



2020



ECONOMIC IMPACT REPORT

JANUARY 2020



CONNECTICUT
HOSPITAL
ASSOCIATION



CONNECTICUT HOSPITALS AND HEALTH SYSTEMS
IMPROVING THE LIVES OF PATIENTS, FAMILIES,
AND COMMUNITIES



CONNECTICUT FAMILIES RELY ON HOSPITALS AND HEALTH SYSTEMS TO PROVIDE COMPASSIONATE, QUALITY CARE THAT GOES BEYOND THEIR EXPECTATIONS.

As the healthcare environment evolves, one thing remains certain: hospital doors are always open, the lights are always on, and caregivers are always ready to heal.

In 2018, 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 390,000 admitted patients, accounting for nearly 1.9 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 provide valuable resources in the communities they serve, and help our state's economy prosper and thrive. Hospitals and health systems generate \$28.9 billion for the state's economy and drive growth in the health, medical, and research fields, and other areas.

**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:



HEALTHCARE SPENDING:

\$5.9 Billion spent on goods and services

\$5.7 Billion created in "ripple effect" spending

TOTAL IMPACT:
of hospital spending:
\$11.6 Billion



JOBS:

106,000 employed
Payroll: **\$8 Billion**

111,400 "ripple effect" jobs
Payroll: **\$7.7 Billion**

TOTAL JOBS:
217,400

TOTAL PAYROLL:
\$15.7 Billion



CAPITAL IMPROVEMENTS:

\$814 Million spent on buildings and equipment
\$782 Million additional economic activity generated

TOTAL IMPACT:
of spending on capital improvements:
\$1.6 Billion

TOTAL ECONOMIC IMPACT = \$28.9 Billion



CONNECTICUT HOSPITALS AND HEALTH SYSTEMS CORNERSTONES OF THEIR COMMUNITIES



A Purchaser of Goods and Services

Hospitals and health systems are also substantial consumers of goods and services required to provide excellent care. In Connecticut in 2018, more than \$5.9 billion was spent on medical equipment and supplies, food, and electricity for buildings – a significant contribution to the state’s economy. These expenditures further ripple out into the community, generating additional spending of \$5.7 billion, for a total impact of \$11.6 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 106,000 people, with a total annual payroll of \$8 billion. And for almost every hospital job, another is generated outside the hospital. In total, Connecticut’s hospitals and health systems generate 217,400 jobs in our state, for a total payroll of \$15.7 billion.

217,400

**Connecticut jobs
generated by hospitals and
health systems**



Sustaining our Communities

The financial impact of Connecticut’s hospitals and health systems is far-reaching. In 2018, hospitals and health systems spent \$814 million on buildings and equipment, which created an additional \$782 million in economic activity. This capital spending produced \$1.6 billion into the state’s economy. Through capital spending, hospitals and health systems advance development of new healthcare-related businesses, as well as retail stores, banks, and other establishments frequented by employees, patients, and families, as well as vendors and suppliers.

\$28.9 Billion

**Total economic impact generated
by Connecticut hospitals and
health systems**

The Future of Connecticut’s Hospitals and Health Systems

Today’s hospitals and health systems are evolving – innovation is an imperative. From state-of-the-art facilities and technology to competent, compassionate staff, Connecticut’s hospitals and health systems are building a healthier Connecticut by improving community health, managing chronic illness, expanding access to primary care, preparing for emergencies, and addressing social determinants of health. Connecticut hospitals and health systems are committed to making sure patients experience compassionate, empathetic, and coordinated care – every visit. Doctors and nurses partner with patients and their families, building relationships that put the patient first, and ensuring that patients are satisfied and engaged in their healthcare.

To remain vibrant and strong, Connecticut hospitals and health systems require support and collaboration from government and many other sectors.

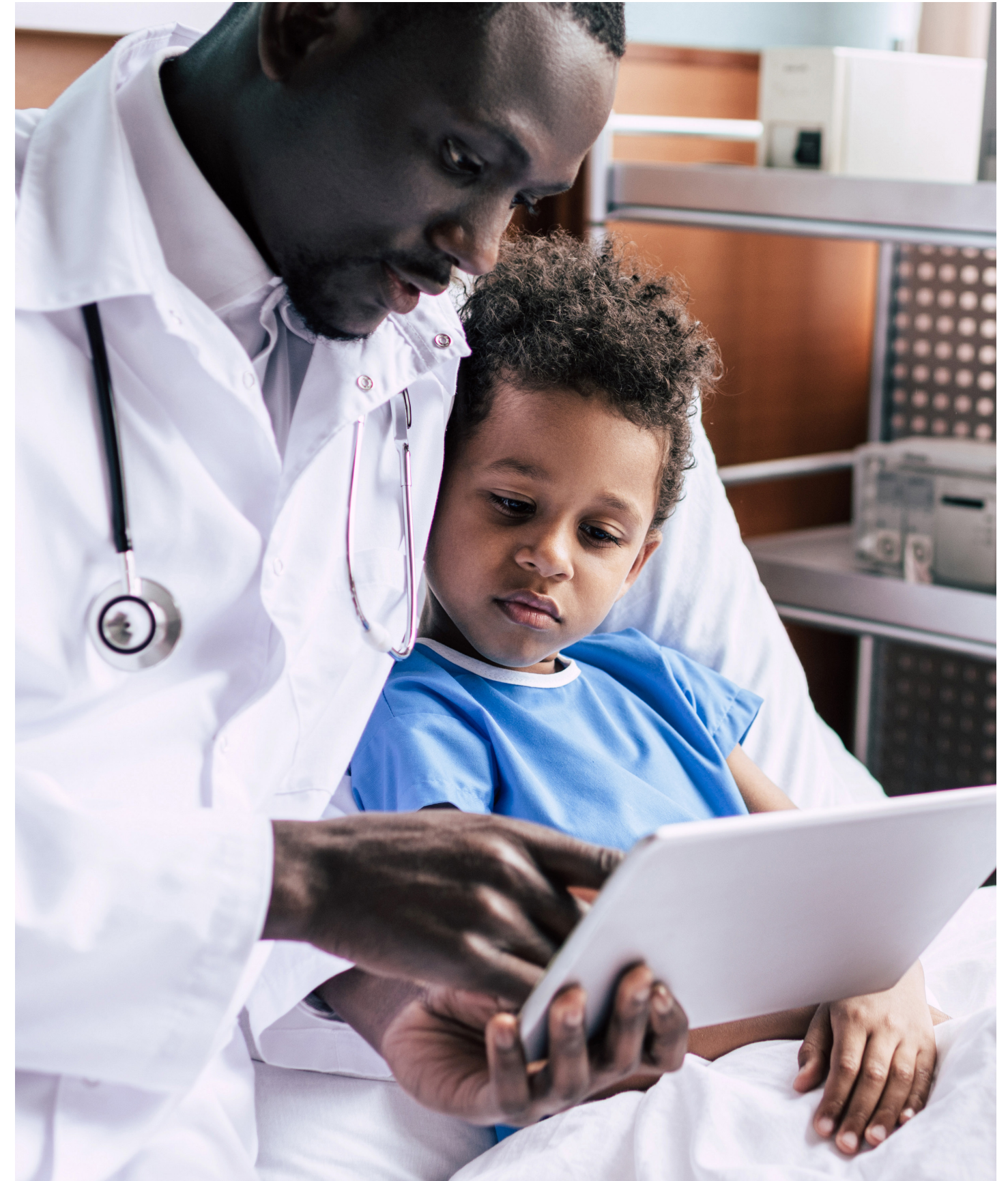
Working together, we can craft solutions that ensure the financial health of Connecticut’s hospitals and health systems, providing high-quality, compassionate care when it’s needed most.



WHAT LEGISLATORS CAN DO IN 2020

- Partner with hospitals to develop new opportunities that benefit patients, communities, hospitals, and the state
- Match available resources to evolving behavioral health needs across the continuum of care (e.g., restore residential levels of care for children and adolescents, and establish an adequate supply of long- and intermediate-term beds)
- Implement integrated service delivery models including medical, psychiatric, social, and residential needs by funding recovery coaches, patient advocates for community care teams, and intensive case managers
- Align state healthcare policy with evidence-based outcomes to ensure effective public and community health
- Protect access to patient care in light of potential changes to healthcare on the national level
- Support a Certificate of Need (CON) process that treats hospitals fairly and on an equal basis with other providers and other entities
- Do not pass legislation that imposes additional regulatory burdens on hospitals
- Support care delivery models that are integrated, focused on optimal patient outcomes, and appropriately financed
- Support measures that address social determinants of health

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 2018 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 FY2019 and Office of Health Strategy, Health Systems Planning Unit FY2018.



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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