Economic activity in the hospital subsector grew in September after contracting in August, the second time in the previous five months, with 35 consecutive months of growth prior to that, say the nation’s hospital supply executives in the latest Hospital ISM® Report On Business®. The Hospital PMI® registered 57 percent in September, a 9.5-percentage point increase from the August reading of 47.5 percent, indicating expansion after one month of contraction. The Business Activity Index increased compared to August. The New Orders and Employment indexes moved back into expansion territory. The Supplier Deliveries Index also returned to expansion (which indicates slower delivery performance). The Case Mix Index moved into contraction, registering 48 percent, a decrease of 3 percentage points compared to the August figure of 51 percent. The Days Payable Outstanding Index returned to contraction territory at 46.5 percent, down 5 percentage points from the 51.5 percent reported in August. The Technology Spend Index reading of 51 percent is an increase of 3.5 percentage points compared to the 47.5 percent recorded in August. The Touchless Orders Index registered 49 percent, up 2 percentage points from the August reading of 47 percent.

The beginning of the school year, Labor Day holiday and reemergence of seasonal illnesses contributed to increased volumes. Staffing efforts have focused on filling permanent positions while right-sizing to match budgetary needs. Some organizations are benefitting from reduced reliance on contract nurses. Facilities are making efforts to balance inventory levels to the evolving mix of patient needs. For some respondents, drug shortages remain their highest concern. Overall, despite some disruptions, the outlook suggests gradual improvement and normalization. ISM