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# Health Care Indicators

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## Hospital, Employment, and Price Indicators for the Health Care Industry: First Quarter 1996

Arthur L. Sensenig and Stephen K. Heffler

*This regular feature of the journal includes a discussion of recent trends in health care spending, employment, and prices. The statistics presented in this article are valuable in their own right and for understanding the relationship between the health care sector and the overall economy. In addition, they allow us to anticipate the direction and magnitude of health care cost changes prior to the availability of more comprehensive data.*

### KEY FIRST QUARTER 1996 TRENDS

- The number of inpatient days in community hospitals continued to decline in the first quarter of 1996, with the largest declines registered by the 65-years-of-age-or-over group.
- In the first quarter of 1996, community hospital revenues grew 3.0 percent from the same period 1 year earlier, less than one-half the rate of growth recorded 1 year ago.
- Total Medicare trust fund outlays were \$47.5 billion in the first quarter of 1996. This 7.0-percent increase in outlays, measured from the first quarter of 1995, represents a slight deceleration in the growth of total Medicare outlays.
- Assets held by the Medicare Hospital Insurance (HI) trust fund continued to decline in the first quarter of 1996, a trend

expected to persist in 1996. Current estimates are that the HI trust fund assets would be depleted early in 2001 in the absence of corrective legislation.

- Growth in hospital producer prices decelerated for the fifth consecutive quarter in the first quarter of 1996, reaching an all-time low.
- In the first quarter of 1996, the gap between increases in consumer prices for medical care and increases in consumer prices for all items less medical care was the smallest since 1981.

### INTRODUCTION

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

In this article we begin to present information on the income, outlays, and asset balances of the Medicare Trust Funds. These data are quarterly and annual aggregations of monthly income, outlays, and asset balances reported in the *Monthly Treasury Statement* released by the Treasury Department (U.S. Department of the Treasury, 1996). These data appear in a

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The authors are with the Office of the Actuary, Health Care Financing Administration (HCFA). The opinions expressed are those of the authors and do not necessarily reflect HCFA's views or policy positions.

new table, titled "Table 3: Hospital Insurance and Supplementary Medical Insurance Trust Fund Operations: 1992-96." Tables previously numbered 3 through 12 are now Tables 4 through 13.

The first nine of the accompanying tables report selected quarterly statistics and the calendar year aggregations of quarterly information for the past 4 years. Unless specifically noted, changes in quarterly statistics are shown from the same period 1 year earlier. For quarterly information, this calculation permits analysis of data to focus on the direction and magnitude of changes, without interference introduced by seasonal fluctuations. The last four tables show base weights, annual index levels, and annual percent changes in the Input Price Indexes maintained by HCFA. The annual percent changes and the 4-quarter moving average percent changes for input prices are calculated using the same procedure, namely averaging the 4 quarters ending with the fourth calendar quarter of the current year and dividing by the average of the 4 calendar quarters of the preceding year.

## COMMUNITY HOSPITAL STATISTICS

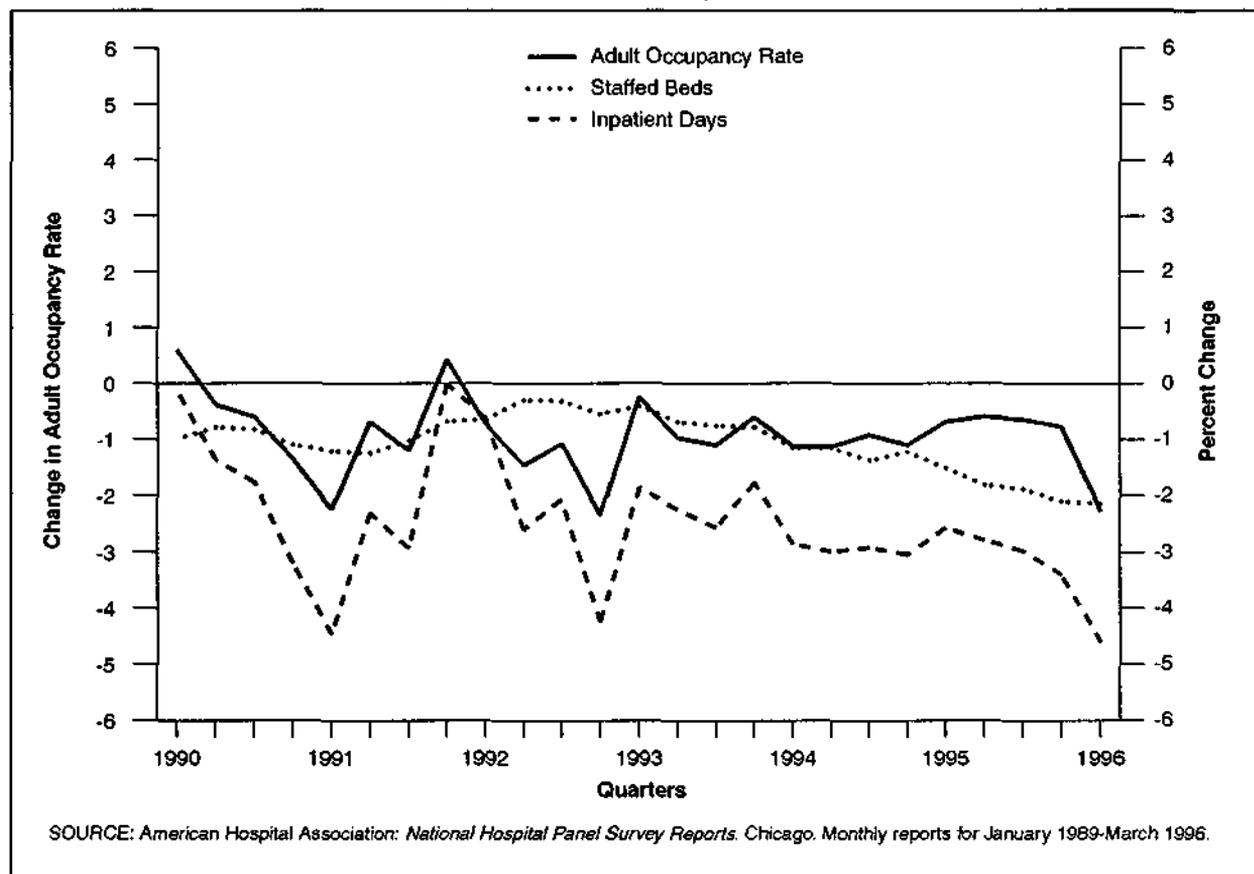
Statistics on community hospital operations from the American Hospital Association (AHA) for the first quarter of 1996 show that hospitals remain under pressure to reduce excess capacity. Also, AHA statistics show that the continuing decline in the number of inpatient hospital days, previously driven by the under-65-years-of-age group, is now being driven by the 65-years-of-age-or-over group.

Community hospitals are not shedding excess capacity rapidly enough to halt the continuing decline in the adult occupancy rate. The relationship of the changes in the number of staffed beds, the number of

inpatient days, and the adult occupancy rate are shown in Figure 1. The number of staffed beds, one measure of hospital capacity, has been declining since its peak in 1983, and in recent quarters the rate of decline has accelerated. However, the rate of decline in the number of staffed beds has not kept up with the recent rate of decline in the number of inpatient days. The effect is that the adult occupancy rate continues to fall. In the first quarter of 1996, the decline in the occupancy rate was 2.3 percent, measured over the same quarter of the previous year. This was the largest drop in more than 3 years. A recent study suggests that the fall in the number of hospital beds will begin to accelerate as a direct result of the continued decline in the number of inpatient days. This study suggests that inpatient days could decrease as much as 34 percent by 1999, and that without a significant decrease in capacity there may be twice as many hospital beds as are necessary by the end of the century (The Sachs Group, 1995).

The growth in community hospital admissions has been decelerating since the first quarter of 1995. Admissions to community hospitals actually fell in the first quarter of 1996, measured from the same quarter 1 year earlier. This decline reflects the extraordinarily high level of admissions in the first quarter of 1995. The level of admissions for the 65-years-of-age-or-over group was particularly affected, as first quarter 1996 admissions fell 1.6 percent from the same quarter 1 year earlier, when admissions were at the highest level in more than a decade. Prior to the first quarter of 1996, admissions for the 65-years-of-age-or-over group had been increasing. If the first quarter decline proves to be an aberration, admissions for the 65-years-of-age-or-over cohort could begin to increase again in the second quarter of 1996.

**Figure 1**  
**Percent Change From the Same Period of Previous Year in Staffed Beds and Inpatient Days**  
**and Change in the Adult Occupancy Rate: 1990-96**



In recent quarters, the decline in the number of inpatient days has been accelerating, and this acceleration has been driven by the decline in inpatient days for the 65-years-of-age-or-over group. In the first quarter of 1996 the number of inpatient days for this age cohort fell 7.3 percent from the same quarter 1 year earlier. This acceleration in the quarterly rate of decline is consistent with the pattern of accelerating declines in inpatient days noted in the annual changes for 1992-95. Significantly, the rate at which inpatient days are contracting for this age group, essentially the Medicare population, more than doubled in less than a year. The result is that despite increases in hospital admissions for the 65-years-of-age-or-over group in recent quarters, shortened hospital stays translate to fewer inpa-

tient days, producing downward pressure on adult occupancy rates.

The financial pressures resulting from declines in inpatient days are evident in the AHA statistics on hospital revenues. Community hospitals' revenues grew more slowly in the first quarter of 1996 than at any time in recent history. The decline in hospital utilization evidenced by the continued fall in the inpatient days, coupled with the moderate growth in hospital prices as measured by the Producer Price Index (PPI)<sup>1</sup> suggests that the slow growth in revenues is attributable to both price

<sup>1</sup>Price index levels and the change in prices charged by hospitals are shown in Tables 8 and 9. Measuring real growth in revenues by deflating hospital revenues with the PPI shows that the growth in real hospital revenues would have been approximately 1.3 percent in 1994, 1.5 percent in 1995, and 0.3 percent in the first quarter of 1996, measured over the same period 1 year earlier.

and utilization effects. Figure 2 shows the percent change from the same period 1 year earlier in community hospitals' inpatient revenues, outpatient revenues, and total revenues for the period 1990-96. If the current trends of declining inpatient days and moderate hospital price increases persist, hospitals' revenues will continue to grow slowly in future quarters.

## MEDICARE TRUST FUNDS INCOME AND OUTLAYS

Beginning with this issue of the *Review*, Health Care Indicators will present statistics on the income and outlays of the Medicare trust funds (Table 3). More information on the sources of these statistics is included in the Background section—Medicare Trust Funds Operations.

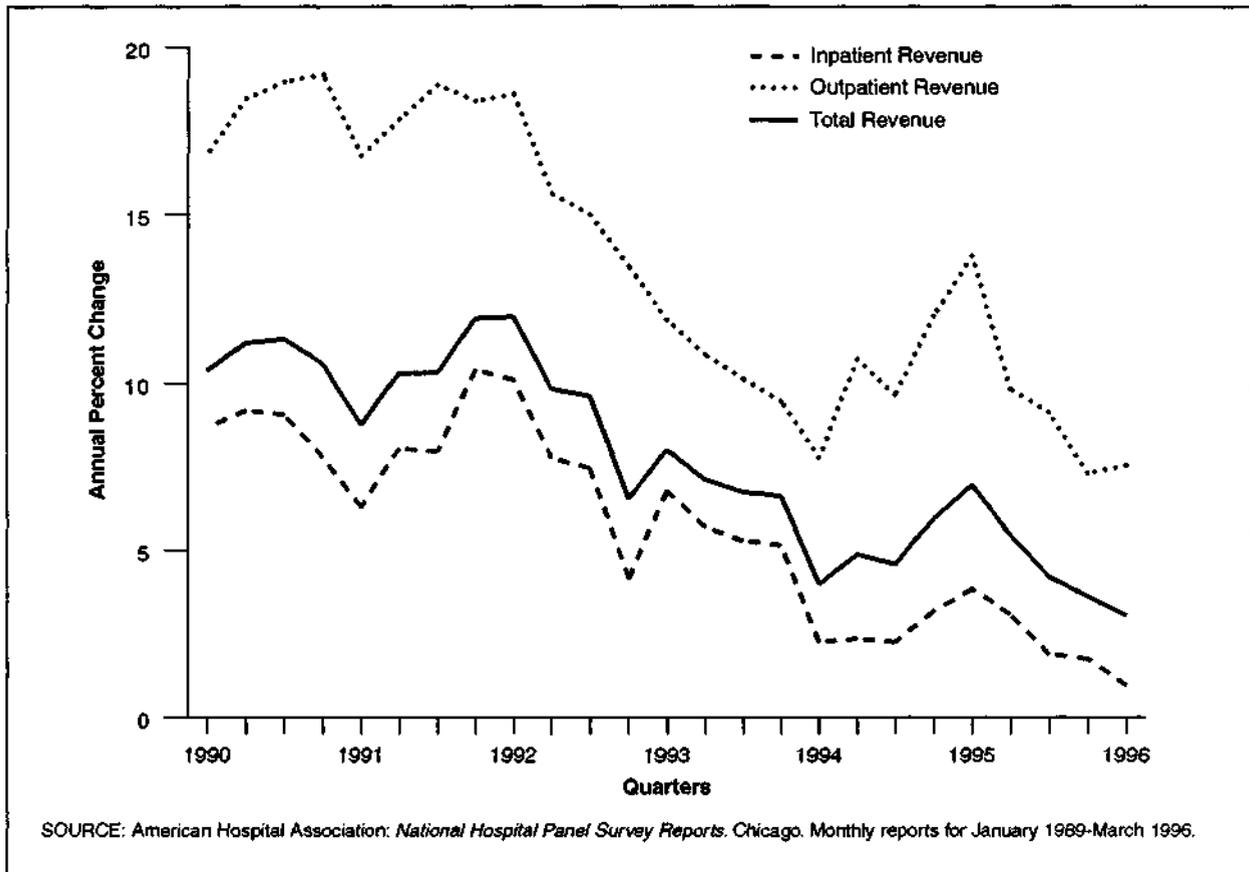
Separate trust funds finance the operations of the two Medicare programs. The HI program, or Medicare Part A, helps pay for inpatient hospital, home health, skilled nursing facility (SNF), and hospice care for the aged and disabled. The HI program is financed primarily by payroll taxes paid by workers and employers, which are used mainly to pay benefits for current beneficiaries. The Supplementary Medical Insurance (SMI) program, or Medicare Part B, pays for physician, outpatient hospital, and other services for the aged and disabled. The SMI program is financed primarily by transfers from the general fund of the U.S. Treasury and by monthly premiums paid by beneficiaries. For both Medicare programs, income not currently needed to pay benefits and related expenses is held in the HI and SMI trust funds and invested in U.S. Treasury securities (*1996 Annual Report of the Board of Trustees of the Federal Hospital Insurance Trust Fund, 1996; 1996 Annual Report of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, 1996*).

Quarterly levels of the outlays and income of the HI and SMI trust funds fluctuate from quarter to quarter for many reasons. The variability in the quarterly trust-fund data may be even greater than the quarterly variability in the other health care indicators discussed in this article (essentially price and utilization series) because of the effects of the timing of payments into and from the trust funds. The primary sources of variation in the level of outlays are the number of business days in a quarter, the timing of payments to managed care plans (which are usually made on the first of a month but are made early if the first day is on a weekend or legal holiday), and seasonal variation in health care utilization and costs. The sources of variation in income flows generally result from the timing of payments made to the trust funds. The timing of payroll tax withholding; quarterly payments and final settlements on self-employment taxes; and premium, interest, and general revenue payments to the funds are the primary sources of this variation.

Total Medicare outlays, the sum of Part A and Part B, were \$47.5 billion in the first quarter of 1996. This 7.0-percent increase from the same quarter of the previous year signals a slight deceleration in total Medicare outlays in early 1996. In comparison, total Medicare outlays increased 9.7 percent in the fourth quarter of 1995, and 8.9 percent in the third quarter, both measured over the same period 1 year earlier. Outlays for Medicare Part A increased 9.3 percent in the first quarter of 1996, slightly less than the 10.3-percent increase registered in the fourth quarter of 1995.

The first quarter 1996 deceleration in total Medicare outlays was driven in large part by the marked deceleration in Part B outlays. Outlays for Part B increased 2.9 percent in the first quarter of 1996, measured from the same period 1 year earlier, after increasing 8.7 percent in the fourth

**Figure 2**  
**Percent Change From the Same Period of Previous Year in Inpatient Revenue, Outpatient Revenue, and Total Revenue: 1990-96**



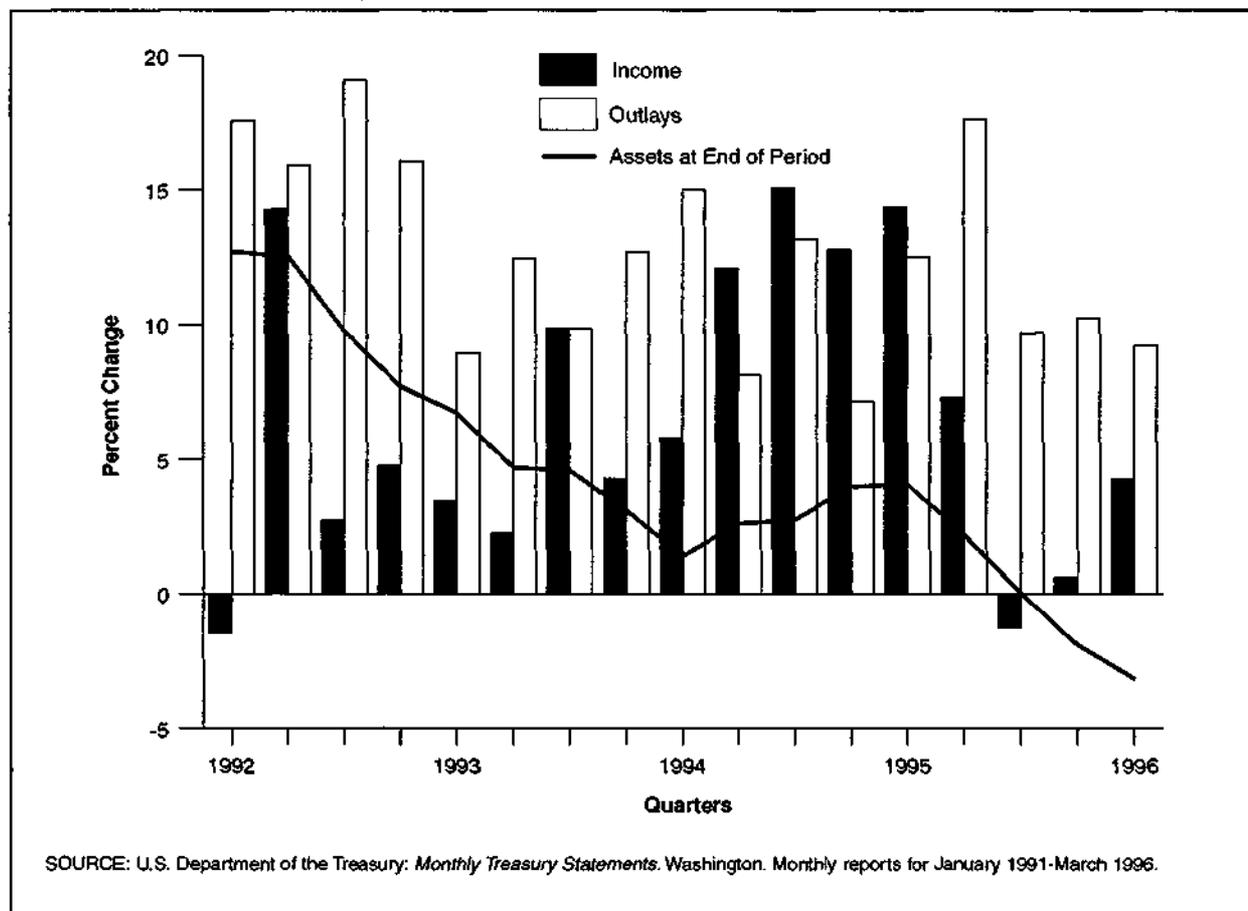
quarter of 1995. Medicare volume performance standards (MVPS) were incorporated into the physician fee schedule in 1992. These standards, designed to control growth in Medicare physician and other professional services, imposed a penalty for overshooting 1994 growth targets that took effect in the first quarter of 1996 (Levit, 1996). As a result, price updates for services covered by the physician fee schedule, which accounted for most of the Part B outlay growth in 1995, are substantially constrained for 1996.<sup>2</sup> Although the volume of services, as well as outlays for Part B benefits not covered by the physician fee schedule, will also affect Part B

outlays for the rest of 1996, the price constraints imposed by the MVPS will act as a brake on Part B outlays for the remaining 3 quarters of the year.

The quarterly changes of HI trust fund income and outlays are shown in Figure 3. This chart also depicts the percent change in the assets held by the fund at the end of each quarter. Generally speaking, the growth in outlays, or benefits paid, has exceeded the growth in trust-fund income during the last 17 quarters. The quarterly percent change in HI trust-fund assets held, measured from the same period in the previous year, reflects the declining asset balance beginning in the third quarter of 1995 and continuing through the first quarter of 1996. A decline in the HI trust-fund assets balance had been expected, and reported in

<sup>2</sup>The fee updates for 1996 were 3.8 percent, -2.2 percent, and 0.4 percent for surgery, primary care, and other services, respectively.

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



recent annual reports of the Trustees of the HI Trust Fund. The decline began about 1 year earlier than had been projected however. The *1996 Trustees Report* projects that in calendar year 1996, HI trust-fund income will increase 4.5 percent, with an increase in outlays of 10.1 percent (*1996 Annual Report of the Board of Trustees of the Federal Hospital Insurance Trust Fund, 1996; 1996 Annual Report of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, 1996*). In the first quarter of 1996, HI trust-fund income grew 4.3 percent and outlays increased 9.3 percent, both measured from the same quarter 1 year earlier. This evidence suggests little change from the projections of HI trust-fund operations in the first quarter of 1996.

### TRENDS IN HEALTH SECTOR EMPLOYMENT AND EARNINGS

In the third and fourth quarters of 1995, private sector health care employment grew faster than total private employment. Private sector home health services employment growth decelerated rapidly in the last two quarters of 1995. Employment data for the first quarter of 1996, presented on Tables 4 and 5 indicate that these trends persisted in early 1996. Employment growth in private health care establishments continued to accelerate in the first quarter, consistent with the pattern established in the third and fourth quarters of 1995. At the same time, employment growth in the private non-farm business

sector continued to decelerate, increasing 1.9 percent in the first quarter of 1996, measured from the same period 1 year earlier. Employment in private sector home health care services continued to decelerate rapidly in the first quarter of 1996, growing 7.3 percent from the same period 1 year earlier. This rate of growth is less than one-half of the growth rate just 1 year earlier, when home health care employment grew 15.3 percent from the first quarter of 1994 to the first quarter of 1995. Employment growth for physicians' offices, dentists' offices, and nursing homes all showed little change in the first quarter, growing at rates similar to those recorded in the last 2 quarters of 1995. Employment growth in hospitals continues to accelerate, led by private and local hospitals. The 5,135,000 jobs in hospitals in the first quarter of 1996 represents the highest level of employment ever, and surpasses the previous peak of 5,114,000 jobs reached in the third quarter of 1993.

Data on implied non-supervisory payrolls, presented in Table 6, support the contention that private health care industry payrolls are growing faster than private sector payrolls overall. This trend, also established in the second half of 1995, persisted in the first quarter of 1996. The growth in the implied non-supervisory payrolls of health sector establishments, (the product of non-supervisory employment, average weekly hours, and average hourly earnings) has accelerated at a moderate pace since the third quarter of 1995. By the first quarter of 1996, private health sector implied non-supervisory payrolls were increasing at 5.9 percent, measured from the same period 1 year earlier. This was the most rapid growth since the third quarter of 1993. In contrast, implied non-supervisory payrolls for the entire private non-farm sector decelerated in the fourth quarter of 1995 and the first

quarter of 1996. For the most part, the trends in employment growth noted above correspond with recent trends in implied non-supervisory payrolls.

The annual revisions to the U.S. Bureau of Labor Statistics (BLS) employment, average weekly hours, and average hourly earnings data,<sup>3</sup> incorporated in this article, change the picture of employment trends in the health care sector from that reported earlier. The revisions, which affect quarterly data from the second quarter of 1994 forward, reveal that in 1995 the private non-farm business sector grew slightly more rapidly and the health care sector grew slightly less rapidly than previously reported. For the year 1995, total private employment in non-farm establishments was revised up by 563,000 jobs, and total private health care employment was revised down by 12,000 jobs. This means that employment in the private non-farm sector actually expanded faster than the health care sector last year, and that health care sector employment growth did not begin to outpace total private non-farm employment growth until the third quarter of 1995. Within the health care sector the largest revision came in private hospitals, where the number of jobs was revised down by 31,000 jobs, lowering the 1995 annual growth from 1.1 percent to 0.6 percent. The other significant revision was to home health care services, where the number of jobs was increased by 16,000. This upward revision increased the 1995 annual growth rate from 9.8 percent to 11.1 percent. The revisions to hospitals and home health care services employment data represent a moderation of trends

<sup>3</sup>In June 1996, the BLS released a benchmark revision of the March 1995 sample-based employment data. The purpose of the benchmark was to replace the sample-based employment data with the full population counts available principally through unemployment insurance tax records. As a result, data on employment, hours, and earnings were revised for months between April 1994-March 1996.

reported earlier, but do not significantly alter the employment picture. Hospital employment growth is still accelerating in the revised data, but not as fast as previously reported. Similarly, employment growth in home health care services is still decelerating, but at a slightly slower pace than previously reported.

## MEDICAL SECTOR PRICES

According to the Consumer Price Index (CPI), medical care prices grew 3.8 percent in the first quarter of 1996 over the same quarter of the previous year while prices for all items less medical care grew 2.7 percent as indicated in Table 7. The 1.1-percentage point difference was the smallest since the third quarter of 1981 (Figure 4). The gap between the two indexes has continued to narrow in recent quarters as well. During the past 6 quarters, the CPI for medical care has decelerated from 4.8 to 3.8 percent while the CPI for all items less medical care has continued to grow at a constant rate. Major factors in the deceleration in medical care consumer prices have been decelerating growth in medical care services consumer prices, specifically in professional services and in hospital rooms, both of which grew at all-time low rates in the first quarter of 1996. The deceleration in professional services price growth to a low of 3.8 percent in the first quarter of 1996 was the result of deceleration in the growth of physicians' and dental services consumer prices. Hospital room consumer price growth decelerated nearly 1 percentage point in the past 6 quarters to a low of 4.1 percent in the first quarter of 1996. Also contributing to the deceleration in medical care services consumer prices was the deceleration in the net cost of insurance, which is not shown separately in Tables 8 and 9. Other inpatient services prices and outpatient services prices have

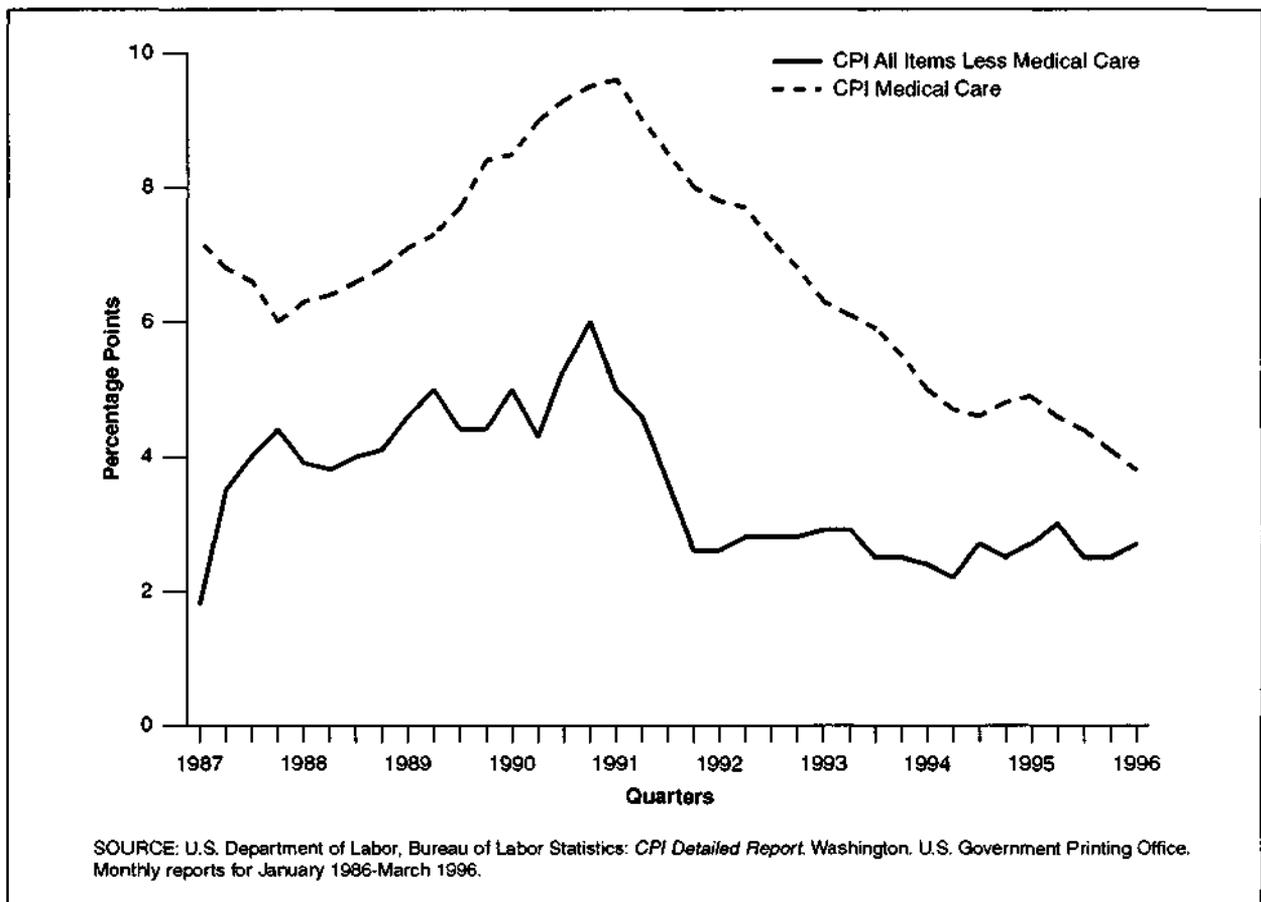
grown at constant rates over this period.

Producer price growth for hospitals has decelerated for 5 consecutive quarters, dropping below 3 percent in the first quarter of 1996. Although not directly comparable with the CPI because of survey differences, the trend in the PPI for hospitals is similar to the trend in the CPI for hospital rooms. Most of the deceleration in hospital producer price growth is the result of decelerating inpatient producer price growth. As measured by the PPI, inpatient prices paid by Medicaid payers and other payers have decelerated quickly, offsetting the slight acceleration in inpatient prices paid by Medicare payers during the past few quarters. In the outpatient setting, large producer price increases in 1995 moderated somewhat in the first quarter of 1996, particularly for other patients beside Medicare and Medicaid patients. As indicated in Figure 5, the combined movements of inpatient and outpatient prices by payer show decelerating price growth for Medicaid and other patients and accelerating price growth for Medicare patients.

Medical commodity prices, as measured by both the CPI and PPI, have shown signs of slight acceleration during the past few quarters. Some of the acceleration in consumer price growth for medical care commodities is the result of non-economic conditions, specifically a correction to the change in measuring methodology for prescription drugs which was implemented in the first quarter of 1995. However, both over-the-counter drug price growth and non-prescription medical equipment and supplies price growth, which were not impacted by the change in measuring methodology, have accelerated since the third quarter of 1995. Producer prices for medical commodities also have shown similar patterns. Growth in the PPI for drugs and pharmaceuticals has accelerated by nearly 1 percentage point since the first quarter of 1995 whereas

Figure 4

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



growth in the PPI for medical, surgical, and personal aid devices has accelerated by 1.5 percentage points to 2.0 percent during this same period.

The HCFA regulatory input price indexes have grown at steady rates since the first quarter of 1995 but most are forecasted by Data Resources Inc./McGraw-Hill (DRI) to accelerate slightly during the next eight quarters (Figure 6). The lone exception is the Prospective Payment System (PPS) input price, which is forecasted to grow between 2.7-2.8 percent each year through the first quarter of 1998. This virtually constant growth rate is the result of offsetting movements between accelerating compensation prices and decelerating prices of other hospital costs. Accelerating compensation prices for the SNF input

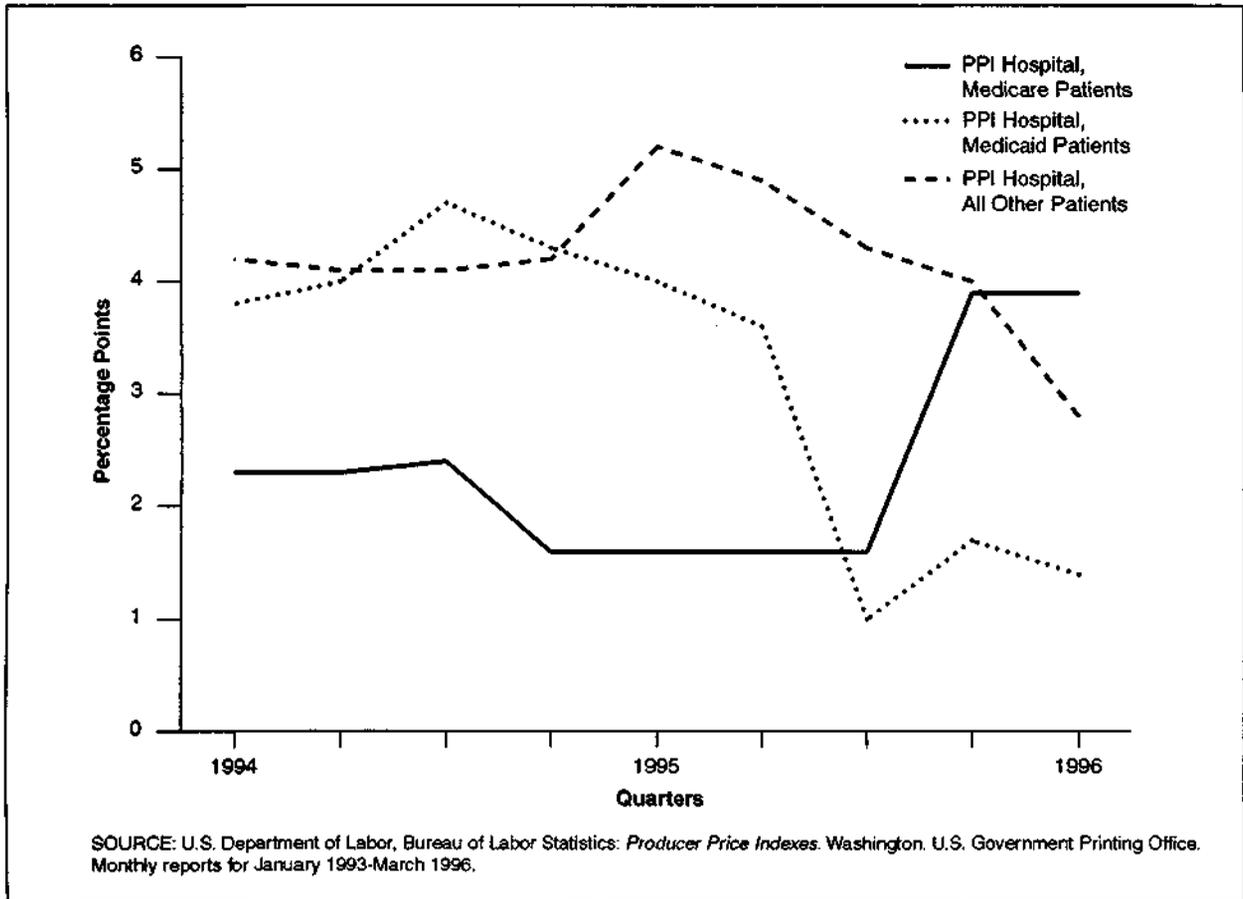
price index, the Home Health Agency (HHA) input price index, and the Medicare Economic Index (MEI) are the reason these indexes are forecasted to have accelerated growth. Compensation prices are forecasted to accelerate following a long period of stagnating wage and benefit prices. DRI expects compensation prices to grow at faster rates in the next few quarters as recent productivity gains will begin to be reflected in higher wages.

## BACKGROUND INFORMATION ON DATA SOURCES AND METHODS

### Community Hospital Statistics

Since 1963, the AHA, in cooperation with member hospitals, has been collecting data

**Figure 5**  
**Percent Change in Hospital Producer Price Indexes (PPIs) by Patient Category**  
**From the Same Period of Previous Year: 1994-96**



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

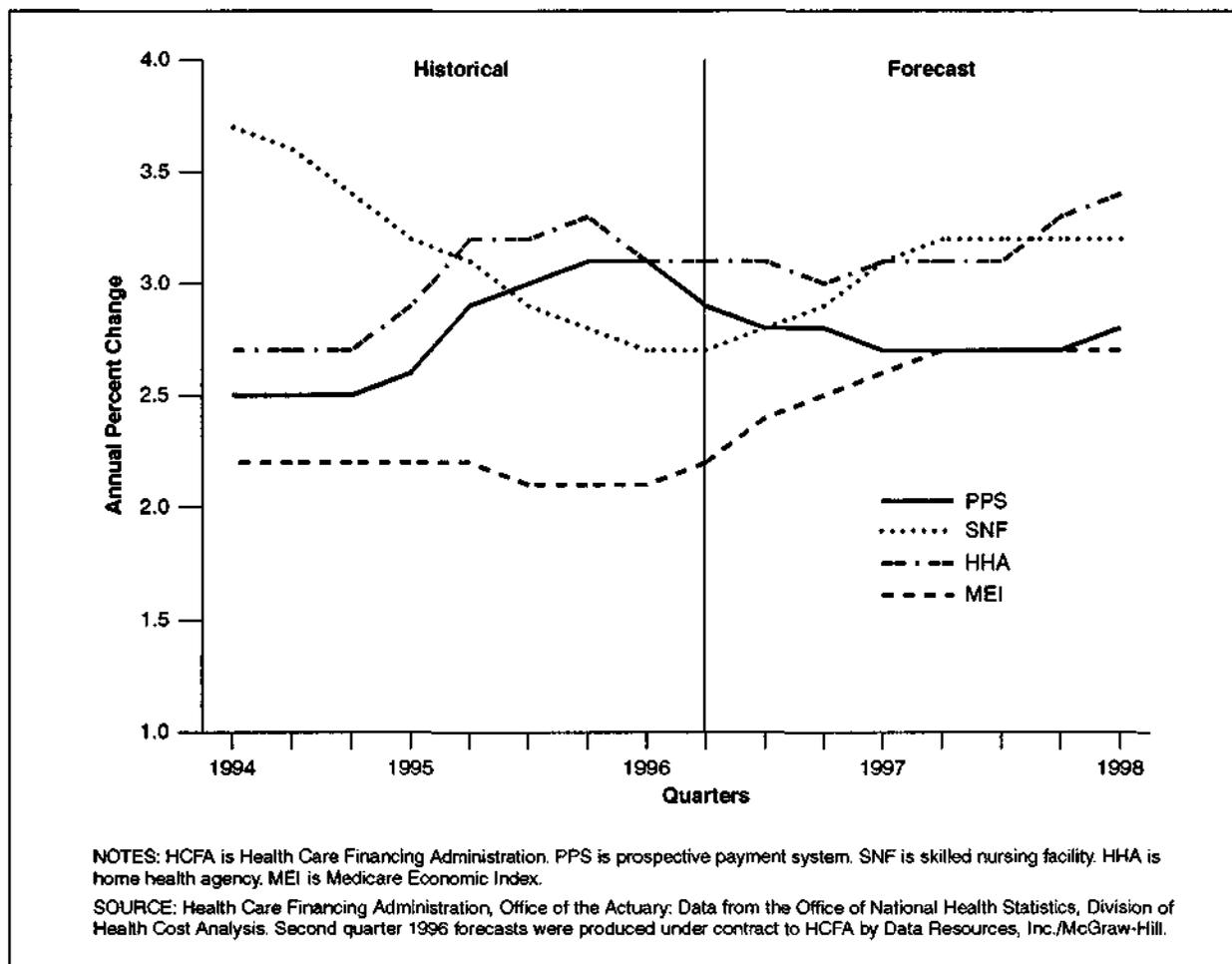
The survey samples approximately one-third of all U.S. community hospitals. The sample is designed to produce estimates of community hospital indicators by bed size and region (American Hospital Association, 1963-95). In Tables 1 and 2,

statistics covering expenses, utilization, beds, and personnel depict trends in the operation of community hospitals annually for 1987-95 and quarterly for 1993 forward.

For purposes of national health expenditures (NHE), survey statistics on revenues are analyzed in estimating the growth in the largest component of health care costs—community hospital expenditures. This one segment of NHE accounted for 36 percent of all health spending in 1994 (Levit et al., 1996). The survey also identifies important factors influencing expenditure growth patterns, such as changes in the number of beds in operation, numbers of admissions, length of stay, use of outpatient facilities, and number of surgeries.

Figure 6

Four-Quarter Moving Average Percent Change in HCFA Regulatory Input Price Indexes: 1994-98



## Medicare Trust Fund Operations

Data on the financial operations of the Medicare trust funds, the HI trust fund, and the SMI trust fund are available from two sources. The monthly statistics on trust-fund operations are published in the *Monthly Treasury Statement of Receipts and Outlays of the United States Government* (U.S. Department of the Treasury, 1996). The trust fund operating statistics are presented in Table 8—Trust Fund Impact on Budget Results and Investment Holding. The 1996 *Annual Reports* of the Board of Trustees of the HI and SMI Trust Funds (1996 *Annual Report of the Board of Trustees of the Federal Hospital Insurance Trust Fund, 1996*;

*Annual Report of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, 1996*) contain a detailed accounting of all financial operations for the prior fiscal year. The reports also contain actuarial analysis of the expected operations of the trust funds in future years and analysis of the actuarial status of the funds.

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

The BLS collects monthly information on employment for all workers, and employment, earnings, and work hours for non-supervisory workers in a sample of approximately 340,000 establishments.

Data are collected through cooperative agreements with State agencies that also use this information to create State and local area statistics. The survey is designed to collect industry-specific information on wage and salary jobs in non-agricultural industries. It excludes statistics on self-employed persons and on those employed in the military (U.S. Department of Labor, 1996).

Employment in this survey is defined as number of jobs. Persons holding multiple jobs would be counted multiple times. Approximately 5 percent of the population hold more than one job at any one time. (Other surveys that are household-based, such as the Current Population Survey [CPS], also record employment. In the CPS, however, each person's employment status is counted only once, as either employed, unemployed, or not in the labor force.) Once each year, monthly establishment-based employment statistics are adjusted to benchmarks created from annual establishment census information, resulting in revisions to previously published employment estimates. Tables 4, 5, and 6 present statistics on employment, non-supervisory employment, average weekly hours, and average hourly earnings for the private non-farm business sector and industries in health services.

### **National Economic Indicators**

National economic indicators provide a context for understanding health-specific indicators and how change in the health sector relates to change in the economy as a whole. Table 7 presents national indicators of output and inflation.

Gross domestic product (GDP) measures the output of U.S. economy as the market value of goods and services produced within the geographic boundaries of the United States by U.S. or foreign citi-

zens or companies. Constant dollar or "real" GDP removes the effects of price changes from the valuation of goods and services produced, so that the growth of real GDP reflects changes in the "physical quantity" of the output of the economy. In the most recent comprehensive revision of the National Income and Product Accounts the method for removing the effects of price changes was altered. The GDP estimates are now deflated using "chain-weighted" price indexes. This method replaces the previous fixed-weighted method of deflating the GDP estimates (U.S. Department of Commerce, 1995).

## **PRICES**

### **Consumer Price Indexes**

BLS publishes monthly information on changes in prices paid by consumers for a fixed market basket of goods and services. Tables 7, 8, and 9 present information on the all urban CPI that measures changes in prices faced by 80 percent of the non-institutionalized population in the United States. (The more restrictive wage earner CPI gauges prices faced by wage earners and clerical workers. These workers account for 32 percent of the non-institutionalized population [U.S. Department of Labor, 1996].)

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

CPIs for health care goods and services depict list price changes for out-of-pocket expenditures. The CPI for medical care services also includes an indirect measure of price change for health insurance premium payments made directly by consumers. The composite CPI for medical care weights together product-specific or service-specific CPIs in proportion to household out-of-pocket expenditures for these items. In addition, some medical care sector indexes measure changes in list or charged prices, rather than in prices actually received by providers after discounts are deducted. In several health care areas, received or transaction prices are difficult to capture, although BLS is making advances in this area.

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

### **Producer Price Indexes**

BLS produces monthly information on average changes in selling prices received by domestic producers for their output. These prices are presented in Tables 7, 8, and 9 as the PPI. The index is designed to measure transaction prices, and is different from the CPI, which in some cases measures list or full charge prices. The PPI is a fixed-weight or Laspeyres index, with base-period weights determined by values of receipts. The base period varies among series.

The PPI consists of indexes in several major classification structures, including

the industry and commodity classifications that are included in the Health Care Indicators. The PPI by industry classification measures price changes received for the industry's output sold outside the industry. PPI changes for an industry are determined by price changes for products primarily made by establishments in that industry. The industry into which an establishment is classified is determined by those products accounting for the largest share of its total value of shipments. The PPI by commodity classification measures price changes of the end product (end use or material composition). The classification system for PPI commodity groups is unique to the PPI, and is divided into fifteen major commodity groupings.

Although PPIs for medical commodities have existed for 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 payer sources. The PPI for hospitals should not be compared with the CPI for hospital and related services. Although other PPI and CPI series are somewhat comparable (for example, the PPI—Office and Clinics of Doctors of Medicine and the CPI—Physicians' Services), the PPI and CPI for hospitals have important differences in survey scope and methodology. The PPI for hospitals measures price changes for the entire treatment path, measures net transaction price, includes Medicare and Medicaid, samples both urban and rural hospitals, and reflects total hospital revenue from all sources in its index weights.

On the other hand, the CPI for hospitals measures price changes for a discrete sample of hospital services singly, measures published charges, excludes Medicare and Medicaid, samples only urban hospitals, and reflects only consumer out-of-pocket expenses and household health insurance premium payments in its index weights. These differences make a direct comparison between the PPI and CPI hospital services indexes inappropriate.

The PPI for the health services industry is available by detailed industry groupings. For example, general medical and surgical hospitals consist of inpatient and outpatient treatments, which in turn consist of Medicare, Medicaid, and all other patients. These patient categories consist of more detail, such as DRG groupings for Medicare. Although most of the data used to measure PPI price changes for health services are collected through a sample, there are specific instances where data are collected from both a sample and from Federal regulation. This is the case for Medicare hospital inpatient services and Medicare offices and clinics of doctors of medicine. The producer price changes in Medicare hospital inpatient services are computed from a combination of a national sample of DRGs in hospitals, DRG relative weights from the PPS final rules published in the current and historical year, and other adjustments. The producer price changes in Medicare offices of doctors of medicine are computed from a combination of a geographic area sample of payments under the HCFA Common Procedure Coding System (HCPCS), HCPCS updates from the December 8, 1995, *Federal Register*, and other adjustments. Because of different methodologies, these two Medicare PPIs are not comparable with the national updates computed by HCFA and published in the *Federal Register*.

## Input Price Indexes

In 1979, HCFA developed the Medicare hospital input price index (hospital market basket) which was designed to measure the pure price changes associated with expenditure changes for hospital services. In the early 1980s, the SNF and HHA input price indexes, often referred to as "market baskets," were developed to price a consistent set of goods and services over time. Also in the early 1980s, the original Medicare hospital input price index was revised for use in updating payment rates for the PPS. All of these indexes have played an important role in helping to set Medicare payment percent increases, and in understanding the contribution of input price increases to growing health expenditures.

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

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

estimate of price change over time for a fixed quantity of goods and services purchased by a provider.

The input price indexes are estimated on a historical basis and forecasted out several years. The HCFA-chosen price proxies are forecasted under contract with DRI. Following every calendar year quarter, in March, June, September, and December, DRI updates its macroeconomic forecasts of wages and prices based on updated historical information and revised forecast assumptions. Some of the data in Tables 10-12 are forecasted and are expected to change as more recent historical data become available and subsequent quarterly forecasts are revised. The methodology and price proxy definitions used in the input price indexes are described in the *Federal Register* notices that accompany the revisions of the PPS, HHA, and SNF cost limits. A description of the current structure of the PPS input price index was published in the September 4, 1990, *Federal Register*. The most recent PPS update for payment rates was published in the September 1, 1995, *Federal Register*. The latest HHA regulatory input price index was published in the February 14, 1995, *Federal Register*, and the latest SNF input price index was published in the October 7, 1992, *Federal Register* (also see the June 6, 1994, *Federal Register*).

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

Each input price index is presented in a table with both an index level and a 4-quarter moving-average percent change. The hospital input price index for PPS is in Table 10, the SNF input price index is in Table 11, and the HHA input price index is in Table 12.

## MEDICARE ECONOMIC INDEX

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

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

Promulgation Forecast in August based on baseline assumptions by DRI. DRI also produces forecasts of the MEI using their own economic assumptions forecast. The forecasts based on DRI assumptions are presented in Health Care Indicators. Much of the forecasted data change as more recent historical data become available and the assumptions change.

The methodology, weights, and price proxy definitions used in the MEI are described in the November 25, 1992, *Federal Register*. The MEI data are presented in Table 13 as index levels and 4-quarter moving average percent changes.

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For inquiries concerning market basket data, contact Stephen K. Heffler at (410) 786-1211. For all other inquiries, contact Carolyn S. Donham at (410) 786-7947.

Reprint Requests: Carolyn S. Donham, Health Care Financing Administration, 7500 Security Boulevard, N3-02-02, Baltimore, Maryland 21244-1850.

**Table 1**  
**Selected Community Hospital Statistics: 1992-96**

Item	Calendar Year				1993	1993	1993	1993
	1992	1993	1994	1995	Q1	Q2	Q3	Q4
<b>Utilization</b>								
<b>All Ages</b>								
Admissions in Thousands	32,411	32,652	32,938	33,389	8,351	8,086	8,083	8,133
Admissions per 1,000 Population <sup>1</sup>	121	121	121	122	124	120	120	120
Inpatient Days in Thousands	206,440	202,078	196,117	190,377	53,228	50,150	49,089	49,611
Adult Length of Stay in Days	6.4	6.2	6.0	5.7	6.4	6.2	6.1	6.1
<b>65 Years of Age or Over</b>								
Admissions in Thousands	11,860	12,209	12,456	12,820	3,138	3,042	2,944	3,085
Admissions per 1,000 Population <sup>1</sup>	360	366	369	375	378	365	352	368
Inpatient Days in Thousands	98,920	97,042	94,877	91,164	25,822	24,274	22,990	23,956
Adult Length of Stay in Days	8.3	7.9	7.6	7.1	8.2	8.0	7.8	7.8
<b>Under 65 Years of Age</b>								
Admissions in Thousands	20,551	20,443	20,483	20,569	5,213	5,044	5,139	5,047
Admissions per 1,000 Population <sup>1</sup>	88	87	86	85	89	85	87	85
Inpatient Days in Thousands	107,520	105,036	101,240	99,213	27,406	25,875	26,099	25,655
Adult Length of Stay in Days	5.2	5.1	4.9	4.8	5.3	5.1	5.1	5.1
Surgical Operations in Thousands	22,463	22,710	23,286	23,739	5,646	5,721	5,677	5,665
Outpatient Visits in Thousands	366,243	390,188	417,684	452,558	94,677	97,637	99,212	98,662
Adjusted Patient Days in Thousands <sup>2</sup>	281,525	278,938	276,209	273,638	72,306	69,334	68,351	68,860
Beds in Thousands	908	902	891	874	905	904	901	897
Adult Occupancy Rate <sup>3</sup>	62.1	61.4	60.3	59.7	65.3	61.0	59.2	60.1
Total Hospital Revenues in Millions <sup>4</sup>	\$275,430	\$295,035	\$309,354	\$324,961	\$73,552	\$73,250	\$73,697	\$74,536
Total Patient Revenues in Millions	262,034	280,414	293,285	307,228	70,107	69,613	69,985	70,709
Inpatient Revenues in Millions	192,163	203,167	208,262	213,771	51,610	50,351	50,262	50,943
Outpatient Revenues in Millions	69,870	77,248	85,023	93,457	18,497	19,262	19,723	19,766
<b>Operating Expenses</b>								
Total in Millions	\$260,994	\$278,880	\$292,801	\$308,411	\$68,527	\$69,245	\$70,002	\$71,106
Labor in Millions	140,112	149,733	156,828	163,842	36,782	37,250	37,578	38,123
Non-Labor in Millions	120,882	129,147	135,975	144,569	31,746	31,994	32,424	32,983
Inpatient Expense in Millions	\$191,385	\$202,035	\$207,897	\$214,570	\$50,447	\$50,085	\$50,274	\$51,229
Amount per Patient Day	927	1,000	1,060	1,127	948	999	1,024	1,033
Amount per Admission	5,905	6,188	6,312	6,426	6,041	6,194	6,220	6,299
Outpatient Expense in Millions	\$69,609	\$76,845	\$84,903	\$93,841	\$18,080	\$19,160	\$19,728	\$19,877
Amount per Outpatient Visit	190	197	203	207	191	196	199	201

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

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

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

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

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 1992-March 1996.

**Table 1—Continued**  
**Selected Community Hospital Statistics: 1992-96**

1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1
8,368	8,180	8,154	8,236	8,634	8,281	8,213	8,260	8,511
123	120	120	121	126	121	119	120	123
51,709	48,648	47,657	48,102	50,377	47,296	46,239	46,467	48,051
6.2	5.9	5.8	5.8	5.8	5.7	5.6	5.6	5.6
3,211	3,098	3,022	3,125	3,379	3,187	3,071	3,184	3,324
382	367	357	368	397	374	359	371	387
25,551	23,493	22,631	23,203	24,778	22,823	21,507	22,056	22,972
8.0	7.6	7.5	7.4	7.3	7.2	7.0	6.9	6.9
5,158	5,082	5,132	5,111	5,255	5,094	5,143	5,077	5,187
87	85	86	85	88	85	86	84	86
26,158	25,155	25,027	24,899	25,598	24,472	24,732	24,411	25,078
5.1	5.0	4.9	4.9	4.9	4.8	4.8	4.8	4.8
5,664	5,864	5,840	5,918	6,028	5,965	5,832	5,915	5,948
98,341	104,079	107,022	108,241	111,088	113,899	113,332	114,438	116,335
71,244	68,776	67,711	68,363	71,226	68,146	67,079	67,106	69,232
895	893	888	886	881	877	871	867	862
64.2	59.8	58.3	59.0	63.5	59.3	57.7	58.2	61.2
76,480	76,829	77,069	78,976	81,793	81,020	80,307	81,842	84,280
72,702	72,868	73,018	74,697	77,476	76,557	75,956	77,238	79,710
52,767	51,543	51,393	52,559	54,797	53,133	52,358	53,483	55,322
19,935	21,325	21,625	22,138	22,679	23,424	23,599	23,755	24,387
\$71,677	\$72,618	\$73,468	\$75,039	\$76,259	\$76,751	\$76,808	\$78,594	\$79,361
38,420	38,828	39,408	40,170	40,529	40,768	40,857	41,688	41,873
33,257	33,790	34,059	34,869	35,730	35,983	35,951	36,906	37,488
\$52,023	\$51,366	\$51,709	\$52,800	\$53,936	\$53,268	\$52,945	\$54,421	\$55,081
1,006	1,056	1,085	1,098	1,071	1,126	1,145	1,171	1,146
6,217	6,279	6,341	6,411	6,247	6,432	6,446	6,588	6,472
\$19,654	\$21,252	\$21,758	\$22,239	\$22,323	\$23,483	\$23,863	\$24,172	\$24,281
200	204	203	205	201	207	211	211	209

**Table 2**  
**Percent Change in Selected Community Hospital Statistics: 1992-96**

Item	Calendar Year				1993 Q1	1993 Q2	1993 Q3	1993 Q4
	1992	1993	1994	1995				
	Annual Percent Change From the Same Period of Previous Year							
<b>Utilization</b>								
<b>All Ages</b>								
Admissions in Thousands	-0.8	0.7	0.9	1.4	-0.1	-0.2	1.0	2.3
Admissions per 1,000 Population	-1.8	-0.2	-0.1	0.4	-1.1	-1.2	0.0	1.4
Inpatient Days in Thousands	-2.4	-2.1	-2.9	-2.9	-1.9	-2.3	-2.6	-1.8
Adult Length of Stay in Days	-1.6	-2.8	-3.8	-4.2	-1.8	-2.1	-3.5	-4.0
<b>65 Years of Age or Over</b>								
Admissions in Thousands	1.7	2.9	2.0	2.9	2.0	2.5	2.2	5.2
Admissions per 1,000 Population	0.2	1.5	0.8	1.8	0.4	1.0	0.8	3.9
Inpatient Days in Thousands	-0.6	-1.9	-2.2	-3.9	-1.0	-1.7	-3.7	-1.3
Adult Length of Stay in Days	-2.2	-4.7	-4.2	-6.6	-2.9	-4.0	-5.8	6.3
<b>Under 65 Years of Age</b>								
Admissions in Thousands	-2.2	-0.5	0.2	0.4	-1.3	-1.7	0.3	0.7
Admissions per 1,000 Population	-3.1	-1.4	-0.7	-0.5	-2.2	-2.6	0.6	-0.3
Inpatient Days in Thousands	-4.0	-2.3	-3.6	-2.0	-2.7	-2.8	-1.6	-2.2
Adult Length of Stay in Days	-1.9	-1.8	-3.8	-2.4	-1.4	-1.1	-1.8	-2.8
<b>Surgical Operations in Thousands</b>								
Outpatient Visits in Thousands	2.2	1.1	2.5	1.9	0.7	1.4	0.8	1.5
Adjusted Patient Days in Thousands	6.4	6.5	7.0	8.3	6.2	6.6	6.4	7.0
Beds in Thousands	-0.5	-0.9	-1.0	-0.9	-0.7	-1.0	-1.3	-0.7
Adult Occupancy Rate <sup>1</sup>	-0.5	-0.7	-1.2	-1.8	-0.4	-0.7	-0.8	-0.8
	-1.4	-0.7	-1.1	-0.7	-0.2	-1.0	-1.1	-0.6
<b>Total Hospital Revenues in Millions</b>								
Total Hospital Revenues in Millions	9.4	7.1	4.9	5.0	8.0	7.1	6.7	6.6
Total Patient Revenues in Millions	9.4	7.0	4.6	4.8	8.1	7.1	6.6	6.3
Inpatient Revenues in Millions	7.3	5.7	2.5	2.6	6.8	5.7	5.3	5.2
Outpatient Revenues in Millions	15.6	10.6	10.1	9.9	11.9	10.9	10.1	9.5
<b>Operating Expenses</b>								
Total in Millions	9.4	6.9	5.0	5.3	7.5	7.3	6.3	6.3
Labor in Millions	8.9	6.9	4.7	4.5	7.7	8.0	6.2	5.7
Non-Labor in Millions	10.0	6.8	5.3	6.3	7.3	6.5	6.5	7.0
<b>Inpatient Expense in Millions</b>								
Amount per Patient Day	7.3	5.6	2.9	3.2	6.2	5.9	5.0	5.1
Amount per Admission	9.9	7.8	6.0	6.3	8.2	8.4	7.8	7.0
	8.1	4.8	2.0	1.8	6.3	6.1	4.0	2.7
<b>Outpatient Expense</b>								
Amount per Outpatient Visit	15.6	10.4	10.5	10.5	11.3	11.1	9.9	9.4
	8.6	3.6	3.2	2.0	4.8	4.2	3.3	2.3

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

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

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

**Table 2—Continued**  
**Percent Change in Selected Community Hospital Statistics: 1992-96**

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

**Table 3**  
**Hospital Insurance and Supplementary Medical Insurance**  
**Trust Fund Operations: 1992-96**

Indicator	Calendar Year				1992 Q1	1992 Q2	1992 Q3	1992 Q4	
	1992	1993	1994	1995					
<b>Total Medicare Outlays</b>									
In Millions of Dollars	\$135,845	\$152,174	\$164,862	\$184,203	\$32,103	\$33,594	\$34,567	\$36,580	
Hospital Insurance Trust Fund	85,015	94,391	104,545	117,604	20,311	21,328	21,405	21,971	
Supplementary Medical Insurance Trust Fund	50,830	57,783	60,317	66,599	11,792	12,266	13,163	13,609	
<b>Hospital Insurance Trust Fund Operations: In Millions of Dollars</b>									
Income	\$93,836	\$98,187	\$109,570	\$115,027	\$20,134	\$28,927	\$19,415	\$25,360	
Outlays	85,015	94,391	104,545	117,604	20,311	21,328	21,405	21,971	
Difference	8,821	3,796	5,025	(2,577)	(177)	7,598	(1,990)	3,389	
Assets at End of Period <sup>1</sup>	124,022	127,818	132,844	130,267	115,024	122,623	120,633	124,022	
<b>Supplementary Medical Insurance Trust Fund Operations: In Millions of Dollars</b>									
Income	\$57,237	\$57,679	\$55,608	\$60,306	\$12,742	\$13,574	\$11,611	\$19,309	
Outlays	50,830	57,783	60,317	66,599	11,792	12,266	13,163	13,609	
Difference	6,407	(104)	(4,709)	(6,293)	950	1,309	(1,552)	5,700	
Assets at End of Period <sup>1</sup>	24,235	24,131	19,422	13,130	18,778	20,087	18,535	24,235	
		Annual Percent Change				Percent Change From the Same Period of Previous Year			
<b>Total Medicare Outlays</b>	11.9	12.0	8.3	11.7	14.8	9.8	12.0	11.2	
Hospital Insurance Trust Fund	17.1	11.0	10.8	12.5	17.6	15.9	19.1	16.1	
Supplementary Medical Insurance Trust Fund	4.0	13.7	4.4	10.4	10.2	0.5	2.0	4.1	
<b>Hospital Insurance Trust Fund Operations</b>									
Income	5.6	4.6	11.6	5.0	-1.5	14.3	2.8	4.8	
Outlays	17.1	11.0	10.8	12.5	17.6	15.9	19.1	16.1	
Assets at End of Period	7.7	3.1	3.9	-1.9	12.7	12.5	9.7	7.7	
<b>Supplementary Medical Insurance Trust Fund Operations</b>									
Income	11.7	0.8	-3.6	8.5	4.9	3.5	8.2	26.9	
Outlays	4.0	13.7	4.4	10.4	10.2	0.5	2.0	4.1	
Assets at End of Period	35.9	-0.4	-19.5	-32.4	10.9	12.6	18.3	35.9	

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

SOURCES: Monthly Treasury Statement of Receipts and Outlays of the United States Government. Financial Management Service, U.S. Department of the Treasury. 1996 Annual Reports of the Board of Trustees of the HI and SMI Trust Funds. Office of the Actuary, Health Care Financing Administration.

**Table 3—Continued**  
**Hospital Insurance and Supplementary Medical Insurance**  
**Trust Fund Operations: 1992-1996**

1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1
\$36,174	\$37,870	\$38,037	\$40,091	\$39,133	\$40,509	\$42,761	\$42,459	\$44,352	\$46,725	\$46,559	\$46,566	\$47,456
22,134	23,982	23,517	24,758	25,458	25,937	26,618	26,533	28,638	30,513	29,199	29,254	31,288
14,041	13,888	14,520	15,334	13,676	14,572	16,143	15,926	15,714	16,212	17,361	17,312	16,168
\$20,833	\$29,581	\$21,327	\$26,446	\$22,047	\$33,155	\$24,547	\$29,821	\$25,215	\$35,570	\$24,241	\$30,001	\$26,293
22,134	23,982	23,517	24,758	25,458	25,937	26,618	26,533	28,638	30,513	29,199	29,254	31,288
(1,301)	5,599	(2,190)	1,688	(3,411)	7,219	(2,071)	3,288	(3,423)	5,057	(4,958)	747	(4,995)
122,722	128,320	126,131	127,818	124,408	131,626	129,555	132,844	129,420	134,477	129,520	130,267	125,272
\$10,635	\$15,935	\$14,919	\$16,189	\$13,299	\$14,387	\$13,491	\$14,430	\$16,478	\$17,189	\$10,072	\$16,568	\$26,596
14,041	13,888	14,520	15,334	13,676	14,572	16,143	15,926	15,714	16,212	17,361	17,312	16,168
(3,405)	2,047	399	856	(377)	(185)	(2,651)	(1,496)	764	977	(7,288)	(745)	10,428
20,830	22,877	23,276	24,131	23,755	23,570	20,919	19,422	20,186	21,163	13,874	13,130	23,558
Percent Change From the Same Period of Previous Year												
12.7	12.7	10.0	12.7	8.2	7.0	12.4	5.9	13.3	15.3	8.9	9.7	7.0
9.0	12.4	9.9	12.7	15.0	8.1	13.2	7.2	12.5	17.6	9.7	10.3	9.3
19.1	13.2	10.3	12.7	-2.6	4.9	11.2	3.9	14.9	11.3	7.5	8.7	2.9
3.5	2.3	9.9	4.3	5.8	12.1	15.1	12.8	14.4	7.3	-1.2	0.6	4.3
9.0	12.4	9.9	12.7	15.0	8.1	13.2	7.2	12.5	17.6	9.7	10.3	9.3
6.7	4.6	4.6	3.1	1.4	2.6	2.7	3.9	4.0	2.2	0.0	-1.9	-3.2
-16.5	17.4	28.5	-16.2	25.0	-9.7	-9.6	-10.9	23.9	19.5	-25.3	14.8	61.4
19.1	13.2	10.3	12.7	-2.6	4.9	11.2	3.9	14.9	11.3	7.5	8.7	2.9
10.9	13.9	25.6	-0.4	14.0	3.0	-10.1	-19.5	-15.0	-10.2	-33.7	-32.4	16.7

**Table 4**  
**Employment, Hours, and Earnings in Private Sector<sup>1</sup> Health Service Establishments,**  
**by Selected Type of Establishment: 1992-96**

Type of Establishment	Calendar Year				1993 Q1	1993 Q2	1993 Q3	1993 Q4
	1992	1993	1994	1995				
<b>Total Employment (in Thousands)</b>								
Non-Farm Private Sector	89,959	91,889	95,044	97,892	89,478	91,706	92,970	93,402
Health Services	8,490	8,756	8,992	9,257	8,638	8,724	8,808	8,854
Offices and Clinics of Physicians	1,463	1,506	1,545	1,606	1,489	1,502	1,516	1,516
Offices and Clinics of Dentists	541	556	574	597	548	554	559	563
Nursing Homes	1,533	1,585	1,649	1,693	1,553	1,573	1,597	1,618
Private Hospitals	3,750	3,779	3,763	3,784	3,776	3,782	3,788	3,771
Home Health Care Services	398	469	559	626	432	458	481	505
<b>Non-Supervisory Employment (in Thousands)</b>								
Non-Farm Private Sector	72,930	74,777	77,610	80,123	72,541	74,614	75,777	76,175
Health Services	7,546	7,770	7,966	8,175	7,669	7,747	7,815	7,847
Offices and Clinics of Physicians	1,202	1,231	1,261	1,311	1,219	1,229	1,238	1,236
Offices and Clinics of Dentists	473	487	501	521	480	485	489	493
Nursing Homes	1,385	1,431	1,487	1,527	1,402	1,421	1,442	1,459
Private Hospitals	3,442	3,464	3,441	3,460	3,465	3,469	3,471	3,452
Home Health Care Services	369	435	518	579	400	424	446	469
<b>Average Weekly Hours</b>								
Non-Farm Private Sector	34.4	34.5	34.7	34.5	34.0	34.5	34.8	34.6
Health Services	32.8	32.8	32.8	32.8	32.7	32.8	32.9	32.8
Offices and Clinics of Physicians	32.2	32.2	32.4	32.5	32.1	32.2	32.3	32.3
Offices and Clinics of Dentists	28.4	28.3	28.1	28.0	28.1	28.4	28.2	28.3
Nursing Homes	32.3	32.2	32.3	32.5	32.0	32.2	32.6	32.1
Private Hospitals	34.4	34.6	34.7	34.5	34.6	34.5	34.7	34.6
Home Health Care Services	7.4	27.8	28.2	28.6	27.5	27.8	27.9	27.9
<b>Average Hourly Earnings</b>								
Non-Farm Private Sector	10.57	10.83	11.12	11.44	10.77	10.79	10.82	10.96
Health Services	11.39	11.78	12.10	12.45	11.69	11.71	11.80	11.92
Offices and Clinics of Physicians	11.42	11.89	12.26	12.52	11.72	11.86	11.91	12.07
Offices and Clinics of Dentists	11.02	11.44	11.97	12.40	11.26	11.35	11.46	11.68
Nursing Homes	7.86	8.17	8.50	8.76	8.06	8.11	8.20	8.31
Private Hospitals	13.03	13.46	13.83	14.30	13.37	13.37	13.49	13.81
Home Health Care Services	10.00	10.41	10.67	10.91	10.32	10.35	10.47	10.50
<b>Addenda: Hospital Employment (in Thousands)</b>								
Total	5,068	5,100	5,077	5,092	5,093	5,101	5,114	5,091
Private	3,750	3,779	3,763	3,784	3,776	3,782	3,788	3,771
Federal	235	234	234	232	231	233	235	235
State	419	414	407	397	415	414	414	412
Local	665	673	673	679	670	672	677	674

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

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

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: *Employment and Earnings*. Washington. U.S. Government Printing Office. Monthly reports for January 1992-March 1996.

**Table 4—Continued**  
**Employment, Hours, and Earnings in Private<sup>1</sup> Health Service Establishments,**  
**by Selected Type of Establishment: 1992-96**

1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1
92,096	94,811	96,347	96,923	95,646	97,853	98,928	99,142	97,489
8,878	8,965	9,042	9,083	9,119	9,209	9,309	9,389	9,441
1,519	1,536	1,557	1,568	1,577	1,597	1,617	1,632	1,639
565	573	576	581	584	593	602	609	614
1,626	1,642	1,661	1,666	1,671	1,683	1,704	1,715	1,717
3,762	3,762	3,769	3,759	3,758	3,774	3,794	3,809	3,828
523	553	571	591	603	619	635	648	647
74,878	77,420	78,806	79,337	78,043	80,097	81,082	81,272	79,615
7,869	7,949	8,007	8,041	8,056	8,124	8,233	8,286	8,348
1,242	1,253	1,270	1,278	1,287	1,303	1,320	1,333	1,34
495	501	503	507	510	518	525	532	539
1,465	1,481	1,498	1,502	1,506	1,518	1,537	1,547	1,546
3,441	3,442	3,444	3,435	3,435	3,452	3,470	3,484	3,503
485	512	528	546	558	573	588	599	599
34.3	34.7	34.9	34.8	34.3	34.4	34.7	34.5	33.9
32.8	32.8	32.8	32.8	32.8	32.7	32.8	32.7	32.5
32.4	32.3	32.3	32.6	32.4	32.4	32.5	32.7	32.6
28.2	28.2	28.0	28.2	28.0	28.0	27.8	28.1	27.9
32.1	32.2	32.5	32.4	32.3	32.3	32.8	32.5	32.2
34.7	34.6	34.7	34.6	34.7	34.6	34.5	34.4	34.4
28.0	28.2	28.2	28.5	28.7	28.7	28.7	28.1	27.7
11.05	11.06	11.10	11.27	11.35	11.36	11.44	11.60	11.70
12.00	12.02	12.13	12.25	12.36	12.36	12.461	2.61	12.73
12.16	12.22	12.29	12.36	12.45	12.43	12.49	12.70	12.88
11.78	11.92	12.01	12.17	12.25	12.35	12.41	12.60	12.68
8.40	8.44	8.53	8.61	8.71	8.73	8.78	8.83	8.92
13.70	13.70	13.89	14.04	14.17	14.16	14.34	14.52	14.62
10.58	10.62	10.71	10.75	10.84	10.84	10.92	11.03	11.11
5,080	5,077	5,083	5,068	5,066	5,081	5,107	5,117	5,135
3,762	3,762	3,769	3,759	3,758	3,774	3,794	3,809	3,828
236	234	234	232	230	232	235	231	231
409	408	406	405	404	398	394	393	390
673	672	675	672	673	677	681	683	685

**Table 5**  
**Percent Change in Employment, Hours, and Earnings in Private Sector<sup>1</sup> Health Service Establishments, by Selected Type of Establishment: 1992-96**

Type of Establishment	Calendar Year				1993 Q1	1993 Q2	1993 Q3	1993 Q4
	1992	1993	1994	1995				
	Annual Percent Change				Percent Change From the Same Period of Previous Year			
<b>Total Employment (in Thousands)</b>								
Non-Farm Private Sector	0.1	2.1	3.4	3.0	1.5	1.9	2.4	2.7
Health Services	3.8	3.1	2.7	2.9	3.1	3.2	3.2	3.0
Offices and Clinics of Physicians	4.2	2.9	2.6	3.9	3.4	3.2	2.9	2.2
Offices and Clinics of Dentists	2.5	2.9	3.1	4.1	2.7	3.0	2.8	3.1
Nursing Homes	2.7	3.4	4.0	2.7	2.3	3.1	3.7	4.5
Private Hospitals	2.6	0.8	-0.4	0.6	1.5	1.1	0.6	0.0
Home Health Care Services	15.5	17.9	19.3	11.9	15.2	16.5	19.3	20.3
<b>Non-Supervisory Employment (in Thousands)</b>								
Non-Farm Private Sector	0.4	2.5	3.8	3.2	2.0	2.3	2.7	3.1
Health Services	3.7	3.0	2.5	2.6	3.0	3.1	3.0	2.8
Offices and Clinics of Physicians	4.0	2.4	2.5	4.0	3.0	2.7	2.4	1.6
Offices and Clinics of Dentists	2.1	2.8	3.0	4.0	2.7	2.9	2.8	2.9
Nursing Homes	2.8	3.3	3.9	2.7	2.3	3.1	3.6	4.3
Private Hospitals	2.7	0.6	-0.7	0.6	1.5	1.0	0.4	-0.3
Home Health Care Services	15.6	17.9	19.1	11.9	15.1	16.5	19.3	20.4
<b>Average Weekly Hours</b>								
Non-Farm Private Sector	0.2	0.3	0.5	-0.6	-0.1	0.5	0.6	0.4
Health Services	0.7	0.1	0.1	-0.2	-0.2	0.5	0.0	0.0
Offices and Clinics of Physicians	0.8	0.2	0.5	0.2	-0.4	0.7	0.2	0.3
Offices and Clinics of Dentists	0.2	-0.3	-0.5	-0.6	-1.3	0.7	-0.2	-0.2
Nursing Homes	0.5	-0.3	0.3	0.5	-0.7	0.4	-0.3	-0.7
Private Hospitals	0.6	0.5	0.2	-0.3	0.5	0.5	0.5	0.5
Home Health Care Services	4.8	1.4	1.7	1.2	0.6	2.7	1.2	1.0
<b>Average Hourly Earnings</b>								
Non-Farm Private Sector	2.4	2.5	2.7	2.8	2.5	2.5	2.3	2.5
Health Services	3.9	3.4	2.7	2.9	4.1	3.6	3.1	3.0
Offices and Clinics of Physicians	2.5	4.2	3.1	2.1	4.4	4.8	3.8	3.6
Offices and Clinics of Dentists	3.8	3.8	4.6	3.6	3.2	3.4	4.2	4.3
Nursing Homes	3.9	4.0	4.0	3.1	4.0	3.8	3.8	4.4
Private Hospitals	4.2	3.3	2.7	3.4	4.1	3.6	2.9	2.8
Home Health Care Services	6.6	4.1	2.5	2.3	5.0	3.7	4.2	3.5
<b>Addenda: Hospital Employment (in Thousands)</b>								
Total	2.2	0.6	-0.5	0.3	1.1	0.8	0.5	0.0
Private	2.6	0.8	-0.4	0.6	1.5	1.1	0.6	0.0
Federal	0.5	-0.4	0.0	-0.7	-1.9	-1.1	0.4	1.0
State	0.5	-1.2	-1.6	-2.5	-1.1	-1.3	-1.1	-1.3
Local	1.8	1.3	0.0	0.8	1.6	1.5	1.3	0.7

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

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

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: *Employment and Earnings*. Washington. U.S. Government Printing Office. Monthly reports for January 1992-March 1996.

**Table 5—Continued**  
**Percent Change in Employment, Hours, and Earnings in Private Sector<sup>1</sup> Health Service Establishments, by Selected Type of Establishment: 1992-96**

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

**Table 6**  
**Percent Change in Implied Non-Supervisory Payrolls, Employment, Average Weekly Hours, and Average Hourly Earnings in Private<sup>1</sup> Health Service Establishments by Selected Type of Establishment: 1992-96**

Type of Establishment	Calendar Year				1993 Q1	1993 Q2	1993 Q3	1993 Q4
	1992	1993	1994	1995				
	Annual Percent Change				Percent Change From the Same Period of Previous Year			
<b>Health Services</b>								
Payrolls	8.5	6.6	5.4	5.4	7.0	7.3	6.2	5.8
Employment	3.7	3.0	2.5	2.6	3.0	3.1	3.0	2.8
Average Weekly Hours	0.7	0.1	0.1	-0.2	-0.2	0.5	0.0	0.0
Average Hourly Earnings	3.9	3.4	2.7	2.9	4.1	3.6	3.1	3.0
<b>Offices and Clinics of Physicians</b>								
Payrolls	7.5	6.9	6.2	6.4	7.1	8.5	6.5	5.6
Employment	4.0	2.4	2.5	4.0	3.0	2.7	2.4	1.6
Average Weekly Hours	0.8	0.2	0.5	0.2	-0.4	0.7	0.2	0.3
Average Hourly Earnings	2.5	4.2	3.1	2.1	4.4	4.8	3.8	3.6
<b>Offices and Clinics of Dentists</b>								
Payrolls	6.1	6.5	7.3	7.1	4.6	7.2	6.9	7.1
Employment	2.1	2.8	3.0	4.0	2.7	2.9	2.8	2.9
Average Weekly Hours	0.2	-0.3	-0.5	-0.6	-1.3	0.7	-0.2	-0.2
Average Hourly Earnings	3.8	3.8	4.6	3.6	3.2	3.4	4.2	4.3
<b>Nursing Homes</b>								
Payrolls	7.4	7.1	8.3	6.5	5.6	7.4	7.2	8.2
Employment	2.8	3.3	3.9	2.7	2.3	3.1	3.6	4.3
Average Weekly Hours	0.5	-0.3	0.3	0.5	-0.7	0.4	-0.3	-0.7
Average Hourly Earnings	3.9	4.0	4.0	3.1	4.0	3.8	3.8	4.4
<b>Private Hospitals</b>								
Payrolls	7.6	4.5	2.2	3.6	6.1	5.2	3.8	3.0
Employment	2.7	0.6	-0.7	0.6	1.5	1.0	0.4	-0.3
Average Weekly Hours	0.6	0.5	0.2	-0.3	0.5	0.5	0.5	0.5
Average Hourly Earnings	4.2	3.3	2.7	3.4	4.1	3.6	2.9	2.8
<b>Home Health Care Services</b>								
Payrolls	29.1	24.4	24.1	15.7	21.5	24.0	25.9	25.8
Employment	15.6	17.9	19.1	11.9	15.1	16.5	19.3	20.4
Average Weekly Hours	4.8	1.4	1.7	1.2	0.6	2.7	1.2	1.0
Average Hourly Earnings	6.6	4.1	2.5	2.3	5.0	3.7	4.2	3.5
<b>Non-Farm Private Sector</b>								
Payrolls	3.1	5.4	7.1	5.6	4.5	5.4	5.8	6.0
Employment	0.4	2.5	3.8	3.2	2.0	2.3	2.7	3.1
Average Weekly Hours	0.2	0.3	0.5	-0.6	-0.1	0.5	0.6	0.4
Average Hourly Earnings	2.4	2.5	2.7	2.8	2.5	2.5	2.3	2.5

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

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

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: *Employment and Earnings*. Washington, U.S. Government Printing Office. Monthly reports for January 1992-March 1996.

**Table 6—Continued**  
**Percent Change in Implied Non-Supervisory Payrolls, Employment, Average Weekly Hours,**  
**and Average Hourly Earnings in Private<sup>1</sup> Health Service Establishments by Selected Type of**  
**Establishment: 1992-96**

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

**Table 7**  
**Selected National Economic Indicators: 1992-96**

Indicator	Calendar Year				1992 Q1	1992 Q2	1992 Q3	1992 Q4
	1992	1993	1994	1995				
<b>Gross Domestic Product</b>								
Billions of Dollars	6,244	6,550	6,931	7,246	6,122	6,201	6,272	6,383
Billions of 1992 Chain Weighted Dollars	6,244	6,384	6,604	6,739	6,175	6,214	6,261	6,327
Implicit Price Deflator (1992 = 100.0)	100.0	102.6	104.9	107.5	99.1	99.8	100.2	100.9
<b>Personal Income</b>								
Personal Income in Billions of Dollars	5,264	5,479	5,750	6,102	5,152	5,225	5,265	5,415
Disposable Income in Billions of Dollars	4,614	4,789	5,019	5,307	4,515	4,585	4,614	4,741
<b>Prices<sup>1</sup></b>								
Consumer Price Index, All Items	140.3	144.5	148.2	152.4	138.7	139.8	140.9	141.9
All Items Less Medical Care	137.5	141.2	144.7	148.6	136.0	137.0	138.0	138.9
Energy	103.0	104.2	104.6	105.2	99.3	102.6	105.8	104.3
Food and Beverages	138.7	141.6	144.9	148.9	138.3	138.5	138.7	139.3
Medical Care	190.1	201.4	211.0	220.5	185.9	188.7	191.5	194.1
<b>Producer Price Index,<sup>2</sup> Finished</b>								
Consumer Goods	121.7	123.0	123.3	125.6	120.2	121.7	122.3	122.5
Energy	77.8	78.0	77.0	78.1	74.3	78.1	80.5	78.3
Food	123.3	125.6	126.8	129.0	123.1	123.0	123.2	123.8
Finished Goods Except Food and Energy	137.3	138.5	139.0	141.9	136.5	137.3	136.9	138.4
<b>Annual Percent Change</b>					<b>Percent Change From the Same Period of Previous Year</b>			
<b>Gross Domestic Product</b>								
Billions of Dollars	5.5	4.9	5.8	4.5	5.1	5.2	5.4	6.3
Billions of 1992 Chain Weighted	2.7	2.2	3.5	2.0	2.1	2.3	2.8	3.7
Implicit Price Deflator (1992 = 100.0)	2.7	2.6	2.3	2.5	3.0	2.9	2.5	2.6
<b>Personal Income</b>								
Personal Income in Billions	6.0	4.1	4.9	6.1	5.5	5.6	5.5	7.3
Disposable Income in Billions	6.2	3.8	4.8	5.8	5.9	5.9	5.7	7.3
<b>Prices<sup>1</sup></b>								
Consumer Price Index, All Items	3.0	3.0	2.6	2.8	2.9	3.1	3.1	3.1
All Items Less Medical Care	2.7	2.7	2.5	2.7	2.6	2.8	2.8	2.8
Energy	0.5	1.1	0.5	0.6	-3.7	0.9	2.6	2.4
Food and Beverages	1.4	2.1	2.3	2.8	1.6	0.8	1.4	1.7
Medical Care	7.4	6.0	4.8	4.5	7.8	7.7	7.2	6.8
<b>Producer Price Index,<sup>2</sup> Finished</b>								
Consumer Goods	1.0	1.1	0.2	1.9	-0.2	1.1	1.6	1.5
Energy	-0.4	0.3	-1.2	1.4	-5.7	0.9	2.5	0.8
Food	-0.7	1.9	0.9	1.8	-1.4	-2.0	-0.3	0.8
Finished Goods Except Food and Energy	2.7	0.9	0.3	2.1	2.9	3.1	2.5	2.2

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

<sup>2</sup>Formerly called the Wholesale Price Index.

NOTES: Q designates quarter of year. Unlike Tables 1-6 quarterly data on GDP, personal income, and disposable personal income are seasonally adjusted at annual rates.

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

*Employment and Earnings*. Washington. U.S. Government Printing Office. Monthly reports for January 1986-March 1996.

**Table 7—Continued**  
**Selected National Economic Indicators: 1992-96**

1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1
6,443	6,503	6,571	6,684	6,773	6,885	6,988	7,080	7,148	7,197	7,299	7,340	7,418
6,327	6,354	6,390	6,464	6,505	6,582	6,640	6,691	6,702	6,709	6,768	6,777	6,813
101.8	102.4	102.8	103.4	104.1	104.6	105.2	105.8	106.7	107.3	107.8	108.3	108.9
5,349	5,458	5,501	5,609	5,562	5,743	5,802	5,894	5,996	6,062	6,136	6,214	6,288
4,686	4,772	4,804	4,895	4,857	5,002	5,070	5,146	5,226	5,260	5,337	5,407	5,464
143.1	144.2	144.8	145.8	146.7	147.6	148.9	149.6	150.9	152.2	152.9	153.6	155.0
140.0	141.0	141.5	142.4	143.3	144.1	145.4	146.0	147.1	148.4	149.0	149.7	151.0
102.7	104.7	105.4	103.8	101.7	103.5	107.8	105.4	103.7	106.5	107.2	103.5	105.3
140.7	141.4	141.5	142.7	143.9	144.1	145.2	146.2	147.9	148.7	149.0	150.0	151.6
197.7	200.3	202.8	204.8	207.5	209.8	212.2	214.7	217.6	219.3	221.5	223.4	226.0
122.8	124.2	122.8	122.3	122.4	123.0	123.9	123.7	124.5	125.7	125.9	126.4	127.5
77.0	79.5	79.4	76.1	74.4	76.7	80.2	76.9	76.7	80.0	79.4	76.4	78.9
124.5	126.3	125.4	126.4	127.1	126.5	126.4	127.2	128.3	128.0	129.1	130.7	131.2
139.3	139.8	137.3	137.6	138.6	138.7	138.7	139.8	140.8	141.6	141.7	143.7	144.0
Percent Change From the Same Period of Previous Year												
5.2	4.9	4.8	4.7	5.1	5.9	6.3	5.9	5.5	4.5	4.4	3.7	3.8
2.5	2.2	2.1	2.2	2.8	3.6	3.9	3.5	3.0	1.9	1.9	1.3	1.7
2.7	2.6	2.7	2.5	2.3	2.2	2.3	2.3	2.4	2.5	2.5	2.4	2.1
3.8	4.5	4.5	3.6	4.0	5.2	5.5	5.1	7.8	5.6	5.8	5.4	4.9
3.8	4.1	4.1	3.3	3.6	4.8	5.5	5.1	7.6	5.2	5.3	5.1	4.6
3.2	3.1	2.7	2.7	2.5	2.4	2.9	2.7	2.8	3.1	2.6	2.7	2.7
2.9	2.9	2.5	2.5	2.4	2.2	2.7	2.5	2.7	3.0	2.5	2.5	2.7
3.4	2.0	-0.3	-0.4	-0.9	-1.1	2.3	1.5	1.9	2.9	-0.6	-1.8	1.6
1.8	2.1	2.0	2.5	2.3	1.9	2.7	2.5	2.7	3.2	2.6	2.6	2.5
6.3	6.1	5.9	5.5	5.0	4.7	4.6	4.8	4.9	4.6	4.4	4.1	3.8
2.1	2.1	0.4	-0.2	-0.3	-1.0	0.9	1.2	1.7	2.2	1.6	2.2	2.4
3.6	1.8	-1.3	-2.8	-3.4	-3.5	1.0	1.1	3.0	4.3	-1.0	-0.7	2.9
1.2	2.7	1.8	2.1	2.0	0.2	0.8	0.6	1.0	1.2	2.2	2.7	2.3
2.1	1.9	0.3	-0.5	-0.5	-0.8	1.0	1.6	1.6	2.0	2.2	2.8	2.3

**Table 8**  
**Index Levels of Medical Prices: 1992-1996**

Indicator	Calendar Year				1992 Q1	1992 Q2	1992 Q3	1992 Q4
	1992	1993	1994	1995				
<b>Consumer Price Indexes, All Urban Consumers<sup>1</sup></b>								
Medical Care Services <sup>2</sup>	190.5	202.9	213.4	224.2	186.1	188.9	192.1	195.0
Professional Services	175.8	184.7	192.5	201.0	172.3	174.7	177.0	179.0
Physicians' Services	181.2	191.3	199.8	208.8	177.2	180.3	182.6	184.6
Dental Services	178.7	188.1	197.1	206.8	174.7	177.0	180.4	182.6
Hospital and Related Services	214.0	231.9	245.6	257.8	208.1	211.3	216.0	220.6
Hospital Room	208.7	226.4	239.2	251.2	202.8	206.1	210.6	215.2
Other Inpatient Services (1986=100)	172.3	185.7	197.1	206.8	168.0	170.2	173.9	177.0
Outpatient Services (1986=100)	168.7	184.3	195.0	204.6	163.5	166.4	170.1	174.7
Medical Care Commodities	188.1	195.0	200.7	204.5	184.9	187.8	189.0	190.4
Prescription Drugs	214.7	223.0	230.6	235.0	210.9	214.5	215.6	218.0
Non-Prescription Drugs and Medical Supplies (1986=100)	131.2	135.5	138.1	140.5	129.3	131.1	132.1	132.1
Internal and Respiratory Over-the-Counter Drugs	158.2	163.5	165.9	167.0	155.3	158.4	159.9	159.3
Non-Prescription Medical Equipment and Supplies	150.9	155.9	160.0	166.3	150.1	150.4	151.2	152.1
<b>Producer Price Indexes<sup>3</sup></b>								
<b>Industry Groupings:<sup>4</sup></b>								
Health Services (12/94=100)	—	—	—	102.4	—	—	—	—
Offices and Clinics of Doctors of medicine (12/93=100)	—	—	102.8	106.8	—	—	—	—
Medicare Treatments (12/92=100)	—	—	104.7	109.6	—	—	—	—
Non-Medicare Treatments (12/93=100)	—	—	102.3	105.9	—	—	—	—
Hospitals (12/92=100)	—	102.5	106.2	110.0	—	—	—	—
General Medical and Surgical Hospitals (12/92=100)	—	102.4	106.0	109.9	—	—	—	—
Inpatient Treatments (12/92=100)	—	102.5	106.0	109.2	—	—	—	—
Medicare Patients (12/92=100)	—	100.6	102.6	104.7	—	—	—	—
Medicaid Patients (12/92=100)	—	102.3	107.1	109.8	—	—	—	—
All Other Patients (12/92=100)	—	103.5	107.7	111.7	—	—	—	—
Outpatient Treatments (12/92=100)	—	102.5	106.7	113.3	—	—	—	—
Medicare Patients (12/92=100)	—	103.7	107.0	111.2	—	—	—	—
Medicaid Patients (12/92=100)	—	101.6	103.3	106.4	—	—	—	—
All Other Patients (12/92=100)	—	102.4	106.9	114.2	—	—	—	—
Skilled and Intermediate Care Facilities (12/94=100)	—	—	—	103.6	—	—	—	—
Public Payors (12/94=100)	—	—	—	103.8	—	—	—	—
Private Payors (12/94=100)	—	—	—	103.6	—	—	—	—
Medical Laboratories (6/94=100)	—	—	—	104.0	—	—	—	—
<b>Commodity Groupings:</b>								
Drugs and Pharmaceuticals	192.2	200.9	206.0	210.9	188.5	191.8	193.4	195.1
Ethical (Prescription) Preparations	231.7	242.2	250.0	257.0	227.1	230.9	233.3	235.4
Proprietary (Over-the-Counter) Preparations	173.6	180.0	183.2	186.6	168.9	173.7	175.1	176.7
Medical, Surgical, and Personal Aid Devices	133.9	137.8	140.4	141.3	132.9	133.8	134.1	134.7
Personal Aid Equipment	120.2	122.3	130.1	133.7	120.0	120.2	120.3	120.4
Medical Instruments and Equipment (6/82=100)	123.4	126.0	126.7	128.3	122.6	123.4	123.5	123.9
Surgical Appliances and Supplies (6/83=100)	145.0	151.0	155.7	154.8	143.6	144.9	145.2	146.3
Ophthalmic Goods (12/83=100)	118.0	119.0	119.6	122.2	117.6	118.1	118.4	117.7
Dental Equipment and Supplies (6/85=100)	126.6	131.5	135.2	137.5	126.0	125.6	126.8	127.9

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

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

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

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

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

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: *CPI Detailed Report*. Washington. U.S. Government Printing Office. Monthly reports for January 1992-March 1996; U.S. Department of Labor, Bureau of Labor Statistics: *Producer Price Indexes*. Washington. U.S. Government Printing Office. Monthly reports for January 1992-March 1996.

**Table 8—Continued**  
**Index Levels of Medical Prices: 1992-1996**

1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1
198.8	201.8	204.4	206.7	209.5	212.0	214.6	217.5	221.0	223.0	225.4	227.4	230.1
181.6	184.1	185.9	187.1	189.3	191.8	193.5	195.5	198.3	200.2	202.0	203.4	205.9
187.7	190.5	192.7	194.2	196.7	199.2	200.7	202.4	205.6	208.1	210.1	211.5	214.3
184.8	187.6	189.2	190.8	193.0	196.1	198.3	201.1	204.0	205.8	207.8	209.8	212.5
226.2	230.0	233.8	237.7	241.3	243.4	247.2	250.6	254.2	255.6	259.1	262.2	266.1
220.6	224.6	228.2	232.0	235.3	237.2	240.9	243.5	247.8	249.4	252.6	255.1	257.9
181.1	183.9	187.2	190.4	193.5	195.4	198.2	201.2	204.0	205.2	207.8	210.3	214.3
179.9	183.0	185.6	188.7	191.5	192.9	196.3	199.4	201.5	202.3	205.5	208.9	211.7
193.0	194.2	196.0	196.7	198.5	200.1	201.6	202.6	203.4	203.6	204.6	206.2	208.4
221.4	221.6	223.9	225.2	228.0	230.5	231.0	232.8	233.4	233.9	235.4	237.4	240.1
133.2	135.6	136.7	136.5	136.7	136.8	139.4	139.4	140.5	140.0	140.4	141.2	142.5
160.4	163.4	165.3	164.9	165.2	165.5	166.6	166.4	167.1	166.0	167.4	167.3	169.3
153.8	156.4	156.5	156.7	156.7	156.7	163.1	163.6	165.8	166.3	165.2	167.8	168.7
—	—	—	—	—	—	—	—	101.6	101.9	102.5	103.4	104.1
—	—	—	—	101.8	102.4	102.9	104.0	106.3	106.8	107.1	107.0	107.3
—	—	—	—	104.7	104.7	104.7	104.7	109.6	109.6	109.6	109.6	105.5
—	—	—	—	101.0	101.8	102.4	103.8	105.5	106.1	106.1	106.0	107.4
101.2	101.7	103.0	104.0	105.0	105.4	106.7	107.7	109.2	109.3	110.0	111.4	112.2
101.3	101.6	102.9	103.9	104.8	105.2	106.5	107.5	109.0	109.2	109.9	111.5	112.1
101.2	101.5	102.9	104.2	104.9	105.2	106.4	107.5	108.5	108.6	109.1	110.9	111.5
100.0	100.0	100.0	102.3	102.3	102.3	102.3	103.6	103.6	103.6	103.6	107.8	107.8
100.9	101.2	103.0	104.3	105.3	106.0	108.1	108.9	109.5	109.6	109.3	110.6	110.9
101.9	102.5	104.5	105.3	106.3	106.7	108.4	109.4	111.0	111.1	112.0	112.6	113.7
101.5	102.0	103.0	103.4	105.0	105.8	107.6	108.2	111.9	112.5	114.0	114.8	115.7
103.1	103.3	104.4	104.1	105.5	106.0	107.5	108.8	110.2	111.1	111.8	111.8	113.2
100.7	101.5	102.4	101.9	101.8	101.2	105.1	105.1	105.7	105.9	105.8	108.0	107.7
101.3	101.8	102.8	103.4	105.2	106.2	107.8	108.4	112.7	113.2	115.1	115.8	116.8
—	—	—	—	—	—	—	—	101.9	102.8	104.2	105.6	107.4
—	—	—	—	—	—	—	—	101.8	102.7	104.4	106.2	107.4
—	—	—	—	—	—	—	—	102.1	103.2	104.2	105.1	107.9
—	—	—	—	—	—	100.0	99.9	101.6	103.4	106.0	105.0	105.4
198.7	200.6	202.0	202.4	204.6	205.9	206.3	207.0	208.5	210.3	211.2	213.4	214.2
239.0	241.8	243.5	244.5	248.3	250.1	250.0	251.4	252.7	255.8	257.6	261.8	262.7
177.4	179.3	181.6	181.6	181.4	182.6	184.4	184.5	185.5	186.6	186.6	187.5	188.6
137.1	138.1	137.8	138.3	140.1	140.3	140.6	140.5	140.7	140.8	141.5	142.1	143.5
122.6	122.6	121.9	121.9	127.8	130.8	130.9	130.9	131.2	131.8	135.1	136.7	136.9
125.5	126.5	125.8	126.2	126.4	126.5	126.8	126.9	127.8	128.0	128.8	128.7	130.2
150.0	151.1	151.1	151.7	155.4	155.7	156.1	155.4	154.3	154.1	154.5	156.2	157.7
118.4	118.7	119.3	119.4	120.0	119.4	119.4	119.8	121.7	121.8	122.9	122.6	122.0
130.4	131.8	132.0	131.6	134.2	135.0	136.0	135.7	136.4	137.9	137.1	138.7	140.4

**Table 9**  
**Percent Change in Medical Prices From Same Period a Year Ago: 1992-1996**

Indicator	Calendar Year				1992 Q1	1992 Q2	1992 Q3	1992 Q4
	1992	1993	1994	1995				
<b>Consumer Price Indexes, All Urban Consumers<sup>1</sup></b>								
	Annual Percent Change							
Medical Care Services <sup>2</sup>	27.6	6.5	5.2	5.0	7.9	7.8	7.5	7.2
Professional Services	6.1	5.1	4.3	4.4	6.2	6.2	6.0	5.8
Physicians' Services	6.3	5.6	4.4	4.5	5.9	6.5	6.4	6.3
Dental Services	6.7	5.3	4.8	4.9	7.4	6.9	6.5	6.1
Hospital and Related Services	9.1	8.4	5.9	5.0	9.0	9.4	9.1	9.0
Hospital Room	8.8	8.5	5.7	5.0	8.3	8.8	9.0	9.0
Other Inpatient Services (1986=100)	9.1	7.8	6.1	5.0	9.3	9.5	9.1	8.4
Outpatient Services (1986=100)	10.0	9.3	5.8	4.9	9.8	10.1	9.7	10.2
Medical Care Commodities	6.4	3.7	2.9	1.9	7.7	7.1	5.7	5.2
Prescription Drugs	7.6	3.9	3.4	1.9	9.3	8.5	6.5	6.0
Non-Prescription Drugs and Medical Supplies (1986=100)	3.9	3.3	1.9	1.8	4.2	4.1	3.9	3.4
Internal and Respiratory Over-the-Counter Drugs	3.8	3.3	1.5	0.6	3.3	4.3	4.0	3.7
Non-Prescription Medical Equipment and Supplies	4.1	3.3	2.7	3.9	6.2	3.9	3.6	2.7
<b>Producer Price Indexes<sup>3</sup></b>								
<b>Industry Groupings:<sup>4</sup></b>								
Health Services (12/94=100)	---	---	---	---	---	---	---	---
Offices and Clinics of Doctors of Medicine (12/93=100)	---	---	---	3.9	---	---	---	---
Medicare Treatments (12/93=100)	---	---	---	4.7	---	---	---	---
Non-Medicare Treatments (12/93=100)	---	---	---	3.6	---	---	---	---
Hospitals (12/92=100)	---	---	3.6	3.5	---	---	---	---
General Medical and Surgical Hospitals (12/92=100)	---	---	3.5	3.7	---	---	---	---
Inpatient Treatments (12/92=100)	---	---	3.5	3.1	---	---	---	---
Medicare Patients (12/92=100)	---	---	2.0	2.0	---	---	---	---
Medicaid Patients (12/92=100)	---	---	4.6	2.5	---	---	---	---
All Other Patients (12/92=100)	---	---	4.0	3.7	---	---	---	---
Outpatient Treatments (12/92=100)	---	---	4.1	6.2	---	---	---	---
Medicare Patients (12/92=100)	---	---	3.1	4.0	---	---	---	---
Medicaid Patients (12/92=100)	---	---	1.7	2.9	---	---	---	---
All Other Patients (12/92=100)	---	---	4.4	6.9	---	---	---	---
Skilled and Intermediate Care Facilities (12/94=100)	---	---	---	---	---	---	---	---
Public Payors (12/94=100)	---	---	---	---	---	---	---	---
Private Payors (12/94=100)	---	---	---	---	---	---	---	---
Medical Laboratories (6/94=100)	---	---	---	---	---	---	---	---
<b>Commodity Groupings:</b>								
Drugs and Pharmaceuticals	5.3	4.5	2.5	2.4	6.2	5.5	4.7	4.8
Ethical (Prescription) Preparations	6.5	4.5	3.2	2.8	7.7	6.5	6.1	5.7
Proprietary (Over-the-Counter) Preparations	5.0	3.7	1.8	1.8	5.5	5.0	4.1	5.3
Medical, Surgical, and Personal Aid Devices	2.7	3.0	1.8	0.7	2.6	2.8	2.5	2.9
Personal Aid Equipment	2.6	1.7	6.4	2.7	3.8	3.6	2.8	0.4
Medical Instruments and Equipment (6/82=100)	2.2	2.1	0.5	1.3	2.2	2.3	2.1	2.4
Surgical Appliances and Supplies (6/83=100)	3.1	4.1	3.1	-0.6	2.7	3.1	2.9	3.5
Ophthalmic Goods (12/83=100)	1.7	0.9	0.6	2.2	1.8	2.3	2.0	0.7
Dental Equipment and Supplies (6/85=100)	4.5	3.8	2.9	1.7	5.1	4.4	3.9	4.5

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

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

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

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

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

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: *CPI Detailed Report*. Washington. U.S. Government Printing Office. Monthly reports for January 1992-March 1996; U.S. Department of Labor, Bureau of Labor Statistics: *Producer Price Indexes*. Washington. U.S. Government Printing Office. Monthly reports for January 1992-March 1996.

**Table 9—Continued**  
**Percent Change in Medical Prices From Same Period a Year Ago: 1992-96**

1993 Q1	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4	1995 Q1	1995 Q2	1995 Q3	1995 Q4	1996 Q1
Percent Change From the Same Period of Previous Year												
6.8	6.8	6.4	6.0	5.4	5.1	5.0	5.2	5.5	5.2	5.0	4.5	4.1
5.4	5.3	5.0	4.5	4.3	4.2	4.1	4.5	4.7	4.4	4.4	4.0	3.8
5.9	5.7	5.6	5.2	4.8	4.5	4.2	4.3	4.5	4.5	4.6	4.5	4.2
5.8	6.0	4.9	4.5	4.4	4.5	4.8	5.4	5.7	4.9	4.8	4.3	4.2
8.7	8.8	8.3	7.8	6.7	5.8	5.7	5.4	5.3	5.0	4.8	4.6	4.7
8.8	9.0	8.4	7.8	6.6	5.6	5.5	5.0	5.3	5.1	4.9	4.8	4.1
7.8	8.0	7.6	7.6	6.8	6.3	5.9	5.7	5.5	5.0	4.8	4.5	5.0
10.1	10.0	9.1	8.0	6.5	5.4	5.7	5.7	5.2	4.9	4.7	4.8	5.0
4.3	3.4	3.7	3.3	2.9	3.0	2.8	3.0	2.5	1.7	1.5	1.8	2.4
5.0	3.3	3.8	3.3	3.0	4.0	3.2	3.4	2.4	1.5	1.9	2.0	2.9
3.0	3.5	3.4	3.3	2.6	0.9	2.0	2.1	2.8	2.3	0.7	1.2	1.5
3.3	3.2	3.4	3.5	3.0	1.3	0.8	0.9	1.1	0.3	0.5	0.6	1.3
2.4	4.0	3.5	3.1	1.9	0.1	4.2	4.4	5.8	6.1	1.3	2.5	1.7
—	—	—	—	—	—	—	—	—	—	—	—	2.4
—	—	—	—	—	—	—	—	4.5	4.3	4.0	2.9	0.9
—	—	—	—	—	—	—	—	4.7	4.7	4.7	4.7	-3.7
—	—	—	—	—	—	—	—	4.5	4.3	3.6	2.1	1.8
—	—	—	—	3.8	3.6	3.6	3.5	4.0	3.7	3.1	3.4	2.7
—	—	—	—	3.5	3.5	3.5	3.4	4.0	3.8	3.2	3.7	2.9
—	—	—	—	3.7	3.6	3.5	3.1	3.4	3.2	2.5	3.1	2.8
—	—	—	—	2.3	2.3	2.3	1.3	1.3	1.3	1.3	4.1	4.1
—	—	—	—	4.3	4.7	5.0	4.5	4.0	3.4	1.1	1.6	1.3
—	—	—	—	4.3	4.1	3.8	3.9	4.4	4.2	3.3	3.0	2.4
—	—	—	—	3.4	3.7	4.4	4.7	6.6	6.3	6.0	6.1	3.4
—	—	—	—	2.3	2.6	3.0	4.6	4.5	4.8	4.0	2.7	2.7
—	—	—	—	1.1	0.3	2.7	3.1	3.8	4.6	0.6	2.8	1.9
—	—	—	—	3.8	4.3	4.8	4.8	7.2	6.7	6.8	6.9	3.6
—	—	—	—	—	—	—	—	—	—	—	—	5.4
—	—	—	—	—	—	—	—	—	—	—	—	5.5
—	—	—	—	—	—	—	—	—	—	—	—	5.7
—	—	—	—	—	—	—	—	—	—	5.9	5.1	3.7
5.4	4.6	4.4	3.7	3.0	2.6	2.1	2.3	1.9	2.2	2.4	3.1	2.7
5.2	4.7	4.4	3.8	3.9	3.4	2.7	2.8	1.8	2.3	3.0	4.2	3.9
5.1	3.2	3.7	2.8	2.2	1.8	1.6	1.6	2.3	2.2	1.2	1.6	1.7
3.2	3.2	2.8	2.6	2.1	1.6	2.0	1.6	0.5	0.4	0.6	1.2	2.0
2.2	2.0	1.3	1.2	4.3	6.7	7.4	7.4	2.6	0.7	3.2	4.4	4.4
2.3	2.5	1.9	1.9	0.8	0.1	0.8	0.6	1.1	1.1	1.6	1.4	1.9
4.5	4.3	4.1	3.7	3.6	3.1	3.3	2.4	-0.8	-1.0	-1.0	0.6	2.2
0.7	0.5	0.8	1.4	1.4	0.5	0.1	0.3	1.4	2.1	2.9	2.3	0.2
3.5	4.9	4.1	2.9	2.9	2.4	3.0	3.1	1.6	2.2	0.8	2.2	2.9

**Table 10**  
**Quarterly Index Levels and Four-Quarter Moving Average Percent Change in the Prospective Payment System (PPS) Hospital Input Price Index, by Expense Category: 1994-98**

Expense Category <sup>1</sup>	Price/Wage Variable	Base Year Weights FY 87 <sup>2</sup>	1994 Q2	1994 Q3	1994 Q4	1995 Q1
<b>Index Levels:</b>						
Total	—	100.000	131.6	132.7	133.6	134.8
Compensation	—	61.713	135.7	136.8	137.6	138.5
Wages and Salaries	HCFA Occupational Wage Index <sup>4</sup>	52.216	132.7	133.7	134.6	135.5
Employee Benefits	HCFA Occupational Benefits Index <sup>4</sup>	9.497	152.1	153.6	154.0	155.1
Other Professional Fees	ECI-W/S: Professional/Technical (Private)	1.649	132.9	133.9	134.8	135.6
Energy and Utilities <sup>3</sup>	—	2.368	110.1	114.3	109.3	107.4
Professional Liability Insurance	HCFA-Professional Liability Premium	1.433	136.3	135.9	136.2	137.0
All Other	—	32.837	125.2	126.1	127.6	129.8
Other Products <sup>3</sup>	—	21.788	124.8	125.7	127.6	129.9
Pharmaceuticals	PPI-Prescription Drugs	3.873	163.1	163.1	163.9	164.8
Food <sup>3</sup>	—	3.299	120.2	119.8	119.7	120.8
Chemicals	PPI-Industrial Chemicals	3.126	118.3	123.9	130.4	136.0
Medical Instruments	PPI-Medical Instruments/Equipment	2.672	116.1	116.3	116.4	117.3
Photographic Supplies	PPI-Photographic Supplies	2.623	113.7	112.4	112.3	113.6
Rubber and Plastics	PPI-Rubber/Plastic Products	2.323	114.1	115.3	117.9	120.3
Other Services <sup>3</sup>	—	11.050	126.1	126.8	127.7	129.6
Business Services	AHE-Business Services	3.845	123.9	124.4	125.2	128.0
Computer Services	AHE-Data Processing Services	1.992	141.3	142.2	143.7	145.0
<b>4-Quarter Moving-Average Percent Change:</b>						
Total	—	100.000	2.5	2.5	2.5	2.6
Compensation	—	61.713	3.2	3.1	3.1	2.9
Wages and Salaries	HCFA Occupational Wage Index <sup>4</sup>	52.216	3.0	2.9	2.9	2.8
Employee Benefits	HCFA Occupational Benefits Index <sup>4</sup>	9.497	4.4	4.2	4.0	3.4
Other Professional Fees	ECI-W/S: Professional/Technical (Private)	1.649	3.0	2.9	2.9	2.8
Energy and Utilities <sup>3</sup>	—	2.368	-4.0	-3.4	-3.4	-3.1
Professional Liability Insurance	HCFA-Professional Liability Premium	1.433	1.1	-0.3	-1.8	-1.9
All Other	—	32.837	1.7	1.7	2.0	2.5
Other Products <sup>3</sup>	—	21.788	1.4	1.4	1.8	2.6
Pharmaceuticals	PPI-Prescription Drugs	3.873	3.9	3.5	3.2	2.7
Food <sup>3</sup>	—	3.299	2.0	1.8	1.4	0.9
Chemicals	PPI-Industrial Chemicals	3.126	-0.8	0.5	3.5	8.2
Medical Instruments	PPI-Medical Instruments/Equipment	2.672	1.1	0.9	0.5	0.6
Photographic Supplies	PPI-Photographic Supplies	2.623	0.2	0.4	0.3	-0.4
Rubber and Plastics	PPI-Rubber/Plastic Products	2.323	0.6	0.7	1.4	2.7
Other Services <sup>3</sup>	—	11.050	2.3	2.2	2.3	2.3
Business Services	AHE-Business Services	3.845	1.7	1.7	1.9	2.0
Computer Services	AHE-Data Processing Services	1.992	4.5	4.4	4.1	3.5

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

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

<sup>3</sup> Represents a subtotal. Detailed categories not shown are listed below by subtotal, detailed category, and base year weight: Energy and Utilities: Fuel Oil, Coal, and Other Fuel (0.624), Electricity (1.135), Natural Gas (0.343), and Motor Gasoline (0.230). Other Products: Paper products (1.399), Apparel (1.142), Machinery and Equipment (0.497), 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-Nonlabor Intensive (0.800).

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

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 1996 forecasts were produced under contract to HCFA by Data Resources, Inc./ McGraw-Hill.

**Table 10—Continued**

**Quarterly Index Levels and Four-Quarter Moving Average Percent Change in the Prospective Payment System (PPS) Hospital Input Price Index, by Expense Category: 1994-98**

1995 Q2	1995 Q3	1995 Q4	1996 Q1	Forecast							
				1996 Q2	1996 Q3	1996 Q4	1997 Q1	1997 Q2	1997 Q3	1997 Q4	1998 Q1
135.9	136.8	137.6	138.7	139.6	140.6	141.4	142.4	143.2	144.5	145.3	146.6
139.3	140.2	141.3	142.6	143.4	144.7	145.8	147.0	147.8	149.4	150.4	151.8
136.2	137.1	138.2	139.6	140.3	141.5	142.6	143.8	144.6	146.1	147.1	148.3
156.3	157.0	158.3	159.6	160.4	162.0	163.1	164.8	165.6	167.5	168.6	170.6
136.3	137.3	138.5	140.5	141.1	142.2	143.3	144.6	145.6	147.4	148.2	149.4
111.6	111.2	110.1	113.6	122.2	120.3	116.6	113.5	114.7	115.8	114.3	112.7
137.3	138.1	139.4	140.9	142.2	143.5	145.0	146.5	148.0	149.7	151.5	153.4
131.3	132.1	132.4	133.0	133.6	134.2	134.7	135.6	136.3	136.9	137.5	138.9
131.7	132.7	132.8	132.8	133.3	133.8	134.2	134.9	135.4	135.8	136.1	137.2
166.8	168.0	170.8	171.3	172.7	173.7	174.2	176.2	177.2	177.2	178.4	180.7
120.7	122.2	123.9	124.5	126.1	126.9	126.8	127.6	128.3	129.0	129.3	130.5
140.2	138.5	134.0	132.3	133.7	133.9	134.2	134.3	134.4	135.5	135.1	136.6
117.4	118.1	118.0	119.5	119.7	119.4	119.8	120.6	121.0	121.1	121.8	122.9
114.5	116.3	116.3	118.1	118.2	119.8	121.0	121.9	121.6	122.1	121.5	121.7
122.1	122.8	122.2	121.4	121.4	121.8	121.7	121.6	121.8	122.3	122.2	122.2
130.5	130.9	131.7	133.4	134.3	134.9	135.7	137.0	138.2	139.1	140.3	142.1
128.7	129.3	130.3	133.3	133.9	134.2	135.2	137.4	138.2	139.1	140.2	142.3
146.3	146.8	147.9	149.8	151.0	152.5	153.8	155.1	156.6	158.6	160.2	161.6
2.9	3.0	3.1	3.1	2.9	2.8	2.8	2.7	2.7	2.7	2.7	2.8
2.8	2.7	2.6	2.7	2.8	2.9	3.1	3.1	3.1	3.2	3.2	3.2
2.8	2.7	2.7	2.7	2.8	3.0	3.1	3.1	3.1	3.1	3.1	3.2
3.1	2.7	2.5	2.6	2.6	2.9	3.0	3.0	3.2	3.2	3.3	3.4
2.7	2.7	2.6	2.9	3.1	3.4	3.5	3.3	3.3	3.3	3.3	3.4
-1.3	-1.7	-0.7	1.2	3.3	6.1	7.4	5.8	1.7	-1.2	-3.1	-3.2
-1.3	-0.3	1.1	1.9	2.6	3.2	3.6	3.9	4.0	4.1	4.2	4.4
3.4	4.1	4.3	4.0	3.2	2.4	1.9	1.8	1.8	1.9	2.0	2.1
3.7	4.7	4.9	4.3	3.2	2.1	1.3	1.2	1.3	1.4	1.5	1.6
2.4	2.5	2.8	3.4	3.7	3.8	3.2	2.9	2.7	2.4	2.5	2.4
0.6	0.9	1.6	2.3	3.3	3.7	3.4	3.3	2.6	2.1	2.0	1.9
13.1	14.7	12.4	7.2	1.5	-2.1	-2.7	-1.6	-0.3	0.8	1.0	1.0
0.9	1.1	1.3	1.5	1.7	1.6	1.6	1.4	1.2	1.2	1.3	1.5
-0.4	0.5	1.7	2.9	3.6	3.5	3.6	3.4	3.3	3.0	2.1	1.3
4.3	5.6	5.7	4.5	2.5	0.8	-0.2	-0.4	-0.2	0.2	0.4	0.4
2.7	3.0	3.2	3.2	3.1	3.0	3.0	2.9	2.9	3.0	3.1	3.3
2.6	3.2	3.6	4.0	4.0	4.0	3.9	3.7	3.5	3.4	3.4	3.5
3.4	3.3	3.1	3.3	3.2	3.4	3.6	3.7	3.8	3.8	3.9	4.0

Table 11

**Quarterly Index Levels and Four-Quarter Moving-Average Percent Change in the Skilled Nursing Facility Input Price Index, by Expense Category: 1994-98**

Expense Category <sup>1</sup>	Price/Wage Variable	Base Year	1994	1994	1994	1995
		Weights FY 77 <sup>2</sup>	Q2	Q3	Q4	Q1
<b>Index Levels</b>						
Total	—	100.000	256.3	258.3	260.2	262.8
Compensation	—	70.620	261.6	263.9	266.2	269.1
Wages and Salaries	AHE-Nursing Facilities	63.020	258.4	260.9	263.4	266.3
Employee Benefits	BEA-Supplement to Wages/Salaries per Worker	7.600	288.5	288.9	289.2	293.0
Fuel and Other Energy	—	4.270	232.6	231.9	231.8	231.4
Fuel Oil and Coal	IPD-Fuel Oil and Coal	1.660	204.6	202.7	202.3	201.4
Electricity	IPD-Electricity	1.210	220.9	222.7	223.7	224.9
Natural Gas	IPD-Natural Gas	0.910	253.0	248.4	246.4	243.3
Water and Sewerage Maintenance	CPI(U)-Water and Sewage	0.490	318.7	322.5	324.2	326.8
Food	—	9.740	194.1	194.9	195.4	196.4
Direct Purchase	PPI-Processed Foods	4.930	170.1	169.3	168.7	169.5
Contract Service	CPI(U)-Food and Beverages	4.810	218.6	221.3	222.8	223.9
All Other	—	15.370	278.1	280.1	282.0	284.3
Pharmaceuticals	PPI-Prescription Drugs	1.500	380.4	380.4	382.5	384.5
Supplies	CPI(U)-All Items	3.280	243.6	245.9	247.2	249.0
Health Services	CPI(U)-Physicians' Services	1.210	340.5	343.1	346.0	351.5
Other Business Services	CPI(U)-Services	4.590	288.8	291.0	293.2	295.9
Miscellaneous Costs	CPI(U)-All Items	4.790	243.6	245.9	247.2	249.0
<b>4-Quarter Moving-Average Percent Change</b>						
Total	—	100.000	3.7	3.6	3.4	3.2
Compensation	—	70.620	4.0	4.0	3.7	3.6
Wages and Salaries	AHE-Nursing Facilities	63.020	4.1	4.2	3.9	3.8
Employee Benefits	BEA-Supplement to Wages/Salaries per Worker	7.600	3.0	2.7	2.3	2.1
Fuel and Other Energy	—	4.270	1.7	1.0	0.7	-0.1
Fuel Oil and Coal	IPD-Fuel Oil and Coal	1.660	-1.7	-1.9	-1.5	-2.0
Electricity	IPD-Electricity	1.210	1.1	0.4	0.1	0.3
Natural Gas	IPD-Natural Gas	0.910	5.7	3.7	1.9	-0.9
Water and Sewerage Maintenance	CPI(U)-Water and Sewage	0.490	5.2	5.2	5.0	4.6
Food	—	9.740	2.2	2.2	1.9	1.6
Direct Purchase	PPI-Processed Foods	4.930	2.2	1.9	1.2	0.4
Contract Service	CPI(U)-Food and Beverages	4.810	2.2	2.4	2.4	2.6
All Other	—	15.370	3.3	3.2	3.1	3.0
Pharmaceuticals	PPI-Prescription Drugs	1.500	3.9	3.5	3.2	2.7
Supplies	CPI(U)-All Items	3.280	2.6	2.6	2.6	2.7
Health Services	CPI(U)-Physicians' Services	1.210	5.0	4.7	4.4	4.4
Other Business Services	CPI(U)-Services	4.590	3.7	3.5	3.3	3.2
Miscellaneous Costs	CPI(U)-All Items	4.790	2.6	2.6	2.6	2.7

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

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

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

SOURCES: Health Care Financing Administration, Office of the Actuary; Data from the Office of National Health Statistics, Division of Health Cost Analysis. Second quarter 1996 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 in the Skilled Nursing Facility Input Price Index, by Expense Category: 1994-98**

1995 Q2	1995 Q3	1995 Q4	1996 Q1	Forecast							
				1996 Q2	1996 Q3	1996 Q4	1997 Q1	1997 Q2	1997 Q3	1997 Q4	1998 Q1
263.9	265.5	267.1	269.6	271.2	273.9	275.5	278.5	279.8	282.3	284.3	287.9
270.0	271.5	273.1	275.5	276.5	279.8	281.8	285.4	286.7	289.7	291.9	296.1
267.0	268.4	270.0	272.8	273.6	277.0	278.8	282.4	283.6	286.6	288.7	292.9
294.9	296.9	298.2	298.3	300.7	303.5	306.4	309.6	312.5	315.5	318.3	322.0
231.9	232.4	231.4	238.5	242.8	239.6	236.6	235.5	234.6	234.3	234.6	235.5
204.2	204.9	201.0	220.5	228.3	218.2	209.5	204.7	200.3	197.2	196.5	197.0
225.1	227.9	230.0	224.6	224.3	224.3	224.6	224.5	224.6	224.7	224.9	225.2
239.4	234.9	233.9	235.5	238.2	238.6	239.0	240.1	241.5	241.9	242.3	243.0
328.4	331.8	333.4	339.6	346.1	351.5	353.1	358.8	363.0	370.0	372.9	377.5
197.2	199.4	201.8	202.3	205.1	206.7	207.6	208.3	209.1	209.9	210.9	212.1
169.2	172.4	175.7	175.6	178.5	179.1	178.9	178.7	178.8	179.3	180.1	180.9
225.8	227.0	228.6	229.6	232.4	234.9	237.0	238.7	240.1	241.2	242.5	244.0
287.1	288.9	291.2	293.4	296.3	298.6	300.7	303.3	305.6	307.6	309.9	312.9
389.2	391.8	398.3	399.6	402.8	405.3	406.3	411.0	413.3	413.3	416.2	421.5
251.1	252.4	253.8	255.9	258.6	260.5	262.2	263.9	265.7	267.5	269.3	271.5
355.8	359.1	361.5	366.3	369.3	373.1	376.4	382.2	386.0	389.4	392.2	398.5
298.9	301.2	303.4	305.5	308.5	311.2	313.8	316.6	319.3	322.1	324.8	327.8
251.1	252.4	253.8	255.9	258.6	260.5	262.2	263.9	265.7	267.5	269.3	271.5
3.1	2.9	2.8	2.7	2.7	2.8	2.9	3.1	3.2	3.2	3.2	3.2
3.4	3.2	3.0	2.8	2.6	2.6	2.8	3.1	3.4	3.5	3.6	3.6
3.6	3.3	3.1	2.8	2.6	2.7	2.8	3.1	3.4	3.5	3.6	3.6
2.1	2.3	2.6	2.5	2.4	2.3	2.2	2.7	3.2	3.6	3.9	3.9
-0.4	-0.3	-0.3	0.7	2.0	2.7	3.3	2.2	0.1	-1.2	-1.9	-1.6
-1.6	-0.8	-0.6	2.4	5.4	6.8	8.0	3.6	-2.6	-6.5	-8.9	-8.1
0.9	1.6	2.2	1.7	1.1	0.2	-1.1	-1.1	-0.9	-0.5	0.1	0.2
-3.2	-4.4	-5.1	-4.8	-3.6	-1.9	0.0	1.3	1.8	1.7	1.5	1.4
4.0	3.5	3.1	3.2	3.8	4.5	5.3	5.7	5.6	5.4	5.3	5.2
1.5	1.6	2.1	2.5	3.1	3.5	3.4	3.4	2.9	2.3	2.0	1.7
-0.2	0.1	1.2	2.3	3.8	4.3	3.7	3.2	1.9	1.0	0.7	0.6
2.9	2.8	2.8	2.7	2.7	2.9	3.2	3.5	3.6	3.4	3.1	2.6
3.1	3.1	3.2	3.2	3.2	3.3	3.3	3.3	3.3	3.2	3.1	3.1
2.4	2.5	2.8	3.4	3.7	3.8	3.2	2.9	2.7	2.4	2.5	2.4
2.9	2.8	2.8	2.8	2.8	2.9	3.1	3.2	3.1	3.0	2.8	2.8
4.4	4.5	4.5	4.5	4.3	4.1	4.0	4.0	4.2	4.3	4.4	4.3
3.3	3.3	3.4	3.4	3.4	3.3	3.3	3.4	3.5	3.5	3.5	3.5
2.9	2.8	2.8	2.8	2.8	2.9	3.1	3.2	3.1	3.0	2.8	2.8

**Table 12**

**Quarterly Index Levels and Four-Quarter Moving-Average Percent Change of the Home Health Agency (HHA), Input Price Index, by Expense Category: 1994-98**

Expense Category <sup>1</sup>	Price/Wage Variable	Base Year Weights FY 76 <sup>2</sup>	1994 Q2	1994 Q3	1994 Q4	1995 Q1
<b>Index Levels</b>						
Total	—	100.000	304.4	308.3	311.0	314.1
Compensation	—	73.040	316.1	320.1	323.0	326.4
Wages and Salaries	AHE-Hospitals	65.140	315.1	319.6	322.8	326.1
Employee Benefits	BEA-Suppliment to Wages/Salaries per Worker	7.900	323.8	324.3	324.6	328.8
Transportation	CPI(U)-Transportation	4.870	241.6	245.9	248.3	249.8
Office Costs	CPI(U)-Services	2.790	310.9	313.4	315.7	318.6
Medical and Nursing Supplies	CPI(U)-Medical Equipment/Supplies	2.810	258.9	269.5	270.4	274.0
Rental and Leasing	CPI(U)-Residential Rent	1.350	250.8	252.6	254.3	255.8
Energy and Utilities	—	1.170	262.4	261.5	261.4	260.9
Miscellaneous Costs	CPI(U)-All Items	7.100	259.4	261.8	263.2	265.1
Contract Services	Composite-All Other Costs <sup>3</sup>	6.870	304.4	308.3	311.0	314.1
<b>4-Quarter Moving-Average Percent Change</b>						
Total	—	100.000	2.7	2.7	2.7	2.9
Compensation	—	73.040	2.7	2.7	2.7	2.9
Wages and Salaries	AHE-Hospitals	65.140	2.7	2.7	2.8	3.0
Employee Benefits	BEA-Suppliment to Wages/Salaries per Worker	7.900	3.0	2.7	2.3	2.1
Transportation	CPI(U)-Transportation	4.870	2.4	2.8	3.0	3.6
Office Costs	CPI(U)-Services	2.790	3.7	3.5	3.3	3.2
Medical and Nursing Supplies	CPI(U)-Medical Equipment/Supplies	2.810	2.1	2.3	2.7	3.6
Rental and Leasing	CPI(U)-Residential Rent	1.350	2.3	2.3	2.4	2.4
Energy and Utilities	—	1.170	1.8	1.1	0.7	-0.1
Miscellaneous Costs	CPI(U)-All Items	7.100	2.6	2.6	2.6	2.7
Contract Services	Composite-All Other Costs <sup>3</sup>	6.870	2.7	2.7	2.7	2.9

<sup>1</sup> 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*.

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

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

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

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

**Table 12—Continued**

**Quarterly Index Levels and Four-Quarter Moving-Average Percent Change of the Home Health Agency (HHA), Input Price Index, by Expense Category: 1994-98**

1995 Q2	1995 Q3	1995 Q4	1996 Q1	Forecast							
				1996 Q2	1996 Q3	1996 Q4	1997 Q1	1997 Q2	1997 Q3	1997 Q4	1998 Q1
314.5	317.7	321.0	323.1	324.5	328.2	330.2	332.5	335.4	339.0	341.5	344.1
326.3	330.3	334.0	336.0	336.9	341.3	343.6	346.0	349.0	353.1	355.6	358.4
325.7	329.9	333.9	336.1	336.8	341.4	343.6	345.8	348.8	353.0	355.4	358.0
331.0	333.2	334.7	334.8	337.5	340.6	343.9	347.5	350.8	354.0	357.2	361.4
254.5	253.0	252.9	255.1	260.4	259.7	260.5	261.3	266.3	267.5	270.7	271.4
321.8	324.3	326.7	329.0	332.2	335.1	337.9	340.9	343.8	346.8	349.8	353.0
274.8	272.9	277.2	278.8	279.3	281.3	283.0	284.3	288.6	290.5	292.2	293.9
257.2	258.7	260.5	262.2	263.7	264.5	265.9	266.9	269.1	271.9	274.1	276.2
261.5	262.0	260.9	269.3	274.2	270.6	267.2	266.1	265.1	264.8	265.1	266.2
267.3	268.7	270.3	272.4	275.4	277.3	279.1	281.0	282.9	284.8	286.8	289.0
314.5	317.7	321.0	323.1	324.5	328.2	330.2	332.5	335.4	339.0	341.5	344.1
3.2	3.2	3.3	3.1	3.1	3.1	3.0	3.1	3.1	3.1	3.3	3.4
3.1	3.2	3.3	3.2	3.2	3.2	3.1	3.1	3.2	3.2	3.4	3.5
3.2	3.3	3.4	3.3	3.3	3.3	3.2	3.2	3.2	3.2	3.3	3.5
2.1	2.3	2.6	2.5	2.4	2.3	2.2	2.7	3.2	3.6	3.9	3.9
4.3	4.0	3.6	3.0	2.3	2.2	2.5	2.6	2.6	2.7	2.9	3.3
3.3	3.3	3.4	3.4	3.4	3.3	3.3	3.4	3.5	3.5	3.5	3.5
5.1	4.4	3.9	2.9	1.8	2.2	2.1	2.2	2.6	2.7	3.0	3.3
2.5	2.5	2.4	2.5	2.5	2.4	2.3	2.2	2.0	2.2	2.4	2.9
-0.4	-0.3	-0.3	0.7	2.0	2.8	3.4	2.3	0.2	-1.1	-1.9	-1.6
2.9	2.8	2.8	2.8	2.8	2.9	3.1	3.2	3.1	3.0	2.8	2.8
3.2	3.2	3.3	3.1	3.1	3.1	3.0	3.1	3.1	3.1	3.3	3.4

Table 13

**Quarterly Index Levels and Four-Quarter Moving-Average Percent Change in the HCFA Medicare Economic Index with DRI Forecast Assumptions, by Expense Category: 1994-98**

Expense Category <sup>1</sup>	Price/Wage Variable	Base Year Weights FY 89 <sup>2</sup>	1994 Q2	1994 Q3	1994 Q4	1995 Q1
<b>Index Levels</b>						
Total	—	100.000	112.7	113.2	114.0	114.8
Physician Earnings	—	54.155	110.9	111.1	112.3	112.9
Wages and salaries	AHE-Private <sup>3</sup>	45.342	108.4	108.5	109.9	110.5
Benefits	ECl-Benefits, Private <sup>3</sup>	8.813	123.8	124.5	124.4	125.5
Practice Expenses	—	45.845	114.8	115.7	116.1	116.9
Non-Physician Compensation	—	16.296	114.1	114.8	115.2	116.0
Wages and Salaries	—	13.786	112.4	113.0	113.5	114.1
Professional/Technical	ECl-W/S: Professional/Technical <sup>3</sup>	3.790	113.8	114.3	114.8	115.2
Managers	ECl-W/S: Administrative/Managerial <sup>3</sup>	2.620	111.9	112.8	113.0	114.0
Clerical	ECl-W/S: Clerical <sup>3</sup>	5.074	112.8	113.4	113.8	114.7
Craft	ECl-W/S: Craft <sup>3</sup>	0.069	109.8	110.8	110.6	111.2
Services	ECl-W/S: Service Occupations <sup>3</sup>	2.233	109.8	110.3	111.1	111.4
Employee Benefits	ECl-Benefits, Private White Collar <sup>3</sup>	2.510	123.7	124.6	124.7	126.2
Office Expenses	CPI(U)-Housing	10.280	117.3	118.4	118.3	119.4
Medical Materials/Supplies	PPI-Drugs/PPI-Surgical/CPI-Medical Supplies	5.251	125.0	126.7	126.9	127.5
Professional Liability Insurance	HCFA-Professional Liability Premiums	4.780	96.0	96.4	97.1	97.9
Medical Equipment	PPI-Medical Instruments/Equipment	2.348	109.2	109.4	109.5	110.3
Other Professional Expenses	—	6.890	119.8	120.8	121.8	122.9
Automobile	CPI(U)-Private Transportation	1.400	115.2	117.5	119.1	119.6
All Other	CPI(U)-All Items Less Food/Energy	5.490	121.0	121.7	122.5	123.7
<b>4-Quarter Moving-Average Percent Change</b>						
Total	—	100.000	2.2	2.2	2.2	2.2
Physician Earnings	—	54.155	1.8	1.9	1.9	1.9
Wages and salaries	AHE-Private <sup>3</sup>	45.342	1.4	1.6	1.7	1.7
Benefits	ECl-Benefits, Private <sup>3</sup>	8.813	3.6	3.3	3.0	2.6
Practice Expenses	—	45.845	2.6	2.6	2.5	2.5
Non-Physician Compensation	—	16.296	2.2	2.2	2.2	2.2
Wages and Salaries	—	13.786	1.9	2.0	2.0	2.0
Professional/Technical	ECl-W/S: Professional/Technical <sup>3</sup>	3.790	1.9	1.9	1.9	1.8
Managers	ECl-W/S: Administrative/Managerial <sup>3</sup>	2.620	2.0	2.1	2.0	2.2
Clerical	ECl-W/S: Clerical <sup>3</sup>	5.074	2.3	2.3	2.2	2.2
Craft	ECl-W/S: Craft <sup>3</sup>	0.069	1.8	1.9	1.9	1.9
Services	ECl-W/S: Service Occupations <sup>3</sup>	2.233	1.2	1.3	1.6	1.6
Employee Benefits	ECl-Benefits, Private White Collar <sup>3</sup>	2.510	3.5	3.6	3.6	3.3
Office Expenses	CPI(U)-Housing	10.280	2.6	2.6	2.5	2.4
Medical Materials/Supplies	PPI-Drugs/PPI-Surgical/CPI-Medical Supplies	5.251	3.2	3.1	3.0	2.8
Professional Liability Insurance	HCFA-Professional Liability Premiums	4.780	4.0	3.6	3.3	3.0
Medical Equipment	PPI-Medical Instruments/Equipment	2.348	1.1	0.9	0.5	0.6
Other Professional Expenses	—	6.890	2.8	2.8	2.9	3.1
Automobile	CPI(U)-Private Transportation	1.400	1.8	2.5	3.0	3.9
All Other	CPI(U)-All Items Less Food/Energy	5.490	3.0	2.9	2.9	2.9

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

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

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

NOTES: A dash ( — ) in the Price/Wage Variable column denotes a total or subtotal produced by adding 2 or more categories. Q designates quarter of year. AHE represents Average Hourly Earnings, ECI represents Employment Cost Index, CPI(U) represents Consumer Price Index for all urban consumers, and PPI represents Producer Price Index. An example of how a percent change is calculated is shown in the NOTES at end of Table 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 1996 forecasts were produced under contract to HCFA by Data Resources Inc./McGraw-Hill.

**Table 13—Continued**

**Quarterly Index Levels and Four-Quarter Moving-Average Percent Change in the HCFA Medicare Economic Index with DRI Forecast Assumptions, by Expense Category: 1994-98**

1995 Q2	1995 Q3	1995 Q4	1996 Q1	Forecast							
				1996 Q2	1996 Q3	1996 Q4	1997 Q1	1997 Q2	1997 Q3	1997 Q4	1998 Q1
115.0	115.6	116.5	117.3	117.9	118.7	119.6	120.5	121.1	121.8	122.8	123.6
112.9	113.3	114.5	115.1	115.5	116.1	117.3	118.0	118.3	118.8	119.9	120.6
110.4	110.9	112.1	112.8	113.2	113.7	115.1	115.7	116.0	116.3	117.5	118.1
125.8	125.9	126.6	126.9	127.4	128.1	128.7	129.9	130.6	131.7	132.2	133.6
117.6	118.2	118.9	120.0	120.7	121.7	122.4	123.4	124.4	125.4	126.2	127.2
116.3	116.8	117.4	118.5	119.0	119.8	120.5	121.4	121.9	122.8	123.3	124.3
114.4	115.0	115.6	116.7	117.2	118.1	118.7	119.5	120.0	120.9	121.4	122.3
115.5	116.1	116.8	118.3	118.5	119.2	119.9	120.7	121.3	122.4	122.8	123.5
114.3	114.8	115.6	117.2	117.6	118.3	118.9	119.8	120.5	121.4	121.9	122.8
115.0	115.5	116.1	117.0	117.8	118.6	119.3	120.2	120.7	121.4	121.8	122.9
111.9	112.7	112.5	113.0	113.8	114.6	115.0	115.7	116.3	117.1	117.4	118.1
111.7	112.2	112.5	113.0	113.6	114.6	115.4	115.9	116.1	116.8	117.6	118.2
126.6	126.9	127.4	128.3	128.9	129.7	130.3	131.4	132.3	133.3	133.9	135.3
120.2	121.5	121.6	122.9	123.6	125.3	125.8	127.0	128.2	129.9	130.3	131.4
128.1	128.2	130.1	130.8	131.3	131.8	132.3	133.4	134.9	135.1	135.8	137.0
98.9	99.7	100.7	101.8	103.0	104.4	105.6	106.9	108.1	109.4	110.6	112.0
110.4	111.1	111.0	112.4	112.6	112.4	112.8	113.5	113.8	113.9	114.6	115.6
124.0	124.4	125.2	126.2	127.4	128.3	129.4	130.1	131.7	132.7	134.2	135.0
121.5	120.8	120.9	122.0	124.5	124.5	124.8	124.7	127.3	127.9	129.5	129.7
124.7	125.3	126.3	127.3	128.2	129.2	130.6	131.5	132.8	133.9	135.4	136.3
2.2	2.1	2.1	2.1	2.2	2.4	2.5	2.6	2.7	2.7	2.7	2.7
1.9	1.9	1.9	1.9	2.0	2.1	2.3	2.4	2.5	2.5	2.4	2.3
1.8	1.9	1.9	2.0	2.2	2.3	2.5	2.6	2.6	2.5	2.4	2.2
2.3	1.8	1.6	1.4	1.3	1.5	1.5	1.8	2.1	2.3	2.6	2.7
2.5	2.4	2.4	2.4	2.5	2.7	2.8	2.9	3.0	3.0	3.0	3.1
2.2	2.0	1.9	1.9	2.0	2.3	2.4	2.5	2.5	2.5	2.4	2.4
2.0	1.9	1.9	1.9	2.1	2.3	2.5	2.6	2.6	2.5	2.4	2.3
1.8	1.7	1.7	1.9	2.1	2.4	2.6	2.5	2.4	2.4	2.4	2.5
2.2	2.1	2.2	2.3	2.5	2.8	2.9	2.7	2.6	2.6	2.5	2.5
2.1	2.0	2.0	2.0	2.1	2.3	2.5	2.7	2.7	2.6	2.4	2.3
1.9	1.8	1.8	1.8	1.7	1.7	1.8	2.0	2.1	2.2	2.2	2.2
1.7	1.8	1.6	1.5	1.5	1.6	2.0	2.3	2.4	2.3	2.1	2.0
3.0	2.6	2.2	2.0	1.9	2.0	2.0	2.2	2.4	2.5	2.7	2.8
2.4	2.4	2.5	2.7	2.8	2.9	3.1	3.2	3.4	3.6	3.6	3.6
2.8	2.3	2.1	2.2	2.2	2.6	2.4	2.2	2.3	2.2	2.5	2.7
2.9	3.0	3.2	3.5	3.8	4.1	4.4	4.7	4.9	4.9	4.9	4.8
0.9	1.1	1.3	1.5	1.7	1.6	1.7	1.4	1.2	1.2	1.3	1.5
3.3	3.2	3.1	3.0	2.8	2.8	3.0	3.1	3.2	3.3	3.4	3.5
4.8	4.4	3.7	2.9	2.2	2.3	2.7	2.8	2.7	2.6	2.8	3.2
2.9	2.9	3.0	3.0	2.9	3.0	3.1	3.2	3.4	3.5	3.5	3.6