

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1996-2021

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	1996Q1	1996Q2	1996Q3	1996Q4	1997Q1	1997Q2	1997Q3	1997Q4	1998Q1	1998Q2	1998Q3	1998Q4	1999Q1	1999Q2	1999Q3	1999Q4
Index Levels																		
Total - SNF04		100.000	0.769	0.775	0.778	0.781	0.785	0.789	0.793	0.798	0.805	0.817	0.824	0.827	0.831	0.837	0.844	0.851
Compensation																		
Wages and Salaries	Blended wages and salary proxy	62.755	0.738	0.743	0.746	0.750	0.755	0.758	0.763	0.769	0.775	0.781	0.788	0.793	0.800	0.806	0.813	0.822
Employee Benefits	Blended benefits proxy	51.337	0.743	0.748	0.751	0.757	0.762	0.765	0.771	0.778	0.784	0.790	0.798	0.802	0.810	0.816	0.823	0.833
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	11.418	0.713	0.722	0.722	0.722	0.721	0.725	0.728	0.732	0.730	0.737	0.743	0.749	0.755	0.762	0.769	0.776
Utilities																		
Electricity	WPI - Commercial Electric Power	1.551	0.778	0.796	0.828	0.793	0.805	0.800	0.835	0.808	0.791	0.800	0.831	0.796	0.784	0.793	0.833	0.806
Fuels (non-highway)	WPI - Commercial Natural Gas	0.919	0.892	0.926	0.981	0.904	0.898	0.926	0.977	0.905	0.889	0.915	0.969	0.898	0.878	0.903	0.958	0.894
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.453	0.550	0.540	0.539	0.574	0.624	0.549	0.558	0.613	0.584	0.560	0.552	0.575	0.572	0.550	0.574	0.612
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	0.179	0.766	0.783	0.773	0.778	0.783	0.787	0.804	0.809	0.815	0.821	0.828	0.830	0.835	0.839	0.844	0.846
All Other		1.717	0.772	0.772	0.772	0.772	0.762	0.762	0.762	0.762	0.762	0.762	0.766	0.772	0.778	0.778	0.778	0.778
All Other Products																		
Pharmaceuticals	WPI - Prescription Drugs	25.448	0.793	0.797	0.802	0.804	0.808	0.811	0.814	0.819	0.835	0.862	0.868	0.871	0.870	0.874	0.881	0.887
Food: Direct Purchase	WPI - Processed Foods	19.030	0.789	0.793	0.798	0.799	0.802	0.804	0.806	0.811	0.830	0.865	0.872	0.875	0.870	0.874	0.882	0.887
Food: Contract Service	CPI - Food Away Fr. Home	7.894	0.657	0.664	0.668	0.668	0.678	0.682	0.685	0.693	0.739	0.822	0.833	0.839	0.827	0.834	0.845	0.848
Chemicals	Blended chemical proxy	2.906	0.864	0.880	0.900	0.896	0.887	0.894	0.890	0.886	0.872	0.871	0.878	0.874	0.871	0.863	0.874	0.874
Rubber and Plastics	WPI - Rub. & Plast. Prod.	3.151	0.811	0.817	0.823	0.831	0.837	0.840	0.846	0.852	0.858	0.863	0.868	0.874	0.881	0.885	0.890	0.895
Paper Products	WPI - Convert. Paper And Paperboard	0.589	0.911	0.915	0.915	0.918	0.920	0.925	0.932	0.934	0.932	0.932	0.939	0.940	0.938	0.939	0.943	0.945
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.513	0.937	0.936	0.939	0.936	0.932	0.933	0.934	0.933	0.932	0.929	0.927	0.925	0.922	0.924	0.929	0.934
All Other Services		1.394	0.952	0.926	0.908	0.905	0.899	0.884	0.885	0.903	0.920	0.917	0.917	0.907	0.902	0.917	0.929	0.946
Telephone Services	CPI - Telephone Services	1.582	0.933	0.934	0.932	0.938	0.939	0.937	0.933	0.940	0.941	0.944	0.943	0.955	0.960	0.958	0.957	0.970
Postage	CPI - Postage	6.418	0.803	0.809	0.814	0.821	0.826	0.831	0.839	0.844	0.848	0.853	0.858	0.861	0.869	0.874	0.878	0.885
Labor-intensive Services	ECI - Service Occupations (Private)	0.434	1.017	1.017	1.029	1.034	1.039	1.043	1.038	1.037	1.039	1.048	1.047	1.045	1.042	1.035	1.034	1.042
Non-labor-intensive Services	CPI - All Items (Urban)	0.454	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.865	0.865	0.865
Capital Costs		3.521	0.759	0.764	0.769	0.778	0.784	0.790	0.804	0.810	0.817	0.821	0.828	0.833	0.842	0.848	0.851	0.861
Depreciation		2.008	0.827	0.836	0.840	0.846	0.852	0.855	0.858	0.862	0.864	0.869	0.872	0.875	0.879	0.887	0.893	0.898
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	7.207	0.961	0.968	0.973	0.974	0.973	0.980	0.984	0.985	0.983	0.990	0.993	0.993	0.992	0.999	1.003	1.002
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	2.858	0.769	0.776	0.786	0.792	0.800	0.806	0.818	0.823	0.831	0.836	0.848	0.853	0.860	0.866	0.877	0.883
Interest Costs		2.437	0.734	0.741	0.753	0.759	0.767	0.774	0.787	0.794	0.802	0.808	0.821	0.828	0.836	0.842	0.855	0.862
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	0.421	0.975	0.977	0.980	0.984	0.990	0.991	0.993	0.995	0.999	0.999	0.999	1.001	1.004	1.003	1.002	1.002
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	3.037	1.227	1.235	1.233	1.228	1.217	1.226	1.221	1.215	1.202	1.208	1.202	1.195	1.182	1.191	1.188	1.177
Other Capital Costs		1.197	1.238	1.243	1.238	1.227	1.227	1.233	1.225	1.211	1.209	1.213	1.204	1.188	1.185	1.193	1.187	1.167
Other	CPI - Residential Rent	1.840	1.219	1.230	1.230	1.229	1.210	1.221	1.219	1.217	1.197	1.205	1.201	1.199	1.179	1.190	1.188	1.184
		1.312	0.765	0.770	0.776	0.781	0.786	0.792	0.798	0.805	0.811	0.817	0.825	0.832	0.838	0.843	0.849	0.857
		1.312	0.765	0.770	0.776	0.781	0.786	0.792	0.798	0.805	0.811	0.817	0.825	0.832	0.838	0.843	0.849	0.857

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1996-2021*

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	1996Q1	1996Q2	1996Q3	1996Q4	1997Q1	1997Q2	1997Q3	1997Q4	1998Q1	1998Q2	1998Q3	1998Q4	1999Q1	1999Q2	1999Q3	1999Q4
Percent Changes																		
Total - SNF04		100.000	2.6	2.6	2.5	2.3	2.2	2.0	1.9	2.0	2.1	2.6	3.0	3.4	3.5	3.3	2.9	2.8
Compensation																		
Wages and Salaries	Blended wages and salary proxy	62.755	2.7	2.7	2.7	2.6	2.5	2.3	2.2	2.3	2.4	2.6	2.8	3.0	3.1	3.2	3.2	3.4
Employee Benefits	Blended benefits proxy	51.337	2.7	2.7	2.7	2.6	2.6	2.5	2.5	2.6	2.7	2.9	3.1	3.2	3.3	3.3	3.2	3.4
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	11.418	2.4	2.6	2.7	2.4	2.1	1.4	1.0	0.9	1.0	1.3	1.6	1.8	2.4	2.8	3.2	3.5
Utilities																		
Electricity	WPI - Commercial Electric Power	1.322	2.6	2.8	2.9	3.0	2.8	2.7	2.6	2.6	2.9	3.0	3.2	3.3	3.3	3.2	2.9	2.8
Fuels (non-highway)	WPI - Commercial Natural Gas	1.551	0.4	0.6	1.1	1.7	2.5	2.1	1.8	1.7	0.4	0.3	-0.1	-0.9	-0.7	-1.0	-0.8	-0.1
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.919	1.4	0.7	0.2	-0.1	0.2	0.2	0.1	0.1	-0.3	-0.7	-0.8	-1.0	-1.0	-1.0	-1.1	-1.0
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	0.453	-4.7	-1.2	2.6	6.9	10.0	8.9	7.6	6.4	1.2	1.3	0.2	-3.1	-2.0	-2.9	-1.6	1.6
All Other		0.179	3.2	3.8	3.9	4.1	3.6	2.4	2.5	2.7	3.1	4.0	3.8	3.5	3.1	2.6	2.3	2.1
All Other Products		1.717	-2.3	-1.4	-0.6	-0.4	-0.6	-0.8	-1.0	-1.3	-1.0	-0.7	-0.2	0.5	1.0	1.5	1.7	1.6
Pharmaceuticals	WPI - Prescription Drugs	25.448	3.4	3.2	2.8	2.3	2.1	1.9	1.7	1.8	2.1	3.3	4.5	5.7	5.9	4.6	3.3	2.2
Food: Direct Purchase	WPI - Processed Foods	19.030	3.7	3.5	3.1	2.3	1.9	1.6	1.3	1.4	1.9	3.4	5.2	6.8	7.1	5.4	3.6	2.0
Food: Contract Service	CPI - Food Away Fr. Home	7.894	3.3	3.7	3.8	3.3	3.1	2.9	2.6	3.1	4.5	9.0	13.8	18.1	18.7	13.4	8.4	3.7
Chemicals	Blended chemical proxy	2.906	2.2	3.8	5.0	5.0	4.7	3.7	1.8	0.5	-0.6	-1.6	-1.7	-1.8	-1.4	-0.9	-0.7	-0.3
Rubber and Plastics	WPI - Rub. & Plast. Prod.	3.151	2.3	2.3	2.3	2.5	2.7	2.9	2.9	2.8	2.7	2.6	2.6	2.6	2.6	2.6	2.5	2.5
Paper Products	WPI - Convert. Paper And Paperboard	0.589	2.5	1.8	1.4	1.2	1.0	1.0	1.2	1.4	1.5	1.4	1.1	0.9	0.7	0.7	0.6	0.6
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.513	4.4	2.5	0.7	-0.4	-0.8	-0.7	-0.6	-0.5	-0.3	-0.4	-0.4	-0.5	-0.8	-0.8	-0.5	-0.1
All Other Services		1.394	13.1	8.5	2.5	-2.3	-5.0	-5.8	-4.9	-3.3	-1.3	0.8	2.3	2.5	1.4	0.5	0.0	0.9
Telephone Services	CPI - Telephone Services	1.582	2.2	2.1	1.9	1.5	1.1	0.8	0.5	0.3	0.2	0.3	0.5	0.9	1.4	1.6	1.7	1.7
Postage	CPI - Postage	6.418	2.6	2.4	2.2	2.2	2.5	2.6	2.8	2.9	2.8	2.8	2.6	2.4	2.3	2.3	2.3	2.5
Labor-intensive Services	ECI - Service Occupations (Private)	0.434	0.7	0.8	1.2	1.5	1.8	2.2	1.9	1.5	0.9	0.4	0.4	0.5	0.6	0.2	-0.4	-0.6
Non-labor-intensive Services	CPI - All Items (Urban)	0.454	7.5	4.9	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	1.5	2.2	3.0	
Capital Costs		3.521	2.1	2.0	2.0	2.3	2.6	2.9	3.5	3.8	4.1	4.2	3.9	3.5	3.2	3.1	3.0	3.1
Depreciation		2.008	2.8	2.7	2.8	2.9	3.0	2.9	2.7	2.3	2.0	1.8	1.6	1.6	1.6	1.7	1.9	2.2
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	7.207	0.9	0.9	1.0	1.1	1.1	1.2	1.2	1.2	1.2	1.1	1.0	0.9	0.9	0.9	0.9	0.9
Movable Equipment																		

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1996-2021

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	2000Q1	2000Q2	2000Q3	2000Q4	2001Q1	2001Q2	2001Q3	2001Q4	2002Q1	2002Q2	2002Q3	2002Q4	2003Q1	2003Q2	2003Q3	2003Q4
Index Levels																		
Total - SNF04		100.000	0.857	0.866	0.877	0.885	0.897	0.904	0.916	0.922	0.930	0.938	0.946	0.954	0.963	0.970	0.980	0.987
Compensation		62.755	0.830	0.841	0.853	0.864	0.877	0.885	0.905	0.915	0.926	0.935	0.944	0.953	0.964	0.970	0.979	0.987
Wages and Salaries	Blended wages and salary proxy	51.337	0.841	0.851	0.863	0.874	0.885	0.894	0.913	0.925	0.934	0.943	0.952	0.961	0.969	0.974	0.983	0.990
Employee Benefits	Blended benefits proxy	11.418	0.785	0.796	0.808	0.823	0.839	0.848	0.867	0.872	0.888	0.898	0.907	0.916	0.921	0.925	0.930	0.937
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	0.846	0.860	0.868	0.877	0.892	0.901	0.912	0.917	0.926	0.932	0.938	0.945	0.957	0.965	0.975	0.982
Utilities		1.551	0.802	0.828	0.896	0.905	0.992	0.953	0.951	0.892	0.872	0.881	0.909	0.898	0.938	0.960	1.005	0.970
Electricity	WPI - Commercial Electric Power	0.919	0.885	0.912	0.979	0.928	0.944	0.974	1.041	0.971	0.944	0.963	1.012	0.952	0.980	1.053	0.982	0.982
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	0.616	0.645	0.742	0.873	1.134	0.938	0.793	0.728	0.710	0.702	0.694	0.775	0.910	0.926	0.926	0.944
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	0.853	0.859	0.865	0.872	0.879	0.884	0.893	0.899	0.909	0.915	0.921	0.930	0.938	0.946	0.959	0.973
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	0.782	0.780	0.783	0.787	0.791	0.796	0.801	0.806	0.812	0.818	0.830	0.846	0.843	0.874	0.907	0.937
All Other		25.448	0.892	0.899	0.904	0.909	0.920	0.925	0.924	0.927	0.932	0.937	0.944	0.951	0.962	0.969	0.977	0.985
All Other Products		19.030	0.892	0.899	0.904	0.908	0.918	0.924	0.921	0.923	0.928	0.932	0.937	0.946	0.957	0.965	0.974	0.984
Pharmaceuticals	WPI - Prescription Drugs	7.894	0.855	0.859	0.866	0.869	0.886	0.889	0.877	0.883	0.898	0.906	0.915	0.928	0.943	0.955	0.969	0.978
Food: Direct Purchase	WPI - Processed Foods	2.906	0.874	0.889	0.886	0.886	0.900	0.914	0.923	0.909	0.904	0.900	0.904	0.908	0.928	0.941	0.955	0.983
Food: Contract Service	CPI - Food Away Fr. Home	3.151	0.901	0.905	0.911	0.916	0.924	0.931	0.939	0.945	0.950	0.955	0.961	0.967	0.970	0.976	0.981	0.988
Chemicals	Blended chemical proxy	0.589	0.948	0.949	0.952	0.960	0.964	0.967	0.969	0.969	0.966	0.968	0.969	0.970	0.976	0.975	0.980	0.987
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	0.937	0.944	0.954	0.965	0.964	0.967	0.962	0.958	0.954	0.959	0.963	0.965	0.975	0.990	0.987	0.988
Paper Products	WPI - Convert. Paper And Paperboard	1.394	0.953	0.983	0.987	0.990	0.988	0.992	0.989	0.989	0.983	0.982	0.983	0.993	0.995	0.996	0.994	0.992
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	0.970	0.971	0.972	0.982	0.984	0.987	0.987	0.991	0.989	0.989	0.983	0.992	0.990	0.987	0.986	0.998
All Other Services		6.418	0.892	0.898	0.904	0.911	0.923	0.929	0.934	0.940	0.946	0.951	0.965	0.968	0.977	0.979	0.986	0.989
Telephone Services	CPI - Telephone Services	0.434	1.035	1.018	1.017	1.018	1.027	1.026	1.032	1.035	1.037	1.026	1.038	1.036	1.040	1.018	1.015	1.008
Postage	CPI - Postage	0.454	0.865	0.865	0.865	0.865	0.891	0.894	0.905	0.905	0.905	0.905	1.000	1.000	1.000	1.000	1.000	1.000
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	0.869	0.877	0.885	0.894	0.905	0.912	0.917	0.929	0.938	0.942	0.951	0.956	0.967	0.971	0.981	0.988
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	0.907	0.917	0.924	0.929	0.938	0.948	0.949	0.946	0.950	0.960	0.964	0.967	0.977	0.980	0.985	0.985
Capital Costs		7.207	0.999	1.007	1.010	1.006	1.001	1.009	1.008	1.004	0.998	1.006	1.005	1.005	0.998	1.005	1.004	1.002
Depreciation		2.858	0.890	0.895	0.907	0.912	0.919	0.924	0.935	0.941	0.947	0.952	0.962	0.967	0.974	0.977	0.986	0.991
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	0.870	0.876	0.890	0.897	0.904	0.910	0.923	0.930	0.937	0.943	0.955	0.961	0.968	0.973	0.983	0.989
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	1.005	1.004	1.003	1.004	1.006	1.005	1.005	1.005	1.006	1.005	1.004	1.005	1.004	1.003	1.002	1.001
Interest Costs		3.037	1.159	1.171	1.162	1.144	1.122	1.130	1.113	1.094	1.069	1.081	1.068	1.058	1.033	1.043	1.030	1.018
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.197	1.158	1.170	1.162	1.135	1.122	1.131	1.117	1.091	1.074	1.086	1.074	1.057	1.038	1.047	1.034	1.015
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.840	1.159	1.171	1.162	1.151	1.121	1.129	1.111	1.097	1.066	1.078	1.063	1.058	1.030	1.041	1.027	1.020
Other Capital Costs		1.312	0.866	0.872	0.881	0.892	0.901	0.911	0.921	0.933	0.943	0.949	0.956	0.964	0.972	0.977	0.983	0.990
Other	CPI - Residential Rent	1.312	0.866	0.872	0.881	0.892	0.901	0.911	0.921	0.933	0.943	0.949	0.956	0.964	0.972	0.977	0.983	0.990

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1996-2021*

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	2000Q1	2000Q2	2000Q3	2000Q4	2001Q1	2001Q2	2001Q3	2001Q4	2002Q1	2002Q2	2002Q3	2002Q4	2003Q1	2003Q2	2003Q3	2003Q4
Percent Changes																		
Total - SNF04		100.000	2.7	3.0	3.4	3.7	4.0	4.2	4.4	4.4	4.2	4.0	3.7	3.5	3.4	3.5	3.5	3.5
Compensation		62.755	3.5	3.8	4.2	4.5	5.0	5.2	5.5	5.7	5.8	5.4	4.9	4.6	4.1	3.9	3.8	3.8
Wages and Salaries	Blended wages and salary proxy	51.337	3.5	3.7	4.2	4.4	4.8	5.0	5.3	5.5	5.6	5.7	5.3	4.8	4.4	3.8	3.5	3.3
Employee Benefits	Blended benefits proxy	11.418	3.6	3.9	4.3	4.9	5.6	6.1	6.7	6.7	6.4	6.3	5.6	5.4	5.4	5.8	6.1	6.1
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	3.0	3.4	4.0	4.5	4.9	5.0	5.0	4.9	4.5	4.2	3.7	3.3	3.2	3.5	3.7	3.7
Utilities		1.551	0.7	2.1	4.0	6.7	12.0	14.6	14.0	10.4	1.3	-4.0	-6.5	-6.0	-1.2	3.0	7.0	8.8
Electricity	WPI - Commercial Electric Power	0.919	-0.6	0.0	0.9	1.9	3.4	4.8	5.9	6.1	4.5	2.5	0.1	-1.5	-1.3	-0.6	1.2	2.5
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	4.1	8.7	15.1	24.6	44.3	50.7	43.0	25.0	-6.6	-20.4	-24.2	-19.8	-2.8	12.7	24.8	28.6
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	2.0	2.1	2.2	2.5	2.7	2.9	3.1	3.1	3.2	3.3	3.3	3.4	3.3	3.5	3.5	3.8
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	1.2	0.7	0.5	0.7	0.8	1.3	1.7	1.9	2.3	2.5	2.8	3.5	3.8	4.8	6.3	7.7
All Other		25.448	1.8	2.1	2.4	2.6	2.8	2.8	2.7	2.6	2.2	1.7	1.7	1.8	2.3	2.8	3.2	3.4
All Other Products		19.030	1.5	2.0	2.3	2.5	2.7	2.7	2.5	2.3	1.8	1.4	1.3	1.5	2.0	2.7	3.3	3.7
Pharmaceuticals	WPI - Prescription Drugs	7.894	1.8	2.2	2.5	2.8	2.9	3.0	2.7	2.5	1.9	1.6	2.3	3.2	4.1	5.0	5.4	5.4
Food: Direct Purchase	WPI - Processed Foods	2.906	-0.3	0.7	1.2	1.5	2.2	2.1	2.9	3.2	2.5	1.5	-0.1	-0.8	-0.3	1.2	3.2	5.3
Food: Contract Service	CPI - Food Away Fr. Home	3.151	2.4	2.3	2.3	2.4	2.4	2.6	2.7	2.9	3.0	2.9	2.8	2.6	2.4	2.2	2.2	2.1
Chemicals	Blended chemical proxy	0.589	0.7	0.8	0.9	1.1	1.3	1.5	1.7	1.6	1.2	0.7	0.3	0.1	0.3	0.5	0.8	1.2
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	0.6	1.3	1.8	2.4	2.7	2.8	2.4	1.4	0.4	-0.4	-0.6	-0.3	0.5	1.6	2.2	2.6
Paper Products	WPI - Convert. Paper And Paperboard	1.394	2.8	4.6	5.8	5.9	5.4	3.8	2.3	1.1	0.1	-0.4	-0.6	-0.5	0.0	0.6	1.0	0.9
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	1.4	1.3	1.4	1.3	1.4	1.5	1.5	1.4	1.1	0.8	0.3	0.1	0.0	-0.1	0.0	0.2
All Other Services		6.418	2.6	2.6	2.8	2.9	3.1	3.2	3.3	3.3	3.1	2.8	2.8	2.8	3.0	3.2	2.9	2.7
Telephone Services	CPI - Telephone Services	0.434	-0.9	-1.0	-1.1	-1.6	-1.6	-1.0	-0.2	0.8	1.2	1.0	0.8	0.4	0.3	0.1	-0.7	-1.4
Postage	CPI - Postage	0.454	2.2	1.5	0.7	0.0	0.7	1.6	2.7	3.9	3.5	3.0	4.5	6.0	8.2	10.5	7.7	5.0
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	3.2	3.2	3.5	3.6	3.8	4.0	3.9	3.8	3.6	3.6	3.4	3.3	3.2	3.1	3.2	3.2
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	2.6	2.9	3.2	3.4	3.4	3.4	3.2	2.8	2.3	1.8	1.5	1.6	2.0	2.2	2.3	2.3
Capital Costs		7.207	0.9	0.9	0.8	0.7	0.5	0.4	0.2	0.0	-0.2	-0.3	-0.3	-0.2	-0.1	0.0	0.0	-0.1
Depreciation		2.858	3.5	3.4	3.4	3.4	3.3	3.3	3.2	3.2	3.1	3.1	3.0	2.9	2.8	2.7	2.6	2.6
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	4.1	4.1	4.1	4.1	4.0	3.9	3.9	3.8	3.7	3.6	3.6	3.5	3.4	3.3	3.2	3.1
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	-0.1	-0.2	-0.2
Interest Costs		3.037	-1.5	-1.6	-1.8	-2.2	-2.5	-2.9	-3.4	-3.8	-4.2	-						

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1996-2021

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	2004Q1	2004Q2	2004Q3	2004Q4	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4
Index Levels																		
Total - SNF04		100.000	0.996	1.005	1.013	1.019	1.029	1.038	1.049	1.058	1.069	1.076	1.086	1.093	1.104	1.112	1.122	1.129
Compensation		62.755	0.997	1.003	1.012	1.019	1.029	1.036	1.046	1.054	1.065	1.071	1.083	1.093	1.103	1.110	1.120	1.127
Wages and Salaries	Blended wages and salary proxy	51.337	0.998	1.002	1.011	1.018	1.026	1.033	1.042	1.051	1.059	1.066	1.078	1.089	1.098	1.105	1.117	1.124
Employee Benefits	Blended benefits proxy	11.418	0.996	1.009	1.020	1.025	1.041	1.051	1.064	1.071	1.091	1.093	1.108	1.115	1.127	1.129	1.131	1.142
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	0.998	1.005	1.016	1.023	1.039	1.047	1.055	1.060	1.071	1.079	1.093	1.102	1.112	1.123	1.131	1.138
Utilities		1.551	0.982	1.004	1.044	1.036	1.041	1.072	1.132	1.197	1.204	1.167	1.186	1.149	1.166	1.197	1.222	1.190
Electricity	WPI - Commercial Electric Power	0.919	0.972	0.998	1.048	1.002	1.005	1.040	1.101	1.069	1.110	1.138	1.180	1.113	1.121	1.166	1.216	1.154
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	0.998	1.014	1.044	1.104	1.108	1.140	1.214	1.500	1.432	1.244	1.219	1.226	1.259	1.268	1.245	1.258
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	0.992	1.008	1.027	1.036	1.058	1.067	1.081	1.090	1.110	1.118	1.134	1.143	1.163	1.174	1.195	1.206
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	0.982	1.023	1.058	1.090	1.126	1.159	1.187	1.211	1.231	1.248	1.261	1.269	1.273	1.274	1.274	1.272
All Other		25.448	0.993	1.009	1.013	1.020	1.032	1.043	1.056	1.064	1.080	1.090	1.097	1.100	1.116	1.127	1.139	1.149
All Other Products		19.030	0.991	1.011	1.014	1.022	1.036	1.048	1.064	1.073	1.090	1.100	1.107	1.110	1.128	1.139	1.152	1.163
Pharmaceuticals	WPI - Prescription Drugs	7.894	0.992	1.013	1.017	1.024	1.040	1.058	1.094	1.096	1.124	1.143	1.149	1.146	1.171	1.182	1.199	1.209
Food: Direct Purchase	WPI - Processed Foods	2.906	0.981	1.029	1.007	0.999	1.012	1.020	1.015	1.019	1.015	1.015	1.024	1.031	1.065	1.094	1.107	1.117
Food: Contract Service	CPI - Food Away Fr. Home	3.151	0.997	1.003	1.012	1.019	1.028	1.035	1.043	1.051	1.060	1.068	1.076	1.084	1.095	1.103	1.117	1.128
Chemicals	Blended chemical proxy	0.589	0.994	1.004	1.015	1.030	1.061	1.069	1.071	1.093	1.119	1.126	1.136	1.148	1.153	1.156	1.167	1.183
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	0.994	1.003	1.015	1.040	1.064	1.075	1.081	1.135	1.159	1.159	1.166	1.172	1.166	1.167	1.176	1.186
Paper Products	WPI - Convert. Paper And Paperboard	1.394	0.986	0.998	1.024	1.040	1.053	1.059	1.057	1.069	1.089	1.103	1.118	1.119	1.118	1.122	1.131	1.147
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	0.999	1.002	1.001	1.018	1.025	1.027	1.028	1.035	1.041	1.044	1.039	1.052	1.059	1.061	1.063	1.075
All Other Services		6.418	0.997	1.005	1.009	1.013	1.020	1.027	1.033	1.038	1.048	1.058	1.065	1.067	1.079	1.092	1.101	1.107
Telephone Services	CPI - Telephone Services	0.434	1.006	0.997	0.989	0.983	0.985	0.985	0.981	0.986	0.987	0.989	0.995	1.003	1.008	1.019	1.025	1.026
Postage	CPI - Postage	0.454	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.053	1.053	1.053	1.053	1.054	1.075	1.094	1.094
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	0.997	1.005	1.010	1.016	1.024	1.029	1.034	1.040	1.048	1.055	1.063	1.072	1.086	1.094	1.106	1.112
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	0.994	1.008	1.012	1.018	1.024	1.038	1.051	1.056	1.062	1.080	1.086	1.077	1.088	1.108	1.111	1.119
Capital Costs		7.207	0.995	1.002	1.001	0.999	0.994	1.001	1.001	1.002	0.999	1.009	1.009	1.011	1.010	1.018	1.018	1.019
Depreciation		2.858	0.998	1.001	1.010	1.016	1.024	1.027	1.035	1.042	1.050	1.054	1.063	1.070	1.079	1.083	1.092	1.100
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	0.997	1.001	1.012	1.020	1.028	1.032	1.042	1.050	1.059	1.064	1.074	1.083	1.093	1.097	1.108	1.118
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	1.001	1.000	0.998	0.997	0.998	0.997	0.996	0.995	0.996	0.997	0.997	0.997	0.998	0.999	0.999	0.999
Interest Costs		3.037	0.992	1.002	0.988	0.976	0.951	0.964	0.951	0.944	0.926	0.941	0.928	0.921	0.905	0.916	0.903	0.893
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.197	0.995	1.002	0.988	0.971	0.951	0.961	0.951	0.939	0.923	0.939	0.929	0.917	0.903	0.916	0.904	0.889
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.840	0.991	1.002	0.987	0.978	0.952	0.966	0.951	0.947	0.927	0.942	0.928	0.924	0.907	0.916	0.903	0.896
Other Capital Costs		1.312	0.996	1.003	1.011	1.018	1.026	1.033	1.040	1.050	1.057	1.067	1.079	1.093	1.106	1.114	1.123	1.136
Other	CPI - Residential Rent	1.312	0.996	1.003	1.011	1.018	1.026	1.033	1.040	1.050	1.057	1.067	1.079	1.093	1.106	1.114	1.123	1.136

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1996-2021*

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	2004Q1	2004Q2	2004Q3	2004Q4	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4
Percent Changes																		
Total - SNF04		100.000	3.5	3.5	3.4	3.4	3.4	3.3	3.4	3.5	3.6	3.7	3.7	3.6	3.4	3.3	3.3	3.3
Compensation		62.755	3.6	3.5	3.5	3.4	3.3	3.3	3.2	3.3	3.4	3.4	3.5	3.5	3.6	3.6	3.6	3.4
Wages and Salaries	Blended wages and salary proxy	51.337	3.1	3.0	2.9	2.9	2.8	2.9	3.0	3.1	3.2	3.2	3.3	3.4	3.5	3.6	3.6	3.6
Employee Benefits	Blended benefits proxy	11.418	6.0	6.1	6.1	5.8	5.5	4.9	4.5	4.4	4.5	4.4	4.4	4.2	3.9	3.7	3.2	2.8
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	3.9	4.1	4.1	4.2	4.2	4.2	4.1	4.0	3.7	3.4	3.3	3.4	3.6	3.9	3.8	3.7
Utilities		1.551	8.0	6.9	5.2	5.0	5.3	5.9	7.0	9.3	11.6	12.1	11.0	5.9	1.4	0.0	-0.4	1.5
Electricity	WPI - Commercial Electric Power	0.919	2.8	2.8	1.6	1.3	1.7	2.3	3.7	4.9	6.6	7.9	8.4	7.7	5.4	3.7	2.6	2.5
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	23.2	17.5	13.1	12.3	12.5	13.3	14.2	19.3	23.8	22.6	18.2	3.2	-6.4	-7.7	-7.3	-1.8
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	4.5	5.3	6.0	6.5	6.7	6.5	6.1	5.7	5.3	5.0	4.9	4.9	4.9	4.9	5.0	5.2
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	10.8	13.4	15.3	16.6	16.2	15.2	14.1	12.8	11.4	10.0	8.5	7.0	5.5	4.1	2.8	1.7
All Other		25.448	3.4	3.6	3.6	3.6	3.8	3.6	3.8	4.0	4.1	4.5	4.3	4.1	3.8	3.5	3.5	3.8
All Other Products		19.030	3.8	4.1	4.1	4.1	4.3	4.0	4.2	4.5	4.7	5.0	4.8	4.4	4.0	3.7	3.6	4.0
Pharmaceuticals	WPI - Prescription Drugs	7.894	5.5	5.6	5.4	5.2	5.1	4.8	5.4	6.0	6.8	7.7	7.0	6.4	5.4	4.3	4.1	4.4
Food: Direct Purchase	WPI - Processed Foods	2.906	6.0	7.3	7.2	5.5	4.9	2.3	1.2	1.3	0.5	0.6	0.7	0.5	1.6	3.7	5.5	7.3
Food: Contract Service	CPI - Food Away Fr. Home	3.151	2.3	2.5	2.7	3.0	3.1	3.2	3.2	3.1	3.1	3.1	3.1	3.1	3.2	3.2	3.4	3.6
Chemicals	Blended chemical proxy	0.589	1.4	1.9	2.5	3.2	4.4	5.3	5.8	6.2	5.9	5.6	5.8	5.5	4.8	4.2	3.4	2.9
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	2.5	2.0	2.1	2.8	4.1	5.6	6.5	7.5	8.0	8.1	8.4	6.9	4.8	3.0	1.3	0.8
Paper Products	WPI - Convert. Paper And Paperboard	1.394	0.4	0.1	0.6	1.8	3.7	5.2	5.2	4.7	3.8	3.4	4.0	4.5	4.3	3.7	2.6	2.0
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	0.4	0.8	1.2	1.5	1.9	2.2	2.5	2.4	2.1	1.9	1.5	1.5	1.5	1.5	1.8	1.9
All Other Services		6.418	2.4	2.3	2.3	2.4	2.4	2.3	2.3	2.3	2.5	2.7	2.9	2.9	3.0	3.0	3.1	3.3
Telephone Services	CPI - Telephone Services	0.434	-2.3	-2.6	-2.6	-2.6	-2.3	-2.1	-1.6	-1.0	-0.4	0.0	0.6	1.0	1.4	2.1	2.5	2.6
Postage	CPI - Postage	0.454	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	2.7	4.0	5.3	4.0	3.1	2.8	2.5
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	3.2	3.3	3.2	3.1	3.0	2.7	2.6	2.5	2.4	2.4	2.5	2.7	3.0	3.3	3.6	3.8
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	2.0	2.2	2.3	2.7	3.0	3.0	3.3	3.4	3.5	3.8	3.7	3.2	2.9	2.6	2.3	2.9
Capital Costs		7.207	-0.2	-0.3	-0.3	-0.3	-0.3	-0.2	-0.1	0.0	0.2	0.4	0.6	0.8	0.9	1.0	1.0	0.9
Depreciation		2.858	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.5	2.5	2.5	2.6	2.6	2.7	2.7	2.8	2.8
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	3.0	3.0	3.0	3.0	3.0	3.1	3.1	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.2	3.2
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.3	-0.3	-0.2	-0.2	-0.1	0.0	0.1	0.2	0.2	0.2
Interest Costs		3.037	-3.7	-3.8	-3.9	-4.1	-4.1	-4.1	-4.1	-4.0	-3.7	-3						

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1996-2021

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4
Index Levels																		
Total - SNF04		100.000	1.141	1.153	1.166	1.171	1.177	1.181	1.188	1.191	1.201	1.206	1.212	1.216	1.227	1.234	1.241	1.244
Compensation		62.755	1.137	1.145	1.155	1.162	1.170	1.174	1.181	1.184	1.190	1.194	1.198	1.202	1.207	1.212	1.217	1.219
Wages and Salaries	Blended wages and salary proxy	51.337	1.134	1.143	1.153	1.161	1.168	1.173	1.179	1.183	1.186	1.190	1.194	1.197	1.201	1.206	1.210	1.213
Employee Benefits	Blended benefits proxy	11.418	1.150	1.156	1.165	1.168	1.178	1.181	1.188	1.191	1.206	1.211	1.215	1.222	1.235	1.242	1.246	1.249
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	1.148	1.156	1.165	1.169	1.177	1.178	1.181	1.181	1.190	1.194	1.201	1.203	1.215	1.220	1.223	1.227
Utilities		1.551	1.205	1.291	1.390	1.280	1.249	1.211	1.248	1.211	1.233	1.245	1.296	1.232	1.241	1.255	1.284	1.240
Electricity	WPI - Commercial Electric Power	0.919	1.154	1.214	1.282	1.229	1.231	1.257	1.303	1.235	1.243	1.291	1.342	1.260	1.265	1.298	1.336	1.278
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	1.298	1.471	1.660	1.378	1.260	1.075	1.093	1.094	1.143	1.080	1.138	1.079	1.089	1.066	1.077	1.040
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	1.228	1.236	1.266	1.292	1.308	1.323	1.358	1.382	1.411	1.429	1.456	1.474	1.501	1.514	1.538	1.553
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	1.269	1.265	1.261	1.256	1.249	1.240	1.233	1.228	1.223	1.219	1.216	1.214	1.212	1.210	1.209	1.208
All Other		25.448	1.173	1.193	1.212	1.219	1.225	1.234	1.241	1.249	1.273	1.279	1.290	1.299	1.329	1.340	1.358	1.362
All Other Products		19.030	1.192	1.214	1.237	1.248	1.255	1.264	1.271	1.281	1.311	1.318	1.331	1.342	1.379	1.391	1.414	1.418
Pharmaceuticals	WPI - Prescription Drugs	7.894	1.247	1.272	1.282	1.302	1.336	1.357	1.377	1.393	1.455	1.454	1.478	1.489	1.550	1.547	1.579	1.587
Food: Direct Purchase	WPI - Processed Foods	2.906	1.160	1.197	1.240	1.195	1.166	1.175	1.168	1.171	1.190	1.204	1.210	1.235	1.270	1.310	1.335	1.330
Food: Contract Service	CPI - Food Away Fr. Home	3.151	1.139	1.150	1.168	1.183	1.192	1.199	1.202	1.207	1.209	1.212	1.217	1.223	1.229	1.239	1.249	1.258
Chemicals	Blended chemical proxy	0.589	1.222	1.243	1.284	1.331	1.332	1.325	1.325	1.323	1.324	1.322	1.304	1.310	1.329	1.346	1.373	1.380
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	1.211	1.232	1.284	1.298	1.256	1.242	1.246	1.257	1.269	1.293	1.301	1.306	1.337	1.383	1.410	1.403
Paper Products	WPI - Convert. Paper And Paperboard	1.394	1.160	1.173	1.214	1.246	1.234	1.221	1.212	1.215	1.222	1.254	1.271	1.280	1.289	1.305	1.310	1.307
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	1.085	1.092	1.101	1.123	1.127	1.127	1.125	1.134	1.138	1.140	1.141	1.150	1.159	1.165	1.172	1.184
All Other Services		6.418	1.116	1.131	1.141	1.133	1.138	1.145	1.154	1.155	1.161	1.164	1.168	1.170	1.183	1.190	1.194	1.195
Telephone Services	CPI - Telephone Services	0.434	1.027	1.038	1.051	1.054	1.058	1.060	1.066	1.066	1.063	1.062	1.064	1.060	1.051	1.050	1.048	1.051
Postage	CPI - Postage	0.454	1.094	1.114	1.128	1.128	1.143	1.168	1.187	1.187	1.204	1.204	1.204	1.204	1.249	1.251	1.251	1.251
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	1.121	1.130	1.137	1.141	1.151	1.153	1.161	1.162	1.168	1.172	1.178	1.180	1.190	1.192	1.195	1.200
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	1.132	1.157	1.170	1.137	1.132	1.144	1.151	1.154	1.158	1.164	1.165	1.168	1.183	1.204	1.209	1.207
Capital Costs		7.207	1.020	1.028	1.029	1.035	1.034	1.040	1.038	1.040	1.037	1.042	1.039	1.043	1.044	1.049	1.047	1.052
Depreciation		2.858	1.109	1.114	1.124	1.134	1.143	1.148	1.157	1.165	1.174	1.178	1.189	1.197	1.205	1.211	1.222	1.231
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	1.127	1.133	1.145	1.156	1.167	1.172	1.182	1.192	1.202	1.207	1.219	1.228	1.238	1.243	1.256	1.267
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	1.001	1.003	1.004	1.005	1.007	1.008	1.009	1.010	1.011	1.013	1.014	1.015	1.018	1.021	1.023	1.024
Interest Costs		3.037	0.882	0.892	0.881	0.881	0.866	0.875	0.861	0.858	0.843	0.850	0.834	0.834	0.825	0.829	0.810	0.811
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.197	0.880	0.892	0.881	0.879	0.865	0.876	0.860	0.856	0.840	0.849	0.831	0.828	0.815	0.823	0.803	0.801
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.840	0.884	0.892	0.881	0.882	0.867	0.874	0.861	0.860	0.845	0.851	0.836	0.838	0.831	0.833	0.815	0.817
Other Capital Costs		1.312	1.147	1.155	1.165	1.177	1.185	1.188	1.188	1.188	1.189	1.188	1.189	1.188	1.189	1.202	1.204	1.224
Other	CPI - Residential Rent	1.312	1.147	1.155	1.165	1.177	1.185	1.188	1.188	1.188	1.189	1.188	1.189	1.188	1.189	1.202	1.204	1.224

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1996-2021*

Expense Category	Price/Wage Variable	Base Year																
		Weights 2004	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4
Percent Changes																		
Total - SNF04		100.000	3.3	3.4	3.6	3.7	3.6	3.3	2.8	2.3	2.0	1.9	2.0	2.1	2.1	2.1	2.2	2.3
Compensation		62.755	3.3	3.2	3.1	3.1	3.1	2.9	2.7	2.4	2.1	1.9	1.7	1.6	1.5	1.5	1.5	1.5
Wages and Salaries	Blended wages and salary proxy	51.337	3.4	3.4	3.3	3.3	3.2	3.0	2.8	2.4	2.1	1.8	1.5	1.4	1.3	1.3	1.3	1.3
Employee Benefits	Blended benefits proxy	11.418	2.5	2.3	2.5	2.4	2.5	2.2	2.1	2.1	2.1	2.2	2.3	2.5	2.5	2.5	2.5	2.4
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	3.5	3.2	3.1	3.0	2.8	2.6	2.1	1.7	1.3	1.2	1.3	1.5	1.8	2.0	2.0	2.0
Utilities		1.551	3.1	4.5	7.2	8.2	8.2	4.5	-1.7	-4.8	-5.9	-3.7	0.0	1.8	2.2	1.7	0.5	0.3
Electricity	WPI - Commercial Electric Power	0.919	3.0	3.5	4.1	4.8	5.7	5.5	4.5	3.0	1.7	1.5	1.8	2.2	2.4	1.8	0.9	0.8
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	2.4	6.0	13.8	15.4	13.8	1.9	-15.5	-22.1	-23.6	-17.9	-7.3	-1.8	-0.4	-0.9	-3.3	-3.8
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	5.4	5.4	5.6	6.0	6.2	6.7	7.0	7.0	7.3	7.5	7.5	7.4	7.0	6.5	6.1	5.8
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	0.8	0.1	-0.4	-0.8	-1.2	-1.5	-1.8	-2.0	-2.1	-2.0	-1.9	-1.6	-1.3	-1.1	-0.9	-0.7
All Other		25.448	4.3	4.9	5.5	5.9	5.7	5.1	4.0	3.2	3.0	3.1	3.5	3.9	4.0	4.3	4.6	4.8
All Other Products		19.030	4.5	5.3	6.1	6.7	6.6	6.0	4.8	3.7	3.5	3.6	4.1	4.6	4.8	5.1	5.4	5.6
Pharmaceuticals	WPI - Prescription Drugs	7.894	5.0	6.0	6.6	7.2	7.3	7.1	7.2	7.1	7.5	7.6	7.6	7.0	6.8	6.8	6.6	6.6
Food: Direct Purchase	WPI - Processed Foods	2.906	8.3	8.7	9.7	9.3	7.1	4.2	-0.2	-2.4	-2.0	-0.9	1.5	3.4	4.6	6.2	7.9	8.4
Food: Contract Service	CPI - Food Away Fr. Home	3.151	3.8	4.0	4.2	4.4	4.6	4.6	4.2	3.5	2.7	1.9	1.5	1.3	1.3	1.6	2.0	2.3
Chemicals	Blended chemical proxy	0.589	3.6	4.8	6.7	9.0	9.8	9.5	7.7	4.4	2.1	0.4	-0.8	-0.9	-0.6	-0.1	1.6	3.2
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	1.6	2.8	4.9	7.0	7.0	5.7	2.7	-0.4	-1.1	-0.3	1.5	3.3	4.4	5.2	6.2	7.1
Paper Products	WPI - Convert. Paper And Paperboard	1.394	2.3	3.0	4.5	6.1	6.7	6.6	4.7	1.8	0.1	-0.2	1.0	3.0	4.6	5.0	4.5	3.6
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	2.1	2.5	2.8	3.4	3.7	3.8	3.4	2.6	1.8	1.3	1.1	1.2	1.4	1.7	2.0	2.4
All Other Services		6.418	3.4	3.5	3.6	3.2	2.9	2.3	1.6	1.5	1.5	1.7	1.7	1.6	1.5	1.7	1.9	2.1
Telephone Services	CPI - Telephone Services	0.434	2.5	2.2	2.1	2.2	2.5	2.6	2.3	1.9	1.3	0.8	0.4	0.0	-0.4	-0.7	-1.1	-1.1
Postage	CPI - Postage	0.454	3.4	3.8	3.6	3.4	3.6	3.9	4.4	4.9	5.2	4.7	3.7	2.8	2.4	2.6	3.2	3.9
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	3.6	3.6	3.3	3.0	2.9	2.5	2.4	2.2	1.9	1.8	1.6	1.5	1.6	1.6	1.7	1.7
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	3.3	3.7	4.4	3.8	2.8	1.4	-0.3	-0.4	0.2	1.0	1.7	1.6	2.0	2.7	3.2	3.2
Capital Costs		7.207	0.9	0.9	0.9	1.1	1.2	1.3	1.2	1.0	0.7	0.4	0.3	0.2	0.3	0.5	0.6	0.7
Depreciation		2.858	2.8	2.8	2.8	2.9	3.0	3.0	2.9	2.8	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.8
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	3.2	3.2	3.2	3.3	3.4	3.4	3.4	3.3	3.2	3.1	3.0	3.0	3.0	3.1	3.0	3.1
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	0.2	0.3	0.4	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.7	0.8
Interest Costs		3.037	-2.7	-2.7	-2.6	-2.2	-2.1	-1.9	-1.9	-2.2	-2.4	-2.6	-2.8	-2.				

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1996-2021

Expense Category	Price/Wage Variable	Base Year Weights 2004	2012Q1	Forecast 2012Q2	Forecast 2012Q3	Forecast 2012Q4	Forecast 2013Q1	Forecast 2013Q2	Forecast 2013Q3	Forecast 2013Q4	Forecast 2014Q1	Forecast 2014Q2	Forecast 2014Q3	Forecast 2014Q4	Forecast 2015Q1	Forecast 2015Q2	Forecast 2015Q3	Forecast 2015Q4
Index Levels																		
Total - SNF04		100.000	1.255	1.259	1.268	1.274	1.285	1.292	1.301	1.308	1.319	1.328	1.338	1.345	1.358	1.369	1.380	1.389
Compensation		62.755	1.226	1.231	1.239	1.247	1.257	1.263	1.272	1.279	1.290	1.297	1.308	1.316	1.329	1.338	1.349	1.359
Wages and Salaries	Blended wages and salary proxy	51.337	1.217	1.222	1.231	1.239	1.247	1.253	1.262	1.270	1.279	1.286	1.296	1.305	1.316	1.324	1.336	1.346
Employee Benefits	Blended benefits proxy	11.418	1.263	1.269	1.278	1.283	1.299	1.306	1.315	1.321	1.339	1.349	1.360	1.367	1.386	1.397	1.409	1.416
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	1.238	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		1.551	1.217	1.211	1.237	1.197	1.214	1.267	1.320	1.295	1.300	1.321	1.372	1.333	1.356	1.382	1.440	1.404
Electricity	WPI - Commercial Electric Power	0.919	1.261	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	0.983	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	1.584	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	1.208	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other		25.448	1.389	1.394	1.404	1.408	1.427	1.433	1.443	1.451	1.466	1.476	1.485	1.491	1.506	1.522	1.534	1.541
All Other Products		19.030	1.452	1.456	1.467	1.472	1.495	1.500	1.511	1.522	1.537	1.549	1.558	1.566	1.582	1.600	1.614	1.623
Pharmaceuticals	WPI - Prescription Drugs	7.894	1.659	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Direct Purchase	WPI - Processed Foods	2.906	1.333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Contract Service	CPI - Food Away Fr. Home	3.151	1.267	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	Blended chemical proxy	0.589	1.387	1.394	1.405	1.416	1.426	1.434	1.442	1.451	1.461	1.469	1.477	1.485	1.492	1.498	1.504	1.511
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	1.407	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.394	1.312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	1.193	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services		6.418	1.205	1.210	1.217	1.219	1.228	1.235	1.240	1.243	1.253	1.261	1.267	1.271	1.281	1.290	1.295	1.300
Telephone Services	CPI - Telephone Services	0.434	1.056	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage	CPI - Postage	0.454	1.285	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	1.206	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	1.216	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Costs		7.207	1.053	1.058	1.057	1.062	1.063	1.070	1.070	1.075	1.077	1.082	1.082	1.088	1.091	1.097	1.099	1.106
Depreciation		2.858	1.239	1.245	1.256	1.265	1.274	1.279	1.290	1.300	1.308	1.314	1.324	1.335	1.344	1.349	1.360	1.371
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	1.276	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	1.028	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Costs		3.037	0.800	0.806	0.790	0.790	0.782	0.790	0.779	0.779	0.770	0.775	0.764	0.764	0.759	0.768	0.758	0.761
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.197	0.789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.840	0.808	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Capital Costs		1.312	1.232	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	CPI - Residential Rent	1.312	1.232	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1996-2021*

Expense Category	Price/Wage Variable	Base Year Weights 2004	2012Q1	Forecast 2012Q2	Forecast 2012Q3	Forecast 2012Q4	Forecast 2013Q1	Forecast 2013Q2	Forecast 2013Q3	Forecast 2013Q4	Forecast 2014Q1	Forecast 2014Q2	Forecast 2014Q3	Forecast 2014Q4	Forecast 2015Q1	Forecast 2015Q2	Forecast 2015Q3	Forecast 2015Q4
Percent Changes																		
Total - SNF04		100.000	2.3	2.3	2.2	2.2	2.3	2.4	2.5	2.6	2.6	2.7	2.8	2.8	2.9	2.9	3.0	3.1
Compensation		62.755	1.5	1.5	1.6	1.8	2.1	2.3	2.5	2.6	2.6	2.6	2.7	2.8	2.9	3.0	3.1	3.1
Wages and Salaries	Blended wages and salary proxy	51.337	1.3	1.3	1.4	1.7	1.9	2.2	2.4	2.5	2.5	2.6	2.6	2.6	2.7	2.8	2.9	3.0
Employee Benefits	Blended benefits proxy	11.418	2.4	2.3	2.3	2.4	2.6	2.8	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.5	3.6	3.6
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	2.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		1.551	-0.4	-1.4	-2.1	-3.2	-2.8	-0.8	1.9	4.8	6.7	6.6	5.8	4.5	3.9	4.0	4.2	4.8
Electricity	WPI - Commercial Electric Power	0.919	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	-5.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	5.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	-0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other		25.448	4.9	4.7	4.2	3.8	3.4	3.1	2.9	2.8	2.8	2.9	2.9	2.8	2.9	2.9	3.0	3.1
All Other Products		19.030	5.7	5.4	4.8	4.4	3.8	3.4	3.2	3.1	3.1	3.1	3.2	3.0	3.0	3.0	3.2	3.4
Pharmaceuticals	WPI - Prescription Drugs	7.894	6.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Direct Purchase	WPI - Processed Foods	2.906	7.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Contract Service	CPI - Food Away Fr. Home	3.151	2.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	Blended chemical proxy	0.589	4.2	4.6	3.9	3.2	2.8	2.6	2.7	2.7	2.6	2.5	2.5	2.4	2.3	2.2	2.1	1.9
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	7.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.394	2.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	2.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services		6.418	2.1	2.0	1.9	1.9	1.9	2.0	2.0	1.9	2.0	2.0	2.1	2.2	2.2	2.3	2.3	2.3
Telephone Services	CPI - Telephone Services	0.434	-0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage	CPI - Postage	0.454	3.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	1.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	3.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Costs		7.207	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.2	1.2	1.2	1.2	1.3	1.4	1.5	1.5
Depreciation		2.858	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	3.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Costs		3.037	-2.8	-2.9	-2.8	-2.7	-2.5	-2.3	-2.1	-1.8	-1.6	-1.6	-1.7	-1.8	-1.8	-1.5	-1.3	-0.9
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.197	-3.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.840	-2.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Capital Costs		1.312	2.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	CPI - Residential Rent	1.312	2.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Percent changes calculated using more than ten decimal places.

Source: IHS Global Insight, 2012Q2, Historical Data through 2012Q1; Released by: CMS, OACT, National Health Statistics Group, (410) 786-6397

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1996-2021

Expense Category	Price/Wage Variable	Base Year Weights 2004	Forecast 2016Q1	Forecast 2016Q2	Forecast 2016Q3	Forecast 2016Q4	Forecast 2017Q1	Forecast 2017Q2	Forecast 2017Q3	Forecast 2017Q4	Forecast 2018Q1	Forecast 2018Q2	Forecast 2018Q3	Forecast 2018Q4	Forecast 2019Q1	Forecast 2019Q2	Forecast 2019Q3	Forecast 2019Q4
Index Levels																		
Total - SNF04		100.000	1.402	1.412	1.423	1.431	1.444	1.454	1.466	1.475	1.488	1.498	1.509	1.518	1.531	1.541	1.553	1.561
Compensation		62.755	1.372	1.381	1.394	1.404	1.418	1.427	1.440	1.451	1.465	1.474	1.487	1.498	1.511	1.520	1.533	1.544
Wages and Salaries	Blended wages and salary proxy	51.337	1.357	1.366	1.379	1.390	1.402	1.412	1.425	1.436	1.448	1.457	1.470	1.481	1.492	1.501	1.513	1.524
Employee Benefits	Blended benefits proxy	11.418	1.436	1.448	1.460	1.468	1.488	1.499	1.512	1.521	1.541	1.553	1.566	1.576	1.597	1.608	1.622	1.631
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		1.551	1.412	1.418	1.467	1.408	1.412	1.422	1.477	1.427	1.440	1.456	1.516	1.466	1.481	1.497	1.557	1.505
Electricity	WPI - Commercial Electric Power	0.919	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other		25.448	1.557	1.568	1.577	1.582	1.597	1.609	1.618	1.624	1.640	1.650	1.658	1.663	1.679	1.690	1.699	1.704
All Other Products		19.030	1.640	1.652	1.662	1.667	1.683	1.696	1.706	1.712	1.730	1.740	1.748	1.753	1.771	1.783	1.792	1.798
Pharmaceuticals	WPI - Prescription Drugs	7.894	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Direct Purchase	WPI - Processed Foods	2.906	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Contract Service	CPI - Food Away Fr. Home	3.151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	Blended chemical proxy	0.589	1.516	1.520	1.524	1.530	1.534	1.538	1.542	1.547	1.552	1.556	1.560	1.566	1.570	1.574	1.578	1.584
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.394	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services		6.418	1.310	1.320	1.326	1.331	1.342	1.351	1.357	1.362	1.373	1.383	1.390	1.396	1.406	1.416	1.422	1.427
Telephone Services	CPI - Telephone Services	0.434	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage	CPI - Postage	0.454	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Costs		7.207	1.110	1.116	1.119	1.127	1.131	1.137	1.139	1.148	1.153	1.159	1.162	1.171	1.176	1.181	1.184	1.192
Depreciation		2.858	1.381	1.386	1.396	1.408	1.417	1.422	1.433	1.445	1.455	1.460	1.471	1.483	1.493	1.499	1.509	1.522
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Costs		3.037	0.759	0.766	0.758	0.762	0.760	0.766	0.759	0.765	0.763	0.769	0.764	0.769	0.768	0.772	0.765	0.768
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.197	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.840	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Capital Costs		1.312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	CPI - Residential Rent	1.312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1996-2021*

Expense Category	Price/Wage Variable	Base Year Weights 2004	Forecast 2016Q1	Forecast 2016Q2	Forecast 2016Q3	Forecast 2016Q4	Forecast 2017Q1	Forecast 2017Q2	Forecast 2017Q3	Forecast 2017Q4	Forecast 2018Q1	Forecast 2018Q2	Forecast 2018Q3	Forecast 2018Q4	Forecast 2019Q1	Forecast 2019Q2	Forecast 2019Q3	Forecast 2019Q4
Percent Changes																		
Total - SNF04		100.000	3.2	3.2	3.2	3.1	3.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.9	2.9	2.9	2.9
Compensation		62.755	3.2	3.2	3.2	3.3	3.3	3.4	3.4	3.3	3.3	3.3	3.3	3.3	3.2	3.2	3.1	3.1
Wages and Salaries	Blended wages and salary proxy	51.337	3.1	3.1	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.2	3.2	3.1	3.1	3.0	3.0
Employee Benefits	Blended benefits proxy	11.418	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.5
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		1.551	4.7	4.2	3.4	2.2	1.2	0.6	0.3	0.6	1.1	1.6	2.1	2.4	2.6	2.7	2.8	2.7
Electricity	WPI - Commercial Electric Power	0.919	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other		25.448	3.3	3.3	3.1	3.0	2.8	2.7	2.6	2.6	2.6	2.6	2.6	2.5	2.4	2.4	2.4	2.4
All Other Products		19.030	3.5	3.5	3.4	3.2	2.9	2.7	2.7	2.7	2.7	2.7	2.6	2.6	2.5	2.4	2.4	2.5
Pharmaceuticals	WPI - Prescription Drugs	7.894	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Direct Purchase	WPI - Processed Foods	2.906	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food: Contract Service	CPI - Food Away Fr. Home	3.151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals	Blended chemical proxy	0.589	1.8	1.7	1.5	1.4	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.394	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services		6.418	2.3	2.3	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.3
Telephone Services	CPI - Telephone Services	0.434	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage	CPI - Postage	0.454	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Costs		7.207	1.6	1.7	1.7	1.8	1.8	1.8	1.8	1.9	1.9	2.0	2.0	2.0	2.0	2.0	1.9	1.9
Depreciation		2.858	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Costs		3.037	-0.5	-0.3	-0.2	-0.1	0.0	0.0	0.1	0.2	0.3	0.4	0.4	0.5	0.5	0.5	0.4	0.2
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.197	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.840	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Capital Costs		1.312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	CPI - Residential Rent	1.312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Percent changes calculated using more than ten decimal places.

Source: IHS Global Insight, 2012Q2, Historical Data through 2012Q1; Released by: CMS, OACT, National Health Statistics Group, (410) 786-6397

Quarterly Index Levels in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1996-2021

Expense Category	Price/Wage Variable	Base Year Weights 2004	Forecast 2020Q1	Forecast 2020Q2	Forecast 2020Q3	Forecast 2020Q4	Forecast 2021Q1	Forecast 2021Q2	Forecast 2021Q3	Forecast 2021Q4
Index Levels										
Total - SNF04		100.000	1.575	1.585	1.597	1.605	1.619	1.630	1.642	1.651
Compensation		62.755	1.557	1.566	1.579	1.589	1.602	1.612	1.625	1.636
Wages and Salaries	Blended wages and salary proxy	51.337	1.535	1.544	1.556	1.567	1.578	1.587	1.600	1.612
Employee Benefits	Blended benefits proxy	11.418	1.652	1.664	1.678	1.688	1.710	1.723	1.738	1.748
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	-	-	-	-	-	-	-	-
Utilities		1.551	1.517	1.532	1.595	1.543	1.558	1.580	1.650	1.600
Electricity	WPI - Commercial Electric Power	0.919	-	-	-	-	-	-	-	-
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	-	-	-	-	-	-	-	-
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	-	-	-	-	-	-	-	-
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	-	-	-	-	-	-	-	-
All Other		25.448	1.722	1.733	1.741	1.747	1.765	1.777	1.786	1.792
All Other Products		19.030	1.817	1.829	1.838	1.843	1.864	1.876	1.886	1.892
Pharmaceuticals	WPI - Prescription Drugs	7.894	-	-	-	-	-	-	-	-
Food: Direct Purchase	WPI - Processed Foods	2.906	-	-	-	-	-	-	-	-
Food: Contract Service	CPI - Food Away Fr. Home	3.151	-	-	-	-	-	-	-	-
Chemicals	Blended chemical proxy	0.589	1.588	1.593	1.597	1.603	1.607	1.611	1.616	1.622
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.394	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	-	-	-	-	-	-	-	-
All Other Services		6.418	1.438	1.448	1.455	1.460	1.472	1.483	1.490	1.496
Telephone Services	CPI - Telephone Services	0.434	-	-	-	-	-	-	-	-
Postage	CPI - Postage	0.454	-	-	-	-	-	-	-	-
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	-	-	-	-	-	-	-	-
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	-	-	-	-	-	-	-	-
Capital Costs		7.207	1.197	1.202	1.206	1.215	1.221	1.226	1.231	1.240
Depreciation		2.858	1.533	1.538	1.550	1.563	1.574	1.580	1.592	1.606
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	-	-	-	-	-	-	-	-
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	-	-	-	-	-	-	-	-
Interest Costs		3.037	0.766	0.771	0.765	0.770	0.770	0.774	0.770	0.775
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.197	-	-	-	-	-	-	-	-
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.840	-	-	-	-	-	-	-	-
Other Capital Costs		1.312	-	-	-	-	-	-	-	-
Other	CPI - Residential Rent	1.312	-	-	-	-	-	-	-	-

4 Quarter Moving Average Percent Changes in the CMS Prospective Payment System Skilled Nursing Facility Input Price Index using IHS Global Insight Inc. (IGI) Forecast Assumptions, by Expense Category: 1996-2021*

Expense Category	Price/Wage Variable	Base Year Weights 2004	Forecast 2020Q1	Forecast 2020Q2	Forecast 2020Q3	Forecast 2020Q4	Forecast 2021Q1	Forecast 2021Q2	Forecast 2021Q3	Forecast 2021Q4
Percent Changes										
Total - SNF04		100.000	2.9	2.8	2.8	2.8	2.8	2.8	2.8	2.9
Compensation		62.755	3.1	3.0	3.0	3.0	3.0	2.9	2.9	3.0
Wages and Salaries	Blended wages and salary proxy	51.337	3.0	2.9	2.9	2.9	2.8	2.8	2.8	2.8
Employee Benefits	Blended benefits proxy	11.418	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.6
Professional Fees	ECI- Compensation Prof. and Tech. (Private)	1.322	-	-	-	-	-	-	-	-
Utilities		1.551	2.6	2.5	2.4	2.4	2.5	2.7	3.0	3.2
Electricity	WPI - Commercial Electric Power	0.919	-	-	-	-	-	-	-	-
Fuels (non-highway)	WPI - Commercial Natural Gas	0.453	-	-	-	-	-	-	-	-
Water, Sewerage, Other Util.	CPI - Water & Sewage	0.179	-	-	-	-	-	-	-	-
Prof. Liability Insurance	CMS - Prof. Liab. Prem.	1.717	-	-	-	-	-	-	-	-
All Other		25.448	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.6
All Other Products		19.030	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Pharmaceuticals	WPI - Prescription Drugs	7.894	-	-	-	-	-	-	-	-
Food: Direct Purchase	WPI - Processed Foods	2.906	-	-	-	-	-	-	-	-
Food: Contract Service	CPI - Food Away Fr. Home	3.151	-	-	-	-	-	-	-	-
Chemicals	Blended chemical proxy	0.589	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Rubber and Plastics	WPI - Rub. & Plast. Prod.	1.513	-	-	-	-	-	-	-	-
Paper Products	WPI - Convert. Paper And Paperboard	1.394	-	-	-	-	-	-	-	-
Miscellaneous Products	WPI - Finished Goods Less Food and Energy	1.582	-	-	-	-	-	-	-	-
All Other Services		6.418	2.3	2.3	2.3	2.3	2.3	2.4	2.4	2.4
Telephone Services	CPI - Telephone Services	0.434	-	-	-	-	-	-	-	-
Postage	CPI - Postage	0.454	-	-	-	-	-	-	-	-
Labor-intensive Services	ECI - Service Occupations (Private)	3.521	-	-	-	-	-	-	-	-
Non-labor-intensive Services	CPI - All Items (Urban)	2.008	-	-	-	-	-	-	-	-
Capital Costs		7.207	1.8	1.8	1.8	1.8	1.9	1.9	2.0	2.0
Depreciation		2.858	2.6	2.6	2.7	2.7	2.7	2.7	2.7	2.7
Fixed Assets	Boeckh - Institutional Construction: 23 Yrs	2.437	-	-	-	-	-	-	-	-
Movable Equipment	WPI - Mach. & Equipment: 10 Yrs.	0.421	-	-	-	-	-	-	-	-
Interest Costs		3.037	0.0	-0.1	-0.1	0.0	0.2	0.3	0.4	0.5
For-Profit	Avg. Yield Aaa Bonds: 22 Yrs	1.197	-	-	-	-	-	-	-	-
Non-profit	Avg. Yield Mun. Bonds: 22 Yrs	1.840	-	-	-	-	-	-	-	-
Other Capital Costs		1.312	-	-	-	-	-	-	-	-
Other	CPI - Residential Rent	1.312	-	-	-	-	-	-	-	-

* Percent changes calculated using more than ten decimal places.

Source: IHS Global Insight, 2012Q2, Historical Data through 2012Q1; Released by: CMS, OACT, National Health Statistics Group, (410) 786-6397