

Pennsylvania Hospitals Critical to State Economy



Pennsylvania hospitals and health systems provide care to nearly 1.94 million inpatients, serve patients through 38.5 million outpatient visits, and evaluate 5.8 million people in their emergency departments.

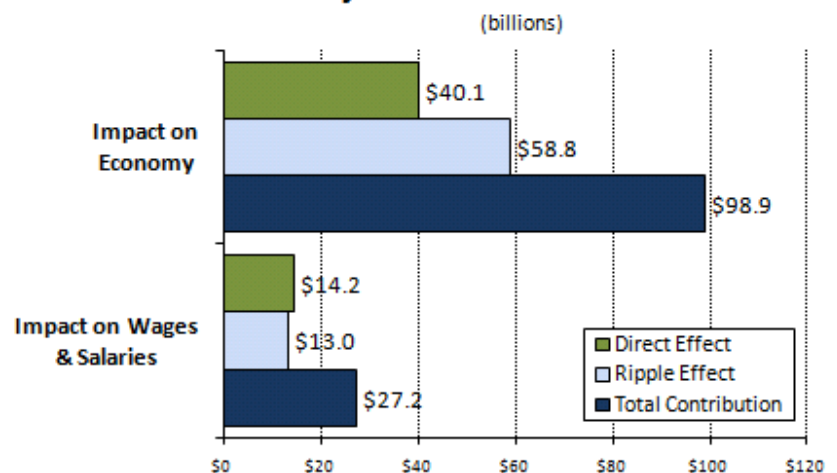
The economic contributions made by Pennsylvania's hospitals to local communities and the state continue to increase, rising to \$98.9 billion in 2010, up from \$89.8 billion in total contributions during 2008. Despite the recession, hospitals remain one of the strongest economic contributors to the Commonwealth.

Pennsylvania Department of Labor & Industry statistics show that while non-farm employment in Pennsylvania decreased by 4.2 percent between December 2007 and December 2009, direct hospital employment remained fairly steady, with only a slight decline of 1.2 percent during the same period.

In 55 of the 67 Pennsylvania counties, hospitals remain among the top five employers, providing family-sustaining jobs and solid benefits. At a time marked by so much uncertainty, lawmakers need to ensure that hospitals remain viable assets in their communities, where they can provide jobs and job-growth opportunities, support other businesses, and stimulate economic activity.

- Pennsylvania hospitals and health systems provide a total of \$40.1 billion in direct spending to the state's economy.
- Pennsylvania hospitals and health systems make a total direct and secondary contribution of \$98.9 billion to the state's economy.
- More than 584,000 Pennsylvanians depend on hospitals for their jobs through direct employment and the ripple effect of hospital employment.

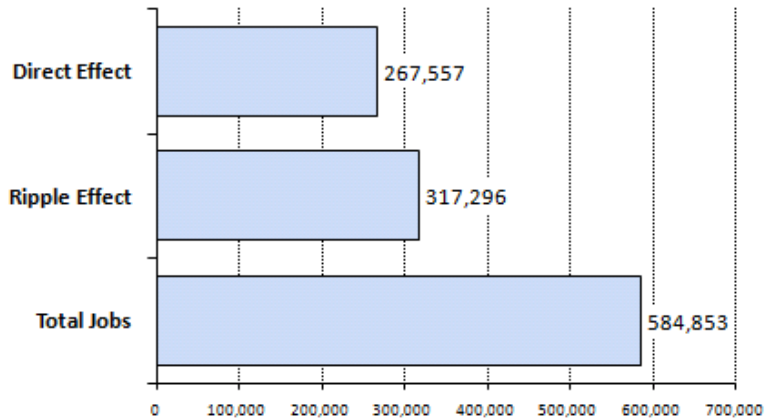
Pennsylvania hospitals and health systems support other businesses and jobs in the commonwealth.



Source: Based on an analysis of Bureau of Economic Analysis, U.S. Department of Commerce, and 4th Quarter 2009 Census of Employment and Wages, Medicare Cost Report Data, and health systems reports to HAP.

- During 2010, hospital employment was nearly 268,000.
- Every additional dollar in employee compensation in the hospital sector results in 92 cents of wages to other Pennsylvania industries.
- For every hospital job, 1.2 additional jobs are supported within the state.
- When 268,000 hospital employees spend money on products and services; it translates to nearly 317,000 additional hospital service related jobs, and more than \$13 billion in employee compensation.

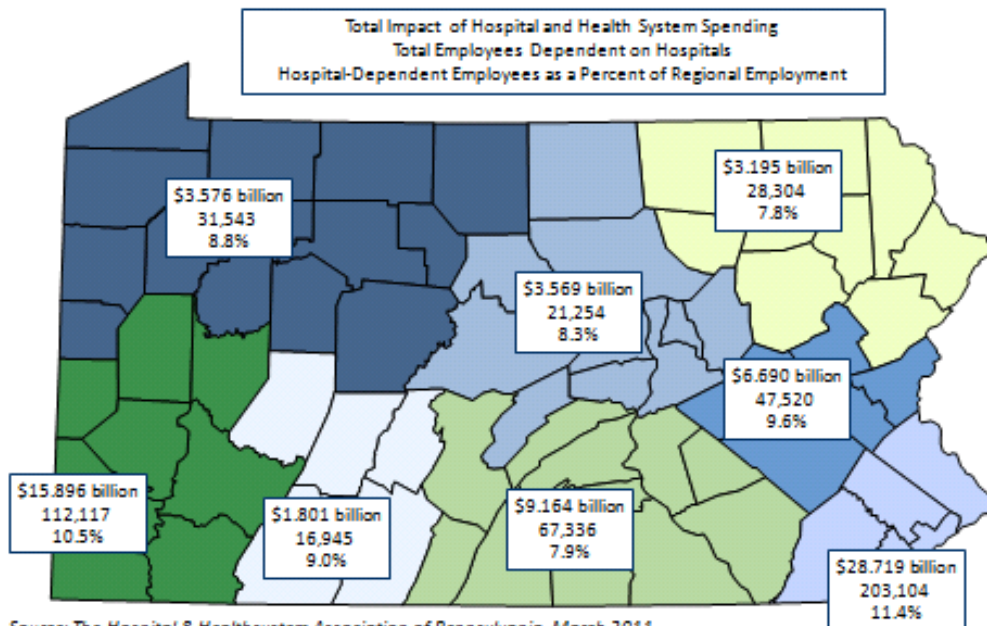
Pennsylvania hospitals support more than half a million jobs in the commonwealth.



Source: Based on analysis of Bureau of Economic Analysis, U.S. Department of Commerce and 4th Quarter 2009 Census of Employment and Wages

More than \$27.2 billion in total labor income is generated directly and indirectly by Pennsylvania hospitals.

Regional Economic Impact of Pennsylvania Hospitals & Health Systems



Source: The Hospital & Healthsystem Association of Pennsylvania, March 2011

What Needs to Be Done to Ensure Hospitals and Health Systems Remain Economic Drivers in Their Communities and the State . . .

By State Government:

- Maintain Medical Assistance funding for health care for Pennsylvania's most vulnerable populations of people.
- Maintain current hospital funding, including funding in Act 49 of 2010, Medical Assistance modernization, to fulfill the three-year legislative commitment.
- Maintain important hospital supplemental funding for hospitals that serve large numbers of uninsured persons, and hospitals that provide critical access, trauma, obstetrics, and burn services, so that hospitals are fairly compensated for providing services to Medicaid recipients.
- Support financial incentives to sustain Pennsylvania's medical, nursing, and allied health education capacity.
- Oppose legislation, regulation, or policies that would cause or exacerbate workforce shortages or impose undue administrative burdens on hospitals.
- Support scope of practice legislation, regulation, and policy that enables the use of health professionals to the full extent of their education and training.

By Federal Government:

- Protect federal Medicare and Medicaid payments to hospitals and physicians.
- Maintain a strong workforce by advocating for a regulatory environment that allows for flexibility in the workplace, removes barriers to care, and assures accountability with patients and the public.
- Oppose mandatory nurse-patient staffing ratio legislation and "card check" legislation.
- Maintain the federal tax-exempt status of non-profit hospitals.
- Enact physician student loan forgiveness and funding for nurse and allied health worker education capacity and faculty.

"During 2010, Pennsylvania hospitals committed to contributing \$246.5 million to state revenues over three years as part of a new Medicaid payment system that is not reliant on any new state funding. Governor Corbett's 2011–2012 state budget calls for hospital payment cuts totaling \$333.3 million above that \$246.5 million contribution. These proposed cuts clearly breach the three-year agreement that hospitals reached with the state, and run counter to the goal of Act 49 of 2010 to provide a stable and predictable source of funding for hospitals."

Carolyn F. Scanlan
President and Chief Executive Officer
The Hospital & Healthsystem
Association of Pennsylvania