Agenda

- Impact of health care industry on jobs
- Regionalization & Investment in Health Care
- Pilot Study
- Research study to support investment
Health Care as an Economic Driver

“A hospital is an irreplaceable community asset that provides access to a broad range of essential health care services. Hospitals also are essential in another way—as economic engines.”

Source: PA Hospitals Critical to State Economy Hospital and Health Systems of PA 2011
PA Hospitals & Health Systems Support other Business and jobs in the Commonwealth (billions)

<table>
<thead>
<tr>
<th>Impact on Economy</th>
<th>Impact on Salary &amp; Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>$40.1</td>
</tr>
<tr>
<td>Ripple Effect</td>
<td>$58.8</td>
</tr>
<tr>
<td>Total Contribution</td>
<td>$98.9</td>
</tr>
<tr>
<td></td>
<td>$27.2</td>
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</tbody>
</table>

Source: PA Hospitals Critical to State Economy: Hospital and Health Systems of PA
April 2011
# Lackawanna & Luzerne County Top Employers

<table>
<thead>
<tr>
<th>Rank</th>
<th>Lackawanna County</th>
<th>Luzerne County</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>State Government</td>
<td>Federal Government</td>
</tr>
<tr>
<td>2</td>
<td>Allied Services</td>
<td>State Government</td>
</tr>
<tr>
<td>3</td>
<td>Moses Taylor Hospital</td>
<td>Wilkes Barre Hospital Company</td>
</tr>
<tr>
<td>4</td>
<td>County Government</td>
<td>County Government</td>
</tr>
<tr>
<td>5</td>
<td>Community Medical Center</td>
<td>Wal-Mart Associates Inc.</td>
</tr>
<tr>
<td>6</td>
<td>Scranton School District</td>
<td>Geisinger Wyoming Valley</td>
</tr>
<tr>
<td>7</td>
<td>Mercy Hospital</td>
<td>NBC Pittston Merchants Inc.</td>
</tr>
<tr>
<td>8</td>
<td>Cinram</td>
<td>Hazelton Area School District</td>
</tr>
<tr>
<td>9</td>
<td>Federal Government</td>
<td>PPL</td>
</tr>
<tr>
<td>10</td>
<td>University of Scranton</td>
<td>Pride Mobility Products</td>
</tr>
</tbody>
</table>
Regional Employment

- Lackawanna and Luzerne County Hospital
  12,000 + Employees

- Additional Industry Employment Sector
  - Outpatient Diagnostic Centers
  - Ambulatory Surgery Centers
  - Physicians’ Offices
  - Long Term Care Facilities
2011 - Shift in Tide in Health Care in Northeastern PA

Regionalization
Regionalization of Health Care 2011

- Lackawanna County
- Luzerne County

CHS Community Health Systems

GEISINGER
Investment in Regional Health Care

- Acquisition of Wyoming Valley Health Care System in 2009
  - Committed to $135 million over 7 years
    - $53 million construction project underway
- Acquisition of Regional Hospital (May 2011) Moses Taylor Health Care System (2012)
  - Commitment to invest $125 million

- Geisinger Wyoming Valley
  - Almost doubled in size
  - $60 million critical care wing
  - $10.2 million NICU
- Geisinger Community Medical Center
  - $158.6 million over 7 years
Total Investment to Regional Health Systems over next 7 years (millions)

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Investment (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHS WB</td>
<td>$135</td>
</tr>
<tr>
<td>CHS LC</td>
<td>$125</td>
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<tr>
<td>GCMC</td>
<td>$158.6</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$418.6</strong></td>
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</tbody>
</table>

Source: Health System Press Releases 2009-2011
Expansion Opportunity for Regional Health Care

- Residents leaving community for health care services that could be delivered on a community level
- Absence of quantitative and/or qualitative data explaining outmigration
- Anecdotal reports
  - Access?
  - Quality?
Investment Presents Opportunity for Economic Development

- Must capitalize on investment $$$
- Insure expansion in health care delivery system
  - Improve population health
  - Create jobs
Pilot study conducted – n=48

- 82% of the respondents indicted they sought health care outside of the county within the past 12 months
- Hospital/doctor performance and reputation were reasons provided
- 13% of respondents rated the care as “Excellent”
Goal of Health Care Task Force 2012-2013

- Conduct broad based public perception study
- Research questions:
  - What factors influence your decision to leave the area for health care?
  - Will the recent changes in the health care ownership influence your decision to leave the area?
  - What factors do you consider when assessing the “quality” of services delivered by your health care provider?
Summary

- Health care industry
  - Strong economic driver in employment and spending
  - Sector represents largest employers in our region
- Regionalization of health care presents opportunity for economic growth
- Health Systems will be investing over $400 million in the next 7 years
- Objective research study will inform health systems on the community perception of health care services