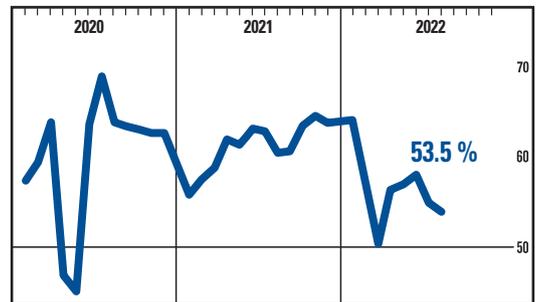


HOSPITAL PMI® at 53.5%

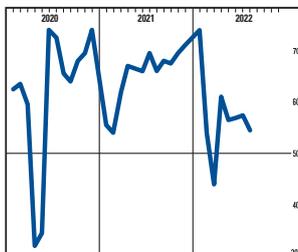
Economic activity in the hospital subsector grew in August for the 27th consecutive month, say the nation's hospital supply executives in the latest Hospital ISM® *Report On Business*®.

The Hospital PMI® registered 53.5 percent in August, a 1.4-percentage point decrease from the July reading of 54.9 percent. The Business Activity Index decreased in August compared to July. The Case Mix Index registered 53.5 percent, an increase of 6 percentage points compared to the July figure of 47.5 percent. The Days Payable Outstanding Index registered 57.5 percent, up 0.5 percentage point from the 57 percent reported in July. The Technology Spend Index registered 54.5 percent, a 1.5-percentage point increase from the July reading of 53 percent.

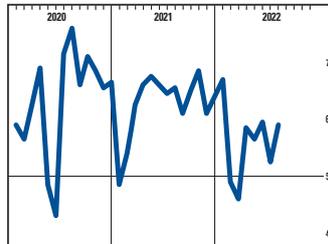


Hospitals continue to see the shift from COVID-19 patients to elective procedures. In most cases, this shift has resulted in increased revenues; however, due to higher costs of labor and supplies, higher revenues are not translating into increased profitability. For the first time since April 2020, Business Survey Committee respondents mentioned hiring freezes and temporary staffing reductions as ways to reduce costs. This dynamic, as well as the ongoing challenges of recruitment and retention, resulted in the Employment Index moving into contraction territory. The New Orders Index indicated growth at a faster rate in August, supporting comments about pent-up demand for elective procedures. Respondents' comments were mixed regarding supply availability and back orders. A decrease in the Supplier Deliveries Index was consistent with sentiment of slightly improved delivery performance during the month, but other panelists cautioned that shortages simply moved from one category to another. The growth in inventory levels supports the theory that hospitals are again building buffer stock. **ISM**

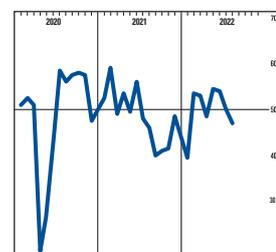
Business Activity



New Orders



Employment



About This Report

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