



OCTOBER 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

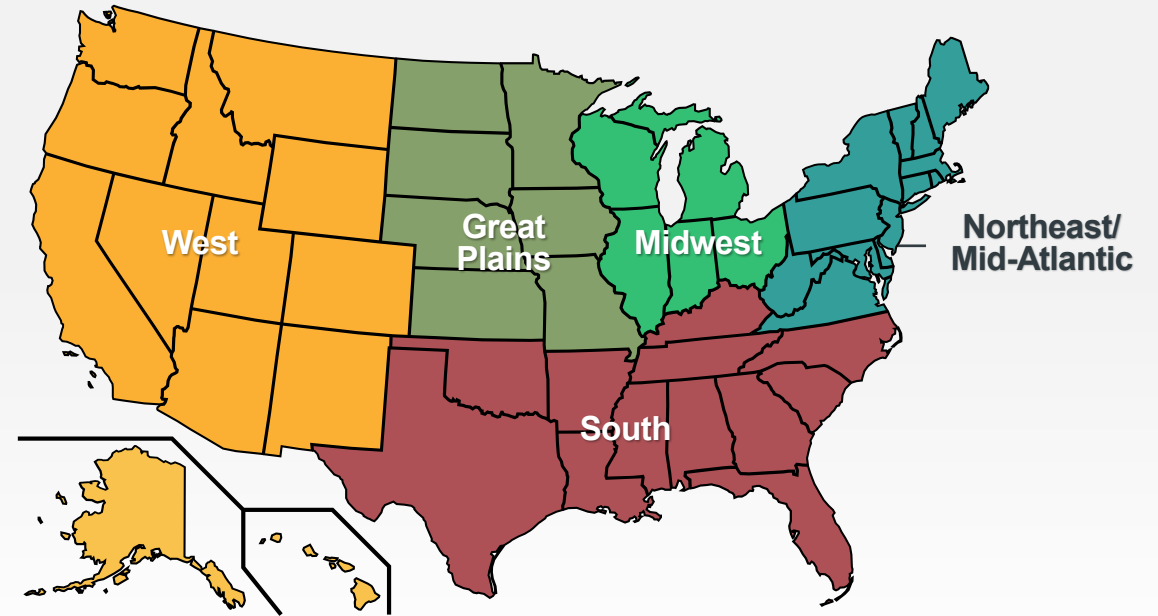
About the Data

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.

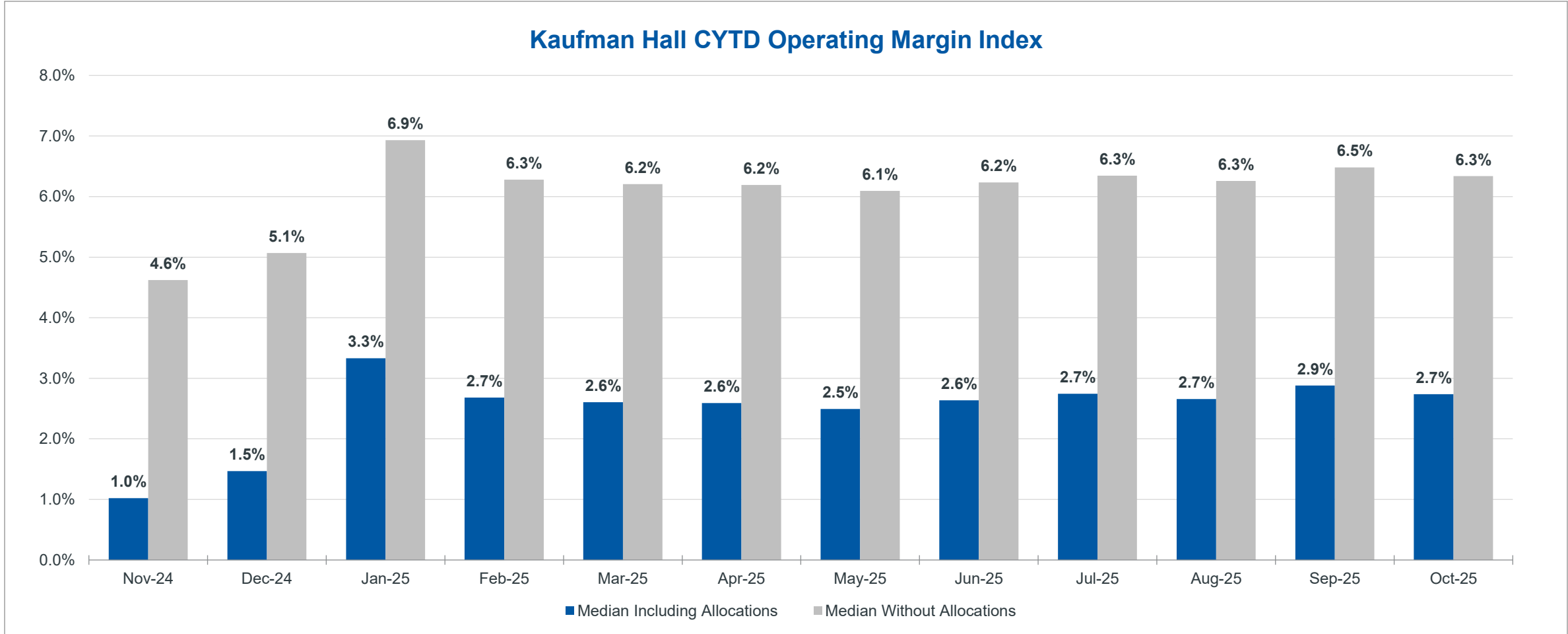


Strata Decision Technology, LLC provides an innovative, cloud-based platform for software, and data and service solutions to help healthcare organizations acquire insights, accelerate decisions, and enhance performance in support of their missions. More than 2,300 organizations rely on Strata's StrataJazz 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. Volumes remained strong in October while average length of stay declined, translating to a dip in net revenue per discharge.** ED visits also decreased, coinciding with lower patient acuity.
- 2. Bad debt and charity care continue to rise.** This is likely due to natural demographic changes and the ongoing effects of state redeterminations of Medicaid enrollment; in 2026 and beyond, the looming Medicaid provisions of H.R.1 may likely drive this higher.
- 3. Volume-adjusted labor expenses are experiencing some decline.** While labor efficiency is up, the number of full-time employees is down, which indicates tight staffing levels and potential workforce burnout.

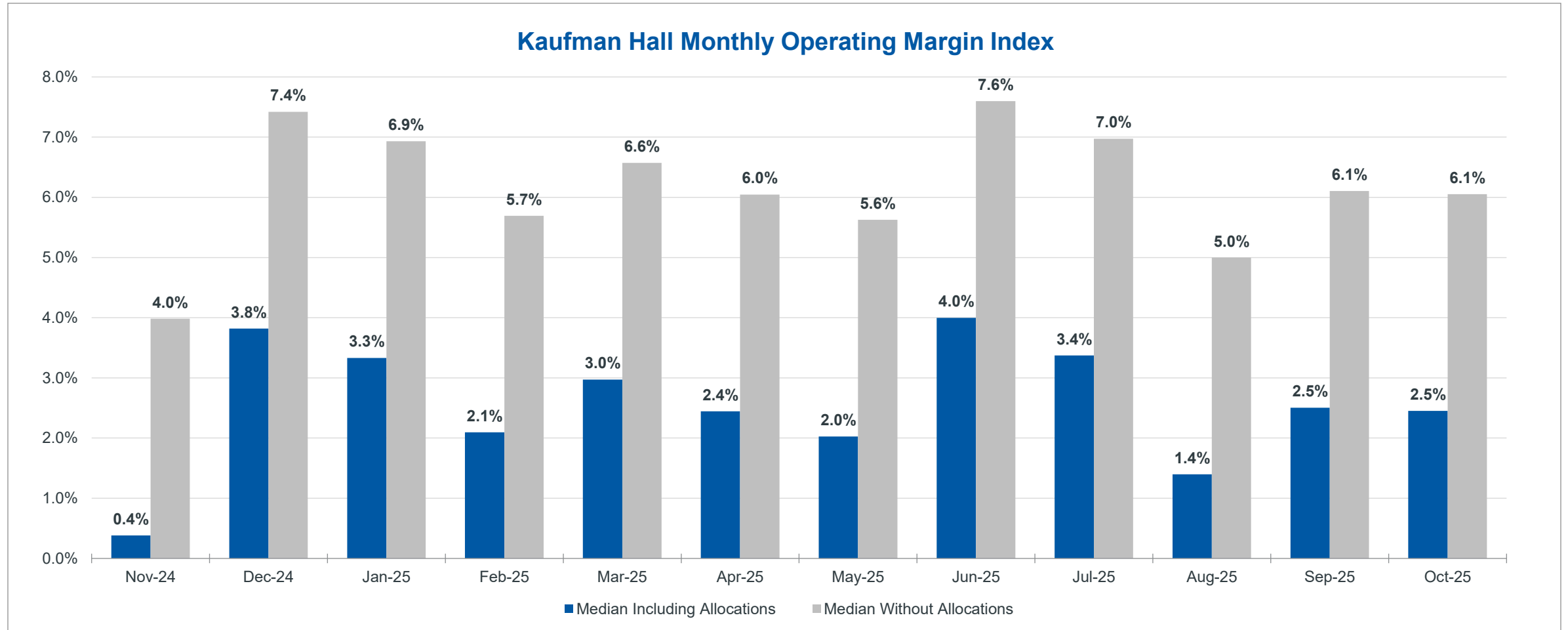
Operating Margin



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

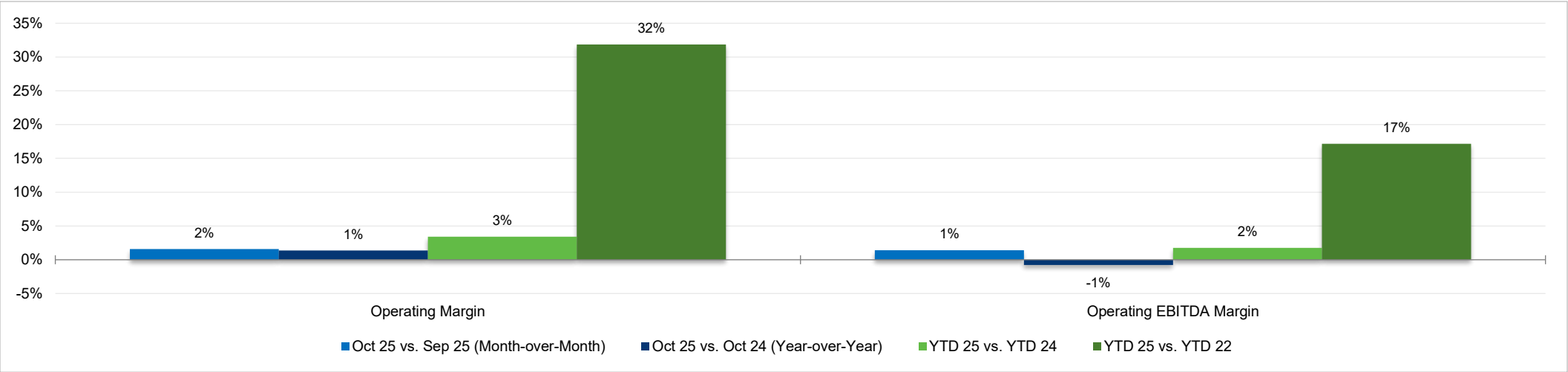
* Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset, and are displayed with and without adjustments for allocations to hospitals from corporate, physician, and other entities.

National and Regional Data

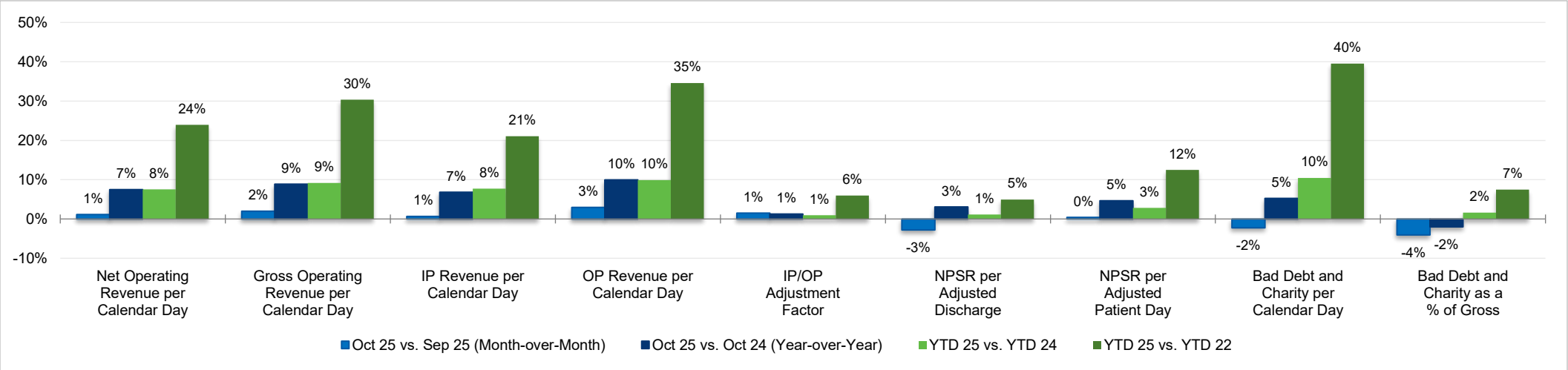
Profitability, Revenue, Expense, and Volume

National Data

Profitability

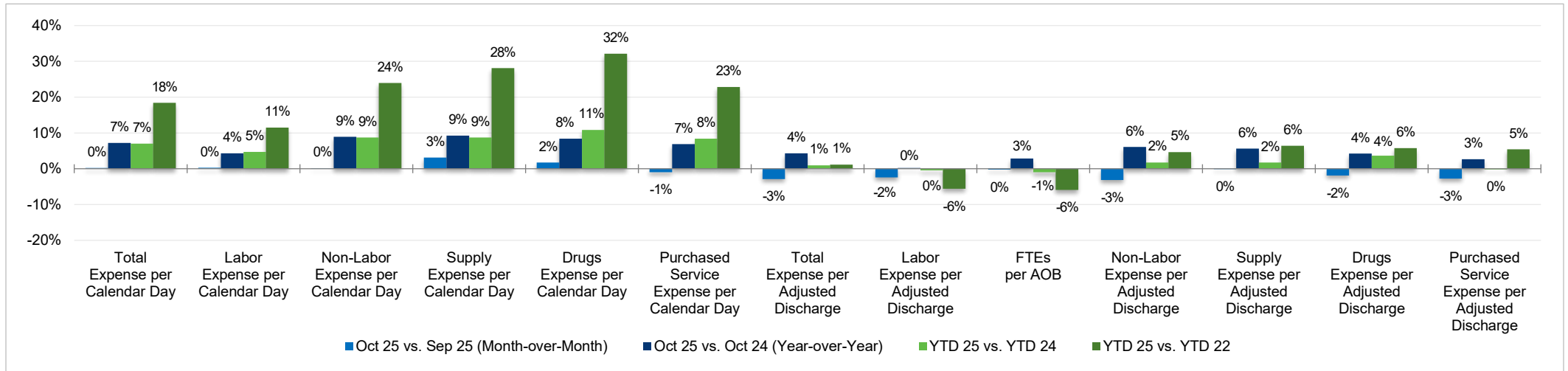


Revenue

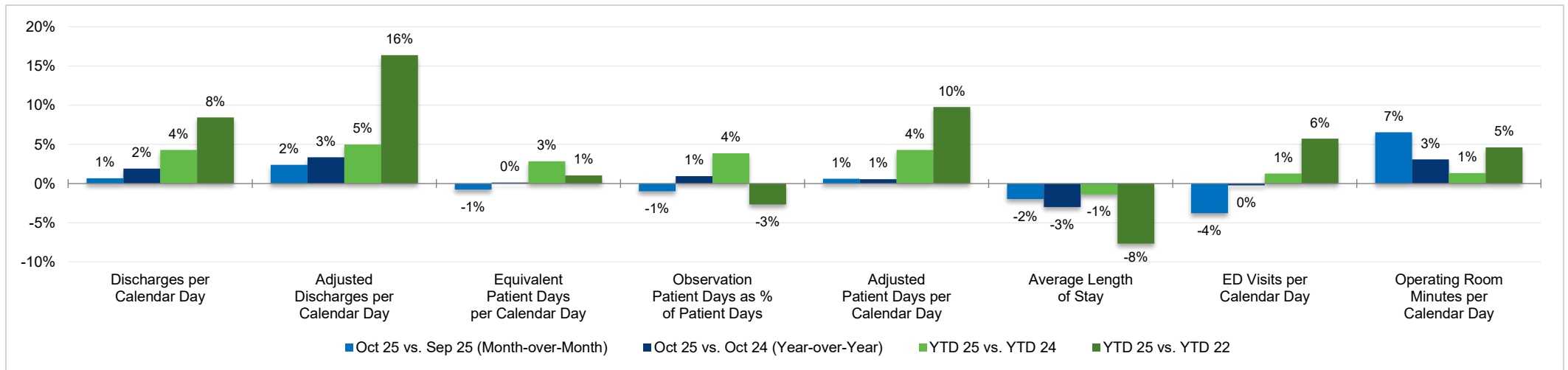


National Data *(continued)*

Expense

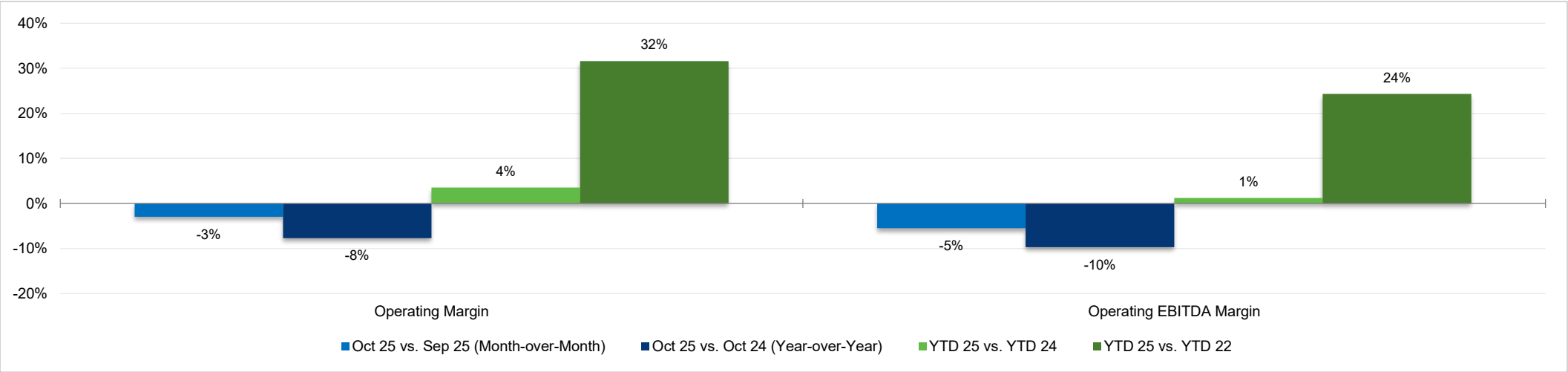


Volume

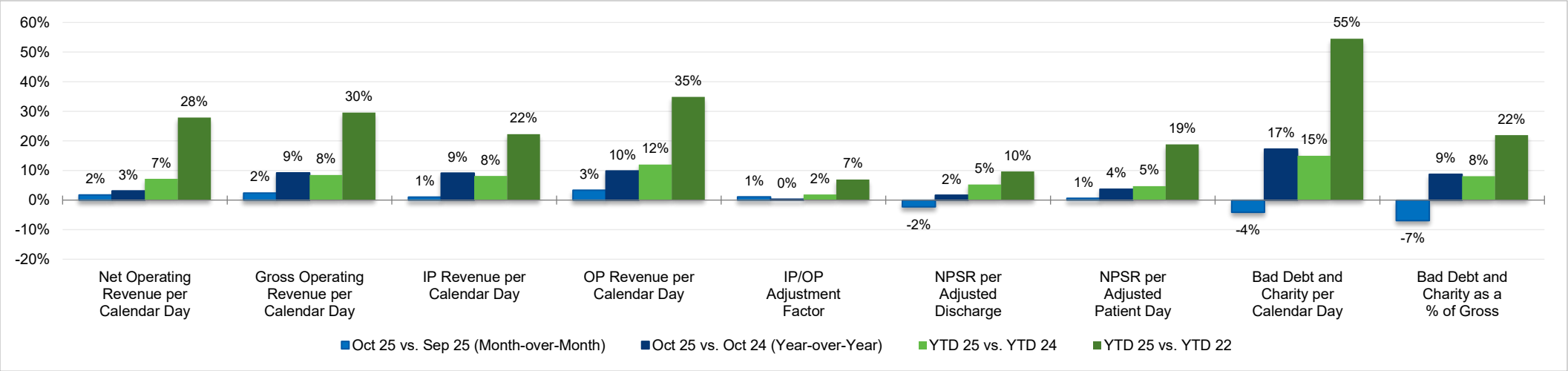


Regional Data: West

Profitability

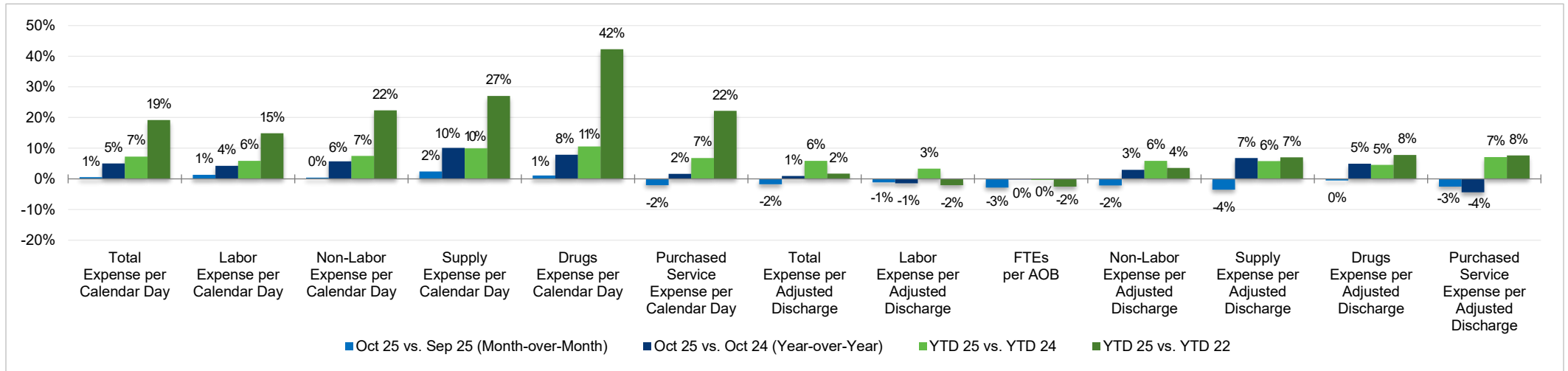


Revenue

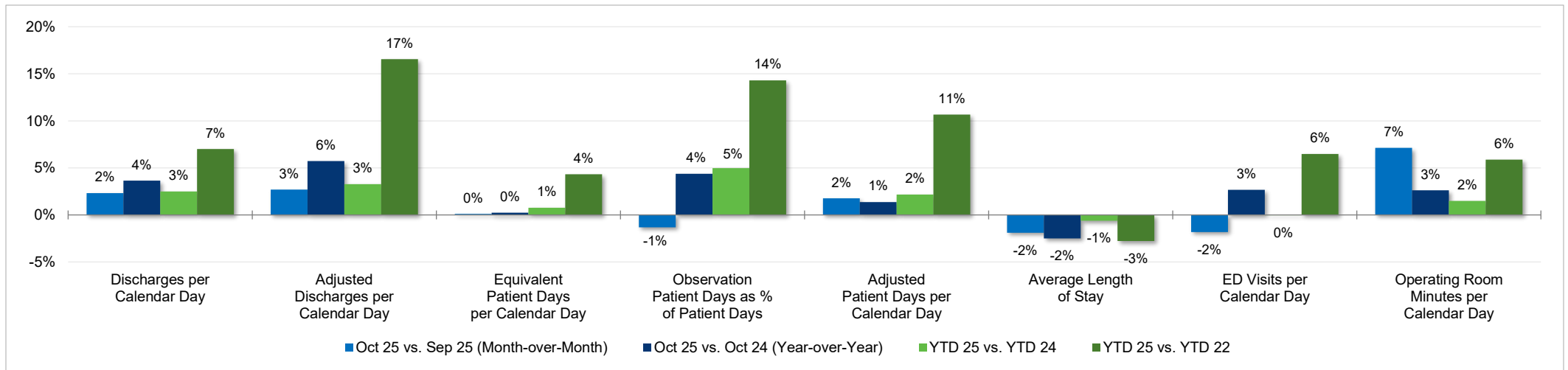


Regional Data: West *(continued)*

Expense

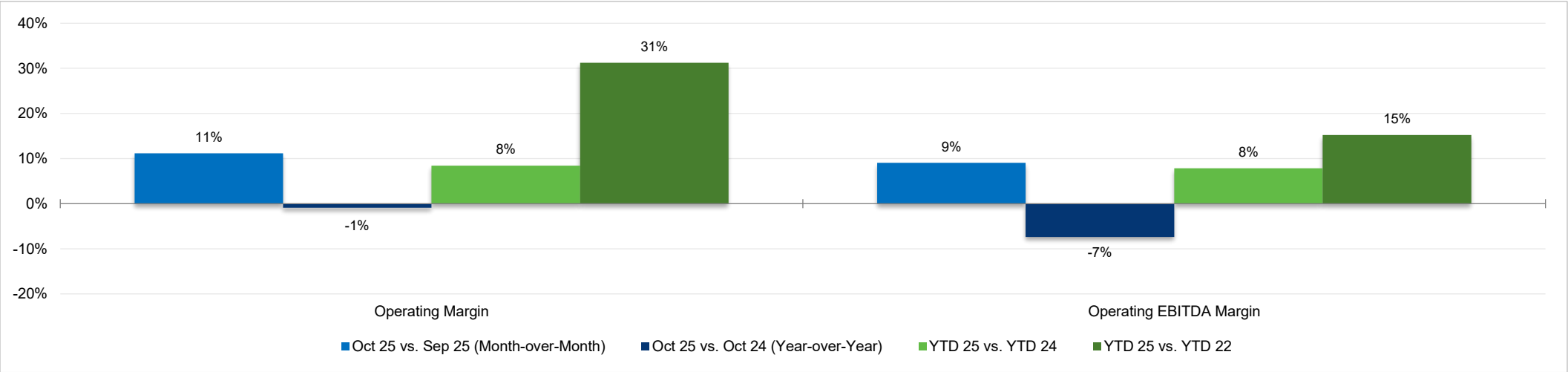


Volume

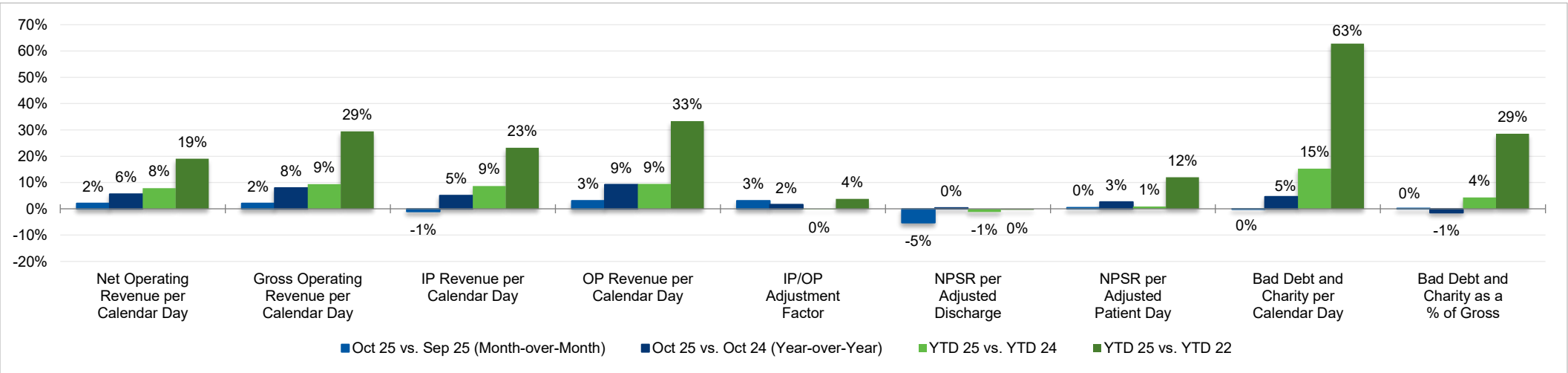


Regional Data: Midwest

Profitability

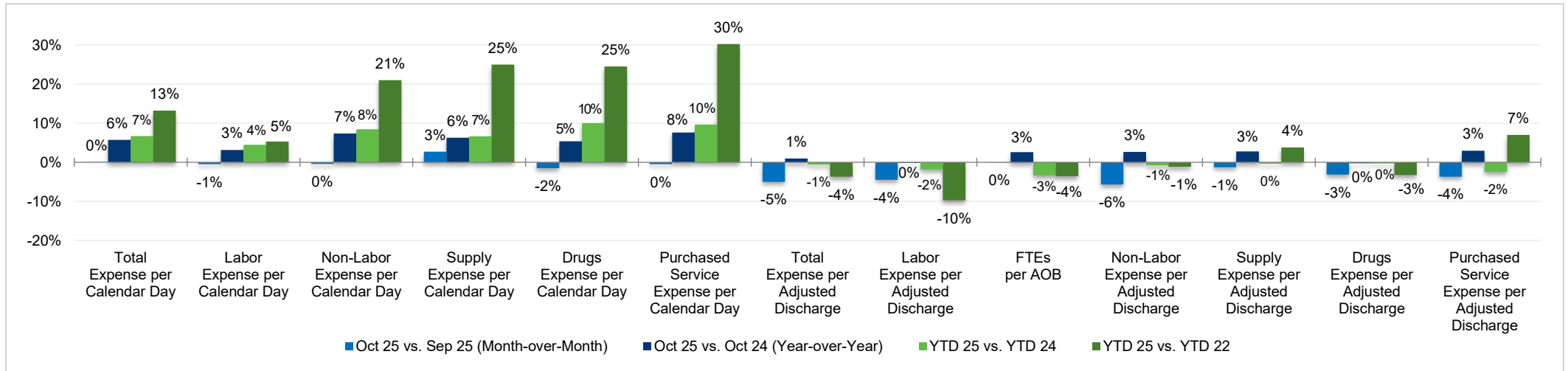


Revenue

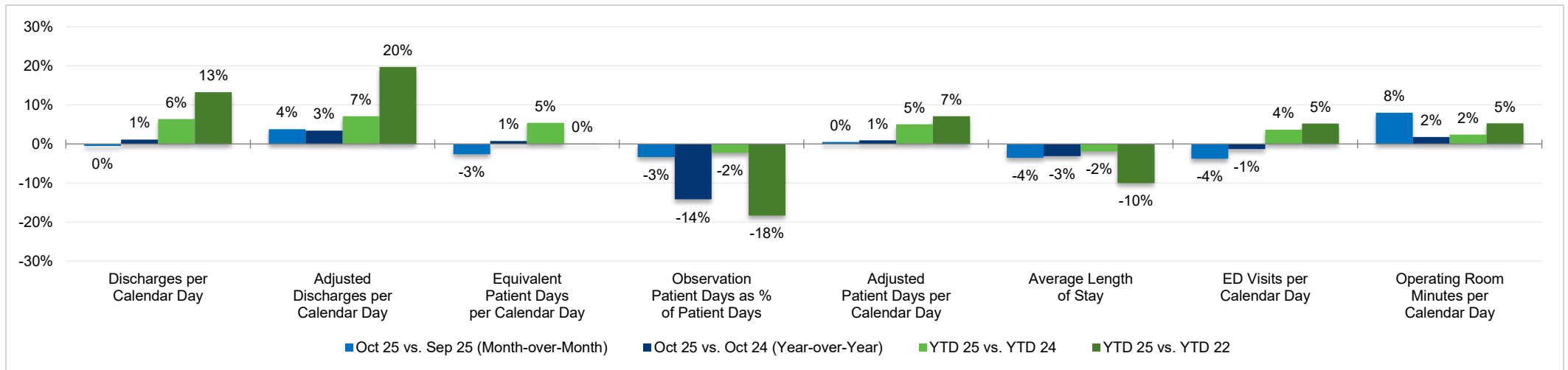


Regional Data: Midwest *(continued)*

Expense

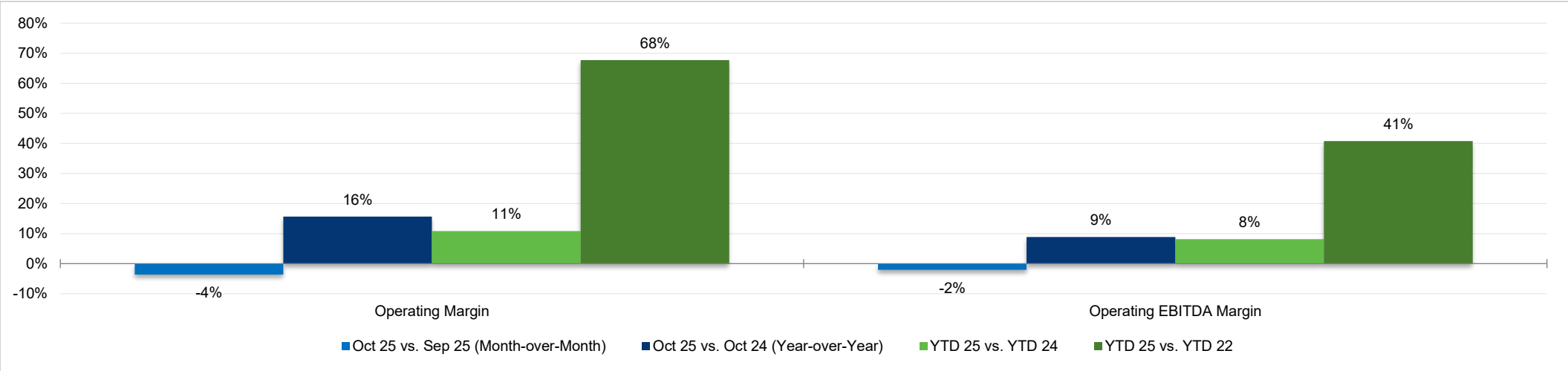


Volume

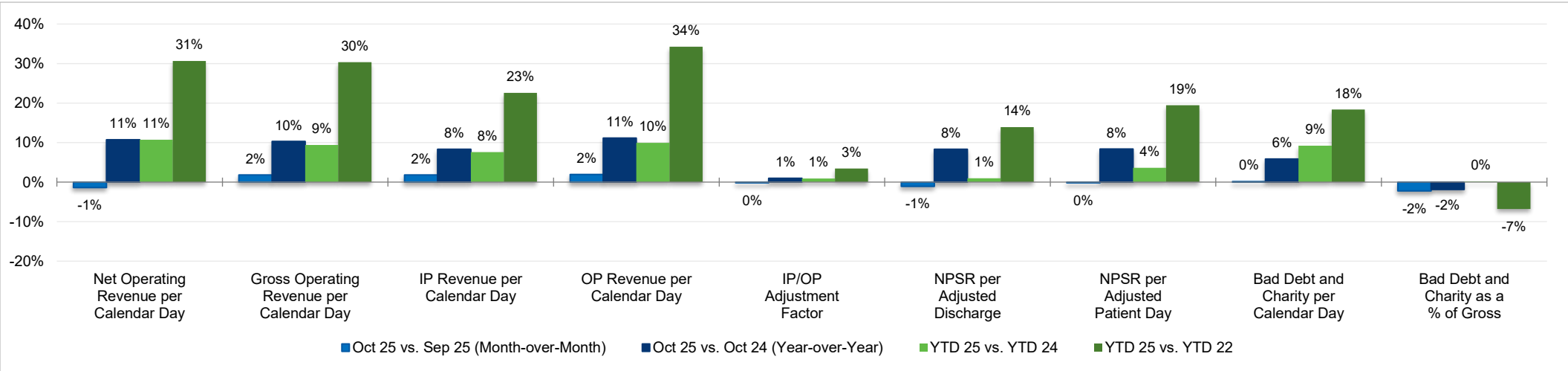


Regional Data: South

Profitability

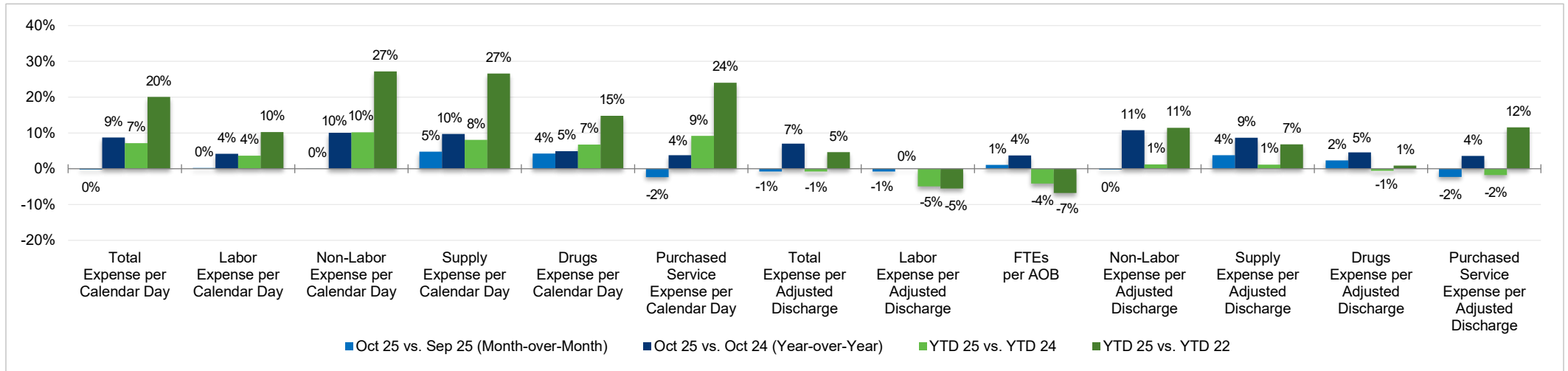


Revenue

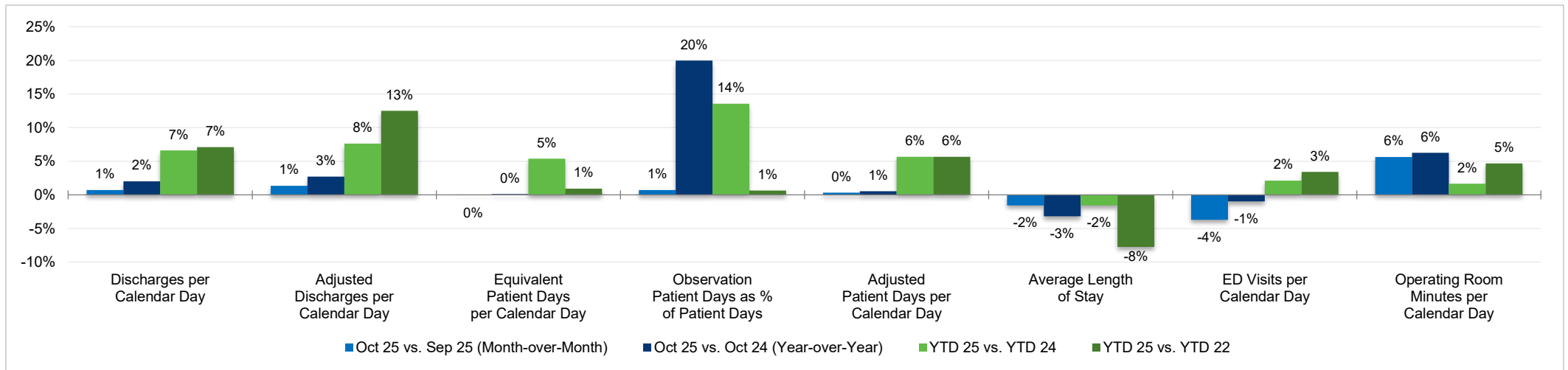


Regional Data: South *(continued)*

Expense

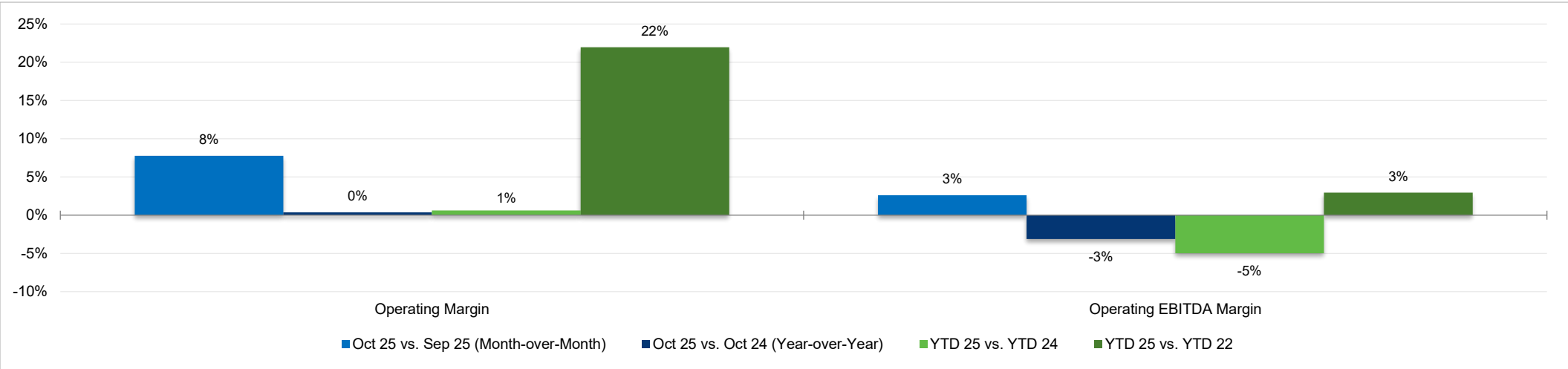


Volume

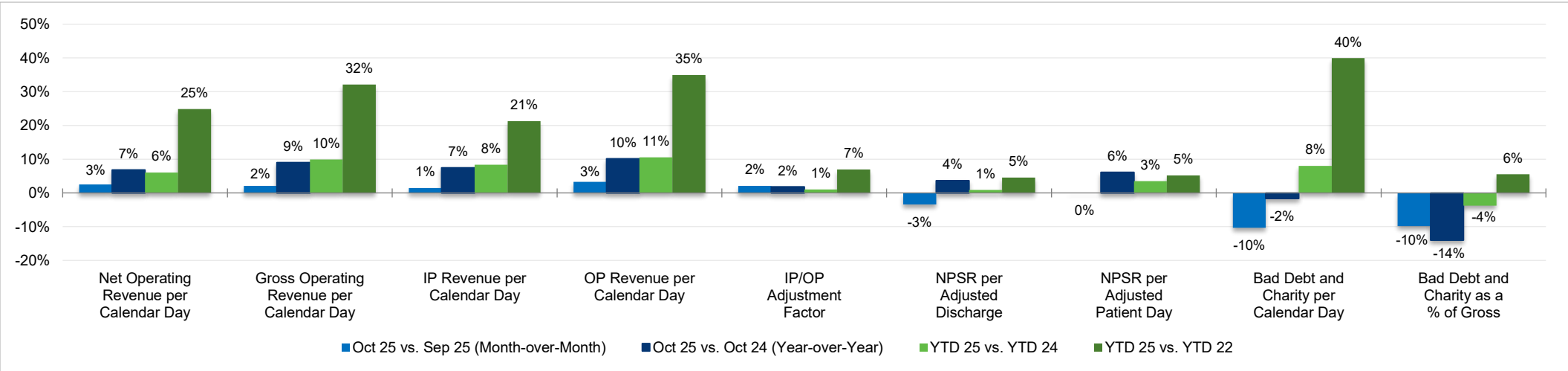


Regional Data: Northeast/Mid-Atlantic

Profitability

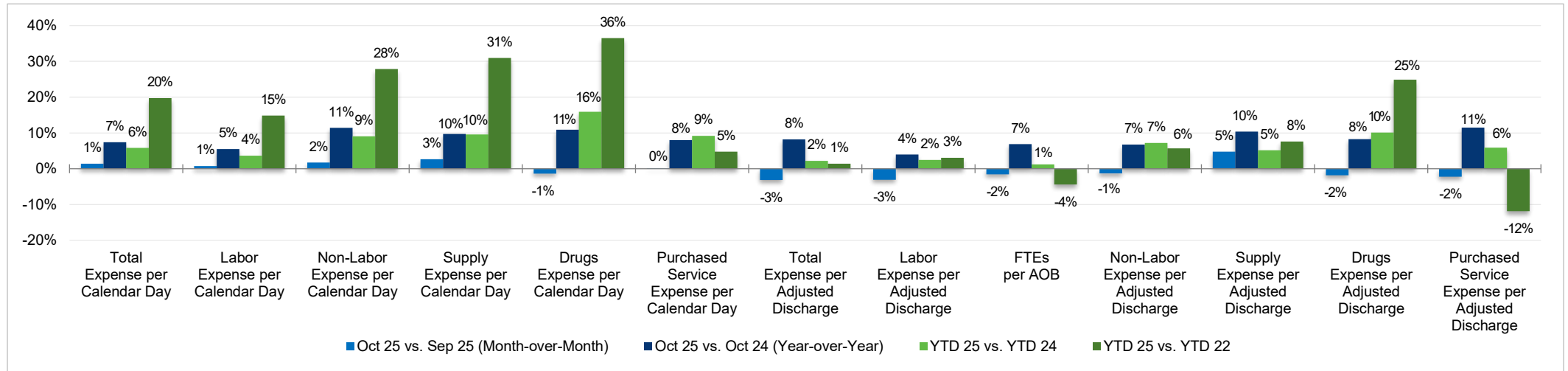


Revenue

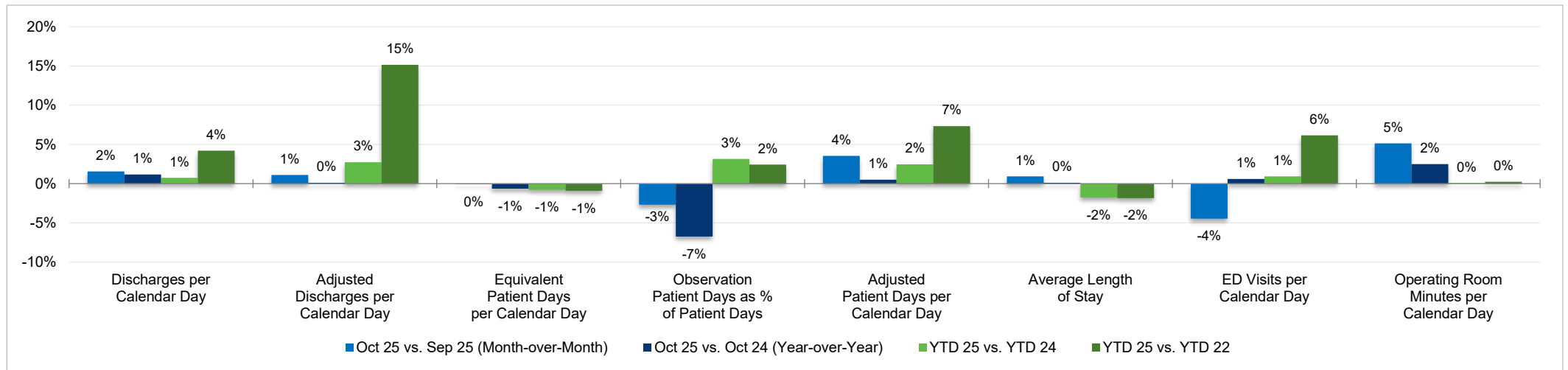


Regional Data: Northeast/Mid-Atlantic *(continued)*

Expense

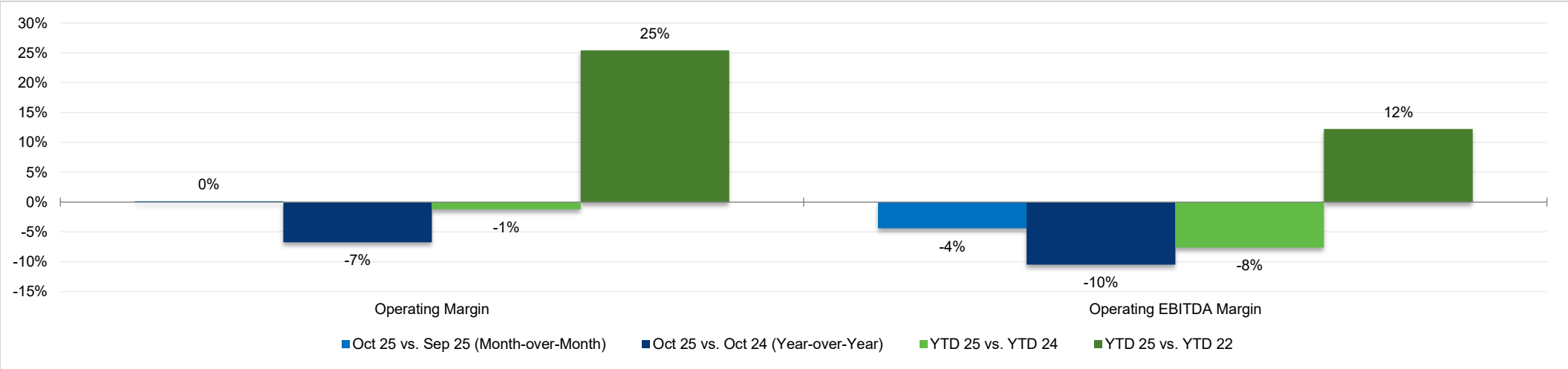


Volume

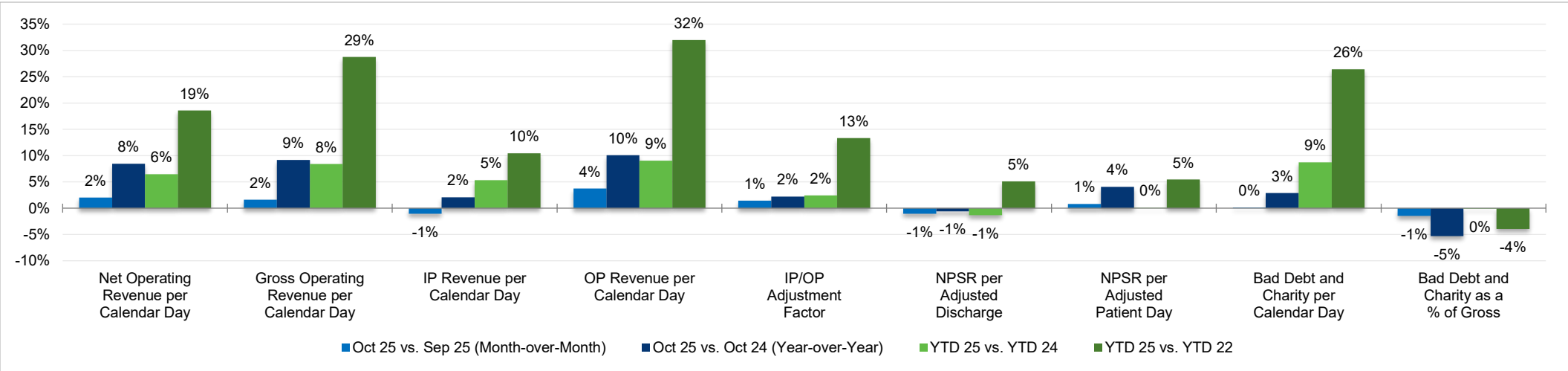


Regional Data: Great Plains

Profitability

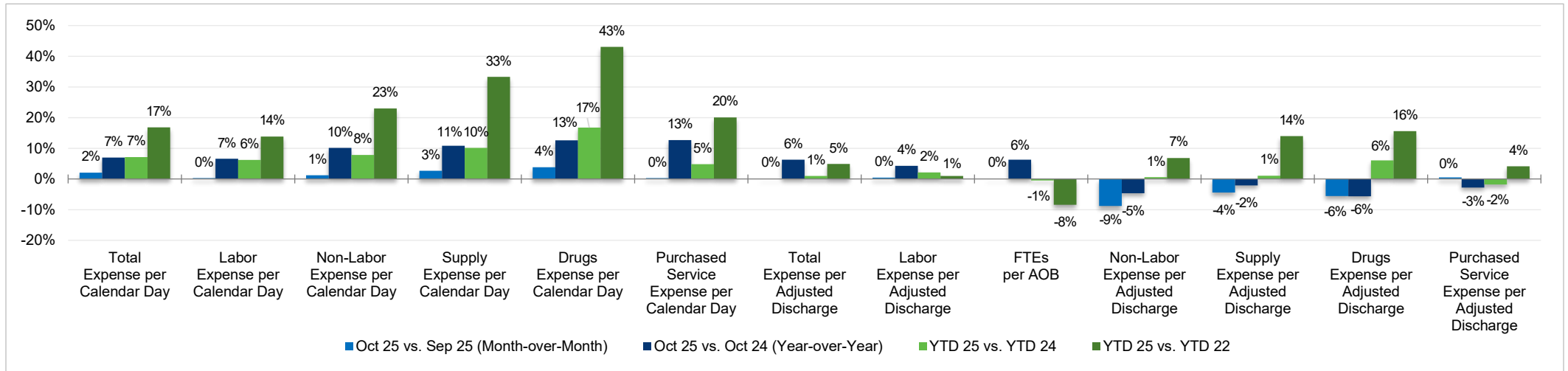


Revenue

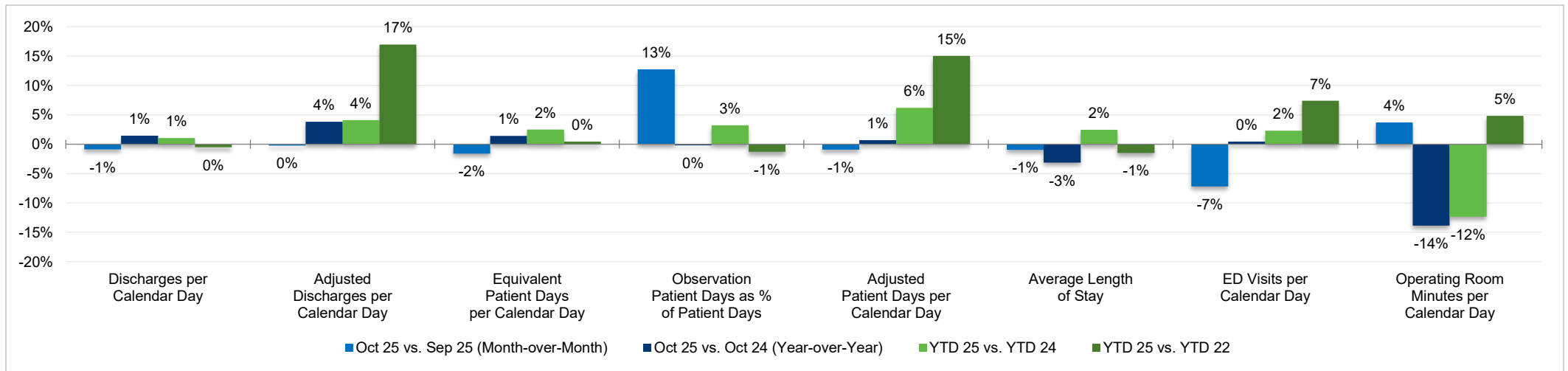


Regional Data: Great Plains *(continued)*

Expense



Volume



Data by Hospital Bed Size

Profitability, Revenue, Expense, and Volume

0-25 Beds

		Oct 25 vs. Sep 25 (Month-over-Month)	Oct 25 vs. Oct 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	-4.8%	-8.5%	3.3%	15.2%
	Operating EBIDA Margin	-7.0%	-13.1%	-3.9%	4.3%
Volume	Discharges per Calendar Day	-1.9%	5.3%	2.7%	2.2%
	Adjusted Discharges per Calendar Day	0.7%	7.5%	5.6%	24.0%
	Equivalent Patient Days per Calendar Day	-3.1%	-2.4%	2.2%	-1.8%
	Observation Patient Days as % of Patient Days	5.9%	-6.4%	3.1%	-4.1%
	Adjusted Patient Days per Calendar Day	-1.3%	0.1%	4.8%	16.9%
	Average Length of Stay	-3.2%	-13.3%	-1.4%	-6.7%
	ED Visits per Calendar Day	-5.6%	-1.7%	1.7%	4.0%
	Operating Room Minutes per Calendar Day	9.8%	3.9%	-1.2%	1.9%
	Revenue	Net Operating Revenue per Calendar Day	-0.8%	5.0%	5.9%
Gross Operating Revenue per Calendar Day		1.2%	7.2%	8.8%	27.8%
IP Revenue per Calendar Day		-1.0%	0.9%	5.4%	7.6%
OP Revenue per Calendar Day		2.5%	9.8%	9.2%	30.9%
IP/OP Adjustment Factor		1.3%	6.7%	2.5%	16.3%
NPSR per Adjusted Discharge		-5.6%	-4.6%	-2.6%	1.6%
NPSR per Adjusted Patient Day		-0.8%	0.9%	-0.1%	0.8%
Bad Debt and Charity per Calendar Day		-2.9%	-1.7%	13.5%	40.4%
Bad Debt and Charity as a % of Gross		-7.1%	-5.7%	5.0%	8.9%
Expense	Total Expense per Calendar Day	1.5%	6.0%	6.4%	16.6%
	Labor Expense per Calendar Day	0.3%	3.9%	4.6%	11.2%
	Non-Labor Expense per Calendar Day	1.3%	6.3%	8.0%	22.7%
	Supply Expense per Calendar Day	1.4%	4.3%	6.3%	23.5%
	Drugs Expense per Calendar Day	2.3%	8.5%	12.9%	40.3%
	Purchased Service Expense per Calendar Day	0.0%	6.5%	8.4%	18.5%
	Total Expense per Adjusted Discharge	-4.8%	-2.1%	-0.4%	-9.1%
	Labor Expense per Adjusted Discharge	-4.3%	-7.2%	-3.0%	-12.2%
	FTEs per AOB	-1.0%	-1.3%	-3.7%	-12.0%
	Non-Labor Expense per Adjusted Discharge	-3.8%	-3.9%	1.1%	-4.1%
	Supply Expense per Adjusted Discharge	-4.5%	-0.9%	-1.1%	-3.0%
	Drugs Expense per Adjusted Discharge	-3.1%	-3.7%	5.2%	6.2%
Purchased Service Expense per Adjusted Discharge	0.7%	-5.7%	-0.8%	-3.2%	

26-99 Beds

		Oct 25 vs. Sep 25 (Month-over-Month)	Oct 25 vs. Oct 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	12.0%	8.5%	6.8%	30.4%
	Operating EBIDA Margin	10.9%	0.9%	2.9%	19.9%
Volume	Discharges per Calendar Day	-3.1%	-0.9%	4.8%	8.6%
	Adjusted Discharges per Calendar Day	-0.7%	0.7%	4.5%	15.2%
	Equivalent Patient Days per Calendar Day	-2.3%	1.8%	5.7%	1.7%
	Observation Patient Days as % of Patient Days	-0.7%	-2.2%	8.3%	-2.5%
	Adjusted Patient Days per Calendar Day	-0.6%	2.2%	6.0%	7.5%
	Average Length of Stay	-2.1%	-0.2%	-0.8%	-8.9%
	ED Visits per Calendar Day	-4.5%	3.3%	2.5%	7.1%
	Operating Room Minutes per Calendar Day	4.4%	-4.8%	-0.9%	-8.3%
	Revenue	Net Operating Revenue per Calendar Day	1.0%	8.7%	8.9%
Gross Operating Revenue per Calendar Day		1.6%	8.2%	9.5%	28.7%
IP Revenue per Calendar Day		0.1%	4.4%	7.4%	20.4%
OP Revenue per Calendar Day		2.3%	10.3%	9.9%	33.6%
IP/OP Adjustment Factor		0.8%	3.0%	1.2%	5.2%
NPSR per Adjusted Discharge		-2.0%	6.9%	3.3%	3.4%
NPSR per Adjusted Patient Day		-0.9%	1.8%	2.5%	13.0%
Bad Debt and Charity per Calendar Day		-6.6%	4.5%	11.1%	38.7%
Bad Debt and Charity as a % of Gross		-5.4%	-2.0%	2.3%	6.0%
Expense	Total Expense per Calendar Day	-0.1%	7.9%	7.0%	16.0%
	Labor Expense per Calendar Day	0.8%	6.0%	4.5%	8.4%
	Non-Labor Expense per Calendar Day	0.0%	7.6%	8.0%	19.3%
	Supply Expense per Calendar Day	1.0%	6.6%	8.8%	25.1%
	Drugs Expense per Calendar Day	-3.5%	4.0%	8.5%	15.5%
	Purchased Service Expense per Calendar Day	-0.2%	7.8%	8.1%	20.7%
	Total Expense per Adjusted Discharge	-1.6%	7.9%	1.2%	-1.1%
	Labor Expense per Adjusted Discharge	0.9%	3.3%	-0.1%	-4.8%
	FTEs per AOB	0.5%	2.3%	-4.0%	-8.6%
	Non-Labor Expense per Adjusted Discharge	0.1%	8.6%	1.8%	2.3%
	Supply Expense per Adjusted Discharge	2.9%	6.8%	1.7%	4.5%
	Drugs Expense per Adjusted Discharge	-5.3%	1.6%	5.4%	-3.4%
Purchased Service Expense per Adjusted Discharge	1.3%	5.0%	-0.4%	7.9%	

100-199 Beds

		Oct 25 vs. Sep 25 (Month-over-Month)	Oct 25 vs. Oct 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	10.3%	1.8%	8.3%	35.6%
	Operating EBIDA Margin	9.4%	1.6%	7.7%	22.7%
Volume	Discharges per Calendar Day	0.0%	2.0%	4.9%	13.5%
	Adjusted Discharges per Calendar Day	2.2%	1.7%	5.6%	15.9%
	Equivalent Patient Days per Calendar Day	-1.0%	-0.4%	4.7%	4.7%
	Observation Patient Days as % of Patient Days	-4.4%	1.2%	6.4%	-3.9%
	Adjusted Patient Days per Calendar Day	1.1%	-0.3%	3.9%	8.7%
	Average Length of Stay	-1.4%	-2.3%	-2.2%	-7.7%
	ED Visits per Calendar Day	-3.4%	-2.7%	0.8%	5.0%
	Operating Room Minutes per Calendar Day	8.4%	5.3%	-0.2%	3.2%
	Revenue	Net Operating Revenue per Calendar Day	2.1%	5.6%	6.8%
Gross Operating Revenue per Calendar Day		1.6%	8.2%	8.2%	27.5%
IP Revenue per Calendar Day		0.2%	5.0%	6.2%	22.0%
OP Revenue per Calendar Day		3.1%	9.9%	9.7%	35.6%
IP/OP Adjustment Factor		2.5%	1.6%	2.7%	6.5%
NPSR per Adjusted Discharge		-1.3%	1.9%	-1.2%	2.6%
NPSR per Adjusted Patient Day		1.5%	2.8%	0.5%	11.9%
Bad Debt and Charity per Calendar Day		-5.1%	3.6%	8.4%	42.8%
Bad Debt and Charity as a % of Gross		-9.0%	-5.9%	-0.3%	15.3%
Expense	Total Expense per Calendar Day	-0.1%	5.5%	6.5%	16.1%
	Labor Expense per Calendar Day	0.2%	3.3%	4.6%	11.7%
	Non-Labor Expense per Calendar Day	-0.9%	7.4%	8.2%	21.8%
	Supply Expense per Calendar Day	1.6%	9.3%	7.6%	23.4%
	Drugs Expense per Calendar Day	-0.7%	4.2%	5.1%	15.6%
	Purchased Service Expense per Calendar Day	-2.8%	6.4%	6.8%	29.8%
	Total Expense per Adjusted Discharge	-3.9%	3.8%	-0.4%	-2.3%
	Labor Expense per Adjusted Discharge	-2.6%	2.1%	-0.3%	-6.9%
	FTEs per AOB	-1.1%	3.6%	-0.2%	-8.0%
	Non-Labor Expense per Adjusted Discharge	-5.7%	4.8%	0.9%	2.6%
	Supply Expense per Adjusted Discharge	-4.2%	4.2%	-0.1%	2.8%
	Drugs Expense per Adjusted Discharge	-5.2%	2.0%	-5.8%	-9.9%
Purchased Service Expense per Adjusted Discharge	-4.6%	1.0%	-3.4%	17.7%	

200-299 Beds

		Oct 25 vs. Sep 25 (Month-over-Month)	Oct 25 vs. Oct 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	-2.0%	3.5%	1.2%	31.8%
	Operating EBIDA Margin	0.6%	1.8%	2.2%	26.1%
Volume	Discharges per Calendar Day	0.3%	1.7%	3.9%	10.8%
	Adjusted Discharges per Calendar Day	3.9%	4.0%	4.5%	14.8%
	Equivalent Patient Days per Calendar Day	-0.8%	-0.6%	2.3%	1.0%
	Observation Patient Days as % of Patient Days	-2.4%	1.0%	1.6%	-5.4%
	Adjusted Patient Days per Calendar Day	0.1%	-0.5%	2.9%	4.1%
	Average Length of Stay	-3.5%	-5.8%	-1.7%	-7.3%
	ED Visits per Calendar Day	-3.6%	1.0%	1.3%	8.1%
	Operating Room Minutes per Calendar Day	8.1%	4.0%	4.4%	5.8%
	Revenue	Net Operating Revenue per Calendar Day	1.9%	9.6%	9.7%
Gross Operating Revenue per Calendar Day		3.5%	10.0%	9.9%	33.3%
IP Revenue per Calendar Day		1.0%	8.4%	8.2%	24.6%
OP Revenue per Calendar Day		4.1%	11.1%	11.6%	36.4%
IP/OP Adjustment Factor		2.1%	1.1%	0.6%	3.1%
NPSR per Adjusted Discharge		-5.0%	5.5%	2.5%	9.6%
NPSR per Adjusted Patient Day		0.1%	9.0%	4.6%	18.3%
Bad Debt and Charity per Calendar Day		-0.4%	7.7%	12.8%	49.1%
Bad Debt and Charity as a % of Gross	-0.9%	-0.5%	3.2%	13.0%	
Expense	Total Expense per Calendar Day	-0.4%	8.2%	7.1%	20.6%
	Labor Expense per Calendar Day	-0.6%	3.0%	3.8%	12.2%
	Non-Labor Expense per Calendar Day	-0.7%	11.4%	9.8%	27.9%
	Supply Expense per Calendar Day	3.9%	11.5%	8.8%	29.8%
	Drugs Expense per Calendar Day	3.1%	11.4%	11.2%	28.6%
	Purchased Service Expense per Calendar Day	-0.5%	3.8%	7.8%	13.1%
	Total Expense per Adjusted Discharge	-3.3%	5.3%	0.3%	2.0%
	Labor Expense per Adjusted Discharge	-4.0%	-1.2%	-1.5%	-7.8%
	FTEs per AOB	2.1%	4.8%	-0.2%	0.4%
	Non-Labor Expense per Adjusted Discharge	-3.1%	8.5%	1.6%	8.7%
	Supply Expense per Adjusted Discharge	4.3%	10.6%	2.7%	11.5%
	Drugs Expense per Adjusted Discharge	2.9%	5.2%	1.0%	11.7%
Purchased Service Expense per Adjusted Discharge	-1.2%	3.3%	-0.7%	1.7%	

300-499 Beds

		Oct 25 vs. Sep 25 (Month-over-Month)	Oct 25 vs. Oct 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	-3.3%	1.8%	4.3%	55.8%
	Operating EBIDA Margin	-1.2%	-0.7%	2.5%	26.2%
Volume	Discharges per Calendar Day	1.2%	1.9%	4.3%	8.0%
	Adjusted Discharges per Calendar Day	3.2%	3.5%	6.1%	12.4%
	Equivalent Patient Days per Calendar Day	-0.4%	2.2%	2.3%	2.0%
	Observation Patient Days as % of Patient Days	1.5%	5.7%	3.3%	-0.6%
	Adjusted Patient Days per Calendar Day	2.1%	1.4%	4.5%	10.6%
	Average Length of Stay	-1.9%	-0.7%	-0.2%	-3.0%
	ED Visits per Calendar Day	-2.3%	-0.1%	1.2%	7.2%
	Operating Room Minutes per Calendar Day	5.6%	1.9%	1.2%	3.4%
	Revenue	Net Operating Revenue per Calendar Day	2.0%	8.9%	8.7%
Gross Operating Revenue per Calendar Day		2.5%	9.6%	8.9%	29.9%
IP Revenue per Calendar Day		1.4%	10.0%	8.6%	23.1%
OP Revenue per Calendar Day		3.5%	9.1%	11.4%	34.4%
IP/OP Adjustment Factor		1.4%	0.5%	0.9%	4.8%
NPSR per Adjusted Discharge		0.0%	3.0%	3.5%	9.5%
NPSR per Adjusted Patient Day		1.2%	5.7%	3.2%	19.4%
Bad Debt and Charity per Calendar Day		3.2%	12.5%	10.5%	28.9%
Bad Debt and Charity as a % of Gross		1.7%	3.0%	0.4%	-1.5%
Expense	Total Expense per Calendar Day	0.1%	8.7%	7.7%	19.6%
	Labor Expense per Calendar Day	1.0%	4.8%	5.5%	12.6%
	Non-Labor Expense per Calendar Day	0.7%	10.2%	7.7%	26.5%
	Supply Expense per Calendar Day	4.3%	13.0%	8.7%	27.6%
	Drugs Expense per Calendar Day	2.0%	12.4%	10.9%	34.6%
	Purchased Service Expense per Calendar Day	-2.8%	8.6%	10.1%	28.3%
	Total Expense per Adjusted Discharge	-1.6%	6.3%	4.0%	5.9%
	Labor Expense per Adjusted Discharge	-2.4%	1.7%	2.3%	-1.3%
	FTEs per AOB	-1.0%	2.6%	0.3%	-2.0%
	Non-Labor Expense per Adjusted Discharge	-3.2%	7.1%	4.6%	8.6%
	Supply Expense per Adjusted Discharge	-0.2%	10.5%	4.3%	11.6%
	Drugs Expense per Adjusted Discharge	-2.3%	7.4%	3.3%	13.1%
Purchased Service Expense per Adjusted Discharge	-7.9%	4.1%	3.7%	12.8%	

500+ Beds

		Oct 25 vs. Sep 25 (Month-over-Month)	Oct 25 vs. Oct 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	5.7%	5.5%	-13.0%	76.7%
	Operating EBIDA Margin	4.0%	-6.5%	-8.2%	33.2%
Volume	Discharges per Calendar Day	1.8%	2.9%	4.5%	11.2%
	Adjusted Discharges per Calendar Day	2.3%	2.3%	3.1%	14.3%
	Equivalent Patient Days per Calendar Day	0.1%	1.4%	0.2%	3.4%
	Observation Patient Days as % of Patient Days	-0.6%	2.9%	13.1%	7.6%
	Adjusted Patient Days per Calendar Day	0.7%	1.2%	1.8%	8.9%
	Average Length of Stay	-1.4%	-1.3%	-1.6%	-10.5%
	ED Visits per Calendar Day	-2.0%	-0.5%	0.3%	5.3%
	Operating Room Minutes per Calendar Day	4.4%	2.7%	2.9%	11.2%
	Revenue	Net Operating Revenue per Calendar Day	3.4%	10.7%	9.6%
Gross Operating Revenue per Calendar Day		2.4%	11.1%	10.4%	34.2%
IP Revenue per Calendar Day		1.5%	9.0%	9.5%	27.6%
OP Revenue per Calendar Day		4.3%	9.4%	10.5%	41.2%
IP/OP Adjustment Factor		0.3%	-0.1%	1.2%	5.3%
NPSR per Adjusted Discharge		-1.3%	5.2%	4.4%	16.1%
NPSR per Adjusted Patient Day		1.4%	7.4%	8.5%	26.2%
Bad Debt and Charity per Calendar Day		-3.8%	3.0%	6.1%	40.2%
Bad Debt and Charity as a % of Gross	-7.0%	-6.3%	-2.0%	4.1%	
Expense	Total Expense per Calendar Day	1.0%	10.9%	9.3%	25.3%
	Labor Expense per Calendar Day	-0.1%	7.5%	6.7%	16.8%
	Non-Labor Expense per Calendar Day	2.0%	11.9%	10.7%	33.3%
	Supply Expense per Calendar Day	8.2%	15.0%	12.1%	41.3%
	Drugs Expense per Calendar Day	6.9%	22.3%	17.9%	50.7%
	Purchased Service Expense per Calendar Day	-3.6%	6.7%	9.3%	30.0%
	Total Expense per Adjusted Discharge	-0.8%	6.8%	6.9%	8.9%
	Labor Expense per Adjusted Discharge	-3.1%	2.3%	3.4%	1.7%
	FTEs per AOB	-0.7%	4.6%	1.5%	5.1%
	Non-Labor Expense per Adjusted Discharge	-2.6%	11.5%	9.1%	15.6%
	Supply Expense per Adjusted Discharge	4.0%	12.2%	6.7%	20.2%
Drugs Expense per Adjusted Discharge	5.7%	18.3%	10.7%	22.2%	
Purchased Service Expense per Adjusted Discharge	-4.5%	6.8%	6.1%	13.7%	

Non-Operating

National Non-Operating Results

Key Observations

This report reflects market data as of October 31, 2025, and additional commentary regarding market events until November 17, 2025. October's economic data has not been released as of November 17, 2025, due to the lag since the government shutdown ended in mid-November.

On October 1, the U.S. government entered what became the longest shutdown in history, lasting 43 days, primarily due to disagreements over healthcare policies.

Election Day at the beginning of November included gubernatorial, state legislative, special congressional, and local government elections. In contrast to the previous Republican wave, Democrats won several major races, including the New York City mayoral race, the governor races in Virginia and New Jersey, and California's Proposition 50 redistricting measure.

On November 12, the United States concluded its longest government shutdown in history. A funding bill was passed by the Senate with a 60-40 vote and signed into law by President Trump to extend funding for most

government agencies through early-mid 2026. Notably, the bill included funding provisions for the Supplemental Nutrition Assistance Program and other government assistance programs, as well as provided furloughed pay for federal workers. However, the bill did not resolve the issue of healthcare tax credits, which are set to expire at the end of the year.

On November 14, President Trump signed an executive order exempting several agricultural products from the widespread tariffs he imposed on many countries during the spring of 2025. Exempted products include select fertilizers, bananas, oranges, cocoa, spices, and tomatoes. Overall, reducing the imposed tariffs was incorporated to lower prices for U.S. consumers.

National Non-Operating Results *(continued)*

Key Observations (continued)

The release of key economic data has been delayed due to the government shutdown.

- On October 24, September's Consumer Price Index (CPI) was released, increasing by 3.0% on an annual basis, slightly up from August's 2.9% rate
- On a monthly basis, CPI increased by 0.3%, which is 0.1% lower than August's monthly uptick, indicating a moderate pace for inflation
- On October 29, the Federal Reserve cut rates by 25 basis points, marking its second consecutive rate cut in 2025 and lowering the range to 3.75%-4.00%
- Despite the current rate cutting environment, Federal Reserve Chair Jerome Powell signaled caution around another cut in December, stating, "A further reduction in the policy rate at the December meeting is not a foregone conclusion. Far from it."
- To end October, equity markets remained strong with the S&P 500 rising 2.3%, marking its sixth consecutive monthly gain; with limited economic data during the shutdown, earnings season became a key focus for market participants

National Non-Operating Results *(continued)*

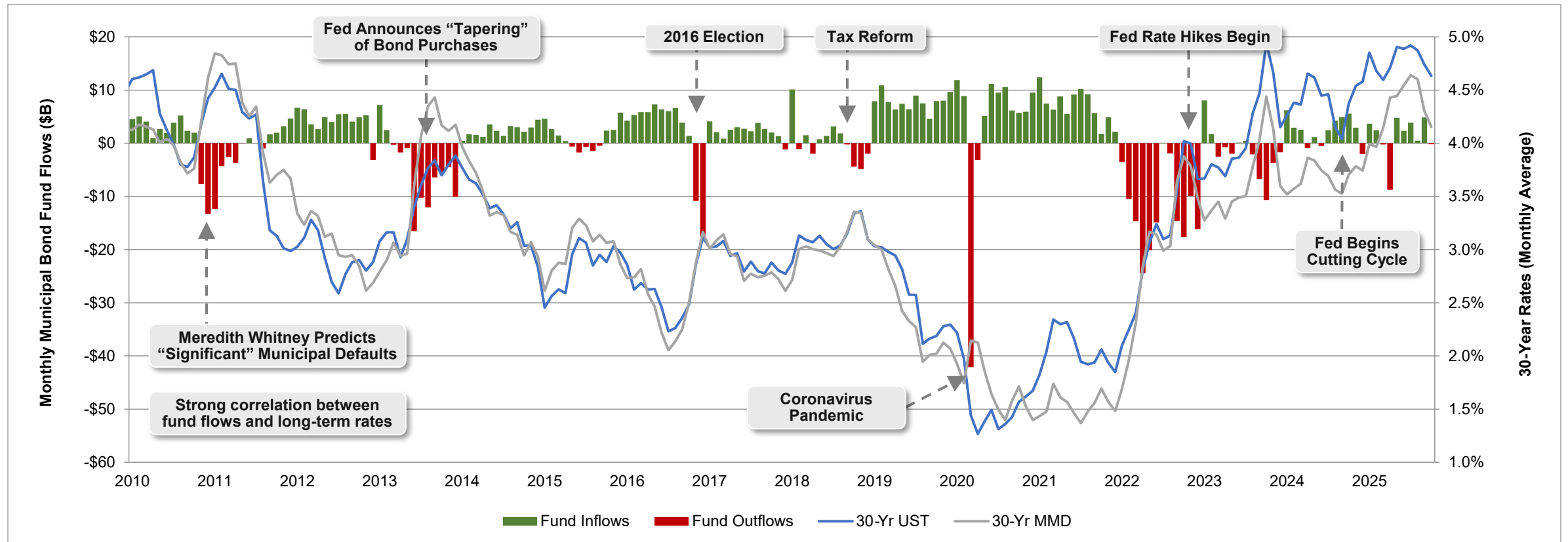
General Non-Operating Observations

	October 2025	M-o-M Change	Y-o-Y Change
General			
GDP Growth			
Unemployment Rate			
Personal Consumption Expenditures (Y-o-Y)			
Due to the government shutdown, October's economic data was not available as of 11/17/25.			
Liabilities			
SOFR	4.22%	-2 bps	-68 bps
SIFMA	3.22%	+33 bps	-2 bps
30-yr MMD	4.15%	-9 bps	+28 bps
30-yr Treasury	4.65%	-8 bps	+18 bps
Assets			
60/40 Asset Allocation†	n/a	+1.7%	+15.0%

† 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



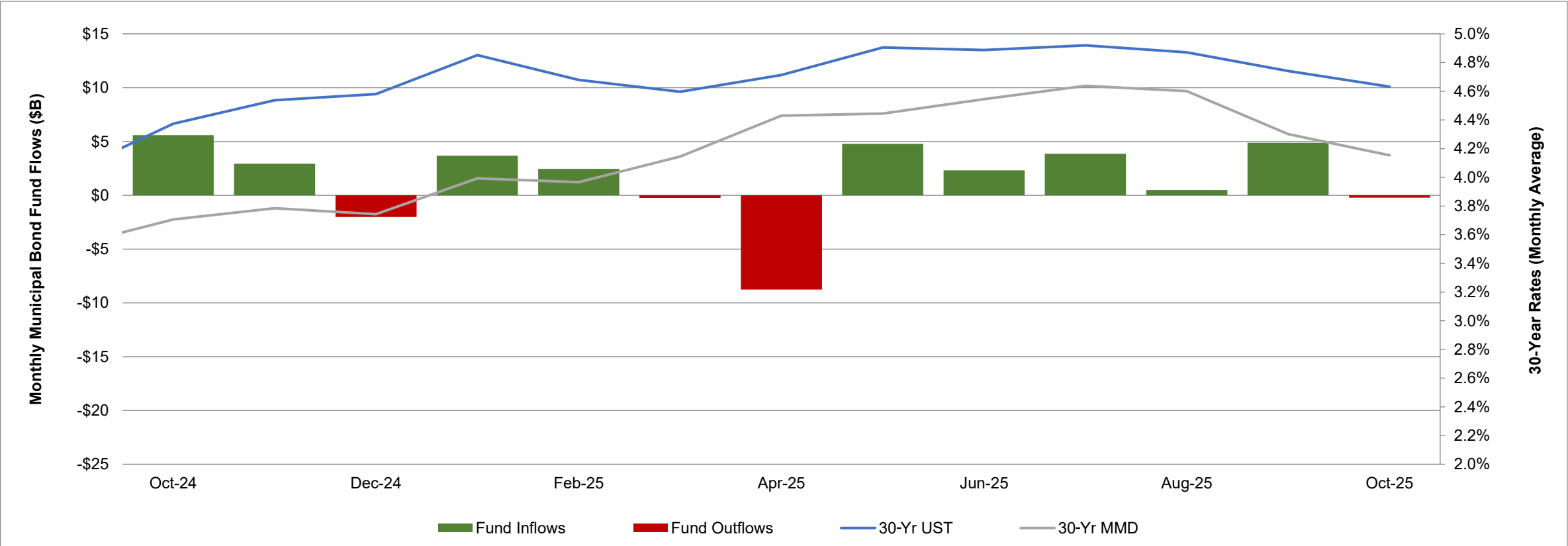
Kaufman Hall, *National Hospital Flash Report* (October 2025 Metrics)

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: \$19.8 Bn



Kaufman Hall, National Hospital Flash Report (October 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)*

In October, the tax-exempt market continued to decline, particularly across maturities from seven years onward, reinforcing the trend of an inverted yield curve. The 10-year MMD closed at 2.73%, down 19 basis points from September, while the 30-year MMD fell nine basis points to 4.15%, now 69 basis points below its 12-month high of 4.84% set in April. Although October marked meaningful easing, November has been relatively stable, with only modest movements: the 10-year MMD rose by two basis points, and the 30-year dipped one basis point as of mid-month. This suggests the downward momentum seen since late summer may be plateauing.

The taxable market in October continued to follow the rate softening trend in September. The 10-year Treasury yield declined by seven basis points, and the 30-year fell eight basis points, continuing to move away from the key 5.00% threshold. The 30-year yield peaked at 4.75% in October, 21 basis points lower than September's high. October's low of 4.53% was also 12 basis points below September's low. However, early November reversed this trend, with the 10-year and 30-year Treasury yields increasing by seven and 10 basis points, respectively, through mid-month.

In October, MMD/UST ratios predominantly widened across the curve. The 10-year, 20-year, and 30-year ratios declined in descending order by 3%, 2%, and 1%, ending at 67%, 83%, and 89%, respectively. The five-year ratio tightened, rising 3% month-over-month to close at 65%.

The tax-exempt yield curve continues to steepen in October. Since January, the five-year and 10-year MMD yields are down 39 and 24 basis points, respectively. Conversely, the 20-year and 30-year yields have increased by 10 and 18 basis points, encouraging borrowers to favor shorter-term maturities.

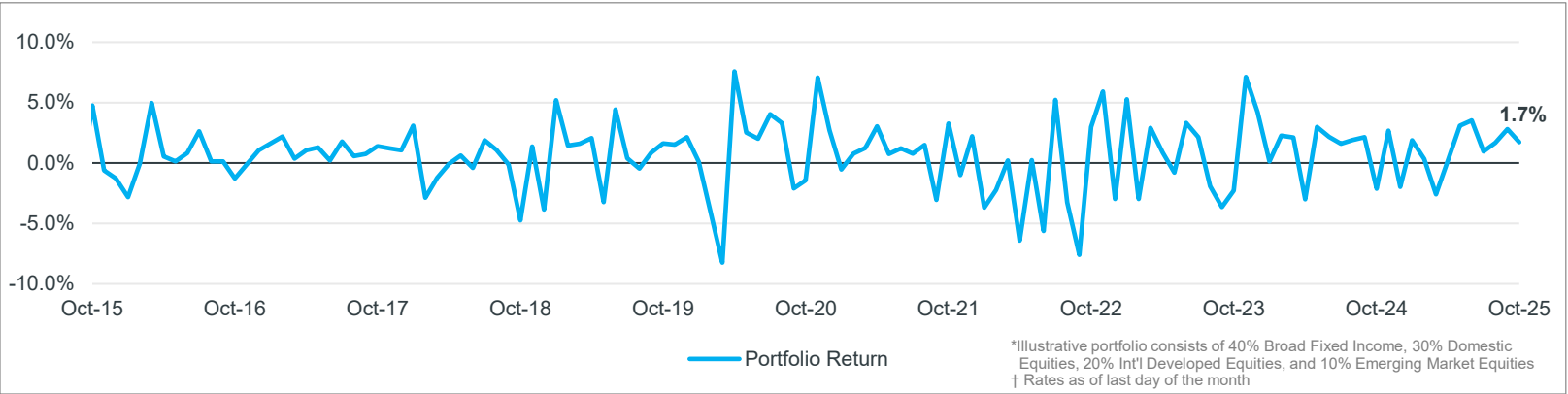
Variable tax-exempt rates were volatile in October, trading in a 91-basis point range between 2.31% and 3.22% in October. The month's 2.31% low stood 29 basis points lower than September's low of 2.60%. However, October's high of 3.22% was 33 basis points above September's high of 2.89%, reflecting higher volatility in October compared to September. Since June 2025, SIFMA has averaged 2.49%, with the SIFMA/SOFR averaging 59%, well below the long-term historical average of 67-70%. Early November resets show signs of moderation, ranging between 2.45% and 2.68%.

Non-Operating Liabilities *(continued)*

Municipal bonds flowed in a reversed direction in October from September. After \$4.9 billion in inflows in September, October saw \$0.2 billion in outflows. In the healthcare sector, year-to-date issuance reached \$41.6 billion, up \$6.6 billion from the same period last year. Nine tax-exempt public healthcare deals priced in October, all before the final week of the month, which included the Fed meeting. Three deals have been priced so far in November, with additional transactions expected later in the month.

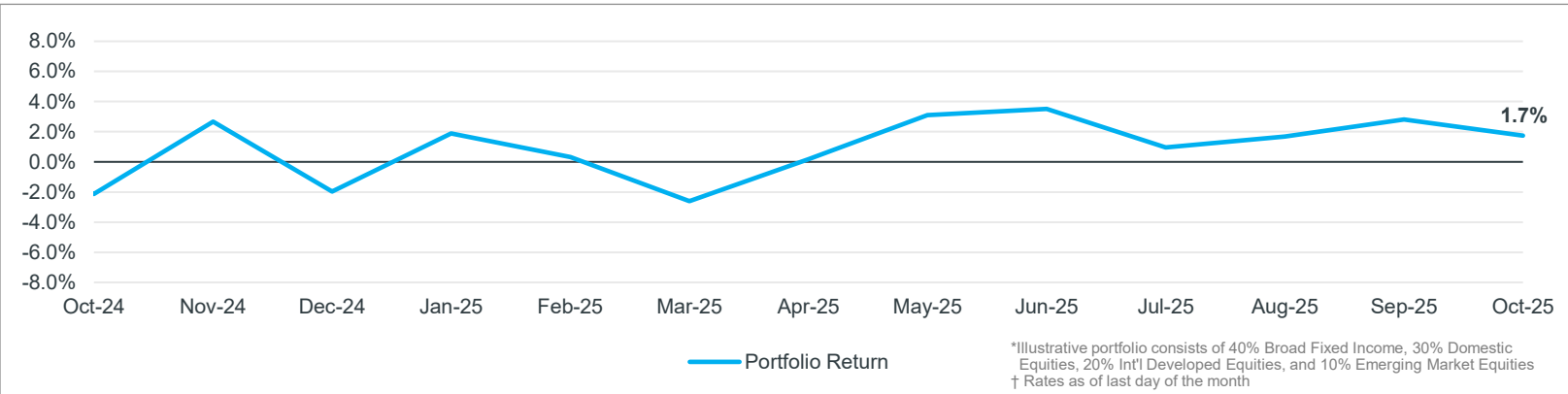
Non-Operating Assets

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



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

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



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

Equity markets continued their positive momentum in October, marking six consecutive months of gains. The market rose 2.3% for the month, up 19.9% on an annual basis, reflecting sustained investor optimism. The commonly used 60/40 blended asset allocation portfolio returned 1.7% in October, compared to 2.8% in September. The MSCI World, MSCI Emerging Markets, and Barclays Aggregate Bond Index all saw gains in September at 1.9%, 4.1%, and 0.6%, respectively. The continued strength in both equities and fixed income suggests broad-based investor confidence across asset classes.

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Talk to us

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