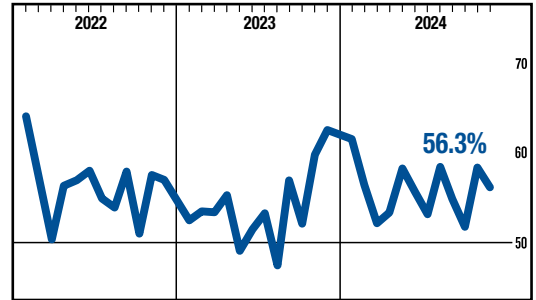


# HOSPITAL PMI® at 56.3%

Economic activity in the hospital subsector grew in December for the 16th 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*®.

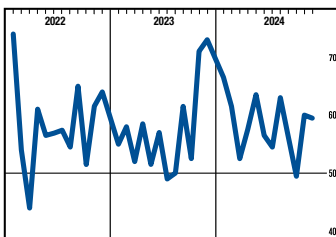
The Hospital PMI® registered 56.3 percent in December, a 2.2-percentage point decrease from the November reading of 58.5 percent, indicating a 16th straight month of growth. The Business Activity Index remained in expansion territory for the second straight month. The New Orders Index expanded for the second consecutive month, and the Employment Index returned to expansion territory in December after an “unchanged” reading in November. The Supplier



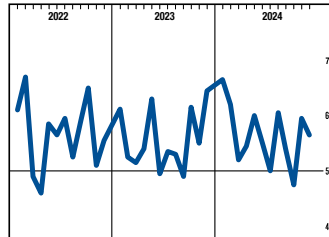
Deliveries Index remained in expansion (which indicates slower delivery performance) for the 16th consecutive month. The Case Mix Index returned to expansion in December, registering 53.5 percent, an increase of 3.5 percentage points from the “unchanged” reading of 50 percent reported in November. The Days Payable Outstanding Index remained in expansion territory in December, registering 51 percent, down 3 percentage points from the 54 percent reported in November. The Technology Spend Index reading of 54.5 percent is a decrease of 4.5 percentage points compared to the 59 percent recorded in November. The Touchless Orders Index remained in expansion territory in December, registering 51.5 percent, up 0.5 percentage point from the 51 percent reported in November.

Most Hospital Business Survey panelists reported strong demand for services during the month. Some of that demand was offset by staffing shortages and/or postponed elective surgeries related to the ongoing IV solution shortages. Employment increased to meet demand, with some panelists commenting on ongoing efforts to reduce staffing to improve margins. Inventories increased due to a variety of factors, including (1) concern about a potential ports strike, (2) increased inventory of products in short supply and on allocation and (3) year-end budget spend downs. The Supplier Deliveries Index indicated improved delivery performance, but some panelists cited holiday related slowdowns. **ISM**

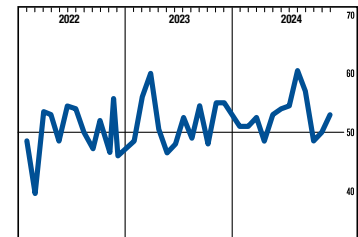
## Business Activity



## New Orders



## Employment



## About This Report

The information compiled in this report is for the month of December 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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