

**KaufmanHall**

APRIL 2024

# National Hospital Flash Report

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

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

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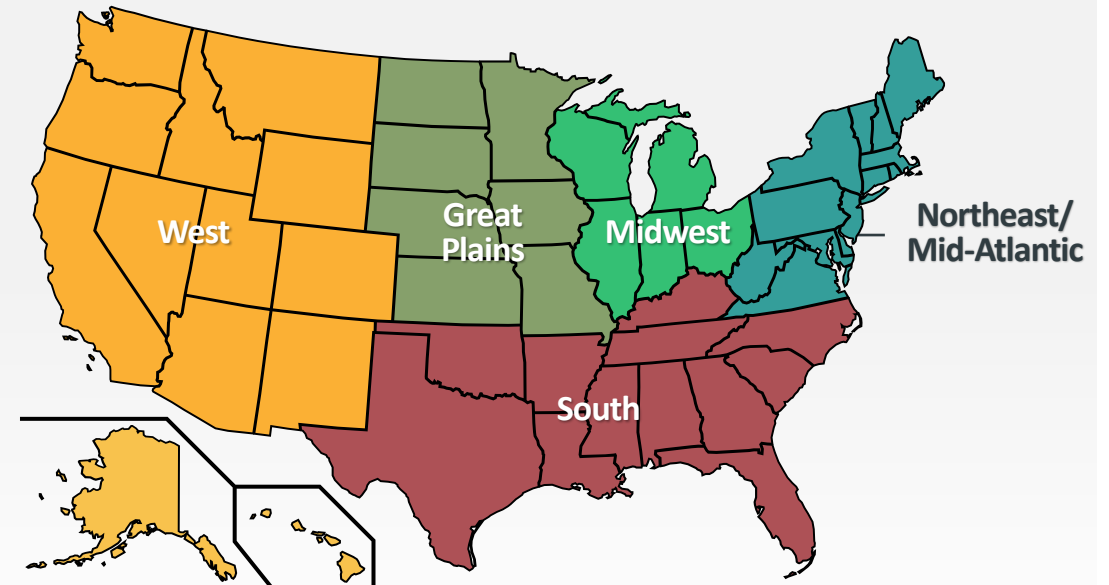
# About the Data

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 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

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### **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

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[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](https://syntellis.com).

# Key Takeaways

- 1. Margins and other key performance indicators declined slightly in March.** While hospitals performed relatively well in the first quarter of 2024, declines in volume and associated revenue in March may signal more challenges ahead.
- 2. Hospital outpatient revenue fell 5% in March,** reflecting the competitive challenges of providing outpatient care.
- 3. Increases in bad debt and charity, along with increases in days A/R,** pose challenges and opportunities for hospitals' revenue cycles and overall collections.

# Action Steps

In early 2024, there was a [significant uptick in M&A activity](#), as many community health systems sought larger partners and large health systems continued to realign their portfolios. Given recent declines in volumes, organizations may explore strategic partnership opportunities including:

- Expanding growth into high-performing services to offset volume trends
- Embracing investments in consumer-friendly offerings to protect and enhance existing volumes
- Adapting the perspectives and capabilities of insurers around existing volumes to test value-based care approaches

## REPORT AUTHOR

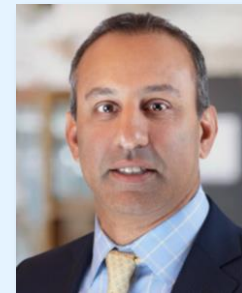


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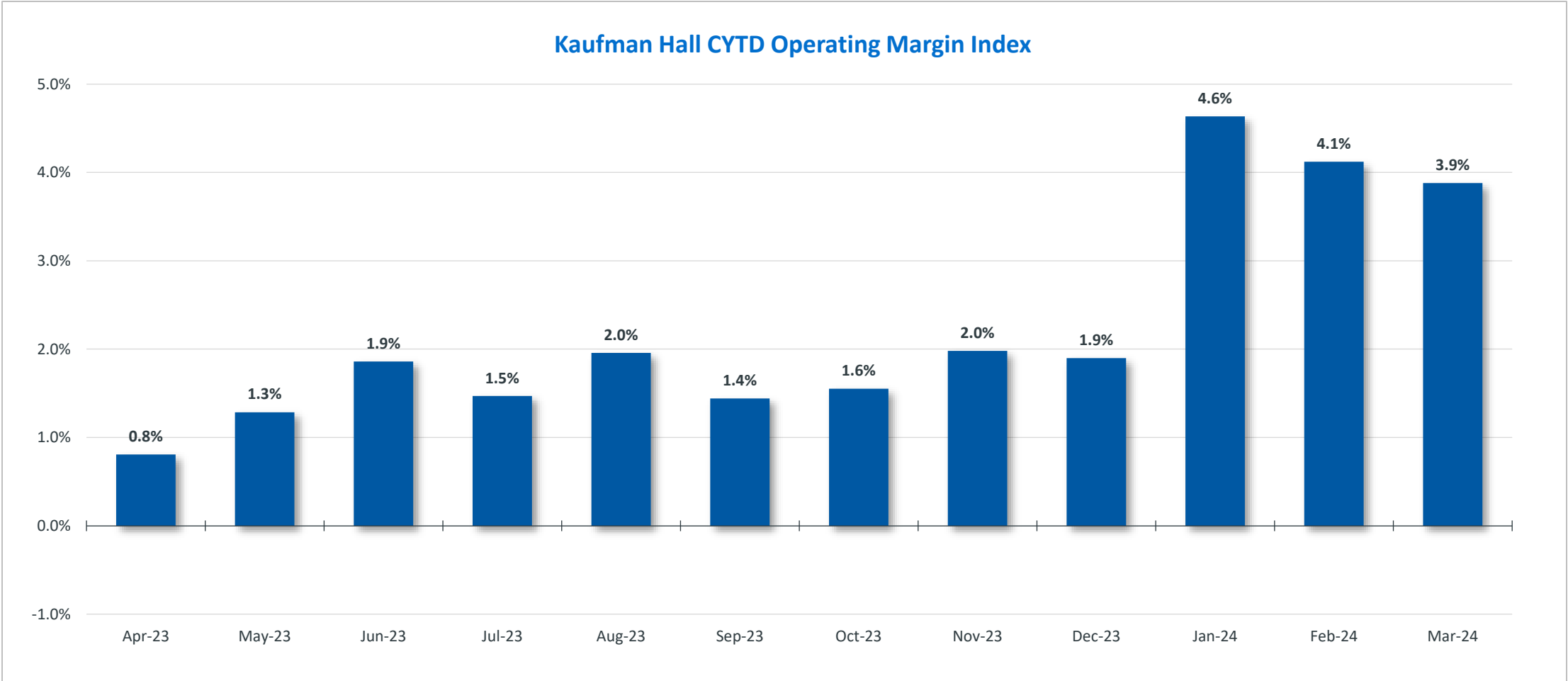


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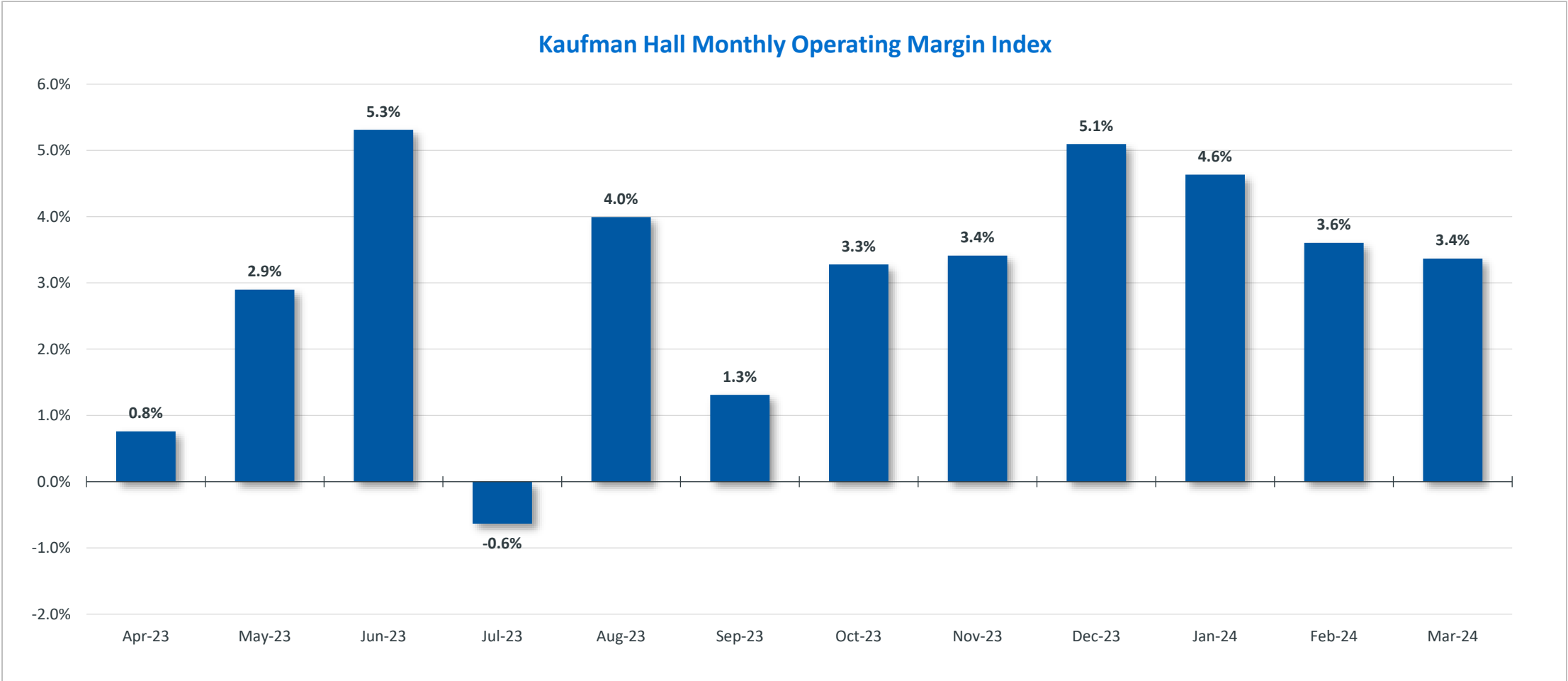
# Operating Margin



Kaufman Hall, National Hospital Flash Report (April 2024)

*\* Note: 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.*

# Operating Margin *(continued)*



Kaufman Hall, National Hospital Flash Report (April 2024)

*\* Note: 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.*

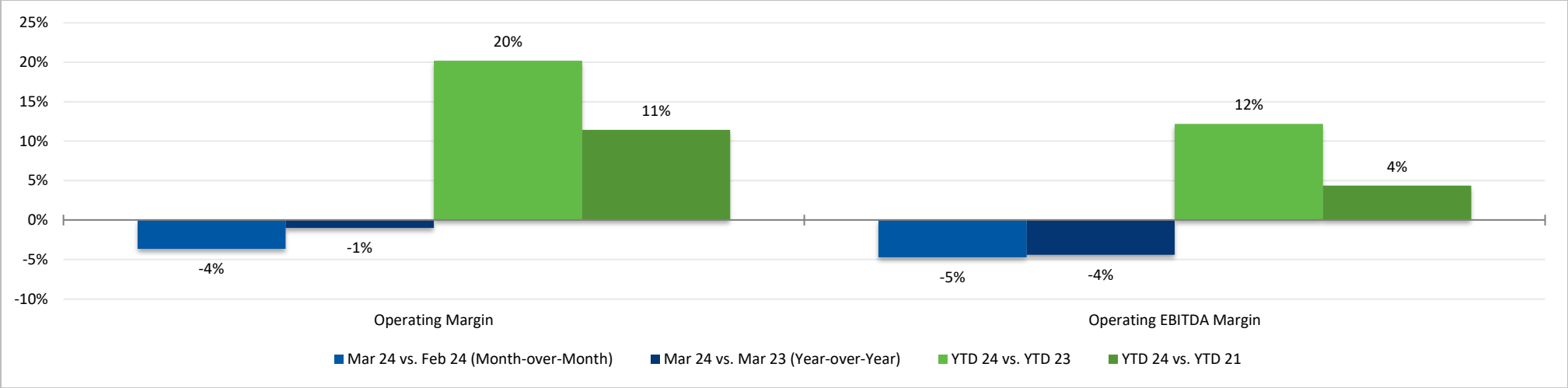


# National and Regional Data

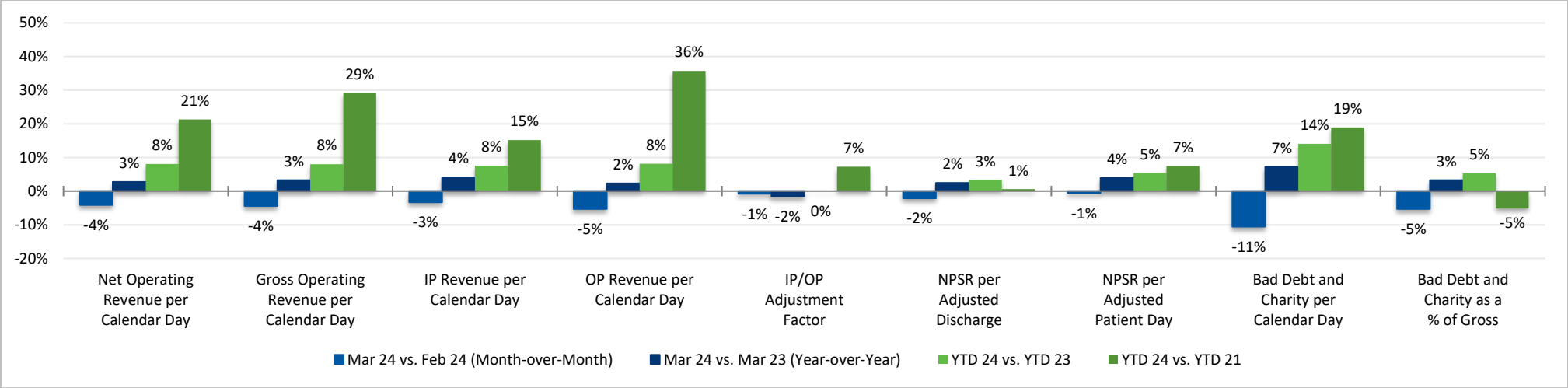
*Profitability, Revenue, Expense, and Volume*

# National Data

## Profitability

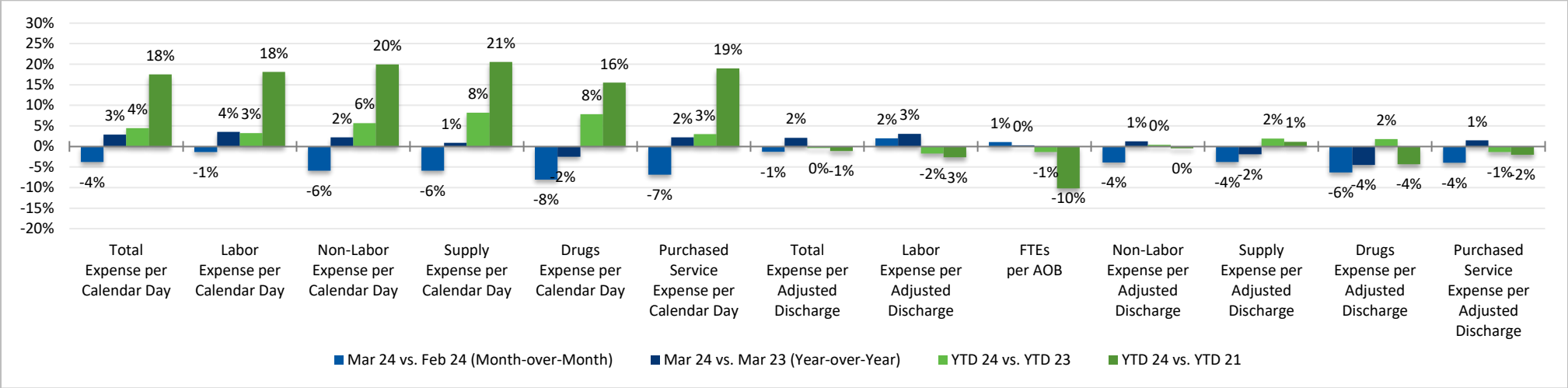


## Revenue

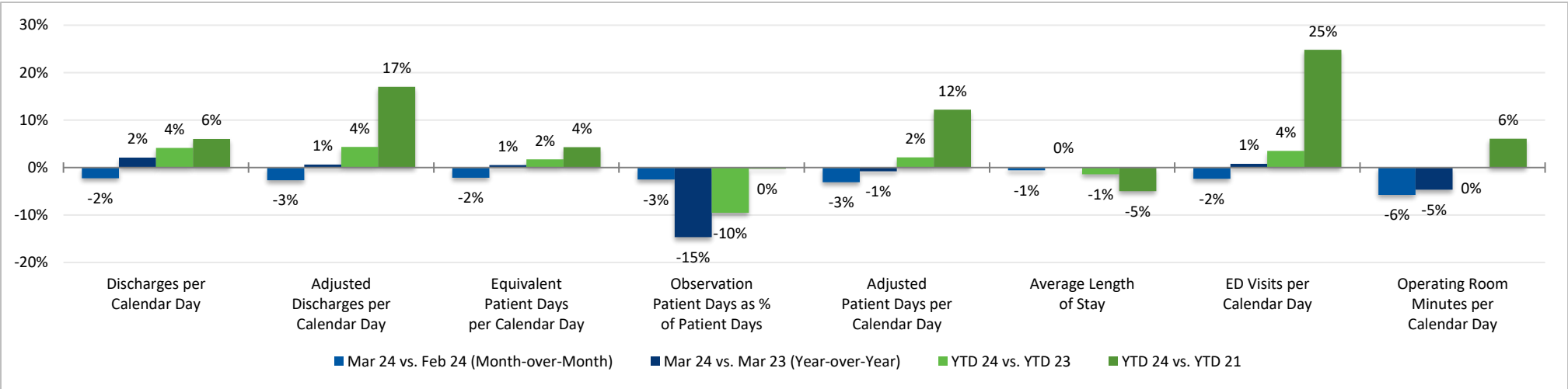


# National Data *(continued)*

## Expense

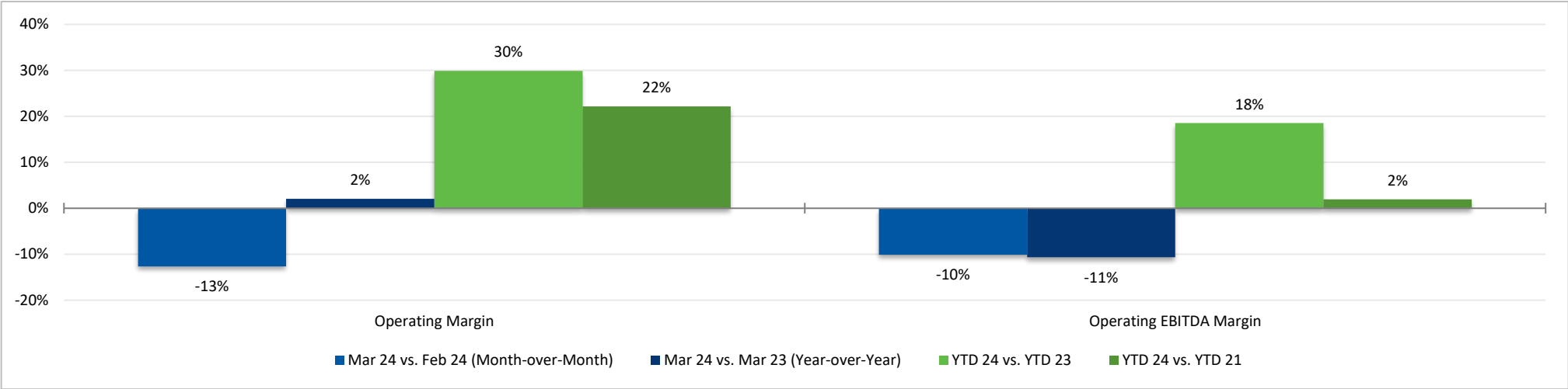


## Volume

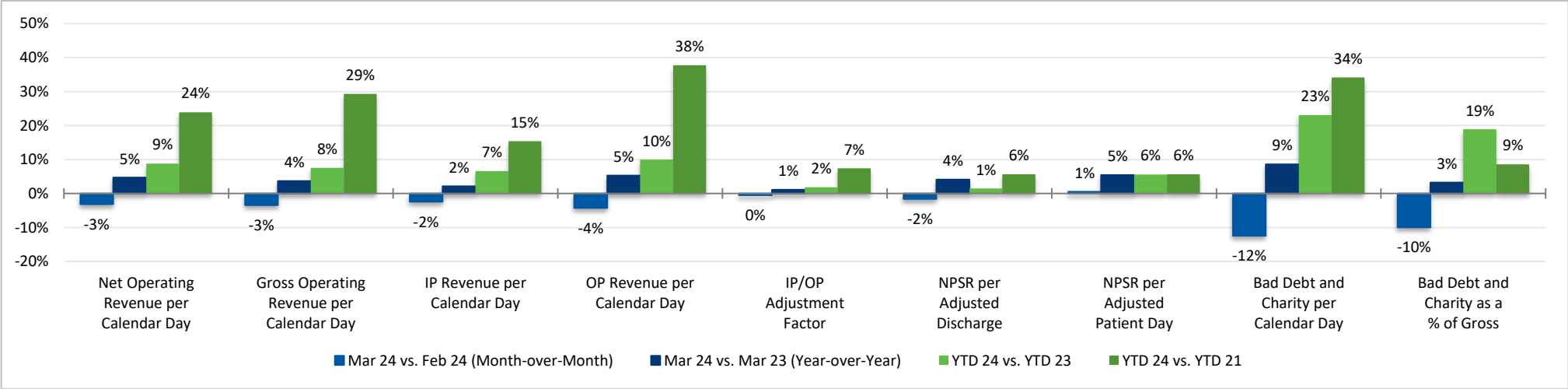


# Regional Data: West

## Profitability

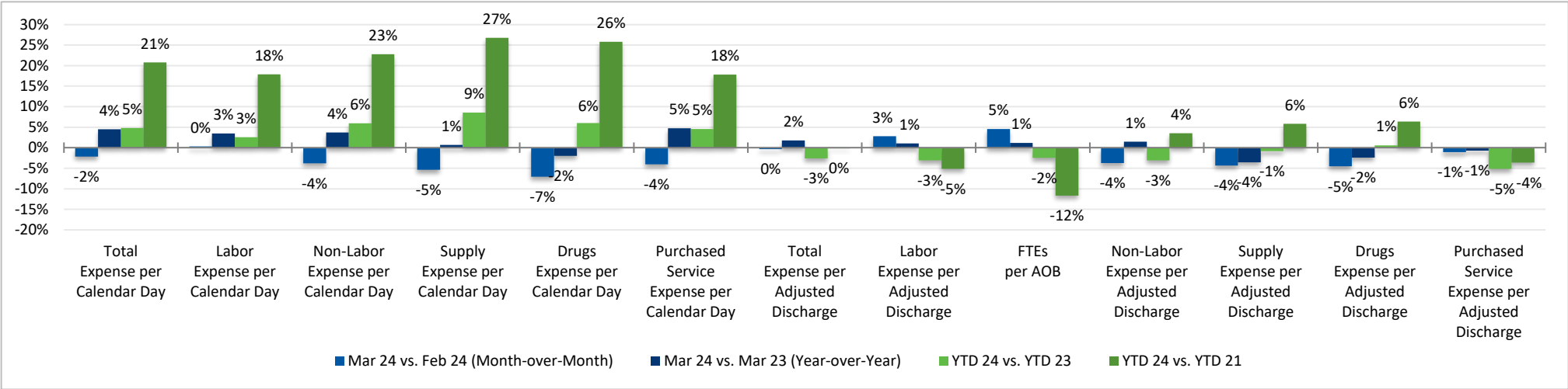


## Revenue

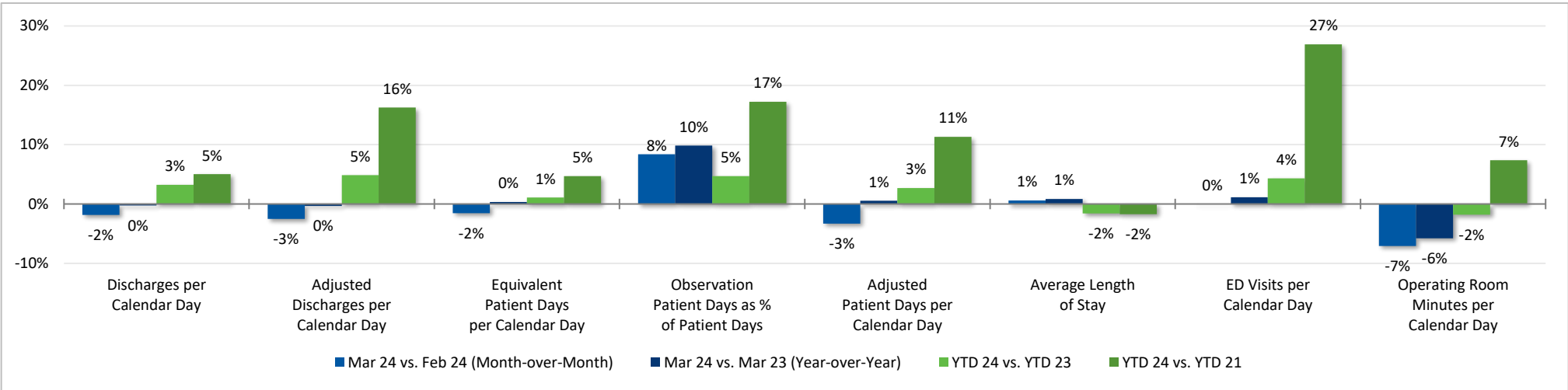


# Regional Data: West (continued)

## Expense

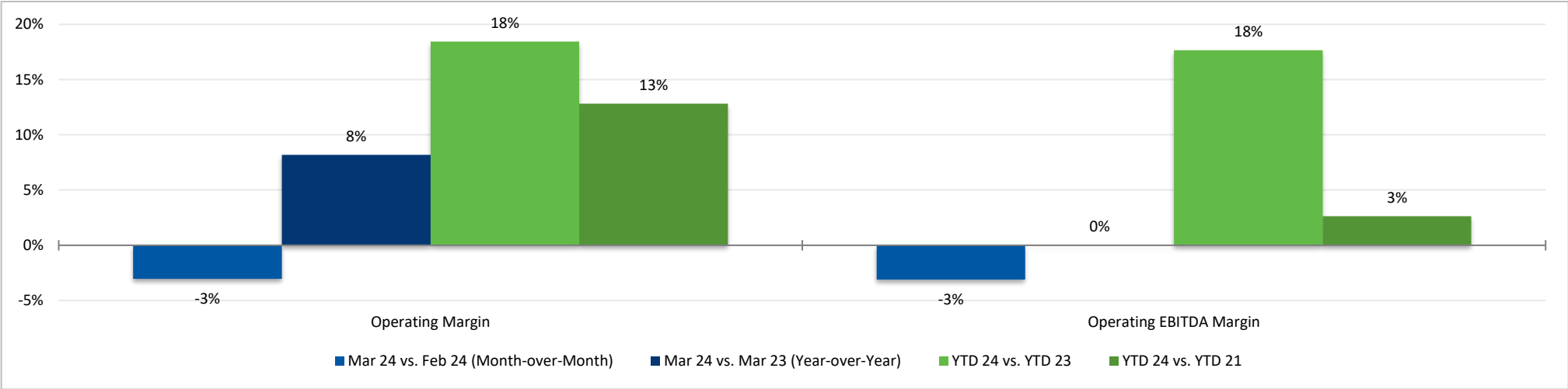


## Volume

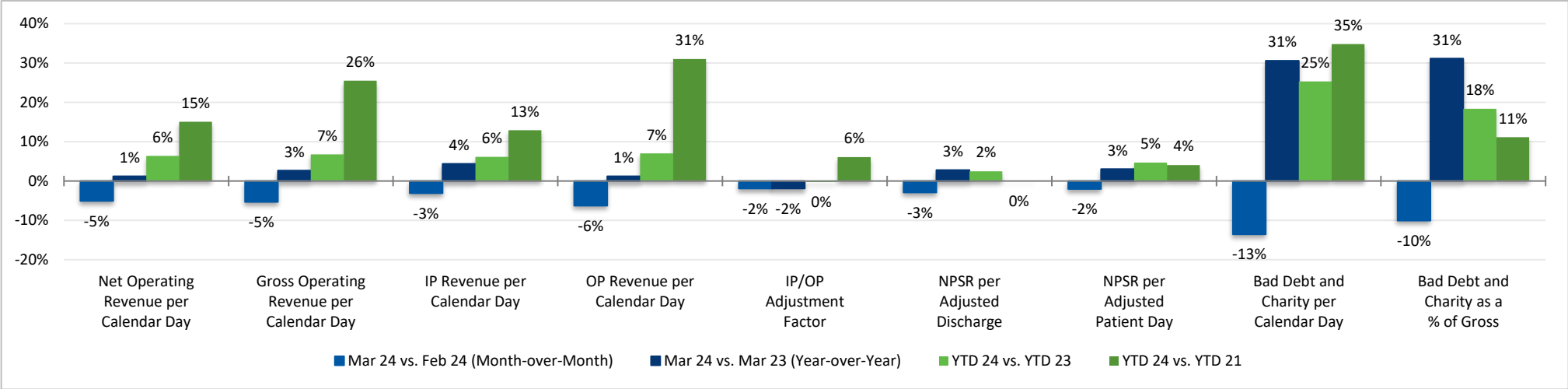


# Regional Data: Midwest

## Profitability

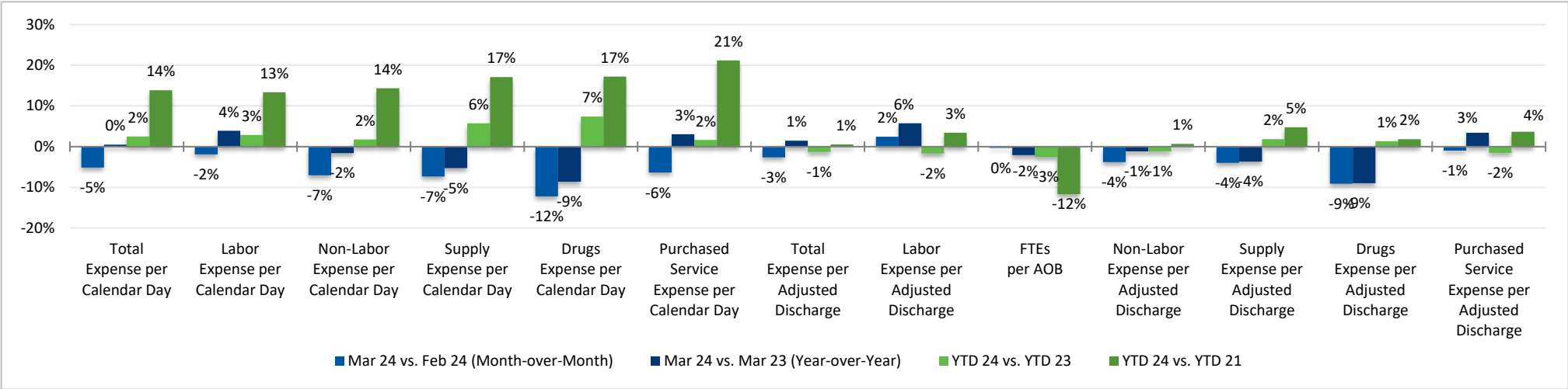


## Revenue

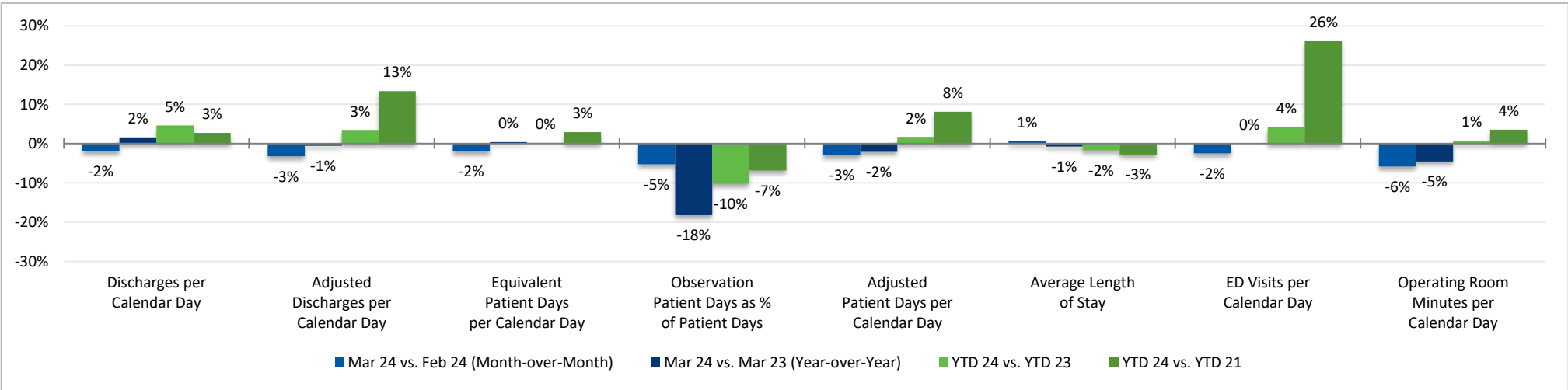


# Regional Data: Midwest *(continued)*

## Expense

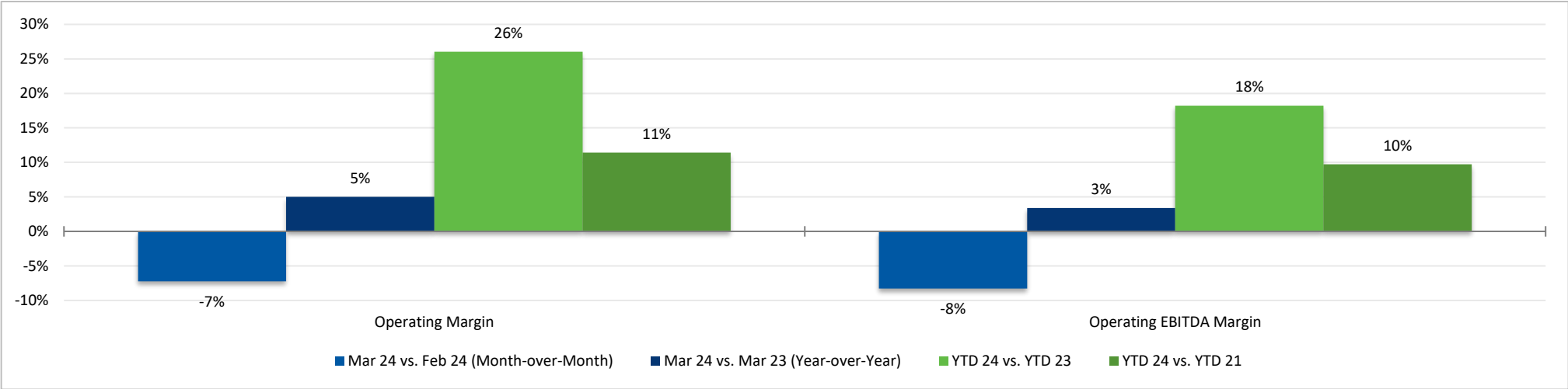


## Volume

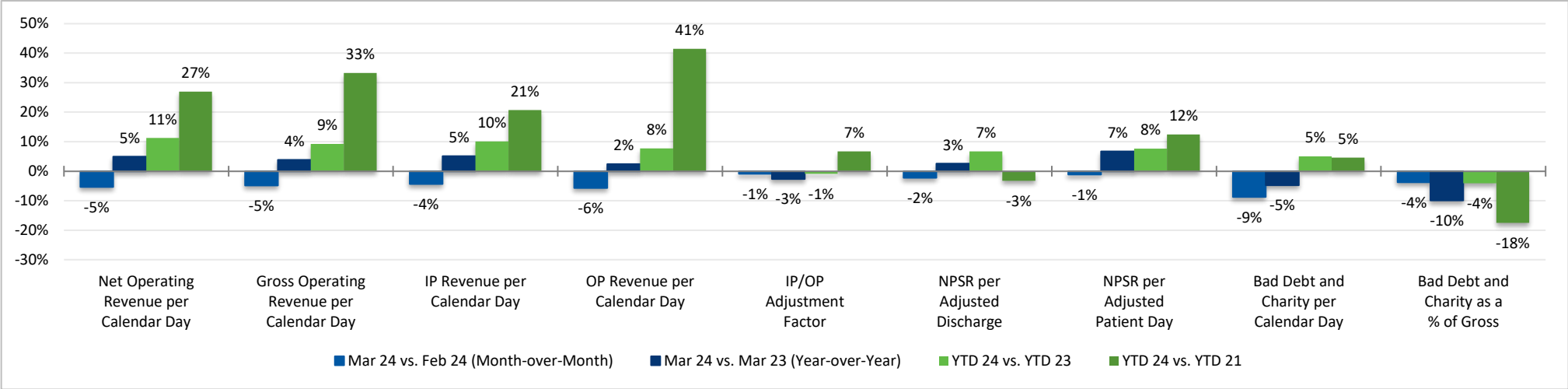


# Regional Data: South

## Profitability



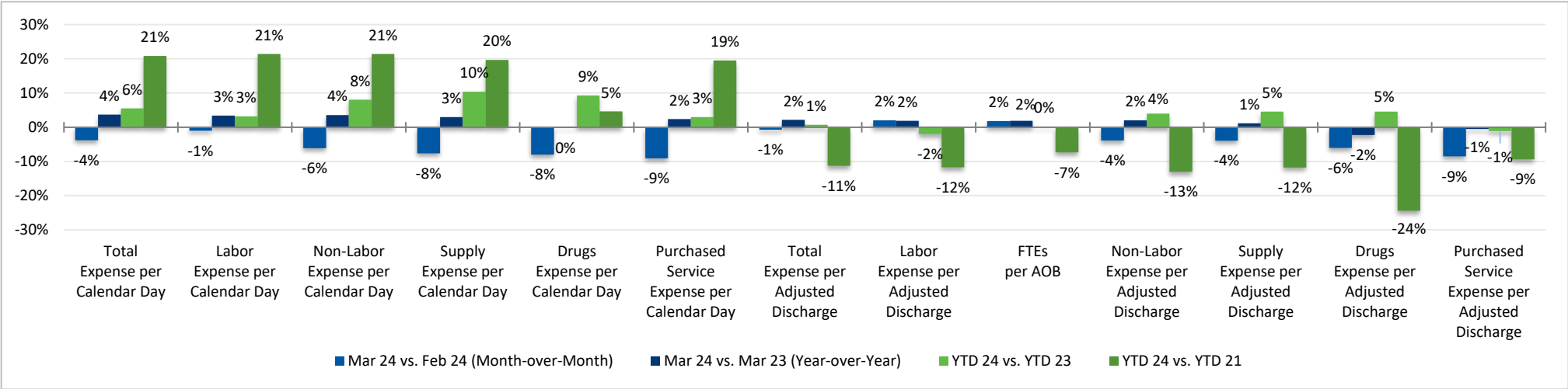
## Revenue



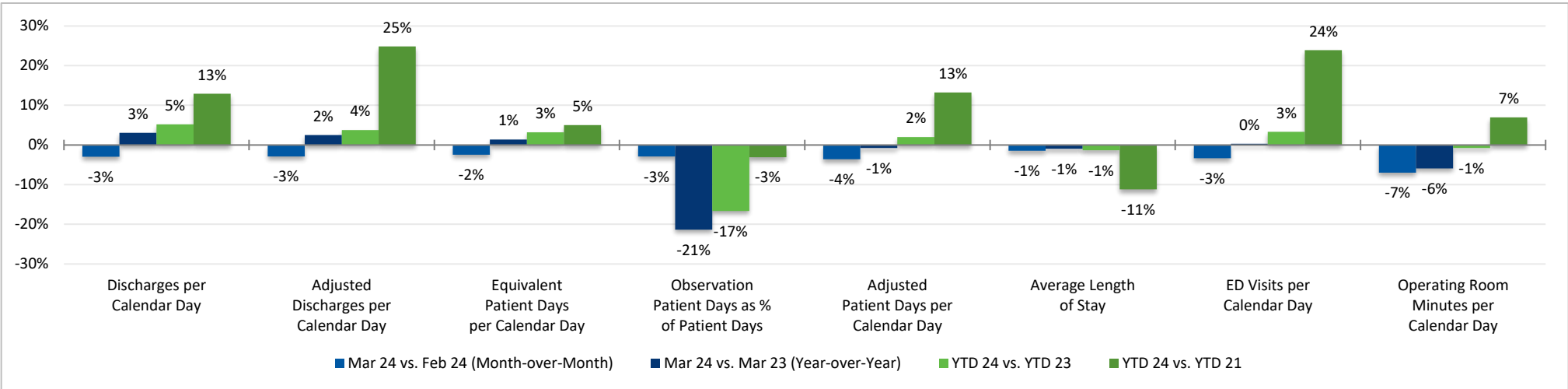


# Regional Data: South (continued)

## Expense

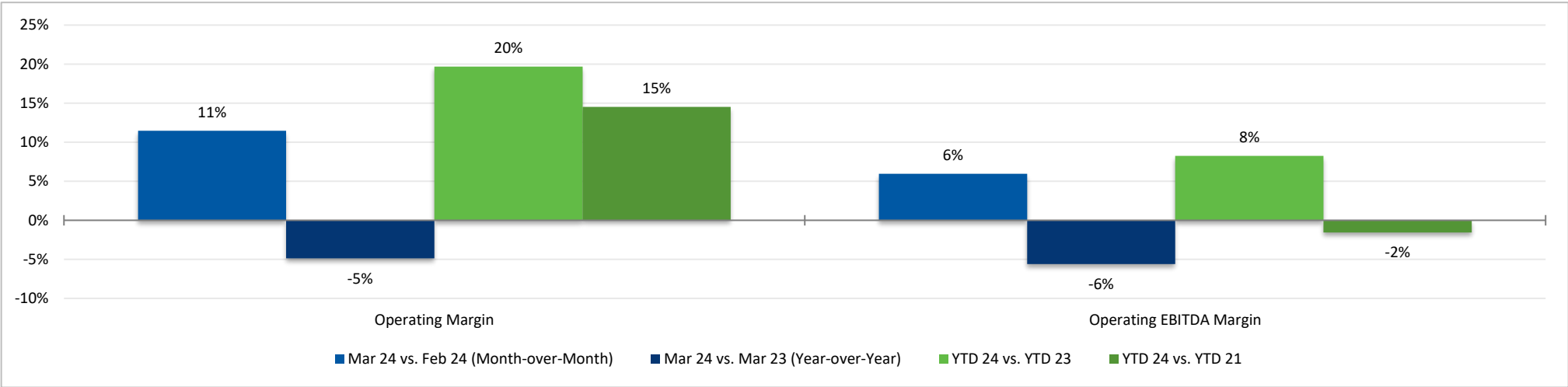


## Volume

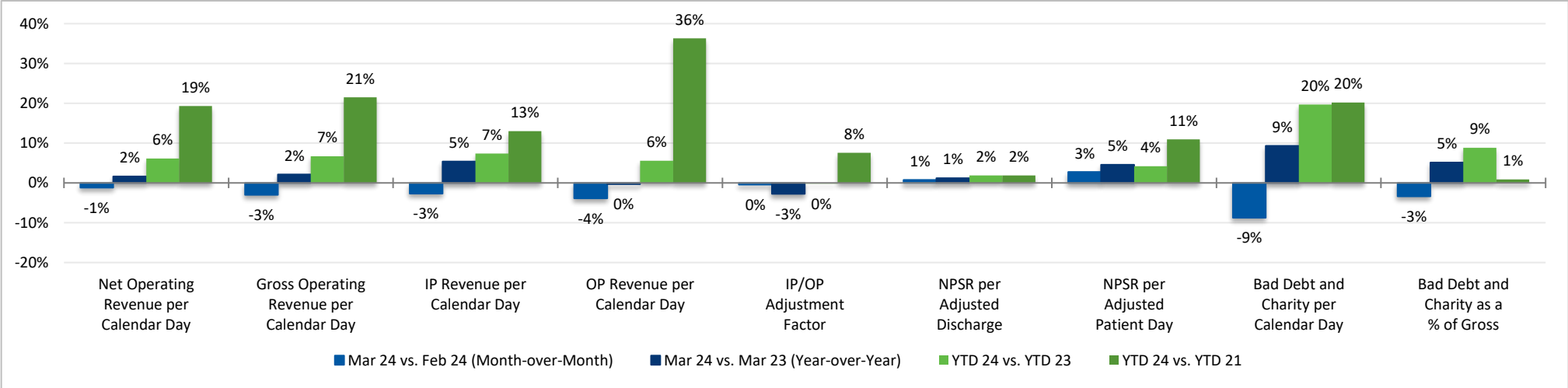


# Regional Data: Northeast/Mid-Atlantic

## Profitability

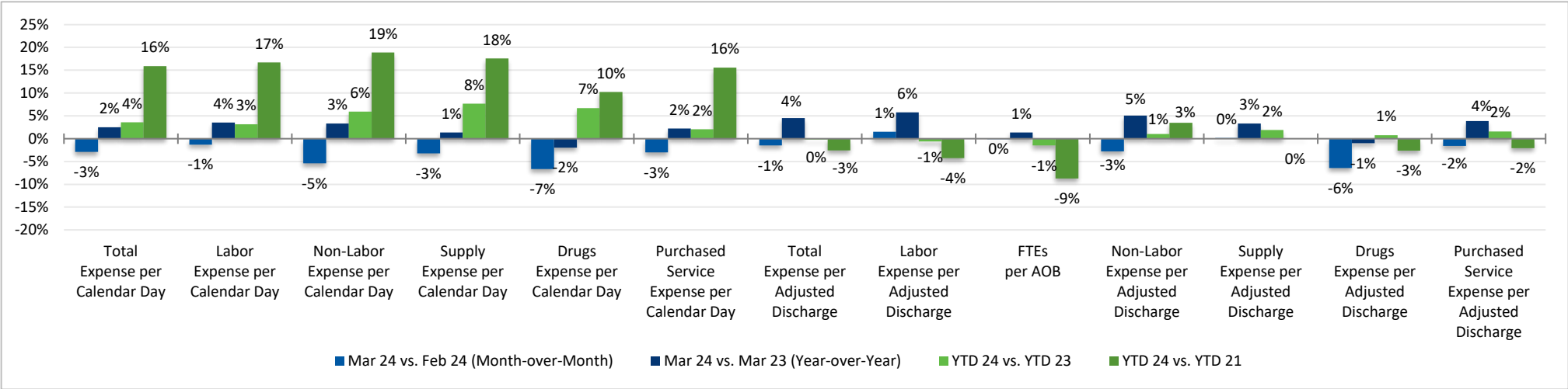


## Revenue

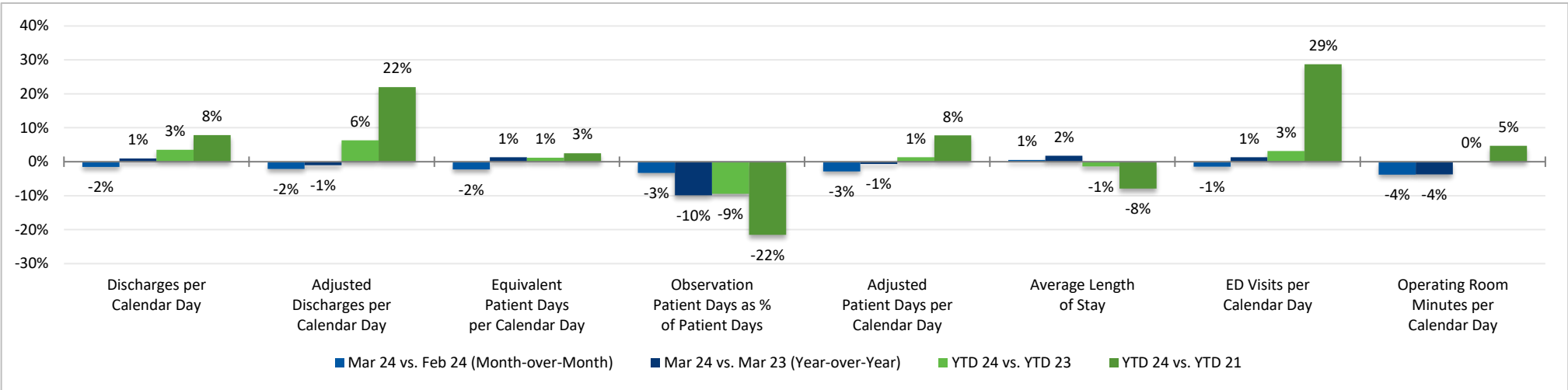


# Regional Data: Northeast/Mid-Atlantic *(continued)*

## Expense

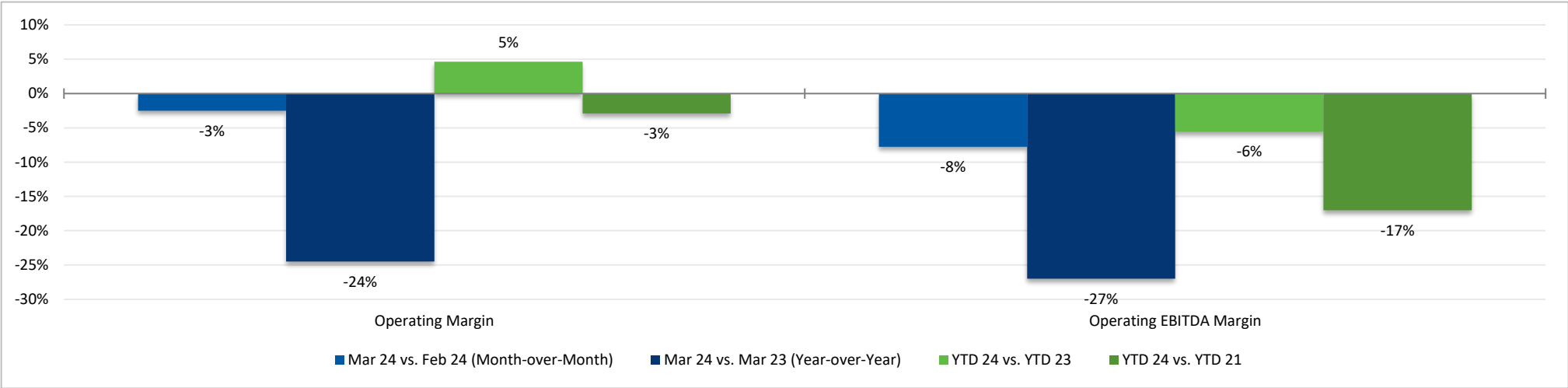


## Volume

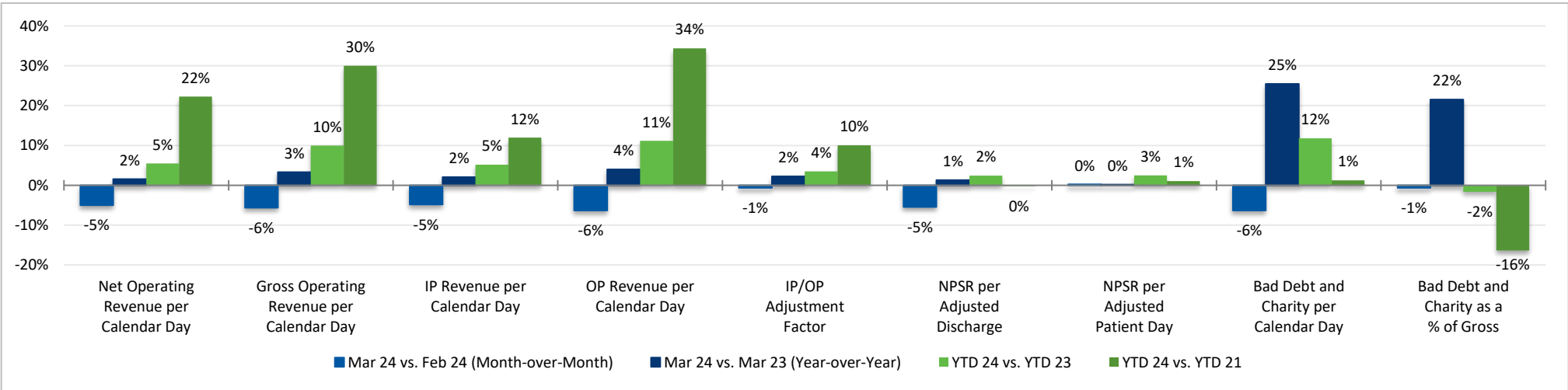


# Regional Data: Great Plains

## Profitability

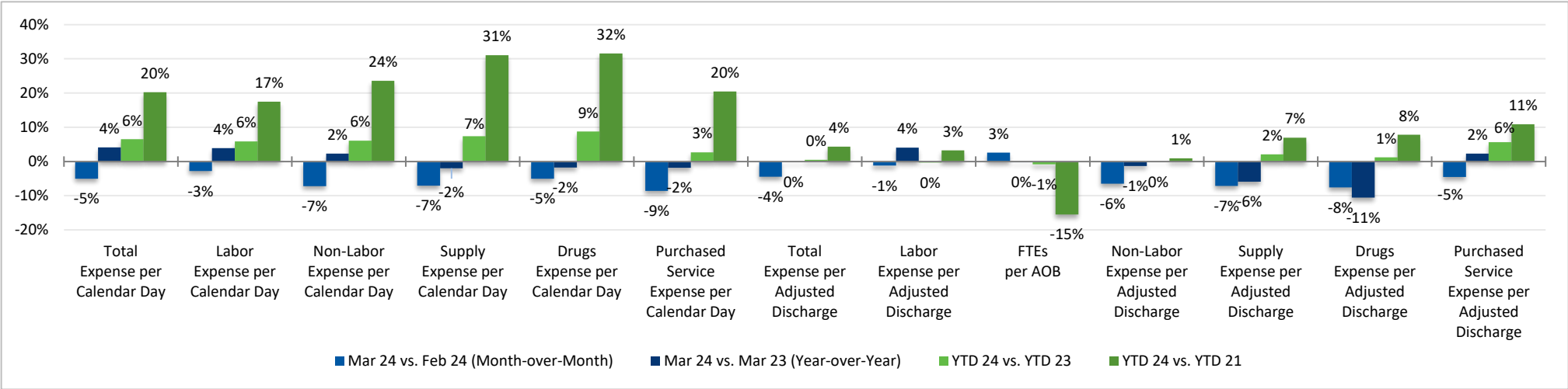


## Revenue

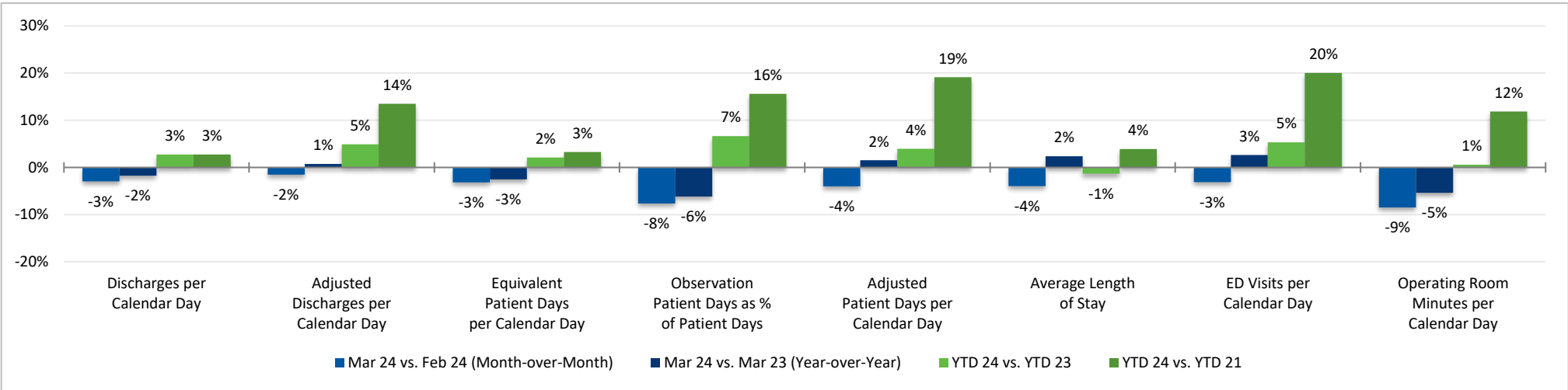


# Regional Data: Great Plains *(continued)*

## Expense



## Volume



# Data by Hospital Bed Size

## *Profitability, Revenue, Expense, and Volume*

# 0-25 Beds

		Mar 24 vs. Feb 24 (Month-over-Month)	Mar 24 vs. Mar 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-1.8%	1.6%	16.1%	32.0%
	Operating EBIDA Margin	-2.4%	-4.1%	18.5%	8.5%
Volume	Discharges per Calendar Day	-6.5%	-5.1%	2.0%	1.6%
	Adjusted Discharges per Calendar Day	-2.4%	-4.8%	2.3%	20.1%
	Equivalent Patient Days per Calendar Day	-4.0%	-1.7%	-0.9%	4.8%
	Observation Patient Days as % of Patient Days	3.8%	-15.1%	-3.7%	20.6%
	Adjusted Patient Days per Calendar Day	-3.8%	-1.2%	1.3%	22.6%
	Average Length of Stay	-0.6%	-0.4%	-2.0%	-4.6%
	ED Visits per Calendar Day	-3.7%	1.7%	4.6%	28.7%
	Operating Room Minutes per Calendar Day	-8.2%	-9.8%	-4.3%	7.0%
Revenue	Net Operating Revenue per Calendar Day	-3.0%	2.5%	8.4%	24.3%
	Gross Operating Revenue per Calendar Day	-5.4%	2.9%	7.9%	33.0%
	IP Revenue per Calendar Day	-3.3%	-0.7%	4.8%	6.9%
	OP Revenue per Calendar Day	-6.0%	3.0%	7.5%	35.3%
	IP/OP Adjustment Factor	-2.6%	0.0%	4.3%	18.3%
	NPSR per Adjusted Discharge	-2.9%	1.2%	3.7%	-2.9%
	NPSR per Adjusted Patient Day	2.0%	3.5%	6.2%	-3.4%
	Bad Debt and Charity per Calendar Day	-14.7%	6.4%	17.5%	28.5%
	Bad Debt and Charity as a % of Gross	-8.5%	3.5%	5.5%	0.3%
Expense	Total Expense per Calendar Day	-4.5%	1.5%	3.9%	18.3%
	Labor Expense per Calendar Day	-1.6%	4.0%	3.9%	16.2%
	Non-Labor Expense per Calendar Day	-7.0%	0.0%	3.2%	19.6%
	Supply Expense per Calendar Day	-8.8%	-2.8%	10.3%	30.1%
	Drugs Expense per Calendar Day	-9.2%	-3.3%	8.7%	29.8%
	Purchased Service Expense per Calendar Day	-8.9%	-0.9%	2.6%	18.4%
	Total Expense per Adjusted Discharge	-3.5%	0.2%	-0.4%	-8.5%
	Labor Expense per Adjusted Discharge	0.5%	6.2%	0.1%	-5.9%
	FTEs per AOB	0.8%	0.7%	-1.3%	-18.8%
	Non-Labor Expense per Adjusted Discharge	-5.5%	-1.4%	-1.6%	-7.3%
	Supply Expense per Adjusted Discharge	-10.2%	-6.3%	-0.4%	-2.6%
	Drugs Expense per Adjusted Discharge	-11.6%	-6.4%	3.4%	11.7%
	Purchased Service Expense per Adjusted Discharge	-2.8%	-1.9%	-2.7%	-11.4%

# 26-99 Beds

		Mar 24 vs. Feb 24 (Month-over-Month)	Mar 24 vs. Mar 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-1.0%	-12.6%	16.1%	5.5%
	Operating EBIDA Margin	-3.9%	-13.4%	8.6%	4.6%
Volume	Discharges per Calendar Day	-2.6%	2.1%	4.9%	9.4%
	Adjusted Discharges per Calendar Day	-5.1%	2.3%	5.2%	19.6%
	Equivalent Patient Days per Calendar Day	-2.3%	-0.9%	0.7%	2.5%
	Observation Patient Days as % of Patient Days	-7.3%	-17.9%	-12.6%	-0.5%
	Adjusted Patient Days per Calendar Day	-3.1%	-0.9%	2.9%	10.4%
	Average Length of Stay	0.6%	0.1%	-2.7%	-11.2%
	ED Visits per Calendar Day	-2.5%	-0.6%	3.3%	24.9%
	Operating Room Minutes per Calendar Day	-7.0%	-3.2%	-3.2%	1.0%
Revenue	Net Operating Revenue per Calendar Day	-5.3%	1.9%	8.4%	19.2%
	Gross Operating Revenue per Calendar Day	-5.2%	3.2%	8.4%	26.9%
	IP Revenue per Calendar Day	-3.4%	3.3%	5.8%	12.7%
	OP Revenue per Calendar Day	-6.1%	3.4%	8.3%	35.2%
	IP/OP Adjustment Factor	-1.7%	-1.1%	0.4%	10.8%
	NPSR per Adjusted Discharge	-0.4%	-1.2%	2.0%	-6.4%
	NPSR per Adjusted Patient Day	-1.9%	3.0%	5.5%	10.2%
	Bad Debt and Charity per Calendar Day	-10.6%	2.5%	10.8%	9.7%
	Bad Debt and Charity as a % of Gross	-2.5%	-2.0%	0.9%	-9.8%
Expense	Total Expense per Calendar Day	-3.7%	2.5%	4.1%	15.6%
	Labor Expense per Calendar Day	-2.0%	2.6%	2.6%	14.7%
	Non-Labor Expense per Calendar Day	-6.3%	2.3%	5.7%	18.8%
	Supply Expense per Calendar Day	-8.0%	0.4%	7.8%	15.3%
	Drugs Expense per Calendar Day	-10.1%	-4.5%	7.8%	6.5%
	Purchased Service Expense per Calendar Day	-7.5%	2.5%	3.4%	18.9%
	Total Expense per Adjusted Discharge	1.1%	-0.2%	-1.3%	-8.8%
	Labor Expense per Adjusted Discharge	3.9%	-0.6%	-4.2%	-14.2%
	FTEs per AOB	1.1%	0.5%	-2.0%	-9.2%
	Non-Labor Expense per Adjusted Discharge	-2.3%	1.3%	0.0%	-6.2%
	Supply Expense per Adjusted Discharge	-5.7%	-3.0%	0.2%	-7.7%
	Drugs Expense per Adjusted Discharge	-8.0%	-6.3%	-0.8%	-17.6%
	Purchased Service Expense per Adjusted Discharge	-2.6%	1.4%	-2.3%	-5.4%



# 100-199 Beds

		Mar 24 vs. Feb 24 (Month-over-Month)	Mar 24 vs. Mar 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-6.6%	12.7%	8.1%	10.5%
	Operating EBIDA Margin	-5.9%	6.5%	8.8%	5.6%
Volume	Discharges per Calendar Day	-2.2%	1.9%	4.5%	7.5%
	Adjusted Discharges per Calendar Day	-2.2%	-0.2%	4.3%	15.8%
	Equivalent Patient Days per Calendar Day	-1.8%	-0.2%	2.2%	4.2%
	Observation Patient Days as % of Patient Days	-2.5%	-15.9%	-10.9%	-16.1%
	Adjusted Patient Days per Calendar Day	-4.0%	-2.1%	1.4%	14.2%
	Average Length of Stay	-1.6%	-1.6%	0.3%	-2.6%
	ED Visits per Calendar Day	-2.2%	-0.6%	2.3%	25.6%
	Operating Room Minutes per Calendar Day	-5.0%	-5.3%	-1.4%	5.2%
Revenue	Net Operating Revenue per Calendar Day	-4.8%	2.5%	6.2%	19.9%
	Gross Operating Revenue per Calendar Day	-3.9%	2.3%	6.2%	25.6%
	IP Revenue per Calendar Day	-4.1%	3.5%	7.7%	15.4%
	OP Revenue per Calendar Day	-5.0%	1.2%	7.2%	32.9%
	IP/OP Adjustment Factor	-0.6%	-1.7%	-0.6%	6.5%
	NPSR per Adjusted Discharge	-3.5%	2.5%	4.7%	0.9%
	NPSR per Adjusted Patient Day	-0.2%	4.8%	5.5%	5.8%
	Bad Debt and Charity per Calendar Day	-10.7%	3.5%	14.0%	21.4%
	Bad Debt and Charity as a % of Gross	-5.9%	-2.7%	8.7%	-1.5%
Expense	Total Expense per Calendar Day	-4.2%	2.5%	3.8%	15.3%
	Labor Expense per Calendar Day	-1.3%	2.9%	3.0%	20.0%
	Non-Labor Expense per Calendar Day	-6.7%	2.0%	4.7%	18.2%
	Supply Expense per Calendar Day	-6.1%	-0.7%	6.4%	17.2%
	Drugs Expense per Calendar Day	-6.1%	-3.9%	6.1%	9.7%
	Purchased Service Expense per Calendar Day	-6.5%	1.1%	1.0%	11.9%
	Total Expense per Adjusted Discharge	-2.6%	1.4%	-1.3%	-2.5%
	Labor Expense per Adjusted Discharge	0.9%	1.1%	-1.7%	-2.8%
	FTEs per AOB	2.1%	0.8%	-0.9%	-9.0%
	Non-Labor Expense per Adjusted Discharge	-5.6%	0.8%	-0.1%	-1.9%
	Supply Expense per Adjusted Discharge	-5.0%	-2.6%	1.4%	2.7%
	Drugs Expense per Adjusted Discharge	-4.5%	-5.5%	1.8%	-14.7%
	Purchased Service Expense per Adjusted Discharge	-7.8%	1.4%	-0.5%	-6.2%

# 200-299 Beds

		Mar 24 vs. Feb 24 (Month-over-Month)	Mar 24 vs. Mar 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-1.8%	3.9%	34.1%	3.0%
	Operating EBIDA Margin	-0.2%	4.2%	19.2%	0.3%
Volume	Discharges per Calendar Day	-1.4%	4.6%	5.3%	6.6%
	Adjusted Discharges per Calendar Day	-1.5%	2.3%	6.3%	18.2%
	Equivalent Patient Days per Calendar Day	-3.4%	0.5%	2.1%	3.5%
	Observation Patient Days as % of Patient Days	-3.8%	-11.4%	-10.2%	0.2%
	Adjusted Patient Days per Calendar Day	-3.2%	-1.1%	2.3%	10.8%
	Average Length of Stay	-1.9%	-0.7%	-2.0%	-2.1%
	ED Visits per Calendar Day	-2.5%	1.1%	3.8%	21.8%
	Operating Room Minutes per Calendar Day	-5.1%	-2.4%	1.1%	4.1%
Revenue	Net Operating Revenue per Calendar Day	-3.8%	4.7%	8.2%	19.3%
	Gross Operating Revenue per Calendar Day	-4.5%	4.0%	7.9%	29.7%
	IP Revenue per Calendar Day	-3.4%	6.7%	9.7%	19.2%
	OP Revenue per Calendar Day	-4.5%	1.8%	8.2%	37.3%
	IP/OP Adjustment Factor	-0.4%	-2.2%	-0.4%	7.2%
	NPSR per Adjusted Discharge	-1.5%	3.1%	2.2%	-0.2%
	NPSR per Adjusted Patient Day	-0.4%	5.1%	5.3%	10.0%
	Bad Debt and Charity per Calendar Day	-10.7%	9.3%	12.7%	20.4%
	Bad Debt and Charity as a % of Gross	-3.9%	3.5%	5.3%	-3.2%
Expense	Total Expense per Calendar Day	-3.1%	2.4%	4.0%	17.3%
	Labor Expense per Calendar Day	-1.0%	3.7%	3.1%	18.0%
	Non-Labor Expense per Calendar Day	-5.0%	2.3%	5.4%	20.0%
	Supply Expense per Calendar Day	-2.8%	0.0%	7.0%	19.9%
	Drugs Expense per Calendar Day	-10.0%	-3.7%	6.5%	4.2%
	Purchased Service Expense per Calendar Day	-6.7%	2.0%	2.0%	22.4%
	Total Expense per Adjusted Discharge	-2.1%	1.4%	-0.8%	1.8%
	Labor Expense per Adjusted Discharge	0.6%	2.9%	-1.7%	3.1%
	FTEs per AOB	1.3%	0.6%	-0.3%	-6.7%
	Non-Labor Expense per Adjusted Discharge	-3.8%	1.0%	-0.8%	0.3%
	Supply Expense per Adjusted Discharge	-1.6%	-0.1%	2.0%	1.6%
	Drugs Expense per Adjusted Discharge	-7.7%	-5.4%	1.3%	-8.9%
	Purchased Service Expense per Adjusted Discharge	-4.6%	1.1%	-0.5%	2.4%

# 300-499 Beds

		Mar 24 vs. Feb 24 (Month-over-Month)	Mar 24 vs. Mar 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-10.3%	-10.8%	31.7%	-3.1%
	Operating EBIDA Margin	-14.1%	-13.5%	9.4%	-7.1%
Volume	Discharges per Calendar Day	-1.8%	2.5%	4.9%	3.6%
	Adjusted Discharges per Calendar Day	-2.6%	1.0%	4.6%	12.4%
	Equivalent Patient Days per Calendar Day	-2.1%	1.0%	1.8%	1.5%
	Observation Patient Days as % of Patient Days	-0.1%	-6.2%	-6.5%	2.2%
	Adjusted Patient Days per Calendar Day	-2.5%	0.1%	2.3%	5.8%
	Average Length of Stay	0.2%	1.3%	-1.2%	-4.0%
	ED Visits per Calendar Day	-1.3%	3.0%	4.4%	21.2%
	Operating Room Minutes per Calendar Day	-5.1%	-7.0%	-1.2%	6.9%
Revenue	Net Operating Revenue per Calendar Day	-3.6%	1.8%	7.1%	21.4%
	Gross Operating Revenue per Calendar Day	-3.4%	3.0%	8.4%	26.1%
	IP Revenue per Calendar Day	-2.9%	3.7%	7.3%	15.1%
	OP Revenue per Calendar Day	-4.8%	1.2%	8.0%	35.2%
	IP/OP Adjustment Factor	-0.6%	-1.4%	-0.6%	6.1%
	NPSR per Adjusted Discharge	-1.2%	3.0%	4.2%	5.5%
	NPSR per Adjusted Patient Day	-1.0%	2.2%	4.0%	10.6%
	Bad Debt and Charity per Calendar Day	-10.5%	14.3%	15.4%	18.1%
	Bad Debt and Charity as a % of Gross	-7.8%	11.8%	8.2%	-8.4%
Expense	Total Expense per Calendar Day	-3.3%	4.2%	4.5%	18.1%
	Labor Expense per Calendar Day	-0.7%	4.5%	3.4%	18.1%
	Non-Labor Expense per Calendar Day	-5.9%	2.4%	6.2%	20.1%
	Supply Expense per Calendar Day	-4.8%	0.6%	7.4%	19.2%
	Drugs Expense per Calendar Day	-8.4%	-3.0%	5.6%	10.3%
	Purchased Service Expense per Calendar Day	-6.3%	4.7%	2.4%	22.4%
	Total Expense per Adjusted Discharge	-0.9%	2.6%	0.1%	2.3%
	Labor Expense per Adjusted Discharge	2.6%	4.2%	-1.7%	3.0%
	FTEs per AOB	0.9%	0.2%	-0.6%	-5.5%
	Non-Labor Expense per Adjusted Discharge	-3.6%	1.6%	2.3%	5.1%
	Supply Expense per Adjusted Discharge	-2.6%	-1.9%	2.1%	3.1%
	Drugs Expense per Adjusted Discharge	-6.4%	-5.0%	0.3%	-7.2%
	Purchased Service Expense per Adjusted Discharge	-1.5%	-0.7%	-2.3%	8.9%

# 500+ Beds

		Mar 24 vs. Feb 24 (Month-over-Month)	Mar 24 vs. Mar 23 (Year-over-Year)	YTD 24 vs. YTD 23	YTD 24 vs. YTD 21
Margin	Operating Margin	-9.3%	-9.2%	18.8%	38.1%
	Operating EBIDA Margin	-8.5%	-9.9%	10.1%	16.2%
Volume	Discharges per Calendar Day	-3.1%	0.1%	3.2%	12.3%
	Adjusted Discharges per Calendar Day	-3.9%	-1.1%	3.3%	16.0%
	Equivalent Patient Days per Calendar Day	-1.7%	2.9%	3.2%	8.2%
	Observation Patient Days as % of Patient Days	-2.8%	-6.1%	-7.4%	-9.9%
	Adjusted Patient Days per Calendar Day	-2.4%	2.6%	4.6%	15.5%
	Average Length of Stay	1.0%	2.6%	-0.3%	-1.1%
	ED Visits per Calendar Day	-1.7%	2.2%	4.9%	24.7%
	Operating Room Minutes per Calendar Day	-5.1%	-1.0%	0.6%	10.4%
Revenue	Net Operating Revenue per Calendar Day	-2.1%	6.3%	9.8%	27.8%
	Gross Operating Revenue per Calendar Day	-3.7%	4.8%	9.2%	32.1%
	IP Revenue per Calendar Day	-3.1%	5.8%	9.0%	24.5%
	OP Revenue per Calendar Day	-4.9%	4.4%	10.5%	38.9%
	IP/OP Adjustment Factor	-0.9%	-1.3%	0.1%	5.7%
	NPSR per Adjusted Discharge	0.8%	7.4%	4.0%	11.8%
	NPSR per Adjusted Patient Day	0.9%	3.5%	5.9%	11.8%
	Bad Debt and Charity per Calendar Day	-2.0%	28.8%	21.5%	27.0%
	Bad Debt and Charity as a % of Gross	1.3%	20.4%	13.8%	5.7%
Expense	Total Expense per Calendar Day	-2.1%	5.3%	7.0%	23.6%
	Labor Expense per Calendar Day	-1.0%	4.9%	3.5%	21.9%
	Non-Labor Expense per Calendar Day	-3.7%	5.8%	9.0%	26.6%
	Supply Expense per Calendar Day	-3.1%	4.2%	11.8%	29.5%
	Drugs Expense per Calendar Day	-3.0%	3.7%	15.1%	34.7%
	Purchased Service Expense per Calendar Day	-4.5%	8.9%	10.4%	26.1%
	Total Expense per Adjusted Discharge	0.9%	8.1%	3.7%	4.0%
	Labor Expense per Adjusted Discharge	4.6%	6.2%	1.0%	3.8%
	FTEs per AOB	1.0%	-0.8%	-2.5%	-7.5%
	Non-Labor Expense per Adjusted Discharge	-0.7%	8.6%	4.9%	8.9%
	Supply Expense per Adjusted Discharge	0.6%	5.5%	6.8%	10.8%
	Drugs Expense per Adjusted Discharge	0.2%	4.2%	10.2%	12.8%
	Purchased Service Expense per Adjusted Discharge	-1.0%	7.8%	4.6%	7.0%

# Non-Operating

# National Non-Operating Results

## Key Observations

- March inflation figures were higher than expected as the Consumer Price Index (CPI) rose 0.3% this month and 3.5% from a year ago – the highest annual gain in the past 6 months
- Gasoline and shelter, which includes rents, contributed more than 50% of the monthly increase in CPI
- The Producer Price Index (PPI) experienced its biggest annual increase since April of 2023, rising 2.1% from a year ago
- The third estimate of the fourth quarter of U.S. GDP was revised up 3.4% on an annualized basis, up from 3.2% at the second estimate, and still significantly higher than market expectations of 2.0%
- Employers added 303,000 jobs in March, up from a downwardly revised February total of 270,000 jobs, marking the 39th straight month of job growth
- The unemployment rate fell to 3.8% from 3.9% a month prior; wages, which are anticipated to slow in 2024, grew 0.3% month-over-month
- At the March Federal Reserve Board Meeting, the Federal Open Market Committee maintained the overnight federal funds rate at the current range of 5.25%-5.50%; the fifth consecutive meeting at which policymakers opted to keep the target range
- Fed officials, including Jerome Powell, expressed the need for more debate and data before interest rate cuts; “bumpy” inflation alongside continued robustness in GDP and job growth complicate the path to their 2% inflation target and, ultimately, rate cuts
- In a historic shift, the Bank of Japan increased rates for the first time in 17 years, ditching negative rates; the Japanese Yen hits its lowest level since 1990
- The S&P 500 rose by 3.1% in March, which saw all three major indices – the S&P 500, DJIA, and Nasdaq – reach all-time highs; the S&P grew by 27.9% year-over-year

## General Non-Operating Observations

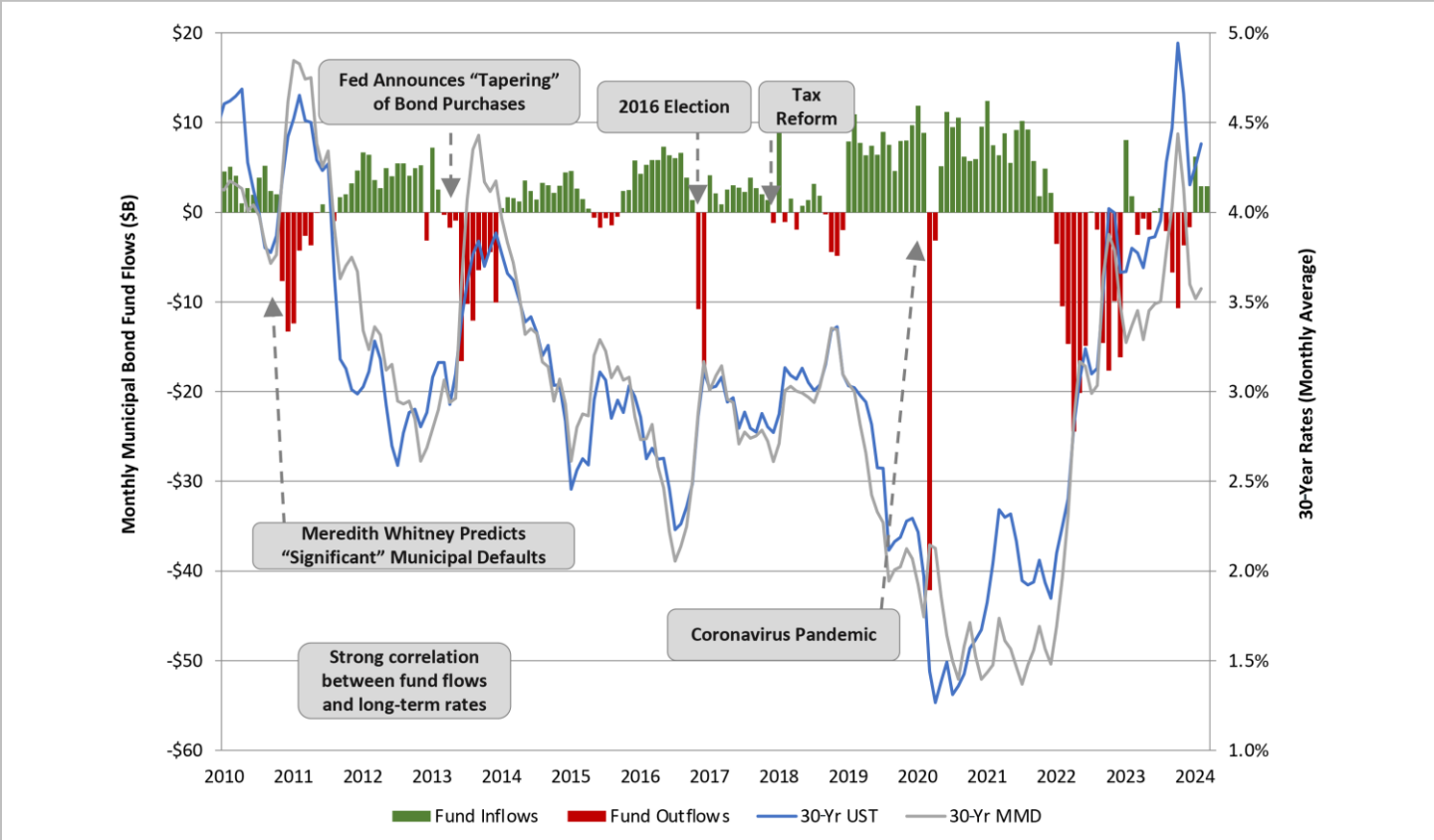
	March 2024	M-o-M Change	Y-o-Y Change
<i>General</i>			
GDP Growth*	3.4%	n/a	n/a
Unemployment Rate	3.8%	-0.1%	+0.3%
Personal Consumption Expenditures (Y-o-Y)	2.8 %	-0.1%	-2.0%
<i>Liabilities</i>			
SOFR	5.34%	+2 bps	+47 bps
SIFMA	3.64%	+34 bps	-33 bps
30-yr MMD	3.68%	+9 bps	+38 bps
30-yr Treasury	4.34%	-4 bps	+69 bps
<i>Assets</i>			
60/40 Asset Allocation <sup>†</sup>	n/a	+2.1%	+13.8%

\*U.S. Bureau of Economic Analysis, Q4 2023 “Third 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



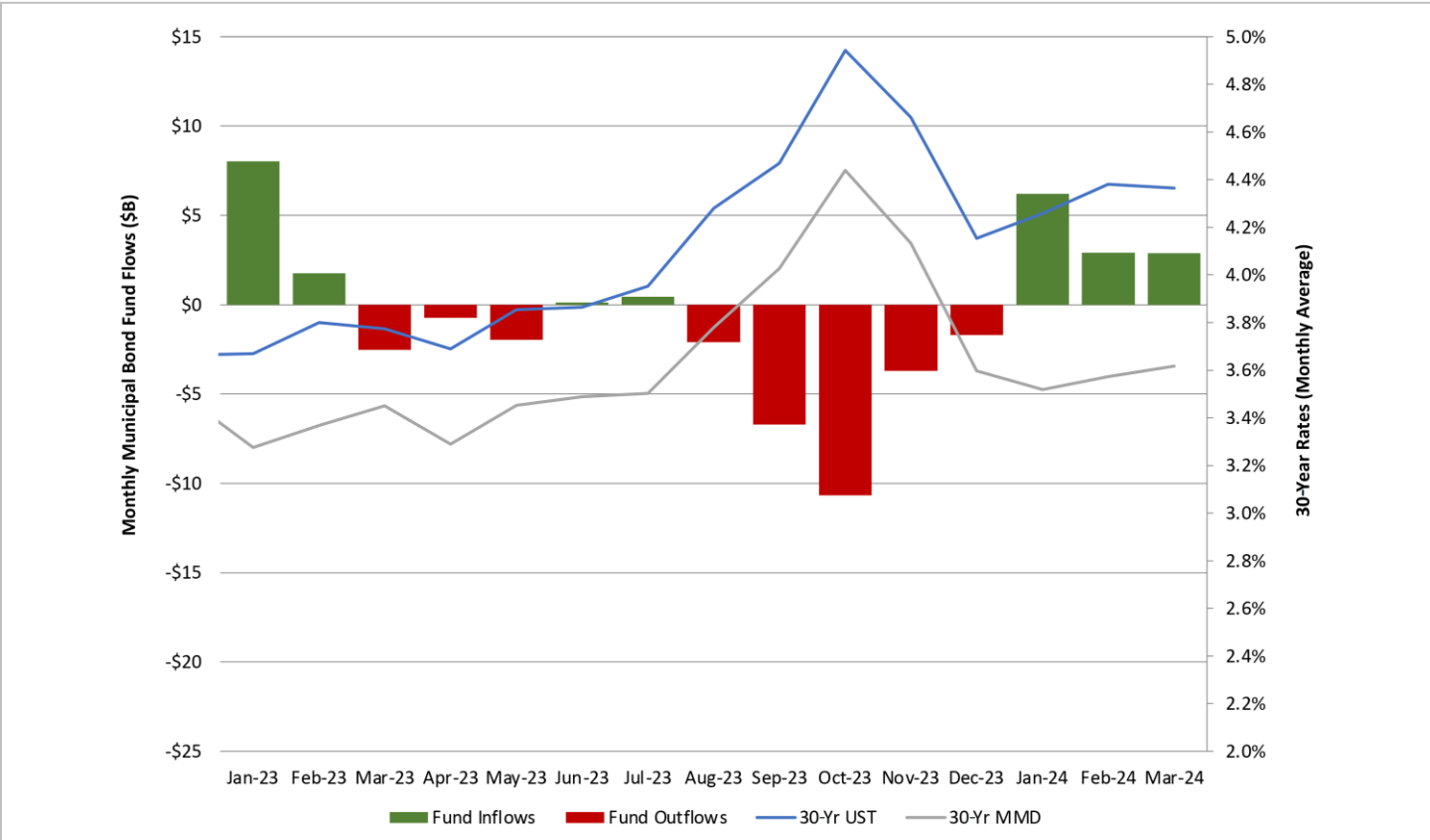
Kaufman Hall, National Hospital Flash Report (April 2024)

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.

The tax-exempt 30-year MMD rate rose 34 basis points in March, closing the month at 3.64%. Comparatively, 30-year Treasury rates increased 9 basis points over the last month, up to 3.68%. MMD/Treasury ratios were tighter throughout the entirety of the curve, with a two-year ratio of 64%, 10-year ratio of 60%, and 30-year ratio of 85% compared to measures of 59%, 58%, and 82%, respectively, at the end of March.

# Non-Operating Liabilities *(continued)*

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



Kaufman Hall, National Hospital Flash Report (April 2024)

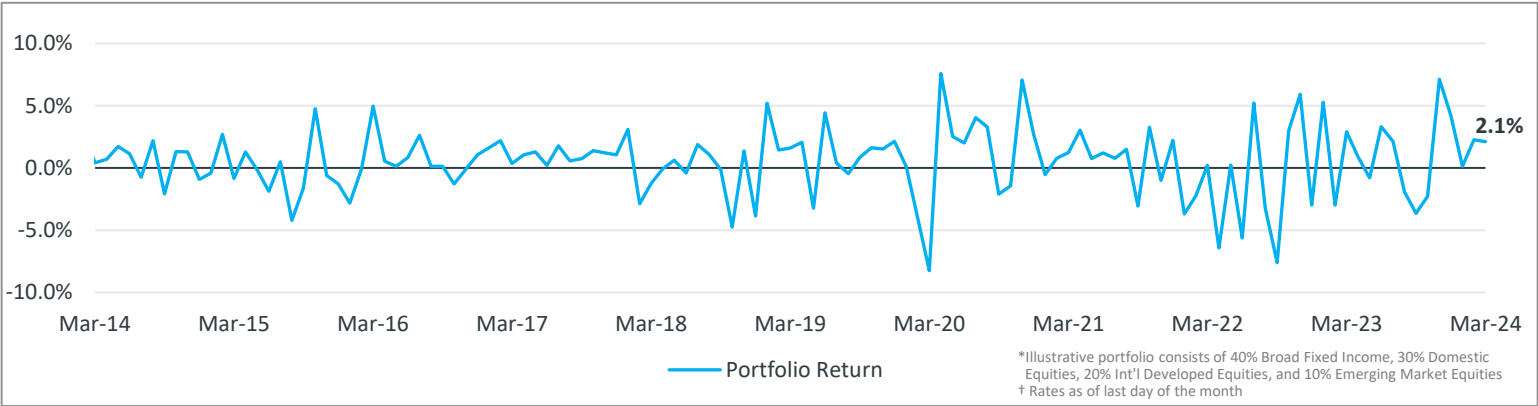
Taxable and tax-exempt debt capital markets, as approximated here by the '30-yr U.S. Treasury' and '30-yr MMD Index', are dependent upon macroeconomic conditions, including inflation expectations, GDP growth and investment opportunities elsewhere in the market. A key measure to track is bond fund flows,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

Municipal funds have experienced \$12.0 billion of inflows in 2024 to close out the quarter, starkly contrasting the consistent outflows experienced at the end of 2023. Total issuance was down year-over-year in March following strong January and February totals. However, it is expected that issuance in the early summer months will increase approaching the November election. YTD 2024 continues to outpace YTD 2023 as total municipal issuance and total healthcare supply are 23.4% and 124.7% higher, respectively, at the end of March.



# Non-Operating Assets

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

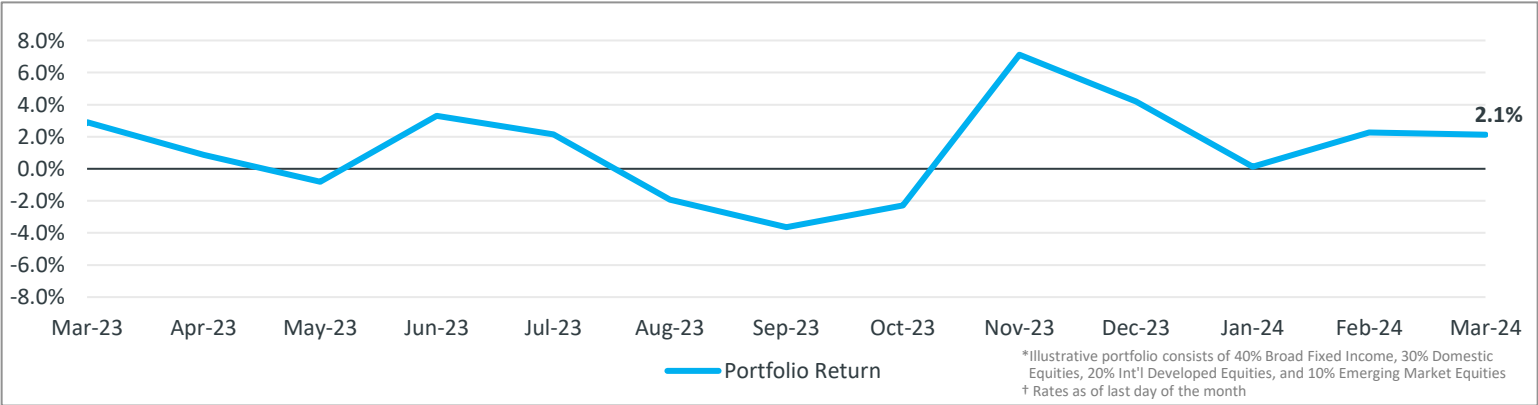


Kaufman Hall, National Hospital Flash Report (April 2024)

Equities remained positive for a fifth consecutive month, with the Dow Jones, S&P 500, and Nasdaq all experiencing all-time highs. The S&P 500 gained 3.1% in March, bringing its year-over-year and YTD gains to 27.9% and 10.2%, respectively.

The blended 60/40 asset allocation finished March 2.1% higher month-over-month with the MSCI World Index posting gains of 3.0% month-over-month. The MSCI World Emerging Markets Index gained 2.2% and the Barclays Aggregate Bond Index rose 0.9%.

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



Kaufman Hall, National Hospital Flash Report (April 2024)

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## Talk to us

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