

Health Care Indicators

Employment and Price Indicators for the Health Care Industry through 3rd Quarter 2005

This report presents highlights from statistics on health care utilization, prices, expenses, employment, and work hours, as well as national economic activity, with brief analysis of these economic indicators. These statistics provide an indication of changes occurring in the health care sector and within the general economy. *Please note that all percent changes are calculated from the same quarter of the previous year, unless otherwise noted.*

Key Trends

- Hospital Insurance (HI) Trust Fund income rose 10.7 percent in the third quarter of 2005 when compared to the same period in 2004, while outlays increased 14.7 percent.
- Health care services added 276,000 jobs to payrolls since the third quarter 2004, an annual growth of 2.3 percent. While the number of jobs in the health services sector continues to rise, the pace of the growth has stabilized over the past three years.
- Growth in the Employment Cost Indexes (ECIs) for benefits continued to increase faster than the ECIs for wages and salaries. This was true for all three types of workers: civilian, private industry, and state and local government.
- Increases in medical services prices, as measured by the CPI, continued to outpace the rate of overall prices, as measured by the GDP implicit price deflator; however, the gap has narrowed recently due to rising energy prices.
- Hospital prices, as measured by the CPI, increased 5.0 percent in 2005:Q3. Since reaching a peak of 9.9 percent in 2002:Q4, hospital prices growth has slowed.
- Nursing home prices, as measured by the CPI, rose 3.0 percent in 2005:Q3, following similar increases in the first and second quarter. By comparison, the PPI for nursing homes ticked up by 3.6 percent in 2005:3 after seven quarters of growth in the 4 percent range.
- Home health care prices, as measured by the PPI, grew 1.0 percent in 2005:Q3, similar price growth behavior as in the previous 3 quarters. Prices have moderated since 2004:Q3 when annual growth was 3.0 percent.

All questions on and/or requests from *Health Care Indicators* should be emailed to DNHS@cms.hhs.gov. Please mention “*Health Care Indicators*.”

The Effects of Hurricane Katrina on the *Health Care Indicators*

The effects of Hurricane Katrina and its aftermath are minimally visible in the data presented in the *Health Care Indicators* for Quarter 3, 2005. The Office of the Actuary continues to investigate the effects of Hurricane Katrina on its other products, including the National Health Expenditure Accounts and State Health Expenditure Accounts. For a complete discussion on the hurricane's effects by the producers of our source data, please visit the Bureau of Labor Statistics website at www.bls.gov and the Bureau of Economic Analysis website at www.bea.gov.

Data Changes to the *Health Care Indicators*

BLS Data Changes

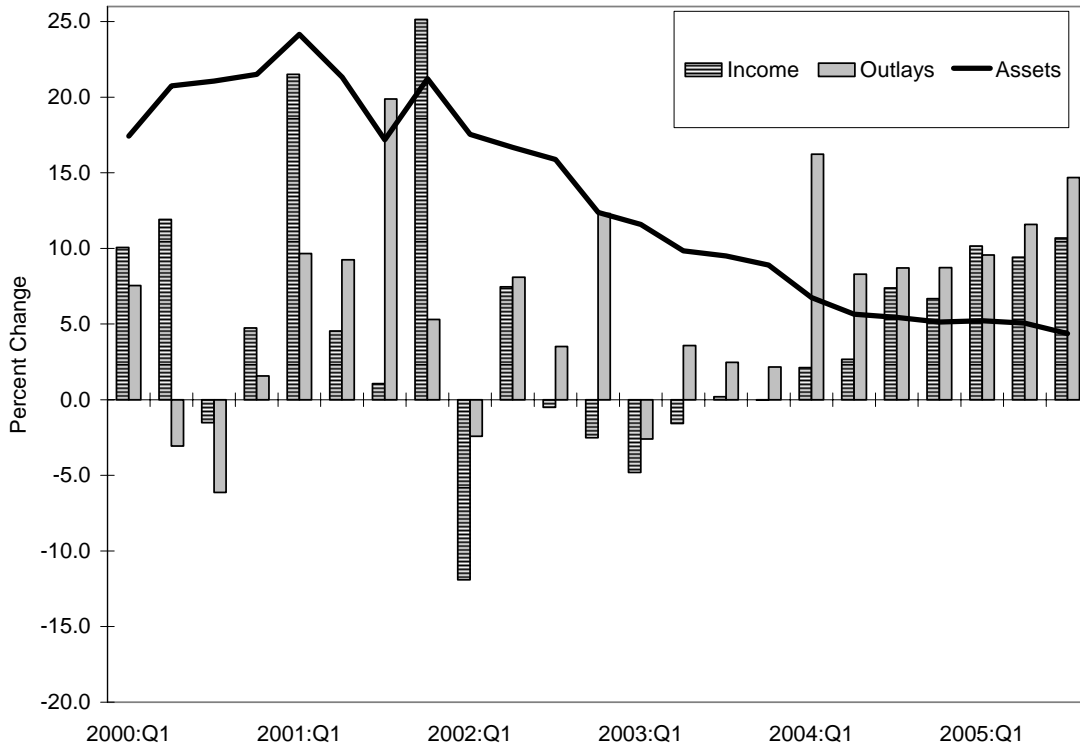
1. Adoption of the North American Industry Classification System (NAICS) at BLS.
 - With the release of March 2006 data, BLS' Employment Cost Indexes (ECI) will publish industry categories based on the 2002 NAICS and classify jobs into occupational categories according to the 2000 Standard Occupational Classification (SOC) manual. Broad categories, such as civilian workers and private industry workers, are comparable for both the old and new classification systems; however, some detailed occupational and industry classification may not be comparable. For more detailed information on NAICS and SOC, see the BLS websites: <http://www.bls.gov/bls/naics.htm> and <http://www.bls.gov/soc/home.htm>
 - Other BLS survey programs are either planning to or have already begun to report their data on a NAICS basis (from their original SIC basis). A schedule of BLS' implementation of the NAICS is available at www.bls.gov/bls/naics_implementation.htm.

Office of the Actuary Data Presentation Changes

1. The Office of the Actuary has recently put its market basket data and information (which in the past have appeared in the *Health Care Indicators* as Tables 10, 11, 12, and 13) into a separate content area on the CMS website. Therefore, we will no longer publish these tables as part of the *Health Care Indicators*. These tables can now be found at the following website: http://www.cms.hhs.gov/MedicareProgramRatesStats/04_MarketBasket.asp.
2. Due to changes in the structure of the survey used to gather community hospital statistics (which in the past have appeared in the *Health Care Indicators* as Tables 1 and 2), these tables will no longer be published with the *Health Care Indicators*. Therefore, the former Table 3 will now become Table 1 and the remaining tables will be numbered consecutively and arranged in the same order as in previous releases.

Medicare Trust Fund Operations

Figure 1: Medicare Hospital Insurance (HI) Trust Fund, Percent Change in Income, Outlays, and Assets from the Same Period of the Previous Year: 2000-2005



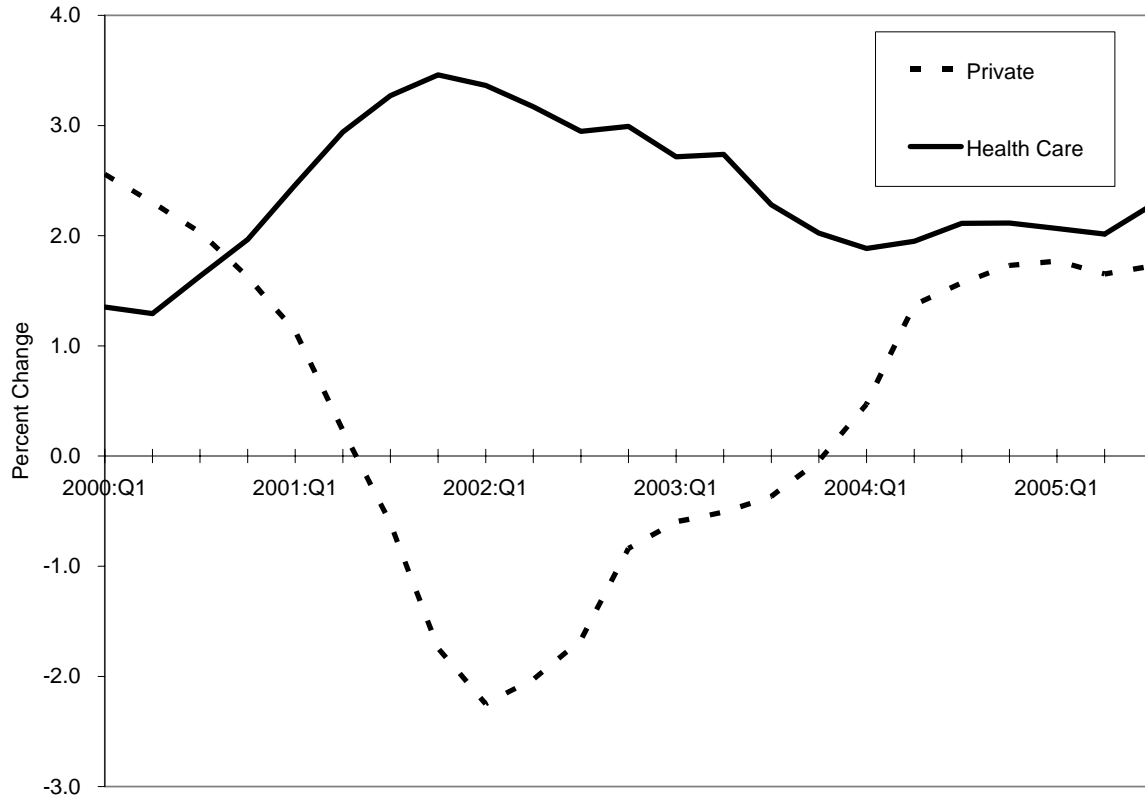
SOURCE: U.S. Treasury, *Monthly Treasury Statement*, Washington, D.C., January 2000-September 2005.

Medicare hospital insurance (HI, or Part A) trust fund income rose 10.7 percent in the third quarter of 2005 when compared to the same period in 2004 (Table 1). Trust fund income has averaged 7.8 percent growth over the last 6 quarters compared to an average 1.1 percent loss in the preceding 6 quarters. At the same time, trust fund outlays are also rising. This update marks the 15th consecutive quarter that outlay growth has outpaced income growth resulting in a consistent deceleration in HI asset growth over the same time period. However, the deceleration has notably slowed since the beginning of 2004.

Estimates published in the *2006 Annual Report of the Boards of Trustees, Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds* indicate that, given current law and trends, the HI Trust Fund will be exhausted in 2018, two years earlier than projected last year.

Health Care Industries: Employment

Figure 2: Employment in Health Care and in the Total Private Economy, Percent Change from the Same Period of the Previous Year: 2000-2005

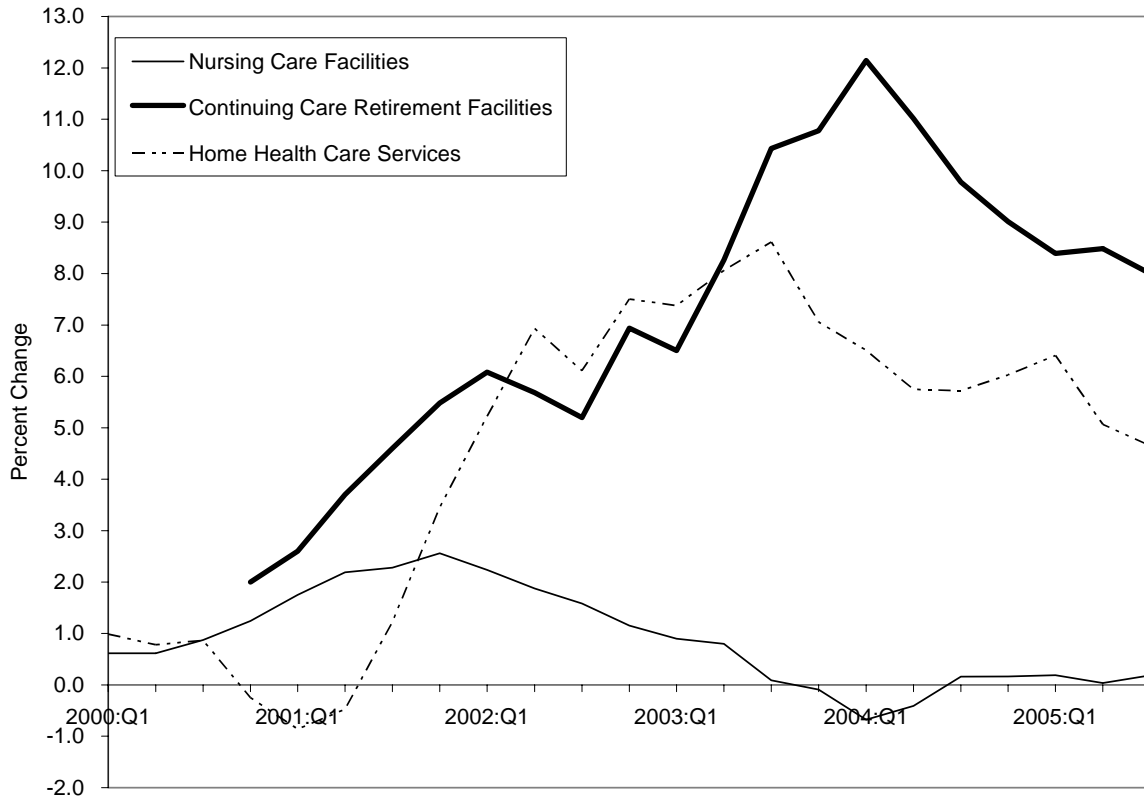


SOURCE: Bureau of Labor Statistics, U.S. Department of Labor, *Employment and Earnings*, Washington, D.C., January 2000-September 2005.

Health care services added 276,000 jobs to payrolls since the third quarter 2004, a growth of 2.3 percent. New jobs in ambulatory health care services, which include physicians, dentists, outpatient care facilities, and home health services, accounted for 59 percent of total job growth for this time period. Employment growth has remained relatively stable since the beginning of 2004. As of 2005:Q3, jobs in three industries: office of physicians, private hospitals, and nursing care facilities constitute 65 percent of all jobs in health care (Table 2).

While the number of jobs in the health services sector continues to rise, the pace of the growth has slowed over the past three years. Despite this slower pace, increases in health services employment continue to exceed those in the rest of the total private economy.

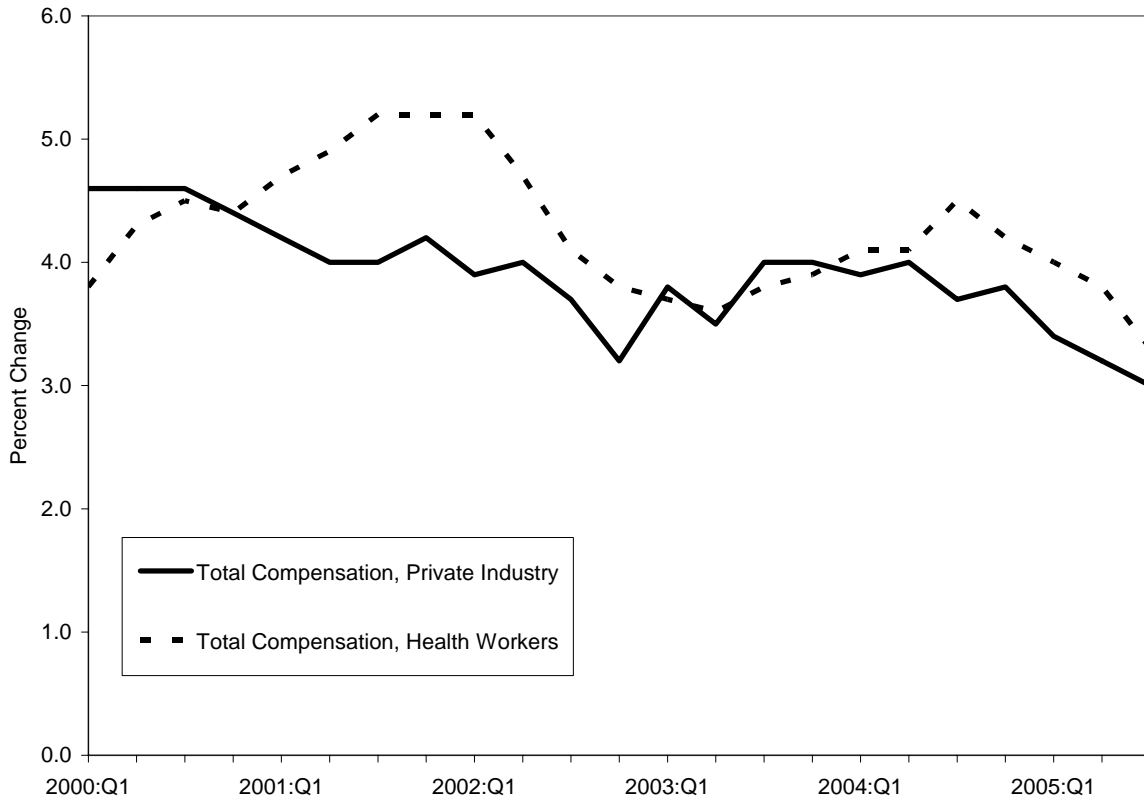
Figure 3: Employment in Long-Term Care Services: 2000-2005



SOURCE: Bureau of Labor Statistics, U.S. Department of Labor, *Employment and Earnings*, Washington, D.C., January 2000-June 2005.

Employment in continuing care retirement communities grew 8.0 percent in 2005:Q3, as it has been the fastest growing employer in the health care sector since 2003:Q1 (Table 3; Figure 3). Home health care services employment grew 4.6 percent since 2004:Q3, adding 36,000 jobs since then. Nursing care facilities employment, on the other hand, continued to stagnate. Both continuing care retirement communities and home health care services have experienced phenomenal post-recession growth in employment. Despite the employment growth peak in late 2003, employment in these two industries, as well as outpatient care facilities continues to outpace the employment growth experienced by the remainder of the health care sector.

Figure 4: Employment Cost Indexes, Private Workers Wages and Salaries and Benefits, Percent Change from Same Period of Previous Year: 2000-2005



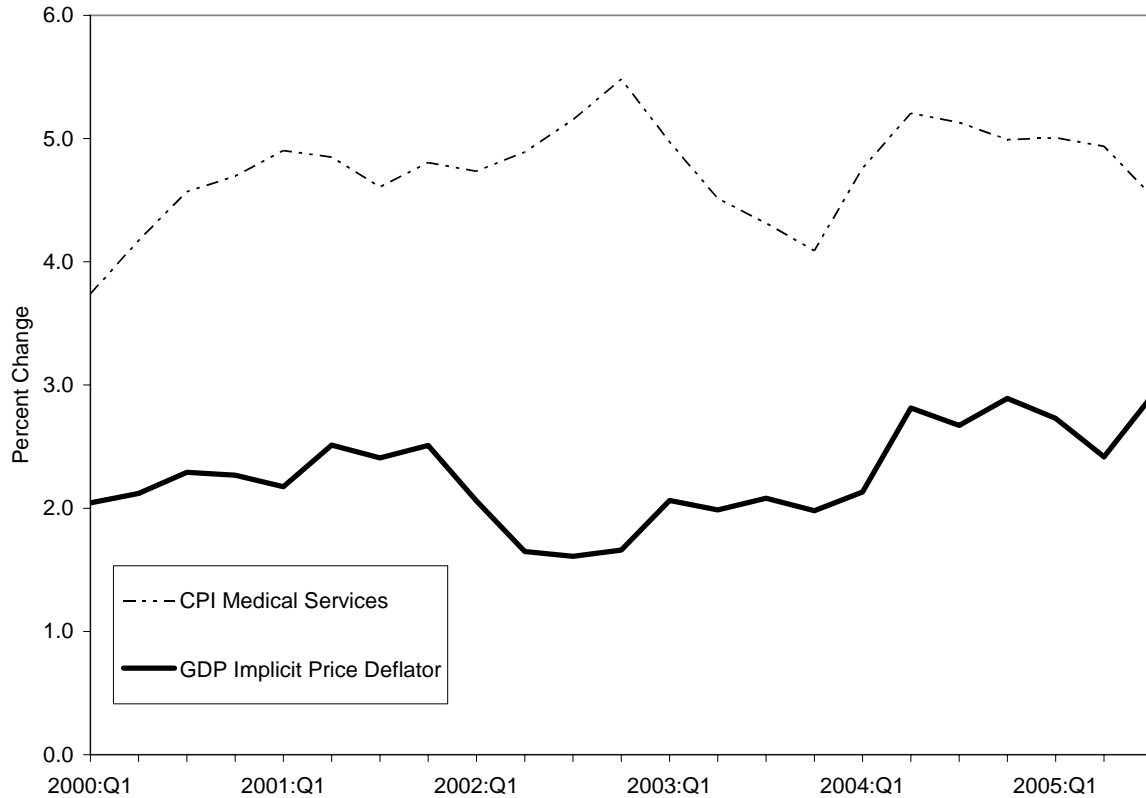
Source: Bureau of Labor Statistics, U.S. Department of Labor, *Employment Cost Index*, September 2005, Washington, D.C.

Private benefit costs increased 4.8 percent in 2005:Q3. Since reaching a peak in 2004:Q2, benefit cost growth has slowed although the growth in benefit costs continues to outpace the growth in wages and salaries for private workers. Wages and salaries for all workers in private industry increased 2.2 percent while wages and salaries for health services workers (private) rose 2.9 percent in 2005:Q3.

Total compensation growth in private health service workers has consistently outpaced the total compensation growth for the private economy since 2003:Q2 (Table 4, Figure 4). Compensation growth for civilian and private health service workers peaked at 5.2 percent in 2002:Q1, and has gradually decelerated since. In 2005:Q3, total compensation rose 3.4 percent for civilian health service workers and 3.1 percent for all civilian workers.

Medical Care Services Prices

Figure 5: Percent Change in Medical Care and Overall Prices from the Same Period of the Previous Year: 2000-2005

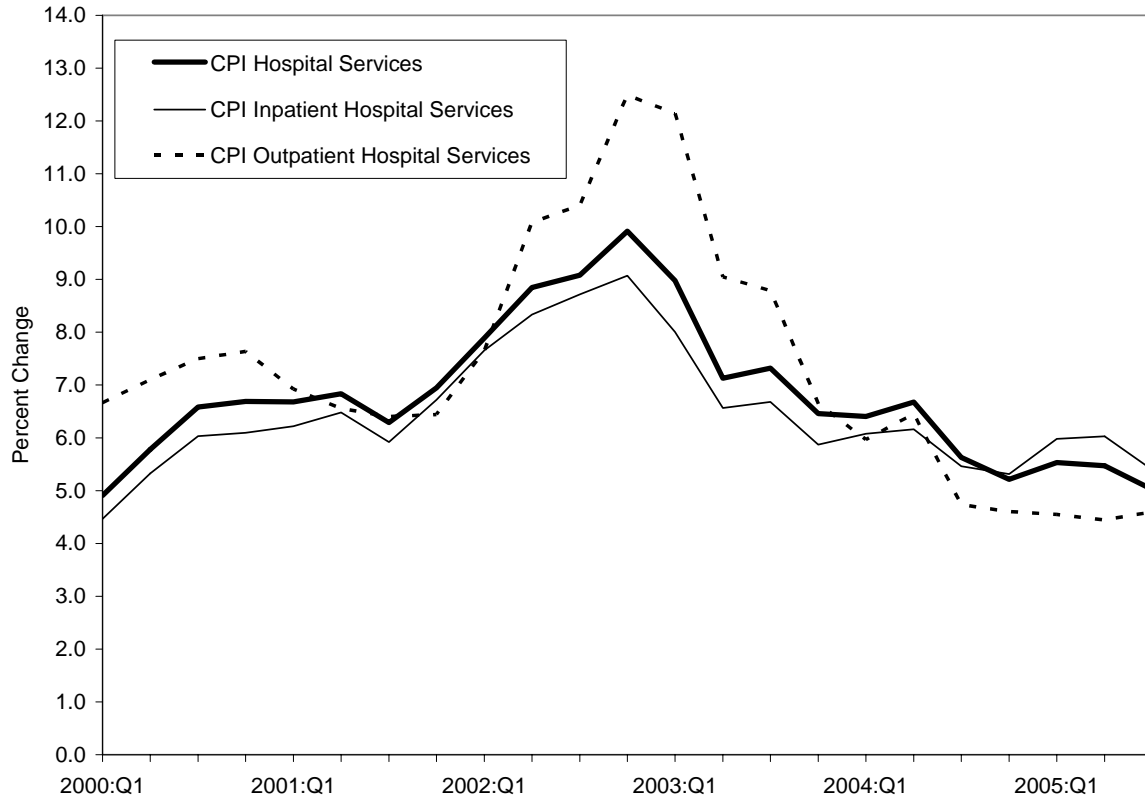


SOURCES: Bureau of Labor Statistics, U.S. Department of Labor, *CPI Detailed Report*, January 2000-September 2005; Bureau of Economic Analysis, U.S. Department of Commerce, *Gross Domestic Product*.

The CPI for medical care services increased 4.5 percent in 2005:Q3 with prices for hospital services contributing most to the overall growth (Table 7). Since 2004:Q2 medical care service price growth has been stable, generally increasing about 5 percent. However, 2005:Q3 reported the largest drop in prices since 2003:Q1. Prices fell over the year across all components including professional services, hospital services, and nursing home services.

Hospital Prices

Figure 6a: Percent Change from the Same Period of the Previous Year in CPI Inpatient and Outpatient Hospital Prices: 2000-2005

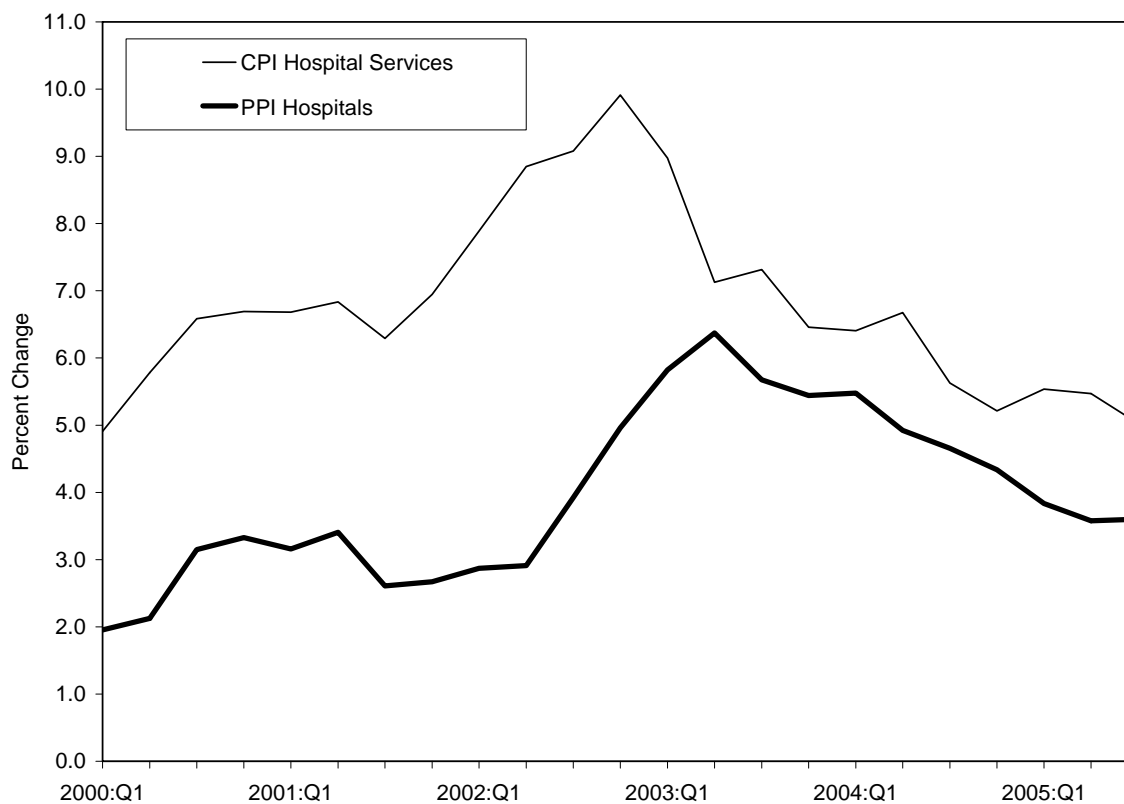


SOURCE: Bureau of Labor Statistics, U.S. Department of Labor, *CPI Detailed Report*, January 2000-September 2005.

Hospital prices, as measured by the CPI, grew 5.0 percent in 2005:Q3. This marks a deceleration from the 5.5 percent growth in 2004:Q3 (Table 7). After reaching a peak of 9.9 percent in 2002:Q4, hospital price growth has decelerated steadily.

The CPI for inpatient services increased 5.4 percent in 2005:Q3, while the CPI for outpatient services increased somewhat slower at 4.6 percent (Table 7). The increase in outpatient services prices have substantially slowed from 2002:Q4, when outpatient services prices increased 12.5 percent. This marks the 5th consecutive quarter that inpatient service prices have outpaced outpatient service prices.

Figure 6b: Percent Change in Hospital Prices from the Same Period of the Previous Year: 2000-2005



SOURCES: Bureau of Labor Statistics, U.S. Department of Labor, *CPI Detailed Report*, January 2000-September 2005; Bureau of Labor Statistics, U.S. Department of Labor, *PPI Detailed Report*, January 2000-September 2005.

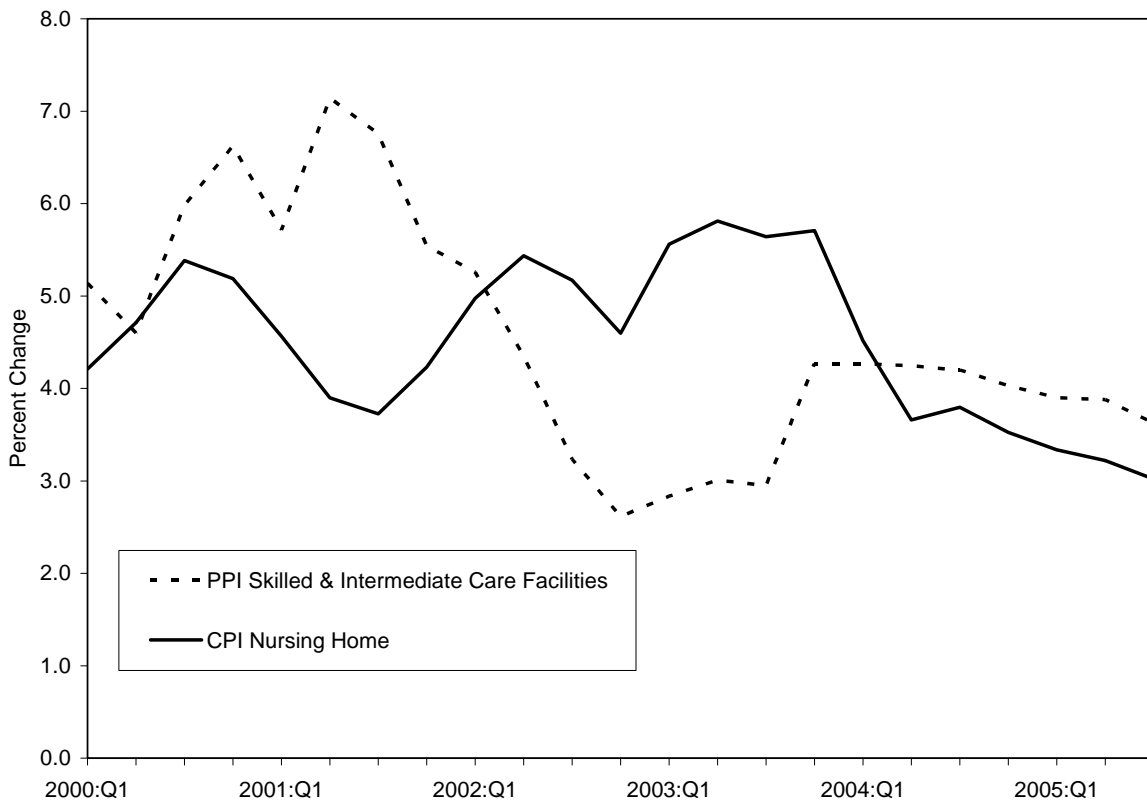
Hospital price growth, as measured by the PPI, increased 3.6 percent for the second consecutive quarter. After reaching a peak of 6.4 percent in 2003:Q2, the increases in hospital prices have fallen steadily. The CPI and PPI exhibit remarkably similar trends; however, consumer prices consistently tend to be rising about 1.0 to 1.5 percent faster.

The following factors account for some of the difference in the price growth patterns between the CPI and PPI. First, the CPI includes prices for goods and services purchased by urban households, while the PPI includes all domestically produced commodities. Second, the CPI includes sales and excise taxes paid by the consumer, while the PPI does not. Third, prices paid by consumers (CPI) include markups added over the distribution path from the producer to the final consumer. The PPI does not include such markups because these prices are collected before markups are added later on in the distribution path. Fourth, the CPI and PPI are collected at different times during the month. Finally, due to retail market conditions, PPI price changes may not be passed on to final consumers (CPI)² (Bureau of Labor Statistics, U.S. Department of Labor, “How Does the Producer Price Index Differ from the Consumer Price Index?”).

² Further, once they are published, CPIs are not revised. Published monthly PPIs, on the other hand, are typically revised four months afterward. Because the *Indicators* are published after the PPIs are final, this reason for the difference between CPIs and PPIs does not apply.

Nursing Home Prices

Figure 7: Percent Change in Nursing Home Prices from the Same Period of the Previous Year: 2000-2005



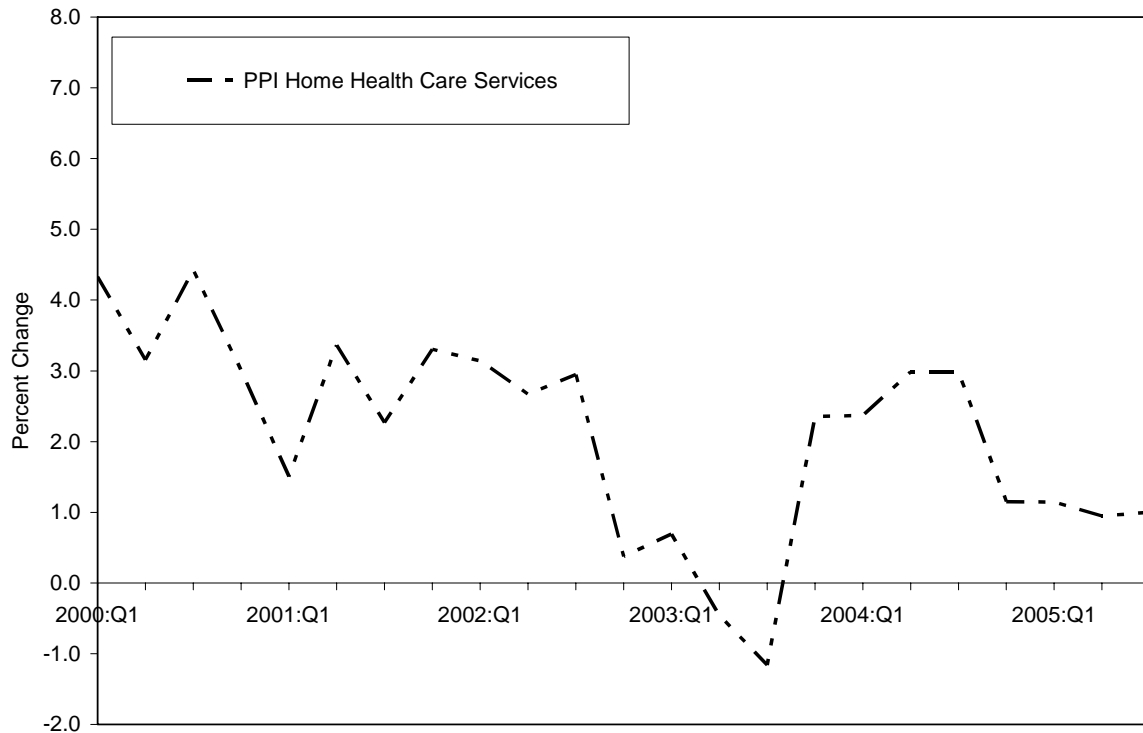
SOURCES: Bureau of Labor Statistics, U.S. Department of Labor, *CPI Detailed Report*, January 2000-September 2005; Bureau of Labor Statistics, U.S. Department of Labor, *PPI Detailed Report*, January 2000-September 2005.

Nursing home prices, as measured by the CPI, increased 3.0 percent in 2005:Q3 (Table 7; Figure 7). After reaching a peak of 5.8 percent in 2003:Q2, the increases in nursing home prices have fallen steadily.

Nursing home prices, as measured by the PPI for Skilled and Intermediate Care Facilities, increased 3.6 percent in 2005:Q3 (Figure 7; Table 7). Price increases have slowly decelerated since reaching a peak in 2003:Q2. The large decline in price increases from early 2001 through 2003 came from a slowdown in public payer increases. Since the first few months of 2004 public and private payer skilled nursing facilities price increases have been similar.

Home Health Care Prices

Figure 8: Percent Change in Home Health Prices from the Same Period of the Previous Year: 2000-2005



SOURCES: Bureau of Labor Statistics, U.S. Department of Labor, *PPI Detailed Report*, January 2000-September 2005.

Home health care prices, as measured by the PPI, increased 1.0 percent in 2005:Q3, compared to a 3.0 increase in 2004:Q3 (Figure 8; Table 7). The increase in the aggregate home health care PPI has decelerated since peaking at 3.0 percent in 2004:Q3.

During 2001-04, growth rates of home health care prices averaged 1.9 percent, well below market basket rates, which averaged about 3.5 percent over the period. There is some speculation that these differences in rates are the result of the adoption of cost efficient practices among home health agencies (Medicare Payment Advisory Commission, *Report to the Congress: Medicare Payment Policy*, March 2006).

Table 1
Hospital Insurance and Supplementary Medical Insurance Trust Fund Operations: 2001-2005

Indicator	Calendar Year				2002	2003	2003	2003	2003	2003	2004	2004	2004	2004	2005	2005	2005
	2001	2002	2003	2004	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Total Medicare Outlays in Millions of Dollars	\$246,091	\$265,589	\$280,831	\$308,914	\$71,685	\$64,049	\$70,926	\$71,214	\$74,642	\$70,690	\$77,199	\$78,974	\$82,051	\$78,410	\$87,321	\$91,651	
Hospital Insurance Trust Fund	144,707	152,422	154,688	170,607	40,228	34,568	39,857	39,166	41,097	40,180	43,163	42,577	44,687	44,021	48,165	48,832	
Supplementary Medical Insurance Trust Fund	101,384	113,167	126,143	138,307	31,457	29,481	31,069	32,048	33,545	30,510	34,036	36,397	37,364	34,389	39,156	42,819	
Hospital Insurance Trust Fund																	
Operations: In Millions of Dollars																	
Income	\$181,668	\$178,554	\$175,800	\$183,889	\$46,004	\$38,895	\$53,588	\$37,325	\$45,992	\$39,720	\$55,018	\$40,084	\$49,067	\$43,756	\$60,202	\$44,371	
Outlays	144,707	152,422	154,688	170,607	40,228	34,568	39,857	39,166	41,097	40,180	43,163	42,577	44,687	44,021	48,165	48,832	
Difference	36,961	26,132	21,111	13,285	5,776	4,326	13,731	-1,841	4,895	-460	11,857	-2,492	4,380	-265	12,038	-4,460	
Assets at End of Period ¹	211,091	237,223	258,334	271,619	237,223	241,549	255,280	253,439	258,334	257,874	269,731	267,239	271,619	271,354	283,392	278,932	
Supplementary Medical Insurance Trust Fund																	
Operations: In Millions of Dollars																	
Income	\$100,193	\$106,082	\$115,790	\$133,762	\$27,127	\$28,190	\$29,457	\$25,419	\$32,724	\$32,624	\$33,674	\$27,782	\$39,682	\$38,955	\$39,506	\$34,684	
Outlays	101,384	113,167	126,143	138,307	31,457	29,481	31,069	32,048	33,545	30,510	34,036	36,397	37,364	34,389	39,156	42,819	
Difference	-1,191	-7,082	-10,353	-4,547	-4,329	-1,290	-1,612	-6,629	-822	2,113	-362	-8,616	2,318	4,566	350	-8,134	
Assets at End of Period ¹	39,583	32,501	22,148	17,601	32,501	31,211	29,599	22,970	22,148	24,261	23,899	15,283	17,601	22,167	22,517	14,383	
Percent Change from Same Period of Previous Year																	
Total Medicare Outlays	11.2	7.9	5.7	10.0	13.9	6.4	6.2	6.4	4.1	10.4	8.8	10.9	9.9	10.9	13.1	16.1	
Hospital Insurance Trust Fund	10.8	5.3	1.5	10.3	12.3	-2.6	3.6	2.5	2.2	16.2	8.3	8.7	8.7	9.6	11.6	14.7	
Supplementary Medical Insurance Trust Fund	11.8	11.6	11.5	9.6	16.0	19.5	9.6	11.7	6.6	3.5	9.5	13.6	11.4	12.7	15.0	17.6	
Hospital Insurance Trust Fund																	
Operations																	
Income	12.6	-1.7	-1.5	4.6	-2.5	-4.8	-1.6	0.2	0.0	2.1	2.7	7.4	6.7	10.2	9.4	10.7	
Outlays	10.8	5.3	1.5	10.3	12.3	-2.6	3.6	2.5	2.2	16.2	8.3	8.7	8.7	9.6	11.6	14.7	
Assets at End of Period	21.2	12.4	8.9	5.1	12.4	11.6	9.8	9.5	8.9	6.8	5.7	5.4	5.1	5.2	5.1	4.4	
Supplementary Medical Insurance Trust Fund																	
Operations																	
Income	13.3	5.9	9.2	15.5	1.5	7.3	9.4	-1.3	20.6	15.7	14.3	9.3	21.3	19.4	17.3	24.8	
Outlays	11.8	11.6	11.5	9.6	16.0	19.5	9.6	11.7	6.6	3.5	9.5	13.6	11.4	12.7	15.0	17.6	
Assets at End of Period	-2.9	-17.9	-31.9	-20.5	-17.9	-24.2	-25.6	-37.6	-31.9	-22.3	-19.3	-33.5	-20.5	-8.6	-5.8	-5.9	

¹As shown in the Monthly Treasury Statement. Excludes undisbursed balance.

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

SOURCES: Monthly Treasury Statement of Receipts and Outlays of the United States Government. Financial Management Service, U.S. Department of the Treasury.

2005 Annual Reports of the Board of Trustees of the HI and SMI Trust Funds. Office of the Actuary, Centers for Medicare & Medicaid Services.

Table 2
Employment, Hours, and Earnings in Private Health Service Establishments by Selected Type of Establishment: 2001-2005

Type of establishment	Calendar Year				2002	2003	2003	2003	2003	2004	2004	2004	2004	2005	2005	2005
	2001	2002	2003	2004	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total Employment in Thousands																
Nonfarm Private Sector ¹	110,707	108,828	108,416	109,814	109,218	106,857	108,559	109,076	109,171	107,360	110,047	110,791	111,060	109,260	111,865	112,703
Health Care	11,187	11,536	11,817	12,055	11,679	11,700	11,804	11,849	11,915	11,921	12,034	12,099	12,167	12,167	12,277	12,375
Ambulatory Health Care Services	4,461	4,633	4,786	4,952	4,711	4,714	4,774	4,806	4,852	4,869	4,939	4,974	5,028	5,033	5,093	5,136
Offices of Physicians	1,911	1,968	2,003	2,048	1,987	1,984	1,994	2,007	2,025	2,029	2,041	2,050	2,070	2,068	2,092	2,111
Offices of Dentists	705	725	744	760	735	735	743	750	750	749	761	764	767	763	770	776
Outpatient Care Centers	400	413	427	450	420	421	426	427	433	440	449	455	459	464	470	477
Home Health Care Services	639	680	733	777	704	706	731	739	753	752	773	782	799	801	813	818
Private Hospitals	4,051	4,160	4,245	4,285	4,202	4,219	4,244	4,252	4,263	4,260	4,280	4,297	4,301	4,305	4,333	4,370
Nursing and Residential Care Fac	2,676	2,743	2,786	2,818	2,765	2,767	2,786	2,791	2,801	2,791	2,815	2,828	2,839	2,829	2,850	2,869
Nursing Care Facilities	1,547	1,573	1,580	1,577	1,581	1,578	1,582	1,579	1,580	1,568	1,576	1,582	1,582	1,571	1,577	1,584
Residential Mental Health Facili	461	473	484	490	476	481	483	485	486	486	489	491	492	492	498	502
Continuing Care Retirement Coi	222	236	257	284	243	245	252	261	270	275	280	286	294	298	304	309
Nonsupervisory Employment																
Nonfarm Private Sector ¹	89,983	88,393	87,658	88,937	88,624	86,304	87,775	88,254	88,300	86,512	89,035	89,945	90,256	88,622	91,093	91,943
Health Care	9,972	10,258	10,426	10,582	10,360	10,348	10,424	10,447	10,485	10,464	10,561	10,624	10,678	10,683	10,778	10,853
Ambulatory Health Care Services	3,834	3,966	4,052	4,164	4,025	4,007	4,047	4,066	4,088	4,088	4,149	4,187	4,230	4,237	4,289	4,327
Offices of Physicians	1,601	1,636	1,638	1,660	1,646	1,635	1,633	1,641	1,644	1,645	1,656	1,662	1,676	1,674	1,696	1,712
Offices of Dentists	610	627	634	641	637	630	635	637	635	631	640	645	647	644	651	657
Outpatient Care Centers	350	359	368	386	364	364	368	367	372	378	385	391	392	397	401	406
Home Health Care Services	588	626	675	714	650	651	675	682	692	690	712	720	736	739	751	757
Private Hospitals	3,746	3,841	3,896	3,923	3,868	3,878	3,899	3,901	3,909	3,905	3,920	3,933	3,935	3,942	3,968	3,993
Nursing and Residential Care Fac	2,391	2,451	2,477	2,495	2,467	2,462	2,478	2,480	2,488	2,472	2,492	2,505	2,513	2,504	2,522	2,533
Nursing Care Facilities	1,393	1,416	1,418	1,418	1,422	1,418	1,422	1,416	1,417	1,408	1,418	1,423	1,424	1,411	1,413	1,418
Residential Mental Health Facili	403	414	422	424	418	420	421	424	424	422	423	426	425	424	431	431
Continuing Care Retirement Coi	202	214	232	253	221	222	228	235	243	246	249	255	262	266	273	277
Average Weekly Hours																
Nonfarm Private Sector ¹	34.0	33.9	33.7	33.7	33.9	33.6	33.7	33.8	33.8	33.5	33.7	33.9	33.7	33.5	33.8	33.9
Health Care	32.6	32.7	32.9	33.1	32.8	32.9	32.8	32.9	33.0	33.0	33.0	33.2	33.1	33.3	33.2	33.3
Ambulatory Health Care Services	30.7	31.1	31.2	31.3	31.4	31.5	31.3	31.0	31.2	31.3	31.3	31.2	31.3	31.5	31.5	31.4
Offices of Physicians	32.7	33.1	33.1	33.4	33.2	33.4	33.0	32.9	33.1	33.3	33.3	33.5	33.4	33.5	33.4	33.4
Offices of Dentists	27.3	27.2	27.3	26.9	27.5	27.6	27.5	27.0	27.1	27.0	27.1	26.7	27.0	27.3	27.1	26.6
Outpatient Care Centers	30.5	30.9	32.5	34.0	31.3	32.0	32.3	32.6	33.1	33.7	34.0	33.9	34.3	34.3	34.3	34.2
Home Health Care Services	27.7	28.4	29.0	28.8	29.3	29.4	29.0	28.8	28.8	28.7	28.7	28.8	29.0	28.9	29.0	29.1
Private Hospitals	34.3	34.3	34.8	35.2	34.4	34.6	34.6	34.9	35.1	35.0	35.0	35.4	35.4	35.7	35.6	35.9
Nursing and Residential Care Fac	33.0	32.8	32.6	32.7	32.6	32.5	32.5	32.7	32.6	32.6	32.6	33.0	32.5	32.5	32.4	32.5
Nursing Care Facilities	32.8	32.5	32.2	32.3	32.4	32.3	32.1	32.3	32.1	32.2	32.2	32.6	32.1	32.2	32.2	32.4
Residential Mental Health Facili	34.3	34.1	34.0	34.1	34.0	33.9	33.8	34.2	34.1	34.3	34.1	34.4	33.6	33.8	33.8	33.3
Continuing Care Retirement Coi	32.3	32.3	32.3	32.2	32.3	32.3	32.2	32.4	32.4	31.9	32.2	32.6	32.2	32.0	31.6	31.9
Average Hourly Earnings																
Nonfarm Private Sector ¹	14.53	14.95	15.35	15.67	15.17	15.30	15.28	15.34	15.47	15.56	15.59	15.68	15.84	15.97	16.00	16.11
Health Care	15.37	16.07	16.68	17.32	16.41	16.57	16.53	16.70	16.91	17.10	17.20	17.38	17.59	17.73	17.86	18.05
Ambulatory Health Care Services	15.59	16.25	16.87	17.44	16.57	16.76	16.74	16.91	17.06	17.23	17.34	17.51	17.66	17.70	17.85	17.86
Offices of Physicians	16.25	17.04	17.91	18.40	17.56	17.83	17.80	17.98	18.02	18.23	18.31	18.45	18.63	18.69	18.81	18.94
Offices of Dentists	16.74	17.78	18.38	18.96	18.08	18.22	18.18	18.40	18.72	18.77	18.89	19.05	19.13	19.13	19.21	19.38
Outpatient Care Centers	15.95	16.50	17.67	18.57	16.89	17.26	17.48	17.85	18.11	18.36	18.48	18.68	18.77	18.82	18.84	18.96
Home Health Care Services	13.18	13.37	13.69	14.41	13.38	13.55	13.55	13.71	13.95	14.21	14.31	14.49	14.63	14.57	14.34	14.38
Private Hospitals	17.72	18.63	19.37	20.30	19.06	19.24	19.16	19.38	19.70	19.99	20.12	20.40	20.70	20.94	21.11	21.44
Nursing and Residential Care Fac	11.19	11.60	11.86	12.06	11.79	11.82	11.81	11.88	11.93	11.97	12.01	12.08	12.16	12.22	12.29	12.43
Nursing Care Facilities	11.69	12.13	12.52	12.75	12.34	12.43	12.46	12.58	12.61	12.65	12.70	12.79	12.85	12.93	13.00	13.14
Residential Mental Health Facili	10.38	10.72	10.83	11.11	10.87	10.81	10.76	10.79	10.95	11.02	11.06	11.13	11.21	11.22	11.21	11.29
Continuing Care Retirement Coi	10.87	11.27	11.45	11.68	11.42	11.40	11.42	11.49	11.47	11.62	11.68	11.66	11.75	11.93	12.06	12.26
Addenda: Hospital Employment in Thousands																
Total	5,253	5,375	5,473	5,534	5,421	5,437	5,463	5,490	5,503	5,505	5,529	5,548	5,555	5,559	5,591	5,633
Private	4,051	4,160	4,245	4,285	4,202	4,219	4,244	4,252	4,263	4,260	4,280	4,297	4,301	4,305	4,333	4,370
Federal	229	227	233	245	226	227	231	237	239	243	245	246	248	249	249	248
State	345	349	348	348	351	349	348	348	347	347	348	348	349	347	347	348
Local	628	642	651	656	645	647	650	653	655	655	656	657	658	659	662	668

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

NOTE: Data presented here conform to the 1997 North American Industrial Classification System. 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 2001-October 2005.

Table 3
Percent Change in Employment, Hours, and Earnings in Private Health Service Establishments by Selected Type of Establishment: 2002-2005

Type of establishment	2002				2003				2004				2005			
	2001	2002	2003	2004	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total Employment in Thousands																
Percent Change from Same Period of Previous Year																
Nonfarm Private Sector ¹	-0.3	-1.7	-0.4	1.3	-0.8	-0.6	-0.5	-0.4	0.0	0.5	1.4	1.6	1.7	1.8	1.7	1.7
Health Care	3.0	3.1	2.4	2.0	3.0	2.7	2.7	2.3	2.0	1.9	1.9	2.1	2.1	2.1	2.0	2.3
Ambulatory Health Care Services	3.3	3.8	3.3	3.5	4.1	3.5	3.5	3.3	3.0	3.3	3.5	3.5	3.6	3.4	3.1	3.3
Offices of Physicians	3.9	3.0	1.8	2.3	2.6	1.8	1.8	1.6	1.9	2.3	2.4	2.1	2.2	1.9	2.5	2.9
Offices of Dentists	2.5	2.8	2.7	2.1	3.5	3.1	2.8	3.1	2.0	1.9	2.4	1.9	2.3	1.9	1.2	1.6
Outpatient Care Centers	3.4	3.3	3.3	5.5	3.6	3.5	3.6	3.2	3.0	4.5	5.3	6.4	6.0	5.3	4.8	5.0
Home Health Care Services	0.8	6.5	7.8	6.0	7.5	7.4	8.1	8.6	7.1	6.5	5.7	5.7	6.0	6.4	5.1	4.6
Private Hospitals	2.4	2.7	2.0	0.9	2.5	2.5	2.5	1.7	1.4	1.0	0.8	1.1	0.9	1.0	1.2	1.7
Nursing and Residential Care Fac	3.6	2.5	1.6	1.2	1.9	1.7	1.8	1.4	1.3	0.9	1.0	1.3	1.4	1.4	1.2	1.5
Nursing Care Facilities	2.2	1.7	0.4	-0.2	1.2	0.9	0.8	0.1	-0.1	-0.7	-0.4	0.2	0.2	0.2	0.0	0.2
Residential Mental Health Facili	5.5	2.6	2.3	1.2	1.8	2.5	2.4	2.2	2.1	1.2	1.2	1.1	1.2	1.2	1.9	2.3
Continuing Care Retirement Cor	4.1	6.0	9.0	10.4	6.9	6.5	8.3	10.4	10.8	12.1	11.0	9.8	9.0	8.4	8.5	8.0
Nonsupervisory Employment																
Nonfarm Private Sector ¹	-0.4	-1.8	-0.8	1.5	-1.1	-1.2	-1.1	-0.7	-0.4	0.2	1.4	1.9	2.2	2.4	2.3	2.2
Health Care	3.1	2.9	1.6	1.5	2.5	1.8	2.0	1.6	1.2	1.1	1.3	1.7	1.8	2.1	2.1	2.2
Ambulatory Health Care Services	3.2	3.4	2.2	2.7	3.5	2.4	2.5	2.3	1.6	2.0	2.5	3.0	3.5	3.6	3.4	3.3
Offices of Physicians	3.6	2.2	0.1	1.3	1.6	0.3	0.2	0.1	-0.1	0.6	1.4	1.3	1.9	1.8	2.4	3.0
Offices of Dentists	2.6	2.8	1.2	1.1	3.5	1.8	1.7	1.6	-0.3	0.2	0.8	1.4	1.9	2.2	1.8	1.8
Outpatient Care Centers	3.9	2.5	2.4	5.1	2.7	2.2	3.0	2.2	2.3	3.8	4.7	6.5	5.3	5.2	4.3	3.9
Home Health Care Services	0.8	6.5	7.8	5.8	7.8	7.5	8.4	9.0	6.5	6.0	5.4	5.5	6.4	7.0	5.5	5.1
Private Hospitals	2.7	2.5	1.5	0.7	2.0	1.7	1.9	1.2	1.0	0.7	0.5	0.8	0.7	0.9	1.2	1.5
Nursing and Residential Care Fac	3.8	2.5	1.1	0.7	1.6	1.1	1.3	1.0	0.8	0.4	0.6	1.0	1.0	1.3	1.2	1.1
Nursing Care Facilities	2.4	1.7	0.1	0.0	0.8	0.5	0.5	-0.1	-0.3	-0.7	-0.3	0.5	0.5	0.3	-0.3	-0.4
Residential Mental Health Facili	5.6	2.8	1.9	0.4	2.0	2.2	2.0	1.9	1.6	0.4	0.4	0.4	0.2	0.6	2.0	1.2
Continuing Care Retirement Cor	4.3	6.3	8.1	9.1	6.9	6.0	7.4	9.3	9.8	11.0	9.5	8.4	7.7	8.1	9.3	8.8
Average Weekly Hours																
Nonfarm Private Sector ¹	-1.1	-0.3	-0.5	0.0	0.1	0.2	-0.8	-1.0	-0.3	-0.1	0.1	0.4	-0.2	-0.1	0.1	-0.1
Health Care	0.5	0.2	0.6	0.5	0.5	1.4	0.7	-0.1	0.5	0.3	0.4	1.0	0.3	0.9	0.7	0.4
Ambulatory Health Care Services	0.7	1.1	0.5	0.1	1.7	2.5	1.0	-0.9	-0.6	-0.7	0.0	0.6	0.5	0.6	0.6	0.7
Offices of Physicians	1.0	1.1	0.1	0.8	1.4	1.7	-0.1	-1.0	-0.3	-0.3	1.0	1.7	0.8	0.5	0.4	-0.1
Offices of Dentists	-0.3	-0.3	0.3	-1.3	0.0	2.6	1.7	-1.7	-1.2	-2.3	-1.7	-0.9	-0.5	1.1	0.0	-0.6
Outpatient Care Centers	0.4	1.6	5.1	4.6	2.5	4.9	4.5	4.9	5.9	5.5	5.3	4.1	3.6	2.6	0.8	0.7
Home Health Care Services	0.9	2.9	1.9	-0.6	5.8	6.0	3.3	0.1	-1.7	-2.3	-0.9	0.0	0.8	0.7	1.0	1.0
Private Hospitals	0.7	-0.2	1.6	1.2	0.4	1.5	1.2	1.6	2.2	1.4	1.2	1.5	0.7	2.0	1.5	1.4
Nursing and Residential Care Fac	0.2	-0.6	-0.6	0.1	-0.9	-0.1	-0.8	-1.0	-0.3	-0.2	0.2	0.8	-0.4	-0.2	-0.6	-1.6
Nursing Care Facilities	0.2	-1.0	-0.9	0.3	-1.4	-0.7	-1.0	-1.2	-0.7	-0.3	0.3	1.0	0.0	0.1	-0.2	-0.7
Residential Mental Health Facili	0.1	-0.4	-0.5	0.3	-0.9	-0.5	-1.3	-0.5	0.4	1.2	1.0	0.6	-1.5	-1.5	-1.0	-3.2
Continuing Care Retirement Cor	0.3	0.1	0.1	-0.3	0.1	1.4	-0.1	-1.0	0.1	-1.1	-0.1	0.4	-0.5	0.2	-2.0	-1.9
Average Hourly Earnings																
Nonfarm Private Sector ¹	3.8	2.9	2.7	2.1	3.1	3.4	2.9	2.6	2.0	1.7	2.1	2.2	2.4	2.6	2.6	2.8
Health Care	5.1	4.6	3.8	3.8	4.8	5.0	3.9	3.3	3.0	3.2	4.0	4.1	4.0	3.7	3.9	3.8
Ambulatory Health Care Services	4.0	4.2	3.8	3.4	4.7	5.0	3.9	3.3	3.0	2.8	3.6	3.5	3.5	2.7	2.3	2.0
Offices of Physicians	3.8	4.9	5.1	2.8	6.6	7.1	6.2	4.4	2.6	2.2	2.8	2.6	3.4	2.6	2.7	2.7
Offices of Dentists	4.9	6.2	3.4	3.1	5.8	5.2	2.3	2.5	3.6	3.0	3.9	3.5	2.2	1.9	1.7	1.8
Outpatient Care Centers	4.3	3.5	7.1	5.1	4.4	6.5	7.0	7.9	7.2	6.4	5.7	4.6	3.7	2.5	1.9	1.5
Home Health Care Services	2.7	1.4	2.4	5.2	0.5	1.2	1.4	2.6	4.3	4.8	5.6	5.7	4.9	2.6	0.2	-0.7
Private Hospitals	6.1	5.1	4.0	4.8	5.0	5.4	3.9	3.4	3.3	3.9	5.0	5.2	5.1	4.8	4.9	5.1
Nursing and Residential Care Fac	4.9	3.6	2.3	1.7	3.9	3.3	2.9	1.8	1.2	1.3	1.7	1.7	1.9	2.1	2.3	2.9
Nursing Care Facilities	5.5	3.8	3.2	1.8	3.9	3.8	3.8	3.0	2.2	1.8	2.0	1.7	1.9	2.2	2.3	2.8
Residential Mental Health Facili	4.2	3.3	1.0	2.6	3.9	2.4	1.1	-0.1	0.7	1.9	2.9	3.1	2.4	1.8	1.3	1.5
Continuing Care Residential Cor	5.3	3.7	1.5	2.0	3.6	2.5	2.2	1.0	0.4	1.9	2.2	1.5	2.5	2.7	3.3	5.1
Addenda: Hospital Employment in Thousand:																
Total	2.2	2.3	1.8	1.1	2.0	2.0	2.1	1.7	1.5	1.3	1.2	1.0	0.9	1.0	1.1	1.5
Private	2.4	2.7	2.0	0.9	2.5	2.5	2.5	1.7	1.4	1.0	0.8	1.1	0.9	1.0	1.2	1.7
Federal	3.2	-1.0	3.0	5.0	-1.7	-0.4	2.0	4.5	5.9	6.8	5.9	4.1	3.5	2.6	1.9	0.9
State	0.6	1.3	-0.5	0.0	0.6	0.4	0.0	-0.9	-1.3	-0.3	0.0	-0.2	0.5	-0.1	-0.3	0.1
Local	1.0	2.1	1.5	0.8	1.4	1.3	1.7	1.5	1.5	1.3	0.9	0.5	0.5	0.6	0.9	1.6

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

NOTE: Data presented here conform to the 1997 North American Industrial Classification System. 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 2001 - January 2006.

Table 4

Percent Change in Implied Nonsupervisory Payrolls, Aggregate Hours and Various Employment Cost Indexes for the Total Economy and Private Health Service Establishments: 2002-2005

	Calendar Year				2002 Q4	2003 Q1	2003 Q2	2003 Q3	2003 Q4	2004 Q1	2004 Q2	2004 Q3	2004 Q4	2005 Q1	2005 Q2	2005 Q3
	2001	2002	2003	2004												
Employment & Earnings (see tables 4, 5)	Percent Change from Same Period of Previous Year															
Payrolls																
Nonfarm Private Sector ¹	2.3	0.8	1.4	3.6	2.0	2.4	1.0	0.8	1.3	1.8	3.6	4.6	4.5	5.0	5.1	4.9
Health Care	8.9	7.8	6.3	6.1	8.0	8.6	6.7	5.1	5.0	4.8	6.1	7.0	6.4	6.9	6.6	6.6
Ambulatory Health Care Services	8.1	9.0	6.5	6.3	10.2	10.1	7.5	4.8	3.9	4.1	6.2	7.3	7.7	7.2	6.4	6.2
Offices of Physicians	8.7	8.4	5.3	5.0	9.9	9.3	6.4	3.4	2.2	2.6	5.3	5.7	6.2	4.9	5.6	5.6
Offices of Dentists	7.3	8.8	4.9	2.9	9.5	9.9	5.8	2.4	2.0	0.8	3.0	4.0	3.6	5.3	3.5	3.0
Outpatient Care Centers	8.8	7.8	15.3	15.5	9.9	14.2	15.1	15.7	16.1	16.6	16.5	15.9	13.2	10.5	7.1	6.3
Home Health Care Services	4.5	11.2	12.4	10.7	14.5	15.4	13.6	11.9	9.2	8.6	10.3	11.5	12.5	10.5	6.8	5.5
Private Hospitals	9.6	7.5	7.2	6.8	7.5	8.8	7.1	6.2	6.8	6.0	6.8	7.7	6.5	7.9	7.8	8.2
Nursing and Residential Care Facilities	9.1	5.5	2.8	2.5	4.6	4.4	3.4	1.8	1.7	1.5	2.5	3.6	2.5	3.2	2.8	2.4
Nursing Care Facilities	8.3	4.5	2.3	2.1	3.2	3.5	3.2	1.6	1.2	0.8	2.0	3.2	2.4	2.5	1.8	1.6
Residential Mental Health Facilities	10.2	5.8	2.5	3.2	9.2	8.3	6.9	4.5	-0.5	4.3	4.6	-7.8	10.7	7.3	7.1	22.4
Continuing Care Retirement Communities	10.2	10.4	9.9	10.9	10.8	10.1	9.7	9.2	10.7	11.8	11.8	10.5	9.5	11.2	10.7	12.2
Aggregate Hours																
Nonfarm Private Sector ¹	-1.5	-2.0	-1.3	1.5	-1.0	-1.0	-1.9	-1.7	-0.7	0.1	1.5	2.3	2.0	2.3	2.4	2.1
Health Care	3.6	3.1	2.3	2.0	3.0	3.3	2.7	1.5	1.7	1.4	1.7	2.7	2.2	3.0	2.8	2.6
Ambulatory Health Care Services	3.9	4.6	2.7	2.9	5.3	4.9	3.5	1.4	0.9	1.3	2.5	3.6	4.0	4.3	4.0	4.1
Offices of Physicians	4.7	3.3	0.2	2.1	3.1	2.1	0.1	-0.9	-0.4	0.3	2.4	3.0	2.8	2.3	2.8	2.9
Offices of Dentists	2.3	2.4	1.5	-0.3	3.5	4.5	3.5	-0.1	-1.5	-2.1	-0.9	0.5	1.4	3.3	1.8	1.2
Outpatient Care Centers	4.4	4.1	7.6	9.9	5.2	7.3	7.6	7.2	8.3	9.6	10.2	10.8	9.2	7.9	5.1	4.7
Home Health Care Services	1.8	9.6	9.8	5.2	14.0	14.0	11.9	9.1	4.7	3.6	4.4	5.5	7.2	7.8	6.6	6.2
Private Hospitals	3.3	2.3	3.1	1.9	2.4	3.2	3.1	2.7	3.3	2.1	1.7	2.4	1.3	3.0	2.8	3.0
Nursing and Residential Care Facilities	4.0	1.9	0.5	0.8	0.7	1.0	0.5	0.0	0.5	0.2	0.8	1.8	0.6	1.1	0.6	-0.5
Nursing Care Facilities	2.6	0.7	-0.8	0.2	-0.6	-0.3	-0.5	-1.4	-1.0	-1.0	0.0	1.5	0.5	0.4	-0.5	-1.1
Residential Mental Health Facilities	5.7	2.4	1.5	0.6	1.1	1.7	0.7	1.4	2.0	1.7	1.2	0.9	-1.2	-1.0	1.3	-2.0
Continuing Care Retirement Communities	4.6	6.4	8.2	8.7	7.0	7.4	7.3	8.1	9.9	9.7	9.4	8.9	7.2	8.3	7.2	6.7
Employment Cost Indexes																
Compensation																
All Workers - Civilian	4.1	3.7	3.8	3.8	3.4	3.9	3.7	3.9	3.8	3.8	3.9	3.8	3.7	3.5	3.2	3.1
Health Services Workers	4.9	4.5	3.7	4.1	3.9	3.7	3.6	3.8	3.8	4.0	4.1	4.4	4.1	4.0	3.8	3.4
Hospital Workers	5.4	5.2	4.4	4.2	4.8	4.7	4.3	4.5	4.3	4.1	4.3	4.3	4.0	4.2	4.1	3.9
All Workers - Private Industry	4.1	3.7	3.9	3.8	3.2	3.8	3.5	4.0	4.0	3.9	4.0	3.7	3.8	3.4	3.2	3.0
Health Services Workers	5.0	4.4	3.8	4.2	3.8	3.7	3.6	3.8	3.9	4.1	4.1	4.5	4.2	4.0	3.8	3.3
Hospital Workers	5.8	5.3	4.7	4.4	4.9	4.9	4.5	4.6	4.6	4.3	4.5	4.5	4.2	4.3	4.2	4.0
Nursing Home Workers	-	-	-	-	4.0	3.9	3.5	3.6	3.4	3.4	3.3	3.1	3.0	2.4	2.6	3.0
All Workers - State and Local Government ¹	3.9	3.8	3.8	3.2	4.1	4.2	4.1	3.6	3.3	3.3	3.4	3.4	3.5	3.6	3.6	3.7
Health Services Workers	4.3	4.6	3.5	3.6	4.4	3.7	3.3	3.7	3.3	3.5	3.7	3.7	3.4	3.9	3.9	3.8
Hospital Workers	4.1	4.7	3.6	3.4	4.5	3.9	3.4	3.8	3.1	3.2	3.5	3.5	3.5	3.9	3.8	3.6
Wages and Salaries																
All Workers - Civilian	3.7	3.3	2.8	2.5	2.9	2.9	2.7	2.9	2.9	2.5	2.5	2.4	2.4	2.4	2.4	2.3
Health Services Workers	4.6	4.2	3.1	3.5	3.5	3.0	3.0	3.2	3.1	3.5	3.3	3.7	3.5	3.3	3.4	2.8
Hospital Workers	5.1	4.8	3.7	3.3	4.3	4.0	3.7	3.7	3.4	3.4	3.3	3.3	3.3	3.4	3.4	3.3
All Workers - Private Industry	3.8	3.3	2.9	2.5	2.7	3.0	2.6	3.0	3.0	2.6	2.6	2.6	2.4	2.4	2.4	2.2
Health Services Workers	4.6	4.1	3.1	3.6	3.4	2.9	3.0	3.2	3.2	3.6	3.4	3.8	3.7	3.3	3.4	2.9
Hospital Workers	5.4	4.9	3.9	3.5	4.3	4.1	3.8	3.9	3.6	3.5	3.6	3.5	3.5	3.5	3.6	3.5
Nursing Home Workers				2.0	4.1	3.5	3.3	3.1	2.8	2.7	2.6	2.5	2.5	2.5	2.8	2.9
All Workers - State & Local Government ¹	3.7	3.2	2.6	2.0	3.2	3.1	3.1	2.3	2.1	2.1	1.9	2.0	2.1	2.3	2.4	2.7
Health Services Workers	4.0	4.5	3.0	2.6	4.1	3.2	3.0	2.9	2.8	2.8	2.6	2.7	2.4	2.7	2.9	2.7
Hospital Workers	4.0	4.6	3.0	2.6	4.4	3.4	3.1	3.1	2.6	2.6	2.5	2.7	2.6	2.7	2.7	2.4
Benefits																
All Workers - Civilian	4.9	4.9	6.3	6.9	5.0	6.1	6.3	6.5	6.3	6.9	7.2	6.8	6.9	5.9	5.1	5.1
All Workers - Private Industry	5.0	4.9	6.3	7.0	4.7	6.1	6.1	6.5	6.4	7.0	7.3	6.8	6.9	5.8	4.9	4.8
All Workers - State & Local Government ¹	4.3	5.3	6.6	6.5	6.2	6.6	6.8	6.7	6.1	6.2	6.6	6.4	6.7	6.6	6.0	6.1

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

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

Table 5
Selected National Economic Indicators: 2001-2005

Indicator	Calendar Year				2002	2003	2003	2003	2003	2004	2004	2004	2004	2005	2005	2005
	2001	2002	2003	2004	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<u>Gross Domestic Product</u>																
Billions of Dollars	10,128	10,470	10,971	11,734	10,591	10,717	10,845	11,087	11,236	11,457	11,666	11,819	11,995	12,199	12,378	12,606
Billions of 1996 Chain Weighted Dolla	9,891	10,049	10,321	10,756	10,096	10,139	10,230	10,411	10,503	10,613	10,704	10,809	10,897	10,999	11,089	11,202
Implicit Price Deflator (1996 = 100.0)	102.4	104.2	106.3	109.1	104.9	105.7	106.0	106.5	107.0	108.0	109.0	109.3	110.1	110.9	111.6	112.5
<u>Personal Income</u>																
Personal Income in Billions	8,724	8,882	9,169	9,713	8,926	9,014	9,119	9,215	9,329	9,485	9,614	9,729	10,025	10,073	10,186	10,250
Disposable Income in Billions	7,487	7,830	8,169	8,664	7,882	7,989	8,092	8,275	8,321	8,475	8,580	8,671	8,930	8,902	8,980	9,030
<u>Prices¹</u>																
Consumer Price Index, All Items	177.1	179.9	184.0	188.9	181.2	183.0	183.7	184.6	184.6	186.3	188.9	189.6	190.7	191.9	194.5	196.9
All Items Less Medical Care	171.9	174.3	178.1	182.7	175.4	177.2	177.9	178.6	178.6	180.2	182.7	183.3	184.4	185.4	188.0	190.3
Energy	129.3	121.7	136.5	151.4	124.8	135.2	136.2	140.7	133.9	140.4	153.2	155.3	156.7	156.0	170.6	191.0
Food and Beverages	173.6	176.8	180.5	186.6	177.4	178.7	179.5	180.8	183.1	184.6	186.1	187.2	188.6	189.5	190.9	191.5
Medical Care	272.8	285.6	297.1	310.1	290.3	293.5	295.5	298.4	300.9	305.7	309.1	311.6	314.1	318.9	322.2	324.2
<u>Producer Price² Index Finished</u>																
Consumer Goods	141.5	139.4	145.3	151.7	140.5	144.1	144.2	145.8	147.0	148.2	151.6	151.9	155.0	156.0	158.6	162.2
Energy	96.7	88.8	102.0	113.0	92.2	101.5	100.7	104.4	101.5	106.2	111.9	115.2	118.6	119.6	126.6	139.2
Food	141.3	140.1	146.0	152.7	139.3	142.4	144.6	146.4	150.5	149.1	154.4	152.4	154.9	155.3	156.2	154.7
Finished Goods Except Food & Energ	156.9	157.7	157.9	160.3	158.3	157.9	157.3	157.1	159.2	159.5	159.9	159.6	162.3	163.7	164.0	164.1
Percent Change from Same Period of Previous Year																
<u>Gross Domestic Product</u>																
Billions of Dollars	3.2	3.4	4.8	7.0	3.6	3.7	4.0	5.3	6.1	6.9	7.6	6.6	6.8	6.5	6.1	6.7
Billions of 1996 Chain Weighted Dolla	0.7	1.6	2.7	4.2	1.9	1.6	2.0	3.2	4.0	4.7	4.6	3.8	3.8	3.6	3.6	3.6
Implicit Price Deflator (1996 = 100.0)	2.4	1.7	2.0	2.6	1.7	2.1	2.0	2.1	2.0	2.1	2.8	2.7	2.9	2.7	2.4	2.9
<u>Personal Income</u>																
Personal Income in Billions	3.5	1.8	3.2	5.9	1.9	2.3	2.5	3.6	4.5	5.2	5.4	5.6	7.5	6.2	5.9	5.4
Disposable Income in Billions	4.1	4.6	4.3	6.1	4.7	3.1	3.2	5.5	5.6	6.1	6.0	4.8	7.3	5.0	4.7	4.1
<u>Prices¹</u>																
Consumer Price Index, All Items	2.8	1.6	2.3	2.7	2.2	2.9	2.1	2.2	1.9	1.8	2.9	2.7	3.3	3.0	2.9	3.8
All Items Less Medical Care	2.7	1.4	2.2	2.6	2.1	2.7	2.0	2.1	1.8	1.7	2.7	2.6	3.2	2.9	2.9	3.8
Energy	3.8	-5.9	12.2	10.9	7.1	19.9	10.4	11.8	7.3	3.8	12.5	10.4	17.0	11.1	11.3	23.0
Food and Beverages	3.1	1.8	2.1	3.4	1.3	1.3	1.7	2.3	3.2	3.3	3.7	3.5	3.0	2.7	2.6	2.3
Medical Care	4.6	4.7	4.0	4.4	5.0	4.5	4.0	3.9	3.7	4.2	4.6	4.4	4.4	4.3	4.2	4.0
<u>Producer Price² Index Finished</u>																
Consumer Goods	2.4	-1.5	4.2	4.4	1.5	4.5	3.5	4.3	4.6	2.9	5.2	4.2	5.4	5.3	4.6	6.7
Energy	2.7	-8.1	14.9	10.7	8.2	22.9	13.1	14.0	10.2	4.7	11.1	10.3	16.8	12.6	13.2	20.8
Food	3.0	-0.9	4.2	4.6	-1.3	0.1	3.7	5.1	8.0	4.7	6.8	4.1	2.9	4.2	1.1	1.5
Finished Goods Except Food & Energ	1.9	0.5	0.1	1.5	0.3	0.2	-0.3	0.1	0.6	1.0	1.7	1.6	1.9	2.7	2.6	2.8

¹ Base Period = 1982-84, unless noted.

² Formerly called the "Wholesale Price Index."

NOTE: Q designates quarter of year. 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 2001 - September 2005; U. S. Department of Labor, Bureau of Labor Statistics: CPI Detailed Report and Producer Price Indexes, Washington. U.S. Government Printing Office. Monthly reports for January 2001 - September 2005

Table 6
Index Levels in Medical Prices: 2001-2005

Indicator	Calendar Year				2002	2003	2003	2003	2003	2004	2004	2004	2004	2005	2005	2005
	2001	2002	2003	2004	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Consumer Price Indexes, All Urban Consumers¹																
Medical Care Services ²	278.8	292.9	306.0	321.3	298.3	301.9	304.2	307.3	310.5	316.3	320.0	323.0	326.0	332.1	335.8	337.7
Professional Services	246.5	253.9	261.2	271.5	256.5	258.6	260.7	262.0	263.4	267.7	271.0	273.0	274.2	278.2	281.5	282.7
Physicians' Services	253.6	260.6	267.7	278.3	263.7	265.7	267.2	268.3	269.5	274.6	278.1	279.6	280.8	284.4	287.5	288.7
Dental Services	269.0	281.0	292.5	306.9	284.3	287.1	291.9	294.6	296.6	301.2	305.7	309.3	311.4	318.2	323.7	325.4
Hospital and Related Services	338.3	367.8	394.8	417.9	379.9	387.5	389.8	397.4	404.4	412.0	415.0	419.4	425.2	434.3	437.4	440.1
Hospital Services (12/96=100)	123.6	134.7	144.7	153.4	139.3	142.1	142.8	145.7	148.3	151.2	152.3	153.9	156.1	159.5	160.7	161.6
Inpatient Hospital Services (12/96=100)	121.0	131.2	140.1	148.1	135.1	137.7	138.5	141.1	143.0	146.0	147.1	148.8	150.6	154.8	155.9	156.8
Outpatient Hospital Services (12/86=100)	281.1	309.8	337.9	356.3	324.6	331.9	333.1	340.6	346.1	351.7	354.6	356.7	362.1	367.7	370.4	373.1
Nursing Home Services (12/96=100)	121.8	127.9	135.2	140.4	129.7	132.9	134.8	136.1	137.1	138.9	139.7	141.3	141.9	143.5	144.2	145.5
Medical Care Commodities	247.6	256.4	262.8	269.3	259.0	260.7	261.8	264.2	264.6	266.5	269.1	270.3	271.2	272.6	274.6	276.9
Prescription Drugs	300.9	316.5	326.3	337.1	320.7	323.8	324.8	327.8	328.8	332.2	336.6	338.9	340.6	343.9	346.7	350.8
Non-prescription Drugs & Medical Supplies (1986=100)	150.6	150.4	152.0	152.3	150.6	150.6	151.7	153.0	152.6	152.5	152.4	152.0	152.1	150.8	151.5	151.4
Internal and Respiratory Over-the-Counter Drugs	178.9	178.8	181.2	180.9	179.2	179.1	181.0	182.8	181.7	181.6	181.7	180.5	180.0	177.9	179.6	179.8
Non-prescription Medical Equipment and Supplies	178.2	177.5	178.1	179.7	177.4	177.6	177.4	178.3	179.2	179.2	178.7	179.8	181.2	181.1	179.9	179.2
Producer Price Indexes³																
Industry Groupings⁴																
Offices and Clinics of Doctors of Medicine (12/93=100)	119.1	119.1	120.9	123.4	119.1	119.5	120.9	121.5	121.7	123.3	123.4	123.4	123.4	125.2	125.6	125.8
Hospitals (12/92=100)	123.0	127.5	134.9	141.5	130.5	132.7	134.1	135.3	137.6	140.0	140.7	141.6	143.5	145.3	145.7	146.7
General Medical and Surgical Hospitals (12/92=100)	123.4	127.9	135.3	141.9	130.9	133.0	134.4	135.7	138.0	140.4	141.2	142.1	144.0	145.8	146.2	147.0
Medicare Patients (12/92=100)	113.0	116.1	122.1	126.5	118.7	120.8	121.6	121.7	124.3	125.4	125.6	125.8	129.1	130.1	130.2	129.9
Medicaid Patients (12/92=100)	117.3	121.0	125.5	128.4	122.7	124.0	124.8	125.7	127.7	128.3	128.7	128.2	128.3	129.2	129.5	131.1
All Other Patients (12/92=100)	129.4	136.1	147.0	157.4	140.4	143.3	145.9	148.1	150.9	155.0	156.4	158.2	159.9	162.5	163.1	164.1
Skilled and Intermediate Care Facilities (12/94=100)	139.3	144.6	149.4	155.6	145.3	147.5	148.4	150.1	151.5	153.8	154.7	156.4	157.6	159.8	160.7	162.0
Public Payers (12/94=100)	140.9	146.2	149.5	155.6	146.1	147.6	148.5	150.2	151.8	153.4	154.5	156.5	157.8	159.5	160.5	161.8
Private Payers (12/94=100)	138.3	144.1	151.2	157.6	146.0	149.5	150.3	151.9	153.2	156.4	156.9	158.0	159.1	162.4	163.0	164.4
Medical Laboratories (6/94=100)	113.8	116.3	118.2	119.0	116.7	117.3	117.6	118.8	119.1	119.0	119.1	119.0	119.0	124.8	125.8	125.9
Home Health Care Services (12/96=100)	114.0	116.6	117.0	119.8	116.1	116.8	116.2	116.3	118.8	119.6	119.7	119.7	120.2	120.9	120.8	120.9
Medicare Payers (12/96=100)	116.2	118.2	114.7	117.7	114.8	114.9	113.3	113.2	117.2	117.3	117.5	117.4	118.4	119.3	118.8	118.8
Commodity Groupings																
Drugs and Pharmaceuticals	261.8	265.8	274.7	284.5	268.2	271.5	273.8	275.9	277.5	280.8	284.6	285.5	287.1	291.3	296.0	302.6
Pharmaceutical Preparations (06/01=100)	-	102.7	107.3	112.0	104.2	105.5	106.7	107.9	108.8	110.2	112.2	112.5	113.2	114.8	116.7	120.0
Medical, Surgical, and Personal Aid Devices	148.3	150.9	154.7	157.8	151.8	154.1	154.4	154.7	155.7	157.4	157.9	158.4	157.4	158.7	158.9	159.2
Personal Aid Equipment	155.2	161.4	162.3	165.4	162.3	162.3	162.3	162.3	162.3	164.6	165.7	165.7	165.7	166.4	167.9	167.9
Medical Instruments and Equipment (6/82=100)	127.0	129.1	132.8	134.2	129.4	132.3	132.9	133.1	132.9	133.8	134.4	135.2	133.5	135.1	135.1	134.8
Surgical Appliances and Supplies (6/83=100)	170.4	174.0	178.2	184.3	175.9	177.6	177.0	177.5	180.8	183.8	184.2	184.2	185.1	184.9	185.6	186.3
Ophthalmic Goods (12/83=100)	118.5	119.3	120.0	120.8	119.4	119.6	119.8	120.1	120.3	120.7	120.7	120.9	120.9	121.3	121.4	122.0
Dental Equipment and Supplies (6/85=100)	170.4	172.0	179.1	182.3	173.0	177.4	179.2	179.6	180.2	182.4	183.8	184.6	178.5	185.1	184.9	187.1

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

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

³ Unless otherwise noted, base year is 1982 = 100. Producer sold outside the industry) and commodity (price changes by

⁴ Further detail for Producer Price Industry groupings, such as types of physician practices, hospital DRG groupings, etc., are available from BLS.

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

NOTE: With the January 2004 data release, the Bureau of Labor Statistics converted industry-grouped PPIs from SIC-based PPIs to NAICS-based PPIs. Commodity groupings did not change.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics: *CPI Detailed Report* and *Producer Price Indexes*. Washington. U.S. Government Printing Office. Monthly reports for January 2000 - September 2005.

Table 7
Percent Change in Medical Prices: 2001-2005

Indicator	Calendar Year				2002	2003	2003	2003	2003	2004	2004	2004	2004	2005	2005	2005
	2001	2002	2003	2004	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	Percent Change from Same Period of Previous Year															
Consumer Price Indexes, All Urban Consumers¹																
Medical Care Services ²	4.8	5.1	4.5	5.0	5.5	5.0	4.5	4.3	4.1	4.8	5.2	5.1	5.0	5.0	4.9	4.5
Professional Services	3.7	3.0	2.9	4.0	3.1	2.9	3.1	2.8	2.7	3.5	4.0	4.2	4.1	3.9	3.9	3.6
Physicians' Services	3.7	2.8	2.7	4.0	3.1	2.9	3.3	2.4	2.2	3.4	4.1	4.2	4.2	3.5	3.4	3.3
Dental Services	4.0	4.5	4.1	4.9	4.5	3.8	4.0	4.2	4.3	4.9	4.7	5.0	5.0	5.6	5.9	5.2
Hospital and Related Services	6.6	8.7	7.4	5.9	9.6	8.8	7.1	7.2	6.4	6.3	6.5	5.5	5.1	5.4	5.4	4.9
Hospital Services (12/96=100)	6.7	8.9	7.4	6.0	9.9	9.0	7.1	7.3	6.5	6.4	6.7	5.6	5.2	5.5	5.5	5.0
Inpatient Hospital Services (12/96=100)	6.3	8.5	6.8	5.7	9.1	8.0	6.6	6.7	5.9	6.1	6.2	5.5	5.3	6.0	6.0	5.4
Outpatient Hospital Services (12/86=100)	6.6	10.2	9.1	5.4	12.5	12.1	9.0	8.8	6.6	6.0	6.5	4.7	4.6	4.5	4.4	4.6
Nursing Home Services (12/96=100)	4.1	5.0	5.7	3.9	4.6	5.6	5.8	5.6	5.7	4.5	3.7	3.8	3.5	3.3	3.2	3.0
Medical Care Commodities	4.0	3.6	2.5	2.5	3.3	2.9	2.5	2.5	2.2	2.2	2.8	2.3	2.5	2.3	2.0	2.5
Prescription Drugs	5.4	5.2	3.1	3.3	4.7	4.0	2.9	2.9	2.5	2.6	3.6	3.4	3.6	3.5	3.0	3.5
Non-prescription Drugs & Medical Supplies (1986=100)	0.7	-0.1	1.1	0.2	0.0	0.2	1.2	1.5	1.3	1.2	0.5	-0.7	-0.3	-1.1	-0.6	-0.4
Internal and Respiratory Over-the-Counter Drugs	1.1	-0.1	1.3	-0.1	0.5	0.3	1.8	1.8	1.4	1.4	0.4	-1.2	-0.9	-2.0	-1.1	-0.4
Non-prescription Medical Equipment and Supplies	0.0	-0.4	0.3	0.9	-1.0	-0.3	-0.1	0.8	1.1	0.9	0.7	0.8	1.1	1.0	0.7	-0.3
Producer Price Indexes³																
Industry Groupings⁴																
Offices and Clinics of Doctors of Medicine (12/92=100)	2.8	0.0	1.5	2.1	-0.2	0.4	1.6	2.0	2.2	3.2	2.1	1.6	1.4	1.5	1.7	1.9
Hospitals (12/92=100)	3.0	3.7	5.8	4.8	5.0	5.8	6.4	5.7	5.4	5.5	4.9	4.7	4.3	3.8	3.6	3.6
General Medical and Surgical Hospitals (12/92=100)	3.1	3.6	5.8	4.9	4.9	5.7	6.3	5.7	5.4	5.6	5.0	4.7	4.4	3.8	3.6	3.4
Medicare Patients (12/92=100)	2.4	2.8	5.2	3.6	4.2	5.6	6.0	4.4	4.7	3.9	3.3	3.3	3.8	3.7	3.7	3.3
Medicaid Patients (12/92=100)	2.6	3.2	3.8	2.3	4.2	4.5	3.5	3.1	4.0	3.5	3.1	2.0	0.5	0.7	0.6	2.3
All Other Patients (12/92=100)	3.6	5.2	8.0	7.0	7.0	7.3	8.7	8.5	7.5	8.1	7.2	6.9	5.9	4.9	4.3	3.7
Skilled and Intermediate Care Facilities (12/94=100)	6.3	3.8	3.3	4.2	2.6	2.8	3.0	2.9	4.3	4.3	4.2	4.2	4.0	3.9	3.9	3.6
Public Payers (12/94=100)	7.1	3.7	2.3	4.0	1.8	1.6	1.9	1.8	3.9	3.9	4.0	4.2	4.0	4.0	3.9	3.4
Private Payers (12/94=100)	5.2	4.2	4.9	4.2	4.2	4.9	5.1	4.7	5.0	4.6	4.4	4.0	3.9	3.8	3.9	4.1
Medical Laboratories (6/94=100)	4.2	2.2	1.7	0.7	1.7	1.3	1.3	2.1	2.1	1.4	1.2	0.1	-0.1	4.8	5.7	5.8
Home Health Care Services (12/96=100)	2.6	2.3	0.4	2.4	0.4	0.7	-0.5	-1.2	2.4	2.4	3.0	3.0	1.2	1.1	0.9	1.0
Medicare Payers (12/96=100)	3.7	1.8	-3.0	2.6	-3.6	-3.6	-5.0	-5.3	2.1	2.1	3.8	3.7	1.0	1.7	1.1	1.2
Commodity Groupings																
Drugs and Pharmaceuticals	1.7	1.6	3.3	3.6	2.1	2.8	3.3	3.7	3.5	3.4	3.9	3.5	3.4	3.8	4.0	6.0
Pharmaceutical Preparations (6/01=100)	-	-	4.4	4.5	4.1	4.0	4.5	4.8	4.4	4.5	5.1	4.3	4.1	4.1	4.0	6.6
Medical, Surgical, and Personal Aid Devices	1.6	1.8	2.5	2.0	1.7	2.6	2.4	2.5	2.6	2.1	2.3	2.4	1.1	0.8	0.6	0.5
Personal Aid Equipment	3.3	4.0	0.5	1.9	3.2	2.1	0.1	0.0	0.0	1.4	2.1	2.1	2.1	1.1	1.3	1.3
Medical Instruments and Equipment (6/82=100)	1.2	1.7	2.9	1.0	1.6	3.0	2.9	2.9	2.7	1.1	1.1	1.6	0.5	1.0	0.5	-0.3
Surgical Appliances and Supplies (6/83=100)	1.9	2.1	2.4	3.4	2.2	2.6	2.2	2.1	2.8	3.5	4.1	3.8	2.3	0.6	0.7	1.1
Ophthalmic Goods (12/83=100)	0.2	0.7	0.6	0.7	0.2	0.4	0.5	0.6	0.8	0.9	0.8	0.6	0.4	0.4	0.6	1.0
Dental Equipment and Supplies (6/85=100)	3.4	0.9	4.1	1.8	1.4	3.4	4.3	4.7	4.2	2.8	2.6	2.8	-1.0	1.5	0.6	1.4

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

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

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

⁴ Further detail for Producer Price Industry groupings, such as types of physician practices, hospital DRG groupings, etc., are available from BLS.

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