The Hospital PMI® registered 64.1 percent in January, a 0.3-percentage point increase from the December reading of 63.8 percent, indicating a 20th consecutive month of growth. The Business Activity Index increased to its highest reading since June 2020. The New Orders Index increased in January compared to December. The Employment Index remained in contraction at its lowest reading since May 2020. The Case Mix Index decreased to 55 percent, down 4 percentage points compared to the December reading of 59 percent. The Days Payable Outstanding Index registered 47.5 percent, the same reading as in December. The Technology Spend Index registered 54.5 percent, a 2.5-percentage point increase from the December reading of 52 percent.

The surge of COVID-19 patients and labor constraints were top of mind for Hospital Business Survey Committee respondents. Many commented on staff absences due to COVID-19 and the inability to hire and retain staff. In April and May 2020, employment contraction was intentional and due primarily to temporary furloughs as the industry reacted to lockdowns. A lack of supply is driving the current contraction in the Employment Index. Despite labor and supply shortages, the Business Activity Index climbed to 74 percent, a number that has only reached three times since the survey began in April 2018. Supply disruptions continue, with many panelists citing illness and the shortage of truck drivers as factors. A few panelists remarked that COVID-19 cases were stabilizing in their areas and were hopeful they were beginning to decline. ISM

About This Report

The information compiled in this report is for the month of January 2022.

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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