



# Kentucky Hospitals Economic Importance to Their Communities



Kentucky’s hospitals are known for providing high-quality patient care, but local hospitals are also vital to their communities’ economic development. They employ thousands of workers, generate tax revenue for state and local governments, support Kentucky businesses through purchases of goods and services, and provide charity care for the Commonwealth’s most vulnerable citizens. Hospitals also invest in their physical plants to enhance patient care, creating a significant number of jobs for the local community. The data below provides a glimpse into why hospitals are essential to a thriving economy.



## KENTUCKY HOSPITALS . . .

- Employ over **84,000** people and spend **\$6 billion** on wages
- Spend **\$1 billion** on capital projects, creating additional local jobs
- Purchase **\$5 billion** of goods and services locally
- Provide **\$137 million** in financial assistance and charity care
- Pay **\$190 million** in provider taxes that support **\$800 million** in non-hospital Medicaid spending
- Generate over **\$627 million** in state and local taxes
- Subsidize **\$154 million** in losses from treating Medicare patients

Total economic benefit of **\$14 billion** to the state

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

*The hospital also cares for the community by:*

Treating  
**465,000 inpatients**  
and **11 million**  
outpatients

Welcoming  
**47,000 babies**  
into the world

Providing  
emergency care  
to **2 million**  
people

Kentucky is world renowned for its signature industries, but not everyone drinks bourbon or visits the racetrack. *However, everyone needs their local hospital.* It is vital to Kentucky’s physical and economic health to ensure hospitals have the support they need to focus on the high-quality care they provide their patients every day across the Commonwealth.



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 the most current, publicly available data from the 2021 and 2022 (date dependent upon each hospital's fiscal year; statewide report totals all individual hospitals' data) Medicare Cost Reports (capital expenditures), Bureau of Labor Statistics (employees and wages), Disproportionate Share Reports (Medicare shortfalls, charity care), and KHA InfoSuite (calendar year 2022 utilization). All other data are derived from IMPLAN (informed by Cost Report data).

Inpatient Definition – 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.

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