Economic activity in the hospital subsector grew in May for the ninth consecutive month after contracting twice in the previous 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 58.4 percent in May, a 4.9-percentage point increase from the April reading of 53.5 percent, indicating a ninth consecutive month of growth after a contraction in August. The Business Activity Index expanded for the ninth consecutive month. The New Orders Index remained in expansion for the ninth straight month, and the Employment Index moved back into growth territory. The Supplier Deliveries Index remained in expansion (which indicates slower delivery performance). The Case Mix Index expanded in May after contracting in April, registering 51.5 percent, an increase of 2.5 percentage points compared to the previous month’s figure of 49 percent. The Days Payable Outstanding Index remained in expansion territory in May, registering 57 percent, up 4.5 percentage points from the 52.5 percent reported in April. The Technology Spend Index reading of 60.5 percent is an increase of 6 percentage points compared to the 54.5 percent recorded in April. The Touchless Orders Index returned to contraction territory in May, registering 48.5 percent, down 3 percentage points from the 51.5 percent reported in April.

Strong volumes were top of mind for Hospital Business Survey Committee respondents. Underlying causes cited for the higher volumes included boosts in physician staffing, expanded physical capacity, a rebound from slow spring break traffic and the introduction of new treatments and technologies. Comments related to supply chain operations were more varied. Facilities in some parts of the country enjoyed stability in deliveries and pricing, while others continued to experience shortages and inflationary pressure. Shortages related to syringes due to production issues in China were widespread, as were shortages in sterile water and saline. The Employment Index indicated growth, but comments continued to reflect mixed results. Some panelists indicated their facilities were keeping positions open, while others reported strong hiring efforts designed to replace temporary labor. For the first time since the coronavirus pandemic, construction projects were a theme among panelists’ comments. Previously, mentions of capacity growth had been related to M&As.

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