



MAY 2025 METRICS

National Hospital Flash Report

Real Data. Real Insight. Real Time.

Based on Data from More Than 1,300 Hospitals

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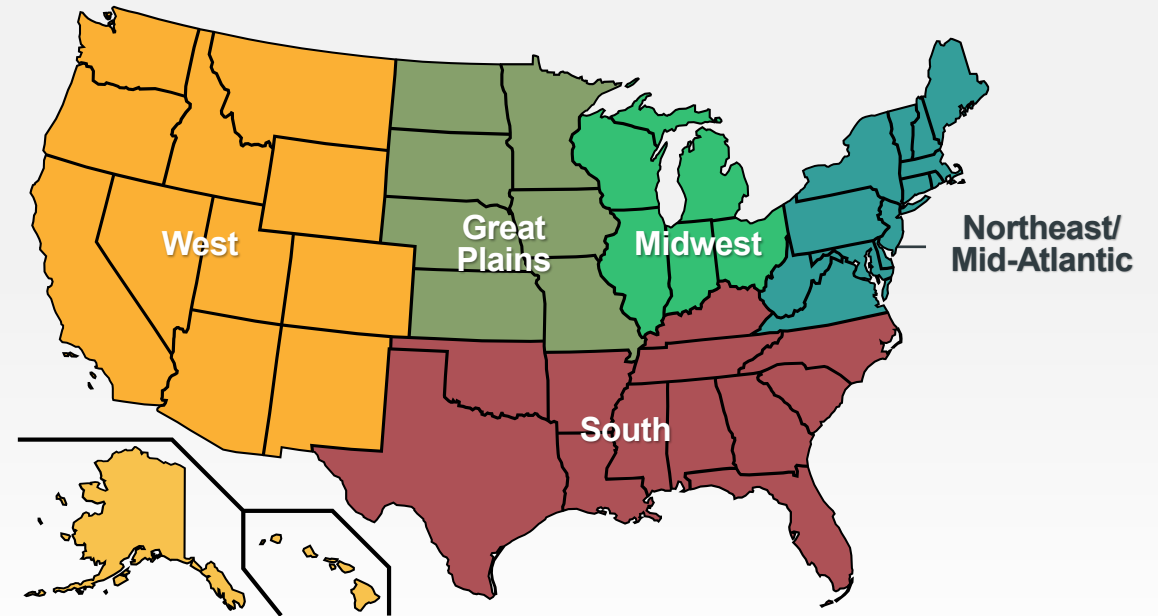
About the Data

The *National Hospital Flash Report* uses both actual and budget data over the last three years, sampled from more than 1,300 hospitals on a recurring monthly basis from Strata Decision Technology.

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, Strata 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)*



[Kaufman Hall](#), a Vizient company, 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.



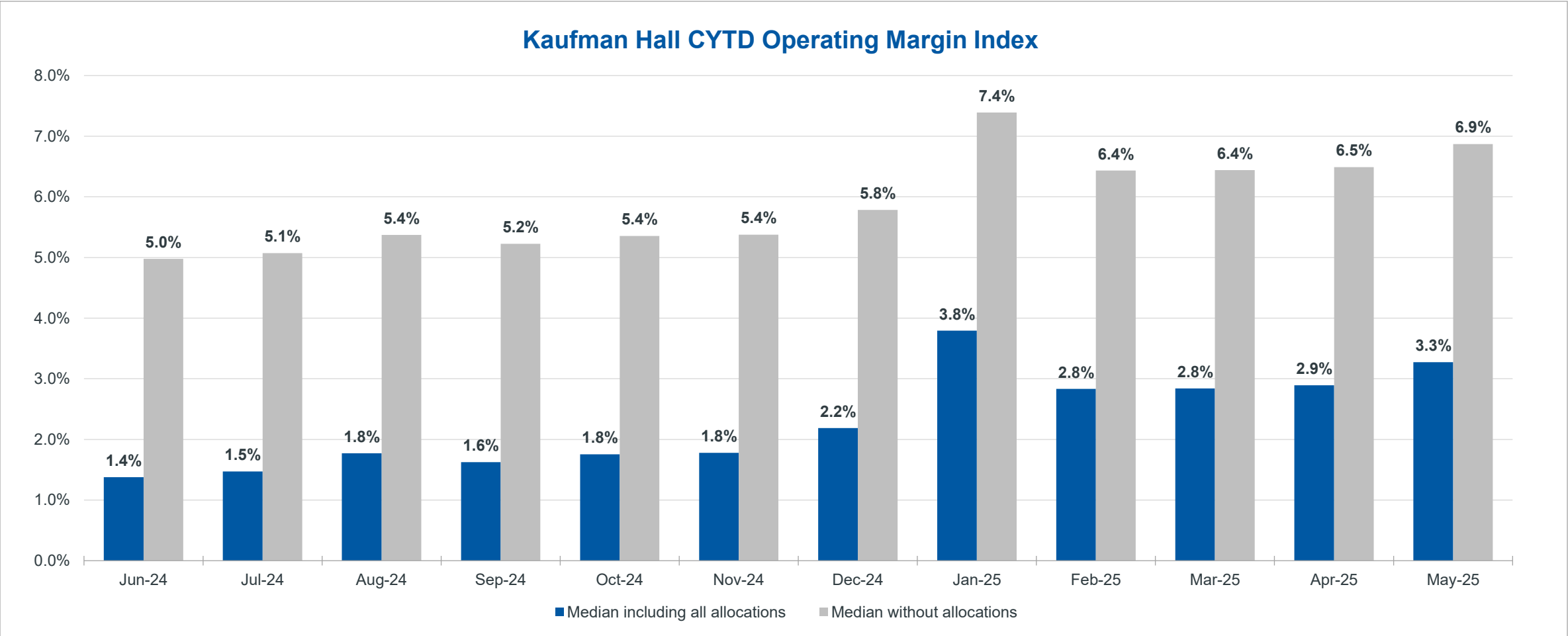
Strata Decision Technology, LLC provides an innovative, cloud-based platform for software, and data and service solutions to help healthcare organizations acquire insights, accelerate decisions, and enhance performance in support of their missions. More than 2,300 organizations rely on Strata's StrataJazz and Axiom solutions for market-leading service and enterprise performance management software, data, and intelligence solutions. To learn more about Strata and why the company has been named the market leader for Business Decision Support for more than 15 consecutive years, please go to www.stratadecision.com.

Key Takeaways

- 1. Hospitals' financial indicators were slightly weaker in May than the previous month.** Pressure on median operating margins and volume persists, with a greater decline in month-over-month outpatient revenue than recorded recently.
- 2. Revenues and expenses on a volume adjusted basis were down.** This trend mirrors the decline in volume hospitals are seeing across inpatient and outpatient business lines.
- 3. Drug expenses showed a notable increase over last month and last year.** An aging population and more utilization of specialty pharmaceuticals are contributing to this trend.

Operating Margin

Kaufman Hall CYTD Operating Margin Index

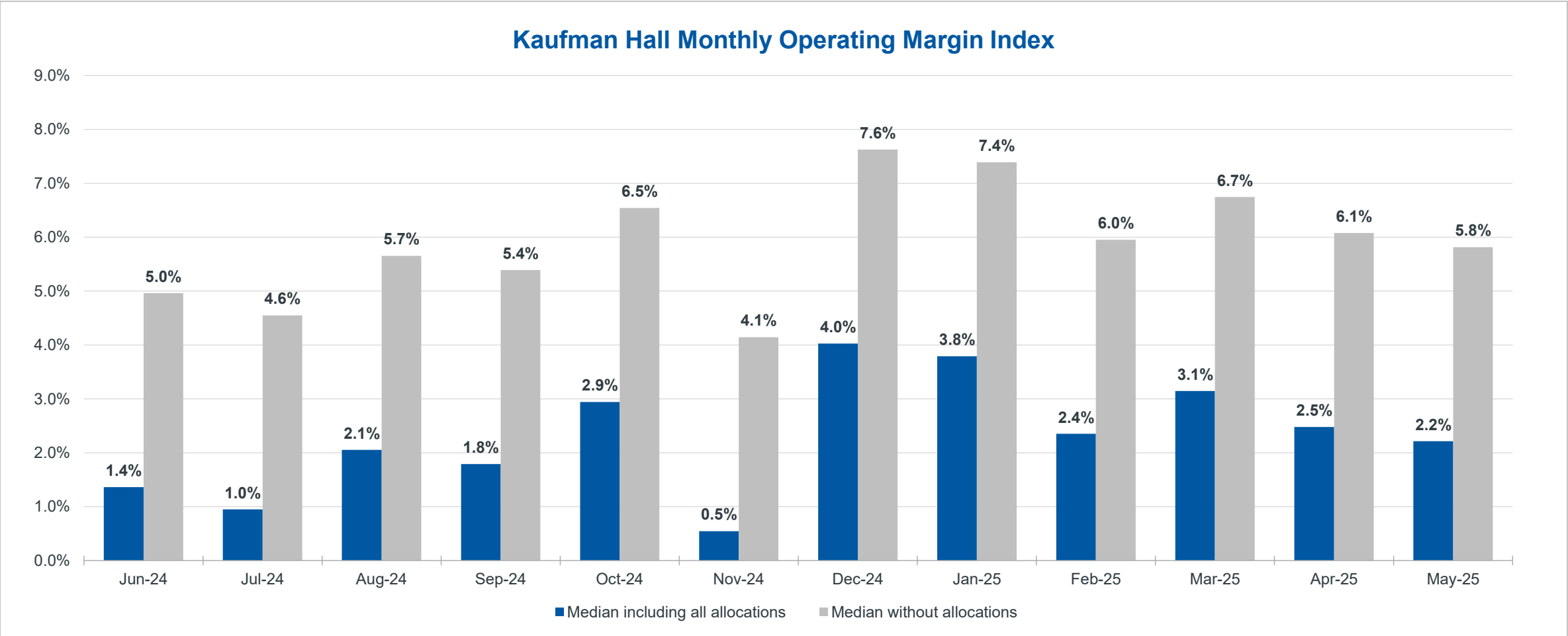


Kaufman Hall, National Hospital Flash Report (May 2025 Metrics)

* Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset, and are displayed with and without adjustments for allocations to hospitals from corporate, physician, and other entities.

Operating Margin *(continued)*

Kaufman Hall Monthly Operating Margin Index



Kaufman Hall, National Hospital Flash Report (May 2025 Metrics)

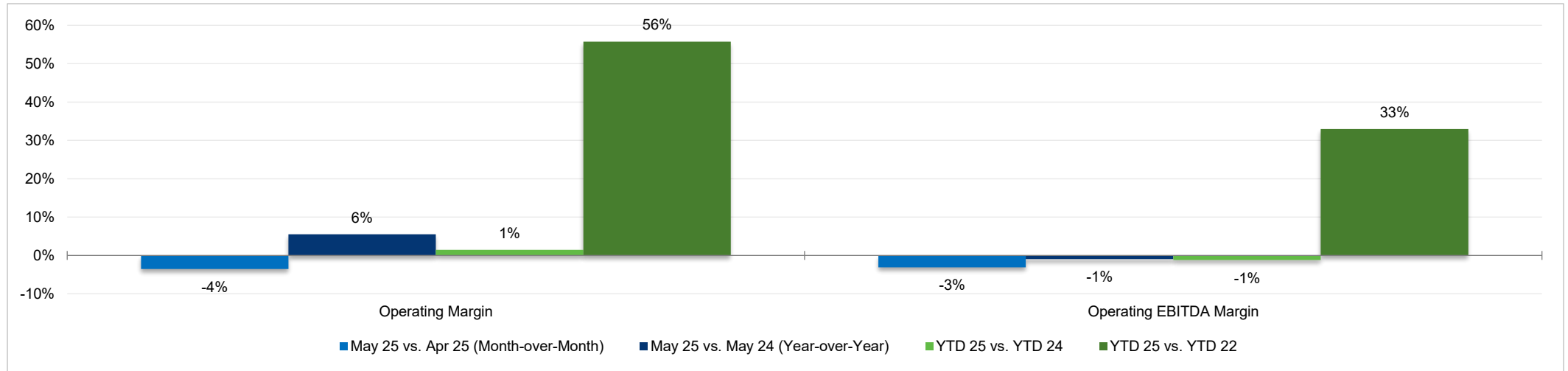
* Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset, and are displayed with and without adjustments for allocations to hospitals from corporate, physician, and other entities.

National and Regional Data

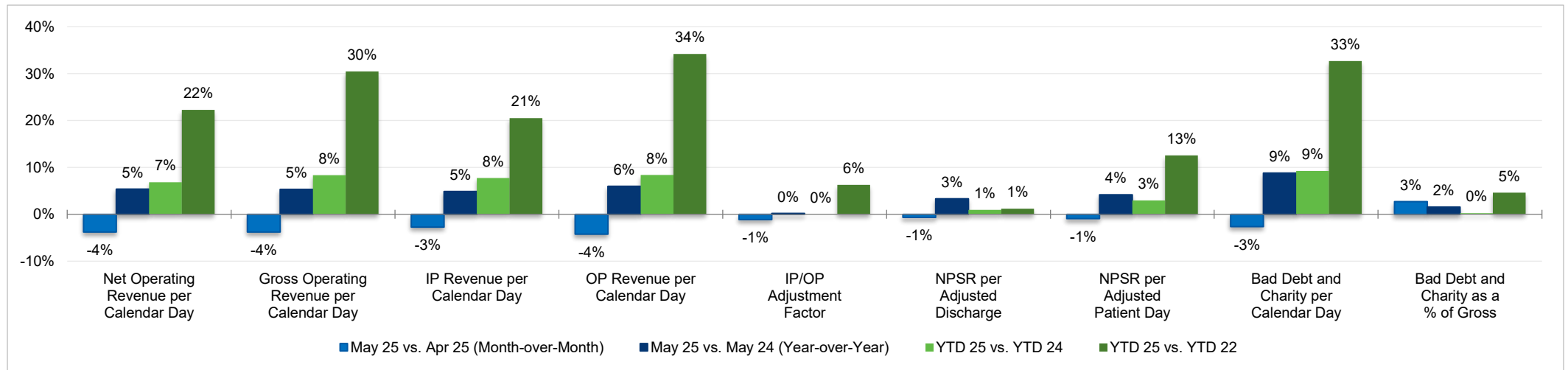
Profitability, Revenue, Expense, and Volume

National Data

Profitability

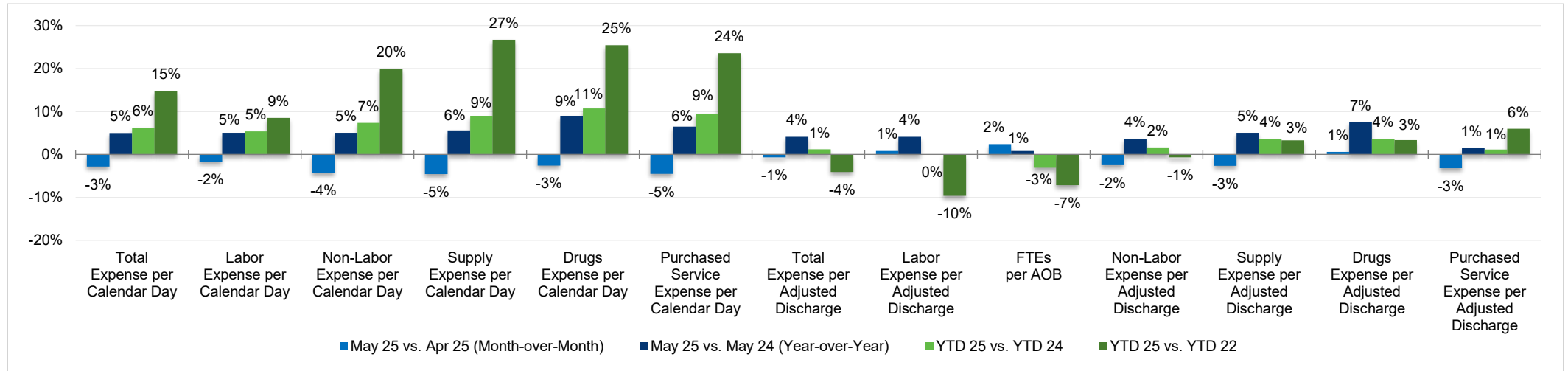


Revenue

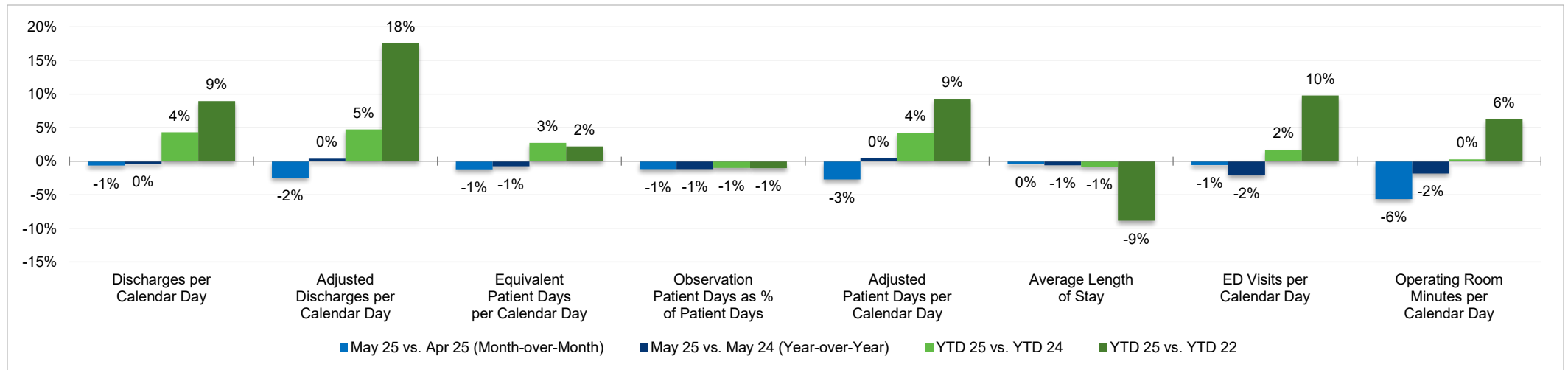


National Data *(continued)*

Expense

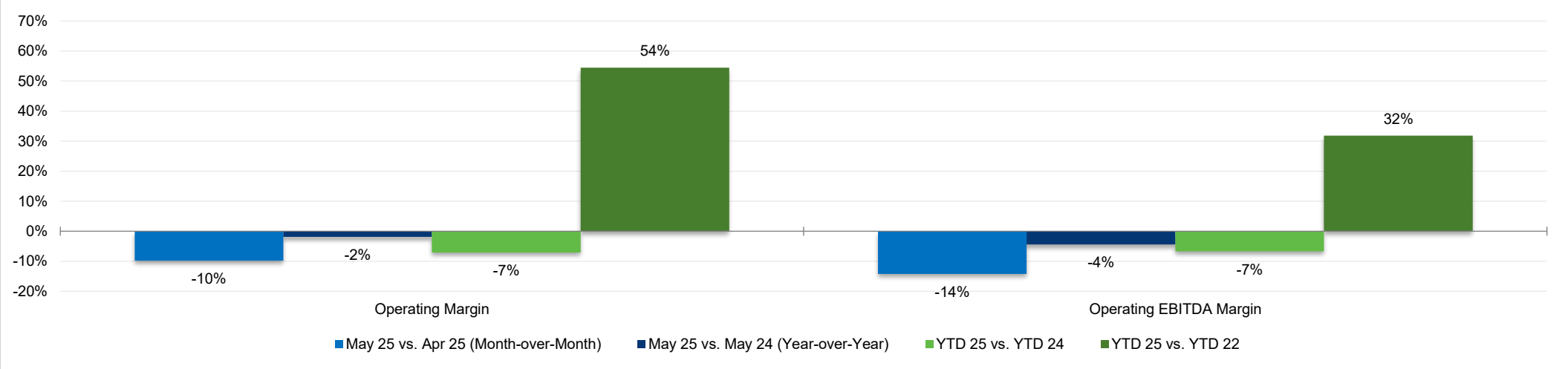


Volume

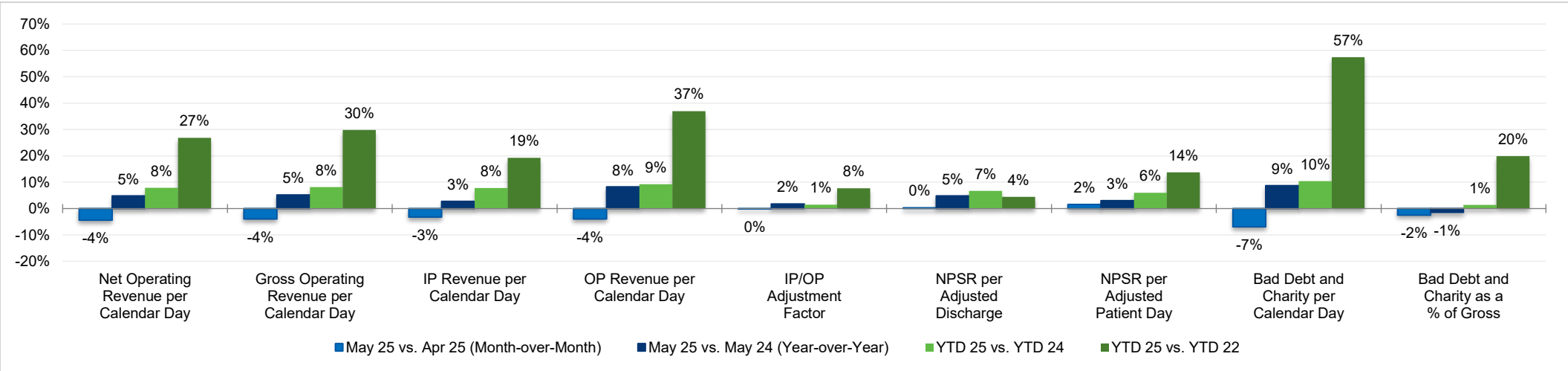


Regional Data: West

Profitability

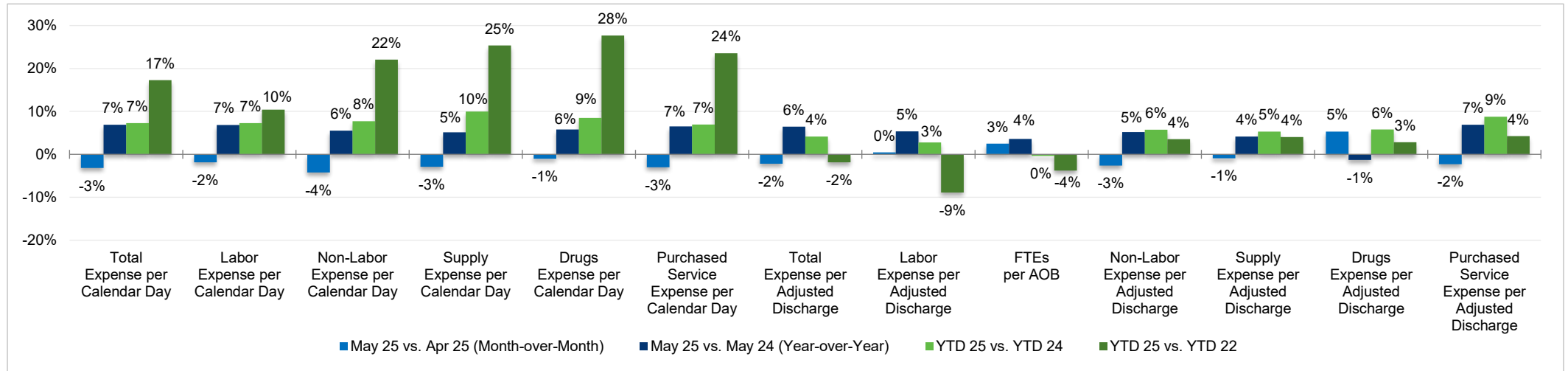


Revenue

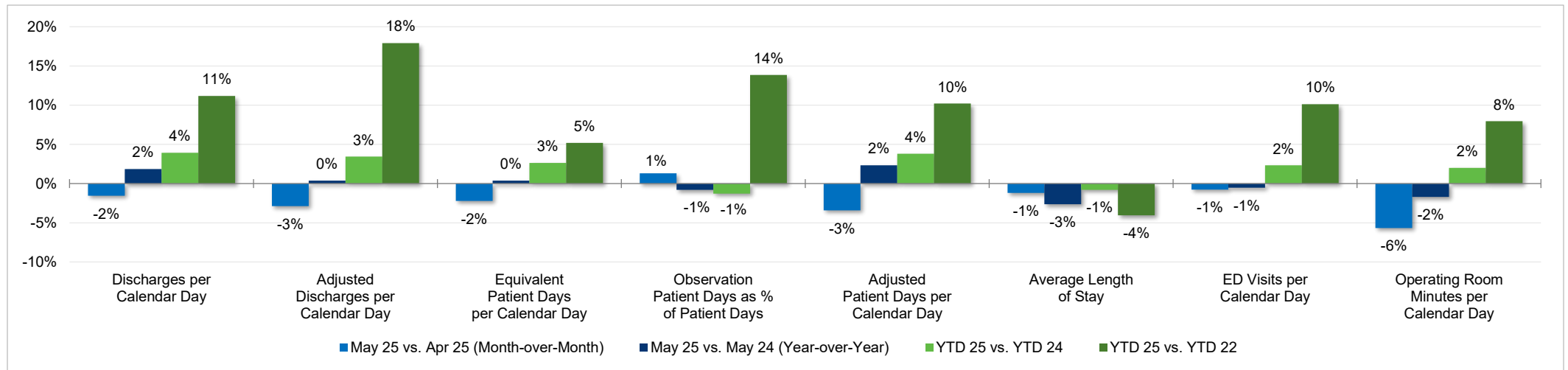


Regional Data: West *(continued)*

Expense

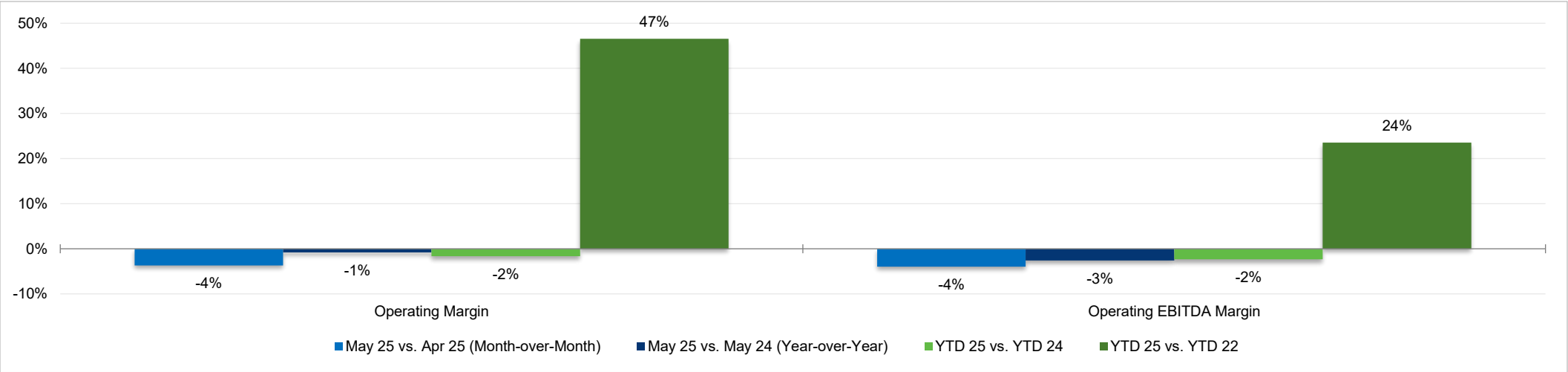


Volume

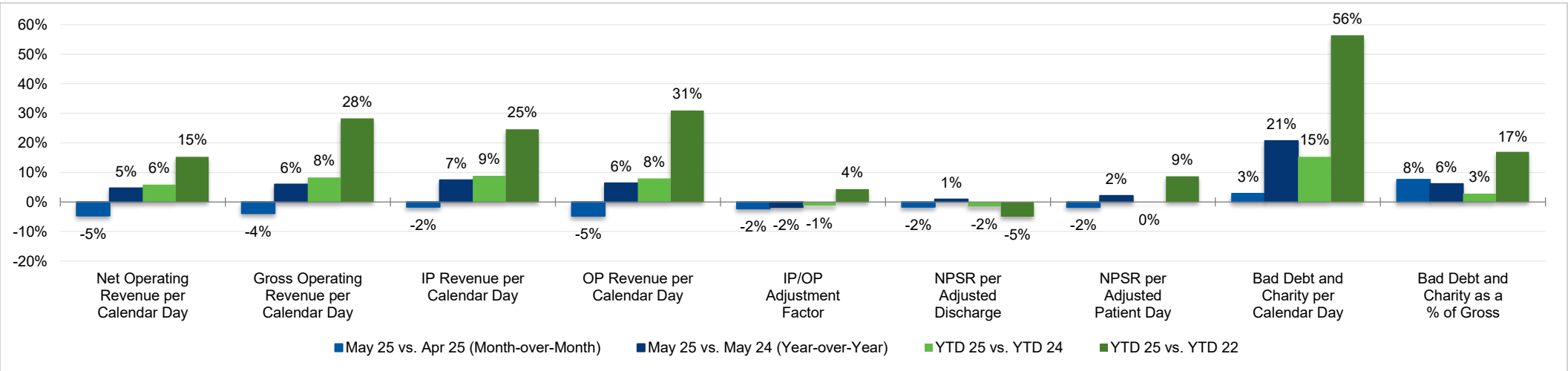


Regional Data: Midwest

Profitability

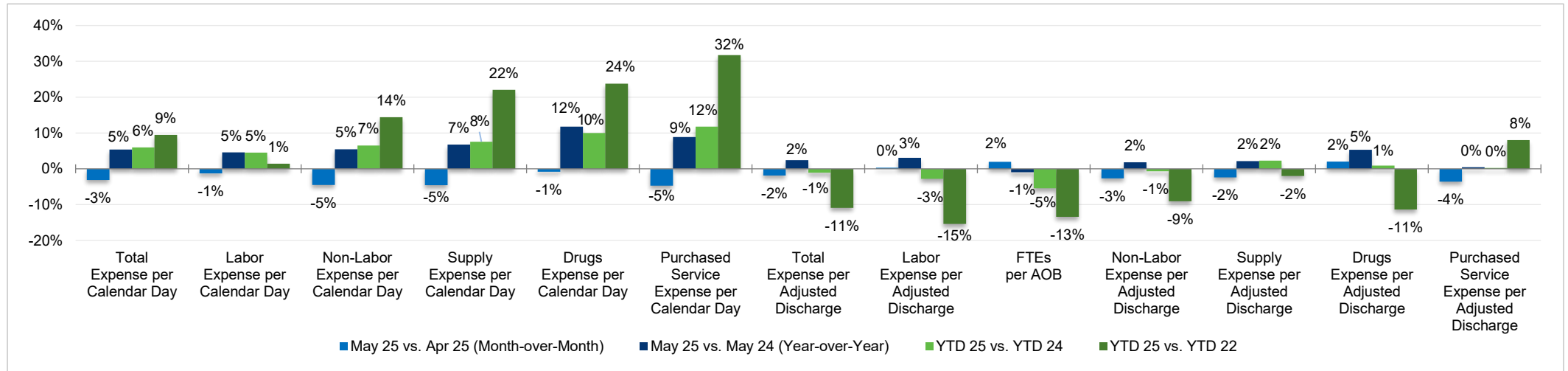


Revenue

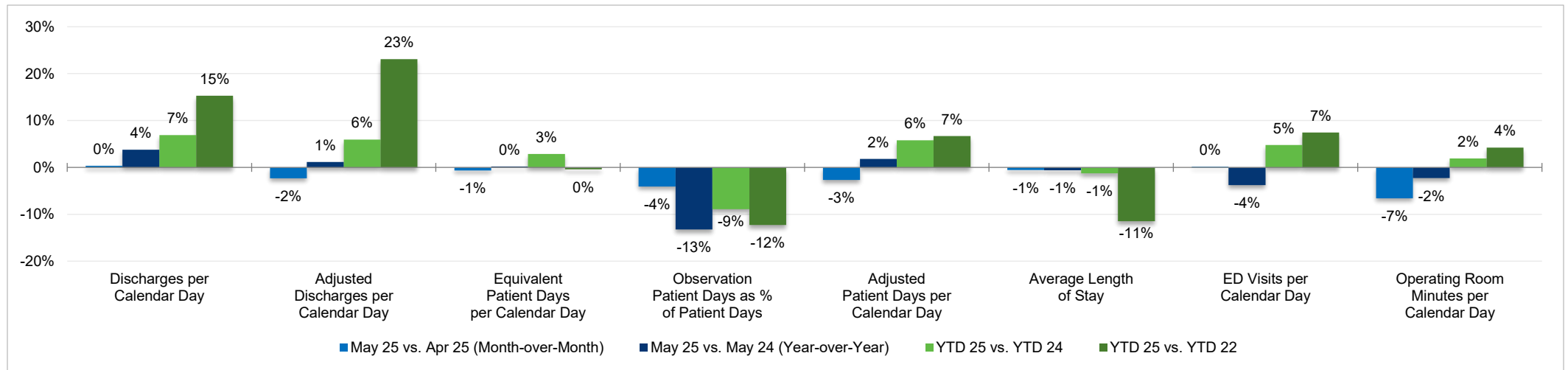


Regional Data: Midwest *(continued)*

Expense

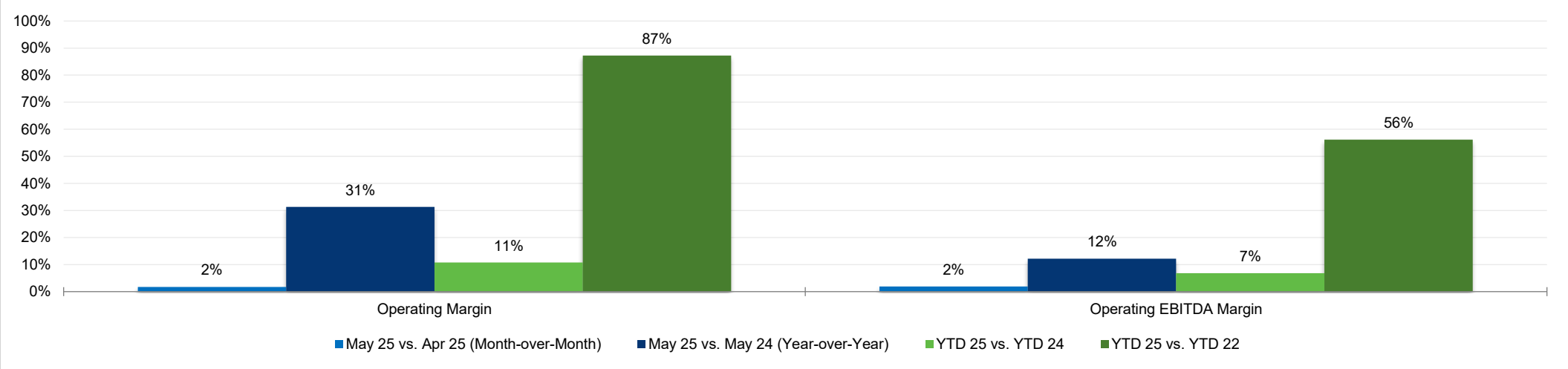


Volume

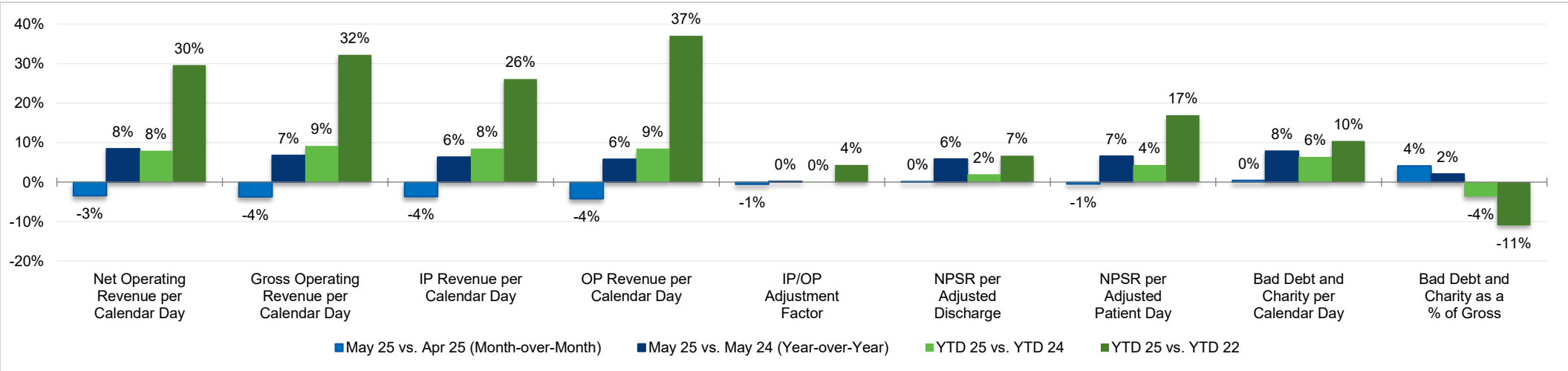


Regional Data: South

Profitability

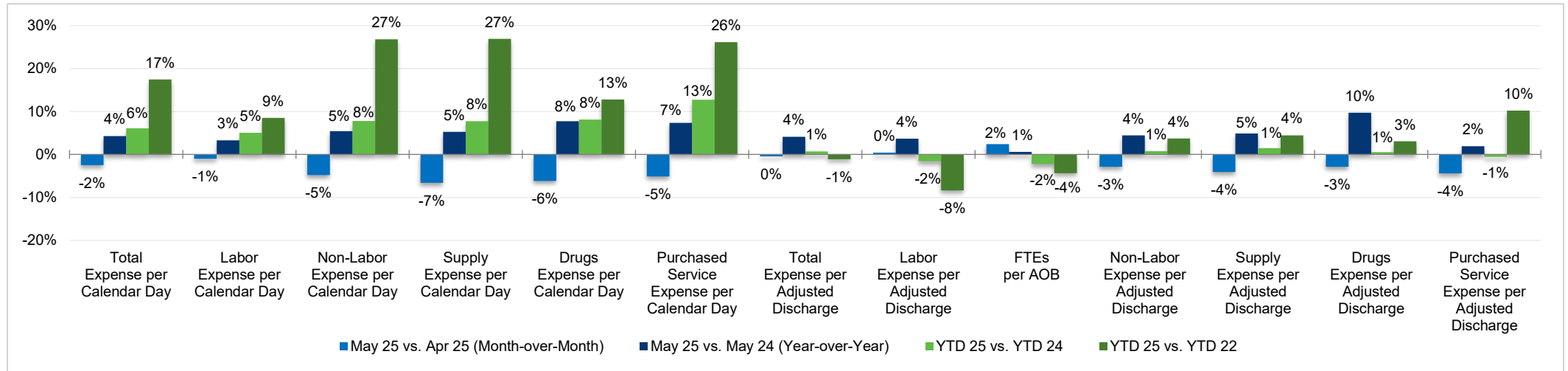


Revenue

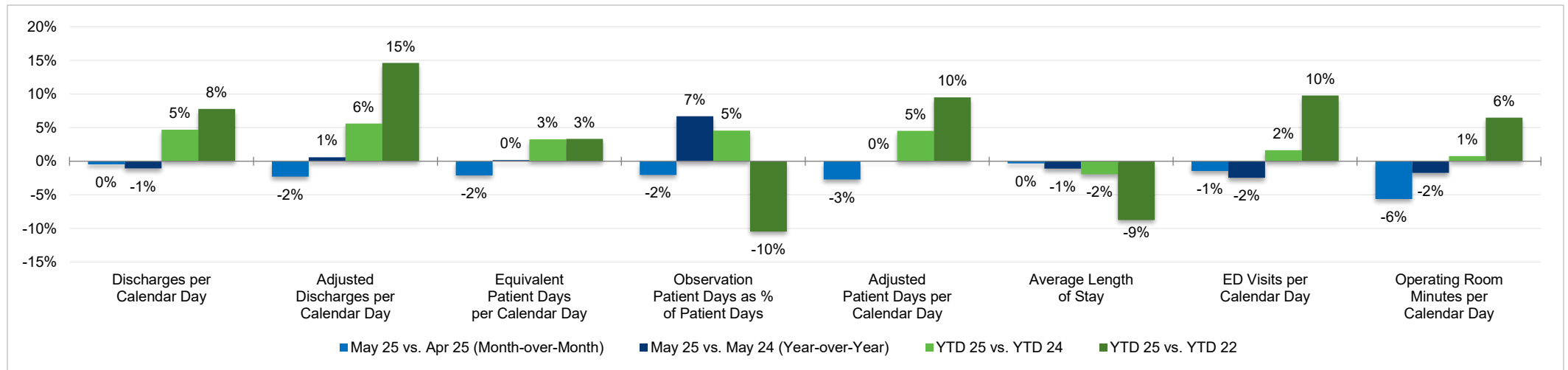


Regional Data: South *(continued)*

Expense

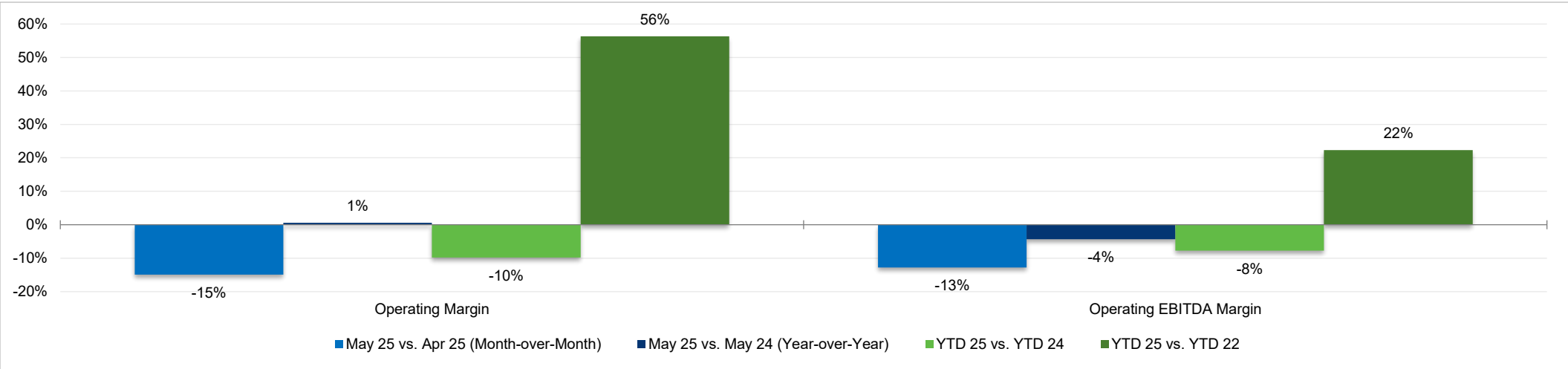


Volume

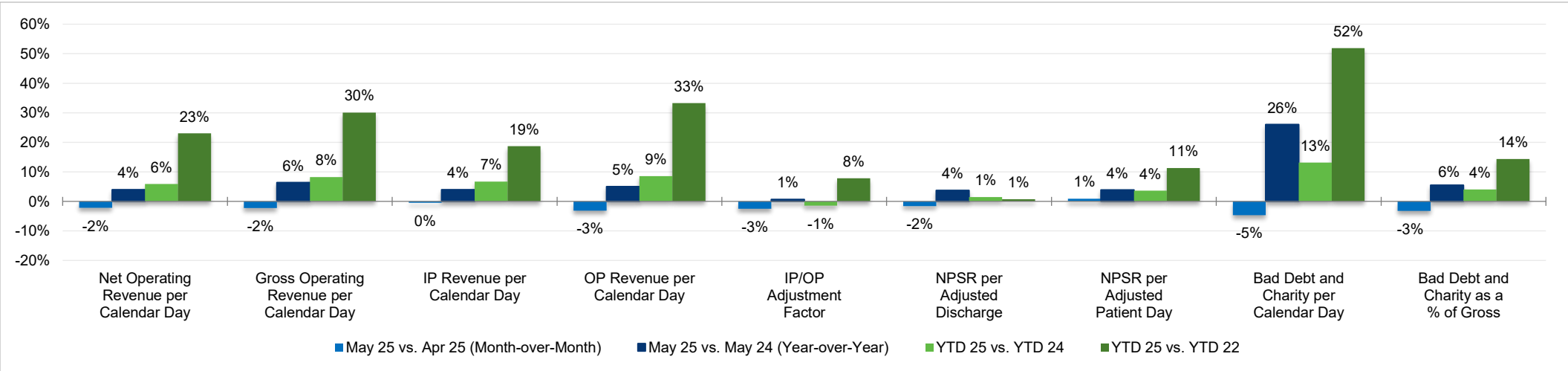


Regional Data: Northeast/Mid-Atlantic

Profitability

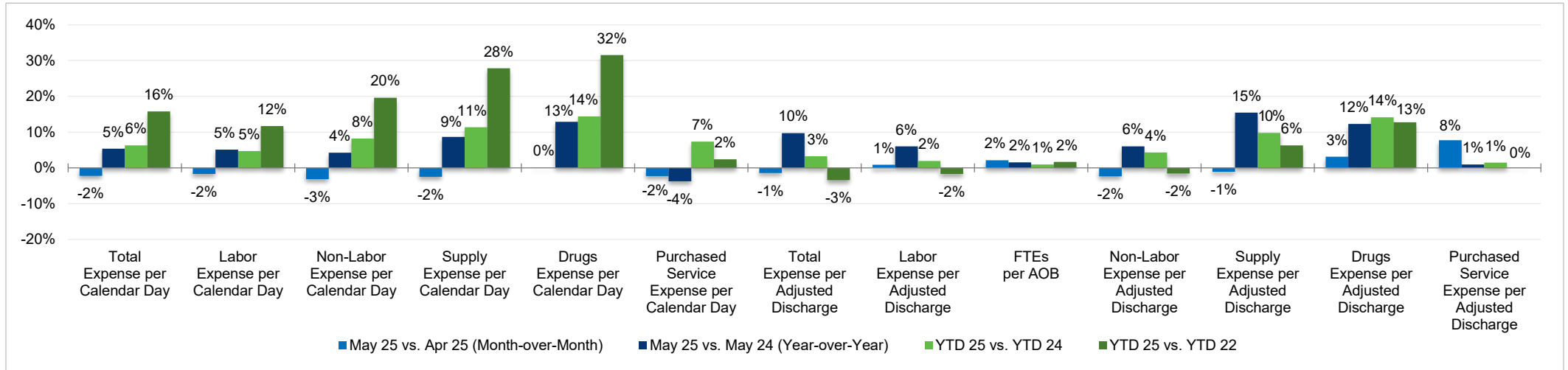


Revenue

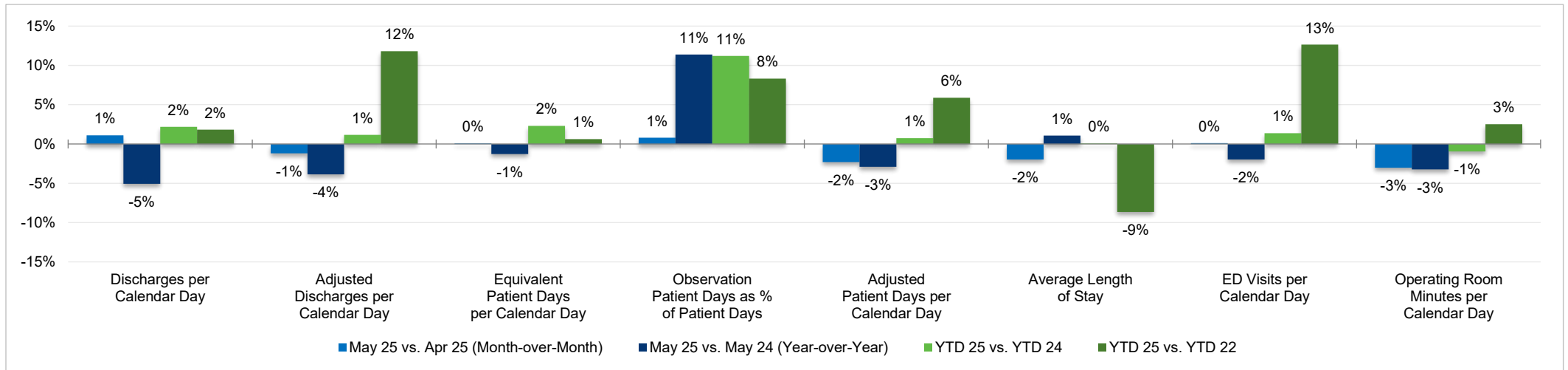


Regional Data: Northeast/Mid-Atlantic *(continued)*

Expense

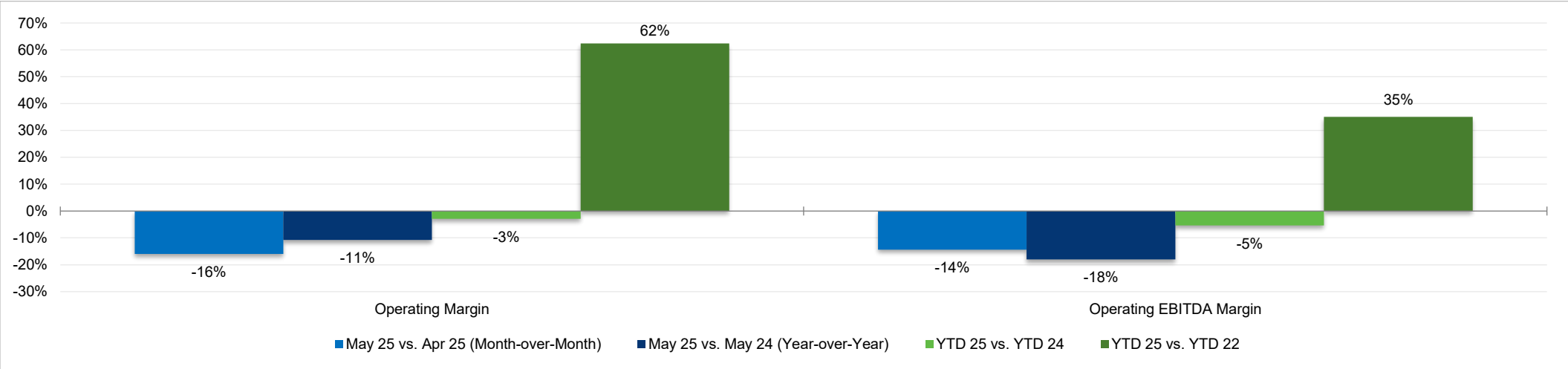


Volume

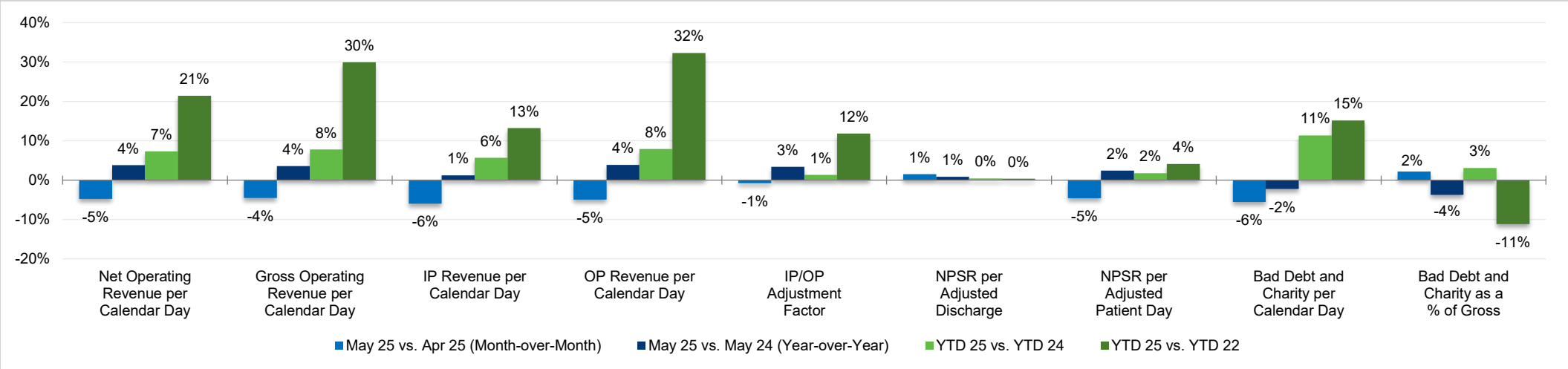


Regional Data: Great Plains

Profitability

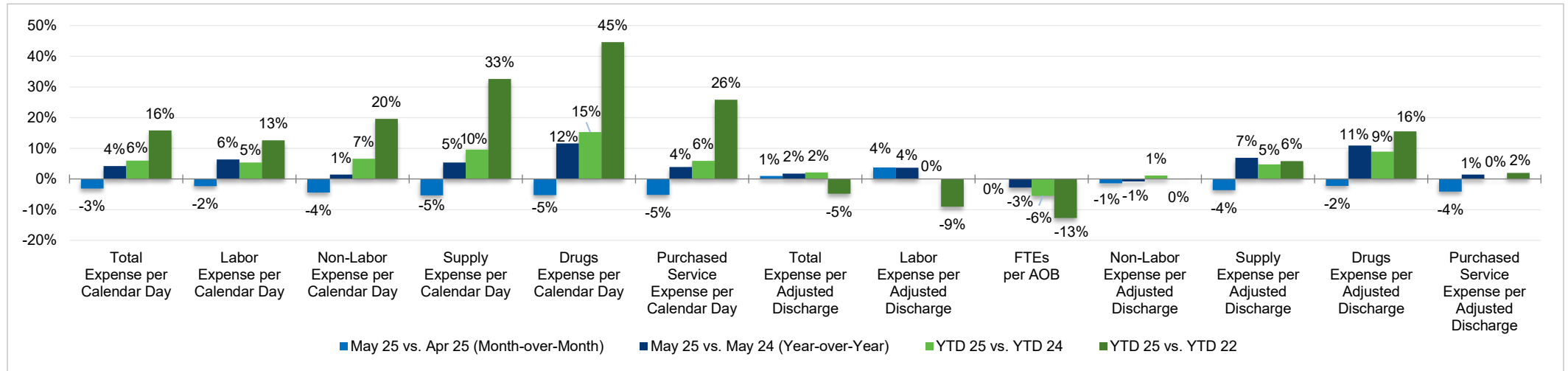


Revenue

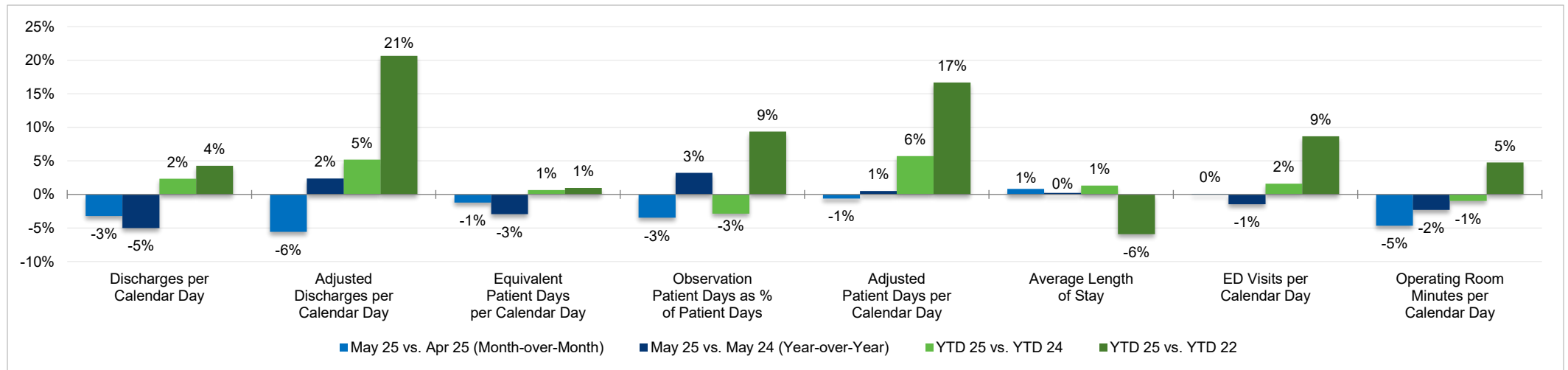


Regional Data: Great Plains *(continued)*

Expense



Volume



Data by Hospital Bed Size

Profitability, Revenue, Expense, and Volume

0-25 Beds

| | | May 25 vs. Apr 25 (Month-over-Month) | May 25 vs. May 24 (Year-over-Year) | YTD 25 vs. YTD 24 | YTD 25 vs. YTD 22 |
|--|---|--|------------------------------------|-------------------|-------------------|
| Margin | Operating Margin | -5.4% | -12.3% | -9.7% | 46.5% |
| | Operating EBIDA Margin | -6.7% | -16.2% | -17.5% | 18.2% |
| Volume | Discharges per Calendar Day | -3.2% | -8.3% | 5.3% | 4.3% |
| | Adjusted Discharges per Calendar Day | -8.0% | -3.3% | 7.2% | 28.1% |
| | Equivalent Patient Days per Calendar Day | -2.8% | -3.5% | 0.9% | -0.4% |
| | Observation Patient Days as % of Patient Days | -2.3% | -12.0% | -9.2% | -7.5% |
| | Adjusted Patient Days per Calendar Day | -2.9% | 1.7% | 6.6% | 18.2% |
| | Average Length of Stay | 5.1% | -3.1% | -1.4% | -8.9% |
| | ED Visits per Calendar Day | 1.0% | -1.8% | 2.2% | 9.7% |
| | Operating Room Minutes per Calendar Day | -9.1% | -1.2% | 5.8% | 3.6% |
| | Revenue | Net Operating Revenue per Calendar Day | -3.8% | 1.2% | 4.9% |
| Gross Operating Revenue per Calendar Day | | -3.1% | 4.6% | 7.8% | 30.2% |
| IP Revenue per Calendar Day | | -3.2% | -0.7% | 7.3% | 6.5% |
| OP Revenue per Calendar Day | | -3.6% | 6.1% | 8.1% | 31.8% |
| IP/OP Adjustment Factor | | 1.2% | 3.8% | -0.1% | 16.3% |
| NPSR per Adjusted Discharge | | 0.6% | -0.3% | -2.6% | -7.4% |
| NPSR per Adjusted Patient Day | | -1.0% | -1.9% | -0.9% | 2.9% |
| Bad Debt and Charity per Calendar Day | | -8.8% | 14.3% | 6.9% | 28.7% |
| Bad Debt and Charity as a % of Gross | | -1.6% | 7.7% | -0.3% | 0.3% |
| Expense | Total Expense per Calendar Day | -3.4% | 5.2% | 6.3% | 14.1% |
| | Labor Expense per Calendar Day | -2.9% | 6.4% | 5.6% | 9.1% |
| | Non-Labor Expense per Calendar Day | -4.4% | 4.7% | 6.6% | 19.0% |
| | Supply Expense per Calendar Day | -6.5% | 3.1% | 9.5% | 26.8% |
| | Drugs Expense per Calendar Day | -5.9% | 11.6% | 12.9% | 34.6% |
| | Purchased Service Expense per Calendar Day | -2.9% | 3.3% | 7.9% | 15.2% |
| | Total Expense per Adjusted Discharge | 2.4% | 6.6% | -3.3% | -12.2% |
| | Labor Expense per Adjusted Discharge | 3.9% | 8.4% | -2.1% | -15.6% |
| | FTEs per AOB | -2.9% | -4.0% | -6.0% | -19.9% |
| | Non-Labor Expense per Adjusted Discharge | 0.7% | 5.2% | -3.2% | -10.2% |
| | Supply Expense per Adjusted Discharge | -2.6% | 4.6% | 3.8% | -3.2% |
| | Drugs Expense per Adjusted Discharge | 1.7% | 8.7% | 5.3% | 4.5% |
| Purchased Service Expense per Adjusted Discharge | -2.0% | -1.6% | -2.2% | -9.6% | |

26-99 Beds

| | | May 25 vs. Apr 25 (Month-over-Month) | May 25 vs. May 24 (Year-over-Year) | YTD 25 vs. YTD 24 | YTD 25 vs. YTD 22 |
|--|---|--|------------------------------------|-------------------|-------------------|
| Margin | Operating Margin | -1.4% | 5.6% | 4.8% | 42.7% |
| | Operating EBIDA Margin | -1.6% | -2.7% | 0.4% | 36.8% |
| Volume | Discharges per Calendar Day | -2.2% | -1.3% | 5.0% | 9.4% |
| | Adjusted Discharges per Calendar Day | -3.5% | -2.4% | 3.1% | 17.5% |
| | Equivalent Patient Days per Calendar Day | -3.3% | -2.8% | 3.0% | -0.7% |
| | Observation Patient Days as % of Patient Days | 1.2% | 7.4% | 0.9% | 3.5% |
| | Adjusted Patient Days per Calendar Day | -4.7% | -1.5% | 4.4% | 5.3% |
| | Average Length of Stay | -1.1% | -2.8% | 0.2% | -9.5% |
| | ED Visits per Calendar Day | -0.1% | -3.2% | 2.1% | 10.6% |
| | Operating Room Minutes per Calendar Day | -6.6% | 0.0% | 2.2% | 4.7% |
| | Revenue | Net Operating Revenue per Calendar Day | -3.6% | 5.5% | 6.4% |
| Gross Operating Revenue per Calendar Day | | -4.2% | 4.9% | 7.6% | 24.5% |
| IP Revenue per Calendar Day | | -3.6% | 3.8% | 6.7% | 15.5% |
| OP Revenue per Calendar Day | | -3.9% | 5.6% | 7.2% | 28.2% |
| IP/OP Adjustment Factor | | -2.0% | -0.1% | -0.5% | 7.7% |
| NPSR per Adjusted Discharge | | 0.5% | 4.1% | 1.4% | -2.0% |
| NPSR per Adjusted Patient Day | | 2.2% | 4.4% | 2.6% | 10.3% |
| Bad Debt and Charity per Calendar Day | | -7.3% | 9.4% | 11.1% | 28.6% |
| Bad Debt and Charity as a % of Gross | | -1.7% | -0.1% | 1.6% | 8.2% |
| Expense | Total Expense per Calendar Day | -2.3% | 4.2% | 5.7% | 10.3% |
| | Labor Expense per Calendar Day | -1.7% | 5.6% | 5.1% | 7.5% |
| | Non-Labor Expense per Calendar Day | -4.1% | 2.5% | 7.2% | 14.4% |
| | Supply Expense per Calendar Day | -1.6% | 4.6% | 9.8% | 21.6% |
| | Drugs Expense per Calendar Day | 2.2% | 6.1% | 6.7% | 10.6% |
| | Purchased Service Expense per Calendar Day | -4.9% | 3.4% | 8.7% | 19.1% |
| | Total Expense per Adjusted Discharge | 1.3% | 4.1% | 1.8% | -6.3% |
| | Labor Expense per Adjusted Discharge | 1.8% | 7.9% | 0.7% | -10.2% |
| | FTEs per AOB | 2.7% | -2.0% | -5.1% | -9.9% |
| | Non-Labor Expense per Adjusted Discharge | -1.7% | 4.7% | 2.9% | -4.6% |
| | Supply Expense per Adjusted Discharge | -1.2% | 5.8% | 2.3% | -1.3% |
| | Drugs Expense per Adjusted Discharge | 4.8% | 3.6% | 3.2% | -6.3% |
| Purchased Service Expense per Adjusted Discharge | -2.7% | 0.1% | -2.1% | 2.9% | |

100-199 Beds

| | | May 25 vs. Apr 25 (Month-over-Month) | May 25 vs. May 24 (Year-over-Year) | YTD 25 vs. YTD 24 | YTD 25 vs. YTD 22 |
|--|---|--|------------------------------------|-------------------|-------------------|
| Margin | Operating Margin | 2.1% | 26.5% | -3.7% | 52.9% |
| | Operating EBIDA Margin | 2.3% | 7.9% | -2.4% | 33.0% |
| Volume | Discharges per Calendar Day | 1.1% | 3.0% | 5.4% | 12.1% |
| | Adjusted Discharges per Calendar Day | -2.7% | 2.4% | 5.4% | 17.7% |
| | Equivalent Patient Days per Calendar Day | 0.2% | 1.7% | 4.6% | 5.1% |
| | Observation Patient Days as % of Patient Days | -0.4% | -0.4% | 1.9% | -1.0% |
| | Adjusted Patient Days per Calendar Day | -2.0% | -0.7% | 2.6% | 11.3% |
| | Average Length of Stay | 1.6% | -1.0% | -2.6% | -9.2% |
| | ED Visits per Calendar Day | -0.6% | -0.8% | 1.5% | 10.0% |
| | Operating Room Minutes per Calendar Day | -4.0% | -2.3% | -1.0% | 2.8% |
| | Revenue | Net Operating Revenue per Calendar Day | -3.4% | 6.2% | 6.2% |
| Gross Operating Revenue per Calendar Day | | -2.7% | 4.9% | 8.2% | 30.7% |
| IP Revenue per Calendar Day | | -0.4% | 4.2% | 6.3% | 23.5% |
| OP Revenue per Calendar Day | | -3.4% | 4.3% | 8.7% | 37.0% |
| IP/OP Adjustment Factor | | -1.5% | -0.9% | 0.7% | 5.9% |
| NPSR per Adjusted Discharge | | 0.3% | 1.9% | -0.6% | -0.7% |
| NPSR per Adjusted Patient Day | | -1.7% | 5.2% | 3.2% | 11.2% |
| Bad Debt and Charity per Calendar Day | | -6.0% | 2.9% | 10.0% | 38.1% |
| Bad Debt and Charity as a % of Gross | | -3.5% | 0.5% | 0.9% | 5.3% |
| Expense | Total Expense per Calendar Day | -2.8% | 4.4% | 5.9% | 16.0% |
| | Labor Expense per Calendar Day | -0.7% | 4.5% | 4.3% | 8.4% |
| | Non-Labor Expense per Calendar Day | -5.1% | 4.5% | 7.1% | 20.7% |
| | Supply Expense per Calendar Day | -5.2% | 2.8% | 7.0% | 23.2% |
| | Drugs Expense per Calendar Day | -4.6% | 1.2% | 5.8% | 7.8% |
| | Purchased Service Expense per Calendar Day | -5.7% | 10.1% | 9.4% | 29.0% |
| | Total Expense per Adjusted Discharge | -0.9% | 1.2% | 0.5% | -4.9% |
| | Labor Expense per Adjusted Discharge | 2.9% | 3.4% | -0.1% | -12.0% |
| | FTEs per AOB | 2.0% | 1.9% | -1.6% | -8.1% |
| | Non-Labor Expense per Adjusted Discharge | -3.4% | 0.6% | 0.5% | -1.8% |
| | Supply Expense per Adjusted Discharge | -3.2% | -0.7% | -2.2% | -0.5% |
| | Drugs Expense per Adjusted Discharge | 2.0% | -3.4% | -4.3% | -7.0% |
| Purchased Service Expense per Adjusted Discharge | -3.5% | 1.3% | 0.0% | 11.4% | |

200-299 Beds

| | | May 25 vs. Apr 25 (Month-over-Month) | May 25 vs. May 24 (Year-over-Year) | YTD 25 vs. YTD 24 | YTD 25 vs. YTD 22 |
|--|---|--|------------------------------------|-------------------|-------------------|
| Margin | Operating Margin | -3.1% | 10.6% | 5.6% | 55.4% |
| | Operating EBIDA Margin | -2.8% | 3.7% | 0.4% | 31.9% |
| Volume | Discharges per Calendar Day | -0.9% | -1.2% | 5.1% | 12.4% |
| | Adjusted Discharges per Calendar Day | -0.4% | 0.2% | 4.3% | 14.9% |
| | Equivalent Patient Days per Calendar Day | -1.1% | 0.7% | 2.9% | 2.8% |
| | Observation Patient Days as % of Patient Days | -1.7% | -5.3% | -1.2% | -1.4% |
| | Adjusted Patient Days per Calendar Day | -2.5% | 1.1% | 4.3% | 5.9% |
| | Average Length of Stay | -0.9% | 1.7% | -0.8% | -9.4% |
| | ED Visits per Calendar Day | -1.0% | -2.1% | 1.4% | 8.7% |
| | Operating Room Minutes per Calendar Day | -6.0% | 4.0% | 2.4% | 10.1% |
| | Revenue | Net Operating Revenue per Calendar Day | -3.7% | 8.5% | 8.5% |
| Gross Operating Revenue per Calendar Day | | -4.0% | 7.5% | 9.4% | 32.8% |
| IP Revenue per Calendar Day | | -2.7% | 10.1% | 8.4% | 28.4% |
| OP Revenue per Calendar Day | | -4.6% | 8.0% | 10.6% | 36.7% |
| IP/OP Adjustment Factor | | -0.8% | -0.1% | 0.0% | 3.7% |
| NPSR per Adjusted Discharge | | -1.5% | 3.7% | 4.0% | 5.0% |
| NPSR per Adjusted Patient Day | | -1.3% | 5.8% | 4.5% | 17.9% |
| Bad Debt and Charity per Calendar Day | | 6.8% | 8.9% | 10.6% | 38.6% |
| Bad Debt and Charity as a % of Gross | 9.9% | 0.5% | 1.1% | 11.9% | |
| Expense | Total Expense per Calendar Day | -2.4% | 4.3% | 6.3% | 17.7% |
| | Labor Expense per Calendar Day | -1.7% | 3.4% | 5.3% | 9.9% |
| | Non-Labor Expense per Calendar Day | -3.8% | 6.1% | 7.6% | 25.2% |
| | Supply Expense per Calendar Day | -4.6% | 8.5% | 10.1% | 30.6% |
| | Drugs Expense per Calendar Day | -1.6% | 19.1% | 13.3% | 31.8% |
| | Purchased Service Expense per Calendar Day | -4.2% | 6.4% | 7.6% | 21.1% |
| | Total Expense per Adjusted Discharge | -1.3% | 3.7% | 1.1% | -3.8% |
| | Labor Expense per Adjusted Discharge | -0.8% | 3.1% | -0.5% | -8.7% |
| | FTEs per AOB | 2.8% | -0.1% | -3.8% | 0.0% |
| | Non-Labor Expense per Adjusted Discharge | -1.9% | 4.4% | 2.2% | 3.4% |
| | Supply Expense per Adjusted Discharge | -3.1% | 9.2% | 5.9% | 7.7% |
| | Drugs Expense per Adjusted Discharge | -0.4% | 14.3% | 8.8% | 5.6% |
| Purchased Service Expense per Adjusted Discharge | -2.1% | 6.9% | 1.2% | 3.6% | |

300-499 Beds

| | | May 25 vs. Apr 25 (Month-over-Month) | May 25 vs. May 24 (Year-over-Year) | YTD 25 vs. YTD 24 | YTD 25 vs. YTD 22 |
|--|---|--|------------------------------------|-------------------|-------------------|
| Margin | Operating Margin | -3.9% | 29.2% | 12.7% | 78.0% |
| | Operating EBIDA Margin | -6.5% | 14.0% | 2.0% | 63.6% |
| Volume | Discharges per Calendar Day | 0.1% | 2.1% | 3.0% | 8.3% |
| | Adjusted Discharges per Calendar Day | -1.5% | 1.2% | 5.6% | 12.9% |
| | Equivalent Patient Days per Calendar Day | -1.2% | 0.3% | 2.5% | 2.2% |
| | Observation Patient Days as % of Patient Days | -1.2% | 1.9% | 0.3% | -0.1% |
| | Adjusted Patient Days per Calendar Day | -2.6% | 1.1% | 4.7% | 8.2% |
| | Average Length of Stay | -0.6% | 0.8% | 0.1% | -6.2% |
| | ED Visits per Calendar Day | -2.1% | -1.6% | 2.7% | 11.1% |
| | Operating Room Minutes per Calendar Day | -4.7% | -2.8% | 0.0% | 5.8% |
| | Revenue | Net Operating Revenue per Calendar Day | -3.8% | 7.0% | 8.4% |
| Gross Operating Revenue per Calendar Day | | -4.3% | 5.2% | 8.2% | 28.5% |
| IP Revenue per Calendar Day | | -3.6% | 5.0% | 8.5% | 21.9% |
| OP Revenue per Calendar Day | | -5.0% | 4.7% | 8.5% | 30.9% |
| IP/OP Adjustment Factor | | -0.7% | 0.4% | -0.2% | 5.2% |
| NPSR per Adjusted Discharge | | -1.1% | 4.0% | 3.6% | 10.2% |
| NPSR per Adjusted Patient Day | | -1.2% | 2.9% | 3.2% | 17.2% |
| Bad Debt and Charity per Calendar Day | | 4.2% | 16.2% | 11.1% | 27.7% |
| Bad Debt and Charity as a % of Gross | | 8.9% | 6.0% | -0.9% | -1.4% |
| Expense | Total Expense per Calendar Day | -2.7% | 5.0% | 5.9% | 14.7% |
| | Labor Expense per Calendar Day | -2.0% | 3.2% | 5.4% | 7.2% |
| | Non-Labor Expense per Calendar Day | -4.6% | 6.2% | 6.4% | 19.2% |
| | Supply Expense per Calendar Day | -5.5% | 6.0% | 8.3% | 25.4% |
| | Drugs Expense per Calendar Day | -4.6% | 11.0% | 10.6% | 25.6% |
| | Purchased Service Expense per Calendar Day | -4.5% | 11.3% | 10.0% | 24.4% |
| | Total Expense per Adjusted Discharge | -1.4% | 5.0% | 2.8% | 1.8% |
| | Labor Expense per Adjusted Discharge | 0.1% | 3.6% | 0.8% | -6.3% |
| | FTEs per AOB | 2.7% | 2.2% | -1.0% | -4.5% |
| | Non-Labor Expense per Adjusted Discharge | -3.3% | 6.2% | 2.6% | 8.4% |
| | Supply Expense per Adjusted Discharge | -4.3% | 5.8% | 3.8% | 9.2% |
| | Drugs Expense per Adjusted Discharge | 0.2% | 8.1% | 0.5% | 4.2% |
| Purchased Service Expense per Adjusted Discharge | -3.6% | 8.4% | 9.8% | 16.4% | |

500+ Beds

| | | May 25 vs. Apr 25 (Month-over-Month) | May 25 vs. May 24 (Year-over-Year) | YTD 25 vs. YTD 24 | YTD 25 vs. YTD 22 |
|--|---|--|------------------------------------|-------------------|-------------------|
| Margin | Operating Margin | -7.6% | -5.8% | 1.8% | 105.6% |
| | Operating EBIDA Margin | -14.3% | -20.1% | -0.2% | 54.6% |
| Volume | Discharges per Calendar Day | 0.2% | 1.8% | 3.0% | 11.8% |
| | Adjusted Discharges per Calendar Day | -0.5% | 0.4% | 2.9% | 15.4% |
| | Equivalent Patient Days per Calendar Day | -0.8% | -0.2% | 1.8% | 3.3% |
| | Observation Patient Days as % of Patient Days | 0.2% | -0.9% | -0.6% | -0.4% |
| | Adjusted Patient Days per Calendar Day | -1.1% | 0.9% | 2.8% | 10.2% |
| | Average Length of Stay | -1.2% | -1.2% | -1.1% | -8.0% |
| | ED Visits per Calendar Day | -0.4% | -3.6% | 0.9% | 8.5% |
| | Operating Room Minutes per Calendar Day | -7.7% | -2.5% | 0.2% | 6.3% |
| | Revenue | Net Operating Revenue per Calendar Day | -4.4% | 7.8% | 9.0% |
| Gross Operating Revenue per Calendar Day | | -4.3% | 8.1% | 10.6% | 35.9% |
| IP Revenue per Calendar Day | | -3.7% | 5.0% | 9.4% | 28.8% |
| OP Revenue per Calendar Day | | -4.6% | 8.2% | 10.1% | 43.4% |
| IP/OP Adjustment Factor | | -0.2% | 1.3% | 0.2% | 5.2% |
| NPSR per Adjusted Discharge | | -1.8% | 5.5% | 2.8% | 16.9% |
| NPSR per Adjusted Patient Day | | -2.3% | 7.4% | 6.4% | 24.2% |
| Bad Debt and Charity per Calendar Day | | 5.9% | -1.3% | 7.8% | 49.2% |
| Bad Debt and Charity as a % of Gross | | 7.6% | -5.1% | -2.3% | 11.2% |
| Expense | Total Expense per Calendar Day | -2.0% | 9.2% | 8.8% | 25.3% |
| | Labor Expense per Calendar Day | -0.7% | 6.5% | 6.1% | 15.1% |
| | Non-Labor Expense per Calendar Day | -2.8% | 9.6% | 10.0% | 30.8% |
| | Supply Expense per Calendar Day | -4.7% | 12.4% | 12.3% | 38.3% |
| | Drugs Expense per Calendar Day | -2.6% | 15.8% | 15.2% | 53.6% |
| | Purchased Service Expense per Calendar Day | -5.7% | 10.8% | 12.8% | 31.6% |
| | Total Expense per Adjusted Discharge | -1.7% | 6.6% | 7.3% | 4.5% |
| | Labor Expense per Adjusted Discharge | 0.8% | 3.6% | 3.3% | -4.6% |
| | FTEs per AOB | 2.0% | 1.3% | -0.1% | 1.5% |
| | Non-Labor Expense per Adjusted Discharge | -2.4% | 6.8% | 7.6% | 13.5% |
| | Supply Expense per Adjusted Discharge | -1.7% | 5.4% | 7.2% | 18.2% |
| | Drugs Expense per Adjusted Discharge | -0.5% | 7.7% | 9.9% | 26.2% |
| Purchased Service Expense per Adjusted Discharge | -4.3% | 1.8% | 7.5% | 15.8% | |

Non-Operating

National Non-Operating Results

Key Observations

This report reflects market data as of May 30, 2025, and additional commentary regarding market events until June 18, 2025.

Trade tensions between the United States and China began to ease in mid-May. On May 12, both nations signed a temporary agreement to eliminate most of the tariffs previously imposed on each other, effectively initiating a 90-day truce in the ongoing trade war. As part of the truce, the United States reduced its minimum tariffs on Chinese goods from 145% to 30%, while China lowered its tariffs on U.S. products from 125% to 10%. Financial markets responded positively, with the S&P 500 rallying more than 3% immediately following the announcement and ending the month up by 6.2% and the S&P is positive year-to-date as well.

Toward the end of May, President Trump turned his attention to trade with Europe. On May 23, he threatened to impose a 50% tariff on European Union imports. However, the statement was retracted just two days later, alleviating immediate concerns.

In the final days of May, a federal court temporarily blocked some of President Trump's large-scale tariffs, specifically the 10% universal tariff

on all imports, excluding those in China, Canada, and Mexico. However, that decision was appealed within 24 hours, allowing the tariffs to remain pending further legal review.

To start June, however, the financial markets have declined amid renewed trade tensions between the United States and China, reigniting investor uncertainty. On June 11, China maintained its 10% tariff, but the United States increased its tariff on Chinese goods from 30% to 55%. Despite the increased tariff on Chinese goods, China expressed its commitment to resuming exports of rare-earth minerals that are crucial to manufacturing in the United States and the United States agreed to ease certain restrictions including granting visas to Chinese students.

- At the Federal Open Market Committee's June meeting, the Federal Reserve Board held rates steady, and the Committee decided to maintain the target range for the federal funds rate at 4.25% to 4.50%

National Non-Operating Results *(continued)*

Key Observations (continued)

- The last time the Fed cut rates was in December 2024 before President Trump took office in January; the Fed decided to continue its “wait-and-see” approach regarding the impact of the Trump administration’s economic policies
- Federal Reserve Chair Jerome Powell declared, “For the time being, [the Fed is] well positioned to wait to learn more about the likely course of the economy before considering any adjustments to [its] policy stance.”
- May’s Producer Price Index (PPI), a key metric closely watched by the Fed, increased 0.1% month-over-month; while this marks a rebound from April’s 0.5% decline, it came in slightly below the forecasted 0.2% increase - this ends the two consecutive month-over-month decline in PPI, annual PPI increased to 2.6%, 0.1% higher than April’s month-end
- Consumer prices edged up 0.1% in May, marking two consecutive monthly increases though slightly below the expected 0.2% gain; the Core Consumer Price Index also rose by 0.1% for the month and 2.8% on an annual basis, falling short of expectations of 0.3% and 2.9%, respectively
- On an annual basis, the Consumer Price Index in May rose 2.4%, which was 0.1% higher than the annual rate as of April; this matches the inflation level last seen in March and further diverges from the Federal Reserve’s 2.0% target, indicating rising underlying inflationary pressures
- The U.S. economy added 139,000 jobs in May, which is 8,000 lower than April’s revised payroll of 147,000; employment in both March and April is 95,000 lower than previously reported due to revised estimates, landing at 120,000 and 147,000 respectively
- According to the U.S. Bureau of Labor Statistics: “Health care added 62,000 jobs in May, higher than the average monthly gain of 44,000 over the prior 12 months. In May, job gains occurred in hospitals (+30,000), ambulatory health care services (+29,000), and skilled nursing care facilities (+6,000).”
- May’s unemployment rate remained steady at 4.2%; the unemployment rate has remained in a narrow range between 4.0% and 4.2% since May 2024
- Despite the U.S. economy expanding at a 2.4% annualized rate in Q4 2024, the U.S. economy contracted by 0.2% in the first quarter of 2025 according to the U.S. Bureau of Economic Analysis

National Non-Operating Results *(continued)*

General Non-Operating Observations

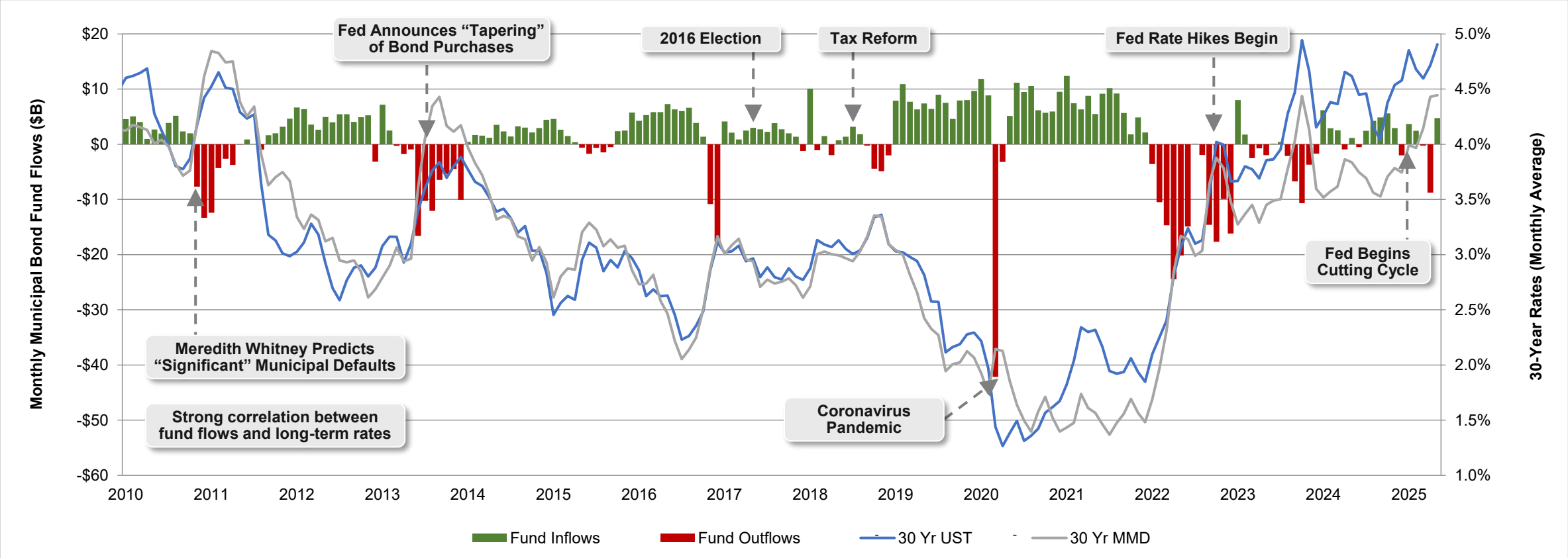
| | May 2025 | M-o-M Change | Y-o-Y Change |
|---|----------|--------------|--------------|
| General | | | |
| GDP Growth* | -0.2% | n/a | n/a |
| Unemployment Rate | 4.2% | n/c | +0.2% |
| Personal Consumption Expenditures (Y-o-Y) | 2.5% | -0.1% | -0.1% |
| Liabilities | | | |
| SOFR | 4.35% | -6 bps | -99 bps |
| SIFMA | 1.97% | -81 bps | -139 bps |
| 30-yr MMD | 4.52% | +14 bps | +56 bps |
| 30-yr Treasury | 4.93% | +25 bps | +28 bps |
| Assets | | | |
| 60/40 Asset Allocation† | n/a | +3.1% | +9.4% |

* U.S. Bureau of Economic Analysis, Q1 2025 "Second 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

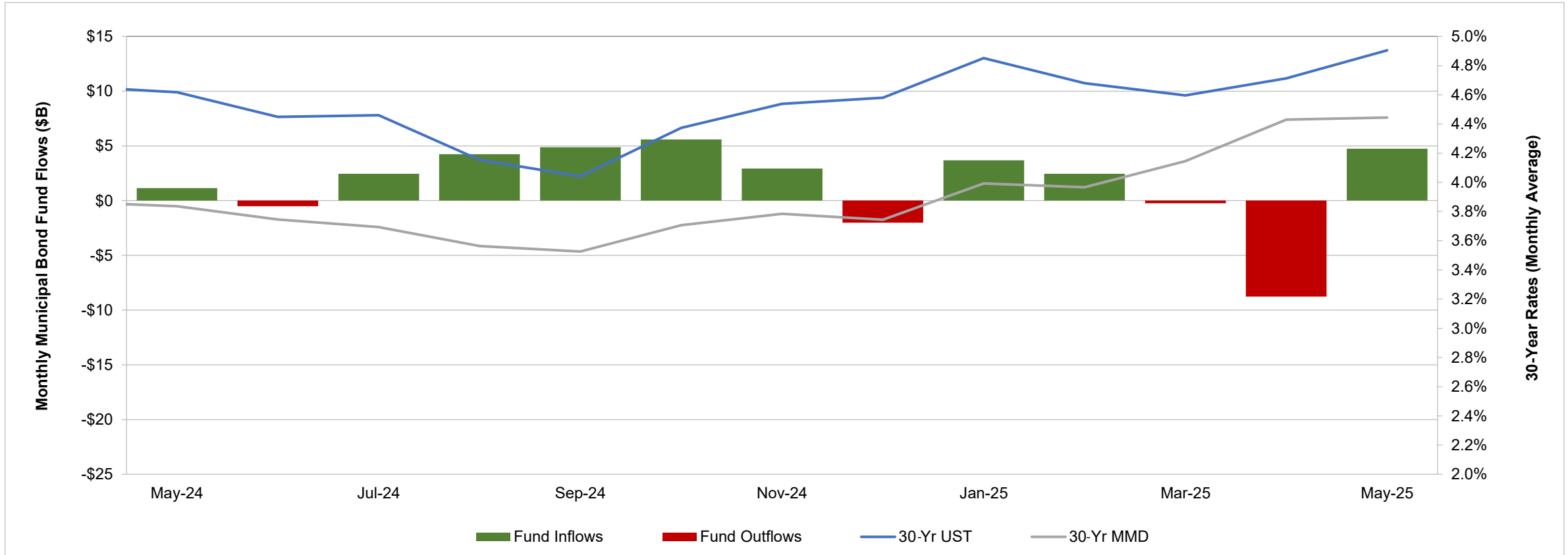


Kaufman Hall, National Hospital Flash Report (May 2025 Metrics)

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 Liabilities *(continued)*

Last 12 Months – Monthly Municipal Bond Fund Flows with 30-Year U.S. Treasury and 30-Year MMD



Kaufman Hall, National Hospital Flash Report (May 2025 Metrics)

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 Liabilities *(continued)*

Following the extreme volatility in March and April, the tax-exempt market stabilized considerably in May. Intra-month, the 10-year MMD rose 10 basis points and the 30-year MMD rose 18 basis points, significantly milder than April's record-setting intra-month increases of 92 and 85 basis points, respectively. By month-end, the 30-year MMD settled at 4.52%, down 32 basis points from the 12-month high of 4.84% reached in April.

Although less volatile than in April, the taxable market remained more volatile than the tax-exempt market during May. The 10-year Treasury yield rose by 38 basis points intra-month. Similarly, the 30-year Treasury yield rose by 37 basis points intra-month. However, the 30-year Treasury yield rose to reach a 12-month high of 5.09% during the third full week of May, staying above the 5.0% mark for three consecutive days before cooling to 4.93% by month-end.

Entering June, the tax-exempt market showed further signs of stabilization. Although rates remain elevated compared to earlier in the year, fluctuations were minimal in the first half of the month: the 10-year and 30-year, both moved by just three basis points. To further exemplify the steady rates, the peak rates during this period were relatively flat compared to May: the 10-year MMD peak was two basis points lower, while the 30-year peak was just two basis points higher.

Contrary to last month's trend of ratios tightening throughout almost the entire curve, May saw ratios widen throughout the entire curve signaling a shift in market sentiment away from expectations of an economic slowdown, and toward optimism about growth and stability. The short-end and intermediate parts of the curve ratios experienced the most widening, declining by 10%, 9% and 5% for the two-year, five-year, and 10-year tenors compared to last month. The longer end of the curve saw less drastic ratio

declines of 1% and 2% for the 20-year and 30-year tenors, respectively, indicating a relatively stronger advantage for tax-exempt investments in the shorter and intermediate maturities. To end the month of May, the two-year, five-year, 10-year, 20-year, and 30-year ratios were 71%, 72%, 76%, 87%, and 92%, respectively.

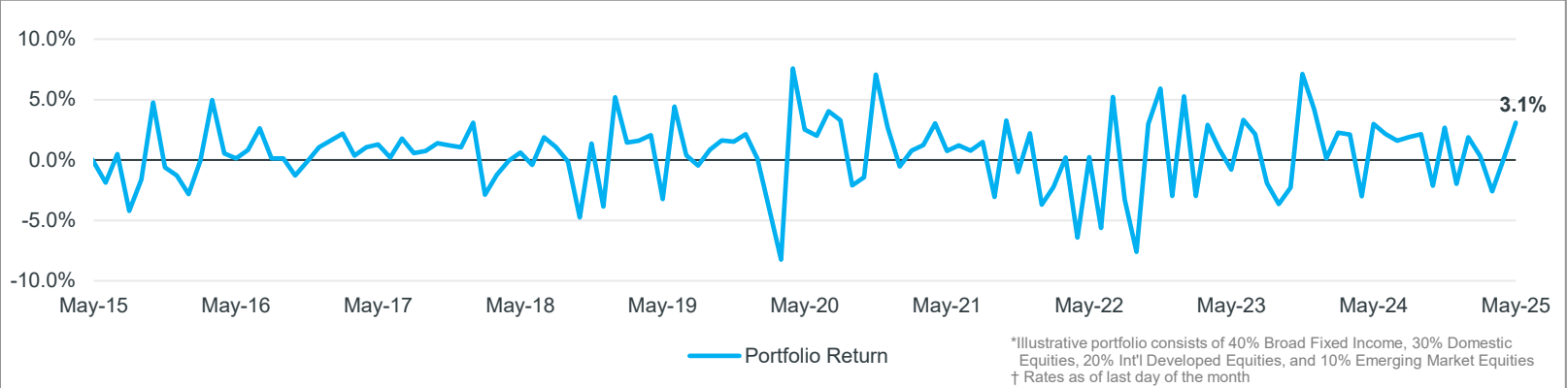
Additionally, the tax-exempt yield curve has steepened significantly, with long-term rates rising more than short-term rates since the end of January—highlighting a pronounced steepening at the long end over the year. The 20-year and 30-year MMD have risen 54 and 55 basis points, respectively, from the end of January compared to the end of May. However, at the short end of the curve, the two-year and five-year MMD has risen 10 and seven basis points, respectively, since the end of January.

The tax-exempt variable rate market also experienced a notable reduction in volatility during May. Intra-month, the highest SIFMA was 3.34% which is 107 basis points lower than April's elevated high. By the end of the month, SIFMA returned to levels seen at the beginning of the month, landing at 1.97%.

To reverse the six consecutive weeks of outflows, the municipal fund flows saw inflows of approximately \$4.8 billion, significantly stronger than last month's revised outflows of \$8.8 billion. May marked the largest inflow since October 2024. Total municipal issuance for 2025 year-to-date is \$161 billion, an 8.6% increase compared to the same period last year. Health care issuances, however, totaled \$15.2 billion, down \$0.3 billion compared to the same period last year. However, there has been significant market activity to begin June. The first week of June totaled \$20 billion in the municipal market, which is the largest supply since 2021. The second week of June remained elevated and priced another estimated \$13 billion.

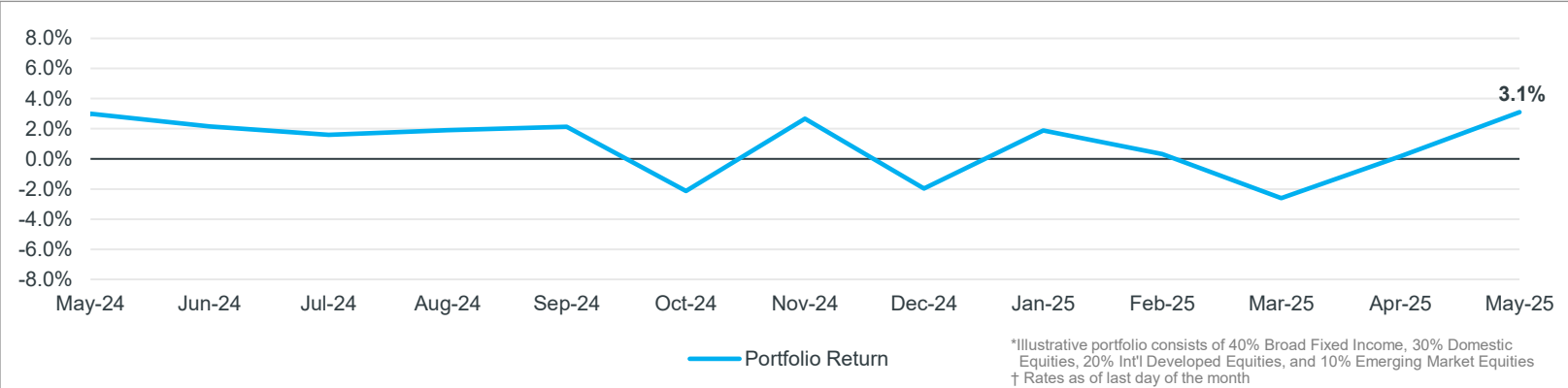
Non-Operating Assets

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



Kaufman Hall, National Hospital Flash Report (May 2025 Metrics)

Last 12 Months – Illustrative Investment Portfolio Returns, Month-over-Month Change



Kaufman Hall, National Hospital Flash Report (May 2025 Metrics)

May marked a sharp reversal of the three-month equity market downturn that began in February. Despite notable intra-month volatility and brief selloffs, markets staged a strong recovery, culminating in a broad-based rally. The equity market surged by 6.2%, a significant rebound compared to April's modest decline of 0.8%. This performance reflects growing investor confidence and a clear adjustment to the policies introduced by the new administration. On a year-over-year basis, the S&P remained robust, rising 12.0%. The blended 60/40 asset allocation increased by 3.1%, a marked improvement from the marginal 0.2% increase in April. The MSCI World and MSCI Emerging Markets had gains of 5.7% and 4.0%, respectively. In contrast, after a 0.4% gain in April, the Barclays Aggregate Bond Index declined by 0.7%, highlighting a divergence in performance between equities and bonds during May.

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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 flashreports@kaufmanhall.com.

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