



Illinois Health and Hospital Association

Feb. 16, 2016

Contact: Danny Chun (630) 276-5558

dchun@team-iha.org

\$88.8 Billion: The State Economic Impact of Illinois Hospitals and Health Systems

As consistent job creators, hospitals generate 500,000 jobs directly and indirectly

Naperville, IL – Illinois' more than 200 hospitals and nearly 50 health systems generate a total impact of \$88.8 billion annually on the state's economy, according to a new report, [Illinois Hospitals and Health Systems \\$88.8 Billion State Economic Impact](#), released today by the Illinois Health and Hospital Association (IHA).

This significant economic impact is on top of the work of hospitals and health systems to transform healthcare in Illinois and provide quality care—all while doing more with less. Illinois hospitals have sustained more than \$1 billion in state Medicaid cuts and \$1.9 billion in federal Medicare cuts over the past five years.

“Every day, our hospitals and health systems provide care to improve the health of Illinois residents and communities,” says IHA President & CEO A.J. Wilhelmi. “They also play a critical role in sustaining a healthy state economy—and serving as economic anchors in communities throughout Illinois.”

In Illinois, one in every 10 jobs is in healthcare, with the state's hospitals and health systems employing more than 260,000 people and generating nearly 500,000 direct and indirect jobs. Hospitals provide good-paying jobs and substantial benefits for a wide range of workers, and they spur additional economic activity through spending on goods, services and capital improvements.

Among the report's key findings:

- Healthcare employment has grown by 26 percent (127,600 jobs) between 2000 and 2015. In contrast, overall Illinois employment declined 1.5% (89,900 jobs).
- For every hospital job in Illinois, nearly 1.5 jobs are created in other sectors.
- For every dollar hospitals and health systems spend, an additional \$1.41 is generated in the state and local economies.
- In many of the state's counties, hospitals are among the top three employers.

- The healthcare sector and the social assistance sector, a key contributor to good health, are projected to rank No. 2 in job growth, adding more than 100,000 jobs by 2022.

“Illinois hospitals and health systems count on the support of elected officials at the state and federal level. Illinois residents deserve to have quality healthcare and to live in economically thriving communities. For hospitals to continue to achieve these goals, they cannot sustain further cuts at the state and federal levels,” Wilhelmi said.

The IHA report notes that Illinois hospitals and health systems provide enormous benefits to their communities with their charity care and uncompensated care; subsidization of high-cost services such as emergency and trauma care; medical research; education and training of physicians, nurses and other highly-skilled healthcare professionals; and underpayments for services to Medicare and Medicaid patients that they absorb.

The more than 100 Illinois hospitals that file annual community benefit reports with the state provide an overall community benefit of more than \$5.5 billion annually, including nearly \$800 million in charity care, an increase in charity care of 218 percent since 2005.

Estimates of the economic impact of Illinois hospitals are based on Regional Input-Output Modeling System II (RIMS-II) developed by the U.S. Bureau of Economic Analysis (BEA). The final demand multipliers, obtained from BEA RIMS-II, were applied to 2014/2015 Medicare cost report data of hospital jobs and spending to obtain the “ripple effect” of jobs and spending throughout the economy.

[Click here](#) for IHA’s statewide economic impact report.

About IHA

The Illinois Health and Hospital Association, with offices in Chicago, Naperville, Springfield and Washington, D.C., advocates for Illinois’ more than 200 hospitals and nearly 50 health systems as they serve their patients and communities. IHA members provide a broad range of services—not just within their walls, but across the continuum of health care and in their communities. Reflecting the diversity of the state, IHA members consist of nonprofit, investor-owned and public hospitals in the following categories: community, safety net, rural, critical access, specialty and teaching hospitals, including academic medical centers. For more information, see www.team-iha.org.

###