The Hospital PMI® registered 56.9 percent in February, a 7.2-percentage point decrease compared to January, indicating a 21st consecutive month of growth. The February reading is the lowest since January 2021. The Business Activity Index decreased in February, while the New Orders Index fell into contraction territory for the first time since January 2021. The Employment Index expanded for the first time since June 2021. The Case Mix Index registered 55.5 percent, a 0.5-percentage point increase compared to January. The Days Payable Outstanding Index reading of 56 percent is up 8.5 percentage points compared to January. The Technology Spend Index registered 53.5 percent, a 1-percentage point decrease from the January reading.

Hospital Business Survey Committee panelists attributed the significant decline in business activity and new orders to a variety of causes. Some indicated a reduction in COVID-19 cases, while others reported that a lack of staffing and blood shortages were causing them to close beds and put off elective procedures. Although many cited a continuing struggle to recruit and retain staff, some comments indicated that incentive programs and workers’ growing willingness to enter or return to a hospital environment resulted in improved staffing levels.

Supply shortages, product substitutions and slow deliveries continued to be major issues for supply chain professionals. The outlook for near-term improvement was pessimistic. Many comments echoed the sentiment expressed by a panelist who wrote, “Back orders are horrendous. Half of my orders are back-ordered. We get a few responses from our sales representatives — and when you do get a response, it’s that they can’t help you.” Respondents also mentioned that days payable outstanding was increasing due to an inability to complete a three-way match of invoices, orders and receipts.

**About This Report**

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

ISM shall not have any liability, duty, or obligation for or relating to the ISM® Report On Business® (ROB) Content or other information contained herein, any errors, inaccuracies, omissions or delays in providing any ISM ROB Content, or for any actions taken in reliance thereon. In no event shall ISM be liable for any special, incidental, or consequential damages, arising out of the use of the ISM ROB. Report On Business®, PMI®, Manufacturing PMI®, Services PMI® and Hospital PMI® are registered trademarks and trademarks of Institute for Supply Management®, Institute for Supply Management® and ISM® are registered trademarks of Institute for Supply Management, Inc®.

You shall not create, recreate, distribute, incorporate in other work, or advertise an index of any portion of the Content unless you receive prior written authorization from ISM. Requests for permission to reproduce or distribute ISM ROB Content can be made by contacting Michelle Rusk in writing at: ISM Research, Institute for Supply Management®, 309 W. Elliot Road, Suite 113, Tempe, AZ 85284-1556, or by emailing mrusk@ismworld.org; subject: Content Request.