

April 16, 2024

Health spending growth moderates slightly in February

HIGHLIGHTS

- ▲ In February 2024, national health spending was 6.2% higher than in February 2023 and represented 17.2% of GDP.
- ▲ Nominal GDP in February 2024 is estimated to have been 7.1% higher than in February 2023, growing 0.8 percentage points faster than health spending.
- ▲ Personal health care spending growth in February was 7.0%, year over year, with utilization growth continuing to outpace price growth.
- ▲ Growth among major spending categories was fairly consistent, with all categories showing growth between 7.2% and 8.0% except dental services, which grew by 5.0%, year over year.

National Health Spending and GDP*

	Feb 2022	Feb 2023	Jan 2024	Feb 2024
GDP	25.01	26.83	28.11	28.73
National Health Spending (HS)	4.37	4.66	4.92	4.95
HS Share of GDP	17.5%	17.4%	17.5%	17.2%
HS Share of PGDP	17.5%	17.4%	17.6%	17.7%
Growth from Prior 12 Months				
HS	4.3%	6.6%	6.4%	6.2%
GDP	12.0%	7.3%	5.1%	7.1%
HS minus GDP	-7.6%	-0.7%	1.3%	-0.8%
HS minus PGDP	-4.7%	-1.1%	1.8%	2.0%

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

Note: Discrepancies in differences are due to rounding.

* 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 IndicatorsSM reports are a monthly publication of Altarum and provide an analysis of health spending, employment, and prices. For more information, contact Corwin Rhyan at corwin.rhyan@altarum.org. George Miller, PhD (principal author), Corwin Rhyan, Stephen McCall, and Matt Daly, PhD, contributed to this brief. We thank Ani Turner for her years of leadership of this work. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.

DISCUSSION

In February 2024, national health spending grew by 6.2%, year over year, reaching a seasonally adjusted annual rate of \$4.95 trillion. Over the same period, nominal GDP grew by 7.1%. Health spending in February accounted for 17.2% of GDP and has remained below 17.5% since February 2022. (Note, however, that our usual monthly GDP estimate was unavailable for February. The estimate reported here is based on estimated real GDP growth rate for the first quarter of 2024 of 2.4%, published on April 10 by the [Federal Reserve Bank of Atlanta](#).)

The year-over-year growth rate in national health spending fell slightly in February, from 6.4% in January to 6.2% in February, resulting in a growth rate in health spending that was 0.8 percentage points below GDP growth. Similarly, the year-over-year growth rate in personal health care spending (spending on health care goods and services) fell from 7.5% in January to 7.0% in February, resulting in personal health care spending as a percent of GDP equaling 14.5% (Exhibit 1).

Exhibit 1. Year-over-Year Growth in GDP and Health Spending

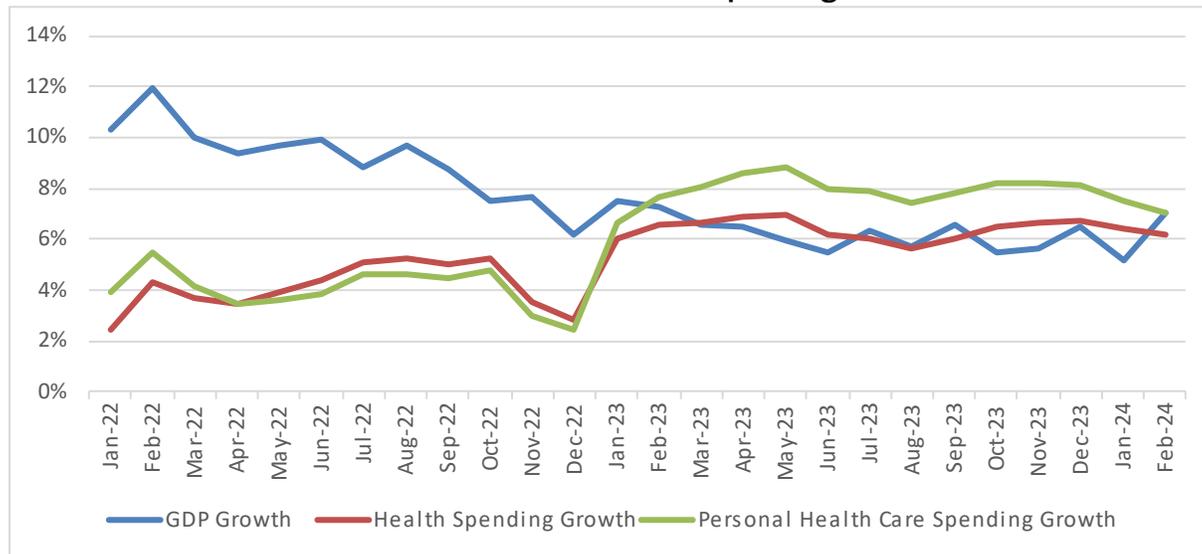


Exhibit 2 illustrates how health spending in February was distributed among spending categories. Personal health care constituted 84% of national health spending. Slightly more than half of total expenditures was attributed to hospital care and physician and clinical services alone.

Exhibit 2. Health Spending by Category, February 2024

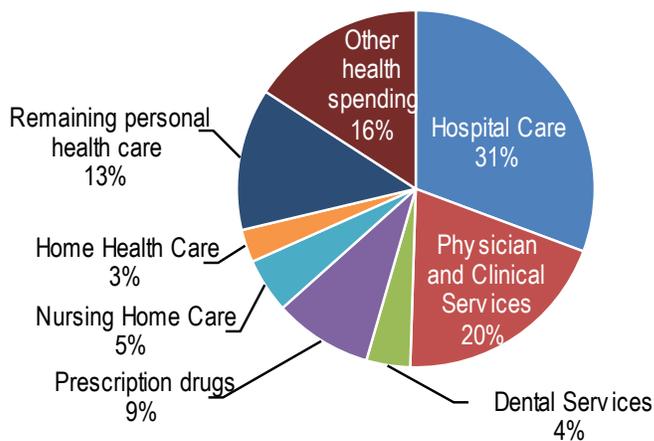


Exhibit 3 displays the growth in spending by major categories within personal health care since February 2023. With the exception of dental services, which exhibited year-over-year growth of 5.0%, the growth rates among categories were quite consistent, ranging from 7.2% for home health care to 8.0% for retail sales of prescription drugs.

Exhibit 3. Health Care Spending 12-Month Growth

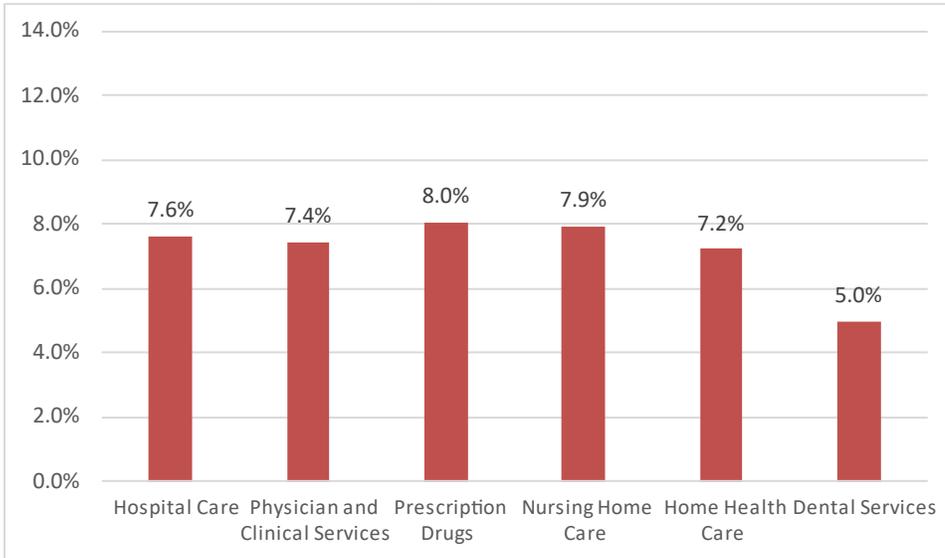
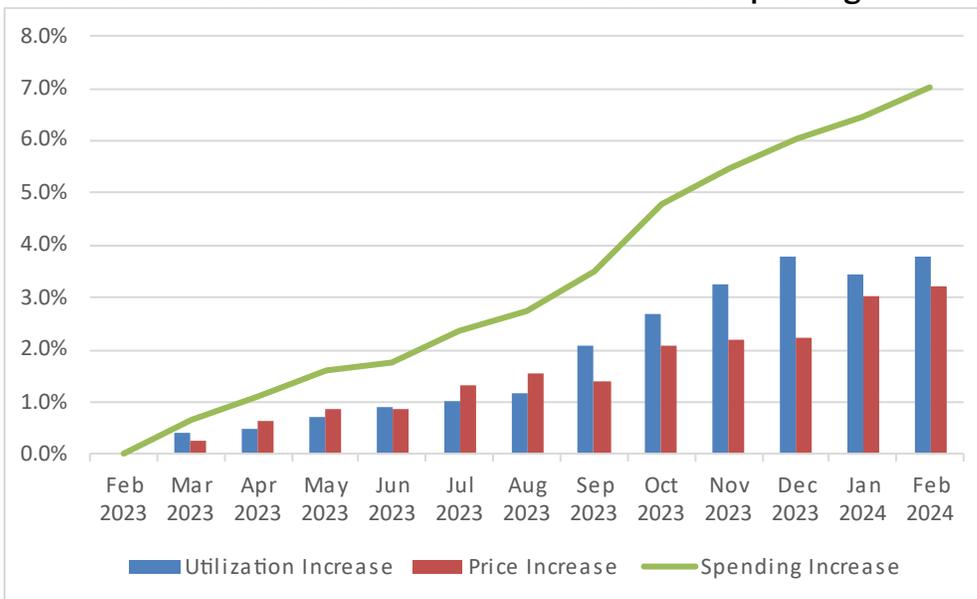


Exhibit 4 shows how spending on personal health care has grown over the past year (since February 2023) and illustrates the relative contribution of utilization and prices to this growth. It indicates that spending growth through February 2024 has continued to be driven more by utilization growth than by price increases, though that gap has narrowed somewhat in the past two months: Of the 7.0% growth in personal health care spending during this period, 3.2 percentage points can be attributed to price growth, while the remaining 3.8 percentage point growth was associated with increases in utilization.

Exhibit 4. Cumulative Growth in Personal Health Care Spending



All spending values shown in this brief include COVID-related subsidies from the federal government. With the exception of federal government support to public health activities, these subsidies have been very small since the start of 2022.

DETAILED HEALTH SPENDING

Exhibit 5. Monthly National Spending Estimates by Detailed Category

Levels (in billions of dollars)	Feb 2021	Feb 2022	Feb 2023	Feb 2024
GDP	\$22,340.4	\$25,012.4	\$26,832.7	\$28,727.8
National Health Spending	\$4,190.2	\$4,371.0	\$4,658.5	\$4,948.0
Personal health care	\$3,437.2	\$3,626.4	\$3,905.2	\$4,179.2
Hospital care	\$1,284.8	\$1,328.1	\$1,415.2	\$1,522.8
Physician and clinical services	\$833.4	\$875.3	\$936.0	\$1,005.6
Other professional services	\$127.9	\$138.4	\$147.8	\$160.1
Dental services	\$156.8	\$162.0	\$175.5	\$184.3
Other personal health care	\$219.5	\$239.4	\$253.9	\$263.2
Home health care	\$123.4	\$128.6	\$147.1	\$157.7
Nursing home care	\$177.0	\$184.9	\$206.6	\$223.0
Prescription Drugs	\$356.2	\$393.3	\$430.9	\$465.6
Durable medical equipment	\$59.1	\$65.0	\$70.7	\$72.1
Nondurable medical products	\$99.1	\$111.4	\$121.3	\$124.7
Program administration and net cost of private health insurance	\$322.4	\$318.2	\$352.6	\$374.7
Government public health activities	\$228.5	\$212.4	\$175.3	\$155.4
Research	\$61.2	\$63.6	\$66.9	\$70.5
Structures and equipment	\$140.9	\$150.4	\$158.5	\$168.3
HS Share of GDP	18.8%	17.5%	17.4%	17.2%
HS Share of PGDP	18.3%	17.5%	17.4%	17.7%

Source: Altarum monthly national health spending estimates. The monthly GDP is from S&P Global Market Intelligence.

Notes: Spending is expressed in billions of dollars at a SAAR.

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

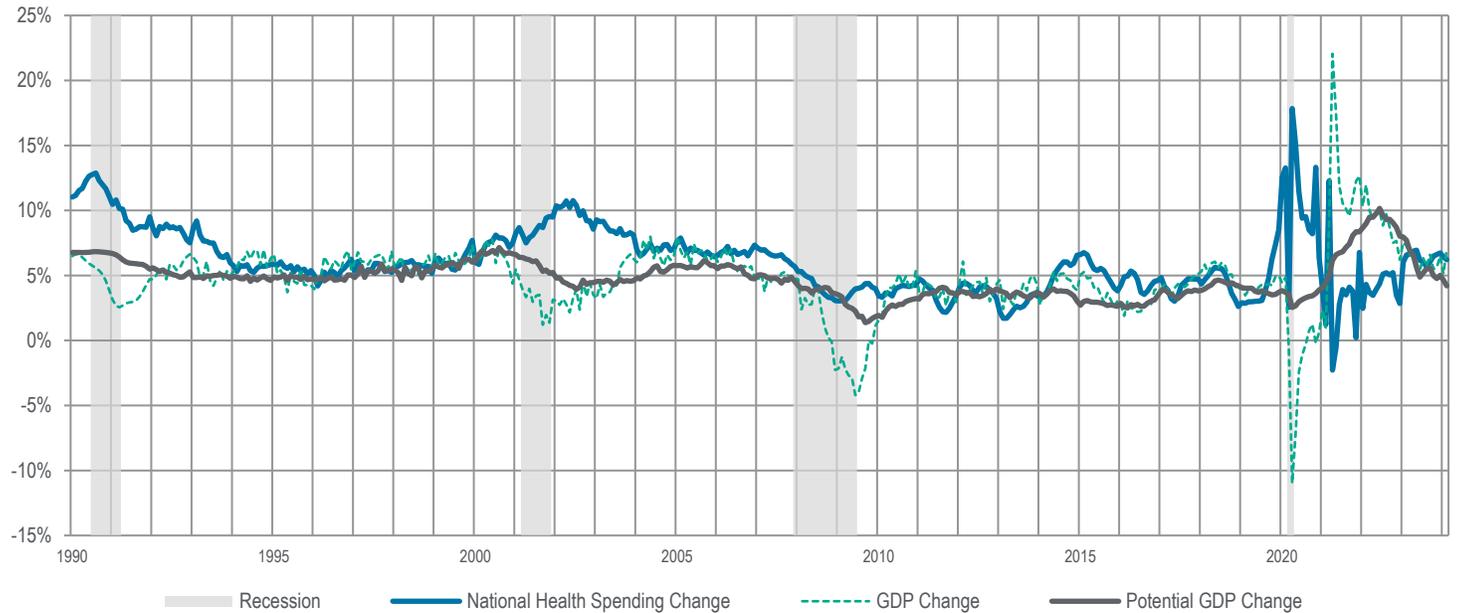
Growth Rates	Feb 2022	Feb 2023	Feb 2024
GDP	12.0%	7.3%	7.1%
National Health Spending	4.3%	6.6%	6.2%
Personal health care	5.5%	7.7%	7.0%
Hospital care	3.4%	6.6%	7.6%
Physician and clinical services	5.0%	6.9%	7.4%
Other professional services	8.2%	6.8%	8.3%
Dental services	3.3%	8.4%	5.0%
Other personal health care	9.1%	6.1%	3.7%
Home health care	4.3%	14.3%	7.2%
Nursing home care	4.5%	11.8%	7.9%
Prescription Drugs	10.4%	9.6%	8.0%
Durable medical equipment	10.0%	8.8%	1.9%
Nondurable medical products	12.4%	8.9%	2.7%
Program administration and net cost of private health insurance	-1.3%	10.8%	6.3%
Government public health activities	-7.1%	-17.4%	-11.4%
Research	3.8%	5.3%	5.4%
Structures and equipment	6.8%	5.4%	6.2%
HS Minus GDP	-7.6%	-0.7%	-0.8%
HS Minus PGDP	-4.7%	-1.1%	2.0%

Source: Computed from Exhibit 5.

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

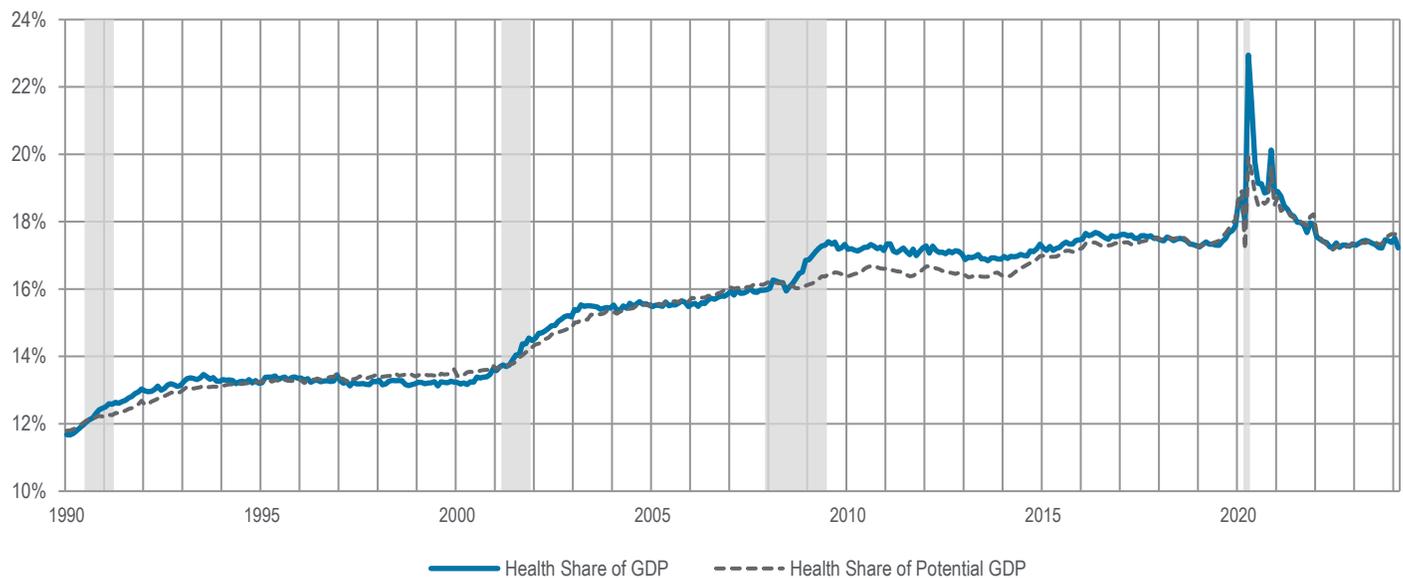
TIME SERIES TRACKER

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



Source: Altarum monthly national health spending estimates. The monthly GDP is from S&P Global Market Intelligence.
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 S&P Global Market Intelligence. PGDP is from the U.S. Congressional Budget Office and has been converted to monthly estimates. **Note:** Lightly shaded bars denote recession periods.

Methods. Altarum’s estimates are based on [BEA monthly health spending](#) and [CMS annual NHE estimates \(1990–2022\) and projections](#) (2023 and 2024). 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 2022 are based on NHEA actuals and ensure that monthly estimates sum exactly to NHEA annual amounts. The 2022 ratios are used to adjust BEA spending for months in 2023 and 2024.

April 16, 2024

Hospital price growth outpaces broader health care inflation so far in 2024

HIGHLIGHTS

- ▲ The overall Health Care Price Index (HCPI) increased by 3.1% year over year in March, decreasing slightly from the revised growth rate of 3.2% a month prior.
- ▲ Economywide inflation ticked up slightly, with year-over-year growth in the overall Consumer Price Index (CPI) increasing to 3.5% and growth in the Producer Price Index (PPI) increasing to 2.1%.
- ▲ Among the major health care categories, prices for dental care (4.1%), nursing home care (4.0%), and hospital care (3.6%) were the fastest growing, while prescription drug price growth was the slowest in March (0.4%).
- ▲ An alternative measure of hospital price growth, the CPI index for hospital and related services continued to rise in March, up a much greater 7.7% year over year.
- ▲ Our implicit measure of health care utilization growth fell slightly to 3.8% year over year in February, but continued to drive spending increases as it remained above overall health care price growth.
- ▲ Prescription drugs (7.8%) and physician and clinical services (5.6%) were the fastest growing utilization categories, while dental care (0.0%) was the slowest, with flat growth.

	Mar 2022	Mar 2023	Feb 2024	Mar 2024
Health Care Price Index (HCPI)	2.2%	2.8%	3.2%	3.1%
GDP Deflator (GDPD)	7.4%	4.7%	**	**
HCPI - GDPD	-5.2%	-1.9%	**	**
Addendum				
Personal health care spending	4.1%	8.1%	7.0%	**
Health care utilization	2.0%	5.3%	3.8%	**
Medical Consumer Price Index (MCPI)	2.9%	1.5%	1.4%	2.2%
Consumer Price Index, all items (CPI)	8.5%	5.0%	3.2%	3.5%
Producer Price Index, Final Demand (PPI)	11.7%	2.7%	1.6%	2.1%

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 IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Corwin (Corey) Rhyan at Corwin.Rhyan@altarum.org. Corey Rhyan (principal author), George Miller, PhD, Stephen McCall, and Matt Daly, PhD, contributed to this brief. We thank Ani Turner for her years of leadership of this work. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.

DISCUSSION

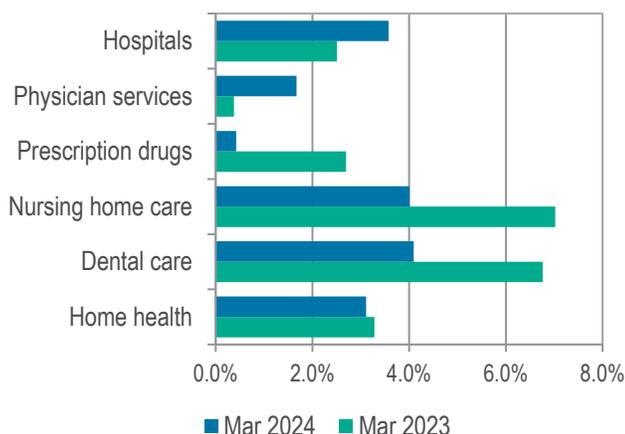
The overall health care price index (HCPI) increased by 3.1% year over year in March, decreasing only 0.1 percentage points from the rate seen a month prior and keeping health care price growth very near the 3.2% average growth so far in 2024 (Exhibit 1). This continues the pattern seen since October 2023, when health care price growth has exceeded economywide inflation as measured by the GDP deflator and overall PPI price index, although the alternative CPI economywide inflation index increased in March to 3.5% and was above health care price growth in the most recent month of data.

Since late 2022, economywide services price growth has continued to exceed commodities inflation, and services prices increased 5.6% year-over-year in March, while economywide commodities prices increased only 0.6% (Exhibit 4). After a period in 2021 and 2022 when a broad base of economic goods and services was driving economywide inflation, data in 2024 show that [higher housing costs](#) are now dominating economic inflationary trends. It is expected that housing price inflation will soon moderate in government price data, given the [slowing trend in alternative](#) private sector measures; however, this slowing has yet to appear in the BLS series.

Among major health care categories in March, prices for dental care (4.1%), nursing home care (4.0%) and hospital care (3.6%) increased fastest among major categories (Exhibit 2). We also observed faster physician and clinical services price growth in February (1.7%) compared to growth from a year ago (0.4%), and for the third straight month, this was above the 1.0% growth threshold for this component. Conversely, price growth for prescription drugs remained below average in March, down to 0.4% year over year and 2.3 percentage points slower than the price growth for this component from a year prior.

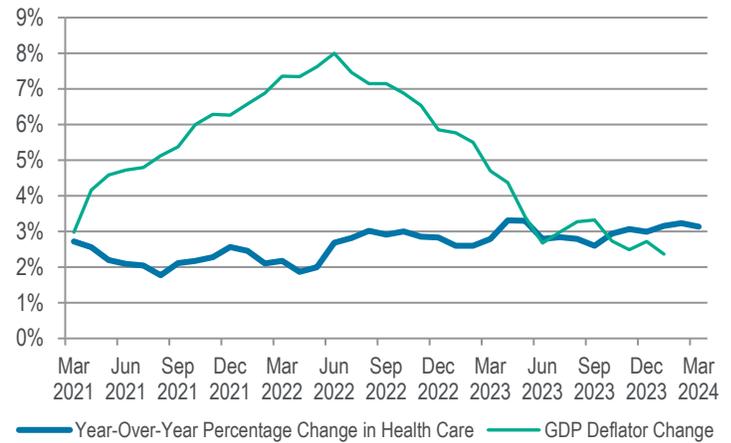
Of particular interest is an increase in an alternative measure of hospital prices, the CPI-only “Hospital and related services” price index, that has steadily increased in 2024 and is now 7.7% higher than it was a year ago. This makes it the second fastest growing CPI medical care price index (behind only “Care of invalids and elderly at home”), and is much greater than the blended overall hospital price growth measure used in our HCPI index. We will continue to monitor this trend going forward, which could indicate accelerating hospital prices in 2024. So far, prices by payer indicate hospital price growth to primarily be attributable to faster growth in Medicaid prices, which remained up 6.9% in March (data not shown). Yet, curiously, the CPI measure for hospital prices [specifically excludes Medicaid price](#) increases and, therefore, must be signaling price growth from self-pay, private insurance, or Medicare patients. We will continue to monitor these series going forward for indications of 2024 health care price growth drivers.

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



Source: Altarum analysis of monthly BLS price data.

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.

Our implicit measure of overall health care utilization growth (total spending growth net of health care price inflation) declined slightly in February to 3.8% growth year-over-year (Exhibit 7) but remained above overall health care price growth over the same period (3.1%). The fastest growing utilization component in January remained prescription drugs, which increased by 7.8%. Physician and clinical services (5.6%) were the next fastest growing category. Utilization growth for dental care (0.0%) and nursing home care (3.5%) were the slowest growing categories in February, and all had utilization growth below their price increases last month.

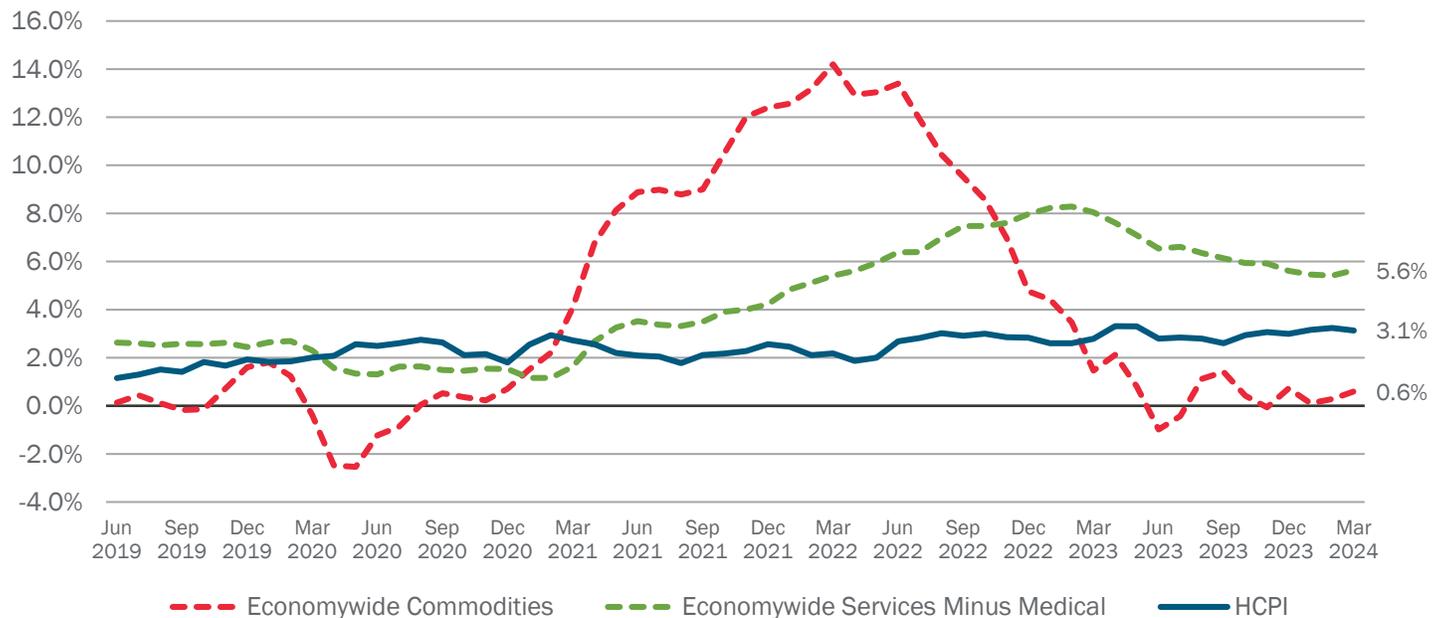
PRICE GROWTH BY DETAILED CATEGORIES

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

	Ending March 2022	Ending March 2023	Ending March 2024
Health Care Price Index (HCPI)	2.2%	2.8%	3.1%
Hospital care	2.2%	2.5%	3.6%
Physician and clinical services	0.7%	0.4%	1.7%
Prescription drugs	2.2%	2.7%	0.4%
Nursing home care	1.2%	7.0%	4.0%
Dental Services	2.4%	6.8%	4.1%
Home health care	2.7%	3.3%	3.1%
Other professional services	4.4%	-0.2%	1.6%
Other personal health care	4.6%	5.5%	7.8%
Other nondurable medical products	4.1%	4.7%	7.4%
Durable medical equipment	2.4%	5.1%	2.9%

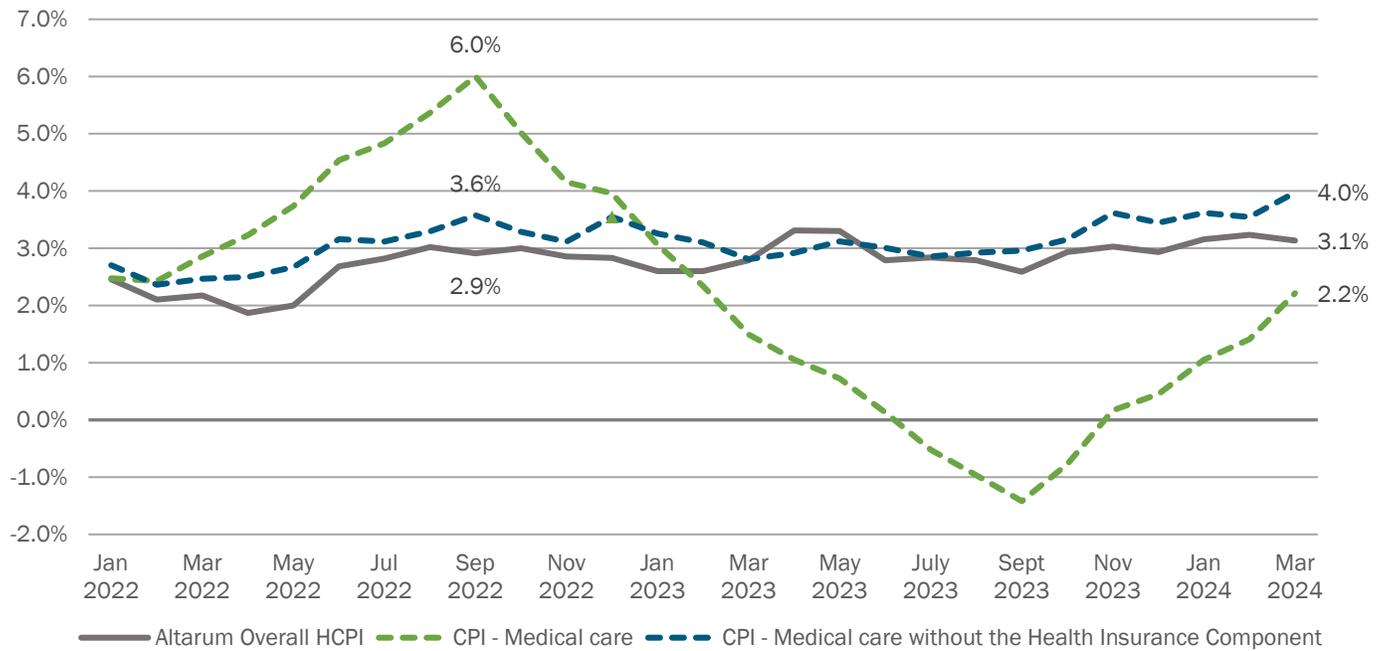
Source: Altarum analysis of monthly BLS data.

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



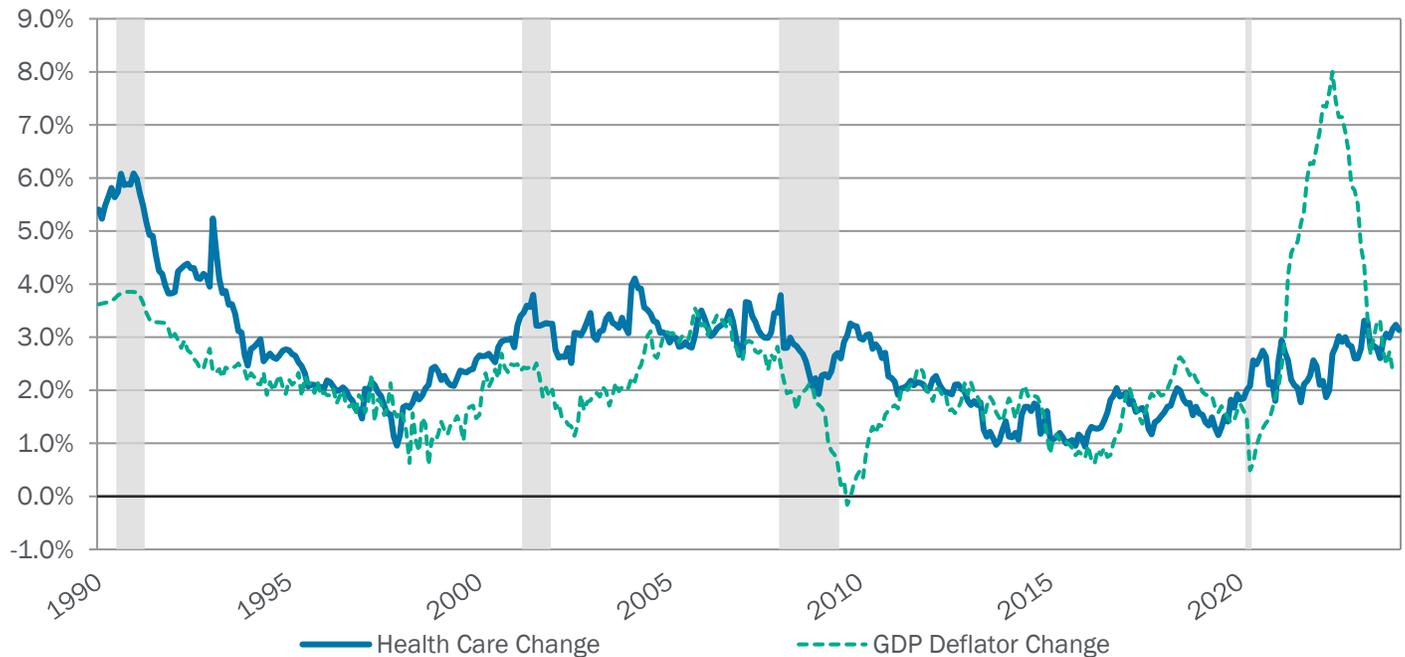
Methods. Altarum’s estimates for the monthly HCPI, a price index for personal health care spending within the National Health Expenditure Accounts, are essentially monthly versions of the annual index developed by the CMS National Health Statistics Group (NHSG). The advantages of this measure over the 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 NHSG, 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. Implicit Health Care Utilization Growth by Major Components of NHE, Year-over-year

	February 2024	3-Month Moving Average	12-Month Moving Average
Total personal health care	3.8%	4.4%	5.0%
Hospital care	3.9%	3.5%	4.5%
Physician and clinical services	5.6%	7.6%	7.8%
Prescription drugs	7.8%	8.0%	8.0%
Nursing home care	3.5%	4.2%	4.4%
Dental Services	0.0%	0.7%	1.9%
Home health care	3.8%	6.5%	5.8%
Other professional services	6.9%	7.3%	7.5%
Other personal health care	-2.7%	-2.6%	-2.2%
Other nondurable medical products	-6.5%	-4.5%	-1.1%
Durable medical equipment	-1.3%	0.6%	0.4%

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): $U = S - P - \text{Pop}$. 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.

April 16, 2024

The gap in employment growth between health care and other industries is growing

HIGHLIGHTS

- ▲ Monthly health care employment growth has outpaced all other industries for two consecutive years (starting in April 2022). Over that period, the health care sector grew by 8.2%, versus 3.8% for all other industries.
- ▲ Health care employment increased by 72,300 in March 2024, well above the 12-month average of 62,400.
- ▲ March's health care job growth was led by growth in ambulatory health care services, which added 27,500 jobs, and hospitals, which added 27,100 jobs.
- ▲ Nursing and residential care facilities added 17,700 jobs in March. Within this industry, nursing care facilities added 9,500 jobs while other nursing and residential care facilities added 8,200 jobs.
- ▲ The economy overall added 303,000 jobs in March, surpassing the 12-month average of 243,900, and the unemployment rate decreased slightly to 3.8%.
- ▲ Nominal health care wage growth in February 2024 was 3.4% year over year, compared to 4.4% in non-health care industries.
- ▲ Nominal wage growth in health care settings was highest in nursing and residential care facilities, at 4.5% year over year, followed by ambulatory health care services at 3.2% and hospitals at 3.0%.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Mar 2023	Feb 2024	Mar 2024
Total Employment (000)	152,309	155,206	157,830	158,133
Non-Health Employment (000)	135,828	138,464	140,412	140,642
Health Employment (000)	16,481	16,742	17,418	17,491
Health Share of Total Employment	10.82%	10.79%	11.04%	11.06%
Unemployment Rate	3.5%	3.5%	3.9%	3.8%

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

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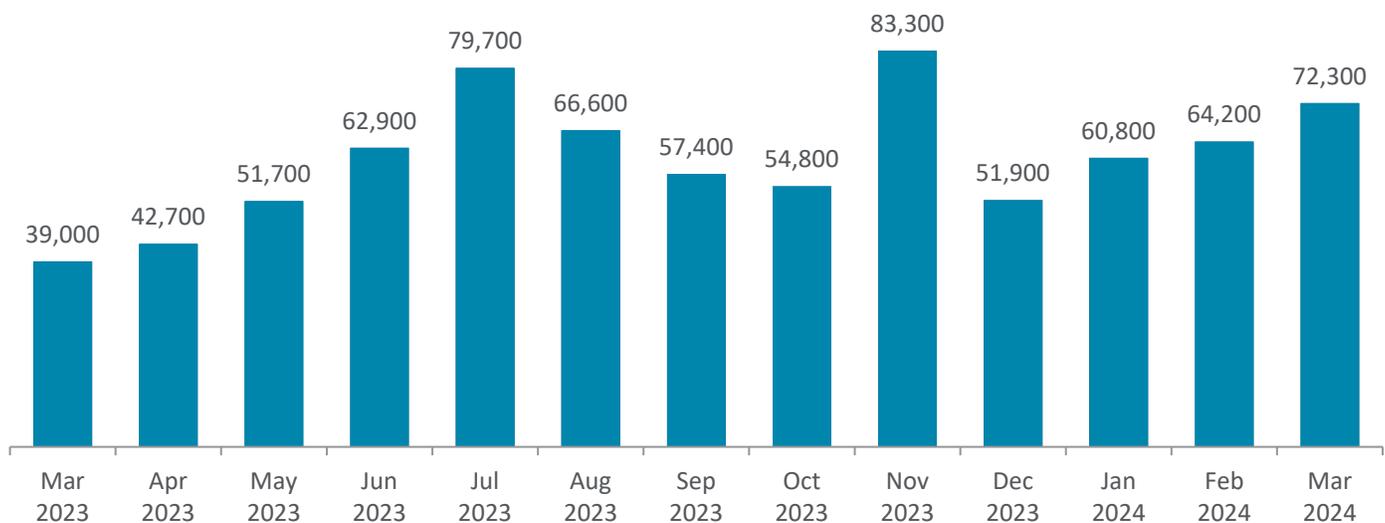
DISCUSSION

In March 2024, the health care industry added 72,300 new jobs (as shown in Exhibit 1), which was higher than the 12-month average of 62,400 jobs. All other industries combined added 230,700 jobs, much higher than the 12-month average of 181,600 jobs per month.

March employment growth in the health care sector was driven by ambulatory health care services and hospitals. Ambulatory services added 27,500 jobs, slightly below the 12-month industry average of 30,200 jobs per month, and hospitals added 27,100 jobs, which was higher than the industry's 12-month average of 19,700 jobs.

The nursing and residential care facilities industry also grew, with 17,700 jobs added, above the 12-month average of 12,500. Within the industry, nursing care facilities added 9,500 jobs in March, far surpassing the average of 5,400 jobs per month in the previous year. Other nursing and residential care facilities sector added 8,200 jobs, compared to 7,000 new jobs on average in the past year.

Exhibit 1. Month-Over-Month Change in Health Care Employment, Seasonally Adjusted

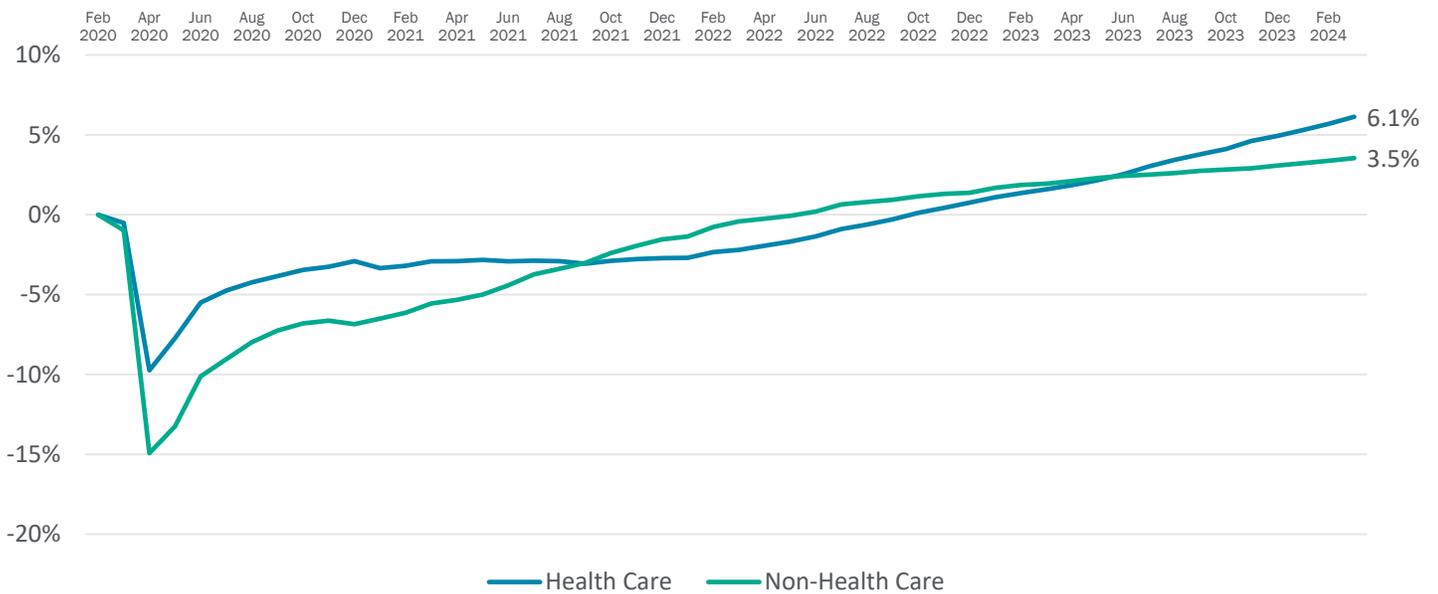


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Compared to February 2020, before the COVID-19 recession began, health care employment has grown by 1,010,000 jobs or 6.1%, which is higher than the 3.5% increase in non-health care employment over the same period (see Exhibit 2). The health sector started growing especially quickly in April 2022, whereas employment growth in all other, non-health care, industries began to slow down. March 2024 was the twenty-fourth consecutive month that health care industry growth outpaced all other industries. During that two-year period, the health care sector grew by 8.2%, versus 3.8% in all other industries.

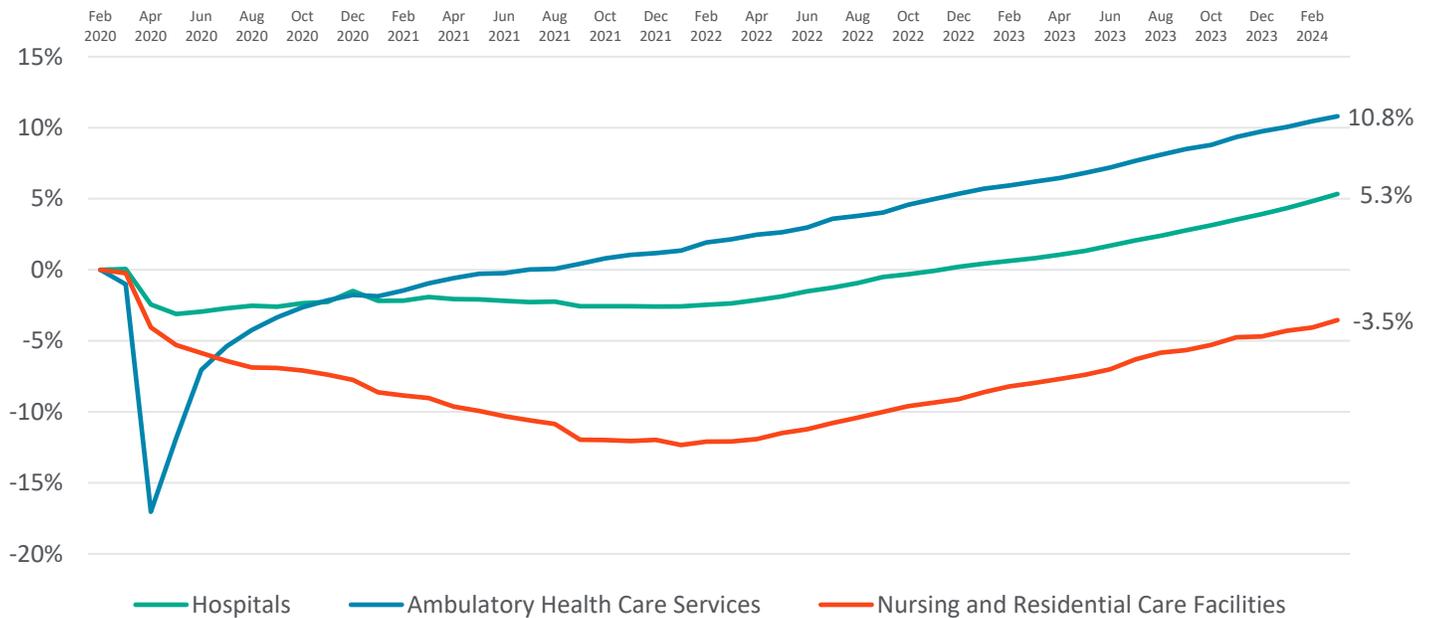
Since February 2020, hospital employment has grown by 279,400 jobs or 5.3%, while employment in ambulatory health care services has increased by 850,200 jobs or 10.8% (see Exhibit 3). However, employment in nursing and residential care facilities is still 119,600 jobs (3.5%) below pre-pandemic levels. As described in a recent Altarum [analysis](#), this contraction in employment is likely due to skilled nursing facility closures, lower resident censuses, and staffing shortages. All three industries have steadily increased since March 2022.

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



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

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



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

Job openings remain high in the health care and social assistance sector. In February 2024, the job openings rate in health care and social assistance was 7.8%, consistent with recent months (as shown in Exhibit 4). The hiring rate was also similar to recent months at 3.5%. There were 1.9 million remaining job openings at the end of February versus 780,000 hires throughout the month. This means 2.4 job openings remained for every hire in the health care and social assistance sector. By comparison, the job openings rate for all other industries held steady at 4.7%, the hiring rate was 3.6%, and there were 1.4 job openings for every hire.

While the job openings rate was still high, the job separation rate in health care and social assistance has steadily decreased over the past four months, from 2.3% in November 2023 to 2.1% in February 2024, meaning the quit rate in health care and social assistance is now approximately equal to that of all other industries.

Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and All Other Industries



Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

Notes: The job opening rate is the number of job openings on the last business day of the month as a percent of employment plus job openings, while the hire rate is the number of hires during the entire month as a percent of employment. Health care jobs typically constitute 80% of all jobs in the health care and social assistance sector. Most social assistance jobs are in services for the elderly and persons with disabilities and childcare services.

Exhibit 5. Monthly Separation Rates by Type in the Health Care and Social Assistance and All Other Industries



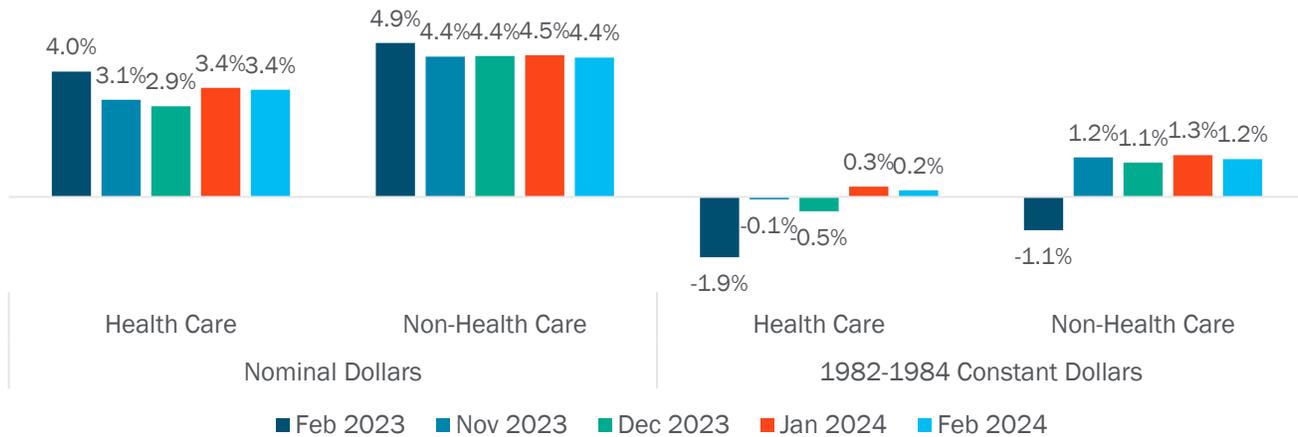
Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

Notes: Separation rates are the number of separations during the entire month as a percent of employment. Health care jobs typically constitute 80% of all jobs in the health care and social assistance sector. Most social assistance jobs are in services for the elderly and persons with disabilities and childcare services.

Year-over-year wage growth in the health care sector was 3.4% in February 2024, which was similar to recent months and slightly lower than a year earlier (as shown in Exhibit 6). After adjusting for inflation, year-over-year health care wage growth was a more modest 0.2%. In line with the past several months, non-health care wage growth was 4.4% in February, or 1.2% after adjusting for inflation.

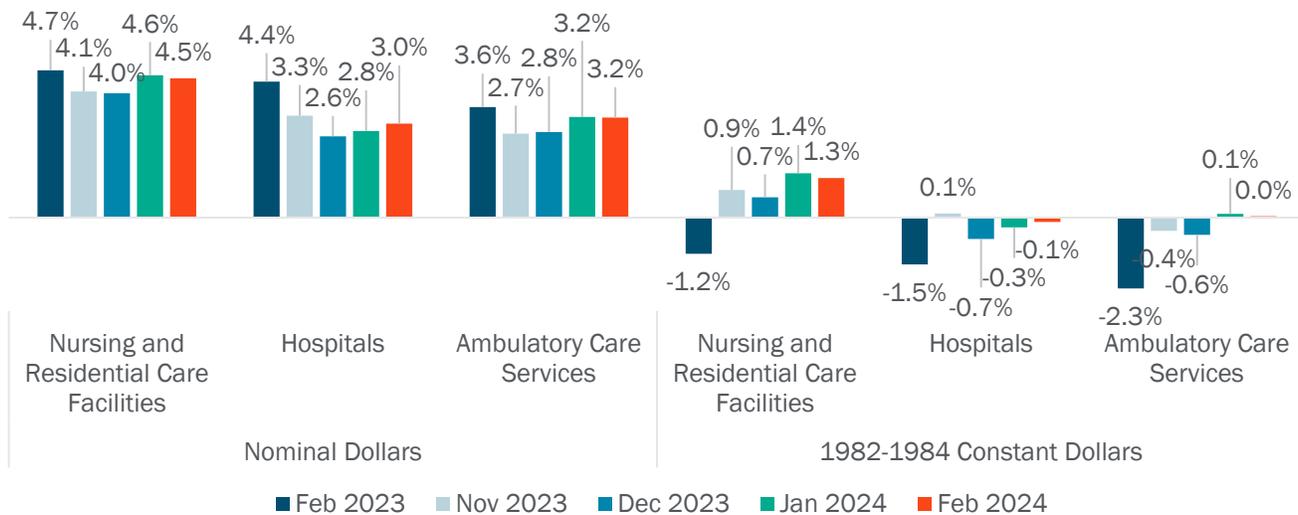
Wage growth was fastest in the nursing and residential care facilities industry at 4.5%, followed by ambulatory health care services at 3.2% and hospitals at 3.0% (see Exhibit 7). Inflation-adjusted wages grew by 1.3% in the nursing and residential care facilities industry and less than 0.1% in the ambulatory health care services industry year over year, and decreased by 0.1% in hospitals.

Exhibit 6. Change in Average Hourly Earnings, Year over Year, Health Care and Total Private Sector



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

Exhibit 7. Change in Average Hourly Earnings, Year over Year, by Health Care Sector



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

DETAILED HEALTH CARE EMPLOYMENT

Exhibit 8. Employment by Sector, Seasonally Adjusted

Employment (in Thousands)	March 2024	February 2024	March 2023	March 2022	February 2020
Non-Health Care	140,642	140,412	138,464	135,252	135,828
Health Care	17,491	17,418	16,742	16,118	16,481
Ambulatory Health Care Services	8,719	8,691	8,357	8,038	7,869
Offices of Physicians	3,006	3,001	2,880	2,781	2,725
Offices of Dentists	1,035	1,035	1,022	1,005	991
Offices of Other Health Care Practitioners	1,196	1,192	1,138	1,068	1,001
Outpatient Care Centers	1,077	1,073	1,054	1,023	996
Medical and Diagnostic Labs	324	323	319	323	289
Home Health Care Services	1,725	1,713	1,599	1,517	1,547
Other Ambulatory ^a	356	355	345	320	319
Hospitals	5,514	5,487	5,278	5,111	5,235
Nursing and Residential Care Facilities	3,258	3,240	3,108	2,969	3,377
Nursing Care Facilities	1,463	1,453	1,398	1,341	1,587
Other Nursing and Residential ^b	1,795	1,787	1,710	1,629	1,790
Health Share of Employment	11.06%	11.04%	10.79%	10.65%	10.82%

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

^a "Other Ambulatory" care settings include ambulance services, blood and organ banks, and all other non-classifiable ambulatory health care service providers.

^b "Other Nursing and Residential" includes assisted living communities, continuing care retirement communities, residential intellectual and developmental disability facilities, residential mental health and substance abuse facilities, and all other non-classifiable residential care providers.

Exhibit 9. Change in Employment Data by Sector, Seasonally Adjusted

Employment Change (in Thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	230.7	2,178.7	5,390.3	4,814.0
Health Care	72.3	748.3	1,372.7	1,010.0
Ambulatory Health Care Services	27.5	362.2	681.0	850.2
Offices of Physicians	5.1	126.3	224.7	280.7
Offices of Dentists	0.8	13.2	30.1	44.3
Offices of Other Health Care Practitioners	4.1	57.3	127.7	194.7
Outpatient Care Centers	3.8	23.0	54.2	80.9
Medical and Diagnostic Labs	0.4	4.8	0.4	34.3
Home Health Care Services	11.7	126.0	207.9	178.2
Other Ambulatory	1.7	11.5	36.0	37.1
Hospitals	27.1	236.5	403.2	279.4
Nursing and Residential Care Facilities	17.7	149.6	288.5	-119.6
Nursing Care Facilities	9.5	65.3	122.3	-124.2
Other Nursing and Residential	8.2	84.3	166.2	4.6
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	2.0%	1.6%	2.0%	0.9%
Health Care	5.1%	4.5%	4.2%	1.5%
Ambulatory Health Care Services	3.9%	4.3%	4.2%	2.5%
Offices of Physicians	2.1%	4.4%	4.0%	2.4%
Offices of Dentists	0.9%	1.3%	1.5%	1.1%
Offices of Other Health Care Practitioners	4.2%	5.0%	5.8%	4.4%
Outpatient Care Centers	4.3%	2.2%	2.6%	1.9%
Medical and Diagnostic Labs	1.5%	1.5%	0.1%	2.8%
Home Health Care Services	8.5%	7.9%	6.6%	2.7%
Other Ambulatory ^a	5.9%	3.3%	5.5%	2.7%
Hospitals	6.1%	4.5%	3.9%	1.3%
Nursing and Residential Care Facilities	6.8%	4.8%	4.7%	-0.9%
Nursing Care Facilities	8.1%	4.7%	4.5%	-2.0%
Other Nursing and Residential ^b	5.6%	4.9%	5.0%	0.1%

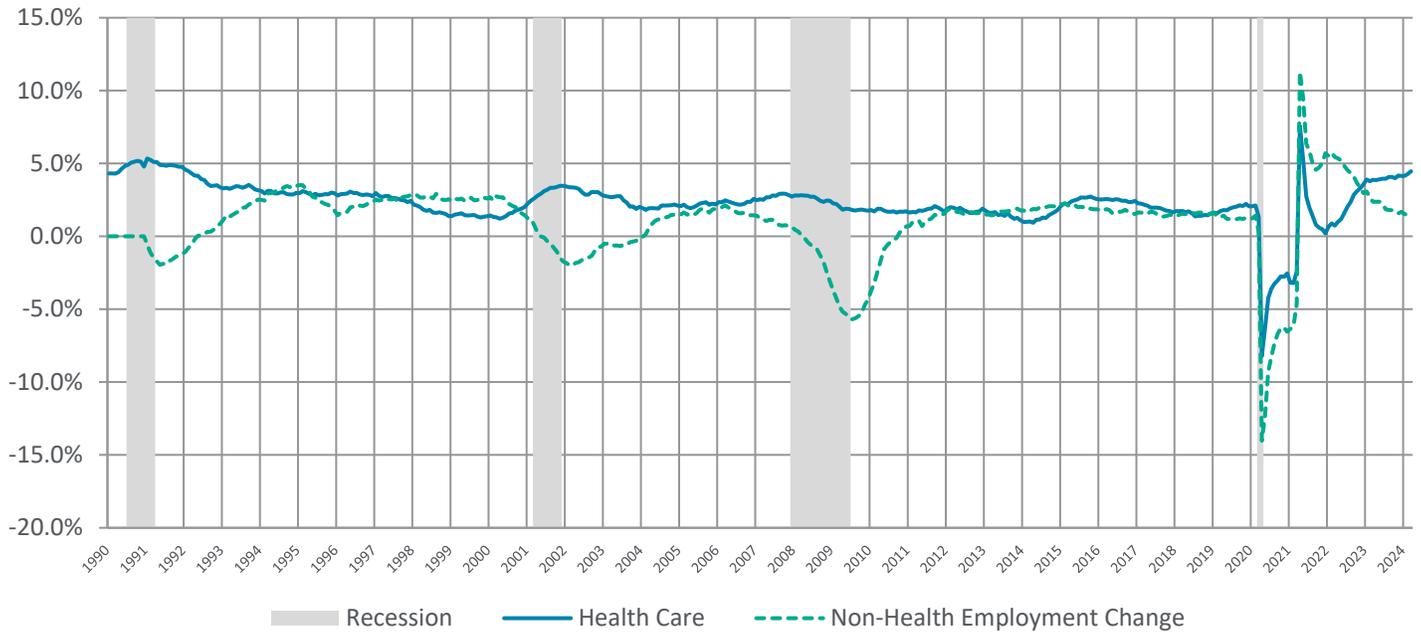
Source: Altarum analysis of BLS Current Employment Statistics data. Change since March 2020 represents a comparison to pre-pandemic peak employment.

^a "Other Ambulatory" care settings include ambulance services, blood and organ banks, and all other non-classifiable ambulatory health care service providers.

^b "Other Nursing and Residential" includes assisted living communities, continuing care retirement communities, residential intellectual and developmental disability facilities, residential mental health and substance abuse facilities, and all other non-classifiable residential care providers.

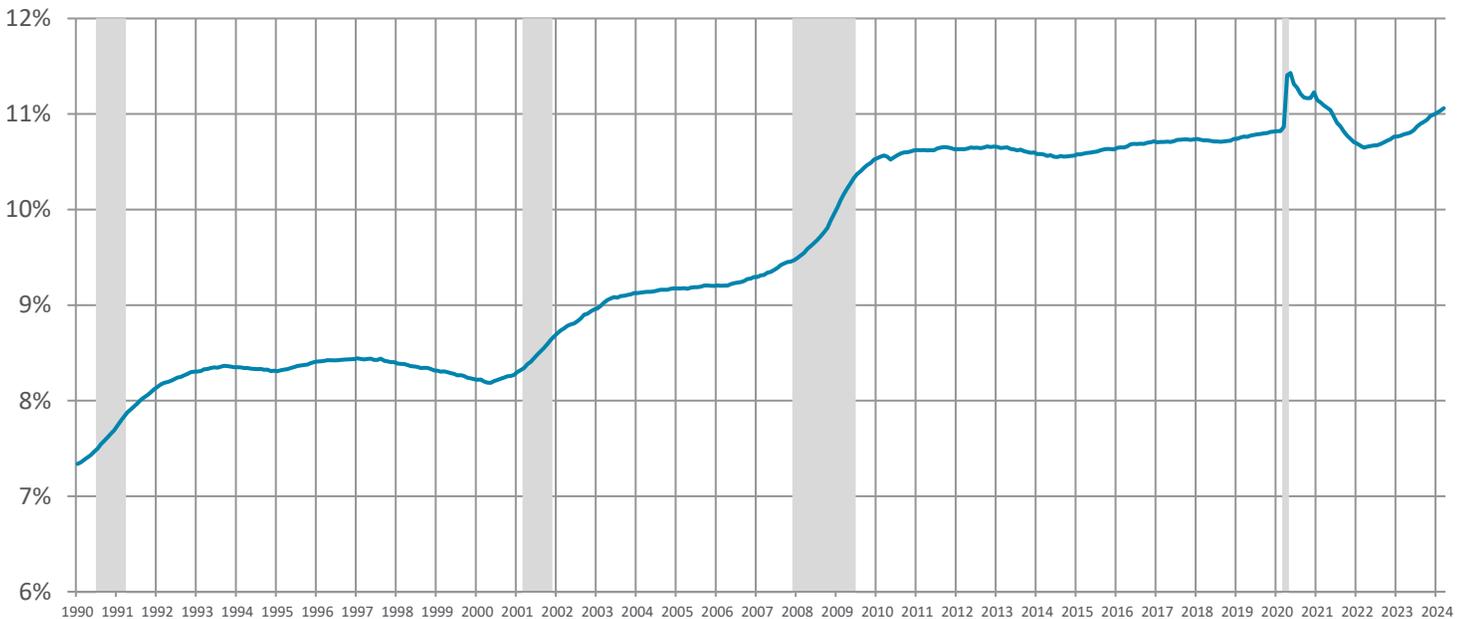
TIME SERIES TRACKER

Exhibit 10. Twelve-Month Percent Change in Employment



Source: Altarum analysis of BLS data.
Note: Lightly shaded bars denote recession periods.

Exhibit 11. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.
Note: Lightly shaded bars denote recession periods.