

Quarterly Index Levels in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2002	1990Q1	1990Q2	1990Q3	1990Q4	1991Q1	1991Q2	1991Q3	1991Q4	1992Q1	1992Q2	1992Q3	1992Q4	1993Q1	1993Q2	1993Q3	1993Q4
Index Levels:																		
Total - EXEMPT02		100.000	0.677	0.684	0.696	0.706	0.714	0.719	0.728	0.734	0.741	0.746	0.755	0.761	0.767	0.772	0.778	0.783
Compensation		71.035	0.654	0.661	0.676	0.686	0.694	0.698	0.709	0.716	0.724	0.728	0.738	0.745	0.751	0.755	0.762	0.769
Wages	ECI- Hospital Workers (Civilian)	57.037	0.664	0.671	0.685	0.695	0.701	0.705	0.715	0.723	0.729	0.732	0.741	0.746	0.752	0.756	0.764	0.770
Benefits	ECI- Hospital Workers (Civilian)	13.998	0.614	0.622	0.637	0.652	0.663	0.667	0.681	0.688	0.704	0.712	0.726	0.738	0.745	0.749	0.757	0.765
Professional Fees																		
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	0.645	0.650	0.661	0.668	0.677	0.683	0.693	0.700	0.709	0.715	0.725	0.731	0.740	0.745	0.751	0.755
Utilities		0.804	0.739	0.749	0.766	0.758	0.773	0.788	0.826	0.788	0.788	0.808	0.851	0.817	0.817	0.840	0.882	0.847
Electricity	WPI - Commercial Electric Power	0.430	0.808	0.832	0.863	0.834	0.850	0.882	0.946	0.862	0.857	0.896	0.966	0.881	0.875	0.916	0.986	0.906
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.132	0.752	0.715	0.700	0.727	0.747	0.712	0.697	0.733	0.734	0.707	0.709	0.761	0.770	0.764	0.766	0.797
Water & Sewerage	CPI - Water & Sewage	0.242	0.610	0.618	0.632	0.638	0.648	0.663	0.682	0.688	0.696	0.708	0.725	0.734	0.740	0.748	0.761	0.769
Prof. Liability Insurance																		
Malpractice	CMS - Prof. Liab. Prem.	1.504	0.930	0.930	0.932	0.935	0.937	0.940	0.945	0.953	0.963	0.971	0.978	0.986	0.998	1.006	1.008	1.003
All Other		23.114	0.733	0.740	0.745	0.756	0.765	0.771	0.774	0.779	0.785	0.791	0.795	0.799	0.805	0.811	0.811	0.814
All Other Products		15.836	0.745	0.753	0.758	0.769	0.776	0.780	0.781	0.786	0.791	0.798	0.802	0.806	0.812	0.818	0.817	0.819
Drugs	WPI - Prescription Drugs	5.940	0.544	0.556	0.561	0.571	0.586	0.602	0.611	0.619	0.631	0.642	0.649	0.654	0.664	0.672	0.677	0.680
Food-direct purchase	WPI - Processed Foods	1.070	0.884	0.899	0.902	0.895	0.898	0.897	0.891	0.892	0.892	0.899	0.897	0.895	0.901	0.910	0.912	0.917
Food-away from home	CPI - Food Away Fr. Home	0.759	0.739	0.750	0.758	0.764	0.768	0.776	0.782	0.786	0.789	0.792	0.795	0.798	0.802	0.806	0.810	0.813
Chemicals	WPI - Industrial Chem.	1.347	0.892	0.890	0.901	0.954	0.930	0.901	0.879	0.882	0.864	0.870	0.888	0.887	0.885	0.894	0.886	0.882
Medical Instruments	WPI - Med. Inst. & Equip.	1.242	0.918	0.925	0.927	0.929	0.933	0.938	0.941	0.941	0.953	0.960	0.960	0.963	0.976	0.984	0.978	0.981
Photo Supplies	WPI - Photo Supplies	0.118	1.019	1.020	1.032	1.032	1.015	1.010	1.010	1.011	1.011	1.008	1.011	1.011	0.996	0.997	0.999	1.005
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.289	0.893	0.895	0.894	0.907	0.915	0.910	0.906	0.906	0.903	0.907	0.911	0.914	0.914	0.915	0.917	0.920
Paper Products	WPI - Convert. Paper And Paperboard	1.225	0.822	0.827	0.825	0.829	0.832	0.826	0.818	0.818	0.820	0.826	0.826	0.824	0.820	0.823	0.813	0.814
Apparel	WPI - Apparel	0.253	0.930	0.933	0.938	0.939	0.944	0.950	0.955	0.958	0.970	0.969	0.973	0.978	0.980	0.980	0.981	0.980
Machinery & Equipment	WPI - Mach. & Equipment	0.364	0.973	0.978	0.983	0.989	0.998	1.000	0.999	1.000	1.003	1.002	1.001	1.003	1.007	1.008	1.008	1.009
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	2.230	0.833	0.839	0.844	0.856	0.866	0.870	0.872	0.883	0.889	0.893	0.890	0.901	0.906	0.909	0.898	0.903
All Other Services		7.279	0.705	0.711	0.718	0.728	0.743	0.753	0.760	0.765	0.770	0.775	0.780	0.784	0.791	0.795	0.799	0.804
Telephone	CPI - Telephone Services	0.295	0.928	0.930	0.921	0.927	0.938	0.939	0.942	0.947	0.951	0.948	0.945	0.944	0.950	0.949	0.954	0.960
Postage	CPI - Postage	0.836	0.706	0.706	0.706	0.706	0.782	0.820	0.820	0.820	0.820	0.820	0.820	0.820	0.820	0.820	0.820	0.820
All Other: Labor Intensive	ECI - Service Occupations (Private)	2.718	0.667	0.674	0.679	0.689	0.695	0.706	0.716	0.722	0.729	0.733	0.741	0.744	0.753	0.758	0.764	0.767
All Other: Non Labor Intensive	CPI - All Items (Urban)	3.430	0.715	0.723	0.736	0.747	0.753	0.758	0.764	0.770	0.775	0.781	0.788	0.793	0.800	0.806	0.809	0.815

4 Quarter Moving Average Percent Changes in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2002	1990Q1	1990Q2	1990Q3	1990Q4	1991Q1	1991Q2	1991Q3	1991Q4	1992Q1	1992Q2	1992Q3	1992Q4	1993Q1	1993Q2	1993Q3	1993Q4
Percent Changes																		
Total - EXEMPT02		100.000	5.9	5.8	5.7	5.7	5.6	5.5	5.3	4.8	4.4	4.1	3.9	3.8	3.7	3.6	3.4	3.2
Compensation		71.035	6.7	6.7	6.6	6.6	6.4	6.2	5.8	5.2	4.8	4.5	4.3	4.2	4.0	3.9	3.7	3.5
Wages	ECI- Hospital Workers (Civilian)	57.037	6.3	6.2	6.1	6.1	5.9	5.7	5.3	4.8	4.4	4.1	3.8	3.6	3.4	3.3	3.2	3.2
Benefits	ECI- Hospital Workers (Civilian)	13.998	8.5	8.7	8.7	8.8	8.5	8.2	7.9	6.9	6.5	6.3	6.2	6.7	6.6	6.2	5.6	4.8
Professional Fees																		
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	5.3	5.6	5.7	5.7	5.5	5.3	5.1	4.9	4.9	4.8	4.7	4.6	4.6	4.4	4.2	3.9
Utilities		0.804	4.1	3.3	2.4	2.4	2.8	3.6	5.4	4.8	4.1	2.9	2.8	3.2	3.6	3.7	3.7	3.7
Electricity	WPI - Commercial Electric Power	0.430	3.1	2.4	1.7	2.0	2.7	3.8	6.2	6.1	4.9	3.8	1.9	1.7	2.0	2.2	2.2	2.3
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.132	4.9	2.1	-1.2	-2.0	-2.5	-1.6	-0.4	-0.1	-0.4	-0.5	0.0	0.8	2.4	4.6	6.1	6.3
Water & Sewerage	CPI - Water & Sewage	0.242	6.2	6.3	6.6	6.7	6.5	6.6	7.0	7.3	7.6	7.5	7.1	6.8	6.5	6.2	5.9	5.4
Prof. Liability Insurance																		
Malpractice	CMS - Prof. Liab. Prem.	1.504	-0.8	-1.1	-0.6	-0.1	0.1	0.5	0.8	1.3	1.8	2.4	2.9	3.3	3.5	3.6	3.4	3.0
All Other		23.114	4.8	4.3	4.1	4.1	4.2	4.3	4.3	3.9	3.4	3.0	2.7	2.6	2.6	2.4	2.3	2.3
All Other Products		15.836	5.1	4.4	4.1	4.0	4.1	4.0	3.8	3.2	2.7	2.4	2.3	2.4	2.6	2.6	2.4	2.1
Drugs	WPI - Prescription Drugs	5.940	9.3	9.5	9.1	8.9	8.4	8.1	8.3	8.4	8.4	7.9	7.2	6.5	5.9	5.4	5.0	4.5
Food-direct purchase	WPI - Processed Foods	1.070	3.5	3.3	3.7	3.5	3.2	2.0	0.7	0.0	-0.6	-0.4	0.0	0.1	0.5	0.8	1.0	1.6
Food-away from home	CPI - Food Away Fr. Home	0.759	4.6	4.7	4.8	4.7	4.6	4.2	3.8	3.4	3.1	2.7	2.3	2.0	1.7	1.7	1.7	1.8
Chemicals	WPI - Industrial Chem.	1.347	2.1	-2.0	-3.1	-1.4	0.9	2.7	2.3	-1.2	-4.0	-5.2	-4.4	-2.3	0.1	1.7	1.4	1.1
Medical Instruments	WPI - Med. Inst. & Equip.	1.242	3.9	3.3	3.0	2.6	2.2	2.0	1.6	1.5	1.6	1.8	2.0	2.2	2.3	2.3	2.3	2.1
Photo Supplies	WPI - Photo Supplies	0.118	8.0	6.6	5.1	3.7	2.2	1.1	-0.3	-1.4	-1.4	-1.2	-0.6	-0.2	-0.4	-0.6	-1.0	-1.1
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.289	1.9	1.1	0.7	0.9	1.3	1.7	1.9	1.3	0.4	-0.1	-0.3	-0.1	0.5	0.9	0.9	0.9
Paper Products	WPI - Convert. Paper And Paperboard	1.225	6.0	4.9	3.9	2.6	1.9	1.1	0.4	-0.2	-0.9	-0.9	-0.5	0.0	0.4	0.3	-0.3	-0.8
Apparel	WPI - Apparel	0.253	2.4	2.5	2.7	2.6	2.3	2.0	1.8	1.8	2.1	2.1	2.2	2.2	1.8	1.5	1.3	0.8
Machinery & Equipment	WPI - Mach. & Equipment	0.364	3.6	3.4	3.1	2.8	2.6	2.5	2.2	1.9	1.4	0.9	0.5	0.3	0.2	0.3	0.4	0.5
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	2.230	4.2	4.1	3.9	3.7	3.7	3.7	3.6	3.5	3.2	2.9	2.7	2.4	2.2	2.0	1.7	1.2
All Other Services		7.279	4.0	3.9	4.0	4.2	4.5	5.0	5.4	5.5	5.1	4.3	3.6	3.0	2.7	2.6	2.6	2.6
Telephone	CPI - Telephone Services	0.295	1.3	1.1	0.4	0.4	0.4	0.5	1.2	1.6	1.7	1.7	1.2	0.6	0.2	0.0	0.2	0.7
Postage	CPI - Postage	0.836	0.0	0.0	0.0	0.0	2.7	6.7	10.8	14.8	13.1	8.8	4.9	1.2	0.0	0.0	0.0	0.0
All Other: Labor Intensive	ECI - Service Occupations (Private)	2.718	4.5	4.5	4.6	4.7	4.6	4.6	4.8	4.8	5.0	4.7	4.2	3.8	3.4	3.3	3.2	3.2
All Other: Non Labor Intensive	CPI - All Items (Urban)	3.430	5.0	4.8	5.0	5.4	5.4	5.5	5.1	4.2	3.6	3.2	3.0	3.0	3.1	3.1	3.0	3.0

Quarterly Index Levels in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2002	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	1996Q1	1996Q2	1996Q3	1996Q4	1997Q1	1997Q2	1997Q3	1997Q4
Index Levels:																		
Total - EXEMPT02		100.000	0.788	0.792	0.798	0.803	0.809	0.814	0.819	0.824	0.829	0.833	0.837	0.839	0.842	0.844	0.850	0.856
Compensation		71.035	0.774	0.777	0.784	0.790	0.793	0.797	0.802	0.808	0.813	0.817	0.822	0.824	0.826	0.829	0.835	0.842
Wages	ECI- Hospital Workers (Civilian)	57.037	0.774	0.778	0.784	0.790	0.794	0.797	0.802	0.808	0.814	0.817	0.822	0.826	0.829	0.832	0.838	0.845
Benefits	ECI- Hospital Workers (Civilian)	13.998	0.773	0.775	0.783	0.788	0.787	0.798	0.800	0.806	0.813	0.816	0.819	0.816	0.816	0.818	0.823	0.830
Professional Fees																		
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	0.766	0.770	0.776	0.779	0.785	0.789	0.795	0.798	0.809	0.815	0.819	0.822	0.827	0.835	0.840	0.847
Utilities		0.804	0.850	0.861	0.891	0.859	0.862	0.872	0.901	0.865	0.871	0.892	0.920	0.887	0.898	0.897	0.932	0.907
Electricity	WPI - Commercial Electric Power	0.430	0.897	0.924	0.986	0.921	0.923	0.952	1.007	0.931	0.918	0.952	1.009	0.930	0.924	0.952	1.005	0.931
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.132	0.821	0.786	0.755	0.762	0.763	0.719	0.702	0.724	0.776	0.761	0.810	0.880	0.775	0.788	0.865	0.865
Water & Sewerage	CPI - Water & Sewage	0.242	0.780	0.789	0.799	0.803	0.809	0.813	0.821	0.826	0.841	0.859	0.849	0.853	0.860	0.864	0.882	0.888
Prof. Liability Insurance																		
Malpractice	CMS - Prof. Liab. Prem.	1.504	0.989	0.989	0.989	0.956	0.951	0.951	0.951	0.948	0.946	0.946	0.946	0.946	0.934	0.934	0.934	0.934
All Other		23.114	0.819	0.824	0.829	0.838	0.851	0.860	0.865	0.869	0.871	0.875	0.878	0.881	0.883	0.885	0.888	0.893
All Other Products		15.836	0.824	0.829	0.834	0.845	0.857	0.869	0.874	0.878	0.879	0.882	0.884	0.885	0.887	0.887	0.888	0.893
Drugs	WPI - Prescription Drugs	5.940	0.690	0.695	0.695	0.699	0.702	0.711	0.716	0.728	0.730	0.737	0.742	0.742	0.753	0.757	0.761	0.769
Food-direct purchase	WPI - Processed Foods	1.070	0.927	0.925	0.917	0.914	0.923	0.920	0.934	0.952	0.956	0.972	0.995	0.991	0.981	0.989	0.984	0.979
Food-away from home	CPI - Food Away Fr. Home	0.759	0.816	0.820	0.823	0.828	0.833	0.838	0.843	0.847	0.851	0.857	0.864	0.872	0.878	0.882	0.888	0.895
Chemicals	WPI - Industrial Chem.	1.347	0.870	0.889	0.931	0.980	1.022	1.054	1.041	1.007	1.004	1.023	1.022	1.021	1.023	1.009	1.015	1.013
Medical Instruments	WPI - Med. Inst. & Equip.	1.242	0.983	0.984	0.986	0.987	0.994	0.995	1.002	1.001	1.013	1.012	1.009	1.012	0.994	0.996	1.000	0.994
Photo Supplies	WPI - Photo Supplies	0.118	1.014	1.006	0.995	0.994	1.006	1.013	1.029	1.029	1.044	1.043	1.043	1.043	1.040	1.044	1.046	1.050
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.289	0.918	0.920	0.930	0.950	0.969	0.984	0.990	0.985	0.977	0.976	0.980	0.977	0.972	0.973	0.974	0.973
Paper Products	WPI - Convert. Paper And Paperboard	1.225	0.815	0.822	0.834	0.870	0.914	0.955	0.983	0.986	0.967	0.941	0.922	0.920	0.914	0.898	0.899	0.917
Apparel	WPI - Apparel	0.253	0.982	0.982	0.982	0.987	0.987	0.987	0.990	0.990	0.995	0.994	0.994	0.998	0.998	0.998	1.001	1.002
Machinery & Equipment	WPI - Mach. & Equipment	0.364	1.013	1.017	1.017	1.018	1.025	1.028	1.029	1.033	1.034	1.027	1.026	1.025	1.026	1.024	1.022	1.019
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	2.230	0.910	0.912	0.912	0.918	0.926	0.930	0.930	0.942	0.944	0.945	0.943	0.950	0.951	0.948	0.944	0.951
All Other Services		7.279	0.809	0.812	0.818	0.822	0.837	0.842	0.845	0.848	0.854	0.859	0.864	0.871	0.876	0.881	0.887	0.891
Telephone	CPI - Telephone Services	0.295	0.966	0.969	0.970	0.969	0.976	0.973	0.976	0.978	0.983	0.983	0.995	0.999	1.006	1.009	1.004	1.004
Postage	CPI - Postage	0.836	0.820	0.820	0.820	0.820	0.904	0.904	0.904	0.904	0.904	0.904	0.904	0.904	0.904	0.904	0.904	0.904
All Other: Labor Intensive	ECI - Service Occupations (Private)	2.718	0.774	0.777	0.782	0.789	0.792	0.796	0.801	0.804	0.808	0.812	0.818	0.828	0.834	0.841	0.855	0.861
All Other: Non Labor Intensive	CPI - All Items (Urban)	3.430	0.820	0.825	0.832	0.836	0.843	0.851	0.855	0.859	0.866	0.875	0.880	0.886	0.892	0.895	0.899	0.903

4 Quarter Moving Average Percent Changes in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2002	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	1996Q1	1996Q2	1996Q3	1996Q4	1997Q1	1997Q2	1997Q3	1997Q4
Percent Changes																		
Total - EXEMPT02		100.000	3.0	2.8	2.7	2.6	2.6	2.7	2.7	2.7	2.7	2.5	2.4	2.2	2.0	1.7	1.5	1.6
Compensation		71.035	3.3	3.2	3.1	2.9	2.7	2.6	2.5	2.4	2.4	2.4	2.5	2.4	2.1	1.9	1.7	1.7
Wages	ECI- Hospital Workers (Civilian)	57.037	3.1	3.0	2.9	2.8	2.7	2.6	2.5	2.4	2.4	2.4	2.5	2.4	2.3	2.1	1.9	2.0
Benefits	ECI- Hospital Workers (Civilian)	13.998	4.2	3.8	3.6	3.4	2.9	2.8	2.5	2.4	2.7	2.5	2.5	2.3	1.5	1.0	0.6	0.7
Professional Fees																		
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	3.6	3.4	3.4	3.3	3.1	2.9	2.6	2.4	2.6	2.8	3.0	3.1	2.9	2.7	2.6	2.6
Utilities		0.804	3.8	3.4	2.7	2.2	1.3	1.1	1.0	1.3	1.0	1.3	1.6	2.0	2.5	2.0	1.8	1.8
Electricity	WPI - Commercial Electric Power	0.430	2.4	2.1	1.5	1.2	1.3	1.8	2.4	2.3	1.4	0.7	0.2	-0.1	0.2	0.2	0.1	0.1
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.132	6.8	5.5	3.2	0.9	-2.6	-5.4	-6.7	-6.9	-4.7	-1.2	2.6	6.9	10.0	8.9	7.7	6.4
Water & Sewerage	CPI - Water & Sewage	0.242	5.2	5.2	5.2	5.1	4.6	4.0	3.5	3.1	3.2	3.8	3.9	4.1	3.6	2.4	2.5	2.7
Prof. Liability Insurance																		
Malpractice	CMS - Prof. Liab. Prem.	1.504	1.8	0.5	-0.7	-2.3	-3.0	-3.6	-4.1	-3.1	-2.3	-1.4	-0.6	-0.4	-0.6	-0.8	-1.0	-1.3
All Other		23.114	2.0	1.8	1.8	2.1	2.6	3.3	3.9	4.1	3.7	3.0	2.3	1.7	1.5	1.4	1.3	1.3
All Other Products		15.836	1.8	1.6	1.6	2.0	2.6	3.5	4.2	4.4	4.0	3.2	2.3	1.5	1.1	0.8	0.7	0.7
Drugs	WPI - Prescription Drugs	5.940	4.2	3.9	3.5	3.2	2.7	2.4	2.5	2.8	3.3	3.7	3.8	3.3	3.1	2.9	2.6	3.1
Food-direct purchase	WPI - Processed Foods	1.070	2.1	2.2	1.9	1.2	0.4	-0.2	0.1	1.3	2.2	3.8	5.0	5.0	4.7	3.7	1.8	0.5
Food-away from home	CPI - Food Away Fr. Home	0.759	1.8	1.8	1.7	1.7	1.8	2.0	2.2	2.3	2.3	2.3	2.3	2.5	2.7	2.9	2.9	2.8
Chemicals	WPI - Industrial Chem.	1.347	0.1	-0.8	0.5	3.5	8.2	13.1	14.7	12.3	7.4	2.2	-1.0	-1.3	-0.4	0.0	0.3	-0.2
Medical Instruments	WPI - Med. Inst. & Equip.	1.242	1.7	1.1	0.8	0.5	0.6	0.9	1.1	1.3	1.5	1.6	1.4	1.3	0.4	-0.4	-0.8	-1.5
Photo Supplies	WPI - Photo Supplies	0.118	-0.3	0.2	0.4	0.3	-0.4	-0.4	0.6	1.7	2.9	3.5	2.9	2.3	1.3	0.6	0.3	0.2
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.289	0.7	0.6	0.8	1.4	2.7	4.3	5.6	5.7	4.4	2.5	0.6	-0.4	-0.8	-0.6	-0.6	-0.5
Paper Products	WPI - Convert. Paper And Paperboard	1.225	-0.9	-0.9	0.1	2.2	5.4	9.5	13.3	14.9	13.1	8.5	2.5	-2.3	-5.0	-5.8	-4.9	-3.3
Apparel	WPI - Apparel	0.253	0.6	0.4	0.2	0.2	0.3	0.4	0.5	0.6	0.7	0.7	0.7	0.7	0.6	0.5	0.5	0.4
Machinery & Equipment	WPI - Mach. & Equipment	0.364	0.6	0.7	0.8	0.9	1.0	1.0	1.0	1.2	1.1	0.8	0.5	0.0	-0.4	-0.5	-0.5	-0.5
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	2.230	0.8	0.5	0.6	1.0	1.3	1.7	1.8	2.1	2.1	2.1	1.9	1.5	1.1	0.8	0.5	0.3
All Other Services		7.279	2.5	2.3	2.3	2.3	2.6	2.9	3.2	3.4	3.0	2.7	2.4	2.3	2.4	2.5	2.6	2.5
Telephone	CPI - Telephone Services	0.295	1.1	1.6	1.8	1.6	1.4	1.0	0.8	0.8	0.7	0.8	1.2	1.5	1.8	2.2	1.9	1.5
Postage	CPI - Postage	0.836	0.0	0.0	0.0	0.0	2.6	5.2	7.7	10.3	7.5	4.9	2.4	0.0	0.0	0.0	0.0	0.0
All Other: Labor Intensive	ECI - Service Occupations (Private)	2.718	3.1	2.9	2.7	2.7	2.5	2.5	2.5	2.3	2.2	2.1	2.0	2.3	2.6	2.9	3.5	3.8
All Other: Non Labor Intensive	CPI - All Items (Urban)	3.430	2.8	2.6	2.6	2.6	2.7	2.9	2.8	2.8	2.8	2.7	2.8	2.9	3.0	2.9	2.7	2.3

Quarterly Index Levels in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2002	1998Q1	1998Q2	1998Q3	1998Q4	1999Q1	1999Q2	1999Q3	1999Q4	2000Q1	2000Q2	2000Q3	2000Q4	2001Q1	2001Q2	2001Q3	2001Q4
Index Levels:																		
Total - EXEMPT02		100.000	0.861	0.872	0.879	0.883	0.887	0.892	0.899	0.908	0.915	0.923	0.933	0.943	0.954	0.965	0.976	0.985
Compensation		71.035	0.845	0.851	0.859	0.864	0.870	0.875	0.883	0.893	0.899	0.908	0.919	0.930	0.940	0.955	0.970	0.983
Wages	ECI- Hospital Workers (Civilian)	57.037	0.849	0.855	0.863	0.867	0.874	0.878	0.886	0.896	0.902	0.910	0.921	0.932	0.941	0.956	0.971	0.984
Benefits	ECI- Hospital Workers (Civilian)	13.998	0.828	0.838	0.843	0.850	0.857	0.865	0.871	0.881	0.889	0.899	0.910	0.922	0.937	0.949	0.968	0.975
Professional Fees																		
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	0.853	0.861	0.870	0.876	0.878	0.886	0.892	0.902	0.912	0.926	0.935	0.945	0.961	0.971	0.982	0.988
Utilities		0.804	0.893	0.904	0.934	0.902	0.892	0.901	0.939	0.913	0.911	0.935	0.996	1.000	1.072	1.045	1.051	1.000
Electricity	WPI - Commercial Electric Power	0.430	0.914	0.941	0.996	0.924	0.903	0.928	0.986	0.920	0.910	0.938	1.007	0.954	0.970	1.001	1.070	0.999
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.132	0.825	0.791	0.780	0.811	0.807	0.777	0.810	0.863	0.869	0.910	1.047	1.232	1.600	1.323	1.119	1.027
Water & Sewerage	CPI - Water & Sewage	0.242	0.894	0.901	0.909	0.911	0.917	0.921	0.926	0.929	0.936	0.942	0.950	0.957	0.965	0.971	0.980	0.987
Prof. Liability Insurance																		
Malpractice	CMS - Prof. Liab. Prem.	1.504	0.934	0.934	0.939	0.946	0.953	0.953	0.953	0.958	0.956	0.960	0.964	0.969	0.975	0.981	0.987	
All Other		23.114	0.906	0.930	0.934	0.937	0.935	0.940	0.946	0.953	0.960	0.968	0.974	0.978	0.990	0.994	0.990	0.991
All Other Products		15.836	0.911	0.944	0.948	0.951	0.944	0.948	0.955	0.963	0.969	0.977	0.983	0.986	0.998	1.000	0.992	0.991
Drugs	WPI - Prescription Drugs	5.940	0.821	0.913	0.925	0.932	0.918	0.926	0.938	0.942	0.950	0.954	0.961	0.965	0.983	0.987	0.974	0.981
Food-direct purchase	WPI - Processed Foods	1.070	0.964	0.964	0.970	0.966	0.963	0.955	0.966	0.967	0.966	0.983	0.979	0.979	0.995	1.010	1.021	1.006
Food-away from home	CPI - Food Away Fr. Home	0.759	0.900	0.905	0.912	0.917	0.924	0.929	0.934	0.939	0.945	0.949	0.956	0.962	0.969	0.976	0.985	0.992
Chemicals	WPI - Industrial Chem.	1.347	0.998	0.979	0.966	0.957	0.942	0.939	0.952	0.986	1.014	1.036	1.053	1.042	1.077	1.057	1.013	0.978
Medical Instruments	WPI - Med. Inst. & Equip.	1.242	0.988	0.983	0.984	0.987	0.988	0.984	0.977	0.974	0.977	0.975	0.976	0.977	0.985	0.986	0.988	0.991
Photo Supplies	WPI - Photo Supplies	0.118	1.032	1.037	1.037	1.037	1.033	1.032	1.032	1.030	1.001	1.003	1.007	1.016	1.014	1.040	1.040	1.040
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.289	0.972	0.969	0.967	0.965	0.962	0.963	0.970	0.975	0.978	0.984	0.995	1.006	1.006	1.008	1.004	1.000
Paper Products	WPI - Convert. Paper And Paperboard	1.225	0.934	0.932	0.931	0.922	0.916	0.932	0.944	0.961	0.969	0.999	1.003	1.006	1.004	1.008	1.005	1.005
Apparel	WPI - Apparel	0.253	1.006	1.006	1.008	1.010	1.012	1.011	1.010	1.011	1.014	1.013	1.015	1.014	1.012	1.010	1.009	1.006
Machinery & Equipment	WPI - Mach. & Equipment	0.364	1.019	1.016	1.013	1.012	1.013	1.010	1.008	1.008	1.007	1.007	1.008	1.008	1.007	1.007	1.007	1.003
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	2.230	0.952	0.955	0.954	0.967	0.972	0.970	0.968	0.982	0.981	0.983	0.984	0.994	0.996	0.998	0.998	1.003
All Other Services		7.279	0.895	0.900	0.905	0.908	0.916	0.922	0.926	0.933	0.940	0.948	0.954	0.960	0.973	0.981	0.985	0.989
Telephone	CPI - Telephone Services	0.295	1.005	1.014	1.013	1.011	1.008	1.002	0.999	1.008	1.001	0.984	0.983	0.984	0.993	0.992	0.998	1.001
Postage	CPI - Postage	0.836	0.904	0.904	0.904	0.931	0.931	0.931	0.931	0.931	0.931	0.931	0.931	0.931	0.931	0.959	0.963	0.974
All Other: Labor Intensive	ECI - Service Occupations (Private)	2.718	0.869	0.873	0.882	0.886	0.896	0.903	0.905	0.916	0.924	0.934	0.941	0.951	0.963	0.970	0.975	0.989
All Other: Non Labor Intensive	CPI - All Items (Urban)	3.430	0.905	0.910	0.913	0.917	0.920	0.929	0.935	0.941	0.950	0.960	0.968	0.973	0.982	0.992	0.994	0.991

4 Quarter Moving Average Percent Changes in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2002	1998Q1	1998Q2	1998Q3	1998Q4	1999Q1	1999Q2	1999Q3	1999Q4	2000Q1	2000Q2	2000Q3	2000Q4	2001Q1	2001Q2	2001Q3	2001Q4
Percent Changes																		
Total - EXEMPT02		100.000	1.8	2.3	2.7	3.0	3.2	3.0	2.7	2.7	2.7	3.0	3.3	3.5	3.8	4.1	4.3	4.5
Compensation		71.035	1.9	2.2	2.5	2.6	2.8	2.8	2.8	3.0	3.1	3.3	3.6	3.8	4.1	4.5	4.9	5.3
Wages	ECI- Hospital Workers (Civilian)	57.037	2.1	2.4	2.6	2.7	2.8	2.8	2.7	2.9	3.0	3.2	3.5	3.7	4.0	4.4	4.7	5.1
Benefits	ECI- Hospital Workers (Civilian)	13.998	1.0	1.6	2.0	2.2	2.7	2.9	3.1	3.4	3.5	3.7	4.0	4.2	4.6	5.0	5.5	5.8
Professional Fees																		
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	2.8	3.0	3.2	3.3	3.3	3.2	3.0	2.8	3.0	3.5	4.0	4.5	4.9	4.9	5.0	4.9
Utilities		0.804	0.9	1.0	0.7	0.0	0.1	-0.2	-0.2	0.3	0.9	1.9	3.3	5.4	9.3	11.3	11.0	8.5
Electricity	WPI - Commercial Electric Power	0.430	-0.3	-0.6	-0.8	-1.0	-1.0	-1.0	-1.1	-1.0	-0.6	0.0	0.9	1.9	3.3	4.8	5.9	6.1
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.132	1.2	1.3	0.2	-3.1	-1.9	-2.9	-1.7	1.6	4.1	8.8	15.1	24.6	44.3	50.7	43.0	24.9
Water & Sewerage	CPI - Water & Sewage	0.242	3.1	4.0	3.8	3.5	3.1	2.6	2.3	2.2	2.0	2.1	2.2	2.5	2.9	2.9	3.1	3.1
Prof. Liability Insurance																		
Malpractice	CMS - Prof. Liab. Prem.	1.504	-1.0	-0.7	-0.2	0.5	1.0	1.5	1.7	1.6	1.2	0.7	0.5	0.7	0.8	1.3	1.7	1.9
All Other		23.114	1.6	2.6	3.6	4.5	4.6	3.6	2.6	1.8	1.7	2.1	2.6	2.8	2.9	2.9	2.5	2.2
All Other Products		15.836	1.2	2.6	4.2	5.6	5.8	4.3	2.8	1.5	1.3	1.9	2.5	2.8	2.9	2.7	2.2	1.7
Drugs	WPI - Prescription Drugs	5.940	4.5	9.0	13.8	18.1	18.7	13.4	8.4	3.7	1.8	2.2	2.5	2.8	2.9	3.0	2.7	2.5
Food-direct purchase	WPI - Processed Foods	1.070	-0.6	-1.6	-1.7	-1.8	-1.3	-0.9	-0.7	-0.3	-0.2	0.7	1.2	1.5	2.2	2.1	2.8	3.2
Food-away from home	CPI - Food Away Fr. Home	0.759	2.7	2.6	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.3	2.3	2.4	2.5	2.7	2.9	
Chemicals	WPI - Industrial Chem.	1.347	-1.3	-1.7	-2.8	-4.0	-4.8	-5.0	-4.2	-2.1	1.2	4.9	7.9	8.6	8.2	6.1	2.5	-0.5
Medical Instruments	WPI - Med. Inst. & Equip.	1.242	-1.2	-1.1	-1.3	-1.1	-0.9	-0.5	-0.3	-0.5	-0.7	-1.0	-0.8	-0.5	0.0	0.6	0.9	1.2
Photo Supplies	WPI - Photo Supplies	0.118	0.1	-0.1	-0.4	-0.9	-0.7	-0.6	-0.5	-0.4	-1.2	-1.8	-2.3	-2.4	-1.4	0.3	1.7	2.6
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.289	-0.3	-0.4	-0.4	-0.5	-0.8	-0.8	-0.5	-0.1	0.6	1.3	1.8	2.4	2.7	2.8	2.4	1.4
Paper Products	WPI - Convert. Paper And Paperboard	1.225	-1.3	0.8	2.3	2.5	1.4	0.5	0.0	0.9	2.8	4.6	5.9	5.9	5.4	3.8	2.3	1.1
Apparel	WPI - Apparel	0.253	0.6	0.7	0.7	0.8	0.7	0.6	0.5	0.3	0.2	0.2	0.2	0.3	0.2	0.1	-0.2	-0.5
Machinery & Equipment	WPI - Mach. & Equipment	0.364	-0.5	-0.6	-0.8	-0.8	-0.7	-0.7	-0.6	-0.5	-0.6	-0.5	-0.3	-0.2	-0.1	0.0	-0.1	-0.3
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	2.230	0.2	0.3	0.5	0.9	1.4	1.6	1.7	1.6	1.4	1.3	1.4	1.3	1.4	1.5	1.5	1.4
All Other Services		7.279	2.4	2.3	2.2	2.0	2.1	2.1	2.2	2.5	2.6	2.6	2.8	2.8	3.1	3.2	3.3	3.3
Telephone	CPI - Telephone Services	0.295	0.9	0.4	0.4	0.5	0.6	0.2	-0.4	-0.6	-0.9	-1.0	-1.1	-1.6	-1.6	-1.0	-0.2	0.8
Postage	CPI - Postage	0.836	0.0	0.0	0.0	0.0	0.7	1.5	2.2	3.0	2.2	1.5	0.7	0.0	0.7	1.6	2.7	3.9
All Other: Labor Intensive	ECI - Service Occupations (Private)	2.718	4.1	4.2	3.8	3.5	3.3	3.1	3.0	3.1	3.1	3.2	3.5	3.6	3.9	4.0	3.9	3.9
All Other: Non Labor Intensive	CPI - All Items (Urban)	3.430	2.0	1.8	1.6	1.6	1.6	1.7	1.9	2.2	2.6	2.9	3.2	3.4	3.4	3.4	3.2	2.8

Quarterly Index Levels in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2002	2002Q1	2002Q2	2002Q3	2002Q4	2003Q1	2003Q2	2003Q3	2003Q4	2004Q1	2004Q2	2004Q3	2004Q4	2005Q1	2005Q2	2005Q3	2005Q4
Index Levels:																		
Total - EXEMPT02		100.000	0.995	1.004	1.016	1.026	1.039	1.045	1.057	1.067	1.078	1.089	1.102	1.111	1.125	1.134	1.148	1.158
Compensation		71.035	0.995	1.005	1.017	1.029	1.041	1.046	1.059	1.070	1.080	1.088	1.102	1.110	1.123	1.131	1.143	1.152
Wages	ECI- Hospital Workers (Civilian)	57.037	0.995	1.005	1.016	1.028	1.035	1.041	1.052	1.063	1.071	1.076	1.089	1.097	1.107	1.114	1.125	1.134
Benefits	ECI- Hospital Workers (Civilian)	13.998	0.998	1.005	1.021	1.034	1.062	1.068	1.084	1.099	1.119	1.137	1.155	1.163	1.190	1.201	1.217	1.223
Professional Fees																		
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	0.997	1.004	1.011	1.018	1.031	1.039	1.051	1.058	1.075	1.083	1.094	1.102	1.119	1.128	1.136	1.142
Utilities		0.804	0.984	0.995	1.022	1.010	1.044	1.066	1.110	1.080	1.093	1.117	1.158	1.149	1.159	1.189	1.244	1.296
Electricity	WPI - Commercial Electric Power	0.430	0.970	0.991	1.041	0.979	0.978	1.008	1.082	1.010	0.999	1.026	1.077	1.030	1.034	1.069	1.132	1.099
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.132	1.002	0.990	0.980	1.094	1.283	1.307	1.307	1.332	1.408	1.431	1.473	1.558	1.564	1.609	1.713	2.118
Water & Sewerage	CPI - Water & Sewage	0.242	0.998	1.004	1.011	1.020	1.029	1.038	1.053	1.068	1.089	1.106	1.128	1.138	1.161	1.172	1.186	1.196
Prof. Liability Insurance																		
Malpractice	CMS - Prof. Liab. Prem.	1.504	0.995	1.002	1.016	1.037	1.033	1.070	1.111	1.148	1.203	1.254	1.296	1.335	1.379	1.418	1.452	1.479
All Other		23.114	0.995	1.002	1.012	1.020	1.036	1.040	1.046	1.053	1.064	1.080	1.090	1.101	1.114	1.124	1.140	1.155
All Other Products		15.836	0.996	1.003	1.009	1.020	1.038	1.043	1.049	1.058	1.071	1.089	1.102	1.116	1.132	1.142	1.162	1.182
Drugs	WPI - Prescription Drugs	5.940	0.997	1.006	1.016	1.031	1.048	1.061	1.076	1.086	1.102	1.124	1.130	1.137	1.155	1.175	1.215	1.217
Food-direct purchase	WPI - Processed Foods	1.070	1.000	0.995	1.000	1.004	1.025	1.041	1.055	1.087	1.084	1.138	1.113	1.105	1.119	1.127	1.122	1.127
Food-away from home	CPI - Food Away Fr. Home	0.759	0.997	1.002	1.009	1.014	1.018	1.024	1.030	1.037	1.046	1.053	1.063	1.070	1.079	1.086	1.095	1.103
Chemicals	WPI - Industrial Chem.	1.347	0.971	1.012	1.040	1.067	1.161	1.133	1.123	1.134	1.205	1.250	1.346	1.425	1.451	1.453	1.505	1.645
Medical Instruments	WPI - Med. Inst. & Equip.	1.242	0.999	1.005	1.005	1.006	1.029	1.033	1.035	1.033	1.040	1.045	1.051	1.038	1.051	1.051	1.048	1.048
Photo Supplies	WPI - Photo Supplies	0.118	1.045	0.958	0.958	0.950	0.954	0.954	0.936	0.936	0.939	0.923	0.919	0.920	0.956	0.962	0.972	0.971
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.289	0.996	1.000	1.005	1.007	1.017	1.033	1.030	1.031	1.037	1.046	1.059	1.085	1.110	1.121	1.128	1.184
Paper Products	WPI - Convert. Paper And Paperboard	1.225	0.999	0.997	0.999	1.008	1.011	1.012	1.010	1.008	1.002	1.014	1.041	1.057	1.070	1.076	1.074	1.086
Apparel	WPI - Apparel	0.253	1.000	0.997	0.997	0.999	1.001	0.999	0.999	1.002	0.998	0.998	0.997	1.004	1.001	0.998	1.000	0.997
Machinery & Equipment	WPI - Mach. & Equipment	0.364	1.002	0.999	0.997	0.995	0.993	0.992	0.990	0.988	0.987	0.992	0.993	0.995	1.002	1.005	1.006	1.006
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	2.230	1.001	1.001	0.995	1.004	1.002	0.998	0.998	1.010	1.011	1.014	1.013	1.031	1.038	1.040	1.040	1.048
All Other Services		7.279	0.994	1.000	1.018	1.022	1.031	1.033	1.040	1.042	1.050	1.060	1.063	1.068	1.075	1.083	1.092	1.097
Telephone	CPI - Telephone Services	0.295	1.003	0.992	1.005	1.003	1.006	0.984	0.981	0.975	0.972	0.964	0.956	0.951	0.953	0.952	0.948	0.953
Postage	CPI - Postage	0.836	0.974	1.077	1.077	1.077	1.077	1.077	1.077	1.077	1.077	1.077	1.077	1.077	1.077	1.077	1.077	1.077
All Other: Labor Intensive	ECI - Service Occupations (Private)	2.718	0.998	1.002	1.012	1.017	1.028	1.033	1.044	1.051	1.061	1.069	1.075	1.080	1.089	1.095	1.100	1.106
All Other: Non Labor Intensive	CPI - All Items (Urban)	3.430	0.994	1.005	1.010	1.013	1.023	1.027	1.032	1.032	1.041	1.056	1.060	1.066	1.073	1.087	1.101	1.106

4 Quarter Moving Average Percent Changes in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2002	2002Q1	2002Q2	2002Q3	2002Q4	2003Q1	2003Q2	2003Q3	2003Q4	2004Q1	2004Q2	2004Q3	2004Q4	2005Q1	2005Q2	2005Q3	2005Q4
Percent Changes																		
Total - EXEMPT02		100.000	4.5	4.3	4.2	4.2	4.2	4.2	4.2	4.1	4.0	4.0	4.0	4.1	4.2	4.2	4.2	4.2
Compensation		71.035	5.6	5.6	5.4	5.1	4.8	4.5	4.4	4.2	4.0	4.0	3.9	3.9	3.9	3.9	3.9	3.9
Wages	ECI- Hospital Workers (Civilian)	57.037	5.5	5.4	5.3	4.9	4.6	4.2	3.9	3.7	3.5	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Benefits	ECI- Hospital Workers (Civilian)	13.998	6.1	6.2	5.9	6.0	5.9	6.0	6.2	6.3	6.0	6.1	6.2	6.1	6.3	6.1	5.8	5.6
Professional Fees																		
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	4.6	4.2	3.7	3.3	3.2	3.2	3.5	3.7	3.9	4.1	4.1	4.2	4.2	4.1	4.0	4.0
Utilities		0.804	1.9	-2.1	-4.1	-3.8	-0.2	2.8	5.8	7.2	6.9	6.3	5.1	5.0	5.3	5.8	6.6	8.2
Electricity	WPI - Commercial Electric Power	0.430	4.5	2.5	0.1	-1.5	-1.3	-0.6	1.2	2.5	2.8	2.8	1.6	1.3	1.7	2.3	3.7	4.9
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.132	-6.6	-20.4	-24.2	-19.8	-2.8	12.7	24.8	28.6	23.2	17.5	13.1	12.3	12.5	13.3	14.2	19.3
Water & Sewerage	CPI - Water & Sewage	0.242	3.2	3.3	3.3	3.4	3.3	3.3	3.5	3.8	4.5	5.3	6.0	6.5	6.5	6.1	5.7	
Prof. Liability Insurance																		
Malpractice	CMS - Prof. Liab. Prem.	1.504	2.3	2.5	2.8	3.5	3.8	4.8	6.3	7.7	10.8	13.4	15.3	16.6	16.2	15.1	13.9	12.6
All Other		23.114	1.5	1.1	1.2	1.7	2.5	3.3	3.6	3.6	3.3	3.3	3.5	3.8	4.3	4.4	4.5	4.6
All Other Products		15.836	0.9	0.4	0.6	1.2	2.3	3.2	3.8	4.0	3.7	3.8	4.1	4.5	5.2	5.3	5.4	5.5
Drugs	WPI - Prescription Drugs	5.940	1.9	1.6	2.3	3.2	4.1	5.0	5.4	5.4	5.5	5.6	5.4	5.2	5.1	4.8	5.4	6.0
Food-direct purchase	WPI - Processed Foods	1.070	2.5	1.5	-0.1	-0.8	-0.3	1.2	3.1	5.2	6.0	7.2	7.2	5.5	4.9	2.3	1.1	1.2
Food-away from home	CPI - Food Away Fr. Home	0.759	3.0	2.9	2.8	2.6	2.4	2.2	2.2	2.1	2.3	2.5	2.7	3.0	3.1	3.2	3.1	3.1
Chemicals	WPI - Industrial Chem.	1.347	-4.5	-6.1	-4.5	-0.9	6.5	10.7	12.1	11.3	7.4	7.1	10.1	14.8	19.1	20.4	18.2	15.8
Medical Instruments	WPI - Med. Inst. & Equip.	1.242	1.3	1.5	1.7	2.0	2.3	2.6	2.9	2.4	2.0	1.6	1.1	1.0	0.9	0.4	0.5	0.5
Photo Supplies	WPI - Photo Supplies	0.118	3.1	0.1	-2.7	-5.4	-8.3	-6.5	-5.1	-3.4	-1.5	-2.1	-2.0	-2.1	-1.2	0.6	2.5	4.3
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.289	0.4	-0.4	-0.6	-0.3	0.5	1.6	2.2	2.6	2.5	2.0	2.1	2.8	4.1	5.6	6.5	7.5
Paper Products	WPI - Convert. Paper And Paperboard	1.225	0.1	-0.4	-0.6	-0.5	0.0	0.6	1.0	0.9	0.4	0.1	0.6	1.8	3.7	5.2	5.2	4.7
Apparel	WPI - Apparel	0.253	-0.7	-1.0	-1.1	-1.1	-0.8	-0.4	0.0	0.2	0.1	0.0	-0.1	-0.1	0.0	0.1	0.2	0.0
Machinery & Equipment	WPI - Mach. & Equipment	0.364	-0.4	-0.6	-0.6	-0.6	-0.7	-0.8	-0.8	-0.8	-0.7	-0.5	-0.2	0.1	0.6	1.0	1.2	1.3
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	2.230	1.1	0.8	0.3	0.1	0.0	-0.1	0.0	0.2	0.4	0.8	1.1	1.5	1.9	2.2	2.5	2.4
All Other Services		7.279	2.9	2.6	2.6	2.7	3.1	3.4	3.1	2.8	2.3	2.1	2.2	2.3	2.4	2.3	2.4	2.5
Telephone	CPI - Telephone Services	0.295	1.2	1.0	0.8	0.4	0.3	0.1	-0.7	-1.4	-2.3	-2.6	-2.7	-2.6	-2.3	-2.1	-1.6	-1.0
Postage	CPI - Postage	0.836	3.5	3.0	4.5	6.0	8.2	10.5	7.7	5.0	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
All Other: Labor Intensive	ECI - Service Occupations (Private)	2.718	3.7	3.6	3.6	3.4	3.3	3.2	3.1	3.2	3.2	3.3	3.2	3.1	3.0	2.7	2.6	2.5
All Other: Non Labor Intensive	CPI - All Items (Urban)	3.430	2.3	1.8	1.5	1.6	2.0	2.2	2.4	2.3	2.0	2.2	2.3	2.7	3.0	3.0	3.3	3

Quarterly Index Levels in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year									Forecast							
		Weights 2002	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4
Index Levels:																		
Total - EXEMPT02		100.000	1.172	1.181	1.194	1.201	1.214	1.223	1.235	1.244	1.257	1.267	1.279	1.288	1.298	1.306	1.317	1.325
Compensation		71.035	1.164	1.173	1.187	1.197	1.209	1.217	1.229	1.238	1.248	1.257	1.270	1.280	1.290	1.299	1.312	1.323
Wages	ECI- Hospital Workers (Civilian)	57.037	1.144	1.153	1.167	1.177	1.189	1.198	1.210	1.218	-	-	-	-	-	-	-	-
Benefits	ECI- Hospital Workers (Civilian)	13.998	1.246	1.252	1.271	1.278	1.294	1.296	1.305	1.318	-	-	-	-	-	-	-	-
Professional Fees																		
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	1.154	1.163	1.178	1.187	1.198	1.210	1.219	1.226	-	-	-	-	-	-	-	-
Utilities		0.804	1.309	1.283	1.306	1.274	1.292	1.323	1.352	1.326	1.344	1.361	1.421	1.384	1.411	1.431	1.485	1.448
Electricity	WPI - Commercial Electric Power	0.430	1.141	1.170	1.213	1.144	1.152	1.199	1.250	1.192	-	-	-	-	-	-	-	-
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.132	2.021	1.755	1.720	1.731	1.777	1.789	1.757	1.764	-	-	-	-	-	-	-	-
Water & Sewerage	CPI - Water & Sewage	0.242	1.218	1.227	1.245	1.255	1.276	1.289	1.312	1.324	-	-	-	-	-	-	-	-
Prof. Liability Insurance																		
Malpractice	CMS - Prof. Liab. Prem.	1.504	1.501	1.519	1.533	1.541	1.544	1.543	1.542	1.542	1.546	1.559	1.580	1.610	1.642	1.674	1.705	1.734
All Other		23.114	1.171	1.184	1.193	1.190	1.205	1.220	1.232	1.246	1.267	1.279	1.287	1.292	1.298	1.303	1.306	1.306
All Other Products		15.836	1.199	1.214	1.223	1.218	1.235	1.250	1.263	1.281	1.308	1.320	1.329	1.335	1.340	1.343	1.344	1.343
Drugs	WPI - Prescription Drugs	5.940	1.249	1.269	1.276	1.272	1.300	1.313	1.331	1.342	-	-	-	-	-	-	-	-
Food-direct purchase	WPI - Processed Foods	1.070	1.122	1.121	1.132	1.140	1.177	1.210	1.224	1.235	-	-	-	-	-	-	-	-
Food-away from home	CPI - Food Away Fr. Home	0.759	1.112	1.120	1.129	1.137	1.149	1.158	1.172	1.183	-	-	-	-	-	-	-	-
Chemicals	WPI - Industrial Chem.	1.347	1.656	1.709	1.762	1.693	1.711	1.791	1.824	1.927	-	-	-	-	-	-	-	-
Medical Instruments	WPI - Med. Inst. & Equip.	1.242	1.045	1.047	1.044	1.035	1.049	1.050	1.046	1.044	-	-	-	-	-	-	-	-
Photo Supplies	WPI - Photo Supplies	0.118	0.977	0.978	0.978	0.978	0.986	0.986	0.991	0.987	-	-	-	-	-	-	-	-
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.289	1.209	1.209	1.217	1.223	1.216	1.218	1.227	1.237	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.225	1.107	1.121	1.136	1.137	1.137	1.140	1.149	1.167	-	-	-	-	-	-	-	-
Apparel	WPI - Apparel	0.253	0.999	1.001	1.002	1.005	1.010	1.010	1.010	1.012	-	-	-	-	-	-	-	-
Machinery & Equipment	WPI - Mach. & Equipment	0.364	1.012	1.023	1.032	1.034	1.035	1.034	1.033	1.034	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	2.230	1.054	1.056	1.052	1.065	1.072	1.074	1.076	1.088	-	-	-	-	-	-	-	-
All Other Services		7.279	1.109	1.121	1.128	1.127	1.138	1.154	1.163	1.170	1.180	1.189	1.195	1.198	1.205	1.217	1.224	1.227
Telephone	CPI - Telephone Services	0.295	0.954	0.956	0.962	0.970	0.975	0.985	0.991	0.992	-	-	-	-	-	-	-	-
Postage	CPI - Postage	0.836	1.135	1.135	1.135	1.135	1.135	1.158	1.179	1.179	-	-	-	-	-	-	-	-
All Other: Labor Intensive	ECI - Service Occupations (Private)	2.718	1.115	1.122	1.131	1.140	1.156	1.163	1.177	1.183	-	-	-	-	-	-	-	-
All Other: Non Labor Intensive	CPI - All Items (Urban)	3.430	1.112	1.131	1.137	1.127	1.139	1.161	1.164	1.172	-	-	-	-	-	-	-	-

4 Quarter Moving Average Percent Changes in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year									Forecast							
		Weights 2002	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4
Percent Changes																		
Total - EXEMPT02		100.000	4.2	4.2	4.2	4.0	3.9	3.7	3.5	3.5	3.5	3.6	3.6	3.6	3.5	3.3	3.2	3.0
Compensation		71.035	3.8	3.7	3.7	3.8	3.8	3.9	3.8	3.6	3.5	3.3	3.3	3.3	3.3	3.4	3.4	3.3
Wages	ECI- Hospital Workers (Civilian)	57.037	3.4	3.4	3.5	3.6	3.7	3.8	3.8	3.7	-	-	-	-	-	-	-	-
Benefits	ECI- Hospital Workers (Civilian)	13.998	5.2	4.9	4.6	4.4	4.2	4.0	3.6	3.3	-	-	-	-	-	-	-	-
Professional Fees																		
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	3.7	3.4	3.3	3.4	3.6	3.9	3.8	3.7	-	-	-	-	-	-	-	-
Utilities		0.804	9.9	10.2	9.5	5.8	2.3	1.2	0.9	2.3	3.7	3.6	4.0	4.1	4.4	4.9	4.7	4.8
Electricity	WPI - Commercial Electric Power	0.430	6.6	7.9	8.4	7.7	5.3	3.6	2.6	2.7	-	-	-	-	-	-	-	-
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.132	23.8	22.6	18.2	3.2	-6.4	-7.7	-3.1	-1.9	-	-	-	-	-	-	-	-
Water & Sewerage	CPI - Water & Sewage	0.242	5.3	5.0	4.9	4.9	4.9	4.9	5.0	5.2	-	-	-	-	-	-	-	-
Prof. Liability Insurance																		
Malpractice	CMS - Prof. Liab. Prem.	1.504	11.1	9.6	8.0	6.4	4.9	3.5	2.3	1.3	0.6	0.5	1.0	2.0	3.5	5.1	6.5	7.3
All Other		23.114	4.7	5.0	5.0	4.5	4.0	3.4	3.0	3.5	4.1	4.5	4.8	4.6	3.8	3.1	2.4	1.7
All Other Products		15.836	5.5	5.9	5.8	5.1	4.4	3.6	3.1	3.6	4.3	5.0	5.5	5.2	4.4	3.4	2.4	1.5
Drugs	WPI - Prescription Drugs	5.940	6.8	7.7	7.0	6.4	5.4	4.3	4.1	4.4	-	-	-	-	-	-	-	-
Food-direct purchase	WPI - Processed Foods	1.070	0.5	0.6	0.6	0.4	1.6	3.7	5.5	7.3	-	-	-	-	-	-	-	-
Food-away from home	CPI - Food Away Fr. Home	0.759	3.1	3.1	3.1	3.1	3.2	3.2	3.4	3.7	-	-	-	-	-	-	-	-
Chemicals	WPI - Industrial Chem.	1.347	14.4	14.8	16.1	12.6	9.8	6.8	3.7	6.4	-	-	-	-	-	-	-	-
Medical Instruments	WPI - Med. Inst. & Equip.	1.242	0.2	0.0	-0.1	-0.6	-0.4	-0.3	-0.1	0.4	-	-	-	-	-	-	-	-
Photo Supplies	WPI - Photo Supplies	0.118	4.4	3.8	2.5	1.3	1.0	0.7	0.9	1.0	-	-	-	-	-	-	-	-
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.289	8.0	8.1	8.4	7.0	4.8	3.1	1.4	0.8	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.225	3.8	3.4	4.0	4.5	4.3	3.7	2.6	2.1	-	-	-	-	-	-	-	-
Apparel	WPI - Apparel	0.253	-0.1	-0.1	-0.1	0.3	0.6	0.7	0.9	0.9	-	-	-	-	-	-	-	-
Machinery & Equipment	WPI - Mach. & Equipment	0.364	1.2	1.3	1.6	2.0	2.4	2.2	1.6	0.9	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	2.230	2.1	1.9	1.5	1.5	1.5	1.5	1.8	1.9	-	-	-	-	-	-	-	-
All Other Services		7.279	2.7	3.0	3.2	3.2	3.0	2.9	2.9	3.2	3.4	3.4	3.3	3.0	2.6	2.4	2.3	2.3
Telephone	CPI - Telephone Services	0.295	-0.4	0.0	0.6	0.9	1.5	2.1	2.5	2.6	-	-	-	-	-	-	-	-
Postage	CPI - Postage	0.836	1.3	2.7	4.0	5.3	4.0	3.1	2.8	2.5	-	-	-	-	-	-	-	-
All Other: Labor Intensive	ECI - Service Occupations (Private)	2.718	2.4	2.4	2.5	2.7	3.0	3.3	3.6	3.8	-	-	-	-	-	-	-	-
All Other: Non Labor Intensive	CPI - All Items (Urban)	3.430	3.6	3.8	3.7	3.2	2.9	2.6	2.4	2.9	-	-	-	-	-	-	-	-

SOURCE: GLOBAL INSIGHT, INC., 1st Qtr, 2008; @USMACRO/CONTROL0308 @CISSIM/TL0208.SIM Historical Data through 4th Qtr, 2007

market basket effective October 1, 2005

Quarterly Index Levels in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year Weights 2002	Forecast 2010Q1	Forecast 2010Q2	Forecast 2010Q3	Forecast 2010Q4	Forecast 2011Q1	Forecast 2011Q2	Forecast 2011Q3	Forecast 2011Q4	Forecast 2012Q1	Forecast 2012Q2	Forecast 2012Q3	Forecast 2012Q4	Forecast 2013Q1	Forecast 2013Q2	Forecast 2013Q3	Forecast 2013Q4
Index Levels:																		
Total - EXEMPT02		100.000	1.336	1.345	1.357	1.365	1.377	1.387	1.400	1.410	1.422	1.432	1.445	1.456	1.468	1.479	1.493	1.503
Compensation		71.035	1.334	1.343	1.357	1.368	1.380	1.392	1.406	1.418	1.431	1.442	1.457	1.470	1.483	1.495	1.511	1.524
Wages	ECI- Hospital Workers (Civilian)	57.037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	ECI- Hospital Workers (Civilian)	13.998	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees																		
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities																		
Electricity	WPI - Commercial Electric Power	0.804	1.463	1.475	1.526	1.486	1.501	1.506	1.551	1.511	1.527	1.533	1.576	1.531	1.538	1.547	1.595	1.551
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water & Sewerage	CPI - Water & Sewage	0.132	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Insurance																		
Malpractice	CMS - Prof. Liab. Prem.	0.242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other																		
All Other Products		1.504	1.756	1.773	1.785	1.794	1.800	1.804	1.808	1.812	1.816	1.821	1.827	1.834	1.842	1.851	1.861	1.873
Drugs	WPI - Prescription Drugs	23.114	1.313	1.319	1.325	1.327	1.337	1.345	1.353	1.357	1.367	1.375	1.382	1.386	1.396	1.404	1.411	1.414
Food-direct purchase	WPI - Processed Foods	15.836	1.349	1.353	1.358	1.360	1.371	1.379	1.386	1.390	1.401	1.408	1.415	1.418	1.429	1.436	1.443	1.446
Food-away from home	CPI - Food Away Fr. Home	5.940	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	WPI - Industrial Chem.	1.070	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical Instruments	WPI - Med. Inst. & Equip.	0.759	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Photo Supplies	WPI - Photo Supplies	1.347	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	0.118	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Apparel	WPI - Apparel	1.289	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery & Equipment	WPI - Mach. & Equipment	1.225	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	0.253	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services		0.364	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	CPI - Telephone Services	2.230	1.235	1.245	1.252	1.256	1.263	1.272	1.280	1.285	1.293	1.302	1.310	1.316	1.324	1.333	1.341	1.347
Postage	CPI - Postage	0.295	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other: Labor Intensive	ECI - Service Occupations (Private)	0.836	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other: Non Labor Intensive	CPI - All Items (Urban)	2.718	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		3.430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

4 Quarter Moving Average Percent Changes in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year Weights 2002	Forecast 2010Q1	Forecast 2010Q2	Forecast 2010Q3	Forecast 2010Q4	Forecast 2011Q1	Forecast 2011Q2	Forecast 2011Q3	Forecast 2011Q4	Forecast 2012Q1	Forecast 2012Q2	Forecast 2012Q3	Forecast 2012Q4	Forecast 2013Q1	Forecast 2013Q2	Forecast 2013Q3	Forecast 2013Q4
Percent Changes																		
Total - EXEMPT02		100.000	3.0	3.0	2.9	3.0	3.0	3.1	3.1	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.3	3.3
Compensation		71.035	3.4	3.4	3.4	3.4	3.4	3.5	3.5	3.6	3.7	3.6	3.6	3.6	3.6	3.6	3.7	3.7
Wages	ECI- Hospital Workers (Civilian)	57.037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	ECI- Hospital Workers (Civilian)	13.998	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees																		
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities																		
Electricity	WPI - Commercial Electric Power	0.804	4.5	4.0	3.5	3.0	2.8	2.5	2.3	2.0	1.8	1.7	1.7	1.6	1.4	1.2	1.1	1.0
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water & Sewerage	CPI - Water & Sewage	0.132	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Insurance																		
Malpractice	CMS - Prof. Liab. Prem.	0.242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other																		
All Other Products		1.504	7.5	7.1	6.3	5.2	4.1	3.1	2.2	1.6	1.2	1.0	1.0	1.0	1.2	1.3	1.5	1.8
Drugs	WPI - Prescription Drugs	23.114	1.4	1.3	1.2	1.4	1.5	1.7	1.9	2.0	2.1	2.2	2.2	2.2	2.1	2.1	2.1	2.1
Food-direct purchase	WPI - Processed Foods	15.836	1.0	0.8	0.8	0.9	1.2	1.5	1.7	2.0	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0
Food-away from home	CPI - Food Away Fr. Home	5.940	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	WPI - Industrial Chem.	1.070	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical Instruments	WPI - Med. Inst. & Equip.	0.759	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Photo Supplies	WPI - Photo Supplies	1.347	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	0.118	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Apparel	WPI - Apparel	1.289	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery & Equipment	WPI - Mach. & Equipment	1.225	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	0.253	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services		0.364	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	CPI - Telephone Services	2.230	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.4	2.4	2.4	2.4	2.4
Postage	CPI - Postage	0.295	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other: Labor Intensive	ECI - Service Occupations (Private)	0.836	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other: Non Labor Intensive	CPI - All Items (Urban)	2.718	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		3.430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

SOURCE: GLOBAL INSIGHT, INC., 1st Qtr, 2008; @USMACRO/CONTROL0308 @CISSIM/TL0208.SIM Historical Data through 4th Qtr, 2007

market basket effective October 1, 2005

Quarterly Index Levels in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year Weights 2002	Forecast 2014Q1	Forecast 2014Q2	Forecast 2014Q3	Forecast 2014Q4	Forecast 2015Q1	Forecast 2015Q2	Forecast 2015Q3	Forecast 2015Q4	Forecast 2016Q1	Forecast 2016Q2	Forecast 2016Q3	Forecast 2016Q4	Forecast 2017Q1	Forecast 2017Q2	Forecast 2017Q3	Forecast 2017Q4
Index Levels:																		
Total - EXEMPT02		100.000	1.516	1.527	1.541	1.551	1.564	1.575	1.590	1.600	1.614	1.625	1.640	1.651	1.665	1.677	1.693	1.705
Compensation		71.035	1.538	1.549	1.566	1.579	1.592	1.604	1.621	1.634	1.648	1.660	1.678	1.692	1.706	1.719	1.738	1.752
Wages	ECI- Hospital Workers (Civilian)	57.037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	ECI- Hospital Workers (Civilian)	13.998	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees																		
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		0.804	1.566	1.581	1.636	1.596	1.609	1.624	1.680	1.640	1.660	1.671	1.726	1.686	1.706	1.718	1.774	1.733
Electricity	WPI - Commercial Electric Power	0.430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.132	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water & Sewerage	CPI - Water & Sewage	0.242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Insurance																		
Malpractice	CMS - Prof. Liab. Prem.	1.504	1.885	1.898	1.913	1.928	1.944	1.962	1.979	1.998	2.018	2.038	2.059	2.080	2.102	2.125	2.148	2.172
All Other		23.114	1.424	1.432	1.439	1.442	1.453	1.461	1.468	1.472	1.482	1.490	1.497	1.500	1.510	1.518	1.525	1.528
All Other Products		15.836	1.456	1.463	1.469	1.472	1.482	1.490	1.497	1.499	1.510	1.517	1.523	1.525	1.535	1.542	1.548	1.550
Drugs	WPI - Prescription Drugs	5.940	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food-direct purchase	WPI - Processed Foods	1.070	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food-away from home	CPI - Food Away Fr. Home	0.759	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	WPI - Industrial Chem.	1.347	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical Instruments	WPI - Med. Inst. & Equip.	1.242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Photo Supplies	WPI - Photo Supplies	0.118	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.289	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.225	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Apparel	WPI - Apparel	0.253	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery & Equipment	WPI - Mach. & Equipment	0.364	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	2.230	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services		7.279	1.355	1.365	1.373	1.379	1.388	1.398	1.406	1.412	1.421	1.432	1.440	1.446	1.456	1.466	1.475	1.481
Telephone	CPI - Telephone Services	0.295	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage	CPI - Postage	0.836	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other: Labor Intensive	ECI - Service Occupations (Private)	2.718	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other: Non Labor Intensive	CPI - All Items (Urban)	3.430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

4 Quarter Moving Average Percent Changes in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year Weights 2002	Forecast 2014Q1	Forecast 2014Q2	Forecast 2014Q3	Forecast 2014Q4	Forecast 2015Q1	Forecast 2015Q2	Forecast 2015Q3	Forecast 2015Q4	Forecast 2016Q1	Forecast 2016Q2	Forecast 2016Q3	Forecast 2016Q4	Forecast 2017Q1	Forecast 2017Q2	Forecast 2017Q3	Forecast 2017Q4
Percent Changes																		
Total - EXEMPT02		100.000	3.3	3.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Compensation		71.035	3.7	3.7	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.6
Wages	ECI- Hospital Workers (Civilian)	57.037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	ECI- Hospital Workers (Civilian)	13.998	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees																		
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		0.804	1.3	1.6	2.0	2.4	2.6	2.7	2.8	2.7	2.8	2.9	2.9	2.9	2.8	2.8	2.8	2.8
Electricity	WPI - Commercial Electric Power	0.430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.132	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water & Sewerage	CPI - Water & Sewage	0.242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Insurance																		
Malpractice	CMS - Prof. Liab. Prem.	1.504	2.0	2.2	2.4	2.7	2.9	3.1	3.2	3.4	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.3
All Other		23.114	2.1	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.9
All Other Products		15.836	2.0	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.7	1.7
Drugs	WPI - Prescription Drugs	5.940	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food-direct purchase	WPI - Processed Foods	1.070	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food-away from home	CPI - Food Away Fr. Home	0.759	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	WPI - Industrial Chem.	1.347	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical Instruments	WPI - Med. Inst. & Equip.	1.242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Photo Supplies	WPI - Photo Supplies	0.118	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.289	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.225	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Apparel	WPI - Apparel	0.253	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery & Equipment	WPI - Mach. & Equipment	0.364	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	2.230	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services		7.279	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Telephone	CPI - Telephone Services	0.295	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage	CPI - Postage	0.836	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other: Labor Intensive	ECI - Service Occupations (Private)	2.718	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other: Non Labor Intensive	CPI - All Items (Urban)	3.430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

SOURCE: GLOBAL INSIGHT, INC., 1st Qtr, 2008; @USMACRO/CONTROL0308 @CISSIM/TL0208.SIM Historical Data through 4th Qtr, 2007

market basket effective October 1, 2005

Quarterly Index Levels in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year Weights 2002	Forecast 2018Q1	Forecast 2018Q2	Forecast 2018Q3	Forecast 2018Q4
Index Levels:						
Total - EXEMPT02		100.000	1.720	1.732	1.749	1.761
Compensation		71.035	1.768	1.782	1.801	1.816
Wages	ECI- Hospital Workers (Civilian)	57.037	-	-	-	-
Benefits	ECI- Hospital Workers (Civilian)	13.998	-	-	-	-
Professional Fees						
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	-	-	-	-
Utilities		0.804	1.753	1.767	1.826	1.784
Electricity	WPI - Commercial Electric Power	0.430	-	-	-	-
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.132	-	-	-	-
Water & Sewerage	CPI - Water & Sewage	0.242	-	-	-	-
Prof. Liability Insurance						
Malpractice	CMS - Prof. Liab. Prem.	1.504	2.196	2.221	2.247	2.263
All Other		23.114	1.539	1.548	1.556	1.559
All Other Products		15.836	1.562	1.569	1.576	1.578
Drugs	WPI - Prescription Drugs	5.940	-	-	-	-
Food-direct purchase	WPI - Processed Foods	1.070	-	-	-	-
Food-away from home	CPI - Food Away Fr. Home	0.759	-	-	-	-
Chemicals	WPI - Industrial Chem.	1.347	-	-	-	-
Medical Instruments	WPI - Med. Inst. & Equip.	1.242	-	-	-	-
Photo Supplies	WPI - Photo Supplies	0.118	-	-	-	-
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.289	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.225	-	-	-	-
Apparel	WPI - Apparel	0.253	-	-	-	-
Machinery & Equipment	WPI - Mach. & Equipment	0.364	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	2.230	-	-	-	-
All Other Services		7.279	1.491	1.502	1.511	1.518
Telephone	CPI - Telephone Services	0.295	-	-	-	-
Postage	CPI - Postage	0.836	-	-	-	-
All Other: Labor Intensive	ECI - Service Occupations (Private)	2.718	-	-	-	-
All Other: Non Labor Intensive	CPI - All Items (Urban)	3.430	-	-	-	-

4 Quarter Moving Average Percent Changes in the CMS Excluded Hospital 2002 Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year Weights 2002	Forecast 2018Q1	Forecast 2018Q2	Forecast 2018Q3	Forecast 2018Q4
Percent Changes						
Total - EXEMPT02		100.000	3.2	3.3	3.3	3.3
Compensation		71.035	3.6	3.6	3.6	3.6
Wages	ECI- Hospital Workers (Civilian)	57.037	-	-	-	-
Benefits	ECI- Hospital Workers (Civilian)	13.998	-	-	-	-
Professional Fees						
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	3.543	-	-	-	-
Utilities		0.804	2.8	2.8	2.8	2.9
Electricity	WPI - Commercial Electric Power	0.430	-	-	-	-
Fuel, Oil, Coal, etc	WPI - Commercial Natural Gas	0.132	-	-	-	-
Water & Sewerage	CPI - Water & Sewage	0.242	-	-	-	-
Prof. Liability Insurance						
Malpractice	CMS - Prof. Liab. Prem.	1.504	4.4	4.4	4.5	4.5
All Other		23.114	1.9	1.9	1.9	2.0
All Other Products		15.836	1.7	1.7	1.7	1.8
Drugs	WPI - Prescription Drugs	5.940	-	-	-	-
Food-direct purchase	WPI - Processed Foods	1.070	-	-	-	-
Food-away from home	CPI - Food Away Fr. Home	0.759	-	-	-	-
Chemicals	WPI - Industrial Chem.	1.347	-	-	-	-
Medical Instruments	WPI - Med. Inst. & Equip.	1.242	-	-	-	-
Photo Supplies	WPI - Photo Supplies	0.118	-	-	-	-
Rubber & Plastics	WPI - Rub. & Plast. Prod.	1.289	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.225	-	-	-	-
Apparel	WPI - Apparel	0.253	-	-	-	-
Machinery & Equipment	WPI - Mach. & Equipment	0.364	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	2.230	-	-	-	-
All Other Services		7.279	2.4	2.4	2.4	2.4
Telephone	CPI - Telephone Services	0.295	-	-	-	-
Postage	CPI - Postage	0.836	-	-	-	-
All Other: Labor Intensive	ECI - Service Occupations (Private)	2.718	-	-	-	-
All Other: Non Labor Intensive	CPI - All Items (Urban)	3.430	-	-	-	-

SOURCE: GLOBAL INSIGHT, INC., 1st Qtr, 2008; @USMACRO/CONTROL0308 @CISSIM/TL0208.SIM Historical Data through 4th Qtr, 2007

market basket effective October 1, 2005