



MARCH 2026 METRICS

National Hospital Flash Report

Real Data. Real Insight. Real Time.

Based on Data from More Than 1,300 Hospitals



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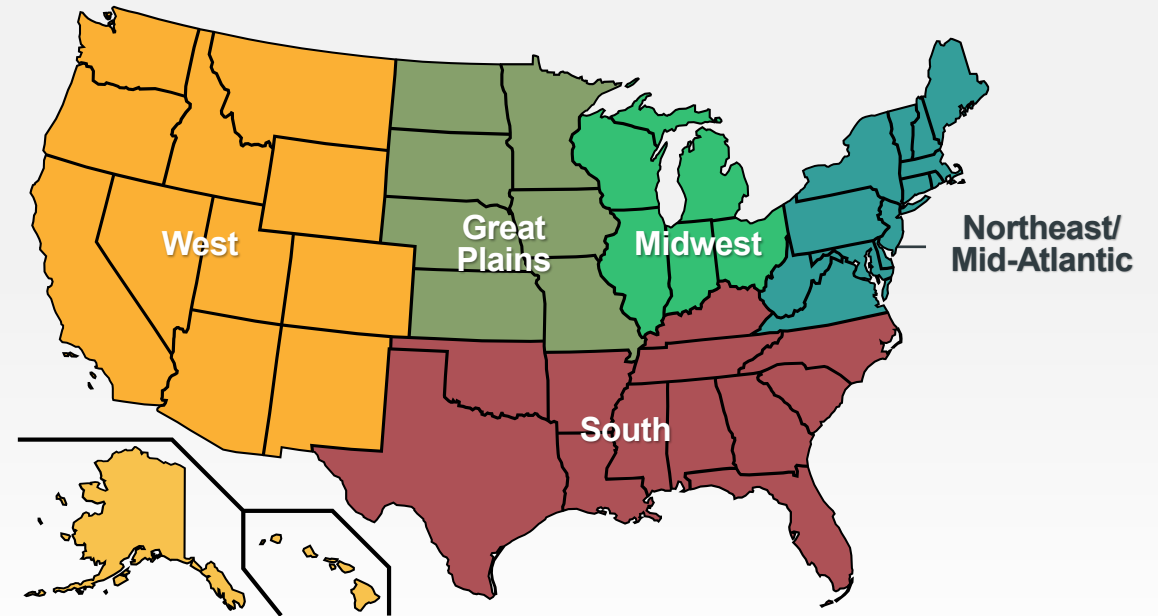
About the Data

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 Vizion 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.



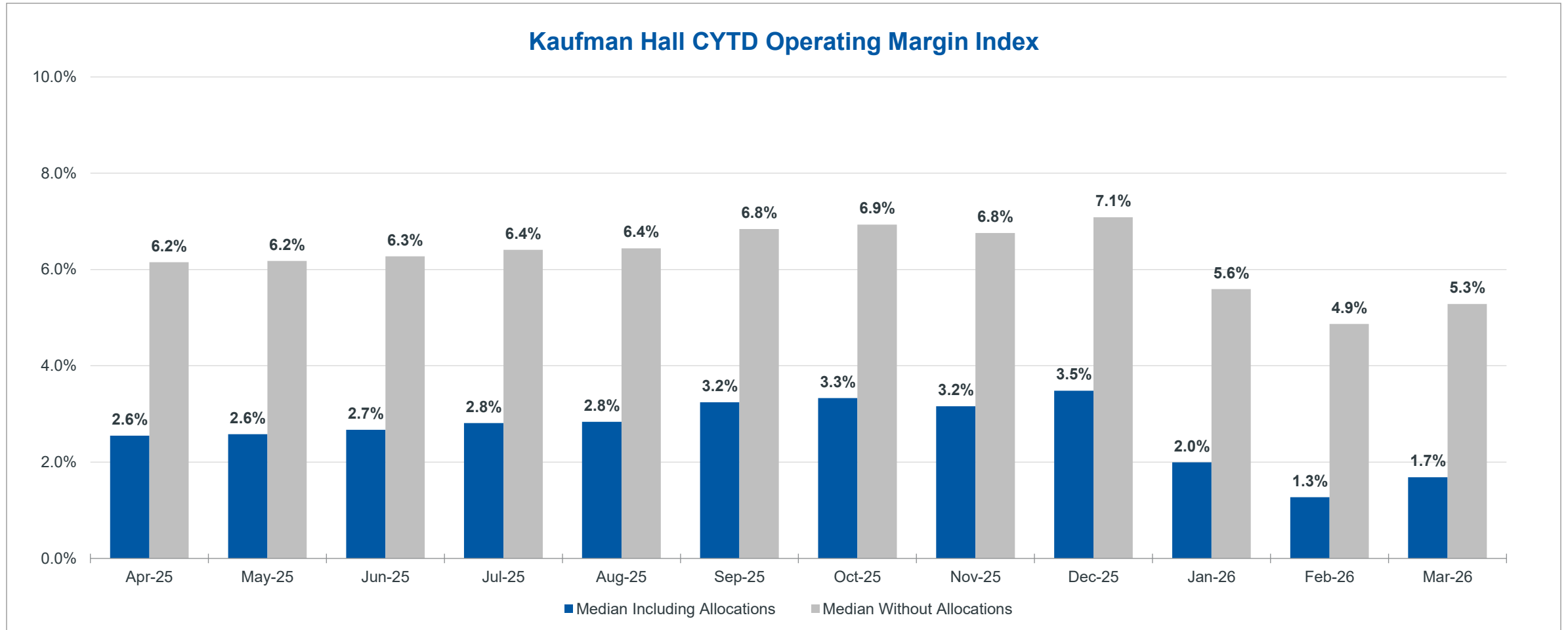
Strata Decision Technology, LLC provides an innovative, cloud-based platform for software, and data and service solutions to help healthcare organizations acquire insights, accelerate decisions, and enhance performance in support of their missions. More than 2,300 organizations rely on Strata's StrataJazz 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. March was the best month for hospitals in 2026 so far, despite mixed volumes.** Month-over-month discharges rose while patient days fell, indicating increased focus on improving average length of stay and a continued shift to outpatient care.
- 2. Operating margins improved month-over-month but remain below 2025.** While bad debt and charity care declined month-over-month, gross revenue continues to outpace net, highlighting eroding payor mix.
- 3. Expenses declined in March, yet remain elevated year-over-year.** Favorable improvements across the board are likely correlated to the decrease in average length of stay. However, drug expenses remain a primary driver of expense growth year-to-date.
- 4. Two notable outliers emerged in otherwise steady regional trends.** The Northeast saw margin improvement, despite historical underperformance, while the West experienced the most dramatic increase in drug expense.

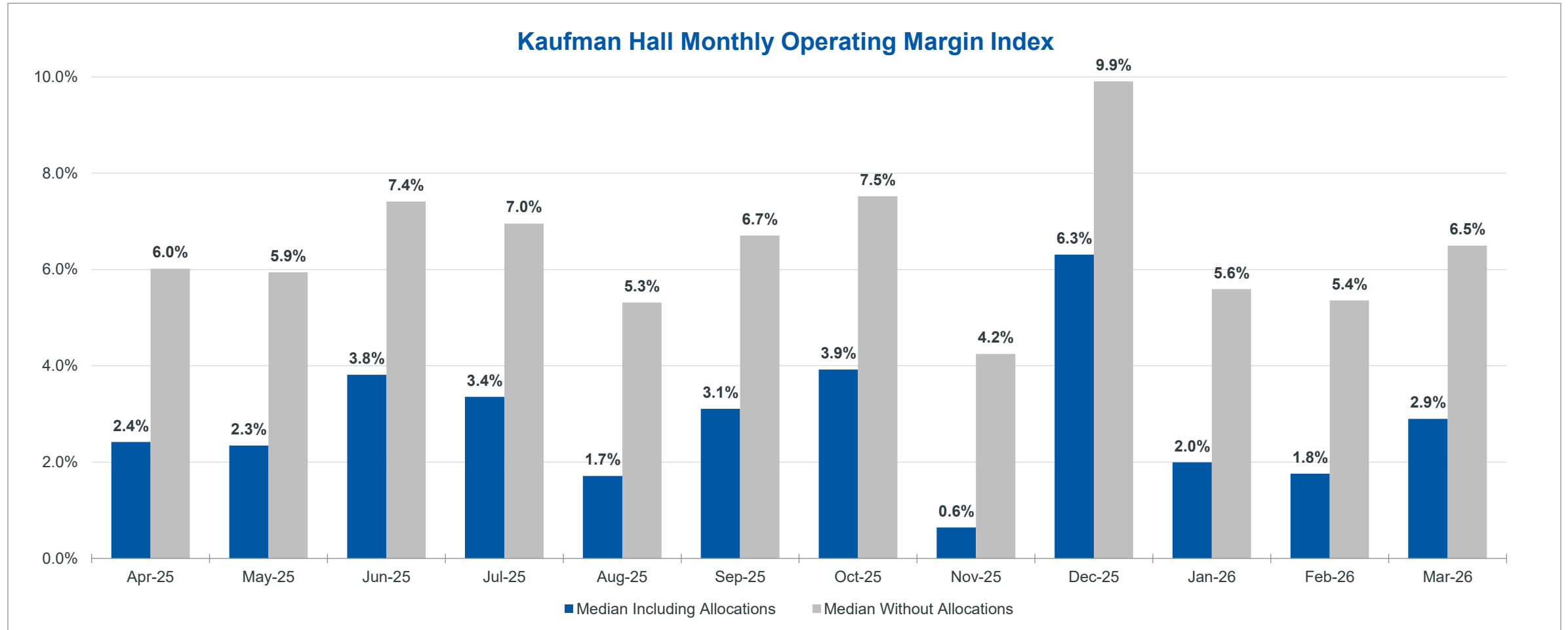
Operating Margin



Kaufman Hall, *National Hospital Flash Report* (March 2026 Metrics)

Notes: 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, *National Hospital Flash Report* (March 2026 Metrics)

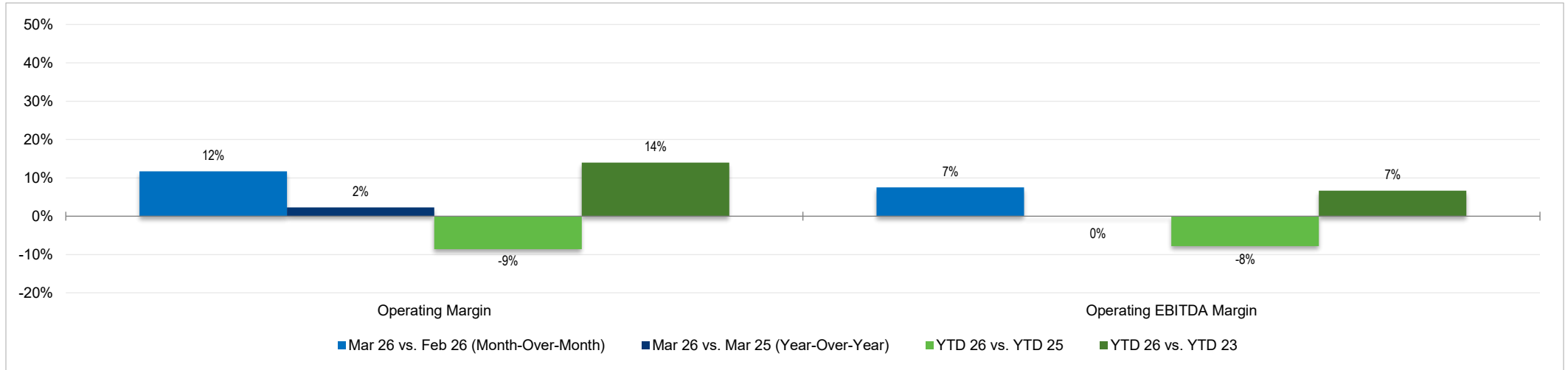
Notes: Hospitals only. The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset, and are displayed with and without adjustments for allocations to hospitals from corporate, physician, and other entities.

National and Regional Data

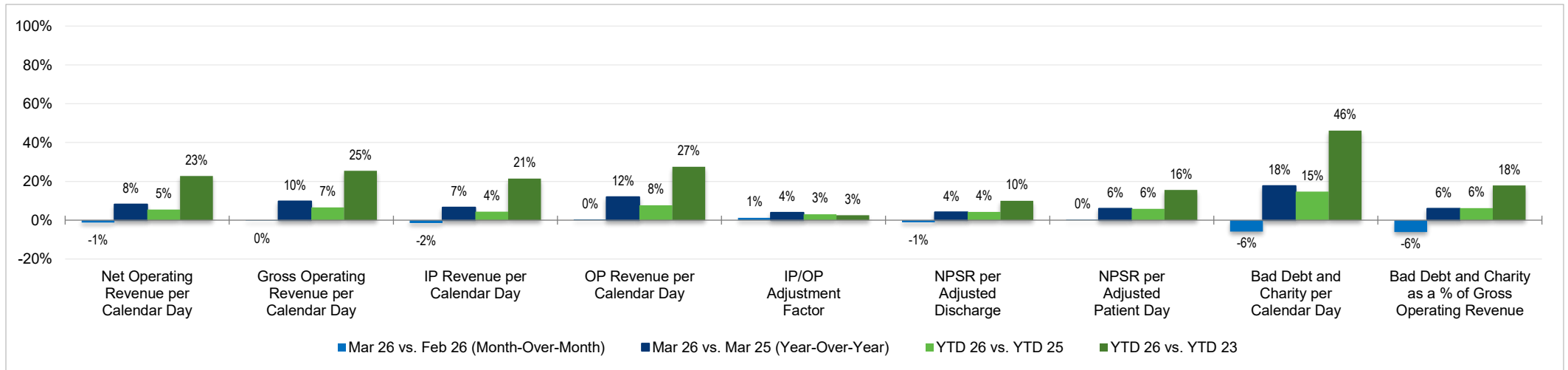
Profitability, Revenue, Expense, and Volume

National Data

Profitability

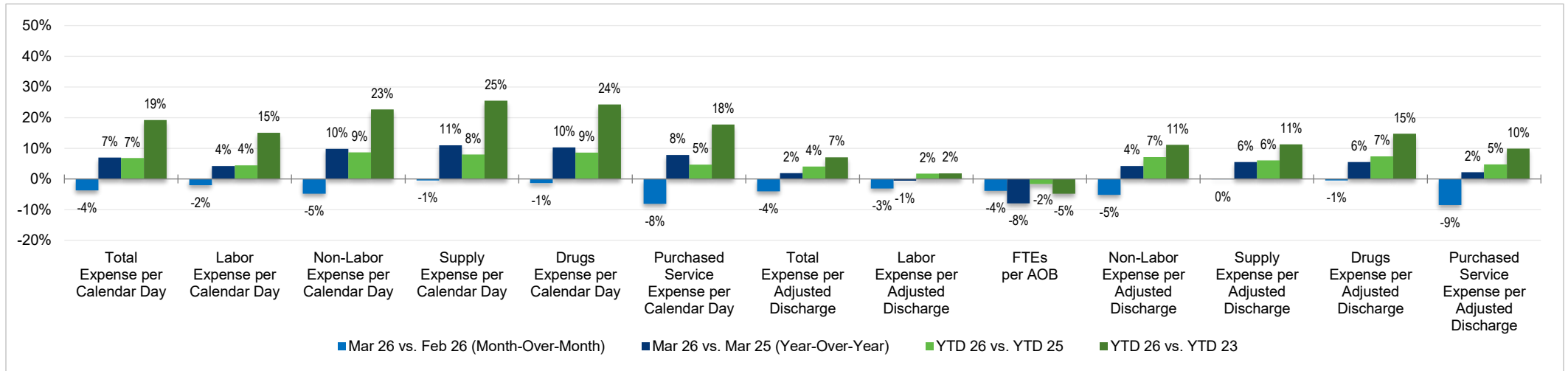


Revenue

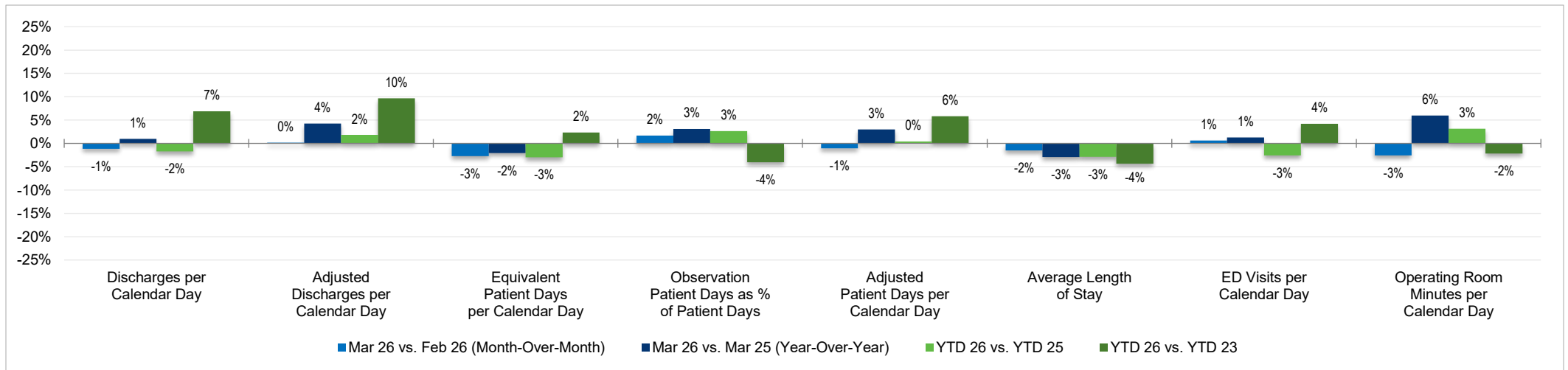


National Data *(continued)*

Expense

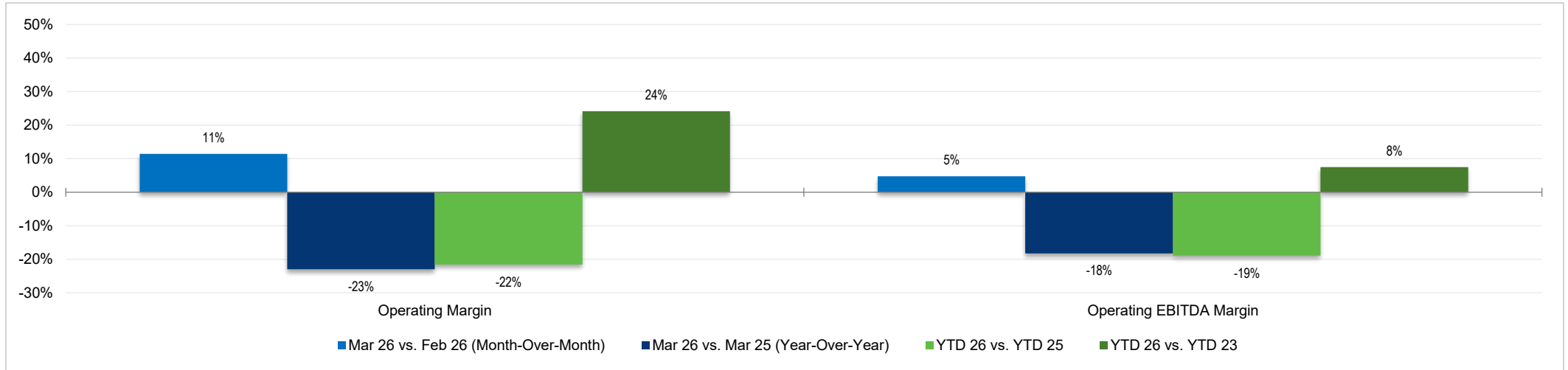


Volume

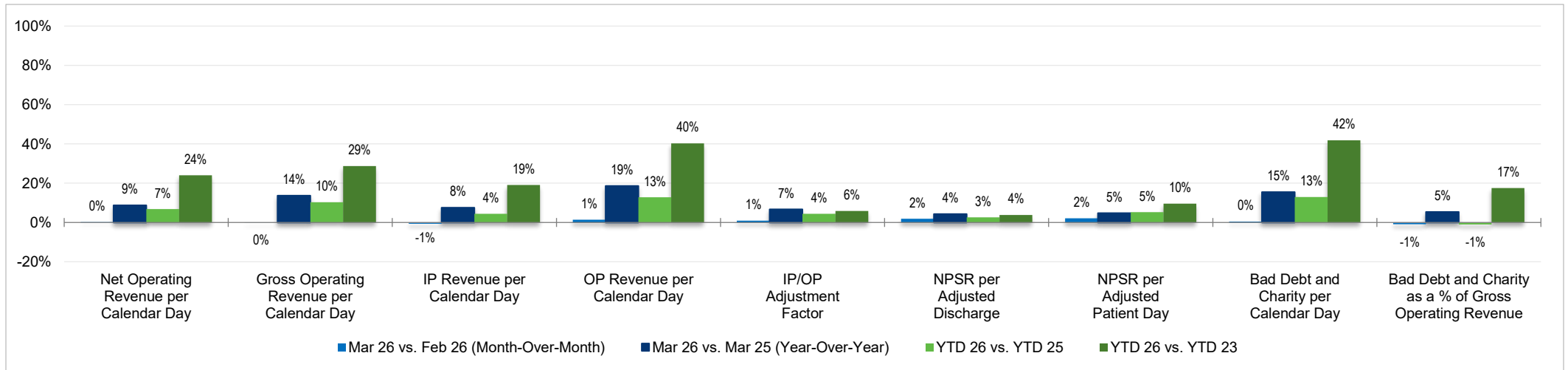


Regional Data: West

Profitability

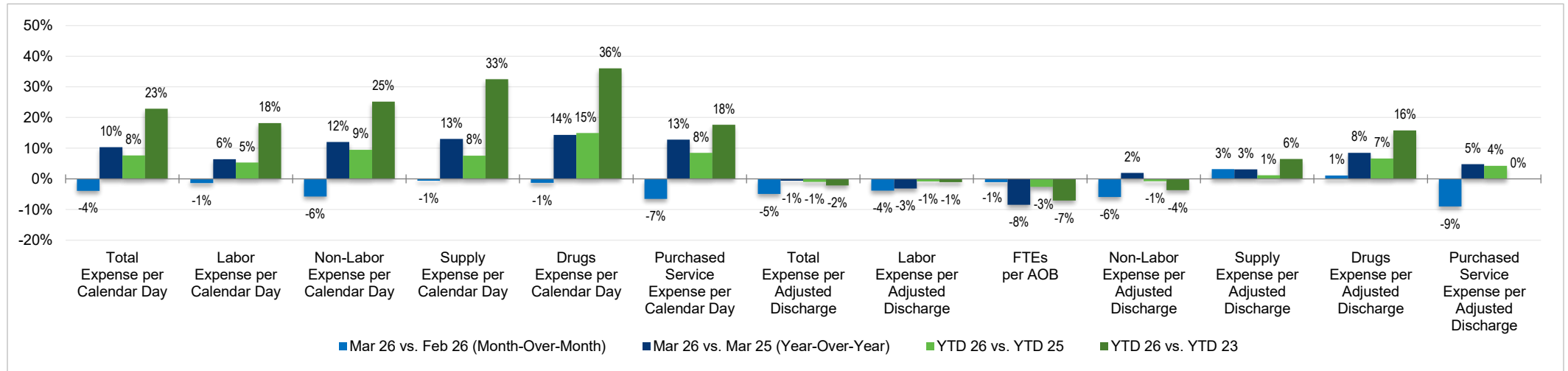


Revenue

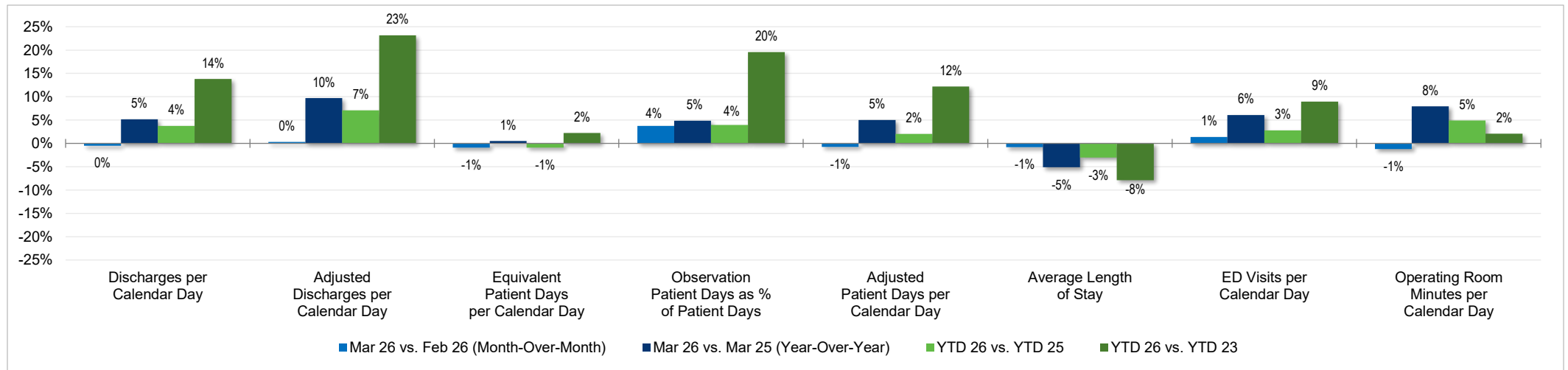


Regional Data: West *(continued)*

Expense

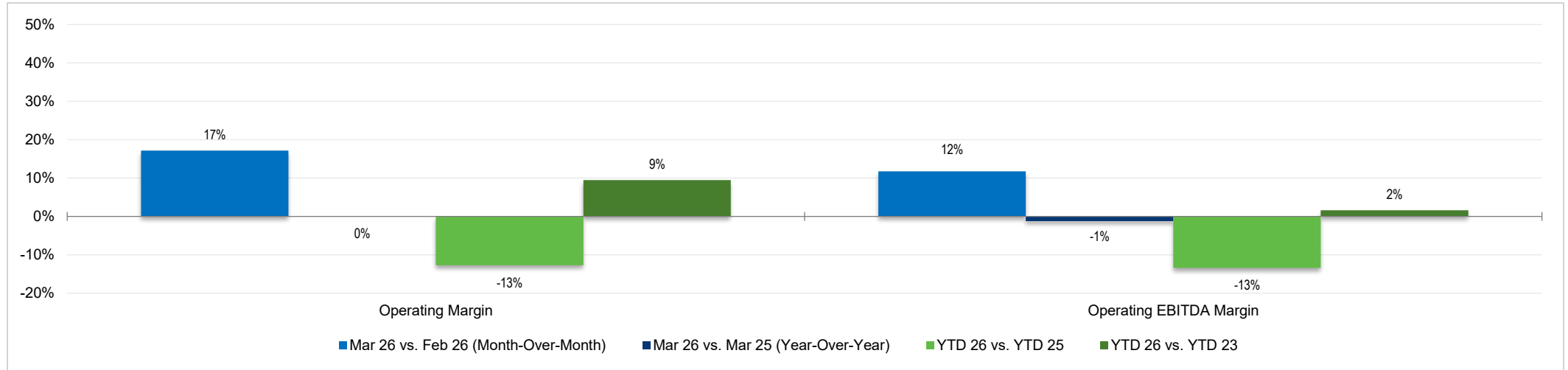


Volume

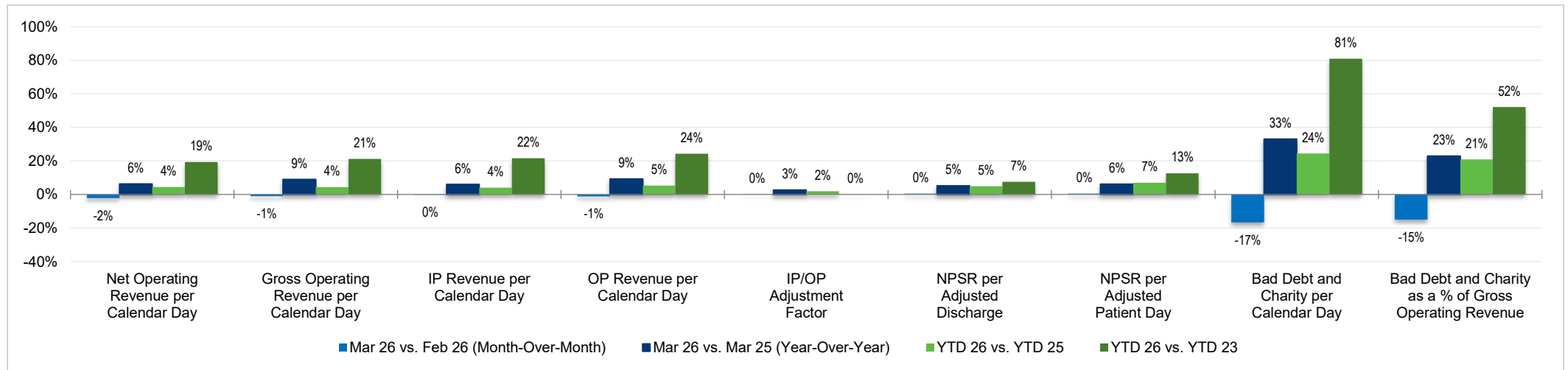


Regional Data: Midwest

Profitability

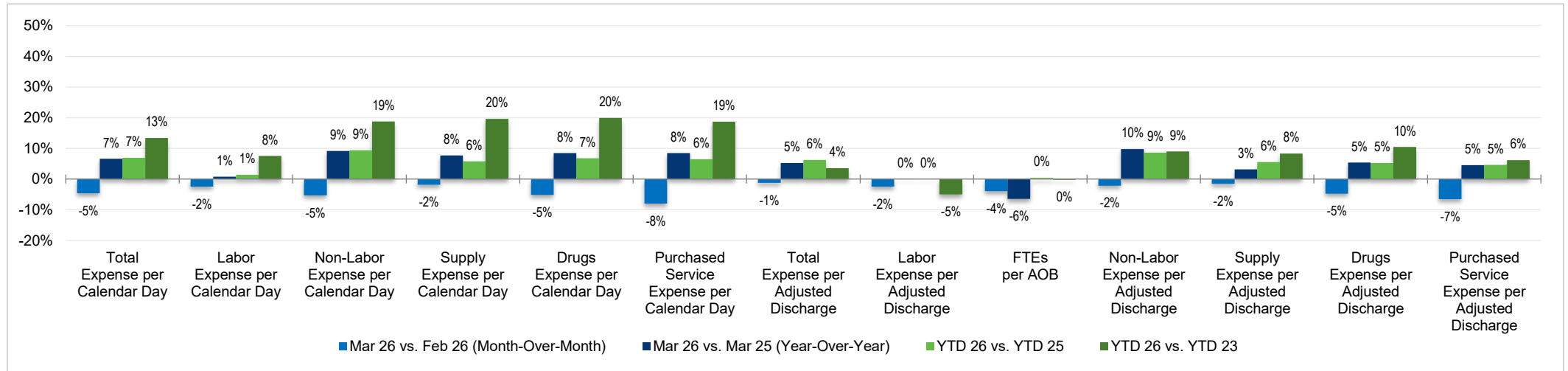


Revenue

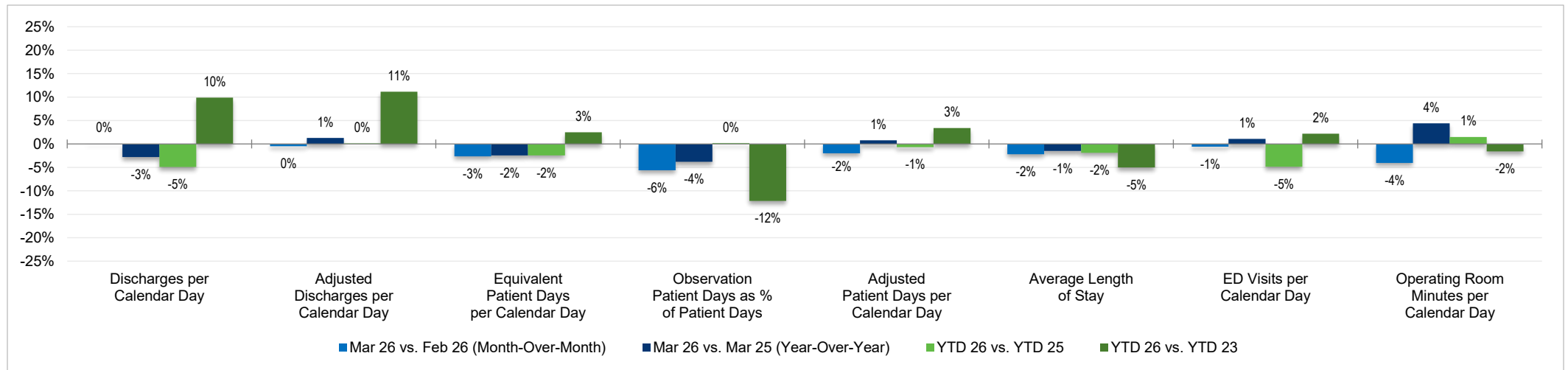


Regional Data: Midwest *(continued)*

Expense

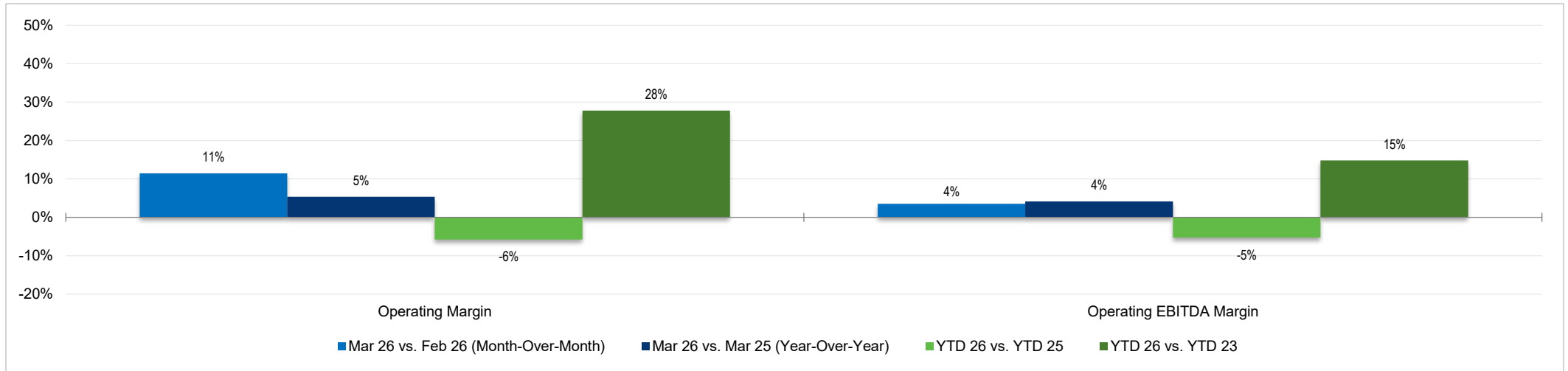


Volume

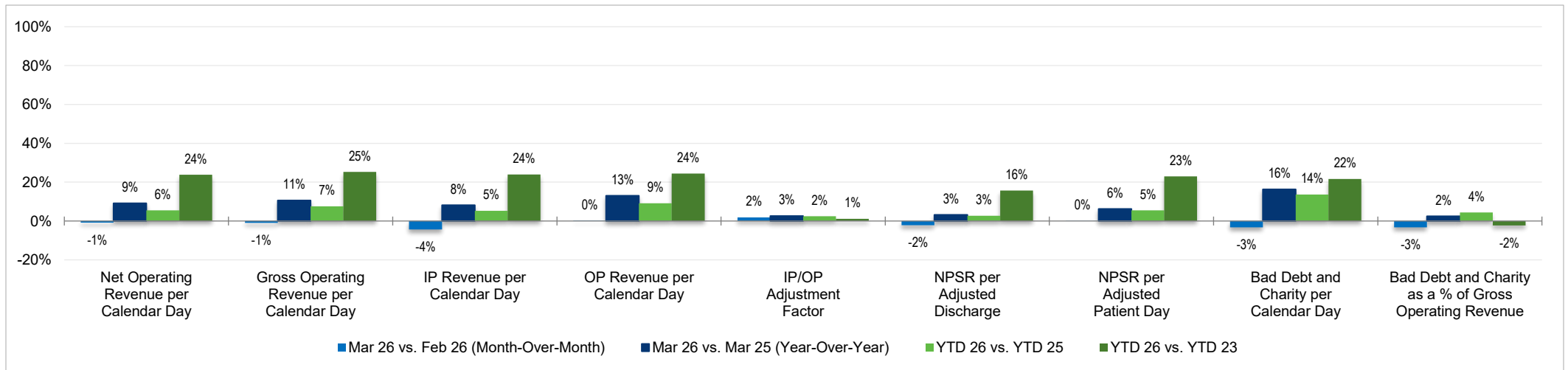


Regional Data: South

Profitability

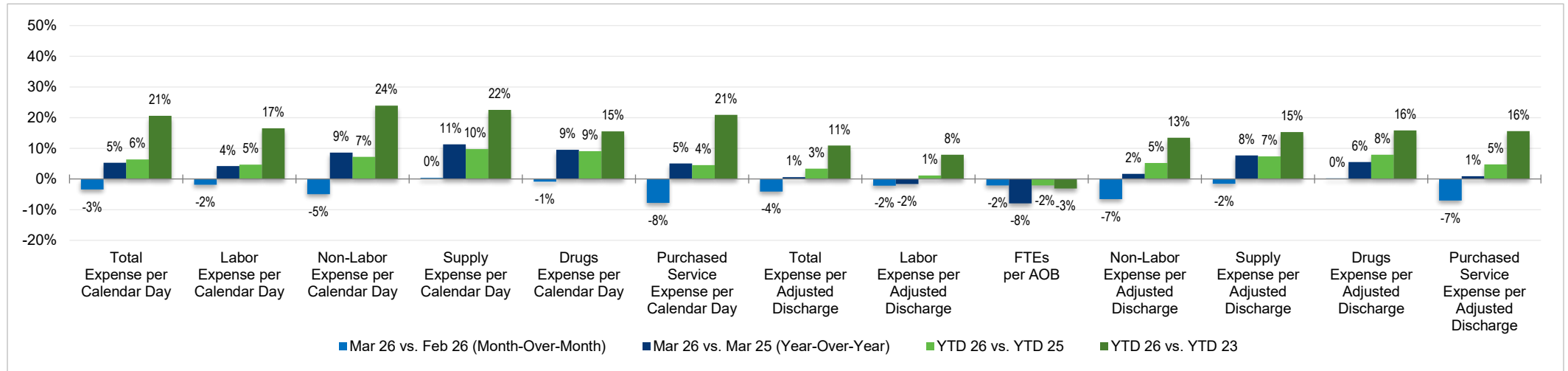


Revenue

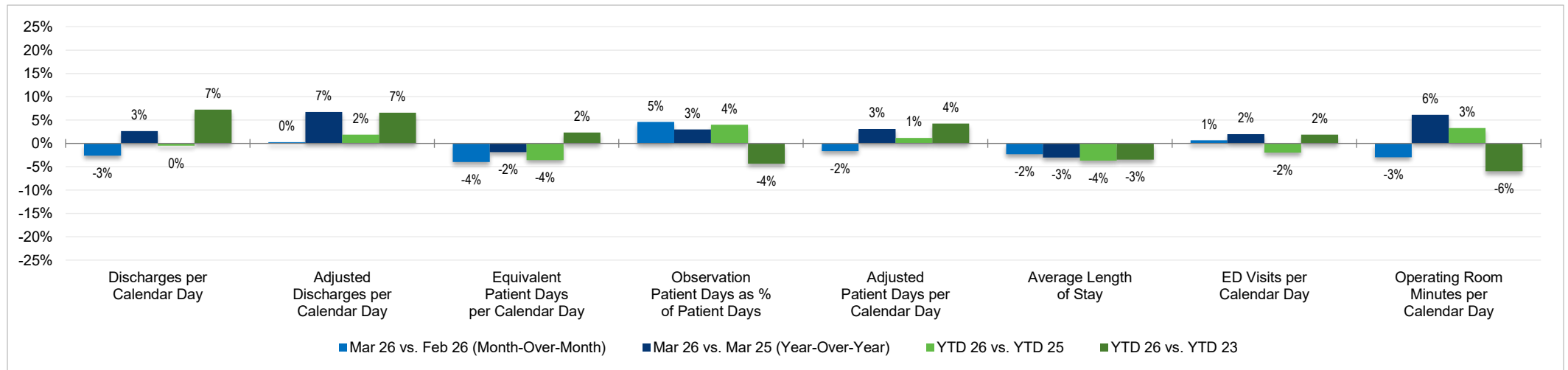


Regional Data: South *(continued)*

Expense

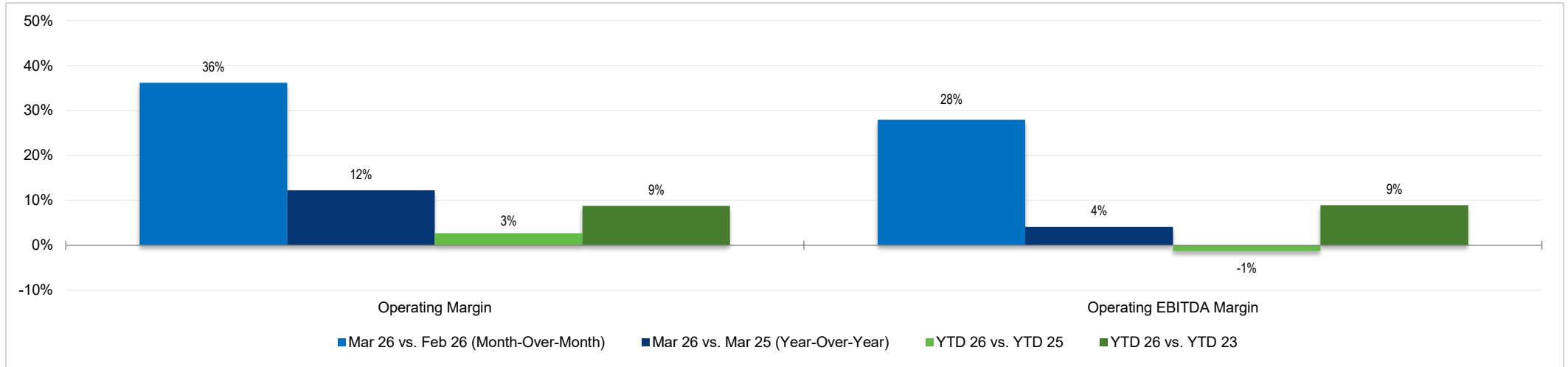


Volume

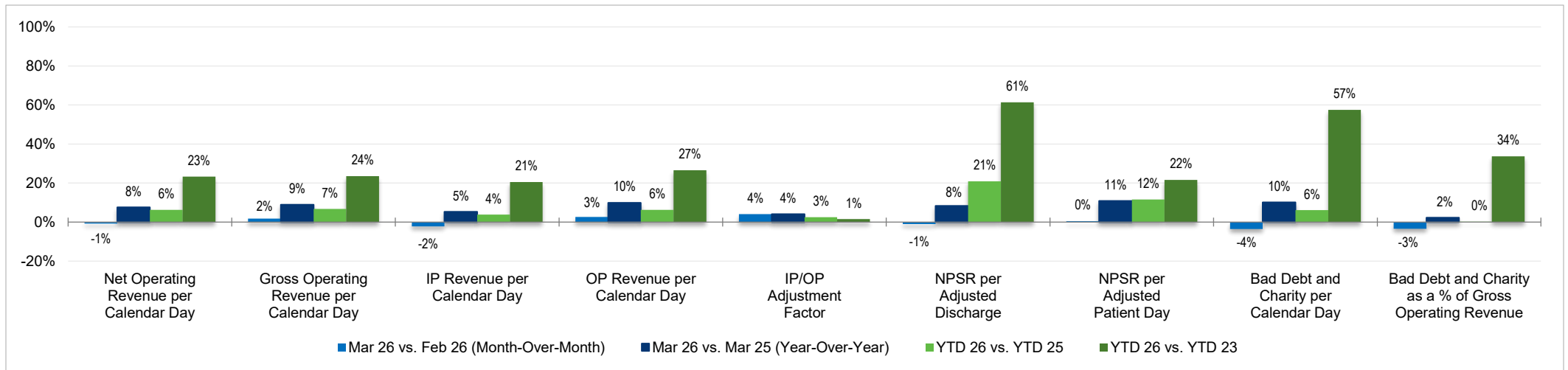


Regional Data: Northeast/Mid-Atlantic

Profitability

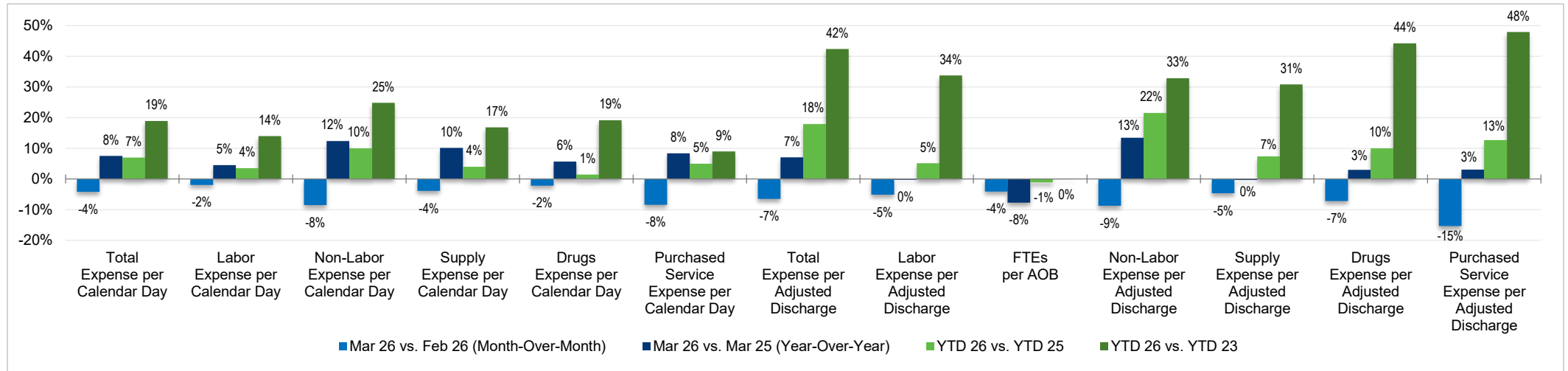


Revenue

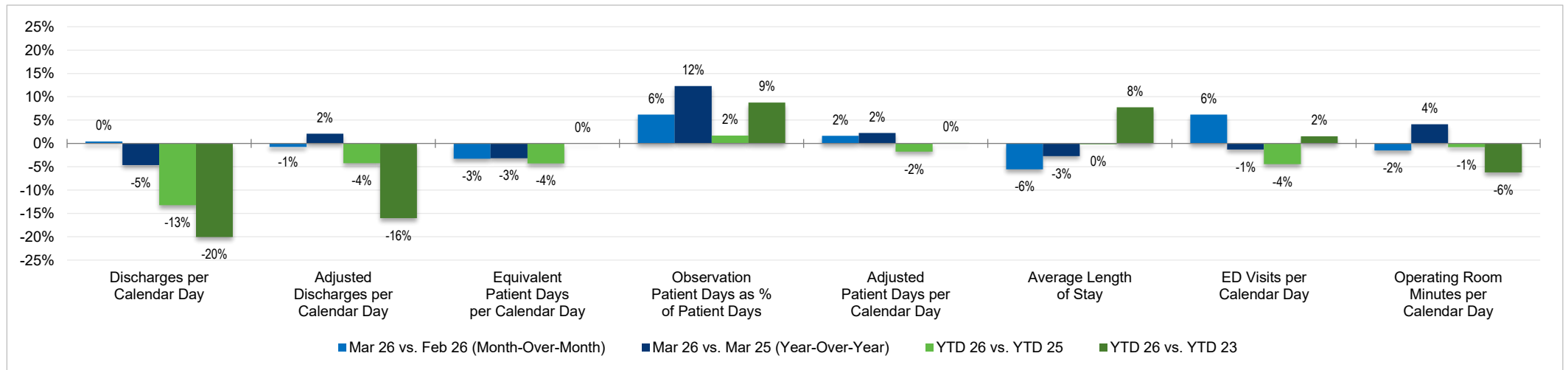


Regional Data: Northeast/Mid-Atlantic *(continued)*

Expense

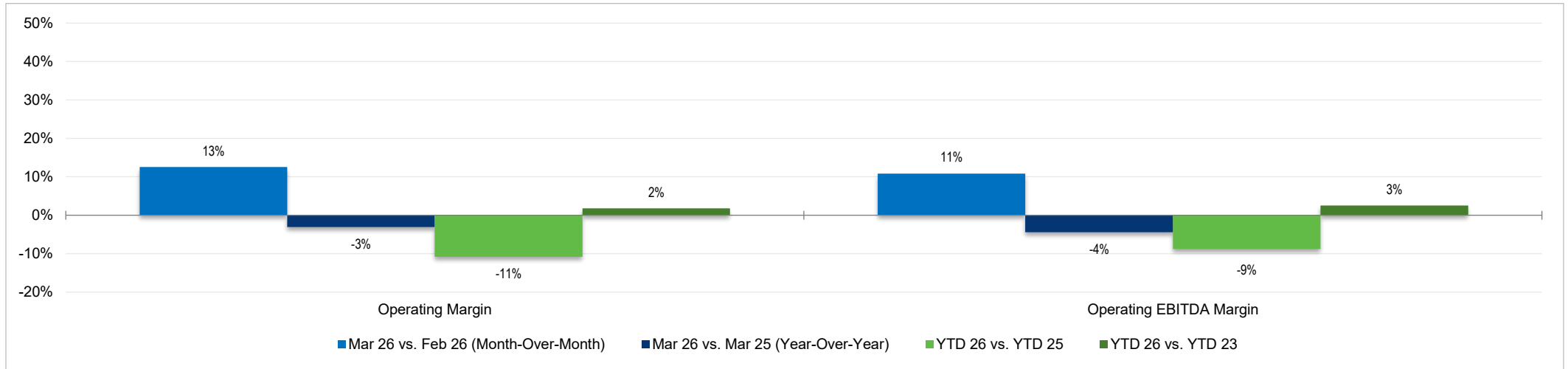


Volume

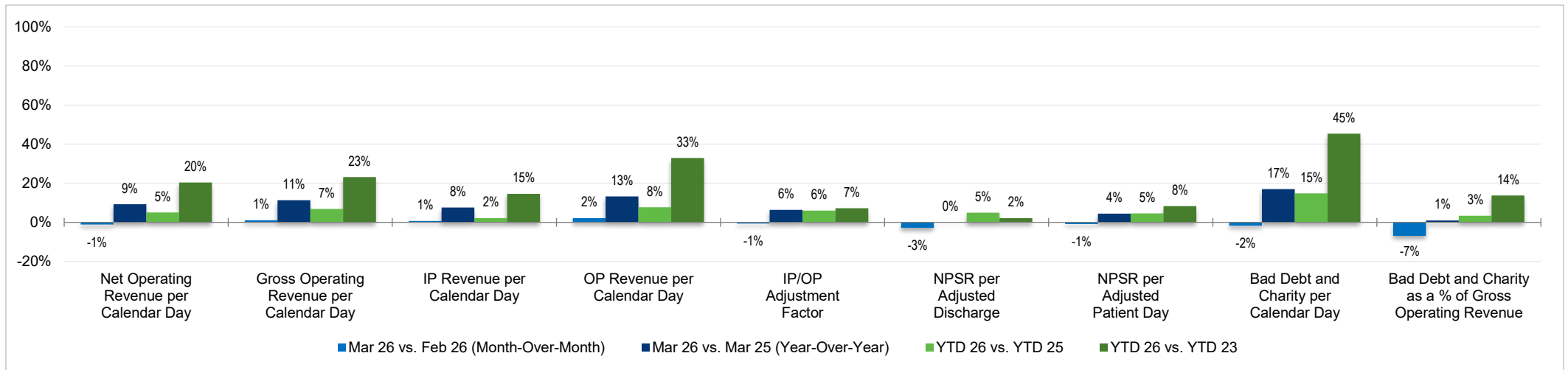


Regional Data: Great Plains

Profitability

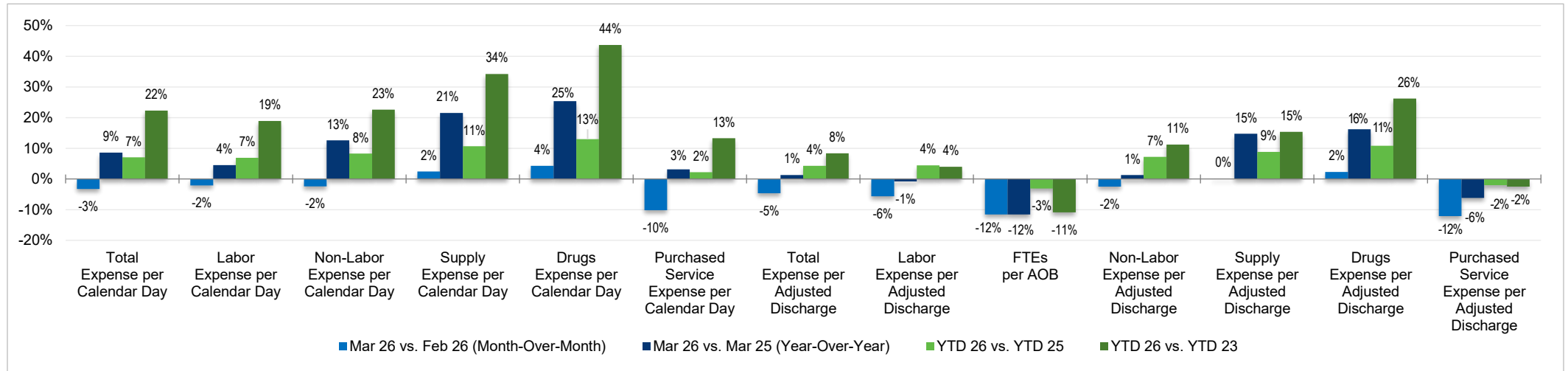


Revenue

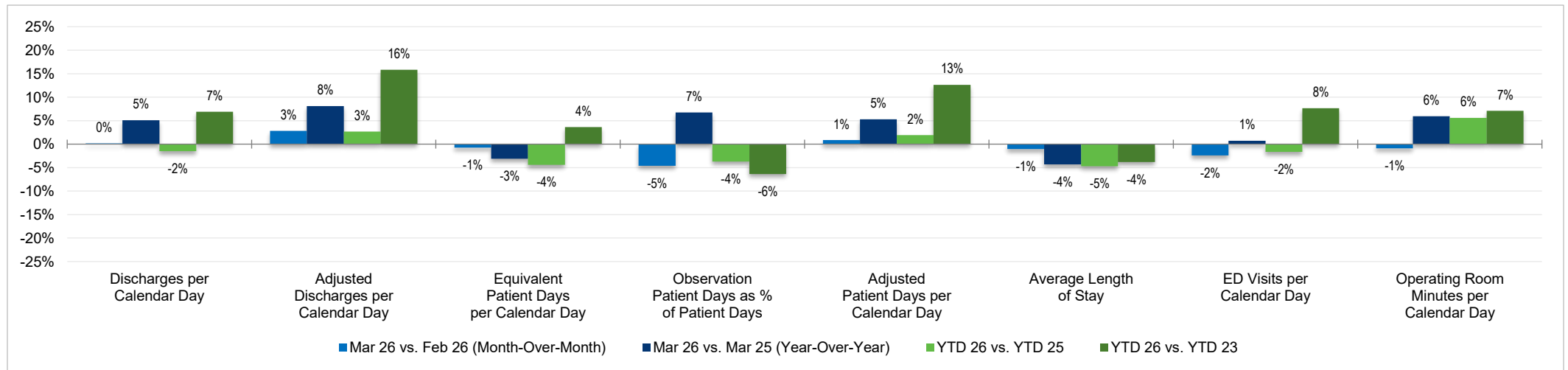


Regional Data: Great Plains *(continued)*

Expense



Volume



Data by Hospital Bed Size

Profitability, Revenue, Expense, and Volume

0-25 Beds

		Mar 26 vs. Feb 26 (Month-Over-Month)	Mar 26 vs. Mar 25 (Year-Over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
Margin	Operating Margin	29.4%	-2.6%	-12.4%	5.7%
	Operating EBIDA Margin	19.3%	-2.3%	-12.4%	5.1%
Volume	Discharges per Calendar Day	-4.6%	-14.7%	-18.2%	-8.7%
	Adjusted Discharges per Calendar Day	0.8%	0.6%	-6.1%	5.8%
	Equivalent Patient Days per Calendar Day	-4.8%	-4.1%	-5.5%	2.6%
	Observation Patient Days as % of Patient Days	6.8%	2.5%	-15.7%	-15.6%
	Adjusted Patient Days per Calendar Day	2.2%	3.5%	1.6%	7.1%
	Average Length of Stay	-4.3%	-4.4%	1.5%	0.8%
	ED Visits per Calendar Day	0.6%	-0.5%	-4.1%	2.6%
	Operating Room Minutes per Calendar Day	1.0%	4.1%	-2.9%	-22.3%
	Revenue	Net Operating Revenue per Calendar Day	1.9%	5.9%	3.8%
Gross Operating Revenue per Calendar Day		0.6%	6.1%	3.5%	21.8%
IP Revenue per Calendar Day		-3.3%	0.7%	-1.7%	12.6%
OP Revenue per Calendar Day		1.3%	8.1%	4.3%	24.4%
IP/OP Adjustment Factor		5.0%	5.6%	3.8%	7.1%
NPSR per Adjusted Discharge		-0.9%	6.8%	9.4%	9.2%
NPSR per Adjusted Patient Day		1.7%	1.8%	3.0%	8.4%
Bad Debt and Charity per Calendar Day		-4.1%	15.3%	22.4%	51.4%
Bad Debt and Charity as a % of Gross Operating Rev.	-6.3%	3.3%	14.9%	28.7%	
Expense	Total Expense per Calendar Day	-2.9%	5.4%	5.9%	18.3%
	Labor Expense per Calendar Day	-1.5%	3.8%	4.3%	15.2%
	Non-Labor Expense per Calendar Day	-3.6%	8.6%	6.7%	21.9%
	Supply Expense per Calendar Day	2.0%	7.8%	7.7%	27.4%
	Drugs Expense per Calendar Day	0.6%	10.4%	7.3%	30.6%
	Purchased Service Expense per Calendar Day	-8.3%	4.8%	3.7%	9.9%
	Total Expense per Adjusted Discharge	-4.6%	0.5%	11.9%	3.9%
	Labor Expense per Adjusted Discharge	-5.7%	-0.2%	7.7%	2.8%
	FTEs per AOB	-9.4%	-14.5%	-4.5%	-10.0%
	Non-Labor Expense per Adjusted Discharge	-3.6%	3.5%	12.4%	5.9%
	Supply Expense per Adjusted Discharge	3.0%	1.7%	6.1%	9.8%
	Drugs Expense per Adjusted Discharge	1.3%	9.7%	6.7%	22.8%
Purchased Service Expense per Adjusted Discharge	-11.8%	-2.5%	8.1%	-3.4%	

26-99 Beds

		Mar 26 vs. Feb 26 (Month-Over-Month)	Mar 26 vs. Mar 25 (Year-Over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
Margin	Operating Margin	25.4%	3.5%	-18.2%	10.2%
	Operating EBIDA Margin	13.4%	-1.3%	-15.6%	5.9%
Volume	Discharges per Calendar Day	-4.8%	-2.7%	-0.3%	6.6%
	Adjusted Discharges per Calendar Day	-0.8%	3.4%	3.2%	11.0%
	Equivalent Patient Days per Calendar Day	-0.5%	-3.1%	-5.8%	3.1%
	Observation Patient Days as % of Patient Days	-1.6%	10.2%	5.3%	-4.1%
	Adjusted Patient Days per Calendar Day	-0.7%	-0.1%	-1.8%	6.6%
	Average Length of Stay	0.8%	-0.3%	-4.4%	-6.7%
	ED Visits per Calendar Day	1.2%	-0.4%	-2.9%	5.4%
	Operating Room Minutes per Calendar Day	-0.6%	5.7%	-0.5%	-10.4%
	Revenue	Net Operating Revenue per Calendar Day	-2.0%	8.0%	3.9%
Gross Operating Revenue per Calendar Day		-0.6%	10.3%	6.9%	22.9%
IP Revenue per Calendar Day		-1.9%	3.5%	-0.6%	18.4%
OP Revenue per Calendar Day		0.0%	13.2%	8.9%	26.1%
IP/OP Adjustment Factor		0.9%	7.3%	7.3%	5.7%
NPSR per Adjusted Discharge		0.1%	1.2%	1.0%	10.5%
NPSR per Adjusted Patient Day		0.7%	6.0%	1.7%	14.3%
Bad Debt and Charity per Calendar Day		-16.3%	21.3%	15.2%	45.7%
Bad Debt and Charity as a % of Gross Operating Rev.	-15.7%	14.0%	7.9%	13.3%	
Expense	Total Expense per Calendar Day	-4.7%	7.1%	7.5%	19.0%
	Labor Expense per Calendar Day	-2.2%	4.0%	4.0%	13.3%
	Non-Labor Expense per Calendar Day	-6.8%	11.2%	9.5%	26.3%
	Supply Expense per Calendar Day	-2.1%	9.9%	7.3%	22.9%
	Drugs Expense per Calendar Day	-2.9%	2.2%	9.4%	22.1%
	Purchased Service Expense per Calendar Day	-7.5%	6.8%	4.4%	18.6%
	Total Expense per Adjusted Discharge	-3.1%	4.9%	4.1%	9.7%
	Labor Expense per Adjusted Discharge	-0.7%	-0.2%	0.6%	0.7%
	FTEs per AOB	-1.3%	-8.6%	0.5%	-12.1%
	Non-Labor Expense per Adjusted Discharge	-6.6%	10.0%	8.7%	14.0%
	Supply Expense per Adjusted Discharge	0.1%	5.6%	3.3%	10.0%
	Drugs Expense per Adjusted Discharge	5.2%	0.8%	5.1%	7.2%
Purchased Service Expense per Adjusted Discharge	-9.5%	3.3%	5.6%	13.5%	

100-199 Beds

		Mar 26 vs. Feb 26 (Month-Over-Month)	Mar 26 vs. Mar 25 (Year-Over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
Margin	Operating Margin	11.2%	7.3%	-3.8%	39.6%
	Operating EBIDA Margin	5.9%	-0.2%	-4.2%	17.7%
Volume	Discharges per Calendar Day	-0.1%	3.8%	-0.5%	10.8%
	Adjusted Discharges per Calendar Day	0.1%	7.1%	2.8%	16.7%
	Equivalent Patient Days per Calendar Day	-2.8%	-2.7%	-3.8%	0.9%
	Observation Patient Days as % of Patient Days	2.1%	-0.3%	3.9%	5.9%
	Adjusted Patient Days per Calendar Day	-2.3%	3.6%	-0.9%	2.1%
	Average Length of Stay	-2.6%	-3.4%	-4.0%	-6.4%
	ED Visits per Calendar Day	-1.4%	1.4%	-2.3%	4.2%
	Operating Room Minutes per Calendar Day	-3.7%	6.9%	3.5%	-1.4%
	Revenue	Net Operating Revenue per Calendar Day	-1.5%	8.2%	7.1%
Gross Operating Revenue per Calendar Day		-0.8%	9.4%	6.6%	28.0%
IP Revenue per Calendar Day		-1.8%	7.7%	4.0%	23.1%
OP Revenue per Calendar Day		-0.6%	12.6%	9.1%	28.0%
IP/OP Adjustment Factor		0.7%	3.9%	3.1%	2.3%
NPSR per Adjusted Discharge		-1.2%	3.8%	4.9%	9.1%
NPSR per Adjusted Patient Day		0.2%	7.5%	7.8%	16.0%
Bad Debt and Charity per Calendar Day		-2.7%	24.2%	18.5%	54.1%
Bad Debt and Charity as a % of Gross Operating Rev.	-2.2%	13.9%	8.0%	31.6%	
Expense	Total Expense per Calendar Day	-4.0%	8.9%	7.1%	18.1%
	Labor Expense per Calendar Day	-1.9%	3.9%	3.5%	12.5%
	Non-Labor Expense per Calendar Day	-5.2%	10.3%	10.2%	19.9%
	Supply Expense per Calendar Day	-3.6%	11.3%	7.7%	19.5%
	Drugs Expense per Calendar Day	-3.1%	9.9%	6.6%	6.6%
	Purchased Service Expense per Calendar Day	-8.3%	10.3%	6.1%	19.1%
	Total Expense per Adjusted Discharge	-4.4%	2.3%	4.0%	0.8%
	Labor Expense per Adjusted Discharge	-2.8%	-0.3%	1.5%	-1.2%
	FTEs per AOB	-0.6%	-7.4%	-1.9%	-1.0%
	Non-Labor Expense per Adjusted Discharge	-4.8%	3.4%	6.7%	1.6%
	Supply Expense per Adjusted Discharge	-1.6%	2.5%	3.2%	4.3%
	Drugs Expense per Adjusted Discharge	1.0%	8.9%	13.6%	2.2%
Purchased Service Expense per Adjusted Discharge	-7.2%	4.9%	5.6%	11.0%	

200-299 Beds

		Mar 26 vs. Feb 26 (Month-Over-Month)	Mar 26 vs. Mar 25 (Year-Over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
Margin	Operating Margin	10.9%	14.8%	0.9%	27.5%
	Operating EBIDA Margin	5.0%	6.8%	-0.2%	8.5%
Volume	Discharges per Calendar Day	-1.0%	1.4%	-1.5%	8.6%
	Adjusted Discharges per Calendar Day	0.5%	3.2%	1.3%	10.5%
	Equivalent Patient Days per Calendar Day	-2.4%	-1.5%	-2.3%	2.2%
	Observation Patient Days as % of Patient Days	1.2%	1.2%	3.0%	-8.2%
	Adjusted Patient Days per Calendar Day	0.7%	3.1%	0.5%	1.3%
	Average Length of Stay	-3.1%	-2.1%	-3.7%	-6.7%
	ED Visits per Calendar Day	1.3%	2.6%	-2.6%	4.7%
	Operating Room Minutes per Calendar Day	-4.3%	5.0%	2.8%	-0.2%
	Revenue	Net Operating Revenue per Calendar Day	-0.2%	11.0%	8.3%
Gross Operating Revenue per Calendar Day		0.5%	11.6%	9.2%	27.4%
IP Revenue per Calendar Day		-2.0%	8.4%	7.2%	27.0%
OP Revenue per Calendar Day		0.7%	13.5%	9.7%	31.0%
IP/OP Adjustment Factor		1.8%	2.8%	1.3%	2.5%
NPSR per Adjusted Discharge		-1.1%	6.6%	4.7%	9.7%
NPSR per Adjusted Patient Day		0.8%	7.2%	5.1%	22.4%
Bad Debt and Charity per Calendar Day		-2.9%	11.0%	10.9%	41.5%
Bad Debt and Charity as a % of Gross Operating Rev.	-0.8%	0.2%	-0.5%	14.9%	
Expense	Total Expense per Calendar Day	-3.0%	6.4%	6.9%	19.8%
	Labor Expense per Calendar Day	-1.6%	4.8%	4.2%	12.7%
	Non-Labor Expense per Calendar Day	-5.1%	9.3%	9.4%	26.9%
	Supply Expense per Calendar Day	-0.8%	10.3%	8.0%	19.4%
	Drugs Expense per Calendar Day	-1.5%	15.9%	12.1%	32.2%
	Purchased Service Expense per Calendar Day	-8.0%	8.9%	3.4%	17.7%
	Total Expense per Adjusted Discharge	-5.9%	1.9%	4.8%	5.2%
	Labor Expense per Adjusted Discharge	-3.8%	-0.8%	0.6%	4.2%
	FTEs per AOB	-2.5%	-7.2%	-2.1%	-2.3%
	Non-Labor Expense per Adjusted Discharge	-7.4%	6.6%	8.2%	10.9%
	Supply Expense per Adjusted Discharge	-4.0%	9.2%	7.6%	11.9%
	Drugs Expense per Adjusted Discharge	-4.8%	11.6%	6.8%	14.6%
Purchased Service Expense per Adjusted Discharge	-5.0%	6.4%	5.2%	7.3%	

300-499 Beds

		Mar 26 vs. Feb 26 (Month-Over-Month)	Mar 26 vs. Mar 25 (Year-Over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23
Margin	Operating Margin	2.1%	-8.4%	-12.4%	8.3%
	Operating EBIDA Margin	0.1%	-8.9%	-8.2%	0.0%
Volume	Discharges per Calendar Day	-1.1%	3.3%	1.3%	12.6%
	Adjusted Discharges per Calendar Day	0.1%	5.3%	4.2%	11.8%
	Equivalent Patient Days per Calendar Day	-2.7%	0.3%	-0.5%	4.0%
	Observation Patient Days as % of Patient Days	0.6%	2.4%	5.6%	0.0%
	Adjusted Patient Days per Calendar Day	-1.3%	3.0%	1.4%	7.5%
	Average Length of Stay	-1.1%	-3.8%	-2.9%	-2.4%
	ED Visits per Calendar Day	0.7%	2.1%	-1.7%	5.9%
	Operating Room Minutes per Calendar Day	-1.2%	5.0%	5.8%	3.4%
	Revenue	Net Operating Revenue per Calendar Day	-1.8%	9.9%	6.7%
Gross Operating Revenue per Calendar Day		-0.5%	10.5%	7.8%	27.8%
IP Revenue per Calendar Day		-1.4%	8.3%	6.6%	25.5%
OP Revenue per Calendar Day		1.2%	14.2%	8.7%	28.9%
IP/OP Adjustment Factor		0.8%	3.2%	1.9%	0.9%
NPSR per Adjusted Discharge		-2.3%	2.4%	2.9%	9.9%
NPSR per Adjusted Patient Day		-0.7%	7.3%	7.0%	15.7%
Bad Debt and Charity per Calendar Day		-6.3%	8.3%	10.7%	36.3%
Bad Debt and Charity as a % of Gross Operating Rev.	-7.3%	-0.1%	2.4%	-0.2%	
Expense	Total Expense per Calendar Day	-3.6%	9.6%	8.4%	23.3%
	Labor Expense per Calendar Day	-1.6%	5.7%	5.3%	19.0%
	Non-Labor Expense per Calendar Day	-4.7%	12.8%	11.1%	26.3%
	Supply Expense per Calendar Day	1.3%	15.5%	10.6%	32.5%
	Drugs Expense per Calendar Day	2.4%	14.8%	8.4%	26.8%
	Purchased Service Expense per Calendar Day	-8.8%	7.8%	7.4%	22.4%
	Total Expense per Adjusted Discharge	-3.6%	0.7%	3.6%	10.3%
	Labor Expense per Adjusted Discharge	-1.7%	-0.4%	2.2%	5.1%
	FTEs per AOB	-4.1%	-6.7%	-0.3%	-2.6%
	Non-Labor Expense per Adjusted Discharge	-5.1%	3.5%	6.3%	11.6%
	Supply Expense per Adjusted Discharge	0.4%	7.3%	9.1%	17.1%
	Drugs Expense per Adjusted Discharge	2.2%	8.7%	11.4%	23.7%
Purchased Service Expense per Adjusted Discharge	-9.8%	1.3%	2.1%	14.2%	

500+ Beds

	Mar 26 vs. Feb 26 (Month-Over-Month)	Mar 26 vs. Mar 25 (Year-Over-Year)	YTD 26 vs. YTD 25	YTD 26 vs. YTD 23	
Margin	Operating Margin	4.5%	-4.3%	-10.8%	16.1%
	Operating EBIDA Margin	4.9%	1.9%	-5.8%	2.9%
Volume	Discharges per Calendar Day	-0.4%	3.4%	0.4%	5.1%
	Adjusted Discharges per Calendar Day	-0.4%	8.5%	2.9%	7.2%
	Equivalent Patient Days per Calendar Day	-2.6%	0.1%	-0.6%	2.7%
	Observation Patient Days as % of Patient Days	2.9%	7.3%	3.6%	9.9%
	Adjusted Patient Days per Calendar Day	-1.8%	3.6%	2.3%	5.8%
	Average Length of Stay	-1.3%	-2.1%	-0.6%	-5.1%
	ED Visits per Calendar Day	2.0%	2.4%	-0.9%	8.5%
	Operating Room Minutes per Calendar Day	-2.9%	5.4%	2.5%	3.6%
	Revenue	Net Operating Revenue per Calendar Day	-3.5%	5.7%	4.5%
Gross Operating Revenue per Calendar Day		0.1%	11.7%	7.9%	28.9%
IP Revenue per Calendar Day		-0.5%	8.2%	5.5%	27.0%
OP Revenue per Calendar Day		0.2%	16.8%	10.5%	31.0%
IP/OP Adjustment Factor		0.5%	3.9%	2.8%	2.3%
NPSR per Adjusted Discharge		0.5%	5.7%	4.7%	7.4%
NPSR per Adjusted Patient Day		0.0%	4.2%	5.3%	25.0%
Bad Debt and Charity per Calendar Day		-0.8%	30.6%	12.9%	19.3%
Bad Debt and Charity as a % of Gross Operating Rev.	0.8%	9.9%	-0.2%	-3.4%	
Expense	Total Expense per Calendar Day	-4.2%	6.6%	5.7%	21.6%
	Labor Expense per Calendar Day	-3.0%	3.9%	4.8%	20.0%
	Non-Labor Expense per Calendar Day	-5.3%	8.8%	6.5%	25.0%
	Supply Expense per Calendar Day	1.8%	11.4%	10.4%	28.2%
	Drugs Expense per Calendar Day	0.8%	10.6%	9.5%	40.6%
	Purchased Service Expense per Calendar Day	-7.8%	5.7%	3.4%	22.3%
	Total Expense per Adjusted Discharge	-2.7%	-0.9%	2.5%	9.9%
	Labor Expense per Adjusted Discharge	-2.9%	-2.8%	2.1%	5.4%
	FTEs per AOB	0.3%	-4.1%	-0.2%	-0.3%
	Non-Labor Expense per Adjusted Discharge	-6.7%	1.1%	5.0%	18.3%
	Supply Expense per Adjusted Discharge	0.1%	7.3%	6.9%	20.3%
	Drugs Expense per Adjusted Discharge	-6.9%	6.0%	7.9%	23.4%
Purchased Service Expense per Adjusted Discharge	-7.8%	1.3%	4.2%	15.2%	

Non-Operating



National Non-Operating Results

Key Observations

This report reflects market data as of March 31, 2026, and additional commentary regarding market events until April 17, 2026.

- U.S. nonfarm payrolls improved in March from February. Nonfarm payrolls increased by 178,000 in March after a revised 133,000 decline in February, while the unemployment rate edged down to 4.3%, a 0.1% decline from February.
- According to the Bureau of Labor Statistics (BLS): “Health care added 76,000 jobs in March. Employment in ambulatory health care services rose by 54,000, reflecting an increase of 35,000 in offices of physicians as workers returned from a strike. Employment also increased in hospitals (+15,000). Over the prior 12 months, health care had added an average of 29,000 jobs per month.”
- ADP’s March report was positive but softer than the official payroll report, reinforcing the view that hiring remains uneven. ADP reported 62,000 private-sector jobs added in March, just lower than February’s gain by 1,000, with growth concentrated in education and health services (+58,000) and among small employers (+85,000), while trade, transportation, and utilities lost 58,000 jobs. The divergence between the ADP and nonfarm payroll reports reflects methodological differences: ADP relies on payroll processing data from private firms, while the BLS uses employer surveys and statistical modeling across both private and government sectors.
- Inflation reaccelerated materially in March, driven overwhelmingly by energy. The Consumer Price Index (CPI) rose 0.9% month-over-month and 3.3% year-over-year, which was the highest level in two years. Core CPI increased 0.2% month-over-month and 2.6% year-over-year.
- Producer prices also moved higher in March, confirming upstream inflation pressure from energy markets. Final demand in the Producer Price Index (PPI) rose 0.5% in March and 4.0% year-over-year. The combination of firmer CPI and PPI suggests that higher energy costs are working through the economy, even if services inflation remains more contained.

National Non-Operating Results *(continued)*

Key Observations (continued)

- The ISM Manufacturing Index rose slightly to 52.7%, a 0.3-percentage-point increase, but still above the 50-percentage-point threshold indicating expansion.
- The Middle East conflict remains a key macroeconomic driver, with energy markets continuing to shape the near-term inflation and growth outlook. The primary transmission channel has been oil, as supply disruption risk in the Persian Gulf pushed energy prices sharply higher in March before easing in mid-April.
- On April 7, President Trump announced a two-week ceasefire between the United States and Iran, which helped improve market sentiment despite continued geopolitical uncertainty. Investors responded favorably to signs of de-escalation, and risk assets strengthened.
- Iran's agreement to reopen the Strait of Hormuz for commercial vessels was a critical element of the ceasefire framework, given the waterway's importance to global oil and gas shipments. On April 17, reports that the strait was open helped drive a sharp decline in energy prices. Following news of the ceasefire and the reopening of the Strait of Hormuz, Brent crude fell roughly 10% to 11%, with reported levels ranging from about \$88.80 intraday to roughly \$90.38 later in trading. This decline reflected easing supply concerns after oil had surged to crisis levels in March.
- The reopening of the Strait of Hormuz coincided with a separate 10-day ceasefire between Israel and Lebanon announced on April 16, further supporting a broad improvement in market sentiment.
- Equity markets responded strongly to the improved geopolitical backdrop and lower oil prices. On April 17, the S&P 500 rose 1.2% to 7,126.06 and the Nasdaq Composite gained 1.5% to 24,468.48, both closing at record highs. For the week, the S&P 500 advanced 4.5% and the Nasdaq gained 6.8%, reflecting renewed risk appetite as investors priced in lower immediate energy and conflict-related risks.

National Non-Operating Results *(continued)*

General Non-Operating Observations

	March 2026	Month-Over-Month Change	Year-Over-Year Change
General			
GDP Growth*	0.5%	N/A	N/A
Unemployment Rate	4.3%	-0.1%	+0.1%
Personal Consumption Expenditures (Year-Over-Year)**	3.0%	n/c	+0.3%
Liabilities			
Daily SOFR	3.68%	n/c	-73 bps
SIFMA	2.42%	+54 bps	-45 bps
30-yr MMD	4.47%	+30 bps	+23 bps
30-yr Treasury	4.91%	+30 bps	+34 bps
Assets			
60/40 Asset Allocation†	N/A	-4.9%	+12.8%

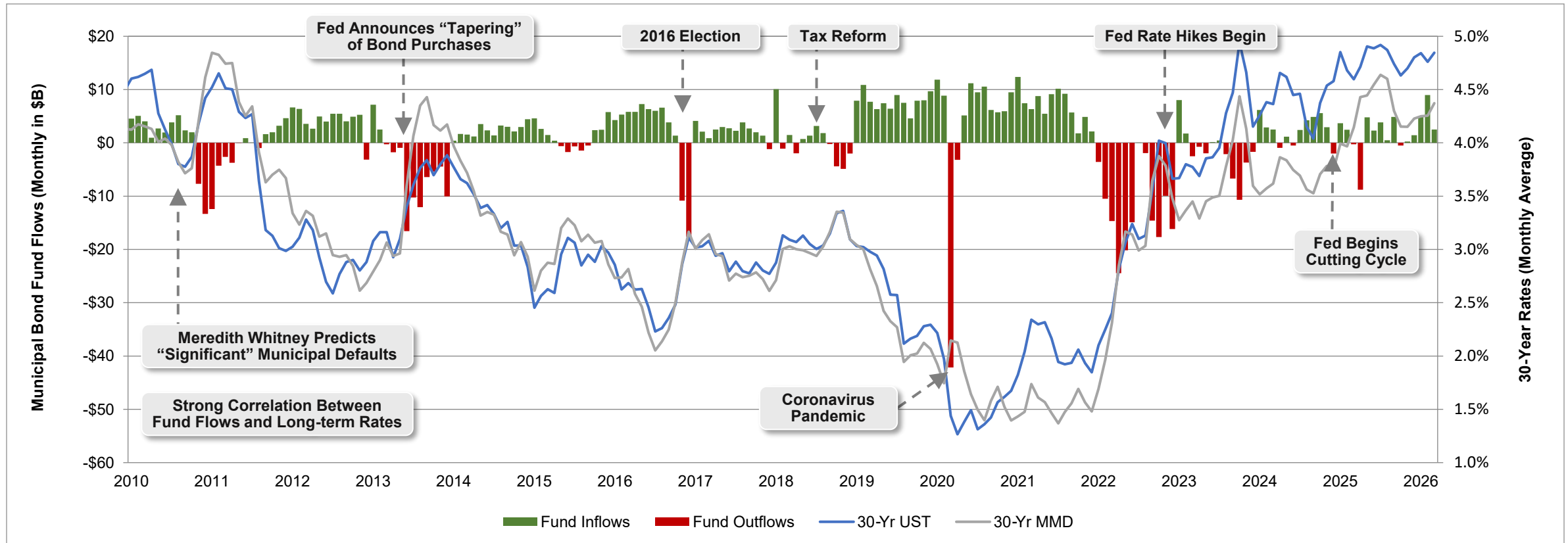
*U.S. Bureau of Economic Analysis, Q4 2025 "Third Estimate" Updated on April 9, 2026.

**Representative of February 2026 PCE data

†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



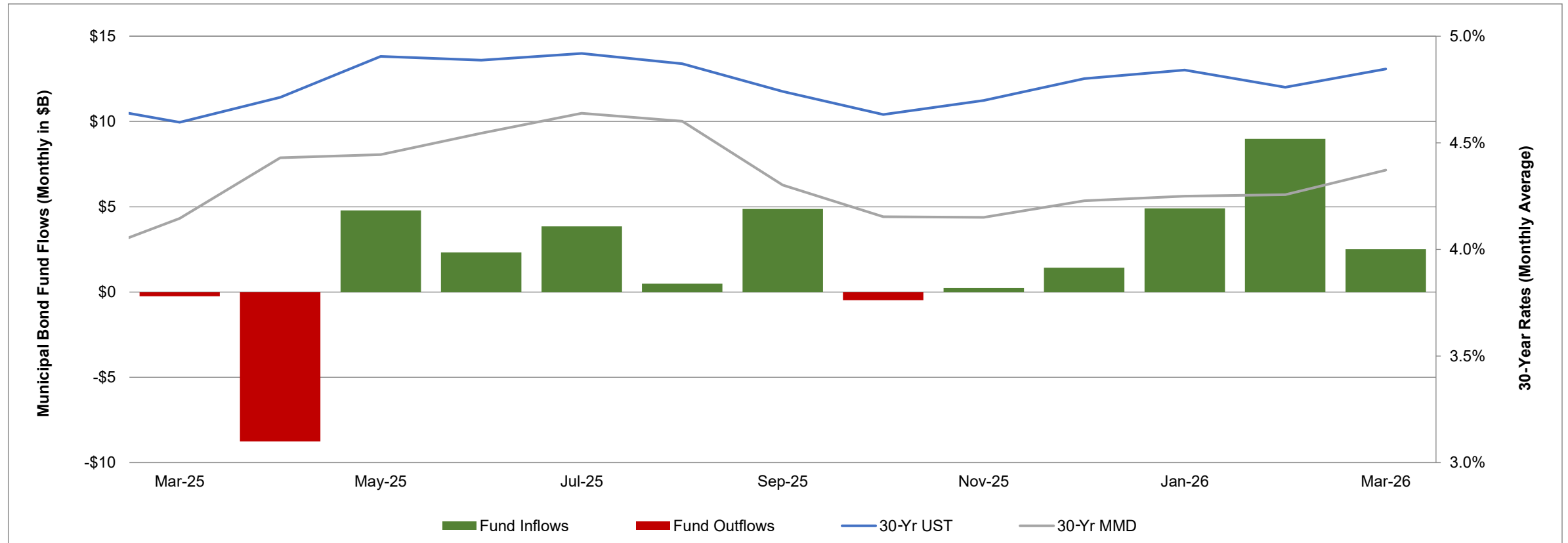
Kaufman Hall, National Hospital Flash Report (March 2026 Metrics)

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. 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: \$24.9 Bn

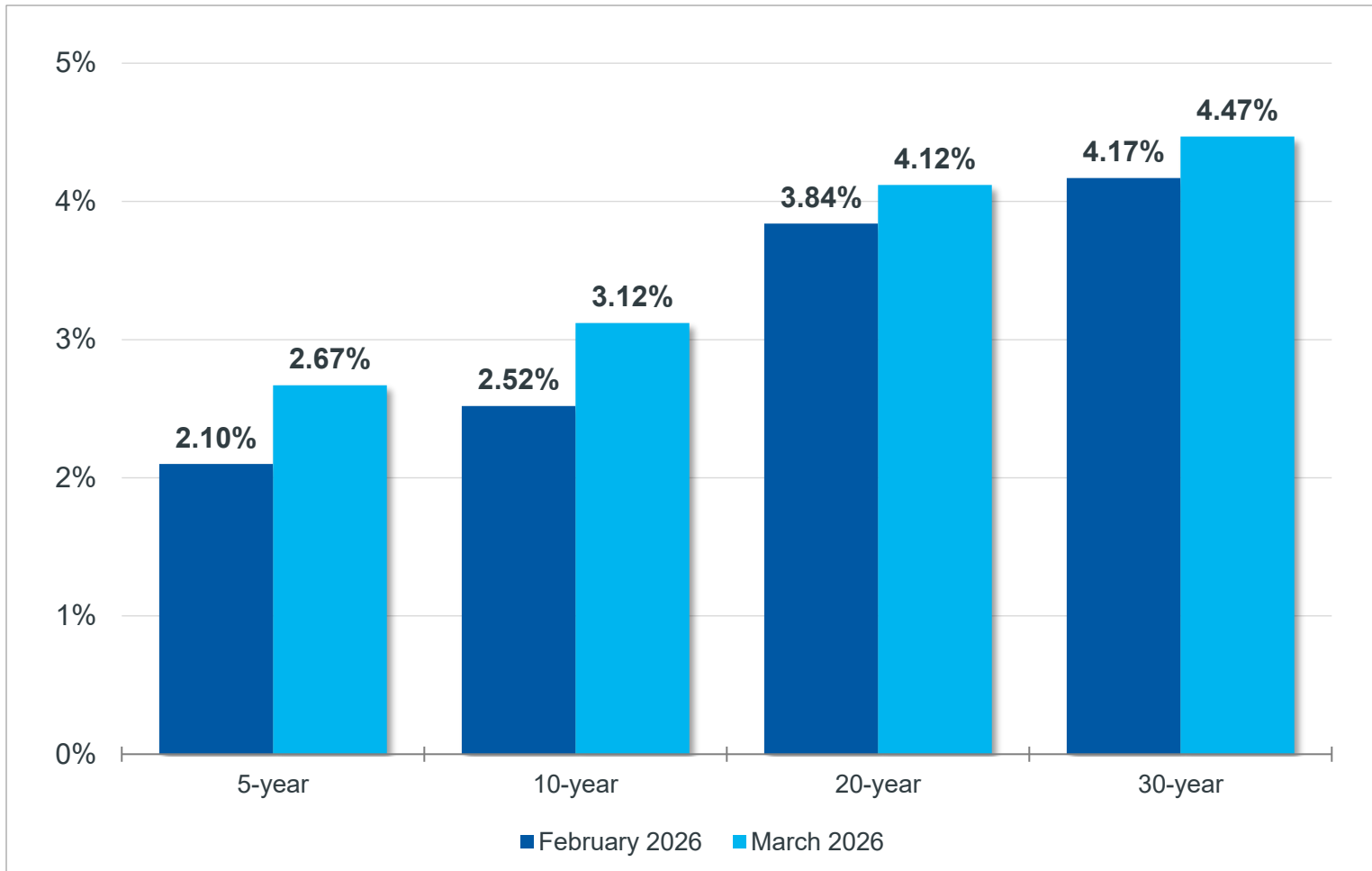


Kaufman Hall, National Hospital Flash Report (March 2026 Metrics)

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. 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)*

MMD Yield Comparison, February to March 2026

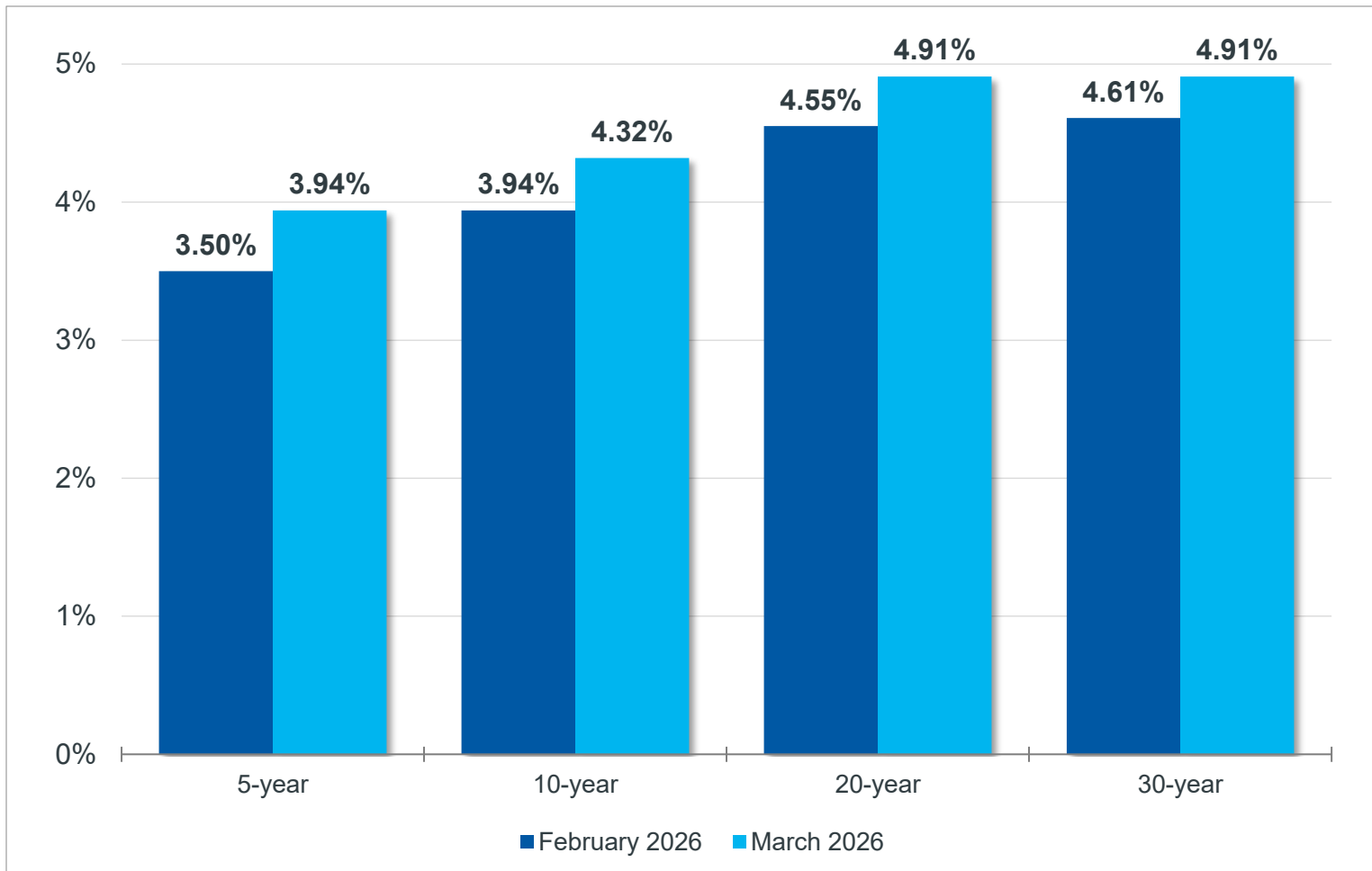


MMD yields increased across the curve, with short/intermediate tenors rising 57-60 bps and long-end yields up 28-30 bps

Tax-exempt rates rose sharply at the end of March relative to February's month-end levels. The most pronounced increases occurred at the short and intermediate points of the curve, with 5-year and 10-year MMD yields rising 57- and 60-basis-points, respectively. Long-end yields also moved higher, though somewhat less drastically, with the 20-year and 30-year tenors increasing 28- and 30-basis-points, respectively. The broad upward shift emphasizes pressure on rates and heightened volatility driven by both domestic and global market events.

Non-Operating Liabilities *(continued)*

UST Yield Comparison, February to March 2026

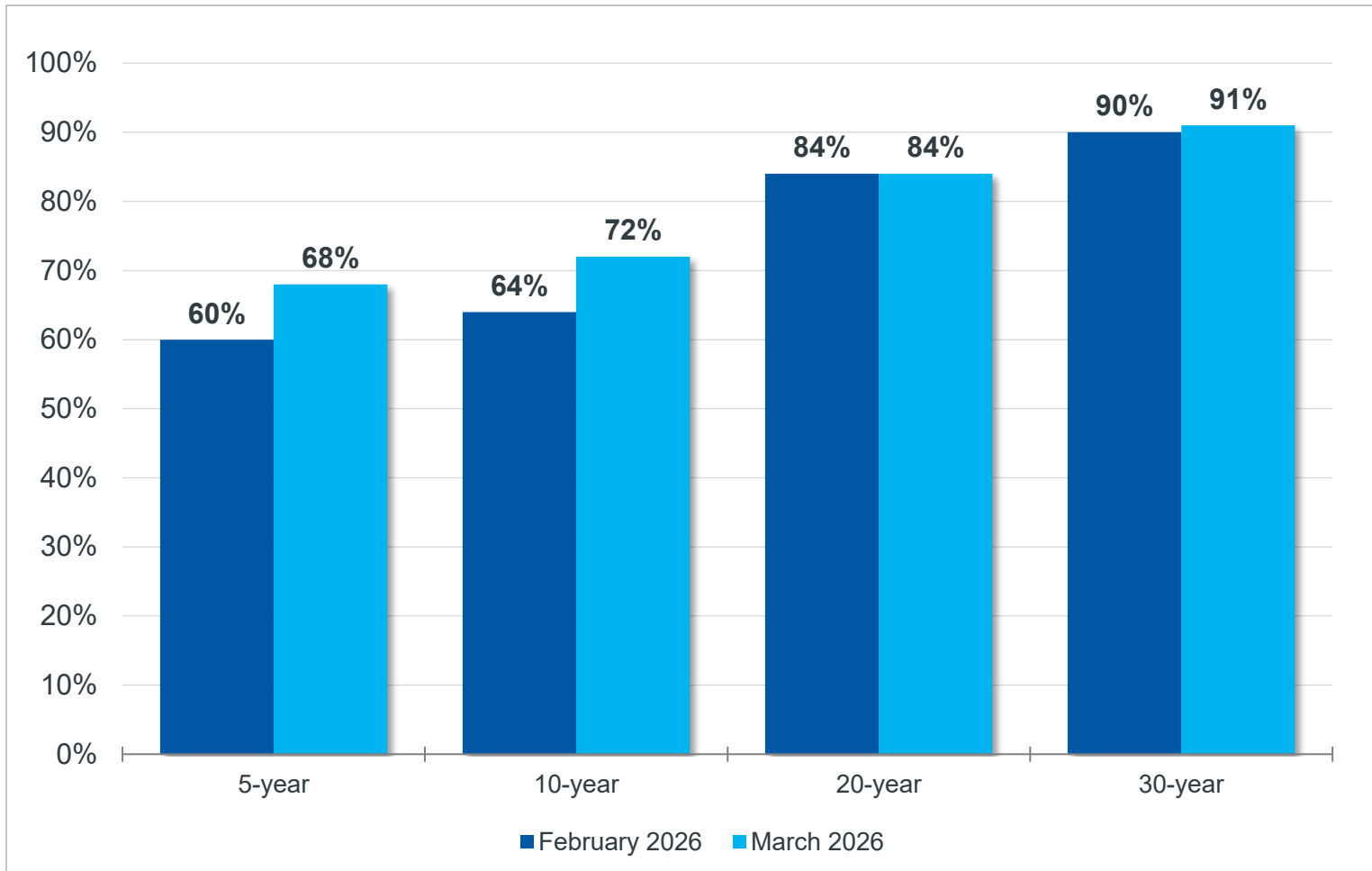


Treasury yields rose 30-44 bps across the curve, with the largest increases concentrated at the short end

Similar to the tax-exempt market, the taxable yields increased materially. Relative to the end of February, treasury yields rose by 30- to 44-basis-points across the curve, with the largest increase concentrated at the short end. This move underscores the broader rise in rates and the more challenging fixed income environment during the month.

Non-Operating Liabilities *(continued)*

MMD/UST Ratio Comparison, February to March 2026



Ratios tightened across key maturities, indicating a shift in relative value and continued pressure on tax-exempt markets

Consistent with February, March's MMD/UST ratios tightened across most of the curve. The 5-year and 10-year ratios increased 8%, indicating a meaningful shift in relative value at the short and intermediate maturities. At the long end, the 20-year ratio was unchanged, while the 30-year ratio rose by 1% to 91%.



Non-Operating Liabilities *(continued)*

The tax-exempt variable rate market was more volatile in March compared to February, with SIFMA trading within an 89-basis-point range, 25-basis-points wider than February's range. March's low of 1.54% was 34-basis-points lower than February's trough, while the high of 2.43% was 9-basis-points lower than February's peak, signaling a lower rate environment in March. The SIFMA-to-SOFR ratio averaged 54% for the first quarter of 2026, which is well below the historical range of 67-70%. Early April SIFMA resets are towards the higher end compared to March and over the first two weeks reset at 2.37% and 2.81%, respectively.

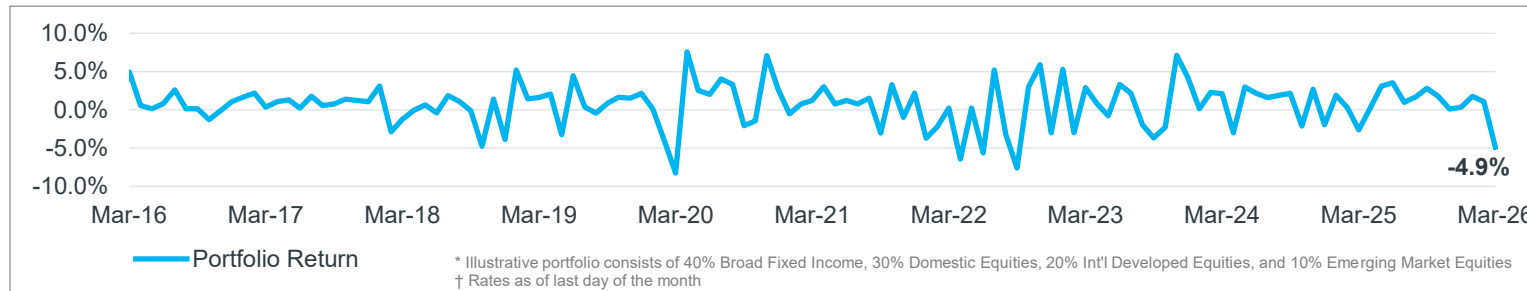
Municipal bond fund flows remained positive for the fifth consecutive month in March, with inflows of \$2.5 billion, though below February's \$9.0 billion. Despite softer momentum, demand remains strong for the first quarter of 2026. Healthcare issuance has also maintained strong momentum, with year-to-date volume through the first week of April at \$12.5 billion, up \$5.1 billion from the same period in 2025. March saw 8 public healthcare transactions, including an energy-as-a-service transaction. While the majority of deals have been tax-exempt fixed-rate financings, borrowers have utilized a diverse mix of structures.

Non-Operating Assets

Month-Over-Month Return

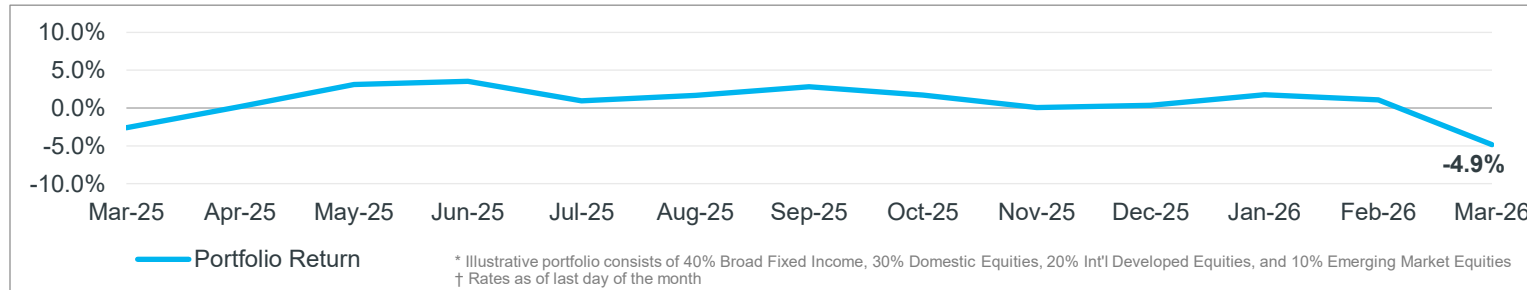
	S&P 500	MSCI World	MSCI Emerging Markets	Barclays Aggregate Bond Index
February 2026	-0.9%	0.6%	5.4%	1.6%
March 2026	-5.1%	-6.6%	-13.3%	-1.8%
Difference	-4.2%	-7.2%	-18.7%	-3.4%

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



Kaufman Hall, National Hospital Flash Report (March 2026 Metrics)

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



Kaufman Hall, National Hospital Flash Report (March 2026 Metrics)

Domestic equities weakened in March, with the S&P 500 declining 5.1%, extending February’s 0.9% loss and signaling a sharper deterioration in investor sentiment. Global equities and fixed income also declined, as the MSCI World fell 6.6%, MSCI Emerging Markets declined 13.3%, and the Bloomberg Barclays Aggregate Bond Index lost 1.8%. As a result, the traditional 60/40 blended portfolio posted a negative return of approximately 4.9% in March, compared with a positive 1.1% return in February. The broad-based decline across both equities and bonds points to rising rate pressure, heightened volatility, and a more risk-off market environment across asset classes.



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Talk to us

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