



MAY 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

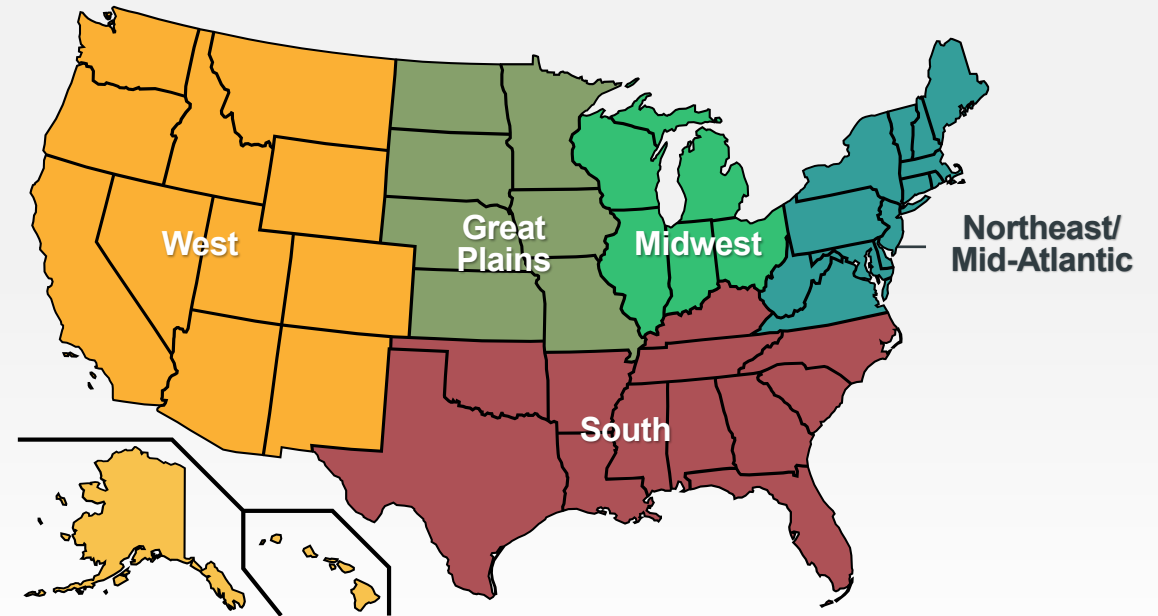
The *National Hospital Flash Report* uses both actual and budget data over the last three years, sampled from more than 1,300 hospitals on a recurring monthly basis from Strata Decision Technology.

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





# About the Data *(continued)*



[Kaufman Hall](#), a Vizion company, provides management consulting solutions to help society's foundational institutions realize sustained success amid changing market conditions. Since 1985, Kaufman Hall has been a trusted advisor to boards and executive management teams, helping them incorporate proven methods, rigorous analytics, and industry-leading solutions into their strategic planning and financial management processes, with a focus on achieving their most challenging goals.

Kaufman Hall services use a rigorous, disciplined, and structured approach that is based on the principles of corporate finance. The breadth and integration of Kaufman Hall advisory services are unparalleled, encompassing strategy; financial and capital planning; performance improvement; treasury and capital markets management; mergers, acquisitions, partnerships, and joint ventures; and real estate.



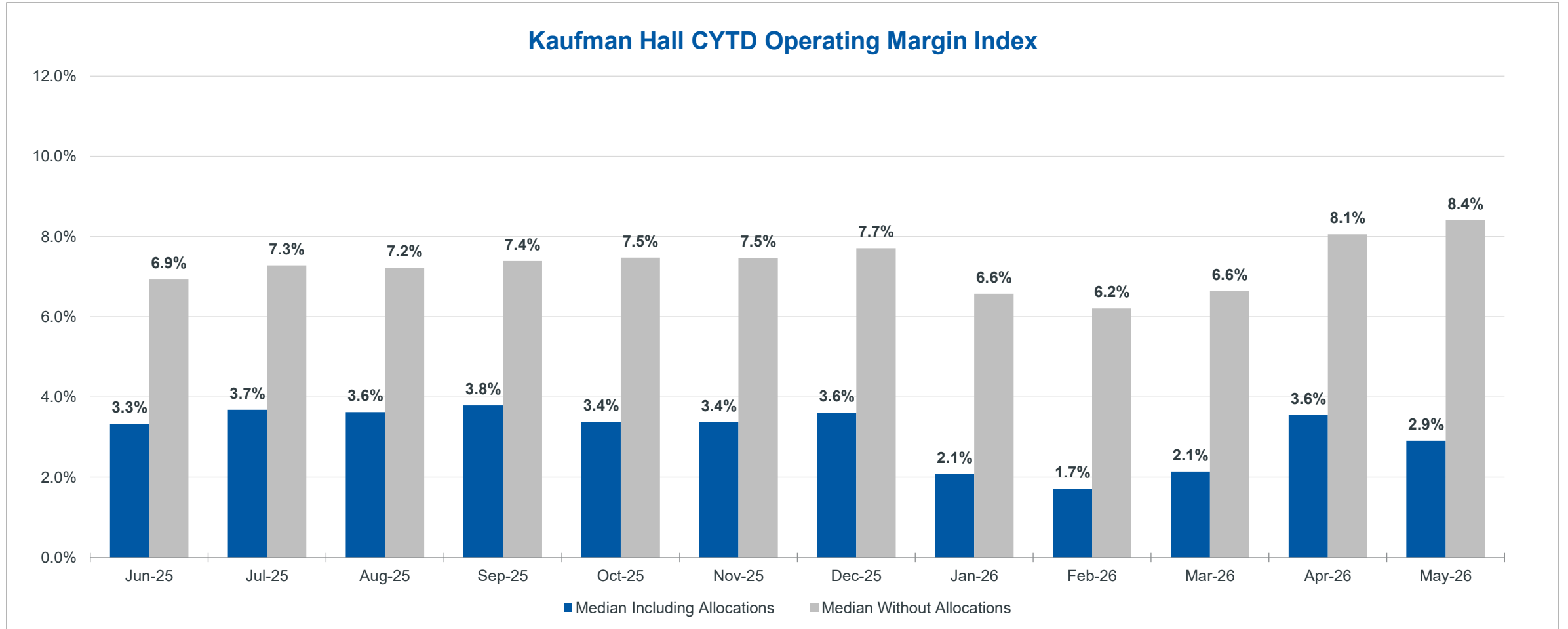
Strata Decision Technology, LLC provides an innovative, cloud-based platform for software, and data and service solutions to help healthcare organizations acquire insights, accelerate decisions, and enhance performance in support of their missions. More than 2,300 organizations rely on Strata's StrataJazz and Axiom solutions for market-leading service and enterprise performance management software, data, and intelligence solutions. To learn more about Strata and why the company has been named the market leader for Business Decision Support for more than 15 consecutive years, please go to [www.stratadecision.com](http://www.stratadecision.com).



# Key Takeaways

- 1. Traditional hospital care delivery is fundamentally shifting.** As outpatient growth continues year-over-year in May, health systems may consider proactively adapting portfolios and operations to support the future of US healthcare delivery.
- 2. Resource allocation must evolve with care delivery models.** Both labor and non-labor expenses remain elevated overall through May as compared with last year. As more care shifts to outpatient settings, health systems should evaluate how they strategically plan, align, and deploy resources to maximize effectiveness.
- 3. Opportunities exist to optimize purchased services.** Purchased service expense increased year-over-year in May. Reevaluation of purchased service strategy may unlock new opportunities as the site of care continues to shift.

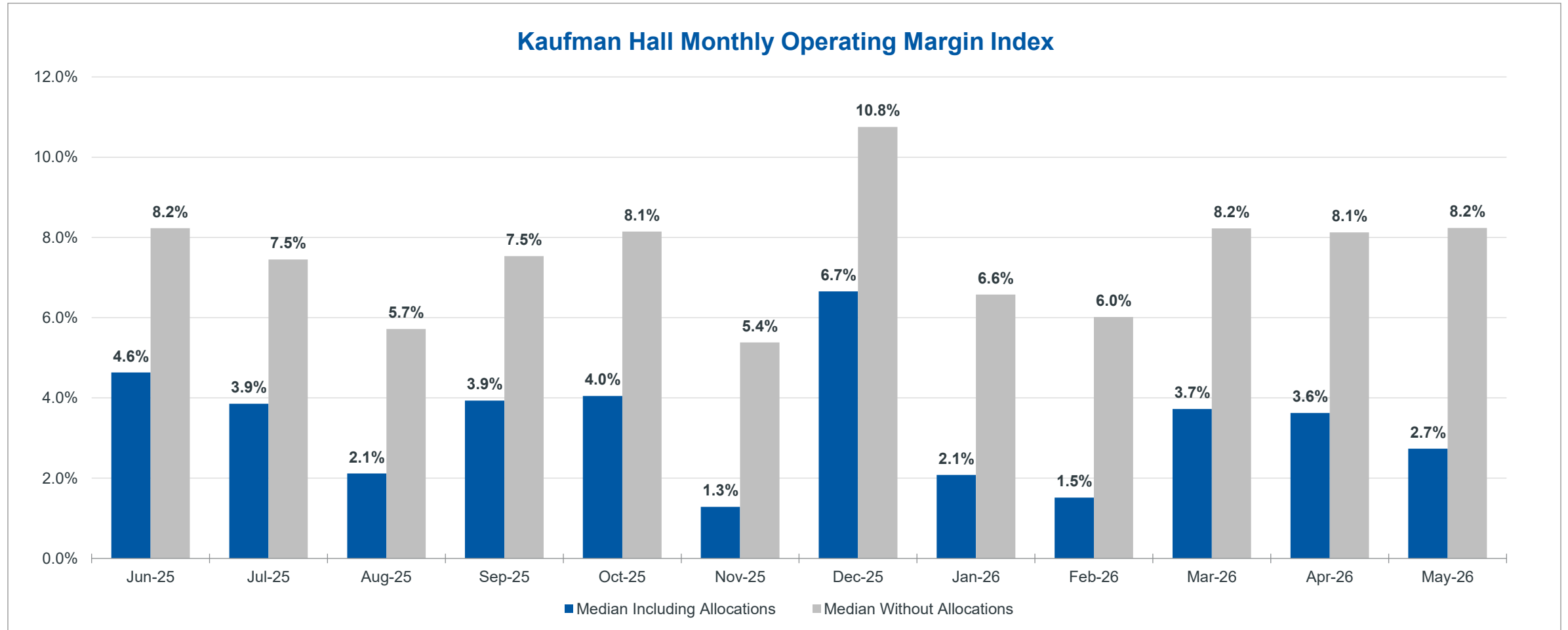
# Operating Margin



Kaufman Hall, *National Hospital Flash Report* (May 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.

# Operating Margin *(continued)*



Kaufman Hall, *National Hospital Flash Report* (May 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.*

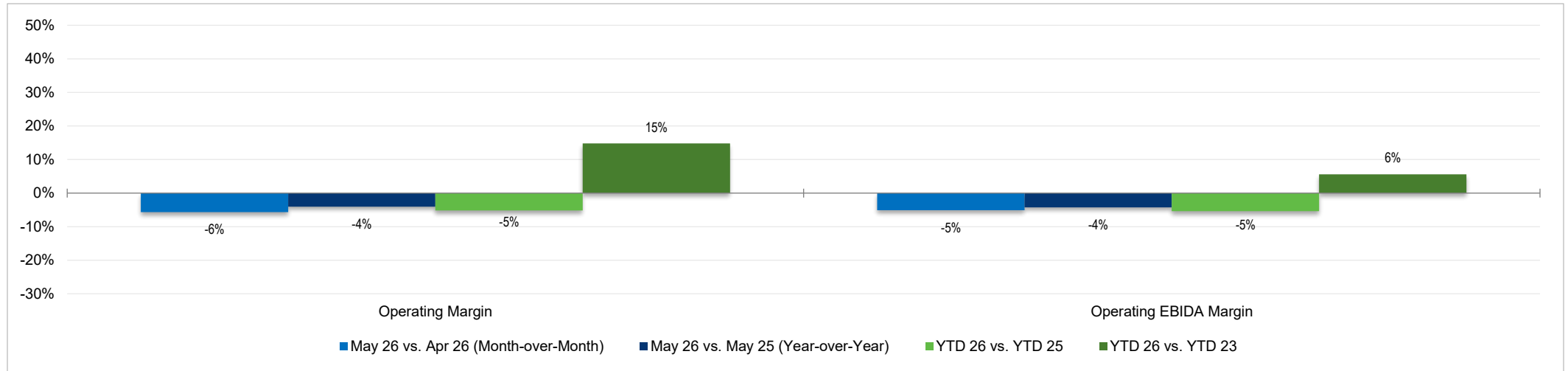


# National and Regional Data

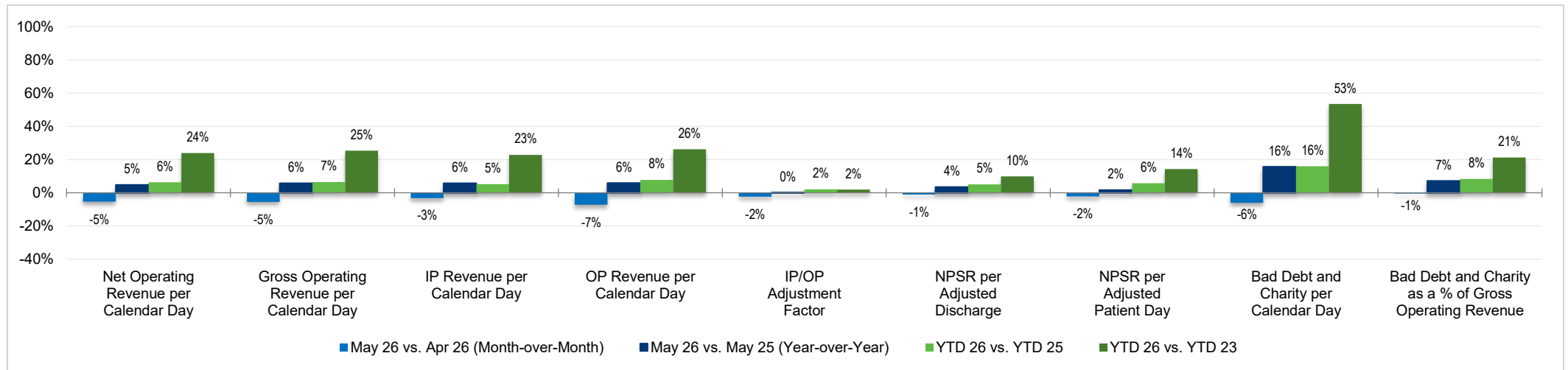
*Profitability, Revenue, Expense, and Volume*

# National Data

## Profitability

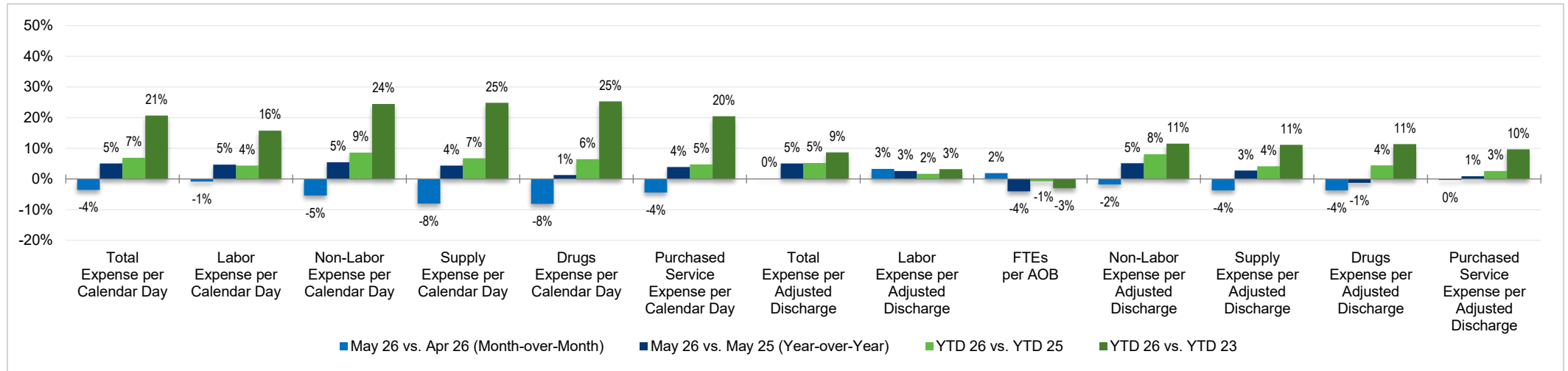


## Revenue

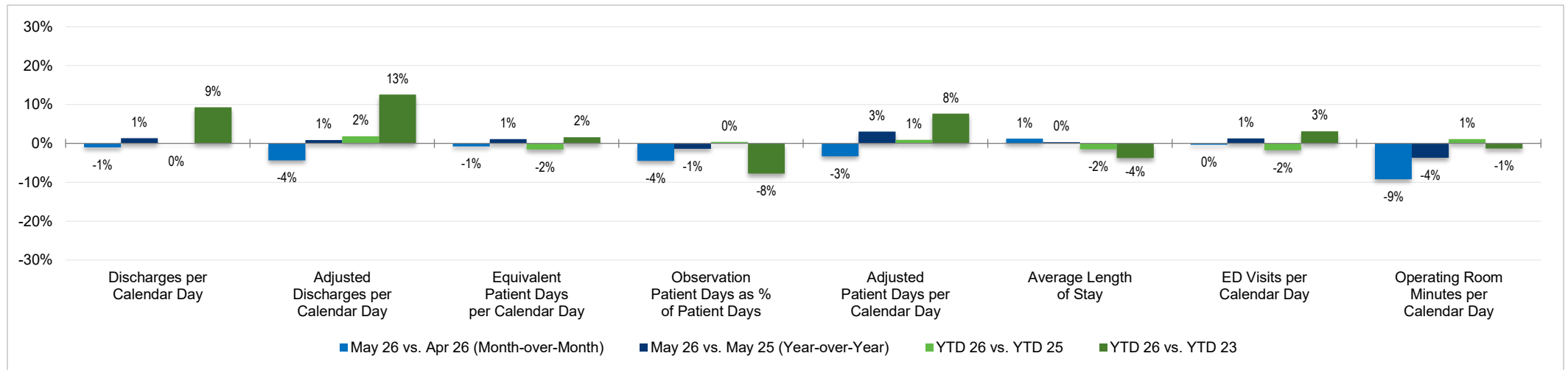


# National Data *(continued)*

## Expense

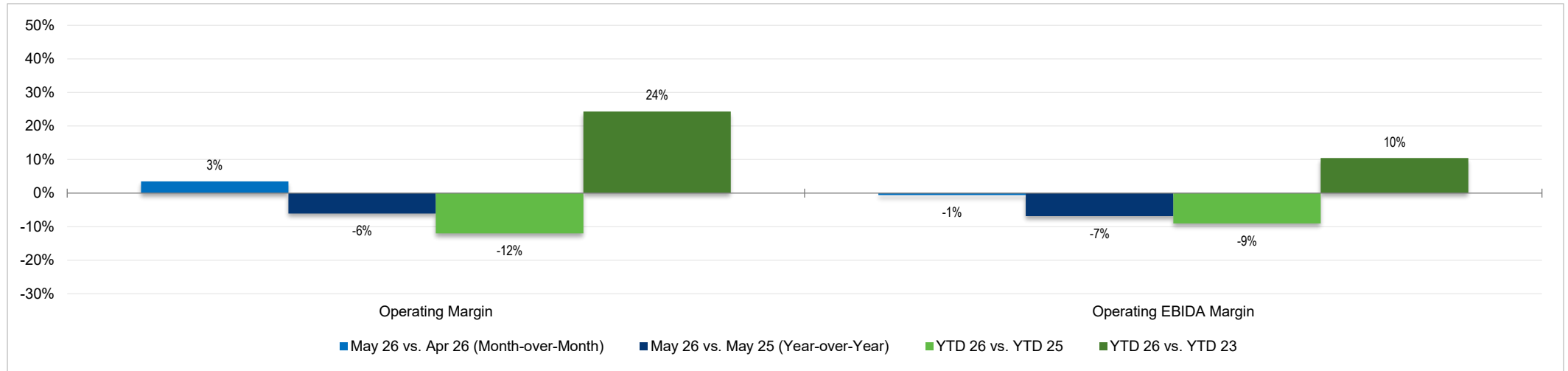


## Volume

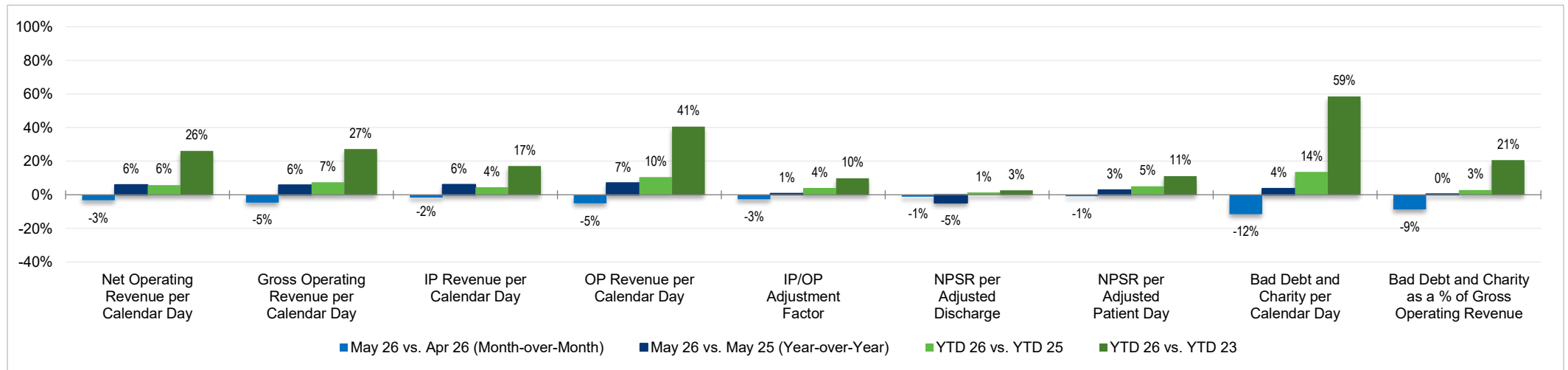


# Regional Data: West

## Profitability

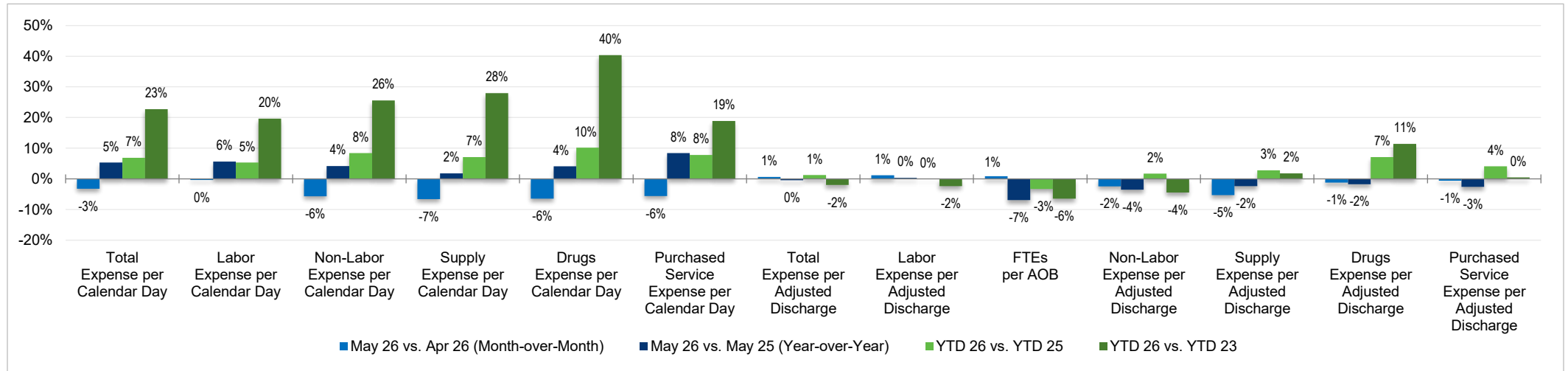


## Revenue

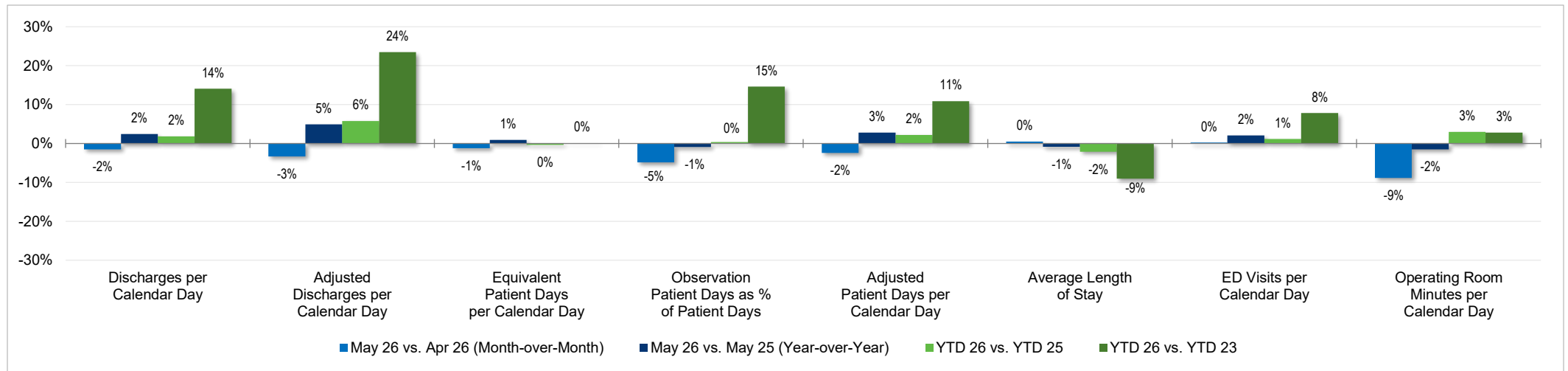


# Regional Data: West *(continued)*

## Expense

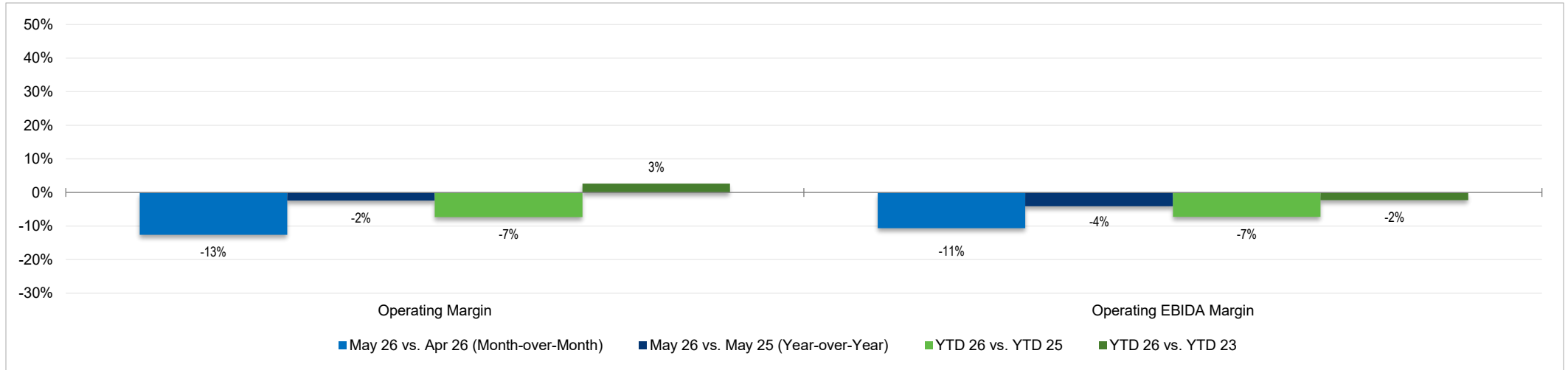


## Volume

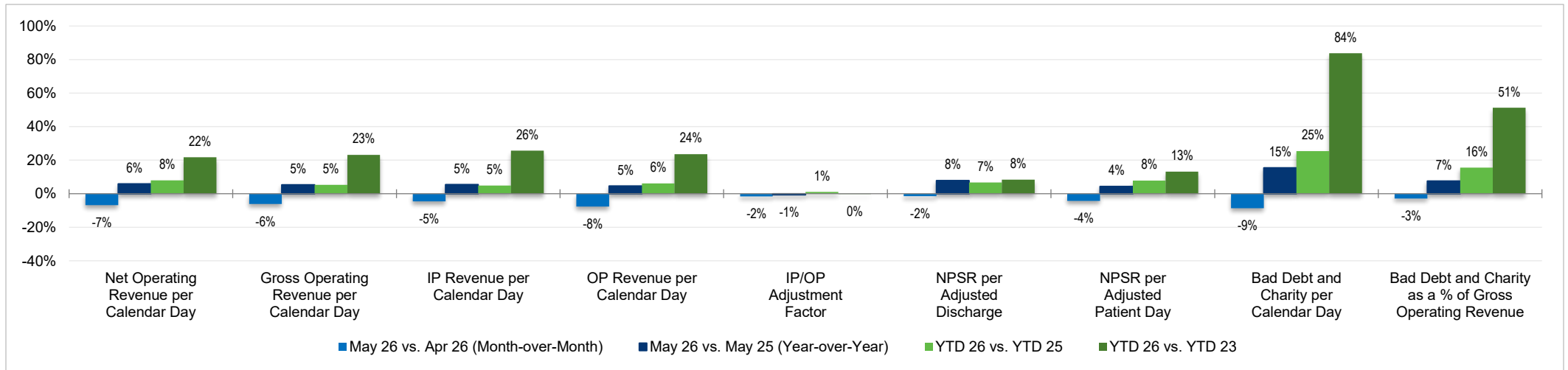


# Regional Data: Midwest

## Profitability

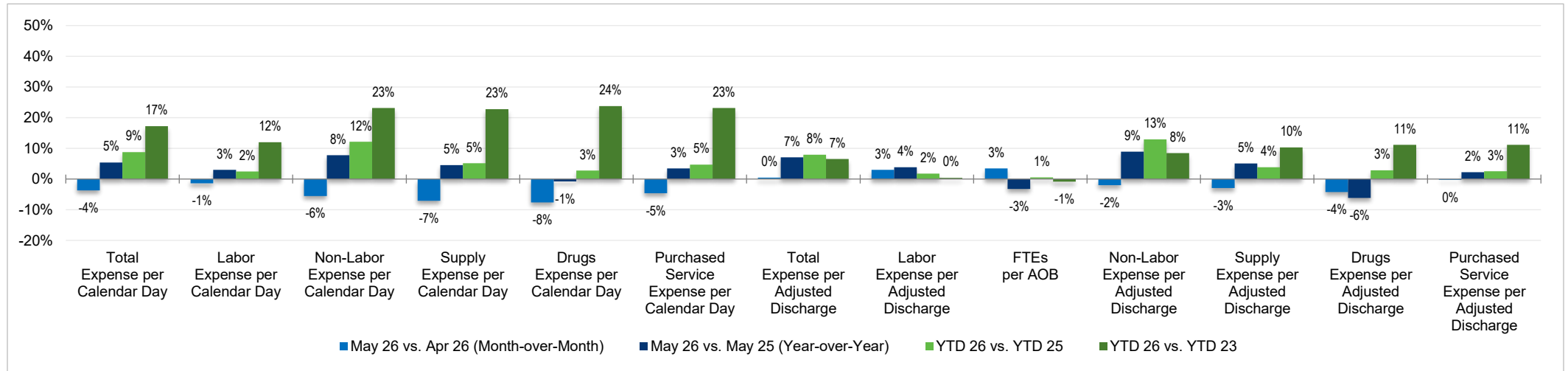


## Revenue

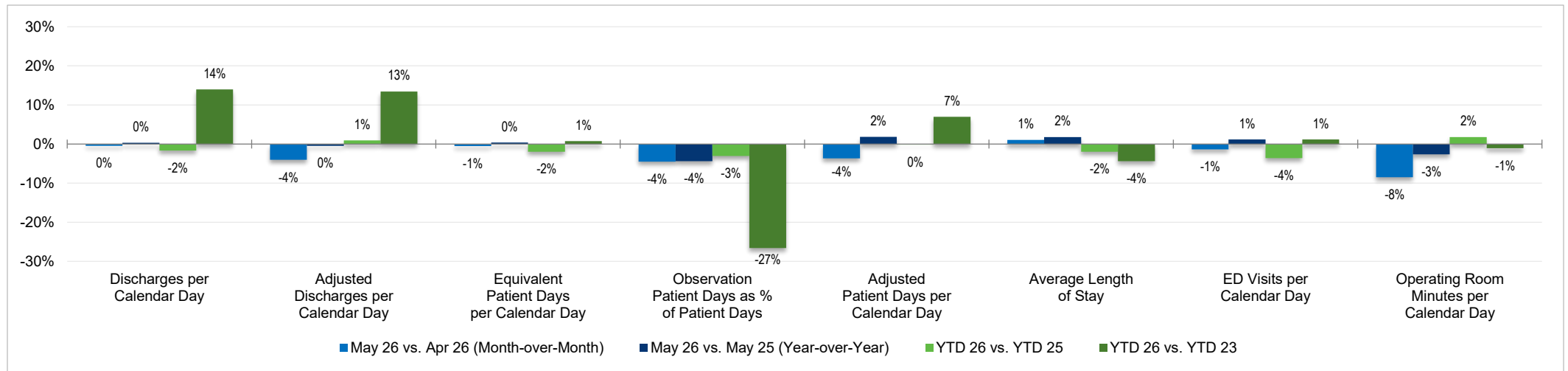


# Regional Data: Midwest *(continued)*

## Expense

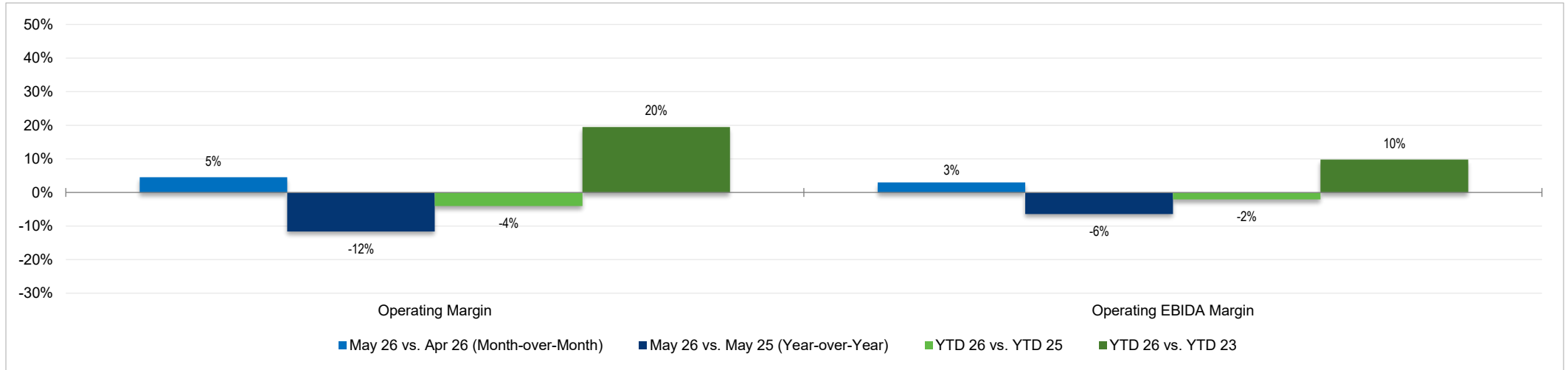


## Volume

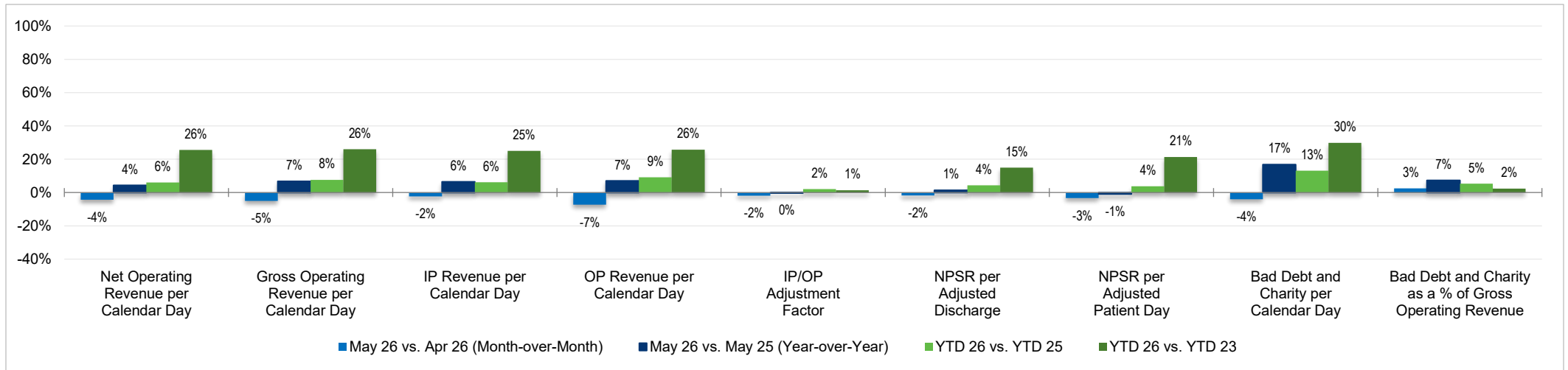


# Regional Data: South

## Profitability

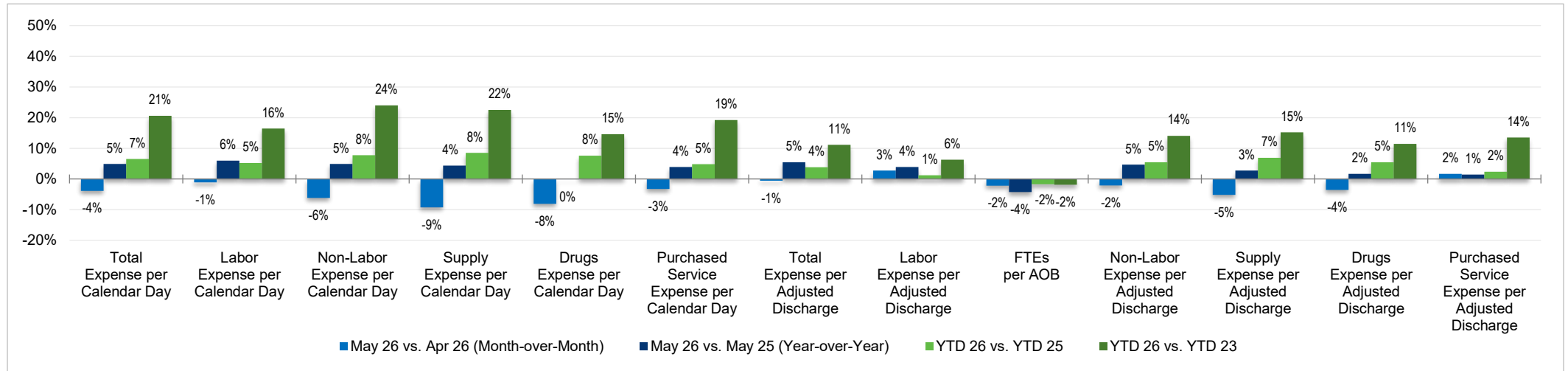


## Revenue

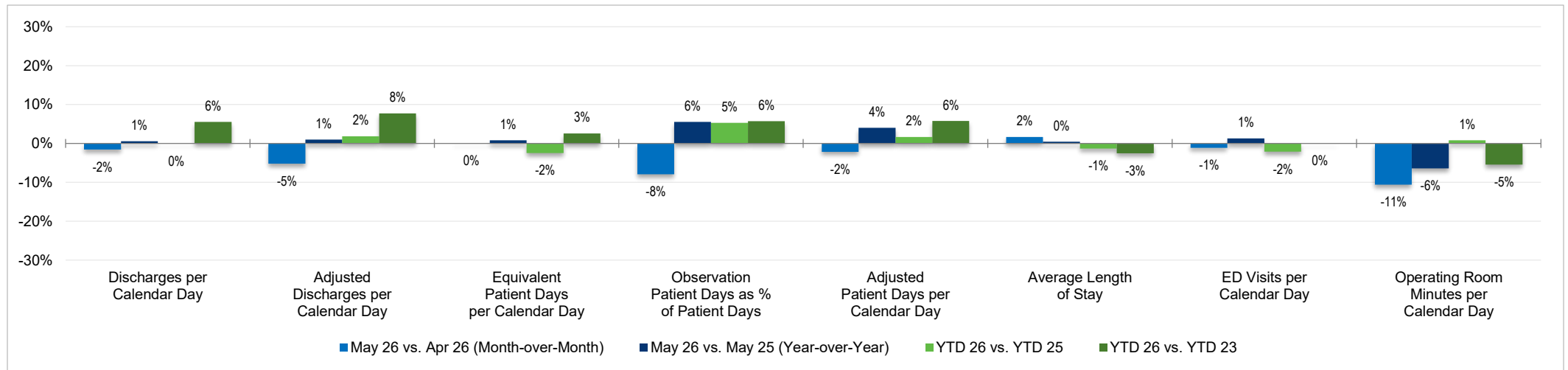


# Regional Data: South *(continued)*

## Expense

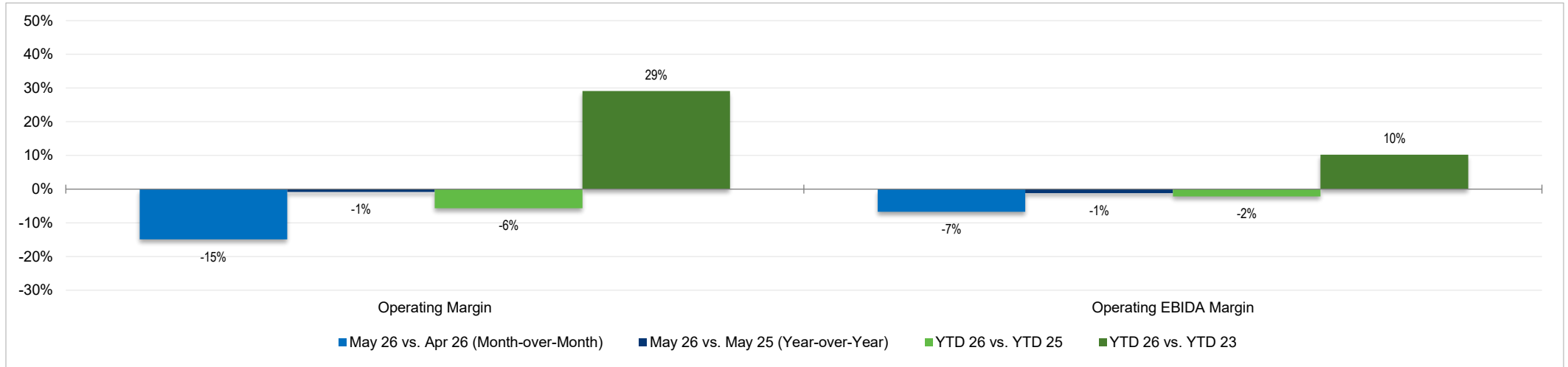


## Volume

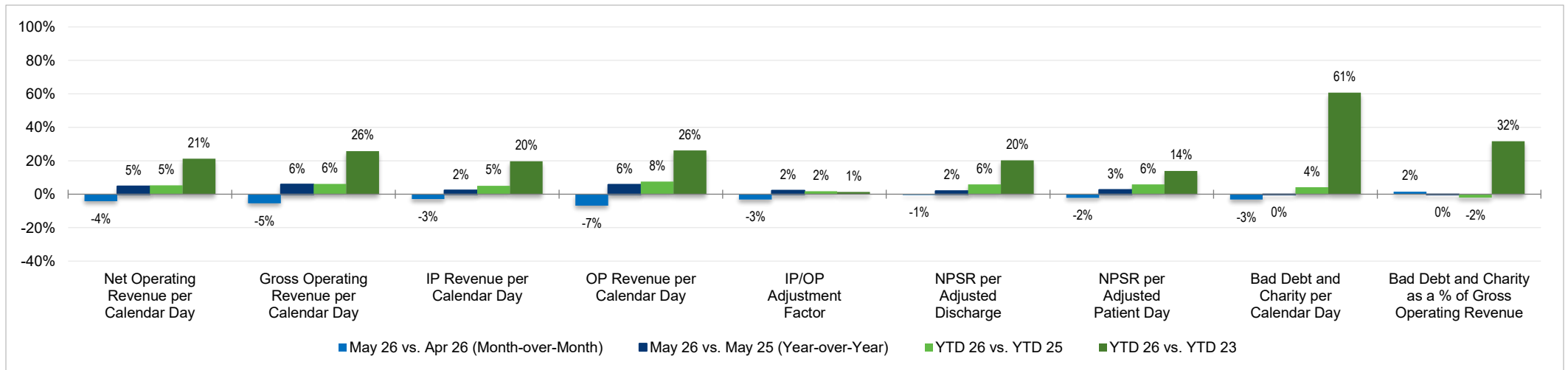


# Regional Data: Northeast/Mid-Atlantic

## Profitability

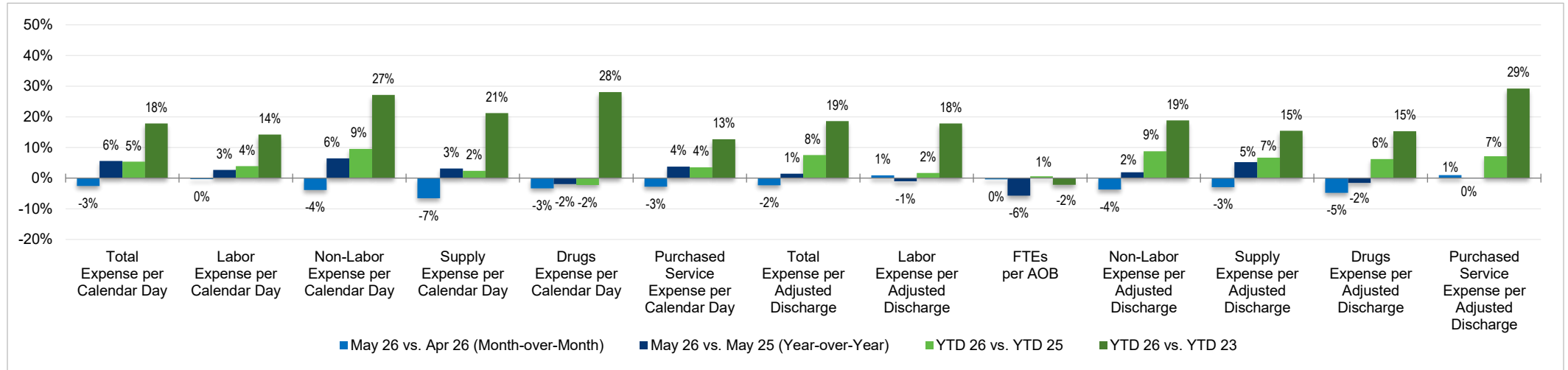


## Revenue

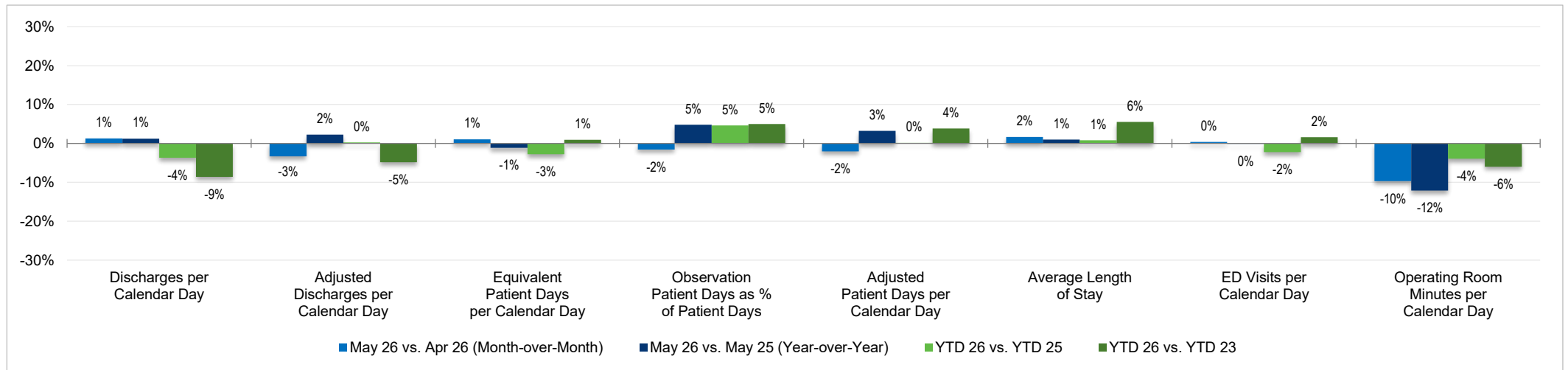


# Regional Data: Northeast/Mid-Atlantic *(continued)*

## Expense

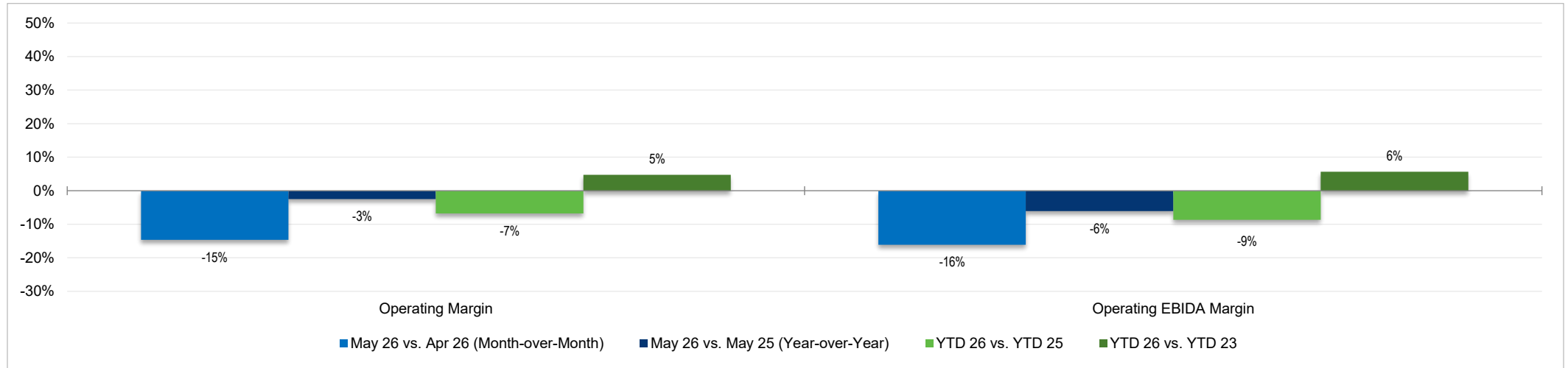


## Volume

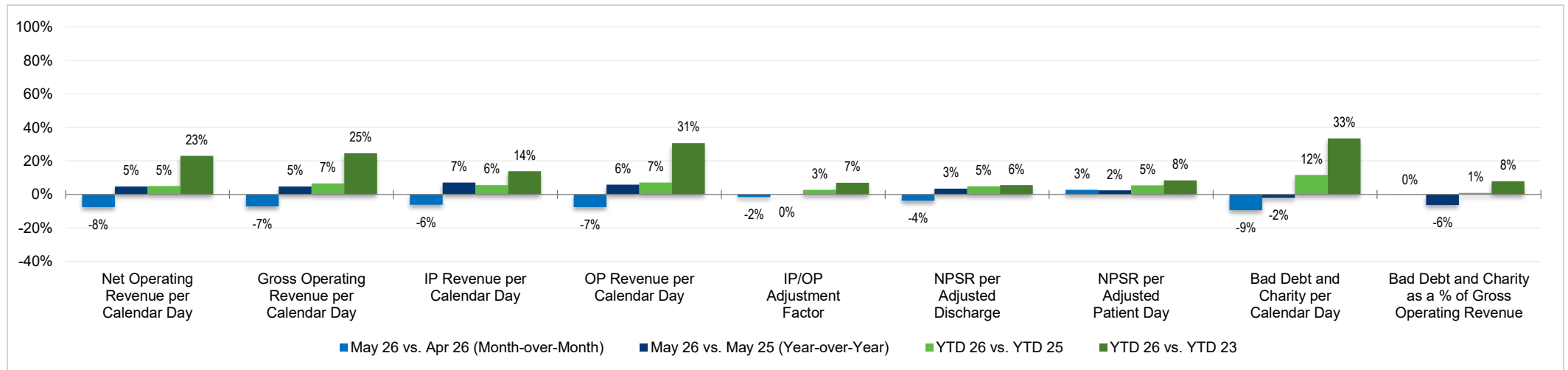


# Regional Data: Great Plains

## Profitability

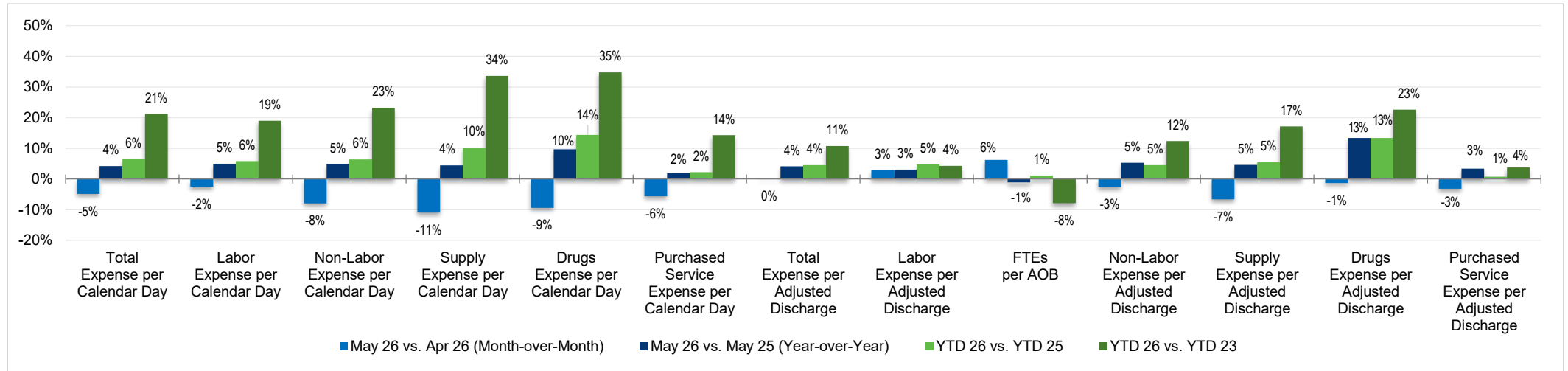


## Revenue

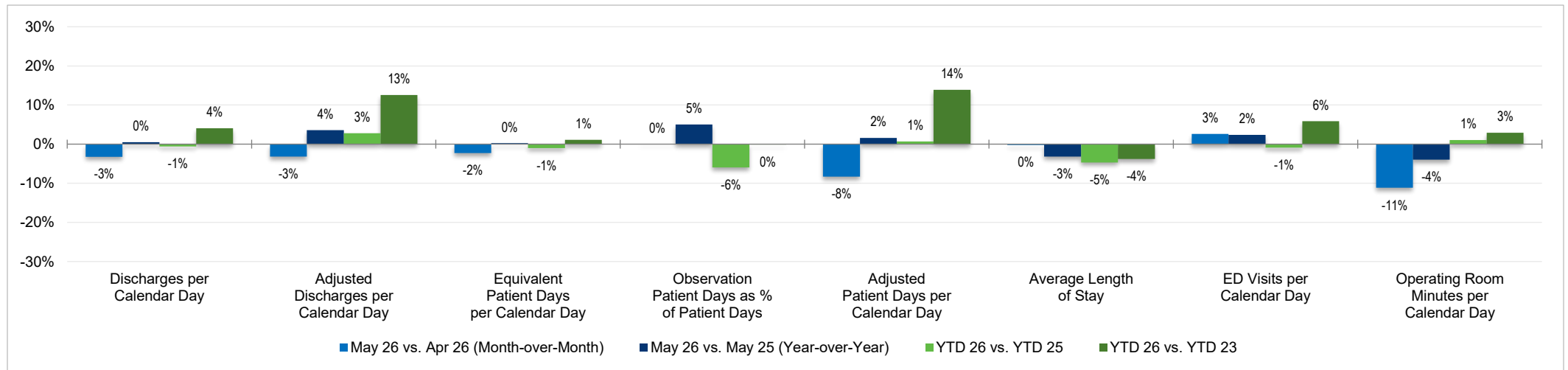


# Regional Data: Great Plains *(continued)*

## Expense



## Volume





# Data by Hospital Bed Size

*Profitability, Revenue, Expense, and Volume*

# 0-25 Beds

		May 26 vs. Apr 26 (Month-over-Month)	May 26 vs. May 25 (Year-over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
<b>Margin</b>	Operating Margin	-2.8%	1.9%	-6.3%	-3.0%
	Operating EBIDA Margin	-2.4%	-3.7%	-5.3%	-0.6%
<b>Volume</b>	Discharges per Calendar Day	3.4%	2.5%	-10.9%	-3.8%
	Adjusted Discharges per Calendar Day	-3.4%	4.9%	-4.1%	9.6%
	Equivalent Patient Days per Calendar Day	-0.9%	-2.2%	-3.4%	0.5%
	Observation Patient Days as % of Patient Days	-7.0%	-15.2%	-15.9%	-13.3%
	Adjusted Patient Days per Calendar Day	-4.5%	3.4%	0.5%	12.4%
	Average Length of Stay	-0.9%	-3.3%	1.1%	-1.9%
	ED Visits per Calendar Day	3.0%	1.2%	-3.0%	1.3%
	Operating Room Minutes per Calendar Day	-15.0%	-18.1%	-2.7%	-15.6%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	-6.1%	4.1%	4.6%
Gross Operating Revenue per Calendar Day		-4.6%	4.1%	4.6%	21.9%
IP Revenue per Calendar Day		-5.0%	5.3%	2.9%	12.7%
OP Revenue per Calendar Day		-4.8%	4.2%	5.0%	24.2%
IP/OP Adjustment Factor		0.7%	-1.4%	2.1%	5.6%
NPSR per Adjusted Discharge		1.9%	-2.6%	6.2%	8.0%
NPSR per Adjusted Patient Day		-0.3%	-2.1%	5.0%	6.4%
Bad Debt and Charity per Calendar Day		-8.7%	0.9%	15.7%	38.6%
Bad Debt and Charity as a % of Gross Operating Rev.	-4.3%	-3.4%	8.4%	17.6%	
<b>Expense</b>	Total Expense per Calendar Day	-4.1%	2.9%	6.2%	18.1%
	Labor Expense per Calendar Day	-1.1%	5.3%	3.9%	15.0%
	Non-Labor Expense per Calendar Day	-7.3%	0.6%	6.4%	21.3%
	Supply Expense per Calendar Day	-9.7%	-0.8%	4.5%	23.5%
	Drugs Expense per Calendar Day	-7.1%	-1.3%	3.5%	27.9%
	Purchased Service Expense per Calendar Day	-5.3%	0.6%	2.9%	12.8%
	Total Expense per Adjusted Discharge	-5.9%	-2.7%	6.5%	3.0%
	Labor Expense per Adjusted Discharge	-0.5%	-2.8%	4.6%	-0.6%
	FTEs per AOB	-2.9%	-6.0%	-1.8%	-9.6%
	Non-Labor Expense per Adjusted Discharge	-6.8%	-3.6%	8.1%	6.1%
	Supply Expense per Adjusted Discharge	-6.3%	-9.4%	4.4%	3.2%
	Drugs Expense per Adjusted Discharge	-2.9%	-2.6%	3.8%	12.2%
Purchased Service Expense per Adjusted Discharge	-10.6%	-9.9%	5.0%	-0.6%	

# 26-99 Beds

		May 26 vs. Apr 26 (Month-over-Month)	May 26 vs. May 25 (Year-over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
<b>Margin</b>	Operating Margin	-9.3%	-12.3%	-7.2%	9.7%
	Operating EBIDA Margin	-5.5%	-8.9%	-6.9%	6.6%
<b>Volume</b>	Discharges per Calendar Day	-0.6%	3.2%	1.4%	11.7%
	Adjusted Discharges per Calendar Day	-6.8%	1.5%	2.8%	11.6%
	Equivalent Patient Days per Calendar Day	-1.4%	1.7%	-3.4%	0.5%
	Observation Patient Days as % of Patient Days	-1.8%	2.2%	3.4%	-11.1%
	Adjusted Patient Days per Calendar Day	-4.4%	4.4%	1.0%	8.1%
	Average Length of Stay	1.7%	-0.5%	-2.2%	-3.9%
	ED Visits per Calendar Day	0.3%	1.5%	-0.7%	3.6%
	Operating Room Minutes per Calendar Day	-11.8%	-3.1%	-0.6%	-5.3%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	-5.4%	5.3%	6.6%
Gross Operating Revenue per Calendar Day		-5.6%	6.4%	6.3%	22.0%
IP Revenue per Calendar Day		-2.5%	5.7%	2.4%	18.9%
OP Revenue per Calendar Day		-8.5%	7.4%	8.4%	24.5%
IP/OP Adjustment Factor		-4.4%	0.1%	4.6%	3.5%
NPSR per Adjusted Discharge		-1.7%	4.4%	4.9%	8.5%
NPSR per Adjusted Patient Day		-2.1%	3.1%	5.7%	14.7%
Bad Debt and Charity per Calendar Day		-14.6%	16.4%	19.1%	60.4%
Bad Debt and Charity as a % of Gross Operating Rev.	-6.5%	8.6%	10.2%	36.6%	
<b>Expense</b>	Total Expense per Calendar Day	-3.4%	7.0%	8.9%	21.4%
	Labor Expense per Calendar Day	-1.3%	4.8%	4.8%	17.4%
	Non-Labor Expense per Calendar Day	-5.3%	7.1%	10.9%	25.1%
	Supply Expense per Calendar Day	-10.2%	4.4%	6.1%	20.2%
	Drugs Expense per Calendar Day	-12.1%	-6.9%	2.2%	21.1%
	Purchased Service Expense per Calendar Day	-3.4%	5.0%	6.2%	16.5%
	Total Expense per Adjusted Discharge	2.7%	3.6%	5.7%	10.0%
	Labor Expense per Adjusted Discharge	4.6%	3.6%	0.5%	4.2%
	FTEs per AOB	2.8%	-3.7%	-1.2%	-4.8%
	Non-Labor Expense per Adjusted Discharge	-0.9%	6.5%	8.8%	13.6%
	Supply Expense per Adjusted Discharge	-3.7%	-0.4%	1.1%	9.5%
	Drugs Expense per Adjusted Discharge	-4.8%	-9.3%	-1.2%	8.9%
Purchased Service Expense per Adjusted Discharge	1.8%	0.8%	2.1%	9.1%	

# 100-199 Beds

		May 26 vs. Apr 26 (Month-over-Month)	May 26 vs. May 25 (Year-over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
<b>Margin</b>	Operating Margin	-7.0%	-2.4%	-5.3%	14.4%
	Operating EBIDA Margin	-6.6%	-3.7%	-4.4%	0.7%
<b>Volume</b>	Discharges per Calendar Day	-1.0%	4.0%	0.5%	11.7%
	Adjusted Discharges per Calendar Day	-4.0%	2.3%	3.0%	16.9%
	Equivalent Patient Days per Calendar Day	-0.6%	0.2%	-2.4%	-0.6%
	Observation Patient Days as % of Patient Days	-6.4%	-4.6%	0.1%	0.2%
	Adjusted Patient Days per Calendar Day	-2.1%	2.7%	-0.1%	4.5%
	Average Length of Stay	1.6%	-0.7%	-2.1%	-3.6%
	ED Visits per Calendar Day	-0.4%	1.4%	-1.7%	1.9%
	Operating Room Minutes per Calendar Day	-10.1%	-4.1%	1.8%	-2.6%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	-4.7%	4.7%	6.9%
Gross Operating Revenue per Calendar Day		-5.8%	5.7%	7.5%	25.9%
IP Revenue per Calendar Day		-2.5%	5.5%	5.5%	25.2%
OP Revenue per Calendar Day		-7.2%	5.1%	7.7%	26.0%
IP/OP Adjustment Factor		-3.1%	1.0%	2.3%	1.7%
NPSR per Adjusted Discharge		-1.5%	3.8%	5.7%	8.4%
NPSR per Adjusted Patient Day		-2.8%	2.6%	6.8%	13.6%
Bad Debt and Charity per Calendar Day		-4.1%	25.0%	15.6%	64.7%
Bad Debt and Charity as a % of Gross Operating Rev.	1.0%	14.8%	7.6%	29.9%	
<b>Expense</b>	Total Expense per Calendar Day	-3.6%	5.2%	7.5%	19.9%
	Labor Expense per Calendar Day	-0.7%	4.2%	3.9%	13.6%
	Non-Labor Expense per Calendar Day	-5.8%	5.4%	9.6%	22.4%
	Supply Expense per Calendar Day	-7.9%	4.5%	6.1%	20.4%
	Drugs Expense per Calendar Day	-6.2%	1.4%	5.5%	13.3%
	Purchased Service Expense per Calendar Day	-5.3%	6.6%	5.4%	24.1%
	Total Expense per Adjusted Discharge	-1.0%	6.2%	5.6%	7.3%
	Labor Expense per Adjusted Discharge	2.6%	4.5%	2.2%	4.2%
	FTEs per AOB	2.2%	-4.4%	0.1%	-0.1%
	Non-Labor Expense per Adjusted Discharge	-3.2%	6.0%	8.7%	6.8%
	Supply Expense per Adjusted Discharge	-3.4%	1.7%	2.9%	9.2%
	Drugs Expense per Adjusted Discharge	-2.4%	-4.6%	3.2%	-0.7%
Purchased Service Expense per Adjusted Discharge	-1.3%	3.6%	4.1%	12.1%	

# 200-299 Beds

		May 26 vs. Apr 26 (Month-over-Month)	May 26 vs. May 25 (Year-over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
<b>Margin</b>	Operating Margin	-3.9%	0.8%	-1.1%	28.2%
	Operating EBIDA Margin	-4.2%	0.5%	-0.1%	23.2%
<b>Volume</b>	Discharges per Calendar Day	-1.1%	0.8%	-1.6%	11.5%
	Adjusted Discharges per Calendar Day	-4.6%	0.1%	1.2%	13.0%
	Equivalent Patient Days per Calendar Day	0.4%	0.5%	-0.9%	1.7%
	Observation Patient Days as % of Patient Days	-1.3%	7.4%	6.1%	-11.0%
	Adjusted Patient Days per Calendar Day	-3.4%	1.7%	1.2%	2.5%
	Average Length of Stay	2.0%	1.3%	-2.1%	-6.2%
	ED Visits per Calendar Day	-1.2%	1.4%	-2.5%	3.5%
	Operating Room Minutes per Calendar Day	-6.1%	2.1%	-0.3%	1.7%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	-4.6%	7.1%	9.1%
Gross Operating Revenue per Calendar Day		-5.2%	6.3%	7.4%	28.0%
IP Revenue per Calendar Day		-3.2%	7.0%	5.9%	27.0%
OP Revenue per Calendar Day		-6.7%	6.3%	10.1%	30.1%
IP/OP Adjustment Factor		-1.5%	0.6%	2.5%	1.4%
NPSR per Adjusted Discharge		0.4%	4.6%	5.2%	11.8%
NPSR per Adjusted Patient Day		-2.6%	3.0%	5.6%	18.4%
Bad Debt and Charity per Calendar Day		-2.0%	15.9%	14.8%	77.9%
Bad Debt and Charity as a % of Gross Operating Rev.	3.7%	6.6%	5.8%	52.4%	
<b>Expense</b>	Total Expense per Calendar Day	-3.0%	4.6%	5.2%	20.5%
	Labor Expense per Calendar Day	0.0%	4.2%	3.2%	14.0%
	Non-Labor Expense per Calendar Day	-4.8%	6.5%	7.9%	25.5%
	Supply Expense per Calendar Day	-8.1%	7.1%	7.6%	23.7%
	Drugs Expense per Calendar Day	-7.8%	6.0%	8.5%	27.4%
	Purchased Service Expense per Calendar Day	-3.3%	2.9%	4.4%	22.8%
	Total Expense per Adjusted Discharge	1.7%	5.1%	4.3%	6.5%
	Labor Expense per Adjusted Discharge	3.4%	2.5%	0.4%	3.7%
	FTEs per AOB	2.5%	-1.0%	-0.6%	3.9%
	Non-Labor Expense per Adjusted Discharge	-1.4%	4.7%	7.2%	9.1%
	Supply Expense per Adjusted Discharge	-3.9%	6.6%	4.8%	13.9%
	Drugs Expense per Adjusted Discharge	-5.3%	-0.3%	1.8%	11.5%
Purchased Service Expense per Adjusted Discharge	2.4%	4.2%	4.6%	13.8%	

# 300-499 Beds

		May 26 vs. Apr 26 (Month-over-Month)	May 26 vs. May 25 (Year-over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
<b>Margin</b>	Operating Margin	-5.8%	-7.8%	-3.7%	32.8%
	Operating EBIDA Margin	-6.6%	0.2%	-3.6%	5.5%
<b>Volume</b>	Discharges per Calendar Day	-1.5%	0.8%	1.6%	10.7%
	Adjusted Discharges per Calendar Day	-3.7%	0.7%	1.3%	12.7%
	Equivalent Patient Days per Calendar Day	-1.0%	3.2%	0.7%	5.6%
	Observation Patient Days as % of Patient Days	-0.6%	8.0%	2.6%	-2.5%
	Adjusted Patient Days per Calendar Day	-2.4%	3.7%	1.9%	10.0%
	Average Length of Stay	1.0%	1.1%	-0.8%	-2.6%
	ED Visits per Calendar Day	-1.1%	1.7%	-1.4%	2.8%
	Operating Room Minutes per Calendar Day	-8.8%	-2.7%	1.7%	4.3%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	-5.1%	4.7%	7.0%
Gross Operating Revenue per Calendar Day		-5.8%	6.0%	8.0%	29.3%
IP Revenue per Calendar Day		-3.6%	7.7%	6.9%	25.0%
OP Revenue per Calendar Day		-6.6%	5.7%	7.9%	30.6%
IP/OP Adjustment Factor		-1.7%	-0.3%	1.2%	0.6%
NPSR per Adjusted Discharge		-2.1%	3.2%	3.8%	10.3%
NPSR per Adjusted Patient Day		-2.9%	0.7%	5.6%	17.4%
Bad Debt and Charity per Calendar Day		-5.4%	11.6%	15.9%	44.5%
Bad Debt and Charity as a % of Gross Operating Rev.	-2.1%	0.2%	5.2%	11.8%	
<b>Expense</b>	Total Expense per Calendar Day	-3.3%	7.5%	8.7%	22.2%
	Labor Expense per Calendar Day	-1.5%	5.5%	5.7%	18.7%
	Non-Labor Expense per Calendar Day	-4.9%	8.3%	10.6%	26.0%
	Supply Expense per Calendar Day	-7.0%	4.9%	8.0%	28.4%
	Drugs Expense per Calendar Day	-8.2%	3.9%	9.2%	26.6%
	Purchased Service Expense per Calendar Day	-4.9%	4.0%	5.9%	23.3%
	Total Expense per Adjusted Discharge	0.4%	6.4%	5.8%	11.7%
	Labor Expense per Adjusted Discharge	2.7%	3.2%	2.9%	4.0%
	FTEs per AOB	2.0%	-1.4%	0.3%	-1.3%
	Non-Labor Expense per Adjusted Discharge	-1.5%	6.4%	6.4%	14.9%
	Supply Expense per Adjusted Discharge	-4.4%	4.8%	5.5%	20.0%
	Drugs Expense per Adjusted Discharge	-6.7%	3.5%	7.3%	16.0%
Purchased Service Expense per Adjusted Discharge	-2.5%	2.2%	-0.2%	12.6%	

# 500+ Beds

		May 26 vs. Apr 26 (Month-over-Month)	May 26 vs. May 25 (Year-over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
<b>Margin</b>	Operating Margin	-12.5%	-19.4%	10.8%	11.4%
	Operating EBIDA Margin	-11.1%	-18.3%	-3.9%	5.6%
<b>Volume</b>	Discharges per Calendar Day	-2.3%	0.3%	1.7%	7.8%
	Adjusted Discharges per Calendar Day	-5.0%	0.8%	4.4%	13.4%
	Equivalent Patient Days per Calendar Day	-0.9%	1.6%	0.5%	5.0%
	Observation Patient Days as % of Patient Days	-5.3%	1.2%	4.1%	0.8%
	Adjusted Patient Days per Calendar Day	-3.7%	1.9%	1.4%	7.5%
	Average Length of Stay	0.7%	1.4%	-0.1%	-3.3%
	ED Visits per Calendar Day	-4.4%	0.0%	-0.3%	7.4%
	Operating Room Minutes per Calendar Day	-9.4%	0.0%	2.6%	3.1%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	-5.5%	5.4%	7.2%
Gross Operating Revenue per Calendar Day		-5.4%	6.0%	7.9%	28.4%
IP Revenue per Calendar Day		-2.7%	6.1%	6.6%	26.9%
OP Revenue per Calendar Day		-8.3%	6.9%	10.3%	31.4%
IP/OP Adjustment Factor		-2.7%	0.1%	1.3%	2.2%
NPSR per Adjusted Discharge		-1.1%	4.7%	4.1%	11.0%
NPSR per Adjusted Patient Day		-2.0%	-0.4%	4.4%	19.2%
Bad Debt and Charity per Calendar Day		-2.5%	17.4%	17.4%	34.3%
Bad Debt and Charity as a % of Gross Operating Rev.	2.5%	10.8%	9.6%	6.9%	
<b>Expense</b>	Total Expense per Calendar Day	-3.5%	4.9%	5.8%	23.5%
	Labor Expense per Calendar Day	-0.1%	5.9%	5.0%	18.8%
	Non-Labor Expense per Calendar Day	-6.2%	5.1%	8.7%	28.0%
	Supply Expense per Calendar Day	-7.4%	7.0%	9.8%	32.3%
	Drugs Expense per Calendar Day	-8.6%	12.0%	11.9%	43.3%
	Purchased Service Expense per Calendar Day	-5.9%	1.6%	2.6%	22.2%
	Total Expense per Adjusted Discharge	0.5%	4.2%	3.7%	8.3%
	Labor Expense per Adjusted Discharge	4.5%	2.6%	0.1%	2.5%
	FTEs per AOB	2.8%	-4.4%	-2.1%	1.1%
	Non-Labor Expense per Adjusted Discharge	-1.5%	5.4%	6.2%	15.4%
	Supply Expense per Adjusted Discharge	-3.9%	7.2%	7.4%	16.9%
	Drugs Expense per Adjusted Discharge	-2.4%	12.3%	11.1%	33.6%
Purchased Service Expense per Adjusted Discharge	1.6%	-0.8%	-1.7%	15.6%	



# Non-Operating

# National Non-Operating Results

## Key Observations

*This report reflects market data as of May 29, 2026, and additional commentary regarding market events until June 22, 2026.*

- The U.S. labor market remained resilient in May, with nonfarm payrolls increasing by 172,000 and the unemployment rate holding at 4.3%. The average hourly earnings rose 0.3% month-over-month and 3.4% year-over-year.
- According to the BLS: “Health care added 35,000 jobs in May, in line with the average monthly gain of 38,000 over the prior 12 months. Over the month, ambulatory health care services added 26,000 jobs, including a gain of 11,000 in home health care services. Employment continued to trend up in hospitals (+6,000).”
- ADP’s May report also pointed to continued private-sector hiring and was broadly consistent with the official payroll picture. ADP reported 122,000 private-sector jobs added in May, with gains led by education and health services (+57,000) and trade, transportation, and utilities (+36,000). ADP also reported that pay for job-stayers rose 4.4% year-over-year, indicating wage growth remained firm even as hiring stayed measured.
- Inflation remained elevated in May, though the monthly pace cooled slightly from April. CPI rose 0.5% month-over-month after 0.6% in April, while headline inflation accelerated to 4.2% year-over-year, drastically higher than April’s close at 3.8%. This is the first time that CPI has been over 4% since April 2023. Core CPI rose 0.2% in the month and 2.9% over the year. Energy rose 3.9% in May and accounted for more than 60% of the monthly increase in all-items CPI, while shelter increased 0.3%.
- From a healthcare-cost perspective, May CPI was slightly firmer on a monthly basis than April but still not the primary driver of broader inflation. The medical care index increased 0.3% in May, with hospital services up 0.7% and physicians’ services unchanged. Overall, healthcare prices remained a modest contributor to broader inflation.

# National Non-Operating Results *(continued)*

## *Key Observations (continued)*

- Producer prices rose 1.1% month-over-month and 6.5% year-over-year, beating last month's increase of 6.0%. Nearly 80% of the monthly increase came from a 2.8% rise in final demand goods, including a 10.7% jump in final demand energy and a 23.4% increase in gasoline.
- The ISM Manufacturing Index remained steady at 54.0%, marking the fifth consecutive month of expansion.
- The June FOMC meeting was the first under newly appointed Chair Kevin Warsh, and the Fed held rates unchanged at 3.50% to 3.75%. At the June 17 meeting, the Fed indicated that economic activity was expanding at a solid pace and that 2% was still the Committee's inflation goal.
- Middle East geopolitical risk remained a major macro driver. On June 3, negotiations produced a conditional Israel-Lebanon ceasefire tied to a cessation of Hezbollah fire and evacuation from the South Litani sector. On June 12, Pakistan's prime minister shared that the U.S. and Iran had agreed to the wording of a deal aimed at ending the war. By June 21, however, U.S.-Iran negotiators were still meeting in Switzerland to work through key details after Tehran said it had closed the Strait of Hormuz because of Israeli attacks in Lebanon, highlighting continued geopolitical uncertainty.

# National Non-Operating Results *(continued)*

## General Non-Operating Observations

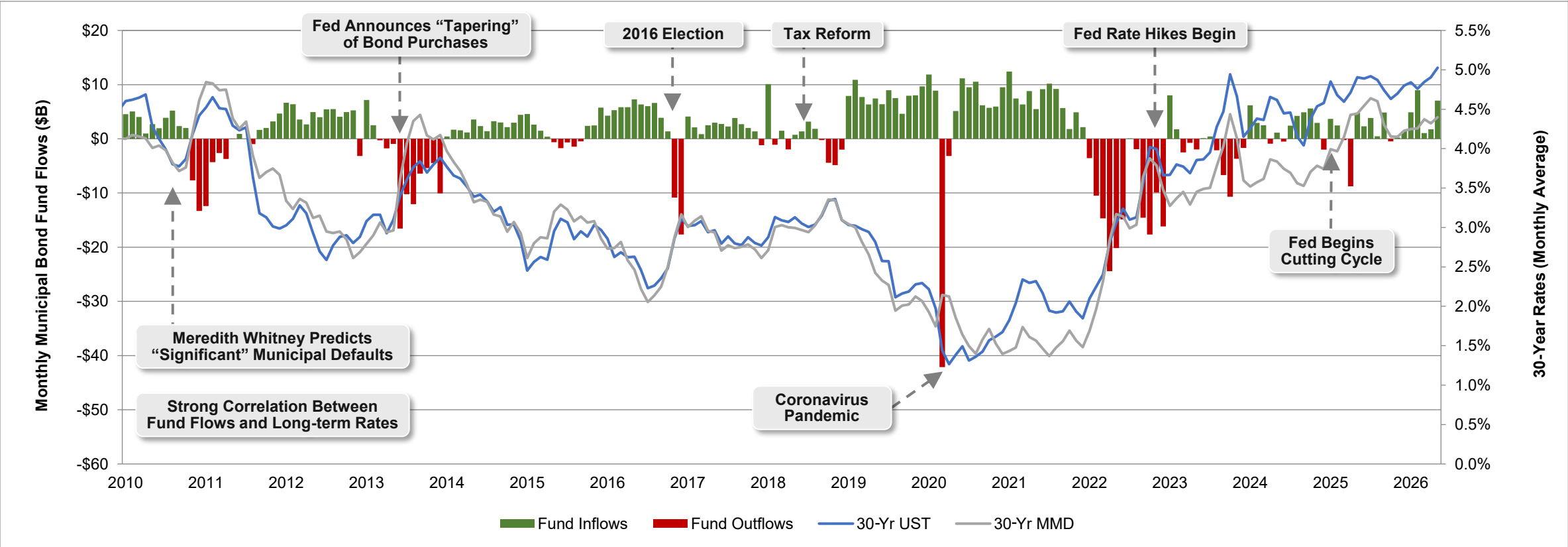
	May 2026	Month-over-Month Change	Year-over-Year Change
<b>General</b>			
GDP Growth*	1.6%	N/A	N/A
Unemployment Rate	4.3%	n/c	n/c
Personal Consumption Expenditures (Year-over-Year)	3.3%	+0.1%	+0.5%
<b>Liabilities</b>			
Daily SOFR	3.63%	-0.3%	-72 bps
SIFMA	1.57%	-152 bps	-40 bps
30-yr MMD	4.34%	+1 bp	-18 bps
30-yr Treasury	4.97%	+1 bp	+4 bps
<b>Assets</b>			
60/40 Asset Allocation†	N/A	+3.5%	+20.4%

\* U.S. Bureau of Economic Analysis, Q1 2026 "2nd Estimate" Updated on May 28, 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

# Non-Operating Liabilities

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



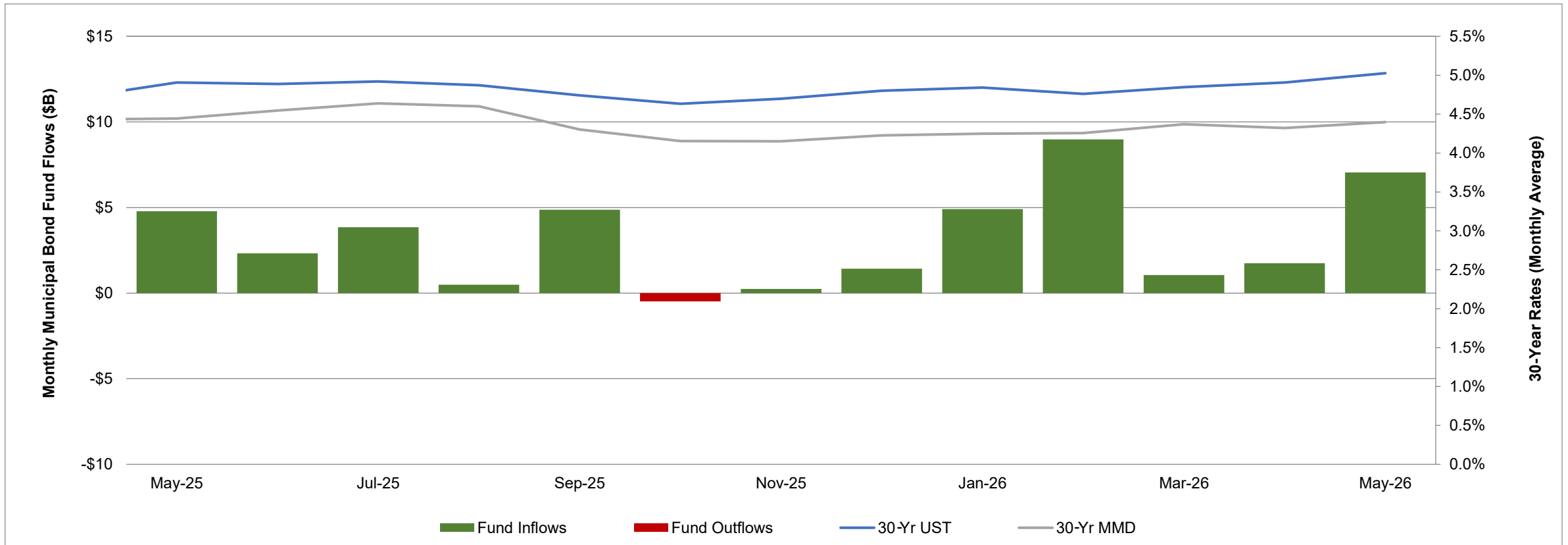
Kaufman Hall, National Hospital Flash Report (May 2026 Metrics)

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.

# 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: \$41.3 Bn

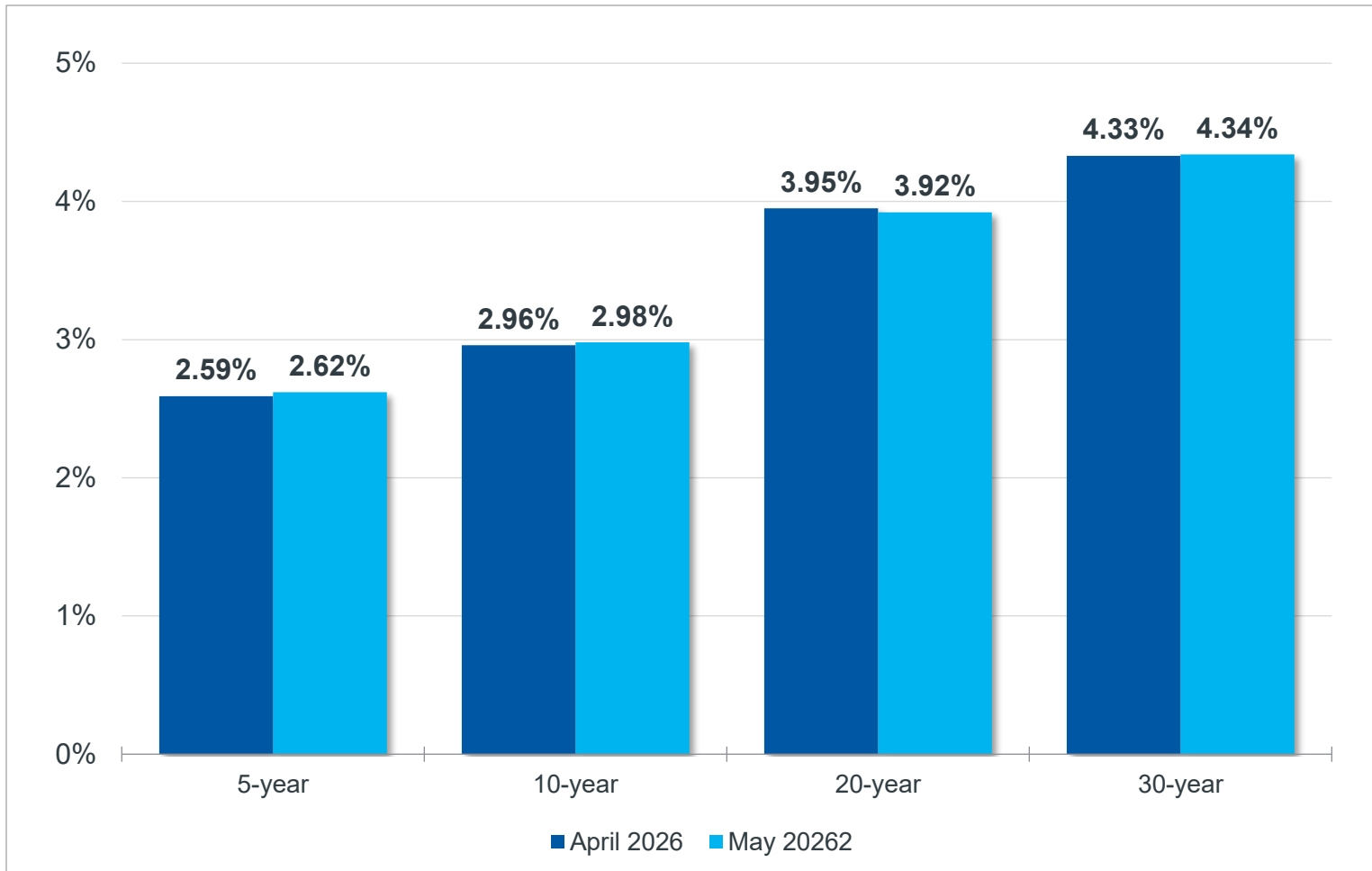


Kaufman Hall, National Hospital Flash Report (May 2026 Metrics)

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# Non-Operating Liabilities *(continued)*

## MMD Yield Comparison, April to May 2026

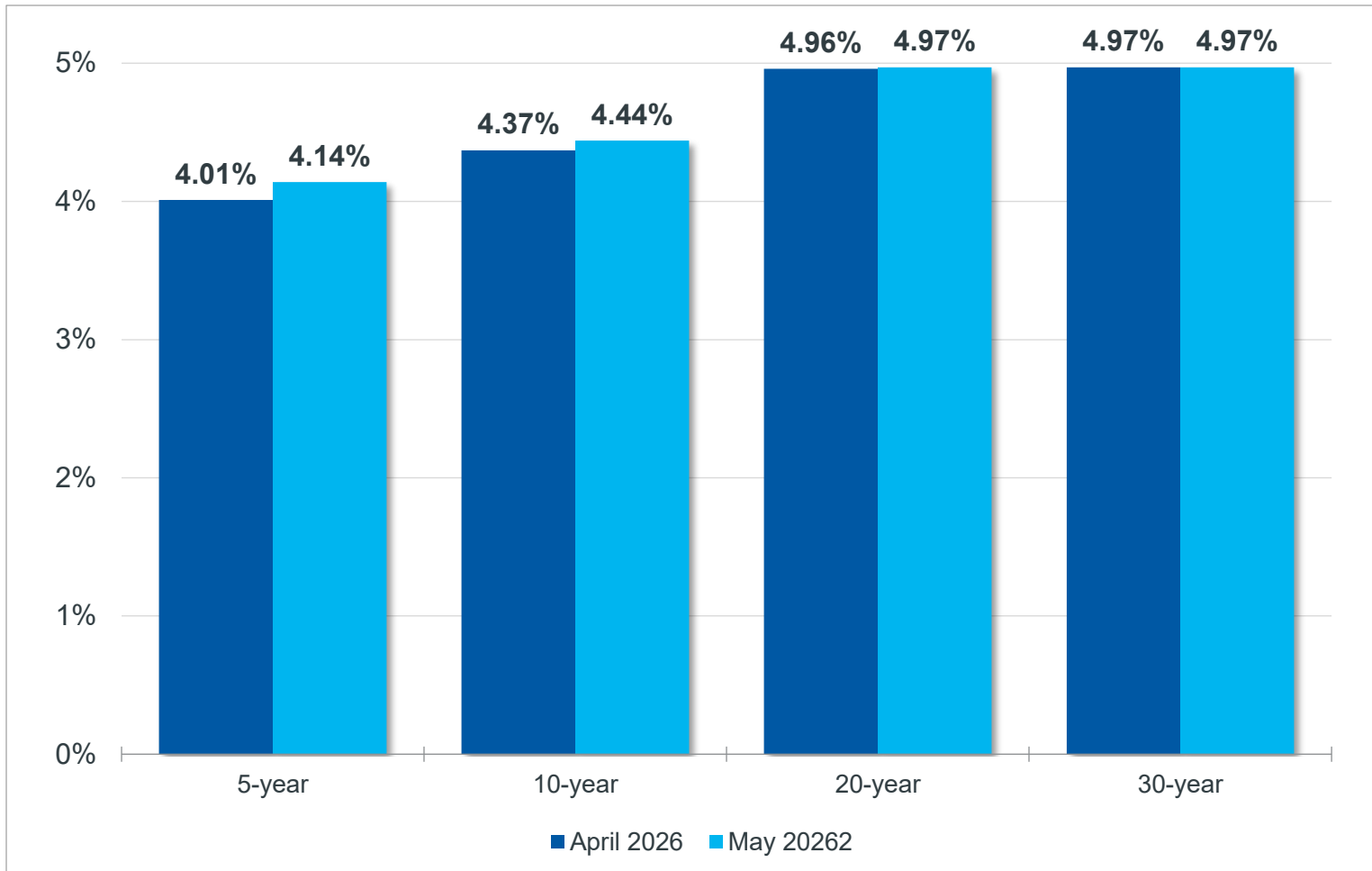


**MMD yields moved minimally month-over-month with yields increasing or decreasing within +/- 3 basis points across the curve**

Tax-exempt yields were largely unchanged in May relative to April month-end levels, with changes across the curve contained within a tight 1 to 3 basis point range. The 5-year and 10-year MMD yields increased slightly, by 3 and 2 basis points, respectively, while the 20-years declined 3 basis points and the 30-year was essentially unchanged, rising just 1 basis point. Overall, the minimal month-over-month movement suggests a more stable tax-exempt market environment in May, with rates holding relatively steady after the volatility seen earlier in the spring.

# Non-Operating Liabilities *(continued)*

## UST Yield Comparison, April to May 2026

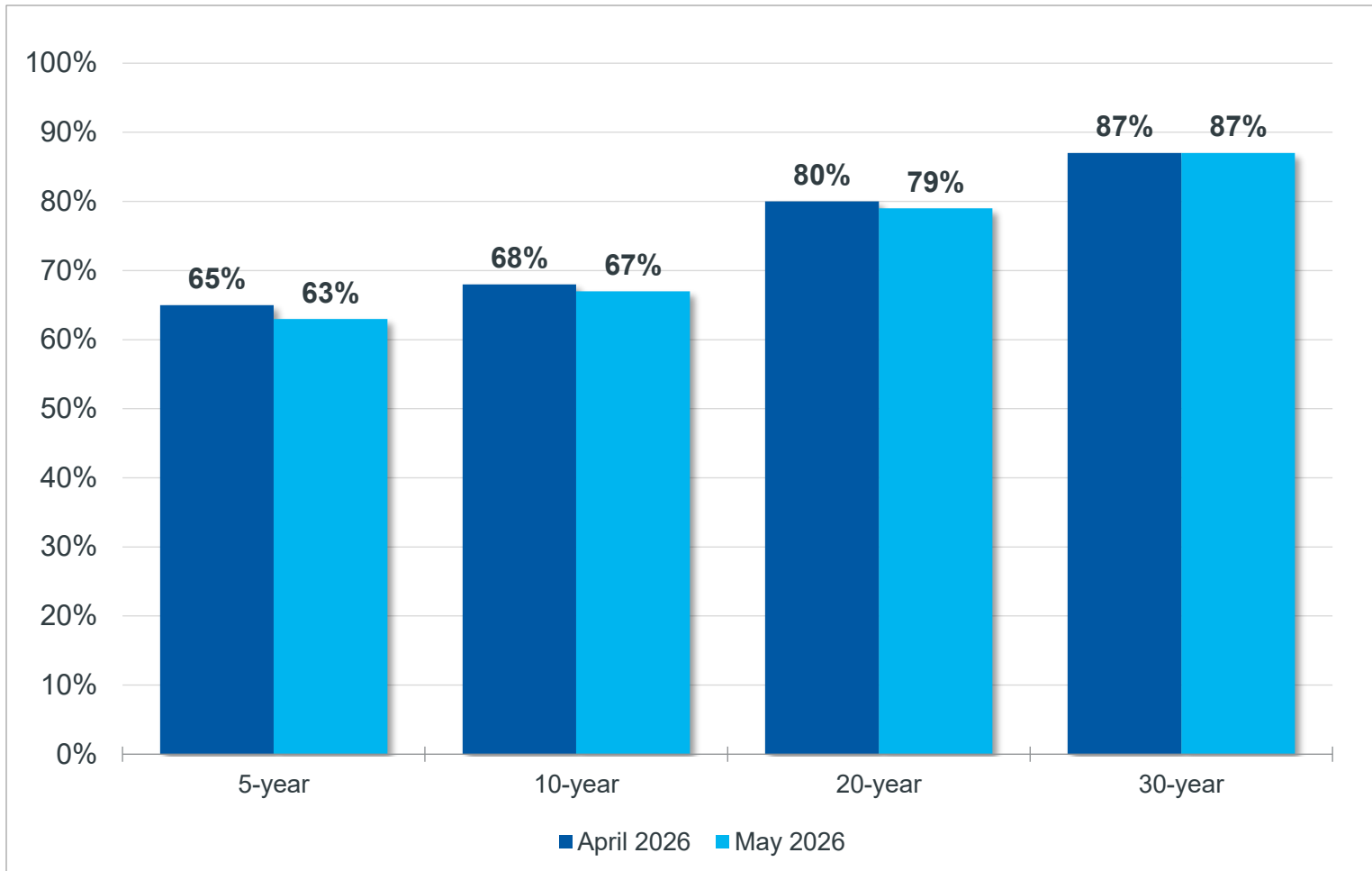


**Treasury yields rose across most of the curve, with the largest increases concentrated at the short end**

In contrast to the tax-exempt market, Treasury yields moved modestly higher from the end of April to the end of May, with the largest increases concentrated at the short and intermediate portions of the curve. The 5-year and 10-year Treasury yields rose 13 and 7 basis points, respectively, while the 20-year and 30-year maturities were essentially unchanged, increasing by just 1 basis point and 0 basis points, respectively. The move indicates that upward pressure in the taxable market remained concentrated at the front end, even as longer-dated Treasury yields were relatively stable.

# Non-Operating Liabilities *(continued)*

## MMD/UST Ratio Comparison, April to May 2026



**Ratios tightened across most maturities, indicating a shift in relative value and continued pressure on tax-exempt markets**

MMD/UST ratios moved marginally lower in May, showing a slight improvement in municipal relative value. The largest move occurred in the 5-year maturity, where the ratio declined 2 percentage points to 63%, while the 10-year and 20-year ratios each fell 1 point to 67% and 79%, respectively. The 30-year ratio remained unchanged at 87%, suggesting stable long-end relative value. The movement in May indicates a more favorable backdrop for tax-exempt bonds relative to taxable alternatives.



# Non-Operating Liabilities *(continued)*

The tax-exempt variable rate market was less volatile in May compared to April, with SIFMA trading within an 81 basis point range, 47-basis points tighter than April's range. May's low of 1.57% was 80 basis points lower than April's trough, while the high of 2.38% was 127 basis points lower than April's peak, signaling a more favorable rate environment in May. The SIFMA-to-SOFR ratio averaged 55% in May, which is well below the historical range of 67-70%. Early June SIFMA resets were above 2.00%, with the first three weeks resetting at 2.14%, 2.89% and 2.59%, respectively.

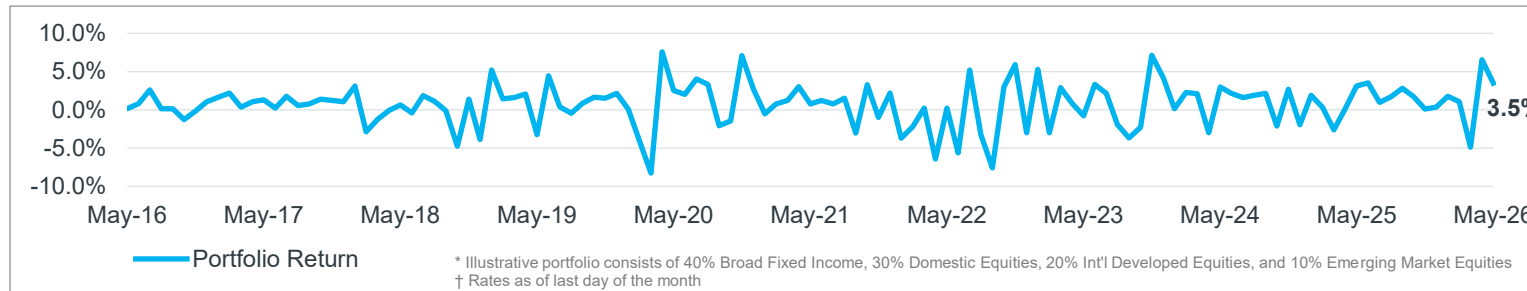
Municipal bond fund flows remained positive for the seventh consecutive month in May, with inflows of \$7.1 billion, significantly higher than April's revised \$1.8 billion. Municipal bond funds have recorded no weekly outflows since mid-April. Healthcare issuance has also maintained strong momentum, with year-to-date volume through the third week of June at \$26.2 billion, up \$3.4 billion from the same period in 2025. May saw 6 public healthcare transactions, 10 lower than last month. While many deals have been tax-exempt fixed-rate financings, borrowers have continued to utilize a diverse mix of structures.

# Non-Operating Assets

## Month-over-Month Return

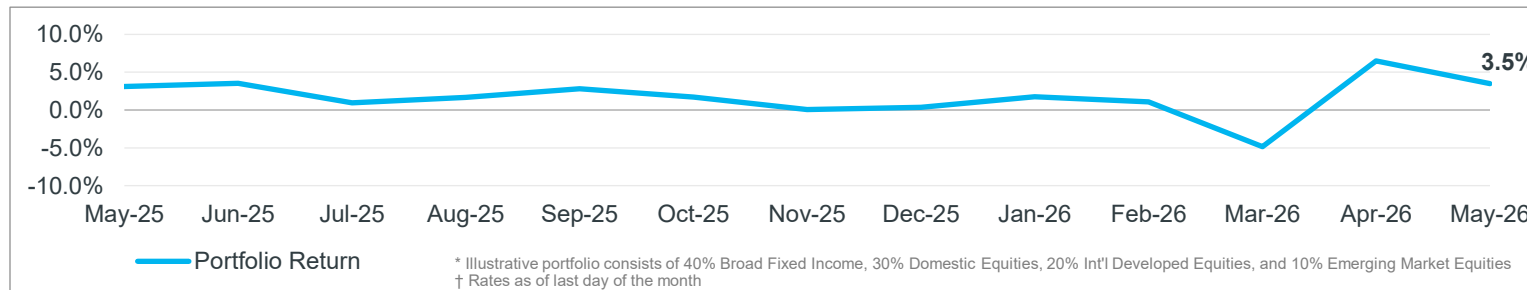
	S&P 500	MSCI World	MSCI Emerging Markets	Barclays Aggregate Bond Index
April 2026	10.4%	9.4%	14.5%	0.1%
May 2026	5.1%	4.4%	9.5%	0.3%
<b>Difference</b>	<b>-5.3%</b>	<b>-5.1%</b>	<b>-5.0%</b>	<b>0.2%</b>

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



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

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



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

Non-operating asset performance remained positive in May, though returns moderated from April's exceptionally strong rebound. The S&P 500 gained 5.1%, while the MSCI World and MSCI Emerging Markets returned 4.4% and 9.5%, respectively, indicating continued strength across both domestic and international equities. In fixed income, the Bloomberg Barclays Aggregate Bond Index posted a modest 0.3% gain, slightly above April's 0.1% return. Based on these results, the traditional 60/40 blended portfolio returned approximately 3.5% in May, compared with 6.5% in April. The positive performance across both equities and fixed income indicates that the favorable market tone established in April continued into May, though with a more measured pace of gains.



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## Talk to us

Have a comment on the Kaufman Hall *National Hospital Flash Report*? We want to hear from you. Please direct all questions or comments to [flashreports@kaufmanhall.com](mailto:flashreports@kaufmanhall.com).

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