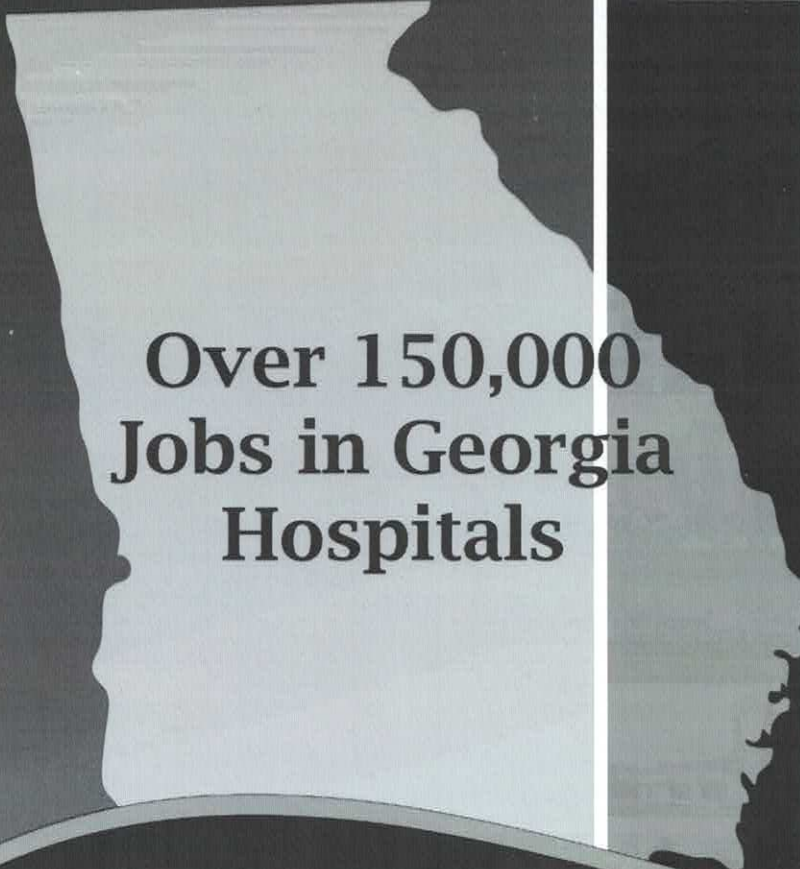




Georgia Hospital Association Annual Economic Impact Report

A light gray silhouette of the state of Georgia is positioned on the left side of the page. Overlaid on this map is the text "Over 150,000 Jobs in Georgia Hospitals". To the right of the map, there are three large, empty rectangular boxes with white borders, arranged in a 2x2 grid (with the bottom-right position empty).

**Over 150,000
Jobs in Georgia
Hospitals**

\$54 Billion
Impact on the Economy

Economic Impact Report Executive Summary

Georgia hospitals play a vital role in the economic activity of the communities they serve through the direct employment of residents and as purchasers of supplies, services and investments in the region. The attached 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. Hospitals also indirectly affect the economy in the form of the “ripple” effect of businesses purchasing goods and services from other local businesses and from health care workers spending wages and other income for household goods and services. These linkages tend to distribute the impact of an activity or event very broadly through the economy.

Nationwide, hospital care is the largest component of the health care sector, which is a growing segment of the U.S. economy. In 2017, the health care sector represented 17.9 percent of Gross Domestic Product (GDP), a measure of economic output. This is approximately \$3.5 trillion, or \$10,739 per person. Hospitals accounted for \$1.15 trillion of that total.

Through jobs and household earnings, Georgia hospitals have a considerable impact on the economy. The GHA Annual Economic Impact Report shows that Georgia hospitals have a direct expenditure of over \$23 billion and a total economic impact of over \$54 billion. They provide 150,029 full-time equivalent jobs with a payroll of over \$11.3 billion. When a US Department of Commerce multiplier is applied to the jobs number, it is revealed that an additional 370,798 jobs are supported across the state due to the economic activity of Georgia’s hospitals. Hospitals also generate household earnings of over \$22 billion.

Full Time Equivalents (FTEs) do not directly correlate to total employed since multiple people could fill the role of 1 FTE. Therefore, it is safe to say that hospitals provide direct employment to well over 150,000 people. In addition, hospitals often outsource the management and personnel responsibilities for significant 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. However, since they are not on the hospital payroll, their employment isn’t reflected in the total jobs reported or accounted for in the multiplier (ripple) effect.

In addition to their substantial impact on the economy, hospitals provided almost \$2.2 billion in uncompensated actual costs in the form of indigent, charity, other free care, and bad debt expense.

Health care is a significant force that contributes to the economic stability and growth all over the state. Hospitals often play an integral role in attracting industry to communities. A strong health care system can help attract and maintain business and industry growth as well as retirees and creates jobs in the local area. In addition, hospitals serve as the foundation that supports a variety of other health care services, including physician practices, long-term care providers, home health, and rehab providers.

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, 2017 Averages Report, there were 4,346,073 jobs in Georgia. Hospitals directly or indirectly supported a total of 520,827 jobs, or 11.98%, of all Georgia jobs.

The infographic below shows the impact that each hospital had on its home county and its total job market. Currently, 104 of 159 Georgia counties have a hospital. Since this data was published, Chestatee Regional Hospital closed, threatening the potential loss of 6% of all jobs in Lumpkin County. 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	230	567	7,017	11%
Bacon	319	790	3,897	28%
Baldwin	487	1,204	15,276	11%
Barrow	161	398	18,418	3%
Bartow	594	1,468	36,729	6%
Ben Hill	178	440	5,396	11%
Berrien	74	183	3,560	7%
Bibb	5,835	14,420	82,488	25%
Bleckley	102	252	2,654	13%
Brooks	91	224	3,104	10%
Bulloch	863	2,133	25,439	12%
Burke	101	250	11,317	3%
Butts	88	217	6,329	5%
Camden	315	779	13,979	8%
Candler	170	420	2,905	20%
Carroll	2,332	5,764	39,975	20%
Catoosa	134	331	14,842	3%
Chatham	6,693	16,541	151,700	15%
Cherokee	1,629	4,025	58,726	10%
Clarke	3,861	9,542	71,147	19%
Clayton	1,064	2,630	122,990	3%
Clinch	92	227	2,262	14%
Cobb	7,929	19,597	357,044	8%
Coffee	593	1,466	16,966	12%
Colquitt	1,563	3,863	14,974	36%
Cook	206	509	4,203	17%
Coweta	2,040	5,043	37,797	19%
Crisp	388	959	8,123	17%
Decatur	412	1,018	8,692	16%
Dekalb	11,450	28,298	297,506	13%
Dodge	167	412	5,059	11%
Dougherty	2,811	6,947	47,514	21%
Douglas	849	2,098	42,114	7%
Effingham	347	859	9,758	12%
Elbert	140	347	5,793	8%
Emanuel	301	744	6,710	16%
Evans	118	292	4,487	9%
Fannin	198	488	6,333	11%
Fayette	1,425	3,522	43,638	11%
Floyd	3,989	9,859	39,144	35%
Forsyth	2,433	6,014	72,491	12%
Franklin	275	680	7,938	12%
Fulton	30,606	75,643	851,119	12%
Glynn	1,366	3,375	37,945	12%
Gordon	863	2,132	21,471	14%
Grady	140	346	6,064	8%
Greene	191	472	6,061	11%
Gwinnett	5,773	14,268	352,214	6%
Habersham	424	1,048	14,328	10%
Hall	5,611	13,869	85,524	23%
Haralson	220	544	6,534	12%
Henry	1,381	3,412	58,478	8%

County	FTE Hospital Jobs in County	County Jobs Indirectly Created by Hospital	*County Total Jobs	% of Jobs Supported by Hospital
Houston	2,106	5,206	59,370	12%
Irwin	170	420	1,905	31%
Jackson	209	517	26,344	3%
Jasper	88	217	2,216	14%
Jeff Davis	161	398	4,172	13%
Jefferson	133	329	4,845	10%
Lanier	79	194	1,441	19%
Laurens	476	1,176	18,291	9%
Liberty	482	1,192	18,526	9%
Lowndes	2,058	5,086	48,890	15%
Lumpkin	132	326	7,573	6%
Macon	71	175	2,765	9%
Mcduffie	89	220	6,835	5%
Meriwether	417	1,032	4,819	30%
Miller	383	947	1,725	77%
Mitchell	139	342	6,809	7%
Monroe	59	146	7,326	3%
Morgan	135	334	7,047	7%
Murray	155	384	9,179	6%
Muscogee	4,137	10,225	93,393	15%
Newton	722	1,785	24,418	10%
Paulding	925	2,286	23,483	14%
Peach	123	304	9,394	5%
Pickens	404	998	7,687	18%
Polk	180	445	11,045	6%
Pulaski	456	1,127	2,813	56%
Putnam	112	277	5,653	7%
Rabun	156	386	5,005	11%
Randolph	151	373	1,885	28%
Richmond	8,009	19,794	104,789	27%
Rockdale	777	1,921	31,779	8%
Screven	114	281	3,357	12%
Seminole	316	781	2,272	48%
Spalding	712	1,760	22,662	11%
Stephens	344	850	9,109	13%
Sumter	365	902	10,898	12%
Tattnall	233	575	5,798	14%
Thomas	1,709	4,225	20,416	29%
Tift	2,463	6,087	19,460	44%
Toombs	971	2,400	11,577	29%
Towns	237	585	3,157	26%
Troup	1,185	2,929	39,607	10%
Union	701	1,733	6,676	36%
Upson	463	1,143	6,499	25%
Walton	267	660	22,731	4%
Ware	569	1,407	15,637	13%
Washington	312	771	6,743	16%
Wayne	614	1,518	7,847	27%
Whitfield	1,453	3,591	55,329	9%
Wilkes	131	324	2,948	15%
Worth	115	284	3,183	13%

*Georgia Department of Labor, Employment and Wages, 2017 Averages Report

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 as reported in the 2017 Georgia Department of Community Health Hospital Financial Survey.

Individual hospital expenditure and employment data was obtained from the 2017 Georgia Department of Community Health Division of Health Planning Annual Hospital Financial Survey. **[Note: This is the most recent data currently available from the Department of Community Health.]** It should be emphasized that this report reflects the economic impact of only hospital expenditures. It does not include the impact of other services provided by a health care system, such as home health, skilled nursing facilities, affiliated clinics, physician practices, etc. The economic impact of an entire health care system can be estimated by taking the consolidated health system expenditures and multiplying it by the economic multipliers provided in the report.

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. Actual cost is reported to avoid overstating the true level of community benefit provided. For example, to calculate the cost of indigent care provided, the amount of indigent care charges reported on the 2017 DCH Division of Health Planning Annual Hospital Financial Survey is multiplied by the hospital cost-to-charge ratio, also reported on the survey. The Hospital Payroll and Benefits data was gathered from the most currently available Medicare Cost Report Data for the applicable hospital fiscal year.

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 Division of Health Planning, 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.

GHA hopes you find the information in this report useful as you work with local legislators, policymakers, and the community you serve. Many Georgia residents, particularly the poor and elderly in rural areas of the state, may have difficulty accessing hospital services unless legislators understand the important role hospitals play in the local economy and make the financial stability of hospitals a budget priority.

A report is provided for each individual hospital, the state as a whole, and both the Metropolitan Statistical Area and the Congressional district where the hospital is located. Health systems also receive a consolidated report of the economic impact of all their hospitals.

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 Accounts 2017 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*
- *2017 Annual Hospital Financial Survey, Division of Health Planning, Department of Community Health*
- *Hospital Medicare Cost Report Data*
- *Georgia Department of Labor, Employment and Wages, 2017 Averages Report*
- *Georgia Hospital Association Membership Directory*

Technical Note:

GHA obtains the hospital payroll and benefits data for the Economic Impact Reports from the Medicare Cost Report database representing the hospitals' 2017 fiscal year. The data for hospital and payroll benefits is taken from the following locations in the Medicare Cost Report file:

Worksheet S-3, Part II: Hospital Wage Index Information—Column 3, Line 1—Total Salaries Worksheet A: Total Facility Costs—Column 7, Line 5—Employee Benefits—Net Expense for Allocation

If there is no data in Worksheet S-3, Part II: Column 3, Line 1—Total Salaries, we next check to see if there is any data regarding payroll in Worksheet A: Total Facility Costs—Column 1, Line 101—Salary Expense.

If there is not any data in Worksheet A, Column 1, Line 101, we enter N/A in the Economic Impact Report. If a hospital has N/A in its Economic Impact report, hospital staff can send payroll and benefits data to GHA and we will create a revised Economic Impact Report for that hospital.

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 quarter 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.

Evans Memorial Hospital, Inc.

Economic Impact on the Local and State Economy
Calendar Year 2017



SECTION I: Economic Impact of Hospital	
Total Direct Expenditure	\$12,204,066
Georgia Output Multiplier ¹	2.3387
Total Output/Income Generated	\$28,541,649
Hospital Payroll and Benefits	\$6,715,347
Georgia Earnings Multiplier ²	1.9684
Total Household Earnings Generated	\$13,218,489
Number of Hospital Jobs (Full Time)	118
Georgia Employment Multiplier ³	2.4715
Other Full Time Jobs Created⁴	292
Total Jobs Due to Hospital Presence	410

SECTION II: Community Benefit	
These numbers represent the actual cost⁵ incurred by the hospital	
Uncompensated Indigent Care Provided	\$118,592
Uncompensated Charity Care Provided	\$ 0
Uncompensated Bad Debt Incurred on Health Care Services Provided	\$789,821
Other Free Uncompensated Care	\$24,215
TOTAL:	\$932,628

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 2.3x \$1,000,000 = \$2,300,000 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 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 - Other full-time jobs created - This number does not include the number of people directly employed by the hospital.

5 - 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: 2017 Georgia Department of Community Health Division of Health Planning Hospital Financial Survey; Medicare Cost Report Data; GHA Membership Directory;

Analysis based on Regional Input-Output Modeling System (RIMS II) multipliers for hospitals NAICS Code 622, released October 2017 Bureau of Economic Analysis, U.S. Department of Commerce. Multipliers are based on the 2007 Annual Input-Output Table for the Nation and 2016 regional data.

Rural

Economic Impact on the Local and State Economy
Calendar Year 2017



SECTION I: Economic Impact of Hospital	
Total Direct Expenditure	\$2,464,176,974
Georgia Output Multiplier ¹	2.3387
Total Output/Income Generated	\$5,762,970,689
Hospital Payroll and Benefits	\$1,391,538,736
Georgia Earnings Multiplier ²	1.9684
Total Household Earnings Generated	\$2,739,104,848
Number of Hospital Jobs (Full Time)	22,406
Georgia Employment Multiplier ³	2.4715
Other Full Time Jobs Created⁴	55,376
Total Jobs Due to Hospital Presence	77,782

SECTION II: Community Benefit	
These numbers represent the actual cost⁵ incurred by the hospital	
Uncompensated Indigent Care Provided	\$63,096,866
Uncompensated Charity Care Provided	\$24,002,548
Uncompensated Bad Debt Incurred on Health Care Services Provided	\$133,838,866
Other Free Uncompensated Care	\$50,196,564
TOTAL:	\$271,134,843

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 2.3x \$1,000,000 = \$2,300,000 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 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 - Other full-time jobs created - This number does not include the number of people directly employed by the hospital.

5 - 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: 2017 Georgia Department of Community Health Division of Health Planning Hospital Financial Survey; Medicare Cost Report Data; GHA Membership Directory;

Analysis based on Regional Input-Output Modeling System (RIMS II) multipliers for hospitals NAICS Code 622, released October 2017 Bureau of Economic Analysis, U.S. Department of Commerce. Multipliers are based on the 2007 Annual Input-Output Table for the Nation and 2016 regional data.

Congressional District 12

Richard Allen (R)

Economic Impact on the Local and State Economy
Calendar Year 2017



SECTION I: Economic Impact of Hospital	
Total Direct Expenditure	\$2,088,241,990
Georgia Output Multiplier ¹	2.3387
Total Output/Income Generated	\$4,883,771,542
Hospital Payroll and Benefits	\$932,553,023
Georgia Earnings Multiplier ²	1.9684
Total Household Earnings Generated	\$1,835,637,370
Number of Hospital Jobs (Full Time)	12,686
Georgia Employment Multiplier ³	2.4715
Other Full Time Jobs Created⁴	31,354
Total Jobs Due to Hospital Presence	44,040

SECTION II: Community Benefit	
These numbers represent the actual cost⁵ incurred by the hospital	
Uncompensated Indigent Care Provided	\$44,508,893
Uncompensated Charity Care Provided	\$15,030,180
Uncompensated Bad Debt Incurred on Health Care Services Provided	\$49,986,440
Other Free Uncompensated Care	\$69,464,310
TOTAL:	\$178,989,822

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 2.3x \$1,000,000 = \$2,300,000 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 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 - Other full-time jobs created - This number does not include the number of people directly employed by the hospital.

5 - 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: 2017 Georgia Department of Community Health Division of Health Planning Hospital Financial Survey; Medicare Cost Report Data; GHA Membership Directory;
Analysis based on Regional Input-Output Modeling System (RIMS II) multipliers for hospitals NAICS Code 622, released October 2017 Bureau of Economic Analysis, U.S. Department of Commerce. Multipliers are based on the 2007 Annual Input-Output Table for the Nation and 2016 regional data.

State of Georgia

Economic Impact on the Local and State Economy
Calendar Year 2017



SECTION I: Economic Impact of Hospital

Total Direct Expenditure	\$23,423,058,516
Georgia Output Multiplier ¹	2.3387
Total Output/Income Generated	\$54,779,506,951
Hospital Payroll and Benefits	\$11,319,745,544
Georgia Earnings Multiplier ²	1.9684
Total Household Earnings Generated	\$22,281,787,129
Number of Hospital Jobs (Full Time)	150,029
Georgia Employment Multiplier ³	2.4715
Other Full Time Jobs Created⁴	370,798
Total Jobs Due to Hospital Presence	520,827

SECTION II: Community Benefit

These numbers represent the actual cost⁵ incurred by the hospital

Uncompensated Indigent Care Provided	\$728,358,296
Uncompensated Charity Care Provided	\$471,902,808
Uncompensated Bad Debt Incurred on Health Care Services Provided	\$733,176,528
Other Free Uncompensated Care	\$261,093,409
TOTAL:	<u>\$2,194,531,040</u>

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 2.3x \$1,000,000 = \$2,300,000 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 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 - Other full-time jobs created - This number does not include the number of people directly employed by the hospital.

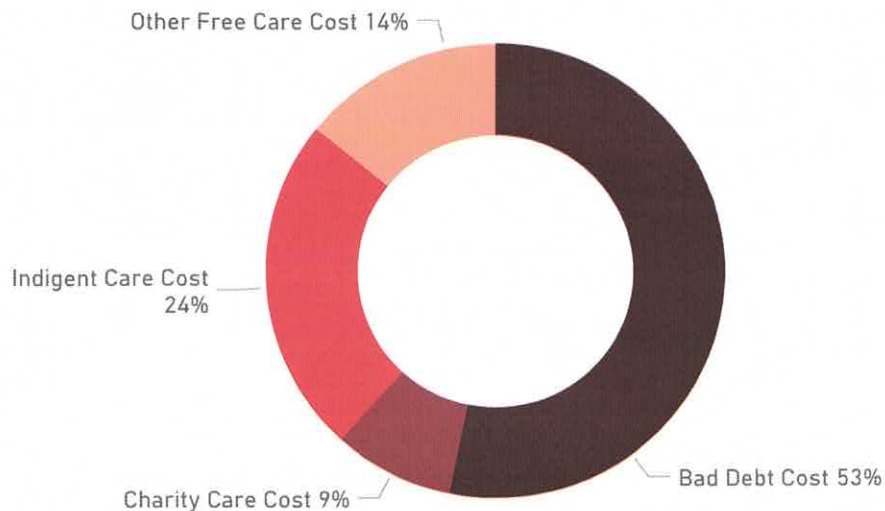
5 - These numbers are reported at cost—not reported charges. Actual cost was calculated by multiplying reported charges by the hospital cost-to-charge ratio.

Sources of Data: 2017 Georgia Department of Community Health Division of Health Planning Hospital Financial Survey; Medicare Cost Report Data; GHA Membership Directory;

Analysis based on Regional Input-Output Modeling System (RIMS II) multipliers for hospitals NAICS Code 622, released October 2017 Bureau of Economic Analysis, U.S. Department of Commerce. Multipliers are based on the 2007 Annual Input-Output Table for the Nation and 2016 regional data.



There are **249K** uninsured people and **140K** Medicare Enrollees in the local community. The total cost of the uninsured and under-insured to Hospitals in the community is **\$279M**.



Local Government Jobs

84K

Jobs Supported By Hospitals

57K

Unemployed

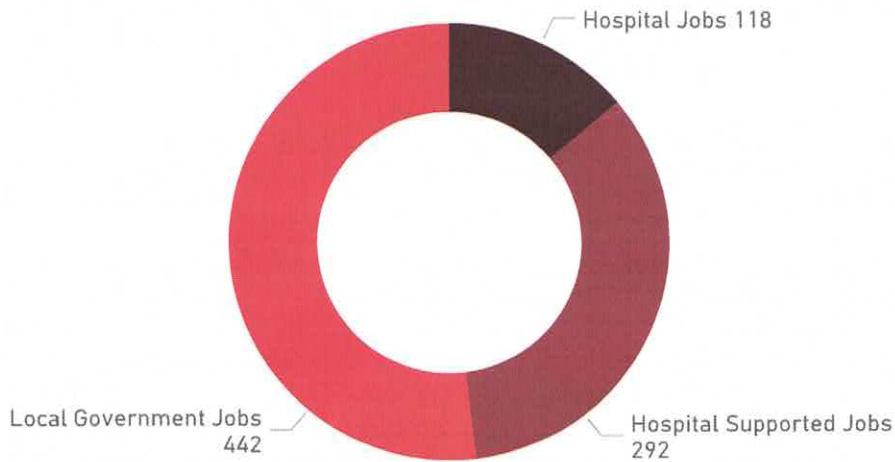
46K

Hospital Jobs

23K



11K people reside in **2777** households. Out of 159 counties, the Length of Life Rank is **135** and Quality of Life Rank is **108**. There are **4487** people employed in the county.





GHA Annual Economic Impact Report Summary Dashboard



Evans Memorial Hospital, Inc. Total Jobs in Evans County: 4,487 Percentage of Jobs Supported by Hospital: 9%	MSA: Rural	Richard Allen (R), District 12	State of Georgia
I. Economic Impact			
Total Expenditure:	\$12,204,066	\$2,464,176,974	\$23,423,058,516
Total Output/Income Generated:	\$28,541,649	\$5,762,970,689	\$54,779,506,951
Hospital Payroll & Benefits:	\$6,715,347	\$1,391,538,736	\$11,319,745,544
Total Household Earnings Generated:	\$13,218,489	\$2,739,104,848	\$22,281,787,129
Full Time Hospital Jobs:	118	22,406	150,029
Other Full Time Jobs Created:	292	55,376	370,798
Total Jobs Due to Hospital Presence:	410	77,782	520,827
II. Community Benefit			
Uncompensated Indigent Care:	\$118,592	\$63,096,866	\$728,358,296
Uncompensated Charity Care:	\$ 0	\$24,002,548	\$471,902,808
Uncompensated Bad Debt Incurred on Health Care Services Provided:	\$789,821	\$133,838,866	\$733,176,528
Other Free Uncompensated Care:	\$24,215	\$50,196,564	\$261,093,409
Total:	\$932,628	\$271,134,843	\$2,194,531,040

* The data used to compile this report comes from the Georgia Department of Community Health's Division of Health Planning Hospital Financial Survey for 2017.