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Connecticut Hospitals Contribute \$12.2 Billion to State's Economy

Wallingford, Connecticut, January 24 - Connecticut hospitals contributed \$12.2 billion in 2006 to the state and local economies - about 6% of the Gross State Product, according to a report released today by the Connecticut Hospital Association (CHA).

“Hospitals make major contributions to both the economic health and quality of life of communities throughout Connecticut,” said Jennifer Jackson, CHA President and CEO. “Everyone knows that hospitals are always there when you need them, 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*, hospitals in Connecticut provide 70,000 jobs statewide, generating approximately \$6.5 billion in annual payroll. Through the purchase of many goods and services, hospitals generate approximately \$4.6 billion annually in local economic activity.

Connecticut hospitals spend \$7.1 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 \$5.1 billion as they move through the larger economy, generating additional jobs and spending in our communities.

During the three year period of 2004 through 2006, the value of Connecticut hospitals' contributions to the state's economy increased by 24% - from \$9.8 billion in 2004 to \$12.2 billion in 2006.

"In addition to their traditional care giving role, Connecticut hospitals keep communities' economies going - serving as a magnet for other healthcare business and a stimulus for new businesses such as retail stores, banks, grocery stores, and restaurants," said Jackson.

"Strong and stable hospitals are critical to our quality of life and the state's economic health," said Jackson. "However, Connecticut hospitals are in precarious financial condition due to years of chronic and significant under-reimbursement by the state. If they are to continue providing the level of care Connecticut residents have come to expect, hospitals must be paid what it costs to provide care to individuals enrolled in Medicaid and other government-funded health programs."

"The Legislature and the Rell Administration took an important first step toward stabilizing the financial condition of Connecticut's hospitals by increasing hospital Medicaid rates in the 2008-2009 state budget," said Jackson. "It's important that there be continued investment in the health of Connecticut hospitals this year."

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

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