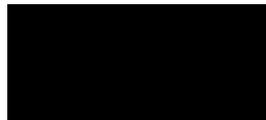




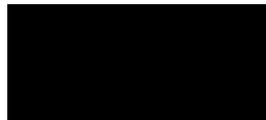
The Facts

- GHA provides an Annual Economic Report to each hospital
- Report focuses on the local and state economic impact of the hospital
- Report also details the Community Benefit each facility provides in the form of uncompensated and free care
- Data sources are the DCH Annual Hospital Financial Survey and Medicare Cost Reports



The Facts

- Report also uses economic multipliers to show the “ripple effect” of the circular flow of spending within the economy
- This presentation will focus only on the actual spending incurred by the hospital



2013 Hospital Economic Report: Small, Rural Hospitals

SECTION I - Economic Impact: All Small, Rural Hospitals

Total Direct Expenditure	\$1,383,512,299
Georgia Output Multiplier ¹	2.2846
Total Output/Income Generated	\$3,160,772,198
Hospital Payroll and Benefits	\$889,465,467
Georgia Earnings Multiplier ²	1.8799
Total Household Earnings Generated	\$1,672,106,131
Number of Hospital Jobs (Full and Part Time)	16,176
Georgia Employment Multiplier ³	2.2782
Georgia Full Time Jobs Created⁴	36,852

2013 Hospital Economic Report: Small, Rural Hospitals

SECTION II - Community Benefit: All Small, Rural Hospitals

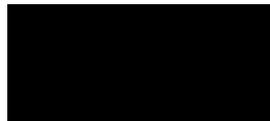
These numbers represent the **actual cost⁵** incurred by the hospitals:

Uncompensated Indigent Care Provided	\$51,876,117
Uncompensated Charity Care Provided	\$13,650,774
Uncompensated Bad Debt Incurred on Health Care Services Provided	\$109,104,154
Other Free Uncompensated Care	<u>\$10,414,026</u>
TOTAL:	\$185,045,071

2013 Hospital Economic Report: Critical Access Only

SECTION I - Economic Impact of Hospitals: Critical Access Hospitals Only

Total Direct Expenditure	\$341,232,654
Georgia Output Multiplier ¹	2.2846
Total Output/Income Generated	\$779,580,121
Hospital Payroll and Benefits	\$231,005,938
Georgia Earnings Multiplier ²	1.8799
Total Household Earnings Generated	\$434,268,063
Number of Hospital Jobs (Full and Part Time)	4,547
Georgia Employment Multiplier ³	2.2782
Georgia Full Time Jobs Created⁴	10,359





SECTION I - Economic Impact of Hospital: Fannin Regional Hospital

Total Direct Expenditure	\$24,503,052
Georgia Output Multiplier ¹	2.2846
Total Output/Income Generated	\$55,979,673
Hospital Payroll and Benefits	\$14,477,088
Georgia Earnings Multiplier ²	1.8799
Total Household Earnings Generated	\$27,215,478
Number of Hospital Jobs (Full and Part Time)	213
Georgia Employment Multiplier ³	2.2782
Georgia Full Time Jobs Created⁴	485

SECTION II - Community Benefit: Fannin Regional Hospital

These numbers represent the **actual cost⁵** incurred by the hospital:

Uncompensated Indigent Care Provided	\$237,397
Uncompensated Charity Care Provided	\$575,467
Uncompensated Bad Debt Incurred on Health Care Services Provided	\$633,751
Other Free Uncompensated Care	<u>\$405,118</u>
TOTAL:	\$1,851,733



Economic Impact of Recently Closed Rural Hospitals

SECTION I - Economic Impact of Hospital: Recently Closed Rural Hospitals

Total Direct Historical Expenditures	\$29,588,060
Georgia Output Multiplier ¹	2.2846
Total Output/Income Lost	\$67,596,882
Hospital Payroll and Benefits	\$18,792,387
Georgia Earnings Multiplier ²	1.8799
Total Household Earnings Lost	\$35,327,808
Number of Hospital Jobs (Full and Part Time)	430
Georgia Employment Multiplier ³	2.2782
Georgia Full Time Jobs Lost⁴	980

Economic Impact of Recently Closed Rural Hospitals

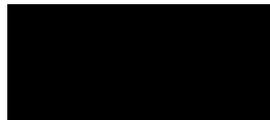
SECTION II - Community Benefit: Recently Closed Rural Hospitals

These numbers represent the **actual cost⁵** incurred by the hospital:

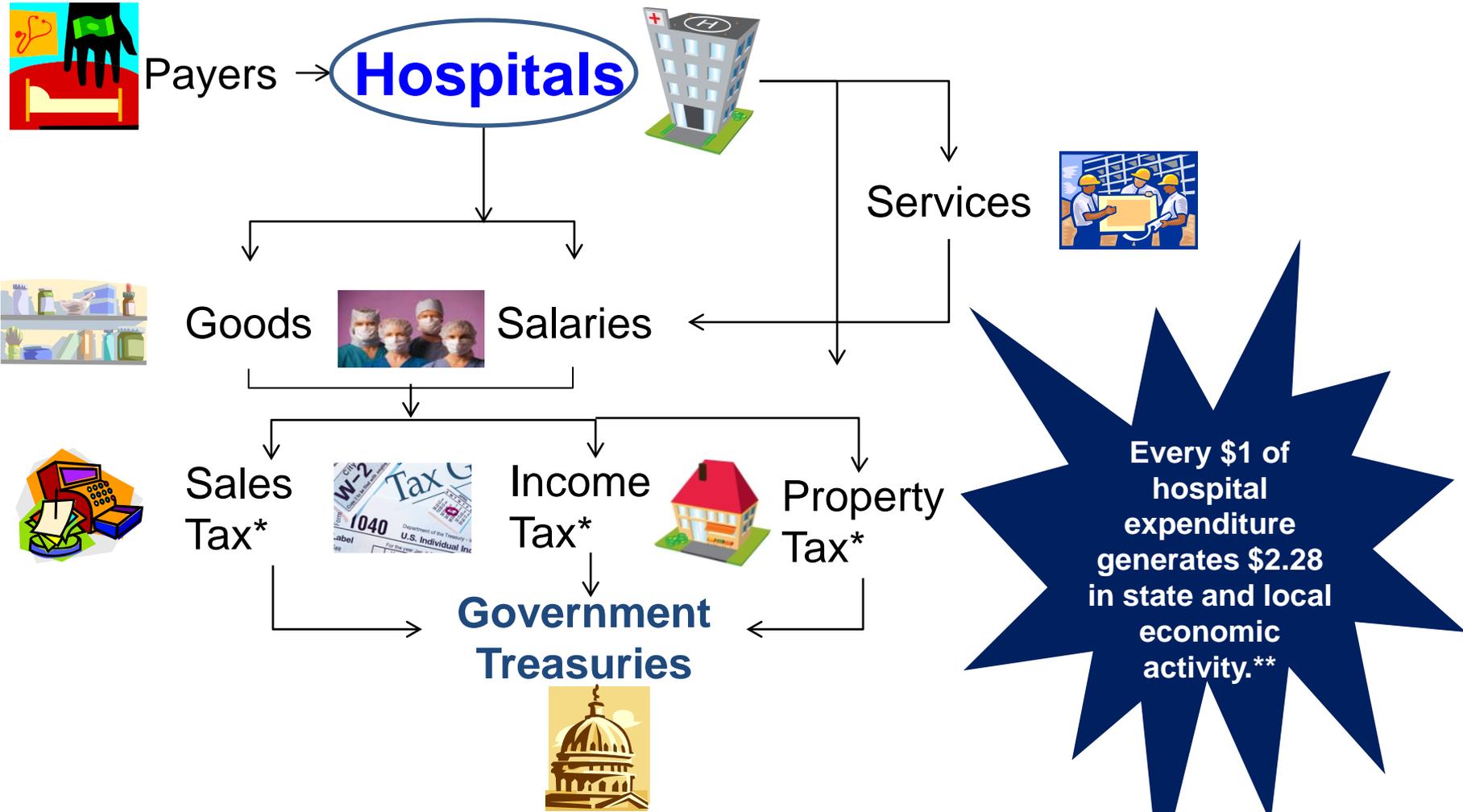
Uncompensated Indigent Care Provided	\$1,207,506
Uncompensated Charity Care Provided	\$152,045
Uncompensated Bad Debt Incurred on Health Care Services Provided	\$3,930,003
Other Free Uncompensated Care	<u>\$80,294</u>
TOTAL:	\$5,369,848

Closed Hospitals:

Calhoun Memorial, Charlton Memorial, Lower Oconee, and Stewart Webster



Multiplier Effect

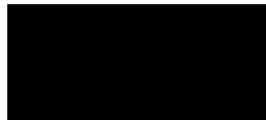


* Not applicable for not-for-profit hospitals
 ** Based on 2012 data



THANK YOU!

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SOURCES and FOOTNOTES

¹ Georgia Output Multiplier - Estimates the change in output for a given change in demand. For example, an increase in healthcare demand of \$1,000,000 increases the output of all Georgia industries by $2.3132 \times \$1,000,000 = \$2,472,700$ after all "rounds" of spending are totaled.

² Georgia Earnings Multiplier - Increased demand for healthcare also increases demand for healthcare labor, and increases labor demand in peripheral and supporting industries, resulting in increased wages paid.

³ Georgia Employment Multiplier - Estimates of the number of all full and part time jobs that regional industries provide in order for the healthcare industry to provide the additional \$1,000,000 of output to final demand.

⁴ Georgia full-time jobs created - This number does not include the number of people directly employed by the hospital.

⁵ Note--these numbers are reported at cost--not reported charges. Actual cost was calculated by multiplying reported charges by the hospital cost-to-charge ratio.

Sources of Data: 2013 Georgia Department of Community Health Division of Health Planning Hospital Financial Survey; 2011 & 2012 Medicare Cost Report Data; GHA Membership Directory; Beyond Health Care: The Economic Contribution of Hospitals, American Hospital Association, January 2013 update, AHA Trendwatch Chartbook 2012.

Analysis based on Regional Input-Output Modeling System (RIMS II) multipliers for hospitals NAICS Code 622, released October 2012, Bureau of Economic Analysis, U.S. Department of Commerce. Multipliers are based on the 2010 Annual Input-Output Table for the Nation and 2010 regional data.

