

Economic Significance Of Western 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.

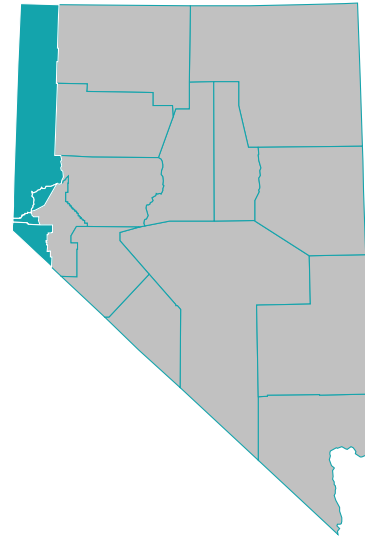
Table 1. Hospitals in Western Nevada

Hospital	Licensed Beds
Carson Valley Medical Center, Gardnerville, Douglas County	23
Incline Village Community Hospital, Incline Village, Washoe County	4
Carson Tahoe Regional Medical Center, Carson City	144
Sierra Surgery Hospital	15
Northern Nevada Medical Center, Sparks, Washoe County	100
Renown Regional Medical Center, Reno, Washoe County	808
St. Mary's Regional Medical Center, Reno, Washoe County	380
Renown South Meadows Regional Medical Center, Reno, Washoe County	76
Ioannis A. Lougaris VA Medical Center, Reno, Washoe County	64
Total	1,614

Source: (Packham & Griswold, 2009)

- Western Nevada consists of Carson City and Washoe, Storey, and Douglas counties. This region had a total of eight hospitals and 1,614 hospital beds serving a population of 532,463 (2007).
- In 2007, hospitals directly provided an estimated 8,127 jobs in Western Nevada or about 2.5% of total employment. Nationally, the hospital sector directly accounted for about 3.2% of employment. An additional 4,916 jobs in Western Nevada are supported by hospitals indirectly through hospital purchases of goods and services from local businesses and employee spending. Counting direct and indirect employment, Western Nevada hospital economic activities generated 13,044 jobs.ⁱ

- Hospitals in Western Nevada were estimated to have directly paid \$495.7 million in wages, salaries, benefits and payroll taxes. This was an estimated 3.1% of total regional labor income. An additional \$205 million in labor income was generated through indirect and induced effects for a total of \$700.8 million in labor income generated by the hospital sector.



- Per capita hospital expenditure was about \$1,824 in Western Nevada in 2007. This compares to \$2,100 per capita nationwide or to \$1,380 per capita in Nevada.
- Economic activity related to the hospital sector generated an estimated \$50.3 million in tax revenues.
- According to the Department of Employment, Training and Rehabilitation, local Western Nevada governments employed 1,122 people in the hospital sector in 2007 with a wage bill of \$54 million. The federal government employed an additional 986 people in the hospital sector with a total wage bill of about \$78 million.
- In urban counties in Nevada, about 33% of billed 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 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 Western Nevada economy. The sector with the largest impact in terms of both employment and labor income is health and social services while the second largest employment impact is in the retail trade sector, while the largest labor income impact is in the professional, scientific and technical services 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	14	145,893	489,311
Mining	2	136,156	220,394
Utilities	32	3,737,154	12,517,119
Construction	50	2,945,503	3,708,427
Manufacturing	111	6,197,195	9,010,285
Wholesale Trade	160	10,527,247	17,854,803
Retail trade	688	22,725,127	36,562,246
Transportation & Warehousing	161	8,096,266	10,877,214
Information	76	3,976,660	8,775,691
Finance & insurance	180	11,356,288	14,373,774
Real estate & rental	543	13,853,500	103,503,760
Professional, scientific & tech services	453	23,569,450	28,032,666
Management of companies	85	7,752,526	9,622,935
Administrative & waste services	442	12,355,685	14,435,350
Educational services	56	1,357,222	1,569,317
Health & social services	782	43,660,629	54,095,896
Arts, entertainment & recreation	88	2,745,640	3,754,691
Accommodation & food services	566	14,244,395	19,948,434
Other services	358	9,586,428	13,354,856
Government & non NAICs	72	6,106,009	6,683,242
Total Indirect and Induced Impacts	4,916	205,074,973	369,390,411

Table 3. Total Impacts of the Hospital Sector in Western Nevada

Type of Impact	Direct	Indirect	Induced	Total	Multiplier
Jobs	8,127	1,941	2,975	13,044	1.60
Labor Income	495,735,392	83,948,604	121,126,366	700,810,362	1.41
Value Added	526,289,152	155,493,851	213,896,556	895,679,559	1.70

Table 4. State and Local Tax Impacts

Revenue Impacts for Clark Co. and State of Nevada	
Property Taxes	\$ 10,562,362
Sales Taxes	\$ 22,899,217
Other Business Taxes	\$ 5,326,590
Non-tax payment (fines, fees, donations)	\$ 4,658,694
Other	\$ 1,233,754
Dividends on investment, social insurance and retirement payments	\$ 5,605,965
Total	\$ 50,286,582

ⁱ 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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