



DECEMBER 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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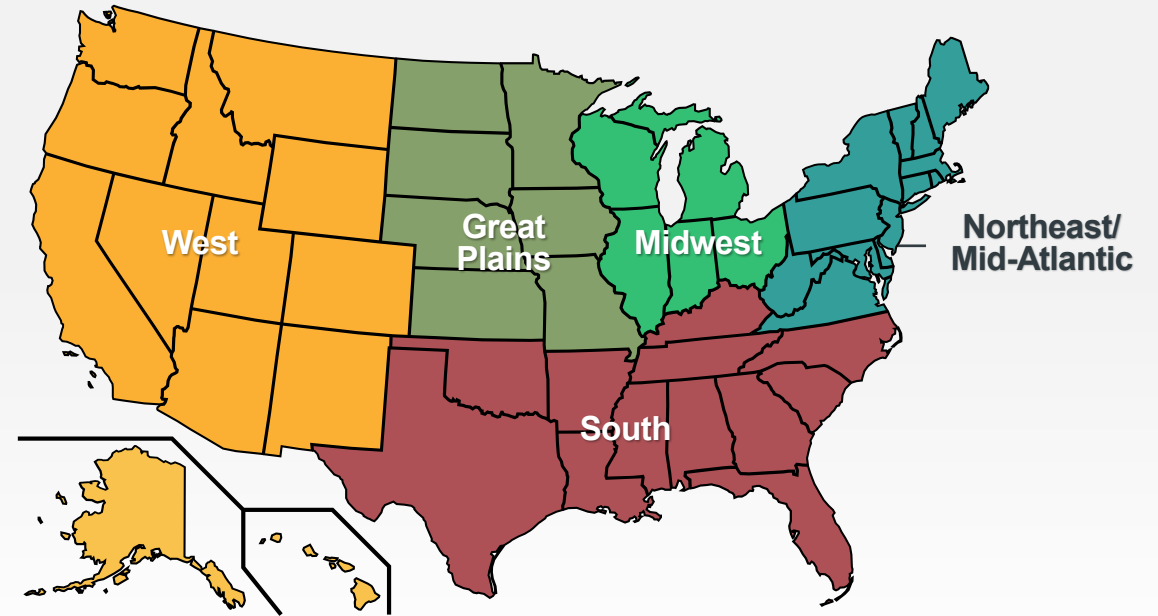
About the Data

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.



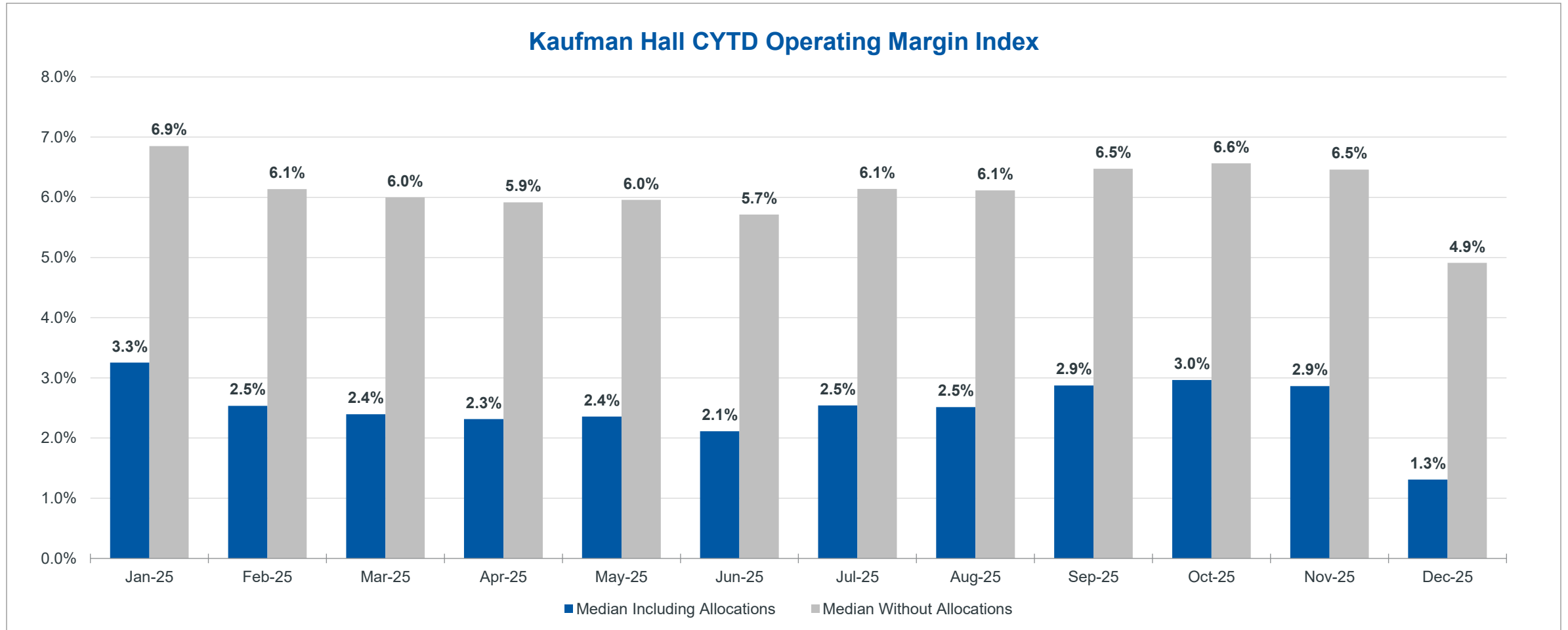
Strata Decision Technology, LLC provides an innovative, cloud-based platform for software, and data and service solutions to help healthcare organizations acquire insights, accelerate decisions, and enhance performance in support of their missions. More than 2,300 organizations rely on Strata’s StrataJazz 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.



Key Takeaways

- 1. Hospital performance settled into a “new normal” in 2025.** While margins in 2025 were stronger compared to prior years, hospitals need to be strategic about diversifying services and managing expenses.
- 2. Patient volumes continue to grow across all services.** While outpatient volumes continue to increase, hospitals will likely have a greater proportion of high acuity patients with elevated costs of care.
- 3. There is a persistent gap between gross and net operating revenue, alongside a rise in bad debt and charity care.** This imbalance indicates an eroding payer mix, likely a higher proportion of government vs. private payers, and more uninsured patients.

Operating Margin

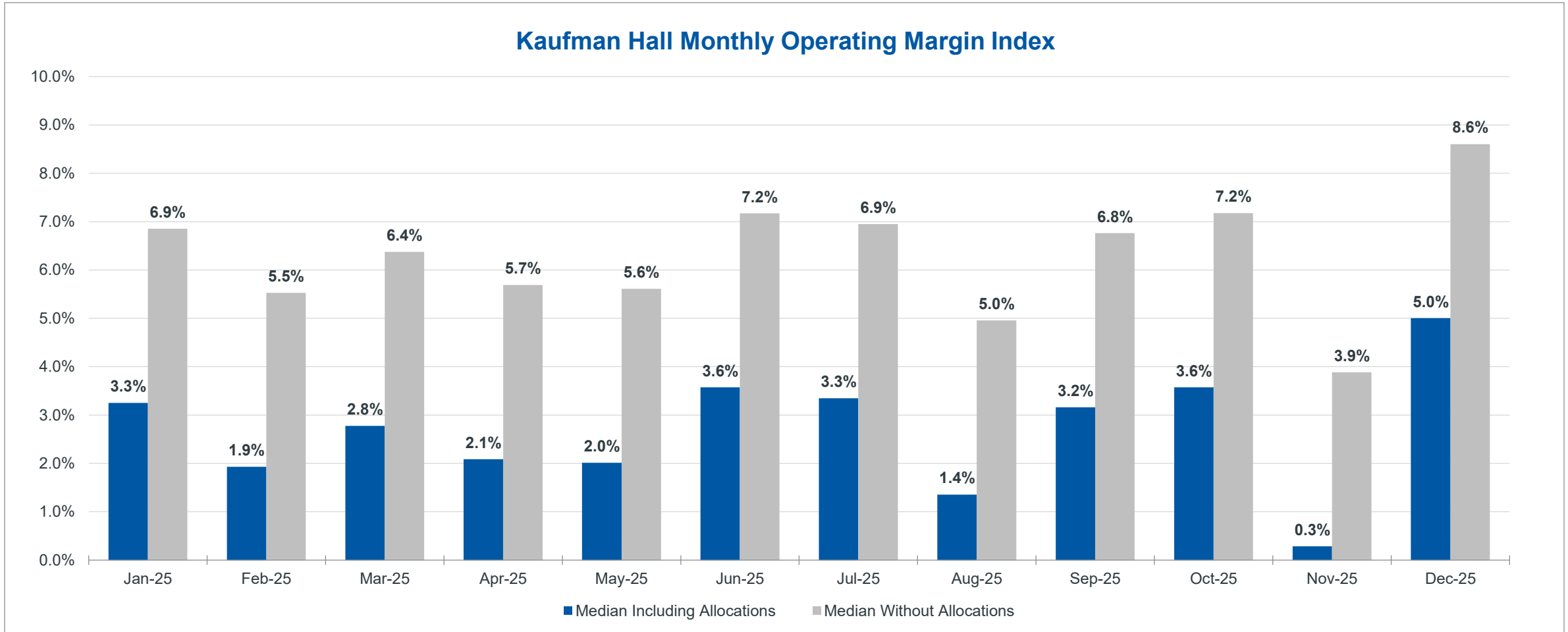


Kaufman Hall, *National Hospital Flash Report* (December 2025 Metrics)

* 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* (December 2025 Metrics)

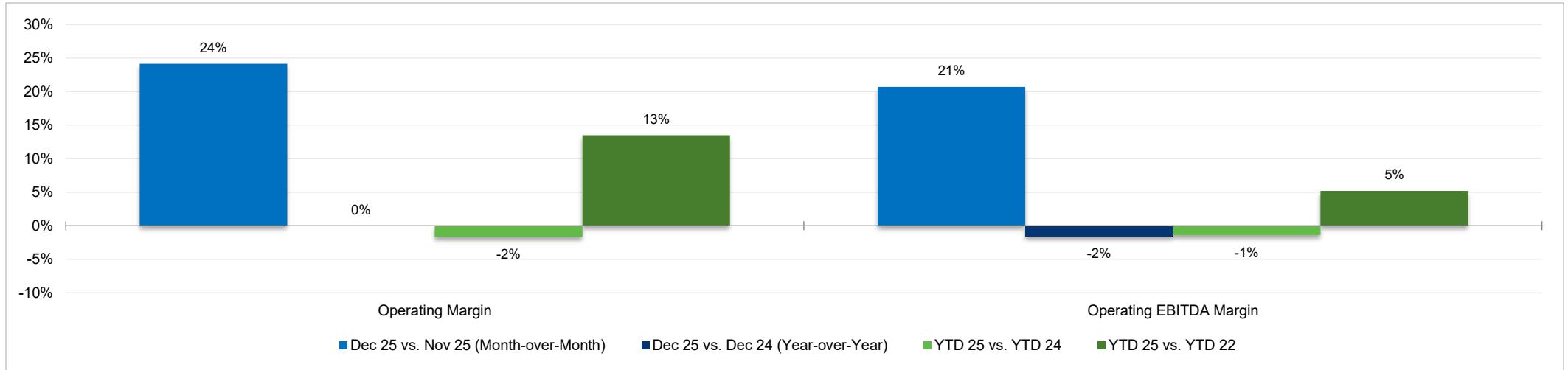
* Note: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset, and are displayed with and without adjustments for allocations to hospitals from corporate, physician, and other entities.

National and Regional Data

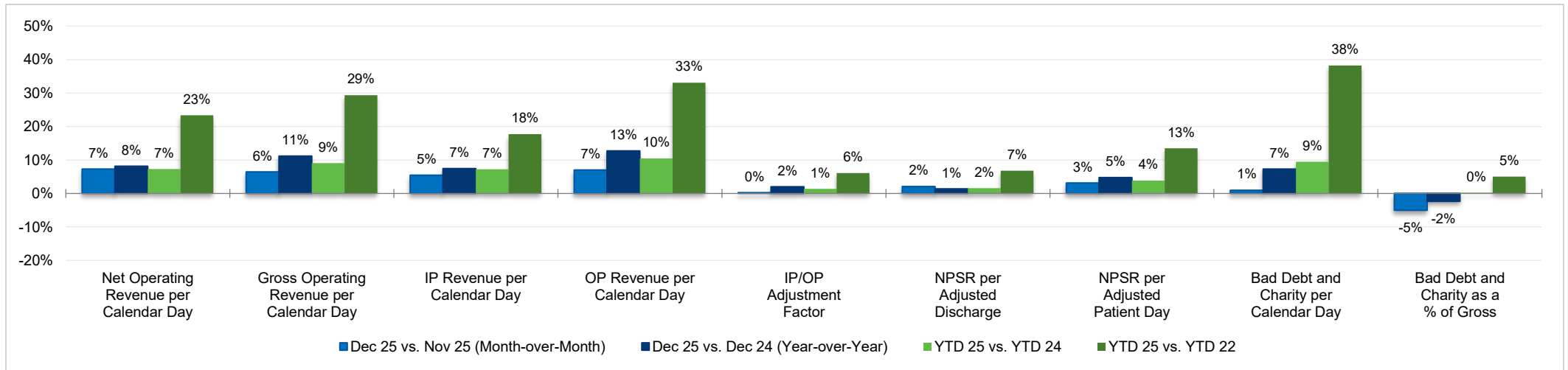
Profitability, Revenue, Expense, and Volume

National Data

Profitability

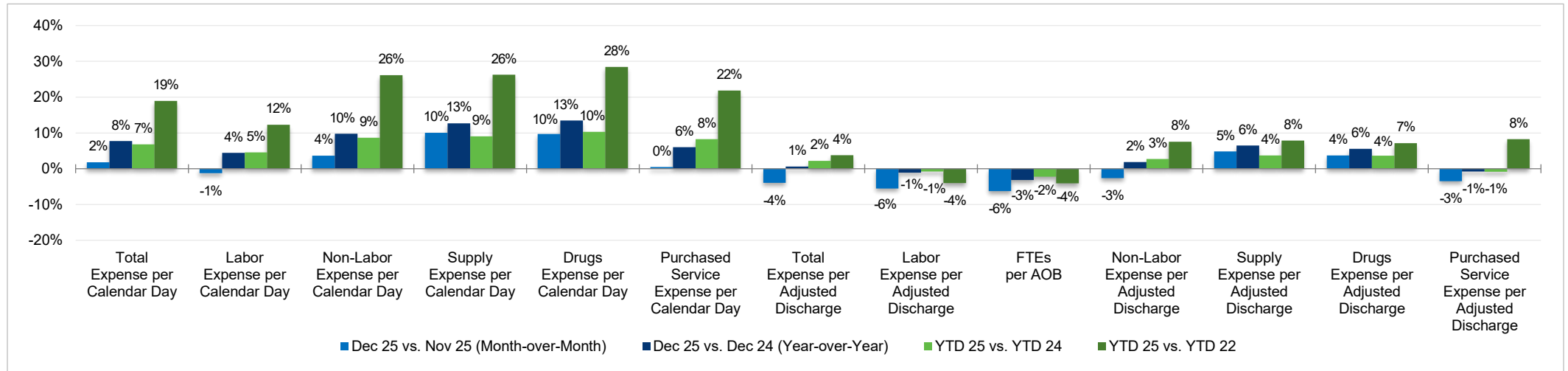


Revenue

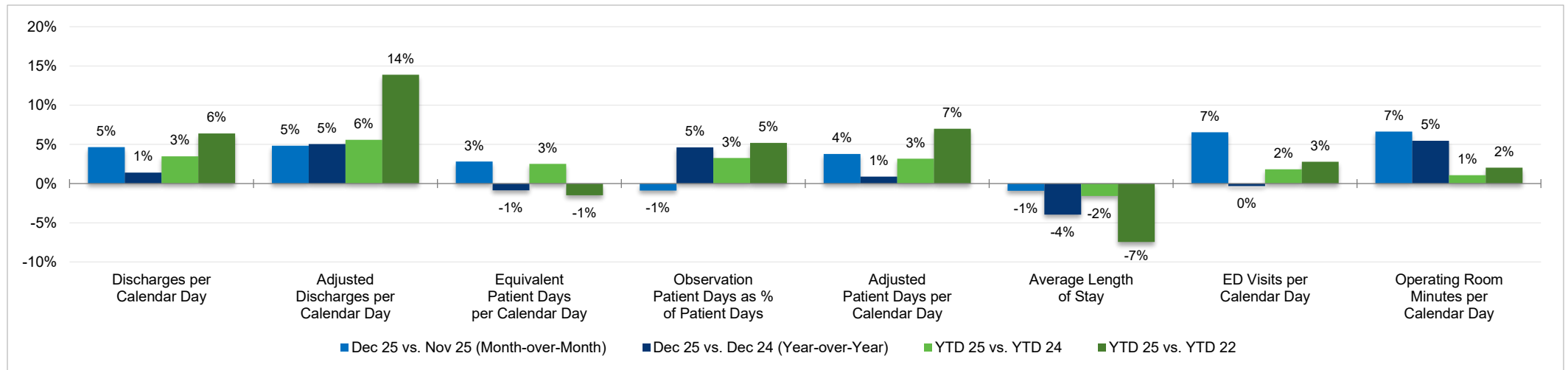


National Data *(continued)*

Expense

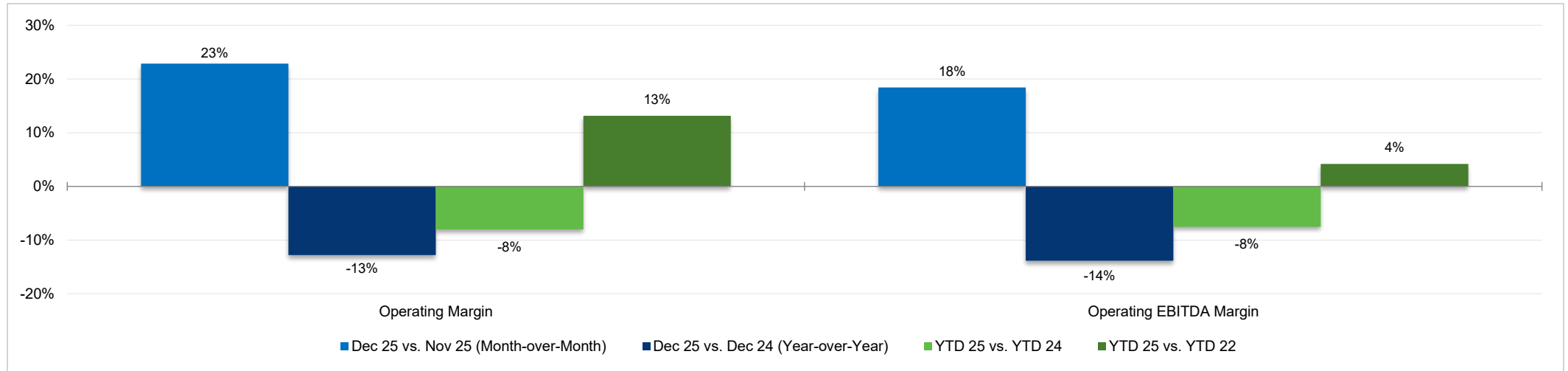


Volume

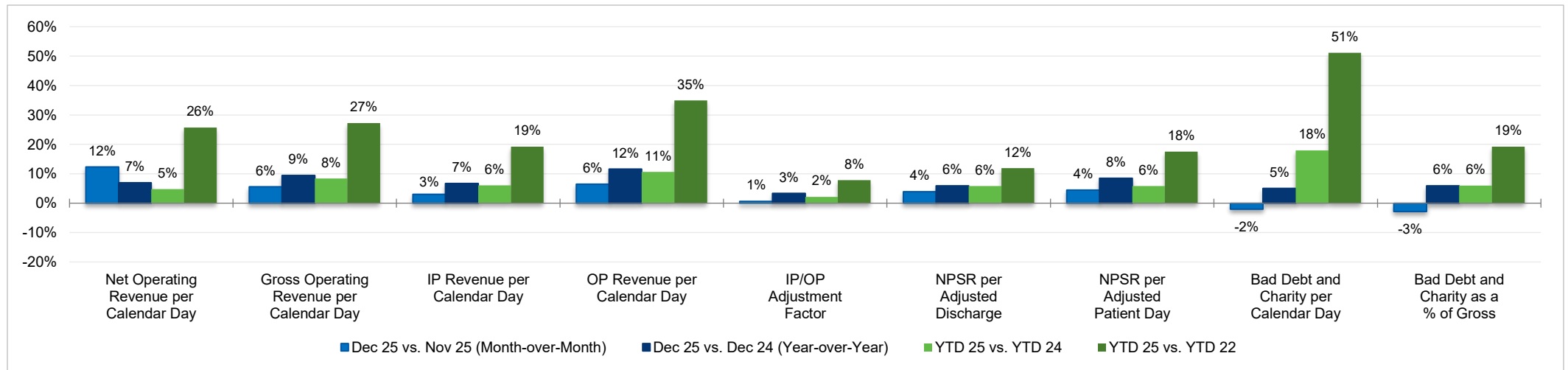


Regional Data: West

Profitability

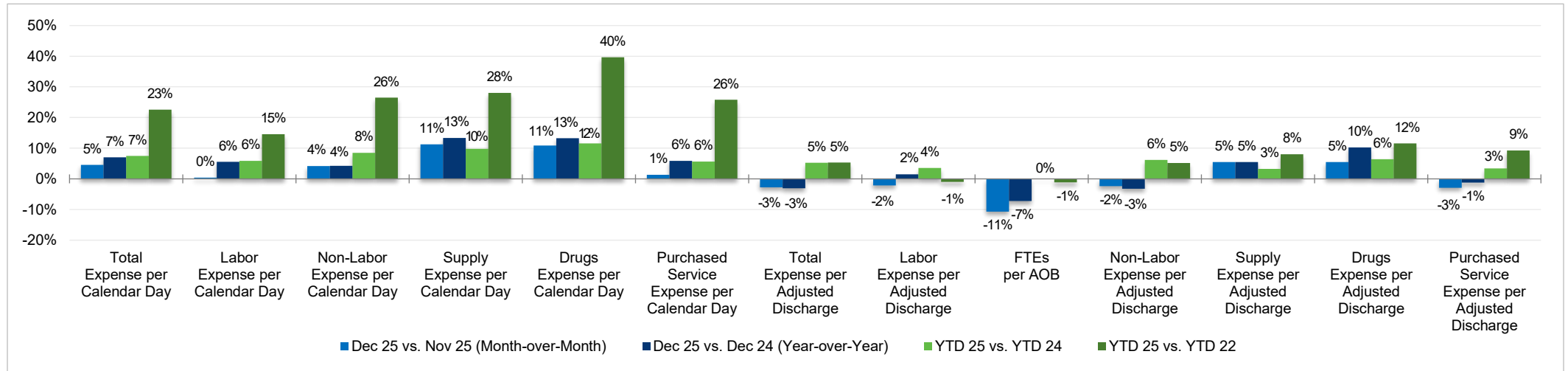


Revenue

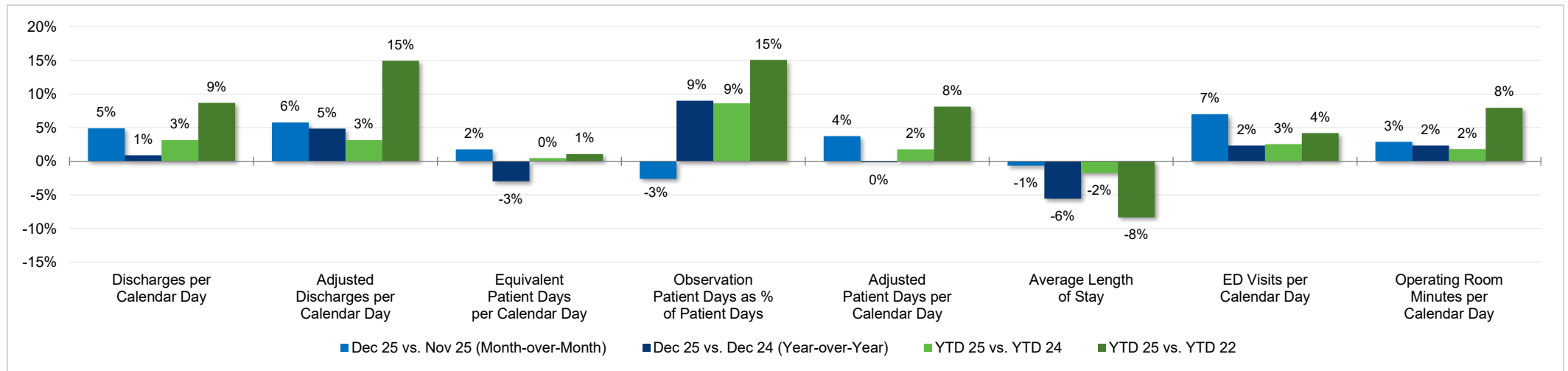


Regional Data: West *(continued)*

Expense

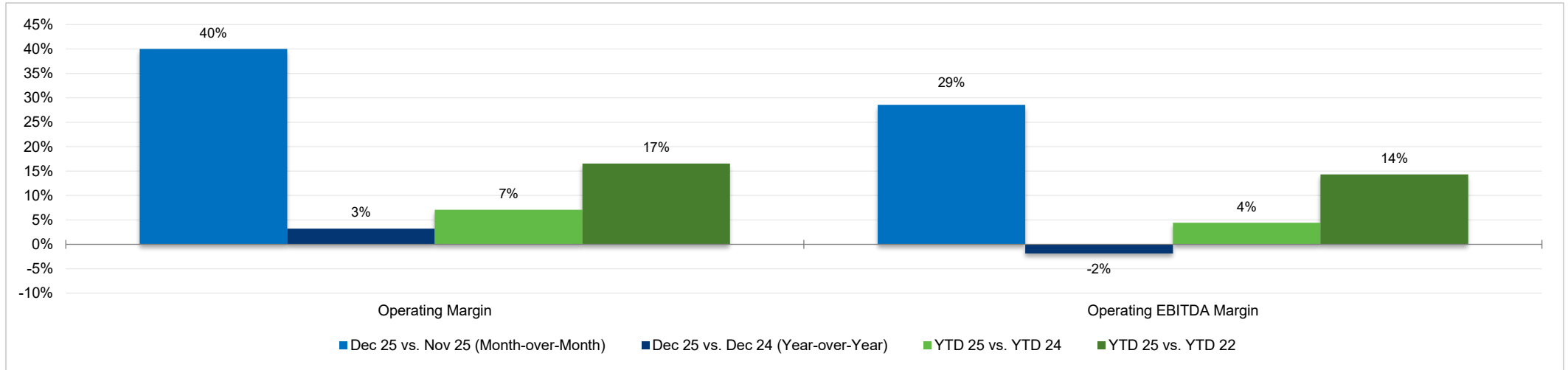


Volume

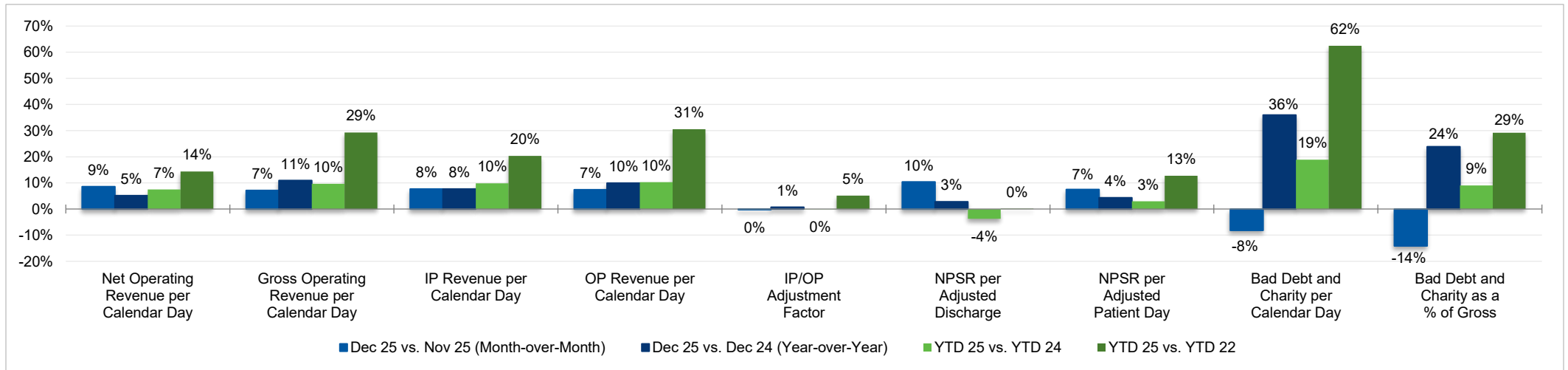


Regional Data: Midwest

Profitability

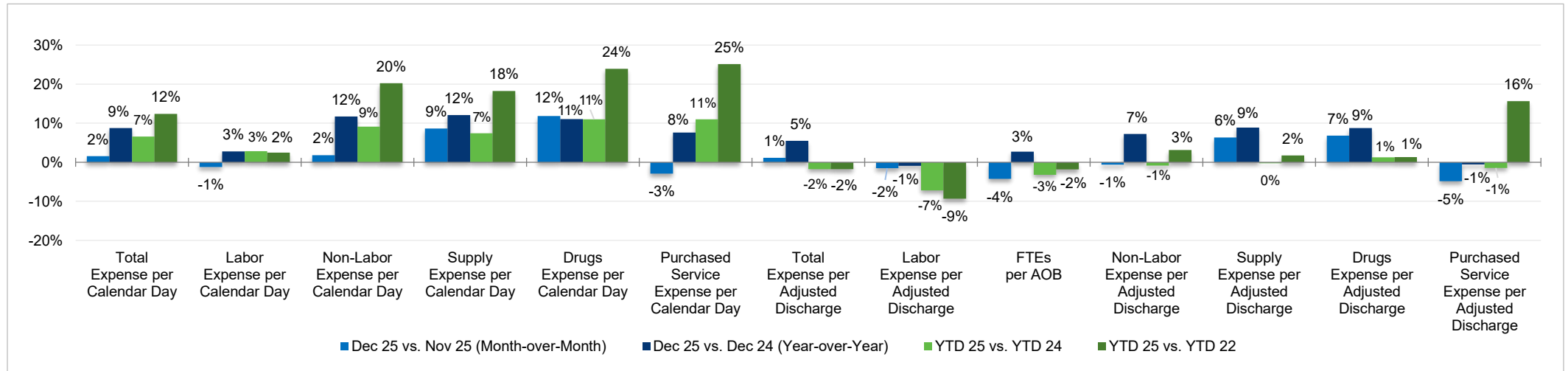


Revenue

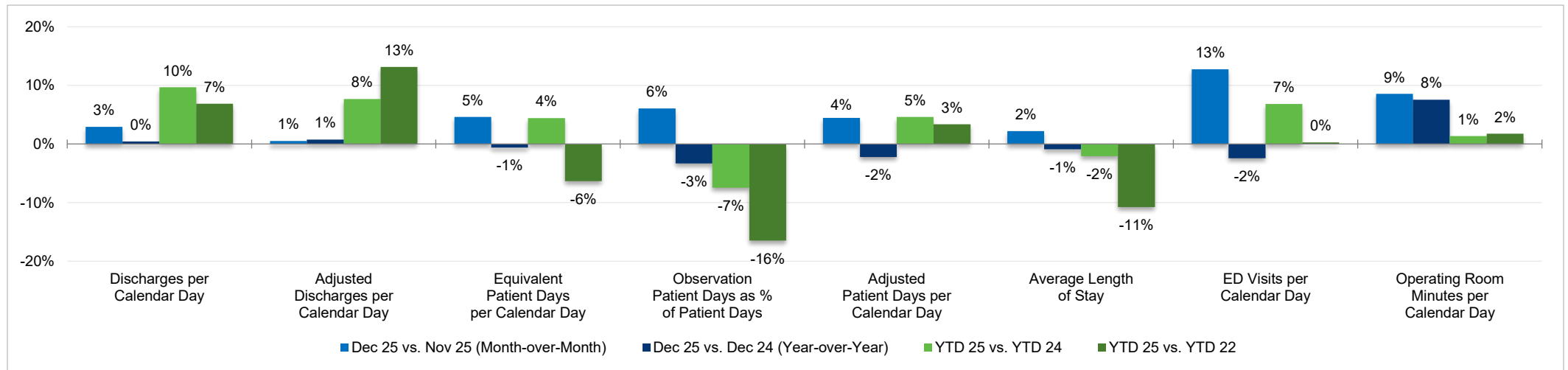


Regional Data: Midwest *(continued)*

Expense

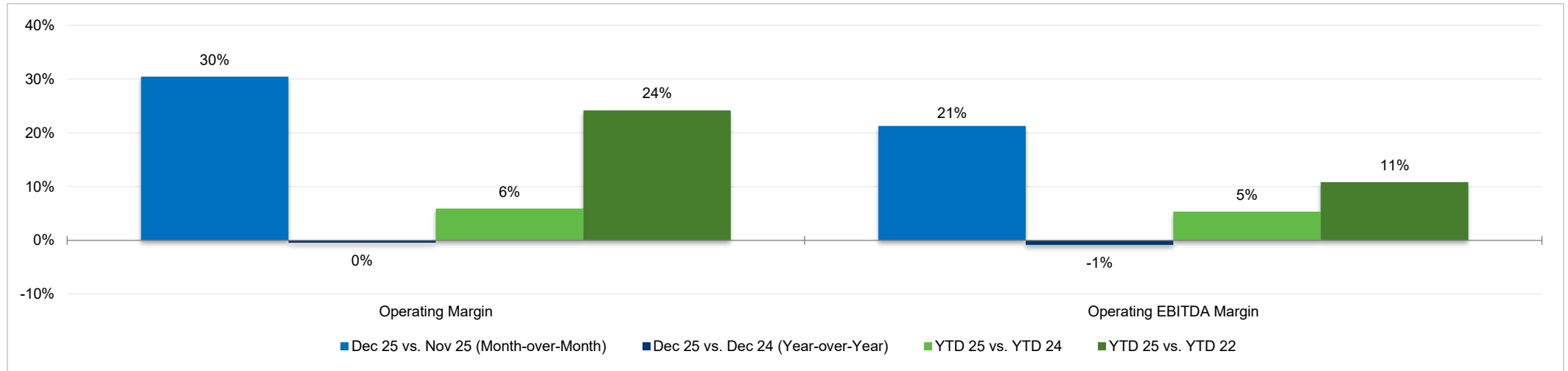


Volume

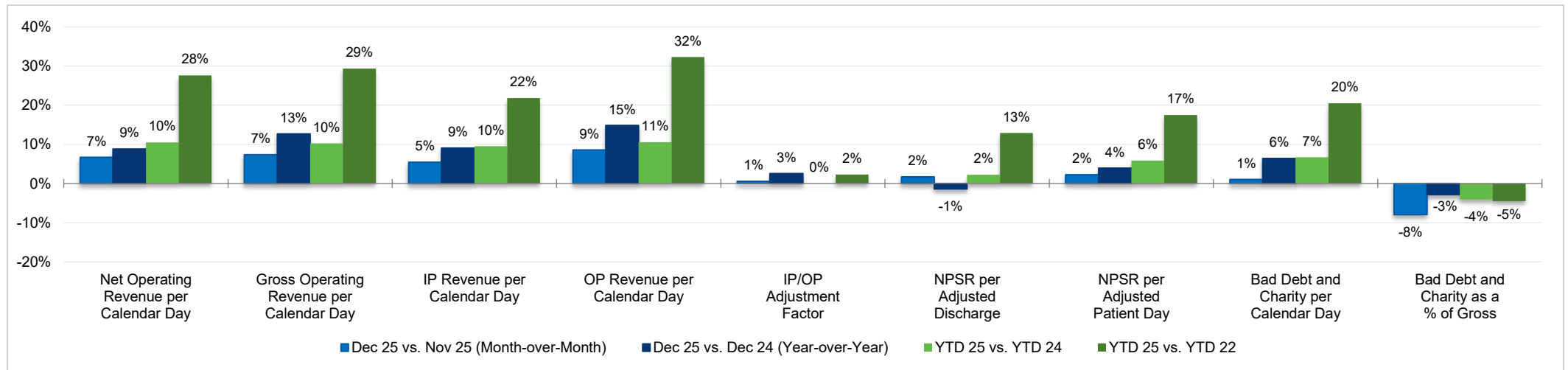


Regional Data: South

Profitability

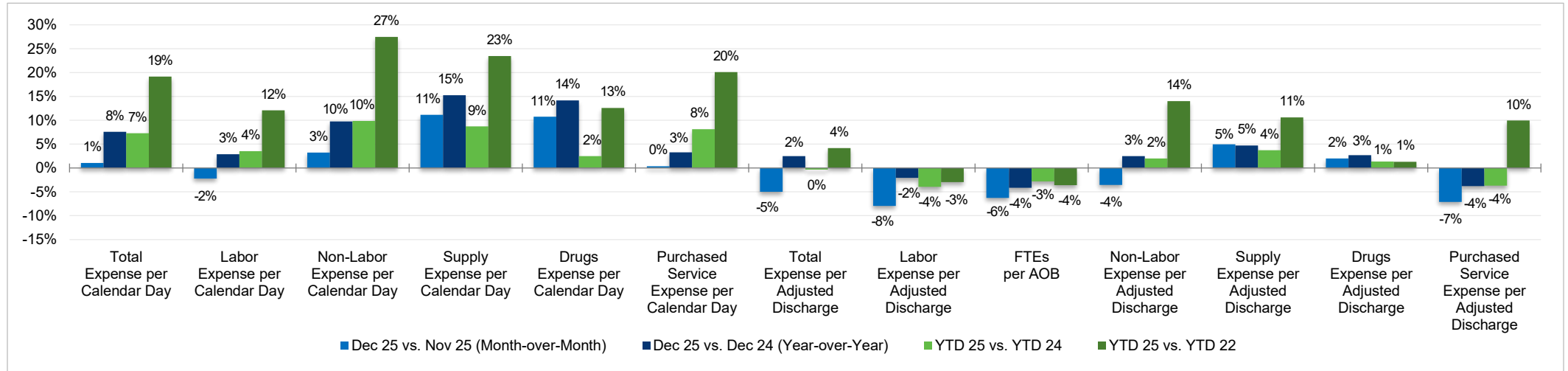


Revenue

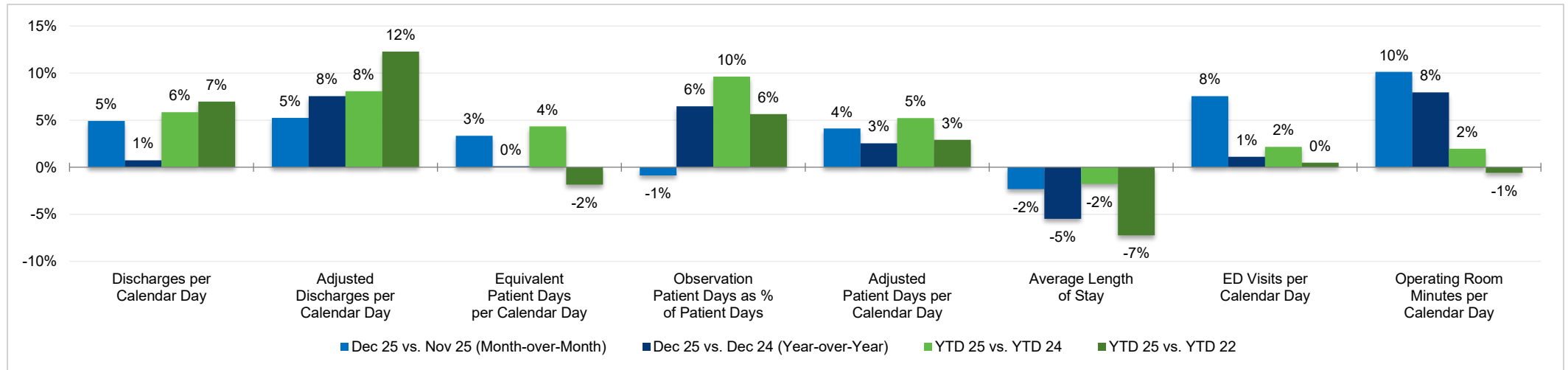


Regional Data: South *(continued)*

Expense

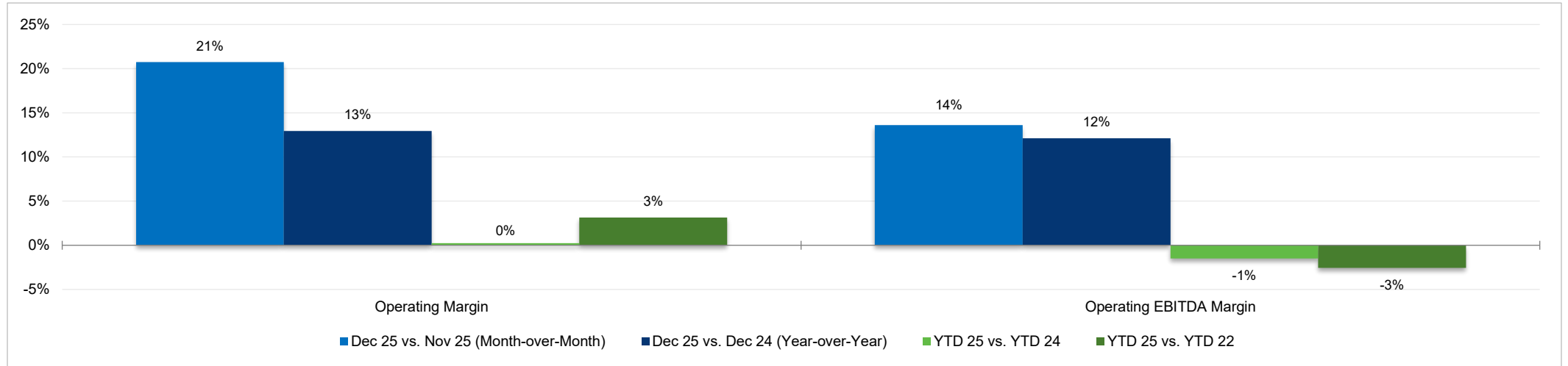


Volume

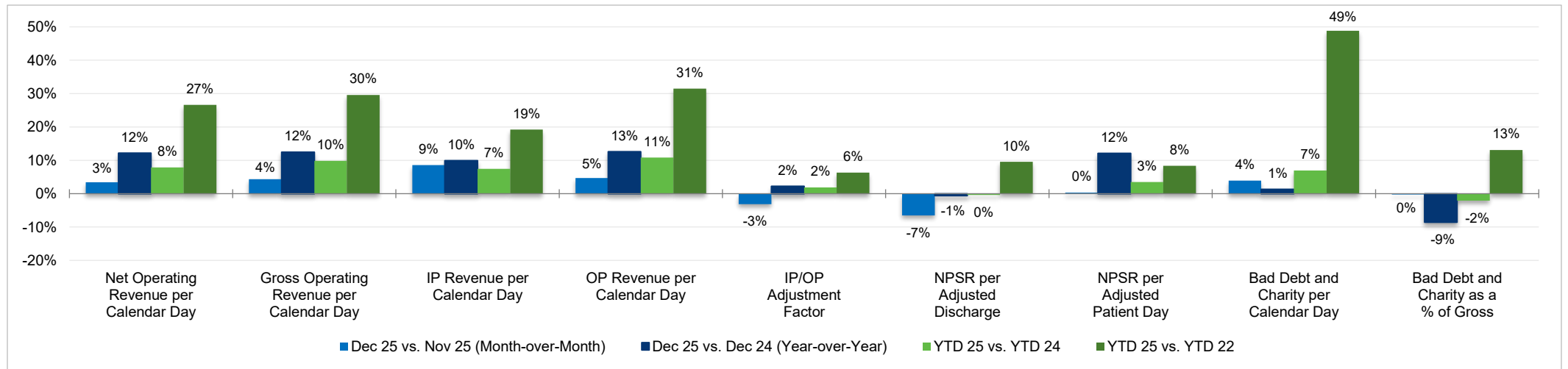


Regional Data: Northeast/Mid-Atlantic

Profitability

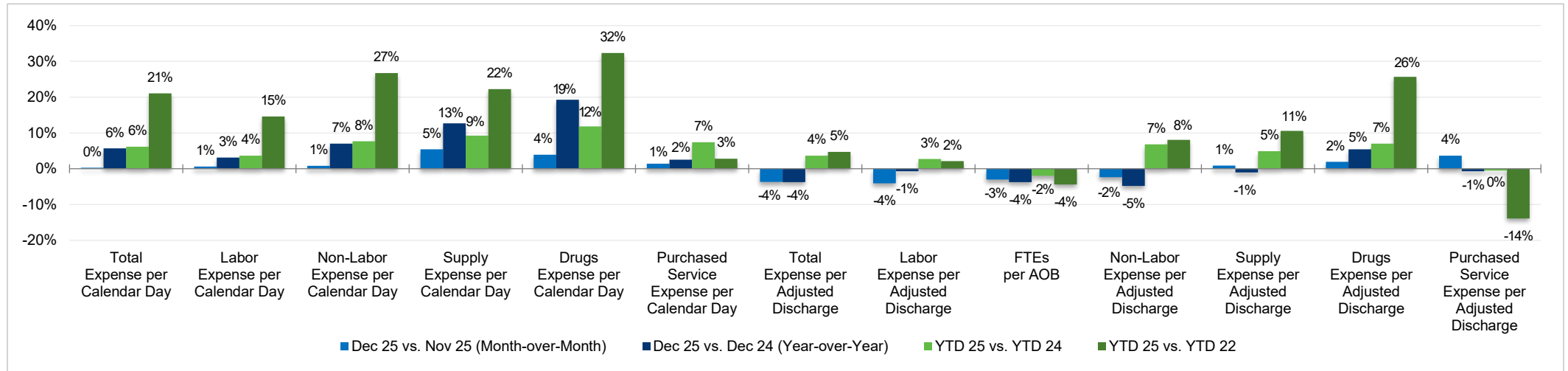


Revenue

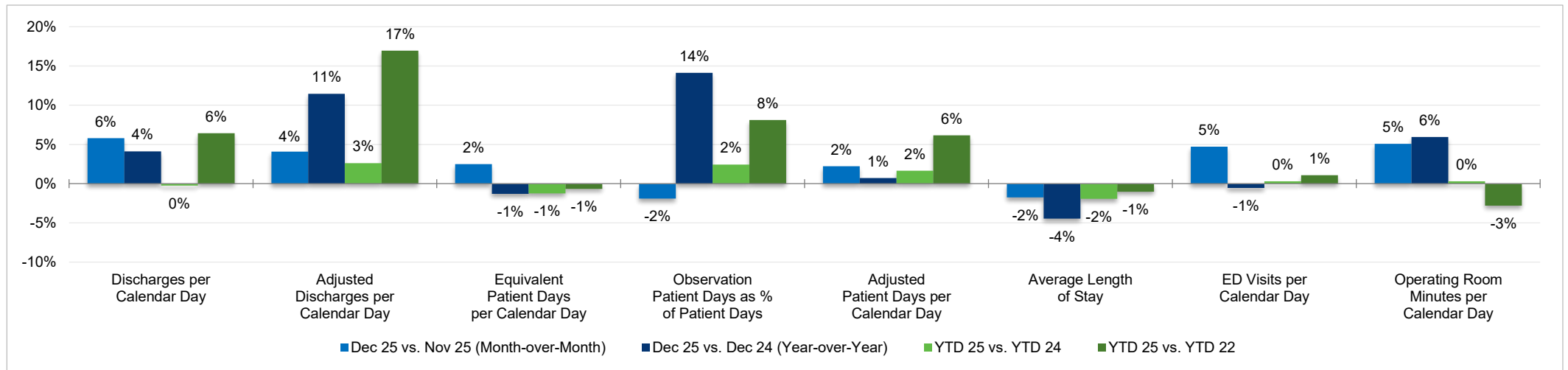


Regional Data: Northeast/Mid-Atlantic *(continued)*

Expense

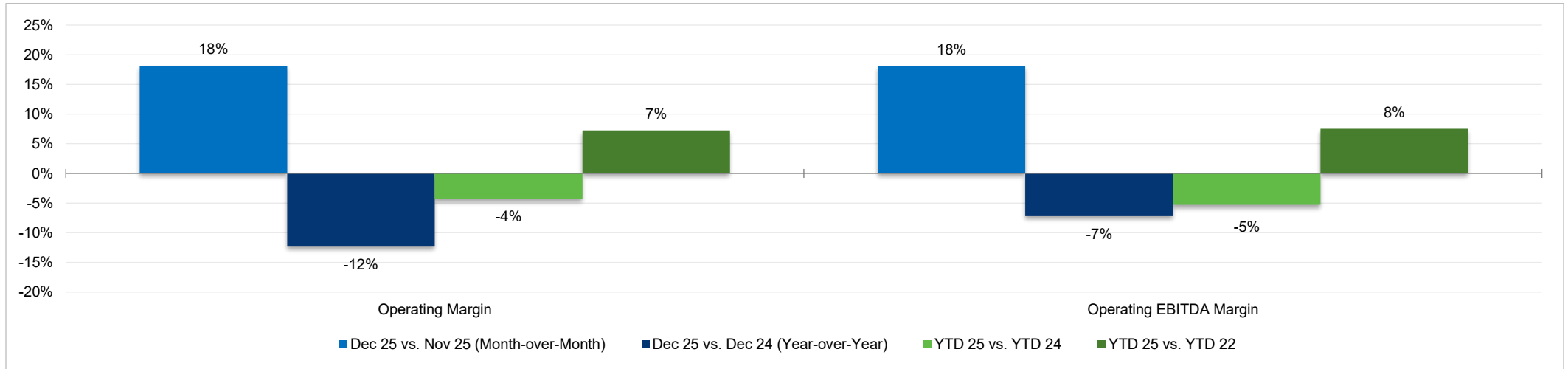


Volume

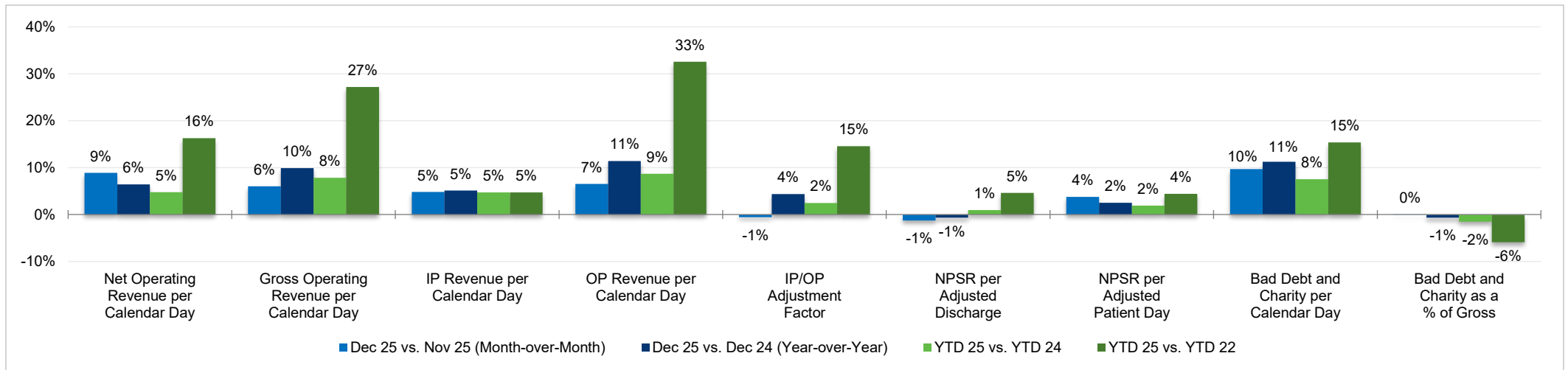


Regional Data: Great Plains

Profitability

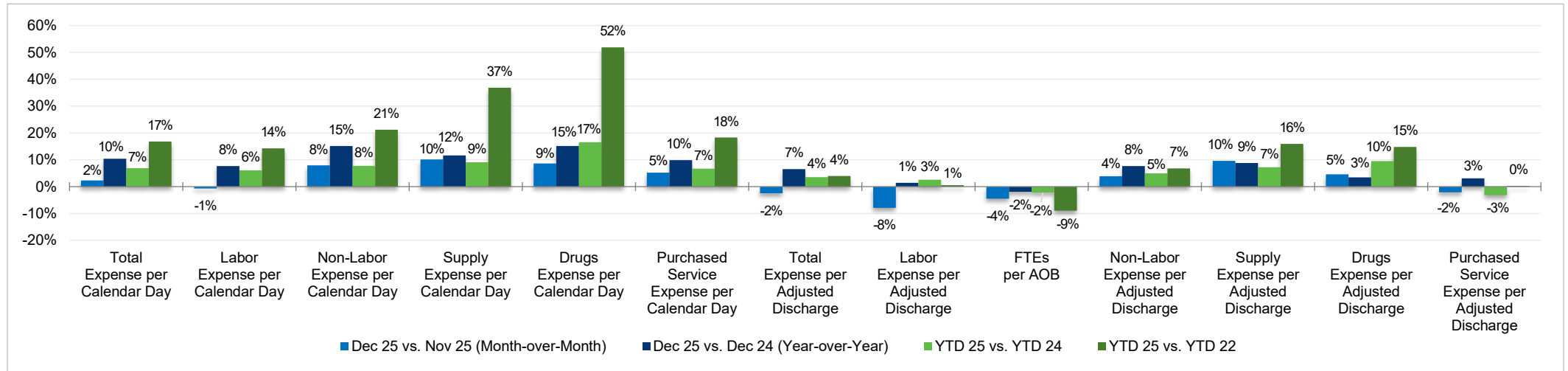


Revenue

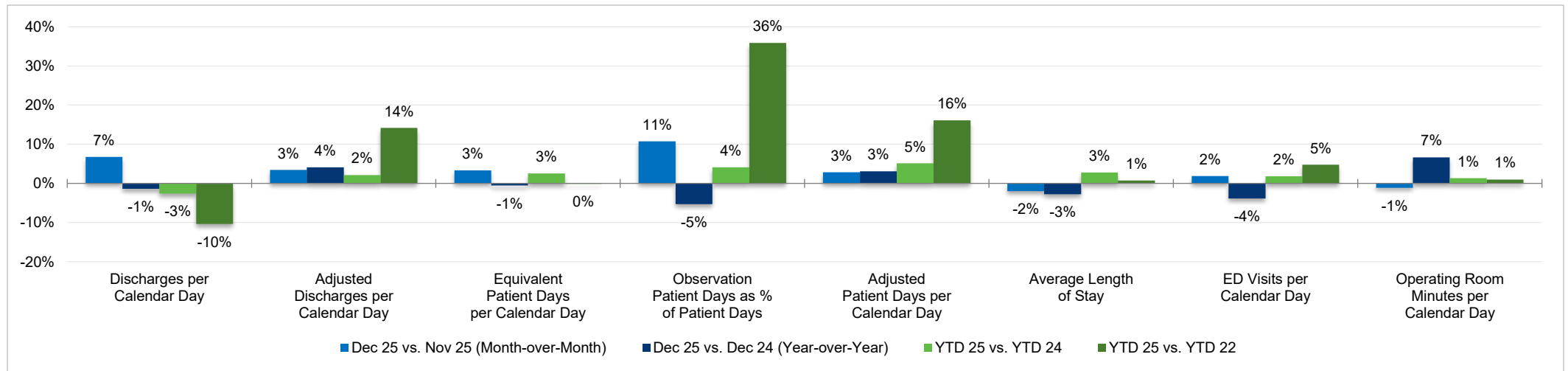


Regional Data: Great Plains *(continued)*

Expense



Volume



Data by Hospital Bed Size

Profitability, Revenue, Expense, and Volume

0-25 Beds

		Dec 25 vs. Nov 25 (Month-over-Month)	Dec 25 vs. Dec 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	18.1%	-5.7%	-3.8%	16.0%
	Operating EBIDA Margin	13.7%	-3.4%	-4.0%	8.2%
Volume	Discharges per Calendar Day	6.1%	-8.3%	1.1%	-3.9%
	Adjusted Discharges per Calendar Day	-0.4%	3.5%	5.6%	19.6%
	Equivalent Patient Days per Calendar Day	4.3%	-1.4%	2.6%	-4.3%
	Observation Patient Days as % of Patient Days	-8.5%	-2.1%	-1.6%	1.2%
	Adjusted Patient Days per Calendar Day	3.1%	2.9%	5.1%	14.8%
	Average Length of Stay	-0.6%	-1.4%	-0.4%	-3.1%
	ED Visits per Calendar Day	5.5%	-4.2%	1.1%	0.7%
	Operating Room Minutes per Calendar Day	7.5%	2.8%	-0.8%	-2.2%
	Revenue	Net Operating Revenue per Calendar Day	5.5%	2.6%	6.2%
Gross Operating Revenue per Calendar Day		6.5%	10.9%	8.9%	28.2%
IP Revenue per Calendar Day		7.6%	6.3%	3.7%	6.2%
OP Revenue per Calendar Day		6.4%	12.2%	10.0%	31.5%
IP/OP Adjustment Factor		-3.2%	3.7%	3.2%	17.5%
NPSR per Adjusted Discharge		2.1%	-1.6%	-0.7%	4.6%
NPSR per Adjusted Patient Day		3.7%	-2.1%	0.9%	4.2%
Bad Debt and Charity per Calendar Day		0.2%	12.2%	14.6%	44.3%
Bad Debt and Charity as a % of Gross		-8.4%	2.1%	3.5%	7.6%
Expense	Total Expense per Calendar Day	0.8%	7.0%	6.8%	17.1%
	Labor Expense per Calendar Day	-1.2%	4.2%	4.8%	12.3%
	Non-Labor Expense per Calendar Day	2.1%	7.9%	7.9%	23.4%
	Supply Expense per Calendar Day	7.2%	8.8%	8.1%	24.0%
	Drugs Expense per Calendar Day	7.6%	8.0%	15.0%	40.8%
	Purchased Service Expense per Calendar Day	-1.3%	9.3%	8.4%	21.4%
	Total Expense per Adjusted Discharge	-3.5%	-6.0%	1.5%	-3.9%
	Labor Expense per Adjusted Discharge	-2.8%	-2.8%	-0.9%	-8.1%
	FTEs per AOB	-4.3%	-5.5%	-3.2%	-12.3%
	Non-Labor Expense per Adjusted Discharge	-1.2%	-8.6%	1.9%	0.6%
	Supply Expense per Adjusted Discharge	0.5%	-5.6%	2.3%	-2.7%
	Drugs Expense per Adjusted Discharge	-5.0%	0.6%	5.9%	9.4%
Purchased Service Expense per Adjusted Discharge	-1.3%	1.3%	-1.4%	3.9%	

26-99 Beds

		Dec 25 vs. Nov 25 (Month-over-Month)	Dec 25 vs. Dec 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	12.7%	-1.4%	-0.2%	6.2%
	Operating EBIDA Margin	9.3%	-1.5%	-2.4%	0.0%
Volume	Discharges per Calendar Day	4.9%	-0.1%	3.3%	4.2%
	Adjusted Discharges per Calendar Day	5.5%	5.1%	5.7%	14.1%
	Equivalent Patient Days per Calendar Day	2.5%	-0.8%	4.8%	-4.7%
	Observation Patient Days as % of Patient Days	2.0%	26.3%	14.0%	8.5%
	Adjusted Patient Days per Calendar Day	3.5%	0.2%	4.7%	2.3%
	Average Length of Stay	-2.8%	-4.9%	-0.3%	-7.8%
	ED Visits per Calendar Day	7.7%	1.3%	3.9%	4.2%
	Operating Room Minutes per Calendar Day	9.4%	2.9%	-0.4%	0.5%
	Revenue	Net Operating Revenue per Calendar Day	6.9%	10.4%	8.7%
Gross Operating Revenue per Calendar Day		7.1%	11.1%	10.1%	28.8%
IP Revenue per Calendar Day		4.7%	5.6%	6.5%	11.4%
OP Revenue per Calendar Day		7.7%	11.9%	11.1%	35.0%
IP/OP Adjustment Factor		0.2%	3.9%	1.5%	8.1%
NPSR per Adjusted Discharge		1.1%	3.1%	4.4%	6.6%
NPSR per Adjusted Patient Day		3.7%	8.4%	4.1%	15.0%
Bad Debt and Charity per Calendar Day		-4.5%	5.9%	10.6%	38.1%
Bad Debt and Charity as a % of Gross		-11.8%	-3.3%	-1.6%	1.9%
Expense	Total Expense per Calendar Day	1.9%	8.8%	8.0%	22.1%
	Labor Expense per Calendar Day	-1.2%	5.3%	4.9%	8.4%
	Non-Labor Expense per Calendar Day	3.0%	10.6%	9.5%	28.5%
	Supply Expense per Calendar Day	10.2%	12.3%	10.4%	23.0%
	Drugs Expense per Calendar Day	4.9%	10.0%	8.8%	13.4%
	Purchased Service Expense per Calendar Day	0.9%	3.7%	7.7%	18.0%
	Total Expense per Adjusted Discharge	-6.8%	4.2%	2.9%	5.3%
	Labor Expense per Adjusted Discharge	-8.7%	1.3%	-0.3%	-2.2%
	FTEs per AOB	-7.3%	-4.0%	-4.9%	-6.6%
	Non-Labor Expense per Adjusted Discharge	-5.7%	4.7%	2.2%	8.8%
	Supply Expense per Adjusted Discharge	2.4%	5.1%	3.6%	5.0%
	Drugs Expense per Adjusted Discharge	1.5%	4.3%	7.7%	5.1%
Purchased Service Expense per Adjusted Discharge	-9.0%	-0.8%	-0.8%	0.7%	

100-199 Beds

		Dec 25 vs. Nov 25 (Month-over-Month)	Dec 25 vs. Dec 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	39.7%	0.1%	-1.7%	12.8%
	Operating EBIDA Margin	31.9%	-1.6%	-0.1%	4.5%
Volume	Discharges per Calendar Day	5.7%	2.7%	5.4%	12.8%
	Adjusted Discharges per Calendar Day	4.4%	7.8%	5.5%	12.1%
	Equivalent Patient Days per Calendar Day	5.2%	-0.6%	3.1%	2.3%
	Observation Patient Days as % of Patient Days	-4.0%	-1.1%	5.5%	6.7%
	Adjusted Patient Days per Calendar Day	5.6%	0.7%	2.0%	6.0%
	Average Length of Stay	-0.5%	-4.1%	-2.3%	-7.2%
	ED Visits per Calendar Day	6.7%	0.5%	1.5%	1.8%
	Operating Room Minutes per Calendar Day	7.0%	5.3%	0.6%	0.6%
	Revenue	Net Operating Revenue per Calendar Day	9.6%	7.8%	5.5%
Gross Operating Revenue per Calendar Day		6.6%	10.7%	7.8%	23.5%
IP Revenue per Calendar Day		6.9%	8.7%	7.2%	19.5%
OP Revenue per Calendar Day		6.5%	12.9%	9.0%	29.5%
IP/OP Adjustment Factor		-1.2%	1.6%	0.9%	4.9%
NPSR per Adjusted Discharge		1.6%	-0.5%	0.0%	9.8%
NPSR per Adjusted Patient Day		4.0%	8.5%	3.8%	14.1%
Bad Debt and Charity per Calendar Day		1.8%	14.5%	10.3%	39.2%
Bad Debt and Charity as a % of Gross	-2.1%	-0.1%	1.3%	18.6%	
Expense	Total Expense per Calendar Day	2.4%	5.8%	6.1%	17.1%
	Labor Expense per Calendar Day	-1.1%	2.8%	4.3%	11.7%
	Non-Labor Expense per Calendar Day	5.0%	8.0%	7.8%	20.9%
	Supply Expense per Calendar Day	11.1%	13.1%	5.9%	22.5%
	Drugs Expense per Calendar Day	10.1%	9.2%	3.6%	12.4%
	Purchased Service Expense per Calendar Day	0.6%	3.1%	7.7%	26.7%
	Total Expense per Adjusted Discharge	-4.6%	1.0%	1.3%	-0.1%
	Labor Expense per Adjusted Discharge	-5.9%	-2.3%	-1.4%	-5.3%
	FTEs per AOB	-8.1%	-2.4%	-0.1%	-2.7%
	Non-Labor Expense per Adjusted Discharge	-3.1%	0.0%	2.5%	7.0%
	Supply Expense per Adjusted Discharge	6.2%	9.3%	3.1%	8.4%
	Drugs Expense per Adjusted Discharge	4.8%	5.2%	-6.3%	-0.7%
Purchased Service Expense per Adjusted Discharge	-3.4%	-2.4%	-3.6%	17.6%	

200-299 Beds

	Dec 25 vs. Nov 25 (Month-over-Month)	Dec 25 vs. Dec 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22	
Margin	Operating Margin	19.3%	1.5%	3.7%	15.6%
	Operating EBIDA Margin	14.0%	1.8%	3.3%	7.9%
Volume	Discharges per Calendar Day	4.9%	-1.4%	4.3%	9.5%
	Adjusted Discharges per Calendar Day	5.1%	4.2%	5.8%	13.7%
	Equivalent Patient Days per Calendar Day	1.2%	-1.3%	1.7%	-1.1%
	Observation Patient Days as % of Patient Days	4.1%	5.3%	4.2%	7.3%
	Adjusted Patient Days per Calendar Day	3.8%	-0.6%	1.8%	1.6%
	Average Length of Stay	-1.3%	-1.6%	-2.6%	-10.2%
	ED Visits per Calendar Day	6.7%	2.2%	1.8%	4.2%
	Operating Room Minutes per Calendar Day	0.9%	4.6%	5.2%	7.5%
Revenue	Net Operating Revenue per Calendar Day	6.8%	9.1%	10.2%	25.0%
	Gross Operating Revenue per Calendar Day	6.2%	13.0%	11.0%	30.8%
	IP Revenue per Calendar Day	5.0%	9.3%	8.8%	24.4%
	OP Revenue per Calendar Day	6.9%	14.1%	12.4%	36.7%
	IP/OP Adjustment Factor	0.3%	2.0%	0.7%	3.4%
	NPSR per Adjusted Discharge	0.3%	2.7%	1.9%	10.1%
	NPSR per Adjusted Patient Day	1.8%	6.8%	6.4%	18.5%
	Bad Debt and Charity per Calendar Day	-3.2%	7.0%	7.3%	35.9%
Bad Debt and Charity as a % of Gross	-9.9%	-2.9%	-4.8%	3.3%	
Expense	Total Expense per Calendar Day	1.2%	8.7%	6.4%	20.2%
	Labor Expense per Calendar Day	-1.2%	4.3%	2.9%	11.8%
	Non-Labor Expense per Calendar Day	2.6%	10.6%	9.1%	26.1%
	Supply Expense per Calendar Day	9.4%	16.0%	9.4%	24.4%
	Drugs Expense per Calendar Day	13.6%	18.6%	11.2%	25.7%
	Purchased Service Expense per Calendar Day	0.5%	-3.1%	5.0%	14.3%
	Total Expense per Adjusted Discharge	-4.2%	3.3%	0.1%	3.2%
	Labor Expense per Adjusted Discharge	-4.6%	-0.9%	-4.6%	-6.0%
	FTEs per AOB	-4.7%	-1.9%	-2.4%	0.7%
	Non-Labor Expense per Adjusted Discharge	-3.4%	6.9%	1.7%	8.1%
	Supply Expense per Adjusted Discharge	1.2%	4.7%	2.7%	8.9%
Drugs Expense per Adjusted Discharge	5.1%	11.5%	2.4%	5.0%	
Purchased Service Expense per Adjusted Discharge	-3.1%	-4.5%	-2.9%	4.3%	

300-499 Beds

		Dec 25 vs. Nov 25 (Month-over-Month)	Dec 25 vs. Dec 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	32.7%	2.8%	2.8%	11.8%
	Operating EBIDA Margin	22.2%	2.1%	4.4%	-14.9%
Volume	Discharges per Calendar Day	4.1%	3.7%	4.3%	11.3%
	Adjusted Discharges per Calendar Day	5.1%	4.9%	6.3%	13.3%
	Equivalent Patient Days per Calendar Day	1.4%	-0.1%	1.3%	1.3%
	Observation Patient Days as % of Patient Days	-1.0%	8.1%	-0.4%	1.8%
	Adjusted Patient Days per Calendar Day	3.5%	2.1%	3.1%	7.8%
	Average Length of Stay	-0.6%	-4.2%	-0.7%	-6.9%
	ED Visits per Calendar Day	7.4%	-0.9%	2.2%	5.6%
	Operating Room Minutes per Calendar Day	10.3%	8.8%	1.8%	3.5%
	Revenue	Net Operating Revenue per Calendar Day	7.7%	12.1%	8.2%
Gross Operating Revenue per Calendar Day		6.5%	11.4%	8.9%	30.1%
IP Revenue per Calendar Day		6.8%	8.2%	9.4%	25.0%
OP Revenue per Calendar Day		7.7%	12.3%	10.2%	34.4%
IP/OP Adjustment Factor		1.4%	0.8%	0.4%	4.6%
NPSR per Adjusted Discharge		2.6%	4.4%	4.0%	9.1%
NPSR per Adjusted Patient Day		3.7%	6.8%	4.4%	20.5%
Bad Debt and Charity per Calendar Day		8.4%	6.0%	6.8%	32.3%
Bad Debt and Charity as a % of Gross		-1.3%	-5.7%	-0.9%	0.9%
Expense	Total Expense per Calendar Day	1.5%	9.0%	7.4%	23.2%
	Labor Expense per Calendar Day	-1.6%	6.8%	5.4%	15.7%
	Non-Labor Expense per Calendar Day	4.1%	9.5%	8.9%	27.7%
	Supply Expense per Calendar Day	12.7%	13.0%	8.5%	31.0%
	Drugs Expense per Calendar Day	10.0%	16.0%	10.0%	24.7%
	Purchased Service Expense per Calendar Day	-1.0%	7.0%	9.0%	23.2%
	Total Expense per Adjusted Discharge	-1.7%	5.3%	3.7%	10.3%
	Labor Expense per Adjusted Discharge	-4.4%	2.4%	1.3%	-1.3%
	FTEs per AOB	-6.1%	-1.6%	-1.2%	-1.8%
	Non-Labor Expense per Adjusted Discharge	-1.0%	3.4%	5.0%	15.1%
	Supply Expense per Adjusted Discharge	8.6%	7.7%	4.4%	17.5%
	Drugs Expense per Adjusted Discharge	7.3%	8.8%	6.0%	11.6%
Purchased Service Expense per Adjusted Discharge	-8.0%	-0.1%	1.9%	22.2%	

500+ Beds

		Dec 25 vs. Nov 25 (Month-over-Month)	Dec 25 vs. Dec 24 (Year-over-Year)	YTD 25 vs. YTD 24	YTD 25 vs. YTD 22
Margin	Operating Margin	62.4%	21.7%	-9.2%	74.0%
	Operating EBIDA Margin	33.2%	-2.0%	-10.3%	29.6%
Volume	Discharges per Calendar Day	3.3%	2.7%	1.9%	10.4%
	Adjusted Discharges per Calendar Day	4.8%	4.6%	2.2%	11.4%
	Equivalent Patient Days per Calendar Day	1.7%	-0.8%	0.0%	0.5%
	Observation Patient Days as % of Patient Days	3.6%	18.1%	21.5%	22.4%
	Adjusted Patient Days per Calendar Day	3.9%	1.8%	0.8%	3.5%
	Average Length of Stay	-1.4%	-4.6%	-1.4%	-10.9%
	ED Visits per Calendar Day	4.5%	-0.6%	1.4%	11.0%
	Operating Room Minutes per Calendar Day	2.5%	8.5%	4.3%	7.3%
	Revenue	Net Operating Revenue per Calendar Day	8.4%	10.1%	7.2%
Gross Operating Revenue per Calendar Day		6.3%	10.9%	9.9%	33.0%
IP Revenue per Calendar Day		2.8%	6.5%	8.8%	25.9%
OP Revenue per Calendar Day		8.0%	15.3%	10.2%	39.3%
IP/OP Adjustment Factor		1.8%	2.6%	1.6%	5.4%
NPSR per Adjusted Discharge		3.7%	14.0%	4.9%	15.6%
NPSR per Adjusted Patient Day		6.2%	13.5%	8.6%	28.3%
Bad Debt and Charity per Calendar Day		4.4%	8.6%	7.7%	35.1%
Bad Debt and Charity as a % of Gross		-0.1%	0.0%	-0.3%	-0.3%
Expense	Total Expense per Calendar Day	1.8%	5.6%	6.8%	24.8%
	Labor Expense per Calendar Day	-1.6%	4.9%	5.9%	16.9%
	Non-Labor Expense per Calendar Day	4.8%	8.0%	9.9%	30.8%
	Supply Expense per Calendar Day	8.9%	18.4%	11.3%	35.7%
	Drugs Expense per Calendar Day	12.3%	20.0%	15.0%	47.1%
	Purchased Service Expense per Calendar Day	8.0%	12.2%	10.1%	18.0%
	Total Expense per Adjusted Discharge	-3.0%	2.3%	5.6%	6.1%
	Labor Expense per Adjusted Discharge	-7.0%	-1.1%	3.1%	2.4%
	FTEs per AOB	-4.5%	0.7%	1.0%	7.2%
	Non-Labor Expense per Adjusted Discharge	1.3%	1.9%	8.5%	14.7%
	Supply Expense per Adjusted Discharge	2.9%	14.6%	7.3%	15.8%
	Drugs Expense per Adjusted Discharge	8.3%	4.9%	3.7%	14.6%
Purchased Service Expense per Adjusted Discharge	-3.5%	6.9%	4.8%	2.5%	

Non-Operating



National Non-Operating Results

Key Observations

This report reflects market data as of December 31, 2025, and additional commentary regarding market events until January 16, 2026. A portion of November's economic data has not been released as of January 16, 2026, due to the lag since the government shutdown ended in mid-November.

On January 3, U.S. air and naval forces captured Venezuelan President Nicolás Maduro in a large-scale surprise operation. Maduro faces U.S. charges related to narco-terrorism, weapons violations, and cocaine-importation conspiracy, marking a significant escalation in United States–Venezuela relations.

On January 9, the House of Representatives passed a short-term funding package to avert another government shutdown. The Senate faces a January 30 deadline to finalize legislation and avoid a funding lapse similar to the October shutdown.

In mid-January, the Department of Justice initiated a criminal examination of the Federal Reserve following criticism from President Trump over the Fed's less aggressive rate-cutting stance in 2025. The move prompted

Fed Chair Jerome Powell to publicly accuse the administration of political interference in monetary policy.

In a video recording on January 11, Powell emphasized the stakes of the central bank's independence, stating: "This is about whether the Fed will be able to continue to set interest rates based on evidence and economic conditions, or whether instead monetary policy will be directed by political pressure or intimidation."

At its late January meeting, the Fed will weigh rate cuts to support a softening job market against the need to keep rates elevated to manage inflation, still above the 2% target. Markets currently expect the Fed to hold rates steady, even as the December Consumer Price Index came in at 2.7%,

National Non-Operating Results *(continued)*

Key Observations (continued)

President Trump has also renewed focus on Greenland, citing its strategic mineral resources and Arctic shipping routes. On January 16, he threatened to impose tariffs on countries opposing U.S. control of Greenland, raising geopolitical and trade tensions.

- U.S. job growth slowed sharply in December, with the economy adding 50,000 jobs—lower than both November and October job growth by about 6,000 and 69,000, respectively
- Healthcare accounted for a substantial share of gains, contributing 21,000 jobs—including 16,000 positions within hospitals—underscoring the sector’s continued role as a stabilizing employer
- Over the full year, the U.S. economy added approximately 1.2 million jobs, reflecting moderating labor market expansion
- The December edition of the ADP® National Employment Report showed U.S. private employment rose by 41,000—an improvement from November’s revised figure of -29,000 but below consensus expectations of 50,000
- The unemployment rate remained relatively stable at 4.4%, a 0.1% decrease from November’s revised figure; notably, unemployment remained above 4.0% throughout the year
- In October, the U.S. trade deficit narrowed to \$29.4B, improving by \$18.8B from September, per the U.S. Census Bureau and Bureau of Economic Analysis release in January
- The shift was driven by a \$7.8B rise in exports and an \$11.0B drop in imports; the goods deficit fell by \$19.2B, while the services surplus declined slightly; year-to-date, however, the trade deficit is up 7.7% from 2024, as imports have grown more than exports

National Non-Operating Results *(continued)*

General Non-Operating Observations

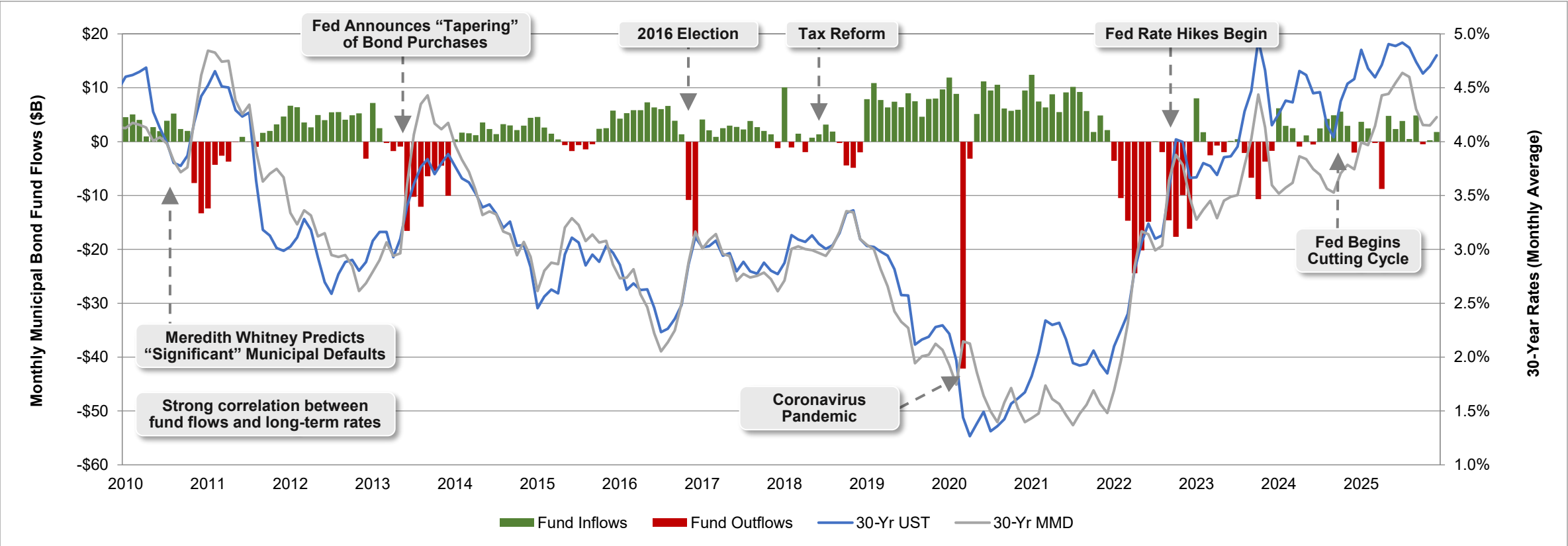
	December 2025	M-o-M Change	Y-o-Y Change
General			
GDP Growth*	4.4%	N/A	N/A
Unemployment Rate	4.4%	-0.1%	+0.3%
Personal Consumption Expenditures (Y-o-Y)	Lack of data due to government shutdown		
Liabilities			
Daily SOFR	3.87%	-25 bps	-62 bps
SIFMA	2.36%	-43 bps	-126 bps
30-yr MMD	4.24%	+8 bps	+34 bps
30-yr Treasury	4.84%	+18 bps	+6 bps
Assets			
60/40 Asset Allocation†	N/A	+0.3%	+14.8%

* U.S. Bureau of Economic Analysis, Q3 2025 "Updated Estimate" Updated on January 23, 2026.

† 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



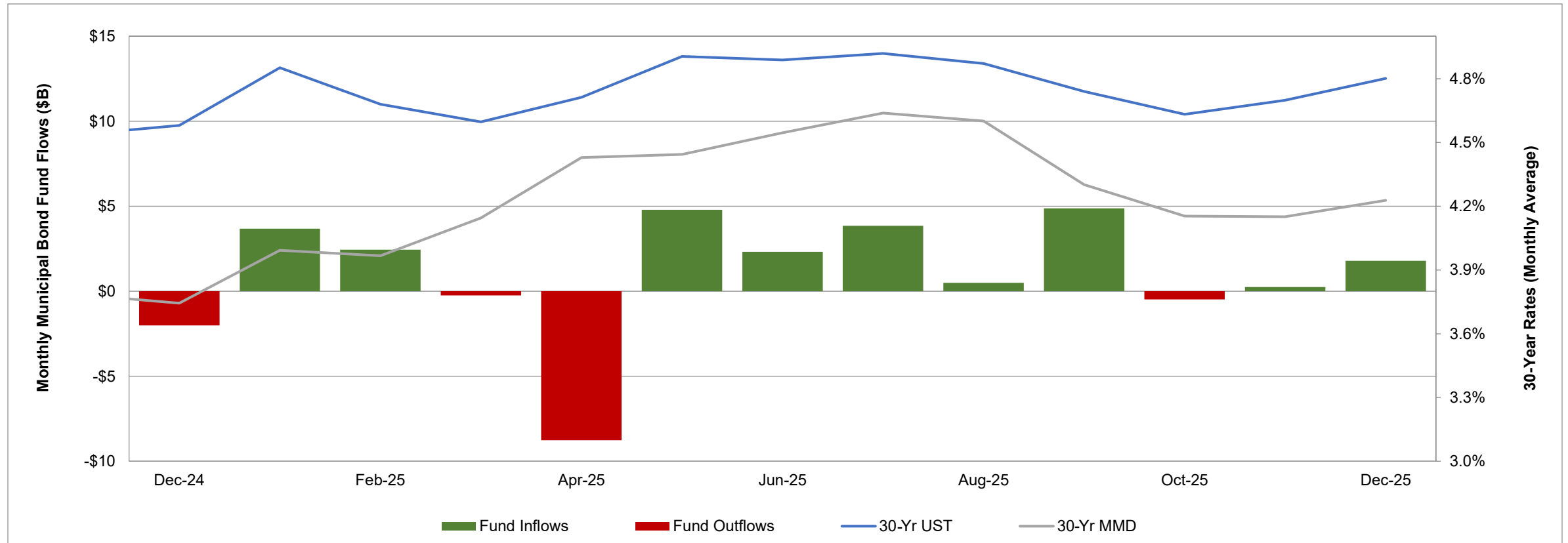
Kaufman Hall, National Hospital Flash Report (December 2025 Metrics)

Taxable and tax-exempt debt capital markets, as approximated here by the '30-yr U.S. Treasury' and '30-yr MMD Index', are dependent upon macroeconomic conditions, including inflation expectations, GDP growth, and investment opportunities elsewhere in the market. A key measure to track is bond fund flows, particularly in the more supply-and-demand-sensitive tax-exempt market. Fund flows are monies moving into bond funds from new investment and principal and interest payments on existing and maturing holdings. Strong fund flows generally signal that investors have more cash to put to work, a boon to the demand. Fund inflows generally are moderate and consistent over time while fund outflows are typically large and sudden, as external events affect investor sentiment, resulting in quick position liquidation which can drive yields up considerably in a short amount of time.

Non-Operating Liabilities *(continued)*

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

Total Municipal Bond Fund Flows Over The Last Year: \$14.2 Bn



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

Taxable and tax-exempt debt capital markets, as approximated here by the '30-yr U.S. Treasury' and '30-yr MMD Index', are dependent upon macroeconomic conditions, including inflation expectations, GDP growth, and investment opportunities elsewhere in the market. A key measure to track is bond fund flows, particularly in the more supply-and-demand-sensitive tax-exempt market. Fund flows are monies moving into bond funds from new investment and principal and interest payments on existing and maturing holdings. Strong fund flows generally signal that investors have more cash to put to work, a boon to the demand. Fund inflows generally are moderate and consistent over time while fund outflows are typically large and sudden, as external events affect investor sentiment, resulting in quick position liquidation which can drive yields up considerably in a short amount of time.

Non-Operating Liabilities *(continued)*

Consistent with November, the tax-exempt market experienced limited movement in December, particularly across the short and intermediate maturities. The 10-year MMD ended the month up 0.01% at 2.76%, while 30-year MMD rose eight basis points to 4.24% (60 basis points below the 12-month high of 4.84% that was set in April). On a year-over-year basis, performance diverged meaningfully across the curve. The 10-year MMD ended December 30 basis points lower, while the 30-year MMD closed the year 34 basis points higher, underscoring the continued steepening of the tax-exempt yield curve. Early 2026 data indicate that tax-exempt yields have begun to ease, with the 10-year and 30-year MMD down 11 and three basis points, respectively, by mid-January, signaling cooling market conditions and improving short-term borrowing dynamics.

Reversing November's softening rate environment, taxable yields moved modestly higher across most of the curve in December. The 10-year, 20-year, and 30-year Treasury yields increased by 15, 17, and 18 basis points, respectively. During the month, the 30-year Treasury peaked at

4.85%, just one basis point below its month-end level and nine basis points above November's high, underscoring renewed upward pressure at the long end. Entering January, the taxable market has been largely stable with early signs of easing. By mid-month, the 10-year Treasury was unchanged relative to December's close, while the 30-year yield declined five basis points over the first two weeks. This relatively calm rate environment suggests diminished investor concern around near-term inflation pressures and a more balanced outlook for interest rates.

In contrast to November's trend, MMD/U.S. Treasury ratios widened across the curve in December. The two-year, five-year, and 10-year ratios remained in the 60% range, closing at 69%, 65%, and 66%, respectively, representing month-over-month decreases of 1%, 2%, and 3%. At the long end, the 20-year ratio declined 2% to 82%, while the 30-year ratio edged down 1% to 88%, reflecting greater relative value in longer-dated tax-exempt bonds.

Non-Operating Liabilities *(continued)*

The tax-exempt yield curve maintained its normalized structure in December. Since January, five-year and 10-year MMD yields have declined 36 and 21 basis points, respectively, while the 20-year and 30-year yields have increased 17 and 18 basis points. This divergence has reinforced the steepening trend, continuing to encourage borrowers to favor shorter maturities amid higher long-term borrowing costs.

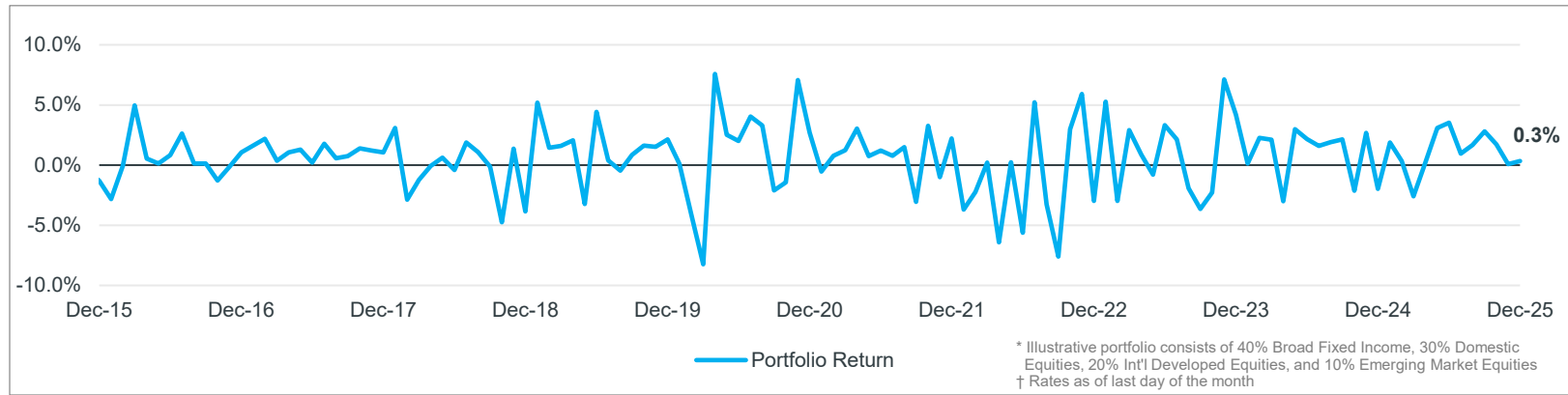
Variable tax-exempt rates experienced significantly greater volatility in December compared to November. SIFMA traded within a wide 140-basis-point range, from 1.92% to 3.32%. Both the minimum and maximum rates have a 53-basis-point difference in December compared to November. December's low was 53 basis points below November's trough, while the high was 53 basis points above November's peak, clearly signaling a more volatile rate environment. For the second half of the year, SIFMA averaged 2.59%, while the SIFMA-to-SOFR ratio averaged 63%, moving closer to, but still below, the long-term historical

range of 67% to 70%. Early January resets, however, to a return to calmer conditions, with rates ranging between 1.28% and 1.37% over the first two weeks.

Municipal bond flows remained positive for a second consecutive month in December, rising sharply to \$1.8 billion, compared with November's revised \$0.2 billion inflow. Total net municipal fund flows for 2025 reached \$15.0 billion, reflecting sustained investor demand. Healthcare issuance also remained strong, with volume totaling \$50.0 billion for the year, up \$12.7 billion from 2024. Due to seasonal holiday constraints, all December healthcare transactions priced within the first three weeks of the month. The market saw five tax-exempt public healthcare deals, along with two smaller taxable financings, each under \$15 million par. To start 2026, the volume of healthcare transactions has been fairly sizeable with nine healthcare transactions as of the third full week in January.

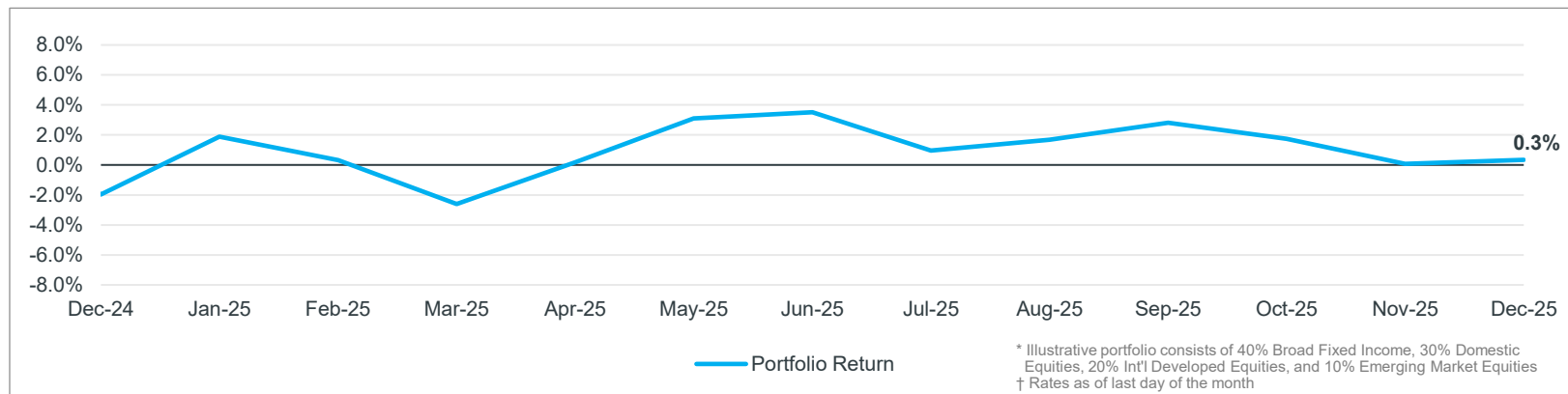
Non-Operating Assets

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



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

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



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

The equity markets ended the seven-month streak of gains. The market declined 0.1% for the month, though remained up 16.4% on a year-over-year basis, reflecting sustained investor confidence throughout 2025. The commonly used 60/40 blended asset allocation portfolio returned 0.3% in December, modestly improving on November's 0.1% gain, supported by positive equity performance. The MSCI World and MSCI Emerging Markets saw gains of 0.7% and 2.7%, respectively. Notably, the MSCI World Index has outpaced U.S. equities, with year-to-date returns of 19.5% compared to 16.4% for the S&P 500. Conversely, the Barclays Aggregate Bond Index declined 0.1%. The bond markets' underperformance points to upward pressure on yields and lingering uncertainty around the interest rate path.



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