Analysis by
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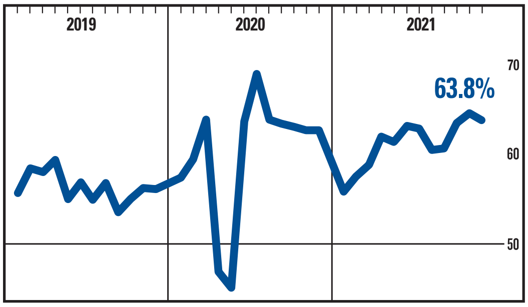
Hospital Business Survey Committee

HOSPITAL PMI® at 63.8%

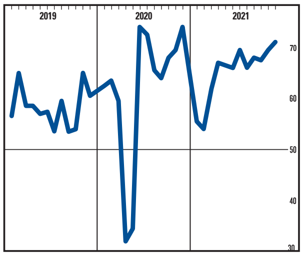


The Hospital PMI® registered 63.8 percent in December, a 0.7-percentage point decrease from the November reading of 64.5 percent, indicating a 19th consecutive month of growth.

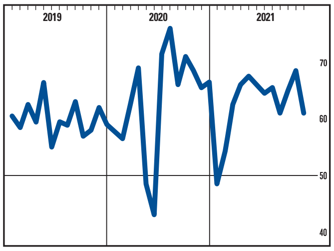
The Business Activity Index increased compared to November and registered its highest reading of 2021. The New Orders Index decreased 7.5 percentage points from the November reading, while the Employment Index remained in contraction territory. The Case Mix Index increased to 59 percent, up 3.5 percentage points compared to the November reading of 55.5 percent. The Days Payable Outstanding Index registered 47.5 percent, the same reading as in November. The Technology Spend Index registered 52 percent, a 0.5-percentage point decrease from the November reading of 52.5 percent.

Business activity was driven by a combination of COVID-19 patient volumes and the increase in elective procedures in some regions of the country. COVID-19 volumes remained high in many areas, and panelists are increasingly concerned about the potential impact of the omicron variant. Recruiting and retaining staff continues to be a major challenge, one with the potential to further limit capacity. A faster rate of growth in the Case Mix Index suggests that hospitals are treating more acute patients. The Backlog of Orders Index increased, as elective procedures were delayed due to a lack of recovery and intensive care unit (ICU) beds. Supply shortages continue, with long delivery times and frequent product substitutions posing ongoing challenges. In response, hospitals are increasing inventory levels. Comments such as “Back orders and the anticipation of a rough COVID-19 winter have created another perfect storm,” were typical. ISM

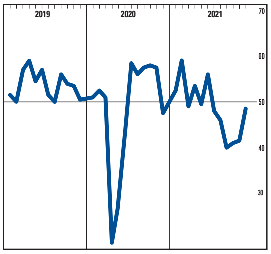
Business Activity



New Orders



Employment



About This Report

The information compiled in this report is for the month of December 2021.

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.