

Oregon Acute Care Hospitals

Financial Trends Q1 2025

This brief summarizes the 1st quarter (Q1) 2025 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.

Year-over-year trends (Q1 2024 to Q1 2025)

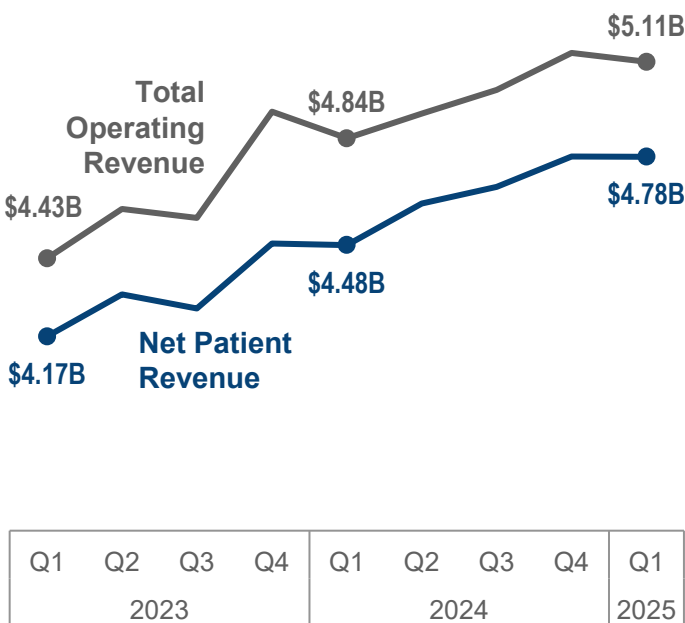
- Total operating revenue **increased** 5.4 percent, from \$4.84 billion to \$5.11 billion.
- Net patient revenue **increased** 6.8 percent, from \$4.48 billion to \$4.78 billion.
- Total operating expense **increased** 12.3 percent, from \$4.80 billion to \$5.40 billion.
- Operating margin **decreased** from \$40.3 million to -\$288.9 million.

Oregon hospitals report slight decrease in statewide total operating revenue and net patient revenue between Q4 2024 and Q1 2025

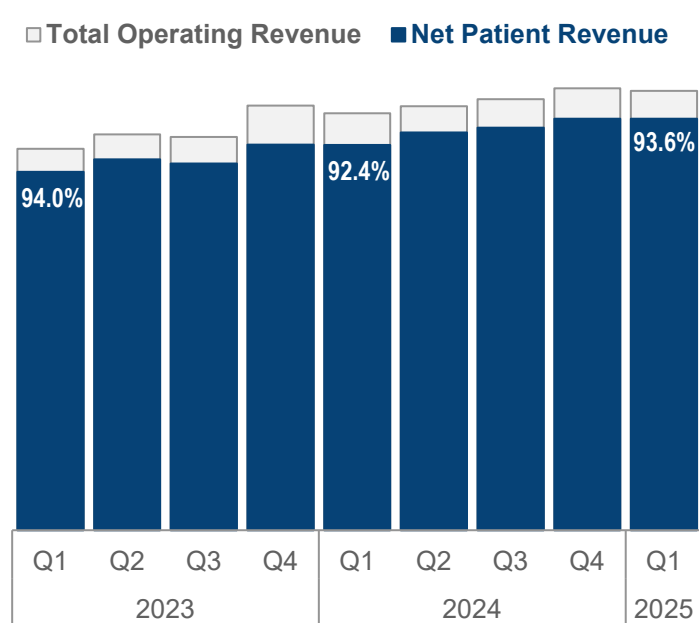
In Q1 2025, statewide **total operating revenue**, the amount hospitals received for providing patient care and other hospital services, was \$5.11 billion. It decreased \$30.8 million (0.6 percent) from the previous quarter, Q4 2024, and increased \$261.9 million (5.4 percent) from Q1 2024, one year prior.

In Q1 2025, 93.6 percent of **total operating revenue** came from **net patient revenue**, the amount hospitals received for providing care to patients. Statewide **net patient revenue** was \$4.78 billion. It decreased \$598,113 (0.01 percent) from the previous quarter, Q4 2024, and increased \$302.8 million (6.8 percent) from Q1 2024, one year prior.

Total operating revenue and net patient revenue decreased in Q1 2025, after a year of growth in 2024



Net patient revenue made up nearly 94 percent of total operating revenue in Q1 2025

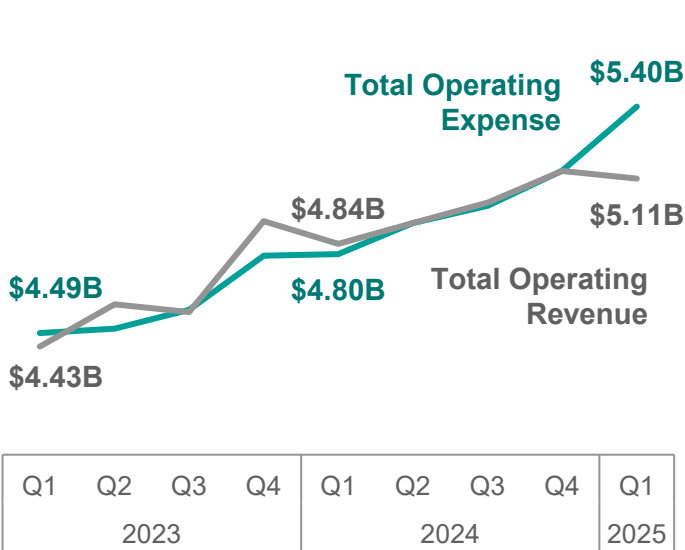


Statewide total operating expense outpaced total operating revenue in Q1 2025, following a year of revenue growth in 2024

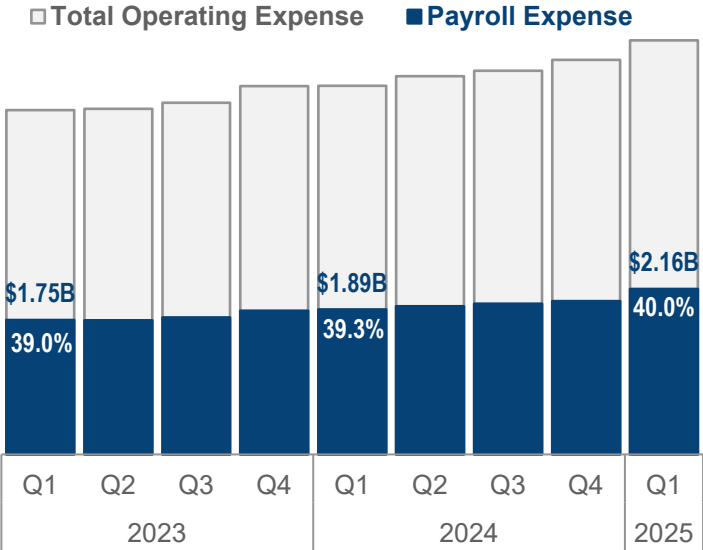
In Q1 2025, statewide **total operating expense**, the amount spent to operate hospitals, was \$5.40 billion. It increased \$256.4 million (5.0 percent) from the previous quarter, Q4 2024, and increased \$591.0 million (12.3 percent) from Q1 2024, one year prior. In Q1 2025, statewide total operating expense exceeded total operating revenue by \$288.9 million.

In Q1 2025, **payroll expense**, the amount hospitals spent to compensate employees, was \$2.16 billion (40.0 percent of statewide total operating expense). It increased \$161.2 million (8.1 percent) from the previous quarter, Q4 2024, and increased \$123.8 million (14.1 percent) from Q1 2024, one year prior.

Total operating expense exceeded **total operating revenue** by nearly \$300 million in Q1 2025



Payroll expense made up nearly 40 percent of **total operating expense** between Q1 2023 and Q1 2025



Type A hospitals reported the greatest increase in average monthly payroll, DRG hospitals reported the greatest decrease

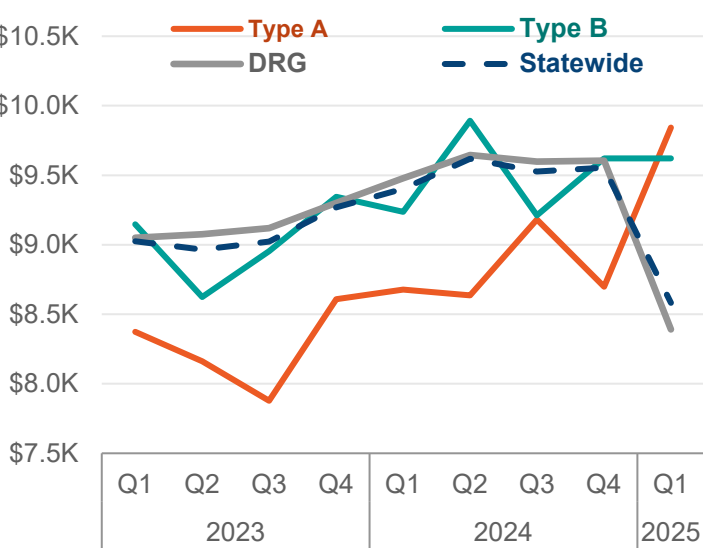
In Q1 2025, **statewide monthly payroll per full-time employee (FTE)**, the average amount a full-time hospital employee earned per month, was \$8,582. It decreased \$972 (10.1 percent) from the previous quarter, Q4 2024 and decreased \$820 (8.7 percent) from Q1 2024, one year prior.

In Q1 2025, **monthly payroll per FTE** was \$9,843 at **Type A hospitals**. It increased \$1,145 (13.2 percent) from the previous quarter, Q4 2024, and increased \$1,165 (13.4 percent) from Q1 2024, one year prior.

In Q1 2025, **monthly payroll per FTE** was \$9,621 at **Type B hospitals**. It decreased \$2 (0.02 percent) from the previous quarter, Q4 2024, and increased \$384 (4.2 percent) from Q1 2024, one year prior.

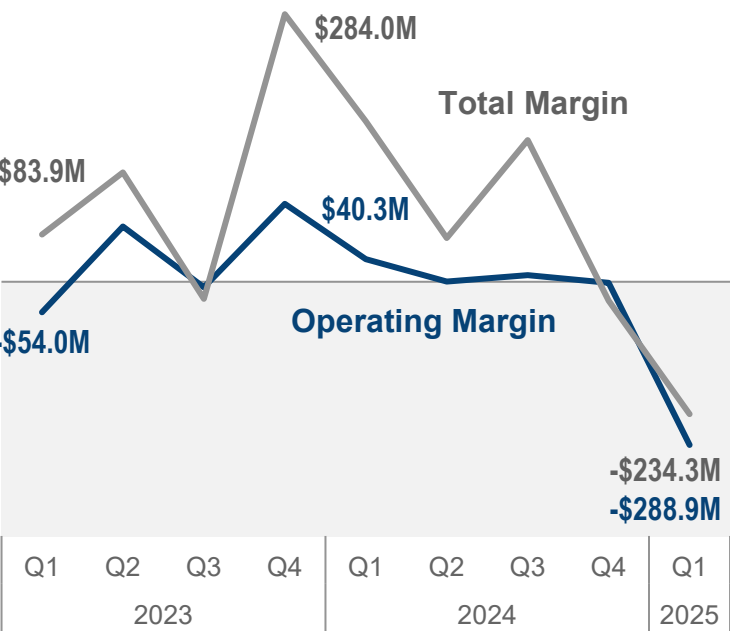
In Q1 2025, **monthly payroll per FTE** was \$8,391 at **DRG hospitals**. It decreased \$1,214 (12.6 percent) from the previous quarter, Q4 2024, and decreased \$1,087 (11.5 percent) from Q1 2024, one year prior.

Type A hospitals reported the greatest quarter-over-quarter increase in average monthly pay in Q1 2025



Increased expenses and reduced revenue lead to decreased total margin and operating margin between Q4 2024 and Q1 2025

Expenses exceeded revenue in Q1 2025, leading to negative **total margin** and **operating margin**



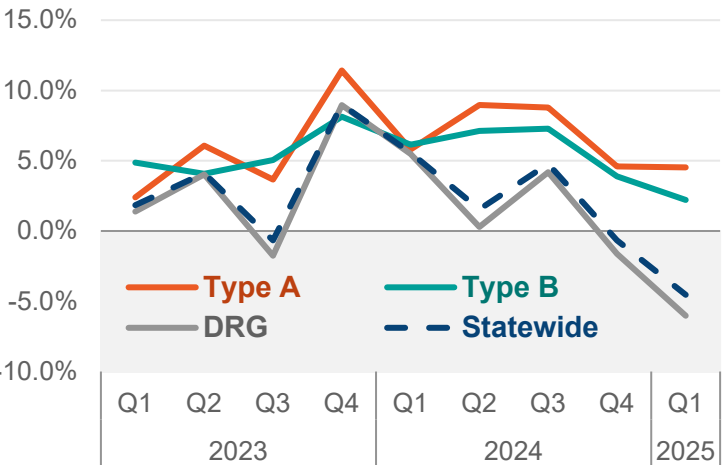
In Q1 2025, **operating margin**, the remaining profit hospitals keep after subtracting total operating expense from total operating revenue, was -\$288.9 million. It decreased \$287.1 million from the previous quarter, Q4 2024, and decreased \$329.2 million from Q4 2024, one year prior. **Operating margin** is an indicator of financial health; a positive operating margin value indicates that hospitals earned enough operating revenue to cover operating expenses.

In Q1 2025, **total margin**, the remaining profit hospitals keep after subtracting total expense from total revenue, was -\$234.3 million. It decreased \$200.7 million from the previous quarter, Q4 2024, and decreased \$518.3 million from Q1 2024, one year prior. Total revenue includes all income sources, such as profit, investments, and tax subsidies. **Total margin** is an indicator of overall financial standing; a positive total margin value indicates that hospitals earned enough total revenue to cover total expenses.

Negative margins at DRG hospitals lead to negative statewide margins, while margins were positive at Type A and B hospitals

In Q1 2025, total margin as a percent of total revenue, or profit margin, was -5.7 percent statewide, 0.1 percent at Type A hospitals, 1.1 percent at Type B hospitals, and -6.9 percent at DRG hospitals. In Q1 2025, operating margin as a percent of total operating revenue, or operating profit margin, was -4.5 percent statewide, 4.5 percent at Type A hospitals, 2.2 percent at Type B hospitals, and -6.0 percent at DRG hospitals. A positive profit margin or operating profit margin indicates that for each dollar earned in revenue, a hospital spent less than a dollar on expenses. A negative value indicates that for each dollar earned in revenue, a hospital spent more than a dollar on expenses.

Total margin as a percent of total revenue by hospital type, 2023-2025



Operating margin as a percent of total operating revenue by hospital type, 2023-2025

