



# 2019

ECONOMIC  
IMPACT  
REPORT



# CONNECTICUT HOSPITALS AND HEALTH SYSTEMS

## THE BEDROCK OF THE COMMUNITY

Connecticut families rely on hospitals and health systems to be there when they need them. And as the healthcare environment continues to shift, one thing remains certain: their doors are always open, their lights are always on, and caregivers are always ready to heal.

Last year, Connecticut hospitals and health systems treated more than \$1.5 million patients in their emergency departments, welcomed more than 35,000 babies into the world, and provided care for more than

400,000 admitted patients, accounting for nearly 2 million days of inpatient care.

But their contributions to their communities extend far beyond great care and critical health services. Connecticut hospitals and health systems are economic cornerstones in the communities they serve, and they help our state’s economy grow strong. The hospital sector generates \$27.7 billion for the state’s economy and drives growth in the health, medical, and research fields, as well as in many other sectors.

*\*For the purposes of financial reporting, this report describes the impact of hospitals and health systems as defined by Office of Health Strategy to mean hospitals and their related entities.*



# HOSPITALS AND HEALTH SYSTEMS Economic Impact:

**JOBS:**  
**103,000** employed  
Payroll: **\$7.6 Billion**  
**101,000** “ripple effect” jobs  
Payroll: **\$7.7 Billion**  
**TOTAL JOBS:**  
**204,000**  
**TOTAL PAYROLL:**  
**\$15.3 Billion**

**HOSPITAL SPENDING:**  
**\$5.4 Billion** spent on goods and services  
**\$5.4 Billion** created in “ripple effect” spending  
**TOTAL IMPACT** of hospital spending:  
**\$10.8 Billion**



**CAPITAL IMPROVEMENTS:**  
**\$826 Million** spent on buildings and equipment  
**\$833 Million** additional economic activity generated  
**TOTAL IMPACT:** of spending on capital improvements:  
**\$1.6 Billion**



**TOTAL ECONOMIC IMPACT = \$27.7 Billion**



# CONNECTICUT HOSPITALS AND HEALTH SYSTEMS



**A Purchaser of Goods and Services**  
 The \$5.4 billion that Connecticut hospitals and health systems spend each year on the goods and services they require to provide excellent quality care is a significant contribution to the state's economy. The hospital funds spent on medical equipment and supplies, food, and electricity for buildings, among other things, flow from hospitals to businesses, and then ripple out into the wider economy for an additional spending of \$5.4 billion, for a total impact of \$10.8 billion.

**A Major Employer**  
 Connecticut's hospitals and health systems are often the largest employers in their communities. They provide great jobs to more than 103,000 people, with a total annual payroll of \$7.6 billion. And nearly every hospital job produces another job outside the hospital. In total, Connecticut's hospitals and health systems generate more than 204,000 jobs in our state, for a total payroll of \$15.3 billion.

**204,000**  
 Connecticut jobs  
 generated by hospitals  
 and health systems



**\$27.7 Billion**  
 Total economic impact generated by  
 Connecticut hospitals and health  
 systems

**Sustaining Our Communities**  
 The financial ripple effect from Connecticut's hospitals and health systems is far-reaching. Hospitals and health systems generate need for the development of new healthcare-related businesses, as well as retail stores, banks, and restaurants frequented by hospital employees, patients and families, as well as vendors and suppliers. In 2017, hospitals and health systems spent \$826 million on buildings and equipment, which created an additional \$833 million in economic activity. This capital spending generated a total of \$1.6 billion to the state's economy.

**The Future of Connecticut's  
 Hospitals and Health Systems**  
 Today's hospitals and health systems are evolving – innovation is an imperative. They're building integrated delivery networks in their patients' neighborhoods with doctors, nurses, and other healthcare professionals who are working together as a coordinated team to better serve patients and communities. Vibrant hospitals and health systems require support and collaboration from government and many other sectors.

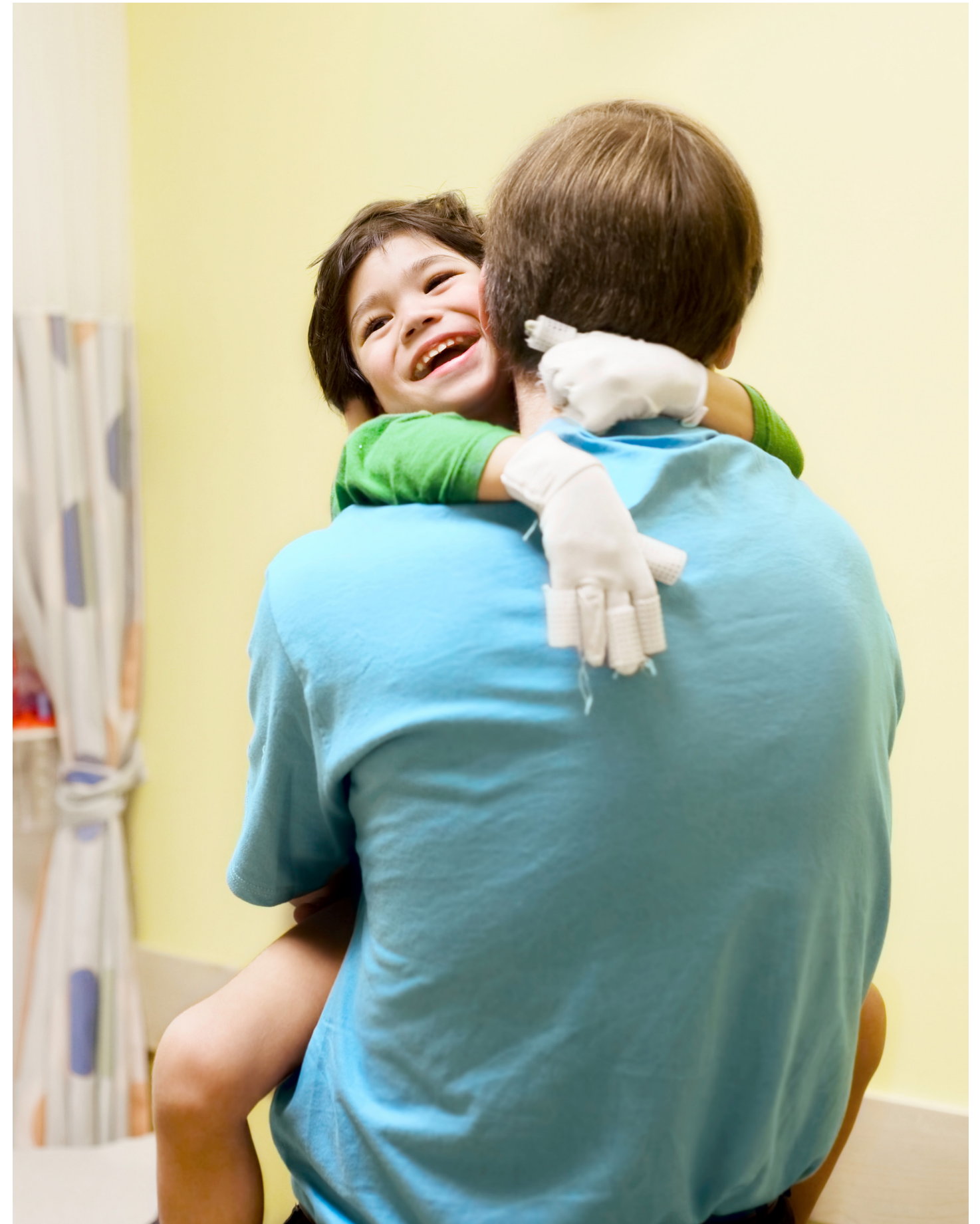




## WHAT LEGISLATORS CAN DO IN 2019

1. Protect the agreement regarding taxes paid by hospitals and Medicaid payments to hospitals, and settle past disputes.
2. Partner with hospitals to develop new opportunities that benefit patients, communities, hospitals, and the state.
3. Bring Connecticut's Medicaid rates in line with the national average.
4. Invest in hospitals and healthcare to grow Connecticut's economy.
5. Protect access to patient care in light of potential changes to healthcare on the national level.
6. Support a Certificate of Need (CON) process that treats hospitals fairly and on an equal basis with other providers and other entities.
7. Do not pass legislation that imposes additional regulatory burdens on hospitals.
8. Support behavioral health and substance use treatment and prevention programs that emphasize an integrated approach to patient care, such as Community Care Teams.
9. Fund proven drug and alcohol abuse treatment programs, such as recovery coaches.
10. Related to behavioral health and substance use services, match facilities and available resources, such as short-term, intermediate, and long-term beds, with patient need.

Note: The hospital and health system economic analysis is based on the statewide multipliers from the Regional Input-Output Modeling System (RIMS II), developed by the Bureau of Economic Analysis of the U.S. Department of Commerce. It uses data from the hospital health system FY 2017 audited financial statements. RIMS II provides an accounting of "inputs" purchased and "outputs" sold by an industry in the state. The spending of one industry will have several rounds of ripple influence throughout the state economy – this is known as the multiplier effect. RIMS II regional multipliers measure both the direct and indirect impact on the state economy from a specific industry. The number of jobs is based on individuals employed by the hospital health systems, as recorded through IRS Form W-3. Hospital services data are from ChimeData FY2017 and Office of Health Strategy, Health Systems Planning Unit.



### About the Connecticut Hospital Association

The Connecticut Hospital Association has been dedicated to serving Connecticut's hospitals and health systems since 1919. Through state and federal advocacy, CHA represents the interests of Connecticut's hospitals and health systems on key healthcare issues in the areas of quality and patient safety, access and coverage, workforce, community health, health equity, and hospital reimbursement.

### For more information, please contact:



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