

# Virginia hospitals support 125K jobs, generate \$40 billion in economic activity

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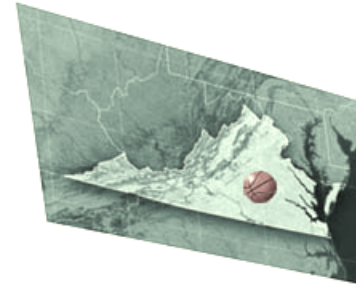
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Hospitals in Virginia continue to serve as indispensable community pillars that provide public access to essential health services and are economic cornerstones.

Newly available data show Virginia hospitals in 2015 employed 125,674 people in good-paying jobs, with payroll and benefits totaling \$8.5 billion. Hospitals in the Commonwealth also spent nearly \$18.7 billion in our communities in 2015, representing economic investments with many local businesses. And our hospitals generated \$39.9 billion in state economic output during 2015, according to a January 2017 report from the American Hospital Association.



"These latest figures reaffirm what we have long known – Virginia's community hospitals and health systems are tremendously valuable to our local, state, and national economies," said Virginia Hospital & Healthcare Association President and CEO Sean T. Connaughton. "At a time when our state and federal leaders are focused on job growth and creation, our hospitals continue to serve as key employment hubs in our communities even as health care providers face challenging financial headwinds and the prospect of fundamental federal and state policy change that could cause further upheaval. Amid these conditions, Virginia's hospitals continue to serve all comers year round at all hours of the day or night."

Nationally, hospitals directly employ more than 5.7 million people. The "ripple effects" of those jobs yields 16 million total jobs linked to hospitals and \$2.8 trillion in national economic activity. Even as many other industries have experienced employment stagnation and loss, hospitals and the health care sector have continued to support job gains. For instance, the U.S. Bureau of Labor Statistics projects that the health care sector will account for a major share of our nation's job growth over the next several years. In addition to direct jobs, each Virginia hospital job supports roughly one additional non-hospital job for a total of 261,691 jobs in the Commonwealth.

Aside from supporting jobs and the economy, Virginia's hospitals also provide health care access to all patients, including those unable to pay for care. From 2008-2015, for example, Virginia hospitals provided more than \$4.2 billion in charity care. In 2015 alone, Virginia's hospitals provided \$1.4 billion in community benefit as defined by the Internal Revenue Service, including nearly \$585 million in financial assistance to patients, and another \$1.48 billion in community support. Virginia hospitals face financial challenges due to government mandates and the charity care inherent in our health care system. Annual data from Virginia Health Information (VHI) show many local hospitals across the state continue to struggle financially. VHI figures show 27 percent of Virginia's acute care, critical access, and children's hospitals – and more than 43 percent of rural hospitals – operated at a loss in 2015. These conditions, which could be exacerbated by pending health care policy decisions, jeopardize the public's access to essential health care services and all the economic benefits Virginia hospitals provide.

Key highlights from the American Hospital Association report include:

- Virginia hospitals employ 125,674 people, with wages and benefits totaling \$8.5 billion, and support 261,691 total jobs in the state economy.
- Hospitals in the Commonwealth spend nearly \$18.7 billion in our communities on items such as goods and services from local businesses.
- Virginia hospitals generate \$39.9 billion in state economic activity.
- In the Commonwealth and nationally, hospitals continue to serve as key economic engines and employers.