

Quarterly Index Levels in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	1990Q1	1990Q2	1990Q3	1990Q4	1991Q1	1991Q2	1991Q3	1991Q4	1992Q1	1992Q2	1992Q3	1992Q4	1993Q1	1993Q2	1993Q3	1993Q4
Index Levels:																		
Total - MEI		100.00	0.766	0.773	0.780	0.787	0.794	0.801	0.808	0.814	0.822	0.827	0.832	0.837	0.846	0.850	0.853	0.858
Physician Compensation		52.466	0.754	0.761	0.767	0.775	0.781	0.788	0.793	0.800	0.806	0.809	0.813	0.820	0.828	0.831	0.833	0.841
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	0.763	0.769	0.774	0.782	0.786	0.792	0.796	0.803	0.806	0.809	0.812	0.820	0.828	0.826	0.828	0.836
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	0.716	0.725	0.734	0.741	0.756	0.769	0.780	0.786	0.802	0.808	0.818	0.824	0.843	0.852	0.858	0.861
Practice Expenses		47.534	0.779	0.786	0.795	0.800	0.810	0.816	0.825	0.830	0.841	0.846	0.853	0.856	0.865	0.870	0.875	0.877
Non-physician Compensation		18.653	0.732	0.739	0.749	0.755	0.765	0.773	0.782	0.788	0.795	0.801	0.808	0.813	0.822	0.828	0.833	0.837
Non-physician Wages		13.808	0.742	0.749	0.758	0.764	0.771	0.779	0.788	0.793	0.799	0.804	0.810	0.814	0.822	0.826	0.832	0.836
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	0.748	0.752	0.764	0.771	0.778	0.785	0.796	0.802	0.808	0.815	0.824	0.828	0.835	0.839	0.845	0.848
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	0.725	0.736	0.744	0.749	0.758	0.766	0.774	0.779	0.780	0.782	0.785	0.789	0.802	0.807	0.811	
Clerical Wages*	ECI- Admin Support incl Clerical (Private)	3.892	0.742	0.750	0.756	0.761	0.769	0.776	0.783	0.788	0.796	0.801	0.807	0.811	0.819	0.824	0.831	0.836
Services Wages*	ECI - Service Occupations (Private)	0.696	0.766	0.773	0.778	0.789	0.792	0.802	0.813	0.818	0.822	0.825	0.831	0.833	0.836	0.840	0.845	0.846
Employee Benefits*	Blended Benefits Price Proxy	4.845	0.704	0.714	0.723	0.730	0.746	0.757	0.767	0.774	0.786	0.792	0.803	0.808	0.825	0.832	0.837	0.841
Other Practice Expenses		18.129	0.845	0.849	0.858	0.859	0.867	0.870	0.879	0.883	0.896	0.902	0.908	0.908	0.915	0.920	0.924	0.923
Office Expenses*	CPI - Housing	12.209	0.791	0.797	0.813	0.816	0.827	0.830	0.840	0.841	0.848	0.854	0.862	0.861	0.868	0.874	0.881	0.880
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	0.936	0.928	0.922	0.918	0.918	0.920	0.928	0.942	0.975	0.982	0.986	0.985	0.992	0.992	0.991	0.990
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	0.998	1.006	1.006	1.009	1.012	1.017	1.020	1.032	1.038	1.039	1.041	1.053	1.060	1.053	1.055	
Drugs and Supplies		4.319	0.707	0.721	0.727	0.735	0.749	0.764	0.771	0.778	0.791	0.800	0.805	0.810	0.823	0.831	0.833	0.835
Med. Materials/Supplies*	-	2.011	0.827	0.841	0.847	0.853	0.864	0.876	0.881	0.887	0.900	0.904	0.907	0.912	0.928	0.938	0.937	0.938
Prescription Drugs*	WPI - Prescription Drugs	2.308	0.603	0.616	0.621	0.632	0.648	0.666	0.676	0.684	0.697	0.708	0.715	0.721	0.731	0.739	0.743	0.745
Other Expenses		6.433	0.778	0.787	0.798	0.807	0.819	0.825	0.833	0.841	0.849	0.855	0.860	0.868	0.876	0.880	0.884	0.890
All Other*	CPI - All Items Less Food And Energy	6.433	0.778	0.787	0.798	0.807	0.819	0.825	0.833	0.841	0.849	0.855	0.860	0.868	0.876	0.880	0.884	0.890

* Productivity adjusted using BLS non-farm multifactor productivity

4 Quarter Moving Average Percent Change in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	1990Q1	1990Q2	1990Q3	1990Q4	1991Q1	1991Q2	1991Q3	1991Q4	1992Q1	1992Q2	1992Q3	1992Q4	1993Q1	1993Q2	1993Q3	1993Q4
Percent Change																		
Total - MEI		100.00	3.5	3.6	3.7	3.9	3.9	3.8	3.6	3.6	3.4	3.3	3.1	2.9	2.9	2.7	2.6	
Physician Compensation		52.466	4.0	4.2	4.3	4.4	4.2	3.9	3.6	3.4	3.3	3.1	2.9	2.7	2.7	2.7	2.6	
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	3.6	3.7	3.8	3.9	3.7	3.4	3.1	2.9	2.8	2.5	2.3	2.2	2.1	2.1	2.1	
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	5.9	6.2	6.4	6.6	6.2	6.1	6.0	5.9	6.1	5.9	5.5	5.2	5.0	5.1	5.0	
Practice Expenses		47.534	3.1	3.0	3.2	3.4	3.7	3.9	3.9	3.8	3.8	3.8	3.7	3.5	3.3	3.0	2.8	
Non-physician Compensation		18.653	4.6	4.7	4.9	5.0	4.9	4.8	4.6	4.5	4.3	4.1	3.8	3.5	3.3	3.3	3.2	
Non-physician Wages		13.808	4.0	4.1	4.3	4.4	4.4	4.2	4.1	4.0	3.8	3.6	3.3	3.0	2.9	2.8	2.8	
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	4.2	4.3	4.5	4.5	4.4	4.4	4.3	4.1	4.1	4.0	3.8	3.6	3.5	3.3	3.0	2.8
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	3.7	3.9	4.2	4.6	4.8	4.7	4.4	4.2	3.8	3.3	2.6	1.9	1.8	1.9	2.3	2.6
Clerical Wages*	ECI- Admin Support incl Clerical (Private)	3.892	4.0	4.1	4.3	4.2	4.0	3.8	3.6	3.5	3.5	3.5	3.3	3.0	2.9	2.9		
Services Wages*	ECI - Service Occupations (Private)	0.696	3.3	3.4	3.6	3.7	3.7	3.7	3.9	3.9	4.0	3.7	3.1	2.6	2.1	1.9	1.7	
Employee Benefits*	Blended Benefits Price Proxy	4.845	6.5	6.7	6.8	6.8	6.5	6.3	6.2	6.0	5.8	5.5	5.1	4.8	4.7	4.7	4.6	
Other Practice Expenses		18.129	0.9	0.5	0.6	1.1	1.6	2.2	2.4	2.6	2.8	3.0	3.2	3.3	3.0	2.6	2.2	1.9
Office Expenses*	CPI - Housing	12.209	3.6	3.7	4.0	4.2	4.3	4.4	4.1	3.8	3.3	3.0	2.8	2.6	2.5	2.4	2.3	
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	-6.7	-8.3	-8.4	-7.2	-5.3	-3.1	-1.5	0.1	2.1	4.0	5.4	5.9	4.8	3.3	2.0	0.9
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	3.6	2.9	2.7	2.3	1.9	1.7	1.4	1.3	1.4	1.6	1.7	2.0	2.0	1.9	1.7	
Drugs and Supplies		4.319	6.7	7.0	6.7	6.4	6.2	6.0	6.0	6.0	5.9	5.6	5.1	4.7	4.2	4.1	3.9	3.6
Med. Materials/Supplies*	-	2.011	4.9	5.2	5.0	4.7	4.6	4.4	4.2	4.1	4.1	3.8	3.6	3.3	3.1	3.2	3.2	
Prescription Drugs*	WPI - Prescription Drugs	2.308	9.0	9.2	8.8	8.6	8.1	7.9	8.1	8.2	8.2	7.7	6.9	6.2	5.6	5.1	4.6	4.1
Other Expenses		6.433	4.2	4.2	4.5	4.7	5.0	5.1	4.9	4.7	4.3	4.0	3.7	3.4	3.3	3.1	3.0	2.9
All Other*	CPI - All Items Less Food And Energy	6.433	4.2	4.2	4.5	4.7	5.0	5.1	4.9	4.7	4.3	4.0	3.7	3.4	3.3	3.1	3.0	2.9

* Productivity adjusted using BLS non-farm multifactor productivity

SOURCE: IHS Global Insight Inc. (IGI), 1st Qtr, 2009; @USMACRO/CONTROL0209@CISSIM/TL0209.SIM Historical Data through 4th Qtr, 2008

Quarterly Index Levels in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	1996Q1	1996Q2	1996Q3	1996Q4	1997Q1	1997Q2	1997Q3	1997Q4
Index Levels:																		
Total - MEI		100.00	0.865	0.867	0.870	0.874	0.877	0.877	0.880	0.885	0.891	0.894	0.899	0.905	0.912	0.915	0.920	0.928
Physician Compensation		52.466	0.848	0.848	0.850	0.858	0.862	0.862	0.865	0.873	0.878	0.881	0.886	0.896	0.903	0.906	0.911	0.924
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	0.842	0.841	0.842	0.852	0.855	0.855	0.858	0.868	0.873	0.876	0.881	0.893	0.902	0.904	0.909	0.924
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	0.875	0.880	0.885	0.884	0.892	0.893	0.894	0.895	0.898	0.901	0.905	0.907	0.911	0.914	0.917	0.922
Practice Expenses		47.534	0.884	0.887	0.892	0.893	0.895	0.894	0.897	0.899	0.906	0.909	0.914	0.915	0.921	0.925	0.930	0.933
Non-physician Compensation		18.653	0.845	0.850	0.855	0.858	0.864	0.866	0.869	0.872	0.880	0.885	0.891	0.893	0.900	0.907	0.913	0.920
Non-physician Wages		13.808	0.841	0.845	0.850	0.853	0.858	0.860	0.864	0.868	0.877	0.882	0.889	0.891	0.899	0.906	0.914	0.922
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	0.853	0.858	0.862	0.865	0.868	0.870	0.875	0.878	0.889	0.894	0.898	0.899	0.906	0.914	0.922	0.928
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	0.816	0.821	0.827	0.828	0.836	0.837	0.841	0.846	0.855	0.860	0.873	0.874	0.885	0.891	0.900	0.913
Clerical Wages*	ECI- Admin Support incl Clerical (Private)	3.892	0.841	0.846	0.851	0.853	0.860	0.862	0.865	0.871	0.877	0.882	0.889	0.892	0.901	0.907	0.914	0.919
Services Wages*	ECI - Service Occupations (Private)	0.696	0.852	0.854	0.857	0.864	0.866	0.868	0.872	0.874	0.878	0.883	0.889	0.900	0.905	0.911	0.926	0.932
Employee Benefits*	Blended Benefits Price Proxy	4.845	0.859	0.864	0.870	0.871	0.881	0.884	0.885	0.888	0.892	0.898	0.898	0.904	0.907	0.909	0.916	
Other Practice Expenses		18.129	0.930	0.930	0.936	0.933	0.929	0.923	0.926	0.925	0.932	0.934	0.939	0.939	0.942	0.945	0.950	0.948
Office Expenses*	CPI - Housing	12.209	0.887	0.889	0.896	0.892	0.898	0.902	0.909	0.908	0.917	0.921	0.929	0.929	0.938	0.940	0.947	0.946
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	0.997	0.994	1.003	1.000	0.960	0.921	0.908	0.906	0.908	0.906	0.907	0.906	0.905	0.907	0.908	0.906
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	1.055	1.053	1.053	1.051	1.056	1.054	1.058	1.055	1.067	1.063	1.058	1.060	1.040	1.041	1.044	1.035
Drugs and Supplies		4.319	0.845	0.846	0.853	0.853	0.854	0.857	0.857	0.868	0.870	0.875	0.875	0.872	0.882	0.886	0.887	0.892
Med. Materials/Supplies*	-	2.011	0.948	0.947	0.964	0.961	0.962	0.960	0.955	0.966	0.971	0.973	0.967	0.962	0.972	0.976	0.976	0.979
Prescription Drugs*	WPI - Prescription Drugs	2.308	0.755	0.759	0.759	0.761	0.768	0.772	0.783	0.783	0.790	0.794	0.793	0.804	0.807	0.809	0.817	
Other Expenses		6.433	0.896	0.899	0.903	0.906	0.913	0.917	0.919	0.924	0.931	0.934	0.938	0.943	0.949	0.953	0.954	0.958
All Other*	CPI - All Items Less Food And Energy	6.433	0.896	0.899	0.903	0.906	0.913	0.917	0.919	0.924	0.931	0.934	0.938	0.943	0.949	0.953	0.954	0.958

* Productivity adjusted using BLS non-farm multifactor productivity

4 Quarter Moving Average Percent Change in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	1996Q1	1996Q2	1996Q3	1996Q4	1997Q1	1997Q2	1997Q3	1997Q4
Percent Change																		
Total - MEI		100.00	2.5	2.3	2.2	2.1	1.8	1.6	1.4	1.2	1.3	1.5	1.7	2.0	2.2	2.3	2.3	2.4
Physician Compensation		52.466	2.5	2.4	2.2	2.1	1.9	1.8	1.7	1.7	1.9	2.0	2.3	2.5	2.7	2.8	2.9	
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	2.0	2.0	1.9	1.9	1.8	1.7	1.7	1.8	1.9	2.1	2.3	2.6	2.9	3.0	3.1	3.3
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	4.6	4.1	3.7	3.2	2.7	2.3	1.8	1.4	1.1	0.9	1.0	1.0	1.2	1.3	1.4	1.5
Practice Expenses		47.534	2.5	2.3	2.1	2.0	1.7	1.4	1.1	0.8	0.8	1.0	1.4	1.7	1.8	1.8	1.8	
Non-physician Compensation		18.653	3.1	2.9	2.8	2.6	2.5	2.3	2.0	1.9	1.8	1.9	2.1	2.2	2.3	2.4	2.6	
Non-physician Wages		13.808	2.6	2.5	2.4	2.2	2.1	2.0	1.9	1.8	1.9	2.1	2.4	2.6	2.7	2.7	2.9	
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	2.6	2.4	2.2	2.1	2.0	1.8	1.7	1.5	1.7	2.0	2.3	2.6	2.4	2.3	2.5	
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	2.6	2.5	2.4	2.2	2.3	2.2	2.1	2.1	2.1	2.3	2.8	3.0	3.3	3.5	3.4	3.6
Clerical Wages*	ECI- Admin Support incl Clerical (Private)	3.892	2.9	2.8	2.7	2.5	2.3	2.2	2.0	2.0	1.9	2.0	2.2	2.4	2.5	2.7	2.8	
Services Wages*	ECI - Service Occupations (Private)	0.696	1.7	1.7	1.7	1.8	1.7	1.7	1.8	1.5	1.5	1.5	1.6	2.0	2.4	3.3	3.5	
Employee Benefits*	Blended Benefits Price Proxy	4.845	4.4	4.1	4.0	3.8	3.4	3.1	2.5	2.0	1.6	1.3	1.2	1.4	1.6	1.5	1.6	
Other Practice Expenses		18.129	1.7	1.5	1.4	1.3	0.9	0.4	-0.2	-0.7	-0.6	-0.2	0.5	1.1	1.3	1.3	1.2	1.1
Office Expenses*	CPI - Housing	12.209	2.2	2.1	1.9	1.8	1.5	1.4	1.4	1.5	1.7	1.9	2.1	2.2	2.3	2.2	2.1	2.0
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	0.6	0.5	0.6	0.8	-0.3	-2.2	-4.9	-7.5	-7.9	-6.6	-4.3	-1.9	-0.5	-0.1	0.0	0.0
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	1.2	0.5	0.2	-0.2	-0.2	0.0	0.1	0.3	0.5	0.7	0.6	0.6	-0.3	-1.0	-1.4	-2.1
Drugs and Supplies		4.319	3.3	2.8	2.5	2.3	1.9	1.7	1.3	1.1	1.3	1.5	1.9	1.6	1.5	1.3	1.1	1.6
Med. Materials/Supplies*	-	2.011	3.0	2.3	2.2	2.1	1.9	2.0	1.1	0.6	0.5	0.5	1.0	0.8	0.6	0.3	0.2	0.8
Prescription Drugs*	WPI - Prescription Drugs	2.308	3.7	3.3	2.8	2.4	1.8	1.4	1.5	1.8	2.3	2.7	2.9	2.5	2.4	2.3	2.0	2.5
Other Expenses		6.433	2.6	2.4	2.3	2.1	2.0	1.9	2.0	2.0	2.0	1.9	2.0	2.0	1.9	2.0	1.9	1.8
All Other*	CPI - All Items Less Food And Energy	6.433	2.6	2.4	2.3	2.1	2.0	1.9	2.0	2.0	2.0	1.9	2.0	2.0	1.9	2.0	1.9	1.8

* Productivity adjusted using BLS non-farm multifactor productivity

SOURCE: IHS Global Insight Inc. (IGI), 1st Qtr, 2009; @USMACRO/CONTROL0209@CISSIM/TL0209.SIM Historical Data through 4th Qtr, 2008

Quarterly Index Levels in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	1998Q1	1998Q2	1998Q3	1998Q4	1999Q1	1999Q2	1999Q3	1999Q4	2000Q1	2000Q2	2000Q3	2000Q4	2001Q1	2001Q2	2001Q3	2001Q4
Index Levels:																		
Total - MEI		100.00	0.936	0.942	0.948	0.955	0.960	0.965	0.971	0.979	0.990	0.996	1.003	1.012	1.023	1.028	1.035	1.041
Physician Compensation		52.466	0.932	0.935	0.940	0.950	0.956	0.961	0.967	0.978	0.989	0.995	1.001	1.014	1.023	1.028	1.033	1.043
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	0.933	0.935	0.940	0.953	0.960	0.964	0.969	0.981	0.990	0.995	1.000	1.015	1.022	1.026	1.031	1.041
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	0.926	0.932	0.935	0.938	0.941	0.949	0.956	0.965	0.986	0.997	1.006	1.011	1.028	1.035	1.046	1.053
Practice Expenses		47.534	0.941	0.949	0.956	0.960	0.964	0.969	0.976	0.980	0.990	0.997	1.005	1.009	1.022	1.027	1.037	1.040
Non-physician Compensation		18.653	0.928	0.934	0.943	0.946	0.951	0.959	0.966	0.974	0.986	0.997	1.005	1.011	1.025	1.033	1.042	1.048
Non-physician Wages		13.808	0.930	0.936	0.946	0.949	0.956	0.964	0.971	0.978	0.987	0.997	1.005	1.011	1.022	1.030	1.039	1.044
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	0.934	0.940	0.950	0.955	0.961	0.967	0.971	0.979	0.984	0.998	1.005	1.014	1.025	1.033	1.042	1.046
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	0.925	0.929	0.943	0.939	0.946	0.961	0.973	0.980	0.989	0.997	1.006	1.009	1.018	1.027	1.035	1.041
Clerical Wages*	ECI- Admin Support incl Clerical (Private)	3.892	0.927	0.935	0.942	0.948	0.956	0.962	0.969	0.975	0.988	0.996	1.005	1.010	1.023	1.029	1.040	1.045
Services Wages*	ECI - Service Occupations (Private)	0.696	0.938	0.943	0.952	0.957	0.965	0.971	0.981	0.989	0.998	1.003	1.011	1.019	1.023	1.026	1.036	
Employee Benefits*	Blended Benefits Price Proxy	4.845	0.923	0.927	0.932	0.936	0.938	0.946	0.954	0.962	0.985	0.997	1.007	1.012	1.033	1.043	1.053	1.059
Other Practice Expenses		18.129	0.950	0.952	0.960	0.963	0.969	0.972	0.981	0.982	0.991	0.995	1.006	1.008	1.024	1.028	1.044	1.043
Office Expenses*	CPI - Housing	12.209	0.951	0.956	0.964	0.962	0.966	0.971	0.979	0.977	0.988	0.995	1.008	1.010	1.026	1.032	1.039	1.032
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	0.905	0.904	0.918	0.934	0.950	0.950	0.973	0.987	0.995	0.993	1.006	1.006	1.029	1.027	1.082	1.100
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	1.027	1.021	1.021	1.022	1.021	1.016	1.006	1.002	1.003	1.000	0.999	0.999	1.005	1.003	1.004	1.004
Drugs and Supplies		4.319	0.925	0.974	0.979	0.986	0.977	0.981	0.990	0.992	0.997	0.998	1.000	1.005	1.013	1.014	1.003	1.011
Med. Materials/Supplies*	-	2.011	0.987	0.983	0.980	0.988	0.988	0.988	0.994	0.996	1.001	0.998	0.997	1.004	1.002	1.003	0.998	1.007
Prescription Drugs*	WPI - Prescription Drugs	2.308	0.871	0.966	0.978	0.984	0.968	0.975	0.986	0.988	0.994	0.997	1.003	1.005	1.023	1.024	1.008	1.014
Other Expenses		6.433	0.963	0.967	0.970	0.975	0.978	0.982	0.983	0.988	0.993	0.999	1.002	1.006	1.013	1.018	1.021	1.025
All Other*	CPI - All Items Less Food And Energy	6.433	0.963	0.967	0.970	0.975	0.978	0.982	0.983	0.988	0.993	0.999	1.002	1.006	1.013	1.018	1.021	1.025

* Productivity adjusted using BLS non-farm multifactor productivity

4 Quarter Moving Average Percent Change in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	1998Q1	1998Q2	1998Q3	1998Q4	1999Q1	1999Q2	1999Q3	1999Q4	2000Q1	2000Q2	2000Q3	2000Q4	2001Q1	2001Q2	2001Q3	2001Q4
Percent Change																		
Total - MEI		100.00	2.5	2.6	2.8	2.8	2.8	2.7	2.6	2.5	2.7	2.8	3.0	3.2	3.3	3.3	3.3	3.2
Physician Compensation		52.466	3.0	3.1	3.2	3.1	2.9	2.8	2.8	2.8	3.0	3.2	3.4	3.6	3.6	3.5	3.4	3.2
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	3.3	3.4	3.5	3.4	3.2	3.1	3.0	3.0	3.1	3.1	3.2	3.3	3.3	3.2	3.0	3.0
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	1.5	1.7	1.8	1.8	1.8	1.9	2.1	2.9	3.7	4.5	5.0	4.8	4.6	4.2	4.0	4.0
Practice Expenses		47.534	1.9	2.1	2.4	2.6	2.7	2.6	2.4	2.2	2.3	2.4	2.7	2.8	3.0	3.0	3.1	3.1
Non-physician Compensation		18.653	2.8	2.9	3.1	3.0	2.9	2.8	2.6	2.7	3.0	3.3	3.7	3.9	3.9	3.9	3.8	3.7
Non-physician Wages		13.808	3.1	3.3	3.4	3.3	3.1	3.1	2.8	2.9	3.1	3.3	3.4	3.5	3.5	3.4	3.4	3.4
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	2.8	2.9	3.0	3.0	2.9	2.7	2.6	2.5	2.6	2.6	2.9	3.2	3.6	3.7	3.7	3.6
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	3.9	4.1	4.5	4.1	3.6	3.3	3.0	3.3	3.9	4.0	4.0	3.6	3.2	3.1	3.0	3.0
Clerical Wages*	ECI- Admin Support incl Clerical (Private)	3.892	2.9	3.0	3.0	3.1	3.1	3.0	2.9	3.0	3.2	3.4	3.6	3.7	3.6	3.5	3.4	3.4
Services Wages*	ECI - Service Occupations (Private)	0.696	3.7	3.7	3.4	3.2	2.9	2.8	2.6	2.6	2.5	2.4	2.8	2.9	3.0	2.7	2.6	2.6
Employee Benefits*	Blended Benefits Price Proxy	4.845	1.8	1.9	2.2	2.3	2.1	2.1	2.0	2.2	3.0	3.9	4.7	5.3	5.2	5.1	4.8	4.7
Other Practice Expenses		18.129	1.0	0.9	0.9	1.1	1.4	1.7	1.9	2.0	2.1	2.2	2.3	2.5	2.8	3.0	3.3	3.5
Office Expenses*	CPI - Housing	12.209	1.8	1.7	1.7	1.6	1.7	1.6	1.6	1.6	1.7	2.0	2.3	2.8	3.2	3.5	3.5	3.2
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	0.1	0.0	0.2	0.9	2.2	3.5	4.8	5.4	5.4	5.2	4.6	3.7	3.3	3.0	4.1	5.9
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	-1.8	-1.7	-1.9	-1.7	-1.5	-1.1	-1.0	-1.1	-1.4	-1.7	-1.5	-1.1	-0.6	-0.2	0.2	0.4
Drugs and Supplies		4.319	2.5	4.7	6.9	8.9	9.1	6.7	4.3	2.0	1.1	1.4	1.4	1.5	1.4	1.4	1.2	1.0
Med. Materials/Supplies*	-	2.011	1.1	1.2	1.1	0.9	0.5	0.5	0.7	0.7	1.0	1.1	0.9	0.9	0.6	0.4	0.3	0.2
Prescription Drugs*	WPI - Prescription Drugs	2.308	3.9	8.3	13.0	17.3	17.9	12.7	7.7	3.1	1.2	1.6	1.8	2.1	2.2	2.3	2.0	1.7
Other Expenses		6.433	1.7	1.6	1.6	1.6	1.6	1.5	1.4	1.4	1.5	1.6	1.8	1.9	1.9	1.9	1.9	1.9
All Other*	CPI - All Items Less Food And Energy	6.433	1.7	1.6	1.6	1.6	1.6	1.6	1.5	1.4	1.4	1.5	1.6	1.8	1.9	1.9	1.9	1.9

* Productivity adjusted using BLS non-farm multifactor productivity

SOURCE: IHS Global Insight Inc. (IGI), 1st Qtr, 2009; @USMACRO/CONTROL0209@CISSIM/TL0209.SIM Historical Data through 4th Qtr, 2008

Quarterly Index Levels in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	2002Q1	2002Q2	2002Q3	2002Q4	2003Q1	2003Q2	2003Q3	2003Q4	2004Q1	2004Q2	2004Q3	2004Q4	2005Q1	2005Q2	2005Q3	2005Q4
Index Levels:																		
Total - MEI		100.00	1.052	1.056	1.060	1.067	1.086	1.087	1.093	1.097	1.116	1.122	1.128	1.132	1.147	1.150	1.154	1.161
Physician Compensation		52.466	1.048	1.050	1.056	1.067	1.078	1.077	1.081	1.088	1.097	1.101	1.105	1.113	1.121	1.122	1.126	1.136
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	1.045	1.045	1.050	1.063	1.070	1.066	1.068	1.074	1.078	1.078	1.082	1.090	1.095	1.095	1.099	1.111
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	1.065	1.075	1.082	1.087	1.115	1.127	1.139	1.147	1.180	1.198	1.206	1.213	1.233	1.241	1.246	1.246
Practice Expenses		47.534	1.056	1.061	1.065	1.066	1.094	1.098	1.106	1.107	1.138	1.146	1.153	1.154	1.176	1.180	1.186	1.188
Non-physician Compensation		18.653	1.058	1.065	1.068	1.070	1.086	1.092	1.100	1.104	1.115	1.123	1.130	1.134	1.145	1.150	1.153	1.155
Non-physician Wages		13.808	1.053	1.059	1.062	1.063	1.074	1.079	1.085	1.088	1.094	1.099	1.106	1.108	1.114	1.118	1.120	1.121
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	1.054	1.056	1.059	1.061	1.067	1.072	1.079	1.084	1.094	1.097	1.106	1.109	1.117	1.120	1.126	1.127
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	1.050	1.064	1.064	1.058	1.086	1.092	1.100	1.101	1.099	1.105	1.110	1.111	1.116	1.118	1.113	1.115
Clerical Wages*	ECI- Admin Support incl Clerical (Private)	3.892	1.058	1.063	1.066	1.070	1.076	1.083	1.086	1.087	1.095	1.102	1.108	1.111	1.114	1.120	1.121	1.125
Services Wages*	ECI - Service Occupations (Private)	0.696	1.043	1.044	1.048	1.051	1.056	1.056	1.063	1.066	1.067	1.071	1.074	1.076	1.081	1.082	1.086	1.087
Employee Benefits*	Blended Benefits Price Proxy	4.845	1.070	1.082	1.085	1.090	1.119	1.128	1.141	1.149	1.176	1.192	1.200	1.208	1.235	1.241	1.248	1.249
Other Practice Expenses		18.129	1.073	1.077	1.083	1.080	1.134	1.138	1.149	1.146	1.210	1.218	1.230	1.225	1.269	1.273	1.280	1.282
Office Expenses*	CPI - Housing	12.209	1.039	1.046	1.052	1.048	1.058	1.063	1.068	1.062	1.070	1.080	1.088	1.084	1.093	1.100	1.108	1.114
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	1.213	1.211	1.219	1.218	1.428	1.432	1.466	1.472	1.746	1.750	1.782	1.777	1.951	1.949	1.959	1.953
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	1.011	1.014	1.012	1.011	1.031	1.033	1.032	1.029	1.033	1.036	1.040	1.024	1.033	1.030	1.025	1.022
Drugs and Supplies		4.319	1.018	1.020	1.023	1.032	1.042	1.045	1.053	1.061	1.072	1.082	1.084	1.088	1.094	1.101	1.119	1.122
Med. Materials/Supplies*	-	2.011	1.005	1.002	1.000	1.004	1.008	1.003	1.004	1.015	1.021	1.019	1.020	1.023	1.019	1.015	1.012	1.021
Prescription Drugs*	WPI - Prescription Drugs	2.308	1.028	1.035	1.043	1.056	1.071	1.082	1.095	1.102	1.116	1.137	1.140	1.144	1.158	1.175	1.212	1.210
Other Expenses		6.433	1.030	1.033	1.035	1.037	1.038	1.040	1.039	1.039	1.043	1.049	1.049	1.052	1.057	1.060	1.059	1.062
All Other*	CPI - All Items Less Food And Energy	6.433	1.030	1.033	1.035	1.037	1.038	1.040	1.039	1.039	1.043	1.049	1.052	1.057	1.060	1.059	1.062	

* Productivity adjusted using BLS non-farm multifactor productivity

4 Quarter Moving Average Percent Change in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	2002Q1	2002Q2	2002Q3	2002Q4	2003Q1	2003Q2	2003Q3	2003Q4	2004Q1	2004Q2	2004Q3	2004Q4	2005Q1	2005Q2	2005Q3	2005Q4
Percent Change																		
Total - MEI		100.00	3.0	2.9	2.8	2.6	2.7	2.8	2.9	3.0	2.9	3.0	3.0	3.1	3.1	2.9	2.7	2.5
Physician Compensation		52.466	2.9	2.7	2.4	2.3	2.4	2.5	2.5	2.4	2.1	2.0	2.0	2.1	2.2	2.2	2.1	2.0
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	2.7	2.4	2.1	2.0	2.1	2.1	1.8	1.4	1.2	1.1	1.2	1.4	1.5	1.6	1.7	
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	3.9	3.9	3.7	3.5	3.8	4.1	4.5	5.1	5.4	5.8	5.9	5.9	5.6	4.9	4.2	3.5
Practice Expenses		47.534	3.2	3.2	3.1	3.0	3.0	3.1	3.3	3.7	3.8	4.0	4.1	4.2	4.0	3.7	3.3	3.0
Non-physician Compensation		18.653	3.5	3.4	3.1	2.7	2.5	2.4	2.6	2.8	2.9	3.0	2.9	2.8	2.8	2.6	2.4	2.2
Non-physician Wages		13.808	3.2	3.1	2.8	2.5	2.2	1.9	2.0	2.1	2.1	2.0	1.9	1.8	1.8	1.6	1.5	
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	3.3	3.0	2.5	2.0	1.7	1.5	1.5	1.7	2.0	2.2	2.4	2.4	2.3	2.2	2.1	1.9
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	3.1	3.2	3.2	2.8	2.9	2.6	2.8	3.4	2.8	2.4	1.8	1.1	1.2	1.1	1.0	0.8
Clerical Wages*	ECI- Admin Support incl Clerical (Private)	3.892	3.4	3.4	3.1	2.9	2.5	2.1	2.0	1.8	1.8	1.8	1.9	1.9	1.7	1.4		
Services Wages*	ECI - Service Occupations (Private)	0.696	2.4	2.3	2.2	2.0	1.7	1.5	1.3	1.3	1.3	1.3	1.2	1.1	1.2	1.1	1.1	1.1
Employee Benefits*	Blended Benefits Price Proxy	4.845	4.3	4.1	3.8	3.3	3.6	3.7	4.3	4.9	5.0	5.3	5.3	5.3	4.9	4.6	4.1	
Other Practice Expenses		18.129	3.8	4.2	4.2	4.2	4.4	4.7	5.2	5.9	6.1	6.5	6.7	6.9	6.5	5.8	5.1	4.5
Office Expenses*	CPI - Housing	12.209	2.6	2.0	1.5	1.3	1.5	1.6	1.6	1.4	1.4	1.4	1.5	1.7	1.9	2.0	2.0	2.1
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	9.6	13.2	14.5	14.7	14.8	15.0	16.9	19.3	20.5	21.5	21.8	21.7	18.7	15.9	13.1	10.7
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	0.5	0.7	0.8	0.8	1.1	1.4	1.7	1.9	1.5	1.1	0.7	0.2	0.1	0.1	-0.6	-0.6
Drugs and Supplies		4.319	0.8	0.5	0.9	1.3	1.7	2.2	2.4	2.6	2.8	3.1	3.1	3.0	2.8	2.3	2.4	2.5
Med. Materials/Supplies*	-	2.011	0.3	0.2	0.2	0.1	0.0	0.1	0.1	0.5	0.7	1.1	1.4	1.3	1.0	0.4	-0.1	-0.4
Prescription Drugs*	WPI - Prescription Drugs	2.308	1.2	0.8	1.5	2.3	3.2	4.0	4.4	4.5	4.5	4.7	4.4	4.3	4.2	3.8	4.4	4.8
Other Expenses		6.433	1.8	1.8	1.6	1.5	1.2	1.0	0.7	0.5	0.4	0.5	0.6	0.9	1.1	1.1	1.1	
All Other*	CPI - All Items Less Food And Energy	6.433	1.8	1.8	1.6	1.5	1.2	1.0	0.7	0.5	0.4	0.5	0.6	0.9	1.1	1.1	1.1	

* Productivity adjusted using BLS non-farm multifactor productivity

SOURCE: IHS Global Insight Inc. (IGI), 1st Qtr, 2009; @USMACRO/CONTROL0209@CISSIM/TL0209.SIM Historical Data through 4th Qtr, 2008

Quarterly Index Levels in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	Forecast 2009Q1	Forecast 2009Q2	Forecast 2009Q3	Forecast 2009Q4
Index Levels:																		
Total - MEI		100.000	1.170	1.175	1.180	1.185	1.189	1.195	1.200	1.203	1.211	1.214	1.219	1.223	1.226	1.227	1.232	1.235
Physician Compensation		52.466	1.145	1.149	1.155	1.164	1.170	1.176	1.182	1.189	1.198	1.200	1.206	1.215	1.218	1.217	1.218	1.222
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	1.120	1.124	1.130	1.141	1.148	1.153	1.161	1.168	1.178	1.180	1.187	1.198	-	-	-	-
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	1.254	1.259	1.264	1.267	1.264	1.273	1.277	1.280	1.287	1.289	1.291	1.289	-	-	-	-
Practice Expenses		47.534	1.199	1.204	1.208	1.207	1.211	1.216	1.220	1.222	1.224	1.230	1.234	1.231	1.234	1.239	1.247	1.249
Non-physician Compensation		18.653	1.162	1.168	1.174	1.180	1.190	1.198	1.204	1.206	1.217	1.221	1.226	1.227	1.231	1.232	1.236	1.237
Non-physician Wages		13.808	1.129	1.135	1.142	1.146	1.156	1.161	1.166	1.169	1.178	1.183	1.188	1.189	1.194	1.198	1.203	1.204
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	1.134	1.140	1.151	1.157	1.165	1.171	1.178	1.180	1.189	1.194	1.200	1.201	-	-	-	-
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	1.126	1.132	1.135	1.134	1.148	1.152	1.157	1.157	1.170	1.175	1.179	1.179	-	-	-	-
Clerical Wages*	ECI- Admin Support incl Clerical (Private)	3.892	1.131	1.138	1.142	1.146	1.155	1.161	1.164	1.168	1.175	1.180	1.184	1.186	-	-	-	-
Services Wages*	ECI - Service Occupations (Private)	0.696	1.089	1.094	1.097	1.103	1.117	1.121	1.130	1.133	1.137	1.143	1.149	1.150	-	-	-	-
Employee Benefits*	Blended Benefits Price Proxy	4.845	1.258	1.262	1.267	1.276	1.287	1.304	1.311	1.313	1.328	1.330	1.333	1.336	-	-	-	-
Other Practice Expenses		18.129	1.297	1.301	1.304	1.298	1.293	1.297	1.299	1.293	1.287	1.294	1.301	1.288	1.291	1.300	1.319	1.321
Office Expenses*	CPI - Housing	12.209	1.122	1.129	1.139	1.133	1.143	1.152	1.157	1.152	1.161	1.174	1.185	1.169	-	-	-	-
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	2.000	1.994	1.984	1.978	1.920	1.913	1.907	1.901	1.841	1.835	1.829	1.823	1.855	1.918	1.993	2.034
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	1.016	1.015	1.007	0.996	1.005	1.003	0.996	0.992	0.995	0.994	0.991	0.987	-	-	-	-
Drugs and Supplies		4.319	1.137	1.145	1.145	1.141	1.152	1.155	1.163	1.169	1.188	1.197	1.199	1.213	1.220	1.225	1.229	1.231
Med. Materials/Supplies*	-	2.011	1.022	1.020	1.017	1.018	1.015	1.013	1.014	1.019	1.019	1.012	1.011	1.016	-	-	-	-
Prescription Drugs*	WPI - Prescription Drugs	2.308	1.237	1.253	1.256	1.248	1.271	1.279	1.292	1.299	1.335	1.358	1.364	1.384	-	-	-	-
Other Expenses		6.433	1.066	1.073	1.074	1.075	1.079	1.082	1.083	1.085	1.090	1.093	1.096	1.093	-	-	-	-
All Other*	CPI - All Items Less Food And Energy	6.433	1.066	1.073	1.074	1.075	1.079	1.082	1.083	1.085	1.090	1.093	1.096	1.093	-	-	-	-

* Productivity adjusted using BLS non-farm multifactor productivity

4 Quarter Moving Average Percent Change in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	Forecast 2009Q1	Forecast 2009Q2	Forecast 2009Q3	Forecast 2009Q4
Percent Change																		
Total - MEI		100.000	2.3	2.3	2.2	2.1	2.0	1.9	1.8	1.7	1.7	1.7	1.6	1.6	1.5	1.4	1.2	1.1
Physician Compensation		52.466	2.0	2.1	2.3	2.4	2.4	2.4	2.3	2.3	2.2	2.2	2.0	2.0	1.8	1.5	1.1	1.1
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	1.8	2.1	2.4	2.6	2.7	2.7	2.6	2.6	2.5	2.4	2.4	-	-	-	-	-
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	2.8	2.3	1.8	1.6	1.4	1.3	1.2	1.0	1.3	1.3	1.2	-	-	-	-	-
Practice Expenses		47.534	2.7	2.4	2.2	1.9	1.6	1.4	1.2	1.0	1.1	1.1	1.1	1.1	1.0	0.9	0.9	1.0
Non-physician Compensation		18.653	1.9	1.7	1.7	1.8	2.0	2.2	2.4	2.4	2.4	2.2	2.1	1.9	1.8	1.7	1.4	1.0
Non-physician Wages		13.808	1.4	1.3	1.5	1.8	2.0	2.2	2.2	2.2	2.1	2.0	1.9	1.8	1.7	1.6	1.4	1.3
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	1.8	1.7	1.8	2.0	2.3	2.6	2.6	2.5	2.3	2.1	2.0	1.9	-	-	-	-
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	0.7	0.7	1.1	1.5	1.7	1.9	1.9	1.9	1.9	2.0	2.0	1.9	-	-	-	-
Clerical Wages*	ECI- Admin Support incl Clerical (Private)	3.892	1.4	1.4	1.6	1.7	1.9	2.0	2.0	1.9	1.8	1.7	1.6	-	-	-	-	-
Services Wages*	ECI - Service Occupations (Private)	0.696	1.0	1.0	1.0	1.1	1.6	1.9	2.4	2.7	2.5	2.3	2.0	1.8	-	-	-	-
Employee Benefits*	Blended Benefits Price Proxy	4.845	3.3	2.7	2.1	1.8	1.9	2.3	2.8	3.0	3.2	2.9	2.4	2.1	-	-	-	-
Other Practice Expenses		18.129	3.9	3.3	2.7	1.9	1.2	0.6	0.0	-0.3	-0.4	-0.4	-0.2	-0.2	0.0	0.1	0.4	1.2
Office Expenses*	CPI - Housing	12.209	2.3	2.5	2.7	2.5	2.3	2.1	1.8	1.8	1.7	1.7	1.9	1.9	-	-	-	-
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	8.3	6.0	3.9	1.8	0.2	-1.4	-2.7	-4.0	-4.0	-4.0	-4.1	-4.1	-2.9	-0.8	2.5	6.4
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	-1.0	-1.2	-1.3	-1.9	-1.7	-1.6	-1.5	-0.9	-0.9	-0.9	-0.7	-0.7	-	-	-	-
Drugs and Supplies		4.319	3.0	3.6	3.3	3.0	2.3	1.6	1.4	1.6	2.0	2.7	3.1	3.4	3.3	3.0	2.8	2.3
Med. Materials/Supplies*	-	2.011	-0.3	-0.1	0.2	0.2	0.0	-0.3	-0.5	-0.4	-0.1	0.0	0.0	-0.1	-	-	-	-
Prescription Drugs*	WPI - Prescription Drugs	2.308	5.6	6.4	5.7	5.0	4.0	2.9	2.7	2.9	3.5	4.6	5.2	5.8	-	-	-	-
Other Expenses		6.433	1.0	1.0	1.1	1.2	1.3	1.2	1.0	0.9	0.9	0.9	1.0	1.0	-	-	-	-
All Other*	CPI - All Items Less Food And Energy	6.433	1.0	1.0	1.1	1.2	1.3	1.2	1.0	0.9	0.9	0.9	1.0	1.0	-	-	-	-

* Productivity adjusted using BLS non-farm multifactor productivity

SOURCE: IHS Global Insight Inc. (IGI), 1st Qtr, 2009; @USMACRO/CONTROL0209@CISSIM/TL0209.SIM Historical Data through 4th Qtr, 2008

Quarterly Index Levels in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	Forecast 2010Q1	Forecast 2010Q2	Forecast 2010Q3	Forecast 2010Q4	Forecast 2011Q1	Forecast 2011Q2	Forecast 2011Q3	Forecast 2011Q4	Forecast 2012Q1	Forecast 2012Q2	Forecast 2012Q3	Forecast 2012Q4	Forecast 2013Q1	Forecast 2013Q2	Forecast 2013Q3	Forecast 2013Q4
Index Levels:																		
Total - MEI		100.00	1.238	1.240	1.244	1.247	1.251	1.251	1.253	1.256	1.260	1.260	1.263	1.267	1.272	1.274	1.278	1.282
Physician Compensation		52.466	1.225	1.225	1.229	1.235	1.241	1.242	1.245	1.253	1.259	1.261	1.266	1.275	1.282	1.285	1.290	1.300
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Practice Expenses		47.534	1.253	1.257	1.262	1.261	1.262	1.261	1.262	1.259	1.260	1.258	1.260	1.258	1.262	1.261	1.265	1.263
Non-physician Compensation		18.653	1.240	1.242	1.245	1.246	1.253	1.256	1.260	1.262	1.271	1.275	1.281	1.284	1.294	1.298	1.304	1.308
Non-physician Wages		13.808	1.204	1.206	1.208	1.209	1.214	1.217	1.221	1.223	1.231	1.237	1.243	1.247	1.254	1.260	1.266	1.271
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clerical Wages*	ECI- Admin Support and Clerical (Private)	3.892	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services Wages*	ECI - Service Occupations (Private)	0.696	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee Benefits*	Blended Benefits Price Proxy	4.845	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Practice Expenses		18.129	1.327	1.335	1.347	1.341	1.335	1.327	1.326	1.313	1.303	1.293	1.291	1.281	1.277	1.270	1.272	1.262
Office Expenses*	CPI - Housing	12.209	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	2.036	2.074	2.112	2.105	2.049	2.010	1.985	1.938	1.864	1.814	1.783	1.747	1.695	1.659	1.640	1.614
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Drugs and Supplies		4.319	1.240	1.240	1.243	1.244	1.252	1.256	1.261	1.265	1.273	1.276	1.280	1.284	1.294	1.297	1.302	1.306
Med. Materials/Supplies*	-	2.011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prescription Drugs*	WPI - Prescription Drugs	2.308	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses		6.433	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other*	CPI - All Items Less Food And Energy	6.433	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Productivity adjusted using BLS non-farm multifactor productivity

4 Quarter Moving Average Percent Change in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	Forecast 2010Q1	Forecast 2010Q2	Forecast 2010Q3	Forecast 2010Q4	Forecast 2011Q1	Forecast 2011Q2	Forecast 2011Q3	Forecast 2011Q4	Forecast 2012Q1	Forecast 2012Q2	Forecast 2012Q3	Forecast 2012Q4	Forecast 2013Q1	Forecast 2013Q2	Forecast 2013Q3	Forecast 2013Q4
Percent Change																		
Total - MEI		100.00	1.0	1.0	1.0	1.0	1.0	0.9	0.8	0.7	0.7	0.7	0.8	0.9	1.0	1.1	1.1	1.1
Physician Compensation		52.466	0.9	0.7	0.7	0.8	1.0	1.2	1.3	1.4	1.4	1.5	1.6	1.6	1.7	1.8	1.8	1.9
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Practice Expenses		47.534	1.2	1.4	1.4	1.3	1.1	0.8	0.5	0.2	0.0	-0.1	-0.2	-0.2	-0.1	0.0	0.2	0.3
Non-physician Compensation		18.653	0.8	0.8	0.8	0.7	0.8	0.9	1.0	1.2	1.2	1.3	1.4	1.6	1.7	1.8	1.8	1.8
Non-physician Wages		13.808	1.2	1.0	0.8	0.6	0.6	0.6	0.8	1.0	1.1	1.3	1.5	1.7	1.8	1.9	1.9	1.9
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clerical Wages*	ECI- Admin Support and Clerical (Private)	3.892	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services Wages*	ECI - Service Occupations (Private)	0.696	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee Benefits*	Blended Benefits Price Proxy	4.845	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Practice Expenses		18.129	1.8	2.4	2.5	2.2	1.7	0.9	0.0	-0.9	-1.7	-2.2	-2.4	-2.5	-2.4	-2.2	-2.0	-1.7
Office Expenses*	CPI - Housing	12.209	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	8.7	9.6	8.8	6.8	4.5	1.7	-1.3	-4.1	-6.5	-8.2	-9.2	-9.7	-9.7	-9.4	-8.9	-8.3
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Drugs and Supplies		4.319	2.0	1.7	1.4	1.3	1.1	1.1	1.2	1.3	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.7
Med. Materials/Supplies*	-	2.011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prescription Drugs*	WPI - Prescription Drugs	2.308	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses		6.433	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other*	CPI - All Items Less Food And Energy	6.433	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Productivity adjusted using BLS non-farm multifactor productivity

SOURCE: IHS Global Insight Inc. (IGI), 1st Qtr, 2009; @USMACRO/CONTROL0209@CISSIM/TL0209.SIM Historical Data through 4th Qtr, 2008

Quarterly Index Levels in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	Forecast 2014Q1	Forecast 2014Q2	Forecast 2014Q3	Forecast 2014Q4	Forecast 2015Q1	Forecast 2015Q2	Forecast 2015Q3	Forecast 2015Q4	Forecast 2016Q1	Forecast 2016Q2	Forecast 2016Q3	Forecast 2016Q4	Forecast 2017Q1	Forecast 2017Q2	Forecast 2017Q3	Forecast 2017Q4
Index Levels:																		
Total - MEI		100.00	1.289	1.290	1.295	1.300	1.308	1.312	1.318	1.325	1.334	1.338	1.345	1.352	1.362	1.366	1.373	1.381
Physician Compensation		52.466	1.307	1.310	1.316	1.326	1.335	1.339	1.346	1.357	1.366	1.371	1.378	1.390	1.399	1.404	1.412	1.424
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Practice Expenses		47.534	1.268	1.269	1.272	1.272	1.279	1.282	1.288	1.298	1.301	1.308	1.310	1.320	1.324	1.331	1.333	
Non-physician Compensation		18.653	1.318	1.323	1.329	1.333	1.345	1.352	1.359	1.364	1.377	1.384	1.392	1.398	1.411	1.418	1.426	1.432
Non-physician Wages		13.808	1.279	1.285	1.291	1.296	1.305	1.312	1.319	1.324	1.334	1.341	1.350	1.355	1.365	1.373	1.381	1.387
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clerical Wages*	ECI- Admin Support and Clerical (Private)	3.892	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services Wages*	ECI - Service Occupations (Private)	0.696	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee Benefits*	Blended Benefits Price Proxy	4.845	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Practice Expenses		18.129	1.260	1.254	1.256	1.248	1.250	1.248	1.253	1.248	1.252	1.253	1.259	1.256	1.262	1.264	1.272	1.269
Office Expenses*	CPI - Housing	12.209	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	1.570	1.537	1.516	1.497	1.470	1.450	1.438	1.428	1.412	1.401	1.396	1.392	1.384	1.379	1.379	1.380
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Drugs and Supplies		4.319	1.317	1.321	1.327	1.333	1.345	1.349	1.355	1.361	1.372	1.376	1.383	1.390	1.401	1.405	1.411	1.418
Med. Materials/Supplies*	-	2.011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prescription Drugs*	WPI - Prescription Drugs	2.308	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses		6.433	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other*	CPI - All Items Less Food And Energy	6.433	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Productivity adjusted using BLS non-farm multifactor productivity

4 Quarter Moving Average Percent Change in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	Forecast 2014Q1	Forecast 2014Q2	Forecast 2014Q3	Forecast 2014Q4	Forecast 2015Q1	Forecast 2015Q2	Forecast 2015Q3	Forecast 2015Q4	Forecast 2016Q1	Forecast 2016Q2	Forecast 2016Q3	Forecast 2016Q4	Forecast 2017Q1	Forecast 2017Q2	Forecast 2017Q3	Forecast 2017Q4
Percent Change																		
Total - MEI		100.00	1.2	1.3	1.3	1.3	1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.0	2.0	2.1	2.1	2.1
Physician Compensation		52.466	1.9	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Practice Expenses		47.534	0.4	0.5	0.5	0.6	0.7	0.8	1.0	1.1	1.3	1.4	1.5	1.5	1.6	1.7	1.7	1.7
Non-physician Compensation		18.653	1.8	1.9	1.9	1.9	2.0	2.0	2.1	2.2	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4
Non-physician Wages		13.808	1.9	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.3	2.3	2.3	2.3	2.3
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clerical Wages*	ECI- Admin Support and Clerical (Private)	3.892	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services Wages*	ECI - Service Occupations (Private)	0.696	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee Benefits*	Blended Benefits Price Proxy	4.845	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Practice Expenses		18.129	-1.5	-1.4	-1.3	-1.2	-1.1	-0.9	-0.7	-0.4	-0.1	0.1	0.3	0.5	0.6	0.7	0.8	0.9
Office Expenses*	CPI - Housing	12.209	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	-7.9	-7.6	-7.5	-7.4	-7.1	-6.7	-6.1	-5.5	-4.8	-4.3	-3.7	-3.2	-2.7	-2.3	-1.8	-1.4
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Drugs and Supplies		4.319	1.7	1.8	1.8	1.9	2.0	2.1	2.1	2.1	2.1	2.0	2.0	2.1	2.1	2.1	2.1	2.1
Med. Materials/Supplies*	-	2.011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prescription Drugs*	WPI - Prescription Drugs	2.308	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses		6.433	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other*	CPI - All Items Less Food And Energy	6.433	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Productivity adjusted using BLS non-farm multifactor productivity

SOURCE: IHS Global Insight Inc. (IGI), 1st Qtr, 2009; @USMACRO/CONTROL0209@CISSIM/TL0209.SIM Historical Data through 4th Qtr, 2008

Quarterly Index Levels in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	Forecast 2018Q1	Forecast 2018Q2	Forecast 2018Q3	Forecast 2018Q4	Forecast 2019Q1	Forecast 2019Q2	Forecast 2019Q3	Forecast 2019Q4
Index Levels:										
Total - MEI		100.00	1.390	1.395	1.402	1.409	1.420	1.425	1.433	1.441
Physician Compensation		52.466	1.433	1.438	1.446	1.458	1.468	1.473	1.481	1.494
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	-	-	-	-	-	-	-	-
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	-	-	-	-	-	-	-	-
Practice Expenses		47.534	1.343	1.347	1.354	1.356	1.366	1.372	1.379	1.382
Non-physician Compensation		18.653	1.445	1.451	1.459	1.465	1.478	1.486	1.495	1.501
Non-physician Wages		13.808	1.397	1.404	1.412	1.417	1.428	1.436	1.445	1.451
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	-	-	-	-	-	-	-	-
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	-	-	-	-	-	-	-	-
Clerical Wages*	ECI- Admin Support ind Clerical (Private)	3.892	-	-	-	-	-	-	-	-
Services Wages*	ECI - Service Occupations (Private)	0.696	-	-	-	-	-	-	-	-
Employee Benefits*	Blended Benefits Price Proxy	4.845	-	-	-	-	-	-	-	-
Other Practice Expenses		18.129	1.276	1.278	1.286	1.283	1.291	1.295	1.303	1.302
Office Expenses*	CPI - Housing	12.209	-	-	-	-	-	-	-	-
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	1.377	1.376	1.379	1.382	1.382	1.384	1.389	1.399
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	-	-	-	-	-	-	-	-
Drugs and Supplies		4.319	1.429	1.432	1.437	1.444	1.455	1.458	1.464	1.473
Med. Materials/Supplies*	-	2.011	-	-	-	-	-	-	-	-
Prescription Drugs*	WPI - Prescription Drugs	2.308	-	-	-	-	-	-	-	-
Other Expenses		6.433	-	-	-	-	-	-	-	-
All Other*	CPI - All Items Less Food And Energy	6.433	-	-	-	-	-	-	-	-

* Productivity adjusted using BLS non-farm multifactor productivity

4 Quarter Moving Average Percent Change in the CMS Medicare Economic Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1990-2019

Expense Category	Price/Wage Variable	Base Year Weights 2000	Forecast 2018Q1	Forecast 2018Q2	Forecast 2018Q3	Forecast 2018Q4	Forecast 2019Q1	Forecast 2019Q2	Forecast 2019Q3	Forecast 2019Q4
Percent Change										
Total - MEI		100.00	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.2
Physician Compensation		52.466	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5
Wages & Salaries*	AHE - Private Nonagricultural (Esit)	42.730	-	-	-	-	-	-	-	-
Benefits*	ECI - Benefits, Private Industry Workers (ECI)	9.735	-	-	-	-	-	-	-	-
Practice Expenses		47.534	1.7	1.7	1.8	1.7	1.7	1.8	1.8	1.8
Non-physician Compensation		18.653	2.4	2.4	2.4	2.4	2.3	2.3	2.4	2.4
Non-physician Wages		13.808	2.3	2.3	2.3	2.3	2.2	2.2	2.2	2.3
Prof/Tech Wages*	ECI- Professional and Technical (Private)	5.887	-	-	-	-	-	-	-	-
Managers Wages*	ECI- Managers & Administrators (Private)	3.333	-	-	-	-	-	-	-	-
Clerical Wages*	ECI- Admin Support ind Clerical (Private)	3.892	-	-	-	-	-	-	-	-
Services Wages*	ECI - Service Occupations (Private)	0.696	-	-	-	-	-	-	-	-
Employee Benefits*	Blended Benefits Price Proxy	4.845	-	-	-	-	-	-	-	-
Other Practice Expenses		18.129	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3
Office Expenses*	CPI - Housing	12.209	-	-	-	-	-	-	-	-
Prof. Liability Ins*	CMS - Prof. Liab. Phys. Prem. Survey	3.865	-1.1	-0.7	-0.4	-0.2	0.1	0.3	0.5	0.8
Medical Equipment*	WPI - Med. Inst. & Equip.	2.055	-	-	-	-	-	-	-	-
Drugs and Supplies		4.319	2.0	2.0	1.9	1.9	1.9	1.8	1.8	1.9
Med. Materials/Supplies*	-	2.011	-	-	-	-	-	-	-	-
Prescription Drugs*	WPI - Prescription Drugs	2.308	-	-	-	-	-	-	-	-
Other Expenses		6.433	-	-	-	-	-	-	-	-
All Other*	CPI - All Items Less Food And Energy	6.433	-	-	-	-	-	-	-	-

* Productivity adjusted using BLS non-farm multifactor productivity

SOURCE: IHS Global Insight Inc. (IGI), 1st Qtr, 2009; @USMACRO/CONTROL0209@CISSIM/TL0209.SIM Historical Data through 4th Qtr, 2008