


**Wapello County**



IOWA HOSPITAL  
ASSOCIATION

*We care about Iowa's health*

# Economic Impact of the Health Sector



**2021**

# Iowa Hospital Association

## Economic Impact of the Health Care Sector

### Main Objective

Derive the direct economic impact and total economic impact of the five health sectors and the total health sector for the state of Iowa and each county.

### Direct Economic Activities

Employment and income (sum of payroll and employee benefits expense) are the important direct economic activities created from the health sector. The health sector is divided into the following five components:

- Hospitals
- Offices of Physicians, Dentists, & Other Health Practitioners
- Nursing Home & Residential Care
- Other Medical and Health Services (*includes home health care, county health departments, hospice, durable medical equipment suppliers, other ambulatory health care services, dental laboratories, etc.*)
- Pharmacies (*Includes all pharmacy personnel*)

### Income and Employment Multipliers

The health sector and the employees in the health sector purchase a large amount of goods and services from local businesses. These impacts are referred to as secondary impacts or benefits to the economy. In economics, this measure is called the multiplier effect. In the report provided, two multipliers are utilized. The “employment multiplier” is the ratio between direct employment and the direct, indirect, and induced employment.

For example, an employment multiplier of 2.0 indicates that if one job is created by an industry, one additional job is created in other sectors due to business (indirect) and household (induced) spending.

The “income multiplier” is the ratio between direct income and the direct, indirect, and induced income. For example, an income multiplier of 1.54 indicates that for each dollar created in that sector, 0.54 additional dollars are created throughout the area due to business (indirect) and household (induced) spending.

### Data Notes

The economic impact results presented in this table including multipliers were obtained from the IMPLAN software, which can analyze county level data using an economic input-output model. It was developed by the U.S. Forest Service and is a model that allows for development of county multipliers.

However, to break this information down to a hospital specific level, certain information required for running the model (e.g., total employment, payroll and benefits of employees, retail sales and pharmacy information) had to be manually entered into the system. This data was collected from the AHA Annual Survey, the Iowa Department of Revenue and Finance, the U.S. Census Bureau and the Bureau of Economic Analysis.

# 2021 Economic Impact of the Health Sector



## Wapello County

(1) Health Sector Components	(3) Employment		(4) Impact	(6) Payroll & Proprietor Income		(7) Impact	(8) Retail Sales	(9) 6.0% Sales Tax
	(2) Nos.	Multiplier		(5) Income	Multiplier			
<b>Hospitals</b>								
<i>Ottumwa Regional Health Center</i>	590	1.67254	987	\$29,962,911	1.54388	\$46,259,234	\$12,723,770	\$763,426
<b>HOSPITALS SUBTOTAL</b>	<b>590</b>	<b>1.67254</b>	<b>987</b>	<b>\$29,962,911</b>	<b>1.54388</b>	<b>\$46,259,234</b>	<b>\$12,723,770</b>	<b>\$763,426</b>
Offices of physicians	288	1.63211	470	\$27,892,590	1.23780	\$34,525,321	\$9,496,315	\$569,779
Offices of dentists	89	1.38944	124	\$5,799,716	1.22516	\$7,105,603	\$1,954,422	\$117,265
Offices of other health practitioners	205	1.31030	269	\$10,437,902	1.22398	\$12,775,783	\$3,514,025	\$210,842
<b>OFFICES SUBTOTAL</b>	<b>583</b>	<b>1.48027</b>	<b>863</b>	<b>\$44,130,208</b>	<b>1.23287</b>	<b>\$54,406,707</b>	<b>\$14,964,762</b>	<b>\$897,886</b>
Nursing Home & Community Care facilities	437	1.32724	581	\$15,854,251	1.31701	\$20,880,140	\$5,743,158	\$344,589
Mental health, substance abuse, other facilities	99	1.23736	123	\$3,014,957	1.29018	\$3,889,851	\$1,069,918	\$64,195
<b>NURSING HOMES AND OTHERS SUBTOTAL</b>	<b>537</b>	<b>1.31099</b>	<b>704</b>	<b>\$18,869,208</b>	<b>1.31272</b>	<b>\$24,769,991</b>	<b>\$6,813,076</b>	<b>\$408,784</b>
Pharmacies	132	1.32270	175	\$4,643,000	1.29960	\$6,034,050	\$1,659,687	\$99,581
<b>Other Medical &amp; Health Services</b>								
Medical and diagnostic laboratories	21	1.35114	28	\$867,581	1.32803	\$1,152,176	\$316,910	\$19,015
Outpatient care centers	270	1.49241	402	\$15,362,933	1.30218	\$20,005,294	\$5,502,529	\$330,152
Other ambulatory health care services	23	1.26825	30	\$666,685	1.36469	\$909,822	\$250,250	\$15,015
Dental laboratories	14	1.59778	23	\$1,496,110	1.21454	\$1,817,088	\$499,797	\$29,988
Home health care services	97	1.26461	122	\$4,720,827	1.19717	\$5,651,640	\$1,554,504	\$93,270
<b>OTHER MED/HLTH SVCS SUBTOTAL</b>	<b>425</b>	<b>1.42353</b>	<b>605</b>	<b>\$23,114,136</b>	<b>1.27783</b>	<b>\$29,536,020</b>	<b>\$8,123,990</b>	<b>\$487,440</b>
<b>TOTALS</b>	<b>2,267</b>		<b>3,334</b>	<b>\$120,719,463</b>		<b>\$161,006,002</b>	<b>\$44,285,285</b>	<b>\$2,657,117</b>



# 2021 Economic Impact of the Health Sector



State of Iowa

(1) Health Sector Components	(3) Employment		(4)	(6) Payroll & Proprietor Income			(8)	(9)
	Nos.	Multiplier	Impact	Income	Multiplier	Impact	Retail Sales	6.0% Sales Tax
<i>State of Iowa Hospitals</i>	76,169	1.88812	143,816	\$5,345,474,716	1.61691	\$8,643,144,321	\$2,113,407,604	\$126,804,456
<b>HOSPITALS SUBTOTAL</b>	<b>76,169</b>	<b>1.88812</b>	<b>143,816</b>	<b>\$5,345,474,716</b>	<b>1.61691</b>	<b>\$8,643,144,321</b>	<b>\$2,113,407,604</b>	<b>\$126,804,456</b>
Offices of physicians	29,153	1.83901	53,612	\$3,247,527,130	1.33182	\$4,325,114,750	\$1,057,570,030	\$63,454,202
Offices of dentists	10,026	1.52479	15,287	\$711,849,777	1.33141	\$947,765,875	\$231,746,172	\$13,904,770
Offices of other health practitioners	10,816	1.40539	15,201	\$575,868,301	1.33073	\$766,327,621	\$187,381,185	\$11,242,871
<b>OFFICES SUBTOTAL</b>	<b>49,994</b>	<b>1.68220</b>	<b>84,100</b>	<b>\$4,535,245,208</b>	<b>1.33162</b>	<b>\$6,039,208,246</b>	<b>\$1,476,697,387</b>	<b>\$88,601,843</b>
Nursing Home & Community Care facilities	43,770	1.43531	62,824	\$1,656,230,157	1.47186	\$2,437,738,041	\$596,071,744	\$35,764,305
Mental health, substance abuse, other facilities	12,795	1.34223	17,173	\$479,719,115	1.38926	\$666,452,692	\$162,959,929	\$9,777,596
<b>NURSING HOMES AND OTHERS SUBTOTAL</b>	<b>56,565</b>	<b>1.41425</b>	<b>79,997</b>	<b>\$2,135,949,272</b>	<b>1.45331</b>	<b>\$3,104,190,733</b>	<b>\$759,031,673</b>	<b>\$45,541,901</b>
Pharmacies	5,660	1.40245	7,938	\$204,514,000	1.44559	\$295,644,126	\$72,290,421	\$4,337,425
<b>Other Medical &amp; Health Services</b>								
Medical and diagnostic laboratories	1,091	1.63987	1,790	\$85,832,794	1.37805	\$118,281,583	\$28,922,020	\$1,735,321
Outpatient care centers	5,996	1.67993	10,072	\$387,470,924	1.42711	\$552,962,134	\$135,209,402	\$8,112,564
Other ambulatory health care services	3,674	1.50018	5,512	\$216,784,630	1.38579	\$300,417,323	\$73,457,556	\$4,407,453
Dental laboratories	469	1.65512	777	\$42,203,621	1.33396	\$56,297,832	\$13,765,854	\$825,951
Home health care services	7,833	1.33951	10,493	\$406,578,110	1.28160	\$521,069,846	\$127,411,152	\$7,644,669
<b>OTHER MED/HLTH SVCS SUBTOTAL</b>	<b>19,064</b>	<b>1.50252</b>	<b>28,644</b>	<b>\$1,138,870,079</b>	<b>1.36015</b>	<b>\$1,549,028,718</b>	<b>\$378,765,984</b>	<b>\$22,725,958</b>
<b>TOTALS</b>	<b>207,452</b>		<b>344,495</b>	<b>\$13,360,053,275</b>		<b>\$19,631,216,144</b>	<b>\$4,800,193,069</b>	<b>\$288,011,583</b>







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