



# Washington State “Non-Profit” Hospital Report

As IHPA [reported last year](#), wealthy, non-profit hospitals around the country use 78% of a federal program designed to help low-income patients in underserved areas. This report includes a closer look at some of the hospital systems in Washington that are benefiting from the 340B federal drug pricing program and how they are spending their revenue.

What this research shows is that Washington hospital systems are raking in billions in revenue, handing out mega-compensation packages, and making major investments while profiting from programs meant for the poor. The evidence shows that wealthy hospitals and highly compensated administrators are taking advantage of the 340B program.

## Washington Non-Profit Hospital Revenue Is Booming

Even if a hospital is called a “non-profit,” it can still get very rich. Washington’s biggest non-profit hospitals are collecting billions in operating revenue each year.

HOSPITAL SYSTEM	ANNUAL REVENUE	YEAR REPORTED	ANNUAL INCREASE IN REVENUE	ANNUAL GROWTH RATE
<a href="#">Providence Health &amp; Services Washington</a>	\$9,778,288,664	2023	\$3,713,481,130	61.23%
<a href="#">MultiCare Health System</a>	\$4,500,119,544	2023	\$197,253,999	4.68%
<a href="#">PeaceHealth</a>	\$3,623,620,652	2023	\$278,922,400	8.34%
<a href="#">University of Washington Medicine</a>	\$2,903,849,000	2023	N/A	N/A
<a href="#">Franciscan Health System</a>	\$1,821,452,038	2024	\$235,619,333	14.86%

Source: ProPublica, Washington Department of Health

Below are more details about how the hospitals listed above spend their revenue and abuse the system to extort the very people they claim to help.

### Providence Health & Services

*\$8.5 Billion Total Assets*

Providence Health & Service Washington is the [highest-revenue nonprofit](#) in the entire state of Washington, reporting nearly \$10 billion in revenue in 2023 (an increase of 61% annually). They operate 14 hospitals across the state and have operations across the west coast. The hospital system has a history of deceptive and illegal practices and cites the need for financial stability in justifying layoffs while paying exorbitant executive salaries.

In 2019, a group of nurses and healthcare workers protested outside the corporate headquarters of the system, noting that the company was raking in record profits while refusing to dedicate necessary funds to staffing and patient care. In a [statement](#) from the local union, it was noted: “Tensions have

further boiled over as nurses and caregivers have learned that Providence had over \$24 billion in operating revenue and \$11 billion in cash reserves last year, and the top 15 executives had over \$41 million in compensation in 2017. Providence has also launched two for-profit venture capital funds totaling \$300 million. Caregivers say that, as Providence has grown into a seven-state corporate giant, it has forsaken the founding core values of the Sisters of Providence and instead now prioritizes excessive executive pay, hollow branding campaigns, for-profit ventures and market expansion ahead of quality patient care.”

### ***Million Dollar Compensation for High-Level Employees***

Providence Health & Services Washington [spends billions](#) on salaries and wages, nearly 36% of the hospital’s total expenses. Over 20 employees received annual compensation of over \$1 million in 2023, the majority of which are administrators and not medical professionals.

Earlier this year, however, the hospital announced it would be [laying off](#) the equivalent of 600 full-time employees heading into 2026, claiming this is a “difficult but necessary” step to help the organization’s financial stability. This followed layoffs of nearly 1,000 employees in 2024.

And in 2019, the hospital [launched](#) an expensive branding campaign (“Health is a human right”) while nearly 4,000 employees and their dependents relied on the state Medicaid program that year.

### ***Mistreating Hourly Workers in Violation of the Law***

At the same time, a jury recently [awarded](#) millions in unpaid wages to over 33,000 hourly workers at Providence Health & Services. The lawsuit alleged that the hospital failed to provide a legally required second meal break for employees working shifts longer than ten hours and using a timekeeping system that rounded employees’ work hours in a way that benefited the employer.

### ***Mistreating Patients & Denying Necessary Financial Assistance***

Sexual abuse lawsuits were [filed](#) against Providence Health & Services and some of its affiliates earlier this summer. A total of seven suits have been filed and allege that the groups ignored reports of sexual abuse regarding one of their doctors, with incidents dating back 20 years.

In 2024, Providence Health & Services was ordered to forgive \$137 million in medical debt, and refund more than \$20 million to patients, after an investigation by Attorney General Bob Ferguson [found](#) that the hospital had deceived “patients into believing they had no choice but to pay their medical bill, and unlawfully shifting the burden onto patients to self-identify their eligibility for financial assistance.” The investigation also found that the health system knowingly sent low-income patients to debt collectors. The investigation found that all of this was going on while the hospital reported more than \$18 billion in patient service revenue in 2020. Nearly 100,000 low-income patients were impacted.

### ***Abusing Taxpayer Dollars***

Beyond aggressive and illegal payment collections, the system has also run into trouble for fraudulent billing of Medicare and Medicaid. The system agreed to pay over \$22 million to resolve allegations about [fraudulent billing](#). The notice stated that the system paid its neurosurgeons in such a way that it gave them a financial incentive to perform more and more complex surgeries, despite many of these procedures being medically unnecessary.

In one instance, the system allowed a doctor who worked for them for nearly six years to quietly resign after [complaints](#) that he was “performing medically-unnecessary surgeries, harming patients, and falsifying diagnoses.” He then went on to do the same at MultiCare Health System (more on that below).

## MultiCare Health System

*\$6.1 Billion Total Assets*

MultiCare Health System is one of the [third-highest-revenue nonprofit](#) in the entire state of Washington, reporting over \$4.5 billion in revenue in 2023 (the latest data available). Nearly 50% of the system's [annual expenses](#) in 2023 went towards salaries and wages, with ten employees receiving compensation of over \$1 million that same year.

### *Abusing Taxpayer Dollars*

In 2024, the U.S. Department of Justice and state of Washington filed a complaint against MultiCare system [alleging](#) that “MultiCare knowingly endangered patient safety and falsely and fraudulently billed Medicare, Medicaid, and other federal health care programs for spinal surgery procedures.” The allegation stated that despite red flags, the system hired a doctor who had resigned from another hospital over complaints of conducting unnecessary surgeries and allowed him to perform neurosurgery services. “The Complaint alleges that MultiCare not only endangered patients through its conduct, but falsely and fraudulently claimed and received reimbursement for millions of dollars from federal health care programs between July 2019 and March 2021.”

## PeaceHealth

*\$4.75 Billion Total Assets*

PeaceHealth is the [fifth-highest-revenue nonprofit](#) in the entire state of Washington, reporting over \$3.6 billion in revenue in 2023 (the latest data available).

Over the years, public [frustration](#) with the hospital system has increased, with many arguing that with cuts to services and unsafe staffing practices, PeaceHealth “no longer provides enough public benefit to earn the tax breaks it now enjoys.” Researchers from Rand Corp [reported](#) that in 2022, PeaceHealth’s Washington hospitals were paid 314% more from commercial health plans than what would have been paid through Medicare – representing the highest-priced rates in the state.

Furthermore, in 2023, the system received a credit [downgrade](#) due to labor challenges, and “aggressive” management targets of implementing \$240 million in financial improvements, despite [reporting](#) the same amount in operating losses during the fiscal year.

A shocking [50% of PeaceHealth’s expenses](#) went towards wages and salaries in 2023, with 12 employees receiving annual compensation of over \$1 million in 2023.

### *Denying Financial Assistance to Low-Income Patients*

PeaceHealth has directly hurt the patients a nonprofit hospital purports to help the most. In November 2023, Washington Attorney General Bob Ferguson [announced](#) a \$13.4 million settlement with PeaceHealth. The funds were to be distributed to over 15,000 low-income patients, after an investigation by the Attorney General’s office found that the hospital had billed patients likely eligible for financial assistance without informing them that they might be eligible.

### ***Culture of Retaliation Against Employees***

PeaceHealth has a record of retaliating against employees when they don't go along with leadership. For instance, in 2022, a group of nurses alleged that the hospital system had retaliated against them when they raised concerns about patient safety. This includes one nurse [who found herself fired](#) after raising concerns about patient and staff safety related to COVID-19. The same report noted an emergency room doctor was fired after making similar complaints. Another nurse was fired after giving a cleared interview about national nursing staffing issues to the media. In October 2023, a group of nurses alleged that PeaceHealth [threatened to terminate](#) their health insurance benefits if they participated in a strike, in violation of the National Labor Relations Act.

## **University of Washington Medicine** *\$2.98 Billion Total Assets*

The University of Washington (UW) Medicine employs nearly 33,000 healthcare professionals across a family of organizations. An annual [report](#) for the entire university system from 2024 showed a 32% growth in revenue from net patient services over 2023 (\$3.04 million in 2024, up from \$2.56 million in 2023).

### ***UW Medicine Resident Physician Stole Fentanyl and Worked Under the Influence***

In June of 2025, Dr. Andrew Voegel-Podadera – a resident physician at the University of Washington Medical School – was [arrested](#) by the Drug Enforcement Administration agents for diverting controlled substances including Fentanyl, Remifentanyl, Sufentanyl, and Hydromorphone, practicing medicine while under the influence of controlled substances, and tampering with controlled substances intended to be used in treating three children. Colleagues [witnessed](#) Voegel-Podadera displaying behavior consistent with drug use while in the operating room and drawing up excessive amounts of fentanyl into syringes that would not be needed while treating children.

### ***Putting Patients at Risk***

An [investigation](#) of the University of Washington Medical Center showed that over a period of 17 months, patients were put at risk because “the hospital repeatedly failed to keep critical drug mixing areas clean and sterile.” University pharmacies failed inspections because sterile rooms where critical drugs were prepared and mixed into IVs were found to have problems such as rust, “layers of dust and growth of some sort inside,” drugs that were too old to use, incorrect storage of drugs, cleaning compounds, and anesthesia liquids, and pharmacy technicians mixing IV drugs without adequate supervision by pharmacists. UW only fixed these problems after three failed inspections by the Centers for Medicare and Medicaid Services and federal funding of the hospital was threatened.

### ***Systematically Overbilled Medicare and Medicaid***

UW Medical Center [paid \\$35 million](#) to settle allegations that the hospital “falsified billing records, destroyed incriminating documents and systematically overbilled Medicare and Medicaid despite warnings from internal auditors.” Before the settlement, federal prosecutors had been prepared to seek over \$100 million from UW – the amount they believed had been overbilled. According to the whistleblower lawsuit that triggered the investigation and settlement, in response to an internal audit showing “rampant errors” in government billing practices, a physicians group at UW changed the compliance policy to make it acceptable to charge for a treatment that cost more than the treatment actually provided, destroyed the old reports and wrote new reports, and altered records to justify billing for attending physicians.

# Virginia Mason Franciscan Health (Franciscan Health System)

*\$1.2 Billion Total Assets*

## ***Denying Financial Assistance to Low-Income Patients***

The Washington Attorney General [announced](#) in April of 2019 that the hospital system would be forgiving \$20 million debt and paying over \$2 million refunds, after an investigation showed their charity care practices violated state law. The hospital failed to provide information about charity care before demanding payment from patients, and leadership reportedly “trained staff to use language designed to give patients the impression that they were required to pay for their care upfront.” The deceitful practices not only violated state law but also hurt the very patients nonprofit hospitals are designed to help.

The system was reportedly aware of complaints for years, and thousands of patients were impacted. The hospital is also required to reach out to credit bureaus to rehabilitate patients’ credit that suffered as a result of the medical debt.

## ***Anticompetitive Behavior Raises Prices and Hurts Patients***

In 2019, the hospital system (at the time, CHI Franciscan) paid over \$2.5 million to resolve an antitrust lawsuit from the federal government. The settlement also required the system to divest its controlling interest in an outpatient surgery center.

The [lawsuit](#) was filed after an acquisition and announcement of a multi-specialty practice resulted in the consolidation of the three largest providers of orthopedic physician services in the region. According to Washington Attorney General Bob Ferguson, “After the two deals, thousands of Kitsap Peninsula patients faced higher prices, increased wait times, difficulty in scheduling procedures and a reduction in their choice of services and locations.”

