



AUGUST 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

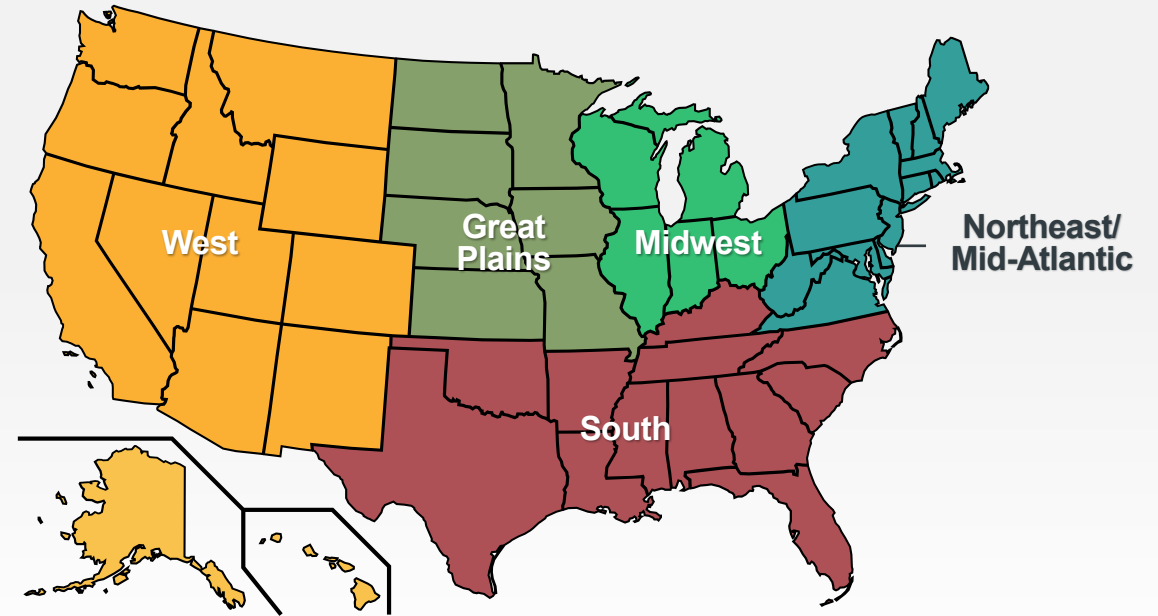
About the Data

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.

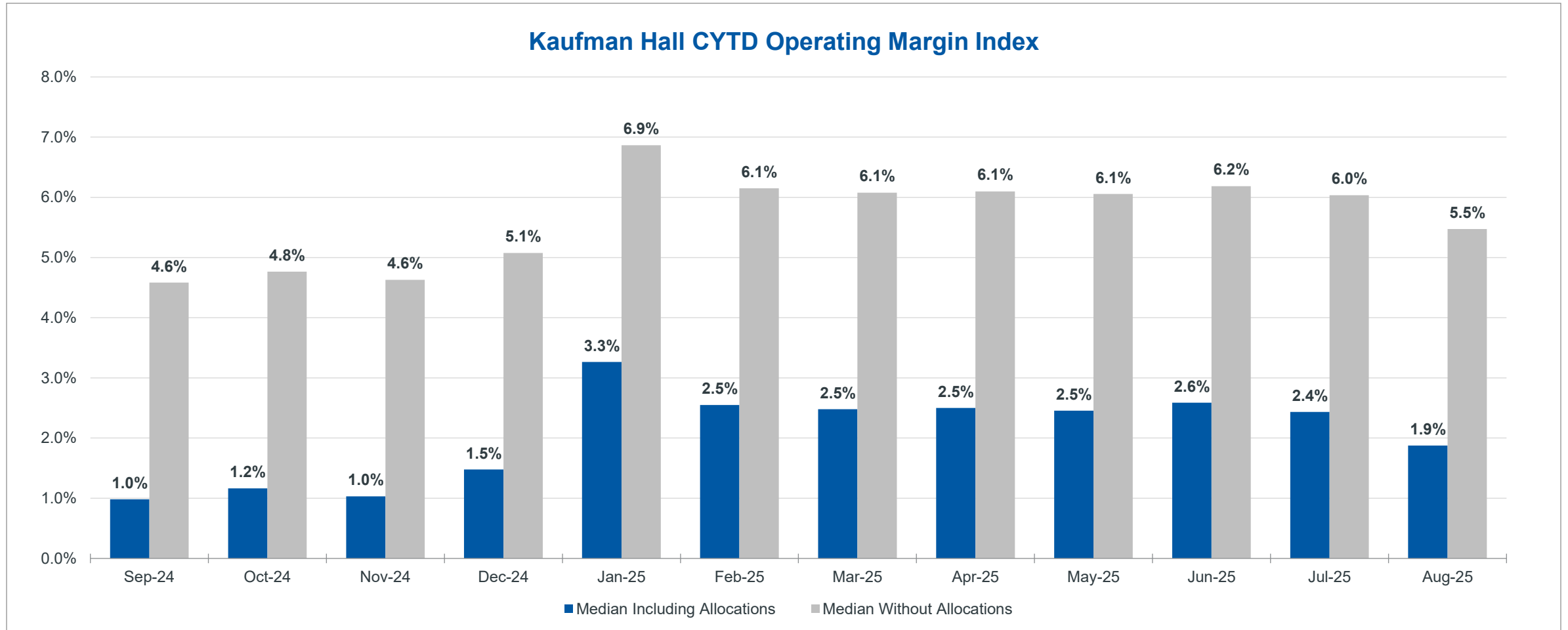


Strata Decision Technology, LLC provides an innovative, cloud-based platform for software, and data and service solutions to help healthcare organizations acquire insights, accelerate decisions, and enhance performance in support of their missions. More than 2,300 organizations rely on Strata's StrataJazz 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. Both patient volumes and operating margins have decreased this month.** While margins remain positive, they've been steadily declining since January 2025.
- 2. Bad debt and charity care continue to rise.** With change to federal policy on the horizon, uncompensated care will likely continue to increase.
- 3. Expenses have increased year-over-year, notably non-labor expenses.** External forces including rising raw material costs and the uncertainty in global trade highlight the need for hospitals to maintain a resilient supply chain and explore spend management strategies.

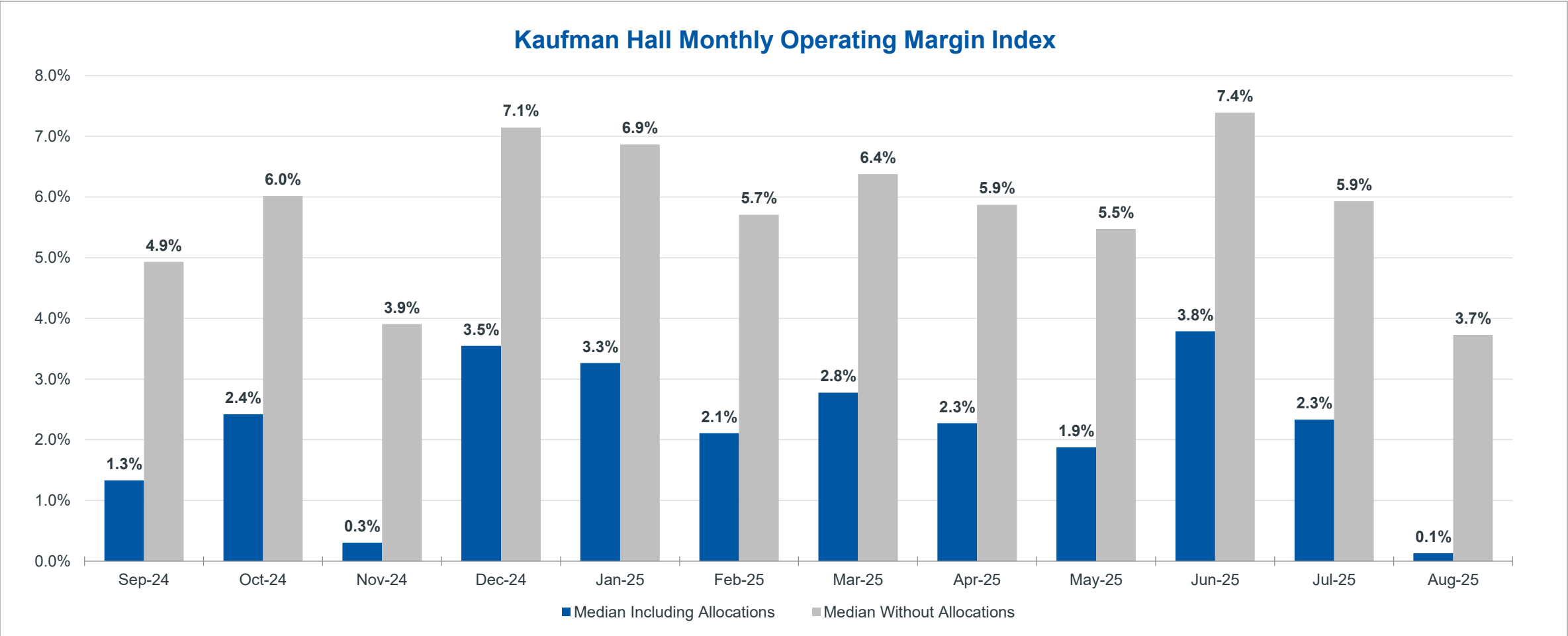
Operating Margin



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

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

Operating Margin *(continued)*



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

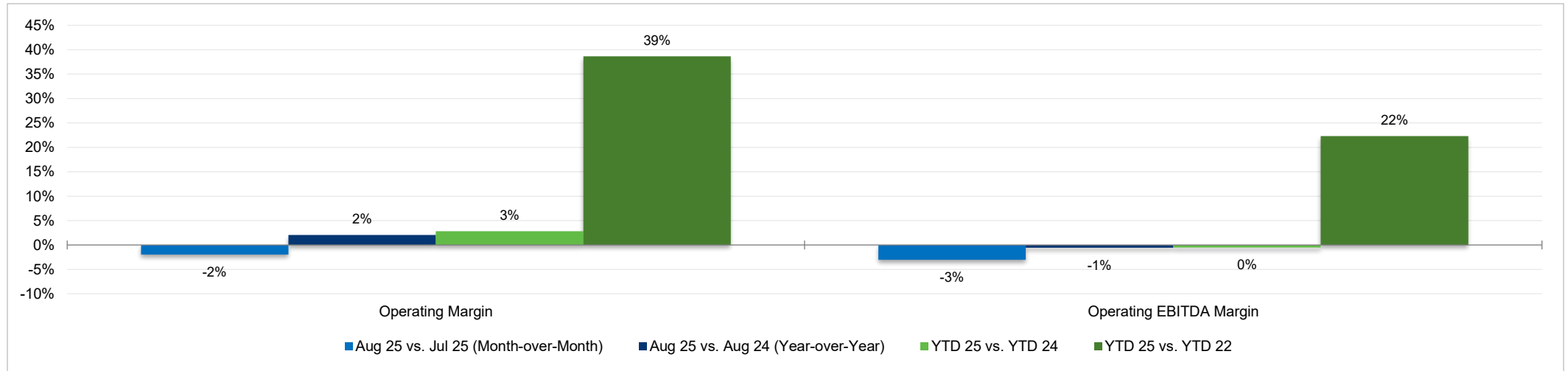
* Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset, and are displayed with and without adjustments for allocations to hospitals from corporate, physician, and other entities.

National and Regional Data

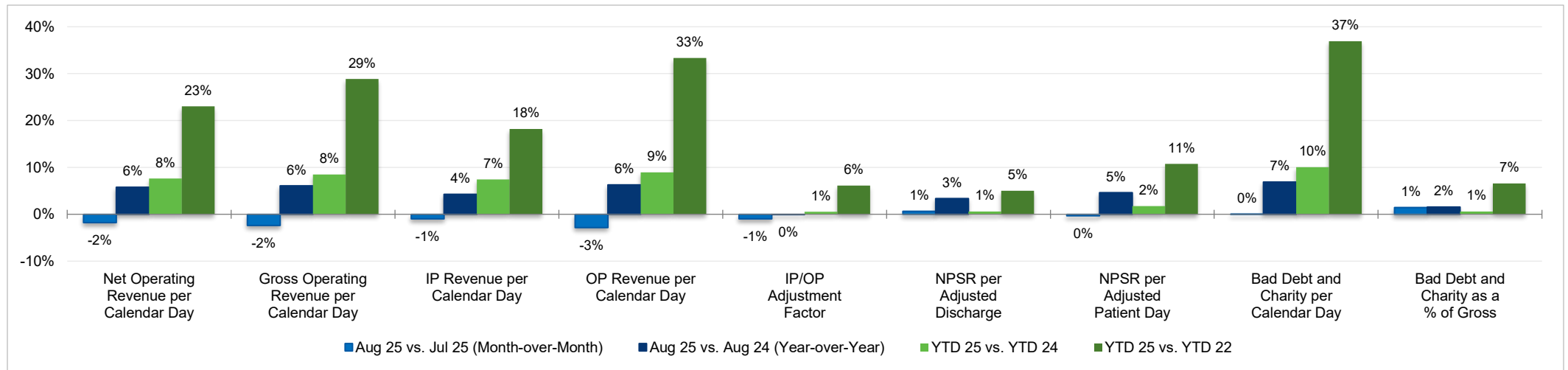
Profitability, Revenue, Expense, and Volume

National Data

Profitability

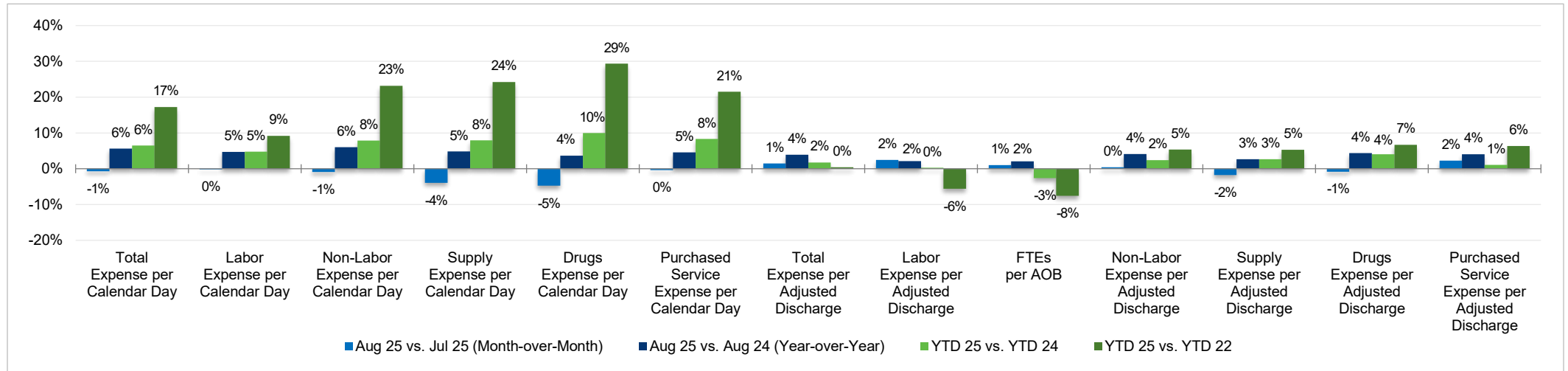


Revenue

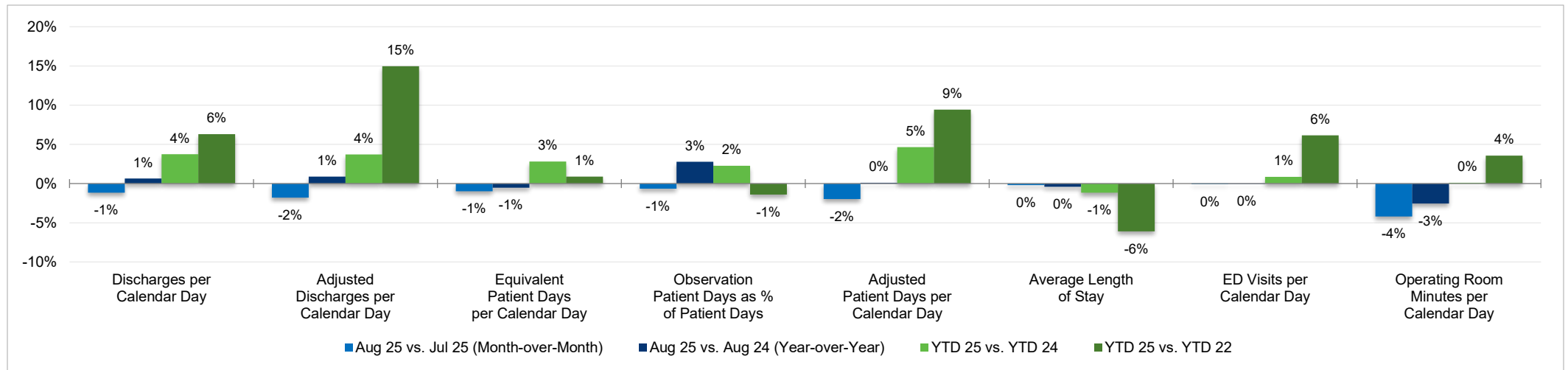


National Data *(continued)*

Expense

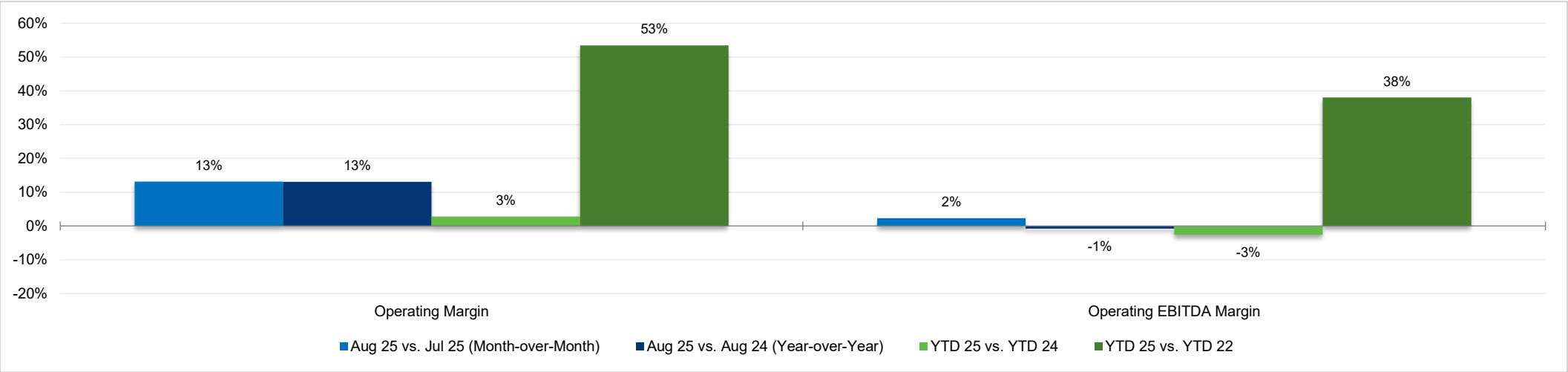


Volume

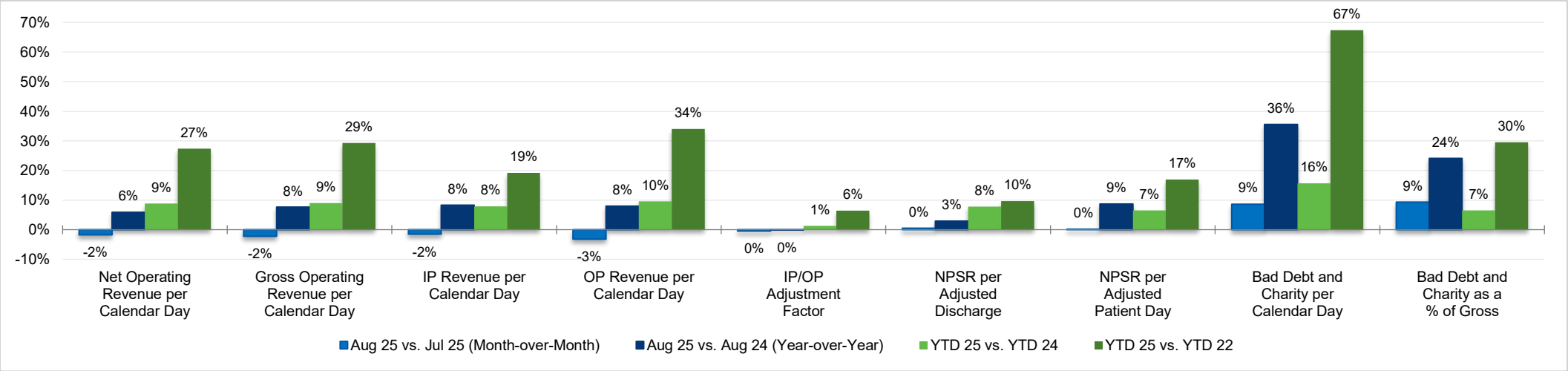


Regional Data: West

Profitability

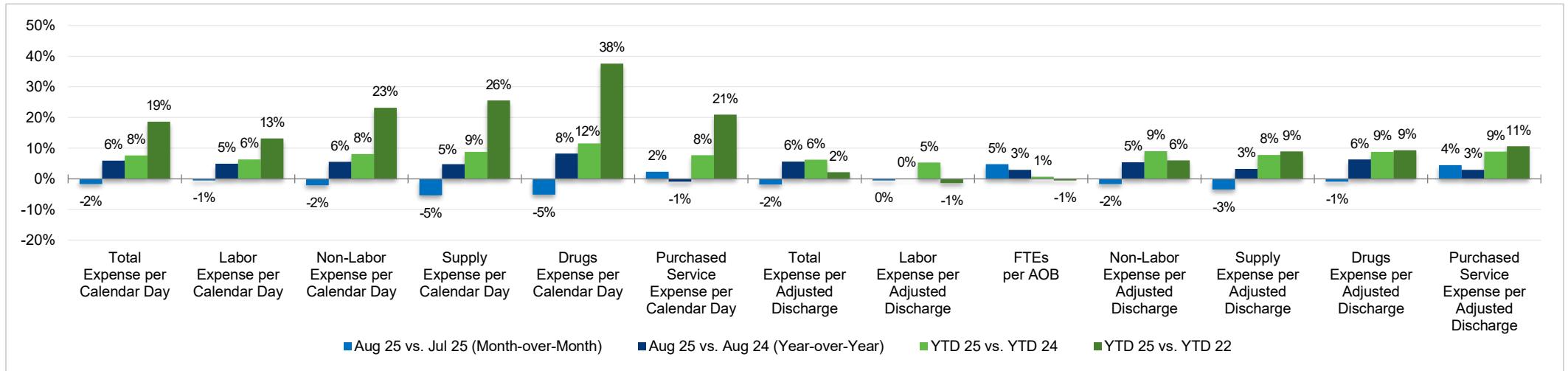


Revenue

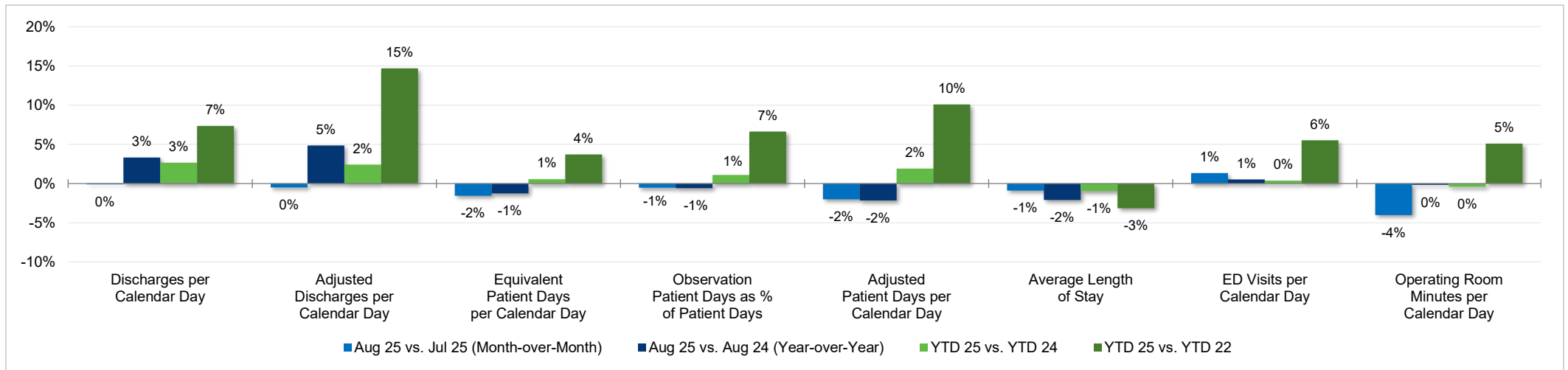


Regional Data: West *(continued)*

Expense

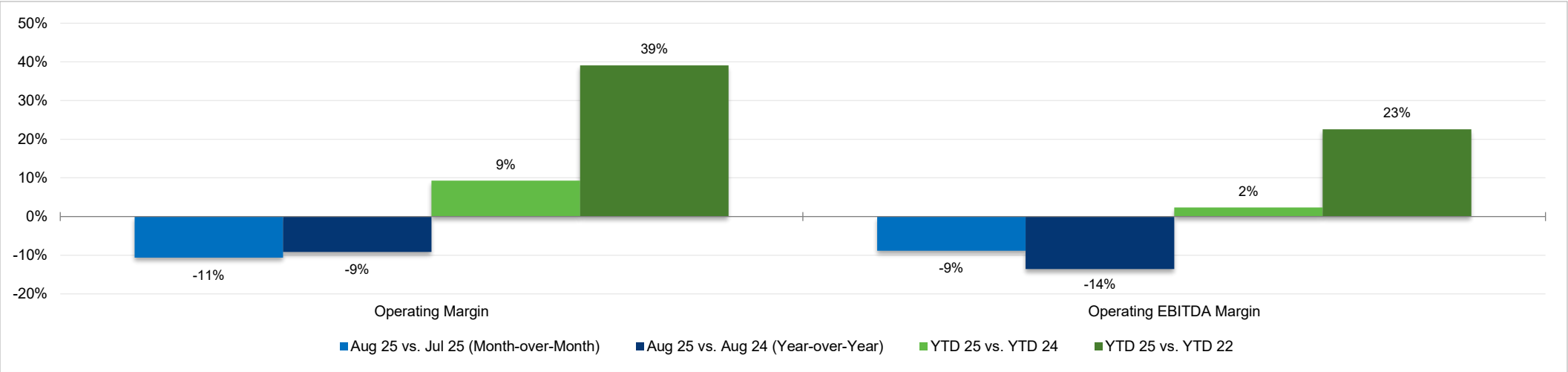


Volume

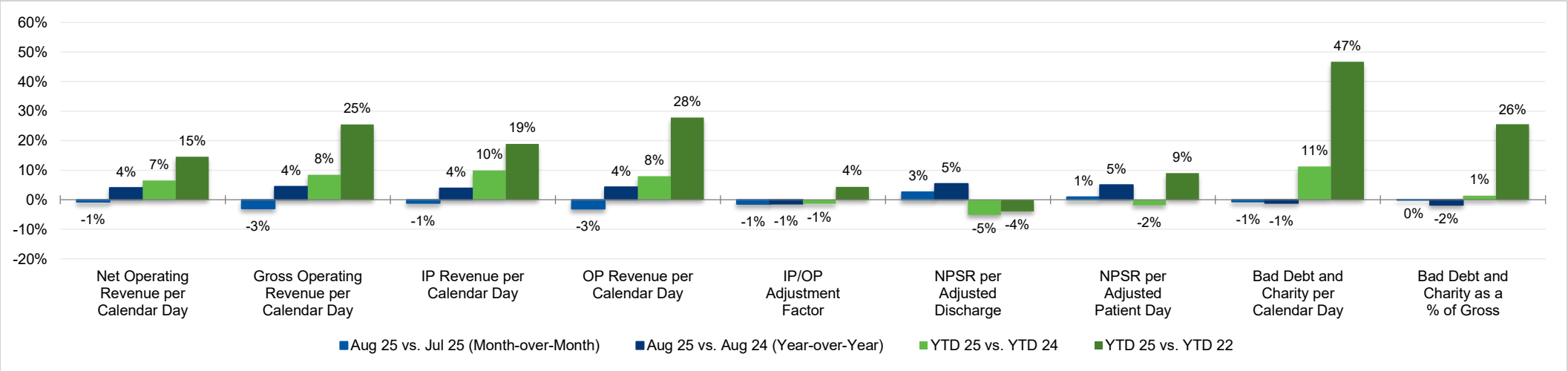


Regional Data: Midwest

Profitability

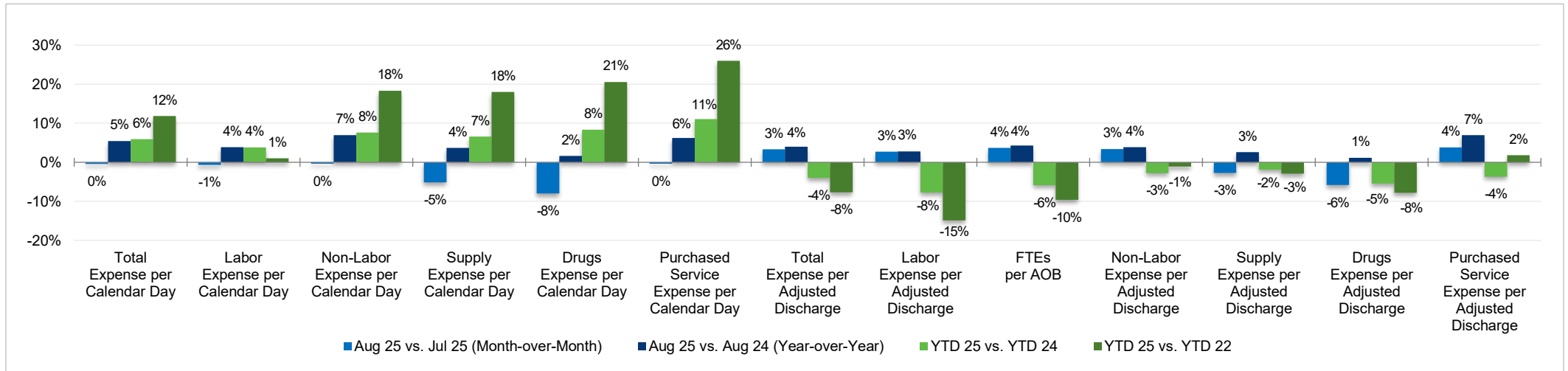


Revenue

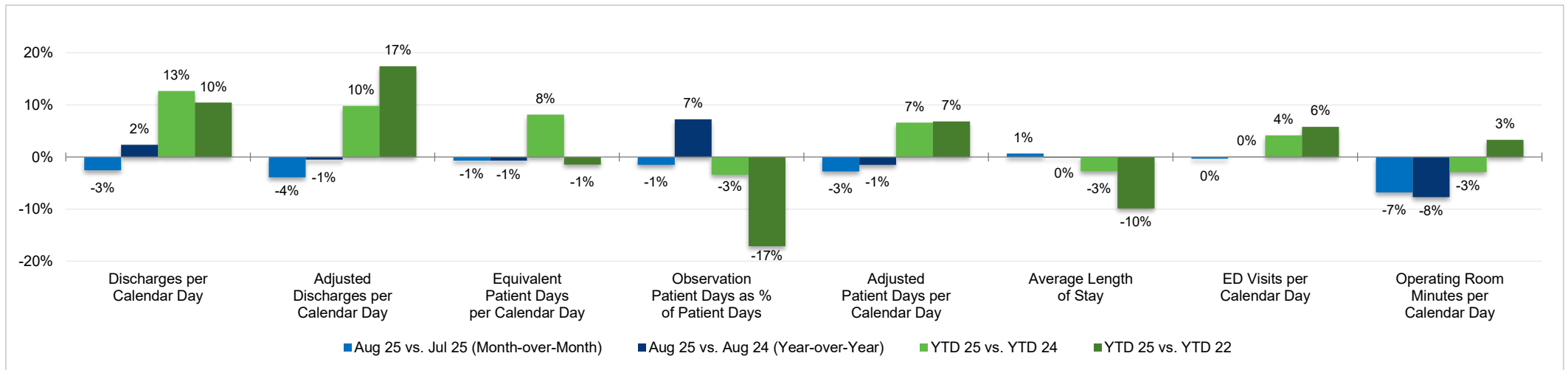


Regional Data: Midwest *(continued)*

Expense

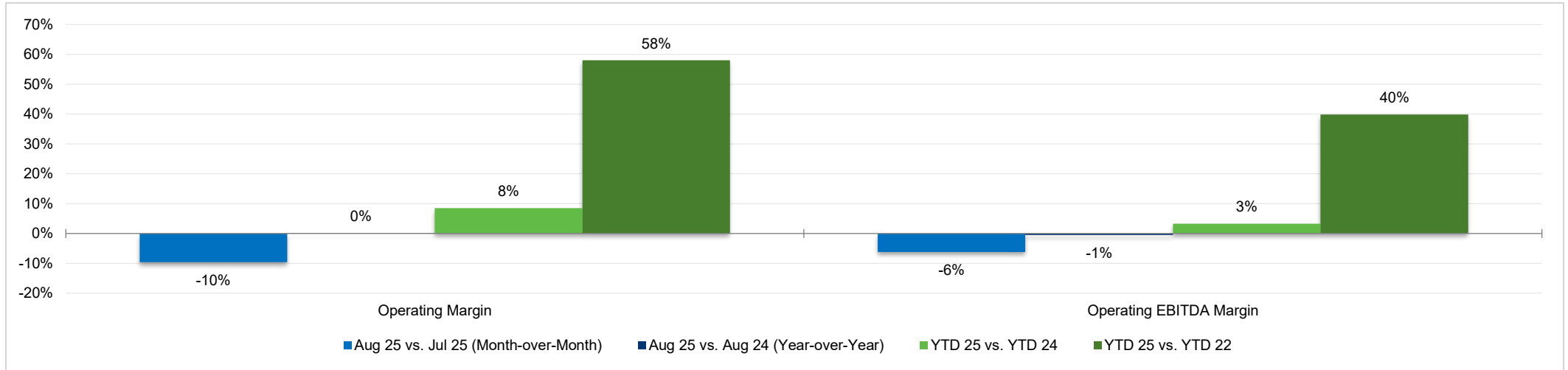


Volume

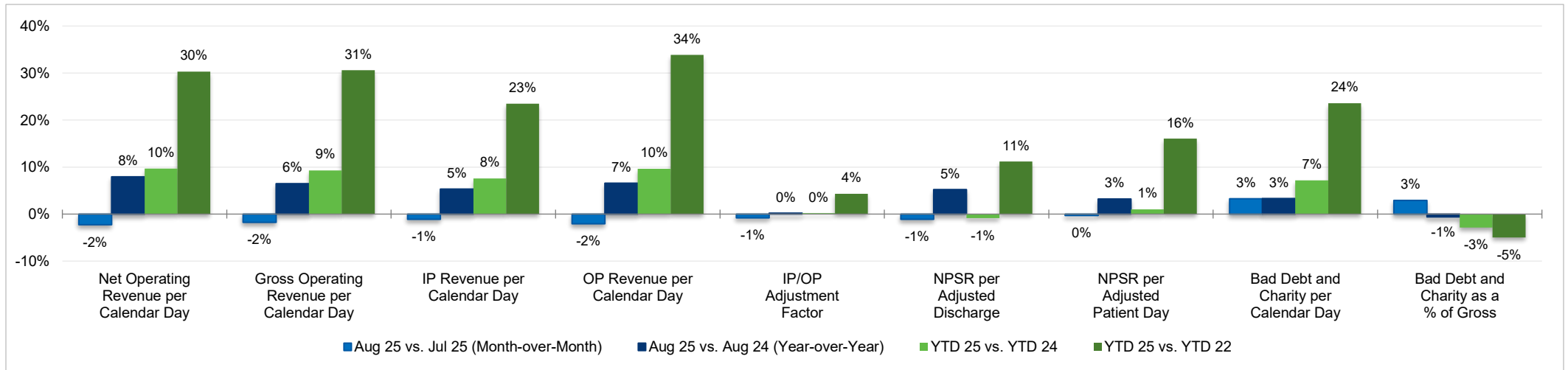


Regional Data: South

Profitability

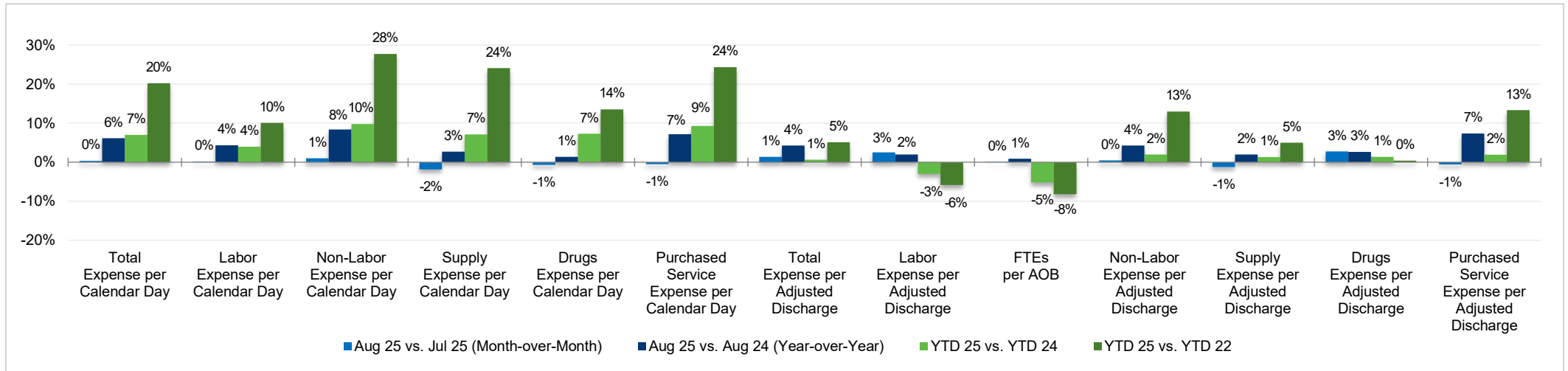


Revenue

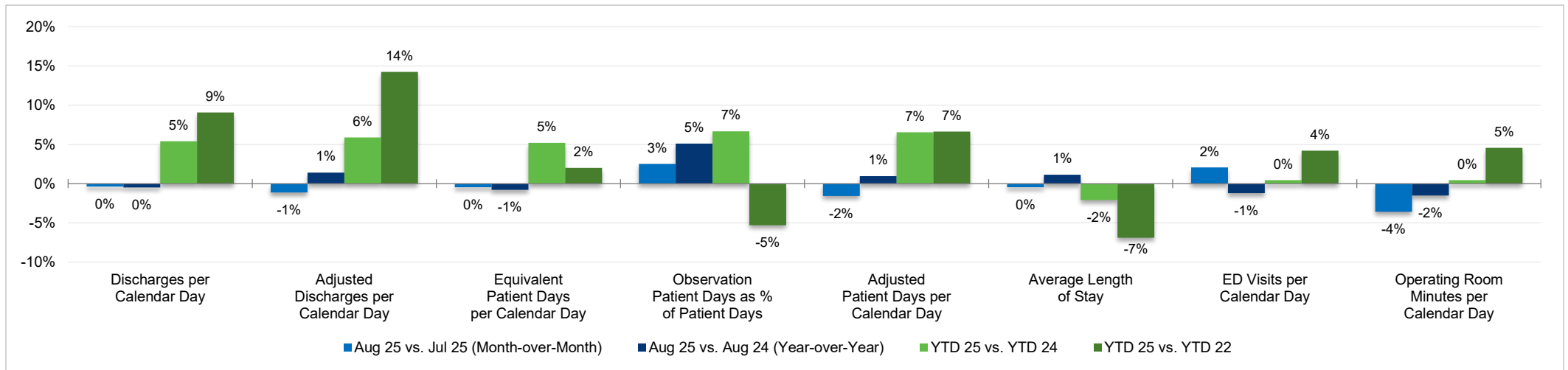


Regional Data: South *(continued)*

Expense

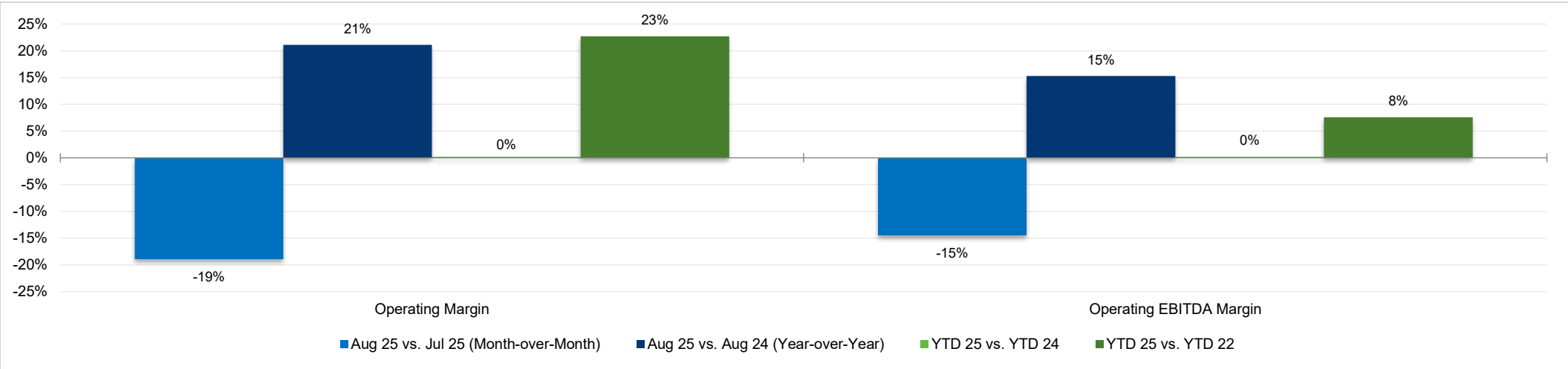


Volume

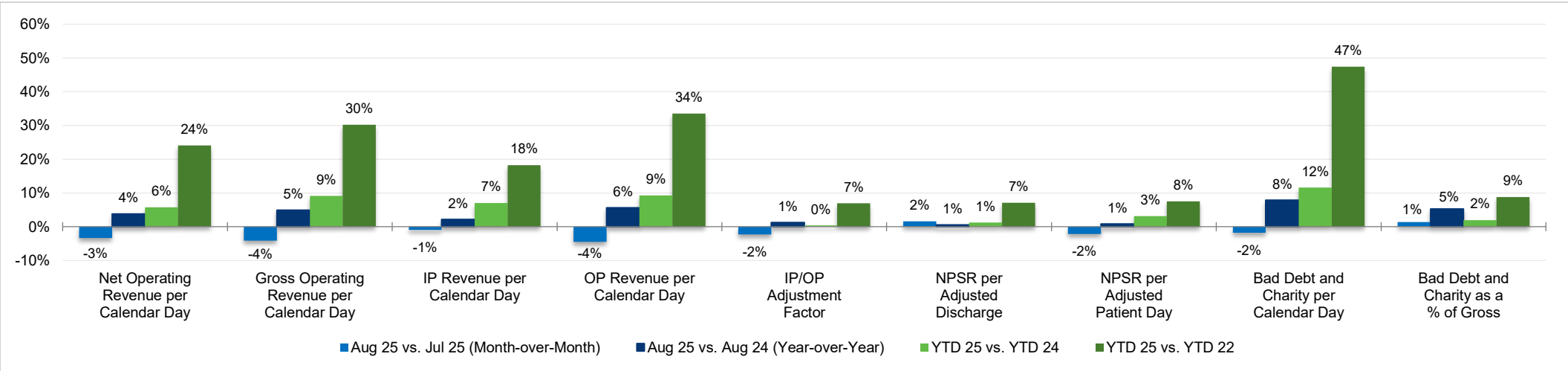


Regional Data: Northeast/Mid-Atlantic

Profitability

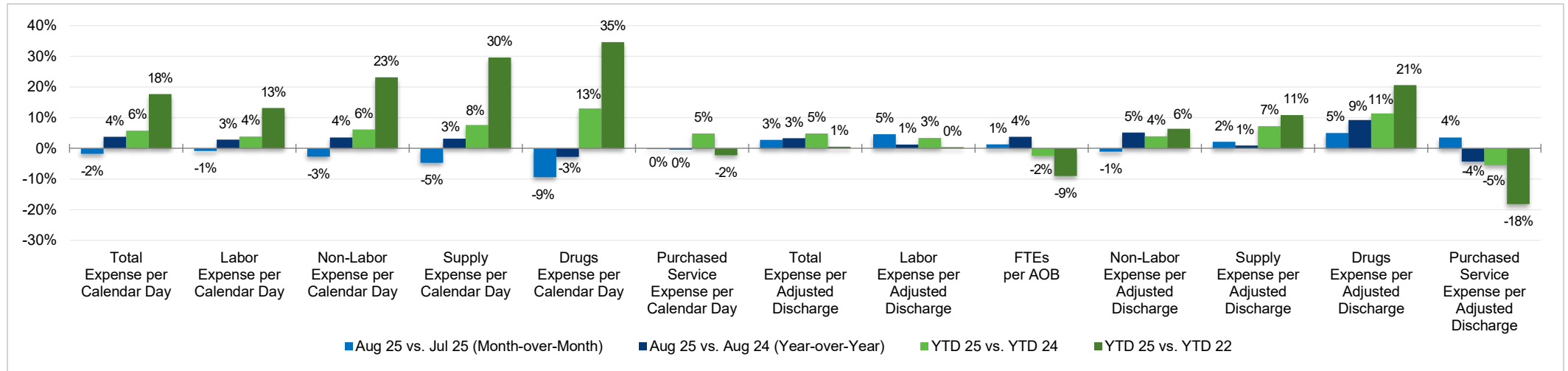


Revenue

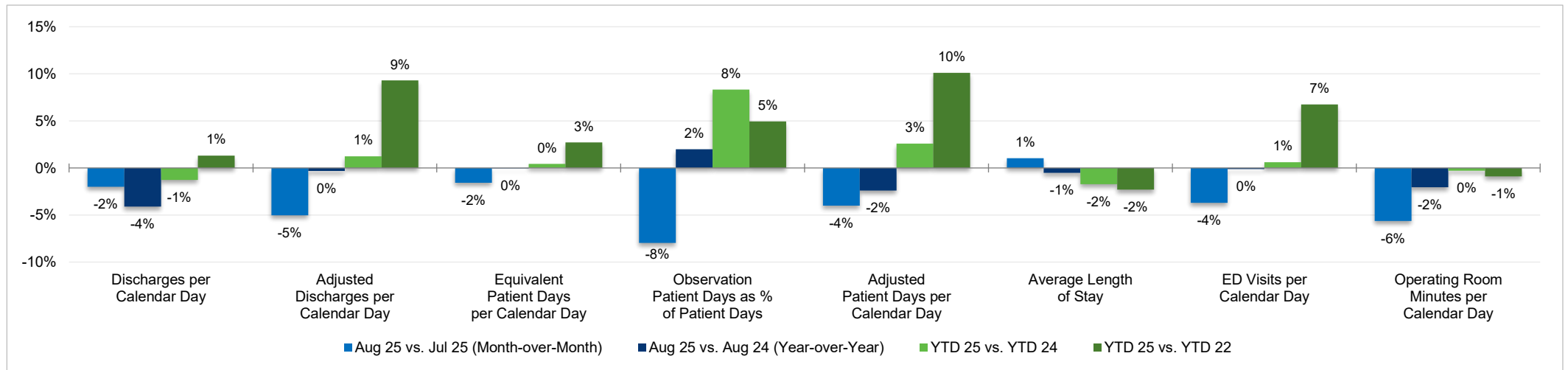


Regional Data: Northeast/Mid-Atlantic *(continued)*

Expense

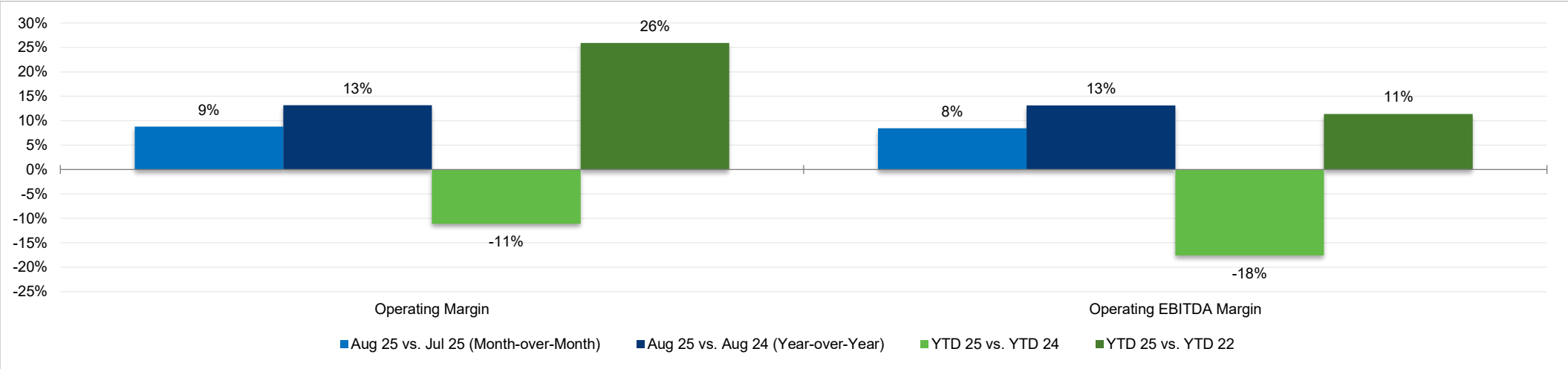


Volume

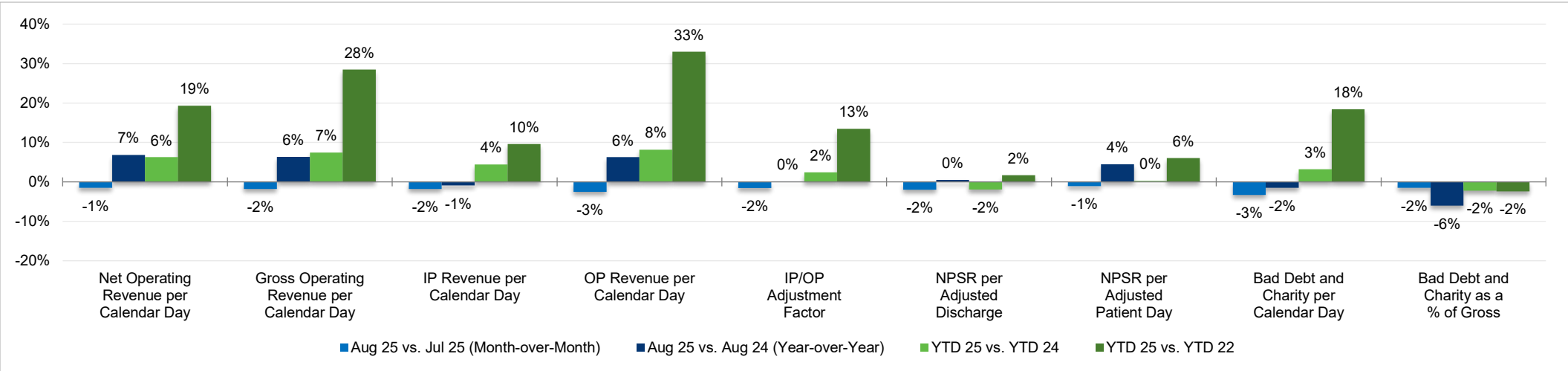


Regional Data: Great Plains

Profitability

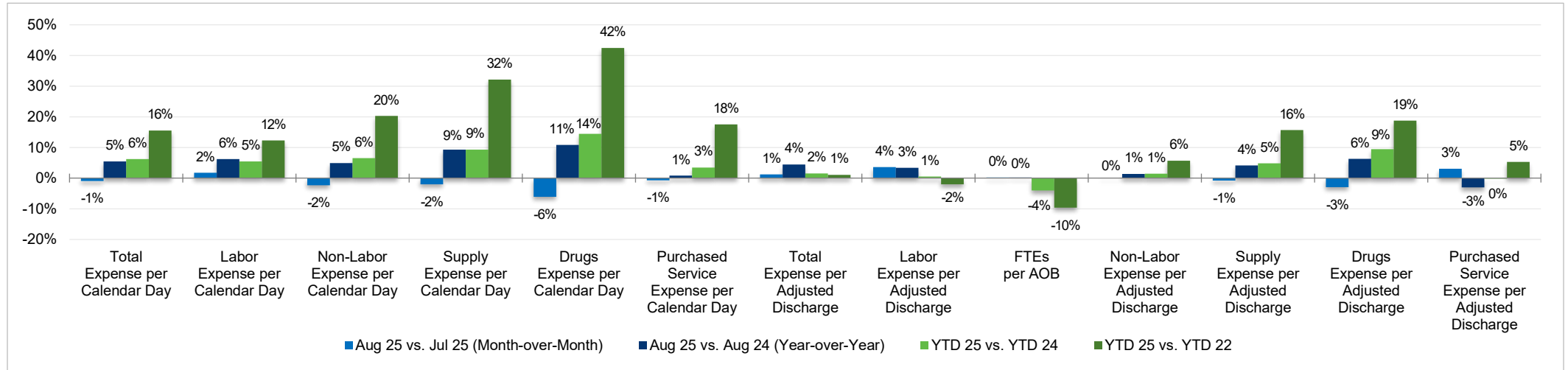


Revenue

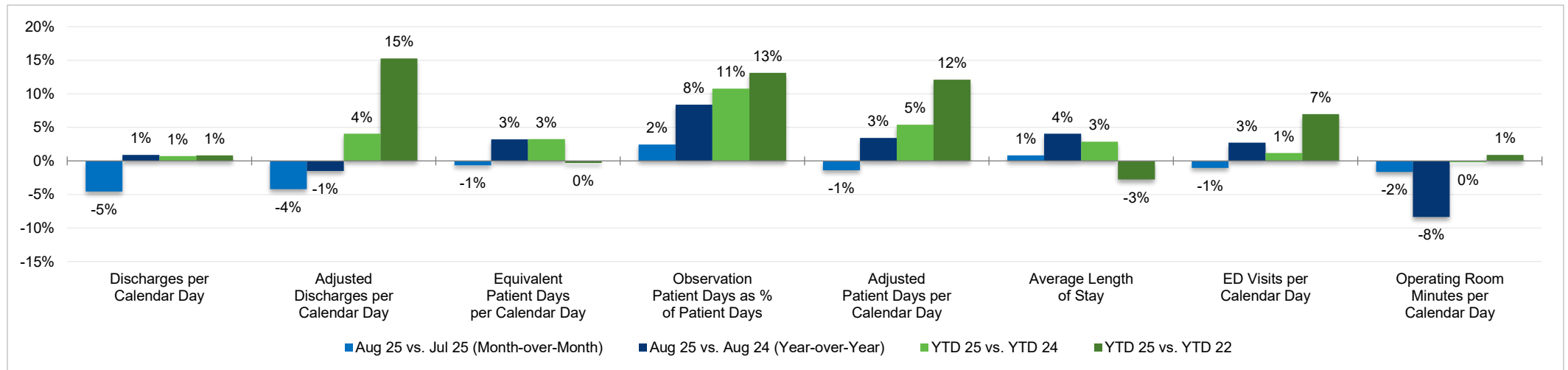


Regional Data: Great Plains *(continued)*

Expense



Volume



Data by Hospital Bed Size

Profitability, Revenue, Expense, and Volume

0-25 Beds

		Aug 25 vs. Jul 25 (Month-over-Month)	Aug 25 vs. Aug 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	0.8%	9.3%	-0.1%	23.3%
	Operating EBIDA Margin	-0.2%	2.1%	-8.2%	11.7%
Volume	Discharges per Calendar Day	-9.5%	-10.3%	2.8%	2.8%
	Adjusted Discharges per Calendar Day	-10.5%	-4.0%	5.5%	24.1%
	Equivalent Patient Days per Calendar Day	0.3%	0.2%	1.6%	-0.8%
	Observation Patient Days as % of Patient Days	-5.6%	3.3%	0.7%	-4.8%
	Adjusted Patient Days per Calendar Day	-0.6%	1.9%	4.8%	15.0%
	Average Length of Stay	9.0%	5.0%	-2.1%	-4.8%
	ED Visits per Calendar Day	-0.6%	-0.5%	0.8%	5.8%
	Operating Room Minutes per Calendar Day	-0.6%	-7.3%	-2.0%	4.2%
	Revenue	Net Operating Revenue per Calendar Day	-1.7%	6.2%	6.1%
Gross Operating Revenue per Calendar Day		-1.9%	6.8%	8.4%	28.5%
IP Revenue per Calendar Day		2.0%	-0.6%	4.4%	5.1%
OP Revenue per Calendar Day		-2.6%	7.3%	8.6%	30.4%
IP/OP Adjustment Factor		-3.2%	2.2%	2.7%	17.5%
NPSR per Adjusted Discharge		6.1%	2.9%	-3.6%	-3.1%
NPSR per Adjusted Patient Day		-0.2%	5.8%	-0.3%	1.6%
Bad Debt and Charity per Calendar Day		-8.5%	4.8%	11.7%	42.1%
Bad Debt and Charity as a % of Gross		-7.9%	1.3%	1.8%	14.6%
Expense	Total Expense per Calendar Day	-0.6%	4.4%	6.6%	15.5%
	Labor Expense per Calendar Day	-0.6%	4.0%	4.8%	9.5%
	Non-Labor Expense per Calendar Day	-0.5%	4.9%	7.6%	21.1%
	Supply Expense per Calendar Day	0.2%	6.6%	7.3%	23.3%
	Drugs Expense per Calendar Day	-3.6%	5.9%	14.1%	39.2%
	Purchased Service Expense per Calendar Day	-1.8%	1.5%	7.4%	15.6%
	Total Expense per Adjusted Discharge	6.0%	1.1%	0.9%	-10.5%
	Labor Expense per Adjusted Discharge	6.7%	2.5%	-1.1%	-12.9%
	FTEs per AOB	0.5%	-1.9%	-4.1%	-13.4%
	Non-Labor Expense per Adjusted Discharge	5.7%	2.6%	1.9%	-5.5%
	Supply Expense per Adjusted Discharge	1.8%	5.1%	3.0%	-5.1%
	Drugs Expense per Adjusted Discharge	4.7%	12.2%	9.3%	8.8%
Purchased Service Expense per Adjusted Discharge	4.8%	-0.7%	-1.5%	-4.2%	

26-99 Beds

		Aug 25 vs. Jul 25 (Month-over-Month)	Aug 25 vs. Aug 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	-10.0%	21.3%	6.8%	41.6%
	Operating EBIDA Margin	-10.2%	11.4%	1.7%	31.1%
Volume	Discharges per Calendar Day	-3.2%	2.9%	6.0%	6.7%
	Adjusted Discharges per Calendar Day	-4.9%	1.4%	3.2%	15.4%
	Equivalent Patient Days per Calendar Day	-0.8%	2.4%	6.8%	0.2%
	Observation Patient Days as % of Patient Days	1.6%	11.4%	7.6%	-3.2%
	Adjusted Patient Days per Calendar Day	-2.5%	1.6%	6.9%	9.7%
	Average Length of Stay	-0.2%	1.2%	-1.0%	-9.4%
	ED Visits per Calendar Day	0.7%	0.8%	1.3%	6.5%
	Operating Room Minutes per Calendar Day	-8.4%	-6.0%	-0.4%	-8.5%
	Revenue	Net Operating Revenue per Calendar Day	-2.0%	5.8%	8.3%
Gross Operating Revenue per Calendar Day		-3.1%	5.9%	9.3%	26.1%
IP Revenue per Calendar Day		-1.0%	4.7%	7.5%	12.7%
OP Revenue per Calendar Day		-2.9%	5.5%	8.9%	31.8%
IP/OP Adjustment Factor		-1.4%	-0.3%	0.5%	9.2%
NPSR per Adjusted Discharge		1.5%	2.5%	1.5%	3.6%
NPSR per Adjusted Patient Day		-0.1%	5.0%	1.6%	9.9%
Bad Debt and Charity per Calendar Day		3.5%	14.3%	11.1%	31.9%
Bad Debt and Charity as a % of Gross		8.3%	2.8%	3.1%	2.8%
Expense	Total Expense per Calendar Day	-0.1%	5.7%	6.5%	14.1%
	Labor Expense per Calendar Day	0.9%	4.4%	4.7%	6.5%
	Non-Labor Expense per Calendar Day	-0.1%	6.9%	8.3%	18.7%
	Supply Expense per Calendar Day	-2.4%	4.9%	8.4%	19.2%
	Drugs Expense per Calendar Day	-3.1%	0.2%	7.3%	12.3%
	Purchased Service Expense per Calendar Day	2.6%	3.9%	7.4%	15.4%
	Total Expense per Adjusted Discharge	3.9%	2.6%	1.8%	-1.1%
	Labor Expense per Adjusted Discharge	4.6%	2.0%	0.8%	-5.6%
	FTEs per AOB	0.4%	-1.3%	-7.2%	-16.0%
	Non-Labor Expense per Adjusted Discharge	3.3%	4.3%	2.2%	3.5%
	Supply Expense per Adjusted Discharge	2.5%	1.9%	1.6%	2.4%
	Drugs Expense per Adjusted Discharge	4.9%	-2.5%	0.6%	-3.6%
Purchased Service Expense per Adjusted Discharge	-0.8%	1.1%	-2.7%	4.7%	

100-199 Beds

		Aug 25 vs. Jul 25 (Month-over-Month)	Aug 25 vs. Aug 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	-3.6%	9.8%	12.0%	32.1%
	Operating EBIDA Margin	-6.2%	1.8%	4.6%	23.4%
Volume	Discharges per Calendar Day	-1.3%	2.7%	5.0%	13.1%
	Adjusted Discharges per Calendar Day	-1.6%	2.4%	6.0%	15.5%
	Equivalent Patient Days per Calendar Day	-1.6%	0.2%	5.0%	4.5%
	Observation Patient Days as % of Patient Days	0.5%	2.4%	5.5%	-0.8%
	Adjusted Patient Days per Calendar Day	-3.0%	-1.2%	4.1%	9.6%
	Average Length of Stay	-1.3%	-1.1%	-1.8%	-6.2%
	ED Visits per Calendar Day	-0.6%	-1.5%	0.7%	5.2%
	Operating Room Minutes per Calendar Day	-4.2%	-6.1%	-2.4%	2.7%
	Revenue	Net Operating Revenue per Calendar Day	-1.8%	5.5%	7.7%
Gross Operating Revenue per Calendar Day		-2.3%	4.9%	7.6%	25.8%
IP Revenue per Calendar Day		-1.8%	4.0%	6.2%	19.3%
OP Revenue per Calendar Day		-2.4%	6.6%	7.7%	34.3%
IP/OP Adjustment Factor		-0.7%	0.5%	0.9%	5.9%
NPSR per Adjusted Discharge		0.0%	0.9%	-1.8%	2.1%
NPSR per Adjusted Patient Day		0.5%	3.1%	0.8%	10.4%
Bad Debt and Charity per Calendar Day		0.3%	3.3%	8.8%	44.8%
Bad Debt and Charity as a % of Gross		1.9%	5.3%	1.4%	13.3%
Expense	Total Expense per Calendar Day	-0.6%	5.8%	5.7%	15.5%
	Labor Expense per Calendar Day	-0.2%	4.8%	4.4%	8.4%
	Non-Labor Expense per Calendar Day	-1.1%	6.2%	7.0%	20.7%
	Supply Expense per Calendar Day	-5.8%	4.1%	5.3%	18.9%
	Drugs Expense per Calendar Day	-7.2%	-1.9%	2.4%	6.3%
	Purchased Service Expense per Calendar Day	-1.7%	9.2%	8.0%	27.3%
	Total Expense per Adjusted Discharge	2.7%	4.5%	-1.8%	-2.2%
	Labor Expense per Adjusted Discharge	1.2%	2.8%	-1.6%	-10.5%
	FTEs per AOB	3.0%	4.4%	-2.7%	-9.1%
	Non-Labor Expense per Adjusted Discharge	2.1%	2.9%	-2.3%	3.3%
	Supply Expense per Adjusted Discharge	-2.9%	-0.6%	-2.6%	-2.8%
	Drugs Expense per Adjusted Discharge	-4.7%	-8.1%	-9.4%	-10.7%
Purchased Service Expense per Adjusted Discharge	3.3%	7.4%	-3.0%	14.0%	

200-299 Beds

		Aug 25 vs. Jul 25 (Month-over-Month)	Aug 25 vs. Aug 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	-2.6%	-1.4%	-0.3%	30.0%
	Operating EBIDA Margin	-3.7%	-6.1%	-0.3%	22.8%
Volume	Discharges per Calendar Day	0.1%	0.9%	2.8%	7.6%
	Adjusted Discharges per Calendar Day	-2.0%	0.7%	2.6%	11.2%
	Equivalent Patient Days per Calendar Day	-0.1%	0.1%	2.5%	3.3%
	Observation Patient Days as % of Patient Days	-0.3%	-1.3%	-0.1%	-6.0%
	Adjusted Patient Days per Calendar Day	-2.2%	-0.6%	1.4%	5.3%
	Average Length of Stay	-0.1%	-0.2%	-1.9%	-6.2%
	ED Visits per Calendar Day	-0.2%	0.3%	0.8%	7.2%
	Operating Room Minutes per Calendar Day	-3.7%	-1.8%	1.8%	6.6%
	Revenue	Net Operating Revenue per Calendar Day	-3.0%	4.6%	8.3%
Gross Operating Revenue per Calendar Day		-2.8%	7.1%	9.9%	32.2%
IP Revenue per Calendar Day		-0.7%	6.8%	9.2%	27.6%
OP Revenue per Calendar Day		-3.1%	5.8%	11.1%	36.5%
IP/OP Adjustment Factor		-0.6%	-0.1%	0.2%	2.9%
NPSR per Adjusted Discharge		0.4%	3.4%	2.9%	10.5%
NPSR per Adjusted Patient Day		-0.2%	3.3%	5.1%	17.0%
Bad Debt and Charity per Calendar Day		5.0%	4.6%	7.4%	32.0%
Bad Debt and Charity as a % of Gross		9.3%	-2.7%	-1.8%	0.0%
Expense	Total Expense per Calendar Day	-1.6%	5.3%	6.2%	19.7%
	Labor Expense per Calendar Day	-0.3%	3.9%	3.9%	11.1%
	Non-Labor Expense per Calendar Day	-2.2%	6.1%	7.7%	27.0%
	Supply Expense per Calendar Day	-5.1%	1.6%	8.0%	28.1%
	Drugs Expense per Calendar Day	-4.8%	8.7%	12.8%	35.8%
	Purchased Service Expense per Calendar Day	0.3%	2.9%	9.2%	17.3%
	Total Expense per Adjusted Discharge	-0.8%	3.5%	1.8%	2.9%
	Labor Expense per Adjusted Discharge	1.9%	-0.5%	-0.3%	-2.7%
	FTEs per AOB	1.0%	2.1%	0.0%	-2.4%
	Non-Labor Expense per Adjusted Discharge	-2.2%	6.3%	2.6%	8.7%
	Supply Expense per Adjusted Discharge	-3.3%	3.4%	3.6%	13.1%
	Drugs Expense per Adjusted Discharge	-2.6%	0.6%	7.1%	12.8%
Purchased Service Expense per Adjusted Discharge	2.9%	6.6%	2.3%	5.0%	

300-499 Beds

		Aug 25 vs. Jul 25 (Month-over-Month)	Aug 25 vs. Aug 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	-2.2%	-7.9%	9.1%	63.7%
	Operating EBIDA Margin	-1.7%	-5.0%	1.8%	19.9%
Volume	Discharges per Calendar Day	0.3%	1.6%	1.9%	6.8%
	Adjusted Discharges per Calendar Day	-0.5%	1.3%	3.0%	11.4%
	Equivalent Patient Days per Calendar Day	-0.3%	-0.7%	1.9%	1.6%
	Observation Patient Days as % of Patient Days	-1.3%	4.5%	-1.1%	-8.9%
	Adjusted Patient Days per Calendar Day	-0.5%	0.1%	4.6%	7.3%
	Average Length of Stay	-1.6%	-1.7%	0.4%	-3.8%
	ED Visits per Calendar Day	1.1%	1.4%	1.2%	7.5%
	Operating Room Minutes per Calendar Day	-3.6%	-3.6%	-0.4%	3.6%
	Revenue	Net Operating Revenue per Calendar Day	-1.8%	5.5%	8.8%
Gross Operating Revenue per Calendar Day		-2.5%	4.8%	8.3%	28.2%
IP Revenue per Calendar Day		-1.1%	5.5%	7.9%	22.2%
OP Revenue per Calendar Day		-3.4%	5.7%	9.1%	30.7%
IP/OP Adjustment Factor		-1.1%	-0.6%	0.0%	4.3%
NPSR per Adjusted Discharge		-1.8%	4.8%	3.4%	9.4%
NPSR per Adjusted Patient Day		-1.9%	5.5%	2.7%	18.5%
Bad Debt and Charity per Calendar Day		10.5%	12.6%	8.5%	32.1%
Bad Debt and Charity as a % of Gross		8.7%	6.5%	0.7%	4.0%
Expense	Total Expense per Calendar Day	-1.3%	6.3%	6.2%	20.0%
	Labor Expense per Calendar Day	-0.1%	4.4%	5.1%	12.7%
	Non-Labor Expense per Calendar Day	-1.1%	5.9%	7.1%	24.3%
	Supply Expense per Calendar Day	-4.7%	4.5%	7.3%	24.3%
	Drugs Expense per Calendar Day	-3.4%	4.9%	11.1%	28.0%
	Purchased Service Expense per Calendar Day	0.7%	7.3%	9.5%	24.8%
	Total Expense per Adjusted Discharge	-0.1%	6.1%	4.0%	6.9%
	Labor Expense per Adjusted Discharge	0.9%	3.6%	3.1%	-1.4%
	FTEs per AOB	1.9%	5.5%	-0.8%	-3.0%
	Non-Labor Expense per Adjusted Discharge	-0.6%	5.4%	5.1%	13.2%
	Supply Expense per Adjusted Discharge	-2.1%	3.5%	5.5%	11.8%
	Drugs Expense per Adjusted Discharge	-0.5%	8.9%	7.1%	6.6%
Purchased Service Expense per Adjusted Discharge	1.9%	7.7%	4.5%	22.3%	

500+ Beds

		Aug 25 vs. Jul 25 (Month-over-Month)	Aug 25 vs. Aug 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	-3.6%	-21.5%	-25.7%	92.1%
	Operating EBIDA Margin	-4.1%	-11.2%	-17.3%	44.7%
Volume	Discharges per Calendar Day	-0.4%	-0.6%	1.1%	7.4%
	Adjusted Discharges per Calendar Day	-0.4%	-0.3%	2.1%	12.7%
	Equivalent Patient Days per Calendar Day	-0.6%	-1.1%	-0.2%	4.1%
	Observation Patient Days as % of Patient Days	0.3%	-5.2%	14.3%	13.5%
	Adjusted Patient Days per Calendar Day	-1.6%	-2.1%	1.6%	7.3%
	Average Length of Stay	-0.3%	-0.4%	-1.5%	-8.2%
	ED Visits per Calendar Day	-2.2%	-2.3%	0.0%	4.7%
	Operating Room Minutes per Calendar Day	-4.6%	-0.2%	0.3%	6.3%
	Revenue	Net Operating Revenue per Calendar Day	-1.0%	7.0%	8.8%
Gross Operating Revenue per Calendar Day		-1.9%	6.5%	9.9%	32.8%
IP Revenue per Calendar Day		-1.7%	7.6%	8.6%	25.7%
OP Revenue per Calendar Day		-2.7%	6.8%	10.0%	40.0%
IP/OP Adjustment Factor		-0.5%	0.3%	0.8%	5.4%
NPSR per Adjusted Discharge		2.7%	7.7%	2.9%	17.3%
NPSR per Adjusted Patient Day		0.6%	7.7%	6.9%	25.2%
Bad Debt and Charity per Calendar Day		8.1%	2.7%	5.2%	38.1%
Bad Debt and Charity as a % of Gross	7.4%	-4.0%	-4.2%	4.6%	
Expense	Total Expense per Calendar Day	-1.7%	8.7%	8.5%	24.3%
	Labor Expense per Calendar Day	0.5%	6.3%	5.9%	14.5%
	Non-Labor Expense per Calendar Day	-2.2%	7.9%	9.9%	30.1%
	Supply Expense per Calendar Day	-3.8%	8.3%	13.0%	37.4%
	Drugs Expense per Calendar Day	-3.3%	14.5%	16.0%	53.1%
	Purchased Service Expense per Calendar Day	0.1%	9.2%	11.9%	29.6%
	Total Expense per Adjusted Discharge	-0.7%	7.4%	7.2%	8.4%
	Labor Expense per Adjusted Discharge	1.1%	7.8%	3.9%	0.6%
	FTEs per AOB	1.3%	5.5%	1.1%	1.7%
	Non-Labor Expense per Adjusted Discharge	-4.1%	9.6%	8.7%	15.2%
	Supply Expense per Adjusted Discharge	-3.7%	10.1%	6.4%	18.2%
	Drugs Expense per Adjusted Discharge	-1.1%	16.3%	7.0%	28.5%
Purchased Service Expense per Adjusted Discharge	1.6%	11.5%	8.1%	25.4%	

Non-Operating

National Non-Operating Results

Key Observations

This report reflects market data as of August 29, 2025, and additional commentary regarding market events until September 17, 2025.

The Federal Reserve cut interest rates by 0.25% at the September Federal Open Market Committee meeting, lowering the federal funds target range to 4.00%-4.25%. This was the first rate cut of the year, after a nine-month pause following the prior cut in December 2024. Officials also signaled the possibility of additional cuts at the two remaining meetings this year.

Federal Reserve Chair Jerome Powell described the move as a “risk management cut” contributed by the risks from the cooling labor market outweighing inflationary concerns. The decision was widely anticipated after Powell hinted at a September cut during his August remarks at the Jackson Hole Economic Symposium.

On August 29, a federal appeals court ruled that President Donald Trump exceeded his authority by imposing tariffs under emergency powers, reaffirming that only Congress holds the constitutional power to levy taxes and tariffs. Seven judges signed the ruling, part of which stated: “The core Congressional power to impose taxes such as tariffs are vested exclusively in the legislative branch by the Constitution.”

This ruling impacts the “reciprocal” tariffs and the 25% tariff that President Trump imposed on a few goods from countries including Mexico, China, and Canada. However, the tariffs remain in place pending Supreme Court hearings scheduled for November.

National Non-Operating Results *(continued)*

Key Observations (continued)

- August's Producer Price Index (PPI), a key metric closely watched by the Fed, fell 0.1%, month-over-month, following a revised 0.7% increase in July; the drop came below market expectations for a 0.3% rise and Core PPI reflected this trend
- Annual PPI rose 2.6%, lower than the annual gain from July at 3.3%, and only 0.6% above the Federal Reserve's 2% inflation target
- In August, consumer prices rose 0.4%, marking the fifth consecutive monthly gain, this was slightly below July's Consumer Price Index (CPI) gain of 0.2% and higher than market expectations by 0.1%
- Core CPI rose by 0.3% for the month and 3.1% on an annual basis, matching July's pace
- On an annual basis, July's CPI rose 2.9%, 0.2% higher than July's increase, which is the largest yearly increase since January; and this acceleration underscores persistent inflationary pressures above the Fed's 2% target
- The U.S. economy added 22,000 jobs in August, a 51,000-decrease compared to jobs added in July
- According to the U.S. Bureau of Labor Statistics: "Health care added 31,000 jobs, below the average monthly gain of 42,000 over the prior 12 months. Employment continued to trend up over the month in ambulatory health care services (+13,000), nursing and residential care facilities (+9,000), and hospitals (+9,000)."
- Unemployment rose slightly to 4.3% in August, up 0.1% from July, reflecting the highest proportion of joblessness since October 2021
- Rebounding from the U.S. economy's contraction by 0.5% in Q1 2025, the U.S. economy rose by 3.3% in Q2 2025 according to the U.S. Bureau of Economic Analysis

National Non-Operating Results *(continued)*

General Non-Operating Observations

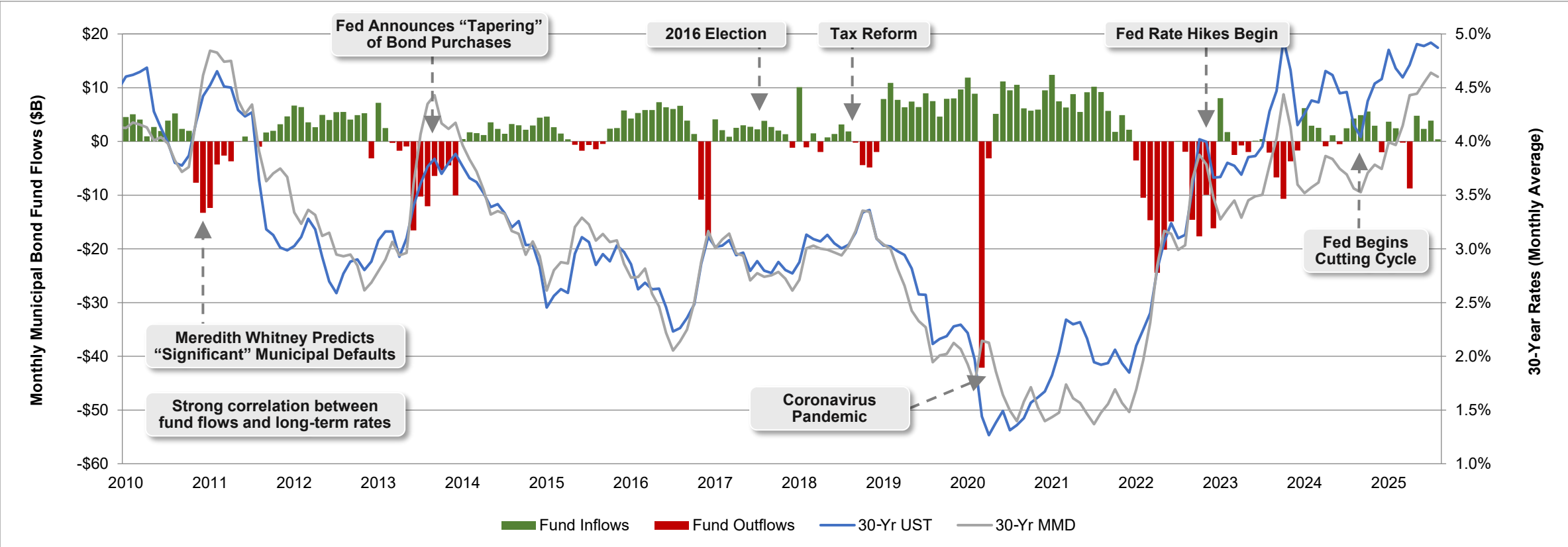
	August 2025	M-o-M Change	Y-o-Y Change
General			
GDP Growth*	+3.3%	n/a	n/a
Unemployment Rate	4.3%	+0.1%	+0.1%
Personal Consumption Expenditures (Y-o-Y)	2.9%	+0.1%	+0.1%
Liabilities			
SOFR	4.34%	-5 bps	-98 bps
SIFMA	2.73%	+44 bps	-19 bps
30-yr MMD	4.61%	-6 bps	+101 bps
30-yr Treasury	4.93%	+3 bps	+73 bps
Assets			
60/40 Asset Allocation†	n/a	+1.7%	+9.9%

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



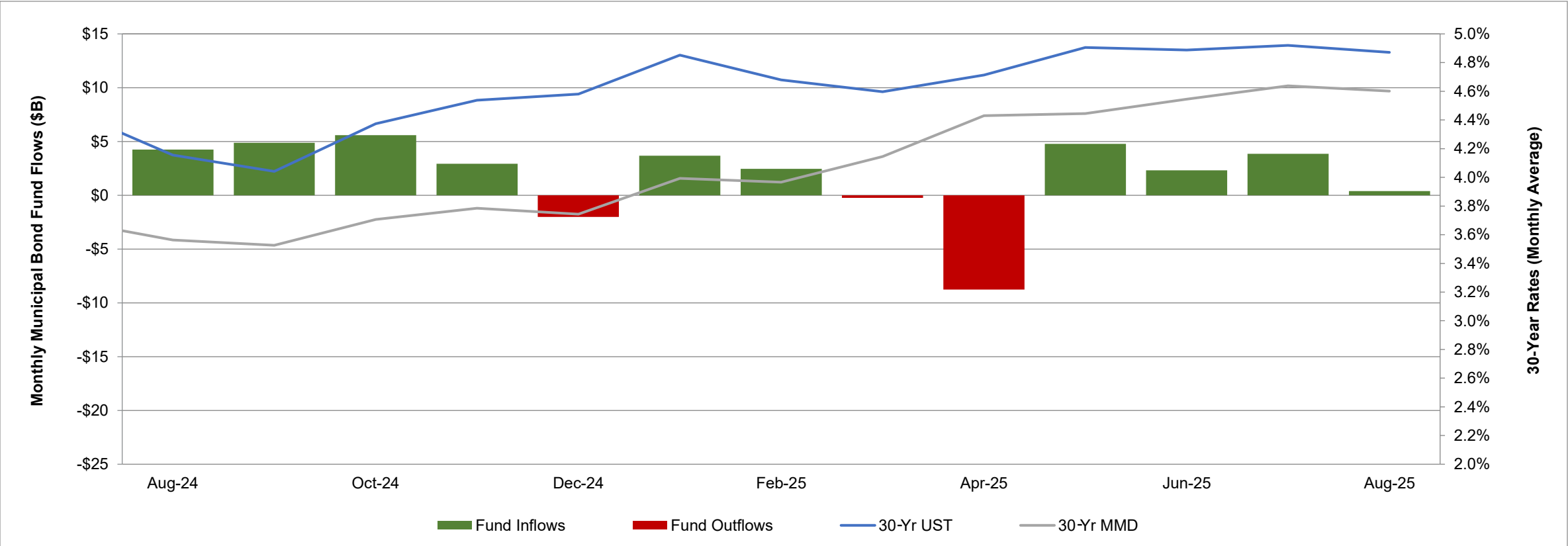
Kaufman Hall, National Hospital Flash Report (August 2025 Metrics)

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

Non-Operating Liabilities *(continued)*

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

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



Kaufman Hall, National Hospital Flash Report (August 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 remained steady in August, echoing July's stability but with notably reduced intramonth volatility, returning to calmer patterns last seen in June. The 10-year MMD closed the month at 3.22%, down 10 basis points from July's close. At the long end, the 30-year yield finished at 4.61%, six basis points lower than July and now 23 basis points below the 12-month high set in April. September MMD movement has seen sharper declines, with the 10-year MMD and 30-year MMD decreasing by 34 and 40 basis points, respectively, through September 15th, magnifying the downward momentum that began in August.

In the taxable market, movement was mixed across the curve in August. While the 10-year Treasury declined by 15 basis points, the 30-year Treasury rose by three basis points month-over-month to end August. The 30-year Treasury remained under 5.00% reaching a high of 4.93% on August 18, which is 16 basis points lower than the highest rate in 2025 at 5.09%. The steep declines in tax-exempt yields since early September have closely mirrored taxable market performance. Throughout the first 15 days of September, the 10-year and 30-year Treasury rates have fallen by 19 and 27 basis points, respectively.

In August, the tax-exempt to taxable (MMD/UST) ratios saw modest shifts across the curve compared to widening/narrowing seen in July. In the short and intermediate ends of the curve to end June, the five-year and 10-year ratios remained unchanged from the end of July at 64% and 76%, reflecting consistent investor demand at the short and intermediate maturities. Towards the long end, the 20-year ratio widened slightly by 1% to end the month of August at 90%. However, the 30-year ratio tightened by 1%, to finish August at 94%.

Since the end of April, the tax-exempt yield curve has steepened meaningfully, driven by falling short-term rates and modest long-term increases. Compared to April 30, 2025, the two-year, five-year, and 10-year rates were 72, 65, and 12 basis points lower, respectively, to end August. Conversely, 20-year and 30-year MMD rates surged by 24 and 23 basis points, respectively, leading to a significantly steeper curve and pushing borrowers to the short end.

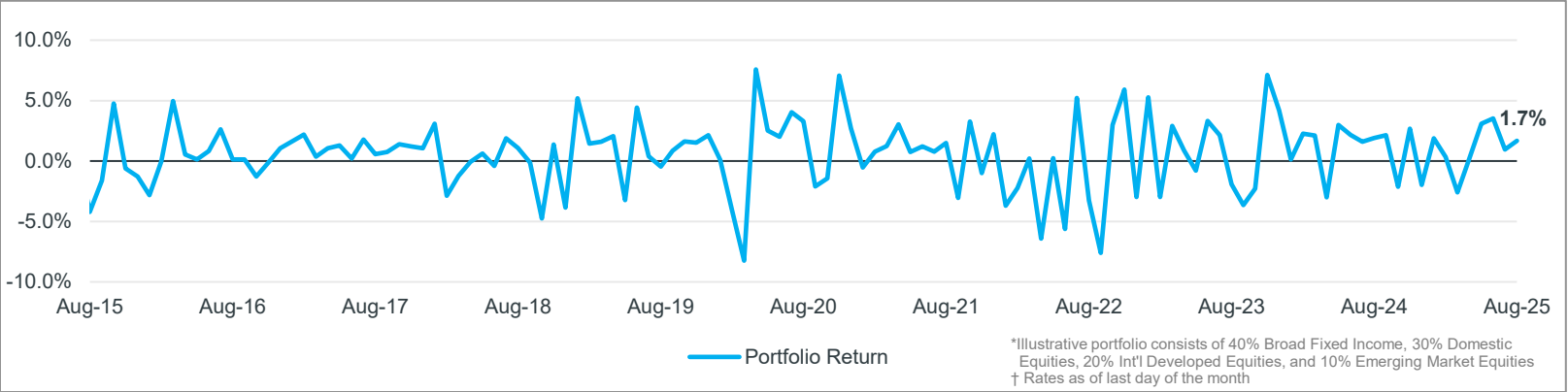
Non-Operating Liabilities *(continued)*

Variable tax-exempt rates traded within a roughly 50 basis points range of 2.29% and 2.80% for a majority of August. Outside of this range, the month's lowest SIFMA reset was 1.69%, just six basis points higher than July's low. August's highest reset of 2.88% was 15 basis points higher than July's peak of 2.73%. In July and August, SIFMA averaged 2.28%. The SIFMA to SOFR ratio fell to 63%, only slightly below the long-term historical average range of 67%-70%. Early September has shown greater consistency, with resets holding in a tighter band between 2.60% and 2.73% over the first two weeks, signaling improved stability compared to the prior month.

Municipal bond funds saw a slightly weaker demand in August compared to July, with \$0.4 billion in inflows in August, down from July's revised \$3.9 billion. Year-to-date municipal issuance reached \$336 billion, a 17.6% increase over the same period last year. Health care issuance has totaled \$29.3 billion, up \$2.1 billion. In August, nine public tax-exempt health care transactions were priced throughout the month, all before the last week of holidays, likely in advance of the pending September Fed meeting and the Labor Day holiday.

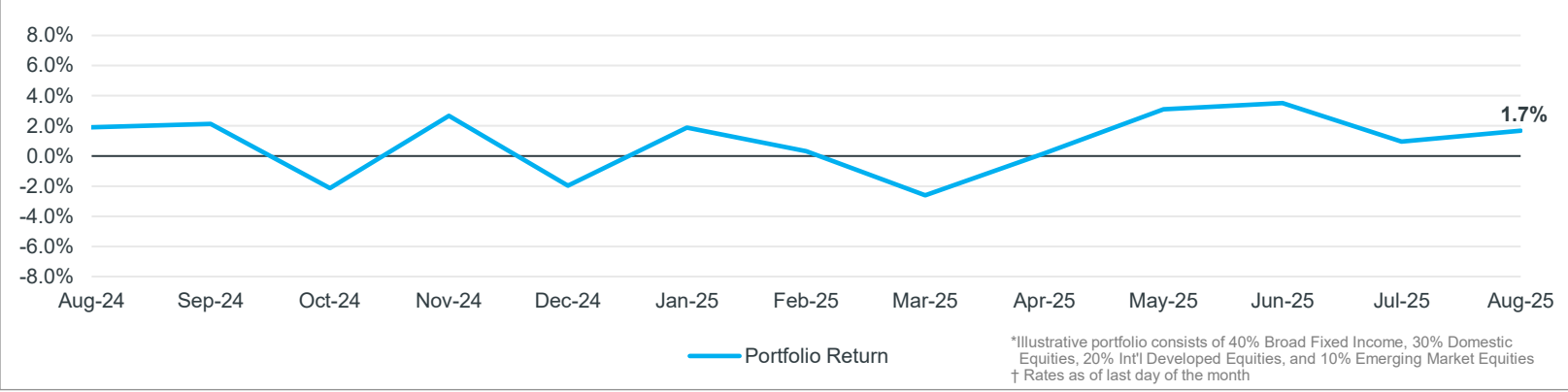
Non-Operating Assets

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



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

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



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

Equity markets extended their rally in August, marking the fourth straight month of gains. The market climbed 1.9% for the month, up 14.4% on an annual basis, underscoring sustained investor optimism and confidence in the economic outlook following April’s tariff announcements. The commonly used 60/40 blended asset allocation portfolio also saw incremental growth, advancing 1.7% in August, up from a 1.0% monthly gain in July. The MSCI World, MSCI Emerging Markets, and Barclays Aggregate Bond Index all saw gains in August at 2.5%, 1.2%, and 1.2%, respectively. Notably, fixed income moved in tandem with equities, reversing its typical inverse relationship. This alignment between bond and equity markets in August signals broad-based investor confidence across asset classes.

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