



The Economic Impact of Rural Hospitals in Utah

National Center for Rural Health Works

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**NATIONAL CENTER FOR
RURAL HEALTH WORKS**

2020 Impact of Rural Hospitals on Utah's Economy



Economic Impact of Rural Hospitals on Rural Utah Communities



8,141 jobs locally created
**Jobs Generated in Utah
Due to Rural Hospitals**

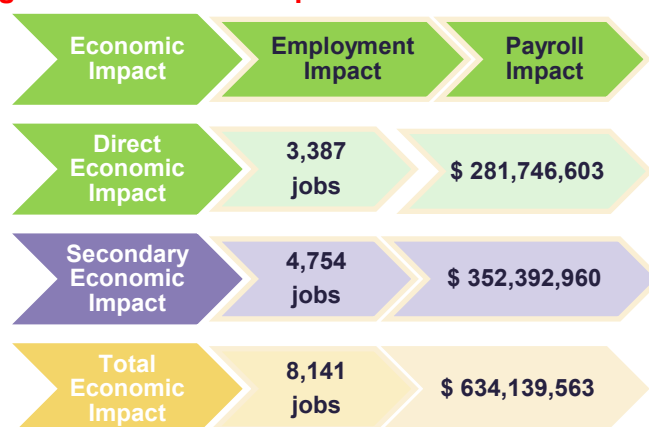


\$634 Million payroll locally created
**Payroll Generated in Utah
Due to Rural Hospitals**

A rural hospital is often one of the largest providers of higher-skilled and higher wage employment in a rural community.¹ Research from the National Center for Rural Health Works indicates that between 20 and 25 percent of the jobs in many rural counties are in the health sector. The direct economic impact of rural hospitals includes construction, and operational expenses, such as wages, salaries and benefits, medical supplies, and other hospital operational expenses. These activities create a "Ripple Effect" in the economy by increasing demand in other sectors due to employee's spending money in the local and state economy and through the continual purchase of supplies and services of the hospital, which is also known as the secondary economic impact.

Rural Hospitals in Utah helped to create 4,754 additional jobs and \$352.4 Million of payroll in 17 rural Utah counties.

Figure 1: Economic Impact on Rural Communities



Source: Data from American Hospital Directory and IMPLAN Group

Additional Economic Impact of Rural Hospitals upon the Entire State of Utah



9,635 jobs statewide created
**Jobs Generated in Utah
Due to Rural Hospitals**

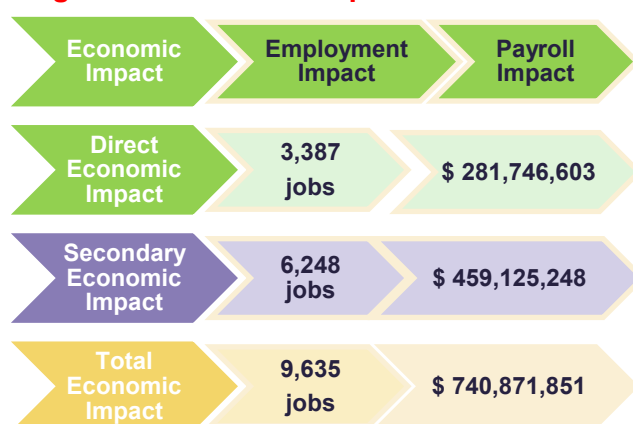


\$741 Million payroll created statewide
**Payroll Generated in Utah
Due to Rural Hospitals**

Rural hospitals have a significant impact on their local economies, as shown above. In addition to a rural hospitals local economic impact, they also impact the entire state, which includes urban areas. As economic activity increases in a rural community due to jobs and operational expenses created by a rural hospital, it leads to a "Ripple Effect" throughout the state economy such as increased spending in tourism, and other service areas. **This ripple effect from rural hospitals led to the creation of 6,248 additional jobs and 459.1 Million in additional payroll throughout the state of Utah.**

Overall, Rural Hospitals have not only a significant economic impact but a community impact. Survival of rural hospitals is of utmost importance to retain citizens and improve the health of their communities and state.

Figure 2: Economic Impact on the State



Source: Data from American Hospital Directory and IMPLAN Group



Total Economic Impact of Utah's Rural Hospitals

2019 Utah Rural Hospitals								
Map Key	Facility Name	City	Type	ADC*	Employment	Total Employment Impact	Wages, Salaries and Benefits	Total Wages, Salaries and Benefits Impact
1	ASHLEY REGIONAL MEDICAL CENTER	Vernal	Acute	9.7	208	290	\$ 18,891,017.00	\$ 23,391,991
2	BEAR RIVER VALLEY HOSPITAL	Tremonton	Acute	2.7	117	163	\$ 12,514,958.00	\$ 15,320,223
3	BEAVER VALLEY HOSPITAL	Beaver	CAH	2	98	115	\$ 6,045,299.00	\$ 6,677,093
4	BLUE MOUNTAIN HOSPITAL	Blanding	CAH	3.2	94	127	\$ 3,780,301.00	\$ 4,345,993
5	CASTLEVIEW HOSPITAL	Price	Acute	12.9	295	417	\$ 21,881,201.00	\$ 28,341,254
6	CEDAR CITY HOSPITAL	Cedar City	Acute	16.6	319	509	\$ 38,576,828.00	\$ 50,700,136
7	CENTRAL VALLEY MEDICAL CENTER	Nephi	CAH	7.2	235	309	\$ 11,028,000.00	\$ 13,220,697
8	DELTA COMMUNITY HOSPITAL	Delta	CAH	1.9	46	61	\$ 4,144,164.00	\$ 4,916,006
9	FILLMORE COMMUNITY MEDICAL CENTER	Fillmore	CAH	1.4	42	56	\$ 4,647,765.00	\$ 5,513,402
10	GARFIELD MEMORIAL HOSPITAL	Panguitch	CAH	1.9	76	109	\$ 3,854,839.00	\$ 4,450,658
11	GUNNISON VALLEY HOSPITAL	Gunnison	CAH	5.8	112	159	\$ 7,103,164.00	\$ 8,352,348
12	HEBER VALLEY MEDICAL CENTER	Heber City	CAH	4.7	132	192	\$ 16,360,100.00	\$ 20,159,750
13	KANE COUNTY HOSPITAL	Kanab	CAH	1.1	78	97	\$ 5,006,674.00	\$ 5,819,618
14	MILFORD VALLEY MEMORIAL HOSPITAL	Milford	CAH	0.4	32	37	\$ 1,930,027.00	\$ 2,131,734
15	MOAB REGIONAL HOSPITAL	Moab	CAH	3.1	178	278	\$ 11,263,501.00	\$ 14,856,738
16	MOUNTAIN WEST MEDICAL CENTER	Tooele	Acute	11.9	244	339	\$ 18,972,026.00	\$ 22,969,204
17	PARK CITY HOSPITAL	Park City	Acute	10.3	301	449	\$ 42,129,855.00	\$ 56,872,819
18	SAN JUAN HOSPITAL	Monticello	CAH	1.7	96	130	\$ 6,182,853.00	\$ 7,108,067
19	SANPETE VALLEY HOSPITAL	Mount Pleasant	CAH	3.1	91	129	\$ 10,830,241.00	\$ 12,734,880
20	SEVIER VALLEY HOSPITAL	Richfield	Acute	6.6	153	223	\$ 17,932,763.00	\$ 23,325,772
21	UINTAH BASIN MEDICAL CENTER	Roosevelt	Acute	13.6	440	565	\$ 18,671,027.00	\$ 21,184,577
	Totals				3,387	4,754	\$ 281,746,603.00	\$ 352,392,960
*ADC = Average Daily Census								

Rural Hospital Employment and Healthcare Workforce Facts in Utah

Table 1: Aggregated Employment and Payroll Data Rural Counties

Industry	Employment	Labor Income
Hospitals	12,131	\$619,703,600
Other real estate	12,126	\$264,619,200
Employment and payroll of local govt, education	12,046	\$645,149,900
Employment and payroll of local govt, non-education	9,614	\$458,045,800
All other crop farming	7,855	\$88,342,950
Limited-service restaurants	7,540	\$137,143,700
Full-service restaurants	7,087	\$161,884,400
Hotels and motels, including casino hotels	5,049	\$170,951,900
Truck transportation	4,361	\$260,512,200
Retail - Food and beverage stores	3,780	\$107,424,300

Source: IMPLAN Group Top Ten Industries

Rural Designated Hospitals in Utah (2019)

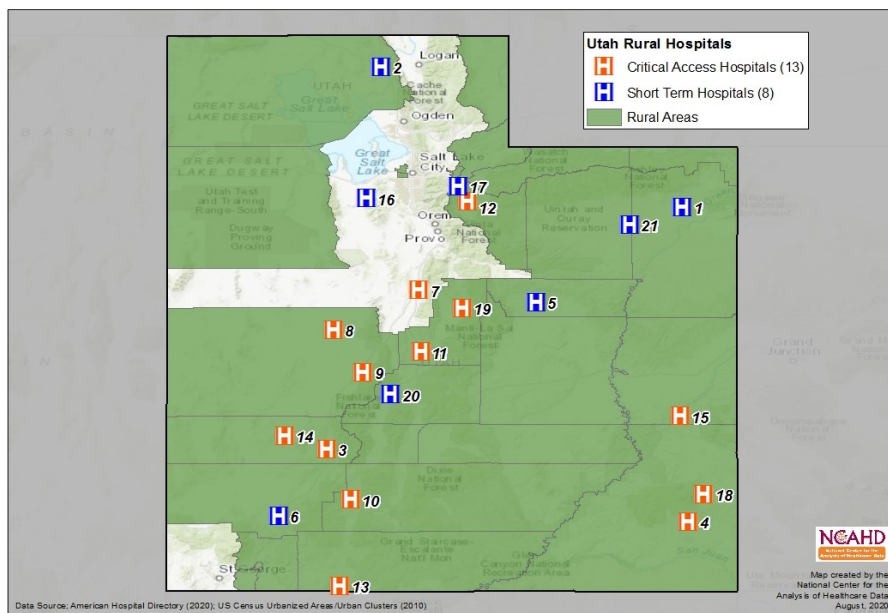


Figure 2: Map of Rural Designated Hospitals in Utah

There are 49 Acute or Critical Access Hospitals in Utah and 21 of these hospitals are designated as rural. Of these 21 hospitals, 13 hospitals are considered Critical Access Hospitals and 8 hospitals are considered Acute Care hospitals. The 21 rural hospitals are located in **17** counties, with a combined total population of **449,781** and **148,180** total households. The current total employment of the 17 counties is **247,717 jobs**. In the subject counties in Utah, hospitals are considered the **top employer by employment** and the **second employer by labor income** behind only education.

Additionally, research conducted by the National Center for the Analysis of Healthcare Data (NCAHD) indicates that many of Utah's rural hospitals are located in areas that the population has poor access to primary care physicians. Using a primary care projection model created by the Robert Graham Center, NCAHD determined that Utah has an overall shortage of 536 primary care physicians in the state.³ This shortage has a significant economic impact as well. Using an economic impact model created by the NCRHW, we determined these Primary Care physician shortages cost the communities they serve and the state \$911.2 Million in revenue and 12,489 jobs annually.⁴

Shown on the left is a map of the 21 rural hospitals found in our study, with an overlay of the federal rural designation.

1. Doeksen, G.A., Cordes, S., and Shaffer, R. 1992. "Health Care's Contribution to Rural Economic Development." Funded by Federal Office of Rural Health Policy, DHHS, and Health Resources and Services Administration.
2. Eilrich, F.C., Doeksen, G.A. and St. Clair, C.F. "The Economic Impact of Recent Hospital Closures on Rural Communities." National Center for Rural Health Works. [www.ruralhealthworks.org (August 2015)].
3. Petterson, Stephen M, Cai, Angela, Moore, Miranda, Bazemore, Andrew. September 1993. "State-level projections of primary care workforce, 2010-2030." Robert Graham Center, Washington D.C.
4. Peton, Ann K., Doeksen G.A., Hutchinson, Ryan. "Estimate the Economic Impact of a Rural Primary Care Physician." Funded by Federal Office of Rural Health Policy (FORHP), Health Resources and Services Administration (HRS), U.S. Department of Health and Human Services (HHS). National Center for Rural Health Works. [www.ruralhealthworks.org (February 2019)].