



The Economic Impact of Rural Hospitals in Louisiana

National Center for Rural Health Works

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**NATIONAL CENTER FOR
RURAL HEALTH WORKS**

Rural Hospitals and the Louisiana Economy, 2018

Executive Summary



Economic Impact of Rural Hospitals on Rural Louisiana Communities



14,481 jobs locally created
Jobs Generated in Louisiana Due to Rural Hospitals

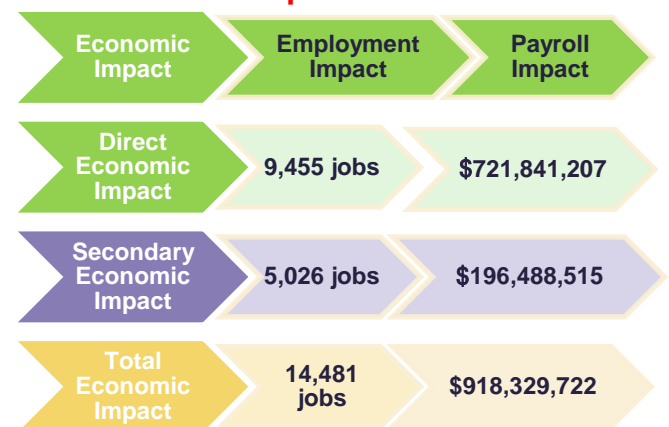


\$918 Million payroll locally created
Payroll Generated in Louisiana Due to Rural Hospitals

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 10 and 15 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 Louisiana helped to create 5,026 additional jobs and \$722 Million of payroll in 41 rural Louisiana 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 Louisiana



18,154 jobs statewide created
Jobs Generated in Louisiana Due to Rural Hospitals

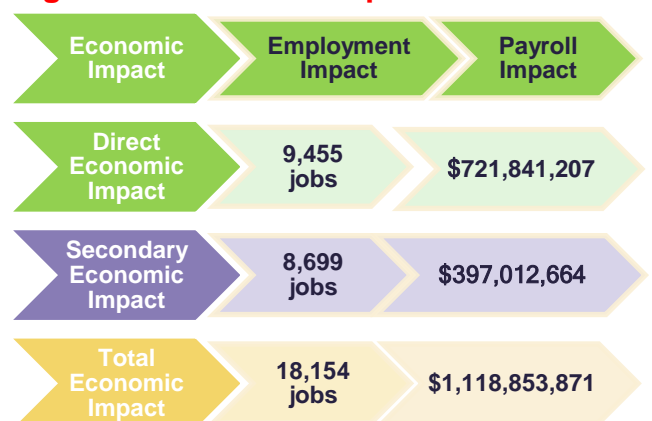


\$1.12 Billion payroll created statewide
Payroll Generated in Louisiana Due to Rural Hospitals

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 3,673 additional jobs and 200.5 Million in additional payroll throughout the state of Louisiana.**

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 48 Rural Hospitals upon Louisiana

2018 Louisiana Rural Hospitals

Facility Name	City	Type	ADC	Employment	Total Employment Impact	Wages, Salaries, and Benefits	Total WSB Impact
ABBEVILLE GENERAL HOSPITAL	Abbeville	Accute	25	333	476	\$14,243,932	\$18,944,430
ABROM KAPLAN MEMORIAL HOSPITAL	Kaplan	CAH	5	85	116	\$7,408,360	\$9,853,119
Acadia General Hospital	Crowley	Accute	39	270	394	\$4,394,721	\$5,713,137
ACADIA ST LANDRY	Church Point	CAH	1	76	111	\$7,015,217	\$9,119,782
ACADIAN MEDICAL CENTER	Eunice	Accute	27	134	233	\$3,131,790	\$4,071,327
ALLEN PARISH HOSPITAL	Kinder	Accute	3	80	102	\$2,773,727	\$3,772,269
ASSUMPTION COMMUNITY HOSPITAL	Napoleonville	CAH	1	36	40	\$5,101,205	\$6,223,470
A VOYELLES HOSPITAL	Marksville	Accute	16	135	204	\$5,911,002	\$7,211,422
BEAUREGARD MEMORIAL HOSPITAL	Deridder	Accute	34	346	516	\$22,906,940	\$29,320,883
BUNKIE GENERAL HOSPITAL	Bunkie	CAH	3	80	121	\$15,176,084	\$21,701,800
CHRISTUS COUSHATTA HEALTH CARE CENTER	Coushatta	CAH	11	135	178	\$4,671,680	\$6,587,069
CITIZENS MEDICAL CENTER	Columbia	Accute	8	100	146	\$9,679,160	\$11,614,992
DEQUINCY MEMORIAL HOSPITAL	Dequincy	CAH	3	68	115	\$10,025,373	\$10,827,403
DESOTO REGIONAL HEALTH SYSTEM	Mansfield	Accute	11	142	196	\$12,102,378	\$13,796,711
DOCTORS HOSPITAL AT DEER CREEK LLC	Leesville	Accute	6	70	96	\$7,263,573	\$8,425,745
EAST CARROLL PARISH HOSPITAL	Lake Providence	Accute	7	85	113	\$10,526,679	\$13,053,082
FRANKLIN FOUNDATION HOSPITAL	Franklin	CAH	9	181	257	\$28,779,782	\$35,686,930
FRANKLIN MEDICAL CENTER	Winnsboro	Accute	14	193	264	\$16,849,282	\$21,061,603
HARDTNER MEDICAL CENTER	Olla	CAH	4	160	226	\$43,142,008	\$55,653,190
HOMER MEMORIAL HOSPITAL	Homer	Accute	28	31	53	\$10,702,511	\$11,986,812
HOOD MEMORIAL HOSPITAL	Amité	CAH	3	138	232	\$22,151,236	\$27,467,533
IBERIA GENERAL HOSPITAL & MEDICAL CENTER	New Iberia	Accute	42	526	826	\$9,895,029	\$11,676,134
JACKSON PARISH HOSPITAL	Jonesboro	CAH	12	138	193	\$14,298,498	\$16,872,228
JENNINGS AMERICAN LEGION HOSPITAL	Jennings	Accute	37	352	489	\$18,668,870	\$23,522,776
LADY OF THE SEA GENERAL HOSPITAL	Cut Off	CAH	9	179	265	\$23,215,985	\$32,038,059
LASALLE GENERAL HOSPITAL	Jena	Accute	17	150	212	\$12,952,639	\$16,190,799
MADISON PARISH HOSPITAL	Tallulah	CAH	8	113	162	\$28,677,323	\$40,721,799
MERCY REGIONAL MEDICAL CENTER	Ville Platte	Accute	40	394	548	\$9,253,476	\$11,659,380
MOREHOUSE GENERAL HOSPITAL	Bastrop	Accute	19	166	246	\$7,512,960	\$9,316,070
NATCHITOCHE REGIONAL MEDICAL CENTER	Natchitoches	Accute	37	422	646	\$11,407,612	\$14,829,896
NORTH CADDO MEDICAL CENTER	Vivian	CAH	9	189	338	\$7,781,263	\$8,948,452
NORTH OAKS MEDICAL CENTER	Hammond	Accute	209	1,422	2,389	\$12,209,783	\$13,552,859
NORTHERN LOUISIANA MEDICAL CENTER	Ruston	Accute	71	373	615	\$7,584,489	\$8,115,403
OAKDALE COMMUNITY HOSPITAL	Oakdale	Accute	12	130	166	\$9,190,004	\$11,395,605
POINTE COUPEE GENERAL HOSPITAL	New Roads	CAH	8	174	252	\$8,629,631	\$10,700,742
PREVOST MEMORIAL HOSPITAL	Donaldsonville	CAH	0	56	83	\$18,935,375	\$24,426,634
RICHARDSON MEDICAL CENTER	Rayville	Accute	10	165	236	\$14,096,855	\$18,184,943
RIVERSIDE MEDICAL CENTER	Franklinton	CAH	9	208	331	\$120,757,149	\$161,814,580
SABINE MEDICAL CENTER	Many	Accute	12	130	178	\$8,625,723	\$11,558,469
SAVOY MEDICAL CENTER	Mamou	Accute	28	91	126	\$17,357,302	\$23,258,785
SPRINGHILL MEDICAL CENTER	Springhill	Accute	9	139	211	\$6,029,125	\$7,054,076
ST HELENA PARISH HOSPITAL CAH	Greensburg	CAH	2	115	182	\$4,266,467	\$4,991,766
ST JAMES PARISH HOSPITAL	Lutcher	CAH	5	167	254	\$27,112,687	\$33,348,605
TECHE REGIONAL MEDICAL CENTER	Morgan City	Accute	32	229	325	\$4,056,764	\$4,949,252
TRI-WARD GENERAL HOSPITAL	Bernice	CAH	3	60	83	\$15,976,063	\$19,490,797
UNION GENERAL HOSPITAL	Farmerville	CAH	4	104	145	\$12,608,816	\$16,391,461
WEST CARROLL MEMORIAL HOSPITAL	Oak Grove	Accute	13	124	206	\$13,203,108	\$15,183,574
WEST FELICIANA PARISH HOSPITAL CAH	Saint Francisville	CAH	1	127	399	\$8,980,980	\$9,879,078
WINN PARISH MEDICAL CENTER	Winnfield	Accute	15	134	186	\$4,600,591	\$6,164,792

Rural Hospital Employment and Healthcare Workforce Facts in Louisiana

Table 1: Aggregated Employment and Payroll Data Rural Counties

Industry	Employment	Labor Income
Employment and payroll of local govt, education	48,139	\$2,562,056,000
Employment and payroll of local govt, non-education	37,310	\$2,044,952,000
Limited-service restaurants	28,935	\$478,001,900
Real estate	27,168	\$419,100,600
Hospitals	24,921	\$1,632,046,000
Wholesale trade	23,885	\$1,442,002,000
Retail - General merchandise stores	20,898	\$567,505,000
Full-service restaurants	18,607	\$339,245,400
Employment and payroll of federal govt, military	17,344	\$1,115,196,000
Nursing and community care facilities	16,227	\$504,698,800

Source: Implan Group Top Ten Industries

There are forty-nine Louisiana hospitals, with a rural hospital designation, of those forty nine hospitals, 21 hospitals are considered Critical Access Hospitals and 28 hospitals are considered Short term hospitals. The forty-nine rural hospitals were located in **41** counties, with a combined total population of **1,867,128** and **711,259** total households. Total employment of the 41 counties was **909,034 jobs**. In the subject counties in Louisiana, hospitals are considered the **fifth largest employer by employment** and the **third largest employer by labor income** behind only education and local government non-education.

Rural Designated Hospitals in Louisiana (2018)

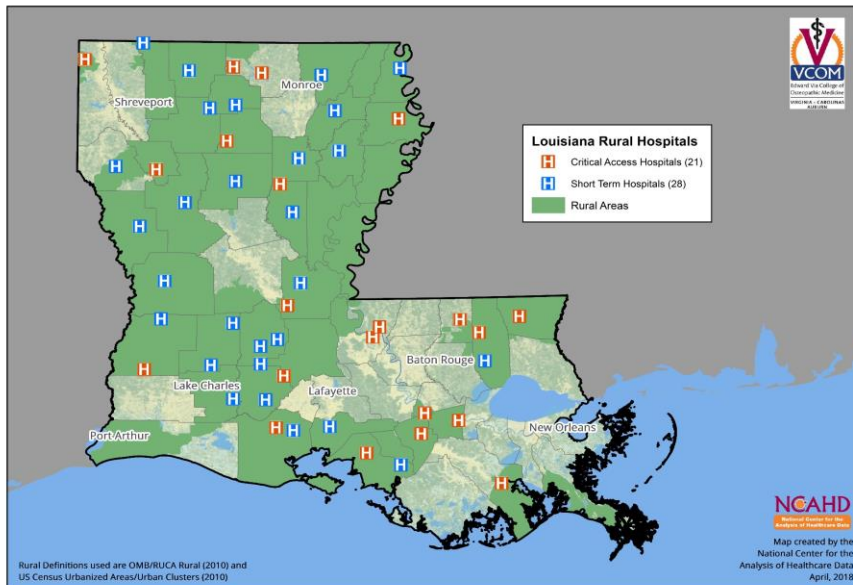


Figure 2 : Map of Rural Designated Hospitals in Louisiana

Additional, research conducted by VCOM's National Center for the Analysis of Healthcare Data (NCAHD) indicates that many of Louisiana's rural hospitals are co-located in areas that the population has poor access to primary care physicians too. The overall shortage of primary care physicians in the state (n=1,286) has a huge economic impact as well, costing those areas \$1.8 Billion in revenue and 33,693 jobs annually.

Shown on the left is a map of the 49 rural hospitals found in our study, with an overlay of rural counties in Louisiana.

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)].