



MARCH 2025 METRICS

# National Hospital Flash Report

**Real Data. Real Insight. Real Time.**

*Based on Data from More Than 1,300 Hospitals*

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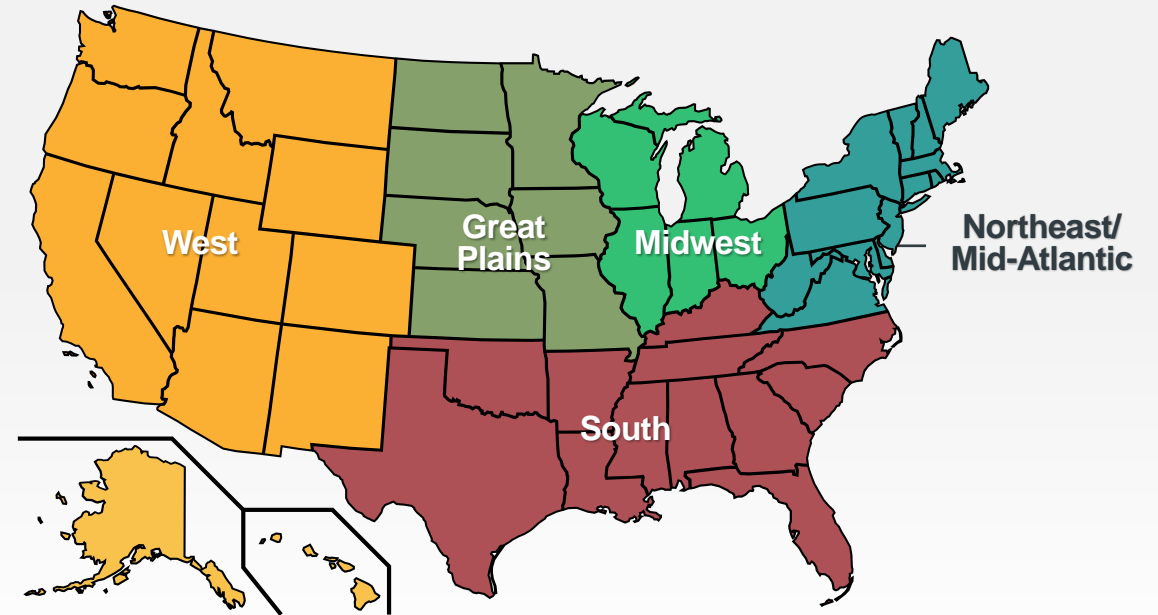
# About the Data

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.

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](http://www.stratadecision.com).

# Key Takeaways

- 1. Patient volume per calendar day is down significantly in March, month-over-month.** Declines in flu and other seasonal respiratory illnesses are responsible for this trend.
- 2. The cost of delivering care to hospital patients declined from February.** Hospitals capitalized on efficiencies realized when transitioning out of the respiratory illness season.
- 3. Hospital revenue remains flat.** However, expenses remain elevated compared to previous years, fueled by supplies and drug expenses.

# Operating Margin

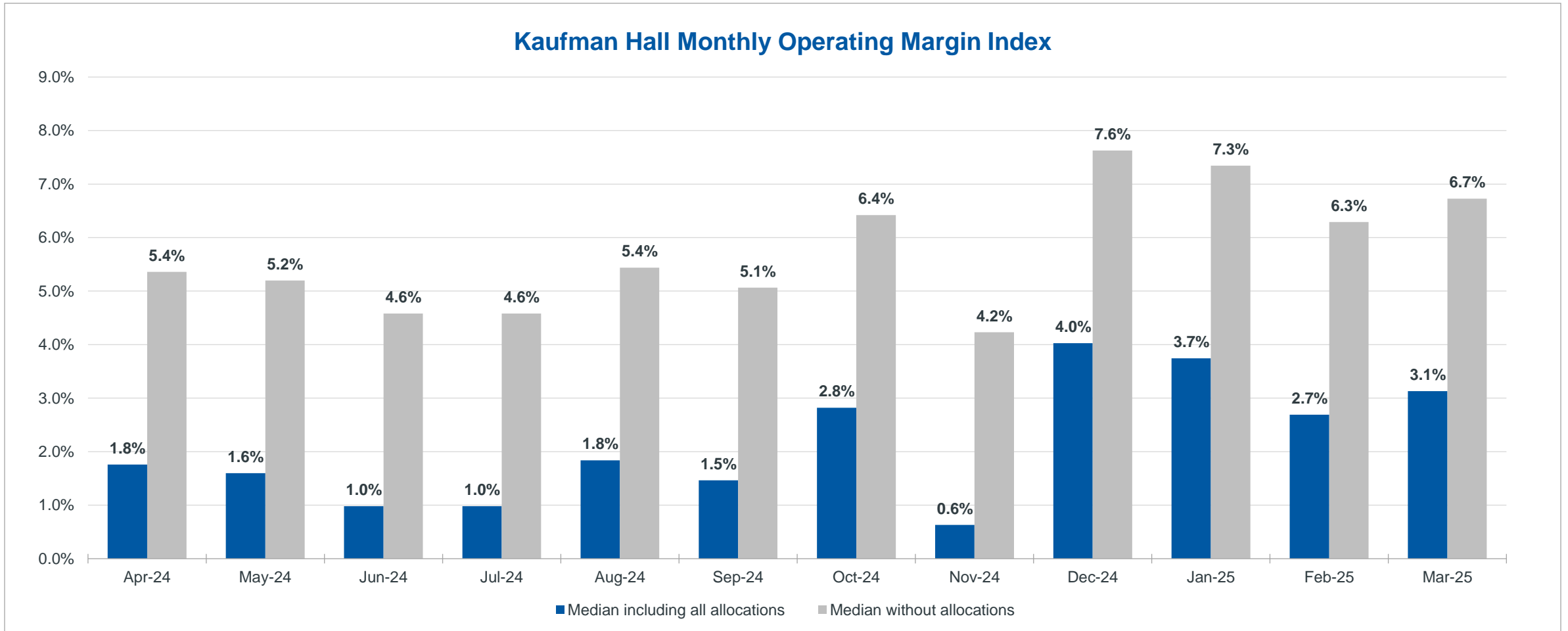


Kaufman Hall, National Hospital Flash Report (March 2025 Metrics)

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

# Operating Margin *(continued)*

## Kaufman Hall Monthly Operating Margin Index



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

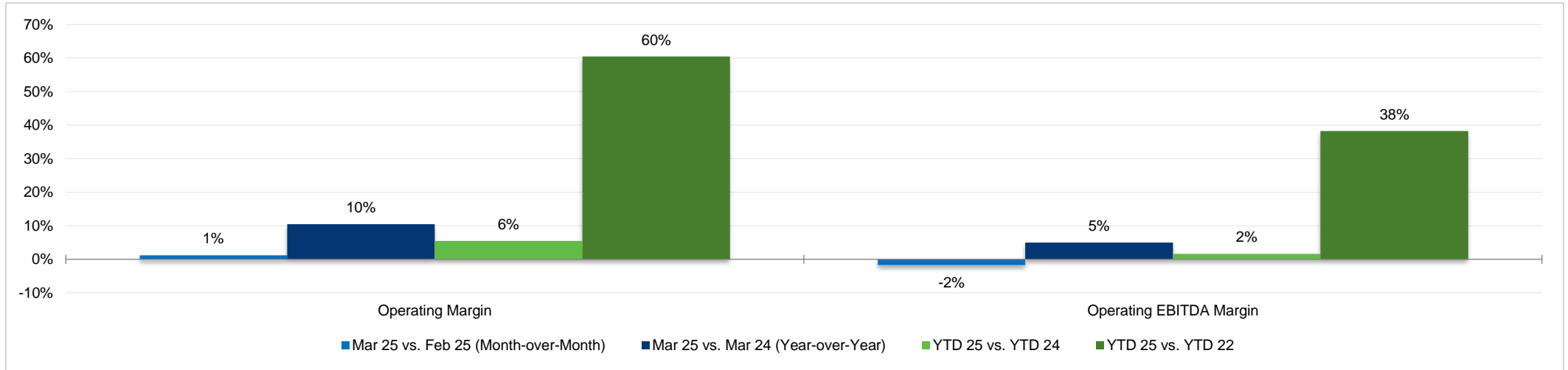
\* Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset, and are displayed with and without adjustments for allocations to hospitals from corporate, physician, and other entities.

# National and Regional Data

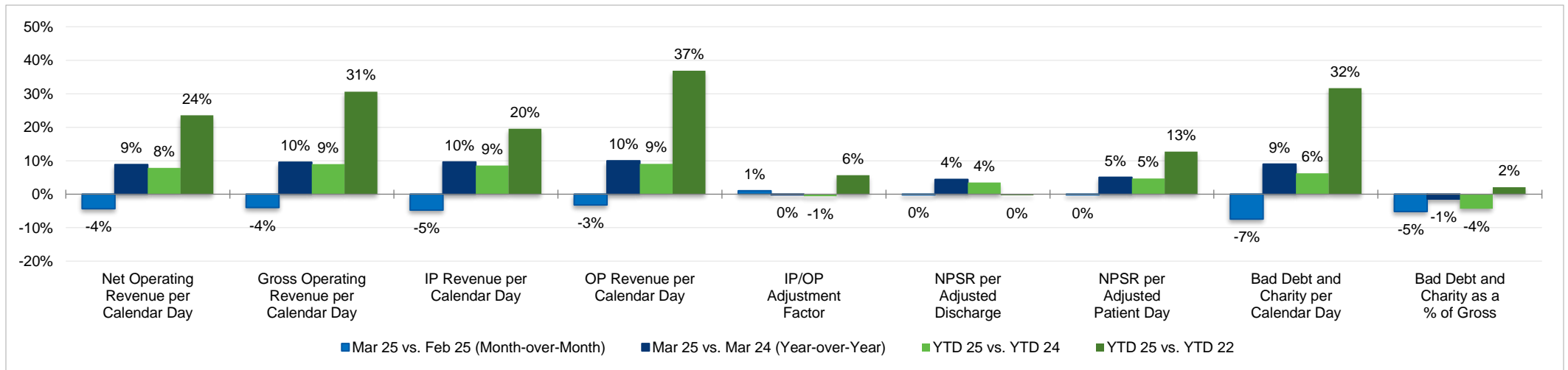
*Profitability, Revenue, Expense, and Volume*

# National Data

## Profitability

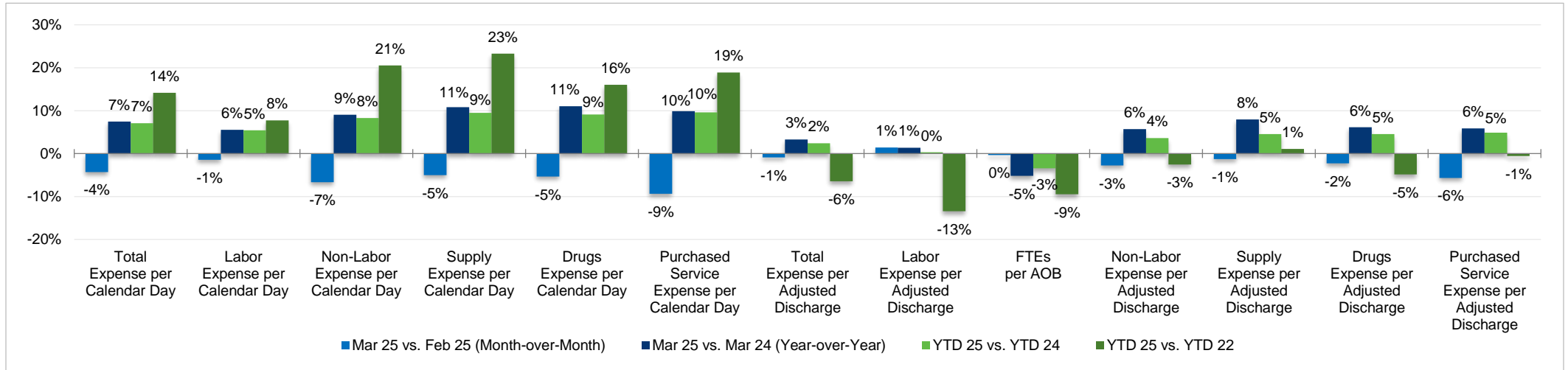


## Revenue

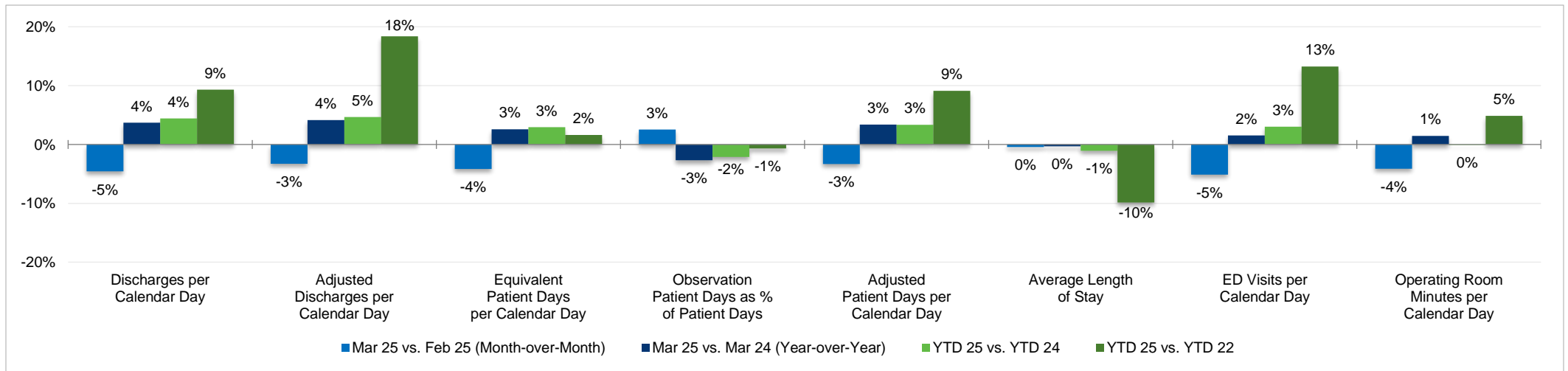


# National Data *(continued)*

## Expense

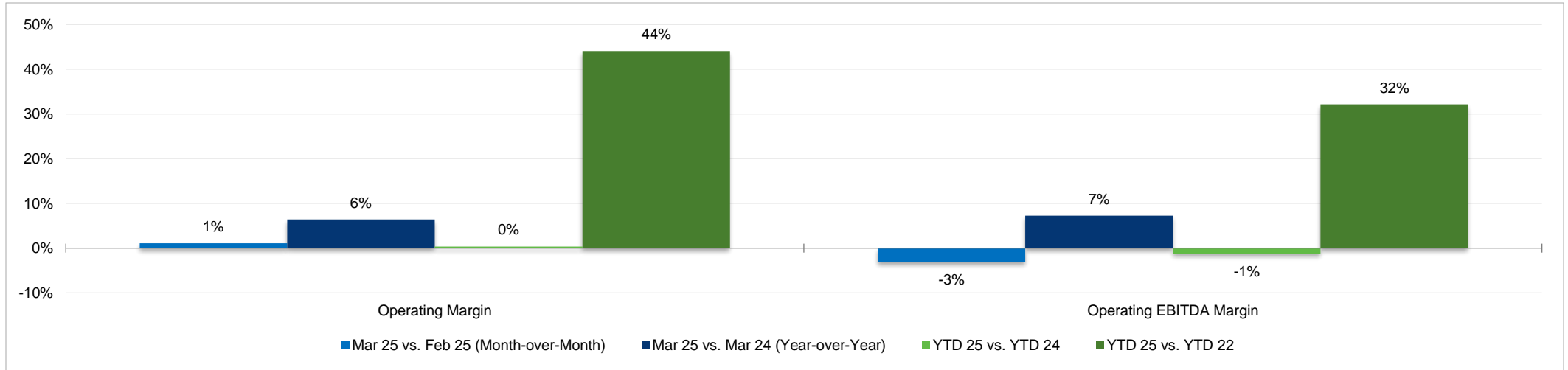


## Volume

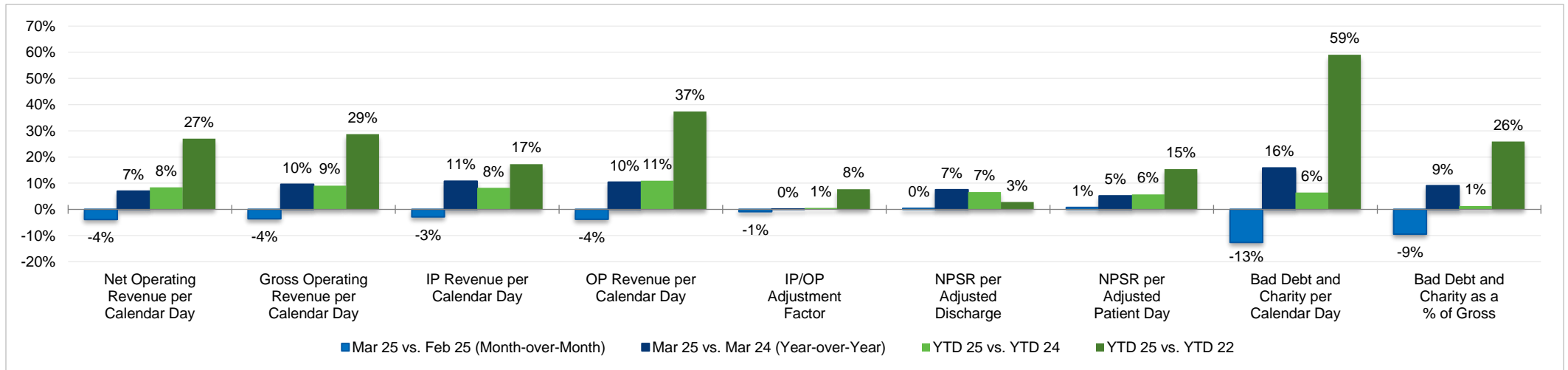


# Regional Data: West

## Profitability

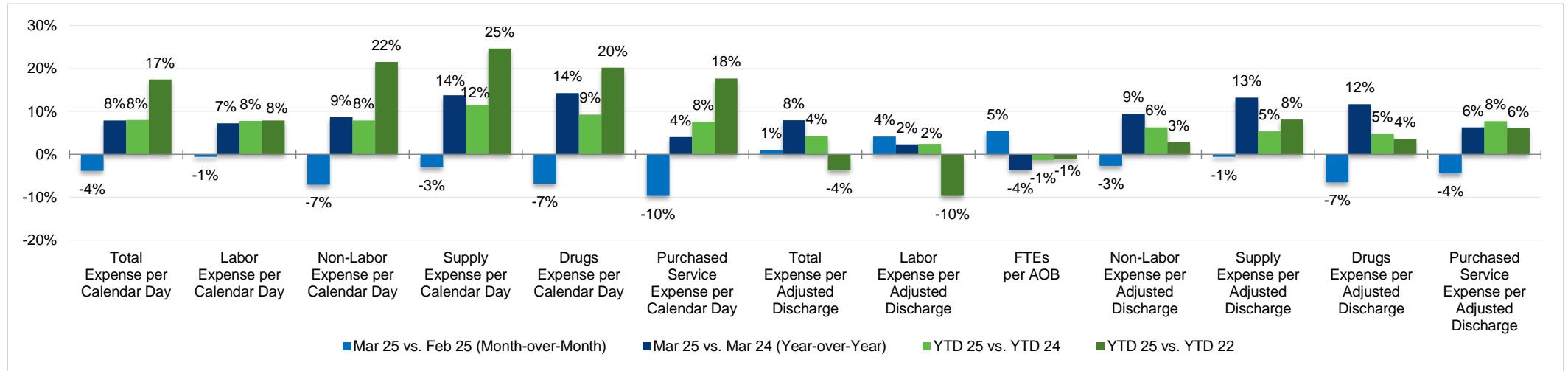


## Revenue

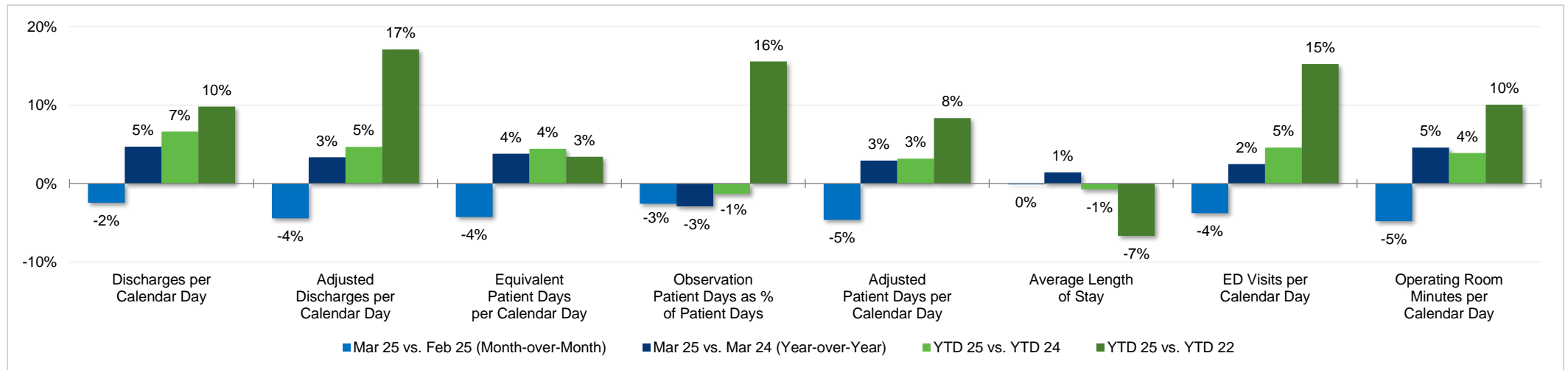


# Regional Data: West *(continued)*

## Expense

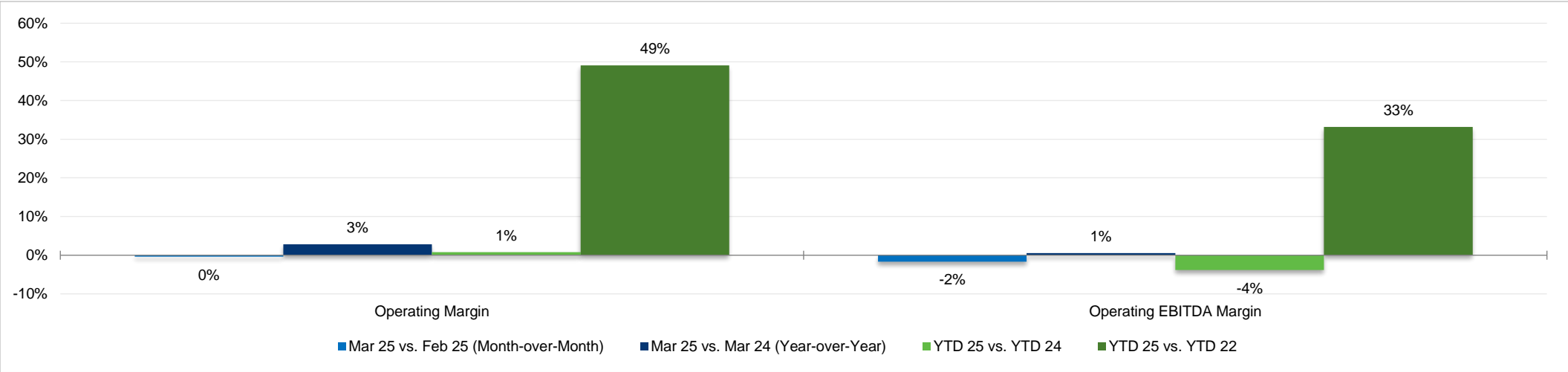


## Volume

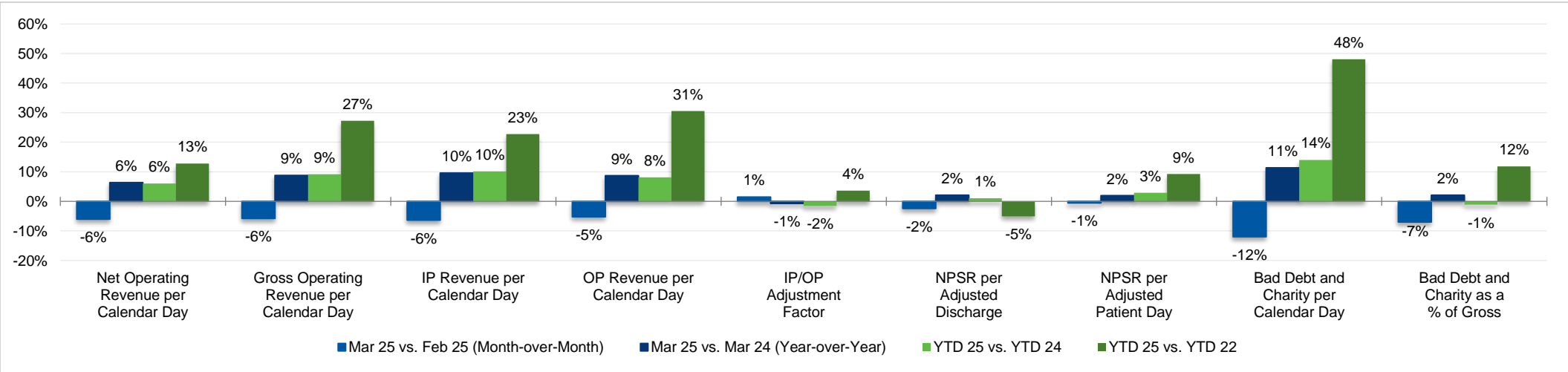


# Regional Data: Midwest

## Profitability

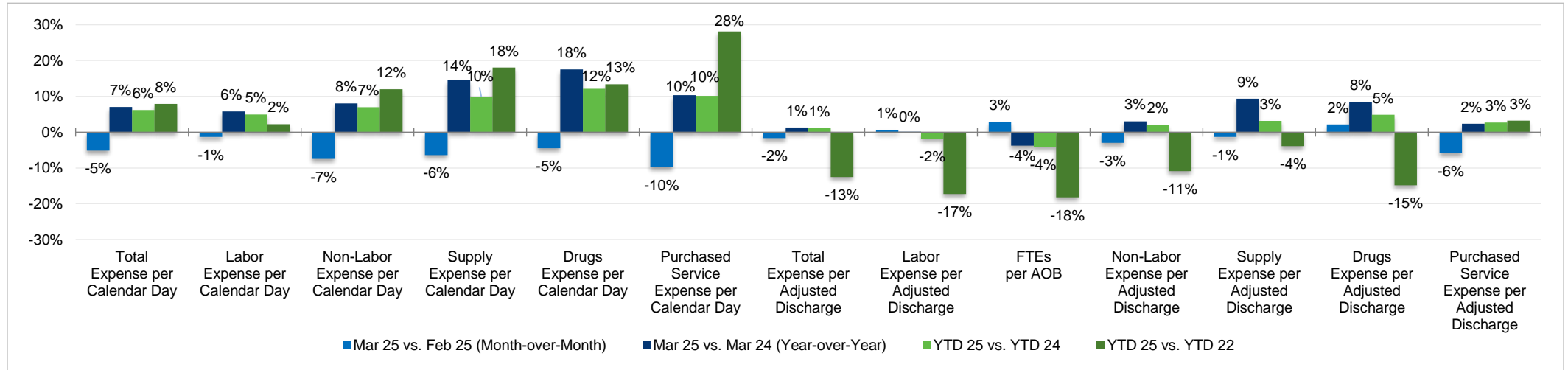


## Revenue

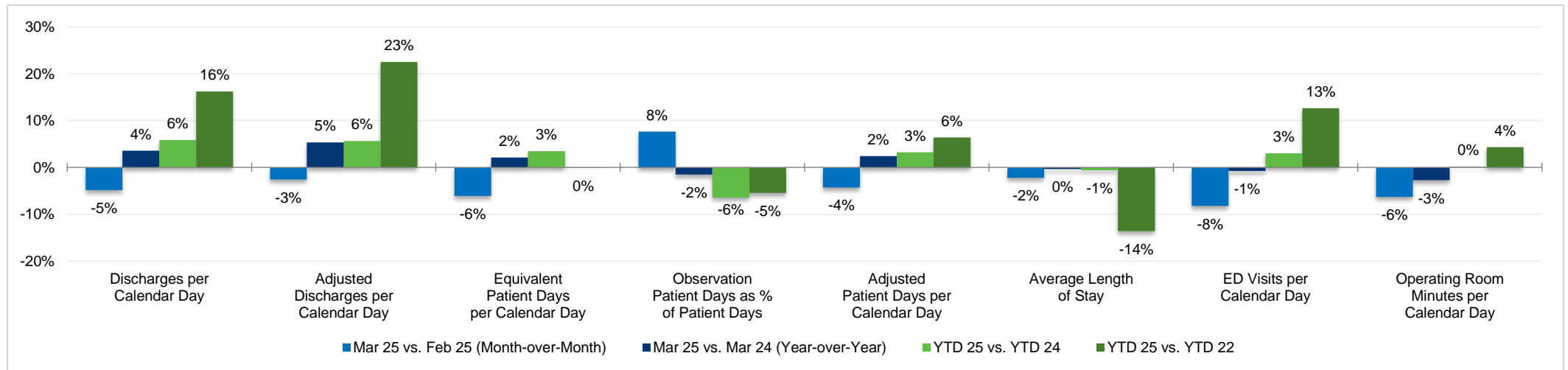


# Regional Data: Midwest *(continued)*

## Expense

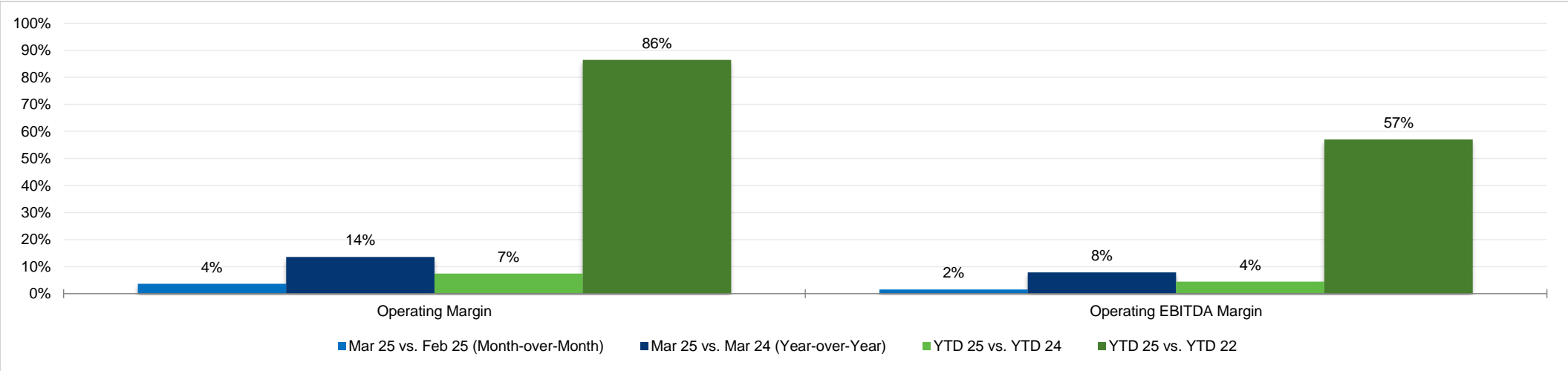


## Volume

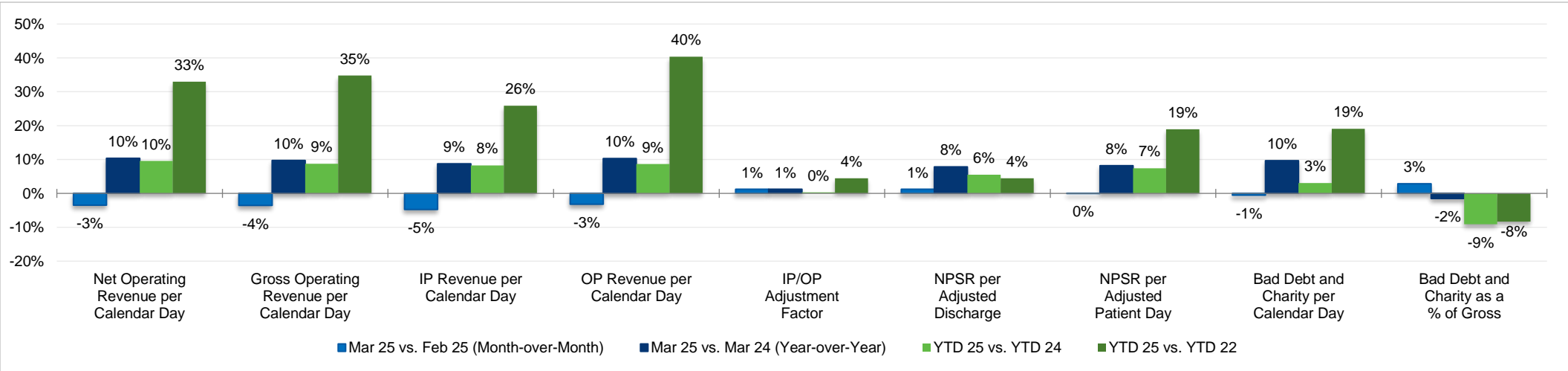


# Regional Data: South

## Profitability

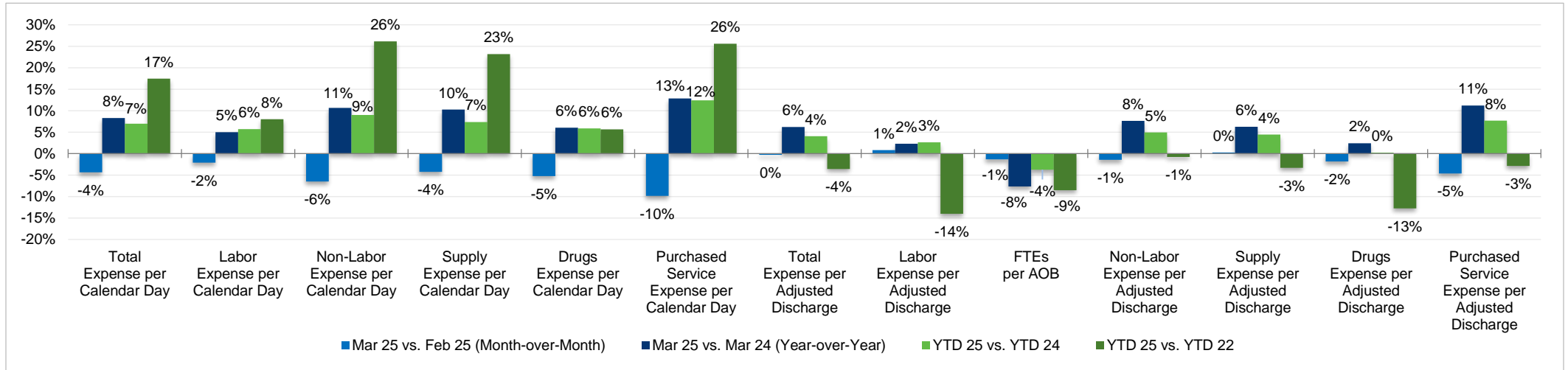


## Revenue

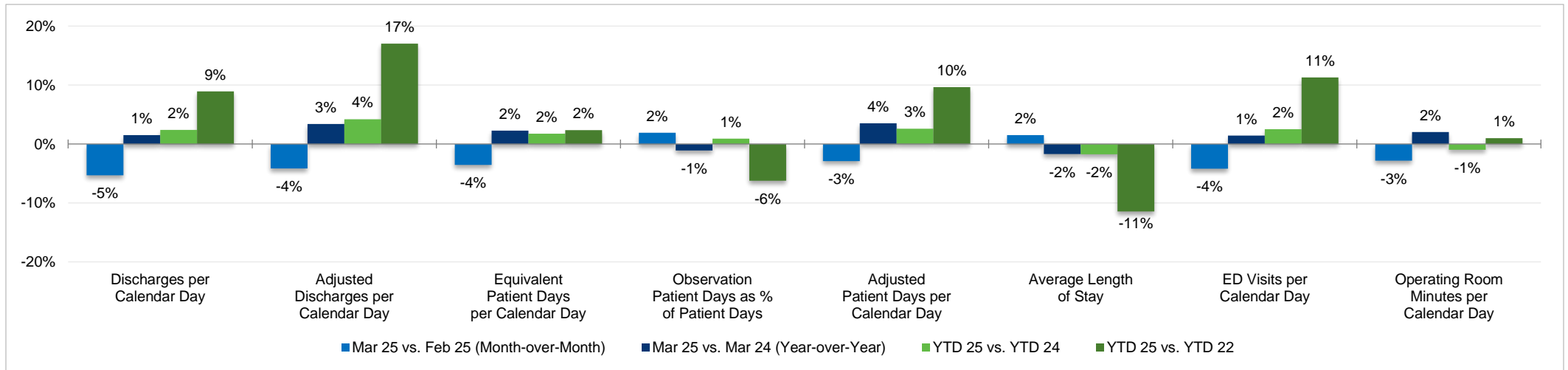


# Regional Data: South *(continued)*

## Expense

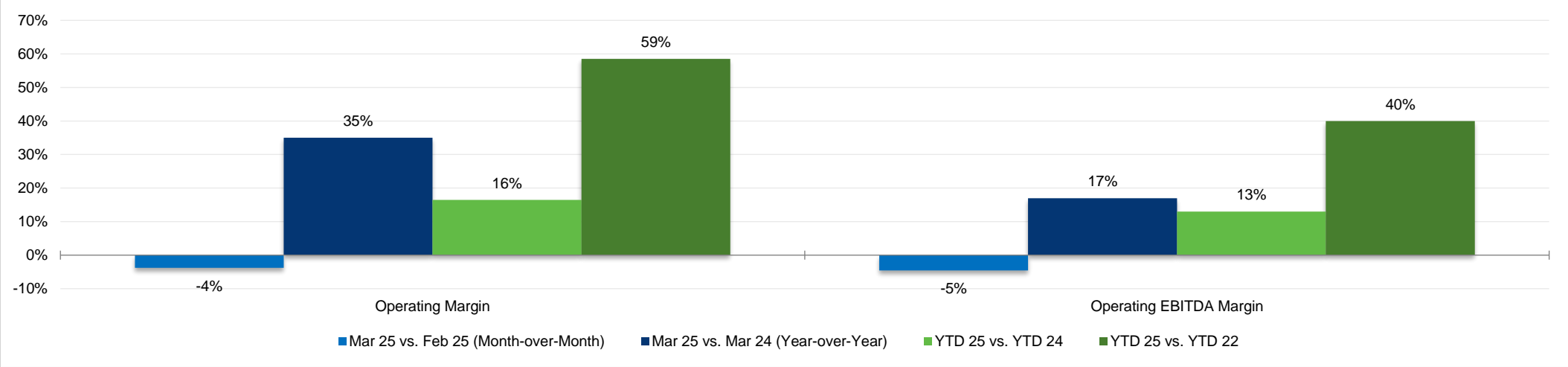


## Volume

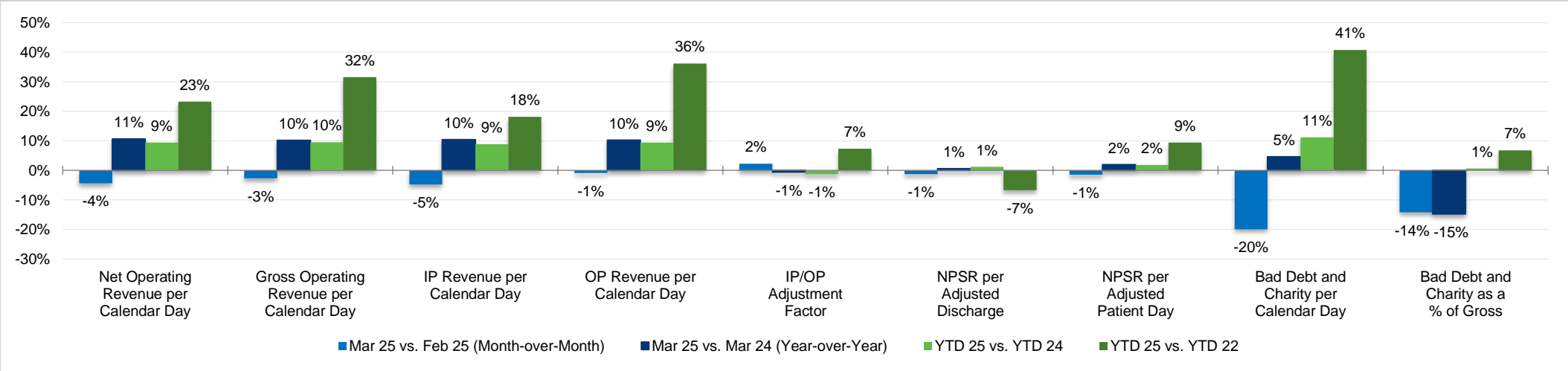


# Regional Data: Northeast/Mid-Atlantic

## Profitability

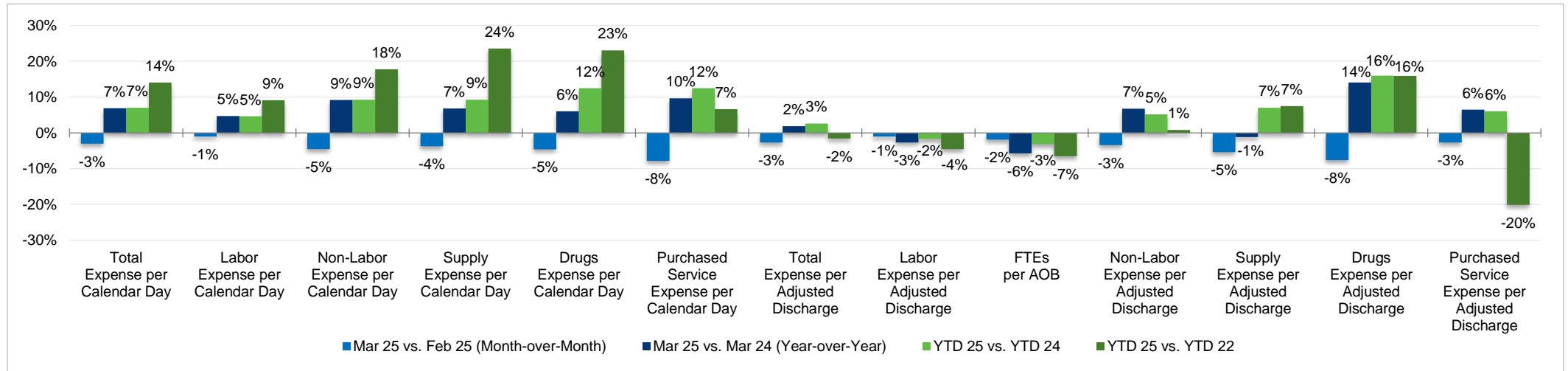


## Revenue

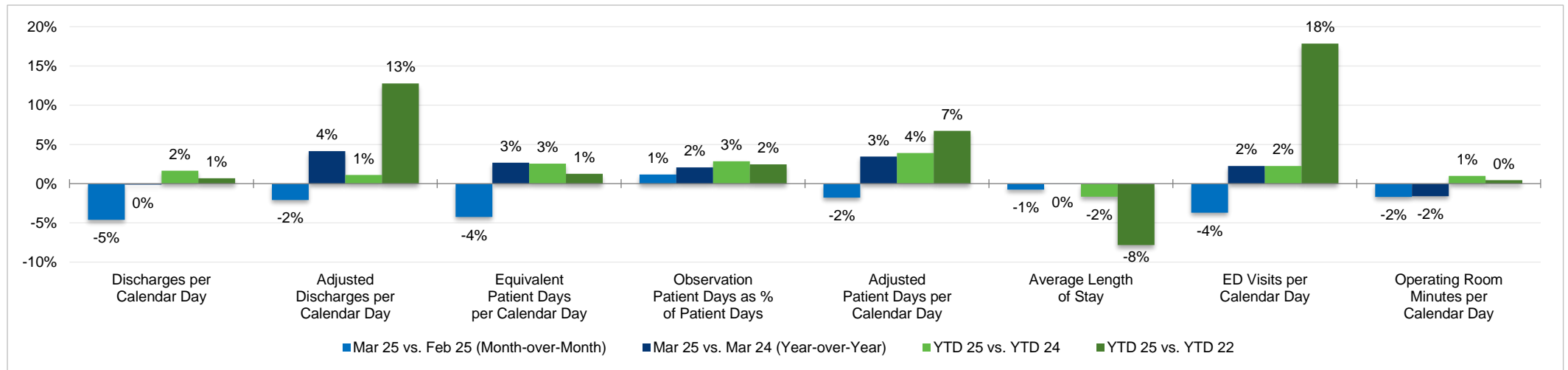


# Regional Data: Northeast/Mid-Atlantic *(continued)*

## Expense

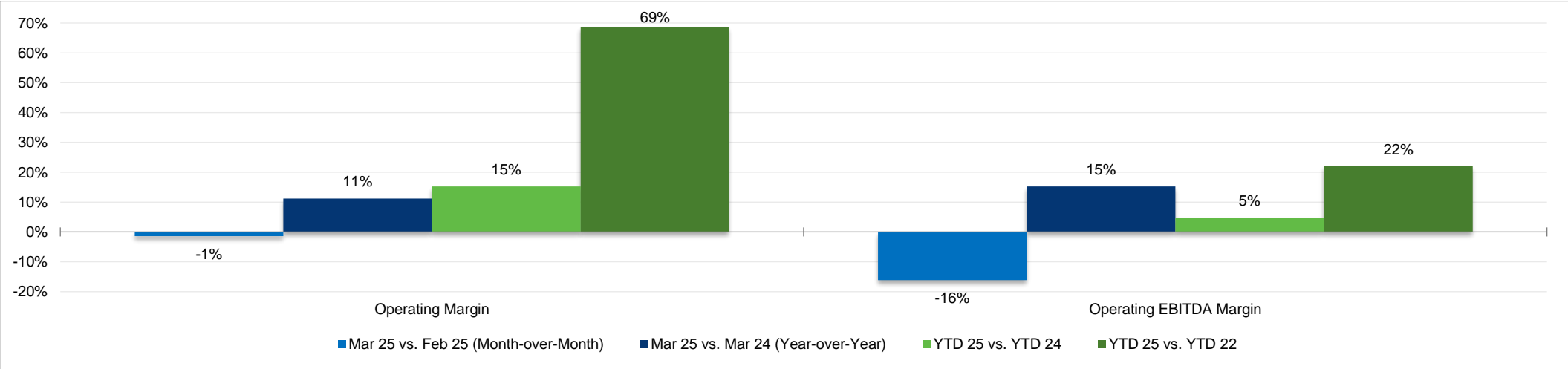


## Volume

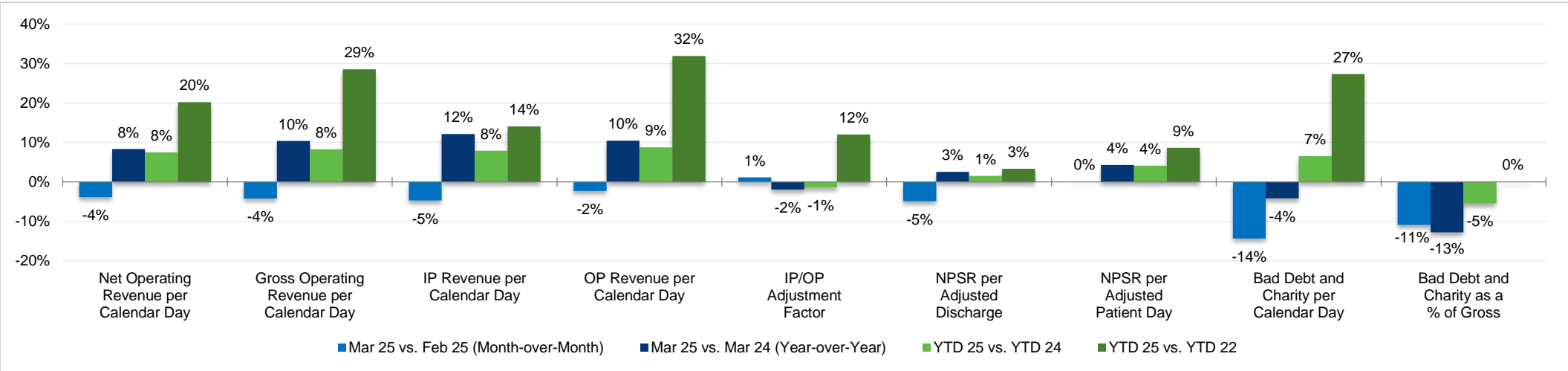


# Regional Data: Great Plains

## Profitability

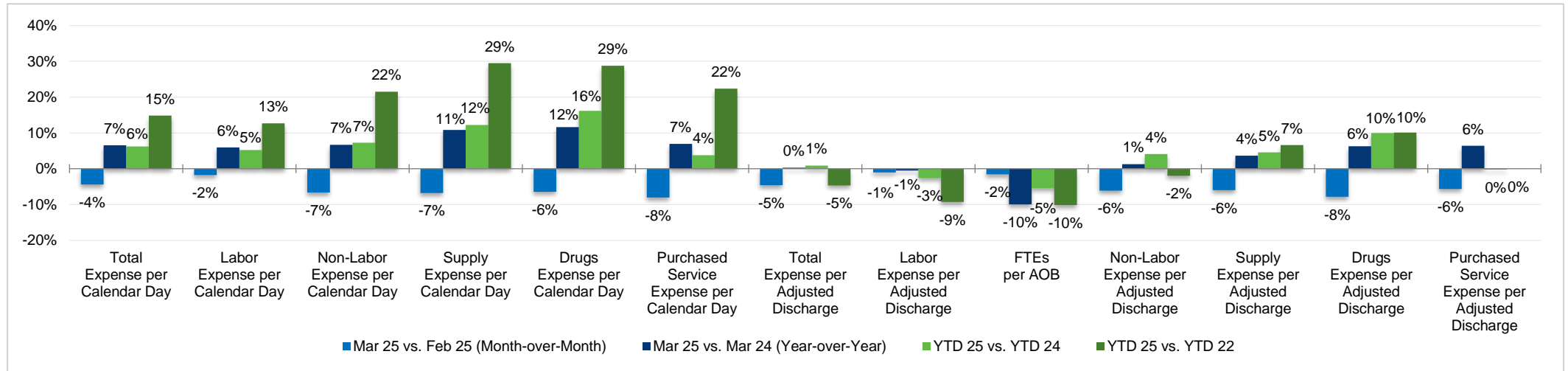


## Revenue

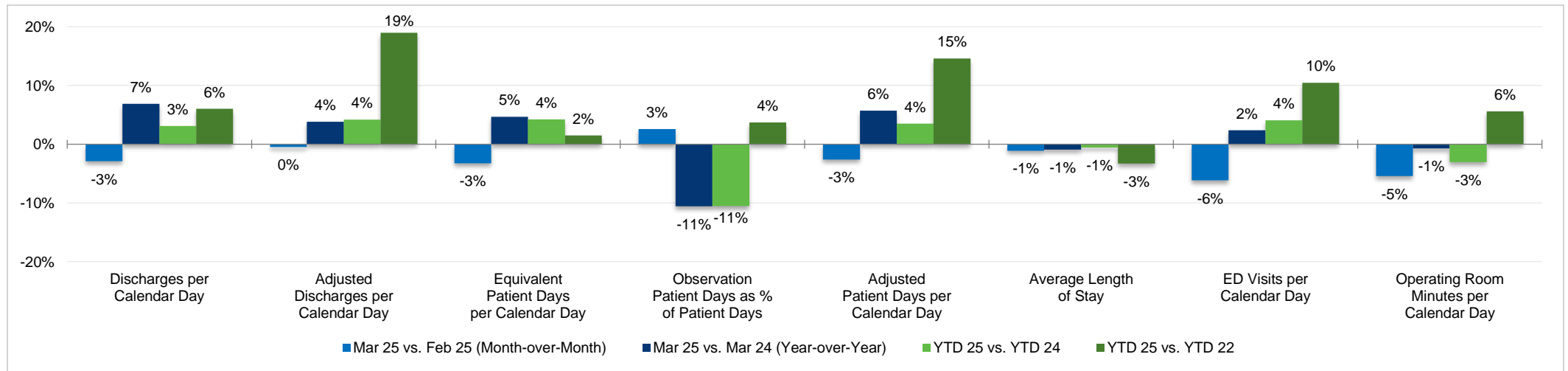


# Regional Data: Great Plains *(continued)*

## Expense



## Volume



# Data by Hospital Bed Size

*Profitability, Revenue, Expense, and Volume*

# 0-25 Beds

		Mar 25 vs. Feb 25 (Month-over-Month)	Mar 25 vs. Mar 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
<b>Margin</b>	Operating Margin	5.8%	2.1%	1.1%	52.1%
	Operating EBIDA Margin	1.7%	-0.1%	-3.3%	24.6%
<b>Volume</b>	Discharges per Calendar Day	-7.8%	5.9%	5.9%	6.5%
	Adjusted Discharges per Calendar Day	-6.1%	5.8%	8.8%	28.0%
	Equivalent Patient Days per Calendar Day	-4.5%	3.6%	2.4%	-3.1%
	Observation Patient Days as % of Patient Days	-3.6%	-6.8%	0.5%	-4.5%
	Adjusted Patient Days per Calendar Day	-2.2%	6.8%	5.2%	16.3%
	Average Length of Stay	1.4%	-3.2%	-3.4%	-13.4%
	ED Visits per Calendar Day	-7.0%	2.7%	4.0%	12.7%
	Operating Room Minutes per Calendar Day	-8.2%	6.2%	6.1%	7.9%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	-2.6%	6.2%	6.5%
Gross Operating Revenue per Calendar Day		-4.6%	10.3%	9.1%	28.7%
IP Revenue per Calendar Day		-6.4%	11.5%	6.9%	2.2%
OP Revenue per Calendar Day		-3.1%	10.4%	9.6%	32.5%
IP/OP Adjustment Factor		2.7%	-2.6%	-0.6%	19.2%
NPSR per Adjusted Discharge		-2.4%	-0.4%	-2.1%	-8.2%
NPSR per Adjusted Patient Day		-0.9%	0.7%	0.4%	0.9%
Bad Debt and Charity per Calendar Day		-14.9%	8.9%	6.1%	25.2%
Bad Debt and Charity as a % of Gross		-9.3%	-2.1%	-6.1%	-3.1%
<b>Expense</b>	Total Expense per Calendar Day	-4.5%	7.7%	7.0%	13.1%
	Labor Expense per Calendar Day	-1.7%	6.4%	5.4%	7.9%
	Non-Labor Expense per Calendar Day	-8.3%	8.0%	7.4%	15.7%
	Supply Expense per Calendar Day	-9.9%	13.7%	10.7%	21.0%
	Drugs Expense per Calendar Day	-6.9%	10.6%	10.7%	27.0%
	Purchased Service Expense per Calendar Day	-7.7%	13.0%	10.3%	15.9%
	Total Expense per Adjusted Discharge	-0.4%	-2.4%	-4.9%	-17.8%
	Labor Expense per Adjusted Discharge	1.8%	-2.6%	-5.3%	-20.0%
	FTEs per AOB	-3.4%	-13.3%	-6.4%	-18.3%
	Non-Labor Expense per Adjusted Discharge	-1.1%	-2.0%	-3.0%	-12.0%
	Supply Expense per Adjusted Discharge	-2.0%	6.0%	0.4%	-8.2%
	Drugs Expense per Adjusted Discharge	-4.4%	1.8%	0.5%	-0.1%
Purchased Service Expense per Adjusted Discharge	-5.0%	5.0%	1.1%	-15.4%	

# 26-99 Beds

		Mar 25 vs. Feb 25 (Month-over-Month)	Mar 25 vs. Mar 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
<b>Margin</b>	Operating Margin	-4.1%	18.3%	8.2%	65.7%
	Operating EBIDA Margin	-5.9%	6.5%	3.7%	43.0%
<b>Volume</b>	Discharges per Calendar Day	-7.2%	4.1%	5.2%	9.6%
	Adjusted Discharges per Calendar Day	-3.0%	5.8%	4.1%	24.1%
	Equivalent Patient Days per Calendar Day	-7.5%	4.7%	5.9%	0.3%
	Observation Patient Days as % of Patient Days	7.6%	-1.7%	-3.0%	5.0%
	Adjusted Patient Days per Calendar Day	-3.8%	6.7%	4.0%	7.2%
	Average Length of Stay	-0.7%	0.5%	1.8%	-11.3%
	ED Visits per Calendar Day	-6.6%	0.7%	2.1%	13.7%
	Operating Room Minutes per Calendar Day	-3.3%	-0.2%	0.1%	-3.5%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	-5.9%	9.4%	8.2%
Gross Operating Revenue per Calendar Day		-5.3%	9.3%	8.8%	26.2%
IP Revenue per Calendar Day		-8.3%	9.2%	8.7%	13.7%
OP Revenue per Calendar Day		-3.3%	9.2%	8.8%	35.5%
IP/OP Adjustment Factor		2.0%	-0.4%	-2.2%	9.9%
NPSR per Adjusted Discharge		0.1%	2.0%	4.5%	-4.7%
NPSR per Adjusted Patient Day		-0.2%	2.9%	3.7%	11.3%
Bad Debt and Charity per Calendar Day		-10.6%	5.5%	4.4%	29.4%
Bad Debt and Charity as a % of Gross		-7.4%	0.8%	-4.2%	8.0%
<b>Expense</b>	Total Expense per Calendar Day	-4.8%	6.9%	5.7%	10.7%
	Labor Expense per Calendar Day	-2.5%	6.2%	4.6%	5.8%
	Non-Labor Expense per Calendar Day	-7.1%	8.5%	8.1%	15.4%
	Supply Expense per Calendar Day	-3.9%	13.6%	10.4%	17.2%
	Drugs Expense per Calendar Day	-4.4%	17.8%	8.9%	1.0%
	Purchased Service Expense per Calendar Day	-11.0%	8.2%	9.2%	20.5%
	Total Expense per Adjusted Discharge	-2.3%	1.8%	3.3%	-11.1%
	Labor Expense per Adjusted Discharge	0.6%	0.9%	0.9%	-18.0%
	FTEs per AOB	0.3%	-8.8%	-4.5%	-9.9%
	Non-Labor Expense per Adjusted Discharge	-5.3%	2.4%	4.6%	-8.5%
	Supply Expense per Adjusted Discharge	-0.8%	7.7%	3.9%	-5.0%
	Drugs Expense per Adjusted Discharge	-1.2%	12.6%	4.6%	-14.6%
Purchased Service Expense per Adjusted Discharge	-7.2%	-0.5%	4.2%	0.0%	

# 100-199 Beds

		Mar 25 vs. Feb 25 (Month-over-Month)	Mar 25 vs. Mar 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
<b>Margin</b>	Operating Margin	3.3%	20.3%	4.8%	43.3%
	Operating EBIDA Margin	-0.4%	10.8%	2.8%	37.4%
<b>Volume</b>	Discharges per Calendar Day	-3.8%	3.8%	3.9%	9.9%
	Adjusted Discharges per Calendar Day	-2.7%	3.3%	4.4%	17.1%
	Equivalent Patient Days per Calendar Day	-5.0%	2.0%	2.5%	1.7%
	Observation Patient Days as % of Patient Days	3.0%	0.5%	-1.0%	-1.7%
	Adjusted Patient Days per Calendar Day	-4.0%	2.3%	0.8%	9.1%
	Average Length of Stay	-2.1%	-2.7%	-2.8%	-11.5%
	ED Visits per Calendar Day	-5.4%	1.7%	2.6%	10.5%
	Operating Room Minutes per Calendar Day	-4.8%	1.2%	-2.0%	5.4%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	-3.8%	6.5%	6.7%
Gross Operating Revenue per Calendar Day		-4.0%	7.8%	7.6%	29.1%
IP Revenue per Calendar Day		-5.5%	7.6%	7.5%	22.0%
OP Revenue per Calendar Day		-3.3%	8.7%	8.1%	38.4%
IP/OP Adjustment Factor		2.0%	0.2%	-0.4%	5.7%
NPSR per Adjusted Discharge		-1.3%	3.9%	4.0%	-0.3%
NPSR per Adjusted Patient Day		1.2%	6.3%	5.5%	11.8%
Bad Debt and Charity per Calendar Day		-4.7%	7.0%	6.4%	26.7%
Bad Debt and Charity as a % of Gross		-1.9%	-4.3%	-4.5%	0.4%
<b>Expense</b>	Total Expense per Calendar Day	-3.7%	7.2%	6.5%	13.3%
	Labor Expense per Calendar Day	-1.0%	4.4%	4.7%	8.3%
	Non-Labor Expense per Calendar Day	-6.6%	10.7%	8.1%	19.8%
	Supply Expense per Calendar Day	-4.3%	7.8%	7.0%	19.9%
	Drugs Expense per Calendar Day	-6.5%	7.5%	4.6%	5.2%
	Purchased Service Expense per Calendar Day	-9.2%	8.4%	8.9%	17.0%
	Total Expense per Adjusted Discharge	-1.1%	2.6%	3.2%	-7.0%
	Labor Expense per Adjusted Discharge	0.1%	1.6%	1.6%	-13.5%
	FTEs per AOB	1.5%	-3.8%	-3.3%	-9.5%
	Non-Labor Expense per Adjusted Discharge	-3.1%	5.5%	4.4%	-2.8%
	Supply Expense per Adjusted Discharge	-2.7%	3.2%	3.7%	-3.4%
	Drugs Expense per Adjusted Discharge	-3.9%	-0.9%	4.2%	-18.2%
Purchased Service Expense per Adjusted Discharge	-5.7%	6.6%	4.9%	-4.7%	

# 200-299 Beds

		Mar 25 vs. Feb 25 (Month-over-Month)	Mar 25 vs. Mar 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
<b>Margin</b>	Operating Margin	8.1%	4.4%	2.7%	52.6%
	Operating EBIDA Margin	0.0%	0.6%	0.5%	35.7%
<b>Volume</b>	Discharges per Calendar Day	-4.8%	3.1%	5.7%	11.0%
	Adjusted Discharges per Calendar Day	-4.3%	2.9%	4.8%	16.2%
	Equivalent Patient Days per Calendar Day	-3.9%	2.5%	2.6%	2.7%
	Observation Patient Days as % of Patient Days	3.3%	1.9%	-2.1%	0.1%
	Adjusted Patient Days per Calendar Day	-2.9%	2.6%	3.5%	7.5%
	Average Length of Stay	-0.4%	1.2%	-0.3%	-8.7%
	ED Visits per Calendar Day	-4.4%	1.6%	2.4%	13.7%
	Operating Room Minutes per Calendar Day	-3.2%	2.1%	0.1%	8.1%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	-4.4%	9.3%	7.6%
Gross Operating Revenue per Calendar Day		-3.5%	10.4%	9.6%	34.2%
IP Revenue per Calendar Day		-4.2%	11.1%	10.1%	29.6%
OP Revenue per Calendar Day		-3.6%	11.0%	9.9%	41.1%
IP/OP Adjustment Factor		1.0%	-0.6%	-0.2%	3.0%
NPSR per Adjusted Discharge		0.5%	7.2%	4.0%	4.8%
NPSR per Adjusted Patient Day		-1.2%	5.3%	5.5%	15.6%
Bad Debt and Charity per Calendar Day		-3.3%	18.2%	10.9%	45.1%
Bad Debt and Charity as a % of Gross		-0.9%	8.0%	-4.2%	5.1%
<b>Expense</b>	Total Expense per Calendar Day	-4.7%	6.9%	6.7%	17.2%
	Labor Expense per Calendar Day	-2.5%	5.2%	5.4%	8.8%
	Non-Labor Expense per Calendar Day	-7.1%	9.5%	9.0%	26.1%
	Supply Expense per Calendar Day	-5.1%	14.1%	11.1%	29.9%
	Drugs Expense per Calendar Day	-4.6%	16.0%	12.6%	15.7%
	Purchased Service Expense per Calendar Day	-10.3%	8.1%	10.1%	22.3%
	Total Expense per Adjusted Discharge	-0.3%	5.4%	1.9%	-4.5%
	Labor Expense per Adjusted Discharge	2.7%	2.2%	0.8%	-10.4%
	FTEs per AOB	-0.1%	-3.5%	-3.7%	-3.4%
	Non-Labor Expense per Adjusted Discharge	-2.6%	7.8%	3.6%	0.0%
	Supply Expense per Adjusted Discharge	-0.7%	11.7%	6.5%	3.0%
	Drugs Expense per Adjusted Discharge	2.0%	13.0%	7.7%	-3.6%
Purchased Service Expense per Adjusted Discharge	-5.1%	5.9%	5.5%	4.9%	

# 300-499 Beds

		Mar 25 vs. Feb 25 (Month-over-Month)	Mar 25 vs. Mar 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
<b>Margin</b>	Operating Margin	0.1%	56.9%	21.0%	102.2%
	Operating EBIDA Margin	-0.3%	18.9%	12.8%	68.2%
<b>Volume</b>	Discharges per Calendar Day	-3.7%	0.3%	2.8%	8.1%
	Adjusted Discharges per Calendar Day	-2.7%	2.4%	3.8%	11.6%
	Equivalent Patient Days per Calendar Day	-3.3%	4.0%	4.0%	4.1%
	Observation Patient Days as % of Patient Days	2.5%	-4.3%	-2.6%	3.0%
	Adjusted Patient Days per Calendar Day	-3.6%	3.5%	3.8%	7.7%
	Average Length of Stay	0.3%	1.3%	-0.1%	-5.9%
	ED Visits per Calendar Day	-3.7%	0.3%	3.8%	15.3%
	Operating Room Minutes per Calendar Day	-3.0%	1.7%	1.1%	4.5%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	-3.3%	11.2%	10.0%
Gross Operating Revenue per Calendar Day		-3.1%	11.6%	9.6%	28.9%
IP Revenue per Calendar Day		-3.4%	10.8%	10.2%	23.1%
OP Revenue per Calendar Day		-2.7%	10.2%	8.9%	39.9%
IP/OP Adjustment Factor		0.3%	-0.5%	0.0%	4.5%
NPSR per Adjusted Discharge		0.3%	6.3%	5.4%	8.8%
NPSR per Adjusted Patient Day		0.3%	7.0%	5.2%	16.7%
Bad Debt and Charity per Calendar Day		-4.7%	13.1%	6.7%	31.3%
Bad Debt and Charity as a % of Gross		-1.1%	-5.4%	0.3%	-1.2%
<b>Expense</b>	Total Expense per Calendar Day	-3.9%	7.4%	7.4%	14.4%
	Labor Expense per Calendar Day	-0.9%	6.4%	7.6%	6.5%
	Non-Labor Expense per Calendar Day	-5.9%	8.7%	8.2%	20.4%
	Supply Expense per Calendar Day	-2.9%	10.2%	8.2%	23.5%
	Drugs Expense per Calendar Day	-6.1%	8.3%	6.3%	21.2%
	Purchased Service Expense per Calendar Day	-8.9%	9.9%	9.6%	22.6%
	Total Expense per Adjusted Discharge	-0.7%	6.4%	3.6%	-0.9%
	Labor Expense per Adjusted Discharge	2.0%	2.1%	2.5%	-7.1%
	FTEs per AOB	0.9%	-3.3%	-1.0%	-6.1%
	Non-Labor Expense per Adjusted Discharge	-2.6%	8.5%	6.0%	8.2%
	Supply Expense per Adjusted Discharge	0.1%	10.2%	5.2%	8.8%
	Drugs Expense per Adjusted Discharge	-3.3%	10.6%	10.7%	8.5%
Purchased Service Expense per Adjusted Discharge	-4.5%	9.4%	8.2%	13.3%	

# 500+ Beds

		Mar 25 vs. Feb 25 (Month-over-Month)	Mar 25 vs. Mar 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
<b>Margin</b>	Operating Margin	-1.8%	-0.8%	1.3%	90.0%
	Operating EBIDA Margin	-0.9%	-2.1%	-5.4%	40.7%
<b>Volume</b>	Discharges per Calendar Day	-3.0%	4.2%	5.2%	14.2%
	Adjusted Discharges per Calendar Day	-3.7%	3.6%	3.6%	15.8%
	Equivalent Patient Days per Calendar Day	-1.9%	2.8%	2.3%	4.8%
	Observation Patient Days as % of Patient Days	0.9%	-0.7%	-2.5%	-3.3%
	Adjusted Patient Days per Calendar Day	-3.0%	1.7%	2.4%	8.6%
	Average Length of Stay	0.5%	-1.7%	-1.6%	-7.4%
	ED Visits per Calendar Day	-2.2%	2.4%	3.8%	13.1%
	Operating Room Minutes per Calendar Day	-4.1%	-0.1%	-0.1%	6.1%
	<b>Revenue</b>	Net Operating Revenue per Calendar Day	-3.8%	9.9%	9.0%
Gross Operating Revenue per Calendar Day		-2.9%	10.4%	10.1%	34.8%
IP Revenue per Calendar Day		-2.9%	8.8%	9.2%	29.7%
OP Revenue per Calendar Day		-2.3%	11.9%	9.2%	38.3%
IP/OP Adjustment Factor		0.0%	1.6%	0.6%	4.3%
NPSR per Adjusted Discharge		-0.8%	7.6%	4.8%	10.5%
NPSR per Adjusted Patient Day		-0.6%	11.1%	9.1%	23.2%
Bad Debt and Charity per Calendar Day		-3.4%	8.6%	9.0%	71.5%
Bad Debt and Charity as a % of Gross	0.4%	-1.0%	-2.3%	25.8%	
<b>Expense</b>	Total Expense per Calendar Day	-3.9%	9.8%	9.0%	22.0%
	Labor Expense per Calendar Day	-1.4%	6.4%	7.1%	12.0%
	Non-Labor Expense per Calendar Day	-5.7%	12.0%	10.7%	30.1%
	Supply Expense per Calendar Day	-3.0%	12.9%	11.6%	36.6%
	Drugs Expense per Calendar Day	-4.9%	16.5%	14.5%	45.2%
	Purchased Service Expense per Calendar Day	-7.4%	11.3%	11.9%	26.2%
	Total Expense per Adjusted Discharge	-0.5%	7.4%	7.3%	0.1%
	Labor Expense per Adjusted Discharge	1.6%	2.6%	3.1%	-6.7%
	FTEs per AOB	0.6%	-1.2%	-0.4%	-4.1%
	Non-Labor Expense per Adjusted Discharge	-2.7%	8.8%	7.4%	8.9%
	Supply Expense per Adjusted Discharge	0.8%	9.8%	6.9%	11.6%
	Drugs Expense per Adjusted Discharge	-1.0%	8.2%	5.5%	15.2%
Purchased Service Expense per Adjusted Discharge	-5.5%	2.1%	7.2%	9.7%	

# Non-Operating

# National Non-Operating Results

## Key Observations

*This report reflects market conditions as of March 31, 2025. Subsequent market events, including significant changes to U.S. tariff policy and market volatility in April 2025, will be addressed in future updates.*

Throughout March, the administration initiated a series of tariff policies. Early in the month, tariffs were imposed on imports from certain trade partners, including increases on goods from key trading nations. These actions were subsequently adjusted, with some tariffs being postponed while plans for broader reciprocal tariffs imposed on select countries were announced for April.

Later in March, the administration signaled intentions to implement further tariffs on a range of goods, including specific sectors and trading blocks. These announcements included the potential for significant tariff increases on certain products and the consideration of tariffs on imports from countries involved in specific international trade activities. Additionally, tariffs on auto imports were announced, with the stated goal of supporting domestic manufacturing.

- On March 19, the Federal Reserve Board held rates steady at its Federal Open Market Committee (FOMC) meeting; and the Committee decided to maintain the target range for the federal funds rate at 4.25% to 4.5%
- In his remarks at the FOMC meeting, Federal Reserve Chair Jerome Powell declared that the Fed would work to “separate nontariff inflation” from “tariff inflation” regarding inflationary forecasts; he also stated that “[The Fed is] well positioned to wait for greater clarity before considering any adjustments to [the Fed’s] policy stance.”
- March’s Producer Price Index (PPI), a key metric closely watched by the Fed, fell by 0.4% from February, better than the market’s expectation of a 0.2% increase, marking the first month-over-month decline in PPI since October 2023
- Consumer prices fell 0.1% in March, marking the second straight monthly decline and the first such drop in approximately five years; this deceleration in monthly inflation from February brought the annual rate down to 2.4%, a 0.4% decrease that continues to close in on the Fed’s 2.0% target

# National Non-Operating Results *(continued)*

## *Key Observations (continued)*

- Core Consumer Price Index (CPI) rose by 0.1% month-over-month, in line with March expectations but lower than February's increase of 0.2%; year-over-year Core CPI fell to 2.8% from 3.1%, reaching the lowest level since March 2021 and signaling a decline in underlying inflationary pressures
- The U.S. economy added 228,000 jobs in March, a 77,000 increase from February's payroll of 151,000, but exceeding market expectations of 140,000
- According to the Bureau of Labor Statistics: "Health care added 54,000 jobs in March, in line with the average monthly gain of 52,000 over the prior 12 months. Over the month, employment continued to trend up in ambulatory health care services (+20,000), hospitals (+17,000), and nursing and residential care facilities (+17,000)."
- March's unemployment rate increased 0.1% to 4.2%, marking the third consecutive month of such an increase and signaling a shift in the labor market back toward levels last seen in November
- The U.S. economy expanded at a 2.4% annualized rate in Q4 2024, according to the March 27 gross domestic product (GDP) report, exceeding the projected 2.3% growth rate
- However, the positive impact of the GDP report was overshadowed by expected inflationary pressure and weaker-than-expected consumer spending, triggering a sharp sell-off in U.S. equities and a rally in U.S. government bond yields

# National Non-Operating Results *(continued)*

## General Non-Operating Observations

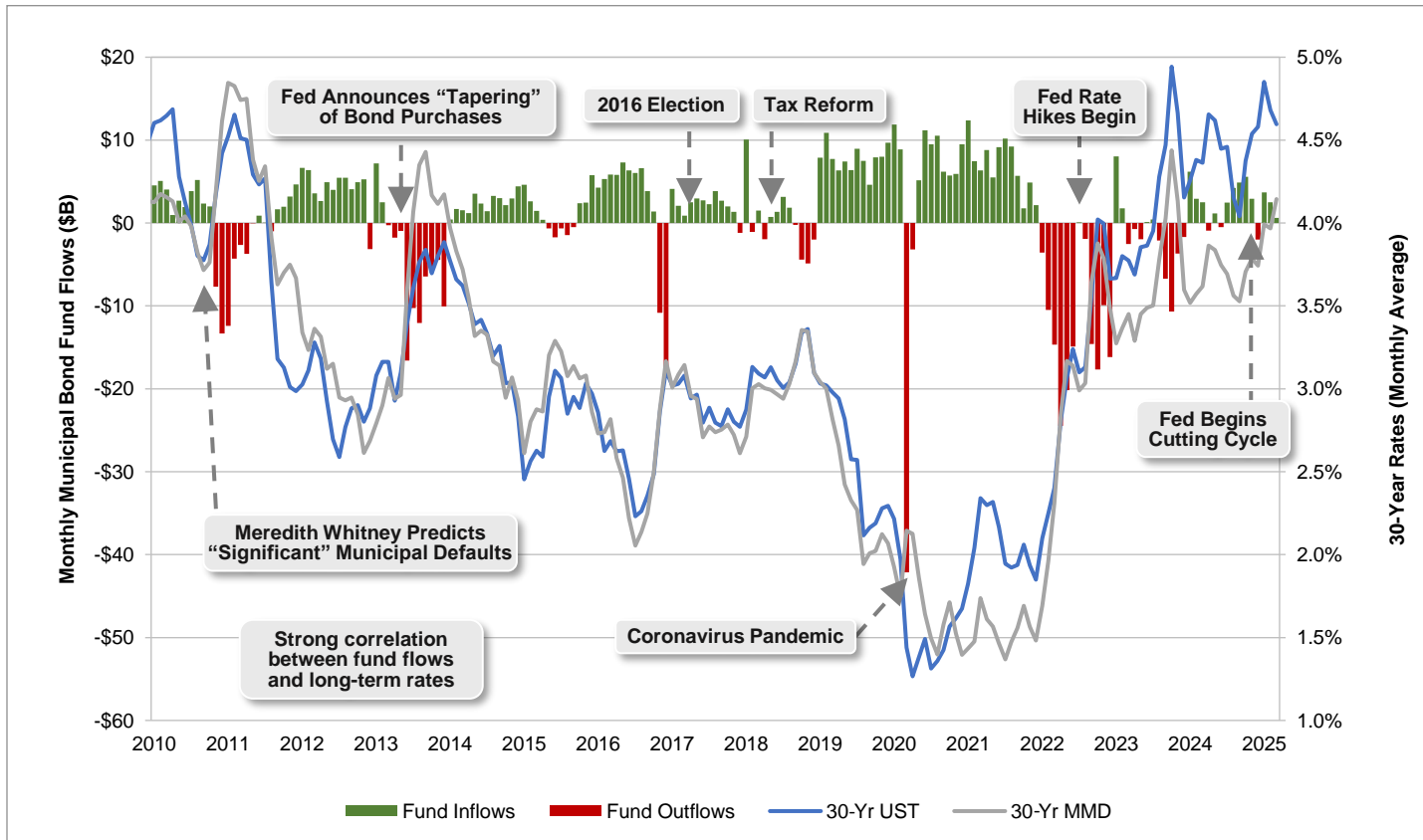
	March 2025	M-o-M Change	Y-o-Y Change
<b>General</b>			
GDP Growth*	2.4%	n/a	n/a
Unemployment Rate	4.2%	+0.1%	+0.4%
Personal Consumption Expenditures (Y-o-Y)	2.8%	+0.1%	-0.2%
<b>Liabilities</b>			
SOFR	4.41%	+2 bps	-93 bps
SIFMA	2.87%	+101 bps	-77 bps
30-yr MMD	4.24 %	+31 bps	+56 bps
30-yr Treasury	4.57%	+8 bps	+23 bps
<b>Assets</b>			
60/40 Asset Allocation†	n/a	-2.6%	+5.8%

\* U.S. Bureau of Economic Analysis, Q4 2024 "Third Estimate"

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

# Non-Operating Liabilities

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



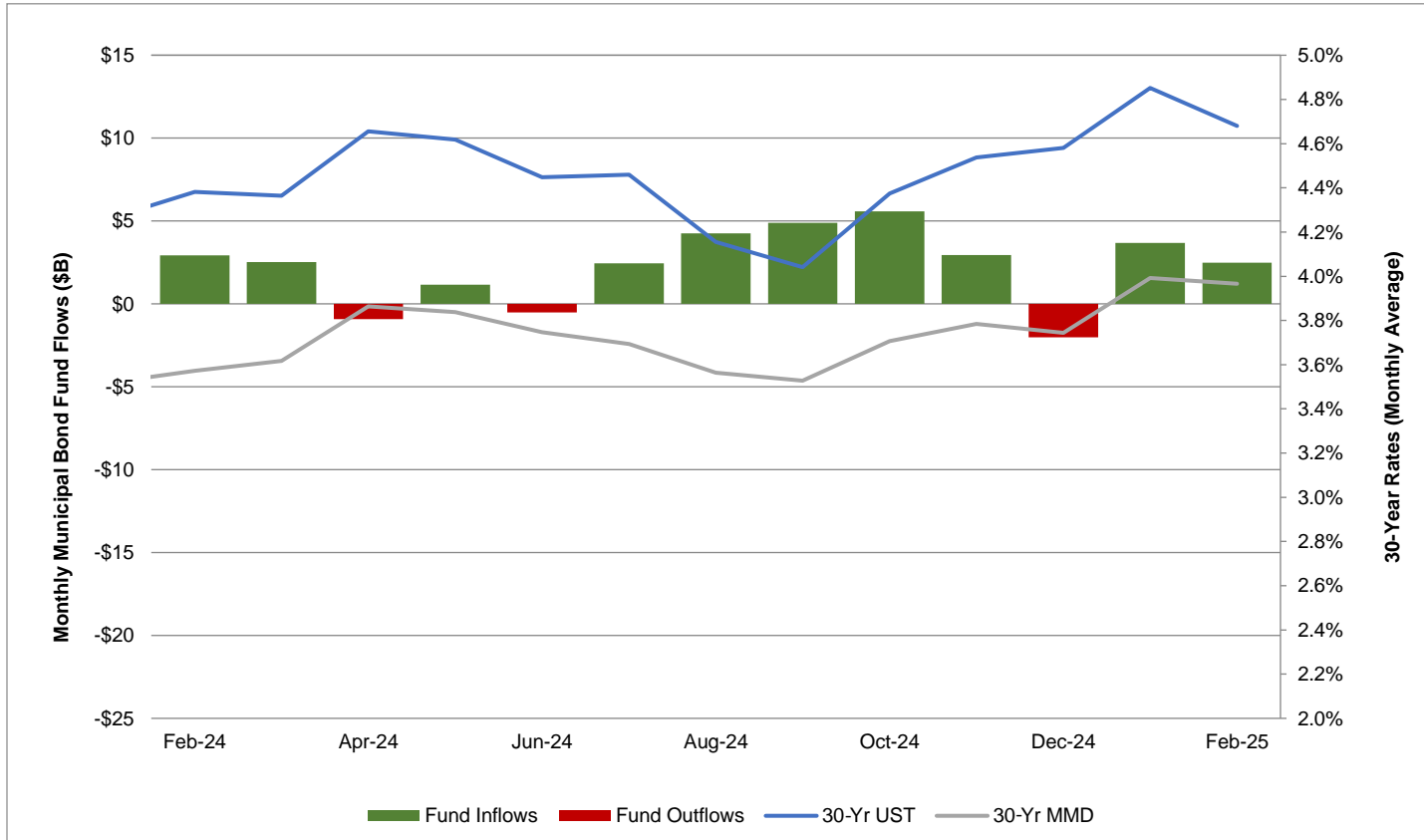
Kaufman Hall, *National Hospital Flash Report* (March 2025 Metrics)

*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.*

Unlike the minimal changes we saw in the tax-exempt market during February, March saw significant increases to the benchmark index. 30-year MMD increased 31 basis points, reaching 4.24% at the end of March, notably hitting a 12-month peak of 4.31% during the month. In the treasury markets, the short end of the curve ended March slightly lower, with the two-year mark noticeably 11 basis points lower and seven basis points lower at the five-year mark. In contrast, the 10-year Treasury yield held steady month-over-month ending March at 4.21%. Mirroring the tax-exempt market, the longer end of the yield curve in the Treasury market increased in March with the 30-year Treasury yield increasing eight basis points, ending the month at 4.57%.

# Non-Operating Liabilities *(continued)*

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



Building on last month’s trend of the ratios tightening across most of the curve, March saw ratios tighten across the entire curve reflecting growing market expectations of a slowdown in economic growth. The two-year, five-year, 10-year, 20-year, and 30-year ratios tightened to end March at 69%, 72%, 77%, 88%, and 93%, respectively. These ratios were up significantly from February, at 5% for the two-year and 30-year, 6% for the 20-year, 7% for the five-year, and 10% for the 10-year.

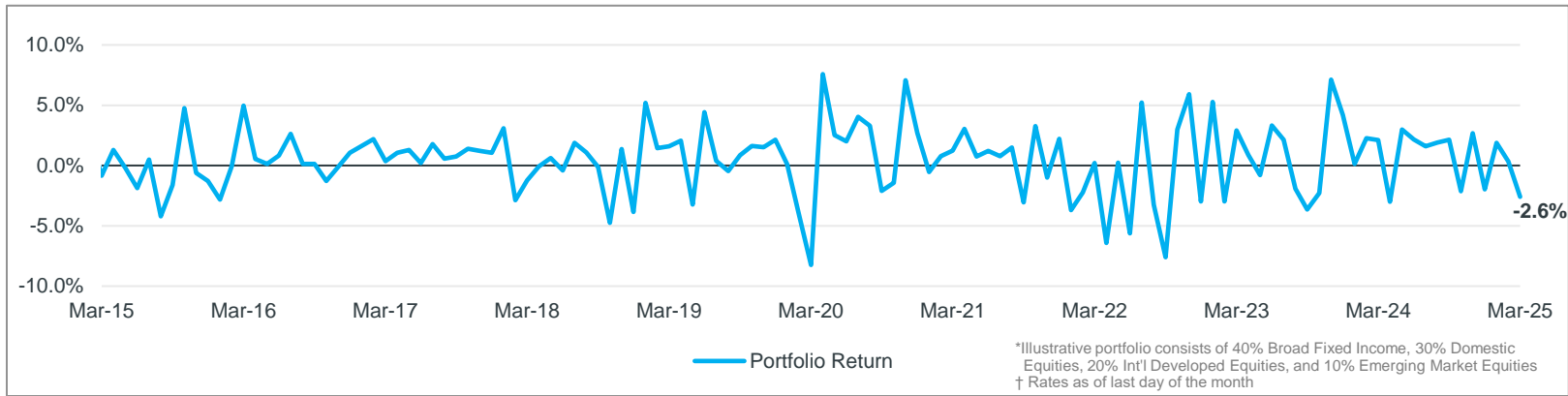
Municipal funds saw inflows of approximately \$0.6 billion in March, significantly weaker than February’s \$2.5 billion inflow. Total municipal issuance for 2025 year-to-date reached \$77 billion, a 19.1% increase compared to same period in 2024. Since the beginning of the year, health care issuances totaled \$6.4 billion, down \$2.6 billion compared to same period in 2024.

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

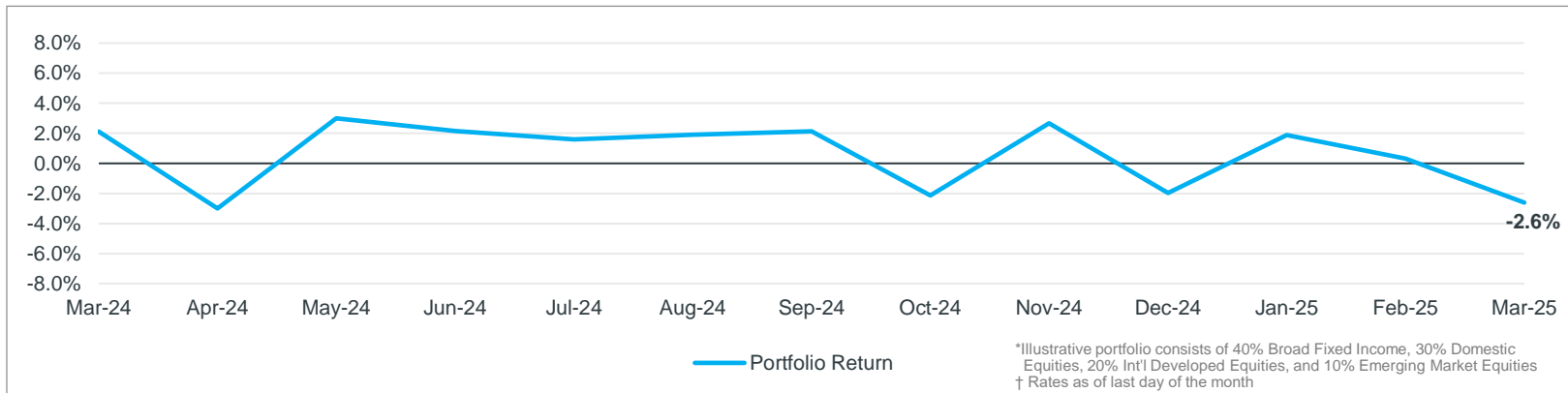
# Non-Operating Assets

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



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

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



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

March extended the equity market decline that began in February, as investors continued adjusting to the new administration's policies. The S&P 500 fell by 5.8%, a steeper decline than February's 1.4% drop, bringing the year-over-year return down to 6.8%. The blended 60/40 asset allocation decreased by 2.6% in March, a sharp decline from February's 0.3% increase, lowering its year-over-year return to 5.8%. The MSCI World declined in March ending at -4.6%. MSCI Emerging Markets had gains in March at 0.4%, while the Barclays Agg Index remained steady at 0.0%.

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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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