JUNE 2026 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

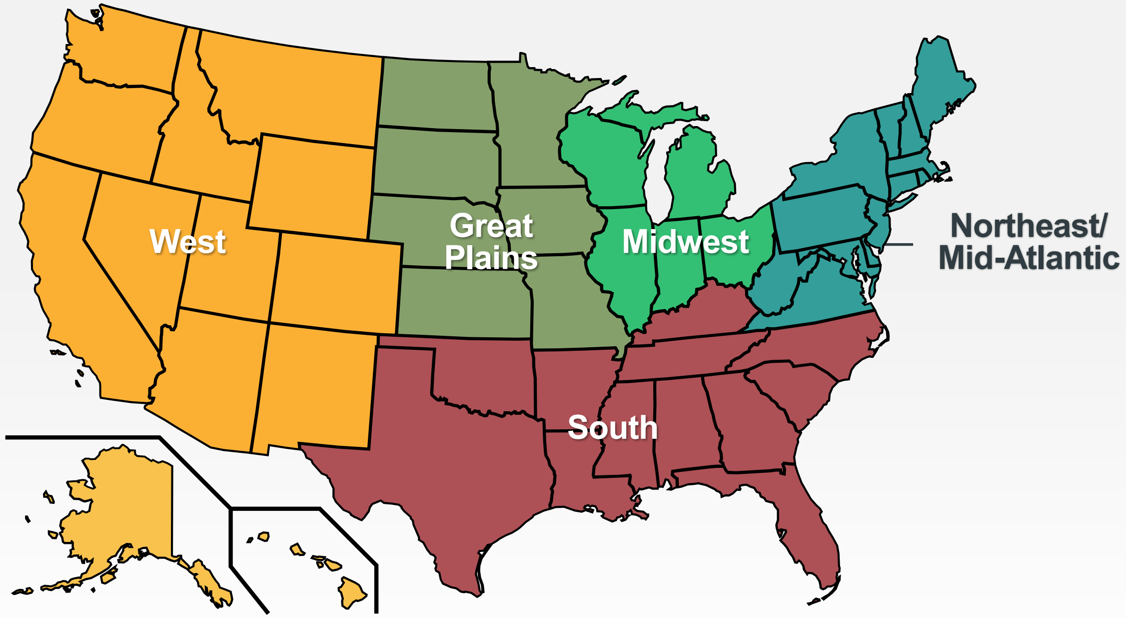
The *National Hospital Flash Report* uses both actual and budget data over the last three years, sampled from more than 1,300 hospitals on a recurring monthly basis from Strata Decision Technology.

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.

Kaufman Hall has updated the adjustment for corporate allocations and intercompany transfers in 2026 to represent the broader sample population more accurately. Periodic adjustments are expected to maintain representativeness as the sample population changes over time.

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



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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. **Uncompensated care pressures are intensifying.** Hospital bad debt and charity care grew both in dollar terms and as a percentage of gross revenue year-to-date through June, accelerating financial pressure for health systems.

2. **ED demand is growing.** ED visits rose in June as compared with last year. With broader payer landscape shifts, more patients may rely on EDs for care, potentially driving further volume increases.

3. **Hospital performance varies widely in 2026 despite stable margins.** While the median operating margin held steady year-to-date through June, performance continues to vary across hospitals, with smaller and rural facilities bearing the greatest strain on already thin cash reserves.

4. **Expense inflation remains a persistent drain on performance.** Supply and drug expense continued rising well above inflation year-to-date through June, reinforcing the need for targeted, disciplined spend management strategies across the system.

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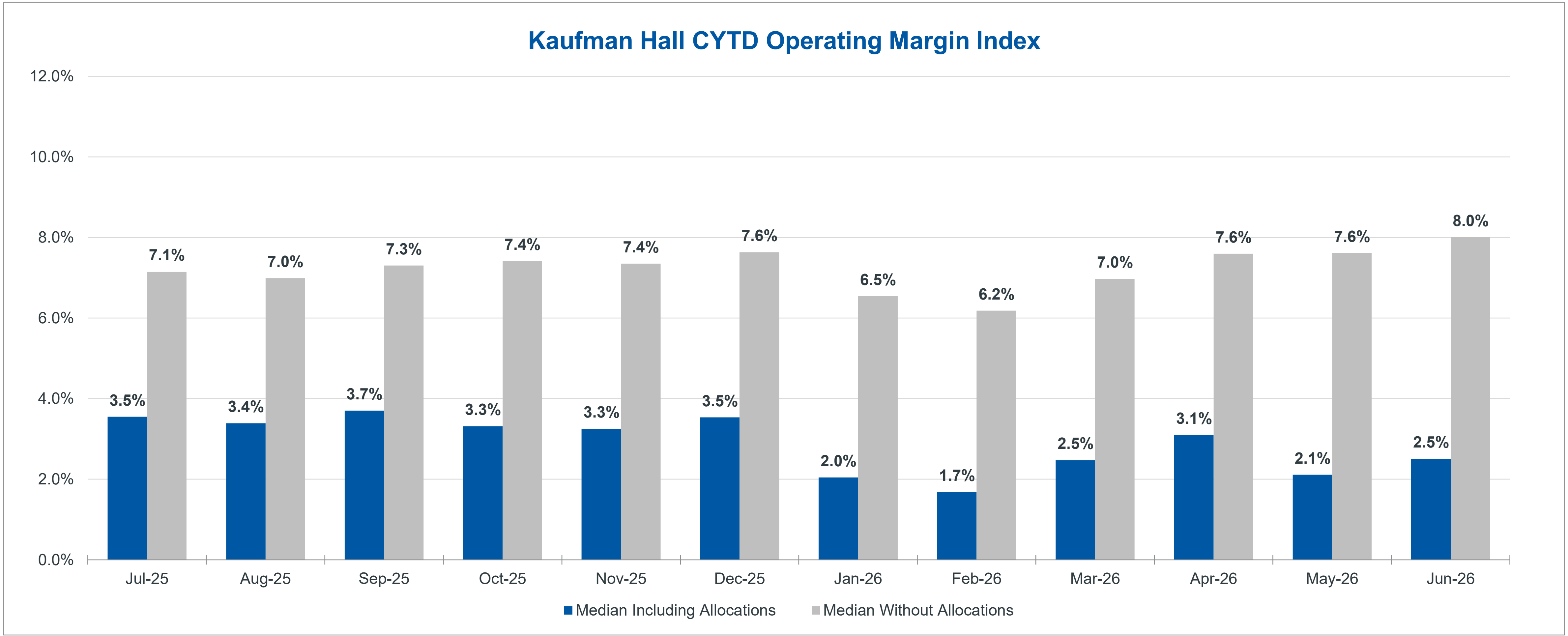
Operating Margin



Kaufman Hall, *National Hospital Flash Report* (June 2026 Metrics)

Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBIDA 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.

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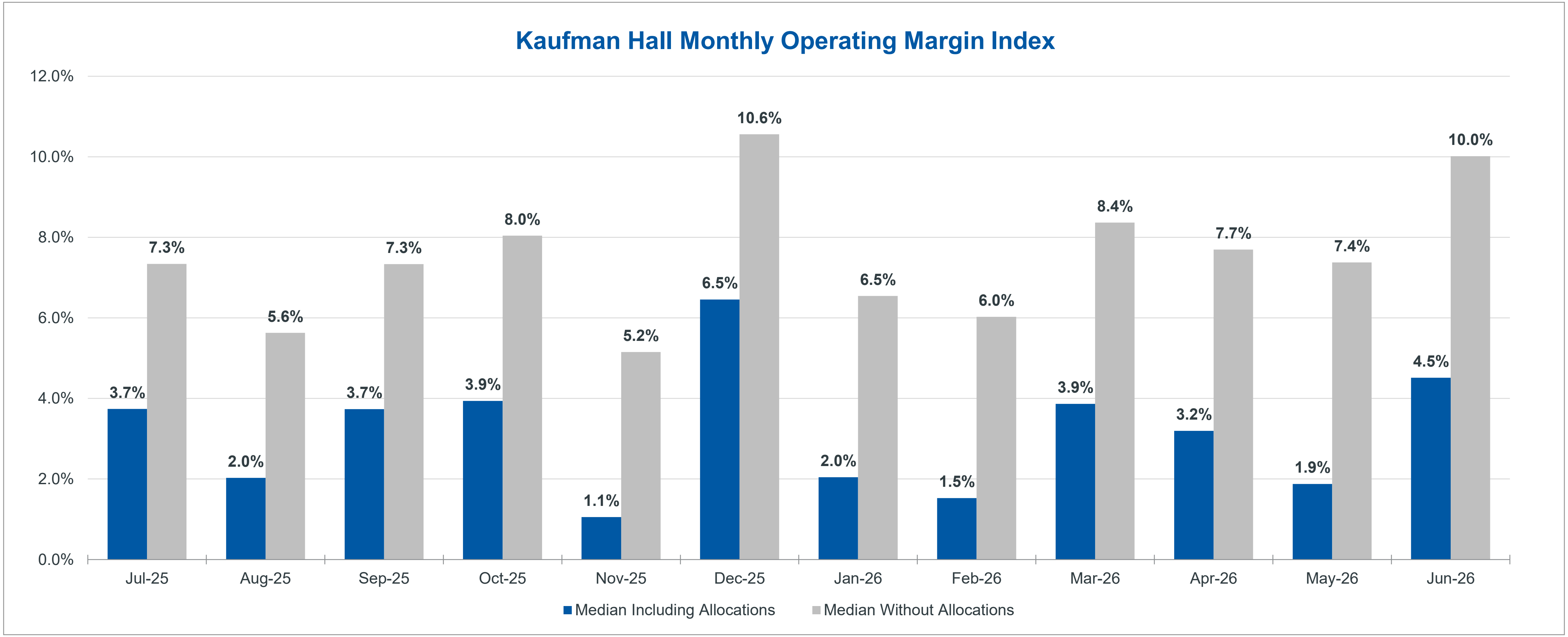
Operating Margin *(continued)*



Kaufman Hall, *National Hospital Flash Report* (June 2026 Metrics)

Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBIDA 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.

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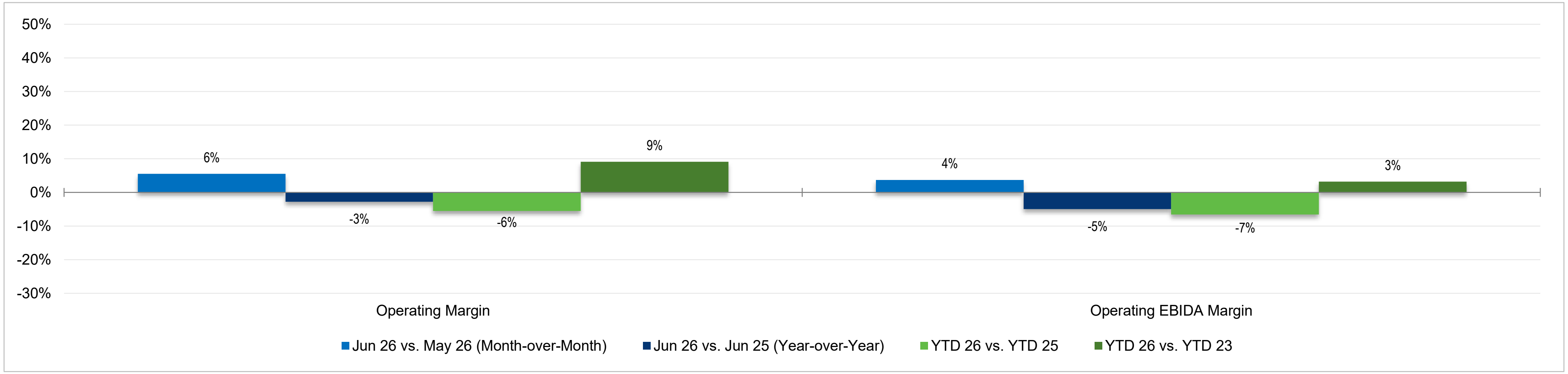
National and Regional Data

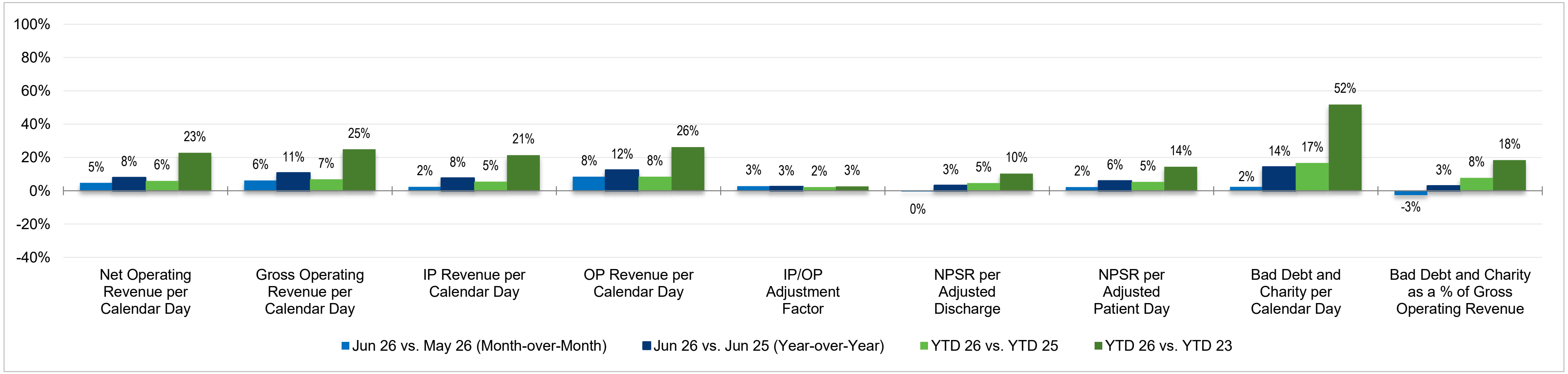
Profitability, Revenue, Expense, and Volume

National Data

Profitability



Revenue



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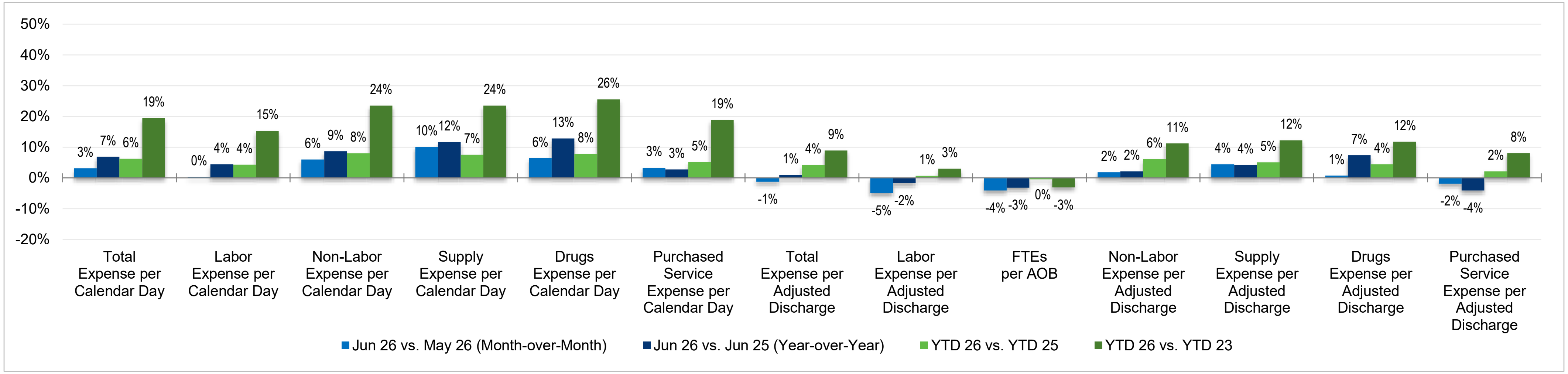
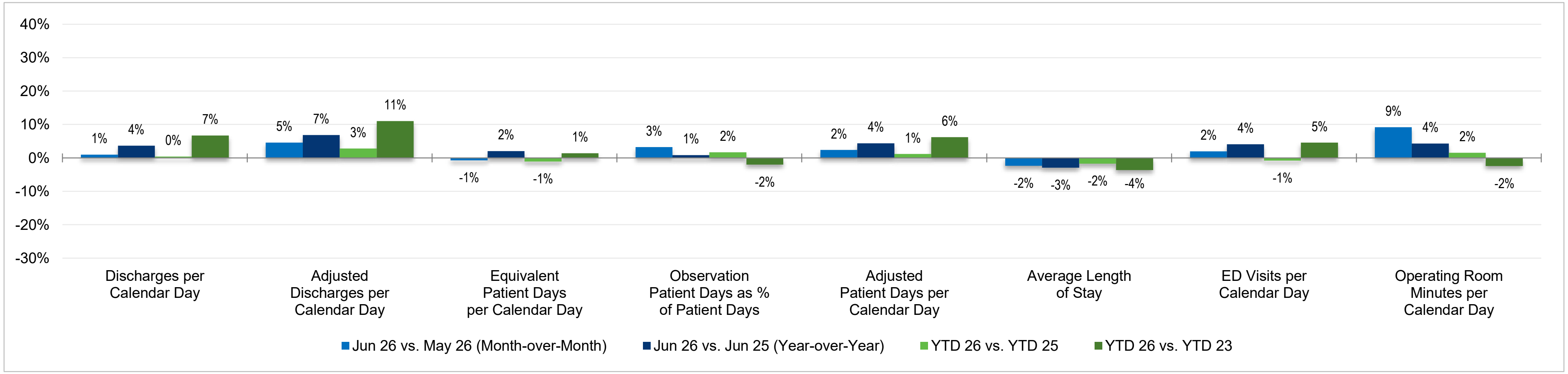
National Data *(continued)*

Expense



Volume



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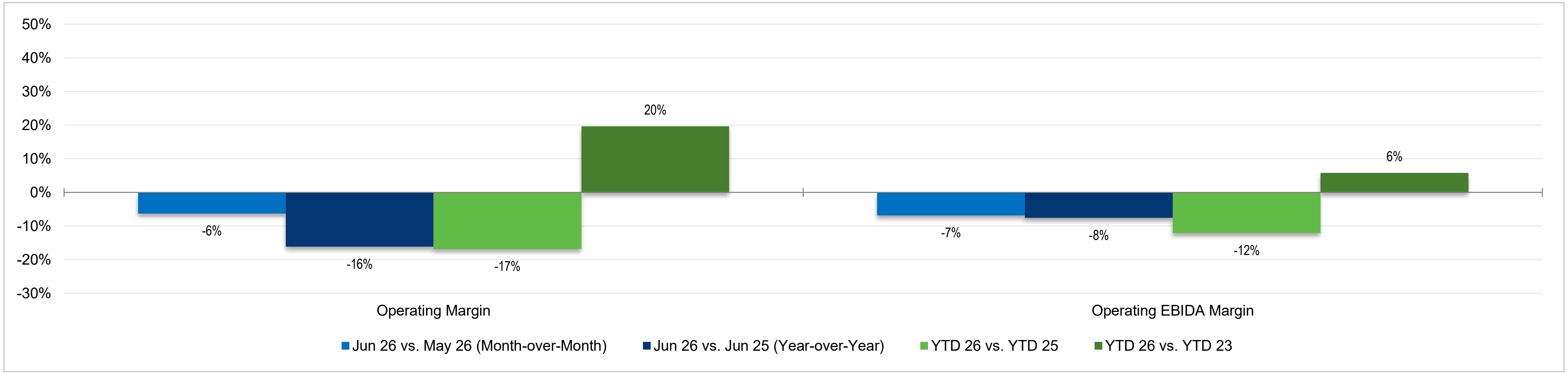
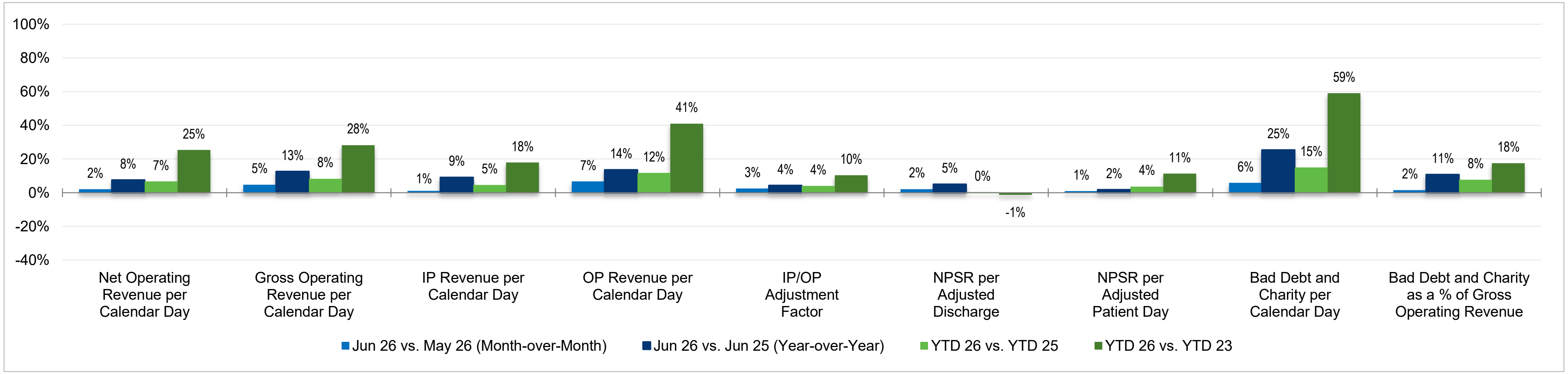
Regional Data: West

Profitability



Revenue



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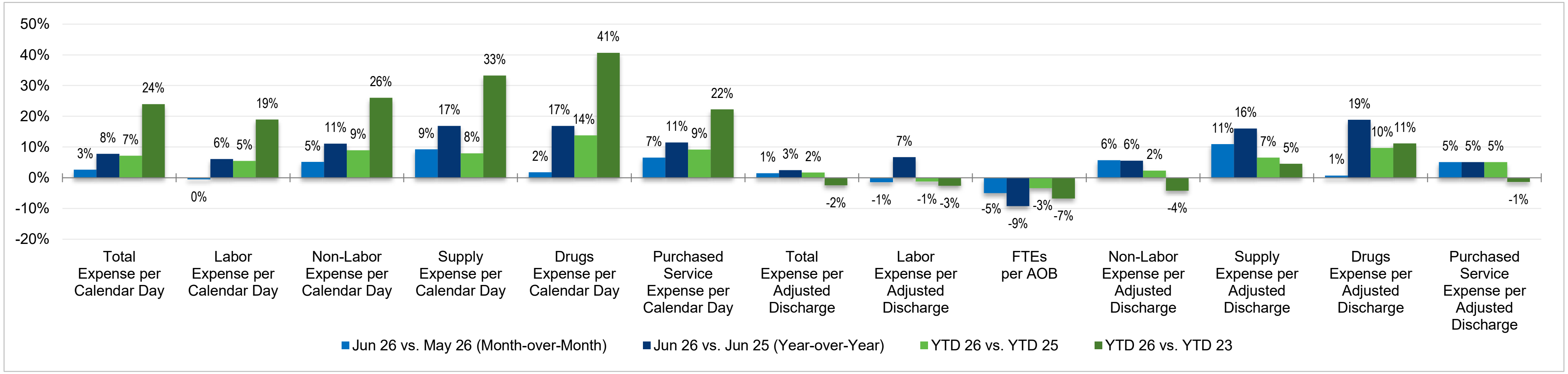
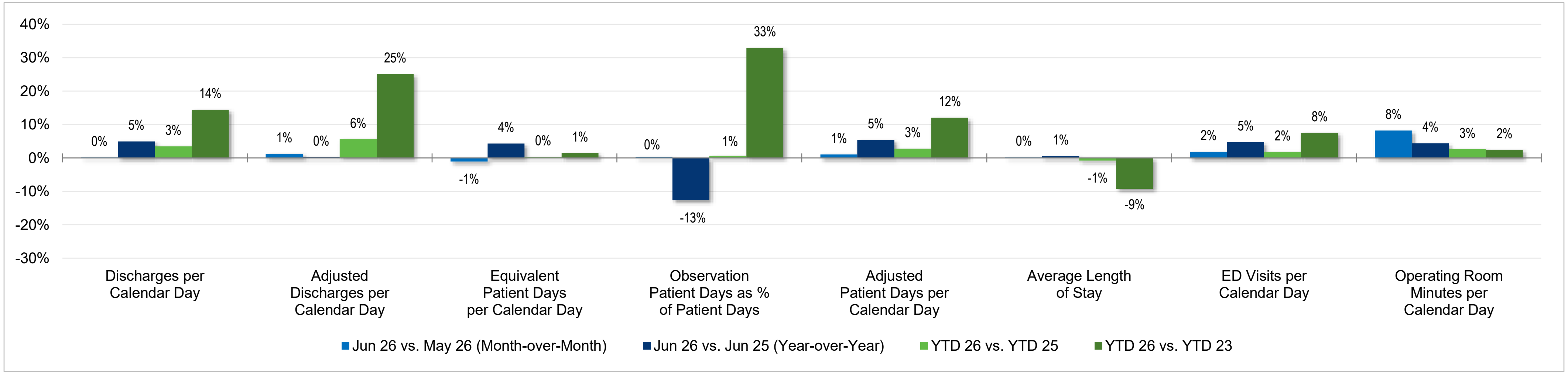
Regional Data: West *(continued)*

Expense



Volume



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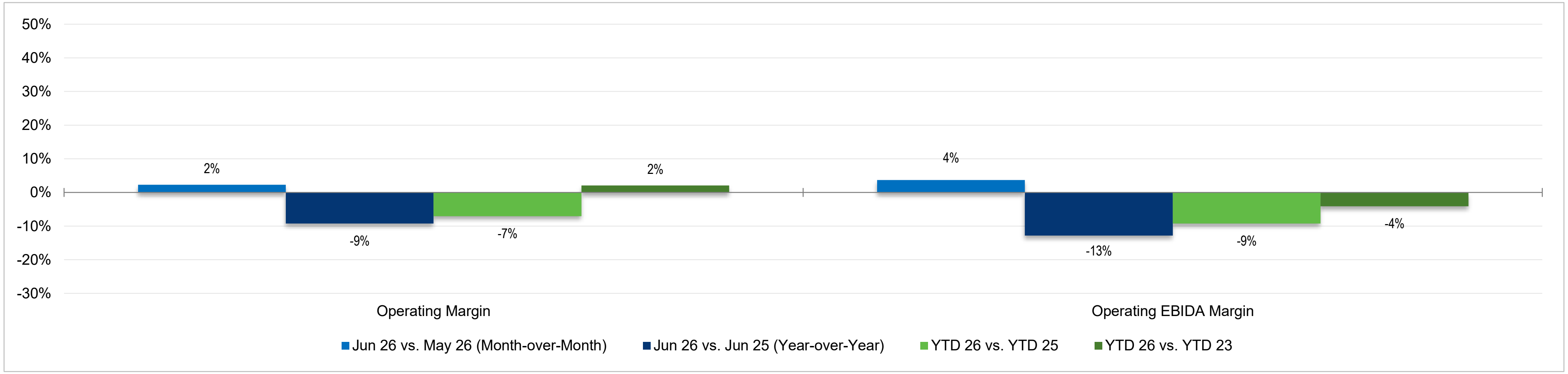
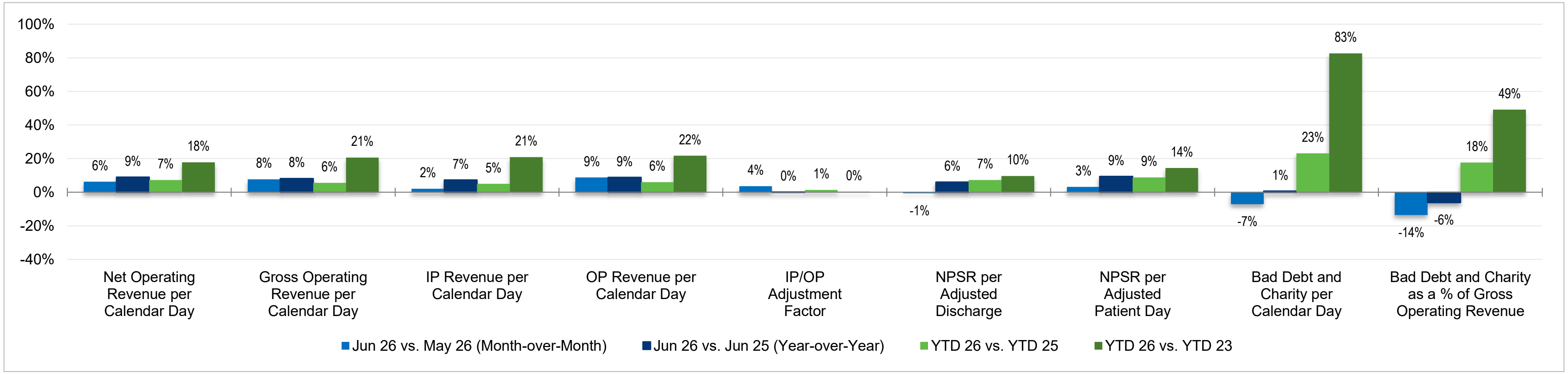
Regional Data: Midwest

Profitability

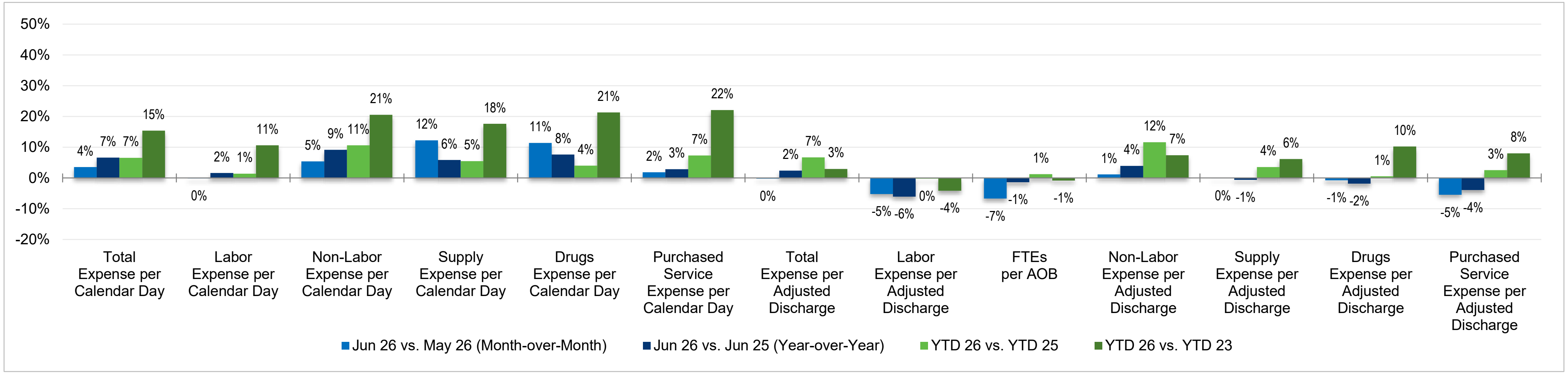


Revenue

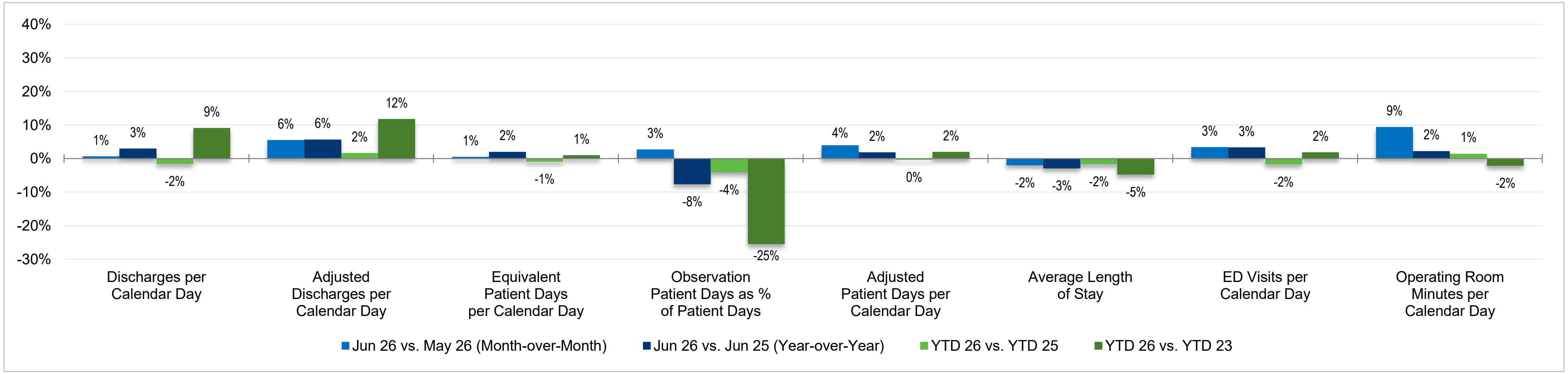


Regional Data: Midwest *(continued)*

Expense



Volume



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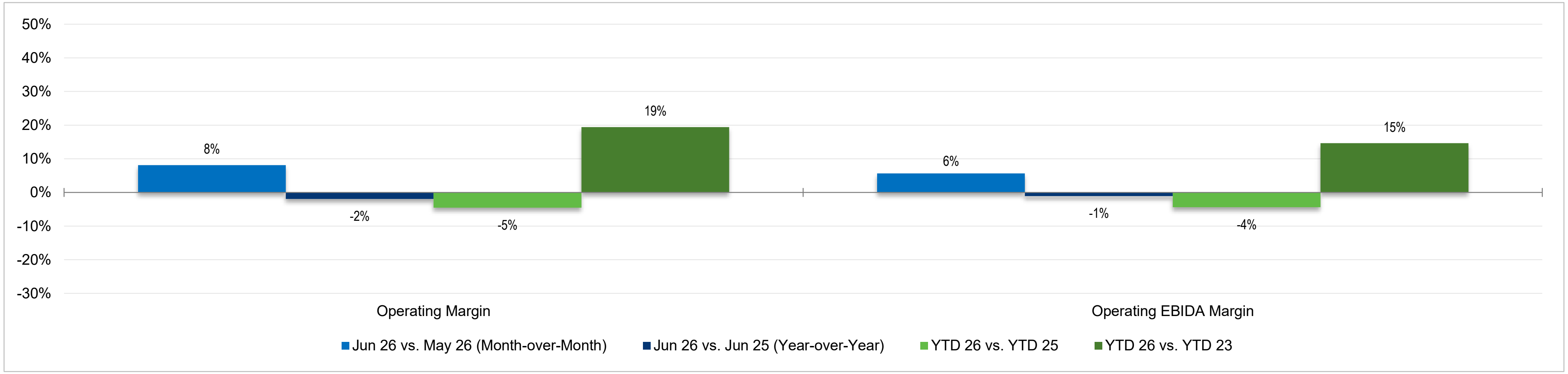
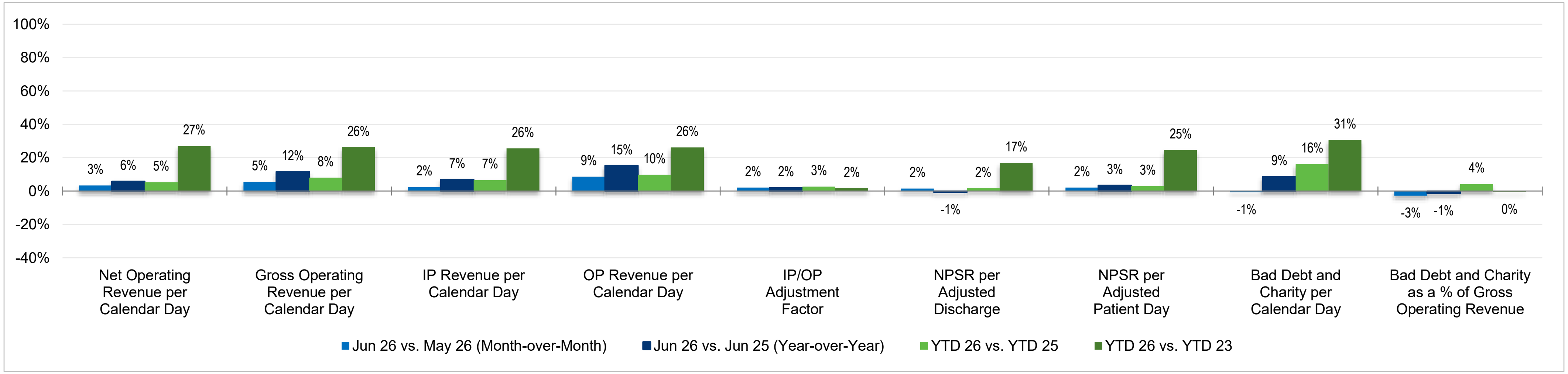
Regional Data: South

Profitability



Revenue



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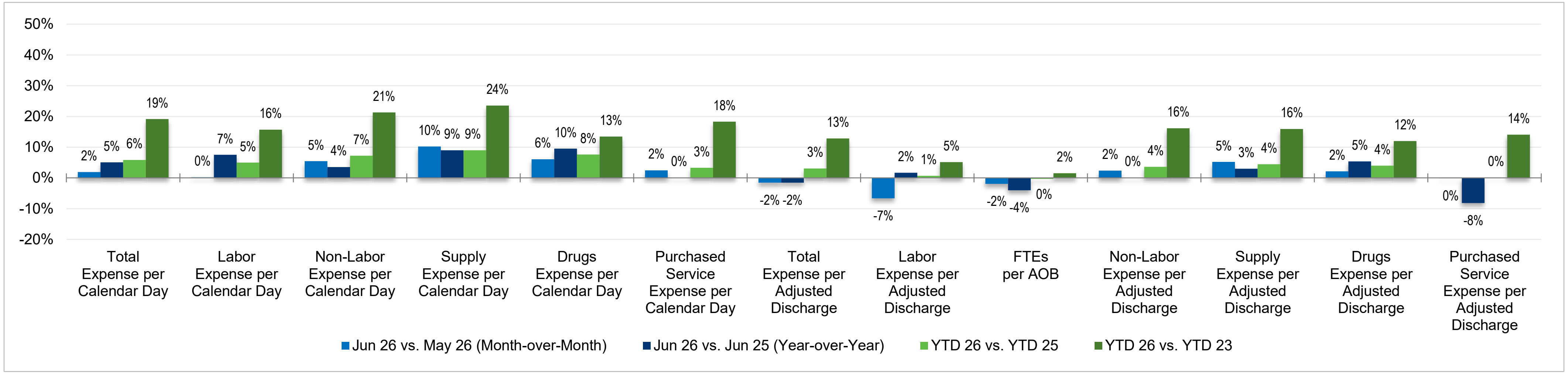
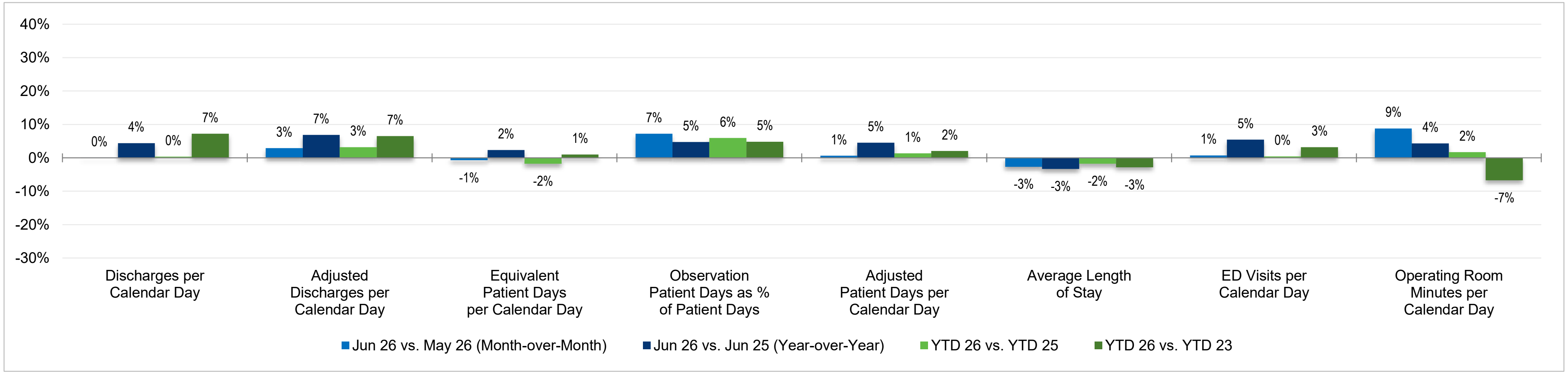
Regional Data: South *(continued)*

Expense



Volume



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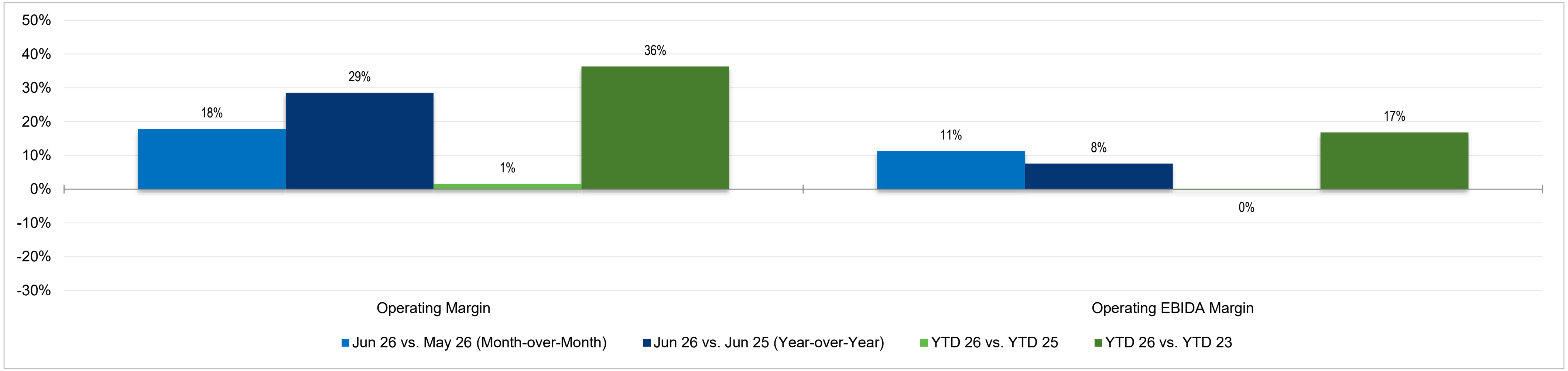
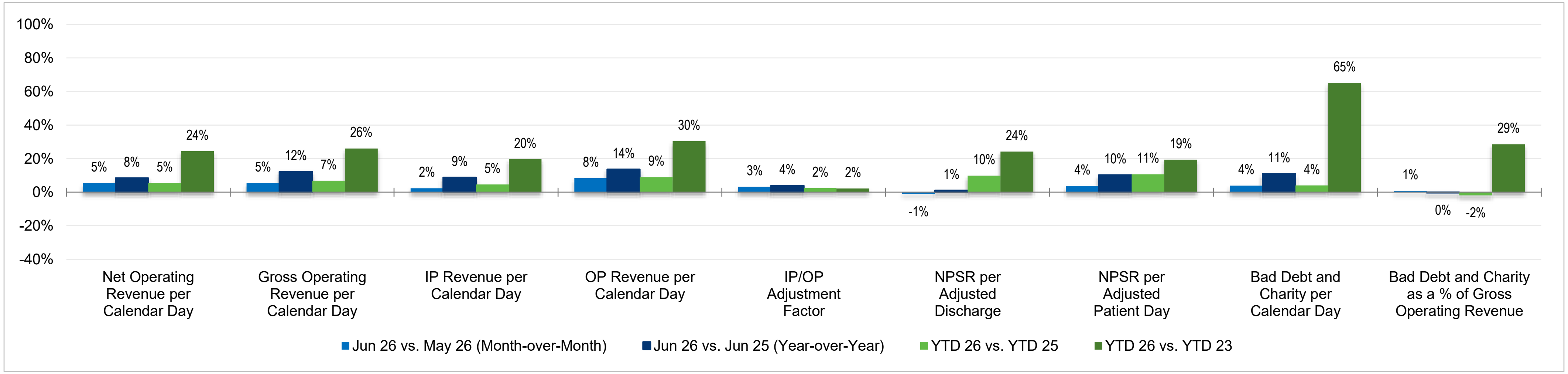
Regional Data: Northeast/Mid-Atlantic

Profitability



Revenue



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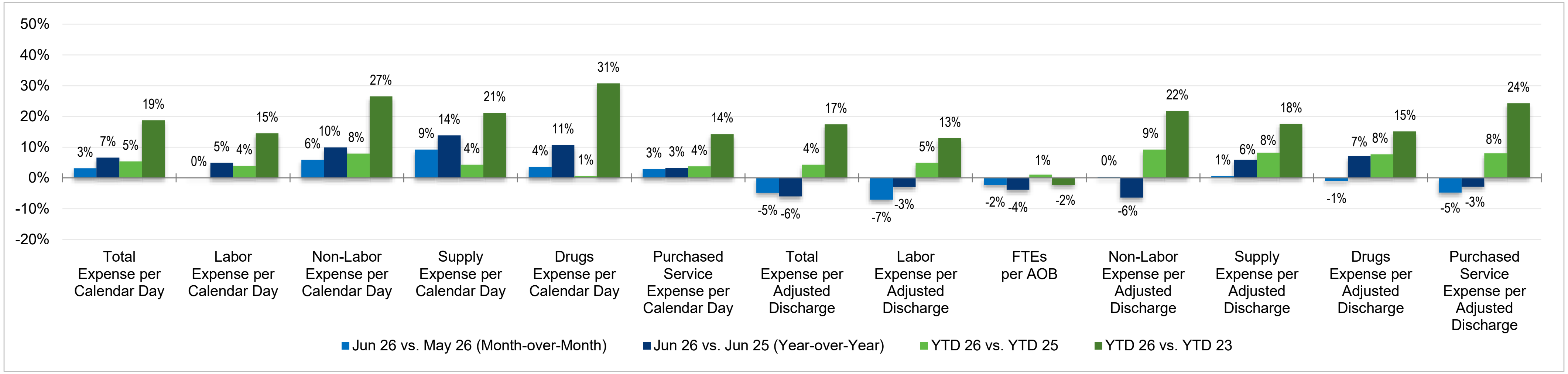
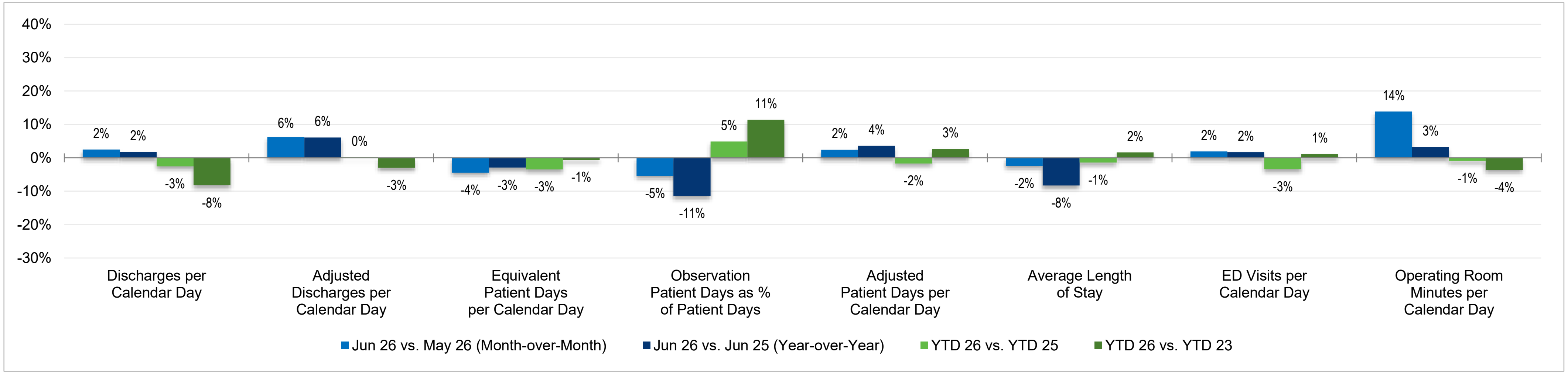
Regional Data: Northeast/Mid-Atlantic *(continued)*

Expense

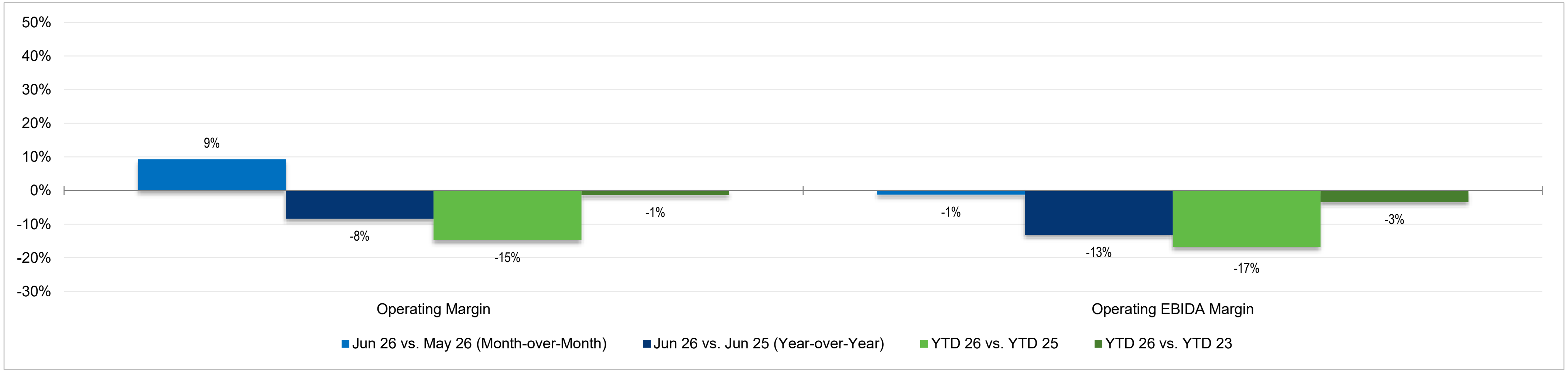


Volume

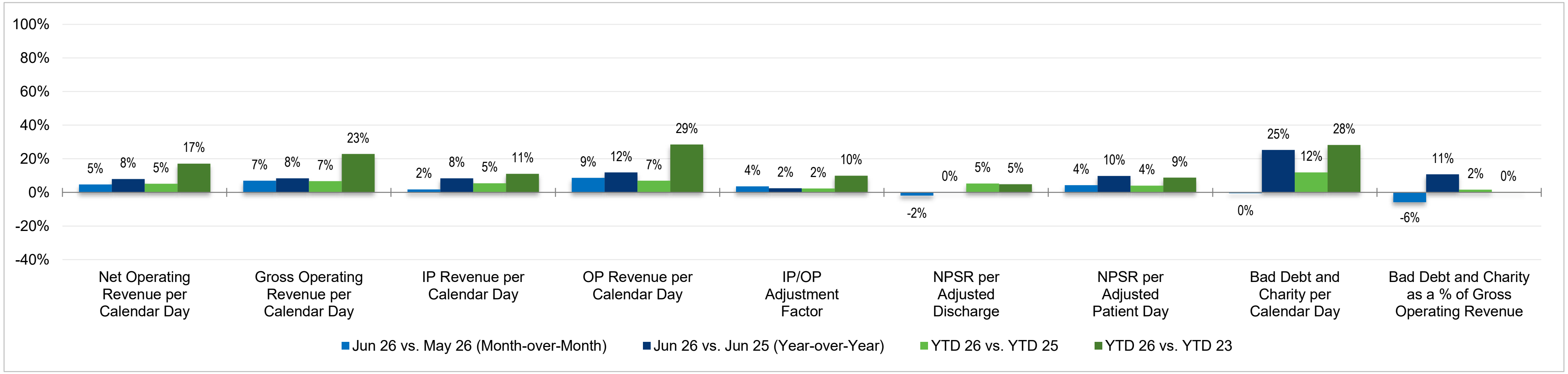


Regional Data: Great Plains

Profitability



Revenue



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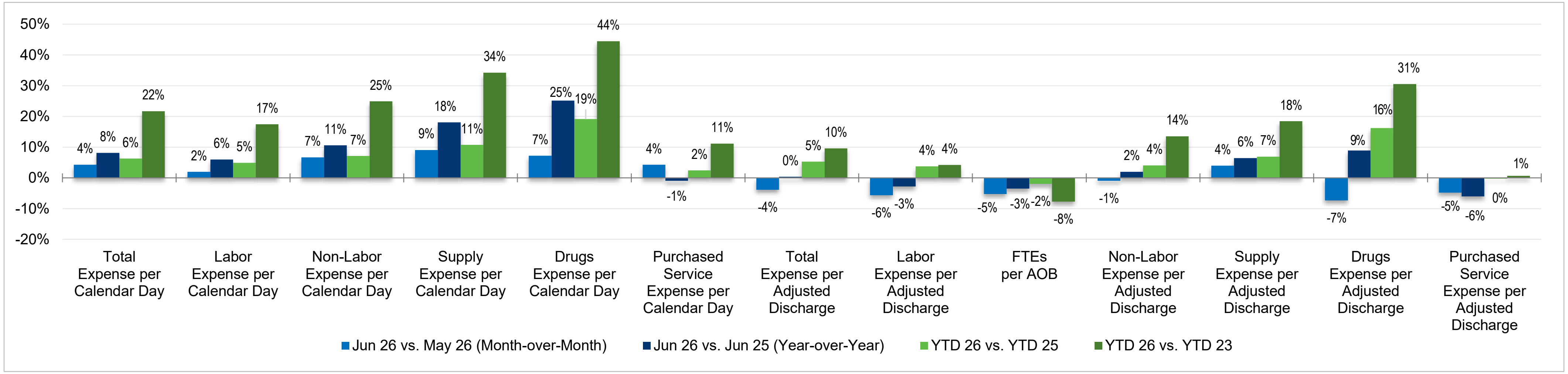
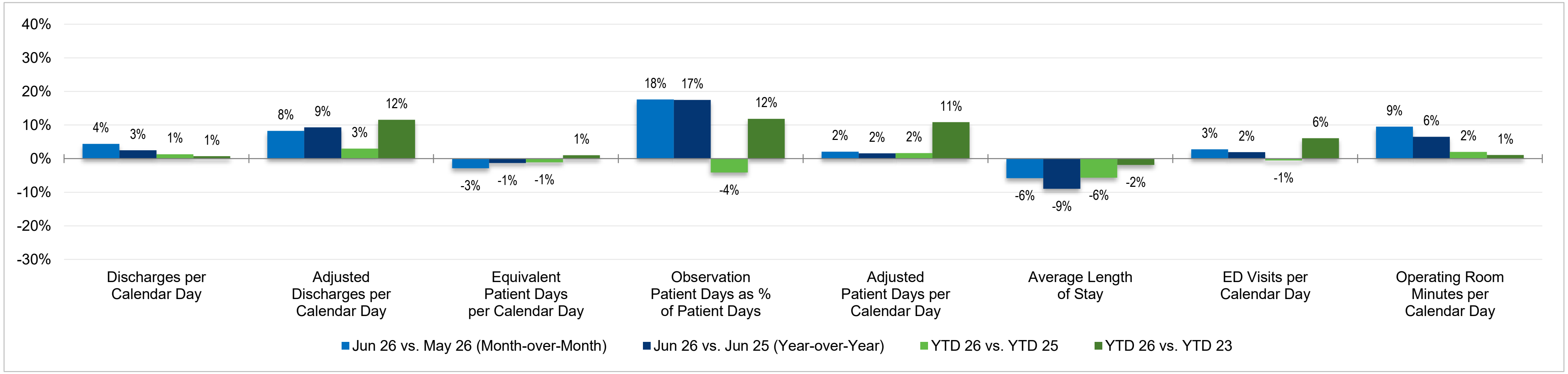
Regional Data: Great Plains *(continued)*

Expense



Volume



Data by Hospital Bed Size

Profitability, Revenue, Expense, and Volume

0-25 Beds

		Jun 26 vs. May 26 (Month-over-Month)	Jun 26 vs. Jun 25 (Year-over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
Margin	Operating Margin	0.8%	7.8%	-7.9%	-4.8%
	Operating EBIDA Margin	-0.4%	-2.8%	-6.7%	-5.4%
Volume	Discharges per Calendar Day	-2.0%	6.5%	-5.4%	-5.3%
	Adjusted Discharges per Calendar Day	0.6%	0.7%	-1.0%	9.2%
	Equivalent Patient Days per Calendar Day	-1.9%	1.5%	-1.5%	0.3%
	Observation Patient Days as % of Patient Days	6.8%	-6.0%	-10.3%	-5.1%
	Adjusted Patient Days per Calendar Day	-1.2%	0.2%	1.3%	10.8%
	Average Length of Stay	-5.3%	-12.5%	-0.7%	-2.6%
	ED Visits per Calendar Day	2.0%	2.6%	-1.8%	3.1%
	Operating Room Minutes per Calendar Day	9.6%	4.4%	-1.9%	-18.1%
Revenue	Net Operating Revenue per Calendar Day	3.6%	6.0%	4.3%	17.9%
	Gross Operating Revenue per Calendar Day	5.9%	7.3%	4.4%	20.4%
	IP Revenue per Calendar Day	4.2%	8.8%	4.8%	12.9%
	OP Revenue per Calendar Day	7.1%	9.6%	5.9%	23.2%
	IP/OP Adjustment Factor	-1.1%	-4.9%	2.1%	8.2%
	NPSR per Adjusted Discharge	-2.6%	2.0%	7.8%	6.7%
	NPSR per Adjusted Patient Day	5.2%	13.0%	4.2%	8.4%
	Bad Debt and Charity per Calendar Day	8.6%	6.4%	14.4%	37.6%
	Bad Debt and Charity as a % of Gross Operating Rev.	2.9%	-1.4%	6.8%	15.4%
Expense	Total Expense per Calendar Day	2.6%	5.7%	5.5%	18.7%
	Labor Expense per Calendar Day	-0.1%	4.3%	4.4%	15.2%
	Non-Labor Expense per Calendar Day	6.1%	6.7%	6.4%	21.4%
	Supply Expense per Calendar Day	9.3%	9.4%	4.3%	22.9%
	Drugs Expense per Calendar Day	5.4%	13.0%	7.1%	25.9%
	Purchased Service Expense per Calendar Day	3.7%	-0.3%	2.9%	12.3%
	Total Expense per Adjusted Discharge	-3.8%	-6.9%	6.0%	3.2%
	Labor Expense per Adjusted Discharge	-9.2%	-2.6%	2.7%	0.3%
	FTEs per AOB	-1.9%	-0.3%	-1.2%	-10.1%
	Non-Labor Expense per Adjusted Discharge	0.3%	-11.1%	4.0%	4.5%
	Supply Expense per Adjusted Discharge	0.6%	1.4%	4.1%	7.2%
	Drugs Expense per Adjusted Discharge	-1.0%	6.9%	0.5%	14.9%
	Purchased Service Expense per Adjusted Discharge	-0.7%	-9.0%	2.2%	-3.8%

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26-99 Beds

		Jun 26 vs. May 26 (Month-over-Month)	Jun 26 vs. Jun 25 (Year-over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
Margin	Operating Margin	7.3%	-3.5%	-4.6%	8.4%
	Operating EBIDA Margin	3.6%	-4.4%	-6.5%	5.2%
Volume	Discharges per Calendar Day	1.3%	5.2%	0.5%	8.9%
	Adjusted Discharges per Calendar Day	8.4%	8.5%	3.3%	9.6%
	Equivalent Patient Days per Calendar Day	-0.9%	2.1%	-2.8%	0.9%
	Observation Patient Days as % of Patient Days	6.1%	5.9%	0.9%	-5.5%
	Adjusted Patient Days per Calendar Day	3.3%	6.2%	1.1%	7.1%
	Average Length of Stay	-5.3%	-5.3%	-2.9%	-4.3%
	ED Visits per Calendar Day	3.2%	4.6%	-0.1%	5.6%
	Operating Room Minutes per Calendar Day	11.7%	4.3%	-0.5%	-4.3%
Revenue	Net Operating Revenue per Calendar Day	6.5%	10.7%	6.2%	28.1%
	Gross Operating Revenue per Calendar Day	6.5%	11.4%	7.0%	22.0%
	IP Revenue per Calendar Day	1.0%	2.9%	1.6%	16.3%
	OP Revenue per Calendar Day	9.6%	12.4%	9.3%	25.0%
	IP/OP Adjustment Factor	4.5%	5.1%	6.0%	6.2%
	NPSR per Adjusted Discharge	-3.3%	2.7%	3.6%	12.3%
	NPSR per Adjusted Patient Day	1.4%	1.5%	3.9%	15.7%
	Bad Debt and Charity per Calendar Day	1.8%	11.2%	19.5%	57.1%
	Bad Debt and Charity as a % of Gross Operating Rev.	1.2%	-1.0%	10.1%	19.9%
Expense	Total Expense per Calendar Day	2.5%	9.5%	6.9%	20.9%
	Labor Expense per Calendar Day	-0.1%	3.3%	3.9%	15.7%
	Non-Labor Expense per Calendar Day	4.8%	11.0%	9.3%	24.9%
	Supply Expense per Calendar Day	9.9%	10.4%	7.9%	19.4%
	Drugs Expense per Calendar Day	3.5%	7.0%	7.8%	15.3%
	Purchased Service Expense per Calendar Day	1.0%	1.1%	3.5%	20.0%
	Total Expense per Adjusted Discharge	-6.0%	0.6%	3.1%	9.7%
	Labor Expense per Adjusted Discharge	-9.4%	-3.6%	-0.6%	2.0%
	FTEs per AOB	-4.2%	-6.3%	-1.3%	-12.1%
	Non-Labor Expense per Adjusted Discharge	-2.3%	3.2%	6.8%	14.7%
	Supply Expense per Adjusted Discharge	-1.7%	-0.6%	4.0%	10.0%
	Drugs Expense per Adjusted Discharge	-9.1%	-1.8%	0.4%	7.0%
	Purchased Service Expense per Adjusted Discharge	-8.1%	-5.9%	0.1%	9.5%

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100-199 Beds

		Jun 26 vs. May 26 (Month-over-Month)	Jun 26 vs. Jun 25 (Year-over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
Margin	Operating Margin	3.6%	-4.7%	-4.0%	18.8%
	Operating EBIDA Margin	2.7%	-6.4%	-9.6%	5.6%
Volume	Discharges per Calendar Day	0.6%	4.1%	1.7%	11.8%
	Adjusted Discharges per Calendar Day	4.7%	7.6%	4.3%	16.7%
	Equivalent Patient Days per Calendar Day	-2.4%	1.2%	-1.3%	0.0%
	Observation Patient Days as % of Patient Days	1.9%	2.6%	2.6%	-1.2%
	Adjusted Patient Days per Calendar Day	2.4%	3.0%	0.5%	3.1%
	Average Length of Stay	-2.0%	-2.7%	-2.6%	-3.5%
	ED Visits per Calendar Day	1.7%	3.6%	-0.9%	3.5%
	Operating Room Minutes per Calendar Day	8.7%	3.7%	1.5%	-2.9%
Revenue	Net Operating Revenue per Calendar Day	4.6%	8.0%	7.6%	22.7%
	Gross Operating Revenue per Calendar Day	5.3%	10.8%	7.8%	26.5%
	IP Revenue per Calendar Day	2.0%	7.9%	6.0%	24.4%
	OP Revenue per Calendar Day	8.1%	12.3%	8.4%	26.1%
	IP/OP Adjustment Factor	4.1%	3.4%	2.1%	2.1%
	NPSR per Adjusted Discharge	2.1%	3.0%	4.8%	8.7%
	NPSR per Adjusted Patient Day	2.8%	6.7%	7.8%	15.3%
	Bad Debt and Charity per Calendar Day	-3.8%	25.2%	23.3%	67.3%
	Bad Debt and Charity as a % of Gross Operating Rev.	-9.2%	9.6%	13.7%	29.4%
Expense	Total Expense per Calendar Day	3.7%	6.5%	6.4%	19.3%
	Labor Expense per Calendar Day	0.3%	5.3%	3.7%	12.8%
	Non-Labor Expense per Calendar Day	6.2%	8.9%	8.4%	21.7%
	Supply Expense per Calendar Day	9.2%	9.9%	7.3%	19.8%
	Drugs Expense per Calendar Day	6.4%	11.7%	6.3%	13.7%
	Purchased Service Expense per Calendar Day	3.4%	4.4%	7.6%	22.3%
	Total Expense per Adjusted Discharge	-0.4%	2.1%	3.8%	3.5%
	Labor Expense per Adjusted Discharge	-4.0%	-0.4%	0.0%	2.5%
	FTEs per AOB	-5.1%	-3.2%	-1.0%	-2.9%
	Non-Labor Expense per Adjusted Discharge	2.0%	3.9%	6.5%	4.9%
	Supply Expense per Adjusted Discharge	1.9%	3.6%	2.8%	10.3%
	Drugs Expense per Adjusted Discharge	5.5%	3.7%	1.5%	2.0%
	Purchased Service Expense per Adjusted Discharge	-1.3%	-2.3%	4.4%	8.0%

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200-299 Beds

		Jun 26 vs. May 26 (Month-over-Month)	Jun 26 vs. Jun 25 (Year-over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
Margin	Operating Margin	8.4%	-1.1%	-0.5%	17.4%
	Operating EBIDA Margin	5.4%	-2.8%	-0.9%	10.0%
Volume	Discharges per Calendar Day	2.6%	2.6%	0.1%	6.1%
	Adjusted Discharges per Calendar Day	4.4%	6.3%	3.0%	7.5%
	Equivalent Patient Days per Calendar Day	-0.7%	1.5%	-1.1%	0.0%
	Observation Patient Days as % of Patient Days	3.8%	-0.9%	4.7%	-5.2%
	Adjusted Patient Days per Calendar Day	1.6%	3.5%	0.1%	0.7%
	Average Length of Stay	-2.6%	-3.0%	-1.8%	-5.5%
	ED Visits per Calendar Day	1.3%	4.2%	-1.3%	4.6%
	Operating Room Minutes per Calendar Day	8.5%	4.6%	2.0%	2.2%
Revenue	Net Operating Revenue per Calendar Day	2.2%	6.0%	6.8%	24.1%
	Gross Operating Revenue per Calendar Day	5.3%	10.9%	7.9%	27.2%
	IP Revenue per Calendar Day	2.3%	7.3%	6.2%	26.0%
	OP Revenue per Calendar Day	8.5%	13.8%	10.1%	30.8%
	IP/OP Adjustment Factor	2.7%	3.9%	2.6%	2.2%
	NPSR per Adjusted Discharge	-0.5%	3.3%	2.8%	14.9%
	NPSR per Adjusted Patient Day	1.6%	6.2%	5.6%	20.8%
	Bad Debt and Charity per Calendar Day	3.3%	9.1%	11.9%	59.9%
	Bad Debt and Charity as a % of Gross Operating Rev.	0.5%	-0.9%	3.5%	28.1%
Expense	Total Expense per Calendar Day	3.3%	5.5%	4.8%	17.9%
	Labor Expense per Calendar Day	-0.4%	3.3%	3.8%	13.9%
	Non-Labor Expense per Calendar Day	6.0%	7.2%	5.5%	21.2%
	Supply Expense per Calendar Day	11.0%	15.0%	7.3%	22.5%
	Drugs Expense per Calendar Day	9.8%	17.0%	7.1%	26.3%
	Purchased Service Expense per Calendar Day	3.1%	6.5%	5.5%	18.7%
	Total Expense per Adjusted Discharge	-1.4%	-2.3%	2.6%	7.0%
	Labor Expense per Adjusted Discharge	-7.5%	-3.5%	-0.1%	7.0%
	FTEs per AOB	-1.0%	0.5%	2.3%	7.0%
	Non-Labor Expense per Adjusted Discharge	2.4%	0.6%	4.6%	10.2%
	Supply Expense per Adjusted Discharge	5.6%	7.7%	7.2%	13.4%
	Drugs Expense per Adjusted Discharge	6.6%	10.9%	5.8%	13.1%
	Purchased Service Expense per Adjusted Discharge	-0.8%	-0.9%	3.9%	7.0%

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300-499 Beds

		Jun 26 vs. May 26 (Month-over-Month)	Jun 26 vs. Jun 25 (Year-over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
Margin	Operating Margin	1.0%	-10.6%	-9.4%	17.1%
	Operating EBIDA Margin	1.2%	-3.9%	-9.0%	12.4%
Volume	Discharges per Calendar Day	1.0%	4.2%	2.7%	10.2%
	Adjusted Discharges per Calendar Day	3.6%	5.1%	3.0%	12.2%
	Equivalent Patient Days per Calendar Day	0.5%	4.0%	1.8%	4.4%
	Observation Patient Days as % of Patient Days	0.4%	-2.1%	0.3%	-1.1%
	Adjusted Patient Days per Calendar Day	2.4%	6.8%	3.1%	7.8%
	Average Length of Stay	-1.1%	0.2%	-1.2%	-1.6%
	ED Visits per Calendar Day	1.0%	4.4%	1.1%	6.2%
	Operating Room Minutes per Calendar Day	9.3%	2.8%	2.1%	1.2%
Revenue	Net Operating Revenue per Calendar Day	4.3%	12.1%	6.8%	28.1%
	Gross Operating Revenue per Calendar Day	6.9%	12.5%	8.4%	28.9%
	IP Revenue per Calendar Day	3.5%	9.8%	7.9%	25.0%
	OP Revenue per Calendar Day	8.6%	14.1%	9.0%	29.9%
	IP/OP Adjustment Factor	2.3%	1.0%	1.2%	0.4%
	NPSR per Adjusted Discharge	1.5%	5.3%	3.0%	10.8%
	NPSR per Adjusted Patient Day	3.4%	6.3%	5.0%	15.6%
	Bad Debt and Charity per Calendar Day	0.6%	26.8%	19.5%	50.8%
	Bad Debt and Charity as a % of Gross Operating Rev.	-6.7%	12.1%	6.5%	16.9%
Expense	Total Expense per Calendar Day	3.0%	10.0%	9.2%	24.6%
	Labor Expense per Calendar Day	2.3%	6.4%	5.6%	17.3%
	Non-Labor Expense per Calendar Day	5.4%	10.7%	11.7%	26.7%
	Supply Expense per Calendar Day	11.3%	17.3%	9.2%	28.1%
	Drugs Expense per Calendar Day	10.2%	16.4%	10.7%	25.9%
	Purchased Service Expense per Calendar Day	4.0%	5.3%	7.3%	25.2%
	Total Expense per Adjusted Discharge	-0.5%	5.1%	5.3%	11.3%
	Labor Expense per Adjusted Discharge	-2.0%	0.0%	2.8%	4.5%
	FTEs per AOB	-5.6%	-4.8%	-0.6%	-1.8%
	Non-Labor Expense per Adjusted Discharge	2.2%	5.4%	7.9%	16.7%
	Supply Expense per Adjusted Discharge	6.4%	11.7%	6.9%	20.2%
	Drugs Expense per Adjusted Discharge	4.3%	14.2%	7.8%	13.0%
	Purchased Service Expense per Adjusted Discharge	0.8%	-0.6%	0.7%	15.3%

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500+ Beds

		Jun 26 vs. May 26 (Month-over-Month)	Jun 26 vs. Jun 25 (Year-over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
Margin	Operating Margin	12.0%	0.3%	0.6%	14.1%
	Operating EBIDA Margin	10.0%	-0.2%	-5.9%	5.5%
Volume	Discharges per Calendar Day	1.0%	3.1%	0.5%	4.1%
	Adjusted Discharges per Calendar Day	3.4%	7.1%	3.9%	8.4%
	Equivalent Patient Days per Calendar Day	0.2%	2.8%	0.3%	4.5%
	Observation Patient Days as % of Patient Days	4.4%	19.3%	7.6%	8.3%
	Adjusted Patient Days per Calendar Day	3.1%	4.5%	1.7%	4.4%
	Average Length of Stay	-0.1%	-1.5%	-0.7%	-4.2%
	ED Visits per Calendar Day	3.9%	5.5%	-0.6%	5.9%
	Operating Room Minutes per Calendar Day	10.4%	4.6%	2.4%	1.7%
Revenue	Net Operating Revenue per Calendar Day	5.3%	7.2%	5.6%	27.4%
	Gross Operating Revenue per Calendar Day	6.1%	13.2%	8.2%	29.0%
	IP Revenue per Calendar Day	1.8%	9.1%	5.5%	26.4%
	OP Revenue per Calendar Day	9.3%	16.9%	11.2%	32.8%
	IP/OP Adjustment Factor	3.1%	2.0%	1.9%	3.0%
	NPSR per Adjusted Discharge	1.4%	4.7%	5.3%	13.5%
	NPSR per Adjusted Patient Day	2.7%	1.6%	4.7%	20.6%
	Bad Debt and Charity per Calendar Day	3.0%	24.9%	24.6%	33.5%
	Bad Debt and Charity as a % of Gross Operating Rev.	-2.2%	13.8%	16.5%	2.6%
Expense	Total Expense per Calendar Day	3.7%	6.0%	5.7%	23.6%
	Labor Expense per Calendar Day	0.4%	5.5%	5.1%	18.4%
	Non-Labor Expense per Calendar Day	5.7%	4.9%	8.4%	26.7%
	Supply Expense per Calendar Day	10.3%	12.2%	9.1%	30.4%
	Drugs Expense per Calendar Day	8.0%	10.5%	13.1%	47.9%
	Purchased Service Expense per Calendar Day	5.0%	2.4%	3.5%	18.7%
	Total Expense per Adjusted Discharge	-0.3%	2.2%	3.8%	14.8%
	Labor Expense per Adjusted Discharge	-2.2%	-0.5%	0.5%	8.6%
	FTEs per AOB	-3.6%	0.0%	0.7%	1.4%
	Non-Labor Expense per Adjusted Discharge	3.3%	2.2%	6.4%	16.7%
	Supply Expense per Adjusted Discharge	4.5%	7.9%	8.5%	14.5%
	Drugs Expense per Adjusted Discharge	0.4%	9.3%	12.2%	36.0%
	Purchased Service Expense per Adjusted Discharge	-0.7%	-3.5%	-1.2%	17.0%

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Non-Operating

National Non-Operating Results

Key Observations

This report reflects market data as of June 30, 2026, and additional commentary regarding market events until July 22, 2026.

- The U.S. labor market softened in June, with nonfarm payrolls rising by 57,000 and the unemployment rate holding near recent levels at 4.2%. Average hourly earnings rose 0.3% month-over-month and 3.5% year-over-year.
- According to the BLS: “In June, employment in health care continued its upward trend (+22,000) but at a slower pace than the average monthly gain over the prior 12 months (+38,000). In June, hospitals added 9,000 jobs.”
- ADP’s June report also showed continued private-sector hiring, but at a measured pace. ADP reported 98,000 private-sector jobs added in June, with gains led by education and health services (+48,000), trade, transportation, and utilities (+15,000), and financial activities (+14,000).
- Inflation cooled materially in June, driven largely by a sharp decline in energy prices. CPI fell 0.4% month-over-month, the largest monthly decline since April 2020, while headline inflation slowed to 3.5% year-over-year from 4.2% in May. Core CPI was unchanged in the month and slowed to 2.6% year-over-year, suggesting that underlying inflation pressures also eased.
- Energy was the dominant driver of the June CPI reversal. The energy index fell 5.7% in June, with gasoline down 9.7%, more than offsetting increases in shelter and food. The shelter index rose just 0.1%, its smallest monthly increase since January 2021, which further supported the cooler inflation reading.
- From a healthcare-cost perspective, June CPI was softer than May and remained a limited contributor to broader inflation. The medical care index declined 0.1% in June, with physicians’ services down 0.2% and hospital services up 0.1%. This indicates that healthcare prices were not a major source of June’s inflation pressure.

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National Non-Operating Results *(continued)*

Key Observations (continued)

- Producer prices also eased in June, suggesting some moderation in upstream inflation pressures after the spring energy shock. Final demand PPI fell 0.3% month-over-month but remained up 5.5% year-over-year. The monthly decline was driven by a 1.4% drop in final demand goods, including a 6.4% drop in final demand energy and a 12.0% decline in gasoline, while final demand goods less foods and energy rose 0.2%.
- The ISM Manufacturing PMI rose to 53.3%, marking a sixth consecutive month of expansion.
- Middle East geopolitical risk remained elevated through the period, with ceasefire efforts proving fragile and shipping disruptions in the Strait of Hormuz keeping energy markets and investor sentiment highly sensitive to renewed escalation. The conflict between the United States and Iran escalated during the period, with reciprocal military strikes resulting in casualties and renewed concerns over regional stability. By July 22, the region had not meaningfully de-risked, as the Strait of Hormuz continues to be the focus.

National Non-Operating Results *(continued)*

General Non-Operating Observations

	June 2026	Month-over-Month Change	Year-over-Year Change
General			
GDP Growth*	2.1%	N/A	N/A
Unemployment Rate	4.2%	-0.1%	+0.1%
Personal Consumption Expenditures (Year-over-Year)	3.4%	+0.1%	+0.6%
Liabilities			
Daily SOFR	3.68%	+5 bps	-77 bps
SIFMA	2.67%	+110 bps	+75 bps
30-yr MMD	4.19%	-15 bps	-33 bps
30-yr Treasury	4.95%	-2 bps	+18 bps
Assets			
60/40 Asset Allocation†	N/A	-0.6%	+15.6%

* U.S. Bureau of Economic Analysis, Q1 2026 “3rd Estimate” Updated on June 25, 2026.

† 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

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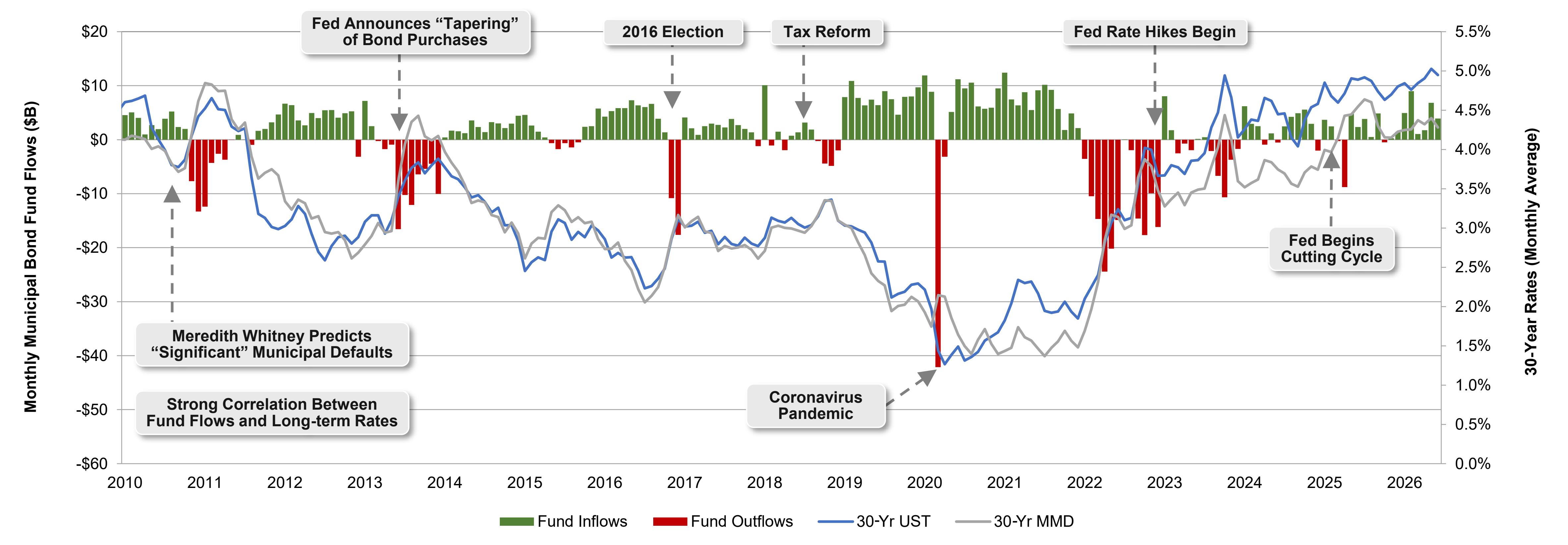
Non-Operating Liabilities

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



Kaufman Hall, *National Hospital Flash Report* (June 2026 Metrics)

Taxable and tax-exempt debt capital markets, as approximated here by the '30-yr U.S. Treasury' and '30-yr MMD Index', are influenced by 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. Strong fund flows generally signal that investors have more cash to put to work, supportive of market 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.

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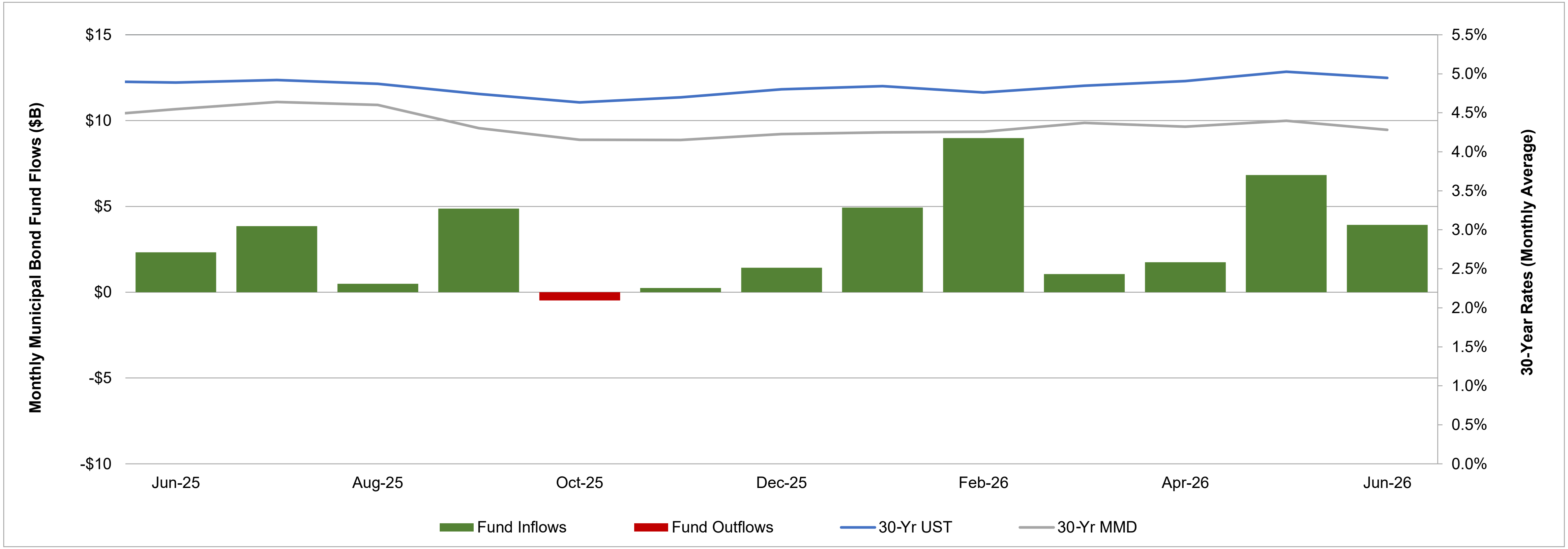
Non-Operating Liabilities *(continued)*

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: $40.2 Bn



Kaufman Hall, *National Hospital Flash Report* (June 2026 Metrics)

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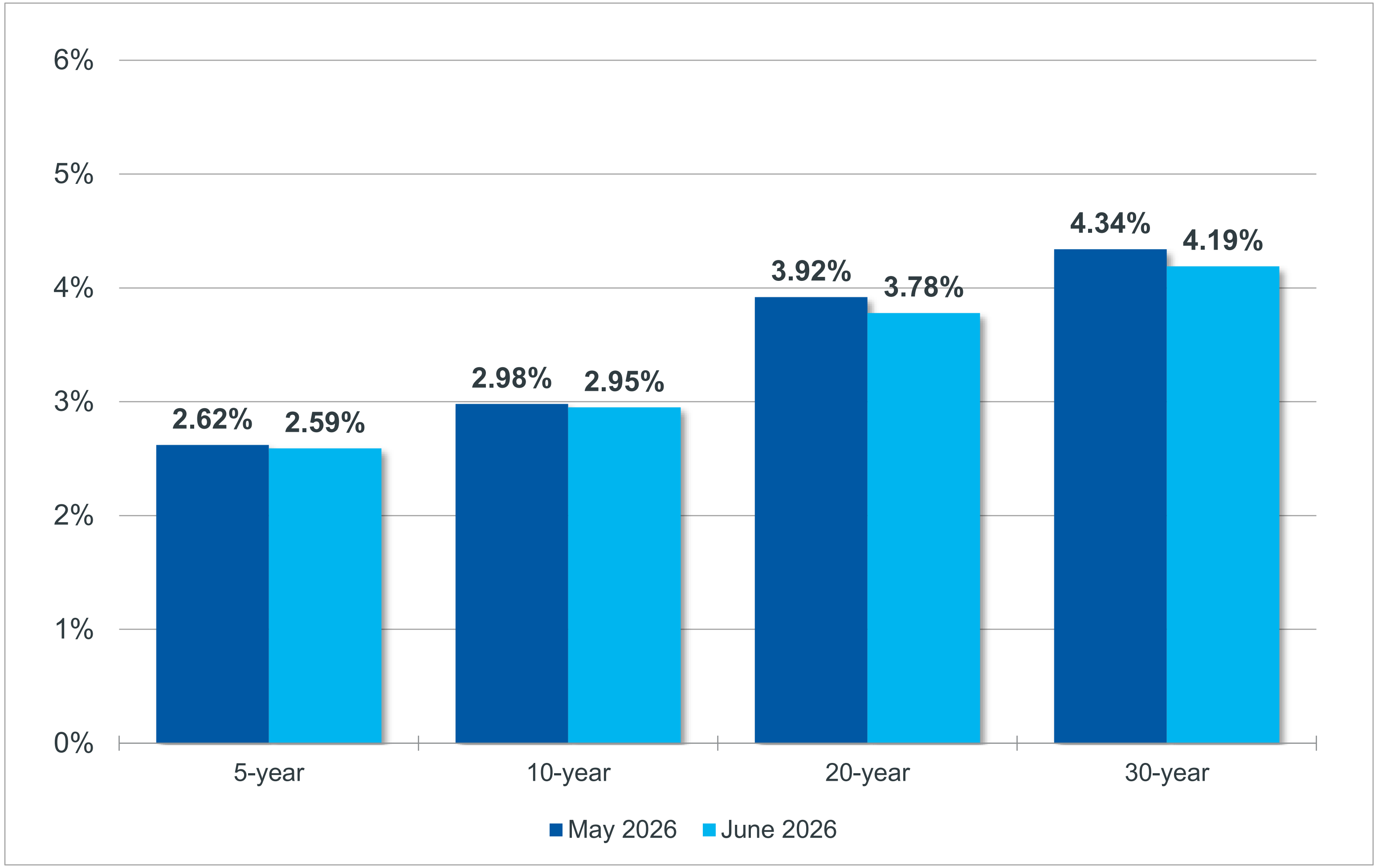
Non-Operating Liabilities *(continued)*

MMD Yield Comparison, May to June 2026



Month-over-month, MMD yields decreased 3 basis points in the short and intermediate end, while declining by 14 and 15 basis points, respectively, for the 20-year and 30-year tenor.

Tax-exempt yields moved lower across the curve from the end of May to the end of June, with the most pronounced declines occurring at the long end. The 5-year and 10-year MMD yields each declined 3 basis points, while the 20-year and 30-year yields fell 14 and 15 basis points, respectively. The broader decline suggests improved performance in the tax-exempt market in June, particularly in longer maturities, as rates eased more meaningfully after the relatively stable conditions seen in May.

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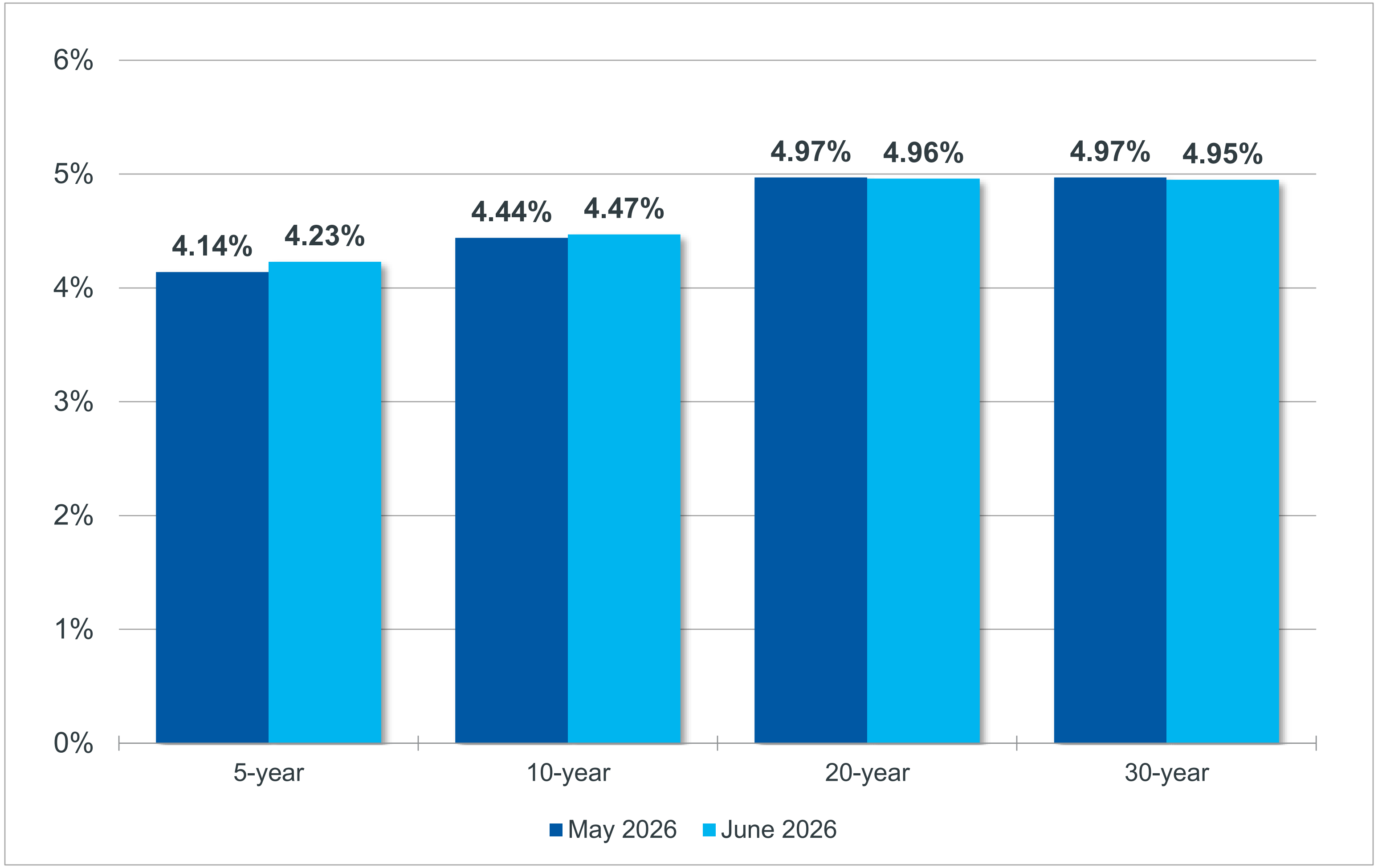
Non-Operating Liabilities *(continued)*

UST Yield Comparison, May to June 2026



Treasury yields rose in the short and intermediate tenors, while long-term rates declined minimally.

In contrast to the tax-exempt market, Treasury yields were mixed from the end of May to the end of June. The 5-year and 10-year Treasury yields increased 9 and 3 basis points, respectively, while the 20-year and 30-year maturities declined modestly by 1 and 2 basis points. This uneven movement indicates that yield movements in the taxable market remained concentrated at the short and intermediate portions of the curve, while long-end rates were relatively stable to slightly lower.

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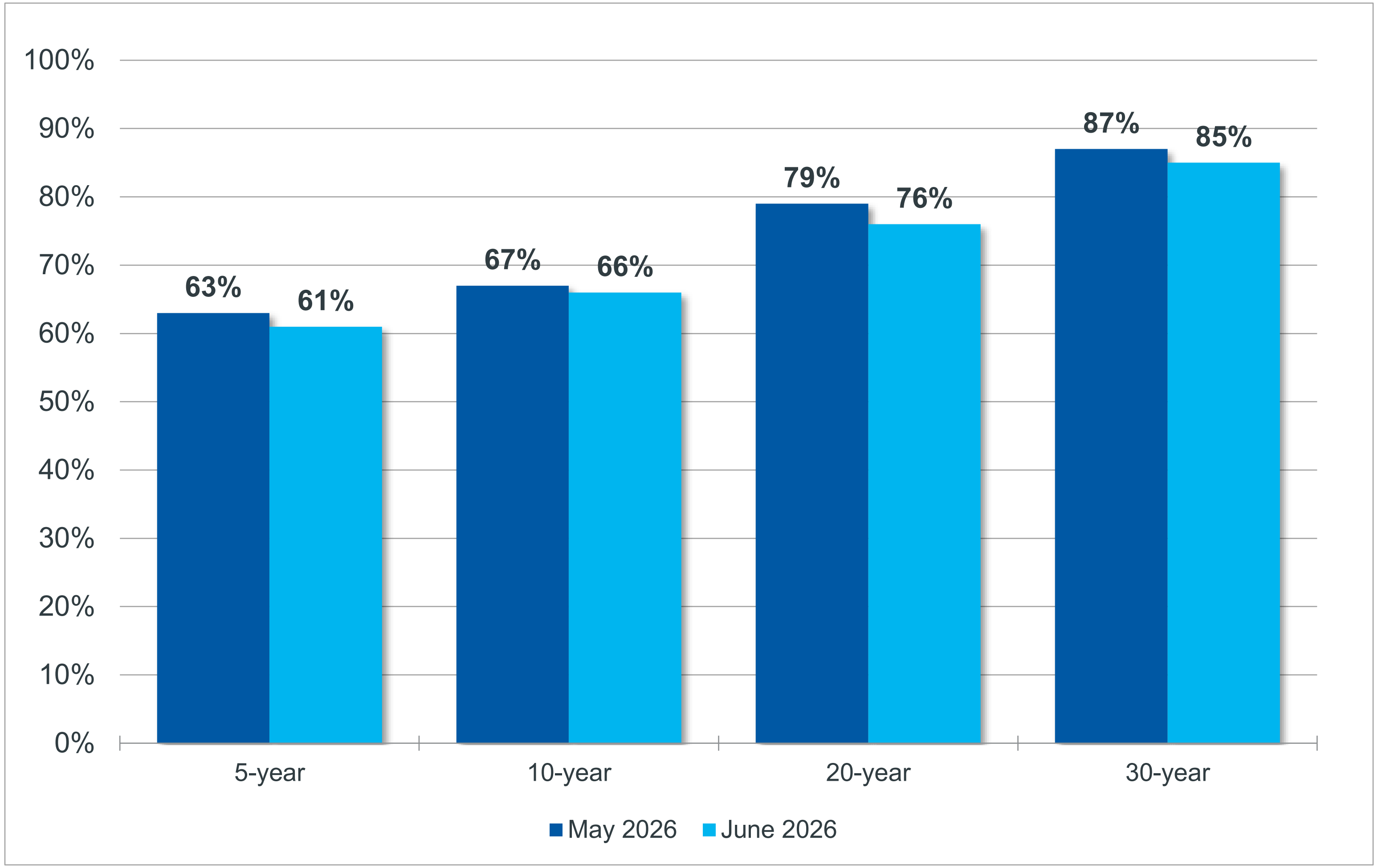
Non-Operating Liabilities *(continued)*

MMD/UST Ratio Comparison, May to June 2026



Ratios tightened across the yield curve, indicating a shift in relative value and continued pressure on tax-exempt markets

MMD/UST ratios tightened across the curve in June, indicating improved relative value for tax-exempt bonds versus Treasuries. The 5-year, 10-year, 20-year, and 30-year ratios declined by 2%, 1%, 3%, and 2%, respectively, ending the month at 61%, 66%, 76%, and 85%. The largest move occurred in the 20-year maturity, highlighting the strongest improvement in relative value at the long-intermediate portion of the curve. Overall, the June decline in ratios suggests a more favorable backdrop for municipals relative to taxable alternatives.

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Non-Operating Liabilities *(continued)*

The tax-exempt variable rate market was slightly less volatile in June compared to May, with SIFMA trading within a 75-basis point range, 14 basis points tighter than May's range. June's low of 2.14% was 57 basis points higher than May's trough and the high of 2.89% was 51 basis points higher than May's peak, signaling a less favorable rate environment in June. The SIFMA-to-SOFR ratio averaged 63% for the first half of the year, which is just slightly below the historical range of 67%-70%. The first two July resets were below 2.00% at 1.64% and 1.82%, respectively. However, this sub-2.00% consecutive trend was short lived as the third reset of the month was close to 3.00% at 2.91%.

Municipal bond flows remained positive for the eighth consecutive month in June, with inflows of $3.9 billion, significantly lower than May's revised $6.8 billion. There still has not been any weekly outflows reported since mid-April. Healthcare issuance has maintained strong momentum, with year-to-date volume through the third week of July at $28.7 billion, up $4.1 billion from the same period in 2025. June included 10 public healthcare transactions, four more than May, and all of the deals were within the first half of July.

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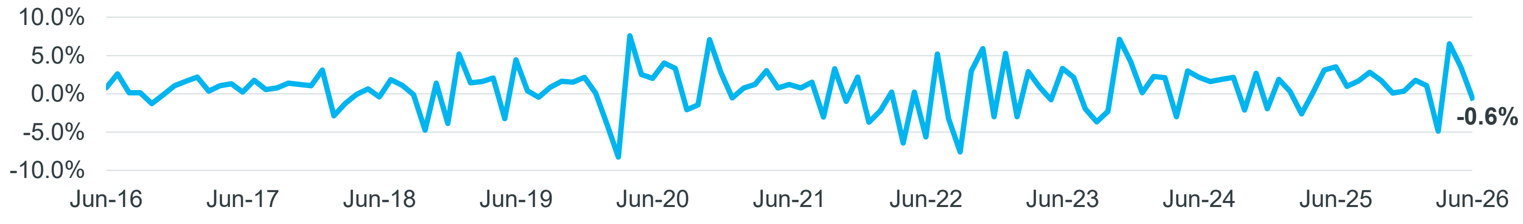
Non-Operating Assets

Month-over-Month Return

	S&P 500	MSCI World	MSCI Emerging Markets	Barclays Aggregate Bond Index
May 2026	5.1%	4.4%	9.5%	0.3%
June 2026	-1.1%	-0.8%	-1.7%	0.2%
Difference	**-6.2%**	**-5.2%**	**-11.2%**	**-0.1%**

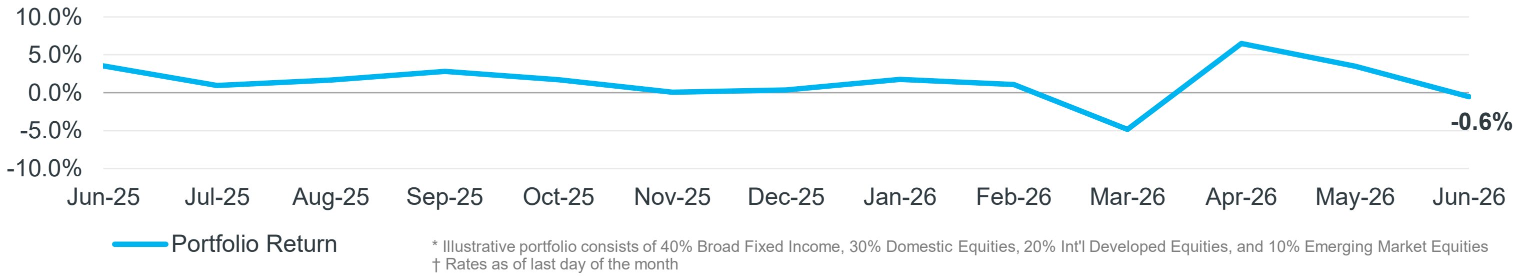
Long Term – Illustrative Investment Portfolio Returns, Month-over-Month Change



* Illustrative portfolio consists of 40% Broad Fixed Income, 30% Domestic Equities, 20% Int'l Developed Equities, and 10% Emerging Market Equities
† Rates as of last day of the month

Kaufman Hall, *National Hospital Flash Report* (June 2026 Metrics)

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



* Illustrative portfolio consists of 40% Broad Fixed Income, 30% Domestic Equities, 20% Int'l Developed Equities, and 10% Emerging Market Equities
† Rates as of last day of the month

Kaufman Hall, *National Hospital Flash Report* (June 2026 Metrics)

Non-operating assets pulled back in June after two consecutive months of strong gains, as equity markets weakened across both developed and emerging markets. The S&P 500 fell 1.1%, the MSCI World declined 0.8%, and the MSCI Emerging Markets Index lost 1.7%, reflecting a broad decline in investor risk appetite. Meanwhile, the Bloomberg Barclays Aggregate Bond Index remained modestly positive with a 0.2% return, demonstrating continued relative stability in fixed income. As a result, the traditional 60/40 blended portfolio generated an estimated 0.6% loss in June, a notable reversal from its approximately 3.2% gain in May. The divergence between negative equity returns and modestly positive bond performance suggests a more cautious market tone in June, with fixed income providing partial downside protection as risk appetite softened.

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Contacts

For more information contact

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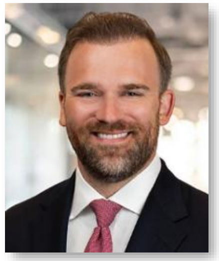

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Talk to us

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.

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