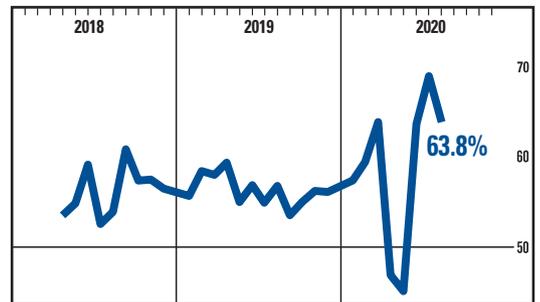


HOSPITAL PMI™ at 63.8%

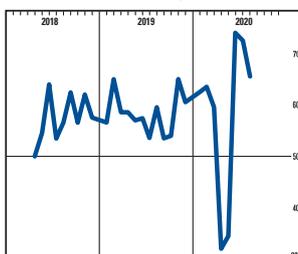
Economic activity in the hospital subsector grew in August for the third consecutive month, say the nation's hospital supply executives in the latest Hospital ISM® Report On Business®.

The Hospital PMI™ registered 63.8 percent, down 5.1 percentage points from the July reading of 68.9 percent. This was the third month of growth following two months of decline. Each of the subindexes (Business Activity, New Orders, Employment and Supplier Deliveries) that directly factor into the Hospital PMI™ continued to show growth, but at slower rates than in July. Survey Committee panelists' comments indicated that the varying degrees of COVID-19 across the country are impacting levels of elective procedures performed, which affects overall growth and revenues. The Case Mix Index decreased to 54.5 percent, down 7 percentage points compared to the July reading of 61.5. The Case Mix Index change is consistent with slower growth in surgical cases. The Days Payable Outstanding Index was unchanged at 55 percent. The Technology Spend Index registered 53 percent, an increase of 3.5 percentage points from the July reading of 49.5 percent.

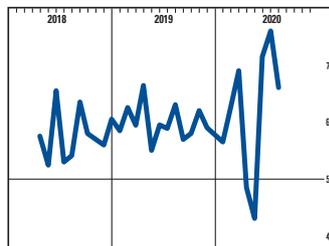


Although the growth rate in August was slower than in July, there was no consensus among Survey Committee members as to the cause. Some attributed the slowdown, directly or indirectly, to the coronavirus (COVID-19) pandemic, while one respondent cited normal seasonal variation. However, participants agreed that sourcing and procuring personal protective equipment (PPE) remains a struggle. One respondent commented, "Medical supplies, particularly PPE, are still in short supply, with an unprecedented level of distributor allocations. My facility needs to purchase certain PPE outside of normal distribution channels, at higher-than-contract cost, to remain operational."

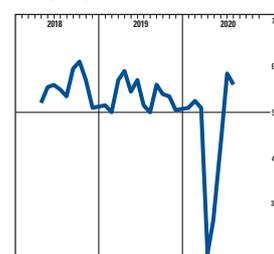
Business Activity



New Orders



Employment



About This Report

The information compiled in this report is for the month of August 2020.

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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