

5 Riverside County

Health Care Sector

Across Riverside County, hospitals, health care centers, doctors' offices and laboratories provide access to a variety of vital health care services, employing thousands of workers, and generating significant revenues and tax dollars.

The health care sector is composed of several inter-related and supporting industries, including ambulatory health care services, hospitals, and nursing and residential care facilities. The sector as a whole has been growing over the past decade and is likely to be a driver of economic activity going forward as our population grows, as it ages, and as medical advances extend our productive lives.

There were 3,056 private and public establishments and 46,905 payroll employees in the health care sector, representing 8.5 percent of all payroll employment in Riverside County. Offices of health care practitioners is the largest industry by number of establishments employs the most workers, providing 17,104 jobs.

These data do not include the self-employed or freelance workers, which we estimate could add an additional 5,000 workers, many of whom are health care practitioners or work in home health care services.

Payroll employment in this sector has been growing over the past twenty years. In 1990, employment in Riverside County in the health care industry was 24,177, growing to 46,905 in 2010. Growth has been slowing however, averaging approximately 1.5 percent on an annual basis since 2000, compared to 5.4 percent per year in the prior decade.

In the county as a whole, total payroll employment has also shown a steady increase over the period, but experienced a decline during the recession.

Exhibit 5-1
Health Care Services in Riverside County (2010)

	# of Establishments
Hospitals:	
General Medical and Surgical Hospitals ¹	16
Other Hospitals ²	5
Nursing and Residential Care Facilities	353
Offices of Health Care Practitioners	2,328
Outpatient Care Centers	139
Medical and Diagnostic Laboratories	98
Home Health Care Services	117
TOTAL Establishments	3,056
% of all Riverside Establishments	6.5%

Source: CA EDD
¹ Includes federal, state and county general medical and surgical hospitals such as VA hospitals
² Includes psychiatric and substance abuse hospitals and specialty hospitals

Exhibit 5-2
Employment by Industry (2010)

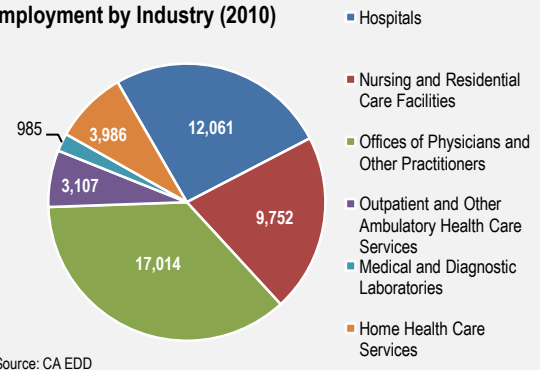
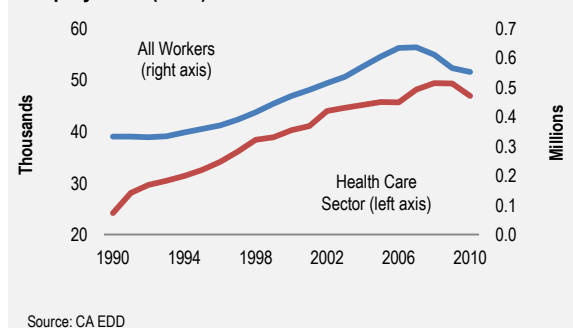


Exhibit 5-3
Employment (2010)



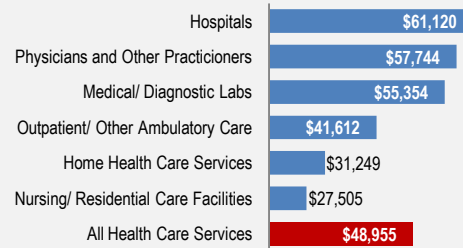
Wages

Wages of health care workers vary by industry, as shown in Exhibit 5-4. Average wages were highest in hospitals in 2010, reaching \$61,120 annually, and lowest in nursing and residential care facilities where workers earned an average of \$27,505 in 2010.

Overall, the average annual wage in the health care industry in Riverside County in 2010 was \$48,955.

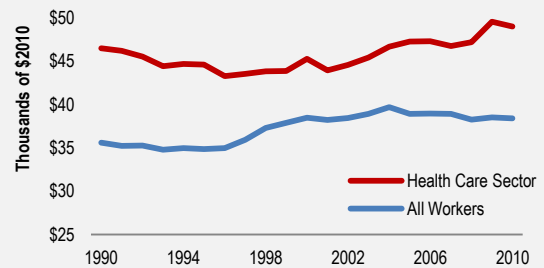
The purchasing power of earnings in the health care sector has been relatively flat since 1990, increasing only slightly since 1998. This performance is somewhat better than average real wages for all workers in Riverside County, which were flat through 2005 and have drifted lower since then. ❖

Exhibit 5-4
Average Annual Wages by Industry (2010)



Source: CA EDD

Exhibit 5-5
Average Annual Wages



Source: CA EDD

Ongoing Operations of Hospitals in Riverside County

Economic Activity

Data compiled by the State of California Office of Statewide Health Planning and Development (OSHPD) provides insight into the capabilities and activity at reporting hospitals. Summary data for hospitals in Riverside County is shown in Exhibit 5-6. This data excludes several hospitals, such as Kaiser Foundation Hospitals, California State hospitals and hospitals focused on long-term care, and therefore underreports the number of beds, patient days, discharges and outpatient visits.

The 15 reporting hospitals in Riverside County reported 3,136 licensed beds and 2,949 available beds with an average occupancy rate of 64.4 percent. These hospitals combined provided almost 692,000 inpatient days, with acute care accounting for nearly 86 percent. The average length of stay for patients who stayed at least one night was 4.7 days.

Total discharges numbered over 147,519 (although some of these were inter-institutional transfers). There were more than 1.34 million outpatient visits to hospitals in Riverside County, almost 47 percent of which were emergency room visits.

Hospital operations generate substantial revenues, employment and labor income. A summary of the activity of the reporting hospitals is shown in Exhibit 5-7.

These hospitals received \$2.3 billion in net patient revenue and \$168 million in other revenue. Together they spent more than \$1 billion in purchases, including services and supplies, much of which was spent within the Riverside region. In addition to this spending, \$801 million was paid in wages and salaries, with an additional \$303 million in employee benefits. Moreover, \$57 million was paid to physicians and \$110 million was paid for other professional services.

Exhibit 5-6 Riverside County Hospitals (2010)

Hospitals reporting ¹	15
Beds:	
Licensed	3,136
Available	2,949
Occupancy Rates:	
Licensed Beds	60.6%
Available Beds	64.4%
Patients Days:	
Acute Care	592,995
Psychiatric Care	34,124
Chemical Dependency	4,672
Rehabilitation	26,373
Long-term Care	33,817
Total	691,981
Average Length of Stay	4.7
Discharges	147,519
Outpatient Visits:	
Emergency Room	627,394
All Other Outpatients	713,413
Total	1,340,807

Source: California Office of Statewide Health Planning and Development

¹ Excludes Kaiser Foundation hospitals, California State hospitals and hospitals of the Department of Veterans Affairs

Exhibit 5-7 Economic Activity of Hospital Operations (2010)¹

	\$ millions
Net Patient Revenue	\$ 2,339.2
Other Operating Revenue	31.9
Non-Operating Revenue	136.0
Purchases:	
Supplies	\$ 371.4
Services	325.6
Leases and rentals	33.0
Other	310.7
Salaries and wages	\$ 801.0
Employee benefits	303.4
Physician professional fees	57.4
Other professional fees	110.0

Source: California Office of Statewide Health Planning and Development

¹ Excludes Kaiser Foundation hospitals, California State hospitals and hospitals of the Department of Veterans Affairs

Economic and Fiscal Contribution

The total economic contribution of the hospital industry extends beyond the activity generated within the sector itself. Wages paid to the staff and payments made for purchases of goods and services circulate throughout the economy generating additional indirect and induced activity.

Using methodology described in the Appendix, we estimate that total industry revenues in 2010 were \$2.5 billion.

The total economic contribution of the hospital industry in Riverside County in 2010, including direct, indirect and induced activity, is shown in Exhibit 5-8.

**Exhibit 5-8
Economic and Fiscal Contribution of Hospital Industry
(Riverside County, 2010)**

Estimated Annual Revenue (\$ billions)	\$ 2.5
Total Economic Contribution:	
Output (\$ billions)	\$ 5.1
Employment (jobs)	37,280
Labor income (\$ billions)	\$ 2.1
Total Fiscal Contribution (\$ millions):	
Income taxes (including profits taxes)	\$ 71.8
Sales taxes	69.0
Property taxes	76.4
Fees and fines	25.7
Social insurance	15.3
Other taxes	13.4
Total *	\$ 271.5

* May not sum due to rounding
Source: Estimates by LAEDC

The hospital industry in Riverside County contributed \$5.1 billion in total economic output and supported 37,280 full- and part-time jobs with total labor income (including benefits) of \$2.1 billion.

We estimate that the sector generated \$272 million in state and local taxes through its contribution to economic activity in the county.

Industry Sector Breakdown

The indirect and induced impacts spill across industries, as shown in Exhibit 5-9.

Most of these impacts of course occur in the health care and social assistance sector, but other sectors affected will include retail trade, administrative and waste management, and real estate and rental services.

**Exhibit 5-9
Economic Contribution by Industry Sector
(Riverside County, 2010)**

Sector	Employment	Output (\$ millions)
Agriculture	56	\$ 9
Mining	20	5
Utilities	35	28
Construction	185	25
Manufacturing	491	230
Wholesale trade	480	80
Retail trade	2,607	188
Transportation and warehousing	515	59
Information	356	137
Finance and insurance	1,788	308
Real estate and rental	2,289	631
Professional, scientific and technical services	1,368	156
Management of companies	204	34
Administrative and waste management	2,907	140
Educational services	354	20
Health care and social assistance	19,399	2,759
Arts, entertainment and recreation	471	32
Accommodation and food services	1,814	108
Other services	1,588	113
All others	357	63
Total *	37,280	\$ 5,125

* May not sum due to rounding
Source: Estimates by LAEDC

Most industry sectors benefit from the economic activity generated by the hospital industry. A description of the industry sectors is provided in the Appendix.

Occupational Analysis

Of the jobs supported by the industry, almost one third is in healthcare practitioner and healthcare support occupations, with average annual wages of \$81,221 and \$28,715 respectively.

The occupational distribution of the total jobs is shown in Exhibit 5-10.

Exhibit 5-10

Occupational Distribution of Total Employment Impact (Riverside County, 2010)

Occupational Description	Employment	Average Annual Wages
Management	1,607	\$ 101,100
Business & financial operations	1,485	64,623
Computer & mathematical science	556	70,623
Architecture & engineering	171	77,937
Life, physical, & social science	208	65,054
Community & social services	679	52,175
Legal	194	97,252
Education, training, & library	429	59,831
Arts, design, entmt, sports, & media	319	48,373
Healthcare practitioners & tech	9,682	81,221
Healthcare support	2,766	28,715
Protective service	502	49,427
Food preparation & serving related	2,425	21,667
Building & grounds cleaning & maint	1,803	26,955
Personal care & service	869	24,741
Sales & related	2,706	32,831
Office & administrative support	6,893	34,448
Farming, fishing, & forestry	47	21,734
Construction & extraction	347	49,236
Installation, maintenance, & repair	1,190	45,909
Production	961	31,607
Transportation & material moving	1,441	32,824
All	37,280	\$ 43,447

* May not sum due to rounding

Source: Estimates by LAEDC

While the industry has an impact on all industry sectors, the economic activity it supports throughout the region provides employment for a wide variety of occupations. The education and work experience requirements of each occupation are provided in the Appendix. ❖

Construction Spending of Hospitals in Riverside County

Economic and Fiscal Impact

In addition to ongoing, regular and recurring operations, the hospital industry continues to invest in construction projects at existing and new facilities, and carry out retrofits motivated by regulatory mandates. This investment generates significant economic activity.

Our estimates for construction spending in 2010 were obtained from OSHPD using the change in percentage of completion of active projects during the year.

The total economic impact of construction spending by the hospital industry in Riverside County in 2010, including direct, indirect and induced activity, is shown in Exhibit 5-11.

Exhibit 5-11 Economic and Fiscal Impact of Hospital Industry Construction Spending (Riverside County, 2010)	
Estimated Construction Spending (\$ millions)	\$ 61.0
Total Economic Impact:	
Output (\$ millions)	\$ 121.8
Employment (jobs)	850
Labor income (\$ millions)	\$ 43.3
Total Fiscal Impact (\$ millions):	
Income taxes (including profits taxes)	\$ 1.5
Sales taxes	1.3
Property taxes	1.4
Fees and fines	0.5
Social insurance	0.3
Other taxes	0.2
Total *	\$ 5.2

* May not sum due to rounding
Source: Estimates by LAEDC

Construction spending by the hospital industry in Riverside County in 2010 generated \$122 million in total economic output and supported 850 full- and part-time jobs, with total labor income (including benefits) of \$43 million. We estimate that the industry generated \$5.2 million in state and local taxes through its contribution to economic activity in the region.

Industry Sector Breakdown

The indirect and induced impacts spill across industries, as shown in Exhibit 5-12. Most of these impacts will occur in the construction sector, but other sectors affected include retail trade, professional, scientific and technical services, and health care and social assistance.

Exhibit 5-12 Impact of Construction Spending by Industry Sector (Riverside County, 2010)		
Sector	Employment	Output (\$ millions)
Agriculture	1	\$ 0
Mining	1	0
Utilities	1	1
Construction	411	62
Manufacturing	37	11
Wholesale trade	16	3
Retail trade	54	4
Transportation and warehousing	14	2
Information	8	3
Finance and insurance	36	7
Real estate and rental	22	9
Professional, scientific and technical services	68	8
Management of companies	3	0
Administrative and waste management	37	2
Educational services	7	0
Health care and social assistance	47	4
Arts, entertainment and recreation	10	1
Accommodation and food services	37	2
Other services	34	3
All others	5	1
Total *	850	\$ 122

* May not sum due to rounding
Source: Estimates by LAEDC

As seen with the economic impact of ongoing operations, almost all industry sectors are impacted by the total economic activity generated by the construction spending of the hospital industry. A description of the industry sectors is provided in the Appendix. ❖