

Wisconsin Health Systems Operating in the Red

Margins decreased nearly 120% since 2021; 55 Wisconsin hospitals had negative margins

On Oct. 30, 2024, the Wisconsin Hospital Association Information Center (WHAIC) released its annual [Guide to Wisconsin Hospitals for FY2023](#), which shows Wisconsin hospitals and health systems are continuing to experience financial pressures, compounded by challenges from the previous year. The report indicates a sustained period of low margins and ongoing financial challenges.

Key Findings

Between FY2021 and FY2023, hospitals experienced a 40.8% decrease in their operating margins, with 82 out of 167 hospitals reporting a decline. Fifty-five hospitals—approximately 33% of all hospitals in the state—are now operating at a loss. Health systems also reported a 117.8% decrease in operating margins, reaching -0.8% in FY2023.

Safety net hospitals, which serve populations with higher Medicaid coverage, are also reporting losses. In FY2023, 38.1% of Wisconsin's safety net hospitals—32 out of 84 such facilities—reported financial losses, up from 33.7% in the previous year.

Additionally, hospitals are dealing with rising costs. Supply and service costs have increased by 16.6% since FY2021, while salary and fringe expenses have increased by 11.3%, largely due to workforce shortages.

Emergency department utilization has also increased, with nearly 2.4 million visits in FY2023, a 13.5% increase from FY2021.

Read the [Guide to Wisconsin Hospitals for FY2023](#).

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