INSTITUTE FOR SUPPLY MANAGEMENT®
reportonbusiness

Analysis by
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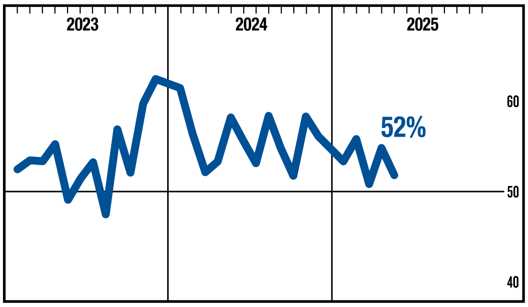
Hospital Business Survey Committee

HOSPITAL PMI® at 52%

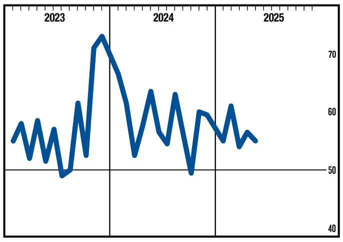


Economic activity in the hospital subsector expanded in May for the 21st consecutive month and the 38th time in the last 40 months, say the nation's hospital supply executives in the latest Hospital ISM® *Report On Business*®.

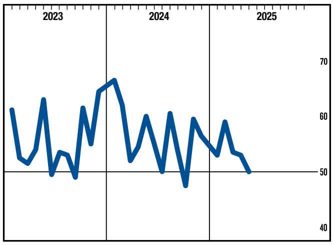
The Hospital PMI® registered 52 percent in May, a 3-percentage point decrease from the April reading of 55 percent. The Business Activity Index remained in expansion territory for the seventh straight month. The New Orders Index was "unchanged" in May, and the Employment Index was in expansion territory for the second consecutive month. The Supplier Deliveries Index expanded (which indicates slower delivery performance) for the second straight month. The Case Mix Index returned to expansion territory in May, registering 53 percent, an increase of 3.5 percentage points from the reading of 49.5 percent reported in April. The Days Payable Outstanding Index returned to expansion in May, registering 51.5 percent, up 2.5 percentage points from the 49 percent reported in April. The Technology Spend Index reading of 59 percent is an increase of 2.5 percentage points compared to the 56.5 percent recorded in April. The Touchless Orders Index returned to expansion territory in May, registering 51.5 percent, up 2 percentage points from the reading of 49.5 percent reported in April.

Tariffs continue to be the top-of-mind concern for Hospital Business Survey panelists. Some indicated they were taking a 'wait-and-see' approach, while others indicated they had increased purchases of equipment and supplies to reduce potential tariff impacts. Group purchasing organization (GPO) contracts that limit price increases over the length of the agreement were credited with preventing some increases, while other facilities began to experience higher prices. Volumes were mixed, with some hospitals having strong elective procedure traffic and others showing a decrease relative to the previous month. Comments related to employment ranged from hospitals experiencing planned head-count reductions to others continuing to hire for clinical positions. Increases in inventory levels were attributed to planned buying related to tariff threats. There were limited concerns regarding supplier deliveries, product shortages or substitutions voiced in this month's report. ISM

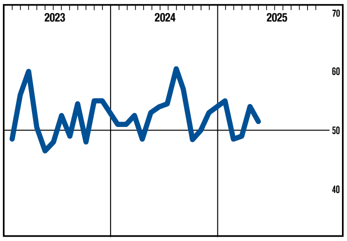
Business Activity



New Orders



Employment



About This Report

The information compiled in this report is for the month of May 2025.

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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