INSTITUTE FOR SUPPLY MANAGEMENT®
reportonbusiness

Analysis by
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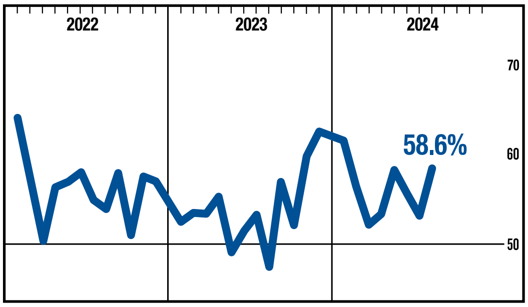
Hospital Business Survey Committee

HOSPITAL
PMI® at 58.6%

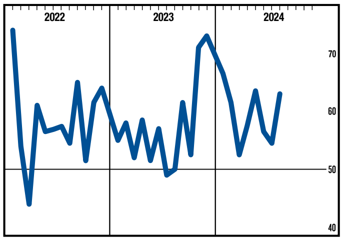


Economic activity in the hospital subsector grew in August for the 12th consecutive month after contracting twice in the previous four-month period, with 35 consecutive months of growth prior to that, say the nation's hospital supply executives in the latest Hospital ISM® *Report On Business®*.

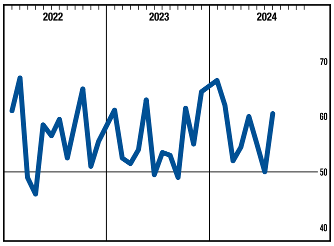
The Hospital PMI® registered 58.6 percent in August, a 5.3-percentage point increase from the July reading of 53.3 percent, indicating a 12th consecutive month of growth after a contraction in August 2023. The Business Activity Index expanded for the 12th consecutive month. The New Orders Index expanded in August after an "unchanged" reading the previous month, and the Employment Index remained in expansion territory for the fourth straight month. The Supplier Deliveries Index remained in expansion (which indicates slower delivery performance) for the 12th consecutive month. The Case Mix Index expanded in August, registering 52.5 percent, 0.5 percentage point lower than the previous month's figure of 53 percent. The Days Payable Outstanding Index was "unchanged" in August, registering 50 percent, down 1.5 percentage points from the July reading of 51.5 percent. The Technology Spend Index reading of 57 percent is an increase of 2.5 percentage points compared to the 54.5 percent recorded in July. The Touchless Orders Index returned to expansion territory in August, registering 53.5 percent, up 5 percentage points from the 48.5 percent reported in July.

Panelists commented on volumes exceeding historical August levels. Most indicated the volume was driven by a resurgence in COVID-19 cases, while a few mentioned increased elective surgical volumes. Hospitals were successful in increasing staffing levels to keep pace with the volumes. Overall, supplier delivery performance continued to improve, with limited shortages and back orders. Pricing pressure continued to have a negative effect on margins. One panelist indicated the facility was fully recovered from the Change Healthcare cyberattack, while another indicated the organization was shifting more focus and resources on cybersecurity. ISM

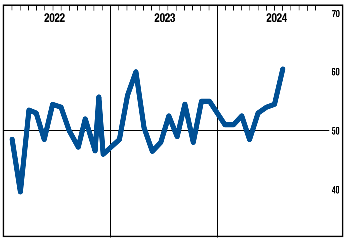
Business Activity



New Orders



Employment



About This Report

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