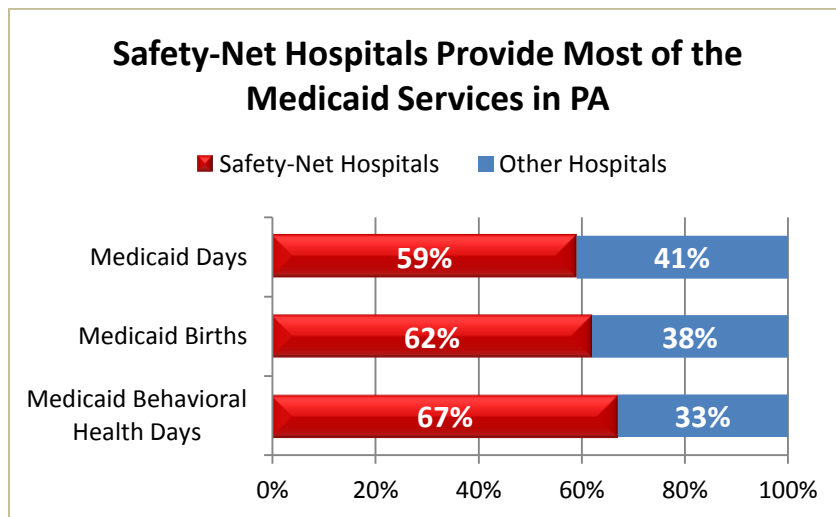


**Pennsylvania Safety-Net Hospitals:
Economic Engines Driving Pennsylvania Communities**
June 2014

Pennsylvania’s 41 safety-net hospitals serve all Pennsylvanians: millions of people who have private insurance, millions on Medicare, and millions on Medical Assistance. Safety-net hospitals are large and small and include community, children’s, and teaching hospitals and academic medical centers. They are located throughout the commonwealth: in the western, central, and eastern parts of the state; in rural, suburban, and urban areas; and in 24 of Pennsylvania’s 67 counties.

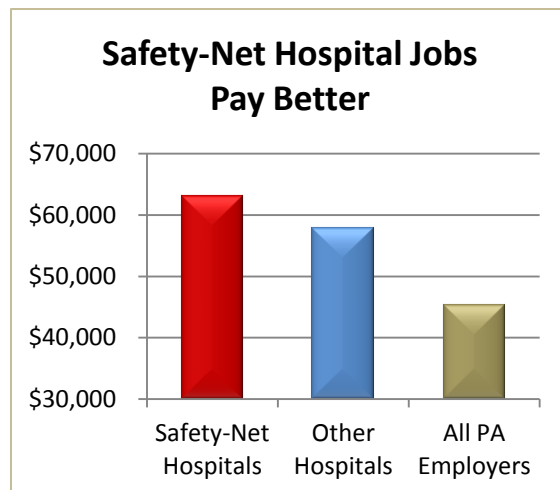
Safety-net hospitals are the 25 percent of the state’s acute-care hospitals that treat the highest proportions of Medical Assistance patients and provide the services those patients need most. Although only one quarter of the state’s acute-care hospitals, safety-net hospitals provide most of the care to Pennsylvania’s Medical Assistance population.

- They provide 59 percent of all inpatient care Medical Assistance patients receive.
- They deliver 62 percent of all Medical Assistance-covered babies born in the state in a typical year and 40 percent of all the babies born in the entire state in a typical year. This is important because delivering babies is the number one service sought by Medical Assistance patients.
- They provide 67 percent of all inpatient behavioral care provided to the state’s Medical Assistance population in a typical year – the number two service sought by that population.



Safety-Net Hospitals, Economic Engines, Jobs

Often located in low-income communities, safety-net hospitals are the economic engines that drive their communities. These hospitals provide good jobs with good benefits and hospital spending drives enterprises all around them as the hospitals employ area residents in a wide variety of jobs and make purchases and use services offered by community businesses while their employees spend eight to ten hours a day in those communities, often spending money when they enter, when they depart, and at various times in between. A hospital is a valuable commodity for a community – a commodity from which it reaps many benefits.



For example:

- Safety-net hospitals are typically one of their communities' biggest employers – if not the biggest.
- Because safety-net hospitals provide a broader range of services than the typical community hospital, they employ more people than the typical community hospital. For the same reason, they are more likely than the typical hospital to serve patients from outside their community, essentially making them an exporter of services – services that generate good jobs.
- Even though safety-net hospitals constitute only 25 percent of Pennsylvania's acute-care hospitals, they employ 40 percent of the state's hospital workers.
- Safety-net hospital jobs pay 39 percent better than the typical Pennsylvania job.
- Gainfully employed hospital workers pay hundreds of millions of dollars a year in income, property, and other state taxes.
- Hospitals spent nearly \$1 billion in 2011 on medical research – much of it done at safety-net hospitals, with most of this money used to support very high-quality jobs.

Conclusion

Safety-net hospitals are a major economic engine driving communities throughout Pennsylvania. Medical Assistance is a major fuel for that engine, with every dollar the state invests in Medical Assistance matched by the federal government. In addition to providing a much-needed health care safety net for all Pennsylvanians, safety-net hospitals generate jobs, tax revenue, business activity, and economic development. The Safety-Net Association of Pennsylvania hopes state policy-makers will weigh this carefully before they consider slowing the flow of fuel into one of the state's best, most stable, most productive economic engines.