



The Financial Health of Colorado Hospitals



2022 – a perilous year for hospital finances.

We're just beginning to see the financial impacts of the pandemic. 2022 looks to be the worst financial year for hospitals since the start of the pandemic, and the next few years may be even more challenging.

HOSPITAL MARGINS ARE DOWN

significantly compared to pre-pandemic

49% decrease in operating margin

0.2% statewide average total margin

EXPENSES ARE UP significantly

10.3% increase in total expenses

17.4% workforce expenses

7.2% pharmaceutical and supply expenses

PATIENTS ARE SICKER

13.9% increase from 2019 in length of stay, and hospitals see more higher acuity patients (e.g., COVID, RSV)

6.1% decrease since 2019 in discharges, and routine patient care is down

A majority of Colorado hospitals operate with unsustainable financial situations.

To fund needed future investments in infrastructure, equipment, and workforce, hospitals must have sufficient and sustainable margins – at least 2-4 percent of patient revenue, according to national standards.

	2017	2018	2019	2020	2021
Hospitals with Unsustainable Finances	52	51	48	61	54
% of Hospitals with Unsustainable Finances	58%	55%	51%	64%	56%

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