
Health Care Indicators

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This regular feature of the journal includes a discussion of each of the following four topics: community hospital statistics; employment, hours, and earnings in the private health sector; health care prices; and national economic indicators. These statistics are valuable in their own right 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.

INTRODUCTION

This article presents statistics on health care use, prices, expenses, employment, and work hours, as well as on national economic activity. Some of these statistics are based on sample surveys conducted monthly or quarterly by government agencies or private organizations, and are available 1 to 3 months after the completion of the period. They provide an early indication of changes occurring within the general economy and in the health care sector.

The accompanying tables report selected quarterly statistics for 1991 through the third quarter of 1994, and the calendar year aggregation of quarterly information for the past 3 years. Additional tables show the change from the same period 1 year earlier. For quarterly information, this calculation permits analysis of quarterly data to focus on the direction and magnitude of

changes, without interference introduced by seasonal fluctuations.

In the national health accounts, indicators such as these play an important role in the estimation of the latest historical year of health care expenditures. Information that is more comprehensive tends to lag behind the close of a calendar year by 9 to 12 months or more. Therefore, we rely extensively 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 expenditure change.

In the following sections, we will identify important indicators of health care and national economic activity and their sources. We will then describe what these indicators tell us about general economic conditions and health sector activity during the third quarter of 1994.

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 1993, 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.

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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 from 1991 and for selected quarters from 1991 through the third quarter of 1994. Figure 1 shows changes from the same quarter 1 year earlier for total hospital operating expenses and inpatient expenses for 1985-94. Figure 2 shows changes from the same quarter 1 year earlier in hospital admissions, outpatient visits, and inpatient days for 1985-94.

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 37 percent of all health spending in 1993 (Levit et al., 1994a). The survey also identifies important factors influencing expenditure growth patterns, such as changes in the number of beds in operation, number 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 earnings and work hours for non-supervisory workers in a sample of 392,000 establishments. Data are collected through cooperative agreements with State agencies which 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, 1994a).

Employment in this survey is defined as number of jobs. Persons holding multiple jobs would be counted multiple times. Approximately 5 percent of the population hold more than one job at any one time. (Other surveys that are household-based, such as the Current Population Survey [CPS], also record employment. In the CPS, however, each person's employment status is counted only once, as either employed, unemployed, or not in the labor force.) Once each year, monthly establishment-based employment statistics are adjusted to benchmarks created from annual establishment census information, resulting in revisions to previously published employment estimates.

Tables 3 and 4 present statistics on employment, average hourly earnings, and average weekly hours in private (non-government) health service establishments. Similar statistics for the all private non-agricultural sector, included on these tables, provide a basis for comparing the economy as a whole with the health sector in employment, earnings, and work hours. Figure 3 shows changes from the same quarter 1 year earlier in employment in the private non-agricultural sector, the health services industry, and hospitals for the years 1985-94. Table 5 summarizes business activity in the health sector and the overall economy by measuring change in the implied non-supervisory work hours and payroll. Implied work hours are the product of the number of non-supervisory employees and average weekly hours. Implied non-supervisory payrolls are calculated by multiplying implied work hours by average hourly earnings. Figures 4 and 5 show the percent

change from the same quarter 1 year earlier in implied non-supervisory work hours and payrolls for the years 1984-94.

For purposes of NHE, changes in work hours combined with changes in prices (discussed in a later section) can be used to gauge the direction and magnitude of expenditure change in specific health sector industries. We use these composite indicators in the estimation of growth in physician and dental expenditures for the most recent period. We study the historical relationship of changes in this indicator to changes in expenditures, and estimate this relationship for the most recent period.

PRICES

Consumer Prices

BLS publishes monthly information on changes in prices paid by consumers for a fixed market basket of goods and services. Tables 6 and 7 and Figure 6 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, 1994b].)

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 price changes for out-of-pocket expenditures 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. For example, the composite medical care CPI measures inflation for the 3 percent of hospital expenditures that are made out-of-pocket by consumers; the remaining 97 percent of the costs of hospital care paid by private health insurers, Medicare, Medicaid, and other payers are not weighted into the CPI for medical care. 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 CPI for hospital and related services, adjusted by the Health Care Financing Administration (HCFA) to provide transaction price changes, are used as measures of inflation for the health industry. The indexes are used to develop a fixed-weight 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., 1994b).

Background on 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 increase 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 8 through 13 are forecasted and are expected to change as more recent historical data become available and subsequent quarterly forecasts are received.

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, 1994, *Federal Register*. The latest HHA regulatory input price index was published in the July 8, 1993, *Federal Register*, and the latest SNF input price index was published in the October 7, 1992, *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 two tables: The first table shows the quarterly levels for each price index, and the second is a percentage change table. The hospital input price index for PPS is in Tables 8 and 9. The SNF input price index is in Tables 10 and 11. The HHA input price index is in Tables 12 and 13.

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. Tables 14 and 15 present national indicators of output and employment.

Gross domestic product (GDP) measures the output of the U.S. economy as the market value of goods and services produced within the geographic boundaries of the United States by U.S. or foreign citizens or companies. Constant dollar or "real" GDP removes the effects of price changes from the valuation of goods and services produced, so that the growth of real GDP reflects changes in the "physical quantity" of the output of the economy (U.S. Department of Commerce, 1994).

Third Quarter Indicators

Total operating expenses in community hospitals were \$73.5 billion in the third quarter of 1994, an increase of 5.0 percent from the same quarter a year earlier. The increase in total operating expenses is attributable to the impact of a 4.9-percent increase in labor expenses and a 5.0-percent increase in non-labor expenses in the third quarter of 1994, measured over the same quarter a year earlier. Inpatient expenses grew to \$51.7 billion in the third quarter, an increase of 2.9 percent from the same quarter a year earlier (Figure 1).

Admissions to community hospitals increased 0.9 percent in the third quarter of 1994, measured over the same quarter a year earlier. The third quarter increase is a continuation of the recent trend of gradually increasing admissions. In each quarter since the third quarter of 1993, community hospital admissions increased over the same quarter a year earlier (Figure 2). Adult length of stay in community hospitals continued to decrease in the third quarter. The 3.8-percent decrease in adult length of stay since the third quarter of 1993 makes it

likely that the average adult length of stay for all of 1994 will be one of the lowest on record. The combined effect of the increase in admissions with the decrease in adult length of stay was an overall decrease in inpatient days. In the third quarter of 1994 the number of inpatient days fell 2.9 percent from the same quarter a year earlier.

Statistics on two other measures of community hospital utilization, outpatient visits and surgical operations, show that increases in these measures accelerated in the third quarter of 1994. Outpatient visits increased 7.9 percent in the third quarter of 1994 measured over the same quarter a year earlier, an acceleration in growth compared with the 6.4-percent increases registered in the third quarters of 1992 and 1993. The number of surgical operations increased 2.9 percent in the third quarter of 1994, as measured over the same quarter a year earlier. This is also an acceleration compared with growth in the number of surgical operations registered in the third quarters of 1992 and 1993.

One of the most significant developments in the third quarter of 1994 was that employment in the health services industry grew more slowly than employment in the private sector as a whole. Since the third quarter of 1985, employment has grown faster in health services than in the private sector as a whole. The recent historical relationship between the growth in health services employment and total private sector employment was reversed in the third quarter of 1994. Employment in the health services industry increased 3.0 percent in the third quarter of 1994, measured over the same quarter in the previous year, compared with an increase of 3.2 percent for all private non-agricultural establishments (Figure 3). Most of the deceleration in health services employment is attributable to very slow growth in

hospital employment. Total hospital employment growth has been decelerating since the fourth quarter of 1990. Total hospital employment actually declined from the third quarter of 1993 to the third quarter of 1994.

The combined impact of changes in employment and hours worked can be examined in statistics on implied non-supervisory work hours, which are the product of the number of non-supervisory employees and their average weekly work hours. In each of the first three quarters of 1994, implied non-supervisory work hours grew more slowly in health services than in the private sector as a whole. In the third quarter of 1994, implied non-supervisory work hours in private health service establishments increased 2.6 percent, measured over the same quarter a year earlier, compared with an increase of 3.6 percent for the private non-agricultural sector (Figure 4). The fastest growing industry in the health sector continues to be the Offices and Clinics of Dentists, which registered an increase of 4.3 percent in implied non-supervisory work hours measured over the same quarter a year earlier. The slowest growing sector in the health sector was private hospitals, where implied non-supervisory work hours actually decreased 0.1 percent from the same quarter a year earlier.

Implied non-supervisory payrolls are calculated by multiplying implied work hours by average hourly earnings. In the third quarter of 1994, implied non-supervisory payrolls in health service establishments grew 5.5 percent from the same quarter a year earlier, while in private non-agricultural establishments the growth rate was 6.3 percent. After outpacing the private sector for several years, implied non-supervisory payrolls in health service establishments grew more slowly in each of the first three quarters of 1994 than implied

non-supervisory payrolls in private non-agricultural establishments. In private hospitals, non-supervisory payrolls increased 2.9 percent in the third quarter of 1994 measured over the same quarter a year earlier, a slight acceleration from the 2.5 growth in the second quarter of 1994 (Figure 5). This was the only industry within the health sector where growth in non-supervisory payrolls accelerated in the third quarter of 1994.

Consumer prices, as measured by the Consumer Price Index (CPI) for all urban consumers, increased 2.9 percent in the third quarter of 1994, measured over the same period a year earlier. The increase in consumer prices for medical care, as measured by the CPI, was 4.6 percent in the third quarter of 1994, measured over the same period a year earlier, a deceleration from the 5.9-percent increase registered from the third quarter of 1992 to the third quarter of 1993. Consumer prices for medical care continued to increase more rapidly than consumer prices in the rest of the economy during the first three quarters of 1994. However, the price increases for medical care, as measured by the CPI, have also exhibited more rapid deceleration than price increases for all items less medical care.

The rate of increases in prices for medical commodities in the third quarter of 1994 was approximately equal to the increase in prices for all items in the CPI (Figure 6). This is a significant development since the price increases in both medical care services and medical care commodities have outpaced price increases in the rest of the CPI for many years. In the third quarter of 1994, prices for medical care commodities, as measured by the CPI, increased 2.8 percent from the same quarter a year earlier, compared with price increases of 2.9 percent for all items and 2.7 percent for all items less medical care.

Overall economic conditions were generally favorable in the third quarter of 1994. The business cycle expansion continued, as real GDP increased 4.4 percent at an annual rate. The unemployment rate fell from 6.6 percent in the first quarter of 1994 to 6.0 percent in the third quarter of 1994. Despite the significant reduction in the unemployment rate, inflation remained moderate by recent historic standards. As measured over the same quarter a year earlier, the CPI and the GDP fixed weight price index both registered increases of less than 3.0 percent. The Producer Price Index (PPI) for finished goods increased 0.9 percent from the same quarter a year earlier, reflecting continued moderation in the growth of wholesale prices.

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Table 1
Selected Community Hospital Statistics: 1991-94

Item	Calendar Year			1991 Q3	1992 Q3	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3
	1991	1992	1993							
Operating Expenses										
Total in Millions	\$238,633	\$260,994	\$278,880	\$60,214	\$65,829	\$70,002	\$71,106	\$71,677	\$72,618	\$73,468
Labor in Millions	\$128,704	\$140,112	\$149,733	\$32,516	\$35,396	\$37,578	\$38,123	\$38,420	\$38,828	\$39,408
Non-Labor in Millions	\$109,929	\$120,882	\$129,147	\$27,698	\$30,434	\$32,424	\$32,983	\$33,257	\$33,790	\$34,059
Inpatient Expense in Millions	178,401	191,401	202,055	44,586	47,873	50,274	51,229	52,023	51,366	51,709
Amount per Patient Day	844	927	1,000	866	950	1,024	1,033	1,006	1,056	1,085
Amount per Admission	5,461	5,905	6,188	5,522	5,980	6,220	6,299	6,217	6,279	6,341
Utilization										
Admissions in Thousands	32,670	32,411	32,652	8,075	8,005	8,083	8,133	8,368	8,180	8,154
Inpatient Days in Thousands	211,475	206,440	202,078	51,459	50,387	49,089	49,611	51,709	48,648	47,657
Adult Length of Stay in Days	6.5	6.4	6.2	6.4	6.3	6.1	6.1	6.2	5.9	5.8
Surgical Operations in Thousands	21,983	22,463	22,710	5,534	5,630	5,677	5,665	5,664	5,864	5,840
Outpatient Visits in Thousands	344,116	366,243	390,188	87,648	93,271	99,212	98,662	98,341	104,079	107,022
Beds in Thousands	912	908	902	910	908	901	897	895	893	888
Adult Occupancy Rate ¹	63.5	62.1	61.4	61.4	60.3	59.2	60.1	64.2	59.8	58.3
Full-Time Equivalent (FTE) Personnel										
Total in Thousands	3,249	3,300	3,323	3,252	3,310	3,326	3,315	3,312	3,309	3,296
Number per Bed	3.6	3.6	3.7	3.6	3.6	3.7	3.7	3.7	3.7	3.7
Adjusted Patient Days ² per FTE	87	85	84	21	21	21	21	22	21	21
Adjusted Patient Days in Thousands	282,874	281,502	278,911	69,496	69,286	68,351	68,860	71,244	68,776	67,711

¹Adult occupancy rate is the ratio of average daily census to the average number of beds maintained during the reporting period.

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 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.

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 1994.

Table 2
Percent Change in Selected Community Hospital Statistics: 1991-94

Item	Calendar Year			1991 Q3	1992 Q3	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3
	1991	1992	1993							
	Annual Percent Change			Percent Change From the Same Period of Previous Year						
Operating Expenses										
Total	9.9	9.4	6.9	9.7	9.3	6.3	6.3	4.6	4.9	5.0
Labor	9.2	8.9	6.9	8.6	8.9	6.2	5.7	4.5	4.2	4.9
Non-Labor	10.7	10.0	6.8	11.0	9.9	6.5	7.0	4.8	5.6	5.0
Inpatient Expenses										
Total	7.6	7.3	5.6	7.1	7.4	5.0	5.1	3.1	2.6	2.9
Amount per Patient Day	10.3	9.9	7.8	10.3	9.7	7.8	7.0	6.2	5.7	5.9
Amount per Admission	8.8	8.1	4.8	8.3	8.3	4.0	2.7	2.9	1.4	2.0
Utilization										
Admissions	-1.1	-0.8	0.7	-1.2	-0.9	1.0	2.3	0.2	1.2	0.9
Inpatient Days	-2.5	-2.4	-2.1	-2.9	-2.1	-2.6	-1.8	-2.9	-3.0	-2.9
Adult Length of Stay	-1.4	-1.6	-2.8	-1.8	-1.2	-3.5	-4.0	-3.1	-4.1	-3.8
Surgical Operations	0.4	2.2	1.1	0.7	1.7	0.8	1.5	0.3	2.5	2.9
Outpatient Visits	5.4	6.4	6.5	5.1	6.4	6.4	7.0	3.9	6.6	7.9
Beds										
Adult Occupancy Rate ¹	-1.0	-0.5	-0.7	-1.0	-0.3	-0.8	-0.8	-1.2	-1.2	-1.4
	-0.9	-1.4	-0.7	-1.2	-1.1	-1.1	-0.6	-1.1	-1.1	-0.9
Full-Time Equivalent (FTE) Personnel										
Total	0.6	1.6	0.7	0.3	1.8	0.5	-0.3	-0.3	-0.7	-0.9
Number per Bed	1.7	2.0	1.4	1.4	2.1	1.2	0.5	0.9	0.5	0.5
Adjusted Patient Days per FTE	-1.0	-2.0	-1.6	-0.9	-2.1	-1.8	-0.4	-1.2	-0.2	-0.0
Adjusted Patient Days	-0.4	-0.5	-0.9	-0.6	-0.3	-1.3	-0.7	-1.5	-0.8	-0.9

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 1990-September 1994.

Table 3

Employment, Hours, and Earnings in Private¹ Health Service Establishments, by Selected Type of Establishment: 1991-94

Type of Establishment and Measure	Calendar Year			1991 Q3	1992 Q3	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3
	1991	1992	1993							
Health Services (SIC 80)										
Total Employment in Thousands	8,182.9	8,490.0	8,766.6	8,246.9	8,536.0	8,822.3	8,876.3	8,908.9	9,002.4	9,085.7
Non-Supervisory Workers:										
Employment in Thousands	7,275.8	7,546.1	7,777.7	7,334.2	7,588.4	7,825.7	7,864.1	7,892.6	7,976.6	8,039.2
Average Weekly Hours	32.5	32.8	32.8	32.7	32.9	32.9	32.8	32.8	32.8	32.8
Average Hourly Earnings	\$10.96	\$11.39	\$11.78	\$11.05	\$11.44	\$11.80	\$11.92	\$12.01	\$12.02	\$12.13
Offices and Clinics of Medical Doctors (SIC 801)										
Total Employment in Thousands	1,404.5	1,463.1	1,511.9	1,420.1	1,472.8	1,523.9	1,529.0	1,536.6	1,554.2	1,573.9
Non-Supervisory Workers:										
Employment in Thousands	1,155.4	1,201.5	1,235.3	1,168.2	1,209.4	1,244.5	1,245.9	1,255.5	1,270.6	1,283.1
Average Weekly Hours	31.9	32.2	32.2	32.0	32.2	32.3	32.3	32.4	32.3	32.3
Average Hourly Earnings	\$11.13	\$11.41	\$11.88	\$11.15	\$11.47	\$11.91	\$12.06	\$12.15	\$12.19	\$12.25
Offices and Clinics of Dentists (SIC 802)										
Total Employment in Thousands	527.6	540.6	560.3	531.5	543.5	564.2	572.1	577.2	587.3	594.6
Non-Supervisory Workers:										
Employment in Thousands	463.5	473.2	490.1	467.5	475.8	493.7	500.1	505.4	513.9	518.8
Average Weekly Hours	28.3	28.3	28.3	28.2	28.3	28.2	28.3	28.2	28.2	28.0
Average Hourly Earnings	\$10.62	\$11.02	\$11.43	\$10.64	\$10.99	\$11.46	\$11.68	\$11.77	\$11.91	\$12.00
Nursing and Personal Care Facilities (SIC 805)										
Total Employment in Thousands	1,492.6	1,532.8	1,579.7	1,504.9	1,539.3	1,589.6	1,606.1	1,609.8	1,625.3	1,645.5
Non-Supervisory Workers:										
Employment in Thousands	1,347.4	1,384.8	1,425.8	1,358.8	1,391.6	1,434.9	1,448.0	1,450.0	1,464.5	1,482.8
Average Weekly Hours	32.1	32.3	32.2	32.4	32.7	32.6	32.0	32.0	32.1	32.5
Average Hourly Earnings	\$7.56	\$7.86	\$8.16	\$7.59	\$7.90	\$8.20	\$8.29	\$8.37	\$8.41	\$8.49
Private Hospitals (SIC 806)										
Total Employment in Thousands	3,655.1	3,749.9	3,786.8	3,673.0	3,766.8	3,798.0	3,787.2	3,784.4	3,789.0	3,797.1
Non-Supervisory Workers:										
Employment in Thousands	3,352.5	3,442.4	3,471.3	3,369.9	3,458.4	3,480.4	3,466.8	3,462.2	3,466.3	3,470.5
Average Weekly Hours	34.2	34.4	34.6	34.4	34.5	34.6	34.6	34.7	34.6	34.7
Average Hourly Earnings	\$12.50	\$13.03	\$13.46	\$12.66	\$13.11	\$13.49	\$13.61	\$13.70	\$13.70	\$13.90

See footnotes at end of table.

Table 3—Continued

Employment, Hours, and Earnings in Private¹ Health Service Establishments, by Selected Type of Establishment: 1991-94

Type of Establishment and Measure	Calendar Year			1991 Q3	1992 Q3	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3
	1991	1992	1993							
All Private Non-Agricultural Establishments										
Total Employment in Thousands	89,854	89,959	91,708	90,548	90,823	92,742	92,992	91,507	94,177	95,694
Non-Supervisory Workers:										
Employment in Thousands	72,650	72,931	74,623	73,331	73,752	75,586	75,827	74,382	76,883	78,238
Average Weekly Hours	34.3	34.4	34.5	34.6	34.6	34.8	34.6	34.2	34.7	34.8
Average Hourly Earnings	\$10.32	\$10.57	\$10.83	\$10.34	\$10.57	\$10.81	\$10.96	\$11.05	\$11.06	\$11.10
Employment in Thousands										
All Hospitals	4,958.2	5,067.9	5,110.8	4,979.0	5,088.1	5,128.9	5,114.6	5,111.7	5,114.4	5,122.2
Private Hospitals (SIC 806)	3,655.1	3,749.9	3,786.8	3,673.0	3,766.8	3,798.0	3,787.2	3,784.4	3,789.0	3,797.1
Federal Hospitals	233.5	234.7	232.4	234.9	234.5	233.7	232.3	231.5	229.6	228.6
State Hospitals	416.7	418.7	414.0	415.3	418.8	414.4	412.1	409.6	408.2	404.7
Local Hospitals	652.9	664.6	677.6	655.8	668.1	682.8	683.0	686.1	687.6	691.8

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

NOTES: Data presented here incorporate conversion to the 1987 Standard Industrial Classification (SIC) and a historical reconstruction of components back to the inception of the series, whenever possible. 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 1994.

Table 4

Percent Change in Employment, Hours, and Earnings in Private¹ Health Service Establishments, by Selected Type of Establishment: 1991-94

Type of Establishment and Measure	Calendar Year			1991 Q3	1992 Q3	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3
	1991	1992	1993							
	Annual Percent Change			Percent Change From the Same Period of Previous Year						
Health Services (SIC 80)										
Total Employment	4.7	3.8	3.3	4.6	3.5	3.4	3.3	3.1	3.1	3.0
Non-Supervisory Workers:										
Employment	4.7	3.7	3.1	4.6	3.5	3.1	3.0	2.9	2.9	2.7
Average Weekly Hours	-0.0	0.7	0.1	-0.3	0.6	0.0	0.0	0.1	0.0	-0.1
Average Hourly Earnings	5.3	3.9	3.4	5.6	3.6	3.1	3.0	2.7	2.6	2.8
Offices and Clinics of Medical Doctors (SIC 801)										
Total Employment	5.0	4.2	3.3	5.1	3.7	3.5	3.0	3.2	3.2	3.3
Non-Supervisory Workers:										
Employment	4.6	4.0	2.8	4.7	3.5	2.9	2.4	3.0	3.2	3.1
Average Weekly Hours	0.4	0.8	0.2	0.1	0.8	0.2	0.3	0.7	0.3	-0.1
Average Hourly Earnings	5.3	2.5	4.1	4.6	2.9	3.8	3.5	3.6	2.9	2.9
Offices and Clinics of Dentists (SIC 802)										
Total Employment	2.9	2.5	3.7	3.3	2.3	3.8	4.7	5.3	5.5	5.4
Non-Supervisory Workers:										
Employment	3.1	2.1	3.6	3.7	1.8	3.8	4.5	5.3	5.6	5.1
Average Weekly Hours	-0.4	0.2	-0.3	-1.1	0.4	-0.4	-0.2	0.1	-0.7	-0.7
Average Hourly Earnings	4.7	3.8	3.8	4.0	3.3	4.2	4.3	4.6	4.9	4.7
Nursing and Personal Care Facilities (SIC 805)										
Total Employment	5.5	2.7	3.1	5.5	2.3	3.3	3.8	3.7	3.5	3.5
Non-Supervisory Workers:										
Employment	5.4	2.8	3.0	5.4	2.4	3.1	3.5	3.4	3.3	3.3
Average Weekly Hours	0.1	0.5	-0.4	-0.5	0.8	-0.4	-0.9	0.1	-0.1	-0.3
Average Hourly Earnings	4.4	3.9	3.9	4.2	4.1	3.7	4.2	3.8	3.8	3.6

See footnote at end of table.

Table 4—Continued
Percent Change in Employment, Hours, and Earnings in Private¹ Health Service Establishments, by Selected Type of Establishment: 1991-94

Type of Establishment and Measure	Calendar Year			1991 Q3	1992 Q3	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3
	1991	1992	1993							
	Annual Percent Change			Percent Change From the Same Period of Previous Year						
Private Hospitals (SIC 806)										
Total Employment	3.0	2.6	1.0	2.8	2.6	0.8	0.4	0.2	0.1	-0.0
Non-Supervisory Workers:										
Employment	3.2	2.7	0.8	3.0	2.6	0.6	0.1	-0.1	-0.2	-0.3
Average Weekly Hours	-0.0	0.6	0.5	-0.1	0.4	0.4	0.5	0.5	0.2	0.2
Average Hourly Earnings	6.0	4.2	3.3	6.7	3.6	2.9	2.8	2.4	2.5	3.0
All Private Non-Agricultural Establishments										
Total Employment	-1.4	0.1	1.9	-1.6	0.3	2.1	2.3	2.3	2.8	3.2
Non-Supervisory Workers:										
Employment	-1.6	0.4	2.3	-1.7	0.6	2.5	2.6	2.5	3.1	3.5
Average Weekly Hours	-0.6	0.2	0.3	-0.6	-0.0	0.6	0.4	0.6	0.6	0.1
Average Hourly Earnings	3.1	2.4	2.5	3.0	2.3	2.3	2.5	2.6	2.5	2.6
Employment										
All Hospitals	2.2	2.2	0.8	2.1	2.2	0.8	0.5	0.4	0.2	-0.1
Private Hospitals (SIC 806)	3.0	2.6	1.0	2.8	2.6	0.8	0.4	0.2	0.1	-0.0
Federal Hospitals	0.8	0.5	-1.0	1.3	-0.2	-0.4	-0.2	0.0	-1.0	-2.2
State Hospitals	-2.2	0.5	-1.1	-2.2	0.8	-1.1	-1.1	-1.3	-1.5	-2.3
Local Hospitals	1.1	1.8	2.0	1.1	1.9	2.2	2.1	2.4	1.9	1.3

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

NOTES: Data presented here incorporate conversion to the 1987 Standard Industrial Classification (SIC) and a historical reconstruction of components back to the inception of the series whenever possible. 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 1994.

Table 5

Percent Change in Implied Non-Supervisory Payrolls and Work Hours in Private¹ Health Service Establishments, by Selected Type of Establishment: 1991-94

Type of Establishment	Calendar Year			1991 Q3	1992 Q3	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3
	1991	1992	1993							
	Annual Percent Change			Percent Change From the Same Period of Previous Year						
Private Health Service Establishments (SIC 80)										
Payrolls	10.3	8.5	6.7	10.1	7.8	6.4	6.1	5.8	5.6	5.5
Work Hours	4.7	4.4	3.1	4.3	4.1	3.1	3.0	3.0	2.9	2.6
Offices and Clinics of Medical Doctors (SIC 801)										
Payrolls	10.6	7.5	7.3	9.6	7.4	7.0	6.3	7.5	6.4	5.9
Work Hours	5.1	4.8	3.0	4.8	4.4	3.1	2.8	3.7	3.5	3.0
Offices and Clinics of Dentists (SIC 802)										
Payrolls	7.5	6.2	7.2	6.7	5.5	7.8	8.7	10.3	10.0	9.2
Work Hours	2.6	2.3	3.3	2.6	2.1	3.4	4.2	5.4	4.9	4.3
Nursing and Personal Care Facilities (SIC 805)										
Payrolls	10.1	7.4	6.5	9.3	7.5	6.5	6.9	7.5	7.1	6.8
Work Hours	5.5	3.3	2.5	4.9	3.3	2.7	2.6	3.5	3.2	3.0
Private Hospitals (SIC 806)										
Payrolls	9.4	7.6	4.7	9.8	6.7	4.0	3.4	2.8	2.5	2.9
Work Hours	3.2	3.3	1.3	2.9	3.0	1.0	0.6	0.4	0.0	-0.1
All Private Non-Agricultural Establishments										
Payrolls	0.9	3.1	5.2	0.6	2.8	5.5	5.6	5.9	6.4	6.3
Work Hours	-2.1	0.6	2.7	-2.3	0.6	3.1	3.0	3.1	3.7	3.6

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

NOTES: Data presented here incorporate conversion to the 1987 Standard Industrial Classification (SIC) and a historical reconstruction of components back to the inception of the series, whenever possible. 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 1994.

Table 6
Selected Items of the Consumer Price Index for All Urban Consumers: 1991-94

Item	Calendar Year			1991 Q3	1992 Q3	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3
	1991	1992	1993							
All Items	136.2	140.3	144.5	136.7	140.9	144.8	145.8	146.7	147.6	148.9
All Items Less Medical Care	133.8	137.5	141.2	134.3	138.0	141.5	142.4	143.3	144.1	145.4
Apparel and Upkeep	128.7	131.9	133.7	128.0	130.9	132.0	135.0	133.0	135.3	132.1
Energy	102.4	103.0	104.1	103.1	105.8	105.4	103.8	101.7	103.5	107.8
Food and Beverages	136.8	138.7	141.6	136.8	138.7	141.5	142.7	143.9	144.1	145.2
Housing: Shelter	146.3	151.2	155.7	147.2	152.0	156.6	156.9	159.0	159.8	161.4
Medical Care	177.0	190.1	201.4	178.7	191.5	202.8	204.8	207.5	209.8	212.2
Medical Care Services ¹	177.1	190.5	202.9	178.7	192.1	204.4	206.7	209.5	212.0	214.6
Professional Services	165.7	175.8	184.6	167.0	177.0	185.9	187.1	189.3	191.8	193.5
Physicians' Services	170.5	181.2	191.3	171.6	182.6	192.7	194.2	196.7	199.2	200.7
Dental Services	167.4	178.7	188.1	169.4	180.4	189.2	190.8	193.0	196.1	198.3
Hospital and Related Services	196.1	214.0	231.9	197.9	216.0	233.8	237.7	241.3	243.4	247.2
Hospital Room	191.9	208.7	226.4	193.3	210.6	228.2	232.0	235.3	237.2	240.9
Other Inpatient Services ²	158.0	172.3	185.6	159.5	173.9	187.2	190.4	193.5	195.4	198.2
Outpatient Services ²	153.4	168.7	184.3	155.1	170.1	185.6	188.7	191.5	192.9	196.3
Medical Care Commodities	176.8	188.0	195.0	178.9	189.0	196.0	196.7	198.5	200.1	201.6
Prescription Drugs	199.7	214.7	223.0	202.4	215.6	223.9	225.2	228.0	230.5	231.0
Non-Prescription Drugs and Medical Supplies ²	126.2	131.2	135.5	127.2	132.1	136.7	136.5	136.7	136.8	139.4
Internal and Respiratory Over-the-Counter Drugs	152.4	158.2	163.5	153.7	159.9	165.3	164.9	165.2	165.5	166.6
Non-Prescription Medical Equipment and Supplies	145.0	150.9	155.9	145.9	151.2	156.5	156.7	156.7	156.7	163.1

¹Includes net cost of private health insurance not shown in professional or hospital and related services.

²December 1986 = 100.

NOTES: 1982-84=100.0 unless noted. Q designates quarter of year. Quarterly data are not seasonally adjusted.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: *CPI Detailed Report*. Washington, U.S. Government Printing Office. Monthly reports for January 1991-September 1994.

Table 7
Percent Change in Selected Items of the Consumer Price Index for All Urban Consumers: 1991-94

Item	Calendar Year			1991 Q3	1992 Q3	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3
	1991	1992	1993							
	Annual Percent Change			Percent Change From the Same Period of Previous Year						
All Items	4.2	3.0	3.0	3.9	3.1	2.7	2.7	2.5	2.4	2.9
All Items Less Medical Care	3.9	2.7	2.7	3.6	2.8	2.5	2.5	2.4	2.2	2.7
Apparel and Upkeep	3.7	2.5	1.4	3.9	2.2	0.8	1.0	-0.1	0.5	0.1
Energy	0.4	0.5	1.1	-0.7	2.6	-0.3	-0.4	-0.9	-1.1	2.3
Food and Beverages	3.6	1.4	2.1	3.1	1.4	2.0	2.5	2.3	1.9	2.7
Housing: Shelter	4.5	3.4	3.0	3.7	3.3	3.0	2.9	3.0	2.9	3.1
Medical Care	8.7	7.4	6.0	8.5	7.2	5.9	5.5	5.0	4.7	4.6
Medical Care Services ¹	8.9	7.6	6.5	8.5	7.5	6.4	6.0	5.4	5.1	5.0
Professional Services	6.2	6.1	5.1	5.9	6.0	5.0	4.5	4.3	4.2	4.1
Physicians' Services	6.0	6.3	5.6	5.5	6.4	5.6	5.2	4.8	4.5	4.2
Dental Services	7.5	6.7	5.3	7.8	6.5	4.9	4.5	4.4	4.5	4.8
Hospital and Related Services	10.2	9.1	8.4	9.8	9.1	8.3	7.8	6.7	5.8	5.7
Hospital Room	9.4	8.8	8.5	8.9	9.0	8.4	7.8	6.6	5.6	5.5
Other Inpatient Services	10.7	9.1	7.8	10.2	9.1	7.6	7.6	6.8	6.3	5.9
Outpatient Services	10.6	10.0	9.3	10.7	9.7	9.1	8.0	6.5	5.4	5.7
Medical Care Commodities	8.2	6.4	3.7	8.4	5.7	3.7	3.3	2.9	3.0	2.8
Prescription Drugs	9.9	7.6	3.9	10.1	6.5	3.8	3.3	3.0	4.0	3.2
Non-Prescription Drugs and Medical Supplies	4.7	3.9	3.3	5.0	3.9	3.4	3.3	2.6	0.9	2.0
Internal and Respiratory Over-the-Counter Drugs	4.5	3.8	3.3	5.0	4.0	3.4	3.5	3.0	1.3	0.8
Non-Prescription Medical Equipment and Supplies	5.0	4.1	3.3	5.0	3.6	3.5	3.1	1.9	0.1	4.2

¹Includes net cost of private health insurance not shown in professional or hospital and related services.

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

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: *CPI Detailed Report*. Washington, U.S. Government Printing Office. Monthly reports for January 1990-September 1994.

Table 8

Quarterly Index Levels of the Prospective Payment System Hospital Input Price Index, by Expense Category: 1993-96

Expense Category ¹	Base Year Weights 1987 ²	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4
Total	100.000	127.7	128.7	129.5	130.1	131.0	131.7	132.8	133.8
Compensation	61.713	130.8	131.6	132.8	133.6	134.9	135.7	136.8	137.7
Wages and Salaries	52.216	128.1	128.9	130.0	130.9	131.8	132.7	133.7	134.6
Employee Benefits	9.497	145.2	146.4	147.7	148.9	151.7	152.1	153.6	155.0
Other Professional Fees	1.649	128.3	129.2	130.3	131.0	132.0	132.9	133.9	134.6
Energy and Utilities	2.368	113.2	116.9	115.9	113.0	109.6	110.1	114.1	113.7
Fuel Oil, Coal, and Other Fuel	0.624	117.9	120.0	110.3	115.2	106.7	105.6	110.8	113.4
Electricity	1.135	112.5	115.8	121.9	113.7	111.9	113.9	119.3	117.0
Natural Gas	0.343	102.0	107.8	103.3	107.5	109.9	101.2	92.3	96.5
Motor Gasoline	0.230	115.7	123.3	115.2	105.9	99.5	110.1	123.6	117.8
Water and Sewerage Maintenance	0.036	143.2	144.7	147.3	148.8	150.9	152.7	154.5	155.9
Professional Liability Insurance	1.433	137.5	138.5	139.5	140.6	140.1	140.3	140.8	141.6
All Other	32.837	122.6	123.5	123.7	124.1	124.8	125.2	126.3	127.6
Other Products	21.788	122.5	123.4	123.5	123.8	124.3	124.8	126.0	127.5
Pharmaceuticals	3.873	155.8	157.7	158.8	159.4	161.9	163.1	163.3	163.6
Food	3.299	117.3	118.2	118.6	119.1	120.1	120.2	119.9	119.6
Direct Purchase	2.111	114.2	115.3	115.7	116.2	117.5	117.3	116.6	115.7
Contract Service	1.188	122.6	123.3	123.8	124.3	124.7	125.3	125.8	126.3
Chemicals and Cleaning Products	3.126	117.7	119.1	118.0	117.3	115.8	118.3	124.0	131.4
Surgical and Medical Instruments	2.672	115.1	116.0	115.4	115.8	116.0	116.1	116.4	116.7
Photographic Supplies	2.623	112.6	112.7	112.8	113.5	114.6	113.7	114.3	112.7
Rubber and Plastics	2.323	113.4	113.6	113.8	114.1	113.9	114.1	115.1	117.0
Paper Products	1.399	114.6	115.3	114.9	114.7	113.9	114.0	116.4	121.7
Apparel	1.142	113.1	113.5	115.1	115.4	115.5	115.4	115.9	116.3
Minor Machinery and Equipment	0.497	112.7	112.7	112.8	112.9	113.4	113.8	113.8	114.3
Miscellaneous Products	0.833	118.9	119.9	118.8	118.8	119.1	119.6	120.3	121.1
Other Services	11.050	122.8	123.7	124.1	124.7	125.9	126.1	126.9	127.7
Business Services	3.845	122.1	122.3	122.7	122.7	125.2	124.6	125.0	125.7
Computer and Data Processing	1.992	133.4	135.9	136.6	138.1	139.9	140.1	141.3	142.8
Transportation and Shipping	1.233	124.4	125.2	125.4	127.3	127.1	128.2	130.5	131.5
Telephone	0.987	103.4	103.2	103.8	104.4	105.1	105.4	105.5	105.8
Blood Services	0.588	111.1	113.4	114.0	112.5	108.3	110.9	110.4	109.0
Postage	0.372	131.9	131.9	131.9	131.9	131.9	131.9	131.9	131.9
Other—Labor Intensive	1.233	121.6	122.3	123.1	123.5	124.6	125.1	126.0	127.1
Other—Non-Labor Intensive	0.800	127.3	128.3	128.8	129.7	130.5	131.4	132.5	133.3

See footnotes at end of table.

Table 8—Continued

Quarterly Index Levels of the Prospective Payment System Hospital Input Price Index, by Expense Category: 1993-96

Expense Category ¹	Base Year Weights 1987 ²	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4
Total	100.000	135.2	136.3	137.8	139.0	140.5	141.6	143.2	144.6
Compensation	61.713	139.0	139.9	141.7	142.9	144.4	145.4	147.3	148.7
Wages and Salaries	52.216	135.5	136.3	137.9	139.1	140.3	141.1	142.7	143.9
Employee Benefits	9.497	158.0	159.5	162.2	163.9	167.0	169.0	172.3	174.8
Other Professional Fees	1.649	135.5	136.2	137.8	138.6	139.7	140.5	142.2	143.1
Energy and Utilities	2.368	113.1	115.1	116.8	118.9	118.3	121.0	122.6	123.8
Fuel Oil, Coal, and Other Fuel	0.624	108.1	104.5	105.2	118.7	117.7	115.7	116.0	127.2
Electricity	1.135	118.0	120.4	123.1	120.3	120.6	122.5	125.2	122.3
Natural Gas	0.343	97.8	99.2	98.5	99.4	102.0	104.2	103.8	104.3
Motor Gasoline	0.230	118.1	134.6	136.9	134.8	125.0	146.0	148.4	143.0
Water and Sewerage Maintenance	0.036	158.3	160.1	163.0	164.4	166.9	169.2	172.7	174.1
Professional Liability Insurance	1.433	142.5	143.3	144.5	146.0	147.6	149.0	150.7	152.6
All Other	32.837	129.5	130.7	131.8	133.0	134.5	135.7	136.9	138.1
Other Products	21.788	129.4	130.7	131.9	133.1	134.8	136.0	137.2	138.3
Pharmaceuticals	3.873	165.9	167.3	168.5	171.2	174.6	176.7	177.7	179.7
Food	3.299	121.2	122.6	123.9	124.5	126.0	127.3	128.4	128.9
Direct Purchase	2.111	117.5	118.9	120.1	120.4	121.9	123.0	124.1	124.2
Contract Service	1.188	127.8	129.2	130.5	131.7	133.3	134.7	136.0	137.2
Chemicals and Cleaning Products	3.126	134.3	135.5	137.3	138.2	140.3	141.1	143.1	144.0
Surgical and Medical Instruments	2.672	118.5	119.8	120.2	121.5	123.1	124.0	124.3	125.7
Photographic Supplies	2.623	113.3	114.0	115.1	115.9	117.5	118.8	120.9	122.2
Rubber and Plastics	2.323	117.9	118.9	119.9	120.1	120.1	120.3	120.7	120.7
Paper Products	1.399	126.5	129.6	131.4	133.5	135.2	137.7	140.0	142.4
Apparel	1.142	116.5	117.7	119.1	119.3	119.1	120.0	121.1	121.7
Minor Machinery and Equipment	0.497	115.4	116.2	117.3	118.1	119.2	119.9	120.8	121.4
Miscellaneous Products	0.833	122.4	123.4	124.2	125.3	126.3	127.1	127.7	128.7
Other Services	11.050	129.6	130.6	131.5	132.7	134.0	135.2	136.3	137.5
Business Services	3.845	127.8	128.6	129.2	130.3	132.3	133.1	134.0	135.3
Computer and Data Processing	1.992	144.0	145.2	146.8	148.0	149.2	150.2	151.8	153.2
Transportation and Shipping	1.233	132.9	135.7	136.6	138.5	139.1	142.6	143.5	145.2
Telephone	0.987	106.4	107.0	107.4	107.7	108.9	109.9	110.6	110.8
Blood Services	0.588	108.3	108.2	107.6	108.5	109.4	110.6	110.5	111.6
Postage	0.372	152.1	152.1	152.1	152.1	152.1	152.1	152.1	152.1
Other—Labor Intensive	1.233	128.0	128.5	130.4	132.2	133.3	133.9	135.8	137.6
Other—Non-Labor Intensive	0.800	134.2	135.5	136.7	137.7	138.7	140.1	141.4	142.4

¹For data sources used to estimate the input price index relative weights and choice of price proxies, see the *Federal Register* (1990).

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

NOTES: Data through 1994, quarter 3, are historical. Data beginning with 1994, quarter 4, are forecasted. Q designates quarter of year.

SOURCES: Health Care Financing Administration, Office of the Actuary; Data from the Office of National Health Statistics, Division of Health Cost Analysis. Fourth quarter 1994 forecasts were produced by Data Resources, Inc./McGraw-Hill.

Table 9
Percent Change in Four-Quarter Moving Averages in the Prospective Payment System Hospital Input Price Index,
by Expense Category: 1993-96

Expense Category ¹	Base Year Weights 1987 ²	Four Quarters Ending							
		1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4
Total	100.000	3.1	3.1	3.0	2.9	2.7	2.5	2.5	2.6
Compensation	61.713	3.7	3.6	3.5	3.5	3.3	3.2	3.1	3.1
Wages and Salaries	52.216	3.3	3.1	3.1	3.1	3.0	3.0	2.9	2.9
Employee Benefits	9.497	6.2	6.1	5.8	5.3	4.9	4.4	4.2	4.1
Other Professional Fees	1.649	3.8	3.6	3.4	3.3	3.1	3.0	2.9	2.8
Energy and Utilities	2.368	2.3	2.5	0.9	-0.3	-2.0	-4.0	-3.5	-2.5
Fuel Oil, Coal, and Other Fuel	0.624	3.2	1.8	-2.4	-3.0	-7.2	-10.1	-7.1	-5.8
Electricity	1.135	1.1	1.1	1.2	0.8	0.4	-0.2	-1.1	-0.4
Natural Gas	0.343	5.0	10.5	9.0	5.1	5.7	0.2	-2.8	-4.9
Motor Gasoline	0.230	2.0	1.1	-2.6	-6.1	-10.2	-12.3	-7.9	-2.0
Water and Sewerage Maintenance	0.036	6.5	6.2	5.9	5.4	5.2	5.2	5.2	5.1
Professional Liability Insurance	1.433	3.1	2.8	2.8	3.0	2.8	2.3	1.8	1.2
All Other	32.837	1.9	2.0	1.9	1.9	1.8	1.7	1.8	2.0
Other Products	21.788	1.8	2.0	1.9	1.7	1.6	1.4	1.5	1.9
Pharmaceuticals	3.873	5.9	5.4	5.0	4.5	4.2	3.9	3.5	3.2
Food	3.299	1.0	1.1	1.3	1.7	2.0	2.0	1.9	1.4
Direct Purchase	2.111	0.5	0.8	1.0	1.6	2.1	2.2	1.9	1.2
Contract Service	1.188	1.7	1.7	1.7	1.8	1.8	1.8	1.7	1.6
Chemicals and Cleaning Products	3.126	0.1	1.7	1.4	1.1	0.1	-0.8	0.5	3.7
Surgical and Medical Instruments	2.672	2.3	2.3	2.3	2.1	1.7	1.1	0.9	0.6
Photographic Supplies	2.623	-0.4	-0.6	-0.9	-1.1	-0.3	0.2	0.9	0.8
Rubber and Plastics	2.323	0.6	0.9	0.9	0.8	0.7	0.6	0.7	1.2
Paper Products	1.399	-0.6	-0.4	-0.4	-0.4	-0.4	-0.6	-0.2	1.4
Apparel	1.142	1.8	1.7	1.9	1.9	2.0	2.0	1.6	1.3
Minor Machinery and Equipment	0.497	0.2	0.3	0.5	0.6	0.6	0.7	0.8	0.9
Miscellaneous Products	0.833	1.6	1.8	1.6	1.2	0.8	0.2	0.4	0.8
Other Services	11.050	2.0	2.0	2.0	2.1	2.3	2.3	2.3	2.3
Business Services	3.845	1.6	1.7	1.5	1.6	2.0	2.0	2.0	2.2
Computer and Data Processing	1.992	2.0	2.9	3.4	3.8	4.2	4.0	3.8	3.7
Transportation and Shipping	1.233	3.0	3.2	3.1	3.0	2.6	2.4	2.8	3.0
Telephone	0.987	0.2	0.0	0.2	0.7	1.1	1.6	1.8	1.7
Blood Services	0.588	4.5	1.7	0.2	-0.2	-0.8	-0.9	-1.9	-2.7
Postage	0.372	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other—Labor Intensive	1.233	2.4	2.2	2.1	2.1	2.2	2.3	2.3	2.5
Other—Non-Labor Intensive	0.800	3.1	3.1	3.0	3.0	2.8	2.6	2.6	2.6

See footnotes at end of table.

Table 9—Continued

**Percent Change in Four-Quarter Moving Averages in the Prospective Payment System Hospital Input Price Index,
by Expense Category: 1993-96**

Expense Category ¹	Base Year Weights 1987 ²	Four Quarters Ending							
		1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4
Total	100.000	2.8	3.1	3.3	3.6	3.8	3.9	3.9	3.9
Compensation	61.713	3.1	3.1	3.2	3.4	3.6	3.8	3.9	3.9
Wages and Salaries	52.216	2.8	2.8	2.9	3.0	3.2	3.4	3.5	3.5
Employee Benefits	9.497	4.1	4.3	4.7	5.1	5.5	5.8	5.9	6.1
Other Professional Fees	1.649	2.8	2.7	2.7	2.7	2.9	3.1	3.1	3.2
Energy and Utilities	2.368	-1.0	1.7	2.7	3.7	4.0	4.2	4.8	4.7
Fuel Oil, Coal, and Other Fuel	0.624	-3.1	-0.2	-1.6	0.0	1.9	4.7	8.5	9.2
Electricity	1.135	1.1	2.9	4.3	4.3	3.4	2.5	2.1	1.8
Natural Gas	0.343	-9.5	-8.5	-4.6	-1.2	2.9	4.7	4.4	4.9
Motor Gasoline	0.230	5.8	14.7	15.6	16.3	13.2	9.9	9.2	7.2
Water and Sewerage Maintenance	0.036	5.0	4.8	5.0	5.2	5.3	5.5	5.6	5.7
Professional Liability Insurance	1.433	1.2	1.4	1.8	2.4	2.9	3.3	3.7	4.1
All Other	32.837	2.5	3.3	3.8	4.1	4.2	4.1	4.0	3.9
Other Products	21.788	2.6	3.5	4.1	4.5	4.5	4.3	4.1	4.0
Pharmaceuticals	3.873	2.8	2.6	2.7	3.2	3.9	4.7	5.2	5.3
Food	3.299	1.0	1.1	1.6	2.6	3.4	3.8	3.9	3.7
Direct Purchase	2.111	0.5	0.4	1.0	2.1	3.1	3.6	3.6	3.4
Contract Service	1.188	1.8	2.2	2.7	3.4	3.8	4.2	4.3	4.2
Chemicals and Cleaning Products	3.126	8.0	11.9	13.3	11.4	8.5	6.0	4.5	4.3
Surgical and Medical Instruments	2.672	1.0	1.8	2.3	3.2	3.6	3.7	3.7	3.6
Photographic Supplies	2.623	0.1	-0.1	-0.2	0.6	1.9	2.9	4.0	4.6
Rubber and Plastics	2.323	1.9	2.8	3.6	3.6	3.2	2.4	1.6	1.1
Paper Products	1.399	4.3	8.0	10.9	11.8	10.7	8.8	7.3	6.6
Apparel	1.142	1.0	1.1	1.6	2.1	2.4	2.4	2.1	1.9
Minor Machinery and Equipment	0.497	1.2	1.5	2.0	2.5	2.9	3.2	3.2	3.1
Miscellaneous Products	0.833	1.4	2.3	2.8	3.1	3.2	3.2	3.1	3.0
Other Services	11.050	2.4	2.8	3.1	3.5	3.6	3.6	3.6	3.5
Business Services	3.845	2.1	2.4	2.8	3.1	3.4	3.5	3.6	3.7
Computer and Data Processing	1.992	3.2	3.3	3.5	3.5	3.7	3.7	3.5	3.5
Transportation and Shipping	1.233	3.6	4.5	4.6	5.1	5.1	4.9	5.0	4.9
Telephone	0.987	1.6	1.4	1.5	1.6	1.9	2.2	2.4	2.7
Blood Services	0.588	-2.1	-2.2	-2.0	-1.4	-1.2	0.0	1.3	2.2
Postage	0.372	3.8	7.7	11.5	15.4	11.1	7.1	3.4	0.0
Other—Labor Intensive	1.233	2.6	2.7	2.9	3.2	3.6	4.0	4.1	4.1
Other—Non-Labor Intensive	0.800	2.7	2.9	3.0	3.1	3.2	3.3	3.4	3.4

¹For data sources used to estimate the input price index relative weights and choice of price proxies, see the *Federal Register* (1990).

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

NOTES: Data through 1994, quarter 3, are historical. Data beginning with 1994, quarter 4, are forecasted. Q designates quarter of year. Percent change data shown are four-quarter moving averages. The following is an example of how a percent change is calculated: Use the quarterly index levels shown in Tables 9, 11, and 13. Choose the four-quarter period ending for which you would like to calculate the percent change (e.g., year-end 1994, quarter 3). Count back three quarters so that you have a total of four (e.g., 1994, quarter 3; 1994, quarter 2; 1994, quarter 1; 1993, quarter 4). Average these four quarters (add the index levels and divide by 4). Now take the four quarters previous to the four quarters that you just used (e.g., 1993, quarter 3; 1993, quarter 2; 1993, quarter 1; 1992, quarter 4). Average these four quarters. Finally, compute a percent change using the two averages.

SOURCES: Health Care Financing Administration, Office of the Actuary. Data from the Office of National Health Statistics, Division of Health Cost Analysis. Fourth quarter 1994 forecasts were produced by Data Resources, Inc./McGraw-Hill.

Table 10

Quarterly Index Levels in the Skilled Nursing Facility Input Price Index, by Expense Category: 1993-96

Expense Category ¹	Base Year	1993	1993	1993	1993	1994	1994	1994	1994
	Weights 1977 ²	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total	100.000	245.2	247.2	249.6	252.1	254.5	255.7	257.6	260.0
Compensation	70.620	249.2	251.0	253.8	256.7	259.4	260.7	262.9	265.7
Wages and Salaries	63.020	246.7	248.0	250.9	253.7	256.2	257.5	259.8	262.7
Employee Benefits	7.600	270.4	275.9	278.7	281.8	286.0	287.6	288.3	290.6
Fuel and Other Energy	4.270	228.0	231.3	232.6	231.3	233.0	232.8	232.8	234.3
Fuel Oil and Coal	1.660	207.5	209.1	206.7	202.4	205.4	203.8	203.6	205.0
Electricity	1.210	219.3	222.8	224.5	224.3	221.8	221.2	223.6	224.7
Natural Gas	0.910	238.6	245.2	250.2	250.7	254.0	254.6	249.8	251.5
Water and Sewerage Maintenance	0.490	298.9	302.0	307.5	310.7	315.1	318.7	322.5	325.4
Food	9.740	189.1	190.5	191.0	193.1	194.0	194.0	194.6	195.0
Direct Purchase	4.930	166.2	167.3	167.5	169.4	171.0	170.1	168.8	168.7
Contract Service	4.810	212.6	214.3	215.0	217.4	217.7	218.5	221.1	222.0
All Other	15.370	267.3	269.9	271.8	273.8	276.1	278.2	280.2	282.2
Pharmaceuticals	1.500	363.5	367.8	370.4	371.9	377.8	380.4	380.9	381.6
Supplies	3.280	236.1	237.9	239.0	240.8	242.1	243.7	245.9	247.6
Health Services	1.210	320.9	325.7	329.5	331.9	336.2	340.5	343.1	346.5
Other Business Services	4.590	276.6	279.5	282.0	284.3	286.7	288.9	291.1	293.6
Miscellaneous Costs	4.790	236.1	237.9	239.0	240.8	242.1	243.7	245.9	247.6

Expense Category ¹	Base Year	1995	1995	1995	1995	1996	1996	1996	1996
	Weights 1977 ²	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total	100.000	263.3	264.7	267.8	270.3	274.2	276.0	279.4	282.4
Compensation	70.620	269.4	270.6	274.0	276.7	281.0	282.7	286.6	289.9
Wages and Salaries	63.020	266.2	267.1	270.6	273.1	277.5	279.0	283.0	286.3
Employee Benefits	7.600	296.1	299.5	302.7	306.0	310.4	313.5	316.4	319.9
Fuel and Other Energy	4.270	237.0	237.4	239.4	241.7	243.9	245.3	247.6	249.4
Fuel Oil and Coal	1.660	208.4	207.0	209.8	213.6	216.4	217.4	219.3	221.6
Electricity	1.210	226.0	227.2	228.2	228.9	229.6	230.2	231.0	231.8
Natural Gas	0.910	253.4	254.0	254.3	255.2	256.8	258.4	260.2	262.1
Water and Sewerage Maintenance	0.490	330.5	334.3	340.2	343.1	348.5	353.3	360.4	363.4
Food	9.740	196.5	198.3	200.0	201.8	203.4	205.3	207.0	208.7
Direct Purchase	4.930	170.6	172.4	174.0	175.6	177.0	178.4	179.7	181.1
Contract Service	4.810	223.1	224.8	226.6	228.6	230.6	232.8	235.0	237.1
All Other	15.370	285.0	287.4	289.9	292.7	295.9	298.7	301.3	304.0
Pharmaceuticals	1.500	387.1	390.3	393.0	399.5	407.4	412.2	414.5	419.2
Supplies	3.280	249.7	251.6	253.7	255.8	258.0	260.1	262.3	264.6
Health Services	1.210	350.9	355.0	359.2	363.1	369.4	374.1	378.2	380.9
Other Business Services	4.590	296.3	298.9	301.5	304.1	306.8	309.6	312.4	315.4
Miscellaneous Costs	4.790	249.7	251.6	253.7	255.8	258.0	260.1	262.3	264.6

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

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

NOTES: Data through 1994, quarter 3, are historical. Data beginning with 1994, quarter 4, are forecasted. Q designates quarter of year.

SOURCES: Health Care Financing Administration, Office of the Actuary; Data from the Office of National Health Statistics, Division of Health Cost Analysis. Fourth quarter 1994 forecasts were produced by Data Resources, Inc./McGraw-Hill.

Table 11
Percent Change in Four-Quarter Averages in the Skilled Nursing Facility Input Price Index,
by Expense Category: 1993-96

Expense Category ¹	Base Year	Four Quarters Ending							
	Weights 1977 ²	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4
Total	100.000	3.9	3.8	3.7	3.7	3.7	3.7	3.6	3.4
Compensation	70.620	4.3	4.1	4.0	4.0	4.0	4.0	3.9	3.7
Wages and Salaries	63.020	4.0	3.9	3.8	3.9	3.8	3.9	3.9	3.7
Employee Benefits	7.600	6.8	6.1	5.4	4.9	5.2	4.9	4.6	4.1
Fuel and Other Energy	4.270	2.2	2.8	2.7	2.6	2.4	1.6	1.0	1.0
Fuel Oil and Coal	1.660	-0.1	0.7	0.0	-0.2	-0.9	-2.0	-2.0	-1.0
Electricity	1.210	1.9	1.9	2.0	1.9	1.9	1.2	0.4	0.0
Natural Gas	0.910	3.4	4.9	6.1	6.2	6.4	5.6	3.7	2.6
Water and Sewerage Maintenance	0.490	6.5	6.2	5.9	5.4	5.2	5.2	5.2	5.1
Food	9.740	1.2	1.4	1.5	1.9	2.2	2.2	2.2	1.8
Direct Purchase	4.930	0.5	0.8	1.0	1.6	2.1	2.2	1.9	1.2
Contract Service	4.810	1.8	1.8	1.9	2.1	2.3	2.3	2.5	2.3
All Other	15.370	4.0	3.9	3.8	3.7	3.5	3.3	3.2	3.1
Pharmaceuticals	1.500	5.9	5.4	5.0	4.5	4.2	3.9	3.5	3.2
Supplies	3.280	3.1	3.1	3.0	3.0	2.8	2.6	2.6	2.7
Health Services	1.210	6.3	6.1	5.9	5.6	5.3	5.0	4.7	4.5
Other Business Services	4.590	3.7	3.8	3.9	3.8	3.8	3.7	3.5	3.4
Miscellaneous Costs	4.790	3.1	3.1	3.0	3.0	2.8	2.6	2.6	2.7

Expense Category ¹	Base Year	Four Quarters Ending							
	Weights 1977 ²	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4
Total	100.000	3.3	3.3	3.5	3.7	3.9	4.1	4.2	4.3
Compensation	70.620	3.7	3.7	3.8	4.0	4.1	4.3	4.4	4.5
Wages and Salaries	63.020	3.7	3.7	3.8	3.9	4.0	4.2	4.3	4.5
Employee Benefits	7.600	3.6	3.6	3.9	4.5	4.8	5.0	4.8	4.6
Fuel and Other Energy	4.270	0.9	1.3	2.0	2.4	2.7	3.1	3.2	3.2
Fuel Oil and Coal	1.660	-0.3	0.7	1.8	2.6	3.2	4.0	4.4	4.3
Electricity	1.210	0.2	1.1	1.7	2.1	2.1	1.7	1.5	1.3
Natural Gas	0.910	0.9	-0.1	0.4	0.7	1.1	1.6	1.7	2.0
Water and Sewerage Maintenance	0.490	5.0	4.8	5.0	5.2	5.3	5.5	5.6	5.7
Food	9.740	1.5	1.6	1.8	2.4	3.0	3.3	3.5	3.5
Direct Purchase	4.930	0.4	0.4	0.9	2.0	3.1	3.6	3.6	3.4
Contract Service	4.810	2.4	2.6	2.5	2.7	2.9	3.1	3.4	3.6
All Other	15.370	3.1	3.2	3.3	3.4	3.6	3.7	3.9	3.9
Pharmaceuticals	1.500	2.8	2.6	2.7	3.2	3.9	4.7	5.2	5.3
Supplies	3.280	2.8	3.0	3.1	3.2	3.3	3.3	3.4	3.4
Health Services	1.210	4.4	4.3	4.4	4.5	4.8	5.0	5.2	5.2
Other Business Services	4.590	3.3	3.3	3.4	3.5	3.5	3.6	3.6	3.6
Miscellaneous Costs	4.790	2.8	3.0	3.1	3.2	3.3	3.3	3.4	3.4

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

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

NOTES: Data through 1994, quarter 3, are historical. Data beginning with 1994, quarter 4, are forecasted. Q designates quarter of year. Percent change data shown are four-quarter moving averages. The following is an example of how percent change is calculated: Use the quarterly index levels shown in Tables 8, 10, and 12. Choose the four-quarter period ending for which you would like to calculate the percent change (e.g., year-end 1994, quarter 3). Count back three quarters so that you have a total of four (e.g., 1994, quarter 3; 1994, quarter 2; 1994, quarter 1; 1993, quarter 4). Average these four quarters (add the index levels and divide by 4). Now, take the four quarters previous to the four quarters that you just used (e.g., 1993, quarter 3; 1993, quarter 2; 1993, quarter 1; 1992, quarter 4). Average these four quarters. Finally, compute a percent change using the two averages.

SOURCES: Health Care Financing Administration, Office of the Actuary; Data from the Office of National Health Statistics, Division of Health Cost Analysis. Fourth quarter 1994 forecasts were produced by Data Resources, Inc./McGraw-Hill.

Table 12

Quarterly Index Levels of the Home Health Agency Input Price Index, by Expense Category: 1993-96

Expense Category ¹	Base Year	1993	1993	1993	1993	1994	1994	1994	1994
	Weights 1976 ²	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total	100.000	295.3	296.4	298.9	301.5	303.4	304.0	308.0	310.8
Compensation	73.040	306.7	307.4	310.2	313.1	315.3	315.6	319.6	322.7
Wages and Salaries	65.140	307.5	307.5	310.3	313.1	315.0	315.1	319.5	322.7
Employee Benefits	7.900	300.5	306.7	309.7	313.3	317.9	319.6	320.5	323.0
Transportation	4.870	234.4	235.9	236.4	239.9	239.5	241.6	245.9	247.9
Office Costs	2.790	297.8	301.0	303.7	306.1	308.7	311.0	313.4	316.1
Medical and Nursing Supplies	2.810	254.1	258.5	258.6	259.0	259.0	258.9	269.5	270.6
Rental and Leasing	1.350	243.8	245.3	246.5	248.0	249.8	250.8	252.6	253.9
Energy and Utilities	1.170	257.0	260.8	262.2	260.8	262.9	262.7	262.6	264.4
Miscellaneous Costs	7.100	251.4	253.3	254.5	256.4	257.7	259.5	261.8	263.7
Contract Services	6.870	295.3	296.4	298.9	301.5	303.4	304.0	308.0	310.8

Expense Category ¹	Base Year	1995	1995	1995	1995	1996	1996	1996	1996
	Weights 1976 ²	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total	100.000	313.3	316.2	319.8	322.9	325.0	328.0	332.1	334.9
Compensation	73.040	325.2	327.9	331.9	335.1	337.1	339.9	344.5	347.4
Wages and Salaries	65.140	324.7	327.3	331.4	334.4	336.2	338.9	343.7	346.4
Employee Benefits	7.900	329.1	332.9	336.5	340.1	345.0	348.4	351.7	355.5
Transportation	4.870	250.4	255.8	257.4	261.1	262.1	268.7	270.4	273.7
Office Costs	2.790	319.0	321.9	324.6	327.5	330.3	333.3	336.4	339.6
Medical and Nursing Supplies	2.810	272.8	276.1	276.9	279.6	281.6	286.2	288.9	290.7
Rental and Leasing	1.350	258.7	265.3	273.8	280.1	283.0	284.9	287.0	287.9
Energy and Utilities	1.170	267.5	267.9	270.3	272.9	275.4	277.1	279.7	281.8
Miscellaneous Costs	7.100	265.8	267.9	270.1	272.4	274.7	277.0	279.3	281.7
Contract Services	6.870	313.3	316.2	319.8	322.9	325.0	328.0	332.1	334.9

¹For data sources used to estimate the input price index relative weights and choice of price proxies, see the *Federal Register* (1993b).

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

NOTES: Data through 1994, quarter 3, are historical. Data beginning with 1994, quarter 4, are forecasted. Q designates quarter of year.

SOURCES: Health Care Financing Administration, Office of the Actuary; Data from the Office of National Health Statistics, Division of Health Cost Analysis. Fourth quarter 1994 forecasts were produced by Data Resources, Inc./McGraw-Hill.

Table 13
Percent Change in Four-Quarter Averages in the Home Health Agency Input Price Index,
by Expense Category: 1993-96

Expense Category ¹	Base Year		Four Quarters Ending						
	Weights 1976 ²	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4
Total	100.000	3.9	3.9	3.7	3.4	3.1	2.8	2.8	2.9
Compensation	73.040	4.1	4.0	3.8	3.5	3.2	2.9	2.9	2.9
Wages and Salaries	65.140	3.8	3.8	3.6	3.3	2.9	2.7	2.7	2.7
Employee Benefits	7.900	6.8	6.1	5.4	4.9	5.2	4.9	4.6	4.1
Transportation	4.870	3.0	3.2	3.1	3.0	2.6	2.4	2.8	3.0
Office Costs	2.790	3.7	3.8	3.9	3.8	3.8	3.7	3.5	3.4
Medical and Nursing Supplies	2.810	3.2	3.2	3.2	3.3	3.1	2.1	2.3	2.7
Rental and Leasing	1.350	2.3	2.3	2.4	2.3	2.4	2.3	2.3	2.4
Energy and Utilities	1.170	2.2	2.8	2.8	2.7	2.5	1.7	1.1	1.1
Miscellaneous Costs	7.100	3.1	3.1	3.0	3.0	2.8	2.6	2.6	2.7
Contract Services	6.870	3.9	3.9	3.7	3.4	3.1	2.8	2.8	2.9

Expense Category ¹	Base Year		Four Quarters Ending						
	Weights 1976 ²	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4
Total	100.000	3.0	3.3	3.5	3.7	3.9	3.8	3.8	3.8
Compensation	73.040	3.0	3.3	3.5	3.7	3.8	3.8	3.7	3.7
Wages and Salaries	65.140	2.9	3.2	3.4	3.6	3.7	3.6	3.6	3.6
Employee Benefits	7.900	3.6	3.6	3.9	4.5	4.8	5.0	4.8	4.6
Transportation	4.870	3.6	4.5	4.6	5.1	5.1	4.9	5.0	4.9
Office Costs	2.790	3.3	3.3	3.4	3.5	3.5	3.6	3.6	3.6
Medical and Nursing Supplies	2.810	3.5	5.2	4.8	4.5	4.0	3.2	3.6	3.8
Rental and Leasing	1.350	2.7	3.6	5.0	7.0	8.5	8.9	7.9	6.0
Energy and Utilities	1.170	1.0	1.3	2.0	2.5	2.8	3.1	3.3	3.3
Miscellaneous Costs	7.100	2.8	3.0	3.1	3.2	3.3	3.3	3.4	3.4
Contract Services	6.870	3.0	3.3	3.5	3.7	3.9	3.8	3.8	3.8

¹For data sources used to estimate the input price index relative weights and choice of price proxies, see *Federal Register* (1993b).

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

NOTES: Data through 1994, quarter 3, are historical. Data beginning with 1994, quarter 4, are forecasted. Q designates quarter of year. Percent change data shown are four-quarter moving averages. The following is an example of how a percent change is calculated. Use the quarterly index levels shown in Tables 9, 11, and 13. Choose the four-quarter period ending for which you would like to calculate the percent change (e.g., year-end 1994, quarter 3). Count back three quarters so that you have a total of four (e.g., 1994, quarter 3; 1994, quarter 2; 1994, quarter 1; 1993, quarter 4). Average these four quarters (add the index levels and divide by 4). Now take the four quarters previous to the four quarters that you just used (e.g., 1993, quarter 3; 1993, quarter 2; 1993, quarter 1; 1992, quarter 4). Average these four quarters. Finally, compute a percent change using the two averages.

SOURCES: Health Care Financing Administration, Office of the Actuary; Data from the Office of National Health Statistics, Division of Health Cost Analysis. Fourth quarter 1994 forecasts were produced by Data Resources, Inc./McGraw-Hill.

Table 14
Selected National Economic Indicators: 1991-94

Indicator	Calendar Year			1991 Q3	1992 Q3	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3
	1991	1992	1993							
Gross Domestic Product										
Billions of Dollars	\$5,725	\$6,020	\$6,343	\$5,760	\$6,044	\$6,359	\$6,478	\$6,575	\$6,690	\$6,792
Billions of 1987 Dollars	\$4,868	\$4,979	\$5,135	\$4,880	\$4,991	\$5,139	\$5,218	\$5,261	\$5,314	\$5,367
Implicit Price Deflator (1987 = 100.0)	117.6	120.9	123.5	118.0	121.1	123.7	124.1	125.0	125.9	126.5
Employment, Hours, and Earnings										
Unemployment Rate, All Workers ¹	6.7	7.4	6.8	6.7	7.5	6.6	6.1	6.6	6.2	6.0
Private Non-Agricultural Workers:										
Total Employment in Thousands	89,854	89,959	91,708	90,548	90,823	92,742	92,992	91,507	94,177	95,694
Average Weekly Hours	34.3	34.4	34.5	34.6	34.6	34.8	34.6	34.2	34.7	34.8
Average Hourly Earnings	\$10.32	\$10.57	\$10.83	\$10.34	\$10.57	\$10.81	\$10.96	\$11.05	\$11.06	\$11.10
Health Services Workers:										
Total Employment in Thousands	8,183	8,490	8,767	8,247	8,536	8,822	8,876	8,909	9,002	9,086
Average Weekly Hours	32.5	32.8	32.8	32.7	32.9	32.9	32.8	32.8	32.8	32.8
Average Hourly Earnings	\$10.96	\$11.39	\$11.78	\$11.05	\$11.44	\$11.80	\$11.92	\$12.01	\$12.02	\$12.13
Personal Income and Savings										
Income in Billions	\$4,860	\$5,154	\$5,375	\$4,869	\$5,148	\$5,396	\$5,485	\$5,556	\$5,660	\$5,735
Disposable Income in Billions	\$4,237	\$4,506	\$4,689	\$4,246	\$4,500	\$4,701	\$4,778	\$4,833	\$4,914	\$4,990
Savings in Billions	212	248	193	197	226	182	189	176	201	203
Personal Savings Rate	5.0	5.5	4.1	4.6	5.0	3.9	4.0	3.6	4.1	4.1
Prices²										
Gross Domestic Product Fixed-Weight										
Price Index (1987 = 100.0)	118.1	121.9	125.5	118.6	122.3	125.8	126.6	127.5	128.5	129.4
Consumer Price Index, All Items										
All Items Less Medical Care	136.2	140.3	144.5	136.7	140.9	144.8	145.8	146.7	147.6	148.9
Apparel and Upkeep	133.8	137.5	141.2	134.3	138.0	141.5	142.4	143.3	144.1	145.4
Energy	128.7	131.9	133.7	128.0	130.9	132.0	135.0	133.0	135.3	132.1
Food and Beverages	102.4	103.0	104.1	103.1	105.8	105.4	103.8	101.7	103.5	107.8
Housing: Shelter	136.6	138.7	141.6	136.8	138.7	141.5	142.7	143.9	144.1	145.2
Medical Care	146.3	151.2	155.7	147.2	152.0	156.6	156.9	159.0	159.8	161.4
Medical Care	177.0	190.1	201.4	178.7	191.5	202.8	204.8	207.5	209.8	212.2
Producer Price Index, ³ Finished										
Consumer Goods	120.4	121.7	123.0	120.3	122.3	122.8	122.3	122.4	123.0	123.9

¹Starting in January 1994 the unemployment rate is calculated on a modified basis, using the 1990 *Current Population Survey*. The unemployment rates shown prior to January 1994 are not comparable to the rates for January 1994 forward.

²Base period = 1982-84, unless noted.

³Formerly called the "Wholesale Price Index."

NOTES: Q designates quarter of year. Unlike data on Tables 1-13, quarterly data on GDP, personal income, disposable personal income, and savings are seasonally adjusted at annual rates. In addition, the unemployment rate is seasonally adjusted.

SOURCES: U.S. Department of Commerce, Bureau of Economic Analysis: *Survey of Current Business*. Washington. U.S. Government Printing Office. Monthly reports for January 1991-December 1994; U.S. Department of Labor, Bureau of Labor Statistics: *Employment and Earnings*. Washington. U.S. Government Printing Office. Monthly reports for January 1991-December 1994.

Table 15
Percent Change in Selected National Economic Indicators: 1991-94

Indicator	Calendar Year			1991 Q3	1992 Q3	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3
	1991	1992	1993							
	Annual Percent Change			Percent Change From the Same Period of Previous Year						
Gross Domestic Product										
Billions of Dollars	3.2	5.2	5.4	3.2	4.9	5.2	5.0	5.4	6.2	6.8
Billions of 1987 Dollars	-0.6	2.3	3.1	-0.5	2.3	3.0	3.1	3.7	4.1	4.4
Implicit Price Deflator (1987 = 100.0)	3.8	2.8	2.2	3.7	2.6	2.2	1.8	1.7	2.0	2.3
Employment, Hours, and Earnings										
Unemployment Rate, All Workers ¹	1.2	0.7	-0.6	1.2	0.8	-0.9	-1.2	-1.1	-0.7	-0.6
Private Non-Agricultural Workers:										
Total Employment	-1.4	0.1	1.9	-1.6	0.3	2.1	2.3	2.3	2.8	3.2
Average Weekly Hours	-0.6	0.2	0.3	-0.6	-0.0	0.6	0.4	0.6	0.6	0.1
Average Hourly Earnings	3.1	2.4	2.5	3.0	2.3	2.3	2.5	2.6	2.5	2.6
Health Services Workers:										
Total Employment	4.7	3.8	3.3	4.6	3.5	3.4	3.3	3.1	3.1	3.0
Average Weekly Hours	-0.0	0.7	0.1	-0.3	0.6	0.0	0.0	0.1	0.0	-0.1
Average Hourly Earnings	5.3	3.9	3.4	5.6	3.6	3.1	3.0	2.7	2.6	2.8
Personal Income and Savings										
Income	4.0	6.1	4.3	3.6	5.7	4.8	2.8	5.7	5.5	6.3
Disposable Income	4.6	6.4	4.1	4.2	6.0	4.5	2.6	5.1	5.0	6.2
Savings	24.4	17.2	-22.3	29.9	14.7	-19.3	-34.1	-4.9	-6.0	11.5
Personal Savings Rate ²	0.8	0.5	-1.4	0.9	0.4	-1.1	-2.2	-0.4	-0.5	0.2
Prices³										
Gross Domestic Product Fixed-Weight Price Index (1987 = 100.0)	4.0	3.2	3.0	3.8	3.1	2.9	2.8	2.5	2.6	2.9
Consumer Price Index, All Items	4.2	3.0	3.0	3.9	3.1	2.7	2.7	2.5	2.4	2.9
All Items Less Medical Care	3.9	2.7	2.7	3.6	2.8	2.5	2.5	2.4	2.2	2.7
Apparel and Upkeep	3.7	2.5	1.4	3.9	2.2	0.8	1.0	-0.1	0.5	0.1
Energy	0.4	0.5	1.1	-0.7	2.6	-0.3	-0.4	-0.9	-1.1	2.3
Food and Beverages	3.6	1.4	2.1	3.1	1.4	2.0	2.5	2.3	1.9	2.7
Housing: Shelter	4.5	3.4	3.0	3.7	3.3	3.0	2.9	3.0	2.9	3.1
Medical Care	8.7	7.4	6.0	8.5	7.2	5.9	5.5	5.0	4.7	4.6
Producer Price Index, ⁴ Finished Consumer Goods	1.9	1.0	1.1	1.7	1.6	0.4	-0.2	-0.3	-1.0	0.9

¹Change in rate, rather than percent change. Starting in January 1994, the unemployment rate is calculated on a modified basis, using the 1990 *Current Population Survey*. The unemployment rates shown prior to January 1994 are not comparable with the rates for January 1994 forward.

²Change in rate, rather than percent change.

³Base period = 1982-84, unless noted.

⁴Formerly called the "Wholesale Price Index."

NOTES: Q designates quarter of year. Unlike data on Tables 1-13, quarterly data on GDP, personal income, disposable personal income, and savings are seasonally adjusted at annual rates. In addition, the unemployment rate is seasonally adjusted.

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 1994; U.S. Department of Labor, Bureau of Labor Statistics: *Employment and Earnings*. Washington. U.S. Government Printing Office. Monthly reports for January 1990-December 1994.

Figure 1
Percent Change in Inpatient Expense and Operating Expense From the Same Period of Previous Year: 1985-94

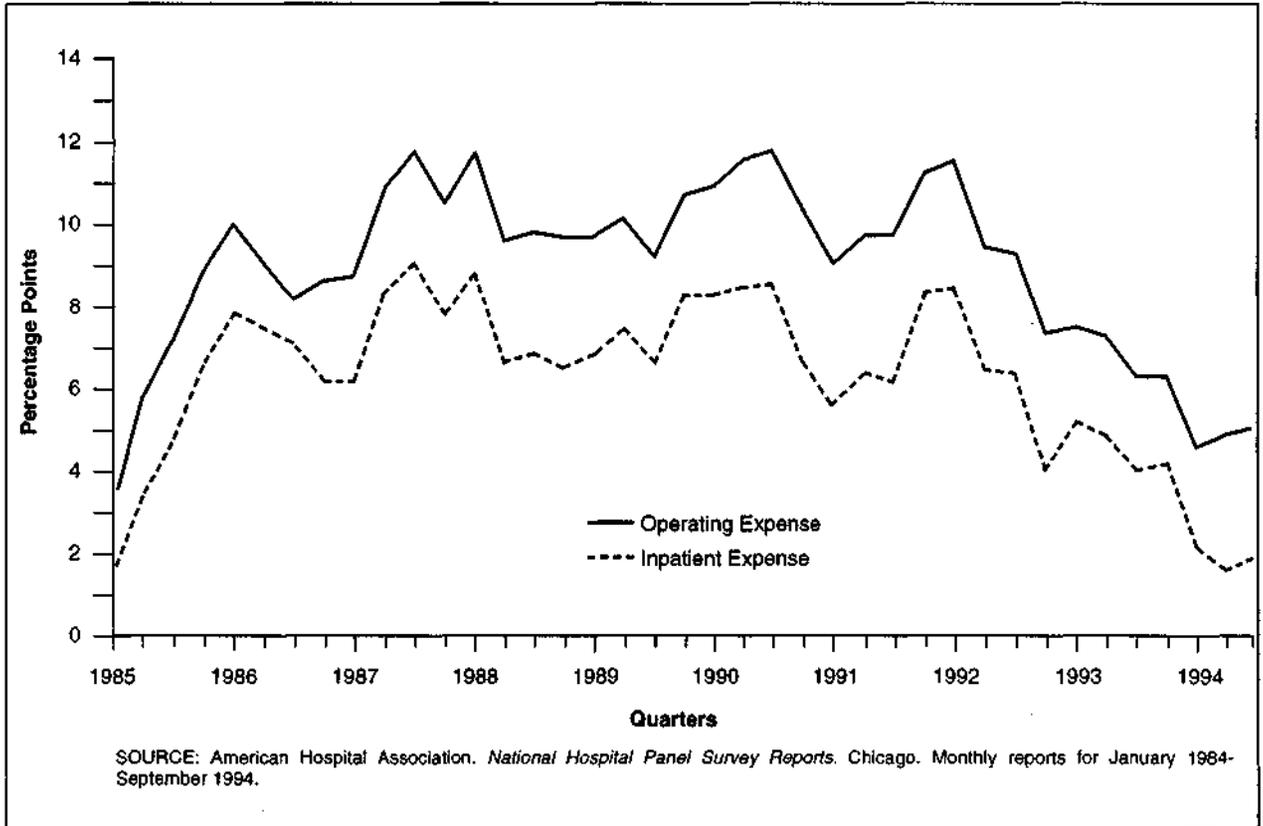


Figure 2
Percent Change in Admissions, Outpatient Visits and Inpatient Days From the Same Period of Previous Year: 1985-94

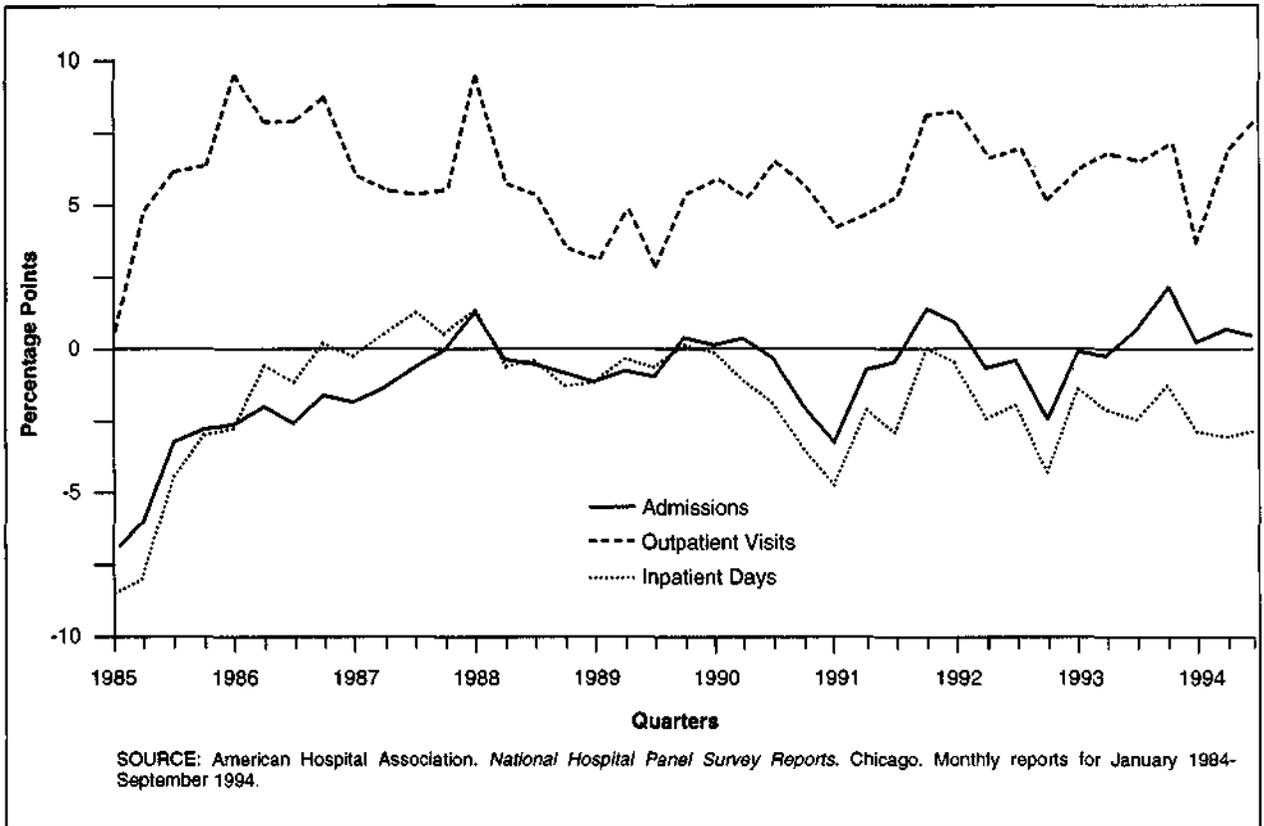


Figure 3
Percent Change in Employment From the Same Period of Previous Year: 1985-94

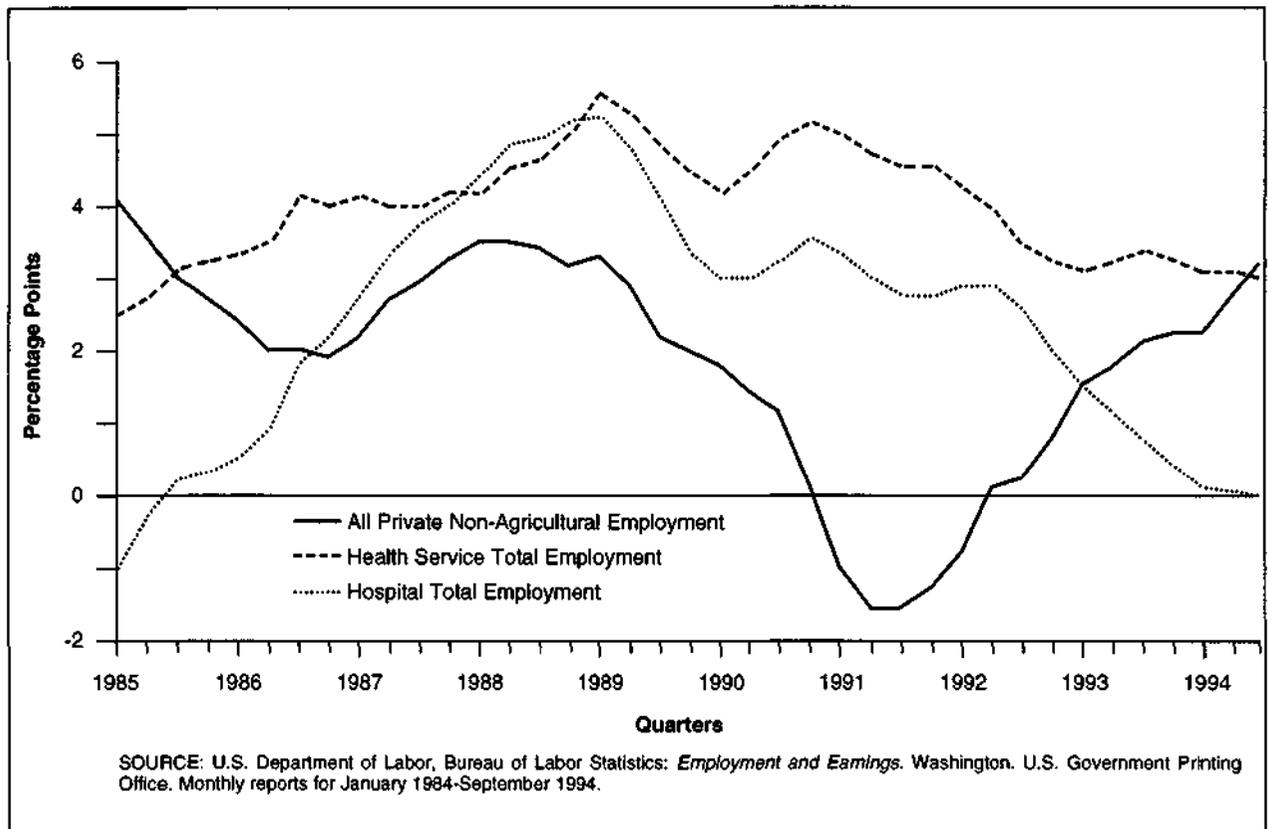


Figure 4

Percent Change for Non-Supervisory Work Hours From the Same Period of Previous Year: 1985-94

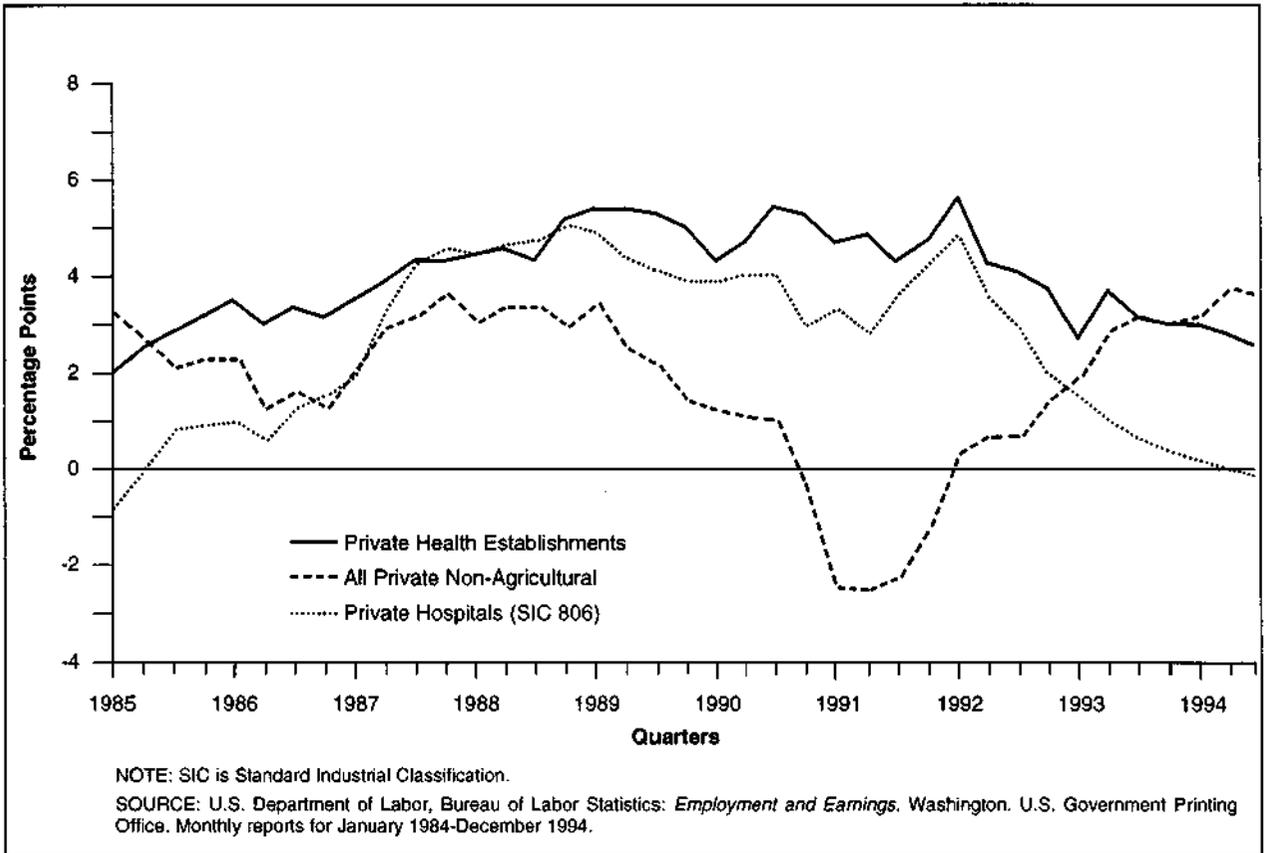


Figure 5

Percent Change for Non-Supervisory Payroll From the Same Period of Previous Year: 1985-94

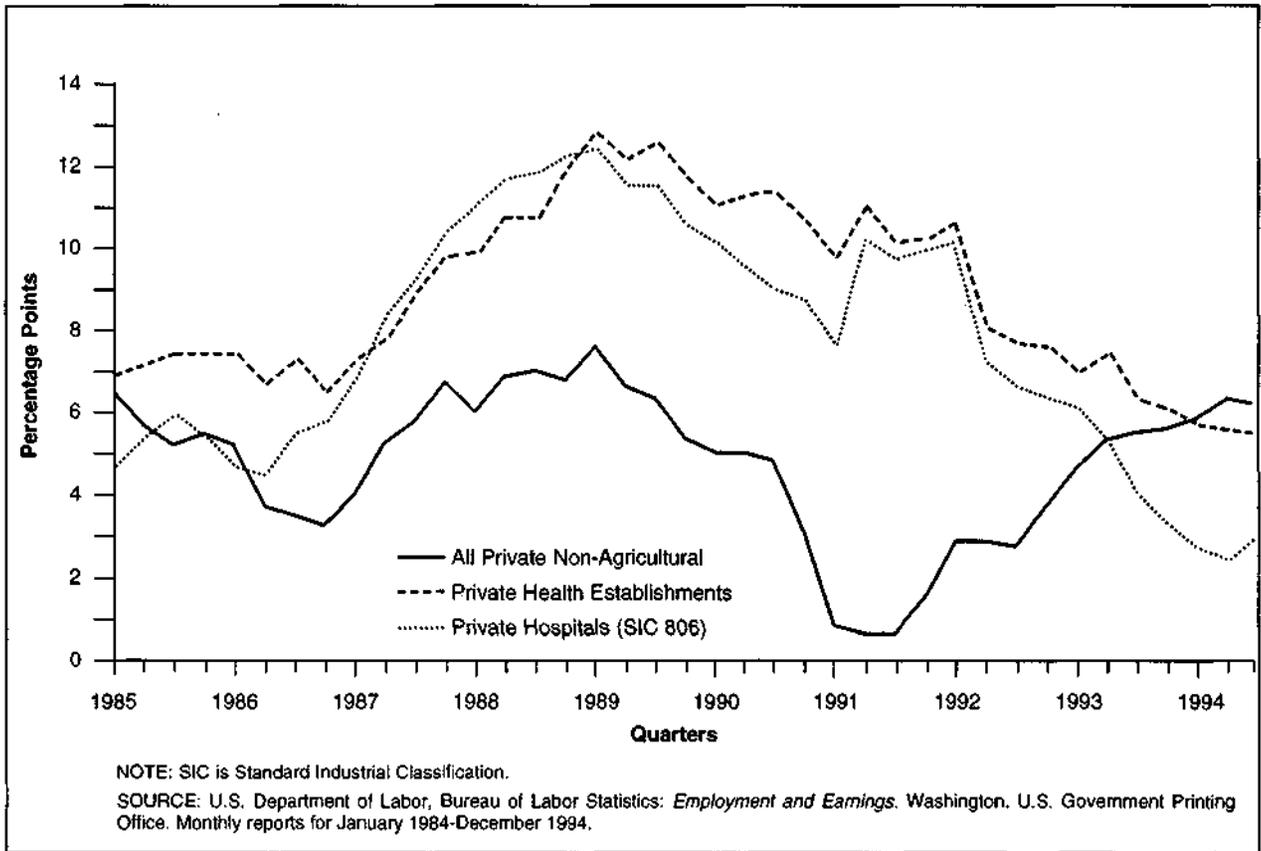


Figure 6

Percent Change in Measures of Price Inflation From the Same Period of Previous Year: 1985-94

