
Health Care Indicators

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

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This 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 prior to the availability of more comprehensive data.

KEY 1995 TRENDS

- The hospital industry continued to shed excess capacity in 1995: The number of staffed hospital beds continued to decrease in response to continuing declines in the adult occupancy rate.
- Private sector health services continued to be an important source of job creation in 1995, as the growth in health services employment continued to outpace the private non-farm sector as a whole.
- Although rapid growth in home health care services seen in the early 1990s waned somewhat in 1995, as evidenced by marked deceleration in the growth of jobs in that industry, it is still the fastest growing employment sector in the health care industry.
- According to the Consumer Price Index (CPI), growth in prices for all items less

medical care were virtually unchanged in 1995 while growth in medical prices continued to decline, though medical prices are still growing at roughly twice the rate of overall prices.

- Growth in the HCFA prospective payment system (PPS) input price index accelerated in 1995 for the first time in 5 years, the result of increases in non-compensation prices.

INTRODUCTION

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

The first eight of the accompanying tables report selected quarterly statistics and the calendar year aggregations of quarterly information for the past 9 years. Unless specifically noted, changes in quarterly statistics are shown from the same period one year earlier. For quarterly information, this calculation permits analysis of data to focus on the direction and magnitude of changes, without interference

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introduced by seasonal fluctuations. The last four tables in the report show base weights, annual index levels, and annual percent changes in the Input Price Indexes maintained by HCFA. The annual percent changes and the four-quarter moving average percent changes for input prices are calculated using the same procedure, namely averaging the four quarters ending with the fourth calendar quarter of the current year and dividing by the average of the four calendar quarters of the preceding year.

COMMUNITY HOSPITAL STATISTICS

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

lation age 65 or over continued to decline in 1995, and during the year the rate of this decline actually accelerated.

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

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

In real terms, the cost per incident of hospital treatment has remained stable during the past 3 years. The real cost per incident is measured using inpatient expense per admission and outpatient expense per visit, deflated by the gross domestic product (GDP) implicit price deflator.¹ Figure 2 shows that the cost to

¹The GDP implicit price deflator, a frequently cited measure of aggregate price change in the economy, is derived by dividing GDP current dollars by GDP constant dollars. It measures price change with weights for goods and services actually purchased, rather than market basket weights fixed for a base year. See Table 6 and the Background section.

society in terms of purchasing alternative goods and services (e.g., food, clothing, housing, education) instead of hospital services has remained unchanged between the third quarter of 1992 and the fourth quarter of 1995. These stable trends indicate the increased influence of managed care in holding down real prices in the health care market place. Before 1992, faster real increases in hospital outpatient rather than inpatient expense per incident reflects, in part, the transfer of patient treatment from the inpatient to outpatient setting.

TRENDS IN HEALTH SECTOR EMPLOYMENT AND EARNINGS

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

In the private sector health services industry, home health care services continued to be the largest source of job creation in 1995. Home health care services accounted for 55,000 of the 268,000 private sector health services jobs created in 1995, the most jobs created in any private sector health services industry. From 1988 (the first year home health care services data are available) to 1995, employment in home health care grew by 394,000, accounting for more than 18 percent of the

private sector health services jobs created. During this 7-year period, employment in home health care services grew at an average annual rate of 16 percent, compared with 3.9 percent in private sector health services and 1.5 percent for the non-farm private sector overall. During this same period, the average hourly earnings of non-supervisory workers in home health care services increased from 79 percent to 95 percent of the average for all private sector non-supervisory workers.

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

There are several possible explanations for the rapid deceleration in the growth of

home health care services employment. There was a freeze on Medicare home health care cost limits in July 1994, the result of regulations enacted in the Omnibus Budget Reconciliation Act of 1993². These limits on charges may have lowered the incentive for home health care providers to continue hiring workers at the rates prevalent before 1994. Additionally, investigations on fraud and abuse in Medicare home health care services, may have caused home health care providers to be more cautious about continued rapid expansion. Third, the market for home health services may be approaching a level of saturation, where the explosive rate of growth in the number of home health care workers is no longer sustainable.

MEDICAL SECTOR PRICES

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

than overall prices, the 1.8 percentage point difference in 1995 is the smallest since 1981.

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

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

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

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

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

Growth in the HCFA PPS input price index accelerated in 1995 for the first time in 5 years (Figure 5), the result of increases in non-compensation prices. The HCFA

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

BACKGROUND INFORMATION ON DATA SOURCES AND METHODS

Community Hospital Statistics

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

The survey samples approximately one-third of all U.S. community hospitals. The sample is designed to produce estimates of community hospital indicators by bed size

and region (American Hospital Association, 1963-95). In Tables 1 and 2, statistics covering expenses, utilization, beds, and personnel depict trends in the operation of community hospitals annually for 1987-95 and quarterly for 1993 forward.

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

PRIVATE HEALTH SECTOR: EMPLOYMENT, HOURS, AND EARNINGS

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

Employment in this survey is defined as number of jobs. Persons holding multiple jobs would be counted multiple times. Approximately 5 percent of the population hold more than one job at any one time. (Other surveys that are household-based,

such as the Current Population Survey [CPS], also record employment. In the CPS, however, each person's employment status is counted only once, as either employed, unemployed, or not in the labor force.) Once each year, monthly establishment-based employment statistics are adjusted to benchmarks created from annual establishment census information, resulting in revisions to previously published employment estimates. The 1987 revision of the Standard Industrial Code (SIC) established Home Health Care Services as a separate industry, SIC 808. Prior to the 1987 revision, home health care was included in SIC 809, Allied Health Services, not elsewhere classified. Data on home health care services have been collected on the revised SIC basis since 1988. Tables 3, 4, and 5 present statistics on employment, non-supervisory employment, average weekly hours, and average hourly earnings for the private non-farm business sector and industries in health services.

NATIONAL ECONOMIC INDICATORS

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

GDP measures the output of the U.S. economy as the market value of goods and services produced within the geographic boundaries of the United States by U.S. or foreign citizens or companies. Constant dollar or "real" GDP removes the effects of price changes from the valuation of goods and services produced, so that the growth of real GDP reflects changes in the physical quantity of the output of the economy. In the most recent comprehensive revision

of the National Income and Product Accounts, the method for removing the effects of price changes was altered. The GDP estimates are now deflated using "chain-weighted" price indexes. This method replaces the previous fixed-weighted method of deflating the GDP estimates (U.S. Department of Commerce, 1995).

PRICES

Consumer Price Indexes

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

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

CPIs for health care goods and services depict list price changes for out-of-pocket expenditures. The CPI for medical care services also includes an indirect measure of price change for health insurance premium payments made directly by consumers. The composite CPI for medical care weights together product-specific or

service-specific CPIs in proportion to household out-of-pocket expenditures for these items. In addition, some medical care sector indexes measure changes in list or charged prices, rather than in prices actually received by providers after discounts are deducted. In several health care areas, received or transaction prices are difficult to capture, although the BLS is making advances in this area.

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

Producer Price Indexes

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

The PPI consists of indexes in several major classification structures, including the industry and commodity classifications that are included in the Health Care Indicators. The PPI by industry classification measures price changes received for the industry's output sold outside the industry. PPI changes for an industry are determined by price changes for products primarily made by establishments in that

industry. The industry into which an establishment is classified is determined by those products accounting for the largest share of its total value of shipments. The PPI by commodity classification measures price changes of the end product (end use or material composition). The classification system for PPI commodity groups is unique to the PPI, and is divided into fifteen major commodity groupings.

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

differences make a direct comparison between the PPI and CPI hospital services indexes inappropriate.

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

Input Price Indexes

In 1979, HCFA developed the Medicare hospital input price index (hospital market basket) which was designed to measure the pure price changes associated with expenditure changes for hospital services.

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

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

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

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

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

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

MEDICARE ECONOMIC INDEX

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

Forecasts of the MEI are made periodically throughout the fiscal year by DRI/McGraw-Hill for HCFA using several different sets of economic assumptions. DRI/McGraw-Hill produces 4 main forecasts of the MEI: a Presidential budget forecast in December and the mid-session Review in June based on assumptions for the Federal budget exercises, the Medicare Trustees Report forecast in

February based on assumptions by the Medicare Trustees, and the Medicare Premium Promulgation forecast in August based on baseline assumptions by DRI/McGraw-Hill. DRI/McGraw-Hill also produces forecasts of the MEI using their own economic assumptions forecast. The forecasts based on DRI/McGraw-Hill assumptions are presented in Health Care Indicators. Much of the forecasted data changes as more recent historical data become available and the assumptions change.

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

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Table 1
Selected Community Hospital Statistics: 1987-95

Item	Calendar Year								
	1987	1988	1989	1990	1991	1992	1993	1994	1995
Utilization									
All Ages									
Admissions in Thousands	33,634	33,496	33,176	33,017	32,670	32,411	32,652	32,938	33,389
Admissions per 1,000 Population ¹	132	131	128	126	124	121	121	121	122
Inpatient Days in Thousands	223,441	222,313	220,361	216,836	211,475	206,440	202,078	196,117	190,377
Adult Length of Stay in Days	6.6	6.6	6.6	6.6	6.5	6.4	6.2	6.0	5.7
65 Years of Age or Over									
Admissions in Thousands	10,841	11,062	11,190	11,379	11,659	11,860	12,209	12,456	12,820
Admissions per 1,000 Population ¹	358	359	357	357	360	360	366	369	375
Inpatient Days in Thousands	96,273	97,531	98,904	99,056	99,468	98,920	97,042	94,877	91,164
Adult Length of Stay in Days	8.9	8.8	8.8	8.7	8.5	8.3	7.9	7.6	7.1
Under 65 Years of Age									
Admissions in Thousands	22,793	22,434	21,986	21,638	21,011	20,551	20,443	20,483	20,569
Admissions per 1,000 Population ¹	102	99	97	94	91	88	87	86	85
Inpatient Days in Thousands	127,168	124,782	121,457	117,781	112,007	107,520	105,036	101,240	99,213
Adult Length of Stay in Days	5.6	5.6	5.5	5.4	5.3	5.2	5.1	4.9	4.8
Surgical Operations in Thousands	21,038	21,252	21,383	21,904	21,983	22,463	22,710	23,286	23,739
Outpatient Visits in Thousands	278,917	296,111	308,086	326,498	344,116	366,243	390,188	417,684	452,558
Adjusted Patient Days in Thousands ²	277,674	281,336	282,995	283,985	282,887	281,525	278,938	276,209	273,638
Beds in Thousands	954	942	930	921	912	908	902	891	874
Adult Occupancy Rate ³	64.1	64.5	64.9	64.5	63.5	62.1	61.4	60.3	59.7
Total Hospital Revenues in Millions⁴									
Total Patient Revenues in Millions	\$169,307	\$186,810	\$205,698	\$228,056	\$251,657	\$275,430	\$295,035	\$309,354	\$324,961
Total Patient Revenues in Millions	161,539	177,786	195,540	216,709	239,492	262,034	280,414	293,285	307,228
Inpatient Revenues in Millions	129,998	140,494	152,273	165,483	179,042	192,163	203,167	208,262	213,771
Outpatient Revenues in Millions	31,541	37,292	43,267	51,226	60,449	69,870	77,248	85,023	93,457
Operating Expenses									
Total in Millions	\$161,322	\$177,770	\$195,378	\$217,113	\$238,633	\$260,994	\$278,880	\$292,801	\$308,411
Labor in Millions	87,533	96,415	106,019	117,828	128,704	140,112	149,733	156,826	163,842
Non-Labor in Millions	73,790	81,355	89,359	99,286	109,929	120,882	129,147	135,975	144,569
Inpatient Expense in Millions									
Amount per Patient Day	\$129,814	\$140,475	\$152,136	\$165,777	\$178,392	\$191,385	\$202,035	\$207,897	\$214,570
Amount per Admission	581	632	690	765	844	927	1,000	1,060	1,127
Amount per Admission	3,860	4,194	4,586	5,021	5,460	5,905	6,188	6,312	6,428
Outpatient Expense in Millions									
Amount per Outpatient Visit	\$31,508	\$37,296	\$43,242	\$51,337	\$60,241	\$69,609	\$76,845	\$84,903	\$93,841
Amount per Outpatient Visit	113	126	140	157	175	190	197	203	207

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

² Adjusted patient days is an aggregate figure reflecting the number of days of inpatient care, plus an estimate of the volume of outpatient services, expressed in units equivalent to an inpatient day in terms of level of effort. It is derived by multiplying the number of outpatient visits by the ratio of outpatient revenue per outpatient visit to inpatient revenue per inpatient day, and adding the product to the number of inpatient days.

³ Adult occupancy rate is the ratio of average daily census to the average number of beds maintained during the reporting period.

⁴ Total hospital revenue is the sum of total patient revenue and all other operating revenue. Total patient revenue is the sum of inpatient revenue and outpatient revenue.

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

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

Table 1--Continued
Selected Community Hospital Statistics: 1987-95

1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4
8,351	8,086	8,083	8,133	8,368	8,180	8,154	8,236	8,634	8,281	8,213	8,260
124	120	120	120	123	120	120	121	126	121	119	120
53,228	50,150	49,089	49,611	51,709	48,648	47,657	48,102	50,377	47,296	46,239	46,467
6.4	6.2	6.1	6.1	6.2	5.9	5.8	5.8	5.8	5.7	5.6	5.6
3,138	3,042	2,944	3,085	3,211	3,098	3,022	3,125	3,379	3,187	3,071	3,184
378	365	352	368	382	367	357	368	397	374	359	371
25,822	24,274	22,990	23,956	25,551	23,493	22,631	23,203	24,778	22,823	21,507	22,056
8.2	8.0	7.8	7.8	8.0	7.6	7.5	7.4	7.3	7.2	7.0	6.9
5,213	5,044	5,139	5,047	5,158	5,082	5,132	5,111	5,255	5,094	5,143	5,077
89	85	87	85	87	85	86	85	88	85	85	84
27,406	25,875	26,099	25,655	26,158	25,155	25,027	24,899	25,598	24,472	24,732	24,411
5.3	5.1	5.1	5.1	5.1	5.0	4.9	4.9	4.9	4.8	4.8	4.8
5,646	5,721	5,677	5,665	5,664	5,864	5,840	5,918	6,028	5,965	5,832	5,915
94,677	97,637	99,212	98,662	98,341	104,079	107,022	108,241	111,088	113,699	113,332	114,438
72,306	69,334	68,351	68,860	71,244	68,776	67,711	68,363	71,226	68,146	67,079	67,106
905	904	901	897	895	893	888	886	881	877	871	867
65.3	61.0	59.2	60.1	64.2	59.8	58.3	59.0	63.5	59.3	57.7	58.2
\$73,552	\$73,250	\$73,697	\$74,536	\$76,480	\$76,829	\$77,069	\$78,976	\$81,793	\$81,020	\$80,307	\$81,842
70,107	69,613	69,985	70,709	72,702	72,868	73,018	74,697	77,476	76,557	75,956	77,238
51,610	50,351	50,262	50,943	52,767	51,543	51,393	52,559	54,797	53,133	52,358	53,483
18,497	19,262	19,723	19,766	19,935	21,325	21,625	22,138	22,679	23,424	23,599	23,755
\$68,527	\$69,245	\$70,002	\$71,106	\$71,677	\$72,618	\$73,468	\$75,039	\$76,259	\$76,751	\$76,808	\$78,594
36,782	37,250	37,578	38,123	38,420	38,828	39,408	40,170	40,529	40,768	40,857	41,688
31,746	31,994	32,424	32,983	33,257	33,790	34,059	34,869	35,730	35,983	35,951	36,906
\$50,447	\$50,085	\$50,274	\$51,229	\$52,023	\$51,366	\$51,709	\$52,800	\$53,936	\$53,268	\$52,945	\$54,421
948	999	1,024	1,033	1,006	1,056	1,085	1,098	1,071	1,126	1,145	1,171
6,041	6,194	6,220	6,299	6,217	6,279	6,341	6,411	6,247	6,432	6,446	6,588
\$18,080	\$19,160	\$19,728	\$19,877	\$19,654	\$21,252	\$21,758	\$22,239	\$22,323	\$23,483	\$23,863	\$24,172
191	196	199	201	200	204	203	205	201	207	211	211

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

Item	Calendar Year								
	1987	1988	1989	1990	1991	1992	1993	1994	1995
	Annual Percent Change								
Utilization									
All Ages									
Admissions in Thousands	-0.6	-0.4	-1.0	-0.5	-1.1	-0.8	0.7	0.9	1.4
Admissions per 1,000 Population	-1.5	-1.4	-2.0	-1.5	-2.0	-1.8	-0.2	-0.1	0.4
Inpatient Days in Thousands	0.2	-0.5	-0.9	-1.6	-2.5	-2.4	-2.1	-2.9	-2.9
Adult Length of Stay in Days	0.8	-0.1	0.1	-1.1	-1.4	-1.6	-2.8	-3.8	-4.2
65 Years of Age or Over									
Admissions in Thousands	0.4	2.0	1.2	1.7	2.5	1.7	2.9	2.0	2.9
Admissions per 1,000 Population	-1.7	0.2	-0.6	0.0	0.9	0.2	1.5	0.8	1.8
Inpatient Days in Thousands	1.4	1.3	1.4	0.2	0.4	-0.6	-1.9	-2.2	-3.9
Adult Length of Stay in Days	1.0	-0.7	0.2	-1.5	-2.0	-2.2	-4.7	-4.2	-6.6
Under 65 Years of Age									
Admissions in Thousands	-1.0	-1.6	-2.0	-1.6	-2.9	-2.2	-0.5	0.2	0.4
Admissions per 1,000 Population	-1.8	-2.4	-2.9	-2.5	-3.8	-3.1	-1.4	-0.7	-0.5
Inpatient Days in Thousands	-0.6	-1.9	-2.7	-3.0	-4.9	-4.0	-2.3	-3.6	-2.0
Adult Length of Stay in Days	0.4	-0.3	-0.7	-1.5	-2.1	-1.9	-1.8	-3.8	-2.4
Surgical Operations in Thousands	2.9	1.0	0.6	2.4	0.4	2.2	1.1	2.5	1.9
Outpatient Visits in Thousands	5.8	6.2	4.0	6.0	5.4	6.4	6.5	7.0	8.3
Adjusted Patient Days in Thousands	1.8	1.3	0.6	0.3	-0.4	-0.5	-0.9	-1.0	-0.9
Beds in Thousands	-0.9	-1.3	-1.3	-0.9	-1.0	-0.5	-0.7	-1.2	-1.8
Adult Occupancy Rate ¹	0.7	0.3	0.5	-0.4	-0.9	-1.4	-0.7	-1.1	-0.7
Total Hospital Revenues in Millions	10.0	10.3	10.1	10.9	10.3	9.4	7.1	4.9	5.0
Total Patient Revenues in Millions	9.9	10.1	10.0	10.8	10.5	9.4	7.0	4.6	4.8
Inpatient Revenues in Millions	8.2	8.1	8.4	8.7	8.2	7.3	5.7	2.5	2.6
Outpatient Revenues in Millions	17.1	18.2	16.0	18.4	18.0	15.6	10.6	10.1	9.9
Operating Expenses									
Total in Millions	10.5	10.2	9.9	11.1	9.9	9.4	6.9	5.0	5.3
Labor in Millions	9.2	10.1	10.0	11.1	9.2	8.9	6.9	4.7	4.5
Non-Labor in Millions	12.0	10.3	9.8	11.1	10.7	10.0	6.8	5.3	6.3
Inpatient Expense in Millions	8.8	8.2	8.3	9.0	7.6	7.3	5.6	2.9	3.2
Amount per Patient Day	8.6	8.8	9.3	10.7	10.3	9.9	7.8	6.0	6.3
Amount per Admission	9.4	8.7	9.3	9.5	8.8	8.1	4.8	2.0	1.8
Outpatient Expense	17.8	18.4	15.9	18.7	17.3	15.6	10.4	10.5	10.5
Amount per Outpatient Visit	11.3	11.5	11.4	12.0	11.3	8.6	3.6	3.2	2.0

¹ Change in rate, rather than percent change.

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

SOURCE: American Hospital Association: *National Hospital Panel Survey Reports*. Chicago. Monthly reports for January 1986-December 1995.

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

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

Table 3
Employment, Hours, and Earnings in Private-Sector¹ Health Service Establishments,
by Selected Type of Establishment: 1987-95

Type of Establishment	Calendar Year								
	1987	1988	1989	1990	1991	1992	1993	1994	1995
Total Employment (in Thousands)									
Non-Farm Private Sector	84,948	87,824	90,117	91,115	89,854	89,959	91,889	94,917	97,329
Health Services	6,794	7,105	7,463	7,814	8,183	8,490	8,756	9,001	9,269
Offices and Clinics of Physicians	1,139	1,199	1,268	1,338	1,404	1,463	1,506	1,540	1,588
Offices and Clinics of Dentists	470	484	500	513	528	541	556	575	599
Nursing Homes	1,283	1,311	1,356	1,415	1,493	1,533	1,585	1,649	1,693
Private Hospitals	3,142	3,294	3,438	3,549	3,655	3,750	3,779	3,774	3,815
Home Health Care Services	N/A	216	244	291	344	398	469	555	610
Non-Supervisory Employment (in Thousands)									
Non-Farm Private Sector	68,771	71,106	73,034	73,800	72,650	72,930	74,777	77,476	79,560
Health Services	6,042	6,311	6,636	6,948	7,276	7,546	7,770	7,974	8,209
Offices and Clinics of Physicians	943	988	1,047	1,105	1,155	1,202	1,231	1,257	1,295
Offices and Clinics of Dentists	414	424	437	450	463	473	487	502	523
Nursing Homes	1,159	1,184	1,226	1,279	1,347	1,385	1,431	1,487	1,526
Private Hospitals	2,866	3,010	3,145	3,248	3,353	3,442	3,464	3,451	3,489
Home Health Care Services	N/A	199	225	269	319	369	435	514	564
Average Weekly Hours									
Non-Farm Private Sector	34.8	34.7	34.6	34.5	34.3	34.4	34.5	34.7	34.5
Health Services	32.4	32.4	32.5	32.5	32.5	32.8	32.8	32.8	32.7
Offices and Clinics of Physicians	31.1	31.6	31.9	31.8	31.9	32.2	32.2	32.4	32.4
Offices and Clinics of Dentists	28.3	28.5	28.5	28.4	28.3	28.3	28.3	28.1	27.9
Nursing Homes	31.6	31.6	31.8	32.1	32.1	32.3	32.2	32.3	32.4
Private Hospitals	34.1	34.0	34.0	34.2	34.2	34.4	34.6	34.6	34.5
Home Health Care Services	N/A	26.5	25.4	25.3	26.1	27.4	27.8	28.2	28.6
Average Hourly Earnings									
Non-Farm Private Sector	\$8.98	\$9.28	\$9.65	\$10.01	\$10.32	\$10.57	\$10.83	\$11.12	\$11.45
Health Services	8.69	9.21	9.82	10.40	10.96	11.39	11.78	12.10	12.45
Offices and Clinics of Physicians	8.61	9.07	9.78	10.58	11.13	11.41	11.89	12.24	12.47
Offices and Clinics of Dentists	8.50	8.82	9.41	10.14	10.62	11.02	11.44	11.96	12.39
Nursing Homes	6.00	6.33	6.80	7.24	7.56	7.86	8.17	8.49	8.75
Private Hospitals	9.84	10.51	11.21	11.79	12.50	13.03	13.46	13.83	14.30
Home Health Care Services	N/A	7.30	7.85	8.70	9.38	10.00	10.41	10.66	10.91
Addenda: Hospital Employment in Thousands									
Total	4,437	4,600	4,740	4,853	4,958	5,068	5,100	5,089	5,124
Private	3,142	3,294	3,438	3,549	3,655	3,750	3,779	3,774	3,815
Federal	249	241	227	232	234	235	234	233	230
State	439	446	442	426	417	419	414	405	392
Local	606	619	632	646	653	665	673	676	686

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

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

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

Table 3—Continued
Employment, Hours, and Earnings in Private-Sector¹ Health Service Establishments,
by Selected Type of Establishment: 1987-95

1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4
89,478	91,706	92,970	93,402	92,096	94,745	96,180	96,646	95,206	97,327	98,352	98,429
8,638	8,724	8,808	8,854	8,878	8,970	9,054	9,101	9,145	9,229	9,318	9,382
1,489	1,502	1,516	1,516	1,519	1,534	1,551	1,558	1,564	1,581	1,597	1,609
548	554	559	563	565	573	577	583	587	595	603	610
1,553	1,573	1,597	1,617	1,626	1,642	1,661	1,666	1,671	1,682	1,703	1,714
3,776	3,782	3,788	3,771	3,762	3,768	3,784	3,784	3,792	3,809	3,828	3,833
432	458	481	505	523	550	566	582	591	603	617	628
72,541	74,614	75,777	76,175	74,878	77,352	78,630	79,045	77,588	79,564	80,510	80,579
7,669	7,747	7,815	7,847	7,869	7,953	8,016	8,056	8,096	8,175	8,253	8,310
1,219	1,229	1,238	1,236	1,242	1,254	1,265	1,269	1,274	1,289	1,303	1,312
480	485	489	492	495	501	504	508	513	520	527	534
1,402	1,421	1,442	1,459	1,465	1,481	1,498	1,502	1,506	1,517	1,535	1,545
3,465	3,469	3,471	3,452	3,441	3,448	3,458	3,457	3,466	3,484	3,501	3,506
400	424	446	469	485	510	523	538	547	559	571	580
34.0	34.5	34.8	34.6	34.3	34.7	34.9	34.8	34.3	34.4	34.8	34.5
32.7	32.8	32.9	32.8	32.8	32.8	32.8	32.8	32.8	32.7	32.8	32.7
32.1	32.2	32.3	32.3	32.4	32.3	32.3	32.6	32.4	32.3	32.4	32.6
28.1	28.4	28.2	28.3	28.2	28.2	28.0	28.2	28.0	28.0	27.7	28.0
32.0	32.2	32.6	32.1	32.1	32.2	32.5	32.4	32.3	32.2	32.8	32.5
34.6	34.5	34.7	34.6	34.7	34.6	34.7	34.6	34.7	34.5	34.5	34.4
27.5	27.8	27.9	27.9	28.0	28.2	28.2	28.5	28.7	28.7	28.7	28.1
\$10.77	\$10.79	\$10.82	\$10.96	\$11.05	\$11.06	\$11.11	\$11.28	\$11.36	\$11.38	\$11.46	\$11.61
11.69	11.71	11.80	11.92	12.00	12.02	12.13	12.24	12.36	12.36	12.46	12.61
11.72	11.86	11.91	12.07	12.16	12.21	12.27	12.33	12.41	12.39	12.44	12.65
11.26	11.35	11.46	11.68	11.78	11.91	12.00	12.16	12.24	12.34	12.40	12.59
8.06	8.11	8.20	8.31	8.40	8.44	8.52	8.61	8.70	8.72	8.77	8.82
13.37	13.37	13.49	13.61	13.70	13.70	13.90	14.04	14.18	14.16	14.35	14.52
10.32	10.35	10.47	10.50	10.58	10.62	10.71	10.75	10.84	10.84	10.92	11.03
5,093	5,101	5,114	5,091	5,080	5,083	5,098	5,093	5,100	5,116	5,140	5,141
3,776	3,782	3,788	3,771	3,762	3,768	3,784	3,784	3,792	3,809	3,828	3,833
231	233	235	235	235	234	233	231	229	230	234	229
415	414	414	412	409	407	404	401	399	393	389	388
670	672	677	674	673	674	678	677	680	684	689	691

Table 4
Percent Change in Employment, Hours, and Earnings in Private-Sector¹ Health Service Establishments, by Selected Type of Establishment: 1987-95

Type of Establishment and Measure	Calendar Year								
	1987	1988	1989	1990	1991	1992	1993	1994	1995
	Annual Percent Change								
Total Employment									
Non-Farm Private Sector	2.8	3.4	2.6	1.1	-1.4	0.1	2.1	3.3	2.5
Health Services	4.1	4.6	5.0	4.7	4.7	3.8	3.1	2.8	3.0
Offices and Clinics of Physicians	5.3	5.3	5.7	5.5	5.0	4.2	2.9	2.3	3.1
Offices and Clinics of Dentists	2.6	3.0	3.4	2.6	2.9	2.5	2.9	3.3	4.3
Nursing Homes	3.0	2.2	3.4	4.4	5.5	2.7	3.4	4.0	2.7
Private Hospitals	3.4	4.8	4.4	3.2	3.0	2.6	0.8	-0.1	1.1
Home Health Care Services	N/A	N/A	12.8	19.2	18.5	15.5	17.9	18.4	9.8
Non-Supervisory Employment									
Non-Farm Private Sector	2.8	3.4	2.7	1.0	-1.6	0.4	2.5	3.6	2.7
Health Services	4.1	4.4	5.2	4.7	4.7	3.7	3.0	2.6	2.9
Offices and Clinics of Physicians	5.0	4.8	5.9	5.5	4.6	4.0	2.4	2.2	2.9
Offices and Clinics of Dentists	2.5	2.3	3.3	2.8	3.1	2.1	2.8	3.2	4.2
Nursing Homes	3.1	2.1	3.6	4.3	5.4	2.8	3.3	3.9	2.7
Private Hospitals	3.6	5.0	4.5	3.3	3.2	2.7	0.6	-0.4	1.1
Home Health Care Services	N/A	N/A	13.3	19.4	18.6	15.6	17.9	18.3	9.7
Average Weekly Hours									
Non-Farm Private Sector	0.0	-0.2	-0.3	-0.3	-0.6	0.2	0.3	0.6	-0.5
Health Services	-0.1	0.2	0.1	0.3	0.0	0.7	0.1	0.0	-0.1
Offices and Clinics of Physicians	-0.2	1.5	1.0	-0.4	0.4	0.8	0.2	0.5	0.0
Offices and Clinics of Dentists	1.0	0.6	-0.1	-0.2	-0.4	0.2	-0.3	-0.5	-0.8
Nursing Homes	0.5	0.0	0.9	0.9	0.1	0.5	-0.3	0.3	0.5
Private Hospitals	-0.3	-0.5	0.0	0.7	0.0	0.6	0.5	0.2	-0.4
Home Health Care Services	N/A	N/A	-4.1	-0.4	3.2	4.8	1.4	1.7	1.2
Average Hourly Earnings									
Non-Farm Private Sector	2.5	3.4	4.0	3.7	3.1	2.4	2.5	2.7	3.0
Health Services	4.2	5.9	6.7	5.9	5.3	3.9	3.4	2.7	2.9
Offices and Clinics of Physicians	3.2	5.3	7.9	8.1	5.3	2.5	4.2	3.0	1.9
Offices and Clinics of Dentists	2.8	3.9	6.6	7.8	4.7	3.8	3.8	4.6	3.6
Nursing Homes	3.5	5.4	7.4	6.5	4.4	3.9	4.0	3.9	3.1
Private Hospitals	5.1	6.8	6.7	5.2	6.0	4.2	3.3	2.8	3.4
Home Health Care Services	N/A	N/A	7.5	10.9	7.8	6.6	4.1	2.5	2.3
Addenda: Hospital Employment									
Total	2.6	3.7	3.1	2.4	2.2	2.2	0.6	-0.2	0.7
Private	3.4	4.8	4.4	3.2	3.0	2.6	0.8	-0.1	1.1
Federal	1.2	-3.5	-5.5	1.9	0.8	0.5	-0.4	-0.2	-1.2
State	0.1	1.7	-0.9	-3.7	-2.2	0.5	-1.2	-2.0	-3.3
Local	0.9	2.1	2.1	2.2	1.1	1.8	1.3	0.3	1.6

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

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

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

Table 4—Continued
Percent Change in Employment, Hours, and Earnings in Private-Sector¹ Health Service Establishments, by Selected Type of Establishment: 1987-95

1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4
Percent Change From the Same Period of Previous Year											
1.5	1.9	2.4	2.7	2.9	3.3	3.5	3.5	3.4	2.7	2.3	1.8
3.1	3.2	3.2	3.0	2.8	2.8	2.8	2.8	3.0	2.9	2.9	3.1
3.4	3.2	2.9	2.2	2.0	2.1	2.3	2.8	3.0	3.1	3.0	3.3
2.7	3.0	2.8	3.1	3.1	3.4	3.3	3.4	3.8	3.9	4.5	4.8
2.3	3.1	3.7	4.5	4.7	4.4	4.0	3.0	2.8	2.4	2.5	2.9
1.5	1.1	0.6	0.0	-0.4	-0.3	-0.1	0.3	0.8	1.1	1.2	1.3
15.2	16.5	19.3	20.3	21.0	20.2	17.8	15.2	13.0	9.6	9.0	7.8
2.0	2.3	2.7	3.1	3.2	3.7	3.8	3.8	3.6	2.9	2.4	1.9
3.0	3.1	3.0	2.8	2.6	2.7	2.6	2.7	2.9	2.8	3.0	3.2
3.0	2.7	2.4	1.6	1.9	2.0	2.2	2.7	2.6	2.8	3.0	3.4
2.7	2.9	2.8	2.9	3.1	3.4	3.0	3.2	3.6	3.7	4.6	5.0
2.3	3.1	3.6	4.3	4.5	4.2	3.9	3.0	2.8	2.5	2.5	2.9
1.5	1.0	0.4	-0.3	-0.7	-0.6	-0.4	0.2	0.7	1.1	1.2	1.4
15.1	16.5	19.3	20.4	21.3	20.3	17.3	14.9	12.8	9.5	9.1	7.8
-0.1	0.5	0.6	0.4	0.7	0.6	0.4	0.6	0.1	-0.9	-0.5	-0.8
-0.2	0.5	0.0	0.0	0.1	0.0	-0.1	0.0	0.1	-0.2	-0.1	-0.2
-0.4	0.7	0.2	0.3	0.7	0.4	0.0	0.9	0.1	-0.2	0.2	-0.2
-1.3	0.7	-0.2	-0.2	0.1	-0.7	-0.8	-0.5	-0.7	-0.9	-1.0	-0.5
-0.7	0.4	-0.3	-0.7	0.2	0.0	-0.2	1.0	0.6	0.2	0.7	0.4
0.5	0.5	0.5	0.5	0.5	0.2	0.1	-0.1	-0.2	-0.2	-0.6	-0.5
0.6	2.7	1.2	1.0	1.7	1.6	1.1	2.4	2.6	1.9	1.7	-1.4
2.5	2.5	2.3	2.5	2.6	2.5	2.7	2.9	2.8	2.9	3.2	3.0
4.1	3.6	3.1	3.0	2.7	2.6	2.8	2.7	2.9	2.8	2.7	3.0
4.4	4.8	3.8	3.6	3.8	3.0	3.0	2.1	2.0	1.4	1.4	2.6
3.2	3.4	4.2	4.3	4.7	5.0	4.7	4.1	3.8	3.6	3.3	3.6
4.0	3.8	3.8	4.4	4.2	4.1	3.9	3.6	3.6	3.3	2.9	2.5
4.1	3.6	2.9	2.8	2.4	2.5	3.0	3.1	3.5	3.4	3.2	3.4
5.0	3.7	4.2	3.5	2.6	2.7	2.3	2.3	2.5	2.1	2.0	2.6
1.1	0.8	0.5	0.0	-0.3	-0.3	-0.3	0.0	0.4	0.6	0.8	0.9
1.5	1.1	0.6	0.0	-0.4	-0.3	-0.1	0.3	0.8	1.1	1.2	1.3
-1.9	-1.1	0.4	1.0	1.7	0.5	-1.1	-1.9	-2.9	-1.6	0.4	-0.8
-1.1	-1.3	-1.1	-1.3	-1.5	-1.6	-2.4	-2.5	-2.5	-3.6	-3.6	-3.5
1.6	1.5	1.3	0.7	0.5	0.2	0.1	0.5	1.1	1.6	1.7	2.1

Table 5

Percent Change in Implied Non-Supervisory Payrolls, Employment, Average Weekly Hours, and Average Hourly Earnings in Private¹ Health Service Establishments, by Selected Type of Establishment: 1987-95

Type of Establishment and Measure	Calendar Year								
	1987	1988	1989	1990	1991	1992	1993	1994	1995
	Annual Percent Change								
Health Services									
Payrolls	8.4	10.8	12.3	11.2	10.3	8.5	6.6	5.4	5.8
Employment	4.1	4.4	5.2	4.7	4.7	3.7	3.0	2.6	2.9
Average Weekly Hours	-0.1	0.2	0.1	0.3	0.0	0.7	0.1	0.0	-0.1
Average Hourly Earnings	4.2	5.9	6.7	5.9	5.3	3.9	3.4	2.7	2.9
Offices and Clinics of Physicians									
Payrolls	8.0	11.9	15.4	13.6	10.6	7.5	6.9	5.8	4.8
Employment	5.0	4.8	5.9	5.5	4.6	4.0	2.4	2.2	2.9
Average Weekly Hours	-0.2	1.5	1.0	-0.4	0.4	0.8	0.2	0.5	0.0
Average Hourly Earnings	3.2	5.3	7.9	8.1	5.3	2.5	4.2	3.0	1.9
Offices and Clinics of Dentists									
Payrolls	6.4	6.9	10.0	10.6	7.5	6.2	6.5	7.4	7.1
Employment	2.5	2.3	3.3	2.8	3.1	2.1	2.8	3.2	4.2
Average Weekly Hours	1.0	0.6	-0.1	-0.2	-0.4	0.2	-0.3	-0.5	-0.8
Average Hourly Earnings	2.8	3.9	6.6	7.8	4.7	3.8	3.8	4.6	3.6
Nursing Homes									
Payrolls	7.2	7.7	12.2	12.1	10.1	7.4	7.1	8.3	6.3
Employment	3.1	2.1	3.6	4.3	5.4	2.8	3.3	3.9	2.7
Average Weekly Hours	0.5	0.0	0.9	0.9	0.1	0.5	-0.3	0.3	0.5
Average Hourly Earnings	3.5	5.4	7.4	6.5	4.4	3.9	4.0	3.9	3.1
Private Hospitals									
Payrolls	8.6	11.6	11.6	9.4	9.4	7.6	4.5	2.5	4.2
Employment	3.6	5.0	4.5	3.3	3.2	2.7	0.6	-0.4	1.1
Average Weekly Hours	-0.3	-0.5	0.0	0.7	0.0	0.6	0.5	0.2	-0.4
Average Hourly Earnings	5.1	6.8	6.7	5.2	6.0	4.2	3.3	2.8	3.4
Home Health Care Services									
Payrolls	N/A	N/A	16.8	31.9	31.9	29.2	24.4	23.2	13.5
Employment	N/A	N/A	13.3	19.4	18.6	15.6	17.9	18.3	9.7
Average Weekly Hours	N/A	N/A	-4.1	-0.4	3.2	4.8	1.4	1.7	1.2
Average Hourly Earnings	N/A	N/A	7.5	10.9	7.8	6.6	4.1	2.5	2.3
Non-Farm Private Sector									
Payrolls	5.4	6.7	6.5	4.5	0.9	3.1	5.4	7.0	5.2
Employment	2.8	3.4	2.7	1.0	-1.6	0.4	2.5	3.6	2.7
Average Weekly Hours	0.0	-0.2	-0.3	-0.3	-0.6	0.2	0.3	0.6	-0.5
Average Hourly Earnings	2.5	3.4	4.0	3.7	3.1	2.4	2.5	2.7	3.0

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

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

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

Table 5—Continued

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

1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4
Percent Change From the Same Period of Previous Year											
7.0	7.3	6.2	5.8	5.5	5.3	5.4	5.5	6.0	5.5	5.6	6.1
3.0	3.1	3.0	2.8	2.6	2.7	2.6	2.7	2.9	2.8	3.0	3.2
-0.2	0.5	0.0	0.0	0.1	0.0	-0.1	0.0	0.1	-0.2	-0.1	-0.2
4.1	3.6	3.1	3.0	2.7	2.6	2.8	2.7	2.9	2.8	2.7	3.0
7.1	8.5	6.5	5.6	6.5	5.5	5.2	5.8	4.8	4.0	4.7	5.9
3.0	2.7	2.4	1.6	1.9	2.0	2.2	2.7	2.6	2.8	3.0	3.4
-0.4	0.7	0.2	0.3	0.7	0.4	0.0	0.9	0.1	-0.2	0.2	-0.2
4.4	4.8	3.8	3.6	3.8	3.0	3.0	2.1	2.0	1.4	1.4	2.6
4.6	7.2	6.9	7.1	8.1	7.8	7.0	6.9	6.8	6.4	7.1	8.2
2.7	2.9	2.8	2.9	3.1	3.4	3.0	3.2	3.6	3.7	4.6	5.0
-1.3	0.7	-0.2	-0.2	0.1	-0.7	-0.8	-0.5	-0.7	-0.9	-1.0	-0.5
3.2	3.4	4.2	4.3	4.7	5.0	4.7	4.1	3.8	3.6	3.3	3.6
5.6	7.4	7.2	8.2	9.1	8.4	7.7	7.7	7.1	6.1	6.2	5.9
2.3	3.1	3.6	4.3	4.5	4.2	3.9	3.0	2.8	2.5	2.5	2.9
-0.7	0.4	-0.3	-0.7	0.2	0.0	-0.2	1.0	0.6	0.2	0.7	0.4
4.0	3.8	3.8	4.4	4.2	4.1	3.9	3.6	3.6	3.3	2.9	2.5
6.1	5.2	3.8	3.0	2.2	2.1	2.7	3.2	4.1	4.3	3.9	4.4
1.5	1.0	0.4	-0.3	-0.7	-0.6	-0.4	0.2	0.7	1.1	1.2	1.4
0.5	0.5	0.5	0.5	0.5	0.2	0.1	-0.1	-0.2	-0.2	-0.6	-0.5
4.1	3.6	2.9	2.8	2.4	2.5	3.0	3.1	3.5	3.4	3.2	3.4
21.6	24.0	25.9	25.8	26.5	25.4	21.3	20.3	18.6	13.9	13.2	9.1
15.1	16.5	19.3	20.4	21.3	20.3	17.3	14.9	12.8	9.5	9.1	7.8
0.6	2.7	1.2	1.0	1.7	1.6	1.1	2.4	2.6	1.9	1.7	-1.4
5.0	3.7	4.2	3.	2.6	2.7	2.3	2.3	2.5	2.1	2.0	2.6
4.5	5.4	5.7	6.0	6.7	6.9	7.0	7.4	6.6	4.9	5.1	4.2
2.0	2.3	2.7	3.1	3.2	3.7	3.8	3.8	3.6	2.9	2.4	1.9
-0.1	0.5	0.6	0.4	0.7	0.6	0.4	0.6	0.1	-0.9	-0.5	-0.8
2.5	2.5	2.3	2.5	2.6	2.5	2.7	2.9	2.8	2.9	3.2	3.0

Table 6
Selected National Economic Indicators: 1987-95

Indicator	Calendar Year									
	1987	1988	1989	1990	1991	1992	1993	1994	1995	
Gross Domestic Product										
Billions of Dollars	\$4,692	\$5,050	\$5,439	\$5,744	\$5,917	\$6,224	\$6,550	\$6,931	\$7,246	
Billions of 1992 Chain Weighted Dollars	\$5,648	\$5,863	\$6,060	\$6,139	\$6,079	\$6,244	\$6,384	\$6,604	\$6,739	
Implicit Price Deflator (1992 = 100.0)	83.1	86.1	89.7	93.6	97.3	100.0	102.6	105.0	107.5	
Personal Income										
Personal Income in Billions	\$3,877	\$4,173	\$4,489	\$4,792	\$4,968	\$5,264	\$5,479	\$5,750	\$6,102	
Disposable Income in Billions	\$3,363	\$3,641	\$3,894	\$4,167	\$4,344	\$4,614	\$4,789	\$5,019	\$5,307	
Prices¹										
Consumer Price Index, All Items	113.6	118.3	124.0	130.7	136.2	140.3	144.5	148.2	152.4	
All Items Less Medical Care	112.6	117.0	122.4	128.8	133.8	137.5	141.2	144.7	148.6	
Energy	88.6	89.2	94.3	102.1	102.4	103.0	104.1	104.6	105.2	
Food and Beverages	113.5	118.2	124.9	132.1	136.8	138.7	141.6	144.9	148.9	
Medical Care	130.1	138.6	149.2	162.8	177.0	190.1	201.4	211.0	220.5	
Producer Price Index,² Finished										
Consumer Goods	103.6	106.2	112.1	118.2	120.4	121.7	123.0	123.3	125.6	
Energy	61.8	59.8	65.7	75.0	78.1	77.8	78.0	77.0	78.1	
Food	109.5	112.6	118.7	124.4	124.1	123.9	125.6	126.8	129.0	
Finished Goods Except Food and Energy	114.2	118.5	124.0	128.8	133.7	137.2	138.5	139.0	141.9	
Annual Percent Change										
Gross Domestic Product										
Billions of Dollars	6.1	7.6	7.7	5.6	3.0	5.5	4.9	5.8	4.5	
Billions of 1992 Chain Weighted Dollars	2.9	3.8	3.4	1.3	-1.0	2.7	2.2	3.5	2.0	
Implicit Price Deflator (1992= 100.0)	3.1	3.7	4.2	4.3	4.0	2.7	2.6	2.3	2.4	
Personal Income										
Personal Income in Billions	6.3	7.6	7.6	6.7	3.7	6.0	4.1	4.9	6.1	
Disposable Income in Billions	5.5	8.3	7.0	7.0	4.2	6.2	3.8	4.8	5.8	
Prices¹										
Consumer Price Index, All Items	3.7	4.1	4.8	5.4	4.2	3.0	3.0	2.6	2.8	
All Items Less Medical Care	3.4	3.9	4.6	5.2	3.9	2.7	2.7	2.5	2.7	
Energy	0.4	0.8	5.7	8.2	0.4	0.5	1.1	0.5	0.6	
Food and Beverages	4.1	4.1	5.7	5.8	3.6	1.4	2.1	2.3	2.8	
Medical Care	6.6	6.5	7.7	9.1	8.7	7.4	6.0	4.8	4.5	
Producer Price Index,² Finished										
Consumer Goods	2.1	2.5	5.6	5.5	1.9	1.0	1.1	0.2	1.9	
Energy	-1.9	-3.2	9.8	14.1	4.2	-0.4	0.3	-1.2	1.4	
Food	2.1	2.8	5.5	4.8	-0.2	-0.7	1.9	0.9	1.8	
Finished Goods Except Food and Energy	2.8	3.8	4.6	3.8	3.8	2.7	0.9	0.3	2.1	

¹ Base period = 1982-84, unless noted.

² Formerly called the "Wholesale Price Index."

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

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

Table 6—Continued
Selected National Economic Indicators: 1987-95

1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4
\$6,443	\$6,503	\$6,571	\$6,684	\$6,773	\$6,885	\$6,988	\$7,080	\$7,148	\$7,197	\$7,299	\$7,340
\$6,327	\$6,354	\$6,390	\$6,464	\$6,505	\$6,582	\$6,640	\$6,691	\$6,702	\$6,709	\$6,768	\$6,777
101.8	102.4	102.8	103.4	104.1	104.6	105.2	105.8	106.7	107.3	107.8	108.3
\$5,349	\$5,458	\$5,501	\$5,609	\$5,562	\$5,743	\$5,802	\$5,894	\$5,996	\$6,062	\$6,136	\$6,214
\$4,686	\$4,772	\$4,804	\$4,895	\$4,857	\$5,002	\$5,070	\$5,146	\$5,226	\$5,260	\$5,337	\$5,407
143.1	144.2	144.8	145.8	146.7	147.6	148.9	149.6	150.9	152.2	152.9	153.6
140.0	141.0	141.5	142.4	143.3	144.1	145.4	146.0	147.1	148.4	149.0	149.7
102.7	104.7	105.4	103.8	101.7	103.5	107.8	105.4	103.7	106.5	107.2	103.5
140.7	141.4	141.5	142.7	143.9	144.1	145.2	146.2	147.9	148.7	149.0	150.0
197.7	200.3	202.8	204.8	207.5	209.8	212.2	214.7	217.6	219.3	221.5	223.4
122.8	124.2	122.8	122.3	122.4	123.0	123.9	123.7	124.5	125.7	125.9	126.3
77.0	79.5	79.4	76.1	74.4	76.7	80.2	76.9	76.7	80.0	79.4	76.3
124.5	126.3	125.4	126.4	127.1	126.5	126.4	127.2	128.3	128.0	129.1	130.6
139.3	139.8	137.3	137.6	138.6	138.7	138.7	139.8	140.8	141.6	141.7	143.6
Percent Change from the Same Period of Previous Year											
5.2	4.9	4.8	4.7	5.1	5.9	6.3	5.9	5.5	4.5	4.4	3.7
2.5	2.2	2.1	2.2	2.8	3.6	3.9	3.5	3.0	1.9	1.9	1.3
2.7	2.6	2.7	2.5	2.3	2.2	2.3	2.3	2.4	2.5	2.5	2.4
3.8	4.5	4.5	3.6	4.0	5.2	5.5	5.1	7.8	5.6	5.8	5.4
3.8	4.1	4.1	3.3	3.6	4.8	5.5	5.1	7.6	5.2	5.3	5.1
3.2	3.1	2.7	2.7	2.5	2.4	2.9	2.7	2.8	3.1	2.6	2.7
2.9	2.9	2.5	2.5	2.4	2.2	2.7	2.5	2.7	3.0	2.5	2.5
3.4	2.0	-0.3	-0.4	-0.9	-1.1	2.3	1.5	1.9	2.9	-0.6	-1.8
1.8	2.1	2.0	2.5	2.3	1.9	2.7	2.5	2.7	3.2	2.6	2.6
6.3	6.1	5.9	5.5	5.0	4.7	4.6	4.8	4.9	4.6	4.4	4.1
2.1	2.1	0.4	-0.2	-0.3	-1.0	0.9	1.2	1.7	2.2	1.6	2.1
3.6	1.8	-1.3	-2.8	-3.4	-3.5	1.0	1.1	3.0	4.3	-1.0	-0.7
1.2	2.7	1.8	2.1	2.0	0.2	0.8	0.6	1.0	1.2	2.2	2.7
2.1	1.9	0.3	-0.5	-0.5	-0.8	1.0	1.6	1.6	2.0	2.2	2.7

Table 7
Index Levels of Medical Prices: 1987-95

Item	Calendar Year									
	1987	1988	1989	1990	1991	1992	1993	1994	1995	
Consumer Price Indexes, All Urban Consumers¹										
Medical Care Services ²	130.0	138.3	148.9	162.7	177.1	190.5	202.9	213.4	224.2	
Professional Services	128.8	137.5	146.4	156.1	165.7	175.8	184.7	192.5	201.0	
Physicians' Services	130.4	139.8	150.1	160.8	170.5	181.2	191.3	199.8	208.8	
Dental Services	128.8	137.5	146.1	155.8	167.4	178.7	188.1	197.1	206.8	
Hospital and Related Services	131.7	143.9	160.5	178.0	196.1	214.0	231.9	245.6	257.8	
Hospital Room	131.2	143.3	158.1	175.4	191.9	208.7	226.4	239.2	251.2	
Other Inpatient Services (1986=100)	103.9	114.0	128.9	142.7	158.0	172.3	185.7	197.1	206.8	
Outpatient Services (1986=100)	103.3	112.5	124.7	138.7	153.4	168.7	184.3	195.0	204.6	
Medical Care Commodities	131.0	139.9	150.8	163.4	176.8	188.1	195.0	200.7	204.5	
Prescription Drugs	140.9	152.0	165.2	181.7	199.7	214.7	223.0	230.6	235.0	
Non-Prescription Drugs and Medical Supplies (1986=100)	103.1	108.1	114.6	120.6	126.3	131.2	135.5	138.1	140.5	
Internal and Respiratory										
Over-the-Counter Drugs	123.9	130.8	138.8	145.9	152.4	158.2	163.5	165.9	167.0	
Non-Prescription Medical Equipment and Supplies	119.6	123.9	131.1	138.0	145.0	150.9	155.9	160.0	166.3	
Producer Price Indexes³										
Industry Groupings: ⁴										
Health Services (12/94=100)	--	--	--	--	--	--	--	--	102.4	
Offices and Clinics of Doctors of Medicine (12/93 = 100)	--	--	--	--	--	--	--	102.8	106.9	
Medicare Treatments (12/93 = 100)	--	--	--	--	--	--	--	104.7	109.6	
Non-Medicare Treatments (12/93= 100)	--	--	--	--	--	--	--	102.3	106.0	
Hospitals (12/92=100)	--	--	--	--	--	--	102.5	106.2	110.0	
General Medical and Surgical Hospitals (12/92=100)	--	--	--	--	--	--	102.4	106.0	109.9	
Inpatient Treatments (12/92=100)	--	--	--	--	--	--	102.5	106.0	109.2	
Medicare Patients (12/92=100)	--	--	--	--	--	--	100.6	102.6	104.7	
Medicaid Patients (12/92=100)	--	--	--	--	--	--	102.3	107.1	109.7	
All Other Patients (12/92= 100)	--	--	--	--	--	--	103.5	107.7	111.7	
Outpatient Treatments (12/92=100)	--	--	--	--	--	--	102.5	106.7	113.3	
Medicare Patients (12/92 = 100)	--	--	--	--	--	--	103.7	107.0	111.4	
Medicaid Patients (12/92= 100)	--	--	--	--	--	--	101.6	103.3	106.4	
All Other Patients (12/92=100)	--	--	--	--	--	--	102.4	106.9	114.2	
Skilled and Intermediate Care Facilities (12/94=100)	--	--	--	--	--	--	--	--	103.6	
Public Payers (12/94=100)	--	--	--	--	--	--	--	--	103.7	
Private Payers (12/94= 100)	--	--	--	--	--	--	--	--	103.6	
Medical Laboratories (6/94= 100)	--	--	--	--	--	--	--	--	104.3	
Commodity Groupings:										
Drugs and Pharmaceuticals	139.1	148.4	160.0	170.8	182.6	192.2	200.9	206.0	210.8	
Ethical (Prescription) Preparations	156.6	169.0	184.4	200.8	217.5	231.7	242.2	250.0	256.8	
Proprietary (Over-the-Counter) Preparations	135.5	144.4	152.1	156.8	165.4	173.6	180.0	183.2	186.5	
Medical, Surgical, and Personal Aid Devices	117.0	118.9	123.0	127.3	130.9	133.9	137.8	140.4	141.3	
Personal Aid Equipment	109.7	111.2	111.8	113.9	117.1	120.2	122.3	130.1	133.7	
Medical Instruments and Equipment (6/82=100)	109.5	111.4	115.9	118.9	120.7	123.4	126.0	126.7	128.3	
Surgical Appliances and Supplies (6/83=100)	123.2	125.2	129.8	135.9	140.7	145.0	151.0	155.7	154.8	
Ophthalmic Goods (12/83=100)	109.7	110.8	113.8	115.0	116.0	118.0	119.0	119.6	122.2	
Dental Equipment and Supplies(6/85=100)	110.4	113.0	114.2	118.9	121.2	126.6	131.5	135.2	137.5	

¹ Unless otherwise noted, base year is 1982-84= 100

² Includes the net cost of private health insurance, not shown separately.

³ Unless otherwise noted, base year is 1982=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 and composition).

⁴ Further detail for Producer Price Industry groupings, such as types of physician practices, and hospital diagnosis-related group groupings, etc., are available from the U.S. Department of Labor, Bureau of Labor Statistics.

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

SOURCES: U.S. Department of Labor, Bureau of Labor Statistics: *CPI Detailed Report*. Washington, U.S. Government Printing Office. Monthly reports for January 1986-December 1995; U.S. Department of Labor, Bureau of Labor Statistics: *Producer Price Indexes*. Washington, U. S. Government Printing Office. Monthly reports for January 1986-December 1995.

Table 7—Continued
Index Levels of Medical Prices: 1987-95

1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4
198.8	201.8	204.4	206.7	209.5	212.0	214.6	217.5	221.0	223.0	225.4	227.4
181.6	184.1	185.9	187.1	189.3	191.8	193.5	195.5	198.3	200.2	202.0	203.4
187.7	190.5	192.7	194.2	196.7	199.2	200.7	202.4	205.6	208.1	210.1	211.5
184.8	187.6	189.2	190.8	193.0	196.1	198.3	201.1	204.0	205.8	207.8	209.8
226.2	230.0	233.8	237.7	241.3	243.4	247.2	250.6	254.2	255.6	259.1	262.2
220.6	224.6	228.2	232.0	235.3	237.2	240.9	243.5	247.8	249.4	252.6	255.1
181.1	183.9	187.2	190.4	193.5	195.4	198.2	201.2	204.0	205.2	207.8	210.3
179.9	183.0	185.6	188.7	191.5	192.9	196.3	199.4	201.5	202.3	205.5	208.9
193.0	194.2	196.0	196.7	198.5	200.1	201.6	202.6	203.4	203.6	204.6	206.2
221.4	221.6	223.9	225.2	228.0	230.5	231.0	232.8	233.4	233.9	235.4	237.4
133.2	135.6	136.7	136.5	136.7	136.8	139.4	139.4	140.5	140.0	140.4	141.2
160.4	163.4	165.3	164.9	165.2	165.5	166.6	166.4	167.1	166.0	167.4	167.3
153.8	156.4	156.5	156.7	156.7	156.7	163.1	163.6	165.8	166.3	165.2	167.8
—	—	—	—	—	—	—	—	101.6	101.9	102.5	103.4
—	—	—	—	101.8	102.4	102.9	104.0	106.3	106.8	107.1	107.2
—	—	—	—	104.7	104.7	104.7	104.7	109.6	109.6	109.6	109.6
—	—	—	—	101.0	101.8	102.4	103.8	105.5	106.1	106.1	106.2
101.2	101.7	103.0	104.0	105.0	105.4	106.7	107.7	109.2	109.3	110.0	111.3
101.3	101.6	102.9	103.9	104.8	105.2	106.5	107.5	109.0	109.2	109.9	111.4
101.2	101.5	102.9	104.2	104.9	105.2	106.4	107.5	108.5	108.6	109.1	110.8
100.0	100.0	100.0	102.3	102.3	102.3	102.3	103.6	103.6	103.6	103.6	107.8
100.9	101.2	103.0	104.3	105.3	106.0	108.1	108.9	109.5	109.6	109.3	110.4
101.9	102.5	104.5	105.3	106.3	106.7	108.4	109.4	111.0	111.1	112.0	112.6
101.5	102.0	103.0	103.4	105.0	105.8	107.6	108.2	111.9	112.5	114.0	114.8
103.1	103.3	104.4	104.1	105.5	106.0	107.5	108.8	110.2	111.1	111.8	112.3
100.7	101.5	102.4	101.9	101.8	101.2	105.1	105.1	105.7	105.9	105.8	108.1
101.3	101.8	102.8	103.4	105.2	106.2	107.8	108.4	112.7	113.2	115.1	115.8
—	—	—	—	—	—	—	—	101.9	102.8	104.2	105.3
—	—	—	—	—	—	—	—	101.8	102.7	104.4	105.9
—	—	—	—	—	—	—	—	02.1	103.2	104.2	104.8
—	—	—	—	—	—	100.0	99.9	101.6	103.4	106.0	106.2
198.7	200.6	202.0	202.4	204.6	205.9	206.3	207.0	208.5	210.3	211.2	213.0
239.0	241.8	243.5	244.5	248.3	250.1	250.0	251.4	252.7	255.8	257.6	261.1
177.4	179.3	181.6	181.6	181.4	182.6	184.4	184.5	185.5	186.6	186.6	187.3
137.1	138.1	137.8	138.3	140.1	140.3	140.6	140.5	140.7	140.8	141.5	142.1
122.6	122.6	121.9	121.9	127.8	130.8	130.9	130.9	131.2	131.8	135.1	136.7
125.5	126.5	125.8	126.2	126.4	126.5	126.8	126.9	127.8	128.0	128.8	128.6
150.0	151.1	151.1	151.7	155.4	155.7	156.1	155.4	154.3	154.1	154.5	156.2
118.4	118.7	119.3	119.4	120.0	119.4	119.4	119.8	121.7	121.8	122.9	122.6
130.4	131.8	132.0	131.6	134.2	135.0	136.0	135.7	136.4	137.9	137.1	138.3

Table 8
Percent Change in Medical Prices From the Same Period of Previous Year: 1987-95

Item	Calendar Year								
	1987	1988	1989	1990	1991	1992	1993	1994	1995
	Annual Percent Change								
Consumer Price Indexes, All Urban Consumers¹									
Medical Care Services ²	6.6	6.5	7.6	9.3	8.9	7.6	6.5	5.2	5.0
Professional Services	6.6	6.7	6.4	6.6	6.2	6.1	5.1	4.3	4.4
Physicians' Services	7.4	7.2	7.3	7.2	6.0	6.3	5.6	4.4	4.5
Dental Services	6.7	6.8	6.2	6.7	7.5	6.7	5.3	4.8	4.9
Hospital and Related Services	6.9	9.3	11.5	10.9	10.2	9.1	8.4	5.9	5.0
Hospital Room	7.2	9.2	10.3	10.9	9.4	8.8	8.5	5.7	5.0
Other Inpatient Services (1986=100)	—	9.7	13.1	10.7	10.7	9.1	7.8	6.1	5.0
Outpatient Services (1986=100)	—	8.9	10.9	11.2	10.6	10.0	9.3	5.8	4.9
Medical Care Commodities	6.7	6.9	7.8	8.4	8.2	6.4	3.7	2.9	1.9
Prescription Drugs	8.0	7.9	8.7	10.0	9.9	7.6	3.9	3.4	1.9
Non-Prescription Drugs and Medical Supplies (1986=100)	—	4.9	6.0	5.2	4.7	3.9	3.3	1.9	1.8
Internal and Respiratory									
Over-the-Counter Drugs	5.3	5.5	6.1	5.2	4.5	3.8	3.3	1.5	0.6
Non-Prescription Medical Equipment and Supplies	4.0	3.6	5.8	5.3	5.0	4.1	3.3	2.7	3.9
Producer Price Indexes³									
Industry Groupings: ⁴									
Health Services (12/94=100)	—	—	—	—	—	—	—	—	—
Offices and Clinics of Doctors of Medicine (12/93=100)	—	—	—	—	—	—	—	—	4.0
Medicare Treatments (12/93=100)	—	—	—	—	—	—	—	—	4.7
Non-Medicare Treatments (12/93=100)	—	—	—	—	—	—	—	—	3.6
Hospitals (12/92=100)	—	—	—	—	—	—	—	3.6	3.5
General Medical and Surgical									
Hospitals (12/92=100)	—	—	—	—	—	—	—	3.5	3.7
Inpatient Treatments (12/92=100)	—	—	—	—	—	—	—	3.5	3.1
Medicare Patients (12/92=100)	—	—	—	—	—	—	—	2.0	2.0
Medicaid Patients (12/92=100)	—	—	—	—	—	—	—	4.6	2.5
All Other Patients (12/92=100)	—	—	—	—	—	—	—	4.0	3.7
Outpatient Treatments (12/92=100)	—	—	—	—	—	—	—	4.1	6.2
Medicare Patients (12/92=100)	—	—	—	—	—	—	—	3.1	4.1
Medicaid Patients (12/92=100)	—	—	—	—	—	—	—	1.7	3.0
All Other Patients (12/92=100)	—	—	—	—	—	—	—	4.4	6.9
Skilled and Intermediate Care Facilities (12/94=100)	—	—	—	—	—	—	—	—	—
Public Payors (12/94=100)	—	—	—	—	—	—	—	—	—
Private Payors (12/94=100)	—	—	—	—	—	—	—	—	—
Medical Laboratories (6/94=100)	—	—	—	—	—	—	—	—	—
Commodity Groupings:									
Drugs and Pharmaceuticals	6.9	6.7	7.9	6.7	6.9	5.3	4.5	2.5	2.3
Ethical (Prescription) Preparations	9.1	7.9	9.1	8.9	8.4	6.5	4.5	3.2	2.7
Proprietary (Over-the-Counter) Preparations	4.9	6.6	5.3	3.1	5.5	5.0	3.7	1.8	1.8
Medical, Surgical, and Personal Aid Devices	4.7	1.7	3.4	3.5	2.3	2.7	3.0	1.8	0.6
Personal Aid Equipment	0.5	1.4	0.5	1.9	2.9	2.6	1.7	6.4	2.7
Medical Instruments and Equipment (6/82=100)	1.9	1.7	4.1	2.6	1.5	2.2	2.1	0.5	1.3
Surgical Appliances and Supplies (6/83=100)	9.0	1.6	3.6	4.7	3.5	3.1	4.1	3.1	-0.6
Ophthalmic Goods (12/83=100)	1.5	1.0	2.8	1.0	0.9	1.7	0.9	0.6	2.2
Dental Equipment and Supplies (6/85=100)	5.5	2.3	1.1	4.1	1.9	4.5	3.8	2.9	1.6

¹ Unless otherwise noted, base year is 1982-84=100.

² Includes the net cost of private health insurance, not shown separately.

³ Unless otherwise noted, base year is 1982=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).

⁴ Further detail for Producer Price Industry groupings, such as types of physician practices, hospital diagnosis-related groups, etc., are available from the U.S. Department of Labor, Bureau of Labor Statistics.

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

SOURCES: U.S. Department of Labor, Bureau of Labor Statistics: *CPI Detailed Report*. Washington, U.S. Government Printing Office. Monthly reports for January 1986-December 1995; U.S. Department of Labor, Bureau of Labor Statistics: *Producer Price Indexes*. Washington, U.S. Government Printing Office. Monthly reports for January 1986-December 1995.

Table 8—Continued
Percent Change in Medical Prices From the Same Period of Previous Year: 1987-95

1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4
Percent Change From the Same Period of Previous Year											
6.8	6.8	6.4	6.0	5.4	5.1	5.0	5.2	5.5	5.2	5.0	4.5
5.4	5.3	5.0	4.5	4.3	4.2	4.1	4.5	4.7	4.4	4.4	4.0
5.9	5.7	5.6	5.2	4.8	4.5	4.2	4.3	4.5	4.5	4.6	4.5
5.8	6.0	4.9	4.5	4.4	4.5	4.8	5.4	5.7	4.9	4.8	4.3
8.7	8.8	8.3	7.8	6.7	5.8	5.7	5.4	5.3	5.0	4.8	4.6
8.8	9.0	8.4	7.8	6.6	5.6	5.5	5.0	5.3	5.1	4.9	4.8
7.8	8.0	7.6	7.6	6.8	6.3	5.9	5.7	5.5	5.0	4.8	4.5
10.1	10.0	9.1	8.0	6.5	5.4	5.7	5.7	5.2	4.9	4.7	4.8
4.3	3.4	3.7	3.3	2.9	3.0	2.8	3.0	2.5	1.7	1.5	1.8
5.0	3.3	3.8	3.3	3.0	4.0	3.2	3.4	2.4	1.5	1.9	2.0
3.0	3.5	3.4	3.3	2.6	0.9	2.0	2.1	2.8	2.3	0.7	1.2
3.3	3.2	3.4	3.5	3.0	1.3	0.8	0.9	1.1	0.3	0.5	0.6
2.4	4.0	3.5	3.1	1.9	0.1	4.2	4.4	5.8	6.1	1.3	2.5
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	4.5	4.3	4.0	3.1
—	—	—	—	—	—	—	—	4.7	4.7	4.7	4.7
—	—	—	—	—	—	—	—	4.5	4.3	3.6	2.2
—	—	—	—	3.8	3.6	3.6	3.5	4.0	3.7	3.1	3.4
—	—	—	—	3.5	3.5	3.5	3.4	4.0	3.8	3.2	3.7
—	—	—	—	3.7	3.6	3.5	3.1	3.4	3.2	2.5	3.1
—	—	—	—	2.3	2.3	2.3	1.3	1.3	1.3	1.3	4.1
—	—	—	—	4.3	4.7	5.0	4.5	4.0	3.4	1.1	1.3
—	—	—	—	4.3	4.1	3.8	3.9	4.4	4.2	3.3	2.9
—	—	—	—	3.4	3.7	4.4	4.7	6.6	6.3	6.0	6.1
—	—	—	—	2.3	2.6	3.0	4.6	4.5	4.8	4.0	3.2
—	—	—	—	1.1	-0.3	2.7	3.1	3.8	4.6	0.6	2.9
—	—	—	—	3.8	4.3	4.8	4.8	7.2	6.7	6.8	6.9
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	5.9	6.3
5.4	4.6	4.4	3.7	3.0	2.6	2.1	2.3	1.9	2.2	2.4	2.9
5.2	4.7	4.4	3.8	3.9	3.4	2.7	2.8	1.8	2.3	3.0	3.9
5.1	3.2	3.7	2.8	2.2	1.8	1.6	1.6	2.3	2.2	1.2	1.5
3.2	3.2	2.8	2.6	2.1	1.6	2.0	1.6	0.5	0.4	0.6	1.1
2.2	2.0	1.3	1.2	4.3	6.7	7.4	7.4	2.6	0.7	3.2	4.4
2.3	2.5	1.9	1.9	0.8	0.1	0.8	0.6	1.1	1.1	1.6	1.3
4.5	4.3	4.1	3.7	3.6	3.1	3.3	2.4	-0.8	-1.0	-1.0	0.5
0.7	0.5	0.8	1.4	1.4	0.5	0.1	0.3	1.4	2.1	2.9	2.4
3.5	4.9	4.1	2.9	2.9	2.4	3.0	3.1	1.6	2.2	0.8	1.9

Table 9

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

Expense Category ¹	Price/Wage Variable	Base Year Weights CY 1987 ²	1987	1988	1989	1990
Index Levels						
Total	—	100.000	101.0	106.1	111.8	117.3
Compensation	—	61.713	101.0	105.8	111.3	117.5
Wages and Salaries	HCFA Occupational Wage Index ⁴	52.216	101.1	105.6	110.8	116.4
Employee Benefits	HCFA Occupational Benefits Index ⁴	9.497	100.8	107.1	114.4	123.4
Other Professional Fees	ECI—W/S: Professional/Technical (Private)	1.649	101.1	105.7	110.5	115.9
Energy and Utilities ³	—	2.368	102.1	98.7	107.1	118.5
Professional Liability Insurance	HCFA—Professional Liability Premium	1.433	103.4	128.4	129.2	129.0
All Other	—	32.837	100.9	106.2	112.3	116.4
Other Products ³	—	21.788	101.1	106.9	113.5	117.3
Pharmaceuticals	PPI—Prescription Drugs	3.873	102.1	110.2	120.2	130.9
Food ³	—	3.299	100.6	104.9	109.7	114.0
Chemicals	PPI—Industrial Chemicals	3.126	102.0	114.1	122.7	121.0
Medical Instruments	PPI—Medical Instruments/Equipment	2.672	100.5	102.2	106.3	109.1
Photographic Supplies	PPI—Photographic Supplies	2.623	100.5	102.7	111.8	115.9
Rubber and Plastics	PPI—Rubber/Plastic Products	2.323	100.9	107.1	110.4	111.4
Other Services ³	—	11.050	100.5	104.8	110.0	114.8
Business Services	AHE—Business Services	3.845	99.7	104.1	109.7	114.6
Computer Services	AHE—Data Processing Services	1.992	101.8	109.4	117.6	125.2
4-Quarter Moving-Average Percent Change						
Total	—	100.000	3.7	5.0	5.4	4.9
Compensation	—	61.713	3.9	4.8	5.2	5.5
Wages and Salaries	HCFA Occupational Wage Index ⁴	52.216	4.1	4.5	4.9	5.0
Employee Benefits	HCFA Occupational Benefits Index ⁴	9.497	3.3	6.2	6.9	7.9
Other Professional Fees	ECI—W/S: Professional/Technical (Private)	1.649	4.2	4.5	4.6	4.8
Energy and Utilities ³	—	2.368	1.0	-3.3	8.5	10.6
Professional Liability Insurance	HCFA—Professional Liability Premium	1.433	18.4	24.2	0.6	-0.1
All Other	—	32.837	2.7	5.3	5.8	3.6
Other Products ³	—	21.788	3.5	5.8	6.1	3.3
Pharmaceuticals	PPI—Prescription Drugs	3.873	9.1	7.9	9.1	8.9
Food ³	—	3.299	2.9	4.3	4.5	3.9
Chemicals	PPI—Industrial Chemicals	3.126	4.3	11.9	7.5	-1.4
Medical Instruments	PPI—Medical Instruments/Equipment	2.672	1.9	1.7	4.1	2.6
Photographic Supplies	PPI—Photographic Supplies	2.623	1.4	2.2	8.8	3.7
Rubber and Plastics	PPI—Rubber/Plastic Products	2.323	1.0	6.2	3.0	0.9
Other Services ³	—	11.050	1.2	4.3	5.0	4.3
Business Services	AHE—Business Services	3.845	-2.2	4.4	5.4	4.5
Computer Services	AHE—Data Processing Services	1.992	5.6	7.5	7.5	6.5

¹ For data sources used to estimate the input price index relative weights and choice of price proxies, see the September 4, 1990, *Federal Register*. For the most recent PPS update for payment rates, see the September 1, 1995, *Federal Register*.

² Category weights may not sum to total or subtotals because of detail not included.

³ 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 (0.624), Electricity (1.135), Natural Gas (0.343), and Motor Gasoline (0.230). Other Products: Paper Products (1.399), Apparel (1.142), Machinery and Equipment (0.0497), and Miscellaneous Products (0.833). Food: Direct Purchase (2.111) and Contract Service (1.188). Other Services: Transportation and Shipping (1.233), Telephone (0.987), Blood Services (0.588), Postage (0.372), Other—Labor Intensive (1.233), and Other—Non-Labor Intensive (0.800).

⁴ 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).

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

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

Table 9—Continued

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

1991	1992	1993	1994	1995	Forecast						
					1996	1997	1998	1999	2000	2001	2002
121.7	125.4	129.0	132.2	136.3	139.8	143.6	147.8	152.4	157.2	162.6	168.0
123.0	127.8	132.2	136.2	139.8	143.9	148.3	153.0	158.0	163.3	169.1	175.1
121.4	125.6	129.5	133.2	136.7	140.7	145.0	149.5	154.2	159.2	164.7	170.3
131.5	139.7	147.0	152.9	156.7	161.1	166.3	172.2	178.8	185.9	193.4	201.1
120.9	125.6	129.7	133.4	136.9	141.1	145.5	150.2	155.0	160.3	165.9	171.6
116.2	115.1	114.8	110.8	109.9	110.4	110.9	112.7	116.4	119.5	123.2	127.6
130.7	135.0	139.0	136.5	138.0	142.9	148.9	156.1	163.2	171.1	179.5	188.3
119.2	121.2	123.5	125.9	131.4	134.0	136.8	140.1	143.8	147.8	152.2	156.7
119.5	121.2	123.3	125.6	131.7	133.8	136.0	138.6	141.9	145.4	149.2	153.3
141.9	151.1	157.9	163.0	167.4	172.4	175.9	181.0	187.2	193.2	200.1	207.7
115.4	116.4	118.3	119.9	121.9	125.7	128.1	131.3	134.7	138.3	142.1	146.0
119.5	116.7	118.0	122.1	137.2	134.2	136.4	137.9	140.5	143.8	147.6	152.4
110.7	113.2	115.6	116.2	117.7	118.9	120.0	122.2	124.9	127.3	130.4	133.6
114.3	114.1	112.9	113.3	115.1	118.2	121.6	122.6	125.2	128.4	131.3	134.1
112.8	112.8	113.7	115.3	121.9	122.2	123.1	124.2	125.6	127.3	128.8	130.2
118.6	121.2	123.8	126.6	130.7	134.3	138.3	143.1	147.6	152.5	158.1	163.2
117.9	120.5	122.3	124.6	129.1	133.6	137.9	142.5	147.2	152.9	158.5	164.2
129.1	131.0	136.4	142.0	146.5	151.3	157.0	162.8	169.0	175.7	183.1	190.3
3.7	3.1	2.9	2.5	3.1	2.6	2.7	2.9	3.1	3.2	3.4	3.4
4.7	3.9	3.5	3.1	2.6	2.9	3.1	3.2	3.3	3.4	3.5	3.5
4.3	3.4	3.1	2.9	2.7	2.9	3.0	3.1	3.2	3.2	3.4	3.4
6.6	6.2	5.3	4.0	2.5	2.8	3.2	3.6	3.8	4.0	4.0	4.0
4.3	3.9	3.3	2.9	2.6	3.0	3.1	3.2	3.2	3.4	3.5	3.5
-1.9	-0.9	-0.3	-3.4	-0.8	0.5	0.4	1.7	3.2	2.6	3.1	3.6
1.3	3.3	3.0	-1.8	1.1	3.6	4.2	4.8	4.6	4.8	4.9	4.9
2.4	1.7	1.9	2.0	4.3	2.0	2.1	2.4	2.6	2.8	3.0	2.9
1.9	1.4	1.7	1.8	4.9	1.6	1.7	1.9	2.4	2.5	2.6	2.7
8.4	6.5	4.5	3.2	2.7	3.0	2.0	2.9	3.4	3.2	3.6	3.8
1.2	0.8	1.7	1.4	1.6	3.1	1.9	2.5	2.6	2.7	2.7	2.7
-1.3	-2.3	1.1	3.5	12.4	-2.2	1.6	1.1	1.9	2.3	2.7	3.3
1.5	2.2	2.1	0.5	1.3	1.0	1.0	1.8	2.2	2.0	2.4	2.5
-1.4	-0.2	-1.1	0.3	1.6	2.7	2.9	0.8	2.1	2.6	2.2	2.1
1.3	0.0	0.8	1.4	5.7	0.3	0.7	0.9	1.2	1.3	1.2	1.1
3.3	2.2	2.2	2.3	3.2	2.8	3.0	3.5	3.1	3.3	3.7	3.2
2.9	2.2	1.5	1.9	3.6	3.5	3.3	3.3	3.3	3.8	3.7	3.6
3.1	1.5	4.1	4.1	3.2	3.3	3.7	3.7	3.8	4.0	4.2	4.0

Table 10

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

Expense Category ¹	Price/Wage Variable	Base Year Weights CY 1977 ²	1987	1988	1989	1990
Index Levels						
Total	—	100.000	186.7	195.8	208.5	221.7
Compensation	—	70.620	186.3	196.0	209.7	223.3
Wages and Salaries	AHE—Nursing Facilities	63.020	183.7	193.6	208.0	221.6
Employee Benefits	BEA—Supplement to Wages/Salaries per Worker	7.600	207.8	216.0	224.1	237.6
Fuel and Other Energy	—	4.270	195.5	197.6	204.7	223.0
Fuel Oil and Coal	IPD—Fuel Oil and Coal	1.660	179.3	180.0	187.2	225.8
Electricity	IPD—Electricity	1.210	193.1	195.7	201.3	206.1
Natural Gas	IPD—Natural Gas	0.910	219.9	218.7	224.3	224.7
Water and Sewerage Maintenance	CPI(U)—Water and Sewage	0.490	211.4	223.0	236.5	252.2
Food	—	9.740	159.0	165.8	174.4	182.3
Direct Purchase	PPI—Processed Foods	4.930	145.9	152.4	159.2	164.8
Contract Service	CPI(U)—Food and Beverages	4.810	172.5	179.6	190.1	200.2
All Other	—	15.370	203.5	213.5	225.4	238.9
Pharmaceuticals	PPI—Prescription Drugs	1.500	238.2	257.1	280.5	305.4
Supplies	CPI(U)—All Items	3.280	187.6	195.2	204.6	215.7
Health Services	CPI(U)—Physicians' Services	1.210	222.9	238.9	256.5	274.9
Other Business Services	CPI(U)—Services	4.590	215.0	224.8	235.9	248.4
Miscellaneous Costs	CPI(U)—All Items	4.790	187.6	195.2	204.6	215.7
4-Quarter Moving-Average Percent Change						
Total	—	100.000	3.5	4.9	6.5	6.3
Compensation	—	70.620	3.5	5.2	7.0	6.5
Wages and Salaries	AHE—Nursing Facilities	63.020	3.5	5.4	7.4	6.5
Employee Benefits	BEA—Supplement to Wages/Salaries per Worker	7.600	3.7	3.9	3.7	6.0
Fuel and Other Energy	—	4.270	-0.2	1.1	3.6	8.9
Fuel Oil and Coal	IPD—Fuel Oil and Coal	1.660	1.1	0.4	4.0	20.6
Electricity	IPD—Electricity	1.210	-0.3	1.4	2.9	2.4
Natural Gas	IPD—Natural Gas	0.910	-4.7	-0.5	2.6	0.2
Water and Sewerage Maintenance	CPI(U)—Water and Sewage	0.490	5.3	5.5	6.1	6.7
Food	—	9.740	3.3	4.3	5.2	4.5
Direct Purchase	PPI—Processed Foods	4.930	2.4	4.4	4.5	3.5
Contract Service	CPI(U)—Food and Beverages	4.810	4.2	4.1	5.8	5.3
All Other	—	15.370	4.7	4.9	5.6	6.0
Pharmaceuticals	PPI—Prescription Drugs	1.500	9.1	7.9	9.1	8.9
Supplies	CPI(U)—All Items	3.280	3.7	4.1	4.8	5.4
Health Services	CPI(U)—Physicians' Services	1.210	7.4	7.2	7.3	7.2
Other Business Services	CPI(U)—Services	4.590	4.2	4.5	4.9	5.3
Miscellaneous Costs	CPI(U)—All Items	4.790	3.7	4.1	4.8	5.4

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

² Category weights may not sum to total because of rounding.

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 9.

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

Table 10—Continued

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

1991	1992	1993	1994	1995	Forecast						
					1996	1997	1998	1999	2000	2001	2002
231.4	240.2	249.1	257.5	264.8	272.4	281.2	290.9	300.9	311.0	322.2	334.0
233.9	243.8	253.5	263.0	270.9	279.0	288.9	299.5	310.3	320.9	332.9	345.4
231.4	240.5	250.1	259.9	267.9	275.9	285.6	296.0	306.4	316.5	328.1	340.0
254.3	271.2	281.7	288.2	296.0	304.4	316.1	328.4	342.6	356.9	372.7	389.6
224.8	225.3	231.0	232.6	232.2	231.2	233.9	239.4	247.6	256.1	265.8	277.6
217.8	208.4	207.3	204.1	203.1	197.1	193.6	196.7	206.4	215.1	225.2	238.4
213.8	218.0	222.4	222.3	227.6	228.4	229.1	231.1	233.7	237.8	242.0	246.3
227.3	231.4	245.9	251.0	239.0	237.7	247.2	255.1	262.3	269.7	279.5	292.4
270.7	289.1	304.8	320.1	330.1	341.5	358.2	375.5	394.3	414.9	436.7	459.7
185.2	187.4	190.9	194.5	198.7	205.3	209.1	213.6	218.6	223.8	229.2	234.9
164.7	165.0	167.6	169.6	171.7	177.5	179.1	182.3	185.9	189.8	193.7	197.8
206.2	210.3	214.8	220.1	226.4	233.8	239.8	245.7	252.0	258.6	265.7	273.0
251.0	261.1	270.7	279.1	287.8	296.3	304.9	314.6	324.9	335.8	347.6	360.1
330.9	352.4	368.4	380.3	390.4	402.3	410.2	422.2	436.7	450.7	466.8	484.5
224.8	231.6	238.5	244.7	251.6	258.1	265.0	272.4	280.7	289.4	298.8	308.7
291.4	309.7	327.0	341.5	357.0	370.5	386.2	403.4	420.2	438.5	458.3	478.4
260.4	270.3	280.7	290.0	299.9	309.1	319.3	330.0	341.1	352.9	365.4	378.7
224.8	231.6	238.5	244.7	251.6	258.1	265.0	272.4	280.7	289.4	298.8	308.7
4.4	3.8	3.7	3.4	2.9	2.9	3.2	3.4	3.5	3.3	3.6	3.7
4.7	4.3	4.0	3.7	3.0	3.0	3.5	3.7	3.6	3.4	3.7	3.8
4.4	3.9	4.0	3.9	3.1	3.0	3.5	3.7	3.5	3.3	3.6	3.6
7.0	6.6	3.9	2.3	2.7	2.8	3.8	3.9	4.3	4.2	4.4	4.5
0.8	0.2	2.5	0.7	-0.1	-0.5	1.2	2.3	3.4	3.4	3.8	4.4
-3.5	-4.4	-0.5	-1.5	-0.5	-3.0	-1.8	1.6	4.9	4.2	4.7	5.9
3.8	2.0	2.0	-0.1	2.4	0.4	0.3	0.9	1.1	1.7	1.8	1.8
1.2	1.8	6.3	2.1	-4.8	-0.5	4.0	3.2	2.8	2.8	3.6	4.6
7.3	6.8	5.4	5.0	3.1	3.4	4.9	4.8	5.0	5.2	5.2	5.3
1.6	1.2	1.9	1.9	2.1	3.3	1.8	2.2	2.3	2.4	2.4	2.5
0.0	0.2	1.6	1.2	1.2	3.4	0.9	1.8	2.0	2.1	2.1	2.1
3.0	2.0	2.1	2.5	2.9	3.3	2.5	2.5	2.6	2.6	2.7	2.8
5.1	4.0	3.7	3.1	3.1	2.9	2.9	3.2	3.3	3.4	3.5	3.6
8.4	6.5	4.5	3.2	2.7	3.0	2.0	2.9	3.4	3.2	3.6	3.8
4.2	3.0	3.0	2.6	2.8	2.6	2.7	2.8	3.0	3.1	3.2	3.3
6.0	6.3	5.6	4.4	4.5	3.8	4.2	4.4	4.1	4.4	4.5	4.4
4.8	3.8	3.8	3.3	3.4	3.1	3.3	3.4	3.4	3.5	3.5	3.6
4.2	3.0	3.0	2.6	2.8	2.6	2.7	2.8	3.0	3.1	3.2	3.3

Table 11

Calendar Year Index Levels and Four-Quarter Moving-Average Percent Change of the Home Health Agency (HHA) Input Price Index, by Expense Category: 1987-2002

Expense Category ¹	Price/Wage Variable	Base Year Weights CY 1976 ²	1987	1988	1989	1990
Index Levels						
Total	—	100.000	221.9	235.0	249.3	262.6
Compensation	—	73.040	227.0	241.7	257.2	270.7
Wages and Salaries	AHE—Hospitals	65.140	226.3	241.7	257.8	271.2
Employee Benefits	BEA—Supplement to Wages/Salaries per Worker	7.900	233.2	242.4	251.5	266.7
Transportation	CPI(U)—Transportation	4.870	191.4	197.3	207.1	218.8
Office Costs	CPI(U)—Services	2.790	231.5	242.0	254.0	267.4
Medical and Nursing Supplies	CPI(U)—Medical Equipment/Supplies	2.810	197.6	204.8	216.7	228.1
Rental and Leasing	CPI(U)—Residential Rent	1.350	201.4	209.1	217.2	226.4
Energy and Utilities	—	1.170	219.8	222.2	230.3	251.2
Miscellaneous Costs	CPI(U)—All Items	7.100	199.7	207.9	217.8	229.7
Contract Services	Composite—All Other Costs ³	6.870	221.9	235.0	249.3	262.6
4-Quarter Moving-Average Percent Change						
Total	—	100.000	4.7	5.9	6.1	5.3
Compensation	—	73.040	5.0	6.5	6.4	5.3
Wages and Salaries	AHE—Hospitals	65.140	5.1	6.8	6.7	5.2
Employee Benefits	BEA—Supplement to Wages/Salaries per Worker	7.900	3.7	3.9	3.7	6.0
Transportation	CPI(U)—Transportation	4.870	3.0	3.1	5.0	5.6
Office Costs	CPI(U)—Services	2.790	4.2	4.5	4.9	5.3
Medical and Nursing Supplies	CPI(U)—Medical Equipment/Supplies	2.810	4.0	3.6	5.8	5.3
Rental and Leasing	CPI(U)—Residential Rent	1.350	4.1	3.8	3.9	4.2
Energy and Utilities	—	1.170	-0.2	1.1	3.7	9.1
Miscellaneous Costs	CPI(U)—All Items	7.100	3.7	4.1	4.8	5.4
Contract Services	Composite—All Other Costs ³	6.870	4.7	5.9	6.1	5.3

¹ For data sources used to estimate the input price index relative weights and choice of price proxies, see the July 8, 1993, *Federal Register*. For the latest HHA regulation, see the February 14, 1995, *Federal Register*.

² Category weights may not sum to total because of rounding.

³ The price/wage variable for Contract Services, Composite—All Other Costs, is the composite of all other HHA cost category weights and variables in the HHA input price index.

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

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

Table 11—Continued

Calendar Year Index Levels and Four-Quarter Moving-Average Percent Change of the Home Health Agency (HHA) Input Price Index, by Expense Category: 1987-2002

1991	1992	1993	1994	1995	Forecast						
					1996	1997	1998	1999	2000	2001	2002
277.5	289.1	298.8	306.9	316.9	326.9	337.7	349.5	361.8	374.5	388.2	402.6
287.3	300.1	310.3	318.7	329.3	340.3	351.8	364.3	377.3	390.8	405.4	420.6
287.5	299.6	309.6	318.1	328.9	340.1	351.4	363.7	376.5	389.6	403.9	418.6
285.5	304.4	316.2	323.5	332.2	341.6	354.7	368.6	384.5	400.6	418.3	437.3
224.8	229.7	236.7	243.8	252.5	257.8	267.1	277.1	287.4	296.9	306.8	317.2
280.4	291.0	302.2	312.3	322.9	332.9	343.8	355.3	367.3	380.0	393.4	407.7
239.6	249.4	257.6	264.4	274.7	283.6	292.3	301.7	311.2	321.7	332.9	344.6
234.4	240.3	245.9	251.9	258.0	264.0	270.7	278.3	285.2	293.3	301.8	310.6
253.2	253.8	260.4	262.4	261.9	260.8	264.2	270.5	280.0	289.8	301.0	314.6
239.3	246.6	253.9	260.5	267.9	274.8	282.1	290.1	298.8	308.1	318.1	328.7
277.5	289.1	298.8	306.9	316.9	326.9	337.7	349.5	361.8	374.5	388.2	402.6
5.7	4.2	3.3	2.7	3.3	3.2	3.3	3.5	3.5	3.5	3.7	3.7
6.1	4.5	3.4	2.7	3.3	3.3	3.4	3.6	3.6	3.6	3.7	3.8
6.0	4.2	3.3	2.8	3.4	3.4	3.3	3.5	3.5	3.5	3.7	3.7
7.0	6.6	3.9	2.3	2.7	2.8	3.8	3.9	4.3	4.2	4.4	4.5
2.8	2.2	3.0	3.0	3.6	2.1	3.6	3.8	3.7	3.3	3.3	3.4
4.8	3.8	3.8	3.3	3.4	3.1	3.3	3.4	3.4	3.5	3.5	3.6
5.0	4.1	3.3	2.7	3.9	3.2	3.1	3.2	3.1	3.4	3.5	3.5
3.5	2.5	2.3	2.4	2.4	2.3	2.6	2.8	2.5	2.8	2.9	2.9
0.8	0.2	2.6	0.8	-0.2	-0.4	1.3	2.4	3.5	3.5	3.9	4.5
4.2	3.0	3.0	2.6	2.8	2.6	2.7	2.8	3.0	3.1	3.2	3.3
5.7	4.2	3.3	2.7	3.3	3.2	3.3	3.5	3.5	3.5	3.7	3.7

Table 12

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

Expense Category ¹	Price/Wage Variable	Base Year Weights CY 1989 ²	1987	1988	1989	1990
Index Levels						
Total	—	100.000	92.4	96.2	100.0	103.2
Physician Earnings	—	54.155	94.1	96.8	100.0	103.1
Wages and Salaries	AHE—Private ³	45.342	94.8	97.1	100.0	102.6
Benefits	ECI—Benefits, Private ³	8.813	90.6	95.4	100.0	105.7
Practice Expenses	—	45.845	90.4	95.5	100.0	103.3
Non-Physician Compensation	—	16.296	93.5	96.6	100.0	103.8
Wages and Salaries	—	13.786	94.0	96.9	100.0	103.4
Professional/Technical	ECI—W/S: Professional/Technical ³	3.790	93.3	96.6	100.0	103.7
Managers	ECI—W/S: Administrative/Managerial ³	2.620	94.8	97.0	100.0	103.8
Clerical	ECI—W/S: Clerical ³	5.074	93.7	96.8	100.0	103.3
Craft	ECI—W/S: Craft ³	0.069	95.5	97.6	100.0	102.4
Services	ECI—W/S: Service Occupations ³	2.233	95.1	97.4	100.0	102.9
Employee Benefits	ECI—Benefits, Private White Collar ³	2.510	90.5	94.8	100.0	105.9
Office Expenses	CPI(U)—Housing	10.280	92.9	96.3	100.0	104.5
Medical Materials/Supplies	PPI—Drugs/PPI-Surgical/ CPI—Medical Supplies	5.251	90.4	94.2	100.0	106.3
Professional Liability Insurance	HCFA—Professional Liability Premiums	4.780	70.9	91.4	100.0	93.9
Medical Equipment	PPI—Medical Instruments/Equipment	2.348	94.5	96.1	100.0	102.6
Other Professional Expenses	—	6.890	91.8	95.6	100.0	105.1
Automobile	CPI(U)—Private Transportation	1.400	92.3	95.3	100.0	105.2
All Other	CPI(U)—All Items less Food/Energy	5.490	91.6	95.7	100.0	105.0
4-Quarter Moving-Average Percent Change						
Total	—	100.000	3.4	4.1	3.9	3.2
Physician Earnings	—	54.155	1.5	2.9	3.3	3.1
Wages and Salaries	AHE—Private ³	45.342	1.4	2.4	3.0	2.6
Benefits	ECI—Benefits, Private ³	8.813	2.1	5.4	4.8	5.7
Practice Expenses	—	45.845	5.8	5.6	4.7	3.3
Non-Physician Compensation	—	16.296	2.7	3.3	3.6	3.8
Wages and Salaries	—	13.786	2.7	3.0	3.2	3.4
Professional/Technical	ECI—W/S: Professional/Technical ³	3.790	3.2	3.5	3.6	3.7
Managers	ECI—W/S: Administrative/Managerial ³	2.620	3.0	2.3	3.1	3.8
Clerical	ECI—W/S: Clerical ³	5.074	2.8	3.3	3.3	3.3
Craft	ECI—W/S: Craft ³	0.069	1.5	2.2	2.5	2.4
Services	ECI—W/S: Service Occupations ³	2.233	1.7	2.4	2.7	2.9
Employee Benefits	ECI—Benefits, Private White Collar ³	2.510	2.4	4.8	5.4	5.9
Office Expenses	CPI(U)—Housing	10.280	3.0	3.7	3.8	4.5
Medical Materials/Supplies	PPI—Drugs/PPI-Surgical/ CPI—Medical Supplies	5.251	7.2	4.3	6.1	6.3
Professional Liability Insurance	HCFA—Professional Liability Premiums	4.780	41.8	28.8	9.4	-6.1
Medical Equipment	PPI—Medical Instruments/Equipment	2.348	1.9	1.7	4.1	2.6
Other Professional Expenses	—	6.890	3.9	4.2	4.6	5.1
Automobile	CPI(U)—Private Transportation	1.400	3.0	3.2	5.0	5.2
All Other	CPI(U)—All Items Less Food/Energy	5.490	4.1	4.4	4.5	5.0

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

² Category weights may not sum to total because of rounding.

³ Series are adjusted for productivity using 10-year moving average of output per hour for the non-farm business sector. All series in the compensation portion of the MEI are adjusted for productivity so both economy-wide productivity and physician practice productivity are not included in the update.

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

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

Table 12—Continued

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

1991	1992	1993	1994	1995	Forecast						
					1996	1997	1998	1999	2000	2001	2002
105.9	108.2	110.7	113.1	115.5	118.3	121.2	124.0	126.9	129.9	133.1	136.5
105.7	107.4	109.2	111.3	113.4	116.1	118.6	120.8	123.0	125.4	127.8	130.4
104.6	105.7	107.0	108.9	111.0	113.8	116.1	118.1	120.1	122.1	124.3	126.6
111.0	115.6	120.4	124.0	125.9	128.3	131.4	134.8	138.2	141.9	145.7	149.7
106.2	109.2	112.4	115.2	117.9	120.8	124.2	127.9	131.5	135.3	139.4	143.7
107.3	109.6	111.9	114.4	116.6	119.2	121.9	124.4	126.9	129.5	132.4	135.5
106.5	108.5	110.5	112.7	114.8	117.4	119.9	122.3	124.6	127.0	129.6	132.6
107.0	109.7	111.9	114.0	115.9	118.4	120.9	123.4	125.8	128.5	131.2	134.1
107.1	108.1	110.0	112.2	114.7	117.6	120.5	122.9	125.2	127.5	130.2	133.1
106.1	108.3	110.6	113.0	115.3	118.0	120.6	123.2	125.6	127.8	130.7	133.9
104.7	106.3	108.0	110.1	112.0	114.0	116.0	117.9	119.8	122.0	124.4	126.9
105.9	107.5	108.5	110.2	111.9	114.0	116.2	118.1	119.9	121.9	124.2	126.6
111.3	115.4	119.7	124.0	126.8	129.3	132.5	136.1	139.7	143.6	147.5	151.7
108.6	111.8	114.8	117.7	120.7	123.5	127.3	131.4	135.0	138.8	142.8	146.7
112.3	117.5	122.2	125.8	128.4	132.1	135.3	139.1	143.2	147.7	153.1	158.7
86.7	88.3	93.2	96.2	99.3	103.7	108.8	114.1	120.1	126.6	133.5	140.7
04.1	106.4	108.7	109.3	110.7	111.8	112.9	115.0	117.5	119.8	122.7	125.8
109.7	113.4	117.0	120.3	124.1	127.2	131.4	136.1	140.8	145.4	150.3	155.3
108.0	110.4	112.9	116.4	120.7	123.8	128.3	133.2	138.5	143.0	147.7	152.6
110.2	114.2	118.0	121.4	125.0	128.1	132.2	136.8	141.4	146.0	150.9	156.0
2.6	2.1	2.3	2.2	2.1	2.4	2.4	2.4	2.3	2.4	2.5	2.5
2.5	1.6	1.7	1.9	1.9	2.4	2.1	1.9	1.8	1.9	1.9	2.0
2.0	1.1	1.2	1.7	1.9	2.5	2.0	1.7	1.7	1.7	1.8	1.9
5.0	4.1	4.1	3.0	1.6	1.9	2.4	2.6	2.6	2.7	2.6	2.7
2.8	2.8	2.9	2.5	2.4	2.5	2.8	2.9	2.8	2.9	3.0	3.1
3.3	2.1	2.1	2.2	1.9	2.2	2.2	2.1	2.0	2.0	2.2	2.4
3.0	1.9	1.8	2.0	1.9	2.3	2.2	2.0	1.9	1.9	2.1	2.3
3.2	2.5	2.0	1.9	1.7	2.2	2.1	2.0	2.0	2.1	2.1	2.2
3.3	0.8	1.8	2.0	2.2	2.6	2.4	2.0	1.8	1.9	2.1	2.2
2.7	2.1	2.1	2.2	2.0	2.3	2.2	2.1	1.9	1.8	2.2	2.5
2.3	1.5	1.6	1.9	1.8	1.7	1.8	1.6	1.6	1.8	2.0	2.0
3.0	1.5	0.9	1.6	1.6	1.9	1.9	1.6	1.6	1.6	1.9	1.9
5.1	3.7	3.7	3.6	2.3	2.0	2.5	2.7	2.7	2.8	2.7	2.9
3.9	2.9	2.7	2.5	2.5	2.3	3.1	3.2	2.8	2.8	2.8	2.8
5.7	4.6	4.0	3.0	2.1	2.9	2.4	2.8	2.9	3.2	3.7	3.7
-7.7	1.9	5.5	3.3	3.2	4.4	4.9	4.9	5.3	5.4	5.4	5.4
1.5	2.2	2.1	0.5	1.3	1.0	1.0	1.8	2.2	2.0	2.4	2.5
4.4	3.4	3.1	2.9	3.1	2.5	3.3	3.5	3.5	3.3	3.3	3.3
2.6	2.2	2.9	3.0	3.7	2.6	3.6	3.9	4.0	3.3	3.3	3.3
4.9	3.7	3.3	2.9	3.0	2.5	3.3	3.5	3.4	3.3	3.4	3.4

Figure 1
Percent Change in Admissions, Outpatient Visits, and Inpatient Days From the Same Period of Previous Year: 1987-95

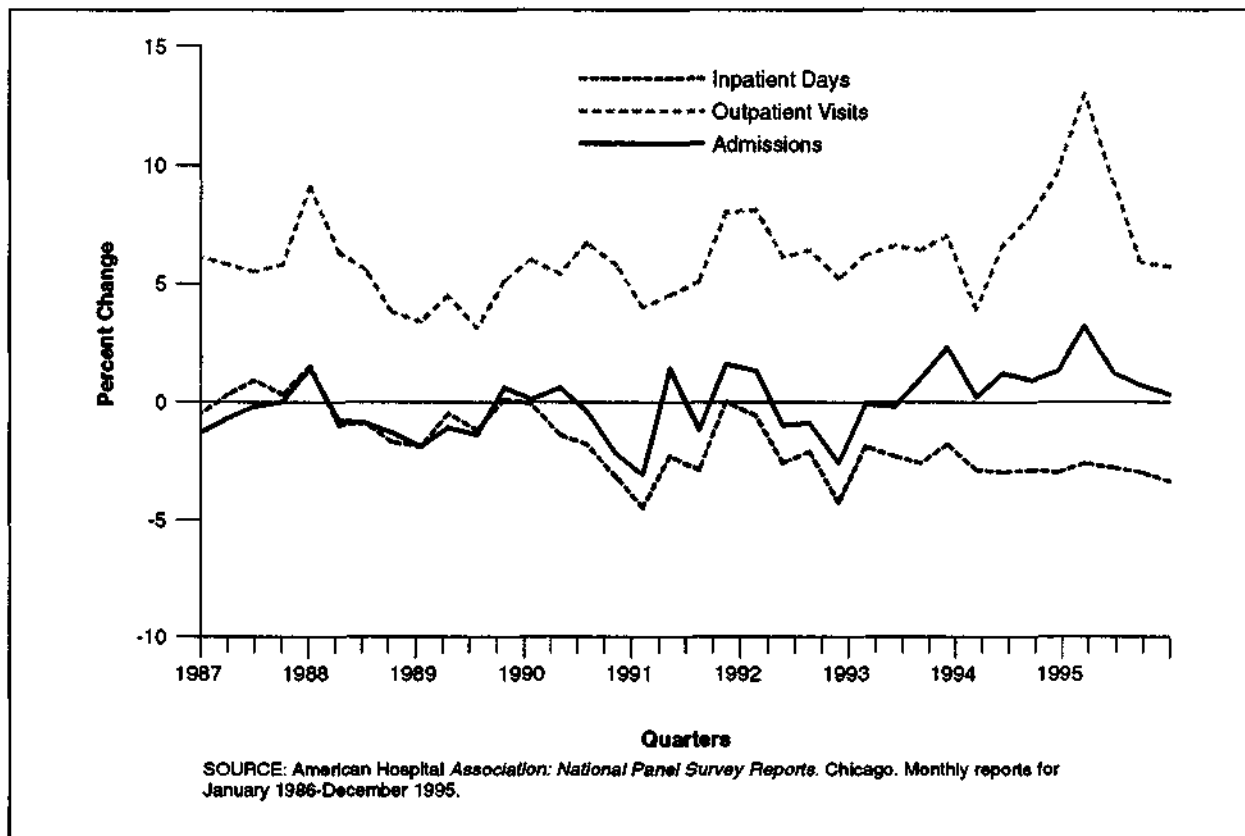


Figure 2

Real Inpatient Expense per Admission and Real Outpatient Expense per Visit: 1987-95

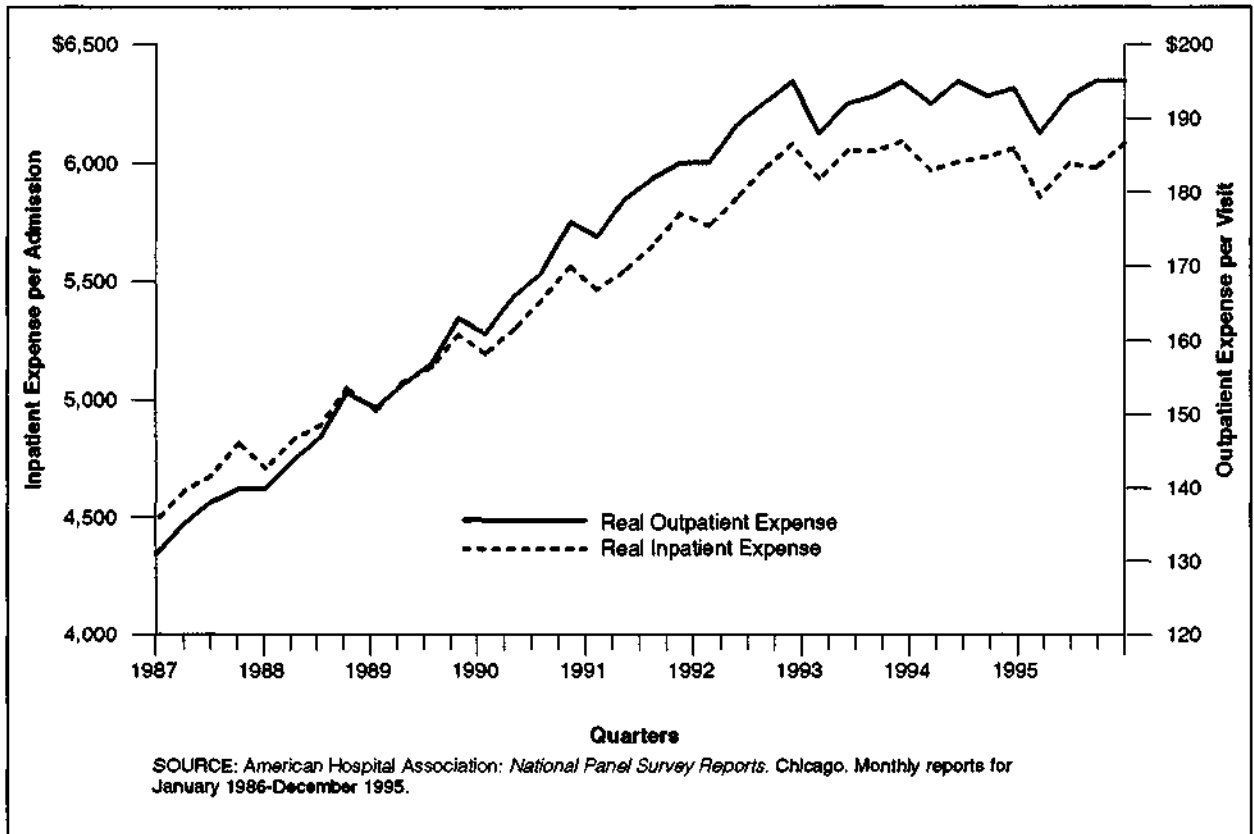


Figure 3
Percent Change in Consumer Price Indexes: Calendar Years 1987-95

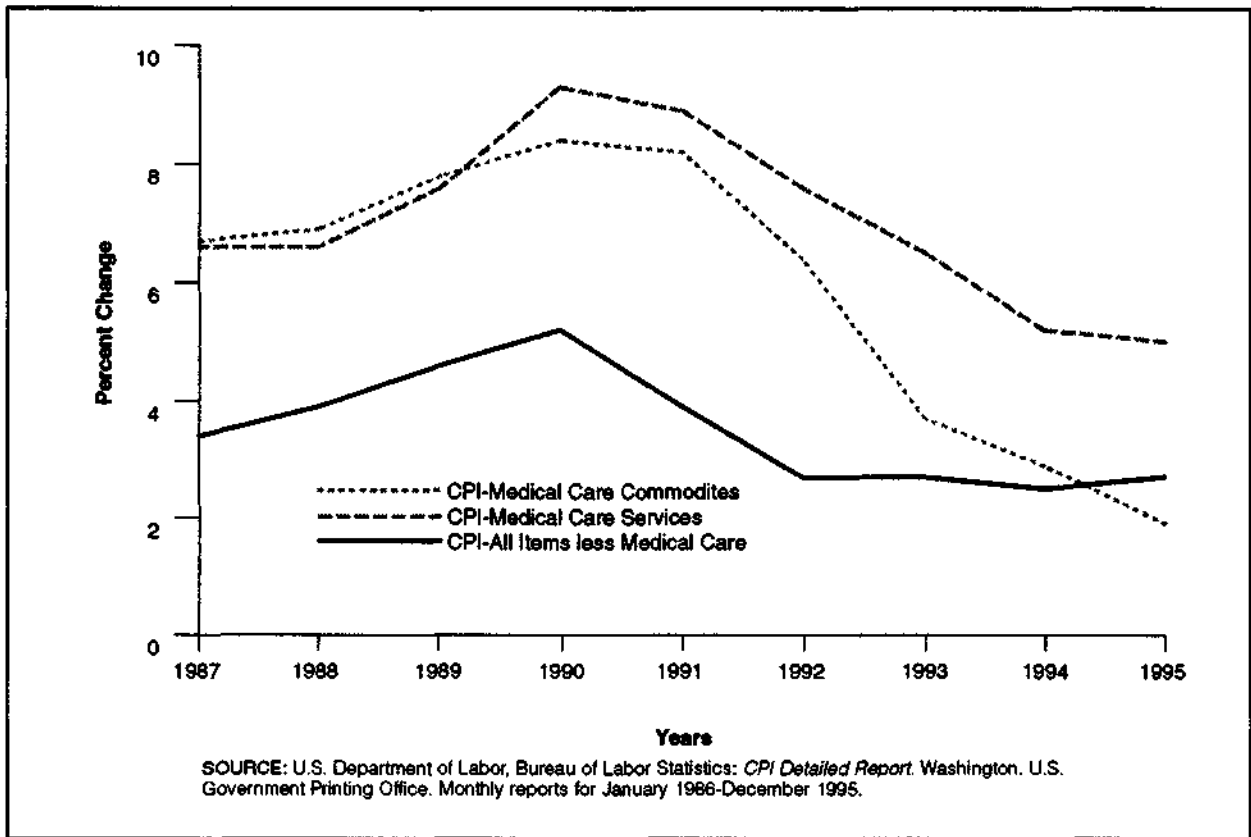


Figure 4
Percent Change in Medical Prices: Calendar Years 1987-1995

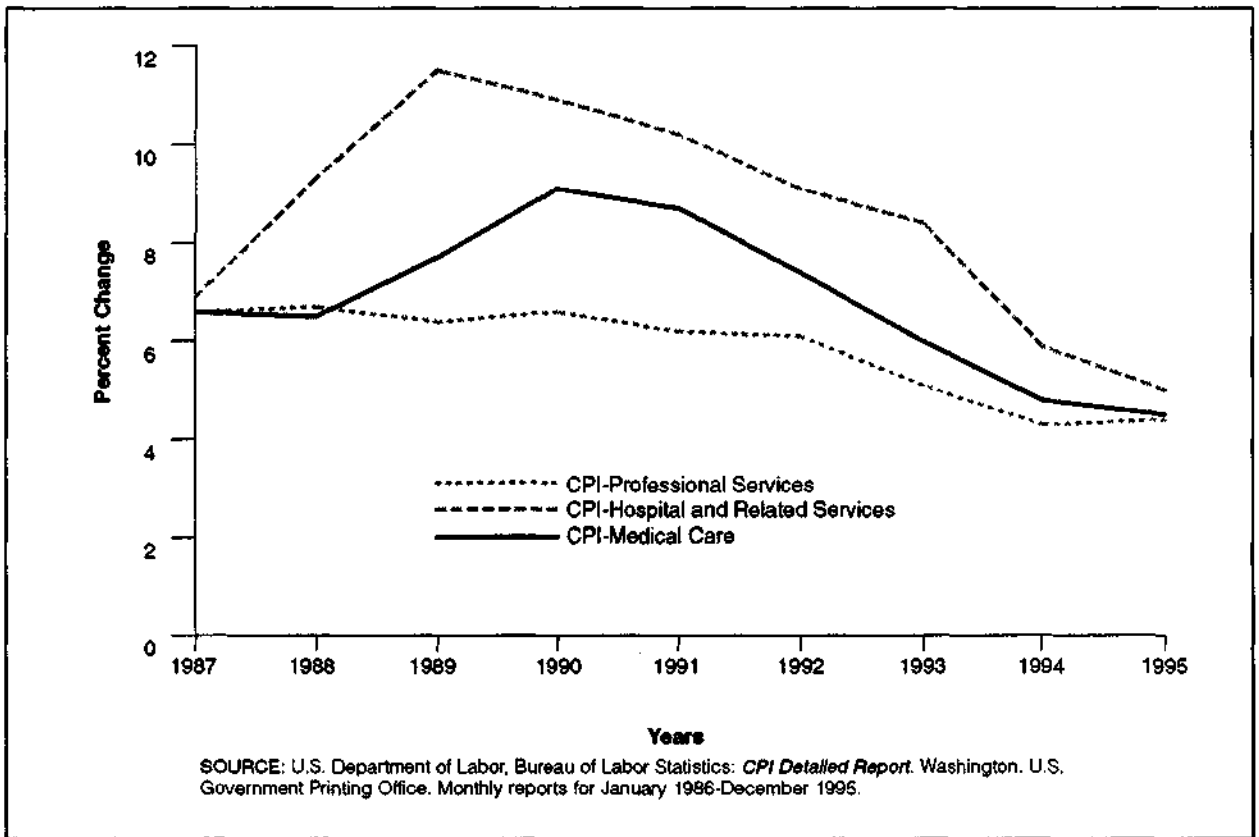


Figure 5
Percent Change in HCFA Input Price Indexes:
Calendar Year Four-Quarter Moving Average, 1987-1995

