
Health Care Indicators

Hospital, Employment, and Price Indicators for the Health Care Industry: Third Quarter 1995

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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 THIRD-QUARTER 1995 TRENDS

- Indicator data used to monitor trends in health care spending suggest that there has been little or no acceleration in personal health care spending through the third quarter of 1995, when compared with the same three quarters of 1994.
- Total patient revenue and hospital utilization both accelerated moderately in the first three quarters of 1995 compared with the same period in 1994. During that same period, inpatient prices decelerated while outpatient prices, including those paid by Medicare and other third-party payers, accelerated.
- After decelerating rapidly during the past few years, consumer prices for medical care services have moderated in recent quarters, following the recent trend of overall 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 4 years. Unless specifically noted, changes in quarterly statistics are shown from the same period one year earlier. For quarterly information, this calculation permits analysis of data to focus on the direction and magnitude of changes, without interference introduced by seasonal fluctuations. The last four tables in the report show base weights, quarterly index levels, and four-quarter moving average percent changes in the Input Price Indexes maintained by HCFA.

HEALTH CARE INDICATORS FOR THE THIRD QUARTER OF 1995

Medical Prices

While overall price growth has remained relatively steady during the last 16 quar-

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ters, the rapid deceleration in medical care prices between 1991-94 has moderated in recent quarters according to the Consumer Price Index (CPI). Medical care prices are now growing at roughly twice the rate as overall prices. As indicated in Table 6 and Figure 1, the CPI for all items less medical care has grown at rates between 2.2 - 3.0 percent since the fourth quarter of 1991. The growth in consumer prices for medical care declined from more than 8.0 percent to 4.4 percent during this same period. However, during the past 5 quarters medical price increases have remained in a relatively narrow range of 4.4 to 4.9 percent. This relatively constant growth rate is the result of steady increases in medical care service prices and slightly decelerating growth in medical care commodity prices.

Growth in consumer prices for medical care services has moderated in recent quarters, the result of offsetting trends in professional services and hospital consumer prices. Consumer prices for professional services have accelerated over recent quarters, mostly because of accelerating prices for physicians' services. Hospital consumer prices continued to decelerate in the third quarter of 1995, growing at just 4.8 percent over the same period one year ago as compared with 5.7 percent in the third quarter of 1994. The deceleration has been the result of declining price growth for hospital rooms, other inpatient services, and other outpatient services.

The slight deceleration of medical commodity consumer prices resulted from decelerating prices for non-prescription drugs and medical equipment and a change in the methodology used in measuring prescription drug prices. Consumer prices for non-prescription medical equipment and supplies decelerated to a 1.3-percent growth rate in the third quarter of 1995 after accelerating in early 1995.

Similar trends have also occurred in over-the-counter drug prices. Prescription drug prices, although giving the appearance of decelerating in 1995, have been affected by both a change in the measuring methodology and by economic trends. Beginning in 1995, consumer drug prices have been calculated differently, incorporating measurements for substitution patterns of generic drugs that had not been used in the past. Under the new procedure, after a prescription drug in the CPI sample loses patent protection, all therapeutically equivalent drugs sold in generic form are given an equal chance for selection in the CPI. This re-selection occurs 6 months after the prescription drug loses patent protection to give the generic versions time to build market share. When generic substitutes are selected, the CPI treats the price difference between the original and the generic as a price change that is reflected in the index (U.S. Department of Labor, 1996).

HOSPITAL OPERATIONS AND PRICES

The growth in hospital revenues and in most measures of hospital utilization accelerated moderately in the first three quarters of 1995 compared with the same three quarters of 1994¹, according to data on hospital operations from the American Hospital Association (AHA). These trends are evident in Tables 1 and 2, and in Figures 2 and 3. For the first three quarters of 1995, growth in total patient revenue accelerated to 5.2 percent from 4.2 percent in the same three quarters of 1994. There were similar trends in revenue growth for

¹The comparison between the 1994 and 1995 data on hospital operation was made by looking at the average growth rate for the first three quarters of 1994 over the first three quarters of 1993 and comparing this with the average growth rate for first three quarters of 1995 over the first three quarters of 1994. This type of analysis gives a clear picture of the growth in 1995 year-to-date over the same period in 1994, and complements the statistics presented in Tables 1-8 on the quarterly change from the same period in the preceding year.

both inpatient and outpatient services, as inpatient revenue growth accelerated from 2.3 to 2.9 percent and outpatient revenue growth accelerated from 9.4 to 10.8 percent. During the same three-quarter period in 1995, the growth in the number of admissions and number of outpatient visits both accelerated. The one exception to the pattern of acceleration in hospital indicators was inpatient days. Although the number of inpatient days did not increase in 1995, it did decrease slightly less (-2.8 percent) than in 1994 (-2.9 percent). The pattern of growth in inpatient days is less indicative of spending patterns because some payers such as Medicare, reimburse for services on a per admission, rather than per day basis.

Hospital revenues are determined by both the extent of utilization of hospital services and by the cost per service. When examining the trend in hospital revenue, it is useful to look at the price changes associated with both inpatient and outpatient settings. Although utilization for both inpatient and outpatient services accelerated slightly in the first three quarters of 1995, prices for these two types of services behaved differently.

In the first three quarters of 1995, inpatient prices have decelerated for all payers, including consumers, according to the Producer Price Index (PPI) and the CPI. As indicated in Figure 2, the PPI for hospital inpatient services, which represents inpatient prices faced by all payers, decelerated from 3.6 percent in the first three quarters of 1994 to 3.1 percent in the same three quarters of 1995. There was deceleration from each sector of payers, including Medicare and Medicaid. This trend also holds in the CPI for hospital room services, which represents out-of-pocket consumer prices (as discussed in the Background that follows), as it decelerated from 5.9 percent in 1994 to 5.1 percent in 1995.

There was quite a different trend in hospital outpatient prices for the first three quarters of 1995, as shown in Figure 3. All hospital outpatient prices accelerated to 6.3 percent in the first three quarters of 1995 from 3.9 percent in the same three quarters of 1994 according to the PPI. The acceleration was caused by faster growth in the prices paid by Medicare, Medicaid, and other payers for hospital outpatient services. It is interesting to note that while the PPI for other outpatient service payers, which includes all payers except for Medicare and Medicaid, accelerated in 1995 year to date, consumer prices for outpatient services decelerated from 5.9 percent in 1994 to 4.9 percent in 1995. Again, the CPI reflects list prices for consumer out-of-pocket expenses for outpatient services, whereas the PPI reflects transaction price of all payments including out-of-pocket expenses. It needs to be mentioned that the CPI and PPI cannot be directly compared because of broad differences in the scope and purposes of the surveys.

TRENDS IN HEALTH SECTOR EMPLOYMENT AND EARNINGS

The employment situation in the health care sector, viewed in the context of the change in the first three quarters of 1995 over the first three quarters of 1994, presents a picture that is consistent with the change in prices and hospital operations noted earlier, and with the use of health care indicators to monitor aggregate health spending described below.

During the first three quarters of 1995, little change occurred in the growth rate of health care employment and payrolls, consistent with indications that overall health spending has not accelerated or decelerated appreciably thus far in 1995. In the first three quarters of 1995, private sector health care employment grew 2.9 percent,

virtually the same as the 2.8 percent recorded in the first three quarters of 1994. Implied non-supervisory payrolls in health sector establishments increased 5.7 percent in the first three quarters of 1995, compared with an increase of 5.4 percent in 1994. The stability of health sector employment and payroll growth for the first three quarters of 1995 contrasts with deceleration of employment and payroll growth in the private non-farm sector over the same period. Total private non-farm employment increased 3.2 percent in 1994 and 2.8 percent in 1995, and implied payrolls in the private non-farm sector increased 6.9 percent in 1994 and 5.5 percent in 1995.

Total hospital employment grew 0.6 percent in the first three quarters of 1995, a change from the 0.3-percent decrease in total hospital employment in the first three quarters of 1994. Home health care services employment grew 10.5 percent in the first three quarters of 1995, a deceleration noted earlier, compared with an increase of 19.5 percent over the same period in 1994. Both observations are consistent with the indicators of health care spending by service described in the next section.

MONITORING PERSONAL HEALTH CARE SPENDING USING INDICATOR DATA

The quarterly indicator data presented in Tables 1-12 can be used to monitor the change in personal health care expenditures (PHCE) prior to the availability of more comprehensive annual data on health care spending. PHCE measures spending for health care services and products purchased by or on behalf of individuals, and in 1994 PHCE accounted for 88 percent of NHE, roughly the same percentage share as in 1992 and 1993 (Levit et al., 1996).

The quarterly indicator data can be used to produce a rough approximation of the trends in the components of PHCE through the third quarter of 1995. The more reliable annual estimates of PHCE consist of highly detailed estimates of spending by type of payer for each service category, and are based on comprehensive data sources not yet available for 1995. The quarterly indicator data can be used to monitor the growth in some of the components of PHCE prior to the availability of the more complete and comprehensive annual data.

PHCE consists of 9 service categories: hospital care, physicians services, dental services, other professional services, home health care, nursing home care, drugs and other non-durable medical products, vision products and other durable medical products, and other personal health care. Indicator data presented in Tables 1-12 can be used to monitor the growth in the first 6 of these service categories. These six service categories, hospital care, physicians services, dentists services, other professional services, home health care and nursing home care, accounted for 86.4 percent of PHCE in 1994. By creating or using existing quarterly indicators for the service categories, it is possible to monitor the growth in each component through the third quarter of 1995.

Hospital care is by far the largest service category in PHCE, accounting for more than 40 percent of PHCE in 1994. The growth in hospital care in the NHE has decelerated steadily over the last 4 years (Levit, et al., 1996). The annual growth in hospital care has fallen from 10.1 percent in 1991 to 4.4 percent in 1994. The quarterly indicators for hospital care, AHA panel survey data on operating expenses (Table 1) and total revenues, suggest that there has been little change in the growth rate

for hospital care through the third quarter of 1995. Total operating expenses and total revenues in community hospitals (Table 1) increased 5.0 and 4.9 percent respectively from 1993 to 1994, compared with an increase of 4.4 percent in the hospital care estimate in the NHA. (The hospital care measure in the NHA includes federal facilities and military hospitals, as well as non-Federal, non-community institutions such as psychiatric hospitals. In 1994, 88 percent of hospital care was delivered in short-term, acute-care community hospitals.) The change in both operating expenses and total revenues of community hospitals for the first three quarters of 1995 over the first three quarters of 1994 is 5.5 percent. This suggests that the growth in hospital care so far in 1995 has been close to the 1994 growth, signaling little if any acceleration in the growth rate.

The indicator series used for physicians services, dentists services, and other professional services are developed using non-supervisory workhours from the Bureau of Labor Statistics (BLS) Current Establishment Survey (Table 3) and the CPI data on physicians services, dentists services, and other professional services (Table 7). For each service quarterly non-supervisory workhours are weighted (multiplied) by the CPI for the quarter to create quarterly indicators. Comparing the change in the indicator series for the first three quarters of 1995 over the first three quarters of 1994 with the annual change from 1993 to 1994 suggests that physicians services has grown at a rate similar to the 1994 annual growth, dentists services may have accelerated slightly, while other health professionals growth may have decelerated slightly. Viewed as a composite, the growth rate for this group of services shows little change in the first three quarters 1995 as compared with 1994, neither accelerating or decelerating appreciably.

Indicators for nursing home care and home health care services can be created using non-supervisory work hours from the Current Establishment Survey and price measures from the input price indexes maintained by HCFA - the Skilled Nursing Facility Input Price Index (Table 10) and the Home Health Agency Input Price Index (Table 11). For both nursing home care and home health care services, these indicators suggest the growth in these services in the first three quarters of 1995 was slightly slower than the growth in 1994.

Using the six series as indicators for monitoring the overall growth of personal health care spending, suggests that there is no evidence of any significant acceleration in health spending through the third quarter of 1995.

BACKGROUND INFORMATION ON DATA SOURCES AND METHODS

Community Hospital Statistics

Since 1963, the American Hospital Association (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 1994, 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, 1963-94). In Tables 1 and 2,

statistics covering expenses, utilization, beds, and personnel depict trends in the operation of community hospitals annually for 1991-94 and quarterly for 1991 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 1993 (Levit et al., 1996). The survey also identifies important factors influencing expenditure growth patterns, such as changes in the number of beds in operation, numbers of admissions, length of stay, use of outpatient facilities, and number of surgeries.

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, 1995).

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.

Gross domestic product (GDP) measures the output of 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

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 consumer price index (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, 1995].)

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 and 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 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 Producer Price Index 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

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 Producer Price Index (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 classifica-

tion system for PPI commodity groups is unique to the PPI, and is divided into fifteen major commodity groupings.

Although PPIs for medical commodities have existed for 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. Although other PPI and CPI series are somewhat comparable (for example, the PPI-offices and clinics of doctors of medicine and the CPI-physicians' services), the PPI and CPI for hospitals have important differences in survey scope and methodology. The PPI for hospitals measures price changes for the entire treatment path, measures net transaction price, includes Medicare and Medicaid, samples both urban and rural hospitals, and reflects total hospital revenue from all sources in its index weights. On the other hand, the CPI for hospitals measures price changes for a discrete sample of hospital services singly, measures published charges, excludes Medicare and Medicaid, samples only urban hospitals, and reflects only consumer out-of-pocket expenses and household health insurance premium payments in its index weights. These differences make a direct comparison between the PPI and CPI hospital services indexes inappropriate.

The PPI for the health services industry is available by detailed industry groupings. For example, general medical and surgical hospitals consist of inpatient and outpatient treatments, which in turn consist of

Medicare, Medicaid, and all other patients. These patient categories consist of more detail, such as DRG groupings for Medicare. Although most of the data used to measure PPI price changes for health services are collected through a sample, there are specific instances where data are collected from both a sample and from 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 prospective payment system (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 time period, usually a fiscal year or a calendar year. The percent change in the input price index is an estimate of price change over time for a fixed quantity of goods and services purchased by a provider.

The input price indexes are estimated on a historical basis and forecasted out several years. The HCFA-chosen price proxies are forecasted under contract with Data Resources, Inc./McGraw Hill (DRI). Following every calendar year quarter, in March, June, September, and December, DRI updates its macroeconomic forecasts of wages and prices based on updated historical information and revised forecast assumptions. Some of the data in Tables 9 through 11 are forecasted and are expect-

ed 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 see the June 6, 1994, Federal Register).

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

Each input price index is presented in a table with both an index level and a 4-quarter moving-average percent change. The hospital input price index for PPS is in Table 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 becomes 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 is presented in Table 12 as index levels and 4-quarter moving average percent changes.

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Table 1
Selected Community Hospital Statistics: 1991-95

Item	Calendar Year				1991	1991	1992	1992	1992
	1991	1992	1993	1994	Q3	Q4	Q1	Q2	Q3
Utilization									
All Ages									
Admissions in Thousands:	32,670	32,411	32,652	32,938	8,075	8,160	8,357	8,102	8,005
Admissions Per 1,000 Population ¹	125	122	122	122	123	124	127	123	121
Inpatient Days in Thousands	211,475	206,440	202,078	196,117	51,459	52,756	54,238	51,306	50,387
Adult Length of Stay in Days	6.5	6.4	6.2	6.0	6.4	6.5	6.5	6.3	6.3
65 Years of Age or Over:									
Admissions in Thousands	11,659	11,860	12,209	12,456	2,810	2,981	3,077	2,969	2,881
Admissions Per 1,000 Population ¹	360	360	366	369	346	366	376	361	349
Inpatient Days in Thousands	99,468	98,920	97,042	94,877	23,759	25,248	26,080	24,682	23,875
Adult Length of Stay in Days	8.5	8.3	7.9	7.6	8.5	8.5	8.5	8.3	8.3
Under 65 Years of Age:									
Admissions in Thousands	21,011	20,551	20,443	20,483	5,265	5,180	5,280	5,133	5,124
Admissions Per 1,000 Population ¹	92	89	87	87	92	90	91	89	88
Inpatient Days in Thousands	112,007	107,520	105,036	101,240	27,701	27,509	28,158	26,624	26,513
Adult Length of Stay in Days	5.3	5.2	5.1	4.9	5.3	5.3	5.3	5.2	5.2
Surgical Operations in Thousands									
Outpatient Visits in Thousands	21,983	22,463	22,710	23,286	5,534	5,498	5,608	5,641	5,630
Adjusted Patient Days in Thousands ²	344,116	366,243	390,188	417,684	87,648	87,666	89,168	91,572	93,271
Beds in Thousands	282,887	281,525	278,938	276,209	69,496	70,804	72,799	70,021	69,286
Adult Occupancy Rate ³	912	908	902	891	910	909	909	910	908
	63.5	62.1	61.4	60.3	61.4	63.1	65.6	62.0	60.3
Total Hospital Revenues in Millions⁴									
Total Patient Revenues in Millions	\$251,657	\$275,430	\$295,035	\$309,354	\$62,985	\$65,605	\$68,104	\$68,378	\$69,045
Inpatient Revenues in Millions	239,492	262,034	280,414	293,285	60,003	62,423	64,870	65,008	65,653
Outpatient Revenues in Millions	179,042	192,163	203,167	208,262	44,430	46,512	48,338	47,633	47,746
	60,449	69,870	77,248	85,023	15,573	15,911	16,532	17,375	17,908
Operating Expenses									
Total in Millions	\$238,633	\$260,994	\$278,880	\$292,801	\$60,214	\$62,301	\$63,739	\$64,532	\$65,829
Labor in Millions	128,704	140,112	149,733	156,826	32,516	33,526	34,143	34,501	35,396
Non-Labor in Millions	109,929	120,882	129,147	135,975	27,698	28,775	29,597	30,031	30,434
Inpatient Expense in Millions									
Amount per Patient Day	\$178,392	\$191,385	\$202,035	\$207,897	\$44,586	\$46,421	\$47,495	\$47,284	\$47,873
Amount per Admission	844	927	1,000	1,060	866	880	876	922	950
	5,460	5,905	6,188	6,312	5,522	5,689	5,683	5,836	5,980
Outpatient Expense in Millions									
Amount per Outpatient Visit	\$60,241	\$69,609	\$76,845	\$84,903	\$15,627	\$15,880	\$16,244	\$17,248	\$17,956
	175	190	197	203	178	181	182	188	193

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

²Adjusted 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 multiply visits by the ratio of outpatient revenue per outpatient visit to inpatient revenue per inpatient day, 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.

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

⁴Total 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 1991-September 1995.

Table 1—Continued
Selected Community Hospital Statistics: 1991-95

1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3
7,947	8,351	8,086	8,083	8,133	8,368	8,180	8,154	8,236	8,634	8,281	8,213
120	125	121	121	121	124	121	121	121	127	122	120
50,509	53,228	50,150	49,089	49,611	51,709	48,648	47,657	48,102	50,377	47,296	46,239
6.4	6.4	6.2	6.1	6.1	6.2	5.9	5.8	5.8	5.8	5.7	5.6
2,932	3,138	3,042	2,944	3,085	3,211	3,098	3,022	3,125	3,379	3,187	3,071
354	378	365	352	368	382	367	357	368	397	374	359
24,283	25,822	24,274	22,990	23,956	25,551	23,493	22,631	23,203	24,778	22,823	21,507
8.3	8.2	8.0	7.8	7.8	8.0	7.6	7.5	7.4	7.3	7.2	7.0
5,015	5,213	5,044	5,139	5,047	5,158	5,082	5,132	5,111	5,255	5,094	5,143
86	89	86	88	86	88	86	87	86	88	85	86
26,225	27,406	25,875	26,099	25,655	26,158	25,155	25,027	24,899	25,598	24,472	24,732
5.2	5.3	5.1	5.1	5.1	5.1	5.0	4.9	4.9	4.9	4.8	4.8
5,584	5,646	5,721	5,677	5,665	5,664	5,864	5,840	5,918	6,028	5,965	5,832
92,232	94,677	97,637	99,212	98,662	98,341	104,079	107,022	108,241	111,088	113,699	113,332
69,332	72,306	69,334	68,351	68,860	71,244	68,776	67,711	68,363	71,226	68,146	67,079
904	905	904	901	897	895	893	888	886	881	877	871
60.7	65.3	61.0	59.2	60.1	64.2	59.8	58.3	59.0	63.5	59.3	57.7
\$69,903	\$73,552	\$73,250	\$73,697	\$74,536	\$76,480	\$76,829	\$77,069	\$78,976	\$81,793	\$81,020	\$80,307
66,502	70,107	69,613	69,985	70,709	72,702	72,868	73,018	74,697	77,476	76,557	75,956
48,447	51,610	50,351	50,262	50,943	52,767	51,543	51,393	52,559	54,797	53,133	52,358
18,055	18,497	19,262	19,723	19,766	19,935	21,325	21,625	22,138	22,679	23,424	23,599
\$66,894	\$68,527	\$69,245	\$70,002	\$71,106	\$71,677	\$72,618	\$73,468	\$75,039	\$76,259	\$76,751	\$76,808
36,073	36,782	37,250	37,578	38,123	38,420	38,828	39,408	40,170	40,529	40,768	40,857
30,821	31,746	31,994	32,424	32,983	33,257	33,790	34,059	34,869	35,730	35,983	35,951
\$48,733	\$50,447	\$50,085	\$50,274	\$51,229	\$52,023	\$51,366	\$51,709	\$52,800	\$53,936	\$53,268	\$52,945
965	948	999	1,024	1,033	1,006	1,056	1,085	1,098	1,071	1,126	1,145
6,133	6,041	6,194	6,220	6,299	6,217	6,279	6,341	6,411	6,247	6,432	6,446
\$18,161	\$18,080	\$19,160	\$19,728	\$19,877	\$19,654	\$21,252	\$21,758	\$22,239	\$22,323	\$23,483	\$23,863
197	191	196	199	201	200	204	203	205	201	207	211

Table 2
Percent Change in Selected Community Hospital Statistics: 1991-95

Item	Calendar Year				1991	1991	1992	1992	1992
	1991	1992	1993	1994	Q3	Q4	Q1	Q2	Q3
	Annual Percent Change				Percent Change From the Same Period of Previous Year				
Utilization									
All Ages:									
Admissions in Thousands	-1.1	-0.8	0.7	0.9	-1.2	1.6	1.3	-1.0	-0.9
Admissions Per 1,000 Population	-2.1	-1.8	-0.3	-0.1	-2.2	0.5	0.2	-2.0	-1.9
Inpatient Days in Thousands	-2.5	-2.4	-2.1	-2.9	-2.9	0.0	-0.6	-2.6	-2.1
Adult Length of Stay in Days	-1.4	-1.6	-2.8	-3.8	-1.8	-1.6	-1.9	-1.6	-1.2
65 Years of Age or Over:									
Admissions in Thousands	2.5	1.7	2.9	2.0	2.6	6.7	4.3	1.7	2.5
Admissions Per 1,000 Population	0.7	0.1	1.5	0.8	0.9	4.9	2.6	0.1	0.9
Inpatient Days in Thousands	0.4	-0.6	-1.9	-2.2	0.4	4.2	1.6	-0.5	0.5
Adult Length of Stay in Days	-2.0	-2.2	-4.7	-4.2	-2.2	-2.3	-2.6	-2.2	-2.0
Under 65 Years of Age:									
Admissions in Thousands	-2.9	-2.2	-0.5	0.2	-3.1	-1.1	-0.4	-2.5	-2.7
Admissions Per 1,000 Population	-3.8	-3.2	-1.5	-0.8	-4.0	-2.1	-1.4	-3.5	-3.6
Admissions in Thousands	-4.9	-4.0	-2.3	-3.6	-5.6	-3.6	-2.6	-4.5	-4.3
Adult Length of Stay in Days	-2.1	-1.9	-1.8	-3.8	-2.6	-2.5	-2.2	-2.1	-1.7
Surgical Operations in Thousands									
Outpatient Visits in Thousands	5.4	6.4	6.5	7.0	5.1	8.0	8.1	6.1	6.4
Adjusted Patient Days in Thousands	-0.4	-0.5	-0.9	-1.0	-0.6	1.7	1.2	-0.8	-0.3
Beds in Thousands	-1.0	-0.5	-0.7	-1.2	-1.0	-0.7	-0.6	-0.3	-0.3
Adult Occupancy Rate ¹	-0.9	-1.4	-0.7	-1.1	-1.2	0.4	-0.7	-1.5	-1.1
Total Hospital Revenues in Millions									
Total Patient Revenues in Millions	10.3	9.4	7.1	4.9	10.3	11.9	12.0	9.8	9.6
Total Patient Revenues in Millions	10.5	9.4	7.0	4.6	10.6	12.3	12.2	9.8	9.4
Inpatient Revenues in Millions	8.2	7.3	5.7	2.5	8.0	10.4	10.1	7.8	7.5
Outpatient Revenues in Millions	18.0	15.6	10.6	10.1	18.9	18.4	18.6	15.6	15.0
Operating Expenses									
Total in Millions	9.9	9.4	6.9	5.0	9.7	11.2	11.5	9.5	9.3
Labor in Millions	9.2	8.9	6.9	4.7	8.6	9.9	10.2	8.9	8.9
Non-Labor in Millions	10.7	10.0	6.8	5.3	11.0	12.9	12.9	10.3	9.9
Inpatient Expense in Millions									
Amount per Patient Day	7.6	7.3	5.6	2.9	7.1	9.3	9.4	7.5	7.4
Amount per Admission	10.3	9.9	7.8	6.0	10.3	9.3	10.1	10.4	9.7
Amount per Admission	8.8	8.1	4.8	2.0	8.3	7.6	8.0	8.6	8.3
Outpatient Expense in Millions									
Amount per Outpatient Visit	17.3	15.6	10.4	10.5	17.9	17.2	17.9	15.4	14.9
Amount per Outpatient Visit	11.3	8.6	3.6	3.2	12.2	8.5	9.0	8.8	8.0

¹Change 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 1991-September 1995.

Table 2—Continued
Percent Change in Selected Community Hospital Statistics: 1991-95

1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3
Percent Change From the Same Period of Previous Year											
-2.6	-0.1	-0.2	1.0	2.3	0.2	1.2	0.9	1.3	3.2	1.2	0.7
-3.7	-1.1	-1.2	-0.1	1.3	-0.8	0.2	-0.1	0.3	2.2	0.3	-0.2
-4.3	-1.9	-2.3	-2.6	-1.8	-2.9	-3.0	-2.9	-3.0	-2.6	-2.8	-3.0
-1.7	-1.8	-2.1	-3.5	-4.0	-3.1	-4.1	-3.8	-4.3	-5.6	-4.0	-3.7
-1.6	2.0	2.5	2.2	5.2	2.3	1.8	2.6	1.3	5.2	2.9	1.6
-3.1	0.5	1.0	0.8	3.9	1.1	0.6	1.4	0.1	4.0	1.7	0.5
-3.8	-1.0	-1.7	-3.7	-1.3	-1.1	-3.2	-1.6	-3.1	-3.0	-2.9	-5.0
-2.2	-2.9	-4.0	-5.8	-6.3	-3.3	-5.0	-4.1	-4.4	-7.8	-5.6	-6.5
-3.2	-1.3	-1.7	0.3	0.7	-1.1	0.7	-0.1	1.3	1.9	0.2	0.2
-4.1	-2.3	-2.7	-0.7	-0.3	-2.0	-0.2	-1.1	0.3	0.9	-0.7	-0.7
-4.7	-2.7	-2.8	-1.6	-2.2	-4.6	-2.8	-4.1	-2.9	-2.1	-2.7	-1.2
-1.5	-1.4	-1.1	-1.8	-2.8	-3.5	-3.5	-4.0	-4.2	-4.0	-3.0	-1.4
1.6	0.7	1.4	0.8	1.5	0.3	2.5	2.9	4.5	6.4	1.7	-0.1
5.2	6.2	6.6	6.4	7.0	3.9	6.6	7.9	9.7	13.0	9.2	5.9
-2.1	-0.7	-1.0	-1.3	-0.7	-1.5	-0.8	-0.9	-0.7	0.0	-0.9	-0.9
-0.5	-0.4	-0.7	-0.8	-0.8	-1.2	-1.2	-1.4	-1.2	-1.5	-1.8	-1.9
-2.4	-0.2	-1.0	-1.1	-0.6	-1.1	-1.1	-0.9	-1.1	-0.7	-0.6	-0.6
6.6	8.0	7.1	6.7	6.6	4.0	4.9	4.6	6.0	6.9	5.5	4.2
6.5	8.1	7.1	6.6	6.3	3.7	4.7	4.3	5.6	6.6	5.1	4.0
4.2	6.8	5.7	5.3	5.2	2.2	2.4	2.2	3.2	3.8	3.1	1.9
13.5	11.9	10.9	10.1	9.5	7.8	10.7	9.6	12.0	13.8	9.8	9.1
7.4	7.5	7.3	6.3	6.3	4.6	4.9	5.0	5.5	6.4	5.7	4.5
7.6	7.7	8.0	6.2	5.7	4.5	4.2	4.9	5.4	5.5	5.0	3.7
7.1	7.3	6.5	6.5	7.0	4.8	5.6	5.0	5.7	7.4	6.5	5.6
5.0	6.2	5.9	5.0	5.1	3.1	2.6	2.9	3.1	3.7	3.7	2.4
9.7	8.2	8.4	7.8	7.0	6.2	5.7	5.9	6.3	6.4	6.7	5.5
7.8	6.3	6.1	4.0	2.7	2.9	1.4	2.0	1.8	0.5	2.4	1.7
14.4	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

Table 3
Employment, Hours, and Earnings in Private-Sector¹ Health Service Establishments,
by Selected Type of Establishment: 1991-95

Type of Establishment	Calendar Year				1991	1991	1992	1992	1992
	1991	1992	1993	1994	Q3	Q4	Q1	Q2	Q3
Total Employment (in Thousands)									
Non-Farm Private Sector	89,854	89,959	91,889	94,917	90,548	90,194	88,112	89,971	90,823
Health Services	8,183	8,490	8,756	9,001	8,247	8,321	8,375	8,453	8,536
Offices and Clinics of Physicians	1,404	1,463	1,506	1,540	1,420	1,432	1,440	1,455	1,473
Offices and Clinics of Dentists	528	541	556	575	532	535	534	538	543
Nursing Homes	1,493	1,533	1,585	1,649	1,505	1,515	1,518	1,526	1,539
Private Hospitals	3,655	3,750	3,779	3,774	3,673	3,696	3,720	3,741	3,767
Home Health Care Services	344	398	469	555	351	364	375	393	403
Non-Supervisory Employment (in Thousands)									
Non-Farm Private Sector	72,650	72,930	74,777	77,476	73,331	73,047	71,127	72,929	73,752
Health Services	7,276	7,546	7,770	7,974	7,334	7,396	7,444	7,516	7,588
Offices and Clinics of Physicians	1,155	1,202	1,231	1,257	1,168	1,176	1,196	1,196	1,209
Offices and Clinics of Dentists	463	473	487	502	468	469	467	471	476
Nursing Homes	1,347	1,385	1,431	1,487	1,359	1,368	1,371	1,378	1,392
Private Hospitals	3,353	3,442	3,464	3,451	3,370	3,392	3,415	3,434	3,458
Home Health Care Services	319	369	435	514	325	337	347	364	374
Average Weekly Hours									
Non-Farm Private Sector	34.3	34.4	34.5	34.7	34.6	34.4	34.1	34.3	34.6
Health Services	32.5	32.8	32.8	32.8	32.7	32.6	32.8	32.6	32.9
Offices and Clinics of Physicians	31.9	32.2	32.2	32.4	32.0	32.0	32.3	32.0	32.2
Offices and Clinics of Dentists	28.3	28.3	28.3	28.1	28.2	28.3	28.5	28.2	28.3
Nursing Homes	32.1	32.3	32.2	32.3	32.4	32.2	32.2	32.0	32.7
Private Hospitals	34.2	34.4	34.6	34.6	34.4	34.3	34.4	34.4	34.5
Home Health Care Services	26.1	27.4	27.8	28.2	26.3	26.5	27.3	27.0	27.6
Average Hourly Earnings									
Non-Farm Private Sector	10.32	10.57	10.83	11.12	10.34	10.44	10.50	10.52	10.57
Health Services	10.96	11.39	11.78	12.10	11.05	11.16	11.23	11.31	11.44
Offices and Clinics of Physicians	11.13	11.41	11.89	12.24	11.15	11.31	11.22	11.32	11.47
Offices and Clinics of Dentists	10.62	11.02	11.44	11.96	10.64	10.78	10.91	10.97	10.99
Nursing Homes	7.56	7.86	8.17	8.49	7.59	7.66	7.75	7.82	7.90
Private Hospitals	12.50	13.03	13.46	13.83	12.66	12.75	12.85	12.90	13.11
Home Health Care Services	9.38	10.00	10.41	10.66	9.46	9.62	9.83	9.98	10.04
Addenda: Hospital Employment (in Thousands)									
Total	4,958	5,068	5,100	5,089	4,979	5,004	5,036	5,058	5,088
Private	3,655	3,750	3,779	3,774	3,673	3,696	3,720	3,741	3,767
Federal	234	235	234	233	235	235	236	235	234
State	417	419	414	405	415	417	420	420	419
Local	653	665	673	676	656	656	659	662	668

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.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: *Employment and Earnings*. Washington. U.S. Government Printing Office. Monthly reports for January 1991-December 1995.

Table 3—Continued
Employment, Hours, and Earnings in Private-Sector¹ Health Service Establishments,
by Selected Type of Establishment: 1991-95

1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3
90,928	89,478	91,706	92,970	93,402	92,096	94,745	96,180	96,646	95,206	97,327	98,352
8,596	8,638	8,724	8,808	8,854	8,878	8,970	9,054	9,101	9,145	9,229	9,318
1,484	1,489	1,502	1,516	1,516	1,519	1,534	1,551	1,558	1,564	1,581	1,597
547	548	554	559	563	565	573	577	583	587	595	603
1,548	1,553	1,573	1,597	1,617	1,626	1,642	1,661	1,666	1,671	1,682	1,703
3,771	3,776	3,782	3,788	3,771	3,762	3,768	3,784	3,784	3,792	3,809	3,828
420	432	458	481	505	523	550	566	582	591	603	617
73,913	72,541	74,614	75,777	76,175	74,878	77,352	78,630	79,045	77,588	79,564	80,510
7,636	7,669	7,747	7,815	7,847	7,869	7,953	8,016	8,056	8,096	8,175	8,253
1,216	1,219	1,229	1,238	1,236	1,242	1,254	1,265	1,269	1,274	1,289	1,303
479	480	485	489	492	495	501	504	508	513	520	527
1,399	1,402	1,421	1,442	1,459	1,465	1,481	1,498	1,502	1,506	1,517	1,535
3,462	3,465	3,469	3,471	3,452	3,441	3,448	3,458	3,457	3,466	3,484	3,501
389	400	424	446	469	485	510	523	538	547	559	571
34.5	34.0	34.5	34.8	34.6	34.3	34.7	34.9	34.8	34.3	34.4	34.8
32.8	32.7	32.8	32.9	32.8	32.8	32.8	32.8	32.8	32.8	32.7	32.8
32.2	32.1	32.2	32.3	32.3	32.4	32.3	32.3	32.6	32.4	32.3	32.4
28.4	28.1	28.4	28.2	28.3	28.2	28.2	28.0	28.2	28.0	28.0	27.7
32.3	32.0	32.2	32.6	32.1	32.1	32.2	32.5	32.4	32.3	32.2	32.8
34.4	34.6	34.5	34.7	34.6	34.7	34.6	34.7	34.6	34.7	34.5	34.5
27.6	27.5	27.8	27.9	27.9	28.0	28.2	28.2	28.5	28.7	28.7	28.7
10.69	10.77	10.79	10.82	10.96	11.05	11.06	11.11	11.28	11.36	11.38	11.46
11.57	11.69	11.71	11.80	11.92	12.00	12.02	12.13	12.24	12.36	12.36	12.46
11.65	11.72	11.86	11.91	12.07	12.16	12.21	12.27	12.33	12.41	12.39	12.44
11.20	11.26	11.35	11.46	11.68	11.78	11.91	12.00	12.16	12.24	12.34	12.40
7.96	8.06	8.11	8.20	8.31	8.40	8.44	8.52	8.61	8.70	8.72	8.77
13.25	13.37	13.37	13.49	13.61	13.70	13.70	13.90	14.04	14.18	14.16	14.35
10.15	10.32	10.35	10.47	10.50	10.58	10.62	10.71	10.75	10.84	10.84	10.92
5,090	5,093	5,101	5,114	5,091	5,080	5,083	5,098	5,093	5,100	5,116	5,140
3,771	3,776	3,782	3,788	3,771	3,762	3,768	3,784	3,784	3,792	3,809	3,828
233	231	233	235	235	235	234	233	231	229	230	234
417	415	414	414	412	409	407	404	401	399	393	389
669	670	672	677	674	673	674	678	677	660	684	689

Table 4
Percent Change in Employment, Hours, and Earnings in Private-Sector¹ Health Service Establishments, by Selected Type of Establishment: 1991-95

Type of Establishment and Measure	Calendar Year				1991	1991	1992	1992	1992
	1991	1992	1993	1994	Q3	Q4	Q1	Q2	Q3
	Annual Percent Change				Percent Change From the Same Period of Previous Year				
Total Employment									
Non-Farm Private Sector	-1.4	0.1	2.1	3.3	-1.6	-1.3	-0.8	0.1	0.3
Health Services	4.7	3.8	3.1	2.8	4.6	4.6	4.3	4.0	3.5
Offices and Clinics of Physicians	5.0	4.2	2.9	2.3	5.1	5.3	5.0	4.4	3.7
Offices and Clinics of Dentists	2.9	2.5	2.9	3.3	3.3	3.7	2.8	2.6	2.3
Nursing Homes	5.5	2.7	3.4	4.0	5.5	4.7	3.5	2.8	2.3
Private Hospitals	3.0	2.6	0.8	-0.1	2.8	2.8	2.9	2.9	2.6
Home Health Care Services	18.5	15.5	17.9	18.4	16.5	16.5	16.0	15.5	14.8
Non-Supervisory Employment									
Non-Farm Private Sector	-1.6	0.4	2.5	3.6	-1.7	-1.3	-0.6	0.4	0.6
Health Services	4.7	3.7	3.0	2.6	4.6	4.6	4.2	3.9	3.5
Offices and Clinics of Physicians	4.6	4.0	2.4	2.2	4.7	4.9	4.8	4.2	3.5
Offices and Clinics of Dentists	3.1	2.1	2.8	3.2	3.7	3.8	2.5	2.1	1.8
Nursing Homes	5.4	2.8	3.3	3.9	5.4	4.6	3.6	2.9	2.4
Private Hospitals	3.2	2.7	0.6	-0.4	3.0	3.0	3.0	3.0	2.6
Home Health Care Services	18.6	15.6	17.9	18.3	16.7	16.6	16.4	15.7	15.0
Average Weekly Hours									
Non-Farm Private Sector	-0.6	0.2	0.3	0.6	-0.6	0.0	0.7	0.2	0.0
Health Services	0.0	0.7	0.1	0.0	-0.3	0.2	1.3	0.3	0.6
Offices and Clinics of Physicians	0.4	0.8	0.2	0.5	0.1	0.7	1.6	0.1	0.8
Offices and Clinics of Dentists	-0.4	0.2	-0.3	-0.5	-1.1	-0.6	0.7	-0.4	0.4
Nursing Homes	0.1	0.5	-0.3	0.3	-0.5	-0.2	0.8	0.1	0.8
Private Hospitals	0.0	0.6	0.5	0.2	-0.1	0.5	1.2	0.4	0.4
Home Health Care Services	3.2	4.8	1.4	1.7	2.9	3.1	5.9	4.2	4.9
Average Hourly Earnings									
Nonfarm Private Sector	3.1	2.4	2.5	2.7	3.0	2.9	2.8	2.3	2.3
Health Services	5.3	3.9	3.4	2.7	5.6	5.2	4.7	3.7	3.6
Offices and Clinics of Physicians	5.3	2.5	4.2	3.0	4.6	4.0	2.0	2.2	2.9
Offices and Clinics of Dentists	4.7	3.8	3.8	4.6	4.0	4.3	4.2	3.7	3.3
Nursing Homes	4.4	3.9	4.0	3.9	4.2	3.7	3.9	3.9	4.1
Private Hospitals	6.0	4.2	3.3	2.8	6.7	6.2	5.6	3.8	3.6
Home Health Care Services	7.8	6.6	4.1	2.5	7.7	7.4	7.2	7.6	6.2
Addenda: Hospital Employment									
Total	2.2	2.2	0.6	-0.2	2.1	2.2	2.5	2.5	2.2
Private	3.0	2.6	0.8	-0.1	2.8	2.8	2.9	2.9	2.6
Federal	0.8	0.5	-0.4	-0.2	1.3	2.2	2.2	1.0	-0.2
State	-2.2	0.5	-1.2	-2.0	-2.2	-1.3	0.5	0.6	0.8
Local	1.1	1.8	1.3	0.3	1.1	1.0	1.6	1.8	1.9

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.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: *Employment and Earnings*. Washington, U.S. Government Printing Office. Monthly reports for January 1991-December 1995.

Table 4—Continued

Percent Change in Employment, Hours, and Earnings in Private-Sector¹ Health Service Establishments, by Selected Type of Establishment: 1991-95

1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3
Percent Change From the Same Period of Previous Year											
0.8	1.5	1.9	2.4	2.7	2.9	3.3	3.5	3.5	3.4	2.7	2.3
3.3	3.1	3.2	3.2	3.0	2.8	2.8	2.8	2.8	3.0	2.9	2.9
3.6	3.4	3.2	2.9	2.2	2.0	2.1	2.3	2.8	3.0	3.1	3.0
2.2	2.7	3.0	2.8	3.1	3.1	3.4	3.3	3.4	3.8	3.9	4.5
2.2	2.3	3.1	3.7	4.5	4.7	4.4	4.0	3.0	2.8	2.4	2.5
2.0	1.5	1.1	0.6	0.0	-0.4	-0.3	-0.1	0.3	0.8	1.1	1.2
15.5	16.2	16.5	19.3	20.3	21.0	20.2	17.8	15.2	13.0	9.6	9.0
1.2	2.0	2.3	2.7	3.1	3.2	3.7	3.8	3.8	3.6	2.9	2.4
3.2	3.0	3.1	3.0	2.8	2.6	2.7	2.6	2.7	2.9	2.8	3.0
3.4	3.0	2.7	2.4	1.6	1.9	2.0	2.2	2.7	2.6	2.8	3.0
1.9	2.7	2.9	2.8	2.9	3.1	3.4	3.0	3.2	3.6	3.7	4.6
2.3	2.3	3.1	3.6	4.3	4.5	4.2	3.9	3.0	2.8	2.5	2.5
2.1	1.5	1.0	0.4	-0.3	-0.7	-0.6	-0.4	0.2	0.7	1.1	1.2
15.6	15.1	16.5	19.3	20.4	21.3	20.3	17.3	14.9	12.8	9.5	9.1
0.1	-0.1	0.5	0.6	0.4	0.7	0.6	0.4	0.6	0.1	-0.9	-0.5
0.5	-0.2	0.5	0.0	0.0	0.1	0.0	-0.1	0.0	0.1	-0.2	-0.1
0.7	-0.4	0.7	0.2	0.3	0.7	0.4	0.0	0.9	0.1	-0.2	0.2
0.1	-1.3	0.7	-0.2	-0.2	0.1	-0.7	-0.8	-0.5	-0.7	-0.9	-1.0
0.3	-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
4.2	0.6	2.7	1.2	1.0	1.7	1.6	1.1	2.4	2.6	1.9	1.7
2.4	2.5	2.5	2.3	2.5	2.6	2.5	2.7	2.9	2.8	2.9	3.2
3.7	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
3.9	3.2	3.4	4.2	4.3	4.7	5.0	4.7	4.1	3.8	3.6	3.3
3.8	4.0	3.8	3.8	4.4	4.2	4.1	3.9	3.6	3.6	3.3	2.9
3.9	4.1	3.6	2.9	2.8	2.4	2.5	3.0	3.1	3.5	3.4	3.2
5.5	5.0	3.7	4.2	3.5	2.6	2.7	2.3	2.3	2.5	2.1	2.0
1.7	1.1	0.8	0.5	0.0	-0.3	-0.3	-0.3	0.0	0.4	0.6	0.8
2.0	1.5	1.1	0.6	0.0	-0.4	-0.3	-0.1	0.3	0.8	1.1	1.2
-1.0	-1.9	-1.1	0.4	1.0	1.7	0.5	-1.1	-1.9	-2.9	-1.6	0.4
0.0	-1.1	-1.3	-1.1	-1.3	-1.5	-1.6	-2.4	-2.5	-2.5	-3.6	-3.6
2.0	1.6	1.5	1.3	0.7	0.5	0.2	0.1	0.5	1.1	1.6	1.7

Table 5

Percent Change in Implied Non-Supervisory Payrolls, Employment, Average Weekly Hours, and Average Hourly Earnings in Private-Sector¹ Health Service Establishments, by Selected Type of Establishment: 1991-95

Type of Establishment and Measure	Calendar Year				1991	1991	1992	1992	1992
	1991	1992	1993	1994	Q3	Q4	Q1	Q2	Q3
	Annual Percent Change				Percent Change From the Same Period of Previous Year				
Health Services									
Payrolls	10.3	8.5	6.6	5.4	10.1	10.2	10.6	8.1	7.8
Employment	4.7	3.7	3.0	2.6	4.6	4.6	4.2	3.9	3.5
Average Weekly Hours	0.0	0.7	0.1	0.0	-0.3	0.2	1.3	0.3	0.6
Average Hourly Earnings	5.3	3.9	3.4	2.7	5.6	5.2	4.7	3.7	3.6
Offices and Clinics of Physicians									
Payrolls	10.6	7.5	6.9	5.8	9.6	9.9	8.6	6.6	7.4
Employment	4.6	4.0	2.4	2.2	4.7	4.9	4.8	4.2	3.5
Average Weekly Hours	0.4	0.8	0.2	0.5	0.1	0.7	1.6	0.1	0.8
Average Hourly Earnings	5.3	2.5	4.2	3.0	4.6	4.0	2.0	2.2	2.9
Offices and Clinics of Dentists									
Payrolls	7.5	6.2	6.5	7.4	6.7	7.6	7.6	5.5	5.5
Employment	3.1	2.1	2.8	3.2	3.7	3.8	2.5	2.1	1.8
Average Weekly Hours	-0.4	0.2	-0.3	-0.5	-1.1	-0.6	0.7	-0.4	0.4
Average Hourly Earnings	4.7	3.8	3.8	4.6	4.0	4.3	4.2	3.7	3.3
Nursing Homes									
Payrolls	10.1	7.4	7.1	8.3	9.3	8.3	8.5	7.1	7.5
Employment	5.4	2.8	3.3	3.9	5.4	4.6	3.6	2.9	2.4
Average Weekly Hours	0.1	0.5	-0.3	0.3	-0.5	-0.2	0.8	0.1	0.8
Average Hourly Earnings	4.4	3.9	4.0	3.9	4.2	3.7	3.9	3.9	4.1
Private Hospitals									
Payrolls	9.4	7.6	4.5	2.5	9.8	9.9	10.1	7.3	6.7
Employment	3.2	2.7	0.6	-0.4	3.0	3.0	3.0	3.0	2.6
Average Weekly Hours	0.0	0.6	0.5	0.2	-0.1	0.5	1.2	0.4	0.4
Average Hourly Earnings	6.0	4.2	3.3	2.8	6.7	6.2	5.6	3.8	3.6
Home Health Care Services									
Payrolls	31.8	29.3	24.5	23.0	29.4	29.1	32.2	29.7	28.1
Employment	18.6	15.6	17.9	18.3	16.7	16.6	16.4	15.7	15.0
Average Weekly Hours	3.2	4.8	1.4	1.7	2.9	3.1	5.9	4.2	4.9
Average Hourly Earnings	7.8	6.6	4.1	2.5	7.7	7.4	11.3	7.6	6.2
Non-Farm Private Sector									
Payrolls	0.9	3.1	5.4	7.0	0.6	1.5	2.9	2.9	2.8
Employment	-1.6	0.4	2.5	3.6	-1.7	-1.3	-0.6	0.4	0.6
Average Weekly Hours	-0.6	0.2	0.3	0.6	-0.6	0.0	0.7	0.2	0.0
Average Hourly Earnings	3.1	2.4	2.5	2.7	3.0	2.9	2.8	2.3	2.3

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.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: *Employment and Earnings*. Washington. U.S. Government Printing Office. Monthly reports for January 1990-December 1995.

Table 5—Continued

Percent Change in Implied Non-Supervisory Payrolls, Employment, Average Weekly Hours, and Average Hourly Earnings in Private-Sector¹ Health Service Establishments, by Selected Type of Establishment: 1991-95

1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3
Percent Change From the Same Period of Previous Year											
7.6	7.0	7.3	6.2	5.8	5.5	5.3	5.4	5.5	6.0	5.5	5.6
3.2	3.0	3.1	3.0	2.8	2.6	2.7	2.6	2.7	2.9	2.8	3.0
0.5	-0.2	0.5	0.0	0.0	0.1	0.0	-0.1	0.0	0.1	-0.2	-0.1
3.7	4.1	3.6	3.1	3.0	2.7	2.6	2.8	2.7	2.9	2.8	2.7
7.3	7.1	8.5	6.5	5.6	6.5	5.5	5.2	5.8	4.8	4.0	4.7
3.4	3.0	2.7	2.4	1.6	1.9	2.0	2.2	2.7	2.6	2.8	3.0
0.7	-0.4	0.7	0.2	0.3	0.7	0.4	0.0	0.9	0.1	-0.2	0.2
3.0	4.4	4.8	3.8	3.6	3.8	3.0	3.0	2.1	2.0	1.4	1.4
6.0	4.6	7.2	6.9	7.1	8.1	7.8	7.0	6.9	6.8	6.4	7.1
1.9	2.7	2.9	2.8	2.9	3.1	3.4	3.0	3.2	3.6	3.7	4.6
0.1	-1.3	0.7	-0.2	-0.2	0.1	-0.7	-0.8	-0.5	-0.7	-0.9	-1.0
3.9	3.2	3.4	4.2	4.3	4.7	5.0	4.7	4.1	3.8	3.6	3.3
6.5	5.6	7.4	7.2	8.2	9.1	8.4	7.7	7.7	7.1	6.1	6.2
2.3	2.3	3.1	3.6	4.3	4.5	4.2	3.9	3.0	2.8	2.5	2.5
0.3	-0.7	0.4	-0.3	-0.7	0.2	0.0	-0.2	1.0	0.6	0.2	0.7
3.8	4.0	3.8	3.8	4.4	4.2	4.1	3.9	3.6	3.6	3.3	2.9
6.4	6.1	5.2	3.8	3.0	2.2	2.1	2.7	3.2	4.1	4.3	3.9
2.1	1.5	1.0	0.4	-0.3	-0.7	-0.6	-0.4	0.2	0.7	1.1	1.2
0.4	0.5	0.5	0.5	0.5	0.5	0.2	0.1	-0.1	-0.2	-0.2	-0.6
3.9	4.1	3.6	2.9	2.8	2.4	2.5	3.0	3.1	3.5	3.4	3.2
26.9	21.6	24.0	25.9	25.8	26.5	25.4	21.3	20.3	18.6	13.9	13.2
15.6	15.1	16.5	19.3	20.4	21.3	20.3	17.3	14.9	12.8	9.5	9.1
4.2	0.6	2.7	1.2	1.0	1.7	1.6	1.1	2.4	2.6	1.9	1.7
5.5	5.0	3.7	4.2	3.5	2.6	2.7	2.3	2.3	2.5	2.1	2.0
3.7	4.5	5.4	5.7	6.0	6.7	6.9	7.0	7.4	6.6	4.9	5.1
1.2	2.0	2.3	2.7	3.1	3.2	3.7	3.8	3.8	3.6	2.9	2.4
0.1	-0.1	0.5	0.6	0.4	0.7	0.6	0.4	0.6	0.1	-0.9	-0.5
2.4	2.5	2.5	2.3	2.5	2.6	2.5	2.7	2.9	2.8	2.9	3.2

Table 6
Selected National Economic Indicators: 1991-95

Type of Establishment and Measure	Calendar Year				1991	1991	1992	1992	1992
	1991	1992	1993	1994	Q3	Q4	Q1	Q2	Q3
Gross Domestic Product									
Billions of Dollars	\$5,917	\$6,244	\$6,550	\$6,931	\$5,950	\$6,002	\$6,122	\$6,201	\$6,272
Billions of 1992 Chain Weighted	\$6,079	\$6,244	\$6,384	\$6,604	\$6,089	\$6,104	\$6,175	\$6,214	\$6,261
Implicit Price Deflator (1992 = 100.0)	97.3	100.0	102.6	105.0	97.7	98.3	99.1	99.8	100.2
Personal Income									
Personal Income in Billions	\$4,968	\$5,264	\$5,479	\$5,750	\$4,979	\$5,059	\$5,161	\$5,236	\$5,233
Disposable Income in Billions	\$4,344	\$4,614	\$4,789	\$5,019	\$4,356	\$4,427	\$4,524	\$4,596	\$4,583
Prices¹									
Consumer Price Index, All Items	136.2	140.3	144.5	148.2	136.7	137.7	138.7	139.8	140.9
All Items Less Medical Care	133.8	137.5	141.2	144.7	134.3	135.1	136.0	137.0	138.0
Energy	102.4	103.0	104.1	104.6	103.1	101.8	99.3	102.6	105.8
Food and Beverages	136.8	138.7	141.6	144.9	136.8	136.9	138.3	138.5	138.7
Medical Care	177.0	190.1	201.4	211.0	178.7	181.7	185.9	188.7	191.5
Producer Price Index,² Finished									
Consumer Goods	120.4	121.7	123.0	123.3	120.3	120.7	120.2	121.7	122.3
Energy	78.1	77.8	78.0	77.0	78.5	77.7	74.3	78.1	80.5
Food	124.1	123.3	125.6	126.8	123.5	122.8	123.1	123.0	123.2
Finished Goods Except Food and Energy	133.7	137.2	138.5	139.0	133.6	135.4	136.5	137.3	138.9
	Annual Percent Change				Percent Change From the Same Period of Previous Year				
Gross Domestic Product									
Billions of Dollars	3.0	5.5	4.9	5.8	2.9	3.8	5.1	5.2	5.4
Billions of 1992 Chain Weighted	-1.0	2.7	2.2	3.5	-0.9	0.4	2.1	2.3	2.8
Implicit Price Deflator (1992 = 100.0)	4.0	2.7	2.6	2.3	3.8	3.4	3.0	2.9	2.5
Personal Income									
Personal Income in Billions	3.7	6.0	4.1	4.9	2.9	3.9	5.7	5.8	5.1
Disposable Income in Billions	4.2	6.2	3.8	4.8	3.5	4.4	6.1	6.2	5.2
Prices¹									
Consumer Price Index, All Items	4.2	3.0	3.0	2.6	3.9	3.0	2.9	3.1	3.1
All Items Less Medical Care	3.9	2.7	2.7	2.5	3.6	2.6	2.6	2.8	2.8
Energy	0.4	0.5	1.1	0.5	-0.7	-8.1	-3.7	0.9	2.6
Food and Beverages	3.6	1.4	2.1	2.3	3.1	2.4	1.6	0.8	1.4
Medical Care	8.7	7.4	6.0	4.8	8.5	8.0	7.8	7.7	7.2
Producer Price Index,² Finished									
Consumer Goods	1.9	1.0	1.1	0.2	1.7	-1.1	-0.2	1.1	1.6
Energy	4.2	-0.4	0.3	-1.2	4.9	-11.2	-5.7	0.9	2.5
Food	-0.2	-0.7	1.9	0.9	-0.9	-1.5	-1.4	-2.0	-0.3
Finished Goods Except Food and Energy	3.8	2.7	0.9	0.3	3.6	3.5	2.9	3.1	2.5

¹Base period = 1982-84, unless noted.

²Formerly 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 1990-December 1995; U.S. Department of Labor, Bureau of Labor Statistics: *Employment and Earnings*. Washington. U.S. Government Printing Office. Monthly reports for January 1990-December 1995.

Table 6—Continued
Selected National Economic Indicators: 1991-95

1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3
\$6,383	\$6,443	\$6,503	\$6,571	\$6,684	\$6,773	\$6,885	\$6,988	\$7,080	\$7,148	\$7,197	\$7,297
\$6,327	\$6,327	\$6,354	\$6,390	\$6,464	\$6,505	\$6,582	\$6,640	\$6,691	\$6,702	\$6,709	\$6,763
100.9	101.8	102.4	102.8	103.4	104.1	104.6	105.2	105.8	106.7	107.3	107.9
\$5,426	\$5,347	\$5,461	\$5,499	\$5,610	\$5,562	\$5,743	\$5,802	\$5,894	\$5,996	\$6,062	\$6,132
\$4,751	\$4,685	\$4,774	\$4,803	\$4,896	\$4,857	\$5,002	\$5,070	\$5,146	\$5,226	\$5,260	\$5,331
141.9	143.1	144.2	144.8	145.8	146.7	147.6	148.9	149.6	150.9	152.2	152.9
138.9	140.0	141.0	141.5	142.4	143.3	144.1	145.4	146.0	147.1	148.4	149.0
104.3	102.7	104.7	105.4	103.8	101.7	103.5	107.8	105.4	103.7	106.5	107.2
139.3	140.7	141.4	141.5	142.7	143.9	144.1	145.2	146.2	147.9	148.7	149.0
194.1	197.7	200.3	202.8	204.8	207.5	209.8	212.2	214.7	217.6	219.3	221.5
122.5	122.8	124.2	122.8	122.3	122.4	123.0	123.9	123.7	124.5	125.7	125.9
78.3	77.0	79.5	79.4	76.1	74.4	76.7	80.2	76.9	76.7	80.0	79.4
123.8	124.5	126.3	125.4	126.4	127.1	126.5	126.4	127.2	128.3	128.0	129.1
138.4	139.3	139.8	137.3	137.6	138.6	138.7	138.7	139.8	140.8	141.6	141.7
Percent Change From the Same Period of Previous Year											
6.3	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
2.6	2.7	2.6	2.7	2.5	2.3	2.2	2.3	2.3	2.4	2.5	2.5
7.2	3.6	4.3	5.1	3.4	4.0	5.2	5.5	5.1	7.8	5.6	5.7
7.3	3.5	3.9	4.8	3.0	3.7	4.8	5.6	5.1	7.6	5.2	5.1
3.1	3.2	3.1	2.7	2.7	2.5	2.4	2.9	2.7	2.8	3.1	2.6
2.8	2.9	2.9	2.5	2.5	2.4	2.2	2.7	2.5	2.7	3.0	2.5
2.4	3.4	2.0	-0.3	-0.4	-0.9	-1.1	2.3	1.5	1.9	2.9	-0.6
1.7	1.8	2.1	2.0	2.5	2.3	1.9	2.7	2.5	2.7	3.2	2.6
6.8	6.3	6.1	5.9	5.5	5.0	4.7	4.6	4.8	4.9	4.6	4.4
1.5	2.1	2.1	0.4	-0.2	-0.3	-1.0	0.9	1.2	1.7	2.2	1.6
0.8	3.6	1.8	-1.3	-2.8	-3.4	-3.5	1.0	1.1	3.1	4.3	-1.0
0.8	1.2	2.7	1.8	2.1	2.0	0.2	0.8	0.6	1.0	1.2	2.1
2.2	2.1	1.9	0.3	-0.5	-0.5	-0.8	1.0	1.6	1.5	2.1	2.2

Table 7
Index Levels of Medical Prices: 1991-95

Item	Calendar Year				1991	1991	1992	1992
	1991	1992	1993	1994	Q3	Q4	Q1	Q2
Consumer Price Indexes, All Urban Consumers¹								
Medical Care Services ²	177.1	190.5	202.9	213.4	178.7	181.8	186.1	188.9
Professional Services	165.7	175.8	184.7	192.5	167.0	169.1	172.3	174.7
Physicians' Services	170.5	181.2	191.3	199.8	171.6	173.6	177.2	180.3
Dental Services	167.4	178.7	188.1	197.1	169.4	172.1	174.7	177.0
Hospital and Related Services	196.1	214.0	231.9	245.6	197.9	202.3	208.1	211.3
Hospital Room	191.9	208.7	226.4	239.2	193.3	197.4	202.8	206.1
Other Inpatient Services (1986=100)	158.0	172.3	185.7	197.1	159.5	163.3	168.0	170.2
Outpatient Services (1986=100)	153.4	168.7	184.3	195.0	155.1	158.5	163.5	166.4
Medical Care Commodities	176.8	188.1	195.0	200.7	178.9	181.0	184.9	187.8
Prescription Drugs	199.7	214.7	223.0	230.6	202.4	205.6	210.9	214.5
Non-Prescription Drugs and Medical Supplies (1986=100)	126.3	131.2	135.5	138.1	127.2	127.8	129.3	131.1
Internal and Respiratory Over-the-Counter Drugs	152.4	158.2	163.5	165.9	153.7	153.7	155.3	158.4
Non-Prescription Medical Equipment and Supplies	145.0	150.9	155.9	160.0	145.9	148.0	150.1	150.4
Producer Price Indexes³								
Industry Groupings:⁴								
Health Services (12/94=100)	--	--	--	--	--	--	--	--
Offices and Clinics of Doctors of Medicine (12/93=100)	--	--	--	102.8	--	--	--	--
Medicare Treatments (12/93=100)	--	--	--	104.7	--	--	--	--
Non-Medicare Treatments (12/93=100)	--	--	--	102.3	--	--	--	--
Hospitals (12/92=100)	--	--	102.5	106.2	--	--	--	--
General Medical and Surgical Hospitals (12/92=100)	--	--	102.4	106.0	--	--	--	--
Inpatient Treatments (12/92=100)	--	--	102.5	106.0	--	--	--	--
Medicare Patients (12/92=100)	--	--	100.6	102.6	--	--	--	--
Medicaid Patients (12/92=100)	--	--	102.3	107.1	--	--	--	--
All Other Patients (12/92=100)	--	--	103.5	107.7	--	--	--	--
Outpatient Treatments (12/92=100)	--	--	102.5	106.7	--	--	--	--
Medicare Patients (12/92=100)	--	--	103.7	107.0	--	--	--	--
Medicaid Patients (12/92=100)	--	--	101.6	103.3	--	--	--	--
All Other Patients (12/92=100)	--	--	102.4	106.9	--	--	--	--
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	182.6	192.2	200.9	206.0	184.7	186.2	188.5	191.8
Ethical (Prescription) Preparations	217.5	231.7	242.2	250.0	219.9	222.8	227.1	230.9
Proprietary (Over-the-Counter) preparations	165.4	173.6	180.0	183.2	168.2	167.8	168.9	173.7
Medical, Surgical, and Personal Aid Devices	130.3	133.9	137.8	140.4	130.7	131.0	132.9	133.8
Personal Aid Equipment	117.1	120.2	122.3	130.1	117.0	120.0	120.0	120.2
Medical Instruments and Equipment (6/82=100)	120.7	123.4	126.0	126.7	121.0	121.0	122.6	123.4
Surgical Appliances and Supplies (6/83=100)	140.7	145.0	151.0	155.7	141.1	141.3	143.6	144.9
Ophthalmic Goods (12/83=100)	116.0	118.0	119.0	119.6	116.1	117.0	117.6	118.1
Dental Equipment and Supplies (6/85=100)	121.2	126.6	131.5	135.2	122.0	122.4	126.0	125.6

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

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

³Unless 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).

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

NOTES: Q designates quarter of year. 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 1991-September 1995; U.S. Department of Labor, Bureau of Labor Statistics: *Producer Price Indexes*. Washington. U.S. Government Printing Office. Monthly reports for January 1991-September 1995.

Table 7—Continued
Index Levels of Medical Prices: 1991-1995

1992 Q3	1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3
192.1	195.0	198.8	201.8	204.4	206.7	209.5	212.0	214.6	217.5	221.0	223.0	225.4
177.0	179.0	181.6	184.1	185.9	187.1	189.3	191.8	193.5	195.5	198.3	200.2	202.0
182.6	184.6	187.7	190.5	192.7	194.2	196.7	199.2	200.7	202.4	205.6	208.1	210.1
180.4	182.6	184.8	187.6	189.2	190.8	193.0	196.1	198.3	201.1	204.0	205.8	207.8
216.0	220.6	226.2	230.0	233.8	237.7	241.3	243.4	247.2	250.6	254.2	255.6	259.1
210.6	215.2	220.6	224.6	228.2	232.0	235.3	237.2	240.9	243.5	247.8	249.4	252.6
173.9	177.0	181.1	183.9	187.2	190.4	193.5	195.4	198.2	201.2	204.0	205.2	207.8
170.1	174.7	179.9	183.0	185.6	188.7	191.5	192.9	196.3	199.4	201.5	202.3	205.5
189.0	190.4	193.0	194.2	196.0	196.7	198.5	200.1	201.6	202.6	203.4	203.6	204.6
215.6	218.0	221.4	221.6	223.9	225.2	228.0	230.5	231.0	232.8	233.4	233.9	235.4
132.1	132.1	133.2	135.6	136.7	136.5	136.7	136.8	139.4	139.4	140.5	140.0	140.4
159.9	159.3	160.4	163.4	165.3	164.9	165.2	165.5	166.6	166.4	167.1	166.0	167.4
151.2	152.1	153.8	156.4	156.5	156.7	156.7	156.7	163.1	163.6	165.8	166.3	165.2
—	—	—	—	—	—	—	—	—	—	101.6	101.9	102.5
—	—	—	—	—	—	101.8	102.4	102.9	104.0	106.3	106.8	107.0
—	—	—	—	—	—	104.7	104.7	104.7	104.7	109.6	109.6	109.6
—	—	—	—	—	—	101.0	101.8	102.4	103.8	105.5	106.1	106.1
—	—	101.2	101.7	103.0	104.0	105.0	105.4	106.7	107.7	109.2	109.3	110.0
—	—	101.3	101.6	102.9	103.9	104.8	105.2	106.5	107.5	109.0	109.2	109.9
—	—	101.2	101.5	102.9	104.2	104.9	105.2	106.4	107.5	108.5	108.6	109.1
—	—	100.0	100.0	100.0	102.3	102.3	102.3	102.3	103.6	103.6	103.6	103.6
—	—	100.9	101.2	103.0	104.3	105.3	106.0	108.1	108.9	109.5	109.6	109.8
—	—	101.9	102.5	104.5	105.3	106.3	106.7	108.4	109.4	111.0	111.1	112.0
—	—	101.5	102.0	103.0	103.4	105.0	105.8	107.6	108.2	111.9	112.5	113.9
—	—	103.1	103.3	104.4	104.1	105.5	106.0	107.5	108.8	110.2	111.1	111.9
—	—	100.7	101.5	102.4	101.9	101.8	101.2	105.1	105.1	105.7	105.9	105.8
—	—	101.3	101.8	102.8	103.4	105.2	106.2	107.8	108.4	112.7	113.2	114.9
—	—	—	—	—	—	—	—	—	—	101.9	102.8	104.2
—	—	—	—	—	—	—	—	—	—	101.8	102.7	104.4
—	—	—	—	—	—	—	—	—	—	102.1	103.2	104.1
—	—	—	—	—	—	—	—	100.0	99.9	101.6	103.4	106.8
193.4	195.1	198.7	200.6	202.0	202.4	204.6	205.9	206.3	207.0	208.5	210.3	211.0
233.3	235.4	239.0	241.8	243.5	244.5	248.3	250.1	250.0	251.4	252.7	255.8	257.3
175.1	176.7	177.4	179.3	181.6	181.6	181.4	182.6	184.4	184.5	185.5	186.6	186.6
134.1	134.7	137.1	138.1	137.8	138.3	140.1	140.3	140.6	140.5	140.7	140.8	141.2
120.3	120.4	122.6	122.6	121.9	121.9	127.8	130.8	130.9	130.9	131.2	131.8	133.4
123.5	123.9	125.5	126.5	125.8	126.2	126.4	126.5	126.8	126.9	127.8	128.0	129.0
145.2	146.3	150.0	151.1	151.1	151.7	155.4	155.7	156.1	155.4	154.3	154.1	153.7
118.4	117.7	118.4	118.7	119.3	119.4	120.0	119.4	119.4	119.8	121.7	121.8	122.9
126.8	127.9	130.4	131.8	132.0	131.6	134.2	135.0	136.0	135.7	136.4	137.9	137.0

Table 8
Percent Change in Medical Prices From Same Period A Year Ago: 1991-95

Item	Calendar Year				1991	1991	1992	1992
	1991	1992	1993	1994	Q3	Q4	Q1	Q2
	Annual Percent Change				Percent Change From the Same Period of Previous Year			
Consumer Price Indexes, All Urban Consumers¹								
Medical Care Services ²	8.9	7.6	6.5	5.2	8.5	8.0	7.9	7.8
Professional Services	6.2	6.1	5.1	4.3	5.9	6.0	6.2	6.2
Physicians' Services	6.0	6.3	5.6	4.4	5.5	5.5	5.9	6.5
Dental Services	7.5	6.7	5.3	4.8	7.8	8.1	7.4	6.9
Hospital and Related Services	10.2	9.1	8.4	5.9	9.8	8.9	9.0	9.4
Hospital Room	9.4	8.8	8.5	5.7	8.9	8.4	8.3	8.8
Other Inpatient Services (1986=100)	10.7	9.1	7.8	6.1	10.2	8.9	9.3	9.5
Outpatient Services (1986=100)	10.6	10.0	9.3	5.8	10.7	9.8	9.8	10.1
Medical Care Commodities	8.2	6.4	3.7	2.9	8.4	7.8	7.7	7.1
Prescription Drugs	9.9	7.6	3.9	3.4	10.1	9.8	9.3	8.5
Non-Prescription Drugs and Medical Supplies (1986=100)	4.7	3.9	3.3	1.9	5.0	3.7	4.2	4.1
Internal and Respiratory Over-the-Counter Drugs	4.5	3.8	3.3	1.5	5.0	2.6	3.3	4.3
Non-Prescription Medical Equipment and Supplies	5.0	4.1	3.3	2.7	5.0	5.8	6.2	3.9
Producer Price Indexes³								
Industry Groupings:⁴								
Health Services (12/94=100)	—	—	—	—	—	—	—	—
Offices and Clinics of Doctors of Medicine (12/93=100)	—	—	—	—	—	—	—	—
Medicare Treatments (12/93=100)	—	—	—	—	—	—	—	—
Non-Medicare Treatments (12/93=100)	—	—	—	—	—	—	—	—
Hospitals (12/92=100)	—	—	—	3.6	—	—	—	—
General Medical and Surgical Hospitals (12/92=100)	—	—	—	3.5	—	—	—	—
Inpatient Treatments (12/92=100)	—	—	—	3.5	—	—	—	—
Medicare Patients (12/92=100)	—	—	—	2.0	—	—	—	—
Medicaid Patients (12/92=100)	—	—	—	4.6	—	—	—	—
All Other Patients (12/92=100)	—	—	—	4.0	—	—	—	—
Outpatient Treatments (12/92=100)	—	—	—	4.1	—	—	—	—
Medicare Patients (12/92=100)	—	—	—	3.1	—	—	—	—
Medicaid Patients (12/92=100)	—	—	—	1.7	—	—	—	—
All Other Patients (12/92=100)	—	—	—	4.4	—	—	—	—
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	5.3	4.5	2.5	7.8	6.9	6.2	5.5
Ethical (Prescription) Preparations	8.4	6.5	4.5	3.2	8.9	8.4	7.7	6.5
Proprietary (Over-the-Counter) Preparations	5.5	5.0	3.7	1.8	7.1	5.1	5.5	5.0
Medical, Surgical, and Personal Aid Devices	2.3	2.7	3.0	1.8	2.3	2.0	2.6	2.8
Personal Aid Equipment	2.9	2.6	1.7	6.4	1.9	3.8	3.8	3.6
Medical Instruments and Equipment (6/82=100)	1.5	2.2	2.1	0.5	1.5	1.2	2.2	2.3
Surgical Appliances and Supplies (6/83=100)	3.5	3.1	4.1	3.1	3.2	2.6	2.7	3.1
Ophthalmic Goods (12/83=100)	0.9	1.7	0.9	0.6	0.8	1.7	1.8	2.3
Dental Equipment and Supplies (6/85=100)	1.9	4.5	3.8	2.9	2.9	2.6	5.1	4.4

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

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

³Unless 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).

⁴Further detail for producer price industry groupings, such as types of physician practices, hospital DRG groupings, etc., are available from Bureau of Labor Statistics.

Table 8—Continued
Percent Change in Medical Prices From Same Period One Year Ago: 1991-95

1992 Q3	1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3
Percent Change From the Same Period of Previous Year												
7.5	7.2	6.8	6.8	6.4	6.0	5.4	5.1	5.0	5.2	5.5	5.2	5.0
6.0	5.8	5.4	5.3	5.0	4.5	4.3	4.2	4.1	4.5	4.7	4.4	4.4
6.4	6.3	5.9	5.7	5.6	5.2	4.8	4.5	4.2	4.3	4.5	4.5	4.6
6.5	6.1	5.8	6.0	4.9	4.5	4.4	4.5	4.8	5.4	5.7	4.9	4.8
9.1	9.0	8.7	8.8	8.3	7.8	6.7	5.8	5.7	5.4	5.3	5.0	4.8
9.0	9.0	8.8	9.0	8.4	7.8	6.6	5.6	5.5	5.0	5.3	5.1	4.9
9.1	8.4	7.8	8.0	7.6	7.6	6.8	6.3	5.9	5.7	5.5	5.0	4.8
9.7	10.2	10.1	10.0	9.1	8.0	6.5	5.4	5.7	5.7	5.2	4.9	4.
5.7	5.2	4.3	3.4	3.7	3.3	2.9	3.0	2.8	3.0	2.5	1.7	1.5
6.5	6.0	5.0	3.3	3.8	3.3	3.0	4.0	3.2	3.4	2.4	1.5	1.9
3.9	3.4	3.0	3.5	3.4	3.3	2.6	0.9	2.0	2.1	2.8	2.3	0.7
4.0	3.7	3.3	3.2	3.4	3.5	3.0	1.3	0.8	0.9	1.1	0.3	0.5
3.6	2.7	2.4	4.0	3.5	3.1	1.9	0.1	4.2	4.4	5.8	6.1	1.3
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	4.5	4.3	4.0
—	—	—	—	—	—	—	—	—	—	4.7	4.7	4.7
—	—	—	—	—	—	—	—	—	—	4.5	4.3	3.6
—	—	—	—	—	—	3.8	3.6	3.6	3.5	4.0	3.7	3.1
—	—	—	—	—	—	3.5	3.5	3.5	3.4	4.0	3.8	3.2
—	—	—	—	—	—	3.7	3.6	3.5	3.1	3.4	3.2	2.5
—	—	—	—	—	—	2.3	2.3	2.3	1.3	1.3	1.3	1.3
—	—	—	—	—	—	4.3	4.7	5.0	4.5	4.0	3.4	1.5
—	—	—	—	—	—	4.3	4.1	3.8	3.9	4.4	4.2	3.3
—	—	—	—	—	—	3.4	3.7	4.4	4.7	6.6	6.3	5.9
—	—	—	—	—	—	2.3	2.6	3.0	4.6	4.5	4.8	4.0
—	—	—	—	—	—	1.1	-0.3	2.7	3.1	3.8	4.6	0.6
—	—	—	—	—	—	3.8	4.3	4.8	4.8	7.2	6.7	6.7
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	6.8
4.7	4.8	5.4	4.6	4.4	3.7	3.0	2.6	2.1	2.3	1.9	2.2	2.3
6.1	5.7	5.2	4.7	4.4	3.8	3.9	3.4	2.7	2.8	1.8	2.3	2.9
4.1	5.3	5.1	3.2	3.7	2.8	2.2	1.8	1.6	1.6	2.3	2.2	1.2
2.5	2.9	3.2	3.2	2.8	2.6	2.1	1.6	2.0	1.6	0.5	0.4	0.4
2.8	0.4	2.2	2.0	1.3	1.2	4.3	6.7	7.4	7.4	2.6	0.7	1.9
2.1	2.4	2.3	2.5	1.9	1.9	0.8	0.1	0.8	0.6	1.1	1.1	1.7
2.9	3.5	4.5	4.3	4.1	3.7	3.6	3.1	3.3	2.4	-0.8	-1.0	-1.5
2.0	0.7	0.7	0.5	0.8	1.4	1.4	0.5	0.1	0.3	1.4	2.1	2.9
3.9	4.5	3.5	4.9	4.1	2.9	2.9	2.4	3.0	3.1	1.6	2.2	0.7

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 1991-September 1995; U.S. Department of Labor, Bureau of Labor Statistics: *Producer Price Indexes*. Washington. U. S. Government Printing Office. Monthly reports for January 1991-September 1995.

Table 9

Quarterly Index Levels and Four-Quarter Moving-Average Percent Change in the Prospective Payment System (PPS) Hospital Input Price Index, by Expense Category: 1993-97

Expense Category ¹	Price/Wage Variable	Base Year Weights FY 1987 ²	1993 Q4	1994 Q1	1994 Q2	1994 Q3
Index Levels						
Total	—	100.00	130.1	131.0	131.6	132.7
Compensation	—	61.713	133.6	134.9	135.7	136.8
Wages and Salaries	HCFA Occupational Wage Index ⁴	52.216	130.9	131.8	132.7	133.7
Employee Benefits	HCFA Occupational Benefits Index ⁴	9.497	148.9	151.6	152.1	153.6
Other Professional Fees	ECI-W/S: Professional/Technical (Private)	1.649	131.0	132.0	132.9	133.9
Energy and Utilities ³	—	2.368	113.0	109.6	110.1	114.3
Professional Liability Insurance	HCFA-Professional Liability Premium	1.433	140.6	137.5	136.3	135.9
All Other	—	32.837	124.1	124.8	125.2	126.1
Other Products ³	—	21.788	123.8	124.3	124.8	126.7
Pharmaceuticals	PPI-Prescription Drugs	3.873	159.4	161.9	163.1	163.1
Food ³	—	3.299	119.1	120.1	120.2	119.8
Chemicals	PPI-Industrial Chemicals	3.126	117.3	115.8	118.3	123.9
Medical Instruments	PPI-Medical Instruments/Equipment	2.672	115.8	116.0	116.1	116.3
Photographic Supplies	PPI-Photographic Supplies	2.623	113.5	114.6	113.7	112.4
Rubber and Plastics	PPI-Rubber/Plastic Products	2.323	114.1	113.9	114.1	115.3
Other Services ³	—	11.050	124.7	126.0	126.1	126.8
Business Services	AHE-Business Services	3.845	122.4	124.8	123.9	124.4
Computer Services	AHE-Data Processing Services	1.992	138.8	140.9	141.3	142.2
4-Quarter Moving-Average Percent Change						
Total	—	100.00	2.9	2.7	2.5	2.5
Compensation	—	61.713	3.5	3.3	3.2	3.1
Wages and Salaries	HCFA Occupational Wage Index ⁴	52.216	3.1	3.0	3.0	2.9
Employee Benefits	HCFA Occupational Benefits Index ⁴	9.497	5.3	4.9	4.4	4.2
Other Professional Fees	ECI-W/S: Professional/Technical (Private)	1.649	3.3	3.1	3.0	2.9
Energy and Utilities ³	—	2.368	-0.3	-2.0	-4.0	-3.4
Professional Liability Insurance	HCFA-Professional Liability Premium	1.433	3.0	2.3	1.1	-0.3
All Other	—	32.837	1.9	1.8	1.7	1.7
Other Products ³	—	21.788	1.7	1.6	1.4	1.4
Pharmaceuticals	PPI-Prescription Drugs	3.873	4.5	4.2	3.9	3.5
Food ³	—	3.299	1.7	2.0	2.0	1.8
Chemicals	PPI-Industrial Chemicals	3.126	1.1	0.1	-0.8	0.5
Medical Instruments	PPI-Medical Instruments/Equipment	2.672	2.1	1.7	1.1	0.9
Photographic Supplies	PPI-Photographic Supplies	2.623	-1.1	-0.3	0.2	0.4
Rubber and Plastics	PPI-Rubber/Plastic Products	2.323	0.8	0.7	0.6	0.7
Other Services ³	—	11.050	2.2	2.3	2.3	2.2
Business Services	AHE-Business Services	3.845	1.5	1.8	1.7	1.7
Computer Services	AHE-Data Processing Services	1.992	4.1	4.7	4.5	4.4

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

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

³Represents 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 (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, 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).

⁴The 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 is employment cost index. PPI is producer price index, and AHE is average hourly earnings. HCFA is Health Care Financing Administration. W/S is wages and salaries. FY is fiscal year. Q is quarter of year. The 4-quarter moving-average percent change for the quarter indicated by the columns is the rate of change in the average index level for 4-quarters ending in that quarter over the same period of the previous year. The 4-quarter moving-average index level for the quarter indicated by the column heading is computed by summing the index level for that quarter and the prior 3 quarters and dividing by 4. The process is repeated to compute the 4-quarter moving average index level for the same quarter one year ago. The average index level for the quarter indicated by the column heading is divided by the average index level of the same quarter 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. Fourth quarter 1995 forecasts were produced under contract to HCFA by Data Resources, Inc./ McGraw-Hill.

Table 9—Continued

Quarterly Index Levels and Four-Quarter Moving-Average Percent Change in the Prospective Payment System (PPS) Hospital Input Price Index, by Expense Category: 1993-97

1994 Q4	1995 Q1	1995 Q2	1995 Q3	Forecast							
				1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4	1997 Q1	1997 Q2	1997 Q3
133.6	134.8	135.9	136.8	137.4	138.6	139.5	140.8	141.6	142.7	143.5	144.8
137.6	138.5	139.3	140.2	141.2	142.4	143.3	144.8	145.9	147.1	147.9	149.5
134.6	135.5	136.2	137.1	138.1	139.3	140.1	141.6	143.0	144.0	144.8	146.4
154.0	155.1	156.3	157.0	158.1	159.7	160.7	162.3	163.4	165.2	166.1	168.0
134.8	135.6	136.3	137.3	138.2	139.3	140.3	141.9	143.0	144.0	144.8	146.4
109.3	107.4	111.6	111.4	107.8	107.0	110.3	112.7	111.0	109.8	112.2	114.6
136.2	137.0	137.3	138.1	139.4	140.9	142.2	143.5	145.0	146.5	148.0	149.7
127.6	129.8	131.3	132.3	132.5	133.5	134.4	135.0	135.6	136.6	137.3	137.9
127.6	129.9	131.7	133.0	132.8	133.8	134.6	135.1	135.5	136.4	136.9	137.3
163.9	164.8	166.8	167.8	168.9	170.3	172.0	172.3	172.3	174.0	175.0	175.5
119.7	120.8	120.7	122.1	123.6	124.9	125.6	126.0	125.8	126.9	127.8	128.7
130.4	136.0	140.2	140.4	136.1	137.1	137.8	138.3	138.6	139.2	139.2	139.2
116.4	117.3	117.4	118.5	118.2	119.1	119.6	118.9	119.3	120.1	120.5	120.4
112.3	113.6	114.5	117.0	116.1	117.3	118.1	119.6	121.0	122.2	122.3	122.9
117.9	120.3	122.1	122.7	122.8	122.7	123.0	123.6	123.6	123.6	123.9	124.5
127.7	129.6	130.5	130.9	131.8	133.0	134.0	134.9	135.9	137.1	138.2	139.1
125.2	128.0	128.7	129.3	130.2	132.2	133.0	133.7	134.9	136.8	137.5	138.2
143.7	145.0	146.3	146.8	148.3	149.6	150.4	152.1	153.4	154.7	156.2	157.7
2.5	2.6	2.9	3.0	3.1	3.0	2.9	2.8	2.8	2.9	2.9	2.9
3.1	2.9	2.8	2.7	2.6	2.6	2.7	2.9	3.1	3.2	3.3	3.3
2.9	2.8	2.8	2.7	2.6	2.6	2.7	2.9	3.1	3.2	3.3	3.3
4.0	3.4	3.1	2.7	2.5	2.7	2.7	3.0	3.1	3.2	3.4	3.4
2.9	2.8	2.7	2.7	2.6	2.6	2.7	2.9	3.1	3.3	3.3	3.3
-3.4	-3.1	-1.3	-1.6	-1.2	-0.8	-1.4	-0.5	0.6	1.4	2.1	2.3
-1.8	-1.9	-1.3	-0.3	1.1	1.9	2.6	3.2	3.6	3.9	4.0	4.1
2.0	2.5	3.4	4.1	4.4	4.1	3.5	2.8	2.4	2.3	2.2	2.3
1.8	2.6	3.7	4.7	5.0	4.6	3.8	2.7	2.2	1.9	1.8	1.8
3.2	2.7	2.4	2.4	2.5	2.9	3.1	3.0	2.8	2.5	2.2	1.9
1.4	0.9	0.6	0.9	1.5	2.3	3.2	3.5	3.1	2.6	2.1	1.8
3.5	8.2	13.1	15.1	13.2	8.9	3.9	0.4	-0.2	0.0	0.7	1.3
0.5	0.6	0.9	1.2	1.4	1.5	1.7	1.3	1.2	1.0	0.7	0.9
0.3	-0.4	-0.4	0.7	1.8	2.8	3.4	3.0	3.2	3.5	3.6	3.7
1.4	2.7	4.3	5.6	5.8	4.9	3.3	1.9	1.0	0.7	0.7	0.7
2.3	2.3	2.7	3.0	3.2	3.1	2.9	2.9	2.9	3.0	3.1	3.1
1.9	2.0	2.6	3.2	3.6	3.7	3.6	3.5	3.4	3.5	3.5	3.5
4.1	3.5	3.4	3.3	3.2	3.3	3.1	3.2	3.3	3.3	3.6	3.6

Table 10
Quarterly Index Levels and Four-Quarter Moving-Average Percent Change in the
Skilled Nursing Facility Input Price Index, by Expense Category: 1993-97

Expense Category ¹	Price/Wage Variable	Base Year Weights CY 1977 ²	1993 Q4	1994 Q1	1994 Q2	1994 Q3
Index Levels						
Total	—	100.000	252.4	254.9	256.2	258.2
Compensation	—	70.620	257.2	260.0	261.4	263.7
Wages and Salaries	AHE-Nursing Facilities	63.020	254.3	257.1	258.4	260.9
Employee Benefits	BEA-Supplement to Wages/ Salaries per Worker-	7.600	280.7	284.3	285.9	286.9
Fuel and Other Energy	—	4.270	231.3	233.0	232.8	232.8
Fuel Oil and Coal	IPD-Fuel Oil and Coal	1.660	202.4	205.4	203.8	203.6
Electricity	IPD-Electricity	1.210	224.3	221.8	221.2	223.6
Natural Gas	IPD-Natural Gas	0.910	250.7	254.0	254.6	249.8
Water and Sewerage	CPI(U)-Water and Sewage	0.490	310.7	315.1	318.7	322.5
Maintenance	—	—	—	—	—	—
Food	—	9.740	193.0	194.0	193.9	194.8
Direct Purchase	PPI-Processed Foods	4.930	169.4	170.9	169.8	169.0
Contract Service	CPI(U)-Food and Beverages	4.810	217.2	217.6	218.6	221.3
All Other	—	15.370	273.8	276.1	278.1	280.1
Pharmaceuticals	PPI-Prescription Drugs	1.500	371.9	377.8	380.4	380.4
Supplies	CPI(U)-All Items	3.280	240.9	242.1	243.7	245.8
Health Services	CPI(U)-Physicians' Services	1.210	331.9	336.2	340.5	343.1
Other Business Services	CPI(U)-Services	4.590	284.4	286.8	288.9	291.1
Miscellaneous Costs	CPI(U)-All Items	4.790	240.9	242.1	243.7	245.8
4-Quarter Moving-Average Percent Change						
Total	—	100.000	3.8	3.8	3.8	3.7
Compensation	—	70.620	4.1	4.1	4.2	4.1
Wages and Salaries	AHE-Nursing Facilities	63.020	4.0	4.1	4.1	4.2
Employee Benefits	BEA-Supplement to Wages/ Salaries per Worker-	7.600	4.7	4.8	4.5	4.1
Fuel and Other Energy	—	4.270	2.6	2.4	1.6	1.0
Fuel Oil and Coal	IPD-Fuel Oil and Coal	1.660	-0.2	-0.9	-2.0	-2.0
Electricity	IPD-Electricity	1.210	1.9	1.9	1.2	0.4
Natural Gas	IPD-Natural Gas	0.910	6.2	6.4	5.6	3.7
Water and Sewerage	—	—	—	—	—	—
Maintenance	CPI(U)-Water and Sewage	0.490	5.4	5.2	5.2	5.2
Food	—	9.740	1.9	2.2	2.2	2.2
Direct Purchase	PPI-Processed Foods	4.930	1.6	2.1	2.2	1.9
Contract Service	CPI(U)-Food and Beverages	4.810	2.1	2.3	2.3	2.4
All Other	—	15.370	3.7	3.5	3.3	3.2
Pharmaceuticals	PPI-Prescription Drugs	1.500	4.5	4.2	3.9	3.5
Supplies	CPI(U)-All Items	3.280	3.0	2.8	2.6	2.6
Health Services	CPI(U)-Physicians' Services	1.210	5.6	5.3	5.0	4.7
Other Business Services	CPI(U)-Services	4.590	3.8	3.8	3.7	3.5
Miscellaneous Costs	CPI(U)-All Items	4.790	3.0	2.8	2.6	2.6

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

²Category 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 is average hourly earnings, BEA is Bureau of Economic Analysis, IPD is implicit price deflator from the Department of Commerce, CPI(U) is consumer price index for all urban consumers, and PPI represents producer price index. CY is calendar year. Q is quarter of year. An example of how a percent change 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. Fourth quarter 1995 forecasts were produced under contract to HCFA by Data Resources, Inc./McGraw-Hill

Table 10—Continued

**Quarterly Index Levels and Four-Quarter Moving-Average Percent Change in the
Skilled Nursing Facility Input Price Index, by Expense Category: 1993-97**

1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4	1997 Q1	1997 Q2	1997 Q3	1997 Q4
260.2	262.7	263.8	265.3	267.4	270.3	271.8	274.2	276.0	279.4	280.5	283.0	
266.1	269.1	269.9	271.4	273.7	277.0	278.3	281.1	283.1	287.1	287.9	290.8	
263.4	266.3	267.0	268.4	270.8	274.2	275.4	278.2	280.1	284.1	284.6	287.5	
288.3	292.3	294.2	296.1	297.9	299.5	301.8	304.9	307.9	312.1	315.4	318.5	
231.7	231.4	231.0	231.4	227.7	227.9	230.2	231.1	232.1	233.3	234.3	235.5	
201.3	200.6	201.2	201.7	193.4	190.9	194.3	193.4	193.4	193.6	193.8	193.9	
224.3	225.5	225.7	228.4	227.4	227.1	226.8	227.0	227.4	227.8	228.3	228.8	
246.9	243.9	239.9	235.5	233.8	235.7	239.0	241.7	244.2	246.6	248.2	249.8	
324.2	326.8	328.4	331.8	333.5	340.1	343.9	349.3	352.1	356.6	360.5	367.0	
195.5	196.6	197.0	199.2	202.2	204.0	205.2	205.8	206.3	207.1	208.1	209.1	
168.9	170.1	168.8	171.9	175.5	176.8	177.1	176.8	176.5	177.1	177.9	178.7	
222.8	223.8	225.9	227.1	229.4	231.8	233.9	235.6	236.8	237.9	239.1	240.3	
281.9	284.4	287.1	288.9	290.9	293.4	295.8	297.9	299.8	302.4	304.8	306.9	
382.5	384.5	389.2	391.3	394.1	387.4	401.2	402.0	402.0	405.8	408.2	409.3	
247.2	249.1	251.1	252.4	254.1	256.1	258.2	260.0	261.8	263.6	265.5	267.3	
346.0	351.5	355.8	359.1	361.2	365.5	368.4	371.4	373.8	379.2	383.0	386.4	
293.2	296.0	298.9	301.2	303.5	305.9	308.5	311.2	313.9	316.6	319.4	322.1	
247.2	249.1	251.1	252.4	254.1	256.1	258.2	260.0	261.6	268.6	265.5	267.3	
3.5	3.3	3.1	3.0	2.9	2.9	2.9	3.0	3.1	3.2	3.3	3.2	
3.9	3.7	3.5	3.3	3.1	3.0	3.0	3.1	3.3	3.4	3.5	3.5	
3.9	3.8	3.6	3.3	3.1	3.0	3.0	3.2	3.3	3.5	3.5	3.4	
3.7	3.1	2.9	2.9	3.1	3.0	2.9	2.8	2.8	3.3	3.8	4.1	
0.8	0.0	-0.3	-0.5	-0.9	-1.1	-1.0	-0.9	0.0	1.0	1.5	2.0	
-1.4	-1.7	-1.4	-1.3	-2.1	-2.7	-3.3	-4.1	-3.1	-1.6	-0.8	0.3	
0.0	0.1	0.8	1.5	1.8	1.6	1.2	0.5	0.2	0.1	0.1	0.4	
2.1	-0.5	-2.9	-4.2	-5.2	-5.1	-3.7	-1.7	0.8	2.8	3.9	4.1	
5.0	4.6	4.0	3.5	3.1	3.2	3.6	4.2	4.9	5.1	5.1	5.1	
1.9	1.6	1.5	1.6	2.2	2.7	3.4	3.6	3.3	2.8	2.1	1.7	
1.2	0.4	-0.2	0.1	1.2	2.3	3.6	3.9	3.0	2.1	1.0	0.6	
2.5	2.6	2.9	2.9	3.0	3.1	3.2	3.5	3.5	3.3	2.9	2.5	
3.1	3.0	3.1	3.1	3.1	3.2	3.1	3.1	3.1	3.1	3.1	3.0	
3.2	2.7	2.4	2.4	2.5	2.9	3.1	3.0	2.8	2.5	2.2	1.9	
2.6	2.7	2.9	2.8	2.9	2.8	2.8	2.9	2.9	2.9	3.0	2.9	
4.4	4.4	4.4	4.5	4.5	4.4	4.1	3.8	3.6	3.6	3.7	3.8	
3.3	3.2	3.2	3.3	3.4	3.4	3.4	3.3	3.3	3.4	3.4	3.5	
2.6	2.7	2.9	2.8	2.9	2.8	2.8	2.9	2.9	2.9	3.0	2.9	

Table 11
Quarterly Index Levels and Four-Quarter Moving-Average Percent Change
of the Home Health Agency (HHA) Input Price Index, by Expense Category: 1993-97

Expense Category ¹	Price/Wage Variable	Base Year Weights CY 1976 ²	1993 Q4	1994 Q1	1994 Q2	1994 Q3
Index Levels						
Total	—	100.000	301.4	303.3	303.9	307.9
Compensation	—	73.040	313.0	315.1	315.4	319.5
Wages and Salaries	AHE-Hospitals	65.140	313.1	315.0	315.1	319.6
Employee Benefits	BEA-Supplement to Wages /Salaries per Worker	7.900	312.0	316.0	317.8	318.8
Transportation	CPI(U)-Transportation	4.870	239.9	239.5	241.6	245.9
Office Costs	CPI(U)-Services	2.790	306.2	308.8	311.1	313.5
Medical and Nursing Supplies	CPI(U)-Medical Equipment/Supplies	2.810	259.0	259.0	258.9	269.5
Rental and Leasing	CPI(U)-Residential Rent	1.350	248.0	249.8	250.8	252.6
Energy and Utilities	—	1.170	260.8	262.9	262.7	262.6
Miscellaneous Costs	CPI(U)-All Items	7.100	256.4	257.8	259.4	261.7
Contract Services	Composite-All Other Costs ³	6.870	301.4	303.3	303.9	307.9
4-Quarter Moving-Average Percent Change						
Total	—	100.000	3.4	3.1	2.8	2.8
Compensation	—	73.040	3.5	3.1	2.8	2.8
Wages and Salaries	AHE-Hospitals	65.140	3.3	2.9	2.7	2.7
Employee Benefits	BEA-Supplement to Wages /Salaries per Worker	7.900	4.7	4.8	4.5	4.1
Transportation	CPI(U)-Transportation	4.870	3.0	2.6	2.4	2.8
Office Costs	CPI(U)-Services	2.790	3.8	3.8	3.7	3.5
Medical and Nursing Supplies	CPI(U)-Medical Equipment/Supplies	2.810	3.3	3.1	2.1	2.3
Rental and Leasing	CPI(U)-Residential Rent	1.350	2.3	2.4	2.3	2.3
Energy and Utilities	—	1.170	2.7	2.5	1.7	1.1
Miscellaneous Costs	CPI(U)-All Items	7.100	3.0	2.8	2.6	2.6
Contract Services	Composite-All Other Costs ³	6.870	3.4	3.1	2.8	2.8

¹For 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*.

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

³The 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. Consumer Price Index for all urban consumers. Q designates quarter of year. An example of how a percent change is made 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. Fourth quarter 1995 forecasts were produced under contract to HCFA by Data Resources, Inc./McGraw-Hill.

Table 11—Continued

Quarterly Index Levels and Four-Quarter Moving-Average Percent Change of the Home Health Agency (HHA) Input Price Index, by Expense Category: 1993-97

1994 Q4	1995 Q1	1995 Q2	1995 Q3	Forecast							
				1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4	1997 Q1	1997 Q2	1997 Q3
310.6	313.7	314.2	317.3	319.9	321.6	324.2	327.9	330.6	332.8	335.6	339.3
322.6	326.0	325.9	329.8	332.6	334.4	336.9	341.0	343.9	346.3	349.0	353.2
322.8	326.1	325.7	329.9	332.8	334.6	337.1	341.3	344.1	346.2	348.8	353.1
320.5	324.9	327.0	329.1	331.1	332.9	335.5	338.9	342.2	346.9	350.6	354.0
248.3	249.8	254.5	253.0	253.5	253.1	258.0	259.0	261.8	262.6	267.8	269.3
315.7	318.7	321.9	324.3	326.7	329.4	332.2	335.0	337.9	340.9	343.9	346.9
270.4	274.0	274.8	272.9	276.2	278.1	282.6	285.5	287.5	288.4	292.4	294.2
254.3	255.8	257.2	258.7	260.6	261.9	263.0	264.5	266.1	267.3	269.3	272.1
261.4	261.0	260.6	261.0	256.9	257.1	259.8	260.9	262.0	263.4	264.6	266.1
263.2	265.2	267.4	268.7	270.5	272.6	274.9	276.8	278.7	280.7	282.6	284.6
310.6	313.7	314.2	317.3	319.9	321.6	324.2	327.9	330.6	332.8	335.6	339.3
2.8	3.0	3.2	3.2	3.2	3.0	2.9	3.0	3.1	3.3	3.4	3.5
2.9	3.0	3.2	3.3	3.3	3.1	3.1	3.1	3.2	3.4	3.5	3.5
2.8	3.0	3.2	3.3	3.3	3.1	3.1	3.2	3.2	3.5	3.4	3.4
3.7	3.1	2.9	2.9	3.1	3.0	2.9	2.8	2.8	3.3	3.8	4.1
3.0	3.6	4.3	4.0	3.6	2.9	1.9	1.8	2.1	2.7	3.3	3.7
3.3	3.2	3.2	3.3	3.4	3.4	3.4	3.3	3.3	3.4	3.4	3.5
2.7	3.6	5.1	4.4	3.8	2.7	1.9	2.8	3.2	3.8	4.0	3.6
2.4	2.4	2.5	2.5	2.5	2.5	2.4	2.3	2.3	2.2	2.2	2.4
0.8	0.1	-0.3	-0.5	-1.0	-1.2	-1.0	-0.9	0.0	1.0	1.6	2.1
2.6	2.7	2.9	2.8	2.9	2.8	2.8	2.9	2.9	2.9	3.0	2.9
2.8	3.0	3.2	3.2	3.2	3.0	2.9	3.0	3.1	3.3	3.4	3.5

Table 12

Quarterly Index Levels and Four-Quarter Moving-Average Percent Change in the HCFA Medicare Economic Index (MEI) with DRI Forecast Assumptions, by Expense Category: 1993-97

Expense Category ¹	Price/Wage Variable	Base Year	1993	1994	1994	1994
		Weights CY 1989 ²	Q4	Q1	Q2	Q3
Index Levels						
Total	—	100.000	111.8	112.7	112.9	113.4
Physician Earnings	—	54.155	110.4	111.3	111.2	111.4
Wages and Salaries	AHE—Private ³	45.342	108.3	108.9	108.7	108.8
Benefits	ECI—Benefits, Private ³	8.813	121.6	123.5	124.2	124.8
Practice Expenses	—	45.845	113.4	114.3	114.9	115.8
Non-Physician Compensation	—	16.296	113.1	113.9	114.4	115.1
Wages and Salaries	—	13.786	111.6	112.2	112.7	113.3
Professional/Technical	ECI—W/S: Professional/Technical ³	3.790	113.0	113.5	114.1	114.6
Managers	ECI—W/S: Administrative/Managerial ³	2.620	111.2	111.6	112.2	113.1
Clerical	ECI—W/S: Clerical ³	5.074	111.9	112.5	113.1	113.7
Craft	ECI—W/S: Craft ³	0.069	109.0	109.5	110.1	111.0
Services	ECI—W/S: Service Occupation ³	2.233	109.3	109.9	110.1	110.5
Employee Benefits	ECI—Benefits, Private White Collar ³	2.510	121.0	123.4	124.1	124.9
Office Expenses	CPI(U)—Housing	10.280	115.6	116.7	117.3	118.4
Medical Materials/Supplies	PPI—Drugs/PPI-Surgical/ CPI-Medical Supplies	5.251	123.0	124.6	125.0	126.7
Professional Liability Insurance	HCFA—Professional Liability Premiums	4.780	94.5	95.3	96.0	96.4
Medical Equipment	PPI—Medical Instruments/Equipment	2.348	108.9	109.1	109.2	109.4
Other Professional Expenses	—	6.890	118.2	118.9	119.8	120.8
Automobile	CPI(U)—Private Transportation	1.400	114.3	113.7	115.2	117.5
All Other	CPI(U)—All Items Less Food/Energy	5.490	119.2	120.2	121.0	121.7
4-Quarter Moving-Average Percent Change						
Total	—	100.000	2.3	2.2	2.1	2.1
Physician Earnings	—	54.155	1.8	1.8	1.7	1.7
Wages and Salaries	AHE—Private ³	45.342	1.2	1.3	1.3	1.4
Benefits	ECI—Benefits, Private ³	8.813	4.2	3.9	3.5	3.1
Practice Expenses	—	45.845	2.9	2.8	2.6	2.5
Non-Physician Compensation	—	16.296	2.2	2.1	2.1	2.1
Wages and Salaries	—	13.786	1.9	1.9	1.8	1.8
Professional/Technical	ECI—W/S: Professional/Technical ³	3.790	2.1	1.9	1.8	1.7
Managers	ECI—W/S: Administrative/Managerial ³	2.620	1.9	1.9	1.9	1.9
Clerical	ECI—W/S: Clerical ³	5.074	2.1	2.2	2.2	2.1
Craft	ECI—W/S: Craft ³	0.069	1.6	1.6	1.7	1.7
Services	ECI—W/S: Service Occupation ³	2.233	0.9	1.0	1.1	1.2
Employee Benefits	ECI—Benefits, Private White Collar ³	2.510	3.8	3.6	3.4	3.4
Office Expenses	CPI(U)—Housing	10.280	2.7	2.7	2.6	2.6
Medical Materials/Supplies	PPI—Drugs/PPI-Surgical/ CPI-Medical Supplies	5.251	4.0	3.8	3.2	3.1
Professional Liability Insurance	HCFA—Professional Liability Premiums	4.780	5.5	4.7	4.0	3.6
Medical Equipment	PPI—Medical Instruments/Equipment	2.348	2.1	1.7	1.1	0.9
Other Professional Expenses	—	6.890	3.1	2.9	2.8	2.8
Automobile	CPI(U)—Private Transportation	1.400	2.3	1.9	1.8	2.5
All Other	CPI(U)—All Items Less Food/Energy	5.490	3.3	3.2	3.0	2.9

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

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

³Series 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 economywide productivity and physician-practice productivity are not included in the update.

NOTES: 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. W/S is wages and salaries. HCFA is Health Care Financing Administration. 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. An example of how a percent change is calculated is shown in the Notes at end of Table 9. CY is calendar year.

SOURCES: Health Care Financing Administration, Office of the Actuary; Data from the Office of National Health Statistics, Division of Health Cost Analysis. Second quarter 1995 forecasts were produced under contract to HCFA by Data Resources, Inc./McGraw Hill (DRI).

Table 12—Continued

Quarterly Index Levels and Four-Quarter Moving-Average Percent Change in the HCFA Medicare Economic Index (MEI) with DRI Forecast Assumptions, by Expense Category: 1993-97

1994 Q4	1995 Q1	1995 Q2	1995 Q3	Forecast							
				1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4	1997 Q1	1997 Q2	1997 Q3
114.2	114.9	115.1	115.5	116.3	116.9	117.4	118.0	118.9	119.5	119.9	120.5
112.5	113.0	112.9	113.2	114.3	114.8	115.0	115.3	116.3	116.8	116.9	117.2
110.1	110.6	110.4	110.8	111.9	112.4	112.6	112.8	113.9	114.3	114.4	114.5
124.7	125.6	125.8	125.8	126.2	127.0	127.5	128.1	128.5	129.4	129.9	130.7
116.1	117.0	117.6	118.2	118.6	119.4	120.3	121.2	121.9	122.7	123.5	124.5
115.4	116.1	116.3	116.7	117.1	117.9	118.3	119.1	119.5	120.2	120.6	121.3
113.7	114.3	114.5	114.9	115.2	116.0	116.4	117.3	117.7	118.4	118.6	119.4
115.0	115.3	115.5	116.0	116.3	116.9	117.2	118.1	118.6	119.0	119.4	120.3
113.2	114.1	114.3	114.7	115.1	116.0	116.6	117.4	117.8	118.5	119.0	119.8
114.0	114.8	115.0	115.4	115.7	116.7	117.2	117.9	118.3	119.2	119.5	120.2
110.8	111.3	111.9	112.6	112.7	113.2	113.8	114.5	114.6	115.1	115.6	116.1
111.3	111.5	111.7	112.1	112.6	113.1	113.3	114.2	114.9	115.2	115.1	115.9
124.9	126.3	126.6	126.7	127.2	127.9	128.6	129.1	129.6	130.4	131.1	131.9
118.3	119.4	120.2	121.5	121.4	121.9	122.9	124.5	124.8	125.6	126.6	128.2
126.9	127.5	128.1	128.1	129.4	130.4	131.9	132.3	132.8	133.7	135.0	135.3
97.1	97.9	98.9	99.7	100.7	101.8	103.0	104.4	105.6	106.9	108.1	109.4
109.5	110.3	110.4	111.4	110.9	111.9	112.1	111.6	111.9	112.6	112.9	112.8
121.8	122.9	124.0	124.4	125.2	125.8	127.2	128.0	129.3	130.0	131.5	132.5
119.1	119.6	121.5	120.8	120.9	120.8	123.4	123.7	124.8	125.1	127.8	128.5
122.5	123.7	124.7	125.3	126.3	127.1	128.1	129.1	130.5	131.3	132.5	133.5
2.1	2.0	2.0	2.0	1.9	1.8	1.9	2.0	2.1	2.2	2.2	2.2
1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.7	1.8	1.8	1.8	1.7
1.5	1.5	1.6	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.7	1.6
2.8	2.4	2.1	1.6	1.3	1.1	1.1	1.4	1.5	1.7	1.9	1.9
2.4	2.4	2.4	2.3	2.2	2.2	2.2	2.3	2.4	2.6	2.7	2.7
2.1	2.0	1.9	1.8	1.6	1.5	1.5	1.7	1.8	2.0	2.0	2.0
1.8	1.8	1.8	1.7	1.5	1.5	1.5	1.7	1.9	2.0	2.0	2.0
1.7	1.6	1.5	1.4	1.3	1.2	1.3	1.5	1.7	1.8	1.9	1.9
1.8	2.0	2.0	1.8	1.8	1.7	1.7	1.9	2.1	2.2	2.2	2.1
2.0	2.0	1.9	1.8	1.7	1.6	1.6	1.8	2.0	2.1	2.1	2.1
1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.6
1.4	1.4	1.5	1.5	1.4	1.3	1.4	1.5	1.7	1.8	1.9	1.7
3.4	3.1	2.8	2.3	1.9	1.6	1.5	1.6	1.6	1.8	1.9	2.0
2.5	2.4	2.4	2.4	2.5	2.4	2.4	2.4	2.4	2.7	2.8	3.0
3.0	2.8	2.8	2.3	1.9	1.9	2.1	2.6	2.8	2.9	2.7	2.5
3.3	3.0	2.9	3.0	3.2	3.5	3.8	4.1	4.4	4.7	4.9	4.9
0.5	0.6	0.9	1.2	1.3	1.4	1.5	1.1	1.0	0.8	0.6	0.8
2.9	3.1	3.3	3.2	3.1	2.9	2.7	2.7	2.8	3.0	3.3	3.4
3.0	3.9	4.8	4.4	3.7	2.7	1.7	1.6	2.1	2.7	3.2	3.6
2.9	2.9	2.9	2.9	3.0	3.0	2.9	2.9	3.0	3.1	3.3	3.4

Figure 1
Percent Change in Consumer Price From the Same Period of Previous Year: 1985-95

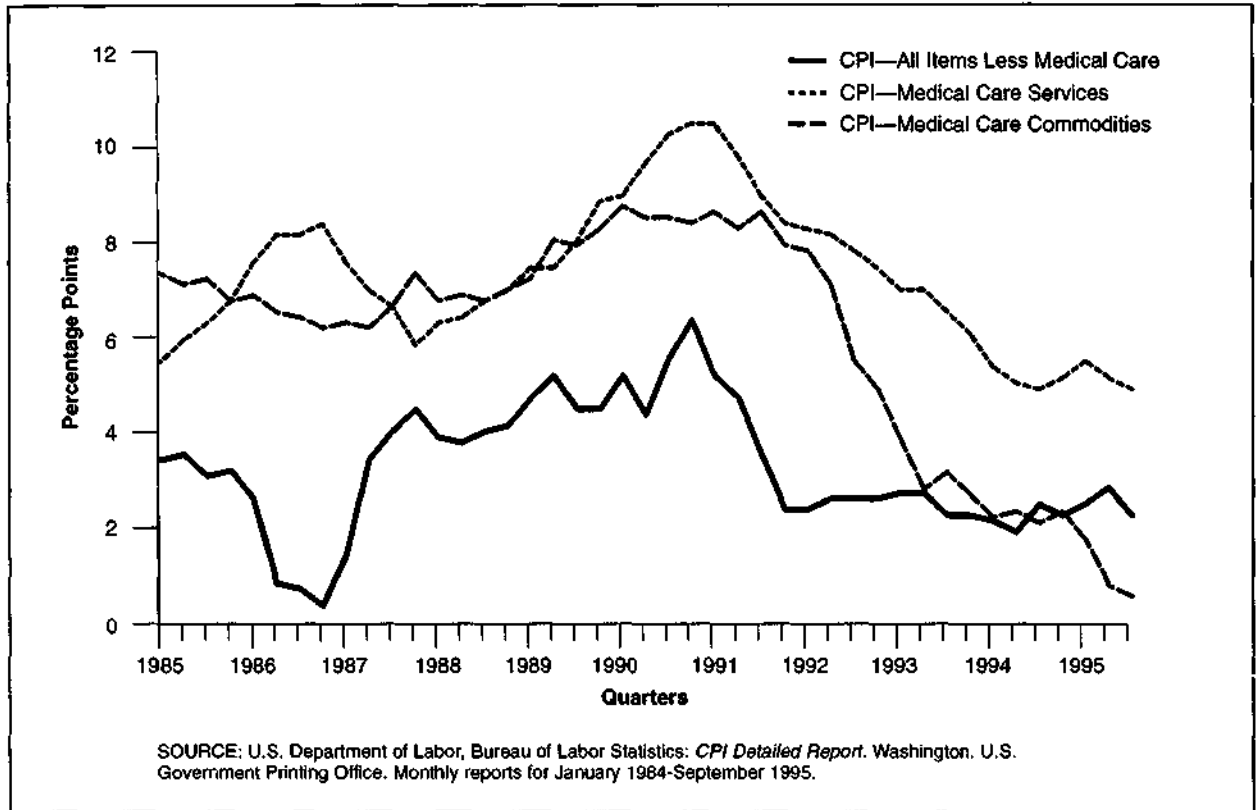


Figure 2
Percent Change in Inpatient Hospitals Statistics From the Same Period of Previous Year:
1994 Versus 1995

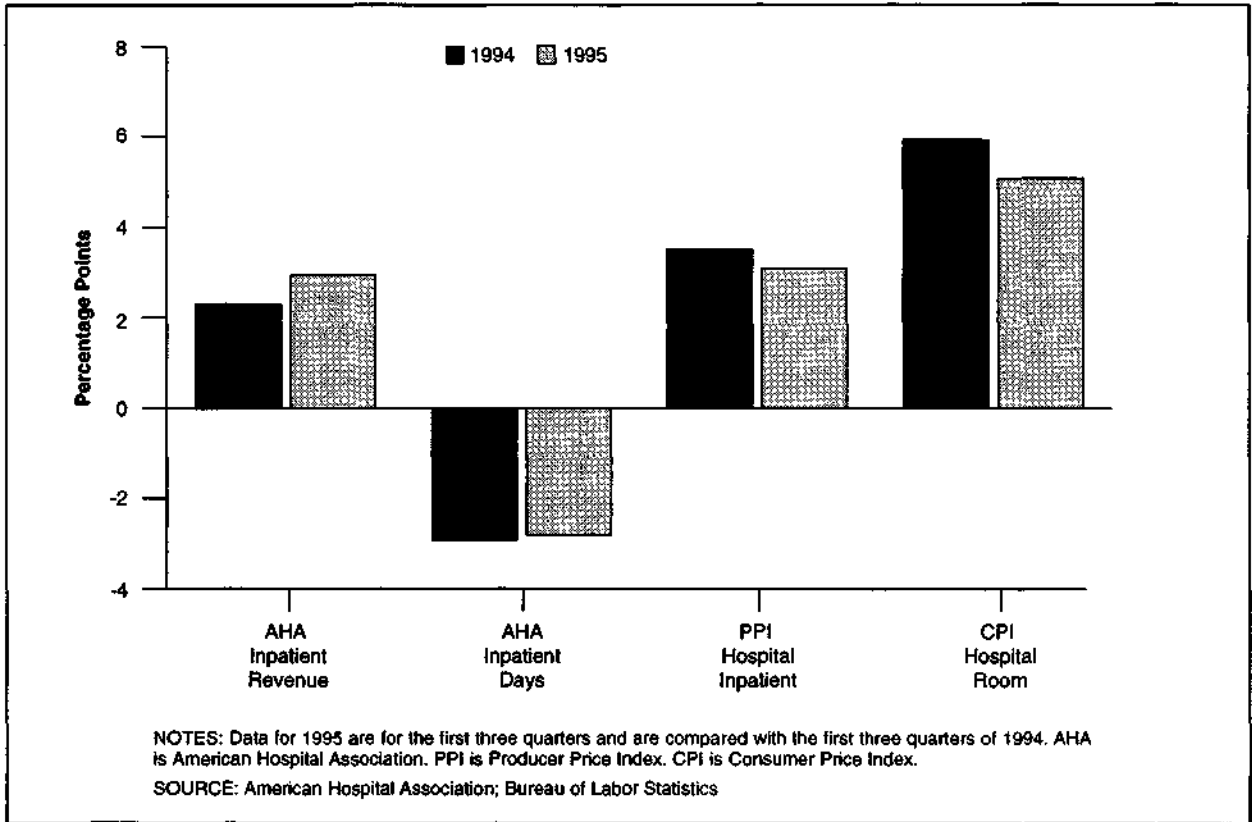


Figure 3
Percent Change in Outpatient Hospital Statistics From the Same Period of Previous Year:
1994 Versus 1995

