



DECEMBER 2024 METRICS

# National Hospital Flash Report

**Real Data. Real Insight. Real Time.**

*Based on Data from More Than 1,300 Hospitals*

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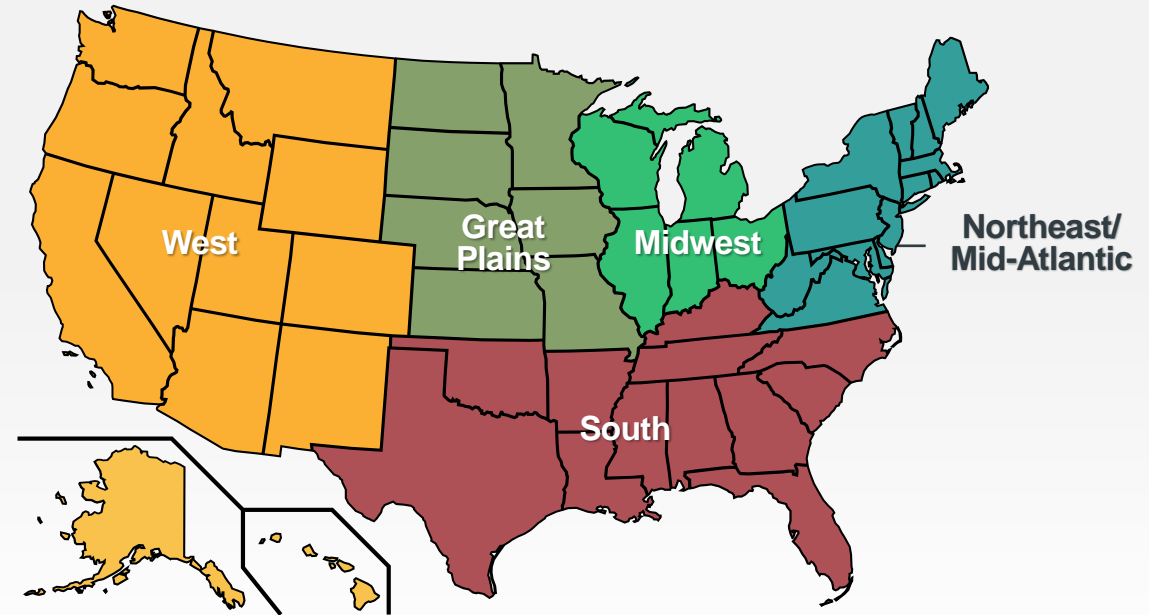
# About the Data

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.



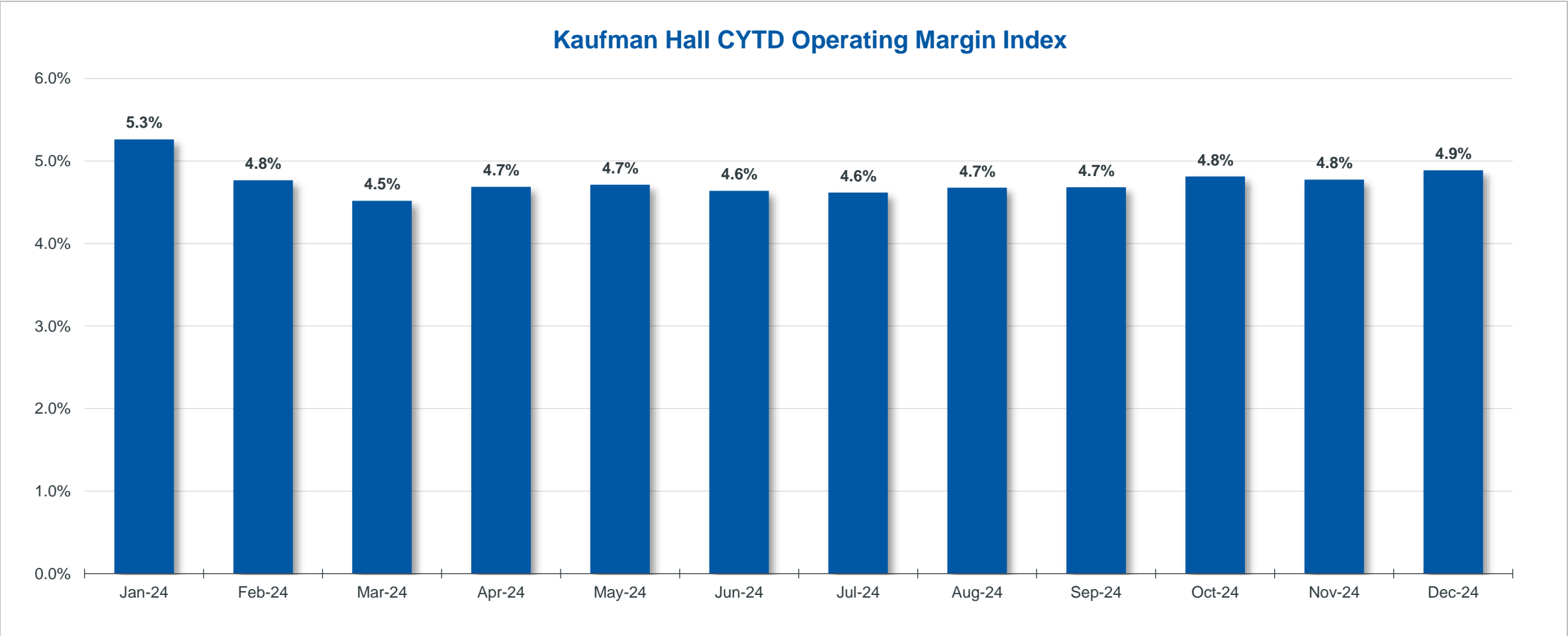
Strata Decision Technology, LLC provides an innovative, cloud-based platform for software, and data and service solutions to help healthcare organizations acquire insights, accelerate decisions, and enhance performance in support of their missions. More than 2,300 organizations rely on Strata's StrataJazz 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](http://www.stratadecision.com).

# Key Takeaways – 2024 Year in Review

- 1. Hospital performance improved compared to 2023.** Outpatient revenue increased and over the year, there was a decrease in patient observation days.
- 2. Expenses rose in 2024 but did not outpace inflation on a volume-adjusted basis.** The workforce continues to be competitive.
- 3. Bad debt and charity care rose in 2024.** This trend may reflect the continued Medicaid redetermination process and increase in the rate of payer denials.

# Operating Margin

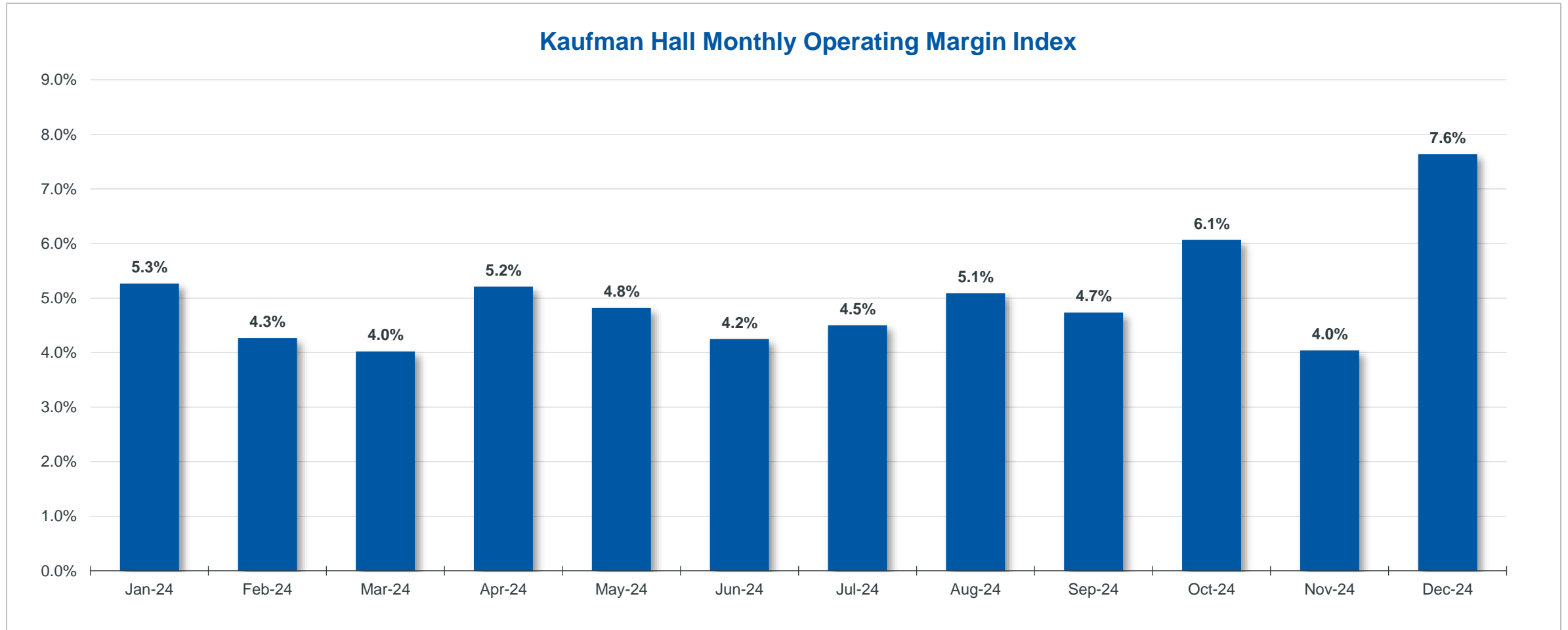
### Kaufman Hall CYTD Operating Margin Index



Kaufman Hall, National Hospital Flash Report (December 2024 Metrics)

\* Note: Hospitals only. 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. Represents calendar year-to-date and resets each January.

# Operating Margin *(continued)*



Kaufman Hall, *National Hospital Flash Report* (December 2024 Metrics)

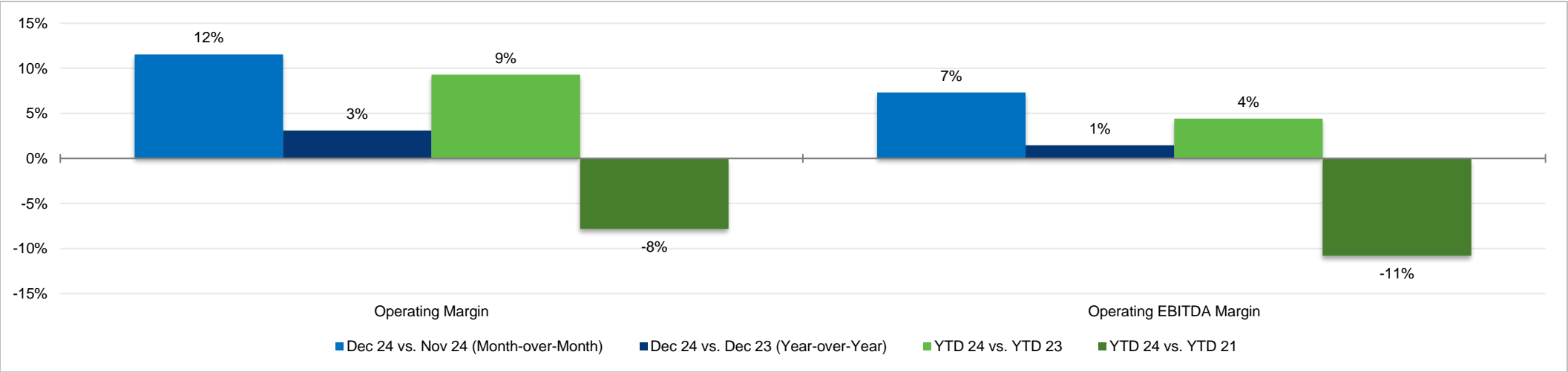
\* Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset adjusted for allocations to hospitals from corporate, physician, and other entities.

# National and Regional Data

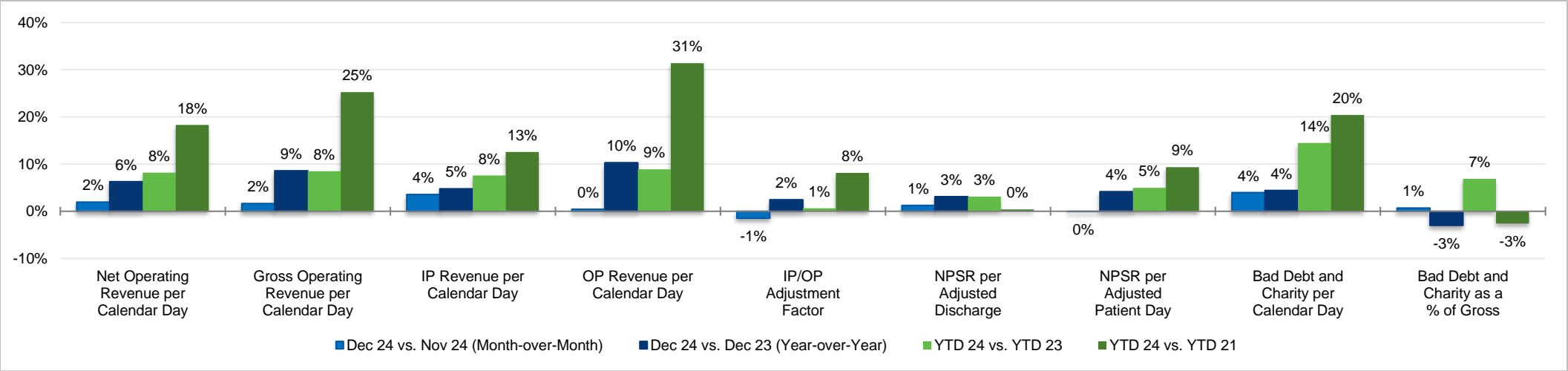
*Profitability, Revenue, Expense, and Volume*

# National Data

## Profitability

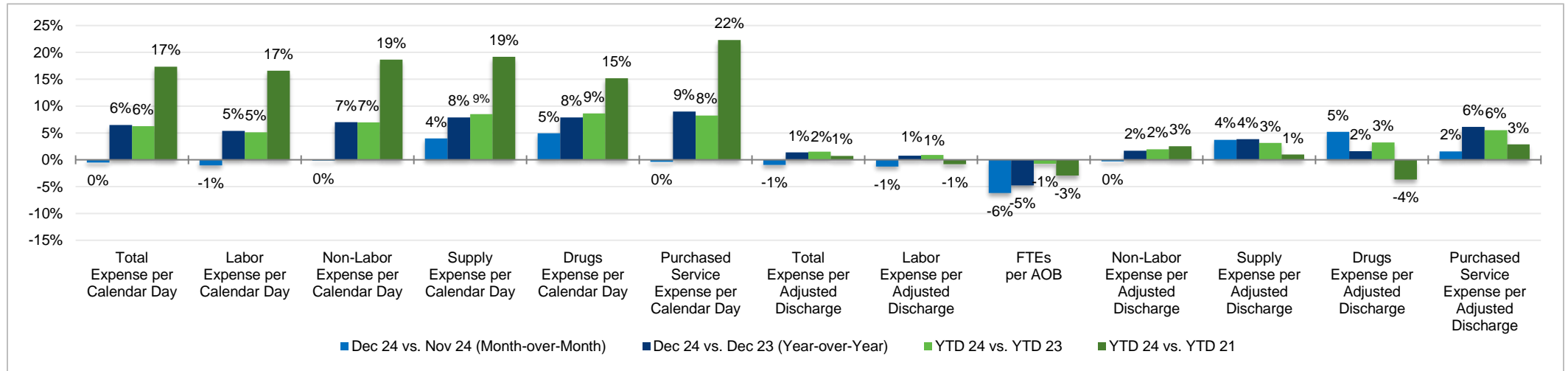


## Revenue

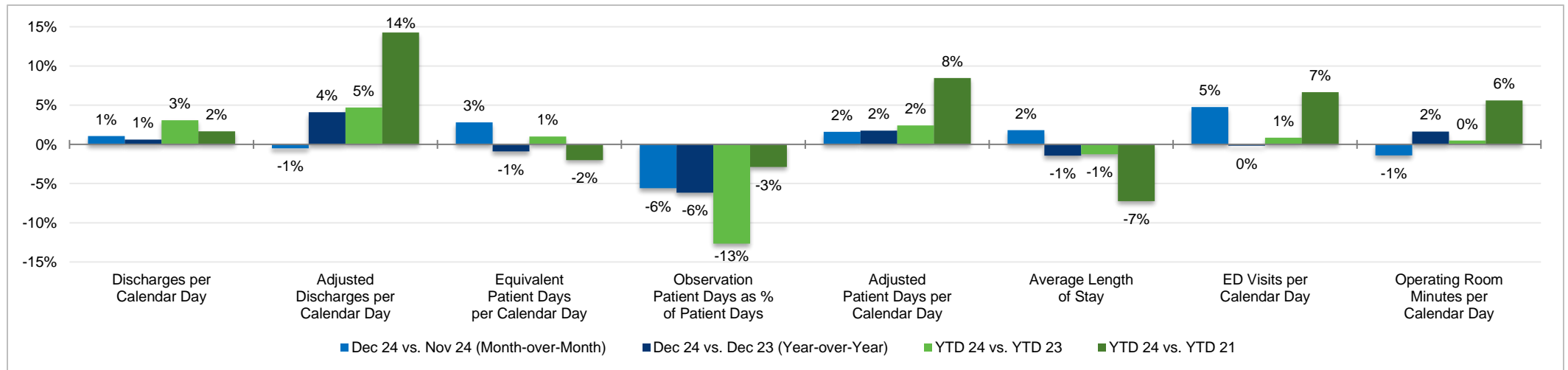


# National Data *(continued)*

## Expense

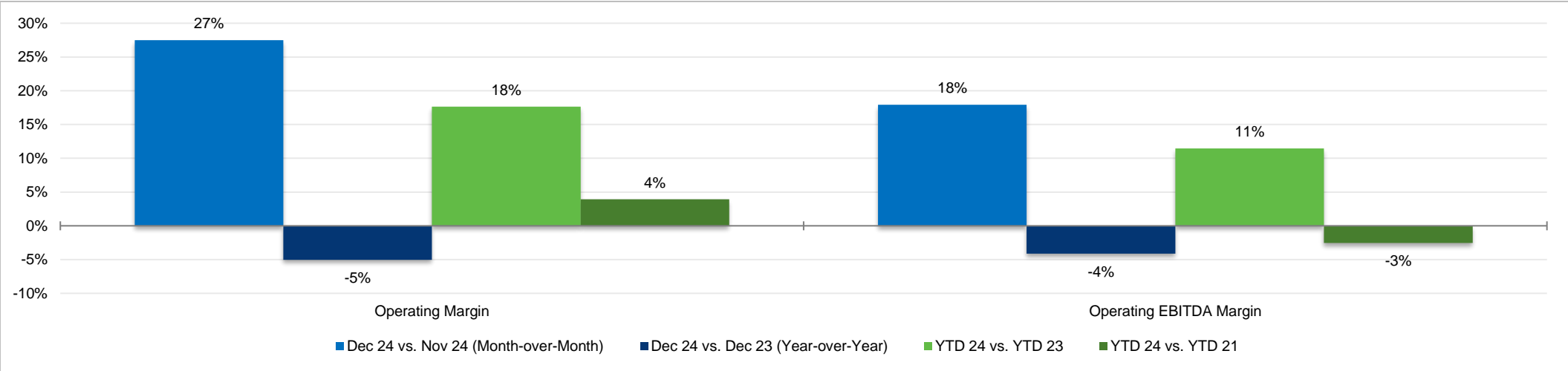


## Volume

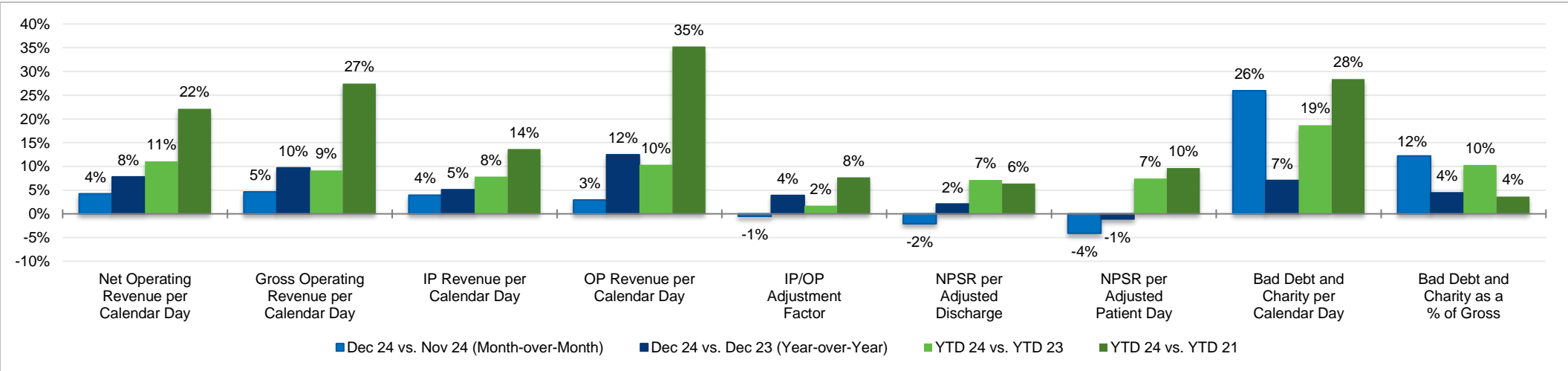


# Regional Data: West

## Profitability

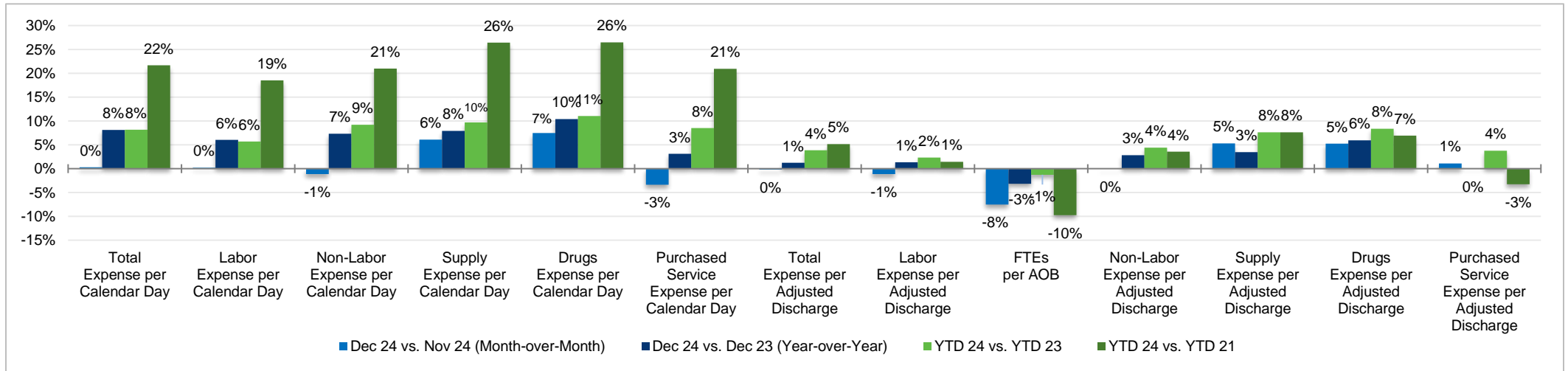


## Revenue

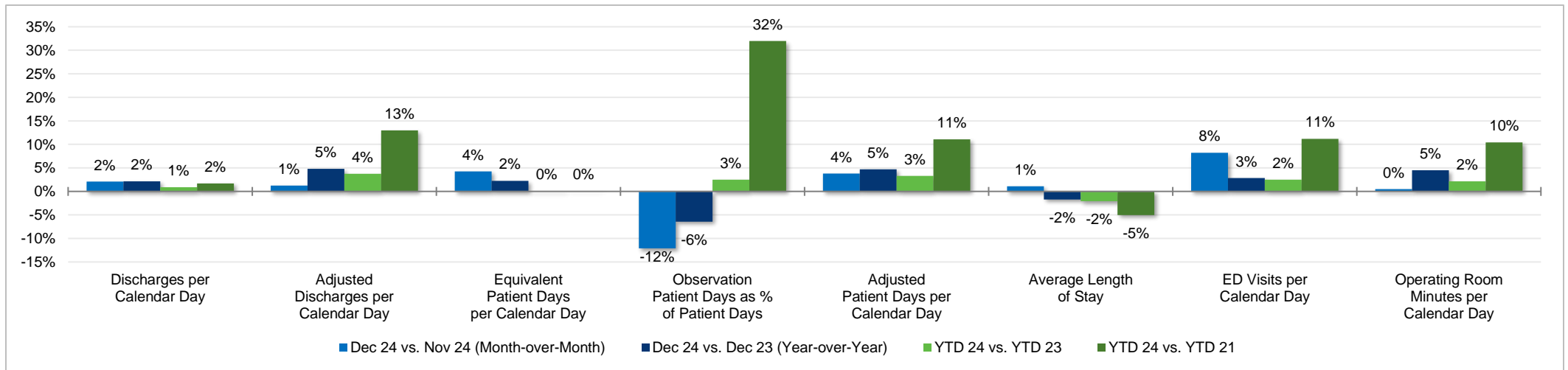


# Regional Data: West *(continued)*

## Expense

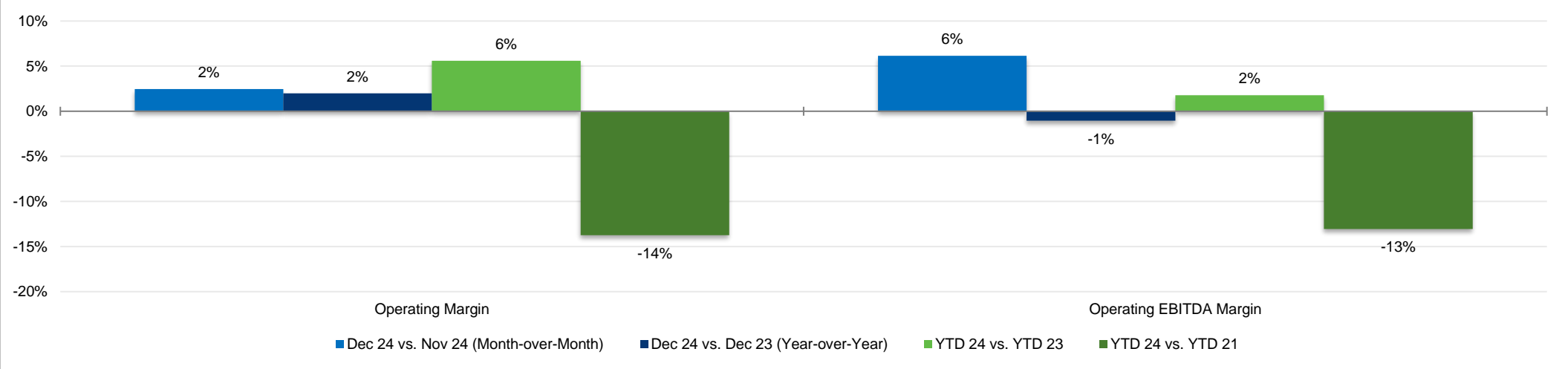


## Volume

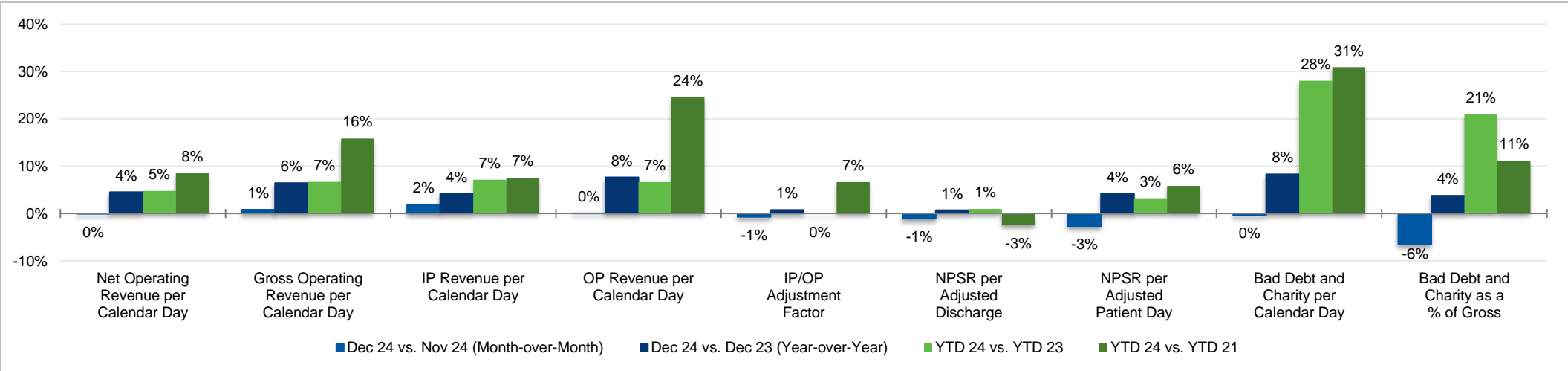


# Regional Data: Midwest

## Profitability

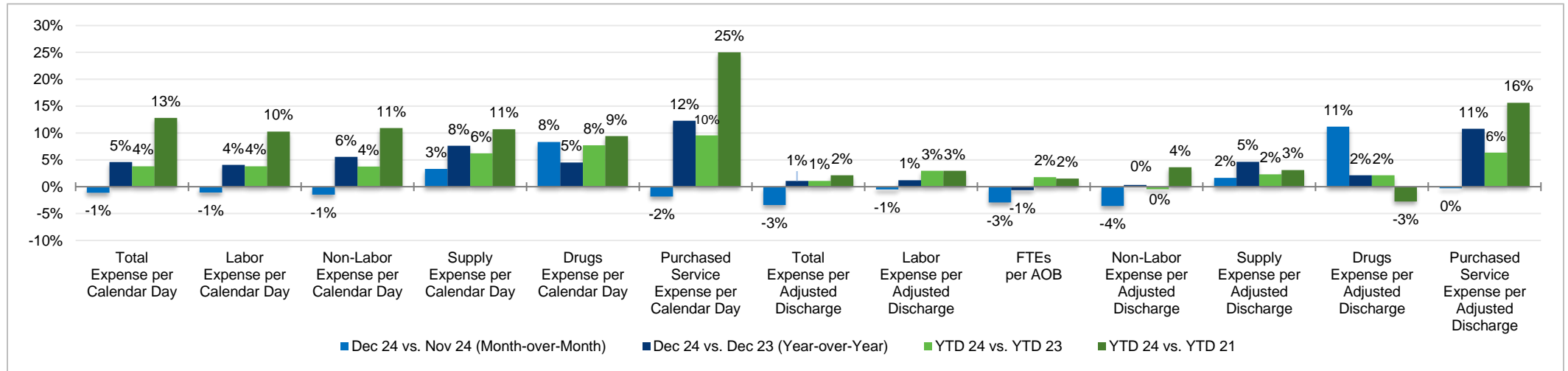


## Revenue

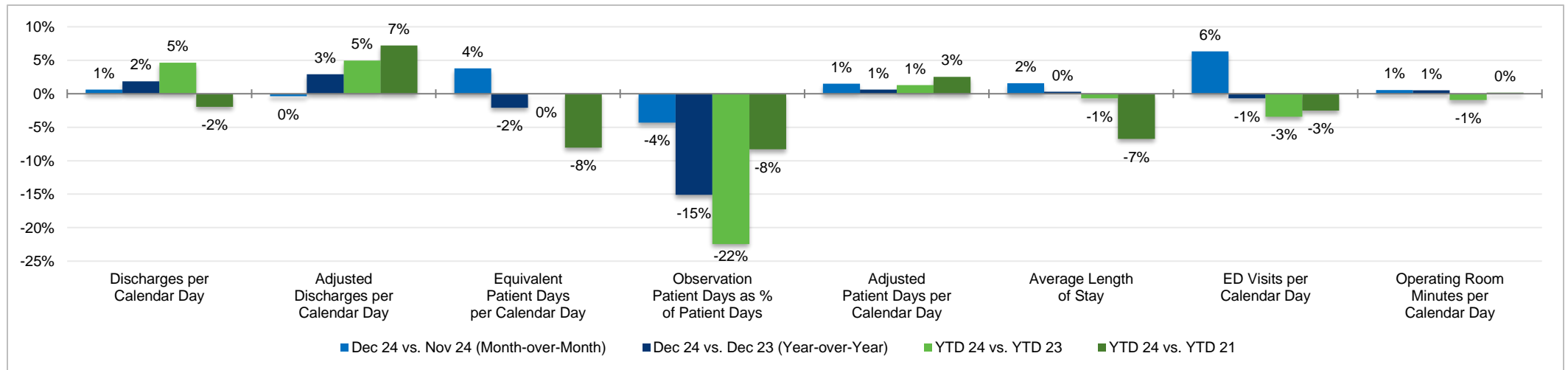


# Regional Data: Midwest *(continued)*

## Expense

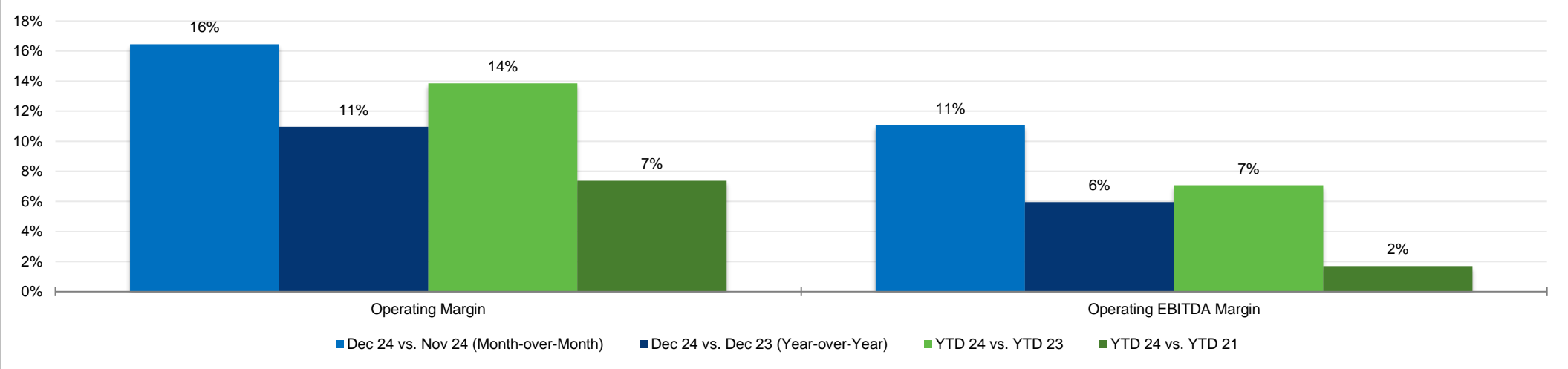


## Volume

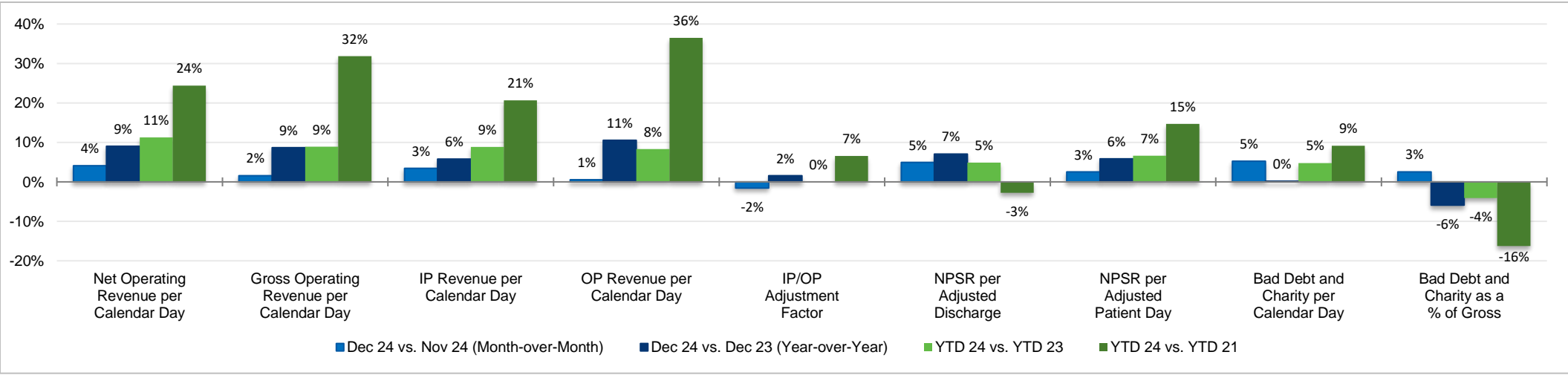


# Regional Data: South

## Profitability

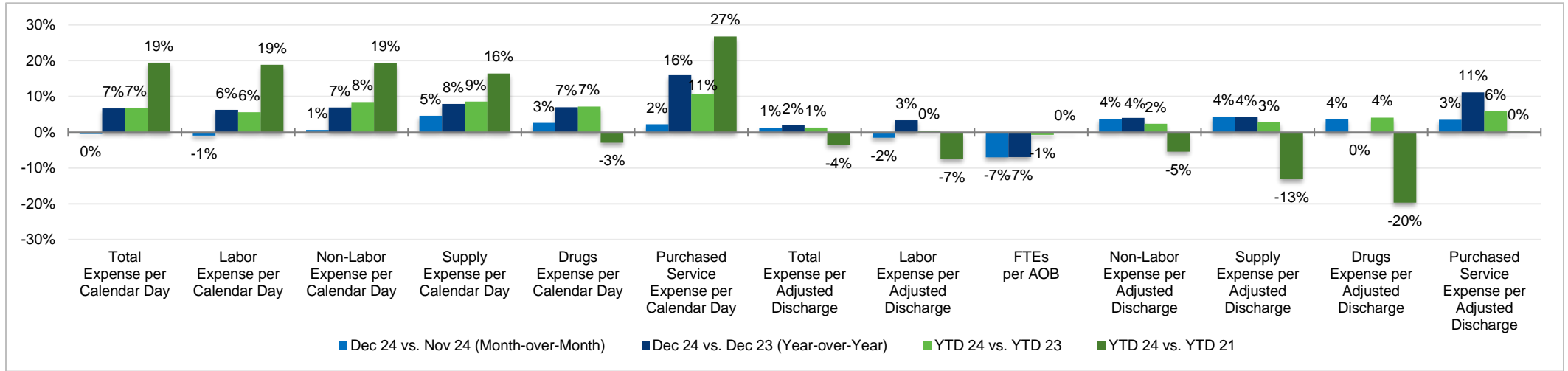


## Revenue

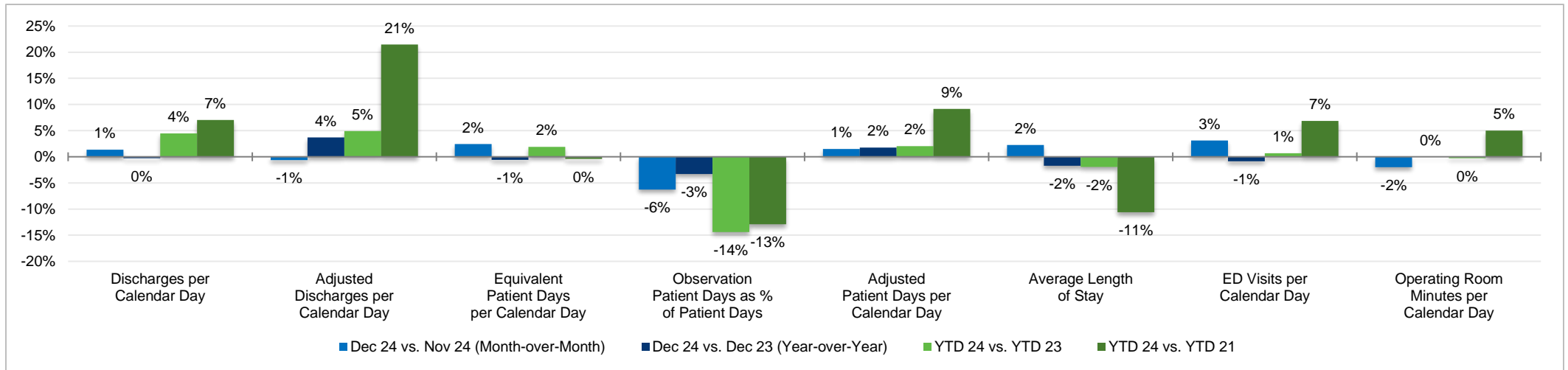


# Regional Data: South *(continued)*

## Expense

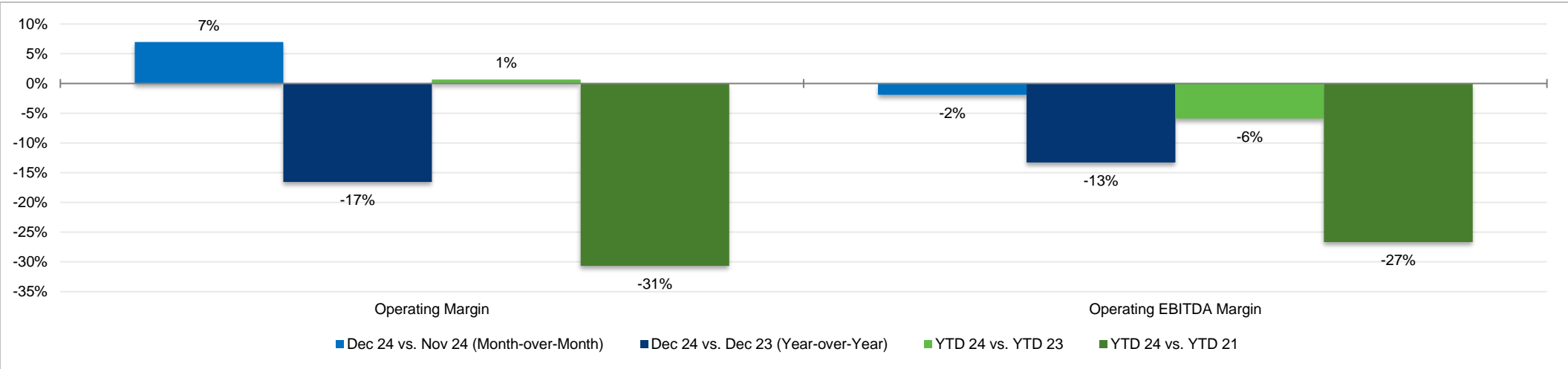


## Volume

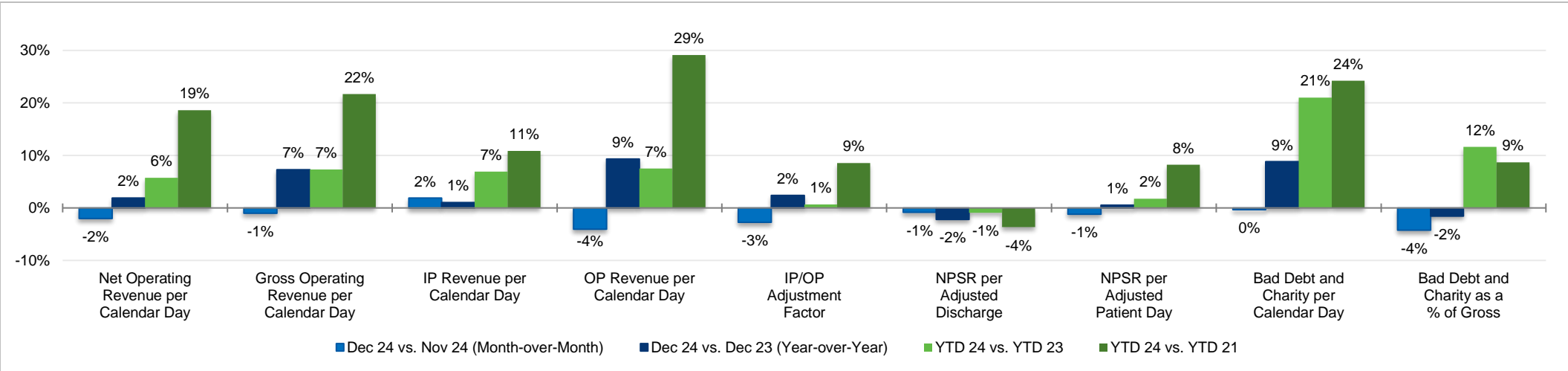


# Regional Data: Northeast/Mid-Atlantic

## Profitability

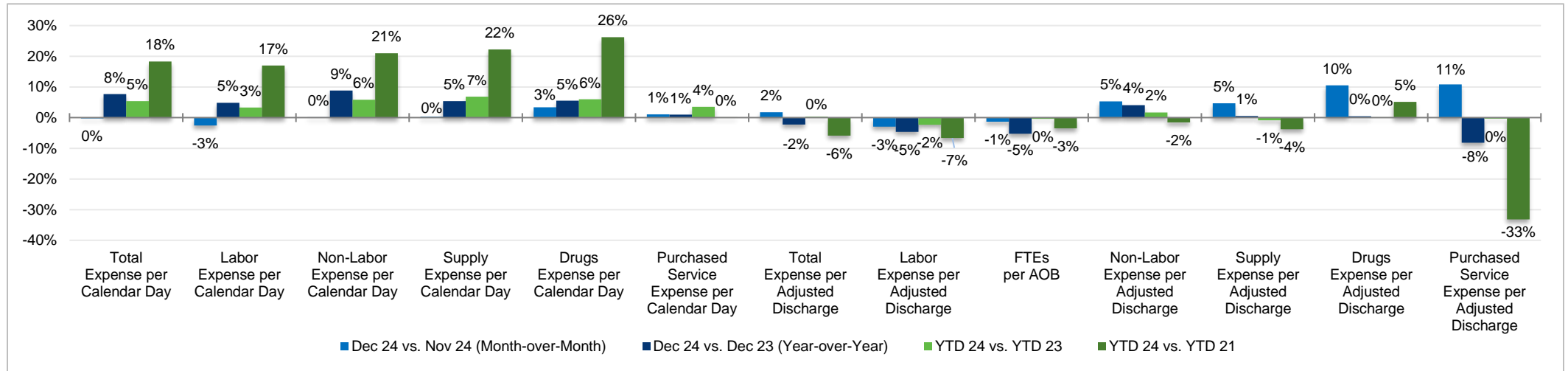


## Revenue

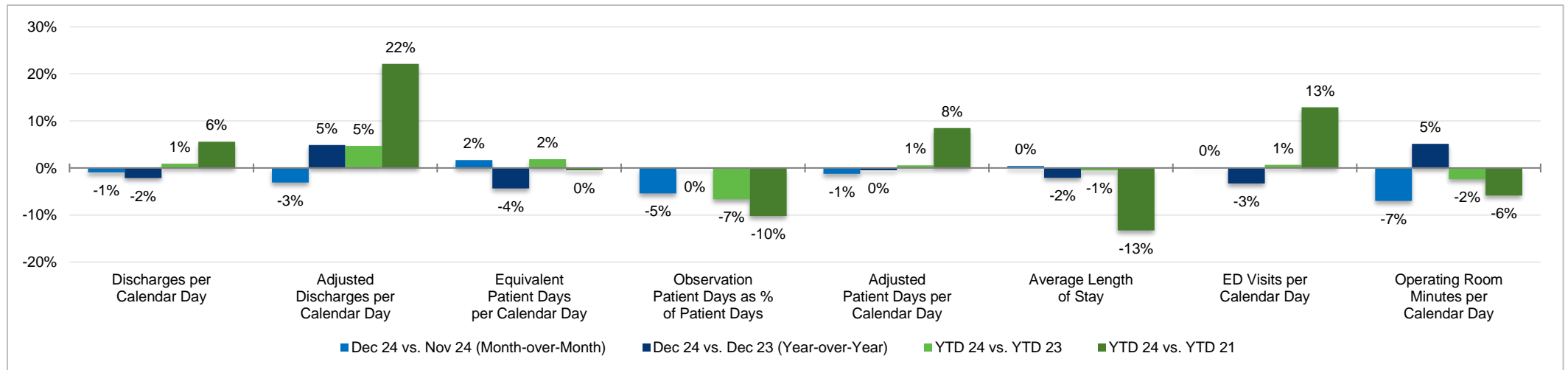


# Regional Data: Northeast/Mid-Atlantic *(continued)*

## Expense

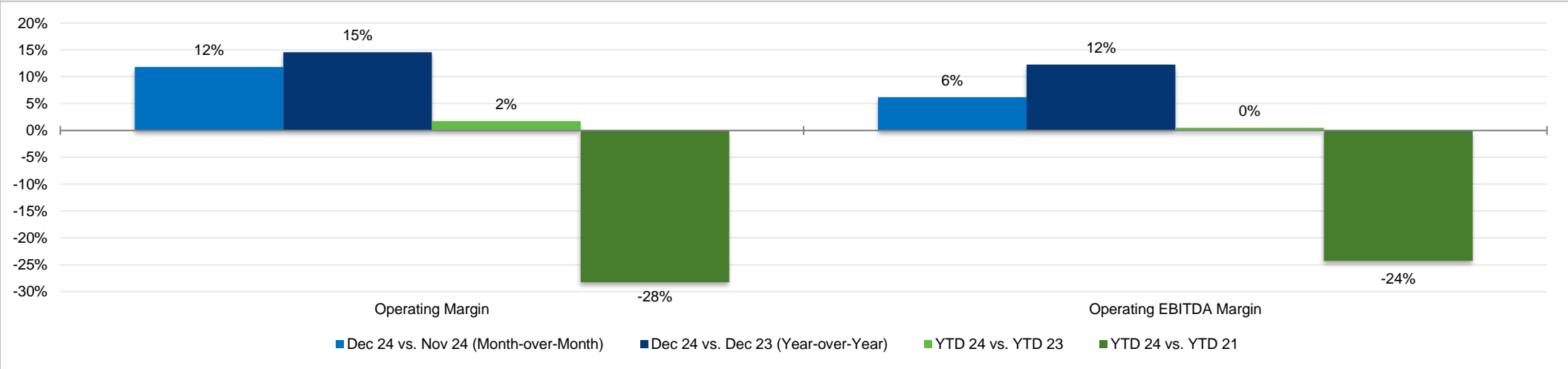


## Volume

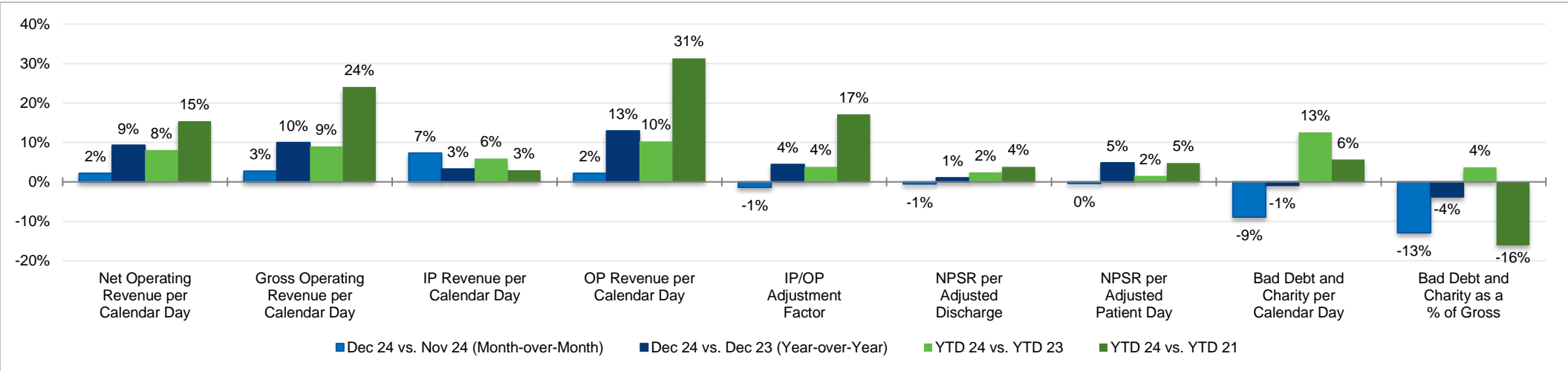


# Regional Data: Great Plains

## Profitability

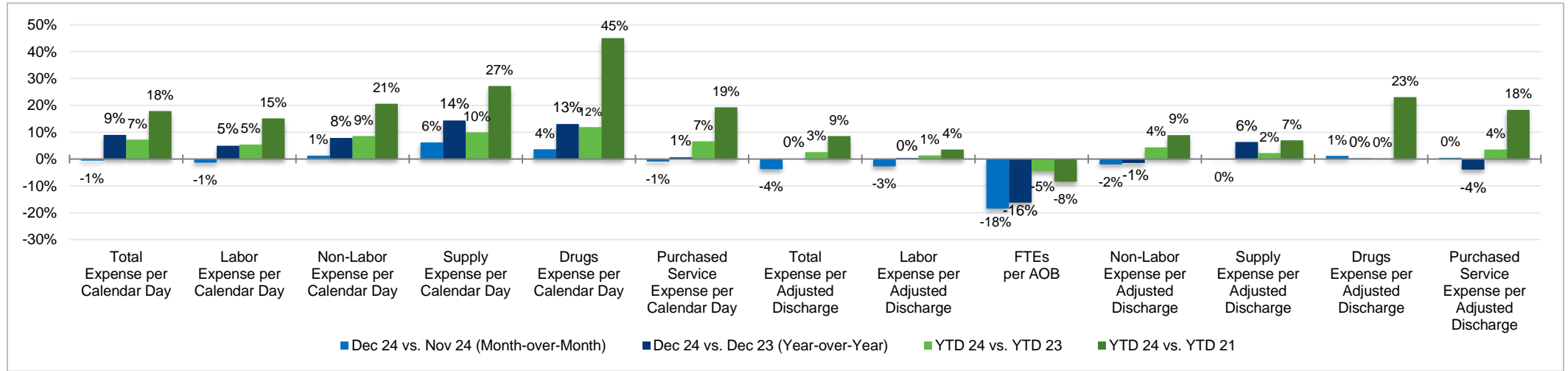


## Revenue

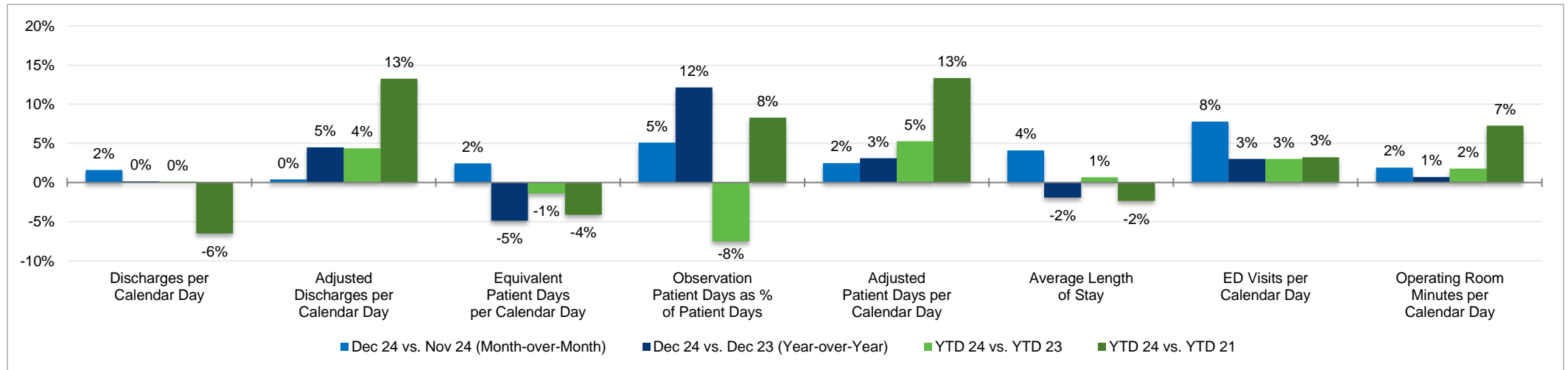


# Regional Data: Great Plains *(continued)*

## Expense



## Volume



# Data by Hospital Bed Size

*Profitability, Revenue, Expense, and Volume*

# 0-25 Beds

		Dec 24 vs. Nov 24 (Month-over-Month)	Dec 24 vs. Dec 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
<b>Margin</b>	Operating Margin	17.1%	-6.2%	6.6%	-20.7%
	Operating EBIDA Margin	12.1%	-2.9%	4.9%	-14.9%
<b>Volume</b>	Discharges per Calendar Day	3.2%	-4.5%	-1.7%	-6.7%
	Adjusted Discharges per Calendar Day	-0.3%	9.5%	2.3%	23.7%
	Equivalent Patient Days per Calendar Day	1.0%	-5.6%	-1.6%	-7.2%
	Observation Patient Days as % of Patient Days	-1.1%	-5.9%	-14.5%	3.8%
	Adjusted Patient Days per Calendar Day	-2.0%	0.8%	2.4%	18.2%
	Average Length of Stay	-2.3%	-2.3%	0.0%	-4.6%
	ED Visits per Calendar Day	6.8%	-1.7%	-0.3%	6.0%
	Operating Room Minutes per Calendar Day	3.1%	0.5%	-2.5%	1.8%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	2.9%	4.7%	6.8%
Gross Operating Revenue per Calendar Day		1.8%	7.4%	7.7%	22.9%
IP Revenue per Calendar Day		6.2%	0.7%	7.1%	-0.4%
OP Revenue per Calendar Day		1.3%	8.7%	7.7%	28.2%
IP/OP Adjustment Factor		-5.0%	4.4%	0.9%	19.8%
NPSR per Adjusted Discharge		-0.5%	-1.2%	3.3%	-4.7%
NPSR per Adjusted Patient Day		4.5%	5.9%	2.3%	-0.8%
Bad Debt and Charity per Calendar Day		6.6%	-0.1%	12.1%	17.5%
Bad Debt and Charity as a % of Gross		1.3%	-5.9%	5.1%	-2.6%
<b>Expense</b>	Total Expense per Calendar Day	-1.4%	7.6%	6.2%	15.9%
	Labor Expense per Calendar Day	-1.2%	5.9%	5.3%	14.7%
	Non-Labor Expense per Calendar Day	-1.4%	7.2%	5.2%	15.5%
	Supply Expense per Calendar Day	1.9%	6.3%	6.5%	22.7%
	Drugs Expense per Calendar Day	3.5%	6.3%	8.5%	34.1%
	Purchased Service Expense per Calendar Day	-0.7%	3.5%	7.6%	20.9%
	Total Expense per Adjusted Discharge	-0.5%	-1.3%	2.7%	-5.5%
	Labor Expense per Adjusted Discharge	-1.9%	-2.5%	2.6%	-9.5%
	FTEs per AOB	-5.1%	-7.6%	-3.5%	-13.5%
	Non-Labor Expense per Adjusted Discharge	-1.0%	-0.4%	2.5%	-6.3%
	Supply Expense per Adjusted Discharge	-0.4%	-1.8%	1.3%	-5.9%
	Drugs Expense per Adjusted Discharge	-1.3%	-3.2%	-0.3%	1.2%
Purchased Service Expense per Adjusted Discharge	3.2%	-0.2%	6.3%	-1.9%	

# 26-99 Beds

		Dec 24 vs. Nov 24 (Month-over-Month)	Dec 24 vs. Dec 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
<b>Margin</b>	Operating Margin	18.2%	-0.5%	7.5%	-6.7%
	Operating EBIDA Margin	3.8%	-3.9%	4.6%	-15.2%
<b>Volume</b>	Discharges per Calendar Day	4.7%	2.0%	3.5%	1.8%
	Adjusted Discharges per Calendar Day	-0.4%	4.5%	4.5%	16.8%
	Equivalent Patient Days per Calendar Day	6.6%	-0.6%	-0.2%	-4.1%
	Observation Patient Days as % of Patient Days	-4.2%	-5.3%	-16.8%	6.2%
	Adjusted Patient Days per Calendar Day	1.7%	2.6%	3.4%	8.3%
	Average Length of Stay	4.3%	-1.7%	-1.0%	-10.1%
	ED Visits per Calendar Day	4.4%	-2.2%	1.1%	6.8%
	Operating Room Minutes per Calendar Day	0.5%	2.3%	-2.4%	0.0%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	2.1%	6.0%	7.3%
Gross Operating Revenue per Calendar Day		2.6%	8.0%	7.8%	23.1%
IP Revenue per Calendar Day		6.5%	1.7%	6.4%	8.9%
OP Revenue per Calendar Day		1.2%	10.9%	10.1%	30.1%
IP/OP Adjustment Factor		-3.9%	3.0%	1.2%	12.9%
NPSR per Adjusted Discharge		0.8%	4.8%	0.9%	-5.9%
NPSR per Adjusted Patient Day		-2.1%	1.3%	3.0%	9.4%
Bad Debt and Charity per Calendar Day		6.3%	2.5%	13.4%	23.0%
Bad Debt and Charity as a % of Gross	5.5%	-0.4%	7.3%	-3.2%	
<b>Expense</b>	Total Expense per Calendar Day	-0.2%	6.5%	5.7%	14.3%
	Labor Expense per Calendar Day	-1.3%	4.7%	4.3%	13.6%
	Non-Labor Expense per Calendar Day	0.1%	6.8%	6.5%	15.8%
	Supply Expense per Calendar Day	3.6%	6.8%	7.3%	11.7%
	Drugs Expense per Calendar Day	1.4%	6.2%	7.7%	3.3%
	Purchased Service Expense per Calendar Day	-0.1%	8.4%	9.4%	18.0%
	Total Expense per Adjusted Discharge	-1.0%	2.0%	0.7%	-4.5%
	Labor Expense per Adjusted Discharge	-1.8%	2.7%	0.3%	-5.4%
	FTEs per AOB	-8.7%	-5.9%	-0.8%	-2.3%
	Non-Labor Expense per Adjusted Discharge	0.3%	0.3%	0.8%	-4.0%
	Supply Expense per Adjusted Discharge	2.7%	0.0%	2.6%	-5.5%
	Drugs Expense per Adjusted Discharge	3.9%	1.8%	-0.5%	-16.6%
Purchased Service Expense per Adjusted Discharge	1.6%	2.3%	5.6%	0.2%	

# 100-199 Beds

		Dec 24 vs. Nov 24 (Month-over-Month)	Dec 24 vs. Dec 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
<b>Margin</b>	Operating Margin	8.1%	12.7%	8.3%	-2.6%
	Operating EBIDA Margin	8.1%	12.2%	2.3%	-6.3%
<b>Volume</b>	Discharges per Calendar Day	1.7%	-3.1%	2.9%	1.6%
	Adjusted Discharges per Calendar Day	-0.2%	1.3%	4.8%	12.9%
	Equivalent Patient Days per Calendar Day	4.1%	-1.8%	1.2%	-1.0%
	Observation Patient Days as % of Patient Days	-4.0%	-8.6%	-10.6%	-7.6%
	Adjusted Patient Days per Calendar Day	2.4%	1.5%	2.7%	7.2%
	Average Length of Stay	2.8%	-1.4%	-1.1%	-6.7%
	ED Visits per Calendar Day	5.4%	-0.5%	1.1%	6.9%
	Operating Room Minutes per Calendar Day	-1.4%	5.0%	1.7%	7.7%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	2.8%	7.9%	7.7%
Gross Operating Revenue per Calendar Day		2.5%	9.1%	8.3%	24.5%
IP Revenue per Calendar Day		4.3%	3.2%	6.9%	13.2%
OP Revenue per Calendar Day		0.4%	11.2%	8.4%	31.8%
IP/OP Adjustment Factor		-1.9%	2.8%	0.8%	8.2%
NPSR per Adjusted Discharge		2.7%	4.4%	3.2%	0.9%
NPSR per Adjusted Patient Day		-1.4%	5.6%	6.1%	8.6%
Bad Debt and Charity per Calendar Day		7.6%	-2.9%	19.4%	25.6%
Bad Debt and Charity as a % of Gross		5.9%	-9.0%	9.7%	3.3%
<b>Expense</b>	Total Expense per Calendar Day	-0.3%	5.8%	5.4%	18.0%
	Labor Expense per Calendar Day	-0.5%	4.6%	4.6%	18.7%
	Non-Labor Expense per Calendar Day	0.4%	6.7%	7.1%	18.4%
	Supply Expense per Calendar Day	4.6%	9.8%	7.9%	16.6%
	Drugs Expense per Calendar Day	5.1%	5.4%	6.0%	1.2%
	Purchased Service Expense per Calendar Day	-0.1%	10.7%	8.1%	20.8%
	Total Expense per Adjusted Discharge	0.3%	3.0%	1.1%	4.3%
	Labor Expense per Adjusted Discharge	0.7%	1.9%	0.7%	1.1%
	FTEs per AOB	-6.5%	-5.2%	-0.3%	0.3%
	Non-Labor Expense per Adjusted Discharge	1.9%	5.1%	1.7%	3.3%
	Supply Expense per Adjusted Discharge	8.3%	5.5%	3.4%	1.0%
	Drugs Expense per Adjusted Discharge	9.9%	0.8%	3.6%	-14.7%
Purchased Service Expense per Adjusted Discharge	3.8%	13.1%	5.1%	3.7%	

# 200-299 Beds

		Dec 24 vs. Nov 24 (Month-over-Month)	Dec 24 vs. Dec 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
<b>Margin</b>	Operating Margin	3.8%	6.4%	19.3%	0.0%
	Operating EBIDA Margin	4.1%	1.1%	9.8%	-1.8%
<b>Volume</b>	Discharges per Calendar Day	0.3%	1.0%	4.2%	3.0%
	Adjusted Discharges per Calendar Day	-0.3%	4.6%	5.7%	10.1%
	Equivalent Patient Days per Calendar Day	2.2%	-1.3%	1.0%	-1.6%
	Observation Patient Days as % of Patient Days	-9.9%	-6.1%	-9.1%	5.5%
	Adjusted Patient Days per Calendar Day	1.5%	0.1%	0.5%	5.1%
	Average Length of Stay	0.9%	-0.9%	-2.0%	-6.5%
	ED Visits per Calendar Day	4.1%	0.3%	0.8%	5.4%
	Operating Room Minutes per Calendar Day	-2.5%	0.2%	0.6%	0.5%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	-0.4%	6.6%	9.2%
Gross Operating Revenue per Calendar Day		0.3%	7.8%	8.7%	27.8%
IP Revenue per Calendar Day		0.5%	5.0%	8.4%	20.6%
OP Revenue per Calendar Day		-0.4%	9.3%	8.3%	35.0%
IP/OP Adjustment Factor		-0.3%	2.5%	-0.1%	6.2%
NPSR per Adjusted Discharge		-0.1%	0.6%	4.0%	3.4%
NPSR per Adjusted Patient Day		-0.9%	5.6%	7.5%	14.0%
Bad Debt and Charity per Calendar Day		4.8%	9.1%	13.2%	22.8%
Bad Debt and Charity as a % of Gross		4.1%	0.3%	8.4%	-7.3%
<b>Expense</b>	Total Expense per Calendar Day	-0.3%	4.9%	5.8%	19.5%
	Labor Expense per Calendar Day	-1.0%	4.8%	5.6%	18.7%
	Non-Labor Expense per Calendar Day	-1.0%	6.5%	7.0%	22.1%
	Supply Expense per Calendar Day	3.1%	7.7%	8.8%	19.6%
	Drugs Expense per Calendar Day	6.9%	11.6%	8.9%	6.3%
	Purchased Service Expense per Calendar Day	0.2%	6.2%	7.5%	24.4%
	Total Expense per Adjusted Discharge	-3.4%	-1.9%	-1.0%	6.8%
	Labor Expense per Adjusted Discharge	-1.7%	1.2%	-0.1%	4.9%
	FTEs per AOB	-5.7%	0.8%	2.1%	2.2%
	Non-Labor Expense per Adjusted Discharge	-1.0%	-0.3%	1.5%	7.1%
	Supply Expense per Adjusted Discharge	3.8%	2.1%	3.8%	4.3%
	Drugs Expense per Adjusted Discharge	5.3%	2.5%	4.7%	-5.9%
Purchased Service Expense per Adjusted Discharge	1.1%	5.6%	5.4%	8.6%	

# 300-499 Beds

		Dec 24 vs. Nov 24 (Month-over-Month)	Dec 24 vs. Dec 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
<b>Margin</b>	Operating Margin	17.5%	-5.5%	13.8%	-9.1%
	Operating EBIDA Margin	8.0%	-12.9%	4.7%	-21.9%
<b>Volume</b>	Discharges per Calendar Day	0.5%	0.8%	5.6%	3.1%
	Adjusted Discharges per Calendar Day	0.0%	3.7%	4.5%	7.4%
	Equivalent Patient Days per Calendar Day	2.8%	1.7%	1.8%	-1.1%
	Observation Patient Days as % of Patient Days	-5.3%	-4.4%	-11.3%	-13.4%
	Adjusted Patient Days per Calendar Day	1.7%	4.1%	2.3%	4.5%
	Average Length of Stay	2.6%	1.7%	-1.0%	-6.8%
	ED Visits per Calendar Day	5.9%	1.3%	-0.2%	5.9%
	Operating Room Minutes per Calendar Day	-1.6%	0.5%	1.1%	2.7%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	1.6%	4.0%	9.0%
Gross Operating Revenue per Calendar Day		1.3%	8.7%	9.1%	23.2%
IP Revenue per Calendar Day		2.5%	6.2%	7.6%	18.4%
OP Revenue per Calendar Day		0.3%	10.5%	9.1%	32.4%
IP/OP Adjustment Factor		-1.3%	1.8%	0.7%	5.6%
NPSR per Adjusted Discharge		2.6%	4.6%	5.4%	8.1%
NPSR per Adjusted Patient Day		0.2%	1.3%	4.9%	13.7%
Bad Debt and Charity per Calendar Day		3.0%	12.4%	15.4%	18.2%
Bad Debt and Charity as a % of Gross		-2.0%	2.5%	6.7%	-1.4%
<b>Expense</b>	Total Expense per Calendar Day	-0.4%	6.7%	6.9%	18.6%
	Labor Expense per Calendar Day	-0.4%	5.3%	4.4%	17.0%
	Non-Labor Expense per Calendar Day	0.0%	7.7%	7.6%	20.4%
	Supply Expense per Calendar Day	5.0%	9.9%	8.0%	18.1%
	Drugs Expense per Calendar Day	4.0%	7.3%	7.4%	4.1%
	Purchased Service Expense per Calendar Day	-0.1%	16.9%	8.3%	27.8%
	Total Expense per Adjusted Discharge	-1.0%	1.5%	1.4%	9.1%
	Labor Expense per Adjusted Discharge	-1.7%	1.0%	1.7%	5.1%
	FTEs per AOB	-3.8%	-6.0%	-0.9%	0.0%
	Non-Labor Expense per Adjusted Discharge	0.7%	6.1%	4.0%	11.2%
	Supply Expense per Adjusted Discharge	3.3%	6.7%	3.8%	4.5%
	Drugs Expense per Adjusted Discharge	10.6%	9.5%	4.9%	-2.8%
Purchased Service Expense per Adjusted Discharge	5.2%	19.0%	3.3%	11.5%	

# 500+ Beds

		Dec 24 vs. Nov 24 (Month-over-Month)	Dec 24 vs. Dec 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
<b>Margin</b>	Operating Margin	12.2%	1.5%	2.1%	-3.4%
	Operating EBIDA Margin	12.6%	0.0%	-1.0%	-6.2%
<b>Volume</b>	Discharges per Calendar Day	-0.2%	2.6%	3.1%	5.5%
	Adjusted Discharges per Calendar Day	-1.1%	3.6%	5.6%	14.8%
	Equivalent Patient Days per Calendar Day	1.9%	0.6%	2.5%	3.7%
	Observation Patient Days as % of Patient Days	-2.4%	-3.5%	-8.9%	-4.3%
	Adjusted Patient Days per Calendar Day	0.9%	3.1%	3.8%	10.6%
	Average Length of Stay	1.4%	-2.1%	-2.4%	-6.2%
	ED Visits per Calendar Day	2.4%	3.9%	1.4%	8.6%
	Operating Room Minutes per Calendar Day	-2.5%	2.3%	1.0%	6.3%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	1.5%	8.0%	9.5%
Gross Operating Revenue per Calendar Day		1.5%	11.1%	10.1%	32.0%
IP Revenue per Calendar Day		2.4%	8.7%	8.5%	22.8%
OP Revenue per Calendar Day		0.1%	14.1%	11.5%	39.2%
IP/OP Adjustment Factor		-0.4%	3.1%	1.2%	6.1%
NPSR per Adjusted Discharge		3.8%	4.7%	3.5%	7.6%
NPSR per Adjusted Patient Day		1.2%	5.0%	5.8%	14.1%
Bad Debt and Charity per Calendar Day		-1.0%	3.8%	18.1%	15.7%
Bad Debt and Charity as a % of Gross	-5.1%	-7.3%	6.1%	-9.0%	
<b>Expense</b>	Total Expense per Calendar Day	-0.6%	9.2%	8.3%	27.1%
	Labor Expense per Calendar Day	-1.4%	7.3%	6.2%	21.5%
	Non-Labor Expense per Calendar Day	-0.6%	7.2%	9.2%	22.4%
	Supply Expense per Calendar Day	4.8%	12.4%	12.9%	33.6%
	Drugs Expense per Calendar Day	6.9%	17.3%	16.3%	40.2%
	Purchased Service Expense per Calendar Day	-2.1%	9.4%	11.1%	33.3%
	Total Expense per Adjusted Discharge	-0.5%	3.7%	3.8%	6.9%
	Labor Expense per Adjusted Discharge	-1.3%	4.6%	1.4%	4.9%
	FTEs per AOB	-2.5%	-3.2%	-1.8%	-3.6%
	Non-Labor Expense per Adjusted Discharge	0.2%	7.0%	3.7%	9.4%
	Supply Expense per Adjusted Discharge	4.6%	11.8%	5.1%	14.9%
	Drugs Expense per Adjusted Discharge	8.3%	8.2%	11.9%	21.0%
Purchased Service Expense per Adjusted Discharge	-1.6%	3.0%	8.3%	6.9%	

# Non-Operating

# National Non-Operating Results

## Key Observations

- December's consumer price index (CPI) rose by 0.4% month-over-month, aligning with market expectations, bringing year-over-year inflation to 2.9%, and marking the third consecutive monthly increase after seven straight months of declines
- The 2.9% CPI reading in December, although in line with market expectations, remained above the Federal Reserve's target of 2%, signaling continued inflationary pressures
- Core CPI increased by 0.2% month-over-month, softer than expected, ending a three-month streak of 0.3% increases and resulting in the year-over-year growth rate moderated by 0.1%, settling at 3.2%
- December's producer price index (PPI) rose by 0.2%, falling short of the Dow Jones Industrial Average estimate of 0.4%. Though, core PPI met expectations with a 0.3% increase while year-over-year, the PPI surged by 3.3% to surpass November's record as the highest year-over-year increase since February 2023.
- During the December 18 Federal Open Market Committee (FOMC) meeting, the Fed cut interest rates by 25 basis points, bringing the target range to 4.25%-4.50% and marking the Fed's third rate cut since 2020, for a collective 100 basis points of cuts to the overnight rate in 2024, all occurring in the fourth quarter. Rates were not adjusted at the 1/29 FOMC meeting.
- The policy statement from the December FOMC meeting indicated a more cautious outlook on the pace of future Fed Funds rate cuts, and the median projected Fed Funds rate for the end of 2025 was raised to 3.875%, up from 3.375% in the September projections, which suggests that the Fed anticipates two additional 25 basis point cuts in 2025
- Stocks experienced a decline throughout December, reversing the gains seen in the previous month, which had been driven by the U.S. elections and the November rate cut. However, stocks stabilized through late January.
- The U.S. economy added 256,000 jobs in December, adding 44,000 jobs from November's revised payroll number of 212,000
- According to the Bureau of Labor Statistics, "Health care added 46,000 in December, with gains in home health care services (+15,000), nursing and residential care facilities (+14,000), and hospitals (+12,000). Health care added an average of 57,000 jobs per month in 2024, the same as the average month gain in 2023."
- December's unemployment rate decreased 0.1% to 4.1%, indicating a shift in the labor market returning to levels in October and September, while average hourly earnings rose 0.3%, a decrease from November's 0.4% rate, in line with market expectations, and the U-6 rate decreased to 7.5% and labor force participation remained steady at 62.5%

# National Non-Operating Results *(continued)*

## General Non-Operating Observations

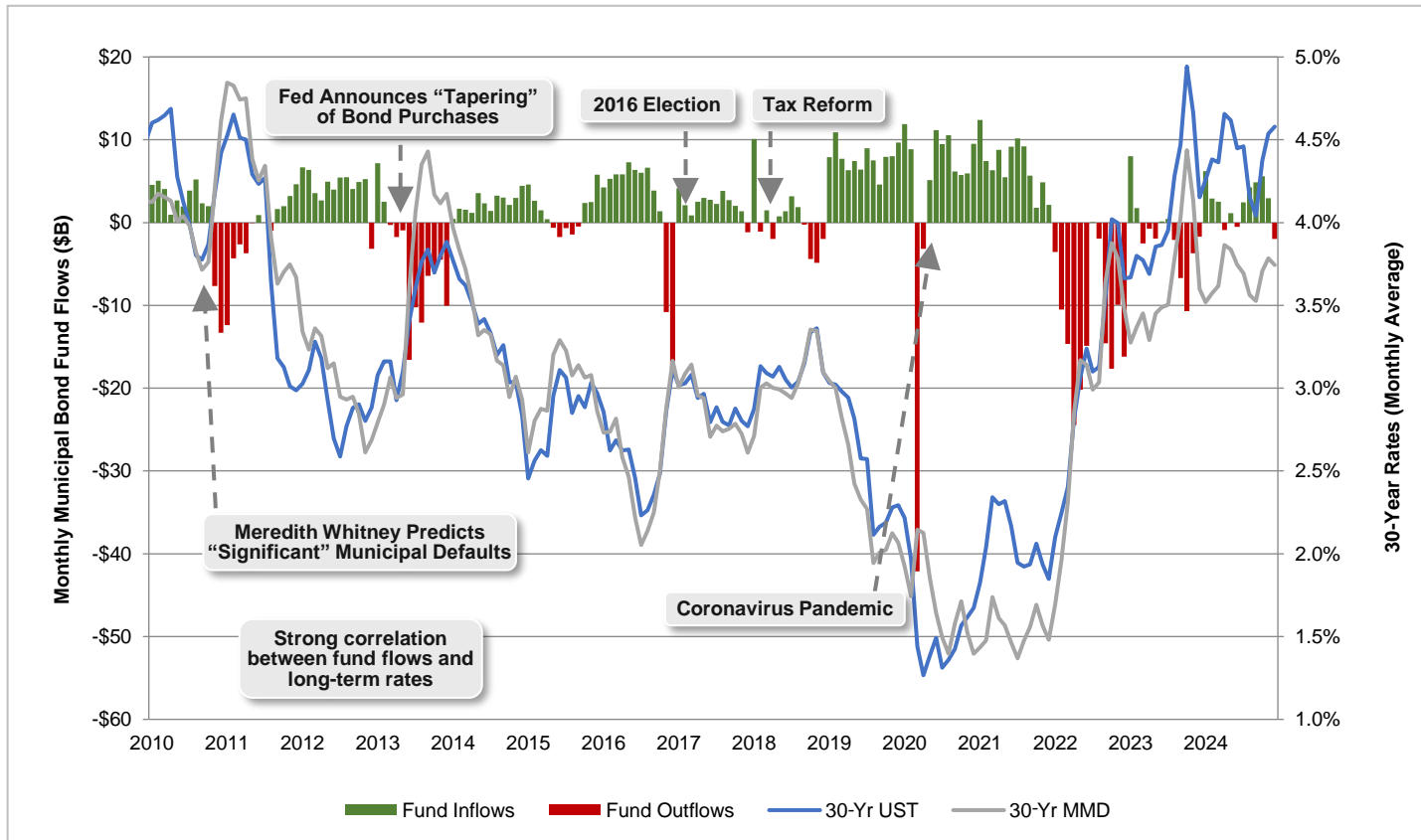
	December 2024	M-o-M Change	Y-o-Y Change
<b>General</b>			
GDP Growth*	3.1%	n/a	n/a
Unemployment Rate	4.1%	-0.1%	+0.4%
Personal Consumption Expenditures (Y-o-Y)	2.8%	+0.0%	-0.2%
<b>Liabilities</b>			
SOFR	4.49%	-10 bps	-89 bps
SIFMA	3.62%	-76 bps	-25 bps
30-yr MMD	3.90%	+28 bps	+13 bps
30-yr Treasury	4.78%	+42 bps	+75 bps
<b>Assets</b>			
60/40 Asset Allocation†	n/a	-2.0%	+11.2%

\*U.S. Bureau of Economic Analysis, Q3 2024 "Third 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



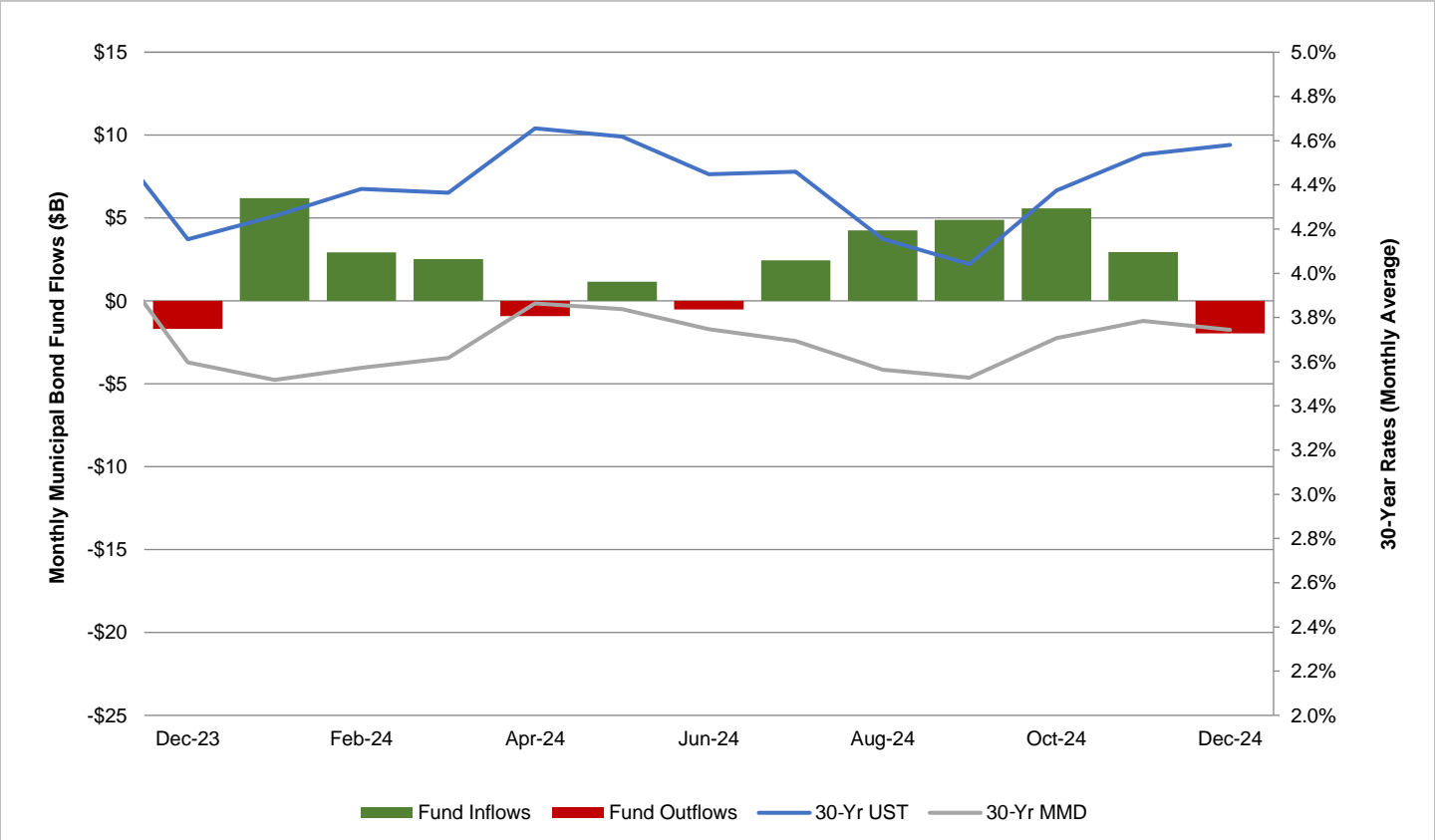
Kaufman Hall, *National Hospital Flash Report* (December 2024 Metrics)

*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.*

Both the tax-exempt and treasury markets had noticeable increases in December. The tax-exempt 30-year MMD benchmark increased 28 basis points from the prior month-end, settling at 3.90%. The 30-year Treasury rate widened to end December by increasing 42 basis points to end at 4.78%. The 10-year MMD and 10-year Treasury yields rose at a similar rate to the 30-year MMD, increasing 28 and 40 basis points, respectively, to settle at 3.06% and 4.57%. Ratios tightened along the short end of the curve with the two-year and five-year ratio widening 2-5% ending December both at 66%. To end December, the 10-year and 20-year ratios remained unchanged from November at 67% and 75%, respectively. However, in the long run, the 30-year ratio widened from last month to close December at 82%, 1% lower than November.

# Non-Operating Liabilities *(continued)*

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



Approximately \$2.0 billion exited the municipal funds market in December. This outflow ends the streak of five consecutive months of inflows, making it the third month of outflows in 2024 following April at \$910 million and June at \$510 million. Total municipal issuance and total healthcare supply were 33.3% and 100.5% higher, respectively, in 2024 compared to 2023. 2024 healthcare issuance was \$34.9 billion, exceeding the total issuance for all of 2023 and 2022, which was \$17.7 and \$29.2 billion, respectively. The healthcare issuance in 2024 was the highest it has been since 2019.

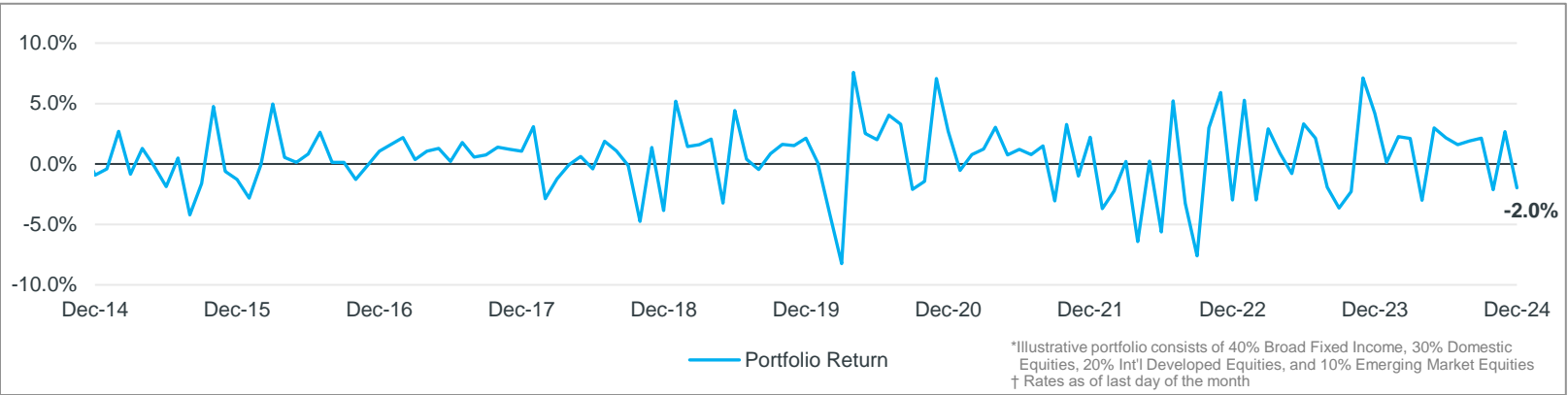
Looking ahead to the new year, banks project a solid number of healthcare issuances to start 2025. Preliminary data indicate that there are nine expected public deals in January, all slated to price the last two weeks of January with a total estimated par of approximately \$4.5 billion. Additionally, banks project that there will be at least four public healthcare issuances in February totaling approximately \$1.2 billion in par.

Kaufman Hall, National Hospital Flash Report (December 2024 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 Assets

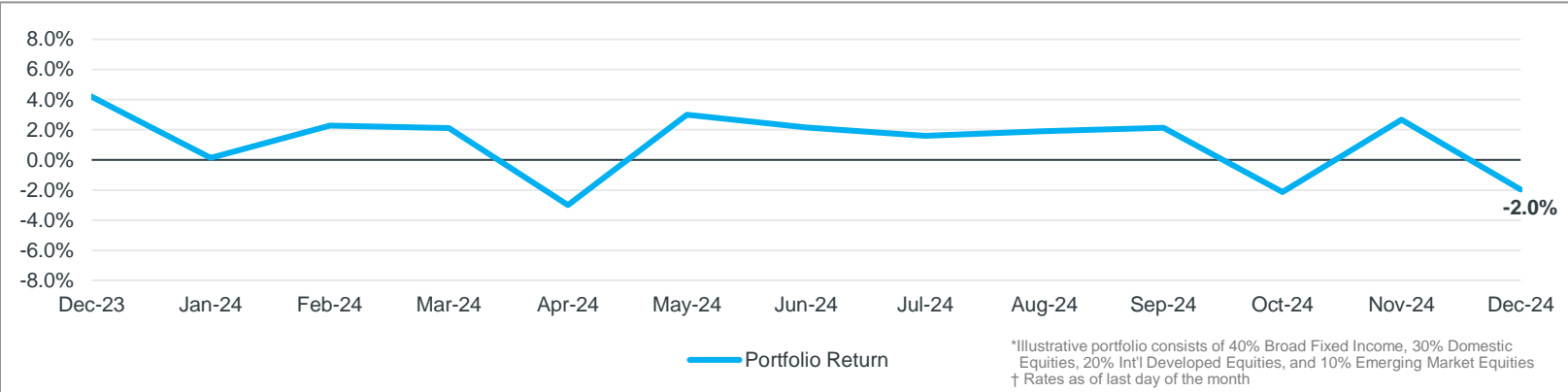
## Long Term – Illustrative Investment Portfolio Returns, Month-over-Month Change



Kaufman Hall, National Hospital Flash Report (December 2024 Metrics)

December reversed the momentum seen in November's equity markets. The S&P 500 fell 2.5%, a sharp contrast to November's 5.7% gain, bringing its year-over-year gain to 23.3%. The blended 60/40 asset allocation dropped 2.0% in December, reversing November's 2.7% increase and lowering its year-over-year return to 11.2%. The MSCI World, MSCI Emerging Markets, and Barclays U.S. Aggregate Bond Indexes all fell during the month, decreasing 2.7%, 0.3% and 1.6%, respectively.

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



Kaufman Hall, National Hospital Flash Report (December 2024 Metrics)

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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](mailto:flashreports@kaufmanhall.com).

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