Oregon Acute Care Hospitals
Financial & Utilization Trends Q2 2023

This brief summarizes the 2nd quarter (Q2) 2023 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.

Key Takeaways

Compared to Q2 2022:

- Total operating revenue increased 12 percent from $4.12 billion to $4.61 billion.
- Net patient revenue increased 12 percent from $3.86 billion to $4.32 billion.
- Total operating expense increased 6 percent from $4.26 billion to $4.52 billion.
- Operating margin (profit) increased 167 percent from -$341.8 million to $235.9 million.

Statewide total operating revenue exceeded total operating expense for the first time in five quarters

In Q2 2023, statewide total operating revenue, the amount hospitals received for providing patient care and other hospital services, was $4.61 billion. It increased $170.9 million (3.8 percent) from the previous quarter, Q1 2023, and increased $492.1 million (12 percent) from Q2 2022, one year prior.

In Q2 2023, nearly 94 percent of total operating revenue came from net patient revenue, the amount hospitals received for providing care to patients. The remaining revenue came from other operating revenue, or money earned from non-health care services like grants, federal funds, gift shops, or cafeterias.

In Q2 2023, statewide net patient revenue was $4.32 billion. It increased $146.1 million (3.5 percent) from the previous quarter, Q1 2023, and increased $459.4 million (11.9 percent) from Q2 2022, one year prior.

In Q2 of 2023, statewide total operating expense, the amount hospitals paid to provide hospital services, was $4.52 billion. It increased $18.2 million (0.4 percent) from the previous quarter, Q1 2023, and increased $257 million (6 percent) from Q2 2022, one year prior.

Total operating revenue and net patient revenue grew faster than total operating expense in Q2 2023.

Data source: Databank (hospital self-report)
Stable payroll expense contributed to reduced operating expense

In Q2 2023 about 40 percent of statewide total operating expense came from total payroll expense, the amount of money hospitals spent to compensate their employees.

In Q2 2023, statewide total payroll expense was $1.75 billion. It decreased $929,981 (-0.1 percent) from the previous quarter, Q1 2023, and increased $38.5 million (2.2 percent) from Q2 2022, one year prior.

In Q2 2023, statewide total monthly payroll per full-time employee, the average amount of money a full-time hospital employee earned per month, was $8,958. It decreased $62 (-0.7 percent) from the previous quarter, Q1 2023, and decreased $7 (-0.1 percent) from Q2 2022, one year prior.

Oregon hospitals profited at the statewide level

In Q2 2023, statewide operating margin, the profit hospitals kept after subtracting total operating expense from total operating revenue, was $94.7 million. It increased $152.6 million (263.3 percent) from the previous quarter, Q1 2023, and increased $235.9 million (167 percent) from Q2 2022, one year prior. A positive operating margin is an indicator of financial health and shows that hospitals earned enough operating revenue to cover their operating expenses.

In Q2 2023, statewide total margin, the profit hospitals kept after subtracting total expenses from total revenue, was $190.6 million. It increased $110.5 million (138 percent) from the previous quarter, Q1 2023, and increased $536.4 million (155.1 percent) from Q2 2022, one year prior. Total revenue includes all sources of hospital income, such as profit, investments, and tax subsidies. A positive total margin is an indicator of overall financial standing and shows that hospitals earned enough total revenue to cover their total expenses.

Both operating margin and total margin were positive in Q2 2023 for the first time in five quarters, indicating that hospitals are collectively profitable again.

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