



CONNECTICUT HOSPITALS

2015 Economic Impact Report



Cornerstones of our Communities

Improving Community Health,
Strengthening Connecticut's Economy

Each year, Connecticut hospitals

treat more than 1.6 million patients in their emergency departments, welcome more than 35,000 babies into the world, and care for more than 409,000 admitted patients, accounting for more than two million days of inpatient care.

But hospitals' contributions to their communities extend far beyond great care and critical safety net health services. Connecticut hospitals also serve as the economic lifeblood of their communities and the state, providing enormous benefits that drive growth in the health and medical fields, as well as in many other business and industry sectors. Connecticut hospitals have a tremendous impact on the financial health of their local communities and the entire state.

Connecticut hospitals spend billions of dollars each year on staff salaries and the purchase of medical supplies and food, as well as facility construction. These dollars have a "ripple effect" as they move through the larger economy, generating additional jobs and spending in communities throughout the state.

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More than **110,000** jobs can be traced
either directly or indirectly to hospitals; the total
payroll to Connecticut workers is \$11.5 billion each year.



Hospitals' Economic Impact: By the Numbers

55,000 employed - payroll of \$5.5 billion
55,000 "ripple effect" jobs created - payroll of \$6 billion
Total Jobs: 110,000; total payroll: \$11.5 billion

\$4.2 billion spent on goods and services
\$4.6 billion created in "ripple effect" spending
Total impact of hospital spending: \$8.8 billion

\$782 million spent on buildings and equipment
\$845 million additional economic activity generated
**Total impact of spending on capital
improvements: \$1.6 billion**

**Total economic impact =
\$21.9 billion**



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A Major Employer

Connecticut’s hospitals and health systems provide great jobs to more than 55,000 people, with a total annual payroll of \$5.5 billion. Connecticut hospitals are often the largest employers in their communities, and hospital salaries serve as a vital economic stimulus, creating and supporting jobs throughout the local and state economies. Every job in a Connecticut hospital produces another Connecticut job outside of the hospital. **More than 110,000 jobs can be traced either directly or indirectly to hospitals; the total payroll to Connecticut workers is \$11.5 billion each year.**



A Purchaser of Goods and Services

Each year, Connecticut hospitals spend \$4.2 billion on the goods and services they need to provide healthcare. This includes medical supplies, food for patients, and electricity for buildings. Funds spent on goods and services flow from the hospital to businesses, and then ripple throughout the economy. **Hospital spending generates an additional \$4.6 billion in local economic activity, for a total economic impact of \$8.8 billion.**

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Connecticut hospitals contribute **\$21.9 billion** annually to the state and local economies: \$11.5 billion in annual local payroll, \$8.8 billion in goods and services, and \$1.6 billion in capital spending.





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Building the Future of Care

Connecticut hospitals fuel economic growth in our communities. They serve as a magnet for other healthcare businesses and as a catalyst for new businesses such as retail stores, banks, grocery stores, and restaurants.

Connecticut hospitals and health systems spent \$782 million on buildings and equipment in 2013. **This capital spending created an additional \$845 million in economic activity, generating a total of \$1.6 billion in economic activity in Connecticut.**

Leaders in a Time of Change

In addition to their caregiving role, Connecticut hospitals form the backbone of their local communities and buoy the state’s economy. Hospitals create jobs, and their employees go on to support their local businesses, shops, and restaurants, encouraging even more new businesses to take root. Additionally, they build state-of-the-art facilities that attract additional development.

The fiscal health of hospitals is a bellwether for the local and state economies. Connecticut hospitals need your support as they lead the charge to transform care in our state. Fiscal pressures are mounting even as hospitals are working to reduce the cost of care. One major cost is the hospital tax, which amounts to \$254 million every year and adds \$123 per year to the cost of care for people with commercial insurance. **Hospitals are seeking a five-year phase-out of the hospital tax, which would help ensure that hospitals can continue their mission of caring, as well as their positive impact on their local and state economies.**

NOTE: This 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 2013 Medicare cost report. 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 full-time equivalents. Hospital services data from ChimeData Database FY2013.

About the Connecticut Hospital Association

Founded in 1919, the Connecticut Hospital Association (CHA) represents hospitals and health-related organizations. With more than 140 members, CHA is one of the most respected hospital associations in the nation.

CHA's mission is to advance the health of individuals and communities by leading, representing, and serving hospitals and healthcare providers across the continuum of care that are accountable to the community and committed to health improvement.

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