INSTITUTE FOR SUPPLY MANAGEMENT®
reportonbusiness

Analysis by
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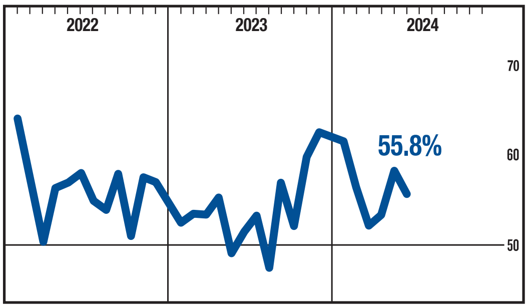
Chair of the Institute for Supply Management®
Hospital Business Survey Committee

HOSPITAL
PMI® at 55.8%

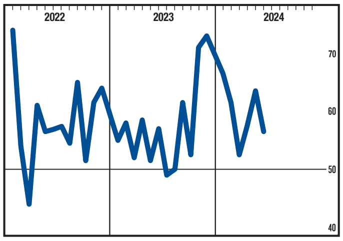


Economic activity in the hospital subsector grew in June for the 10th consecutive month after contracting twice in the previous four-month period, with 35 consecutive months of growth prior to that, say the nation's hospital supply executives in the latest Hospital ISM® *Report On Business*®.

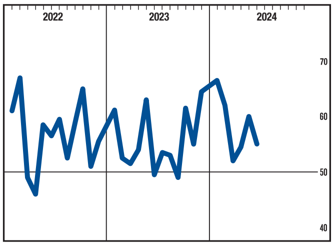
The Hospital PMI® registered 55.8 percent in June, a 2.6-percentage point decrease from the May reading of 58.4 percent, indicating a 10th consecutive month of growth after a contraction in August. The Business Activity Index expanded for the 10th consecutive month. The New Orders Index expanded for the 10th straight month, and the Employment Index remained in growth territory. The Supplier Deliveries Index remained in expansion (which indicates slower delivery performance). The Case Mix Index expanded in June, registering 51 percent, a decrease of 0.5 percentage point compared to the previous month's figure of 51.5 percent. The Days Payable Outstanding Index remained in expansion territory in June, registering 51.5 percent, down 5.5 percentage points from the 57 percent reported in May. The Technology Spend Index reading of 61.5 percent is an increase of 1 percentage point compared to the 60.5 percent recorded in May. The Touchless Orders Index was "unchanged" in June, registering 50 percent, up 1.5 percentage points from the 48.5 percent reported in May.

The majority of Business Survey Committee respondents indicated that patient volumes in June were strong — just not as strong as in May. Some panelists commented that their facilities experienced a shift to more medical versus surgical patients, while others noted elevated levels of surgeries and outpatient volumes. The Employment Index continued to indicate growth, with respondents crediting successful recruitment efforts and a reduction in turnover. To preserve margins, hospitals continued to focus on (1) replacing agency labor with permanent staff to reduce labor costs and (2) reducing utilization and increasing standardization of supplies. Weather impacted supply deliveries in parts of the country, and the syringe shortage continues to be problematic. ISM

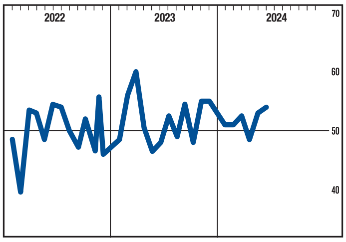
Business Activity



New Orders



Employment



About This Report

The information compiled in this report is for the month of June 2024.

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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