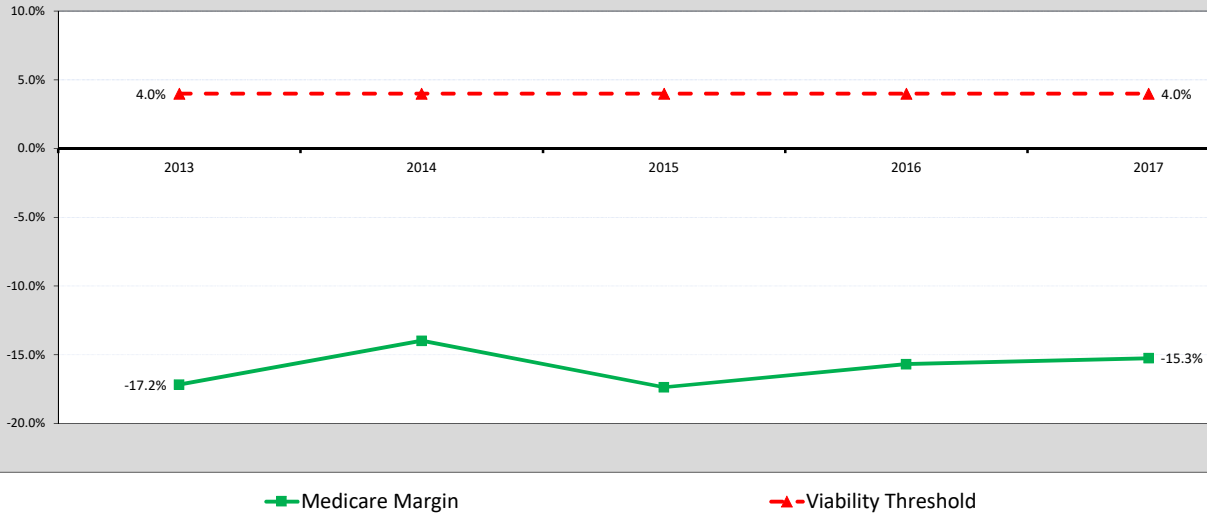


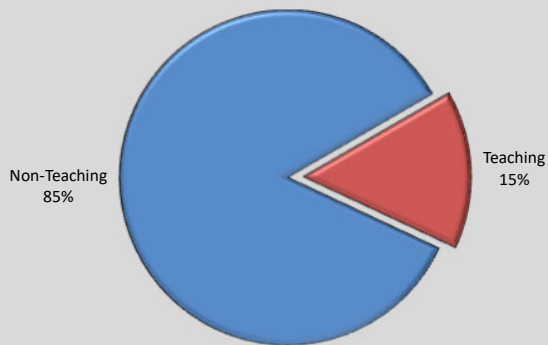
Surviving on Slim Margins

- In 2017, the average Medicare margin for hospitals in Oregon was -15.3%.
- Of those hospitals in Oregon with available data in 2017, 7% had a favorable Medicare margin, while 93% had an unfavorable Medicare margin.
- Health economists consider a positive 4% margin the minimum necessary to ensure hospitals have sufficient funds to improve patient care and to reinvest in modernization.



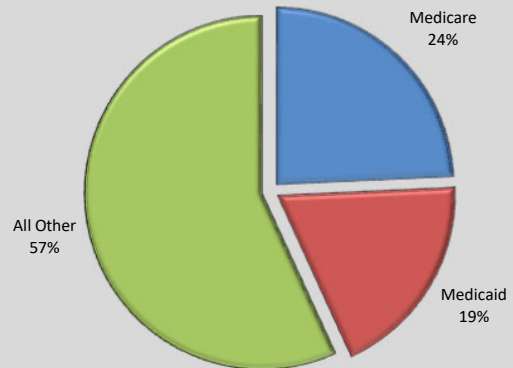
Training the Next Generation of Physicians

- The hospitals in Oregon provide training to more than 570 interns and residents every year.
- 9 hospitals in Oregon receive special Medicare funding to support the sustainability of these essential teaching programs.



Payer Mix

- Hospitals in Oregon rely on payments from public payers (Medicare and Medicaid) for 43% of all fee-for-service discharges. This does not take into consideration the many patients enrolled in Medicare and Medicaid managed care.



Sources: Statistics and indicators shown in this report are mainly from 2013-2017 Medicare cost report obtained from the 4Q 2018 update to the Healthcare Cost Report Information System (HCRIS) database. Cost report year(s) is determined based on the federal fiscal year (FFY) in which a given cost report begins (e.g., a '2017' cost report is one that begins between October 1, 2016- September 31, 2017). Inpatient Prospective Payment System (IPPS) and Outpatient Perspective Payment System (OPPS) 2019 final rule Impact Files and wage index tables as published by CMS are also utilized. This analysis reflects the IPPS October 2018 correction notice.