



Kentucky Hospitals' **Economic Importance** to Their Communities



Taylor Regional Hospital



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In every community, the local hospital is vitally important, not only for the health care services they provide, but for their contribution to the economy. The jobs and payroll generated by Kentucky's hospitals supply tax revenue to state and local governments, and support other Kentucky businesses through the purchase of goods and services. These dollars have a "ripple effect" as they move through the larger economy, supporting other businesses and jobs in the community as well as generating tax revenue used to fund state programs.

In 2016, Taylor Regional Hospital



Spent nearly **\$46.4 million** on employee wages and salaries and purchases of supplies and services.



**Employed
525 people**



Spent **\$3.9 million** on capital projects



Generated an annual local payroll of **\$35.1 million** comprising **8.4%** of all wages and salaries in the county

25% Higher



Kentucky Hospital Employee

Other Private Employee

Average Salaries in Kentucky

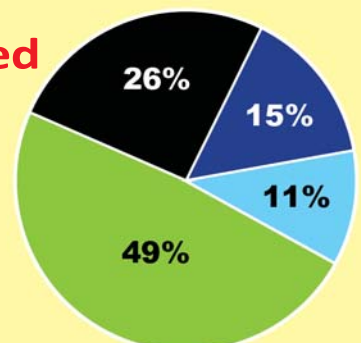
The average Kentucky hospital employee paycheck is **25% higher** than all other private employees in the state.

In 2016, Taylor Regional Hospital

- Cared for 2,703 inpatients
- Welcomed 348 babies into the world
- Treated 23,973 patients in its ER
- Had more than 102,722 outpatient visits

Statewide Uncompensated Care Cost **\$1,242,446,420**

- Medicaid Shortfall
- Medicare Shortfall
- Cost of Bad Debt
- Charity Care Cost



Local Spending



Funds spent by hospitals and their employees to buy goods and services flow to local businesses and then ripple throughout the economy



The hospital generates nearly **\$11.3 million** annually in purchases from local companies



The hospital's employees spend an estimated **\$13.2 million** in local purchases

TAX Revenue



Taylor Regional Hospital paid:

- \$702,000 in city and county occupational taxes
- \$1.1 million in provider taxes to help support the Medicaid program that are matched with federal funds to support \$3.6 million in state Medicaid spending

Its employees generated:

- \$2.9 million in income and sales taxes



Impact of Reductions

Since Taylor Regional Hospital is such an important part of the state and local economies, reductions in reimbursement from Medicare and Medicaid have a direct impact on the entire economy – not just the hospital.

71%
of the hospital's
patients are covered
by government
programs.

A 10% change in the hospital's net patient revenue due to cuts to government programs like Medicare and Medicaid, would:



Reduce hospital employee wages and salaries by approximately **\$3.5 million** and result in some combination of lost jobs and reduced pay per job in the broader community



Reduce state and local government tax revenue by nearly **\$573,000**



Cause a ripple effect to other businesses creating a loss of **\$11.4 million** in regional sales and a reduction of nearly **\$4.5 million** in regional wages and salaries



The Economic Importance of Our Hospital

estimates of annual activity, 2016 or latest available data

Taylor Regional Hospital

City:	Campbellsville	Medicare ID	180087	Congressional District:	2
County:	Taylor			Area Development District:	Lake Cumberland

Hospital Activity

Licensed Beds:	90
Admissions:	2,703
Total inpatient days:	10,819
Uncompensated Care:	\$5,366,386
Employees:	525
Wages and salaries:	\$35,083,525
Hospital's Share of All Wages and Salaries in County:	8.4%
Capital Investments:	\$3,866,609

Estimated Taxes Paid

City government occupational taxes:	\$350,835
County government occupational taxes:	\$350,835
Public school occupational taxes:	\$0
Kentucky income and sales taxes linked to employee wages and salaries:	\$2,947,016
Kentucky hospital provider tax:	\$1,067,560
Total state and local taxes:	\$4,716,247

Estimated hospital purchases from local companies

Total Hospital Local Purchases	\$11,322,765
Sum of commodities not shown	\$2,372,100
Employment services	\$1,845,806
Wholesale trade distribution services	\$810,220
Real estate buying and selling, leasing, managing, and r	\$769,911
Other ambulatory health care services	\$670,662
Electric power transmission and distribution	\$624,408
Insurance	\$500,801
Other financial investment services	\$465,487
Office administrative services	\$461,301
Legal services	\$460,818
Commercial and industrial machinery and equipment r	\$343,960
Management consulting services	\$268,625
Wireless telecommunications (except satellite)	\$238,145
Limited-service restaurant services	\$220,578
Automotive repair and maintenance, except car washe	\$208,367
Full-service restaurant services	\$207,463
Wired telecommunications	\$189,401
Accounting, tax preparation, bookkeeping, and payroll	\$173,404
Veterinary services	\$165,694
Business support services	\$165,002
Personal and household goods repair and maintenance	\$160,611

Estimated local spending by hospital employees

Total Employee Local Purchases	\$13,150,041
Sum of commodities not shown	\$3,334,768
Imputed rental services of owner-occupied dwellings	\$2,671,476
Private hospital services	\$1,113,121
Limited-service restaurant services	\$678,562
Child day care services	\$539,973
Retail services - General merchandise stores	\$447,799
Offices of physicians	\$438,250
Wholesale trade distribution services	\$396,917
Wireless telecommunications (except satellite)	\$394,466
Junior colleges, colleges, universities, and professional	\$369,487
Real estate buying and selling, leasing, managing, and r	\$352,646
Monetary authorities and depository credit intermedia	\$321,420
Electric power transmission and distribution	\$306,997
Retail services - Food and beverage stores	\$300,886
Automotive repair and maintenance, except car washe	\$239,704
Wired telecommunications	\$223,309
Used and secondhand goods	\$218,606
Outpatient care centers	\$215,661
Retail services - Building material and garden equipme	\$205,180
Retail services - Motor vehicle and parts dealers	\$198,483
Retail services - Nonstore retailers	\$182,330

Estimated regional economic impact of a 10% change in hospital's net patient revenue

Change in hospital wages and salaries	\$3,508,353	Change in regionwide wages and salaries	\$4,472,876
Change in regionwide sales of businesses	\$11,408,916	Change in state and local tax revenues	\$573,481

Prepared by Kentucky Hospital Association using a model developed by Paul Coomes, Ph.D, Professor of Economics and Barry Kornstein, Senior Research Analyst, University of Louisville

About the Data: Hospital data in this report are derived from Medicare Cost Reports, State Utilization Reports, and Disproportionate Share Reports. All other data are derived from IMPLAN or the hospital.

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