

Data & Methodology

Financial Health of Oregon Hospitals

Optimizing Comparability of Public Data

To prepare the figures in this report, FamilyCare applied a consistent method across all Oregon hospitals to improve comparability over time. Because hospitals report finances in different formats and operate on different fiscal calendars, FamilyCare standardized reporting periods where possible and focused on trends rather than direct hospital-to-hospital comparisons.

When only system-level filings were available, FamilyCare combined system and facility-level sources to produce consistent views at both levels; when hospitals affiliated with systems filed separately, they were aggregated to assess overall system financial health. FamilyCare also excluded affiliated charitable foundations (hospital-related 501(c)(3) organizations) to ensure the analysis reflected hospital operations.

Primary Data Sources Used

FamilyCare relied on the most reliable publicly available financial records. For most nonprofit hospitals, this meant using revenue, expenses, net income, and net assets from IRS Form 990 filings, which are also submitted to the Oregon Department of Justice's Charitable Activities Division to ensure public transparency and accountability. For hospitals that do not file a Form 990, including for-profit hospitals and health district hospitals, FamilyCare reviewed audited financial statements and FR-3 disclosures submitted to the Oregon Health Authority to extract comparable data fields, including revenues, expenses, net income, and net assets.

Key Financial Measures

FamilyCare focused on two core financial measures in this report: net income and net assets. Net income was used to capture a hospital's total annual financial gain or loss, because it encompasses both operating and non-operating income, including items such as investment returns. For nonprofit hospitals, FamilyCare also assessed net assets, calculated as total assets minus total liabilities, as a measure of overall value and long-term financial capacity, not merely cash on hand at a given moment.



Handling Differences in Reporting

FamilyCare relied on Form 990 data to the greatest extent possible and audited financial statements or FR-3 disclosures where Form 990s were not available. Because there exists some variance between the values reported in a Form 990 filing and audited financial statements, this analysis is focused on trends over time, not specific hospital-to-hospital comparisons.

Standardizing Time Periods and Defining Scope

Since hospitals operate on different fiscal calendars, we strived to standardize reporting periods to improve comparability and focused on trends over time rather than direct hospital-to-hospital comparisons. We also excluded affiliated charitable foundations (hospital-related 501(c)(3) organizations).

Reporting periods vary significantly across hospitals. Periods include calendar years, and fiscal years ending in September, June, and even March or April. For facilities with reporting periods in March or April, data was attributed to the prior calendar year to maximize comparability with most hospitals' data being reported that year.

System Reporting and Regional Aggregation

In cases where Form 990s are submitted only at the system level, such as with St. Charles Health System, FamilyCare used only the net asset information from those filings. Individual hospital profitability data was extracted from OHA sources and audited financial statements. FamilyCare then aggregated individual hospital income data at the system-wide level. Conversely, when individual hospitals submit separate Form 990 filings, as with Legacy Health, data were first compiled at the facility level. All financial information was then aggregated at the system level to assess system-wide financial health.

Official Sources

The data referenced in this report were derived from the following official sources:

- 990s and system net assets:
justice.oregon.gov/charities
- Audited financial statements and FR-3 filings of individual hospitals:
www.oregon.gov/oha/HPA/ANALYTICS/Pages/hospital-index.aspx