

Uncompensated Hospital Care in Oregon 1991 to 2008

What is uncompensated care?

Uncompensated care is the total amount of health care services, based on full, established charges, provided to patients who are unable or unwilling to pay. Uncompensated care includes both unbilled charity care and bad debt (services billed but not paid). The Office of Oregon Health Policy and Research (OHPR) report uncompensated care and its components as a percentage of gross patient revenue. This controls for annual changes in hospital income and spending as well as the hospital size.

Why is uncompensated care important?

Uncompensated care is an indicator of the need for care among people who are unable to pay and the willingness and capacity of health care providers to absorb the impacts of making such care available. Trends for uncompensated care often reflect uninsurance trends in the community. Hospitals may fund the provision of uncompensated care by passing cost on to private payers, which may then show up as increased health insurance premiums, or by accepting lower margins.

What is charity care?

Charity care consists of health care services provided to people who are determined to be unable to pay for the cost of health care services. Hospitals will typically determine a patient's inability to pay by examining a variety of factors, such as individual and family income, assets, employment status, family size, or availability of alternative sources of payment. A hospital may establish inability to pay at the time care is provided or through later efforts to gather adequate financial information to make an eligibility determination.

What is bad debt?

Bad debt is the unpaid obligation for care provided to patients who have been determined to be able to pay, but have not done so. Services are billed, but not paid. For insured patients, certain amounts that are patient responsibility, such as deductibles and coinsurance, are counted as bad debt if not paid.

How to interpret uncompensated care?

Interpreting the burden of uncompensated care across hospitals can be difficult. Hospitals do not apply a uniform set of guidelines for determining eligibility for free or discounted care and can make determinations of eligibility at any point in the revenue cycle. Small amounts of charity care can be due to limited eligibility criteria, but may also reflect little need in the community.

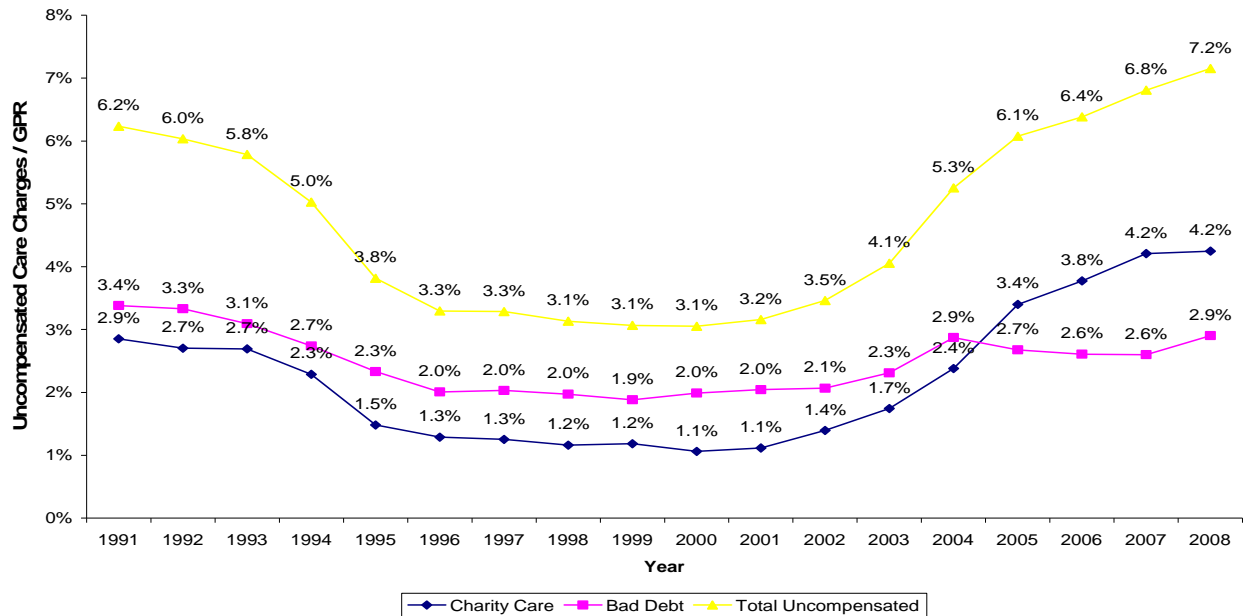
Uncompensated Hospital Care in Oregon, 1991 to 2008

Total Dollar Figures based on Full Established Charges, 1991-2008

Year	Charity Care	Bad Debt	Uncompensated Care	Gross Patient Revenue
1991	\$76,093,144	\$90,195,959	\$166,289,103	\$2,667,980,616
1992	\$80,413,771	\$99,121,993	\$179,535,764	\$2,975,178,073
1993	\$85,470,958	\$98,198,066	\$183,669,024	\$3,175,976,439
1994	\$76,550,795	\$91,618,223	\$168,169,018	\$3,345,277,609
1995	\$53,476,332	\$84,123,932	\$137,600,264	\$3,607,525,105
1996	\$49,929,233	\$77,970,633	\$127,899,866	\$3,881,238,520
1997	\$52,450,284	\$85,052,558	\$137,502,842	\$4,185,846,291
1998	\$52,489,335	\$89,271,046	\$141,760,381	\$4,526,375,574
1999	\$58,488,436	\$92,909,388	\$151,397,824	\$4,936,187,266
2000	\$60,475,417	\$113,254,889	\$173,730,306	\$5,694,835,088
2001	\$71,767,373	\$131,435,448	\$203,202,821	\$6,433,409,423
2002	\$101,465,154	\$150,514,410	\$251,979,563	\$7,276,873,967
2003	\$149,165,762	\$197,728,579	\$346,894,341	\$8,556,242,888
2004	\$230,732,932	\$278,400,370	\$509,133,302	\$9,694,280,020
2005	\$364,336,263	\$287,037,238	\$651,373,501	\$10,722,397,942
2006	\$439,597,986	\$304,077,809	\$743,675,795	\$11,652,465,588
2007	\$540,839,877	\$333,836,856	\$874,676,733	\$12,849,046,426
2008	\$601,534,473	\$411,103,982	\$1,012,638,455	\$14,159,692,399

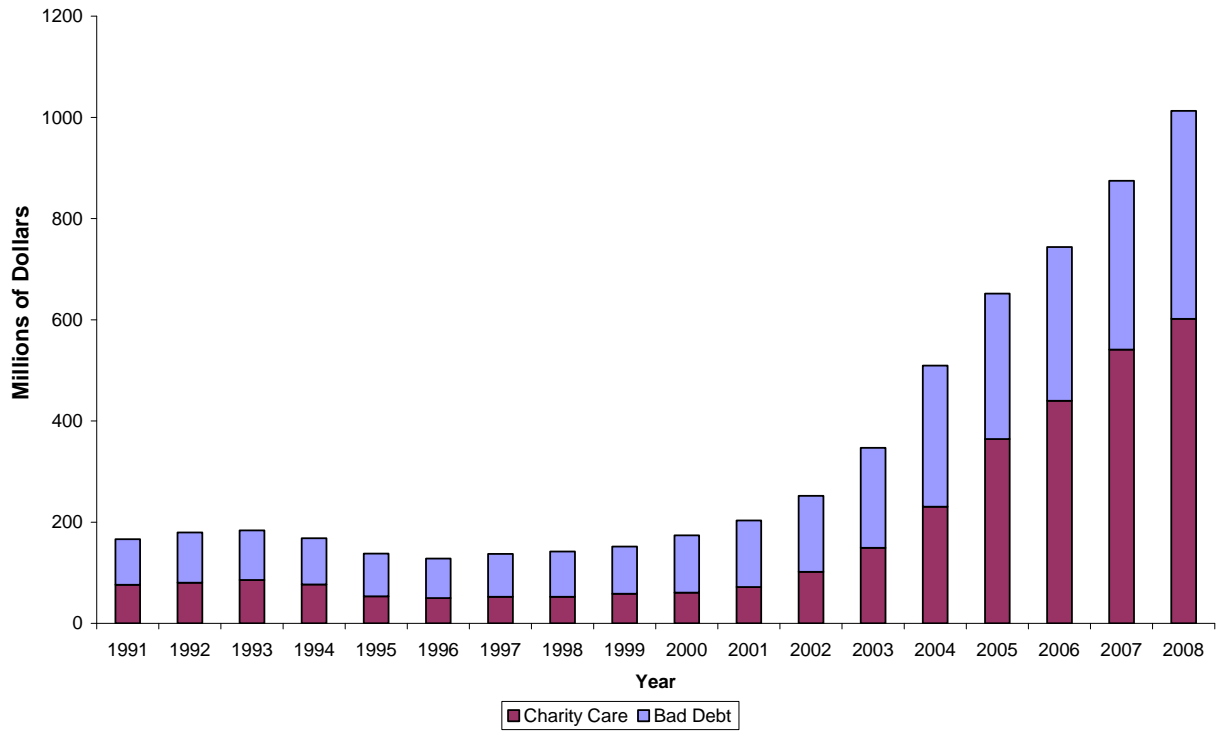
Source: Hospital Audited Financials, FY1991 to 2008, and State of Oregon Financial Reporting Form (FR3), 1991-2008.

Uncompensated Care as a Percentage of Gross Patient Revenue (GPR)
Total for all Oregon Hospitals 1991 to 2008



Source: Calculated from Hospital Audited Financials, FY1991 to 2008, and State of Oregon Financial Reporting Form (FR3), 1991-2008. Shown are the aggregate totals, uncompensated care as a percentage of GPR may vary significantly for individual hospitals.

**Total Uncompensated Care for Oregon Hospitals from 1991 to 2008
Based on Full Established Charges**



Source: Hospital Audited Financials, FY1991 to 2008, and State of Oregon Financial Reporting Form (FR3), 1991-2008.