

CHAPTER 6

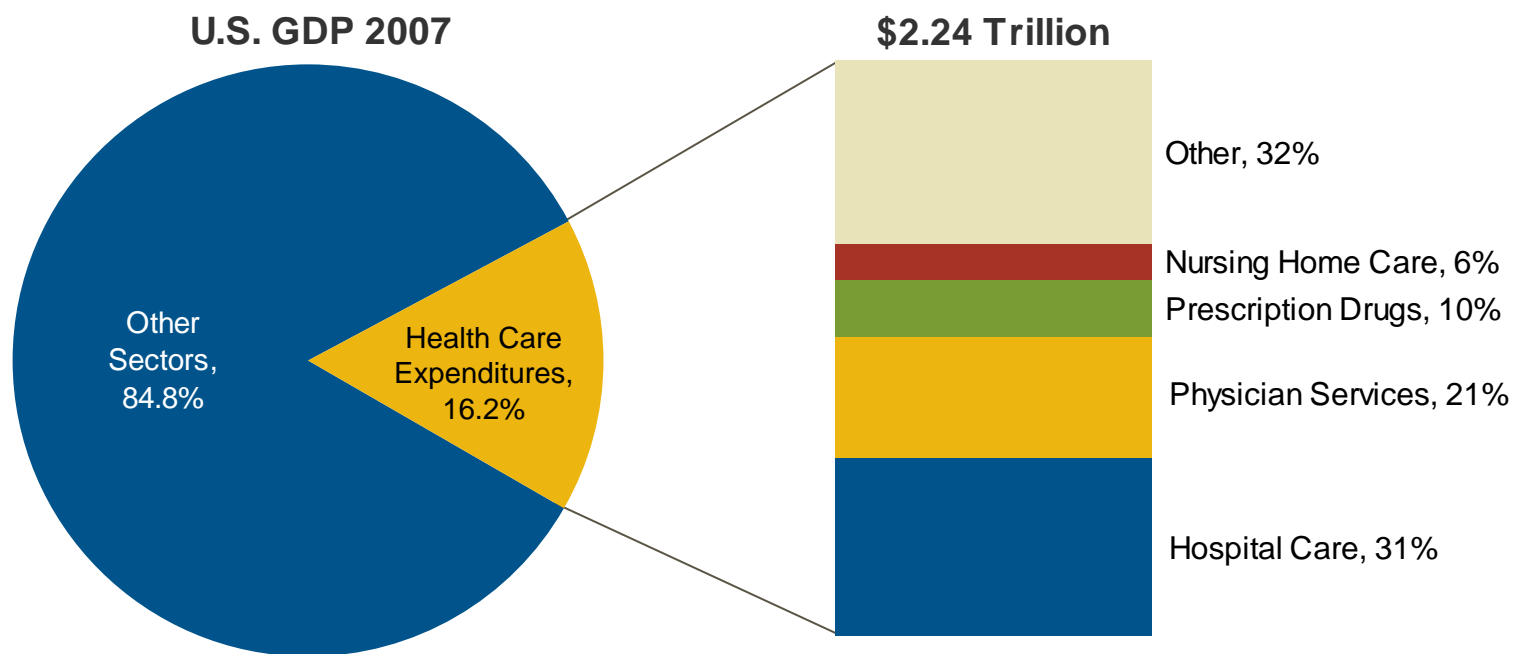
The Economic Contribution
of Hospitals

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CHAPTER 6.0: The Economic Contribution of Hospitals

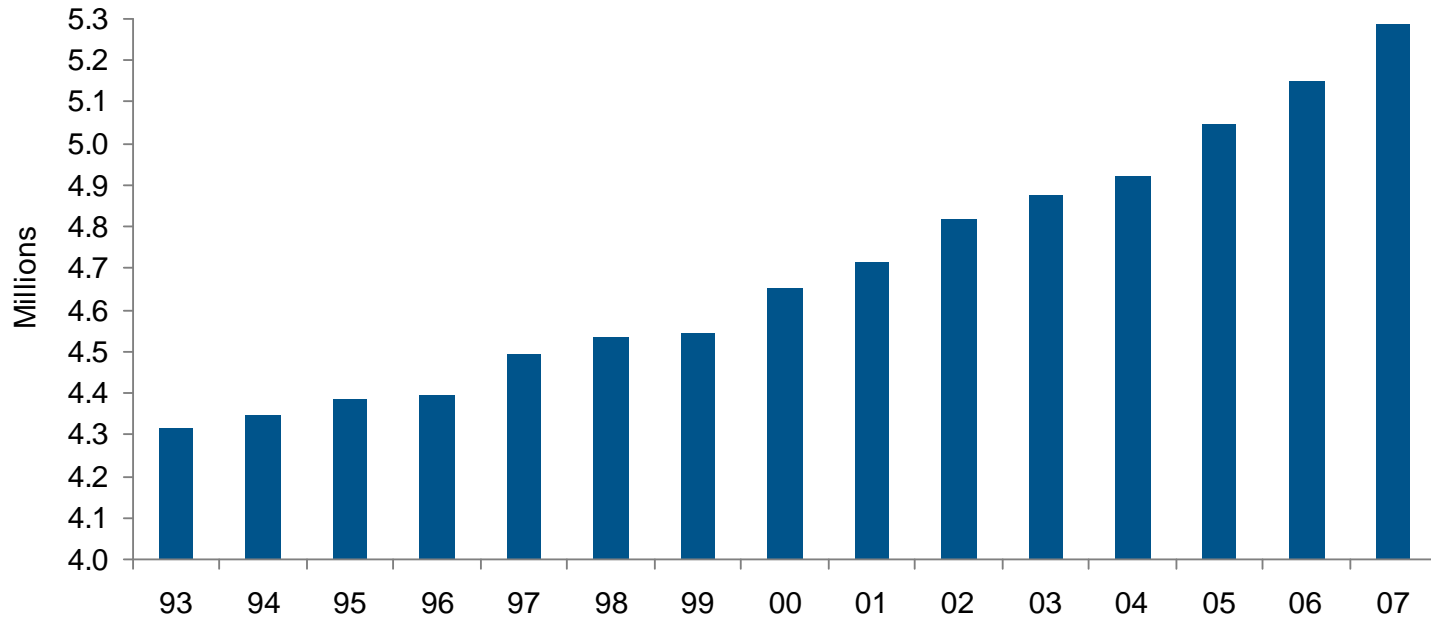
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Chart 6.1: National Health Expenditures as a Percentage of Gross Domestic Product and Breakdown of National Health Expenditures, 2007



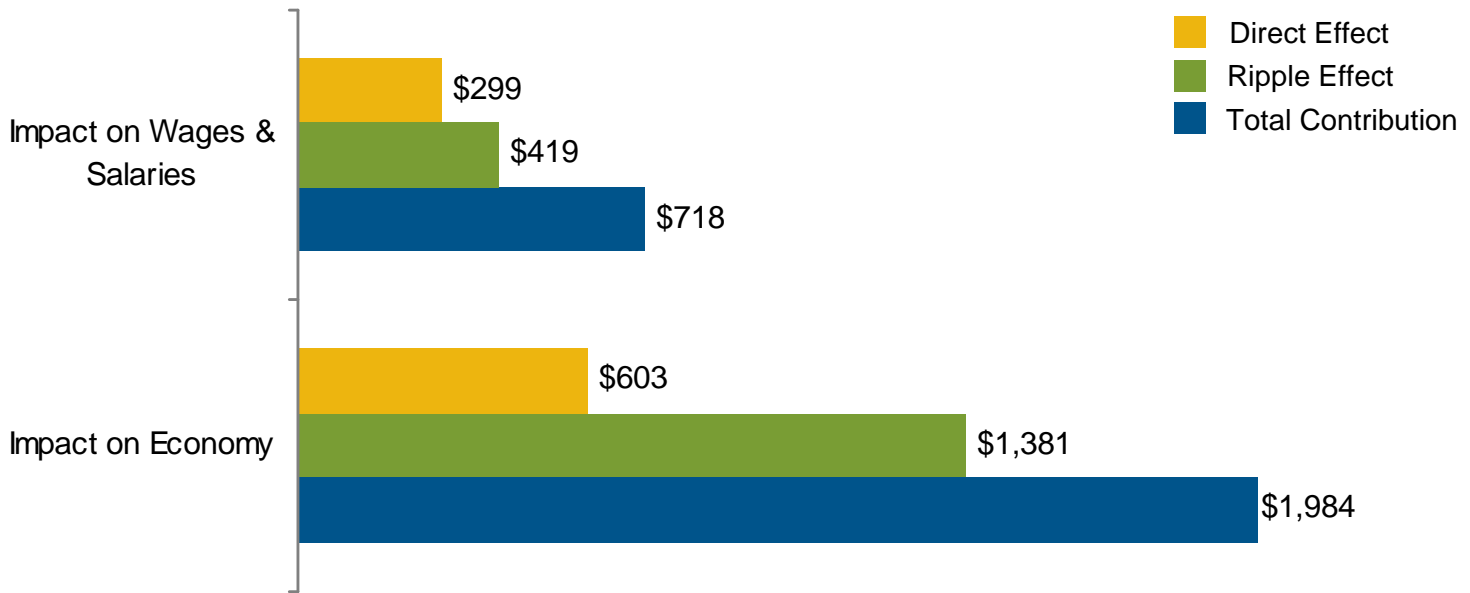
Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 6, 2009.

Chart 6.2: Number of Full-time and Part-time Hospital Employees, 1993 – 2007



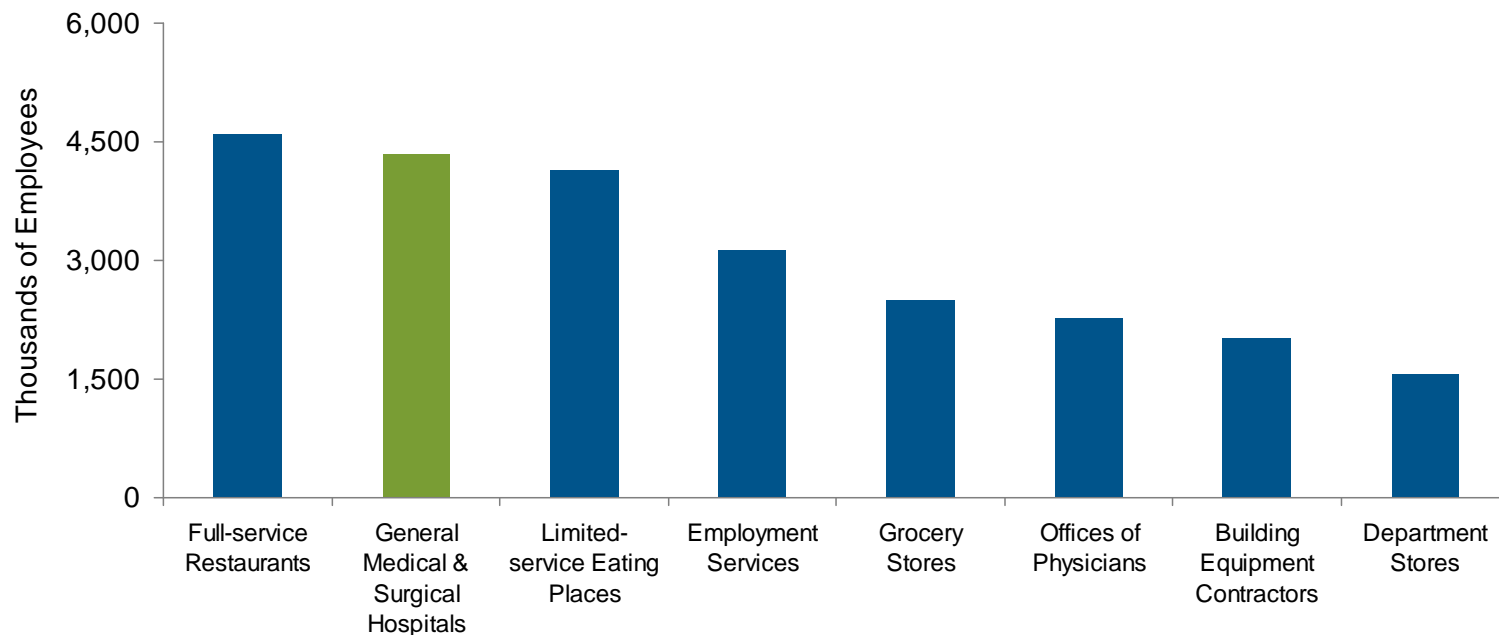
Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2007, for community hospitals.

Chart 6.3: Impact of Community Hospitals on U.S. Economy (in \$ billions), 2007



Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers applied to 2007 American Hospital Association Annual Survey data.

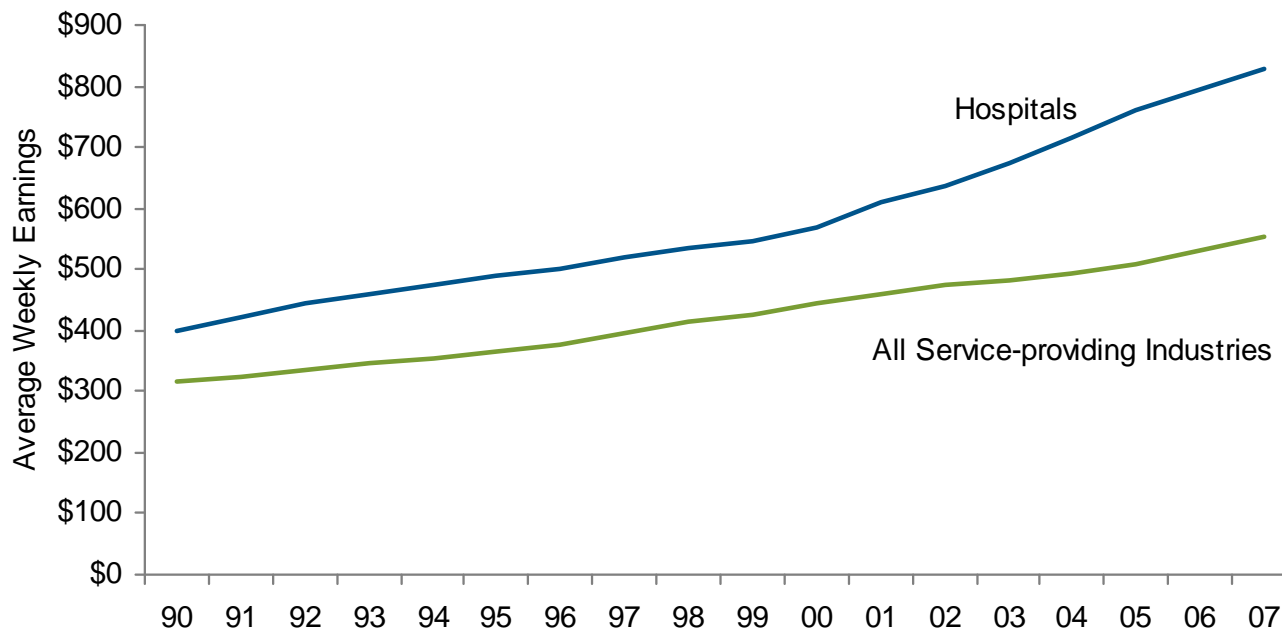
Chart 6.4: Hospital Employment vs. Employment in Other Industries, 2008⁽¹⁾



Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2009.
Link: <http://www.bls.gov/ces>.

⁽¹⁾ 2008 figures reflect annual projections.

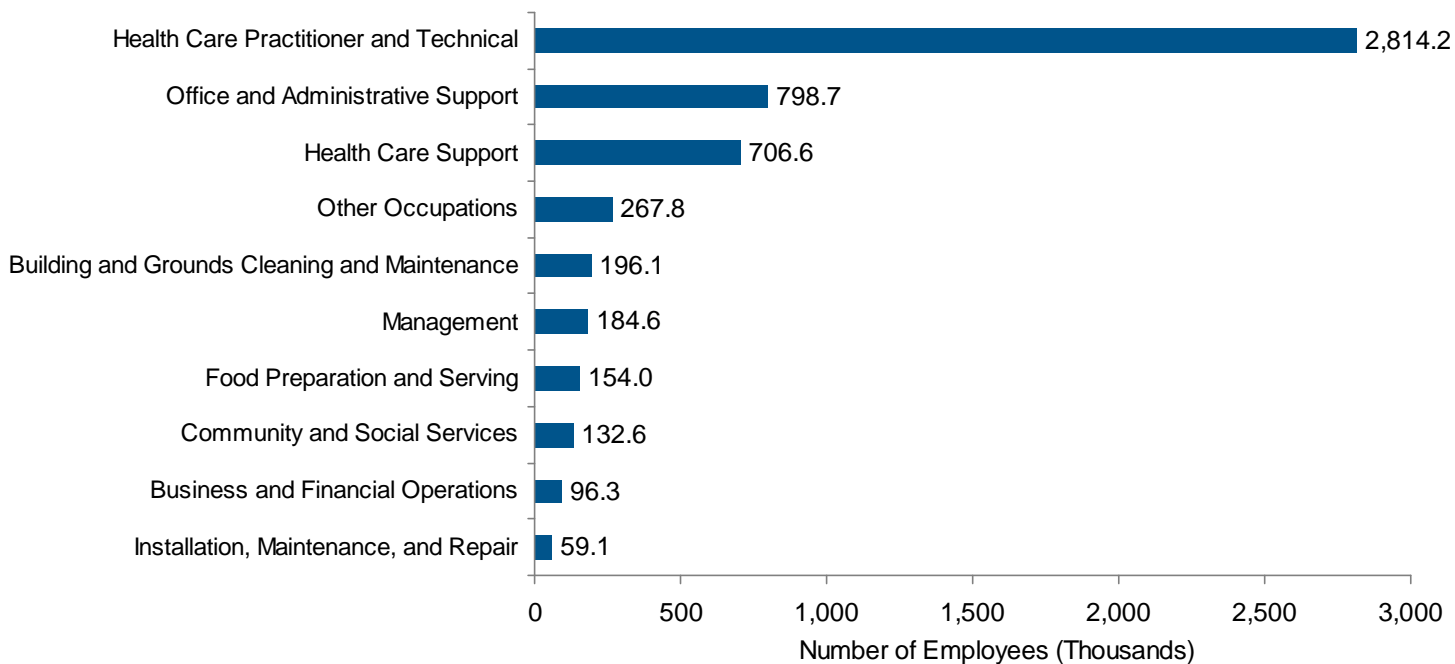
Chart 6.5: Average Weekly Earnings of Workers, Hospitals⁽¹⁾ vs. All Service-providing Industries, 1990 – 2007



Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2009.
Link: <http://www.bls.gov/ces>.

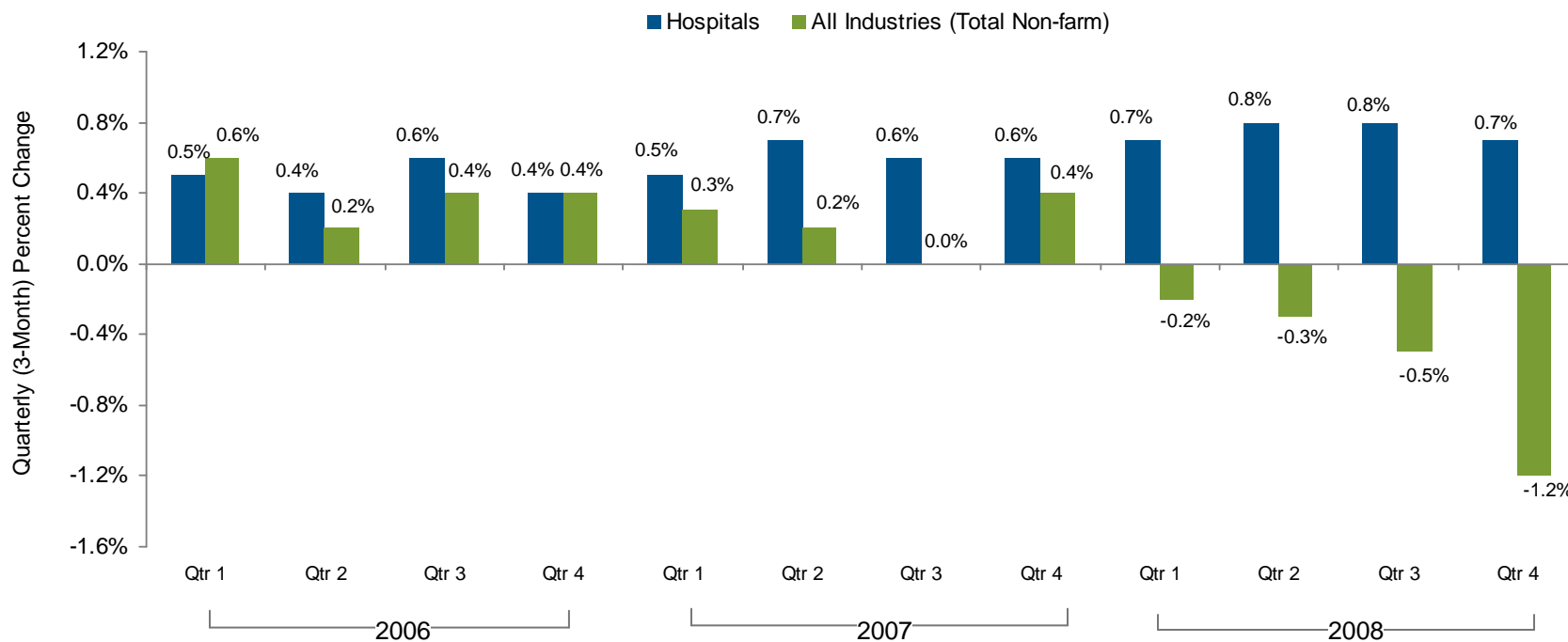
⁽¹⁾ Includes physicians employed by hospitals.

Chart 6.6: Hospital Employment by Occupation Type, 2007



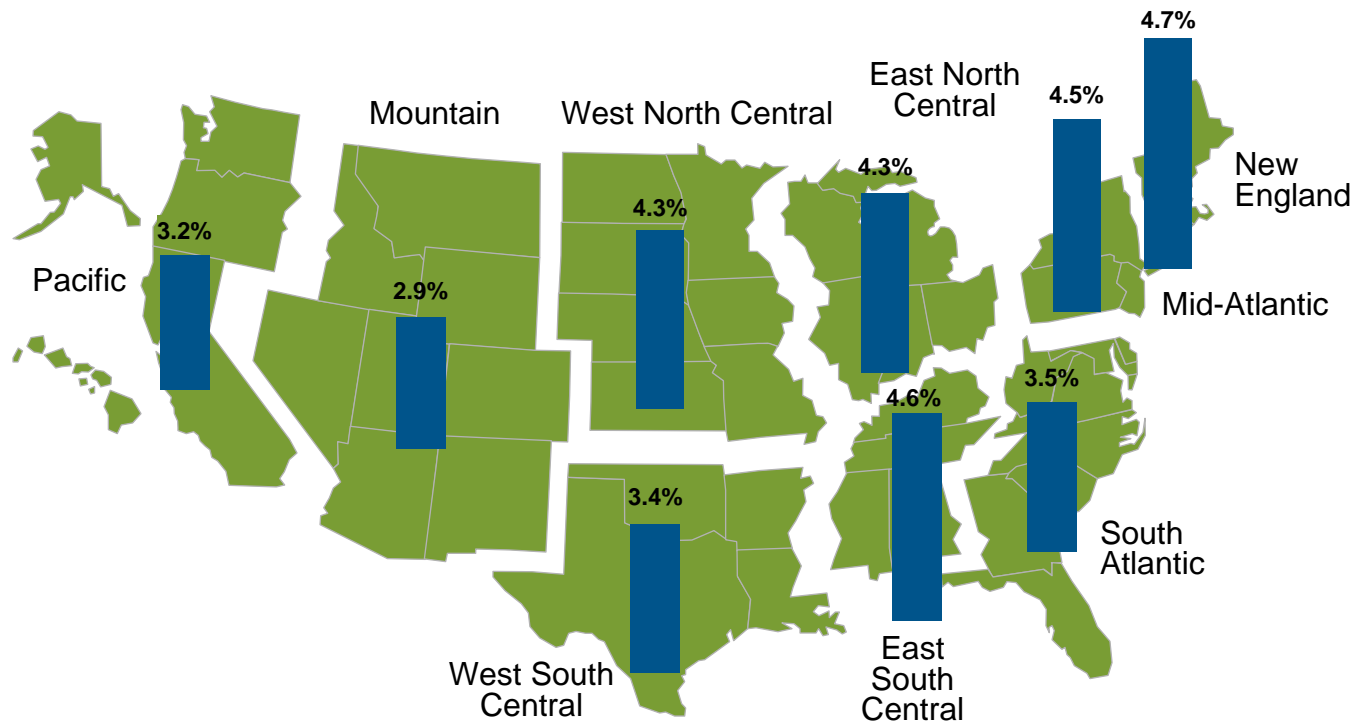
Source: Department of Labor, Bureau of Labor Statistics, 2007 National Industry-specific Occupational Employment and Wage. Data released February 2009. Link: http://www.bls.gov/oes/current/naics3_622000.htm.

Chart 6.7: Percent Change in Employment, Seasonally-adjusted: Hospital vs. All Industries (Total Non-farm), 2006 – 2008



Source: Department of Labor, Bureau of Labor Statistics. Link: <http://www.bls.gov/bls/employment.htm>.

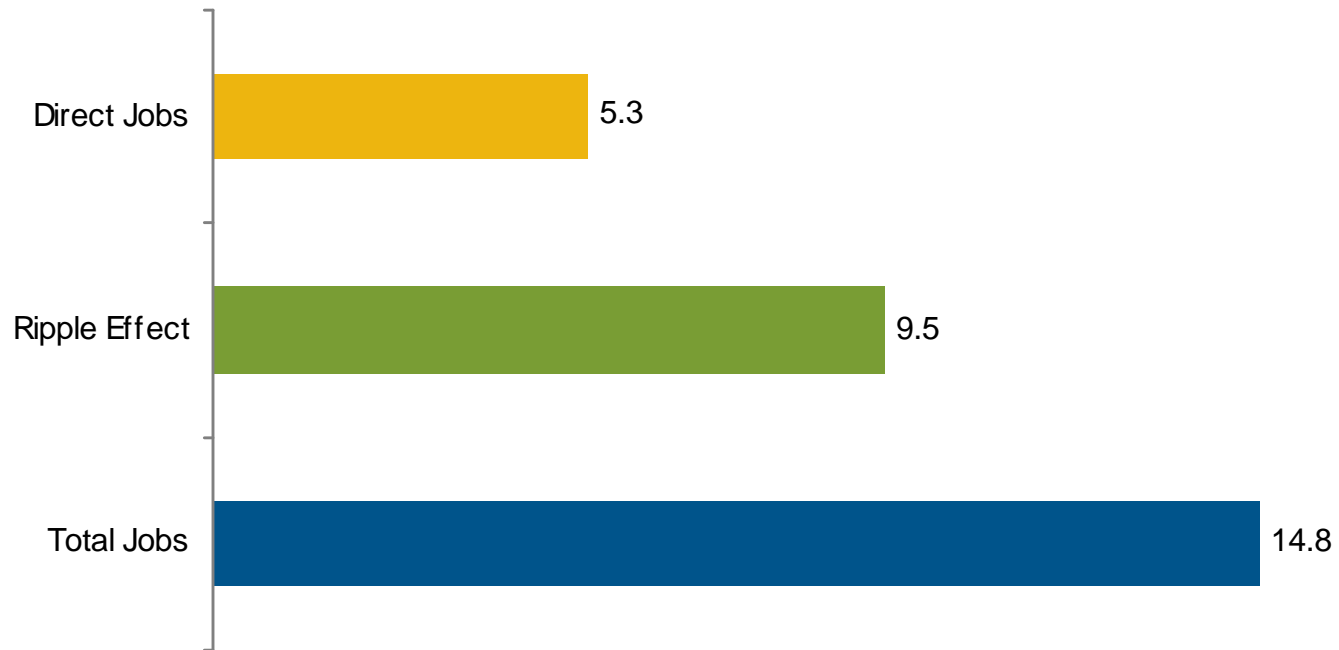
Chart 6.8: Percent of Total Regional Employment⁽¹⁾ by Hospitals, 2007



Source: Avalere Health analysis of American Hospital Association 2007 Annual Survey data and 2007 total non-farm employment data from the Bureau of Labor Statistics.

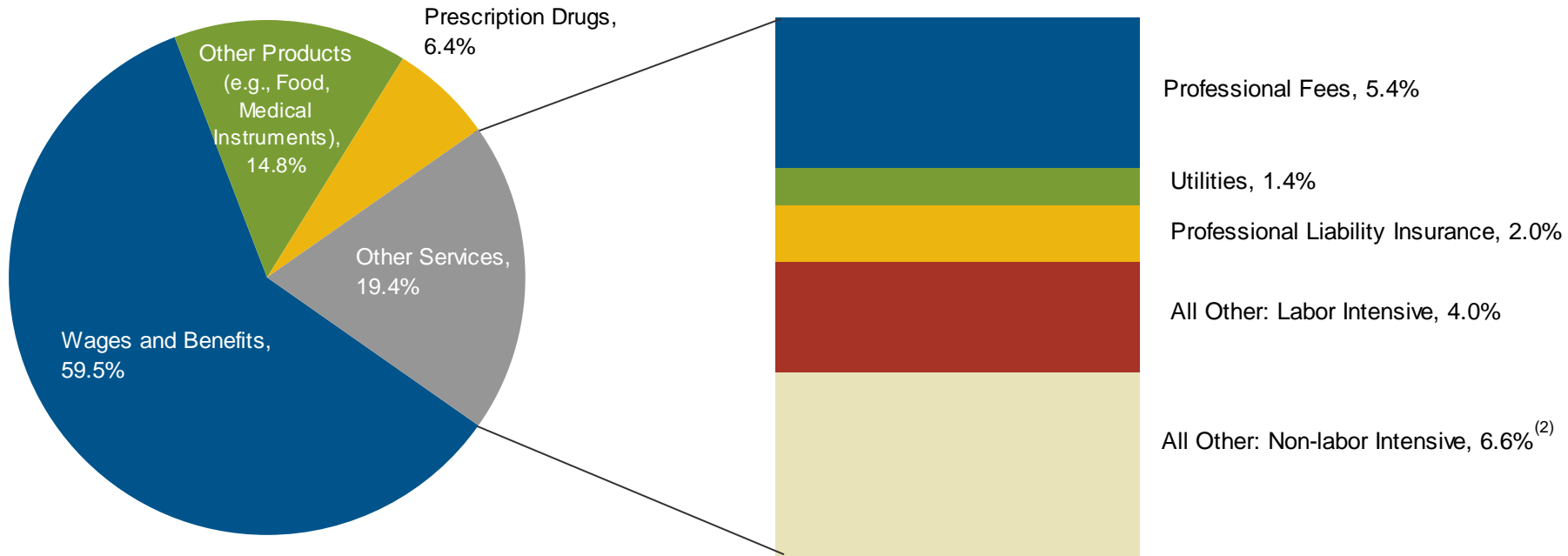
⁽¹⁾ Does not include farm employment.

Chart 6.9: Impact of Community Hospitals on U.S. Jobs (in millions), 2007



Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers applied to 2007 American Hospital Association Annual Survey data.

Chart 6.10: Percent of Hospital Costs⁽¹⁾ by Type of Expense, 2Q08



Source: AHA analysis of Centers for Medicare and Medicaid Services data, using base year 2002 weights.

⁽¹⁾ Does not include capital.

⁽²⁾ Includes postage and telephone expenses.

Chart 6.11: Hospital Impact on Sectors of the U.S. Economy
(in \$ billions), 2007

Industry	Economic Impact
Health care and social assistance	\$697.9
Manufacturing	297.2
Real estate and rental and leasing	187.9
Finance and insurance	126.8
Professional, scientific and technical services	82.4
Retail trade	81.1
Wholesale trade	65.0
Information	64.9
Transportation and warehousing	61.8
Administrative and waste management services	61.5
Accommodation and food services	51.0
Other services	49.7
Management of companies and enterprises	39.9
Utilities	35.3
Agriculture, forestry, fishing and hunting	29.1
Educational services	16.0
Arts, entertainment, and recreation	14.2
Mining	12.5
Construction	9.8
Total	\$1,984.0

Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers applied to 2007 American Hospital Association Annual Survey data.

Chart 6.12: Impact of Community Hospitals on U.S. Economy; All States, DC and Total U.S., 2007

State Name	Number of Hospital Jobs (FT and PT)	Multiplier for Employment	Effect of Hospital Jobs on Total Jobs in State Economy	Percent of Total (Non-farm) Employment Supported by Hospital Employment	Hospital Payroll and Benefits (\$ millions)	Multiplier for Earnings	Effect of Hospital Payroll and Benefits on Total Labor Income (\$ millions)	Hospital Expenditures* (\$ millions)	Multiplier for Output	Effect of Hospital Expenditures on Total Output in State Economy (\$ millions)
Alabama	84,372	2.0128	169,824	8.46%	\$3,935	1.7382	\$6,840	\$7,995	2.1741	\$17,382
Alaska	10,373	1.8931	19,637	6.18%	\$754	1.5342	\$1,157	\$1,513	1.8427	\$2,788
Arizona	81,851	2.1321	174,515	6.55%	\$4,812	1.7511	\$8,426	\$10,066	2.1596	\$21,739
Arkansas	48,358	1.9434	93,979	7.81%	\$2,271	1.6528	\$3,754	\$4,733	2.0373	\$9,643
California	488,413	2.2751	1,111,188	7.33%	\$29,662	1.9677	\$58,366	\$59,590	2.5265	\$150,554
Colorado	64,565	2.2728	146,743	6.30%	\$4,019	1.9439	\$7,813	\$8,610	2.4720	\$21,284
Connecticut	64,512	1.9089	123,147	7.25%	\$4,040	1.7029	\$6,880	\$7,351	2.1058	\$15,480
Delaware	18,192	1.9083	34,716	7.95%	\$1,119	1.6208	\$1,814	\$2,086	1.9746	\$4,119
District of Columbia	25,453	1.5648	39,829	5.73%	\$1,729	1.3668	\$2,363	\$3,268	1.3866	\$4,531
Florida	274,075	2.0425	559,798	6.96%	\$15,482	1.7860	\$27,651	\$33,100	2.2052	\$72,992
Georgia	142,804	2.1991	314,040	7.57%	\$7,460	1.9466	\$14,522	\$15,247	2.4931	\$38,012
Hawaii	17,231	2.1522	37,085	5.95%	\$1,099	1.6993	\$1,868	\$2,118	2.0783	\$4,402
Idaho	23,081	2.0753	47,900	7.31%	\$1,143	1.6781	\$1,918	\$2,426	2.0419	\$4,954
Illinois	238,827	2.2421	535,474	8.95%	\$13,321	2.0074	\$26,741	\$27,543	2.6107	\$71,907
Indiana	121,943	2.0684	252,227	8.44%	\$6,511	1.7652	\$11,493	\$13,585	2.2423	\$30,462
Iowa	69,362	1.9678	136,491	9.00%	\$3,185	1.6683	\$5,314	\$6,273	2.0566	\$12,901
Kansas	50,930	1.9810	100,892	7.32%	\$2,535	1.6851	\$4,272	\$4,789	2.1205	\$10,155
Kentucky	79,408	2.0151	160,015	8.56%	\$4,084	1.7246	\$7,043	\$8,892	2.1535	\$19,149
Louisiana	83,035	1.9761	164,085	8.54%	\$4,060	1.6890	\$6,857	\$8,179	2.0450	\$16,726
Maine	34,068	2.0994	71,522	11.58%	\$1,745	1.6934	\$2,955	\$3,367	2.0724	\$6,978
Maryland	88,988	2.0835	185,406	7.10%	\$5,215	1.7969	\$9,371	\$10,882	2.2440	\$24,419
Massachusetts	170,921	2.0772	355,037	10.83%	\$9,860	1.8276	\$18,020	\$20,146	2.2898	\$46,130
Michigan	202,310	2.0864	422,100	9.90%	\$11,498	1.7892	\$20,572	\$22,483	2.2250	\$50,025
Minnesota	109,745	2.2509	247,025	8.92%	\$6,370	1.8750	\$11,944	\$12,054	2.3801	\$28,690
Mississippi	57,797	1.9358	111,883	9.71%	\$2,908	1.6342	\$4,752	\$5,538	2.0111	\$11,137
Missouri	128,399	2.1314	273,670	9.79%	\$6,510	1.8270	\$11,894	\$14,782	2.3078	\$34,114
Montana	21,189	2.0277	42,965	9.70%	\$1,030	1.6295	\$1,678	\$2,023	1.9804	\$4,006
Nebraska	41,535	2.0012	83,120	8.63%	\$2,098	1.7151	\$3,598	\$4,373	2.1184	\$9,264
Nevada	24,104	1.9473	46,938	3.63%	\$1,755	1.6078	\$2,822	\$3,672	1.9425	\$7,133
New Hampshire	29,170	2.0164	58,818	9.06%	\$1,770	1.7655	\$3,125	\$3,320	2.1038	\$6,985
New Jersey	145,810	2.1713	316,597	7.77%	\$8,816	1.8966	\$16,720	\$16,115	2.4450	\$39,401
New Mexico	23,920	2.0834	49,835	5.91%	\$1,561	1.6371	\$2,556	\$2,905	1.9595	\$5,692
New York	410,448	1.8941	777,430	8.90%	\$27,886	1.6807	\$46,868	\$49,651	2.1262	\$105,568
North Carolina	160,251	2.1746	348,482	8.41%	\$8,674	1.8509	\$16,055	\$17,497	2.3573	\$41,246
North Dakota	19,702	1.8906	37,249	10.41%	\$948	1.5824	\$1,500	\$1,741	1.8921	\$3,294
Ohio	255,472	2.1845	558,079	10.29%	\$13,913	1.8463	\$25,688	\$28,050	2.3406	\$65,654
Oklahoma	55,856	2.0911	116,800	7.46%	\$2,728	1.7621	\$4,807	\$6,082	2.1927	\$13,336
Oregon	55,836	2.2135	123,593	7.14%	\$3,511	1.7507	\$6,147	\$6,847	2.1740	\$14,885
Pennsylvania	280,451	2.1859	613,038	10.58%	\$14,380	1.9220	\$27,638	\$30,846	2.4662	\$76,072
Rhode Island	21,269	1.9944	42,419	8.60%	\$1,443	1.6867	\$2,434	\$2,526	2.0518	\$5,183
South Carolina	70,611	2.1289	150,324	7.71%	\$3,667	1.7830	\$6,538	\$8,461	2.2809	\$19,299
South Dakota	20,689	1.8942	39,189	9.64%	\$977	1.5882	\$1,552	\$1,972	1.9210	\$3,788
Tennessee	135,462	2.1825	295,646	10.57%	\$6,734	1.8680	\$12,579	\$13,950	2.4045	\$33,543
Texas	322,603	2.3308	751,923	7.26%	\$17,986	1.9591	\$35,236	\$37,777	2.5537	\$96,471
Utah	39,172	2.2587	88,478	7.07%	\$1,871	1.9017	\$3,558	\$4,145	2.4405	\$10,116
Vermont	12,997	2.0105	26,130	8.49%	\$875	1.5910	\$1,392	\$1,480	1.8782	\$2,780
Virginia	107,870	1.9699	212,493	5.65%	\$6,129	1.7659	\$10,823	\$13,420	2.2555	\$30,269
Washington	94,091	2.2047	207,442	7.08%	\$6,183	1.8049	\$11,160	\$11,832	2.2829	\$27,011
West Virginia	42,024	1.9048	80,047	10.58%	\$2,036	1.5673	\$3,191	\$4,193	1.8522	\$7,766
Wisconsin	108,969	2.0666	225,195	7.81%	\$5,971	1.7664	\$10,547	\$12,720	2.2070	\$28,073
Wyoming	8,989	1.7451	15,687	5.44%	\$465	1.4443	\$672	\$908	1.6980	\$1,542
U.S.	5,287,503	2.8048	14,830,388	10.80%	\$298,734	2.4031	\$717,888	\$603,122	3.2896	\$1,984,030

Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers for hospital NAICS Code 622, released 2008, applied to American Hospital Association Annual Survey data for 2007. Hospital jobs are total part time and full time jobs. Hospital labor income is defined as payroll plus benefits. The percent of total employment supported by direct and indirect hospital employment is based on 2007 BLS data.

*Expenditures are defined as net patient revenue + other operating revenue.

