

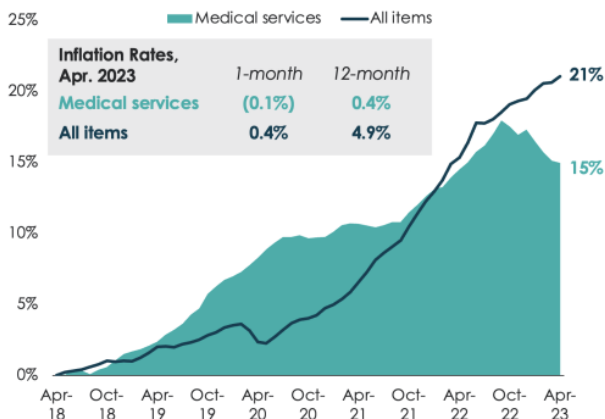
As inflation ameliorates, healthcare returns as top financial concern

With the latest Bureau of Labor Statistics' Consumer Price Index (CPI) report [revealing](#) the 12-month inflation rate in April 2023 rose again after hitting a recent low in March, we're using this week's graphic to show the cumulative picture on price and consumer sentiment changes across the last five years. **Since 2018, the CPI for all goods has risen 21 percent, while medical services have become 15 percent more expensive**, in terms of consumer out-of-pocket spending. Leading into COVID, medical service prices were rising faster than general inflation, but **the cumulative rise in the price of all goods caught up to medical services in early 2022**. Since December of last year, the price of medical services has actually experienced some deflation, partly [due](#) to a lagging decline in insurer profits. **Reports of easing inflation had elicited a slight rebound in consumer sentiment**, but last month's 9 percent drop, the largest since June 2022, suggests this confidence is easily shaken. Unfortunately for healthcare providers, according to a recent [poll](#), **fewer consumers worrying about elevated grocery and gas prices means that healthcare has reclaimed the top spot for household financial concerns**.

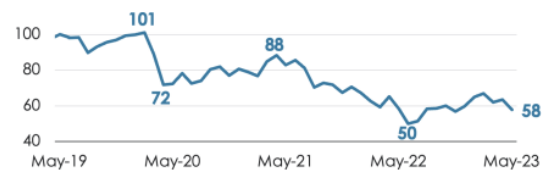
Rising Prices a Lingering Concern Across the Economy

Consumer Sentiment Remains Low with Households Concerned About Healthcare Costs

Percentage Change in Consumer Price Index for Medical Services¹ and All Items², Relative to Apr. 2018



US Consumer Sentiment Index, by Month



Top Financial Concerns of Middle-Income³ Households, by Percentage "Very Concerned"

n = 1,263; Mar. 2023



1. Based on out-of-pocket spending on professional services, hospital services, health insurance.
 2. Bureau of Labor Statistics consumer price index for all urban consumers, seasonally adjusted.
 3. Annual incomes between \$30k-100k.

Source: Bureau of Labor Statistics, "Consumer Price Index for All Urban Consumers," May, 2023; University of Michigan, "Surveys of Consumers," May, 2023; Primavera and Change Research, "Q1 U.S. Financial Security Monitor April 2023," 14 Apr. 2023; Gist Healthcare analysis.