

Oregon Acute Care Hospitals: Financial & Utilization Trends Q2 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 second quarter 2021 update of the Oregon Hospital Financial and Utilization Dashboard, OHA's interactive dashboard for hospital financial and utilization data. This data is self-reported and subject to change.

Key Takeaways

- Statewide **operating margin (profit)** was 3.4%, or \$137 million, in Q2 2021
- Statewide **net patient revenue** was \$3.8 billion in Q2 2021, which was 34.8% higher than Q2 2020.
- Statewide **total operating expense** was \$3.9 billion in Q2, up 15.3% from Q2 2020.
- Statewide **total operating revenue** was \$4.0 billion, a 16.6% increase compared with Q2 2020.
- Statewide **total margin** was 5.4%, or \$222.2 million, in Q2 2021. Total margin fell 4.3 percentage points compared with Q2 2020*.

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.

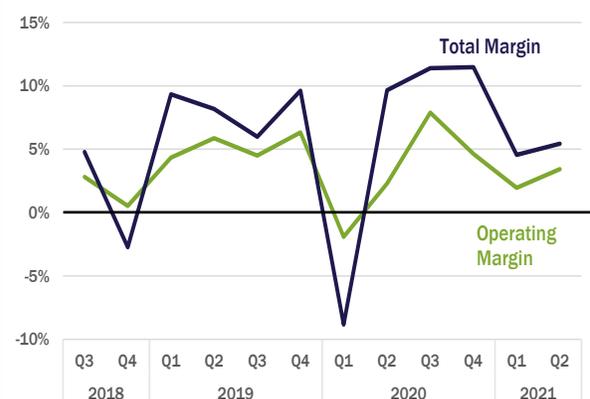
Total Margin

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

Margin was higher in the first six months of 2021 than in the same period in 2020.

Statewide **operating margin (profit)** and total margin have been positive for a full calendar year, since Q2 2020.

Operating margin and total margin stayed positive.



Statewide **operating margin** was 3.4% (\$137 million) in the second quarter of 2021, which is 1.1 percentage point higher than Q2 2020.

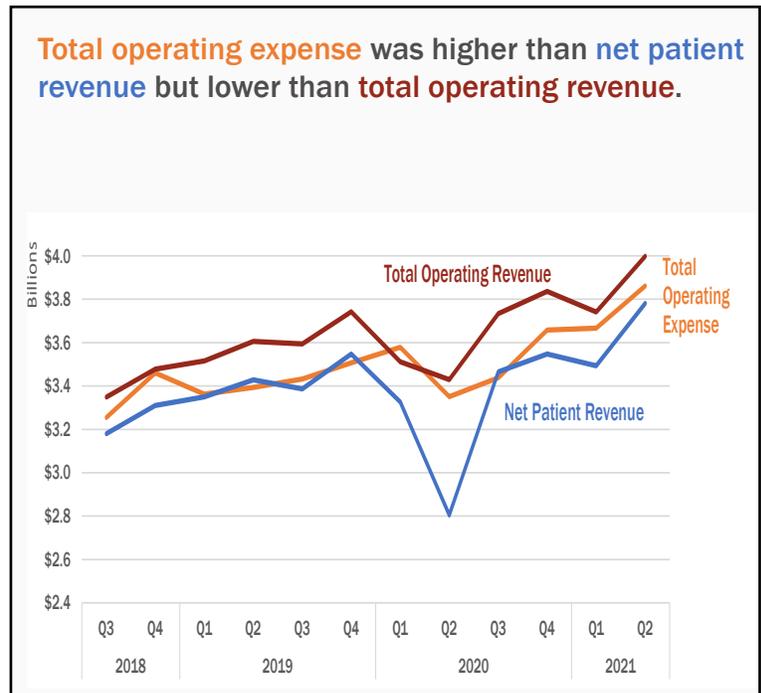
Total margin, which includes investment income, fell 4.3 percentage points compared with Q2 2020 to 5.4% (\$222 million) in the second quarter.

* Statewide second quarter total margin was reduced by Salem Hospital's transferring assets to their parent entity. See dashboard for more information.

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Net patient revenue recovered, but total operating expense grew faster.

- Statewide **net patient revenue** in Q2 was \$3.8 billion, a 34.8% increase from its low point in Q2 2020.
- Net patient revenue was back to its historical levels in Q2 2021, although future disruption due to the Delta surge could slow or reverse that recovery.
- Statewide **total operating expense** in Q2 grew to \$3.9 billion, after remaining steady during the previous two quarters. This was a 15.3% increase from Q2 2021.
- Statewide **total operating revenue**, which is the sum of other operating revenue and net patient revenue, grew to \$4.0 billion in Q2 2021, an increase of 16.6% compared with the second quarter of 2020.



Hospital utilization neared pre-pandemic levels, but the Delta surge could change that trend.

- Statewide **emergency room visits** were 36.5% higher in Q2 2021 than Q2 2020. ER visits in Q2 were the highest they have been since Q4 2019.
- Statewide total inpatient discharges increased significantly since Q2 2020, but did not quite reach pre-pandemic levels.
- Outpatient surgeries exceeded pre-pandemic levels in Q2 2021. They were 79.1% higher than Q2 2020 and 6.1% higher than Q2 2019.
- The Delta variant surge caused some hospitals to cancel or limit elective surgeries, which may impact these trends in Q3 2021.

