

Economic Significance Of Clark County Hospitals

Not only do hospitals provide vital services to the region they operate in, they also provide a significant share of regional employment. These employees, in turn, purchase goods and services from local merchants and service providers and pay taxes. Hospitals also buy goods and services from other regional businesses. This series of regional economic impact reports quantifies the economic significance of the hospital sector in the region from both the direct effects of employment and the indirect effects of purchases from local businesses and employee spending.

Table 1. Hospitals in Clark County

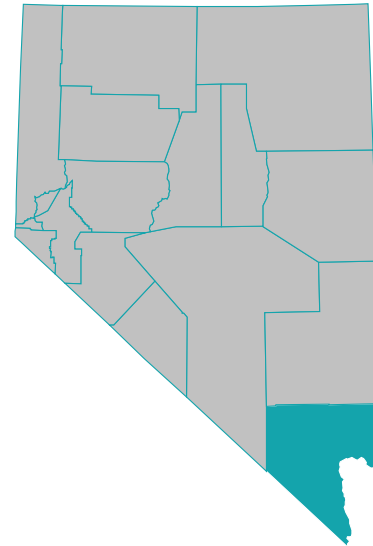
Hospital	Licensed Beds
Centennial Hills Hospital, Las Vegas	165
Desert Springs Hospital Medical Center, Las Vegas	286
Mountain View Hospital, Las Vegas	235
North Vista Hospital and Medical Center, North Las Vegas	178
St. Rose Dominican Hospital, Rose de Lima, Henderson	145
St. Rose Dominican Hospital, San Martin, Las Vegas	141
St. Rose Dominican Hospital, Siena, Henderson	147
Southern Hills Hospital, Las Vegas	139
Spring Valley Hospital Medical Center, Las Vegas	210
Summerlin Hospital Medical Center, Las Vegas	300
Sunrise Hospital and Medical Center, Las Vegas	701
University Medical Center of Southern Nevada, Las Vegas	575
Valley Hospital Medical Center, Las Vegas	404
Michael O'Callaghan Federal Hospital, Las Vegas	114
Total	3,740

Source: (Packham & Griswold, 2009)

- Clark County had 14 hospitals with 3,740 licensed beds serving a population of 1,954,319 (2007).
- In 2007, hospitals directly provided an estimated 18,900 jobs in Clark County or about 1.6% of total employment. Nationally, the hospital sector directly accounted for about 3.2% of employment. An additional 12,500 jobs in Clark County are supported by hospitals indirectly through hospital purchases of goods and services from local businesses and

employee spending. Counting direct and indirect employment, Clark County hospital economic activities generated more than 31,000 jobs.ⁱ

- Hospitals in Clark County were estimated to have directly paid \$1.36 billion in wages, salaries, benefits and payroll taxes. This was an estimated 2.5% of total labor income. An additional \$523 million in payroll was generated through indirect and induced effects for a total of \$1.89 billion in payroll generated by the hospital sector.



- Per capita hospital expenditure was about \$1,300 in Clark County in 2007. This compares to \$2,100 per capita nationwide.
- Economic activity related to the hospital sector generated an estimated \$127 million in tax revenues.
- According to the Department of Employment, Training and Rehabilitation, local Clark County governments employed 4,127 people in the hospital sector in 2007 with a total wage bill of \$247 million. The federal government employed an additional 989 people in the hospital sector with a wage bill of about \$84 million.
- In urban counties in Nevada, about 33% of billed hospital charges were to Medicare, 11% to Medicaid and 4% to other public payers (Packham & Griswold, 2009). Medicare is paid by the Federal government. In Nevada, the Federal Medicaid Assistance Percentage for 2007 was 53.93% which means the state of Nevada paid the remaining 46% of Medicaid expenditures (Department of Health and Human Services, Office of the Secretary, 2005).

Table 2 shows estimated economic linkages of the hospital sector with the rest of the Clark Co. economy. The sector with the largest indirect and induced impact in terms of both employment and labor income is health and social services while the second largest impact is in the retail trade sector. The health sector has highest impacts on other service sectors and much lower impacts in the agriculture, mining, construction and manufacturing sectors.

Table 2. Hospital Activity Impacts by Industry Sector

Regional Hospital Impacts	Indirect and Induced Employment	Indirect and Induced Labor Income	Indirect and Induced Value Added
Ag, Forestry, Fish & Hunting	3	36,779	113,567
Mining	12	459,565	1,083,000
Utilities	49	6,325,225	20,964,488
Construction	112	7,391,069	9,526,471
Manufacturing	245	15,388,747	22,676,472
Wholesale Trade	383	26,654,658	45,153,852
Retail trade	1,944	61,704,828	99,461,506
Transportation & Warehousing	377	16,519,726	21,679,439
Information	182	10,198,497	23,310,747
Finance & insurance	670	39,046,486	48,112,043
Real estate & rental	1,647	33,871,822	258,480,672
Professional, scientific & tech services	1,065	55,854,162	67,448,518
Management of companies	125	22,872,685	28,390,358
Administrative & waste services	1,163	28,967,244	33,777,293
Educational services	127	4,012,912	4,636,699
Health & social services	1,979	108,802,320	133,644,980
Arts, entertainment & recreation	258	8,170,939	11,177,202
Accommodation & food services	1,234	41,214,929	57,538,142
Other services	816	22,848,970	32,085,905
Government & non NAICs	155	12,914,493	14,345,153
Total Indirect and Induced Impacts	12,546	523,256,056	933,606,507

Table 3. Total Impacts of the Hospital Sector In Clark County

Type of Impact	Direct	Indirect	Induced	Total	Multiplier
Jobs	18,873	4,803	7,743	31,419	1.66
Labor Income	1,362,670,080	200,236,078	323,019,975	1,885,926,133	1.38
Value Added	1,446,700,032	365,368,818	568,237,687	2,380,306,537	1.65

Table 4. State and Local Tax Impacts

Revenue Impacts for Clark Co. and State of Nevada	
Property Taxes	\$ 26,384,698
Sales Taxes	\$ 57,048,598
Other Business Taxes	\$ 13,270,081
Non-tax payment (fines, fees, donations)	\$ 12,424,187
Other	\$ 3,269,758
Dividends on investment, social insurance and retirement payments	\$ 14,789,211
Total	\$ 127,186,533

¹ Unless otherwise noted, all estimates are made using IMPLAN data modified with Bureau of Labor Statistics data on public sector employment in the hospital sector.

References

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