

Cornerstones of Communities

Hospitals are an essential part of our communities. This fact has never been clearer than during the pandemic. Countless staff worldwide put their own lives on the line in caring for staggering numbers of COVID-19 patients while facing dire shortages of supplies and staffing. Moreover, they were duty-bound to keep managing ongoing care such as performing urgent procedures and surgeries; treating people for cancer, heart disease and other serious illnesses; and guiding babies into the world.

In 2020, Southern California hospitals saw a total of 1,719,262 inpatient admissions. Along with COVID-19 cases, these stays included:



199,958 babies born



22,764 hip and knee replacement surgeries



110,203 mental health admissions



39,406 heart failure patient stays

Of the total 2020 inpatient admissions in Southern California, Medi-Cal and Medicare patients accounted for more than two-thirds. That number leads to another important point: Far above and beyond direct medical care, hospitals benefit society in many ways. Some are anchor institutions – established not-for-profit organizations that play a major role in the larger economic and social well-being of communities.

Many hospitals and health care systems serve as part of a safety net – often providing the only health care option for at-risk residents in their areas and absorbing much of the cost. In addition to directly assisting patients financially, hospitals also absorb underpayments and unreimbursed expenses from Medicaid and Medicare. **In 2020, underpayments to U.S. hospitals totaled \$100.4 billion** (\$75.6 billion for Medicare and \$24.8 billion for Medicaid) – a 32% increase from 2019.

Hospitals further contribute financially to regional economic and workforce development with grants, loans and in-kind gifts to nonprofit organizations. With longstanding ties to their communities, they're well positioned to partner with government and other agencies to identify and address social determinants of health, systemic inequity and access issues, and areas needing environmental improvement. In addition, hospitals support housing and food needs, health screenings, patient transportation to care appointments and other essential services that can make all the difference in residents' health and well being.

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Hospitals and health systems also drive a substantial amount of employment and economic growth. For example, in 2020 California community **hospitals directly employed 603,932 full- and part-time staff**. But their purchases of goods and services from other businesses also supported close to two additional jobs per hospital job. Thus, **hospitals supplied a total of 1,383,789 jobs, or 8.61% of the state's total employment**. Similarly, community **hospitals' direct expenditures totaled \$129,601,640 in 2020**. **Each dollar, however, generated over two more dollars of business activity, adding a total of \$283,944,230 to California's economic output**.

These examples show just some of the many ways in which hospitals and health systems bring value to their communities. On top of serving as pillars of healing and hope, these institutions have the resources, knowledge and networks to help tackle some of society's biggest challenges of inequity, lack of access to care, and economic development.