

FEBRUARY 2022



ECONOMIC IMPACT REPORT



HOSPITALS ARE ECONOMIC ENGINES IN OUR COMMUNITIES PROVIDING ESSENTIAL SERVICES AND CONTRIBUTING TO STATE AND LOCAL ECONOMIES

Since early 2020, hospitals and health systems have been at the center of Connecticut’s response to the COVID-19 public health emergency, acting as a vital partner with the state and our communities. Hospitals expanded critical care capacity, procured essential equipment and supplies, and stood up countless community COVID-19 testing locations.

Hospitals have been an essential component of the statewide vaccine distribution plan, helping to make Connecticut among the most highly vaccinated states in the U.S. Connecticut hospitals were among the first in the nation to mandate vaccines for our employees,

ensuring the safest possible care environment for employees, patients, and visitors.

Hospitals and health systems found novel ways to support under-served communities, collaborating with community-based organizations and trusted community leaders to help people overcome their hesitation about getting the vaccine. All told, Connecticut hospitals and health systems delivered nearly one million doses of vaccine in 2021. These efforts have supported the state’s retail and other businesses to remain safely open, contributing to Connecticut’s economy, which is recovering from its own battle with COVID-19.

HOSPITALS AND HEALTH SYSTEMS FY 2020 ECONOMIC IMPACT



HEALTHCARE SPENDING:
\$6.7 Billion spent on goods and services

\$6.5 Billion created in “ripple effect” spending

TOTAL IMPACT
of hospital spending:
\$13.2 Billion



CAPITAL IMPROVEMENTS:

\$740 Million spent on buildings and equipment

\$719 Million additional economic activity generated

TOTAL IMPACT
of spending on capital improvements:
\$1.5 Billion



JOBS:

107,087 employed
Payroll: \$9.1 Billion

115,140 “ripple effect” jobs
Payroll: \$8.9 Billion

TOTAL JOBS:
222,227

TOTAL PAYROLL:
\$18.0 Billion

TOTAL ECONOMIC IMPACT = \$32.7 BILLION



Through it all, hospitals and health systems have continued to provide high-quality care for everyone, regardless of ability to pay. During the spring, fall, and winter surges, hospitals cared for those sick with COVID-19 and also those who had put off seeking

222,227

JOBS CAN BE TRACED EITHER DIRECTLY OR INDIRECTLY TO HOSPITALS

healthcare during the first waves of the pandemic, arriving for care, but sicker as a result. While supply chain issues around personal protective equipment and other medical supplies eased some, hospitals across the nation now contend with a shortage in qualified personnel to fill open positions across our organizations.

Healthcare workers are exhausted from nearly two years on the front lines fighting the pandemic, and yet they persevere, inspiring a new generation of caregivers

applying to higher education programs in increasing numbers.

Hospitals and health systems continue to be among the largest employers in the communities we serve, providing high-quality medical and surgical services, with highly expert staff, to all patients regardless of their ability to pay. We contribute to the quality of life of Connecticut, with low- and no-cost health education and wellness programming, and participate in groundbreaking research trials that develop new therapies.

Energized by the stark disparities in health and access to care laid bare by COVID-19, hospitals and health systems are redoubling our efforts, alongside community partners, to reach out and serve the core needs of individuals and communities—with the goal of sustainably improving equitable economic opportunity, and with it the equity of health and well-being among residents of our state. This tireless commitment to the COVID-19 response confirms the value of strong hospitals in Connecticut’s public health infrastructure and the well-being of our communities and reinforces the need for a strong partnership between the state and hospitals.

Major Employer

In a time of great challenge, hospitals continued to provide well-paying jobs to more than 107,000 people in 2020, with a total annual payroll of \$9.1 billion. And for almost every hospital job, another is generated outside the hospital. In total, Connecticut’s hospitals and health systems generated over 222,000 jobs inside and outside hospitals in our state in 2020, for a total payroll of \$18 billion.

A Purchaser of Goods and Services

Hospitals and health systems are also substantial consumers of goods and services required to provide excellent care. In 2020, Connecticut hospitals spent more than \$6.7 billion on medical equipment and supplies, including unbudgeted COVID-19-related expenses, in addition to food, electricity for buildings, and other operating expenses—a significant contribution

\$6.7 BILLION

SPENT ON MEDICAL EQUIPMENT AND SUPPLIES

to the state’s economy. These expenditures further rippled out into the community, generating estimated additional spending of \$6.5 billion, for a total impact of \$13.2 billion.

Sustaining our Communities

The financial impact of Connecticut’s hospitals and health systems is far-reaching. In 2020, hospitals and health systems spent \$740 million on buildings and capital equipment, which created an additional \$719 million in economic activity. This capital spending produced a total of \$1.5 billion in economic activity for the state. Through capital spending, hospitals and health systems advance development of new healthcare-related businesses and contribute to retail stores, banks, and other establishments frequented by employees, patients and families, as well as vendors and suppliers.





THE FUTURE OF CONNECTICUT'S HOSPITALS AND HEALTH SYSTEMS

The past two years have presented an unprecedented public health emergency taxing healthcare teams, testing hospitals' agility, and worsening the toll of historic systemic racial inequities. Connecticut hospitals and health systems continue to be committed to making sure patients receive equitable care, experience compassionate and empathetic treatment, and have access to care in the most appropriate spaces.

In addition, hospitals are at the forefront of supporting innovative community-based efforts to address the core causes of poor health and health inequities—social influencers like housing and food insecurity, environmental risks, and financial insecurity caused by unemployment and educational needs.

To remain vibrant and strong, Connecticut hospitals and health systems require support and collaboration from government and many other sectors. The financial health of Connecticut's hospitals and health systems is closely tied to that of the communities, families, and individuals we serve and as an integral part of those communities, hospitals will continue to help forge the path to better healthcare and better health in 2022.

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 each hospital and health system's FY 2020 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 total number of jobs is based on individuals employed by Connecticut's hospitals and health systems, as recorded through IRS Form W-3.

CONNECTICUT HOSPITAL ASSOCIATION ADVOCACY PRIORITIES

PUTTING PATIENTS AND COMMUNITIES FIRST

RESPOND TO AND RECOVER FROM COVID-19

SUPPORT AND GROW THE HEALTHCARE WORKFORCE

IMPROVE THE HEALTH OF OUR COMMUNITIES

ENSURE THE VIABILITY OF THE HEALTHCARE SYSTEM



Ensure hospitals have the financial strength and regulatory flexibility to respond to and recover from the COVID-19 pandemic, while meeting the current and future health needs of Connecticut residents



Focus on retaining and growing a skilled, diverse, resilient workforce to meet the patient needs of today and tomorrow



Partner with others to improve community health, advance health equity, stabilize and strengthen our behavioral health system, promote public health infrastructure, and focus on quality to improve health outcomes



Expand affordable coverage and access to care, ensure a sustainable payment system, and eliminate inefficient, burdensome payer practices that harm patients and delay care

COVID-19 VACCINE TIMELINE



First vaccine delivered to a Connecticut healthcare worker as hospitals roll out vaccines for their workforce

DEC 14
2020

Hospitals lead vaccine effort, open mass vaccination clinics across Connecticut

JAN
2021

171,035 vaccine doses administered to healthcare workers, medical first responders, and residents and staff of long-term care facilities

JAN 14
2021

Governor announces age-based plan with all residents age 16 and above eligible by May 3. Special focus on educators, child care providers, and high social vulnerability zip codes

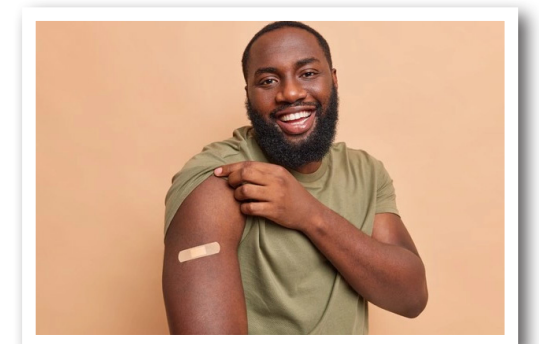
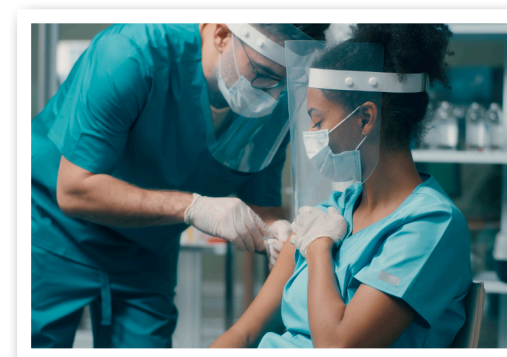
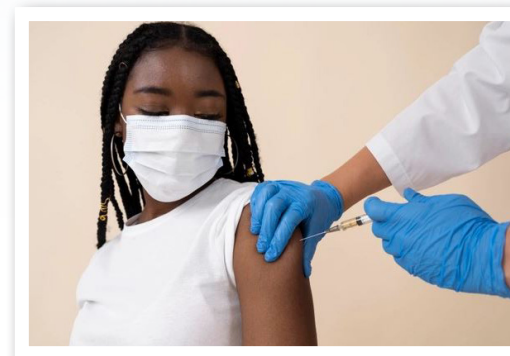
FEB 22
2021

COVID-19 vaccine available for all residents 16 and over

APRIL 1
2021

Connecticut becomes the first state to fully vaccinate more than 50% of all adults over 18

MAY 3
2021



MAY 12
2021

Pfizer COVID-19 vaccine becomes available for children 12-15 years old in Connecticut, extending eligibility to another 170,000 residents

JUNE 24
2021

CHA announces all hospitals in Connecticut will require COVID-19 vaccines for their employees for the safety and health of their patients, workforce, and communities, becoming only the second state to make the commitment

OCT 21
2021

Federal government expands use of COVID-19 vaccine booster doses

NOV 2
2021

Hospitals gear up to begin administering vaccine to children 5-11 at CDC's authorization

NOV 19
2021

CDC approves boosters for all adults six months after full vaccination

DEC
2021

Connecticut hospitals and health systems had delivered nearly one million doses of vaccine by the end of 2021.

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 on key healthcare issues in the areas of quality and patient safety, access and coverage, workforce, community health, health equity, and hospital reimbursement.

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