

Uncompensated Hospital Care in Oregon 1996 to 2006

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?

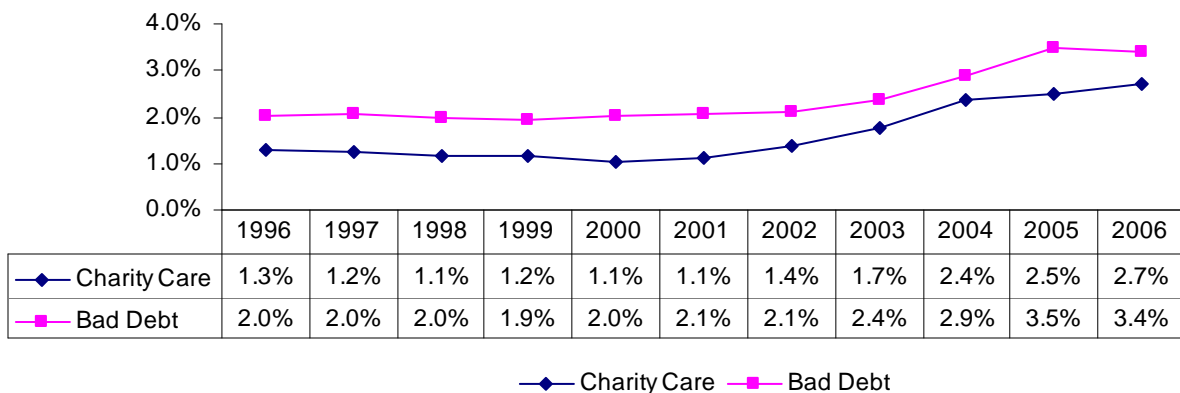
Charity care consists of health care services provided to people who are determined to be unable to pay for the cost of health care services. Hospitals will typically determine a patient's inability to pay by examining a variety of factors, such as individual and family income, assets, employment status, 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 data? Interpreting the burden of charity care across hospitals can be difficult. Hospitals do not apply a uniform set of guidelines for determining eligibility for free or discounted care. Small amounts of charity care can be due to limited eligibility criteria, but may also reflect little need in the community.

**All Oregon Hospitals
Uncompensated Care as a Percent of Gross Patient Revenue
Median Values, 1996 to 2006**



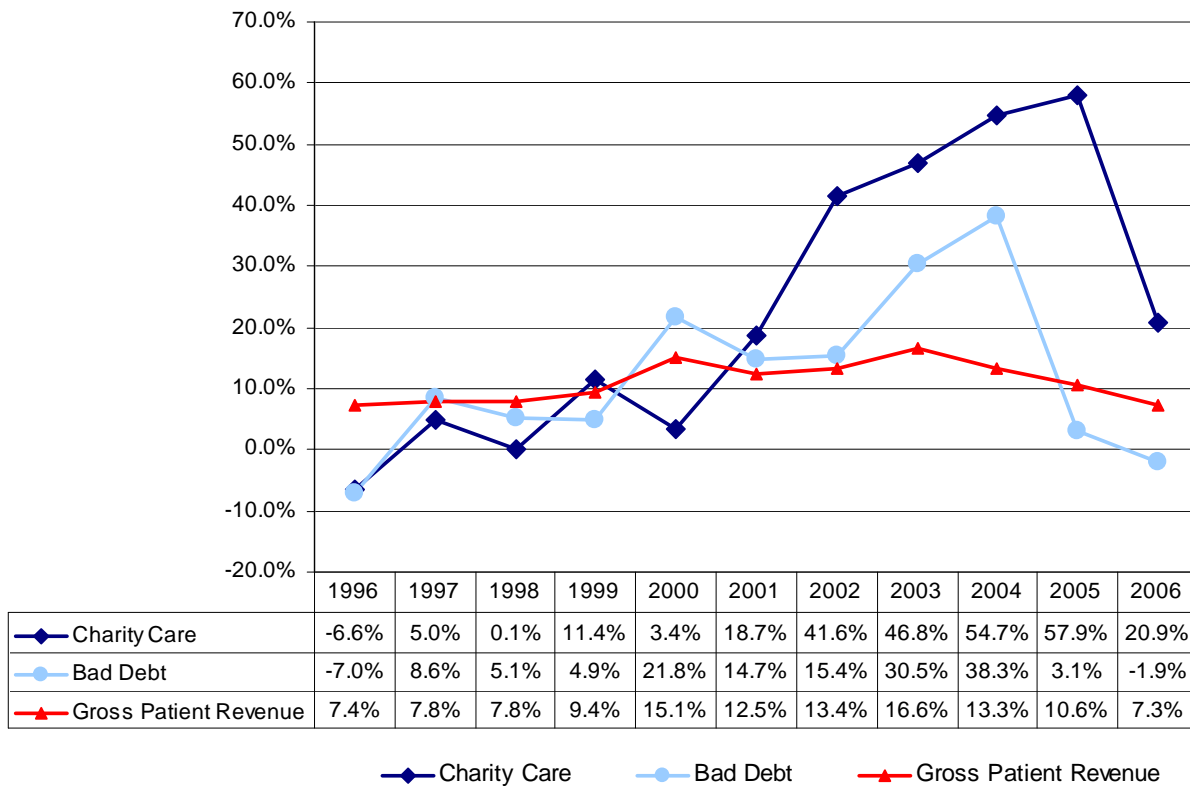
Source: Hospital Audited Financials, FY1996 to 2006, and State of Oregon Financial Reporting Form (FR3), 1996-2006.

Uncompensated Hospital Care in Oregon, 1996 to 2006
Total Dollar Figures based on Full Established Charges, 1996-2006

Year	Charity Care	Bad Debt	Uncompensated Care	Gross Patient Revenue
1996	\$49,929,233	\$79,934,251	\$129,863,484	\$3,931,843,281
1997	\$52,450,284	\$86,769,624	\$139,219,908	\$4,237,663,493
1998	\$52,489,335	\$91,208,247	\$143,697,582	\$4,567,047,903
1999	\$58,490,286	\$95,707,043	\$154,197,329	\$4,995,924,341
2000	\$60,484,140	\$116,525,714	\$177,009,854	\$5,752,774,764
2001	\$71,767,373	\$133,671,635	\$205,439,008	\$6,470,346,010
2002	\$101,592,559	\$154,261,537	\$255,854,095	\$7,340,457,092
2003	\$149,165,762	\$201,253,511	\$350,419,273	\$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	\$440,642,688	\$281,509,018	\$722,151,706	\$11,507,748,574

Source: Hospital Audited Financials, FY1996 to 2006, and State of Oregon Financial Reporting Form (FR3), 1996-2006.

Annual Percentage Change in Hospital Uncompensated Care in Oregon, 1996-2006



Source: Hospital Audited Financials, FY1996 to 2006, and State of Oregon Financial Reporting Form (FR3), 1996-2006.