

# Financial Challenges Are Growing for Colorado Hospitals

The financial and operational impacts for hospitals over the past four years have been staggering and continue to build. Facing an intense combination of growing expenses, changing patient utilization, new state and federal regulatory requirements, and increasing administrative and reimbursement challenges from health insurance companies, hospitals are facing strong financial headwinds.

## What Hospitals Are Seeing



Hospitals need to earn **at least 4% operating margin** after accounting for expenses to remain sustainable and continue providing care for their community for years to come.

**More than 70% of Colorado hospitals** operate with **unsustainable margins**. That could mean:



HOSPITAL CLOSURES



DISCHARGE BACKLOGS



INCREASED COSTS



REDUCED ACCESS TO CARE



FURTHER DISTANCE TO CARE



REDUCED SERVICE LINES

**Expenses** for Colorado hospitals continue to **rise at near double-digits**, surpassing national and local inflation rates since 2019.

- Labor expenses **↑30+**%
- Supply expenses **↑35**%



**Patient utilization of hospital** services has changed significantly, with higher lengths of stay and fewer discharges. That could mean:

- **Patients are sicker.**
- Options for discharging patients to other levels of care (like skilled nursing or rehab facilities) are **fewer/harder to find.**

Coloradans deserve access to affordable, quality care, close to home. Colorado hospitals are committed to serving their communities, but they are facing significant financial burdens. As policymakers consider new laws and regulations, they must first consider the impacts of the hundreds of new laws enacted in recent years and the financial health of Colorado's hospitals.

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