



JULY 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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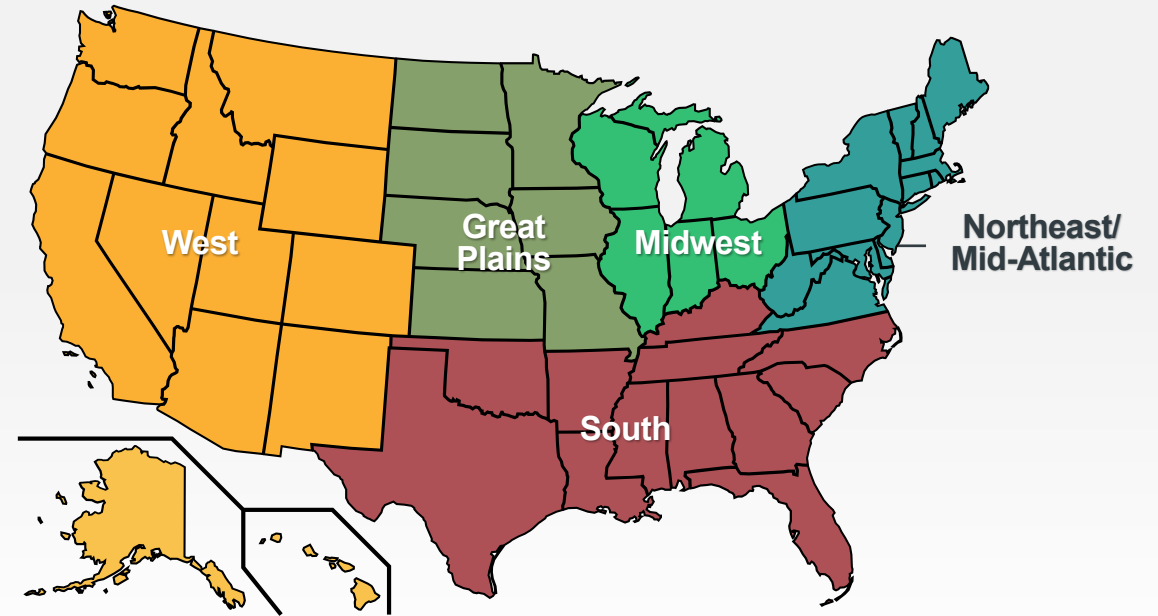
About the Data

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.



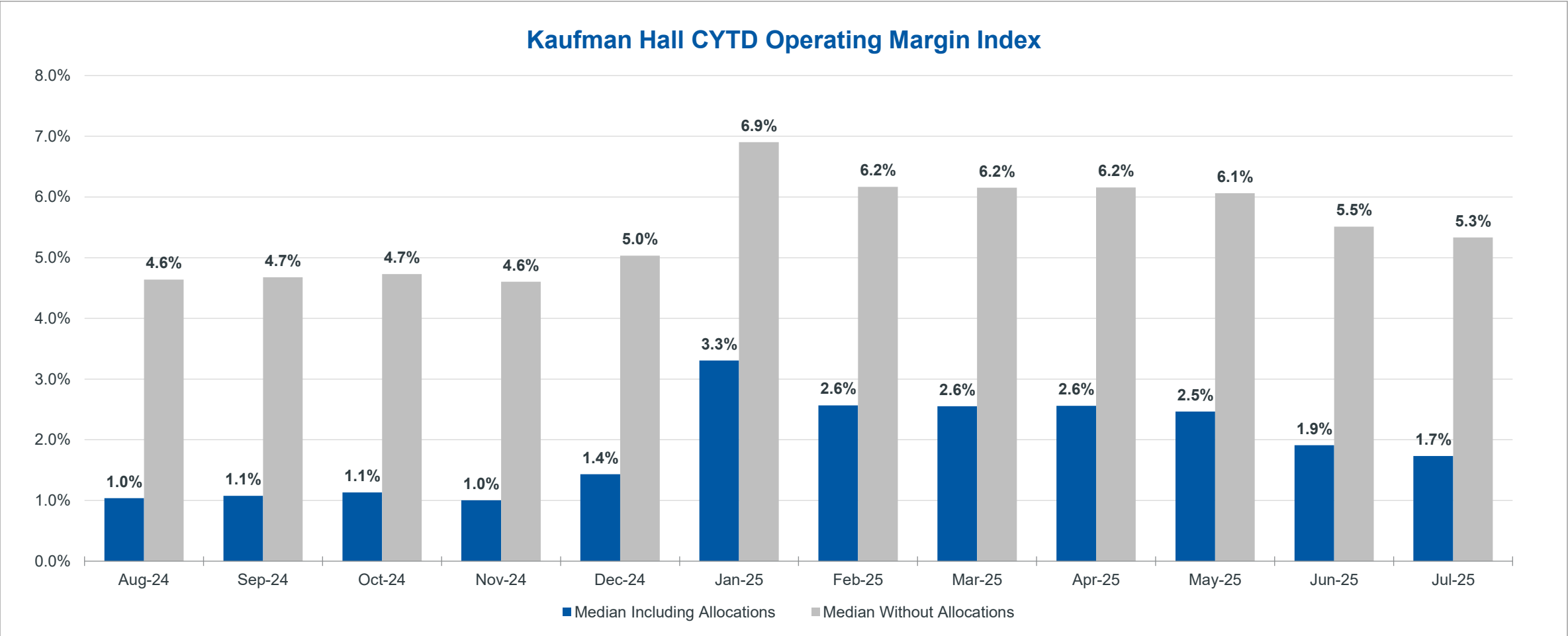
Strata Decision Technology, LLC provides an innovative, cloud-based platform for software, and data and service solutions to help healthcare organizations acquire insights, accelerate decisions, and enhance performance in support of their missions. More than 2,300 organizations rely on Strata's StrataJazz 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. Patient volumes and revenues are trending upward.** However, bad debt and charity care continue to be elevated.
- 2. Expense growth is outpacing revenue growth.** Non-labor expenses continue to put pressure on hospitals.
- 3. Margins have improved over prior years, though there has been some softening in recent months.** Given an uncertain future outlook, many hospitals are taking steps to build long term resiliency.

Operating Margin

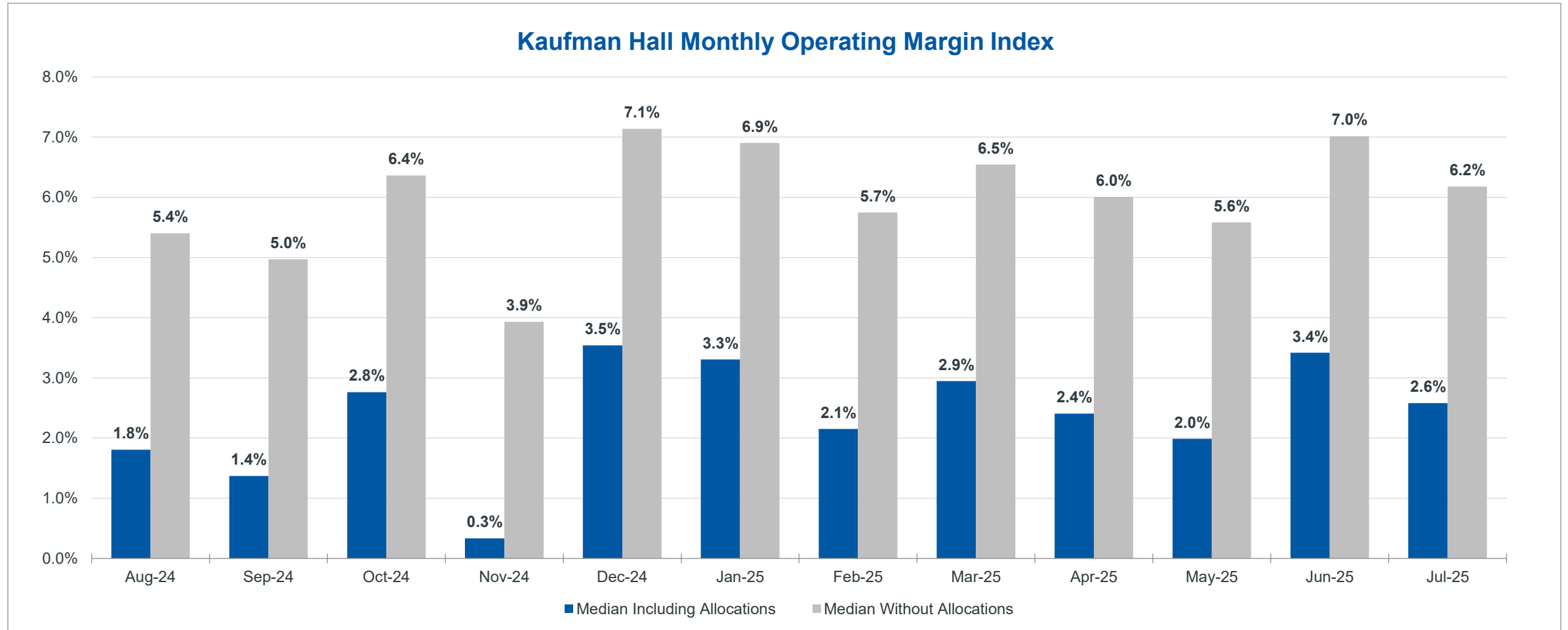
Kaufman Hall CYTD Operating Margin Index



Kaufman Hall, National Hospital Flash Report (July 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, *National Hospital Flash Report* (July 2025 Metrics)

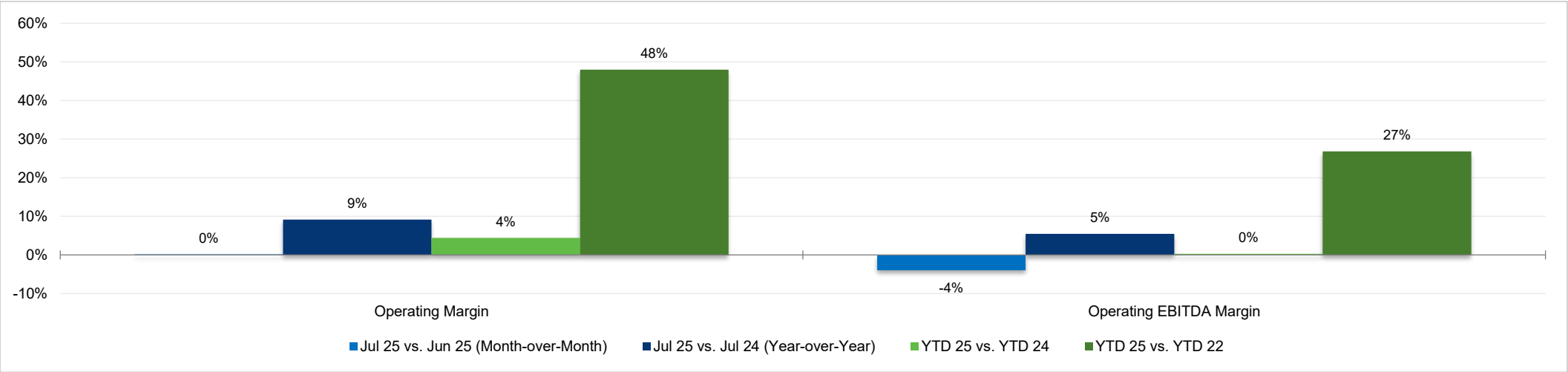
* Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset, and are displayed with and without adjustments for allocations to hospitals from corporate, physician, and other entities.

National and Regional Data

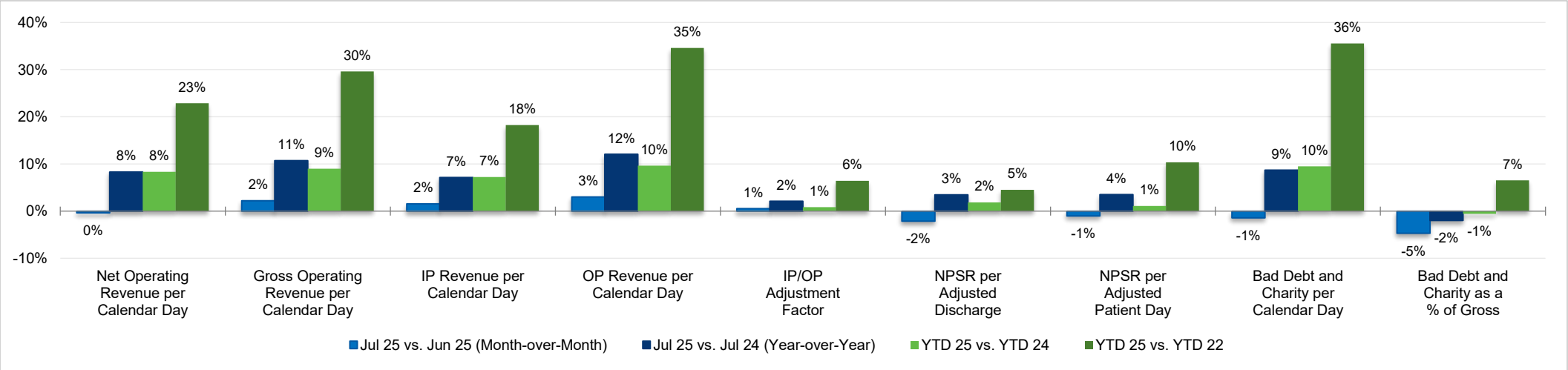
Profitability, Revenue, Expense, and Volume

National Data

Profitability

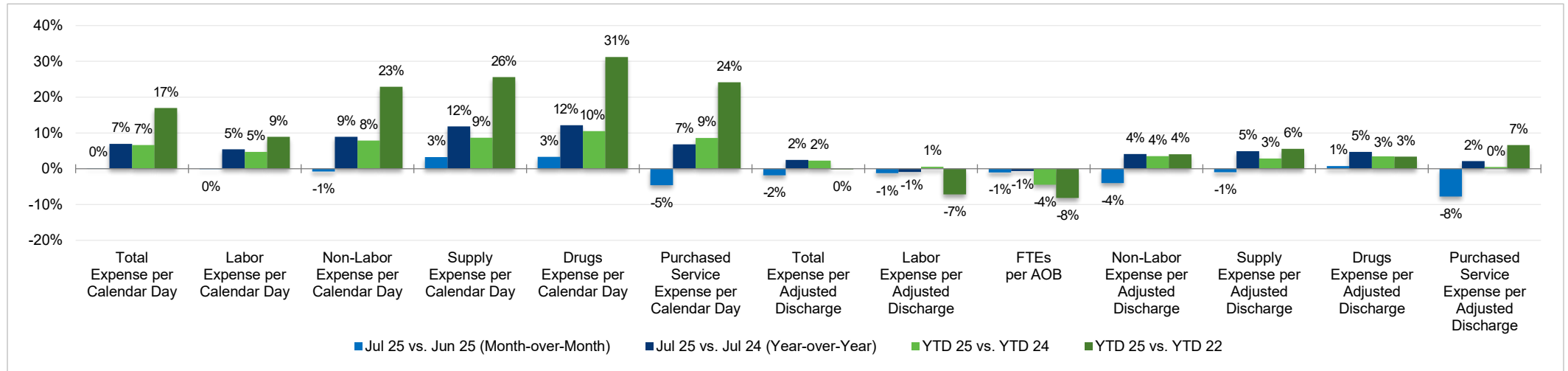


Revenue

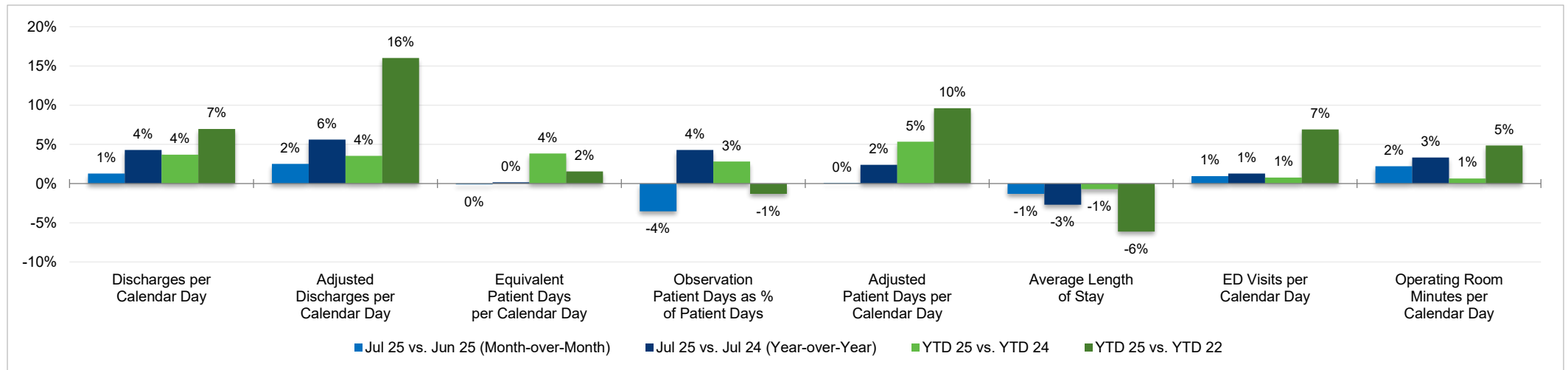


National Data *(continued)*

Expense

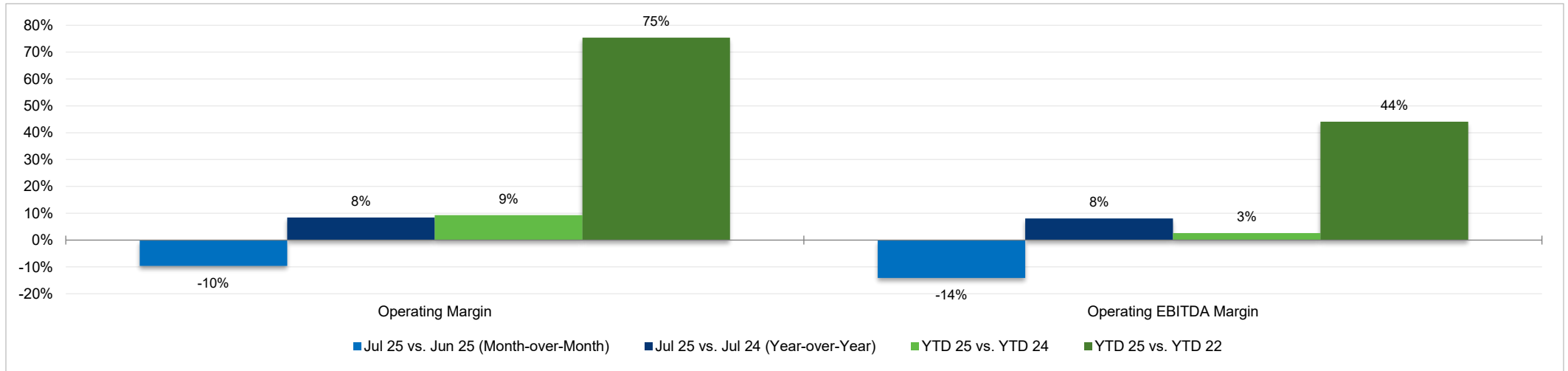


Volume

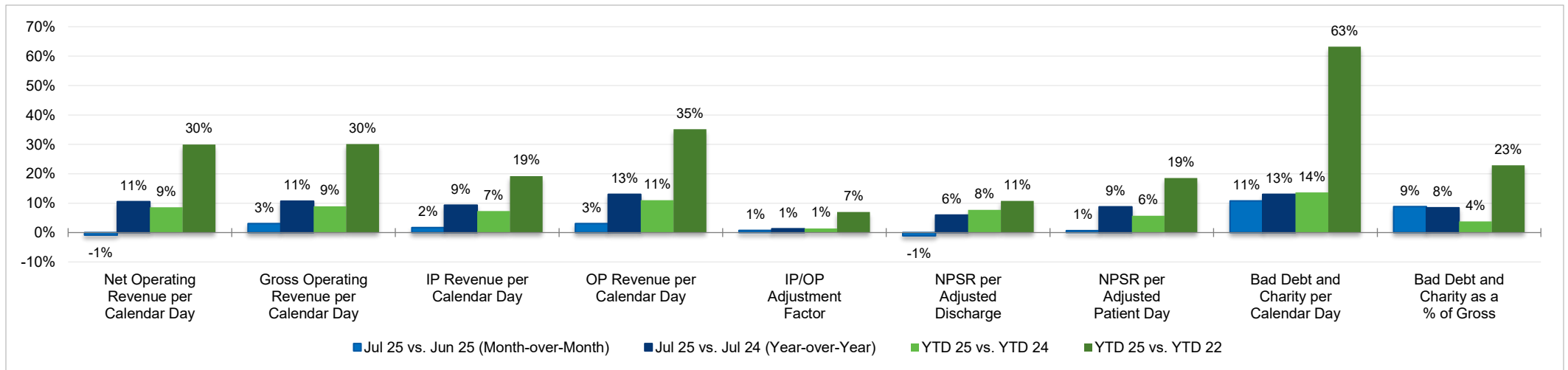


Regional Data: West

Profitability

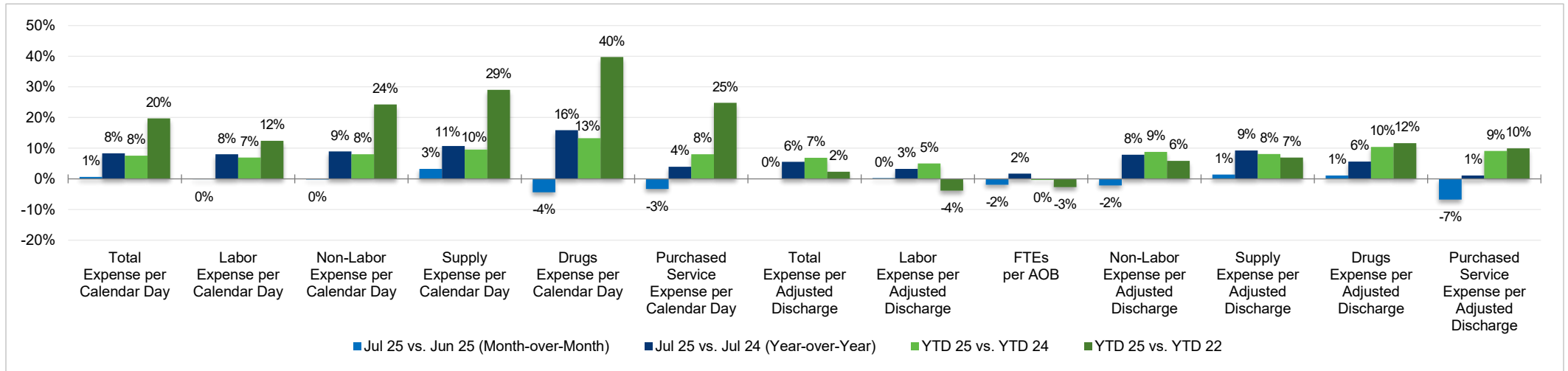


Revenue

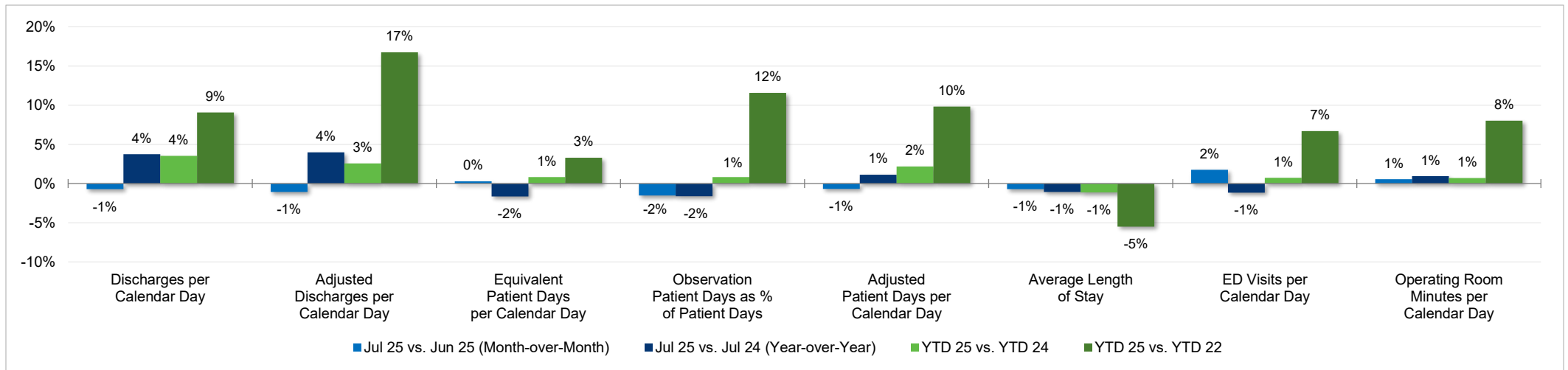


Regional Data: West *(continued)*

Expense

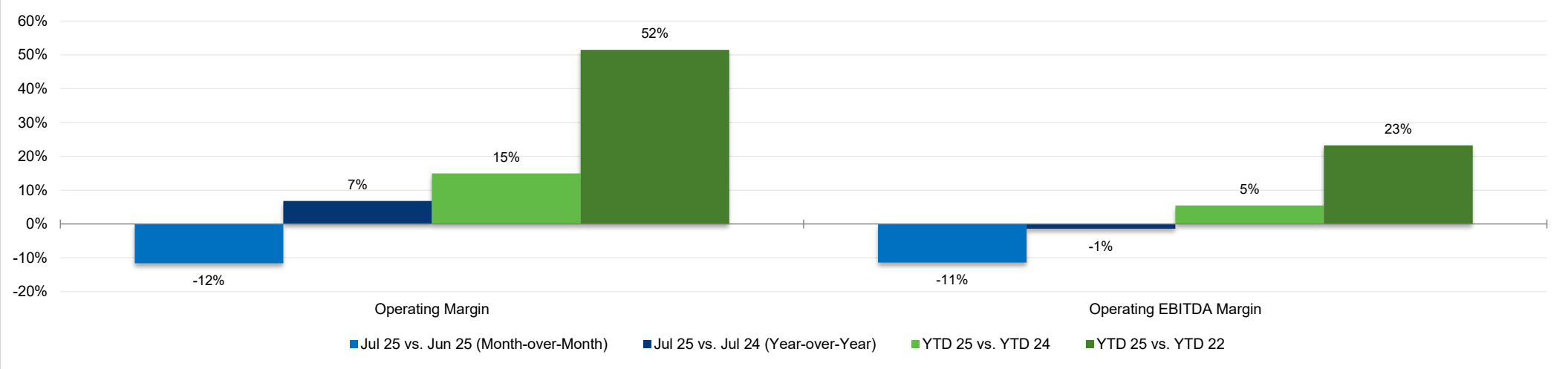


Volume

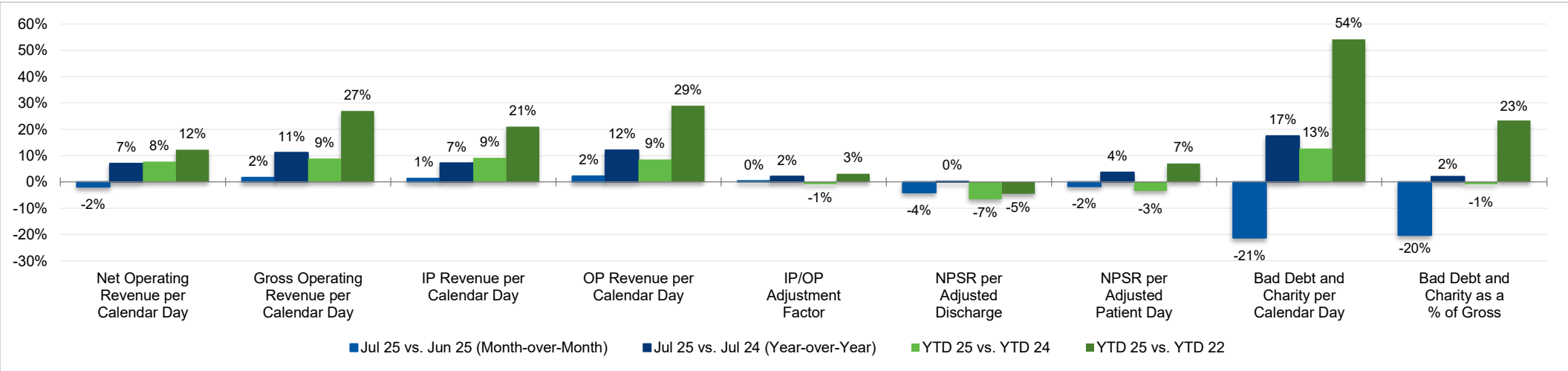


Regional Data: Midwest

Profitability

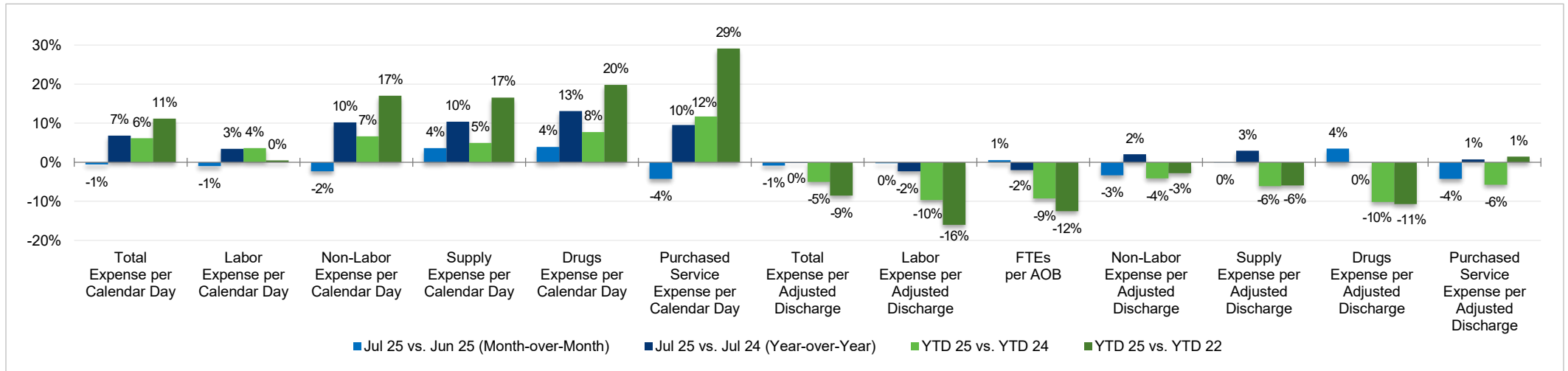


Revenue

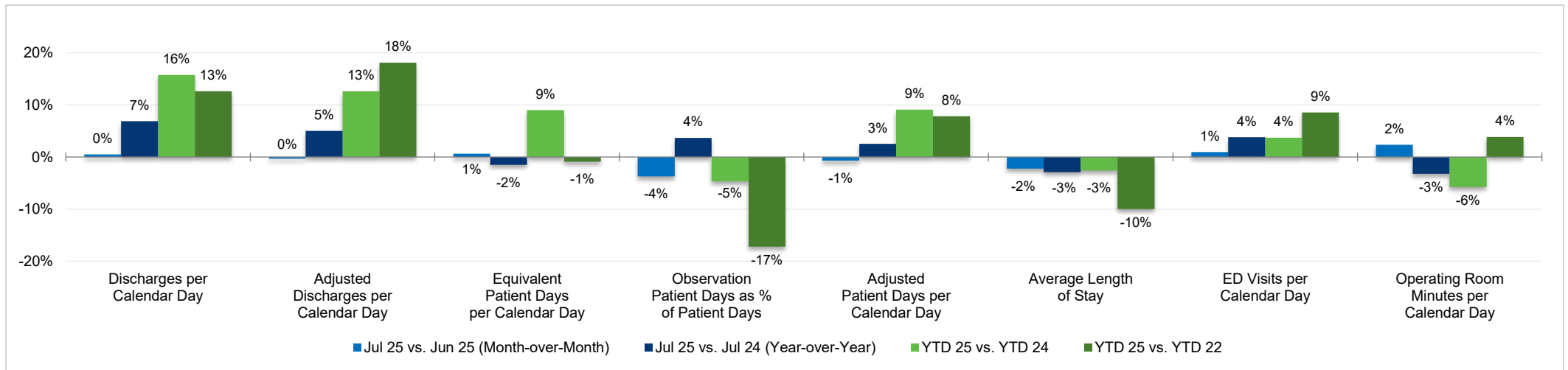


Regional Data: Midwest *(continued)*

Expense

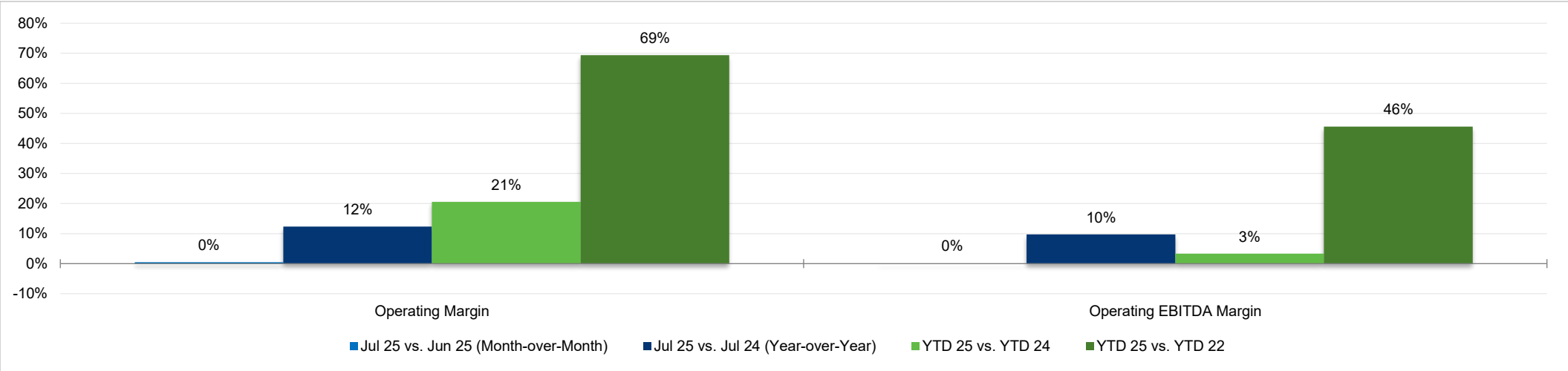


Volume

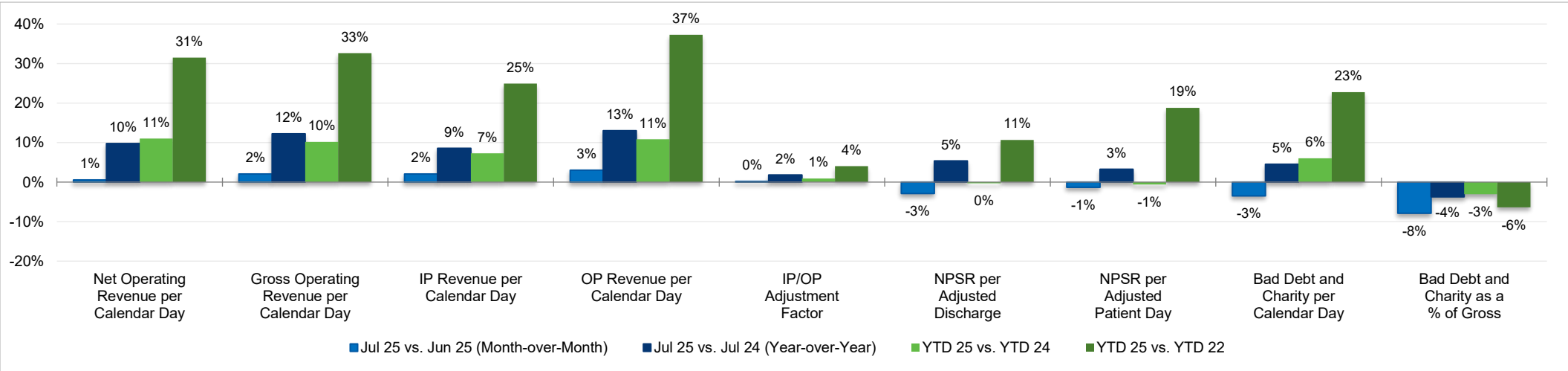


Regional Data: South

Profitability

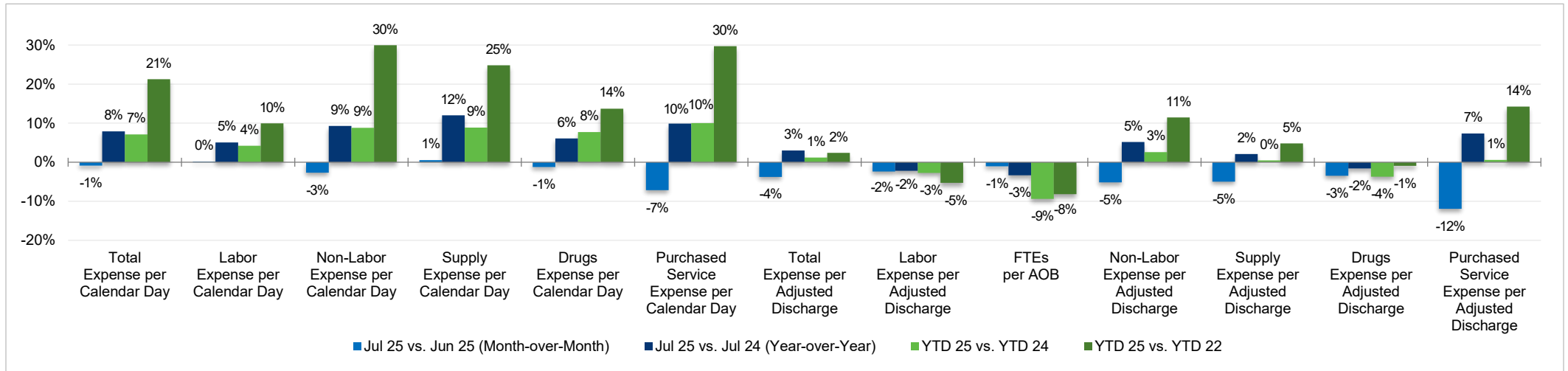


Revenue

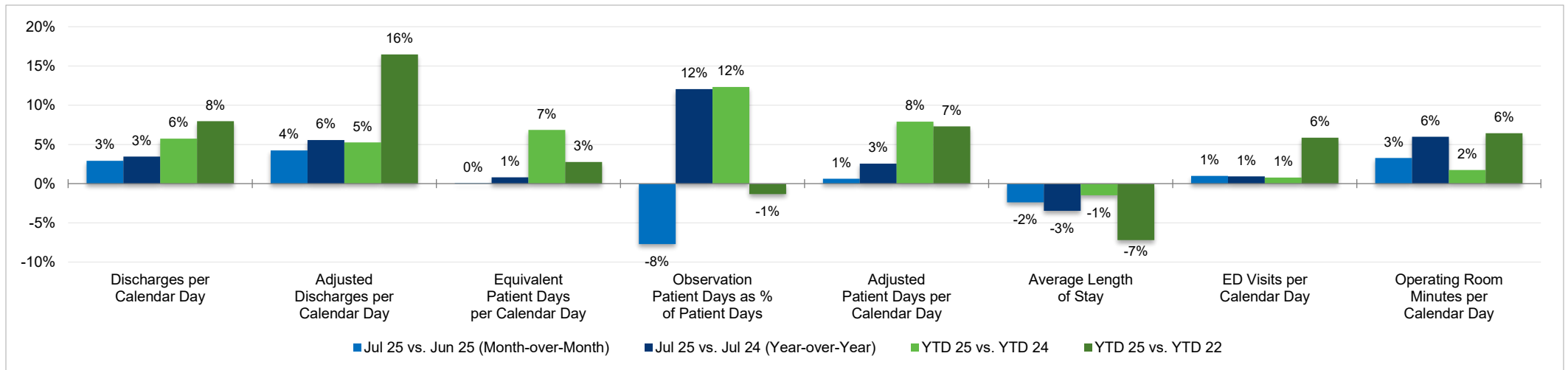


Regional Data: South *(continued)*

Expense

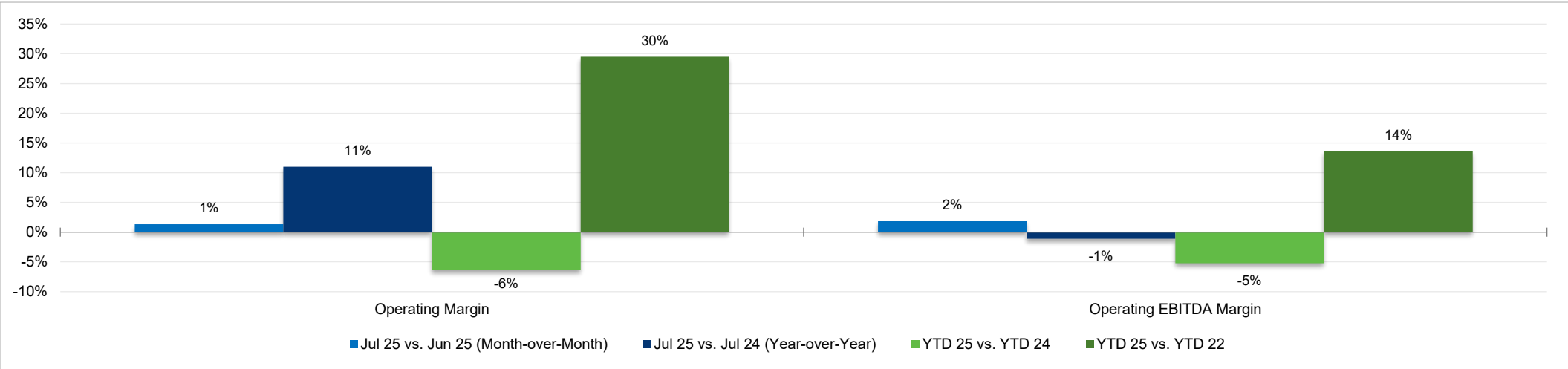


Volume

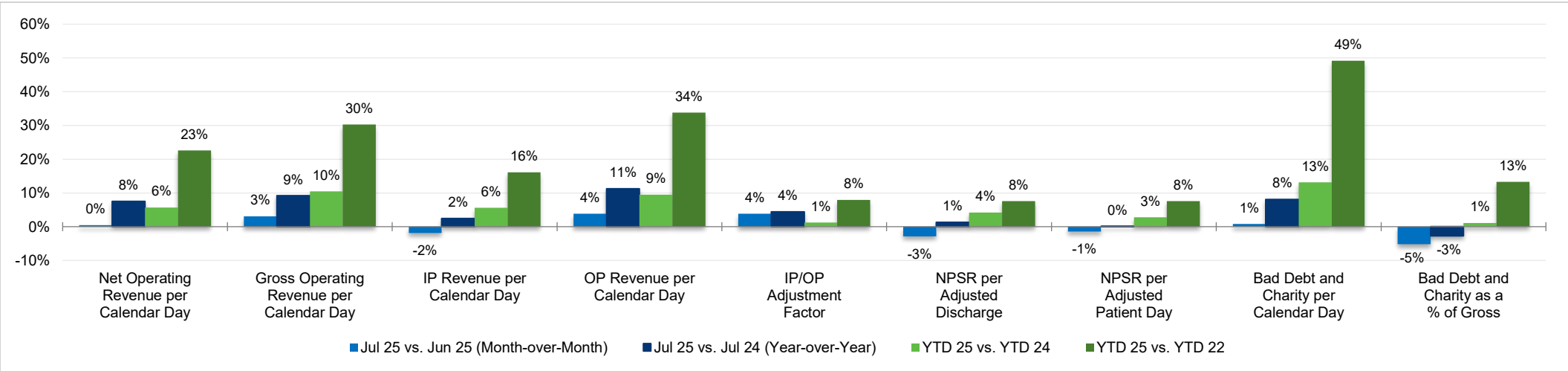


Regional Data: Northeast/Mid-Atlantic

Profitability

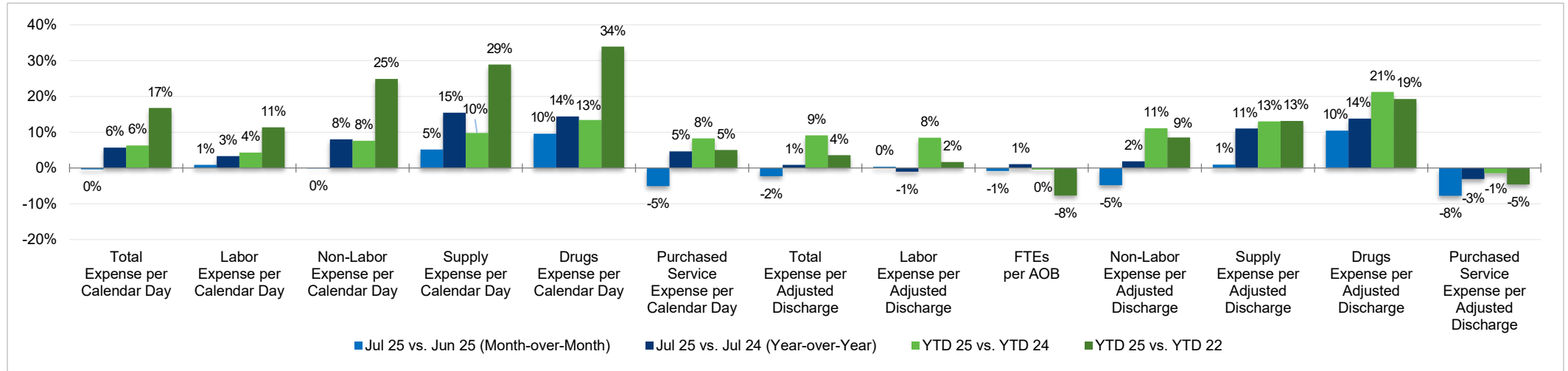


Revenue

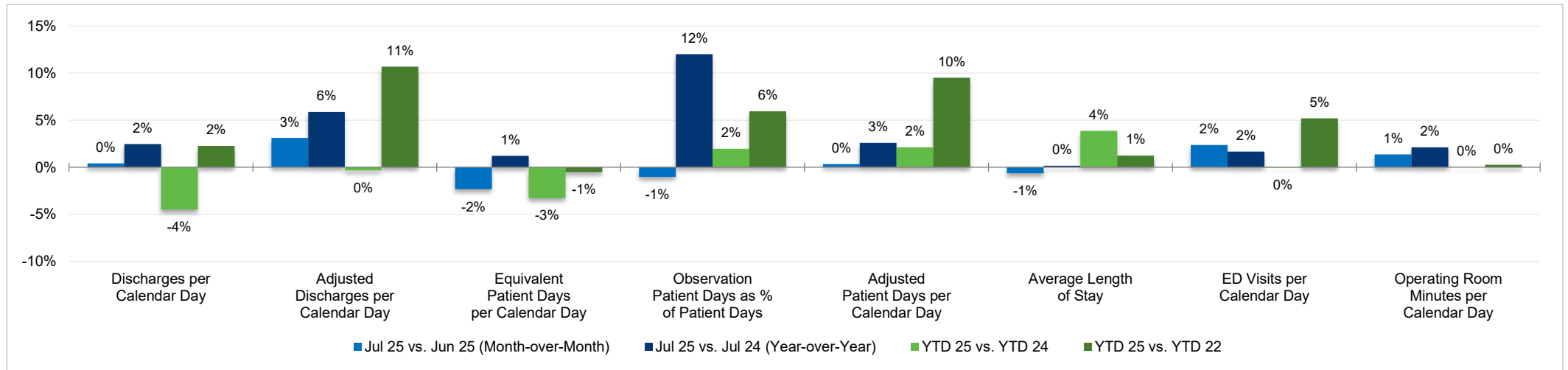


Regional Data: Northeast/Mid-Atlantic *(continued)*

Expense

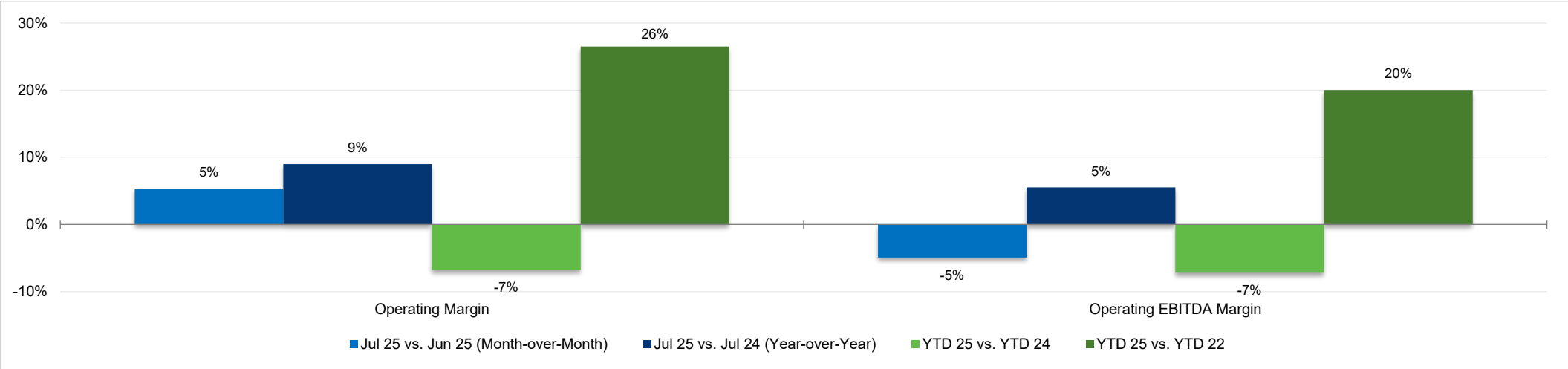


Volume

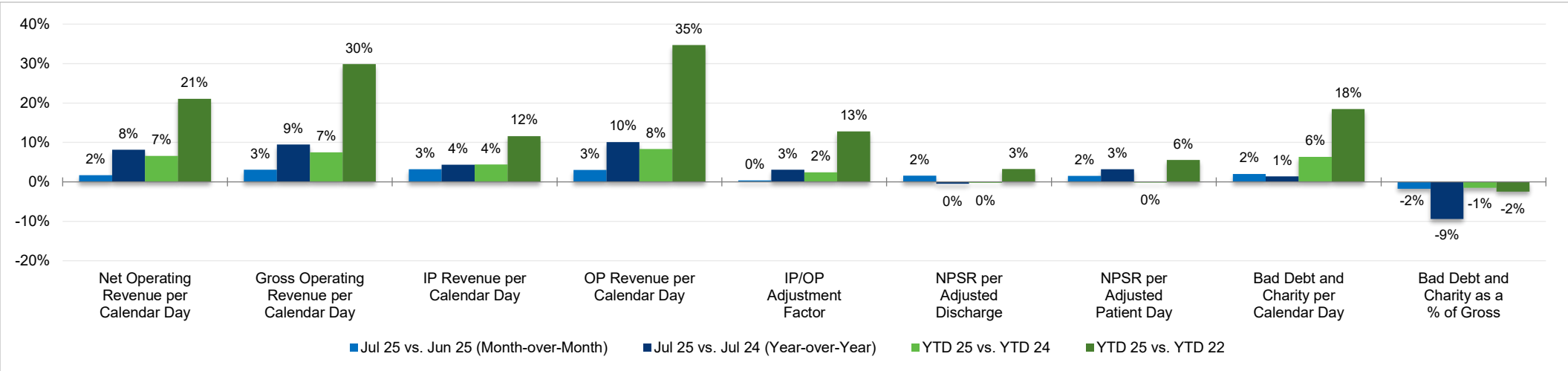


Regional Data: Great Plains

Profitability

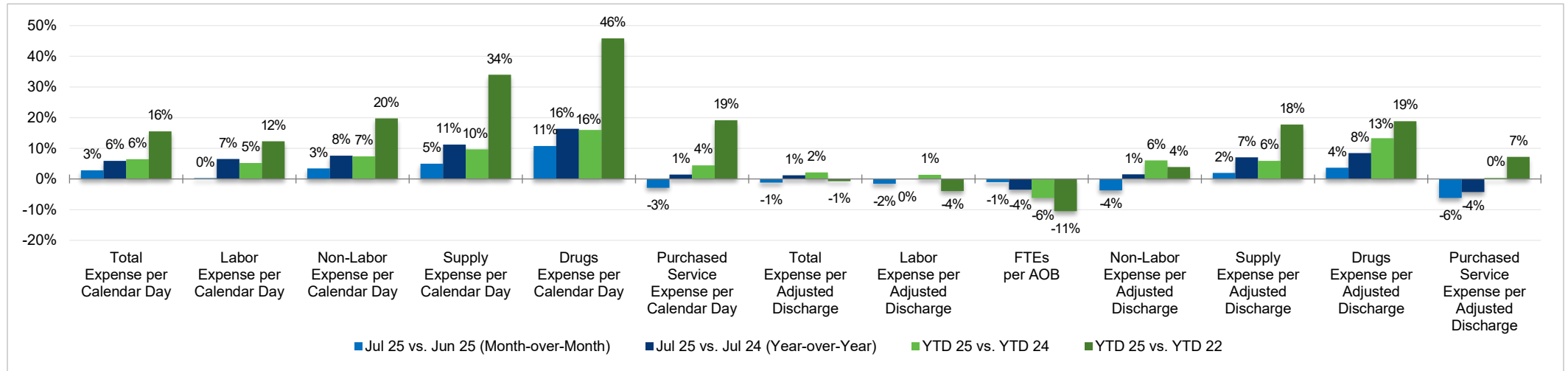


Revenue

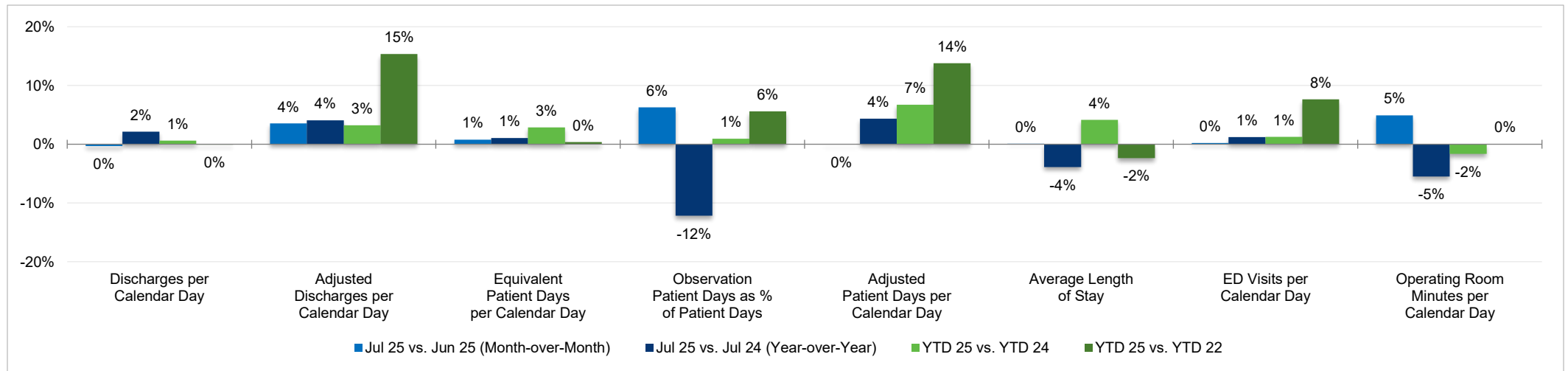


Regional Data: Great Plains *(continued)*

Expense



Volume



Data by Hospital Bed Size

Profitability, Revenue, Expense, and Volume

0-25 Beds

		Jul 25 vs. Jun 25 (Month-over-Month)	Jul 25 vs. Jul 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	1.1%	5.5%	-1.7%	30.8%
	Operating EBIDA Margin	-8.5%	7.7%	-8.6%	13.0%
Volume	Discharges per Calendar Day	-2.0%	2.6%	3.3%	5.2%
	Adjusted Discharges per Calendar Day	1.1%	3.6%	6.7%	26.8%
	Equivalent Patient Days per Calendar Day	-1.0%	-4.2%	1.3%	-4.2%
	Observation Patient Days as % of Patient Days	-0.6%	-1.5%	0.4%	0.2%
	Adjusted Patient Days per Calendar Day	-2.7%	0.9%	7.2%	16.0%
	Average Length of Stay	-5.2%	-2.8%	-0.4%	-6.5%
	ED Visits per Calendar Day	1.4%	-0.8%	0.7%	6.4%
	Operating Room Minutes per Calendar Day	-5.5%	-4.1%	3.4%	8.6%
	Revenue	Net Operating Revenue per Calendar Day	-1.9%	7.3%	6.0%
Gross Operating Revenue per Calendar Day		2.2%	9.9%	8.7%	29.6%
IP Revenue per Calendar Day		2.7%	-4.0%	4.6%	4.7%
OP Revenue per Calendar Day		2.8%	11.7%	9.6%	33.5%
IP/OP Adjustment Factor		-2.4%	7.5%	4.2%	19.0%
NPSR per Adjusted Discharge		-3.8%	4.0%	-3.6%	-6.2%
NPSR per Adjusted Patient Day		-2.7%	4.2%	-1.0%	1.6%
Bad Debt and Charity per Calendar Day		-6.6%	15.6%	10.1%	45.2%
Bad Debt and Charity as a % of Gross	-13.0%	1.3%	-0.6%	10.2%	
Expense	Total Expense per Calendar Day	1.3%	5.8%	6.5%	15.2%
	Labor Expense per Calendar Day	-0.1%	5.5%	4.6%	9.4%
	Non-Labor Expense per Calendar Day	-0.4%	6.3%	7.3%	21.1%
	Supply Expense per Calendar Day	7.2%	9.3%	8.6%	26.8%
	Drugs Expense per Calendar Day	7.1%	15.7%	11.6%	44.0%
	Purchased Service Expense per Calendar Day	-4.4%	7.3%	8.5%	18.9%
	Total Expense per Adjusted Discharge	-8.1%	1.7%	0.1%	-11.7%
	Labor Expense per Adjusted Discharge	-2.4%	-1.5%	-2.1%	-16.6%
	FTEs per AOB	-1.2%	-2.7%	-6.8%	-16.5%
	Non-Labor Expense per Adjusted Discharge	-11.7%	1.1%	1.3%	-8.8%
	Supply Expense per Adjusted Discharge	-2.7%	8.9%	0.8%	-7.9%
	Drugs Expense per Adjusted Discharge	-0.4%	8.3%	7.1%	2.6%
Purchased Service Expense per Adjusted Discharge	-11.4%	1.3%	-2.7%	-8.5%	

26-99 Beds

		Jul 25 vs. Jun 25 (Month-over-Month)	Jul 25 vs. Jul 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	4.0%	9.0%	9.5%	53.2%
	Operating EBIDA Margin	-0.9%	4.5%	1.3%	41.0%
Volume	Discharges per Calendar Day	0.8%	5.6%	5.7%	7.2%
	Adjusted Discharges per Calendar Day	0.9%	6.5%	3.0%	16.7%
	Equivalent Patient Days per Calendar Day	0.2%	5.7%	6.7%	1.5%
	Observation Patient Days as % of Patient Days	-3.0%	17.4%	5.0%	-1.9%
	Adjusted Patient Days per Calendar Day	0.1%	7.4%	6.5%	9.9%
	Average Length of Stay	-1.4%	-1.6%	-1.3%	-7.1%
	ED Visits per Calendar Day	1.4%	1.3%	1.4%	9.1%
	Operating Room Minutes per Calendar Day	6.5%	3.9%	-3.3%	-9.8%
	Revenue	Net Operating Revenue per Calendar Day	0.5%	5.9%	8.8%
Gross Operating Revenue per Calendar Day		2.5%	10.7%	8.7%	25.8%
IP Revenue per Calendar Day		0.7%	9.9%	6.8%	14.4%
OP Revenue per Calendar Day		2.0%	10.2%	8.5%	31.2%
IP/OP Adjustment Factor		2.9%	1.5%	1.3%	8.8%
NPSR per Adjusted Discharge		-2.3%	-0.8%	3.2%	1.9%
NPSR per Adjusted Patient Day		-1.6%	1.4%	1.0%	8.6%
Bad Debt and Charity per Calendar Day		-6.1%	10.4%	11.0%	35.1%
Bad Debt and Charity as a % of Gross		-5.2%	-0.6%	4.8%	8.6%
Expense	Total Expense per Calendar Day	0.0%	7.0%	6.6%	13.9%
	Labor Expense per Calendar Day	-1.1%	5.5%	5.2%	7.1%
	Non-Labor Expense per Calendar Day	-2.2%	8.8%	8.8%	17.8%
	Supply Expense per Calendar Day	2.6%	8.5%	8.5%	20.3%
	Drugs Expense per Calendar Day	1.0%	3.7%	8.4%	16.6%
	Purchased Service Expense per Calendar Day	-5.8%	6.2%	7.4%	20.4%
	Total Expense per Adjusted Discharge	-2.2%	1.8%	2.6%	0.1%
	Labor Expense per Adjusted Discharge	-2.3%	-3.8%	1.2%	-7.6%
	FTEs per AOB	-5.2%	-9.2%	-9.2%	-13.3%
	Non-Labor Expense per Adjusted Discharge	-3.5%	3.0%	2.0%	3.4%
	Supply Expense per Adjusted Discharge	-2.0%	-0.9%	2.7%	3.2%
	Drugs Expense per Adjusted Discharge	3.4%	-2.1%	0.3%	-3.6%
Purchased Service Expense per Adjusted Discharge	-6.9%	3.3%	-1.0%	3.5%	

100-199 Beds

		Jul 25 vs. Jun 25 (Month-over-Month)	Jul 25 vs. Jul 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	-0.6%	4.6%	27.6%	52.5%
	Operating EBIDA Margin	-4.6%	0.0%	17.3%	42.5%
Volume	Discharges per Calendar Day	2.6%	5.0%	5.1%	14.8%
	Adjusted Discharges per Calendar Day	4.1%	5.8%	4.7%	16.2%
	Equivalent Patient Days per Calendar Day	-1.0%	1.9%	8.3%	4.1%
	Observation Patient Days as % of Patient Days	-4.0%	3.1%	3.9%	4.3%
	Adjusted Patient Days per Calendar Day	-0.2%	2.5%	6.3%	9.8%
	Average Length of Stay	-3.1%	-3.5%	-1.7%	-5.8%
	ED Visits per Calendar Day	-0.7%	2.3%	-0.2%	7.4%
	Operating Room Minutes per Calendar Day	0.4%	-1.0%	-1.2%	2.8%
	Revenue	Net Operating Revenue per Calendar Day	-0.1%	7.9%	7.8%
Gross Operating Revenue per Calendar Day		2.2%	10.7%	8.3%	27.8%
IP Revenue per Calendar Day		0.7%	6.9%	5.8%	18.8%
OP Revenue per Calendar Day		3.6%	12.0%	8.8%	35.4%
IP/OP Adjustment Factor		1.2%	4.2%	1.4%	6.7%
NPSR per Adjusted Discharge		-3.1%	0.0%	0.1%	4.0%
NPSR per Adjusted Patient Day		0.0%	3.7%	0.8%	10.2%
Bad Debt and Charity per Calendar Day		1.4%	4.2%	9.3%	37.9%
Bad Debt and Charity as a % of Gross		0.7%	-2.7%	-0.8%	9.7%
Expense	Total Expense per Calendar Day	0.2%	7.3%	5.6%	15.8%
	Labor Expense per Calendar Day	0.5%	4.9%	4.6%	6.7%
	Non-Labor Expense per Calendar Day	0.3%	10.2%	6.2%	20.8%
	Supply Expense per Calendar Day	0.4%	14.6%	8.6%	20.7%
	Drugs Expense per Calendar Day	0.0%	13.3%	4.5%	10.3%
	Purchased Service Expense per Calendar Day	-1.3%	6.8%	8.3%	30.9%
	Total Expense per Adjusted Discharge	-2.0%	3.9%	-1.3%	-3.1%
	Labor Expense per Adjusted Discharge	-0.4%	-0.9%	-0.3%	-13.1%
	FTEs per AOB	-1.0%	1.5%	-4.0%	-11.8%
	Non-Labor Expense per Adjusted Discharge	-4.5%	3.1%	-1.0%	1.9%
	Supply Expense per Adjusted Discharge	-3.3%	2.7%	-2.6%	0.0%
	Drugs Expense per Adjusted Discharge	-6.0%	-4.9%	-11.3%	-8.4%
Purchased Service Expense per Adjusted Discharge	-5.1%	-0.8%	-2.1%	17.9%	

200-299 Beds

		Jul 25 vs. Jun 25 (Month-over-Month)	Jul 25 vs. Jul 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	-3.2%	3.0%	3.9%	19.5%
	Operating EBIDA Margin	-2.0%	3.0%	2.1%	9.8%
Volume	Discharges per Calendar Day	2.3%	1.6%	2.4%	5.3%
	Adjusted Discharges per Calendar Day	2.0%	5.9%	1.9%	11.2%
	Equivalent Patient Days per Calendar Day	-1.1%	0.2%	2.5%	3.8%
	Observation Patient Days as % of Patient Days	-6.2%	9.5%	0.0%	-3.3%
	Adjusted Patient Days per Calendar Day	-0.6%	0.0%	2.1%	6.5%
	Average Length of Stay	-2.4%	-3.4%	-1.0%	-5.2%
	ED Visits per Calendar Day	1.2%	1.7%	0.0%	5.9%
	Operating Room Minutes per Calendar Day	-0.8%	3.3%	1.3%	5.0%
	Revenue	Net Operating Revenue per Calendar Day	-0.9%	7.6%	8.4%
Gross Operating Revenue per Calendar Day		0.9%	9.8%	9.9%	32.6%
IP Revenue per Calendar Day		1.4%	8.3%	8.4%	28.8%
OP Revenue per Calendar Day		2.5%	13.0%	11.7%	37.3%
IP/OP Adjustment Factor		0.4%	2.3%	1.2%	2.9%
NPSR per Adjusted Discharge		-4.0%	3.5%	3.9%	10.6%
NPSR per Adjusted Patient Day		-0.4%	7.9%	6.2%	16.2%
Bad Debt and Charity per Calendar Day		2.9%	1.7%	5.2%	32.2%
Bad Debt and Charity as a % of Gross		-1.3%	-10.3%	-2.2%	0.3%
Expense	Total Expense per Calendar Day	-0.3%	7.5%	6.6%	20.0%
	Labor Expense per Calendar Day	-0.8%	2.8%	3.6%	12.0%
	Non-Labor Expense per Calendar Day	-1.1%	10.9%	8.6%	27.9%
	Supply Expense per Calendar Day	2.3%	11.3%	8.5%	26.7%
	Drugs Expense per Calendar Day	3.3%	15.9%	11.7%	30.4%
	Purchased Service Expense per Calendar Day	-5.3%	4.3%	9.2%	21.6%
	Total Expense per Adjusted Discharge	-2.3%	2.8%	4.1%	4.5%
	Labor Expense per Adjusted Discharge	-3.3%	-2.7%	1.5%	-2.7%
	FTEs per AOB	0.6%	0.4%	-0.1%	-2.9%
	Non-Labor Expense per Adjusted Discharge	-2.8%	6.9%	5.9%	8.6%
	Supply Expense per Adjusted Discharge	-1.0%	6.8%	5.8%	9.2%
	Drugs Expense per Adjusted Discharge	-2.0%	11.3%	5.1%	15.4%
Purchased Service Expense per Adjusted Discharge	-11.5%	5.3%	3.3%	10.6%	

300-499 Beds

		Jul 25 vs. Jun 25 (Month-over-Month)	Jul 25 vs. Jul 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	-7.2%	13.5%	31.0%	69.3%
	Operating EBIDA Margin	-7.8%	9.3%	14.1%	44.8%
Volume	Discharges per Calendar Day	1.3%	3.4%	2.4%	6.6%
	Adjusted Discharges per Calendar Day	1.8%	4.6%	3.5%	12.1%
	Equivalent Patient Days per Calendar Day	0.3%	2.7%	4.1%	1.7%
	Observation Patient Days as % of Patient Days	-1.5%	5.5%	-4.6%	-0.5%
	Adjusted Patient Days per Calendar Day	1.7%	4.3%	5.9%	8.1%
	Average Length of Stay	-0.7%	-1.9%	0.5%	-3.7%
	ED Visits per Calendar Day	-0.1%	1.5%	-0.4%	7.1%
	Operating Room Minutes per Calendar Day	1.5%	4.2%	0.5%	5.3%
Revenue	Net Operating Revenue per Calendar Day	0.2%	10.7%	9.4%	26.0%
	Gross Operating Revenue per Calendar Day	2.5%	11.7%	9.1%	29.1%
	IP Revenue per Calendar Day	1.5%	8.5%	8.7%	22.6%
	OP Revenue per Calendar Day	3.1%	12.3%	9.7%	30.4%
	IP/OP Adjustment Factor	0.8%	1.6%	-0.2%	4.3%
	NPSR per Adjusted Discharge	0.2%	4.0%	4.9%	7.5%
	NPSR per Adjusted Patient Day	1.1%	4.2%	1.7%	17.8%
	Bad Debt and Charity per Calendar Day	1.8%	9.0%	11.3%	32.7%
Bad Debt and Charity as a % of Gross	-1.2%	-6.5%	0.1%	8.0%	
Expense	Total Expense per Calendar Day	1.2%	8.5%	6.7%	18.4%
	Labor Expense per Calendar Day	0.3%	6.0%	5.2%	9.4%
	Non-Labor Expense per Calendar Day	-0.6%	8.9%	6.5%	24.2%
	Supply Expense per Calendar Day	5.2%	13.3%	7.8%	26.9%
	Drugs Expense per Calendar Day	7.7%	9.4%	11.8%	29.7%
	Purchased Service Expense per Calendar Day	-5.6%	7.8%	10.5%	25.5%
	Total Expense per Adjusted Discharge	-0.1%	5.7%	6.9%	5.9%
	Labor Expense per Adjusted Discharge	0.1%	1.3%	3.3%	-2.3%
	FTEs per AOB	-0.7%	0.2%	-3.8%	-7.1%
	Non-Labor Expense per Adjusted Discharge	-1.5%	5.9%	6.9%	11.0%
	Supply Expense per Adjusted Discharge	2.7%	7.5%	6.7%	13.3%
Drugs Expense per Adjusted Discharge	3.6%	3.8%	6.8%	6.5%	
Purchased Service Expense per Adjusted Discharge	-7.8%	8.7%	6.8%	20.4%	

500+ Beds

		Jul 25 vs. Jun 25 (Month-over-Month)	Jul 25 vs. Jul 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	-3.1%	14.2%	-22.6%	128.5%
	Operating EBIDA Margin	-0.3%	11.4%	-11.2%	61.6%
Volume	Discharges per Calendar Day	0.9%	2.0%	1.7%	10.5%
	Adjusted Discharges per Calendar Day	2.2%	5.0%	1.5%	10.7%
	Equivalent Patient Days per Calendar Day	0.5%	-1.5%	1.1%	2.9%
	Observation Patient Days as % of Patient Days	-1.6%	20.1%	13.1%	3.9%
	Adjusted Patient Days per Calendar Day	1.9%	1.4%	3.4%	6.4%
	Average Length of Stay	-0.3%	-3.1%	-2.4%	-6.3%
	ED Visits per Calendar Day	1.3%	1.7%	1.1%	6.8%
	Operating Room Minutes per Calendar Day	4.4%	5.5%	1.6%	10.8%
	Revenue	Net Operating Revenue per Calendar Day	-0.3%	11.2%	9.7%
Gross Operating Revenue per Calendar Day		4.0%	13.3%	10.6%	34.9%
IP Revenue per Calendar Day		3.6%	12.0%	9.3%	26.2%
OP Revenue per Calendar Day		4.0%	13.7%	9.6%	39.0%
IP/OP Adjustment Factor		0.3%	0.7%	0.7%	5.5%
NPSR per Adjusted Discharge		-2.2%	5.3%	7.9%	22.4%
NPSR per Adjusted Patient Day		-3.0%	13.1%	6.4%	28.4%
Bad Debt and Charity per Calendar Day		5.9%	5.5%	3.4%	44.1%
Bad Debt and Charity as a % of Gross	2.6%	-2.3%	-5.9%	3.1%	
Expense	Total Expense per Calendar Day	0.6%	8.3%	8.6%	25.1%
	Labor Expense per Calendar Day	-0.3%	6.8%	6.0%	15.5%
	Non-Labor Expense per Calendar Day	-0.7%	9.7%	10.6%	30.0%
	Supply Expense per Calendar Day	0.8%	14.5%	12.4%	37.4%
	Drugs Expense per Calendar Day	-1.3%	23.0%	17.2%	46.9%
	Purchased Service Expense per Calendar Day	-3.3%	6.4%	10.3%	30.6%
	Total Expense per Adjusted Discharge	-2.4%	3.9%	6.8%	12.3%
	Labor Expense per Adjusted Discharge	-1.2%	2.5%	4.3%	0.1%
	FTEs per AOB	-1.9%	1.5%	-2.0%	-2.1%
	Non-Labor Expense per Adjusted Discharge	-2.5%	3.6%	9.2%	18.4%
	Supply Expense per Adjusted Discharge	-0.6%	5.1%	7.0%	21.6%
	Drugs Expense per Adjusted Discharge	-5.5%	8.9%	7.6%	30.7%
Purchased Service Expense per Adjusted Discharge	-7.1%	6.1%	10.0%	25.3%	

Non-Operating

National Non-Operating Results

Key Observations

This report reflects market data as of July 31, 2025, and additional commentary regarding market events until Aug. 15, 2025.

The Federal Reserve Board left interest rates unchanged at its July meeting, maintaining the federal funds target range at 4.25%–4.50%. Notably, two governors dissented in favor of a 25 basis point rate cut, marking the first dissent by more than one governor since 1993. This reflects growing internal pressure to lower rates amid external calls for easing. The Fed also confirmed it will continue reducing its holdings of treasuries, agency debt, and mortgage-backed securities.

The policy statement indicated that the Federal Open Market Committee “would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee’s goals” of low inflation and a strong labor market. Regarding current economic conditions, the statement said, “growth of economic activity moderated in the first half of the year” and “uncertainty about the economic outlook remains elevated.”

On July 27, the United States and the European Union finalized a new trade deal: 15% tariffs on European exports going forward, coupled with commitments to \$750 billion in energy purchases and \$600 billion in U.S. investments. This move helped ease some trade-related uncertainty.

In the beginning of August, Moody’s, S&P, and Fitch released their rating agency medians for fiscal year 2024. Overall, operations and liquidity metrics improved while some leverage metrics remained flat or declined compared to last year.

On August 11, the United States and China agreed to a pause on tariff hikes for an additional 90 days; this extension allows continued discussions on trade imbalances and unfair practices in hopes of advancing mutual economic and security goals.

National Non-Operating Results *(continued)*

Key Observations (continued)

- July's Producer Price Index (PPI), a key metric closely watched by the Fed, rose by 0.9%, month-over-month, significantly above the market forecast of 0.2%; this was the largest monthly increase since June 2022
- Annual PPI increased 3.3%, which was the largest annual increase since February and 1.3% above the Federal Reserve's 2% inflation target; Core PPI rose 0.9% on a monthly basis as well, also significantly above its forecast of 0.3% - noticeably, this was the largest gain since March 2022
- Fed minutes from the July meeting confirmed that most officials prioritized inflation risks over the fragile jobs picture, expressing caution around rate cuts until the full impact of tariffs on prices was better understood
- In July, consumer prices rose 0.2%, marking the fourth consecutive monthly increase; this was slightly below June's Consumer Price Index (CPI) gain of 0.3% and was in line with market expectations
- Core CPI rose by 0.3% for the month, adhering to market expectations; and Core CPI on an annual basis rose by 3.1%, 0.1% higher than market expectations and 0.2% higher than last month's annual rate
- On an annual basis, July's CPI held steady at 2.7%, consistent with June, though slightly below the expected 2.8%; this persistent inflation level continues to complicate the Fed's 2.0% target, signaling ongoing underlying inflationary pressure
- The U.S. economy added 73,000 jobs in July; and the number of jobs added in June was revised down to 14,000
- According to the U.S. Bureau of Labor Statistics: "In July, health care added 55,000 jobs, above the average monthly gain of 42,000 over the prior 12 months. Over the month, job gains occurred in ambulatory health care services (+34,000) and hospitals (+16,000)."
- Unemployment rose slightly to 4.2% in July, up 0.1% from June, returning to its May level; the rate has remained relatively stable in a narrow range of 4.0% to 4.2% since May 2024
- Rebounding from the U.S. economy's contraction by 0.5% in Q1 2025, the economy rose by 3.0% in the second quarter of 2025 according to the U.S. Bureau of Economic Analysis

National Non-Operating Results *(continued)*

General Non-Operating Observations

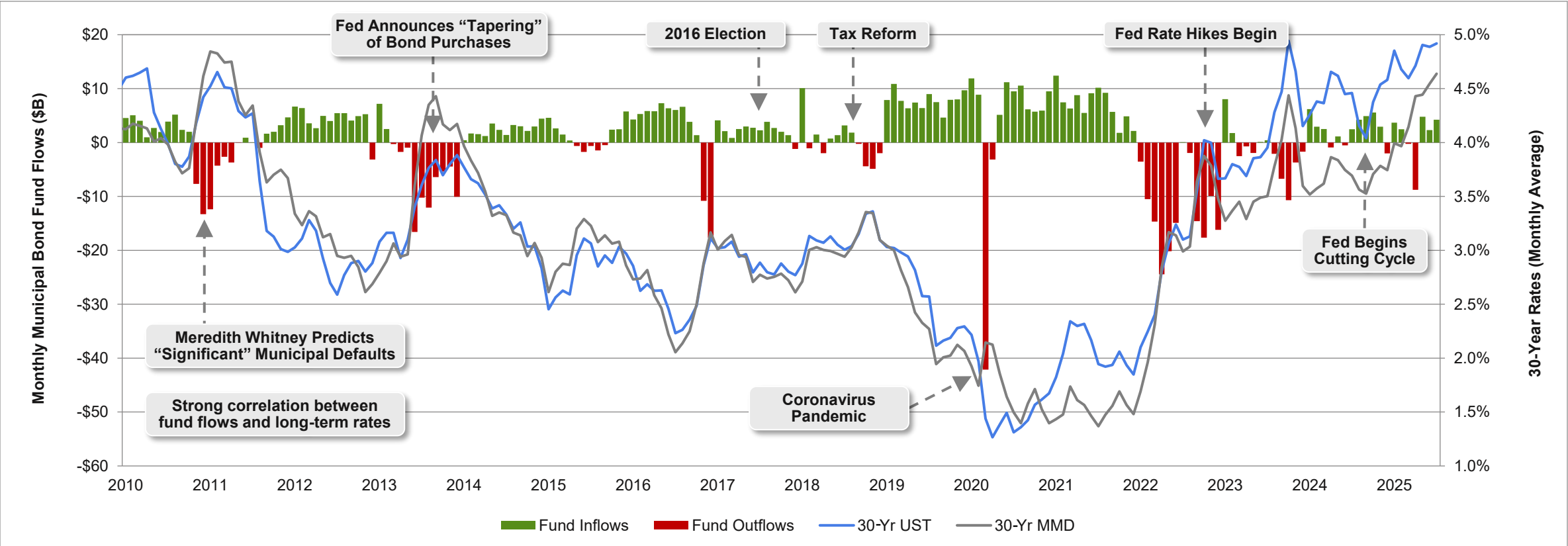
	July 2025	M-o-M Change	Y-o-Y Change
General			
GDP Growth*	+3.0%	n/a	n/a
Unemployment Rate	4.2%	+0.1%	n/c
Personal Consumption Expenditures (Y-o-Y)	2.8%	+0.1%	+0.1%
Liabilities			
SOFR	4.39%	-6 bps	-99 bps
SIFMA	2.29%	+37 bps	-122 bps
30-yr MMD	4.67%	+15 bps	+99 bps
30-yr Treasury	4.90%	+13 bps	+60 bps
Assets			
60/40 Asset Allocation†	n/a	+1.0%	+10.1%

* U.S. Bureau of Economic Analysis, Q2 2025 "Advance Estimate"

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

Non-Operating Liabilities

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



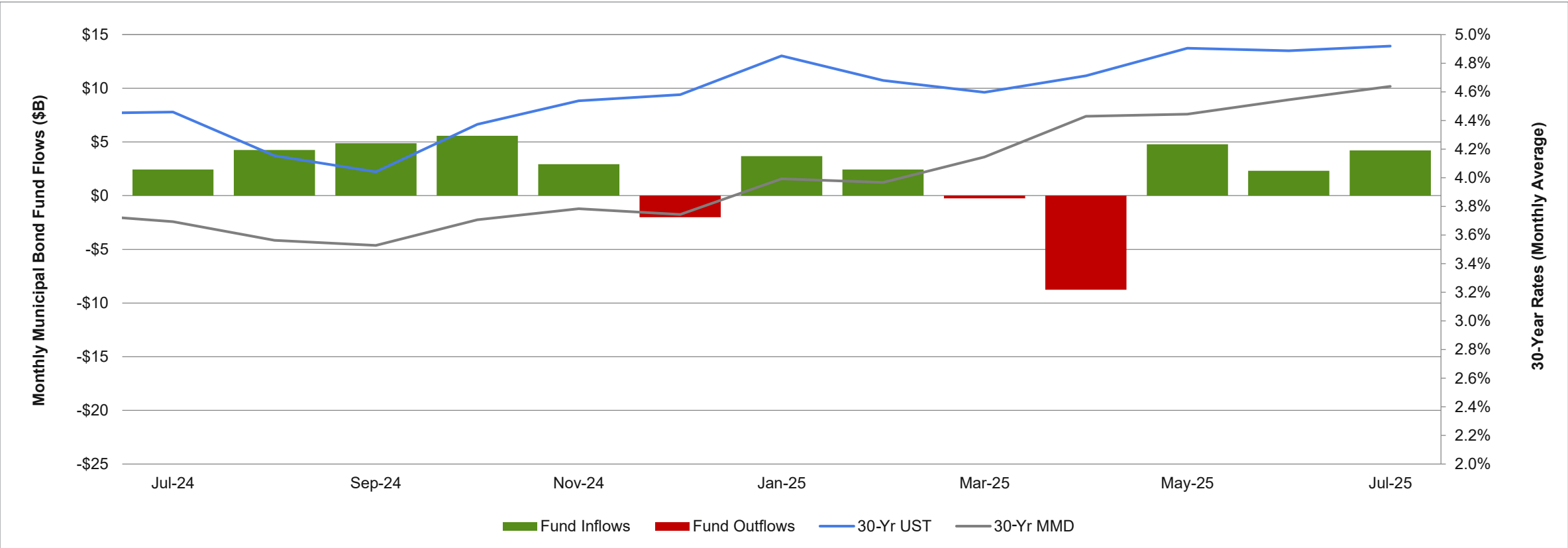
Kaufman Hall, National Hospital Flash Report (July 2025 Metrics)

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

Total Municipal Bond Fund Flows Over The Last Year: \$24.1 Bn



Kaufman Hall, National Hospital Flash Report (July 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)*

The tax-exempt market was relatively stable in July, though saw increased intramonth volatility increased compared to June. The 10-year MMD finished the month at 3.32%, up six basis points from the end of June. The 30-year MMD rose by 13 basis points to 4.67%, 17 basis points below the 12-month high, set in April. Despite the volatility, conditions were far calmer than the extreme fluctuations seen in April. The beginning of August shows signs of easing. As of August 15, the 10-year and 30-year MMD decreased by eight and seven basis points from the end of July, reflecting a soft reversal of July's increases.

Regarding the taxable market, reversing June's declines, the 10-year and 30-year Treasuries' rose month-over-month by 15 and 13 basis points, respectively, compared to the end of June. The 30-year Treasury hit a high of 5.02% on July 15, its highest level since May 23, before easing slightly by month-end. Throughout the first 15 days of August, the 10-year Treasury fell by six basis points, while the 30-year increased by two basis points, showing a split in short- and long-end movements.

In July, the tax-exempt to taxable (MMD/UST) ratios were similar to that of June for most of the curve while short-term ratios widened, reflecting stronger investor demand on the short end. Intermediate and long-end ratios tightened or remained flat, which suggest investors are willing to go shorter on duration, in advance of expected Fed cuts, versus long dated duration due to perceived macro risks. Contrary to the soft widening in the short-end of the curve to end June, the two-year and five-year ratios widened by 9% and 6%, respectively. On the other hand, the 10-year and 20-year ratios tightened each by 1%. The 30-year ratio, however, remained unchanged from the end of last month. To end the month of July, the 2-year, 5-year, 10-year, 20-year, and 30-year ratios were 60%, 64%, 76%, 91%, and 95%, respectively.

Since the end of April, the tax-exempt yield curve has steepened notably, driven by a decline in short-term rates and moderate increases in long-term rates. Compared to April 30, 2025, the two-year, five-year, and 10-year tenors were 53, 49, and two basis points lower, respectively, to end July. In contrast, the 20-year and 30-year have surged by roughly 30 basis points each, leading to a significantly steeper curve and pushing borrowers to the short end.

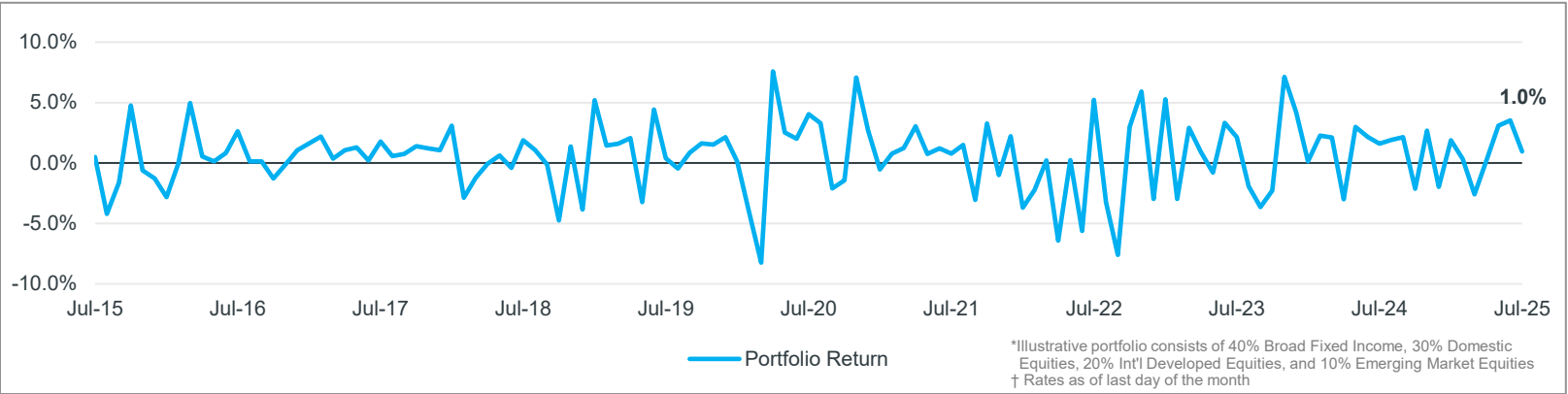
Non-Operating Liabilities *(continued)*

Variable tax-exempt rates reset at a better rate compared to June's levels. July's lowest SIFMA reset was 1.63%, just five basis points lower than June's low. July's highest reset reached 2.73%, which was 55 basis points lower than June's peak of 3.28%. In June and July, SIFMA averaged 2.26%, falling below historical norms. As a result, the SIFMA to SOFR ratio fell to 53%, to end the month of July, well below the historical average range of 67%-70%. The first two weeks of August saw resets of 1.69% and 2.80%, indicating increased volatility compared to the prior month.

Municipal bond funds saw strong demand, with \$4.2 billion in inflows in July, up from \$2.3 billion in June, closer to the average monthly gain over the past 12 months. Year-to-date municipal issuance reached \$281 billion, a 14.7% increase over the same period last year. Healthcare issuance has totaled \$25 billion, up \$1.3 billion from the same period of time last year. Despite a slowdown around the July 4th holiday, eight public tax-exempt healthcare transactions closed in mid-to-late July, marking a strong rebound. Additionally, there have been seven taxable healthcare transactions during the entire year, the last of which was in early August.

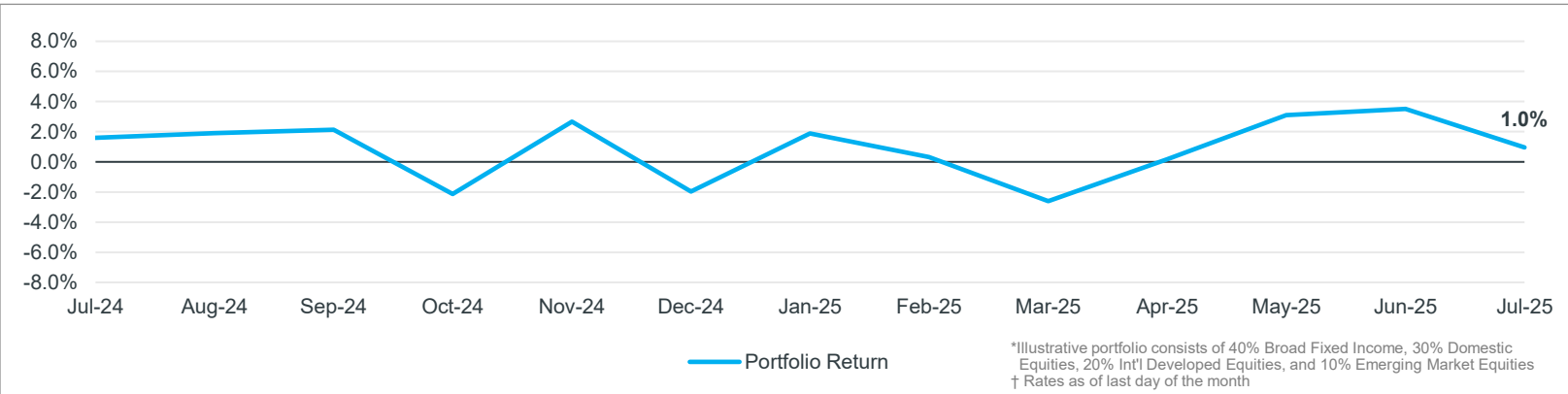
Non-Operating Assets

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



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

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



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

Equity markets continued to climb in July, marking the third straight month of gains. The market rose by 2.2%, on a monthly basis, and went up 14.8% on an annual basis. The performance reflects sustained investor optimism and confidence in the economic outlook since April's tariff announcements. The commonly used 60/40 blended asset allocation portfolio also saw incremental growth, advancing 1.0% in July, down from a 3.5% gain in June. The MSCI World and MSCI Emerging Markets had gains of 1.2% and 1.7%, respectively. Fixed income moved inversely to the equity market rally, as the Barclays Aggregate Bond Index declined 0.3% in July, reversing its 1.5% gain in June.

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Talk to us

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