

# FAST FACTS on Texas Hospitals



TEXAS HOSPITAL ASSOCIATION

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## Caring for Texans: An Overview of Texas Hospitals

**Texas hospitals are as diverse as the state's geography, yet all stand ready 24 hours a day, seven days a week to meet the unique health care needs of their communities.**

**This fact sheet includes the latest statistics on Texas hospitals as reported in the Texas Department of State Health Services/American Hospital Association/Texas Hospital Association Annual Survey of Hospitals for 2009.**

### Texas Hospitals at a Glance

Texas hospitals are a mix of facilities providing general acute-care, pediatric, long-term acute-care, psychiatric, rehabilitation and other specialized services.

- Texas has 592 hospitals with 82,000 licensed beds as of 2009.

- Roughly 27 percent of Texas hospitals are located in rural areas, and more than 73 percent of Texas hospitals are located in urban areas. According to a 2010 Texas Department of State Health Services report, Harris County (Houston) had the highest number of hospitals with 77, followed by Dallas County with 45, Tarrant County (Fort Worth) with 39 and Bexar County (San Antonio) with 30.
- Ownership of Texas hospitals varies among government-owned, nonprofit and investor-owned facilities. Over the last decade, the number of government-owned hospitals has been shrinking, while the number of investor-owned facilities has increased. In 2009, government-owned hospitals accounted for 22 percent of the hospitals in Texas, with nonprofit hospitals accounting for 29 percent and investor-owned facilities comprising 49 percent of all hospitals in Texas.

### *Did You Know?*

#### **In 2009 alone, Texas' hospitals...**

- Provided care for 2.7 million inpatients
- Treated more than 37 million patients on an outpatient basis
- Treated 9.5 million people in the emergency room
- Employed more than 120,000 nurses (RNs and LVNs) – this does not include additional outside contract nurses that work in the hospital
- Were the site of 808,000 inpatient surgeries
- Delivered 395,000 babies
- Stand ready to serve 24 hours a day, seven days a week, 365 days a year

## Economic Impact

In addition to providing valuable health care services, Texas hospitals and the dedicated professionals who work there make significant contributions to the state's economy, to local communities and to the families they serve.

- Hospitals regularly rank among the top 20 employers in large urban areas and, in rural areas, hospitals often are either the largest or second-largest employer.
- The health care sector is an economic mainstay, providing stability and even growth during times of recession. The goods and services hospitals purchase from other businesses create additional economic value for the community. With these "ripple effects" included, each hospital job supports about two more jobs and every dollar spent by a hospital supports roughly \$2.30 of additional business activity. In 2009, hospitals in Texas employed nearly 366,000 people with a payroll (salaries and benefits) of more than \$22 billion. These hospital jobs result in a total impact of approximately \$137 billion in economic activity benefiting the state's economy.
- Although Texas is one of only seven states that do not have a state income tax, Texas' investor-owned hospitals pay an estimated \$400 million in state taxes each year. These taxes include property taxes, sales/use taxes and business/franchise taxes. The state sales tax rate – 6.25 percent – is above the national medium with localities adding more to this percentage.
- With a gross state product of \$1.2 trillion in 2008, Texas ranked second-highest in the U.S. and 15th largest in the world based on Gross Domestic Product figures. Health care is a growing industry in the state of Texas. The Texas Medical Center, located in Houston, is the largest medical center in the world. Health expenditures are estimated to be 11.3 percent of Texas' gross state product.

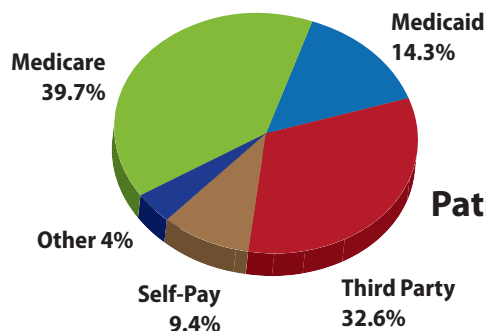


## Financial Challenges

Regardless of their health status or whether they have insurance, Texans are feeling the pinch of the current economic crisis. Texas hospitals, too, are facing tough financial times.

- Government programs, such as Medicare and Medicaid, accounted for more than 54 percent of patient charges in Texas hospitals in 2009.
- Currently, Medicaid reimburses most Texas hospitals about 60 percent of their costs to deliver inpatient care. Further reductions in reimbursement will drive more physicians and hospitals to drop their participation in Medicaid, limiting access to providers for low-income pregnant women and children. Even with supplemental federal funds that help compensate for high volumes of Medicaid and charity care patients, hospitals' unpaid costs for covering the shortfall and caring for the uninsured have risen dramatically over time.
- In 2009, Texas hospitals provided \$4.5 billion in uncompensated care (bad debt and charity), at cost, to uninsured and underinsured patients. Although costs to deliver care are rising, reimbursement rates

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**Patient Charges by Payer**

## By the Numbers

# 592

Number of hospitals in Texas

# 256

Number of designated trauma facilities

# 366,000

Number of full- and part-time employees in Texas hospitals

# 120,000

Number of nurses (RNs and LVNs) employed in Texas hospitals (almost one-third of a hospital's employees are nurses)

## Top 2

Rank of Texas hospitals as a source of private sector jobs in the rural areas of the state; in major metropolitan areas (e.g., Houston, Dallas, San Antonio) hospitals generally are among the top 20 employers

# \$137 billion

Annual amount of economic activity generated by Texas hospital jobs

# \$4.5 billion

Amount of uncompensated care, at cost, provided by Texas hospitals in 2009

# 1 in 9

Number of U.S. jobs supported by hospitals, either directly or indirectly

for Medicaid, Medicare and other government programs have not kept pace with expenses. In addition, many hospitals provide substantial discounts to uninsured/underinsured patients. These discounts are not included when calculating uncompensated care costs.

## Changing Demographics

Texas hospitals serve a large and diverse population that is growing almost twice as fast as the national average. Add to that the increasing over-65 population and a high prevalence of diabetes and other chronic diseases, and it is easy to see why Texas ranks 39th in the nation in health status, according to *America's Health Rankings*.

- With 24.7 million residents, Texas ranks second behind California in population. Between 2000 and 2030, the total population of Texas is projected to increase by almost 12.5 million – an increase of more than 59 percent.



- Some 4.1 million Texans lived below the poverty threshold (\$10,830 for a single individual and \$22,050 for a family of four) in 2009, making Texas' poverty rate the 6th highest in the country. Texas' poverty rate increased 11 percent between 2008 and 2009.
- The number of adult Texans with diabetes is expected to quadruple over the next three decades – a massive spike that demographers and health care experts attribute to the state's aging population and out-of-control obesity epidemic.
- Other key health challenges for Texas include a high rate of residents without health insurance (25 percent), a high percentage of children living in poverty (23 percent), low public health funding (\$47 per person), a high incidence of infectious disease (22.6 cases per 100,000 population) and limited availability of primary care physicians (95 primary care physicians per 100,000 population).

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## Beyond Health Care

In addition to providing traditional health care services and supporting their local economies, hospitals are reaching out beyond the halls of medicine to offer an array of special programs and activities to help meet their communities' broader health and social needs. Texas hospitals aid in disease prevention, promote health awareness, contribute to advances in medicine and address other societal needs. Examples of such community benefits include:

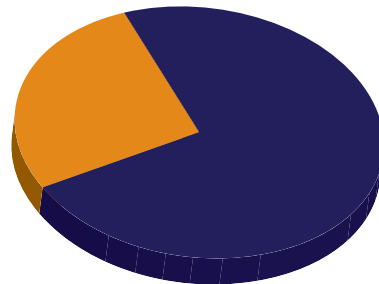
- Health programs such as educational outreach, health screenings and support groups;
- Subsidized health services (e.g., free clinics, vaccinations, athletics physicals);
- Programs to address the social needs of communities (e.g., partnerships with local schools, specific programs for the elderly);
- Health professions training programs for physicians, nurses and technical staff;
- Continuing education for health professionals; and
- Clinical research.

Hospitals not only sustain and contribute to the state's economic viability through local spending, job creation and research, but also work tirelessly to enhance quality of life for the communities they serve. ★



### Rural vs. Urban

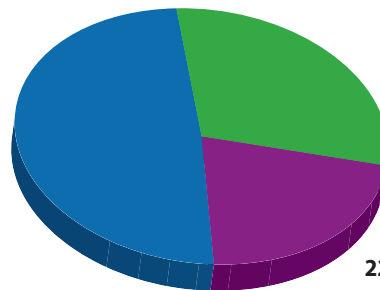
27% of Texas hospitals are located in rural areas



73% of Texas hospitals are located in urban areas, with Harris County (Houston) having the most facilities at 77

### Hospital Ownership

49% are investor-owned



29% are nonprofit

22% are government-owned

According to Texas Government Code 305.027, portions of this material may be considered "legislative advertising." Authorization for its publication is made by John Hawkins, Texas Hospital Association, P.O. Box 679010, Austin, TX 78767-9010.

### About the Texas Hospital Association

Founded in 1930, the Texas Hospital Association is the leadership organization and principal advocate for the state's hospitals and health care systems. Based in Austin, THA enhances its members' abilities to improve accessibility, quality and cost-effectiveness of health care for all Texans. One of the largest hospital associations in the country, THA represents more than 85 percent of the state's acute-care hospitals and health care systems, which employ more than 365,000 health care professionals statewide. Learn more about THA at [www.tha.org](http://www.tha.org) or follow THA on Twitter at <http://twitter.com/texashospitals>. For more information, contact THA's Corporate Communications department at 512/465-1050.