

# Rome Memorial Hospital Pumps \$83.8 Million Into The Local Economy

ROME (April 29, 2003) – Rome Memorial Hospital, one of Rome’s largest employers, contributed more than \$83.8 million to the local economy in 2001, according to an economic impact analysis that projects the ripple effect of industry spending. The hospital also supported 1,485 jobs which funded \$4.3 million in state and local taxes.

“The critical health care services that we provide will always be our most valuable and most recognized contribution to our community,” said President/Chief Executive Officer Darlene Burns, MS, RN. “In addition, Rome Memorial Hospital is tied to the health of our economy. We are a major employer and purchaser of goods and services.”

“Because most of healthcare is funded through state and federal Medicaid/Medicare programs and private insurance, it’s often viewed as a burden on the economy,” Mrs. Burns said. “However, the dollars are well spent. The return on investment is a better quality of life for the people who place their trust in our care and a significant positive economic impact on our community.”

According to Senior Vice President/Chief Financial Officer Basil J. Ariglio, the economic return on investment is more than 58.7% – \$1.70 is returned to the community for every dollar spent on healthcare. “The hospital received \$49.2 million for the provision of healthcare services in 2001. That investment contributed \$83.8 million to the local economy,” he said.

“Dollars can’t measure the depth of the impact that the hospital has upon the health of our community,” Mrs. Burns said. “Quality healthcare is a basic need, not a luxury.”

In one year, the hospital treats more than 19,000 people in its Emergency Department and delivers over 600 babies. Nearly 5,800 infants, children, adults and seniors are hospitalized annually. There are also more than 100,000 outpatient visits per year for diagnostic testing and treatment.

The economic impact study is based on U.S. Department of Commerce, Bureau of Economic Analysis models that project the “multiplier effect” of industry spending on local economies. The primary findings of the analysis include:

## Rome Memorial Hospital as an Employer

- In 2001, Rome Memorial Hospital employed over 1,000 full and part-time employees, or 761 full-time equivalents. Through the ripple effect, it supports another 724 jobs in the community because the hospital and its employees are purchasers of goods and services.
- The hospital’s total payroll was \$28,895,000. Dollars earned by Rome Memorial Hospital employees and spent on groceries, clothing, mortgage payments, rent, etc., generate approximately \$53,710,000 in total economic activity for the local economy.

### **Rome Memorial Hospital Purchasing**

- Rome Memorial Hospital spends about \$14,058,000 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 for a total direct and indirect impact of \$26,130,000.

### **Rome Memorial Hospital's Capital Spending**

- In 2001, Rome Memorial Hospital spent \$2,149,000 on buildings and equipment, which generated a total local impact of \$3,994,000.

### **Rome Memorial Hospital's Impact on State and Local Tax Collections**

- Rome Memorial Hospital's employees and those jobs supported indirectly by the hospital paid \$1,917,000 in state income taxes in 2001.
- Rome Memorial Hospital's employees and those jobs supported indirectly by the hospital paid \$1,117,000 in local sales tax and \$1,244,000 in state sales tax.

<b>Rome Memorial Hospital Economic Impact Analysis</b>			
	<b>Hospital's Direct Impact</b>	<b>Multiplier Effect</b>	<b>Total Impact</b>
<b>Jobs</b>	761 FTEs	724 FTEs	1485 FTEs
<b>Payroll</b>	\$28,895,000	\$24,815,000	\$53,710,000
<b>Supply Purchases</b>	\$14,058,000	\$12,072,000	\$26,130,000
<b>Capital Spending</b>	\$2,149,000	\$1,845,000	\$3,994,000
<b>Total</b>	\$45,102,000	\$38,732,000	\$83,834,000
<i>Ripple effect calculated using Regional Input-Output Modeling System II (RIMS II) developed by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA).</i>			