

KaufmanHall

NOVEMBER 2023

National Hospital Flash Report

Real Data. Real Insight. Real Time.

Based on October Data from More Than 1,300 Hospitals

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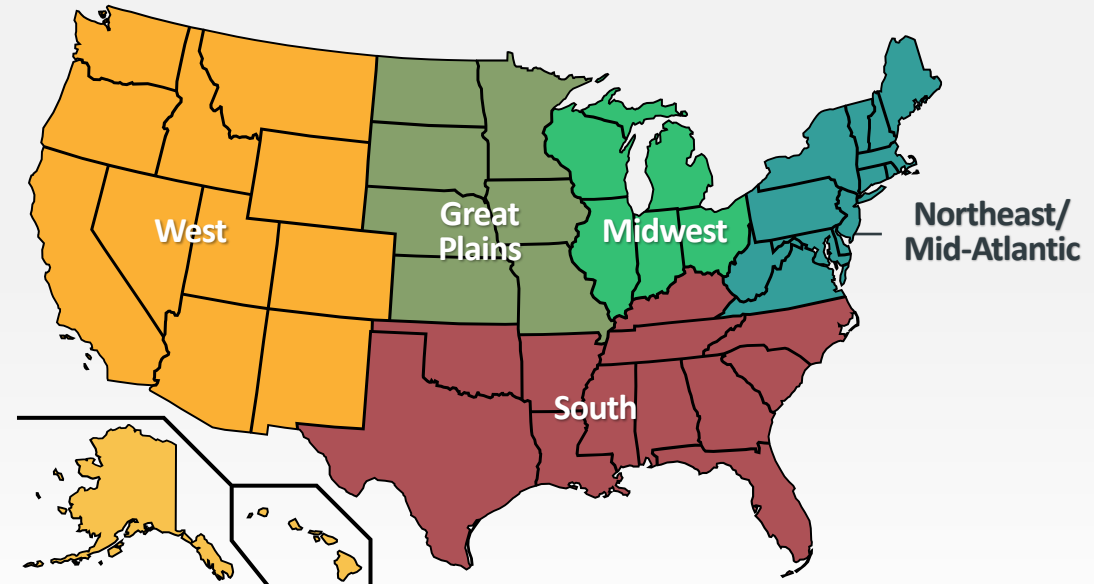
About the Data

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.

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](#) 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. Hospital performance in October reflects continued stabilization.** Operating margins are elevated over pandemic levels and revenue continue to show improvement compared to the previous month.
- 2. Emergency department visits declined compared to the previous month.** This likely reflects the shift in patient behavior to outpatient care. Organizations need to continue to build strong provider and outpatient networks.
- 3. This month there was a decrease in observation patient days.** This could be attributed to patient type but also likely reflects increased vigilance of these patients, including the deployment of case managers and use of observation units.

Action Steps

Hospitals and health systems need to think like consumer-facing organizations and better quantify the impact their relationship with consumers has on their business model. For more, please read the recently released [*2023 State of the Healthcare Consumer Report: Measuring What Matters*](#).

- Hospitals need to incorporate patient-focused measures, like the cost of care to patients or how much a patient spends at one hospital compared to all healthcare-related spending, to strengthen their relationships with patients.
- Hospitals who have adopted patient-focused measures have used them to improve patient satisfaction, increase patient access, and enhance marketing strategies.
- In addition to incorporating patient-focused measures, hospitals and health systems must also measure and track the corresponding return on investment.

CONTACT THE EXPERT



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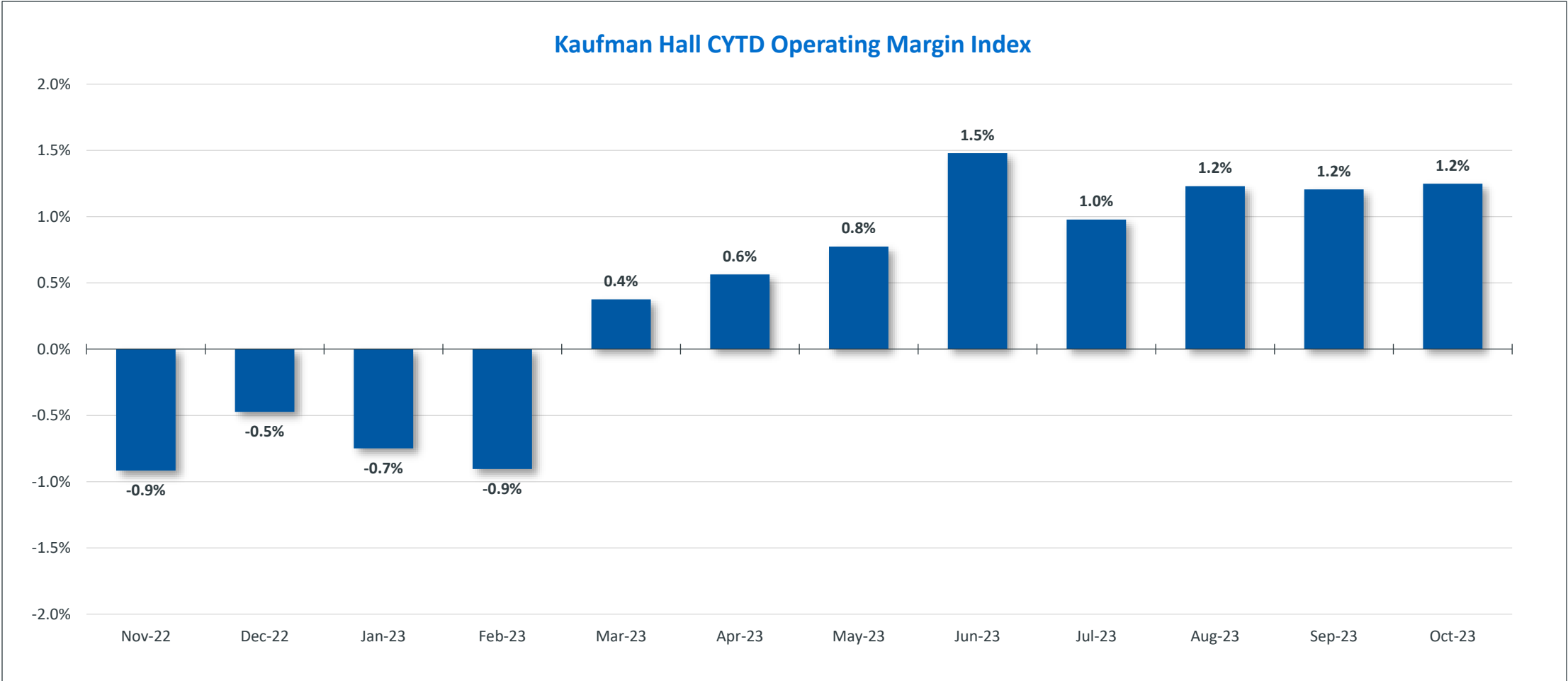


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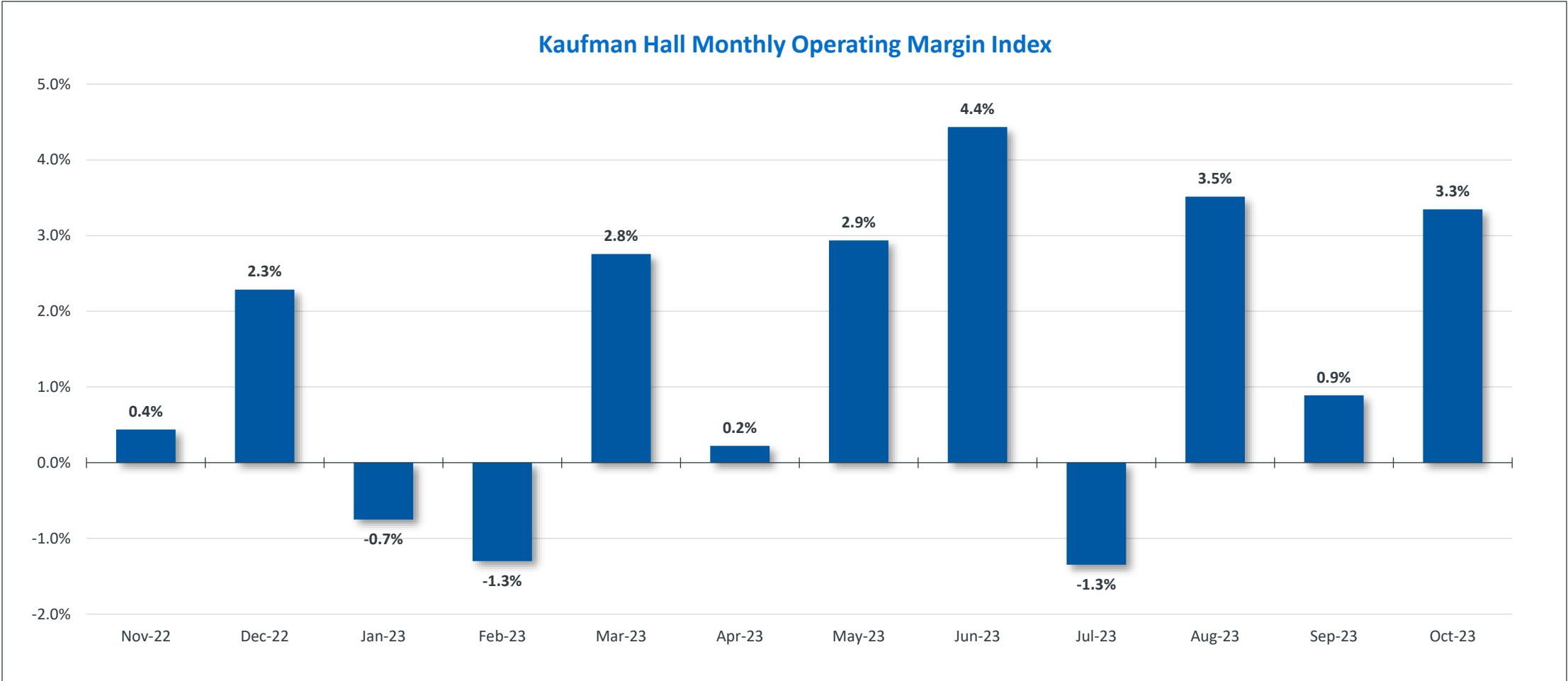
Operating Margin



Kaufman Hall, National Hospital Flash Report (November 2023)

* 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 (November 2023)

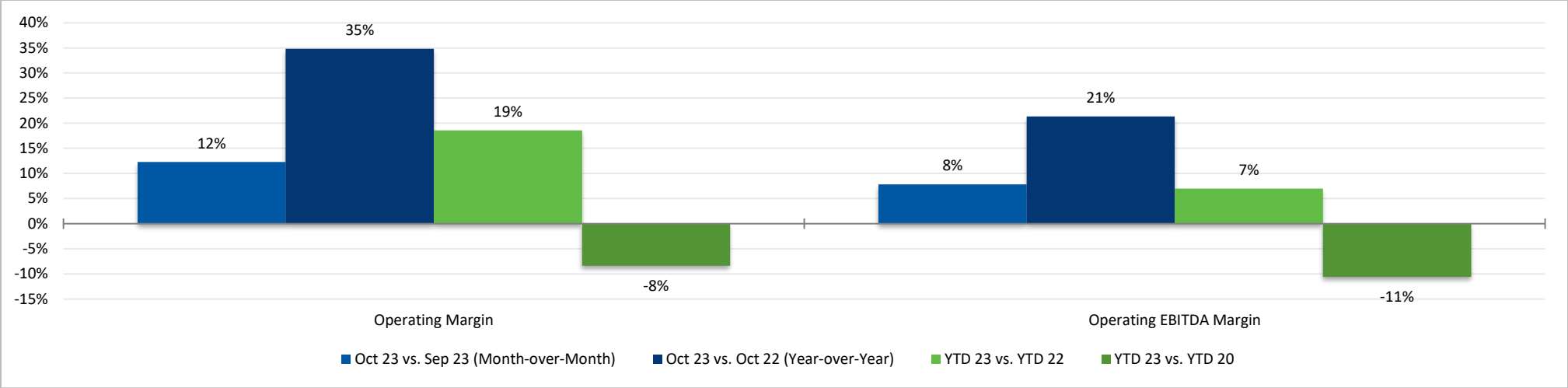
** Note: The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset adjusted for allocations to hospitals from corporate, physician, and other entities.*

National and Regional Data

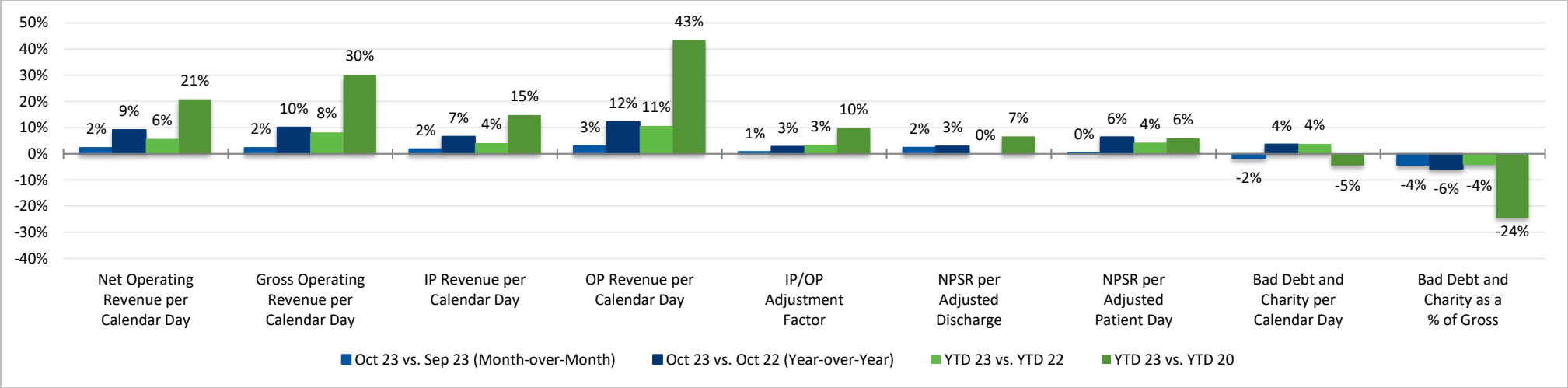
Profitability, Revenue, Expense, and Volume

National Data

Profitability

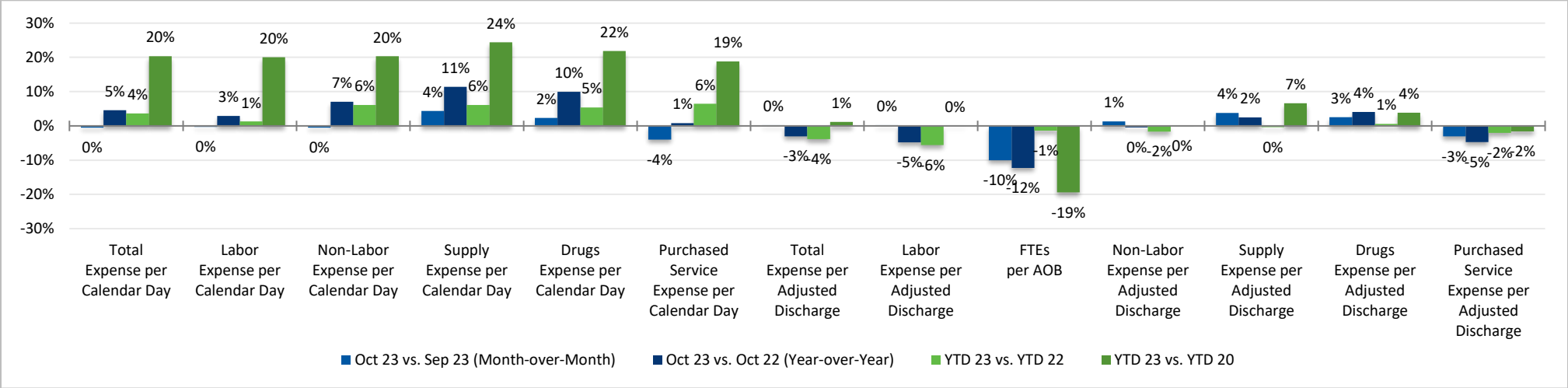


Revenue

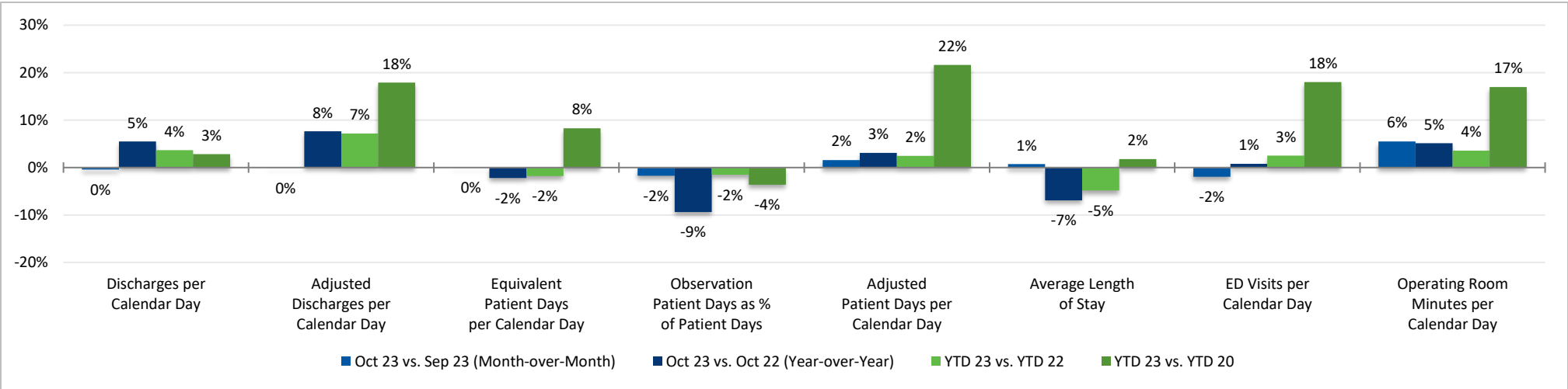


National Data *(continued)*

Expense

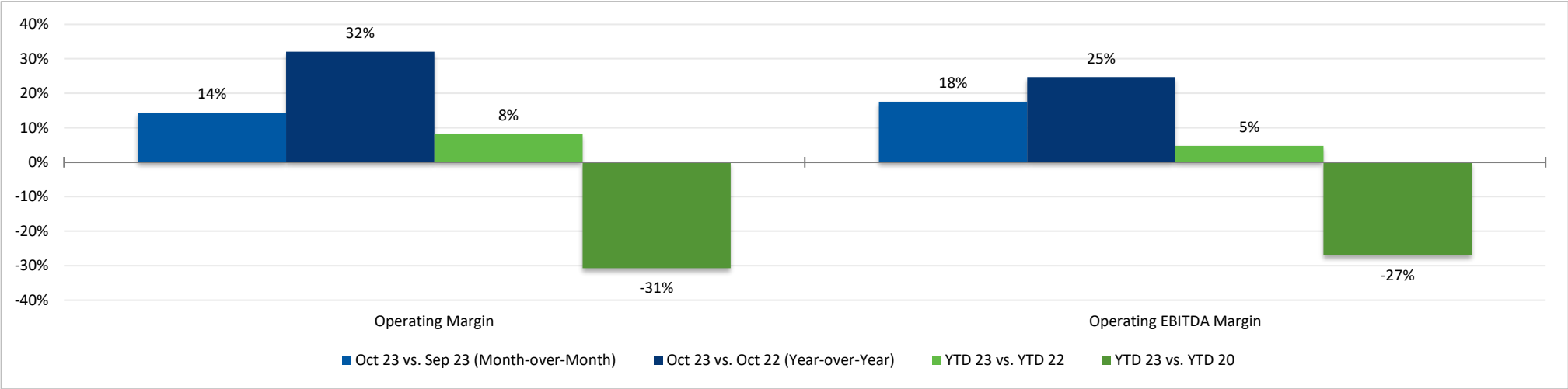


Volume

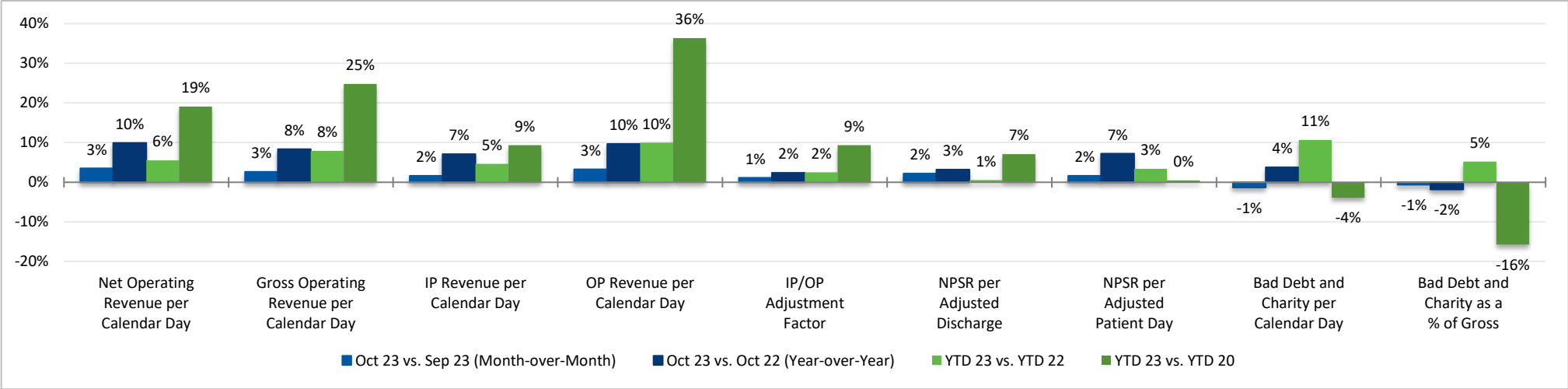


Regional Data: West

Profitability

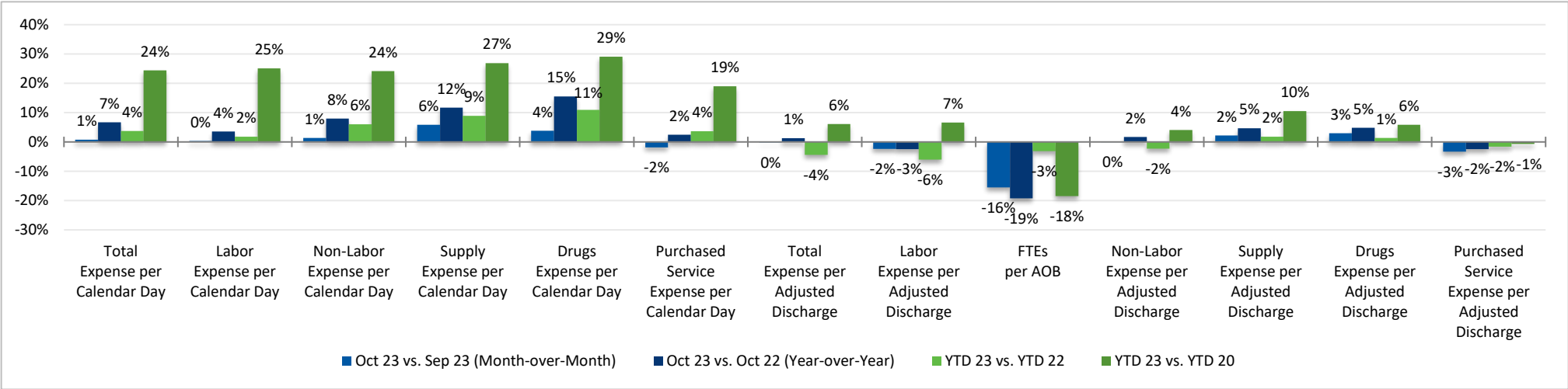


Revenue

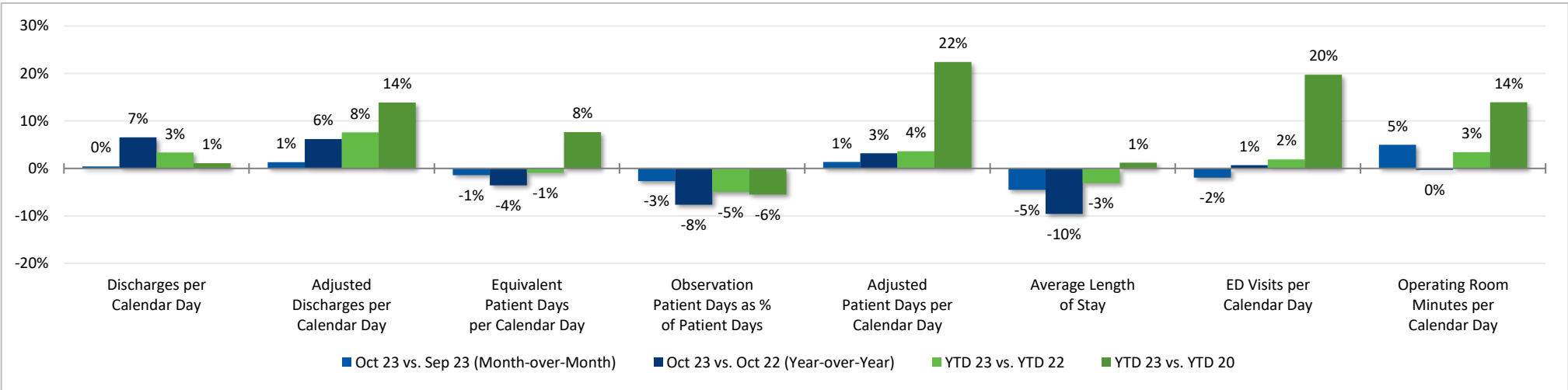


Regional Data: West (continued)

Expense

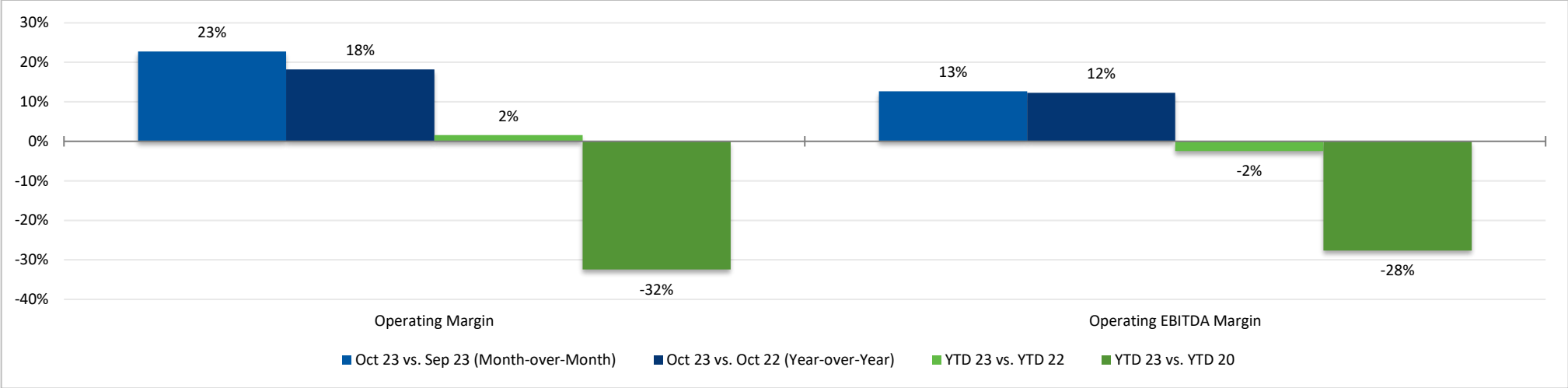


Volume

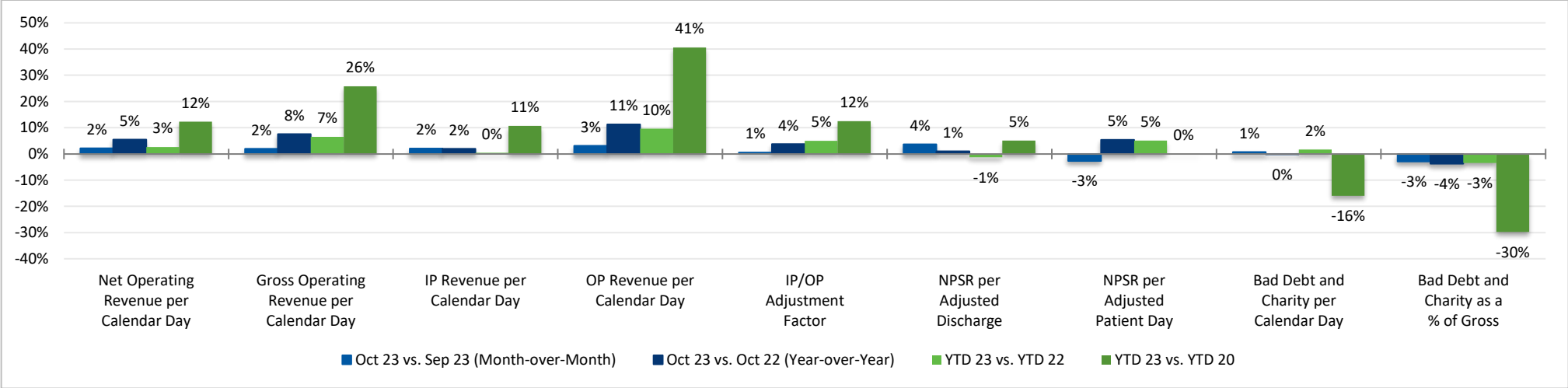


Regional Data: Midwest

Profitability

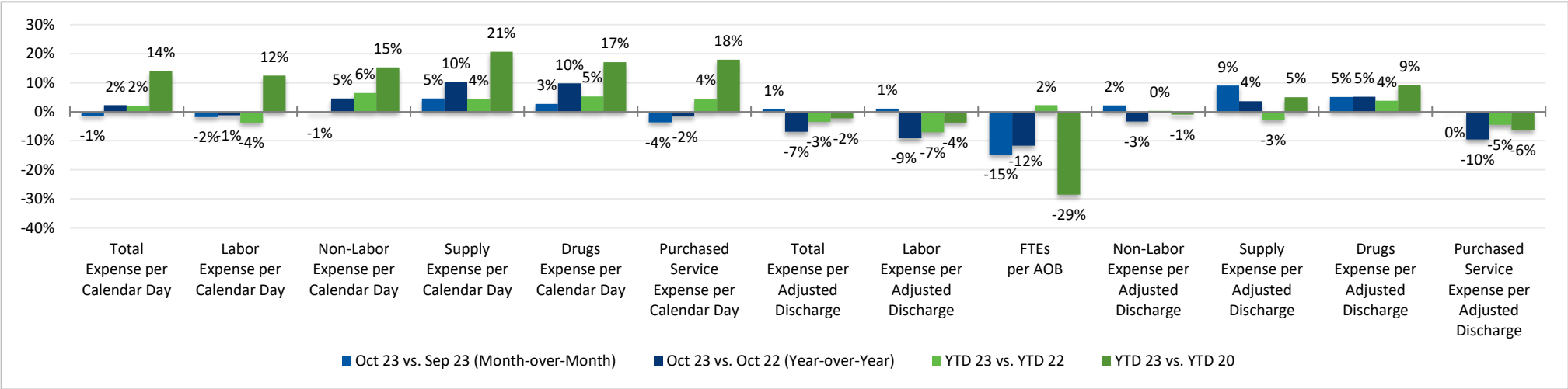


Revenue

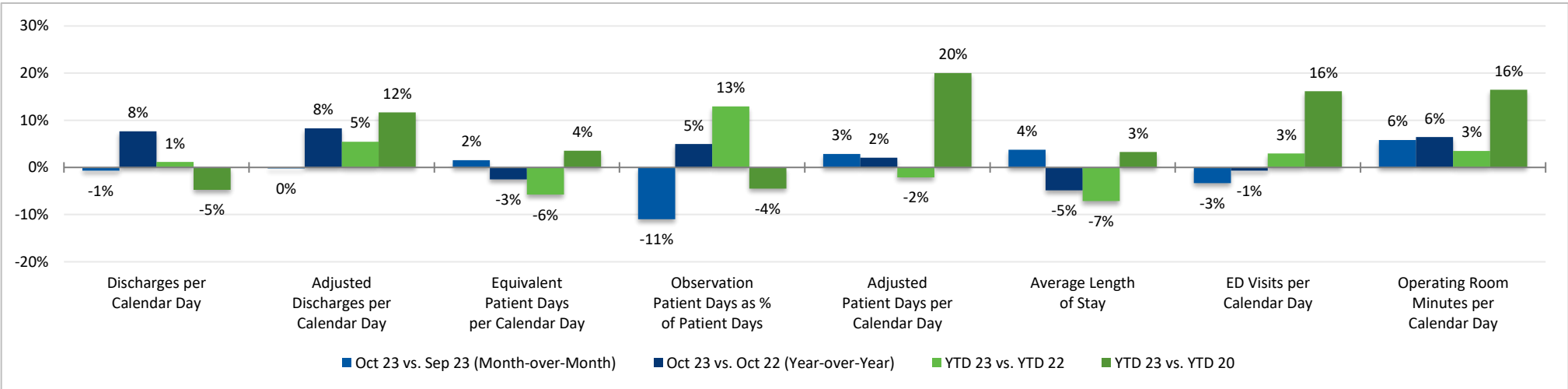


Regional Data: Midwest *(continued)*

Expense

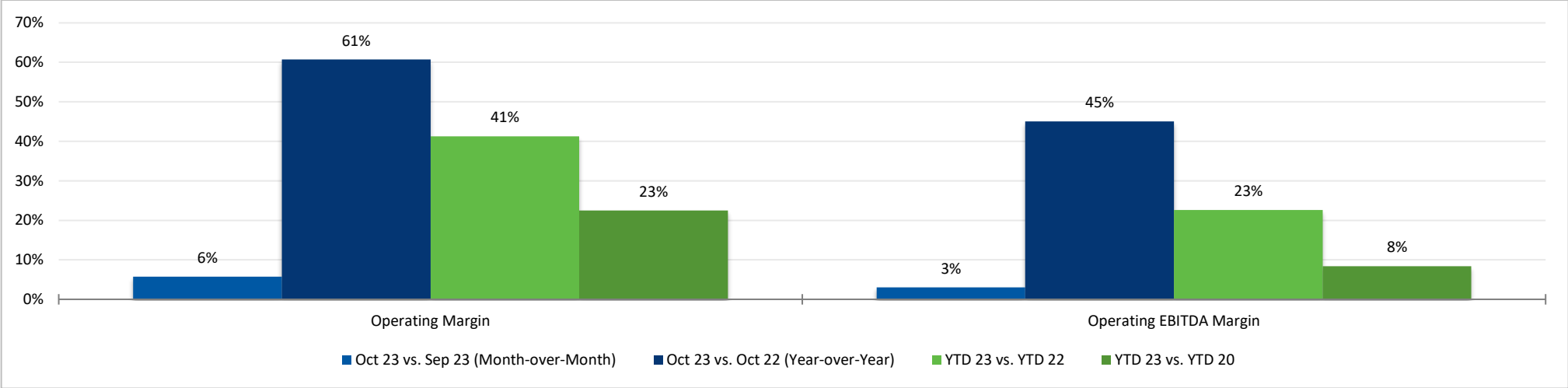


Volume

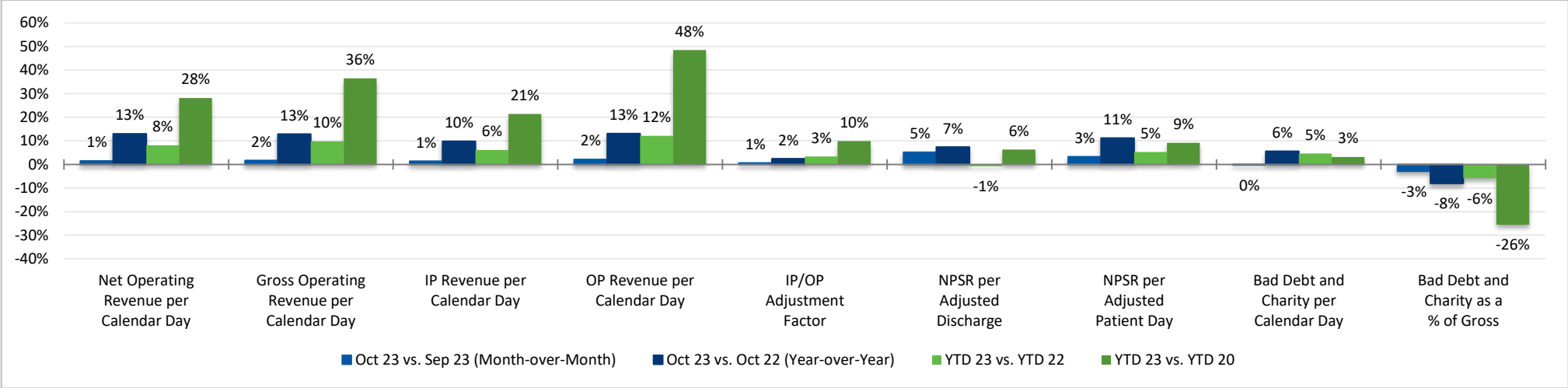


Regional Data: South

Profitability

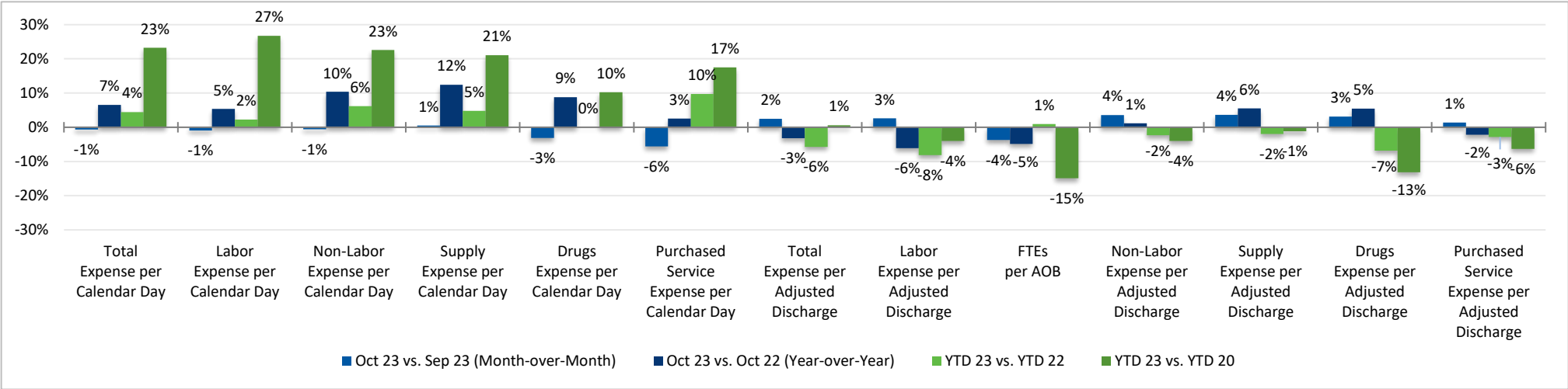


Revenue

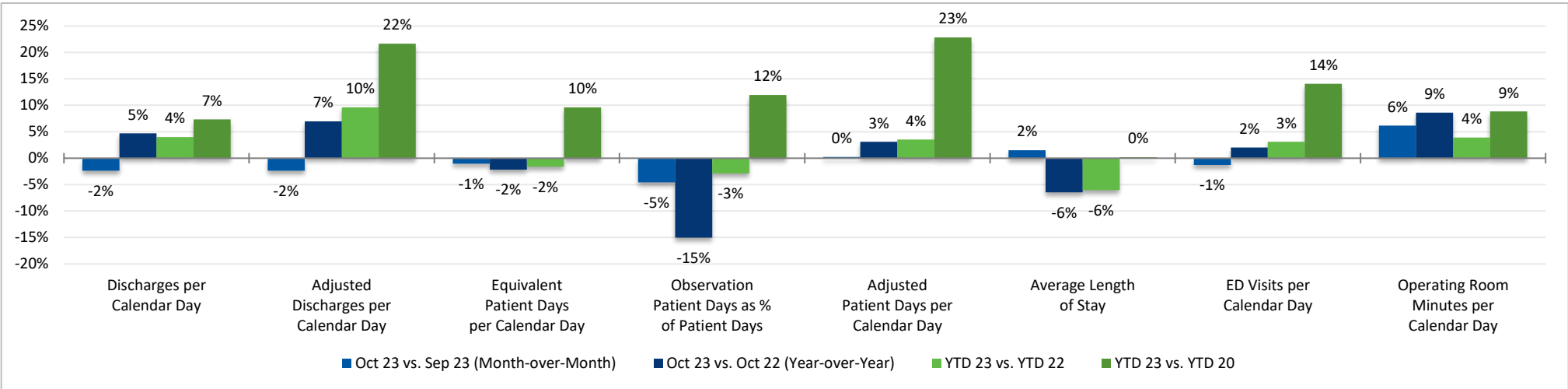


Regional Data: South (continued)

Expense

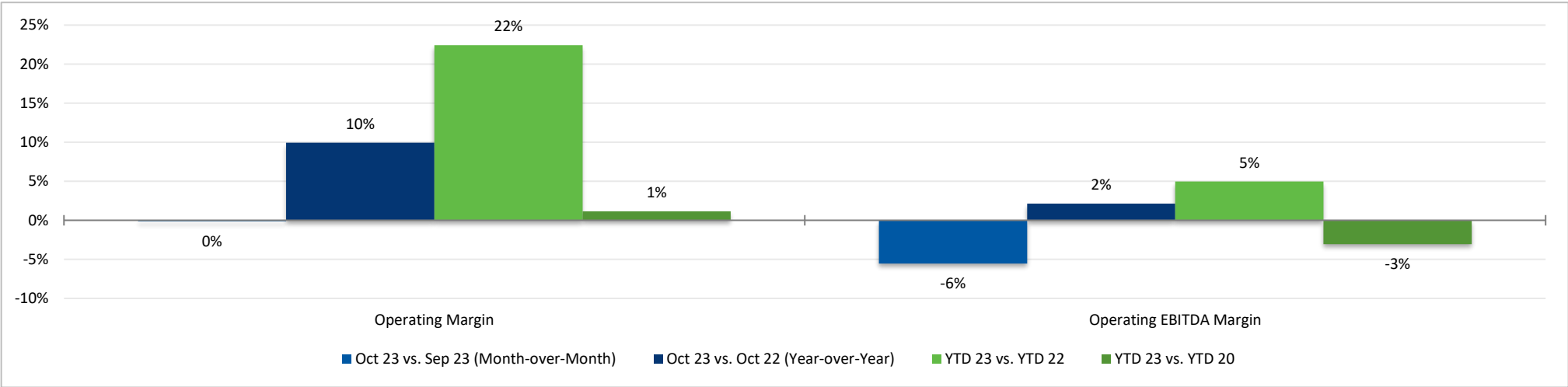


Volume

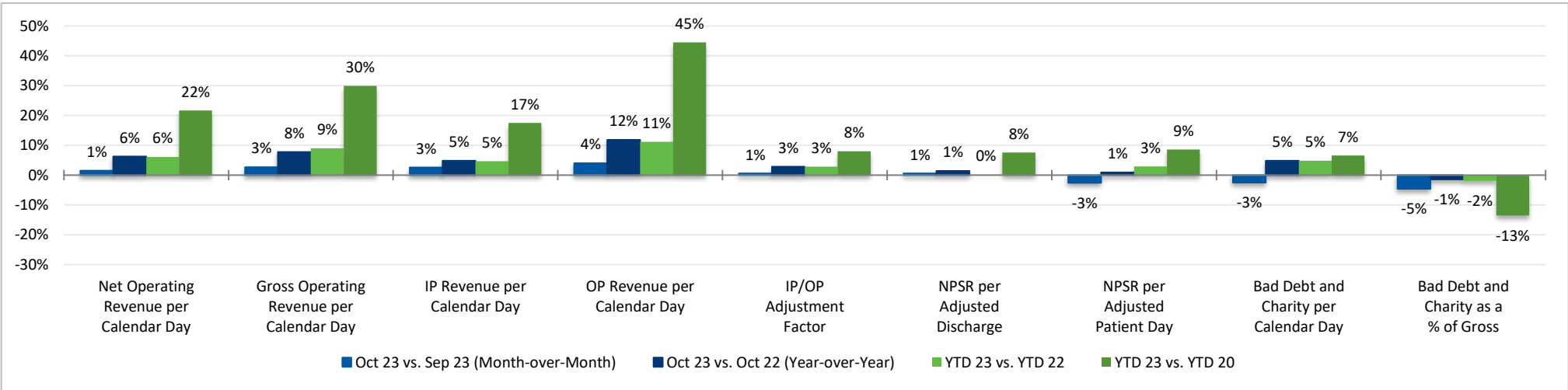


Regional Data: Northeast/Mid-Atlantic

Profitability

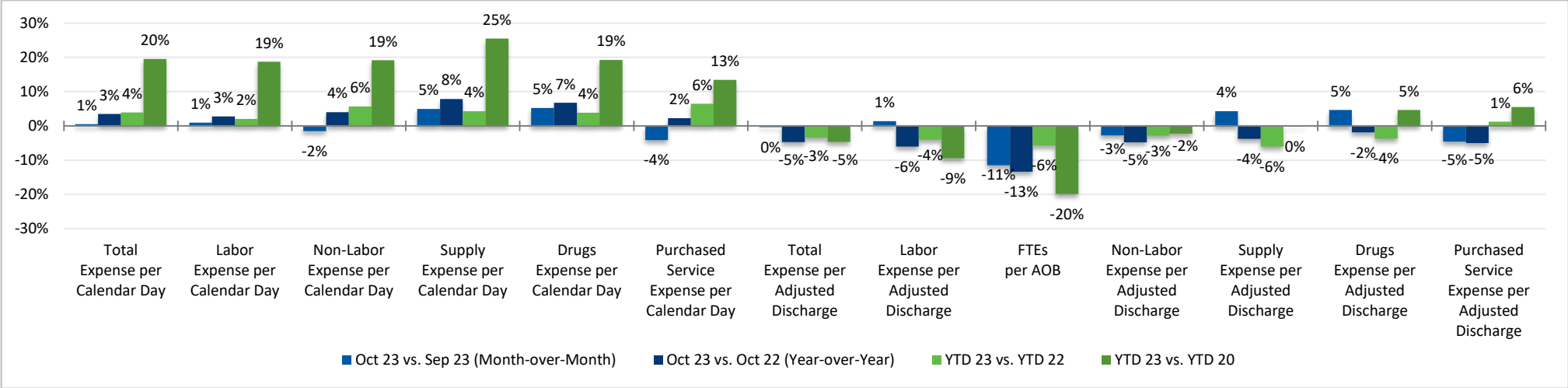


Revenue

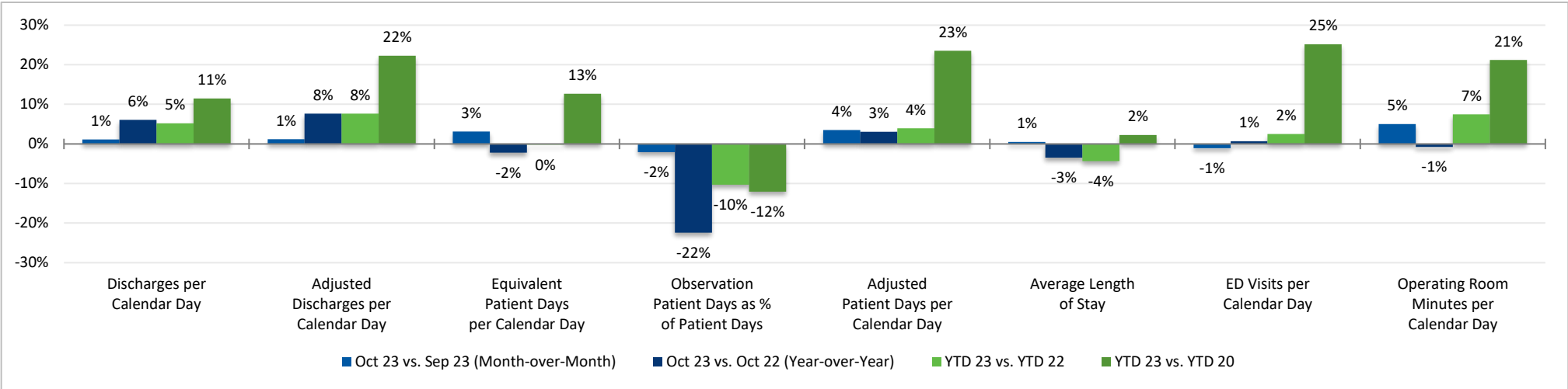


Regional Data: Northeast/Mid-Atlantic (continued)

Expense

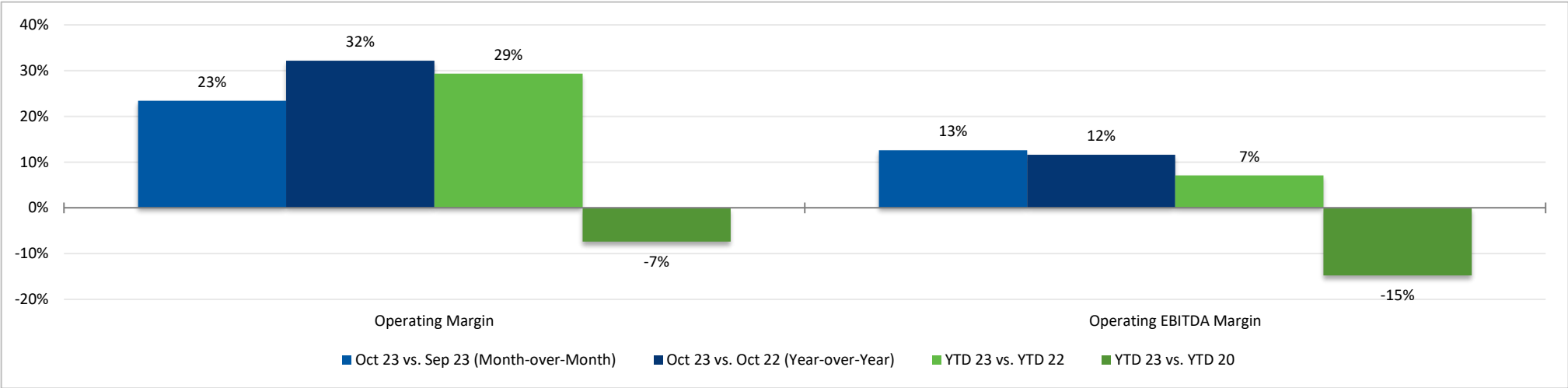


Volume

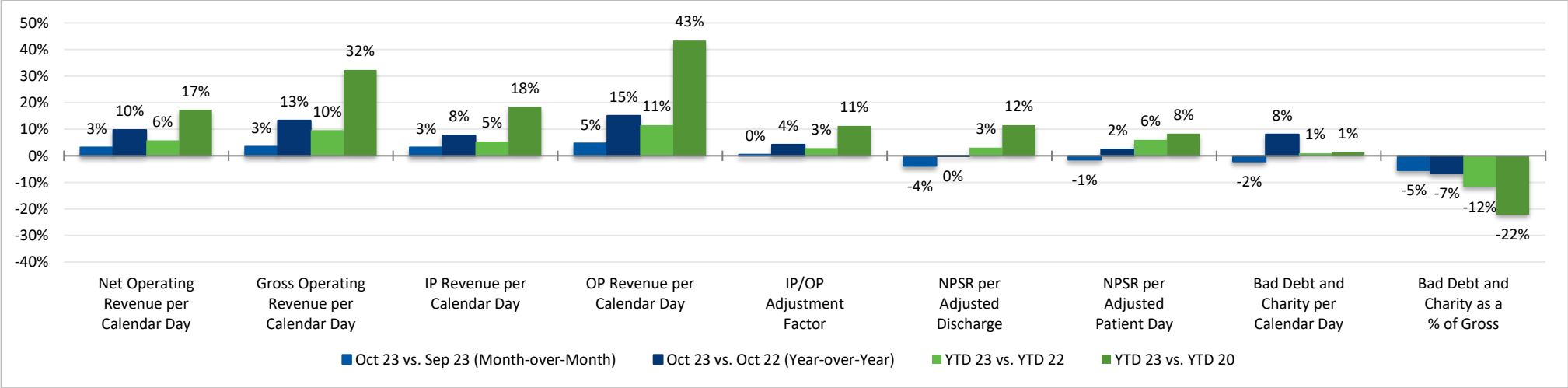


Regional Data: Great Plains

Profitability

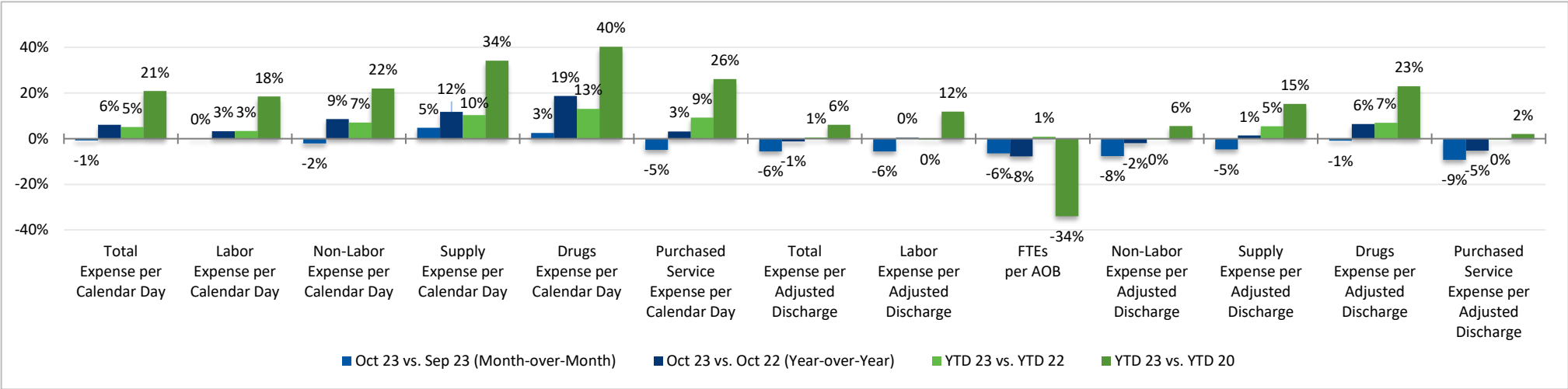


Revenue

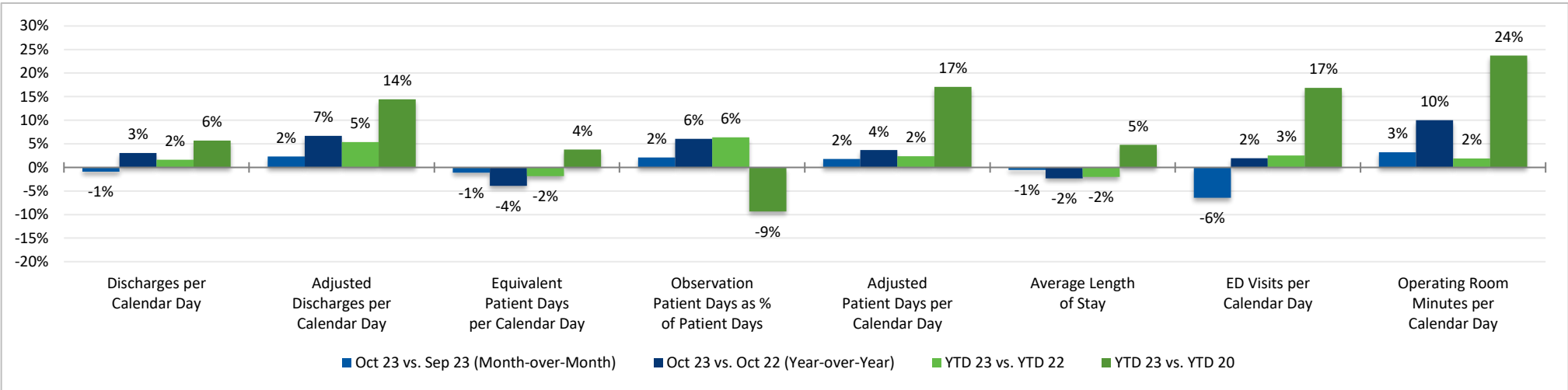


Regional Data: Great Plains *(continued)*

Expense



Volume





Data by Hospital Bed Size

Profitability, Revenue, Expense, and Volume

0-25 Beds

		Oct 23 vs. Sep 23 (Month-over-Month)	Oct 23 vs. Oct 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	10.2%	27.6%	10.0%	6.1%
	Operating EBITDA Margin	6.2%	20.2%	3.0%	-2.4%
Volume	Discharges per Calendar Day	0.5%	7.0%	-3.6%	-3.0%
	Adjusted Discharges per Calendar Day	-2.5%	8.2%	7.3%	30.7%
	Equivalent Patient Days per Calendar Day	-2.5%	-6.8%	-5.5%	4.0%
	Observation Patient Days as % of Patient Days	-21.4%	-24.2%	2.4%	-0.4%
	Adjusted Patient Days per Calendar Day	0.0%	6.0%	0.6%	29.1%
	Average Length of Stay	-2.1%	-11.9%	-5.5%	5.7%
	ED Visits per Calendar Day	-5.5%	-0.6%	2.6%	19.8%
	Operating Room Minutes per Calendar Day	5.8%	-2.7%	1.0%	20.4%
Revenue	Net Operating Revenue per Calendar Day	1.0%	9.6%	3.6%	19.0%
	Gross Operating Revenue per Calendar Day	0.7%	10.1%	8.1%	32.0%
	IP Revenue per Calendar Day	3.4%	-0.1%	-1.0%	7.8%
	OP Revenue per Calendar Day	1.8%	11.6%	10.4%	46.1%
	IP/OP Adjustment Factor	-2.8%	7.8%	9.0%	21.7%
	NPSR per Adjusted Discharge	2.8%	2.2%	-1.8%	1.9%
	NPSR per Adjusted Patient Day	-0.6%	1.7%	2.4%	-1.3%
	Bad Debt and Charity per Calendar Day	-6.6%	-0.8%	1.7%	-3.1%
	Bad Debt and Charity as a % of Gross	-5.5%	-12.1%	-6.5%	-22.6%
Expense	Total Expense per Calendar Day	-0.8%	3.0%	2.5%	18.8%
	Labor Expense per Calendar Day	0.1%	2.7%	0.9%	19.3%
	Non-Labor Expense per Calendar Day	-1.0%	4.0%	4.7%	19.6%
	Supply Expense per Calendar Day	3.8%	8.8%	7.1%	29.4%
	Drugs Expense per Calendar Day	3.7%	12.3%	11.3%	36.7%
	Purchased Service Expense per Calendar Day	-3.9%	0.0%	3.5%	19.5%
	Total Expense per Adjusted Discharge	3.7%	-4.2%	-5.9%	-9.8%
	Labor Expense per Adjusted Discharge	1.5%	-8.2%	-8.1%	-9.4%
	FTEs per AOB	-15.2%	-19.9%	-1.4%	-33.9%
	Non-Labor Expense per Adjusted Discharge	3.5%	-3.5%	-3.7%	-8.8%
	Supply Expense per Adjusted Discharge	11.5%	-2.7%	-0.4%	-2.7%
	Drugs Expense per Adjusted Discharge	2.8%	6.2%	6.2%	9.4%
	Purchased Service Expense per Adjusted Discharge	2.1%	-13.0%	-8.1%	-10.8%

26-99 Beds

		Oct 23 vs. Sep 23 (Month-over-Month)	Oct 23 vs. Oct 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	10.3%	39.5%	10.8%	1.4%
	Operating EBITDA Margin	3.5%	27.1%	9.1%	-12.4%
Volume	Discharges per Calendar Day	0.3%	2.0%	3.2%	1.5%
	Adjusted Discharges per Calendar Day	-1.1%	5.1%	9.0%	22.2%
	Equivalent Patient Days per Calendar Day	0.0%	-3.9%	-4.9%	9.8%
	Observation Patient Days as % of Patient Days	-5.9%	-11.7%	7.7%	-10.1%
	Adjusted Patient Days per Calendar Day	1.6%	2.0%	1.3%	32.5%
	Average Length of Stay	1.2%	-6.7%	-7.4%	-4.5%
	ED Visits per Calendar Day	-2.2%	-0.5%	2.0%	22.1%
	Operating Room Minutes per Calendar Day	6.1%	3.5%	4.6%	17.0%
Revenue	Net Operating Revenue per Calendar Day	3.0%	8.3%	5.8%	21.5%
	Gross Operating Revenue per Calendar Day	2.0%	10.2%	8.3%	32.4%
	IP Revenue per Calendar Day	2.1%	6.7%	2.4%	12.0%
	OP Revenue per Calendar Day	2.7%	10.9%	10.0%	44.3%
	IP/OP Adjustment Factor	-0.6%	4.5%	3.3%	13.0%
	NPSR per Adjusted Discharge	2.2%	1.7%	-2.5%	0.8%
	NPSR per Adjusted Patient Day	0.7%	7.7%	3.9%	0.5%
	Bad Debt and Charity per Calendar Day	0.7%	1.7%	2.5%	1.6%
	Bad Debt and Charity as a % of Gross	-0.9%	-7.6%	-3.9%	-25.3%
Expense	Total Expense per Calendar Day	-0.4%	3.5%	2.9%	18.7%
	Labor Expense per Calendar Day	0.1%	2.3%	1.6%	17.4%
	Non-Labor Expense per Calendar Day	-2.0%	7.2%	5.3%	18.0%
	Supply Expense per Calendar Day	1.2%	9.5%	3.6%	24.5%
	Drugs Expense per Calendar Day	1.2%	3.5%	0.3%	16.1%
	Purchased Service Expense per Calendar Day	-2.2%	-0.5%	4.3%	12.8%
	Total Expense per Adjusted Discharge	1.6%	-4.3%	-6.0%	-9.4%
	Labor Expense per Adjusted Discharge	2.5%	-4.4%	-8.4%	-7.3%
	FTEs per AOB	-8.6%	-14.1%	-1.8%	-26.7%
	Non-Labor Expense per Adjusted Discharge	2.3%	0.3%	-4.1%	-6.7%
	Supply Expense per Adjusted Discharge	1.1%	-0.2%	-5.4%	-1.1%
	Drugs Expense per Adjusted Discharge	1.5%	-2.8%	-5.1%	-6.2%
	Purchased Service Expense per Adjusted Discharge	2.6%	-3.5%	-4.7%	-14.1%

100-199 Beds

		Oct 23 vs. Sep 23 (Month-over-Month)	Oct 23 vs. Oct 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	13.0%	29.3%	22.8%	-4.3%
	Operating EBITDA Margin	9.4%	27.7%	12.3%	-5.5%
Volume	Discharges per Calendar Day	-1.3%	6.7%	6.0%	4.5%
	Adjusted Discharges per Calendar Day	-0.7%	9.9%	8.9%	12.8%
	Equivalent Patient Days per Calendar Day	-0.5%	-1.5%	-1.2%	6.6%
	Observation Patient Days as % of Patient Days	0.5%	-16.6%	-10.8%	-13.8%
	Adjusted Patient Days per Calendar Day	1.6%	2.6%	3.5%	23.0%
	Average Length of Stay	-0.1%	-9.8%	-5.3%	0.3%
	ED Visits per Calendar Day	-0.8%	2.4%	2.2%	14.6%
	Operating Room Minutes per Calendar Day	5.0%	5.6%	3.7%	16.3%
Revenue	Net Operating Revenue per Calendar Day	2.8%	9.3%	6.2%	21.1%
	Gross Operating Revenue per Calendar Day	2.0%	9.0%	8.8%	28.5%
	IP Revenue per Calendar Day	1.3%	6.4%	4.3%	15.3%
	OP Revenue per Calendar Day	3.5%	13.4%	10.9%	43.3%
	IP/OP Adjustment Factor	1.3%	2.6%	4.2%	10.6%
	NPSR per Adjusted Discharge	3.7%	3.0%	-1.2%	7.2%
	NPSR per Adjusted Patient Day	1.1%	7.0%	4.4%	5.8%
	Bad Debt and Charity per Calendar Day	-1.8%	5.9%	7.0%	-13.3%
	Bad Debt and Charity as a % of Gross	-6.5%	-1.3%	0.8%	-26.0%
Expense	Total Expense per Calendar Day	-1.0%	5.0%	3.7%	21.1%
	Labor Expense per Calendar Day	-1.0%	2.9%	1.0%	22.0%
	Non-Labor Expense per Calendar Day	-0.4%	8.1%	7.4%	19.2%
	Supply Expense per Calendar Day	5.5%	12.8%	3.9%	23.1%
	Drugs Expense per Calendar Day	2.8%	8.7%	0.6%	16.1%
	Purchased Service Expense per Calendar Day	-5.8%	-0.5%	8.4%	16.0%
	Total Expense per Adjusted Discharge	-1.4%	-4.0%	-5.0%	2.2%
	Labor Expense per Adjusted Discharge	-1.2%	-4.8%	-5.3%	2.8%
	FTEs per AOB	-12.9%	-15.6%	-2.2%	-23.7%
	Non-Labor Expense per Adjusted Discharge	0.2%	-2.1%	-3.8%	-4.5%
	Supply Expense per Adjusted Discharge	3.6%	-0.3%	-1.6%	5.2%
	Drugs Expense per Adjusted Discharge	7.0%	1.8%	-4.5%	-9.0%
	Purchased Service Expense per Adjusted Discharge	-6.6%	-10.0%	-3.1%	-16.7%

200-299 Beds

		Oct 23 vs. Sep 23 (Month-over-Month)	Oct 23 vs. Oct 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	9.5%	16.3%	2.1%	-35.1%
	Operating EBITDA Margin	2.0%	5.3%	0.2%	-19.7%
Volume	Discharges per Calendar Day	0.5%	8.9%	5.3%	5.2%
	Adjusted Discharges per Calendar Day	1.8%	10.4%	7.1%	12.9%
	Equivalent Patient Days per Calendar Day	0.6%	-0.7%	0.2%	8.6%
	Observation Patient Days as % of Patient Days	-2.5%	-0.4%	-3.0%	3.4%
	Adjusted Patient Days per Calendar Day	2.4%	3.5%	2.1%	18.2%
	Average Length of Stay	1.0%	-6.8%	-4.6%	3.1%
	ED Visits per Calendar Day	-1.6%	2.1%	3.3%	20.2%
	Operating Room Minutes per Calendar Day	4.2%	5.6%	3.9%	19.9%
Revenue	Net Operating Revenue per Calendar Day	1.8%	7.1%	4.8%	19.7%
	Gross Operating Revenue per Calendar Day	2.4%	10.2%	8.5%	29.8%
	IP Revenue per Calendar Day	1.4%	7.4%	6.2%	16.8%
	OP Revenue per Calendar Day	3.4%	12.3%	10.8%	43.4%
	IP/OP Adjustment Factor	0.9%	2.4%	2.4%	8.8%
	NPSR per Adjusted Discharge	2.8%	1.6%	-0.6%	5.5%
	NPSR per Adjusted Patient Day	-1.7%	8.6%	4.4%	5.6%
	Bad Debt and Charity per Calendar Day	0.4%	11.3%	5.8%	1.2%
	Bad Debt and Charity as a % of Gross	-1.2%	0.6%	-1.4%	-18.2%
Expense	Total Expense per Calendar Day	0.2%	4.8%	5.0%	24.1%
	Labor Expense per Calendar Day	0.1%	2.5%	1.3%	23.0%
	Non-Labor Expense per Calendar Day	0.4%	6.0%	6.7%	24.1%
	Supply Expense per Calendar Day	3.1%	6.8%	5.8%	24.1%
	Drugs Expense per Calendar Day	-2.0%	8.3%	4.9%	11.7%
	Purchased Service Expense per Calendar Day	-3.5%	1.8%	6.7%	22.7%
	Total Expense per Adjusted Discharge	-1.2%	-3.0%	-2.9%	3.3%
	Labor Expense per Adjusted Discharge	-0.4%	-4.5%	-5.9%	2.5%
	FTEs per AOB	-6.4%	-7.2%	-0.7%	-12.3%
	Non-Labor Expense per Adjusted Discharge	-1.2%	-2.7%	0.4%	3.1%
	Supply Expense per Adjusted Discharge	1.5%	-4.3%	-1.8%	6.2%
	Drugs Expense per Adjusted Discharge	-0.3%	-3.4%	-7.6%	3.6%
	Purchased Service Expense per Adjusted Discharge	-3.0%	-4.2%	-1.0%	5.3%

300-499 Beds

		Oct 23 vs. Sep 23 (Month-over-Month)	Oct 23 vs. Oct 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	33.9%	47.5%	26.3%	-43.7%
	Operating EBITDA Margin	36.8%	33.7%	8.5%	-29.6%
Volume	Discharges per Calendar Day	1.7%	5.7%	1.8%	3.3%
	Adjusted Discharges per Calendar Day	1.8%	7.8%	4.5%	13.0%
	Equivalent Patient Days per Calendar Day	0.3%	-3.5%	-0.9%	3.9%
	Observation Patient Days as % of Patient Days	0.9%	-0.5%	1.9%	5.5%
	Adjusted Patient Days per Calendar Day	2.8%	2.1%	1.7%	13.5%
	Average Length of Stay	0.9%	-6.6%	-2.6%	1.4%
	ED Visits per Calendar Day	0.2%	3.2%	2.4%	15.1%
	Operating Room Minutes per Calendar Day	6.3%	6.5%	1.2%	12.1%
Revenue	Net Operating Revenue per Calendar Day	3.4%	8.9%	5.7%	17.5%
	Gross Operating Revenue per Calendar Day	2.9%	9.3%	7.1%	25.7%
	IP Revenue per Calendar Day	2.6%	7.4%	3.8%	16.3%
	OP Revenue per Calendar Day	3.5%	12.6%	11.4%	38.9%
	IP/OP Adjustment Factor	0.8%	3.0%	3.0%	9.3%
	NPSR per Adjusted Discharge	0.7%	3.8%	1.9%	11.3%
	NPSR per Adjusted Patient Day	1.1%	5.2%	4.3%	9.2%
	Bad Debt and Charity per Calendar Day	1.8%	-0.1%	3.5%	-7.6%
	Bad Debt and Charity as a % of Gross	-1.0%	-7.3%	-7.6%	-24.7%
Expense	Total Expense per Calendar Day	-0.4%	5.1%	3.1%	19.8%
	Labor Expense per Calendar Day	-0.6%	3.0%	0.0%	19.0%
	Non-Labor Expense per Calendar Day	-0.1%	6.3%	6.0%	20.4%
	Supply Expense per Calendar Day	5.3%	13.3%	6.3%	20.9%
	Drugs Expense per Calendar Day	2.4%	12.5%	4.2%	16.1%
	Purchased Service Expense per Calendar Day	-4.4%	1.9%	9.2%	20.9%
	Total Expense per Adjusted Discharge	-1.9%	-1.0%	-0.7%	11.5%
	Labor Expense per Adjusted Discharge	-1.6%	-6.1%	-2.3%	10.1%
	FTEs per AOB	-10.8%	-8.9%	0.8%	-12.0%
	Non-Labor Expense per Adjusted Discharge	-0.3%	1.7%	1.9%	8.7%
	Supply Expense per Adjusted Discharge	3.8%	6.8%	3.4%	12.6%
	Drugs Expense per Adjusted Discharge	2.1%	11.9%	5.2%	8.4%
	Purchased Service Expense per Adjusted Discharge	-7.1%	-2.0%	3.8%	5.0%

500+ Beds

		Oct 23 vs. Sep 23 (Month-over-Month)	Oct 23 vs. Oct 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	5.9%	61.8%	77.5%	22.5%
	Operating EBITDA Margin	3.9%	21.7%	44.1%	-3.9%
Volume	Discharges per Calendar Day	-1.9%	2.9%	5.7%	5.7%
	Adjusted Discharges per Calendar Day	-1.3%	7.2%	6.9%	16.7%
	Equivalent Patient Days per Calendar Day	0.2%	0.3%	2.7%	11.1%
	Observation Patient Days as % of Patient Days	3.4%	-1.3%	-6.9%	0.1%
	Adjusted Patient Days per Calendar Day	0.5%	3.1%	4.9%	21.8%
	Average Length of Stay	1.0%	-4.1%	-3.0%	5.2%
	ED Visits per Calendar Day	0.3%	1.1%	3.3%	14.7%
	Operating Room Minutes per Calendar Day	4.1%	3.3%	5.8%	18.9%
Revenue	Net Operating Revenue per Calendar Day	2.8%	12.4%	10.4%	26.6%
	Gross Operating Revenue per Calendar Day	2.6%	11.6%	10.6%	31.0%
	IP Revenue per Calendar Day	2.5%	8.4%	9.4%	21.8%
	OP Revenue per Calendar Day	3.3%	13.3%	10.9%	41.9%
	IP/OP Adjustment Factor	0.8%	2.3%	1.4%	6.8%
	NPSR per Adjusted Discharge	1.6%	6.1%	4.0%	16.8%
	NPSR per Adjusted Patient Day	-0.4%	6.5%	5.1%	11.2%
	Bad Debt and Charity per Calendar Day	-5.5%	7.8%	6.7%	-2.8%
	Bad Debt and Charity as a % of Gross	-6.3%	-7.9%	-2.3%	-22.9%
Expense	Total Expense per Calendar Day	0.4%	6.8%	6.5%	26.0%
	Labor Expense per Calendar Day	-0.1%	3.8%	2.9%	25.0%
	Non-Labor Expense per Calendar Day	0.9%	10.9%	9.1%	23.7%
	Supply Expense per Calendar Day	5.8%	16.3%	10.9%	29.8%
	Drugs Expense per Calendar Day	3.8%	20.4%	14.3%	37.0%
	Purchased Service Expense per Calendar Day	-2.5%	9.0%	9.3%	23.4%
	Total Expense per Adjusted Discharge	2.2%	1.0%	-2.6%	9.8%
	Labor Expense per Adjusted Discharge	1.6%	-3.7%	-3.1%	7.8%
	FTEs per AOB	-1.9%	-6.6%	-2.9%	-12.8%
	Non-Labor Expense per Adjusted Discharge	2.0%	4.8%	0.3%	11.2%
	Supply Expense per Adjusted Discharge	4.6%	10.3%	5.3%	16.5%
	Drugs Expense per Adjusted Discharge	5.9%	13.8%	10.0%	20.3%
	Purchased Service Expense per Adjusted Discharge	-1.3%	2.3%	-1.6%	11.2%

Non-Operating

National Non-Operating Results

Key Observations

- The consumer price index (CPI) was unchanged in October after rising 0.4% in September, an increase of 3.2% from a year earlier; both beat estimates of 0.1% and 3.3%, respectively
- Core CPI, which excludes volatile food and energy prices, increased 0.2% and 4.0%, the lowest annual level of increase in two years
- At the November 1st meeting, the Fed held their policy interest rate unchanged for a second straight time, keeping the federal funds target rate between 5.25%-5.50%
- Non-farm payroll increased by 150,000 in October while the unemployment rate increased marginally to 3.9% from 3.8% the month prior. Job gains occurred in health care, government, and social assistance – the gain of 150,000 is the smallest since June
- U.S. consumer sentiment fell for a third consecutive month to 102.6, down from 104.3 in September
- The Expectations Index is still below 80 – the level that historically signals a recession within the next year – fell to 75.6 after declining to 76.4 in September
- The cost of labor unexpectedly declined in the 3rd quarter, providing some inflation relief. Unit labor costs, a measure of hourly compensation against productivity, fell 0.8% in the July-through-September period against estimates of a 0.7% gain
- Yields on the 10 and 30-year Treasuries increased to 4.88% and 5.09% month-over-month, rising 27 and 37 bps, respectively. On the short end of the curve, 2-year yields increased just 2 bps
- The S&P 500 fell -2.2% in September, bringing its YTD and YoY returns to 9.2% and 8.3%, respectively

General Non-Operating Observations

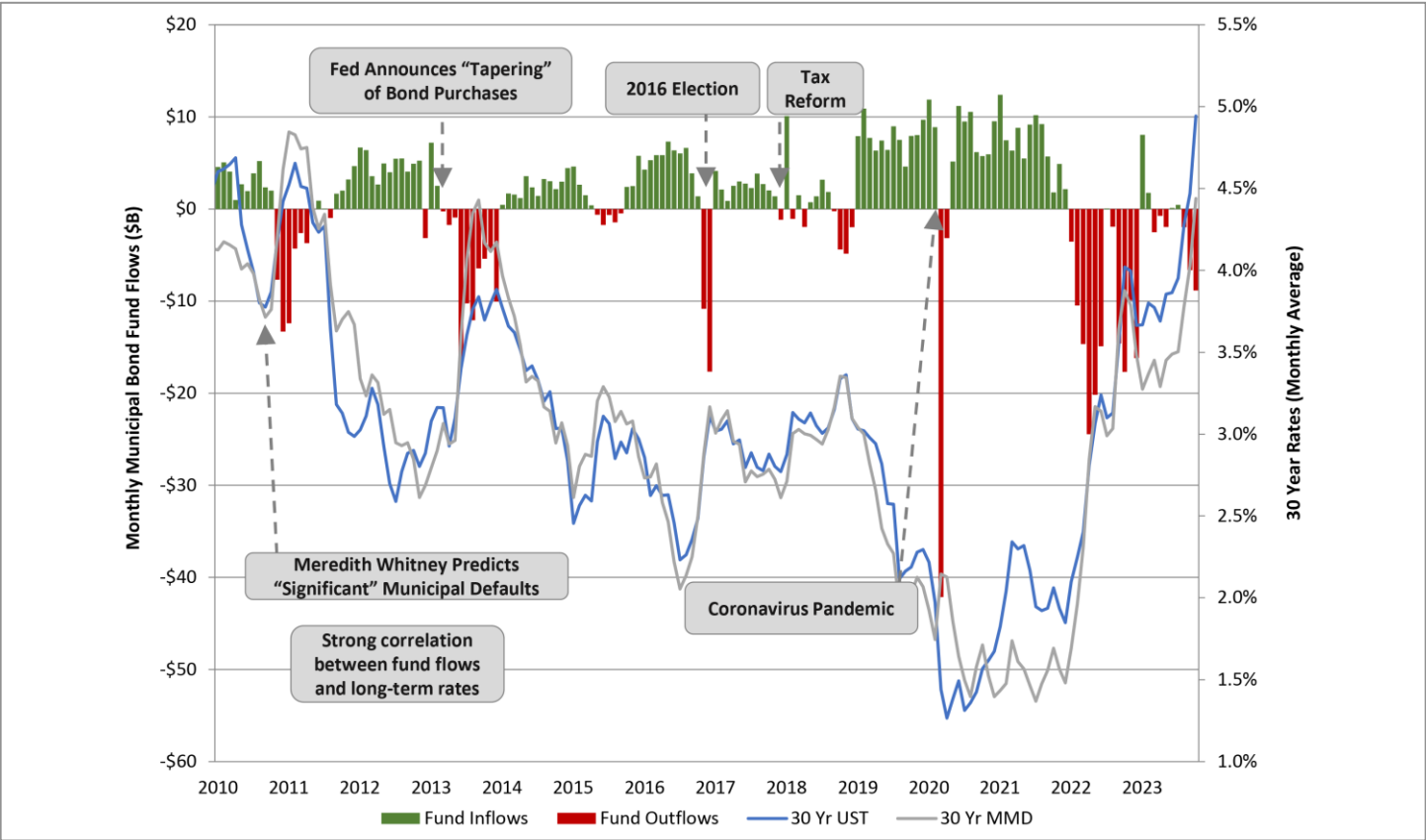
	October 2023	M-o-M Change	Y-o-Y Change
General			
GDP Growth*	4.9%	n/a	n/a
Unemployment Rate	3.9%	+0.1%	+0.2%
Personal Consumption Expenditures (YoY)	3.7%	-0.2%	-1.4%
Liabilities			
SOFR	5.35%	+0.04%	+230 bps
SIFMA	4.09%	+11 bps	+185 bps
30yr MMD	4.57%	+23 bps	+45 bps
30yr Treasury	5.09%	+39 bps	+93 bps
Assets			
60/40 Asset Allocation†	n/a	-2.3%	+5.3%

* U.S. Bureau of Economic Analysis, Q3 2023 "Advance 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 (November 2023)

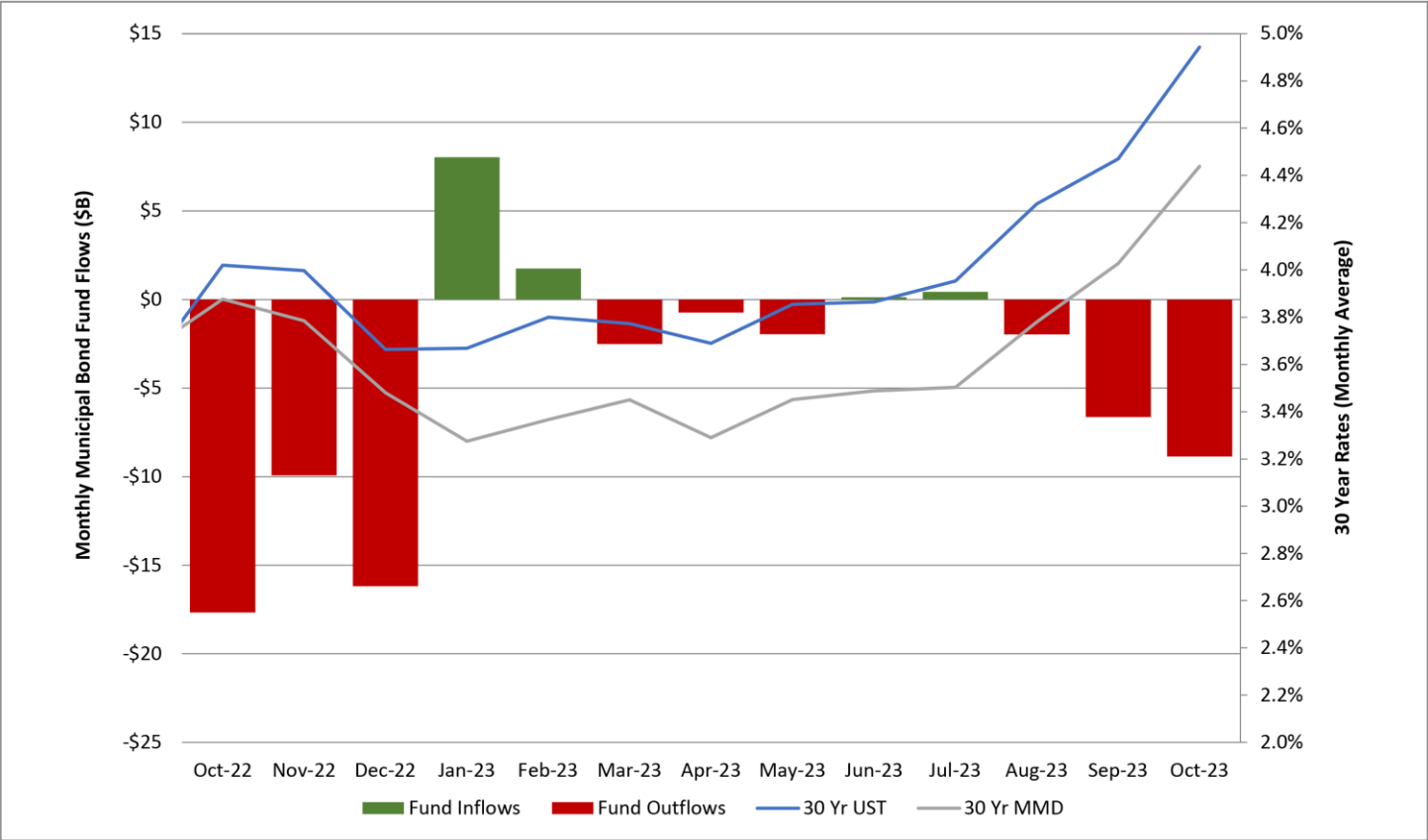
Taxable and tax-exempt debt capital markets, as approximated here by the '30-yr U.S. Treasury' and '30-yr MMD Index', are dependent upon macroeconomic conditions, including inflation expectations, GDP growth and investment opportunities elsewhere in the market. A key measure to track is bond fund flows,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

Both the tax-exempt 30-year MMD and 30-year Treasury rates increased in October. The 30-year MMD rose 23 bps to close the month at 4.57%, while the 30-year Treasury increase 39 bps to end the month at 5.09%. Municipal funds experienced the third consecutive month of outflows, with \$8.9 billion exiting the market, the largest decrease of the calendar year 2023. MMD/Treasury ratios decreased marginally on the longer end of the yield curve while largely staying the same on the shorter end. At the end of the month, the two-year MMD-Treasury ratio was 72%, the 10-year was 74% and the 30-year was 91%, according to Refinitiv.

10-year yields briefly rose above 5.0% in mid-October, hitting its highest level since July of 2007. This came as the result of Fed Chair Jerome Powell's remarks that a continually strong economy and resilient labor market could warrant tighter financial restrictions.

Non-Operating Liabilities *(continued)*

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

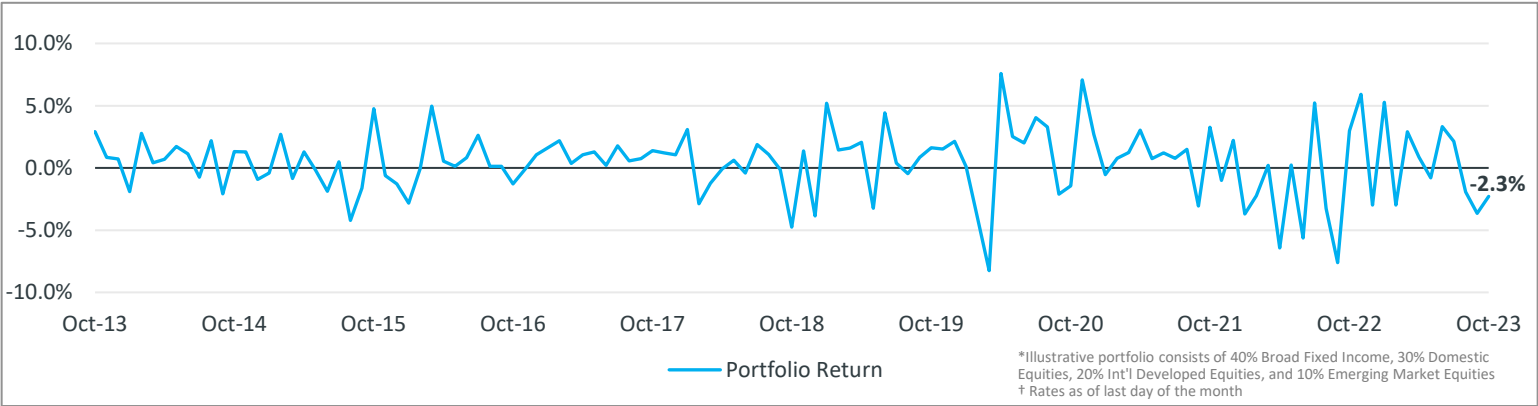


Kaufman Hall, National Hospital Flash Report (November 2023)

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.

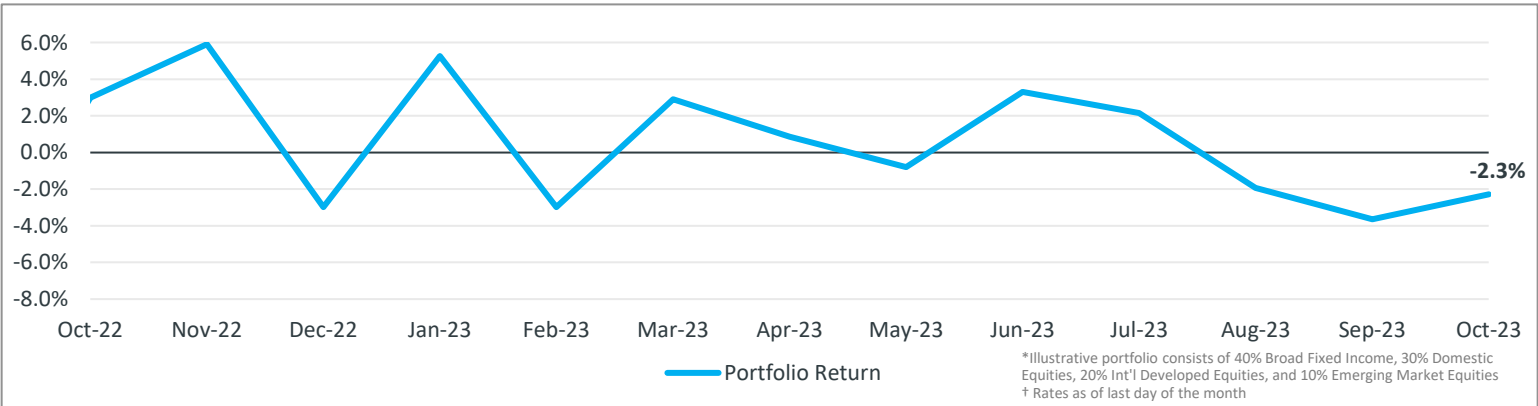
Non-Operating Assets

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



Kaufman Hall, National Hospital Flash Report (November 2023)

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



Kaufman Hall, National Hospital Flash Report (November 2023)

Equities fell for the third consecutive month in September, with the S&P 500 falling -2.2% month-over-month. The index's YTD and YoY gains fell to 9.2% and 8.3%, respectively. Similarly, the Dow fell 1.4%. This marks the first three-month losing streak for both indexes since March 2020. The Real Estate and Financials sectors of the S&P were the outperformers, with returns of 2.0% and 1.1%, respectively.

The blended 60/40 asset allocation finished September 2.3% lower month-over-month with the MSCI Emerging Markets Index posting the largest decline of the month at -3.9%, followed by the MSCI World Index which fell -3.0%. The Barclays Aggregate Bond Index finished the month -1.6% lower.

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