

R-C Healthcare Management -- Hospital Inflation
Year-End 2009 Semi-Annual Year-to-Year Percent Increase
(As of January 15, 2010)

		Historical		Projected			
		2007	2008	2009	2010	2011	2012
<u>Expense</u>	* weight						
Salaries and Wages	42.6	4.2	4.0	3.0	2.0	2.9	3.2
Employer Benefits	8.5	5.3	3.0	2.0	2.0	3.0	3.5
Professional Services	5.4	4.0	2.0	1.8	2.0	3.0	3.6
Equipment and Supplies	14.3	4.2	3.8	2.1	2.0	3.0	3.5
Pharmaceuticals	3.1	6.2	5.2	3.9	4.2	5.0	6.1
Food	2.7	4.3	6.0	4.2	4.0	5.2	5.0
Professional Liability Insurance	0.8	7.8	6.0	3.0	3.0	6.0	8.0
Utilities	1.4	10.8	8.0	4.1	4.0	6.5	7.5
Purchased Services	5.4	3.3	3.0	2.8	2.0	3.5	3.6
Other	9.8	3.1	3.6	3.0	3.0	3.7	3.9
TOTAL	94.0	4.3%	3.8%	2.8%	2.3%	3.3%	3.6%
<u>CMS Projections (Total Index)</u>		3.4	3.3	3.6	N/A	N/A	N/A
<u>Net Operating Revenues</u>		0	0	0	0.2	1.0	1.0

* Weights do not include a factor for the cost of capital, which is budgeted separately and individually for each organization.