

June 26, 2024

National health spending exceeds \$5 trillion

HIGHLIGHTS

- ▲ In April 2024, national health spending was 7.1% higher than in April 2023 and represented 17.7% of GDP.
- ▲ Nominal GDP in April 2024 was 5.9% higher than in April 2023, growing 1.2 percentage points more slowly than health spending.
- ▲ Personal health care spending growth in April was 7.6%, year over year, with utilization growth continuing to outpace price growth.
- ▲ Growth among major spending categories was highest for home health care, at 14.2%, year over year, while spending on prescription drugs grew the slowest, at 6.8%
- ▲ Data from CMS' recently released National Health Expenditure Projections have been incorporated into this month's spending brief.

National Health Spending and GDP*

	Apr 2022	Apr 2023	Mar 2024	Apr 2024
GDP	25.30	26.94	28.39	28.51
National Health Spending (HS)	4.39	4.71	5.02	5.05
HS Share of GDP	17.4%	17.5%	17.7%	17.7%
HS Share of PGDP	17.3%	17.4%	17.8%	17.8%
Growth from Prior 12 Months				
HS	3.4%	7.3%	7.0%	7.1%
GDP	9.4%	6.5%	5.6%	5.9%
HS minus GDP	-6.0%	0.9%	1.3%	1.2%
HS minus PGDP	-6.1%	0.8%	2.2%	2.3%

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

On June 12, CMS released their latest [National Health Expenditure Projections](#), covering the years 2023 through 2032. While most of our spending data for 2023 and 2024 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 for these categories into this month’s spending brief, and the most significant change was an increase in estimated spending on public health activities in 2023. The projected annual growth for national health expenditures in 2024 is 5.2%, which is well below our estimated growth rate of 7.0% for the first 4 months of the year, largely because projected spending in 2023 is 0.6% higher than our current estimate of 2023 spending.

With these updates to our data, we now estimate that national health spending exceeded \$5 trillion for the first time in March 2024. In April 2024, national health spending reached a seasonally adjusted annual rate of \$5.05 trillion, corresponding to a year-over-year growth rate of 7.1%. (The revised CMS projections resulted in a small increase in estimated April spending, from \$5.02 trillion to \$5.05 trillion.) Since April 2023, nominal GDP grew by 5.9%. Health spending in April accounted for 17.7% of GDP, the same value as in March.

The year-over-year growth rate in national health spending increased slightly in April 2024, from 7.0% in March to 7.1% in April, resulting in a growth rate in health spending that was 1.2 percentage points above GDP growth. The year-over-year growth rate in personal health care spending (spending on health care goods and services) fell slightly from 7.7% to 7.6% from March to April, resulting in personal health care spending as a percent of GDP equaling 14.9%, a value that has remained the same since February of this year (Exhibit 1).

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

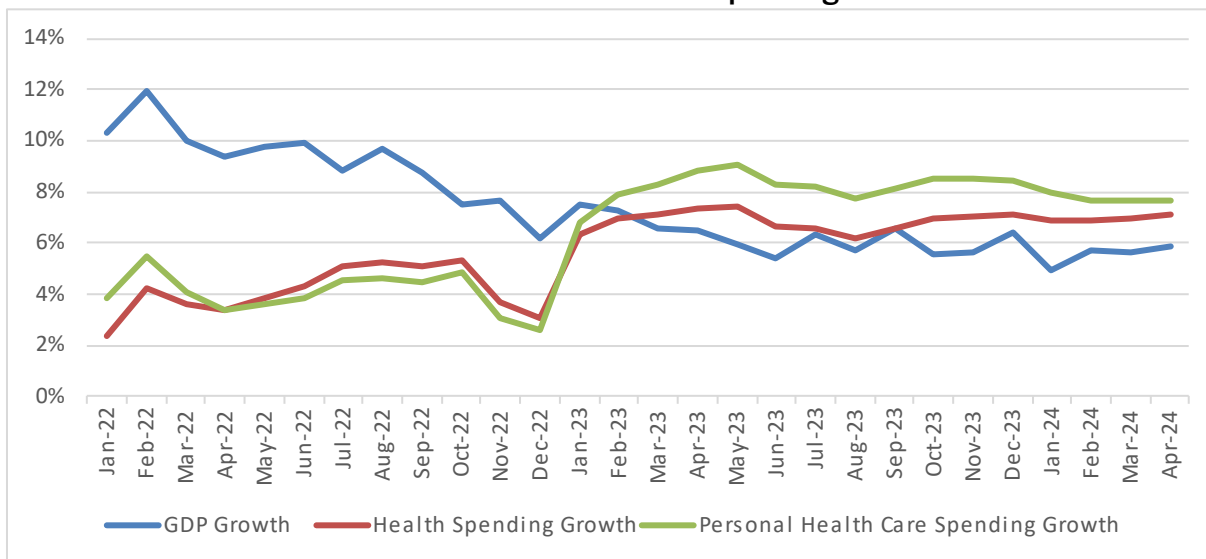


Exhibit 2 illustrates how health spending in April was distributed among spending categories. Personal health care constituted 84% of national health spending. Slightly more than half of total expenditures was attributed to hospital care and physician and clinical services. (The sum of the components exceeds 100% due to rounding.)

Exhibit 2. Health Spending by Category, April 2024

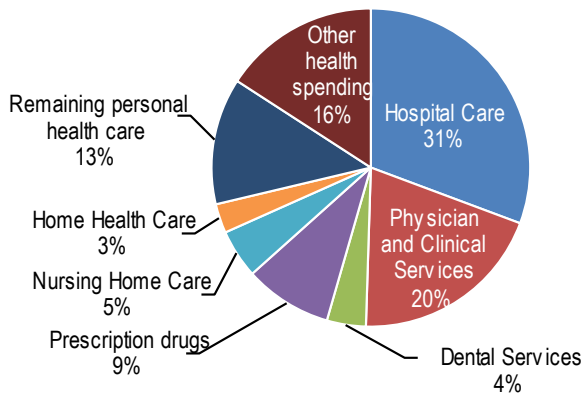


Exhibit 3 displays the growth in spending by major categories within personal health care since April 2023. Spending on home health care showed the fastest growth by far, at 14.2%, while the slowest growth occurred in retail spending on prescription drugs, at 6.8%. This month’s HSEI [Price Brief](#) indicates that the growth in home health care spending is primarily attributed to utilization growth rather than price increases, with 11.7 percentage points of the 14.2% growth resulting from an increase in utilization.

Exhibit 3. Health Care Spending 12-Month Growth

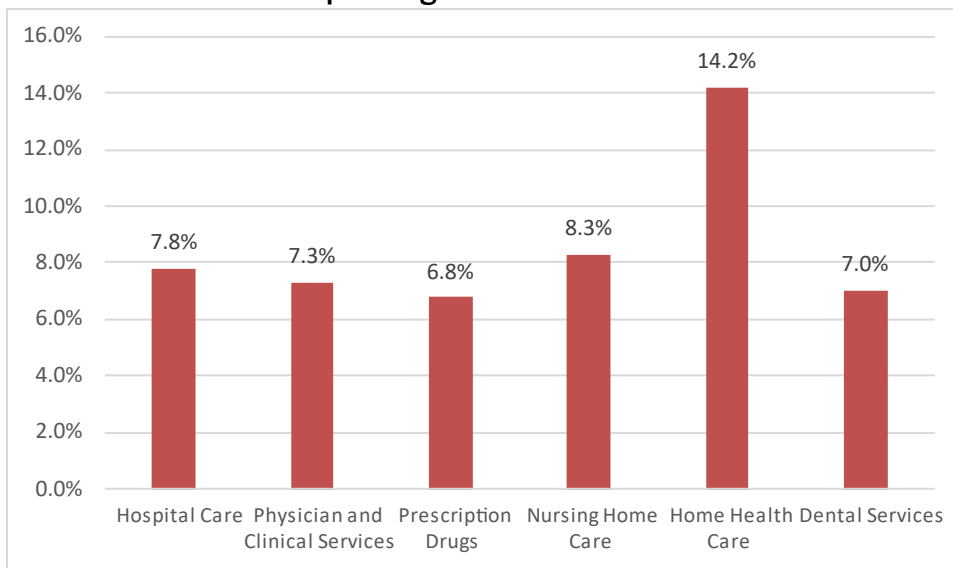
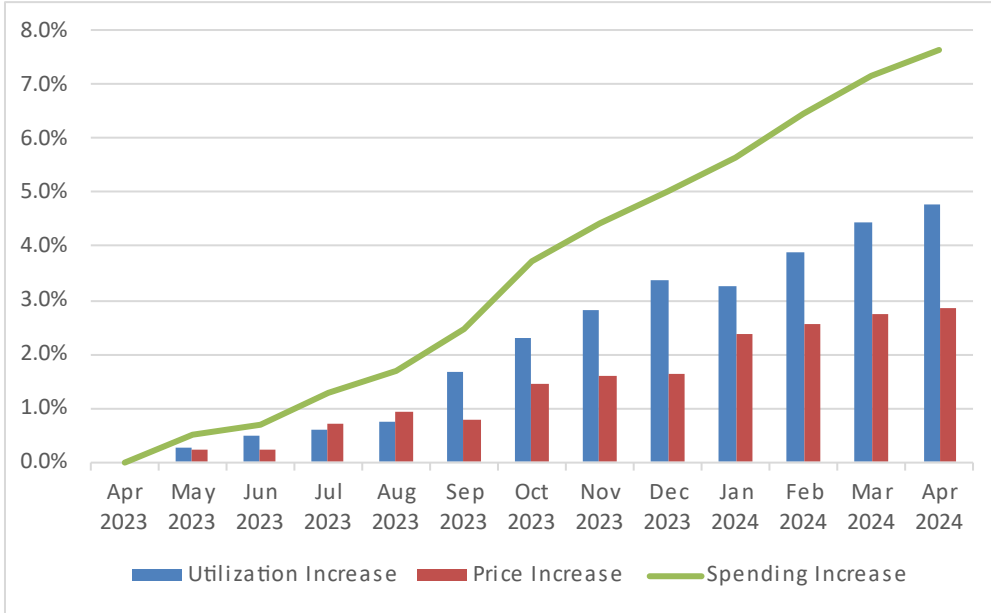


Exhibit 4 shows how spending on personal health care has grown over the past year (since April 2023) and illustrates the relative contribution of utilization and prices to this growth. It indicates that spending growth through April 2024 has continued to be driven more by utilization growth than by price increases: Of the 7.6% growth in personal health care spending during this period, 2.9 percentage points can be attributed to price growth, while the remaining 4.8 percentage point growth was associated with increases in utilization. (The components do not add up to the total due to rounding.) While spending data for May are not yet available, this month’s HSEI [Price Brief](#) indicates a significant jump in year-over-year May prices of 3.4%, suggesting that the contribution of prices to spending growth might be on the rise.

Exhibit 4. Cumulative Growth in Personal Health Care Spending



DETAILED HEALTH SPENDING

Exhibit 5. Monthly National Spending Estimates by Detailed Category

Levels (in billions of dollars)	Apr 2021	Apr 2022	Apr 2023	Apr 2024
GDP	\$23,135.2	\$25,303.1	\$26,935.6	\$28,511.5
National Health Spending	\$4,248.0	\$4,391.3	\$4,713.7	\$5,047.5
Personal health care	\$3,516.9	\$3,635.8	\$3,956.3	\$4,258.6
Hospital care	\$1,307.4	\$1,317.5	\$1,437.7	\$1,549.5
Physician and clinical services	\$850.4	\$879.8	\$947.7	\$1,016.9
Other professional services	\$129.8	\$137.7	\$147.2	\$164.1
Dental services	\$163.7	\$162.5	\$175.7	\$188.1
Other personal health care	\$220.7	\$242.1	\$262.9	\$280.3
Home health care	\$123.1	\$130.6	\$143.0	\$163.2
Nursing home care	\$178.8	\$187.7	\$210.2	\$227.7
Prescription Drugs	\$372.2	\$398.0	\$440.0	\$469.8
Durable medical equipment	\$64.2	\$66.5	\$70.1	\$73.6
Nondurable medical products	\$106.7	\$113.4	\$121.7	\$125.3
Program administration and net cost of private health insurance	\$311.2	\$326.0	\$357.9	\$381.0
Government public health activities	\$214.8	\$214.8	\$168.4	\$164.1
Research	\$61.5	\$64.2	\$67.3	\$70.6
Structures and equipment	\$143.7	\$150.6	\$163.8	\$173.1
HS Share of GDP	18.4%	17.4%	17.5%	17.7%
HS Share of PGDP	18.3%	17.3%	17.4%	17.8%

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

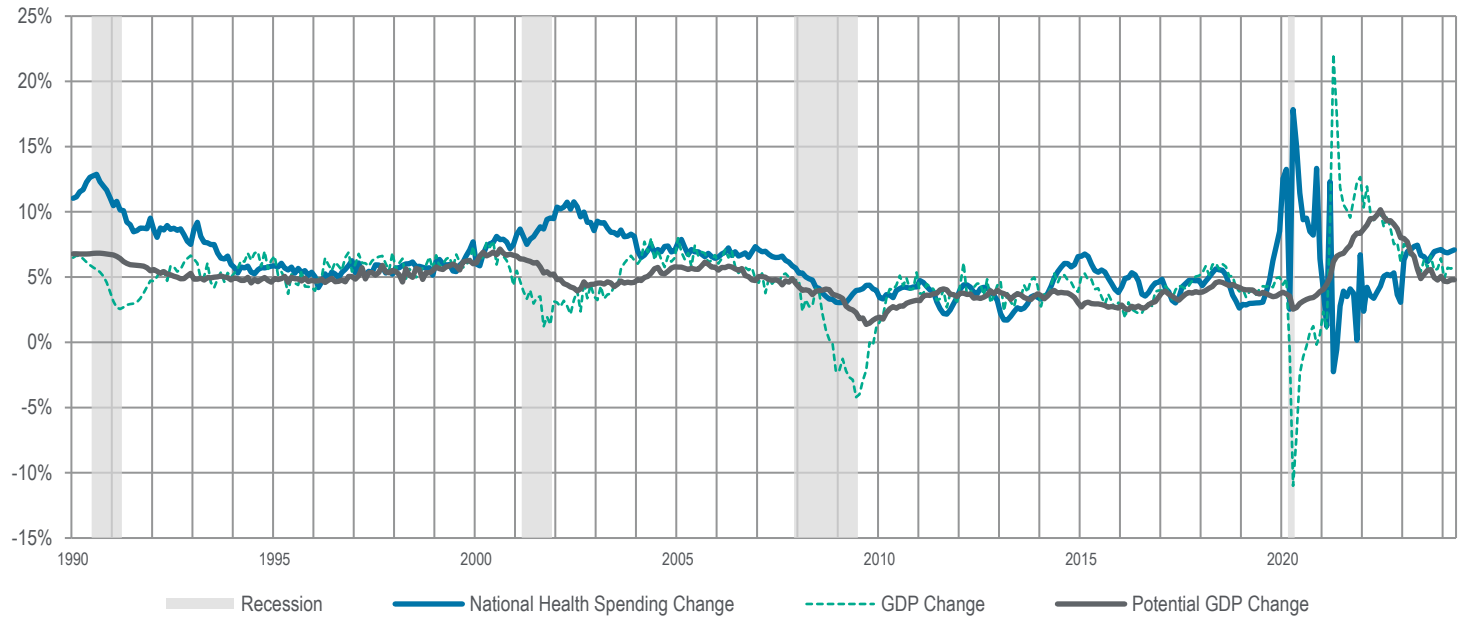
Growth Rates	Apr 2022	Apr 2023	Apr 2024
GDP	9.4%	6.5%	5.9%
National Health Spending	3.4%	7.3%	7.1%
Personal health care	3.4%	8.8%	7.6%
Hospital care	0.8%	9.1%	7.8%
Physician and clinical services	3.5%	7.7%	7.3%
Other professional services	6.1%	7.0%	11.5%
Dental services	-0.7%	8.2%	7.0%
Other personal health care	9.7%	8.6%	6.6%
Home health care	6.1%	9.5%	14.2%
Nursing home care	5.0%	12.0%	8.3%
Prescription Drugs	6.9%	10.5%	6.8%
Durable medical equipment	3.6%	5.4%	5.1%
Nondurable medical products	6.3%	7.3%	3.0%
Program administration and net cost of private health insurance	4.8%	9.8%	6.5%
Government public health activities	0.0%	-21.6%	-2.5%
Research	4.4%	4.9%	4.9%
Structures and equipment	4.8%	8.8%	5.7%
HS Minus GDP	-6.0%	0.9%	1.2%
HS Minus PGDP	-6.1%	0.8%	2.3%

Source: Computed from Exhibit 5.

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

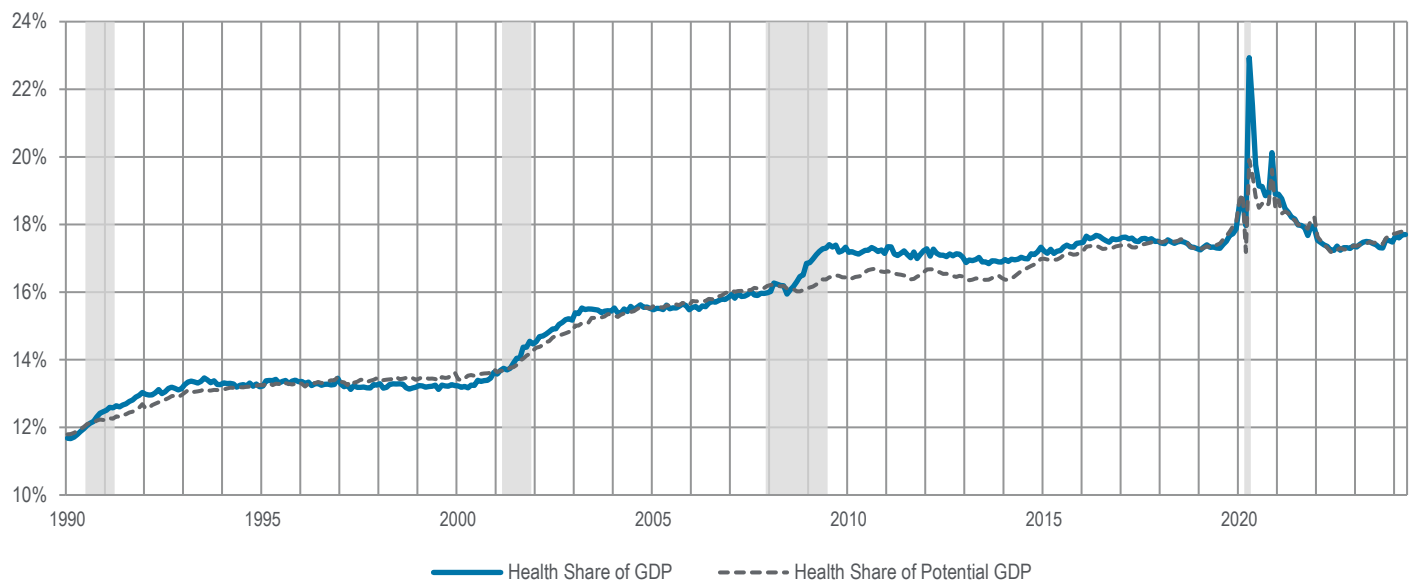
TIME SERIES TRACKER

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.

June 26, 2024

Health care price growth breaks out to a 15-year record high

HIGHLIGHTS

- ▲ The overall Health Care Price Index (HCPI) increased by 3.4% year over year in May, increasing from the 2.9% growth rate a month prior.
- ▲ Economywide inflation held mostly steady, with year-over-year growth in the overall Consumer Price Index (CPI) falling slightly to 3.3% and growth in the Producer Price Index (PPI) slowing to 2.2%.
- ▲ Among the major health care categories, prices for dental care (5.1%), nursing home care (4.8%), and hospital care (4.2%) were the fastest growing, while physician and clinical price growth was the slowest (1.4%).
- ▲ Increases in prescription drug, hospital care, and dental care year-over-year prices were major contributors to the record overall health care price index increase, with each at least 1 percentage point higher in May than they were a month prior.
- ▲ Among major payers, year-over-year Medicaid price growth (6.1%) exceeded services price growth for private insurance (3.5%) and Medicare (1.7%) patients.
- ▲ The implicit measure of health care utilization growth was 4.8% year over year in April, up 0.3 percentage points from the slightly revised value in March (4.5%).

	May 2022	May 2023	April 2024	May 2024
Health Care Price Index (HCPI)	2.0%	3.3%	2.9%	3.4%
GDP Deflator (GDPD)	7.6%	3.4%	2.5%	**
HCPI - GDPD	-5.6%	-0.1%	0.3%	**
Addendum				
Personal health care spending	3.6%	9.1%	7.6%	**
Health care utilization	1.6%	5.8%	4.8%	**
Medical Consumer Price Index (MCPI)	3.7%	0.7%	2.6%	3.1%
Consumer Price Index, all items (CPI)	8.6%	4.0%	3.4%	3.3%
Producer Price Index, Final Demand (PPI)	11.1%	1.1%	2.3%	2.2%

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

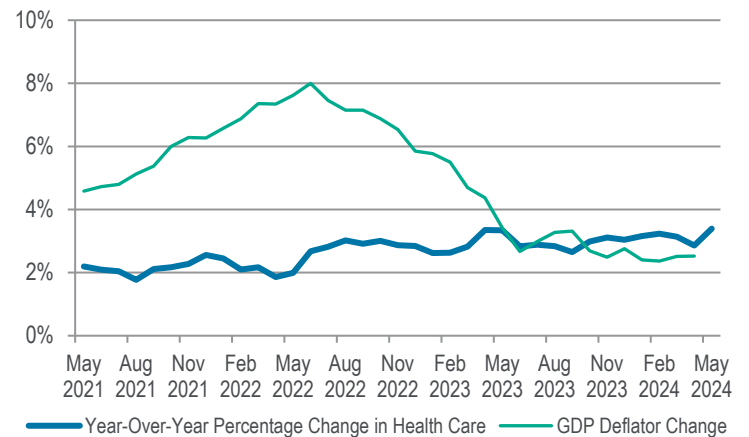
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DISCUSSION

The overall health care price index (HCPI) increased by 3.4% year over year in May, growing 0.5 percentage points from the slightly-revised 2.9% growth in April (Exhibit 1). This 3.4% increase in health care prices is the fastest seen in our data since December 2007 and health care prices this month are now growing faster than both overall CPI and PPI inflation. Economywide CPI price growth fell to 3.3% year over year, while PPI inflation declined to 2.2% in May. Economywide price increases continue to be driven by services inflation, while economywide commodities inflation in May was negligible (0.1% year over year) (Exhibit 4). Overall health care price growth for the first five months of 2024 has averaged 3.2% year over year, up from the 2.9% overall 2023 annual average.

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



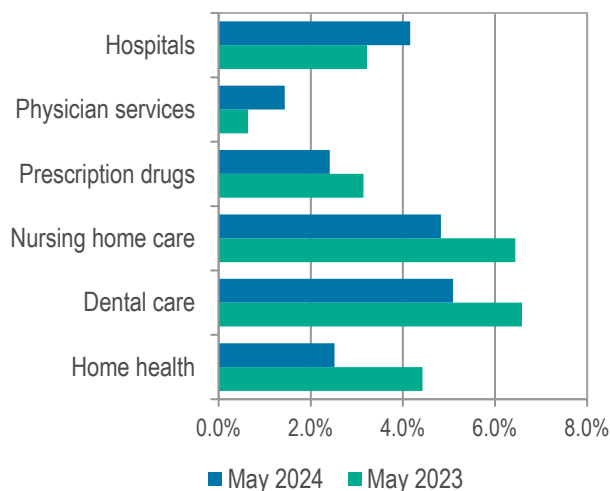
Source: Altarum analysis of monthly BLS price data.

The CMS [annual projections](#) of future health care spending were released this month and show that CMS actuaries expect health care price growth to average 3.1% in 2024 and 2.7% between 2025 and 2032. If the current health care price inflation trend continues, it is likely that overall health care price inflation could exceed the CMS projected value of 3.1% for this year.

While health care services continue to be the major driver of health care price growth (dental care services up 5.1%, nursing home care up 4.8%, and hospital care up 4.2%), there was a notable increase in prescription drug prices this month: year-over-year growth for this category increased from 0.4% in April to 2.4% in May (Exhibit 3). On a month-over-month basis, prescription drug prices increased 2.1% in May, representing a significant outlier in the data. While prescription drug prices typically increase significantly month-over-month in January each year (e.g. 2.1% in January 2023 and 1.3% in January 2022), such a large monthly increase mid-year is unusual. We will continue to track this metric in future months of our data series.

Among major payers for health care services, prices rose fastest for Medicaid patients last month, increasing 6.1% year over year, and much faster than price growth for private insurance patients (3.5%) and Medicare (1.7%) (Exhibit 6). Faster growth among Medicaid patients' prices was also seen in May specifically for hospital care (not shown) and physician and clinical care (Exhibit 7), while price growth for private insurance and Medicare patients was more subdued. For physician and clinical services prices, private insurance patients' prices increased by only 0.6% year over year, while Medicare physician prices continued to decline in May (down 1.0%) (Exhibit 7).

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



Our implicit measure of overall health care utilization growth (total spending growth net of health care price inflation) increased in April to 4.8%, now above the 3-month moving average of 4.6% (Exhibit 8). The fastest-growing utilization component in April was home health care (up 11.7%), followed by prescription drugs utilization (6.4%) and physician and clinical services (5.8%). This month continues the 2024 trend of higher overall growth in the use of health care services compared to health care prices; however, with health care price growth increasing, this trend could change in the future.

The new CMS projections show that expected overall personal health care utilization growth for 2024 is 2.1% and will average 3.0% from 2026 to 2032. Given our data on current 2024 utilization increases through April, it appears overall use of health care is running above this trend so far this year. We will continue to monitor these data and this trend in our [price and spending brief in future months](#).

Source: Altarum analysis of monthly BLS price data.

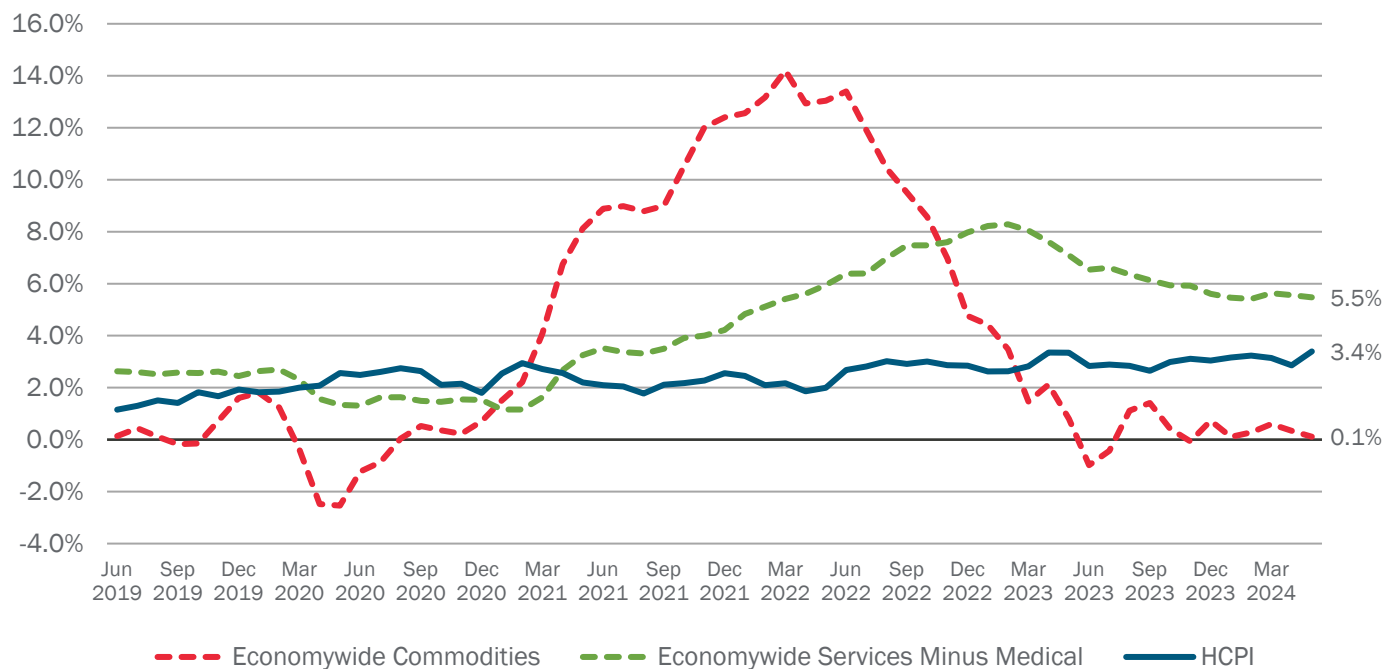
PRICE GROWTH BY DETAILED CATEGORIES

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

	Ending May 2022	Ending May 2023	Ending May 2024
Health Care Price Index (HCPI)	2.0%	3.3%	3.4%
Hospital care	2.1%	3.2%	4.2%
Physician and clinical services	0.4%	0.6%	1.4%
Prescription drugs	1.9%	3.1%	2.4%
Nursing home care	2.1%	6.4%	4.8%
Dental Services	2.7%	6.6%	5.1%
Home health care	2.2%	4.4%	2.5%
Other professional services	4.5%	0.8%	-0.6%
Other personal health care	4.1%	5.9%	5.9%
Other nondurable medical products	3.2%	6.2%	5.9%
Durable medical equipment	2.9%	5.7%	1.7%

Source: Altarum analysis of monthly BLS data.

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

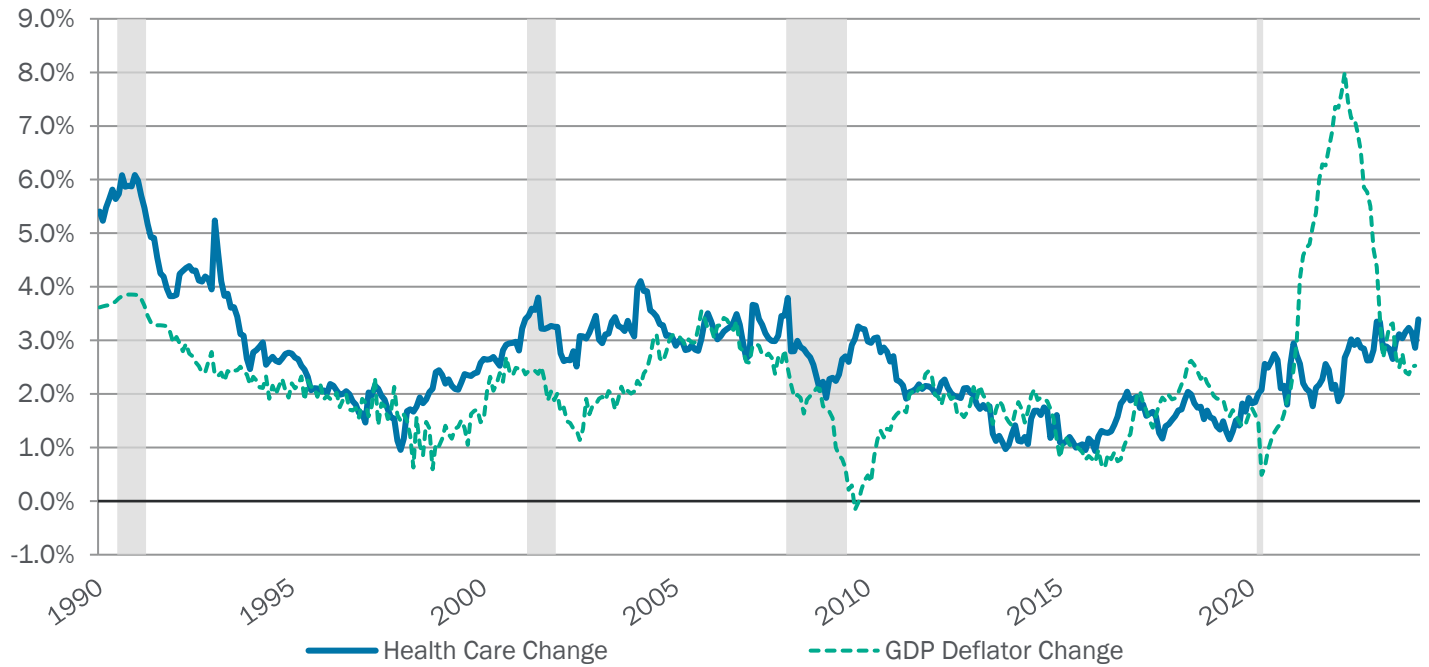


Source: Altarum analyses of BLS price data.

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.

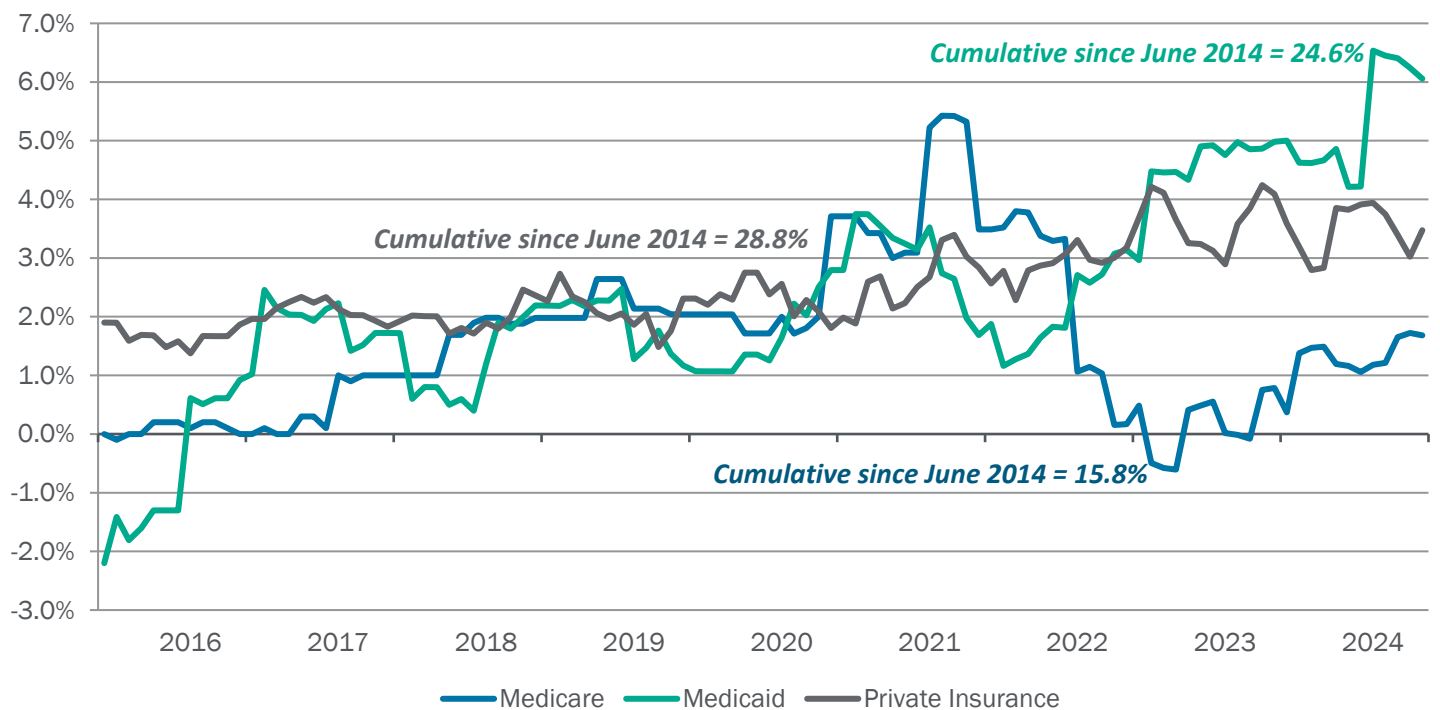
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Exhibit 5. Year-over-Year Percentage Change in Health Prices Compared with the GDP Deflator



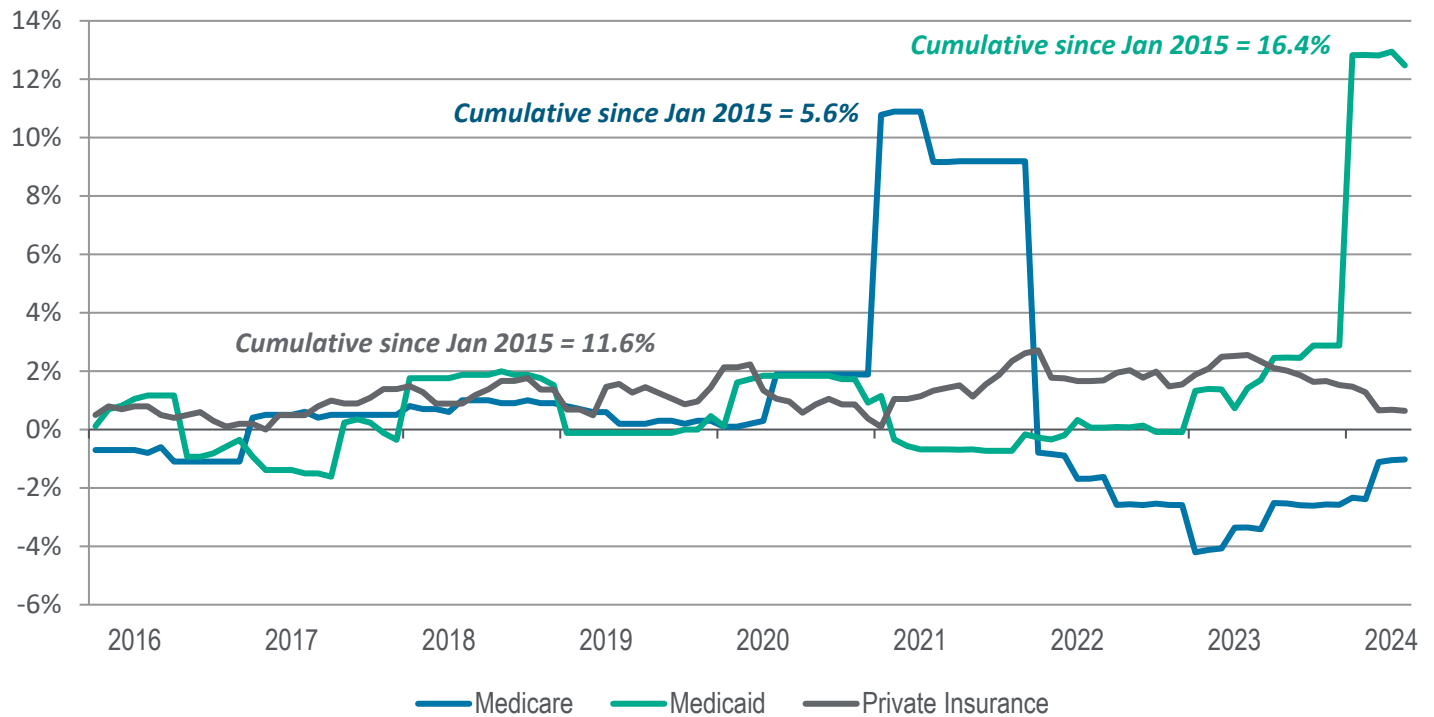
Source: Altarum analyses of BLS price data.
Note: Lightly shaded bars denote recession periods.

Exhibit 6. Year-over-Year Change in Health Care Services Price Growth, by Payer



Source: Altarum analyses of BLS price data.

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



Source: Altarum analyses of BLS price data.

Exhibit 8. Implicit Health Care Utilization Growth by Major Components of NHE, Year-over-year

	April 2024	3-Month Moving Average	12-Month Moving Average
Total personal health care	4.8%	4.6%	5.1%
Hospital care	4.7%	4.7%	4.5%
Physician and clinical services	5.8%	5.8%	7.6%
Prescription drugs	6.4%	7.0%	7.9%
Nursing home care	3.6%	3.7%	4.2%
Dental Services	2.9%	1.9%	2.2%
Home health care	11.7%	7.4%	5.9%
Other professional services	10.9%	8.6%	7.8%
Other personal health care	-0.1%	-0.3%	1.2%
Other nondurable medical products	-4.7%	-4.6%	-2.0%
Durable medical equipment	2.2%	3.0%	1.2%

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 ($S \cdot P$); however, as long as the two growth rates are small, this term is insignificant.

Source: Altarum analyses of BLS price data.

June 26, 2024

Job openings in health care and social assistance fell by over 200,000 in April

HIGHLIGHTS

- ▲ Compared to March 2024, job openings in health care and social assistance fell by 204,000 (11.7%) in April, despite job separations growing by 66,000 (9.7%) while hires grew by just 24,000 (3.1%).
- ▲ Health care industry employment grew by 68,300 in May 2024, slightly higher than the average of 65,200 in the past 12 months.
- ▲ May's health care job growth was led by growth in ambulatory health care services, which added 42,700 jobs.
- ▲ Hospitals added 15,000 jobs and nursing and residential care facilities added 10,600 jobs in May.
- ▲ The economy overall added 272,000 jobs in May, well above the 12-month average of 229,670 and the unemployment rate increased slightly to 4.0%.
- ▲ Nominal health care wage growth in April 2024 was 3.3% year over year, compared to 4.1% in non-health care industries.
- ▲ Nominal wage growth in health care settings was highest in nursing and residential care facilities, at 4.3% year over year, followed by ambulatory health care services at 3.3% and hospitals at 2.8%.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	May 2023	Apr 2024	May 2024
Total Employment (000)	152,309	155,787	158,271	158,543
Non-Health Employment (000)	135,828	138,950	140,721	140,924
Health Employment (000)	16,481	16,837	17,550	17,619
Health Share of Total Employment	10.82%	10.81%	11.09%	11.11%
Unemployment Rate	3.5%	3.7%	3.9%	4.0%

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

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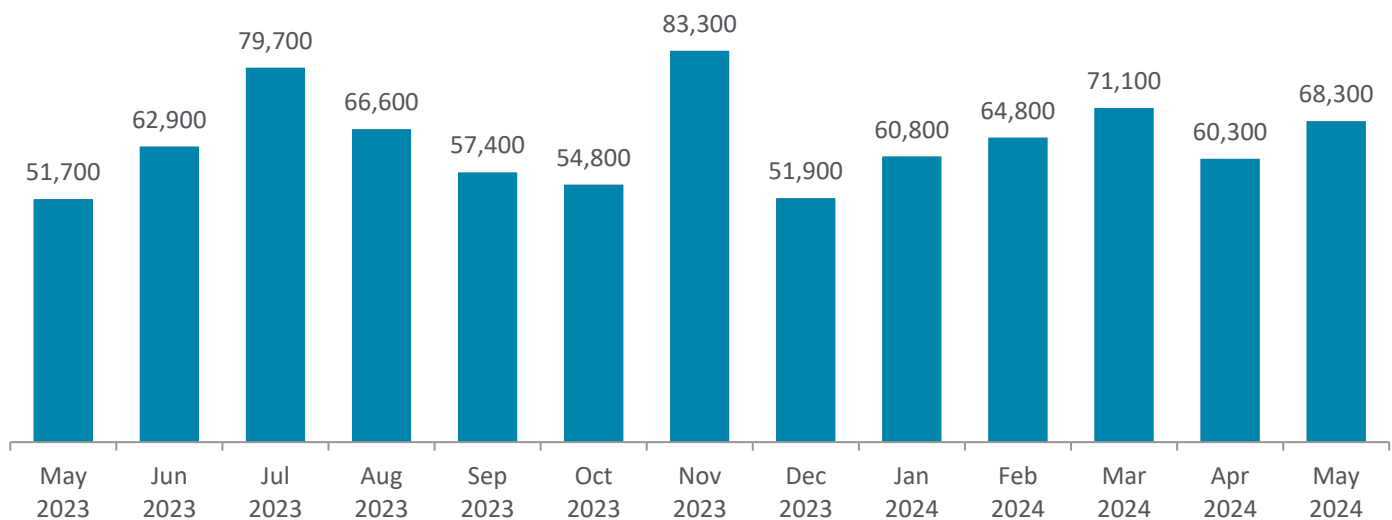
DISCUSSION

In May 2024, the health care industry added 68,300 new jobs (as shown in Exhibit 1), which was 4.8% higher than the 12-month average of 65,200 jobs. All other industries combined added 203,700 jobs, 23.8% higher than the 12-month average of 164,500 jobs per month.

May employment growth in the health care sector was driven by ambulatory health care services, which added 42,700 jobs, 32.2% above the 12-month industry average of 32,300 jobs per month. The ambulatory health care settings with the most job growth were home health services, with 19,600 jobs added, and offices of physicians, with 13,400 jobs.

In contrast, hospitals added 15,000 jobs, 25.3% below the 12-month average of 20,100 jobs, and nursing and residential care facilities added 10,600 jobs, 17.0% below the average of 12,800 jobs. Within nursing and residential care, other nursing and residential care facilities added 10,700 jobs, which were offset by 100 jobs lost in nursing care facilities.

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

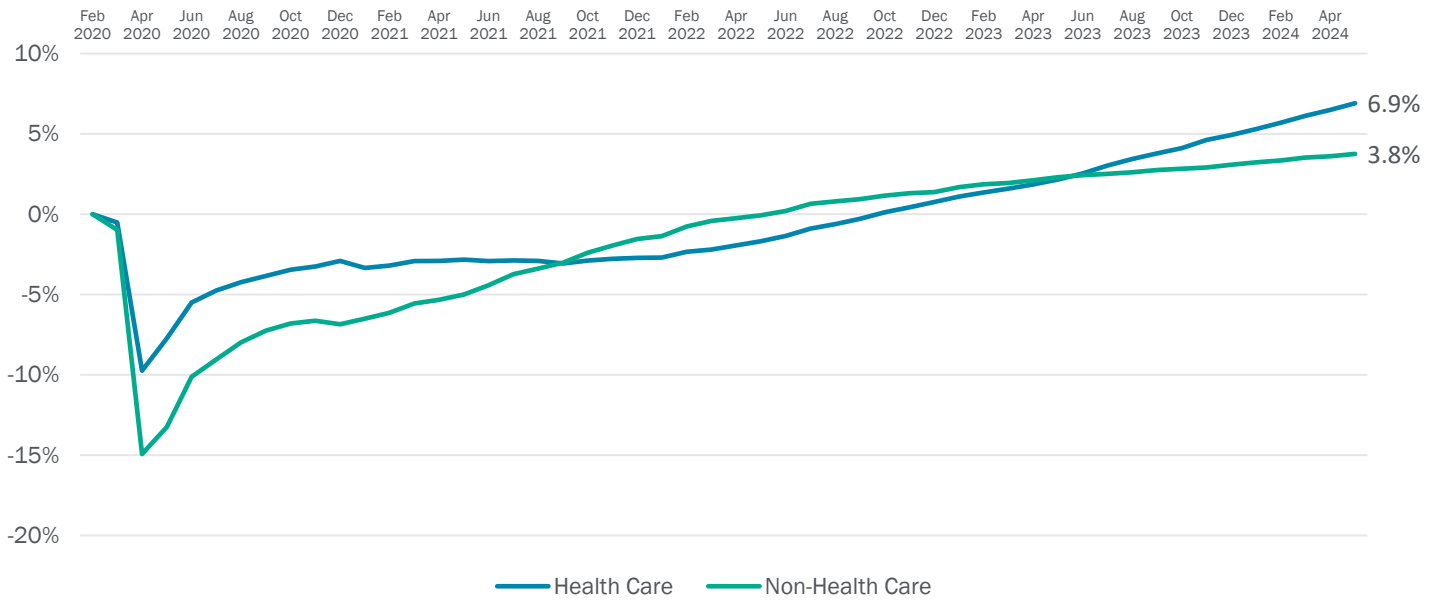


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Compared to February 2020, before the COVID-19 recession began, health care employment has grown by 1,138,000 jobs or 6.9%, which is higher than the 3.8% 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. May 2024 was the twenty-sixth consecutive month that health care industry growth outpaced all other industries. During that period, the health care sector grew by 9.0%, versus 4.0% in all other industries.

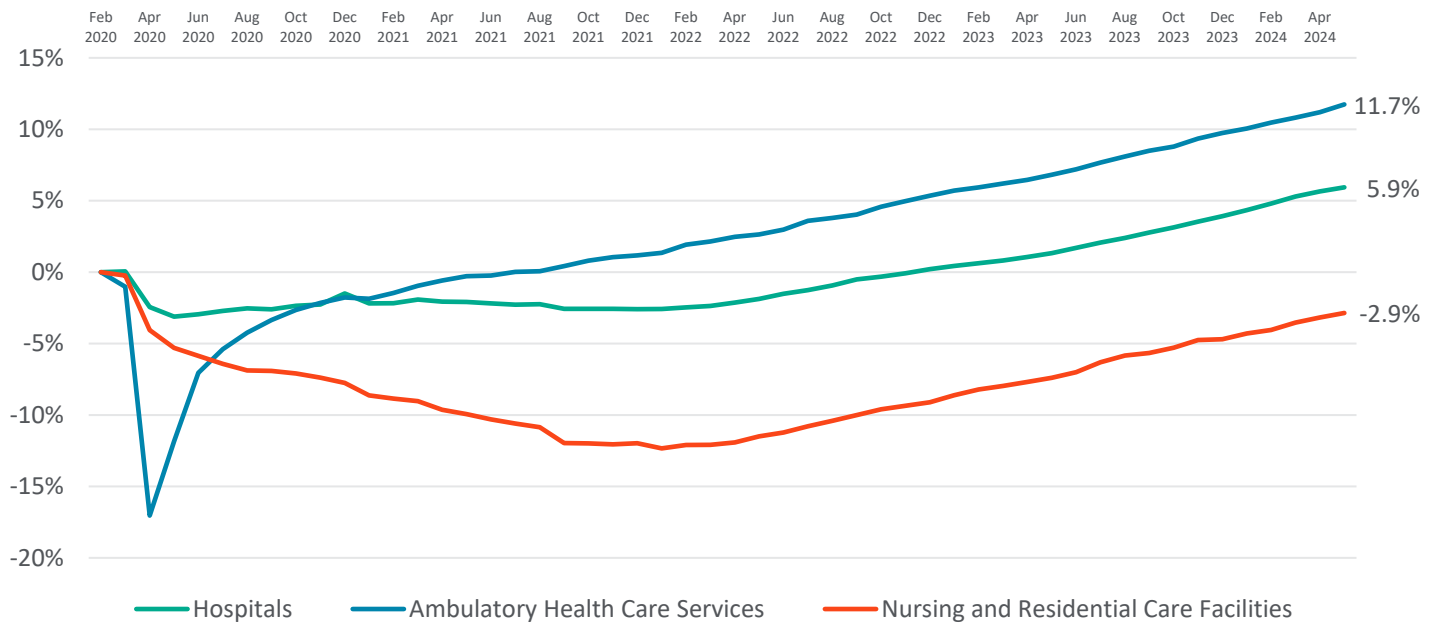
Since February 2020, hospital employment has grown by 310,800 jobs or 5.9%, while employment in ambulatory health care services has increased by 923,800 jobs or 11.7% (see Exhibit 3). However, employment in nursing and residential care facilities is still 96,600 jobs (2.9%) below pre-pandemic levels. 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 May 2022.

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



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

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

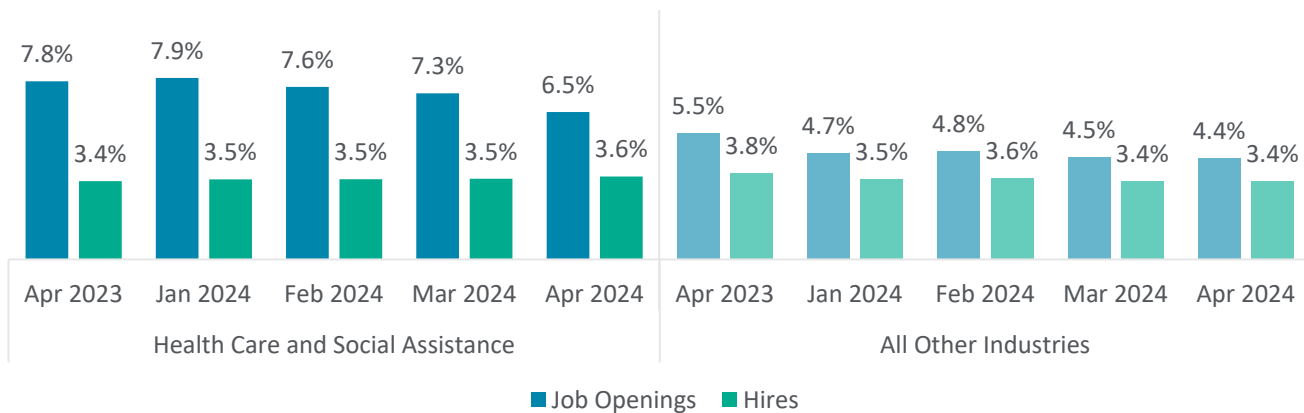


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Job openings fell in the health care and social assistance sector. In April 2024, the job openings rate in health care and social assistance was 6.5%, a large decrease over one month prior (7.3%) and one year prior (7.8%), as shown in Exhibit 4. While the job openings rate fell, it was still well above the rate of 4.4% in all other industries. The hiring rate was slightly higher than in recent months at 3.6%, slightly higher than the rate for all other industries (3.4%). The job separation rate in the health care and social assistance industry was 3.3% in April 2024, approximately equal to the rate in all other industries. This was a slight increase over March, due primarily to a higher quit rate in April.

Compared to March, there was an increase of 24,000 (3.1%) in hires in April, but separations increased by 66,000 (9.7%). However, job openings decreased by 204,000 (11.7%). These data imply that the decline in job openings may be because employers are removing open positions they were trying to fill.

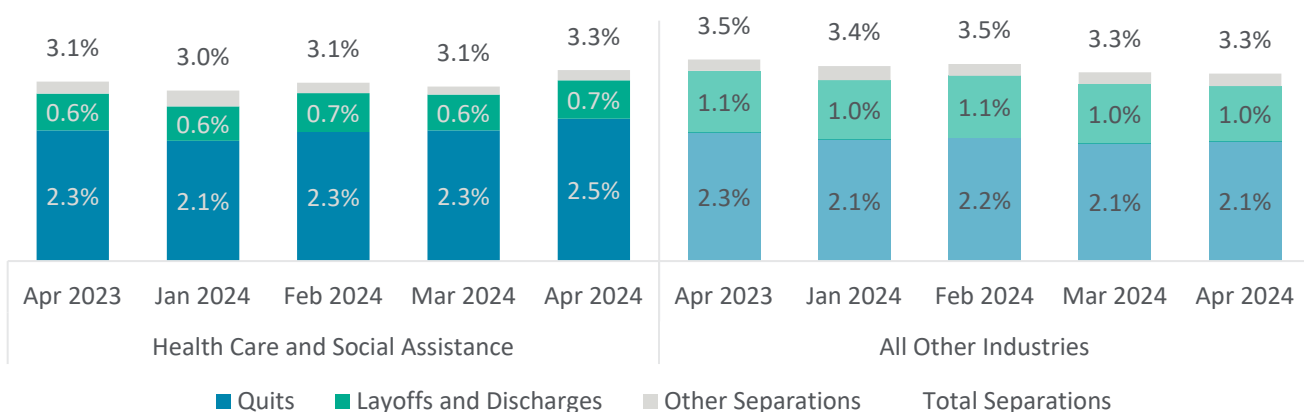
Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and All Other Industries



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



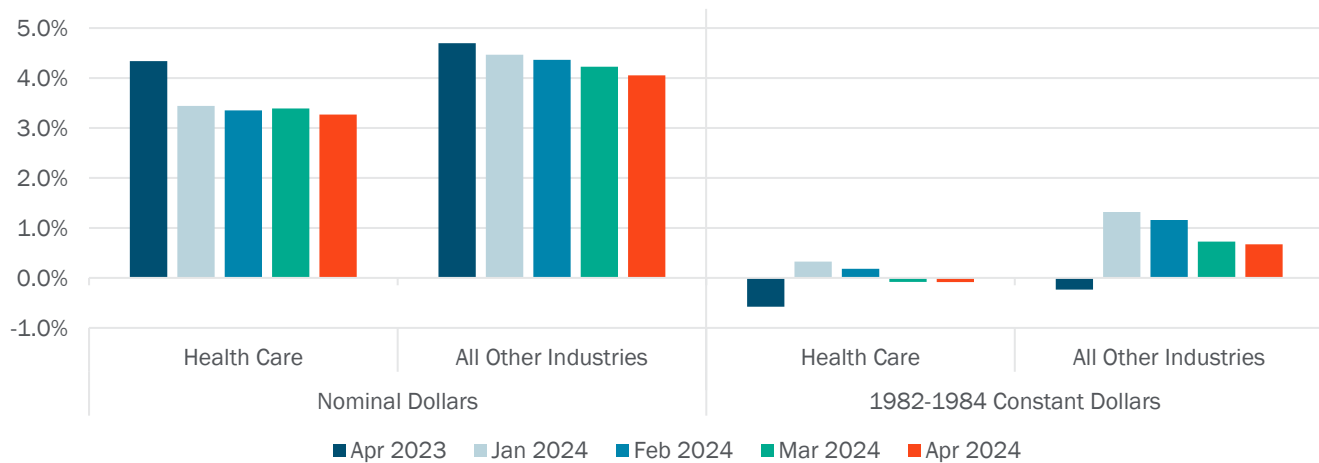
Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

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 3.3% in April 2024, which was slightly slower compared to recent months and much lower than a year earlier (as shown in Exhibit 6). After adjusting for inflation, year-over-year health care wage growth fell to -0.1%. Non-health care wage growth was 4.1%, or 0.7% after adjusting for inflation. These rates were also slower compared to recent months and a year ago.

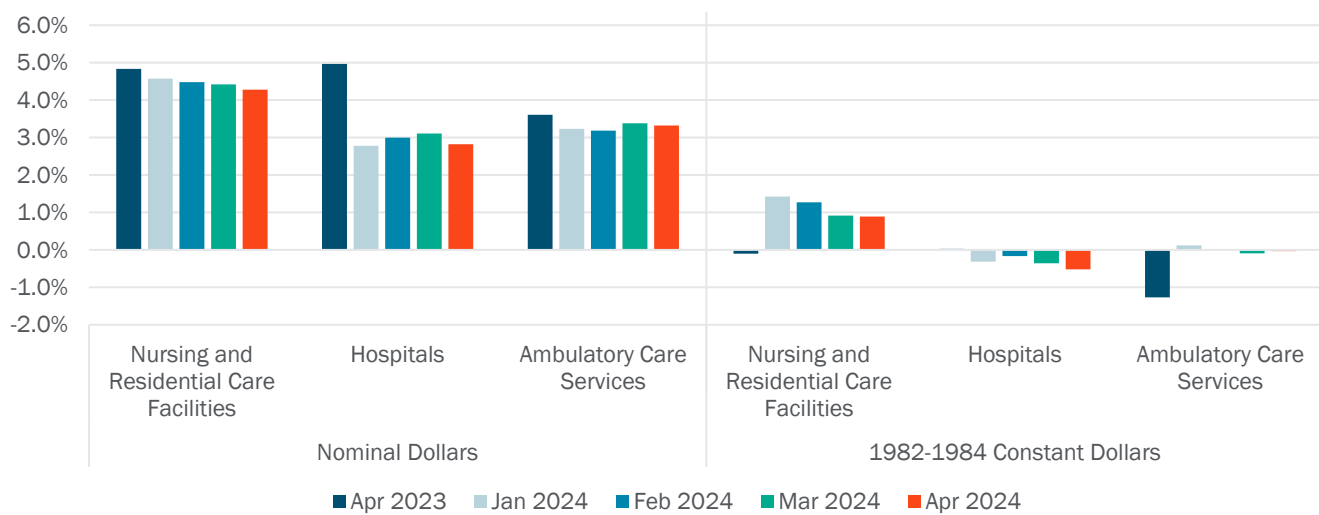
Wage growth was fastest in the nursing and residential care facilities at 4.3%, followed by ambulatory health care services at 3.3% and hospitals at 2.8% (see Exhibit 7). Inflation-adjusted wages grew by 0.9% in the nursing and residential care facilities but fell by less than 0.1% in the ambulatory health care services industry and 0.5% in hospitals.

Exhibit 6. Change in Average Hourly Earnings, Year over Year, Health Care and All Other Industries



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

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



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

DETAILED HEALTH CARE EMPLOYMENT

Exhibit 8. Employment by Sector and Subsector, Seasonally Adjusted

Employment (in Thousands)	May 2024	April 2024	May 2023	May 2022	February 2020
Non-Health Care	140,924	140,721	138,950	135,725	135,828
Health Care	17,619	17,550	16,837	16,203	16,481
Ambulatory Health Care Services	8,792	8,750	8,405	8,077	7,869
Offices of Physicians	3,026	3,012	2,897	2,797	2,725
Offices of Dentists	1,035	1,031	1,028	1,001	991
Offices of Other Health Care Practitioners	1,206	1,201	1,147	1,078	1,001
Outpatient Care Centers	1,087	1,084	1,054	1,027	996
Medical and Diagnostic Labs	322	323	319	321	289
Home Health Care Services	1,762	1,742	1,613	1,527	1,547
Other Ambulatory ^a	356	357	347	324	319
Hospitals	5,546	5,531	5,305	5,137	5,235
Nursing and Residential Care Facilities	3,281	3,270	3,127	2,989	3,377
Nursing Care Facilities	1,466	1,467	1,406	1,347	1,587
Other Nursing and Residential ^b	1,814	1,803	1,722	1,642	1,790
Health Share of Employment	11.11%	11.09%	10.81%	10.66%	10.82%

Source: Altarum analysis of BLS Current Employment Statistics data. May 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 and Subsector, Seasonally Adjusted

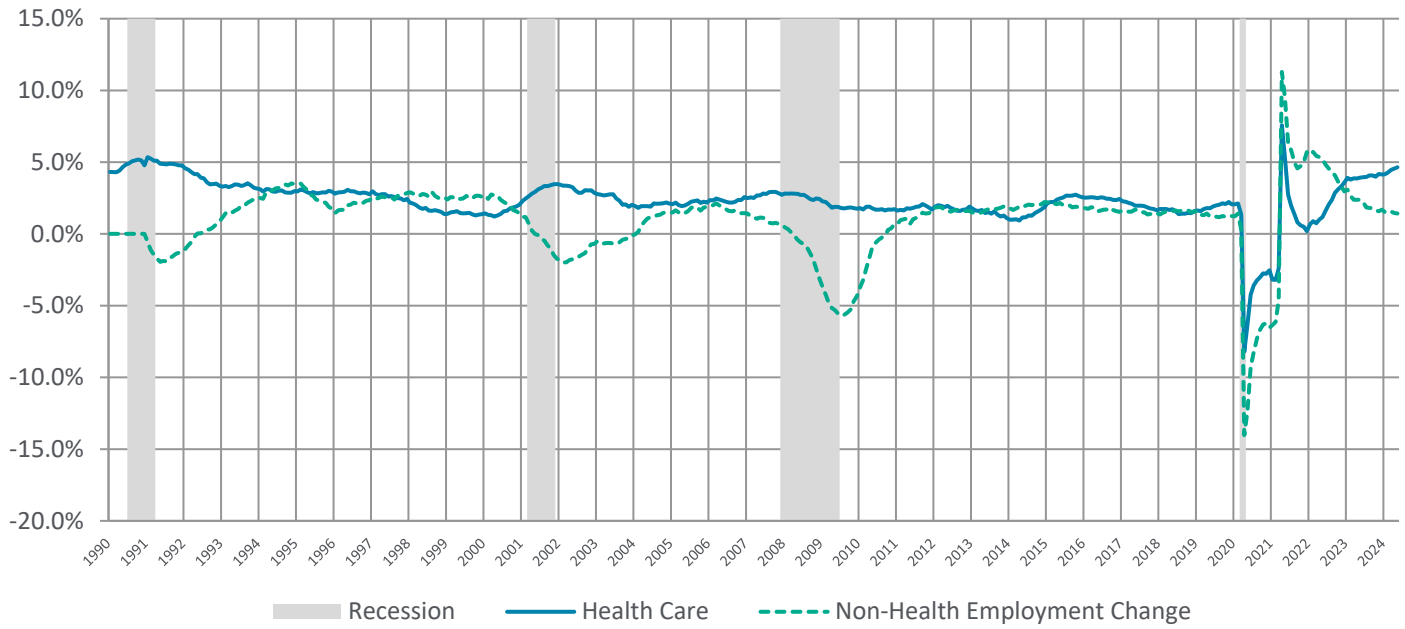
Employment Change (in Thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	203.7	1,974.1	5,199.0	5,096.0
Health Care	68.3	781.9	1,416.0	1,138.0
Ambulatory Health Care Services	42.7	387.7	715.7	923.8
Offices of Physicians	13.4	128.4	228.6	300.2
Offices of Dentists	3.6	7.1	33.5	43.9
Offices of Other Health Care Practitioners	5.2	59.2	127.7	205.2
Outpatient Care Centers	2.7	33.0	59.3	90.3
Medical and Diagnostic Labs	-0.5	2.7	0.7	32.9
Home Health Care Services	19.6	148.1	234.1	215.0
Other Ambulatory ^a	-1.4	9.1	31.7	36.3
Hospitals	15.0	241.0	408.6	310.8
Nursing and Residential Care Facilities	10.6	153.2	291.7	-96.6
Nursing Care Facilities	-0.1	60.9	119.9	-120.6
Other Nursing and Residential ^b	10.7	92.3	171.8	24.0
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.8%	1.4%	1.9%	0.9%
Health Care	4.8%	4.6%	4.3%	1.6%
Ambulatory Health Care Services	6.0%	4.6%	4.3%	2.6%
Offices of Physicians	5.5%	4.4%	4.0%	2.5%
Offices of Dentists	4.3%	0.7%	1.7%	1.0%
Offices of Other Health Care Practitioners	5.3%	5.2%	5.8%	4.5%
Outpatient Care Centers	3.0%	3.1%	2.8%	2.1%
Medical and Diagnostic Labs	-1.8%	0.8%	0.1%	2.6%
Home Health Care Services	14.4%	9.2%	7.4%	3.1%
Other Ambulatory ^a	-4.6%	2.6%	4.8%	2.6%
Hospitals	3.3%	4.5%	3.9%	1.4%
Nursing and Residential Care Facilities	4.0%	4.9%	4.8%	-0.7%
Nursing Care Facilities	-0.1%	4.3%	4.4%	-1.8%
Other Nursing and Residential ^b	7.4%	5.4%	5.1%	0.3%

Source: Altarum analysis of BLS Current Employment Statistics data. Change since May 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.

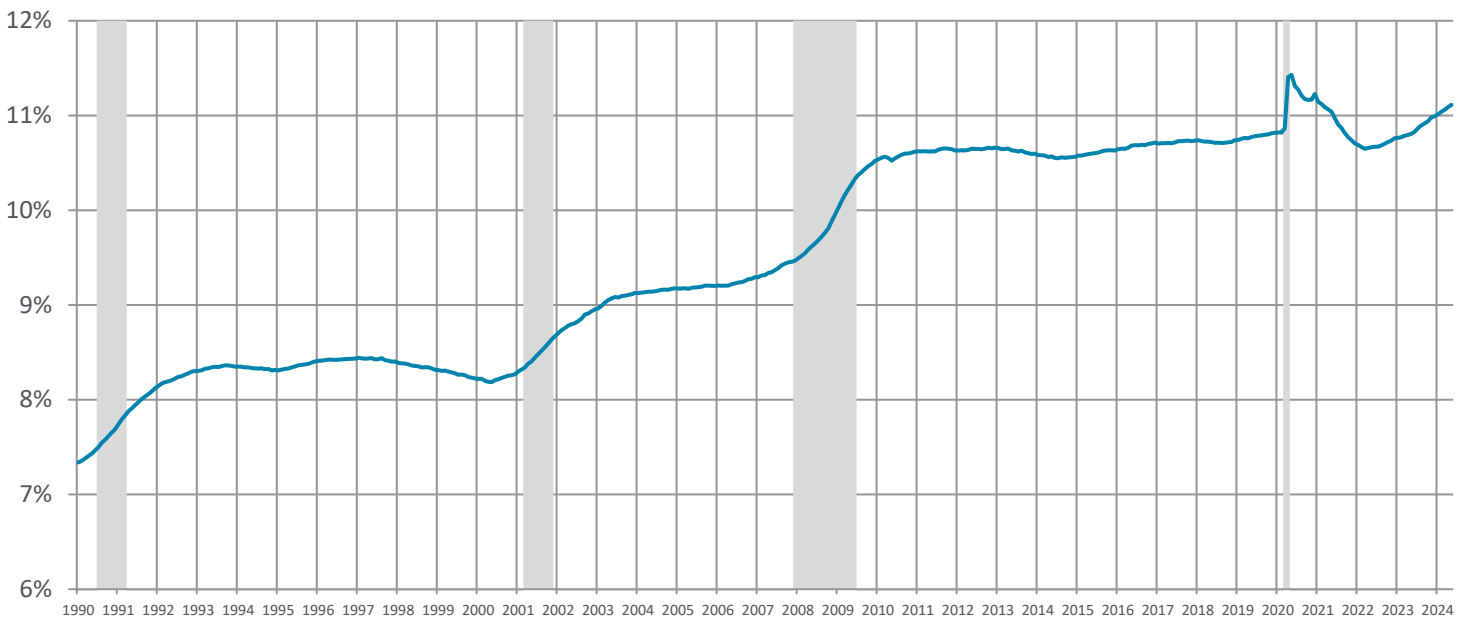
TIME SERIES TRACKER

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.