



Kentucky Hospitals Economic Importance *to Their Communities*

Kentucky’s hospitals are known for providing high-quality patient care, but local hospitals are also vital to their communities’ economic development. They employ thousands of workers, generate tax revenue for state and local governments, support Kentucky businesses through purchases of goods and services, and provide charity care for the Commonwealth’s most vulnerable citizens. Hospitals also invest in their physical plants to enhance patient care, creating a significant number of jobs for the local community. The data below provides a glimpse into why hospitals are essential to a thriving economy.

Kentucky Hospitals

- Employ over **88,000** people and spend **\$6 billion** on wages
- Spend **\$2 billion** on capital projects, creating additional local jobs
- Purchase **\$6 billion** of goods and services locally
- Pay **\$196 million** in provider taxes that support **\$892 million** in Medicaid spending
- Generate over **\$526 million** in state and local taxes
- Subsidize **\$161 million** in losses from treating Medicare patients
- Provide **\$165 million** in financial assistance and charity care

Total economic benefit of **\$15 billion** to the local community

These dollars have a “ripple effect” as they move through the larger economy, supporting other businesses and jobs in the community.

The hospitals also care for the community by

- Treating **472,000 inpatients** and **12 million outpatients**
- Welcoming **48,000 babies** into the world
- Providing emergency care to **2 million people**

47.5
5.67
8
5.75

EMPLOYMENT

COMMUNITY SERVICES

ECONOMY

GOVERNMENT and TAXES

MEDICAID



The data in this report was prepared by the Kentucky Hospital Association using an IMPLAN model designed by Economic Development Data Research Consultant Barry Kornstein, Senior Research Analyst.

About the data: Hospital data in this report are derived from currently available data from the U.S. Bureau of Labor Statistics (employees, wages), 2023 Medicare Cost Reports (capital expenditures), Disproportionate Share Reports (Medicare and Medicaid shortfalls, charity care), KHA InfoSuite (2023 utilization) and data provided by the hospital. All other data are derived from IMPLAN (informed by Cost Report data).

Inpatient Definition – total of inpatient discharges, total number of swing bed discharge totals, skilled nursing facility discharge totals and/or distinct part rehab discharges (excludes normal newborns)

Outpatient Definition – total outpatient discharges including hospital-owned ambulatory facilities, emergency department and observation discharges. This data does not include physician billing data.

Emergency Room Visits – total number from outpatient and inpatient emergency room discharges.

Births – total number of normal births born inside the hospital.



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