

KaufmanHall

AUGUST 2024 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	33

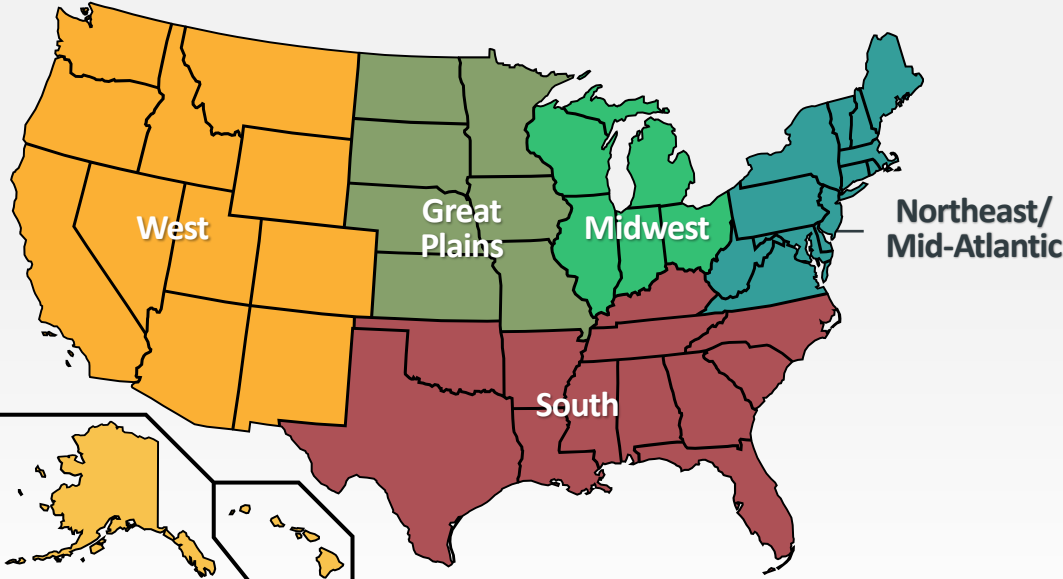
About the Data

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 Syntellis Performance Solutions, now part of Strata.

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, Syntellis Performance Solutions 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)*

About Kaufman Hall

KaufmanHall

[Kaufman Hall](#) 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.

About Syntellis Performance Solutions

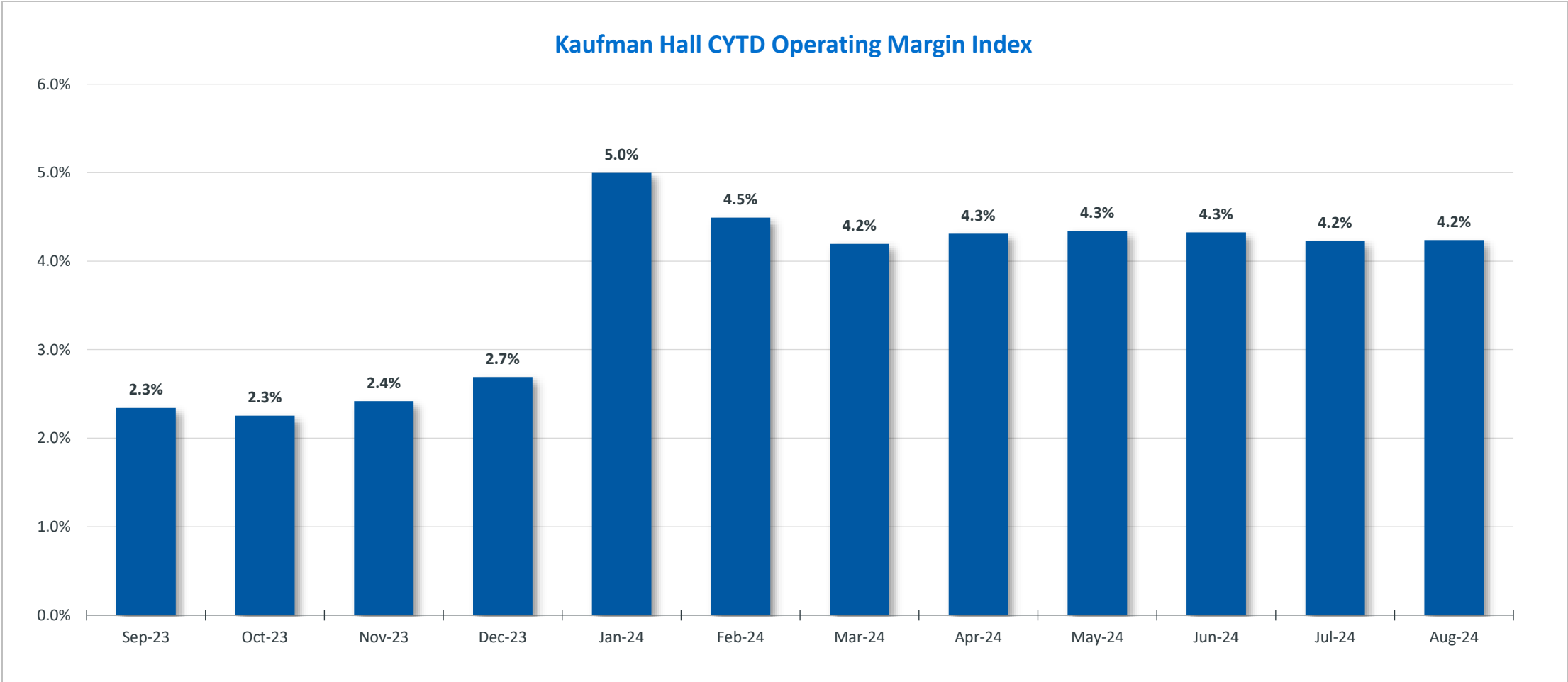


[Syntellis Performance Solutions](#), now part of Strata, provides innovative enterprise performance management software, data and intelligence solutions for healthcare organizations. Its solutions include enterprise planning, cost and decision support, and financial and clinical analytics tools to elevate organizational performance and transform vision into reality. With over 2,800 organizations and 450,000 users relying on its Axiom, Connected Analytics and Stratasan software, combined with No. 1 rankings from Black Book Research and an HFMA Peer Review designation for six consecutive years, Syntellis helps healthcare providers acquire insights, accelerate decisions and advance their business plans. For more information, please visit syntellis.com.

Key Takeaways

- 1. August data show relatively stable margins.** Patient volume has increased, but once adjusted for volume, revenue and expenses have also declined.
- 2. Average length of stay is trending down.** This development indicates less severe patient acuity and efficient care transition pathways.
- 3. On a volume-adjusted basis, expenses show a slight decline.** While expenses are still high compared to previous years, the growth rate is slowing down.

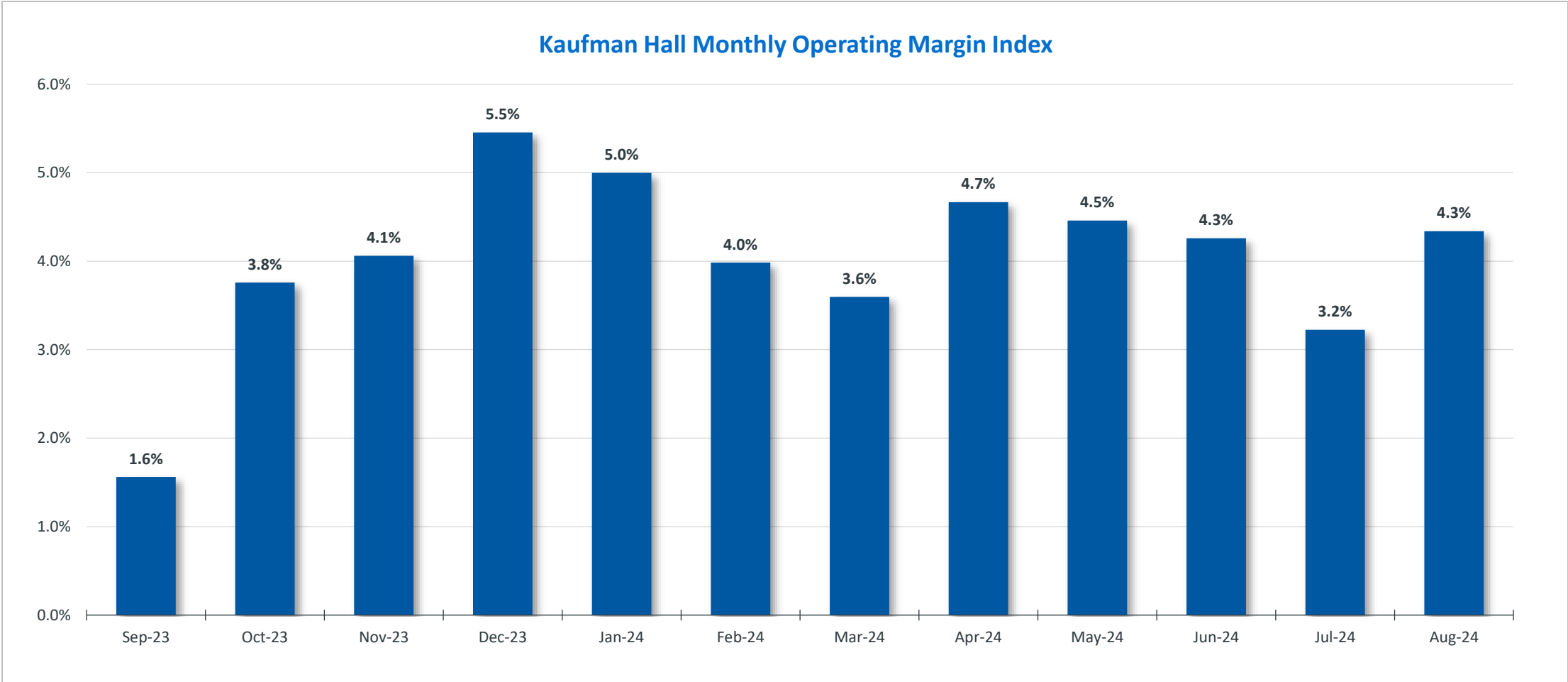
Operating Margin



Kaufman Hall, National Hospital Flash Report (August 2024 Metrics)

* Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset adjusted for allocations to hospitals from corporate, physician, and other entities. Represents calendar year-to-date and resets each January.

Operating Margin *(continued)*



Kaufman Hall, National Hospital Flash Report (August 2024 Metrics)

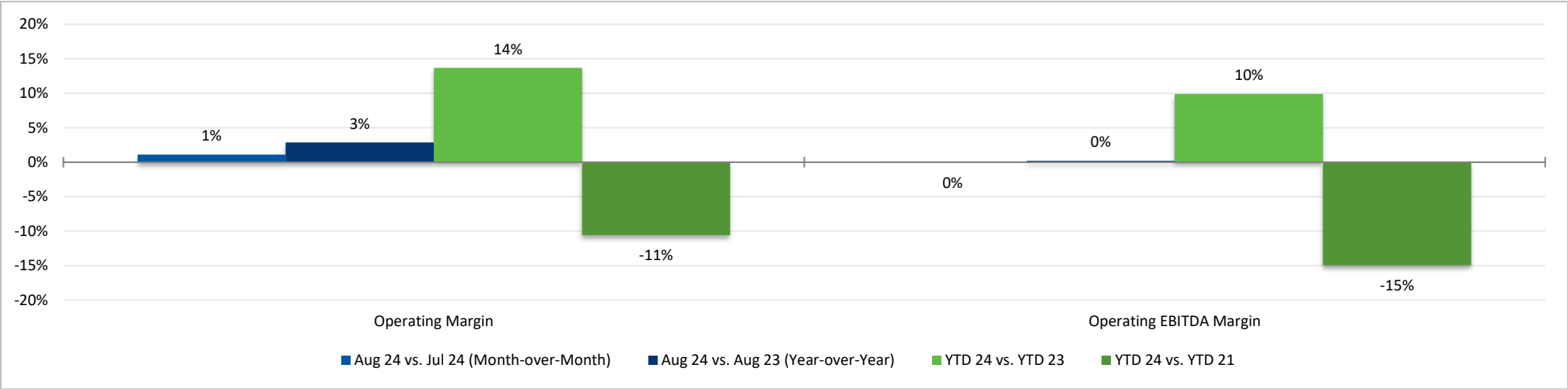
* Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset adjusted for allocations to hospitals from corporate, physician, and other entities.

National and Regional Data

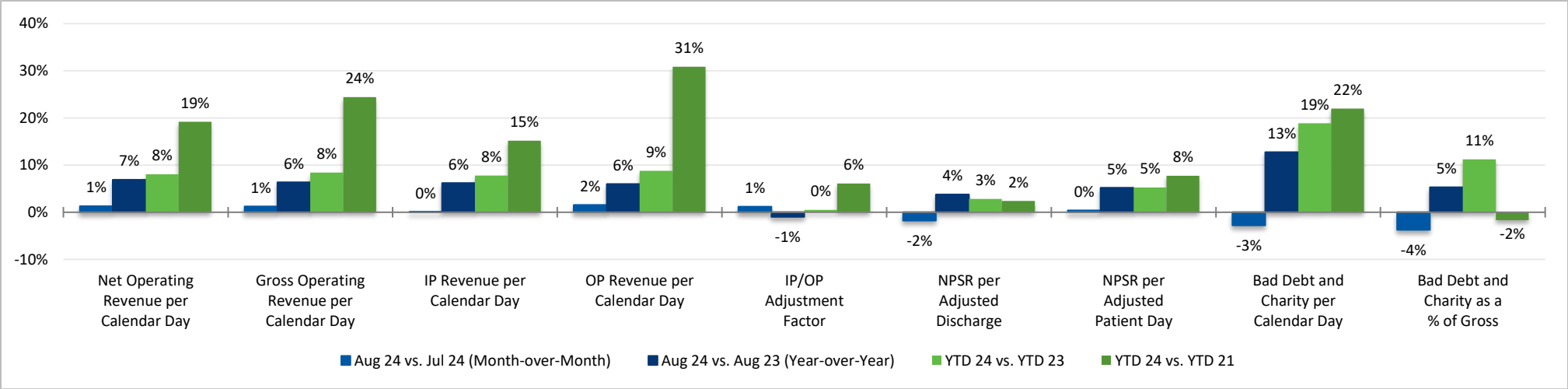
Profitability, Revenue, Expense, and Volume

National Data

Profitability

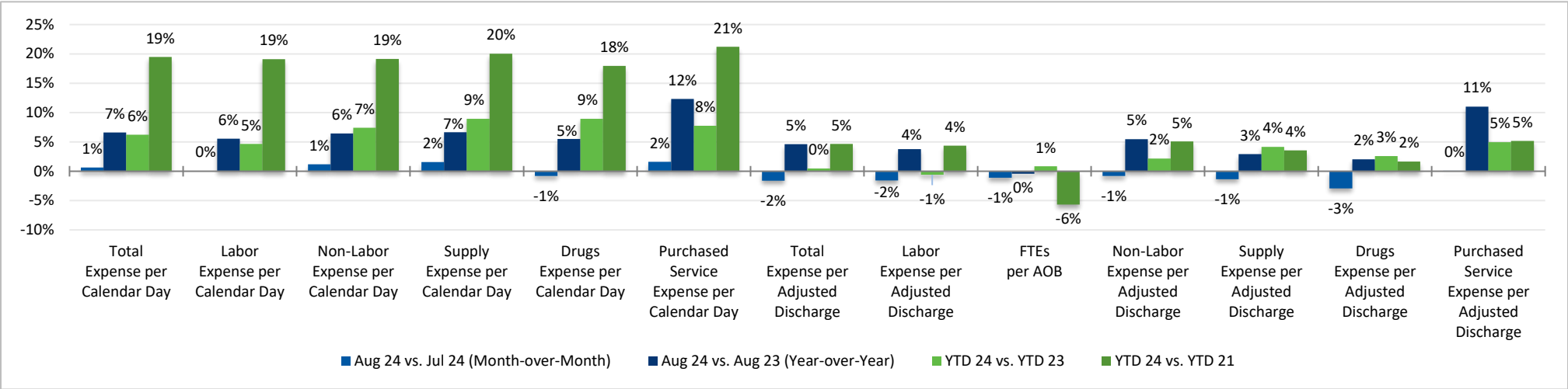


Revenue

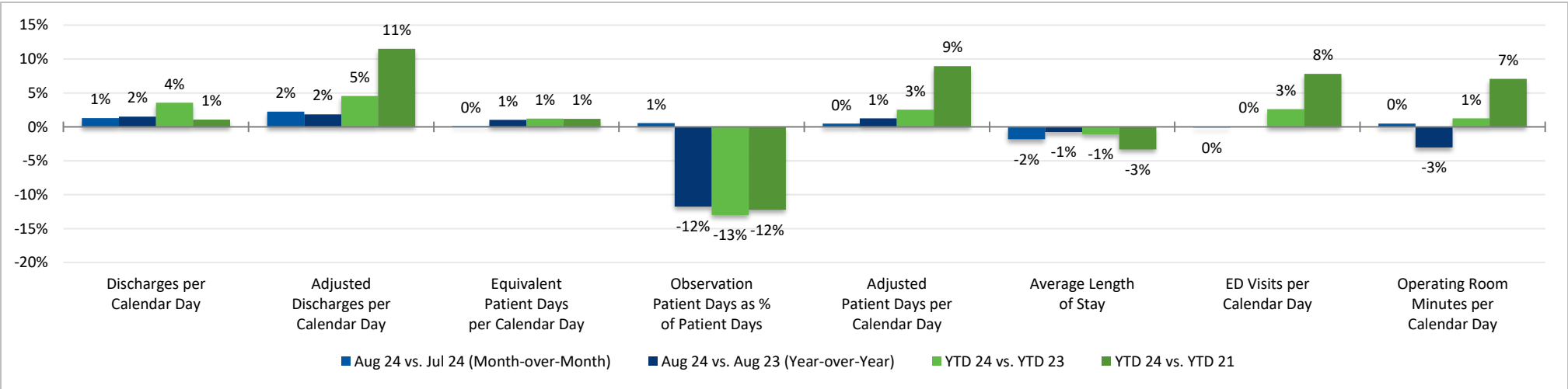


National Data *(continued)*

Expense

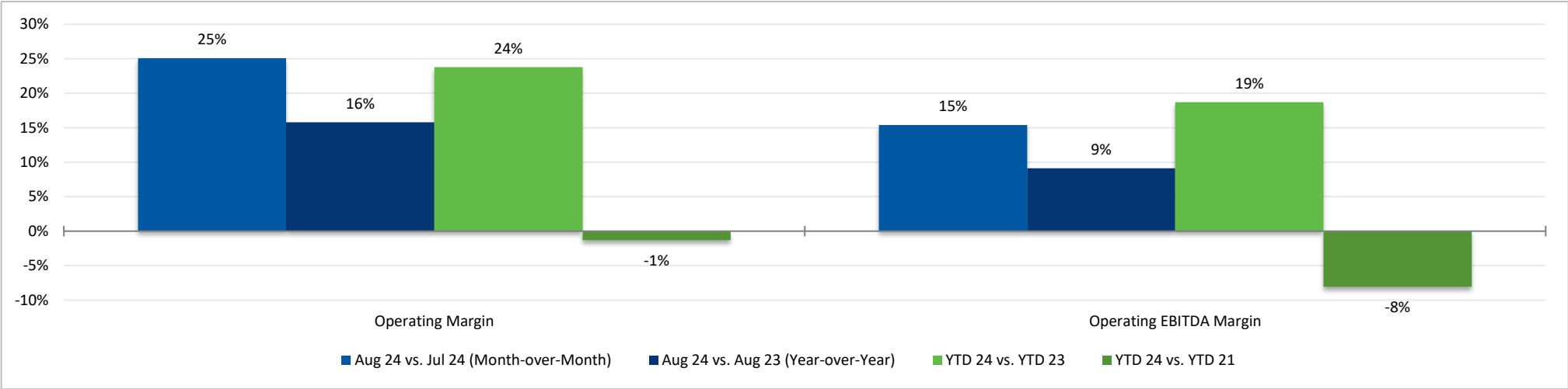


Volume

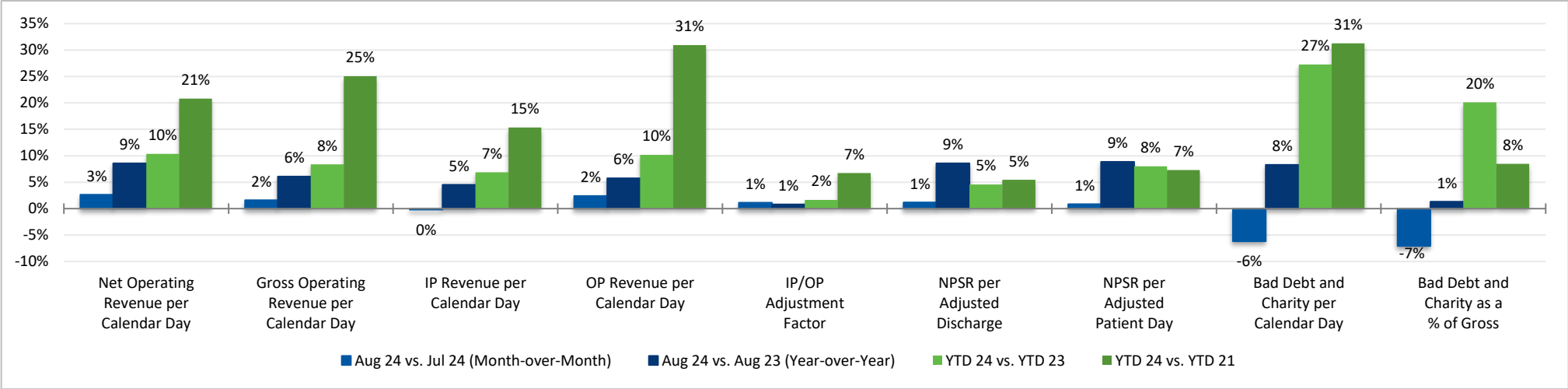


Regional Data: West

Profitability

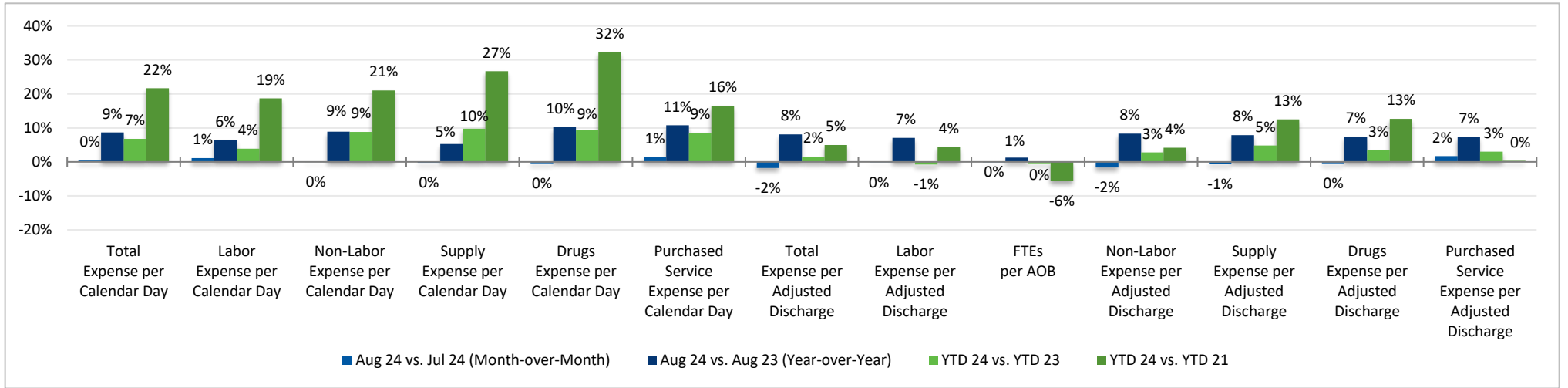


Revenue

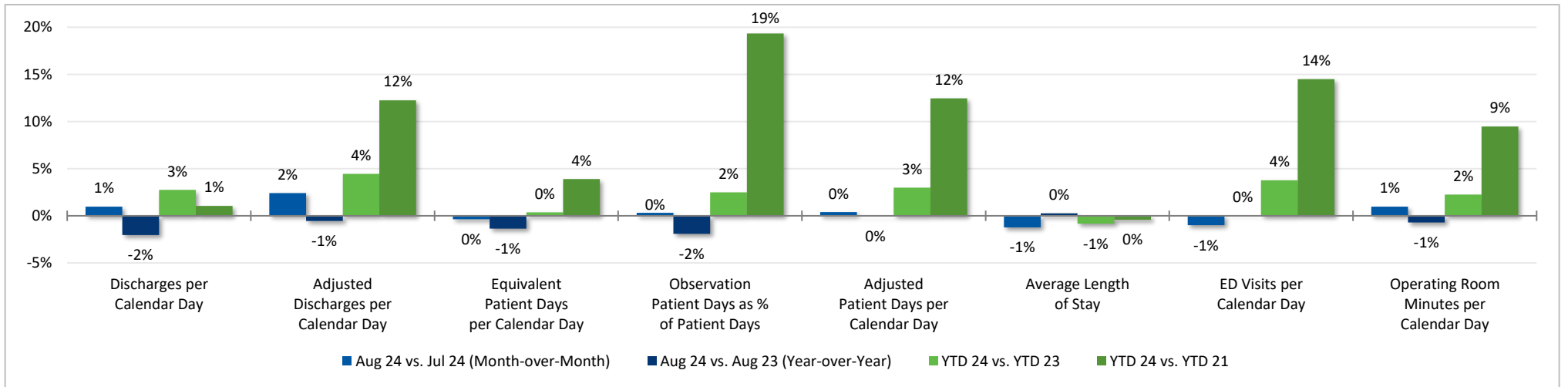


Regional Data: West *(continued)*

Expense

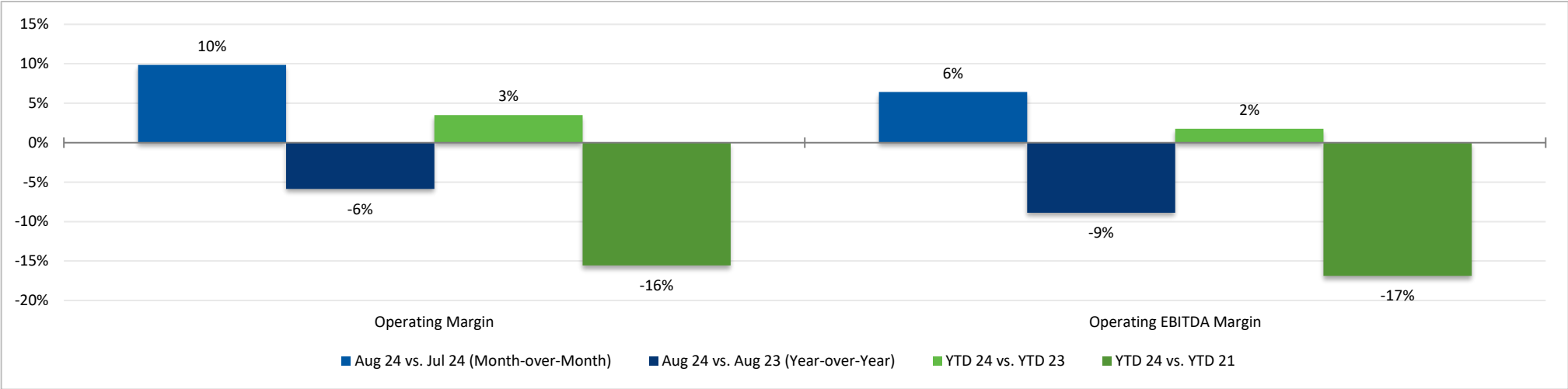


Volume

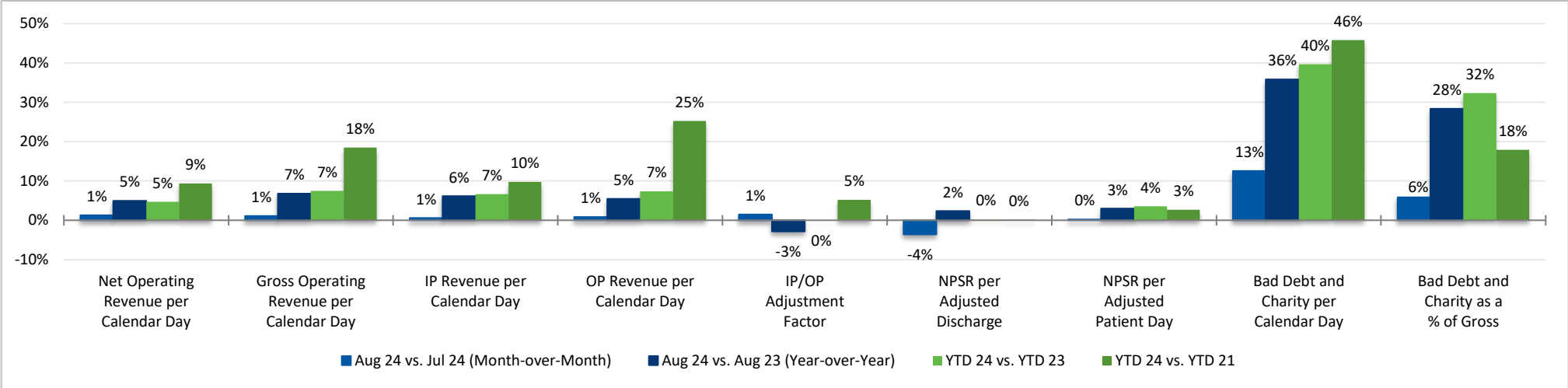


Regional Data: Midwest

Profitability

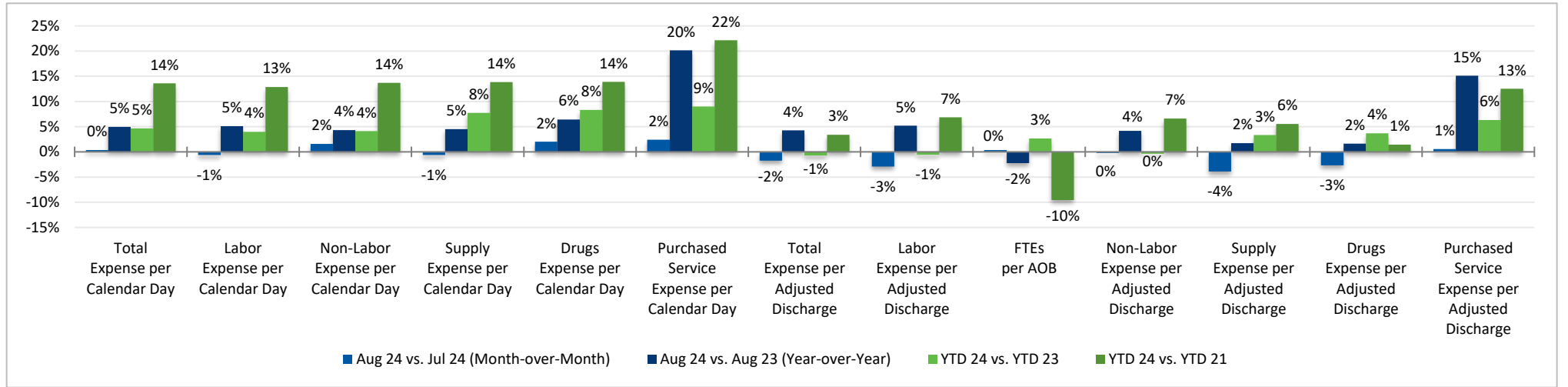


Revenue

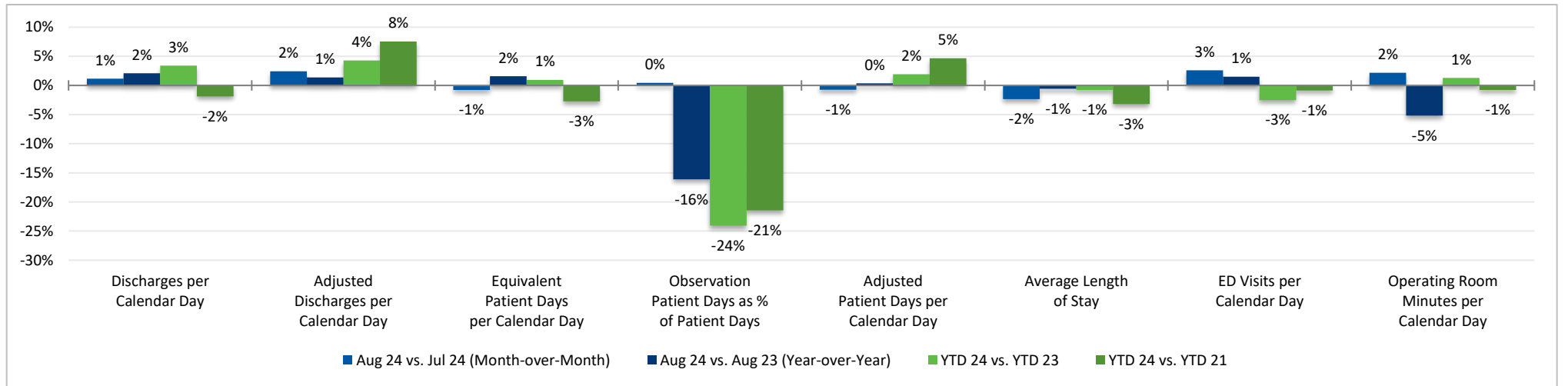


Regional Data: Midwest *(continued)*

Expense

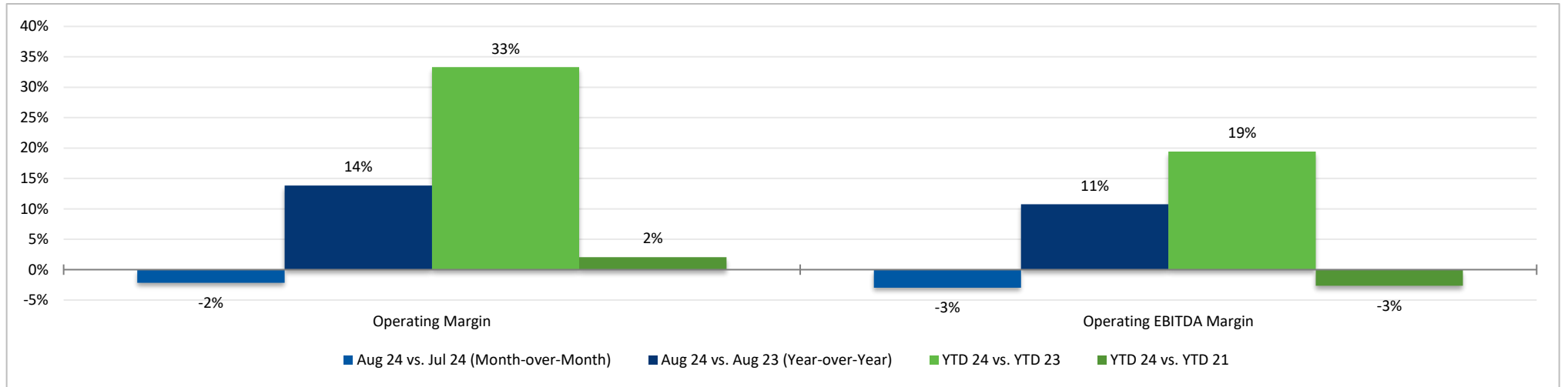


Volume

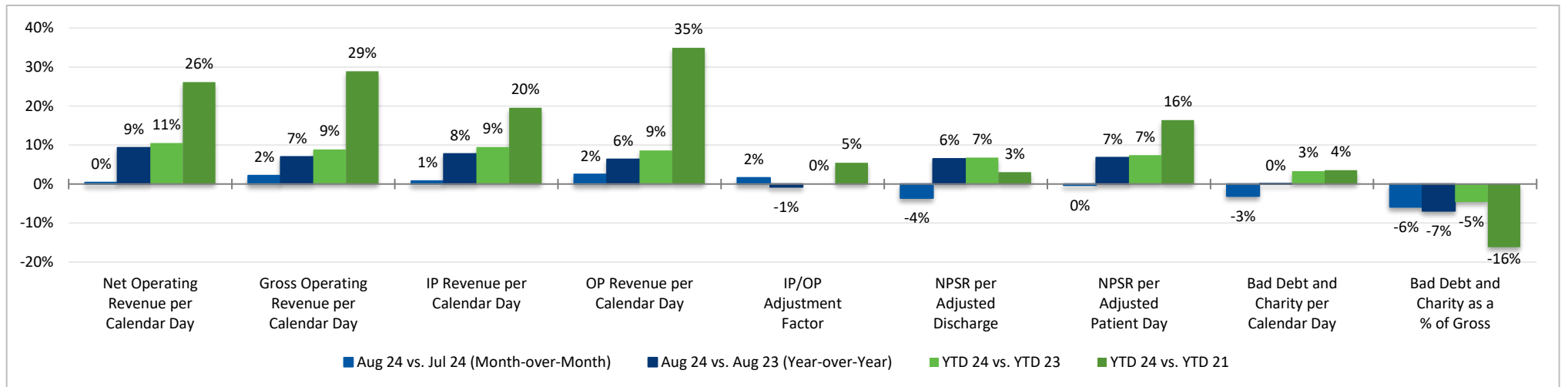


Regional Data: South

Profitability

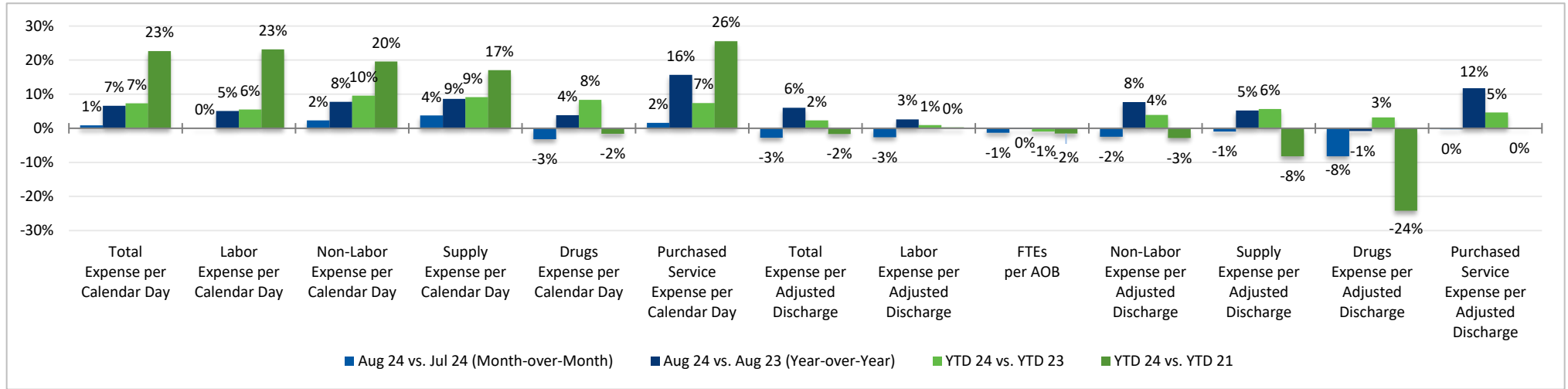


Revenue

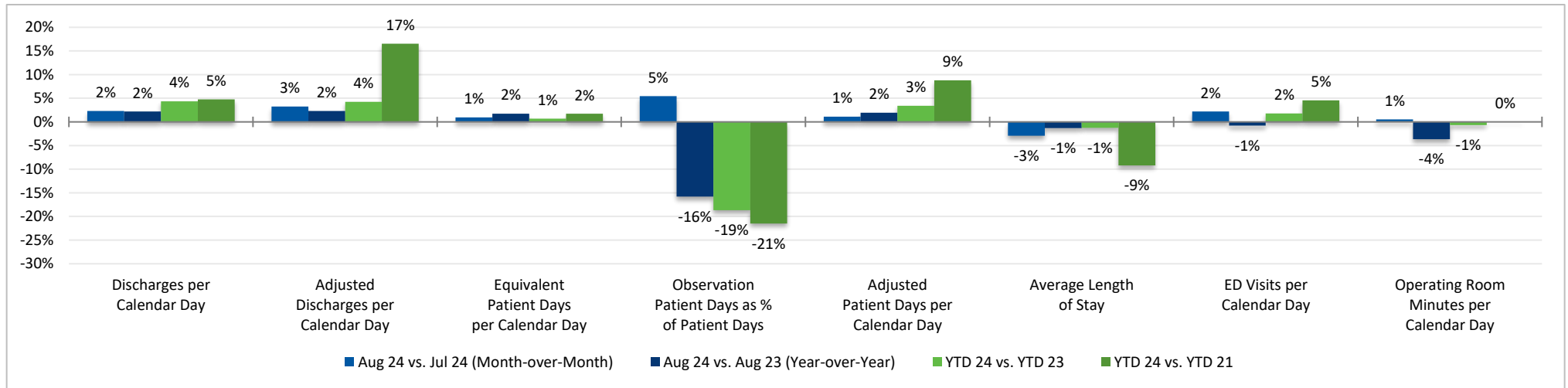


Regional Data: South *(continued)*

Expense

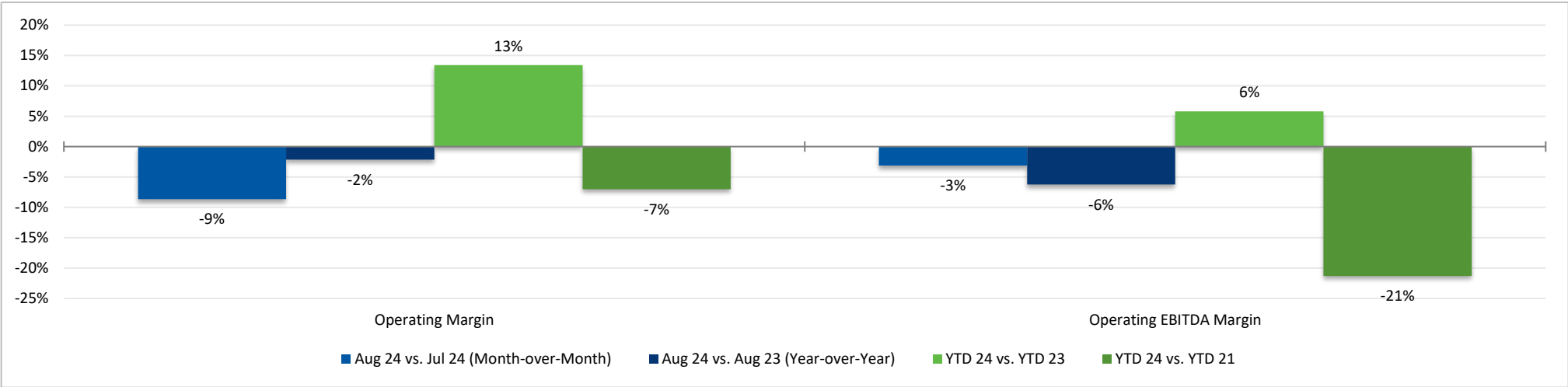


Volume

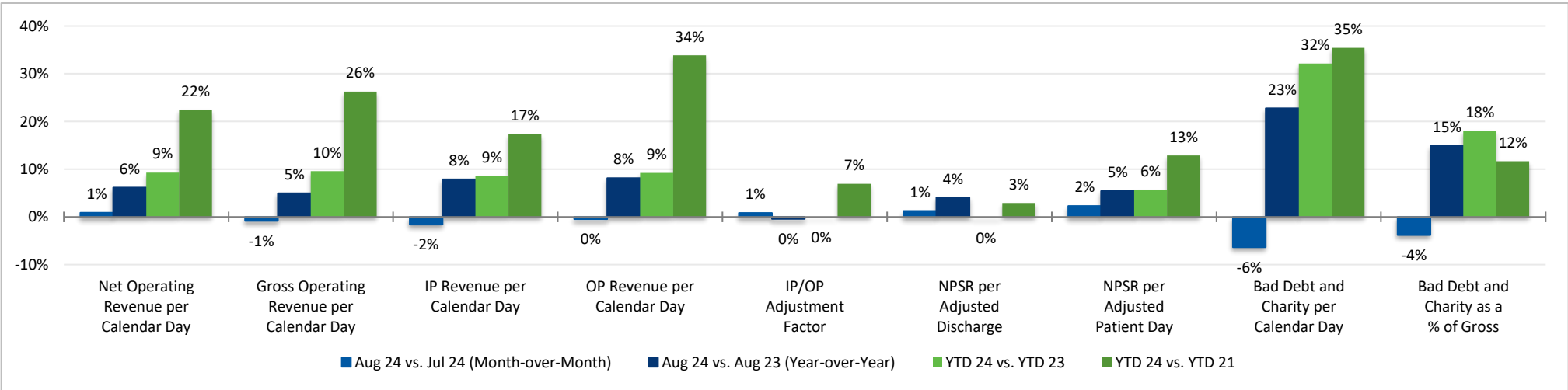


Regional Data: Northeast/Mid-Atlantic

Profitability

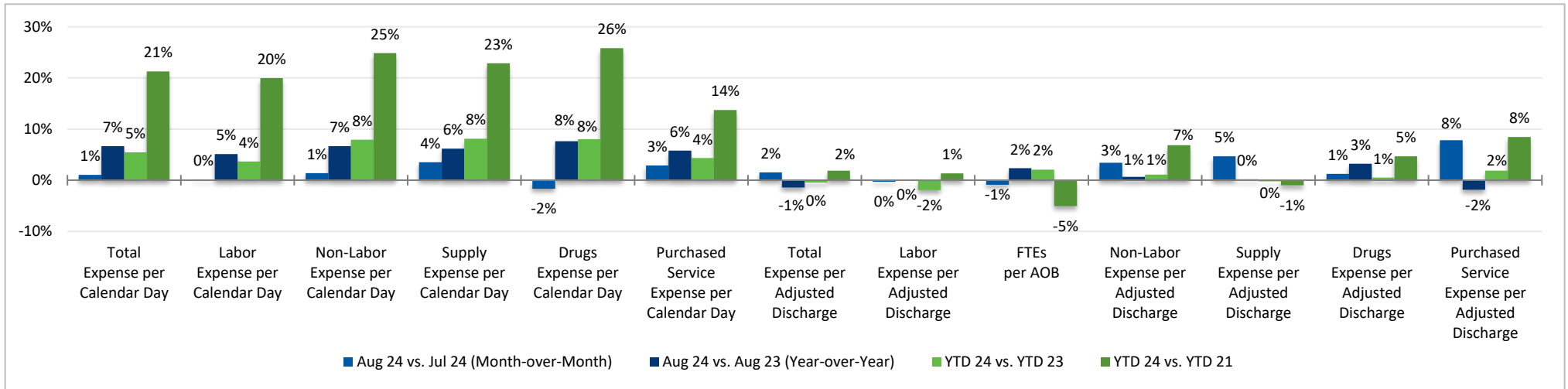


Revenue

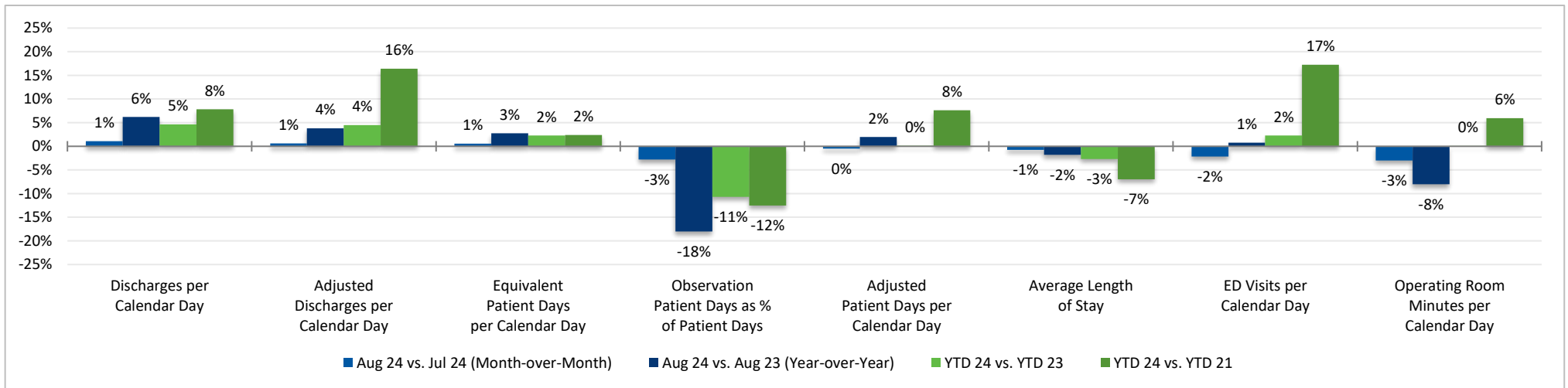


Regional Data: Northeast/Mid-Atlantic *(continued)*

Expense

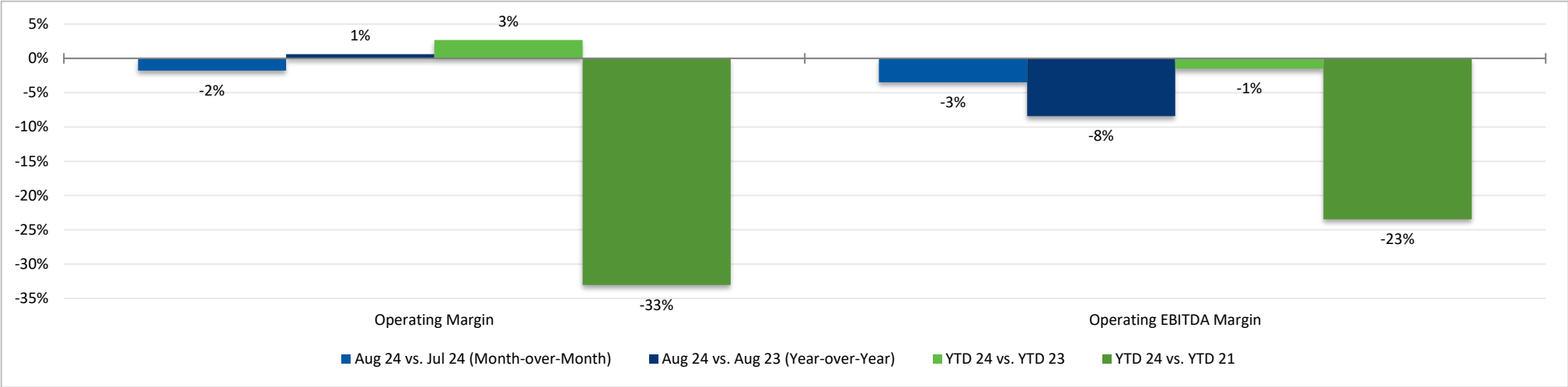


Volume

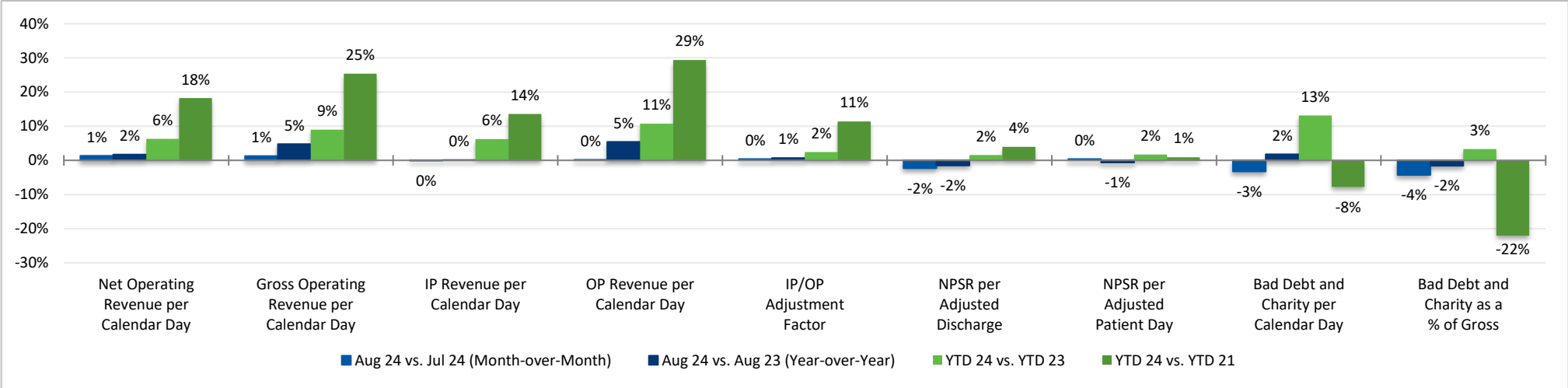


Regional Data: Great Plains

Profitability

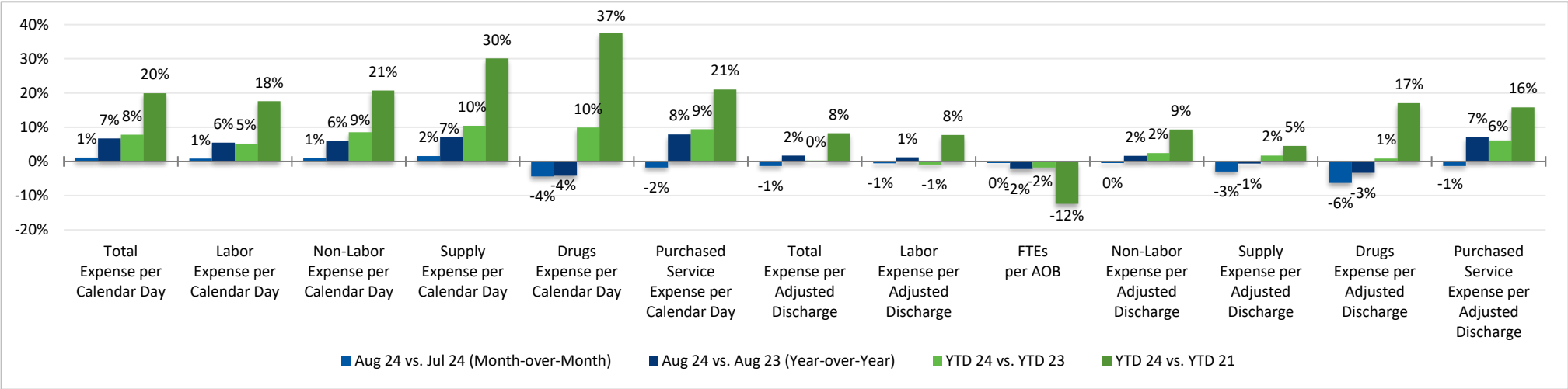


Revenue

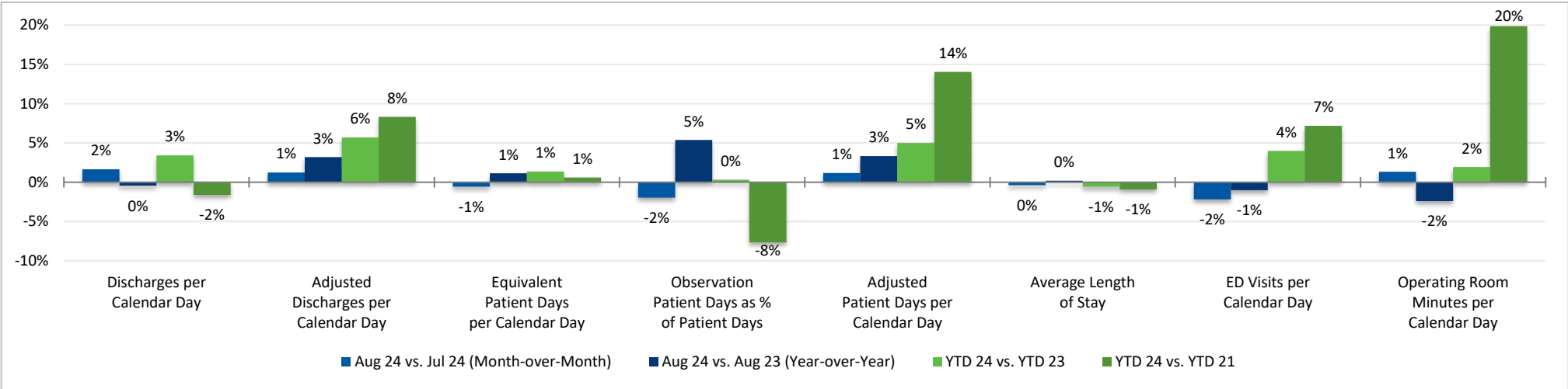


Regional Data: Great Plains *(continued)*

Expense



Volume



Data by Hospital Bed Size

Profitability, Revenue, Expense, and Volume

0-25 Beds

		Aug 24 vs. Jul 24 (Month-over-Month)	Aug 24 vs. Jul 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	10.0%	0.0%	17.4%	-10.9%
	Operating EBIDA Margin	8.1%	1.2%	12.7%	-13.6%
Volume	Discharges per Calendar Day	-1.5%	-1.1%	0.1%	-2.1%
	Adjusted Discharges per Calendar Day	-1.1%	1.1%	3.8%	19.9%
	Equivalent Patient Days per Calendar Day	0.7%	-0.6%	-1.5%	-2.3%
	Observation Patient Days as % of Patient Days	-12.3%	-11.1%	-12.9%	-2.7%
	Adjusted Patient Days per Calendar Day	-0.8%	3.2%	3.4%	19.5%
	Average Length of Stay	-3.2%	-1.8%	-0.6%	-3.3%
	ED Visits per Calendar Day	-0.2%	-0.1%	1.9%	9.8%
	Operating Room Minutes per Calendar Day	7.5%	-13.4%	1.0%	9.1%
	Revenue	Net Operating Revenue per Calendar Day	2.6%	6.3%	7.8%
Gross Operating Revenue per Calendar Day		1.6%	5.4%	8.8%	27.0%
IP Revenue per Calendar Day		0.2%	2.7%	8.4%	6.9%
OP Revenue per Calendar Day		0.8%	5.0%	8.3%	30.8%
IP/OP Adjustment Factor		-1.0%	-3.2%	1.4%	16.4%
NPSR per Adjusted Discharge		0.0%	-0.6%	3.3%	-1.3%
NPSR per Adjusted Patient Day		0.8%	0.5%	4.3%	-3.1%
Bad Debt and Charity per Calendar Day		2.8%	7.6%	14.5%	19.4%
Bad Debt and Charity as a % of Gross		-1.4%	3.3%	8.9%	-5.6%
Expense		Total Expense per Calendar Day	0.7%	7.9%	6.6%
	Labor Expense per Calendar Day	-0.1%	6.4%	5.1%	18.7%
	Non-Labor Expense per Calendar Day	1.5%	6.2%	6.8%	18.1%
	Supply Expense per Calendar Day	0.6%	4.0%	9.9%	26.7%
	Drugs Expense per Calendar Day	-2.3%	8.9%	9.9%	37.1%
	Purchased Service Expense per Calendar Day	-0.6%	14.5%	9.0%	22.6%
	Total Expense per Adjusted Discharge	-2.0%	4.3%	-0.5%	-3.7%
	Labor Expense per Adjusted Discharge	0.0%	1.6%	-0.9%	-4.1%
	FTEs per AOB	-0.8%	-3.0%	-1.5%	-16.8%
	Non-Labor Expense per Adjusted Discharge	-6.3%	4.6%	-0.1%	-1.6%
	Supply Expense per Adjusted Discharge	-3.2%	-3.4%	1.8%	-4.0%
	Drugs Expense per Adjusted Discharge	-6.4%	-3.3%	3.1%	10.4%
	Purchased Service Expense per Adjusted Discharge	-2.4%	11.2%	3.6%	-3.6%

26-99 Beds

		Aug 24 vs. Jul 24 (Month-over-Month)	Aug 24 vs. Jul 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-9.3%	-1.4%	11.4%	-6.9%
	Operating EBIDA Margin	-8.3%	-4.1%	6.7%	-16.2%
Volume	Discharges per Calendar Day	-1.7%	4.1%	4.4%	4.7%
	Adjusted Discharges per Calendar Day	2.8%	2.3%	6.3%	13.4%
	Equivalent Patient Days per Calendar Day	-1.4%	0.3%	0.9%	0.6%
	Observation Patient Days as % of Patient Days	-1.0%	-20.6%	-15.2%	-14.4%
	Adjusted Patient Days per Calendar Day	0.5%	-0.2%	2.5%	9.3%
	Average Length of Stay	-1.2%	-2.5%	-2.3%	-9.9%
	ED Visits per Calendar Day	0.0%	-0.3%	2.4%	9.4%
	Operating Room Minutes per Calendar Day	-1.8%	-7.7%	0.7%	2.1%
	Revenue	Net Operating Revenue per Calendar Day	0.4%	5.9%	7.4%
Gross Operating Revenue per Calendar Day		0.7%	5.6%	8.3%	22.1%
IP Revenue per Calendar Day		-2.4%	3.7%	7.4%	14.3%
OP Revenue per Calendar Day		1.3%	6.5%	8.7%	28.3%
IP/OP Adjustment Factor		3.4%	-1.5%	1.0%	7.7%
NPSR per Adjusted Discharge		-4.2%	-0.6%	-0.1%	-2.3%
NPSR per Adjusted Patient Day		-1.7%	2.7%	5.5%	6.9%
Bad Debt and Charity per Calendar Day		-2.9%	9.4%	17.5%	17.3%
Bad Debt and Charity as a % of Gross		-3.8%	6.0%	8.8%	-3.1%
Expense	Total Expense per Calendar Day	0.3%	4.9%	5.8%	17.3%
	Labor Expense per Calendar Day	-0.1%	5.0%	4.4%	18.1%
	Non-Labor Expense per Calendar Day	0.9%	3.8%	6.8%	17.1%
	Supply Expense per Calendar Day	1.4%	3.5%	8.6%	14.6%
	Drugs Expense per Calendar Day	-0.1%	8.3%	8.2%	10.9%
	Purchased Service Expense per Calendar Day	2.5%	11.0%	7.0%	16.2%
	Total Expense per Adjusted Discharge	-1.6%	3.7%	-0.7%	-0.1%
	Labor Expense per Adjusted Discharge	-1.9%	4.0%	-0.8%	-4.3%
	FTEs per AOB	-0.5%	-1.4%	-0.9%	-4.3%
	Non-Labor Expense per Adjusted Discharge	-0.7%	4.9%	-0.4%	-0.3%
	Supply Expense per Adjusted Discharge	-2.5%	0.9%	3.2%	-4.8%
	Drugs Expense per Adjusted Discharge	0.6%	6.1%	-1.5%	-7.7%
	Purchased Service Expense per Adjusted Discharge	3.2%	9.2%	4.2%	-1.4%

100-199 Beds

		Aug 24 vs. Jul 24 (Month-over-Month)	Aug 24 vs. Jul 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-2.9%	2.0%	16.2%	-10.6%
	Operating EBIDA Margin	-4.2%	1.5%	10.2%	-9.5%
Volume	Discharges per Calendar Day	2.4%	0.5%	2.7%	3.0%
	Adjusted Discharges per Calendar Day	1.9%	0.4%	4.0%	11.5%
	Equivalent Patient Days per Calendar Day	0.8%	1.8%	1.2%	2.6%
	Observation Patient Days as % of Patient Days	2.3%	-5.2%	-15.6%	-24.1%
	Adjusted Patient Days per Calendar Day	0.5%	1.1%	2.4%	9.2%
	Average Length of Stay	-0.6%	2.1%	0.0%	-2.1%
	ED Visits per Calendar Day	0.6%	0.2%	2.0%	5.8%
	Operating Room Minutes per Calendar Day	2.6%	1.2%	0.8%	11.7%
	Revenue	Net Operating Revenue per Calendar Day	1.4%	6.5%	7.8%
Gross Operating Revenue per Calendar Day		1.6%	6.0%	7.9%	23.1%
IP Revenue per Calendar Day		1.7%	6.6%	7.2%	15.1%
OP Revenue per Calendar Day		2.2%	6.2%	8.0%	31.6%
IP/OP Adjustment Factor		0.8%	-0.1%	0.2%	5.1%
NPSR per Adjusted Discharge		0.4%	8.2%	1.6%	2.3%
NPSR per Adjusted Patient Day		0.1%	6.9%	5.2%	7.4%
Bad Debt and Charity per Calendar Day		-5.1%	12.9%	23.8%	27.7%
Bad Debt and Charity as a % of Gross		-6.0%	2.1%	14.1%	4.5%
Expense	Total Expense per Calendar Day	1.1%	6.2%	5.4%	18.4%
	Labor Expense per Calendar Day	0.6%	4.5%	4.4%	18.9%
	Non-Labor Expense per Calendar Day	1.6%	6.8%	6.2%	18.3%
	Supply Expense per Calendar Day	3.0%	8.4%	6.2%	14.5%
	Drugs Expense per Calendar Day	0.4%	4.4%	5.7%	5.9%
	Purchased Service Expense per Calendar Day	2.7%	14.8%	8.1%	17.6%
	Total Expense per Adjusted Discharge	-1.0%	7.5%	0.7%	4.9%
	Labor Expense per Adjusted Discharge	-0.3%	5.2%	0.4%	6.2%
	FTEs per AOB	-1.2%	-1.2%	1.2%	-7.0%
	Non-Labor Expense per Adjusted Discharge	0.7%	8.9%	1.3%	3.0%
	Supply Expense per Adjusted Discharge	0.3%	7.8%	3.5%	5.3%
	Drugs Expense per Adjusted Discharge	-1.6%	3.5%	1.7%	-15.0%
	Purchased Service Expense per Adjusted Discharge	0.1%	11.7%	6.1%	1.8%

200-299 Beds

		Aug 24 vs. Jul 24 (Month-over-Month)	Aug 24 vs. Jul 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-0.8%	8.2%	26.5%	-5.5%
	Operating EBIDA Margin	-0.7%	6.9%	20.5%	-15.6%
Volume	Discharges per Calendar Day	2.1%	3.1%	5.5%	1.1%
	Adjusted Discharges per Calendar Day	2.6%	1.9%	5.0%	8.8%
	Equivalent Patient Days per Calendar Day	0.2%	0.5%	-0.4%	-0.5%
	Observation Patient Days as % of Patient Days	3.6%	-6.7%	-11.6%	1.0%
	Adjusted Patient Days per Calendar Day	1.4%	-0.2%	1.2%	5.5%
	Average Length of Stay	-1.9%	-0.6%	-1.4%	-3.3%
	ED Visits per Calendar Day	-0.1%	-1.0%	1.7%	4.0%
	Operating Room Minutes per Calendar Day	2.1%	-0.1%	-0.4%	0.9%
	Revenue	Net Operating Revenue per Calendar Day	2.1%	7.8%	9.1%
Gross Operating Revenue per Calendar Day		1.6%	6.5%	8.1%	26.5%
IP Revenue per Calendar Day		1.2%	7.7%	9.3%	19.2%
OP Revenue per Calendar Day		1.9%	5.2%	7.8%	33.5%
IP/OP Adjustment Factor		1.4%	-1.4%	-0.1%	5.6%
NPSR per Adjusted Discharge		-0.7%	5.9%	3.7%	4.2%
NPSR per Adjusted Patient Day		1.2%	9.0%	6.2%	14.5%
Bad Debt and Charity per Calendar Day		-2.3%	3.7%	20.8%	20.6%
Bad Debt and Charity as a % of Gross		-5.4%	1.8%	11.9%	-2.0%
Expense	Total Expense per Calendar Day	0.0%	6.5%	5.3%	20.5%
	Labor Expense per Calendar Day	-0.2%	6.0%	4.2%	20.6%
	Non-Labor Expense per Calendar Day	0.8%	6.8%	7.5%	21.3%
	Supply Expense per Calendar Day	3.4%	5.4%	7.4%	19.9%
	Drugs Expense per Calendar Day	-1.0%	2.0%	8.5%	7.4%
	Purchased Service Expense per Calendar Day	2.2%	16.3%	7.2%	23.6%
	Total Expense per Adjusted Discharge	-1.3%	4.5%	0.7%	8.5%
	Labor Expense per Adjusted Discharge	-1.4%	5.2%	-1.0%	11.3%
	FTEs per AOB	-1.2%	1.6%	3.5%	1.5%
	Non-Labor Expense per Adjusted Discharge	-0.7%	3.5%	2.3%	8.4%
	Supply Expense per Adjusted Discharge	0.5%	6.1%	3.2%	6.1%
	Drugs Expense per Adjusted Discharge	-3.8%	3.7%	5.1%	3.4%
	Purchased Service Expense per Adjusted Discharge	1.4%	15.0%	5.4%	14.8%

300-499 Beds

		Aug 24 vs. Jul 24 (Month-over-Month)	Aug 24 vs. Jul 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	11.5%	8.5%	-3.2%	-33.1%
	Operating EBIDA Margin	10.4%	-3.2%	-7.2%	-36.6%
Volume	Discharges per Calendar Day	1.3%	1.7%	4.5%	-0.7%
	Adjusted Discharges per Calendar Day	1.8%	2.9%	3.6%	4.8%
	Equivalent Patient Days per Calendar Day	0.1%	2.1%	2.1%	0.7%
	Observation Patient Days as % of Patient Days	4.7%	-12.0%	-13.5%	-15.8%
	Adjusted Patient Days per Calendar Day	0.5%	2.7%	3.0%	3.9%
	Average Length of Stay	-1.6%	-0.2%	-1.0%	-2.4%
	ED Visits per Calendar Day	-0.3%	-0.7%	3.7%	6.5%
	Operating Room Minutes per Calendar Day	-0.1%	-1.2%	1.0%	3.8%
	Revenue	Net Operating Revenue per Calendar Day	1.4%	6.7%	6.0%
Gross Operating Revenue per Calendar Day		1.8%	6.7%	8.5%	21.0%
IP Revenue per Calendar Day		1.0%	6.0%	7.3%	14.8%
OP Revenue per Calendar Day		1.9%	6.1%	9.3%	27.2%
IP/OP Adjustment Factor		0.3%	-0.4%	0.6%	5.4%
NPSR per Adjusted Discharge		-0.7%	5.2%	3.9%	9.2%
NPSR per Adjusted Patient Day		1.8%	4.4%	4.4%	11.5%
Bad Debt and Charity per Calendar Day		-5.3%	14.5%	24.0%	20.2%
Bad Debt and Charity as a % of Gross		-7.8%	10.9%	17.8%	3.9%
Expense	Total Expense per Calendar Day	0.2%	7.0%	6.7%	18.9%
	Labor Expense per Calendar Day	-0.4%	5.1%	5.0%	17.8%
	Non-Labor Expense per Calendar Day	0.8%	7.0%	7.1%	18.8%
	Supply Expense per Calendar Day	-0.6%	9.9%	8.9%	17.8%
	Drugs Expense per Calendar Day	-0.5%	4.6%	5.3%	5.9%
	Purchased Service Expense per Calendar Day	1.4%	10.6%	6.8%	22.9%
	Total Expense per Adjusted Discharge	-1.4%	2.9%	0.6%	9.8%
	Labor Expense per Adjusted Discharge	-2.3%	0.9%	-0.2%	10.1%
	FTEs per AOB	-0.9%	0.0%	1.9%	-2.7%
	Non-Labor Expense per Adjusted Discharge	-1.1%	4.5%	3.6%	12.8%
	Supply Expense per Adjusted Discharge	-1.5%	3.7%	4.4%	7.0%
	Drugs Expense per Adjusted Discharge	-2.7%	2.5%	1.4%	0.8%
	Purchased Service Expense per Adjusted Discharge	-3.3%	7.1%	4.1%	21.1%

500+ Beds

		Aug 24 vs. Jul 24 (Month-over-Month)	Aug 24 vs. Jul 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-2.8%	8.0%	15.0%	1.2%
	Operating EBIDA Margin	-2.6%	0.0%	6.7%	-1.4%
Volume	Discharges per Calendar Day	1.9%	2.2%	3.2%	4.9%
	Adjusted Discharges per Calendar Day	2.8%	2.0%	5.0%	9.8%
	Equivalent Patient Days per Calendar Day	0.7%	1.7%	2.2%	6.4%
	Observation Patient Days as % of Patient Days	2.6%	-9.4%	-11.4%	-15.0%
	Adjusted Patient Days per Calendar Day	0.4%	2.4%	3.9%	13.4%
	Average Length of Stay	-1.7%	-0.6%	-1.0%	-1.1%
	ED Visits per Calendar Day	-0.5%	1.0%	3.4%	11.6%
	Operating Room Minutes per Calendar Day	-0.5%	-1.1%	2.6%	7.5%
	Revenue	Net Operating Revenue per Calendar Day	-0.3%	9.2%	9.4%
Gross Operating Revenue per Calendar Day		0.4%	7.6%	9.3%	30.6%
IP Revenue per Calendar Day		0.1%	7.7%	7.8%	20.5%
OP Revenue per Calendar Day		1.2%	7.3%	10.8%	37.6%
IP/OP Adjustment Factor		0.7%	0.0%	0.7%	5.1%
NPSR per Adjusted Discharge		-2.2%	5.5%	3.6%	12.2%
NPSR per Adjusted Patient Day		-0.3%	8.1%	5.5%	14.4%
Bad Debt and Charity per Calendar Day		2.1%	25.9%	24.9%	34.7%
Bad Debt and Charity as a % of Gross		-1.7%	20.0%	20.6%	11.7%
Expense	Total Expense per Calendar Day	0.9%	8.6%	7.4%	25.2%
	Labor Expense per Calendar Day	0.4%	6.4%	4.3%	21.4%
	Non-Labor Expense per Calendar Day	1.3%	10.5%	9.7%	24.9%
	Supply Expense per Calendar Day	1.6%	10.4%	11.9%	29.8%
	Drugs Expense per Calendar Day	-0.3%	11.0%	12.6%	34.3%
	Purchased Service Expense per Calendar Day	0.8%	11.5%	9.0%	27.1%
	Total Expense per Adjusted Discharge	-2.3%	6.4%	2.8%	9.9%
	Labor Expense per Adjusted Discharge	-1.6%	4.8%	-0.8%	7.5%
	FTEs per AOB	-0.5%	-0.4%	-0.3%	-5.1%
	Non-Labor Expense per Adjusted Discharge	-2.3%	6.1%	4.8%	12.0%
	Supply Expense per Adjusted Discharge	-2.1%	5.5%	6.0%	16.7%
	Drugs Expense per Adjusted Discharge	-1.5%	8.3%	7.0%	20.8%
	Purchased Service Expense per Adjusted Discharge	-2.7%	11.1%	5.9%	8.3%

Non-Operating

National Non-Operating Results

Key Observations

- August's Consumer Price Index (CPI) came in slightly hotter than anticipated with headline inflation rising a modest 0.2% monthly and year-over-year headline inflation eased to 2.5%—an inflation level not seen since February 2021 and a significant milestone on the path back to the Federal Reserve's 2% target
- The core CPI, excluding volatile food and energy prices, rose modestly, up 0.3% month-over-month and 3.3% year-over-year, which was 0.1% higher than expectations
- While the August CPI report was less optimistic than previous months, economists still believe it supports the ongoing trend of gradual disinflation
- The Producer Price Index (PPI) rose in August, increasing 0.2% for the month, which is above July's 0.1% increase but in line with the forecast—the year-over-year increase in August narrowed to 1.7% from 2.2% in July
- At the Federal Reserve's annual conference in Jackson Hole, Chair of the Federal Reserve of the United States, Jerome Powell, supported the beginning of interest rate cuts, expressing confidence that the inflation target of 2% is attainable in the near future and continuing cooling within the job market would be unwelcomed, according to the Reuters report
- In this meeting, Powell declared “the time has come for policy to adjust” and assured the audience that “We (the Fed) will do everything we can to support a strong labor market as we make further progress toward price stability”
- The U.S. economy added 142,000 jobs in August, up from the revised 89,000 number for July—the August job report was below expectations by about 18,000, and, along with the downward revision of earlier 2024 reports, reinforces the perspective that the U.S. labor market is slowing
- According to the Bureau of Labor Statistics: “Health care added 31,000 jobs in August, about half the average monthly gain of 60,000 over the prior 12 months. In August, employment rose in ambulatory health care services (+24,000) and hospitals (+10,000)”
- The unemployment rate slightly decreased 0.1% from July to 4.2% in August which ends the four consecutive months of increases; average hourly earnings were 0.2% higher than July, rising 0.4% over the month and 3.8% from a year ago
- U.S. real GDP grew 3.0% in Q2 of 2024, according to the U.S. Bureau of Economic Analysis second estimate; comparatively, real GDP increased 1.3% in Q2 of 2024—this increase in GDP growth primarily reflected accelerations in consumer spending as well as an uptick in local, state, and federal government spending

General Non-Operating Observations

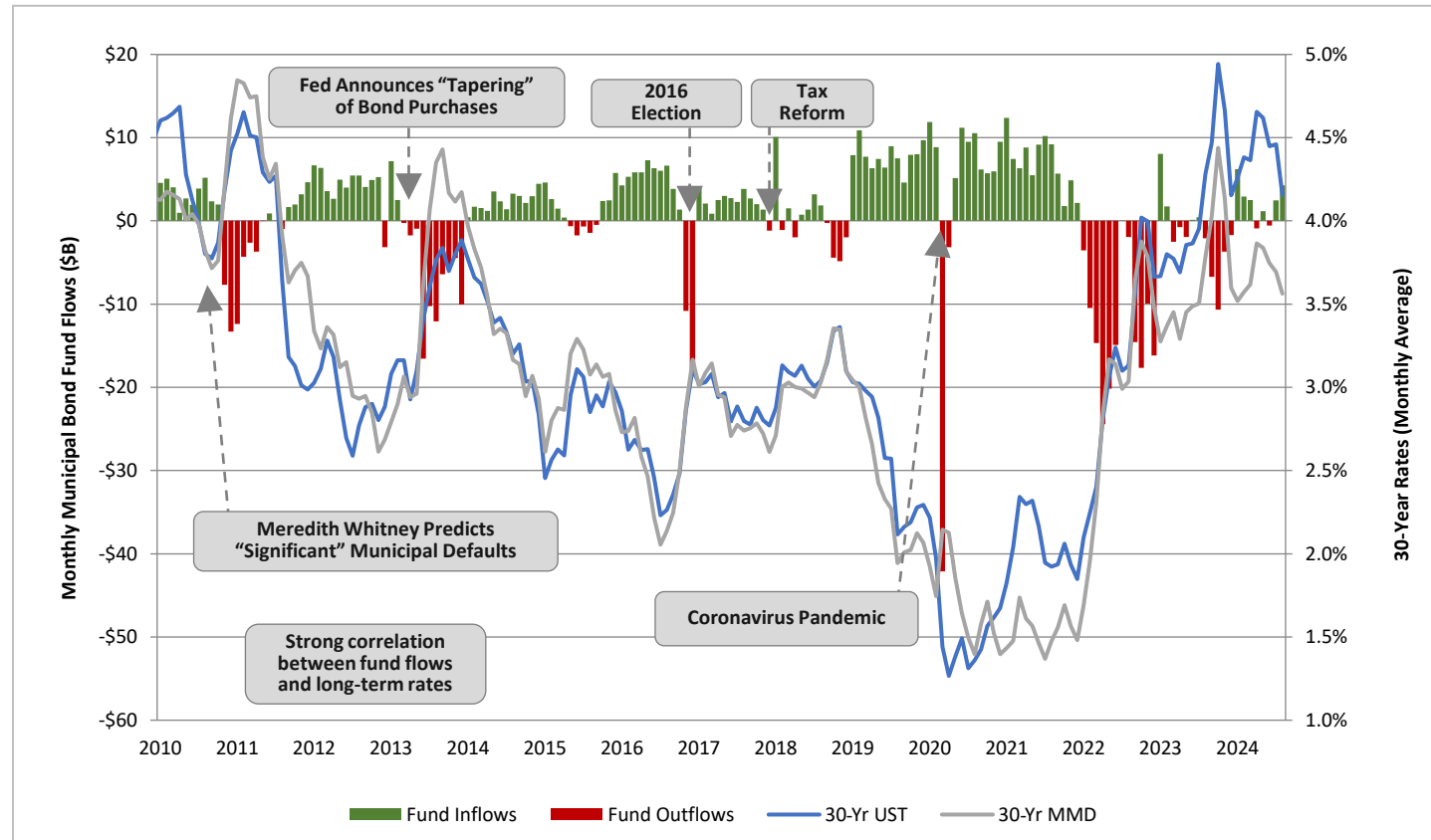
	August 2024	M-o-M Change	Y-o-Y Change
General			
GDP Growth*	3.0%	n/a	n/a
Unemployment Rate	4.2%	-0.1%	+0.4%
Personal Consumption Expenditures (Y-o-Y)	2.5%	0.0%	0.7%
Liabilities			
SOFR	5.32%	-6 bps	+1 bps
SIFMA	2.92%	-59 bps	-114 bps
30-yr MMD	3.60%	-8 bps	-28 bps
30-yr Treasury	4.20%	-11 bps	-2 bps
Assets			
60/40 Asset Allocation [†]	n/a	+1.9%	+16.1 %

*U.S. Bureau of Economic Analysis, Q2 2024 “Second Estimate”

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

Non-Operating Liabilities

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



Kaufman Hall, National Hospital Flash Report (August 2024 Metrics)

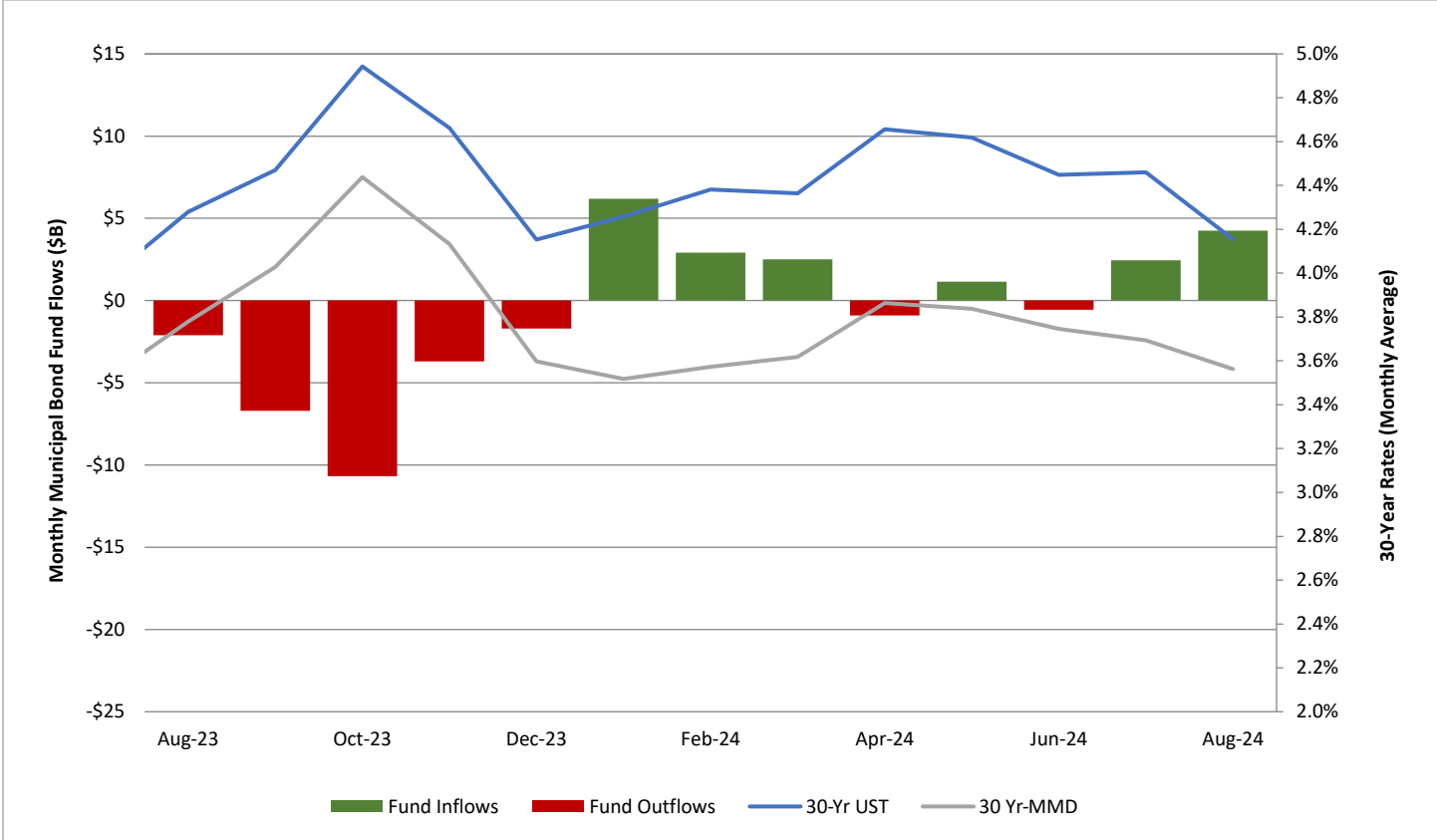
Taxable and tax-exempt debt capital markets, as approximated here by the '30-yr U.S. Treasury' and '30-yr MMD Index', are dependent upon macroeconomic conditions, including inflation expectations, GDP growth and investment opportunities elsewhere in the market. A key measure to track is bond fund flows, 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.

In August, the tax-exempt 30-year MMD benchmark decreased eight basis points from the prior month-end, settling at 3.60%. The 30-year Treasury rate also decreased, falling 11 basis points to end August at 4.20%. Similarly, the 10-year Treasury decreased 13 basis points and the 10-year MMD yield decreased 11 basis points. MMD/Treasury ratios widened slightly at the short end of the curve, with the two-year ratio at 63%, down from July's ratio of 67%. At the 10-year part of the curve, the ratio slightly tightened with the ratio at 70% slightly higher from July's ratio of 69%. The 30-year ratio is at 86%, unchanged from the end of July.

Recent Treasury market shifts have caused yields to decrease across the entire yield curve. Notably, short-term yields have fallen more rapidly than long-term yields, leading to a less inverted Treasury curve. The 10-year / 2-year spread of the Treasury yield curve went positive for the first time since July 2022, which is the longest period of sustained inversion in the last 40 years.

Non-Operating Liabilities *(continued)*

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



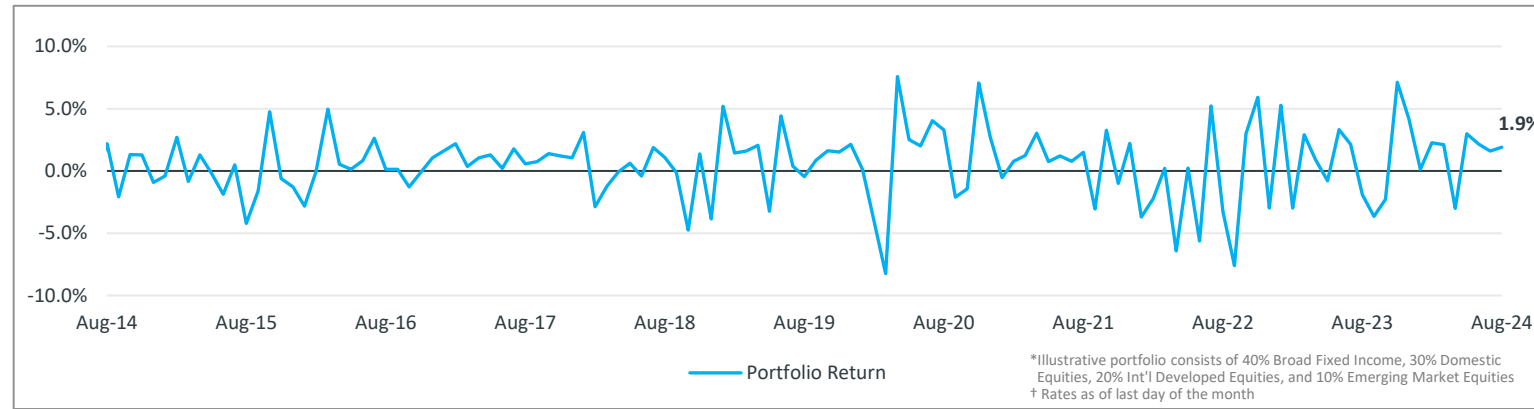
\$4.2 billion entered Municipal funds in August, showing four consecutive weeks of inflows throughout the month while outpacing July’s adjusted inflows of \$2.4 billion. Investor demand remains robust as issuers accelerate financing plans ahead of the November election. YTD 2024 supply continues to outpace YTD 2023 as total municipal issuance and total health care supply are 34% and 145% higher, respectively, at the end August. Notably, year-to-date 2024 health care issuance has already reached \$26.8 billion, exceeding the total issuance for all of 2023, which was \$17.7 billion.

Kaufman Hall, National Hospital Flash Report (August 2024 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.

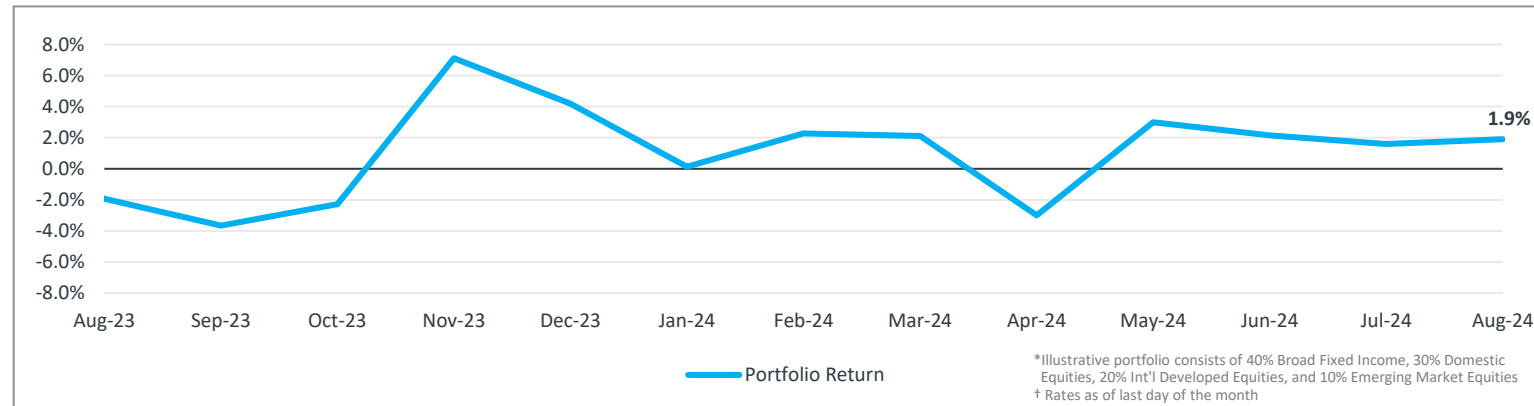
Non-Operating Assets

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



Kaufman Hall, National Hospital Flash Report (August 2024 Metrics)

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



Kaufman Hall, National Hospital Flash Report (August 2024 Metrics)

Equities continued to rise in August, after a brief decline to start the month that neared correction territory, adding to a trend of gains in 2024 that spanned four consecutive months at the beginning of the year. The S&P 500 rose 2.3% in August, bringing its year-over-year gain to 25.3%.

The blended 60/40 asset allocation finished August 1.9% higher month-over-month with the fixed income market posting the largest gains and bringing the year-to-date allocation to 10.5%. The MSCI World, MSCI Emerging Markets, and Barclays Agg Indexes all rose during the month, rising 2.5%, 1.4%, and 1.4% respectively.

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Talk to us

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

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