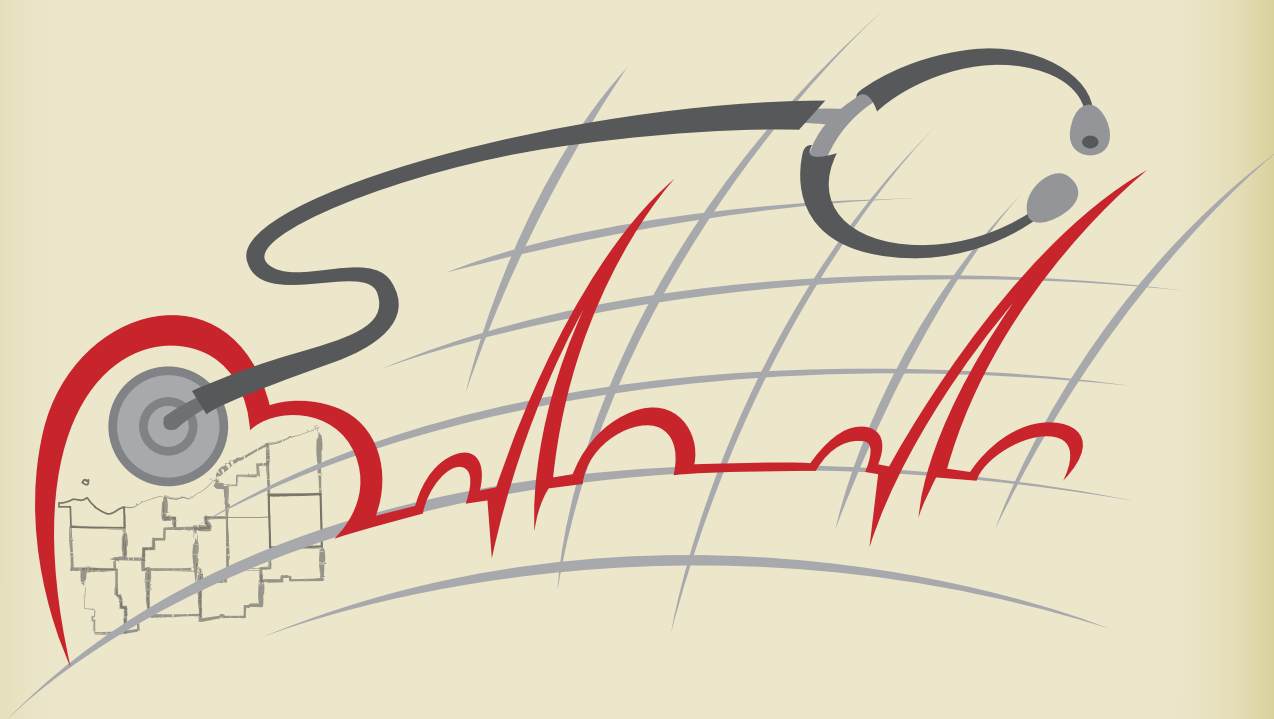




The Economic Impact of Northeast Ohio Hospitals



Care
Providers

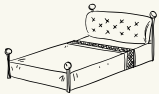
Community
Servants

Backbone of the
Regional Economy

Northeast Ohio Hospitals:

Care Providers, Community Servants & Backbone of the Regional Economy

In 2010, Northeast Ohio Hospitals...



Had 10,233 beds.



Took care of 365,221 patients,



Including 24,190 babies.



Cared for an average of 4,838 patients each day.



Had an average length of stay of 5.18 days.



Treated 1,028,294 people in their emergency rooms,



And admitted 170,778 of those who came to their ERs for care.



Performed 105,203 inpatient and 226,177 outpatient surgeries.



And provided psychiatric and chemical dependency care for 17,798 patients who spent 121,383 days in the hospital.

It's no secret the economy is changing in this country. Over the years, manufacturing has increasingly given way to service as the foundation for jobs and economic activity. This is true nationwide, and especially right here in Northeast Ohio where, today, hospitals serve as the backbone of a thriving healthcare sector.

This report illustrates the important role of hospitals in the region – as care providers, as employers, as community servants, and as generators of economic activity.

National Trends

- In 1970, healthcare services as a share of the national gross domestic product (GDP) were 7.2 percent and increased to 17.6 percent in 2009.
- Employment in the health sector increased 343.7 percent from 1970 to 2009.

State & Regional Trends

Health services – and hospitals in particular – are outpacing all industries in both employment and payroll.

From 2000 to 2009, health services outperformed all industries both in the region and statewide.

	Northeast Ohio	Ohio
All industries employment	-15%	-11%
All industries payroll	+6%	+11%
Health services employment	+18%	+20%
Health services payroll	+58%	+60%

In 2000 in Ohio, health services payroll comprised 12 percent of the total state payroll and increased to 18 percent in 2009.

Ohio hospital employment grew 16 percent and payroll grew 69 percent from 2000 to 2009. The average hospital salary in Ohio increased 46 percent from 2000 to 2009.

Economic Impact

This report measures the economic impact of hospitals based on the jobs they create and the income that is earned as a result of those jobs. As hospital employees spend their paychecks out in the community, additional jobs are created. This ripple effect is known as secondary impact. Also included is the impact of individuals employed as a result of hospital construction projects.

Employment

Direct hospital employment:	81,146
Construction employment:	3,903
Secondary employment:	83,044
Total employment:	168,093

Employee Income

Direct hospital employee income:	\$5.7 billion
Construction employee income:	\$190 million
Secondary employee income:	\$4.1 billion
Total employee income:	\$10 billion



The average salary of someone employed in a hospital in Northeast Ohio is \$70,012.



Construction

Hospitals are constantly working to stay current with technology and offer the services and amenities their patients have come to expect. The resulting construction activities create economic activity and support jobs for skilled trade workers.

2009 Construction Activity Expenditures: \$679 million

2010 Construction Activity Expenditures: \$569 million

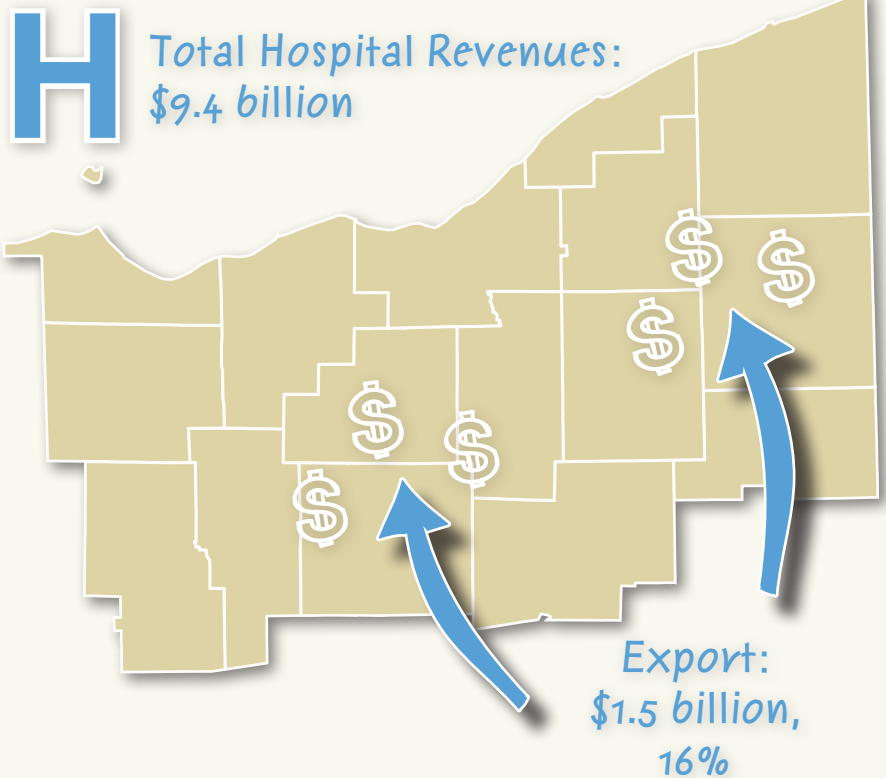
In 2010, hospital construction projects employed 3,903 people and resulted in the payment of more than \$190 million in wages.

The average salary of a person employed through a hospital construction project in 2010 was \$48,750.



Healthcare as an Export

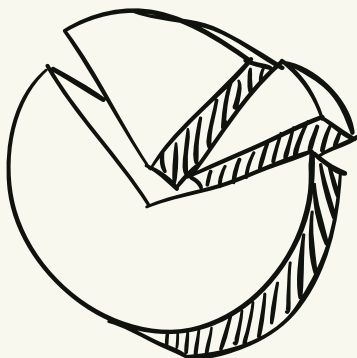
An important aspect that distinguishes Northeast Ohio from many other regions is the extent to which patients who reside outside of the region come here for care. Only a few regions around the country export healthcare in this way; Northeast Ohio is one of them.



Tax Revenues

Even hospitals that are nonprofit generate revenues for state and local governments, as income taxes are paid by employees and as other taxes are paid as employees spend their paychecks in the community.

The adjacent federal and state tax estimates include tax revenue paid by direct, secondary and construction employees.



State Taxes

Employee Income Taxes	\$341 million
Retail Sales Taxes	\$237 million
Motor Vehicle Fuel Taxes	\$65 million
Other Consumption Taxes*	\$33 million
Total	\$676 million

* Consumption taxes are associated with products such as tobacco and alcoholic beverages.

Federal Employee Income Taxes: \$1.5 billion





Community Benefit

The vast economic activity generated by Northeast Ohio hospitals is only compounded by the substantial array of community benefits they also provide. They provide care free of charge to the most vulnerable members of the community; they conduct research and train the next generation of healthcare professionals; they provide education and screening programs to help people detect and manage their health needs; and they augment the government's healthcare programs by absorbing costs that exceed payments received for care.

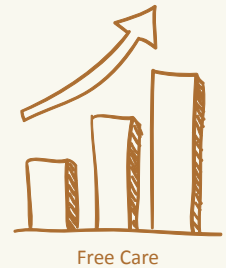
In 2009 at a national level, hospitals were reimbursed 90 cents for every dollar spent caring for Medicare patients and 89 cents for every dollar spent caring for Medicaid patients.

Northeast Ohio 2010 Uncompensated Care

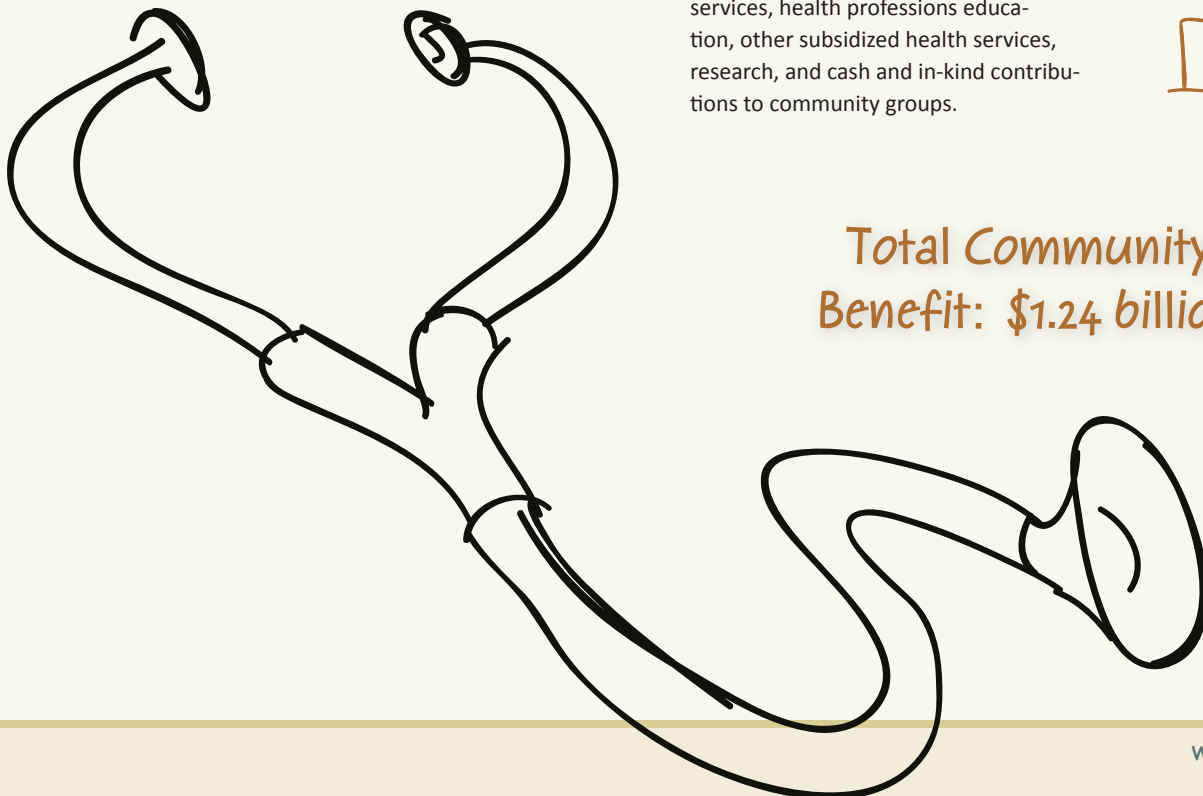
Free Care	\$225,729,850
Subsidized Care*	\$422,168,125
Other Community Benefit Activities**	\$590,691,448

*Subsidized care includes Medicare and Medicaid shortfall and bad debt.

** Other community benefit activities include community health improvement services, health professions education, other subsidized health services, research, and cash and in-kind contributions to community groups.



Total Community Benefit: \$1.24 billion



For more
information,
contact The Center
at 216.696.6900 or
visit us online at
www.chanet.org.

The Center for Health Affairs is the leading advocate for Northeast Ohio hospitals, serving those organizations and others through a variety of advocacy and business management services. The Center also works to inform the public about issues that affect the delivery of healthcare.

Formed by a visionary group of hospital leaders 96 years ago, The Center continues to operate on the principle that by working together hospitals can ensure the availability and accessibility of healthcare services.

For more on The Center and to download additional copies of this report, go to www.chanet.org.



The leading advocate for
Northeast Ohio hospitals.

Participating Organizations:

The Northeast Ohio region, as defined in this report, covers The Center for Health Affairs' membership area, which includes Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina counties. The hospitals that contributed data to this report are listed below.

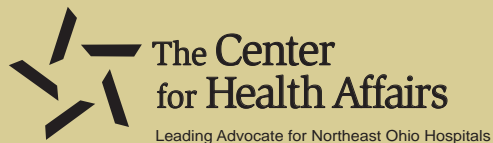
- Amherst Hospital
- Ashtabula County Medical Center
- Cleveland Clinic Health System
- EMH Regional Medical Center
- Lake Health
- Louis B. Stokes Cleveland Veterans Affairs Medical Center
- Mercy Allen Hospital
- Mercy Regional Medical Center
- Parma Community General Hospital
- Southwest General Health Center
- St. John Medical Center
- St. Vincent Charity Medical Center
- The MetroHealth System
- University Hospitals

Sources:

- G. Doeksen and C. St. Clair, The Economic Impact of the Member Hospitals of The Center for Health Affairs on the State of Ohio and the Northeast Ohio Region, October 2011
- The Center for Health Affairs Volume Statistics Database, December 2010
- The Center for Health Affairs Hospital Uncompensated Care Analysis, November 2011



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