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CAPACITY CONCERNS AT OREGON HOSPITALS PERSIST IN Q1 2021 DESPITE FEWER BEDS USED

Staffing challenges limit bed availability, more acute patients increase length of stay

Lake Oswego, Ore. – August 6, 2021 – A staffing shortage and a large volume of sicker patients who spend more time in the hospital are creating a capacity crunch that could be as bad as the height of the COVID-19 pandemic last year, according to a newly released financial performance report by Apprise Health Insights from the first quarter of 2021.

Both urban and rural hospitals are reporting difficulties retaining current staff and replacing those who are leaving their jobs.

The Apprise data show the average length of stay rose by 8 percent from Q1 2020 to Q1 2021, from 4.9 days to 5.3 days.

Two other factors are affecting capacity (measured by the number of staffed beds): difficulty in discharging patients into continuing care facilities where they can finish their recovery (such as skilled nursing) and an increase in ED boarding (patients waiting for an inpatient bed sometimes spending days in the emergency department). ED boarding is up 10 percent from December 2020 to March 2021 according to Apprise data.

Meanwhile, hospital margins have declined for two consecutive quarters. Both median total margin (down 3.7 percent) and median operating margin (down .7 percent) show a different financial picture after the final three quarters of 2020, when one-time CARES Act funding propped up margins at levels higher than their historic norms.

“The data show that after a period when the federal CARES Act funding supported hospital operations, two key measures are dropping. That means revenues are down and expenses are up,” said Andy Van Pelt, CEO of Apprise Health Insights. “According to the Apprise data labor costs are up significantly, with Total Payroll Expense up over 15 percent over a three-year period. Hospitals are now having to pay more for increasingly scarce labor resources, due in part to the staffing crunch we’ve seen during the pandemic.”

The latest data show hospital revenues are continuing to fall short of covering expenses. Net patient revenue (NPR) saw a slight decrease from Q4 2020 while total operating expenses saw a third consecutive quarterly increase. The gap between those two numbers means Oregon’s hospitals are not covering their expenses. Statewide, net patient revenue (from patient care minus expenses) decreased slightly from Q4 2020 while total operating expenses saw a third consecutive increase. That gap is

growing wider. OAHHS member hospitals cite increased labor costs as one of the primary factors driving a rise in total operating expenses.

For more details on the Q1 financial analysis, click [here](#).

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About Apprise: *Apprise Health Insights is the most reliable and complete source of hospital data in Oregon. As the data subsidiary of the Oregon Association of Hospitals and Health Systems (OAHHS), Apprise staff have gathered and analyzed data about Oregon hospitals and health systems since 1985. We strive to provide data, tools, and expertise to help hospitals understand the healthcare landscape in the Pacific Northwest.*