

Kentucky Hospitals Economic Importance *to Their Communities*



In every community, the local hospital is vitally important, not only for the health care services they provide, but for their contribution to the economy. Because hospitals operate 24 hours a day, 7 days a week, 365 days a year, they employ thousands of workers. The jobs and payroll generated by Kentucky's hospitals supply tax revenue to state and local governments, and support other Kentucky businesses through the purchase of goods and services. Hospitals also continually make investments in their physical plants to enhance quality of care for their patients. These capital projects are a source of a significant number of jobs for the local community. Local hospitals are important assets to their community's future economic development because the presence of a hospital is a key factor in attracting new businesses.

Kentucky Hospitals

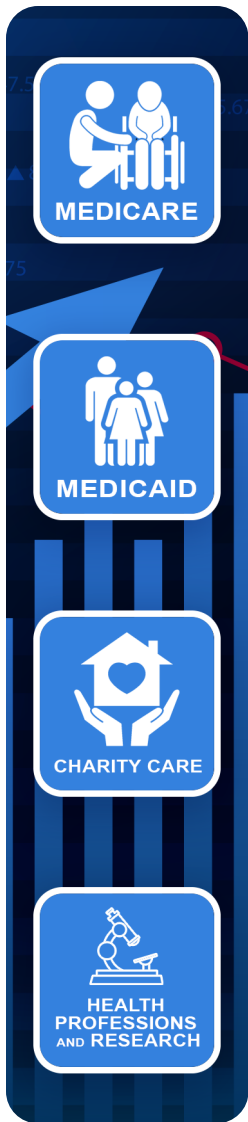
- Employ **over 72,000** people and spend **\$5.1 billion** on wages
- Spend **\$1.1 billion** on capital projects, creating additional local jobs
- Local Employee Spending **\$2.6 billion**
- Local Hospital Spending **\$4.2 billion**
- Total economic benefit to the local community: **\$7.9 billion**

These dollars have a "ripple effect" as they move through the larger economy, supporting other businesses and jobs in the community.

The hospitals also

- **Support government through**
\$374.3 million in provider taxes that support **\$1.2 billion** in Medicaid spending through federal matching dollars.
Their employees pay **\$98.1 million** in local taxes and **\$423.6 million** in income and sales taxes.
- **Care for their communities by**
Treating **526,102** inpatients and **11,013,584** outpatients each year





The hospitals also - continued

Welcoming **44,706** babies into the world

Providing emergency care to **2,116,304** people

– *Provide benefits to their communities by*

Subsidizing **\$149.9 million** in losses from treating Medicare and Medicaid patients

Spending **\$134.9 million** on financial assistance and charity care

Providing other community services, such as health improvement, health professions education and healthcare research



Representing Kentucky Hospitals and Health Systems

2501 Nelson Miller Parkway
Louisville, Kentucky 40223
502-426-6220
www.kyha.com

The data in this report was prepared by the Kentucky Hospital Association using an IMPLAN model designed by Economic Development Data Research Consultant Barry Kornstein, Senior Research Analyst.

About the data: Hospital data in this report are derived from currently available data from the 2020 Medicare Cost Reports (employees, wages, capital expenditures), Disproportionate Share Reports (Medicare and Medicaid shortfalls, charity care), KHA InfoSuite (utilization) and data provided by the hospital. All other data are derived from IMPLAN (informed by Cost Report data).

Inpatient Definition – total of inpatient discharges, total number of swing bed discharge totals, skilled nursing facility discharge totals and/or distinct part rehab discharges (excludes normal newborns)

Outpatient Definition – total outpatient discharges including hospital-owned ambulatory facilities, emergency department and observation discharges. This data does not include physician billing data.

Emergency Room Visits – total number from outpatient and inpatient emergency room discharges.

Births – total number of normal births born inside the hospital.