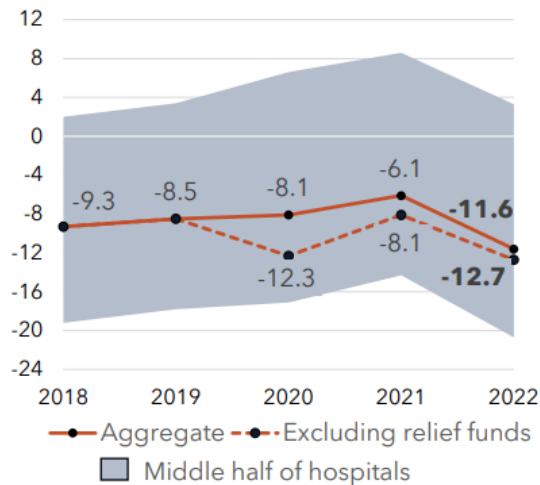


# Hospitals' overall FFS Medicare margin declined to record low and is projected to remain low



## Record-low FFS Medicare margin



**Note:** FFS (fee-for-service). See December presentation for more notes and sources.



## Negative median margin for relatively efficient hospitals

- Among a subset of hospitals that consistently had relatively low costs and relatively high quality, median FFS Medicare margin was negative
  - -2% with federal coronavirus relief funds
  - -3% excluding relief funds



## Projected margin to remain low

- Hospitals scheduled to receive \$9 billion in 340B remedy payments in 2024
- However, excluding these one-time payments, we project FFS Medicare margin in 2024 to remain near the 2022 margin:
  - ≈ -13% in aggregate
  - ≈ -3% for relatively efficient