
Health Care Indicators

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This regular feature of the journal includes a discussion of recent trends in health care delivery, employment, and prices. The statistics presented in this article 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. Beginning with this issue, the article will include statistics not presented before on hospital operations and on the change in health care prices, with particular attention to the Medicare population.

KEY FIRST-QUARTER 1995 TRENDS

- Hospital utilization increased sharply as admissions, surgical operations, and outpatient visits increased at the fastest rate in 10 years. Growth in each of these three measures accelerated in each of the past 3 quarters.
- Hospital admissions for the population 65 years of age or over increased 5.2 percent from the first quarter of 1994, one of the largest increases in the last 10 years.
- Employment in home health care services, the fastest-growing sector in the health care industry, continued to grow at a rate nearly four times faster than employment in the private non-farm business sector.
- The economy slowed, as gross domestic product (GDP) growth decelerated, and economywide price increases were moderate.

- Consumer prices for medical commodities increased less than overall consumer prices, the second time this occurred in the last 3 quarters.
- Prices for hospital services for Medicare and Medicaid patients, as measured by the producer price index (PPI), increased less than prices for hospital services for all other patients.

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.

The text and tables presented in this article have been reformatted. Analysis of recent developments in the health care sector and the economy immediately follows this introduction. Tables have been revised and expanded to include a wider and more useful array of health care indicators. There are two new tables, one on medical sector prices and one on the Medicare Economic Index (MEI). Background material on the data sources and methodology is now in the section titled "Background." The first eight of the accompanying tables report selected quarterly statistics and the calendar year aggregations of quarterly information for the past 4 years. In these tables, changes in quarterly statistics are shown from the same period 1 year earlier. For quarterly information, this calculation permits analysis of data to focus on the direction and magnitude of changes, without interference

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introduced by seasonal fluctuations. The last four tables in the report show base weights, quarterly index levels, and 4-quarter moving-average percent changes in the input price indexes maintained by HCFA.

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 health care expenditure change.

COMMUNITY HOSPITAL STATISTICS

The American Hospital Association's (AHA) statistics on community hospital operations (American Hospital Association, 1995) indicate that the rate of overall hospital utilization increased in the first quarter of 1995 (Tables 1 and 2). The growth in outpatient visits, surgical operations, and admissions all accelerated in the first quarter of 1995. The growth in outpatient visits, 13.0 percent over the same period in the previous year, was the fastest rate of increase recorded in more than 10 years. The growth in surgical operations also was the highest in more than 10 years and represented the fourth consecutive quarter of acceleration in growth (Figure 1). The 8.6 million admissions to community hospitals in the first quarter of 1995 is the highest number recorded since the first quarter of 1986.

Increased hospital utilization may be attributable in part to increased rates of hospitalization of the Medicare population. The AHA data on community hospital operations provide some evidence of this in the time series on hospital admissions of those

65 years of age or over. In the first quarter of 1995, hospital admissions for those 65 years of age or over increased 5.2 percent over the same period of the previous year, while admissions for those under 65 years of age increased 1.9 percent.

Presenting the age-group hospital admissions data as a function of population makes this comparison between those 65 years of age or over and those under 65 years of age even more compelling. Dividing the number of admissions by the population in the age group shows that those 65 years of age or over are being admitted to hospitals at an increasing rate. For most of the period shown in Figure 2, admissions per capita for those 65 years of age or over have been increasing, while admissions per capita for those under 65 years of age are decreasing.

The increase in hospital admissions was offset somewhat by decreases in the adult length of stay. Continuing the established trend toward shorter hospital stays, overall adult length of stay decreased 5.6 percent in the first quarter of 1995 from the same period a year earlier. The average length of stay decreased 7.8 percent for the under 65 years of age group and 4.0 percent for the 65 years or over group.

The increases in overall admissions and outpatient visits combined with similar percentage increases in inpatient and outpatient expense translates to very small increases in inpatient expenses per admission and outpatient expenses per visit. Both measures increased only 0.5 percent from the same period in the previous year, the smallest increases recorded in the last 10 years (Figure 3).

HEALTH CARE SECTOR EMPLOYMENT TRENDS

In 1994, employment in the private non-farm business sector grew more rapidly than employment in the health services

industry, the first year this happened since 1985. Employment data for the first quarter of 1995 indicate that this trend may be short-lived. The growth rates for health services employment, average weekly hours, and average hourly earnings all accelerated in the first quarter of 1995, in contrast to the private non-farm sector where the growth rates for all three variables decelerated (Table 3). If these trends continue in the subsequent quarters of 1995, the historic relationship of slower employment growth in the non-farm business sector than in the health services industry will be re-established.

The trends in employment growth in both private hospitals and home health care services broke with recent historical patterns in the first quarter of 1995. In these two industries, established patterns of employment growth have been reversed, at least in the short term. Private hospitals, the slowest-growing segment of the health care industry in recent years, had employment growth of 0.8 percent in the first quarter of 1995. This is an acceleration from the 0.3-percent increase in the fourth quarter of 1994. These 2 consecutive quarters of growth, measured over the same period in the preceding year, follow 4 quarters of outright decreases in hospital employment and several years of decelerating growth. The trend in employment growth for private hospitals closely parallels the AHA statistics on community hospital operations and supports the contention that hospital utilization has accelerated. Conversely, home health care services, the fastest-growing industry in the health care sector in recent years, registered a 13.0-percent increase in employment in the first quarter of 1995, the slowest quarterly growth recorded since 1989. The slowdown in home health care employment growth in the first quarter of 1995 follows 2 quarters of deceleration in the third and fourth quarter of 1994 (Figure 4).

Home health care services has been the fastest growing component of the health care industry since data on home health care services as a separate industry started being collected in 1988 (see Background). This industry has experienced explosive rates of employment growth, particularly in 1991 and 1994, when the annual increases exceeded 18 percent (Table 4). Employment in home health care services has more than doubled in the last 5 years, increasing from 243,700 in 1989 to 555,000 in 1994.

The economywide slowdown in the growth of average weekly hours was evident in the health sector in the first quarter of 1995. With the exception of home health care and nursing homes, the health care industry had decreases or decelerating growth in average weekly hours for the quarter when measured over the same period in the previous year.

Implied non-supervisory payrolls for health services, the product of non-supervisory employment, average weekly hours, and average hourly earnings, increased 6.0 percent in the first quarter of 1995, an acceleration in growth from the 5.5 percent recorded in the fourth quarter of 1994 (Table 5). The increases in both quarters, measured over the same period in the previous year, were driven by increases in the number of employees and in average hourly earnings. In the private non-farm business sector as a whole, implied non-supervisory payrolls were up 6.6 percent in the first quarter of 1995, a deceleration in growth from the 7.4-percent increase in the fourth quarter of 1994. All three components of private non-farm payrolls decelerated, with the greatest slowdown in average weekly hours.

OUTPUT AND PRICES

Table 6 presents statistics on the output and price-level changes for the entire econo-

my. Tables 7 and 8 present statistics on medical price changes in the Consumer Price Index (CPI) and the PPI. Tables 9 through 12 show the levels and changes in the input price indexes maintained by HCFA.

Economic growth slowed appreciably in the first quarter of 1995. When measured over the same period a year earlier, GDP increased 4.0 percent in the first quarter, compared with an increase of 4.1 percent in the fourth quarter of 1994 (Table 6). The quarter-to-quarter change at seasonally adjusted annual rates, a more common expression of GDP growth, was 2.7 percent in the first quarter of 1995, compared with 5.1 percent in the fourth quarter.

Economywide inflation for the first quarter of 1995 remained moderate by historic standards. The CPI for all items increased 2.8 percent from the same period of the previous year. The PPI for finished goods increased 1.6 percent in the first quarter of 1995, measured from the same period in the previous year, a slight uptick from the 1.2 rise recorded in the fourth quarter of 1994. This increase was concentrated in food and energy prices, since the PPI for finished goods less food and energy category increased 1.5 percent in the first quarter of 1995 after increasing 1.6 percent in the fourth quarter of 1994.

MEDICAL PRICES

Consumer prices for medical care, as measured by the CPI for all urban consumers, continued to grow faster than consumer prices for all other items in the first quarter of 1995. The CPI for medical care increased 4.9 percent in the first quarter of 1995 over the same period of the previous year, while the CPI for all items less medical care increased just 2.7 percent over this same period (Table 6). This continues a pattern in which growth rates for the CPI for medical care outpaced growth rates in

the CPI for all items less medical care by roughly 2 percentage points.

The slight acceleration in the CPI for medical care in the first quarter of 1995 partially obscures the offsetting trends in its components—the price changes for medical services and medical commodities. The 0.1-percentage point acceleration in the CPI for medical care between the fourth quarter of 1994 and the first quarter of 1995 was the net result of an acceleration in the CPI for medical services and a continued deceleration in the CPI for medical commodities.

Measured over the same period in the previous year, the CPI for medical services increased 5.5 percent in the first quarter of 1995, compared with a 5.2-percent increase in the fourth quarter of 1994 (Table 8). In contrast, the CPI for medical commodities increased 2.5 percent from the same period in the previous year in the first quarter of 1995, after increasing 3.0 percent in the fourth quarter of 1994. The first-quarter 1995 change in the CPI for medical commodities was 0.2 percentage point below the percent change in the CPI for all items less medical care over the same period (Figure 5), a significant trend given that similar patterns have occurred in the PPI for medical commodities.

The change in the CPI for professional services was responsible for the acceleration in the CPI for medical services in the first quarter of 1995. During the same period, the growth in the CPI for hospital and related services, the other component of medical care services, actually decelerated. The percent change in the CPI for professional services from the same period a year ago rose from 4.5 percent in the fourth quarter of 1994 to 4.7 percent in the first quarter of 1995. The CPI for both physicians' services and dental services contributed to this acceleration in growth. The level of growth in the CPI for physicians' services in the first quarter is cor-

roborated by a similar acceleration in the growth in the PPI for offices and clinics of doctors of medicine. While the PPI differs from the CPI in that the PPI measures transaction prices and the CPI measures mainly list prices, both indexes showed approximately the same level of growth in the first quarter of 1995. The PPI for offices and clinics of doctors of medicine increased 4.2 percent between first quarter of 1994 and first quarter of 1995, similar to the 4.5-percent increase in the CPI for physicians' services over the same period.

Medicare prices in offices and clinics of doctors of medicine increased slightly faster than non-Medicare prices in the first quarter of 1995. The PPI for Medicare treatments in offices and clinics of doctors of medicine increased 4.7 percent between first quarter 1994 and first quarter 1995, while non-Medicare treatments increased by 4.2 percent during this period. The PPI for Medicare treatments in offices and clinics of doctors of medicine is calculated using data gathered from a collected sample and from Medicare physician payment adjustments published annually in the *Federal Register* (see Background).

Growth in hospital consumer prices decelerated slightly in the first quarter of 1995, while hospital producer prices accelerated. The slowdown in the CPI for hospitals was caused by a deceleration in the CPI for other inpatient services and for outpatient services between fourth quarter 1994 and first quarter 1995. While not directly comparable to the CPI for hospital and related services, the growth rate in the PPI for hospitals accelerated from 3.5 percent to 4.0 percent between fourth and first quarters. Comparing the differing trends in rates of change in the CPI and PPI for hospitals is inappropriate, given the differences in survey scope and methodology of the two indexes. The PPI for hospitals measures transaction prices, which reflect

mandated charges and discounts, while the CPI is primarily a measure of list prices, though in some cases it does measure net transaction prices (see Background).

Hospital input prices also accelerated slightly between the fourth quarter of 1994 and the first quarter of 1995 (Table 9). The 4-quarter moving-average percent change in the prospective payment system (PPS) hospital input price index increased from 2.5 percent to 2.6 percent between the 2 quarters. Much of the acceleration in this index was the result of acceleration in the price increases for chemicals, rubber and plastic products, and paper. In fact, medical commodity prices did not contribute materially to the acceleration of the PPS hospital input price index in the first quarter of 1995. In some cases, such as pharmaceuticals, the 4-quarter moving-average percent change for medical commodities in the hospital input price index actually decelerated between the fourth quarter of 1994 and the first quarter of 1995. This deceleration in medical commodity prices in the PPS hospital input price index is consistent with the deceleration in overall CPI and PPI medical commodities between the fourth and first quarters.

The PPI for hospitals can give added insight into price changes among three types of hospital patients: Medicare, Medicaid, and all others (Table 8). The hospital PPI for Medicare is calculated using data gathered from a sample of hospitals and from published Federal regulation (see Background). By using the base year weights supplied by the Bureau of Labor Statistics (BLS), the inpatient and outpatient index levels for each of type of patient can be added to produce totals for each type of patient. Comparing these three types of hospital patients, the PPI for all other patients has increased faster than the PPI for both Medicare and Medicaid since the first quarter of 1993 (Figure 6).

The 5.2-percent increase in the hospital PPI for all other patients from the first quarter of 1994 to the first quarter of 1995 was larger than that for Medicaid patients (4.2 percent) and Medicare patients (1.6 percent). The hospital PPI for all other patients had an accelerated rate of growth in the first quarter of 1995, mostly the result of faster growth rates in outpatient services. The hospital PPI for all other patient outpatient treatments accelerated from a 4.8-percent increase in the fourth quarter of 1994 to a 7.3-percent increase in the first quarter of 1995.

BACKGROUND

Community Hospital Statistics

Since 1963, the AHA, in cooperation with member hospitals, has been collecting data on the operation of community hospitals through its National Hospital Panel Survey. Community hospitals, which comprised more than 80 percent of all hospital facilities in the United States in 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 esti-

imating 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 BLS collects monthly information on employment for all workers, and earnings and work hours for non-supervisory workers in a sample of 342,000 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.

Tables 3, 4, and 5 have been reformatted in this article. The most significant change has been the addition of data on the home health care services industry. 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. The format and content of Table 5 have also been altered. Table 5 previously showed the percent change from the same period in the previous year of implied non-supervisory payrolls and work hours. The new table drops work hours in favor of the change in the three components of payrolls—employment, average weekly hours, and average hourly earnings. This format will facilitate a description of the composition of the change in payrolls, i.e., payrolls are increasing or decreasing because of changes in the number of workers, or the amount of hours worked, or amount workers are paid. Changes in total work hours are implicit in this new format and can be calculated from the data in Tables 3 and 4.

National Economic Indicators

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

GDP measures the output of 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, 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 CPI, which 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 on 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 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. 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 PPI for hospitals 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).

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 PPIs. The PPI 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 this article. 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 by similarity of the end product (end use or material composition). The classification system for PPI commodity groups is unique to the PPI, and is divided into 15 major commodity groupings.

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

The PPI for the health services industry is available by detailed industry groupings. For example, general medical and surgical hospitals consist of inpatient and outpatient treatments, which in turn consist of Medicare, Medicaid, and all other patients. These patient categories consist of more detail, such as diagnosis-related group (DRG) groupings for Medicare. While most of the data used to measure PPI price changes for health services are collected through a sample, there are specific instances in which 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 September 1, 1994, *Federal Register*, 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 to the national updates computed by HCFA and published in the *Federal Register*.

Input Price Indexes

In 1979, HCFA developed the Medicare hospital input price index (hospital market basket), which was designed to measure the pure price changes associated with expenditure changes for hospital services. In the early 1980s, the skilled nursing facility (SNF) and home health agency (HHA) input price indexes, often referred to as market baskets, were developed to price a

consistent set of goods and services over time. Also in the early 1980s, the original Medicare hospital input price index was revised for use in updating payment rates for the PPS. All of these indexes have played an important role in helping to set Medicare payment percent increases, and in understanding the contribution of input price increases to growing health expenditures. The input price indexes, or market baskets, are Laspeyres or fixed-weight indexes that are constructed in two steps. First, a base period is selected. For example, for the PPS hospital input price index, the base period is 1987. Cost categories, such as food, fuel, and labor, are identified and their 1987 expenditure amounts determined. The proportion or share of total expenditures included in specific spending categories is calculated. These proportions are called cost or expenditure weights. There are 28 expenditure categories in the 1987-based PPS hospital input price index.

Second, a price proxy is selected to match each expenditure category. Its purpose is to measure the rate of price increases of the goods or services in that category. The price proxy index for each spending category is multiplied by the expenditure weight for the category. The sum of these products (weights multiplied by the price index) over all cost categories yields the composite input price index for any given 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 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 February 14, 1995, *Federal Register*, and the latest SNF input price index was published in the October 7, 1992, *Federal Register* (also see the January 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 MEI to measure the changes in costs of physicians' time and operating expenses. The input price change measured by the MEI is considered in connec-

tion with the update factor for the Medicare Part B physician fee schedule under the resource-based relative value scale (November 25, 1992, *Federal Register* and December 8, 1994, *Federal Register*), or is used in an advisory capacity 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 that economywide 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 Data Resources, Inc./McGraw-Hill (DRI) for HCFA using several different sets of economic assumptions. DRI produces four main forecasts of the MEI: (1) a presidential budget forecast in December, (2) the mid-session review in June based on assumptions for the Federal budget exercises, (3) the Medicare Trustees Report forecast in February based on assumptions by the Medicare Trustees, and (4) the Medicare premium promulgation forecast in August based on baseline assumptions by DRI. DRI also produces forecasts of the MEI using their own economic assumptions forecast. The forecasts based on DRI assumptions are presented in this article.

Much of the forecasted data change as more recent historical data become available and the assumptions change.

The methodology, weights, and price proxy definitions used in the MEI are described in the November 25, 1992, *Federal Register*. The MEI data are presented in Table 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	1991	1991	1992
	1991	1992	1993	1994	Q1	Q2	Q3	Q4	Q1
Utilization									
All Ages:									
Admissions in Thousands	32,670	32,411	32,652	32,938	8,253	8,182	8,075	8,160	8,357
Admissions per 1,000 Population ¹	125	122	122	122	127	125	123	124	127
Inpatient Days in Thousands	211,475	206,440	202,078	196,117	54,578	52,681	51,459	52,756	54,238
Adult Length of Stay in Days	6.5	6.4	6.2	6.0	6.6	6.4	6.4	6.5	6.5
65 Years of Age or Over:									
Admissions in Thousands	11,659	11,860	12,209	12,456	2,950	2,918	2,810	2,981	3,077
Admissions per 1,000 Population ¹	360	360	366	369	366	361	346	366	376
Inpatient Days in Thousands	99,468	98,920	97,042	94,877	25,661	24,801	23,759	25,248	26,080
Adult Length of Stay in Days	8.5	8.3	7.9	7.6	8.7	8.5	8.5	8.5	8.5
Under 65 Years of Age:									
Admissions in Thousands	21,011	20,551	20,443	20,483	5,303	5,264	5,265	5,180	5,280
Admissions per 1,000 Population ¹	92	89	87	87	93	92	92	90	91
Inpatient Days in Thousands	112,007	107,520	105,036	101,240	28,917	27,880	27,701	27,509	28,158
Adult Length of Stay in Days	5.3	5.2	5.1	4.9	5.5	5.3	5.3	5.3	5.3
Surgical Operations in Thousands	21,983	22,463	22,710	23,286	5,379	5,572	5,534	5,498	5,608
Outpatient Visits in Thousands	344,116	366,243	390,188	417,684	82,471	86,331	87,648	87,666	89,168
Adjusted Patient Days in Thousands ²	282,874	281,502	278,911	276,182	71,908	70,590	69,496	70,804	72,789
Beds in Thousands	912	908	902	891	915	913	910	909	909
Adult Occupancy Rate ³	63.5	62.1	61.4	60.3	66.3	63.4	61.4	63.1	65.6
Operating Expenses									
Total in Millions	\$238,633	\$260,994	\$278,880	\$292,801	\$57,189	\$58,930	\$60,214	\$62,301	\$63,739
Labor in Millions	128,704	140,112	149,733	156,826	30,971	31,692	32,516	33,526	34,143
Non-Labor in Millions	109,929	120,882	129,147	135,975	26,218	27,238	27,698	28,775	29,597
Inpatient Expense in Millions	\$178,401	\$191,401	\$202,055	\$207,918	\$43,406	\$43,979	\$44,586	\$46,421	\$47,495
Amount per Patient Day	844	927	1,000	1,060	795	835	866	880	876
Amount per Admission	5,461	5,905	6,188	6,312	5,260	5,375	5,522	5,689	5,683
Outpatient Expense	\$60,233	\$69,593	\$76,825	\$84,883	\$13,783	\$14,951	\$15,627	\$15,880	\$16,244
Amount per Outpatient Visit	175	190	197	203	167	173	178	181	182

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

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

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

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-March 1995.

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

1992 Q2	1992 Q3	1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1
8,102	8,005	7,947	8,351	8,086	8,083	8,133	8,368	8,180	8,154	8,236	8,634
123	121	120	125	121	121	121	124	121	121	121	127
51,306	50,387	50,509	53,228	50,150	49,089	49,611	51,709	48,648	47,657	48,102	50,377
6.3	6.3	6.4	6.4	6.2	6.1	6.1	6.2	5.9	5.8	5.8	5.8
2,969	2,881	2,932	3,138	3,042	2,944	3,085	3,211	3,098	3,022	3,125	3,379
361	349	354	378	365	352	368	382	367	357	368	397
24,682	23,875	24,283	25,822	24,274	22,990	23,956	25,551	23,493	22,631	23,203	24,778
8.3	8.3	8.3	8.2	8.0	7.8	7.8	8.0	7.6	7.5	7.4	7.3
5,133	5,124	5,015	5,213	5,044	5,139	5,047	5,158	5,082	5,132	5,111	5,255
89	88	86	89	86	88	86	88	86	87	86	88
26,624	26,513	26,225	27,406	25,875	26,099	25,655	26,158	25,155	25,027	24,899	25,598
5.2	5.2	5.2	5.3	5.1	5.1	5.1	5.1	5.0	4.9	4.9	4.9
5,641	5,630	5,584	5,646	5,721	5,677	5,665	5,664	5,864	5,840	5,918	6,028
91,572	93,271	92,232	94,677	97,637	99,212	98,662	98,341	104,079	107,022	108,241	111,088
70,021	69,286	69,332	72,306	69,334	68,351	68,860	71,244	68,776	67,711	68,363	71,226
910	908	904	905	904	901	897	895	893	888	886	881
62.0	60.3	60.7	65.3	61.0	59.2	60.1	64.2	59.8	58.3	59.0	63.5
\$64,532	\$65,829	\$66,894	\$68,527	\$69,245	\$70,002	\$71,106	\$71,677	\$72,618	\$73,468	\$75,039	\$76,259
34,501	35,396	36,073	36,782	37,250	37,578	38,123	38,420	38,828	39,408	40,170	40,529
30,031	30,434	30,821	31,746	31,994	32,424	32,983	33,257	33,790	34,059	34,869	35,730
\$47,284	\$47,873	\$48,733	\$50,447	\$50,085	\$50,274	\$51,229	\$52,023	\$51,366	\$51,709	\$52,800	\$53,936
922	950	965	948	999	1,024	1,033	1,006	1,056	1,085	1,098	1,071
5,836	5,980	6,133	6,041	6,194	6,220	6,299	6,217	6,279	6,341	6,411	6,247
\$17,248	\$17,956	\$18,161	\$18,080	\$19,160	\$19,728	\$19,877	\$19,654	\$21,252	\$21,758	\$22,239	\$22,323
188	193	197	191	196	199	201	200	204	203	205	201

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

Item	Calendar Year				1991	1991	1991	1991	1992
	1991	1992	1993	1994	Q1	Q2	Q3	Q4	Q1
	Annual Percent Change				Percent Change From the Same Period of Previous Year				
Utilization									
All Ages:									
Admissions	-1.1	-0.8	0.7	0.9	-3.1	-1.4	-1.2	1.6	1.3
Admissions per 1,000 Population	-2.1	-1.8	-0.3	-0.1	-4.1	-2.5	-2.2	0.5	0.2
Inpatient Days	-2.5	-2.4	-2.1	-2.9	-4.5	-2.3	-2.9	0.0	-0.6
Adult Length of Stay	-1.4	-1.6	-2.8	-3.8	-1.4	-0.9	-1.8	-1.6	-1.9
65 Years of Age or Over:									
Admissions	2.5	1.7	2.9	2.0	-1.5	2.3	2.6	6.7	4.3
Admissions per 1,000 Population	0.7	0.1	1.5	0.8	-3.1	0.6	0.9	4.9	2.6
Inpatient Days	0.4	-0.6	-1.9	-2.2	-3.3	0.8	0.4	4.2	1.6
Adult Length of Stay	-2.0	-2.2	-4.7	-4.2	-1.9	-1.5	-2.2	-2.3	-2.6
Under 65 Years of Age:									
Admissions	-2.9	-2.2	-0.5	0.2	-4.0	-3.4	-3.1	-1.1	-0.4
Admissions per 1,000 Population	-3.8	-3.2	-1.5	-0.8	-4.9	-4.3	-4.0	-2.1	-1.4
Inpatient Days	-4.9	-4.0	-2.3	-3.6	-5.5	-4.9	-5.6	-3.6	-2.6
Adult Length of Stay	-2.1	-1.9	-1.8	-3.8	-1.5	-1.6	-2.6	-2.5	-2.2
Surgical Operations	0.4	2.2	1.1	2.5	-1.3	-0.2	0.7	2.2	4.2
Outpatient Visits	5.4	6.4	6.5	7.0	4.0	4.5	5.1	8.0	8.1
Adjusted Patient Days	-0.4	-0.5	-0.9	-1.0	-2.4	-0.2	-0.6	1.7	1.2
Beds	-1.0	-0.5	-0.7	-1.2	-1.2	-1.3	-1.0	-0.7	-0.6
Adult Occupancy Rate ¹	-0.9	-1.4	-0.7	-1.1	-2.3	-0.7	-1.2	0.4	-0.7
Operating Expenses									
Total	9.9	9.4	6.9	5.0	9.0	9.7	9.7	11.2	11.5
Labor	9.2	8.9	6.9	4.7	9.4	9.1	8.6	9.9	10.2
Non-Labor	10.7	10.0	6.8	5.3	8.6	10.3	11.0	12.9	12.9
Inpatient Expense									
Amount per Patient Day	7.6	7.3	5.6	2.9	6.6	7.3	7.1	9.3	9.4
Amount per Admission	10.3	9.9	7.8	6.0	11.6	9.9	10.3	9.3	10.1
Amount per Admission	8.8	8.1	4.8	2.0	10.0	8.9	8.3	7.6	8.0
Outpatient Expense									
Amount per Outpatient Visit	17.4	15.5	10.4	10.5	17.1	17.1	17.9	17.2	17.9
Amount per Outpatient Visit	11.4	8.6	3.6	3.2	12.7	12.0	12.2	8.5	9.0

¹ Change in rate, rather than percent change.

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

SOURCE: American Hospital Association: *National Hospital Panel Survey Reports*. Chicago. Monthly reports for January 1990-March 1995.

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

1992 Q2	1992 Q3	1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1
Percent Change From the Same Period of Previous Year											
-1.0	-0.9	-2.6	-0.1	-0.2	1.0	2.3	0.2	1.2	0.9	1.3	3.2
-2.0	-1.9	-3.7	-1.1	-1.2	-0.1	1.3	-0.8	0.2	-0.1	0.3	2.2
-2.6	-2.1	-4.3	-1.9	-2.3	-2.6	-1.8	-2.9	-3.0	-2.9	-3.0	-2.6
-1.6	-1.2	-1.7	-1.8	-2.1	-3.5	-4.0	-3.1	-4.1	-3.8	-4.3	-5.6
1.7	2.5	-1.6	2.0	2.5	2.2	5.2	2.3	1.8	2.6	1.3	5.2
0.1	0.9	-3.1	0.5	1.0	0.8	3.9	1.1	0.6	1.4	0.1	4.0
-0.5	0.5	-3.8	-1.0	-1.7	-3.7	-1.3	-1.1	-3.2	-1.6	-3.1	-3.0
-2.2	-2.0	-2.2	-2.9	-4.0	-5.8	-6.3	-3.3	-5.0	-4.1	-4.4	-7.8
-2.5	-2.7	-3.2	-1.3	-1.7	0.3	0.7	-1.1	0.7	-0.1	1.3	1.9
-3.5	-3.6	-4.1	-2.3	-2.7	-0.7	-0.3	-2.0	-0.2	-1.1	0.3	0.9
-4.5	-4.3	-4.7	-2.7	-2.8	-1.6	-2.2	-4.6	-2.8	-4.1	-2.9	-2.1
-2.1	-1.7	-1.5	-1.4	-1.1	-1.8	-2.8	-3.5	-3.5	-4.0	-4.2	-4.0
1.2	1.7	1.6	0.7	1.4	0.8	1.5	0.3	2.5	2.9	4.5	6.4
6.1	6.4	5.2	6.2	6.6	6.4	7.0	3.9	6.6	7.9	9.7	13.0
-0.8	-0.3	-2.1	-0.7	-1.0	-1.3	-0.7	-1.5	-0.8	-0.9	-0.7	0.0
-0.3	-0.3	-0.5	-0.4	-0.7	-0.8	-0.8	-1.2	-1.2	-1.4	-1.2	-1.5
-1.5	-1.1	-2.4	-0.2	-1.0	-1.1	-0.6	-1.1	-1.1	-0.9	-1.1	-0.7
9.5	9.3	7.4	7.5	7.3	6.3	6.3	4.6	4.9	5.0	5.5	6.4
8.9	8.9	7.6	7.7	8.0	6.2	5.7	4.5	4.2	4.9	5.4	5.5
10.3	9.9	7.1	7.3	6.5	6.5	7.0	4.8	5.6	5.0	5.7	7.4
7.5	7.4	5.0	6.2	5.9	5.0	5.1	3.1	2.6	2.9	3.1	3.7
10.4	9.7	9.7	8.2	8.4	7.8	7.0	6.2	5.7	5.9	6.3	6.4
8.6	8.3	7.8	6.3	6.1	4.0	2.7	2.9	1.4	2.0	1.8	0.5
15.4	14.9	14.4	11.3	11.1	9.9	9.4	8.7	10.9	10.3	11.9	13.6
8.8	8.0	8.7	4.8	4.2	3.3	2.3	4.7	4.1	2.2	2.0	0.5

Table 3

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	1991	1991	1992
	1991	1992	1993	1994	Q1	Q2	Q3	Q4	Q1
Total Employment in Thousands									
Non-Farm Private Sector	89,854	89,959	91,889	94,917	88,788	89,884	90,548	90,194	88,112
Health Services	8,183	8,490	8,756	9,001	8,033	8,131	8,247	8,321	8,375
Offices and Clinics of Physicians	1,404	1,463	1,506	1,540	1,372	1,394	1,420	1,432	1,440
Offices and Clinics of Dentists	528	541	556	575	519	525	532	535	534
Nursing Homes	1,493	1,533	1,585	1,649	1,466	1,485	1,505	1,515	1,518
Private Hospitals	3,655	3,750	3,779	3,774	3,616	3,636	3,673	3,696	3,720
Home Health Care Services	344	398	469	555	323	340	351	364	375
Non-Supervisory Employment in Thousands									
Non-Farm Private Sector	72,650	72,930	74,777	77,476	71,559	72,662	73,331	73,047	71,127
Health Services	7,276	7,546	7,770	7,974	7,142	7,231	7,334	7,396	7,444
Offices and Clinics of Physicians	1,155	1,202	1,231	1,257	1,129	1,148	1,168	1,176	1,184
Offices and Clinics of Dentists	463	473	487	502	456	461	468	469	467
Nursing Homes	1,347	1,385	1,431	1,487	1,323	1,340	1,359	1,368	1,371
Private Hospitals	3,353	3,442	3,464	3,451	3,314	3,334	3,370	3,392	3,415
Home Health Care Services	319	369	435	514	299	315	325	337	347
Average Weekly Hours									
Non-Farm Private Sector	33.8	34.3	34.6	34.4	33.8	34.3	34.6	34.4	34.1
Health Services	32.4	32.5	32.7	32.6	32.4	32.5	32.7	32.6	32.8
Offices and Clinics of Physicians	31.8	31.9	32.0	32.0	31.8	31.9	32.0	32.0	32.3
Offices and Clinics of Dentists	28.3	28.3	28.2	28.3	28.3	28.3	28.2	28.3	28.5
Nursing Homes	32.0	32.0	32.4	32.2	32.0	32.0	32.4	32.2	32.2
Private Hospitals	34.0	34.2	34.4	34.3	34.0	34.2	34.4	34.3	34.4
Home Health Care Services	26.1	27.4	27.8	28.2	25.8	25.9	26.3	26.5	27.3
Average Hourly Earnings									
Non-Farm Private Sector	\$10.32	\$10.57	\$10.83	\$11.12	\$10.22	\$10.29	\$10.34	\$10.44	\$10.50
Health Services	10.96	11.39	11.78	12.10	10.73	10.90	11.05	11.16	11.23
Offices and Clinics of Physicians	11.13	11.41	11.89	12.24	11.00	11.08	11.15	11.31	11.22
Offices and Clinics of Dentists	10.62	11.02	11.44	11.96	10.47	10.58	10.64	10.78	10.91
Nursing Homes	7.56	7.86	8.17	8.49	7.46	7.52	7.59	7.66	7.75
Private Hospitals	12.50	13.03	13.46	13.83	12.16	12.43	12.66	12.75	12.85
Home Health Care Services	9.38	10.00	10.41	10.66	9.16	9.28	9.46	9.62	9.83
Hospital Employment in Thousands									
Total	4,958	5,068	5,100	5,089	4,914	4,937	4,979	5,004	5,036
Private	3,655	3,750	3,779	3,774	3,616	3,636	3,673	3,696	3,720
Federal	234	235	234	233	231	233	235	235	236
State	417	419	414	405	418	417	415	417	420
Local	653	665	673	676	649	651	656	656	659

¹ Excludes 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-June 1995.

Table 3—Continued

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

1992 Q2	1992 Q3	1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1
89,971	90,823	90,928	89,478	91,706	92,970	93,402	92,096	94,745	96,180	96,646	95,206
8,453	8,536	8,596	8,638	8,724	8,808	8,854	8,878	8,970	9,054	9,101	9,145
1,455	1,473	1,484	1,489	1,502	1,516	1,516	1,519	1,534	1,551	1,558	1,564
538	543	547	548	554	559	563	565	573	577	583	587
1,526	1,539	1,548	1,553	1,573	1,597	1,617	1,626	1,642	1,661	1,666	1,671
3,741	3,767	3,771	3,776	3,782	3,788	3,771	3,762	3,768	3,784	3,784	3,792
393	403	420	432	458	481	505	523	550	566	582	591
72,929	73,752	73,913	72,541	74,614	75,777	76,175	74,878	77,352	78,630	79,045	77,588
7,516	7,588	7,636	7,669	7,747	7,815	7,847	7,869	7,953	8,016	8,056	8,096
1,196	1,209	1,216	1,219	1,229	1,238	1,236	1,242	1,254	1,265	1,269	1,274
471	476	479	480	485	489	492	495	501	504	508	513
1,378	1,392	1,399	1,402	1,421	1,442	1,459	1,465	1,481	1,498	1,502	1,506
3,434	3,458	3,462	3,465	3,469	3,471	3,452	3,441	3,448	3,458	3,457	3,466
364	374	389	400	424	446	469	485	510	523	538	547
34.3	34.6	34.5	34.0	34.5	34.8	34.6	34.3	34.7	34.9	34.8	34.3
32.6	32.9	32.8	32.7	32.8	32.9	32.8	32.8	32.8	32.8	32.8	32.8
32.0	32.2	32.2	32.1	32.2	32.3	32.3	32.4	32.3	32.3	32.6	32.4
28.2	28.3	28.4	28.1	28.4	28.2	28.3	28.2	28.2	28.0	28.2	28.0
32.0	32.7	32.3	32.0	32.2	32.6	32.1	32.1	32.2	32.5	32.4	32.3
34.4	34.5	34.4	34.6	34.5	34.7	34.6	34.7	34.6	34.7	34.6	34.7
27.0	27.6	27.6	27.5	27.8	27.9	27.9	28.0	28.2	28.2	28.5	28.7
\$10.52	\$10.57	\$10.69	\$10.77	\$10.79	\$10.82	\$10.96	\$11.05	\$11.06	\$11.11	\$11.28	\$11.36
11.31	11.44	11.57	11.69	11.71	11.80	11.92	12.00	12.02	12.13	12.24	12.36
11.32	11.47	11.65	11.72	11.86	11.91	12.07	12.16	12.21	12.27	12.33	12.41
10.97	10.99	11.20	11.26	11.35	11.46	11.68	11.78	11.91	12.00	12.16	12.24
7.82	7.90	7.96	8.06	8.11	8.20	8.31	8.40	8.44	8.52	8.61	8.70
12.90	13.11	13.25	13.37	13.37	13.49	13.61	13.70	13.70	13.90	14.04	14.18
9.98	10.04	10.15	10.32	10.35	10.47	10.50	10.58	10.62	10.71	10.75	10.84
5,058	5,088	5,090	5,093	5,101	5,114	5,091	5,080	5,083	5,098	5,093	5,100
3,741	3,767	3,771	3,776	3,782	3,788	3,771	3,762	3,768	3,784	3,784	3,792
235	234	233	231	233	235	235	235	234	233	231	229
420	419	417	415	414	414	412	409	407	404	401	399
662	668	669	670	672	677	674	673	674	678	677	680

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 Q1	1991 Q2	1991 Q3	1991 Q4	1992 Q1
	1991	1992	1993	1994					
	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	-1.0	-1.6	-1.6	-1.3	-0.8
Health Services	4.7	3.8	3.1	2.8	5.0	4.7	4.6	4.6	4.3
Offices and Clinics of Physicians	5.0	4.2	2.9	2.3	4.7	4.7	5.1	5.3	5.0
Offices and Clinics of Dentists	2.9	2.5	2.9	3.3	2.1	2.4	3.3	3.7	2.8
Nursing Homes	5.5	2.7	3.4	4.0	5.9	5.7	5.5	4.7	3.5
Private Hospitals	3.0	2.6	0.8	-0.1	3.4	3.0	2.8	2.8	2.9
Home Health Care Services	18.5	15.5	17.9	18.4	21.7	19.9	16.5	16.5	16.0
Non-Supervisory Employment									
Non-Farm Private Sector	-1.6	0.4	2.5	3.6	-1.3	-1.9	-1.7	-1.3	-0.6
Health Services	4.7	3.7	3.0	2.6	5.0	4.7	4.6	4.6	4.2
Offices and Clinics of Physicians	4.6	4.0	2.4	2.2	4.5	4.4	4.7	4.9	4.8
Offices and Clinics of Dentists	3.1	2.1	2.8	3.2	2.3	2.6	3.7	3.8	2.5
Nursing Homes	5.4	2.8	3.3	3.9	5.9	5.5	5.4	4.6	3.6
Private Hospitals	3.2	2.7	0.6	-0.4	3.6	3.2	3.0	3.0	3.0
Home Health Care Services	18.6	15.7	17.9	18.3	21.6	20.1	16.7	16.6	16.4
Average Weekly Hours									
Non-Farm Private Sector	-0.6	0.2	0.3	0.6	-1.1	-0.7	-0.6	0.0	0.7
Health Services	0.0	0.7	0.1	0.0	-0.2	0.2	-0.3	0.2	1.3
Offices and Clinics of Physicians	0.4	0.8	0.2	0.5	-0.2	1.2	0.1	0.7	1.6
Offices and Clinics of Dentists	-0.4	0.2	-0.3	-0.5	0.0	-0.1	-1.1	-0.6	0.7
Nursing Homes	0.1	0.5	-0.3	0.3	0.8	0.3	-0.5	-0.2	0.8
Private Hospitals	0.0	0.6	0.5	0.2	-0.6	0.1	-0.1	0.5	1.2
Home Health Care Services	3.2	5.0	1.5	1.4	3.9	2.9	2.9	3.1	5.9
Average Hourly Earnings									
Non-Farm Private Sector	3.1	2.4	2.5	2.7	3.3	3.2	3.0	2.9	2.8
Health Services	5.3	3.9	3.4	2.7	4.9	5.8	5.6	5.2	4.7
Offices and Clinics of Physicians	5.3	2.5	4.2	3.0	6.7	5.9	4.6	4.0	2.0
Offices and Clinics of Dentists	4.7	3.8	3.8	4.6	5.8	4.9	4.0	4.3	4.2
Nursing Homes	4.4	3.9	4.0	3.9	5.3	4.5	4.2	3.7	3.9
Private Hospitals	6.0	4.2	3.3	2.8	4.6	6.5	6.7	6.2	5.6
Home Health Care Services	7.7	6.5	4.1	2.5	8.6	7.5	7.7	7.4	7.2
Hospital Employment									
Total	2.2	2.2	0.6	-0.2	2.3	2.1	2.1	2.2	2.5
Private	3.0	2.6	0.8	-0.1	3.4	3.0	2.8	2.8	2.9
Federal	0.8	0.5	-0.4	-0.2	-0.6	0.3	1.3	2.2	2.2
State	-2.2	0.5	-1.2	-2.0	-2.8	-2.5	-2.2	-1.3	0.5
Local	1.1	1.8	1.3	0.3	1.1	0.9	1.1	1.0	1.6

¹ Excludes 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-June 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 Q2	1992 Q3	1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1
Percent Change From the Same Period of Previous Year											
0.1	0.3	0.8	1.5	1.9	2.4	2.7	2.9	3.3	3.5	3.5	3.4
4.0	3.5	3.3	3.1	3.2	3.2	3.0	2.8	2.8	2.8	2.8	3.0
4.4	3.7	3.6	3.4	3.2	2.9	2.2	2.0	2.1	2.3	2.8	3.0
2.6	2.3	2.2	2.7	3.0	2.8	3.1	3.1	3.4	3.3	3.4	3.8
2.8	2.3	2.2	2.3	3.1	3.7	4.5	4.7	4.4	4.0	3.0	2.8
2.9	2.6	2.0	1.5	1.1	0.6	0.0	-0.4	-0.3	-0.1	0.3	0.8
15.5	14.8	15.5	15.2	16.5	19.3	20.3	21.0	20.2	17.8	15.2	13.0
0.4	0.6	1.2	2.0	2.3	2.7	3.1	3.2	3.7	3.8	3.8	3.6
3.9	3.5	3.2	3.0	3.1	3.0	2.8	2.6	2.7	2.6	2.7	2.9
4.2	3.5	3.4	3.0	2.7	2.4	1.6	1.9	2.0	2.2	2.7	2.6
2.1	1.8	1.9	2.7	2.9	2.8	2.9	3.1	3.4	3.0	3.2	3.6
2.9	2.4	2.3	2.3	3.1	3.6	4.3	4.5	4.2	3.9	3.0	2.8
3.0	2.6	2.1	1.5	1.0	0.4	-0.3	-0.7	-0.6	-0.4	0.2	0.7
15.7	15.0	15.6	15.1	16.5	19.3	20.4	21.3	20.3	17.3	14.9	12.8
0.2	0.0	0.1	-0.1	0.5	0.6	0.4	0.7	0.6	0.4	0.6	0.1
0.3	0.6	0.5	-0.2	0.5	0.0	0.0	0.1	0.0	-0.1	0.0	0.1
0.1	0.8	0.7	-0.4	0.7	0.2	0.3	0.7	0.4	0.0	0.9	0.1
-0.4	0.4	0.1	-1.3	0.7	-0.2	-0.2	0.1	-0.7	-0.8	-0.5	-0.7
0.1	0.8	0.3	-0.7	0.4	-0.3	-0.7	0.2	0.0	-0.2	1.0	0.6
0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.2	0.1	-0.1	-0.2
4.2	4.9	4.2	0.6	2.7	1.2	1.0	1.7	1.6	1.1	2.4	2.6
2.3	2.3	2.4	2.5	2.5	2.3	2.5	2.6	2.5	2.7	2.9	2.8
3.7	3.6	3.7	4.1	3.6	3.1	3.0	2.7	2.6	2.8	2.7	2.9
2.2	2.9	3.0	4.4	4.8	3.8	3.6	3.8	3.0	3.0	2.1	2.0
3.7	3.3	3.9	3.2	3.4	4.2	4.3	4.7	5.0	4.7	4.1	3.8
3.9	4.1	3.8	4.0	3.8	3.8	4.4	4.2	4.1	3.9	3.6	3.6
3.8	3.6	3.9	4.1	3.6	2.9	2.8	2.4	2.5	3.0	3.1	3.5
7.6	6.2	5.5	5.0	3.7	4.2	3.5	2.6	2.7	2.3	2.3	2.5
2.5	2.2	1.7	1.1	0.8	0.5	0.0	-0.3	-0.3	-0.3	0.0	0.4
2.9	2.6	2.0	1.5	1.1	0.6	0.0	-0.4	-0.3	-0.1	0.3	0.8
1.0	-0.2	-1.0	-1.9	-1.1	0.4	1.0	1.7	0.5	-1.1	-1.9	-2.9
0.6	0.8	0.0	-1.1	-1.3	-1.1	-1.3	-1.5	-1.6	-2.4	-2.5	-2.5
1.8	1.9	2.0	1.6	1.5	1.3	0.7	0.5	0.2	0.1	0.5	1.1

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 Q1	1991 Q2	1991 Q3	1991 Q4	1992 Q1
	1991	1992	1993	1994					
Health Services	Annual Percent Change				Percent Change From the Same Period of Previous Year				
Payrolls	10.3	8.5	6.6	5.4	9.9	11.0	10.1	10.2	10.6
Employment	4.7	3.7	3.0	2.6	5.0	4.7	4.6	4.6	4.2
Average Weekly Hours	0.0	0.7	0.1	0.0	-0.2	0.2	-0.3	0.2	1.3
Average Hourly Earnings	5.3	3.9	3.4	2.7	4.9	5.8	5.6	5.2	4.7
Offices and Clinics of Physicians									
Payrolls	10.6	7.5	6.9	5.8	11.2	11.8	9.6	9.9	8.6
Employment	4.6	4.0	2.4	2.2	4.5	4.4	4.7	4.9	4.8
Average Weekly Hours	0.4	0.8	0.2	0.5	-0.2	1.2	0.1	0.7	1.6
Average Hourly Earnings	5.3	2.5	4.2	3.0	6.7	5.9	4.6	4.0	2.0
Offices and Clinics of Dentists									
Payrolls	7.5	6.2	6.5	7.4	8.2	7.4	6.7	7.6	7.6
Employment	3.1	2.1	2.8	3.2	2.3	2.6	3.7	3.8	2.5
Average Weekly Hours	-0.4	0.2	-0.3	-0.5	0.0	-0.1	-1.1	-0.6	0.7
Average Hourly Earnings	4.7	3.8	3.8	4.6	5.8	4.9	4.0	4.3	4.2
Nursing Homes									
Payrolls	10.1	7.4	7.1	8.3	12.4	10.6	9.3	8.3	8.5
Employment	5.4	2.8	3.3	3.9	5.9	5.5	5.4	4.6	3.6
Average Weekly Hours	0.1	0.5	-0.3	0.3	0.8	0.3	-0.5	-0.2	0.8
Average Hourly Earnings	4.4	3.9	4.0	3.9	5.3	4.5	4.2	3.7	3.9
Private Hospitals									
Payrolls	9.4	7.6	4.5	2.5	7.7	10.1	9.8	9.9	10.1
Employment	3.2	2.7	0.6	-0.4	3.6	3.2	3.0	3.0	3.0
Average Weekly Hours	0.0	0.6	0.5	0.2	-0.6	0.1	-0.1	0.5	1.2
Average Hourly Earnings	6.0	4.2	3.3	2.8	4.6	6.5	6.7	6.2	5.6
Home Health Care Services									
Payrolls	31.8	29.3	24.5	23.0	37.2	32.8	29.4	29.1	32.2
Employment	18.6	15.7	17.9	18.3	21.6	20.1	16.7	16.6	16.4
Average Weekly Hours	3.2	5.0	1.5	1.4	3.9	2.9	2.9	3.1	5.9
Average Hourly Earnings	7.7	6.5	4.1	2.5	8.6	7.5	7.7	7.4	11.3
Non-Farm Private Sector									
Payrolls	0.9	3.1	5.4	7.0	0.9	0.6	0.6	1.5	2.9
Employment	-1.6	0.4	2.5	3.6	-1.3	-1.9	-1.7	-1.3	-0.6
Average Weekly Hours	-0.6	0.2	0.3	0.6	-1.1	-0.7	-0.6	0.0	0.7
Average Hourly Earnings	3.1	2.4	2.5	2.7	3.3	3.2	3.0	2.9	2.8

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

NOTES: Data presented here incorporate conversion to the 1987 Standard Industrial Classification 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-June 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 Q2	1992 Q3	1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1
Percent Change From the Same Period of Previous Year											
8.1	7.8	7.6	7.0	7.3	6.2	5.8	5.5	5.3	5.4	5.5	6.0
3.9	3.5	3.2	3.0	3.1	3.0	2.8	2.6	2.7	2.6	2.7	2.9
0.3	0.6	0.5	-0.2	0.5	0.0	0.0	0.1	0.0	-0.1	0.0	0.1
3.7	3.6	3.7	4.1	3.6	3.1	3.0	2.7	2.6	2.8	2.7	2.9
6.6	7.4	7.3	7.1	8.5	6.5	5.6	6.5	5.5	5.2	5.8	4.8
4.2	3.5	3.4	3.0	2.7	2.4	1.6	1.9	2.0	2.2	2.7	2.6
0.1	0.8	0.7	-0.4	0.7	0.2	0.3	0.7	0.4	0.0	0.9	0.1
2.2	2.9	3.0	4.4	4.8	3.8	3.6	3.8	3.0	3.0	2.1	2.0
5.5	5.5	6.0	4.6	7.2	6.9	7.1	8.1	7.8	7.0	6.9	6.8
2.1	1.8	1.9	2.7	2.9	2.8	2.9	3.1	3.4	3.0	3.2	3.6
-0.4	0.4	0.1	-1.3	0.7	-0.2	-0.2	0.1	-0.7	-0.8	-0.5	-0.7
3.7	3.3	3.9	3.2	3.4	4.2	4.3	4.7	5.0	4.7	4.1	3.8
7.1	7.5	6.5	5.6	7.4	7.2	8.2	9.1	8.4	7.7	7.7	7.1
2.9	2.4	2.3	2.3	3.1	3.6	4.3	4.5	4.2	3.9	3.0	2.8
0.1	0.8	0.3	-0.7	0.4	-0.3	-0.7	0.2	0.0	-0.2	1.0	0.6
3.9	4.1	3.8	4.0	3.8	3.8	4.4	4.2	4.1	3.9	3.6	3.6
7.3	6.7	6.4	6.1	5.2	3.8	3.0	2.2	2.1	2.7	3.2	4.1
3.0	2.6	2.1	1.5	1.0	0.4	-0.3	-0.7	-0.6	-0.4	0.2	0.7
0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.2	0.1	-0.1	-0.2
3.8	3.6	3.9	4.1	3.6	2.9	2.8	2.4	2.5	3.0	3.1	3.5
29.7	28.1	26.9	21.6	24.0	25.9	25.8	26.5	25.4	21.3	20.3	18.6
15.7	15.0	15.6	15.1	16.5	19.3	20.4	21.3	20.3	17.3	14.9	12.8
4.2	4.9	4.2	0.6	2.7	1.2	1.0	1.7	1.6	1.1	2.4	2.6
7.6	6.2	5.5	5.0	3.7	4.2	3.5	2.6	2.7	2.3	2.3	2.5
2.9	2.8	3.7	4.5	5.4	5.7	6.0	6.7	6.9	7.0	7.4	6.6
0.4	0.6	1.2	2.0	2.3	2.7	3.1	3.2	3.7	3.8	3.8	3.6
0.2	0.0	0.1	-0.1	0.5	0.6	0.4	0.7	0.6	0.4	0.6	0.1
2.3	2.3	2.4	2.5	2.5	2.3	2.5	2.6	2.5	2.7	2.9	2.8

Table 6
Selected National Economic Indicators: 1991-95

Indicator	Calendar Year				1991	1991	1991	1991	1992
	1991	1992	1993	1994	Q1	Q2	Q3	Q4	Q1
Gross Domestic Product									
Billions of Dollars	\$5,725	\$6,020	\$6,343	\$6,738	\$5,637	\$5,706	\$5,760	\$5,797	\$5,897
Billions of 1987 Dollars	\$4,868	\$4,979	\$5,135	\$5,344	\$4,842	\$4,868	\$4,880	\$4,881	\$4,919
Implicit Price Deflator (1987 = 100.0)	117.6	120.9	123.5	126.1	116.4	117.2	118.0	118.8	119.9
Personal Income									
Personal Income in Billions	\$4,860	\$5,154	\$5,375	\$5,702	\$4,797	\$4,841	\$4,869	\$4,934	\$5,032
Disposable Income in Billions	\$4,237	\$4,506	\$4,689	\$4,960	\$4,177	\$4,220	\$4,246	\$4,303	\$4,401
Prices¹									
Consumer Price Index, All Items	136.2	140.3	144.5	148.2	134.8	135.6	136.7	137.7	138.7
All Items Less Medical Care	133.8	137.5	141.2	144.7	132.6	133.9	134.3	135.1	136.0
Energy	102.4	103.0	104.1	104.6	103.2	101.7	103.1	101.8	99.3
Food and Beverages	136.8	138.7	141.6	144.9	136.1	137.4	136.8	136.9	138.3
Medical Care	177.0	190.1	201.4	211.0	172.4	175.3	178.7	181.7	185.9
Producer Price Index,² Finished									
Consumer Goods	120.4	121.7	123.0	123.3	120.4	120.4	120.3	120.7	120.2
Energy	78.1	77.8	78.0	77.0	78.8	77.4	78.5	77.7	74.3
Food	124.1	123.3	125.6	126.8	124.9	125.5	123.5	122.8	123.1
Finished Goods Except Food and Energy	133.7	137.2	138.5	139.0	132.6	133.1	133.6	135.4	136.5
	Annual Percent Change				Percent Change From the Same Period of Previous Year				
Gross Domestic Product									
Billions of Dollars	3.2	5.2	5.4	6.2	3.2	3.0	3.2	3.5	4.6
Billions of 1987 Dollars	-0.6	2.3	3.1	4.1	-1.1	-1.0	-0.5	0.3	1.6
Implicit Price Deflator (1987 = 100.0)	3.8	2.8	2.2	2.1	4.4	4.0	3.7	3.3	3.0
Personal Income									
Personal Income in Billions	4.0	6.1	4.3	6.1	4.6	4.1	3.6	3.7	4.9
Disposable Income in Billions	4.6	6.4	4.1	5.8	5.1	5.0	4.2	4.1	5.4
Prices¹									
Consumer Price Index, All Items	4.2	3.0	3.0	2.6	5.3	4.8	3.9	3.0	2.9
All Items Less Medical Care	3.9	2.7	2.7	2.5	5.0	4.6	3.6	2.6	2.6
Energy	0.4	0.5	1.1	0.5	6.9	4.5	-0.7	-8.1	-3.7
Food and Beverages	3.6	1.4	2.1	2.3	4.1	4.7	3.1	2.4	1.6
Medical Care	8.7	7.4	6.0	4.8	9.6	9.0	8.5	8.0	7.8
Producer Price Index,² Finished									
Consumer Goods	1.9	1.0	1.1	0.2	3.5	3.5	1.7	-1.1	-0.2
Energy	4.2	-0.4	0.3	-1.2	13.2	13.7	4.9	-11.2	-5.7
Food	-0.2	-0.7	1.9	0.9	0.5	1.2	-0.9	-1.5	-1.4
Finished Goods Except Food and Energy	3.8	2.7	0.9	0.3	4.2	3.8	3.6	3.5	2.9

¹ Base period = 1982-84, unless noted.

² Formerly called the Wholesale Price Index.

NOTES: Q designates quarter of year. Unlike Tables 1-5, quarterly data on gross domestic product, 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-June 1995; U.S. Department of Labor, Bureau of Labor Statistics: *Employment and Earnings*. Washington. U.S. Government Printing Office. Monthly reports for January 1990-June 1995.

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

1992 Q2	1992 Q3	1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1
\$5,971	\$6,044	\$6,169	\$6,236	\$6,300	\$6,359	\$6,478	\$6,575	\$6,690	\$6,792	\$6,897	\$6,977
\$4,948	\$4,991	\$5,061	\$5,075	\$5,105	\$5,139	\$5,218	\$5,261	\$5,314	\$5,367	\$5,434	\$5,470
120.7	121.1	121.9	122.9	123.4	123.7	124.1	125.0	125.9	126.5	126.9	127.6
\$5,102	\$5,148	\$5,335	\$5,256	\$5,365	\$5,396	\$5,485	\$5,556	\$5,660	\$5,735	\$5,857	\$5,962
\$4,463	\$4,500	\$4,659	\$4,598	\$4,679	\$4,701	\$4,778	\$4,833	\$4,914	\$4,990	\$5,102	\$5,184
139.8	140.9	141.9	143.1	144.2	144.8	145.8	146.7	147.6	148.9	149.6	150.9
137.0	138.0	138.9	140.0	141.0	141.5	142.4	143.3	144.1	145.4	146.0	147.1
102.6	105.8	104.3	102.7	104.7	105.4	103.8	101.7	103.5	107.8	105.4	103.7
138.5	138.7	139.3	140.7	141.4	141.5	142.7	143.9	144.1	145.2	146.2	147.9
188.7	191.5	194.1	197.7	200.3	202.8	204.8	207.5	209.8	212.2	214.7	217.6
121.7	122.3	122.5	122.8	124.2	122.8	122.3	122.4	123.0	123.9	123.7	124.4
78.1	80.5	78.3	77.0	79.5	79.4	76.1	74.4	76.7	80.2	76.9	76.5
123.0	123.2	123.8	124.5	126.3	125.4	126.4	127.1	126.5	126.4	127.2	128.2
137.3	136.9	138.4	139.3	139.8	137.3	137.6	138.6	138.7	138.7	139.8	140.8
Percent Change From the Same Period of Previous Year											
4.7	4.9	6.4	5.8	5.5	5.2	5.0	5.4	6.2	6.8	6.5	6.1
1.6	2.3	3.7	3.2	3.2	3.0	3.1	3.7	4.1	4.4	4.1	4.0
3.0	2.6	2.6	2.5	2.2	2.2	1.8	1.7	2.0	2.3	2.2	2.1
5.4	5.7	8.1	4.4	5.1	4.8	2.8	5.7	5.5	6.3	6.8	7.3
5.8	6.0	8.3	4.5	4.8	4.5	2.6	5.1	5.0	6.2	6.8	7.4
3.1	3.1	3.1	3.2	3.1	2.7	2.7	2.5	2.4	2.9	2.7	2.8
2.8	2.8	2.8	2.9	2.9	2.5	2.5	2.4	2.2	2.7	2.5	2.7
0.9	2.6	2.4	3.4	2.0	-0.3	-0.4	-0.9	-1.1	2.3	1.5	1.9
0.8	1.4	1.7	1.8	2.1	2.0	2.5	2.3	1.9	2.7	2.5	2.7
7.7	7.2	6.8	6.3	6.1	5.9	5.5	5.0	4.7	4.6	4.8	4.9
1.1	1.6	1.5	2.1	2.1	0.4	-0.2	-0.3	-1.0	0.9	1.2	1.6
0.9	2.5	0.8	3.6	1.8	-1.3	-2.8	-3.4	-3.5	1.0	1.1	2.9
-2.0	-0.3	0.8	1.2	2.7	1.8	2.1	2.0	0.2	0.8	0.6	0.9
3.1	2.5	2.2	2.1	1.9	0.3	-0.5	-0.5	-0.8	1.0	1.6	1.5

Table 7
Index Levels of Medical Prices: 1991-95

Indicator	Calendar Year				1991 Q1	1991 Q2	1991 Q3	1991 Q4	1992 Q1
	1991	1992	1993	1994					
Consumer Price Indexes, All Urban Consumers¹									
Medical Care Services ²	177.1	190.5	202.9	213.4	172.6	175.2	178.7	181.8	186.1
Professional Services	165.7	175.8	184.7	192.5	162.3	164.5	167.0	169.1	172.3
Physicians' Services	170.5	181.2	191.3	199.8	167.4	169.3	171.6	173.6	177.2
Dental Services	167.4	178.7	188.1	197.1	162.7	165.5	169.4	172.1	174.7
Hospital and Related Services	196.1	214.0	231.9	245.6	190.9	193.2	197.9	202.3	208.1
Hospital Room	191.9	208.7	226.4	239.2	187.3	189.5	193.3	197.4	202.8
Other Inpatient Services (1986=100)	158.0	172.3	185.7	197.1	153.7	155.4	159.5	163.3	168.0
Outpatient Services (1986=100)	153.4	168.7	184.3	195.0	148.9	151.1	155.1	158.5	163.5
Medical Care Commodities	176.8	188.1	195.0	200.7	171.7	175.4	178.9	181.0	184.9
Prescription Drugs	199.7	214.7	223.0	230.6	192.9	197.6	202.4	205.6	210.9
Non-Prescription Drugs and Medical Supplies (1986=100)	126.3	131.2	135.5	138.1	124.1	125.9	127.2	127.8	129.3
Internal and Respiratory Over-the-Counter Drugs	152.4	158.2	163.5	165.9	150.4	151.9	153.7	153.7	155.3
Non-Prescription Medical Equipment and Supplies	145.0	150.9	155.9	160.0	141.4	144.8	145.9	148.0	150.1
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	177.5	181.8	184.7	186.2	188.5
Ethical (Prescription) Preparations	217.5	231.7	242.2	250.0	210.8	216.7	219.9	222.8	227.1
Proprietary (Over-the-Counter) Preparations	165.4	173.6	180.0	183.2	160.2	165.4	168.2	167.8	168.9
Medical, Surgical, and Personal Aid Devices	130.3	133.9	137.8	140.4	129.5	130.1	130.7	131.0	132.9
Personal Aid Equipment	117.1	120.2	122.3	130.1	115.6	116.0	117.0	120.0	120.0
Medical Instruments and Equipment (6/82=100)	120.7	123.4	126.0	126.7	120.0	120.6	121.0	121.0	122.6
Surgical Appliances and Supplies (6/83=100)	140.7	145.0	151.0	155.7	139.8	140.5	141.1	141.3	143.6
Ophthalmic Goods (12/83=100)	116.0	118.0	119.0	119.6	115.5	115.5	116.1	117.0	117.6
Dental Equipment and Supplies (6/85=100)	121.2	126.6	131.5	135.2	119.9	120.3	122.0	122.4	126.0

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

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

³ Unless otherwise noted, base year is 1982=100. Producer price indexes are classified by industry (price changes received for the industry's output sold outside the industry) and commodity (price changes by similarity of end use or material composition).

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

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

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

Table 7—Continued
Index Levels of Medical Prices: 1991-95

1992 Q2	1992 Q3	1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1
188.9	192.1	195.0	198.8	201.8	204.4	206.7	209.5	212.0	214.6	217.5	221.0
174.7	177.0	179.0	181.6	184.1	185.9	187.1	189.3	191.8	193.5	195.5	198.3
180.3	182.6	184.6	187.7	190.5	192.7	194.2	196.7	199.2	200.7	202.4	205.6
177.0	180.4	182.6	184.8	187.6	189.2	190.8	193.0	196.1	198.3	201.1	204.0
211.3	216.0	220.6	226.2	230.0	233.8	237.7	241.3	243.4	247.2	250.6	254.2
206.1	210.6	215.2	220.6	224.6	228.2	232.0	235.3	237.2	240.9	243.5	247.8
170.2	173.9	177.0	181.1	183.9	187.2	190.4	193.5	195.4	198.2	201.2	204.0
166.4	170.1	174.7	179.9	183.0	185.6	188.7	191.5	192.9	196.3	199.4	201.5
187.8	189.0	190.4	193.0	194.2	196.0	196.7	198.5	200.1	201.6	202.6	203.4
214.5	215.6	218.0	221.4	221.6	223.9	225.2	228.0	230.5	231.0	232.8	233.4
131.1	132.1	132.1	133.2	135.6	136.7	136.5	136.7	136.8	139.4	139.4	140.5
158.4	159.9	159.3	160.4	163.4	165.3	164.9	165.2	165.5	166.6	166.4	167.1
150.4	151.2	152.1	153.8	156.4	156.5	156.7	156.7	156.7	163.1	163.6	165.8
—	—	—	—	—	—	—	—	—	—	—	101.6
—	—	—	—	—	—	—	101.8	102.4	102.9	104.0	106.1
—	—	—	—	—	—	—	104.7	104.7	104.7	104.7	109.6
—	—	—	—	—	—	—	101.0	101.8	102.4	103.8	105.2
—	—	—	101.2	101.7	103.0	104.0	105.0	105.4	106.7	107.7	109.2
—	—	—	101.3	101.6	102.9	103.9	104.8	105.2	106.5	107.5	109.0
—	—	—	101.2	101.5	102.9	104.2	104.9	105.2	106.4	107.5	108.5
—	—	—	100.0	100.0	100.0	102.3	102.3	102.3	102.3	103.6	103.6
—	—	—	100.9	101.2	103.0	104.3	105.3	106.0	108.1	108.9	109.8
—	—	—	101.9	102.5	104.5	105.3	106.3	106.7	108.4	109.4	111.0
—	—	—	101.5	102.0	103.0	103.4	105.0	105.8	107.6	108.2	112.0
—	—	—	103.1	103.3	104.4	104.1	105.5	106.0	107.5	108.8	110.2
—	—	—	100.7	101.5	102.4	101.9	101.8	101.2	105.1	105.1	105.8
—	—	—	101.3	101.8	102.8	103.4	105.2	106.2	107.8	108.4	112.8
—	—	—	—	—	—	—	—	—	—	—	101.8
—	—	—	—	—	—	—	—	—	—	—	101.7
—	—	—	—	—	—	—	—	—	—	—	101.9
—	—	—	—	—	—	—	—	—	100.0	99.9	101.6
191.8	193.4	195.1	198.7	200.6	202.0	202.4	204.6	205.9	206.3	207.0	208.5
230.9	233.3	235.4	239.0	241.8	243.5	244.5	248.3	250.1	250.0	251.4	252.6
173.7	175.1	176.7	177.4	179.3	181.6	181.6	181.4	182.6	184.4	184.5	185.3
133.8	134.1	134.7	137.1	138.1	137.8	138.3	140.1	140.3	140.6	140.5	140.8
120.2	120.3	120.4	122.6	122.6	121.9	121.9	127.8	130.8	130.9	130.9	130.9
123.4	123.5	123.9	125.5	126.5	125.8	126.2	126.4	126.5	126.8	126.9	128.0
144.9	145.2	146.3	150.0	151.1	151.1	151.7	155.4	155.7	156.1	155.4	154.2
118.1	118.4	117.7	118.4	118.7	119.3	119.4	120.0	119.4	119.4	119.8	121.6
125.6	126.8	127.9	130.4	131.8	132.0	131.6	134.2	135.0	136.0	135.7	137.1

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

Indicator	Calendar Year				1991 Q1	1991 Q2	1991 Q3	1991 Q4	1992 Q1
	1991	1992	1993	1994					
Consumer Price Indexes, All Urban Consumers¹	Annual Percent Change				Percent Change From the Same Period of Previous Year				
Medical Care Services ²	8.9	7.6	6.5	5.2	9.8	9.2	8.5	8.0	7.9
Professional Services	6.2	6.1	5.1	4.3	6.6	6.1	5.9	6.0	6.2
Physicians' Services	6.0	6.3	5.6	4.4	7.0	5.9	5.5	5.5	5.9
Dental Services	7.5	6.7	5.3	4.8	6.8	7.2	7.8	8.1	7.4
Hospital and Related Services	10.2	9.1	8.4	5.9	11.3	10.8	9.8	8.9	9.0
Hospital Room	9.4	8.8	8.5	5.7	10.4	10.0	8.9	8.4	8.3
Other Inpatient Services (1986=100)	10.7	9.1	7.8	6.1	12.5	11.5	10.2	8.9	9.3
Outpatient Services (1986=100)	10.6	10.0	9.3	5.8	11.1	10.8	10.7	9.8	9.8
Medical Care Commodities	8.2	6.4	3.7	2.9	8.4	8.1	8.4	7.8	7.7
Prescription Drugs	9.9	7.6	3.9	3.4	9.9	9.7	10.1	9.8	9.3
Non-Prescription Drugs and Medical Supplies (1986=100)	4.7	3.9	3.3	1.9	5.2	4.8	5.0	3.7	4.2
Internal and Respiratory Over-the-Counter Drugs	4.5	3.8	3.3	1.5	5.5	4.8	5.0	2.6	3.3
Non-Prescription Medical Equipment and Supplies	5.0	4.1	3.3	2.7	4.6	4.8	5.0	5.8	6.2
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	6.1	6.9	7.8	6.9	6.2
Ethical (Prescription) Preparations	8.4	6.5	4.5	3.2	7.7	8.3	8.9	8.4	7.7
Proprietary (Over-the-Counter) Preparations	5.5	5.0	3.7	1.8	4.0	5.7	7.1	5.1	5.5
Medical, Surgical, and Personal Aid Devices	2.3	2.7	3.0	1.8	2.7	2.3	2.3	2.0	2.6
Personal Aid Equipment	2.9	2.6	1.7	6.4	2.9	2.9	1.9	3.8	3.8
Medical Instruments and Equipment (6/82=100)	1.5	2.2	2.1	0.5	1.7	1.4	1.5	1.2	2.2
Surgical Appliances and Supplies (6/83=100)	3.5	3.1	4.1	3.1	4.7	3.6	3.2	2.6	2.7
Ophthalmic Goods (12/83=100)	0.9	1.7	0.9	0.6	0.7	0.3	0.8	1.7	1.8
Dental Equipment and Supplies (6/85=100)	1.9	4.5	3.8	2.9	0.4	1.9	2.9	2.6	5.1

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

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

³ Unless otherwise noted, base year is 1982=100. Producer price indexes are classified by industry (price changes received for the industry's output sold outside the industry) and commodity (price changes by similarity of end use or material composition).

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

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

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

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

1992 Q2	1992 Q3	1992 Q4	1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1
Percentage Change From the Same Period of Previous Year											
7.8	7.5	7.2	6.8	6.8	6.4	6.0	5.4	5.1	5.0	5.2	5.5
6.2	6.0	5.8	5.4	5.3	5.0	4.5	4.3	4.2	4.1	4.5	4.7
6.5	6.4	6.3	5.9	5.7	5.6	5.2	4.8	4.5	4.2	4.3	4.5
6.9	6.5	6.1	5.8	6.0	4.9	4.5	4.4	4.5	4.8	5.4	5.7
9.4	9.1	9.0	8.7	8.8	8.3	7.8	6.7	5.8	5.7	5.4	5.3
8.8	9.0	9.0	8.8	9.0	8.4	7.8	6.6	5.6	5.5	5.0	5.3
9.5	9.1	8.4	7.8	8.0	7.6	7.6	6.8	6.3	5.9	5.7	5.5
10.1	9.7	10.2	10.1	10.0	9.1	8.0	6.5	5.4	5.7	5.7	5.2
7.1	5.7	5.2	4.3	3.4	3.7	3.3	2.9	3.0	2.8	3.0	2.5
8.5	6.5	6.0	5.0	3.3	3.8	3.3	3.0	4.0	3.2	3.4	2.4
4.1	3.9	3.4	3.0	3.5	3.4	3.3	2.6	0.9	2.0	2.1	2.8
4.3	4.0	3.7	3.3	3.2	3.4	3.5	3.0	1.3	0.8	0.9	1.1
3.9	3.6	2.7	2.4	4.0	3.5	3.1	1.9	0.1	4.2	4.4	5.8
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	4.2
—	—	—	—	—	—	—	—	—	—	—	4.7
—	—	—	—	—	—	—	—	—	—	—	4.2
—	—	—	—	—	—	—	3.8	3.6	3.6	3.5	4.0
—	—	—	—	—	—	—	3.5	3.5	3.5	3.4	4.1
—	—	—	—	—	—	—	3.7	3.6	3.5	3.1	3.5
—	—	—	—	—	—	—	2.3	2.3	2.3	1.3	1.3
—	—	—	—	—	—	—	4.3	4.7	5.0	4.5	4.3
—	—	—	—	—	—	—	4.3	4.1	3.8	3.9	4.4
—	—	—	—	—	—	—	3.4	3.7	4.4	4.7	6.7
—	—	—	—	—	—	—	2.3	2.6	3.0	4.6	4.5
—	—	—	—	—	—	—	1.1	-0.3	2.7	3.1	3.9
—	—	—	—	—	—	—	3.8	4.3	4.8	4.8	7.3
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
5.5	4.7	4.8	5.4	4.6	4.4	3.7	3.0	2.6	2.1	2.3	1.9
6.5	6.1	5.7	5.2	4.7	4.4	3.8	3.9	3.4	2.7	2.8	1.7
5.0	4.1	5.3	5.1	3.2	3.7	2.8	2.2	1.8	1.6	1.6	2.2
2.8	2.5	2.9	3.2	3.2	2.8	2.6	2.1	1.6	2.0	1.6	0.5
3.6	2.8	0.4	2.2	2.0	1.3	1.2	4.3	6.7	7.4	7.4	2.4
2.3	2.1	2.4	2.3	2.5	1.9	1.9	0.8	0.1	0.8	0.6	1.2
3.1	2.9	3.5	4.5	4.3	4.1	3.7	3.6	3.1	3.3	2.4	-0.8
2.3	2.0	0.7	0.7	0.5	0.8	1.4	1.4	0.5	0.1	0.3	1.3
4.4	3.9	4.5	3.5	4.9	4.1	2.9	2.9	2.4	3.0	3.1	2.1

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 Q2	1993 Q3	1993 Q4	1994 Q1
Index Levels						
Total	—	100.000	128.7	129.5	130.1	131.0
Compensation	—	61.713	131.6	132.8	133.6	134.9
Wages and Salaries	HCFA Occupational Wage Index ⁴	52.216	128.9	130.0	130.9	131.8
Employee Benefits	HCFA Occupational Benefits Index ⁴	9.497	146.4	147.7	148.8	151.6
Other Professional Fees	ECI-W/S: Professional/Technical (Private)	1.649	129.2	130.3	131.0	132.0
Energy and Utilities ³	—	2.368	116.9	115.9	113.0	109.6
Professional Liability Insurance	HCFA—Professional Liability Premium	1.433	138.5	139.5	140.6	137.5
All Other	—	32.837	123.5	123.7	124.1	124.8
Other Products ³	—	21.788	123.4	123.5	123.8	124.3
Pharmaceuticals	PPI—Prescription Drugs	3.873	157.7	158.8	159.4	161.9
Food ³	—	3.299	118.2	118.6	119.1	120.1
Chemicals	PPI—Industrial Chemicals	3.126	119.1	118.0	117.3	115.8
Medical Instruments	PPI—Medical Instruments/Equipment	2.672	116.0	115.4	115.8	116.0
Photographic Supplies	PPI—Photographic Supplies	2.623	112.7	112.8	113.5	114.6
Rubber and Plastics	PPI—Rubber/Plastic Products	2.323	113.6	113.8	114.1	113.9
Other Services ³	—	11.050	123.7	124.2	124.7	126.0
Business Services	AHE—Business Services	3.845	122.2	122.5	122.4	124.8
Computer Services	AHE—Data Processing Services	1.992	136.2	137.1	138.8	140.9
4-Quarter Moving-Average Percent Change						
Total	—	100.000	3.1	3.0	2.9	2.7
Compensation	—	61.713	3.6	3.5	3.5	3.3
Wages and Salaries	HCFA Occupational Wage Index ⁴	52.216	3.1	3.1	3.1	3.0
Employee Benefits	HCFA Occupational Benefits Index ⁴	9.497	6.1	5.8	5.3	4.9
Other Professional Fees	ECI-W/S: Professional/Technical (Private)	1.649	3.6	3.4	3.3	3.1
Energy and Utilities ³	—	2.368	2.5	0.9	-0.3	-2.0
Professional Liability Insurance	HCFA—Professional Liability Premium	1.433	2.8	2.8	3.0	2.3
All Other	—	32.837	2.0	1.9	1.9	1.8
Other Products ³	—	21.788	2.0	1.9	1.7	1.6
Pharmaceuticals	PPI—Prescription Drugs	3.873	5.4	5.0	4.5	4.2
Food ³	—	3.299	1.1	1.3	1.7	2.0
Chemicals	PPI—Industrial Chemicals	3.126	1.7	1.4	1.1	0.1
Medical Instruments	PPI—Medical Instruments/Equipment	2.672	2.3	2.3	2.1	1.7
Photographic Supplies	PPI—Photographic Supplies	2.623	-0.6	-0.9	-1.1	-0.3
Rubber and Plastics	PPI—Rubber/Plastic Products	2.323	0.9	0.9	0.8	0.7
Other Services ³	—	11.050	2.0	2.0	2.2	2.3
Business Services	AHE—Business Services	3.845	1.6	1.5	1.5	1.8
Computer Services	AHE—Data Processing Services	1.992	2.9	3.5	4.1	4.7

¹ For data sources used to estimate the input price index relative weights and choice of price proxies, see the September 4, 1990, *Federal Register*. For the most recent PPS update for payment rates, see the June 2, 1995, *Federal Register*.

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

³ Represents a subtotal. Detailed categories not shown are listed below by subtotal, detailed category, and base year weight: Energy and Utilities: Fuel Oil, Coal, and Other Fuel (0.624), Electricity (1.135), Natural Gas (0.343), and Motor Gasoline (0.230). Other Products: Paper Products (1.399), Apparel (1.142), Machinery and Equipment (.0497), and Miscellaneous Products (0.833). Food: Direct Purchase (2.111) and Contract Service (1.188). Other Services: Transportation and Shipping (1.233), Telephone (0.987), Blood Services (0.588), Postage (0.372), Other—Labor Intensive (1.233), and Other—Non-Labor Intensive (0.800).

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

Table 9—Continued

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

1994 Q2	1994 Q3	1994 Q4	1995 Q1	Forecast							
				1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4	1997 Q1
131.6	132.7	133.6	134.8	136.0	137.4	138.4	139.7	140.6	141.9	142.8	144.0
135.7	136.8	137.6	138.5	139.4	140.9	142.0	143.3	144.1	145.7	146.7	148.1
132.7	133.7	134.6	135.5	136.4	137.8	138.9	140.1	141.0	142.5	143.5	144.7
152.1	153.6	154.0	155.1	155.8	157.5	158.7	160.7	161.4	163.2	164.3	166.4
132.9	133.9	134.8	135.6	136.5	137.9	138.8	140.0	140.9	142.5	143.3	144.4
110.1	114.3	109.3	107.1	110.8	112.7	113.3	112.2	114.2	115.3	115.4	113.9
136.3	135.9	136.2	137.0	137.3	138.1	139.4	140.9	142.2	143.5	145.0	146.5
125.2	126.1	127.6	129.7	131.4	132.5	133.5	134.8	135.8	136.6	137.4	138.5
124.8	125.7	127.6	129.7	131.9	133.3	134.4	135.7	136.7	137.4	138.0	139.1
163.1	163.1	163.9	164.5	166.6	168.2	169.9	172.0	173.4	174.1	174.7	177.1
120.2	119.8	119.7	120.7	121.6	122.7	123.1	124.4	125.4	126.3	126.6	127.9
118.3	123.9	130.4	135.5	141.2	142.5	144.2	145.8	147.5	148.1	148.3	148.8
116.1	116.3	116.4	117.5	117.2	117.6	119.0	120.3	120.8	120.5	121.2	122.4
113.7	112.4	112.3	113.7	114.6	115.6	116.1	117.1	117.9	119.5	120.5	121.5
114.1	115.3	117.9	120.0	122.5	123.7	123.8	123.7	123.9	124.4	124.4	124.5
126.1	126.8	127.7	129.6	130.3	130.9	131.9	133.1	134.1	135.1	136.2	137.5
123.9	124.4	125.2	128.0	128.3	128.7	129.5	131.5	132.3	133.1	134.5	136.4
141.3	142.2	143.7	145.0	146.0	147.3	148.5	149.7	150.5	152.2	153.5	155.0
2.5	2.5	2.5	2.6	2.9	3.1	3.4	3.5	3.5	3.5	3.4	3.3
3.2	3.1	3.1	2.9	2.9	2.8	2.9	3.1	3.3	3.4	3.4	3.4
3.0	2.9	2.9	2.8	2.8	2.9	3.0	3.1	3.3	3.3	3.4	3.3
4.4	4.2	4.0	3.4	3.0	2.7	2.6	2.9	3.2	3.5	3.6	3.6
3.0	2.9	2.9	2.8	2.8	2.8	2.9	3.0	3.1	3.2	3.2	3.2
-4.0	-3.4	-3.4	-3.2	-1.6	-1.6	0.1	1.9	2.5	3.5	3.0	2.2
1.1	-0.3	-1.8	-1.9	-1.3	-0.3	1.1	1.9	2.6	3.2	3.6	3.9
1.7	1.7	2.0	2.5	3.4	4.2	4.6	4.6	4.3	3.8	3.3	3.0
1.4	1.4	1.8	2.6	3.7	4.8	5.4	5.4	4.9	4.1	3.5	3.0
3.9	3.5	3.2	2.6	2.3	2.4	2.6	3.4	3.9	3.9	3.7	3.3
2.0	1.8	1.4	0.9	0.8	1.2	1.7	2.4	2.9	3.0	3.0	2.9
-0.8	0.5	3.5	8.1	13.1	15.6	15.4	12.9	9.2	6.5	4.7	3.3
1.1	0.9	0.5	0.7	0.9	1.0	1.4	1.7	2.2	2.5	2.4	2.3
0.2	0.4	0.3	-0.3	-0.4	0.4	1.5	2.5	3.0	3.2	3.3	3.5
0.6	0.7	1.4	2.6	4.3	5.8	6.2	5.7	4.1	2.5	1.3	0.7
2.3	2.2	2.3	2.3	2.7	2.9	3.2	3.1	3.1	3.0	3.0	3.2
1.7	1.7	1.9	2.0	2.5	3.0	3.2	3.3	3.2	3.2	3.3	3.6
4.5	4.4	4.1	3.5	3.4	3.3	3.3	3.4	3.3	3.3	3.3	3.3

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

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

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 Q2	1993 Q3	1993 Q4	1994 Q1
Index Levels						
Total	—	100.000	247.4	249.7	252.4	254.9
Compensation	—	70.620	251.3	254.0	257.2	260.0
Wages and Salaries	AHE—Nursing Facilities	63.020	248.3	251.1	254.3	257.1
Employee Benefits	BEA—Supplement to Wages/Salaries per Worker	7.600	275.7	278.0	280.7	284.3
Fuel and Other Energy	—	4.270	231.3	232.6	231.3	233.0
Fuel Oil and Coal	IPD—Fuel Oil & Coal	1.660	209.1	206.7	202.4	205.4
Electricity	IPD—Electricity	1.210	222.8	224.5	224.3	221.8
Natural Gas	IPD—Natural Gas	0.910	245.2	250.2	250.7	254.0
Water and Sewerage Maintenance	CPI(U)—Water & Sewage	0.490	302.0	307.5	310.7	315.1
Food	—	9.740	190.4	191.2	193.0	194.0
Direct Purchase	PPI—Processed Foods	4.930	167.0	167.9	169.4	170.9
Contract Service	CPI(U)—Food and Beverages	4.810	214.4	215.1	217.2	217.6
All Other	—	15.370	270.0	271.8	273.8	276.1
Pharmaceuticals	PPI—Prescription Drugs	1.500	367.8	370.4	371.9	377.8
Supplies	CPI(U)—All Items	3.280	237.9	238.9	240.9	242.1
Health Services	CPI(U)—Physicians' Services	1.210	325.7	329.5	331.9	336.2
Other Business Services	CPI(U)—Services	4.590	279.6	282.0	284.4	286.8
Miscellaneous Costs	CPI(U)—All Items	4.790	237.9	238.9	240.9	242.1
4-Quarter Moving-Average Percent Change						
Total	—	100.000	3.8	3.7	3.8	3.8
Compensation	—	70.620	4.2	4.0	4.1	4.1
Wages and Salaries	AHE—Nursing Facilities	63.020	3.9	3.8	4.0	4.1
Employee Benefits	BEA—Supplement to Wages/Salaries per Worker	7.600	6.1	5.3	4.7	4.8
Fuel and Other Energy	—	4.270	2.8	2.7	2.6	2.4
Fuel Oil and Coal	IPD—Fuel Oil & Coal	1.660	0.7	0.0	-0.2	-0.9
Electricity	IPD—Electricity	1.210	1.9	2.0	1.9	1.9
Natural Gas	IPD—Natural Gas	0.910	4.9	6.1	6.2	6.4
Water and Sewerage Maintenance	CPI(U)—Water & Sewage	0.490	6.2	5.9	5.4	5.2
Food	—	9.740	1.4	1.5	1.9	2.2
Direct Purchase	PPI—Processed Foods	4.930	0.8	1.0	1.6	2.1
Contract Service	CPI(U)—Food and Beverages	4.810	1.8	1.9	2.1	2.3
All Other	—	15.370	3.9	3.8	3.7	3.5
Pharmaceuticals	PPI—Prescription Drugs	1.500	5.4	5.0	4.5	4.2
Supplies	CPI(U)—All Items	3.280	3.1	3.1	3.0	2.8
Health Services	CPI(U)—Physicians' Services	1.210	6.1	5.9	5.6	5.3
Other Business Services	CPI(U)—Services	4.590	3.8	3.9	3.8	3.8
Miscellaneous Costs	CPI(U)—All Items	4.790	3.1	3.1	3.0	2.8

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

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

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 Q2	1994 Q3	1994 Q4	1995 Q1	Forecast							
				1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4	1997 Q1
256.2	258.2	260.2	262.7	264.3	266.8	269.0	272.2	273.5	276.0	278.0	281.5
261.4	263.7	266.1	269.1	270.3	273.1	275.4	279.1	280.3	283.0	285.1	289.2
258.4	260.9	263.4	266.3	267.3	270.1	272.3	276.2	277.1	279.9	281.9	285.9
285.9	286.9	288.3	292.3	295.1	298.3	300.9	303.2	306.2	309.1	311.9	316.2
232.8	232.8	231.7	231.4	234.2	236.2	236.0	236.5	237.1	238.6	239.7	241.1
203.8	203.6	201.3	200.6	206.9	207.4	203.8	201.7	201.1	202.1	203.5	205.9
221.2	223.6	224.3	225.5	225.8	226.7	227.6	228.2	228.4	228.8	229.1	228.8
254.6	249.8	246.9	243.9	244.4	248.1	251.8	254.0	255.7	256.9	257.6	257.5
318.7	322.5	324.2	326.8	328.4	334.7	336.6	342.5	346.3	352.6	355.2	360.0
193.9	194.8	195.5	196.6	197.8	199.2	200.6	201.9	203.2	204.5	205.6	206.9
169.8	169.0	168.9	170.0	171.1	172.5	173.6	174.6	175.6	176.5	177.3	178.3
218.6	221.3	222.8	223.8	225.1	226.6	228.2	229.9	231.6	233.2	234.6	236.1
278.1	280.1	281.9	284.3	286.9	289.4	291.8	294.6	297.1	299.3	301.5	304.4
380.4	380.4	382.5	383.7	388.7	392.3	396.3	401.2	404.5	406.0	407.5	413.2
243.7	245.8	247.2	249.1	251.1	253.1	255.0	257.0	259.0	260.9	262.9	264.9
340.5	343.1	346.0	351.5	355.3	358.5	361.3	366.5	370.3	373.9	376.4	381.7
288.9	291.1	293.2	296.0	298.7	301.3	304.1	306.9	309.6	312.3	315.0	317.8
243.7	245.8	247.2	249.1	251.1	253.1	255.0	257.0	259.0	260.9	262.9	264.9
3.8	3.7	3.5	3.3	3.2	3.2	3.2	3.4	3.5	3.5	3.5	3.4
4.2	4.1	3.9	3.7	3.5	3.5	3.5	3.6	3.6	3.6	3.6	3.6
4.1	4.2	3.9	3.8	3.6	3.5	3.5	3.5	3.6	3.6	3.6	3.6
4.5	4.1	3.7	3.1	3.0	3.2	3.6	3.8	3.9	3.9	3.7	3.8
1.6	1.0	0.8	0.0	0.0	0.4	0.8	1.5	1.7	1.6	1.5	1.4
-2.0	-2.0	-1.4	-1.7	-0.7	0.1	0.6	1.3	0.2	-0.9	-1.3	-0.9
1.2	0.4	0.0	0.1	0.8	1.3	1.6	1.5	1.3	1.2	1.0	0.7
5.6	3.7	2.1	-0.5	-2.4	-2.6	-1.7	0.3	2.5	3.6	3.6	2.9
5.2	5.2	5.0	4.6	4.0	3.7	3.6	3.9	4.5	4.9	5.3	5.4
2.2	2.2	1.9	1.6	1.6	1.7	2.1	2.4	2.6	2.7	2.7	2.6
2.2	1.9	1.2	0.4	0.1	0.5	1.3	2.1	2.5	2.6	2.4	2.3
2.3	2.4	2.5	2.6	2.8	2.7	2.7	2.6	2.6	2.7	2.8	2.8
3.3	3.2	3.1	3.0	3.0	3.1	3.2	3.4	3.5	3.5	3.5	3.4
3.9	3.5	3.2	2.6	2.3	2.4	2.6	3.4	3.9	3.9	3.7	3.3
2.6	2.6	2.6	2.7	2.9	2.9	3.0	3.1	3.1	3.1	3.1	3.1
5.0	4.7	4.4	4.4	4.3	4.4	4.4	4.4	4.3	4.3	4.2	4.2
3.7	3.5	3.3	3.2	3.2	3.3	3.4	3.6	3.6	3.7	3.6	3.6
2.6	2.6	2.6	2.7	2.9	2.9	3.0	3.1	3.1	3.1	3.1	3.1

NOTES: A dash (—) in the Price/Wage Variable column denotes a total or subtotal produced by adding 2 or more categories. AHE represents average hourly earnings, BEA represents Bureau of Economic Analysis, IPD represents implicit price deflator from the Department of Commerce, CPI(U) represents Consumer Price Index for all urban consumers, and PPI represents Producer Price Index. CY is calendar year. Q designates quarter of year. An example of how a percent change is calculated is shown in the Notes at 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. Second quarter 1995 forecasts were produced under contract to HCFA by Data Resources, Inc./McGraw-Hill.

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

Expense Category ¹	Price/Wage Variable	Base Year Weights CY 1976 ²	1993 Q2	1993 Q3	1993 Q4	1994 Q1
Index Levels						
Total	—	100.000	296.4	298.8	301.4	303.3
Compensation	—	73.040	307.4	310.2	313.0	315.1
Wages and Salaries	AHE—Hospitals	65.140	307.5	310.3	313.1	315.0
Employee Benefits	BEA—Supplement to Wages/Salaries	7.900	306.4	309.0	312.0	316.0
Transportation	CPI(U)—Transportation	4.870	235.9	236.4	239.9	239.5
Office Costs	CPI(U)—Services	2.790	301.1	303.7	306.2	308.8
Medical and Nursing Supplies	CPI(U)—Medical Equipment/Supplies	2.810	258.5	258.6	259.0	259.0
Rental and Leasing	CPI(U)—Residential Rent	1.350	245.3	246.5	248.0	249.8
Energy and Utilities	—	1.170	260.8	262.2	260.8	262.9
Miscellaneous Costs	CPI(U)—All Items	7.100	253.3	254.4	256.4	257.8
Contract Services	Composite—All Other Costs ³	6.870	296.4	298.8	301.4	303.3
4-Quarter Moving-Average Percent Change						
Total	—	100.000	3.9	3.7	3.4	3.1
Compensation	—	73.040	4.0	3.8	3.5	3.1
Wages and Salaries	AHE—Hospitals	65.140	3.8	3.6	3.3	2.9
Employee Benefits	BEA—Supplement to Wages/Salaries	7.900	6.1	5.3	4.7	4.8
Transportation	CPI(U)—Transportation	4.870	3.2	3.1	3.0	2.6
Office Costs	CPI(U)—Services	2.790	3.8	3.9	3.8	3.8
Medical and Nursing Supplies	CPI(U)—Medical Equipment/Supplies	2.810	3.2	3.2	3.3	3.1
Rental and Leasing	CPI(U)—Residential Rent	1.350	2.3	2.4	2.3	2.4
Energy and Utilities	—	1.170	2.8	2.8	2.7	2.5
Miscellaneous Costs	CPI(U)—All Items	7.100	3.1	3.1	3.0	2.8
Contract Services	Composite—All Other Costs ³	6.870	3.9	3.7	3.4	3.1

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

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

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

NOTES: AHE represents average hourly earnings, BEA represents Bureau of Economic Analysis, and CPI(U) represents Consumer Price Index for all urban consumers. 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.

Table 11—Continued

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

1994 Q2	1994 Q3	1994 Q4	1995 Q1	Forecast							
				1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4	1997 Q1
303.9	307.9	310.6	313.7	315.0	318.4	320.4	322.3	325.5	329.6	332.4	334.6
315.4	319.5	322.6	326.0	326.9	330.8	332.7	334.6	337.9	342.7	345.6	348.0
315.1	319.6	322.8	326.1	326.8	330.7	332.5	334.3	337.6	342.6	345.5	347.6
317.8	318.8	320.5	324.9	328.0	331.5	334.4	337.0	340.3	343.6	346.7	351.4
241.6	245.9	248.3	249.8	253.3	253.7	256.5	256.7	261.5	262.3	264.7	264.6
311.1	313.5	315.7	318.7	321.6	324.4	327.4	330.4	333.4	336.3	339.2	342.2
258.9	269.5	270.4	274.0	275.1	276.0	278.4	280.2	284.9	287.5	289.0	290.3
250.8	252.6	254.3	255.8	257.3	260.9	263.5	264.6	265.0	266.4	267.8	269.2
262.7	262.6	261.4	261.0	264.3	266.5	266.3	267.0	267.7	269.5	270.7	272.4
259.4	261.7	263.2	265.2	267.4	269.5	271.5	273.6	275.7	277.8	279.9	282.1
303.9	307.9	310.6	313.7	315.0	318.4	320.4	322.3	325.5	329.6	332.4	334.6
2.8	2.8	2.8	3.0	3.3	3.4	3.4	3.2	3.2	3.2	3.3	3.6
2.8	2.8	2.9	3.0	3.3	3.4	3.4	3.2	3.2	3.2	3.4	3.7
2.7	2.7	2.8	3.0	3.3	3.5	3.4	3.2	3.1	3.1	3.3	3.7
4.5	4.1	3.7	3.1	3.0	3.2	3.6	3.8	3.9	3.9	3.7	3.8
2.4	2.8	3.0	3.6	4.2	4.0	3.9	3.5	3.1	3.2	3.2	3.2
3.7	3.5	3.3	3.2	3.2	3.3	3.4	3.6	3.6	3.7	3.6	3.6
2.1	2.3	2.7	3.6	5.2	4.7	4.3	3.4	2.8	3.3	3.5	3.8
2.3	2.3	2.4	2.4	2.5	2.7	3.0	3.2	3.3	3.0	2.5	2.1
1.7	1.1	0.8	0.1	0.1	0.4	0.8	1.6	1.7	1.7	1.6	1.5
2.6	2.6	2.6	2.7	2.9	2.9	3.0	3.1	3.1	3.1	3.1	3.1
2.8	2.8	2.8	3.0	3.3	3.4	3.4	3.2	3.2	3.2	3.3	3.6

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 Weights CY 1989 ²	1993 Q2	1993 Q3	1993 Q4	1994 Q1
Index Levels						
Total	—	100.000	110.8	111.1	111.8	112.6
Physician Earnings	—	54.155	109.4	109.5	110.4	111.2
Wages and Salaries	AHE—Private ³	45.342	107.2	107.2	108.2	108.8
Benefits	ECI—Benefits, Private ³	8.813	120.8	121.4	121.6	123.5
Practice Expenses	—	45.845	112.3	112.9	113.4	114.3
Non-Physician Compensation	—	16.296	112.1	112.7	113.1	113.9
Wages and Salaries	—	13.786	110.7	111.3	111.6	112.1
Professional/Technical	ECI—W/S: Professional/Technical ³	3.790	112.2	112.8	113.0	113.5
Managers	ECI—W/S: Administrative/Managerial ³	2.620	110.2	110.7	111.1	111.5
Clerical	ECI—W/S: Clerical ³	5.074	110.8	111.4	111.9	112.5
Craft	ECI—W/S: Craft ³	0.069	108.2	108.9	109.0	109.4
Services	ECI—W/S: Service Occupation ³	2.233	108.8	109.2	109.3	109.9
Employee Benefits	ECI—Benefits, Private White Collar ³	2.510	120.1	120.6	121.0	123.3
Office Expenses	CPI(U)—Housing	10.280	114.5	115.6	115.6	116.7
Medical Materials/Supplies	PPI—Drugs/PPI-Surgical/ CPI—Medical Supplies	5.251	122.2	122.6	123.0	124.6
Professional Liability Insurance	HCFA—Professional Liability Premiums	4.780	92.7	93.6	94.5	95.3
Medical Equipment	PPI—Medical Instruments/Equipment	2.348	109.1	108.6	108.9	109.1
Other Professional Expenses	—	6.890	116.6	117.1	118.2	118.9
Automobile	CPI(U)—Private Transportation	1.400	112.7	112.7	114.3	113.7
All Other	CPI(U)—All Items Less Food/Energy	5.490	117.6	118.2	119.2	120.2
4-Quarter Moving-Average Percent Change						
Total	—	100.000	2.3	2.3	2.3	2.2
Physician Earnings	—	54.155	1.7	1.7	1.7	1.7
Wages and Salaries	AHE—Private ³	45.342	1.2	1.2	1.2	1.3
Benefits	ECI—Benefits, Private ³	8.813	4.1	4.2	4.2	3.9
Practice Expenses	—	45.845	3.0	3.0	2.9	2.8
Non-Physician Compensation	—	16.296	2.1	2.1	2.2	2.1
Wages and Salaries	—	13.786	1.7	1.8	1.9	1.8
Professional/Technical	ECI—W/S: Professional/Technical ³	3.790	2.3	2.2	2.1	1.9
Managers	ECI—W/S: Administrative/Managerial ³	2.620	1.0	1.4	1.9	1.8
Clerical	ECI—W/S: Clerical ³	5.074	2.0	2.0	2.1	2.2
Craft	ECI—W/S: Craft ³	0.069	1.6	1.6	1.6	1.6
Services	ECI—W/S: Service Occupation ³	2.233	0.9	0.9	0.9	1.0
Employee Benefits	ECI—Benefits, Private White Collar ³	2.510	3.8	3.8	3.8	3.6
Office Expenses	CPI(U)—Housing	10.280	2.8	2.7	2.7	2.7
Medical Materials/Supplies	PPI—Drugs/PPI-Surgical/ CPI—Medical Supplies	5.251	4.2	4.1	4.0	3.8
Professional Liability Insurance	HCFA—Professional Liability Premiums	4.780	5.8	6.0	5.5	4.7
Medical Equipment	PPI—Medical Instruments/Equipment	2.348	2.3	2.3	2.1	1.7
Other Professional Expenses	—	6.890	3.3	3.2	3.1	2.9
Automobile	CPI(U)—Private Transportation	1.400	2.9	2.6	2.3	1.9
All Other	CPI(U)—All Items Less Food/Energy	5.490	3.5	3.4	3.3	3.2

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

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

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

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 Q2	1994 Q3	1994 Q4	1995 Q1	Forecast							
				1995 Q2	1995 Q3	1995 Q4	1996 Q1	1996 Q2	1996 Q3	1996 Q4	1997 Q1
112.9	113.3	114.0	114.7	115.1	115.8	116.7	117.5	118.1	118.7	119.6	120.4
111.2	111.3	112.3	112.9	113.0	113.3	114.4	115.0	115.2	115.6	116.7	117.3
108.6	108.6	109.9	110.4	110.6	110.8	112.0	112.4	112.6	112.9	114.0	114.5
124.1	124.8	124.5	125.5	125.4	126.2	126.6	128.0	128.7	129.8	130.3	131.6
114.9	115.8	116.1	116.9	117.6	118.7	119.4	120.4	121.4	122.4	123.1	124.1
114.4	115.0	115.3	116.0	116.4	117.2	117.7	118.7	119.2	120.1	120.5	121.4
112.6	113.2	113.6	114.2	114.7	115.5	116.0	116.9	117.4	118.2	118.7	119.5
114.0	114.5	114.9	115.2	115.6	116.5	116.9	117.5	118.0	119.0	119.3	119.8
112.2	113.0	113.1	114.0	114.5	115.4	115.9	116.7	117.4	118.0	118.5	119.3
113.0	113.6	113.9	114.7	115.4	116.3	116.7	117.8	118.3	119.0	119.6	120.6
110.1	110.9	110.7	111.2	111.7	112.5	112.7	113.4	113.9	114.6	114.7	115.3
110.0	110.5	111.2	111.4	111.7	112.4	113.4	114.1	114.4	115.4	116.0	116.5
124.0	124.8	124.8	125.8	125.7	126.5	127.0	128.4	129.2	130.3	130.8	132.1
117.3	118.4	118.3	119.4	120.1	121.8	121.9	122.9	123.9	125.6	126.0	127.0
125.0	126.7	126.9	127.4	128.5	129.6	131.0	132.4	134.0	134.5	135.1	136.5
96.0	96.4	97.1	97.9	98.9	99.7	100.7	101.8	103.0	104.4	105.6	106.9
109.2	109.4	109.5	110.4	110.1	110.5	111.8	113.1	113.5	113.3	113.9	115.0
119.8	120.8	121.8	122.9	124.1	125.1	126.5	127.2	128.7	129.6	131.0	131.7
115.2	117.5	119.1	119.6	121.0	121.6	122.8	122.8	125.3	125.7	126.8	126.6
121.0	121.7	122.5	123.7	124.9	126.0	127.4	128.3	129.6	130.7	132.1	133.0
2.1	2.0	2.0	2.0	2.0	2.0	2.1	2.2	2.4	2.5	2.5	2.5
1.7	1.7	1.7	1.6	1.6	1.7	1.7	1.8	1.9	1.9	2.0	2.0
1.3	1.3	1.4	1.4	1.5	1.7	1.8	1.9	1.9	1.8	1.8	1.8
3.4	3.1	2.7	2.4	1.9	1.6	1.4	1.5	1.9	2.3	2.6	2.8
2.6	2.5	2.4	2.4	2.4	2.4	2.5	2.7	2.9	3.1	3.1	3.1
2.1	2.0	2.0	2.0	1.9	1.9	1.9	2.0	2.2	2.3	2.4	2.4
1.8	1.8	1.7	1.8	1.8	1.9	2.0	2.1	2.2	2.3	2.3	2.3
1.7	1.6	1.6	1.6	1.5	1.6	1.6	1.7	1.9	2.0	2.1	2.0
1.9	1.9	1.8	1.9	2.0	2.0	2.2	2.3	2.4	2.4	2.4	2.3
2.2	2.1	2.0	2.0	2.0	2.1	2.2	2.4	2.5	2.5	2.5	2.4
1.6	1.7	1.7	1.7	1.6	1.5	1.6	1.7	1.8	1.9	1.9	1.8
1.1	1.1	1.3	1.4	1.4	1.6	1.6	1.9	2.1	2.3	2.4	2.3
3.4	3.4	3.3	3.0	2.5	2.0	1.6	1.7	2.0	2.4	2.7	2.9
2.6	2.6	2.5	2.4	2.4	2.5	2.6	2.8	3.0	3.1	3.1	3.3
3.2	3.1	3.0	2.8	2.9	2.6	2.7	3.1	3.4	3.8	3.7	3.5
4.0	3.6	3.3	3.0	2.9	3.0	3.2	3.5	3.8	4.1	4.4	4.7
1.1	0.9	0.5	0.7	0.9	0.9	1.3	1.6	2.2	2.5	2.4	2.3
2.8	2.8	2.9	3.1	3.3	3.4	3.6	3.6	3.6	3.7	3.6	3.6
1.8	2.5	3.0	3.9	4.7	4.5	4.2	3.6	3.2	3.2	3.2	3.3
3.0	2.9	2.9	2.9	3.0	3.1	3.4	3.6	3.7	3.8	3.7	3.7

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).

Figure 1
Percent Change in Admissions, Surgical Operations, and Outpatient Visits From the Same Period of Previous Year: 1986-95

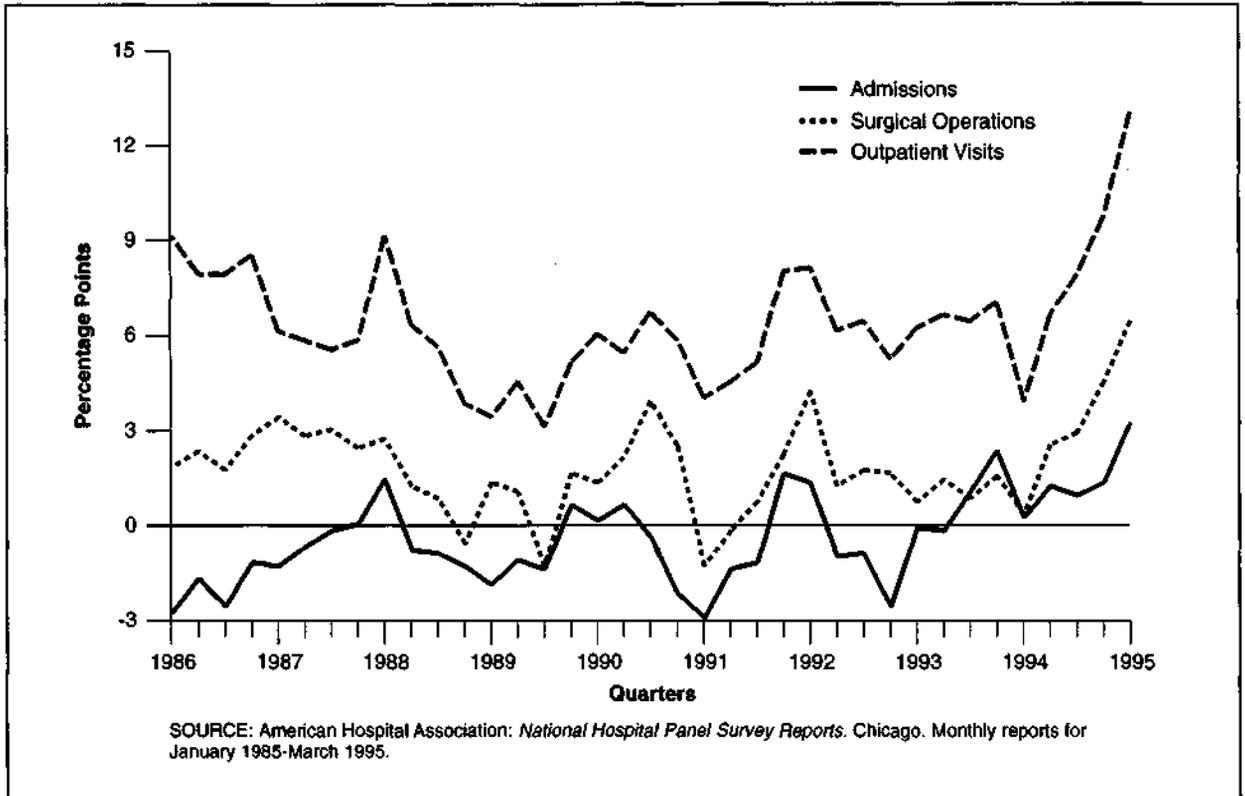


Figure 2

Percent Change in Admissions per 1,000 Population by Age Groups From the Same Period of Previous Year: 1986-95

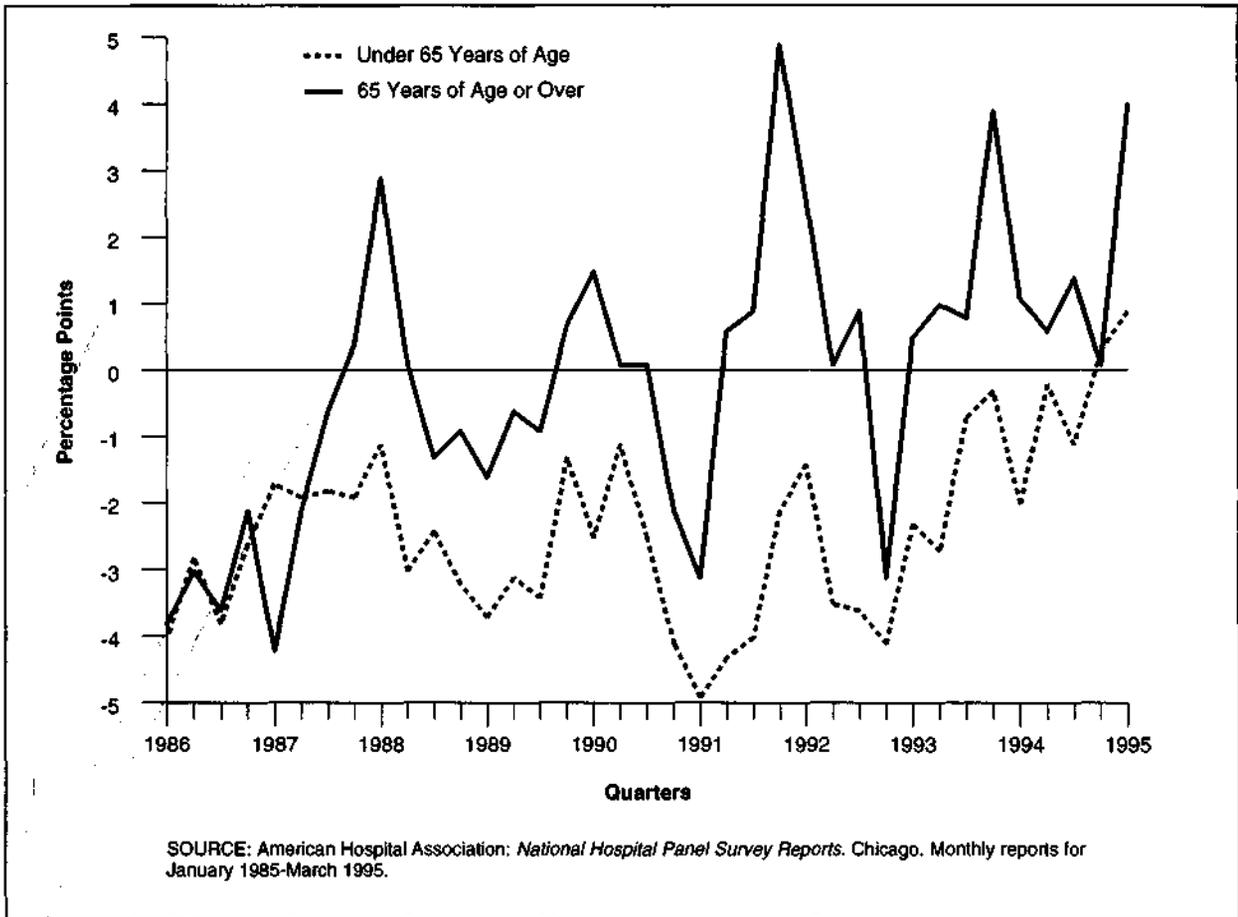


Figure 3
Percent Change in Inpatient Expense per Admission and Outpatient Expense per Visit From the Same Period of Previous Year: 1986-95

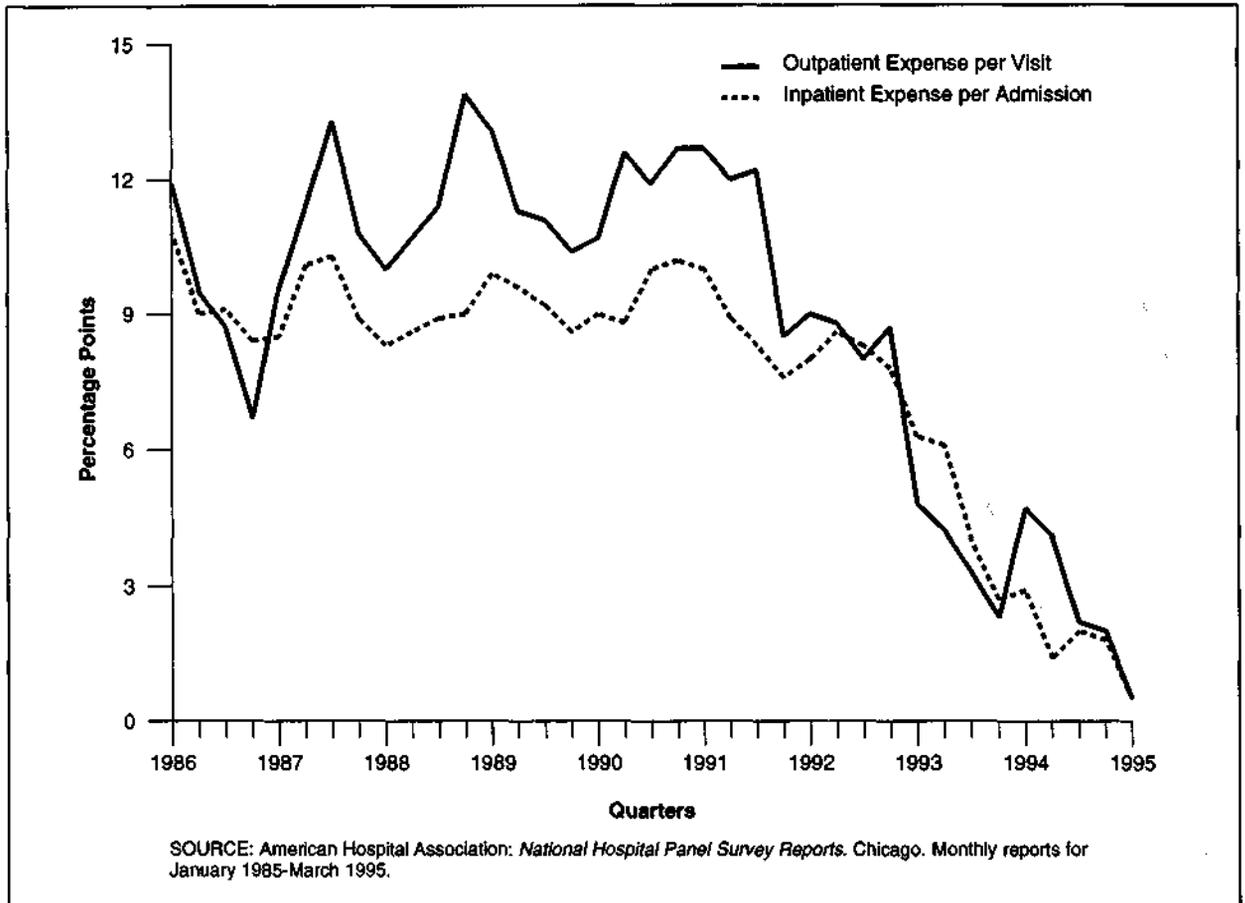


Figure 4

Percent Change in Employment From the Same Period of Previous Year: 1989-95

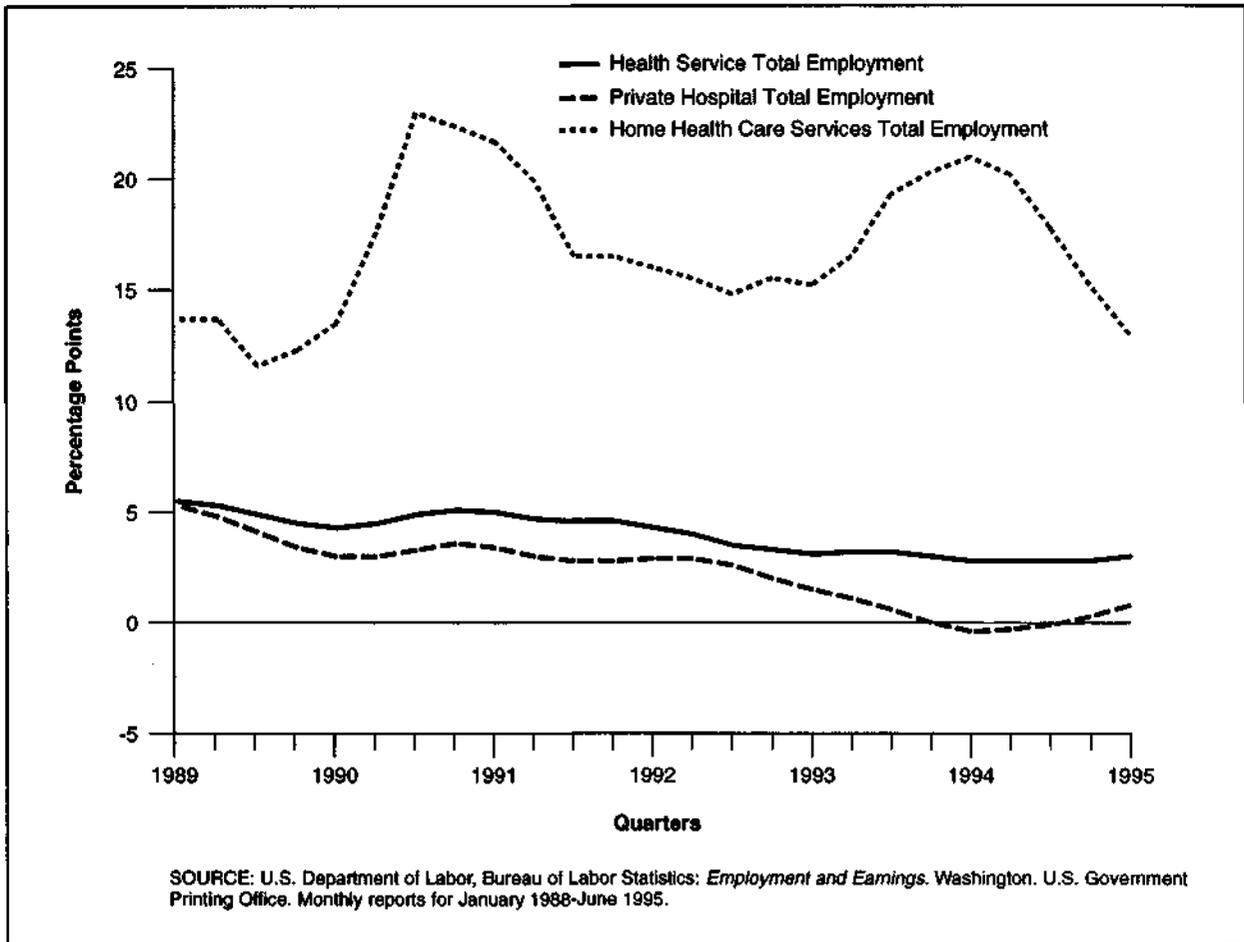


Figure 5

Percent Change in Consumer Price Indexes (CPIs) From the Same Period of Previous Year: 1991-95

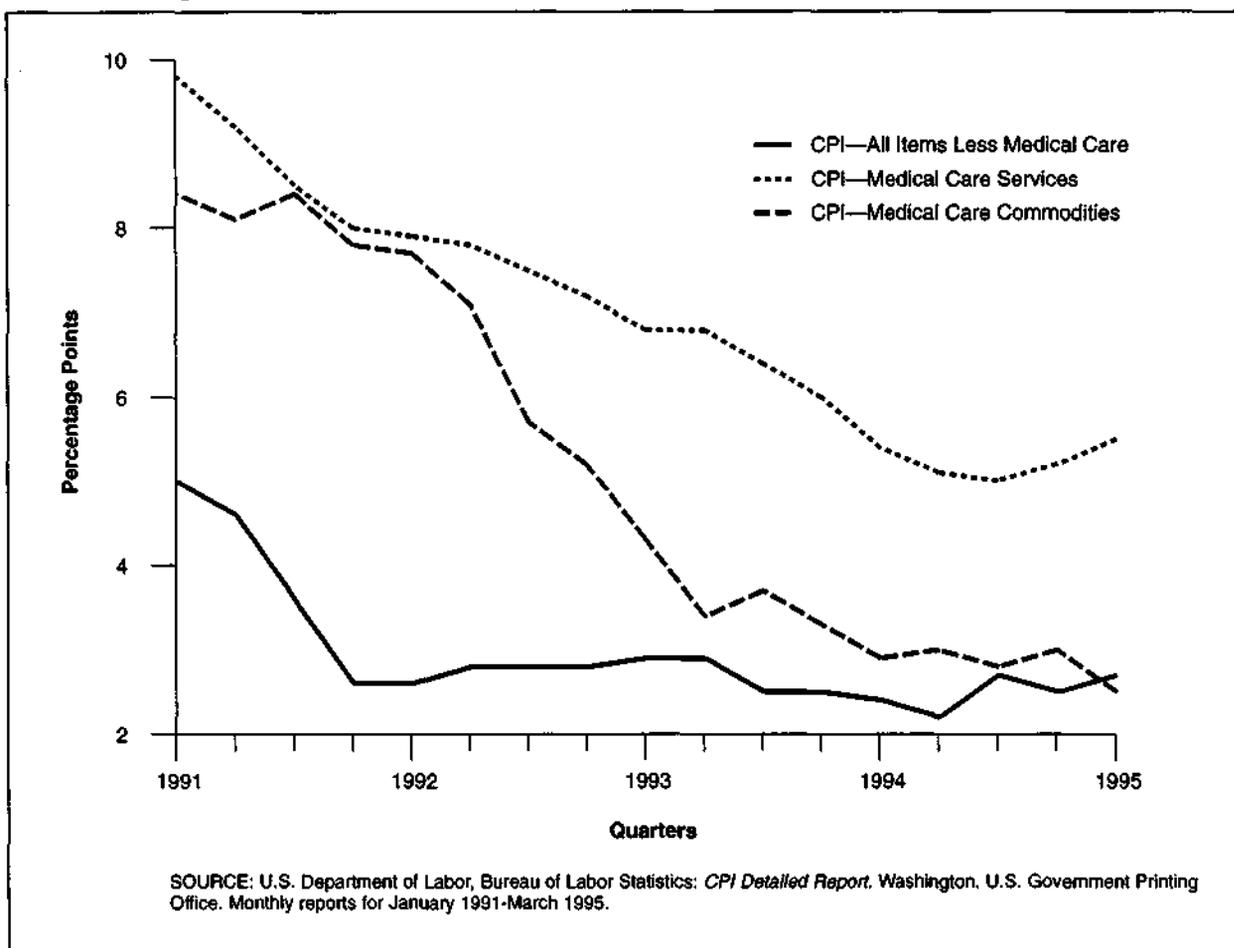
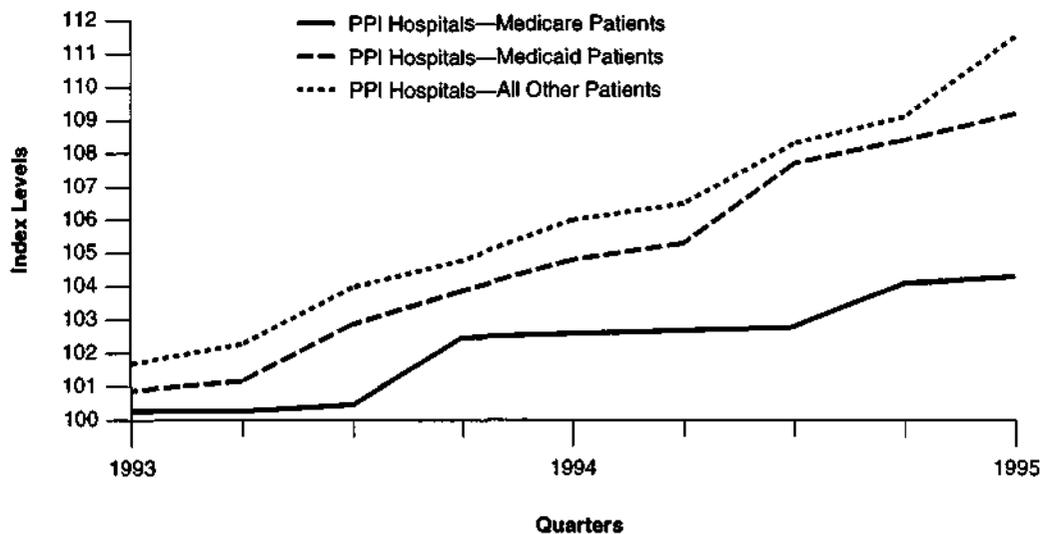


Figure 6

Quarterly Index Levels of Hospital Producer Prices, by Patient Category: 1993-95



NOTE: PPI is producer price index.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: *Producer Price Indexes*. Washington, U.S. Government Printing Office. Monthly reports for January 1993-March 1995.