



Study highlights hospital's economic impact

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DANVILLE - Danville Regional Medical Center's local and regional annual economic impact is estimated to be \$189 million in spending that supports 2,032 jobs in the Danville area in 2009, according to a report released today by Chmura Economics & Analytics.

"The hospital's operations and capital investments generate significant impact on the local economy, including the support of 5.5 percent of the total employment in the Danville area. With the potential entrance of a competitor to the outpatient surgical arena, the possible financial impact on Danville Regional could negatively affect the local economy," said Chmura Economics & Analytics president and chief economist Christine Chmura.

"With over \$32 million in capital expenditures since 2005, Danville Regional's capital efforts have had a larger impact than just the direct spending, representing direct, indirect and induced spending of over \$50 million and 358 jobs, including 246 in this area," Chmura added.

Danville Regional Medical Center chief executive officer Eric Deaton initiated the study to fully understand the scope and importance the hospital plays in the community.

"Clearly, we have an important role in contributing to the economic growth and job creation in the area," said Deaton.

The report also found that:

As the only acute care hospital in the region, Danville Regional employs more than one quarter of the regional healthcare workforce.

Including direct, indirect and induced economic activity from the hospital, Danville Regional contributed \$218 million in total spending and supported 2,215 jobs throughout the Commonwealth of Virginia.

Danville Regional pays wages to its employees that are 15.6 percent higher than the average wage in the Danville area.

The economic impact of the hospital is felt throughout the region. Danville Regional paid \$10.8 million to suppliers in the Danville area.

Since 2005, Danville Regional has spent \$32.7 million in capital expenditures, creating 246 local jobs.

Danville Regional serves a larger percentage of patients on Medicaid than the average hospital in Virginia. Additionally, 15.4% patient days (adjusted) are Medicaid patients in 2008, while 12.1% is the state average.

The tax benefit for the city of Danville's local government was approximately \$1.5 million in 2009.

Danville and Pittsylvania areas employment has dropped from 45,186 to 37,765 since 2000.

In addition to Danville Regional's economic impact, the study also analyzed the potential effects that the proposed Outpatient Surgery Center may have on healthcare availability and access for regional residents.

The report found that:

A proposed new surgery center would compete directly with Danville Regional in the area of outpatient surgical services as it is projected to perform more than 4,000 procedures per year.

It is very likely that the current outpatient surgical units at Danville Regional will be adversely impacted by a new limited service outpatient surgery center.

The competition from an outpatient surgery center can severely affect not only outpatient services, but the overall business at Danville Regional.

The Virginia Health Information system categorizes healthcare services into 40 different service lines. Danville Regional treated patients in 39 of these service lines in 2008.

It is possible that with the more high-end surgical services being lured away, Danville Regional may suffer severe business losses that could negatively impact local jobs.

To reduce losses, Danville Regional could be forced to reduce costs and the services of the less profitable inpatient services, which would impact the availability and accessibility to inpatient care for local residents.

To view the report in its entirety as prepared by Chmura Economics & Analytics for Danville Regional, please visit [www.HereForOurCommunity.com](http://www.HereForOurCommunity.com).

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