HOSPITAL

PMI® at 59.8%

Economic activity in the hospital subsector grew in November for the third consecutive month after contracting twice in a four-month period, 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 59.8 percent in November, a 7.7-percent-age point increase from the October reading of 52.1 percent, indicating a third consecutive month of growth after a contraction in August. The Business Activity Index expanded for the third consecutive month. The New Orders Index remained in expansion for the third straight month, and the Employment Index returned to expansion territory. The Supplier Deliveries Index remained in expansion, which indicates slower delivery performance. The Case Mix Index remained in expansion territory, registering 54 percent, an increase of 2.5 percentage points compared to the October figure of 51.5 percent. The Days Payable Outstanding Index expanded for the second consecutive month at 52.5 percent, up 1 percentage point from the 51.5 percent reported in October. The Technology Spend Index reading of 57 percent is an increase of 1.5 percentage points compared to the 55.5 percent recorded in October. The Touchless Orders Index registered 51.5 percent, the same reading as reported in October.

Hospital Business Survey Committee respondents attributed volume growth in November to an increase in elective procedures and seasonal respiratory cases. Several panelists indicated success in hiring additional staff during the month but remained cautious regarding the competitive labor market. Inflation and increasing costs are still putting pressure on hospital margins, which resulted in continuing cost-cutting measures. Back orders and shortages lingered, but panelists’ comments in general suggested a slow, steady increase in supplier delivery performance.

About This Report

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