HOSPITAL PMI® at 57.5%

Economic activity in the hospital subsector grew in November for the 30th consecutive month, say the nation's hospital supply executives in the latest Hospital ISM® Report On Business®. The Hospital PMI® registered 57.5 percent in November, a 6.5-percentage point increase from the October reading of 51 percent. The Business Activity, New Orders and Employment indexes all increased compared to October. The Case Mix Index registered 57.5 percent, an increase of 4.5 percentage points compared to the October figure of 53 percent. The Days Payable Outstanding Index was unchanged at 50 percent, down 3 percentage points from the 53 percent reported in October. The Technology Spend Index registered 64 percent, a 1.5-percentage point increase from the October reading of 62.5 percent.

In November, Business Survey Committee respondents indicated greater ability to hire staff; this resulted in expanded capacity, which supported increased growth. Others commented that volume growth was due to continuing slow growth in elective procedures as well as an influx in respiratory syncytial virus (RSV) and flu cases. Some organizations have increased laboratory testing related inventories in preparation for a potential 'tripledemic' of flu, RSV and COVID-19; these supplies could go on allocation, leading to concerns of increased product substitutions and shortages. Also cited as reasons for increases in inventory levels: (1) seasonal adjustments, (2) potential impacts of holiday shipping on delivery schedules and (3) end-of-year purchases. Higher costs for supplies, pharmaceuticals and labor continue to put pressure on hospital margins. ISM

About This Report

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