



**American Hospital  
Association**

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## *NEWS RELEASE*

### **MEDICARE CUTS TO HOSPITAL CARE COULD LEAD TO NEARLY 278,000 JOBS LOST OVERALL**

**WASHINGTON** (January 19, 2012) – An updated analysis by Tripp Umbach, a firm specializing in conducting economic impact studies, finds that an additional 83,000 jobs could be lost if the Medicare cuts to hospital care included in H.R. 3630 (legislation extending the Social Security tax holiday, unemployment insurance and the physician fix), passed by the House, are implemented. This is in addition to the 194,000 jobs that will be lost through mandatory sequestration, already slated to begin in 2013. By 2021, these two policies could lead to nearly 278,000 jobs lost, along with as much as \$61.4 billion in Medicare reductions.

America's hospitals have long been an economic mainstay providing stability and growth even during times of recession. Despite the sluggish economy, the health care sector employs 36 percent more people than it did 10 years ago. Data from the Bureau of Labor Statistics show that hospitals created 89,000 jobs in 2011. As the country faces a demographic shift in which more and more seniors will be in need of hospital care, Congress is implementing policies that will result in fewer caregivers being able to care for them.

“Cuts in funding for hospital care will threaten jobs at a time when our nation needs to be creating jobs, not eliminating them,” said AHA President and CEO Rich Umbdenstock. “H.R. 3630 would lead to further job loss in hospitals, an ill-advised move in these tough economic times.”

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The importance of hospitals to their communities extends far beyond health care:

- In 2010, more than 4 million children were born in America's hospitals.
- Hospitals employ more than 5.4 million people.
- Health care is responsible for 1 in 5 new jobs.
- Two out of every three dollars spent on hospital care goes to the wages and salaries of caregivers and other workers.
- The goods and services hospitals and hospital workers purchase from other businesses create additional jobs and economic value for their communities.
- Hospitals rank second only to restaurants as the top source of private sector jobs.

The Tripp Umbach study measures the effect of reductions in federal health care funding on both direct and indirect business volume and employment using an economic model developed by the Bureau of Economic Analysis. This model used historical hospital employment patterns from the AHA Annual Survey and information from the Congressional Budget Office and analysis by AHA and the Moran Company on the potential level of cuts.

The Tripp Umbach report and other resources are available at [www.aha.org/jobs](http://www.aha.org/jobs)

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### **About the AHA**

The American Hospital Association (AHA) is the national organization that represents and serves all types of hospitals, health care networks, and their patients and communities. Close to 5,000 hospitals, health care systems, networks, other providers of care and 42,000 individual members come together to form the AHA. Founded in 1898, the AHA provides education for health care leaders and is a source of information on health care issues and trends. For more information, visit the AHA Web site at [www.aha.org](http://www.aha.org).

### **About Tripp Umbach**

Founded in 1990, Tripp Umbach is a nationally recognized consulting firm that provides a comprehensive scope of services ranging from research and strategic planning to impact analyses for organizations, communities and corporations throughout the world. Headquartered in Pittsburgh with consulting offices throughout the United States, Tripp Umbach has completed thousands of assignments worldwide and provided the blueprint for its clients to leverage their assets and seize new opportunities. Their work has generated billions of dollars in economic impact.