

June 28, 2023

## Personal health care spending growth exceeds GDP growth for third month

### HIGHLIGHTS

- ▲ In April 2023, national health spending grew by 5.6%, year over year, and now represents 17.5% of GDP.
- ▲ Nominal GDP in April 2023 was 6.9% higher than in April 2022, and grew 1.3 percentage points faster than health spending, as the growth rates in GDP and health spending have continued to converge.
- ▲ Neglecting government subsidies, spending on personal health care in April increased by 8.8%, year over year, and by 8.0% when subsidies are included, exceeding the GDP growth rate for the third consecutive month.
- ▲ Neglecting government subsidies, spending on nursing home care (13.6%) grew fastest in April, while physician and clinical services spending increased the least (6.4%).
- ▲ Data from CMS' recently released National Health Expenditure Projections have been incorporated into this month's spending brief.

### National Health Spending and GDP\*

	Apr 2021	Apr 2022	Mar 2023	Apr 2023
<b>GDP</b>	22.83	25.00	26.56	26.73
<b>National Health Spending (HS)</b>	4.18	4.42	4.65	4.67
<b>HS Share of GDP</b>	18.3%	17.7%	17.5%	17.5%
<b>HS Share of PGDP</b>	18.0%	17.4%	17.3%	17.3%
<b>Growth from Prior 12 Months</b>				
<b>HS</b>	-9.2%	5.8%	4.4%	5.6%
<b>GDP</b>	22.1%	9.5%	6.4%	6.9%
<b>HS minus GDP</b>	-31.4%	-3.7%	-2.0%	-1.3%
<b>HS minus PGDP</b>	-15.0%	-3.4%	-2.2%	-0.8%

Source: Altarum monthly health spending estimates (see Methods box below). Monthly GDP is from IHS Markit. PGDP, defined as what GDP would be at full employment, is from the quarterly Congressional Budget Office estimates, converted to monthly by Altarum.

\* Spending is in trillions of dollars at a seasonally adjusted annual rate (SAAR).

Altarum is a nonprofit research and consulting organization that creates and implements solutions to advance health among at-risk and disenfranchised populations. Since 2011, Altarum has researched cost growth trends and key drivers of U.S. health spending and formulated policy strategies to help bend the cost growth curve. This work was made possible through generous support from the Robert Wood Johnson Foundation.

*The Health Sector Economic Indicators<sup>SM</sup>* reports are a monthly publication of Altarum<sup>SM</sup> and provide an analysis of health spending, employment, and prices. For more information, contact Ani Turner at [ani.turner@altarum.org](mailto:ani.turner@altarum.org). George Miller, PhD (principal author), Ani Turner, Corwin Rhyon, and Matt Daly, PhD, contributed to this brief. Media Contact: [press@altarum.org](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.

## DISCUSSION

In April 2023, national health spending grew by 5.6%, year over year, reaching a seasonally adjusted annual rate of \$4.67 trillion. Health spending in April accounted for 17.5% of GDP. While the GDP growth rate continues to outpace the growth in health spending, the two rates have been converging for the past 5 months, and now differ by 1.3 percentage points (Exhibit 1). As discussed below, growth in spending on personal health care in April (spending on health care goods and services, including federal government subsidies) was 8.0%, year over year, exceeding the GDP growth rate for the third consecutive month.

**Exhibit 1. Year-over-Year Growth in GDP and Health Spending, and Spending as a Percent of GDP**

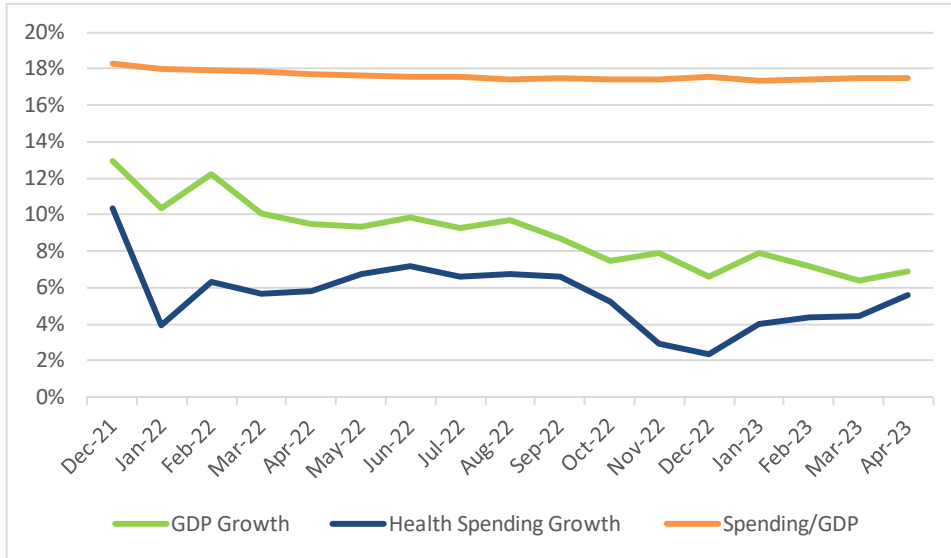


Exhibit 2 shows the trajectory of growth in national health spending and GDP since the start of 2020 through April 2023 with and without COVID-related federal government support to providers and public health activities. This support has declined significantly in recent months. National health spending in April 2023 was 16.8% higher than its pre-pandemic (January 2020) level (16.3% without government subsidies), while GDP over the same period grew by 22.7%.

**Exhibit 2. Percent Change in National Health Spending and GDP Since January 2020**

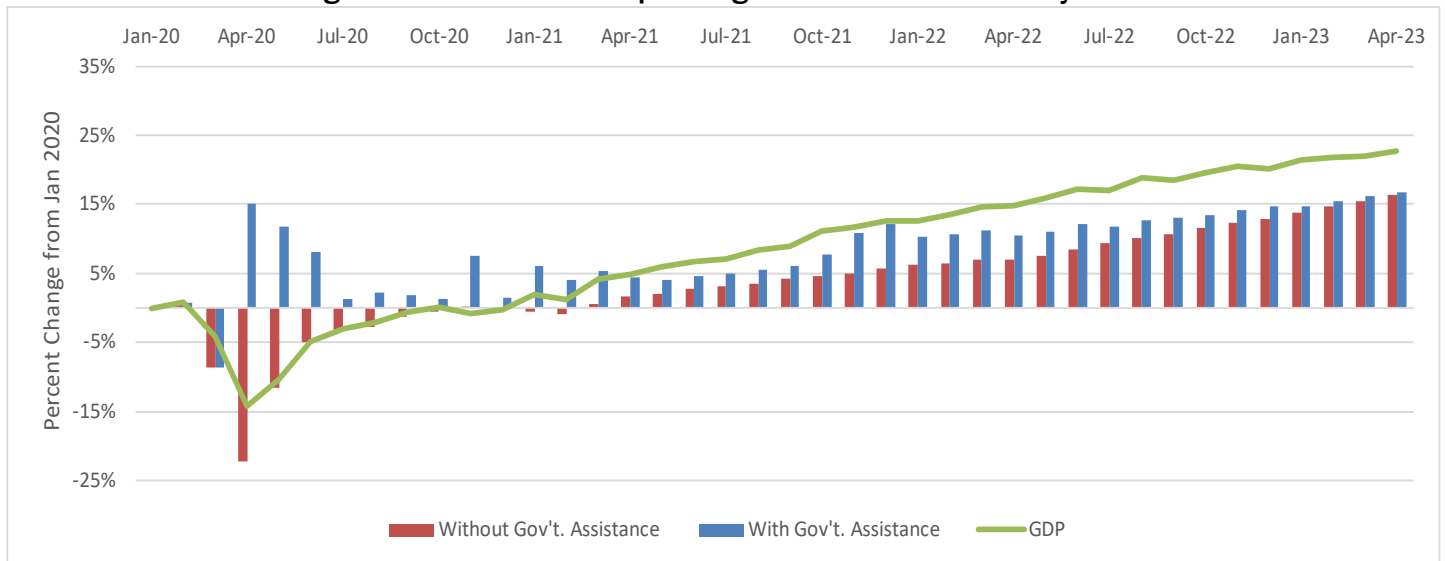


Exhibit 3 displays the growth in spending by major categories within personal health care over the past year without the impact of the decline in federal government support. Overall, personal health care spending growth since April 2022 was 8.8% without government assistance and 8.0% with government support, as government subsidies to providers were smaller in the past year than earlier in the pandemic. Excluding such support, spending on nursing home care grew the fastest, at 13.6%. Spending on physician and clinical services grew the slowest, at 6.4%.

### Exhibit 3. Health Care Spending 12-Month Growth without Government Assistance

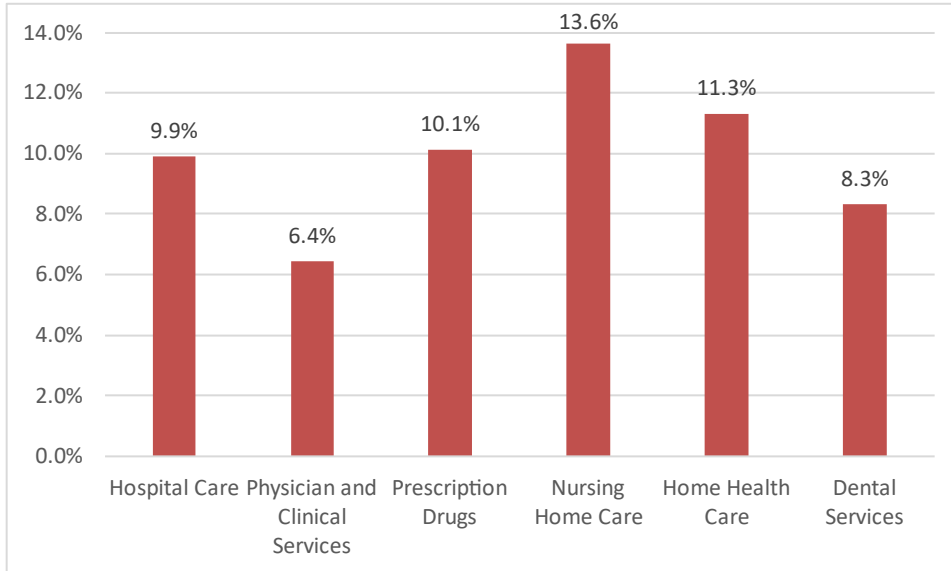
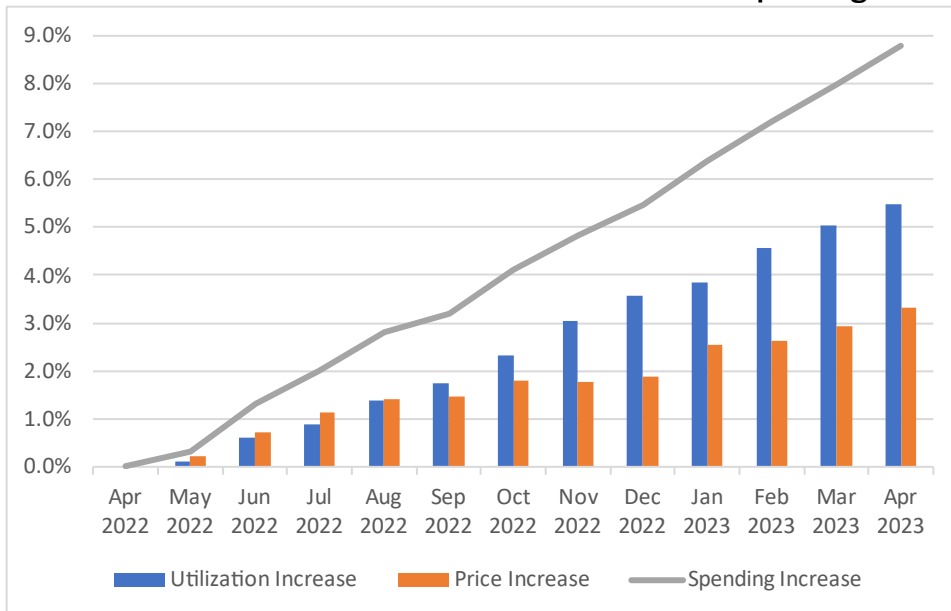


Exhibit 4 shows how spending on personal health care (without government subsidies) has grown over the past year (since April 2022) and illustrates the relative contribution of utilization and prices to this growth. It indicates that spending growth continues to be driven largely by utilization growth through April 2023: Of the 8.8% growth in personal health care spending during this period, 3.3 percentage points can be attributed to price growth, while the remaining 5.5 percentage point growth was associated with increases in utilization. (The latter rate was 4.7 percentage points if government subsidies are included, for an overall growth in personal health care spending of 8.0%.) Personal health care has been growing steadily for the past year, averaging more than 0.7% growth month over month, neglecting federal subsidies.

### Exhibit 4. Cumulative Growth in Personal Health Care Spending without Government Assistance



On June 14, CMS released their latest [National Health Expenditure Projections](#), covering the years 2022 through 2031. While most of our spending data for 2022 and 2023 are based on data provided by the U.S. Bureau of Economic Analysis, we use the projections for spending categories that are not included in the BEA data. (These categories primarily capture spending other than for personal health care.) We have incorporated the new projection data into this month's spending brief; the most significant change was an increase in estimated spending on public health activities in 2022.

## DETAILED HEALTH SPENDING

**Exhibit 5. Monthly National Spending Estimates by Detailed Category**

Levels (in billions of dollars)	Apr 2020	Apr 2021	Apr 2022	Apr 2023
<b>GDP</b>	\$18,691.2	\$22,828.6	\$25,001.4	\$26,727.1
<b>National Health Spending</b>	\$4,605.5	\$4,180.6	\$4,423.9	\$4,672.7
<b>Personal health care</b>	\$3,622.1	\$3,513.6	\$3,643.2	\$3,936.0
Hospital care	\$1,247.9	\$1,307.3	\$1,338.4	\$1,455.2
Physician and clinical services	\$893.3	\$854.5	\$877.7	\$928.5
Other professional services	\$148.8	\$127.0	\$131.3	\$139.0
Dental services	\$149.8	\$161.9	\$167.8	\$180.7
Other personal health care	\$264.0	\$219.5	\$232.3	\$242.1
Home health care	\$163.1	\$122.9	\$129.0	\$142.7
Nursing home care	\$302.9	\$179.2	\$192.5	\$217.4
Prescription Drugs	\$335.9	\$376.3	\$401.8	\$442.4
Durable medical equipment	\$39.5	\$67.1	\$71.4	\$78.8
Nondurable medical products	\$76.8	\$97.8	\$101.1	\$109.1
Program administration and net cost of private health insurance	\$346.8	\$307.2	\$332.8	\$364.4
Government public health activities	\$444.4	\$155.8	\$230.4	\$142.1
Research	\$59.7	\$60.9	\$64.5	\$68.0
Structures and equipment	\$132.5	\$143.2	\$152.9	\$162.1
<b>HS Share of GDP</b>	24.6%	18.3%	17.7%	17.5%
<b>HS Share of PGDP</b>	21.0%	18.0%	17.4%	17.3%

Source: Altarum monthly national health spending estimates. The monthly GDP is from IHS Markit.  
Notes: Spending is expressed in billions of dollars at a SAAR.

**Exhibit 6. National Health Spending 12-Month Growth Rates by Detailed Category**

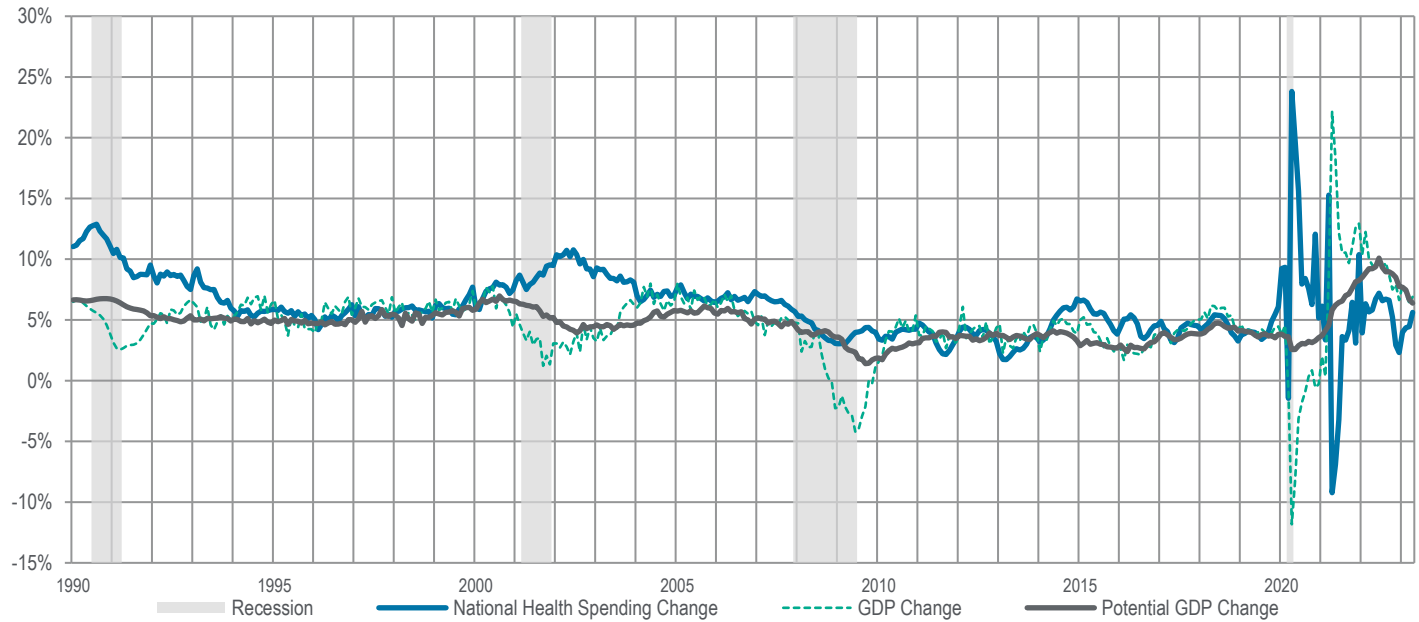
Growth Rates	Apr 2021	Apr 2022	Apr 2023
<b>GDP</b>	22.1%	9.5%	6.9%
<b>National Health Spending</b>	-9.2%	5.8%	5.6%
<b>Personal health care</b>	-3.0%	3.7%	8.0%
Hospital care	4.8%	2.4%	8.7%
Physician and clinical services	-4.3%	2.7%	5.8%
Other professional services	-14.7%	3.4%	5.9%
Dental services	8.1%	3.7%	7.7%
Other personal health care	-16.8%	5.8%	4.2%
Home health care	-24.6%	4.9%	10.6%
Nursing home care	-40.8%	7.5%	12.9%
Prescription Drugs	12.0%	6.8%	10.1%
Durable medical equipment	69.8%	6.3%	10.4%
Nondurable medical products	27.4%	3.3%	8.0%
Program administration and net cost of private health insurance	-11.4%	8.3%	9.5%
Government public health activities	-64.9%	47.9%	-38.3%
Research	1.9%	6.0%	5.4%
Structures and equipment	8.1%	6.8%	6.0%
<b>HS Minus GDP</b>	-31.4%	-3.7%	-1.3%
<b>HS Minus PGDP</b>	-15.0%	-3.4%	-0.8%

Source: Computed from Exhibit 2.

Note: This exhibit compares monthly national health spending to that of the same month from the previous year.

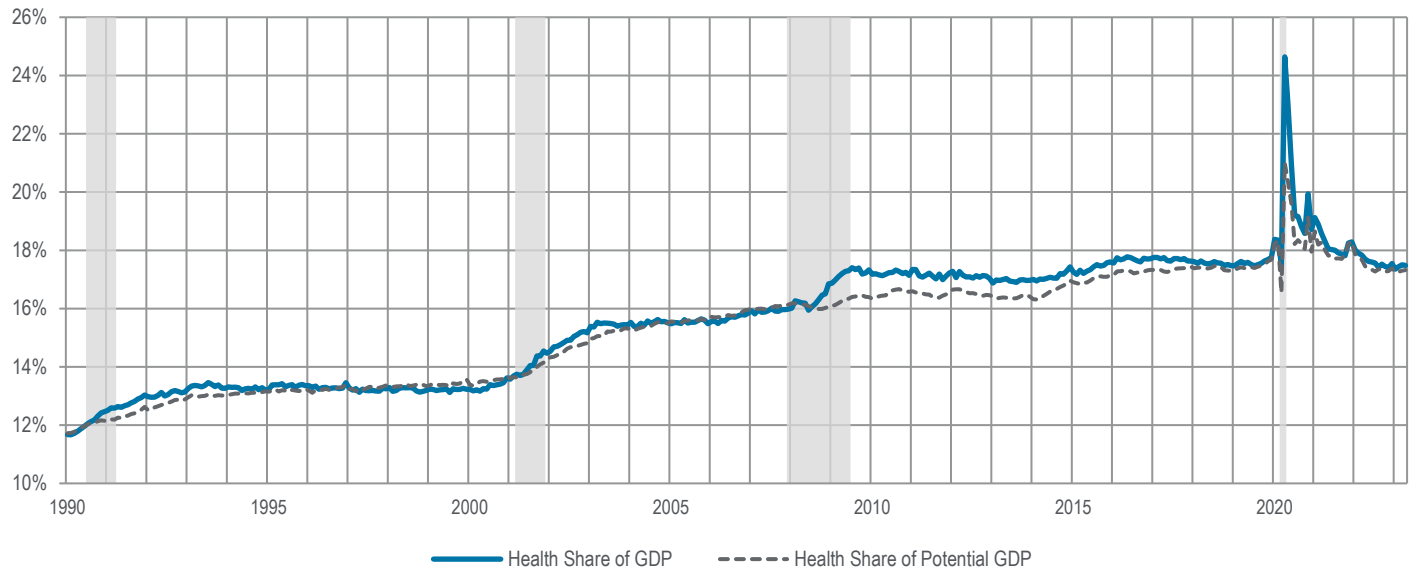
## TIME SERIES TRACKER

**Exhibit 7. Year-over-Year Percentage Change in Spending and GDP**



**Source:** Altarum monthly national health spending estimates. The monthly GDP is from IHS Markit.  
**Note:** Lightly shaded bars denote recession periods.

**Exhibit 8. Monthly Health Spending as a Percentage of Monthly GDP**



**Source:** Altarum monthly national health spending estimates. Monthly GDP is from IHS Markit. PGDP is from the U.S. Congressional Budget Office and has been

**Methods.** Altarum’s estimates are based on [BEA monthly health spending](#) and [CMS annual NHE estimates \(1990–2021\) and projections](#) (2022 and 2023). BEA spending categories are matched to NHEA components by using information presented in the [following](#): Hartman, M. B., Kornfeld, R. J., & Catlin, A. C. (2010, September). A reconciliation of health care expenditures in the National Health Expenditures Accounts and in gross domestic product. *Survey of Current Business*, 90(9), 42–52. For all NHEA personal health care categories except “other health, residential, and personal care,” monthly estimates are based on BEA spending adjusted to NHEA by using annual ratios. For the remaining categories, national health spending estimates and projections are allocated across months by using a simple trend. Annual ratio adjustments through 2021 are based on NHEA actuals and ensure that monthly estimates sum exactly to NHEA annual amounts. The 2021 ratios are used to adjust BEA spending for months in 2022 and 2023.

June 28, 2023

## Health care price and utilization growth continue upward trends

### HIGHLIGHTS

- ▲ The overall Health Care Price Index (HCPI) increased by 3.3% year over year in May, the same as the slightly revised growth rate observed a month earlier in April.
- ▲ The 3.3% year over year growth rate is 1.3 percentage points faster than a year ago and tied with the prior month for the fastest overall health care price increase since December 2007.
- ▲ Economywide inflation continued to slow, as overall CPI growth fell from 4.9% to 4.0% and PPI price growth fell from 2.3% to 1.1% in May.
- ▲ Prices for health care services paid for by private insurance increased by 3.9% in May, while Medicare prices increased 1.0% year over year, and Medicaid prices increased 4.9%.
- ▲ Among the major health care categories, prices for nursing home care (6.9%) and dental care (6.6%) grew fastest, while physician and clinical services (0.6%) price growth was the slowest.
- ▲ Our implicit measure of health care utilization growth increased again, up 4.7% year over year in April, greater than the 4.6% growth a month prior.

	May 2021	May 2022	April 2023	May 2023
<b>Health Care Price Index (HCPI)</b>	2.2%	2.0%	3.3%	3.3%
<b>GDP Deflator (GDPD)</b>	4.4%	7.4%	4.5%	**
<b>HCPI - GDPD</b>	-2.2%	-5.4%	-1.2%	**
<b>Addendum</b>				
<b>Personal health care spending</b>	0.4%	4.5%	8.0%	**
<b>Health care utilization</b>	-1.8%	2.5%	4.7%	**
<b>Medical Consumer Price Index (MCPI)</b>	0.9%	3.7%	1.1%	0.7%
<b>Consumer Price Index, all items (CPI)</b>	5.0%	8.6%	4.9%	4.0%
<b>Producer Price Index, Final Demand (PPI)</b>	7.0%	11.1%	2.3%	1.1%

Source: Altarum analysis of U.S. Bureau of Labor Statistics (BLS) data. HCPI is a composite price index designed to measure overall price changes for personal health care spending and is patterned after the price index developed by the Centers for Medicare & Medicaid Services (CMS). Details are provided below. Numbers may not subtract properly due to rounding. \*\*Data not available

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The *Health Sector Economic Indicators*<sup>SM</sup> reports are a monthly publication of Altarum and provide an analysis of health spending, employment, and prices. For more information, contact Ani Turner at [ani.turner@altarum.org](mailto:ani.turner@altarum.org). Corwin (Corey) Rhyan (principal author), Ani Turner, George Miller, PhD, and Matt Daly, PhD, contributed to this brief. Media Contact: [press@altarum.org](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.

## DISCUSSION

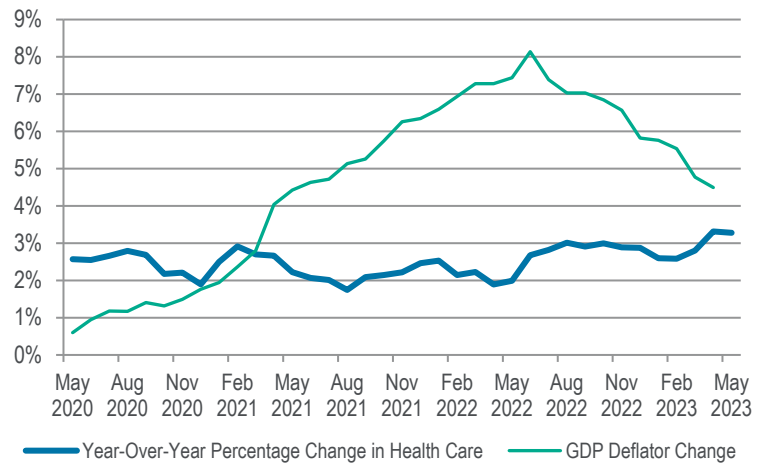
The overall health care price index (HCPI) increased by 3.3% year over year in May, now matching the slightly revised growth rate from a month prior, when the data previously showed a 3.4% increase for April (Exhibit 1). Even with the slight revisions, the 3.3% average overall HCPI growth over the past two months remains the fastest in our series since December 2007. An alternative measure of overall health care price growth—the medical care CPI—shows a much lower overall growth rate (0.7%), but this is primarily due to an artifact of this measure that includes a lagged indicator of health insurance retained earnings (Exhibit 5). Once the health insurance component is excluded, the medical care CPI tracks very closely with our overall HCPI, and shows gradually increasing health care price growth over the past few months.

This month, CMS released their [annual National Health Expenditure projections](#) through 2031. These projections estimate that health care price growth will average 2.8% in 2023, 3.3% in 2024, and 2.9% annually from 2025-31. Of note is the fact that CMS is projecting price growth will play a bigger role than utilization increases in total health spending over the next eight years, as they expect health care utilization growth will fall between 1.7% and 2.7% over this period. For the first five months of this year, our HCPI measure has averaged 2.9% year-over-year growth and has been trending upward, indicating price growth is on track to slightly exceed the CMS projection for 2023.

The upward trend in health care price growth comes at a time when economywide inflation continues to fall. Overall inflation, as measured by the CPI and PPI, has fallen over the past six months. CPI growth fell to 4.0% in May, while PPI growth fell even further to 1.1% (Highlights Table). Furthermore, as of May 2023 both economywide services (less healthcare) and commodities are significantly below their peak post-pandemic growth rates. Services prices increased 7.1% year over year (down from a peak of 8.3%) and commodities prices grew by only 0.8% in May (down from a peak of 14.1%) (Exhibit 4).

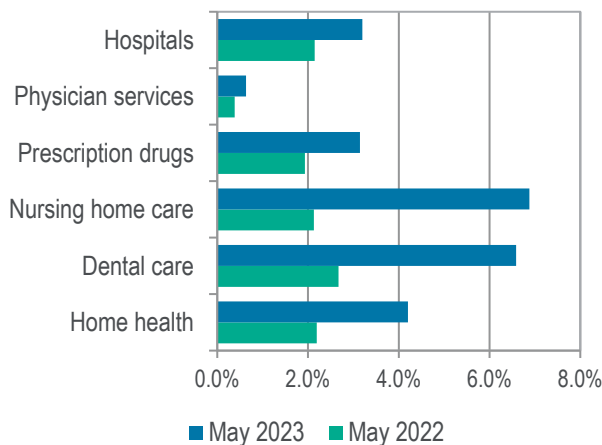
Among major health care categories in May, the fastest growth occurred for nursing home (6.9%) and dental care (6.6%) (Exhibit 2), although both of these growth rates are down slightly from a month prior. Hospital prices growth also fell slightly last month from 3.4% in April to 3.2% in May. Physician and clinical services prices remain the slowest growing major category—increasing only 0.6% year over year—marking the sixteen straight month of below 1.0% price growth for this component (Exhibit 3). Physician payment updates from Medicare have recently [become a topic of congressional interest](#), as lawmakers review the impact the 2015 Medicare Access and CHIP Reauthorization Act (MACRA) has had on doctor reimbursement rates.

**Exhibit 1. Year-over-Year Growth in HCPI & GDPD**



Source: Altarum analysis of monthly BLS price data and monthly GDPD data published by Macroeconomic Advisers.

**Exhibit 2. Year-over-Year Price Growth for Selected Categories**



Our implicit measure of overall health care utilization (total spending growth net of health care price inflation) increased again in April by 4.7% year over year (Exhibit 9), continuing the steady increase in the use of health care products and services so far in 2023. Among the major categories, utilization growth from last month increased at the fastest rates for prescription drugs (7.2%), home health care (6.4%), and hospital care (5.3%). Going forward this year we expect our implicit measure of utilization will continue to remain positive and may increase for most categories. Further details are available in [this month's spending brief](#), which details the split of price and utilization growth components of increasing health care spending through the first four months of 2023.



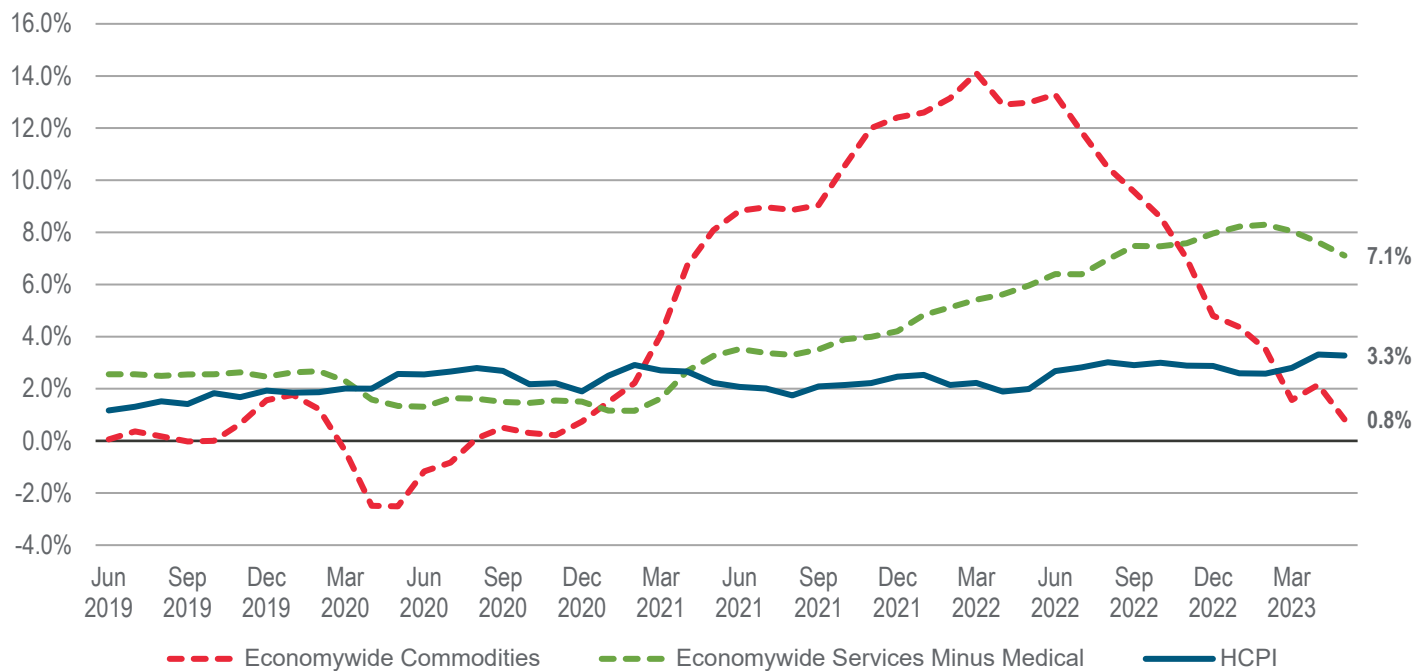
## PRICE GROWTH BY DETAILED CATEGORIES

**Exhibit 3. Annualized % Change in Prices for Major Components of National Health Expenditures**

	Ending May 2021	Ending May 2022	Ending May 2023
<b>Health Care Price Index (HCPI)</b>	2.2%	2.0%	3.3%
<b>Hospital care</b>	3.5%	2.1%	3.2%
<b>Physician and clinical services</b>	3.3%	0.4%	0.6%
<b>Prescription drugs</b>	-2.1%	1.9%	3.1%
<b>Nursing home care</b>	1.1%	2.1%	6.9%
<b>Dental Services</b>	1.4%	2.7%	6.6%
<b>Home health care</b>	1.6%	2.2%	4.2%
<b>Other professional services</b>	2.6%	4.5%	0.8%
<b>Other personal health care</b>	5.3%	4.1%	4.8%
<b>Other nondurable medical products</b>	-0.3%	3.2%	6.2%
<b>Durable medical equipment</b>	-2.4%	2.9%	5.7%

Source: Altarum analysis of monthly BLS data.

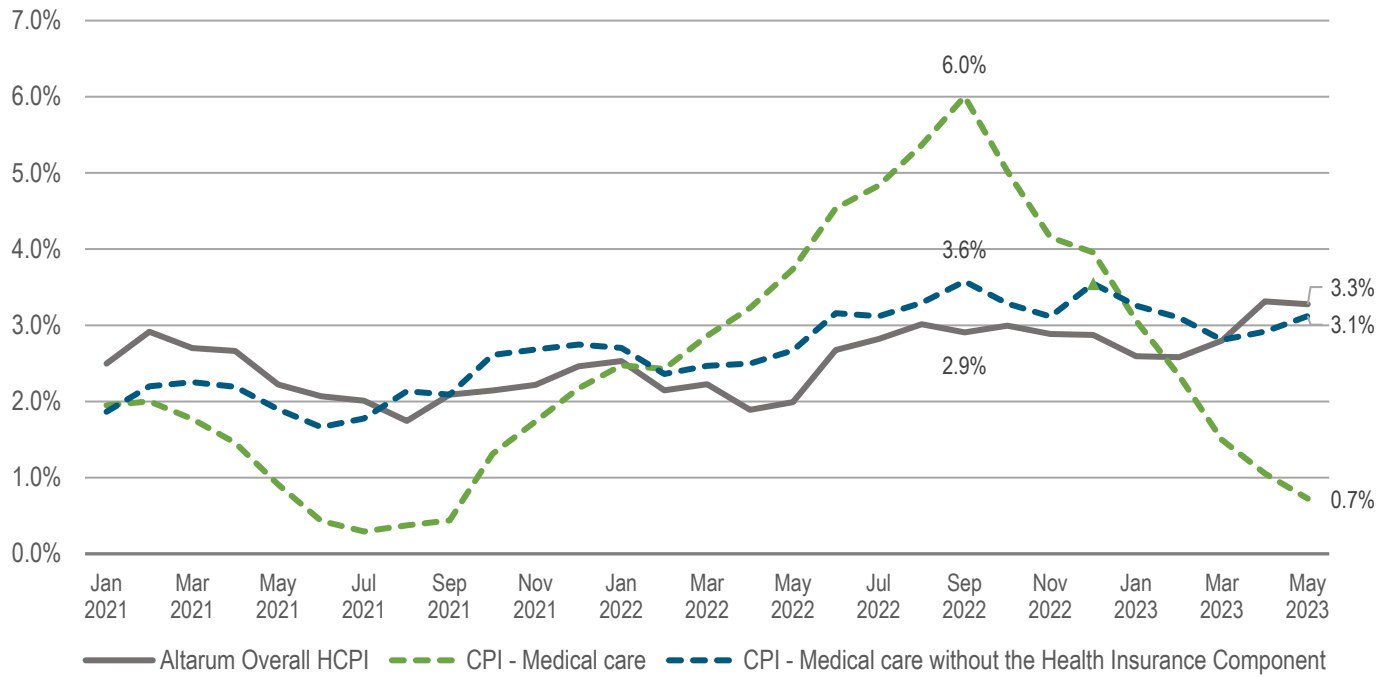
**Exhibit 4. Year-over-Year Percentage Change in Health Prices Compared with Economywide Commodities vs. Economywide Services**



Methods. Altarum’s estimates for the monthly HCPI, a price index for personal health care spending within the National Health Expenditure Accounts, are essentially monthly versions of the annual index developed by the CMS National Health Statistics Group (NHS). The advantages of this measure over the medical care component of the CPI are well documented. Information on the CMS index is presented in the following source: U.S. Department of Health and Human Services. (2019). *National Health Expenditure Accounts: Methodology Paper, 2018—Definitions, Sources, and Methods*. Washington, DC: Centers for Medicare & Medicaid Services. Retrieved from <http://www.cms.gov/files/document/definitions-sources-and-methods.pdf>. The HCPI is calculated by using BLS data on PPIs for hospital, physician, nursing home, and home health components and CPIs for prescription drugs and other remaining items. Following NHS, we use the GDPD rather than the CPI as our measure of economy-wide inflation. While this brief focuses on prices, it also incorporates data from our spending brief and shows the power of looking at prices and spending together. In particular, it reveals the striking role of utilization in health spending growth trends.

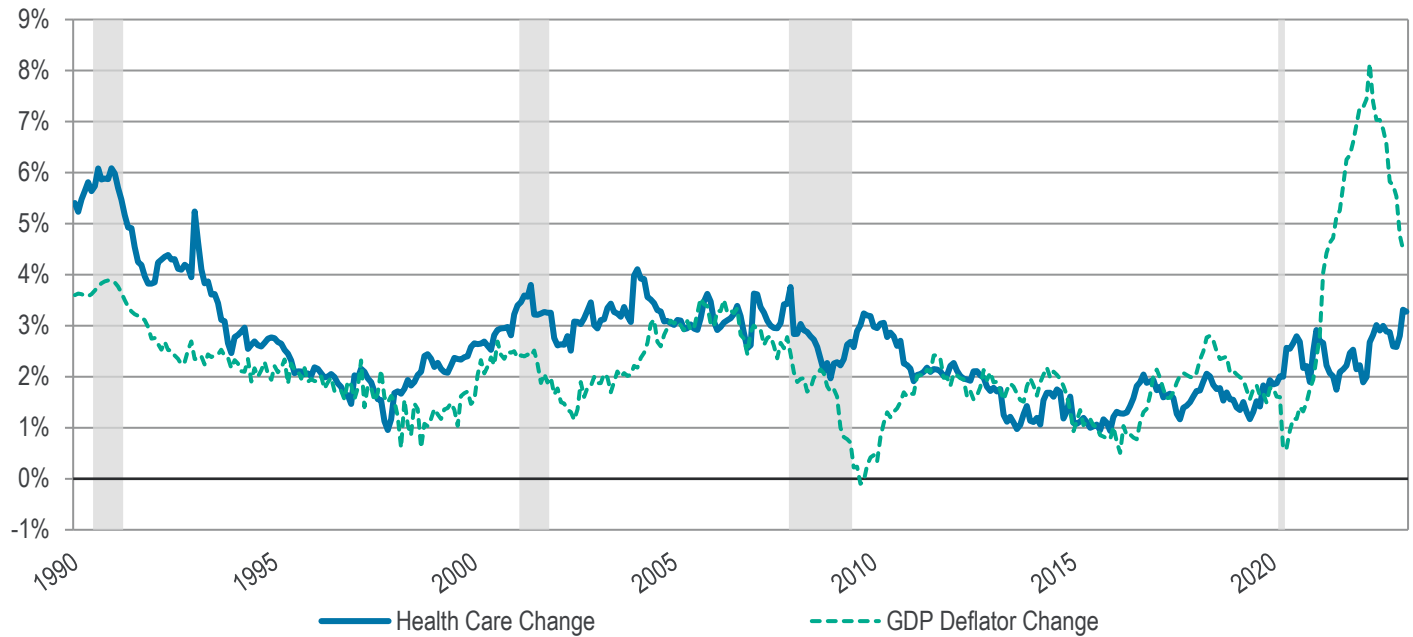


**Exhibit 5. Year-over-Year Percentage Change in Medical Care CPI vs. Altarum Overall HCPI**



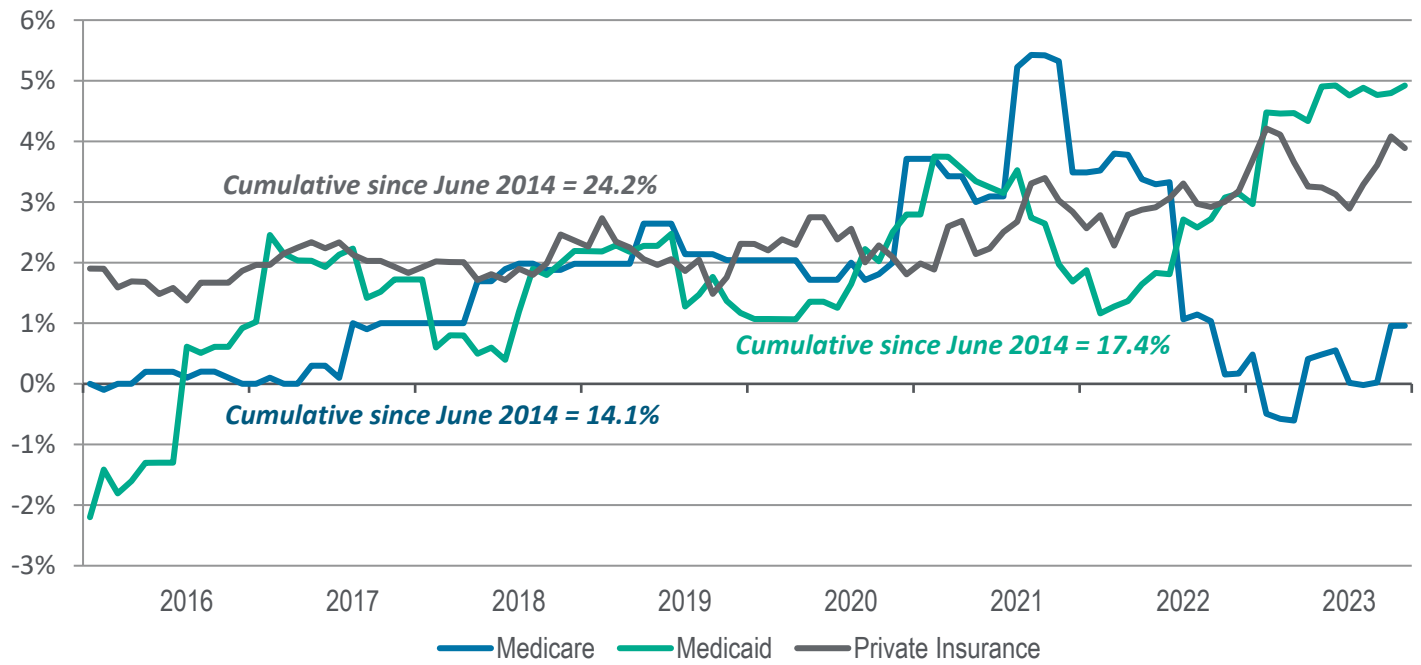
**TIME SERIES TRACKER**

**Exhibit 6. Year-over-Year Percentage Change in Health Prices Compared with the GDP Deflator**



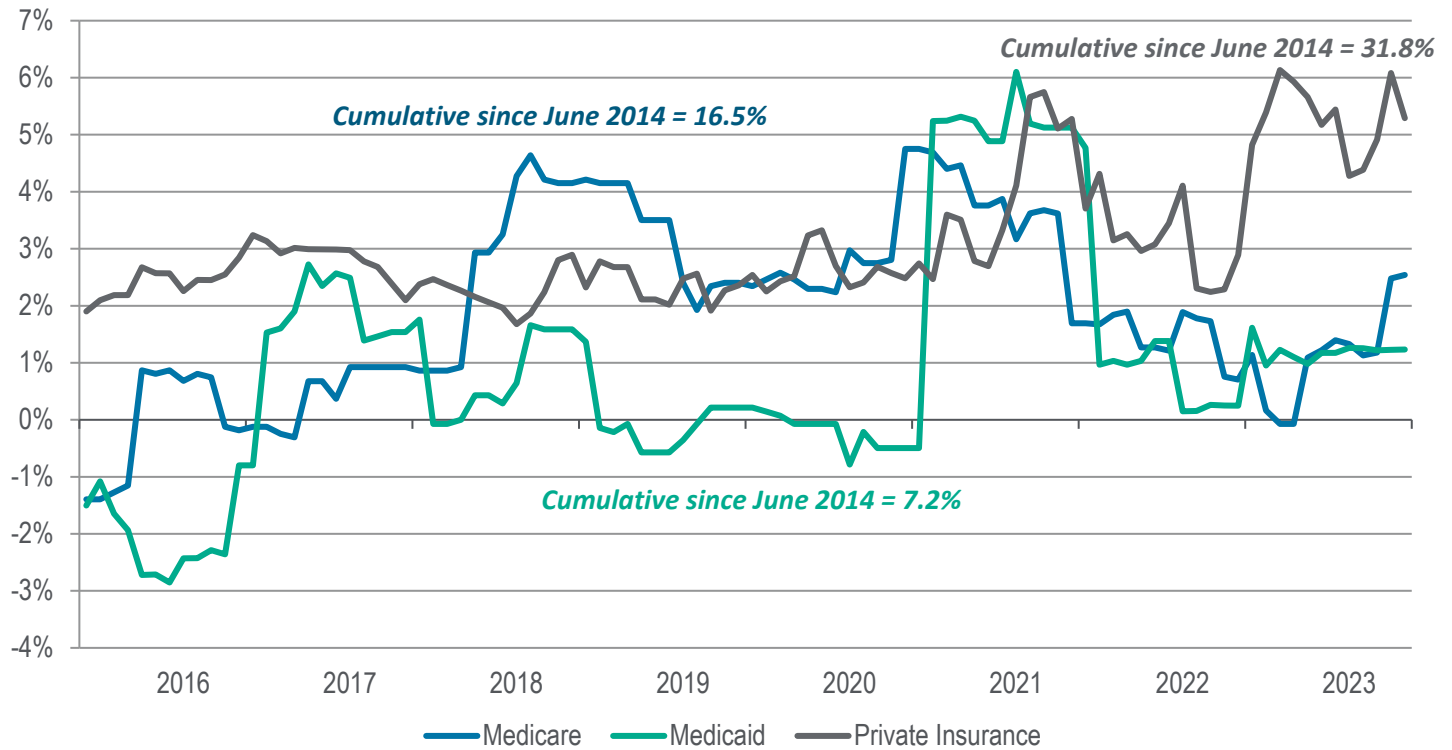
Source: Altarum monthly national health spending and price index estimates.  
Note: Lightly shaded bars denote recession periods.

**Exhibit 7. Year-over-Year Change in Health Care Services Price Growth, by Payer**



Source: Altarum analysis of monthly BLS data.

**Exhibit 8. Year-over-Year Change in Hospital Services Price Growth, by Payer**



Source: Altarum analysis of monthly BLS data.

**Exhibit 9. Implicit Health Care Utilization Growth by Major Components of NHE, Year-over-year**

	April 2023	3-Month Moving Average	12-Month Moving Average
<b>Total personal health care</b>	4.7%	4.7%	2.8%
<b>Hospital care</b>	5.3%	4.6%	2.0%
<b>Physician and clinical services</b>	5.3%	5.5%	3.4%
<b>Prescription drugs</b>	7.2%	7.3%	6.0%
<b>Nursing home care</b>	5.9%	5.9%	5.9%
<b>Dental Services</b>	0.7%	0.7%	1.3%
<b>Home health care</b>	6.4%	7.3%	4.9%
<b>Other professional services</b>	5.6%	6.7%	1.1%
<b>Other personal health care</b>	-0.9%	-0.8%	0.8%
<b>Other nondurable medical products</b>	2.5%	3.1%	1.6%
<b>Durable medical equipment</b>	5.1%	6.4%	5.0%

Source: Altarum analysis of monthly BLS data combined with Altarum HSEI spending data.

*Note: Beginning in March 2021, we slightly updated the computation of estimated implicit utilization shown in Exhibit 8 to be more consistent with our spending data. Previous iterations calculated implicit utilization growth (U) as spending growth (S) net of price growth (P) and population growth (Pop):  $U = S - P - Pop$ . New data (from March 2021 onward) now include population growth in utilization, with the new measure calculated as:  $U = S - P$ . This approach is an approximation, ignoring the interaction term between spending and prices growth ( $S*P$ ); however, as long as the two growth rates are small, this term is insignificant.*

June 28, 2023

## Health care adds 52,400 jobs in May, consistent with 12-month average

### HIGHLIGHTS

- ▲ Health care added 52,400 jobs in May 2023, somewhat more than the average of 42,000 jobs added in the first four months of 2023, but consistent with the 12-month average of 52,000 jobs added per month.
- ▲ Nearly half of May's health sector job growth was seen in ambulatory care settings, which added 23,900 jobs, followed closely by hospitals, which added nearly 20,000 jobs.
- ▲ Nursing and residential care facilities added 8,900 jobs, with growth occurring in both nursing homes (2,900 jobs) and other nursing and residential care (6,000 jobs).
- ▲ The economy added 339,000 jobs in May, similar to the average 308,000 added in the first four months of 2023. The unemployment rate rose to 3.7%.
- ▲ Health care wage growth in April 2023 continues to be aligned with economywide wage growth at 4.4% year over year.
- ▲ Wage growth in health care settings is now highest in hospitals, at 5.1% year over year in April 2023. Wage growth in nursing and residential care has fallen to 4.7% from a high of 11.0% last spring, while wage growth in ambulatory care settings was 3.6%.

### Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	May 2022	Apr 2023	May 2023
Total Employment (000)	152,371	152,042	155,766	156,105
Non-Health Employment (000)	135,890	135,854	139,006	139,293
Health Employment (000)	16,481	16,188	16,760	16,812
Health Share of Total Employment	10.82%	10.65%	10.76%	10.77%
Unemployment Rate	3.5%	3.6%	3.4%	3.7%

Source: Altarum analysis of Bureau of Labor Statistics (BLS) data. Health care employment is private only.

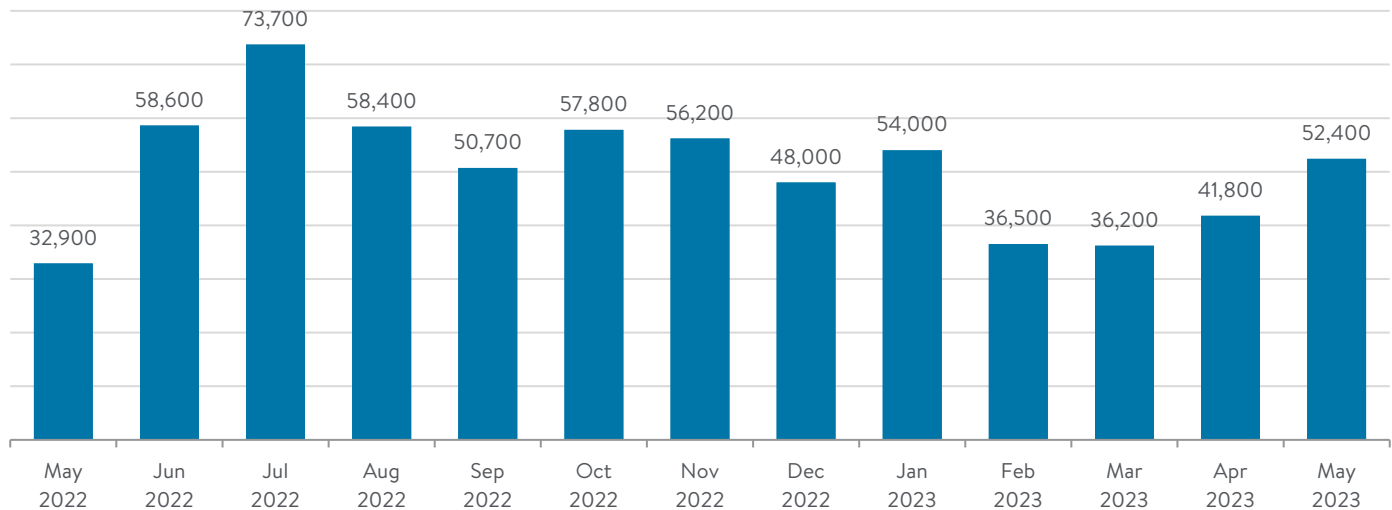
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*The Health Sector Economic Indicators<sup>SM</sup>* (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Ani Turner at [ani.turner@altarum.org](mailto:ani.turner@altarum.org). Ani Turner (principal author), Corwin Rhyan, George Miller, PhD, and Matt Daly, PhD, contributed to this brief. Media Contact: [press@altarum.org](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.

## DISCUSSION

Health care employment grew by a strong 52,400 jobs in May 2023, higher than the 42,000 average of the first four months of 2023, but consistent with the 12-month average of 52,000 jobs per month (Exhibit 1). Revisions to March and April were minimal, adding 7,200 jobs to the estimate of total health care employment.

**Exhibit 1. Month-over-month Change in Health Care Employment, Seasonally Adjusted**



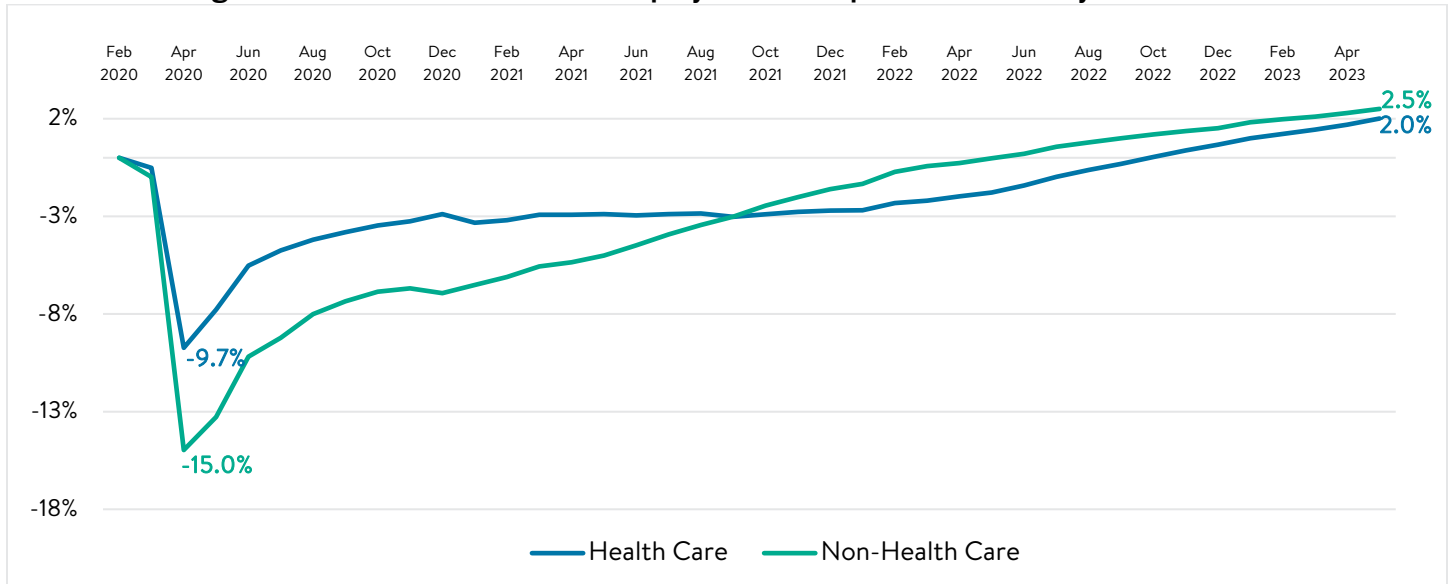
Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Nearly half of the health care job growth in May was seen in ambulatory care settings, which added 23,900 jobs, consistent with the 12-month average of 26,000 jobs per month. Hospitals were close behind, adding 19,600 jobs in May, somewhat higher than the 12-month average of 13,900 jobs per month.

Nursing and residential care facilities added 8,900 jobs, somewhat below the 12-month average of 12,100 jobs per month. Both nursing homes (+2,900 jobs in May) and other nursing and residential care facilities (+6,000 jobs in May) have shown positive job growth for more than a year.

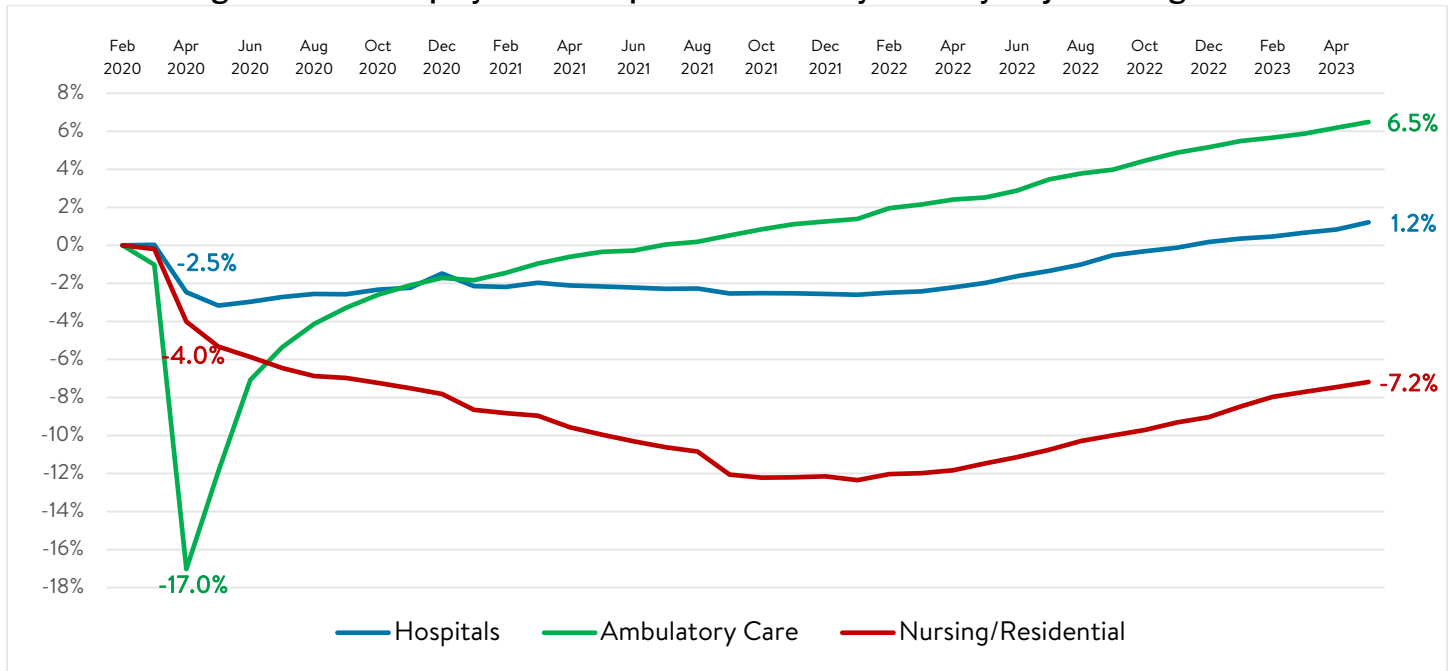
Health care employment is 331,000 jobs, or 2.0%, above where it was before the pandemic began (February 2020) (Exhibit 2). Hospital employment is just above where it was (64,000 or 1.2% above), ambulatory care settings are well above (511,000 or 6.5% above), and nursing and residential care employment, while growing steadily now, remains 243,000 or 7.2% below where it was prior to the pandemic (Exhibit 3).

**Exhibit 2. Change in Health and Non-Health Employment Compared to February 2020**



Source: Altarum analysis of monthly BLS Current Employment Statistics data.

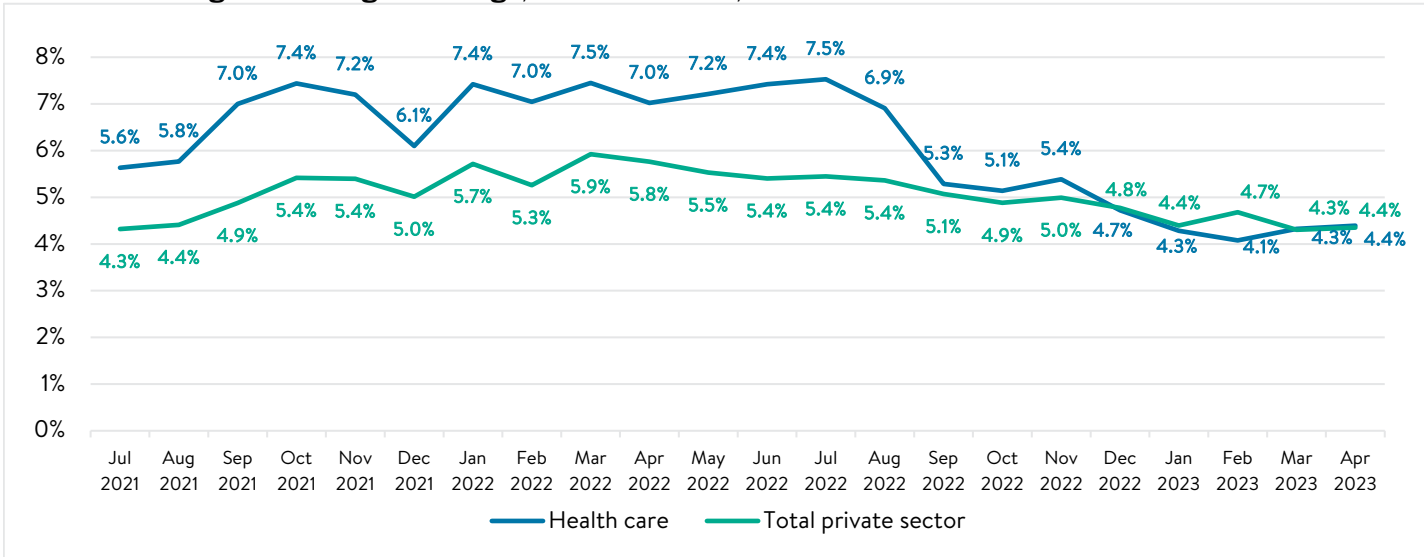
**Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care**



Source: Altarum analysis of monthly BLS Current Employment Statistics data.

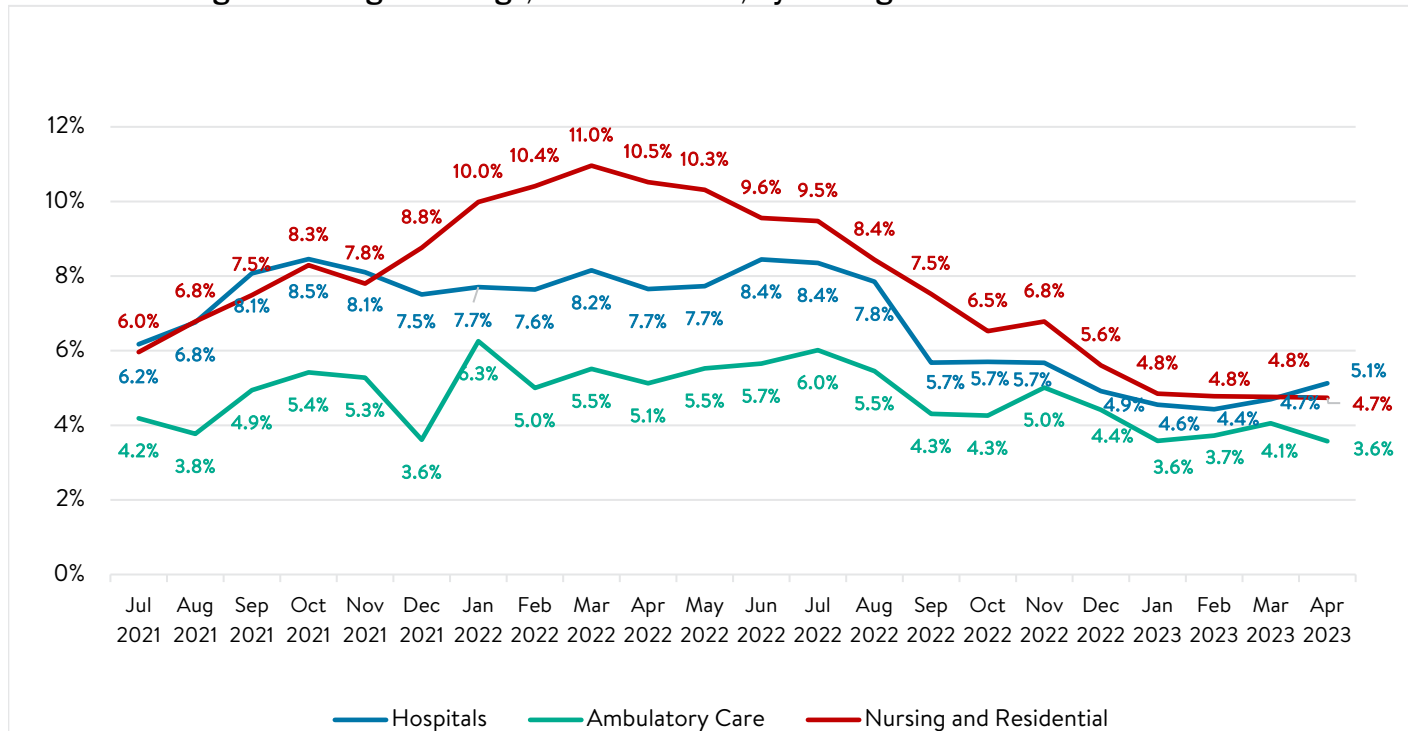
Wage growth in health care had been higher than economywide wage growth for many months but the two rates have converged in recent months. In April 2023, wage growth in both health care and across all private sector jobs was 4.4% (Exhibit 4).

**Exhibit 4. Change in Average Earnings, Year over Year, Health Care and Total**



The growth in average earnings varied considerably by setting of care in 2021 and 2022, but the gaps have narrowed as wage growth has fallen in all settings (Exhibit 5). For the first time since fall 2021, wage growth in

**Exhibit 5. Change in Average Earnings, Year over Year, by Setting of Care**





health care settings is now highest in hospitals, at 5.1% year over year. Wage growth in nursing and residential care has fallen to 4.7% from a high of 11.0% last spring, while wage growth in ambulatory care settings dipped to 3.6%.

## DETAILED HEALTH CARE EMPLOYMENT

### Exhibit 6. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	May 2023	April 2023	May 2022	May 2021	February 2020
Non-Health Care	139,293	139,006	135,854	129,091	135,890
Health Care	16,812	16,760	16,188	16,005	16,481
Ambulatory Health Care Services	8,377	8,353	8,065	7,840	7,867
Offices of Physicians	2,887	2,879	2,793	2,727	2,726
Offices of Dentists	1,040	1,036	1,004	988	990
Offices of Other Health Care Practitioners	1,128	1,125	1,077	1,003	1,001
Outpatient Care Centers	1,066	1,063	1,026	996	997
Medical and Diagnostic Labs	323	324	322	307	289
Home Health Care Services	1,599	1,593	1,521	1,507	1,546
Other Ambulatory	334	335	322	312	318
Hospitals	5,299	5,280	5,132	5,123	5,236
Nursing and Residential Care Facilities	3,136	3,127	2,991	3,042	3,378
Nursing Care Facilities	1,402	1,399	1,347	1,381	1,587
Other Nursing and Residential	1,734	1,728	1,644	1,661	1,792
Health Share of Employment	10.77%	10.76%	10.65%	11.03%	10.82%

Source: Altarum analysis of BLS Current Employment Statistics data. February 2020 displayed as month of pre-pandemic peak employment.

### Exhibit 7. Change in Employment Data by Sector, Seasonally Adjusted

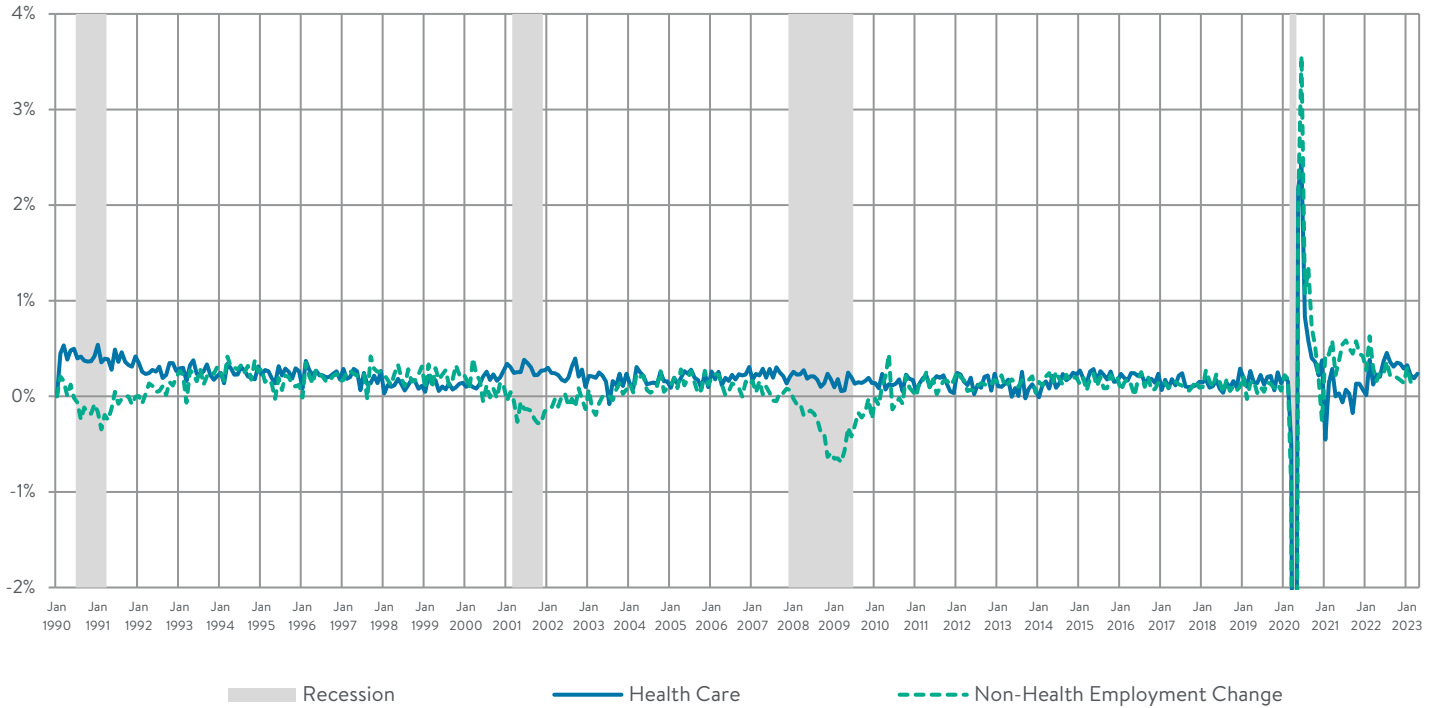
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	286.6	3,438.7	10,201.8	3,402.7
Health Care	52.4	624.3	807.2	331.3
Ambulatory Health Care Services	23.9	312.5	537.2	510.5
Offices of Physicians	8.2	94.7	160.9	161.4
Offices of Dentists	4.2	35.7	51.7	49.9
Offices of Other Health Care Practitioners	3.2	51.3	124.5	127.1
Outpatient Care Centers	3.8	40.0	69.9	69.3
Medical and Diagnostic Labs	-0.4	1.4	15.9	34.3
Home Health Care Services	5.8	77.6	92.2	52.5
Other Ambulatory	-1.1	11.7	21.9	15.9
Hospitals	19.6	167.1	176.6	63.6
Nursing and Residential Care Facilities	8.9	144.7	93.4	-242.8
Nursing Care Facilities	2.9	54.9	20.7	-184.8
Other Nursing and Residential	6.0	89.8	72.7	-58.0
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	2.5%	2.5%	3.9%	0.8%
Health Care	3.8%	3.9%	2.5%	0.6%
Ambulatory Health Care Services	3.5%	3.9%	3.4%	2.0%
Offices of Physicians	3.5%	3.4%	2.9%	1.8%
Offices of Dentists	5.0%	3.6%	2.6%	1.5%
Offices of Other Health Care Practitioners	3.5%	4.8%	6.0%	3.7%
Outpatient Care Centers	4.4%	3.9%	3.4%	2.1%
Medical and Diagnostic Labs	-1.5%	0.4%	2.6%	3.5%
Home Health Care Services	4.5%	5.1%	3.0%	1.0%
Other Ambulatory	-3.9%	3.6%	3.5%	1.5%
Hospitals	4.5%	3.3%	1.7%	0.4%
Nursing and Residential Care Facilities	3.5%	4.8%	1.5%	-2.3%
Nursing Care Facilities	2.5%	4.1%	0.7%	-3.7%

<b>Other Nursing and Residential</b>	4.2%	5.5%	2.2%	-1.0%
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Source: Altarum analysis of BLS Current Employment Statistics data. Change since February 2020 represents comparison to pre-pandemic peak employment.

## TIME SERIES TRACKER

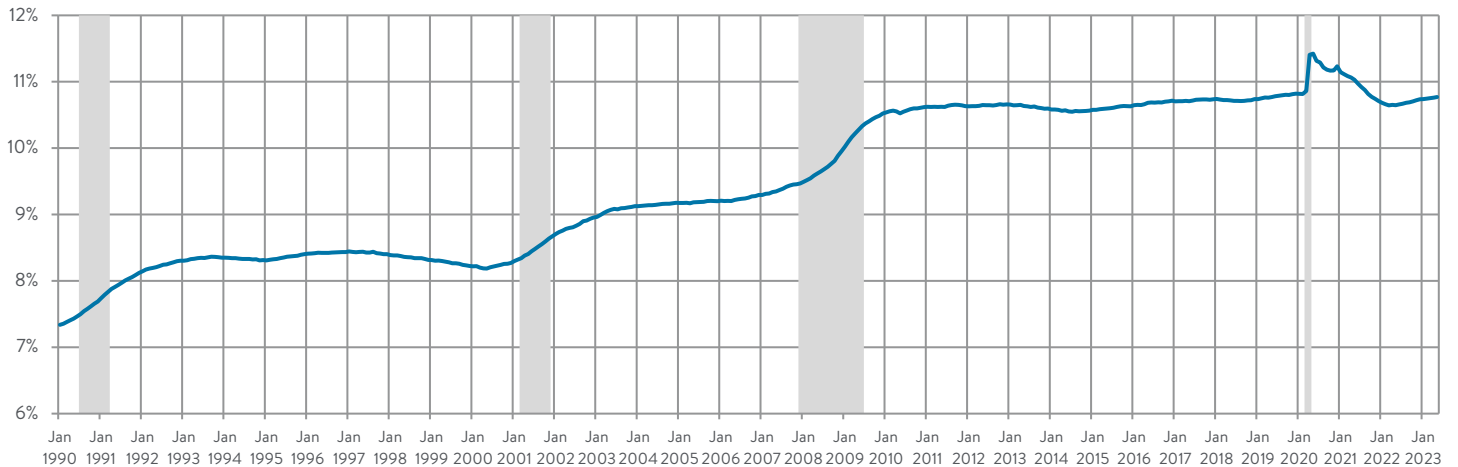
### Exhibit 8. Monthly Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods. Full drop in employment in April 2020 (non-health -14.0% and health -8.2%) not shown on graph.

### Exhibit 9. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.