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New Data Shows Wisconsin Hospitals Facing Significant Financial Challenges

Margins decreased nearly 35% in 2022 compared to pre-pandemic level; 53 hospitals operating in the red

MADISON, Wis. — The Wisconsin Hospital Association Information Center (WHAIC) today released its annual [Guide to Wisconsin Hospitals for FY2022](#), which shows Wisconsin hospitals and health systems facing their most significant financial challenges in more than a decade. These financial strains are in large part due to patients slowly returning to pre-pandemic routine care and the rising costs for medical supplies and services due to record inflation.

“With inflation driving up the costs of goods – not only for individual consumers, but for businesses and organizations as well – hospitals have been challenged with increased costs of medical supplies and overhead costs incurred while providing care,” said **Jennifer Mueller, WHAIC Vice President and Chief Privacy Officer**. “With operating costs running at such a high, a number of Wisconsin hospitals operated at a net loss in the last year – one of the toughest years financially for Wisconsin hospitals in the last decade.”

Each year, WHAIC releases the results of the state-mandated Hospital Annual and Fiscal Survey. Per Wisconsin State law, WHAIC is responsible for collecting and disseminating Wisconsin hospital and freestanding ambulatory surgery center data. State law requires hospitals and health systems to report this data to WHAIC and make the results publicly available. The annual [Guide to Wisconsin Hospitals](#) is published on the WHAIC website.

According to the report, the largest expenses facing hospitals remains supplies and services. These input costs are mostly out of hospitals’ control, and have increased 26.73% since 2019. The second-largest expense facing hospitals and health systems is salary and fringe costs, driven in large part by the workforce shortage as detailed in the [Wisconsin Hospital Association’s 2023 Workforce Report](#). These expenses have increased 13.51% since 2019. Capital costs have also increased, rising 6% since 2019.

Previously, WHAIC has compared the most recent three years of data in its *Guide to Wisconsin Hospitals*. With data from 2020 and 2021 being skewed due to the pandemic, however, WHAIC is opting to compare FY2022 data to FY2019 data, with FY2019 data serving as the control group.

Comparing FY2019 to FY2022, Wisconsin hospitals experienced a decrease of 34.9% in their operating margins. 53 Wisconsin hospitals had a negative operating margin while 65 hospitals had a negative total margin, both of which are the highest number of hospitals in the past ten years. In addition, operating margins for health systems also decreased to -0.1% in FY2022 compared to 3.9% in FY2019, which is the lowest operating margin for health systems in the past 10 years.

Read the [Guide to Wisconsin Hospitals for FY2022](#).

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ABOUT THE WISCONSIN HOSPITAL ASSOCIATION INFORMATION CENTER, LLC

The [WHA Information Center](#) is dedicated to collecting, analyzing and disseminating complete, accurate and timely data and reports about charges, utilization, quality and efficiency provided by Wisconsin hospitals, ambulatory surgery centers and other health care providers.

Since 2003, the vision of WHAIC has been to help health care stakeholders in Wisconsin turn data into actionable insights that enable timely and reliable decision-making. WHAIC has a strong heritage of meeting the ever-changing, broad-based needs of health care stakeholders statewide. WHAIC remains self-supporting and is committed to serving our customers at low or no cost and maximizing the value and improvement that can be realized from health care data.