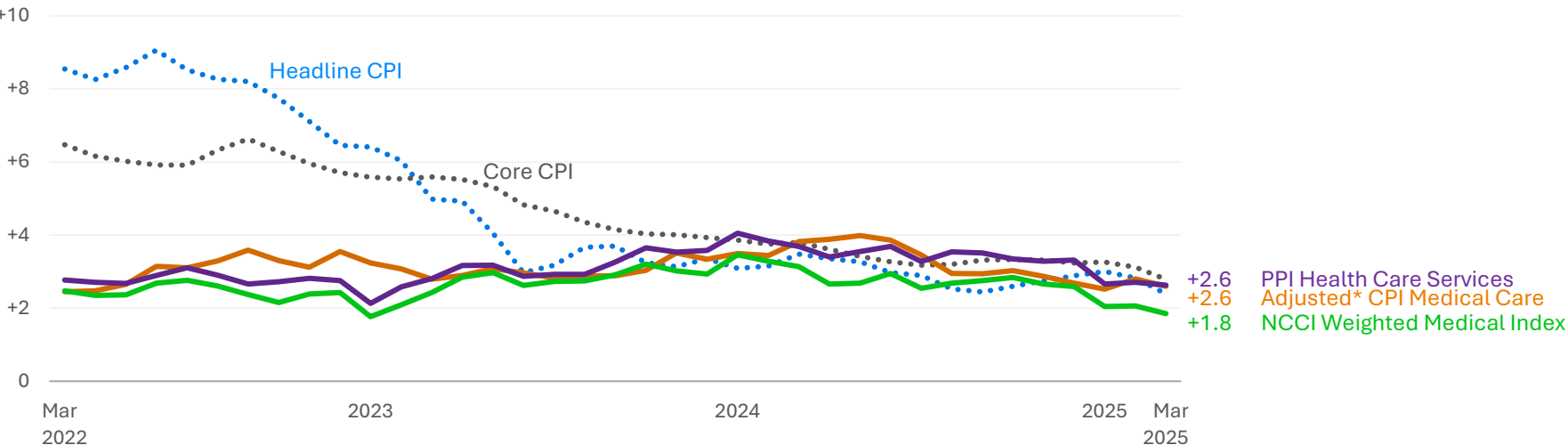




Aggregate Measures of General and Medical Inflation

Year-Over-Year Change, Percent



Inflation Aggregates (y/y %)	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Headline CPI	2.4	2.6	2.7	2.9	3.0	2.8	2.4
Core CPI	3.3	3.3	3.3	3.2	3.3	3.1	2.8

1

Medical Inflation Aggregates (y/y %)	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Adjusted* CPI Medical Care	2.9	3.0	2.9	2.7	2.5	2.8	2.6
PPI Health Care Services	3.5	3.3	3.3	3.3	2.7	2.7	2.6
NCCI WC Weighted Medical Index	2.8	2.8	2.7	2.6	2.0	2.1	1.8

2

Averages

1-Year	3-Year	5-Year	2015–19
2.8	4.6	4.2	1.6
3.3	4.5	4.0	2.0

Averages

1-Year	3-Year	5-Year	2015–19
3.1	3.1	2.8	2.4
3.2	3.1	3.0	1.6
2.5	2.6	2.4	1.2

1 After reaccelerating into the end of 2024, inflation decelerated again in the first quarter of 2025. In March, headline inflation fell to its lowest level since last September while core prices grew at their slowest pace since early 2021.

This trend in inflation may not last long, as it reflects the period before 10% global tariffs on all imports and heightened tariffs on imports from China were implemented.

We may begin to see the impact of tariffs in April's inflation report, due for release next month. The full impact may not be felt for several quarters because many companies built up inventory ahead of the announcement, potentially delaying the impact to end-user prices.

The ultimate impact to prices remains uncertain at this time. We won't be able to assess how much prices will change until we know which levies will be permanent and what the final level of duty will be.

2 Medical price growth also decelerated in the first quarter of 2025. Similar to the overall economy, we do not expect this subdued level of price growth to persist once the impact of tariffs is reflected in the data.

Details on Page 2.

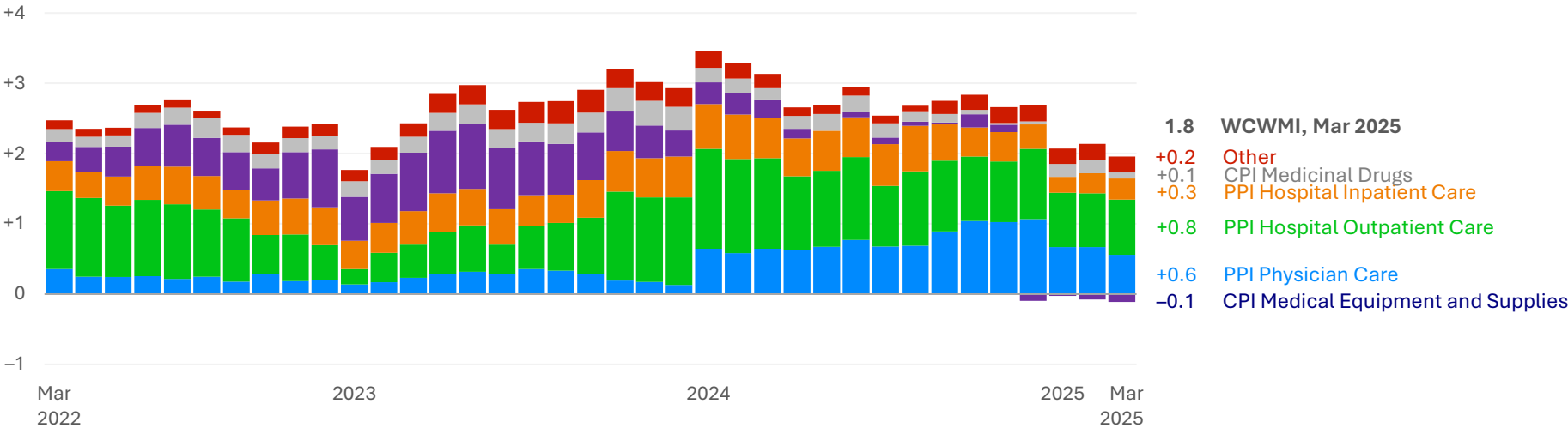
*Adjusted Medical CPI removes CPI Health Insurance from CPI Medical Care
Sources: US Bureau of Labor Statistics and NCCI's Medical Data Call; 1-, 3-, and 5-year averages are rolling 12-, 36-, and 60-month averages from the latest data point



NCCI MEDICAL INFLATION INSIGHTS

Workers Compensation Weighted Medical Price Index (WCWMI)

Component Contributions to the Year-Over-Year Change, Percent



Medical Care Details (y/y %)		Sep	Oct	Nov	Dec	Jan	Feb	Mar
100%	NCCI WC Weighted Medical Index	2.8	2.8	2.7	2.6	2.0	2.1	1.8
40%	PPI Physician Care	2.2	2.6	2.6	2.7	1.7	1.7	1.4
27%	PPI Hospital Outpatient Care	3.7	3.4	3.2	3.7	2.9	2.8	2.9
12%	PPI Hospital Inpatient Care	4.3	3.5	3.5	2.9	1.9	2.4	2.5
9%	CPI Medical Equipment and Supplies	0.3	2.1	1.2	-1.1	-0.3	-0.8	-1.2
7%	CPI Medicinal Drugs	1.7	0.9	0.3	0.6	2.6	2.7	1.2
5%	Other*	3.8	4.3	4.5	4.5	4.4	4.6	4.6

*Other is represented as long-term care (PPI Home and Hospice Care and PPI Nursing Home Care)

Sources: US Bureau of Labor Statistics and NCCI's Medical Data Call; 1-, 3-, and 5-year averages are rolling 12-, 36-, and 60-month averages from the latest data point

Averages				
	1-Year	3-Year	5-Year	2015-19
1	2.5	2.6	2.4	1.2
2	2.0	1.1	1.6	0.5
3	3.5	3.3	3.3	1.7
4	3.8	4.0	3.7	2.1
	0.3	4.5	1.7	0.3
	2.0	3.0	1.6	2.2
	3.5	3.9	3.3	1.9

- 1 Medical prices as measured by NCCI's WCWMI softened meaningfully in the first quarter on the combination of several trends.
- 2 The January 1, 2025, physician care price changes for Medicare and Medicaid patients were smaller than in 2024, leading to slower year-over-year growth in prices for the largest area of workers compensation spend.
- 3 The softening trend in price growth for facilities persisted in Q1. Price growth for both hospital inpatient services and hospital outpatient services remained below recent averages and may trend back up towards those trends over the course of the year.
- 4 Trade levies will directly impact workers compensation by raising prices on medical equipment and supplies and medicinal drugs. These categories combine to represent roughly 15% of medical spend in workers compensation, somewhat limiting the direct impact of higher prices.

Over time, higher supply costs for equipment and supplies may also lead to higher prices in physician services, facilities, and long-term care.