



JANUARY 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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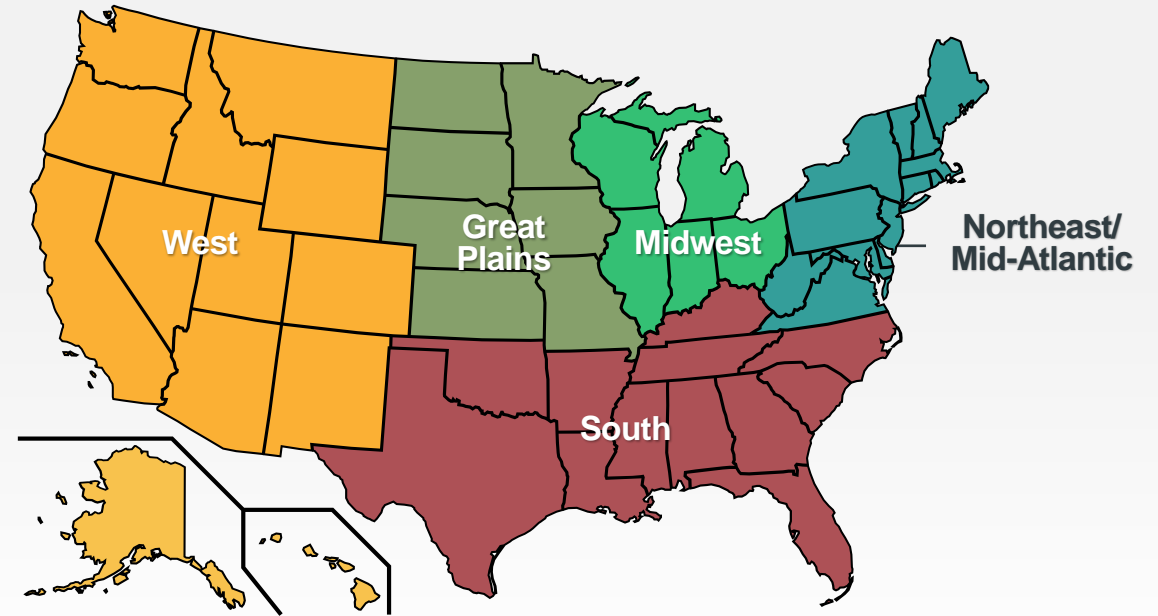
# About the Data

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](http://www.stratadecision.com).

# Author's Note



**Erik Swanson**  
Author, *National  
Hospital Flash Report*

As we mark the first edition of the *National Hospital Flash Report* featuring data collected in 2025, we are excited to share an important update to our report. The *National Hospital Flash Report* is informed by 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.

In response to feedback from hospital leaders like you, we are adding a new feature for our calendar year-to-date and monthly Operating Margin Indices.

Our new data point will measure hospital margin performance with the inclusion of all allocations for the cost of shared services that they receive from their health system. We will also continue to publish our original operating margin data point, which measures performance for a single hospital entity irrespective of allocations.

Our update is intended to shed light on how health systems account for allocations for services that are shared by hospitals and other system entities. These shared services include, but are not limited to, salaries for hospital-based physicians and clinicians, as well as corporate departments like information technology, human resources, and administration.

Given the widespread variation in how hospitals that are part of health systems account for corporate allocations, this change is intended to help hospital leaders better compare themselves to peer organizations.

Importantly, none of the trends or conclusions that we've previously highlighted in the Flash Report change with the addition of this new data point.

On the next page is a case example illustrating how corporate allocations are accounted for at a sample hospital, and how the sample hospital performs using our existing and new margin indices.

*(continued next page)*

# Author's Note *(continued)*

In this example, the existing operating margin data point measures only hospital entity performance, and because this system does not allocate corporate office expenses, the operating margin for the hospital entity is 18.39%. The new data point, which reflects a margin of 3.96%, allocates \$715,000 in corporate office expenses proportionately across the hospital, medical group, and retail/other operations, reflecting actual expenses that are borne by different system entities.

*(continued next page)*

## Our Updated Operating Margin Indices: The View From a Sample Hospital

	Hospital A*	Corporate Office	Medical Group	Retail and Other	Consolidated
<b>Operating Revenue</b>					
Net Patient Service Revenue	\$ 3,045,000	\$ –	\$ 652,500	\$ 652,500	\$ 4,350,000
Other Revenue	\$ 300,000	\$ –	\$ 75,000	\$ 75,000	\$ 450,000
<i>Total Operating Revenue</i>	<i>\$ 3,345,000</i>	<i>\$ –</i>	<i>\$ 727,500</i>	<i>\$ 727,500</i>	<i>\$ 4,800,000</i>
<b>Operating Expenses</b>					
Salaries and Wages	\$ 1,200,000	\$ 280,000	\$ 510,000	\$ 160,000	\$ 2,150,000
Benefits	\$ 160,000	\$ 100,000	\$ 78,000	\$ 40,000	\$ 378,000
Supplies	\$ 630,000	\$ 7,000	\$ 47,000	\$ 125,000	\$ 809,000
Purchased Services	\$ 180,000	\$ 180,000	\$ 69,000	\$ 50,000	\$ 479,000
Depreciation and Amortization	\$ 110,000	\$ 26,000	\$ 14,000	\$ 12,000	\$ 162,000
Interest	\$ 70,000	\$ 12,000	\$ 1,000	\$ 100	\$ 83,100
Other	\$ 380,000	\$ 110,000	\$ 54,000	\$ 155,000	\$ 699,000
<i>Total Operating Expense</i>	<i>\$ 2,730,000</i>	<i>\$ 715,000</i>	<i>\$ 773,000</i>	<i>\$ 542,100</i>	<i>\$ 4,760,100</i>
Income from Operations without Allocations	\$ 615,000	\$ (715,000)	\$ (45,500)	\$ 185,400	\$ 39,900
<b>Operating Margin without Allocations</b>	<b>18.39%</b>		<b>-6.25%</b>	<b>25.48%</b>	<b>0.83%</b>
Corporate Allocations	\$ 482,547	\$ (715,000)	\$ 136,633	\$ 95,820	\$ –
Income from Operations with Allocations	\$ 132,453	\$ –	\$ (182,133)	\$ 89,580	\$ 39,900
<b>Operating Margin with Allocations</b>	<b>3.96%</b>		<b>-25.04%</b>	<b>12.31%</b>	<b>0.83%</b>

Existing Methodology

New Methodology

\* Kaufman Hall's National Hospital Flash Report is informed by data from the hospital entity alone

\*\*Kaufman Hall's Physician Flash Report is informed by data from the medical group entity alone

# Author's Note *(continued)*

On pages 9-10 of this month's report, we are publishing our updated Operating Margin Indices reflecting these changes, including January 2025 data and a retroactive analysis of 2024 performance.

While the new adjusted metric is valuable, I also encourage readers to evaluate both data points relative to the change over time within the context of revenue and expense trends, which can be found in our National and Regional Data section starting on page 11.

Thank you for reading the *National Hospital Flash Report*, and I encourage you to reach out to me at [eswanson@kaufmanhall.com](mailto:eswanson@kaufmanhall.com) with any comments or questions.

Sincerely,

**Erik Swanson**

Managing Director and Data and Analytics Group Leader

*Author, National Hospital Flash Report*

Kaufman Hall, a Vizient company

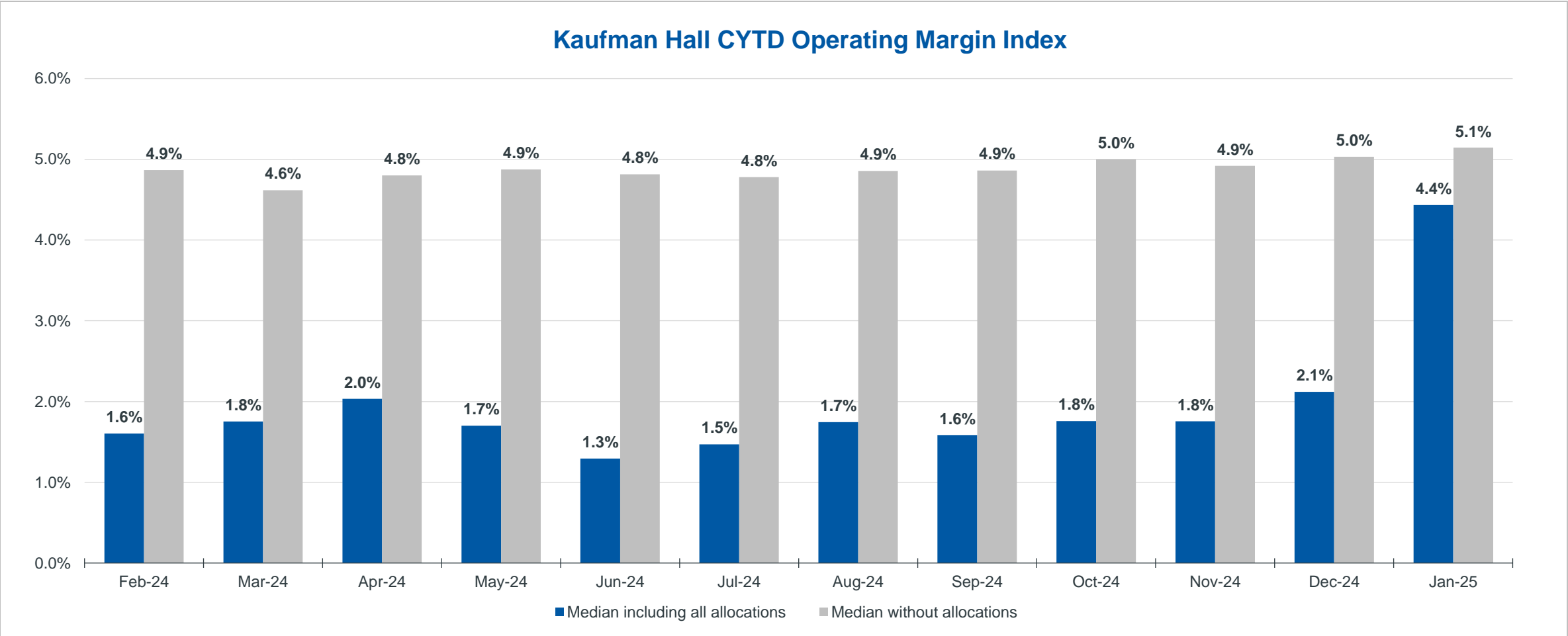
[ESwanson@KaufmanHall.com](mailto:ESwanson@KaufmanHall.com)

# Key Takeaways

- 1. Hospital performance remains stable at the start of 2025.** This is due to a confluence of greater service volume and rising expenses.
- 2. Expenses continue to be driven primarily by the cost of drugs.** However, the rate of cost growth has slowed considerably.
- 3. Inpatient revenue grew more quickly than outpatient revenue in January.** More patients were treated in the hospital and emergency room.

# Operating Margin

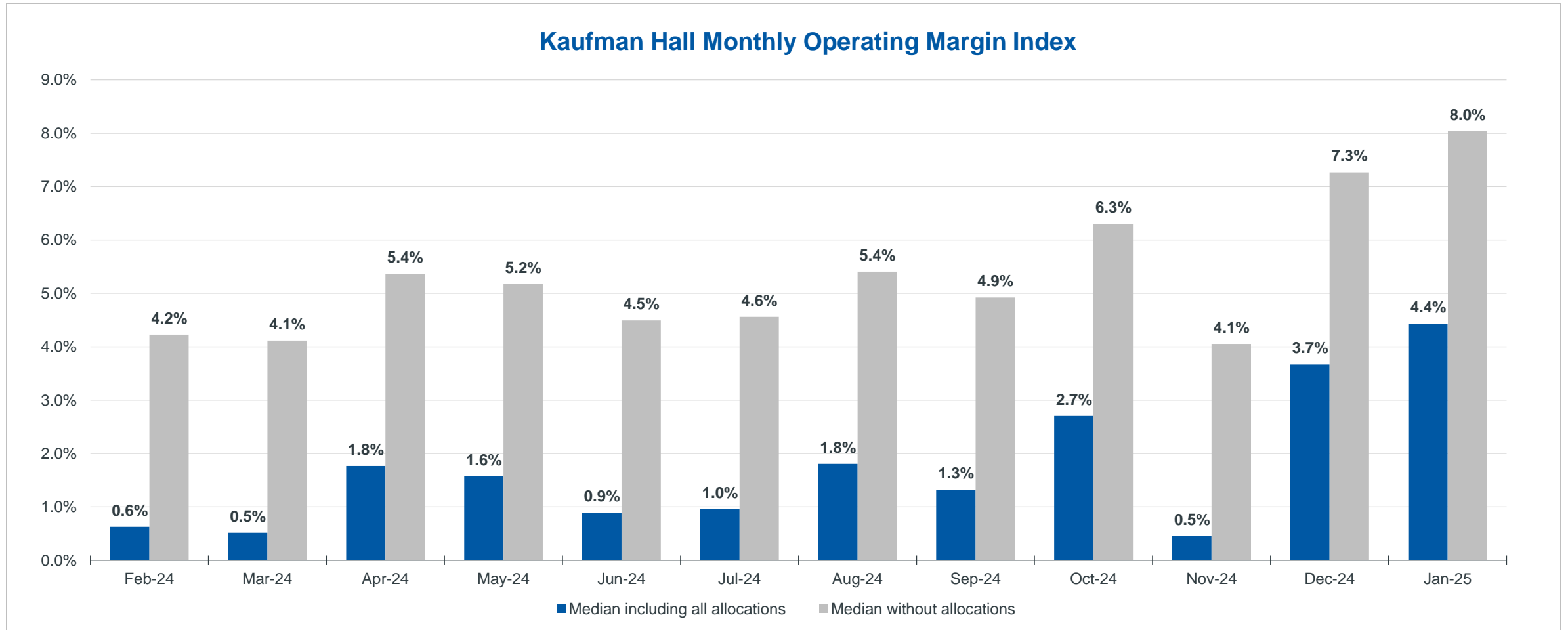
Kaufman Hall CYTD Operating Margin Index



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

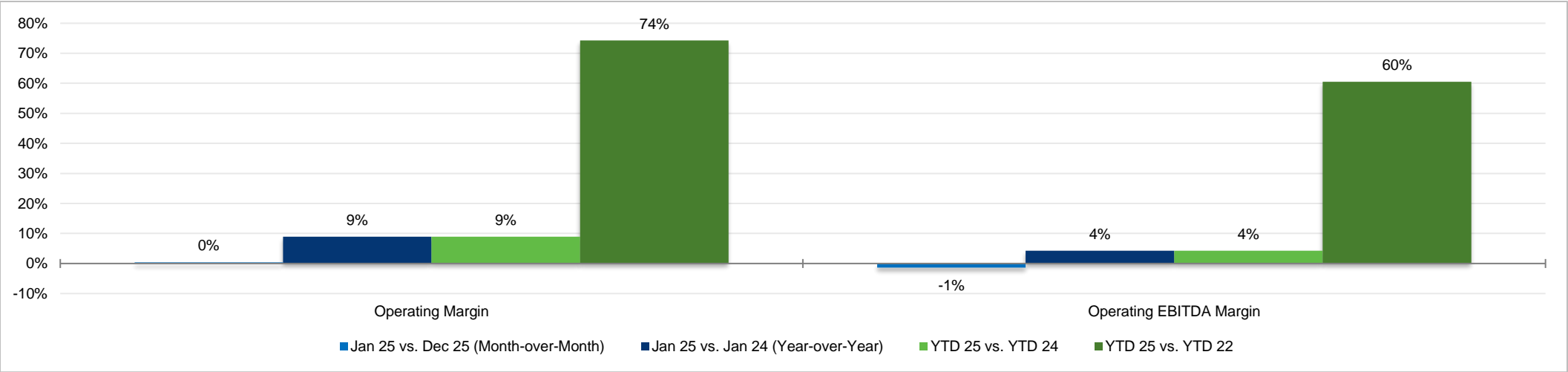
\* Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset adjusted for allocations to hospitals from corporate, physician, and other entities.

# National and Regional Data

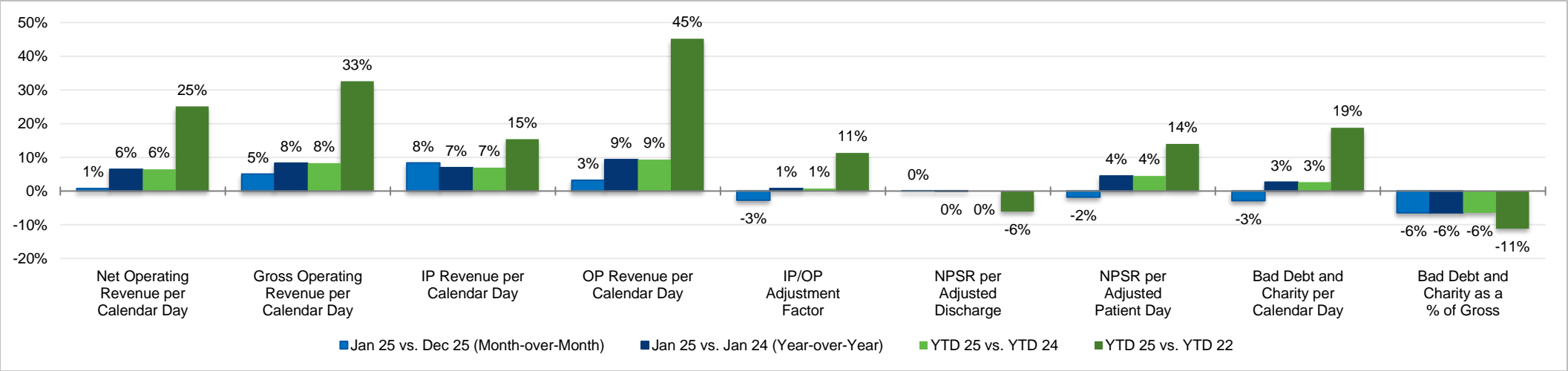
*Profitability, Revenue, Expense, and Volume*

# National Data

## Profitability

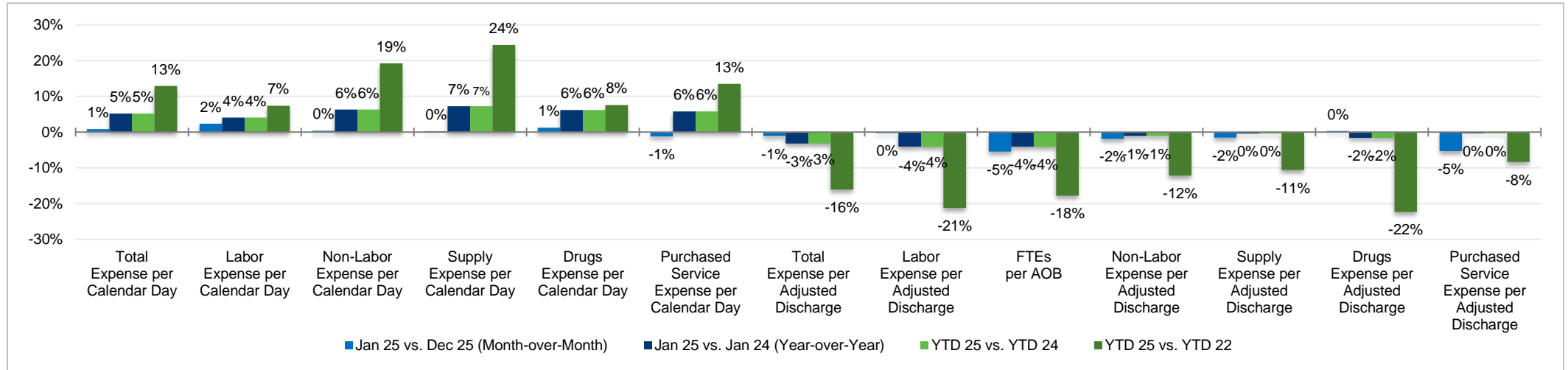


## Revenue

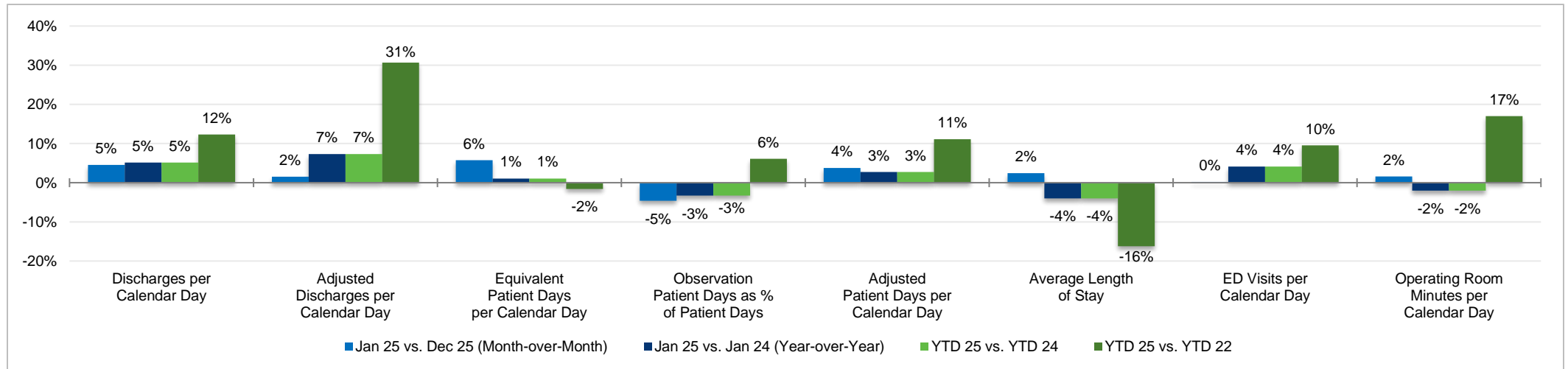


# National Data *(continued)*

## Expense

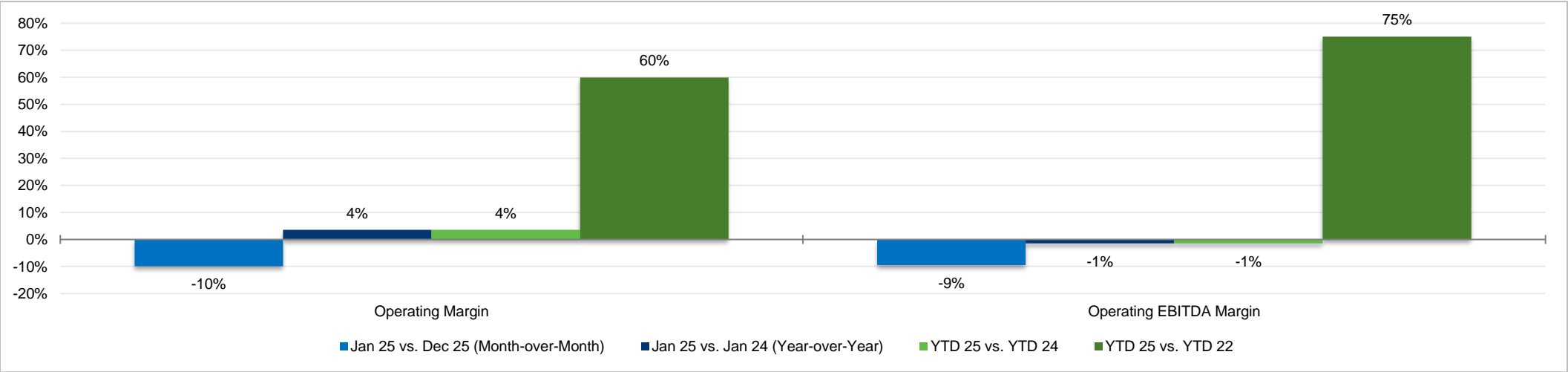


## Volume

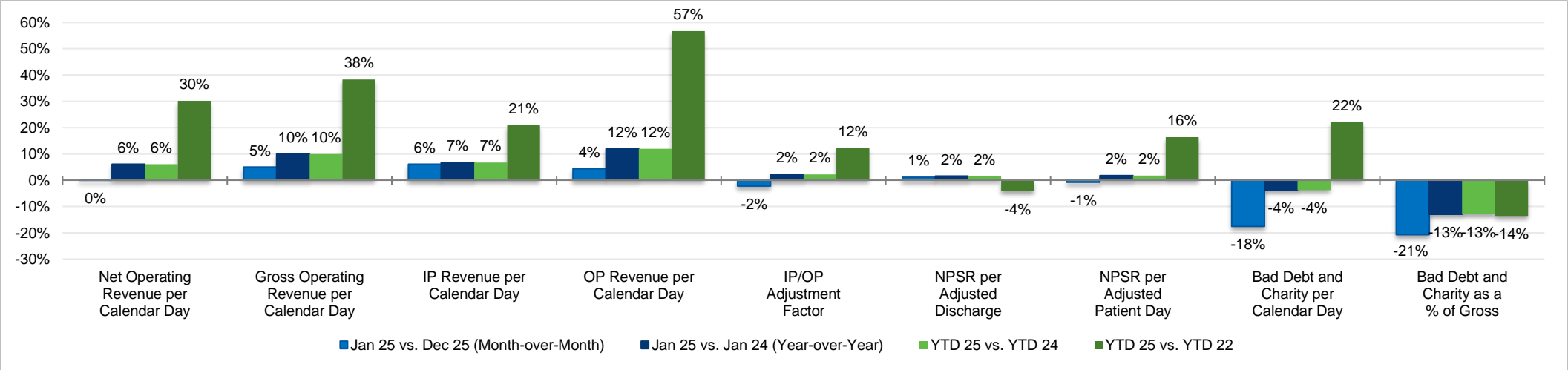


# Regional Data: West

## Profitability

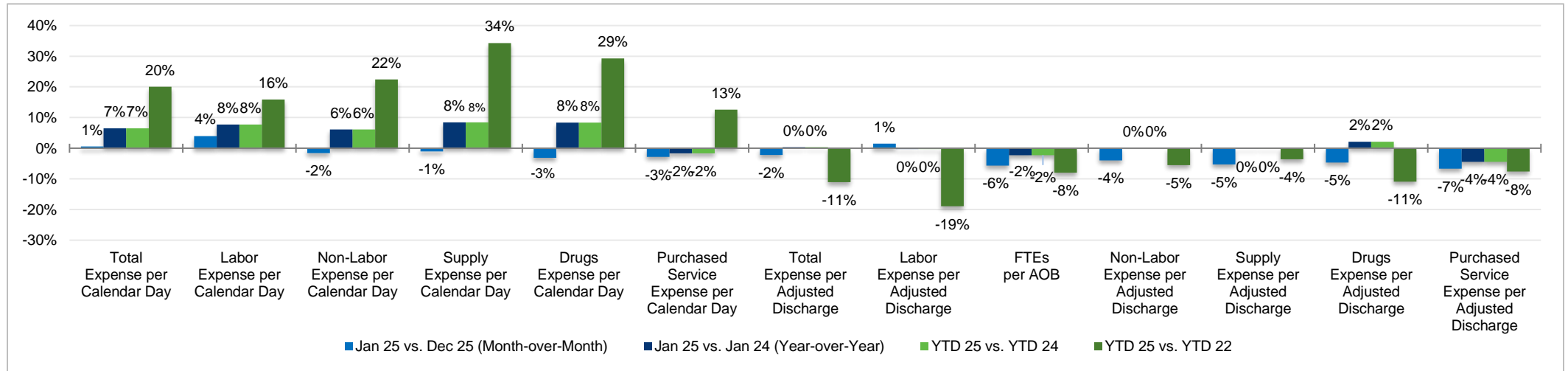


## Revenue

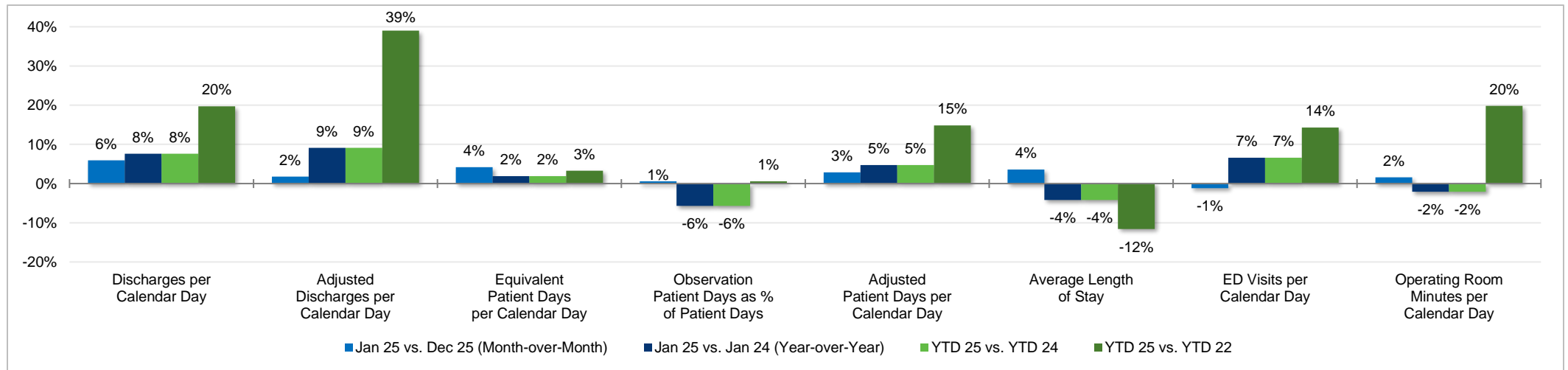


# Regional Data: West *(continued)*

## Expense

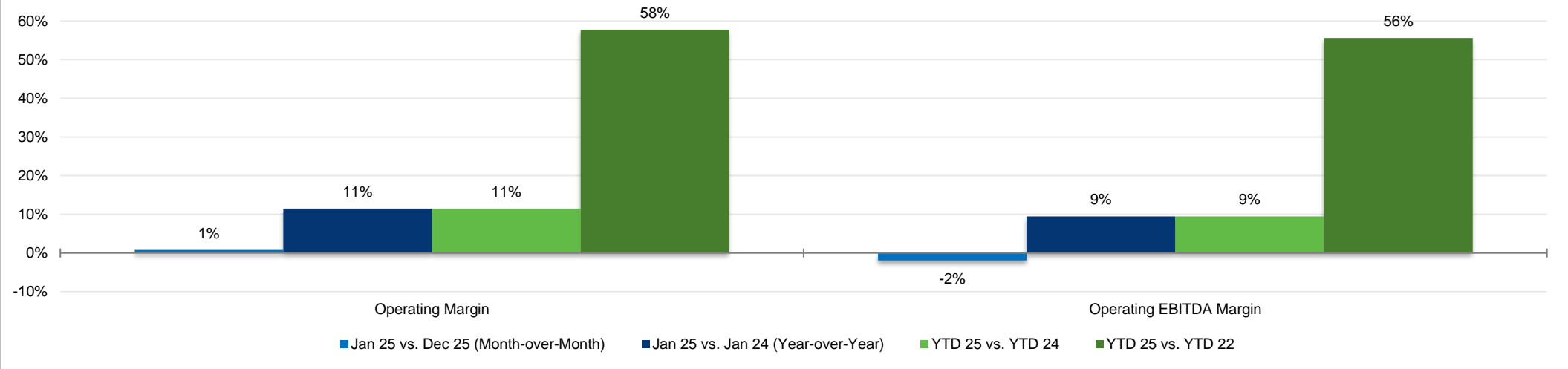


## Volume

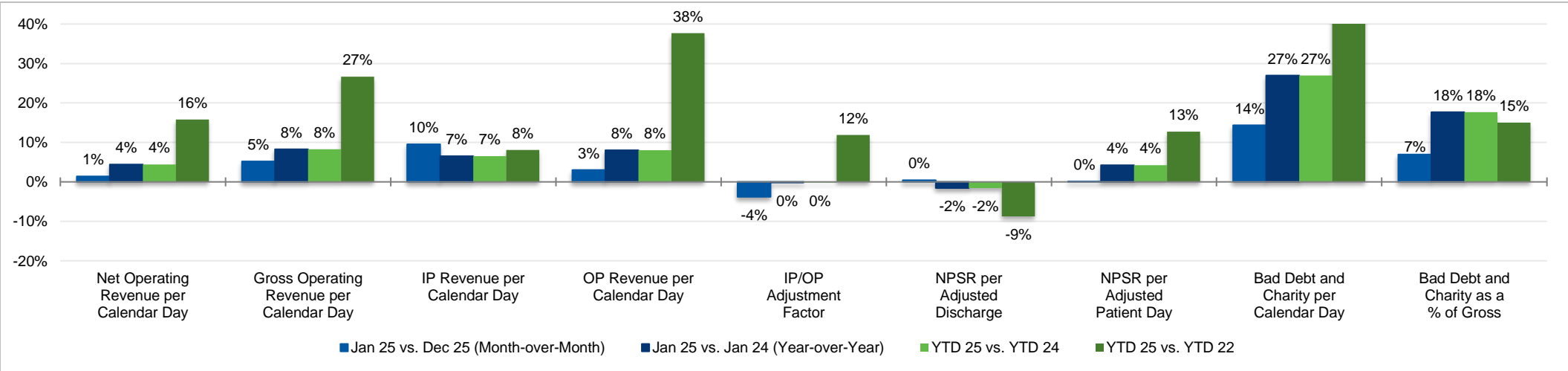


# Regional Data: Midwest

## Profitability

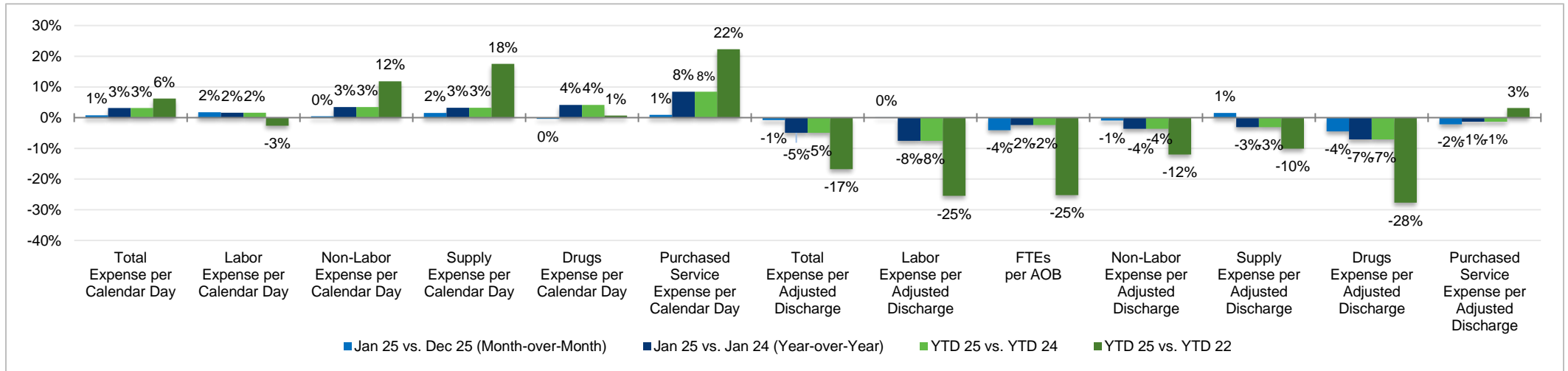


## Revenue

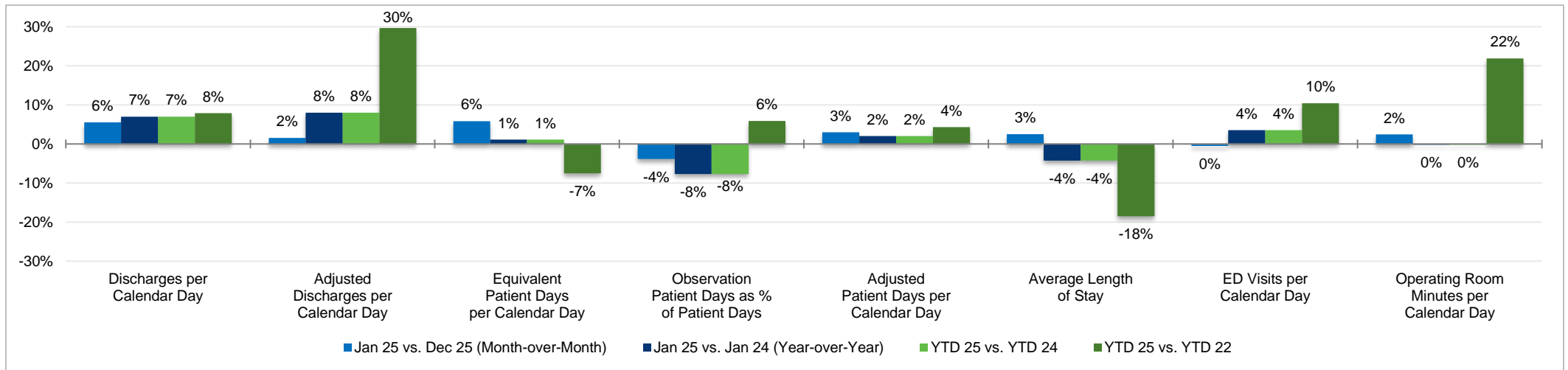


# Regional Data: Midwest *(continued)*

## Expense

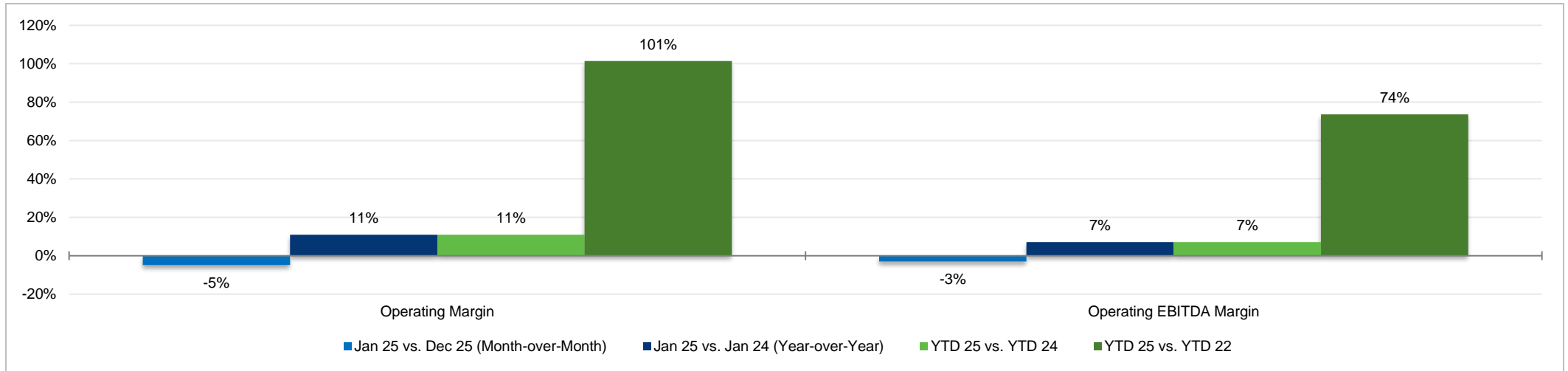


## Volume

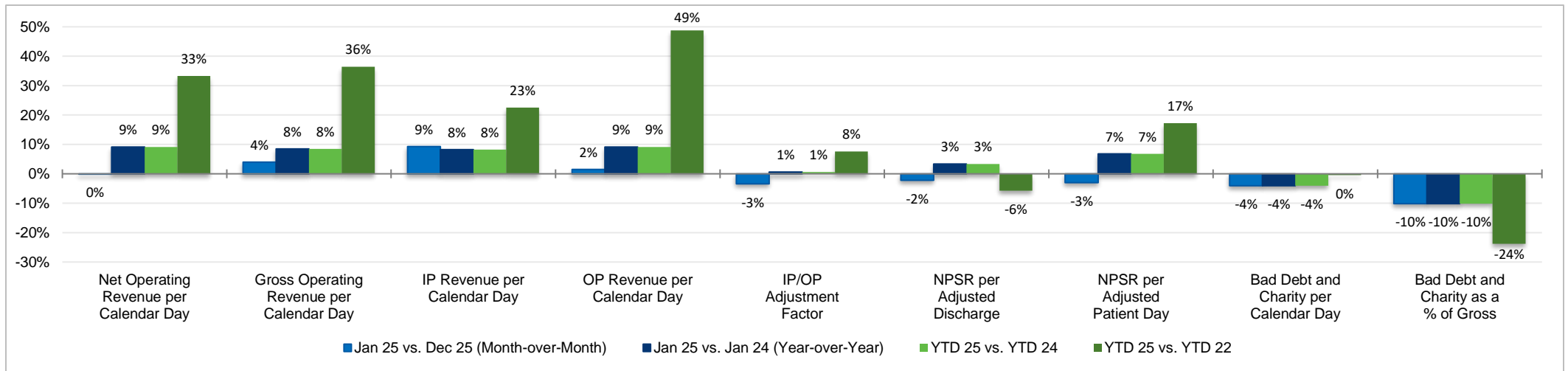


# Regional Data: South

## Profitability

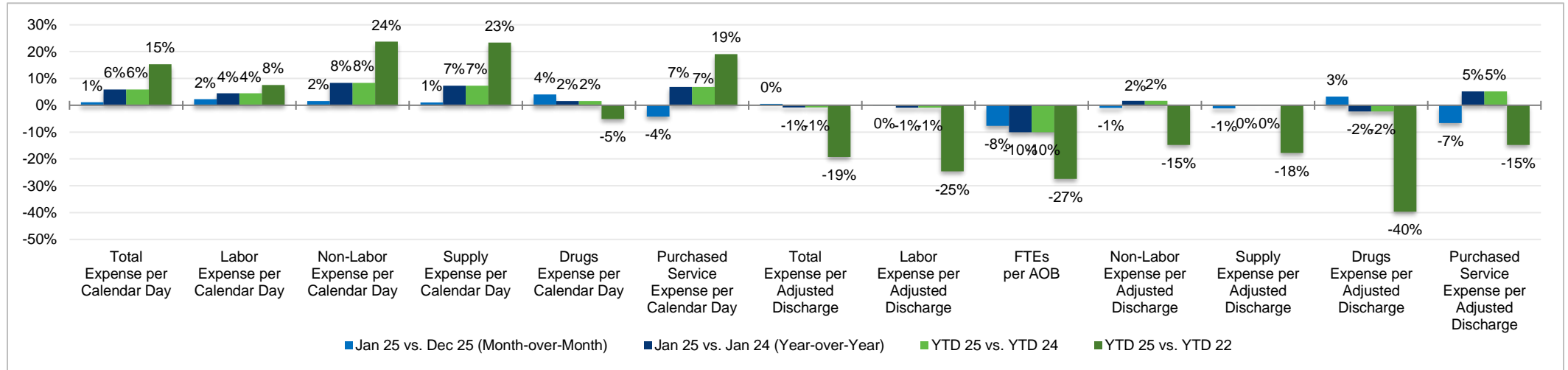


## Revenue

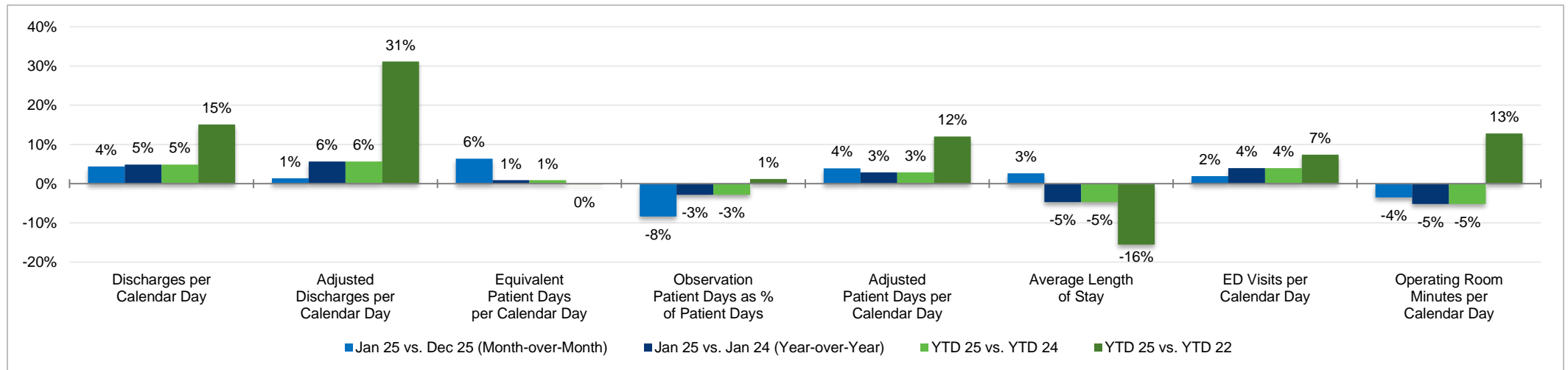


# Regional Data: South *(continued)*

## Expense

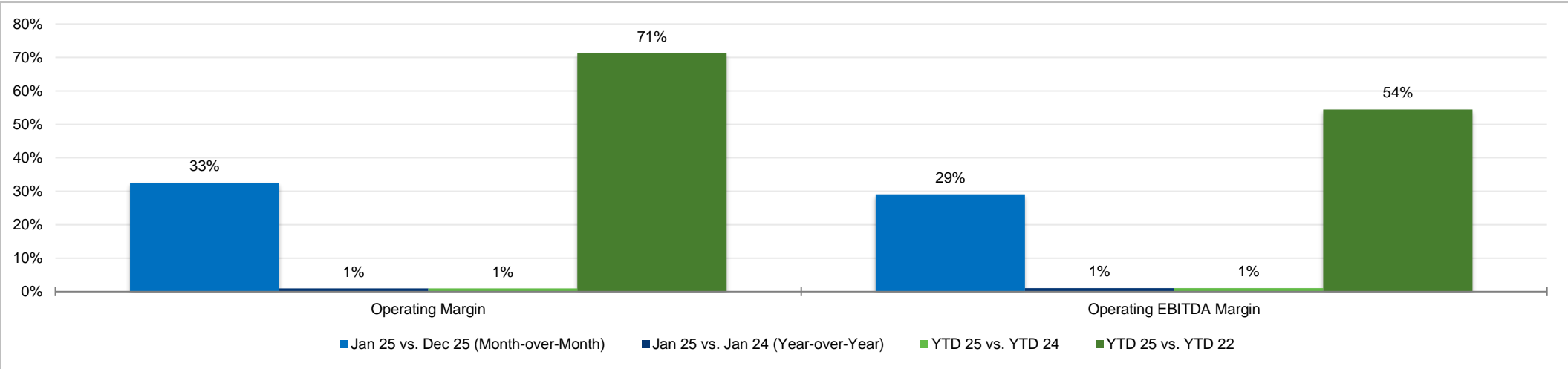


## Volume

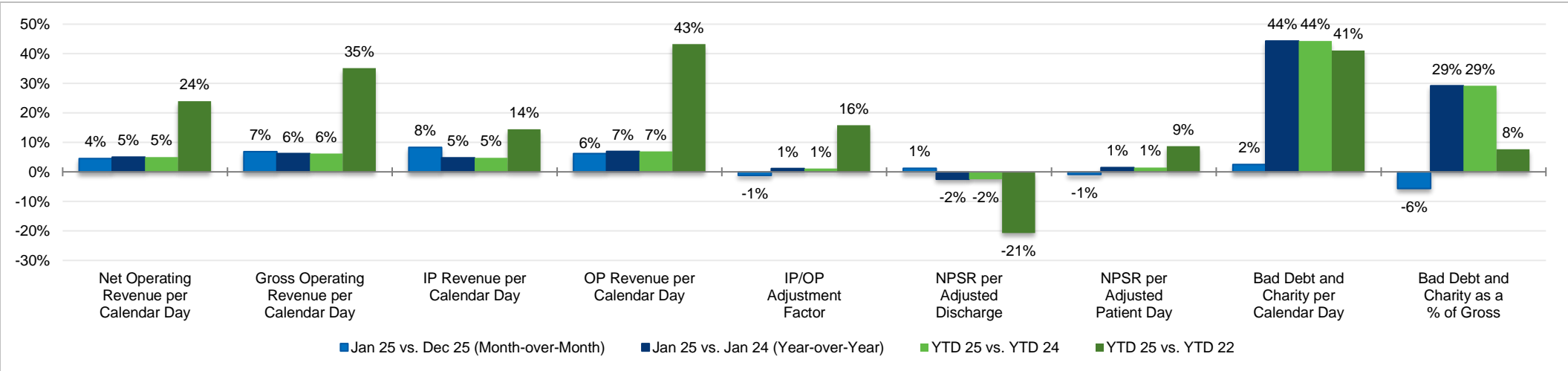


# Regional Data: Northeast/Mid-Atlantic

## Profitability

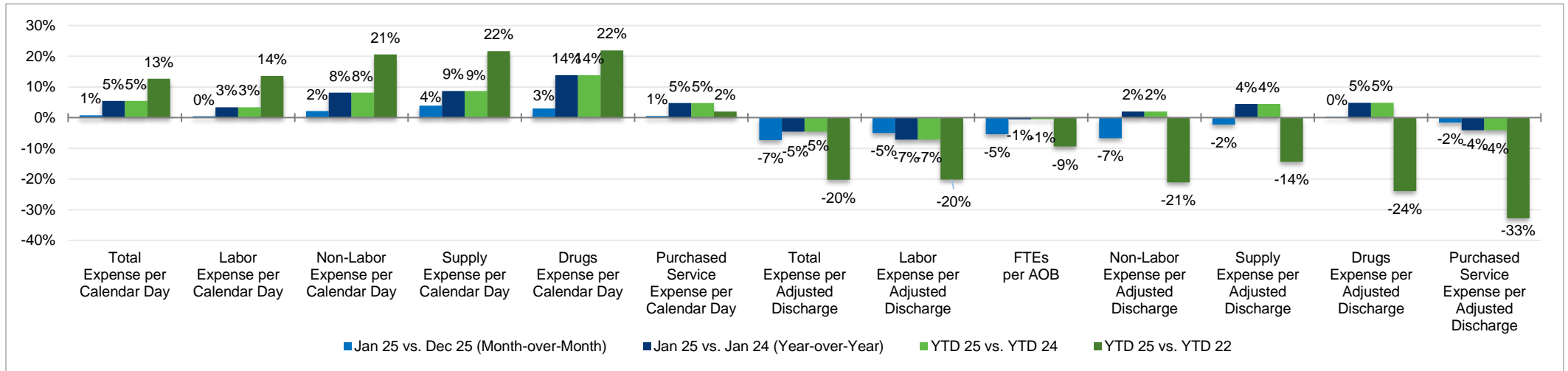


## Revenue

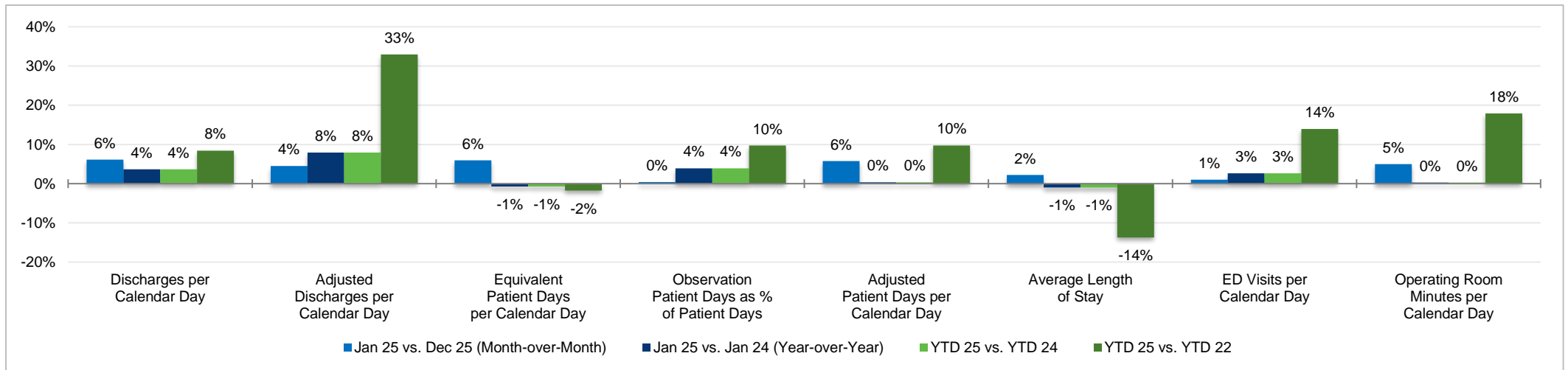


# Regional Data: Northeast/Mid-Atlantic *(continued)*

## Expense

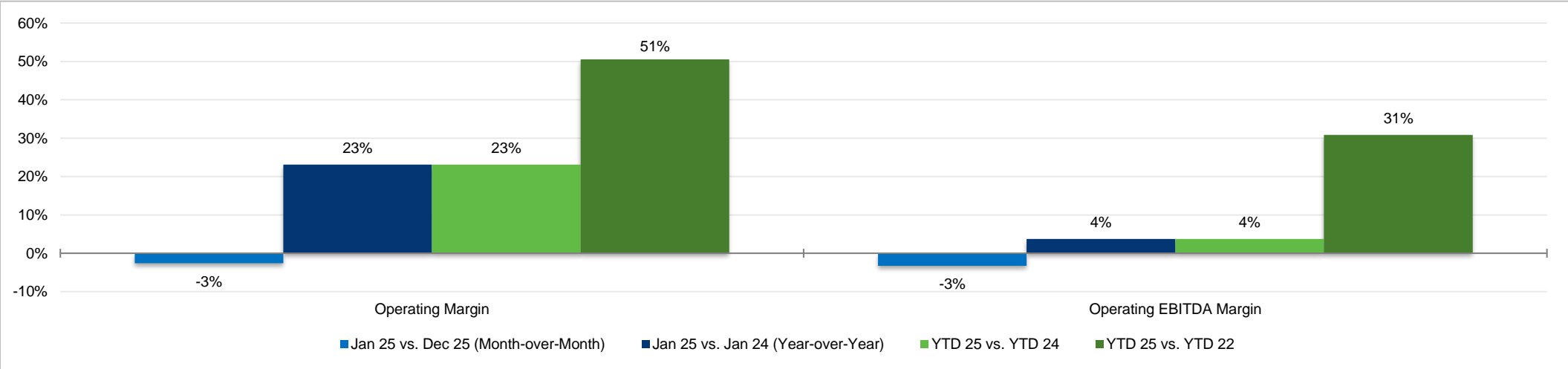


## Volume

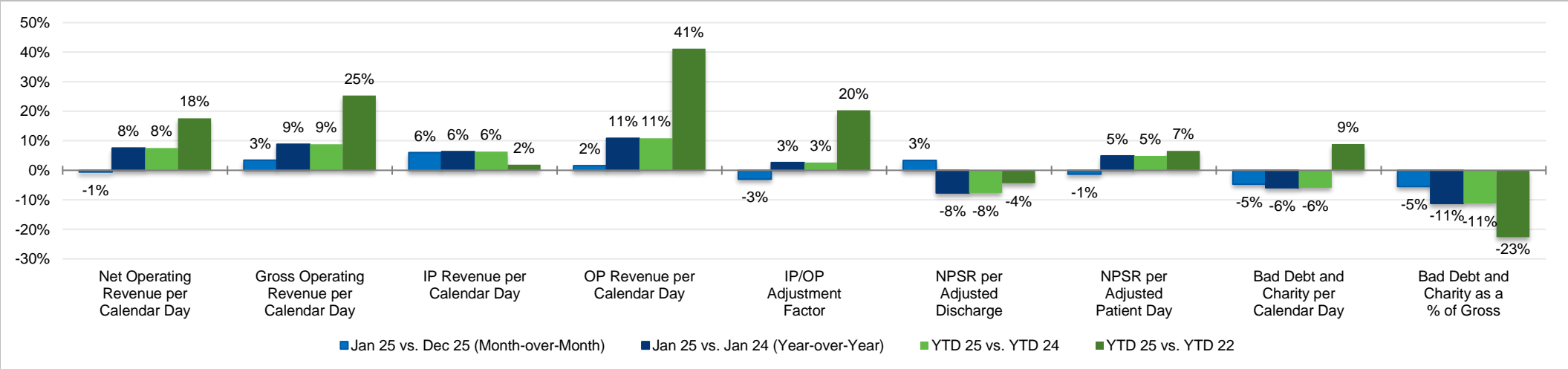


# Regional Data: Great Plains

## Profitability

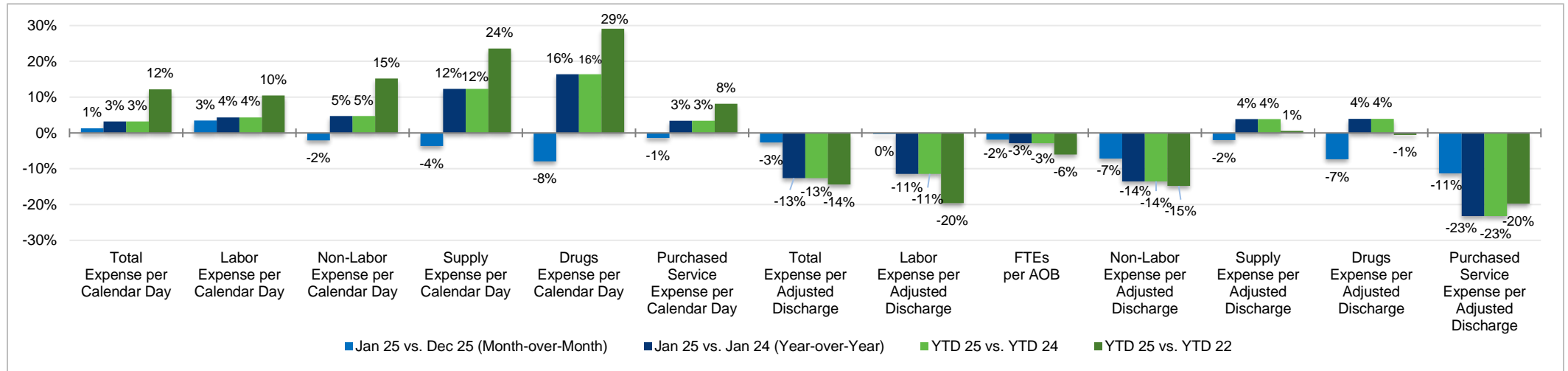


## Revenue

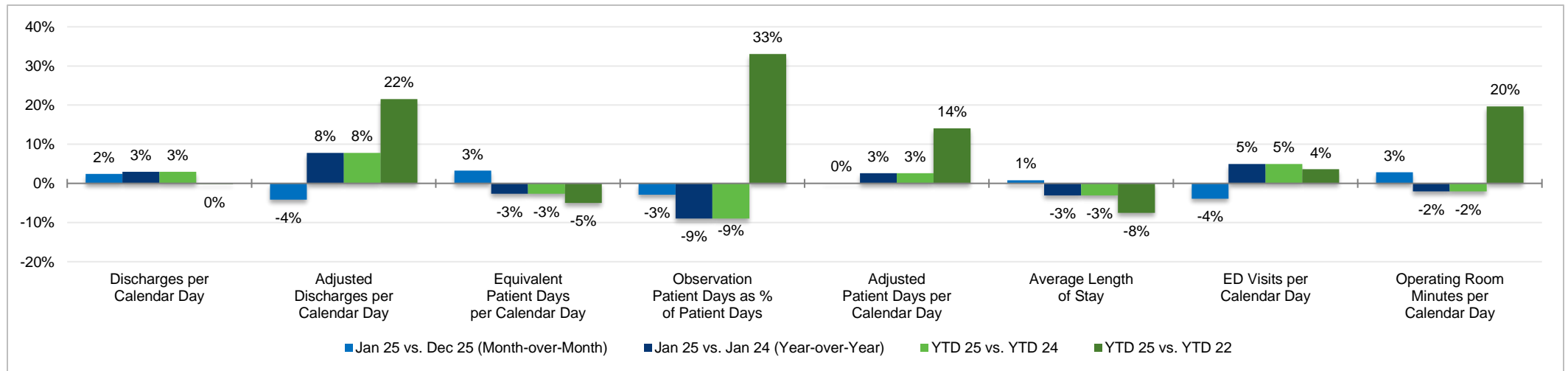


# Regional Data: Great Plains *(continued)*

## Expense



## Volume



# Data by Hospital Bed Size

*Profitability, Revenue, Expense, and Volume*

# 0-25 Beds

		Jan 25 vs. Dec 24 (Month-over-Month)	Jan 25 vs. Jan 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
<b>Margin</b>	Operating Margin	-3.8%	9.8%	9.8%	95.1%
	Operating EBIDA Margin	-5.6%	4.2%	4.2%	67.9%
<b>Volume</b>	Discharges per Calendar Day	10.3%	2.5%	2.5%	-2.0%
	Adjusted Discharges per Calendar Day	4.8%	14.1%	14.1%	41.9%
	Equivalent Patient Days per Calendar Day	3.8%	-4.1%	-4.1%	-11.9%
	Observation Patient Days as % of Patient Days	-0.1%	-13.1%	-13.1%	11.0%
	Adjusted Patient Days per Calendar Day	1.6%	4.4%	4.4%	17.8%
	Average Length of Stay	0.7%	-8.7%	-8.7%	-13.7%
	ED Visits per Calendar Day	-0.8%	4.6%	4.6%	1.7%
	Operating Room Minutes per Calendar Day	-6.8%	-2.6%	-2.6%	16.2%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	-1.9%	5.5%	5.5%
Gross Operating Revenue per Calendar Day		3.8%	6.6%	6.6%	25.6%
IP Revenue per Calendar Day		5.1%	0.6%	0.6%	-15.1%
OP Revenue per Calendar Day		4.3%	8.6%	8.6%	36.0%
IP/OP Adjustment Factor		-5.1%	5.1%	5.1%	32.1%
NPSR per Adjusted Discharge		0.5%	-9.1%	-9.1%	-13.7%
NPSR per Adjusted Patient Day		-3.6%	2.0%	2.0%	-2.4%
Bad Debt and Charity per Calendar Day		-6.0%	-6.5%	-6.5%	9.0%
Bad Debt and Charity as a % of Gross		-12.0%	-13.0%	-13.0%	-16.3%
<b>Expense</b>	Total Expense per Calendar Day	1.4%	4.4%	4.4%	10.0%
	Labor Expense per Calendar Day	1.2%	3.5%	3.5%	4.4%
	Non-Labor Expense per Calendar Day	0.7%	5.8%	5.8%	13.1%
	Supply Expense per Calendar Day	-2.9%	5.1%	5.1%	18.1%
	Drugs Expense per Calendar Day	-6.3%	1.0%	1.0%	16.3%
	Purchased Service Expense per Calendar Day	0.2%	0.3%	0.3%	10.2%
	Total Expense per Adjusted Discharge	-7.6%	-12.8%	-12.8%	-30.1%
	Labor Expense per Adjusted Discharge	-4.0%	-12.6%	-12.6%	-32.8%
	FTEs per AOB	-5.0%	-7.4%	-7.4%	-34.5%
	Non-Labor Expense per Adjusted Discharge	-9.3%	-12.3%	-12.3%	-25.7%
	Supply Expense per Adjusted Discharge	-8.1%	-4.9%	-4.9%	-24.7%
	Drugs Expense per Adjusted Discharge	-12.7%	-8.9%	-8.9%	-23.2%
Purchased Service Expense per Adjusted Discharge	-10.8%	-17.8%	-17.8%	-21.6%	

# 26-99 Beds

		Jan 25 vs. Dec 24 (Month-over-Month)	Jan 25 vs. Jan 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
<b>Margin</b>	Operating Margin	6.1%	9.6%	9.6%	65.4%
	Operating EBIDA Margin	-0.6%	1.8%	1.8%	59.1%
<b>Volume</b>	Discharges per Calendar Day	6.7%	7.1%	7.1%	11.5%
	Adjusted Discharges per Calendar Day	1.7%	5.4%	5.4%	34.9%
	Equivalent Patient Days per Calendar Day	8.4%	4.0%	4.0%	-6.3%
	Observation Patient Days as % of Patient Days	-6.7%	0.2%	0.2%	31.1%
	Adjusted Patient Days per Calendar Day	3.1%	2.3%	2.3%	12.0%
	Average Length of Stay	2.8%	0.2%	0.2%	-21.9%
	ED Visits per Calendar Day	-0.9%	1.3%	1.3%	7.2%
	Operating Room Minutes per Calendar Day	1.8%	-6.2%	-6.2%	13.6%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	1.8%	7.6%	7.6%
Gross Operating Revenue per Calendar Day		4.2%	8.0%	8.0%	31.6%
IP Revenue per Calendar Day		10.5%	7.3%	7.3%	6.8%
OP Revenue per Calendar Day		2.4%	9.0%	9.0%	43.4%
IP/OP Adjustment Factor		-5.8%	0.2%	0.2%	20.3%
NPSR per Adjusted Discharge		1.2%	1.3%	1.3%	-14.7%
NPSR per Adjusted Patient Day		0.4%	5.2%	5.2%	10.6%
Bad Debt and Charity per Calendar Day		5.8%	5.2%	5.2%	19.9%
Bad Debt and Charity as a % of Gross		2.4%	-0.4%	-0.4%	-6.0%
<b>Expense</b>	Total Expense per Calendar Day	0.8%	4.3%	4.3%	7.6%
	Labor Expense per Calendar Day	3.2%	3.6%	3.6%	4.9%
	Non-Labor Expense per Calendar Day	-0.3%	5.4%	5.4%	14.0%
	Supply Expense per Calendar Day	0.5%	7.8%	7.8%	12.5%
	Drugs Expense per Calendar Day	0.0%	6.9%	6.9%	-0.8%
	Purchased Service Expense per Calendar Day	-2.2%	4.9%	4.9%	13.1%
	Total Expense per Adjusted Discharge	-1.4%	-1.8%	-1.8%	-21.4%
	Labor Expense per Adjusted Discharge	-0.2%	-4.0%	-4.0%	-27.4%
	FTEs per AOB	-5.2%	-5.3%	-5.3%	-18.3%
	Non-Labor Expense per Adjusted Discharge	-3.3%	-2.0%	-2.0%	-20.2%
	Supply Expense per Adjusted Discharge	-1.9%	-1.4%	-1.4%	-20.4%
	Drugs Expense per Adjusted Discharge	0.3%	-2.9%	-2.9%	-30.9%
Purchased Service Expense per Adjusted Discharge	-3.1%	-1.6%	-1.6%	-5.9%	

# 100-199 Beds

		Jan 25 vs. Dec 24 (Month-over-Month)	Jan 25 vs. Jan 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
<b>Margin</b>	Operating Margin	-0.8%	8.1%	8.1%	43.1%
	Operating EBIDA Margin	-3.6%	6.2%	6.2%	50.2%
<b>Volume</b>	Discharges per Calendar Day	5.9%	4.2%	4.2%	17.1%
	Adjusted Discharges per Calendar Day	1.9%	8.8%	8.8%	30.1%
	Equivalent Patient Days per Calendar Day	5.8%	1.2%	1.2%	-3.7%
	Observation Patient Days as % of Patient Days	-3.2%	-0.8%	-0.8%	2.4%
	Adjusted Patient Days per Calendar Day	3.4%	1.3%	1.3%	8.0%
	Average Length of Stay	1.5%	-4.4%	-4.4%	-16.4%
	ED Visits per Calendar Day	0.8%	2.7%	2.7%	11.8%
	Operating Room Minutes per Calendar Day	-0.1%	-4.1%	-4.1%	9.7%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	0.2%	5.2%	5.2%
Gross Operating Revenue per Calendar Day		5.2%	7.7%	7.7%	29.5%
IP Revenue per Calendar Day		9.1%	5.5%	5.5%	13.1%
OP Revenue per Calendar Day		3.3%	8.3%	8.3%	44.0%
IP/OP Adjustment Factor		-3.3%	0.7%	0.7%	12.2%
NPSR per Adjusted Discharge		-2.1%	0.2%	0.2%	-8.9%
NPSR per Adjusted Patient Day		-3.1%	4.5%	4.5%	15.8%
Bad Debt and Charity per Calendar Day		-6.0%	6.8%	6.8%	15.8%
Bad Debt and Charity as a % of Gross		-10.1%	-6.5%	-6.5%	-17.9%
<b>Expense</b>	Total Expense per Calendar Day	-0.1%	4.0%	4.0%	11.5%
	Labor Expense per Calendar Day	2.3%	2.2%	2.2%	7.2%
	Non-Labor Expense per Calendar Day	-0.2%	5.4%	5.4%	19.2%
	Supply Expense per Calendar Day	0.1%	5.6%	5.6%	21.4%
	Drugs Expense per Calendar Day	3.6%	5.8%	5.8%	-5.1%
	Purchased Service Expense per Calendar Day	-1.0%	8.5%	8.5%	16.2%
	Total Expense per Adjusted Discharge	-1.9%	-3.6%	-3.6%	-16.5%
	Labor Expense per Adjusted Discharge	0.6%	-4.4%	-4.4%	-21.2%
	FTEs per AOB	-5.7%	-3.9%	-3.9%	-17.8%
	Non-Labor Expense per Adjusted Discharge	-1.3%	-0.2%	-0.2%	-10.0%
	Supply Expense per Adjusted Discharge	-1.2%	-1.0%	-1.0%	-10.5%
	Drugs Expense per Adjusted Discharge	4.4%	-3.1%	-3.1%	-39.9%
Purchased Service Expense per Adjusted Discharge	-6.8%	0.8%	0.8%	-6.6%	

# 200-299 Beds

		Jan 25 vs. Dec 24 (Month-over-Month)	Jan 25 vs. Jan 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
<b>Margin</b>	Operating Margin	0.1%	3.0%	3.0%	94.8%
	Operating EBIDA Margin	1.1%	4.6%	4.6%	47.0%
<b>Volume</b>	Discharges per Calendar Day	3.8%	7.2%	7.2%	14.9%
	Adjusted Discharges per Calendar Day	1.2%	8.3%	8.3%	29.1%
	Equivalent Patient Days per Calendar Day	6.5%	1.1%	1.1%	-0.3%
	Observation Patient Days as % of Patient Days	-7.5%	-5.1%	-5.1%	-0.3%
	Adjusted Patient Days per Calendar Day	5.5%	3.4%	3.4%	11.4%
	Average Length of Stay	3.7%	-5.3%	-5.3%	-14.6%
	ED Visits per Calendar Day	1.7%	4.9%	4.9%	11.6%
	Operating Room Minutes per Calendar Day	4.1%	1.2%	1.2%	20.2%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	0.8%	9.4%	9.4%
Gross Operating Revenue per Calendar Day		5.5%	9.1%	9.1%	39.6%
IP Revenue per Calendar Day		8.0%	7.6%	7.6%	25.6%
OP Revenue per Calendar Day		3.0%	10.1%	10.1%	52.9%
IP/OP Adjustment Factor		-2.5%	1.5%	1.5%	9.4%
NPSR per Adjusted Discharge		1.2%	2.6%	2.6%	-3.0%
NPSR per Adjusted Patient Day		-3.1%	3.3%	3.3%	16.9%
Bad Debt and Charity per Calendar Day		-2.3%	11.4%	11.4%	22.1%
Bad Debt and Charity as a % of Gross		-5.7%	1.7%	1.7%	-2.5%
<b>Expense</b>	Total Expense per Calendar Day	1.0%	5.6%	5.6%	17.2%
	Labor Expense per Calendar Day	2.4%	3.7%	3.7%	8.8%
	Non-Labor Expense per Calendar Day	0.1%	7.2%	7.2%	23.3%
	Supply Expense per Calendar Day	3.7%	9.0%	9.0%	26.5%
	Drugs Expense per Calendar Day	5.2%	6.2%	6.2%	9.1%
	Purchased Service Expense per Calendar Day	-1.8%	9.3%	9.3%	12.4%
	Total Expense per Adjusted Discharge	0.7%	-4.8%	-4.8%	-12.8%
	Labor Expense per Adjusted Discharge	1.7%	-3.4%	-3.4%	-20.7%
	FTEs per AOB	-5.4%	-2.5%	-2.5%	-12.1%
	Non-Labor Expense per Adjusted Discharge	0.3%	-1.8%	-1.8%	-7.5%
	Supply Expense per Adjusted Discharge	5.0%	1.8%	1.8%	-1.6%
	Drugs Expense per Adjusted Discharge	5.5%	-1.5%	-1.5%	-26.2%
Purchased Service Expense per Adjusted Discharge	-3.8%	1.6%	1.6%	-12.9%	

# 300-499 Beds

		Jan 25 vs. Dec 24 (Month-over-Month)	Jan 25 vs. Jan 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
<b>Margin</b>	Operating Margin	-3.3%	16.3%	16.3%	88.4%
	Operating EBIDA Margin	-7.4%	9.4%	9.4%	71.7%
<b>Volume</b>	Discharges per Calendar Day	2.5%	4.7%	4.7%	14.9%
	Adjusted Discharges per Calendar Day	0.6%	6.7%	6.7%	21.0%
	Equivalent Patient Days per Calendar Day	5.4%	1.9%	1.9%	3.3%
	Observation Patient Days as % of Patient Days	-7.9%	-2.0%	-2.0%	-2.3%
	Adjusted Patient Days per Calendar Day	3.9%	2.9%	2.9%	9.5%
	Average Length of Stay	3.0%	-1.5%	-1.5%	-9.0%
	ED Visits per Calendar Day	-0.8%	4.1%	4.1%	14.8%
	Operating Room Minutes per Calendar Day	3.3%	-2.0%	-2.0%	15.2%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	0.2%	6.9%	6.9%
Gross Operating Revenue per Calendar Day		4.9%	8.5%	8.5%	36.4%
IP Revenue per Calendar Day		6.5%	7.2%	7.2%	21.9%
OP Revenue per Calendar Day		2.4%	9.4%	9.4%	53.4%
IP/OP Adjustment Factor		-2.3%	0.3%	0.3%	7.6%
NPSR per Adjusted Discharge		0.2%	2.1%	2.1%	1.3%
NPSR per Adjusted Patient Day		-1.7%	5.1%	5.1%	16.3%
Bad Debt and Charity per Calendar Day		-8.6%	3.3%	3.3%	19.2%
Bad Debt and Charity as a % of Gross		-10.7%	-7.5%	-7.5%	-12.7%
<b>Expense</b>	Total Expense per Calendar Day	0.4%	5.6%	5.6%	15.0%
	Labor Expense per Calendar Day	2.2%	5.7%	5.7%	8.3%
	Non-Labor Expense per Calendar Day	0.0%	4.9%	4.9%	22.9%
	Supply Expense per Calendar Day	0.2%	6.5%	6.5%	28.3%
	Drugs Expense per Calendar Day	0.3%	3.4%	3.4%	5.6%
	Purchased Service Expense per Calendar Day	-1.9%	6.9%	6.9%	16.7%
	Total Expense per Adjusted Discharge	1.1%	0.9%	0.9%	-4.5%
	Labor Expense per Adjusted Discharge	0.7%	0.2%	0.2%	-14.1%
	FTEs per AOB	-4.8%	-1.1%	-1.1%	-12.5%
	Non-Labor Expense per Adjusted Discharge	0.3%	1.1%	1.1%	-0.2%
	Supply Expense per Adjusted Discharge	-1.4%	2.6%	2.6%	2.7%
	Drugs Expense per Adjusted Discharge	-2.6%	-0.2%	-0.2%	-12.2%
Purchased Service Expense per Adjusted Discharge	-3.1%	9.2%	9.2%	3.8%	

# 500+ Beds

		Jan 25 vs. Dec 24 (Month-over-Month)	Jan 25 vs. Jan 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
<b>Margin</b>	Operating Margin	11.0%	16.8%	16.8%	119.0%
	Operating EBIDA Margin	3.8%	11.3%	11.3%	119.9%
<b>Volume</b>	Discharges per Calendar Day	2.3%	6.1%	6.1%	19.3%
	Adjusted Discharges per Calendar Day	2.2%	7.1%	7.1%	31.0%
	Equivalent Patient Days per Calendar Day	3.7%	2.1%	2.1%	5.6%
	Observation Patient Days as % of Patient Days	0.5%	4.5%	4.5%	2.1%
	Adjusted Patient Days per Calendar Day	3.7%	4.8%	4.8%	16.0%
	Average Length of Stay	0.8%	-6.2%	-6.2%	-17.5%
	ED Visits per Calendar Day	1.8%	6.6%	6.6%	15.2%
	Operating Room Minutes per Calendar Day	3.5%	0.9%	0.9%	22.4%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	4.2%	10.6%	10.6%
Gross Operating Revenue per Calendar Day		5.7%	10.3%	10.3%	39.6%
IP Revenue per Calendar Day		7.0%	8.4%	8.4%	33.9%
OP Revenue per Calendar Day		4.0%	11.4%	11.4%	51.0%
IP/OP Adjustment Factor		-1.0%	1.1%	1.1%	6.9%
NPSR per Adjusted Discharge		0.4%	2.5%	2.5%	1.6%
NPSR per Adjusted Patient Day		0.2%	7.0%	7.0%	24.1%
Bad Debt and Charity per Calendar Day		-3.7%	-2.8%	-2.8%	32.6%
Bad Debt and Charity as a % of Gross		-5.3%	-5.9%	-5.9%	-8.0%
<b>Expense</b>	Total Expense per Calendar Day	3.5%	8.3%	8.3%	26.9%
	Labor Expense per Calendar Day	2.6%	6.8%	6.8%	13.1%
	Non-Labor Expense per Calendar Day	2.6%	10.1%	10.1%	34.7%
	Supply Expense per Calendar Day	5.0%	13.3%	13.3%	45.4%
	Drugs Expense per Calendar Day	1.7%	14.8%	14.8%	52.8%
	Purchased Service Expense per Calendar Day	-1.5%	12.0%	12.0%	25.8%
	Total Expense per Adjusted Discharge	-2.1%	0.9%	0.9%	-7.0%
	Labor Expense per Adjusted Discharge	-0.6%	-1.1%	-1.1%	-15.7%
	FTEs per AOB	-5.1%	-2.3%	-2.3%	-7.2%
	Non-Labor Expense per Adjusted Discharge	-2.7%	1.0%	1.0%	-1.1%
	Supply Expense per Adjusted Discharge	1.1%	3.5%	3.5%	7.4%
	Drugs Expense per Adjusted Discharge	-1.6%	5.5%	5.5%	17.0%
Purchased Service Expense per Adjusted Discharge	-3.1%	2.4%	2.4%	0.8%	

# Non-Operating

# National Non-Operating Results

## Key Observations

- Following cuts at three consecutive meetings beginning in September, the Federal Open Market Committee (FOMC) paused its cycle in January; the pause reflects the strong economy and the Federal Reserve's need to assess the impact of the new administration's policies
- The Fed now adopts a “wait-and-see” view, which the market believes will result in rates holding steady at March's FOMC meeting, and the futures market currently does not have a full cut priced in until July
- In his post-meeting press conference, Fed Chair Jerome Powell said that the central bank needs to see “real progress on inflation or some weakness in the labor market before we consider making adjustments.” Chair Powell also mentioned that, regarding potential impacts of tariffs on the economy, “the range of possibilities is very, very wide.”
- January's producer price index (PPI), a key metric closely watched by the Fed, rose 0.4%, a greater increase than the 0.3% estimate, and year-over-year (YoY), the PPI surged 3.5%, surpassing December's record high and exceeding the forecast of 3.2%
- Inflation unexpectedly accelerated in January, with consumer prices rising 0.5% monthly, when prices were expected to increase only 0.3%; the annual rate reached 3.0%, breaking a streak of lower inflation and continuing a four-month upward trend
- Core consumer price index (CPI) increased 0.4% month-over-month (MoM), exceeding the expected 0.3%. YoY, it grew 0.1%, reaching 3.3%
- The U.S. economy added 143,000 jobs in January, a decrease of 113,000 jobs from December's payroll number of 256,000
- According to the Bureau of Labor Statistics, “Health care added 44,000 jobs in January, with gains in hospitals (+14,000), nursing and residential care facilities (+13,000), and home health care services (+11,000). Job growth in health care averaged 57,000 per month in 2024.”
- January's unemployment rate decreased 0.1% to 4.0%, indicating a shift in the labor market returning to levels in May

# National Non-Operating Results *(continued)*

## General Non-Operating Observations

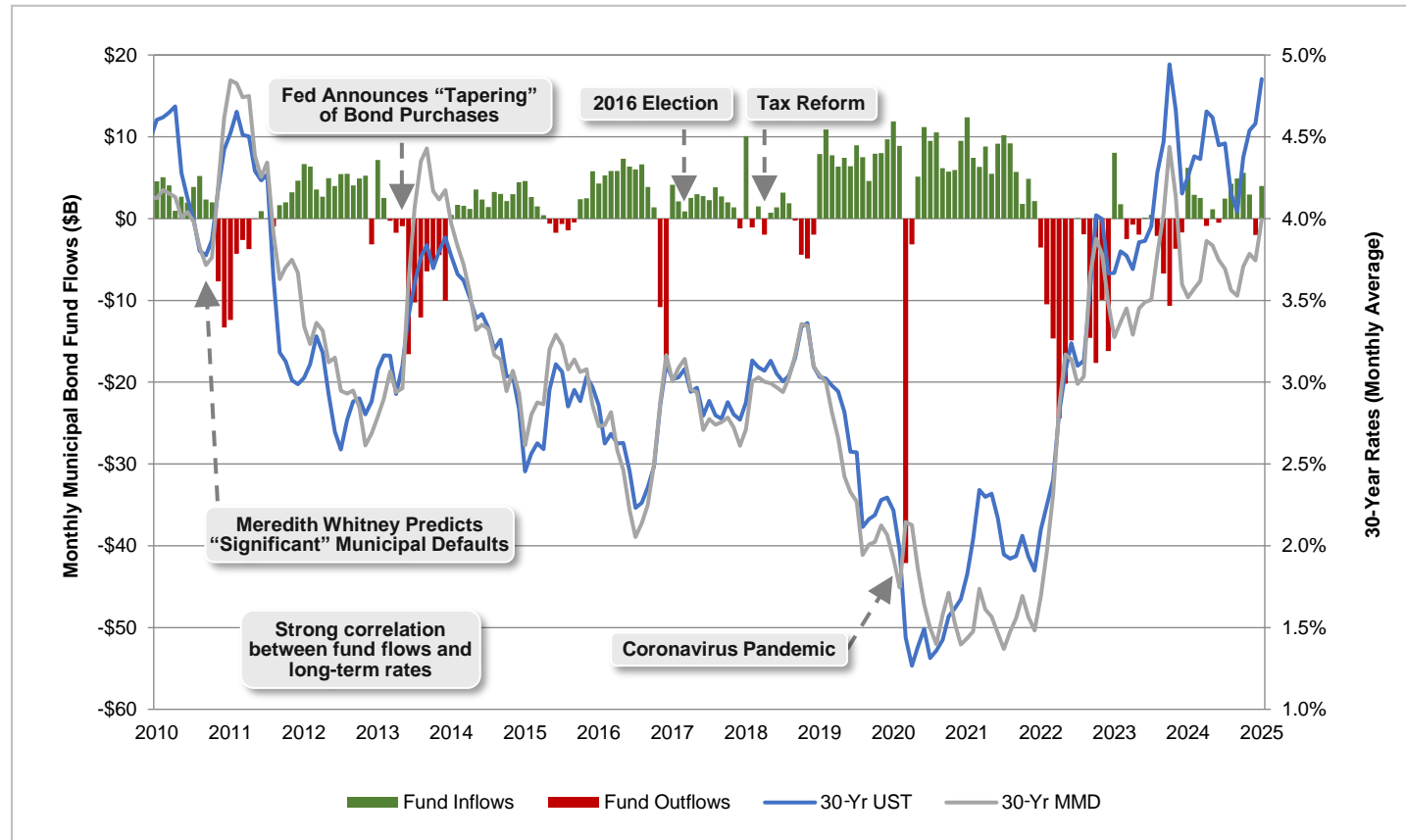
	January 2025	M-o-M Change	Y-o-Y Change
<b>General</b>			
GDP Growth*	2.3%	n/a	n/a
Unemployment Rate	4.0%	-0.1%	+0.3%
Personal Consumption Expenditures (Y-o-Y)	2.8%	+0.0%	-0.3%
<b>Liabilities</b>			
SOFR	4.38%	-11 bps	-94 bps
SIFMA	2.25%	-137 bps	-149 bps
30-yr MMD	3.97%	+7 bps	+45 bps
30-yr Treasury	4.79%	+1 bp	+62 bps
<b>Assets</b>			
60/40 Asset Allocation†	n/a	1.9%	+13.4%

\*U.S. Bureau of Economic Analysis, Q4 2024 "Advanced Estimate"

†60/40 Asset Allocation assumes 30% S&P 500 Index, 20% MSCI World Index, 10% MSCI Emerging Markets Index, 40% Barclays U.S. 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 (January 2025 Metrics)

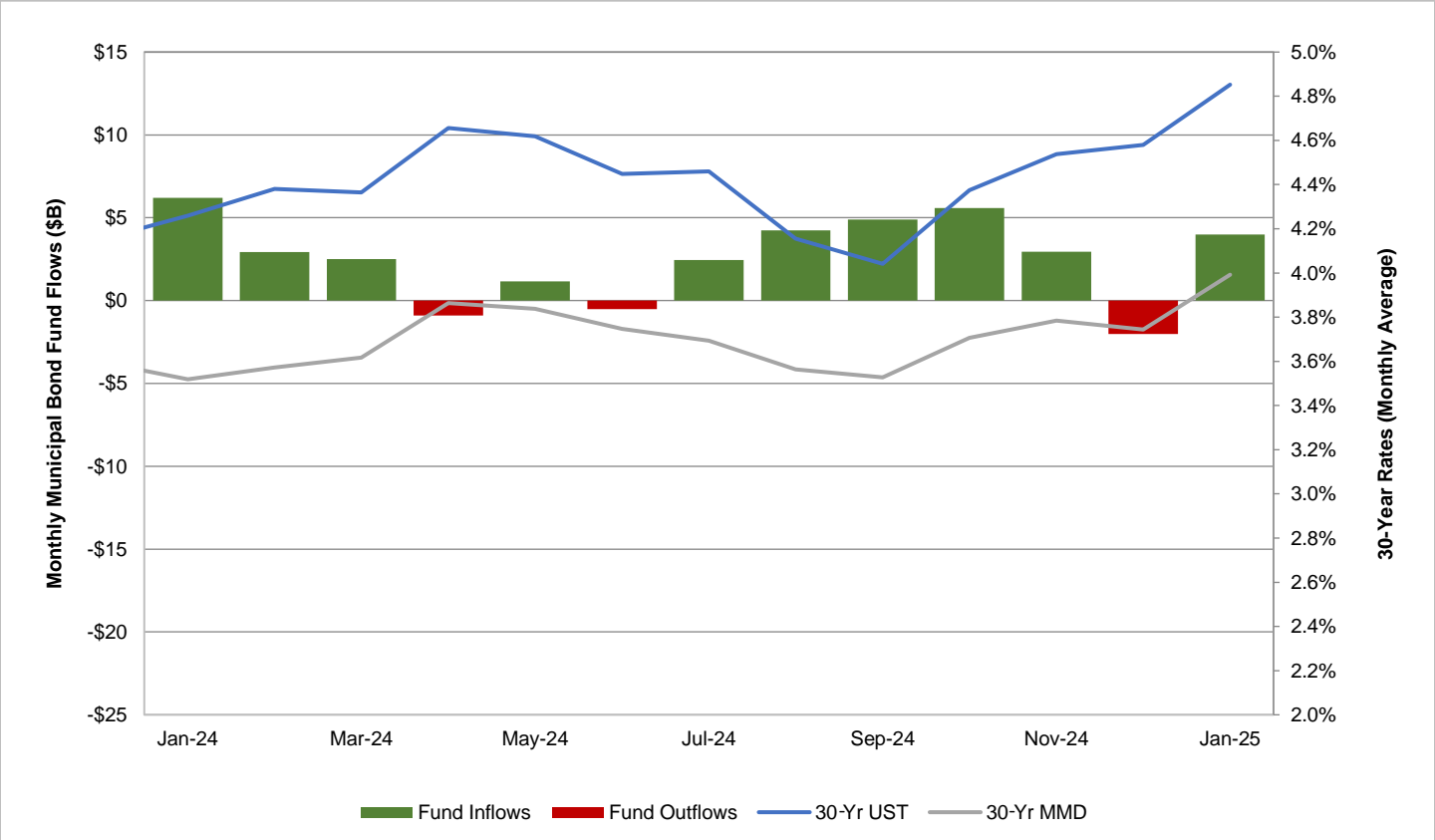
Taxable and tax-exempt debt capital markets, as approximated here by the '30-yr U.S. Treasury' and '30-yr MMD Index', are dependent upon macroeconomic conditions, including inflation expectations, gross domestic product (GDP) growth, and investment opportunities elsewhere in the market. A key measure 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 saw minimal changes in January. The 30-year Municipal Market Data (MMD) benchmark for tax-exempt bonds rose seven basis points, reaching 3.97%. The 30-year Treasury rate increased slightly – just one basis point – ending January at 4.79%. In contrast, the 10-year MMD and 10-year Treasury yields both declined, though only slightly. The 10-year MMD fell nine basis points to 2.97%, while the 10-year Treasury dropped three basis points to 4.54%. Notably, MMD hit a 12-month peak of 4.11% intra month which is at least a 12-month high as well.

Ratios widened for shorter maturities, with the two-year, five-year, and 10-year ratios each decreasing 2%, ending January at 64%, 64%, and 65%, respectively. However, for longer maturities, the 20-year and 30-year ratios tightened slightly, closing January at 78% and 83%, respectively, up 1-3% from December.

# Non-Operating Liabilities *(continued)*

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



Municipal funds saw an inflow of approximately \$4 billion in January, rebounding from December’s \$2 billion outflow, which ended five consecutive months of inflows. Total municipal issuance for January reached \$35 billion, an 11% increase from January 2024. Healthcare issuances in January 2025 totaled \$3.2 billion, down \$800 million from January 2024.

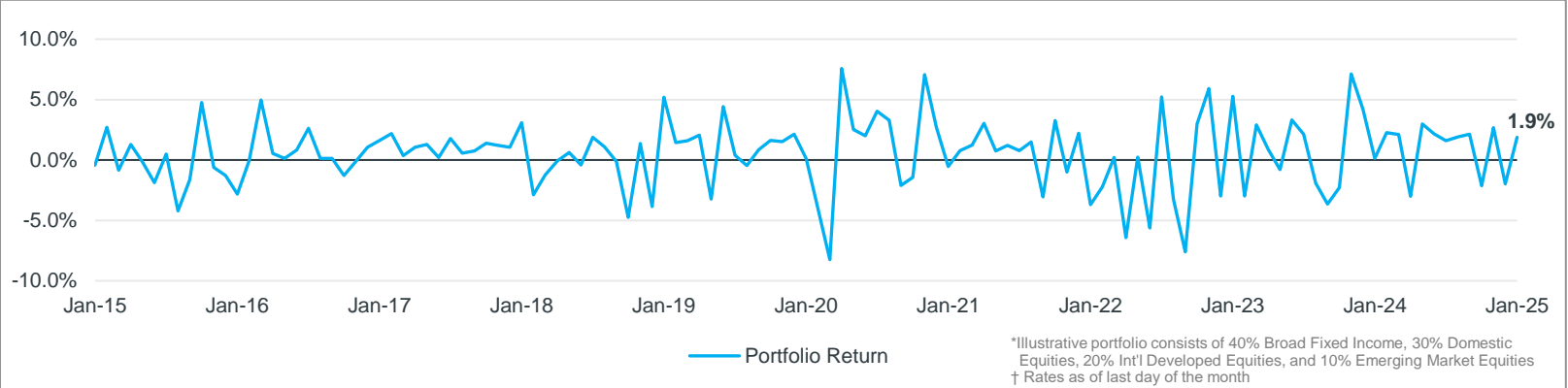
2025 is still slated to be a strong year for healthcare issuances. The tax-exempt public healthcare market priced \$1.5 billion of long-dated fixed and put bonds in January. Additionally, banks project that there will be at least three public healthcare issuances in February totaling approximately \$650 million in par.

Kaufman Hall, National Hospital Flash Report (January 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 Assets

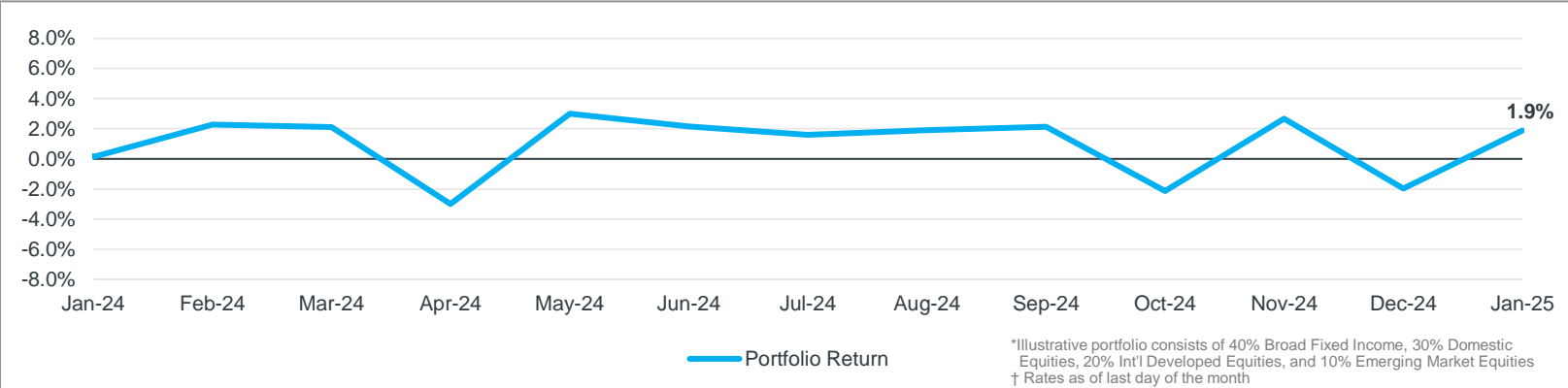
## Long Term – Illustrative Investment Portfolio Returns, Month-over-Month Change



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

January saw a reversal of the decline in equity markets from December. The S&P 500 increased 2.7%, contrasting with December’s 2.5% drop, and bringing its YoY gain to 24.7%. The blended 60/40 asset allocation rose 1.9% in January, recovering from December’s 2.0% decline, and bringing its YoY return to 13.4%. The MSCI World, MSCI Emerging Markets, and Barclays Aggregate Indexes all had gains in January, rising 3.5%, 1.7%, and 0.5%, respectively.

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



Kaufman Hall, National Hospital Flash Report (January 2025 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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