

# VALUE IMPACT of HEALTH CENTERS

## Lana'I Community Health Center

Federally Qualified Health Centers and other safety-net clinics such as **Lana'I Community Health Center** provide tremendous value and impacts to their communities—from JOBS and ECONOMIC STIMULUS to local communities; SAVINGS to the health care system; ACCESS to care for vulnerable populations.

Highlights of **2016 contributions** are shown below.

### JOBS and other positive impacts on the ECONOMY



**44**  
TOTAL JOBS



**\$6,006,684**  
TOTAL ECONOMIC IMPACT  
of current operations.

**\$864,083**  
ANNUAL TAX REVENUES 

**25 HEALTH CENTER JOBS** including  
**6 ENTRY-LEVEL** and **12 SKILLED**  
**JOBS** for community residents  
**19 OTHER JOBS IN THE COMMUNITY**

**\$3,612,500**  
DIRECT HEALTH CENTER SPENDING  
**\$2,394,184**  
COMMUNITY SPENDING

**\$228,404**  
STATE AND LOCAL TAX  
**\$635,679**  
FEDERAL TAX REVENUES

### SAVINGS to the health system



**24%**  
LOWER COSTS FOR HEALTH  
CENTER MEDICAID  
PATIENTS



**\$ 4 Million**  
SAVINGS TO  
MEDICAID

### ACCESS to care for vulnerable populations



**1,844**  
PATIENTS  
SERVED

**7,948**  
PATIENT  
VISITS

**572**  
patients are  
**CHILDREN AND**  
**ADOLESCENTS**

**1,272**  
patients are  
**ADULTS**

**73%** of patients are  
**LOW-INCOME**  
(Below 200% of the  
Federal Poverty Level)

**83%** of patients  
identify as an  
**ETHNIC OR**  
**RACIAL MINORITY**

# VALUE IMPACT of HEALTH CENTERS

## Lana'I Community Health Center

### REFERENCES AND DATA SOURCES

1. Economic and Employment Impacts: Calculated by Capital Link using 2015 IMPLAN Online.
2. Savings to Medi-Cal: Nocon et al. *Health Care Use and Spending for Medicaid Enrollees in Federally Qualified Health Centers Versus Other Primary Care Settings*. American Journal of Public Health: November 2016, Vol. 106, No. 11, pp. 1981-1989.
3. Access to Care for Vulnerable Populations: Bureau of Primary Health Care, HRSA, DHHS, 2015 Uniform Data System.

### ACKNOWLEDGEMENTS

This report was developed by Capital Link, a non-profit organization that has worked with hundreds of health centers and Primary Care Associations for over 18 years to plan capital projects, finance growth, and identify ways to improve performance. We provide innovative consulting services and extensive technical assistance with the goal of supporting and expanding community-based health care. For more information, visit us online at [www.caplink.org](http://www.caplink.org).

### Summary of 2016 Total Economic Activity

Stimulated by Current Operations of

		Economic Impact	Employment (# of FTEs*)
Community Impact	Direct	\$ 3,612,500	25
	Indirect	\$ 722,787	6
	Induced	\$ 1,671,397	13
	<b>Total</b>	<b>\$ 6,006,684</b>	<b>44</b>

Direct # of FTEs (employment) based on HRSA 2016 UDS state level data for FQHCs.

### Summary of 2016 Tax Revenue

		Federal	State
Community Impact	Direct	\$448,884	\$106,191
	Indirect	\$56,075	\$27,771
	Induced	\$130,720	\$94,442
	<b>Total</b>	<b>\$635,679</b>	<b>\$228,404</b>
<b>Total Tax Impact</b>		<b>\$864,083</b>	

\*Full-Time Equivalent (FTE) of 1.0 means that the person is equivalent to a full-time worker. In an organization that has a 40-hour work week, a person who works 20 hours per week (i.e. 50 percent time) is reported as "0.5 FTE." FTE is also based on the number of months the employee works. An employee who works full time for four months out of the year would be reported as "0.33 FTE" (4 months/12 months).

# VALUE IMPACT of HEALTH CENTERS

## Lana'I Community Health Center

### HOW ECONOMIC IMPACT IS MEASURED

Using IMPLAN, integrated economic modeling software, this analysis applies the “multiplier effect” to capture the direct, indirect, and induced economic effects of health center business operations and capital project plans. IMPLAN generates multipliers by geographic region and by industry combined with a county/state database. It is widely used by economists, state and city planners, universities and others to estimate the impact of projects and expenditures on the local economy. This analysis was conducted using 2015 IMPLAN Online.

### WHAT ARE DIRECT AND COMMUNITY IMPACTS?

Direct impacts result from **health center expenditures associated with operations, new facilities, and hiring.**

Community impacts can be indirect, resulting from **purchases of local goods and services, and jobs in other industries.**

Community impacts can be induced, resulting from **purchases of local goods and services at a household level made by employees of the health center and suppliers.**

A health center purchases medical devices from a local medical supply store.



The medical supply store purchases paper from an office supply store to print receipts and hires a local delivery service to transport the medical devices.



As local industries grow and household income increases, employees of the health center, medical supply store, office supply store, and delivery service spend their salaries in the community.

