

**HOUSE OF REPRESENTATIVES
2020 ECONOMIC IMPACT STATEMENT FORM**

Read all instructions carefully.

House local bill policy requires that no local bill will be considered by a committee or a subcommittee without an Economic Impact Statement. This form must be prepared by an individual who is qualified to establish fiscal data and impacts and has personal knowledge of the information given (for example, a chief financial officer of a particular local government). Please file this completed, original form with the Clerk of the House as soon as possible after a bill is filed. Additional pages may be attached as necessary.

BILL #:	HB
SPONSOR(S):	State Representative Ana Maria Rodriguez
RELATING TO:	South Broward Hospital District / Charter Amendments

[Indicate Area Affected (City, County or Special District) and Subject]

Check if this is a revised Economic Impact Statement

I. REVENUES:

These figures are new revenues that would not exist but for the passage of the bill. The term "revenue" contemplates, but is not limited to, taxes, fees and special assessments. For example, license plate fees may be a revenue source. If the bill will add or remove property or individuals from the tax base, include this information as well.

	FY 20-21	FY 21-22
Revenue decrease due to bill:	\$ 0	\$ 0
Revenue increase due to bill:	\$ 0	\$ 0

II. COST:

Include all costs, both direct and indirect, including start-up costs. If the bill repeals the existence of a certain entity, state the related costs, such as satisfying liabilities and distributing assets.

Expenditures for Implementation, Administration and Enforcement:

	FY 20-21	FY 21-22
	\$ See Attached	\$ See attache

Please include explanations and calculations regarding how each dollar figure was determined in reaching total cost.

The Charter Amendments sought is to resolve any potential ambiguity that has been raised by the Supreme Court Decision in Halifax Hospital Medical Center, Inc. et al v. State of Florida, --- So.3d ----, 209 WL. 1716374. Currently, the district is conducting some limited operations outside of its geographical boundaries. It is doing so under the current provision of its charter which did not restrict the location of facilities and recognized the authority of its board to determine the location of all its facilities. See Attached for additional explanation.

III. FUNDING SOURCE(S):

State the specific sources from which funding will be received, for example, license plate fees, state funds, borrowed funds, or special assessments.

If certain funding changes are anticipated to occur beyond the following two fiscal years, explain the change and at what rate taxes, fees or assessments will be collected in those years.

	<u>FY 20-21</u>	<u>FY 21-22</u>
Local:	\$ 0	\$ 0
State:	\$ 0	\$ 0
Federal:	\$ 0	\$ 0

IV. ECONOMIC IMPACT:

Potential Advantages:

Include all possible outcomes linked to the bill, such as increased efficiencies, and positive or negative changes to tax revenue. If an act is being repealed or an entity dissolved, include the increased or decreased efficiencies caused thereby.

Include specific figures for anticipated job growth.

1. Advantages to Individuals:

See Attached.

2. Advantages to Businesses:

See Attached.

3. Advantages to Government:

See Attached.

Potential Disadvantages:

Include all possible outcomes linked to the bill, such as inefficiencies, shortages, or market changes anticipated.

Include reduced business opportunities, such as reduced access to capital or training.

State any decreases in tax revenue as a result of the bill.

1. Disadvantages to Individuals:

None

2. Disadvantages to Businesses:

Other health systems and health service competitors will be subject to more intense competition from SBHD.

3. Disadvantages to Government:

None

V. DESCRIBE THE POTENTIAL IMPACT OF THE BILL ON PRESENT GOVERNMENTAL SERVICES:

The bill will significantly allay any concerns about SBHD's charter authorization to operate facilities and business structures outside of its geographic boundaries. Without this expression by the legislature, SBHD may be subject to various frictional costs such as court cases and regulatory interpretations which will be expensive and time consuming to resolve. Given the recent repeal of certificate of need requirements and other market place factors, being able to compete in the market place is essential so that SBHD can preserve its current revenue streams and develop new ones. Without the ability to diversify any concentration risks and vulnerabilities, it will have to reconsider its continuing trend of ever lower taxing levies, reduce community benefits and its "safety net" mission to the indigent and Medicaid population.

VI. SPECIFIC DATA USED IN REACHING ESTIMATES:

Include the type(s) and source(s) of data used, percentages, dollar figures, all assumptions made, history of the industry/issue affected by the bill, and any audits.

1. University of Florida, Economic Contributions of Hospitals in Florida in 2015. (Attachment 1)
2. South Broward Hospital District, 2018 Community Benefits Report to the Community (Attachment 2)
3. Historical Millage Rate, South Broward Hospital District, Trend in Tax Revenue and Total and Cost of Uncompensated Care 2011-2019. (Attachment 3)
4. 2020 Millage Rate proposed and Budget Summary for South Broward Hospital District (Attachment 4).

VII. CERTIFICATION BY PREPARER

I hereby certify I am qualified to establish fiscal data and impacts and have personal knowledge of the information given. I have reviewed all available financial information applicable to the substance of the above-stated local bill and confirm the foregoing Economic Impact Statement is a true and accurate estimate of the economic impact of the bill.

PREPARED BY: David M. Smith
[Must be signed by Preparer]

Print preparer's name: David Smith

9/12/19

Date

TITLE (such as Executive Director, Actuary, Chief Accountant, or Budget Director):

Senior Vice President and Chief Financial Officer

REPRESENTING: South Broward Hospital District d/b/a Memorial Healthcare System

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ATTACHMENT 4

2020 Economic Impact Statement and supporting documents

ATTACHMENT 4a

Additional Materials House of Representatives 2019 Economic Impact Form

Additional Materials
House of Representatives
2019 Economic Impact Statement Form

Bill: HB _____
Sponsors: State Representative Ana Maria Rodriguez
Relating to: South Broward Hospital District (“SBHD”), Special Taxing District pursuant to Chapters 2004-397 and 2016-258

Section II. Cost

No costs are anticipated for initial implementation, administration and enforcement of this Charter Amendment. There are currently no additional facilities or other activities contemplated to occur outside of the SBHD’s boundaries other than what it conducts currently.

In the past legislative session, there was repeal of certificate of need requirements for hospital facilities and programs, i.e. Chapter 2019-136. It is anticipated that in order to effectively compete in this unregulated market, South Broward Hospital District (“SBHD”) will need certainty in its ability to provide for facilities outside of its geographical boundaries established in its Charter.

Recently, there was a decision in a Florida Supreme Court case, *Halifax Hospital Medical Center, Inc. et al v. State of Florida*, --- So.3d ---, 209 WL 1716374. In such case, the Supreme Court reviewed language contained in the Charter for the Halifax Special Hospital District which, in some aspects is similar to language in the SBHD Charter as to the ability to locate health care and other facilities outside of a special hospital district’s designated geographical boundaries. The provisions of the SBHD Charter of concern is as follows:

Section 7. Without in any way limiting the powers set forth in section 4, the board of commissioners is hereby authorized and empowered to establish, construct, operate, and maintain such hospital or hospitals and other health facilities as in their opinion are necessary for the use of the people of the district, and to establish, construct, operate, and maintain such facilities for the care of such persons requiring limited medical care or treatment as in their opinion is necessary for the people of the district. **The hospital or hospitals, other health facilities, and facilities for limited care and treatment shall be established, constructed, operated, and maintained by the board of commissioners for the preservation of the public health, for the public good, and for the use of the public of the district; and maintenance of the hospital or hospitals, other health facilities, and facilities for limited care and treatment within the district is hereby found and declared to be a public purpose and necessary for the preservation of the public health, for public use, and for the welfare of the district and inhabitants**

thereof. The location and legal form and structure of such hospital or hospitals, other health facilities, and facilities for limited care and treatment shall be determined by the board. (Emphasis supplied)

The second sentence of the above SBHD Charter is very similar to the language which was reviewed by the Supreme Court. The Court ruled such language does not provide for express legislative authorization for Halifax to create, maintain and operate facilities outside of its geographical borders. See, *Halifax Hospital Medical Center, Inc.* at Westlaw Headnote No. 5. Of significance, the Halifax Charter does not contain the provisions contained in the first and last sentence of the above SBHD Charter provision. Also of significance is the fact that at the core of the Halifax Supreme Court decision was whether Halifax could use bonds to finance a hospital outside of its geographic boundary.

SBHD has been operating some limited facilities outside of its designated geographical boundaries, see page 28 of Attachment 2. It has been doing so based on an entire reading of the Charter provision, including the first and last sentence of such section. The *Halifax Hospital Medical Center, Inc.*, supra, decision now creates some ambiguity as to the power of the SBHD Board of Commissioners to authorize facility locations outside the district boundaries. While SBHD is of the opinion that its Charter language is sufficiently expansive and differentiable from the Halifax Charter language, it may have to incur sufficient legal and other friction costs to confirm and vindicate such position. A legislative amendment is the least costly and risky method to achieve the requisite strict “express authorization” the Supreme Court seems to be requiring.

Section IV. Economic Impact

Section 1. Advantages to Individuals: SBHD in FY 2019 provided services to almost 458,000 unique patients of which 48.3% of them came from zip codes outside of those located within the SBHD geographical boundaries. There is already a significant patient population outside SBHD which is self-selecting SBHD for services. The unquestioned ability to locate facilities such as urgent care centers, offsite emergency rooms, primary care and specialist offices, ambulatory surgical centers, micro-hospitals and myriad of other types of health care facilities, will provide drive time enhancement and clinical access for such existing population. SBHD also plans on engaging in innovative and unique methods of health care services distribution which will be nontraditional facility formats.

SBHD also operates several services such as cardiac catheterization and open heart surgery, cancer (bone marrow transplant), neonatal intensive care units, pediatric open heart and kidney transplant, adult open heart and kidney transplants which are tertiary services and previously approved under certificate of need requirements. As tertiary services, SBHD was required to demonstrate need to not only the residents within its district but through-out South Florida. To meet the needs of such persons, SBHD will be pursuing outpatient and other facilities to better serve those needs. Drive times will be reduced and clinical access will be enhanced.

Another advantage to individuals will be enhanced access for indigent and Medicaid populations. By locating additional facilities outside the geographic boundaries, SBHD will be

able to expand its mission and service to those populations. As a nonprofit entity, it provides such community benefit and such part of its mission would follow.

Section 2. Advantages to Businesses: By expanding its service delivery facility footprint outside of its geographic boundary, SBHD provides another robust health system to South Florida communities, employers, and managed care organizations. SBHD will be able to better provide extensive geographical and clinical coverage for health care services. SBHD will be able to provide to managed care organizations more comprehensive, complete and geographically expansive health services networks. SBHD's network will provide for more contracting options for both existing plans and any new plan entrants to the South Florida market place.

Section 3. Advantages to Government. SBHD will be able to diversify its portfolio of assets and risks. If restricted to just its geographic boundaries for facilities, it will be subject to concentration concerns. In addition, other competitors of SBHD who are unfettered will be able to use such restrictions to materially impact SBHD's operations and revenues.

SBHD has historically a very low historical tax rate. Its taxes are the minimum to satisfy intergovernmental transfer requirements for various federal health care programs funding. This proposed rate is equal to the break-even rate and reflects a decrease from last year's rate of 10.92% and a decrease from the roll-back rate of 7.15%. Out of the 65 taxing authorities in Broward County, only two have proposed a reduction from the rollback rate, and one of them is a safe neighborhood that collects less than \$13,000 in taxes. The South Broward Hospital District is the ONLY other taxing authority to have a proposed millage rate that is LOWER than the rollback rate. 7% below rollback. Only 6 taxing authorities proposed a rate equal to rollback, and the remaining 57 proposed rates ranging from 1% above rollback to 29% above rollback. If not able to diversify its risks and revenue sources, then SBHD as competitors impact its revenue capabilities would need to offset such reductions by tax levies.

ATTACHMENT 4b

Economic Contributions of Hospitals in Florida in 2015

Economic Contributions of Hospitals in Florida in 2015

Florida Hospital Association Sponsored Project

By Alan W. Hodges, Mohammad Rahmani and Christa D. Court

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April 11, 2017

UF | IFAS
UNIVERSITY of FLORIDA

**ECONOMIC IMPACT
ANALYSIS PROGRAM**

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Executive Summary

The economic impact of Florida's hospitals in 2015 was analyzed by researchers at the University of Florida to update previous studies for 2007, 2009, 2011 and 2013. The analysis was conducted using 2015 financial data from the Florida Agency for Healthcare Administration, Florida Hospital Uniform Reporting System, together with a regional economic model of the state (*IMPLAN*) to enable the estimation of multiplier effects of hospital activities on the overall economy.

In 2015, there were 317 private hospitals operating in Florida, with an overall scope of operations including:

- 65,637 hospital beds
- 284,110 full-time and part-time jobs
- \$44.31 billion in total operating expenses
- \$19.63 billion paid in employee wages, salaries and benefits
- \$51.1 billion in total operating and non-operating revenues
- \$44.40 billion in patient care and other operating revenues from non-local sources such as health insurance, Medicaid and Medicare (excludes charity care and self-pay patients)

The total estimated total economic contributions of Florida hospitals in 2015 were:

- 901,674 full-time and part-time jobs
- \$128.37 billion in industry output or sales revenues
- \$73.31 billion in total value added activity, representing 8.23 percent of Florida's Gross Regional Product
- \$51.18 billion in labor income (earnings) to employees and business owners
- \$17.88 billion in other property income impacts
- \$16.76 billion in taxes paid to local, state and federal governments

Among regions in the state, employment contributions of hospitals were highest in the Miami-Ft. Lauderdale (294,613 jobs), Orlando (215,321 jobs), Tampa-St. Petersburg (153,287 jobs), Jacksonville (76,206 jobs), Sarasota-Bradenton (71,676 jobs), Tallahassee (34,731 jobs), Gainesville (28,070 jobs), Pensacola (17,399 jobs), and Panama City (10,370 jobs).

The largest individual Florida counties in terms of hospital industry employment contributions were Miami-Dade (143,779 jobs), Hillsborough (82,567), Orange (81,984), Broward (74,426), Duval (58,039), Palm Beach (50,704), Pinellas (50,123), Alachua (31,778), Lee (29,266), Brevard (22,898), Volusia (22,540), and Polk (22,218).

Florida hospitals are stable and consistent employers across the state, and their impact continues to grow. In 2015, the total employment impact of Florida hospitals was 2.65 percent higher than in 2013, and value added contributions were 0.83 percent higher in inflation-adjusted terms.

Introduction

Health care continues to be a major driver of economic activity in the United States. In 2015, spending on health care in the U.S. was \$3.20 trillion, and represented approximately 17.2 percent of Gross Domestic Product (CMS, 2015). Across the country, hospitals employed nearly 12.4 million workers in 2015 (Kaiser Family Foundation, 2015). Activity in the health care sector has grown dramatically compared to many other sectors of the economy, and is a source of economic development and job growth in many areas. Hospitals and health systems are an important component of the health care industry, providing not only acute care, trauma, psychiatric and rehabilitation services, but also continuing to work toward a shared mission of improving the overall health and well-being of their local communities.

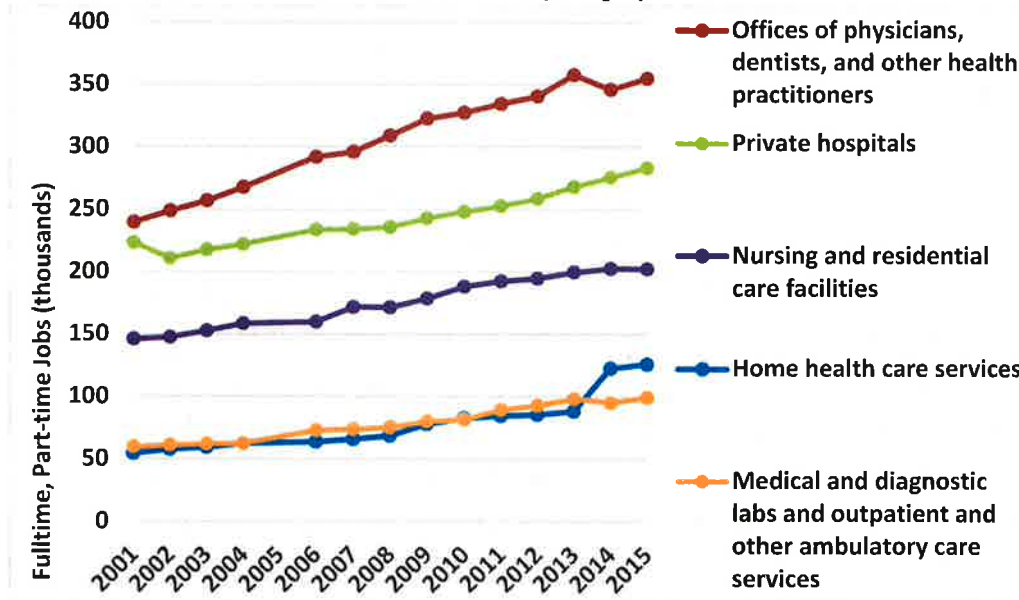
Health care services are essential in the state of Florida because of the state's large and rapidly growing population, particularly those age 65 and over. Employment in the health care sector in Florida has grown from nearly 723,673 jobs in 2001 to over one million (1,066,851) in 2015, representing a growth of 47.4 percent during this period (Figure 1). According to regional economic data (*IMPLAN*, 2016), the largest employer sectors in the health care industry in Florida in 2015 were:

- Offices of Physicians, Dentists and Other Health Practitioners--354,960 jobs
- Private Hospitals--283,440 jobs¹
- Nursing and Residential Care Facilities--202,484 jobs
- Home Health Care Services-126,299 jobs
- Medical and Diagnostic Labs and Outpatient/Ambulatory Care Services--99,668 jobs

The purpose of this report is to estimate the total annual economic contributions of hospitals across the state of Florida as well as its regions and counties in 2015. This includes the secondary economic benefits generated through indirect and induced multiplier effects in other sectors of the economy. This report updates previous studies for 2007, 2009, 2011 and 2013 (Hodges et al, 2009, 2011, 2013, 2015).

¹ Data for 2015 from the *IMPLAN* system may not match with results for Florida hospitals in this report, due to difference in the data sources used.

Figure 1. Trends in Florida Health Care Industry Employment, 2001-15



Source: *IMPLAN* Group, LLC. Note: Data not available for 2005.

Methods

Hospital Operations Data

Information about revenues, expenditures, employment and number of beds for non-federal Florida hospitals in 2015 was obtained from the Florida Agency for Healthcare Administration, Florida Hospital Uniform Reporting System (FAHCA/FHURS), and compiled by the Florida Hospital Association. There were a total of 317 private hospitals. Veterans Administration (VA) hospitals are not required to report, and 12 VA facilities were not included in this study. For the 58 hospitals in which consolidated data was reported only for the campuses under one license, financial information was imputed based on an average per hospital bed, while for the seven hospitals that did not report any financial data, it was imputed based on statewide industry averages per bed. Data reported to FAHCA/FHURS conform to Generally Accepted Accounting Principles. A complete listing of individual hospitals is provided in Appendix B.

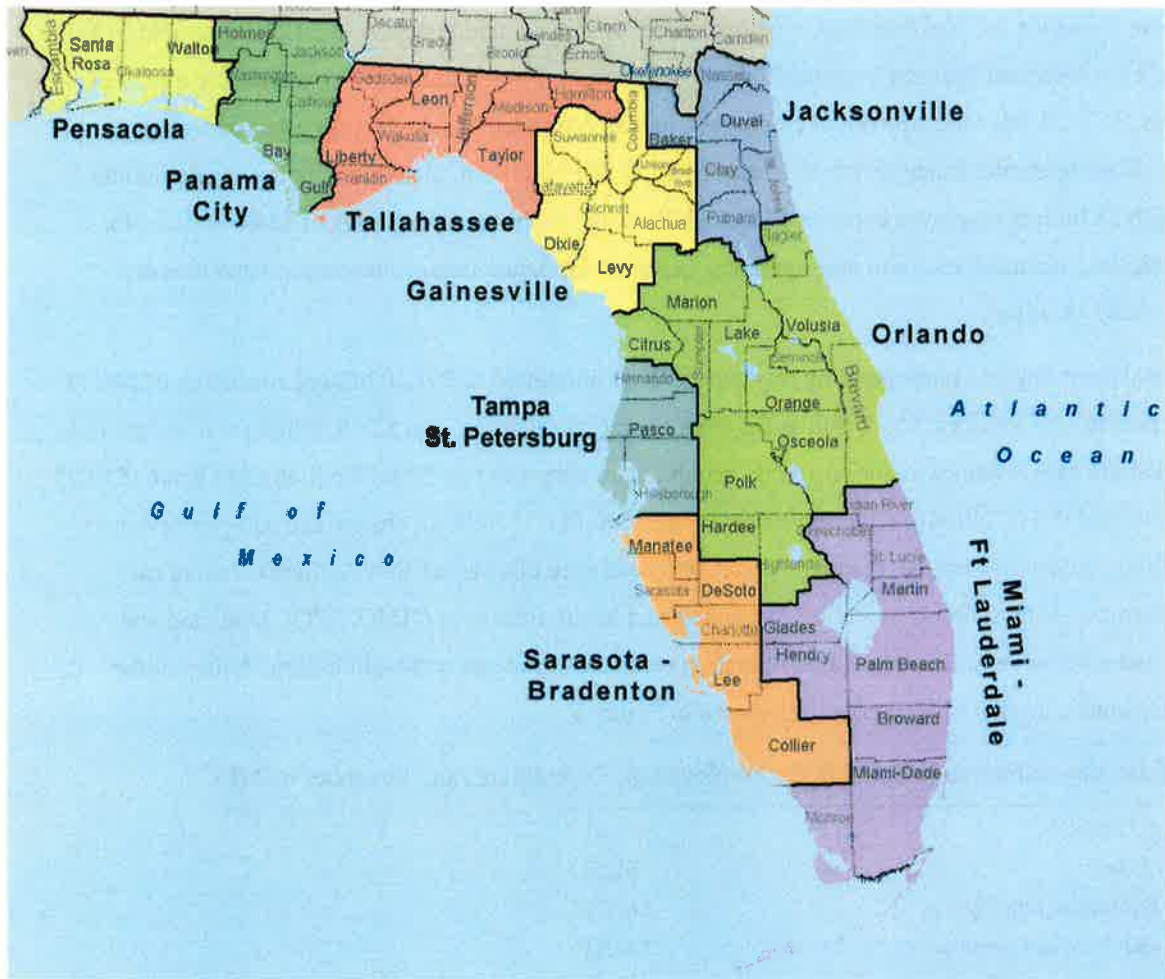
Expenses reported by hospitals included total operating expenses, employee salaries and benefits, and non-operating expenses for debt amortization and capital depreciation. Revenues were reported for payments received from health insurance, health maintenance organizations (HMO), Medicaid, Medicare, local government, and self-paying individuals. Discounts to employees, bad debts, and unpaid services rendered to indigent patients were reported as negative revenue amounts. Revenues from non-local or out-of-state sources including private health insurance payments, Medicaid and Medicare, and other government sources, were considered as new “final demand” to the hospital industry in the state, giving rise to regional economic multiplier effects through re-spending in other sectors of the economy. Note that data for 2015 from the *IMPLAN* system may not match with results for Florida hospitals in this report, due to differences in the data sources used.

Regional Economic Modeling

The broad economic contributions of hospitals in the State of Florida were evaluated with a regional economic model constructed using the *IMPLAN* software (version 3.1) and associated Florida regional data for 2015 (*IMPLAN* Group, LLC). Input-output models enable the estimation of the secondary impacts of industry activities in the local economy arising through input purchases from vendors, and through spending by employee and proprietor households, and, governments. Purchases from vendors are known as indirect effects, while spending by employee households and governments are known as induced multiplier effects (Miller and Blair, 2009). The economic model was constructed using default parameters and trade flow assumptions for Regional Purchase Coefficients, with all social accounts internalized, meaning that the multiplier effects captured expenditures by households, local, state and federal governments created by the hospital industry. Non-local revenues were entered into the model under the sector “Private Hospitals” (*IMPLAN* sector #482). Spending by hospitals that occurs within the state was accounted for by regional purchase coefficients in *IMPLAN* that represent the average share of goods and services provided from in-state sources. Direct employment in hospitals were given as fulltime equivalent employees (FTE), which were converted to total fulltime and part-time jobs using the industry average ratio of 1.0612 jobs per FTE. All economic contribution results were expressed in 2015 dollars using *IMPLAN* output and GDP Implicit price deflators. A glossary of economic impact analysis terminology is provided in Appendix A.

Financial data and estimates of economic contributions for Florida hospitals were summarized by region, county and federal and state legislative districts within the state. The functional economic regions of Florida (Figure 2) represent metropolitan areas and surrounding non-metropolitan counties that are economically linked, based on employee commuting patterns and media viewership (U.S. Department of Commerce-Bureau of Economic Analysis, Johnson and Kort, 2004). Economic contribution estimates were also summarized by major industry groups, defined according to the North American Industry Classification System (NAICS).

Figure 2. Map of Economic Regions in Florida



Source: adapted from Johnson and Kort (2004).

Results

An overview of Florida hospital facilities, employment, expenditures and revenues in 2015 is provided in Table 1. For the 317 non-federal licensed hospital facilities operating in Florida during 2015, there were a total of 65,637 beds, 267,725 full-time equivalent employees, and an estimated 284,110 fulltime and part-time employees. Total operating expenses for 2015 amounted to \$44.30 billion, including employee salaries and wages of \$16.28 billion, employee benefits of \$3.35 billion, other operating expenses of \$24.67 billion for supplies, utilities, overhead, etc., and non-operating expenses for depreciation, amortization and interest amounting to \$3.16 billion.

Total hospital operating and non-operating revenues in 2015 amounted to \$51.10 billion, consisting of \$46.71 billion for patient care services, \$1.47 billion for other operating revenues, and \$2.56 billion for non-operating revenues. Patient care revenues included private health insurance payments (\$26.23 billion), Medicare (\$19.05 billion), Medicaid (\$5.23 billion), other government payments (\$1.71 billion), charity and self-pay revenues (\$4.21 billion), and administrative, courtesy, policy and employee discounts (-\$9.72 billion). Patient care revenues from non-local sources, including payments from health insurance (HMO, PPO), Medicaid and Medicare, and other government, plus other operating revenues amounted to \$44.40 billion. A map of the number of hospitals in each Florida county is shown in Figure 3.

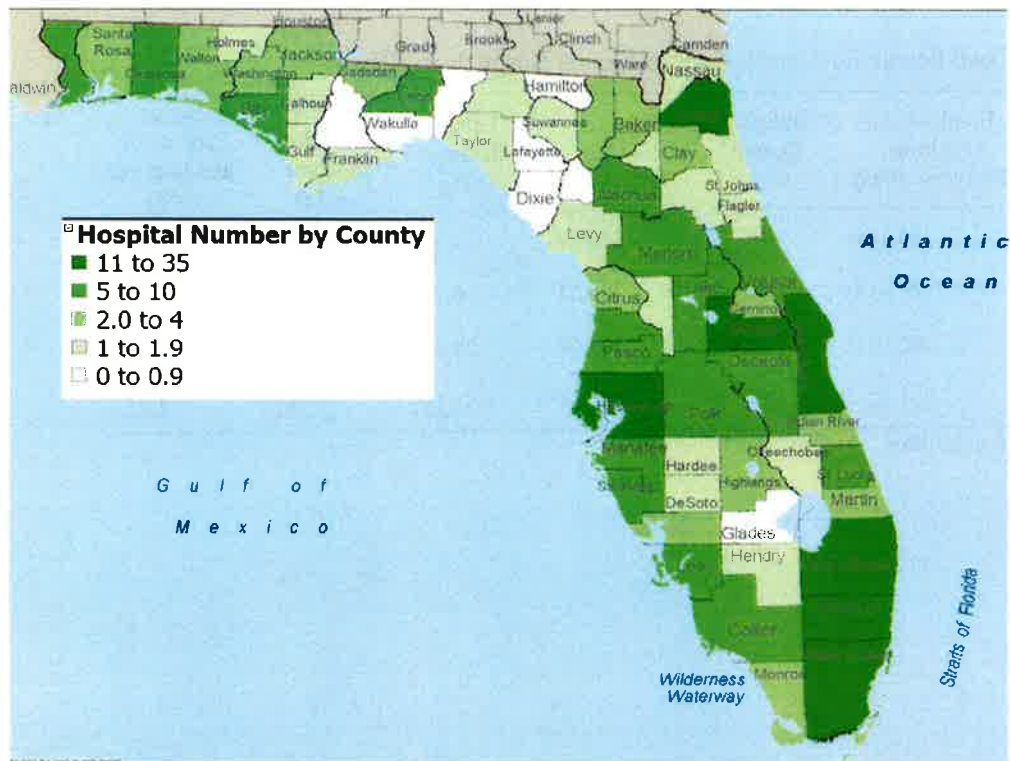
Table 1. Summary of Florida Hospital Beds, Employment, Expenditures and Revenues in 2015

Number of Hospitals	317
Number of Beds	65,637
Fulltime Equivalent Employees	267,725
Fulltime and Part-time Employees	284,110
Operating Expenses (million \$)	<u>44,305</u>
Employee Salaries	16,283
Employee Benefits	3,350
Other Operating Expenses	24,672
Non-Operating Expenses (million \$)	<u>3,155</u>
Interest	657
Depreciation and Amortization	2,497
Revenues (million \$)	<u>51,102</u>
Private Insurance Based	26,234
Medicare / HMO	19,051
Medicaid / HMO	5,227
Other Government	1,709
Charity, Bad Debt, Self-Pay	4,208
Administrative, Employee and Policy Discounts	-9,720
Other Operating	1,900
Non-Operating	2,563
Total Non-Local Revenues (million \$)*	<u>44,401</u>

Source: Florida Agency for Healthcare Administration, Florida Hospital Uniform Reporting System.

*Non-local revenues include health insurance, Medicaid, Medicare and other government payments, net of discounts

Figure 3. Map of Number of Hospitals in Florida Counties in 2015



Source: Florida Agency for Healthcare Administration, Florida Hospital Uniform Reporting System.

Statewide Economic Contributions

The total statewide economic contributions of Florida hospitals in 2015, including multiplier effects in other sectors of the economy are summarized in Table 2. Total employment contributions were estimated at 901,674 fulltime and part-time jobs. Total industry output (revenue) contributions were estimated at \$128.37 billion, and value added contributions amounted to \$73.31 billion. Value added includes all employee compensation, business profits, property income, capital consumption (depreciation) and indirect business taxes, and the sum of direct value added across all industry sectors is equivalent to Gross Domestic Product (GDP), the broadest measure of aggregate economic activity. Value added contributions by hospitals represented 8.23 percent of Florida’s \$890.78 billion GDP in 2015 (*IMPLAN*). Contributions to labor income (employee wages, salaries, benefits, proprietor income) were \$51.18 billion, while contributions to property income (rents, dividends, interest, royalties, corporate profits) were \$17.88 billion.

The direct multiplier effect to economic contributions represents activity that occurs within the hospital sector as a result of revenues and employment, while indirect and induced effects arise from non-local revenues to the hospital sector, which represent “new” money to the state. Indirect effects occur when nonlocal revenues are used by hospitals to purchase inputs or supplies through local suppliers. Similarly, induced effects create secondary contributions when employee households and local, state and federal governments spend their income within the State. For Florida hospitals in 2015, indirect and induced multiplier effects represented 69 percent of

the total employment contributions, 65 percent the output contributions, and 67 percent of value added contributions.

Table 2. Summary of Total Economic Contributions of Florida Hospitals in 2015

Impact Type (Multiplier Effect)	Employment (Fulltime, Part-time Jobs)	Industry Output (M\$)	Value Added (M\$)	Labor Income (M\$)	Other Property Income (M\$)	Tax on Production and Imports (M\$)
Direct Effect	284,109	44,401	24,473	21,491	2,658	324
Indirect Effect	125,518	18,144	9,834	6,294	2,777	763
Induced Effect	492,048	65,830	39,008	23,396	12,442	3,170
Total Effect	<u>901,674</u>	<u>128,374</u>	<u>73,314</u>	<u>51,180</u>	<u>17,877</u>	<u>4,257</u>

Values expressed in millions 2015 dollars.

Economic Contributions in Florida Regions and Counties

Hospitals operated in 59 of Florida's 67 counties in 2015. Financial and operating characteristics and economic contributions are summarized by Florida region in Table 3. The regions with the largest direct hospital employment (fulltime, part-time jobs) were the Miami-Ft. Lauderdale area (93,565), followed by Orlando (70,280), Tampa-St. Petersburg (45,046), Sarasota-Bradenton (23,033), Jacksonville (22,861), Gainesville (10,265), Pensacola (8,770), Tallahassee (6,701) and Panama City (3,580). Total employment contributions by region were: Miami-Ft. Lauderdale (294,613 jobs), Orlando (215,321 jobs), Tampa-St. Petersburg (153,287 jobs), Jacksonville (76,206 jobs), Sarasota-Bradenton (71,676 jobs), Tallahassee (34,731 jobs), Gainesville (28,070 jobs), Pensacola (17,399 jobs), and Panama City (10,370 jobs). Value added impacts were also largest in the Miami-Ft. Lauderdale region (\$23.87 billion), then Orlando (\$17.22 billion), Tampa-St. Petersburg (\$12.85 billion), Jacksonville (\$6.31 billion), Sarasota-Bradenton (\$5.80 billion), Tallahassee (\$2.90 billion), Gainesville (\$2.29 billion), Pensacola (\$1.27 billion), and Panama City (\$805 million).

Table 3. Economic Contributions of Hospitals in Florida Regions in 2015

Region	Number of Hospitals	Hospital Beds	Employees (Fulltime, Part-time)	Revenues (M\$)	Total Contributions					
					Total Employment Contributions	Industry Output (M\$)	Value Added (M\$)	Labor Income (M\$)	Other Property Income (M\$)	Tax on Production and Imports (M\$)
Miami-Fort Lauderdale	97	22,193	93,565	17,419	294,613	41,792	23,867	16,662	5,820	1,386
Orlando	72	13,818	70,280	11,795	215,321	30,150	17,218	12,020	4,198	1,000
Tampa-St. Petersburg	49	10,059	45,046	8,509	153,287	22,500	12,850	8,970	3,133	746
Sarasota-Bradenton	29	5,886	23,033	4,150	71,676	10,147	5,795	4,046	1,413	336
Jacksonville	21	5,975	22,861	4,061	76,206	11,053	6,312	4,407	1,539	367
Gainesville	12	1,921	10,265	1,867	28,070	4,012	2,291	1,600	559	133
Pensacola	16	2,567	8,770	1,701	17,399	2,224	1,270	887	310	74
Tallahassee	10	2,240	6,701	977	34,731	5,086	2,904	2,028	708	169
Panama City	11	978	3,588	623	10,370	1,410	805	562	196	47
Total All Regions	317	65,637	284,110	51,102	901,674	128,374	73,314	51,180	17,877	4,257

Values expressed in millions 2015 dollars. Total impacts include regional multiplier effects.

Financial and operating characteristics and total economic contributions (including multiplier effects) of Florida hospitals are summarized by county in Table 4, and employment, value added, and industry output contributions in Florida counties are mapped in Figures 4, 5 and 6, respectively. The Florida counties with the largest hospital industry employment contributions were Miami-Dade (143,779 jobs), Hillsborough (82,567), Orange (81,984), Broward (74,426), Duval (58,039), Palm Beach (50,704), Pinellas (50,123), Alachua (31,778), Lee (29,266), Brevard (22,898), Volusia (22,540), and Polk (22,218). Twenty-one counties had employment contributions of at least 10,000 jobs, and another 24 counties had employment impacts of at least 1,000 jobs. Industry output, value added, labor income and indirect business tax contributions across regions and counties were roughly

proportional to these employment impacts.

Table 4. Summary of Economic Contributions of Hospitals in Florida Counties in 2015

County	Number Hospitals	Hospital Beds	Employees (Fulltime, Part-time)	Revenues (M\$)	Total Contributions					
					Employment (Fulltime and Part-time Jobs)	Industry Output (M\$)	Value Added (M\$)	Labor Income (M\$)	Other Property Income (M\$)	Tax on Production and Imports (M\$)
Alachua	5	1,472	9,074	1,690	31,778	4,720	2,695	1,882	657	156
Baker	2	1,163	1,151	81	1,566	86	49	34	12	3
Bay	5	730	2,498	493	7,588	1,058	604	422	147	35
Bradford	1	49	154	28	428	57	33	23	8	2
Brevard	11	1,815	7,676	1,216	22,898	3,164	1,807	1,261	441	105
Broward	25	6,523	24,645	4,540	74,426	10,348	5,910	4,126	1,441	343
Calhoun	1	25	124	10	219	20	11	8	3	1
Charlotte	3	699	2,019	366	6,055	839	479	335	117	28
Citrus	2	332	1,338	229	3,253	398	227	159	55	13
Clay	3	483	1,742	351	4,593	593	338	236	83	20
Collier	6	1,051	3,892	729	13,280	1,952	1,115	778	272	65
Columbia	2	190	639	118	1,772	235	134	94	33	8
De-Soto	1	49	222	31	580	74	42	30	10	2
Duval	13	3,833	17,477	3,322	58,039	8,432	4,815	3,362	1,174	280
Escambia	5	1,648	5,833	1,084	19,458	2,832	1,617	1,129	394	94
Flagler	1	99	719	178	2,847	442	253	176	62	15
Franklin	1	25	93	8	200	22	13	9	3	1
Gadsden	2	953	1,533	100	1,628	20	11	8	3	1
Gulf	1	19	102	14	267	34	20	14	5	1
Hardee	1	25	136	22	396	54	31	22	8	2
Hendry	1	25	196	28	437	50	29	20	7	2
Hernando	5	652	2,169	403	5,706	735	420	293	102	24
Highlands	3	323	1,492	246	4,457	616	352	246	86	20
Hillsborough	18	4,136	23,009	4,384	82,567	12,380	7,070	4,936	1,724	411
Holmes	1	20	116	12	281	34	19	14	5	1
Indian River	4	566	2,033	353	5,955	815	466	325	114	27
Jackson	2	125	556	70	1,513	199	114	79	28	7
Lake	5	815	3,974	663	12,374	1,746	997	696	243	58
Lee	7	1,677	8,350	1,426	29,266	4,348	2,483	1,733	605	144
Leon	5	1,189	4,766	831	14,862	2,099	1,198	837	292	70
Levy	1	40	54	3	92	8	5	3	1	0
Madison	1	25	99	10	218	25	14	10	3	1
Manatee	5	888	2,915	552	8,556	1,173	670	468	163	39
Marion	7	897	3,530	660	10,399	1,428	815	569	199	47
Martin	3	388	2,571	357	7,256	974	556	388	136	32
Miami-Dade	36	9,440	44,793	8,266	143,779	20,576	11,751	8,203	2,865	682
Monroe	4	217	742	178	2,694	406	232	162	57	13

Table 4. Summary of Economic Contributions of Hospitals in Florida Counties in 2015

County	Number Hospitals	Hospital Beds	Employees (Fulltime, Part-time)	Revenues (M\$)	Total Contributions					
					Employment (Fulltime and Part-time Jobs)	Industry Output (M\$)	Value Added (M\$)	Labor Income (M\$)	Other Property Income (M\$)	Tax on Production and Imports (M\$)
Nassau	1	62	378	72	1,358	204	116	81	28	7
Okaloosa	5	456	1,465	365	4,147	558	318	222	78	18
Okeechobee	1	100	343	84	1,117	161	92	64	22	5
Orange	16	4,138	25,416	4,328	81,984	11,759	6,715	4,688	1,637	390
Osceola	5	867	4,475	892	12,979	1,768	1,009	705	246	59
Palm Beach	19	4,170	15,444	2,989	50,704	7,330	4,186	2,922	1,021	243
Pasco	10	1,274	4,991	921	14,892	2,058	1,175	821	287	68
Pinellas	16	3,997	14,878	2,802	50,123	7,326	4,184	2,921	1,020	243
Polk	6	1,803	8,143	1,152	22,218	2,926	1,671	1,166	407	97
Putnam	1	99	448		1,291	175	100	70	24	6
Santa Rosa	4	355	880	133	2,230	281	160	112	39	9
Sarasota	7	1,522	5,636	1,046	18,469	2,668	1,524	1,064	371	88
Seminole	4	875	4,935	889	15,362	2,167	1,238	864	302	72
St. Johns	1	335	1,665	236	4,829	658	376	262	92	22
St. Lucie	4	764	2,798	624	8,245	1,132	647	451	158	38
Sumter	2	317	1,176	180	3,613	506	289	202	71	17
Suwannee	1	25	128	20	326	41	24	16	6	1
Taylor	1	48	210	27	491	58	33	23	8	2
Union	2	145	216	8	334	25	14	10	3	1
Volusia	9	1,512	7,267	1,140	22,540	3,175	1,813	1,266	442	105
Walton	2	108	592	119	2,235	342	195	136	48	11
Washington	1	59	192	24	503	65	37	26	9	2
Total / All	317	65,637	284,110	51,102	901,674	128,374	73,314	51,180	17,877	4,257

Values expressed in million 2015 dollars. Total impacts include regional multiplier effects.

Figure 4. Map of Employment Contributions of Hospitals in Florida Counties in 2015

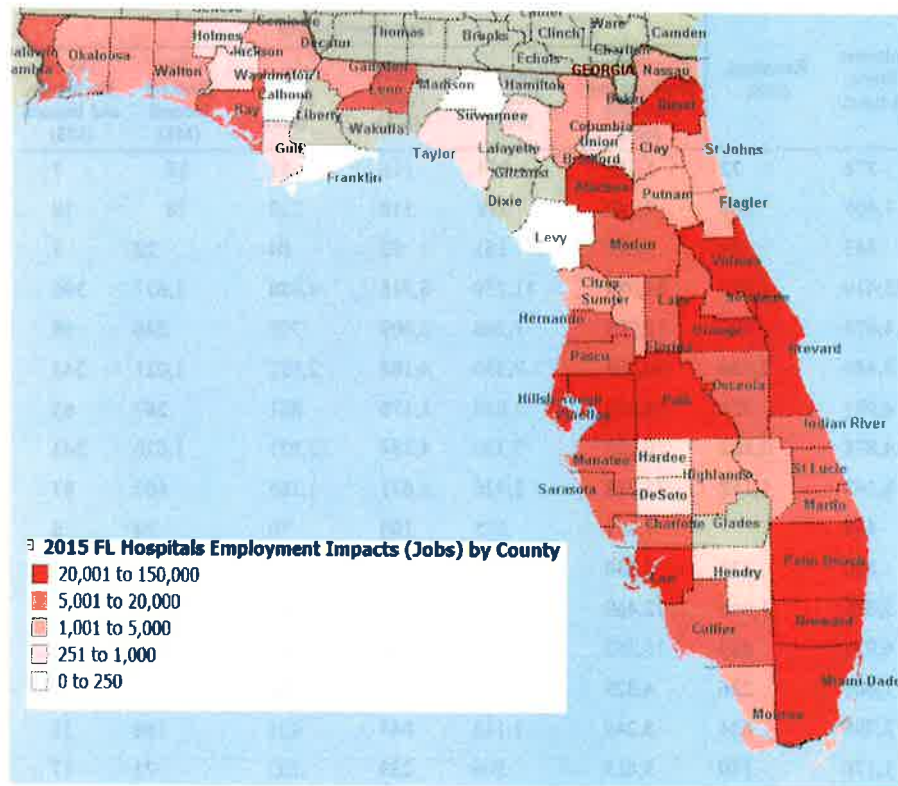
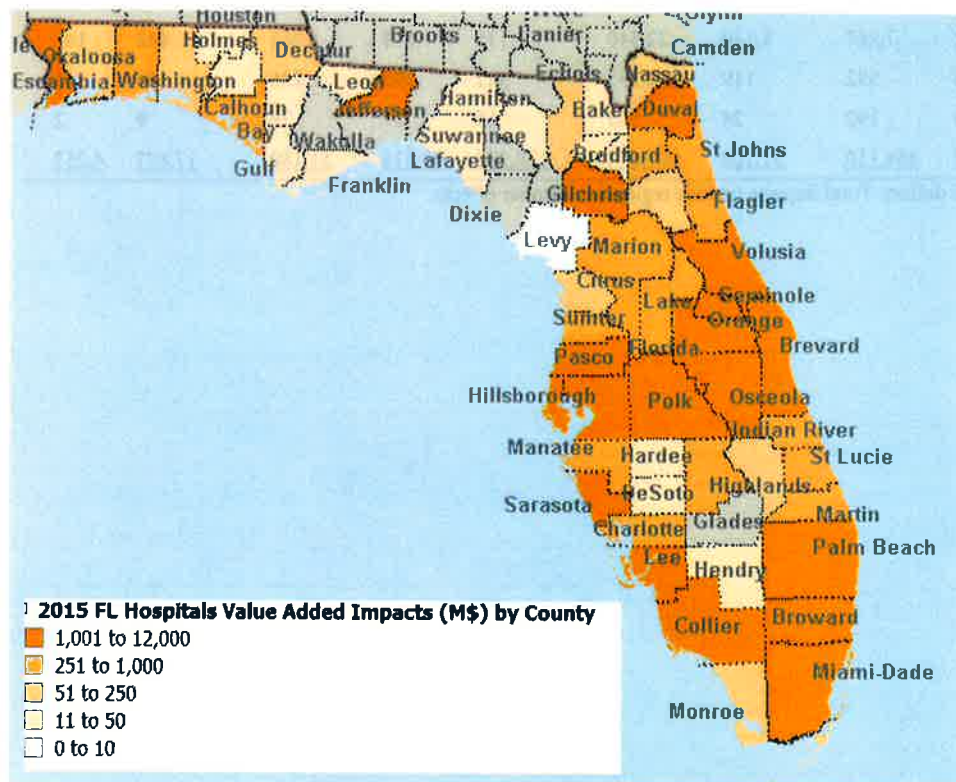


Figure 5. Map of Value Added (GDP) Contributions of Hospitals in Florida Counties in 2015



Government Fiscal Contributions

The contributions of Florida hospitals on local, state and federal government tax revenues in 2015 are summarized in Table 5. Indirect business tax contributions discussed earlier do not include federal income taxes and some other taxes, so these results are more comprehensive. The total tax contributions were estimated at \$16.77 billion, including \$4.37 billion to state and local governments, and \$12.39 billion to the Federal government. The largest individual tax items were federal personal income taxes (\$4.75 billion), employee and employer contributions to federal social insurance tax or “Social Security” (\$3.07 billion and \$2.84 billion, respectively), state sales taxes (\$2.01 billion), state business property taxes (\$1.31 billion), and federal corporate profits taxes (\$1.25 billion).

Table 5. Contributions of Florida Hospitals to Government Tax Revenues in 2015

Tax Item	Amount (M\$)
Dividends	15.8
Social Ins Tax- Employee Contribution	19.5
Social Ins Tax- Employer Contribution	39.3
Tax on Production and Imports: Sales Tax	2,013.0
Tax on Production and Imports: Property Tax	1,307.9
Tax on Production and Imports: Motor Vehicle License	31.0
Tax on Production and Imports: Severance Tax	2.3
Tax on Production and Imports: Other Taxes	294.0
Tax on Production and Imports: S/L Non-Taxes	126.0
Corporate Profits Tax	133.7
Personal Tax: Income Tax	0.0
Personal Tax: Non-Taxes (Fines- Fees)	321.5
Personal Tax: Motor Vehicle License	47.4
Personal Tax: Property Taxes	19.6
Personal Tax: Other Tax (Fish/Hunt)	3.6
Total State and Local Taxes	<u>4,374.4</u>
Social Ins. Tax- Employee Contribution	3,071.4
Social Ins. Tax- Employer Contribution	2,837.0
Tax on Production and Imports: Excise Taxes	335.7
Tax on Production and Imports: Custom Duty	126.4
Tax on Production and Imports: Fed Non-Taxes	20.5
Corporate Profits Tax	1,246.9
Personal Tax: Income Tax	4,753.5
Total Federal Taxes	<u>12,391.4</u>
Total All Taxes	<u>16,765.8</u>

Values in millions 2015 dollars.

Estimates include regional multiplier effects.

Economic Contributions by Industry Group

The economic contributions of Florida's hospitals are summarized in Table 6 by major industry groups, defined according to the North American Industry Classification System (NAICS). Naturally, the largest impacts occurred in the Health and Social Services industry group, which includes the hospital sector, with total employment contributions of 367,489 jobs, output of \$52.82 billion, and total value added of \$29.64 billion. In addition, employment impacts in excess of 20,000 jobs occurred in Retail Trade (68,600 jobs), Government (61,102), Administrative and Waste Services (56,411), Accommodation and Food Services (55,520), Professional, Scientific and Technical Services (55,336), Other Services (47,527), Finance and Insurance (42,119), Real Estate and Rental (33,388), and Construction (29,417).

Table 6. Economic Contributions of Florida Hospitals by Major Industry Groups in 2015

NAICS Industry Group	Employment (Fulltime, Part-time Jobs)	Industry Output (M\$)	Labor Income (M\$)	Value Added- GDP (M\$)	Other Property Income (M\$)	Tax on Production and Imports (M\$)
11 Agriculture, Forestry, Fishing & Hunting	2,495	227	75	114	38	1
21 Mining	1,157	114	19	1	-21	3
22 Utilities	1,590	2,041	194	913	415	304
23 Construction	29,417	4,664	1,247	2,048	767	34
31-33 Manufacturing	12,601	5,158	811	1,554	672	71
42 Wholesale Trade	17,514	4,391	1,434	2,784	780	569
44-45 Retail Trade	68,600	5,502	2,216	3,611	734	661
48-49 Transportation & Warehousing	14,690	2,076	642	912	214	55
51 Information	6,572	2,898	592	1,317	614	111
52 Finance & Insurance	42,119	9,024	2,464	3,852	1,120	268
53 Real Estate & Rental	33,388	11,329	689	7,562	5,940	933
54 Professional, Scientific & Tech. Services	55,336	7,413	3,700	4,476	555	221
55 Management of Companies	5,892	1,284	586	756	154	16
56 Administrative & Waste Services	56,411	3,694	1,980	2,507	508	19
61 Educational Services	10,541	700	411	442	12	19
62 Health & Social Services	367,489	52,823	26,114	29,639	3,118	407
71 Arts, Entertainment & Recreation	11,712	996	360	584	155	69
72 Accommodation & Food Services	55,520	3,677	1,395	2,204	532	277
81 Other Services	47,527	3,812	1,733	2,065	60	272
92 Government & Non NAICS	61,102	6,550	4,517	5,974	1,510	-54
Total All Industry Groups	<u>901,674</u>	<u>128,374</u>	<u>51,180</u>	<u>73,314</u>	<u>17,877</u>	<u>4,257</u>

Values in millions 2015 dollars.

Estimates include regional multiplier effects.

Economic Contributions by Hospital Types

The economic contributions of Florida's hospitals are summarized by type of hospital facility in Table 7, including acute care, psychiatric, and rehabilitation services, rural/urban (county) location, trauma level, critical access, and Florida Hospital Association membership.

Table 7. Economic Contributions of Florida Hospitals by Type of Facility in 2015

Hospital Type	Number Hospitals	Hospital Beds	Employees (Fulltime, Part-time Jobs)	Revenues (M\$)	Output Impacts (M\$)	Employment Impacts (Fulltime, Part-time Jobs)	Value Added Impacts (M\$)	Labor Income Impacts	Tax on Production and Imports Impacts
Acute Care	219	56,128	258,469	47,294	118,733	829,652	67,808	47,337	3,937
Acute Care/Dept.	5	867	5,321	908	2,674	18,183	1,527	1,066	89
Acute Care/LTC	28	1,620	4,661	729	2,082	14,676	1,189	830	69
IRTF/Psychiatric	2	140	347	34	69	677	39	27	2
Psychiatric	35	4,843	8,858	1,130	2,252	19,693	1,286	898	75
Psychiatric/Dept.	5	484	2,016	348	742	5,588	424	296	25
Rehabilitation	19	1,265	3,818	560	1,584	11,441	905	632	53
Rehabilitation/Dept.	3	170	490	99	238	1,636	136	95	8
Specialty	1	120	129	0	0	129	0	0	0
Rural County (non-metro)	29	1,349	6,286	973	2,626	18,917	1,499	1,047	87
Urban County	288	64,288	277,823	50,129	125,749	882,757	71,814	50,134	4,170
Trauma Level I	9	6,936	38,453	6,423	16,914	119,822	9,660	6,743	561
Trauma Level I - Prov.	1	417	1,681	402	709	5,094	405	283	24
Trauma Level II	17	7,762	33,991	6,128	14,321	102,884	8,179	5,710	475
Trauma Level II - Prov.	2	523	2,216	425	654	5,362	374	261	22
Trauma Level II-PTRC	2	1,003	372	883	2,617	17,087	1,494	1,043	87
Trauma Level PTRC	2	548	4,498	992	2,943	19,576	1,681	1,173	98
Critical Access	13	378	5,417	274	670	5,066	382	267	22

Values expressed in millions 2015 dollars.
Impact estimates include regional multiplier effects.
PTRC=patient treatment and recovery center.

Changes in Economic Contributions of Florida Hospitals, 2013 to 2015

Changes in operating characteristics and economic activity of Florida hospitals between 2013 and 2015 are summarized in Table 8. Results for Florida hospitals in a previous study for 2013 were restated in constant 2015 dollars using the updated 2015 *IMPLAN* model and annual deflator factors in order to provide comparable results, so these results do not match with those reported in the original study report (Hodges and Rahmani, 2015). The number of hospitals and hospital beds increased by 2.59 and 1.60 percent, respectively, between 2013 and 2015, while the number of hospital employees increased by 6.87 percent and total employment contributions (full-time and part-time jobs) rose by 2.65 percent. Non-local patient care and other operating revenues increased by 2.86 percent, and contributions to industry output, value added, labor income, other property income, and local/state/federal taxes increased by 0.82 percent for over this time period, in inflation-adjusted terms.

Table 8. Comparison of Economic Contributions of Florida Hospitals in 2013 and 2015

Impact Measure	2013	2015	Percent Change
Number of Hospitals	309	317	2.59%
Number of Beds	64,604	65,637	1.60%
Nonlocal Patient Care and Other Operating Revenues (M\$)	43,164	44,401	2.86%
Employees (Full-time, Part-time Jobs)	265,853	284,110	6.87%
Employment Impacts (Full-time, Part-time Jobs)	878,370	901,675	2.65%
Labor Income Impacts (M\$)	50,762	51,180	0.82%
Value Added Impacts (M\$)	72,715	73,314	0.82%
Industry Output Impacts (M\$)	127,325	128,374	0.82%
Other Property Income Impacts (M\$)	17,730	17,877	0.82%
Tax on Production and Imports Impacts (M\$)	4,222	4,257	0.82%
Total Local/State and Federal Taxes (M\$)	16,629	16,766	0.82%

Values in millions 2015 dollars.

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Appendix A: Glossary of Economic Impact Terms

Terms are presented in a logical order rather than alphabetical order

- Direct effects/impacts:** Direct impacts represent the revenues, value-added, income, or jobs that result directly from an economic activity within a regional economy.
- Employment or Jobs:** Represents the total numbers of wage and salaried employees as well as self-employed jobs. This includes full-time, part-time and seasonal workers measured in annual average jobs.
- Indirect Business Taxes:** Include sales, excise, and property taxes as well as fees and licenses paid by businesses during normal operations. It does not include taxes on profits or income.
- Indirect effects/impacts:** Indirect effects occur when businesses use revenues originating from outside the region to purchase inputs (goods and services) from local suppliers. This secondary, or indirect business, generates additional revenues, income, jobs and taxes for the area economy.
- Induced effects/impacts:** Induced effects or impacts only occur when new or outside dollars are introduced into a local economy. Induced economic impacts occur as the households of business owners and employees spend their earnings from these enterprises to purchase consumer goods and services from other businesses within the region. This induced effect generates additional revenues, income, jobs and taxes for the area economy.
- Input-Output Analysis:** The use of input-output models to estimate how revenues or employment for one or more particular industries, businesses or events in a regional economy will impact other businesses and institutions in that region, and the regional as a whole.
- Input-Output Models:** A mathematical representation of economic activity within a defined region using inter-industry transaction tables or matrices where the outputs of various industries are used as inputs by those same industries and other industries as well.
- Labor Income:** All forms of employment compensation, including employee wages and salaries, and proprietor income or profits.
- Local revenues/expenditures:** Local revenues or spending represent simple transfers between individuals or businesses within a regional economy. These transactions do not generate economic spin-off or multiplier (indirect and induced) effects.
- Margins:** Represent the differences between retail, wholesale, distributor and producers prices.
- Non-local revenues/expenditures:** When outside or new revenues flow into a local economy either from the sale of locally produced goods and services to points outside the study area, or from expenditures by non-local visitors to the study area, additional economic repercussions occur through indirect and induced effects.
- Regional Purchase Coefficient (RPC):** The fractional proportion of regional demands (purchases) that are supplied by local producers or merchants (inside the region). RPCs are used to account for imports within the input-output model.
- Other Property Type Income:** Represents corporate profits in addition to payments for rents, royalties, dividends and interest.
- Output:** Revenues or sales associated with an industry or economic activity.
- Total Impacts:** The sum of direct, indirect and induced effects or economic impacts.
- Value Added:** Includes wages and salaries, interest, rent, profits, and indirect taxes paid by businesses, and also represents the activity's impact to Gross Domestic Product or Gross State Product.

