

CHAPTER 6

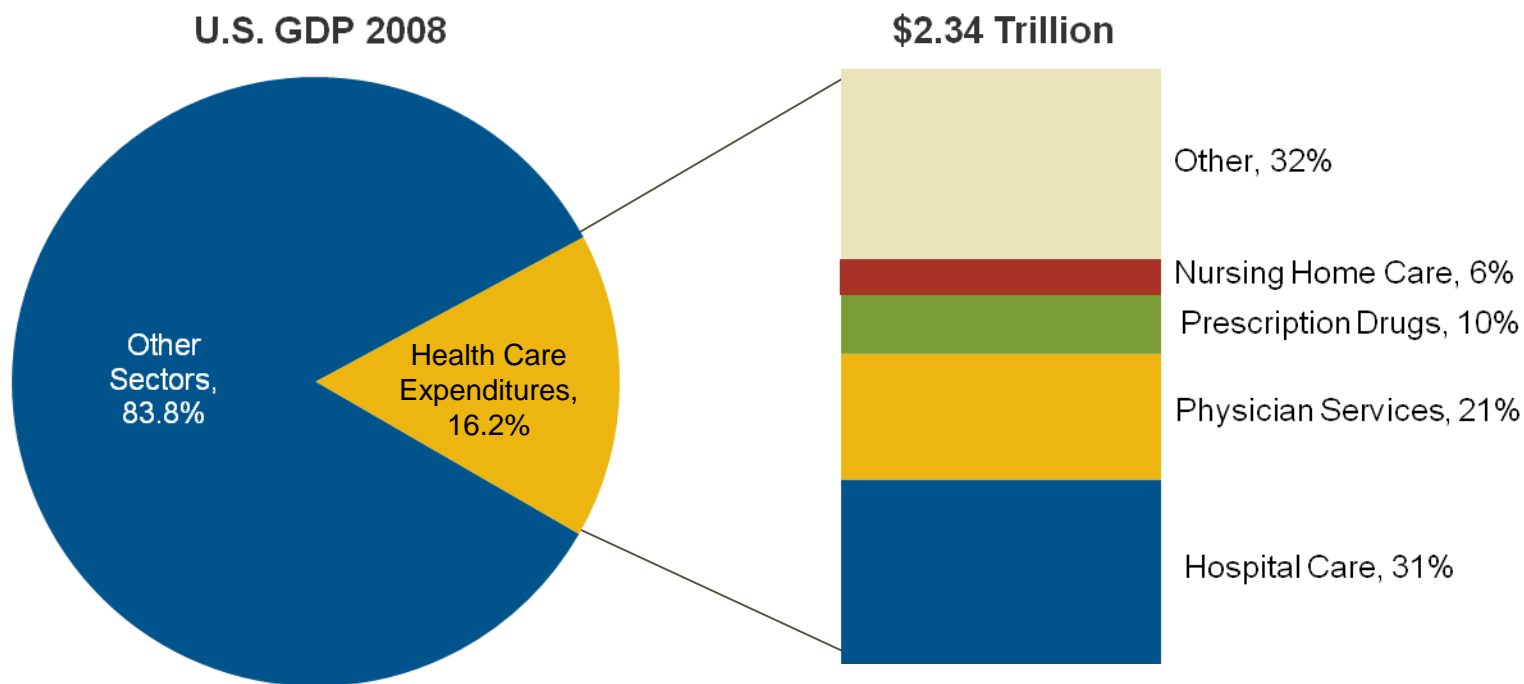
The Economic Contribution
of Hospitals

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CHAPTER 6.0: The Economic Contribution of Hospitals

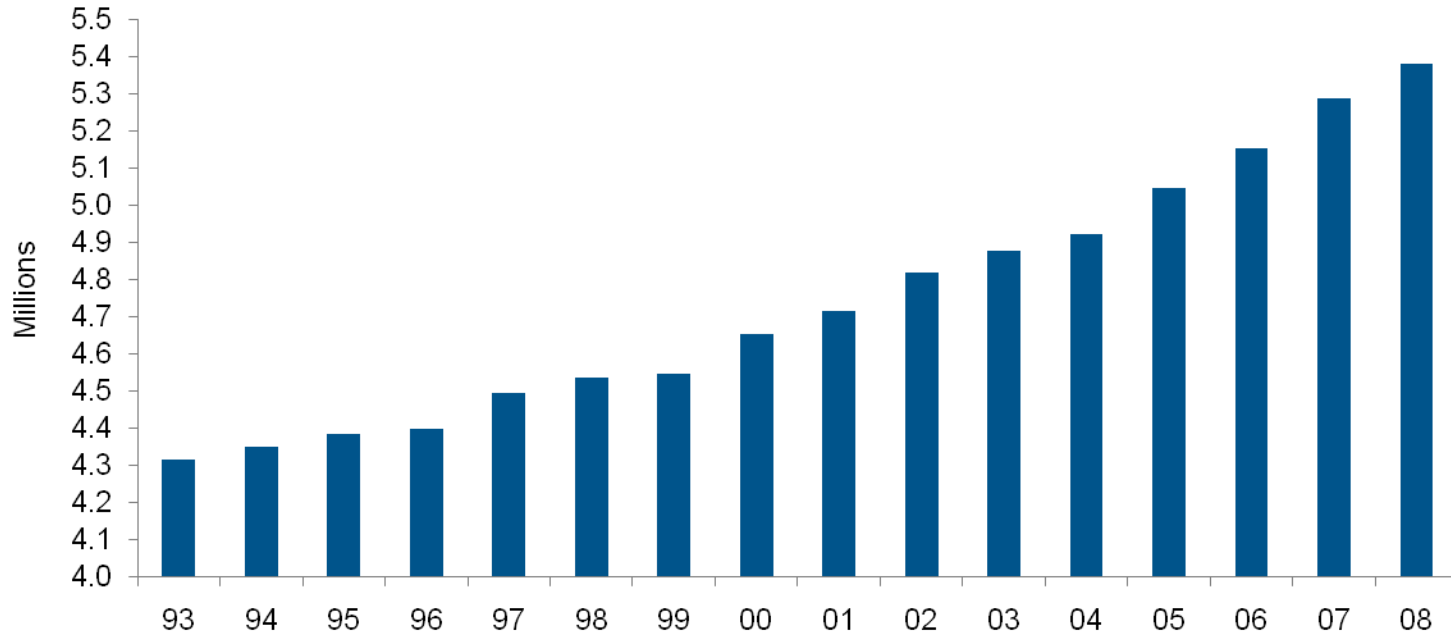
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Chart 6.1: National Health Expenditures as a Percentage of Gross Domestic Product and Breakdown of National Health Expenditures, 2008



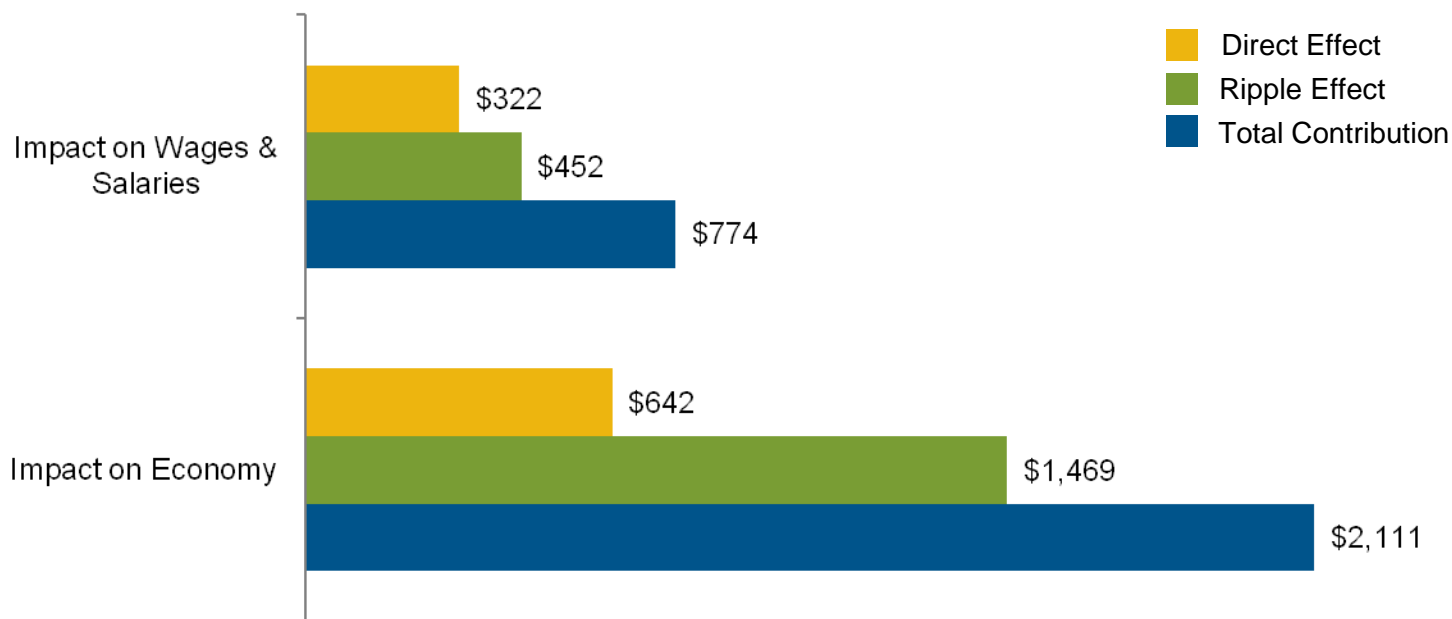
Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 5, 2010.

Chart 6.2: Number of Full-time and Part-time Hospital Employees, 1993 – 2008



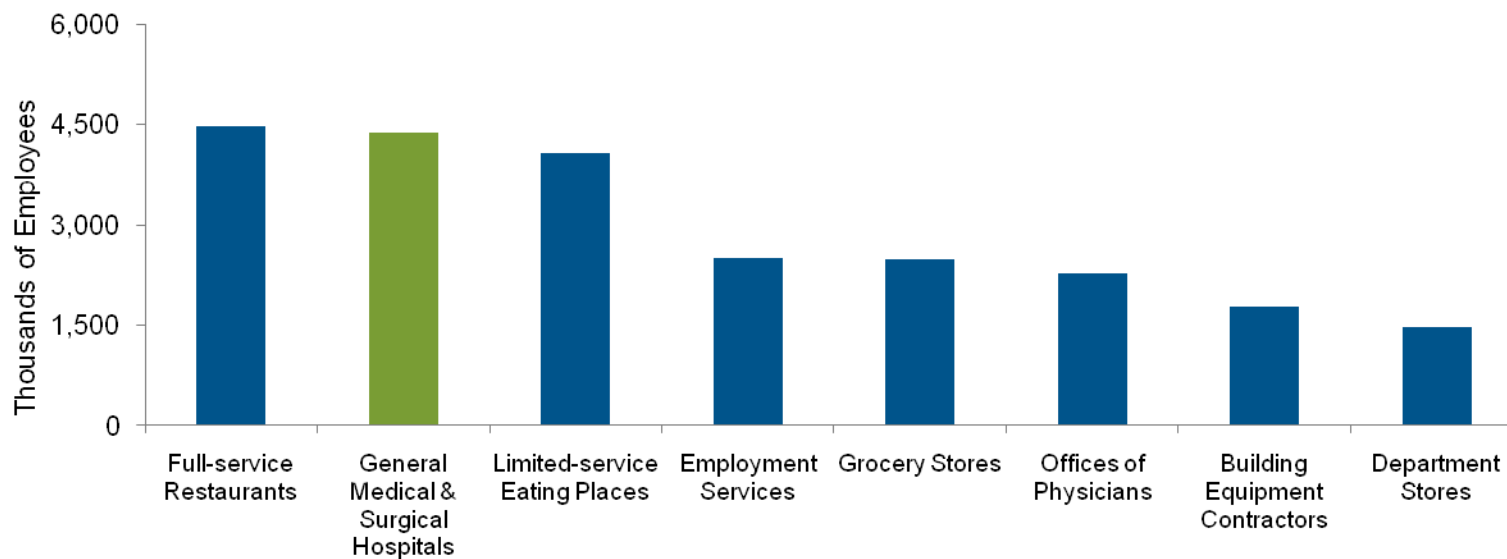
Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2008, for community hospitals.

Chart 6.3: Impact of Community Hospitals on U.S. Economy (in \$ billions), 2008



Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2008 American Hospital Association Annual Survey data. Note: Multipliers (2002/2007) released in 2010 and used for Chart 6.12 no longer include the national level multipliers needed for this chart.

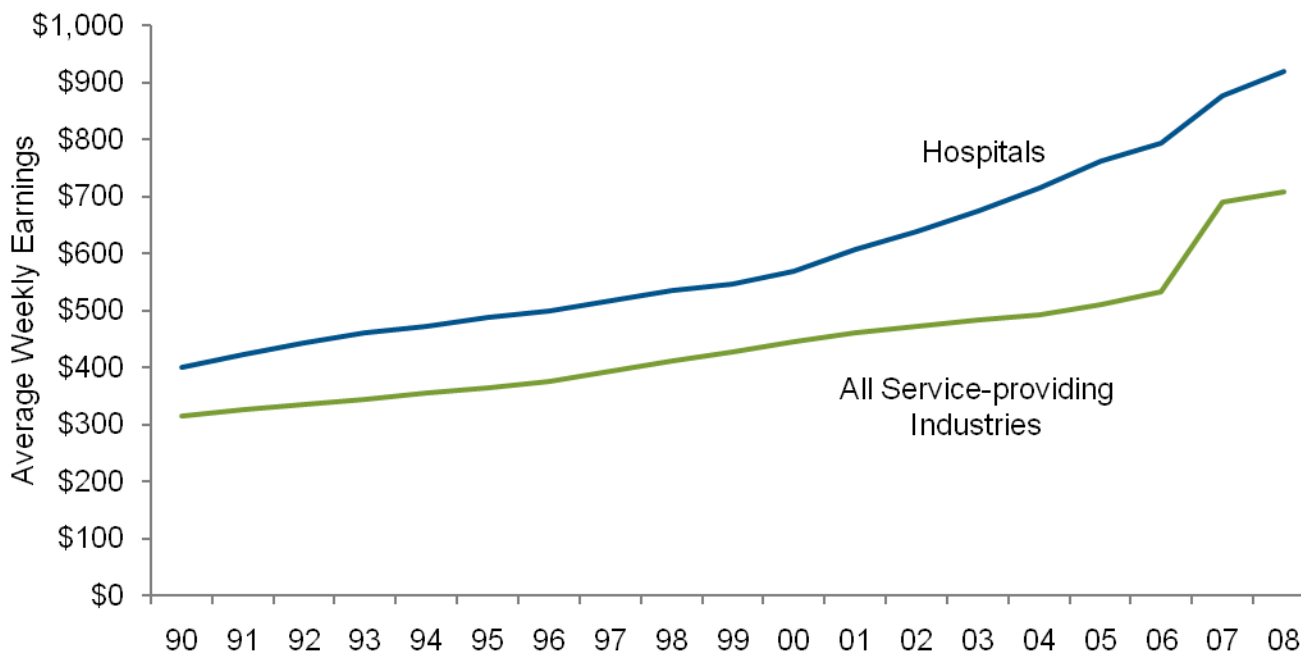
Chart 6.4: Hospital Employment vs. Employment in Other Industries, 2009⁽¹⁾



Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2010.
Link: <http://www.bls.gov/ces>.

⁽¹⁾ 2009 figures reflect annual projections.

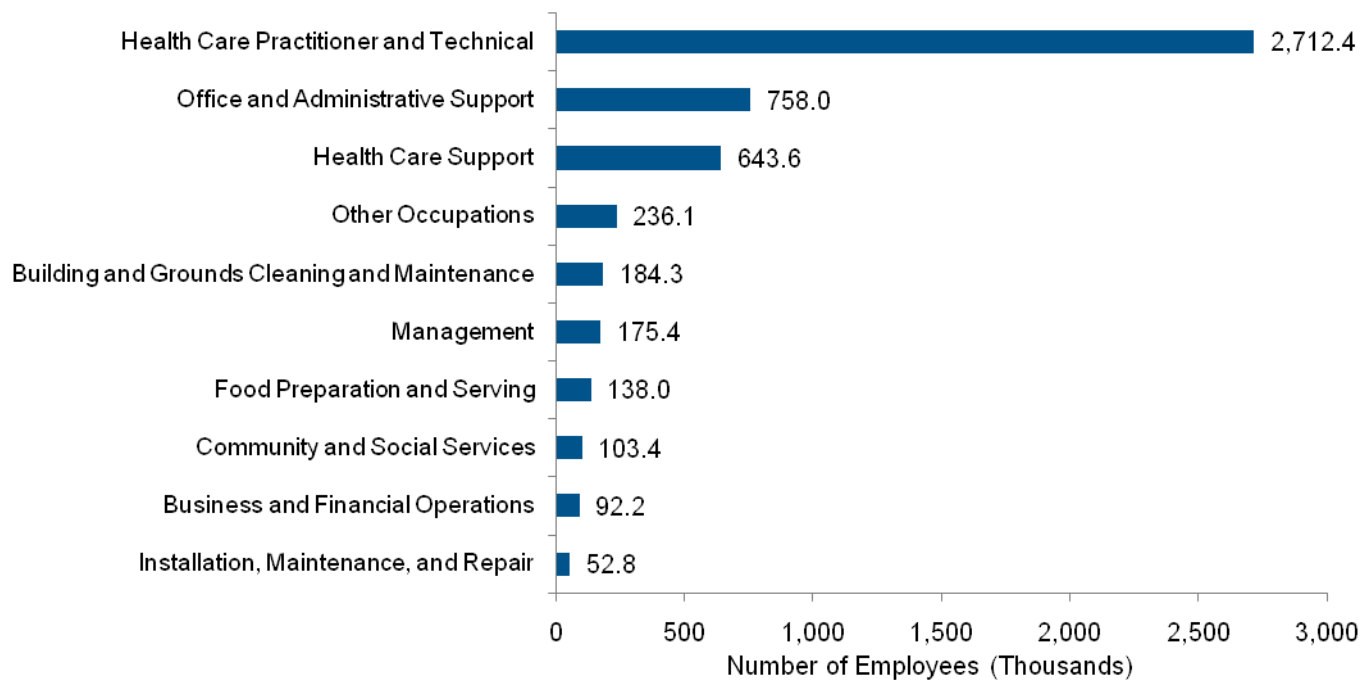
Chart 6.5: Average Weekly Earnings of Workers, Hospitals⁽¹⁾ vs. All Service-providing Industries, 1990 – 2008



Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2010.
Link: <http://www.bls.gov/ces>.

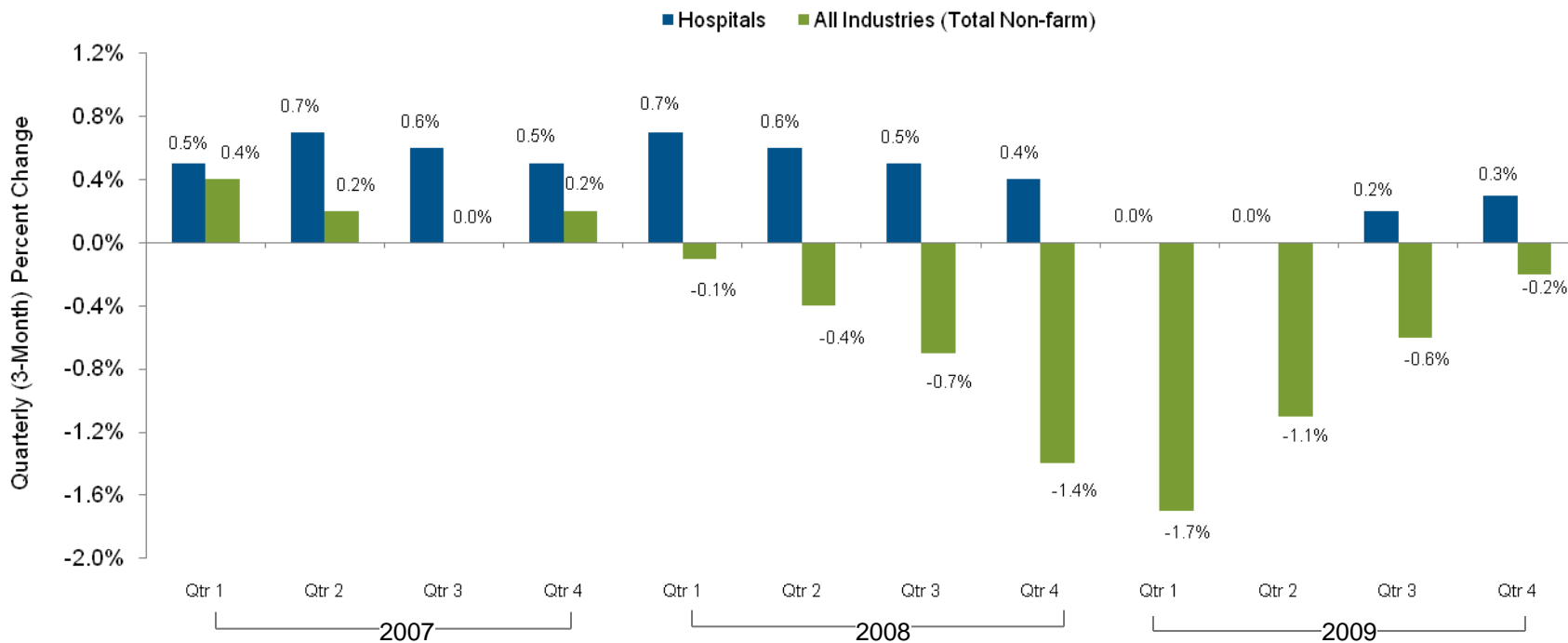
⁽¹⁾ Includes physicians employed by hospitals.

Chart 6.6: Hospital Employment by Occupation Type, 2008



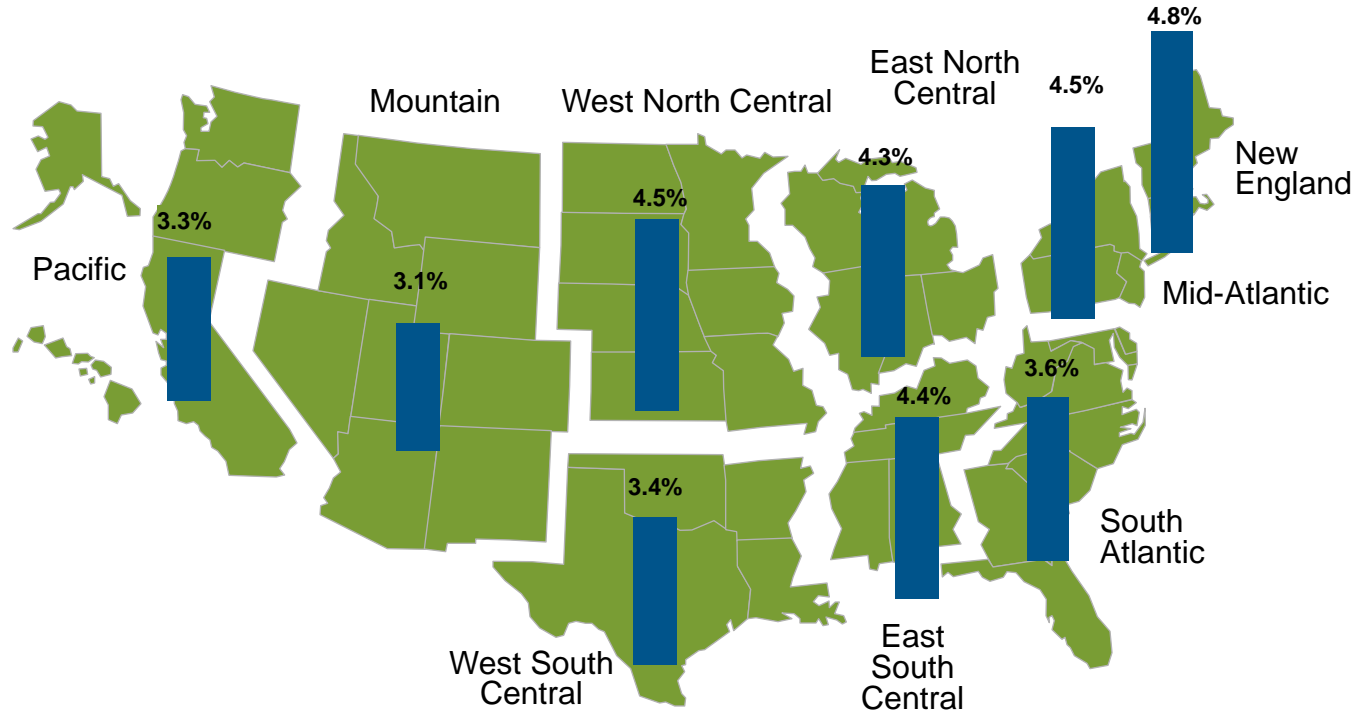
Source: Department of Labor, Bureau of Labor Statistics, 2008 National Industry-specific Occupational Employment and Wage. Data released February 2010. Link: http://www.bls.gov/oes/2008/may/naics4_622100.htm.

Chart 6.7: Percent Change in Employment, Seasonally-adjusted: Hospital vs. All Industries (Total Non-farm), 2007 – 2009



Source: Department of Labor, Bureau of Labor Statistics. Data released February 2010.
Link: <http://www.bls.gov/bls/employment.htm>.

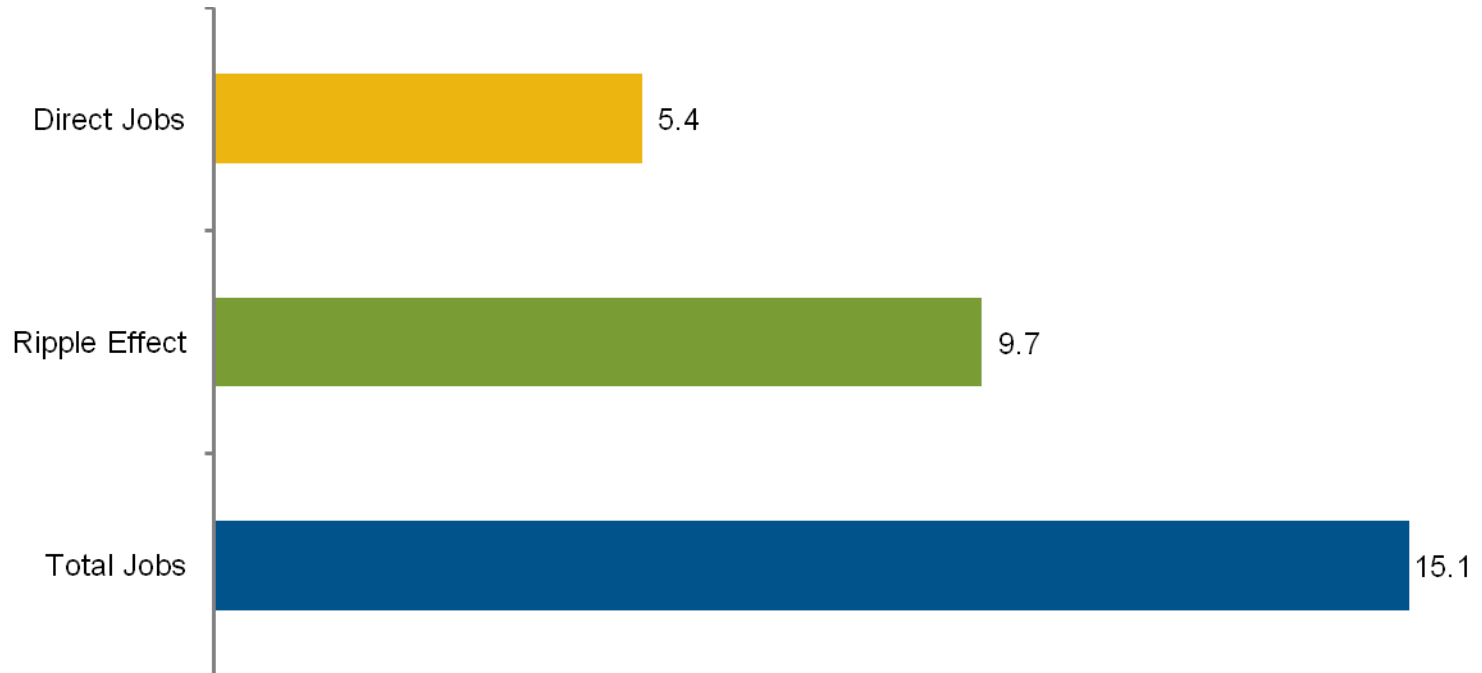
Chart 6.8: Percent of Total Regional Employment⁽¹⁾ by Hospitals, 2008



Source: Avalere Health analysis of American Hospital Association 2008 Annual Survey data and 2008 total non-farm employment data from the Bureau of Labor Statistics.

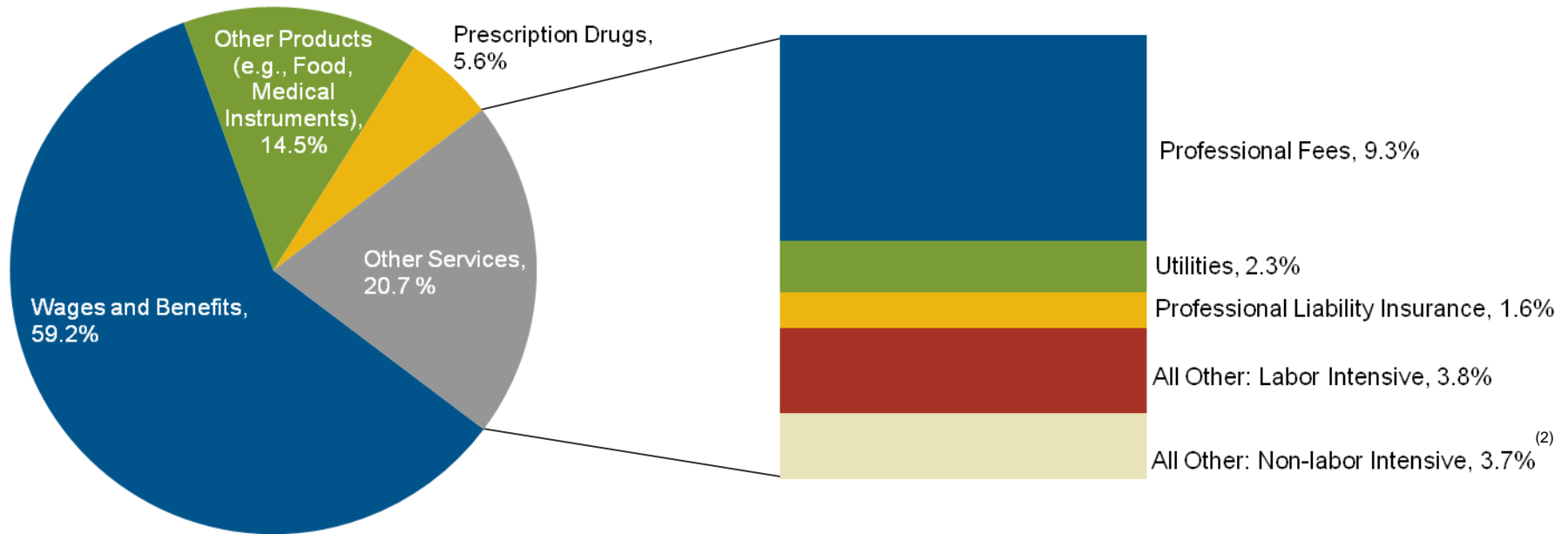
⁽¹⁾ Does not include farm employment.

Chart 6.9: Impact of Community Hospitals on U.S. Jobs (in millions), 2008



Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2008 American Hospital Association Annual Survey data. Note: Multipliers (2002/2007) released in 2010 and used for Chart 6.12 no longer include the national level multipliers needed for this chart.

Chart 6.10: Percent of Hospital Costs⁽¹⁾ by Type of Expense, 4Q08



Source: AHA analysis of Centers for Medicare and Medicaid Services data, using base year 2006 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), 2008

Industry	Economic Impact
Health care and social assistance	\$742.6
Manufacturing	316.2
Real estate and rental and leasing	199.9
Finance and insurance	134.9
Professional, scientific and technical services	87.7
Retail trade	86.2
Wholesale trade	69.1
Information	69.1
Transportation and warehousing	65.7
Administrative and waste management services	65.4
Accommodation and food services	54.2
Other services	52.9
Management of companies and enterprises	42.4
Utilities	37.5
Agriculture, forestry, fishing and hunting	31.0
Educational services	17.0
Arts, entertainment, and recreation	15.1
Mining	13.3
Construction	10.5
Total	\$2,110.9

Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2008 American Hospital Association Annual Survey data. Note: Multipliers (2002/2007) released in 2010 and used for Chart 6.12 no longer include the national level multipliers needed for this chart.

Chart 6.12: Impact of Community Hospitals on U.S. Economy; All States, DC and Total U.S., 2008

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	82,924	1.9153	158,824	7.97%	\$4,129	1.6722	\$6,905	\$8,173	2.0078	\$16,410
Alaska	11,244	1.7895	20,121	6.25%	\$807	1.4826	\$1,196	\$1,674	1.7328	\$2,901
Arizona	83,840	2.1614	181,212	6.93%	\$5,322	1.7384	\$9,253	\$10,722	2.0828	\$22,332
Arkansas	50,032	1.8107	90,593	7.53%	\$2,401	1.5731	\$3,776	\$4,962	1.8673	\$9,265
California	491,436	2.2124	1,087,253	7.26%	\$34,639	1.9085	\$66,108	\$64,879	2.3629	\$153,302
Colorado	69,292	2.1595	149,636	6.37%	\$4,450	1.8991	\$8,451	\$9,346	2.3312	\$21,786
Connecticut	65,710	1.9041	125,118	7.36%	\$4,419	1.7059	\$7,538	\$8,017	2.0567	\$16,488
Delaware	20,294	1.9527	39,628	9.09%	\$1,206	1.6067	\$1,937	\$2,211	1.9183	\$4,242
District of Columbia	25,710	1.5140	38,925	5.53%	\$1,815	1.3173	\$2,391	\$3,384	1.3451	\$4,552
Florida	274,500	2.0599	565,443	7.31%	\$16,285	1.7775	\$28,946	\$34,653	2.1372	\$74,061
Georgia	141,040	2.1780	307,185	7.49%	\$7,598	1.9011	\$14,445	\$15,535	2.3309	\$36,211
Hawaii	18,262	2.1229	38,768	6.26%	\$1,221	1.6764	\$2,048	\$2,353	2.0035	\$4,715
Idaho	24,064	1.7646	42,463	6.54%	\$1,268	1.5100	\$1,914	\$2,608	1.7597	\$4,589
Illinois	238,705	2.1250	507,248	8.53%	\$13,886	1.9297	\$26,796	\$28,206	2.3965	\$67,597
Indiana	127,002	1.9919	252,975	8.56%	\$7,277	1.7360	\$12,633	\$14,947	2.1140	\$31,598
Iowa	71,229	1.6912	120,462	7.90%	\$3,413	1.5036	\$5,132	\$6,655	1.7688	\$11,771
Kansas	52,432	1.7430	91,389	6.57%	\$2,771	1.5491	\$4,293	\$5,477	1.8460	\$10,110
Kentucky	80,186	1.9762	158,464	8.56%	\$4,256	1.7043	\$7,253	\$9,239	2.0453	\$18,897
Louisiana	86,229	1.8659	160,895	8.30%	\$4,454	1.6193	\$7,212	\$9,035	1.8847	\$17,029
Maine	34,230	2.0724	70,938	11.49%	\$1,891	1.6841	\$3,185	\$3,594	2.0070	\$7,213
Maryland	93,519	1.9948	186,552	7.18%	\$5,598	1.7351	\$9,713	\$11,723	2.0914	\$24,517
Massachusetts	172,940	2.0512	354,735	10.78%	\$10,232	1.8316	\$18,741	\$21,165	2.2304	\$47,207
Michigan	205,249	2.0175	414,090	9.95%	\$12,197	1.7873	\$21,801	\$23,819	2.1522	\$51,263
Minnesota	116,196	2.1343	247,997	8.98%	\$6,857	1.8292	\$12,542	\$12,841	2.2360	\$28,713
Mississippi	58,582	1.8150	106,326	9.27%	\$3,030	1.5470	\$4,687	\$6,143	1.8279	\$11,229
Missouri	133,058	2.0654	274,818	9.85%	\$7,353	1.7935	\$13,187	\$16,809	2.1751	\$36,560
Montana	21,332	1.8048	38,500	8.64%	\$1,106	1.5060	\$1,665	\$2,154	1.7524	\$3,775
Nebraska	42,619	1.6774	71,489	7.41%	\$2,207	1.5112	\$3,336	\$4,660	1.7665	\$8,232
Nevada	25,438	2.0003	50,884	4.03%	\$1,917	1.6122	\$3,091	\$3,945	1.9054	\$7,517
New Hampshire	31,305	1.9474	60,963	9.44%	\$1,911	1.7406	\$3,326	\$3,577	2.0059	\$7,175
New Jersey	137,998	2.1351	294,640	7.28%	\$9,286	1.8758	\$17,418	\$16,787	2.3259	\$39,044
New Mexico	25,399	1.9778	50,234	5.93%	\$1,712	1.5733	\$2,693	\$3,255	1.8291	\$5,954
New York	415,017	1.8552	769,940	8.76%	\$29,607	1.6656	\$49,313	\$51,082	2.0532	\$104,882
North Carolina	166,759	2.1126	352,295	8.52%	\$9,215	1.7939	\$16,530	\$18,430	2.1879	\$40,322
North Dakota	19,460	1.6204	31,533	8.59%	\$1,015	1.4280	\$1,450	\$1,843	1.6398	\$3,022
Ohio	271,163	2.1246	576,113	10.74%	\$15,076	1.8449	\$27,813	\$30,222	2.2453	\$67,857
Oklahoma	55,480	1.9668	109,118	6.85%	\$3,092	1.6704	\$5,164	\$6,715	1.9841	\$13,323
Oregon	58,018	2.1380	124,042	7.22%	\$3,893	1.7366	\$6,761	\$7,438	2.0826	\$15,491
Pennsylvania	286,807	2.0947	600,775	10.36%	\$15,429	1.8911	\$29,177	\$32,876	2.3207	\$76,296
Rhode Island	21,781	1.9436	42,334	8.78%	\$1,506	1.6994	\$2,559	\$2,680	2.0266	\$5,431
South Carolina	74,674	2.0900	156,069	8.10%	\$4,067	1.7386	\$7,070	\$9,180	2.1320	\$19,572
South Dakota	22,555	1.5667	35,337	8.59%	\$1,047	1.4124	\$1,479	\$2,085	1.6353	\$3,409
Tennessee	116,213	2.0766	241,328	8.70%	\$5,847	1.8257	\$10,675	\$12,704	2.2455	\$28,527
Texas	329,892	2.2467	741,168	6.99%	\$19,835	1.9065	\$37,814	\$41,128	2.3750	\$97,680
Utah	41,183	2.2215	91,488	7.30%	\$2,024	1.8642	\$3,774	\$4,595	2.3051	\$10,593
Vermont	13,374	1.8769	25,102	8.17%	\$928	1.5286	\$1,419	\$1,584	1.7553	\$2,780
Virginia	111,927	1.9607	219,455	5.83%	\$6,666	1.7487	\$11,656	\$14,534	2.1569	\$31,348
Washington	100,313	2.1372	214,389	7.25%	\$6,744	1.7640	\$11,896	\$13,077	2.1519	\$28,140
West Virginia	42,707	1.8375	78,474	10.30%	\$2,154	1.5356	\$3,308	\$4,330	1.7631	\$7,635
Wisconsin	111,400	1.9716	219,636	7.63%	\$6,367	1.7246	\$10,980	\$13,708	2.0665	\$28,328
Wyoming	9,183	1.5418	14,158	4.75%	\$512	1.3465	\$689	\$977	1.5294	\$1,494
United States*	5,379,902	2.8048	15,089,549	11.03%	\$321,936	2.4031	\$773,644	\$641,736	3.2896	\$2,111,054

Source: Avalere Health, using BEA RIMS-II (2002/2007) multipliers for hospital NAICS Code 622, released 2010, applied to American Hospital Association Annual Survey data for 2008. 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 2008 BLS data. Expenditures are defined as net patient revenue + other operating revenue.

*Multipliers (2002/2007) released in 2010 no longer include the national level multipliers needed for the U.S. summary row. BEA RIMS-II (1997/2006) multipliers released in 2008 and applied to 2008 AHA annual survey data were used instead.

