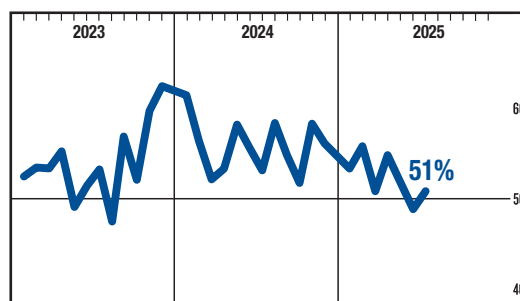


HOSPITAL PMI® at 51%

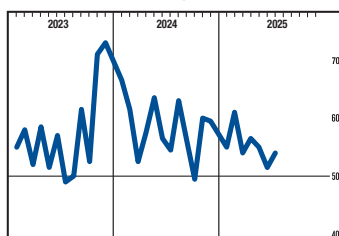
Economic activity in the hospital subsector expanded in July after one month of contraction, preceded by 21 consecutive months of growth prior to that, say the nation's hospital supply executives in the latest Hospital ISM® *Report On Business*®.

The Hospital PMI® registered 51 percent in July, a 2-percentage point increase from the June reading of 49 percent, indicating expansion after one month of contraction. The composite index returned to expansion territory after contracting in June for just the fifth time in more than seven years of Hospital ISM® *Report On Business*® data collection. The Business Activity Index remained in expansion territory for the ninth straight month. The New Orders Index was "unchanged" in July, and the Employment Index moved out of contraction territory to an "unchanged" reading. The Supplier Deliveries Index was "unchanged" for the second straight month in July after two consecutive months of expansion (which indicates slower delivery performance). The Case Mix Index returned to contraction territory in July, registering 46 percent, a decrease of 4.5 percentage points from the reading of 50.5 percent reported in June. The Days Payable Outstanding Index remained in expansion in July, registering 54 percent, up 3 percentage points from the 51 percent reported in June. The Technology Spend Index reading of 57 percent is a decrease of 0.5 percentage point compared to the 57.5 percent recorded in June. The Touchless Orders Index remained in expansion territory in July, registering 52 percent, down 0.5 percentage point from the reading of 52.5 percent reported in June.

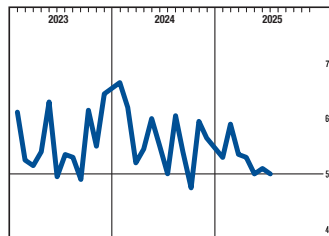
Employment moved out of contraction this month, driven by increased hiring of clinical staff. Several Hospital Business Survey panelists commented that their facilities have put hiring freezes in place and offered early retirement to nonclinical staff to prepare for funding cuts to Medicaid and potentially Medicare. Multiple panelists indicated that prices were increasing due to tariffs; others expected increases to occur in August. Stable supplier deliveries and a reduction in back orders led some organizations to reduce overall inventory levels while continuing to stock up on potentially tariff-impacted products. Among the ways organizations are trying to improve efficiency and reduce costs: increasing automation of the procure-to-pay process, continuing investment in IT infrastructure and making efforts to reduce appointment wait times. **ISM**



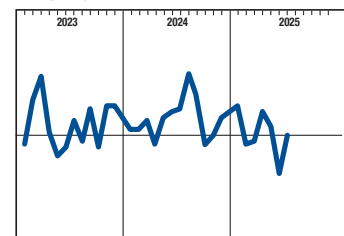
Business Activity



New Orders



Employment



About This Report

The information compiled in this report is for the month of July 2025.

The Hospital PMI® was developed in collaboration with the Association for Health Care Resource & Materials Management (AHRMM), an association for the health care supply chain profession, and a professional membership group of the American Hospital Association (AHA).

The data presented herein is obtained from a survey of hospital supply executives based on information they have collected within their respective organizations. ISM® makes no representation, other than that stated within this release, regarding the individual company data collection procedures. The data should be compared to all other economic data sources when used in decision-making.

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