



WHAT'S AT STAKE

REID HEALTH:
THE IMPACT ON THE ECONOMY AND
COMMUNITIES WE SERVE

Developed by the Indiana Hospital Association, 2016



Reid Health
ReidHealth.org



Reid Health

Our impact on the regional economy & communities we serve

Reid Health is proud to provide quality, efficient health care to East Central Indiana and West Central Ohio. For more than 110 years, area residents have depended on Reid Health and its commitment to a mission of wholeness in body, mind and spirit. We have grown over the years to become one of the region’s largest employers, and our hospital stands ready to care for you with doors open 24 hours a day, seven days a week, 365 days a year. Every year, we serve thousands of individuals and keep our community healthy, strong and vibrant. This record of service is, and always will be, our most valuable contribution to the community.

Hospitals strengthen the infrastructures of local communities. **Indiana** residents rely on their local hospitals and health systems to:

- provide high quality, efficient health care;
- care for the aged;
- ensure safety during an emergency or disaster;
- bring life into the world;
- educate people about good health and well-being; and
- provide comfort at the end of life.

Less often recognized is the hospital’s contribution to the local economy, such as the people it employs and the impact of its spending. **Reid Health** is critical to the economic viability of our community. **Reid Health** is a major source of employment and purchaser of goods and services, while providing health care that allows people to be productive citizens. We provide direct or indirect employment to an estimated 3,700 as illustrated below:

Reid Health

Direct and Indirect Impact on Our Region

JOBS (DIRECT AND INDIRECT BASED ON 2014 ESTIMATES) 3,700

ECONOMIC IMPACT

Payroll	\$238,689,000
Supply Purchases	\$313,950,000
Capital Spending	\$39,541,000
Total Impact	\$592,180,000

This report, prepared with assistance from the Indiana Hospital Association (IHA), highlights the significant role **Reid Health** plays within **our communities** and in the regional economy. It identifies and measures the direct involvement of our health system on the local economy and demonstrates the “ripple” effect of the dollars the health care sector brings into the region and the jobs it helps create. In addition, it illustrates the benefit the hospital provides in maintaining safe, stable and healthy communities.

Sources: The information in this report is based on nationally recognized multipliers from the U.S. Department of Commerce. These multipliers are a respected and accurate method to determine how an industry or institution affects the economy around it. Businesses and private consultants use the multipliers to estimate the economic impact including how such things as payroll, construction projects, purchases and other activities create a ripple effect in the economy, helping maintain and create jobs in other sectors and providing business to others in the region. When the data cited is based on years besides 2014, it is noted.

AN ECONOMIC ANCHOR TO OUR COMMUNITY

In addition to enhancing the health and well-being of the communities it serves, **Reid Health** also contributes significantly to the area's economic health. In 2014, the estimated total annual direct and indirect economic impact was **\$592,180,000.***

Providing Well-Paying, Consistent Employment

- **Reid Health** employs over **2,200** health care professionals, with a total payroll of **\$154,772,000** (2014). Health system payroll expenditures serve as an important economic stimulus, creating and supporting jobs throughout the local and state economies.
- Dollars earned by **Reid Health** employees and spent on groceries, clothing, mortgage payments, rent, etc., generate approximately **\$238,689,000** in economic activity and create an additional **1,500** jobs for the regional economy.

Stimulating the Local Economy with Purchases of Goods and Services

- **Reid Health** spends about **\$203,573,000** per year on the goods and services it needs to provide health care—for example, medical supplies, electricity for its buildings, and food for patients. Funds spent to buy goods and services flow from the hospital to vendors and businesses and then ripple throughout the economy.
- Dollars spent by **Reid Health** generate approximately **\$313,950,000** for the regional economy.

Improving Infrastructure

- In 2014, **Reid Health** spent **\$25,640,000** on buildings and equipment.
- Capital spending by **Reid Health** generates approximately **\$39,541,000** for the local economy per year.

A “ZONE OF SAFETY”

Communities can take comfort in knowing their local hospital is preparing today for the new challenges of tomorrow. In this new world, hospitals do more than provide medical care to the community. Hospitals are a place of refuge, food, shelter, and information in times of distress.

Reid Health is a member of the **Indiana District 6 Emergency Preparedness Planning Council, Inc.** This group consists of 17 hospitals in East Central Indiana that work together to provide coordinated and standardized procedures and mutual aid in case of natural, man-made or other disasters.

Reid Health participates in drills and exercises coordinated by the **Department of Homeland Security, the State of Indiana** and **multi-state Ohio and Indiana agencies**, is involved in the **Wayne County Local Emergency Preparedness Council**, the **Wayne County Emergency Management agency** and the **Wayne County School Safety Committee**.

A GOOD NEIGHBOR

Reid Health has a positive impact on the surrounding neighborhoods. We contribute to civic and cultural programs, make space available to community groups, and improve the environment.

- **Sponsorships:** Reid Health provided almost **\$180,000 in sponsorship funds** to numerous organizations in 2015, including Junior Achievement, COPE Environmental, Boys & Girls Club, Wernle Home, Alzheimer's Association, American Cancer Society, Pro's Players for Parkinson's, Richmond Civic Theater, Richmond Art Museum, the Starr-Gennett Foundation, Richmond Symphony Orchestra, Civic Hall and Cardinal Greenway.
- **Meeting and event space:** Reid Health provides meeting and event space free of charge for not-for-profit organizations.
- **Dental Program:** Reid Health partners with Mid America Health Professions to provide dental services to those in need seven days each month at the Reid Urgent Care Center. Since the program began in June 2016, it has provided dental services to 1,227 people.
- **Athletic Training:** Services are provided to area high schools at no cost, benefitting 3,807 in 2014 and 2,900 in 2015.
- **JACY House:** Reid Health provides support and maintenance of the building for this service for interviewing victims of child abuse. JACY house assessed 327 children in 2014 and 340 in 2015, all suspected to be victims of sexual abuse. In addition, 9,324 children have received prevention/education in the Speak Up Be Safe program provided in area schools.
- **Transition Program:** An outpatient case management program helps individuals overcome obstacles with access to care, health education and support services. This program aided 1,145 people in 2014 and 1,450 people in 2015.
- **Patient Assistance Fund:** This Community Benefit program provides help when no other funds are available to overcome barriers to receive care, such as covering transportation costs, prescription assistance, medical equipment and other types of help. The program helped 1,199 people in 2014 and 1,083 in 2015.
- **Enrollment Assistance:** Since 2014, 30,892 people have been helped with assessing and or enrolling in programs for which they may qualify, such Medicaid, the Healthy Indiana Plan or other types of assistance.
- **Drug Bag Program:** Reid Health replenishes medicine and supplies for EMS providers in the service area that cannot receive other reimbursement, at a cost since 2014 of **\$69,917**.
- **Lab Processing:** Partnering with free clinics in Richmond and in Connersville, Reid Health has provided needed lab tests to 1,067 people at no charge.
- **Medical Mondays:** Monthly health education programs are offered featuring different presenters in this free monthly program at a local community center.
- **Car Seat Program:** 211 car seats have been provided for needy families with infants and toddlers since 2014.
- **Safe Sitter Classes:** *Safe Sitter* education and training has been provided at no charge to 131 students since 2014, preparing them for babysitting responsibilities.
- **Bike Helmets:** The program has provided 245 helmets since 2014 for Safety Village summer camps and the New Madison, Ohio, Police Department for its annual "Bike Rodeo."
- **First Aid Kits:** Reid Health has donated 108 fully-stocked kits to organizations in the region since 2014.
- **Expectant Family CPR Class:** Almost 90 individuals have completed the free class since 2014.
- **Prenatal Breastfeeding Class/Outpatient Lactation Support:** A Reid Health lactation specialist has led a free breastfeeding class for 232 people, and 173 mothers have benefitted from outpatient lactation support since 2014.
- **Shared Beginnings Childbirth Classes:** Designed to provide education on the birthing process and newborn care, 662 people have benefited since 2014.
- **Other Classes for Maternal/Infant Health & Family Planning:** Sibling classes to help them prepare for the arrival of a new baby has helped 48 since 2014, and "Your Child's Development" class benefitted 23.

- **Mental Health & Mental Disorders:** Efforts included a Mental Health and Substance Abuse Symposium hosted at Reid Health and attended by 150; the distribution of 1000 educational booklets on a variety of mental health topics; and the distribution of 500 cards to help people quickly contact local mental health service organizations.
- **Nutrition, Physical Activity & Weight:** Healthy Cooking Classes were provided free each month introducing new and healthy recipes, with 935 benefitting since 2015. The “I Heart Cooking” program, airing on WCTV public access channels, provided education about eating healthy with the potential to reach 16,234 cable subscribers. Meals were funded/provided through organizations helping the needy, with more than 3,000 hot, healthy meals provided. Reid Health also donated 8,784 bottles of water to area schools for summer band camp participants to help keep them hydrated.
- **Fighting Substance Abuse:** Reid Health has been a leader in this effort, providing an overdose reversing drug to first responders, assisting addicted mothers, establishing the “Heroin is Here” community group, and supporting community education and awareness activities.
- **Caring for Medicare patients:** The shortfall in Medicare reimbursement for patients in 2014 and the cost of the care was **\$4,832,814** and in 2015, was **\$15,038,363**.
- **Caring for Medicaid patients:** The shortfall in the Medicaid reimbursement for Medicaid and other means-tested programs was **\$35,112,006** in 2014 and **\$33,776,656** in 2015.
- **Bad Debt Write-offs:** Reid Health provided **\$12,462,699** in care in 2014 and **\$5,927,604** in care for 2015 that was written off as bad debt.
- **Charity Care:** Charity Care, or care for patients who could not afford it and who qualified for patient assistance, was provided in 2014 with a value of **\$8,354,195** in 2014 and **\$9,682,166** in 2015.

PROVIDING OTHER IMPORTANT ECONOMIC BENEFITS

- **Medical and Nursing Education:** Students in the **Reid Health** teaching/nursing program spend approximately **\$150,000** per year in the community for housing, food, transportation, books, entertainment, clothing, utilities, insurance, and supplies.
- **Construction:** Construction activity at **Reid Health** affects the local economy from the convenience store located down the street to the insurance agent providing policies for the contractors and other companies working on the project. Construction projects totaling approximately **\$10,981,754** were completed in 2015 at **Reid Health**. These projects generate local jobs and revenue and result in improved health care access and delivery for the community.
- **Grants:** **Reid Health** received approximately **\$37,000** in federal grants for emergency readiness for the 2014-2015 grant periods.
- **Visitors:** **Reid Health** attracts a variety of visitors, including **vendors and physician candidates**, (e.g., vendors, prospective students, students’ families, academic visitors) who use a variety of community services, including hotels, car rentals, and restaurants. At least **\$14,200** was spent at local hotels, restaurants and venues as part of the expense of recruiting caregivers in 2014 and approximately **\$17,700** in 2015.
- **Employee tuition assistance:** **Reid Health** spent **\$288,966** on tuition reimbursement for employees in 2014 and **\$362,680** in 2015. These dollars supported local universities and colleges.
- **Medical residents and clerkship students:** Approximately **\$40,000** a year is spent on local housing and expenses for medical residents and clerkship programs.
- **Community Benefit funding:** The value of Community Benefit funding in 2014 was **\$30,041,776**.

CARING FOR OUR COMMUNITY

- **Reid Health** provides vital health care services to our community. In 2014, we had:
 - **11,495** inpatient visits,
 - **245,947** outpatient visits and procedures, and
 - **48,188** emergency room visits.
 - **678** births.

- Through **education and screening programs** aimed at preventing disease before it occurs or helping people better manage existing conditions, **Reid Health** saves individuals and the community millions of dollars in treatment costs and lost earnings.

PSA screenings, oral head and neck cancer screenings, mammograms for women who had no means to pay and other such services were funded by Community Benefit, reaching more than 1500 people. Educational programs were provided on chronic conditions such as Lupus, Diabetes, Parkinson's and Alzheimer's Disease. Free glucose tests were offered at two central city locations. Community Benefit funding in 2014 totaled \$30,041,776.

- In addition, the institution contributes to a variety of community service initiatives.

Dozens of regional organizations have been supported through Community Benefit with a focus on providing access to care, mental health and substance abuse, physical activity, nutrition and weight.

Conclusion

Hospitals are a key ingredient to **Indiana's** quality of life and to keeping communities healthy and vibrant. **Reid Health** is a major contributor to the local and state economies and to keeping families healthy and secure by providing needed health care services.

The data and information contained in this report provide strong evidence that the economic benefit of our hospital on the local and state economies is significant. To continue to attract jobs to and maintain families in **Indiana**, it is critical that the state have high quality health care providers and services.

We urge our legislators, members of Congress, and community leaders to recognize that our hospital is instrumental to supporting the state and local economy and steps need to be taken to continue to invest in our state's health care system.

**Sources/Methodology: The Indiana Hospital Association (IHA) based its estimates of hospitals' economic benefits to communities on the Regional Input-Output Modeling System II (RIMS II) developed by the U.S. Department of Commerce, Bureau of Economic Analysis. To arrive at its impact estimates, IHA applied the multipliers to 2013 or 2014 Medicare Cost Report (MCR) data for hospital total expenditures and jobs.*