

# Oregon Acute Care Hospitals

## Financial Trends Q1 2024

This brief summarizes the 1<sup>st</sup> quarter (Q1) 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.

### Key Comparisons: Q1 2024 vs. Q1 2023

- Total operating revenue **increased** 9.3 percent to \$4.84 billion.
- Net patient revenue **increased** 7.5 percent to \$4.48 billion.
- Total operating expense **increased** 5.1 percent to \$4.72 billion.
- Operating margin (profit) **increased** 337.7 percent to \$128.8 million.

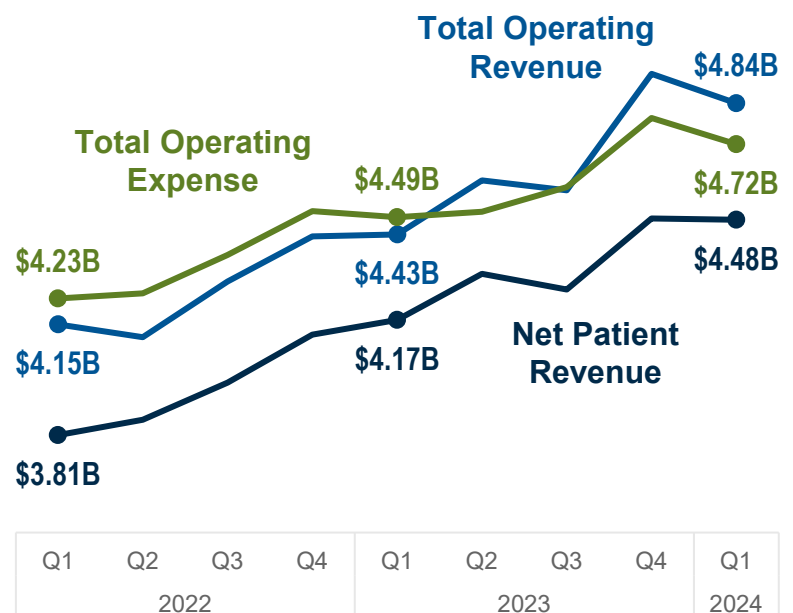
### Total operating revenue and expense decreased between Q4 2023 and Q1 2024 as net patient revenue showed little change

In Q1 2024, statewide **total operating revenue**, the amount hospitals received for providing patient care and other hospital services, was \$4.84 billion. It **decreased** \$91.4 million (-1.9 percent) from the previous quarter, Q4 2023\*, and **increased** \$410.8 million (9.3 percent) from Q1 2023, one year prior.

In Q1 2024, about 92 percent of **total operating revenue** came from **net patient revenue**, the amount hospitals received for providing care to patients. Statewide **net patient revenue** was \$4.48 billion. It **decreased** \$4.9 million (-0.1 percent) from the previous quarter, Q4 2023, and **increased** \$312.8 million (7.5 percent) from Q1 2023, one year prior.

In Q1 2024, statewide **total operating expense**, the amount hospitals paid to provide hospital services, was \$4.72 billion. It **decreased** \$82.2 million (-1.7 percent) from the previous quarter, Q4 2023, and **increased** \$227.9 million (5.1 percent) from Q1 2023, one year prior.

**Total operating expense** and **total operating revenue** decreased as **net patient revenue** showed little change between Q4 2023 and Q1 2024.



**\*Data note:** In Q4 2023, Providence Portland Medical Center reported \$145 million in other operating revenue, about 32 percent of statewide other operating revenue for the quarter. This increase was caused by realized gains reported in Q4 2023 from the sale of onsite laboratory operations in Q3 2023. As a result, the amount of statewide total operating revenue was inflated in Q4 2023 and was not representative of statewide or individual hospital financial standing for the quarter.

# Total payroll expense increased, monthly payroll per full-time employee increased across all hospital types in Q1 2024

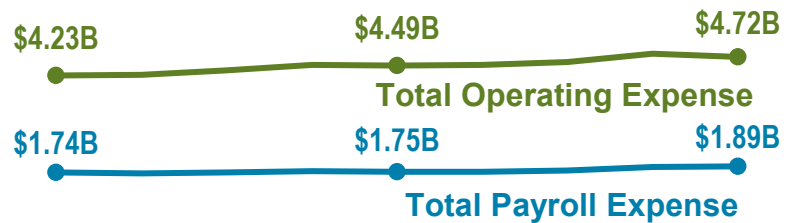
In Q1 2024, 40 percent of statewide **total operating expense** came from **total payroll expense**, the amount of money hospitals spent to compensate employees. This proportion remained the same over the past two years, even as **total operating expense** and **total payroll expense** continued to increase.

In Q1 2024, statewide **total payroll expense** was \$1.89 billion. It **increased** \$18.2 million (1.0 percent) from the previous quarter, Q4 2023, and **increased** \$140.2 million (8.0 percent) from Q1 2023, one year prior.

In Q1 2024, statewide **total monthly payroll per full-time employee**, the average amount of money a full-time hospital employee earned per month, was \$9,415. It **increased** \$146 (1.6 percent) from the previous quarter, Q4 2023, and **increased** \$390 (4.3 percent) from Q1 2023, one year prior.

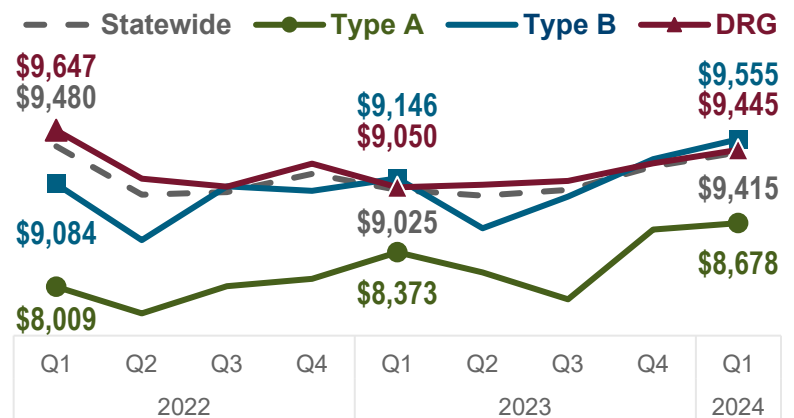
In Q1 2024, total monthly payroll per full-time employee was \$8,678 at **Type A hospitals** (a 0.8 percent increase from Q4 2023), \$9,555 at **Type B hospitals** (a 2.3 percent increase from Q4 2023), and \$9,445 at **DRG hospitals** (a 1.5 percent increase from Q4 2023).

**Total payroll expense** and **total operating expense** steadily increased between Q1 2022 and Q1 2024.



Year	Quarter	Total Operating Expense	Total Payroll Expense
2022	Q1		
	Q2		
	Q3		
	Q4		
2023	Q1		
	Q2		
	Q3		
	Q4		
2024	Q1		

Between Q4 2023 and Q1 2024, **total monthly payroll per full-time employee** increased across all hospital types.



# Oregon hospitals were profitable in Q1 2024, despite decreases in operating margin and total margin from Q4 2023 to Q1 2024

In Q1 2024, **operating margin**, the remaining profit after subtracting total operating expense from total operating revenue, was \$128.8 million. It **decreased** \$9.2 million (-6.7 percent) from the previous quarter, Q4 2023, and **increased** \$182.9 million (337.7 percent) from Q1 2023, one year prior\*. **Operating margin** is an indicator of financial health; a positive value indicates hospitals earned enough operating revenue to cover operating expenses.

In Q1 2024, **total margin**, the remaining profit after subtracting total expense from total revenue, was \$372.6 million. It **decreased** \$101.1 million (-21.4 percent) from the previous quarter, Q4 2023, and **increased** \$288.7 million (344.2 percent) from Q1 2023, one year prior. **Total margin** is an indicator of overall financial standing; a positive value indicates hospitals earned enough total revenue to cover total expenses.

\*See the **Data note** on the previous page.

**Operating margin** and **total margin** were positive, indicating hospitals collectively made money in Q1 2024.

