

Significant Financial Challenges Affecting Florida Hospitals

Dramatic increases in labor costs and inflation are creating financial stress

On average

300K people move to the Sunshine State every year

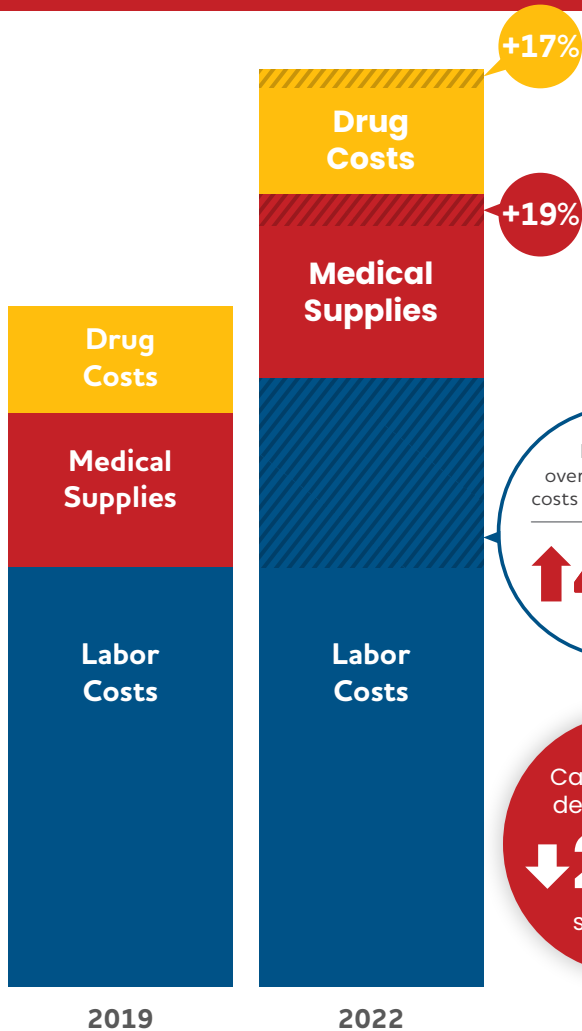
Florida's population is projected to grow by 1.5 million in the next five years, leading to more demand for hospitals to care for all Floridians.

U.S. inflation rose dramatically

4.7%
in 2021

8.0%
in 2022

LABOR, SUPPLIES AND DRUGS ALONE COMPRISE 70% OF A HOSPITAL'S BUDGET



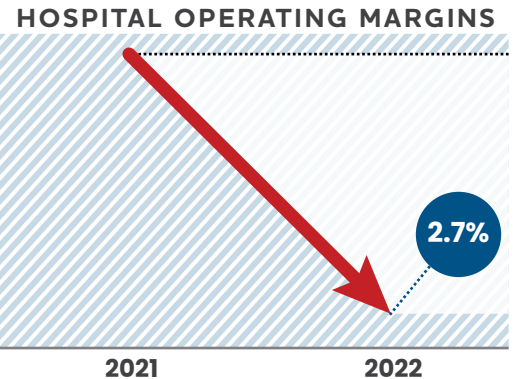
Over three years, hospital expenses have increased **more than 35%**



Hospitals' overall workforce costs have increased **OVER 45%**

Cash on Hand decreased by **28%** since 2019

The overall Operating Margin percentage for Florida Hospitals dropped **66 percent**



Hospitals have less cash in reserve while also contending with increased costs, diminishing their available daily cash.

Margins Matter

Margins allow hospitals to invest in critical health care services to meet growing demand, keep pace with the rapid changes in health care and subsidize access to community services.

Sources:
Office of Economic & Demographic Research: Demographic Estimating Conference Executive Summary,
FHA survey data compiled December 2022
Kauffman Hall January 2023 National Hospital Flash Report

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