

Economic impact of health care and Benefis Health System on Cascade County

*Key findings from a December 2010 study by the University of Montana
Bureau of Business and Economic Research*

Health care is important in Cascade County:

- The average household in Cascade County spends 8% of before-tax income on health care.
- Proportionately more seniors live in Cascade County. Baby boomers ages 65 and over account for 14% of the Montana population, compared with 12.5% nationwide. In Cascade County, baby boomers represent nearly 15 percent of the population.
- Health care is one of only five sectors in Cascade County showing positive employment growth from 2008 to 2009, second only to public administration. This is particularly important because, overall, the county experienced negative job growth in 2009.
- The health care industry is a bigger share of Cascade County's gross domestic product at 14% than is the case in Missoula and Billings, where it accounts for 12%.

Health care is a vital "economic engine" for Cascade County:

- The health care industry represents 14% of Cascade County's gross domestic product (the broadest measure of economic activity), according to the U.S. Bureau of Economic Analysis. That's a very large piece of the economic pie for a single industry.
- The health care industry, in terms of employment, is bigger than the military in Cascade County. Further, military employment is declining, while healthcare is increasing.
- The health care industry represents a larger share of non-farm earnings (17%), than does the military (14%).
- Payroll and spending at Benefis directly and indirectly account for 10% of all jobs and labor income in Cascade County.
- The spillover effect from the 2,600 jobs at Benefis support an additional 2,100 jobs in the community, for a total of nearly 5,000 jobs.
- Benefis alone is responsible for 6% of all "new money" brought into Cascade County, which, economy-wide, creates 546 new jobs and \$18 million in new labor income.

Community Benefits

Charity and outreach have been at the heart of the Benefis mission since Christian missionaries laid our foundations more than a century ago. We take pride in our charity work and consistently go above and beyond the "Community Benefit" giving required of tax-exempt, not-for-profit healthcare facilities.

In 2009, Benefis Health System provided more than \$18.4 million in charity care and other "Community Benefits" to northcentral Montanans through free care for low-income patients, subsidized service lines such as the Neonatal Intensive Care Unit, volunteer hours, in-kind contributions, health education and outreach and other charity efforts.

In fact, while Benefis' combined state and federal tax liability would have been \$11.6 million for 2009, the value of our Community Benefit contributions totaled \$18.4 million, exceeding our tax liability by nearly 60 percent. The largest portion of those contributions - \$7.7 million - was the cost of charity care for low-income patients who couldn't afford their medical bills. And in 2010, Benefis' Charity Care contributions increased by 25 percent, to over \$9.5 million.

At Benefis, we're passionate about our mission to make the highest-quality healthcare available to all northcentral Montanans.

- Charity care for low-income patients at Benefis has more than doubled over the past four years. Benefis liberalized its charity care policy in 2007, allowing more families to qualify for assistance.
- In 2009, Benefis helped more than 8,000 Montanans with their medical expenses.
- Benefis makes charity care assistance available to families at 220 percent of the federal poverty line – (\$48,510 for a family of four), with a total write-off at 180 percent of the federal poverty line (\$40,230 for a family of four).
- In 2009, Benefis subsidized critical healthcare services for northcentral Montana, including the Neonatal Intensive Care Unit, the Behavioral Health Unit and palliative care at Benefis Peace Hospice of Montana.
- Benefis has provided \$100,000 a year to our local City-County Health Department over the past three years.

From our patients ...

"You have no idea how much it means to me to have that huge bill dismissed ... it was a lifesaver! I was able to put the extra money toward diapers (I'm due May 13th) and gas. You were literally an answer to prayer. I really thank you from the bottom of my heart."

"I can't put into words just how much help this has been to us. We live paycheck to paycheck ... We've been hit with a lot in the last two months so that it seems too much. That is why it means and helps us so much. Thank you, all of you. Your kindness will never be forgotten."

"I appreciate having the good fortune of being able to have my balance of my hospital bills written off. Being a waitress for years I don't have much (any) medical coverage."

www.benefis.org

Benefis
HEALTH SYSTEM

Live well.