

July 18, 2024

## National health spending shows signs of acceleration

### HIGHLIGHTS

- ▲ In May 2024, national health spending was 7.7% higher than in May 2023 and represented 17.8% of GDP.
- ▲ Nominal GDP in May 2024 was 5.7% higher than in May 2023, growing 2.0 percentage points more slowly than health spending.
- ▲ Personal health care spending growth in May was 8.3%, year over year, with utilization growth continuing to outpace price growth.
- ▲ Growth among major spending categories was highest by far for home health care, at 22.6%, year over year. Spending growth on each of the other major categories was below 10%, with spending on physician and clinical services growing the slowest, at 6.6%.

### National Health Spending and GDP\*

	May 2022	May 2023	Apr 2024	May 2024
<b>GDP</b>	25.54	27.07	28.52	28.63
<b>National Health Spending (HS)</b>	4.41	4.73	5.05	5.10
<b>HS Share of GDP</b>	17.2%	17.5%	17.7%	17.8%
<b>HS Share of PGDP</b>	17.2%	17.5%	17.8%	18.0%
<b>Growth from Prior 12 Months</b>				
<b>HS</b>	3.8%	7.4%	7.2%	7.7%
<b>GDP</b>	9.7%	6.0%	5.9%	5.7%
<b>HS minus GDP</b>	-5.9%	1.4%	1.4%	2.0%
<b>HS minus PGDP</b>	-6.0%	1.8%	2.4%	2.8%

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 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 George Miller at [george.miller@altarum.org](mailto:george.miller@altarum.org). George Miller, PhD (principal author), Corwin Rhyon, 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](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.

## DISCUSSION

In May 2024, national health spending reached a seasonally adjusted annual rate of \$5.10 trillion, corresponding to a year-over-year growth rate of 7.7%. This is the largest year-over-year increase we have observed since March 2021, when a 12.3% growth rate was primarily due to a precipitous drop in spending in March 2020 because of the pandemic. The growth rate was 13.3% in February 2020, just before the start of the pandemic.

Since May 2023, nominal GDP grew by 5.7%. Health spending in May accounted for 17.8% of GDP, a slight increase above the April percentage.

The 7.7% year-over-year growth rate in national health spending represented an increase from the April rate of 7.2%, resulting in a growth rate in health spending that was 2.0 percentage points above GDP growth. The year-over-year growth rate in personal health care spending (spending on health care goods and services) also grew from 7.8% in April to 8.3% in May, resulting in personal health care spending as a percent of GDP equaling 15.0%, a value that equals the rate seen in March and April of this year (Exhibit 1).

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

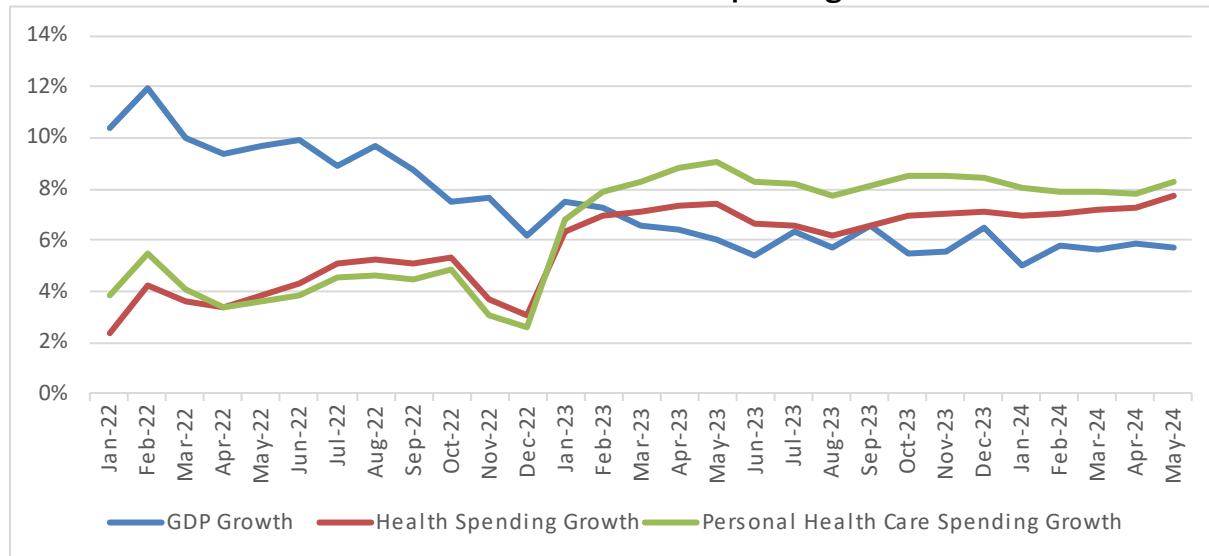


Exhibit 2 illustrates how health spending in May was distributed among spending categories. Personal health care constituted 84% of national health spending. Slightly more than half of total expenditures was attributed to hospital care and physician and clinical services. (The sum of the components exceeds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

### Exhibit 2. Health Spending by Category, May 2024

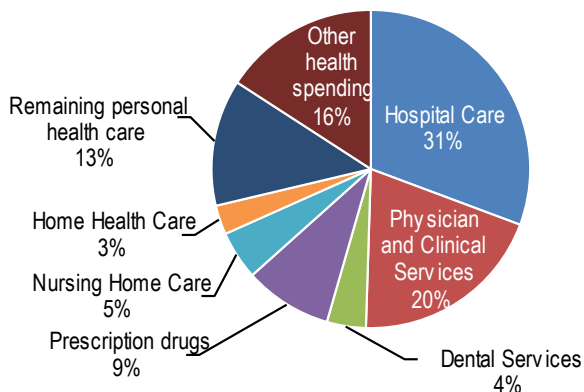


Exhibit 3 displays the growth in spending by major categories within personal health care since May 2023. Spending on home health care showed the fastest growth by far, at 22.6%, while the slowest growth occurred in spending on physician and clinical services, at 6.6%. This month's HSEI [Price Brief](#) indicates that the growth in home health care spending is almost entirely due to utilization growth rather than price increases, with 20.1 percentage points of the 22.6% growth resulting from an increase in utilization. The growth in home health care spending was the largest since the spring of 2020, when government subsidies to combat the pandemic caused a major jump in spending.

Pre-pandemic, the most recent growth rate in home health care that exceeded the May 2024 rate was in January 1993, at 24.1%. This rate was also high for all of 1992, totaling 23.5% for the entire year.

### Exhibit 3. Health Care Spending 12-Month Growth

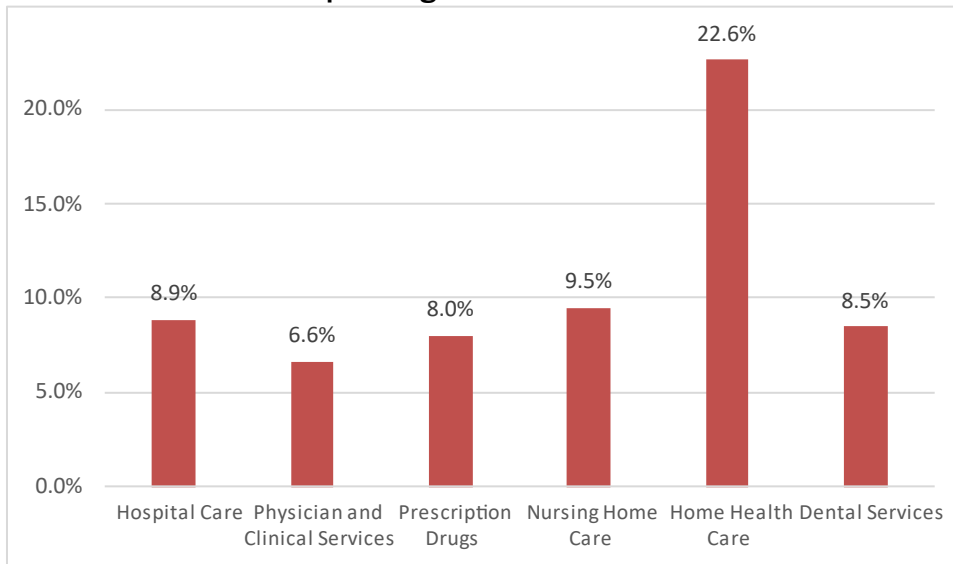
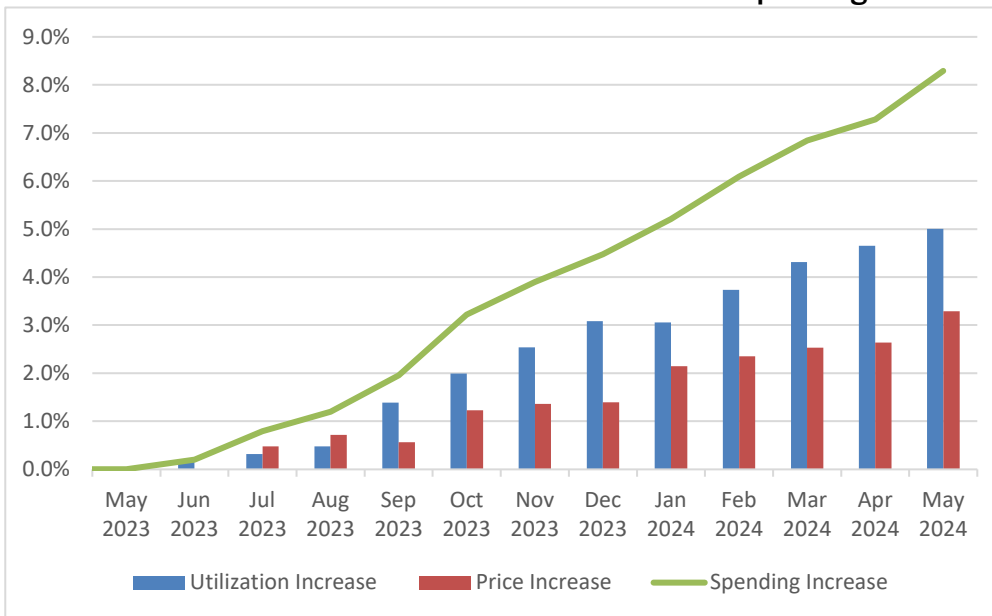


Exhibit 4 shows how spending on personal health care has grown over the past year (since May 2023) and illustrates the relative contribution of utilization and prices to this growth. It indicates that spending growth through May 2024 has continued to be driven more by utilization growth than by price increases: Of the 8.3% growth in personal health care spending during this period, 3.3 percentage points can be attributed to price growth, while the remaining 5.0 percentage point growth was associated with increases in utilization.

### 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)	May 2021	May 2022	May 2023	May 2024
<b>GDP</b>	\$23,280.1	\$25,538.7	\$27,074.7	\$28,625.8
<b>National Health Spending</b>	\$4,241.9	\$4,405.1	\$4,732.9	\$5,098.6
<b>Personal health care</b>	\$3,518.8	\$3,644.7	\$3,976.1	\$4,305.7
Hospital care	\$1,314.7	\$1,316.6	\$1,443.1	\$1,571.2
Physician and clinical services	\$845.5	\$879.5	\$953.4	\$1,016.7
Other professional services	\$132.3	\$138.9	\$151.2	\$165.2
Dental services	\$162.6	\$162.1	\$176.6	\$191.6
Other personal health care	\$221.0	\$243.9	\$264.5	\$281.7
Home health care	\$123.7	\$134.9	\$138.8	\$170.2
Nursing home care	\$178.9	\$188.0	\$210.6	\$230.6
Prescription Drugs	\$371.3	\$400.8	\$444.7	\$480.3
Durable medical equipment	\$64.2	\$66.0	\$70.4	\$73.3
Nondurable medical products	\$104.6	\$114.1	\$122.7	\$125.1
Program administration and net cost of private health insurance	\$307.1	\$329.7	\$359.8	\$383.0
Government public health activities	\$209.6	\$215.1	\$164.4	\$165.2
Research	\$61.6	\$64.4	\$67.6	\$70.9
Structures and equipment	\$144.8	\$151.2	\$165.0	\$173.7
<b>HS Share of GDP</b>	18.2%	17.2%	17.5%	17.8%
<b>HS Share of PGDP</b>	18.2%	17.2%	17.5%	18.0%

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**

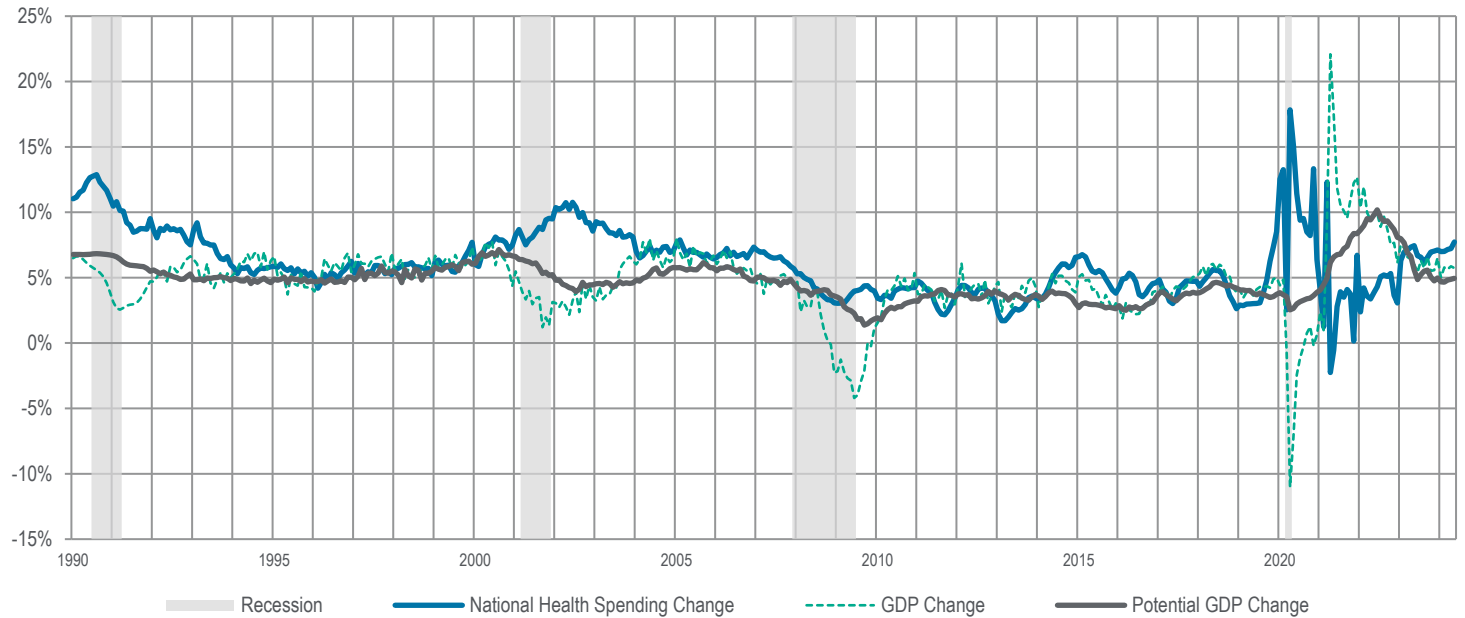
Growth Rates	May 2022	May 2023	May 2024
<b>GDP</b>	9.7%	6.0%	5.7%
<b>National Health Spending</b>	3.8%	7.4%	7.7%
<b>Personal health care</b>	3.6%	9.1%	8.3%
Hospital care	0.1%	9.6%	8.9%
Physician and clinical services	4.0%	8.4%	6.6%
Other professional services	5.0%	8.9%	9.2%
Dental services	-0.3%	8.9%	8.5%
Other personal health care	10.4%	8.4%	6.5%
Home health care	9.1%	2.9%	22.6%
Nursing home care	5.1%	12.1%	9.5%
Prescription Drugs	7.9%	11.0%	8.0%
Durable medical equipment	2.8%	6.7%	4.2%
Nondurable medical products	9.0%	7.6%	1.9%
Program administration and net cost of private health insurance	7.4%	9.1%	6.4%
Government public health activities	2.6%	-23.5%	0.5%
Research	4.6%	4.9%	4.9%
Structures and equipment	4.4%	9.1%	5.3%
<b>HS Minus GDP</b>	-5.9%	1.4%	2.0%
<b>HS Minus PGDP</b>	-6.0%	1.8%	2.8%

Source: Computed from Exhibit 5.

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

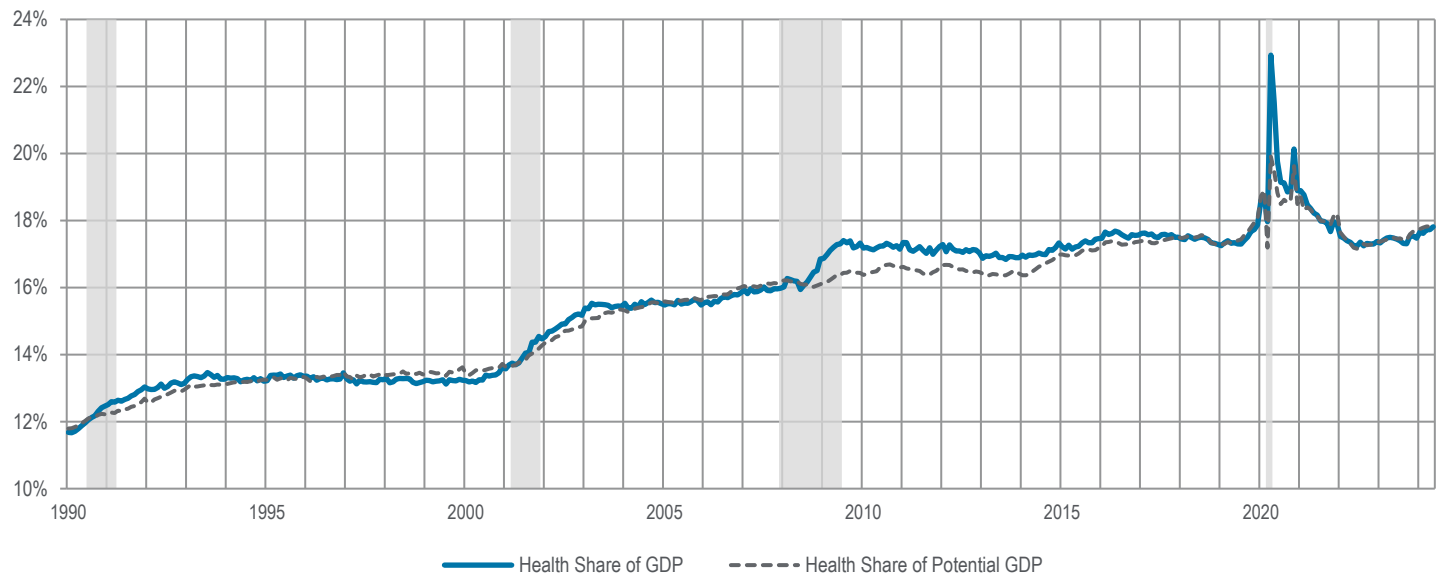
## TIME SERIES TRACKER

**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.

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## Health care prices continue to rise faster than economywide inflation

### HIGHLIGHTS

- ▲ The overall Health Care Price Index (HCPI) increased by 3.3% year over year in June, matching the slightly revised growth rate from a month prior.
- ▲ Economywide inflation data were mixed, with year-over-year growth in the overall Consumer Price Index (CPI) falling slightly to 3.0%, but growth in the Producer Price Index (PPI) increasing to 2.6%.
- ▲ Among the major health care categories, prices for dental care (5.3%), nursing home care (4.6%), and hospital care (3.5%) were the fastest growing, while physician and clinical price growth was the slowest (1.7%).
- ▲ For major payers, year-over-year Medicaid price growth (6.4%) exceeded services price growth for private insurance (3.9%) and Medicare (1.7%) patients.
- ▲ The implicit measure of health care utilization growth was 5.0% year over year in May, matching the growth rate for utilization from April.
- ▲ Home health care utilization was, by far, the fastest growing component, increasing 20.1% year over year, followed by prescription drugs utilization (5.6%), and hospital care (5.5%).

	June 2022	June 2023	May 2024	June 2024
<b>Health Care Price Index (HCPI)</b>	2.7%	2.8%	3.3%	3.3%
<b>GDP Deflator (GDPD)</b>	8.0%	2.7%	2.7%	**
<b>HCPI - GDPD</b>	-5.3%	0.2%	0.6%	**
<b>Addendum</b>				
<b>Personal health care spending</b>	3.8%	8.3%	8.3%	**
<b>Health care utilization</b>	1.2%	5.4%	5.0%	**
<b>Medical Consumer Price Index (MCPI)</b>	4.5%	0.1%	3.1%	3.3%
<b>Consumer Price Index, all items (CPI)</b>	9.1%	3.0%	3.3%	3.0%
<b>Producer Price Index, Final Demand (PPI)</b>	11.2%	0.3%	2.4%	2.6%

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>* (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact George Miller at [George.Miller@altarum.org](mailto:George.Miller@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](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.

## DISCUSSION

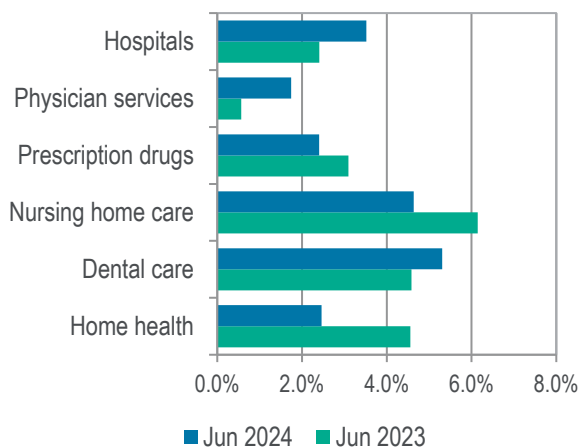
The overall health care price index (HCPI) increased by 3.3% year over year in June, matching the slightly revised growth rate observed in this month's data for May (Exhibit 1). May's HCPI growth rate was revised downward by 0.1 percentage points, to 3.3%, and was 0.6 percentage points greater than economywide inflation as measured by the GDP deflator (Exhibit 1). This marks the eighth straight month where health care prices have risen faster than economywide inflation. Over the first half of 2024 health care price growth has averaged 3.2% year over year, up from the 2.9% overall 2023 annual average.

Among other measures of economywide inflation, CPI price growth fell to 3.0% year over year in June, while PPI inflation increased to 2.4%. Economywide price increases continue to be driven by services inflation (up 5.2% year over year), while economywide commodities inflation was negative last month (-0.3%) (Exhibit 4).

Health care services continue to be the major driver of health care price growth (dental care services up 5.3%, nursing home care up 4.6%, and hospital care up 3.5%), but the year-over-year increase in prescription drug prices observed last month continued in June, holding steady at 2.4% (Exhibits 2 and 3). Price growth for physician and clinical services continues to be one of the slowest growing categories, up 1.7% year over year and 1.6 percentage points below the aggregate HCPI. This month, CMS released their proposal for Medicare physician reimbursement for 2025, and they are considering a [2.8% cut for physician fees](#) next year. While final impact of this proposed cut on overall physician payments may be mitigated by other changes to the physician fee schedule or by Congress intervening [as it has in years past](#), this proposal indicates significant possible downward pressure on physician and clinical care prices going forward.

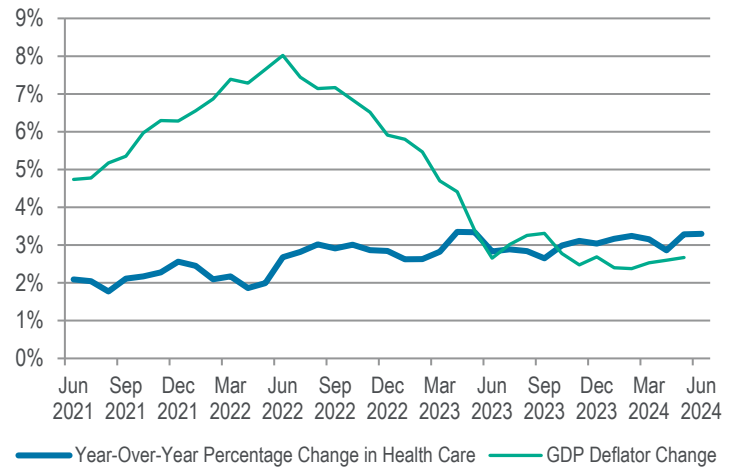
Among major payers for health care services, prices rose fastest for Medicaid patients last month, increasing 6.4 year over year, and much faster than price growth for private insurance patients (3.9%) and Medicare (1.7%) (Exhibit 6). Among specific health sector components, faster price growth among Medicaid patients was seen in both hospital care (up 6.9% year over year) (Exhibit 8) and physician and clinical care (up 14.1%) (Exhibit 7). Hospital price growth rates for other payers in June were slower than Medicaid—private insurance hospital prices were up 4.5% year over year and Medicare hospital prices were up only 2.5%.

### 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.

Our implicit measure of overall health care utilization growth (total spending growth net of health care price inflation) increased in May to 5.0%, above the 3-month moving average of 4.9% (Exhibit 9). The fastest-growing utilization component in May by far was again home health care (up a substantial 20.1% year over year), followed by prescription drugs utilization (5.6%) and hospital care (5.5%).

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. We will continue to monitor these data and this trend in our future price and [spending briefs in upcoming months](#).



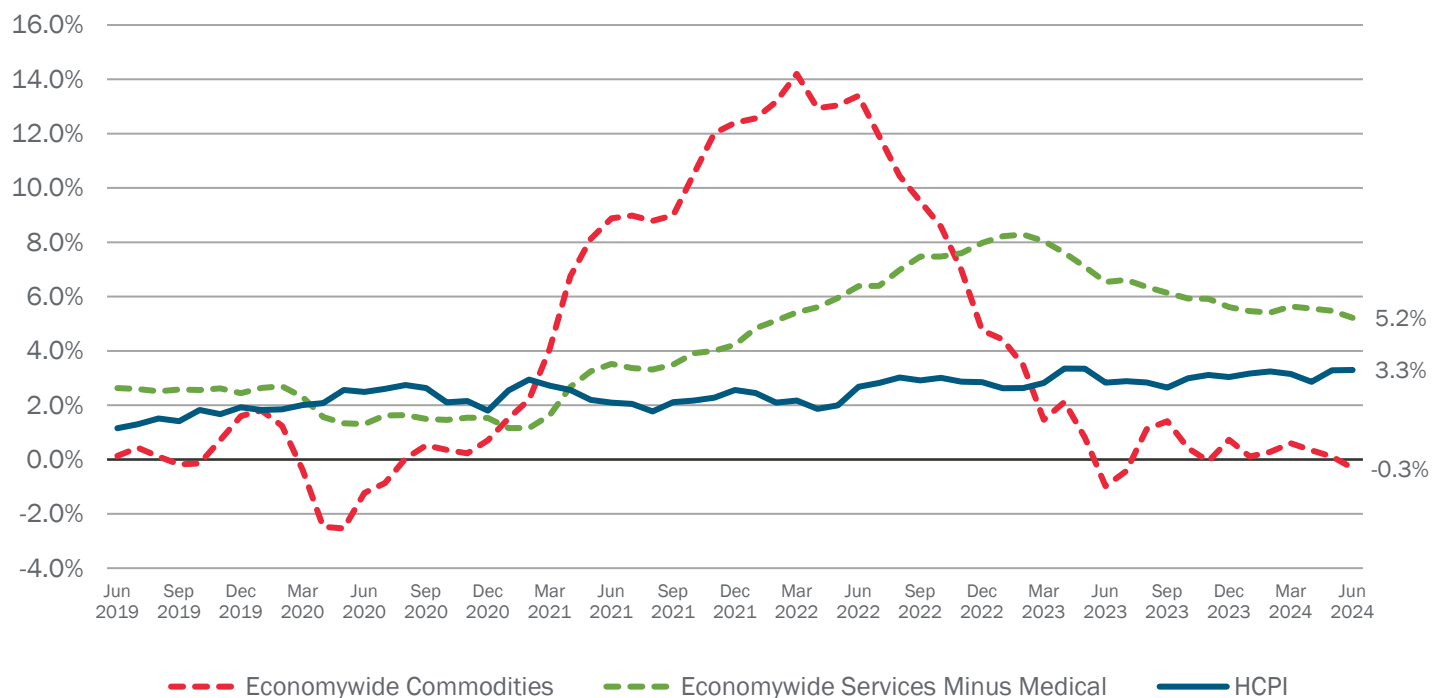
## PRICE GROWTH BY DETAILED CATEGORIES

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

	Ending June 2022	Ending June 2023	Ending June 2024
Health Care Price Index (HCPI)	2.7%	2.8%	3.3%
Hospital care	3.4%	2.4%	3.5%
Physician and clinical services	0.4%	0.6%	1.7%
Prescription drugs	2.5%	3.1%	2.4%
Nursing home care	2.0%	6.1%	4.6%
Dental Services	4.7%	4.6%	5.3%
Home health care	2.2%	4.6%	2.5%
Other professional services	4.7%	0.0%	0.5%
Other personal health care	3.9%	5.9%	5.8%
Other nondurable medical products	4.7%	5.6%	5.6%
Durable medical equipment	4.5%	5.4%	2.2%

Source: Altarum analysis of monthly BLS data.

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



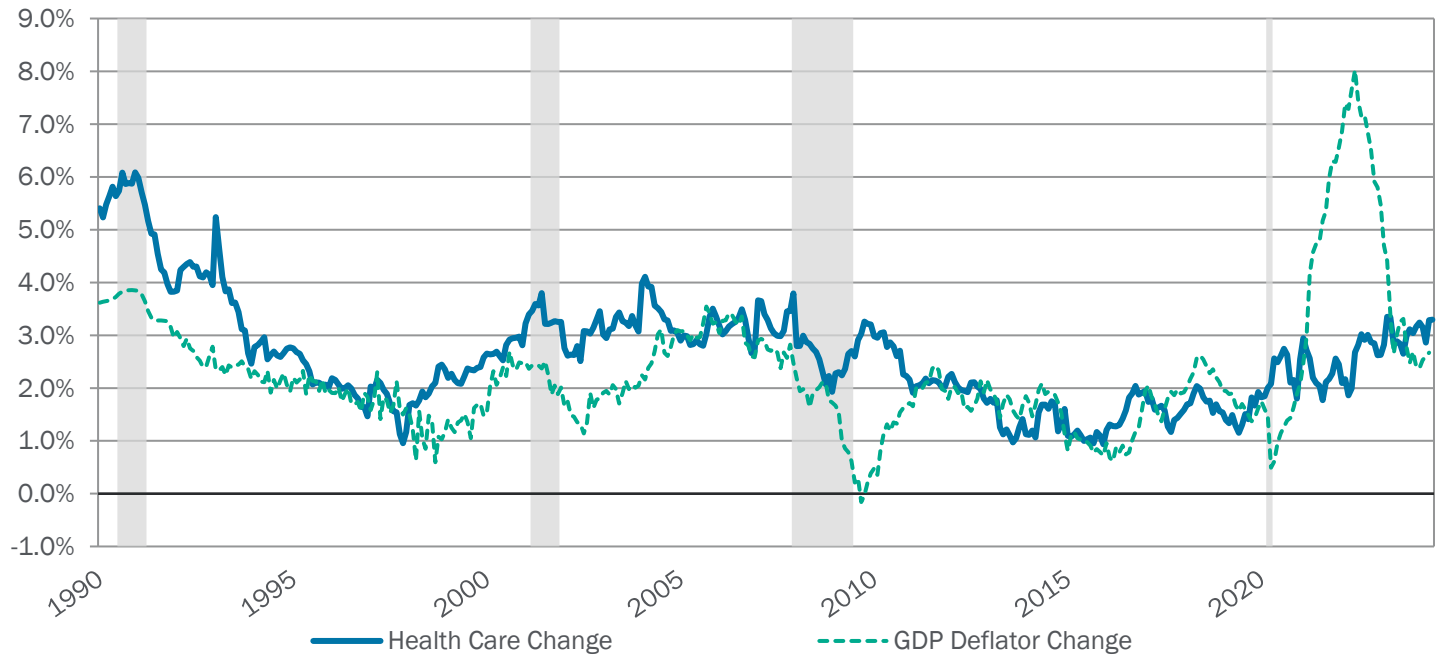
Source: Altarum analyses of BLS price data.

**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 (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.



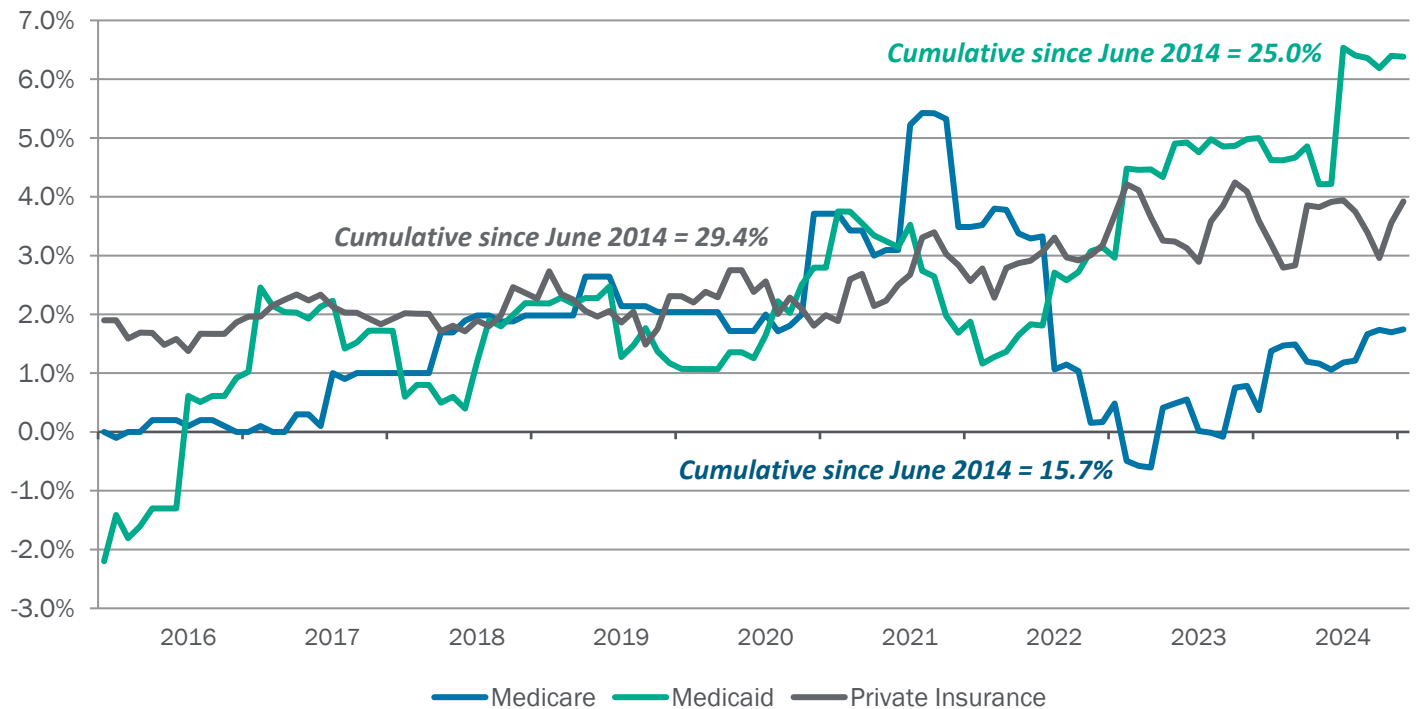
## TIME SERIES TRACKER

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



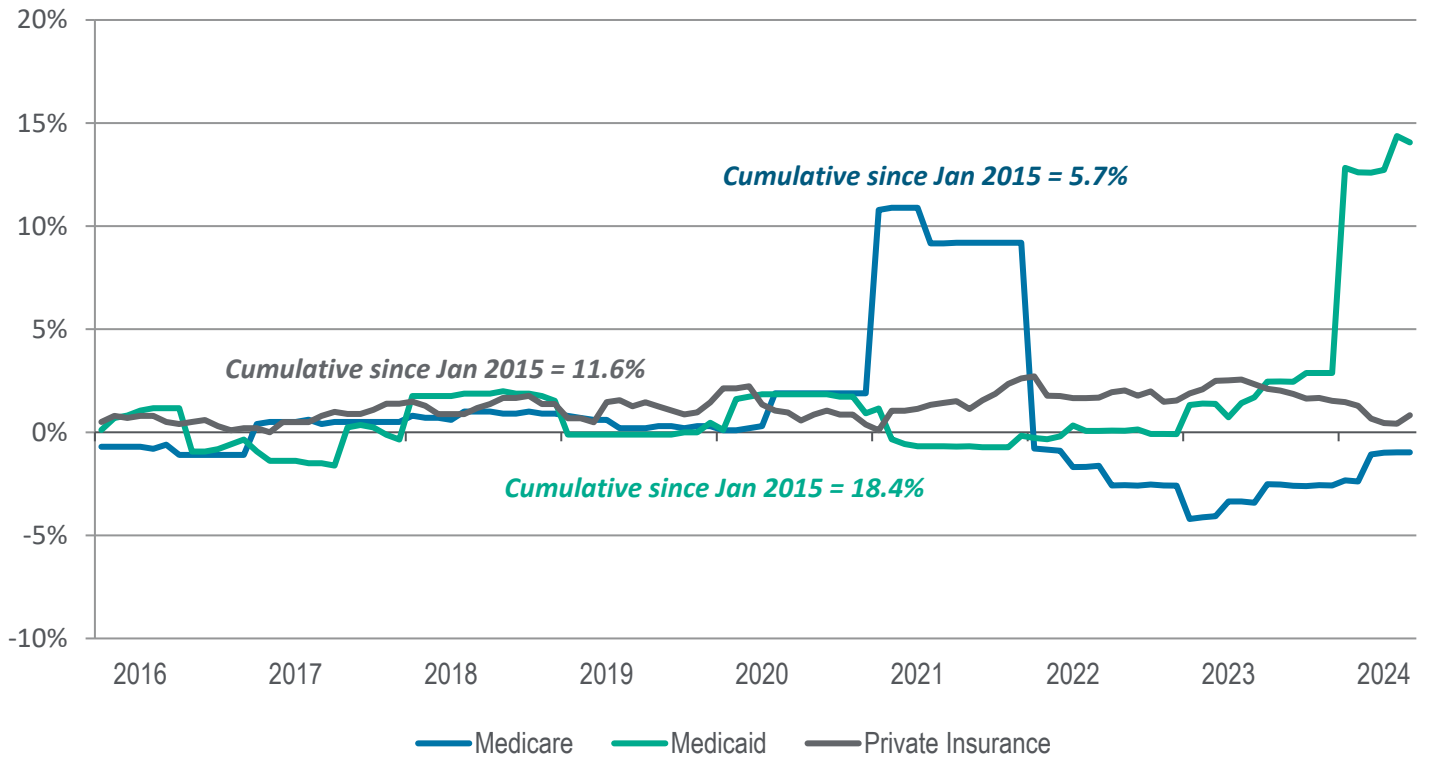
Source: Altarum analyses of BLS price data.  
 Note: Lightly shaded bars denote recession periods.

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



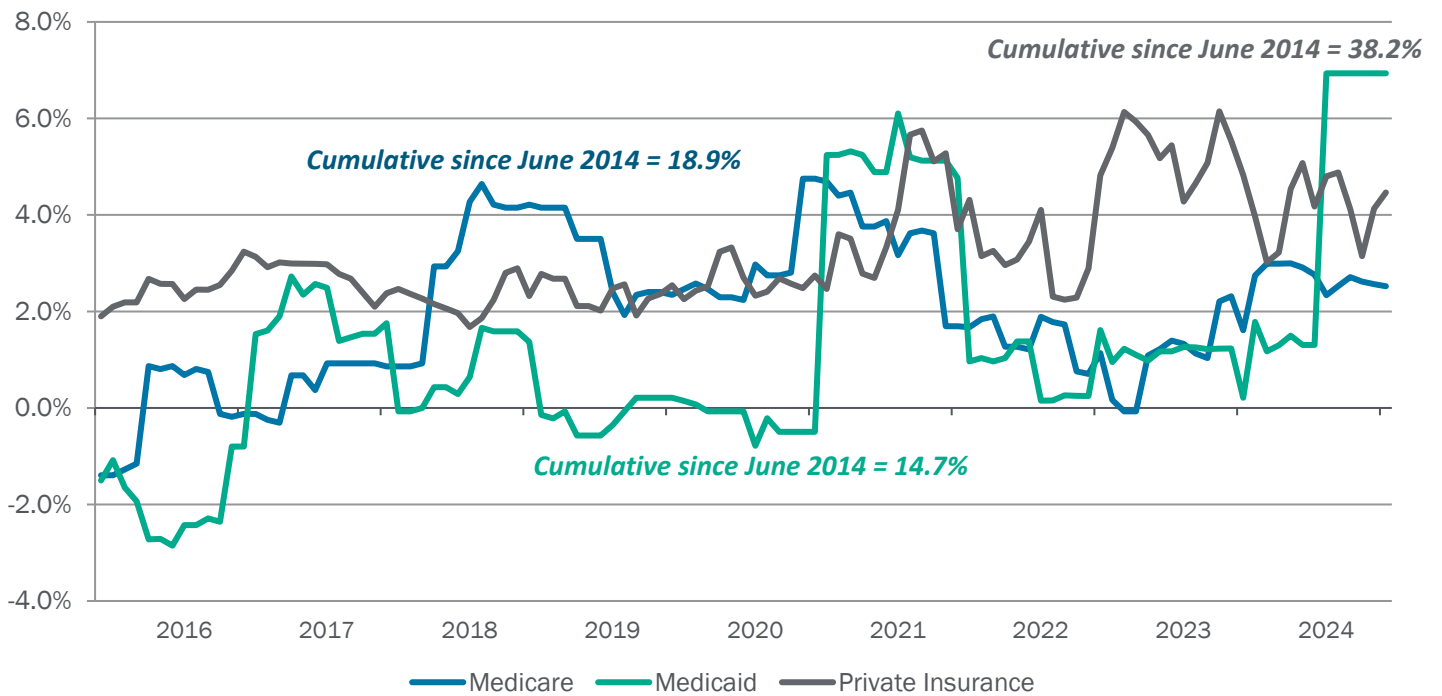
Source: Altarum analyses of BLS price data.

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



Source: Altarum analyses of BLS price data.

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



Source: Altarum analyses of BLS price data.

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

	May 2024	3-Month Moving Average	12-Month Moving Average
<b>Total personal health care</b>	5.0%	4.9%	5.1%
<b>Hospital care</b>	5.5%	5.1%	4.5%
<b>Physician and clinical services</b>	4.6%	5.1%	7.3%
<b>Prescription drugs</b>	5.6%	6.4%	7.8%
<b>Nursing home care</b>	4.7%	4.5%	4.4%
<b>Dental Services</b>	3.4%	3.4%	2.5%
<b>Home health care</b>	20.1%	15.0%	8.9%
<b>Other professional services</b>	9.8%	9.8%	8.1%
<b>Other personal health care</b>	0.6%	-0.2%	1.1%
<b>Other nondurable medical products</b>	-3.9%	-3.8%	-2.5%
<b>Durable medical equipment</b>	2.5%	3.1%	1.3%

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

Source: Altarum analyses of BLS price data.

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## Small gains in nursing and residential care facilities and job losses in home health care led to below-average growth in health care in June

### HIGHLIGHTS

- ▲ Health care industry employment grew by 48,600 in June 2024, well below the average of 63,100 in the past 12 months.
- ▲ June's health care job growth was led by growth in ambulatory health care services, which added 22,000 jobs, followed closely by hospitals, with 21,700 jobs.
- ▲ While many ambulatory care services settings had positive job growth in June, home health care services lost 3,500 jobs, a departure from the monthly average of 10,800 jobs gained in the past year.
- ▲ Nursing and residential care facilities added just 4,900 jobs in June, less than half the average of 11,700 in the past year.
- ▲ The economy overall added 206,000 jobs in June, slightly below the 12-month average of 262,100, and the unemployment rate increased slightly to 4.1%.
- ▲ In health care and social assistance in May, the hiring rate was 3.6%, the total separations rate was 3.2%, and the job openings rate was 6.8%.
- ▲ Nominal health care wage growth in May 2024 was 3.5% year over year, with 4.5% growth in nursing and residential care facilities, 3.8% growth in ambulatory health care services, and 2.8% growth in hospitals.

### Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Jun 2023	May 2024	Jun 2024
<b>Total Employment (000)</b>	152,309	156,027	158,432	158,638
<b>Non-Health Employment (000)</b>	135,828	139,127	140,824	140,981
<b>Health Employment (000)</b>	16,481	16,900	17,608	17,657
<b>Health Share of Total Employment</b>	10.82%	10.83%	11.11%	11.13%
<b>Unemployment Rate</b>	3.5%	3.6%	4.0%	4.1%

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 George Miller at [george.miller@altarum.org](mailto:george.miller@altarum.org). Stephen McCall (principal author), Corwin Rhyon, George Miller, PhD, 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](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.

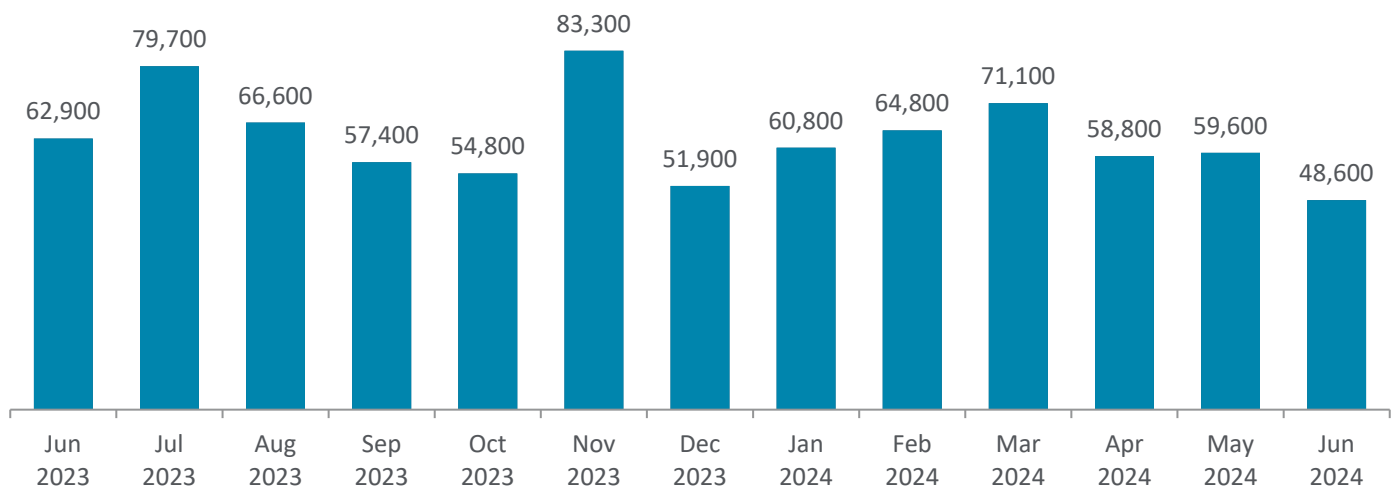
## DISCUSSION

In June 2024, the health care industry added 48,600 new jobs (as shown in Exhibit 1), which was 23.0% lower than the 12-month average of 63,100 jobs. All other industries combined added 157,400 jobs, 1.9% higher than the 12-month average of 154,500 jobs gained per month.

Within the health care industry, ambulatory health care services added 22,000 jobs in June (29.5% below the subsector's 12-month average), and hospitals added 21,700 jobs (7.4% above the 12-month average). In June, most ambulatory care settings added jobs that aligned with their 12-month averages. However, this was not the case for home health care services, which lost 3,500 jobs after gaining an average of 10,800 jobs per month in the past year.

Nursing and residential care facilities also posted lower-than-average job growth, with 4,900 jobs added in June, compared to an average of 11,700 per month in the past year. Job growth was low for both settings that compose this subsector: nursing homes added 3,300 jobs (versus an average of 4,800 in the past year) and other residential care settings added 1,600 jobs (versus an average of 6,900 in the past year).

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

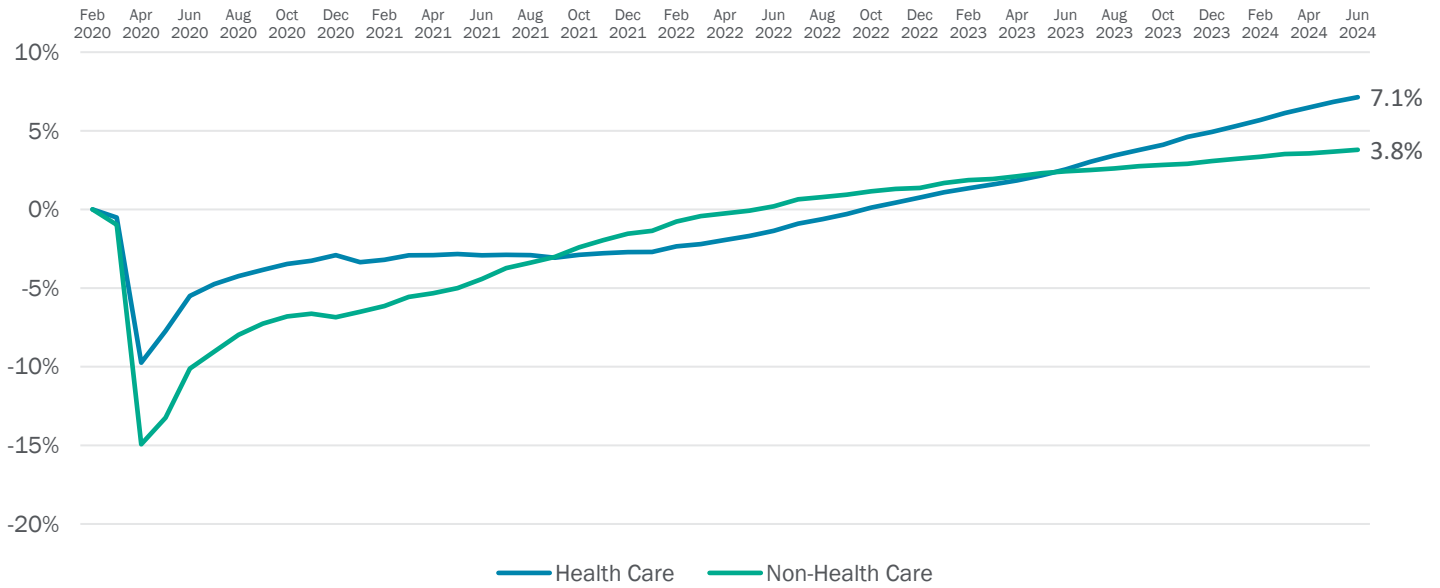


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Compared to February 2020, before the COVID-19 recession began, health care employment has grown by 1,176,400 jobs or 7.1%, 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 February 2022, and employment growth in all other, non-health care, industries began to slow down April of the same year. June 2024 was the twenty-seventh consecutive month that health care industry growth outpaced all other industries. During that period, the health care sector grew by 9.3%, versus 4.1% in all other industries.

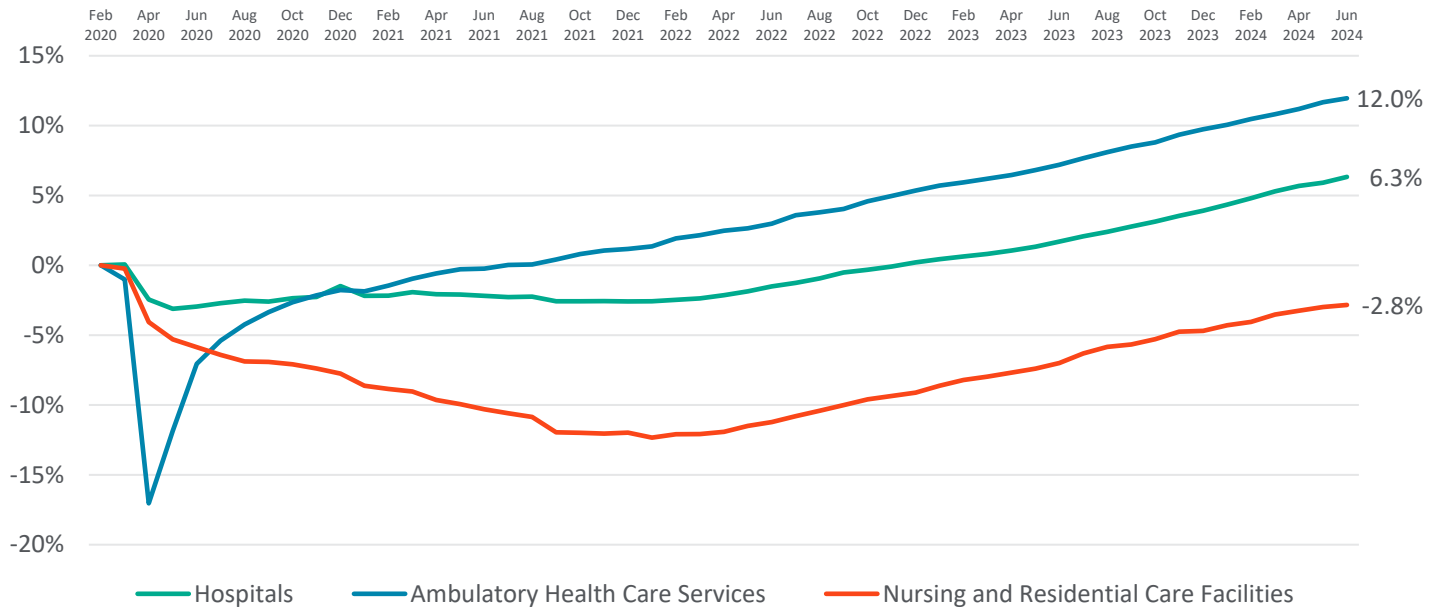
Since February 2020, employment in ambulatory health care services has increased by 940,900 jobs or 12.0%, while hospital employment has grown by 331,300 jobs or 6.3% (see Exhibit 3). However, employment in nursing and residential care facilities is still 95,800 jobs (2.8%) below pre-pandemic levels. 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 health care subsectors have steadily increased since February 2022.

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



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

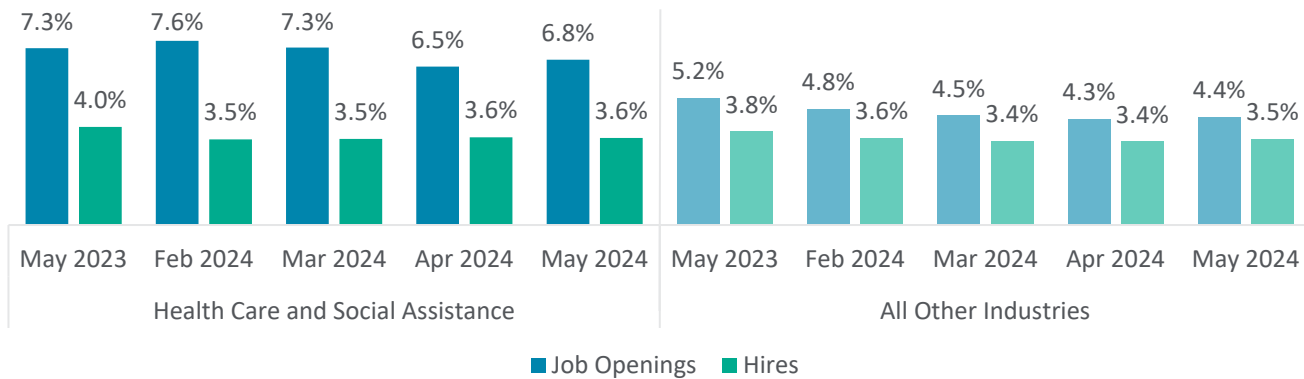
### Exhibit 3. Change in Health Employment Compared to June 2020 by Major Setting of Care



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

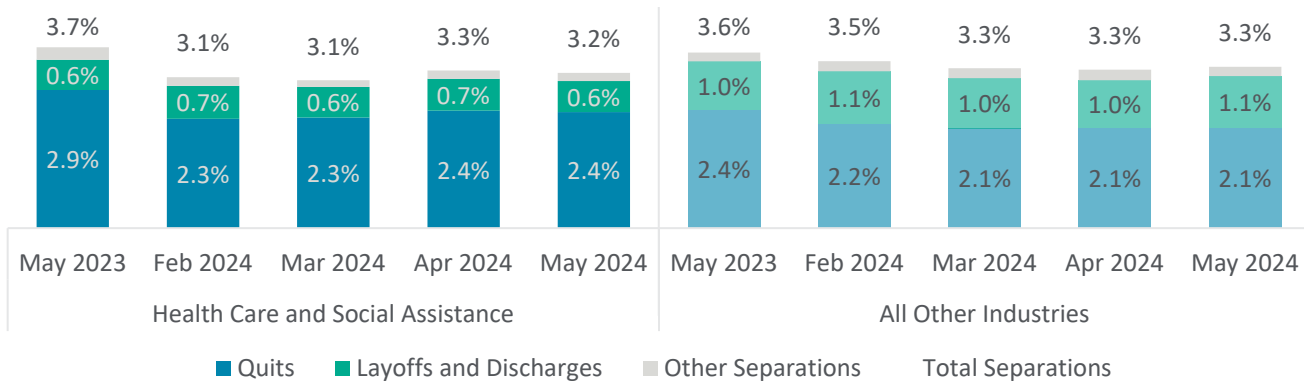
The job openings rate in health care and social assistance was 6.8% in May 2024, a slight increase over one month prior (6.5%) and a decrease from one year prior (7.3%), as shown in Exhibit 4. The job openings rate in May was still well above the rate of 4.4% in all other industries. The hiring rate in health care and social assistance was consistent at 3.6%, which was slightly higher than the rate for all other industries (3.5%). The job separation rate in the health care and social assistance industry was 3.2% in May 2024, which was similar to recent months and slightly lower than the rate in all other industries (3.3%), as shown in Exhibit 5.

**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**



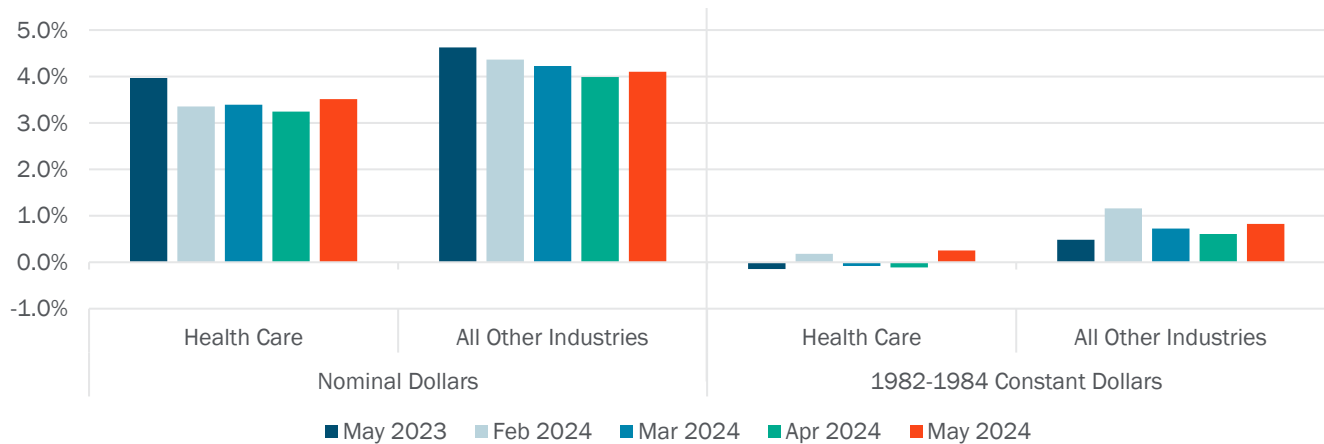
Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.  
Notes: Separation rates are the number of separations during the entire month as a percent of employment. Health care jobs typically constitute 80% of all jobs in the health care and social assistance sector. Most social 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 3.5% in May 2024, which was slightly higher compared to recent months, but lower than a year ago (as shown in Exhibit 6). After adjusting for inflation, year-over-year health care wage growth fell to 0.3%. Non-health care wage growth was 4.1% in May, or 0.8% after adjusting for inflation.

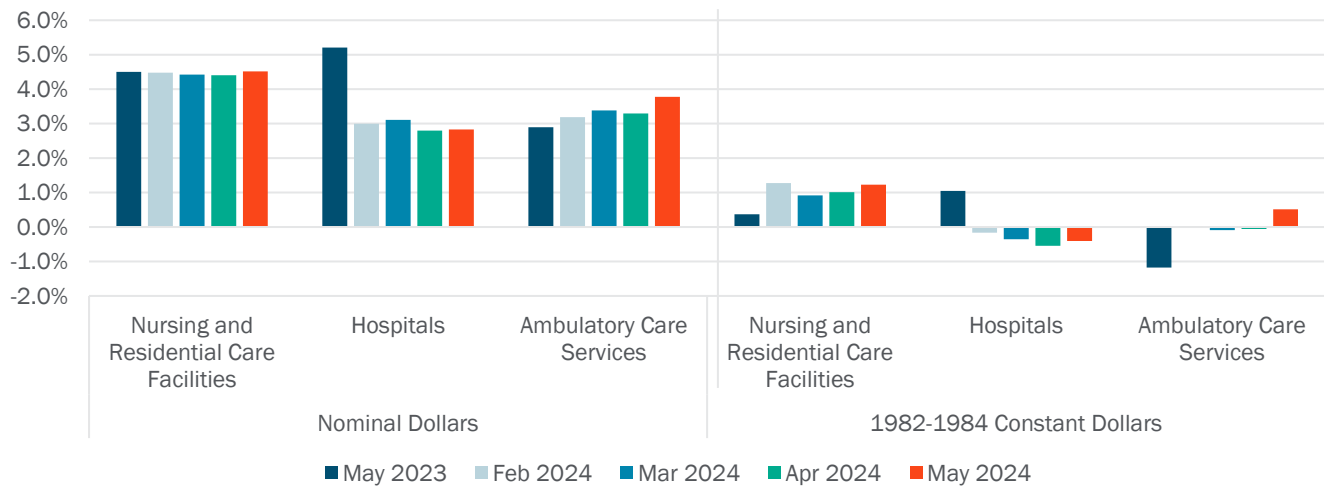
Wage growth was fastest in the nursing and residential care facilities at 4.5%, followed by ambulatory health care services at 3.8% and hospitals at 2.8% (see Exhibit 7). Inflation-adjusted wages grew by 1.2% in the nursing and residential care facilities and 0.5% in ambulatory care services but fell by 0.4% 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)	June 2024	May 2024	June 2023	June 2022	February 2020
<b>Non-Health Care</b>	140,981	140,824	139,127	136,091	135,828
<b>Health Care</b>	17,657	17,608	16,900	16,257	16,481
<b>Ambulatory Health Care Services</b>	8,809	8,787	8,435	8,103	7,869
Offices of Physicians	3,036	3,024	2,910	2,804	2,725
Offices of Dentists	1,041	1,036	1,027	1,005	991
Offices of Other Health Care Practitioners	1,214	1,208	1,152	1,082	1,001
Outpatient Care Centers	1,090	1,085	1,056	1,031	996
Medical and Diagnostic Labs	321	322	321	321	289
Home Health Care Services	1,752	1,755	1,623	1,535	1,547
Other Ambulatory <sup>a</sup>	356	356	346	325	319
<b>Hospitals</b>	5,566	5,545	5,324	5,156	5,235
<b>Nursing and Residential Care Facilities</b>	3,281	3,276	3,141	2,998	3,377
Nursing Care Facilities	1,471	1,467	1,413	1,349	1,587
Other Nursing and Residential <sup>b</sup>	1,811	1,809	1,728	1,649	1,790
<b>Health Share of Employment</b>	11.13%	11.11%	10.83%	10.67%	10.82%

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

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

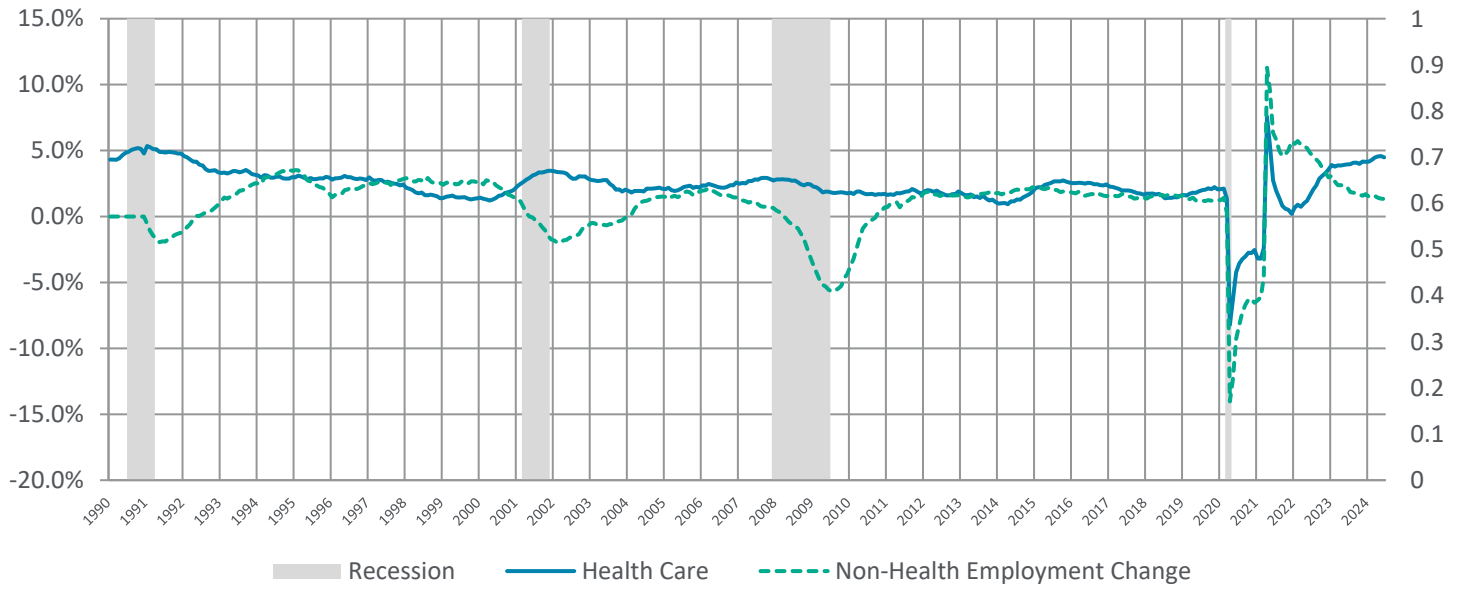
Employment Change (in Thousands)	One Month	12 Months	24 Months	Since Feb 2020
<b>Non-Health Care</b>	157.4	1,853.6	4,889.7	5,152.6
<b>Health Care</b>	48.6	757.4	1,400.3	1,176.4
<b>Ambulatory Health Care Services</b>	22.0	374.4	706.4	940.9
Offices of Physicians	11.8	125.9	232.1	310.8
Offices of Dentists	4.4	13.9	36.0	49.8
Offices of Other Health Care Practitioners	6.1	62.2	132.1	213.4
Outpatient Care Centers	4.3	33.5	58.7	93.4
Medical and Diagnostic Labs	-1.2	0.4	-0.4	31.8
Home Health Care Services	-3.5	129.0	217.0	205.0
Other Ambulatory <sup>a</sup>	0.1	9.6	31.0	36.7
<b>Hospitals</b>	21.7	242.4	410.6	331.3
<b>Nursing and Residential Care Facilities</b>	4.9	140.6	283.3	-95.8
Nursing Care Facilities	3.3	58.1	121.5	-116.3
Other Nursing and Residential <sup>b</sup>	1.6	82.5	161.8	20.5
<b>Annualized Percent Change</b>	<b>One Month</b>	<b>12 Months</b>	<b>24 Months</b>	<b>Since Feb 2020</b>
<b>Non-Health Care</b>	1.3%	1.3%	1.8%	0.9%
<b>Health Care</b>	3.4%	4.5%	4.2%	1.6%
<b>Ambulatory Health Care Services</b>	3.0%	4.4%	4.3%	2.6%
Offices of Physicians	4.8%	4.3%	4.1%	2.5%
Offices of Dentists	5.2%	1.4%	1.8%	1.1%
Offices of Other Health Care Practitioners	6.2%	5.4%	5.9%	4.6%
Outpatient Care Centers	4.9%	3.2%	2.8%	2.1%
Medical and Diagnostic Labs	-4.4%	0.1%	-0.1%	2.4%
Home Health Care Services	-2.4%	8.0%	6.8%	2.9%
Other Ambulatory <sup>a</sup>	0.3%	2.8%	4.7%	2.5%
<b>Hospitals</b>	4.8%	4.6%	3.9%	1.4%
<b>Nursing and Residential Care Facilities</b>	1.8%	4.5%	4.6%	-0.7%
Nursing Care Facilities	2.7%	4.1%	4.4%	-1.7%
Other Nursing and Residential <sup>b</sup>	1.1%	4.8%	4.8%	0.3%

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

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

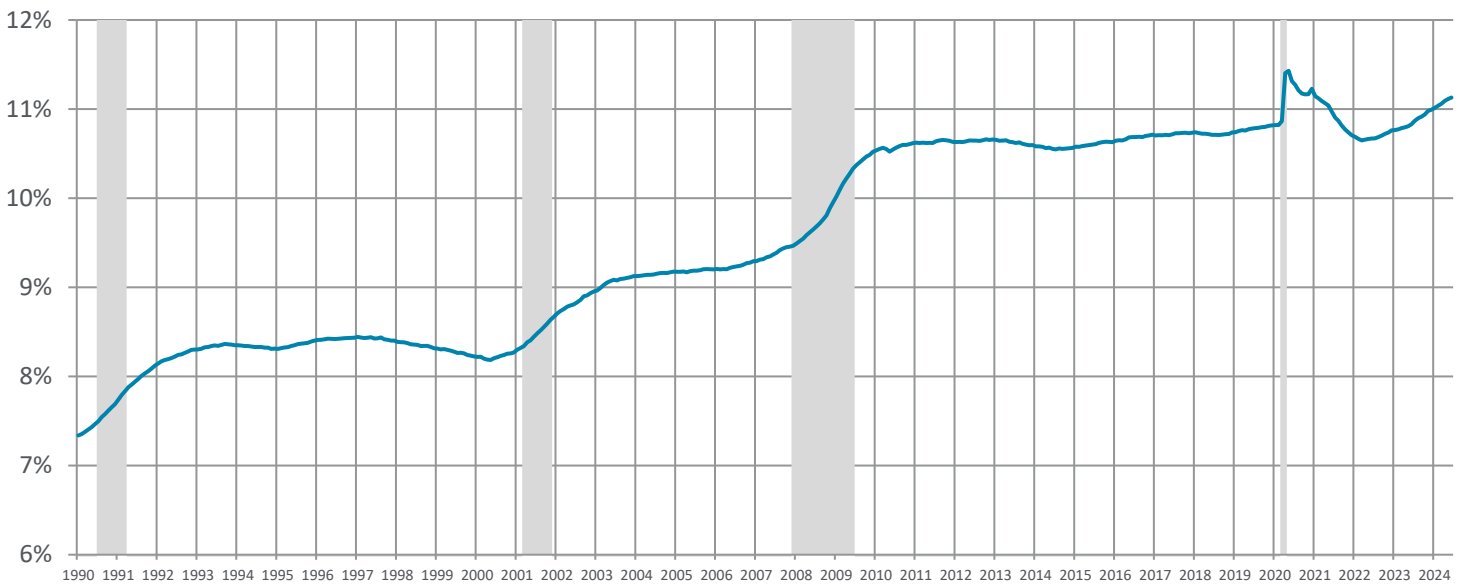
## TIME SERIES TRACKER

**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.