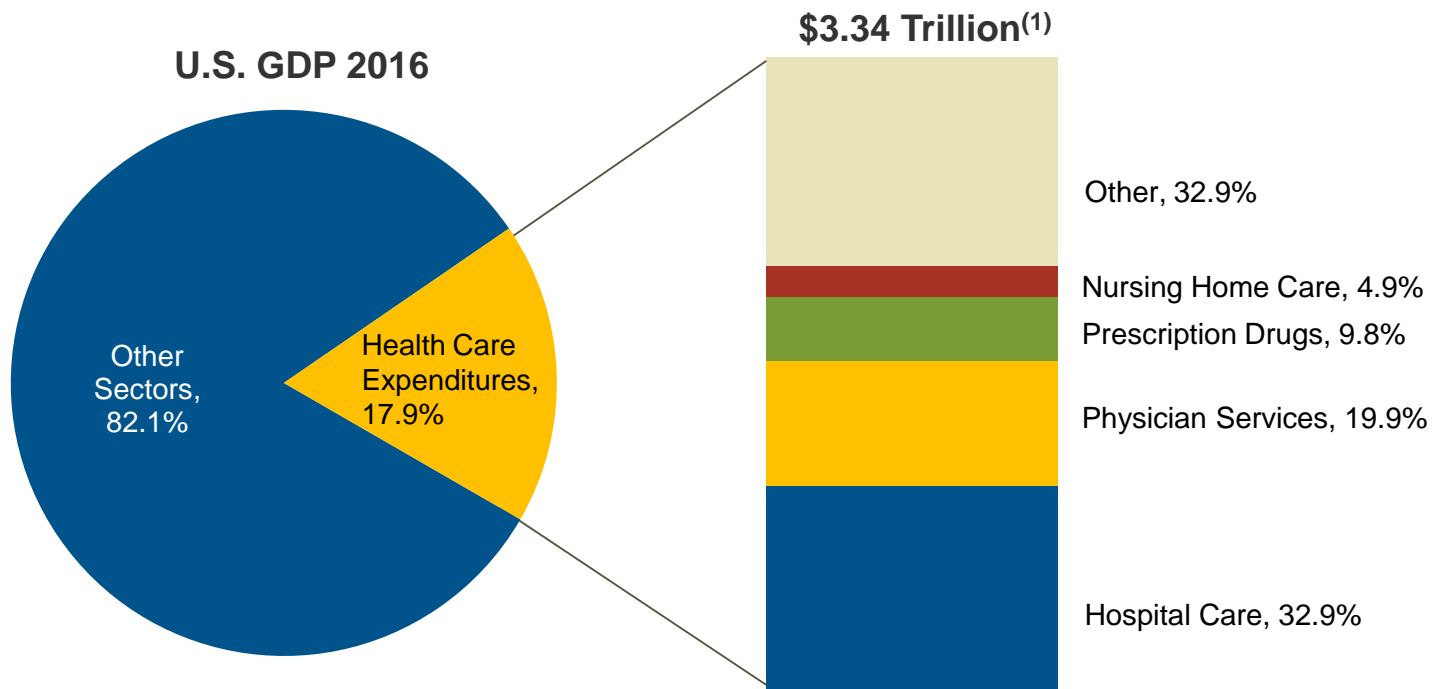




CHAPTER 6

The Economic Contribution
of Hospitals

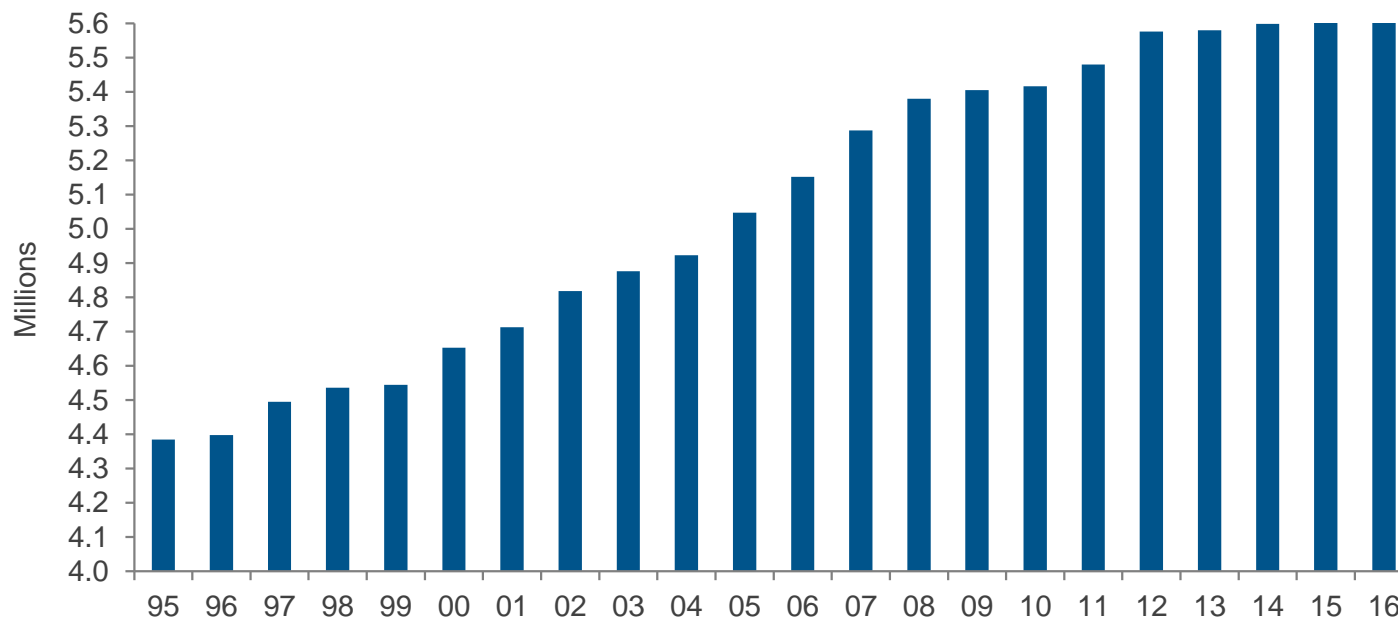
Chart 6.1: National Health Expenditures as a Percentage of Gross Domestic Product and Breakdown of National Health Expenditures, 2016



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released December 6, 2017.

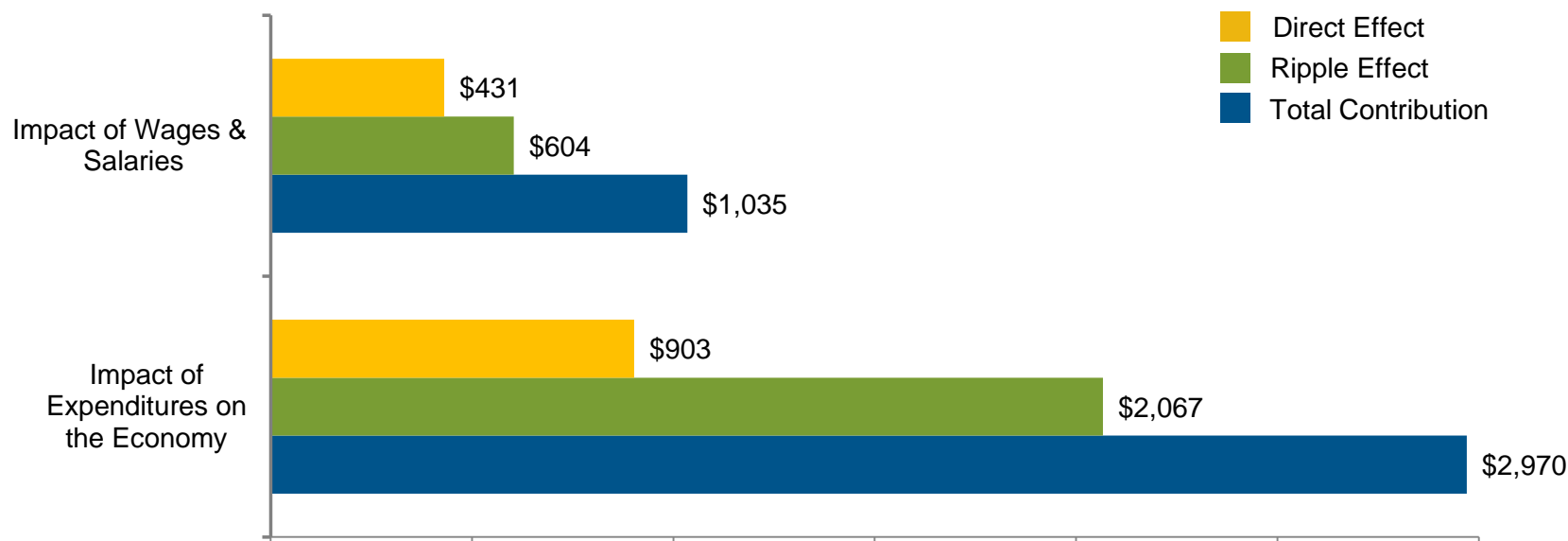
⁽¹⁾ Percentages were rounded, so they may not sum to 100 percent.

Chart 6.2: Number of Full-time and Part-time Hospital Employees, 1995 – 2016



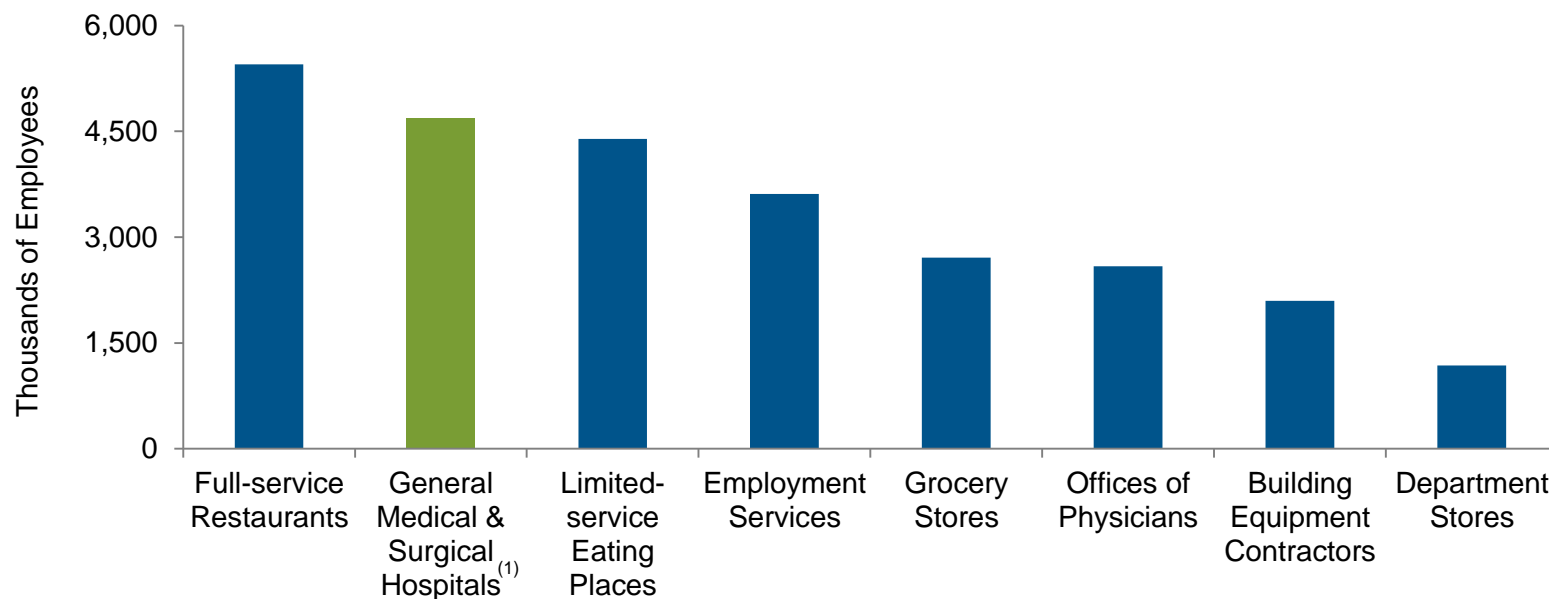
Source: Analysis of American Hospital Association Annual Survey data, 2016, for community hospitals.

Chart 6.3: Impact of Community Hospitals on U.S. Economy (in \$ billions), 2016



Source: Analysis, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2016 American Hospital Association Annual Survey data. Note: Multipliers released in 2010 and subsequent years no longer include the national level multipliers needed for this chart. The sum of the direct and ripple effect may be less than or greater than the total contribution due to rounding.

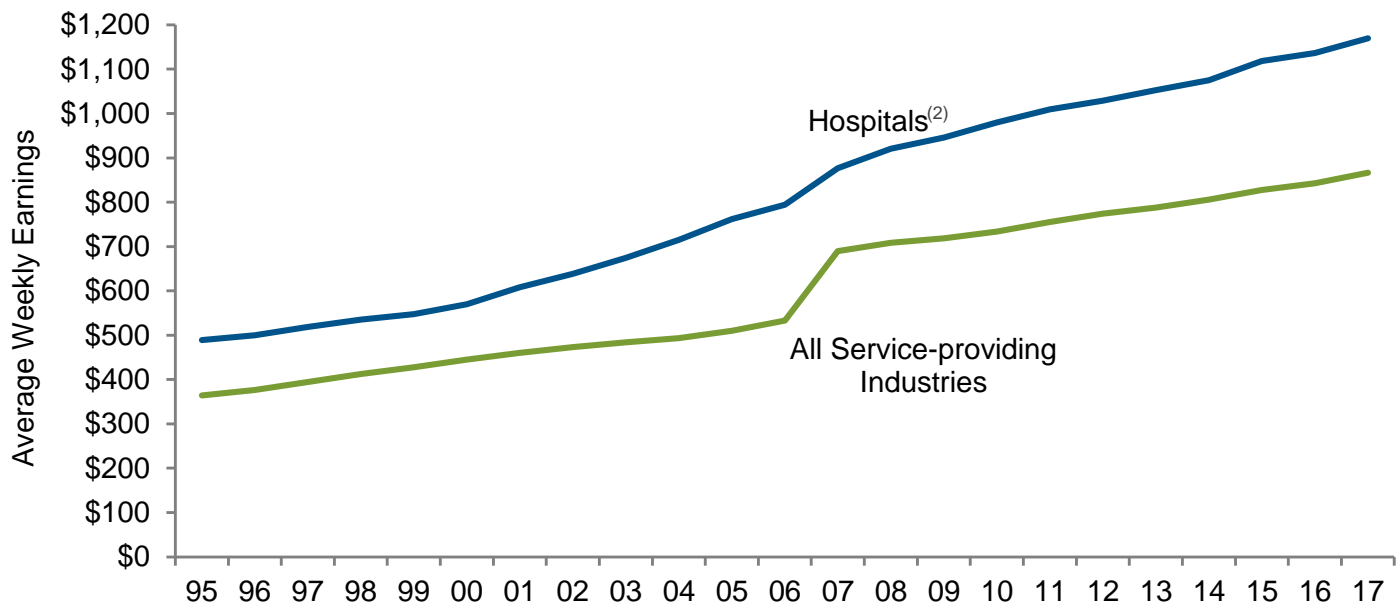
Chart 6.4: Hospital Employment vs. Employment in Other Industries, 2016



Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2018. Link: <http://www.bls.gov/ces>.

⁽¹⁾ Does not include public hospitals.

Chart 6.5: Average Weekly Earnings of Workers, Hospitals⁽¹⁾ vs. All Service-providing Industries, 1995 – 2017

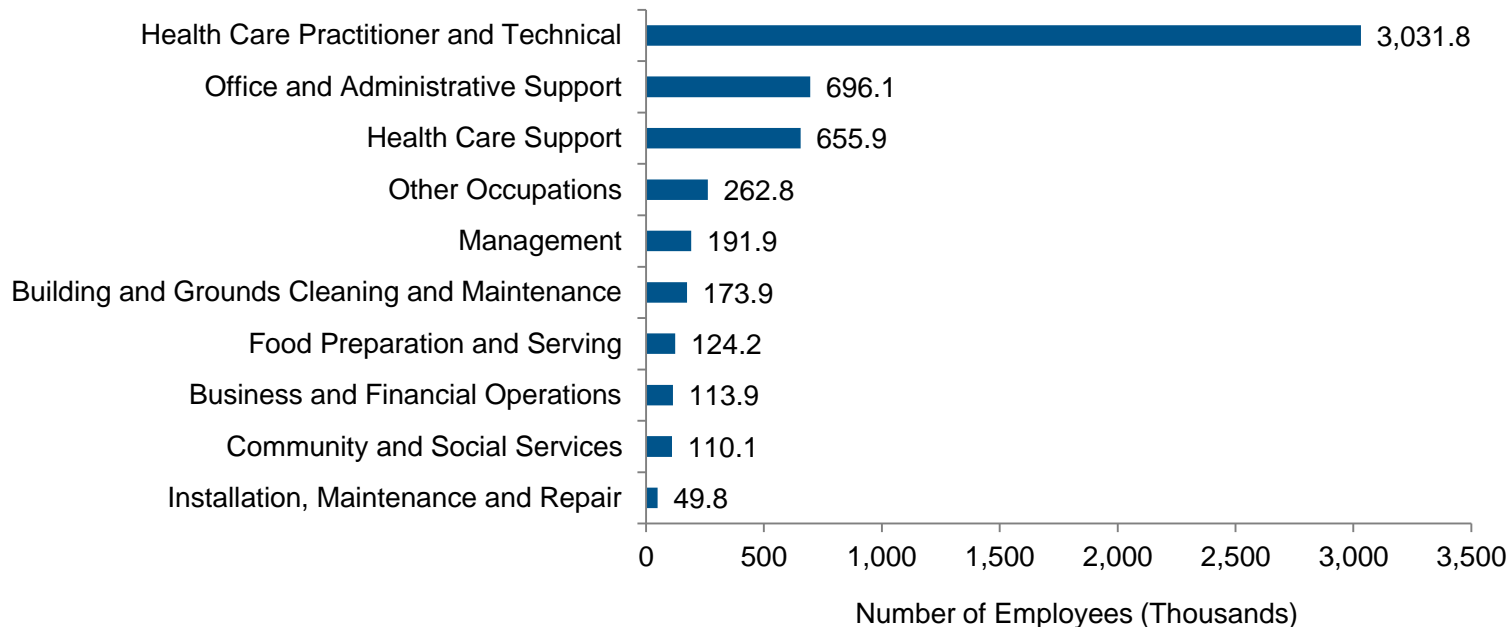


Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables.
Data released 2018. Link: <http://www.bls.gov/ces>.

(1) Includes physicians employed by hospitals.

(2) Does not include public hospitals.

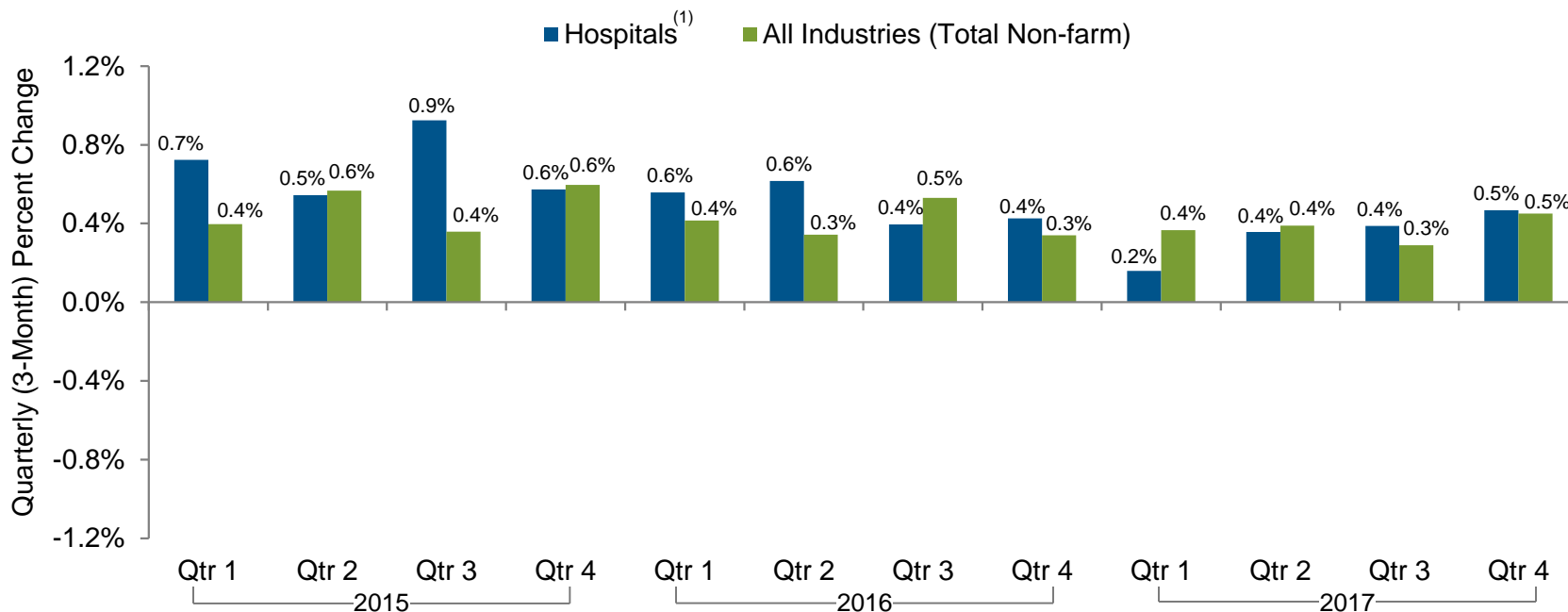
Chart 6.6: Hospital Employment by Occupation Type, 2016⁽¹⁾



Source: Department of Labor, Bureau of Labor Statistics, May 2016 National Industry-Specific Occupational Employment and Wage Estimates. Data released May 2017. Link: https://www.bls.gov/oes/current/naics3_622000.htm

⁽¹⁾ Does not include public hospitals.

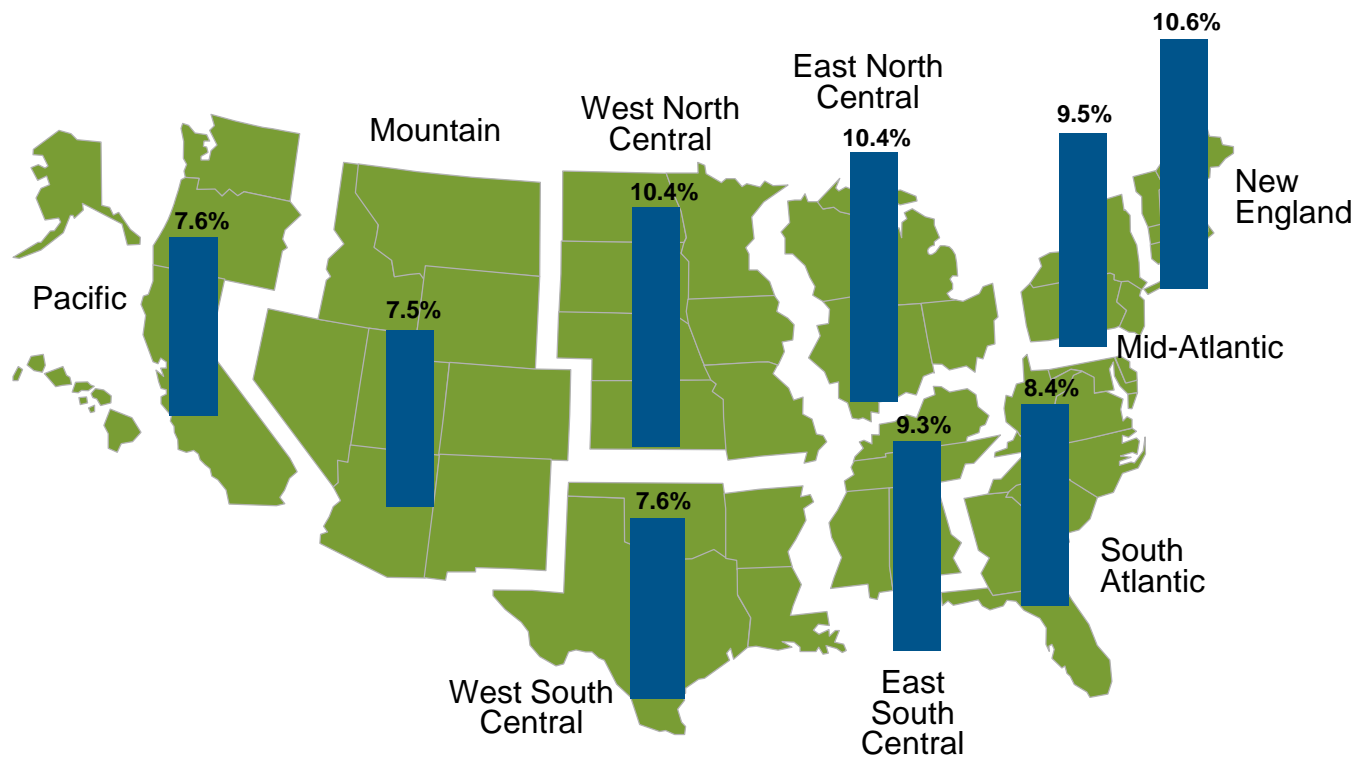
Chart 6.7: Percent Change in Employment, Seasonally-adjusted: Hospital vs. All Industries (Total Non-farm), 2015 – 2017



Source: Department of Labor, Bureau of Labor Statistics. Data released 2018. Link: <http://www.bls.gov/ces>.

(1) Does not include public hospitals.

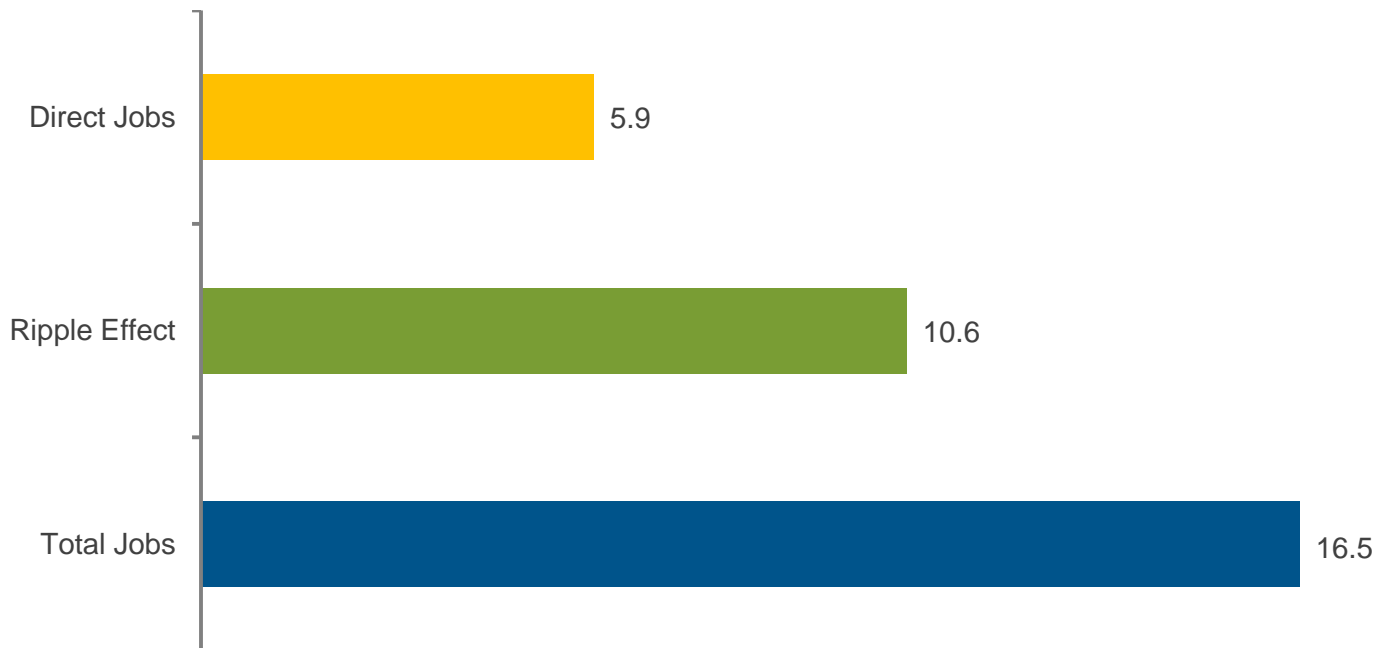
Chart 6.8: Percent of Total Regional Employment⁽¹⁾ by Hospitals, 2016



Source: Analysis of American Hospital Association 2016 Annual Survey data and 2016 total non-farm employment data from the Bureau of Labor Statistics.

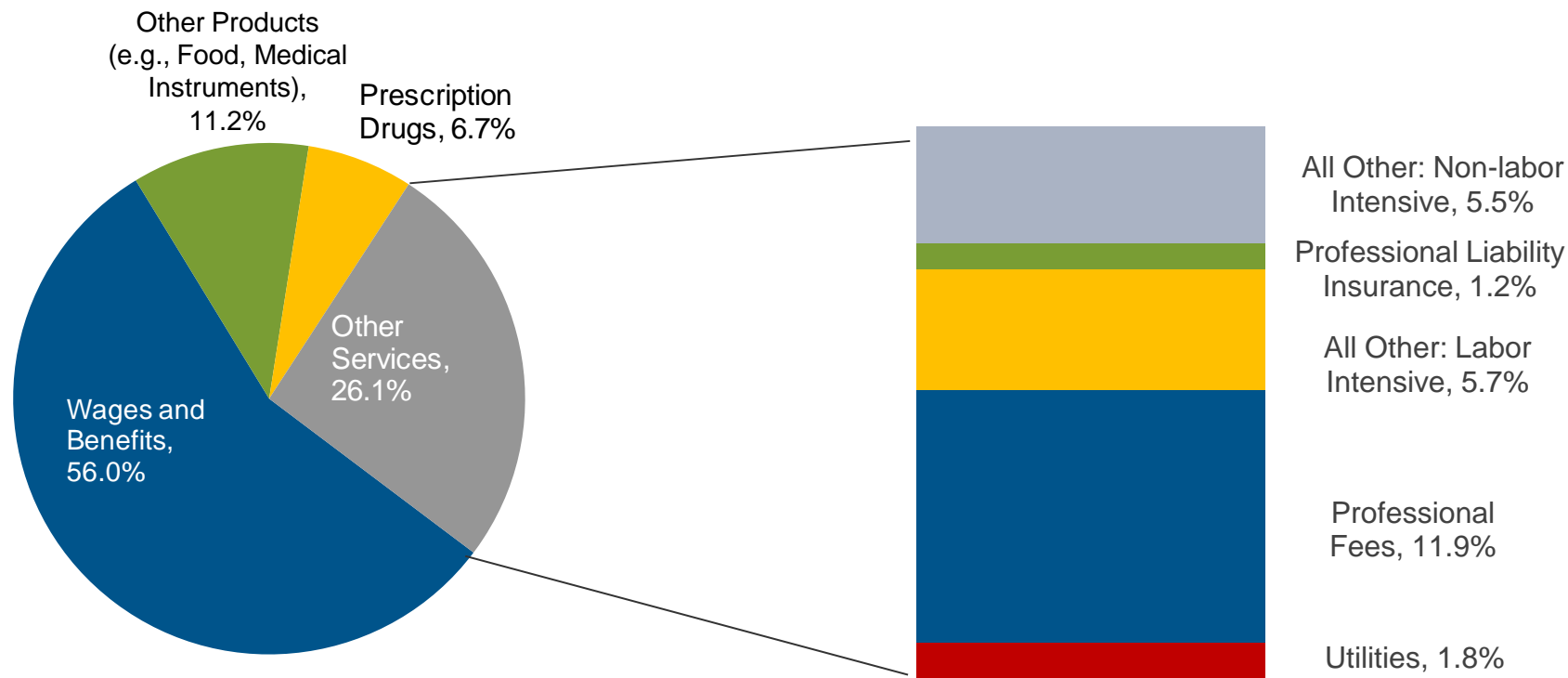
⁽¹⁾ Does not include farm employment.

Chart 6.9: Impact of Community Hospitals on U.S. Jobs (in millions), 2016



Source: Analysis, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2016 American Hospital Association Annual Survey data. Note: Multipliers released in 2010 and subsequent years no longer include the national level multipliers needed for this chart. The sum of the direct and ripple effect may be less than or greater than the total contribution due to rounding.

Chart 6.10: Percent of Costs by Category in the Inpatient Prospective Payment System Hospital Market Basket, 2016



Source: AHA analysis of Centers for Medicare and Medicaid Services data, using base year 2014 weights.

(1) Does not include capital.

(2) Includes postage and telephone expenses.

Note: Base year 2014 Inpatient Prospective Payment System Market Basket weights do not incorporate impact of rapid prescription drug price growth after the measurement period.

Chart 6.11: Hospital Impact on Sectors of the U.S. Economy (in \$ billions), 2016

Industry	Economic Impact
Health care and social assistance	\$1,044.8
Manufacturing	\$444.9
Real estate and rental and leasing	\$281.3
Finance and insurance	\$189.8
Professional, scientific and technical services	\$123.4
Retail trade	\$121.3
Wholesale trade	\$97.2
Information	\$97.2
Transportation and warehousing	\$92.5
Administrative and waste management services	\$92.0
Accommodation and food services	\$76.3
Other services	\$74.4
Management of companies and enterprises	\$59.7
Utilities	\$52.8
Agriculture, forestry, fishing and hunting	\$43.6
Educational services	\$23.9
Arts, entertainment, and recreation	\$21.2
Mining	\$18.8
Construction	\$14.7
Total⁽¹⁾	\$2,969.9

Source: Analysis, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2016 American Hospital Association Annual Survey data. Note: Multipliers released in 2010 and subsequent years no longer include the national level multipliers needed for this chart.

⁽¹⁾ Industries may not sum to total due to rounding.

Chart 6.12: Impact of Community Hospitals on U.S. Economy; All States, DC, and Total U.S., 2016

State Name	Number of Hospital Jobs (FT and PT)	Multiplier for Employer	Effect of Hospital Jobs on Total Jobs in State Economy	Percent of Total 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 State Economic Output (\$ millions)
Alabama	91,054	2.1169	192,752	9.63%	\$4,977	1.7037	\$8,480	\$10,824	1.9624	\$21,241
Alaska	13,330	1.8375	24,494	7.90%	\$1,169	1.5034	\$1,758	\$2,291	1.6847	\$3,860
Arizona	89,094	2.3604	210,297	7.53%	\$6,317	1.8444	\$11,651	\$14,098	2.1440	\$30,227
Arkansas	51,992	1.9245	100,059	8.18%	\$3,022	1.6036	\$4,846	\$6,640	1.8265	\$12,127
California	544,508	2.2946	1,249,428	7.40%	\$50,360	1.8917	\$95,266	\$102,995	2.2403	\$230,740
Colorado	81,072	2.4431	198,067	7.46%	\$6,048	1.9477	\$11,780	\$13,248	2.3088	\$30,587
Connecticut	70,302	2.0148	141,644	8.52%	\$5,297	1.7206	\$9,114	\$11,387	2.0060	\$22,841
Delaware	22,627	2.0209	45,727	10.23%	\$1,829	1.6055	\$2,936	\$3,247	1.8608	\$6,042
District of Columbia	27,922	1.4004	39,102	4.97%	\$2,339	1.2775	\$2,988	\$4,503	1.3038	\$5,871
Florida	311,016	2.3749	738,632	8.55%	\$21,462	1.8666	\$40,060	\$47,057	2.1695	\$102,090
Georgia	157,773	2.4712	389,889	8.77%	\$10,512	1.9637	\$20,643	\$23,013	2.3259	\$53,526
Hawaii	19,283	2.1304	41,081	6.28%	\$1,781	1.6559	\$2,949	\$3,556	1.9130	\$6,803
Idaho	33,697	2.1372	72,017	10.09%	\$2,339	1.6109	\$3,768	\$4,456	1.8100	\$8,065
Illinois	246,394	2.3903	588,956	9.91%	\$16,912	2.0034	\$33,881	\$37,012	2.4119	\$89,270
Indiana	130,484	2.1345	278,518	9.10%	\$8,977	1.8110	\$16,257	\$20,474	2.1338	\$43,686
Iowa	70,772	1.9560	138,430	8.94%	\$4,401	1.6286	\$7,167	\$8,992	1.8602	\$16,726
Kansas	60,858	2.0441	124,400	8.94%	\$3,941	1.7094	\$6,736	\$7,849	2.0112	\$15,786
Kentucky	85,992	2.0919	179,887	9.50%	\$5,521	1.7301	\$9,551	\$12,662	2.0211	\$25,591
Louisiana	94,110	2.0276	190,817	9.78%	\$5,432	1.6743	\$9,095	\$12,494	1.8915	\$23,632
Maine	38,105	2.2283	84,909	14.11%	\$2,791	1.7339	\$4,840	\$5,281	1.9861	\$10,489
Maryland	103,951	2.0861	216,852	8.13%	\$7,303	1.7612	\$12,862	\$15,584	2.0473	\$31,904
Massachusetts	189,037	2.1807	412,233	11.65%	\$13,247	1.8146	\$24,037	\$28,226	2.1216	\$59,884
Michigan	222,605	2.2154	493,159	11.42%	\$14,739	1.8037	\$26,585	\$30,657	2.0894	\$64,055
Minnesota	154,540	2.3259	359,445	12.44%	\$9,789	1.8864	\$18,465	\$18,652	2.2206	\$41,418
Mississippi	59,775	1.9399	115,958	10.09%	\$3,503	1.5859	\$5,555	\$7,206	1.8060	\$13,015
Missouri	143,644	2.2544	323,831	11.43%	\$9,724	1.8175	\$17,673	\$21,356	2.1243	\$45,366
Montana	27,013	1.9503	52,683	11.36%	\$1,681	1.5636	\$2,628	\$3,279	1.7451	\$5,722
Nebraska	44,263	2.0544	90,934	9.06%	\$2,873	1.7231	\$4,951	\$5,924	1.9779	\$11,718
Nevada	28,824	2.1626	62,335	4.63%	\$2,428	1.6382	\$3,977	\$5,316	1.8644	\$9,912
New Hampshire	33,076	2.0361	67,346	10.08%	\$2,623	1.7486	\$4,587	\$4,815	1.9749	\$9,508
New Jersey	150,408	2.2622	340,253	8.37%	\$11,300	1.9016	\$21,488	\$22,540	2.2750	\$51,278
New Mexico	31,731	2.0955	66,492	8.05%	\$2,394	1.5849	\$3,793	\$5,292	1.7803	\$9,421
New York	454,001	1.9964	906,368	9.68%	\$41,492	1.6903	\$70,133	\$75,133	2.0211	\$151,851
North Carolina	174,235	2.3094	402,378	9.15%	\$11,473	1.8634	\$21,378	\$25,492	2.1928	\$55,900
North Dakota	24,913	1.8785	46,799	11.26%	\$1,914	1.5512	\$2,969	\$3,765	1.7483	\$6,582
Ohio	298,371	2.3361	697,024	12.83%	\$21,181	1.8746	\$39,705	\$42,234	2.2092	\$93,304
Oklahoma	56,839	2.1148	120,203	7.26%	\$3,606	1.7331	\$6,250	\$8,470	1.9833	\$16,799
Oregon	64,984	2.2213	144,349	7.73%	\$5,622	1.7097	\$9,611	\$11,399	1.9663	\$22,414
Pennsylvania	278,965	2.2505	627,811	10.68%	\$18,868	1.8929	\$35,716	\$42,325	2.2485	\$95,167
Rhode Island	21,760	2.0485	44,575	9.22%	\$1,813	1.6847	\$3,054	\$3,502	1.9391	\$6,792
South Carolina	81,547	2.2435	182,951	8.82%	\$5,162	1.7876	\$9,227	\$11,487	2.0914	\$24,023
South Dakota	24,574	1.8300	44,970	10.57%	\$1,840	1.5532	\$2,858	\$3,499	1.7448	\$6,105
Tennessee	117,592	2.2749	267,510	8.95%	\$7,514	1.8992	\$14,271	\$16,875	2.2489	\$37,950
Texas	367,909	2.4915	916,645	7.47%	\$28,048	2.0172	\$56,579	\$62,211	2.4247	\$150,843
Utah	47,108	2.3614	111,241	7.55%	\$2,866	1.8805	\$5,390	\$6,580	2.2133	\$14,563
Vermont	17,022	1.9953	33,964	10.85%	\$1,344	1.6072	\$2,160	\$2,315	1.8000	\$4,167
Virginia	125,458	2.0950	262,835	6.75%	\$8,859	1.7427	\$15,439	\$19,593	2.0310	\$39,793
Washington	117,035	2.1358	249,963	7.50%	\$9,753	1.7220	\$16,795	\$20,919	1.9966	\$41,765
West Virginia	45,855	1.8645	85,497	11.67%	\$2,904	1.5373	\$4,464	\$6,179	1.7036	\$10,526
Wisconsin	120,528	2.1030	253,470	8.76%	\$8,525	1.7618	\$15,020	\$18,504	2.0338	\$37,633
Wyoming	10,311	1.7096	17,628	6.37%	\$785	1.4369	\$1,128	\$1,486	1.5917	\$2,365
United States*	5,878,259	2.8048	16,487,341	11.33%	\$430,597	2.4031	\$1,034,767	\$902,891	3.2896	\$2,970,150

Source: Analysis, using BEA RIMS-II (2007/2016) multipliers for hospital NAICS Code 622000, released 2018, applied to American Hospital Association Annual Survey data for 2016. 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 2016 BLS data. Expenditures are defined as total expenditures minus bad debt. In previous years, expenditures were defined as net patient revenue plus other operating revenue.

*Multipliers released in 2010 and subsequent years 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 2015 AHA annual survey data were used instead.



American Hospital Association