ESSENTIAL HOSPITALS: KEEPING COMMUNITIES HEALTHY AND WORKING

KEY FINDINGS

• In fiscal year (FY) 2013 alone, members of America’s Essential Hospitals generated more than $165 billion of economic activity in their respective state economies.

• In FY 2013, members of America’s Essential Hospitals contributed to more than 1.25 million jobs across the United States.

The U.S. health care system is evolving to meet the demands of the Affordable Care Act (ACA) and a large, aging population, among other factors. Essential hospitals across the country find themselves navigating a policy landscape that demands adoption of innovative care delivery models while also seeking to reduce funding that helps make innovation possible.

As they adapt to this environment, essential hospitals have remained steadfast in their commitment to improving access and delivering quality health care for all, including the nation’s most vulnerable. However, members of America’s Essential Hospitals do more than simply offer services to keep people healthy and working – they provide vital support to the economic health of the communities they serve.

IMPACTING LOCAL AND STATE ECONOMIES

Local merchants depend on the business essential hospitals provide through purchases of medical equipment, supplies, meals for patients, and other products and services. Essential hospitals also are committed to training the next generation of physicians, nurses, and other health care professionals communities need.

Through these activities, essential hospitals inject economic life into the communities they serve. Every dollar spent by an essential hospital has a ripple effect that stimulates additional spending for goods and services. This generates economic activity that not only bolsters local economies, but strengthens a state’s overall economic vitality.

In FY 2013 alone, members of America’s Essential Hospitals generated more than $165 billion of economic activity in their respective state economies. As shown for select states in Table 1, essential health systems nationwide have a substantial impact upon which communities and states rely.

Keeping Americans Working

In addition to supporting the health of local and state economies, essential hospitals often are the largest employers in their communities.

In FY 2013, members of America’s Essential Hospitals contributed to more than 1.25 million jobs across the United States. As shown for select states in Table 2, thousands of workers across the country rely on members of America’s Essential Hospitals for their personal financial stability, as well as their health.

ESSENTIAL HOSPITALS STILL FACE CHALLENGES

The United States continues to face significant economic challenges in the aftermath of the 2008 economic downturn. A recent report noted that despite six consecutive years of economic recovery, many states still deal with significant budgetary constraints. At the same time, the federal government continues to feel pressure to rein in health care spending. As a result, existing and potential funding reductions threaten the ability of essential hospitals to meet their commitment to the patients and communities they serve.

The best way to ensure the sustainability of essential hospitals
and health systems and, most important, their service to communities is by protecting the Medicaid and Medicare programs and other vital funding streams that support the nation’s safety net.

PUTTING THE INVESTMENT TO GOOD USE

Essential hospitals are responsible stewards of the public investment in health care for individuals and communities. In addition to meeting their core commitment to improving health, essential hospitals and health systems constantly innovate to increase quality and efficiency in the health care delivery system.

However, innovation to meet our national goals of better care, better outcomes, and lower costs can only be sustained if we continue investing in the vitality of essential hospitals. Recognizing the complexity in achieving these goals, members of America’s Essential Hospitals stand ready to work with policymakers and share innovative ideas to advance care delivery and continue to contribute to the economic health of communities.

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