

LSU HEALTH SYSTEM

HEALTH CARE SERVICES DIVISION

UNIVERSITY MEDICAL CENTER

→ EMERGENCY

→ Admissions

→ Clinics

→ Main Entrance

**→ Primary Care
Center**

2390

UMC
Economic Impact Study

PREPARED BY:

**Lafayette Economic
Development Authority**

LSU HEALTH SYSTEM

HEALTH CARE SERVICES DIVISION

UNIVERSITY MEDICAL CENTER

↑ Introduction

→ Methodology

→ Hospital Operations

→ Economic Impacts

→ Community Benefits

The purpose of this study is to identify and quantify the direct, indirect, and induced economic impacts that University Medical Center has on the Acadiana area.



Introduction

- University Medical Center directly impacts the community of Lafayette and even Acadiana in many ways, including:
 - Improving the quality of life by delivering superior health care to over 200,000 patients every year
 - Directly providing 1,309 full and part-time jobs to area residents
 - Providing integrated medical education to over 500 student nurses and doctors each year, many of whom stay in Acadiana after completion of their programs and continue to serve the community.

LSU HEALTH SYSTEM

HEALTH CARE SERVICES DIVISION

UNIVERSITY MEDICAL CENTER

→ Introduction

↑ Methodology

→ Hospital Operations

→ Economic Impacts

→ Community Benefits

- Use of RIMS II multipliers
 - US Bureau of Economic Analysis
 - Total Final-Demand multipliers
 - Based on Input-Output tables
- Definition of Study Area
 - Acadiana:
 - Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, St. Mary, Vermilion parishes
- Adjusting figures based on the Consumer Price Index

LSU HEALTH SYSTEM

HEALTH CARE SERVICES DIVISION

UNIVERSITY MEDICAL CENTER

→ Introduction

→ Methodology

↑ Hospital Operations

→ Economic Impacts

→ Community Benefits

- 150-Licensed Bed Facility
- 206,000 outpatient visits in 2008
- Patients were from 59 of the 64 Parishes in Louisiana
 - Unique organization of the LSU Health System makes UMC very accessible
 - No Local Residency Requirement



Hospital Operations

- The economic impact of University Medical Center is generated through its expenditures and employment. The operation of the hospital requires substantial spending on staffing, equipment, utilities, and other goods and services.

Expenditures

Major Category	Amount Spent	% of Total
Personnel Expenditures	\$67,324,503	47.2%
Capital Expenditures	\$1,539,000	1.1%
Other Operating Expenditures	\$75,314,000	51.7%
TOTAL	\$144,177,503	



Hospital Operations

- Nearly 93% of hospital revenues come from patient services, totaling \$112.4 million, while only 5% of revenues come from the Louisiana General Fund

Revenues

	Amount Collected	Percent of Total Revenues
Uncompensated Care	\$55,412,000	45.70%
Medicaid	\$38,661,000	31.90%
Medicare	\$12,109,000	10.00%
State General Fund	\$6,328,000	5.20%
Commercial/Private Pay	\$5,002,000	4.10%
Misc. Self Generated	\$2,427,000	2.00%
Medicare Cost Reports	\$1,206,000	1.00%
TOTAL REVENUES	\$121,145,000	

→ Introduction

→ Methodology

→ Hospital Operations

↑ Economic Impacts

→ Community Benefits

Impacts

- Direct – UMC
- Indirect – UMC and the supply chain
- Induced – Money spent in the economy by UMC employees and by people along the supply chain

Multipliers

- Output – shows the interdependence of sectors in the local economy (how liquid money is in this industry)
- Earnings – amount of dollars that households in Acadiana will gain in income based on the dollars put into the community by UMC
- Employment - estimate of the total number of new jobs that Acadiana can support in all industries due to the dollars the hospital injects into the economy
- Value-Added - extra value supplemented to the local economy as a result of this economic activity of the hospital including employee benefits, indirect business taxes, proprietary and other property income



Economic Impacts

	Multiplier
Output	1.7693
Earnings	0.682
Employment	18.7621
Value-Added	1.0153

Hospital Expenditures	
2008 Dollars	2006 Dollars
\$144,177,503	\$135,003,171

Total Economic Impact	
2006 Dollars	2008 Dollars
\$238,861,110	\$255,093,228
\$92,072,163	\$98,329,046
2,533	2,533
\$137,068,720	\$146,383,403

- Introduction
- Methodology
- Hospital Operations
- Economic Impacts
- ↑ **Community Benefits**

- Create a highly-skilled workforce
- Supplying much-needed medical personnel to the area
- Improves the quality of life
- Provides accessible health care for all
- Very low cost to tax payers



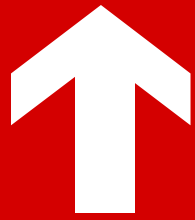
Community Benefits

Train a highly-skilled workforce

- 439 nursing and allied health program students
 - From 32 schools in 5 different state
- Residency program supports 71 doctors

Provide much-needed medical professionals

- By 2025, there will be a shortage of 124,000 family doctors
- 54% of graduates in the LSU Health System have remained in Acadiana
 - While 69% have stayed in Louisiana

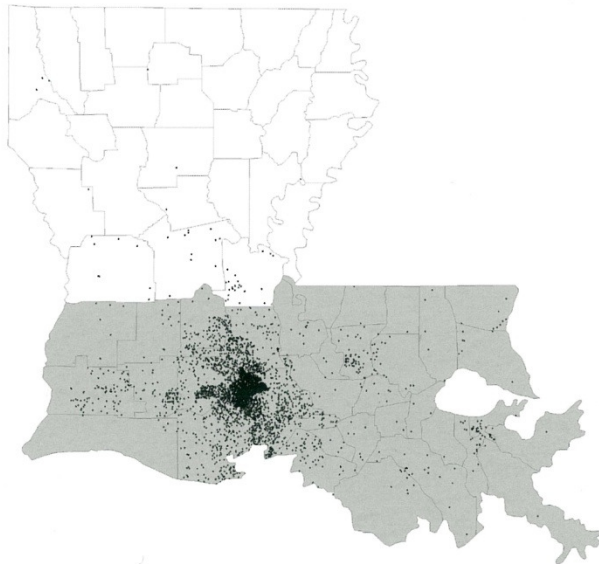


Community Benefits

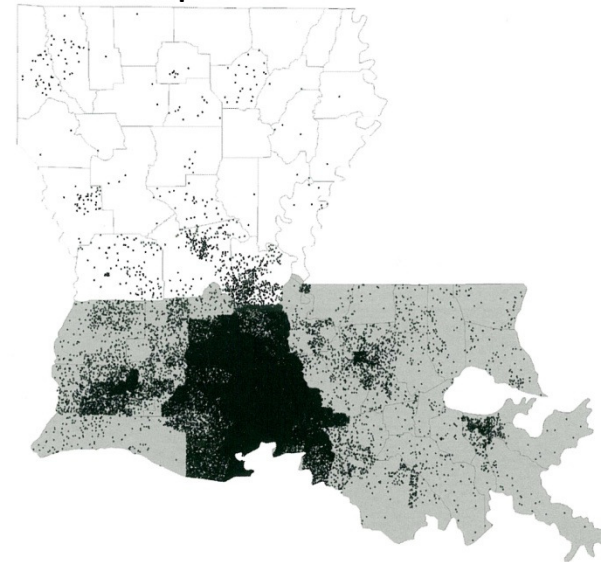
Increase quality of life

- UMC offers both insured and uninsured citizens around the state priceless health care

2008 Admissions



2008 Outpatient Visits





Community Benefits

Low cost to tax payers

- Hospitals in the LSU Health System receive at 70-30 federal-to-state dollar match

Return on investment

- The Louisiana General Fund gives a little over \$6 million to University Medical Center
 - The economic impact of UMC is over \$250 million and 2,500 jobs

Any questions?

An electronic copy of the full report
and presentation can be found at:

www.lafayette.org

LED DA