

Oregon Acute Care Hospitals

Financial Trends Q2 2024

This brief summarizes the second quarter (Q2) 2024 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 (Q2 2023 to Q2 2024)

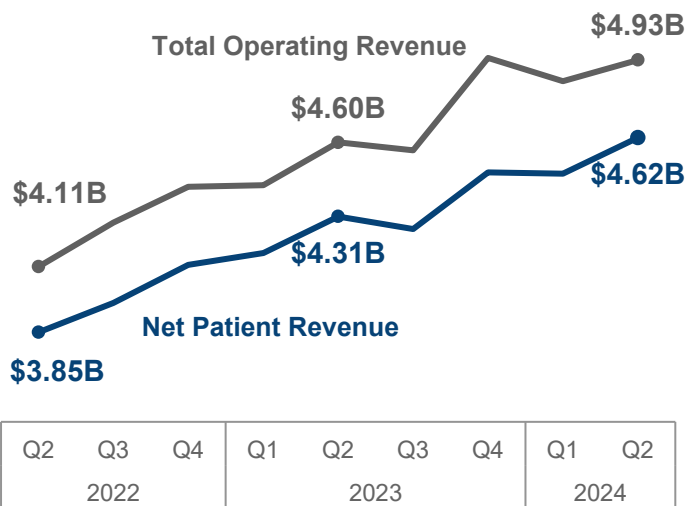
- Total operating revenue **increased** 7.1 percent, from \$4.60 billion to \$4.93 billion.
- Net patient revenue **increased** 7.2 percent, from \$4.31 billion to \$4.62 billion.
- Total operating expense **increased** 7.6 percent, from \$4.50 billion to \$4.85 billion.
- Operating margin **decreased** 16.2 percent, from \$97.8 million to \$82.0 million.

Statewide total operating revenue and net patient revenue continued trend of steady increases in Q2 2024

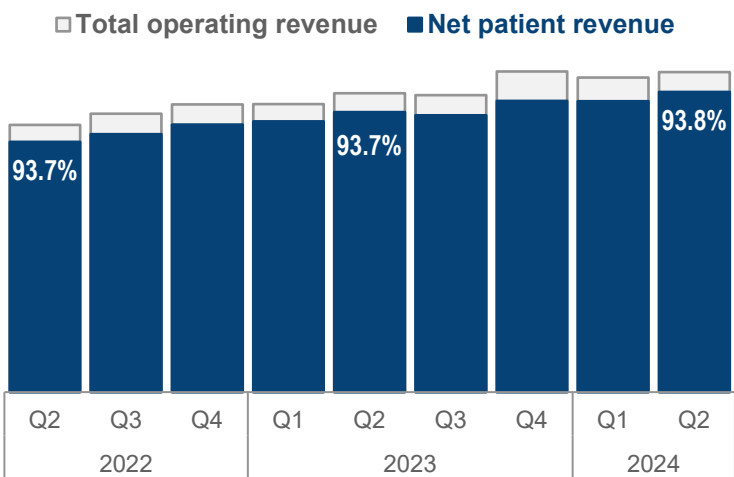
In Q2 2024, statewide **total operating revenue**, the amount hospitals received for providing patient care and other hospital services, was \$4.93 billion. It increased \$83.2 million (1.7 percent) from the previous quarter, Q1 2024, and increased \$325.1 million (7.1 percent) from Q2 2023, one year prior.

In Q2 2024, nearly 94 percent of **total operating revenue** came from **net patient revenue**, the amount hospitals received for providing care to patients. Statewide **net patient revenue** was \$4.62 billion. It increased \$142.2 million (3.2 percent) from the previous quarter, Q1 2024, and increased \$310.7 million (7.2 percent) from Q2 2023, one year prior.

Total operating revenue and net patient revenue increased between Q2 2022 and Q2 2024



Net patient revenue made up over 90 percent of total operating revenue between Q2 2022 and Q2 2024



In Q2 2024, total operating expense increased statewide following a decline in the previous quarter, Q1 2024

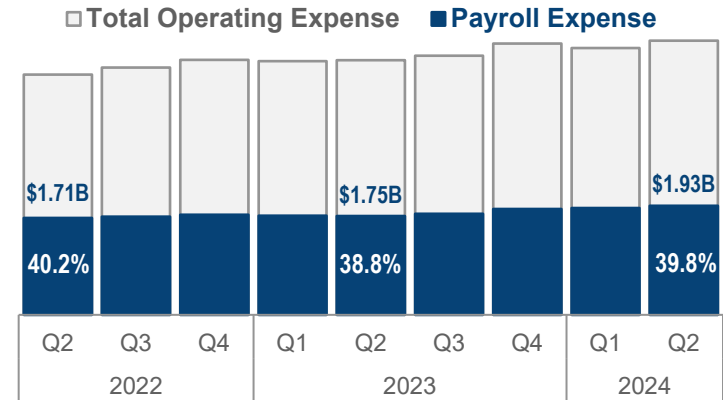
In Q2 2024, statewide **total operating expense**, the amount hospitals paid to operate the hospital, was \$4.85 billion. It increased \$130 million (2.8 percent) from the previous quarter, Q1 2024, and increased \$341 million (7.6 percent) from Q2 2023, one year prior.

In Q2 2024, 40 percent of statewide **total operating expense** came from **total payroll expense**, the amount of money hospitals spent to pay employee salaries and wages. This proportion has remained constant over the past two years, even as the dollar amounts of **total operating expense** and **total payroll expense** have increased. In Q2 2024, statewide **total payroll expense** was \$1.93 billion. It increased \$37.8 million (2 percent) from the previous quarter, Q1 2024, and increased \$179.3 million (10.3 percent) from Q2 2023, one year prior.

Statewide **total operating expense** increased almost every quarter between Q2 2022 and Q2 2024



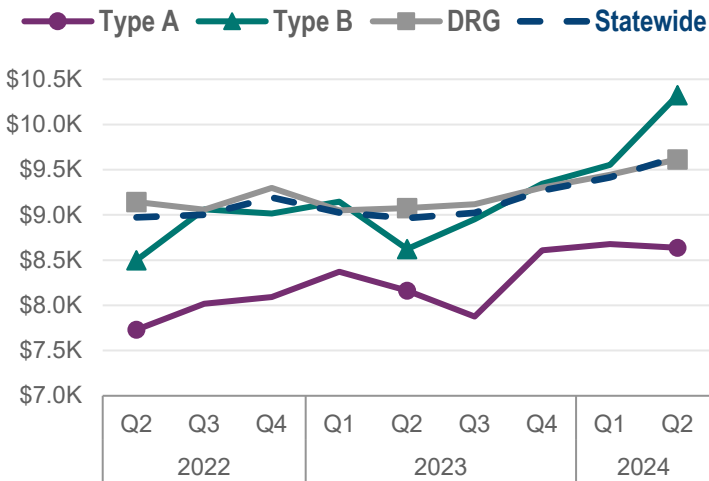
Statewide **payroll expense** has grown proportionally to **total operating expense** over the past ten quarters



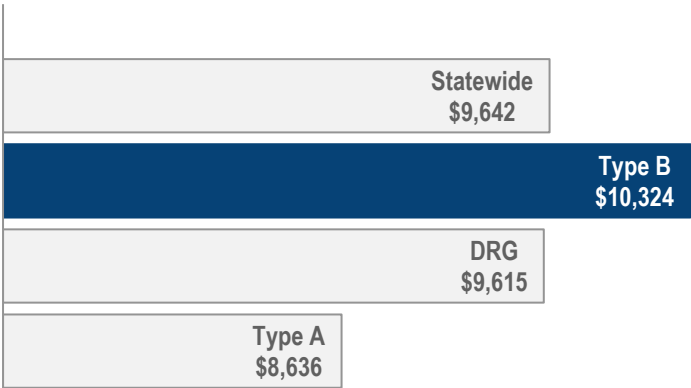
Type B hospitals increased the most in average monthly pay for full-time employees in Q2 2024

In Q2 2024, **statewide monthly payroll per full-time employee**, the average amount of money a full-time hospital employee earned per month, was \$9,642. It increased \$227 (2.4 percent) from the previous quarter, Q1 2024, and increased \$677 (7.6 percent) from Q2 2023, one year prior. In Q2 2024, monthly payroll per full-time employee was \$8,636 at Type A hospitals (a -0.5 percent decrease from Q1 2024), \$10,324 at Type B hospitals (an 8 percent increase from Q1 2024), and \$9,615 at DRG hospitals (a 1.8 percent increase from Q1 2024).

In Q2 2024, statewide **average monthly payroll per full time employee** showed a slight overall increase



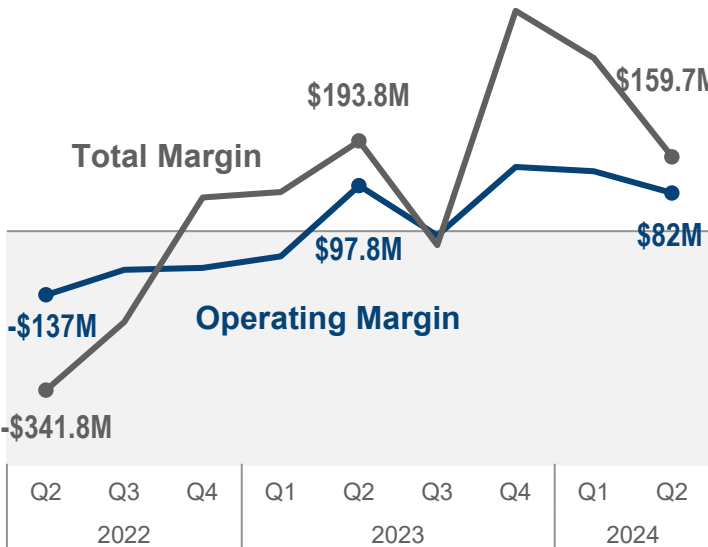
In Q2 2024, average monthly payroll per full time employee was greatest at **Type B hospitals**



Despite decreases over the past year, both statewide operating margin and total margin were positive in Q2 2024

In Q2 2024, **operating margin**, the remaining profit after subtracting total operating expense from total operating revenue, was \$82 million. It decreased \$46.8 million (-36.3 percent) from the previous quarter, Q1 2024, and decreased \$15.8 million (-16.2 percent) from Q2 2023, one year prior. **Operating margin** is an indicator of financial health; a positive value indicates that hospitals earned enough operating revenue to cover operating expenses.

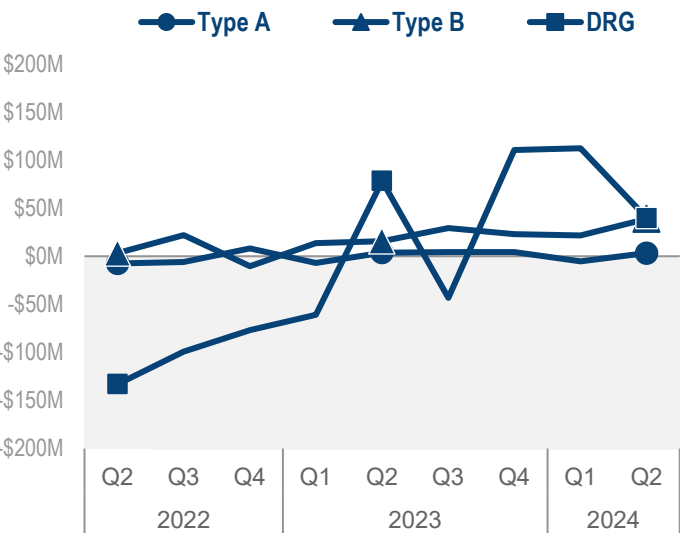
In Q2 2024, **total margin**, the remaining profit after subtracting total expense from total revenue, was \$159.7 million. It decreased \$212.8.1 million (-57.1 percent) from the previous quarter, Q1 2024, and decreased \$34.1 million (-17.6 percent) from Q2 2023, one year prior. **Total margin** is an indicator of overall financial standing; a positive value indicates that hospitals earned enough total revenue to cover total expenses.



Over the last ten quarters, DRG hospitals had the greatest fluctuations in both operating margin and total margin

In Q2 2024, **operating margin** was \$3.2 million at Type A hospitals (a 161.7 percent increase from Q1 2024), \$38.8 million at Type B hospitals (a 78.7 percent increase from Q1 2024), and \$39.9 million at DRG hospitals (a -64.4 percent decrease from Q1 2024). In Q2 2024, **total margin** was \$21.9 million at Type A hospitals (a 51.9 percent increase from Q1 2024), \$47.6 million at Type B hospitals (a 21.8 percent increase from Q1 2024), and \$90.3 million at DRG hospitals (a -42.9 percent decrease from Q1 2024).

Operating margin was positive across all hospital types in Q2 2024, indicating hospitals were profitable



Total margin was positive among all hospital types in Q2 2024 despite a 42% decrease from Q1 2024 in DRG hospitals

