

KaufmanHall

JUNE 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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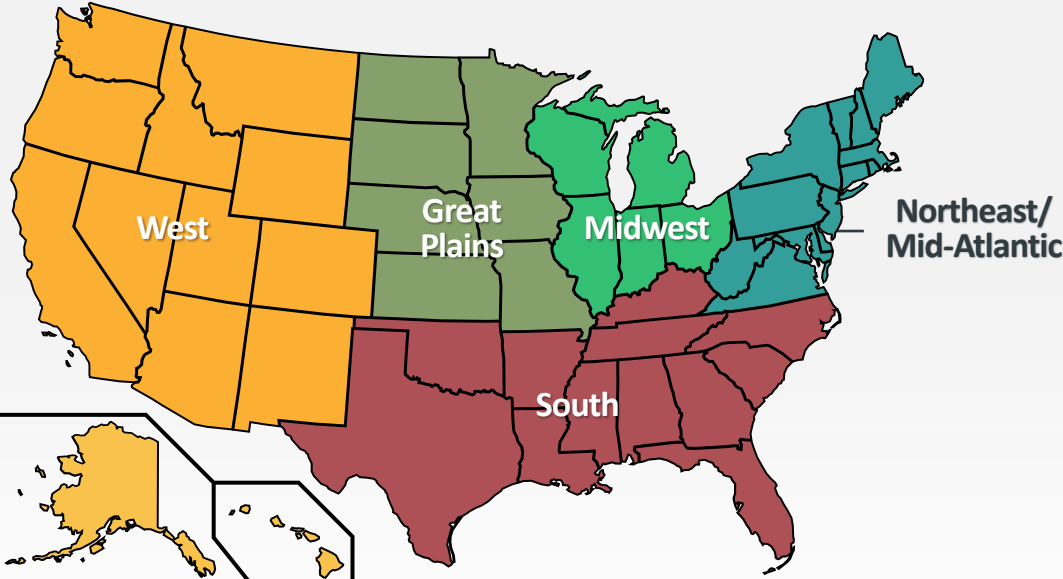
About the Data

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 Syntellis Performance Solutions, now part of Strata.

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](#), now part of Strata, 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. June operating margins showed continued signs of stabilization.** Examination of the data shows median growth month-over-month, while the median change declined. This further points to a growing divide between higher performing and lower performing hospitals.
- 2. Payments resulting from the 340B settlement are bolstering performance.**
- 3. All regions except for the Great Plains demonstrated improvement compared to last year.** Hospitals in this region tend to be smaller hospitals that may be facing challenges related to size and access to capital.

Action Steps

While operating performance has recently shown signs of improvement, real estate should remain an important consideration for many health systems to bolster their balance sheet and meet current / future capital needs and growth strategies.

1. Health systems must have a firm grasp of (i) their owned and leased real estate portfolio, (ii) immediate and future capital needs and (iii) future clinical expansion plans.
2. Real estate strategies can support offensive strategies (acquisition of competitors / expansion of clinical platform) and defensive strategies (bolstering liquidity).
3. Specific financial and operational goals should be established to guide the structuring and execution of these strategies.
4. Based upon the established goals, specific transaction alternatives (sale / leaseback, foundation model, etc.) can be pursued to meet the capital needs and growth plans.

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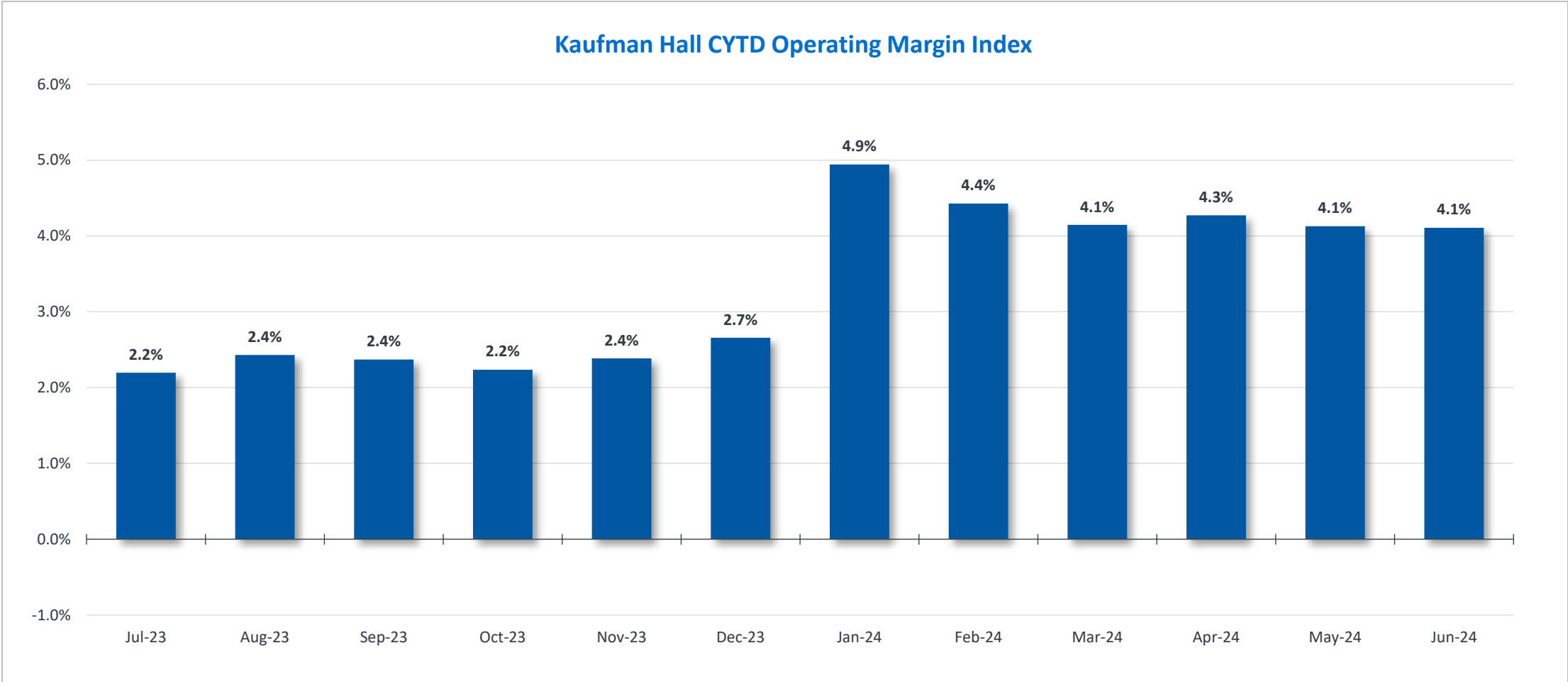


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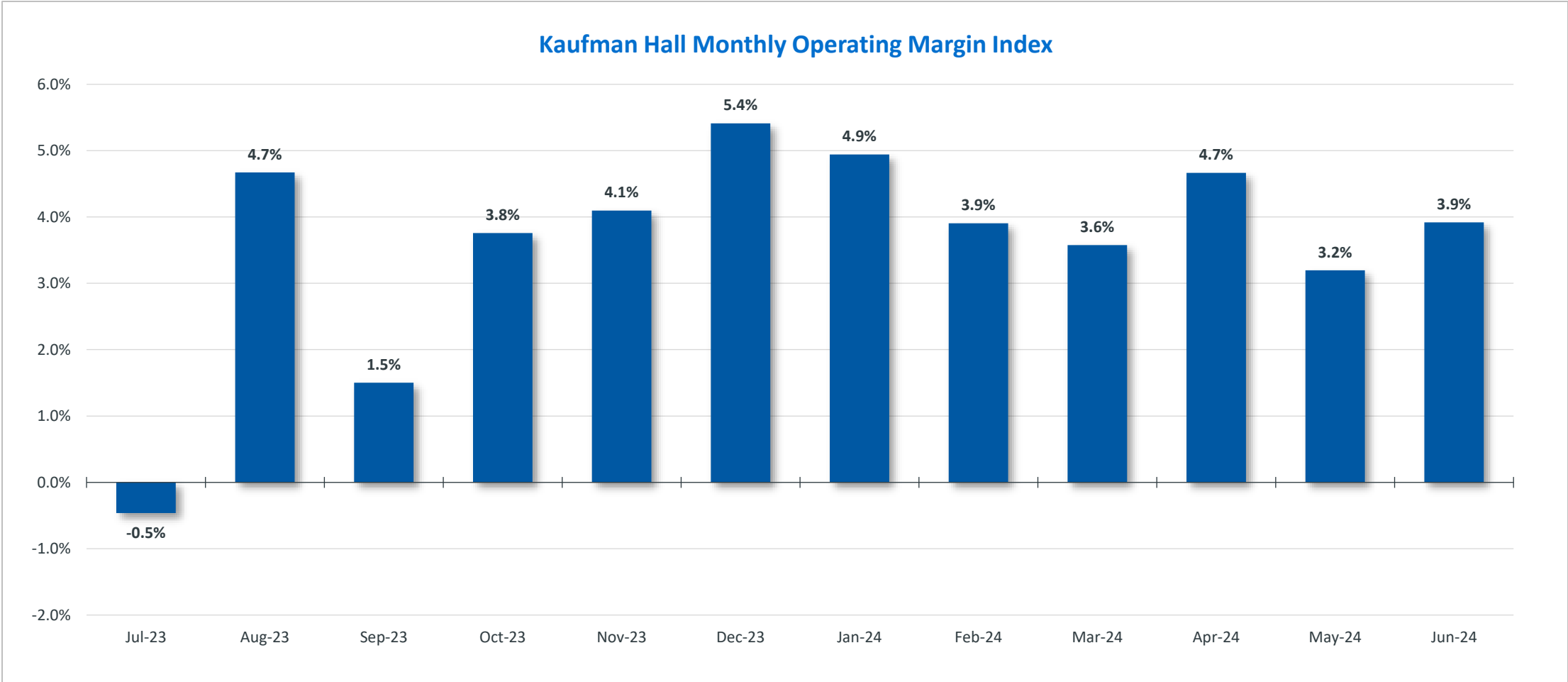
Operating Margin



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

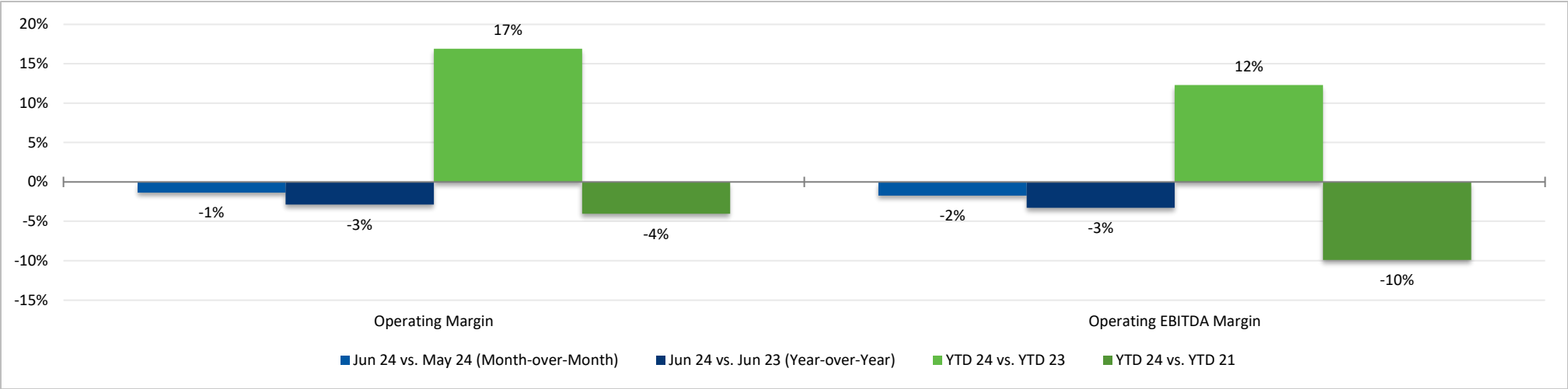
* Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset adjusted for allocations to hospitals from corporate, physician, and other entities.

National and Regional Data

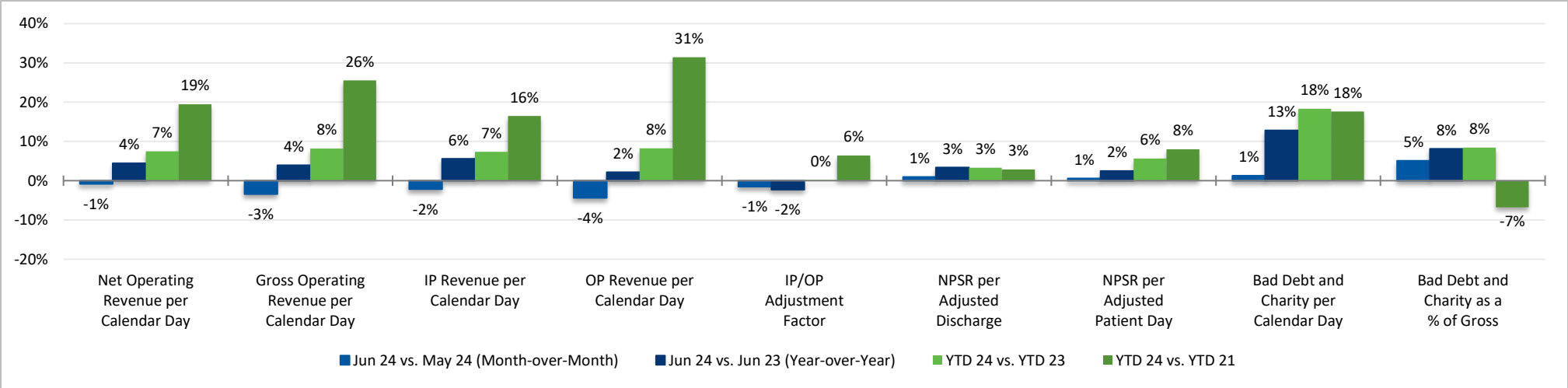
Profitability, Revenue, Expense, and Volume

National Data

Profitability

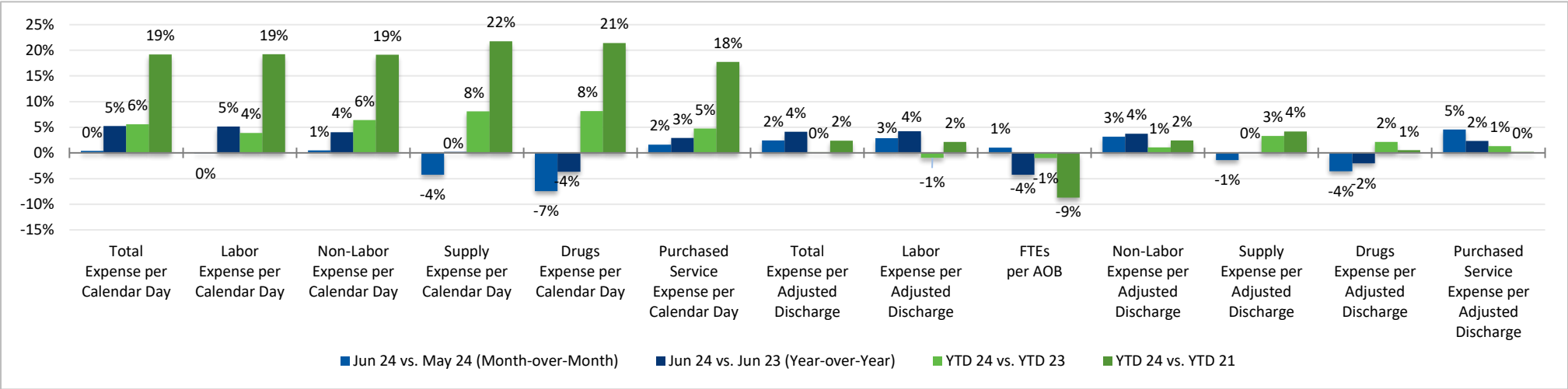


Revenue

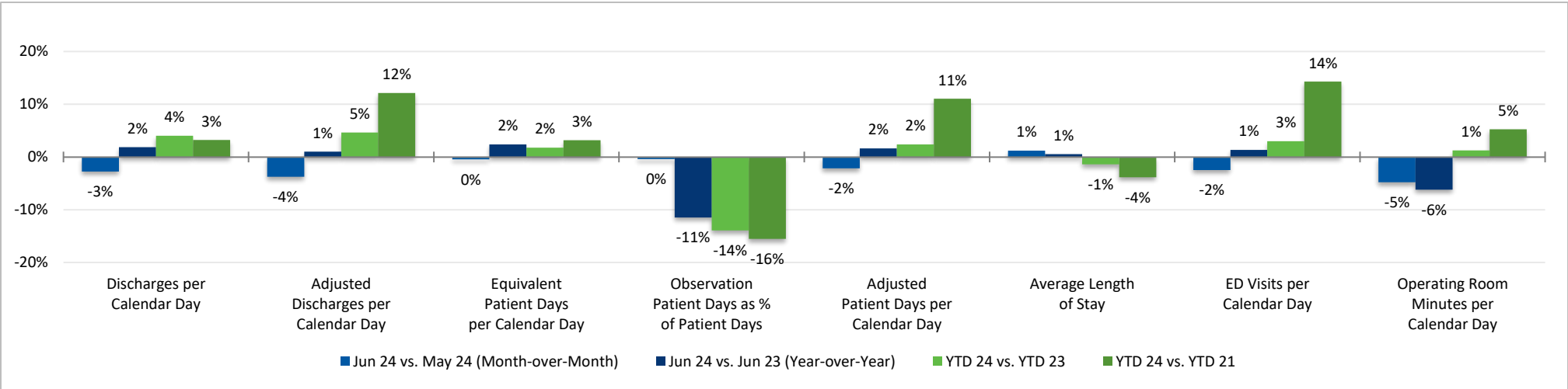


National Data *(continued)*

Expense

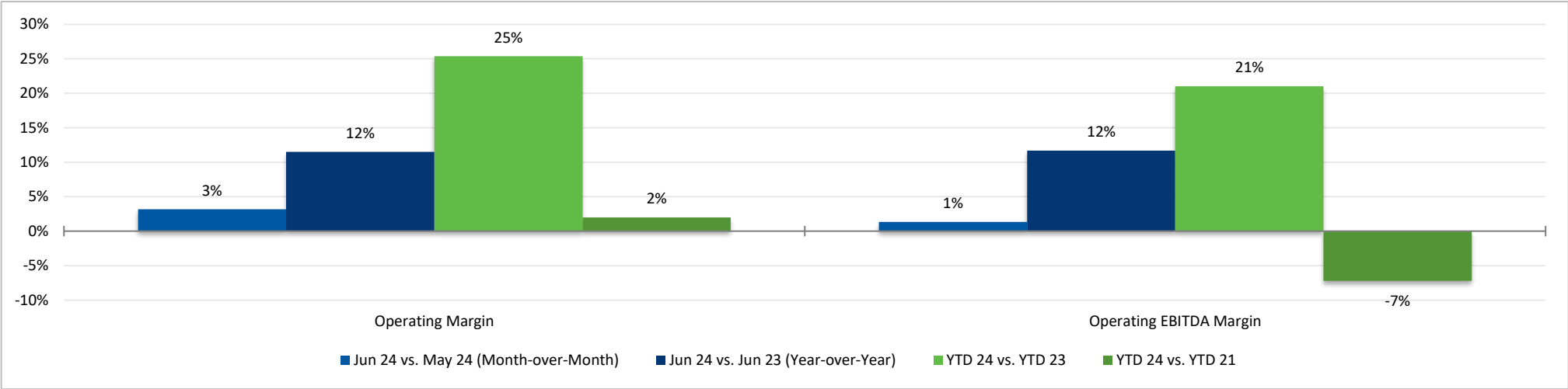


Volume

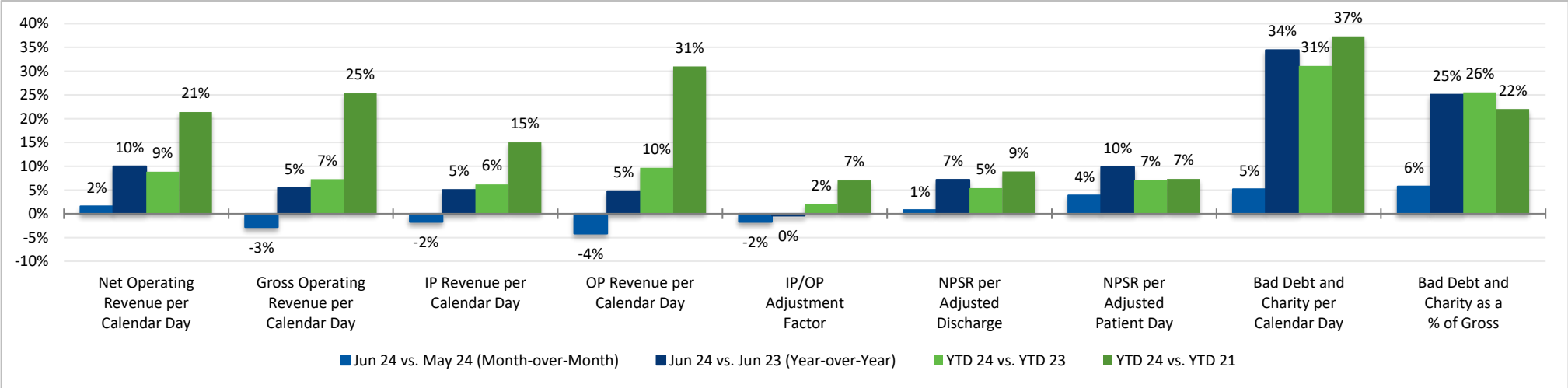


Regional Data: West

Profitability

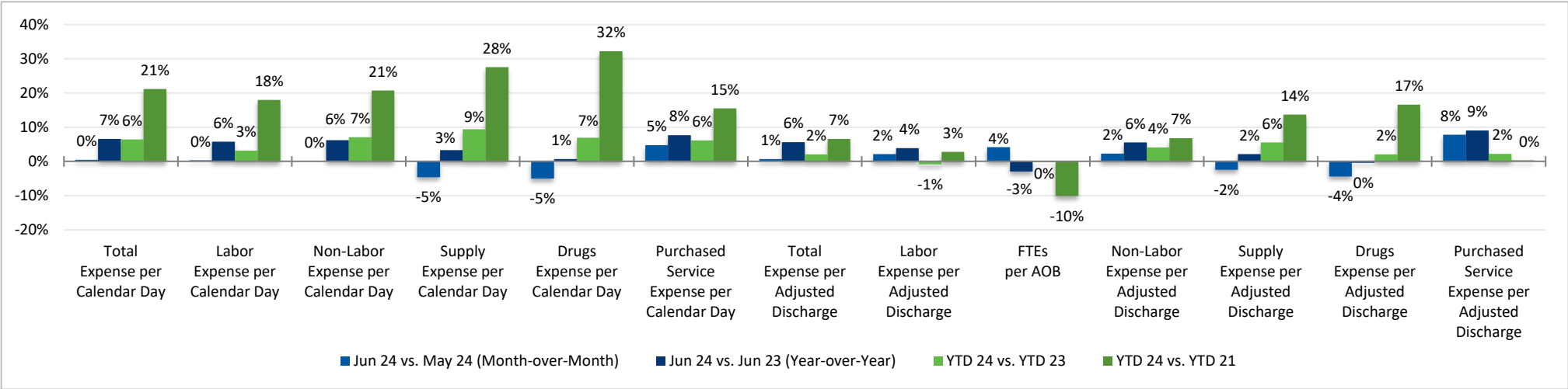


Revenue

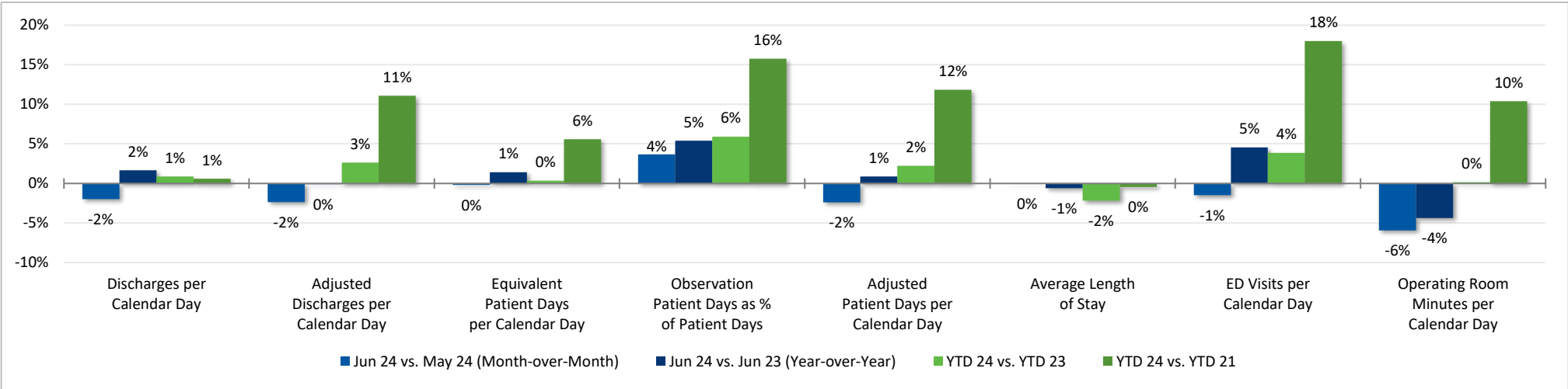


Regional Data: West *(continued)*

Expense

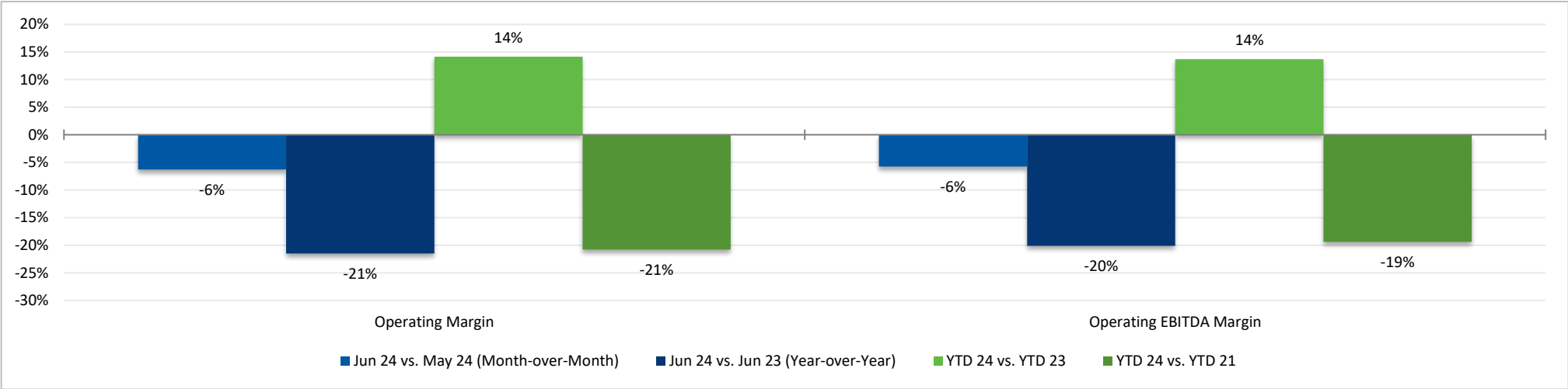


Volume

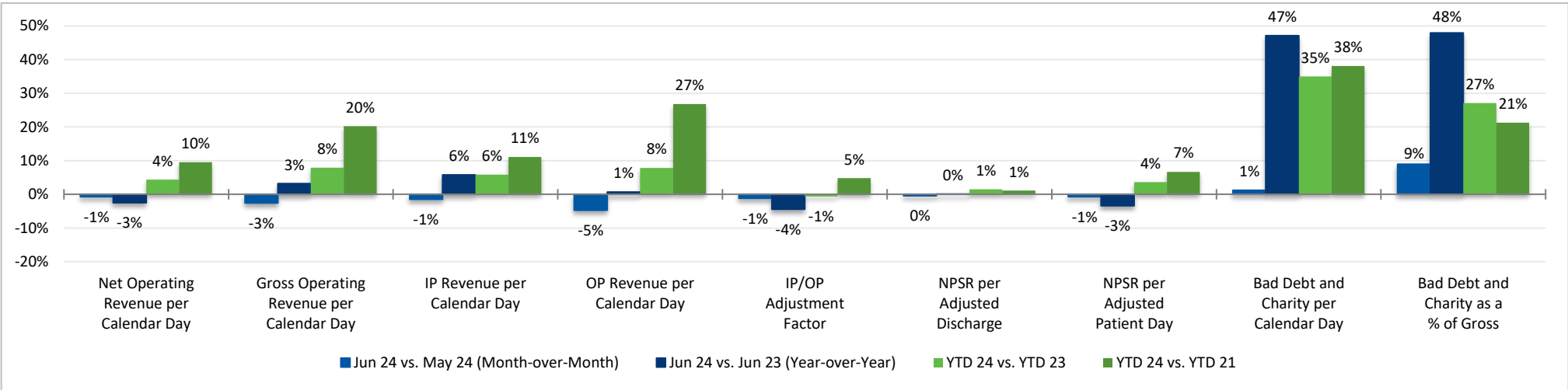


Regional Data: Midwest

Profitability

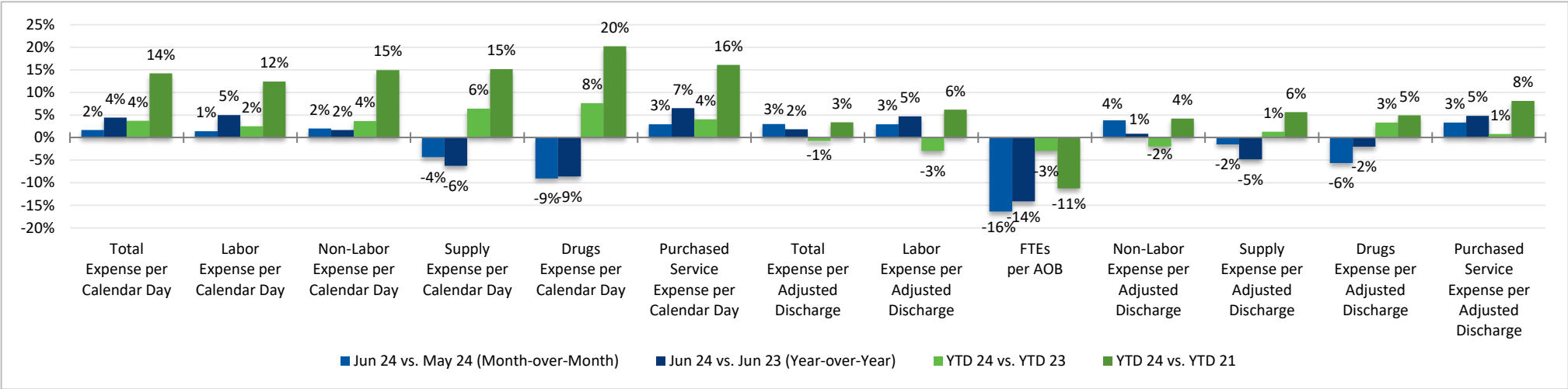


Revenue

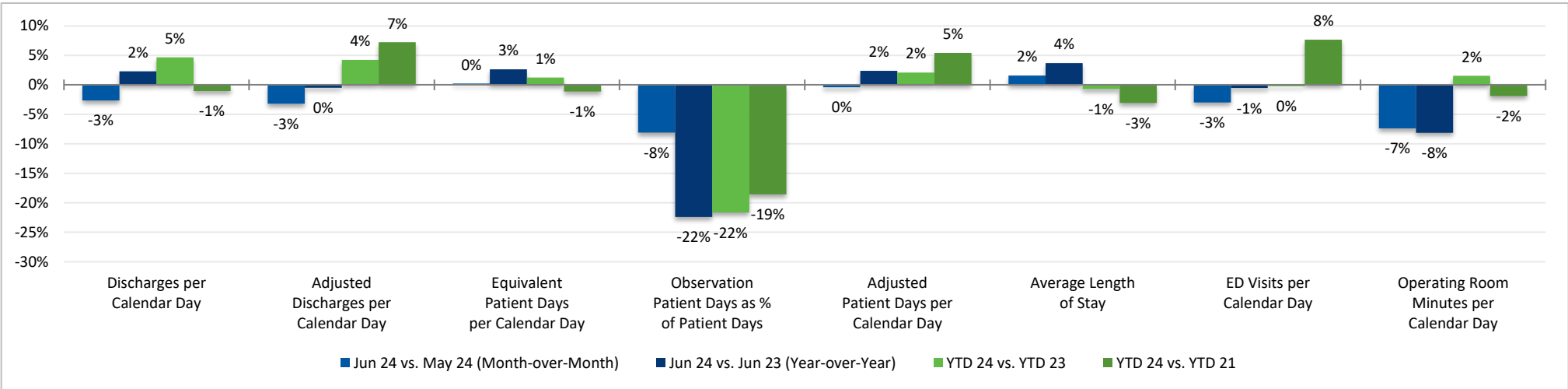


Regional Data: Midwest *(continued)*

Expense

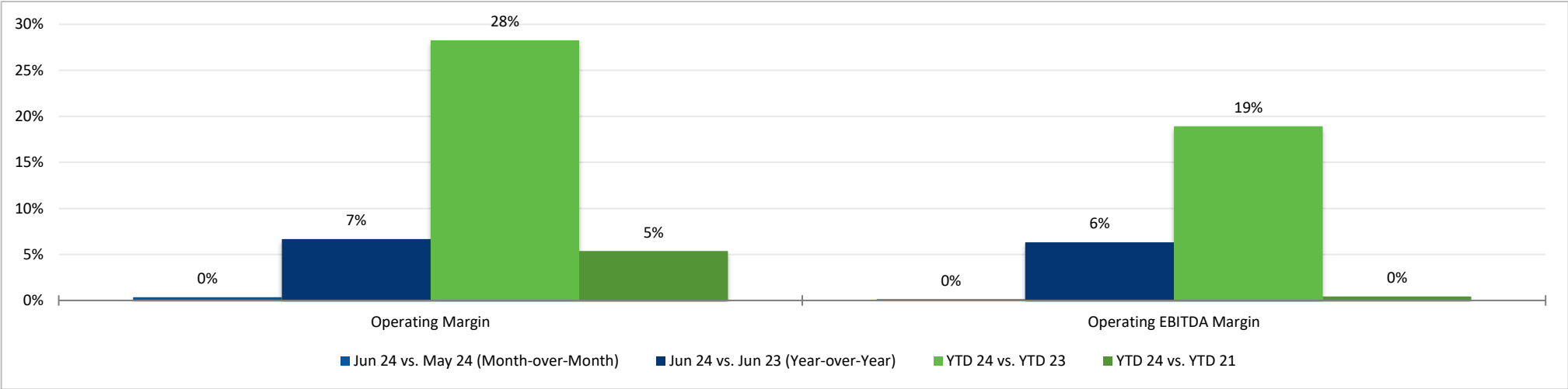


Volume

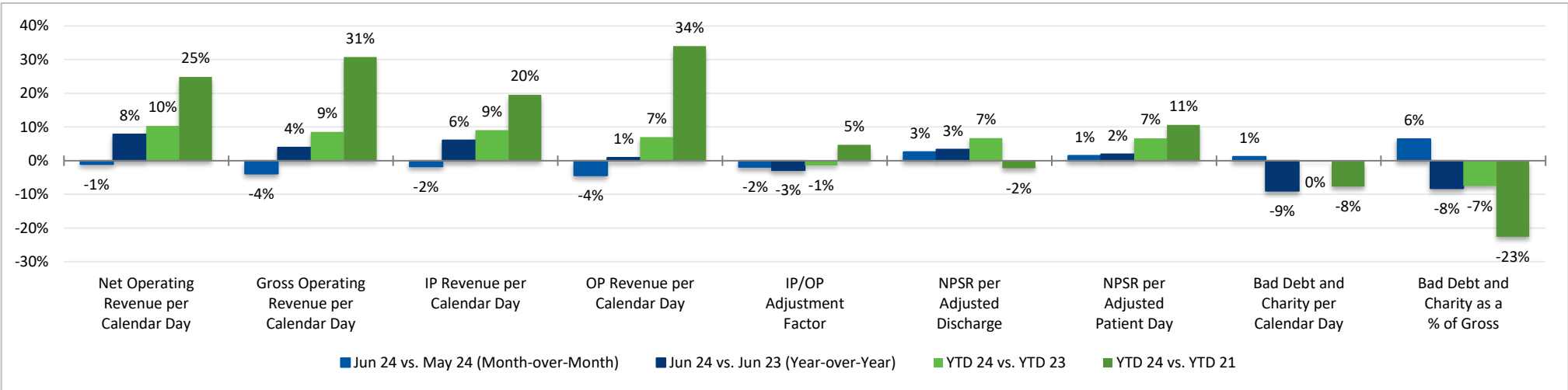


Regional Data: South

Profitability

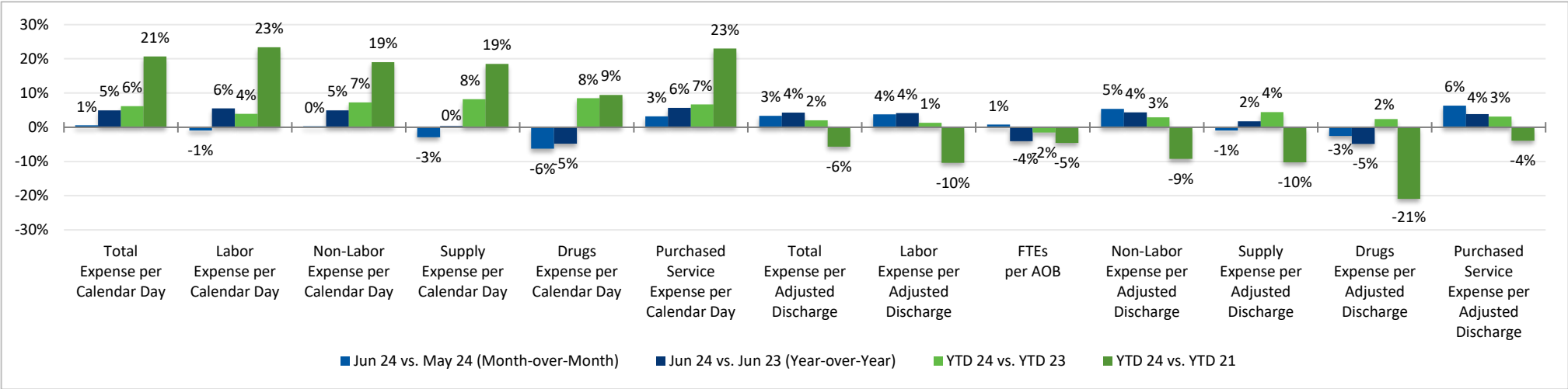


Revenue

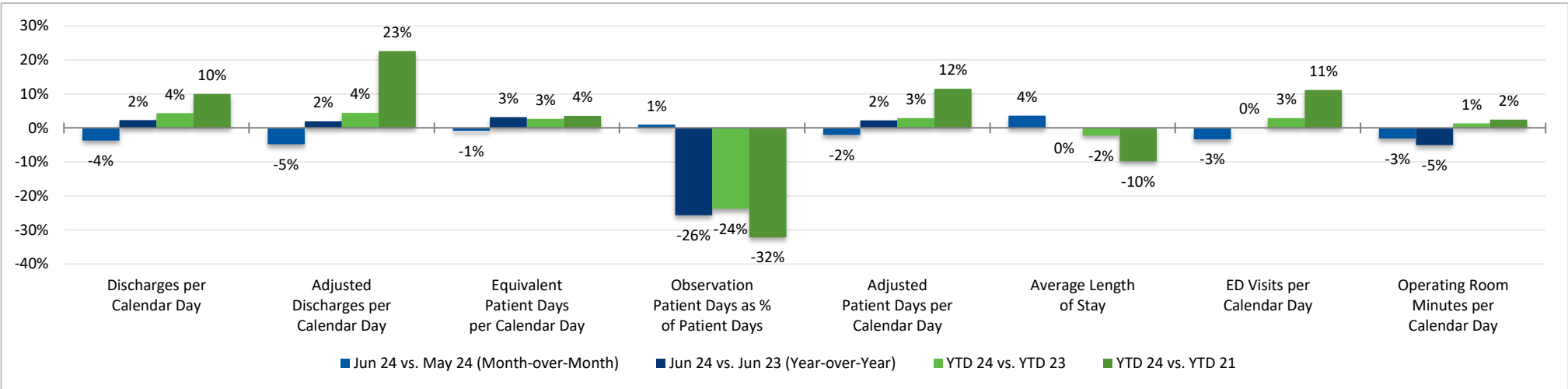


Regional Data: South *(continued)*

Expense

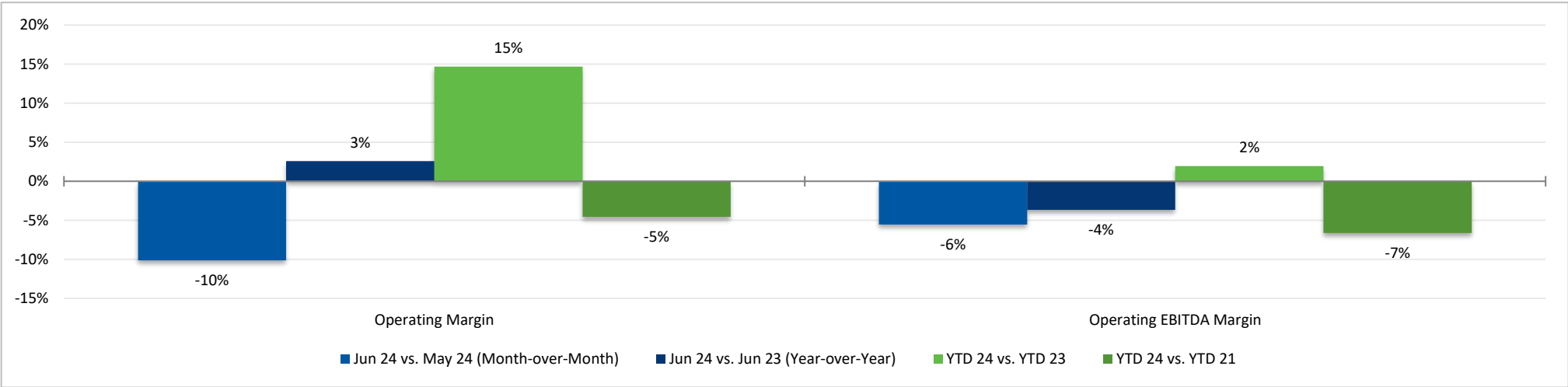


Volume

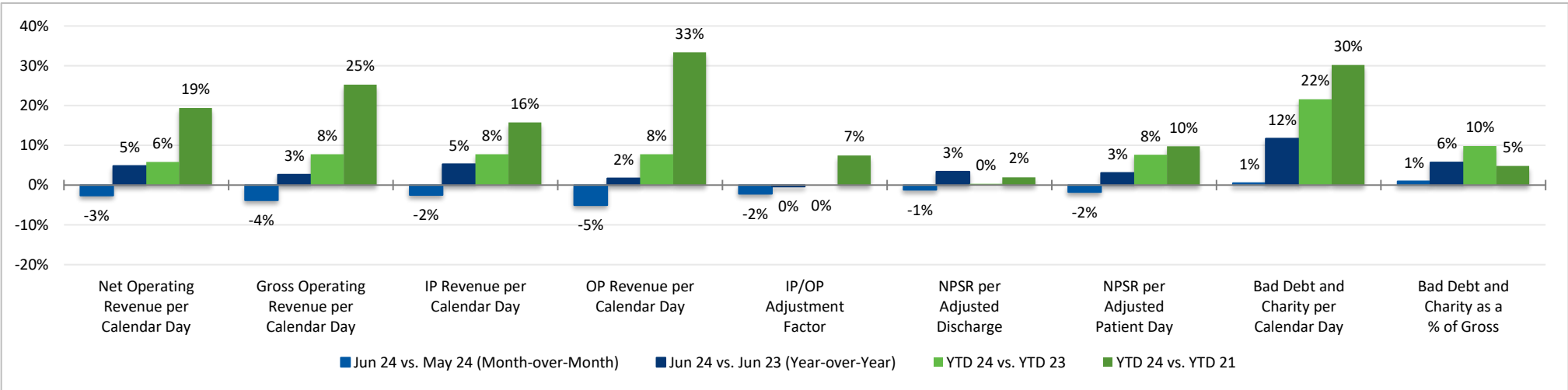


Regional Data: Northeast/Mid-Atlantic

Profitability

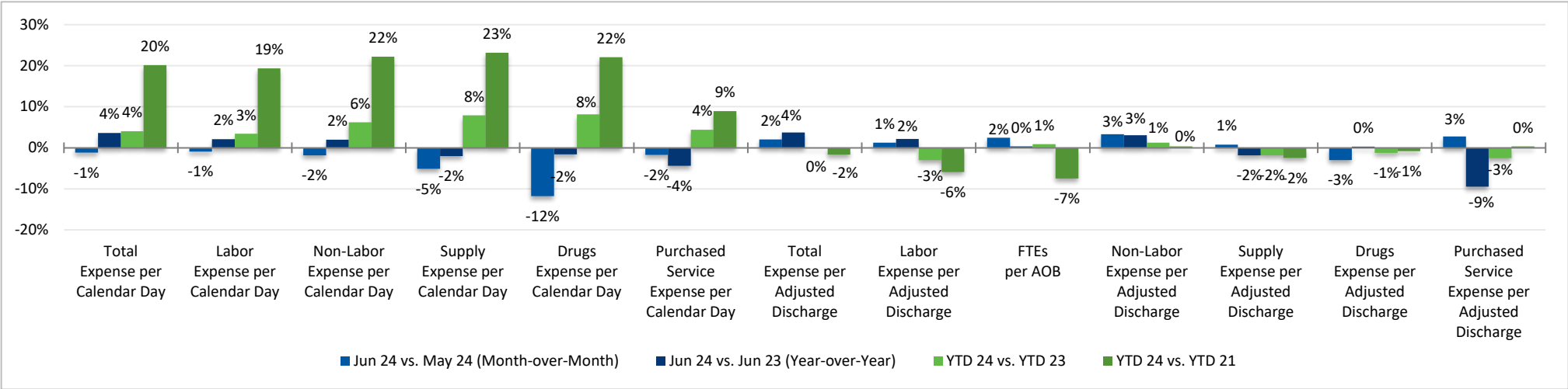


Revenue

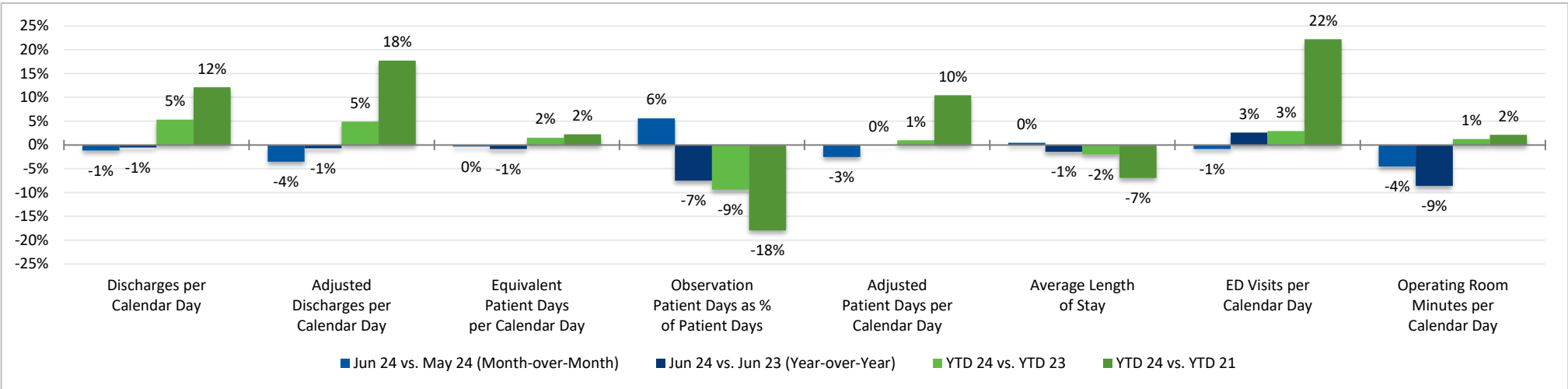


Regional Data: Northeast/Mid-Atlantic *(continued)*

Expense

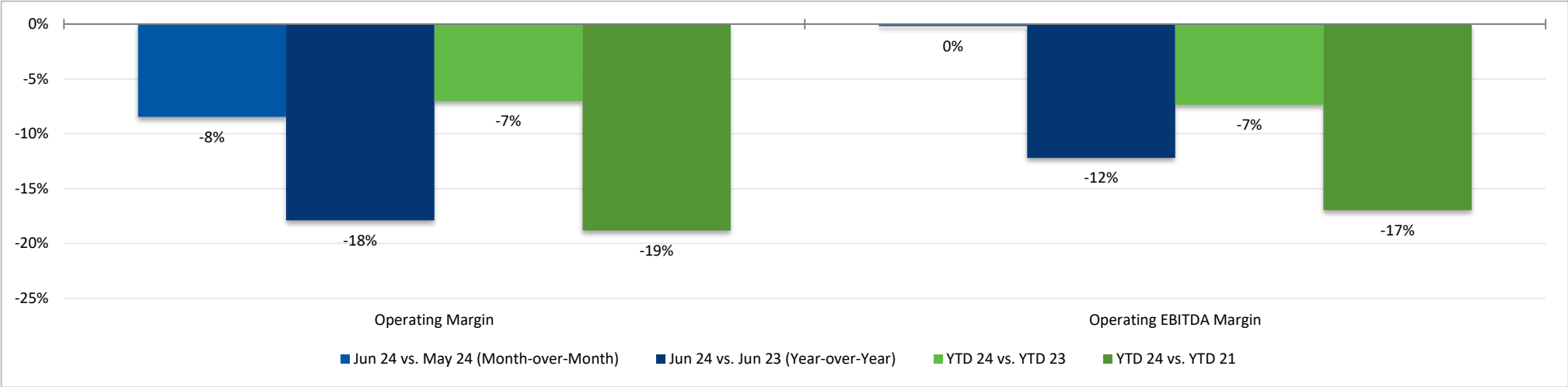


Volume

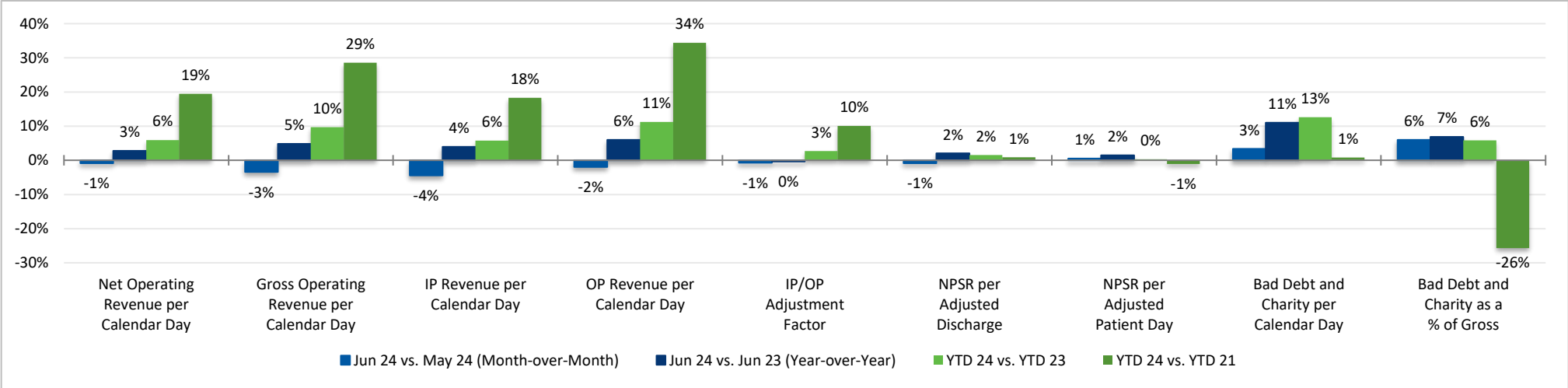


Regional Data: Great Plains

Profitability

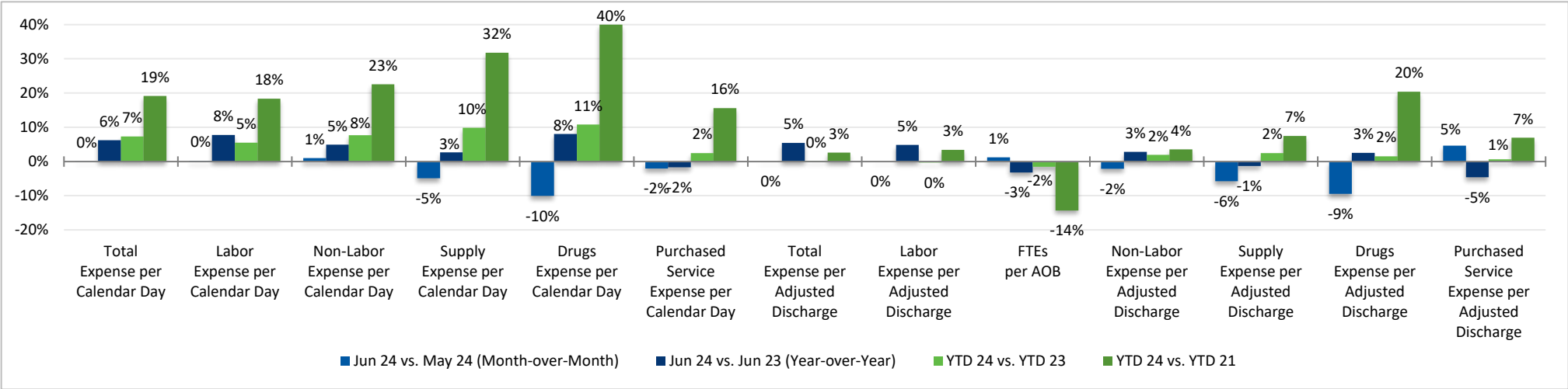


Revenue

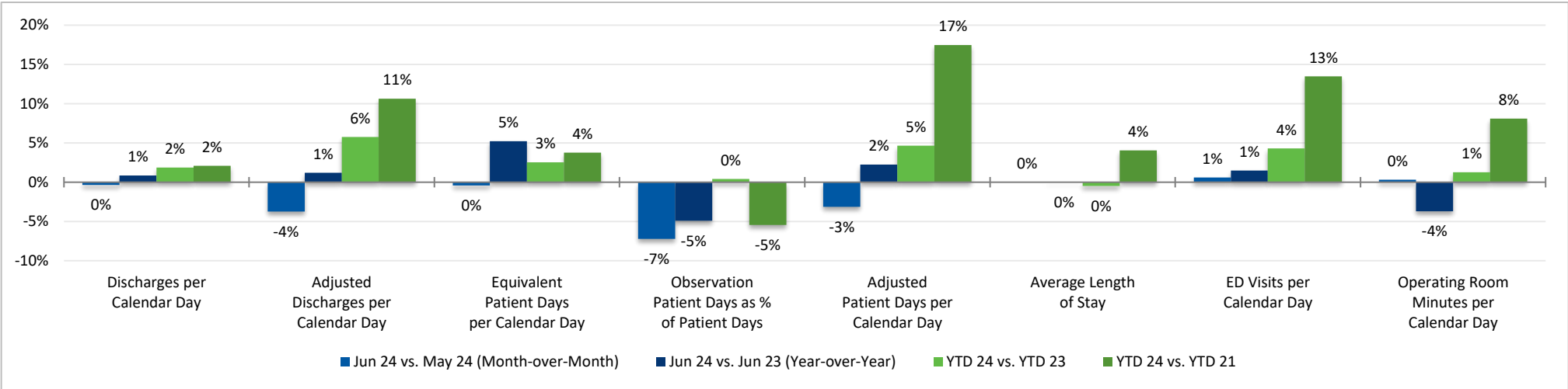


Regional Data: Great Plains *(continued)*

Expense



Volume



Data by Hospital Bed Size

Profitability, Revenue, Expense, and Volume

0-25 Beds

		Jun 24 vs. May 24 (Month-over-Month)	Jun 24 vs. Jun 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-2.4%	-11.4%	14.4%	7.8%
	Operating EBIDA Margin	2.5%	-8.9%	13.5%	0.5%
Volume	Discharges per Calendar Day	-2.7%	0.1%	-1.8%	-1.1%
	Adjusted Discharges per Calendar Day	-1.7%	-2.8%	3.0%	21.3%
	Equivalent Patient Days per Calendar Day	1.0%	2.4%	-0.9%	3.1%
	Observation Patient Days as % of Patient Days	-9.9%	-17.7%	-10.3%	-9.8%
	Adjusted Patient Days per Calendar Day	-3.4%	0.3%	2.3%	18.3%
	Average Length of Stay	-1.8%	-0.6%	-2.8%	-1.8%
	ED Visits per Calendar Day	-0.8%	1.8%	2.8%	14.5%
	Operating Room Minutes per Calendar Day	-14.0%	-3.7%	2.5%	6.2%
	Revenue	Net Operating Revenue per Calendar Day	0.4%	2.7%	6.4%
Gross Operating Revenue per Calendar Day		-3.0%	4.8%	8.3%	28.6%
IP Revenue per Calendar Day		-1.1%	6.2%	6.2%	10.0%
OP Revenue per Calendar Day		-4.1%	3.0%	8.5%	31.4%
IP/OP Adjustment Factor		-3.5%	-5.2%	1.2%	13.1%
NPSR per Adjusted Discharge		-2.1%	2.6%	3.6%	-0.8%
NPSR per Adjusted Patient Day		0.7%	1.2%	6.7%	-3.7%
Bad Debt and Charity per Calendar Day		10.0%	10.4%	18.8%	16.1%
Bad Debt and Charity as a % of Gross		13.7%	5.1%	8.9%	-8.0%
Expense		Total Expense per Calendar Day	1.3%	5.9%	5.0%
	Labor Expense per Calendar Day	0.7%	6.6%	3.5%	17.3%
	Non-Labor Expense per Calendar Day	1.9%	1.7%	4.5%	16.0%
	Supply Expense per Calendar Day	-4.7%	-8.7%	7.4%	27.6%
	Drugs Expense per Calendar Day	-12.7%	-12.9%	7.3%	39.9%
	Purchased Service Expense per Calendar Day	0.0%	-0.3%	2.7%	15.5%
	Total Expense per Adjusted Discharge	-0.9%	4.7%	-0.8%	-6.3%
	Labor Expense per Adjusted Discharge	-0.9%	3.4%	-2.0%	-8.6%
	FTEs per AOB	-2.4%	-10.1%	-1.8%	-19.0%
	Non-Labor Expense per Adjusted Discharge	-0.9%	5.6%	0.1%	-2.5%
	Supply Expense per Adjusted Discharge	-4.4%	-4.4%	3.5%	1.1%
	Drugs Expense per Adjusted Discharge	-9.5%	-0.2%	2.7%	16.6%
	Purchased Service Expense per Adjusted Discharge	0.3%	1.3%	0.5%	-6.2%

26-99 Beds

		Jun 24 vs. May 24 (Month-over-Month)	Jun 24 vs. Jun 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-0.4%	-3.3%	10.7%	2.3%
	Operating EBIDA Margin	-1.3%	-3.8%	7.4%	-12.4%
Volume	Discharges per Calendar Day	-1.3%	1.6%	3.5%	6.3%
	Adjusted Discharges per Calendar Day	-2.8%	0.8%	4.9%	12.2%
	Equivalent Patient Days per Calendar Day	-1.9%	3.1%	1.6%	1.4%
	Observation Patient Days as % of Patient Days	-4.7%	-13.7%	-14.4%	-22.5%
	Adjusted Patient Days per Calendar Day	-2.0%	3.0%	2.1%	11.3%
	Average Length of Stay	-1.2%	-1.6%	-1.4%	-11.7%
	ED Visits per Calendar Day	-3.1%	0.8%	3.1%	16.6%
	Operating Room Minutes per Calendar Day	-1.9%	-7.7%	0.3%	1.1%
	Revenue	Net Operating Revenue per Calendar Day	-2.4%	4.5%	7.2%
Gross Operating Revenue per Calendar Day		-3.3%	3.6%	7.2%	21.5%
IP Revenue per Calendar Day		-2.1%	4.3%	6.1%	12.7%
OP Revenue per Calendar Day		-3.6%	2.6%	7.7%	28.5%
IP/OP Adjustment Factor		-2.3%	-2.7%	0.7%	7.4%
NPSR per Adjusted Discharge		0.5%	3.8%	1.4%	-1.2%
NPSR per Adjusted Patient Day		1.3%	0.2%	5.3%	8.2%
Bad Debt and Charity per Calendar Day		-4.2%	1.8%	15.1%	6.2%
Bad Debt and Charity as a % of Gross		2.0%	-1.7%	6.5%	-14.4%
Expense		Total Expense per Calendar Day	0.4%	4.8%	4.6%
	Labor Expense per Calendar Day	-0.2%	4.5%	3.5%	16.1%
	Non-Labor Expense per Calendar Day	0.6%	3.2%	6.0%	16.9%
	Supply Expense per Calendar Day	-2.3%	0.4%	7.9%	17.3%
	Drugs Expense per Calendar Day	-8.1%	-5.6%	7.5%	19.5%
	Purchased Service Expense per Calendar Day	1.0%	2.7%	4.0%	13.4%
	Total Expense per Adjusted Discharge	3.4%	3.0%	-0.6%	-2.3%
	Labor Expense per Adjusted Discharge	1.1%	2.0%	-3.3%	-6.3%
	FTEs per AOB	-3.3%	-8.4%	-4.0%	-8.9%
	Non-Labor Expense per Adjusted Discharge	5.7%	2.7%	0.6%	-0.9%
	Supply Expense per Adjusted Discharge	1.2%	-2.7%	3.4%	-1.5%
	Drugs Expense per Adjusted Discharge	2.1%	-7.7%	1.1%	-8.6%
	Purchased Service Expense per Adjusted Discharge	5.7%	1.5%	0.8%	-6.2%

100-199 Beds

		Jun 24 vs. May 24 (Month-over-Month)	Jun 24 vs. Jun 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-6.8%	6.5%	22.4%	-12.8%
	Operating EBIDA Margin	-0.3%	-2.6%	17.6%	-9.8%
Volume	Discharges per Calendar Day	-1.1%	2.3%	3.8%	5.2%
	Adjusted Discharges per Calendar Day	-3.2%	2.0%	3.5%	13.6%
	Equivalent Patient Days per Calendar Day	-0.5%	1.8%	2.3%	4.1%
	Observation Patient Days as % of Patient Days	2.8%	-4.0%	-14.1%	-25.2%
	Adjusted Patient Days per Calendar Day	-2.2%	0.0%	2.1%	12.0%
	Average Length of Stay	1.4%	1.5%	-0.5%	-3.0%
	ED Visits per Calendar Day	-3.0%	0.3%	1.9%	13.5%
	Operating Room Minutes per Calendar Day	-6.5%	-8.4%	1.2%	7.6%
	Revenue	Net Operating Revenue per Calendar Day	-0.1%	6.7%	7.5%
Gross Operating Revenue per Calendar Day		-3.1%	2.8%	7.3%	26.9%
IP Revenue per Calendar Day		-2.2%	5.7%	7.4%	19.7%
OP Revenue per Calendar Day		-4.2%	0.7%	7.1%	33.6%
IP/OP Adjustment Factor		-1.3%	-2.5%	-0.3%	5.5%
NPSR per Adjusted Discharge		2.7%	5.2%	3.2%	2.9%
NPSR per Adjusted Patient Day		1.4%	7.9%	5.7%	7.5%
Bad Debt and Charity per Calendar Day		4.3%	26.1%	20.3%	27.4%
Bad Debt and Charity as a % of Gross		8.3%	19.5%	9.0%	-5.4%
Expense		Total Expense per Calendar Day	0.4%	5.2%	5.6%
	Labor Expense per Calendar Day	-0.6%	4.3%	3.3%	22.6%
	Non-Labor Expense per Calendar Day	0.5%	6.2%	6.2%	19.4%
	Supply Expense per Calendar Day	-4.7%	-2.4%	6.4%	19.4%
	Drugs Expense per Calendar Day	-7.2%	-2.2%	6.0%	5.3%
	Purchased Service Expense per Calendar Day	4.5%	4.9%	4.5%	9.6%
	Total Expense per Adjusted Discharge	2.3%	4.0%	0.0%	3.3%
	Labor Expense per Adjusted Discharge	1.0%	4.7%	0.0%	3.7%
	FTEs per AOB	0.8%	-5.7%	-1.5%	-8.6%
	Non-Labor Expense per Adjusted Discharge	3.1%	4.6%	-0.8%	1.7%
	Supply Expense per Adjusted Discharge	-1.3%	2.8%	2.3%	5.6%
	Drugs Expense per Adjusted Discharge	-2.7%	-1.2%	1.7%	-18.1%
	Purchased Service Expense per Adjusted Discharge	2.7%	3.4%	2.8%	-4.5%

200-299 Beds

		Jun 24 vs. May 24 (Month-over-Month)	Jun 24 vs. Jun 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-2.5%	-4.1%	25.9%	-5.3%
	Operating EBIDA Margin	-9.8%	-3.6%	11.3%	-7.2%
Volume	Discharges per Calendar Day	-3.7%	3.3%	6.3%	3.8%
	Adjusted Discharges per Calendar Day	-5.3%	1.5%	5.7%	10.5%
	Equivalent Patient Days per Calendar Day	-0.8%	0.4%	1.1%	1.2%
	Observation Patient Days as % of Patient Days	-5.8%	-13.6%	-12.9%	-2.4%
	Adjusted Patient Days per Calendar Day	-2.6%	0.0%	0.9%	8.1%
	Average Length of Stay	3.3%	-1.2%	-2.1%	-3.3%
	ED Visits per Calendar Day	-2.4%	1.1%	2.3%	9.7%
	Operating Room Minutes per Calendar Day	-4.5%	-8.6%	-1.4%	3.5%
	Revenue	Net Operating Revenue per Calendar Day	-1.2%	4.8%	8.4%
Gross Operating Revenue per Calendar Day		-3.8%	3.6%	7.9%	29.9%
IP Revenue per Calendar Day		-2.4%	7.2%	9.0%	19.5%
OP Revenue per Calendar Day		-5.0%	1.3%	8.0%	35.5%
IP/OP Adjustment Factor		-1.5%	-2.3%	0.1%	6.4%
NPSR per Adjusted Discharge		2.3%	5.3%	3.0%	2.0%
NPSR per Adjusted Patient Day		-0.3%	3.9%	6.5%	9.9%
Bad Debt and Charity per Calendar Day		1.1%	25.0%	25.2%	18.9%
Bad Debt and Charity as a % of Gross		6.3%	14.2%	16.4%	-3.2%
Expense		Total Expense per Calendar Day	0.2%	5.6%	5.4%
	Labor Expense per Calendar Day	-0.1%	5.3%	4.0%	23.3%
	Non-Labor Expense per Calendar Day	0.8%	2.9%	6.7%	22.8%
	Supply Expense per Calendar Day	-3.4%	2.4%	7.9%	21.7%
	Drugs Expense per Calendar Day	-5.1%	0.5%	8.0%	12.9%
	Purchased Service Expense per Calendar Day	0.4%	3.9%	5.6%	25.5%
	Total Expense per Adjusted Discharge	5.7%	2.2%	-0.8%	6.9%
	Labor Expense per Adjusted Discharge	4.7%	4.0%	-1.7%	10.0%
	FTEs per AOB	1.2%	1.2%	1.0%	-3.5%
	Non-Labor Expense per Adjusted Discharge	4.8%	2.4%	1.4%	3.6%
	Supply Expense per Adjusted Discharge	0.9%	4.4%	3.3%	1.4%
	Drugs Expense per Adjusted Discharge	-3.5%	4.5%	1.5%	-0.1%
	Purchased Service Expense per Adjusted Discharge	6.3%	2.6%	1.0%	7.7%

300-499 Beds

		Jun 24 vs. May 24 (Month-over-Month)	Jun 24 vs. Jun 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-1.8%	13.2%	21.4%	-37.1%
	Operating EBIDA Margin	-2.0%	0.1%	19.2%	-23.0%
Volume	Discharges per Calendar Day	-3.2%	2.0%	5.7%	0.9%
	Adjusted Discharges per Calendar Day	-4.7%	1.8%	4.9%	7.4%
	Equivalent Patient Days per Calendar Day	0.4%	2.9%	1.9%	0.4%
	Observation Patient Days as % of Patient Days	0.8%	-9.7%	-16.6%	-18.8%
	Adjusted Patient Days per Calendar Day	-2.0%	3.1%	2.7%	6.2%
	Average Length of Stay	2.7%	3.3%	-1.9%	-2.9%
	ED Visits per Calendar Day	-1.7%	2.7%	4.8%	10.3%
	Operating Room Minutes per Calendar Day	-3.3%	-4.1%	2.4%	4.6%
	Revenue	Net Operating Revenue per Calendar Day	0.1%	5.1%	7.4%
Gross Operating Revenue per Calendar Day		-3.1%	4.3%	8.8%	22.4%
IP Revenue per Calendar Day		-0.8%	6.4%	7.4%	15.9%
OP Revenue per Calendar Day		-5.2%	3.0%	8.9%	28.7%
IP/OP Adjustment Factor		-2.1%	-1.6%	0.3%	6.1%
NPSR per Adjusted Discharge		4.1%	3.9%	3.4%	8.4%
NPSR per Adjusted Patient Day		1.4%	2.1%	5.1%	11.6%
Bad Debt and Charity per Calendar Day		8.9%	20.6%	21.7%	23.1%
Bad Debt and Charity as a % of Gross		12.7%	16.4%	15.4%	11.3%
Expense		Total Expense per Calendar Day	0.4%	6.1%	6.0%
	Labor Expense per Calendar Day	-0.2%	5.8%	4.3%	18.4%
	Non-Labor Expense per Calendar Day	0.2%	5.5%	7.0%	18.6%
	Supply Expense per Calendar Day	-4.8%	2.0%	9.0%	16.8%
	Drugs Expense per Calendar Day	-8.7%	-2.5%	7.5%	10.6%
	Purchased Service Expense per Calendar Day	6.6%	5.5%	5.6%	21.6%
	Total Expense per Adjusted Discharge	3.6%	5.0%	1.1%	8.2%
	Labor Expense per Adjusted Discharge	4.0%	3.8%	1.2%	5.8%
	FTEs per AOB	2.1%	-1.7%	-0.2%	-5.0%
	Non-Labor Expense per Adjusted Discharge	5.4%	3.5%	0.8%	8.1%
	Supply Expense per Adjusted Discharge	-1.3%	-1.8%	1.8%	4.6%
	Drugs Expense per Adjusted Discharge	-3.3%	-3.9%	-0.3%	-11.5%
	Purchased Service Expense per Adjusted Discharge	11.3%	4.4%	2.5%	14.6%

500+ Beds

		Jun 24 vs. May 24 (Month-over-Month)	Jun 24 vs. Jun 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-4.9%	-18.2%	2.9%	4.8%
	Operating EBIDA Margin	-3.6%	-8.4%	1.6%	2.6%
Volume	Discharges per Calendar Day	-2.6%	-0.3%	3.3%	3.9%
	Adjusted Discharges per Calendar Day	-2.2%	0.2%	4.4%	11.3%
	Equivalent Patient Days per Calendar Day	-0.4%	3.2%	2.0%	7.0%
	Observation Patient Days as % of Patient Days	4.7%	-4.8%	-10.8%	-16.8%
	Adjusted Patient Days per Calendar Day	-1.7%	2.1%	4.1%	13.5%
	Average Length of Stay	0.9%	3.7%	-0.2%	-0.6%
	ED Visits per Calendar Day	-1.2%	2.2%	4.1%	15.2%
	Operating Room Minutes per Calendar Day	-5.5%	-3.7%	1.4%	7.7%
	Revenue	Net Operating Revenue per Calendar Day	-2.3%	2.0%	8.9%
Gross Operating Revenue per Calendar Day		-4.1%	5.2%	9.1%	29.5%
IP Revenue per Calendar Day		-3.0%	6.4%	9.0%	20.9%
OP Revenue per Calendar Day		-4.5%	3.6%	10.0%	36.4%
IP/OP Adjustment Factor		-0.5%	-1.0%	-0.3%	4.6%
NPSR per Adjusted Discharge		0.1%	2.6%	4.9%	11.8%
NPSR per Adjusted Patient Day		-0.8%	1.8%	6.1%	13.1%
Bad Debt and Charity per Calendar Day		0.0%	16.0%	28.7%	31.0%
Bad Debt and Charity as a % of Gross		4.5%	13.5%	10.6%	9.8%
Expense		Total Expense per Calendar Day	-0.7%	4.5%	7.4%
	Labor Expense per Calendar Day	0.2%	4.1%	4.7%	20.7%
	Non-Labor Expense per Calendar Day	-1.3%	4.8%	8.3%	24.6%
	Supply Expense per Calendar Day	-3.6%	4.6%	11.4%	30.8%
	Drugs Expense per Calendar Day	-4.9%	5.7%	13.5%	41.8%
	Purchased Service Expense per Calendar Day	-0.3%	6.8%	10.8%	29.7%
	Total Expense per Adjusted Discharge	2.1%	7.4%	4.1%	8.9%
	Labor Expense per Adjusted Discharge	3.7%	5.4%	1.7%	6.9%
	FTEs per AOB	2.1%	1.1%	-0.8%	-6.4%
	Non-Labor Expense per Adjusted Discharge	1.9%	6.6%	4.7%	10.5%
	Supply Expense per Adjusted Discharge	-1.6%	2.7%	5.1%	14.5%
	Drugs Expense per Adjusted Discharge	-3.0%	2.8%	8.6%	19.9%
	Purchased Service Expense per Adjusted Discharge	4.6%	4.6%	3.6%	6.7%

Non-Operating

National Non-Operating Results

Key Observations

- June’s Consumer Price Index (CPI) showed a welcome decline, reaching its lowest point in over three years, and suggesting inflation is on a downward trend after a temporary rise earlier in 2024
- The core CPI, excluding volatile food and energy prices, rose modestly, up 0.1% month-over-month and 3.3% year-over-year
- The Producer Price Index (PPI) rose in June, increasing 0.2% for the month, reversing a 0.2% decline in May
- In the June 2024 FOMC meeting, Fed officials held rates steady at 5.25% - 5.5%, the highest in over two decades, but acknowledged rising inflation and signaled a possible 25 basis point rate cut by year-end, with projections for more easing in 2025
- Minutes from the June FOMC meeting showed confidence that inflation will fall without hurting employment; they believe their current monetary policy is “well positioned to deal with the risks and uncertainties”
- U.S. real GDP grew 1.4% in Q1 of 2024, according to the BEA’s 3rd estimate. Comparatively, real GDP increased 3.4% in Q4 of 2023. This decrease in GDP growth primarily reflected decelerations in consumer spending as well as a downturn in local, state, and federal government spending
- The U.S. economy added a solid 206,000 jobs in June, in line with expectations, indicating continued resilience despite elevated interest rates
- The unemployment rate slightly increased 0.1% from May to 4.1% in June which is the highest level since 2020 and the third consecutive month to see increases; average hourly earnings were higher than expectations as well, rising 0.3% over the month and 3.9% from a year ago
- The S&P 500 rose 3.5% in June, bringing its YTD and YoY gains to 14.5% and 22.7%, respectively

General Non-Operating Observations

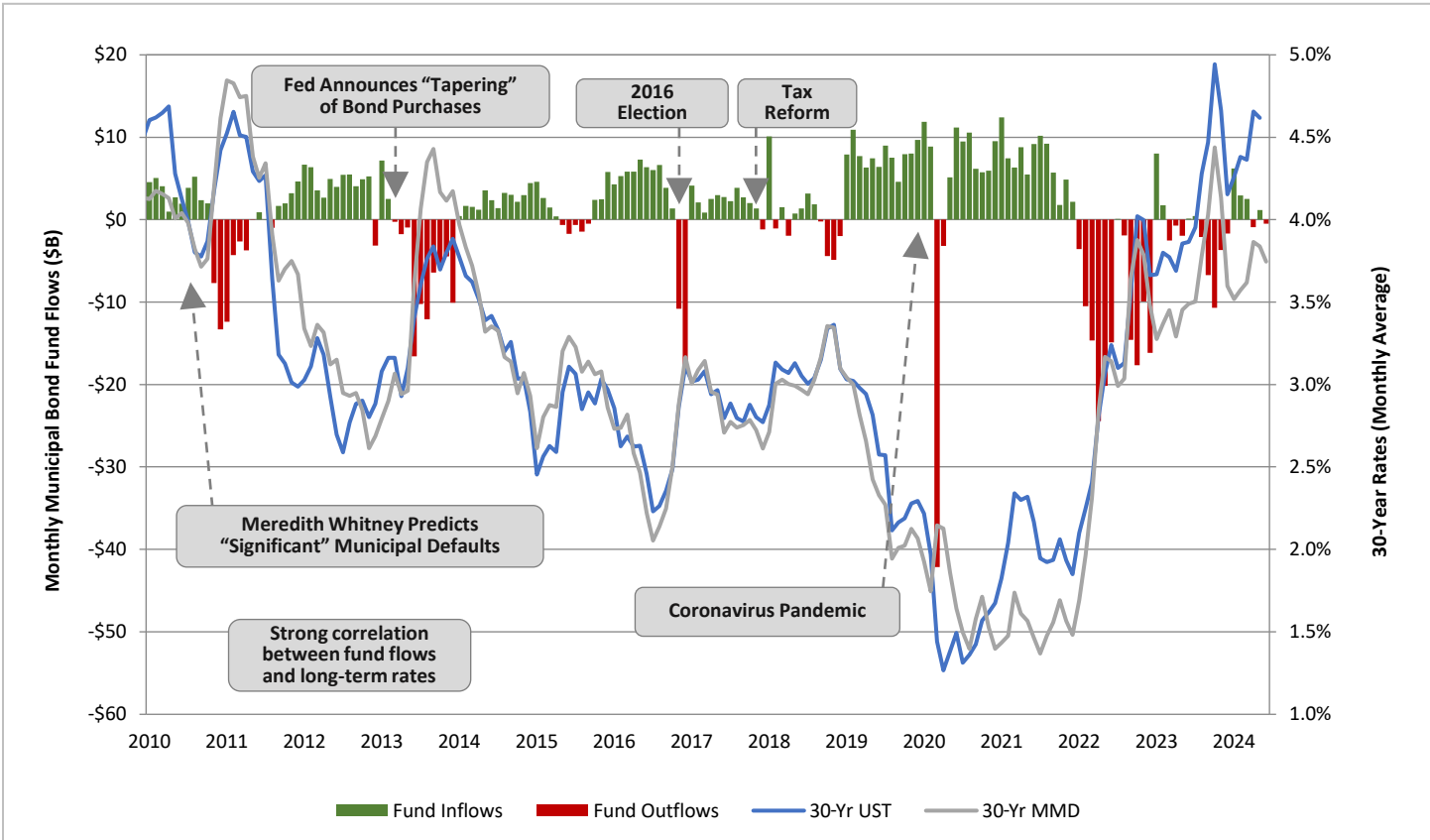
	June 2024	M-o-M Change	Y-o-Y Change
General			
GDP Growth*	1.4%	n/a	n/a
Unemployment Rate	4.1%	+0.1%	+0.5%
Personal Consumption Expenditures (Y-o-Y)	2.6%	-0.2%	-1.7%
Liabilities			
SOFR	5.33%	-1 bp	+24 bps
SIFMA	3.88%	+52 bps	-13 bps
30-yr MMD	3.72%	-24 bps	+23 bps
30-yr Treasury	4.51%	-14 bps	+66 bps
Assets			
60/40 Asset Allocation [†]	n/a	+2.2%	+12.3 %

*U.S. Bureau of Economic Analysis, Q1 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



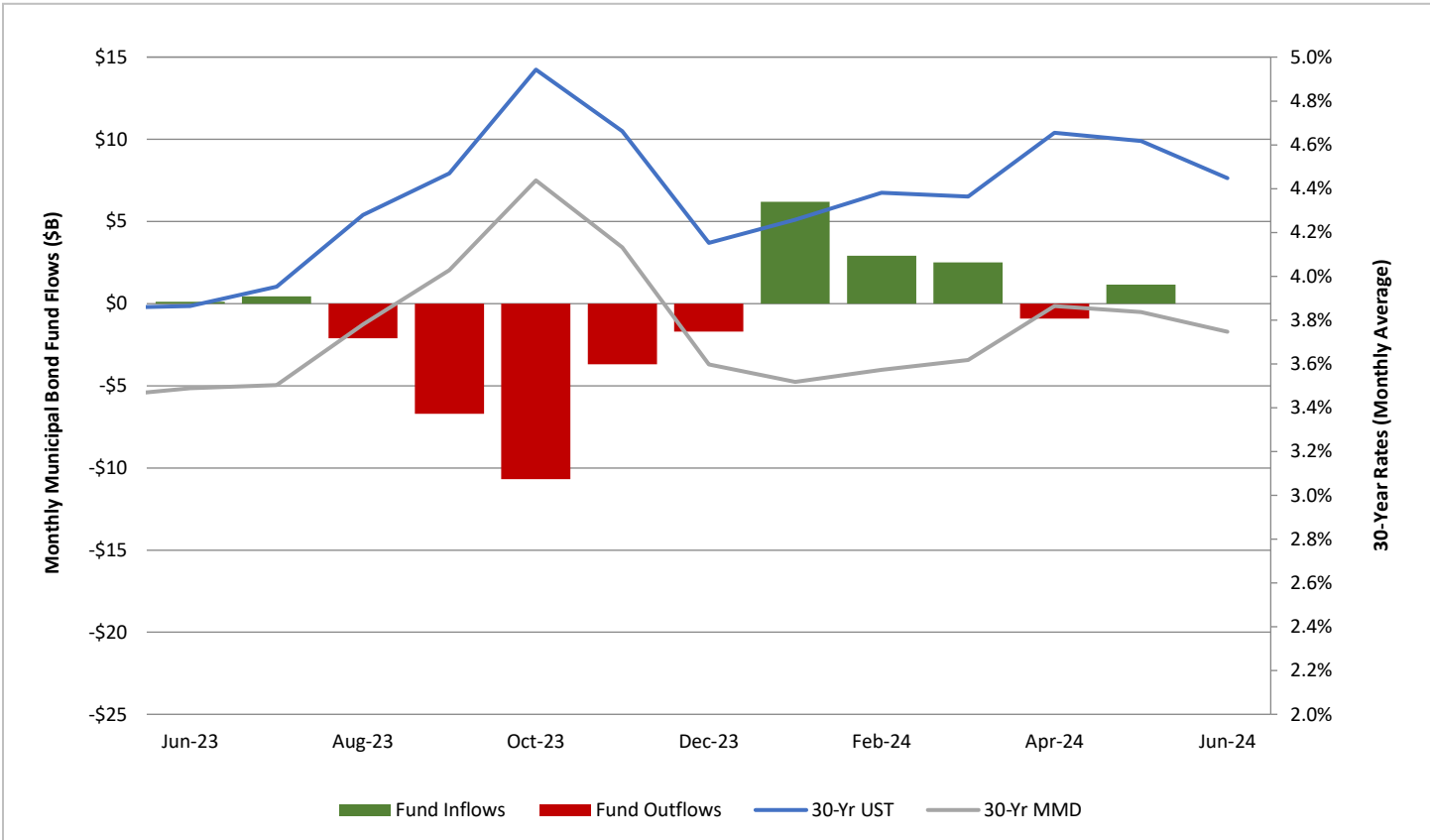
In June, the tax-exempt 30-year MMD decreased 24 basis points compared to the prior month-end, settling at 3.72%. The 30-year Treasury rate also decreased, falling 14 basis points to end the month at 4.51%. 30-year MMD/Treasury ratios widened across the curve from May, with a two-year ratio of 66%, down from 69%, and 10-year ratio of 65%, down from 69%. The 30-year ratio is at 85%, which remained unchanged at the end of May.

Kaufman Hall, National Hospital Flash Report (June 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 Liabilities *(continued)*

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



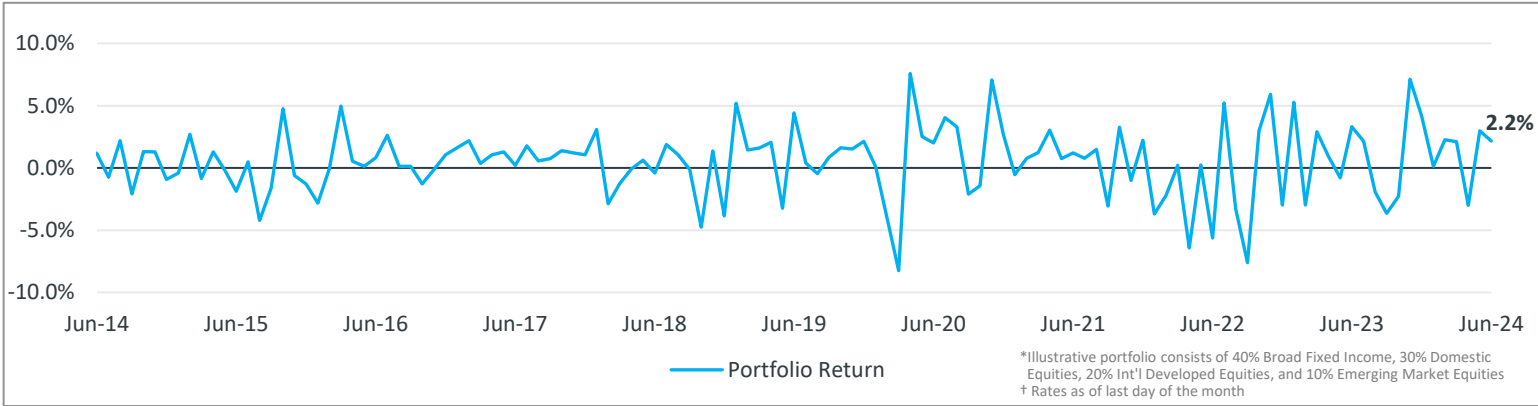
\$481 million exited Municipal funds in June, a stark contrast to May inflows of \$1.2 billion. This trend is not expected to continue as health systems attempt to avoid volatility approaching the November election. YTD 2024 supply continues to outpace YTD 2023 as total municipal issuance and total healthcare supply are 30.8% and 129.6% higher, respectively, at the end June.

Kaufman Hall, National Hospital Flash Report (June 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

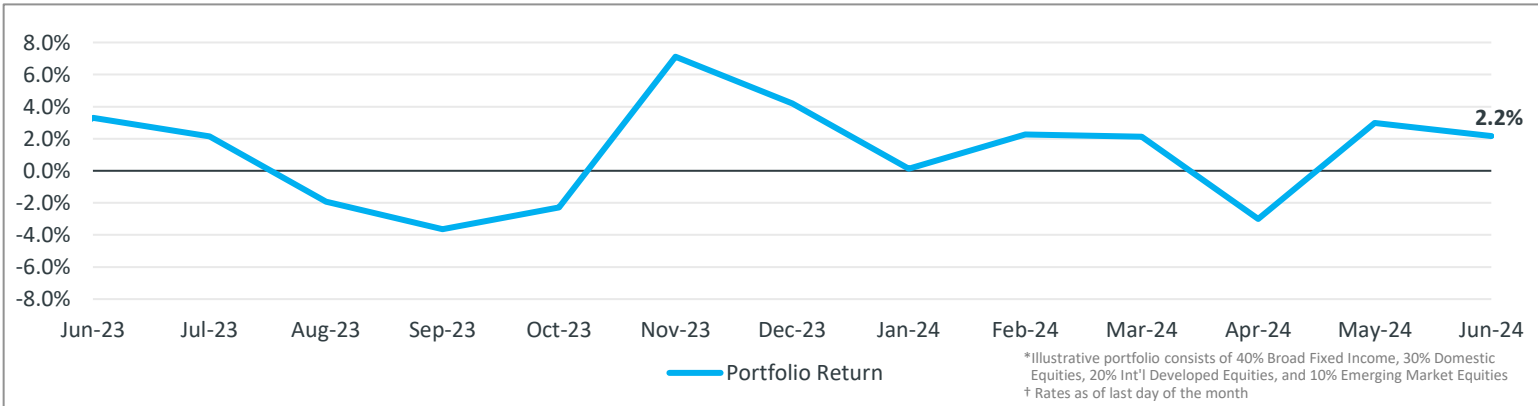


Kaufman Hall, National Hospital Flash Report (June 2024 Metrics)

Equities continued to rise in June adding to a trend of gains in 2024 that spanned four consecutive months at the beginning of the year. The S&P 500 rose 3.5% in June, bringing its year-over-year gains to 22.7%.

The blended 60/40 asset allocation finished June 2.2% higher month-over-month with the S&P posting the largest gains. The MSCI World, MSCI Emerging Markets, and Barclays Agg Indexes all rose during the month, rising 1.9%, 3.6%, and 0.9%, respectively.

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



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

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Talk to us

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