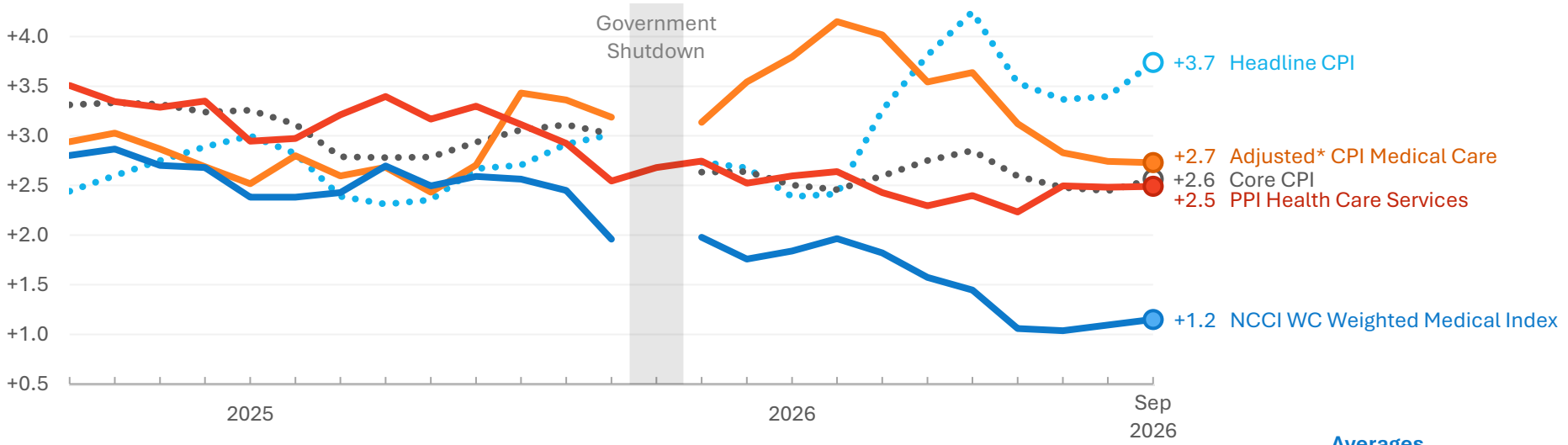
NCCI MEDICAL INFLATION INSIGHTS

October 2026

Aggregate Measures of General and Medical Inflation

Year-Over-Year Change, Percent



Inflation Aggregates (y/y %)	Mar	Apr	May	Jun	Jul	Aug	Sep	Averages 1-Year	3-Year	5-Year	2015–19
Headline CPI	3.3	3.8	4.2	3.5	3.4	3.4	3.7	3.2	3.0	4.4	1.6
Core CPI	2.6	2.8	2.9	2.6	2.5	2.4	2.6	2.6	3.1	4.1	2.0

Medical Inflation Aggregates (y/y %)	Mar	Apr	May	Jun	Jul	Aug	Sep	Averages 1-Year	3-Year	5-Year	2015–19
Adjusted* CPI Medical Care	4.0	3.5	3.6	3.1	2.8	2.7	2.7	3.4	3.2	3.1	2.4
PPI Health Care Services	2.4	2.3	2.4	2.2	2.5	2.5	2.5	2.5	3.1	3.0	1.6
NCCI WC Weighted Medical Index	1.8	1.6	1.4	1.1	1.0	1.1	1.2	1.5	2.4	2.5	1.2

*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

1 After softening somewhat at the beginning of the third quarter, headline CPI inflation accelerated again in September.

Higher energy prices continue to be the main theme. Compared to the same time last year, gasoline prices were 34.2% higher, while other motor fuels (including diesel fuel) were 60.9% higher at the end of the third quarter.

Excluding food and energy, core price growth remained near 2.5% for the quarter. While energy prices are excluded from core inflation, prolonged higher fuel costs can lead to higher prices for core goods and services as businesses pass through higher transportation and production costs to end consumers.

2 Consumer out-of-pocket medical costs, as measured by the Adjusted CPI Medical Care, grew faster through the first half of 2026 than other measures of medical prices. In the third quarter, the pace of consumer prices moderated and is now back in line with the PPI.

Other medical price aggregates (PPI and WCWMI) saw little change in trend from the second to third quarter; they had continued moderate price growth.

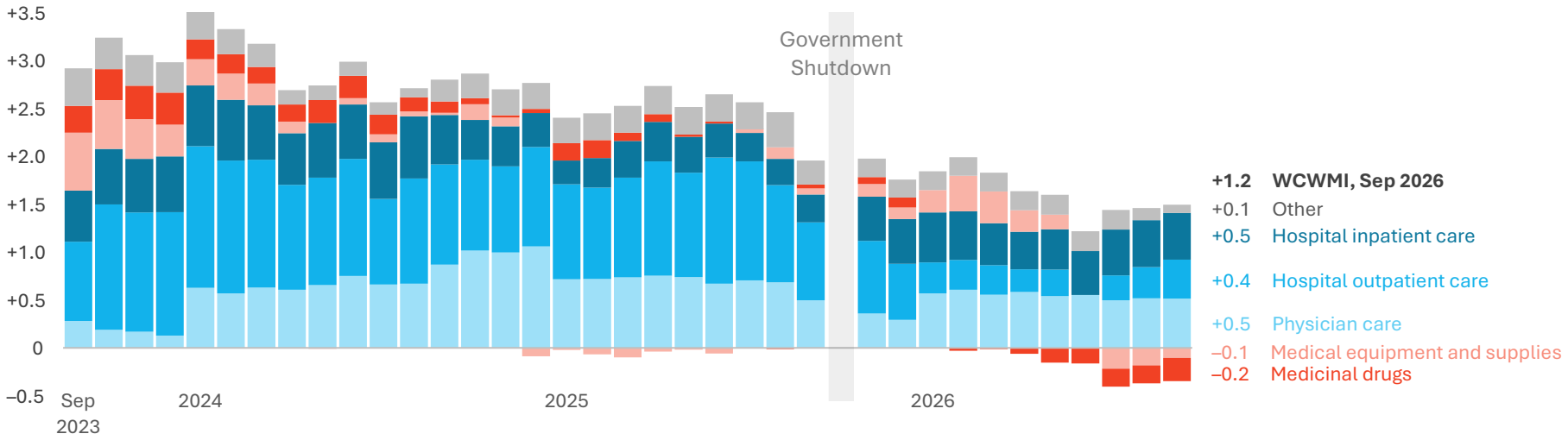
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NCCI MEDICAL INFLATION INSIGHTS

Workers Compensation Weighted Medical Price Index (WCWMI)

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



Medical Care Details (y/y %)	Mar	Apr	May	Jun	Jul	Aug	Sep		Averages 1-Year	3-Year	5-Year	2015–19
100% NCCI WC Weighted Medical Index	1.8	1.6	1.4	1.1	1.0	1.1	1.2	1	1.5	2.4	2.5	1.2
39% PPI Physician Care	1.4	1.5	1.4	1.4	1.3	1.3	1.3		1.3	1.6	1.4	0.5
28% PPI Hospital Outpatient Care	1.1	0.8	1.0	–0.0	0.9	1.2	1.5	2	1.3	3.1	3.0	1.7
12% PPI Hospital Inpatient Care	3.7	3.3	3.5	3.8	4.0	4.1	4.1		3.9	3.9	3.8	2.1
8% CPI Medical Equipment and Supplies	4.1	2.8	1.9	–0.0	–2.7	–2.3	–1.3		1.2	1.3	3.3	0.3
7% CPI Medicinal Drugs	–0.2	–0.9	–2.2	–2.3	–2.7	–2.7	–3.4	3	–1.1	1.1	1.7	2.2
6% Other*	3.3	3.3	3.5	3.5	3.4	2.1	1.4		3.1	3.8	3.7	1.9

*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

1. Consistent with the expectations outlined in the previous **Medical Inflation Insights**, the WCWMI saw a series of small accelerations in the pace of price increases in the third quarter.

   Underlying trends have continued as we have anticipated, and we continue to expect the year-over-year pace of growth in the WCWMI to trend upward towards a 2.0% to 2.5% range over the next several quarters.

2. Hospital outpatient price growth has begun to normalize after a short period of softer growth. Based on recent trends, we expect this category to continue to move up towards its longer-term average of around 3%.

3. Prices of like-for-like drugs have continued to decline. These recent declines are partially due to Medicare price negotiations and Most-Favored-Nation status on some drug imports.

   While like-for-like prices are declining, new drug formulations are becoming more prevalent in workers compensation. Stay tuned. NCCI has upcoming research on workers compensation medicinal drug trends.

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