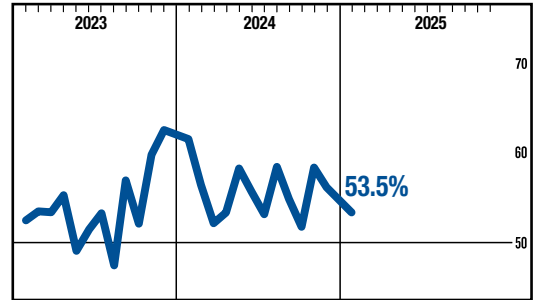


HOSPITAL PMI® at 53.5%

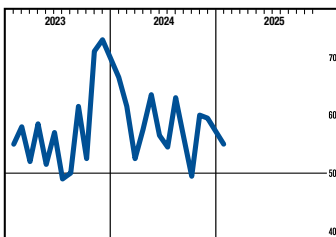
Economic activity in the hospital subsector grew in January for the 17th consecutive month after contracting twice in the previous four-month period, with 35 consecutive months of growth prior to that, say the nation's hospital supply executives in the latest Hospital ISM® *Report On Business*®.

The Hospital PMI® registered 53.5 percent in January, a 2.8-percentage point decrease from the December reading of 56.3 percent, indicating a 17th consecutive month of growth. The Business Activity Index was in expansion territory for the third straight month. The New Orders Index expanded for the third consecutive month, and the Employment Index was in expansion territory for the second straight month. The Supplier Deliveries Index was in expansion (which indicates slower delivery performance) for the 17th consecutive month. The Case Mix Index remained in expansion in January, registering 53 percent, a decrease of 0.5 percentage point from the reading of 53.5 percent reported in December. The Days Payable Outstanding Index returned to contraction territory in January, registering 48 percent, down 3 percentage points from the 51 percent reported in December. The Technology Spend Index reading of 57.5 percent is an increase of 3 percentage points compared to the 54.5 percent recorded in December. The Touchless Orders Index was “unchanged” in January, registering 50 percent, down 1.5 percentage points from the 51.5 percent reported in December.

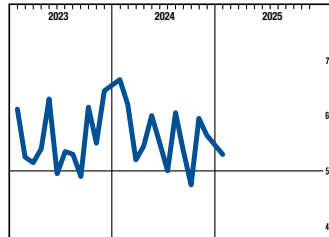


The most frequently mentioned issue by the Hospital Business Survey panelists was their concerns surrounding the impact of tariffs on the price of supplies. There was significant concern that even companies not directly impacted by tariffs will use them as an excuse to raise prices. This was the first month that panelists indicated that respiratory cases had an impact on volumes. Some facilities continued to reschedule elective procedures due to the hurricane-caused IV fluid shortage. Inventories continued to increase as a buffer to product shortages and in preparation for increased volumes from seasonally driven respiratory illnesses. Employment continued to grow due to successful recruitment efforts and an increase in patients with acute conditions. **ISM**

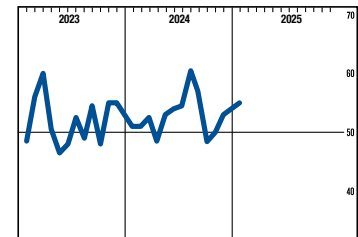
Business Activity



New Orders



Employment



About This Report

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