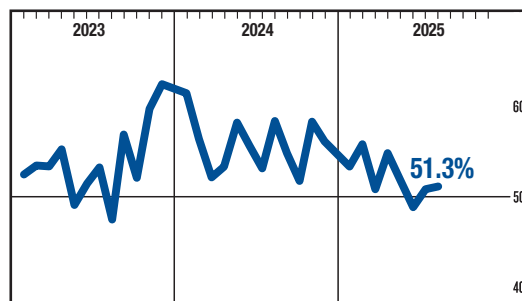


HOSPITAL PMI® at 51.3%

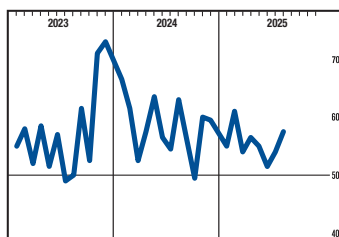
Economic activity in the hospital subsector expanded in August for the second month in a row after one month of contraction, preceded by 21 consecutive months of growth prior to that, say the nation's hospital supply executives in the latest ISM® Hospital PMI® Report.

The Hospital PMI® registered 51.3 percent in August, a 0.3-percentage point increase from the July reading of 51 percent, indicating expansion for the second consecutive month after one month of contraction. The Business Activity Index remained in expansion territory for the 10th straight month. The New Orders Index returned to expansion, and the Employment Index returned to contraction territory after registering an "unchanged" reading in July. The Supplier Deliveries Index contracted (which indicates faster delivery performance) following two straight months of "unchanged" status. This is just the second month since August 2023 that the Supplier Deliveries Index has been in "faster" territory. The Case Mix Index remained in contraction territory in August, registering 49.5 percent, an increase of 3.5 percentage points from the reading of 46 percent reported in July. The Days Payable Outstanding Index remained in expansion in August, registering 54.5 percent, up 0.5 percentage point from the 54 percent reported in July. The Technology Spend Index reading of 59 percent is an increase of 2 percentage points compared to the 57 percent recorded in July. The Touchless Orders Index remained in expansion territory in August, registering 52.5 percent, up 0.5 percentage point from the reading of 52 percent reported in July.

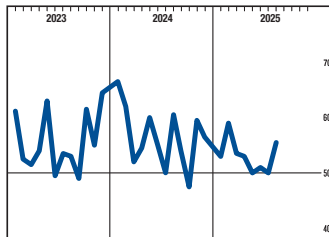
The top-of-mind issue for Hospital Business Survey panelists continued to be tariffs. Comments were made about the ongoing difficulty of predicting the impact on health-care supply chains and the fact that price increases were seen more frequently. They also noted increased anxiety among manufacturers. Business activity and new order growth was attributed to ongoing demand for elective procedures. Faster supplier delivery performance occurred for the second time in two years. Some panelists observed fewer back orders and product substitutions at their facilities during the month. Comment topics included hiring freezes and layoffs, as hospitals continued to develop strategies to cope with potential Medicaid and Medicare reimbursement cuts. **ISM**



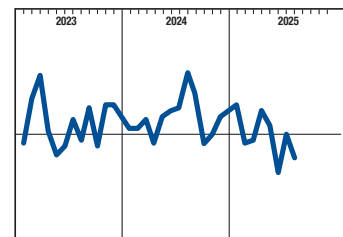
Business Activity



New Orders



Employment



About This Report

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

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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