

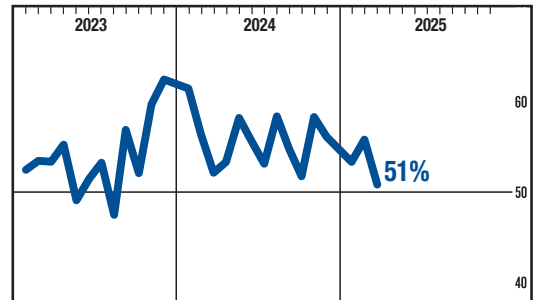
HOSPITAL PMI® at 51%

Economic activity in the hospital subsector grew in March for the 19th consecutive month after contracting twice in the previous four-month period, with 35 consecutive months of growth prior to that, say the nation's hospital supply executives in the latest Hospital ISM® *Report On Business*®.

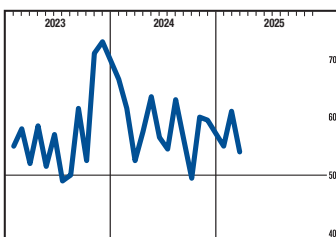
The Hospital PMI® registered 51 percent in March, a 5-percentage point decrease from the February reading of 56 percent. Though this is the 19th consecutive month of growth for the Hospital PMI®, the reading is the lowest since August 2023 (47.5 percent). The Business Activity Index remained in expansion territory for the fifth straight month. The New Orders Index expanded for the fifth consecutive month, and the Employment Index remained in contraction territory in March.

The Supplier Deliveries Index returned to contraction (which indicates faster delivery performance) after expanding for 18 consecutive months. The Case Mix Index returned to expansion territory in March, registering 54.5 percent, an increase of 5 percentage points from the reading of 49.5 percent reported in February. The Days Payable Outstanding Index returned to contraction in March, registering 47.5 percent, down 3.5 percentage points from the 51 percent reported in February. The Technology Spend Index reading of 55 percent is an increase of 6 percentage points compared to the 49 percent recorded in February. The Touchless Orders Index remained in expansion territory in March, registering 52 percent, down 1 percentage point from the reading of 53 percent reported in February.

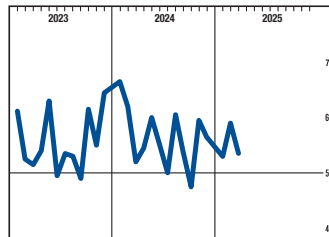
Hospital Business Survey panelists continued to be concerned about the impact of tariffs and government funding reductions. Volumes were lower than the previous month, with seasonal respiratory illnesses continuing to be prevalent. Some panelists expressed concern that surgical volumes were constrained by economic uncertainty. Supplier deliveries were faster, although increased levels of product back orders were cited. Comments on employment were mixed, with some respondents indicating their facilities increased permanent staffing to reduce agency usage; others mentioned workforce reductions. Inventory levels contracted due to (1) high levels of respiratory illnesses depleting supplies and (2) planned initiatives to reduce inventories in response to cost pressures. **ISM**



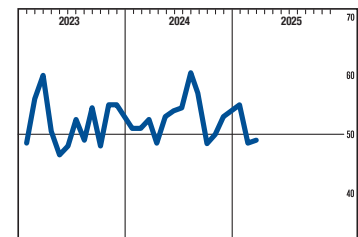
Business Activity



New Orders



Employment



About This Report

The information compiled in this report is for the month of March 2025.

The Hospital PMI® was developed in collaboration with the Association for Health Care Resource & Materials Management (AHRMM), an association for the health care supply chain profession, and a professional membership group of the American Hospital Association (AHA).

The data presented herein is obtained from a survey of hospital supply executives based on information they have collected within their respective organizations. ISM® makes no representation, other than that stated within this release, regarding the individual company data collection procedures. The data should be compared to all other economic data sources when used in decision-making.

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