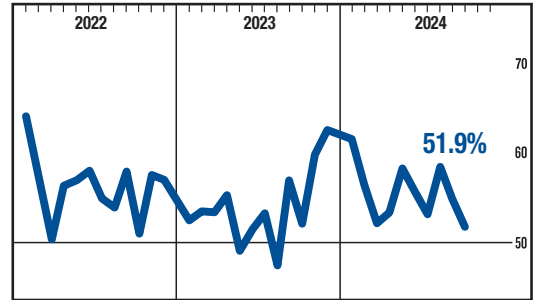


# HOSPITAL PMI® at 51.9%

Economic activity in the hospital subsector grew in October for the 14th 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*®.

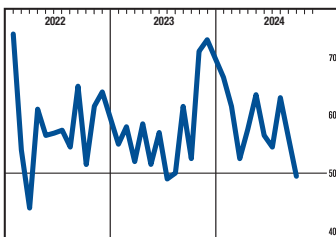
The Hospital PMI® registered 51.9 percent in October, a 3.1-percentage point decrease from the September reading of 55 percent, indicating a 14th consecutive month of growth. October's Hospital PMI® reading is the lowest since a contraction in August 2023 (47.5 percent). The Business Activity, New Orders and Employment indexes all moved into contraction territory. The Supplier Deliveries Index remained in expansion (which indicates slower delivery performance) for the 14th consecutive month. The Prices: Pharmaceuticals Index went into contraction (or "decreasing") territory for the first time since Hospital ISM® *Report On Business*® data collection began in April 2018.



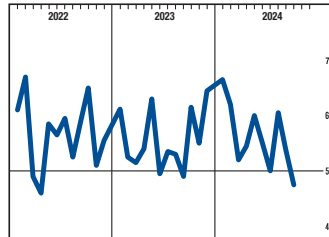
The Case Mix Index expanded in October after contracting in the previous month, registering 52 percent, 3.5 percentage points higher than September's figure of 48.5 percent. The Days Payable Outstanding Index returned to contraction in October, registering 45.5 percent, down 6.5 percentage points from the 52 percent reported in September. The Technology Spend Index reading of 61 percent is an increase of 4.5 percentage points compared to the 56.5 percent recorded in September. The Touchless Orders Index returned to expansion territory in October, registering 50.5 percent, up 3.5 percentage points from the 47 percent reported in September.

Two hurricanes in less than two weeks in late September and early October reminded everyone of the fragility of the health-care supply chain. The Baxter IV solutions plant in North Carolina was significantly damaged, and the B. Braun plant in Florida sustained minor damage. In addition, supply deliveries were interrupted, and there were widespread elective procedure cancellations. The federal government is working to quickly provide emergency authorization for importation of IV fluids from other countries. The North Carolina facility also manufactured peritoneal dialysis fluids and bags used by pharmacies to compound fluids. It is unclear how much of the reduction in the Employment Index was related to a decrease in demand versus budget constraints and turnover. **ISM**

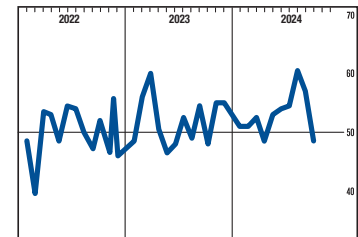
## Business Activity



## New Orders



## Employment



## About This Report

The information compiled in this report is for the month of October 2024.

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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