

Pennsylvania Hospitals Strengthen Pennsylvania Economy



Pennsylvania hospitals and health systems provide care to nearly 1.7 million inpatients, serve patients through 35.9 million outpatient visits, and evaluate 5.8 million people in their emergency departments.

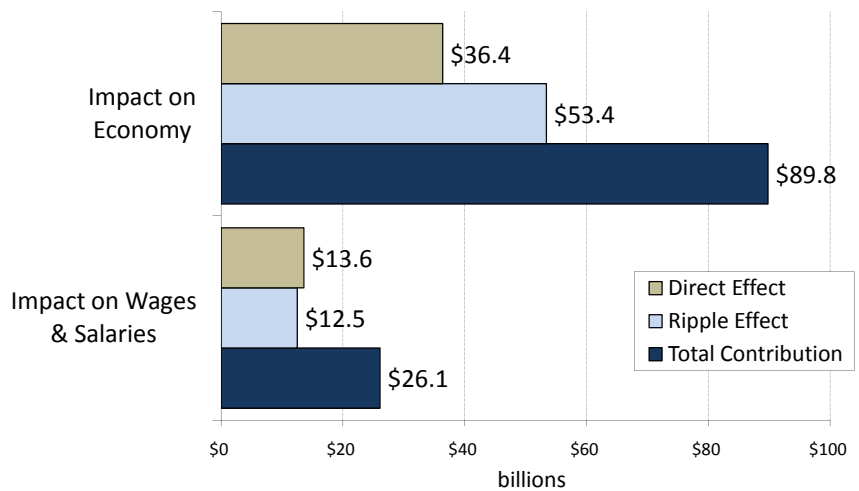
The economic contributions made by Pennsylvania’s hospitals to local communities and the state continue to increase, rising to \$89.8 billion in 2008, up from \$84 billion in total contributions during 2007. Despite the economic downturn, hospitals remain one of the strongest economic contributors to the Commonwealth.

The Pennsylvania Department of Labor & Industry statistics show that while non-farm employment in Pennsylvania decreased by 2.59% between December 2008 and December 2009, direct hospital employment remained fairly steady, with only a slight decline of 0.15% during the same period.

With statewide unemployment hovering at the highest **level in 25 years**, and all signs pointing to a prolonged period of joblessness, hospitals are continuing to provide increased contributions to the state’s economy. 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 \$36.4 billion in direct spending to the state’s economy.
- Pennsylvania hospitals and health systems make a total direct and secondary contribution of \$89.8 billion to the state’s economy.
- More than 596,000 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.

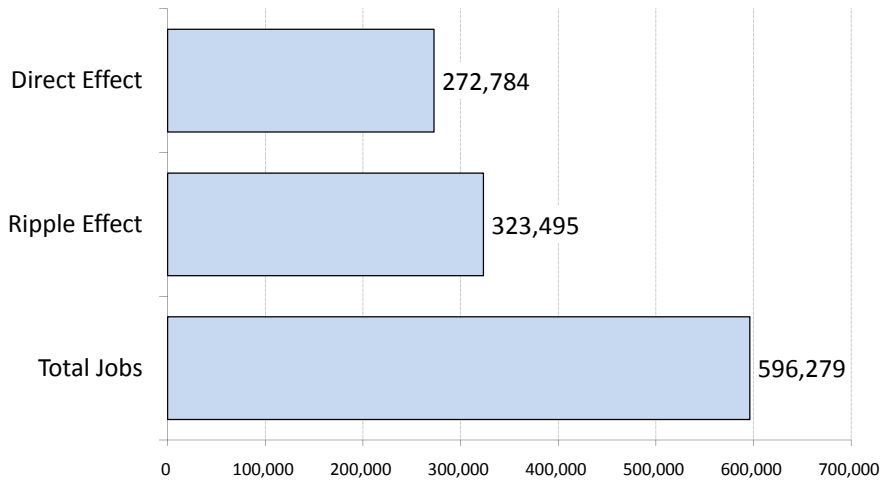


Source: Based on analysis of Bureau of Economic Analysis, U.S. Department of Commerce, and 4th Quarter 2008 Census of Employment and Wages

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- During 2008, hospital employment was nearly 273,000.
- The labor income multiplier for hospitals is 1.922, meaning that every additional dollar in employee compensation in the hospital sector results in 92 cents of wages to other Pennsylvania industries.
- The federal Bureau of Economic Analysis says the employment multiplier for Pennsylvania hospitals is 2.19, suggesting that for every hospital job, 1.2 additional jobs are supported within the state.

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

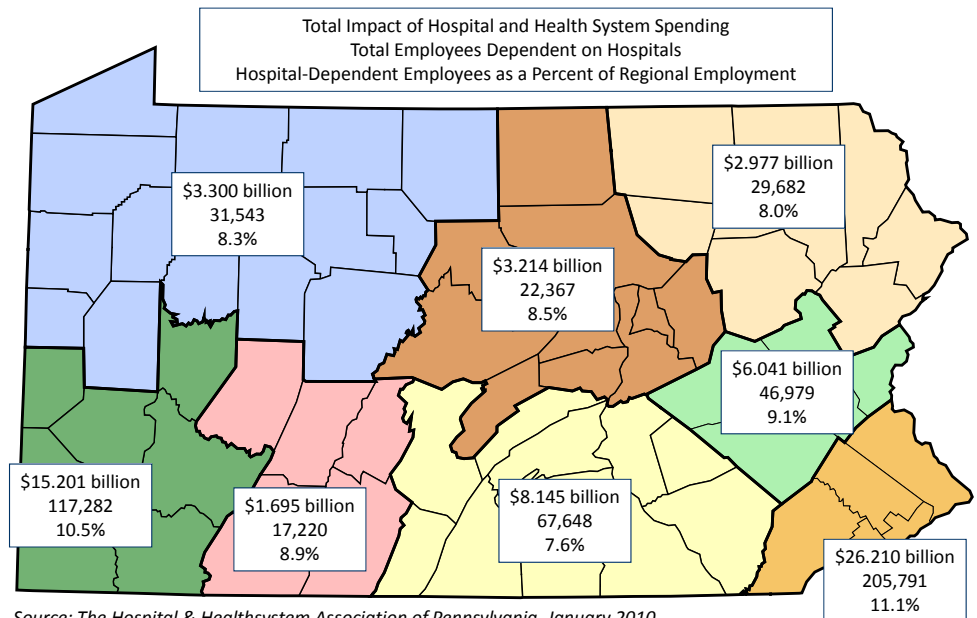


Source: Based on analysis of Bureau of Economic Analysis, U.S. Department of Commerce and 4th Quarter 2008 Census of Employment and Wages

- When 273,000 hospital employees spend money on products and services; it translates to nearly 323,000 additional hospital service related jobs, more than \$12.5 billion in employee compensation.

More than \$26.1 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, January 2010

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Hospitals Proactively Address Jobs Issues

- Hospitals work closely with the **Pennsylvania Center for Health Careers**, which was created as an initiative of the Pennsylvania Workforce Investment Board in 2004 to address Pennsylvania’s significant need for health care workers.
- Hospitals also “grow their own” employees, training and promoting from within. Many hospitals partner with colleges to provide onsite, continuing education opportunities.
- Hospitals run special clinical training programs so that staff can develop the technical skills needed to advance their careers.
- To help address key workforce shortages and provide stable employment to the communities they serve, hospitals often support education programs to recruit and train allied health professionals. They hold summer “career camps” to familiarize high school students with the many employment opportunities in health care, and offer a wide variety of health care internships for students.



Investing in Hospitals

With economic stimulus at the forefront of the state and federal legislative agendas, lawmakers must adopt economic development strategies that start with protecting those assets that already fuel economic growth. Hospitals employ large and growing numbers of people across multiple skill levels, provide job training opportunities, spur innovation, and invest in infrastructure, construction, and numerous local and regional businesses directly and through the ripple effect. We must recognize the economic power of these entities and leverage their resources, so as to not hurt the viability of those entities that are helping carry the commonwealth through these difficult times. Lawmakers need to make commitments to, and investments in, Pennsylvania hospitals and health systems.

What Needs To Be Done:

- Modernize Medicaid hospital payments.
- Hospitals and health systems cannot sustain any Medicaid reductions in the state’s 2010-2011 budget.
- Include hospitals in economic development programs.
- Enact responsible insurance practices to ensure fair payments, reduce administrative burdens, and to promote insurance company competition.
- The tax-exempt status of non-profit hospitals must be maintained.
- Legislation is required to improve and expand use of health information technology.
- Enact legislation that prohibits health care practitioner self-referrals.
- Legislate physician student loan forgiveness, and funding for nurse and allied health worker education capacity and faculty.