

**R-C Healthcare Management -- Hospital Inflation**  
**Year 2010 Semi-Annual-Year-to-Year Percent Increase**  
**(As of January 2011)**

		Historical		Projected			
		2008	2009	2010	2011	2012	2013
<u>Expense</u>	* weight						
Salaries and Wages	42.6	4.0	4.2	4.0	4.1	4.5	4.5
Employer Benefits	8.5	3.0	3.2	3.5	3.7	3.8	4.0
Professional Services	5.4	2.0	1.5	1.5	2.8	3.0	3.5
Equipment and Supplies	14.3	3.8	2.0	2.0	2.4	3.5	3.8
Pharmaceuticals	3.1	5.2	3.2	3.2	4.0	5.0	5.5
Food	2.7	6.0	4.5	4.5	5.8	5.9	6.0
Professional Liability Insurance	0.8	6.0	3.2	3.2	6.0	8.0	7.0
Utilities	1.4	8.0	3.9	3.9	5.0	6.5	6.8
Purchased Services	5.4	3.0	2.5	2.5	3.5	3.6	4.0
Other	9.8	3.6	2.9	2.9	3.5	3.8	4.2
<b>TOTAL</b>	<b>94.0</b>	<b>3.8%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.7%</b>	<b>4.2%</b>	<b>4.4%</b>
<u>CMS Projections (Total Index)</u>		3.3	3.6	N/A	N/A	N/A	N/A
<u>Net Operating Revenues</u>		-	-	0.2	1.0	1.0	1.0

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