

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	1990Q1	1990Q2	1990Q3	1990Q4	1991Q1	1991Q2	1991Q3	1991Q4	1992Q1	1992Q2	1992Q3	1992Q4	1993Q1	1993Q2	1993Q3	1993Q4
Index Levels																		
Total - SNF04		100.000	0.632	0.640	0.649	0.656	0.664	0.670	0.677	0.682	0.689	0.694	0.702	0.706	0.712	0.717	0.723	0.727
Compensation																		
Wages and Salaries	Blended wages and salary proxy	62.755	0.588	0.596	0.606	0.615	0.623	0.629	0.636	0.643	0.650	0.655	0.663	0.669	0.676	0.681	0.687	0.693
Employee Benefits	Blended benefits proxy	51.337	0.598	0.605	0.616	0.624	0.631	0.636	0.644	0.650	0.656	0.661	0.668	0.674	0.680	0.684	0.691	0.697
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	11.418	0.547	0.556	0.566	0.578	0.588	0.595	0.604	0.610	0.622	0.630	0.640	0.649	0.658	0.663	0.669	0.677
Utilities																		
Electricity	WPI - Commercial Electric Power	1.322	0.598	0.604	0.613	0.620	0.628	0.634	0.643	0.650	0.658	0.664	0.673	0.679	0.687	0.692	0.697	0.701
Fuels (non-highway)	WPI - Commercial Natural Gas	1.551	0.685	0.693	0.708	0.698	0.713	0.725	0.761	0.721	0.719	0.737	0.780	0.743	0.741	0.765	0.807	0.768
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.919	0.785	0.809	0.839	0.811	0.827	0.858	0.920	0.838	0.833	0.871	0.939	0.857	0.851	0.891	0.959	0.881
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	0.453	0.533	0.506	0.496	0.515	0.529	0.505	0.494	0.519	0.520	0.501	0.503	0.539	0.545	0.541	0.543	0.565
All Other		0.179	0.556	0.563	0.576	0.581	0.590	0.604	0.621	0.627	0.634	0.645	0.660	0.668	0.674	0.681	0.693	0.701
All Other Products		1.717	0.759	0.759	0.761	0.763	0.765	0.767	0.772	0.778	0.786	0.792	0.799	0.805	0.815	0.821	0.823	0.819
Pharmaceuticals	WPI - Prescription Drugs	25.448	0.664	0.673	0.677	0.684	0.694	0.701	0.705	0.710	0.715	0.721	0.725	0.728	0.734	0.739	0.741	0.744
Food: Direct Purchase	WPI - Processed Foods	19.030	0.663	0.672	0.676	0.682	0.691	0.697	0.700	0.705	0.711	0.717	0.720	0.724	0.729	0.735	0.736	0.739
Food: Contract Service	CPI - Food Away Fr. Home	7.894	0.490	0.501	0.505	0.514	0.528	0.542	0.550	0.558	0.568	0.578	0.584	0.589	0.598	0.605	0.610	0.612
Chemicals	Blended chemical proxy	2.906	0.799	0.813	0.816	0.809	0.812	0.811	0.806	0.807	0.807	0.813	0.811	0.809	0.815	0.823	0.825	0.829
Rubber and Plastics	WPI - Rub. & Plast. Prod.	3.151	0.704	0.715	0.722	0.728	0.732	0.739	0.745	0.749	0.752	0.755	0.758	0.761	0.764	0.768	0.772	0.775
Paper Products	WPI - Convert. Paper And Paperboard	0.589	0.816	0.817	0.822	0.832	0.840	0.835	0.835	0.840	0.843	0.849	0.856	0.856	0.862	0.867	0.868	0.867
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.513	0.856	0.858	0.857	0.870	0.878	0.872	0.868	0.868	0.866	0.869	0.873	0.876	0.876	0.878	0.879	0.882
All Other Services		1.394	0.809	0.814	0.812	0.816	0.819	0.813	0.805	0.805	0.807	0.813	0.813	0.811	0.807	0.810	0.800	0.801
Telephone Services	CPI - Telephone Services	1.582	0.823	0.829	0.834	0.846	0.856	0.859	0.861	0.873	0.879	0.883	0.880	0.890	0.896	0.898	0.888	0.892
Postage	CPI - Postage	6.418	0.669	0.675	0.681	0.690	0.701	0.710	0.717	0.722	0.728	0.732	0.738	0.741	0.747	0.752	0.756	0.760
Labor-intensive Services	ECI - Service Occupations (Private)	0.434	0.960	0.962	0.953	0.959	0.970	0.971	0.974	0.980	0.984	0.981	0.977	0.976	0.983	0.982	0.987	0.993
Non-labor-intensive Services	CPI - All Items (Urban)	0.454	0.655	0.655	0.655	0.655	0.655	0.655	0.655	0.655	0.655	0.655	0.655	0.655	0.655	0.655	0.655	0.655
Capital Costs		3.521	0.627	0.633	0.638	0.648	0.654	0.663	0.673	0.678	0.685	0.689	0.697	0.700	0.707	0.712	0.718	0.721
Depreciation		2.008	0.683	0.690	0.702	0.714	0.720	0.724	0.730	0.735	0.740	0.746	0.752	0.757	0.764	0.770	0.773	0.778
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	7.207	0.861	0.869	0.881	0.882	0.885	0.892	0.904	0.905	0.907	0.914	0.924	0.926	0.926	0.933	0.942	0.943
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	2.858	0.641	0.646	0.655	0.661	0.668	0.673	0.683	0.688	0.695	0.700	0.710	0.715	0.721	0.727	0.737	0.741
Interest Costs		2.437	0.599	0.604	0.614	0.621	0.627	0.632	0.643	0.648	0.656	0.661	0.672	0.677	0.683	0.690	0.701	0.706
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	0.421	0.880	0.896	0.891	0.896	0.903	0.908	0.912	0.916	0.923	0.926	0.930	0.933	0.938	0.941	0.944	0.947
For-profit	Avg. Yield Aaa Bonds: 22 Yrs	3.037	1.159	1.172	1.186	1.181	1.180	1.189	1.205	1.201	1.199	1.208	1.221	1.219	1.212	1.220	1.230	1.227
Other Capital Costs		1.197	1.186	1.194	1.204	1.199	1.206	1.211	1.220	1.215	1.221	1.226	1.234	1.229	1.232	1.235	1.239	1.231
Other	CPI - Residential Rent	1.840	1.141	1.158	1.175	1.170	1.164	1.175	1.195	1.192	1.184	1.196	1.213	1.212	1.199	1.210	1.225	1.224
		1.312	0.649	0.656	0.665	0.672	0.676	0.681	0.687	0.691	0.696	0.699	0.702	0.708	0.711	0.716	0.719	0.723
		1.312	0.649	0.656	0.665	0.672	0.676	0.681	0.687	0.691	0.696	0.699	0.702	0.708	0.711	0.716	0.719	0.723

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	1990Q1	1990Q2	1990Q3	1990Q4	1991Q1	1991Q2	1991Q3	1991Q4	1992Q1	1992Q2	1992Q3	1992Q4	1993Q1	1993Q2	1993Q3	1993Q4
Percent Changes																		
Total - SNF04		100.000	5.6	5.6	5.5	5.4	5.3	5.1	4.9	4.5	4.2	4.0	3.8	3.6	3.5	3.5	3.3	3.2
Compensation																		
Wages and Salaries	Blended wages and salary proxy	62.755	6.7	6.7	6.6	6.6	6.3	6.1	5.7	5.2	4.8	4.5	4.3	4.2	4.1	4.0	3.9	3.7
Employee Benefits	Blended benefits proxy	51.337	6.6	6.5	6.4	6.3	6.1	5.8	5.3	4.9	4.5	4.2	4.0	3.9	3.7	3.6	3.5	3.5
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	11.418	7.6	7.8	7.8	8.0	7.8	7.6	7.3	6.7	6.3	6.0	5.9	6.0	5.9	5.4	5.0	5.0
Utilities																		
Electricity	WPI - Commercial Electric Power	1.322	5.3	5.6	5.7	5.7	5.5	5.3	5.1	4.9	4.8	4.7	4.6	4.6	4.4	4.2	3.9	3.9
Fuels (non-highway)	WPI - Commercial Natural Gas	1.551	3.8	2.7	1.5	1.5	1.9	2.9	4.9	4.9	4.1	3.3	2.0	2.0	2.5	3.1	3.3	3.4
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.919	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
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	0.453	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
All Other		0.179	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
All Other Products		1.717	-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
Pharmaceuticals	WPI - Prescription Drugs	25.448	5.1	4.9	4.8	4.7	4.6	4.4	4.3	4.1	3.7	3.4	3.1	2.9	2.7	2.6	2.5	2.4
Food: Direct Purchase	WPI - Processed Foods	19.030	5.5	5.3	5.1	4.9	4.7	4.3	4.0	3.7	3.4	3.1	3.0	2.8	2.7	2.6	2.4	2.3
Food: Contract Service	CPI - Food Away Fr. Home	7.894	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
Chemicals	Blended chemical proxy	2.906	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
Rubber and Plastics	WPI - Rub. & Plast. Prod.	3.151	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
Paper Products	WPI - Convert. Paper And Paperboard	0.589	3.7	1.9	0.7	0.7	1.3	1.8	2.2	1.9	1.2	1.1	1.4	1.6	2.1	2.2	1.9	1.8
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.513	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
All Other Services		1.394	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
Telephone Services	CPI - Telephone Services	1.582	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
Postage	CPI - Postage	6.418	4.0	3.9	4.0	4.2	4.3	4.6	4.9	5.0	4.8	4.2	3.6	3.1	2.8	2.7	2.6	2.6
Labor-intensive Services	ECI - Service Occupations (Private)	0.434	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
Non-labor-intensive Services	CPI - All Items (Urban)	0.454	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
Capital Costs		3.521	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
Depreciation		2.008	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
Fixed Assets	Boeckh - Institutional Construction: 23 Y																	

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	1996Q1	1996Q2	1996Q3	1996Q4	1997Q1	1997Q2	1997Q3	1997Q4
Index Levels																		
Total - SNF04		100.000	0.733	0.737	0.742	0.746	0.751	0.756	0.761	0.767	0.770	0.775	0.779	0.782	0.786	0.789	0.794	0.799
Compensation																		
Wages and Salaries	Blended wages and salary proxy	62.755	0.699	0.704	0.709	0.714	0.719	0.723	0.727	0.734	0.738	0.743	0.746	0.750	0.755	0.758	0.763	0.769
Employee Benefits	Blended benefits proxy	51.337	0.703	0.708	0.713	0.718	0.724	0.728	0.732	0.739	0.744	0.748	0.751	0.757	0.762	0.765	0.771	0.778
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	11.418	0.682	0.686	0.689	0.692	0.695	0.702	0.704	0.711	0.712	0.722	0.722	0.722	0.721	0.726	0.727	0.732
Utilities																		
Electricity	WPI - Commercial Electric Power	1.322	0.711	0.715	0.720	0.723	0.728	0.732	0.738	0.741	0.751	0.756	0.760	0.763	0.768	0.775	0.780	0.786
Fuels (non-highway)	WPI - Commercial Natural Gas	1.551	0.769	0.778	0.808	0.773	0.775	0.783	0.812	0.773	0.778	0.796	0.828	0.793	0.805	0.800	0.835	0.809
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.919	0.873	0.899	0.958	0.896	0.897	0.926	0.979	0.906	0.892	0.925	0.981	0.904	0.899	0.926	0.977	0.905
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	0.453	0.582	0.557	0.535	0.540	0.541	0.510	0.497	0.513	0.550	0.540	0.540	0.574	0.624	0.549	0.558	0.613
All Other	CPI - Water & Sewage	0.179	0.711	0.719	0.728	0.731	0.737	0.741	0.748	0.752	0.766	0.782	0.773	0.778	0.783	0.787	0.804	0.809
All Other Products	CMS - Prof. Liab. Prem.	1.717	0.807	0.807	0.807	0.780	0.776	0.776	0.776	0.774	0.772	0.772	0.772	0.772	0.762	0.762	0.762	0.762
Pharmaceuticals	WPI - Prescription Drugs	25.448	0.750	0.753	0.756	0.762	0.771	0.778	0.784	0.791	0.793	0.797	0.802	0.804	0.808	0.811	0.814	0.819
Food: Direct Purchase	WPI - Processed Foods	19.030	0.745	0.748	0.749	0.756	0.765	0.773	0.780	0.789	0.789	0.793	0.798	0.799	0.802	0.804	0.806	0.811
Food: Contract Service	CPI - Food Away Fr. Home	7.894	0.622	0.626	0.626	0.629	0.633	0.640	0.645	0.655	0.657	0.664	0.668	0.668	0.678	0.682	0.685	0.693
Chemicals	Blended chemical proxy	2.906	0.838	0.836	0.830	0.826	0.835	0.832	0.845	0.861	0.864	0.880	0.900	0.896	0.887	0.894	0.890	0.885
Rubber and Plastics	WPI - Rub. & Plast. Prod.	3.151	0.777	0.781	0.784	0.789	0.794	0.799	0.803	0.807	0.811	0.817	0.823	0.831	0.836	0.841	0.846	0.852
Paper Products	WPI - Convert. Paper And Paperboard	0.589	0.867	0.872	0.882	0.893	0.896	0.905	0.907	0.908	0.911	0.915	0.915	0.918	0.920	0.925	0.932	0.934
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.513	0.880	0.882	0.891	0.911	0.929	0.943	0.949	0.944	0.937	0.936	0.940	0.937	0.932	0.933	0.934	0.933
All Other Services	CPI - Telephone Services	1.394	0.802	0.809	0.821	0.856	0.900	0.940	0.968	0.970	0.952	0.926	0.908	0.905	0.899	0.884	0.885	0.903
Telephone Services	CPI - Postage	1.582	0.900	0.901	0.901	0.908	0.915	0.919	0.919	0.931	0.933	0.934	0.932	0.938	0.940	0.937	0.933	0.940
Postage	ECI - Service Occupations (Private)	6.418	0.766	0.769	0.774	0.779	0.788	0.792	0.796	0.799	0.804	0.809	0.814	0.821	0.826	0.831	0.839	0.843
Labor-intensive Services	CPI - All Items (Urban)	0.434	0.999	1.002	1.003	1.002	1.010	1.006	1.010	1.012	1.017	1.017	1.029	1.033	1.040	1.043	1.038	1.038
Non-labor-intensive Services	CPI - Postage	0.454	0.761	0.761	0.761	0.761	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840
Capital Costs	ECI - Service Occupations (Private)	3.521	0.728	0.730	0.735	0.742	0.745	0.748	0.753	0.756	0.759	0.764	0.769	0.778	0.783	0.790	0.803	0.809
Depreciation	Boeckh - Institutional Construction: 23 Yrs	2.008	0.783	0.788	0.795	0.799	0.805	0.812	0.816	0.820	0.827	0.835	0.840	0.846	0.852	0.855	0.858	0.862
Fixed Assets	WPI - Mach. & Equipment: 10 Yrs.	7.207	0.943	0.948	0.955	0.957	0.956	0.960	0.965	0.967	0.967	0.972	0.978	0.981	0.982	0.988	0.993	0.996
Movable Equipment	Avg. Yield Mun. Bonds: 22 Yrs	2.437	0.712	0.718	0.730	0.735	0.742	0.749	0.760	0.765	0.772	0.779	0.789	0.795	0.801	0.808	0.819	0.824
Interest Costs	WPI - Mach. & Equipment: 10 Yrs.	0.421	0.953	0.956	0.959	0.962	0.969	0.972	0.974	0.978	0.984	0.986	0.988	0.991	0.996	0.997	0.998	1.000
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	3.037	1.218	1.225	1.230	1.227	1.217	1.218	1.220	1.216	1.208	1.213	1.216	1.215	1.209	1.216	1.217	1.215
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.197	1.233	1.237	1.237	1.230	1.232	1.231	1.229	1.221	1.224	1.227	1.226	1.218	1.223	1.227	1.224	1.214
Other Capital Costs	CPI - Residential Rent	1.840	1.209	1.217	1.225	1.226	1.207	1.210	1.214	1.213	1.198	1.205	1.210	1.213	1.199	1.208	1.213	1.215
Other	CPI - Residential Rent	1.312	0.729	0.732	0.737	0.742	0.746	0.750	0.755	0.760	0.765	0.770	0.775	0.781	0.786	0.792	0.798	0.805
Other	CPI - Residential Rent	1.312	0.729	0.732	0.737	0.742	0.746	0.750	0.755	0.760	0.765	0.770	0.775	0.781	0.786	0.792	0.798	0.805

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	1996Q1	1996Q2	1996Q3	1996Q4	1997Q1	1997Q2	1997Q3	1997Q4
Percent Changes																		
Total - SNF04		100.000	3.1	2.9	2.8	2.7	2.6	2.5	2.5	2.6	2.6	2.5	2.3	2.2	2.1	2.0	2.0	2.0
Compensation																		
Wages and Salaries	Blended wages and salary proxy	62.755	3.6	3.5	3.4	3.3	3.1	2.9	2.8	2.7	2.7	2.7	2.6	2.5	2.3	2.2	2.3	2.3
Employee Benefits	Blended benefits proxy	51.337	3.4	3.4	3.4	3.3	3.2	3.1	2.9	2.8	2.8	2.7	2.6	2.5	2.5	2.5	2.5	2.5
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	11.418	4.4	3.9	3.6	3.0	2.6	2.4	2.2	2.3	2.5	2.6	2.7	2.3	2.0	1.4	1.0	1.0
Utilities																		
Electricity	WPI - Commercial Electric Power	1.322	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
Fuels (non-highway)	WPI - Commercial Natural Gas	1.551	3.6	3.1	2.2	1.5	0.8	0.5	0.6	0.5	0.4	0.6	1.0	1.7	2.4	2.1	1.8	1.7
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.919	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
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	0.453	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
All Other	CPI - Water & Sewage	0.179	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
All Other Products	CMS - Prof. Liab. Prem.	1.717	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
Pharmaceuticals	WPI - Prescription Drugs	25.448	2.3	2.2	2.1	2.1	2.3	2.6	3.1	3.4	3.4	3.2	2.8	2.3	2.1	1.9	1.7	1.8
Food: Direct Purchase	WPI - Processed Foods	19.030	2.2	2.1	2.0	2.0	2.2	2.6	3.1	3.6	3.7	3.5	3.1	2.3	1.9	1.6	1.3	1.4
Food: Contract Service	CPI - Food Away Fr. Home	7.894	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
Chemicals	Blended chemical proxy	2.906	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
Rubber and Plastics	WPI - Rub. & Plast. Prod.	3.151	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
Paper Products	WPI - Convert. Paper And Paperboard	0.589	1.3	0.9	1.0	1.5	2.1	2.9	3.3	2.9	2.5	1.8	1.4	1.2	1.0	1.0	1.2	1.4
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.513	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
All Other Services	CPI - Telephone Services	1.394	-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
Telephone Services	CPI - Postage	1.582	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
Postage	ECI - Service Occupations (Private)	6.418	2.6	2.5	2.4	2.4	2.5	2.7	2.8	2.9	2.6	2.4	2.2	2.2	2.5	2.6	2.9	2.9
Labor-intensive Services	CPI - All Items (Urban)	0.434	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
Non-labor-intensive Services	CPI - Postage	0.454	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
Capital Costs	ECI - Service Occupations (Private)	3.521	3.1	2.9	2.7	2.7	2.5	2.5	2.3	2.2	2.1	2.0	2.3	2.6	2.9	3.5	3.8	3.8
Depreciation	Boeckh - Institutional Construction: 23 Yrs	2.008	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
Fixed Assets	WPI - Mach. & Equipment: 10 Yrs.	7.207	1.9	1.8	1.7	1.6	1.5	1.4	1.3									

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	1998Q1	1998Q2	1998Q3	1998Q4	1999Q1	1999Q2	1999Q3	1999Q4	2000Q1	2000Q2	2000Q3	2000Q4	2001Q1	2001Q2	2001Q3	2001Q4
Index Levels																		
Total - SNF04		100.000	0.806	0.817	0.825	0.828	0.832	0.838	0.845	0.852	0.858	0.867	0.878	0.886	0.898	0.905	0.917	0.923
Compensation		62.755	0.774	0.780	0.788	0.792	0.800	0.806	0.813	0.822	0.831	0.841	0.853	0.864	0.877	0.885	0.905	0.915
Wages and Salaries	Blended wages and salary proxy	51.337	0.784	0.790	0.798	0.802	0.810	0.816	0.823	0.833	0.841	0.851	0.863	0.873	0.885	0.894	0.913	0.925
Employee Benefits	Blended benefits proxy	11.418	0.730	0.737	0.743	0.748	0.755	0.762	0.768	0.776	0.785	0.796	0.807	0.823	0.839	0.848	0.867	0.872
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	0.792	0.799	0.808	0.813	0.815	0.822	0.828	0.837	0.847	0.860	0.868	0.877	0.892	0.901	0.912	0.917
Utilities		1.551	0.791	0.801	0.831	0.796	0.784	0.793	0.833	0.806	0.803	0.828	0.897	0.905	0.922	0.953	0.951	0.892
Electricity	WPI - Commercial Electric Power	0.919	0.889	0.915	0.969	0.899	0.878	0.903	0.958	0.894	0.885	0.912	0.979	0.928	0.944	0.974	1.041	0.971
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	0.584	0.560	0.552	0.575	0.572	0.550	0.574	0.612	0.616	0.645	0.742	0.873	1.134	0.938	0.793	0.728
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	0.815	0.821	0.828	0.830	0.846	0.839	0.844	0.846	0.853	0.859	0.865	0.872	0.879	0.884	0.893	0.899
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	0.762	0.762	0.766	0.772	0.778	0.778	0.778	0.778	0.782	0.780	0.783	0.787	0.791	0.796	0.801	0.806
All Other		25.448	0.835	0.862	0.868	0.871	0.870	0.874	0.881	0.887	0.892	0.899	0.904	0.909	0.920	0.925	0.924	0.927
All Other Products		19.030	0.830	0.865	0.872	0.875	0.870	0.874	0.882	0.887	0.892	0.899	0.904	0.908	0.919	0.924	0.921	0.923
Pharmaceuticals	WPI - Prescription Drugs	7.894	0.739	0.822	0.833	0.839	0.827	0.834	0.845	0.848	0.855	0.859	0.866	0.869	0.886	0.889	0.877	0.883
Food: Direct Purchase	WPI - Processed Foods	2.906	0.872	0.872	0.878	0.874	0.871	0.864	0.874	0.874	0.889	0.885	0.885	0.900	0.913	0.923	0.909	0.909
Food: Contract Service	CPI - Food Away Fr. Home	3.151	0.858	0.863	0.869	0.874	0.880	0.885	0.890	0.895	0.901	0.905	0.911	0.916	0.923	0.930	0.938	0.945
Chemicals	Blended chemical proxy	0.589	0.932	0.932	0.939	0.940	0.938	0.939	0.943	0.945	0.948	0.949	0.952	0.960	0.964	0.967	0.969	0.969
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	0.932	0.929	0.927	0.925	0.922	0.924	0.930	0.934	0.937	0.943	0.954	0.965	0.965	0.967	0.962	0.959
Paper Products	WPI - Convert. Paper And Paperboard	1.394	0.920	0.917	0.917	0.908	0.902	0.917	0.929	0.946	0.953	0.983	0.987	0.990	0.988	0.992	0.989	0.989
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	0.941	0.944	0.943	0.956	0.960	0.958	0.957	0.970	0.969	0.971	0.972	0.982	0.985	0.987	0.987	0.991
All Other Services		6.418	0.848	0.853	0.858	0.861	0.869	0.874	0.877	0.885	0.892	0.898	0.905	0.911	0.923	0.929	0.934	0.940
Telephone Services	CPI - Telephone Services	0.434	1.039	1.048	1.047	1.045	1.042	1.036	1.033	1.042	1.035	1.018	1.017	1.018	1.027	1.026	1.032	1.035
Postage	CPI - Postage	0.454	0.840	0.840	0.840	0.840	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.891	0.894	0.905
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	0.817	0.821	0.829	0.833	0.842	0.849	0.851	0.861	0.869	0.878	0.885	0.894	0.905	0.912	0.917	0.929
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	0.864	0.869	0.872	0.875	0.879	0.887	0.892	0.898	0.907	0.916	0.924	0.929	0.938	0.947	0.949	0.946
Capital Costs		7.207	0.995	1.000	1.005	1.006	1.006	1.012	1.017	1.016	1.012	1.020	1.023	1.018	1.012	1.018	1.015	1.010
Depreciation		2.858	0.857	0.861	0.869	0.874	0.881	0.885	0.893	0.899	0.905	0.909	0.918	0.923	0.929	0.933	0.940	0.946
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	0.831	0.836	0.846	0.851	0.859	0.864	0.874	0.880	0.888	0.893	0.903	0.909	0.915	0.920	0.929	0.935
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	1.004	1.003	1.003	1.004	1.007	1.006	1.005	1.005	1.007	1.006	1.006	1.006	1.008	1.007	1.006	1.006
Interest Costs		3.037	1.206	1.210	1.210	1.206	1.197	1.204	1.206	1.206	1.195	1.176	1.187	1.183	1.161	1.138	1.143	1.127
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.197	1.216	1.218	1.213	1.201	1.202	1.206	1.204	1.183	1.174	1.185	1.180	1.149	1.135	1.141	1.127	1.097
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.840	1.199	1.206	1.208	1.210	1.193	1.202	1.207	1.202	1.177	1.189	1.185	1.170	1.139	1.145	1.126	1.106
Other Capital Costs		1.312	0.811	0.817	0.825	0.832	0.838	0.843	0.849	0.857	0.866	0.872	0.881	0.891	0.901	0.911	0.921	0.933
Other	CPI - Residential Rent	1.312	0.811	0.817	0.825	0.832	0.838	0.843	0.849	0.857	0.866	0.872	0.881	0.891	0.901	0.911	0.921	0.933

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	1998Q1	1998Q2	1998Q3	1998Q4	1999Q1	1999Q2	1999Q3	1999Q4	2000Q1	2000Q2	2000Q3	2000Q4	2001Q1	2001Q2	2001Q3	2001Q4
Percent Changes																		
Total - SNF04		100.000	2.1	2.6	3.0	3.4	3.6	3.3	3.0	2.8	2.8	3.0	3.4	3.6	4.0	4.2	4.3	4.4
Compensation		62.755	2.3	2.6	2.8	2.9	3.1	3.2	3.2	3.4	3.5	3.8	4.2	4.5	4.9	5.2	5.5	5.7
Wages and Salaries	Blended wages and salary proxy	51.337	2.6	2.9	3.1	3.2	3.3	3.3	3.2	3.4	3.5	3.8	4.2	4.4	4.8	5.0	5.3	5.5
Employee Benefits	Blended benefits proxy	11.418	1.0	1.3	1.6	1.8	2.3	2.8	3.1	3.5	3.6	3.9	4.3	4.9	5.6	6.1	6.7	6.7
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	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	5.0	4.9	4.9
Utilities		1.551	0.4	0.3	-0.1	-0.9	-0.7	-1.0	-0.8	-0.1	0.7	2.1	4.0	6.7	12.0	14.6	14.0	10.4
Electricity	WPI - Commercial Electric Power	0.919	-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
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	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, Other Util.	CPI - Water & Sewage	0.179	3.1	4.0	3.8	3.5	3.1	2.6	2.3	2.2	2.0	2.1	2.2	2.5	2.7	2.9	3.1	3.1
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	-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		25.448	2.1	3.3	4.5	5.7	5.9	4.6	3.3	2.2	1.8	2.1	2.4	2.6	2.8	2.8	2.7	2.6
All Other Products		19.030	1.9	3.4	5.2	6.8	7.1	5.4	3.6	2.0	1.5	2.0	2.3	2.5	2.7	2.7	2.5	2.3
Pharmaceuticals	WPI - Prescription Drugs	7.894	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	2.906	-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: Contract Service	CPI - Food Away Fr. Home	3.151	2.7	2.6	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.3	2.3	2.3	2.4	2.5	2.7	2.9
Chemicals	Blended chemical proxy	0.589	1.5	1.4	1.1	0.9	0.7	0.7	0.6	0.6	0.7	0.8	0.9	1.1	1.3	1.5	1.7	1.6
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	-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	1.394	-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
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	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		6.418	2.8	2.8	2.6	2.4	2.3	2.3	2.5	2.6	2.6	2.8	2.9	3.1	3.3	3.3	3.3	3.3
Telephone Services	CPI - Telephone Services	0.434	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	0.454	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
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	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
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	2.0	1.8														

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	2002Q1	2002Q2	2002Q3	2002Q4	2003Q1	2003Q2	2003Q3	2003Q4	2004Q1	2004Q2	2004Q3	2004Q4	2005Q1	2005Q2	2005Q3	2005Q4
Index Levels																		
Total - SNF04		100.000	0.930	0.938	0.946	0.954	0.963	0.971	0.980	0.987	0.996	1.005	1.013	1.019	1.029	1.038	1.049	1.058
Compensation																		
Wages and Salaries	Blended wages and salary proxy	62.755	0.926	0.935	0.944	0.953	0.964	0.970	0.979	0.987	0.997	1.003	1.012	1.019	1.029	1.036	1.046	1.054
Employee Benefits	Blended benefits proxy	51.337	0.934	0.943	0.952	0.961	0.969	0.974	0.983	0.990	0.998	1.002	1.011	1.018	1.026	1.033	1.042	1.051
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	11.418	0.888	0.898	0.907	0.916	0.942	0.950	0.962	0.975	0.986	1.009	1.020	1.025	1.041	1.051	1.064	1.071
Utilities																		
Electricity	WPI - Commercial Electric Power	1.322	0.926	0.932	0.938	0.945	0.957	0.965	0.975	0.982	0.988	1.005	1.016	1.023	1.039	1.047	1.055	1.060
Fuels (non-highway)	WPI - Commercial Natural Gas	1.551	0.872	0.881	0.909	0.898	0.938	0.960	1.005	0.970	0.982	1.004	1.044	1.036	1.042	1.073	1.132	1.197
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.919	0.944	0.963	1.012	0.952	0.951	0.980	1.053	0.982	0.972	0.998	1.048	1.002	1.006	1.040	1.101	1.069
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	0.453	0.710	0.702	0.694	0.775	0.909	0.926	0.926	0.944	0.998	1.014	1.044	1.104	1.108	1.140	1.214	1.501
All Other	CPI - Water & Sewage	0.179	0.909	0.915	0.921	0.930	0.938	0.945	0.959	0.973	0.992	1.008	1.027	1.036	1.058	1.067	1.081	1.090
All Other Products	CMS - Prof. Liab. Prem.	1.717	0.812	0.818	0.830	0.846	0.843	0.874	0.907	0.937	0.982	1.023	1.058	1.090	1.125	1.158	1.185	1.207
Pharmaceuticals	WPI - Prescription Drugs	25.448	0.932	0.937	0.944	0.951	0.962	0.969	0.977	0.985	0.993	1.009	1.013	1.020	1.032	1.042	1.056	1.064
Food: Direct Purchase	WPI - Processed Foods	19.030	0.928	0.932	0.937	0.946	0.957	0.965	0.974	0.984	0.991	1.011	1.014	1.022	1.036	1.048	1.064	1.073
Food: Contract Service	CPI - Food Away Fr. Home	7.894	0.898	0.906	0.915	0.928	0.943	0.955	0.969	0.978	0.992	1.013	1.017	1.024	1.040	1.058	1.094	1.096
Chemicals	Blended chemical proxy	2.906	0.904	0.900	0.904	0.908	0.927	0.941	0.955	0.983	0.980	1.030	1.007	0.999	1.012	1.020	1.015	1.019
Rubber and Plastics	WPI - Rub. & Plast. Prod.	3.151	0.950	0.955	0.960	0.966	0.970	0.976	0.981	0.988	0.997	1.003	1.013	1.019	1.028	1.035	1.043	1.051
Paper Products	WPI - Convert. Paper And Paperboard	0.589	0.966	0.968	0.969	0.970	0.976	0.975	0.980	0.987	0.994	1.004	1.015	1.030	1.061	1.069	1.071	1.093
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.513	0.955	0.959	0.963	0.965	0.975	0.990	0.987	0.988	0.994	1.002	1.015	1.040	1.064	1.075	1.081	1.135
All Other Services	CPI - Telephone Services	1.394	0.983	0.982	0.983	0.992	0.995	0.996	0.994	0.992	0.986	0.998	1.024	1.040	1.053	1.059	1.057	1.069
Telephone Services	CPI - Postage	1.582	0.989	0.989	0.983	0.992	0.990	0.987	0.986	0.998	0.999	1.002	1.001	1.019	1.025	1.027	1.028	1.035
Postage	ECI - Service Occupations (Private)	6.418	0.946	0.950	0.965	0.968	0.977	0.979	0.986	0.989	0.997	1.005	1.009	1.013	1.020	1.027	1.033	1.038
Labor-intensive Services	CPI - All Items (Urban)	0.434	1.037	1.026	1.039	1.037	1.040	1.018	1.015	1.009	1.005	0.997	0.989	0.984	0.986	0.985	0.981	0.986
Non-labor-intensive Services	CPI - All Items (Urban)	0.454	0.905	0.905	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Capital Costs	CPI - Postage	3.521	0.938	0.942	0.951	0.956	0.967	0.971	0.981	0.988	0.997	1.005	1.010	1.016	1.024	1.029	1.034	1.040
Depreciation	Boeckh - Institutional Construction: 23 Yrs	2.008	0.950	0.960	0.964	0.967	0.977	0.981	0.985	0.985	0.994	1.008	1.012	1.018	1.024	1.038	1.051	1.056
Fixed Assets	WPI - Mach. & Equipment: 10 Yrs.	7.207	1.002	1.009	1.009	1.008	1.000	1.007	1.005	1.004	0.995	1.001	1.000	1.000	0.993	1.001	1.001	1.003
Movable Equipment	Boeckh - Institutional Construction: 23 Yrs	2.858	0.952	0.955	0.964	0.969	0.976	0.979	0.985	0.991	0.998	1.001	1.010	1.010	1.018	1.026	1.030	1.038
Interest Costs	WPI - Mach. & Equipment: 10 Yrs.	2.437	0.943	0.947	0.957	0.963	0.971	0.974	0.982	0.989	0.997	1.002	1.012	1.022	1.031	1.036	1.046	1.056
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	0.421	1.007	1.006	1.005	1.005	1.005	1.004	1.002	1.001	1.001	0.999	0.998	0.997	0.997	0.997	0.997	0.996
For-profit	Avg. Yield Aaa Bonds: 22 Yrs	3.037	1.074	1.085	1.074	1.063	1.036	1.047	1.034	1.021	0.992	1.000	0.986	0.974	0.947	0.961	0.948	0.940
Other Capital Costs	CPI - Residential Rent	1.197	1.079	1.088	1.078	1.061	1.041	1.050	1.036	1.017	0.996	1.001	0.986	0.971	0.949	0.959	0.949	0.938
Other	CPI - Residential Rent	1.840	1.071	1.083	1.071	1.065	1.033	1.046	1.032	1.024	0.990	1.000	0.986	0.977	0.946	0.962	0.947	0.942
		1.312	0.943	0.949	0.955	0.963	0.972	0.977	0.984	0.990	0.996	1.003	1.011	1.018	1.026	1.033	1.040	1.049
		1.312	0.943	0.949	0.955	0.963	0.972	0.977	0.984	0.990	0.996	1.003	1.011	1.018	1.026	1.033	1.040	1.049

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	2002Q1	2002Q2	2002Q3	2002Q4	2003Q1	2003Q2	2003Q3	2003Q4	2004Q1	2004Q2	2004Q3	2004Q4	2005Q1	2005Q2	2005Q3	2005Q4
Percent Changes																		
Total - SNF04		100.000	4.1	4.0	3.7	3.5	3.5	3.4	3.5	3.5	3.4	3.5	3.4	3.4	3.4	3.3	3.4	3.5
Compensation																		
Wages and Salaries	Blended wages and salary proxy	62.755	5.7	5.8	5.4	4.9	4.6	4.1	3.9	3.8	3.6	3.5	3.5	3.4	3.3	3.3	3.2	3.3
Employee Benefits	Blended benefits proxy	51.337	5.6	5.7	5.3	4.8	4.4	3.8	3.5	3.3	3.1	3.0	2.9	2.8	2.9	3.0	3.1	
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	11.418	6.4	6.3	5.6	5.4	5.4	5.8	6.1	6.0	6.1	6.1	5.8	5.5	4.9	4.5	4.4	
Utilities																		
Electricity	WPI - Commercial Electric Power	1.322	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	
Fuels (non-highway)	WPI - Commercial Natural Gas	1.551	1.3	-4.0	-6.5	-6.0	-1.2	3.0	7.0	8.8	8.0	6.9	5.2	5.0	5.3	5.9	7.0	
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.919	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	
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	0.453	-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	
All Other	CPI - Water & Sewage	0.179	3.2	3.3	3.3	3.4	3.3	3.3	3.5	3.8	4.5	5.3	6.0	6.5	6.7	6.5	6.1	
All Other Products	CMS - Prof. Liab. Prem.	1.717	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	
Pharmaceuticals	WPI - Prescription Drugs	25.448	2.1	1.7	1.7	1.8	2.3	2.8	3.2	3.4	3.4	3.6	3.6	3.6	3.8	3.6	3.8	
Food: Direct Purchase	WPI - Processed Foods	19.030	1.8	1.4	1.3	1.5	2.0	2.7	3.3	3.7	3.8	4.1	4.1	4.1	4.3	4.0	4.2	
Food: Contract Service	CPI - Food Away Fr. Home	7.894	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	
Chemicals	Blended chemical proxy	2.906	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	
Rubber and Plastics	WPI - Rub. & Plast. Prod.	3.151	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	
Paper Products	WPI - Convert. Paper And Paperboard	0.589	1.2	0.7	0.3	0.1	0.3	0.5	0.8	1.2	1.4	1.9	2.5	3.2	4.4	5.3	6.2	
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.513	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	
All Other Services	CPI - Telephone Services	1.394	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	
Telephone Services	CPI - Postage	1.582	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	
Postage	ECI - Service Occupations (Private)	6.418	3.1	2.8	2.8	2.8	3.0	3.2	2.9	2.7	2.4	-2.3	-2.3	2.3	2.4	2.3	2.3	
Labor-intensive Services	CPI - All Items (Urban)	0.434	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	
Non-labor-intensive Services	CPI - All Items (Urban)	0.454	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	
Capital Costs	CPI - Postage	3.521	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	
Depreciation	Boeckh - Institutional Construction: 23 Yrs	2.008	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	
Fixed Assets	WPI - Mach. & Equipment: 10 Yrs.	7.207	-0.7	-0.8	-0.8	-0.7	-0.5	-0.5										

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year										Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
		Weights 2004	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4
Index Levels																		
Total - SNF04		100.000	1.069	1.076	1.086	1.093	1.104	1.112	1.122	1.129	1.141	1.153	1.164	1.172	1.182	1.190	1.199	1.206
Compensation		62.755	1.065	1.071	1.083	1.093	1.103	1.110	1.120	1.127	1.137	1.146	1.157	1.167	1.178	1.186	1.196	1.205
Wages and Salaries	Blended wages and salary proxy	51.337	1.059	1.066	1.078	1.089	1.098	1.105	1.117	1.124	1.134	1.142	1.153	1.164	1.174	1.182	1.192	1.201
Employee Benefits	Blended benefits proxy	11.418	1.091	1.093	1.108	1.115	1.127	1.129	1.131	1.142	1.150	1.161	1.174	1.181	1.196	1.203	1.216	1.223
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	1.071	1.079	1.093	1.102	1.112	1.123	1.131	1.138	1.148	-	-	-	-	-	-	-
Utilities		1.551	1.204	1.166	1.186	1.149	1.166	1.197	1.222	1.190	1.205	1.277	1.370	1.340	1.347	1.341	1.376	1.324
Electricity	WPI - Commercial Electric Power	0.919	1.110	1.138	1.180	1.113	1.120	1.166	1.216	1.154	1.156	-	-	-	-	-	-	-
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	1.432	1.243	1.219	1.226	1.260	1.268	1.245	1.258	1.295	-	-	-	-	-	-	-
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	1.110	1.118	1.135	1.143	1.163	1.174	1.196	1.206	1.228	-	-	-	-	-	-	-
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	1.225	1.240	1.251	1.257	1.260	1.259	1.258	1.258	1.261	1.269	1.283	1.302	1.326	1.352	1.381	1.408
All Other		25.448	1.080	1.090	1.097	1.100	1.116	1.127	1.139	1.149	1.172	1.188	1.197	1.202	1.213	1.221	1.228	1.231
All Other Products		19.030	1.090	1.100	1.107	1.110	1.128	1.139	1.152	1.163	1.191	1.208	1.217	1.223	1.234	1.242	1.250	1.252
Pharmaceuticals	WPI - Prescription Drugs	7.894	1.124	1.143	1.149	1.146	1.171	1.182	1.199	1.209	1.245	-	-	-	-	-	-	-
Food: Direct Purchase	WPI - Processed Foods	2.906	1.015	1.014	1.024	1.031	1.065	1.094	1.107	1.117	1.160	-	-	-	-	-	-	-
Food: Contract Service	CPI - Food Away Fr. Home	3.151	1.059	1.067	1.076	1.084	1.095	1.103	1.117	1.128	1.138	-	-	-	-	-	-	-
Chemicals	Blended chemical proxy	0.589	1.119	1.126	1.136	1.148	1.153	1.156	1.167	1.183	1.218	-	-	-	-	-	-	-
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	1.159	1.159	1.167	1.173	1.166	1.168	1.177	1.186	1.212	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.394	1.089	1.103	1.117	1.119	1.119	1.122	1.131	1.147	1.159	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	1.041	1.044	1.039	1.052	1.059	1.061	1.063	1.075	1.085	-	-	-	-	-	-	-
All Other Services		6.418	1.048	1.058	1.065	1.067	1.079	1.092	1.101	1.107	1.116	1.129	1.137	1.141	1.148	1.158	1.164	1.168
Telephone Services	CPI - Telephone Services	0.434	0.987	0.989	0.995	1.003	1.009	1.019	1.025	1.026	1.026	-	-	-	-	-	-	-
Postage	CPI - Postage	0.454	1.053	1.053	1.053	1.053	1.053	1.075	1.094	1.094	1.094	-	-	-	-	-	-	-
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	1.048	1.055	1.063	1.072	1.086	1.094	1.106	1.112	1.121	-	-	-	-	-	-	-
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	1.062	1.080	1.086	1.077	1.088	1.109	1.111	1.119	1.132	-	-	-	-	-	-	-
Capital Costs		7.207	1.000	1.011	1.012	1.015	1.015	1.022	1.022	1.024	1.025	1.032	1.032	1.034	1.034	1.042	1.043	1.045
Depreciation		2.858	1.056	1.061	1.071	1.081	1.089	1.095	1.105	1.115	1.124	1.130	1.141	1.151	1.161	1.166	1.176	1.186
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	1.066	1.072	1.083	1.095	1.105	1.111	1.122	1.135	1.145	-	-	-	-	-	-	-
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	0.997	0.999	0.999	0.999	1.001	1.002	1.003	1.003	1.005	-	-	-	-	-	-	-
Interest Costs		3.037	0.922	0.939	0.927	0.921	0.905	0.914	0.900	0.890	0.880	0.888	0.873	0.863	0.852	0.862	0.851	0.844
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.197	0.923	0.939	0.930	0.918	0.906	0.917	0.904	0.888	0.881	-	-	-	-	-	-	-
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.840	0.922	0.939	0.925	0.922	0.904	0.912	0.898	0.891	0.879	-	-	-	-	-	-	-
Other Capital Costs		1.312	1.058	1.067	1.079	1.093	1.106	1.114	1.123	1.136	1.147	-	-	-	-	-	-	-
Other	CPI - Residential Rent	1.312	1.058	1.067	1.079	1.093	1.106	1.114	1.123	1.136	1.147	-	-	-	-	-	-	-

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year										Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
		Weights 2004	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4
Percent Changes																		
Total - SNF04		100.000	3.6	3.7	3.7	3.6	3.4	3.4	3.3	3.3	3.3	3.4	3.5	3.7	3.7	3.6	3.4	3.2
Compensation		62.755	3.4	3.4	3.5	3.5	3.6	3.6	3.6	3.4	3.3	3.2	3.2	3.3	3.4	3.5	3.5	3.4
Wages and Salaries	Blended wages and salary proxy	51.337	3.2	3.2	3.3	3.4	3.5	3.6	3.6	3.6	3.4	3.4	3.3	3.4	3.4	3.5	3.5	3.4
Employee Benefits	Blended benefits proxy	11.418	4.5	4.4	4.4	4.2	3.9	3.7	3.2	2.8	2.5	2.4	2.8	3.0	3.5	3.7	3.7	3.7
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	3.7	3.4	3.3	3.4	3.6	3.9	3.8	3.7	3.5	-	-	-	-	-	-	-
Utilities		1.551	11.6	12.0	11.0	5.9	1.4	0.0	-0.4	1.5	3.1	4.2	6.5	8.7	10.8	10.3	7.2	3.8
Electricity	WPI - Commercial Electric Power	0.919	6.6	7.9	8.4	7.7	5.3	3.6	2.6	2.6	3.1	-	-	-	-	-	-	-
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	23.8	22.6	18.2	3.2	-6.4	-7.7	-7.3	-1.8	2.4	-	-	-	-	-	-	-
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	5.3	5.0	4.9	4.9	4.9	4.9	5.0	5.2	5.4	-	-	-	-	-	-	-
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	11.1	9.6	8.0	6.4	4.9	3.5	2.3	1.3	0.6	0.4	0.7	1.6	2.8	4.3	5.7	6.9
All Other		25.448	4.1	4.4	4.3	4.1	3.8	3.5	3.5	3.8	4.2	4.7	5.0	5.0	4.6	4.0	3.4	2.8
All Other Products		19.030	4.7	5.0	4.8	4.4	4.0	3.7	3.7	4.0	4.5	5.1	5.5	5.6	5.1	4.3	3.6	2.9
Pharmaceuticals	WPI - Prescription Drugs	7.894	6.8	7.7	7.0	6.4	5.4	4.3	4.1	4.4	4.9	-	-	-	-	-	-	-
Food: Direct Purchase	WPI - Processed Foods	2.906	0.5	0.6	0.6	0.4	1.6	3.7	5.5	7.3	8.3	-	-	-	-	-	-	-
Food: Contract Service	CPI - Food Away Fr. Home	3.151	3.1	3.1	3.1	3.1	3.2	3.2	3.4	3.7	3.8	-	-	-	-	-	-	-
Chemicals	Blended chemical proxy	0.589	5.9	5.6	5.8	5.5	4.8	4.2	3.4	2.9	3.5	-	-	-	-	-	-	-
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	8.0	8.1	8.4	7.0	4.8	3.1	1.4	0.8	1.7	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.394	3.8	3.4	4.0	4.5	4.3	3.7	2.6	2.0	2.3	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	2.1	1.9	1.5	1.5	1.5	1.5	1.8	2.0	2.1	-	-	-	-	-	-	-
All Other Services		6.418	2.5	2.7	2.9	2.9	3.0	3.0	3.1	3.3	3.4	3.5	3.4	3.3	3.1	2.9	2.7	2.5
Telephone Services	CPI - Telephone Services	0.434	-0.4	0.0	0.6	0.9	1.5	2.1	2.5	2.6	2.5	-	-	-	-	-	-	-
Postage	CPI - Postage	0.454	1.3	2.7	4.0	5.3	4.0	3.1	2.8	2.5	3.4	-	-	-	-	-	-	-
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	2.4	2.4	2.5	2.7	3.0	3.3	3.6	3.8	3.6	-	-	-	-	-	-	-
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	3.6	3.8	3.7	3.2	2.9	2.6	2.4	2.9	3.3	-	-	-	-	-	-	-
Capital Costs		7.207	0.3	0.5	0.8	1.0	1.2	1.3	1.2	1.1	1.0	1.0	1.0	1.0	0.9	0.9	0.9	1.0
Depreciation		2.858	2.9	2.9	3.0	3.1	3.1	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.1
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	3.4	3.4	3.5	3.5	3.6	3.6	3.6	3.6	3.6	-	-	-	-	-	-	-
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	-0.1	0.0	0.1	0.2	0.3	0.3	0.3	0.4	0.4	-	-	-	-	-	-	-
Interest Costs		3.037	-3.5	-3.1	-2.6	-2.3	-2.1	-2.2	-2.4	-2.7	-2.9	-3.0	-3.0	-2.9	-3.0	-3.0	-2.9	-2.7
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.197	-3.6	-3.0	-2.6	-2.2	-2.0	-2.1	-2.3	-2.6	-2.8	-	-	-	-	-	-	-
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.840	-3															

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year Weights 2004	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 - SNF04		100.000	1.216	1.223	1.233	1.240	1.251	1.259	1.270	1.278	1.289	1.297	1.308	1.317	1.328	1.337	1.349	1.357
Compensation		62.755	1.217	1.224	1.235	1.245	1.257	1.266	1.278	1.289	1.302	1.311	1.324	1.336	1.350	1.360	1.373	1.385
Wages and Salaries	Blended wages and salary proxy	51.337	1.212	1.219	1.229	1.239	1.250	1.259	1.271	1.282	1.294	1.303	1.316	1.328	1.340	1.350	1.363	1.375
Employee Benefits	Blended benefits proxy	11.418	1.239	1.248	1.260	1.268	1.285	1.296	1.310	1.320	1.337	1.348	1.362	1.372	1.391	1.402	1.417	1.427
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		1.551	1.329	1.319	1.365	1.320	1.331	1.328	1.369	1.329	1.341	1.342	1.382	1.335	1.343	1.350	1.397	1.352
Electricity	WPI - Commercial Electric Power	0.919	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	1.430	1.447	1.460	1.469	1.474	1.477	1.479	1.480	1.481	1.483	1.485	1.488	1.492	1.497	1.502	1.509
All Other		25.448	1.241	1.249	1.257	1.260	1.270	1.279	1.287	1.290	1.301	1.309	1.316	1.320	1.330	1.338	1.346	1.349
All Other Products		19.030	1.263	1.271	1.278	1.281	1.292	1.301	1.309	1.312	1.323	1.331	1.339	1.341	1.352	1.360	1.368	1.370
Pharmaceuticals	WPI - Prescription Drugs	7.894	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Direct Purchase	WPI - Processed Foods	2.906	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Contract Service	CPI - Food Away Fr. Home	3.151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	Blended chemical proxy	0.589	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.394	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services		6.418	1.175	1.185	1.192	1.196	1.204	1.212	1.219	1.225	1.234	1.242	1.249	1.255	1.265	1.273	1.280	1.287
Telephone Services	CPI - Telephone Services	0.434	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage	CPI - Postage	0.454	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Costs		7.207	1.045	1.052	1.053	1.056	1.056	1.064	1.065	1.069	1.070	1.077	1.081	1.084	1.086	1.095	1.099	1.103
Depreciation		2.858	1.195	1.200	1.210	1.220	1.229	1.233	1.243	1.253	1.263	1.266	1.277	1.286	1.295	1.300	1.310	1.320
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Costs		3.037	0.831	0.841	0.832	0.825	0.815	0.825	0.817	0.812	0.802	0.813	0.807	0.802	0.794	0.808	0.805	0.799
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.197	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.840	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Capital Costs		1.312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	CPI - Residential Rent	1.312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year Weights 2004	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 - SNF04		100.000	3.0	2.9	2.9	2.8	2.8	2.9	2.9	3.0	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.1
Compensation		62.755	3.4	3.3	3.3	3.3	3.3	3.4	3.4	3.5	3.6	3.6	3.6	3.6	3.6	3.7	3.7	3.7
Wages and Salaries	Blended wages and salary proxy	51.337	3.3	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.4	3.5	3.5	3.5	3.6	3.6	3.6	3.6
Employee Benefits	Blended benefits proxy	11.418	3.6	3.6	3.6	3.7	3.7	3.8	3.8	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		1.551	0.7	-0.9	-1.3	-1.0	-0.7	-0.1	0.2	0.5	0.6	0.7	0.9	0.8	0.6	0.5	0.6	0.8
Electricity	WPI - Commercial Electric Power	0.919	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	7.6	7.6	7.2	6.2	5.0	3.8	2.7	1.8	1.1	0.7	0.5	0.5	0.7	0.8	1.1	
All Other		25.448	2.5	2.4	2.3	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.3
All Other Products		19.030	2.6	2.4	2.3	2.3	2.3	2.3	2.4	2.4	2.4	2.4	2.3	2.3	2.2	2.2	2.2	2.2
Pharmaceuticals	WPI - Prescription Drugs	7.894	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Direct Purchase	WPI - Processed Foods	2.906	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Contract Service	CPI - Food Away Fr. Home	3.151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	Blended chemical proxy	0.589	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.394	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services		6.418	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.5
Telephone Services	CPI - Telephone Services	0.434	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage	CPI - Postage	0.454	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Costs		7.207	1.0	1.0	1.0	1.0	1.0	1.1	1.2	1.2	1.3	1.3	1.4	1.4	1.5	1.6	1.7	
Depreciation		2.858	3.0	3.0	2.9	2.9	2.9	2.9	2.8	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.6
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Costs		3.037	-2.5	-2.4	-2.4	-2.3	-2.2	-2.1	-2.0	-1.8	-1.7	-1.6	-1.4	-1.4	-1.2	-1.0	-0.8	-0.6
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.197	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.840	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Capital Costs		1.312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	CPI - Residential Rent	1.312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

SOURCE: GLOBAL INSIGHT, INC, 2nd Qtr, 2008; @USMACRO/CONTROL0508@CISSIM/TL0508.SIM Historical Data through 1st Qtr, 2008

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year Weights 2004	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 - SNF04		100.000	1.369	1.378	1.390	1.398	1.410	1.420	1.432	1.440	1.453	1.462	1.475	1.483	1.496	1.506	1.519	1.527
Compensation		62.755	1.399	1.409	1.423	1.434	1.448	1.458	1.472	1.484	1.498	1.508	1.523	1.534	1.549	1.560	1.575	1.587
Wages and Salaries	Blended wages and salary proxy	51.337	1.388	1.398	1.411	1.423	1.436	1.446	1.459	1.470	1.483	1.493	1.507	1.519	1.532	1.543	1.557	1.570
Employee Benefits	Blended benefits proxy	11.418	1.446	1.458	1.473	1.484	1.504	1.516	1.532	1.543	1.564	1.576	1.593	1.604	1.626	1.638	1.655	1.666
Professional Fees	ECl- Compensation Prof. and Tech. (Private)	1.322	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		1.551	1.362	1.373	1.426	1.385	1.392	1.404	1.457	1.416	1.431	1.439	1.491	1.450	1.466	1.474	1.528	1.484
Electricity	WPI - Commercial Electric Power	0.919	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	1.517	1.525	1.534	1.545	1.555	1.567	1.579	1.592	1.606	1.620	1.635	1.650	1.666	1.682	1.700	1.717
All Other		25.448	1.360	1.367	1.375	1.378	1.389	1.397	1.405	1.408	1.419	1.427	1.435	1.438	1.449	1.456	1.464	1.467
All Other Products		19.030	1.381	1.389	1.396	1.399	1.409	1.417	1.425	1.427	1.438	1.446	1.454	1.455	1.466	1.473	1.481	1.482
Pharmaceuticals	WPI - Prescription Drugs	7.894	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Direct Purchase	WPI - Processed Foods	2.906	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Contract Service	CPI - Food Away Fr. Home	3.151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	Blended chemical proxy	0.589	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.394	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services		6.418	1.296	1.304	1.312	1.318	1.328	1.337	1.345	1.352	1.362	1.371	1.379	1.386	1.396	1.405	1.414	1.421
Telephone Services	CPI - Telephone Services	0.434	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage	CPI - Postage	0.454	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labor-intensive Services	ECl - Service Occupations (Private)	3.521	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Costs		7.207	1.105	1.111	1.115	1.117	1.120	1.128	1.132	1.136	1.139	1.145	1.150	1.155	1.157	1.164	1.170	1.175
Depreciation		2.858	1.329	1.334	1.343	1.354	1.364	1.367	1.377	1.388	1.397	1.402	1.411	1.423	1.432	1.436	1.445	1.458
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Costs		3.037	0.790	0.798	0.794	0.784	0.778	0.790	0.787	0.780	0.774	0.782	0.780	0.776	0.769	0.777	0.778	0.774
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.197	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.840	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Capital Costs		1.312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	CPI - Residential Rent	1.312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year Weights 2004	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 - SNF04		100.000	3.1	3.1	3.1	3.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Compensation		62.755	3.7	3.6	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.5	3.4	3.4	3.4	3.4	3.4	3.4
Wages and Salaries	Blended wages and salary proxy	51.337	3.6	3.6	3.5	3.5	3.5	3.5	3.4	3.4	3.4	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Employee Benefits	Blended benefits proxy	11.418	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.9	3.9	3.9	3.9
Professional Fees	ECl- Compensation Prof. and Tech. (Private)	1.322	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		1.551	1.1	1.4	1.6	1.9	2.1	2.2	2.3	2.2	2.4	2.4	2.5	2.5	2.4	2.4	2.4	2.4
Electricity	WPI - Commercial Electric Power	0.919	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	1.3	1.5	1.8	2.0	2.2	2.4	2.6	2.8	3.0	3.2	3.3	3.4	3.6	3.7	3.8	3.9
All Other		25.448	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.0
All Other Products		19.030	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	1.9	1.9	1.9
Pharmaceuticals	WPI - Prescription Drugs	7.894	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Direct Purchase	WPI - Processed Foods	2.906	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Contract Service	CPI - Food Away Fr. Home	3.151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	Blended chemical proxy	0.589	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.394	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services		6.418	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Telephone Services	CPI - Telephone Services	0.434	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage	CPI - Postage	0.454	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labor-intensive Services	ECl - Service Occupations (Private)	3.521	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Costs		7.207	1.7	1.6	1.6	1.4	1.4	1.4	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.7	1.7
Depreciation		2.858	2.6	2.6	2.6	2.6	2.6	2.6	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Costs		3.037	-0.5	-0.6	-0.9	-1.3	-1.5	-1.4	-1.3	-1.0	-0.7	-0.7	-0.7	-0.7	-0.8	-0.7	-0.6	-0.5
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.197	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.840	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Capital Costs		1.312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	CPI - Residential Rent	1.312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

SOURCE: GLOBAL INSIGHT, INC, 2nd Qtr, 2008; @USMACRO/CONTROL0508@CISSIM/TL0508.SIM Historical Data through 1st Qtr, 2008

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year Weights 2004	Forecast 2018Q1	Forecast 2018Q2	Forecast 2018Q3	Forecast 2018Q4
Index Levels						
Total - SNF04		100.000	1.541	1.551	1.565	1.574
Compensation		62.755	1.603	1.614	1.629	1.642
Wages and Salaries	Blended wages and salary proxy	51.337	1.584	1.595	1.609	1.622
Employee Benefits	Blended benefits proxy	11.418	1.689	1.702	1.720	1.732
Professional Fees	ECl- Compensation Prof. and Tech. (Private)	1.322	-	-	-	-
Utilities		1.551	1.500	1.511	1.567	1.523
Electricity	WPI - Commercial Electric Power	0.919	-	-	-	-
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	-	-	-	-
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	-	-	-	-
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	1.736	1.755	1.775	1.787
All Other		25.448	1.478	1.487	1.495	1.498
All Other Products		19.030	1.494	1.502	1.510	1.512
Pharmaceuticals	WPI - Prescription Drugs	7.894	-	-	-	-
Food: Direct Purchase	WPI - Processed Foods	2.906	-	-	-	-
Food: Contract Service	CPI - Food Away Fr. Home	3.151	-	-	-	-
Chemicals	Blended chemical proxy	0.589	-	-	-	-
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.394	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	-	-	-	-
All Other Services		6.418	1.432	1.441	1.450	1.458
Telephone Services	CPI - Telephone Services	0.434	-	-	-	-
Postage	CPI - Postage	0.454	-	-	-	-
Labor-intensive Services	ECl - Service Occupations (Private)	3.521	-	-	-	-
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	-	-	-	-
Capital Costs		7.207	1.179	1.185	1.192	1.197
Depreciation		2.858	1.468	1.472	1.481	1.493
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	-	-	-	-
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	-	-	-	-
Interest Costs		3.037	0.770	0.778	0.780	0.777
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.197	-	-	-	-
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.840	-	-	-	-
Other Capital Costs		1.312	-	-	-	-
Other	CPI - Residential Rent	1.312	-	-	-	-

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using Global Insight Inc. Forecast Assumptions, by Expense Category: 1990-2018

Expense Category	Price/Wage Variable	Base Year Weights 2004	Forecast 2018Q1	Forecast 2018Q2	Forecast 2018Q3	Forecast 2018Q4
Percent Changes						
Total - SNF04		100.000	3.0	3.0	3.0	3.0
Compensation		62.755	3.4	3.4	3.5	3.5
Wages and Salaries	Blended wages and salary proxy	51.337	3.3	3.3	3.3	3.3
Employee Benefits	Blended benefits proxy	11.418	3.9	3.9	3.9	3.9
Professional Fees	ECl- Compensation Prof. and Tech. (Private)	1.322	-	-	-	-
Utilities		1.551	2.4	2.4	2.4	2.5
Electricity	WPI - Commercial Electric Power	0.919	-	-	-	-
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	-	-	-	-
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	-	-	-	-
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	4.0	4.1	4.3	4.2
All Other		25.448	2.0	2.0	2.1	2.1
All Other Products		19.030	1.9	1.9	1.9	2.0
Pharmaceuticals	WPI - Prescription Drugs	7.894	-	-	-	-
Food: Direct Purchase	WPI - Processed Foods	2.906	-	-	-	-
Food: Contract Service	CPI - Food Away Fr. Home	3.151	-	-	-	-
Chemicals	Blended chemical proxy	0.589	-	-	-	-
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.394	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	-	-	-	-
All Other Services		6.418	2.5	2.5	2.5	2.6
Telephone Services	CPI - Telephone Services	0.434	-	-	-	-
Postage	CPI - Postage	0.454	-	-	-	-
Labor-intensive Services	ECl - Service Occupations (Private)	3.521	-	-	-	-
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	-	-	-	-
Capital Costs		7.207	1.7	1.8	1.8	1.9
Depreciation		2.858	2.4	2.5	2.5	2.5
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	-	-	-	-
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	-	-	-	-
Interest Costs		3.037	-0.3	-0.1	0.1	0.2
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.197	-	-	-	-
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.840	-	-	-	-
Other Capital Costs		1.312	-	-	-	-
Other	CPI - Residential Rent	1.312	-	-	-	-

SOURCE: GLOBAL INSIGHT, INC, 2nd Qtr, 2008; @USMACRO/CONTROL0508@CISSIM/TL0508.SIM Historical Data through 1st Qtr, 2008