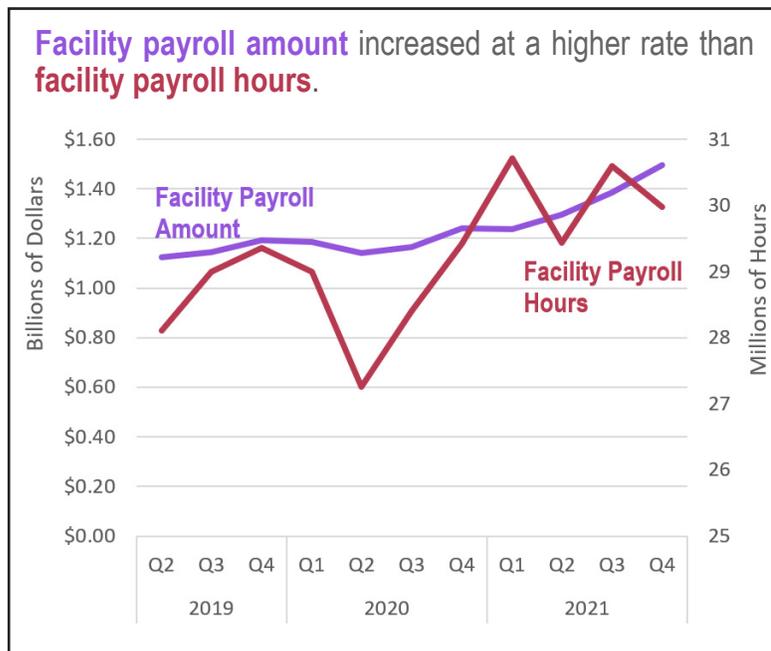
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Payroll impacts operating expense.

In 2021, expenses overall have increase and payroll expenses are a driving factor. Facility payroll hours are W-2 wage employees only, which excludes contract employees such as traveling nurses.

Compared with Q4 2020:

- Statewide **facility payroll hours** rose 1.9 percent and had an increase of **facility payroll amount** of 20.6 percent, to \$1.49 billion. Year-to-date **facility payroll amount** rose to \$5.41 billion (+14.4%) total.
- Statewide **physician payroll hours** rose 6.1 percent and had an increase of **physician payroll amount** of 14.5 percent, to \$185.5 million. Year-to-date **physician payroll amount** rose to \$665.0 million (+8.9%) total.



Fourth quarter operating margins remain low due to expense growth.



Due to the larger growth of expenses, the fourth quarter operating margins are down from the previous year. Statewide **operating margin (profit)** fell to \$26.0 million in the 4th quarter (-85.5%) and \$249.1 million in 2021 (-47.9%) year-to-date. Higher operating margins seen in 2020 were partially due to provider relief funds from the CARES Act, which offset revenue losses due to the early part of the pandemic.

Total margin, which includes investment income, fell 75.5 percent to \$101.1 million from Q4 2020. Year-to-date **total margin** fell \$223.8 million (-25.6%) compared with the same period in 2020.