

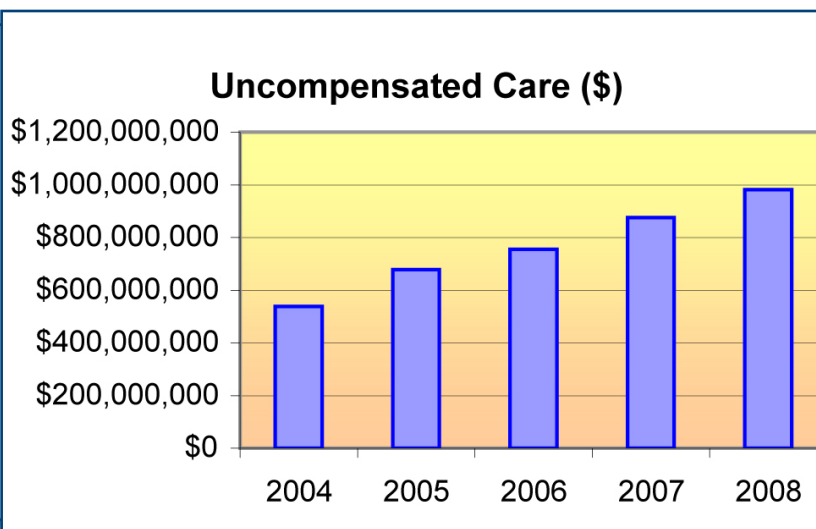
Current Hospital Trends

Financial Stability in Jeopardy:

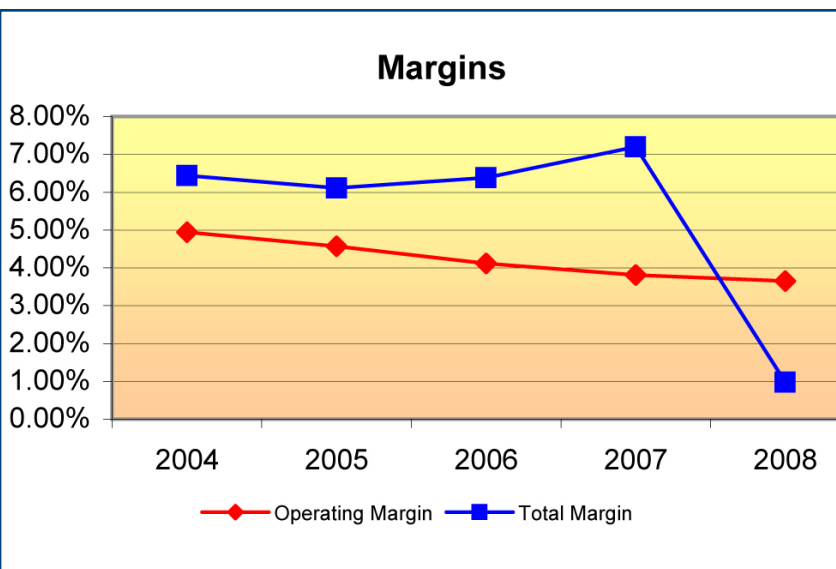
Uncompensated Care is the total amount of health care services, based on full established charges, provided to patients who are either unable or unwilling to pay. Uncompensated care includes both charity care and bad debt.

Hospital's rates of uncompensated care have risen dramatically in recent years, paralleling the state's swelling uninsured rate and the rising popularity of high-deductible health plans which leave patients with higher out-of-pocket costs for care.

Data collected by the Oregon Association of Hospitals & Health Systems show precipitous declines in operating margins at the end of 2008.



- Uncompensated care has increased 5-fold during the past decade.
- Total uncompensated care at Oregon hospitals rose more than 350 percent between 2002 and 2008 alone, from \$272 million to \$982 million in total charges.
- Emergency rooms visits rose from 1.16 million visits in 2006 to 1.22 million visits in 2008.



- Average operating margin declined 23 percent between 2004 and 2008.
- In 2008, the average operating margin dropped to 3.7%, the fifth consecutive year of decline.
- Oregon lost \$198 million in investment income in 2008, a negative \$428 million swing from 2007.
- Investment income is typically used to offset the cost of care.