

# CRITICAL TO COMMUNITIES

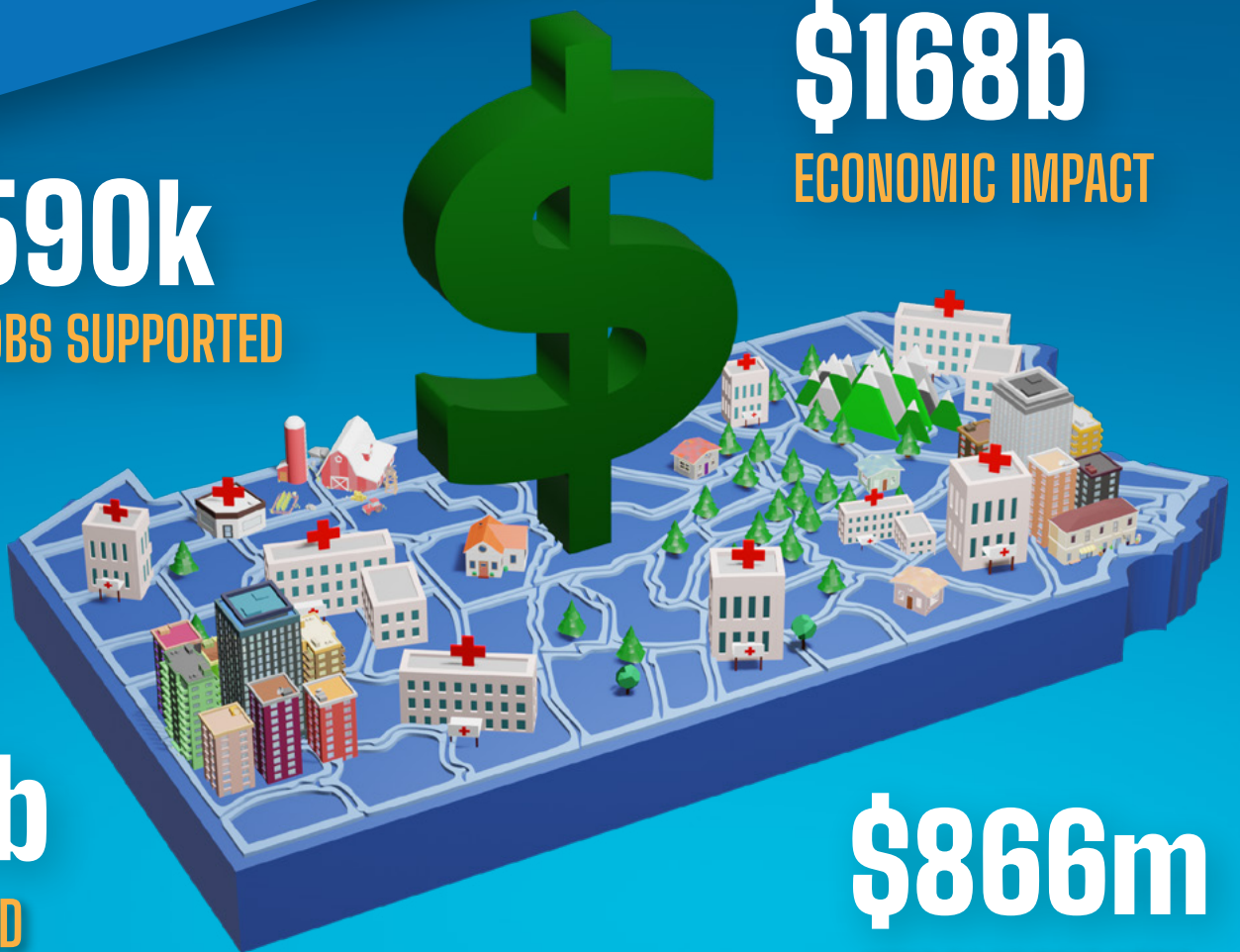
## Pennsylvania Hospitals' Economic Impact Fiscal Year 2021

**590k**  
JOBS SUPPORTED

**\$168b**  
ECONOMIC IMPACT

**\$38b**  
WAGES AND  
BENEFITS

**\$866m**  
UNCOMPENSATED  
CARE



The Hospital + Healthsystem  
Association of Pennsylvania



**About HAP:** The Hospital and Healthsystem Association of Pennsylvania (HAP) is a statewide membership services organization that represents 235 hospitals as well as the patients and communities they serve. Additional information about HAP is available at [www.haponline.org](http://www.haponline.org).

# Pennsylvania **hospitals** at a glance.

**\$168b**

**economic impact**

**20%**

**of state's GDP**

**590k**

**jobs supported**

**1 in 10**

**jobs statewide**

**\$38b**

**wages/benefits  
generated**

**#4**

**among PA  
industries**

**\$886m**

**uncompensated  
care**

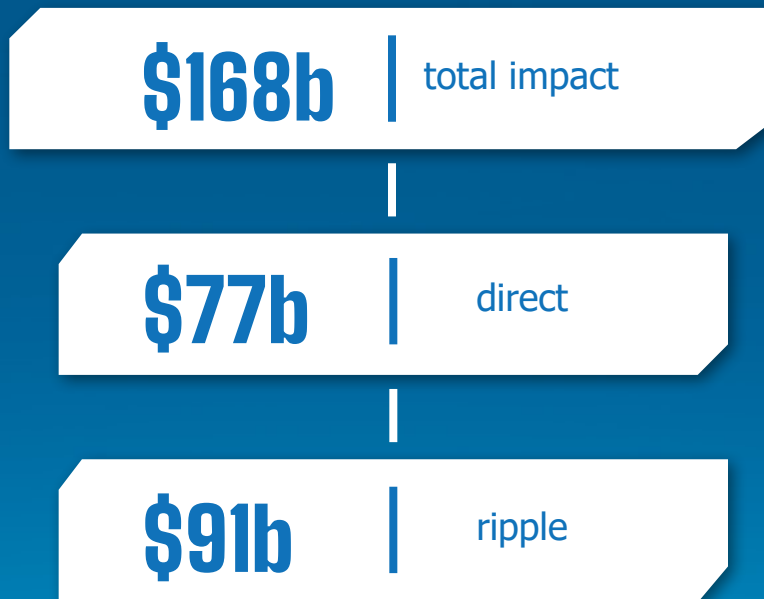
**\$1.8b**

**federal research  
funds**

In addition to providing around-the-clock care for all people, **regardless of ability to pay**, hospitals support their communities by:

- **Employing staff**, building infrastructure, and purchasing equipment and supplies
- **Supporting other industries** such as facilities, grounds, and fleet maintenance
- **Inducing economic activity** in other sectors such as real estate, financial services, and hospitality
- **Educating and training** the next generation of clinicians
- **Attracting billions** in federal funding for health care research and innovation
- **Providing charity care** to Pennsylvanians when they need it most
- **Addressing community health needs** and, absent a public hospital system, providing critical infrastructure to address emergencies such as COVID-19

# Hospitals are **economic anchors**.



Hospitals contribute **20%** of Pennsylvania's total gross domestic product (GDP).

## Definitions:

**Direct impact:** What hospitals spend for operations, including wages they pay to employees, services they pay for, and everything they purchase.

**Ripple impact:** The sum of:

- **Indirect impact:** Spending generated by third-party suppliers as a result of hospitals' spending. For example, indirect impact includes wages paid to the parking attendant who works for the local business to which the hospital outsources parking services.
- **Induced impact:** What hospital employees and contractors spend in the hospital's neighborhood for things like coffee, meals, groceries, and dry cleaning. Sometimes called the "household spending effect," it is the spending by workers whose earnings result from the hospital's direct and indirect impacts.

# Hospitals are a leading **driver** of Pennsylvania's **economy**.

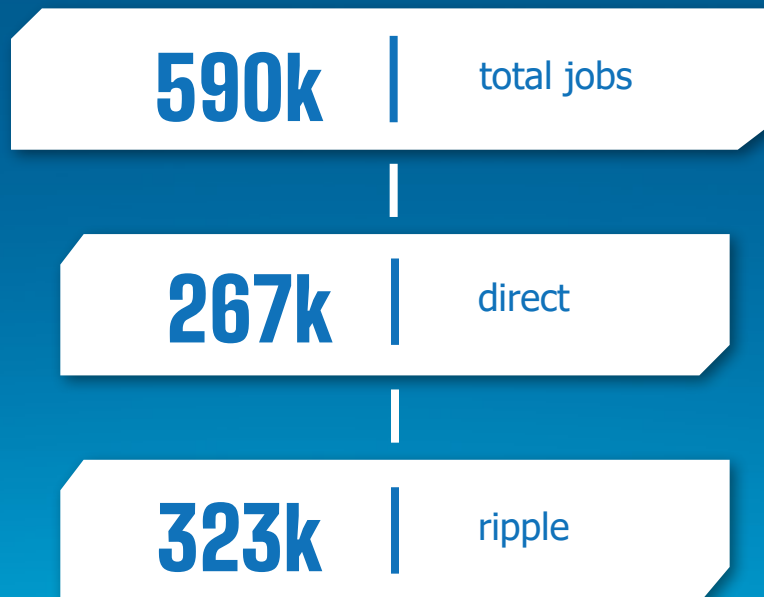
## Top industries by contribution to state's GDP

- |   |  |          |   |
|---|--|----------|---|
| 1 | Real estate and rental and leasing               | 6        | Ambulatory health care services                       |
| 2 | Professional, scientific, and technical services | 7        | Broadcasting (except Internet) and telecommunications |
| 3 | Finance and insurance services                   | 8        | Construction  |
| 4 | Wholesale trade                                  | <b>9</b> | <b>Hospitals</b>                                      |
| 5 | Retail trade                                     | 10       | Management of companies and enterprises               |



# Hospitals create **family-sustaining jobs**.

**Hospitals** support **1 in 10 jobs** statewide.



Pennsylvania hospital jobs **pay** \$69,000 a year on average, nearly **6 percent higher** than the average wage statewide.

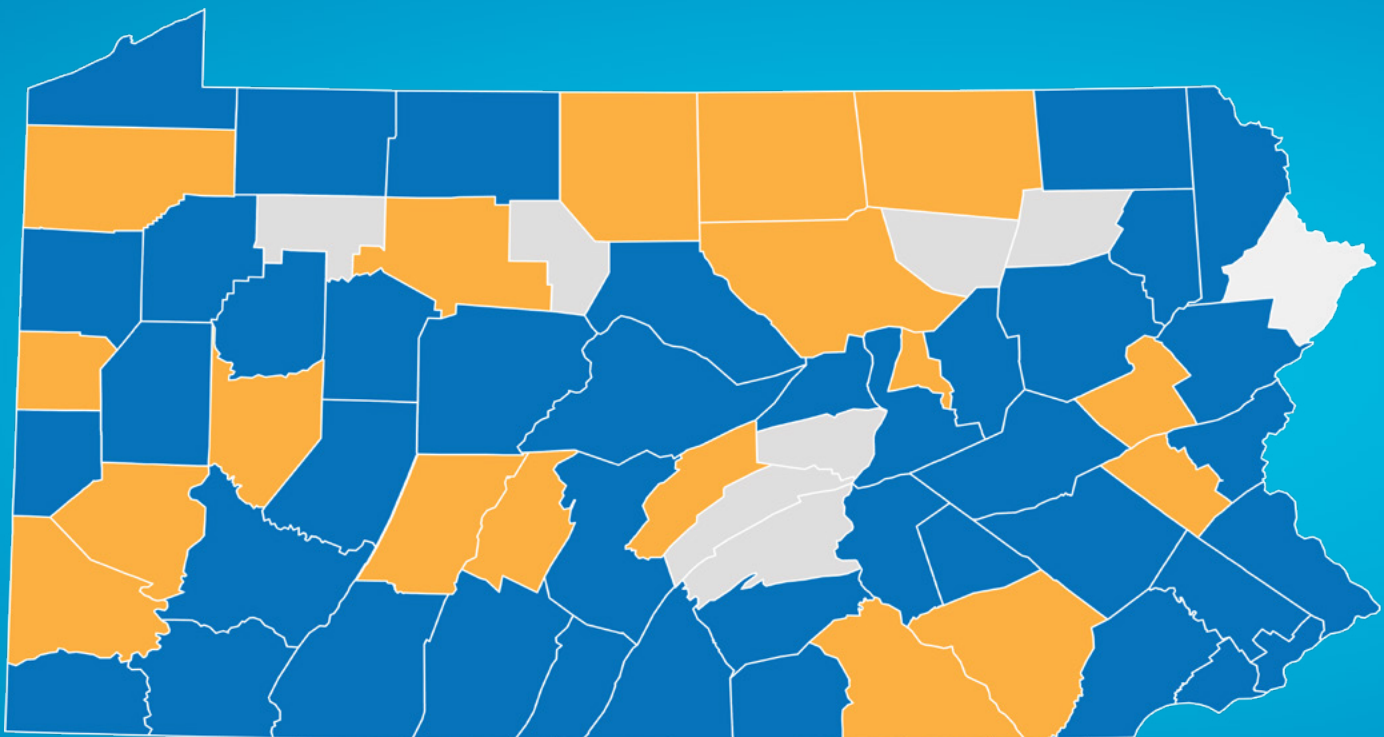




# Hospitals are **top employers.**

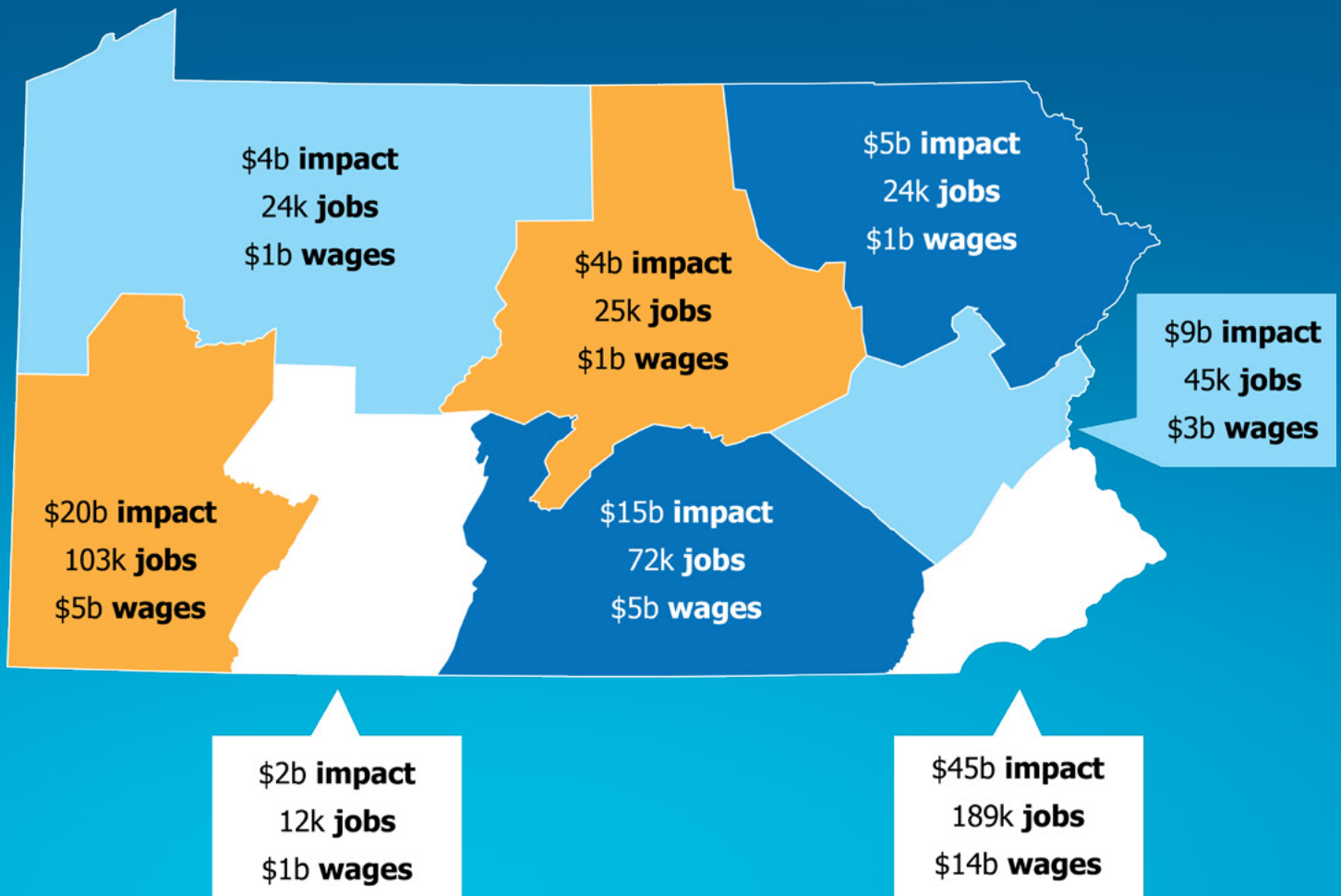
## Industry ranking for employment and wages

	Average annual employment	Total annual wages
Professional and technical services	1	1
Food services and drinking places	2	12
Ambulatory health care services	3	2
Administrative and support services	4	5
<b>Hospitals</b>	<b>5</b>	<b>4</b>
Social assistance	6	13
Nursing and residential care facilities	7	14
Educational services	8	7
Specialty trade contractors	9	8
Management of companies and enterprises	10	3



■ Hospital is the top employer    ■ Hospital is a top 10 employer    ■ No hospital in the county

# Hospitals **benefit all Pennsylvanians.**



Regional analysis reflects total impact, including direct and ripple effects. Effects of activity spanning multiple regions is not included in the regional analysis but is captured in the statewide totals.



# Hospitals **educate** and drive **innovation**.

**401**

Nursing  
programs

**9**

Medical  
schools

**affiliated with Pennsylvania hospitals and health systems  
to train **tomorrow's health care professionals**.**

**Hospitals and hospital-affiliated medical schools attract federal  
**research** funds to advance health care **innovation**.**

Recipient	FY 2021 Funding	Number of Projects
Children's Hospital of Philadelphia	\$1,395,845,000	345
University of Pennsylvania	\$645,474,000	1,604
The University of Pittsburgh	\$604,726,000	1,418
Pennsylvania State University	\$155,575,000	408
Temple University	\$84,098,000	221
Thomas Jefferson University	\$81,187,000	219
Drexel University	\$48,739,000	148
Geisinger Clinic	\$9,733,000	14
<b>Total</b>	<b>\$1,769,377,000</b>	<b>4,377</b>

# Hospitals face **challenges.**



**Financial challenges:** Soaring expenses are outpacing payments for care. Even with pandemic support, 30 percent of the state's acute care hospitals are operating at a loss, according to the Pennsylvania Health Care Cost Containment Council.



**The strain of COVID-19:** Pennsylvania hospitals and health systems reported COVID-19-related expenses and revenue losses totaling nearly \$7.2 billion.



**Workforce shortages:** Health care faces a historic workforce crisis with surging staffing costs and severe challenges maintaining the staff needed to care for patients. A HAP survey found average statewide vacancy rates of 45 percent for nursing support staff, 32 percent for clinical nurse specialists, and 27 percent for direct-care registered nurses.



**Behavioral health:** The pandemic exacerbated a behavioral health care crisis that is putting significant operational and financial strain on hospital emergency departments and acute care units.

**Despite these challenges, Pennsylvania hospitals continued to support their communities during FY 2021.**

# Hospitals need **support.**

Federal and state support is imperative to ensure that hospitals can continue to be the health care and economic flagships of their communities. As hospitals recover from the pandemic and rebuild Pennsylvania's health care infrastructure, they need:

- Sufficient payment from Medicare, Medicaid, and private insurance
- Policies that grow the health care workforce
- Flexibility that extends the reach of health care providers by reducing red tape and allowing greater focus on patient care
- Support that increases behavioral health services throughout all care settings
- Appropriate payment for telehealth
- Sufficient payment for behavioral health services
- Sustained state budget support for OB/NICU, burn and trauma centers, and critical access hospitals

**Ensuring the viability of Pennsylvania hospitals is **critical to the health and economies** of the commonwealth and its communities.**





The Hospital + Healthsystem  
Association of Pennsylvania

**The Hospital and Healthsystem Association of Pennsylvania - © 2022**

**30 North Third Street, Suite 600**

**Harrisburg, PA 17101**

**Phone: (717) 564-9200**

**[www.haponline.org](http://www.haponline.org)**