

## Economic Significance Of Southern Nevada Hospitals

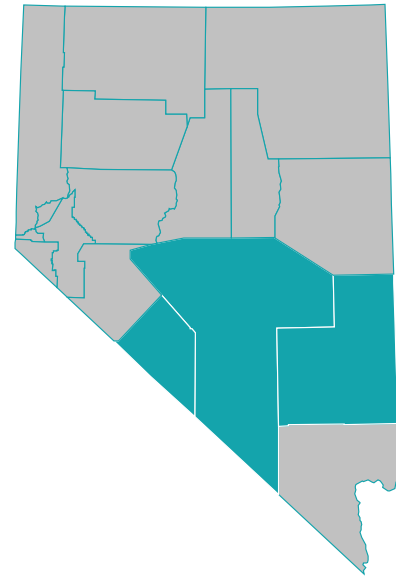
Not only do hospitals provide vital services to the region they operate in, they also provide a significant share of regional employment. These employees, in turn, purchase goods and services from local merchants and service providers and pay taxes. Hospitals also buy goods and services from other regional 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 Southern Nevada**

Hospital	Licensed Beds
<b>Grover C. Dils Medical Center, Caliente, Lincoln County</b>	20
<b>Nye Regional Medical Center, Tonopah, Nye County</b>	44
<b>Desert View Regional Medical Center</b>	24
<b>Total</b>	<b>88</b>

**Source:** (Packham & Griswold, 2009)

- The Southern Nevada region consists of Esmeralda, Lincoln and Nye counties. The region has 3 hospitals with 88 licensed beds serving a population of 51,728 (2007).
- In 2007, hospitals directly provided an estimated 191 jobs in Southern Nevada or about 1.0% of total employment. Nationally, the hospital sector directly accounted for about 3.2% of employment. An additional 85 jobs in Southern Nevada are supported by hospitals indirectly through hospital purchases of goods and services from local businesses and employee spending. Counting direct and indirect employment, Southern Nevada hospital economic activities generated 276 jobs.<sup>1</sup>
- Hospitals in Southern Nevada were estimated to have directly paid \$11.06 million in wages and salaries, proprietor's income, benefits and payroll taxes. This was an estimated 1.3% of regional labor income. An additional \$2.45 million in labor income was generated through indirect and induced effects of direct labor income for a total of \$13.52 million in labor income generated by the hospital sector.



- Per capita hospital expenditure was about \$430 in Southern Nevada in 2007. This compares to \$2,100 per capita nationwide.
- The economic activity of the hospital sector generated an estimated \$880 thousand in tax revenues.
- According to the Department of Employment, Training and Rehabilitation, local Southern Nevada governments employed 85 people in the hospital sector in 2007 with a total wage bill of \$2.45 million.
- In Southern Nevada, about 47% of billed hospital charges were to Medicare, 5% to Medicaid and 2% to other public payers (Packham & Griswold, 2009 and author's calculations). 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 about 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 Southern Nevada economy. The sector with the largest impact in terms of employment is real estate and rental while the largest labor income 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	0	1,749	4,372
Mining	0	9,130	14,391
Utilities	1	105,496	350,901
Construction	1	55,473	67,421
Manufacturing	0	28,667	68,570
Wholesale Trade	1	62,734	106,336
Retail trade	13	351,281	551,794
Transportation & Warehousing	2	67,877	90,568
Information	1	28,249	79,470
Finance & insurance	1	61,434	67,686
Real estate & rental	22	312,806	2,207,178
Professional, scientific & tech services	7	295,744	357,703
Management of companies	2	95,452	118,491
Administrative & waste services	4	172,423	217,265
Educational services	2	22,572	26,025
Health & social services	8	318,765	376,226
Arts, entertainment & recreation	2	38,887	55,309
Accommodation & food services	9	176,833	247,622
Other services	7	130,719	188,085
Government & non NAICs	2	117,930	133,230
<b>Total Indirect and Induced Impacts</b>	<b>85</b>	<b>2,454,221</b>	<b>5,328,643</b>

**Table 3. Total Impacts of the Hospital Sector in Southern Nevada**

Type of Impact	Direct	Indirect	Induced	Total	Multiplier
Jobs	191	41	44	276	1.44
Labor Income	11,062,050	1,203,024	1,251,197	13,516,271	1.22
Value Added	11,496,449	2,652,990	2,675,653	16,825,092	1.46

**Table 4. State and Local Tax Impacts**

Revenue Impacts for Clark Co. and State of Nevada	
Property Taxes	\$ 175,382
Sales Taxes	\$ 377,431
Other Business Taxes	\$ 87,794
Non-tax payment (fines, fees, donations)	\$ 89,389
Other	\$ 23,147
Dividends on investment, social insurance and retirement payments	\$ 125,791
<b>Total</b>	<b>\$ 878,934</b>

<sup>i</sup> 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.

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## References

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