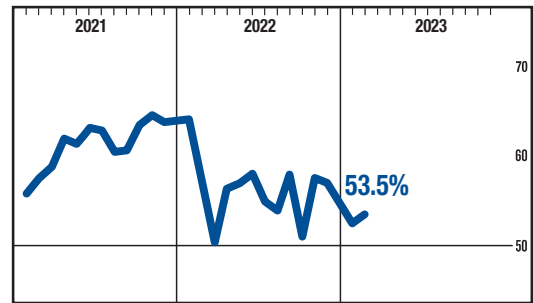


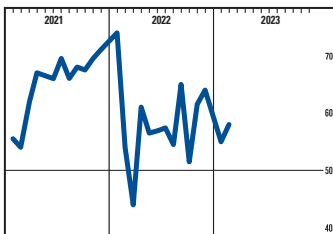
# HOSPITAL PMI® at 53.5%

Economic activity in the hospital subsector grew in February for the 33rd 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 February, a 1-percentage point increase from the January reading of 52.5 percent. The Business Activity Index increased compared to January, while the New Orders Index decreased compared to the prior month. The Employment Index moved back into growth territory after contracting in January. The Case Mix Index registered 51.5 percent, a decrease of 5 percentage points compared to the January figure of 56.5 percent. The Days Payable Outstanding Index registered 55 percent, up 2 percentage points from the 53 percent reported in January. The Technology Spend Index registered 53 percent, the same reading as reported in January.

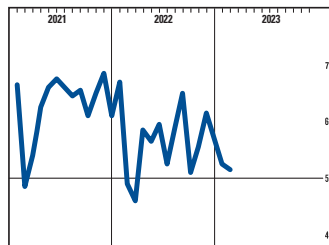


The majority of Business Survey Committee respondents remarked that demand for elective procedures increased during the month. With increased employment, hospitals were able to expand capacity to meet this demand. Exceptions to this trend were facilities in parts of the country that experienced severe weather, which reduced volumes and disrupted supplier deliveries. Overall, supplier deliveries were faster, but hospitals continue to be plagued with product shortages, back orders and discontinued products. These issues were particularly evident for products made of resin. Increases in supply and labor costs continued to put pressure on hospital margins. Some facilities addressed margin challenges, panelists indicated, with efforts to reduce waste and streamline processes. In some cases, there were layoffs. One panelist indicated that in spite of an inflationary economy, the organization continued to invest in new construction and technology. **ISM**

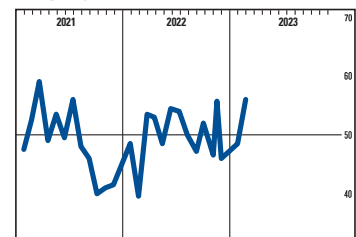
## Business Activity



## New Orders



## Employment



## About This Report

The information compiled in this report is for the month of February 2023.

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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