

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 **2017 contributions** are shown below.

JOBS and other positive impacts on the ECONOMY



54
TOTAL JOBS



\$7,158,009
TOTAL ECONOMIC IMPACT
of current operations.



\$1,090,737
ANNUAL TAX REVENUES

31
HEALTH CENTER JOBS

\$3,775,396
DIRECT HEALTH CENTER SPENDING

\$364,565
STATE AND LOCAL TAX

23
OTHER JOBS IN THE COMMUNITY

\$3,382,613
COMMUNITY SPENDING

\$726,172
FEDERAL TAX REVENUES

SAVINGS to the health system



22%
LOWER COSTS FOR HEALTH
CENTER MEDICAID
PATIENTS



\$ 1 Million
SAVINGS TO
MEDICAID

ACCESS to care for vulnerable populations



2,010
PATIENTS
SERVED

9,335
PATIENT
VISITS

686
patients are
**CHILDREN AND
ADOLESCENTS**

1,324
patients are
ADULTS

54% of patients are
LOW-INCOME
(Below 200% of the
Federal Poverty Level)

84% of patients
identify as an
**ETHNIC OR
RACIAL MINORITY**

Capital Link prepared this Value + Impact report using 2017 health center audited financial statements and Uniform Data System information. Economic impact was measured using 2015 IMPLAN Online.

 **CAPITAL LINK**
Driving Successful Health
Center Growth

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REFERENCES AND DATA SOURCES

1. Economic and Employment Impacts: Calculated by Capital Link using 2015 IMPLAN Online.
2. Savings to Medicaid: 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, 2017 Uniform Data System.

Summary of 2017 Total Economic Activity

Stimulated by Current Operations of

		Economic Impact	Employment (# of FTEs*)
Community Impact	Direct	\$ 3,775,396	31
	Indirect	\$ 1,088,743	7
	Induced	\$ 2,293,870	16
	Total	\$ 7,158,009	54

Direct # of FTEs (employment) based on HRSA 2017 UDS state level data for FQHCs.

Summary of 2017 Tax Revenue

		Federal	State
Community Impact	Direct	\$465,633	\$137,829
	Indirect	\$84,726	\$56,864
	Induced	\$175,813	\$169,872
	Total	\$726,172	\$364,565
Total Tax Impact		\$1,090,737	

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.

*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).

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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.

