



JUNE 2025 METRICS

National Hospital Flash Report

Real Data. Real Insight. Real Time.

Based on Data from More Than 1,300 Hospitals

Table of Contents

About the Data	3
Key Takeaways	5
Operating Margin	6
National and Regional Data: Profitability, Revenue, Expense, and Volume	8
Data by Hospital Bed Size: Profitability, Revenue, Expense, and Volume	21
Non-Operating	28
Contacts	37

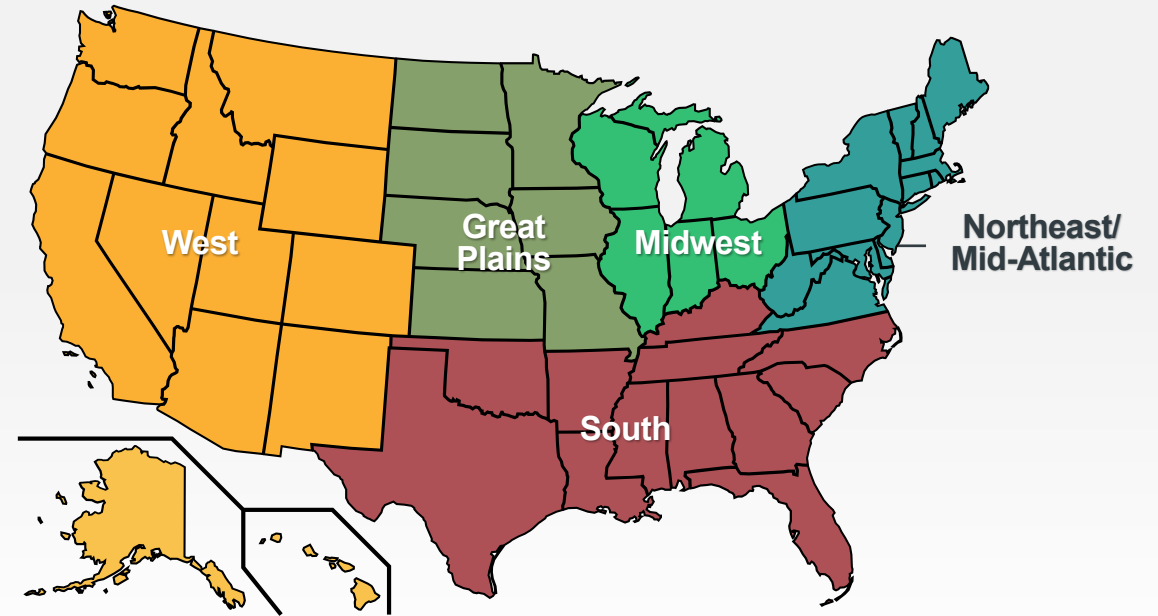
About the Data

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.

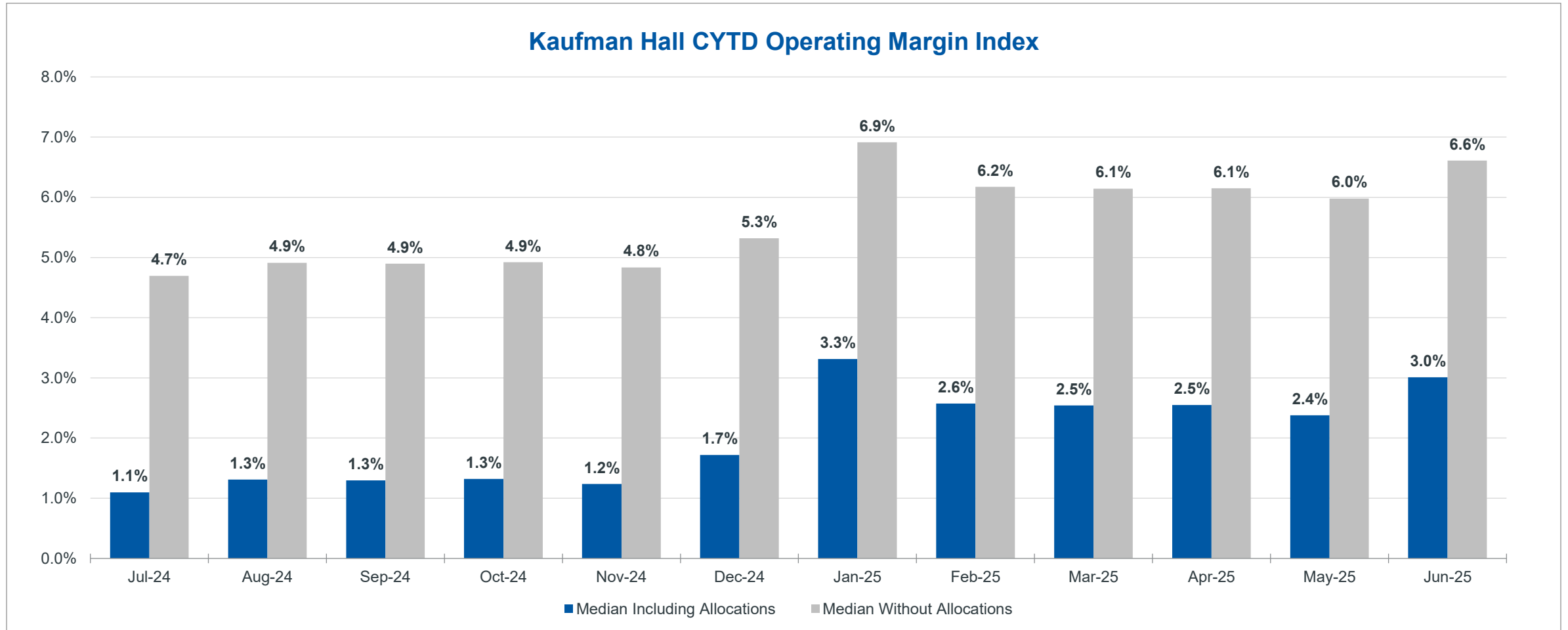


Strata Decision Technology, LLC provides an innovative, cloud-based platform for software, and data and service solutions to help healthcare organizations acquire insights, accelerate decisions, and enhance performance in support of their missions. More than 2,300 organizations rely on Strata's StrataJazz 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. Revenue on a volume adjusted basis increased.** Increases in outpatient revenue indicate that hospitals that are performing well are leveraging their outpatient footprint and diversifying services.
- 2. Bad debt rose in June compared to May, outpacing the growth rate in previous months.** This trend may reflect shifts in insurance enrollment.
- 3. Non-labor expenses and purchased services continue to drive increased expenses.** Though revenue is rising, expenses are also increasing on a volume adjusted basis.

Operating Margin

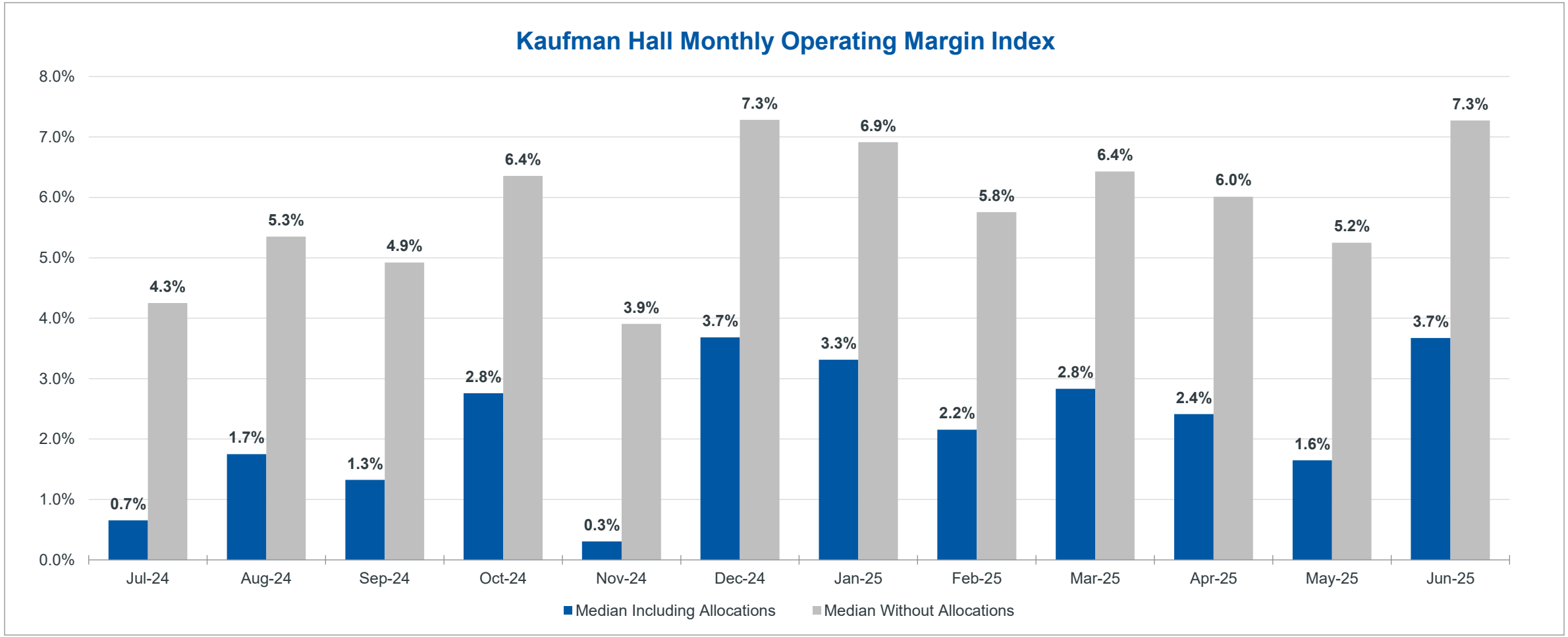


Kaufman Hall, *National Hospital Flash Report* (June 2025 Metrics)

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

Operating Margin *(continued)*

Kaufman Hall Monthly Operating Margin Index



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

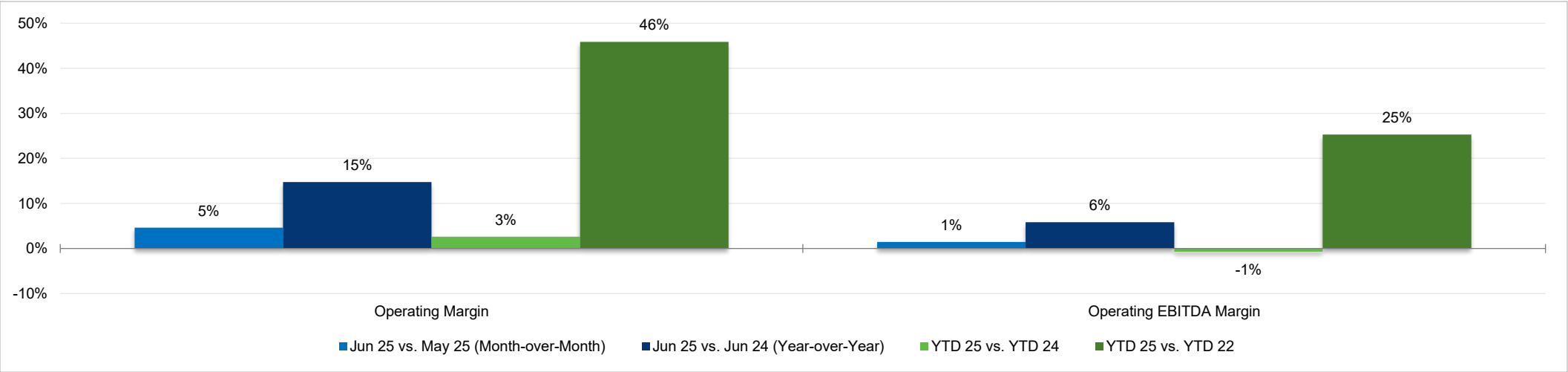
* Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset, and are displayed with and without adjustments for allocations to hospitals from corporate, physician, and other entities.

National and Regional Data

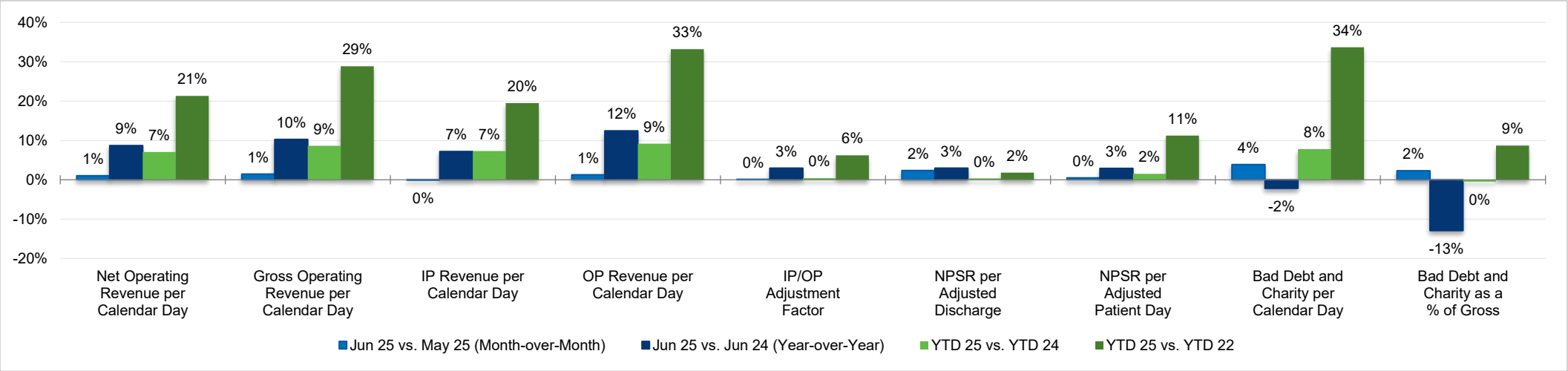
Profitability, Revenue, Expense, and Volume

National Data

Profitability

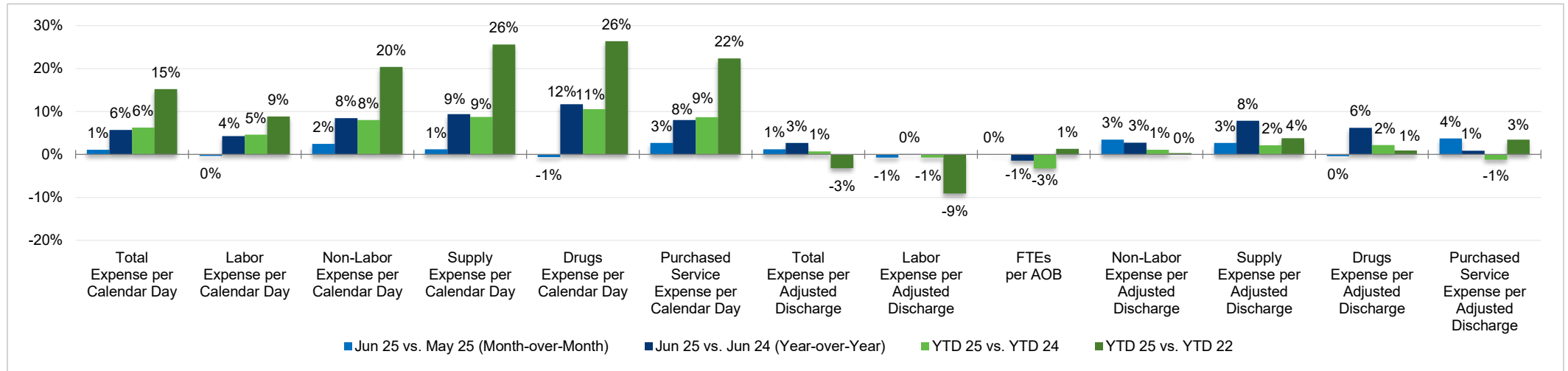


Revenue

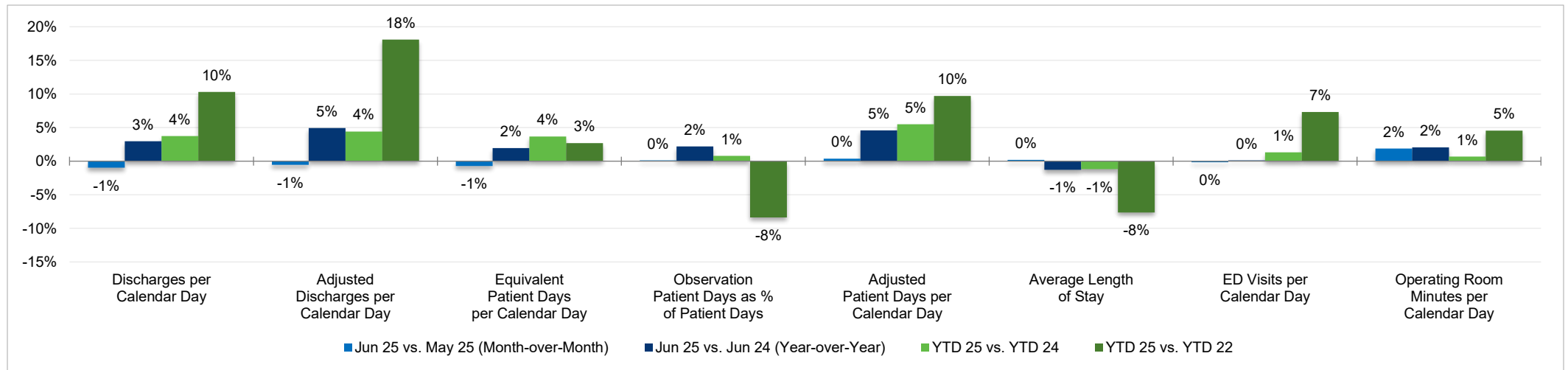


National Data *(continued)*

Expense

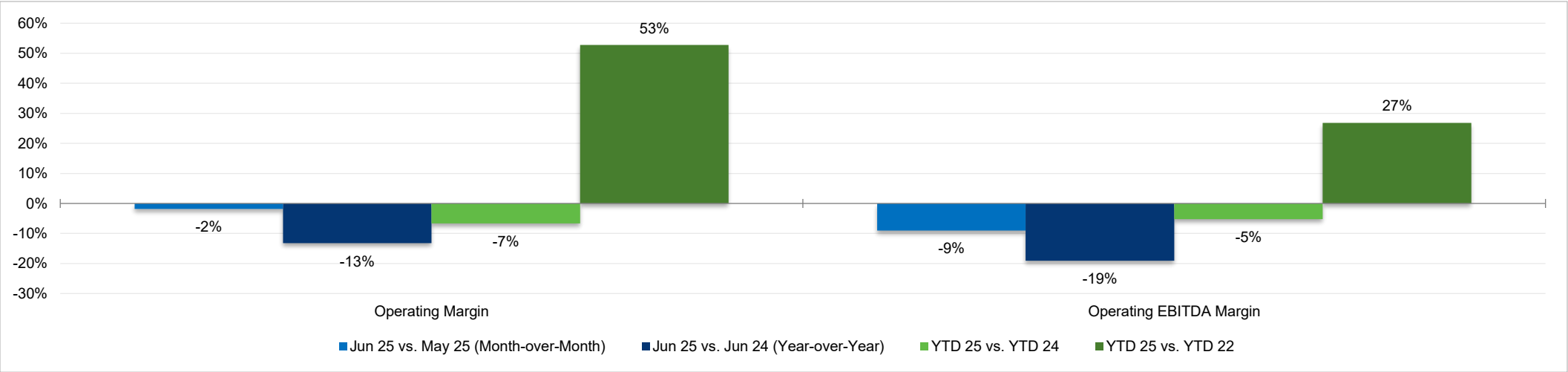


Volume

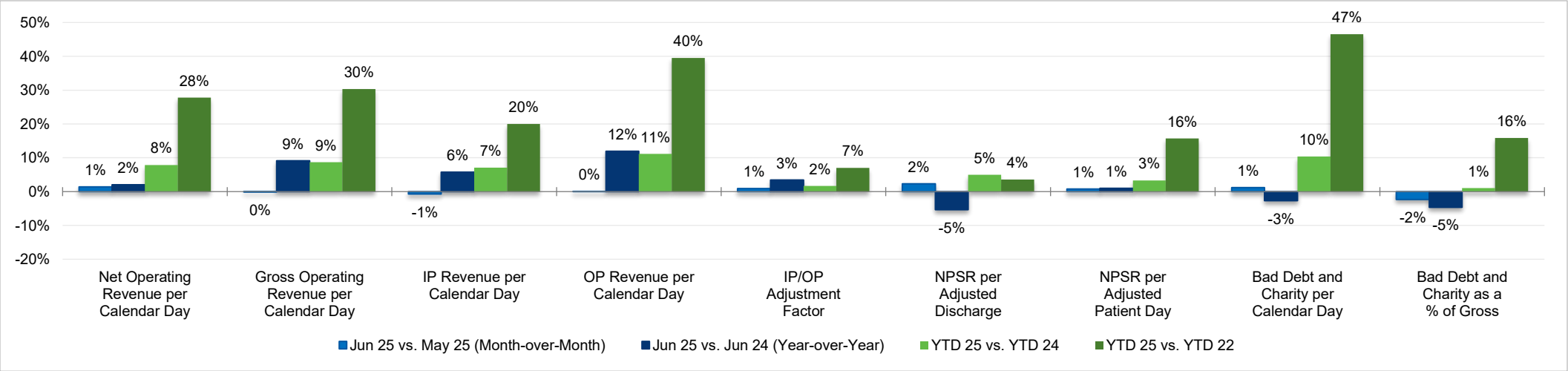


Regional Data: West

Profitability

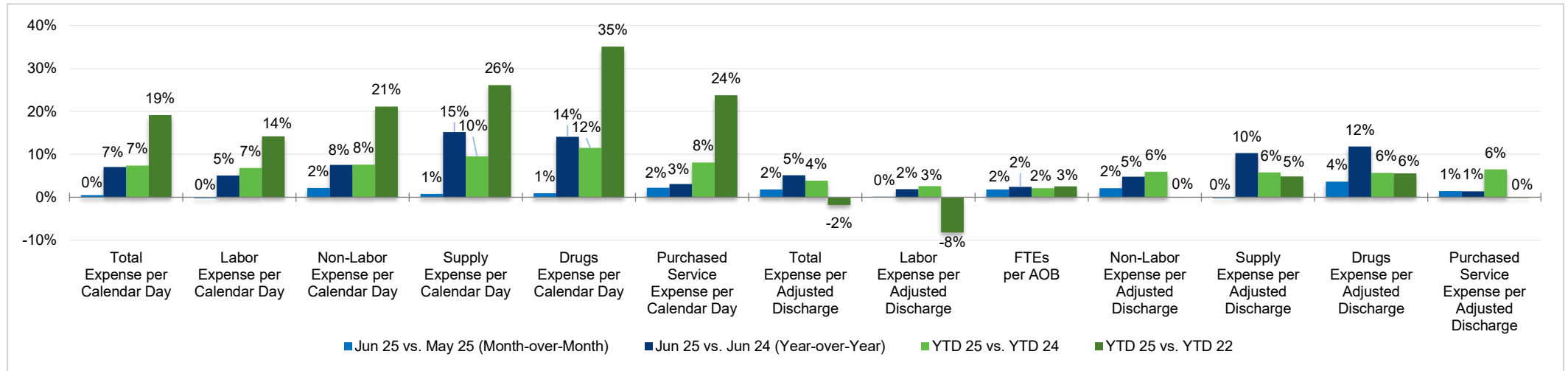


Revenue

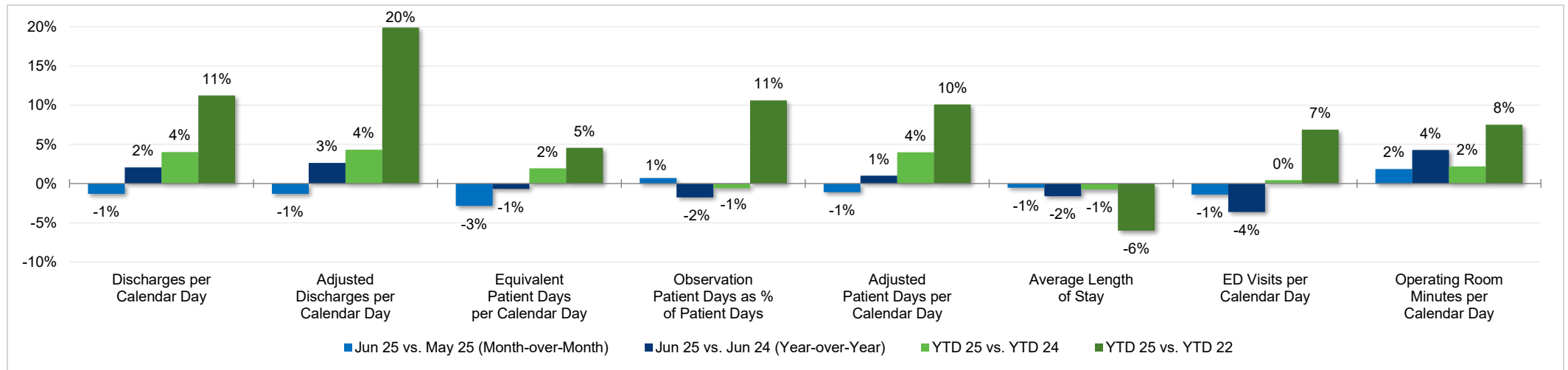


Regional Data: West *(continued)*

Expense

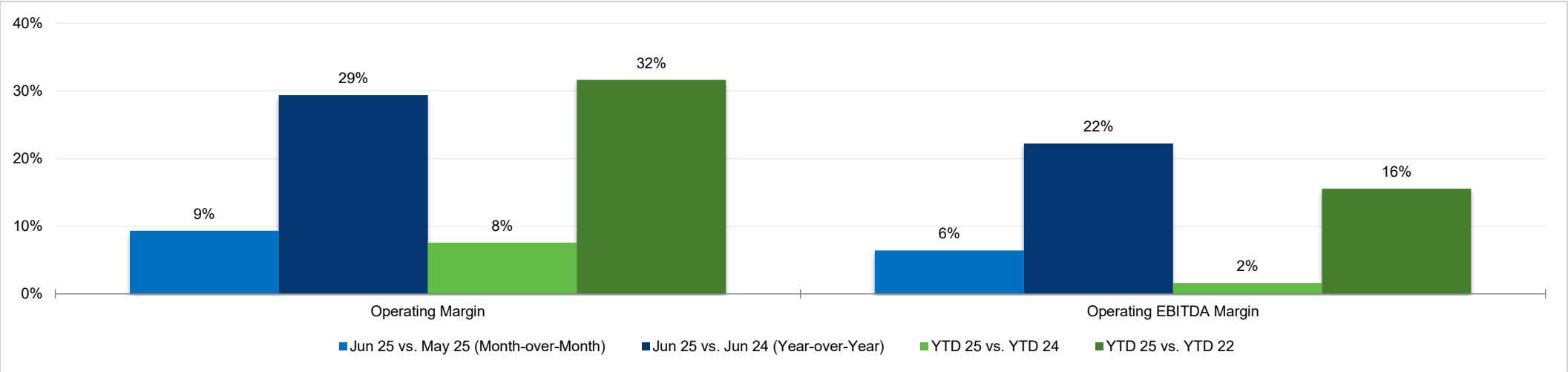


Volume

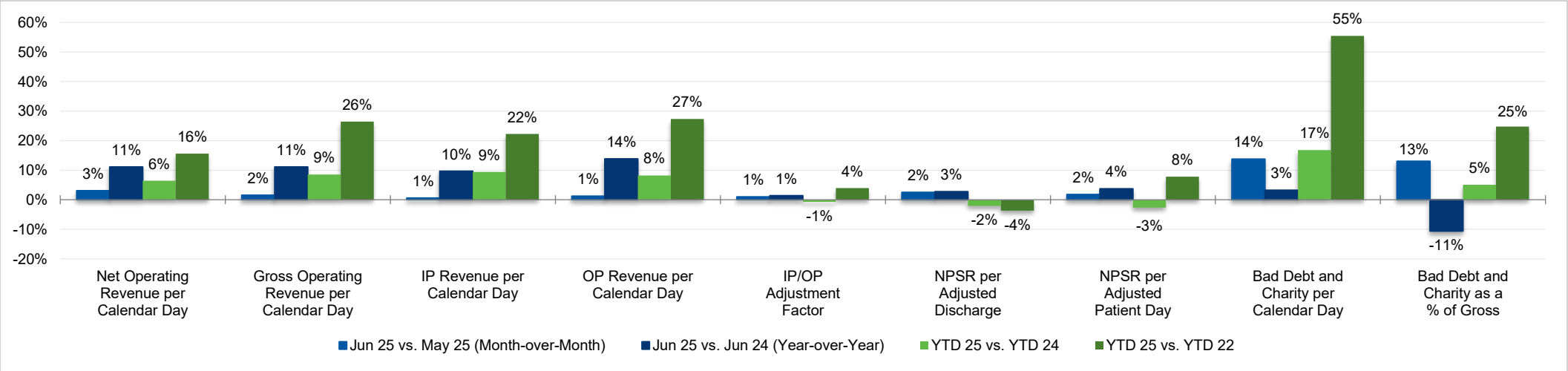


Regional Data: Midwest

Profitability

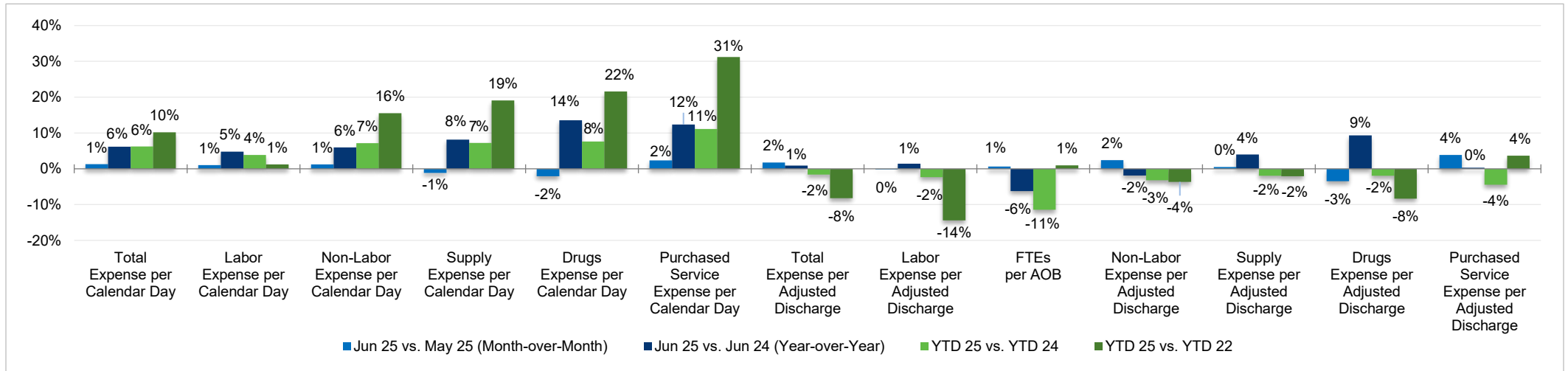


Revenue

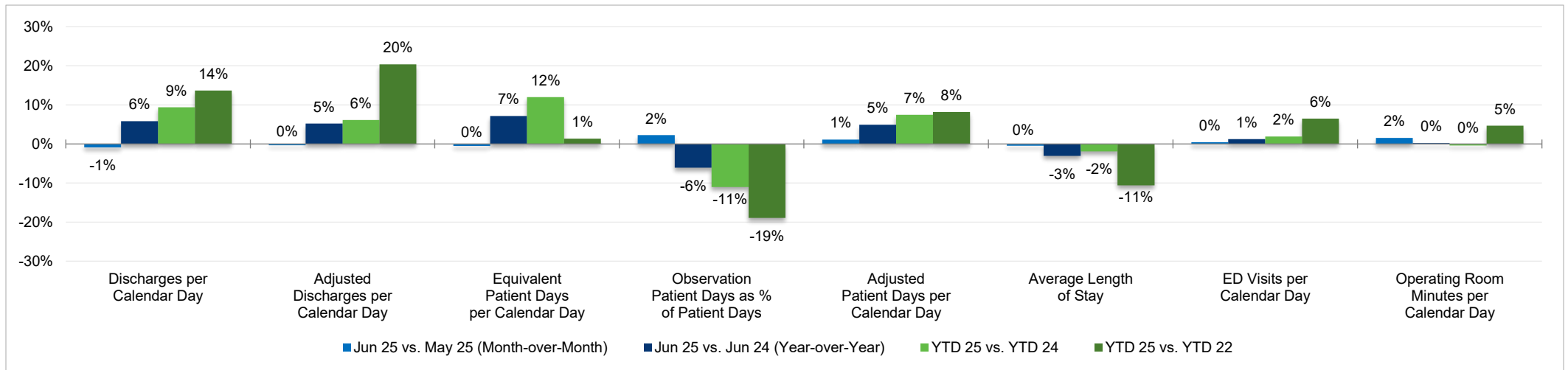


Regional Data: Midwest *(continued)*

Expense

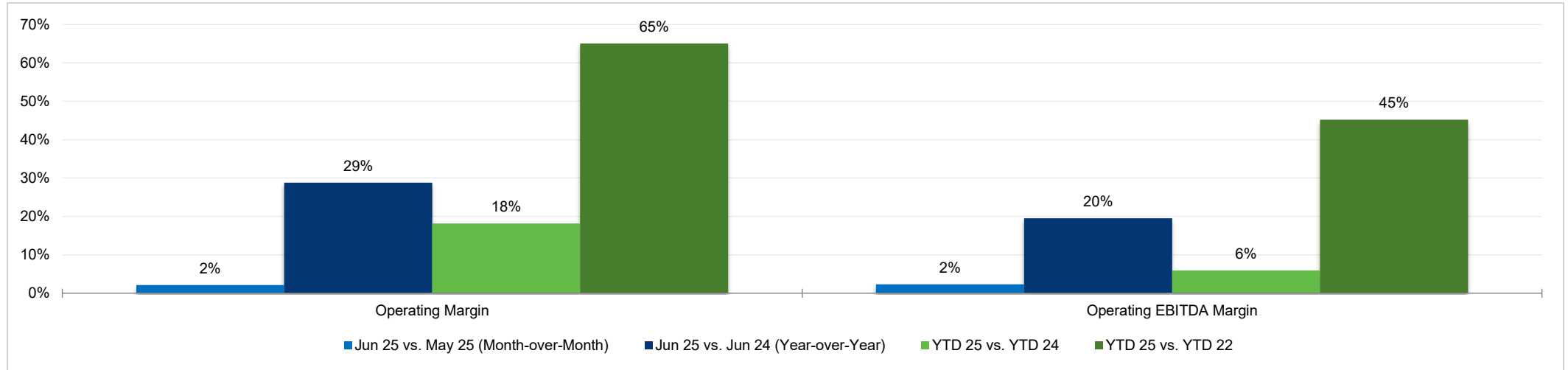


Volume

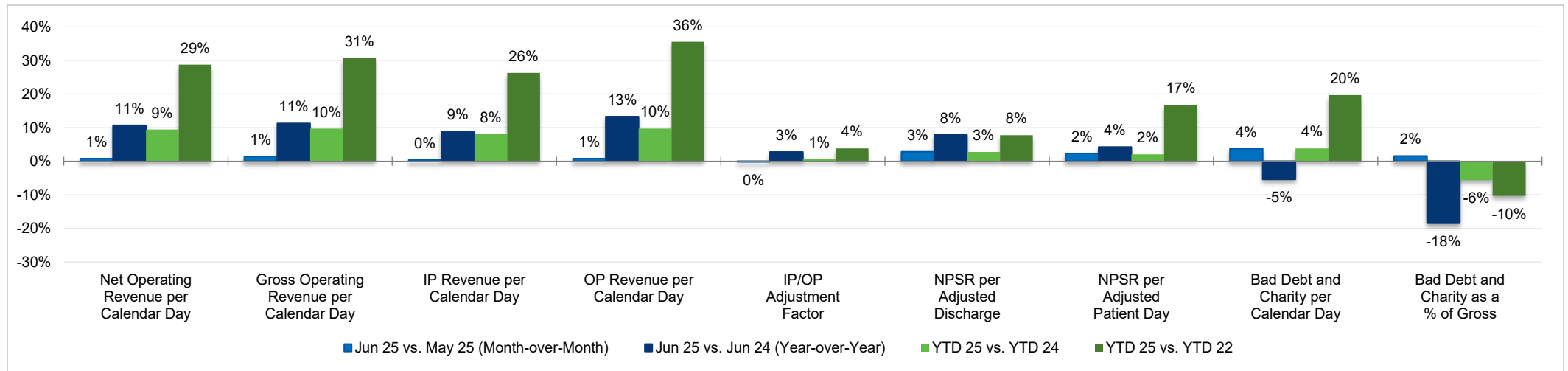


Regional Data: South

Profitability

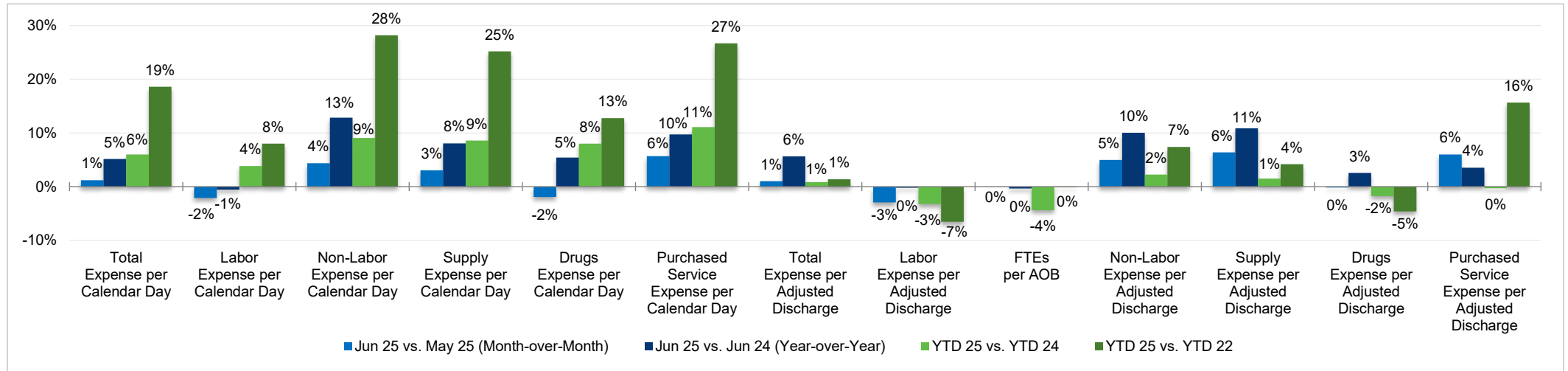


Revenue

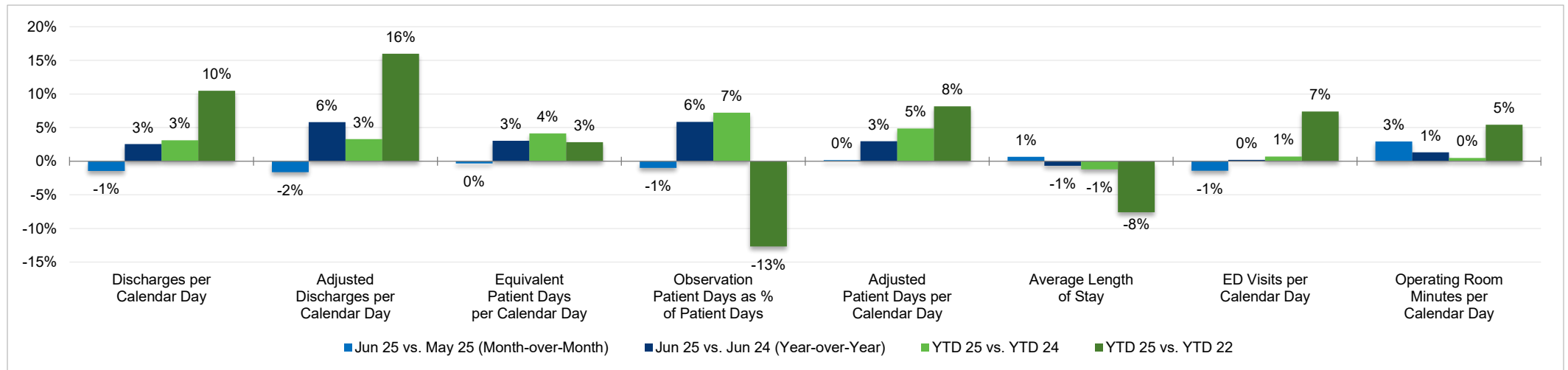


Regional Data: South *(continued)*

Expense

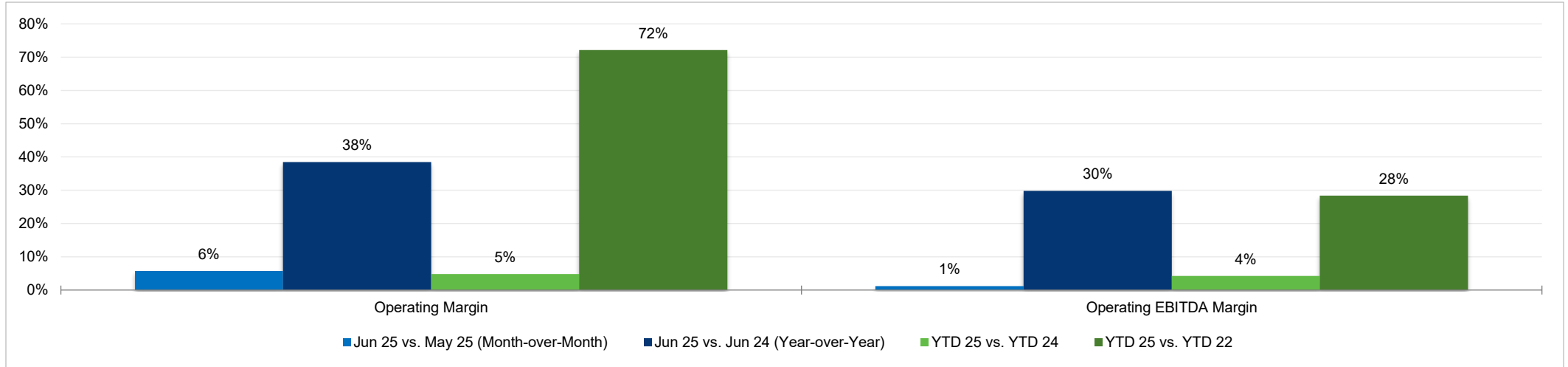


Volume

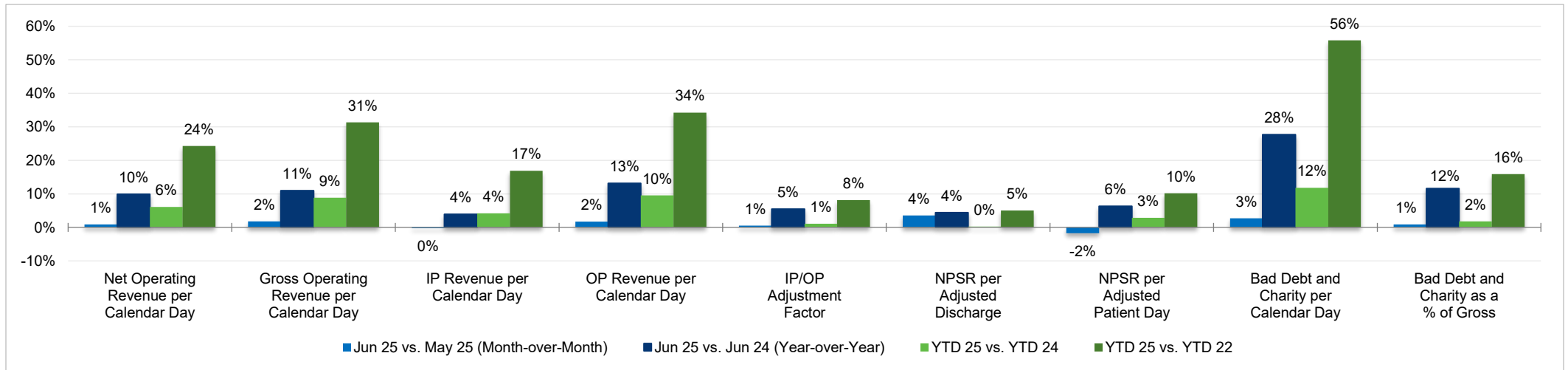


Regional Data: Northeast/Mid-Atlantic

Profitability

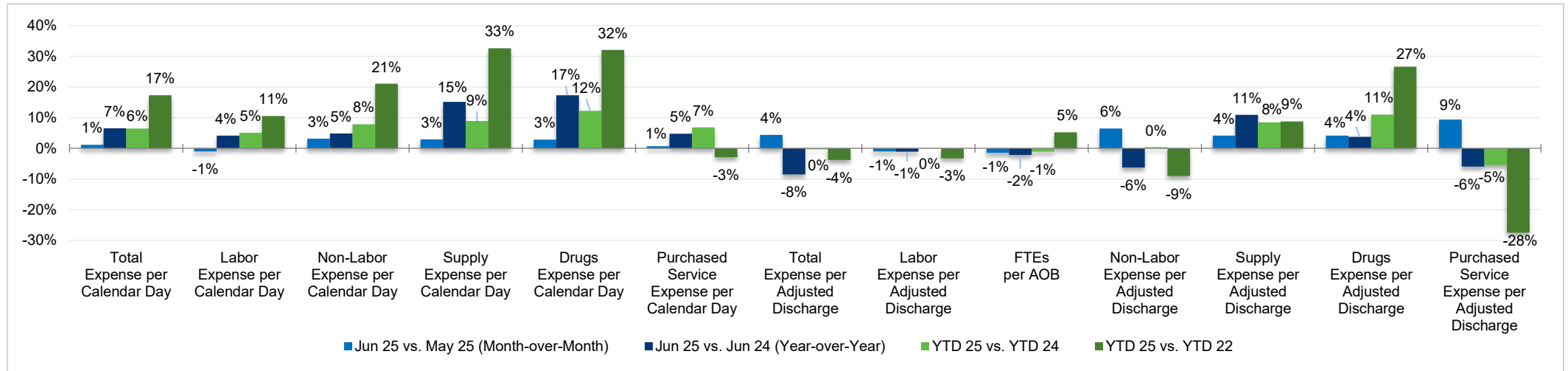


Revenue

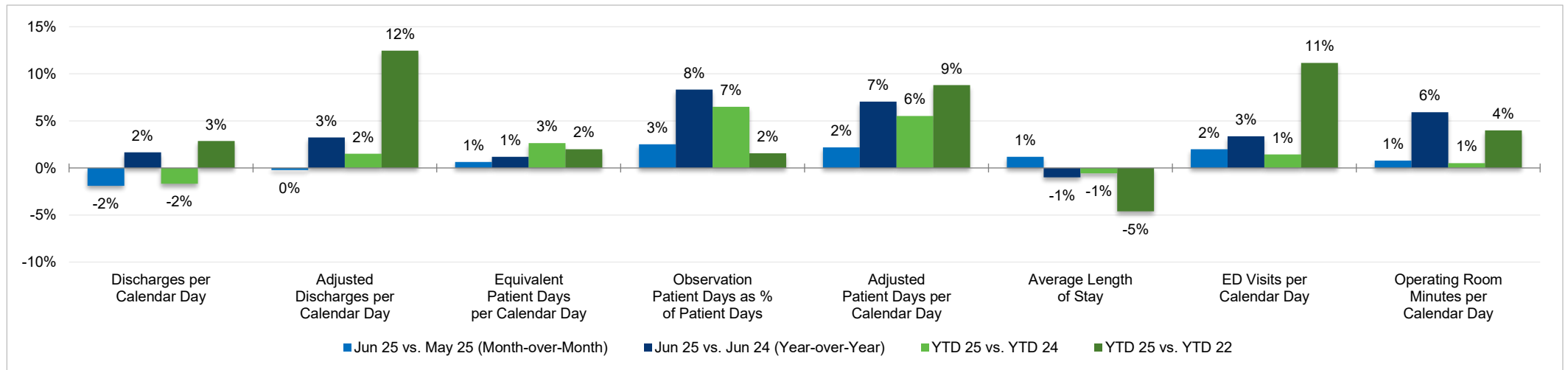


Regional Data: Northeast/Mid-Atlantic *(continued)*

Expense

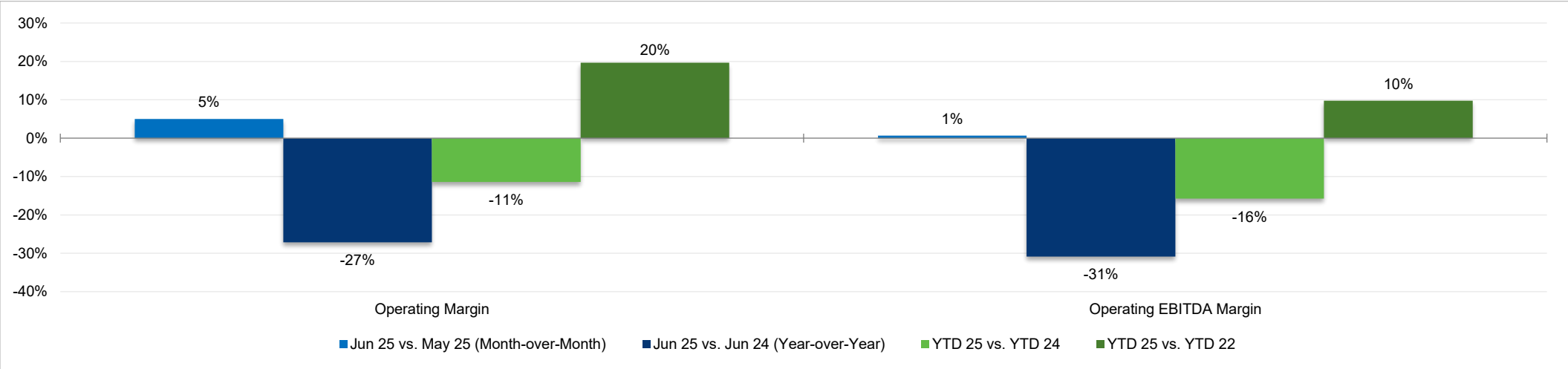


Volume

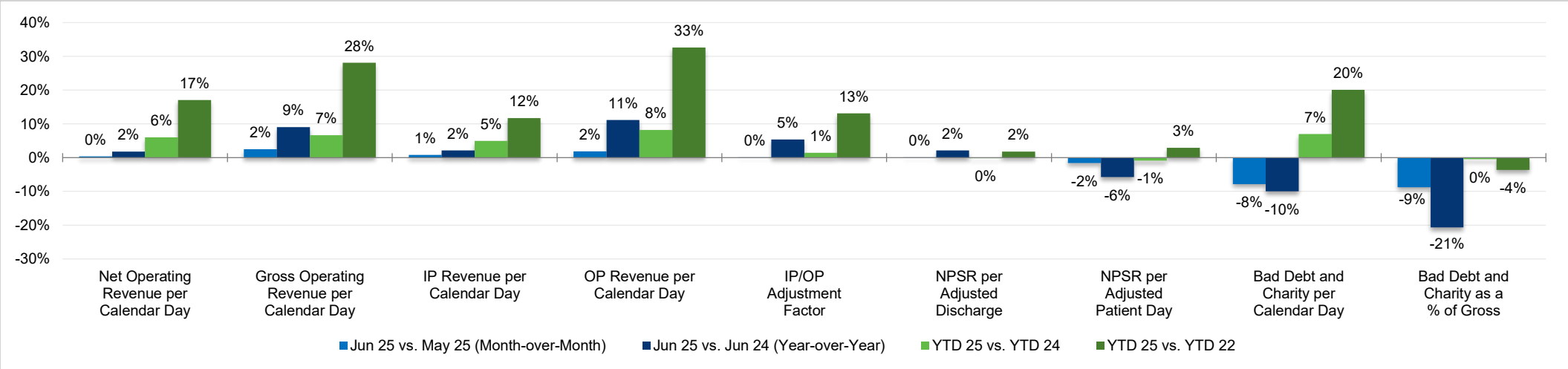


Regional Data: Great Plains

Profitability

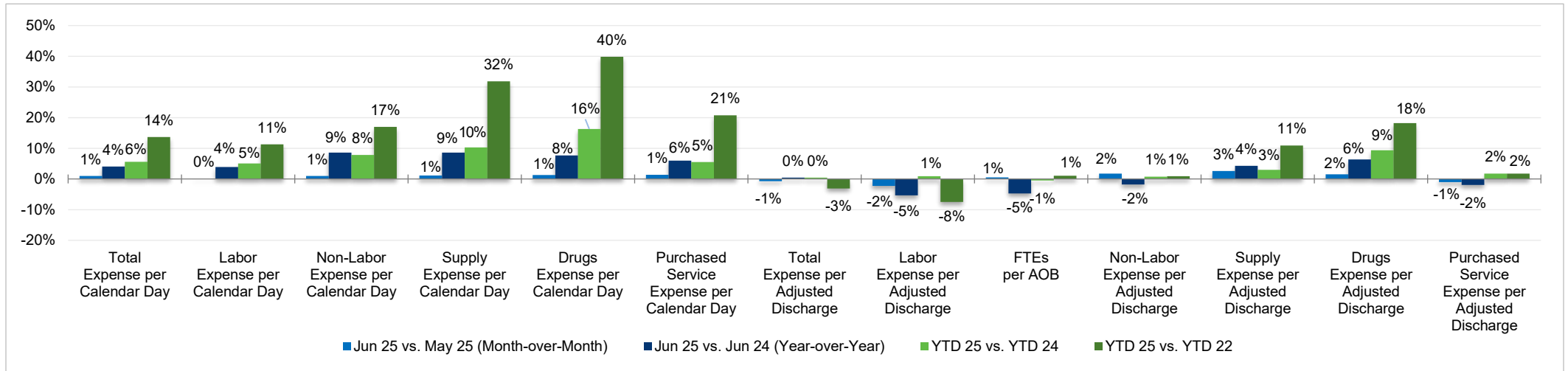


Revenue

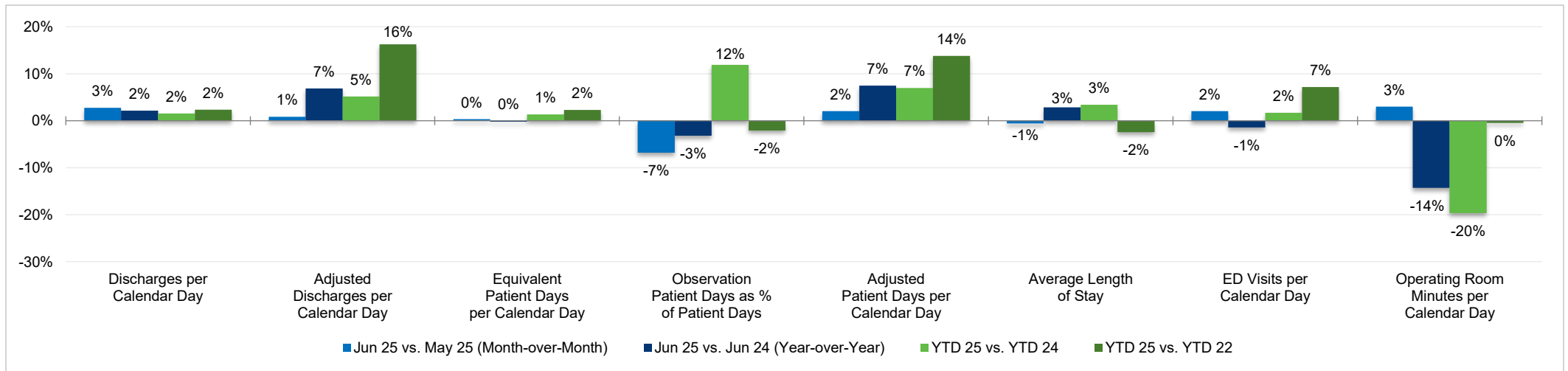


Regional Data: Great Plains *(continued)*

Expense



Volume



Data by Hospital Bed Size

Profitability, Revenue, Expense, and Volume

0-25 Beds

		Jun 25 vs. May 25 (Month-over-Month)	June 25 vs. June 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	18.1%	1.4%	-7.6%	28.2%
	Operating EBIDA Margin	-2.1%	-2.8%	-13.9%	10.5%
Volume	Discharges per Calendar Day	-3.6%	-3.9%	5.2%	6.2%
	Adjusted Discharges per Calendar Day	-0.5%	4.4%	11.2%	31.8%
	Equivalent Patient Days per Calendar Day	-2.7%	-4.2%	2.5%	-0.7%
	Observation Patient Days as % of Patient Days	-3.7%	-2.8%	-1.7%	-7.9%
	Adjusted Patient Days per Calendar Day	-0.2%	7.4%	7.4%	16.0%
	Average Length of Stay	-1.2%	-3.0%	-3.5%	-9.3%
	ED Visits per Calendar Day	0.7%	-1.3%	1.7%	6.9%
	Operating Room Minutes per Calendar Day	6.5%	-1.3%	-4.0%	-0.5%
	Revenue	Net Operating Revenue per Calendar Day	0.3%	4.3%	4.8%
Gross Operating Revenue per Calendar Day		1.9%	9.6%	8.0%	27.7%
IP Revenue per Calendar Day		-4.4%	-5.7%	4.9%	4.9%
OP Revenue per Calendar Day		1.2%	11.7%	8.9%	32.0%
IP/OP Adjustment Factor		2.8%	11.0%	3.0%	16.9%
NPSR per Adjusted Discharge		5.4%	-7.1%	-6.6%	-4.5%
NPSR per Adjusted Patient Day		-2.7%	-5.8%	-5.3%	-0.8%
Bad Debt and Charity per Calendar Day		2.2%	-2.9%	7.4%	34.9%
Bad Debt and Charity as a % of Gross		-2.4%	-15.6%	-0.6%	10.8%
Expense	Total Expense per Calendar Day	0.5%	6.0%	6.6%	13.5%
	Labor Expense per Calendar Day	-0.7%	1.4%	4.1%	8.4%
	Non-Labor Expense per Calendar Day	1.4%	11.0%	8.1%	18.6%
	Supply Expense per Calendar Day	0.7%	9.8%	8.2%	25.7%
	Drugs Expense per Calendar Day	-0.9%	18.4%	12.9%	38.7%
	Purchased Service Expense per Calendar Day	1.3%	10.4%	8.4%	17.5%
	Total Expense per Adjusted Discharge	0.2%	1.6%	-5.4%	-15.6%
	Labor Expense per Adjusted Discharge	-2.8%	-4.1%	-7.0%	-17.5%
	FTEs per AOB	-0.2%	1.0%	-3.7%	-2.8%
	Non-Labor Expense per Adjusted Discharge	3.8%	2.2%	-5.7%	-9.7%
	Supply Expense per Adjusted Discharge	4.2%	3.5%	-2.7%	-6.8%
	Drugs Expense per Adjusted Discharge	-1.4%	6.1%	3.2%	3.7%
Purchased Service Expense per Adjusted Discharge	2.9%	1.7%	-7.8%	-9.7%	

26-99 Beds

		Jun 25 vs. May 25 (Month-over-Month)	June 25 vs. June 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	4.2%	30.3%	14.5%	37.5%
	Operating EBIDA Margin	2.8%	23.9%	6.2%	25.0%
Volume	Discharges per Calendar Day	-0.2%	-0.2%	3.5%	8.8%
	Adjusted Discharges per Calendar Day	1.3%	4.9%	3.4%	18.0%
	Equivalent Patient Days per Calendar Day	0.2%	3.6%	6.1%	2.8%
	Observation Patient Days as % of Patient Days	2.5%	6.4%	1.9%	-4.1%
	Adjusted Patient Days per Calendar Day	1.7%	4.5%	5.7%	6.9%
	Average Length of Stay	1.6%	-1.7%	-0.2%	-10.8%
	ED Visits per Calendar Day	0.0%	0.8%	1.9%	10.5%
	Operating Room Minutes per Calendar Day	0.8%	-2.2%	-6.6%	-9.1%
	Revenue	Net Operating Revenue per Calendar Day	1.3%	9.9%	7.8%
Gross Operating Revenue per Calendar Day		2.5%	10.8%	8.3%	24.1%
IP Revenue per Calendar Day		0.3%	7.3%	7.1%	15.5%
OP Revenue per Calendar Day		2.6%	11.6%	8.3%	27.3%
IP/OP Adjustment Factor		-0.7%	1.6%	-0.2%	7.9%
NPSR per Adjusted Discharge		0.0%	1.9%	1.7%	-0.5%
NPSR per Adjusted Patient Day		0.8%	5.8%	1.5%	10.7%
Bad Debt and Charity per Calendar Day		5.9%	3.7%	11.6%	36.8%
Bad Debt and Charity as a % of Gross		2.6%	-5.7%	2.8%	13.8%
Expense	Total Expense per Calendar Day	1.0%	5.1%	5.2%	11.0%
	Labor Expense per Calendar Day	-0.3%	5.8%	5.2%	5.9%
	Non-Labor Expense per Calendar Day	2.3%	9.8%	7.7%	16.8%
	Supply Expense per Calendar Day	0.7%	8.5%	8.0%	21.4%
	Drugs Expense per Calendar Day	2.8%	7.3%	5.8%	9.6%
	Purchased Service Expense per Calendar Day	4.2%	7.4%	8.9%	19.5%
	Total Expense per Adjusted Discharge	0.8%	0.6%	1.0%	-4.8%
	Labor Expense per Adjusted Discharge	-0.9%	-0.1%	0.8%	-9.6%
	FTEs per AOB	0.0%	-5.5%	-6.2%	-4.0%
	Non-Labor Expense per Adjusted Discharge	2.2%	-2.0%	-1.2%	-3.7%
	Supply Expense per Adjusted Discharge	2.0%	8.0%	2.9%	-2.1%
	Drugs Expense per Adjusted Discharge	-0.3%	5.3%	0.8%	-6.5%
Purchased Service Expense per Adjusted Discharge	2.4%	-3.2%	-2.9%	6.5%	

100-199 Beds

		Jun 25 vs. May 25 (Month-over-Month)	June 25 vs. June 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	2.7%	17.0%	4.5%	59.2%
	Operating EBIDA Margin	1.2%	7.8%	4.5%	28.6%
Volume	Discharges per Calendar Day	-0.5%	3.2%	4.5%	15.5%
	Adjusted Discharges per Calendar Day	0.1%	3.5%	5.0%	17.6%
	Equivalent Patient Days per Calendar Day	-1.2%	1.1%	7.2%	6.3%
	Observation Patient Days as % of Patient Days	-2.6%	5.7%	0.8%	-14.0%
	Adjusted Patient Days per Calendar Day	1.2%	2.8%	3.4%	9.5%
	Average Length of Stay	-0.1%	-2.2%	-1.3%	-7.4%
	ED Visits per Calendar Day	-0.6%	-0.7%	0.3%	7.0%
	Operating Room Minutes per Calendar Day	0.8%	0.7%	0.0%	5.9%
	Revenue	Net Operating Revenue per Calendar Day	1.3%	7.6%	6.1%
Gross Operating Revenue per Calendar Day		-0.1%	9.0%	8.1%	29.1%
IP Revenue per Calendar Day		-1.3%	6.8%	5.7%	20.9%
OP Revenue per Calendar Day		0.3%	11.2%	8.7%	35.0%
IP/OP Adjustment Factor		1.0%	1.9%	0.9%	5.9%
NPSR per Adjusted Discharge		3.6%	3.2%	-0.5%	0.5%
NPSR per Adjusted Patient Day		0.8%	4.3%	0.9%	9.1%
Bad Debt and Charity per Calendar Day		9.6%	-7.0%	5.7%	29.3%
Bad Debt and Charity as a % of Gross		10.6%	-20.8%	-2.7%	4.2%
Expense	Total Expense per Calendar Day	1.6%	4.2%	5.0%	14.8%
	Labor Expense per Calendar Day	-1.6%	2.5%	4.3%	6.8%
	Non-Labor Expense per Calendar Day	3.0%	7.6%	7.2%	19.8%
	Supply Expense per Calendar Day	1.4%	8.6%	7.6%	19.8%
	Drugs Expense per Calendar Day	-0.2%	14.6%	2.7%	1.2%
	Purchased Service Expense per Calendar Day	1.8%	4.7%	6.7%	27.9%
	Total Expense per Adjusted Discharge	1.8%	2.9%	1.5%	-4.0%
	Labor Expense per Adjusted Discharge	-2.3%	-0.5%	0.0%	-11.2%
	FTEs per AOB	1.0%	-1.2%	-4.6%	0.3%
	Non-Labor Expense per Adjusted Discharge	5.2%	3.5%	0.4%	0.2%
	Supply Expense per Adjusted Discharge	4.2%	8.0%	-2.8%	-1.1%
	Drugs Expense per Adjusted Discharge	3.4%	8.9%	-7.1%	-15.8%
Purchased Service Expense per Adjusted Discharge	2.4%	0.0%	-2.3%	11.3%	

200-299 Beds

		Jun 25 vs. May 25 (Month-over-Month)	June 25 vs. June 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	11.8%	29.0%	4.1%	38.4%
	Operating EBIDA Margin	10.6%	19.8%	0.1%	24.0%
Volume	Discharges per Calendar Day	-1.9%	2.3%	3.3%	11.7%
	Adjusted Discharges per Calendar Day	-2.5%	5.6%	2.8%	14.7%
	Equivalent Patient Days per Calendar Day	-1.2%	3.7%	3.4%	3.9%
	Observation Patient Days as % of Patient Days	2.5%	5.0%	-2.8%	-11.2%
	Adjusted Patient Days per Calendar Day	0.5%	5.2%	4.2%	5.9%
	Average Length of Stay	0.8%	-3.5%	-0.9%	-6.0%
	ED Visits per Calendar Day	0.0%	1.6%	1.4%	10.3%
	Operating Room Minutes per Calendar Day	1.9%	7.7%	2.7%	9.3%
	Revenue	Net Operating Revenue per Calendar Day	1.0%	11.9%	8.7%
Gross Operating Revenue per Calendar Day		0.7%	12.6%	10.6%	32.5%
IP Revenue per Calendar Day		0.5%	9.3%	9.2%	29.2%
OP Revenue per Calendar Day		1.3%	15.2%	11.3%	38.7%
IP/OP Adjustment Factor		0.1%	3.6%	1.3%	4.1%
NPSR per Adjusted Discharge		2.5%	5.8%	3.4%	5.8%
NPSR per Adjusted Patient Day		-0.5%	5.2%	4.8%	16.7%
Bad Debt and Charity per Calendar Day		6.6%	3.9%	4.8%	39.3%
Bad Debt and Charity as a % of Gross	4.2%	-8.2%	-2.7%	9.2%	
Expense	Total Expense per Calendar Day	0.6%	6.1%	6.3%	19.1%
	Labor Expense per Calendar Day	0.6%	5.1%	4.1%	11.4%
	Non-Labor Expense per Calendar Day	1.9%	5.9%	8.7%	25.9%
	Supply Expense per Calendar Day	2.3%	8.7%	9.9%	28.7%
	Drugs Expense per Calendar Day	-2.1%	13.2%	13.3%	25.6%
	Purchased Service Expense per Calendar Day	4.7%	8.4%	7.5%	15.8%
	Total Expense per Adjusted Discharge	0.3%	1.7%	1.2%	-1.7%
	Labor Expense per Adjusted Discharge	0.1%	0.4%	1.2%	-6.7%
	FTEs per AOB	0.7%	-2.1%	-1.6%	1.5%
	Non-Labor Expense per Adjusted Discharge	1.6%	0.4%	4.2%	6.0%
	Supply Expense per Adjusted Discharge	2.3%	9.8%	6.4%	7.3%
	Drugs Expense per Adjusted Discharge	-1.1%	6.1%	6.0%	11.6%
Purchased Service Expense per Adjusted Discharge	7.9%	4.7%	0.6%	2.0%	

300-499 Beds

		Jun 25 vs. May 25 (Month-over-Month)	June 25 vs. June 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	3.2%	13.2%	21.4%	92.5%
	Operating EBIDA Margin	5.3%	0.1%	10.0%	55.4%
Volume	Discharges per Calendar Day	-0.4%	3.0%	3.6%	9.1%
	Adjusted Discharges per Calendar Day	-0.6%	5.7%	4.3%	12.6%
	Equivalent Patient Days per Calendar Day	0.6%	3.2%	4.3%	2.3%
	Observation Patient Days as % of Patient Days	2.6%	1.1%	2.0%	-9.0%
	Adjusted Patient Days per Calendar Day	0.0%	4.8%	6.4%	9.0%
	Average Length of Stay	0.0%	0.0%	0.5%	-5.2%
	ED Visits per Calendar Day	-0.7%	-1.6%	0.4%	7.2%
	Operating Room Minutes per Calendar Day	2.8%	4.8%	0.0%	5.9%
	Revenue	Net Operating Revenue per Calendar Day	2.2%	7.4%	8.5%
Gross Operating Revenue per Calendar Day		1.5%	11.3%	8.7%	28.4%
IP Revenue per Calendar Day		1.8%	7.8%	8.9%	22.3%
OP Revenue per Calendar Day		0.1%	13.4%	10.0%	30.6%
IP/OP Adjustment Factor		-0.4%	2.8%	-0.5%	4.4%
NPSR per Adjusted Discharge		0.2%	4.2%	3.6%	8.1%
NPSR per Adjusted Patient Day		2.7%	2.4%	1.9%	16.7%
Bad Debt and Charity per Calendar Day		-5.9%	1.3%	13.5%	28.8%
Bad Debt and Charity as a % of Gross		-2.8%	-11.3%	3.4%	4.3%
Expense	Total Expense per Calendar Day	1.6%	5.3%	6.4%	17.2%
	Labor Expense per Calendar Day	-0.2%	4.5%	5.1%	9.0%
	Non-Labor Expense per Calendar Day	4.1%	5.5%	6.9%	21.6%
	Supply Expense per Calendar Day	1.2%	12.1%	8.6%	25.3%
	Drugs Expense per Calendar Day	0.3%	6.6%	12.0%	28.1%
	Purchased Service Expense per Calendar Day	2.7%	4.9%	10.3%	24.9%
	Total Expense per Adjusted Discharge	2.0%	4.4%	5.1%	3.1%
	Labor Expense per Adjusted Discharge	-0.3%	2.3%	2.5%	-6.4%
	FTEs per AOB	-1.1%	-2.6%	-1.0%	3.3%
	Non-Labor Expense per Adjusted Discharge	5.7%	5.8%	4.7%	8.6%
	Supply Expense per Adjusted Discharge	1.9%	10.3%	5.7%	8.0%
	Drugs Expense per Adjusted Discharge	-1.9%	10.6%	5.3%	6.5%
Purchased Service Expense per Adjusted Discharge	5.4%	1.8%	3.1%	20.9%	

500+ Beds

		Jun 25 vs. May 25 (Month-over-Month)	June 25 vs. June 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	-4.4%	-29.0%	-17.5%	88.2%
	Operating EBIDA Margin	-9.9%	-13.6%	-10.8%	38.0%
Volume	Discharges per Calendar Day	-0.8%	3.1%	2.7%	11.1%
	Adjusted Discharges per Calendar Day	-1.0%	5.4%	2.8%	15.0%
	Equivalent Patient Days per Calendar Day	-0.5%	0.4%	1.4%	3.2%
	Observation Patient Days as % of Patient Days	-0.4%	11.8%	3.7%	0.3%
	Adjusted Patient Days per Calendar Day	-0.5%	5.3%	3.6%	9.1%
	Average Length of Stay	0.2%	-0.3%	-2.7%	-7.1%
	ED Visits per Calendar Day	-1.9%	1.6%	0.6%	7.2%
	Operating Room Minutes per Calendar Day	1.2%	3.0%	0.5%	5.5%
	Revenue	Net Operating Revenue per Calendar Day	1.6%	9.3%	8.3%
Gross Operating Revenue per Calendar Day		0.2%	10.4%	10.5%	34.8%
IP Revenue per Calendar Day		1.3%	7.9%	9.0%	28.9%
OP Revenue per Calendar Day		0.9%	14.8%	10.1%	42.4%
IP/OP Adjustment Factor		-0.2%	2.3%	0.3%	5.3%
NPSR per Adjusted Discharge		3.2%	6.4%	4.0%	17.2%
NPSR per Adjusted Patient Day		1.1%	6.0%	4.6%	22.8%
Bad Debt and Charity per Calendar Day		2.9%	-4.5%	1.9%	51.0%
Bad Debt and Charity as a % of Gross	3.4%	-14.7%	-6.3%	12.0%	
Expense	Total Expense per Calendar Day	1.0%	8.2%	8.3%	24.5%
	Labor Expense per Calendar Day	-0.7%	6.9%	6.7%	17.7%
	Non-Labor Expense per Calendar Day	2.3%	9.1%	9.4%	29.4%
	Supply Expense per Calendar Day	0.8%	15.6%	13.8%	36.9%
	Drugs Expense per Calendar Day	0.7%	19.8%	16.5%	52.4%
	Purchased Service Expense per Calendar Day	5.8%	8.6%	10.9%	27.0%
	Total Expense per Adjusted Discharge	2.6%	5.4%	7.3%	5.7%
	Labor Expense per Adjusted Discharge	0.2%	1.9%	4.2%	-2.8%
	FTEs per AOB	0.7%	1.5%	-1.1%	6.2%
	Non-Labor Expense per Adjusted Discharge	3.2%	7.3%	9.8%	10.1%
	Supply Expense per Adjusted Discharge	3.0%	13.0%	8.1%	17.2%
Drugs Expense per Adjusted Discharge	2.6%	12.1%	10.3%	26.7%	
Purchased Service Expense per Adjusted Discharge	4.5%	12.7%	9.7%	22.1%	

Non-Operating

National Non-Operating Results

Key Observations

This report reflects market data as of June 30, 2025, and additional commentary regarding market events until July 15, 2025.

At the end of June, the United States and China reached a signed framework agreement that helped ease recent trade tensions between the two countries. As part of the deal, China agreed to relax restrictions on rare-earth exports, while the United States lifted certain constraints related to visas and software controls. However, major political and economic disputes remain unresolved, with no formal consensus reached on tariffs. Tariffs are set to become effective again in August, but negotiations on the rate levels are still ongoing.

In late June and early July, lawmakers finalized the “One Big Beautiful Bill” (OBBB), which was signed into law by President Trump on July 4. A key objective of the legislation is to extend provisions from the Tax Cuts and Jobs Act of 2017. The bill also introduces stricter eligibility criteria for Medicaid and the Supplemental Nutrition Assistance Program and imposes substantial cuts to non-defense government spending.

Preliminary estimates project that the OBBB will increase the national debt significantly, adding ~\$2.6 trillion to \$3 trillion by 2034 (Tax Foundation). Additionally, it is projected that more than 12 million U.S. citizens, primarily Medicaid participants, will lose health insurance coverage during the same period of time, according to Congressional Budget Office estimates.

The bill did not include any repeal of tax-exemption for not-for-profits or the municipal market. No rate cuts were announced at the Federal Open Market Committee meeting in July.

- June’s Producer Price Index (PPI), a key metric closely watched by the Fed, remained unchanged as did Core PPI on a monthly basis, although economists expected both rates to have an increase of 0.2%; annual PPI increased to 2.3%, 0.3% lower than May’s month-end and Core PPI rose 2.6%, 0.1% lower than May’s month-end

National Non-Operating Results *(continued)*

Key Observations (continued)

- Consumer prices edged up 0.3% in June, marking three consecutive monthly increases, as well as the the largest monthly gain in five months, and was in line with expectations; Core Consumer Price Index (CPI) rose by 0.2% for the month, falling short of expectations of 0.3%; Core CPI on an annual basis rose by 2.9%, in line with expectations and 0.1% higher than last month's rate
- On an annual basis, June CPI rose 2.7%, which was 0.3% higher than the annual rate as of May; this matches the inflation level in March and further diverges from the Federal Reserve's 2.0% target, indicating rising underlying inflationary pressures
- The U.S. economy added 147,000 jobs in June, which is 7,000 more than May's revised payroll of 140,000
- According to the U.S. Bureau of Labor Statistics: "Health care added 39,000 jobs in June, similar to the average monthly gain of 43,000 over the prior 12 months. In June, job gains occurred in hospitals (+16,000) and in nursing and residential care facilities (+14,000)."
- June's unemployment rate decreased 0.1% from May to 4.1%; the unemployment rate was last 4.1% in February and it has remained in a narrow range between 4.0% and 4.2% since May 2024
- Despite the U.S. economy expanding at a 2.4% annualized rate in Q4 2024, the economy contracted by 0.5% in the first quarter of 2025, according to the U.S. Bureau of Economic Analysis

National Non-Operating Results *(continued)*

General Non-Operating Observations

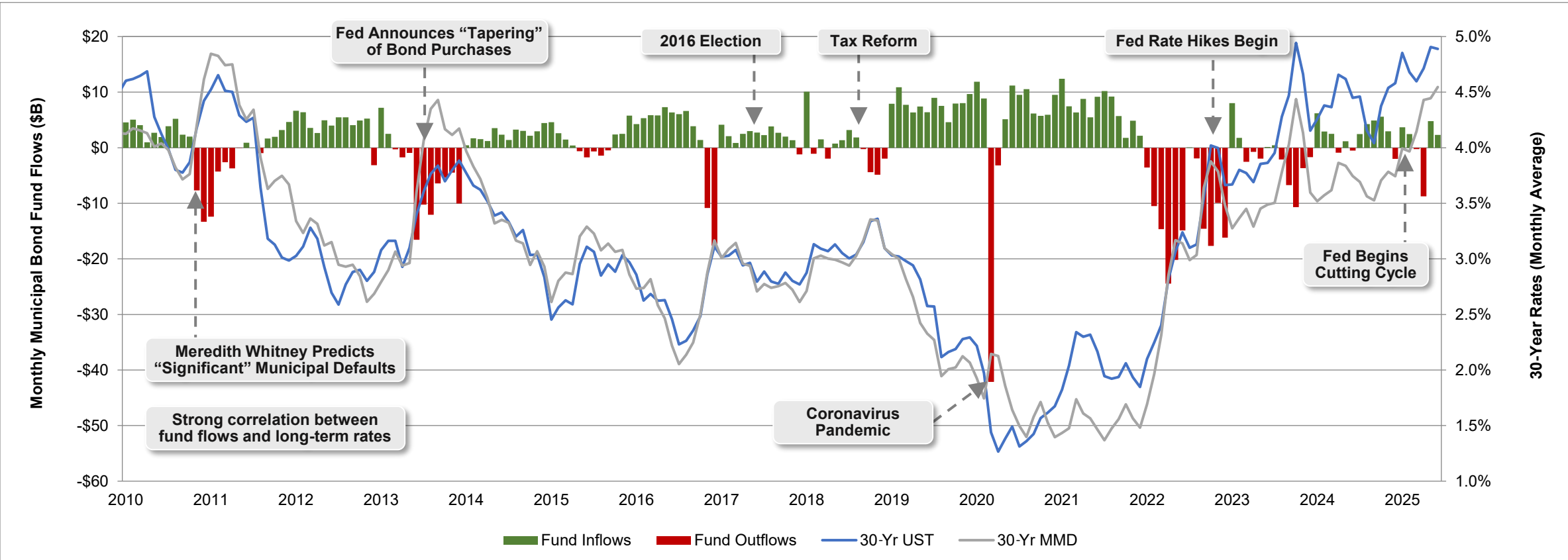
	June 2025	M-o-M Change	Y-o-Y Change
General			
GDP Growth*	-0.5%	n/a	n/a
Unemployment Rate	4.1%	-0.1%	n/c
Personal Consumption Expenditures (Y-o-Y)	2.7%	+0.2%	n/c
Liabilities			
SOFR	4.45%	+10 bps	-88 bps
SIFMA	1.92%	-5 bps	-196 bps
30-yr MMD	4.54%	+2 bps	+82 bps
30-yr Treasury	4.77%	-16 bps	+22 bps
Assets			
60/40 Asset Allocation†	n/a	+3.5%	+10.8%

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

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

Non-Operating Liabilities

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

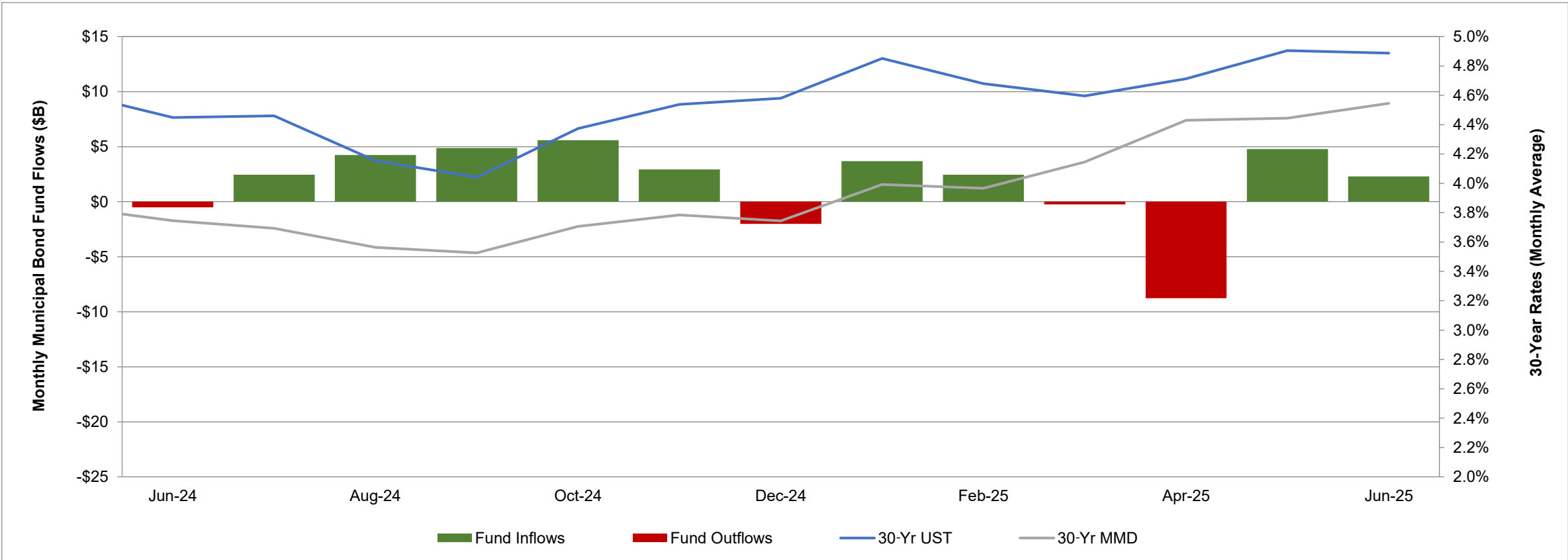


Kaufman Hall, National Hospital Flash Report (June 2025 Metrics)

Taxable and tax-exempt debt capital markets, as approximated here by the '30-yr U.S. Treasury' and '30-yr MMD Index', are dependent upon macroeconomic conditions, including inflation expectations, GDP growth and investment opportunities elsewhere in the market. A key measure to track is bond fund flows, particularly in the more supply and demand sensitive, tax-exempt market. Fund flows are monies moving into bond funds from new investment and principal and interest payments on existing and maturing holdings. Strong fund flows generally signal that investors have more cash to put to work, a boon to the demand. Fund inflows generally are moderate and consistent over time while fund outflows are typically large and sudden, as external events affect investor sentiment, resulting in quick position liquidation which can drive yields up considerably in a short amount of time.

Non-Operating Liabilities *(continued)*

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



Kaufman Hall, National Hospital Flash Report (June 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 displayed greater stability in June, following a relatively mild May and a highly volatile April. The short end of the yield curve saw modest declines, while the long end experienced slight upward movement. The 10-year MMD fell by seven basis points from the end of May, whereas the 30-year MMD rose by two basis points to 4.54%, still 30 basis points below its 12-month peak of 4.84% set in April.

Compared to the tax-exempt market, the taxable market experienced higher volatility, though not dramatically so. The 10-year and 30-year Treasuries declined by 17 and 16 basis points, respectively. The 30-year Treasury closed June at 4.78%, down 31 basis points from its May high. Notably, the 30-year Treasury yield declined by 19 basis points throughout June, while the tax-exempt counterpart remained flat at 4.54% to start and end June.

Entering July, the tax-exempt market continues to reflect stabilization in the short end, but an increase in the long end compared to the end of June. As of July 15, the 10-year MMD remains unchanged from the end of June at 3.26%. However, the long end ticked upward, with the 30-year MMD rising 12 basis points from the end of June. On the taxable side, the

30-year Treasury ended the month of June at 4.77%. However, in the first two weeks of July, rates rose rapidly. By July 15, rates had risen 25 basis points since the end of June, landing at 5.02%.

Contrary to last month's trend of ratios widening throughout the entire curve, ratios widened throughout the short end of the curve and tightened in the intermediate and long end of the curve. This trend signals that investors are demanding higher yields for short-term municipal bonds and have a strong appetite for the long-dated debt. The two-year and five-year ratios widened by 2%, while the 10-year ratio tightened by 1%. The 20-year and 30-year ratios tightened more significantly, by 3% each. To end the month of June, the two-year, five-year, 10-year, 20-year and 30-year ratios were 69%, 70%, 77%, 90% and 95%, respectively.

The tax-exempt yield curve has steepened notably since January, driven both by dramatic increases in long-term rates and a slight decline in short-term rates as the market anticipates lower short-term rates. Compared to December 2024, the two-year and five-year tenors are down 24 and 20 basis points, respectively. Meanwhile, the 10-year yield has risen 20 basis points, and the 20-year and 30-year yields have

Non-Operating Liabilities *(continued)*

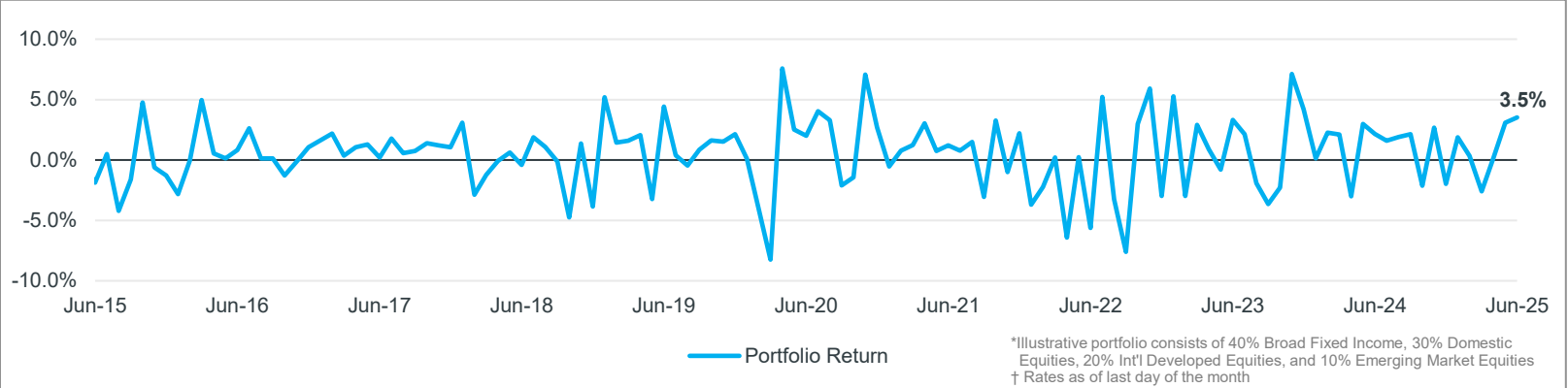
surged by 68 and 64 basis points, emphasizing the pronounced steepening at the long end.

Variable rates in the tax-exempt market remained consistent with May's levels. June's lowest SIFMA reset was 1.68%, just six basis points lower than May's low. June's highest reset reached 3.28%, also six basis points lower than May's peak. The first two weeks of July saw resets of 1.62% and 1.63%, indicating continued stability. In May and June, SIFMA averaged 2.45%, falling below historical norms. As a result, the SIFMA to SOFR ratio declined to 57%, compared to the historical average range of 67% and 70%.

June continued the trend of positive municipal bond fund inflows, ending the month with \$2.3 billion, although this was a decline from May's \$4.8 billion. Year-to-date municipal issuance reached \$221 billion, a 12.9% increase over the same period last year. Healthcare issuance contributed significantly to this growth, totaling \$21.9 billion, up \$1.1 billion year-over-year. A surge in issuance was evident in early June with approximately \$33 billion priced in just the first two weeks. However, market momentum slowed entering July, likely due to the July 4 holiday. No public healthcare transactions were priced during the holiday week, and only one occurred during the second week of the month.

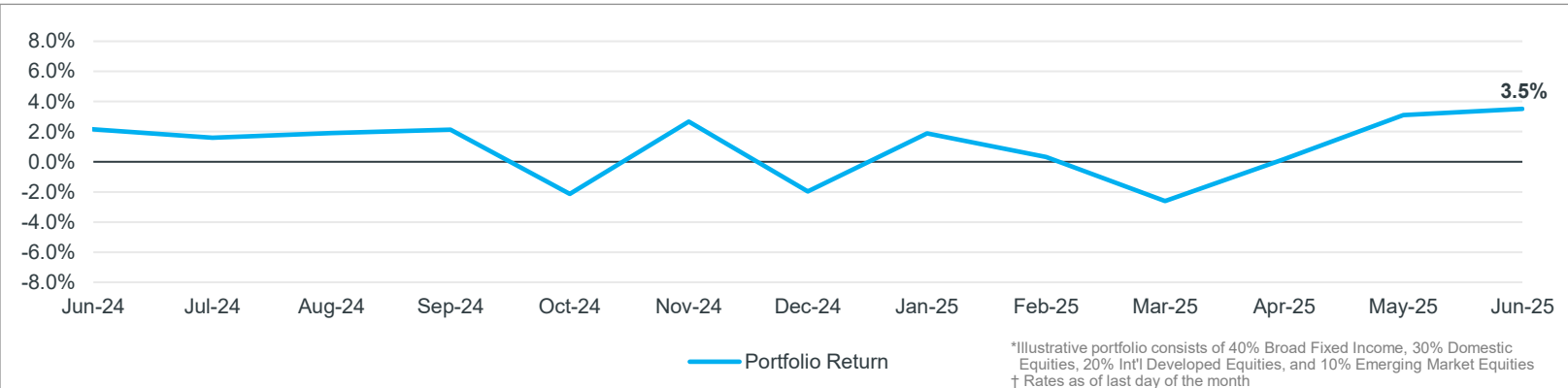
Non-Operating Assets

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



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

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



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

Equity markets saw continued positive momentum in June, marking the second consecutive month of gains, although the pace of growth was slightly modest compared to May. The market rose by 5.0%, following a stronger 6.1% rebound in the previous month. This sustained performance reflects ongoing investor confidence and optimism regarding economic growth. On an annual basis, the S&P 500 Index demonstrated solid resilience, climbing 13.6%. The commonly used 60/40 blended asset allocation portfolio also showed strength, advancing 3.5% in June, up from a 3.1% gain in May. The MSCI World and MSCI Emerging Markets had gains of 4.2% and 5.7%, respectively. Fixed income markets joined the rally, as the Barclays Aggregate Bond Index gained 1.5%, rebounding from its decline in May, highlighting an alignment between the equity and bond markets in June.

Contacts

For more information contact

REPORT AUTHOR



Erik Swanson

Managing Director and Data
and Analytics Group Leader

erik.swanson@kaufmanhall.com

For media requests

Contact Haydn Bush at haydn.bush@vizientinc.com

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.

KaufmanHall
a Vizient® company