



GEORGIA HOSPITAL ASSOCIATION ANNUAL ECONOMIC IMPACT

Over **162,000**
Jobs in Georgia



Over **\$65 Billion**
Impact on the Economy



Economic Impact Report Executive Summary

Georgia's hospitals and health systems, as well as their ancillary services are complex organizations that provide over 162,000 full time jobs, spend over \$28 billion dollars a year including over \$11 billion in payroll wages and benefits. They are major drivers of economic activity in the communities they serve and contribute significantly to the economic stability and growth across the state. The residents employed by hospitals purchase supplies, services, and spur investments in the region. Additionally, hospitals often play an integral role in attracting industry to communities. A strong health care system is appealing to retirees, can help create local jobs, and attracts and maintains business and industry growth. Hospitals often provide or support a variety of other health care services, including physician practices, long-term care providers, home health, and rehab providers. The annual GHA Economic Impact Report demonstrates the importance of hospitals on the state and local economy that results directly from the sales, wages and employment generated by business activity.

Nationwide, hospital care is the largest component of the health care sector, which is a growing segment of the U.S. economy. In 2019, the health care sector represented 17.7% of Gross Domestic Product (GDP), a measure of economic output. This is approximately \$3.8 trillion, or \$11,582 per person. Hospitals accounted for \$1.19 trillion of that total.

Hospitals also indirectly affect the economy through an economic principle known as the "ripple effect." The U.S. Department of Commerce generates local multipliers to quantify the impact of the spending activity of hospitals and hospital employees and illustrate how the spending weaves through the economy. Hospitals spent over \$28.4 billion to provide health care services, and these dollars went to the purchase of items such as medical supplies, utilities and other local contracts. Applying a multiplier shows that spending results in a total economic impact of more than \$65 billion. Additionally, over 162,000 hospital employees used their salaries to purchase items such as groceries, housing, clothing and leisure. This spending activity indirectly supports an additional 413,000 jobs and total household earnings over \$25.4 billion.

Hospitals report their Full Time Equivalents (FTEs) jobs and not total payroll. FTEs do not directly correlate to the total number employed, since multiple people could fill the role of one FTE. Therefore, it is safe to say that hospitals provide direct employment to well over 162,135 people. In addition, hospitals often contract or allocate the management and personnel responsibilities for important support areas such as dietary, housekeeping, pharmacy, and physician coverage. These people are still essential to operations and are employed due to the services provided by the hospital. The GHA Economic Impact Report attempts to capture these expenditures by using the Medicare Cost Report to recognize the contracted or allocated expenses that directly result from the presence of the hospital.

In addition to their substantial impact on the economy, hospitals provided over \$2.7 billion in uncompensated actual costs in the form of indigent, charity, and other free care, as well as bad debt expense.

Georgia hospitals are a fundamental building block of the state's economy. In many communities, hospitals are among the largest employers and most significant creators and sustainers of jobs and income. According to the Georgia Department of Labor, Employment and Wages, 2019 Averages Report, there were 4,506,403 jobs in Georgia. Hospitals directly or indirectly supported a total of 575,742 jobs or 12.77%, of all Georgia jobs.

The table below shows the impact that each hospital had on its home county and total job market. During this data window 102 of 159 Georgia counties had a hospital. This data does not reflect the home county of the employee, but rather the reported location of the actual job. Employers routinely recruit workers from outside their home counties.



County Jobs Supported by Hospitals

County	FTE Hospital Jobs in County	County Jobs Indirectly Created by Hospital	*County Total Jobs	% of Jobs Supported by Hospital
Appling	279	711	8,945	11.06%
Bacon	343	876	4,790	25.46%
Barrow	202	516	39,247	1.83%
Bartow	628	1,602	48,885	4.56%
Ben Hill	200	510	5,053	14.06%
Berrien	67	171	7,176	3.32%
Bibb	1,460	3,724	65,249	7.95%
Bleckley	116	296	4,303	9.57%
Brooks	95	242	6,668	5.05%
Bulloch	756	1,929	35,170	7.63%
Burke	161	411	8,689	6.58%
Butts	94	240	10,377	3.22%
Camden	297	758	20,113	5.24%
Candler	131	335	5,383	8.66%
Carroll	2,331	5,947	53,325	15.52%
Catoosa	112	286	32,518	1.23%
Chatham	6,283	16,027	135,052	16.52%
Cherokee	2,028	5,173	132,118	5.45%
Clarke	3,612	9,213	56,997	22.50%
Clayton	1,435	3,661	131,980	3.86%
Clinch	96	245	2,550	13.37%
Cobb	8,660	22,090	412,592	7.45%
Coffee	615	1,569	18,138	12.04%
Colquitt	1,624	4,144	20,702	27.86%
Cook		7,718		
Coweta	1,335	3,406	72,410	6.55%
Crisp	503	1,282	9,065	19.68%
Decatur	501	1,277	11,101	16.01%
DeKalb	12,313	31,411	385,700	11.34%
Dodge	180	460	6,700	9.55%
Dougherty	2,736	6,979	36,509	26.61%
Douglas	993	2,533	70,640	4.99%
Effingham	343	874	30,000	4.06%
Elbert	106	270	7,352	5.12%
Emanuel	419	1,069	7,847	18.96%
Evans	119	304	4,698	8.99%
Fannin	193	492	11,132	6.16%
Fayette	1,603	4,089	56,256	10.12%
Floyd	4,029	10,278	42,455	33.70%
Forsyth	2,646	6,750	118,737	7.91%
Franklin	338	862	9,592	12.51%
Fulton	32,162	82,045	537,605	21.24%
Glynn	1,719	4,384	38,039	16.04%
Gordon	853	2,175	27,025	11.20%
Grady	144	367	10,093	5.07%
Greene	210	536	6,740	11.06%
Gwinnett	5,778	14,739	474,882	4.32%
Habersham	470	1,200	18,411	9.07%
Hall	11,053	28,196	99,222	39.56%
Haralson	220	562	12,141	6.44%
Henry	1,572	4,011	111,409	5.01%
Houston	1,939	4,946	68,005	10.12%
Irwin	160	408	3,172	17.91%
Jackson	155	396	35,550	1.55%
Jasper	89	227	6,726	4.70%
Jeff Davis	152	388	5,772	9.35%
Jefferson	120	306	6,260	6.81%
Jenkins	54	138	2,983	6.43%
Lanier	95	242	3,601	9.37%
Laurens	579	1,477	18,269	11.25%
Liberty	376	960	25,119	5.32%
Lowndes	2,524	6,438	49,376	18.15%
Lumpkin	79	201	16,200	1.73%
Macon	75	191	4,476	5.95%
McDuffie	93	236	8,402	3.92%
Meriwether	325	828	8,510	13.54%
Miller	692	1,765	2,659	92.41%
Mitchell	130	332	8,060	5.73%
Monroe	123	314	12,574	3.47%
Morgan	143	365	8,953	5.67%
Murray	130	331	14,725	3.13%
Muscogee	2,246	5,729	73,977	10.78%
Newton	557	1,420	50,187	3.94%
Paulding	1,115	2,844	83,397	4.75%
Peach	164	418	11,343	5.13%
Pickens	417	1,064	14,816	9.99%
Polk	178	454	17,761	3.56%
Pulaski	416	1,061	3,896	37.92%
Putnam	105	268	7,831	4.76%
Rabun	132	336	6,900	6.77%
Randolph	117	298	2,405	17.28%
Richmond	13,102	33,422	81,242	57.27%
Rockdale	821	2,093	43,061	6.77%
Screven	108	275	4,813	7.94%
Seminole	369	941	2,903	45.14%
Spalding	853	2,176	27,530	11.00%
Stephens	396	1,011	10,273	13.70%
Sumter	389	991	12,077	11.43%
Tattnall	246	628	9,194	9.51%
Thomas	1,618	4,128	15,807	36.35%
Tift	2,675	6,824	19,088	49.76%
Toombs	904	2,306	11,079	28.97%
Towns	401	1,023	3,705	38.43%
Troup	2,828	7,214	36,117	27.80%
Union	691	1,763	9,953	24.65%
Upson	362	923	10,916	11.77%
Walton	307	783	44,601	2.44%
Ware	585	1,493	14,986	13.87%
Washington	241	615	6,722	12.73%
Wayne	532	1,357	10,947	17.26%
Whitfield	2,633	6,716	41,637	22.45%
Worth	115	293	8,552	4.78%

*Georgia Department of Labor, Employment and Wages, 2019 Averages Report

GHA would like to thank our friends at Draffin Tucker for their assistance in identifying additional data points that are publicly available and typically audited before submission. Their feedback allows this analysis to more accurately reflect a hospital or health systems true impact on the community.

Report Overview

This report is divided into two sections. Section I summarizes the estimated economic impact of the hospital in the form of Total Economic Output, Total Household Earnings and Full-Time Jobs Created. Section II contains selected information about the actual cost to the hospital of community benefits provided in the form of indigent care, charity care, bad debt expense, and other free care.

Individual hospital expenditure and employment data was obtained from several sources. The primary source is a hospital's most recent Medicare Cost report. Not all hospitals have to submit the same data for their cost report. When this data is unavailable, this report utilizes the Georgia Department of Community Health Division of Health Planning's 2019 surveys, including the Annual Hospital Financial Survey, Annual Hospital Questionnaire, Annual Nursing Home Questionnaire and Annual Home Health Survey. **[Note: This is the most recent data currently available from the Department of Community Health.]** When possible, this report includes the impact of other services directly provided by a health care system, such as home health, skilled nursing facilities, affiliated clinics, physician practices, etc.

The information in this report is updated with the most currently available Regional Input-Output Modeling System (RIMS II) economic multipliers for hospitals and nursing and residential care facilities. These RIMS II economic multipliers are developed by the Bureau of Economic Analysis, United States Department of Commerce. The economic multipliers attempt to model the resulting impact of a change in autonomous spending in one industry on the "circular flow" of spending within an economy as a whole. An increase in demand for health care services will elicit increases that support health care and its ancillary industries. These multipliers have been applied to individual hospital expenditures to create a report that estimates the economic impact of individual hospitals.

Uncompensated care figures are reported as **actual costs** to the hospital as reported in the 2019 Georgia Department of Community Health Hospital Financial Survey. Actual cost is reported to avoid overstating the true level of community benefit provided. To calculate the cost of indigent care provided, the amount of indigent care charges reported on the 2019 DCH Division of Health Planning Annual Hospital Financial Survey is multiplied by the hospital cost-to-charge ratio, also reported on the survey and in the Medicare Cost Report.

GHA reviews the reasonableness of the hospital data provided; however, data entry errors can occur. If you believe there are differences in the numbers in your Economic Impact Report and the numbers submitted to the various reporting agencies, please contact Bill Wylie, Senior Vice President, Business Operations at GHA: 770-249-4512, bwylie@gha.org.

Georgia hospitals play a key role in the economic development and growth in the State of Georgia. Therefore, it is especially important that policymakers, legislators, and business leaders clearly understand the implications of the decisions they make that impact hospitals. As part of community relations efforts and work with local elected officials, hospitals can use this report to educate the public and stakeholders on the impact of hospitals on their communities.

We hope you find this report to be effective in your conversations with stakeholders about the financial importance of hospitals. We believe that sharing the facts and figures of hospitals' impact will greatly support your efforts to tell the story of the priceless impact of hospitals on their communities. The value that a strong health care organization brings to its community in the form of healthy workers and additional industries cannot be calculated.

A report is provided for each individual hospital and the state as a whole. Health systems also receive a consolidated report of the economic impact of all their hospitals. Additional information of the economic impact by hospitals on individual Metropolitan Statistical Areas and Congressional Districts can be found at gha.org.

If you have any questions about the report, please contact Bill Wylie, GHA Senior Vice President, Business Operations, at bwylie@gha.org, or Erin Stewart, Director, Digital Media and Marketing, at estewart@gha.org.

Sources:

- *CMS, National Health Expenditure Fact Sheet 2019 data*
- *RIMS-II Multipliers, Total Multipliers for Output, Earnings, Employment, and Value Added by State, Hospitals and Nursing and Residential Care Facilities, Bureau of Economic Analysis, United States Department of Commerce*
- *2019 Annual Hospital Financial Survey, Division of Health Planning, Department of Community Health*
- *2019 Annual Hospital Questionnaire, Division of Health Planning, Department of Community Health*
- *2019 Annual Nursing Home Questionnaire, Division of Health Planning, Department of Community Health*
- *2019 Home Health Survey, Division of Health Planning, Department of Community Health*
- *Healthcare Cost Report Information System (HCRIS). Georgia Department of Labor, Employment and Wages, 2019 Averages Report*
- *Georgia Hospital Association Membership Directory*

Technical Note:

GHA obtains the hospital payroll and benefits data for the Economic Impact Reports primarily from the Medicare Cost Report database representing the hospitals' 2019 or most recent available fiscal year. The data for hospital expenditures and payroll benefits is taken from the following locations in the Medicare Cost Report file:

- Worksheet A
- Worksheet S-3, Part II:
- If there is no relevant data available through the Cost Report File, GHA utilizes the DCH Hospital Financial Survey and/or applicable Questionnaires
- If data is still unavailable, GHA allows the hospital to self-submit the information.

Even with the multi-step process for gathering data, it is still possible that a report may not include this information and marked with N/A. This could occur when data is included in another affiliated hospital or aggregated to the system or corporate level. Hospitals may also choose to not provide the information.

Data taken from the Centers for Medicare and Medicaid Services (CMS) Medicare Cost Report are as reported by the hospital. The HCRIS database is updated by CMS quarterly and changes from one quarter to another are common due to cost report audits, provider appeals, reopening of cost reports, submission of revised data by providers, etc. For the Economic Impact Report, GHA uses the most current data available for a hospital at the time the Economic Impact Reports are generated.

State of Georgia

Economic Impact on the Local and State Economy
Calendar Year 2019



SECTION I: Economic Impact of Hospital

Total Direct Expenditure	\$28,471,609,620
Georgia Output Multiplier *	2.2895
Total Output/Income Generated	\$65,185,750,225
Hospital Payroll and Benefits	\$11,102,845,364
Contract Labor	\$1,604,995,376
Georgia Earnings Multiplier*	1.9999
Total Household Earnings Generated	\$25,414,410,696
Number of Hospital Jobs (Full Time)	162,135
Georgia Employment Multiplier*	2.5510
Other Full Time Jobs Created⁴	413,607
Total Jobs Due to Hospital Presence	575,742

SECTION II: Community Benefit

These numbers represent the **actual cost*** incurred by the hospital

Uncompensated Indigent Care Provided	\$863,813,924
Uncompensated Charity Care Provided	\$643,122,966
Uncompensated Bad Debt Incurred on Health Care Services Provided	\$943,354,263
Other Free Uncompensated Care	\$318,384,311
TOTAL:	\$2,768,675,465

* Sources and calculation methodologies are documented in the Report Overview section.

Rural

Economic Impact on the Local and State Economy
Calendar Year 2019



SECTION I: Economic Impact of Hospital

Total Direct Expenditure	\$3,283,661,199
Georgia Output Multiplier*	2.2895
Total Output/Income Generated	\$7,517,942,315
Hospital Payroll and Benefits	\$1,371,251,700
Contract Labor	\$148,590,603
Georgia Earnings Multiplier*	1.9999
Total Household Earnings Generated	\$3,039,532,622
Number of Hospital Jobs (Full Time)	24,173
Georgia Employment Multiplier*	2.5510
Other Full Time Jobs Created*	61,664
Total Jobs Due to Hospital Presence	85,837

SECTION II: Community Benefit

These numbers represent the **actual cost*** incurred by the hospital

Uncompensated Indigent Care Provided	\$103,343,749
Uncompensated Charity Care Provided	\$35,361,324
Uncompensated Bad Debt Incurred on Health Care Services Provided	\$149,509,351
Other Free Uncompensated Care	\$48,595,252
TOTAL:	\$336,809,676

* Sources and calculation methodologies are documented in the Report Overview section.