

KaufmanHall

MAY 2023

National Hospital Flash Report

Real Data. Real Insight. Real Time.

Based on April Data from More Than 900 Hospitals

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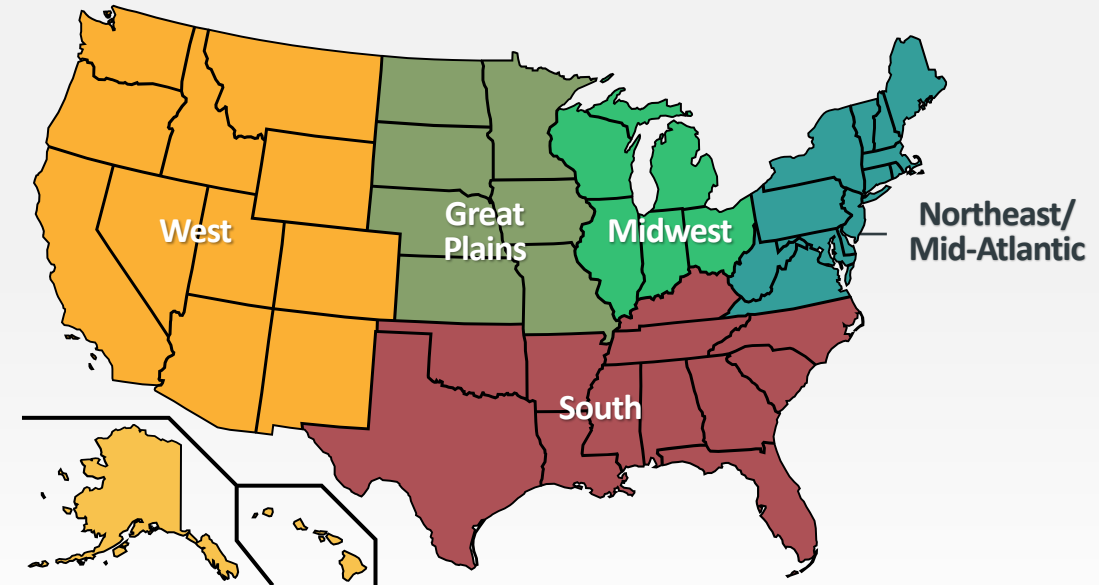
About the Data

The *National Hospital Flash Report* uses both actual and budget data over the last three years, sampled from more than 900 hospitals on a recurring monthly basis from Syntellis Performance Solutions.

The sample of hospitals for this report is representative of all hospitals in the United States both geographically and by bed size. Additionally, hospitals of all types are represented, from large academic to small critical access. Advanced statistical techniques are used to standardize data, identify and handle outliers, and ensure statistical soundness prior to inclusion in the report.

While this report presents data in the aggregate, Syntellis Performance Solutions also has real-time data down to individual department, jobcode, paytype, and account levels, which can be customized into peer groups for unparalleled comparisons to drive operational decisions and performance improvement initiatives.

Map of Regions



About the Data *(continued)*

About Kaufman Hall

KaufmanHall

[Kaufman Hall](#) provides management consulting solutions to help society's foundational institutions realize sustained success amid changing market conditions. Since 1985, Kaufman Hall has been a trusted advisor to boards and executive management teams, helping them incorporate proven methods, rigorous analytics, and industry-leading solutions into their strategic planning and financial management processes, with a focus on achieving their most challenging goals.

Kaufman Hall services use a rigorous, disciplined, and structured approach that is based on the principles of corporate finance. The breadth and integration of Kaufman Hall advisory services are unparalleled, encompassing strategy; financial and capital planning; performance improvement; treasury and capital markets management; mergers, acquisitions, partnerships, and joint ventures; and real estate.

About Syntellis Performance Solutions



[Syntellis Performance Solutions](#) provides innovative enterprise performance management software, data and intelligence solutions for healthcare organizations. Its solutions include enterprise planning, cost and decision support, and financial and clinical analytics tools to elevate organizational performance and transform vision into reality. With over 2,800 organizations and 450,000 users relying on its Axiom, Connected Analytics and Stratasan software, combined with No. 1 rankings from Black Book Research and an HFMA Peer Review designation for six consecutive years, Syntellis helps healthcare providers acquire insights, accelerate decisions and advance their business plans. For more information, please visit syntellis.com.

Key Takeaways

1. Hospitals broke even in April.

The median operating margin for hospitals was 0% in April, leaving most hospitals with little to no financial wiggle room.

2. Volumes dropped while lengths of stay increased.

Hospital volumes dropped across the board—including inpatient and outpatient. Emergency department volumes were the least affected.

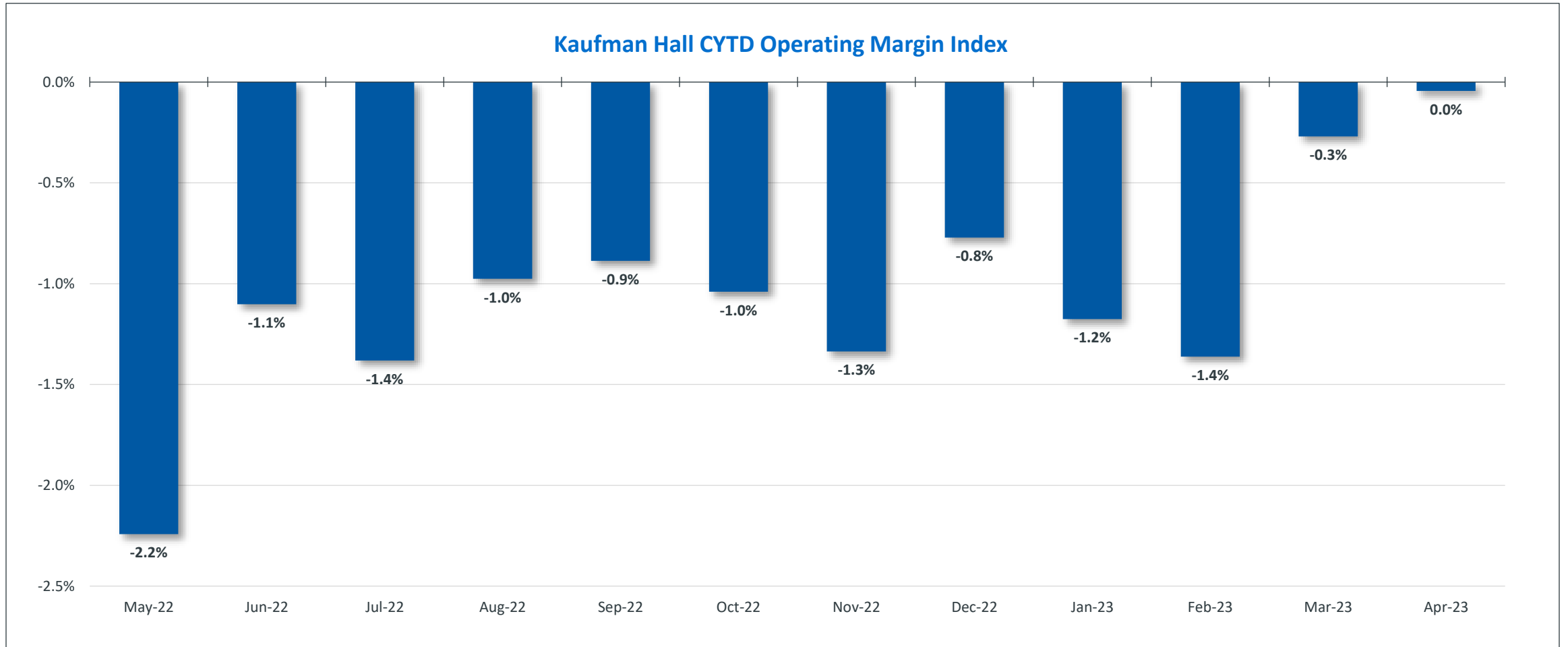
3. Effects of Medicaid disenrollment could be materializing.

Hospitals experienced increases in bad debt and charity care in April. Combined with anemic patient volumes, experts note this data could illustrate the effects of the start of widespread disenrollment from Medicaid following the end of the COVID-19 public health emergency.

4. Inflation continued to throttle hospital finances.

Labor costs jumped in April and the costs of goods and services continued to be well above pre-pandemic levels. Though expenses generally fell in April, revenues declined at a faster rate.

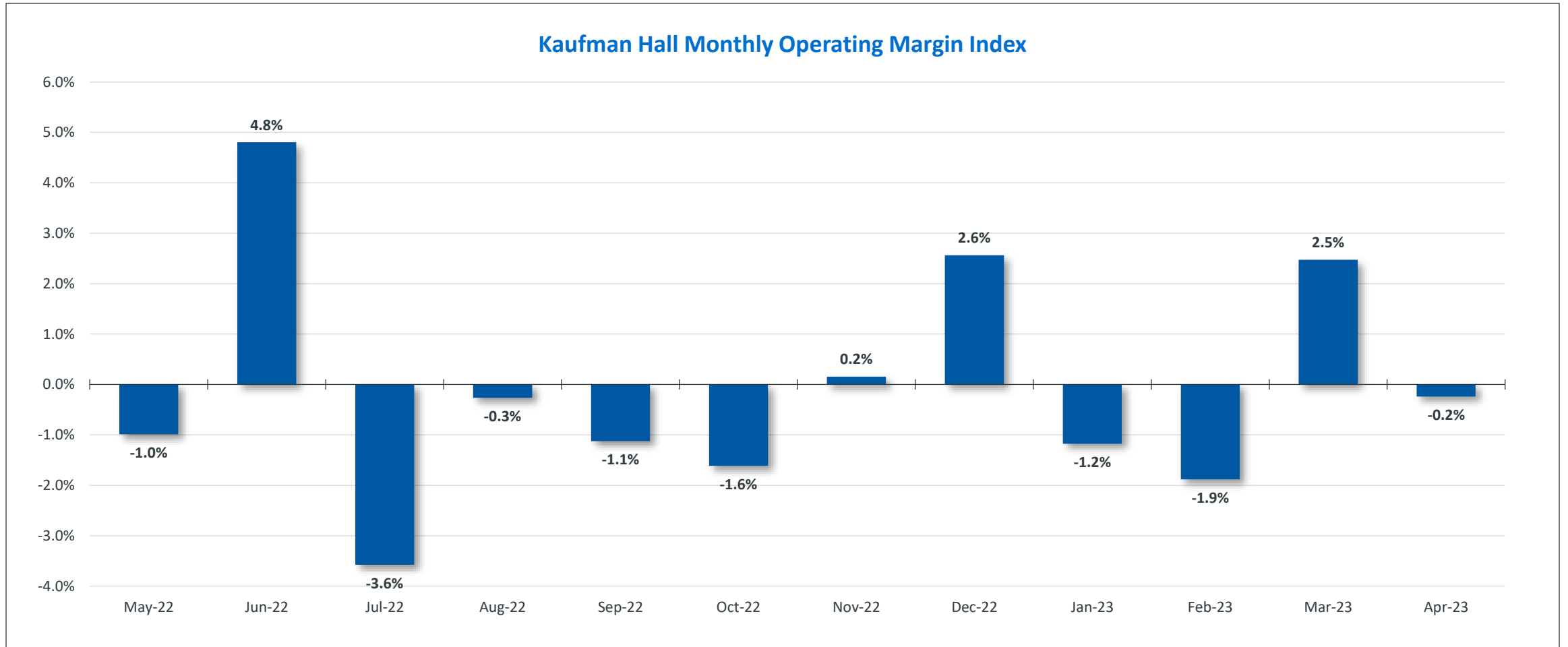
Operating Margin



Kaufman Hall, National Hospital Flash Report (May 2023)

* Note: The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset adjusted for allocations to hospitals from corporate, physician, and other entities.

Operating Margin *(continued)*



Kaufman Hall, National Hospital Flash Report (May 2023)

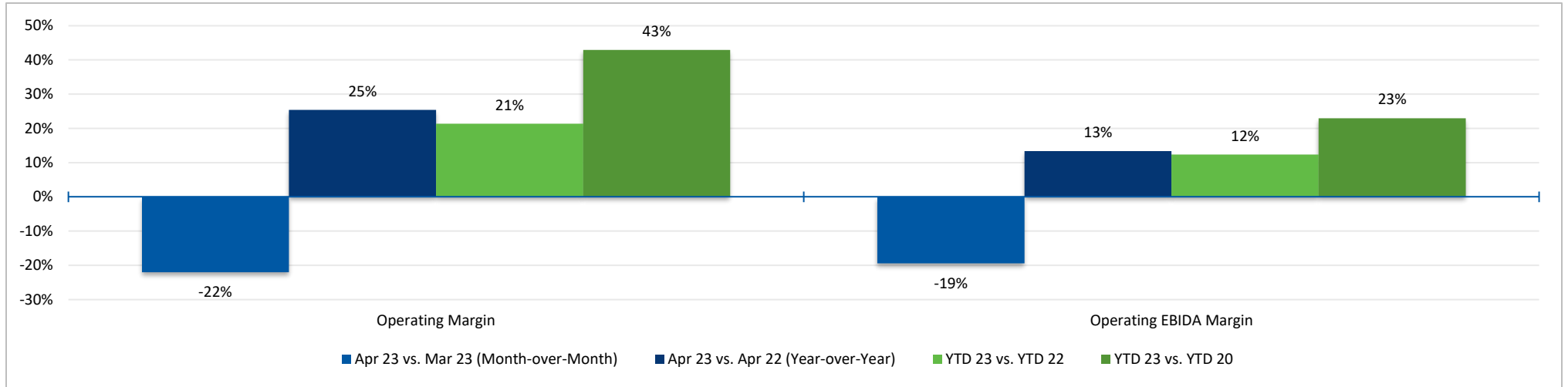
* Note: The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset adjusted for allocations to hospitals from corporate, physician, and other entities.

National and Regional Data

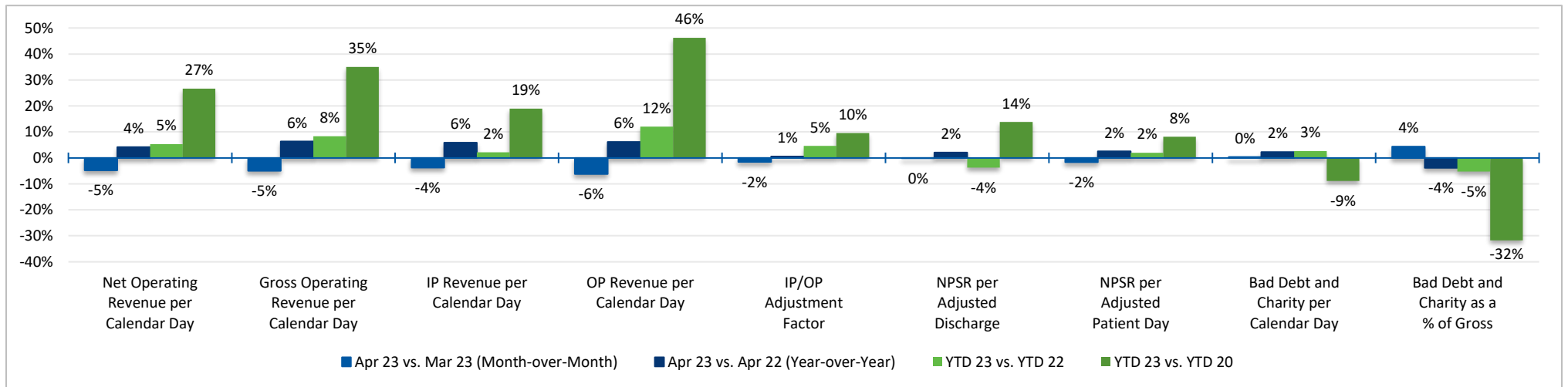
Profitability, Revenue, Expense, and Volume

National Data

Profitability

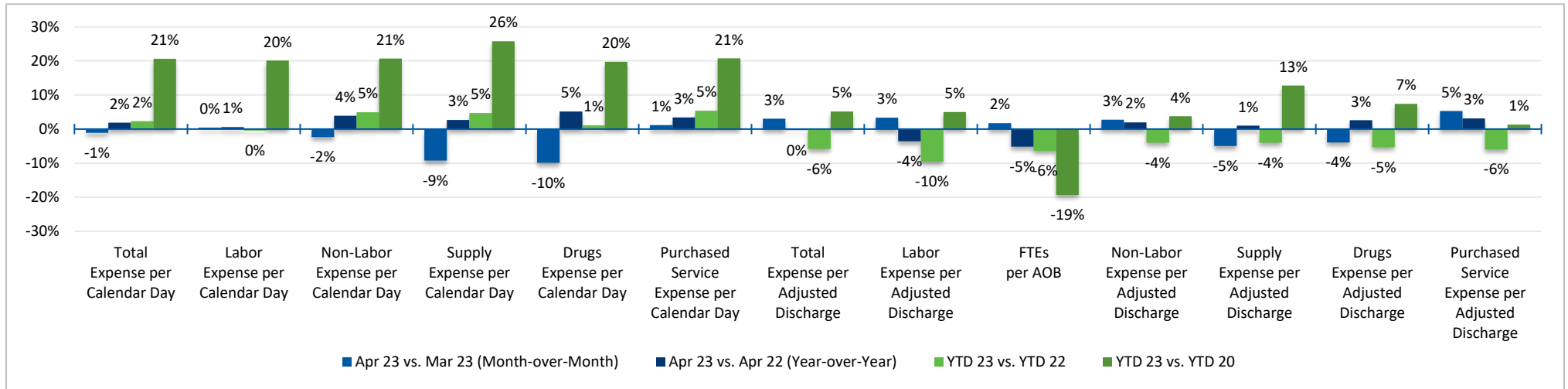


Revenue

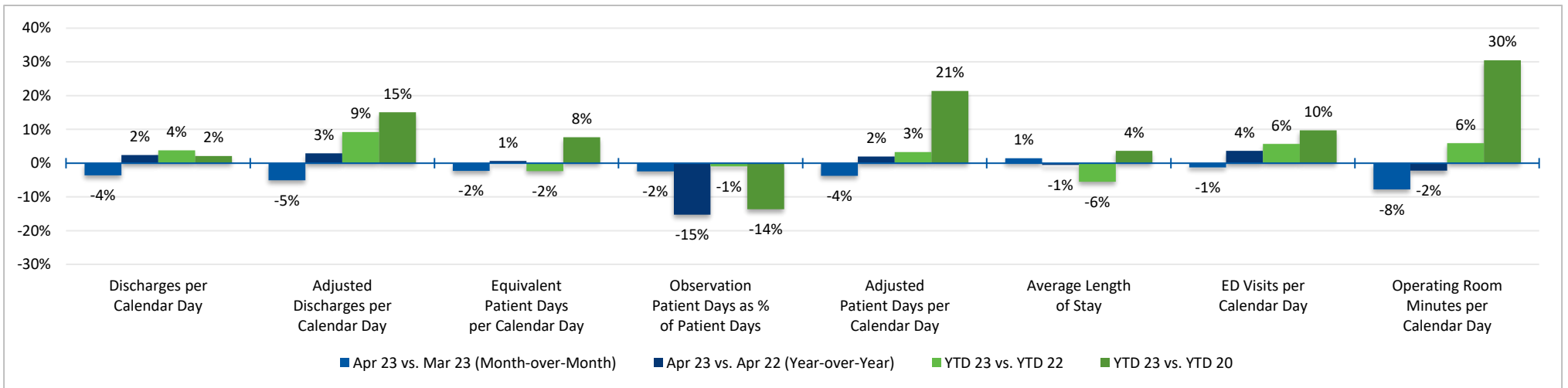


National Data *(continued)*

Expense

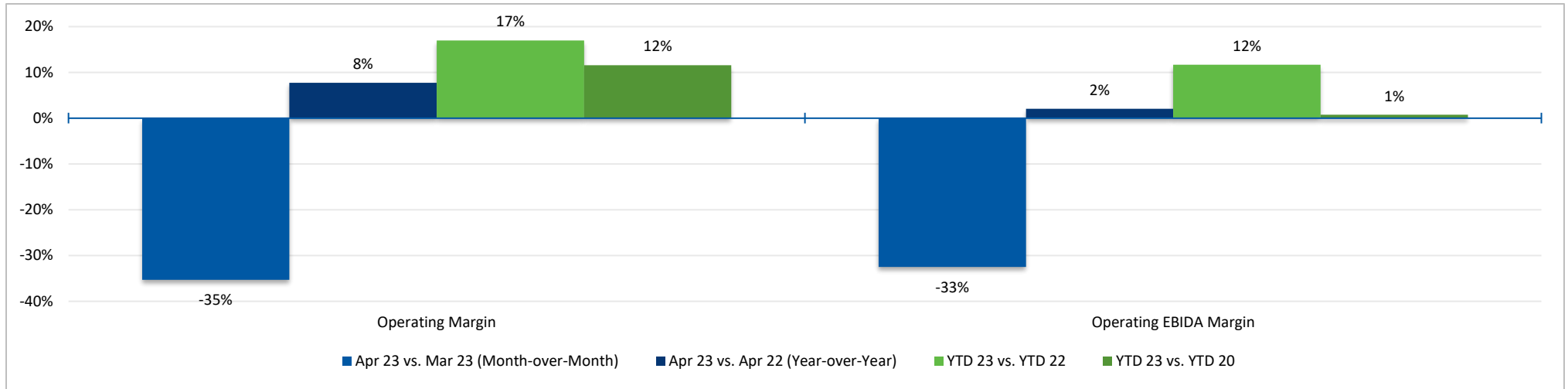


Volume

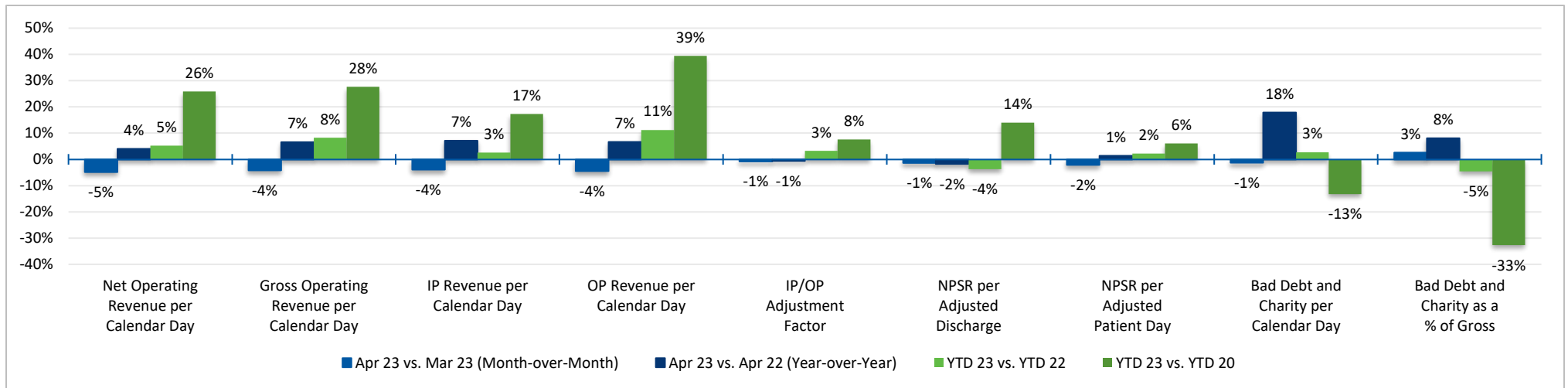


Regional Data: West

Profitability

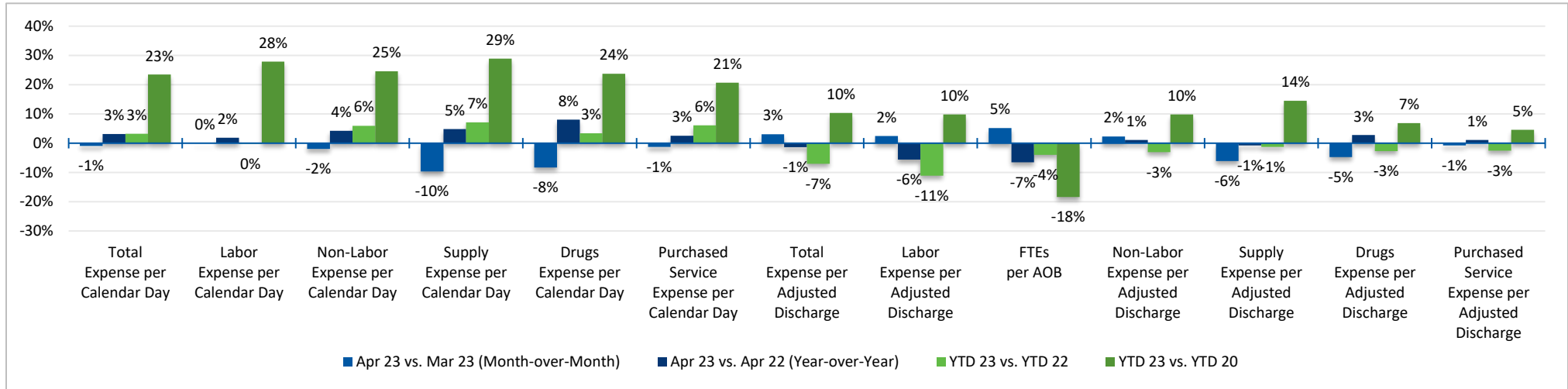


Revenue

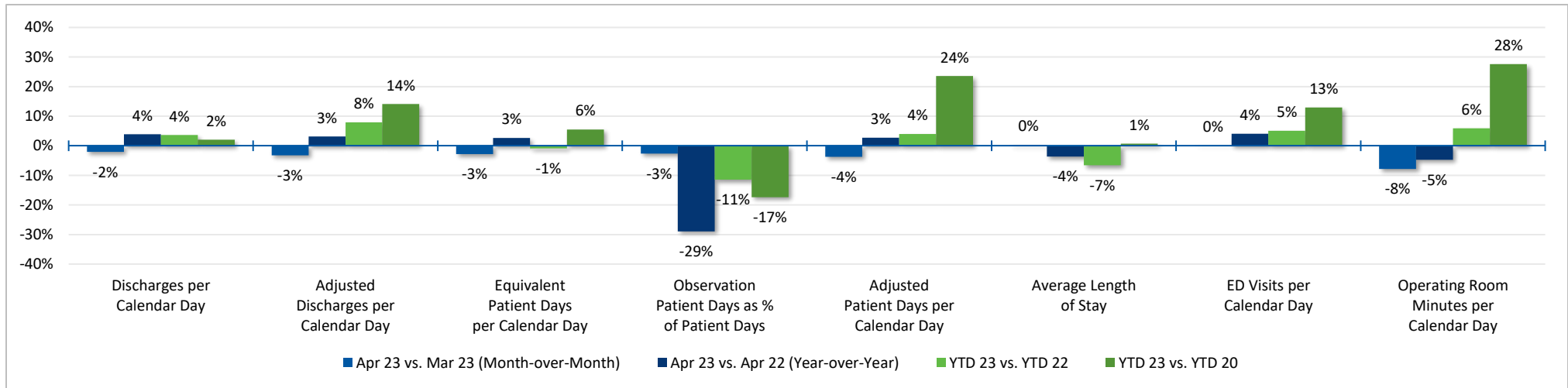


Regional Data: West *(continued)*

Expense

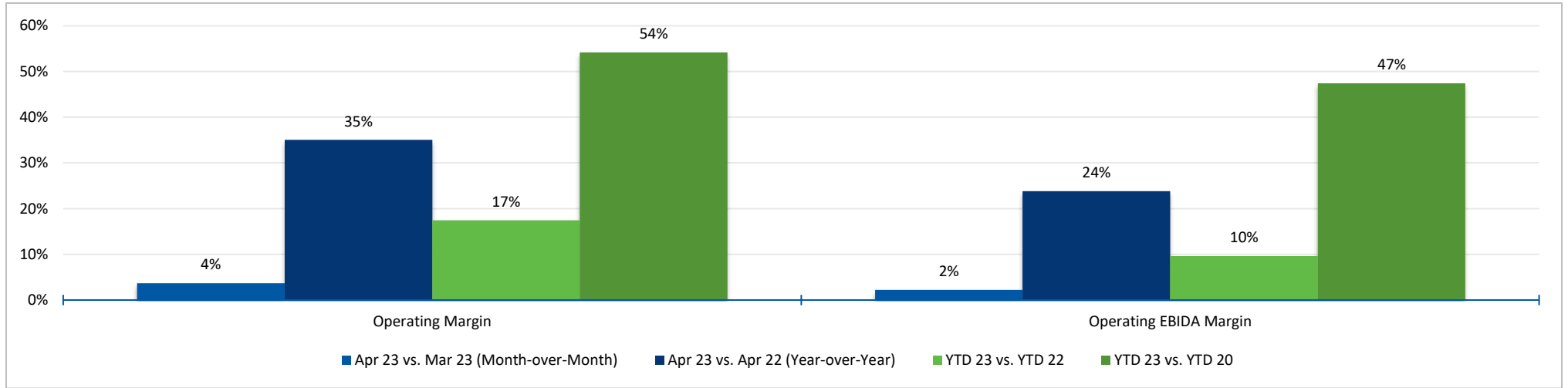


Volume

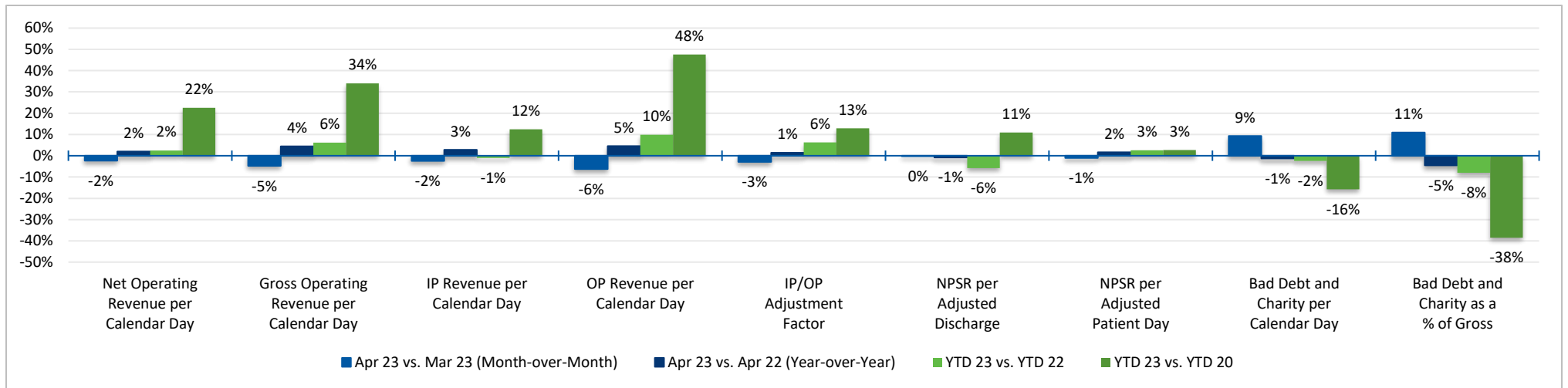


Regional Data: Midwest

Profitability

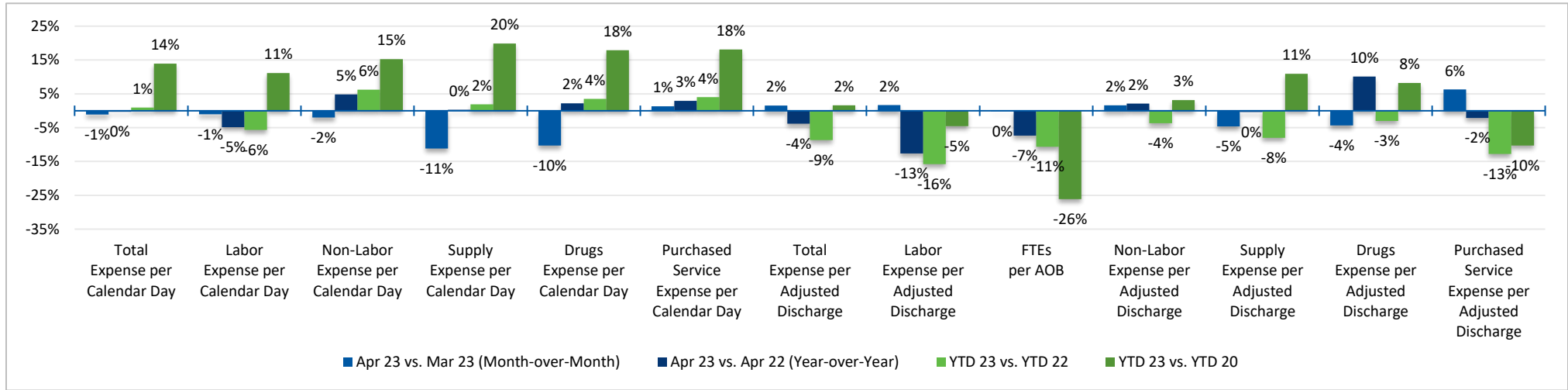


Revenue

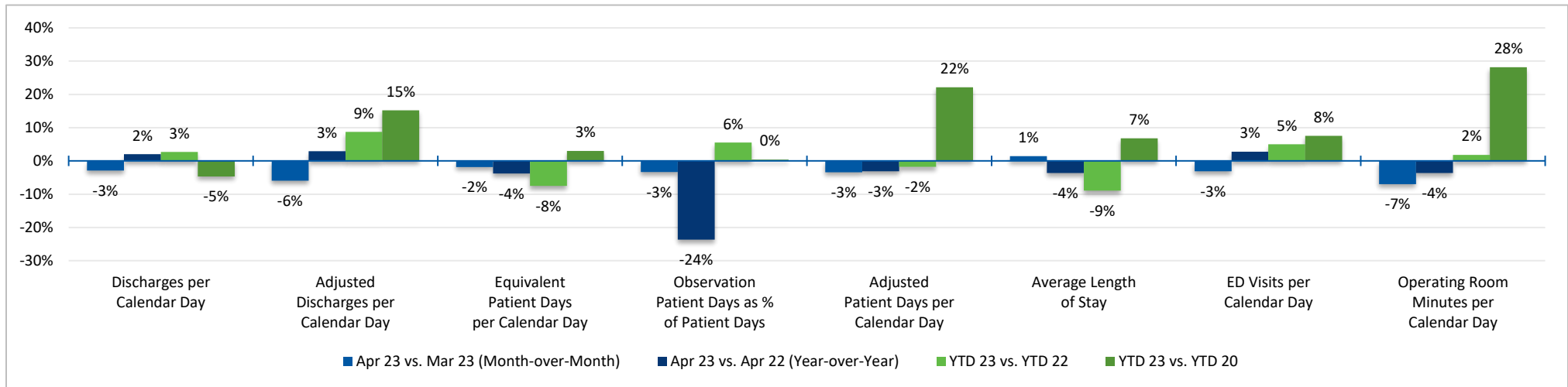


Regional Data: Midwest *(continued)*

Expense

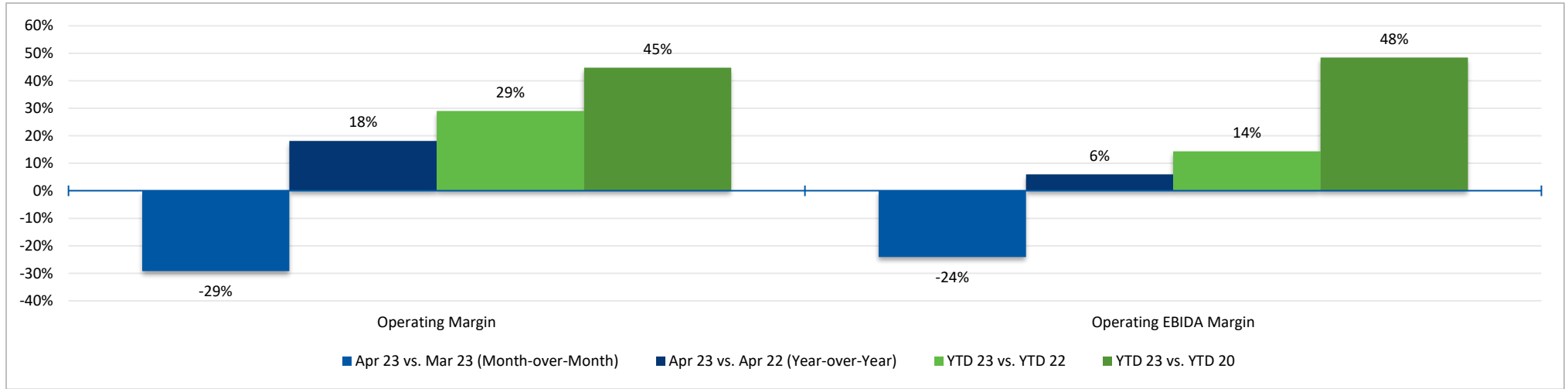


Volume

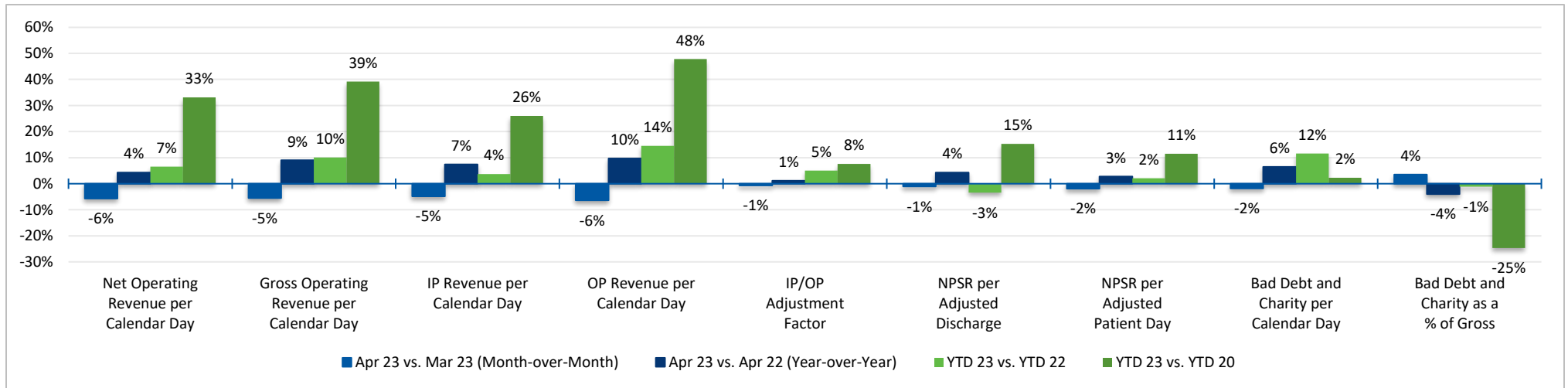


Regional Data: South

Profitability

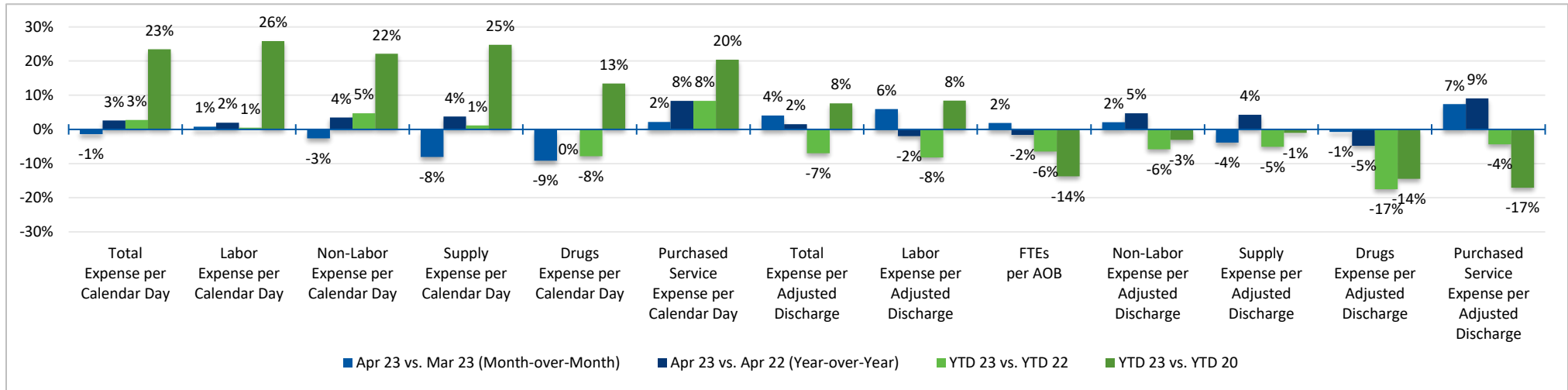


Revenue

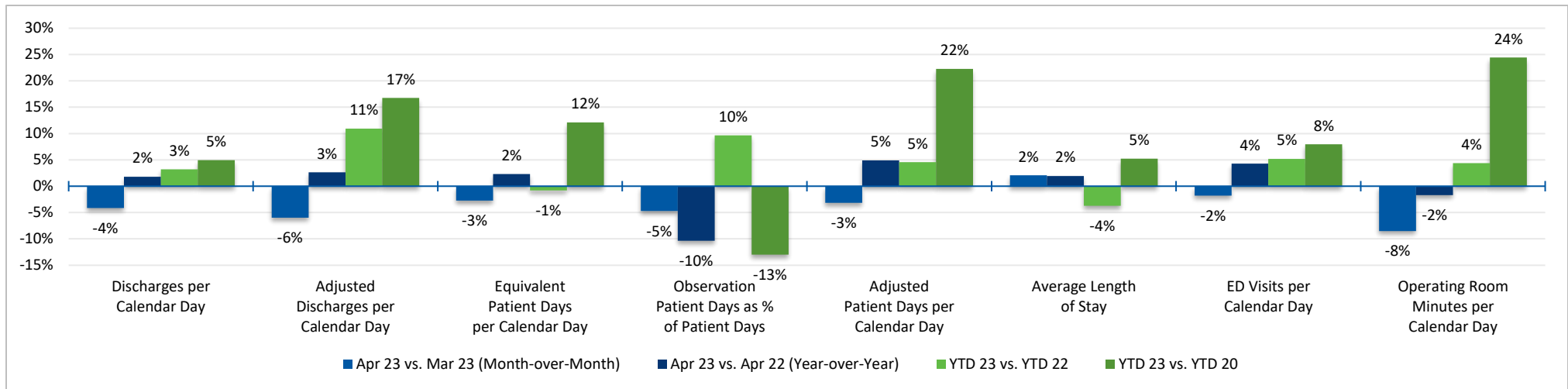


Regional Data: South *(continued)*

Expense

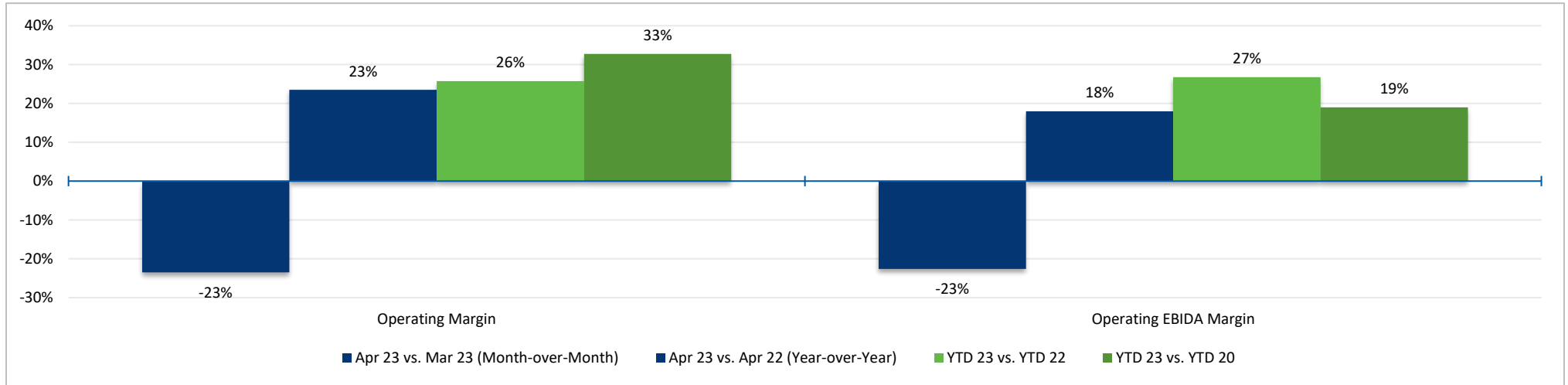


Volume

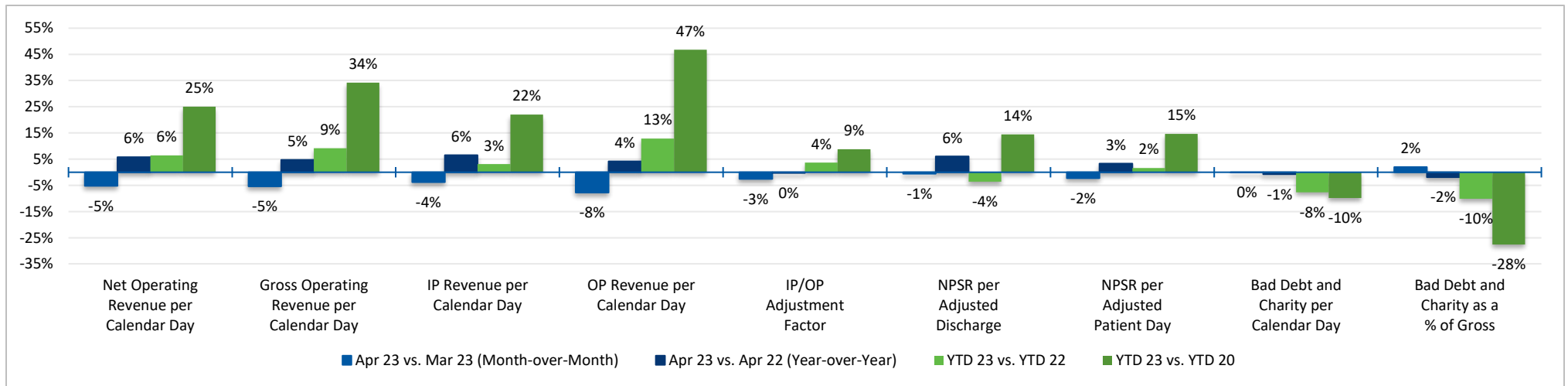


Regional Data: Northeast/Mid-Atlantic

Profitability

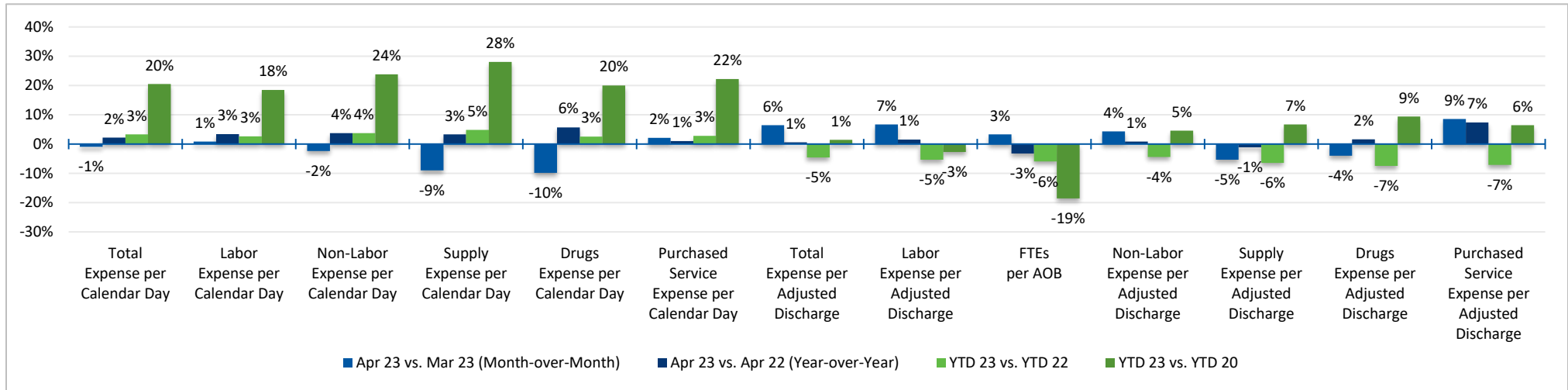


Revenue

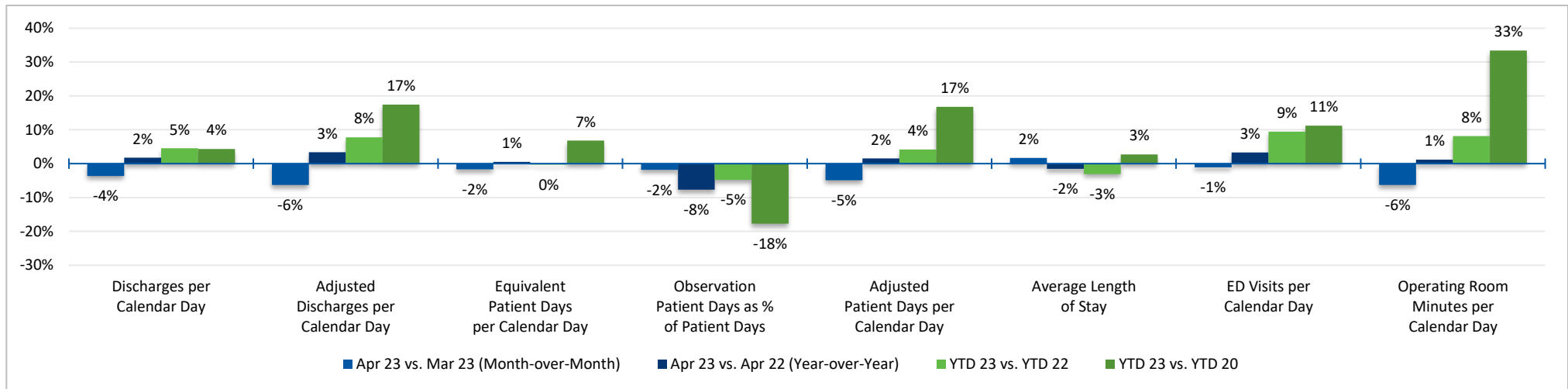


Regional Data: Northeast/Mid-Atlantic *(continued)*

Expense

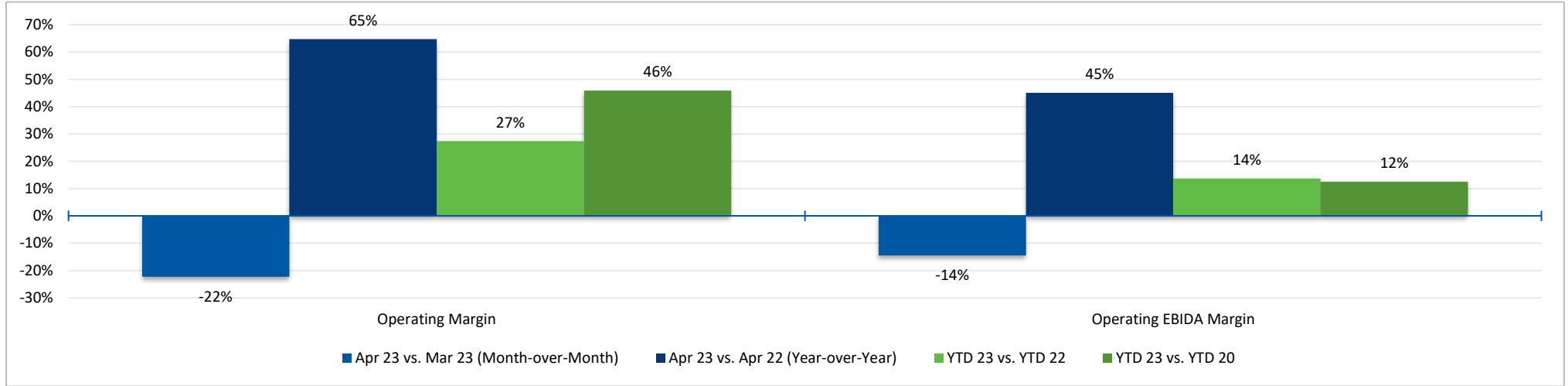


Volume

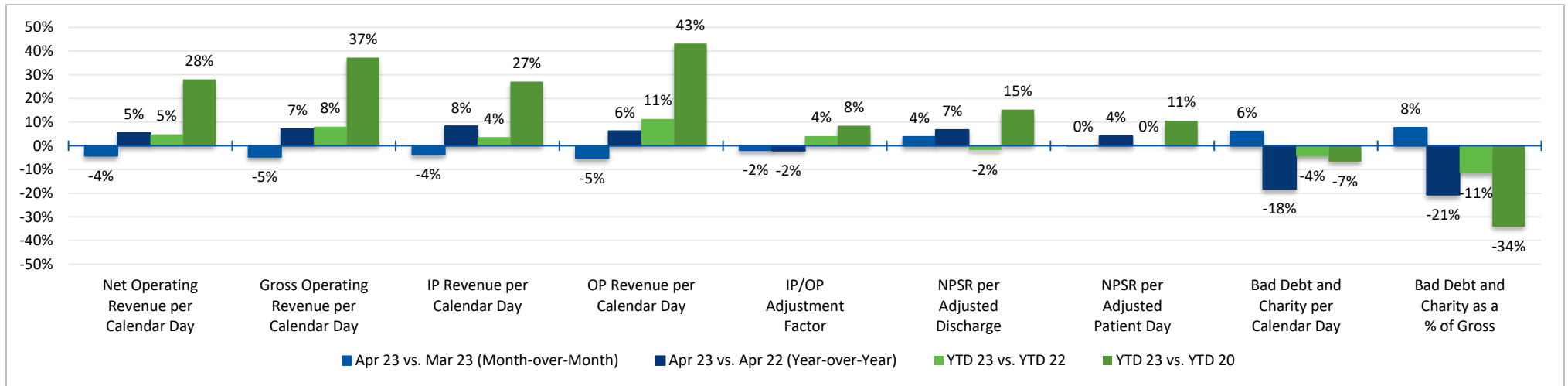


Regional Data: Great Plains

Profitability

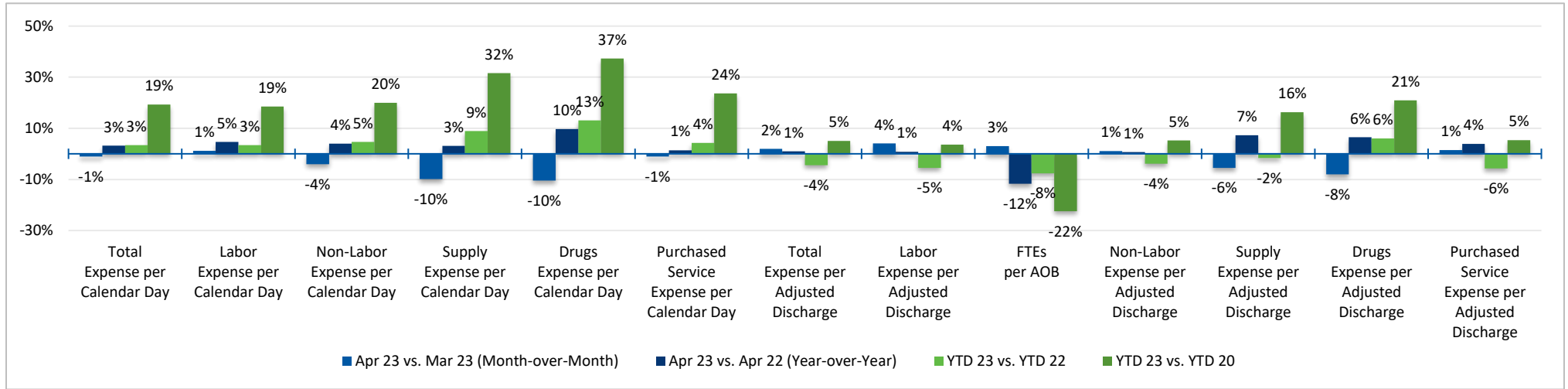


Revenue

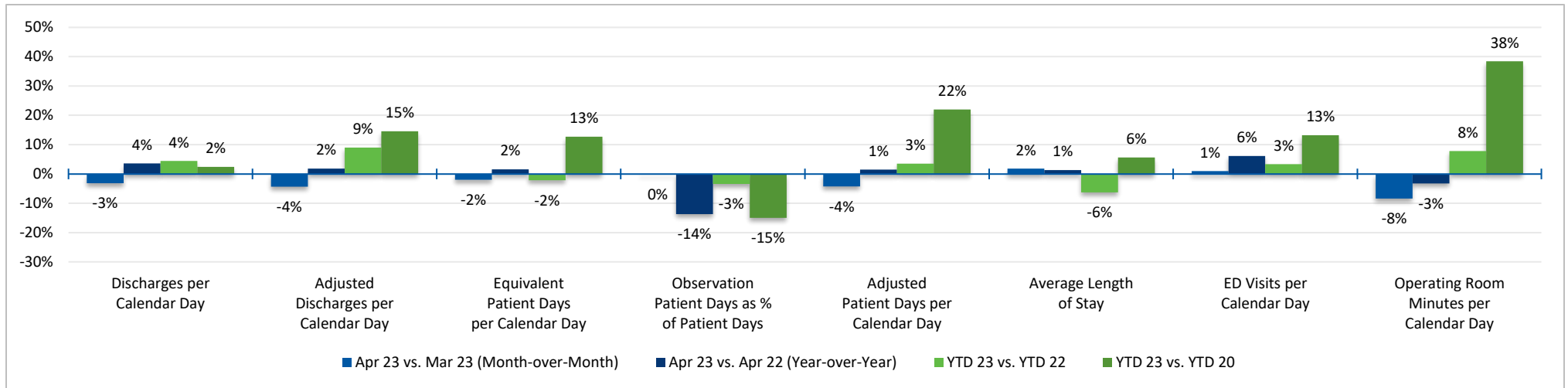


Regional Data: Great Plains *(continued)*

Expense



Volume



Data by Hospital Bed Size

Profitability, Revenue, Expense, and Volume

0-25 Beds

		Apr 23 vs. Mar 23 (Month-over-Month)	Apr 23 vs. Apr 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	-14.7%	17.9%	9.8%	71.1%
	Operating EBIDA Margin	-19.6%	5.9%	1.2%	47.7%
Volume	Discharges per Calendar Day	-3.4%	4.2%	1.7%	0.1%
	Adjusted Discharges per Calendar Day	-5.4%	6.4%	13.4%	29.5%
	Equivalent Patient Days per Calendar Day	-3.1%	0.2%	-4.8%	6.6%
	Observation Patient Days as % of Patient Days	-8.0%	-28.4%	-4.3%	-23.1%
	Adjusted Patient Days per Calendar Day	-5.0%	4.6%	6.8%	31.6%
	Average Length of Stay	-1.2%	-5.4%	-9.0%	1.1%
	ED Visits per Calendar Day	1.3%	5.9%	5.1%	12.9%
	Operating Room Minutes per Calendar Day	-10.3%	-9.9%	5.5%	40.0%
Revenue	Net Operating Revenue per Calendar Day	-4.2%	3.6%	3.0%	30.0%
	Gross Operating Revenue per Calendar Day	-4.9%	6.4%	8.7%	39.6%
	IP Revenue per Calendar Day	-3.6%	9.1%	-4.9%	12.6%
	OP Revenue per Calendar Day	-5.2%	7.2%	11.1%	49.2%
	IP/OP Adjustment Factor	-4.7%	-3.7%	13.5%	20.9%
	NPSR per Adjusted Discharge	2.7%	-4.1%	-11.5%	5.0%
	NPSR per Adjusted Patient Day	1.7%	1.1%	-5.2%	0.0%
	Bad Debt and Charity per Calendar Day	-7.4%	5.4%	7.4%	-6.4%
Bad Debt and Charity as a % of Gross	-0.4%	-1.3%	-1.5%	-34.2%	
Expense	Total Expense per Calendar Day	-0.1%	2.2%	2.2%	17.7%
	Labor Expense per Calendar Day	1.1%	1.0%	-0.8%	18.6%
	Non-Labor Expense per Calendar Day	-2.2%	4.4%	5.1%	19.0%
	Supply Expense per Calendar Day	-10.9%	4.7%	4.7%	24.2%
	Drugs Expense per Calendar Day	-13.4%	6.5%	7.2%	30.4%
	Purchased Service Expense per Calendar Day	0.3%	4.2%	4.4%	21.7%
	Total Expense per Adjusted Discharge	2.5%	-7.7%	-10.2%	-9.9%
	Labor Expense per Adjusted Discharge	3.4%	-8.2%	-13.3%	-9.9%
	FTEs per AOB	3.0%	-11.8%	-10.6%	-26.8%
	Non-Labor Expense per Adjusted Discharge	-1.5%	-2.1%	-9.9%	-7.3%
	Supply Expense per Adjusted Discharge	-12.8%	-4.3%	-7.3%	-0.7%
	Drugs Expense per Adjusted Discharge	-7.1%	2.9%	1.4%	13.5%
	Purchased Service Expense per Adjusted Discharge	3.3%	-0.2%	-12.1%	-4.8%

26-99 Beds

		Apr 23 vs. Mar 23 (Month-over-Month)	Apr 23 vs. Apr 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	-27.9%	34.8%	17.9%	35.3%
	Operating EBIDA Margin	-23.7%	28.6%	11.2%	23.3%
Volume	Discharges per Calendar Day	-3.5%	1.1%	2.2%	5.9%
	Adjusted Discharges per Calendar Day	-4.1%	2.6%	11.0%	19.3%
	Equivalent Patient Days per Calendar Day	-3.3%	1.4%	-2.2%	5.5%
	Observation Patient Days as % of Patient Days	4.4%	1.7%	16.1%	-12.8%
	Adjusted Patient Days per Calendar Day	-4.4%	0.4%	3.3%	23.6%
	Average Length of Stay	-0.4%	-0.5%	-7.2%	1.2%
	ED Visits per Calendar Day	0.0%	5.0%	6.5%	14.8%
	Operating Room Minutes per Calendar Day	-6.5%	-5.1%	6.9%	37.0%
Revenue	Net Operating Revenue per Calendar Day	-5.7%	4.0%	4.0%	27.2%
	Gross Operating Revenue per Calendar Day	-5.5%	7.9%	8.5%	37.4%
	IP Revenue per Calendar Day	-5.9%	7.7%	1.2%	20.0%
	OP Revenue per Calendar Day	-5.6%	7.0%	12.4%	46.2%
	IP/OP Adjustment Factor	0.1%	-0.9%	7.5%	15.8%
	NPSR per Adjusted Discharge	-0.7%	2.4%	-6.2%	12.2%
	NPSR per Adjusted Patient Day	-2.5%	4.0%	0.5%	7.0%
	Bad Debt and Charity per Calendar Day	5.8%	1.9%	-1.3%	-9.3%
Bad Debt and Charity as a % of Gross	9.4%	-4.1%	-8.0%	-33.9%	
Expense	Total Expense per Calendar Day	-2.4%	1.5%	2.3%	20.5%
	Labor Expense per Calendar Day	-0.6%	-0.1%	0.2%	16.9%
	Non-Labor Expense per Calendar Day	-3.2%	2.0%	4.0%	21.0%
	Supply Expense per Calendar Day	-9.3%	1.6%	4.0%	25.9%
	Drugs Expense per Calendar Day	-6.0%	6.1%	-0.7%	18.9%
	Purchased Service Expense per Calendar Day	1.9%	0.9%	2.6%	21.7%
	Total Expense per Adjusted Discharge	0.8%	-1.0%	-8.7%	-1.6%
	Labor Expense per Adjusted Discharge	2.1%	-4.2%	-11.6%	-1.3%
	FTEs per AOB	1.5%	-10.9%	-7.2%	-25.4%
	Non-Labor Expense per Adjusted Discharge	1.4%	1.1%	-4.8%	0.7%
	Supply Expense per Adjusted Discharge	-6.6%	-0.5%	-8.3%	6.0%
	Drugs Expense per Adjusted Discharge	-4.8%	-0.2%	-11.7%	-5.5%
Purchased Service Expense per Adjusted Discharge	7.4%	0.6%	-7.0%	-0.1%	

100-199 Beds

		Apr 23 vs. Mar 23 (Month-over-Month)	Apr 23 vs. Apr 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	-21.6%	38.9%	14.7%	37.5%
	Operating EBIDA Margin	-19.7%	11.0%	10.0%	22.4%
Volume	Discharges per Calendar Day	-4.8%	3.5%	4.3%	2.4%
	Adjusted Discharges per Calendar Day	-5.6%	3.6%	11.0%	10.3%
	Equivalent Patient Days per Calendar Day	-2.6%	0.8%	-2.4%	8.5%
	Observation Patient Days as % of Patient Days	-4.9%	-9.6%	0.0%	-13.7%
	Adjusted Patient Days per Calendar Day	-4.2%	3.9%	4.5%	25.9%
	Average Length of Stay	2.1%	0.4%	-5.6%	4.4%
	ED Visits per Calendar Day	-2.5%	3.7%	5.7%	7.2%
	Operating Room Minutes per Calendar Day	-9.5%	-2.3%	4.6%	30.5%
Revenue	Net Operating Revenue per Calendar Day	-5.3%	6.2%	4.7%	26.6%
	Gross Operating Revenue per Calendar Day	-4.9%	5.2%	8.2%	31.2%
	IP Revenue per Calendar Day	-3.6%	4.6%	1.0%	17.7%
	OP Revenue per Calendar Day	-6.3%	5.5%	12.1%	44.8%
	IP/OP Adjustment Factor	-2.1%	0.8%	5.2%	9.4%
	NPSR per Adjusted Discharge	-2.1%	1.3%	-4.3%	15.8%
	NPSR per Adjusted Patient Day	-1.4%	2.4%	2.0%	7.7%
	Bad Debt and Charity per Calendar Day	-0.9%	3.5%	-0.4%	-14.5%
Bad Debt and Charity as a % of Gross	5.1%	-1.5%	-8.0%	-36.0%	
Expense	Total Expense per Calendar Day	-1.0%	1.9%	2.2%	19.2%
	Labor Expense per Calendar Day	0.6%	0.5%	-0.8%	21.8%
	Non-Labor Expense per Calendar Day	-1.9%	4.2%	4.0%	16.9%
	Supply Expense per Calendar Day	-10.6%	0.9%	3.4%	22.9%
	Drugs Expense per Calendar Day	-11.7%	4.2%	-1.7%	17.3%
	Purchased Service Expense per Calendar Day	1.0%	0.0%	3.0%	13.9%
	Total Expense per Adjusted Discharge	4.0%	-3.1%	-8.0%	10.2%
	Labor Expense per Adjusted Discharge	4.0%	-5.1%	-11.1%	10.9%
	FTEs per AOB	3.0%	-4.8%	-6.5%	-18.9%
	Non-Labor Expense per Adjusted Discharge	4.5%	-1.0%	-5.7%	6.3%
	Supply Expense per Adjusted Discharge	-3.7%	-1.3%	-5.1%	9.9%
	Drugs Expense per Adjusted Discharge	-3.3%	0.0%	-10.6%	-5.0%
	Purchased Service Expense per Adjusted Discharge	3.2%	-7.3%	-7.7%	-6.9%

200-299 Beds

		Apr 23 vs. Mar 23 (Month-over-Month)	Apr 23 vs. Apr 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	-23.2%	9.7%	34.9%	15.2%
	Operating EBIDA Margin	-14.3%	5.9%	16.5%	17.0%
Volume	Discharges per Calendar Day	-2.7%	1.6%	4.4%	-0.7%
	Adjusted Discharges per Calendar Day	-6.1%	5.0%	10.7%	11.1%
	Equivalent Patient Days per Calendar Day	-2.5%	-0.9%	-1.8%	7.6%
	Observation Patient Days as % of Patient Days	-4.4%	-8.8%	-1.0%	-6.1%
	Adjusted Patient Days per Calendar Day	-2.9%	1.9%	2.0%	18.1%
	Average Length of Stay	1.9%	-0.3%	-5.0%	3.6%
	ED Visits per Calendar Day	-1.7%	3.1%	5.3%	6.3%
	Operating Room Minutes per Calendar Day	-7.0%	-1.4%	5.2%	28.0%
Revenue	Net Operating Revenue per Calendar Day	-4.3%	1.2%	5.5%	25.7%
	Gross Operating Revenue per Calendar Day	-5.0%	4.9%	6.6%	31.8%
	IP Revenue per Calendar Day	-3.5%	1.4%	3.0%	19.6%
	OP Revenue per Calendar Day	-6.6%	5.2%	11.1%	43.6%
	IP/OP Adjustment Factor	-1.1%	2.1%	3.8%	9.5%
	NPSR per Adjusted Discharge	-1.1%	1.1%	-2.7%	14.4%
	NPSR per Adjusted Patient Day	-3.0%	1.4%	3.9%	9.8%
	Bad Debt and Charity per Calendar Day	1.8%	0.0%	4.0%	-2.9%
Bad Debt and Charity as a % of Gross	2.7%	-4.6%	-5.7%	-27.0%	
Expense	Total Expense per Calendar Day	-1.5%	0.4%	2.0%	22.0%
	Labor Expense per Calendar Day	0.6%	-0.9%	-1.5%	20.9%
	Non-Labor Expense per Calendar Day	-3.2%	2.7%	5.3%	22.4%
	Supply Expense per Calendar Day	-8.5%	1.3%	5.0%	27.8%
	Drugs Expense per Calendar Day	-12.0%	2.1%	-3.2%	8.7%
	Purchased Service Expense per Calendar Day	0.9%	7.1%	8.3%	26.0%
	Total Expense per Adjusted Discharge	3.1%	-2.5%	-5.4%	5.6%
	Labor Expense per Adjusted Discharge	3.7%	-5.2%	-10.3%	7.1%
	FTEs per AOB	2.0%	-3.2%	-3.0%	-15.4%
	Non-Labor Expense per Adjusted Discharge	3.1%	-0.2%	-2.7%	5.0%
	Supply Expense per Adjusted Discharge	-4.6%	2.3%	-2.1%	17.3%
	Drugs Expense per Adjusted Discharge	-3.7%	3.2%	-5.8%	1.9%
	Purchased Service Expense per Adjusted Discharge	3.1%	12.0%	-4.2%	4.4%

300-499 Beds

		Apr 23 vs. Mar 23 (Month-over-Month)	Apr 23 vs. Apr 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	-22.4%	13.0%	34.4%	24.2%
	Operating EBIDA Margin	-23.2%	30.4%	27.0%	8.2%
Volume	Discharges per Calendar Day	-4.1%	-0.3%	2.2%	2.0%
	Adjusted Discharges per Calendar Day	-5.6%	-1.2%	5.2%	9.6%
	Equivalent Patient Days per Calendar Day	-2.4%	-1.6%	-2.2%	4.9%
	Observation Patient Days as % of Patient Days	-1.2%	-17.2%	-1.1%	-21.2%
	Adjusted Patient Days per Calendar Day	-3.8%	-0.1%	1.4%	14.5%
	Average Length of Stay	2.3%	1.7%	-4.4%	3.8%
	ED Visits per Calendar Day	-1.5%	0.4%	4.7%	5.2%
	Operating Room Minutes per Calendar Day	-7.6%	-1.0%	5.9%	28.7%
Revenue	Net Operating Revenue per Calendar Day	-3.5%	4.2%	5.7%	22.9%
	Gross Operating Revenue per Calendar Day	-5.1%	5.7%	8.4%	30.3%
	IP Revenue per Calendar Day	-3.2%	5.5%	3.7%	20.8%
	OP Revenue per Calendar Day	-6.8%	4.4%	11.5%	45.1%
	IP/OP Adjustment Factor	-2.0%	0.5%	3.6%	8.2%
	NPSR per Adjusted Discharge	1.6%	4.2%	0.3%	18.5%
	NPSR per Adjusted Patient Day	-0.5%	3.5%	3.1%	11.7%
	Bad Debt and Charity per Calendar Day	2.3%	-0.8%	0.1%	-14.4%
Bad Debt and Charity as a % of Gross	6.5%	-7.4%	-3.8%	-34.9%	
Expense	Total Expense per Calendar Day	-0.5%	1.7%	1.8%	21.3%
	Labor Expense per Calendar Day	0.0%	0.4%	-1.4%	19.1%
	Non-Labor Expense per Calendar Day	-1.5%	4.8%	5.5%	21.5%
	Supply Expense per Calendar Day	-10.1%	2.0%	5.3%	25.7%
	Drugs Expense per Calendar Day	-8.4%	4.6%	3.1%	18.9%
	Purchased Service Expense per Calendar Day	4.7%	3.0%	6.7%	18.2%
	Total Expense per Adjusted Discharge	6.3%	3.5%	-3.5%	14.0%
	Labor Expense per Adjusted Discharge	5.6%	-0.2%	-5.9%	12.0%
	FTEs per AOB	2.6%	-2.6%	-4.1%	-15.4%
	Non-Labor Expense per Adjusted Discharge	3.0%	6.4%	0.8%	16.1%
	Supply Expense per Adjusted Discharge	-3.3%	4.3%	0.8%	14.9%
	Drugs Expense per Adjusted Discharge	1.4%	12.7%	-1.3%	10.7%
	Purchased Service Expense per Adjusted Discharge	10.8%	9.6%	0.3%	5.8%

500+ Beds

		Apr 23 vs. Mar 23 (Month-over-Month)	Apr 23 vs. Apr 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	-38.2%	31.4%	56.4%	47.0%
	Operating EBIDA Margin	-33.1%	22.7%	50.2%	16.0%
Volume	Discharges per Calendar Day	-2.5%	4.2%	6.8%	7.5%
	Adjusted Discharges per Calendar Day	-4.2%	3.3%	7.3%	15.5%
	Equivalent Patient Days per Calendar Day	-1.0%	3.6%	1.9%	13.4%
	Observation Patient Days as % of Patient Days	-1.7%	-13.6%	-5.4%	-9.9%
	Adjusted Patient Days per Calendar Day	-2.7%	5.2%	5.4%	21.2%
	Average Length of Stay	2.1%	-0.4%	-2.4%	5.6%
	ED Visits per Calendar Day	-1.6%	3.1%	7.6%	7.9%
	Operating Room Minutes per Calendar Day	-7.9%	-0.3%	5.9%	31.1%
Revenue	Net Operating Revenue per Calendar Day	-5.1%	6.4%	9.9%	28.5%
	Gross Operating Revenue per Calendar Day	-3.9%	8.3%	11.1%	38.1%
	IP Revenue per Calendar Day	-3.0%	8.8%	7.2%	29.9%
	OP Revenue per Calendar Day	-6.7%	7.0%	12.9%	46.4%
	IP/OP Adjustment Factor	-2.0%	-0.7%	2.0%	6.6%
	NPSR per Adjusted Discharge	-0.2%	4.5%	1.8%	20.8%
	NPSR per Adjusted Patient Day	-3.1%	2.9%	4.9%	12.6%
	Bad Debt and Charity per Calendar Day	-0.8%	3.1%	13.2%	5.8%
Bad Debt and Charity as a % of Gross	1.9%	-4.2%	2.2%	-20.7%	
Expense	Total Expense per Calendar Day	-0.9%	6.1%	4.7%	27.9%
	Labor Expense per Calendar Day	0.2%	3.6%	2.9%	24.7%
	Non-Labor Expense per Calendar Day	-2.3%	7.8%	7.6%	28.0%
	Supply Expense per Calendar Day	-8.3%	9.3%	9.4%	31.9%
	Drugs Expense per Calendar Day	-10.4%	11.6%	9.9%	35.1%
	Purchased Service Expense per Calendar Day	0.8%	13.2%	8.6%	24.9%
	Total Expense per Adjusted Discharge	3.3%	3.1%	-3.7%	10.5%
	Labor Expense per Adjusted Discharge	5.3%	2.6%	-1.2%	12.2%
	FTEs per AOB	2.4%	-3.0%	-6.0%	-15.5%
	Non-Labor Expense per Adjusted Discharge	3.7%	5.1%	-0.5%	10.3%
	Supply Expense per Adjusted Discharge	-5.7%	6.6%	-0.7%	18.5%
	Drugs Expense per Adjusted Discharge	-4.3%	8.9%	2.9%	23.0%
	Purchased Service Expense per Adjusted Discharge	4.7%	8.8%	2.6%	13.9%

Non-Operating

National Non-Operating Results

Key Observations

- At their May meeting, the Federal Open Market Committee (FOMC) raised the benchmark borrowing rate another 25 basis points, setting the range to 5.00-5.25% and marking the 10th consecutive hike in the cycle as well as a 16-year high
- Fed officials acknowledged discussion of a potential pause in tightening while leaving wiggle room, saying “rates are going to come down” over a long period of time while also warning inflation “continues to run high” and the Fed will be taking a “data-dependent approach”
- The consumer price index (CPI) rose 0.4% in April, a 4.9% increase year-over-year, an annual pace of inflation below 5% for the first time in two years
- The labor market continued to show resilience in April as U.S. nonfarm payrolls grew by 253,000 and unemployment fell back to a 53-year low of 3.4%
- Strong inflation, a robust labor market, continued banking sector woes, and a debt ceiling standoff further complicates credit conditions and may challenge the Fed to stabilize financial markets
- Equities in April, as measured by the S&P 500, were up 1.5% in April and 8.6% YTD despite downbeat economic data, reoccurring banking sector fears, and mixed earnings

General Non-Operating Observations

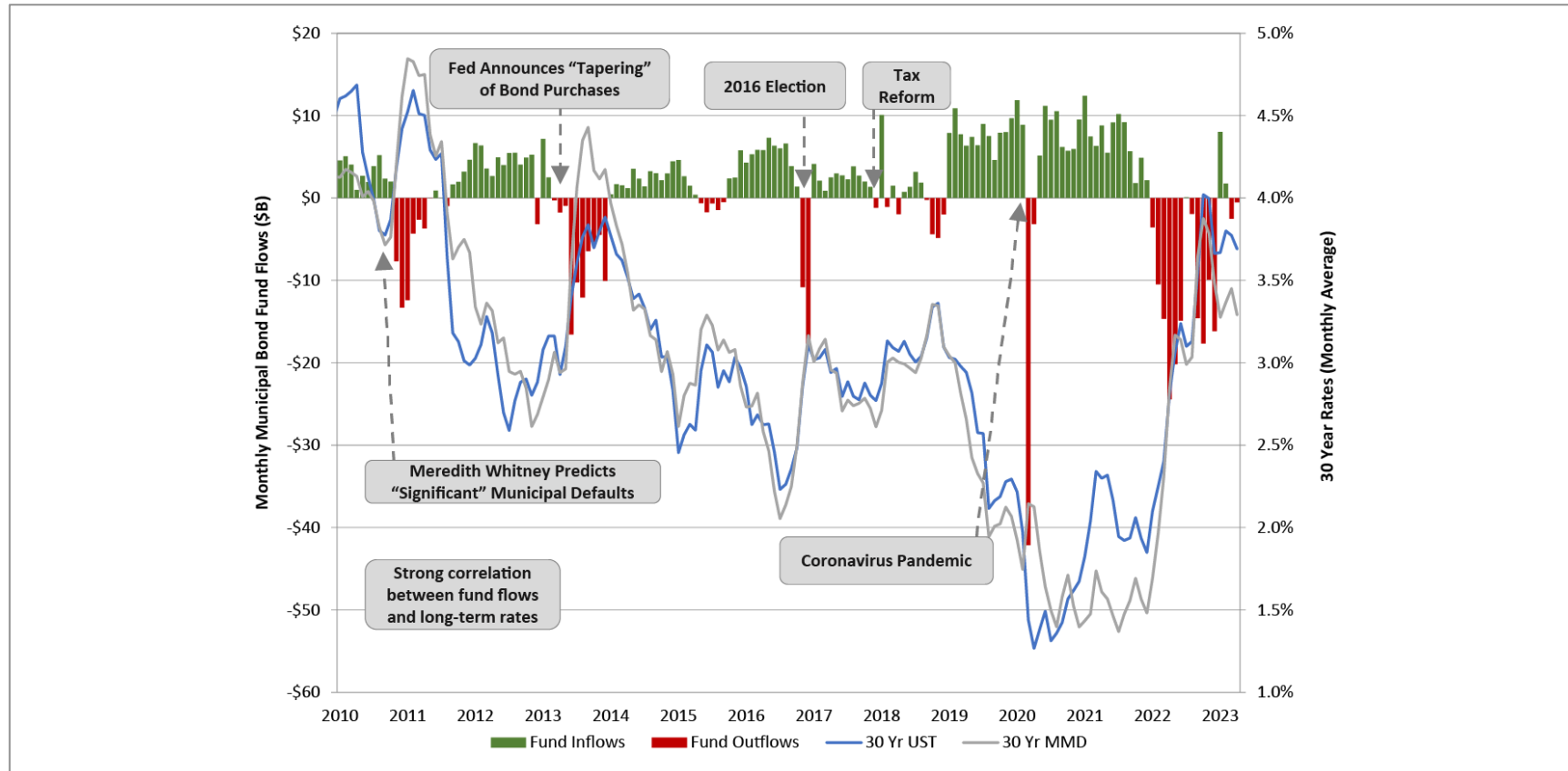
	April 2023	M-o-M Change	Y-o-Y Change
General			
GDP Growth*	1.1%	n/a	n/a
Unemployment Rate	3.4%	-0.1%	-0.2%
Personal Consumption Expenditures (YoY)	4.6%	n/c	-0.4%
Liabilities			
1m LIBOR	5.06%	+20 bps	+426 bps
SIFMA	3.86%	-11 bps	+342 bps
30yr MMD	3.39%	+9 bps	+34 bps
30yr Treasury	3.67%	+2 bps	+68 bps
Assets			
60/40 Asset Allocation [†]	n/a	+0.9%	-0.2%

*U.S. Bureau of Economic Analysis, Q1 2023
“Advance Estimate”

†60/40 Asset Allocation assumes 30% S&P 500 Index, 20% MSCI World Index, 10% MSCI Emerging Markets Index, 40% Barclays US Aggregate Bond Index

Non-Operating Liabilities

Long Term – Monthly Municipal Bond Fund Flows with 30-Year U.S. Treasury and 30-Year MMD



Kaufman Hall, National Hospital Flash Report (May 2023)

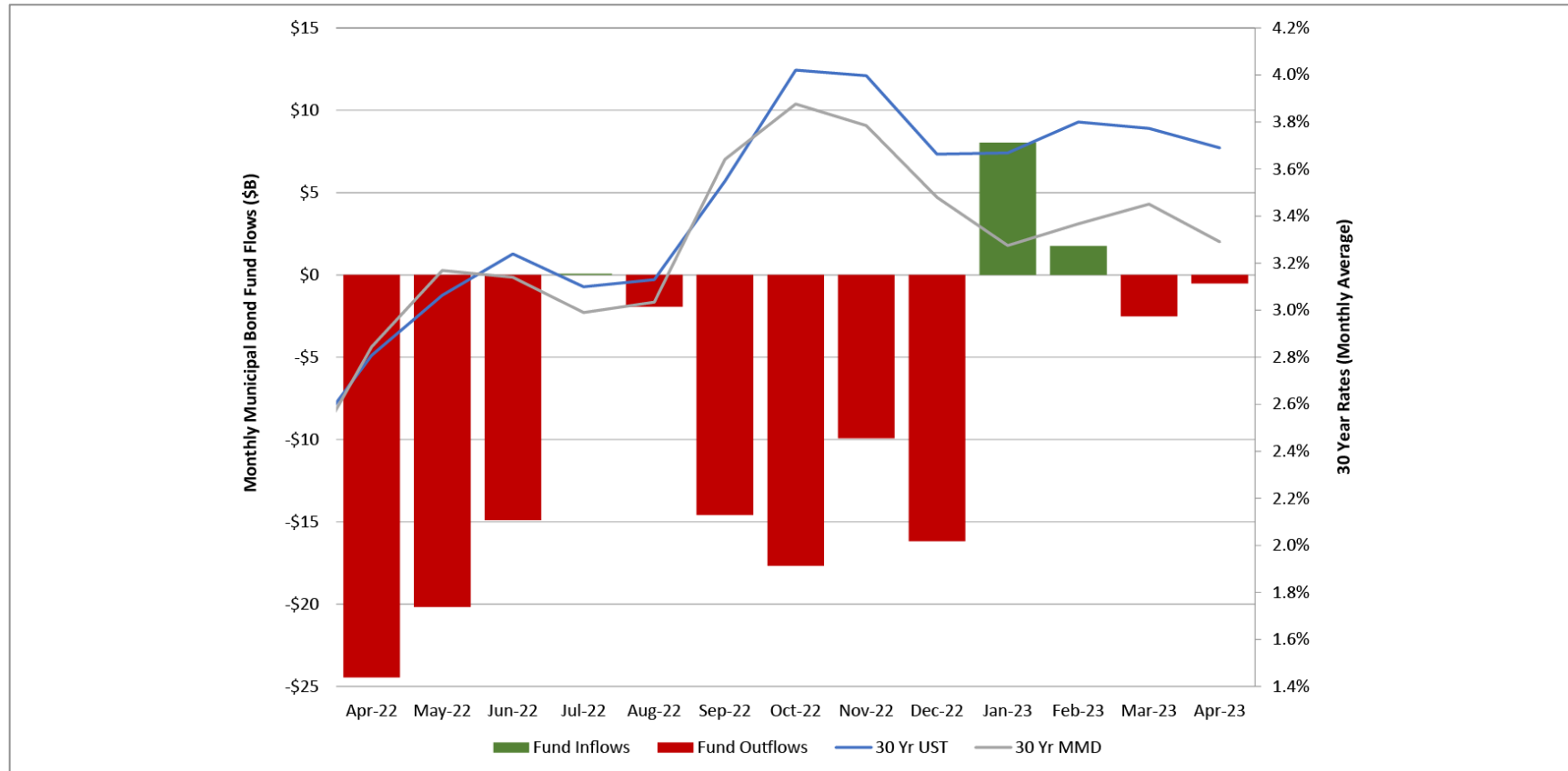
Taxable and tax-exempt debt capital markets, as approximated here by the '30-yr U.S. Treasury' and '30-yr MMD Index', are dependent upon macroeconomic conditions, including inflation expectations, GDP growth and investment opportunities elsewhere in the market. A key measure to track is bond fund flows, particularly in the more supply and demand sensitive tax-exempt market. Fund flows are monies moving into bond funds from new investment and principal and interest payments on existing and maturing holdings. Strong fund flows generally signal that investors have more cash to put to work, a boon to the demand. Fund inflows generally are moderate and consistent over time while fund outflows are typically large and sudden, as external events affect investor sentiment, resulting in quick position liquidation which can drive yields up considerably in a short amount of time.

The tax-exempt 30-year MMD rate rose 9 basis points in April, closing the month at 3.39%. Comparatively, 30-year Treasury rates experienced a slight rise of 2 basis points over the last month, to 3.67%. The month ended with higher MMD/U.S. Treasury ratios throughout the curve. At the end of the month, the two-year muni-Treasury ratio was at 66%, the 10-year at 68% and the 30-year at 92%, according to Refinitiv.

Municipal bond issuance remains muted as state and municipals remain flush with cash from unspent federal aid and healthcare issuers continue to sit on the sidelines as they navigate a volatile operating environment. According to Bond Buyer, total issuance year-to-date is at \$107.6 billion, falling 25.2% from \$143.9 billion in the same period of 2022. Investment Grade Bond Funds saw the first outflow in many weeks at -\$1.3 billion, bringing the YTD total to +\$12.4 billion of net inflows. Investors and issuers continue to gauge Fed messaging and seek clarity on monetary policy for the remainder of the year. Refundings accounted for 14.7% of total issuance in April, compared to 9% in March.

Non-Operating Liabilities *(continued)*

Last Twelve Months – Monthly Municipal Bond Fund Flows with 30-Year U.S. Treasury and 30-Year MMD

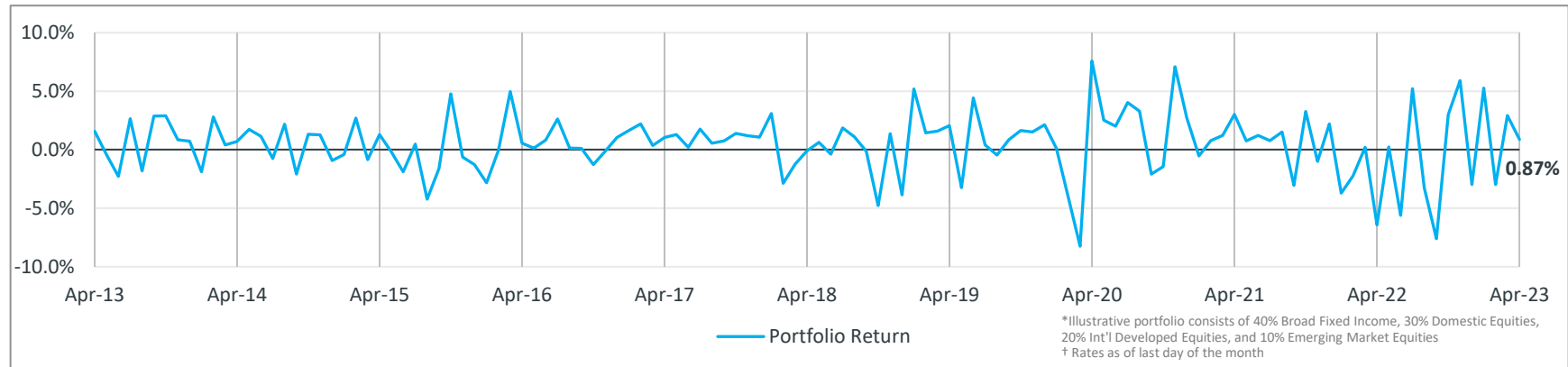


Kaufman Hall, National Hospital Flash Report (May 2023)

Taxable and tax-exempt debt capital markets, as approximated here by the '30-yr U.S. Treasury' and '30-yr MMD Index', are dependent upon macroeconomic conditions, including inflation expectations, GDP growth and investment opportunities elsewhere in the market. A key measure to track is bond fund flows, particularly in the more supply and demand sensitive tax-exempt market. Fund flows are monies moving into bond funds from new investment and principal and interest payments on existing and maturing holdings. Strong fund flows generally signal that investors have more cash to put to work, a boon to the demand. Fund inflows generally are moderate and consistent over time while fund outflows are typically large and sudden, as external events affect investor sentiment, resulting in quick position liquidation which can drive yields up considerably in a short amount of time.

Non-Operating Assets

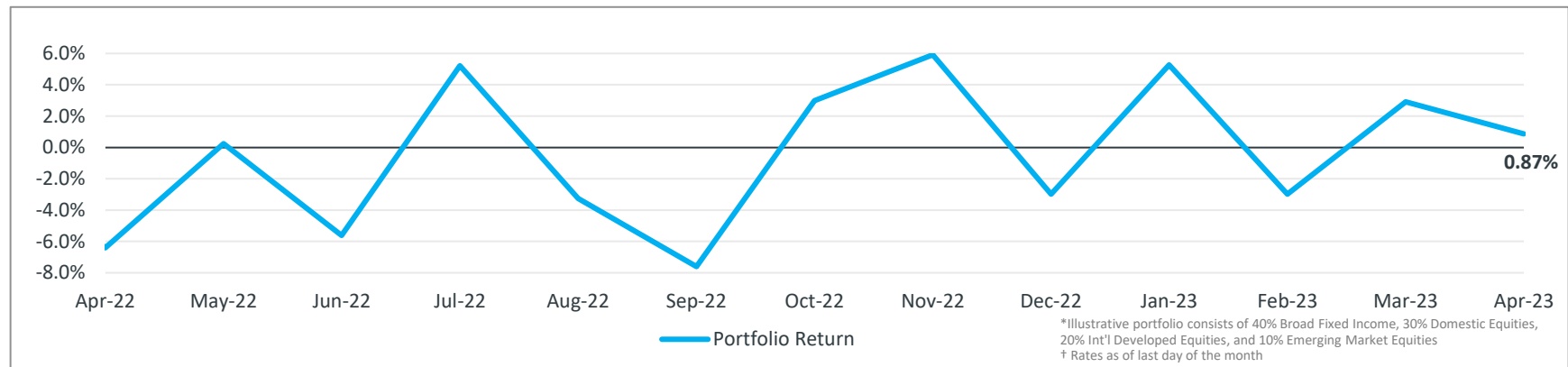
Long Term – Illustrative Investment Portfolio Returns, Month-over-Month Change



Kaufman Hall, National Hospital Flash Report (May 2023)

Investment assets have performed April YTD as the market embraced what it expects to be the end of the Fed's rate increases while navigating recession sentiment and an uncertain economic picture. However, investors' sentiment remains mixed following the collapse of First Republic. Emerging markets underperformed amid weakness in Chinese shares with the MSCI Emerging Markets falling 1.3%. The Barclays Aggregate Bond Index finished the month 0.6% higher and is now down only 0.4% relative to April 2022. The blended 60/40 asset allocation rose 0.9% in April with the MSCI World Index up 1.6%.

Last Twelve Months – Illustrative Investment Portfolio Returns, Month-over-Month Change



Kaufman Hall, National Hospital Flash Report (May 2023)

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Talk to us

Have a comment on the Kaufman Hall *National Hospital Flash Report*?

We want to hear from you. Please direct all questions or comments to

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