Economic activity in the hospital subsector grew in June for the 13th consecutive month, say the nation’s hospital supply executives in the latest Hospital ISM® Report On Business®.

The Hospital PMI™ registered 63.1 percent in June, increasing 1.8 percentage points from the May reading of 61.3 percent, indicating a 13th consecutive month of growth. The Business Activity Index decreased slightly in June compared to May. The Employment Index returned to expansion territory after contracting in May. The Case Mix Index decreased to 51.5 percent, down 3 percentage points compared to the May reading of 54.5 percent. The Days Payable Outstanding Index registered 46.5 percent, a 4-percentage point decrease from the May reading of 50.5 percent. The Technology Spend Index registered 57.5 percent, an increase of 9 percentage points from the May reading of 48.5 percent.

In June, a vast majority of Business Survey Committee panelists indicated volumes and patient mixes were back to pre-coronavirus (COVID-19) levels. Employment rebounded, but the majority of employment-related comments indicated difficulties in recruiting and retaining talent. There were indications of improved personal protective equipment (PPE) availability, but the panel was split on whether there was pricing relief. Slow supplier deliveries, back orders and shortages of non-PPE supplies continued to be serious problems. Sentiment on inventory continued to include reducing COVID-19 stockpiles, but some comments — including, “We are ordering more because of the uncertainty of deliveries” — suggest that product availability continues to influence inventory levels. ISM