



Hospitals and the Louisiana Economy 2023 Executive Summary

Prepared for the Louisiana Hospital Association
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Along with providing vital, life-saving medical services to their communities, Louisiana hospitals, with their 101,906 employees, are significant economic drivers statewide.



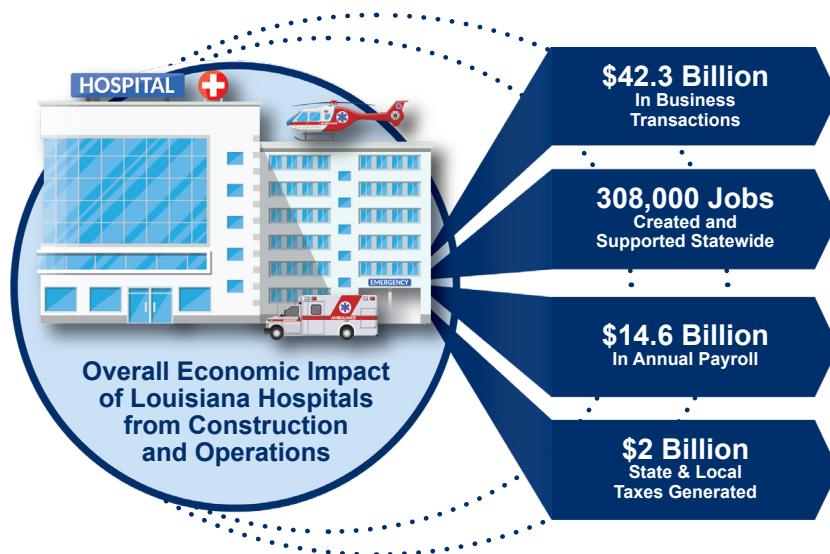
101,906
Hospital Employees
in Louisiana

With An Annual Payroll
Of More Than
\$6.6 Billion

Overall Economic Impact of Hospitals

Construction activity, major equipment purchases, and recurring expenditures, such as salaries, supplies, business services, and other hospital operating costs, produce economic ripples that reach far beyond the hospital to local communities and throughout the state.

Louisiana hospitals **created and supported more than 308,000 jobs, both directly and indirectly**, through daily operations and one-time capital expenditures, leading to **more than \$42.3 billion in business transactions, \$14.6 billion in annual payroll, and \$2 billion in net state and local tax collections.**



Overall Economic Impact of Hospitals By Region (\$ in Millions)

Louisiana Region	Business Transactions	Annual Payroll	Jobs Created and Supported	State and Local Tax Collections
New Orleans	\$9,463	\$3,273	68,944	\$451
Baton Rouge	\$7,033	\$2,435	51,239	\$335
Houma-Thibodaux	\$1,786	\$619	13,014	\$86
Lafayette	\$5,025	\$1,740	36,612	\$241
Lake Charles	\$2,435	\$843	17,750	\$117
Alexandria	\$3,169	\$1,097	23,092	\$151
Shreveport	\$6,635	\$2,296	48,341	\$317
Monroe	\$2,798	\$969	20,382	\$134
Northshore	\$3,964	\$1,372	28,876	\$189
Statewide Total	\$42,308	\$14,642	308,251	\$2,020

Source: Author and RIMS Multipliers (U.S. Bureau of Economic Analysis)

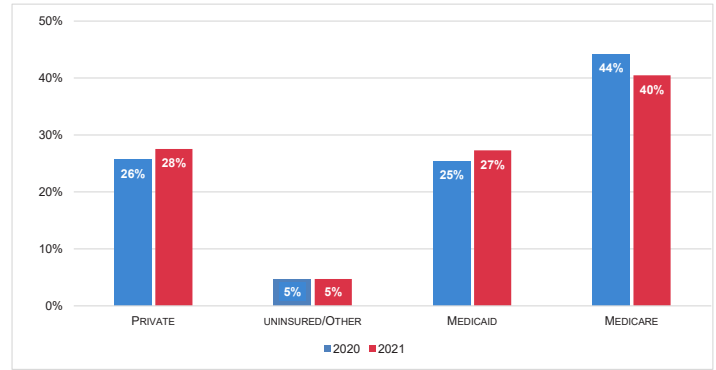
Hospital Revenue Sources and the Medicaid Program

Hospitals receive revenue from private insurance companies; federal insurance programs, such as Medicare; federal and state insurance programs, such as Medicaid; and self-payment by individuals.

In Louisiana, Medicare is by far the largest component of revenue received by hospitals, with 2020 and 2021 Medicare revenue representing 44% and 40% of revenue, respectively.

Private insurance accounted for 26% in 2020 and 28% in 2021. Medicaid accounted for 25% in 2020 and 27% in 2021. Other forms of revenue remained static.

Louisiana Hospital Revenue by Source



Source: Louisiana Health Information Network

Healthcare Employment in the State

Healthcare is the **largest employer** and provider of salaries to Louisiana residents and is a **major contributor to the business community** in terms of the number of establishments.

Healthcare accounts for 16.8% of total state employment.

In 2022, **300,038 people were employed in the healthcare sector** with an annual payroll of more than \$15.3 billion.

Louisiana Industry Employment and Payroll Rankings

Industry	Employment	Annual Payroll (In Billions)
Healthcare (Including Hospitals)	300,038	\$15.3
Wholesale and Retail Trade	285,809	\$12.8
Manufacturing	130,691	\$11.5
Construction	133,006	\$8.5
Leisure and Hospitality	210,287	\$5.1
Oil and Gas/Mining	27,627	\$3.1
Utilities	12,429	\$1.1

Source: Louisiana Workforce Commission, Second Quarter 2022

Healthcare's Regional Influence

Louisiana Region	Total Employment	Healthcare Employment	% of Healthcare to Total Employment
New Orleans	379,351	59,065	19.7%
Baton Rouge	347,769	49,844	16.7%
Houma-Thibodaux	141,165	16,857	5.6%
Lafayette	218,736	40,809	13.6%
Lake Charles	124,842	15,792	5.3%
Alexandria	83,462	19,981	6.7%
Shreveport	211,200	42,188	14.1%
Monroe	102,512	22,997	7.7%
Northshore	175,931	31,715	10.6%

Source: Population-American Community Survey and Employment-LWC, 2018 Annual Report

“Louisiana hospitals not only play a critical role in supporting the health of our residents, but also in fostering a vibrant economy.” - Dr. James A. Richardson, Professor Emeritus, Louisiana State University