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New Report Reveals Impact of Connecticut Hospitals on Economy

Wallingford, Connecticut, March 1, 2007 – Connecticut hospitals contribute nearly \$11.4 billion annually to the state and local economies—about 5.9% of the Gross State Product, according to a new report released today by the Connecticut Hospital Association (CHA).

“Hospitals’ impact on the financial health of Connecticut is enormous,” attests Jennifer Jackson, CHA President and CEO. “Everyone knows that hospitals are always there when you need them, 24 hours a day, seven days a week. But few realize the tremendous contribution hospitals make to the state’s economy and to the financial well-being of our local communities.”

According to the CHA [report](#), *Connecticut Hospitals: Major Contributors to the Financial Health of Communities*, Connecticut hospitals spend \$6.5 billion each year on staff salaries, the purchase of medical supplies and food, as well as facility construction. These dollars in turn create a “ripple effect” of another \$4.9 billion as they move through the larger economy, generating additional jobs and spending in our communities.

Hospitals in Connecticut, often the largest employer in their communities, provide 70,000 jobs statewide, generating approximately \$6.2 billion in annual payroll. Through the purchase of many goods and services, hospitals generate approximately \$5.2 billion annually in local economic activity.

“Most residents agree that accessible hospital care is just as necessary for quality of life as are public schools, safe streets, transportation, public utilities, and police protection,” said Jackson. “It’s important to remember, however, that in addition to their traditional caregiving role, hospitals keep a community’s economy going – serving as a magnet for other healthcare business and a stimulus for new businesses such as retail stores, banks, grocery stores, and restaurants.”

“Strong and stable hospitals are absolutely critical to our quality of life, yet their future viability has never been more at risk – this is a cause for tremendous concern,” cautioned Jackson.

Years of chronic and significant under-reimbursement by the state have taken their toll. Hospitals, if they are to continue providing the level of care Connecticut residents have come to expect, need to be paid what it costs to provide care to individuals enrolled in the Medicaid and other government-funded health programs.

“It’s time to invest in the health of Connecticut residents. Nothing less than the health and economic well-being of our communities is at stake here,” concluded Jackson.

For a copy of the report, go to www.chime.org.