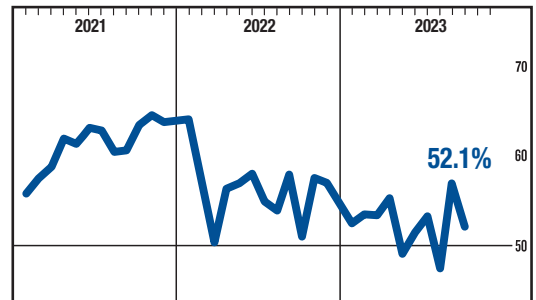


HOSPITAL PMI® at 52.1%

Economic activity in the hospital subsector grew in October for the second consecutive month after contracting twice in the previous four 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*®.

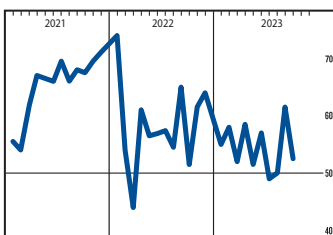
The Hospital PMI® registered 52.1 percent in October, a 4.9-percentage point decrease from the September reading of 57 percent, indicating a second consecutive month of growth after one month of contraction in August. The Business Activity Index expanded for the second consecutive month. The New Orders Index remained in expansion for the second straight month, and the Employment Index returned to contraction territory. The Supplier Deliveries Index remained in expansion, which indicates slower delivery performance. The Case Mix Index moved back into expansion, registering 51.5 percent, an increase of 3.5 percentage points compared to the September figure of 48 percent. The Days Payable Outstanding Index also returned to expansion territory at 51.5 percent, up 5 percentage points from the 46.5 percent reported in September. The Technology Spend Index reading of 55.5 percent is an increase of 4.5 percentage points compared to the 51 percent recorded in September. The Touchless Orders Index registered 51.5 percent, up 2.5 percentage points from the September reading of 49 percent.

While slightly lower than the previous month, volume metrics remained in the growth range; Hospital Business Survey Committee respondents commented that operations were stable. Hospital margins remain a primary concern, with cost-reduction efforts underway. Shortages of skilled labor and the rising cost of low-skilled labor are impacting both capacity and cost structures. Panelists' comments were mixed on supplier deliveries, with some impacted by shortages and slow delivery times, while others experienced improvements. There is concern that a potential shortage of IV fluids and related products could cause serious issues going into flu season. **ISM**

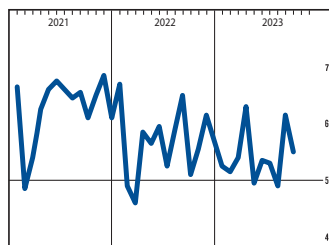


The Hospital PMI® registered 52.1 percent in October, a 4.9-percentage point decrease from the September reading of 57 percent, indicating a second consecutive month of growth after one month of contraction in August. The Business Activity Index expanded for the second consecutive month. The New Orders Index remained in expansion for the second straight month, and the Employment Index returned to contraction territory. The Supplier Deliveries Index remained in expansion, which indicates slower delivery performance. The Case Mix Index moved back into expansion, registering 51.5 percent, an increase of 3.5 percentage points compared to the September figure of 48 percent. The Days Payable Outstanding Index also returned to expansion territory at 51.5 percent, up 5 percentage points from the 46.5 percent reported in September. The Technology Spend Index reading of 55.5 percent is an increase of 4.5 percentage points compared to the 51 percent recorded in September. The Touchless Orders Index registered 51.5 percent, up 2.5 percentage points from the September reading of 49 percent.

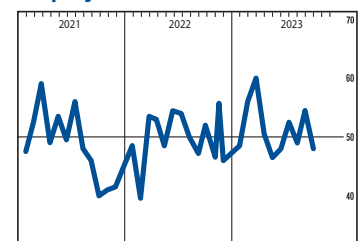
Business Activity



New Orders



Employment



About This Report

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

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 Rose Marie Goupil in writing at: ISM Research, Institute for Supply Management, 309 W. Elliot Road, Suite 113, Tempe, AZ 85284-1556, or by emailing rgoupil@ismworld.org; Subject: Content Request.