

# THE BUSINESS OF HEALTH CARE

Economic Outlook for Hospitals in Mississippi

# Today's Challenging Environment

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- Health Care Reform (uncertainty)
  - ▣ Reimbursement cuts (Medicare & Medicaid)
  - ▣ Insurance reform
  - ▣ Greater focus on quality of care (value based purchasing)
  - ▣ Increased regulation
- Electronic Health Records (EHRs)/Health Information Technology (HIT)
  - ▣ Hardware/software (“meaningful use”)
  - ▣ Information exchange
  - ▣ Employee adjustments/competence/workforce needs
  - ▣ New system for health care coding (ICD-10)
- Physician/Hospital Integration of Services
  - ▣ Supply, geographic distribution, and seamless integration

# Today's Challenges (Cont.)

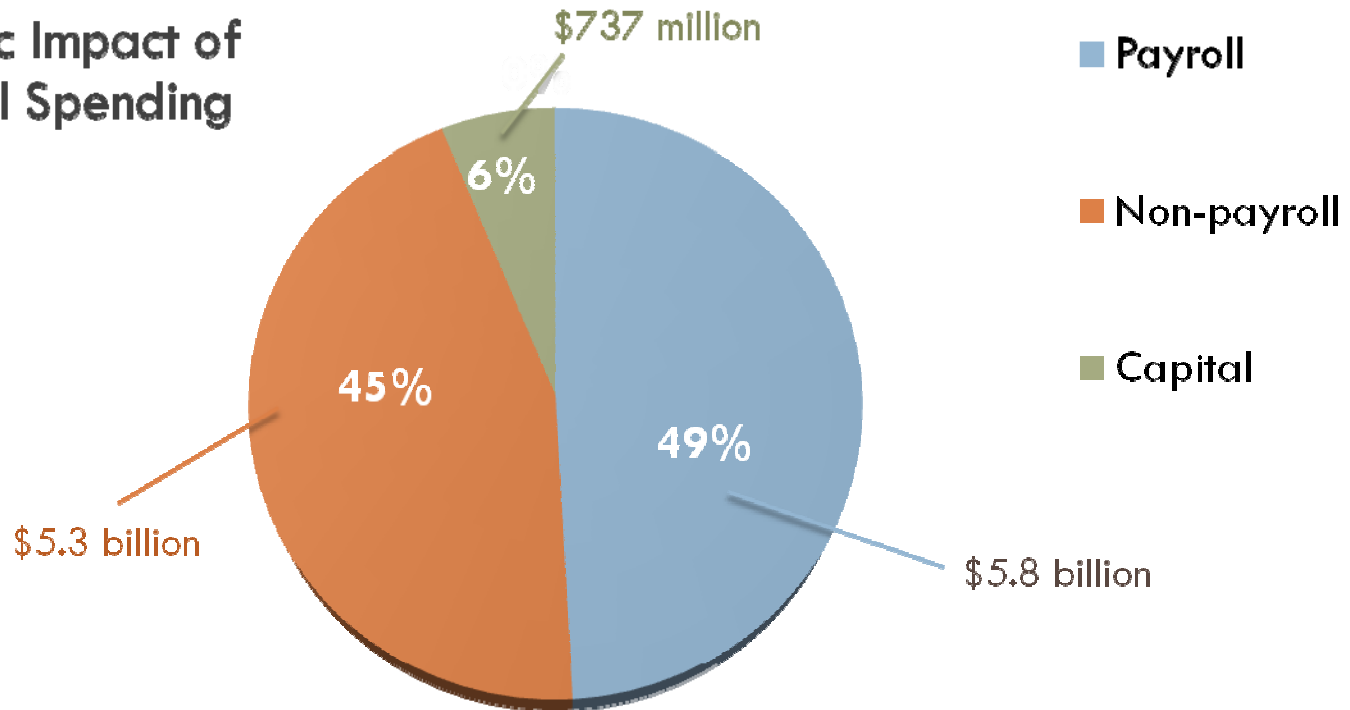
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- U.S. and MS – Economic Downturn
  - ▣ State budget/Funding shortfalls (Medicaid, mental health, state health programs, colleges and universities)
  - ▣ Payer mix
  - ▣ Access to care/Timeliness of access
  - ▣ Access to capital
- Demographics
  - ▣ Aging population
  - ▣ Aging workforce/health provider shortages
  - ▣ MS health indices/health disparities

# \$11.9 Billion Total Annual Economic Impact from Hospital Spending in MS

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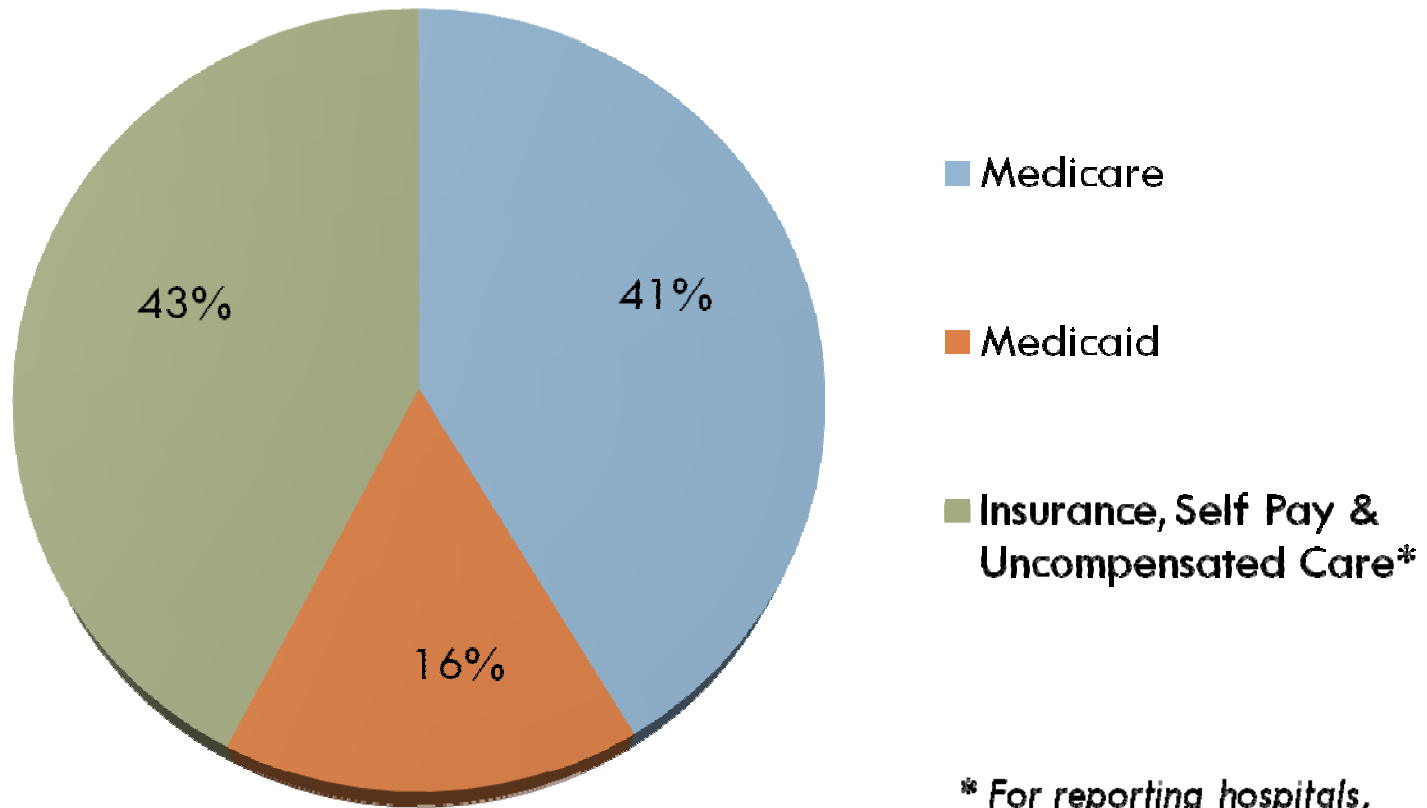
## Economic Impact of Hospital Spending



Source: DataGen, HANYS

# Mississippi Hospital Payer Mix

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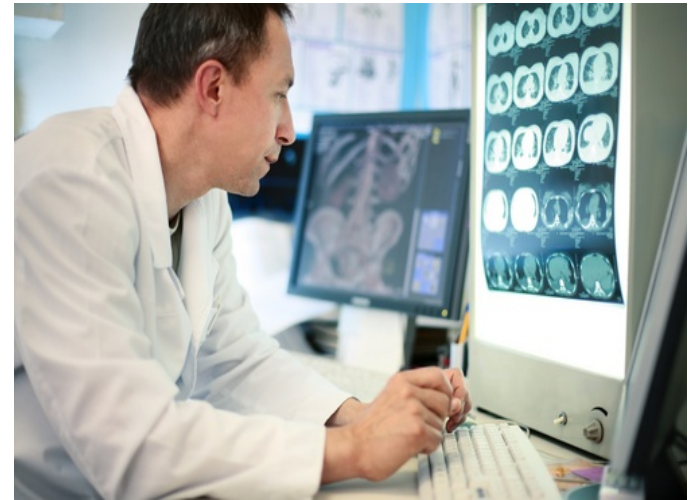
Source: MS Hospital Association Survey, 2011

*\* For reporting hospitals, uncompensated care was 9%.*

# Hospital Workforce in MS

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- ❑ 60,143 full time employees work in hospitals/ 5.7% of State workforce
- ❑ 94,700 jobs in Mississippi are attributable to hospital spending
- ❑ Jobs geographically distributed statewide
- ❑ Average wage \$42,193 per year (compared to State average of \$33,185)
- ❑ 36 hospitals have greater than 500 employees; vast majority of hospitals are in the top 3 largest employers in their communities



Sources: MDES; DataGen/HANYS; MHA 2011 Survey

# Overall Themes & Challenges

## Next 3 – 5 Years

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- Hospitals remain a significant employer and economic engine for Mississippi & is essential to quality of life
- A strong health care system benefits MS in attracting and retaining business and industry
- Economic downturn and current political atmosphere create uncertainty and contribute to ↓ confidence
- Health care system reform, while needed, is fueling uncertainty and creating increased regulation and compliance burdens
- Health care workforce requires well-funded education system and career-long training/education
- Mississippi's health care system anticipates continued resource strain due to aging of population; number and complexity of health problems; and challenges to rural "safety net"

# Questions & Comments

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