But their contributions to their communities extend far beyond great care and critical health services. Connecticut hospitals and health systems are dynamic, complex organizations with integrated delivery networks comprising physicians, services, and technology. They are working to build a healthier Connecticut – strengthening our healthcare system, communities, and economy.

They drive growth in the health and medical fields, as well as in many other business and industry sectors, improving the financial health of their local communities and the entire state.

*For the purposes of financial reporting, this report describes the impact of hospitals and health systems as defined by OHCA to mean hospitals and their related entities.
A MAJOR EMPLOYER

Connecticut’s hospitals and health systems provide great jobs to 104,000 people, with a total annual payroll of $7.6 billion. In fact, Connecticut hospitals are often the largest employers in their communities, and salaries are a vital economic stimulus, creating and supporting jobs throughout the state. Nearly every hospital and health system job creates another one outside the hospital, for a total payroll of $15.4 billion.

A PURCHASER OF GOODS AND SERVICES

The $5.2 billion that Connecticut hospitals and health systems spend each year on the goods and services they require to provide quality healthcare is another important piece of the state’s economic engine. The money spent on medical supplies, food for patients, and electricity for buildings, among other things, flows from the hospitals to businesses, and then ripples out into the wider economy for an additional spending of $5.4 billion.

BUILDING A HEALTHIER CONNECTICUT

The economic ripple effect from Connecticut hospitals and health systems can also be seen in the development of new businesses. Hospitals function like a magnet, pulling in other businesses around them. These businesses are often healthcare-related or those that will thrive in a busy community – such as retail stores, banks, and restaurants.

Connecticut hospitals and health systems spent $840 million on buildings and equipment in 2016. This capital spending created an additional $867 million in economic activity, generating a total of $1.7 billion in economic activity in Connecticut.

207,130

Connecticut jobs generated by hospitals and health systems
The Future of Connecticut’s Hospitals and Health Systems

Connecticut hospitals and health systems are continually working to find innovative ways to better serve patients and communities. By investing in the future of Connecticut’s healthcare and hospitals, we will strengthen our economy, put communities to work, and deliver the quality, affordable care that Connecticut families deserve.

Note: The hospital and health system economic analysis is based on the statewide multipliers from the Regional Input-Output Modeling System (RIMS II), developed by the Bureau of Economic Analysis of the U.S. Department of Commerce. It uses data from the hospital health system FY 2016 audited financial statements. RIMS II provides an accounting of “inputs” purchased and “outputs” sold by an industry in the state. The spending of one industry will have several rounds of ripple influence throughout the state economy – this is known as the multiplier effect. RIMS II regional multipliers measure both the direct and indirect impact on the state economy from a specific industry. The number of jobs is based on individuals employed by the hospital health systems, as recorded through IRS Form W-3.

WHAT LEGISLATORS CAN DO IN 2018

1. **Protect** the agreement between hospitals and the Administration regarding taxes paid by hospitals and Medicaid payments to hospitals.

2. **Bring** Medicaid rates in line with the national average. Medicaid reimbursement to Connecticut hospitals remains among the lowest in the nation.

3. **Protect** access to patient care in light of potential changes to healthcare on the national level.

4. **Support** a Certificate of Need process that treats hospitals fairly and on an equal basis with other providers, entities, and out-of-state specialty hospitals.

5. **Do not pass** legislation that imposes additional regulatory burdens on hospitals.

6. **Improve** mental healthcare in Connecticut by matching bed availability with patient need, funding substance use treatment and prevention programs, and increasing funding for programs that emphasize an integrated approach to patient care.
About the Connecticut Hospital Association

The Connecticut Hospital Association has been dedicated to serving Connecticut’s hospitals since 1919. Through state and federal advocacy, CHA represents the interests of Connecticut’s hospitals on key healthcare issues in the areas of quality and patient safety, access and coverage, workforce, community health, health equity, and hospital reimbursement.