HEALTH CARE INDICATORS

Hospital, Employment, and Price Indicators for the Health Care Industry: Fourth Quarter 1995 and Annual Data for 1987-95

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This journal includes a discussion of recent trends in health care spending, employment, and prices. The statistics presented in this article are valuable in their own right and for understanding the relationship between the health care sector and the overall economy. In addition, they allow us to anticipate the direction and magnitude of health care cost changes prior to the availability of more comprehensive data.

KEY 1995 TRENDS

- The hospital industry continued to shed excess capacity in 1995: The number of staffed hospital beds continued to decrease in response to continuing declines in the adult occupancy rate.
- Private sector health services continued to be an important source of job creation in 1995, as the growth in health services employment continued to outpace the private non-farm sector as a whole.
- Although rapid growth in home health care services seen in the early 1990s waned somewhat in 1995, as evidenced by marked deceleration in the growth of jobs in that industry, it is still the fastest growing employment sector in the health care industry.
- According to the Consumer Price Index (CPI), growth in prices for all items less medical care were virtually unchanged in 1995 while growth in medical prices continued to decline, though medical prices are still growing at roughly twice the rate of overall prices.
- Growth in the HCFA prospective payment system (PPS) input price index accelerated in 1995 for the first time in 5 years, the result of increases in non-compensation prices.

INTRODUCTION

This article presents statistics on health care utilization, prices, expenses, employment, and work hours, as well as on national economic activity. These statistics provide an early indication of changes occurring in the health care sector and within the general economy. We rely on indicators such as these to anticipate and predict changes in health care sector expenditures for the most recent year. Other indicators help to identify specific reasons (e.g., increases in price inflation or declines in utilization) for health care expenditure change.

The first eight of the accompanying tables report selected quarterly statistics and the calendar year aggregations of quarterly information for the past 9 years. Unless specifically noted, changes in quarterly statistics are shown from the same period one year earlier. For quarterly information, this calculation permits analysis of data to focus on the direction and magnitude of changes, without interference.
introduced by seasonal fluctuations. The last four tables in the report show base weights, annual index levels, and annual percent changes in the Input Price Indexes maintained by HCFA. The annual percent changes and the four-quarter moving average percent changes for input prices are calculated using the same procedure, namely averaging the four quarters ending with the fourth calendar quarter of the current year and dividing by the average of the four calendar quarters of the preceding year.

COMMUNITY HOSPITAL STATISTICS

Statistics on community hospital operations from the American Hospital Association (AHA) presented in Tables 1 and 2 show that community hospitals are in transition. Hospitals are reacting to constraints on existing methods of operation, as hospital stays are shortened and more procedures are shifted from inpatient to outpatient settings. In 1995, some measures of hospital utilization, such as the number of admissions and the number of outpatient visits, increased (Figure 1) although other measures such as the number of inpatient days and the adult length-of-stay (LOS) continued to decline. Hospital admissions increased for the third consecutive year in 1995, with admissions for the population under 65 years of age increasing for the second year in a row after many years of decline. These recent increases in total admissions for the under 65, coupled with the smaller decreases in admissions per 1,000 population for this age group, suggest that the ability to reduce hospital admissions for the non-Medicare (primarily the privately insured) population is diminishing. However, for the population 65 years of age or over, 1995 presented a somewhat different picture. The number of inpatient days for the population age 65 or over continued to decline in 1995, and during the year the rate of this decline actually accelerated.

In 1995, both inpatient days and the LOS for this age cohort experienced the largest declines in many years. Continued healthy declines in LOS can result from a number of causes: (1) composition of admission diagnosis tilts towards those with shorter LOS; (2) hospitals or insurers increasingly influence physicians to conform to commonly accepted LOS for specific admission diagnosis; and (3) under the condition of rising admissions per capita, the admission of more persons with marginal hospitalization requirements (and shorter LOS) who may have previously been treated in other settings.

AHA statistics on the number of staffed beds and the adult occupancy rate present evidence that excess capacity continued to exist in the hospital system in 1995. Despite slight upward pressure on utilization evident in the admissions data, the decline in the number of inpatient days in community hospitals forced continued cuts in capacity over the last year. The number of staffed beds fell 1.8 percent in 1995, the largest annual decrease since 1985. The adult occupancy rate at community hospitals fell below 60 percent in 1995, the lowest annual occupancy rate ever recorded in the AHA statistics.

In real terms, the cost per incident of hospital treatment has remained stable during the past 3 years. The real cost per incident is measured using inpatient expense per admission and outpatient expense per visit, deflated by the gross domestic product (GDP) implicit price deflator. Figure 2 shows that the cost to
society in terms of purchasing alternative goods and services (e.g., food, clothing, housing, education) instead of hospital services has remained unchanged between the third quarter of 1992 and the fourth quarter of 1995. These stable trends indicate the increased influence of managed care in holding down real prices in the health care market place. Before 1992, faster real increases in hospital outpatient rather than inpatient expense per incident reflects, in part, the transfer of patient treatment from the inpatient to outpatient setting.

TRENDS IN HEALTH SECTOR EMPLOYMENT AND EARNINGS

Health services continued to be an important source of job creation in the U.S. economy in 1995. Of the 2.4 million jobs created in the non-farm private sector in 1995, health services accounted for 268,000, roughly 11 percent of the total. For the years 1987-95, shown on Tables 3 and 4, private sector health services employment growth has exceeded employment growth for the entire non-farm private sector in every year but one, 1994. During this same 8-year period, private health services has accounted for 20 percent of all private non-farm job creation, as health services generated 2.5 million of the 12.4 million jobs created.

In the private sector health services industry, home health care services continued to be the largest source of job creation in 1995. Home health care services accounted for 55,000 of the 268,000 private sector health services jobs created in 1995, the most jobs created in any private sector health services industry. From 1988 (the first year home health care services data are available) to 1995, employment in home health care grew by 394,000, accounting for more than 18 percent of the private sector health services jobs created. During this 7-year period, employment in home health care services grew at an average annual rate of 16 percent, compared with 3.9 percent in private sector health services and 1.5 percent for the non-farm private sector overall. During this same period, the average hourly earnings of non-supervisory workers in home health care services increased from 79 percent to 95 percent of the average for all private sector non-supervisory workers.

The period of rapid growth in home health care services employment and payrolls may be coming to an end. Evidence of the decelerating growth in home health care employment and payrolls can be seen on Table 5, which shows the change in implied non-supervisory payrolls for private health service industries. Growth in home health care employment has decelerated in each of the last 7 quarters. By the fourth quarter of 1995, home health care employment grew only 7.8 percent from the same period of the previous year. As recently as the second quarter of 1994 home health care employment was growing at rates exceeding 20 percent during the same period of the previous year. Average weekly hours in home health care services, which had grown at rates between 1.1 percent and 2.6 percent in the preceding 7 quarters, actually fell in the fourth quarter of 1995. The compound effect of the changes in employment, average weekly hours, and average hourly earnings caused the growth in implied non-supervisory payrolls to slow to 9.1 percent in the fourth quarter of 1995, measured over the same period of the previous year. This is the slowest rate of growth in implied non-supervisory payrolls recorded since home health care services data became available in 1988.

There are several possible explanations for the rapid deceleration in the growth of
home health care services employment. There was a freeze on Medicare home health care cost limits in July 1994, the result of regulations enacted in the Omnibus Budget Reconciliation Act of 1993. These limits on charges may have lowered the incentive for home health care providers to continue hiring workers at the rates prevalent before 1994. Additionally, investigations on fraud and abuse in Medicare home health care services, may have caused home health care providers to be more cautious about continued rapid expansion. Third, the market for home health services may be approaching a level of saturation, where the explosive rate of growth in the number of home health care workers is no longer sustainable.

MEDICAL SECTOR PRICES

According to the CPI, medical care prices continued to decelerate in 1995 while growth in prices for all items less medical care was unchanged. The annual percent change in the CPI for medical care decelerated from 4.8 percent in 1994 to 4.5 percent in 1995. Medical care price growth has decelerated each of the past 5 years from a high of 9.1 percent in 1990. Growth in consumer prices for all items less medical care also decelerated from a high of 5.2 percent in 1990 to 2.5 percent in 1994, although the past few years have remained virtually unchanged. In 1995, price growth for all items less medical care was again unchanged, with a small increase from 2.5 percent in 1994 to 2.7 percent. Although medical care consumer prices are still growing roughly 2 percentage points faster than overall prices, the 1.8 percentage point difference in 1995 is the smallest since 1981.

Consumer price growth for medical care services slowed slightly in 1995, the result of constant price changes for professional services and continued deceleration in hospital prices. The CPI for medical care services grew 5.0 percent in 1995 as compared with 5.2 percent in 1994. Virtually unchanged in 1995, the CPI for medical care services had decelerated each of the prior 4 years (Figure 3). Growth in professional services prices has decelerated more than 2 percentage points in the past 5 years, but was also unchanged in 1995 (Figure 4). This growth pattern has been mirrored among the components of professional services, with price changes for both physicians' services and dental services remaining unchanged in 1995 after decelerating in recent years. This is in sharp contrast to the Producer Price Index (PPI) for offices and clinics of medical doctors for non-Medicare treatments, where price growth has decelerated in each quarter in 1995. Because of differences in scope and methodologies of the surveys, the CPI and the PPI cannot be directly compared. Consumer prices for hospital and related services grew at less than one-half the rate in 1995 (5.0 percent) that they had in 1989, when prices grew at 11.5 percent. Increases in hospital room, other inpatient services, and outpatient services prices decelerated in 1995, as they each have during the past 5 years. However, all three components grew at 5.0 percent in 1995, a marked difference from past years where they increased at different rates.

According to the PPI, growth in hospital prices remained virtually unchanged in 1995, the result of offsetting movements between inpatient and outpatient prices. The PPI for hospitals grew at 3.6 percent in 1994 and 3.5 percent in 1995. Producer

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2 The Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66) was enacted on August 10, 1993. Medicare home health care cost limits were affected by provisions mandating that per-visit cost limits would not be updated or adjusted for cost reporting periods beginning on or after July 1, 1994, and before July 1, 1996. In addition, the adjustment for administrative and general cost of hospital-based home agencies was eliminated for cost periods beginning after fiscal year 1993.

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prices for inpatient treatments decelerated from 3.5 to 3.1 percent in 1995. This deceleration was the result of unchanged price growth for Medicare patients and declining price growth for Medicaid and all other patients. Producer prices for outpatient treatments accelerated quickly in 1995, increasing from 4.1 percent growth in 1994 to 6.2 percent growth in 1995. All payers of outpatient treatments were faced with increased prices in 1995 as indicated in Table 8.

The deceleration in consumer price growth for medical care commodities in 1995 was the result of decelerating non-prescription drug price increases, changes in the measurement methodology of prescription drug prices, and accelerating price increases for medical equipment. A change in the methodology used to measure drugs in 1995, as explained in the Spring 1996 Health Care Financing Review "Health Care Indicators" article, served to reduce prescription drug price growth. This change in methodology was partly responsible for medical care commodity prices declining from 2.9-percent growth in 1994 to 1.9-percent growth in 1995. However, deceleration in over-the-counter drug consumer price increases also contributed to the decline in medical care commodity prices. This deceleration was partially offset by an acceleration in non-prescription medical equipment and supplies price growth, which increased by 3.9 percent in 1995 after decelerating during the past 5 years to one-half of the 1989 5.8-percent increase. Although not directly comparable, growth in prescription drug producer prices decelerated in 1995 and growth in medical instruments and equipment producer prices accelerated.

Growth in the HCFA PPS input price index accelerated in 1995 for the first time in 5 years (Figure 5), the result of increases in non-compensation prices. The HCFA PPS input price index grew by 3.1 percent in 1995 as compared with 2.5 percent in 1994. Before 1995, the HCFA PPS input price index had decelerated from a high of 5.4-percent growth in 1989 to a low of 2.5 percent in 1994. The acceleration in 1995 was caused by growth in non-compensation prices such as chemicals, medical instruments, photographic supplies, rubber and plastics, and business services. Compensation prices in the HCFA PPS input price index continued to decelerate in 1995, growing at just 2.6 percent after increasing 3.1 percent in 1994. The HCFA PPS input price index is only one of several factors used to increase Medicare payments to hospitals under PPS, and therefore differs from the PPI measure of prices paid by or on behalf of Medicare patients. The two indexes also differ in that the HCFA PPS index is an input price index whereas the PPI is an output price index.

BACKGROUND INFORMATION ON DATA SOURCES AND METHODS

Community Hospital Statistics

Since 1963, the AHA, in cooperation with member hospitals, has been collecting data on the operation of community hospitals through its National Hospital Panel Survey. Community hospitals, which comprised more than 80 percent of all hospital facilities in the United States in 1995, include all non-Federal, short-term general, and other special hospitals open to the public. They exclude hospital units of institutions; psychiatric facilities; tuberculosis, other respiratory, and chronic disease hospitals; institutions for the mentally retarded; and alcohol and chemical dependency hospitals.

The survey samples approximately one-third of all U.S. community hospitals. The sample is designed to produce estimates of community hospital indicators by bed size.
and region (American Hospital Association, 1963-95). In Tables 1 and 2, statistics covering expenses, utilization, beds, and personnel depict trends in the operation of community hospitals annually for 1987-95 and quarterly for 1993 forward.

For purposes of national health expenditures (NHE), survey statistics on revenues (not shown on Table 1) are analyzed in estimating the growth in the largest component of health care costs—community hospital expenditures. This one segment of NHE accounted for 36 percent of all health spending in 1994 (Levit et al., 1996). The survey also identifies important factors influencing expenditure growth patterns, such as changes in the number of beds in operation, numbers of admissions, LOS, use of outpatient facilities, and number of surgeries.

PRIVATE HEALTH SECTOR: EMPLOYMENT, HOURS, AND EARNINGS

The Bureau of Labor Statistics (BLS) collects monthly information on employment for all workers, and employment, earnings, and work hours for non-supervisory workers in a sample of approximately 340,000 establishments. Data are collected through cooperative agreements with State agencies that also use this information to create State and local area statistics. The survey is designed to collect industry-specific information on wage and salary jobs in non-agricultural industries. It excludes statistics on self-employed persons and on those employed in the military (U.S. Department of Labor, 1996).

Employment in this survey is defined as number of jobs. Persons holding multiple jobs would be counted multiple times. Approximately 5 percent of the population hold more than one job at any one time. (Other surveys that are household-based, such as the Current Population Survey [CPS], also record employment. In the CPS, however, each person’s employment status is counted only once, as either employed, unemployed, or not in the labor force.) Once each year, monthly establishment-based employment statistics are adjusted to benchmarks created from annual establishment census information, resulting in revisions to previously published employment estimates. The 1987 revision of the Standard Industrial Code (SIC) established Home Health Care Services as a separate industry, SIC 808. Prior to the 1987 revision, home health care was included in SIC 809, Allied Health Services, not elsewhere classified. Data on home health care services have been collected on the revised SIC basis since 1988. Tables 3, 4, and 5 present statistics on employment, non-supervisory employment, average weekly hours, and average hourly earnings for the private non-farm business sector and industries in health services.

NATIONAL ECONOMIC INDICATORS

National economic indicators provide a context for understanding health-specific indicators and how change in the health sector relates to change in the economy as a whole. Table 6 presents national indicators of output and inflation.

GDP measures the output of the U.S. economy as the market value of goods and services produced within the geographic boundaries of the United States by U.S. or foreign citizens or companies. Constant dollar or “real” GDP removes the effects of price changes from the valuation of goods and services produced, so that the growth of real GDP reflects changes in the physical quantity of the output of the economy. In the most recent comprehensive revision
of the National Income and Product Accounts, the method for removing the effects of price changes was altered. The GDP estimates are now deflated using “chain-weighted” price indexes. This method replaces the previous fixed-weighted method of deflating the GDP estimates (U.S. Department of Commerce, 1995).

PRICES

Consumer Price Indexes

The BLS publishes monthly information on changes in prices paid by consumers for a fixed market basket of goods and services. Tables 6, 7, and 8 present information on the all-urban CPI that measures changes in prices faced by 80 percent of the non-institutionalized population in the United States. (The more restrictive wage-earner CPI gauges prices faced by wage earners and clerical workers. These workers account for 32 percent of the non-institutionalized population [U.S. Department of Labor, 1996].)

The index reflects changes in prices charged for the same quality and quantity of goods or services purchased in the base period. For most items, the base period of 1982-84 is used to define the share of consumer expenditures purchasing specific services and products. Those shares or weights remain constant in all years, even though consumption patterns of the household may change over time. This type of index is called a fixed weight or Laspeyres index.

CPIs for health care goods and services depict list price changes for out-of-pocket expenditures. The CPI for medical care services also includes an indirect measure of price change for health insurance premium payments made directly by consumers. The composite CPI for medical care weights together product-specific or service-specific CPIs in proportion to household out-of-pocket expenditures for these items. In addition, some medical care sector indexes measure changes in list or charged prices, rather than in prices actually received by providers after discounts are deducted. In several health care areas, received or transaction prices are difficult to capture, although the BLS is making advances in this area.

In the NHE, a combination of CPIs for selected medical care items, input price indexes for nursing homes, and the PPI for hospitals are used as measures of inflation for the health industry. The indexes are used to develop a chain-weighted price index for personal health care to depict price changes affecting the entire health care industry more accurately than does the overall CPI medical care index (Levit, et. al, 1996).

Producer Price Indexes

The BLS produces monthly information on average changes in selling prices received by domestic producers for their output. These prices are presented in Tables 6, 7, and 8 as the PPI. The index is designed to measure transaction prices, and is different from the CPI, which in some cases measures list or full-charge prices. The PPI is a fixed-weight or Laspeyres index, with base period weights determined by values of receipts. The base period varies among series.

The PPI consists of indexes in several major classification structures, including the industry and commodity classifications that are included in the Health Care Indicators. The PPI by industry classification measures price changes received for the industry's output sold outside the industry. PPI changes for an industry are determined by price changes for products primarily made by establishments in that
industry. The industry into which an establishment is classified is determined by those products accounting for the largest share of its total value of shipments. The PPI by commodity classification measures price changes of the end product (end use or material composition). The classification system for PPI commodity groups is unique to the PPI, and is divided into fifteen major commodity groupings.

While PPIs for medical commodities have existed for numerous years, PPIs for health service industries are relatively new. Most index series began in 1994, and the index series for the composite health services industry does not begin until December 1994. However, the PPI for hospitals began in December 1992, providing enough data for a useful time series. The PPI for hospitals is a measure of transaction prices, or net prices received by the producer from out-of-pocket, Medicare, Medicaid, and private third-party payor sources. The PPI for hospitals should not be compared with the CPI for hospital and related services. Whereas other PPI and CPI series are somewhat comparable (for example, the PPI-Office and clinics of doctors of medicine and the CPI-Physicians' services), the PPI and CPI for hospitals have important differences in survey scope and methodology. The PPI for hospitals measures price changes for the entire treatment path, measures net transaction price, includes Medicare and Medicaid, samples both urban and rural hospitals, and reflects total hospital revenue from all sources in its index weights. On the other hand, the CPI for hospitals measures price changes for a discrete sample of hospital services singly, measures published charges, excludes Medicare and Medicaid, samples only urban hospitals, and reflects only consumer out-of-pocket expenses and household health insurance premium payments in its index weights. These differences make a direct comparison between the PPI and CPI hospital services indexes inappropriate.

The PPI for the health services industry is available by detailed industry groupings. For example, general medical and surgical hospitals consist of inpatient and outpatient treatments, which in turn consist of Medicare, Medicaid, and all other patients. These patient categories consist of more detail, such as DRG groupings for Medicare. Although most of the data used to measure PPI price changes for health services are collected through a sample, there are specific instances where data are collected from both a sample and from Federal regulation. This is the case for Medicare hospital inpatient services and Medicare offices and clinics of doctors of medicine. The producer price changes in Medicare hospital inpatient services are computed from a combination of a national sample of DRGs in hospitals, DRG relative weights from the PPS, final rules published in the current and historical year, and other adjustments. The producer price changes in Medicare offices of doctors of medicine are computed from a combination of a geographic area sample of payments under the HCFA Common Procedure Coding System (HCPCS), HCPCS updates from the December 8, 1994, Federal Register, and other adjustments. Because of different methodologies, these two PPIs are not comparable with the national updates computed by HCFA and published in the Federal Register.

Input Price Indexes

In 1979, HCFA developed the Medicare hospital input price index (hospital market basket) which was designed to measure the pure price changes associated with expenditure changes for hospital services.
In the early 1980s, the skilled nursing facility (SNF) and home health agency (HHA) input price indexes, often referred to as "market baskets," were developed to price a consistent set of goods and services over time. Also in the early 1980s, the original Medicare hospital input price index was revised for use in updating payment rates for the PPS. All of these indexes have played an important role in helping to set Medicare payment percent increases, and in understanding the contribution of input price increases to growing health expenditures.

The input price indexes, or market baskets, are Laspeyres or fixed-weight indexes that are constructed in two steps. First, a base period is selected. For example, for the PPS hospital input price index, the base period is 1987. Cost categories, such as food, fuel, and labor, are identified and their 1987 expenditure amounts determined. The proportion or share of total expenditures included in specific spending categories is calculated. These proportions are called cost or expenditure weights. There are 28 expenditure categories in the 1987-based PPS hospital input price index.

Second, a price proxy is selected to match each expenditure category. Its purpose is to measure the rate of price increases of the goods or services in that category. The price proxy index for each spending category is multiplied by the expenditure weight for the category. The sum of these products (weights multiplied by the price index) over all cost categories yields the composite input price index for any given period, usually a fiscal year or a calendar year. The percent change in the input price index is an estimate of price change over time for a fixed quantity of goods and services purchased by a provider.

The input price indexes are estimated on a historical basis and forecasted out several years. The HCFA-chosen price proxies are forecasted under contract with Data Resources, Inc./McGraw Hill (DRI). Following every calendar year quarter, in March, June, September, and December, DRI updates its macroeconomic forecasts of wages and prices based on updated historical information and revised forecast assumptions. Some of the data in Tables 9 through 11 are forecasted and are expected to change as more recent historical data become available and subsequent quarterly forecasts are revised. The methodology and price proxy definitions used in the input price indexes are described in the Federal Register notices that accompany the revisions of the PPS, HHA, and SNF cost limits. A description of the current structure of the PPS input price index was published in the September 4, 1990, Federal Register. The most recent PPS update for payment rates was published in the September 1, 1995, Federal Register. The latest HHA regulatory input price index was published in the February 14, 1995, Federal Register, and the latest SNF input price index was published in the October 7, 1992, Federal Register (also the June 6, 1994, Federal Register).

Periodically, the input price indexes are revised to a new base year so that cost weights will reflect changes in the mix of goods and services that are purchased. Each revision allows for new base weights, a new base year, and changes to certain price variables used for price proxies.

Each input price index is presented in a table with both an index level and a 4-quarter moving-average percent change. The hospital input price index for PPS is in Table 9, the SNF input price index is in Table 10, and the HHA input price index is in Table 11.
MEDICARE ECONOMIC INDEX

In 1972, Congress mandated the development of the Medicare Economic Index (MEI) to measure the changes in costs of physicians' time and operating expenses. The input price change measured by the MEI is considered in connection with the update factor for the Medicare Part B physician fee schedule under the Resource-Based Relative Value Scale (RBRVS), (November 25, 1992, Federal Register and December 8, 1995, Federal Register), or is used as an advisory indicator by Congress in updating the fee schedule. The MEI is a fixed-weighted sum of annual price changes for various inputs needed to produce physicians' services with an offset for productivity increases. Like a traditional Laspeyres index, the MEI is constructed in two steps. First, a base period is selected (1989 for the MEI), cost categories are identified, and the 1989 expenditure amounts by cost category are determined. Second, price proxies are selected to match each expenditure category. These proxies are weighted by the category weight determined from expenditure amounts, and summed to produce the composite MEI. Unlike a traditional Laspeyres index, the compensation portion of the MEI is adjusted for productivity so both economy-wide productivity and physician practice productivity are not both included in the update, resulting in a double counting of productivity.

Forecasts of the MEI are made periodically throughout the fiscal year by DRI/McGraw-Hill for HCFA using several different sets of economic assumptions. DRI/McGraw-Hill produces 4 main forecasts of the MEI: a Presidential budget forecast in December and the mid-session Review in June based on assumptions for the Federal budget exercises, the Medicare Trustees Report forecast in February based on assumptions by the Medicare Trustees, and the Medicare Premium Promulgation forecast in August based on baseline assumptions by DRI/McGraw-Hill. DRI/McGraw-Hill also produces forecasts of the MEI using their own economic assumptions forecast. The forecasts based on DRI/McGraw-Hill assumptions are presented in Health Care Indicators. Much of the forecasted data changes as more recent historical data become available and the assumptions change.

The methodology, weights, and price proxy definitions used in the MEI are described in the November 25, 1992, Federal Register. The MEI data are presented in Table 12 as index levels and 4-quarter moving average percent changes.

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## Table 1

Selected Community Hospital Statistics: 1987-95

| Item                               | 1987   | 1988   | 1989   | 1990   | 1991   | 1992   | 1993   | 1994   | 1995   |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| **Utilization**                    |        |        |        |        |        |        |        |        |        |
| All Ages                           |        |        |        |        |        |        |        |        |        |
| Admissions in Thousands            | 33,634 | 33,496 | 33,176 | 33,017 | 32,670 | 32,411 | 32,652 | 32,938 | 33,389 |
| Admissions per 1,000 Population    | 132    | 131    | 128    | 126    | 124    | 121    | 121    | 121    | 122    |
| Inpatient Days in Thousands        | 223,441| 222,313| 220,361| 216,836| 211,475| 206,440| 202,078| 196,177| 190,377|
| Adult Length of Stay in Days       | 6.6    | 6.6    | 6.6    | 6.6    | 6.5    | 6.4    | 6.2    | 6.0    | 5.7    |
| 65 Years of Age or Over            |        |        |        |        |        |        |        |        |        |
| Admissions in Thousands            | 10,841 | 11,052 | 11,190 | 11,379 | 11,659 | 11,860 | 12,209 | 12,456 | 12,820 |
| Admissions per 1,000 Population    | 358    | 359    | 357    | 357    | 360    | 360    | 366    | 369    | 375    |
| Inpatient Days in Thousands        | 96,273 | 97,531 | 98,904 | 99,056 | 99,468 | 98,920 | 97,042 | 94,877 | 91,164 |
| Adult Length of Stay in Days       | 8.9    | 8.8    | 8.8    | 8.8    | 8.7    | 8.5    | 8.3    | 7.9    | 7.6    |
| Under 65 Years of Age              |        |        |        |        |        |        |        |        |        |
| Admissions in Thousands            | 22,733 | 22,434 | 21,986 | 21,638 | 21,011 | 20,551 | 20,443 | 20,483 | 20,569 |
| Admissions per 1,000 Population    | 102    | 99     | 97     | 94     | 91     | 88     | 87     | 86     | 65     |
| Inpatient Days in Thousands        | 127,168| 124,782| 121,457| 117,781| 112,007| 107,520| 105,036| 101,240| 99,213 |
| Adult Length of Stay in Days       | 5.6    | 5.6    | 5.6    | 5.5    | 5.4    | 5.3    | 5.2    | 5.1    | 4.9    |
| Surgical Operations in Thousands   | 21,038 | 21,252 | 21,383 | 21,904 | 21,983 | 22,469 | 22,710 | 23,286 | 23,739 |
| Outpatient Visits in Thousands     | 278,917| 296,111| 308,086| 326,498| 344,116| 366,243| 390,188| 417,684| 452,556|
| Adjusted Patient Days in Thousands | 277,674| 281,335| 282,995| 283,985| 282,897| 281,525| 278,938| 276,209| 273,638|
| Beds in Thousands                  | 954    | 942    | 930    | 921    | 912    | 908    | 902    | 891    | 874    |
| Adult Occupancy Rate               | 64.1   | 64.5   | 64.9   | 64.5   | 63.5   | 62.1   | 61.4   | 60.3   | 59.7   |
| **Operating Expenses**             |        |        |        |        |        |        |        |        |        |
| Total Hospital Revenues in Millions| $169,307| $166,810| $205,698| $229,058| $251,657| $275,430| $295,035| $309,354| $324,961|
| Total Patient Revenues in Millions | 161,539| 177,786| 195,540| 216,709| 239,492| 282,034| 280,414| 293,285| 307,228|
| Inpatient Revenues in Millions     | 129,998| 140,494| 152,273| 165,483| 179,042| 192,163| 203,167| 208,262| 213,771|
| Outpatient Revenues in Millions    | 31,541 | 37,292 | 43,267 | 51,226 | 60,449 | 69,870 | 77,248 | 85,023 | 93,457 |
| **Operating Expenses**             |        |        |        |        |        |        |        |        |        |
| Total in Millions                  | $161,322| $177,770| $185,378| $217,113| $238,633| $280,094| $278,880| $292,801| $308,411|
| Labor in Millions                  | 87,533 | 95,415 | 106,019 | 117,828 | 128,704 | 140,112 | 149,733 | 156,926 | 163,842 |
| Non-Labor in Millions              | 73,790 | 81,355 | 89,359 | 99,296 | 109,299 | 120,982 | 130,913 | 135,975 | 144,569 |
| Inpatient Expense in Millions      | $129,914| $140,475| $152,136| $165,777| $178,392| $191,385| $202,035| $207,897| $214,570|
| Amount per Patient Day             | 581    | 632    | 669    | 765    | 844    | 927     | 1,000   | 1,060   | 1,127   |
| Amount per Admission               | 3,660  | 4,194  | 4,586  | 5,021  | 5,460  | 5,905   | 6,188   | 6,312   | 6,426   |
| Outpatient Expense in Millions     | $31,508| $37,296| $43,242| $51,337| $60,241| $69,609| $76,845| $84,903| $93,841|
| Amount per Outpatient Visit        | 113    | 128    | 140    | 157    | 175    | 190     | 197     | 203     | 207     |

1. Admissions per 1,000 population is calculated using population estimates prepared by the Social Security Administration.
2. Adjusted patient days is an aggregate figure reflecting the number of days of inpatient care, plus an estimate of the volume of outpatient services expressed in units equivalent to an inpatient day in terms of level of effort. It is derived by multiplying the number of outpatient visits by the ratio of outpatient revenue per outpatient visit to inpatient revenue per inpatient day, and adding the product to the number of inpatient days.
3. Adult occupancy rate is the ratio of average daily census to the average number of beds maintained during the reporting period.
4. Total hospital revenue is the sum of total patient revenue and all other operating revenue. Total patient revenue is the sum of inpatient revenue and outpatient revenue.

NOTES: Q designates quarter of year. Quarterly data are not seasonally adjusted.

SOURCE: American Hospital Association: National Hospital Panel Survey Reports. Chicago. Monthly reports for January 1987-December 1995.  

HEALTH CARE FINANCING REVIEW/Summer 1996/VOLUME 17, NUMBER 4
Table 1—Continued

Selected Community Hospital Statistics: 1987-95

|       | 1993 Q1 | 1993 Q2 | 1993 Q3 | 1993 Q4 | 1994 Q1 | 1994 Q2 | 1994 Q3 | 1994 Q4 | 1995 Q1 | 1995 Q2 | 1995 Q3 | 1995 Q4 |
|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|       | 8,351   | 8,086   | 8,083   | 8,133   | 8,368   | 8,190   | 8,154   | 8,236   | 8,634   | 8,281   | 8,213   | 8,260   |
|       | 124     | 120     | 120     | 123     | 120     | 120     | 121     | 121     | 126     | 121     | 119     | 120     |
|       | 53,228  | 50,150  | 49,089  | 49,611  | 51,709  | 48,648  | 47,657  | 48,102  | 50,377  | 47,296  | 46,239  | 46,457  |
| 6.4   | 6.2     | 6.1     | 6.1     | 6.2     | 5.9     | 5.8     | 5.8     | 5.8     | 5.7     | 5.6     | 5.6     |         |
|       | 3,138   | 3,042   | 2,944   | 3,085   | 3,211   | 3,098   | 3,022   | 3,125   | 3,379   | 3,187   | 3,071   | 3,184   |
| 378   | 365     | 352     | 368     | 362     | 367     | 357     | 368     | 397     | 374     | 359     | 371     |         |
|       | 25,022  | 24,274  | 22,990  | 23,956  | 25,551  | 23,493  | 22,831  | 23,203  | 24,778  | 22,823  | 21,607  | 22,056  |
| 8.2   | 5.0     | 7.8     | 7.8     | 8.0     | 7.8     | 7.5     | 7.4     | 7.3     | 7.2     | 7.0     | 6.9     |         |
|       | 5,213   | 5,044   | 5,139   | 5,047   | 5,158   | 5,082   | 5,132   | 5,111   | 5,255   | 5,094   | 5,143   | 5,077   |
| 89    | 85      | 87      | 85      | 87      | 85      | 85      | 85      | 85      | 85      | 85      | 84      |         |
|       | 27,406  | 25,875  | 26,099  | 25,655  | 26,158  | 25,155  | 25,027  | 24,899  | 25,598  | 24,472  | 24,732  | 24,411  |
| 5.3   | 5.1     | 6.1     | 5.1     | 5.1     | 5.1     | 5.0     | 4.9     | 4.9     | 4.9     | 4.8     | 4.8     |         |
|       | 5,846   | 5,721   | 5,677   | 5,665   | 5,664   | 5,664   | 5,640   | 5,918   | 6,028   | 5,956   | 5,832   | 5,915   |
| 94,677| 97,637  | 99,212  | 98,662  | 98,341  | 104,079 | 107,022 | 108,241 | 111,088 | 113,699 | 113,932 | 114,438 |         |
| 72,306| 69,334  | 68,351  | 68,860  | 71,244  | 68,776  | 67,711  | 68,363  | 71,226  | 68,148  | 67,079  | 67,106  |         |
| 905   | 904     | 901     | 897     | 895     | 893     | 888     | 886     | 881     | 877     | 871     | 867     |         |
| 65.3  | 61.0    | 59.2    | 60.1    | 64.2    | 59.8    | 58.3    | 59.0    | 63.5    | 59.3    | 57.7    | 58.2    |         |
|       | $73,552 | $73,250 | $73,697 | $74,536 | $76,480 | $76,829 | $77,069 | $78,976 | $81,793 | $81,020 | $80,307 | $81,842 |
| 70,107| 69,613  | 69,956  | 70,709  | 72,702  | 72,668  | 73,018  | 74,697  | 77,476  | 76,557  | 75,956  | 77,236  |         |
| 51,610| 50,351  | 50,252  | 50,943  | 52,767  | 51,543  | 51,393  | 52,559  | 54,797  | 53,133  | 52,356  | 53,438  |         |
| 18,497| 19,262  | 19,723  | 19,766  | 19,935  | 21,325  | 21,625  | 22,136  | 22,679  | 23,424  | 23,599  | 23,755  |         |
|       | $68,527 | $69,245 | $70,002 | $71,106 | $71,677 | $72,619 | $73,468 | $75,039 | $76,259 | $76,751 | $76,928 | $78,584 |
| 96,792| 97,250  | 97,578  | 98,123  | 98,420  | 98,629  | 98,406  | 98,170  | 98,529  | 98,768  | 98,957  | 98,958  |         |
| 51,746| 51,929  | 52,424  | 52,983  | 53,257  | 53,750  | 54,059  | 54,869  | 55,730  | 55,983  | 55,951  | 56,906  |         |
| $50,447| $50,085| $50,274| $51,229| $52,023| $51,366| $51,709| $52,200| $53,936| $53,268| $52,945| $54,421|         |
| 948   | 999     | 1,024   | 1,033   | 1,006   | 1,056   | 1,085   | 1,098   | 1,071   | 1,126   | 1,145   | 1,171   |         |
| 6,041 | 6,194   | 6,220   | 6,299   | 6,217   | 6,279   | 6,341   | 6,411   | 6,247   | 6,432   | 6,446   | 6,588   |         |
| $18,080| $19,160| $19,728| $19,877| $19,654| $21,252| $21,755| $22,239| $22,823| $23,483| $23,863| $24,172|         |
| 191   | 196     | 199     | 201     | 200     | 204     | 203     | 205     | 201     | 207     | 211     | 211     |         |
# Table 2

Percent Change in Selected Community Hospital Statistics: 1987-95

| Item                                    | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|-----------------------------------------|------|------|------|------|------|------|------|------|------|
| **Utilization**                         |      |      |      |      |      |      |      |      |      |
| All Ages                                |      |      |      |      |      |      |      |      |      |
| Admissions in Thousands                 | -0.6 | -0.4 | -1.0 | -0.5 | -1.1 | -0.8 | 0.7  | 0.9  | 1.4  |
| Admissions per 1,000 Population         | -1.5 | -1.4 | -2.0 | -1.5 | -2.0 | -1.8 | -0.2 | -0.1 | 0.4  |
| Inpatient Days in Thousands             | 0.2  | -0.5 | -0.9 | -1.6 | -2.5 | -2.4 | -2.1 | -2.9 | -2.9 |
| Adult Length of Stay in Days            | 0.8  | -0.1 | 0.1  | -1.1 | -1.4 | -1.6 | -2.8 | -3.8 | -4.2 |
| 65 Years of Age or Over                 |      |      |      |      |      |      |      |      |      |
| Admissions in Thousands                 | 0.4  | 2.0  | 1.2  | 1.7  | 2.5  | 1.7  | 2.9  | 2.0  | 2.9  |
| Admissions per 1,000 Population         | -1.7 | 0.2  | -0.6 | 0.0  | 0.9  | 0.2  | 1.5  | 0.8  | 1.8  |
| Inpatient Days in Thousands             | 1.4  | 1.3  | 1.4  | 0.2  | 0.4  | -0.6 | -1.9 | -2.2 | -3.9 |
| Adult Length of Stay in Days            | 1.0  | -0.7 | 0.2  | -1.5 | -2.0 | -2.2 | -4.7 | -4.2 | -6.6 |
| Under 65 Years of Age                   |      |      |      |      |      |      |      |      |      |
| Admissions in Thousands                 | -1.0 | -1.6 | -2.0 | -1.6 | -2.9 | -2.2 | -0.5 | 0.2  | 0.4  |
| Admissions per 1,000 Population         | -1.8 | -2.4 | -2.9 | -2.5 | -3.8 | -3.1 | -1.4 | -0.7 | -0.5 |
| Inpatient Days in Thousands             | -0.8 | -1.9 | -2.7 | -3.0 | -4.9 | -4.0 | -2.3 | -3.6 | -2.0 |
| Adult Length of Stay in Days            | 0.4  | -0.3 | -0.7 | -1.5 | -2.1 | -1.9 | -1.8 | -3.6 | -2.4 |
| Surgical Operations in Thousands        | 2.9  | 1.0  | 0.6  | 2.4  | 0.4  | 2.2  | 1.1  | 2.5  | 1.9  |
| Outpatient Visits in Thousands          | 5.8  | 6.2  | 4.0  | 6.0  | 5.4  | 6.4  | 6.5  | 7.0  | 8.3  |
| Adjusted Patient Days in Thousands      | 1.8  | 1.3  | 0.6  | 0.3  | -0.4 | -0.5 | -0.9 | -1.0 | -0.9 |
| Beds in Thousands                       | -0.9 | -1.3 | -1.3 | -0.9 | -1.0 | -0.5 | -0.7 | -1.2 | -1.8 |
| Adult Occupancy Rate¹                   | 0.7  | 0.3  | 0.5  | -0.4 | -0.9 | -1.4 | -0.7 | -1.1 | -0.7 |
| Total Hospital Revenues in Millions     | 10.0 | 10.3 | 10.1 | 10.9 | 10.3 | 9.4  | 7.1  | 4.9  | 5.0  |
| Total Patient Revenues in Millions      | 9.9  | 10.1 | 10.0 | 10.8 | 10.5 | 9.4  | 7.0  | 4.6  | 4.8  |
| Inpatient Revenues in Millions          | 8.2  | 8.1  | 8.4  | 8.7  | 8.2  | 7.3  | 5.7  | 2.5  | 2.6  |
| Outpatient Revenues in Millions         | 17.1 | 18.2 | 18.0 | 18.4 | 18.0 | 15.6 | 10.6 | 10.1 | 9.9  |
| **Operating Expenses**                  |      |      |      |      |      |      |      |      |      |
| Total in Millions                       | 10.5 | 10.2 | 9.9  | 11.1 | 9.9  | 9.4  | 6.9  | 5.0  | 5.3  |
| Labor in Millions                       | 9.2  | 10.1 | 10.0 | 11.1 | 9.2  | 8.9  | 6.9  | 4.7  | 4.5  |
| Non-Labor in Millions                   | 12.0 | 10.3 | 9.8  | 11.1 | 10.7 | 10.0 | 6.8  | 5.3  | 6.3  |
| Inpatient Expense in Millions           | 8.8  | 8.2  | 8.3  | 9.0  | 7.6  | 7.3  | 5.6  | 2.9  | 3.2  |
| Amount per Patient Day                  | 8.6  | 8.8  | 9.3  | 10.7 | 10.3 | 9.9  | 7.8  | 6.0  | 6.3  |
| Amount per Admission                    | 9.4  | 8.7  | 9.3  | 9.5  | 8.8  | 8.1  | 4.8  | 2.0  | 1.8  |
| Outpatient Expense                      | 17.8 | 18.4 | 15.9 | 18.7 | 17.3 | 15.8 | 10.4 | 10.5 | 10.5 |
| Amount per Outpatient Visit             | 11.3 | 11.5 | 11.4 | 12.0 | 11.3 | 8.5  | 3.6  | 3.2  | 2.0  |

¹ Change in rate, rather than percent change.

NOTES: Q designates quarter of year. Quarterly data are not seasonally adjusted.

SOURCE: American Hospital Association: National Hospital Panel Survey Reports. Chicago. Monthly reports for January 1986-December 1995.
|       | 1993 Q1 | 1993 Q2 | 1993 Q3 | 1993 Q4 | 1994 Q1 | 1994 Q2 | 1994 Q3 | 1994 Q4 | 1995 Q1 | 1995 Q2 | 1995 Q3 | 1995 Q4 |
|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| -0.1  | 0.1     | 0.0     | 0.3     | 0.2     | 1.2     | 0.0     | 1.3     | 3.2     | 1.2     | 0.7     | 0.3     |
| -1.1  | 1.2     | 0.0     | 1.4     | -0.7    | 0.2     | -0.1    | 0.3     | 2.2     | 0.3     | -0.2    | -0.6    |
| -1.9  | 2.3     | 2.5     | 1.8     | -2.2    | -3.0    | -2.9    | -3.0    | -2.6    | -2.8    | -3.0    | -3.4    |
| -1.8  | 2.1     | 3.5     | 4.0     | -3.1    | -4.1    | -3.8    | -4.3    | -5.6    | -4.0    | -3.7    | -3.7    |
| 2.0   | 2.5     | 2.2     | 5.2     | 2.3     | 1.8     | 2.6     | 1.3     | 5.2     | 2.9     | 1.6     | 1.9     |
| 0.4   | 1.0     | 0.8     | 3.9     | 1.1     | 0.6     | 1.4     | 0.1     | 4.0     | 1.7     | 0.5     | 0.8     |
| -1.0  | 1.7     | 3.7     | -1.3    | -1.1    | -3.2    | -1.6    | -3.1    | -3.0    | -2.9    | -5.0    | -4.9    |
| -2.9  | -4.0    | -5.8    | -6.3    | -3.3    | -5.0    | -4.1    | -4.4    | -7.3    | -3.6    | -6.6    | -6.7    |
| -1.3  | -1.7    | 0.3     | 0.7     | -1.1    | 0.7     | -0.1    | 1.3     | 1.9     | 0.2     | 0.2     | -0.7    |
| -2.2  | -2.6    | -0.6    | -0.3    | -1.9    | -0.2    | -1.0    | 0.3     | 1.0     | -0.7    | 0.7     | 1.2     |
| -2.7  | 2.8     | 1.6     | -2.2    | -4.6    | -2.8    | -4.1    | -2.9    | -2.1    | -2.7    | 1.2     | -2.0    |
| -1.4  | -1.1    | -1.8    | -2.8    | -3.5    | -3.5    | -4.0    | -4.2    | -4.0    | -3.0    | -1.4    | -1.3    |
| 0.7   | 1.4     | 0.8     | 1.5     | 0.3     | 2.5     | 2.9     | 4.5     | 6.4     | 1.7     | -0.1    | -0.1    |
| 6.2   | 6.6     | 6.4     | 7.0     | 3.9     | 6.6     | 7.9     | 9.7     | 13.0    | 9.2     | 5.9     | 5.7     |
| -0.7  | 1.0     | -1.3    | -0.7    | -1.5    | -0.8    | -0.9    | -0.7    | 0.0     | -0.9    | 0.9     | -1.8    |
| -0.4  | -0.7    | -0.8    | -0.8    | -1.2    | -1.2    | -1.4    | -1.2    | -1.5    | -1.8    | 1.9     | -2.1    |
| -0.2  | -1.0    | -1.1    | -0.6    | -1.1    | -1.1    | -0.9    | -1.1    | -0.7    | -0.6    | -0.6    | -0.8    |
| 8.0   | 7.1     | 6.7     | 6.6     | 4.0     | 4.9     | 4.6     | 6.0     | 6.9     | 5.5     | 4.2     | 3.6     |
| 8.1   | 7.1     | 6.6     | 6.3     | 3.7     | 4.7     | 4.3     | 5.6     | 6.6     | 5.1     | 4.0     | 3.4     |
| 6.8   | 5.7     | 5.3     | 5.2     | 2.2     | 2.4     | 2.2     | 3.2     | 3.8     | 3.1     | 1.9     | 1.8     |
| 11.9  | 10.9    | 10.1    | 9.5     | 7.8     | 10.7    | 9.6     | 12.0    | 13.8    | 9.8     | 9.1     | 7.3     |
| 7.5   | 7.3     | 6.3     | 6.3     | 4.6     | 4.9     | 5.0     | 5.5     | 8.4     | 5.7     | 4.5     | 4.7     |
| 7.7   | 8.0     | 6.2     | 5.7     | 4.5     | 4.2     | 4.9     | 5.4     | 5.5     | 5.0     | 3.7     | 3.8     |
| 7.3   | 6.5     | 6.5     | 7.0     | 4.8     | 5.6     | 5.0     | 5.7     | 7.4     | 6.5     | 5.6     | 5.8     |
| 6.2   | 5.9     | 5.0     | 5.1     | 3.1     | 2.6     | 2.9     | 3.1     | 3.7     | 3.7     | 2.4     | 3.1     |
| 8.2   | 8.4     | 7.8     | 7.0     | 6.2     | 5.7     | 5.9     | 6.3     | 6.4     | 6.7     | 5.5     | 6.7     |
| 6.3   | 6.1     | 4.0     | 2.7     | 2.9     | 1.4     | 2.0     | 1.8     | 0.5     | 2.4     | 1.7     | 2.8     |
| 11.3  | 11.1    | 9.9     | 9.4     | 8.7     | 10.9    | 10.3    | 11.9    | 13.6    | 10.5    | 9.7     | 8.7     |
| 4.8   | 4.2     | 3.3     | 2.3     | 4.7     | 4.1     | 2.2     | 2.0     | 0.5     | 1.1     | 3.6     | 2.6     |

Table 2—Continued  
Percent Change in Selected Community Hospital Statistics: 1987-95

Percent Change From the Same Period of Previous Year
| Type of Establishment | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|-----------------------|------|------|------|------|------|------|------|------|------|
| **Total Employment**  | 72,930 | 74,777 | 73,034 | 73,800 | 72,650 | 72,930 | 74,777 | 77,476 | 79,560 |
| Non-Farm Private Sector | 68,771 | 71,106 | 73,034 | 73,800 | 72,650 | 72,930 | 74,777 | 77,476 | 79,560 |
| Health Services       | 6,042 | 6,311 | 6,636 | 6,948 | 7,276 | 7,546 | 7,770 | 7,974 | 8,209 |
| Offices and Clinics of Physicians | 943 | 988 | 1,047 | 1,105 | 1,155 | 1,202 | 1,231 | 1,257 | 1,295 |
| Offices and Clinics of Dentists | 414 | 424 | 437 | 450 | 463 | 473 | 487 | 502 | 523 |
| Nursing Homes         | 1,159 | 1,184 | 1,226 | 1,279 | 1,347 | 1,385 | 1,431 | 1,487 | 1,526 |
| Private Hospitals     | 2,866 | 3,010 | 3,145 | 3,248 | 3,353 | 3,442 | 3,464 | 3,451 | 3,489 |
| Home Health Care Services | N/A | 199 | 225 | 269 | 319 | 369 | 435 | 514 | 564 |
| **Average Weekly Hours** | 34.8 | 34.7 | 34.6 | 34.5 | 34.3 | 34.4 | 34.5 | 34.7 | 34.5 |
| Non-Farm Private Sector | 32.4 | 32.4 | 32.5 | 32.5 | 32.5 | 32.5 | 32.5 | 32.5 | 32.5 |
| Health Services       | 31.1 | 31.6 | 31.9 | 31.8 | 31.9 | 31.9 | 31.9 | 31.9 | 31.9 |
| Offices and Clinics of Physicians | 26.3 | 28.5 | 28.5 | 28.4 | 28.3 | 28.3 | 28.3 | 28.1 | 27.9 |
| Offices and Clinics of Dentists | 31.6 | 31.6 | 31.8 | 32.1 | 32.1 | 32.3 | 32.2 | 32.3 | 32.4 |
| Nursing Homes         | 34.1 | 34.0 | 34.0 | 34.2 | 34.2 | 34.4 | 34.6 | 34.6 | 34.6 |
| Home Health Care Services | N/A | 26.5 | 25.4 | 25.3 | 26.1 | 27.4 | 27.8 | 28.2 | 28.6 |
| **Average Hourly Earnings** | $8.98 | $9.28 | $9.65 | $10.01 | $10.32 | $10.57 | $10.83 | $11.12 | $11.45 |
| Non-Farm Private Sector | 8.69 | 9.21 | 9.82 | 10.40 | 10.96 | 11.39 | 11.78 | 12.10 | 12.45 |
| Health Services       | 8.61 | 9.07 | 9.78 | 10.58 | 11.13 | 11.41 | 11.89 | 12.24 | 12.47 |
| Offices and Clinics of Physicians | 8.50 | 8.82 | 9.41 | 10.14 | 10.62 | 11.02 | 11.44 | 11.86 | 12.39 |
| Offices and Clinics of Dentists | 6.00 | 6.03 | 6.80 | 7.24 | 7.56 | 7.66 | 8.17 | 8.49 | 8.75 |
| Nursing Homes         | 9.84 | 10.51 | 11.21 | 11.79 | 12.50 | 13.03 | 13.46 | 13.93 | 14.30 |
| Home Health Care Services | N/A | 7.30 | 7.85 | 8.70 | 9.38 | 10.00 | 10.41 | 10.66 | 10.91 |
| **Addenda: Hospital Employment in Thousands** | 4,437 | 4,600 | 4,740 | 4,863 | 4,958 | 5,068 | 5,100 | 5,069 | 5,124 |
| Private               | 3,142 | 3,234 | 3,434 | 3,549 | 3,655 | 3,750 | 3,779 | 3,774 | 3,815 |
| Federal               | 249 | 241 | 227 | 232 | 234 | 235 | 234 | 233 | 230 |
| State                 | 439 | 446 | 442 | 446 | 417 | 419 | 414 | 406 | 392 |
| Local                 | 606 | 619 | 632 | 646 | 653 | 665 | 673 | 676 | 686 |

1 Excludes hospitals, clinics, and other health-related establishments run by all governments.

NOTES: Data presented here conform to the 1987 Standard Industrial Classification. Q designates quarter of year. Quarterly data are not seasonally adjusted. N/A is not available.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: Employment and Earnings, Washington, U.S. Government Printing Office, Monthly reports for January 1987-March 1996.
Table 3—Continued

Employment, Hours, and Earnings in Private-Sector Health Service Establishments, by Selected Type of Establishment: 1987-95

|       | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|-------|------|------|------|------|------|------|------|------|------|
| Q1    |      |      |      |      |      |      |      |      |      |
| Q2    |      |      |      |      |      |      |      |      |      |
| Q3    |      |      |      |      |      |      |      |      |      |
| Q4    |      |      |      |      |      |      |      |      |      |

[Table continues with data for 1993, 1994, 1995, Q1 to Q4, with employment, hours, and earnings data for each quarter and year.]
Table 4
Percent Change in Employment, Hours, and Earnings in Private-Sector Health Service Establishments, by Selected Type of Establishment: 1987-95

| Type of Establishment and Measure                        | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|----------------------------------------------------------|------|------|------|------|------|------|------|------|------|
| **Total Employment**                                     | 0.3  | 0.3  | 1.2  | 0.4  | 0.2  | 0.3  | 0.6  | 0.5  | 0.5  |
| Non-Farm Private Sector                                  | 0.0  | 0.1  | 0.1  | 0.0  | 0.1  | 0.0  | 0.1  | 0.0  | 0.0  |
| Health Services                                          | 0.0  | 0.1  | 0.1  | 0.0  | 0.1  | 0.0  | 0.1  | 0.0  | 0.0  |
| Offices and Clinics of Physicians                         | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Offices and Clinics of Dentists                           | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Nursing Homes                                            | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Private Hospitals                                        | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Home Health Care Services                                 | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  |
| **Average Weekly Hours**                                 | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Non-Farm Private Sector                                  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Health Services                                          | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Offices and Clinics of Physicians                         | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Offices and Clinics of Dentists                           | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Nursing Homes                                            | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Private Hospitals                                        | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Home Health Care Services                                 | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  |
| **Average Hourly Earnings**                              | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Non-Farm Private Sector                                  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Health Services                                          | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Offices and Clinics of Physicians                         | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Offices and Clinics of Dentists                           | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Nursing Homes                                            | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Private Hospitals                                        | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Home Health Care Services                                 | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  |
| **Addenda: Hospital Employment**                         | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Total                                                    | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Private                                                  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Federal                                                  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| State                                                    | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| Local                                                    | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |

1 Excludes hospitals, clinics, and other health-related establishments run by all governments.

NOTES: Data presented here conform to the 1987 Standard Industrial Classification. Q designates quarter of year. Quarterly data are not seasonally adjusted. N/A is not available.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: Employment and Earnings, Washington, U.S. Government Printing Office. Monthly reports for January 1996-March 1996.
Table 4—Continued
Percent Change in Employment, Hours, and Earnings in Private-Sector Health Service Establishments, by Selected Type of Establishment: 1987-95

|        | 1993 Q1 | 1993 Q2 | 1993 Q3 | 1993 Q4 | 1994 Q1 | 1994 Q2 | 1994 Q3 | 1994 Q4 | 1995 Q1 | 1995 Q2 | 1995 Q3 | 1995 Q4 |
|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Percent Change From the Same Period of Previous Year |
| 1.5    | 1.9     | 2.4     | 2.7     | 2.9     | 3.3     | 3.5     | 3.5     | 3.4     | 2.7     | 2.3     | 1.8     |
| 3.1    | 3.2     | 3.2     | 3.0     | 2.8     | 2.8     | 2.8     | 2.8     | 2.9     | 2.9     | 3.1     | 3.3     |
| 3.4    | 3.2     | 2.9     | 2.2     | 2.0     | 2.1     | 2.3     | 2.8     | 3.0     | 3.1     | 3.0     | 3.3     |
| 2.7    | 3.0     | 2.8     | 3.1     | 3.1     | 3.4     | 3.3     | 3.4     | 3.8     | 3.9     | 4.5     | 4.8     |
| 2.3    | 3.1     | 3.7     | 4.5     | 4.7     | 4.4     | 4.0     | 3.0     | 2.8     | 2.4     | 2.5     | 2.9     |
| 1.5    | 1.1     | 0.6     | 0.0     | -0.4    | -0.3    | -0.1    | 0.3     | 0.8     | 1.1     | 1.2     | 1.3     |
| 15.2   | 16.5    | 19.3    | 20.3    | 21.0    | 20.2    | 17.8    | 15.2    | 13.0    | 9.6     | 9.0     | 7.8     |
| 2.0    | 2.3     | 2.7     | 3.1     | 3.2     | 3.7     | 3.8     | 3.6     | 2.9     | 2.4     | 1.9     |
| 3.0    | 3.1     | 3.0     | 2.8     | 2.6     | 2.7     | 2.6     | 2.7     | 2.9     | 2.8     | 3.0     | 3.2     |
| 3.0    | 2.7     | 2.4     | 1.6     | 1.9     | 2.0     | 2.2     | 2.7     | 2.6     | 2.8     | 3.0     | 3.4     |
| 2.7    | 2.9     | 2.8     | 2.9     | 3.1     | 3.4     | 3.0     | 3.2     | 3.7     | 4.6     | 5.0     |
| 2.3    | 3.1     | 3.6     | 4.3     | 4.5     | 4.2     | 3.9     | 3.0     | 2.6     | 2.5     | 2.9     |
| 1.5    | 1.0     | 0.4     | -0.3    | -0.7    | -0.6    | -0.4    | 0.2     | 0.7     | 1.1     | 1.2     | 1.4     |
| 15.1   | 16.5    | 19.3    | 20.4    | 21.3    | 20.3    | 17.3    | 14.9    | 12.8    | 9.5     | 9.1     | 7.8     |
| -0.1   | 0.5     | 0.6     | 0.4     | 0.7     | 0.6     | 0.4     | 0.6     | 0.1     | -0.9    | -0.5    | -0.8    |
| -0.2   | 0.5     | 0.0     | 0.0     | 0.1     | 0.0     | -0.1    | 0.0     | 0.1     | -0.1    | -0.2    | -0.2    |
| -0.4   | -0.7    | -0.2    | -0.2    | -0.7    | -0.8    | -0.5    | -0.7    | -0.9    | -1.0    | -0.5    |
| -0.7   | 0.4     | -0.3    | -0.7    | 0.2     | 0.0     | -0.2    | 1.0     | 0.6     | 0.2     | 0.7     | 0.4     |
| 0.5    | 0.5     | 0.5     | 0.5     | 0.5     | 0.2     | 0.1     | -0.1    | -0.2    | -0.2    | -0.6    | -0.5    |
| 0.6    | 2.7     | 1.2     | 1.0     | 1.7     | 1.6     | 1.1     | 2.4     | 2.6     | 1.9     | 1.7     | -1.4    |
| 2.5    | 2.5     | 2.3     | 2.6     | 2.6     | 2.5     | 2.7     | 2.9     | 2.8     | 2.9     | 3.2     | 3.0     |
| 4.1    | 3.6     | 3.1     | 3.0     | 2.7     | 2.6     | 2.9     | 2.7     | 2.9     | 2.8     | 2.7     | 3.0     |
| 4.4    | 4.8     | 3.8     | 3.6     | 3.8     | 3.0     | 3.0     | 2.1     | 2.0     | 1.4     | 1.4     | 2.6     |
| 3.2    | 3.4     | 4.2     | 4.3     | 4.7     | 5.0     | 4.7     | 4.1     | 3.8     | 3.6     | 3.3     | 3.6     |
| 4.0    | 3.8     | 3.8     | 4.4     | 4.2     | 4.1     | 3.9     | 3.6     | 3.6     | 3.3     | 2.9     | 2.5     |
| 4.1    | 3.6     | 2.9     | 2.8     | 2.4     | 2.5     | 3.0     | 3.1     | 3.5     | 3.4     | 3.2     | 3.4     |
| 5.0    | 3.7     | 4.2     | 3.5     | 2.6     | 2.7     | 2.3     | 2.3     | 2.5     | 2.1     | 2.0     | 2.6     |
| 1.1    | 0.8     | 0.5     | 0.0     | -0.3    | -0.3    | -0.3    | 0.0     | 0.4     | 0.6     | 0.8     | 0.9     |
| 1.5    | 1.1     | 0.6     | 0.0     | -0.4    | -0.3    | -0.1    | 0.3     | 0.8     | 1.1     | 1.2     | 1.3     |
| -1.9   | -1.1    | 0.4     | 1.7     | 0.5     | -1.1    | -1.9    | -2.9    | -1.6    | 0.4     | -0.8    |
| -1.1   | -1.3    | -1.1    | -1.5    | -1.6    | -2.4    | -2.5    | -2.9    | -3.6    | -3.5    |
| 1.5    | 1.5     | 1.3     | 0.7     | 0.5     | 0.2     | 0.1     | 0.5     | 1.1     | 1.6     | 1.7     | 2.1     |
Table 5
Percent Change in Implied Non-Supervisory Payrolls, Employment, Average Weekly Hours, and Average Hourly Earnings in Private1 Health Service Establishments, by Selected Type of Establishment: 1987-95

| Type of Establishment and Measure | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|----------------------------------|------|------|------|------|------|------|------|------|------|
| **Health Services**              |      |      |      |      |      |      |      |      |      |
| Payrolls                         | 8.4  | 10.6 | 12.3 | 11.2 | 10.3 | 8.5  | 6.6  | 5.4  | 5.8  |
| Employment                       | 4.1  | 4.4  | 5.2  | 4.7  | 4.7  | 3.7  | 3.0  | 2.6  | 2.9  |
| Average Weekly Hours             | -0.1 | 0.2  | 0.1  | 0.3  | 0.0  | 0.7  | 0.1  | 0.0  | -0.1 |
| Average Hourly Earnings          | 4.2  | 5.9  | 6.7  | 5.9  | 5.3  | 3.9  | 3.4  | 2.7  | 2.9  |
| **Offices and Clinics of Physicians** |  |      |      |      |      |      |      |      |      |
| Payrolls                         | 8.0  | 11.9 | 15.4 | 13.6 | 10.6 | 7.5  | 6.9  | 5.8  | 4.8  |
| Employment                       | 5.0  | 4.8  | 5.9  | 5.5  | 4.6  | 4.0  | 2.4  | 2.2  | 2.9  |
| Average Weekly Hours             | -0.2 | 1.5  | 1.0  | -0.4 | 0.4  | 0.8  | 0.2  | 0.5  | 0.0  |
| Average Hourly Earnings          | 3.2  | 5.3  | 7.9  | 8.1  | 5.3  | 2.5  | 4.2  | 3.0  | 1.9  |
| **Offices and Clinics of Dentists** |  |      |      |      |      |      |      |      |      |
| Payrolls                         | 6.4  | 6.9  | 10.0 | 10.6 | 7.5  | 6.2  | 6.5  | 7.4  | 7.1  |
| Employment                       | 2.5  | 2.3  | 3.3  | 2.8  | 3.1  | 2.1  | 2.8  | 3.2  | 4.2  |
| Average Weekly Hours             | 1.0  | 0.6  | -0.1 | -0.2 | -0.4 | 0.2  | -0.3 | -0.5 | -0.8 |
| Average Hourly Earnings          | 2.8  | 3.9  | 6.6  | 7.8  | 4.7  | 3.8  | 3.8  | 4.6  | 3.6  |
| **Nursing Homes**                |      |      |      |      |      |      |      |      |      |
| Payrolls                         | 7.2  | 7.7  | 12.2 | 12.1 | 10.1 | 7.4  | 7.1  | 8.3  | 6.3  |
| Employment                       | 3.1  | 2.1  | 3.6  | 4.3  | 5.4  | 2.8  | 2.8  | 3.9  | 2.7  |
| Average Weekly Hours             | 0.5  | 0.0  | 0.9  | 0.9  | 0.1  | 0.5  | -0.3 | 0.3  | 0.5  |
| Average Hourly Earnings          | 3.5  | 5.4  | 7.4  | 6.5  | 4.4  | 3.9  | 4.0  | 3.9  | 3.1  |
| **Private Hospitals**            |      |      |      |      |      |      |      |      |      |
| Payrolls                         | 8.6  | 11.6 | 11.6 | 9.4  | 9.4  | 7.6  | 4.5  | 2.5  | 4.2  |
| Employment                       | 3.6  | 5.0  | 4.5  | 3.3  | 3.2  | 2.7  | 0.6  | -0.4 | 1.1  |
| Average Weekly Hours             | -0.3 | -0.5 | 0.0  | 0.7  | 0.0  | 0.6  | 0.5  | 0.2  | -0.4 |
| Average Hourly Earnings          | 5.1  | 6.8  | 5.7  | 5.2  | 6.0  | 4.2  | 3.3  | 2.8  | 3.4  |
| **Home Health Care Services**    |      |      |      |      |      |      |      |      |      |
| Payrolls                         | N/A  | N/A  | 16.8 | 31.9 | 31.9 | 29.2 | 24.4 | 23.2 | 13.5 |
| Employment                       | N/A  | N/A  | 13.3 | 19.4 | 18.6 | 15.6 | 17.9 | 18.3 | 9.7  |
| Average Weekly Hours             | N/A  | N/A  | -4.1 | -0.4 | -3.2 | 4.8  | 1.4  | 1.7  | 1.2  |
| Average Hourly Earnings          | N/A  | N/A  | 7.5  | 10.9 | 7.8  | 6.6  | 4.1  | 2.5  | 2.3  |
| **Non-Farm Private Sector**      |      |      |      |      |      |      |      |      |      |
| Payrolls                         | 5.4  | 6.7  | 6.5  | 4.5  | 0.9  | 3.1  | 5.4  | 7.0  | 5.2  |
| Employment                       | 2.8  | 3.4  | 2.7  | 1.0  | -1.6 | 0.4  | 2.5  | 3.6  | 2.7  |
| Average Weekly Hours             | 0.0  | -0.2 | -0.3 | -0.3 | -0.6 | 0.2  | 0.3  | 0.5  | -0.5 |
| Average Hourly Earnings          | 2.5  | 3.4  | 4.0  | 3.7  | 3.1  | 2.4  | 2.6  | 2.7  | 3.0  |

1Excludes hospitals, clinics, and other health-related establishments run by all governments.

NOTES: Data presented here conform to the 1987 Standard Industrial Classification. Q designates quarter of year. Quarterly data are not seasonally adjusted. N/A is not available.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: Employment and Earnings. Washington, U.S. Government Printing Office. Monthly reports for January 1986-March 1996.
Table 5—Continued

Percent Change in Implied Non-Supervisory Payrolls, Employment, Average Weekly Hours, and Average Hourly Earnings in Private Health Service Establishments, by Selected Type of Establishment: 1987-95

|        | 1993 Q1 | 1993 Q2 | 1993 Q3 | 1993 Q4 | 1994 Q1 | 1994 Q2 | 1994 Q3 | 1994 Q4 | 1995 Q1 | 1995 Q2 | 1995 Q3 | 1995 Q4 |
|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Percent Change From the Same Period of Previous Year |         |         |         |         |         |         |         |         |         |         |         |         |
|        | 7.0     | -0.2    | 4.1     | 7.1     | 3.0     | 0.0     | 4.4     | 4.6     | 2.7     | -1.3    | 3.2     | 5.5     |
|        | 7.3     | 0.5     | 3.6     | 8.5     | 2.7     | 0.2     | 4.8     | 7.2     | 2.9     | 0.7     | 4.2     | 6.0     |
|        | 6.2     | 3.0     | 3.1     | 6.5     | 2.4     | 0.3     | 3.8     | 6.9     | 2.8     | -0.2    | 3.4     | 5.3     |
|        | 5.8     | 2.8     | 3.0     | 5.6     | 1.8     | 0.3     | 3.6     | 7.1     | 2.9     | 0.2     | 2.5     | 5.5     |
|        | 5.5     | 2.6     | 2.7     | 5.5     | 1.9     | 0.7     | 3.8     | 8.1     | 3.1     | -0.7    | 2.5     | 5.2     |
|        | 5.3     | 2.7     | 2.6     | 5.2     | 2.0     | 0.4     | 4.7     | 7.8     | 3.0     | 0.0     | 1.0     | 4.8     |
|        | 5.4     | 2.6     | 2.7     | 5.8     | 2.2     | 0.0     | 5.0     | 8.0     | 3.0     | -0.8    | 1.0     | 4.0     |
|        | 5.5     | 2.7     | 2.8     | 7.0     | 2.2     | 0.1     | 4.7     | 8.0     | 3.0     | -0.6    | 0.7     | 4.7     |
|        | 6.0     | 2.7     | 3.0     | 6.9     | 2.7     | 0.1     | 5.1     | 8.0     | 3.0     | -0.5    | 0.6     | 4.0     |
|        | 5.5     | 2.8     | 3.0     | 6.4     | 2.8     | 0.1     | 5.2     | 7.9     | 3.0     | -0.4    | 0.4     | 3.9     |
|        | 5.6     | 2.8     | 3.0     | 7.1     | 2.9     | 0.1     | 5.3     | 7.9     | 3.0     | -0.3    | 0.3     | 3.8     |
|        | 5.8     | 2.9     | 3.0     | 8.1     | 2.9     | 0.1     | 5.4     | 7.9     | 3.0     | -0.2    | 0.2     | 3.7     |
|        | 8.0     | 2.9     | 3.0     | 9.1     | 3.0     | 0.1     | 5.5     | 8.0     | 3.0     | -0.1    | 0.1     | 3.6     |
Table 6

Selected National Economic Indicators: 1987-95

| Indicator | 1987  | 1988  | 1989  | 1990  | 1991  | 1992  | 1993  | 1994  | 1995  |
|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| **Gross Domestic Product** |       |       |       |       |       |       |       |       |       |
| Billions of Dollars | $4,692 | $5,050 | $5,439 | $5,744 | $5,917 | $6,224 | $6,550 | $6,931 | $7,246 |
| Billions of 1992 Chain Weighted Dollars | $5,648 | $5,883 | $6,050 | $6,133 | $6,079 | $6,244 | $6,384 | $6,604 | $6,739 |
| Implicit Price Deflator (1992 = 100.0) | 83.1 | 86.1 | 89.7 | 93.6 | 97.3 | 100.0 | 102.6 | 105.0 | 107.5 |
| **Personal Income** |       |       |       |       |       |       |       |       |       |
| Personal Income in Billions | $3,877 | $4,173 | $4,489 | $4,792 | $4,968 | $5,264 | $5,479 | $5,750 | $6,102 |
| Disposable Income in Billions | $3,365 | $3,641 | $3,994 | $4,167 | $4,344 | $4,614 | $4,799 | $5,019 | $5,307 |
| **Prices** |       |       |       |       |       |       |       |       |       |
| Consumer Price Index, All Items | 113.6 | 118.3 | 124.0 | 130.7 | 136.2 | 140.3 | 144.5 | 148.2 | 152.4 |
| Energy | 88.6 | 89.2 | 94.3 | 102.1 | 102.4 | 103.0 | 104.1 | 104.6 | 105.2 |
| Food and Beverages | 113.6 | 118.2 | 124.9 | 132.1 | 136.8 | 138.7 | 141.6 | 144.9 | 148.9 |
| Medical Care | 130.1 | 135.6 | 145.2 | 162.8 | 177.0 | 190.1 | 201.4 | 211.0 | 220.5 |
| **Producer Price Index, Finished Goods Except Food and Energy** |       |       |       |       |       |       |       |       |       |
| Consumer Goods | 103.6 | 106.2 | 112.1 | 118.2 | 120.4 | 121.7 | 123.0 | 123.3 | 125.6 |
| Energy | 61.8 | 59.8 | 65.7 | 75.0 | 78.1 | 77.8 | 78.0 | 77.0 | 78.1 |
| Food | 109.5 | 112.6 | 118.7 | 124.4 | 124.1 | 125.3 | 125.6 | 126.8 | 129.0 |
| Finished Goods Except Food and Energy | 114.2 | 118.5 | 124.0 | 126.8 | 133.7 | 137.2 | 138.5 | 139.0 | 141.9 |

| Annual Percent Change |       |       |       |       |       |       |       |       |       |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| **Gross Domestic Product** |       |       |       |       |       |       |       |       |       |
| Billions of Dollars | 6.1 | 7.6 | 7.7 | 6.6 | 3.0 | 5.6 | 4.9 | 5.8 | 4.5 |
| Billions of 1992 Chain Weighted Dollars | 2.9 | 3.8 | 3.4 | 1.3 | -1.0 | 2.7 | 2.2 | 3.5 | 2.0 |
| Implicit Price Deflator (1992 = 100.0) | 3.1 | 3.7 | 4.2 | 4.3 | 4.0 | 2.7 | 2.6 | 2.3 | 2.4 |
| **Personal Income** |       |       |       |       |       |       |       |       |       |
| Personal Income in Billions | 6.3 | 7.6 | 7.6 | 6.7 | 3.7 | 6.0 | 4.1 | 4.9 | 6.1 |
| Disposable Income in Billions | 5.5 | 6.3 | 7.0 | 7.0 | 4.2 | 6.2 | 3.8 | 4.8 | 5.8 |
| **Prices** |       |       |       |       |       |       |       |       |       |
| Consumer Price Index, All Items | 3.7 | 4.1 | 4.8 | 5.4 | 4.2 | 3.0 | 3.0 | 2.6 | 2.8 |
| Energy | 0.4 | 0.8 | 5.7 | 8.2 | 0.4 | 0.5 | 1.1 | 0.5 | 0.6 |
| Food and Beverages | 4.1 | 4.1 | 5.7 | 5.8 | 3.6 | 1.4 | 2.1 | 2.3 | 2.6 |
| Medical Care | 6.6 | 6.5 | 7.7 | 9.1 | 6.7 | 7.4 | 6.0 | 4.8 | 4.5 |
| **Producer Price Index, Finished Goods** |       |       |       |       |       |       |       |       |       |
| Consumer Goods | 2.1 | 2.5 | 5.6 | 5.5 | 1.9 | 1.0 | 1.1 | 0.2 | 1.9 |
| Energy | -1.9 | -3.2 | 9.8 | 14.1 | 4.2 | -0.4 | 0.3 | -1.2 | 1.4 |
| Food | 2.1 | 2.8 | 5.5 | 4.8 | -0.2 | -0.7 | 1.9 | 0.9 | 1.8 |
| Finished Goods Except Food and Energy | 2.8 | 3.8 | 4.6 | 3.8 | 3.8 | 2.7 | 0.9 | 0.3 | 2.1 |

1 Base period = 1982-84, unless noted.
2 Formerly called the "Wholesale Price Index."

NOTES: Q designates quarter of year. Unlike Tables 1-5, quarterly data on GDP, personal income, and disposable personal income are seasonally adjusted at annual rates.

SOURCES: U.S. Department of Commerce, Bureau of Economic Analysis: Survey of Current Business, Washington. U.S. Government Printing Office. Monthly reports for January 1996-March 1996; U.S. Department of Labor, Bureau of Labor Statistics: Employment and Earnings, Washington. U.S. Government Printing Office. Monthly reports for January 1986-March 1996.
Table 6–Continued

Selected National Economic Indicators: 1987-95

|       | 1993 Q1 | 1993 Q2 | 1993 Q3 | 1993 Q4 | 1994 Q1 | 1994 Q2 | 1994 Q3 | 1994 Q4 | 1995 Q1 | 1995 Q2 | 1995 Q3 | 1995 Q4 |
|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|       | $6,443  | $6,503  | $6,571  | $6,684  | $6,773  | $6,885  | $7,080  | $7,148  | $7,197  | $7,299  | $7,340  |
|       | $5,327  | $6,354  | $6,390  | $6,464  | $6,505  | $6,582  | $6,640  | $6,691  | $6,702  | $6,709  | $6,768  | $6,777  |
| 1977  | 101.8   | 102.4   | 102.8   | 103.4   | 104.1   | 104.6   | 105.2   | 105.8   | 106.7   | 107.3   | 107.8   | 108.3   |
| $5,349 |         |         |         |         |         |         |         |         |         |         |         |         |
|       | $4,772  | $5,458  | $5,501  | $5,609  | $5,562  | $5,743  | $5,802  | $5,894  | $5,996  | $6,062  | $6,136  | $6,214  |
|       | $5,486  | $4,772  | $4,804  | $4,895  | $4,857  | $5,002  | $5,070  | $5,146  | $5,228  | $5,280  | $5,337  | $5,407  |
| 143.1 | 144.2   | 144.8   | 145.8   | 146.7   | 147.6   | 148.9   | 149.6   | 150.9   | 152.2   | 152.9   | 153.6   |         |
| 140.0 | 141.0   | 141.5   | 142.4   | 143.3   | 144.1   | 145.4   | 146.0   | 147.1   | 148.4   | 149.0   | 149.7   |         |
| 102.7 | 104.7   | 105.4   | 103.8   | 101.7   | 103.5   | 107.8   | 105.4   | 103.7   | 106.5   | 107.2   | 103.5   |         |
| 140.7 | 141.4   | 141.5   | 142.7   | 143.9   | 144.1   | 145.2   | 146.2   | 147.9   | 148.7   | 149.0   | 150.0   |         |
| 197.7 | 200.3   | 202.8   | 204.8   | 207.5   | 209.8   | 212.2   | 214.7   | 217.6   | 219.3   | 221.5   | 223.4   |         |
| 122.8 | 124.2   | 122.8   | 122.3   | 122.4   | 123.0   | 123.9   | 123.7   | 124.5   | 125.7   | 125.9   | 126.3   |         |
| 77.0  | 79.5    | 79.4    | 76.1    | 74.4    | 76.7    | 80.2    | 76.9    | 76.7    | 80.0    | 79.4    | 76.3    |         |
| 124.5 | 126.3   | 125.4   | 126.4   | 127.1   | 126.5   | 126.4   | 127.2   | 128.3   | 128.0   | 129.1   | 130.6   |         |
| 139.3 | 139.8   | 137.3   | 137.6   | 138.6   | 138.7   | 139.8   | 140.8   | 141.6   | 141.7   | 143.6   |         |         |

Percent Change from the Same Period of Previous Year

|       | 5.2    | 4.9    | 4.7    | 5.1    | 5.9    | 6.3    | 5.9    | 5.5    | 4.5    | 4.4    | 3.7    |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2.5   | 2.2    | 2.1    | 2.2    | 2.8    | 3.6    | 3.9    | 3.5    | 3.0    | 1.9    | 1.9    | 1.3    |
| 2.7   | 2.6    | 2.7    | 2.5    | 2.3    | 2.2    | 2.3    | 2.4    | 2.5    | 2.5    | 2.5    | 2.4    |
| 3.8   | 4.5    | 4.6    | 4.0    | 5.2    | 5.5    | 5.1    | 7.8    | 5.6    | 5.8    | 5.4    |        |
| 3.8   | 4.1    | 4.1    | 3.6    | 4.8    | 5.5    | 5.1    | 7.6    | 5.2    | 5.3    | 5.1    |        |
| 3.2   | 3.1    | 2.7    | 2.7    | 2.5    | 2.4    | 2.9    | 2.7    | 2.8    | 3.1    | 2.6    | 2.7    |
| 2.9   | 2.9    | 2.5    | 2.5    | 2.4    | 2.2    | 2.7    | 2.5    | 2.7    | 3.0    | 2.5    | 2.5    |
| 3.4   | 2.0    | -0.3   | -0.4   | -0.9   | -1.1   | 2.3    | 1.5    | 1.9    | 2.9    | -0.6   | -1.8   |
| 1.8   | 2.1    | 2.0    | 2.5    | 2.3    | 1.9    | 2.7    | 2.5    | 2.7    | 3.2    | 2.6    | 2.6    |
| 6.3   | 6.1    | 5.9    | 5.5    | 5.0    | 4.7    | 4.8    | 4.8    | 4.9    | 4.6    | 4.4    | 4.1    |
| 2.1   | 2.1    | 0.4    | -0.2   | -0.3   | -1.0   | 0.9    | 1.2    | 1.7    | 2.2    | 1.6    | 2.1    |
| 3.6   | 1.8    | -1.3   | -2.8   | -3.4   | -3.5   | 1.0    | 1.1    | 3.0    | 4.3    | -1.0   | -0.7   |
| 1.2   | 2.7    | 1.8    | 2.1    | 2.0    | 0.2    | 0.8    | 0.6    | 1.0    | 1.2    | 2.2    | 2.7    |
| 2.1   | 1.9    | 0.3    | -0.5   | -0.5   | -0.8   | 1.0    | 1.6    | 1.6    | 2.0    | 2.2    | 2.7    |
### Table 7

**Index Levels of Medical Prices: 1987-95**

| Item                                      | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|-------------------------------------------|------|------|------|------|------|------|------|------|------|
| **Consumer Price Indexes, All Urban Consumers**<sup>1</sup> |      |      |      |      |      |      |      |      |      |
| Medical Care Services<sup>2</sup>         | 130.0| 138.3| 148.9| 162.7| 171.1| 190.5| 202.9| 213.4| 224.2|
| Professional Services                    | 128.9| 137.5| 146.4| 166.1| 185.7| 198.4| 203.2| 210.1| 208.8|
| Physicians' Services                     | 130.4| 139.8| 150.1| 160.8| 170.5| 181.2| 191.3| 199.8| 206.8|
| Dental Services                          | 128.9| 137.5| 146.4| 156.8| 167.4| 178.7| 186.1| 197.1| 206.8|
| Hospital and Related Services            | 131.7| 143.9| 160.5| 179.0| 196.1| 214.0| 231.9| 245.6| 257.8|
| Hospital Room                            | 131.2| 143.3| 158.1| 175.4| 191.9| 208.7| 226.4| 239.2| 251.2|
| Other Inpatient Services (1986=100)      | 103.9| 114.0| 128.9| 142.7| 158.0| 172.3| 186.7| 197.1| 206.8|
| Outpatient Services (1986=100)           | 103.3| 112.5| 124.7| 138.7| 153.4| 168.7| 184.3| 195.0| 204.6|
| Medical Care Commodities                  | 137.0| 139.9| 150.8| 163.4| 176.6| 186.1| 196.0| 200.7| 204.5|
| Prescription Drugs                       | 140.9| 152.0| 165.2| 181.7| 197.9| 214.7| 223.0| 230.6| 235.0|
| Non-Prescription Drugs and Medical Supplies (1986=100) | 103.1| 108.1| 114.6| 120.6| 126.3| 131.2| 138.5| 138.1| 140.5|
| Internal and Respiratory                  |      |      |      |      |      |      |      |      |      |
| Over-the-Counter Drugs                    | 123.9| 130.8| 138.8| 145.9| 152.4| 158.2| 163.5| 165.9| 167.0|
| Non-Prescription Medical Equipment and Supplies | 119.6| 123.9| 131.1| 138.0| 145.0| 150.9| 156.9| 160.0| 166.3|
| **Producer Price Indexes**<sup>3</sup>    |      |      |      |      |      |      |      |      |      |
| Industry Groupings:<sup>4</sup>           |      |      |      |      |      |      |      |      |      |
| Health Services (12/94=100)              |      |      |      |      |      |      |      |      | 102.4|
| Offices and Clinics of Doctors of Medicine (12/93 = 100) |      |      |      |      |      |      |      |      | 102.8|
| Medicare Treatments (12/93 = 100)        |      |      |      |      |      |      |      |      | 104.7|
| Non-Medicare Treatments (12/93= 100)     |      |      |      |      |      |      |      |      | 102.3|
| Hospitals (12/92=100)                    |      |      |      |      |      |      |      |      | 102.5|
| General Medical and Surgical Hospitals (12/92=100) |      |      |      |      |      |      |      |      | 102.4|
| Inpatient Treatments (12/92=100)         |      |      |      |      |      |      |      |      | 102.5|
| Medicare Patients (12/92=100)            |      |      |      |      |      |      |      |      | 100.6|
| Medicaid Patients (12/92=100)            |      |      |      |      |      |      |      |      | 102.6|
| All Other Patients (12/92= 100)          |      |      |      |      |      |      |      |      | 102.3|
| Outpatient Treatments (12/92=100)        |      |      |      |      |      |      |      |      | 103.5|
| Medicare Patients (12/92 = 100)          |      |      |      |      |      |      |      |      | 103.7|
| Medicaid Patients (12/92 = 100)          |      |      |      |      |      |      |      |      | 103.3|
| All Other Patients (12/92=100)           |      |      |      |      |      |      |      |      | 102.4|
| Skilled and Intermediate Care Facilities (12/94=100) |      |      |      |      |      |      |      |      | 103.6|
| Public Payers (12/94=100)                |      |      |      |      |      |      |      |      | 103.7|
| Private Payers (12/94= 100)              |      |      |      |      |      |      |      |      | 103.5|
| Medical Laboratories (6/84= 100)         |      |      |      |      |      |      |      |      | 104.3|
| **Commodity Groupings:**                 |      |      |      |      |      |      |      |      |      |
| Drugs and Pharmaceuticals                 | 139.1| 148.4| 150.0| 170.8| 182.6| 192.2| 200.9| 206.9| 210.8|
| Ethical (Prescription) Preparations       | 156.6| 169.0| 184.4| 200.8| 217.5| 231.7| 242.2| 250.0| 256.8|
| Proprietary (Over-the-Counter) Preparations | 135.5| 144.4| 152.1| 156.6| 165.4| 173.8| 180.0| 183.2| 196.5|
| Medical, Surgical, and Personal Aid Devices | 117.0| 118.9| 123.0| 127.3| 130.3| 133.9| 137.8| 140.4| 141.3|
| Personal Aid Equipment                    | 109.7| 111.2| 111.8| 113.9| 119.7| 121.0| 122.3| 126.5| 133.7|
| Medical Instruments and Equipment (6/82=100) | 109.5| 111.4| 115.9| 116.9| 120.7| 123.4| 128.0| 126.7| 128.3|
| Surgical Appliances and Supplies (6/83=100) | 123.2| 125.2| 129.8| 135.9| 140.7| 145.0| 151.0| 153.6| 154.6|
| Ophthalmic Goods (12/83=100)             | 109.7| 110.8| 113.8| 115.0| 116.0| 118.0| 119.0| 119.6| 122.2|
| Dental Equipment and Supplies (6/85=100)  | 110.4| 113.0| 114.2| 118.9| 121.2| 126.6| 131.5| 136.2| 137.5|

1 Unless otherwise noted, base year is 1982-84 = 100
2 Includes the net cost of private health insurance, not shown separately.
3 Unless otherwise noted, base year is 1982-90. Producer price indexes are classified by industry price changes received for the industry's output sold outside the industry and commodity (price changes by similarity of end use or material and composition).
4 Further detail for Producer Price Industry Groupings, such as types of physician practices, and hospital diagnosis-related group groupings, etc., are available from the U.S. Department of Labor, Bureau of Labor Statistics.

NOTES: Q designates quarter of year. Quarterly data are not seasonally adjusted.

SOURCES: U.S. Department of Labor, Bureau of Labor Statistics: CPI Detailed Report. Washington, U.S. Government Printing Office. Monthly reports for January 1985-December 1995; U.S. Department of Labor, Bureau of Labor Statistics: Producer Price Indexes. Washington, U.S. Government Printing Office. Monthly reports for January 1985-December 1995.
### Table 7—Continued

**Index Levels of Medical Prices: 1987-95**

|        | 1993 Q1  | 1993 Q2  | 1993 Q3  | 1993 Q4  | 1994 Q1  | 1994 Q2  | 1994 Q3  | 1994 Q4  | 1995 Q1  | 1995 Q2  | 1995 Q3  | 1995 Q4  |
|--------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 1993   | 198.8    | 201.8    | 204.4    | 206.7    | 209.5    | 212.0    | 214.6    | 217.5    | 221.0    | 223.0    | 225.4    | 227.4    |
| 1993   | 181.6    | 184.1    | 185.9    | 187.1    | 189.3    | 191.8    | 193.5    | 195.5    | 196.3    | 198.2    | 200.2    | 202.0    |
| 1993   | 184.8    | 187.6    | 190.2    | 192.7    | 194.2    | 196.8    | 199.2    | 200.7    | 202.4    | 205.6    | 206.1    | 209.8    |
| 1993   | 226.2    | 230.0    | 233.8    | 237.7    | 241.3    | 243.4    | 247.2    | 250.6    | 254.2    | 256.6    | 260.1    | 265.9    |
| 1993   | 200.6    | 224.6    | 228.2    | 232.0    | 235.3    | 237.2    | 240.9    | 243.5    | 247.8    | 249.4    | 252.6    | 255.1    |
| 1993   | 191.1    | 193.9    | 197.2    | 190.4    | 193.5    | 195.4    | 198.2    | 201.2    | 204.0    | 205.2    | 207.8    | 210.3    |
| 1993   | 179.9    | 183.0    | 185.6    | 188.7    | 191.5    | 192.9    | 196.3    | 199.4    | 201.5    | 202.3    | 205.5    | 208.3    |
| 1994   | 193.0    | 194.2    | 196.0    | 196.7    | 198.5    | 200.1    | 201.6    | 202.6    | 203.4    | 203.8    | 204.6    | 206.2    |
| 1994   | 221.4    | 221.6    | 223.9    | 225.2    | 228.0    | 230.5    | 231.0    | 232.8    | 233.4    | 233.9    | 235.4    | 237.4    |
| 1994   | 133.2    | 135.6    | 136.7    | 136.5    | 136.7    | 136.8    | 139.4    | 139.4    | 140.5    | 140.0    | 140.4    | 141.2    |
| 1994   | 160.4    | 163.4    | 165.3    | 164.9    | 165.2    | 165.5    | 166.6    | 166.4    | 167.1    | 168.0    | 167.4    | 167.3    |
| 1994   | 153.8    | 156.4    | 156.5    | 156.7    | 156.7    | 156.7    | 163.1    | 163.6    | 165.8    | 166.3    | 165.2    | 167.8    |

**Note:** Index levels are compared to 1987 prices.
Table 8

Percent Change in Medical Prices From the Same Period of Previous Year: 1987-95

| Item | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|------|------|------|------|------|------|------|------|------|------|
| Annual Percent Change | | | | | | | | | |
| **Consumer Price Indexes, All Urban Consumers** | | | | | | | | | |
| Medical Care Services | 6.6 | 6.5 | 7.6 | 9.3 | 8.9 | 7.6 | 6.5 | 5.2 | 5.0 |
| **Professional Services** | | | | | | | | | |
| Medical Care Services | 6.6 | 6.7 | 6.4 | 6.6 | 6.2 | 6.1 | 5.1 | 4.3 | 4.4 |
| Physicians' Services | 7.4 | 7.2 | 7.3 | 7.2 | 6.0 | 6.3 | 5.6 | 4.4 | 4.5 |
| Dental Services | 6.7 | 6.8 | 6.2 | 6.7 | 7.5 | 6.7 | 5.3 | 4.8 | 4.9 |
| Hospital and Related Services | | | | | | | | | |
| Hospital Room | 6.9 | 9.3 | 11.5 | 10.8 | 10.2 | 9.1 | 8.4 | 5.9 | 5.0 |
| Other Inpatient Services (1986=100) | | | | | | | | | |
| Outpatient Services (1986=100) | — | 8.7 | 13.1 | 10.7 | 10.7 | 9.1 | 7.8 | 6.1 | 5.0 |
| **Medical Care Commodities** | | | | | | | | | |
| Prescription Drugs | 6.7 | 6.9 | 7.8 | 8.4 | 8.2 | 6.4 | 3.7 | 2.9 | 1.9 |
| Non-Prescription Drugs and Medical Supplies (1986=100) | 8.0 | 7.9 | 6.7 | 10.0 | 9.9 | 7.6 | 3.9 | 3.4 | 1.9 |
| Internal and Respiratory | | | | | | | | | |
| Over-the-Counter Drugs | 4.0 | 4.8 | 6.0 | 5.2 | 4.7 | 3.9 | 3.3 | 1.9 | 1.8 |
| **Producer Price Indexes** | | | | | | | | | |
| Industry Groupings: | | | | | | | | | |
| Health Services (12/94=100) | — | — | — | — | — | — | — | — | — |
| Offices and Clinics of Doctors of Medicine (12/93=100) | — | — | — | — | — | — | — | — | — |
| Medicare Treatments (12/93=100) | — | — | — | — | — | — | — | — | — |
| Non-Medicare Treatments (12/93=100) | — | — | — | — | — | — | — | — | — |
| Hospitals (12/92=100) | — | — | — | — | — | — | — | — | — |
| General Medical and Surgical Hospitals (12/92=100) | — | — | — | — | — | — | — | — | — |
| Inpatient Treatments (12/92=100) | — | — | — | — | — | — | — | — | — |
| Medicare Patients (12/92=100) | — | — | — | — | — | — | — | — | — |
| Medicaid Patients (12/92=100) | — | — | — | — | — | — | — | — | — |
| All Other Patients (12/92=100) | — | — | — | — | — | — | — | — | — |
| Outpatient Treatments (12/92=100) | — | — | — | — | — | — | — | — | — |
| Medicare Patients (12/92=100) | — | — | — | — | — | — | — | — | — |
| Medicaid Patients (12/92=100) | — | — | — | — | — | — | — | — | — |
| All Other Patients (12/92=100) | — | — | — | — | — | — | — | — | — |
| **Skilled and Intermediate Care Facilities (12/94=100) | — | — | — | — | — | — | — | — | — |
| **Public Payors (12/94=100) | — | — | — | — | — | — | — | — | — |
| **Private Payors (12/94=100) | — | — | — | — | — | — | — | — | — |
| **Medical Laboratories (6/94=100) | — | — | — | — | — | — | — | — | — |
| **Commodity Groupings: | | | | | | | | | |
| Drugs and Pharmaceuticals | 6.9 | 6.7 | 7.9 | 6.7 | 6.9 | 5.3 | 4.5 | 2.5 | 2.3 |
| Ethical (Prescription) Preparations | 9.1 | 7.9 | 9.1 | 8.9 | 8.4 | 6.5 | 4.5 | 3.2 | 2.7 |
| Proprietary (Over-the-Counter) Preparations | 4.9 | 6.6 | 5.3 | 3.1 | 5.5 | 5.0 | 3.7 | 1.8 | 1.8 |
| Medical, Surgical, and Personal Aid Devices | 4.7 | 1.7 | 3.4 | 3.5 | 2.3 | 2.7 | 3.0 | 1.8 | 0.6 |
| Personal Aid Equipment | 0.5 | 1.4 | 0.5 | 1.9 | 2.9 | 2.6 | 1.7 | 6.4 | 2.7 |
| Medical Instruments and Equipment (6/82=100) | 1.9 | 1.7 | 4.1 | 2.6 | 1.5 | 2.2 | 2.1 | 0.5 | 1.3 |
| Surgical Appliances and Supplies (6/83=100) | 9.0 | 1.6 | 3.6 | 4.7 | 3.5 | 3.1 | 4.1 | 3.1 | 0.6 |
| Ophthalmic Goods (12/93=100) | 1.5 | 1.0 | 2.0 | 1.0 | 0.9 | 1.7 | 0.9 | 0.6 | 2.2 |
| Dental Equipment and Supplies (6/85=100) | 5.5 | 2.3 | 1.1 | 4.1 | 1.9 | 4.5 | 3.8 | 2.9 | 1.6 |

**Notes:**
1. Unless otherwise noted, base year is 1982-84=100.
2. Percent change in medical prices is shown separately.
3. Percentage change in medical prices is shown separately.
4. Additional detail for Producer Price Indexes, such as type of physician practice, hospital diagnosis-related groups, etc., is available from the U.S. Department of Labor, Bureau of Labor Statistics.

**Sources:** U.S. Department of Labor, Bureau of Labor Statistics. CPI Detailed Report. Washington, U.S. Government Printing Office. Monthly reports for January 1986-December 1995; U.S. Department of Labor, Bureau of Labor Statistics. Producer Price Indexes. Washington, U.S. Government Printing Office. Monthly reports for January 1986-December 1995.
Table 8—Continued
Percent Change in Medical Prices From the Same Period of Previous Year: 1987-95

|       | 1993 Q1 | 1993 Q2 | 1993 Q3 | 1993 Q4 | 1994 Q1 | 1994 Q2 | 1994 Q3 | 1994 Q4 | 1995 Q1 | 1995 Q2 | 1995 Q3 | 1995 Q4 |
|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1993  |         |         |         |         |         |         |         |         |         |         |         |         |
| 1994  |         |         |         |         |         |         |         |         |         |         |         |         |
| 1995  |         |         |         |         |         |         |         |         |         |         |         |         |

Percent Change From the Same Period of Previous Year

|       | 1993 Q1 | 1993 Q2 | 1993 Q3 | 1993 Q4 | 1994 Q1 | 1994 Q2 | 1994 Q3 | 1994 Q4 | 1995 Q1 | 1995 Q2 | 1995 Q3 | 1995 Q4 |
|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1993  |         |         |         |         |         |         |         |         |         |         |         |         |
| 1994  |         |         |         |         |         |         |         |         |         |         |         |         |
| 1995  |         |         |         |         |         |         |         |         |         |         |         |         |
Table 9
Calendar Year Index Levels and Four-Quarter Moving-Average Percent Change in the Prospective Payment System (PPS) Hospital Input Price Index, by Expense Category: 1987-2002

| Expense Category | Price/Wage Variable | CY 1987 | 1987 | 1988 | 1989 | 1990 |
|------------------|---------------------|---------|------|------|------|------|
| **Index Levels** |                     |         |      |      |      |      |
| Total            | —                   | 100.000 | 101.0| 101.6| 111.3| 117.3|
| Compensation     | —                   | 61.713  | 101.0| 105.8| 111.3| 117.5|
| Wages and Salaries| HCFA Occupational Wage Index | 52.216 | 101.1| 105.6| 110.8| 116.4|
| Employee Benefits| HCFA Occupational Benefits Index | 9.497 | 100.8| 107.1| 114.4| 123.4|
| **Other Professional Fees** | ECI—W/S: Professional/Technical (Private) | — | — | — | 1.649 | 1.649 |
| Energy and Utilities | — | 2.368  | 102.1| 99.7 | 107.1| 118.5|
| Professional Liability Insurance | HCFA—Professional Liability Premium | 1.433 | 103.4| 128.4| 129.2| 128.0|
| All Other        | —                   | 32.837  | 100.9| 106.2| 112.3| 116.4|
| **Other Products** | — | 21.788 | 101.1| 106.9| 113.5| 117.3|
| Pharmaceuticals   | PPI—Prescription Drugs | 3.873 | 102.1| 110.2| 120.2| 130.9|
| Food             | —                   | 3.299   | 100.6| 104.9| 109.7| 114.0|
| Chemicals        | PPI—Industrial Chemicals | 3.126 | 102.0| 114.1| 122.7| 121.0|
| Medical Instruments| PPI—Medical Instruments/Equipment | 2.672 | 100.5| 102.2| 106.9| 109.1|
| Photographic Supplies| PPI—Photographic Supplies | 2.823 | 100.5| 102.7| 111.8| 115.9|
| Rubber and Plastics| PPI—Rubber/Plastic Products | 2.323 | 100.9| 107.1| 110.4| 111.4|
| **Other Services** | — | 11.050 | 100.5| 104.8| 110.0| 114.8|
| Business Services| AHE—Business Services | 3.845 | 99.7 | 104.1| 109.7| 114.6|
| Computer Services | AHE—Data Processing Services | 1.992 | 101.8| 109.4| 117.6| 125.2|
| **4-Quarter Moving-Average Percent Change** | | | | | | |
| Total            | —                   | 100.000 | 3.7 | 5.0  | 6.4  | 4.9  |
| Compensation     | —                   | 61.713  | 3.9  | 4.8  | 5.2  | 5.5  |
| Wages and Salaries| HCFA Occupational Wage Index | 52.216 | 4.1 | 4.5  | 4.9  | 5.0  |
| Employee Benefits| HCFA Occupational Benefits Index | 9.497 | 3.3  | 6.2  | 6.9  | 7.9  |
| **Other Professional Fees** | ECI—W/S: Professional/Technical (Private) | — | — | — | 1.649 | 1.649 |
| Energy and Utilities | — | 2.368  | 1.0  | -3.3 | 8.5  | 10.6 |
| Professional Liability Insurance | HCFA—Professional Liability Premium | 1.433 | 18.4 | 24.2 | 0.8 | -0.1 |
| All Other        | —                   | 32.837  | 2.7  | 5.3  | 5.8  | 3.6  |
| **Other Products** | — | 21.788 | 3.5  | 5.8  | 6.1  | 3.3  |
| Pharmaceuticals   | PPI—Prescription Drugs | 3.873 | 9.1  | 7.9  | 9.1  | 6.9  |
| Food             | —                   | 3.299   | 2.9  | 4.3  | 4.5  | 3.9  |
| Chemicals        | PPI—Industrial Chemicals | 3.126 | 4.3  | 11.9 | 7.5  | -1.4 |
| Medical Instruments| PPI—Medical Instruments/Equipment | 2.672 | 1.9 | 1.7  | 4.1  | 2.6  |
| Photographic Supplies| PPI—Photographic Supplies | 2.623 | 1.4  | 2.2  | 8.8  | 3.7  |
| Rubber and Plastics| PPI—Rubber/Plastic Products | 2.323 | 1.0  | 6.2  | 3.0  | 0.9  |
| **Other Services** | — | 11.050 | 1.2  | 4.3  | 5.0  | 4.3  |
| Business Services| AHE—Business Services | 3.845 | -2.2 | 4.4  | 5.4  | 4.5  |
| Computer Services | AHE—Data Processing Services | 1.992 | 5.6  | 7.5  | 7.5  | 6.5  |

1 For data sources used to estimate the input price index relative weights and choice of price proxies, see the September 4, 1995, Federal Register. For the most recent PPS update for payment rates, see the September 1, 1995, Federal Register.

2 Category weights may not sum to total or subtotal because of detailed not included.

3 Weighted categories not shown are listed below by subcategory, detailed category, and base year weight: Energy and Utilities: Fuel Oil, Coal, and Other Fuel (0.624), Electricity (1.135), Natural Gas (0.343), and Motor Gasoline (0.230). Other Products: Paper Products (1.399), Apparel (1.142), Machinery and Equipment (0.0497), and Miscellaneous Products (0.833). Food: Purchased Food (2.111) and Contract Food (2.823) Services: Transportation and Shipping (2.823), Telephone (0.987), Blood Services (0.588), Postage (0.373), Other—Labor Intensive (1.233), and Other—Non-Labor Intensive (0.800).

4 The HCFA Occupational Wage and Occupational Benefits Indexes are computed as the weighted-average of 10 ECI categories (ECI for Hospital workers and 9 ECI occupational categories).

NOTES: A dash (—) in the Price/Wage Variable column denotes a total or subtotal produced by adding 2 or more categories. ECI represents Employment Cost Index, PPI represents Producer Price Index, and AHE represents Average Hourly Earnings. HCFA is Health Care Financing Administration, W/S is wages and salaries, FY is fiscal year, Q designates quarter of year. The 4-quarter moving-average percent change for the quarter indicated by the column heading is the rate of change in the average index level for 4-quarters ending in that quarter over the same period of the previous year. The 4-quarter moving-average index level for the quarter indicated by the column heading is computed by summing the index level for that quarter and the prior 3-quarters and dividing by 4. The process is repeated to compute the 4-quarter moving-average index level for the same quarter a year ago. The average index level for the quarter indicated by the column heading is divided by the average index level of the same quarter a year ago, and the quotient is subtracted from 1 and multiplied by 100 to determine the 4-quarter moving-average percent change in the index.

SOURCES: Health Care Financing Administration, Office of the Actuary: Data from the Office of National Health Statistics, Division of Health Cost Analysis. First quarter 1996 forecasts were produced under contract to HCFA by Data Resources, Inc./McGraw-Hill.
### Table 9—Continued

Calendar Year Index Levels and Four-Quarter Moving-Average Percent Change in the Prospective Payment System (PPS) Hospital Input Price Index, by Expense Category: 1987-2002

|     | 1991  | 1992  | 1993  | 1994  | 1995  | 1996  | 1997  | 1998  | 1999  | 2000  | 2001  | 2002  |
|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|     | 121.7 | 125.4 | 129.0 | 132.2 | 136.3 | 139.8 | 143.6 | 147.8 | 152.4 | 157.2 | 162.6 | 168.0 |
|     | 123.0 | 127.8 | 132.2 | 136.2 | 139.6 | 143.9 | 148.3 | 153.0 | 158.0 | 163.3 | 168.1 | 175.1 |
|     | 121.4 | 125.6 | 129.5 | 133.2 | 136.7 | 140.7 | 145.0 | 149.5 | 154.2 | 159.2 | 164.7 | 170.3 |
|     | 131.5 | 139.7 | 147.0 | 152.9 | 166.7 | 161.1 | 166.3 | 172.2 | 178.8 | 185.9 | 193.4 | 201.1 |
|     | 120.9 | 125.6 | 129.7 | 133.4 | 136.9 | 141.1 | 145.5 | 150.2 | 155.0 | 160.3 | 165.9 | 171.6 |
|     | 116.2 | 115.1 | 114.8 | 110.8 | 109.9 | 110.4 | 110.9 | 112.7 | 116.4 | 119.5 | 123.2 | 127.6 |
|     | 130.7 | 135.0 | 139.0 | 136.5 | 138.0 | 142.9 | 148.9 | 156.1 | 163.2 | 171.1 | 179.5 | 188.3 |
|     | 119.2 | 121.2 | 123.5 | 125.9 | 131.4 | 134.0 | 136.8 | 140.1 | 143.8 | 147.8 | 152.2 | 166.7 |
|     | 119.5 | 121.2 | 123.3 | 125.6 | 131.7 | 133.8 | 136.0 | 138.6 | 141.9 | 145.4 | 149.2 | 153.3 |
|     | 141.9 | 151.1 | 157.9 | 163.0 | 167.4 | 172.4 | 175.9 | 181.0 | 187.2 | 193.2 | 200.1 | 207.7 |
|     | 115.4 | 116.4 | 118.3 | 119.9 | 121.9 | 125.7 | 128.1 | 131.3 | 134.7 | 138.3 | 142.1 | 146.0 |
|     | 118.5 | 118.7 | 118.0 | 122.1 | 137.2 | 134.2 | 136.4 | 137.9 | 140.5 | 143.8 | 147.8 | 152.4 |
|     | 110.7 | 113.2 | 115.6 | 116.2 | 117.7 | 118.9 | 120.0 | 122.2 | 124.9 | 127.3 | 130.4 | 135.6 |
|     | 114.3 | 114.1 | 112.9 | 113.3 | 115.1 | 118.2 | 121.6 | 122.6 | 125.2 | 128.4 | 131.3 | 134.1 |
|     | 112.8 | 112.8 | 113.7 | 115.3 | 121.9 | 122.2 | 123.1 | 124.2 | 125.6 | 127.3 | 128.9 | 130.2 |
|     | 118.6 | 121.2 | 123.8 | 126.6 | 130.7 | 134.3 | 138.3 | 143.1 | 147.6 | 152.5 | 158.1 | 163.2 |
|     | 117.9 | 120.5 | 122.3 | 124.6 | 129.1 | 133.6 | 137.9 | 142.5 | 147.2 | 152.9 | 158.5 | 164.2 |
|     | 129.1 | 131.0 | 136.4 | 142.0 | 146.5 | 161.3 | 157.0 | 162.8 | 169.0 | 175.7 | 183.1 | 190.3 |

Forecast:

1999: 169.0
2000: 175.7
2002: 183.1

### Table 9—Continued

Forecast:

1999: 169.0
2000: 175.7
2002: 183.1
Table 10  
Calendar Year Index Levels and Four-Quarter Moving-Average Percent Change in the Skilled Nursing Facility Input Price Index, by Expense Category: 1987-2002

| Expense Category                      | Base Year Weights CY 1977² | 1987     | 1988     | 1989     | 1990     |
|--------------------------------------|-----------------------------|----------|----------|----------|----------|
| Index Levels                          |                             |          |          |          |          |
| Total                                 | 100.000                     | 186.7    | 195.8    | 208.5    | 221.7    |
| Compensation                          | 70.620                      | 188.3    | 196.0    | 208.7    | 223.3    |
| Wages and Salaries                    | AHE—Nursing Facilities     | 63.020   | 183.7    | 193.6    | 208.0    | 221.6    |
| Employee Benefits                     | BEA—Supplement to Wages/Salaries per Worker | 7.600  | 207.8    | 216.0    | 224.1    | 237.6    |
| Fuel and Other Energy                 |                             |          |          |          |          |
| Fuel and Other Energy                 |                             |          |          |          |          |
| Fuel Oil and Coal                     | IPD—Fuel Oil and Coal      | 1.660    | 179.3    | 180.0    | 187.2    | 225.8    |
| Electricity                           | IPD—Electricity            | 1.210    | 193.1    | 195.7    | 201.3    | 206.1    |
| Natural Gas                           | IPD—Natural Gas            | 0.910    | 219.9    | 218.7    | 224.3    | 224.7    |
| Water and Sewerage Maintenance       | CPI(U)—Water and Sewage    | 0.490    | 211.4    | 223.0    | 236.5    | 252.2    |
| Food                                 |                             |          |          |          |          |
| Direct Purchase                       | PPI—Processed Foods        | 4.930    | 145.9    | 152.4    | 159.2    | 164.8    |
| Contract Service                      | CPI(U)—Food and Beverages | 4.810    | 172.5    | 178.6    | 190.1    | 200.2    |
| All Other                             |                             |          |          |          |          |
| Pharmaceuticals                       | PPI—Prescription Drugs     | 1.500    | 238.2    | 257.1    | 280.5    | 305.4    |
| Supplies                              | CPI(U)—All Items          | 3.280    | 187.6    | 195.2    | 204.6    | 215.7    |
| Health Services                       | CPI(U)—Physicians’ Services| 1.210    | 222.9    | 238.9    | 256.5    | 274.9    |
| Other Business Services               | CPI(U)—Services           | 4.590    | 215.0    | 224.8    | 235.9    | 248.4    |
| Miscellaneous Costs                   | CPI(U)—All Items          | 4.790    | 187.6    | 195.2    | 204.6    | 215.7    |

4-Quarter Moving-Average Percent Change

| Expense Category                      | Base Year Weights CY 1977² | 1987     | 1988     | 1989     | 1990     |
|--------------------------------------|-----------------------------|----------|----------|----------|----------|
| Total                                 | 100.000                     | 3.5      | 4.9      | 6.5      | 8.3      |
| Compensation                          | 70.620                      | 3.5      | 5.2      | 7.0      | 6.5      |
| Wages and Salaries                    | AHE—Nursing Facilities     | 63.020   | 3.5      | 5.4      | 7.4      | 6.5      |
| Employee Benefits                     | BEA—Supplement to Wages/Salaries per Worker | 7.600  | 3.7      | 3.9      | 3.7      | 6.0      |
| Fuel and Other Energy                 |                             |          |          |          |          |
| Fuel and Other Energy                 |                             |          |          |          |          |
| Fuel Oil and Coal                     | IPD—Fuel Oil and Coal      | 1.660    | 1.1      | 0.4      | 4.0      | 20.6     |
| Electricity                           | IPD—Electricity            | 1.210    | -0.3     | 1.4      | 2.9      | 2.4      |
| Natural Gas                           | IPD—Natural Gas            | 0.910    | -4.7     | -0.5     | 2.6      | 0.2      |
| Water and Sewerage Maintenance       | CPI(U)—Water and Sewage    | 0.490    | 5.3      | 5.5      | 6.1      | 6.7      |
| Food                                 |                             |          |          |          |          |
| Direct Purchase                       | PPI—Processed Foods        | 4.930    | 2.4      | 4.4      | 4.5      | 3.5      |
| Contract Service                      | CPI(U)—Food and Beverages | 4.810    | 4.2      | 4.1      | 5.8      | 5.3      |
| All Other                             |                             |          |          |          |          |
| Pharmaceuticals                       | PPI—Prescription Drugs     | 1.500    | 9.1      | 7.9      | 9.1      | 8.9      |
| Supplies                              | CPI(U)—All Items          | 3.280    | 3.7      | 4.1      | 4.8      | 5.4      |
| Health Services                       | CPI(U)—Physicians’ Services| 1.210    | 7.4      | 7.2      | 7.3      | 7.2      |
| Other Business Services               | CPI(U)—Services           | 4.590    | 4.2      | 4.5      | 4.9      | 5.3      |
| Miscellaneous Costs                   | CPI(U)—All Items          | 4.790    | 3.7      | 4.1      | 4.8      | 5.4      |

¹ For data sources used to estimate the input price index relative weights and choice of price proxies, see the October 7, 1992, Federal Register. 
² Category weights may not sum to total because of rounding. 
³ A dash (—) in the Price/Wage Variable column denotes a total or subtotal produced by adding 2 or more categories. AHE represents Average Hourly Earnings. BEA represents Bureau of Economic Analysis. IPD represents Implicit Price Deflator from the Department of Commerce. CPI(U) represents Consumer Price Index for all urban consumers, and PPI represents Producer Price Index. CY is calendar year. Q designates quarter of year. An example of how a percent change is calculated is shown in the Notes at the end of Table 9. 
⁴ SOURCES: Health Care Financing Administration, Office of the Actuary: Data from the Office of National Health Statistics, Division of Health Cost Analysis. First quarter 1996 forecasts were produced under contract to HCFA by Data Resources, Inc. McGraw-Hill.
Table 10—Continued

Calendar Year Index Levels and Four-Quarter Moving-Average Percent Change in the Skilled Nursing Facility Input Price Index, by Expense Category: 1987-2002

| 1991 | 1992 | 1993 | 1994 | 1995 | Forecast |
|------|------|------|------|------|----------|
|       |      |      |      |      | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| 231.4 | 240.2 | 249.1 | 257.5 | 264.9 | 272.4 | 281.2 | 290.9 | 300.9 | 311.0 | 322.2 | 334.0 |
| 233.9 | 243.8 | 253.5 | 263.0 | 270.9 | 273.0 | 286.9 | 299.5 | 310.3 | 320.9 | 332.9 | 345.4 |
| 231.4 | 240.5 | 250.1 | 259.9 | 267.9 | 275.9 | 286.5 | 296.0 | 306.4 | 316.5 | 328.1 | 340.0 |
| 254.3 | 271.2 | 281.7 | 288.2 | 296.0 | 304.4 | 316.1 | 328.4 | 342.6 | 356.9 | 372.7 | 389.6 |
| 224.8 | 225.3 | 231.0 | 223.6 | 232.2 | 231.0 | 233.9 | 239.4 | 247.6 | 256.1 | 265.8 | 277.6 |
| 217.8 | 208.4 | 207.3 | 204.1 | 203.1 | 197.1 | 193.6 | 196.7 | 206.4 | 215.1 | 225.2 | 238.4 |
| 213.8 | 218.0 | 222.4 | 222.3 | 227.6 | 228.4 | 229.1 | 231.1 | 233.7 | 237.8 | 242.0 | 246.3 |
| 227.3 | 231.4 | 245.9 | 251.0 | 239.0 | 237.7 | 247.2 | 255.1 | 262.3 | 289.7 | 279.5 | 292.4 |
| 270.7 | 280.1 | 304.8 | 320.1 | 300.1 | 341.5 | 358.2 | 375.5 | 394.3 | 414.9 | 436.7 | 459.7 |
| 185.2 | 187.4 | 190.9 | 194.5 | 198.7 | 205.3 | 209.1 | 213.6 | 218.6 | 223.8 | 229.2 | 234.9 |
| 154.7 | 165.0 | 167.6 | 169.6 | 171.7 | 177.5 | 179.1 | 192.3 | 185.9 | 190.8 | 193.7 | 197.8 |
| 206.2 | 210.3 | 214.8 | 220.1 | 226.4 | 233.8 | 239.8 | 245.7 | 252.0 | 258.6 | 265.7 | 273.0 |
| 251.0 | 261.1 | 270.7 | 279.1 | 287.8 | 296.3 | 304.9 | 314.6 | 324.9 | 335.8 | 347.6 | 360.1 |
| 330.9 | 352.4 | 368.4 | 390.3 | 390.4 | 402.3 | 410.2 | 422.2 | 436.7 | 450.7 | 466.8 | 484.5 |
| 224.8 | 231.6 | 238.5 | 244.7 | 251.6 | 258.1 | 265.0 | 272.4 | 280.7 | 289.4 | 298.8 | 308.7 |
| 291.4 | 309.7 | 327.0 | 341.5 | 357.0 | 370.5 | 386.2 | 403.4 | 420.2 | 438.5 | 458.3 | 478.4 |
| 260.4 | 270.3 | 280.7 | 290.0 | 299.9 | 309.1 | 319.3 | 330.0 | 341.1 | 352.9 | 365.4 | 378.7 |
| 224.5 | 231.6 | 238.5 | 244.7 | 251.6 | 258.1 | 265.0 | 272.4 | 280.7 | 289.4 | 298.8 | 308.7 |

| 4.4 | 3.8 | 3.7 | 3.4 | 2.9 | 2.9 | 3.2 | 3.4 | 3.5 | 3.3 | 3.6 | 3.7 |
| 4.7 | 4.3 | 4.0 | 3.7 | 3.0 | 3.0 | 3.5 | 3.7 | 3.6 | 3.4 | 3.7 | 3.8 |
| 4.4 | 3.9 | 4.0 | 3.9 | 3.1 | 3.1 | 3.0 | 3.5 | 3.7 | 3.5 | 3.3 | 3.6 |

| 7.9 | 6.6 | 5.9 | 5.3 | 2.7 | 2.8 | 3.8 | 3.9 | 4.3 | 4.2 | 4.4 | 4.5 |
| 0.8 | 0.2 | 2.5 | 2.5 | 0.7 | -0.1 | -0.5 | 1.2 | 2.3 | 3.4 | 3.4 | 3.3 |
| -3.5 | -4.4 | -5.4 | -1.5 | -0.5 | -3.0 | -1.3 | 1.6 | 4.9 | 4.2 | 4.7 | 5.9 |
| 3.8 | 2.0 | 0.9 | -0.1 | 2.4 | 0.4 | 0.3 | 0.9 | 1.1 | 1.7 | 1.8 | 2.1 |
| 1.2 | 1.9 | -6.3 | -2.1 | -4.8 | -0.5 | 4.0 | 3.2 | 2.8 | 2.8 | 3.6 | 4.6 |
| 7.3 | 6.8 | 5.4 | 5.0 | 3.1 | 3.4 | 4.9 | 4.8 | 5.0 | 5.2 | 5.2 | 5.3 |
| 1.6 | 1.2 | 0.9 | 1.9 | 2.1 | 3.3 | 1.8 | 2.2 | 2.3 | 2.4 | 2.4 | 2.5 |
| 0.0 | 0.2 | 1.6 | 1.2 | 1.2 | 3.4 | 0.9 | 1.8 | 2.0 | 2.1 | 2.1 | 2.1 |
| 3.0 | 2.0 | 2.1 | 2.5 | 2.9 | 3.3 | 2.5 | 2.5 | 2.6 | 2.6 | 2.7 | 2.8 |
| 5.1 | 4.0 | 3.7 | 3.1 | 3.1 | 2.9 | 2.9 | 3.2 | 3.3 | 3.4 | 3.5 | 3.5 |
| 8.4 | 8.5 | 4.5 | 3.2 | 2.7 | 3.0 | 2.0 | 2.9 | 3.4 | 3.2 | 3.6 | 3.8 |
| 4.2 | 3.0 | 3.0 | 2.6 | 2.8 | 2.6 | 2.7 | 2.8 | 3.0 | 3.1 | 3.2 | 3.3 |
| 6.0 | 6.3 | 5.6 | 4.4 | 4.5 | 3.8 | 4.2 | 4.4 | 4.1 | 4.4 | 4.5 | 4.4 |
| 4.8 | 3.8 | 3.8 | 3.3 | 3.4 | 3.1 | 3.3 | 3.4 | 3.4 | 3.5 | 3.6 | 3.6 |
| 4.2 | 3.0 | 3.0 | 2.6 | 2.6 | 2.6 | 2.7 | 2.8 | 3.0 | 3.1 | 3.2 | 3.3 |
Table 11
Calendar Year Index Levels and Four-Quarter Moving-Average Percent Change of the Home Health Agency (HHA) Input Price Index, by Expense Category: 1987-2002

| Expense Category | Price/Wage Variable | Base Year Weights |
|------------------|---------------------|-------------------|
|                  | CY 1976             | 1987              | 1988              | 1989              | 1990              |
| Index Levels     |                     |                   |                   |                   |                   |
| Total            |                     | 100.000           | 221.9             | 235.0             | 249.3             | 262.6             |
| Compensation     |                     | 73.040            | 227.0             | 241.7             | 257.2             | 270.7             |
| Wages and Salaries|                   |                   |                   |                   |                   |                   |
|                   | AHE—Hospitals       | 65.140            | 226.3             | 241.7             | 257.8             | 271.2             |
| Employee Benefits|                     |                   |                   |                   |                   |                   |
|                   | BEA—Supplement to Wages/Salaries per Worker | 7.900 | 239.2 | 242.4 | 251.5 | 266.7 |
| Transportation   | CPI(U)—Transportation | 4.870 | 191.4 | 197.3 | 207.1 | 218.8 |
| Office Costs     | CPI(U)—Services     | 2.750             | 231.5             | 242.0             | 254.0             | 267.4             |
| Medical and Nursing Supplies | CPI(U)—Medical Equipment/Supplies | 2.810 | 197.6 | 204.8 | 216.7 | 228.1 |
| Rental and Leasing| CPI(U)—Residential Rent | 1.350 | 201.4 | 209.1 | 217.2 | 226.4 |
| Energy and Utilities |                     | 1.170             | 219.8             | 222.2             | 220.3             | 251.2             |
| Miscellaneous Costs| CPI(U)—All Items   | 7.100             | 199.7             | 207.9             | 217.8             | 229.7             |
| Contract Services| Composite—All Other Costs | 6.870 | 221.8 | 235.0 | 249.3 | 262.6 |

4-Quarter Moving-Average Percent Change

| Expense Category | Price/Wage Variable | Base Year Weights |
|------------------|---------------------|-------------------|
|                  |                     | 1987              | 1988              | 1989              | 1990              |
| Total            |                     | 100.000           | 4.7               | 5.9               | 6.1               | 5.3               |
| Compensation     |                     | 73.040            | 5.0               | 6.5               | 6.4               | 5.3               |
| Wages and Salaries|                   |                   |                   |                   |                   |                   |
|                   | AHE—Hospitals       | 65.140            | 5.1               | 6.8               | 6.7               | 5.2               |
| Employee Benefits|                     |                   |                   |                   |                   |                   |
|                   | BEA—Supplement to Wages/Salaries per Worker | 7.900 | 3.7   | 3.9   | 3.7   | 6.0   |
| Transportation   | CPI(U)—Transportation | 4.870 | 3.0   | 3.1   | 3.5   | 5.0   | 5.6   |
| Office Costs     | CPI(U)—Services     | 2.750             | 4.2               | 4.5               | 4.9               | 4.3               |
| Medical and Nursing Supplies | CPI(U)—Medical Equipment/Supplies | 2.810 | 4.0   | 3.6   | 3.8   | 5.8   | 5.3   |
| Rental and Leasing| CPI(U)—Residential Rent | 1.350 | 4.1   | 3.8   | 3.8   | 4.2   |
| Energy and Utilities |                     | 1.170             | 0.2               | 1.1               | 3.7               | 5.1               |
| Miscellaneous Costs| CPI(U)—All Items   | 7.100             | 3.7               | 4.1               | 4.8               | 5.4               |
| Contract Services| Composite—All Other Costs | 6.870 | 4.7   | 5.9   | 6.1   | 5.3   |

1 For data sources used to estimate the input price index relative weights and choice of price proxies, see the July 8, 1993, Federal Register. For the latest HHA regulation, see the February 14, 1995, Federal Register.
2 Category weights may not sum to total because of rounding.
3 The price/wage variable for Contract Services, Composite—All Other Costs, is the composite of all other HHA cost category weights and variables in the HHA input price index.

NOTES: A dash (—) in the Price/Wage Variable column denotes a total or subtotal produced by adding 2 or more categories. AHE represents Average Hourly Earnings, BEA represents Bureau of Economic Analysis, and CPI(U) represents Consumer Price Index for all urban consumers. CY is calendar year. Q designates quarter of year. An example of how a a percent change Is calculated is shown in the Notes at end of Table 9.

SOURCES: Health Care Financing Administration, Office of the Actuary; Data from the Office of National Health Statistics, Division of Health Cost Analysis. First quarter 1996 forecasts were produced under contract to HCFA by Data Resources, Inc., McGraw-Hill.
| Year | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Level | 277.5 | 299.1 | 306.9 | 316.9 | 326.9 | 337.7 | 348.5 | 361.8 | 374.5 | 388.2 | 402.6 |
| Percent Change | 287.5 | 309.8 | 318.1 | 328.9 | 340.1 | 351.4 | 363.7 | 376.5 | 389.8 | 403.9 | 418.6 |

Forecast:

| Year | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------|------|------|------|------|------|------|------|
| Level | 289.1 | 300.1 | 306.9 | 316.9 | 326.9 | 337.7 | 348.5 |
| Percent Change | 293.7 | 304.4 | 312.3 | 322.9 | 332.9 | 343.8 | 355.3 |

| Year | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------|------|------|------|------|------|------|------|------|------|------|
| Level | 300.1 | 322.9 | 332.9 | 343.8 | 355.3 | 367.3 | 380.0 | 393.4 | 407.7 |
| Percent Change | 306.9 | 322.9 | 332.9 | 343.8 | 355.3 | 367.3 | 380.0 | 393.4 |

| Year | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------|------|------|------|------|------|------|------|------|
| Level | 322.9 | 332.9 | 343.8 | 355.3 | 367.3 | 380.0 | 393.4 |
| Percent Change | 328.9 | 338.9 | 348.9 | 358.9 | 368.9 | 378.9 | 388.9 |

| Year | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------|------|------|------|------|------|------|------|
| Level | 332.9 | 343.8 | 355.3 | 367.3 | 380.0 | 393.4 |
| Percent Change | 343.8 | 355.3 | 367.3 | 380.0 | 393.4 |

| Year | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------|------|------|------|------|------|------|
| Level | 355.3 | 367.3 | 380.0 | 393.4 | |
| Percent Change | 367.3 | 380.0 | 393.4 |

| Year | 1998 | 1999 | 2000 | 2001 | 2002 |
|------|------|------|------|------|------|
| Level | 367.3 | 380.0 | 393.4 | |
| Percent Change | 380.0 | 393.4 | |

| Year | 1999 | 2000 | 2001 | 2002 |
|------|------|------|------|------|
| Level | 380.0 | 393.4 | |
| Percent Change | 393.4 | |

| Year | 2000 | 2001 | 2002 |
|------|------|------|------|
| Level | 393.4 | | |
| Percent Change | | | |
### Table 12
Calendar Year Index Levels and Four-Quarter Moving-Average Percent Change in the HCFA Medicare Economic Index with DRI Forecast Assumptions, by Expense Category: 1987-2002

| Expense Category | Price/Wage Variable | Base Year Weights | CY 1989 | 1987 | 1988 | 1989 | 1990 |
|------------------|---------------------|------------------|---------|------|------|------|------|
| **Index Levels** |
| Total            | —                   | 100.000          | 92.4    | 96.2 | 100.0 | 103.2|
| Physician Earnings | —                   | 54.155           | 94.1    | 96.6 | 100.0 | 103.1|
| Wages and Salaries | AHE—Private³     | 45.342           | 94.8    | 97.1 | 100.0 | 102.6|
| Benefits         | ECI—Benefits, Private³ | 8.813   | 90.8    | 95.4 | 100.0 | 105.7|
| Practice Expenses | —                   | 45.845           | 90.4    | 95.5 | 100.0 | 103.3|
| Non-Physician Compensation | — | 16.296           | 93.5    | 96.6 | 100.0 | 103.8|
| Wages and Salaries | —                   | 13.736           | 94.0    | 96.9 | 100.0 | 103.4|
| Professional/Technical | ECI—WS: Professional/Technical³ | 3.790 | 93.3    | 96.6 | 100.0 | 103.7|
| Managers         | ECI—WS: Administrative/Managerial³ | 2.620 | 94.8    | 97.0 | 100.0 | 103.8|
| Clerical         | ECI—WS: Clerical³  | 5.074            | 93.7    | 98.8 | 100.0 | 103.3|
| Craft            | ECI—WS: Craft³     | 0.069            | 95.5    | 97.6 | 100.0 | 102.4|
| Services         | ECI—WS: Service Occupations³ | 2.233 | 95.1    | 97.4 | 100.0 | 102.9|
| Employee Benefits | ECI—Benefits, Private White Collar³ | 2.510 | 90.5    | 94.6 | 100.0 | 105.9|
| Office Expenses  | CPI(U)—Housing    | 10.260           | 92.9    | 93.3 | 100.0 | 104.5|
| Medical Materials/Supplies | PPI—Drugs/PPI-Surgical/ | CPI—Medical Supplies | 5.251 | 90.4    | 94.2 | 100.0 | 106.3|
| Professional Liability Insurance | HCFA—Professional Liability Premiums | 4.780 | 70.9    | 91.4 | 100.0 | 93.9|
| Medical Equipment | PPI—Medical Instruments/Equipment | 2.348 | 94.5    | 96.1 | 100.0 | 102.6|
| Other Professional Expenses | —                   | 6.890            | 91.8    | 95.6 | 100.0 | 105.1|
| Automobile       | CPI(U)—Private Transportation | 1.400 | 92.3    | 95.3 | 100.0 | 105.2|
| All Other        | CPI(U)—All Items less Food/Energy | 5.490 | 91.6    | 95.7 | 100.0 | 105.0|

### 4-Quarter Moving-Average Percent Change

| Expense Category | Price/Wage Variable | CY 1989 | 1987 | 1988 | 1989 | 1990 |
|------------------|---------------------|---------|------|------|------|------|
| Total            | —                   | 100.000 | 3.4  | 4.1  | 3.9  | 3.2  |
| Physician Earnings | —                   | 54.155  | 1.5  | 2.9  | 3.3  | 3.1  |
| Wages and Salaries | AHE—Private³     | 45.342  | 1.4  | 2.4  | 3.0  | 2.6  |
| Benefits         | ECI—Benefits, Private³ | 8.813  | 2.1  | 5.4  | 4.8  | 5.7  |
| Practice Expenses | —                   | 45.845  | 5.8  | 5.6  | 4.7  | 3.3  |
| Non-Physician Compensation | — | 16.296  | 2.7  | 3.3  | 3.6  | 3.8  |
| Wages and Salaries | —                   | 13.736  | 2.7  | 3.0  | 3.2  | 3.4  |
| Professional/Technical | ECI—WS: Professional/Technical³ | 3.790  | 3.2  | 3.5  | 3.6  | 3.7  |
| Managers         | ECI—WS: Administrative/Managerial³ | 2.620  | 3.0  | 2.3  | 3.1  | 3.8  |
| Clerical         | ECI—WS: Clerical³  | 5.074  | 2.8  | 3.3  | 3.3  | 3.3  |
| Craft            | ECI—WS: Craft³     | 0.069  | 1.5  | 2.2  | 2.5  | 2.4  |
| Services         | ECI—WS: Service Occupations³ | 2.233  | 1.7  | 2.4  | 2.7  | 2.9  |
| Employee Benefits | ECI—Benefits, Private White Collar³ | 2.510  | 2.4  | 4.8  | 5.4  | 5.9  |
| Office Expenses  | CPI(U)—Housing    | 10.260  | 3.0  | 3.7  | 3.8  | 4.5  |
| Medical Materials/Supplies | PPI—Drugs/PPI-Surgical/ | CPI—Medical Supplies | 5.251  | 7.2  | 4.3  | 6.1  | 6.3  |
| Professional Liability Insurance | HCFA—Professional Liability Premiums | 4.780  | 41.8  | 28.8  | 9.4  | -6.1  |
| Medical Equipment | PPI—Medical Instruments/Equipment | 2.348  | 1.9  | 1.7  | 4.1  | 2.6  |
| Other Professional Expenses | —                   | 6.890  | 3.9  | 4.2  | 4.6  | 5.1  |
| Automobile       | CPI(U)—Private Transportation | 1.400  | 3.0  | 3.2  | 5.0  | 5.2  |
| All Other        | CPI(U)—All Items less Food/Energy | 5.490  | 4.1  | 4.4  | 4.5  | 5.0  |

1 For data sources used to estimate the index relative weights and choice of price proxies, see the November 25, 1992, Federal Register.
2 Category weights may not sum to total because of rounding.
3 Series are adjusted for productivity using 10-year moving average of output per hour for the non-farm business sector. All series in the compensation portion of the MEI are adjusted for productivity so both economy-wide productivity and physician practice productivity are not included in the update.

**NOTES:** A dash (—) in the Price/Wage Variable column denotes a total or subtotal produced by adding 2 or more categories. Q designates quarter of year. AHE represents Average Hourly Earnings. ECI represents Employment Cost Index. CPI(U) represents Consumer Price Index for all urban consumers, and PPI represents Producer Price Index. An example of how a percent change is calculated is shown in the Notes at the end of Table 9.

**SOURCES:** Health Care Financing Administration, Office of the Actuary: Data from the Office of National Health Statistics Division of Health Cost Analysis. First quarter 1996 forecasts were produced under contract to HCFA by Data Resources Inc./McGraw-Hill.
### Table 12—Continued

Calendar Year Index Levels and Four-Quarter Moving-Average Percent Change in the HCFA Medicare Economic Index with DRI Forecast Assumptions, by Expense Category: 1987-2002

| Expense Category | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Medicare          | 105.9| 108.2| 110.7| 113.1| 115.5| 118.3| 121.2| 124.0| 126.9| 129.9| 133.1| 136.5|
| Economic Index    | 105.7| 107.4| 109.2| 111.3| 113.4| 116.1| 118.6| 120.8| 123.0| 125.4| 127.8| 130.4|
| DR forecast       | 104.6| 105.7| 107.0| 108.9| 111.0| 113.8| 116.1| 118.1| 120.1| 122.1| 124.3| 126.6|
| DR forecast       | 111.0| 115.6| 120.4| 124.0| 125.9| 128.3| 131.4| 134.8| 138.2| 141.9| 145.7| 149.7|
| DR forecast       | 106.2| 109.2| 112.4| 115.2| 117.9| 120.6| 124.2| 127.9| 131.5| 135.3| 139.4| 143.7|
| DR forecast       | 107.3| 109.6| 111.9| 114.4| 116.6| 119.2| 121.9| 124.4| 126.9| 129.5| 132.4| 135.5|
| DR forecast       | 105.5| 108.5| 110.5| 112.7| 114.8| 117.4| 119.9| 122.3| 124.6| 127.0| 129.6| 132.6|
| DR forecast       | 107.0| 109.7| 111.9| 114.0| 115.9| 118.4| 120.9| 123.4| 125.8| 128.5| 131.2| 134.1|
| DR forecast       | 107.1| 108.1| 110.0| 112.2| 114.7| 117.6| 120.5| 122.9| 125.2| 127.5| 130.2| 133.1|
| DR forecast       | 106.1| 108.3| 110.6| 113.0| 115.3| 118.0| 120.6| 123.2| 125.6| 127.8| 130.7| 133.9|
| DR forecast       | 104.7| 106.3| 108.0| 110.1| 112.0| 114.0| 116.0| 117.9| 119.8| 122.0| 124.4| 126.9|
| DR forecast       | 105.8| 107.5| 108.5| 110.2| 111.9| 114.0| 116.2| 118.1| 119.9| 121.9| 124.2| 126.6|
| DR forecast       | 111.3| 115.4| 119.7| 124.0| 126.8| 129.3| 132.5| 136.1| 139.7| 143.6| 147.5| 151.7|
| DR forecast       | 108.6| 111.8| 114.8| 117.7| 120.7| 123.5| 127.3| 131.4| 135.0| 138.8| 142.8| 146.7|
| DR forecast       | 112.3| 117.5| 122.2| 125.8| 128.4| 132.1| 135.3| 139.1| 143.2| 147.7| 153.1| 158.7|
| DR forecast       | 86.7  | 88.3  | 90.2  | 92.2  | 96.2  | 99.3  | 103.7 | 108.8 | 114.1 | 120.1 | 126.6 | 133.5 |
| DR forecast       | 104.1 | 106.4 | 108.7 | 110.8 | 113.3 | 117.0 | 120.3 | 124.1 | 127.2 | 131.4 | 136.1 | 140.8 |
| DR forecast       | 109.7 | 113.4 | 117.0 | 120.3 | 124.1 | 127.2 | 131.4 | 136.1 | 140.8 | 145.4 | 150.3 | 155.3 |
| DR forecast       | 108.0 | 110.4 | 112.9 | 116.4 | 120.7 | 123.6 | 128.3 | 133.2 | 138.5 | 143.0 | 147.7 | 152.6 |
| DR forecast       | 110.2 | 114.2 | 118.0 | 121.4 | 125.0 | 128.1 | 132.2 | 136.8 | 141.4 | 146.0 | 150.9 | 156.0 |

Table continued...

| 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------|------|------|------|------|------|------|
| 2.6  | 2.1  | 2.3  | 2.2  | 2.1  | 2.4  | 2.4  |
| 2.5  | 1.8  | 1.7  | 1.9  | 1.9  | 2.1  | 1.9  |
| 2.0  | 1.1  | 1.2  | 1.7  | 1.9  | 2.0  | 1.7  |
| 5.0  | 4.1  | 4.1  | 3.0  | 3.0  | 2.4  | 2.6  |
| 2.8  | 2.6  | 2.9  | 2.5  | 2.5  | 2.8  | 2.9  |
| 3.3  | 2.1  | 2.1  | 2.2  | 1.9  | 2.2  | 2.2  |
| 3.0  | 1.9  | 1.6  | 2.0  | 1.9  | 2.3  | 2.2  |
| 3.2  | 2.5  | 2.0  | 1.9  | 2.3  | 2.2  | 2.0  |
| 3.3  | 0.8  | 1.8  | 2.0  | 2.2  | 2.6  | 2.4  |
| 2.7  | 2.1  | 2.1  | 2.2  | 2.0  | 2.3  | 2.2  |
| 2.3  | 1.5  | 1.6  | 1.8  | 2.2  | 2.7  | 2.7  |
| 3.0  | 1.5  | 0.9  | 1.6  | 1.6  | 2.0  | 2.0  |
| 5.1  | 3.7  | 3.7  | 3.6  | 3.6  | 2.0  | 2.5  |
| 3.9  | 2.9  | 2.7  | 2.5  | 2.5  | 3.1  | 3.2  |
| 5.7  | 4.6  | 4.0  | 3.0  | 2.1  | 2.9  | 2.8  |
| 7.7  | 5.9  | 5.5  | 3.3  | 3.2  | 4.1  | 4.2  |
| 1.5  | 2.2  | 2.1  | 0.5  | 3.1  | 2.5  | 2.6  |
| 4.4  | 3.4  | 3.1  | 2.9  | 3.1  | 3.5  | 3.6  |
| 2.6  | 2.2  | 2.9  | 3.0  | 3.7  | 3.6  | 3.9  |
| 4.9  | 3.7  | 3.3  | 2.9  | 3.0  | 3.3  | 3.4  |
Figure 1
Percent Change in Admissions, Outpatient Visits, and Inpatient Days From the
Same Period of Previous Year: 1987-95

SOURCE: American Hospital Association: National Panel Survey Reports. Chicago. Monthly reports for
January 1986-December 1995.
Figure 2
Real Inpatient Expense per Admission and Real Outpatient Expense per Visit: 1987-95

SOURCE: American Hospital Association: National Panel Survey Reports. Chicago. Monthly reports for January 1986-December 1995.
Figure 3
Percent Change in Consumer Price Indexes: Calendar Years 1987-95

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics; CPI Detailed Report. Washington, U.S. Government Printing Office. Monthly reports for January 1986-December 1995.
Figure 4
Percent Change in Medical Prices: Calendar Years 1987-1995

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: CPI Detailed Report. Washington, U.S. Government Printing Office. Monthly reports for January 1986-December 1995.
Figure 5
Percent Change in HCFA Input Price Indexes:
Calendar Year Four-Quarter Moving Average, 1987-1995

SOURCE: Health Care Financing Administration, Office of the Actuary. Data from the Office of National Health Statistics, Division of Health Cost Analysis.