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# Health Care Indicators

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## Hospital, Employment, and Price Indicators for the Health Care Industry: Fourth Quarter 1996 and Annual Data for 1988-96

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*This regular feature of the 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 before the availability of more comprehensive data.*

### KEY 1996 TRENDS

- Inpatient hospital use declined in 1996. This was reflected in the number of admissions and in the number of inpatient hospital days.
- Total patient revenues, the sum of inpatient and outpatient revenues, grew 3.6 percent in 1996, one of the smallest annual increases ever.
- Assets held by the Medicare Hospital Insurance (HI) Trust Fund fell 4.1 percent from the end of 1995 to the end of 1996, the second consecutive annual decline.
- Based on preliminary estimates prepared using health care indicator data, national health care expenditures (NHE) will account for approximately 13.7 percent of the gross domestic product (GDP) in 1996.
- Medical care price growth decelerated in 1996, the result of slower price growth across health care sectors and payers; economy-wide prices accelerated slightly

in 1996, continuing the convergence of medical care and overall price growth.

- In the fourth quarter of 1996, the consumer price index (CPI) for medical care and the CPI for all items less medical care grew at the same rate for the first time since the second quarter of 1981.

### INTRODUCTION

This article presents statistics on health care use, 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 use) for health care expenditure change.

The first nine 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

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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) show that community hospitals remained under pressure in 1996 as hospital use continued to decline and hospital revenues continued to grow very slowly. The AHA statistics presented in Table 1 and Table 2 show that in 1996 hospitals continued to adapt to downward pressures on the number of admissions and continuing declines in the average adult length of stay. The number of outpatient visits continued to increase at a markedly faster rate than the number of inpatient admissions. These changes have resulted in financial pressures on hospitals as inpatient revenues grew just 1.2 percent for all of 1996.

Hospital use, particularly in inpatient settings, continued to decline in 1996. Figure 1 shows the change in hospital admissions, outpatient visits, and inpatient days. The overall number of hospital admissions fell 0.4 percent in 1996, after increasing 1.4 percent in 1995 and 0.9 percent in 1994. Hospital admissions have fallen in every year since 1983 except for these two years. The number of inpatient days continued to fall in 1996, and the decline in inpatient days actually accelerated to 3.6 percent. The decrease in inpatient days was particularly evident in statistics for the population aged 65 years or older. The number of inpatient days

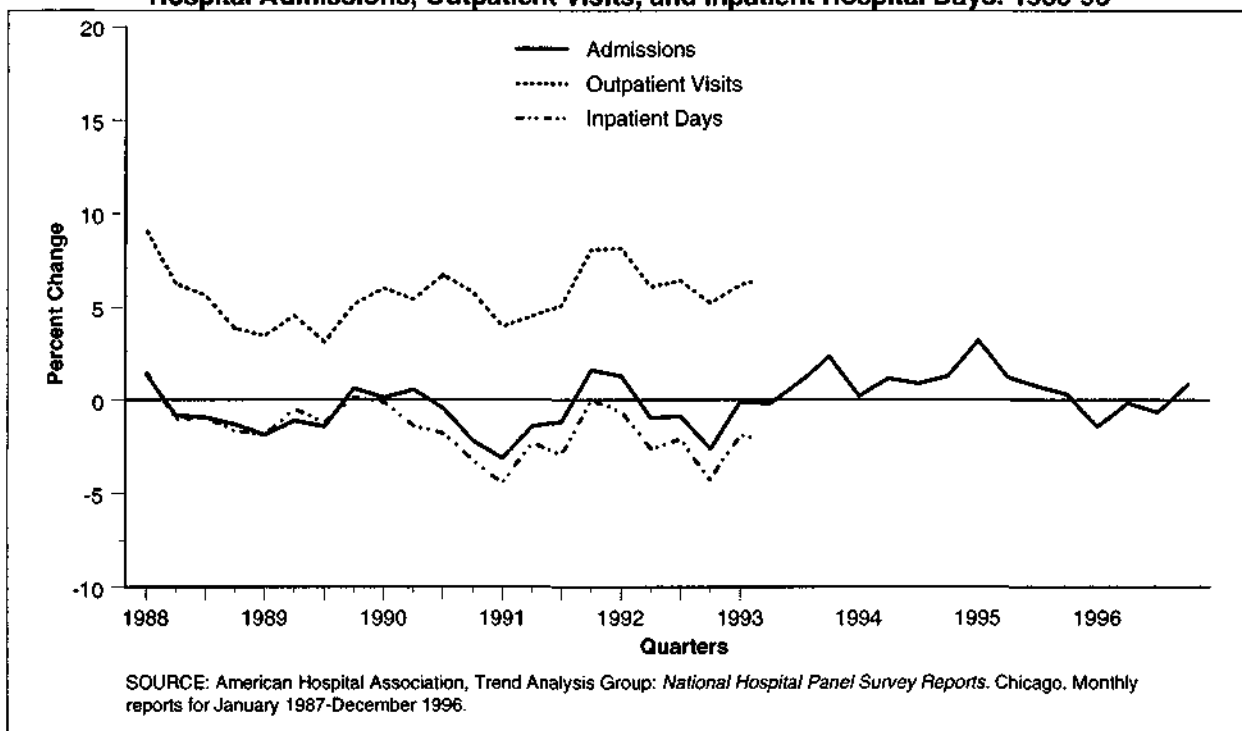
for this age cohort, essentially the Medicare population, registered a 5.6-percent decline in 1996, following a similar decline of 6.6 percent in 1995. The continued decline in the number of inpatient days continued to outstrip the decline in the number of staffed hospital beds, and as a result the hospital occupancy rate continued to fall in 1996 to a new low of 58.7 percent.

The continued slide in hospital inpatient use in 1996 had a marked effect on the growth of hospital revenues for the year. Figure 2 shows the change in total patient, inpatient, and outpatient revenues for 1988-96. The 1996 growth in inpatient revenue was 1.2 percent, one of the lowest levels ever recorded in the AHA statistics.

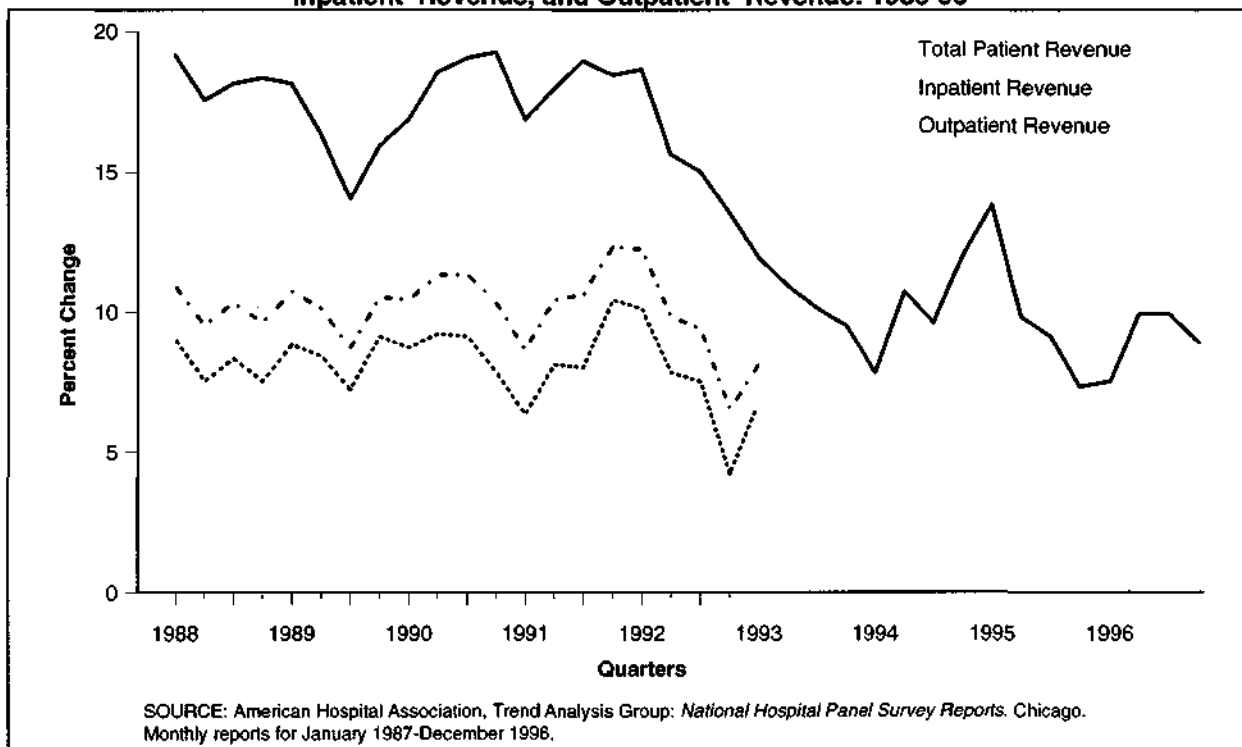
## **MEDICARE TRUST FUNDS INCOME AND OUTLAYS**

Health Care Indicators includes statistics on the income and outlays of the Medicare trust funds in Table 3. Quarterly levels of the outlays and income of the hospital insurance (HI) and supplementary medical insurance (SMI) trust funds fluctuate from quarter to quarter for many reasons. The variability in the quarterly trust fund data may be even greater than the quarterly variability in the other health care indicators discussed in this article (essentially price and use series) because of the effects of the timing of payments into and from the trust funds. The primary sources of variation in the level of outlays are the number of business days in a quarter, the timing of payments usually made the first of a month that are made early when the first day is on a weekend or legal holiday, and seasonal variation in health care use and costs. The sources of variation in income flows generally result from the timing of payments made to the trust funds. The timing of payroll tax withholding; settlements on self-employment taxes; and premium, interest,

**Figure 1**  
**Percent Change From the Same Period of Previous Year in Community Hospital Admissions, Outpatient Visits, and Inpatient Hospital Days: 1988-96**



**Figure 2**  
**Percent Change From the Same Period of Previous Year in Total Patient Revenue, Inpatient Revenue, and Outpatient Revenue: 1988-96**



and general revenue payments to the funds are the primary sources of this variation.

The growth in total Medicare outlays, the sum of Part A and Part B outlays, decelerated in calendar year 1996. Total Medicare outlays increased 10.0 percent in 1996, compared with an increase of 11.7 percent in 1995. This slowdown was driven by the marked deceleration in Part B outlays. Outlays for Part B increased just 5.7 percent in 1996, after increasing 10.4 percent in 1995. In contrast, outlays for Part A increased 12.5 percent in both 1995 and 1996. The key factor in the deceleration of Part B outlays is the Medicare volume performance standards (MVPS) which were incorporated into the physician fee schedule in 1992. These standards, designed to control growth in Medicare physician and other professional services, imposed a penalty for overshooting 1994 growth targets that took effect in the first quarter of calendar 1996 (Levit et al., 1996). As a result, price increases for services covered by the physician fee schedule, which accounted for most of the Part B outlay growth in 1995, were severely limited in 1996. Although the volume of services—as well as outlays for Part B benefits not covered by the physician fee schedule—affected Part B outlays in 1996, the price constraints imposed by the MVPS acted to slow Part B outlays during the year.

Outlays from the Part A (HI) trust fund increased 12.5 percent in 1996, the same rate of growth recorded in 1995. Figure 3 depicts the quarterly changes in the income and outlays of the Part A trust fund, as well as the percent change in the assets held by the fund at the end of each quarter. The Part A trust-fund assets balance fell 4.1 percent in 1996 after declining 1.9 percent in 1995. The most recent estimates, contained in the *1997 Trustees Report*, indicate that, given current law

and current trends, the Part A trust fund will be depleted in 2001.

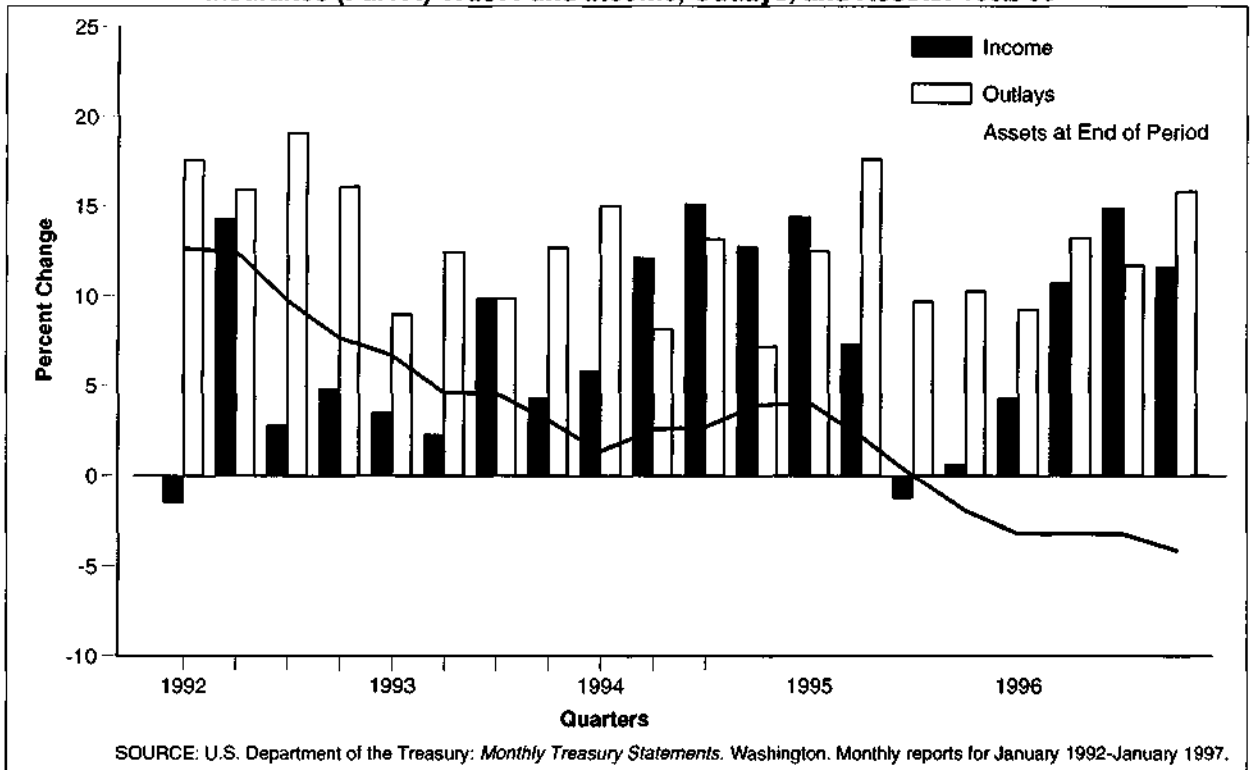
## **TRENDS IN HEALTH SECTOR EMPLOYMENT AND EARNINGS**

Employment in private sector health services establishments increased 3.3 percent in 1996, the fastest rate of increase in health services employment since 1992. During the same period, employment in all private sector establishments increased 2.2 percent. More than 300,000 new jobs were created in private sector health services, accounting for 14 percent of the 2.2 million new jobs generated by all private sector establishments in 1996. As shown in Figure 4, employment growth in private sector health services has outpaced employment growth in the private non-farm business sector as a whole in 8 of the last 10 years.

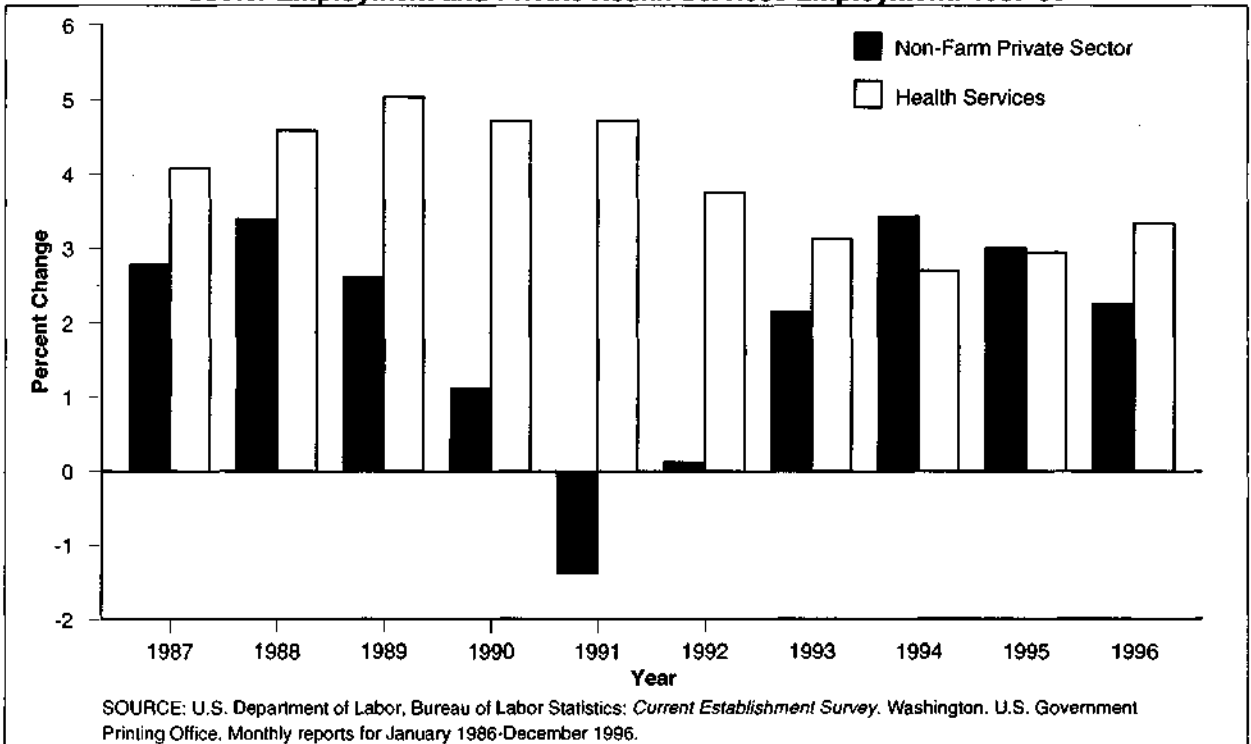
Trends within the health care sector shifted in 1996. Employment growth in private hospitals and physicians' offices was stronger in 1996 than any time in the last 4 years. In 1996, employment in private hospitals grew 1.8 percent and employment in physicians' offices increased 4.1 percent. An acceleration in the employment growth of these two sectors is significant because spending on hospital and physician services combined accounts for 56 percent of total national health spending (Levit et al., 1996). Acceleration in employment growth for both hospitals and physicians' offices may signal an acceleration in spending for these services in 1997.

There was also a significant change in the employment growth on home health care services in 1996. Home health care services has been the fastest growing component of health services since statistics were first collected on home health care as a separate industry in 1988. In 1996, home health care employment grew 5.0 percent

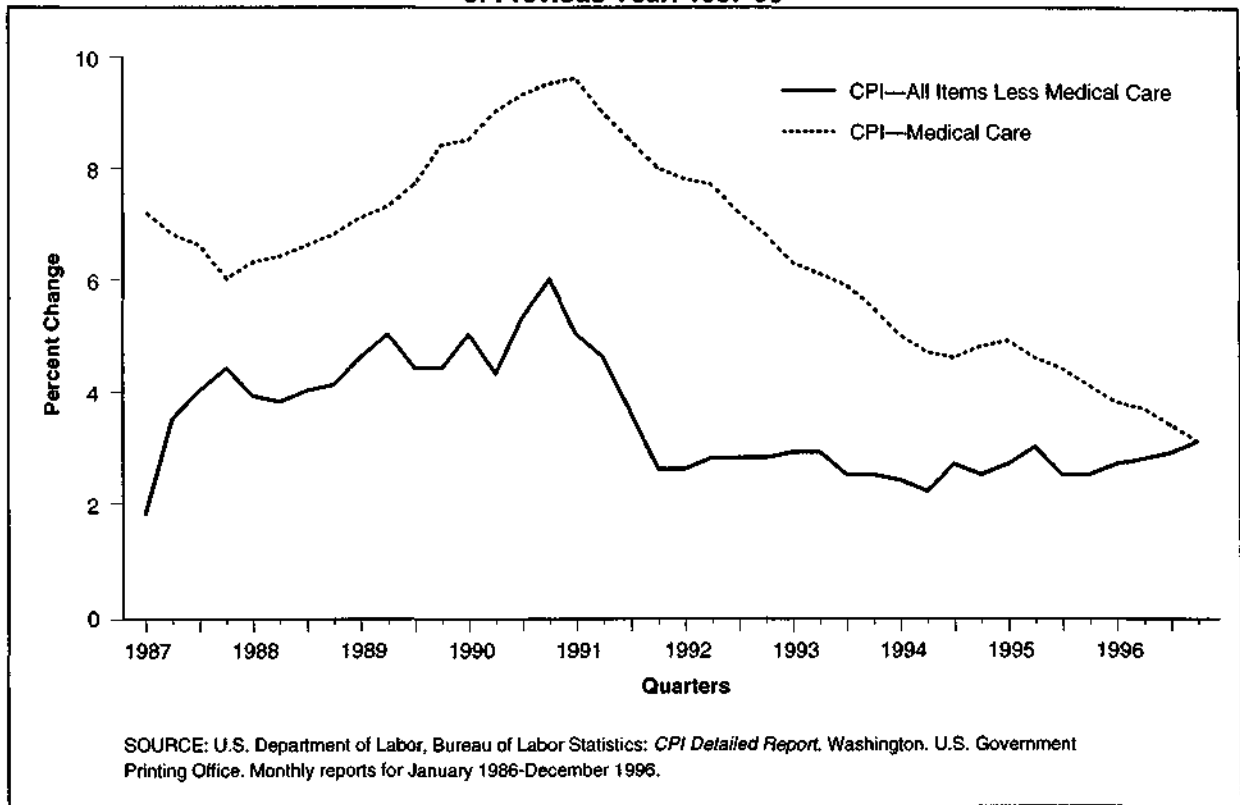
**Figure 3**  
**Percent Change From the Same Period of Previous Year in Medicare Hospital Insurance (Part A) Trust Fund Income, Outlays, and Assets: 1992-96**



**Figure 4**  
**Percent Change From the Previous Year in Private Non-Farm Sector Employment and Private Health Services Employment: 1987-96**



**Figure 5**  
**Percent Change in Consumer Price Indexes From the Same Period**  
**of Previous Year: 1987-96**



from the previous year, the slowest annual rate of increase ever recorded for this industry. More importantly, in 1996 employment growth in home health care services slowed dramatically during the year. In the fourth quarter of 1996 home health care services increased only 2.9 percent from the same period one year earlier, compared with increases of 7.3 and 6.2 percent in the first and second quarters respectively.

### MEDICAL SECTOR PRICES

The CPI for medical care grew a percentage point more slowly in 1996 than in 1995 whereas economy-wide prices, as measured by both the CPI and the producer price index (PPI), grew slightly faster in 1996 than they had in 1995. This continues the trend since 1990 of medical care price growth converging towards the

growth rate of overall prices. The CPI for medical care grew 3.5 percent in 1996, whereas the CPI for all items less medical care grew 2.9 percent in 1996, the narrowest differential since 1981. (Consumer medical care prices grew 4.5 percent in 1995 as compared with 2.7-percent growth in the CPI for all items less medical care.) The convergence is more apparent in the quarterly data, where the CPI for medical care and the CPI for all items less medical care both grew 3.1 percent in the fourth quarter of 1996 from the same quarter in 1995 (Figure 5). This marks the first time since the second quarter of 1981 that these two CPIs grew at the same rate. On a quarterly basis, the CPI for medical care moved downward through 1996 whereas the economy-wide CPI grew faster in each subsequent quarter of 1996. The recent deceleration in medical sector transaction and

list prices coincides with a rise in managed care participation. Transaction prices for hospitals and physicians, as measured by the PPI, have decelerated since 1994 whereas list prices for medical care services, as measured by the CPI, has slowed from 9.1-percent growth in 1990 to 3.5 percent in 1996 (Table 9). Since 1990, enrollment in health maintenance organizations (HMOs) has almost doubled from 36.5 million to 67.5 million in 1996 (American Association of Health Plans, 1995). In 1995, the most recent available data, enrollment in both HMOs and preferred provider organizations (PPOs), widely known as managed care enrollment, reached 150 million, accounting for roughly 57 percent of residential population (U.S. Department of Commerce, 1996). With managed care participation reaching these levels, questions arise as to how much more penetration will occur.

The PPI for health services grew less quickly than overall producer prices in 1996. Data on the PPI for health services are not available prior to 1996. The PPI for health services also trended downward on a quarterly basis through 1996, decelerating from 2.5-percent growth in the first quarter of 1996 to 1.8-percent growth in the fourth quarter of 1996 (Table 9). For 1996, the PPI for health services grew at 2.2 percent, which is slower than the 3.1-percent increase in the PPI for finished consumer goods. The PPI for finished consumer goods grew slightly faster in 1996 than it had in 1995 (1.9 percent) and substantially faster than in 1994 (0.2 percent). The slight acceleration in 1996 is consistent with the slight acceleration in the economy-wide CPI explained in the previous section. The quarterly PPI data for finished consumer goods also showed an accelerating trend through 1996.

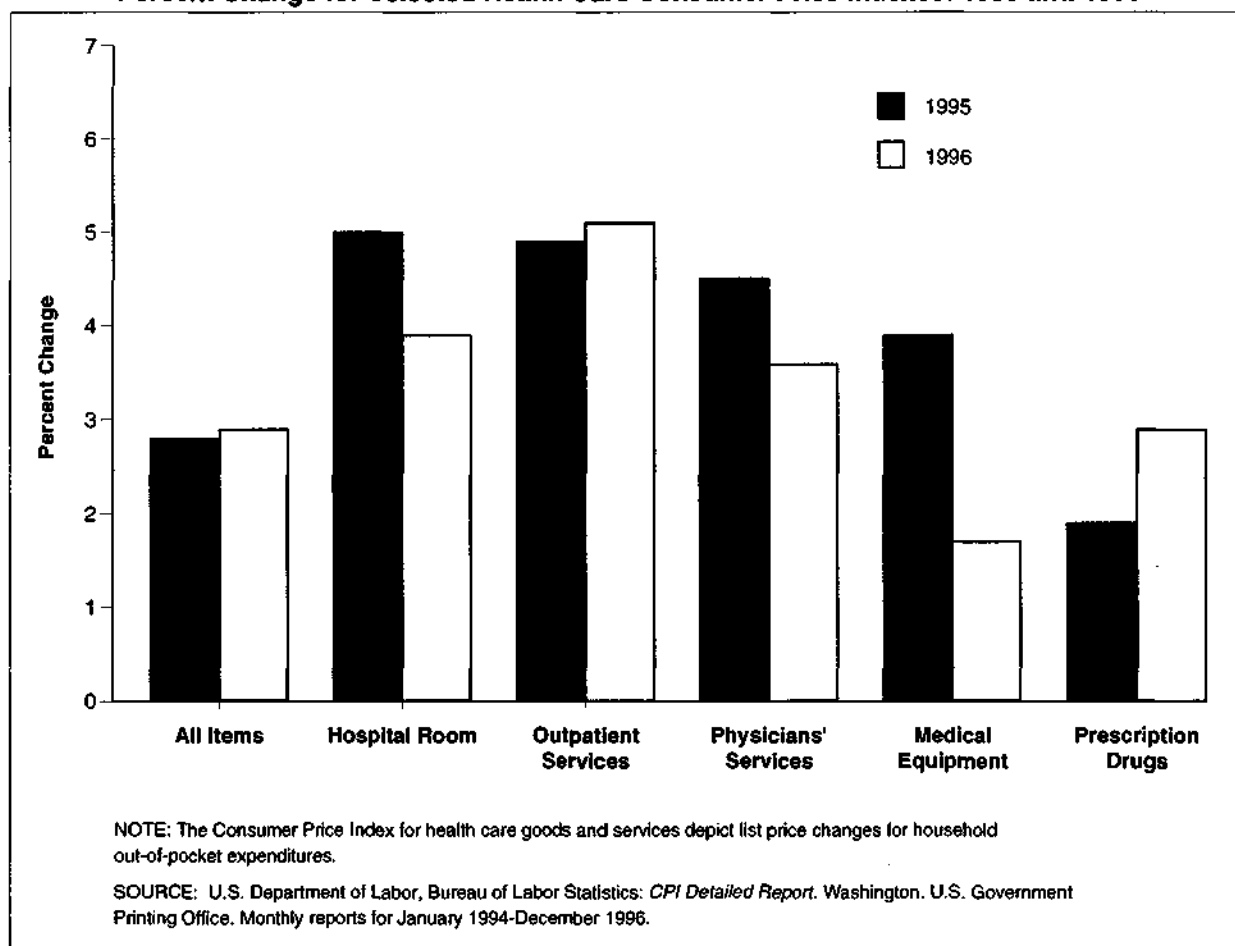
The deceleration in medical care consumer and producer price growth in 1996 was spread across health care sectors and

patients, with a few exceptions. As indicated in Figures 6 and 7, most medical sector prices grew more slowly between 1995-96. Growth in hospital inpatient prices and physicians' prices decelerated according to both the CPI and PPI surveys. Whereas the CPI measured a slight acceleration in hospital outpatient list price growth in 1996, the PPI showed hospital outpatient transaction price growth decelerating rapidly in 1996. A direct comparison between growth rates in the CPI and PPI surveys cannot be made because the CPI measures list prices changes for household out-of-pocket expenditures whereas the PPI measures transactions prices from out-of-pocket, Medicare, Medicaid, and other third-party payers. However, the trends in the growth rates of the two surveys can be compared. By patient, nearly all faced slower price growth in 1996 than in 1995. Medicaid and other patients besides Medicare and Medicaid faced decelerating price growth for both inpatient and outpatient treatments in 1996, and Medicare patients faced slower price growth in 1996 for outpatient treatment.

The only area where medical prices accelerated slightly in 1996 was for medical commodities. Although the CPI for medical equipment showed decelerating price growth in 1996, the PPI showed a slight acceleration for similar equipment. Both the CPI and PPI showed faster price growth in 1996 for prescription drugs. Part of the acceleration in the CPI for prescription drugs can be explained by a methodological revision in which previously excluded generic drug substitution patterns were incorporated in the CPI for the first quarter of 1995 (see the Health Care Indicators article in the Spring 1996 issue of the *Health Care Financing Review*). This resulted in a one-time decrease in over-the-year drug prices in 1995 and a one-time offsetting increase in over-the-year prescription drug prices in

Figure 6

Percent Change for Selected Health Care Consumer Price Indexes: 1995 and 1996



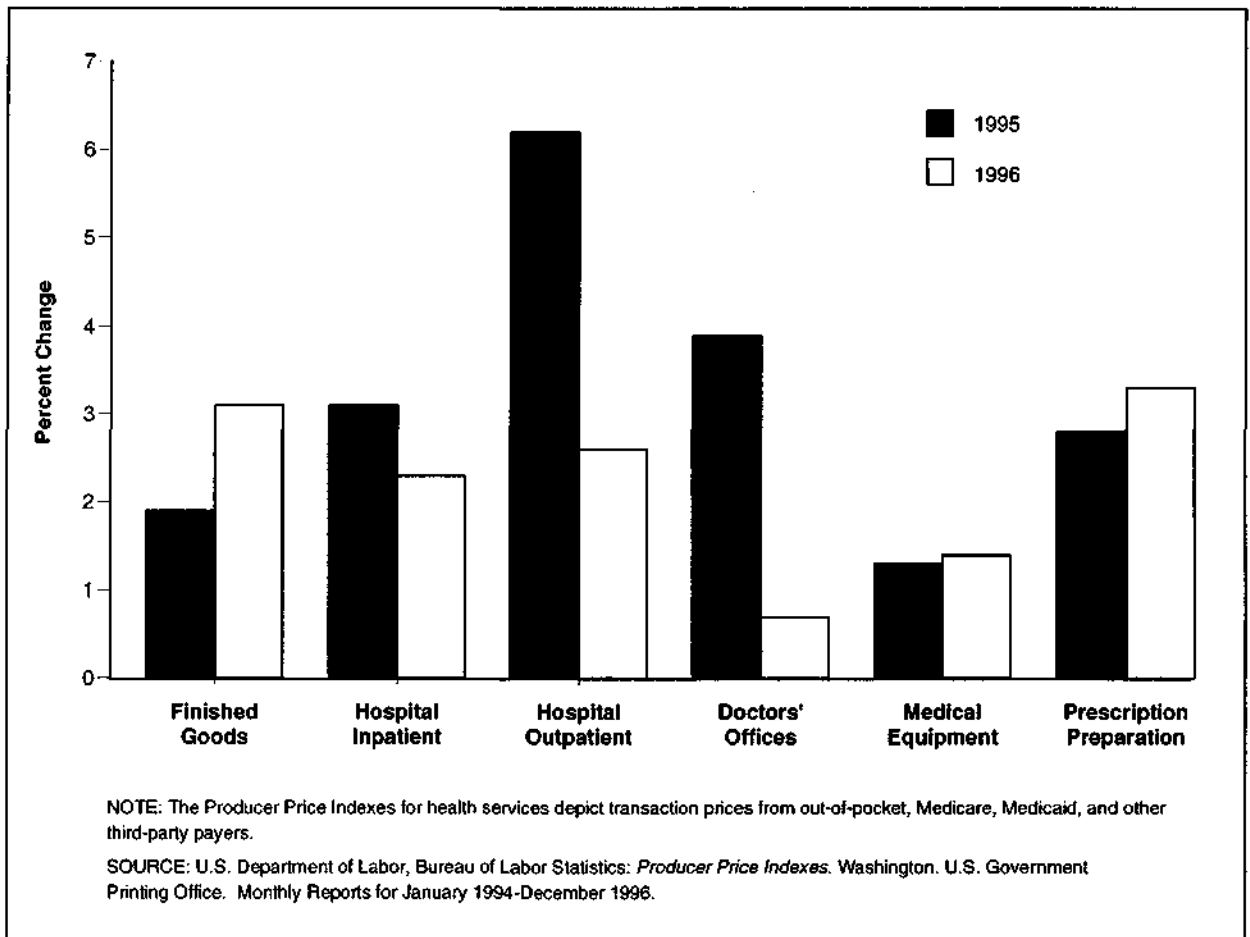
1996. However, the PPI data for ethical (prescription) preparation prices also indicates an acceleration in 1996. Increased growth in drug prices is consistent with recent evidence that drug prices have begun to accelerate after lower increases in recent years (Tanouye, 1997). Despite an acceleration in commodity prices and prices faced by Medicare patients for hospital inpatient treatments, medical care price growth decelerated through 1996 across most health care sectors and patients.

The recent downward trends in health care price growth through 1996 leads to questions about price growth for 1997. Some analysts have recently suggested that health care prices will begin to accelerate in 1997 (Auerbach, 1997). In 1996, the

gap between the growth rates in the CPI for medical care and the CPI for all items less medical care was smaller than at any point since 1981. According to the CPI and PPI surveys, price growth for medical care and health services, respectively, was slower than economy-wide price growth in the fourth quarter of 1996. The fourth quarter of 1996 marks the fourth instance medical care consumer prices have grown as fast as or slower than economy-wide prices, the other three periods being 1970:1 to 1970:2, 1972:2 to 1974:4, and 1978:3 to 1981:2. The recent trend indicates that medical care consumer price and health services producer price growth are not following the slightly upward trend in economy-wide price growth. Past history



**Figure 7**  
**Percent Change for Selected Health Care Producer Price Indexes: 1995 and 1996**



has shown that medical prices tend to grow more slowly than overall prices for short periods before returning to faster growth rates. Given the experience of 1996, questions exist about medical price growth in 1997.

There are many factors which will determine how medical prices will grow in 1997. Some of these factors include how much additional managed care penetration can occur in 1997 given the 57 percent enrolled in 1995, the reduced amount of public (e.g., Medicare, Medicaid) outlays planned for 1997, and the increasing wage and overall price pressures facing health care providers. The last factor is interesting because these upward wage and small upward price pressures were not enough to slow the

deceleration in medical prices in 1996. As mentioned earlier, prescription drug price growth accelerated in 1996 (Table 9) as well as some outpatient and medical equipment prices. Also, wages for both the non-health and health care sectors grew faster in 1996. As indicated in Table 5, the AHE for the non-farm private sector grew 3.3 percent in 1996 versus 2.8 percent in 1995, whereas the AHE for health services grew 3.1 percent in 1996 versus 2.9 percent in 1995. Within health services, average hourly earnings in offices and clinics of physicians, offices and clinics of dentists, and home health care services accelerated in 1996, whereas average hourly earnings in nursing homes and private hospitals decelerated slightly.

The acceleration in AHE for health services is consistent with the acceleration in wages as measured by the HCFA input price indexes. For the PPS hospital input price index, the home health agency (HHA) input price index, and the Medicare economic index (MEI), wage growth accelerated in 1996. Only the wage proxy for the skilled nursing facility (SNF) input price index (AHE for nursing homes) did not accelerate in 1996. An acceleration in wages is important for overall health sector prices because wages represent between 45-64 percent of a provider's input costs. Although wage growth accelerated for the HCFA input price indexes in 1996, deceleration in prices for benefits, chemicals, rubber and plastics, and paper products somewhat offset this growth. It will be interesting to see if slower price growth in other health care inputs can offset the expected continued wage pressures in 1997.

## **USING INDICATORS TO PREDICT HEALTH CARE SPENDING**

The 1996 health care indicators, presented in Tables 1-13, can be used to predict the share of GDP allocated to health care spending prior to the availability of more complete health expenditure data. Growth rates for five major components of NHE can be estimated using the growth rates of selected health care indicators. The five major components estimated in this way are hospital care, physician services, dental services, drugs and other non-durable medical products, and nursing home care. During the past decade, these five components on average have accounted for 78.5 percent of all health care spending. An expected range for annual health care spending in 1996 can be determined from preliminary estimates of these five components.

The growth in spending on hospital care can be estimated using the AHA Panel Survey data. The AHA reports that the growth in community hospital operating expenditures (Table 2) and revenues continued to decelerate in 1996. AHA hospital revenues increased 4.0 percent in 1996, following increases of 5.0 percent in 1995 and 4.9 percent in 1994. Total operating expenses grew at similar rates from 1994 to 1996. The growth rates in these indicators suggest that the annual growth in expenditures for hospital care as measured in the national health accounts (NHA) will continue to decelerate through 1996.

Preliminary estimates of the growth in expenditures for physician services, dental services, and nursing home care can be prepared using implied non-supervisory payroll data (Table 6) developed from the Bureau of Labor Statistics (BLS) establishment survey. For physician services, the 1996 growth rate in implied payrolls was 10.4 percent, an acceleration from the 6.4-percent growth registered in 1995. For dental services, the growth in implied payrolls was 9.9 percent in 1996, an acceleration in growth compared with the 7.1 percent increase in 1995. For nursing homes, the growth in implied payrolls in 1996 was 4.8 percent, a deceleration when compared with 6.5-percent growth recorded in 1995. The rates of growth in the indicators for these three components suggest an acceleration in the growth of expenditures for physicians' services and dental services and a deceleration in the growth of expenditures for nursing home care.

The growth in expenditures for retail purchases of drugs and other medical non-durables can be calculated using the growth rates of the CPI for prescription drugs and the CPI for over-the-counter (OTC) drugs (Table 9). The rate of growth for the two components of the NHE that

make up this category, prescription drugs and OTC drug and medical supplies has exceeded the growth of the CPI for prescription drugs and the CPI for OTC drugs in recent years. This suggests that the physical quantity of drugs purchased has increased in addition to the increase in prices. By adding the first difference, in this case the difference in the growth rates of the NHE and CPI components, to the change in the CPI, the increase in quantity can be accounted for and an estimate for the 1996 growth in the NHE components can be approximated. The CPI for prescription drugs grew 3.3 percent in 1996, an acceleration compared with the 1.9-percent growth in 1995 (Table 9). During the same period, the CPI for internal and respiratory OTC drugs grew 1.9 percent in 1996 and 0.6 percent in 1995. The acceleration in both components of the CPI in 1996 suggests an acceleration in the growth of the NHE measures of prescription drugs and non-prescription drugs and medical supplies in 1996.

Preliminary estimates of five major components of NHE can be calculated by applying the predicted growth rates for 1996 to the 1995 estimates. From 1991 to 1995, the sum of these five components has fluctuated as a share of total NHE, varying from 78.4 percent to 76.6 percent of total NHE during the period. Using the preliminary estimates of the five components and the average of the five component share of NHE as an indicator of the future share, preliminary estimates of total NHE can be prepared.

The preliminary estimates indicate that the growth in total NHE continued to decelerate slightly in 1996, but continued to grow slightly faster than GDP (Table 7). Using the preliminary estimates, health expenditures as a percent of GDP can be determined. The preliminary estimates indicate that health expenditures as a share of GDP were 13.7 percent in 1996. Total

health expenditures accounted for 13.6 percent of GDP in 1995, and 13.5 percent in 1994. The share of GDP attributable to health expenditures has expanded by approximately 3 percentage points in the last 10 years, rising from 10.7 in 1987 to the predicted 13.7 estimated for 1997.

## **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 1996, 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, 1963-96). In Tables 1 and 2, statistics covering expenses, use, beds, and personnel depict trends in the operation of community hospitals annually for 1988-96 and quarterly for 1994 forward.

For purposes of NHE, survey statistics on revenues are analyzed in estimating the growth in the largest component of health care costs—community hospital expenditures. This one segment of NHE accounted for 35 percent of all health spending in 1995 (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, length of stay, use of outpatient facilities, and number of surgeries.

### **Medicare Trust Fund Operations**

Separate trust funds finance the operations of the two parts of the Medicare program. The HI program, or Medicare Part A, helps pay for inpatient hospital, home health, SNF, and hospice care for the aged and disabled. The HI program is financed primarily by payroll taxes paid by workers and employers. The taxes paid each year are used mainly to pay benefits for current beneficiaries. The SMI program, or Medicare Part B, pays for physician, outpatient hospital, and other services for the aged and disabled. The SMI program is financed primarily by transfers from the general fund of the U.S. Treasury and by monthly premiums paid by beneficiaries. For both Medicare programs, income not currently needed to pay benefits and related expenses is held in the HI and SMI trust funds and invested in U.S. Treasury securities (Board of Trustees of the Federal Hospital Insurance Trust Fund, 1997; Board of Trustees of the Federal Supplementary Medical Insurance Trust Funds, 1997).

Data on the financial operations of the Medicare trust funds, the HI trust fund, and the SMI trust fund are available from two sources. The monthly statistics on trust fund operations are published in the *Monthly Treasury Statement of Receipts and Outlays of the United States Government* (U.S. Department of the Treasury, 1997). The trust fund operating statistics are presented in Table 8: Trust Fund Impact on Budget Results and Investment Holding. The Annual Reports of the Board of Trustees of the HI and SMI Trust Funds (Board of Trustees, 1997) contain a detailed accounting of all financial operations for the

prior fiscal year. The reports also contain actuarial analysis of the expected operations of the trust funds in future years and analysis of the actuarial status of the funds.

### **Private Health Sector: Employment, Hours, and Earnings**

The 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. Tables 4, 5, and 6 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 7 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, 1996).

## **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 7, 8, and 9 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 coverage purchased 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, 1995).

### **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 7, 8, and 9 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.

Although PPIs for medical commodities have existed for many 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. Although other PPI and CPI series are somewhat comparable (for

example, the PPI-offices 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 price changes in 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 diagnosis-related groups (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 November 22, 1996, *Federal Register*, and other adjustments. Because of different methodologies, these two Medicare 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 SNF and 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 routine costs of Medicare inpatient services. 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 1992. Cost categories, such as food, fuel, and labor, are identified and their 1992 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 26 expenditure categories in the 1992-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 time 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 10-12 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 and the most recent PPS update for payment rates was published in the August 30, 1996, *Federal Register*. The latest HHA regulatory input price index was published in the July 1, 1996, *Federal Register*, and the latest SNF input price index was published in the October 7, 1992, *Federal Register* (also see 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 10, the SNF input price index is in Table 11, and the HHA input price index is in Table 12.

### Medicare Economic Index

In 1972, Congress mandated the development of the 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 22, 1996, *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 shares by cost category are determined. Second, price proxies are selected to match each relative 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 four 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 change 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 13 as index levels and 4-quarter moving average percent changes.

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**Table 1**  
**Selected Community Hospital Statistics: 1988-96**

Item	Calendar Year									
	1988	1989	1990	1991	1992	1993	1994	1995	1996	
<b>Use</b>										
<b>All Ages</b>										
Admissions in Thousands	33,496	33,176	33,017	32,670	32,411	32,652	32,938	33,389	33,268	
Admissions per 1,000 Population <sup>1</sup>	132	129	127	125	122	122	122	122	121	
Inpatient Days in Thousands	222,313	220,361	216,836	211,475	206,440	202,078	196,117	190,377	183,495	
Adult Length of Stay in Days	6.6	6.6	6.6	6.5	6.4	6.2	6.0	5.7	5.5	
<b>65 Years of Age or Over</b>										
Admissions in Thousands	11,062	11,190	11,379	11,659	11,860	12,209	12,456	12,820	12,870	
Admissions per 1,000 Population <sup>1</sup>	359	357	357	360	360	366	369	375	373	
Inpatient Days in Thousands	97,531	98,904	99,056	99,468	98,920	97,042	94,877	91,164	86,431	
Adult Length of Stay in Days	8.8	8.8	8.7	8.5	8.3	7.9	7.6	7.1	6.7	
<b>Under 65 Years of Age</b>										
Admissions in Thousands	22,434	21,986	21,638	21,011	20,551	20,443	20,483	20,569	20,398	
Admissions per 1,000 Population <sup>1</sup>	100	97	95	91	89	87	87	86	85	
Inpatient Days in Thousands	124,782	121,457	117,781	112,007	107,520	105,036	101,240	99,213	97,064	
Adult Length of Stay in Days	5.6	5.5	5.4	5.3	5.2	5.1	4.9	4.8	4.8	
Surgical Operations in Thousands	21,252	21,383	21,904	21,983	22,463	22,710	23,286	23,739	24,165	
Outpatient Visits in Thousands	296,111	308,086	326,498	344,116	366,243	390,188	417,684	452,558	481,298	
Adjusted Patient Days in Thousands <sup>2</sup>	281,336	282,995	283,985	282,887	281,525	278,938	276,209	273,638	270,023	
Beds in Thousands	942	930	921	912	908	902	891	874	854	
Adult Occupancy Rate <sup>3</sup>	64.5	64.9	64.5	63.5	62.1	61.4	60.3	59.7	58.7	
<b>Total Hospital Revenues in Millions<sup>4</sup></b>										
Total Patient Revenues in Millions	\$186,810	\$205,698	\$228,056	\$251,657	\$275,430	\$295,035	\$309,354	\$324,961	\$338,118	
Inpatient Revenues in Millions	177,786	195,540	216,709	239,492	262,034	280,414	293,285	307,228	318,183	
Outpatient Revenues in Millions	140,494	152,273	165,483	179,042	192,163	203,167	208,262	213,771	216,242	
<b>Total Expenses</b>										
<b>Total Hospital Expenses in Millions</b>										
Labor in Millions	\$177,770	\$195,378	\$217,113	\$238,633	\$260,994	\$278,880	\$292,801	\$308,411	\$320,789	
Non-Labor in Millions	96,415	106,019	117,828	128,704	140,112	149,733	158,826	163,842	168,796	
<b>Inpatient Expense in Millions<sup>5</sup></b>										
Amount per Patient Day	\$140,475	\$152,136	\$165,777	\$178,392	\$191,385	\$202,035	\$207,897	\$214,570	\$217,994	
Amount per Admission	632	690	765	844	927	1,000	1,060	1,127	1,188	
<b>Outpatient Expense in Millions<sup>5</sup></b>										
Amount per Outpatient Visit	\$37,296	\$43,242	\$51,337	\$60,241	\$69,609	\$76,845	\$84,903	\$93,841	\$102,796	
	126	140	157	175	190	197	203	207	214	

<sup>1</sup>Admissions per 1,000 population is calculated using population estimates prepared by the Social Security Administration.

<sup>2</sup>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.

<sup>3</sup>The adult occupancy rate is calculated by the Office of National Health Statistics. The AHA does not publish this statistic. Adult occupancy rate is the ratio of average daily census to average number of beds maintained during the reporting period.

<sup>4</sup>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.

<sup>5</sup>Inpatient Expense and Outpatient Expense are calculated by the Office of National Health Statistics. These statistics are calculated by applying the ratio of inpatient or outpatient revenue to total patient revenue multiplied by total hospital expenses.

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

SOURCE: American Hospital Association; Trend Analysis Group; *National Hospital Panel Survey Reports*. Chicago. Monthly reports for January 1988-December 1996.

**Table 1—Continued**  
**Selected Community Hospital Statistics: 1988-96**

1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4
8,368	8,180	8,154	8,236	8,634	8,281	8,213	8,260	8,511	8,267	8,159	8,331
124	121	121	122	127	122	120	121	124	120	119	121
51,709	48,648	47,657	48,102	50,377	47,296	46,239	46,467	48,051	45,532	44,349	45,563
6.2	5.9	5.8	5.8	5.8	5.7	5.6	5.6	5.6	5.5	5.4	5.5
3,211	3,098	3,022	3,125	3,379	3,187	3,071	3,184	3,324	3,204	3,090	3,252
382	367	357	368	397	374	359	371	387	372	358	376
25,551	23,493	22,631	23,203	24,778	22,823	21,507	22,056	22,972	21,445	20,448	21,566
8.0	7.6	7.5	7.4	7.3	7.2	7.0	6.9	6.9	6.7	6.6	6.6
5,158	5,082	5,132	5,111	5,255	5,094	5,143	5,077	5,187	5,063	5,070	5,078
88	86	87	86	88	86	86	85	87	84	84	84
26,158	25,155	25,027	24,899	25,598	24,472	24,732	24,411	25,078	24,087	23,902	23,997
5.1	5.0	4.9	4.9	4.9	4.8	4.8	4.8	4.8	4.8	4.7	4.7
5,664	5,864	5,840	5,918	6,028	5,965	5,832	5,915	5,948	6,087	6,028	6,102
98,341	104,079	107,022	108,241	111,088	113,699	113,332	114,438	116,335	119,874	122,232	122,857
71,244	68,776	67,711	68,363	71,226	68,146	67,079	67,106	69,232	67,394	66,247	67,087
895	893	888	886	881	877	871	867	862	859	849	844
64.2	59.8	58.3	59.0	63.5	59.3	57.7	58.2	61.2	58.3	56.8	58.7
\$76,480	\$76,829	\$77,069	\$78,976	\$81,793	\$81,020	\$80,307	\$81,842	\$84,280	\$84,396	\$83,449	\$85,993
72,702	72,868	73,018	74,697	77,476	76,557	75,956	77,238	79,710	79,349	78,461	80,664
52,767	51,543	51,393	52,559	54,797	53,133	52,358	53,483	55,322	53,609	52,526	54,784
19,935	21,325	21,625	22,138	22,679	23,424	23,599	23,755	24,387	25,740	25,934	25,880
\$71,677	\$72,618	\$73,468	\$75,039	\$76,259	\$76,751	\$76,808	\$78,594	\$79,361	\$79,958	\$79,593	\$81,877
38,420	38,828	39,408	40,170	40,529	40,768	40,857	41,688	41,873	41,935	41,925	43,063
33,257	33,790	34,059	34,869	35,730	35,983	35,951	36,906	37,488	38,023	37,668	38,814
\$52,023	\$51,366	\$51,709	\$52,800	\$53,936	\$53,268	\$52,945	\$54,421	\$55,081	\$54,020	\$53,284	\$55,608
1,006	1,056	1,085	1,098	1,071	1,126	1,145	1,171	1,146	1,186	1,201	1,220
6,217	6,279	6,341	6,411	6,247	6,432	6,446	6,588	6,472	6,534	6,530	6,675
\$19,654	\$21,252	\$21,758	\$22,239	\$22,323	\$23,483	\$23,863	\$24,172	\$24,281	\$25,937	\$26,309	\$26,269
200	204	203	205	201	207	211	211	209	216	215	214

**Table 2**  
**Percent Change in Selected Community Hospital Statistics: 1988-96**

Item	Calendar Year									
	1988	1989	1990	1991	1992	1993	1994	1995	1996	
	Annual Percent Change									
<b>Use</b>										
<b>All Ages</b>										
Admissions in Thousands	-0.4	-1.0	-0.5	-1.1	-0.8	0.7	0.9	1.4	-0.4	
Admissions per 1,000 Population	-1.4	-2.0	-1.5	-2.0	-1.8	-0.3	-0.1	0.5	-1.3	
Inpatient Days in Thousands	-0.5	-0.9	-1.6	-2.5	-2.4	-2.1	-2.9	-2.9	-3.6	
Adult Length of Stay in Days	-0.1	0.1	-1.1	-1.4	-1.6	-2.8	-3.8	-4.2	-3.3	
<b>65 Years of Age or Over</b>										
Admissions in Thousands	2.0	1.2	1.7	2.5	1.7	2.9	2.0	2.9	0.4	
Admissions per 1,000 Population	0.2	-0.6	-0.1	0.9	0.2	1.5	0.8	1.8	-0.6	
Inpatient Days in Thousands	1.3	1.4	0.2	0.4	-0.6	-1.9	-2.2	-3.9	-5.2	
Adult Length of Stay in Days	-0.7	0.2	-1.5	-2.0	-2.2	-4.7	-4.2	-6.6	-5.6	
<b>Under 65 Years of Age</b>										
Admissions in Thousands	-1.6	-2.0	-1.6	-2.9	-2.2	-0.5	0.2	0.4	-0.8	
Admissions per 1,000 Population	-2.4	-2.9	-2.5	-3.8	-3.1	-1.5	-0.7	-0.5	-1.7	
Inpatient Days in Thousands	-1.9	-2.7	-3.0	-4.9	-4.0	-2.3	-3.6	-2.0	-2.2	
Adult Length of Stay in Days	-0.3	-0.7	-1.5	-2.1	-1.9	-1.8	-3.8	-2.4	-1.3	
<b>Surgical Operations in Thousands</b>										
Outpatient Visits in Thousands	6.2	4.0	6.0	5.4	6.4	6.5	7.0	8.3	6.4	
Adjusted Patient Days in Thousands	1.3	0.6	0.3	-0.4	-0.5	-0.9	-1.0	-0.9	-1.3	
Beds in Thousands	-1.3	-1.3	-0.9	-1.0	-0.5	-0.7	-1.2	-1.8	-2.4	
Adult Occupancy Rate <sup>1</sup>	0.3	0.5	-0.4	-0.9	-1.4	-0.7	-1.1	-0.7	-0.9	
<b>Total Hospital Revenues in Millions</b>										
Total Patient Revenues in Millions	10.3	10.1	10.9	10.3	9.4	7.1	4.9	5.0	4.0	
Inpatient Revenues in Millions	10.1	10.0	10.8	10.5	9.4	7.0	4.6	4.8	3.6	
Outpatient Revenues in Millions	8.1	8.4	8.7	8.2	7.3	5.7	2.5	2.6	1.2	
<b>Operating Expenses</b>										
Total in Millions	18.2	16.0	18.4	18.0	15.6	10.6	10.1	9.9	9.1	
Labor in Millions	10.2	9.9	11.1	9.9	9.4	6.9	5.0	5.3	4.0	
Non-Labor in Millions	10.1	10.0	11.1	9.2	8.9	6.9	4.7	4.5	3.0	
<b>Inpatient Expense in Millions</b>										
Amount per Patient Day	10.3	9.8	11.1	10.7	10.0	6.8	5.3	6.3	5.1	
Amount per Admission	8.2	8.3	9.0	7.6	7.3	5.6	2.9	3.2	1.6	
<b>Outpatient Expense</b>										
Amount per Outpatient Visit	8.8	9.3	10.7	10.3	9.9	7.8	6.0	6.3	5.4	
	8.7	9.3	9.5	8.8	8.1	4.8	2.0	1.8	2.0	
	18.4	15.9	18.7	17.3	15.6	10.4	10.5	10.5	9.5	
	11.5	11.4	12.0	11.3	8.6	3.6	3.2	2.0	3.0	

<sup>1</sup>Change in rate, rather than percent change.

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

SOURCE: American Hospital Association, Trend Analysis Group: *National Hospital Panel Survey Reports*. Chicago. Monthly reports for January 1988-December 1996.

**Table 2—Continued**  
**Percent Change in Selected Community Hospital Statistics: 1988-96**

1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4
Percent Change From the Same Period											
0.2	1.2	0.9	1.3	3.2	1.2	0.7	0.3	-1.4	-0.2	-0.7	0.9
-0.7	0.2	-0.1	0.3	2.2	0.3	-0.2	-0.6	-2.3	-1.1	-1.5	-0.1
-2.9	-3.0	-2.9	-3.0	-2.6	-2.8	-3.0	-3.4	-4.6	-3.7	-4.1	-1.9
-3.1	-4.1	-3.8	-4.3	-5.6	-4.0	-3.7	-3.7	-3.2	-3.6	-3.5	-2.8
2.3	1.8	2.6	1.3	5.2	2.9	1.6	1.9	-1.6	0.5	0.6	2.2
1.1	0.7	1.5	0.1	4.1	1.7	0.5	0.8	-2.7	-0.5	-0.3	1.2
-1.1	-3.2	-1.6	-3.1	-3.0	-2.9	-5.0	-4.9	-7.3	-6.0	-4.9	-2.2
-3.3	-5.0	-4.1	-4.4	-7.8	-5.6	-6.5	-6.7	-5.8	-6.5	-5.5	-4.3
-1.1	0.7	-0.1	1.3	1.9	0.2	0.2	-0.7	-1.3	-0.6	-1.4	0.0
-2.0	-0.2	-1.0	0.4	1.0	-0.6	-0.7	-1.5	-2.2	-1.5	-2.3	-0.9
-4.6	-2.8	-4.1	-2.9	-2.1	-2.7	-1.2	-2.0	-2.0	-1.6	-3.4	-1.7
-3.5	-3.5	-4.0	-4.2	-4.0	-3.0	-1.4	-1.3	-0.7	-1.0	-2.0	-1.7
0.3	2.5	2.9	4.5	6.4	1.7	-0.1	-0.1	-1.3	2.1	3.4	3.2
3.9	6.6	7.9	9.7	13.0	9.2	5.9	5.7	4.7	5.4	7.9	7.4
-1.5	-0.8	-0.9	-0.7	0.0	-0.9	-0.9	-1.8	-2.8	-1.1	-1.2	0.0
-1.2	-1.2	-1.4	-1.2	-1.5	-1.8	-1.9	-2.1	-2.1	-2.1	-2.6	-2.6
-1.1	-1.1	-0.9	-1.1	-0.7	-0.6	-0.6	-0.8	-2.3	-1.0	-0.9	0.4
4.0	4.9	4.6	6.0	6.9	5.5	4.2	3.6	3.0	4.2	3.9	5.1
3.7	4.7	4.3	5.6	6.6	5.1	4.0	3.4	2.9	3.6	3.3	4.4
2.2	2.4	2.2	3.2	3.8	3.1	1.9	1.8	1.0	0.9	0.3	2.4
7.8	10.7	9.6	12.0	13.8	9.8	9.1	7.3	7.5	9.9	9.9	8.9
4.6	4.9	5.0	5.5	6.4	5.7	4.5	4.7	4.1	4.2	3.6	4.2
4.5	4.2	4.9	5.4	5.5	5.0	3.7	3.8	3.3	2.9	2.6	3.3
4.8	5.6	5.0	5.7	7.4	6.5	5.6	5.8	4.9	5.7	4.8	5.2
3.1	2.6	2.9	3.1	3.7	3.7	2.4	3.1	2.1	1.4	0.6	2.2
6.2	5.7	5.9	6.3	6.4	6.7	5.5	6.7	7.1	5.3	4.9	4.2
2.9	1.4	2.0	1.8	0.5	2.4	1.7	2.8	3.6	1.6	1.3	1.3
8.7	10.9	10.3	11.9	13.6	10.5	9.7	8.7	8.8	10.5	10.2	8.7
4.7	4.1	2.2	2.0	0.5	1.1	3.6	2.8	3.9	4.8	2.2	1.2

**Table 3**  
**Hospital Insurance and Supplementary Medical Insurance**  
**Trust Fund Operations: 1991-96**

Indicator	Calendar Year						1993	1993	1993	
	1991	1992	1993	1994	1995	1996	Q1	Q2	Q3	
<b>Total Medicare Outlays</b>										
In Millions of Dollars	\$121,448	\$135,845	\$152,174	\$164,862	\$184,203	\$202,703	\$36,174	\$37,870	\$38,037	
Hospital Insurance Trust Fund	72,570	85,015	94,391	104,545	117,604	132,295	22,134	23,982	23,517	
Supplementary Medical Insurance Trust Fund	48,877	50,830	57,783	60,317	66,599	70,408	14,041	13,888	14,520	
<b>Hospital Insurance Trust Fund</b>										
Operations: In Millions of Dollars										
Income	\$88,839	\$93,836	\$98,187	\$109,570	\$115,027	\$126,968	\$20,833	\$29,581	\$21,327	
Outlays	72,570	85,015	94,391	104,545	117,604	132,295	22,134	23,982	23,517	
Difference	16,269	8,821	3,796	5,025	-2,577	-5,327	-1,301	5,599	-2,190	
Assets at End of Period <sup>1</sup>	115,202	124,022	127,818	132,844	130,267	124,940	122,722	128,320	126,131	
<b>Supplementary Medical Insurance Trust Fund</b>										
Operations: In Millions of Dollars										
Income	\$51,224	\$57,237	\$57,879	\$55,608	\$60,306	\$85,610	\$10,635	\$15,935	\$14,919	
Outlays	48,877	50,830	57,783	60,317	66,599	70,408	14,041	13,888	14,520	
Difference	2,346	6,407	-104	-4,709	-6,293	15,202	-3,405	2,047	399	
Assets at End of Period <sup>1</sup>	17,828	24,235	24,131	19,422	13,130	28,332	20,830	22,877	23,276	
			Annual Percent Change					Percent Change From Same		
							Period of Previous Year			
<b>Total Medicare Outlays</b>	—	11.9	12.0	8.3	11.7	10.0	12.7	12.7	10.0	
Hospital Insurance Trust Fund	—	17.1	11.0	10.8	12.5	12.5	9.0	12.4	9.9	
Supplementary Medical Insurance Trust Fund	—	4.0	13.7	4.4	10.4	5.7	19.1	13.2	10.3	
<b>Hospital Insurance Trust Fund</b>										
Operations										
Income	—	5.6	4.6	11.6	5.0	10.4	3.5	2.3	9.9	
Outlays	—	17.1	11.0	10.8	12.5	12.5	9.0	12.4	9.9	
Assets at End of Period	—	7.7	3.1	3.9	-1.9	-4.1	6.7	4.6	4.6	
<b>Supplementary Medical Insurance Trust Fund</b>										
Operations										
Income	—	11.7	0.8	-3.6	8.5	42.0	-16.5	17.4	28.5	
Outlays	—	4.0	13.7	4.4	10.4	5.7	19.1	13.2	10.3	
Assets at End of Period	—	35.9	-0.4	-19.5	-32.4	115.8	10.9	13.9	25.6	

<sup>1</sup>As shown in the Monthly Treasury Statement. Excludes undistributed balance.

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

SOURCES: Monthly Treasury Statement of Receipts and Outlays of the United States Government. Financial Management Service, U.S. Department of the Treasury. 1997 Annual Reports of the Board of Trustees of the HI and SMI Trust Funds. Office of the Actuary, Health Care Financing Administration.

**Table 3—Continued**  
**Hospital Insurance and Supplementary Medical Insurance**  
**Trust Fund Operations: 1991-96**

1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4
\$40,091	\$39,133	\$40,509	\$42,761	\$42,459	\$44,352	\$46,725	\$46,559	\$46,566	\$47,456	\$52,009	\$50,599	\$52,639
24,758	25,458	25,937	26,618	26,533	28,638	30,513	29,199	29,254	31,288	34,526	32,615	33,866
15,334	13,676	14,572	16,143	15,926	15,714	18,212	17,361	17,312	16,168	17,483	17,984	18,773
\$26,446	\$22,047	\$33,155	\$24,547	\$29,621	\$25,215	\$35,570	\$24,241	\$30,001	\$26,293	\$39,365	\$27,840	\$33,470
24,758	25,458	25,937	26,618	26,533	28,638	30,513	29,199	29,254	31,288	34,526	32,615	33,866
1,688	-3,411	7,219	-2,071	3,288	-3,423	5,057	-4,958	747	-4,995	4,839	-4,775	-396
127,818	124,408	131,626	129,555	132,844	129,420	134,477	129,520	130,267	125,272	130,111	125,336	124,940
\$16,189	\$13,299	\$14,367	\$13,491	\$14,430	\$16,478	\$17,189	\$10,072	\$16,568	\$26,596	\$19,654	\$19,208	\$20,152
15,334	13,676	14,572	16,143	15,926	15,714	16,212	17,361	17,312	16,168	17,483	17,984	18,773
856	-377	-185	-2,651	-1,496	764	977	-7,288	-745	10,428	2,171	1,224	1,379
24,131	23,755	23,570	20,919	19,422	20,186	21,163	13,874	13,130	23,558	25,729	26,953	28,332
Percent Change From Same												
Period of Previous Year												
12.7	8.2	7.0	12.4	5.9	13.3	15.3	8.9	9.7	7.0	11.3	8.7	13.0
12.7	15.0	8.1	13.2	7.2	12.5	17.6	9.7	10.3	9.3	13.2	11.7	15.8
12.7	-2.6	4.9	11.2	3.9	14.9	11.3	7.5	8.7	2.9	7.8	3.6	8.4
4.3	5.8	12.1	15.1	12.8	14.4	7.3	-1.2	0.6	4.3	10.7	14.8	11.6
12.7	15.0	8.1	13.2	7.2	12.5	17.6	9.7	10.3	9.3	13.2	11.7	15.8
3.1	1.4	2.6	2.7	3.9	4.0	2.2	0.0	-1.9	-3.2	-3.2	-3.2	-4.1
-16.2	25.0	-9.7	-9.6	-10.9	23.9	19.5	-25.3	14.8	61.4	14.3	90.7	21.6
12.7	-2.6	4.9	11.2	3.9	14.9	11.3	7.5	8.7	2.9	7.8	3.6	8.4
-0.4	14.0	3.0	-10.1	-19.5	-15.0	-10.2	-33.7	-32.4	16.7	21.6	94.3	115.8

**Table 4**  
**Employment, Hours, and Earnings in Private Sector<sup>1</sup> Health Service Establishments, by Selected Type of**  
**Establishment: 1988-96**

Type of Establishment	Calendar Year								
	1988	1989	1990	1991	1992	1993	1994	1995	1996
<b>Total Employment (in Thousands)</b>									
Non-Farm Private Sector	87,824	90,117	91,115	89,854	89,959	91,889	95,044	97,892	100,094
Health Services	7,105	7,463	7,814	8,163	8,490	8,756	8,992	9,257	9,566
Offices and Clinics of Physicians	1,199	1,268	1,338	1,404	1,463	1,506	1,545	1,606	1,672
Offices and Clinics of Dentists	484	500	513	528	541	556	574	597	625
Nursing Homes	1,311	1,356	1,415	1,493	1,533	1,585	1,649	1,693	1,742
Private Hospitals	3,294	3,438	3,549	3,655	3,750	3,779	3,763	3,784	3,852
Home Health Care Services	216	244	291	345	398	469	559	626	657
Non-Supervisory Employment (in Thousands)									
Non-Farm Private Sector	71,106	73,034	73,800	72,650	72,930	74,777	77,610	80,123	81,998
Health Services	6,311	6,636	6,948	7,276	7,546	7,770	7,966	8,200	8,477
Offices and Clinics of Physicians	988	1,047	1,105	1,155	1,202	1,231	1,261	1,311	1,369
Offices and Clinics of Dentists	424	437	450	464	473	487	501	521	549
Nursing Homes	1,184	1,226	1,279	1,347	1,385	1,431	1,487	1,527	1,568
Private Hospitals	3,010	3,145	3,248	3,353	3,442	3,464	3,441	3,460	3,526
Home Health Care Services	199	225	269	319	369	435	518	579	608
<b>Average Weekly Hours</b>									
Non-Farm Private Sector	34.7	34.6	34.5	34.3	34.4	34.5	34.7	34.5	34.4
Health Services	32.4	32.5	32.5	32.5	32.8	32.8	32.8	32.8	32.6
Offices and Clinics of Physicians	31.6	31.9	31.8	31.9	32.2	32.2	32.4	32.5	32.8
Offices and Clinics of Dentists	28.5	28.5	28.4	28.3	28.4	28.3	28.1	28.0	28.1
Nursing Homes	31.6	31.8	32.1	32.2	32.3	32.2	32.3	32.5	32.3
Private Hospitals	34.0	34.0	34.2	34.2	34.4	34.6	34.7	34.5	34.4
Home Health Care Services	26.5	25.4	25.3	26.1	27.4	27.8	28.2	28.6	28.1
<b>Average Hourly Earnings</b>									
Non-Farm Private Sector	9.28	9.65	10.01	10.32	10.57	10.83	11.12	11.44	11.82
Health Services	9.21	9.83	10.40	10.96	11.39	11.78	12.10	12.45	12.83
Offices and Clinics of Physicians	9.07	9.78	10.58	11.14	11.42	11.89	12.26	12.52	13.10
Offices and Clinics of Dentists	8.82	9.41	10.14	10.62	11.02	11.44	11.97	12.40	12.88
Nursing Homes	6.33	6.80	7.24	7.56	7.86	8.17	8.50	8.76	8.98
Private Hospitals	10.51	11.21	11.79	12.50	13.03	13.46	13.83	14.30	14.69
Home Health Care Services	7.30	7.85	8.70	9.38	10.00	10.41	10.67	10.91	11.17
<b>Addenda: Hospital Employment (in Thousands)</b>									
Total	4,600	4,740	4,853	4,958	5,068	5,100	5,077	5,092	5,154
Private	3,294	3,438	3,549	3,655	3,750	3,779	3,763	3,784	3,852
Federal	241	227	232	234	235	234	234	232	227
State	446	442	426	417	419	414	407	397	383
Local	619	632	646	653	665	673	673	679	692

<sup>1</sup>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.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics; *Employment and Earnings*. Washington, U.S. Government Printing Office. Monthly reports for January 1988-December 1996.



**Table 4—Continued**  
**Employment, Hours, and Earnings in Private Health Service Establishments, by Selected Type of**  
**Establishment: 1988-96**

1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4
92,096	94,811	96,347	96,923	95,646	97,853	98,928	99,142	97,489	100,024	101,303	101,559
8,878	8,965	9,042	9,083	9,119	9,209	9,309	9,389	9,441	9,540	9,614	9,669
1,519	1,536	1,557	1,568	1,577	1,597	1,617	1,632	1,639	1,665	1,687	1,696
565	573	576	581	584	593	602	609	614	622	628	636
1,626	1,642	1,661	1,666	1,671	1,683	1,704	1,715	1,717	1,735	1,754	1,760
3,762	3,762	3,769	3,759	3,758	3,774	3,794	3,809	3,828	3,846	3,860	3,873
523	553	571	591	603	619	635	648	647	658	659	667
74,878	77,420	78,806	79,337	78,043	80,097	81,082	81,272	79,615	81,962	83,094	83,319
7,869	7,949	8,007	8,041	8,075	8,159	8,247	8,319	8,366	8,455	8,519	8,569
1,242	1,253	1,270	1,278	1,287	1,303	1,320	1,333	1,340	1,363	1,382	1,389
495	501	503	507	510	518	525	532	539	546	551	558
1,465	1,481	1,498	1,502	1,506	1,518	1,537	1,547	1,546	1,562	1,578	1,583
3,441	3,442	3,444	3,435	3,435	3,452	3,470	3,484	3,503	3,520	3,534	3,547
485	512	528	546	558	573	588	599	599	608	609	617
34.3	34.7	34.9	34.8	34.3	34.4	34.7	34.5	33.9	34.4	34.8	34.6
32.8	32.8	32.8	32.8	32.8	32.7	32.8	32.7	32.5	32.5	32.7	32.8
32.4	32.3	32.3	32.6	32.4	32.4	32.5	32.7	32.6	32.7	32.8	33.1
28.2	28.2	28.0	28.2	28.0	28.0	27.8	28.1	27.9	28.1	28.1	28.4
32.1	32.2	32.5	32.4	32.3	32.3	32.8	32.5	32.2	32.3	32.6	32.3
34.7	34.6	34.7	34.6	34.7	34.6	34.5	34.4	34.4	34.3	34.3	34.4
28.0	28.2	28.2	28.5	28.7	28.7	28.7	28.1	27.7	27.8	28.3	28.3
11.05	11.06	11.10	11.27	11.35	11.36	11.44	11.60	11.70	11.75	11.82	12.01
12.00	12.02	12.13	12.25	12.36	12.36	12.46	12.61	12.73	12.76	12.85	12.99
12.16	12.22	12.29	12.36	12.45	12.43	12.49	12.70	12.88	13.01	13.14	13.36
11.78	11.92	12.01	12.17	12.25	12.35	12.41	12.60	12.68	12.76	12.91	13.16
8.40	8.44	8.53	8.61	8.71	8.73	8.78	8.83	8.92	8.93	8.99	9.07
13.70	13.70	13.89	14.04	14.17	14.16	14.34	14.52	14.62	14.62	14.73	14.81
10.58	10.62	10.71	10.75	10.84	10.84	10.92	11.03	11.11	11.12	11.21	11.26
5,080	5,077	5,083	5,068	5,065	5,080	5,106	5,116	5,133	5,149	5,160	5,172
3,762	3,762	3,769	3,759	3,758	3,774	3,794	3,809	3,828	3,846	3,860	3,873
236	234	234	232	230	232	235	231	231	229	226	223
409	408	406	405	404	398	394	393	390	385	380	377
673	672	675	672	673	677	681	683	685	689	694	698

**Table 5**  
**Percent Change in Employment, Hours, and Earnings in Private Sector<sup>1</sup> Health Service Establishments,**  
**by Selected Type of Establishment: 1988-96**

Type of Establishment	Calendar Year									
	1988	1989	1990	1991	1992	1993	1994	1995	1996	
	<b>Annual Percent Change</b>									
<b>Total Employment (in Thousands)</b>										
Non-Farm Private Sector	3.4	2.6	1.1	-1.4	0.1	2.1	3.4	3.0	2.2	
Health Services	4.6	5.0	4.7	4.7	3.8	3.1	2.7	2.9	3.3	
Offices and Clinics of Physicians	5.3	5.7	5.5	5.0	4.2	2.9	2.6	3.9	4.1	
Offices and Clinics of Dentists	3.0	3.4	2.6	2.9	2.5	2.9	3.1	4.1	4.7	
Nursing Homes	2.2	3.4	4.4	5.5	2.7	3.4	4.0	2.7	2.9	
Private Hospitals	4.8	4.4	3.2	3.0	2.6	0.8	-0.4	0.6	1.8	
Home Health Care Services	N/A	12.8	19.2	18.5	15.5	17.9	19.3	11.9	5.0	
<b>Non-Supervisory Employment (in Thousands)</b>										
Non-Farm Private Sector	3.4	2.7	1.0	-1.6	0.4	2.5	3.6	3.2	2.3	
Health Services	4.4	5.2	4.7	4.7	3.7	3.0	2.5	2.9	3.4	
Offices and Clinics of Physicians	4.8	5.9	5.5	4.6	4.0	2.4	2.5	4.0	4.4	
Offices and Clinics of Dentists	2.3	3.9	2.8	3.1	2.1	2.8	3.0	4.0	5.2	
Nursing Homes	2.1	3.6	4.3	5.4	2.8	3.3	3.9	2.7	2.7	
Private Hospitals	5.0	4.5	3.3	3.2	2.7	0.6	-0.7	0.6	1.9	
Home Health Care Services	N/A	13.3	19.4	18.6	15.6	17.9	19.1	11.9	5.0	
<b>Average Weekly Hours</b>										
Non-Farm Private Sector	-0.2	-0.3	-0.3	-0.6	0.2	0.3	0.5	-0.6	-0.1	
Health Services	0.2	0.1	0.3	0.0	0.7	0.1	0.1	-0.2	-0.3	
Offices and Clinics of Physicians	1.5	1.0	-0.4	0.4	0.8	0.2	0.5	0.2	1.0	
Offices and Clinics of Dentists	0.6	-0.1	-0.2	-0.4	0.2	-0.3	-0.5	-0.6	0.6	
Nursing Homes	0.0	0.9	0.9	0.1	0.5	-0.3	0.3	0.5	-0.4	
Private Hospitals	-0.5	0.0	0.7	0.0	0.6	0.5	0.2	-0.3	-0.5	
Home Health Care Services	N/A	-4.1	-0.4	3.2	4.8	1.4	1.7	1.2	-1.8	
<b>Average Hourly Earnings</b>										
Nonfarm Private Sector	3.4	4.0	3.7	3.1	2.4	2.5	2.7	2.8	3.3	
Health Services	5.9	6.7	5.9	5.3	3.9	3.4	2.7	2.9	3.1	
Offices and Clinics of Physicians	5.3	7.9	8.1	5.3	2.5	4.2	3.1	2.1	4.6	
Offices and Clinics of Dentists	3.9	6.6	7.8	4.7	3.8	3.8	4.6	3.6	3.8	
Nursing Homes	5.4	7.4	6.5	4.4	3.9	4.0	4.0	3.1	2.5	
Private Hospitals	6.8	6.7	5.2	6.0	4.2	3.3	2.7	3.4	2.8	
Home Health Care Services	N/A	7.5	10.9	7.8	6.6	4.1	2.5	2.3	2.4	
<b>Addenda: Hospital Employment (in Thousands)</b>										
Total	3.7	3.1	2.4	2.2	2.2	0.6	-0.5	0.3	1.2	
Private	4.8	4.4	3.2	3.0	2.6	0.8	-0.4	0.6	1.8	
Federal	-3.5	-5.5	1.9	0.8	0.5	-0.4	0.0	-0.7	-2.1	
State	1.7	-0.9	-3.7	-2.2	0.5	-1.2	-1.6	-2.5	-3.5	
Local	2.1	2.1	2.2	1.1	1.8	1.3	0.0	0.8	1.9	

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

NOTES: Data presented here conform to the 1987 Standard Industrial Classification. Quarterly data not seasonally adjusted.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*. Washington, U.S. Government Printing Office. Monthly reports for January 1988-December 1996.

**Table 5—Continued**  
**Percent Change in Employment, Hours, and Earnings in Private Sector<sup>1</sup> Health Service Establishments,**  
**by Selected Type of Establishment: 1988-96**

1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4
Percent Change From the Same											
Period of Previous Year											
2.9	3.4	3.6	3.8	3.9	3.2	2.7	2.3	1.9	2.2	2.4	2.4
2.8	2.8	2.7	2.6	2.7	2.7	2.9	3.4	3.5	3.6	3.3	3.0
2.0	2.2	2.7	3.4	3.8	4.0	3.8	4.1	3.9	4.3	4.3	3.9
3.1	3.3	3.1	3.1	3.3	3.6	4.5	4.8	5.2	4.8	4.4	4.5
4.7	4.4	4.0	3.0	2.8	2.5	2.6	3.0	2.8	3.1	2.9	2.6
-0.4	-0.5	-0.5	-0.3	-0.1	0.3	0.7	1.3	1.8	1.9	1.7	1.7
21.0	20.7	18.9	16.9	15.3	12.0	11.1	9.7	7.3	6.2	3.8	2.9
3.2	3.8	4.0	4.2	4.2	3.5	2.9	2.4	2.0	2.3	2.5	2.5
2.6	2.6	2.5	2.5	2.6	2.6	3.0	3.5	3.6	3.6	3.3	3.0
1.9	1.9	2.6	3.4	3.6	4.0	3.9	4.3	4.2	4.6	4.7	4.2
3.1	3.3	2.8	2.9	3.1	3.3	4.5	5.0	5.6	5.6	4.9	4.9
4.5	4.2	3.9	3.0	2.8	2.5	2.6	3.0	2.7	2.9	2.7	2.4
-0.7	-0.8	-0.8	-0.5	-0.2	0.3	0.8	1.4	2.0	2.0	1.8	1.8
21.3	20.7	18.4	16.6	15.0	11.9	11.3	9.7	7.3	6.1	3.7	2.9
0.7	0.6	0.3	0.6	0.0	-1.0	-0.5	-0.8	-1.1	0.2	0.1	0.3
0.1	0.0	-0.1	0.2	0.1	-0.2	-0.1	-0.4	-0.8	-0.5	-0.2	0.2
0.7	0.4	0.1	0.9	0.2	0.1	0.4	0.1	0.4	1.0	1.1	1.4
0.1	-0.7	-0.8	-0.5	-0.5	-0.9	-0.8	-0.2	-0.6	0.6	1.3	0.9
0.2	0.0	-0.2	1.0	0.6	0.3	0.7	0.4	-0.3	0.0	-0.4	-0.8
0.5	0.2	0.1	-0.1	-0.1	-0.1	-0.6	-0.5	-0.9	-0.9	-0.5	0.1
1.7	1.6	1.1	2.4	2.6	1.9	1.7	-1.4	-3.4	-3.2	-1.2	0.7
2.6	2.5	2.6	2.8	2.7	2.7	3.0	3.0	3.1	3.4	3.4	3.5
2.7	2.6	2.9	2.8	3.0	2.8	2.7	3.0	3.0	3.2	3.2	3.0
3.8	3.1	3.2	2.4	2.4	1.7	1.7	2.7	3.4	4.6	5.2	5.2
4.7	5.0	4.8	4.1	3.9	3.6	3.4	3.6	3.5	3.3	4.0	4.4
4.2	4.1	4.0	3.6	3.7	3.4	2.9	2.6	2.4	2.3	2.4	2.7
2.4	2.5	2.9	3.1	3.5	3.3	3.3	3.4	3.1	3.3	2.7	2.0
2.6	2.7	2.3	2.3	2.5	2.1	2.0	2.6	2.4	2.6	2.7	2.1
-0.3	-0.5	-0.6	-0.5	-0.3	0.0	0.4	0.9	1.3	1.4	1.1	1.1
-0.4	-0.5	-0.5	-0.3	-0.1	0.3	0.7	1.3	1.8	1.9	1.7	1.7
1.7	0.6	-0.8	-1.5	-2.2	-1.1	0.8	-0.5	0.2	-1.3	-4.0	-3.1
-1.5	-1.4	-1.9	-1.6	-1.3	-2.6	-2.9	-3.0	-3.3	-3.2	-3.7	-3.9
0.5	0.0	-0.4	-0.3	0.0	0.6	1.0	1.7	1.7	1.9	1.9	2.1

**Table 6**  
**Percent Change in Implied Non-Supervisory Payrolls, Employment, Average Weekly Hours, and Average Hourly**  
**Earnings in Private Sector<sup>1</sup> Health Service Establishments, by Selected Type of Establishment: 1988-96**

Type of Establishment	Calendar Year								
	1988	1989	1990	1991	1992	1993	1994	1995	1996
	Annual Percent Change								
<b>Health Services</b>									
Payrolls	10.8	12.3	11.2	10.3	8.5	6.6	5.4	5.7	6.2
Employment	4.4	5.2	4.7	4.7	3.7	3.0	2.5	2.9	3.4
Average Weekly Hours	0.2	0.1	0.3	0.0	0.7	0.1	0.1	-0.2	-0.3
Average Hourly Earnings	5.9	6.7	5.9	5.3	3.9	3.4	2.7	2.9	3.1
<b>Offices and Clinics of Physicians</b>									
Payrolls	12.0	15.4	13.6	10.6	7.5	6.9	6.2	6.4	10.4
Employment	4.8	5.9	5.5	4.6	4.0	2.4	2.5	4.0	4.4
Average Weekly Hours	1.5	1.0	-0.4	0.4	0.8	0.2	0.5	0.2	1.0
Average Hourly Earnings	5.3	7.9	8.1	5.3	2.5	4.2	3.1	2.1	4.6
<b>Offices and Clinics of Dentists</b>									
Payrolls	6.9	10.0	10.6	7.5	6.1	6.5	7.3	7.1	9.9
Employment	2.3	3.3	2.8	3.1	2.1	2.8	3.0	4.0	5.2
Average Weekly Hours	0.6	-0.1	-0.2	-0.4	0.2	-0.3	-0.5	-0.6	0.6
Average Hourly Earnings	3.9	6.6	7.8	4.7	3.8	3.8	4.6	3.6	3.8
<b>Nursing Homes</b>									
Payrolls	7.7	12.2	12.1	10.1	7.4	7.1	8.3	6.5	4.8
Employment	2.1	3.6	4.3	5.4	2.8	3.3	3.9	2.7	2.7
Average Weekly Hours	0.0	0.9	0.9	0.1	0.5	-0.3	0.3	0.5	-0.4
Average Hourly Earnings	5.4	7.4	6.5	4.4	3.9	4.0	4.0	3.1	2.5
<b>Private Hospitals</b>									
Payrolls	11.6	11.6	9.4	9.4	7.6	4.5	2.2	3.6	4.2
Employment	5.0	4.5	3.3	3.2	2.7	0.6	-0.7	0.6	1.9
Average Weekly Hours	-0.5	0.0	0.7	0.0	0.6	0.5	0.2	-0.3	-0.5
Average Hourly Earnings	6.8	6.7	5.2	6.0	4.2	3.3	2.7	3.4	2.8
<b>Home Health Care Services</b>									
Payrolls	N/A	16.8	32.1	31.8	29.1	24.4	24.1	15.7	5.6
Employment	N/A	13.3	19.4	18.6	15.6	17.9	19.1	11.9	5.0
Average Weekly Hours	N/A	-4.1	-0.4	3.2	4.8	1.4	1.7	1.2	-1.8
Average Hourly Earnings	N/A	7.5	10.9	7.8	6.6	4.1	2.5	2.3	2.4
<b>Non-Farm Private Sector</b>									
Payrolls	6.7	6.5	4.5	0.9	3.1	5.4	7.1	5.6	5.7
Employment	3.4	2.7	1.0	-1.6	0.4	2.5	3.8	3.2	2.3
Average Weekly Hours	-0.2	-0.3	-0.3	-0.6	0.2	0.3	0.5	-0.8	-0.1
Average Hourly Earnings	3.4	4.0	3.7	3.1	2.4	2.5	2.7	2.8	3.3

<sup>1</sup>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.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: *Employment and Earnings*. Washington, U.S. Government Printing Office, Monthly reports for January 1988-December 1996.

**Table 6—Continued**  
**Percent Change in Implied Non-Supervisory Payrolls, Employment, Average Weekly Hours, and Average Hourly**  
**Earnings in Private Sector' Health Service Establishments, by Selected Type of Establishment: 1986-98**

1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4
Percent Change From the Same											
Period of Previous Year											
5.5	5.3	5.3	5.6	5.8	5.3	5.7	6.1	5.9	6.4	6.4	6.3
2.6	2.6	2.5	2.5	2.6	2.6	3.0	3.5	3.6	3.6	3.3	3.0
0.1	0.0	-0.1	0.2	0.1	-0.2	-0.1	-0.4	-0.8	-0.5	-0.2	0.2
2.7	2.6	2.9	2.8	3.0	2.8	2.7	3.0	3.0	3.2	3.2	3.0
6.5	5.5	5.9	6.9	6.3	5.9	6.1	7.2	8.2	10.6	11.4	11.2
1.9	1.9	2.6	3.4	3.6	4.0	3.9	4.3	4.2	4.6	4.7	4.2
0.7	0.4	0.1	0.9	0.2	0.1	0.4	0.1	0.4	1.0	1.1	1.4
3.8	3.1	3.2	2.4	2.4	1.7	1.7	2.7	3.4	4.6	5.2	5.2
8.1	7.7	6.8	6.6	6.7	6.1	7.1	8.5	8.7	9.8	10.5	10.6
3.1	3.3	2.0	2.9	3.1	3.3	4.5	5.0	5.6	5.6	4.9	4.9
0.1	-0.7	-0.8	-0.5	-0.5	-0.9	-0.8	-0.2	-0.6	0.6	1.3	0.9
4.7	5.0	4.8	4.1	3.9	3.6	3.4	3.6	3.5	3.3	4.0	4.4
9.1	8.4	7.8	7.8	7.2	6.3	6.3	6.1	4.8	5.3	4.7	4.3
4.5	4.2	3.9	3.0	2.8	2.5	2.6	3.0	2.7	2.9	2.7	2.4
0.2	0.0	-0.2	1.0	0.6	0.3	0.7	0.4	-0.3	0.0	-0.4	-0.8
4.2	4.1	4.0	3.6	3.7	3.4	2.9	2.6	2.4	2.3	2.4	2.7
2.2	1.9	2.2	2.5	3.2	3.5	3.5	4.4	4.2	4.4	4.1	3.9
-0.7	-0.8	-0.8	-0.5	-0.2	0.3	0.8	1.4	2.0	2.0	1.8	1.8
0.5	0.2	0.1	-0.1	-0.1	-0.1	-0.6	-0.5	-0.9	-0.9	-0.5	0.1
2.4	2.5	2.9	3.1	3.5	3.3	3.3	3.4	3.1	3.3	2.7	2.0
26.5	25.9	22.4	22.1	21.0	16.3	15.4	11.0	6.2	5.3	5.2	5.8
21.3	20.7	18.4	16.6	15.0	11.9	11.3	9.7	7.3	6.1	3.7	2.9
1.7	1.6	1.1	2.4	2.6	1.9	1.7	-1.4	-3.4	-3.2	-1.2	0.7
2.6	2.7	2.3	2.3	2.5	2.1	2.0	2.6	2.4	2.6	2.7	2.1
6.7	7.0	7.0	7.7	7.0	5.2	5.5	4.7	4.0	6.0	6.1	6.5
3.2	3.8	4.0	4.2	4.2	3.5	2.9	2.4	2.0	2.3	2.5	2.5
0.7	0.6	0.3	0.6	0.0	-1.0	-0.5	-0.8	-1.1	0.2	0.1	0.3
2.6	2.5	2.6	2.8	2.7	2.7	3.0	3.0	3.1	3.4	3.4	3.5

**Table 7**  
**Selected National Economic Indicators: 1988-96**

Indicator	Calendar Year								
	1988	1989	1990	1991	1992	1993	1994	1995	1996
<b>Gross Domestic Product</b>									
Billions of Dollars	5,050	5,439	5,744	5,917	6,244	6,553	6,936	7,254	7,576
Billions of 1992 Chain Weighted Dollars	5,863	6,060	6,139	6,079	6,244	6,386	6,609	6,743	6,907
Implicit Price Deflator (1992 = 100.0)	86.1	89.7	93.6	97.3	100.0	102.6	104.9	107.6	109.7
<b>Personal Income</b>									
Personal Income in Billions	4,173	4,489	4,792	4,969	5,264	5,480	5,753	6,115	6,452
Disposable Income in Billions	3,641	3,894	4,167	4,344	4,614	4,790	5,022	5,321	5,588
<b>Prices<sup>1</sup></b>									
Consumer Price Index, All Items	118.3	124.0	130.7	136.2	140.3	144.5	148.2	152.4	156.9
All Items Less Medical Care	117.0	122.4	128.8	133.8	137.5	141.2	144.7	148.6	152.8
Energy	89.3	94.3	102.1	102.5	103.0	104.2	104.6	105.2	110.1
Food and Beverages	118.2	124.9	132.1	136.8	138.7	141.6	144.9	148.9	153.7
Medical Care	138.6	149.3	162.6	177.0	190.1	201.4	211.0	220.5	228.2
<b>Producer Price Index,<sup>2</sup> Finished</b>									
Consumer Goods	106.2	112.1	118.2	120.5	121.7	123.0	123.3	125.6	129.5
Energy	59.8	65.7	75.0	78.1	77.8	78.0	77.0	78.1	83.2
Food	112.6	118.7	124.4	124.2	123.3	125.6	126.8	129.0	133.6
Finished Goods Except Food and Energy	118.5	124.0	128.8	133.7	137.3	138.5	139.0	141.9	144.3
<b>Annual Percent Change</b>									
<b>Gross Domestic Product</b>									
Billions of Dollars	7.6	7.7	5.6	3.0	5.5	4.9	5.8	4.6	4.4
Billions of 1992 Chain Weighted Dollars	3.8	3.4	1.3	-1.0	2.7	2.3	3.5	2.0	2.4
Implicit Price Deflator (1992 = 100.0)	3.7	4.2	4.3	4.0	2.7	2.6	2.3	2.5	2.0
<b>Personal Income</b>									
Personal Income in Billions	7.6	7.6	6.7	3.7	6.0	4.1	5.0	6.3	5.5
Disposable Income in Billions	8.3	7.0	7.0	4.2	6.2	3.8	4.8	6.0	5.0
<b>Prices<sup>1</sup></b>									
Consumer Price Index, All Items	4.1	4.8	5.4	4.2	3.0	3.0	2.6	2.8	2.9
All Items Less Medical Care	3.9	4.6	5.2	3.9	2.7	2.7	2.5	2.7	2.9
Energy	0.8	5.7	8.2	0.4	0.5	1.1	0.5	0.6	4.6
Food and Beverages	4.1	5.7	5.8	3.6	1.4	2.1	2.3	2.8	3.3
Medical Care	6.5	7.7	9.1	8.7	7.4	6.0	4.8	4.5	3.5
<b>Producer Price Index,<sup>2</sup> Finished</b>									
Consumer Goods	2.5	5.6	5.5	1.9	1.0	1.1	0.2	1.9	3.1
Energy	-3.2	9.8	14.1	4.2	-0.4	0.3	-1.2	1.4	6.5
Food	2.8	5.5	4.8	-0.2	-0.7	1.9	0.9	1.8	3.5
Finished Goods Except Food & Energy	3.8	4.6	3.8	3.8	2.7	0.9	0.3	2.1	1.7

<sup>1</sup>Base Period = 1982-84, unless noted.

<sup>2</sup>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 1992-September 1996; U.S. Department of Labor, Bureau of Labor Statistics: *Employment and Earnings*. Washington, U.S. Government Printing Office. Monthly reports for January 1992-September 1996.

**Table 7—Continued**  
**Selected National Economic Indicators: 1988-96**

1984	1984	1984	1984	1985	1985	1985	1985	1986	1986	1986	1986
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
6,776	6,891	6,993	7,083	7,150	7,205	7,310	7,351	7,427	7,545	7,616	7,716
6,508	6,588	6,645	6,694	6,701	6,714	6,776	6,781	6,814	6,893	6,928	6,994
104.1	104.6	105.2	105.8	106.7	107.3	107.9	108.4	109.0	109.5	109.9	110.3
5,582	5,739	5,806	5,903	6,005	6,074	6,147	6,235	6,309	6,412	6,501	6,587
4,857	4,998	5,077	5,155	5,235	5,273	5,349	5,427	5,484	5,542	5,629	5,700
146.7	147.6	148.9	148.6	150.9	152.2	152.9	153.6	155.0	156.5	157.4	158.5
143.3	144.1	145.4	146.0	147.1	148.4	149.0	149.7	151.0	152.5	153.3	154.4
101.7	103.5	107.8	105.4	103.7	106.5	107.2	103.5	105.3	112.0	111.9	111.3
143.9	144.1	145.2	146.2	147.9	148.7	149.0	150.0	151.6	152.8	154.3	156.2
207.5	209.8	212.2	214.7	217.6	219.3	221.5	223.4	226.0	227.4	229.1	230.4
122.4	123.0	123.9	123.7	124.5	125.7	125.9	126.4	127.4	129.3	130.2	131.2
74.4	76.7	80.2	76.9	76.7	80.0	78.4	76.4	78.6	84.2	84.7	85.1
127.1	126.5	126.4	127.2	126.3	128.0	129.1	130.7	131.1	132.1	134.9	136.1
136.6	138.7	138.7	138.8	140.8	141.6	141.7	143.7	144.0	144.2	144.0	145.0
Percent Change From the Same Period of Previous Year											
5.2	5.9	6.4	5.9	5.5	4.6	4.5	3.8	3.9	4.7	4.2	5.0
2.9	3.6	3.9	3.5	3.0	1.9	2.0	1.3	1.7	2.7	2.2	3.1
2.2	2.2	2.3	2.3	2.5	2.6	2.5	2.4	2.1	2.0	1.9	1.8
4.0	5.1	5.6	5.2	7.9	5.8	5.8	5.6	5.1	5.6	5.8	5.7
3.6	4.7	5.7	5.3	7.8	5.5	5.3	5.3	4.8	5.1	5.2	5.0
2.5	2.4	2.9	2.7	2.8	3.1	2.6	2.7	2.7	2.8	2.9	3.2
2.4	2.2	2.7	2.5	2.7	3.0	2.5	2.5	2.7	2.8	2.9	3.1
-0.9	-1.1	2.3	1.5	1.9	2.9	-0.6	-1.8	1.6	5.2	4.4	7.5
2.3	1.9	2.7	2.5	2.7	3.2	2.6	2.6	2.5	2.8	3.6	4.2
5.0	4.7	4.6	4.8	4.9	4.6	4.4	4.1	3.8	3.7	3.4	3.1
-0.3	-1.0	0.9	1.2	1.7	2.2	1.6	2.2	2.3	2.9	3.4	3.6
-3.4	-3.5	1.0	1.1	3.0	4.3	-1.0	-0.7	2.8	5.2	6.6	11.5
2.0	0.2	0.6	0.6	1.0	1.2	2.2	2.7	2.2	3.2	4.5	4.1
-0.5	-0.8	1.0	1.6	1.6	2.0	2.2	2.8	2.3	1.8	1.6	0.9

**Table 8**  
**Index Levels of Medical Prices: 1988-96**

Indicator	Calendar Year								
	1988	1989	1990	1991	1992	1993	1994	1995	1996
<b>Consumer Price Indexes, All Urban Consumers<sup>1</sup></b>									
Medical Care Services <sup>2</sup>	138.3	148.9	162.7	177.1	190.5	202.9	213.4	224.2	232.4
Professional Services	137.5	146.4	156.1	165.7	175.8	184.7	192.5	201.0	208.3
Physicians' Services	139.8	150.1	160.8	170.5	181.2	191.3	199.8	206.8	216.4
Dental Services	137.5	146.1	155.8	167.4	178.7	189.1	197.1	206.8	216.5
Hospital and Related Services	143.9	160.5	176.0	196.1	214.0	231.9	245.6	257.8	269.5
Hospital Room	143.3	158.1	175.4	191.9	208.7	226.4	239.2	251.2	261.0
Other Inpatient Services (1986=100)	114.0	128.9	142.7	158.0	172.3	185.7	197.1	206.8	216.9
Outpatient Services (1986=100)	112.5	124.7	138.7	153.4	168.7	184.3	195.0	204.6	215.1
Medical Care Commodities	139.9	150.8	163.4	178.8	188.1	195.0	200.7	204.5	210.4
Prescription Drugs	152.0	165.2	181.7	199.7	214.7	223.0	230.6	235.0	242.9
Non-Prescription Drugs and Medical Supplies (1986=100)	108.1	114.6	120.6	126.3	131.2	135.5	138.1	140.5	143.1
Internal and Respiratory Over-the-Counter Drugs	130.8	138.8	145.9	152.4	158.2	163.5	165.9	167.0	170.2
Non-Prescription Medical Equipment and Supplies	123.9	131.1	138.0	145.0	150.9	155.9	160.0	166.3	169.1
<b>Producer Price Indexes<sup>3</sup></b>									
<b>Industry Groupings: <sup>4</sup></b>									
Health Services (12/94=100)	—	—	—	—	—	—	—	102.4	104.6
Offices and Clinics of Doctors of medicine (12/93=100)	—	—	—	—	—	—	102.8	106.8	107.6
Medicare Treatments (12/93=100)	—	—	—	—	—	—	104.7	109.6	105.5
Non-Medicare Treatments (12/93=100)	—	—	—	—	—	—	102.3	105.9	107.8
Hospitals (12/92=100)	—	—	—	—	—	102.5	106.2	110.0	112.6
General Medical and Surgical Hospitals (12/92=100)	—	—	—	—	—	102.4	106.0	109.9	112.5
Inpatient Treatments (12/92=100)	—	—	—	—	—	102.5	106.0	109.2	111.8
Medicare Patients (12/92=100)	—	—	—	—	—	100.6	102.6	104.7	108.1
Medicaid Patients (12/92=100)	—	—	—	—	—	102.3	107.1	109.8	112.2
All Other Patients (12/92=100)	—	—	—	—	—	103.5	107.7	111.7	113.7
Outpatient Treatments (12/92=100)	—	—	—	—	—	102.5	106.7	113.3	116.2
Medicare Patients (12/92=100)	—	—	—	—	—	103.7	107.0	111.2	113.1
Medicaid Patients (12/92=100)	—	—	—	—	—	101.6	103.3	106.4	106.1
All Other Patients (12/92=100)	—	—	—	—	—	102.4	106.9	114.2	117.7
Skilled and Intermediate Care Facilities (12/94=100)	—	—	—	—	—	—	—	103.6	110.0
Public Payors (12/94=100)	—	—	—	—	—	—	—	103.8	110.5
Private Payors (12/94=100)	—	—	—	—	—	—	—	103.6	109.8
Medical Laboratories (6/94=100)	—	—	—	—	—	—	—	104.0	105.3
<b>Commodity Groupings:</b>									
Drugs and Pharmaceuticals	148.4	160.0	170.8	182.8	192.2	200.9	206.0	210.9	214.7
Ethical (Prescription) Preparations	169.0	184.4	200.8	217.5	231.7	242.2	250.0	257.0	265.4
Proprietary (Over-the-Counter) Preparations	144.4	152.1	156.8	165.4	173.6	180.0	183.2	186.6	185.1
Medical, Surgical, and Personal Aid Devices	118.9	123.0	127.3	130.3	133.9	137.6	140.4	141.3	143.1
Personal Aid Equipment	111.2	111.8	113.9	117.1	120.2	122.3	130.1	133.7	139.3
Medical Instruments and Equipment (6/82=100)	111.4	115.9	118.9	120.7	123.4	126.0	126.7	128.3	130.1
Surgical Appliances and Supplies (6/83=100)	125.2	129.8	135.9	140.7	145.0	151.0	155.7	154.8	156.9
Ophthalmic Goods (12/83=100)	110.8	113.8	115.0	116.0	118.0	119.0	119.8	122.2	120.3
Dental Equipment and Supplies (6/85=100)	113.0	114.2	118.9	121.2	126.6	131.5	135.2	137.5	141.0

<sup>1</sup>Unless otherwise noted, base year is 1982-84 = 100

<sup>2</sup>Includes the net cost of private health insurance, not shown separately.

<sup>3</sup>Unless otherwise noted, base year is 1982 = 100. 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 composition).

<sup>4</sup>Further detail for Producer Price Industry groupings, such as types of physician practices, hospital DRG groupings, etc., are available from BLS.

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

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, CPI Detailed Report, Washington, U.S. Government Printing Office, Monthly reports for January 1988-December 1996; U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Indexes, Washington, U.S. Government Printing Office, Monthly reports for January 1988-December 1996.



**Table 8—Continued**  
**Index Levels of Medical Prices: 1988-96**

1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4
209.5	212.0	214.6	217.5	221.0	223.0	225.4	227.4	230.1	231.6	233.3	234.7
199.3	191.8	193.5	195.5	198.3	200.2	202.0	203.4	205.9	207.5	209.2	210.7
196.7	199.2	200.7	202.4	205.6	208.1	210.1	211.5	214.3	215.8	217.1	218.3
193.0	196.1	198.3	201.1	204.0	205.8	207.8	209.8	212.5	215.1	218.0	220.5
241.3	243.4	247.2	250.6	254.2	255.6	259.1	262.2	266.1	267.7	271.0	273.1
235.3	237.2	240.9	243.5	247.8	249.4	252.6	255.1	257.9	259.0	262.3	264.7
193.5	195.4	198.2	201.2	204.0	205.2	207.8	210.3	214.3	215.5	218.1	219.6
191.5	192.9	196.3	199.4	201.5	202.3	205.5	208.9	211.7	213.9	216.5	218.1
198.5	200.1	201.6	202.6	203.4	203.6	204.6	206.2	208.4	209.9	211.1	212.1
228.0	230.5	231.0	232.8	233.4	233.9	235.4	237.4	240.1	242.3	243.7	245.3
136.7	136.8	139.4	139.4	140.5	140.0	140.4	141.2	142.5	142.9	143.6	143.6
165.2	165.5	166.6	166.4	167.1	166.0	167.4	167.3	169.3	169.5	170.6	171.3
156.7	156.7	163.1	163.6	165.8	166.3	165.2	167.8	168.7	169.3	169.8	168.8
--	--	--	--	101.6	101.9	102.5	103.4	104.1	104.4	104.7	105.2
101.8	102.4	102.9	104.0	106.3	106.8	107.1	107.0	107.4	107.5	107.5	107.9
104.7	104.7	104.7	104.7	109.6	109.6	109.6	109.6	105.5	105.5	105.5	105.5
101.0	101.8	102.4	103.8	105.5	106.1	106.1	106.0	107.5	107.7	107.8	108.2
105.0	105.4	106.7	107.7	109.2	109.3	110.0	111.4	112.2	112.3	112.7	113.4
104.8	105.2	106.5	107.5	109.0	109.2	109.9	111.5	112.2	112.2	112.5	113.2
104.9	105.2	106.4	107.5	108.5	108.6	109.1	110.9	111.5	111.6	111.6	112.4
102.3	102.3	102.3	103.6	103.6	103.6	103.6	107.8	107.8	107.8	107.8	109.1
105.3	106.0	108.1	108.9	109.5	109.8	109.3	110.6	111.7	112.5	111.9	112.5
106.3	106.7	108.4	109.4	111.0	111.1	112.0	112.6	113.6	113.4	113.6	114.2
105.0	105.6	107.6	108.2	111.9	112.5	114.0	114.8	115.6	115.9	116.6	117.0
105.5	106.0	107.5	108.8	110.2	111.1	111.8	111.8	112.3	112.5	113.4	114.4
101.8	101.2	105.1	105.1	105.7	105.9	105.8	106.0	107.1	107.1	105.9	104.4
105.2	106.2	107.8	108.4	112.7	113.2	115.1	115.8	116.9	117.1	118.1	118.6
--	--	--	--	101.9	102.8	104.2	105.6	108.2	109.5	110.7	111.6
--	--	--	--	101.8	102.7	104.4	106.2	108.6	110.1	111.2	112.1
--	--	--	--	102.1	103.2	104.2	105.1	108.2	109.1	110.4	111.4
--	--	100.0	99.9	101.6	103.4	106.0	105.0	105.3	105.2	105.3	105.3
204.6	205.9	206.3	207.0	208.5	210.3	211.2	213.4	213.8	214.6	215.2	215.2
248.3	250.1	250.0	251.4	252.7	255.8	257.6	261.8	262.5	265.1	266.8	267.0
181.4	182.6	184.4	184.5	185.5	186.6	186.6	187.5	188.3	184.5	183.3	184.2
140.1	140.3	140.6	140.5	140.7	140.8	141.5	142.1	143.5	143.4	142.6	142.7
127.8	130.8	130.9	130.9	131.2	131.8	135.1	136.7	136.8	139.8	140.2	140.3
126.4	126.5	126.8	126.9	127.8	128.0	128.8	128.7	130.3	130.1	129.7	130.1
155.4	155.7	156.1	155.4	154.3	154.1	154.5	156.2	157.4	158.1	156.3	155.8
120.0	119.4	119.4	119.8	121.7	121.8	122.9	122.6	122.2	119.7	119.8	119.5
134.2	135.0	136.0	135.7	136.4	137.9	137.1	138.7	140.7	140.7	141.0	141.7

**Table 8**  
**Percent Change in Medical Prices From Same Period a Year Ago: 1988-96**

Indicator	Calendar Year								
	1988	1989	1990	1991	1992	1993	1994	1995	1996
<b>Consumer Price Indexes, All Urban Consumers<sup>1</sup></b>									
	<b>Annual Percent Change</b>								
Medical Care Services <sup>2</sup>	6.5	7.6	9.3	8.9	7.6	6.5	5.2	5.0	3.7
Professional Services	6.7	6.4	6.6	6.2	6.1	5.1	4.3	4.4	3.7
Physicians' Services	7.2	7.3	7.2	6.0	6.3	5.6	4.4	4.5	3.6
Dental Services	6.8	6.2	6.7	7.5	6.7	5.3	4.8	4.9	4.7
Hospital and Related Services	9.3	11.5	10.9	10.2	9.1	8.4	5.9	5.0	4.5
Hospital Room	9.2	10.3	10.9	9.4	8.8	8.5	5.7	5.0	3.9
Other Inpatient Services (1986=100)	9.7	13.1	10.7	10.7	9.1	7.8	6.1	5.0	4.9
Outpatient Services (1986=100)	6.9	10.9	11.2	10.6	10.0	9.3	5.8	4.9	5.1
Medical Care Commodities	6.9	7.8	8.4	8.2	6.4	3.7	2.9	1.9	2.9
Prescription Drugs	7.9	8.7	10.0	9.9	7.6	3.9	3.4	1.9	3.3
Non-Prescription Drugs and Medical Supplies (1986=100)	4.9	6.0	5.2	4.7	3.9	3.3	1.9	1.8	1.9
Internal and Respiratory Over-the-Counter Drugs	5.5	6.1	5.2	4.5	3.8	3.3	1.5	0.6	1.9
Non-Prescription Medical Equipment and Supplies	3.6	5.8	5.3	5.0	4.1	3.3	2.7	3.9	1.7
<b>Producer Price Indexes<sup>3</sup></b>									
<b>Industry Groupings:<sup>4</sup></b>									
Health Services (12/94=100)	--	--	--	--	--	--	--	--	2.2
Offices and Clinics of Doctors of medicine (12/93=100)	--	--	--	--	--	--	--	3.9	0.7
Medicare Treatments (12/93=100)	--	--	--	--	--	--	--	4.7	-3.7
Non-Medicare Treatments (12/93=100)	--	--	--	--	--	--	--	3.8	1.8
Hospitals (12/92=100)	--	--	--	--	--	--	3.6	3.5	2.4
General Medical and Surgical Hospitals (12/92=100)	--	--	--	--	--	--	3.5	3.7	2.4
Inpatient Treatments (12/92=100)	--	--	--	--	--	--	3.5	3.1	2.3
Medicare Patients (12/92=100)	--	--	--	--	--	--	2.0	2.0	3.3
Medicaid Patients (12/92=100)	--	--	--	--	--	--	4.8	2.5	2.2
All Other Patients (12/92=100)	--	--	--	--	--	--	4.0	3.7	2.6
Outpatient Treatments (12/92=100)	--	--	--	--	--	--	4.1	6.2	1.8
Medicare Patients (12/92=100)	--	--	--	--	--	--	3.1	4.0	1.7
Medicaid Patients (12/92=100)	--	--	--	--	--	--	1.7	2.9	-0.2
All Other Patients (12/92=100)	--	--	--	--	--	--	4.4	6.9	3.0
Skilled and Intermediate Care Facilities (12/94=100)	--	--	--	--	--	--	--	--	6.1
Public Payors (12/94=100)	--	--	--	--	--	--	--	--	6.5
Private Payors (12/94=100)	--	--	--	--	--	--	--	--	5.9
Medical Laboratories (6/94=100)	--	--	--	--	--	--	--	--	1.3
<b>Commodity Groupings:</b>									
Drugs and Pharmaceuticals	6.7	7.9	6.7	6.9	5.3	4.5	2.5	2.4	1.8
Ethical (Prescription) Preparations	7.9	9.1	8.9	8.4	6.5	4.5	3.2	2.8	3.3
Proprietary (Over-the-Counter) Preparations	6.6	5.3	3.1	5.5	5.0	3.7	1.8	1.8	-0.8
Medical, Surgical, and Personal Aid Devices	1.7	3.4	3.5	2.3	2.7	3.0	1.8	0.7	1.3
Personal Aid Equipment	1.4	0.5	1.9	2.9	2.6	1.7	6.4	2.7	4.2
Medical Instruments and Equipment (6/82=100)	1.7	4.1	2.6	1.5	2.2	2.1	0.5	1.3	1.4
Surgical Appliances and Supplies (6/83=100)	1.6	3.6	4.7	3.5	3.1	4.1	3.1	-0.6	1.4
Ophthalmic Goods (12/83=100)	1.0	2.8	1.0	0.9	1.7	0.9	0.6	2.2	-1.6
Dental Equipment and Supplies (6/85=100)	2.3	1.1	4.1	1.9	4.5	3.8	2.9	1.7	2.5

<sup>1</sup>Unless otherwise noted, base year is 1982-84 = 100.

<sup>2</sup>Includes the net cost of private health insurance, not shown separately.

<sup>3</sup>Unless otherwise noted, base year is 1982 = 100. 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 composition).

<sup>4</sup>Further detail for Producer Price Industry groupings, such as types of physician practices, hospital DRG groupings, etc., are available from the Bureau of Labor Statistics.

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

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: *CPI Detailed Report*, Washington, U.S. Government Printing Office, Monthly reports for January 1988 - December 1996; U.S. Department of Labor, Bureau of Labor Statistics: *Producer Price Indexes*, Washington, U.S. Government Printing Office, Monthly reports for January 1986 - December 1996.

**Table 9--Continued**  
**Percent Change in Medical Prices From Same Period of Previous Year: 1988-96**

1994	1994	1994	1994	1995	1995	1995	1995	1995	1996	1996	1996	1996
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
Percent Change From the Same												
5.4	5.1	5.0	5.2	5.5	5.2	5.0	4.5	4.1	3.8	3.5	3.2	3.2
4.3	4.2	4.1	4.5	4.7	4.4	4.4	4.0	3.8	3.7	3.5	3.6	3.6
4.8	4.5	4.2	4.3	4.5	4.5	4.6	4.5	4.2	3.7	3.3	3.2	3.2
4.4	4.5	4.8	5.4	5.7	4.9	4.8	4.3	4.2	4.6	4.9	5.1	5.1
6.7	5.8	5.7	5.4	5.3	5.0	4.8	4.6	4.7	4.7	4.6	4.2	4.2
6.8	5.6	5.5	5.0	5.3	5.1	4.9	4.8	4.1	3.9	3.8	3.8	3.8
6.8	6.3	5.9	5.7	5.5	5.0	4.8	4.5	5.0	5.0	5.0	4.4	4.4
6.5	5.4	5.7	5.7	5.2	4.9	4.7	4.8	5.0	5.7	5.4	4.4	4.4
2.9	3.0	2.8	3.0	2.5	1.7	1.5	1.8	2.4	3.1	3.2	2.9	2.9
3.0	4.0	3.2	3.4	2.4	1.5	1.9	2.0	2.9	3.6	3.5	3.3	3.3
2.6	0.9	2.0	2.1	2.8	2.3	0.7	1.2	1.5	2.0	2.3	1.7	1.7
3.0	1.3	0.8	0.9	1.1	0.3	0.5	0.8	1.3	2.1	1.9	2.4	2.4
1.9	0.1	4.2	4.4	5.8	6.1	1.3	2.5	1.7	1.8	2.8	0.6	0.6
—	—	—	—	—	—	—	—	2.5	2.4	2.1	1.8	1.8
—	—	—	—	4.5	4.3	4.0	2.9	1.0	0.7	0.4	0.8	0.8
—	—	—	—	4.7	4.7	4.7	4.7	-3.7	-3.7	-3.7	-3.7	-3.7
—	—	—	—	4.5	4.3	3.6	2.1	1.9	1.5	1.6	2.0	2.0
9.8	3.6	3.6	3.6	4.0	3.7	3.1	3.4	2.7	2.7	2.5	1.8	1.8
3.5	3.5	3.5	3.4	4.0	3.8	3.2	3.7	2.9	2.6	2.3	1.5	1.5
3.7	3.6	3.5	3.1	3.4	3.2	2.5	3.1	2.6	2.6	2.3	1.4	1.4
2.3	2.3	2.3	1.3	1.3	1.3	1.3	4.1	4.1	4.1	4.1	1.2	1.2
4.3	4.7	5.0	4.5	4.0	3.4	1.1	1.8	2.1	2.6	2.4	1.7	1.7
4.3	4.1	3.8	3.9	4.4	4.2	3.3	3.0	2.3	2.0	1.4	1.4	1.4
3.4	3.7	4.4	4.7	6.6	6.3	6.0	6.1	3.3	2.9	2.2	1.9	1.9
2.3	2.6	3.0	4.6	4.5	4.8	4.0	2.7	1.9	1.3	1.4	2.3	2.3
1.1	-0.3	2.7	3.1	3.8	4.6	0.6	2.8	1.3	1.2	0.1	-3.4	-3.4
3.8	4.3	4.8	4.8	7.2	6.7	6.8	6.9	3.7	3.4	2.6	2.4	2.4
—	—	—	—	—	—	—	—	6.1	6.5	6.2	5.7	5.7
—	—	—	—	—	—	—	—	6.6	7.2	6.5	5.5	5.5
—	—	—	—	—	—	—	—	5.9	5.8	6.0	6.0	6.0
—	—	—	—	—	—	5.9	5.1	3.7	1.8	-0.6	0.3	0.3
3.0	2.6	2.1	2.3	1.9	2.2	2.4	3.1	2.5	2.0	1.9	0.8	0.8
3.9	3.4	2.7	2.8	1.8	2.3	3.0	4.2	3.9	3.6	3.6	2.0	2.0
2.2	1.8	1.6	1.8	2.3	2.2	1.2	1.8	1.5	-1.1	-1.8	-1.8	-1.8
2.1	1.6	2.0	1.6	0.5	0.4	0.8	1.2	2.0	1.8	0.8	0.4	0.4
4.3	6.7	7.4	7.4	2.6	0.7	3.2	4.4	4.3	6.1	3.8	2.6	2.6
0.8	0.1	0.8	0.8	1.1	1.1	1.8	1.4	2.0	1.6	0.8	1.1	1.1
3.6	3.1	3.3	2.4	-0.8	-1.0	-1.0	0.6	2.0	2.6	1.1	-0.3	-0.3
1.4	0.5	0.1	0.3	1.4	2.1	2.9	2.3	0.4	-1.8	-2.5	-2.5	-2.5
2.9	2.4	3.0	3.1	1.6	2.2	0.8	2.2	3.2	2.0	2.8	2.2	2.2

**Table 10**  
**Calendar Year Index Levels and Four-Quarter Moving Average Percent Change in the Prospective**  
**Payment System (PPS) Hospital Input Price Index, by Expense Category: 1988-2003**

Expense Category <sup>1</sup>	Price/Wage Variable	Base Year			
		Weights FY 92 <sup>2</sup>	1988	1989	1990
<b>Index Levels:</b>					
Total	—	100.000	87.1	91.2	95.9
Compensation	—	61.390	84.9	89.5	94.4
Wages and Salaries	HCFA Occupational Wage Index <sup>4</sup>	50.244	86.1	90.4	95.0
Employee Benefits	HCFA Occupational Benefits Index <sup>4</sup>	11.146	79.3	85.2	91.9
Other Professional Fees	ECI—W/S: Professional/Technical (Private)	2.127	84.1	88.8	93.8
Energy and Utilities <sup>3</sup>	—	2.470	89.1	93.5	102.3
Professional Liability Insurance	HCFA—Professional Liability Premium	1.189	98.5	96.6	96.7
All Other	—	32.825	90.7	94.1	98.2
Other Products <sup>3</sup>	—	24.033	92.2	95.4	99.1
Pharmaceuticals	PPI—Prescription Drugs	4.162	76.2	83.2	89.9
Food: Direct Purchase	PPI—Processed Foods	2.363	94.2	97.3	99.9
Food: Contract Service	CPI—Food Away From Home	1.096	88.3	92.4	96.6
Chemicals	PPI—Industrial Chemicals	3.795	103.4	102.6	108.9
Medical Instruments	PPI—Medical Instruments/Equipment	3.128	92.2	95.5	97.5
Rubber and Plastics	PPI—Rubber/Plastic Products	4.868	96.9	98.1	100.0
Paper Products	PPI—Converted Paper and Paperboard	2.062	94.0	99.7	100.8
Other Services <sup>3</sup> /	—	8.792	86.7	90.7	95.5
Business Services	ECI—W/S: Business Services	3.823	85.9	89.6	95.0
Computer Services	AHE—Data Processing Services	1.927	86.0	92.5	98.0
<b>4-Quarter Moving-Average Percent Change:</b>					
Total	—	100.000	5.2	5.3	4.7
Compensation	—	61.390	4.8	5.3	5.6
Wages and Salaries	HCFA Occupational Wage Index <sup>4</sup>	50.244	4.5	4.9	5.1
Employee Benefits	HCFA Occupational Benefits Index <sup>4</sup>	11.146	6.1	6.9	7.9
Other Professional Fees	ECI—W/S: Professional/Technical (Private)	2.127	4.9	5.1	5.7
Energy and Utilities <sup>3</sup>	—	2.470	-1.0	5.5	3.8
Professional Liability Insurance	HCFA—Professional Liability Premium	1.189	24.2	0.6	-0.1
All Other	—	32.825	5.9	5.4	3.4
Other Products <sup>3</sup>	—	24.033	6.2	5.6	2.8
Pharmaceuticals	PPI—Prescription Drugs	4.162	7.9	9.1	8.9
Food: Direct Purchase	PPI—Processed Foods	2.363	4.5	4.5	3.5
Food: Contract Service	CPI—Food Away From Home	1.096	4.0	4.6	4.7
Chemicals	PPI—Industrial Chemicals	3.795	11.9	7.5	-1.4
Medical Instruments	PPI—Medical Instruments/Equipment	3.128	1.7	4.1	2.6
Rubber and Plastics	PPI—Rubber/Plastic Products	4.868	6.2	3.0	0.9
Paper Products	PPI—Converted Paper and Paperboard	2.062	7.2	7.1	2.7
Other Services <sup>3</sup>	—	8.792	5.2	5.0	5.1
Business Services	ECI—W/S: Business Services	3.823	5.5	4.7	5.6
Computer Services	AHE—Data Processing Services	1.927	7.5	7.5	6.5

<sup>1</sup>For data sources used to estimate the input price index relative weights and choice of price proxies, see the August 30, 1996, *Federal Register*. For the most recent PPS update for payment rates, see the August 30, 1996, *Federal Register*.

<sup>2</sup>Category weights may not sum to total or subtotals because of detail not included.

<sup>3</sup>Represents a subtotal. Detailed categories not shown are listed below by subtotal, detailed category, and base year weight:

Energy and Utilities: Fuel Oil, Coal, and Other Fuel (0.345), Electricity (1.349), Natural Gas (0.670), and Water and Sewage (0.106).

Other Products: Photographic Supplies (0.399), Apparel (0.875), Machinery and Equipment (0.211), and Miscellaneous Products (1.074).

Other Services: Transportation and Shipping (0.188), Telephone (0.531), Postage (0.272), Other-Labor Intensive (1.707),

and Other-Non-Labor Intensive (0.344).

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

**Table 10—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: 1988-2003**

1991	1992	1993	1994	1995	1996	Forecast						
						1997	1998	1999	2000	2001	2002	2003
98.8	101.9	104.7	107.8	110.8	113.5	116.4	119.8	123.5	127.7	131.9	136.2	141.0
98.6	102.2	105.6	108.7	111.5	114.5	118.3	122.1	126.3	130.8	135.4	140.1	145.2
98.9	101.9	105.0	108.0	110.8	114.0	117.9	121.6	125.5	129.8	134.1	138.5	143.3
97.5	103.7	108.2	112.0	114.6	116.7	120.1	124.3	129.6	135.2	141.3	147.2	153.6
98.3	102.7	106.0	109.4	112.1	115.4	119.4	123.2	127.6	132.3	137.1	142.1	147.7
98.6	101.1	102.6	102.7	101.8	108.2	108.0	107.8	109.1	111.4	113.1	116.2	119.6
98.6	102.0	103.8	100.9	98.2	97.9	96.5	97.6	100.5	102.4	101.4	100.2	101.2
99.2	101.4	103.0	106.7	110.6	112.4	114.1	117.0	120.1	123.7	127.4	131.3	135.7
99.3	101.2	102.4	106.1	110.3	111.0	112.0	114.3	116.9	120.2	123.3	126.9	130.8
97.5	103.0	107.0	110.0	114.6	116.8	120.0	124.0	128.8	134.2	140.0	146.3	153.0
99.7	100.0	102.4	102.1	106.3	110.8	111.1	113.0	115.1	117.4	119.9	122.5	125.4
99.4	100.9	102.9	104.7	107.2	110.3	114.1	118.8	123.4	127.8	132.2	136.8	141.3
100.6	101.3	100.7	111.9	115.0	117.3	115.3	117.7	119.8	123.1	126.5	130.7	134.9
98.7	101.0	102.9	103.5	104.9	105.6	107.1	108.7	110.8	113.4	115.7	118.4	121.6
99.9	100.8	101.4	104.7	108.6	107.8	108.3	108.8	109.8	111.6	113.2	114.9	116.9
99.5	100.1	98.9	105.8	119.9	111.8	113.7	117.4	121.3	125.8	129.8	133.8	138.8
98.8	102.0	104.9	108.3	111.3	116.1	119.6	124.5	128.9	133.5	138.6	143.5	149.1
98.2	102.5	104.9	108.8	111.7	116.5	120.5	125.2	129.9	135.0	139.8	144.9	151.1
99.6	102.0	106.6	110.7	114.2	122.1	125.6	132.0	137.3	142.9	148.6	154.8	161.9
3.9	3.1	3.0	2.7	3.1	2.4	2.5	2.8	3.0	3.3	3.3	3.3	3.4
4.7	3.9	3.5	3.1	2.6	2.8	3.0	3.2	3.3	3.5	3.6	3.5	3.6
4.4	3.5	3.1	2.9	2.6	3.0	3.1	3.2	3.2	3.3	3.4	3.3	3.4
6.6	6.2	5.2	4.0	2.4	2.0	2.7	3.3	4.1	4.3	4.4	4.2	4.4
4.9	4.6	3.9	3.3	2.4	3.1	3.0	3.2	3.5	3.7	3.7	3.6	3.8
1.7	0.9	2.6	0.6	-0.2	3.8	2.6	-1.4	0.7	1.5	1.7	2.2	2.9
1.3	3.3	3.0	-1.8	-3.2	-0.3	-1.7	0.3	2.7	2.5	-0.3	-1.5	0.3
2.5	1.6	2.0	2.3	4.7	1.6	1.6	2.3	2.6	2.9	3.0	3.0	3.2
1.8	1.2	1.7	1.9	5.4	1.0	0.9	1.8	2.2	2.6	2.7	2.8	3.0
8.4	6.5	4.5	3.2	2.8	3.3	2.6	3.1	3.7	4.1	4.3	4.4	4.6
0.0	0.2	1.6	1.2	1.2	5.0	1.2	1.9	1.8	2.0	2.1	2.2	2.3
3.4	2.0	1.8	1.7	2.3	2.5	3.4	4.0	4.0	3.7	3.5	3.4	3.4
-1.3	-2.3	1.1	3.5	12.4	-1.2	-0.2	1.0	1.6	2.4	2.8	3.2	3.2
1.5	2.2	2.1	0.5	1.3	1.2	1.0	1.4	1.7	2.2	2.2	2.2	2.6
1.3	0.0	0.8	1.4	5.7	-0.4	0.2	0.4	0.7	1.4	1.5	1.5	1.7
-0.3	0.0	-0.8	2.2	14.9	-2.3	-1.2	3.1	3.2	3.5	3.5	3.1	3.6
4.3	2.8	3.0	3.4	2.9	3.4	3.6	3.8	3.6	3.6	3.9	3.6	3.6
4.5	3.5	2.9	3.9	2.7	3.6	3.7	3.8	3.7	3.9	3.8	3.7	3.7
3.1	1.5	4.1	4.3	3.5	4.9	4.8	4.1	4.6	4.1	4.0	4.1	4.2

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. WS 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 one 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 one 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 1997 forecasts were produced under contract to HCFA by Data Resources, Inc./ McGraw-Hill.

**Table 11**  
**Calendar Year Index Levels and Four-Quarter Moving-Average Percent Change in the**  
**Skilled Nursing Facility Input Price Index, by Expense Category: 1988-2003**

Expense Category <sup>1</sup>	Price/Wage Variable	Base Year		
		Weights		
		CY 77 <sup>2</sup>	1988	1989
<b>Index Levels</b>				
Total	—	100.000	200.5	213.2
Compensation	—	70.620	201.3	214.9
Wages and Salaries	AHE—Nursing Facilities	63.020	199.2	213.3
Employee Benefits	BEA—Supplement to Wages/Salaries per Work	7.600	218.4	227.9
Fuel and Other Energy	—	4.270	197.3	210.0
Fuel Oil and Coal	IPD—Fuel Oil and Coal	1.660	173.7	196.4
Electricity	IPD—Electricity	1.210	198.5	203.3
Natural Gas	IPD—Natural Gas	0.910	222.5	226.5
Water and Sewage Maintenance	CPI(U)—Water and Sewage	0.490	227.7	241.9
Food	—	9.740	169.4	177.0
Direct Purchase	PPI—Processed Foods	4.930	155.8	161.0
Contract Service	CPI(U)—Food and Beverages	4.810	183.4	193.3
All Other	—	15.370	217.6	229.5
Pharmaceuticals	PPI—Prescription Drugs	1.500	264.8	289.1
Supplies	CPI(U)—All Items	3.280	198.5	207.7
Health Services	CPI(U)—Physicians' Services	1.210	244.2	261.8
Other Business Services	CPI(U)—Services	4.590	228.8	240.0
Miscellaneous Costs	CPI(U)—All Items	4.790	198.5	207.7
<b>4-Quarter Moving-Average Percent Change</b>				
Total	—	100.000	4.9	6.5
Compensation	—	70.620	5.2	7.0
Wages and Salaries	AHE—Nursing Facilities	63.020	5.4	7.4
Employee Benefits	BEA—Supplement to Wages/Salaries per Work	7.600	3.9	3.7
Fuel and Other Energy	—	4.270	1.1	3.6
Fuel Oil and Coal	IPD—Fuel Oil and Coal	1.660	0.4	4.0
Electricity	IPD—Electricity	1.210	1.4	2.8
Natural Gas	IPD—Natural Gas	0.910	-0.6	2.7
Water and Sewage Maintenance	CPI(U)—Water and Sewage	0.490	5.5	6.1
Food	—	9.740	4.3	5.2
Direct Purchase	PPI—Processed Foods	4.930	4.4	4.5
Contract Service	CPI(U)—Food and Beverages	4.810	4.1	5.8
All Other	—	15.370	4.9	5.6
Pharmaceuticals	PPI—Prescription Drugs	1.500	7.9	9.1
Supplies	CPI(U)—All Items	3.280	4.1	4.8
Health Services	CPI(U)—Physicians' Services	1.210	7.2	7.3
Other Business Services	CPI(U)—Services	4.590	4.5	4.9
Miscellaneous Costs	CPI(U)—All Items	4.790	4.1	4.8

<sup>1</sup>For data sources used to estimate the input price index relative weights and choice of price proxies, see the October 7, 1992, *Federal Register*.

<sup>2</sup>Category weights may not sum to total because of rounding.

**Table 11—Continued**  
**Calendar Year Index Levels and Four-Quarter Moving-Average Percent Change in the**  
**Skilled Nursing Facility Input Price Index, by Expense Category: 1988-2003**

1990	1991	1992	1993	1994	1995	1996	Forecast						
							1997	1998	1999	2000	2001	2002	2003
226.5	234.5	243.1	252.6	260.2	267.2	275.3	284.1	294.0	304.6	315.8	327.5	340.2	353.9
227.9	237.3	246.8	257.5	266.2	273.1	280.3	290.8	302.1	313.8	325.7	338.3	351.8	366.4
226.1	234.5	243.5	254.3	263.5	270.3	277.7	288.4	299.6	311.2	322.9	335.2	348.4	362.5
243.0	260.0	274.4	283.6	288.5	296.3	301.6	310.4	322.1	335.4	349.1	363.8	380.2	398.0
238.7	226.1	229.3	232.2	231.8	231.6	254.1	245.4	243.8	246.9	253.1	258.1	267.8	278.3
263.1	216.7	210.8	204.9	202.3	201.4	242.4	217.0	207.0	204.0	207.1	208.7	218.0	228.0
206.9	215.4	219.4	223.0	223.7	230.0	231.7	231.0	231.8	234.9	238.7	242.2	246.7	251.4
226.4	229.4	240.2	252.2	246.4	233.9	256.3	252.7	250.5	254.8	261.2	264.8	274.6	285.4
257.5	277.9	296.3	310.7	324.2	333.4	344.8	363.6	385.9	407.7	429.6	452.3	476.0	501.6
183.6	186.4	188.3	193.0	195.4	201.8	210.3	214.0	218.6	224.2	230.2	236.6	243.4	250.7
165.4	164.9	165.4	169.3	168.7	175.7	183.0	183.6	186.7	190.2	194.1	198.3	202.7	207.4
202.3	208.4	211.8	217.2	222.8	228.6	238.3	245.3	251.3	258.9	267.1	275.9	285.2	295.2
244.1	254.6	264.6	273.6	281.8	291.0	299.9	308.5	318.6	329.6	341.7	354.7	368.3	382.7
312.5	338.9	358.2	371.9	382.5	398.3	406.1	417.1	431.0	447.7	466.5	486.6	508.4	531.9
220.6	227.2	234.1	240.5	246.9	253.4	261.5	268.0	275.6	284.0	293.4	303.4	314.0	325.3
281.3	296.7	315.5	331.9	346.0	361.5	373.2	388.3	404.4	421.9	440.7	460.4	481.0	502.7
253.3	264.1	274.2	284.4	293.2	303.4	313.4	323.3	334.8	346.8	359.8	374.0	388.3	403.4
220.6	227.2	234.1	240.5	246.9	253.4	261.5	268.0	275.6	284.0	293.4	303.4	314.0	325.3
6.3	4.4	3.8	3.7	3.4	2.9	2.7	3.2	3.4	3.6	3.6	3.7	3.8	4.0
6.5	4.7	4.3	4.0	3.8	3.0	2.4	3.5	3.9	3.9	3.8	3.8	4.0	4.1
6.5	4.4	3.9	4.0	4.0	3.1	2.5	3.6	3.9	3.8	3.8	3.8	3.9	4.0
6.0	7.0	6.6	3.9	2.2	2.2	1.6	2.5	3.7	4.0	4.1	4.1	4.4	4.6
8.9	0.8	0.2	2.5	0.7	-0.3	6.0	1.8	-2.5	0.8	2.2	2.1	3.1	3.9
20.6	-3.5	-4.4	-0.5	-1.5	-0.6	11.8	1.2	-8.5	-2.4	0.7	0.8	3.0	4.6
2.3	3.8	2.0	2.0	0.1	2.2	1.7	0.0	0.4	0.8	1.7	1.5	1.7	2.1
0.1	1.3	1.8	6.2	1.9	-5.1	4.0	3.6	-2.6	1.5	2.1	1.9	2.8	3.9
6.7	7.3	6.8	5.4	5.0	3.1	4.1	3.6	6.3	5.8	5.5	5.4	5.2	5.3
4.5	1.6	1.2	1.9	1.9	2.1	4.0	2.5	2.4	2.4	2.6	2.8	2.9	3.0
3.5	0.0	0.2	1.6	1.2	1.2	5.0	1.0	1.9	1.8	2.0	2.1	2.2	2.3
5.3	3.0	2.0	2.2	2.4	2.8	3.3	3.6	2.7	2.9	3.1	3.2	3.4	3.4
5.9	5.1	4.0	3.7	3.1	3.2	3.1	2.9	3.2	3.4	3.6	3.7	3.8	3.9
8.9	8.4	6.5	4.5	3.2	2.8	3.3	2.6	3.1	3.7	4.1	4.3	4.4	4.6
5.4	4.2	3.0	3.0	2.6	2.8	2.9	2.6	2.7	3.0	3.2	3.4	3.5	3.6
7.2	6.0	6.3	5.6	4.4	4.5	3.6	3.6	4.1	4.3	4.4	4.5	4.5	4.5
5.3	4.8	3.8	3.8	3.3	3.4	3.3	3.1	3.5	3.6	3.7	3.9	3.9	3.9
5.4	4.2	3.0	3.0	2.6	2.8	2.9	2.6	2.7	3.0	3.2	3.4	3.5	3.6

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, 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 10.

SOURCES: Health Care Financing Administration, Office of the Actuary: Data from the Office of National Health Statistics, Division of Health Cost Analysis. First quarter 1997 forecasts were produced under contract to HCFA by Data Resources, Inc./McGraw-Hill.

**Table 12**  
**Calendar Year Index Levels and Four-Quarter Moving-Average Percent Change of the**  
**Home Health Agency (HHA) Input Price Index, by Expense Category: 1988-2003**

Expense Category <sup>1</sup>	Price/Wage Variable	Base Year			
		Weights FY 93 <sup>4</sup>	1988	1989	1990
<b>Index Levels</b>					
Total	—	100.000	83.2	87.2	91.8
Compensation <sup>2</sup>	—	77.668	82.8	86.9	91.5
Wages and Salaries <sup>2</sup>	HHA Occupational Wage Index <sup>5</sup>	64.226	84.4	88.3	92.5
Employee Benefits <sup>2</sup>	HHA Occupational Benefits Index <sup>5</sup>	13.442	75.2	80.6	86.6
Operations and Maintenance	CPI(U)—Fuel and Other Utilities	0.832	87.1	89.6	93.8
Administrative and General <sup>3</sup>	—	9.569	83.6	87.1	91.4
Telephone	CPI(U)—Telephone Services	0.725	96.3	97.0	97.7
Paper and Printing	CPI(U)—Household Paper Products	0.529	90.1	95.1	98.8
Postage	CPI(U)—Postage	0.724	86.1	86.1	86.1
Other Administrative Costs <sup>3</sup>	CPI(U)—Services	7.591	81.7	85.8	90.8
Transportation	CPI(U)—Private Transportation	3.405	86.2	89.5	98.3
Capital-Related	—	3.204	87.3	91.0	94.4
Insurance	CPI(U)—Household Insurance	0.560	89.6	92.0	93.6
Fixed Capital	CPI(U)—Owner's Equivalent Rent	1.764	83.9	88.2	92.6
Movable Capital	PPI—Machinery and Equipment	0.880	92.5	95.9	98.3
Other Expenses <sup>3</sup>	CPI(U)—All Items Less Food and Energy	5.322	83.3	86.9	91.4
<b>4-Quarter Moving-Average Percent Change</b>					
Total	—	100.000	4.4	4.8	5.1
Compensation <sup>2</sup>	—	77.668	4.5	4.9	5.2
Wages and Salaries <sup>2</sup>	HHA Occupational Wage Index <sup>5</sup>	64.226	4.2	4.6	4.8
Employee Benefits <sup>2</sup>	HHA Occupational Benefits Index <sup>5</sup>	13.442	6.2	6.9	7.6
Operations and Maintenance	CPI(U)—Fuel and Other Utilities	0.832	1.4	3.2	3.6
Administrative and General <sup>3</sup>	—	9.569	4.4	4.5	4.6
Telephone	CPI(U)—Telephone Services	0.725	-0.4	1.0	0.4
Paper and Printing	CPI(U)—Household Paper Products	0.529	3.1	6.0	4.5
Postage	CPI(U)—Postage	0.724	10.1	3.1	0.0
Other Administrative Costs <sup>3</sup>	CPI(U)—Services	7.591	4.6	4.9	5.5
Transportation	CPI(U)—Private Transportation	3.405	3.2	5.0	5.2
Capital-Related	—	3.204	4.1	4.1	4.0
Insurance	CPI(U)—Household Insurance	0.560	4.1	2.8	2.0
Fixed Capital	CPI(U)—Owner's Equivalent Rent	1.764	5.0	4.8	5.4
Movable Capital	PPI—Machinery and Equipment	0.880	2.6	3.7	2.8
Other Expenses <sup>3</sup>	CPI(U)—All Items less Food and Energy	5.322	4.4	4.5	5.0

<sup>1</sup>For data sources used to estimate the input price index relative weights and choice of price proxies, see the July 1, 1996,

*Federal Register*.

<sup>2</sup>Includes allocated Contract Services' Labor.

<sup>3</sup>Includes allocated Contract Services' Non-Labor.

<sup>4</sup>Category weights may not sum to total because of rounding.

<sup>5</sup>The HHA Occupational Wage and Occupational Benefit Indexes are computed as weighted-averages of 5 ECI categories (ECI for Civilian Hospital Workers and 4 ECI occupational categories).



**Table 12—Continued**  
**Calendar Year Index Levels and Four-Quarter Moving-Average Percent Change of the**  
**Home Health Agency (HHA) Input Price Index, by Expense Category: 1988-2003**

1991	1992	1993	1994	1995	1996	Forecast						
						1997	1998	1999	2000	2001	2002	2003
95.6	98.8	101.8	104.8	107.5	110.5	114.1	117.9	121.8	126.1	130.5	135.0	139.7
95.5	98.7	101.8	104.9	107.4	110.4	114.1	117.6	121.6	125.9	130.2	134.8	139.7
96.2	98.9	101.7	104.7	107.3	110.5	114.4	117.9	121.6	125.7	129.8	134.2	138.8
92.1	97.8	102.5	105.7	107.8	109.6	112.8	116.6	121.5	126.6	132.2	137.6	143.5
96.0	98.3	101.1	101.3	102.5	106.9	109.4	110.9	112.7	115.2	117.6	120.4	123.2
95.9	98.7	101.8	104.4	108.8	111.8	114.9	119.4	123.2	127.2	132.6	137.0	141.6
99.7	99.5	101.1	102.0	103.0	105.3	106.9	109.7	112.4	114.9	117.5	120.0	122.5
99.5	100.3	101.7	101.7	112.4	113.8	115.0	117.1	119.3	122.0	124.9	127.9	130.9
100.0	100.0	100.0	100.0	110.3	110.3	110.3	122.3	122.3	122.3	135.6	135.6	135.6
94.9	98.4	102.1	105.3	108.9	112.5	116.1	120.3	124.6	129.2	134.3	139.4	144.8
97.0	99.8	101.7	105.9	107.5	111.3	115.3	120.8	125.0	128.9	132.9	137.0	141.3
96.9	99.1	101.6	104.5	107.2	109.4	112.9	116.4	120.6	125.1	128.5	133.1	137.2
95.9	98.8	102.4	106.5	108.3	112.3	116.3	119.5	122.9	125.7	128.2	130.9	133.4
95.9	98.8	101.9	105.5	109.1	112.2	116.5	120.9	126.2	132.3	136.6	142.9	148.1
99.4	99.7	100.3	101.2	102.6	101.9	103.4	105.5	107.7	110.1	112.5	114.9	117.6
95.5	98.8	101.8	104.6	107.8	110.6	114.1	118.6	122.9	127.2	131.7	136.2	140.9
4.6	3.6	3.2	2.9	2.7	2.7	3.0	3.3	3.3	3.4	3.5	3.4	3.5
4.6	3.8	3.3	3.0	2.6	2.7	3.1	3.2	3.3	3.5	3.5	3.5	3.6
4.3	3.3	2.9	2.8	2.6	2.9	3.2	3.2	3.2	3.3	3.3	3.3	3.4
6.6	6.2	5.5	3.7	2.2	1.7	2.7	3.2	3.9	4.2	4.3	4.1	4.3
3.3	2.2	3.0	1.2	0.7	3.1	3.8	1.2	1.6	2.0	2.1	2.2	2.4
5.3	3.2	3.1	2.8	3.9	3.0	2.7	3.9	3.1	3.2	4.2	3.3	3.3
1.6	0.6	0.7	1.6	0.8	1.5	2.2	2.3	2.5	2.3	2.3	2.2	2.1
1.6	0.8	0.3	0.9	6.5	5.6	0.7	1.5	1.9	2.1	2.4	2.4	2.3
14.8	1.2	0.0	0.0	10.3	0.0	0.0	10.9	0.0	0.0	10.9	0.0	0.0
5.1	3.9	3.8	3.3	3.4	3.2	3.2	3.5	3.5	3.7	3.9	3.8	3.8
2.6	2.2	2.3	3.0	3.7	2.8	3.3	4.2	4.0	3.1	3.1	3.1	3.1
3.0	2.4	2.5	2.7	2.8	2.2	2.7	3.3	3.5	3.6	3.0	3.3	3.3
2.3	2.7	3.3	3.7	3.3	2.3	3.7	3.1	2.8	2.5	2.0	2.1	2.0
3.9	3.4	3.2	3.3	3.3	3.2	3.4	3.9	4.3	4.5	3.5	4.2	4.1
1.9	0.3	0.6	0.9	1.2	0.0	0.6	1.9	2.1	2.3	2.2	2.1	2.2
4.9	3.7	3.3	2.9	3.0	2.7	2.6	3.7	3.7	3.6	3.5	3.5	3.4

NOTES: A dash (—) in the Price/Wage Variable column denotes a total or subtotal produced by adding 2 or more categories.

CPI(U) represents Consumer Price Index for all urban consumers. CY is calendar year. Q designates quarter of year.

An example of how a percent change is calculated is shown in the Notes at end of Table 10.

SOURCES: Health Care Financing Administration, Office of the Actuary: Data from the Office of National Health Statistics, Division of Health Cost Analysis. First quarter 1997 forecasts were produced under contract to HCFA by Data Resources, Inc./McGraw-Hill.

**Table 13**  
**Calendar Year Index Levels and Four-Quarter Moving-Average Percent Change in the HCFA**  
**Medicare Economic Index with DRI Forecast Assumptions, by Expense Category: 1988-2003**

Expense Category <sup>1</sup>	Price/Wage Variable	Base Year Weights		
		CY 89 <sup>2</sup>	1988	1989
<b>Index Levels</b>				
Total	—	100.000	97.8	101.3
Physician Earnings	—	54.155	98.2	101.3
Wages and Salaries	AHE—Private <sup>3</sup>	45.342	98.5	101.3
Benefits	ECI—Benefits, Private <sup>3</sup>	8.813	96.7	101.6
Practice Expenses	—	45.845	97.4	101.2
Non-Physician Compensation	—	16.296	97.7	101.2
Wages and Salaries	—	13.786	98.0	101.1
Professional/Technical	ECI—W/S: Professional/Technical <sup>3</sup>	3.790	97.7	101.2
Managers	ECI—W/S: Administrative./Managerial <sup>3</sup>	2.620	98.3	100.7
Clerical	ECI—W/S: Clerical <sup>3</sup>	5.074	97.8	101.2
Craft	ECI—W/S: Craft <sup>3</sup>	0.069	98.2	100.8
Services	ECI—W/S: Service Occupations <sup>3</sup>	2.233	98.7	101.2
Employee Benefits	ECI—Benefits, Private White Collar <sup>3</sup>	2.510	96.2	101.6
Office Expenses	CPI(U)—Housing	10.280	97.6	101.3
Medical Materials/Supplies	PPI—Drugs/PPI—Surgical/CPI—Medical Supplies	5.251	95.6	102.3
Professional Liability Insurance	HCFA—Professional Liability Premiums	4.780	98.2	99.7
Medical Equipment	PPI—Medical Instruments/Equipment	2.348	97.5	101.0
Other Professional Expenses	—	6.890	97.4	101.5
Automobile	CPI(U)—Private Transportation	1.400	96.9	100.6
All Other	CPI(U)—All Items Less Food/Energy	5.490	97.5	101.8
<b>4-Quarter Moving-Average Percent Change</b>				
Total	—	100.000	4.1	3.9
Physician Earnings	—	54.155	2.9	3.3
Wages and Salaries	AHE—Private <sup>3</sup>	45.342	2.4	3.0
Benefits	ECI—Benefits, Private <sup>3</sup>	8.813	5.4	4.8
Practice Expenses	—	45.845	5.6	4.7
Non-Physician Compensation	—	16.296	3.3	3.6
Wages and Salaries	—	13.786	3.0	3.2
Professional/Technical	ECI—W/S: Professional/Technical <sup>3</sup>	3.790	3.5	3.6
Managers	ECI—W/S: Administrative./Managerial <sup>3</sup>	2.620	2.3	3.1
Clerical	ECI—W/S: Clerical <sup>3</sup>	5.074	3.3	3.3
Craft	ECI—W/S: Craft <sup>3</sup>	0.069	2.2	2.5
Services	ECI—W/S: Service Occupations <sup>3</sup>	2.233	2.4	2.7
Employee Benefits	ECI—Benefits, Private White Collar <sup>3</sup>	2.510	4.8	5.4
Office Expenses	CPI(U)—Housing	10.280	3.7	3.8
Medical Materials/Supplies	PPI—Drugs/PPI—Surgical/CPI—Medical Supplies	5.251	4.3	6.1
Professional Liability Insurance	HCFA—Professional Liability Premiums	4.780	28.8	9.4
Medical Equipment	PPI—Medical Instruments/Equipment	2.348	1.7	4.1
Other Professional Expenses	—	6.890	4.2	4.6
Automobile	CPI(U)—Private Transportation	1.400	3.2	5.0
All Other	CPI(U)—All Items Less Food/Energy	5.490	4.4	4.5

<sup>1</sup>For data sources used to estimate the index relative weights and choice of price proxies, see the November 25, 1992, *Federal Register*.

<sup>2</sup>Category weights may not sum to total because of rounding.

<sup>3</sup>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.

**Table 13—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: 1988-2003**

1990	1991	1992	1993	1994	1995	1996	Forecast						
							1997	1998	1999	2000	2001	2002	2003
104.2	106.8	109.0	111.5	114.0	116.2	118.9	121.9	124.9	128.2	131.5	134.7	138.2	142.0
104.2	106.6	108.0	110.0	112.2	114.3	117.2	119.9	122.5	125.5	128.3	131.2	134.2	137.8
103.6	105.4	106.3	107.8	109.8	112.1	115.2	117.9	120.4	123.1	125.7	128.3	130.9	134.3
107.1	112.6	116.7	121.2	124.4	126.0	127.6	130.0	133.2	137.8	141.9	146.5	151.1	156.0
104.3	107.2	110.2	113.2	116.1	118.4	120.8	124.2	127.8	131.4	135.2	138.9	142.8	147.0
105.0	108.4	110.2	112.6	115.2	117.3	120.1	123.1	126.0	129.1	132.2	135.4	138.9	142.5
104.5	107.6	109.0	111.2	113.4	115.6	118.6	121.7	124.5	127.2	130.2	133.0	136.3	139.6
105.0	108.2	110.5	112.6	114.8	116.6	119.3	122.7	125.4	128.3	131.3	134.1	137.3	141.1
104.9	108.1	108.3	110.7	112.9	115.6	119.3	122.6	125.4	128.2	130.9	133.7	136.8	140.0
104.2	107.0	108.9	111.5	113.8	116.2	119.0	121.9	124.9	127.5	130.7	133.7	136.9	140.0
103.0	105.3	106.7	108.6	110.6	112.8	115.5	118.3	120.9	123.5	126.3	128.8	131.5	134.5
104.2	107.1	107.8	108.9	111.1	112.5	115.7	118.7	121.1	123.9	126.5	129.2	132.6	135.8
107.4	112.8	116.5	120.5	124.7	126.7	128.6	131.1	134.5	139.2	143.5	148.3	153.2	158.3
106.1	109.6	112.6	115.6	118.3	121.6	125.2	129.9	133.9	137.8	141.8	146.0	150.1	154.7
108.1	114.2	118.8	123.0	126.9	130.1	131.2	134.7	138.7	143.1	148.1	153.4	159.0	165.0
89.3	85.6	90.7	94.5	97.7	96.6	95.8	97.1	99.7	102.7	105.3	107.3	109.2	111.1
103.1	104.4	106.9	108.9	109.5	111.0	111.7	113.3	115.0	117.3	119.9	122.4	125.2	128.6
107.8	111.3	114.9	118.2	121.8	125.2	128.6	132.8	138.2	143.2	148.1	153.2	158.3	163.8
110.5	109.0	112.1	114.3	119.1	120.9	125.1	129.6	135.8	140.5	144.8	149.4	154.0	158.9
107.1	111.8	115.7	119.2	122.5	126.3	129.5	133.7	138.8	143.9	149.0	154.2	159.4	165.0
3.2	2.6	2.1	2.3	2.2	2.0	2.2	2.4	2.5	2.6	2.6	2.5	2.6	2.7
3.1	2.5	1.6	1.7	1.9	1.8	2.3	2.3	2.3	2.4	2.4	2.3	2.4	2.5
2.6	2.0	1.1	1.2	1.7	1.9	2.6	2.5	2.2	2.2	2.2	2.1	2.2	2.3
5.7	5.0	4.1	4.1	3.0	1.5	1.0	1.8	2.3	3.1	3.2	3.1	3.1	3.3
3.3	2.8	2.8	2.9	2.5	2.2	2.1	2.4	2.9	2.8	2.9	2.8	2.8	2.9
3.8	3.3	2.1	2.1	2.2	2.0	2.3	2.3	2.4	2.4	2.4	2.4	2.5	2.6
3.4	3.0	1.9	1.8	2.0	1.9	2.5	2.5	2.5	2.2	2.3	2.2	2.4	2.4
3.7	3.2	2.5	2.0	1.8	1.6	2.6	2.3	2.3	2.3	2.3	2.2	2.4	2.5
3.8	3.3	0.8	1.8	2.0	2.2	3.0	2.8	2.5	2.3	2.2	2.1	2.3	2.3
3.3	2.7	2.1	2.1	2.2	2.1	2.4	2.4	2.6	2.2	2.3	2.4	2.4	2.4
2.4	2.3	1.5	1.6	1.9	1.9	2.2	2.4	2.3	2.2	2.3	2.0	2.1	2.2
2.9	3.0	1.5	0.9	1.6	1.6	2.0	2.7	2.3	2.2	2.2	2.1	2.4	2.5
5.9	5.1	3.7	3.7	3.6	2.1	1.2	1.7	2.4	3.2	3.3	3.2	3.2	3.4
4.5	3.9	2.9	2.7	2.5	2.5	2.9	3.3	3.4	2.9	2.9	3.0	2.8	3.0
6.3	5.7	4.6	4.0	3.0	2.1	2.2	2.0	2.8	3.1	3.4	3.5	3.6	3.7
-6.1	-7.7	1.9	5.5	3.6	0.8	-1.2	0.4	2.2	2.9	2.7	2.2	1.8	1.7
2.6	1.5	2.2	2.1	0.5	1.3	1.2	1.0	1.4	1.7	2.2	2.2	2.2	2.6
5.1	4.4	3.4	3.1	2.9	3.1	2.7	2.8	3.8	3.8	3.5	3.4	3.4	3.4
5.2	2.6	2.2	2.3	3.0	3.7	2.8	3.3	4.2	4.0	3.1	3.1	3.1	3.1
5.0	4.9	3.7	3.3	2.9	3.0	2.7	2.6	3.7	3.7	3.6	3.5	3.5	3.4

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 end of Table 10.

SOURCES: Health Care Financing Administration, Office of the Actuary; Data from the Office of National Health Statistics Division of Health Cost Analysis. First quarter 1997 forecasts were produced under contract to HCFA by Data Resources Inc./McGraw-Hill.