

# 8 Ventura County

## Health Care Sector

Across Ventura 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 1,963 private and public establishments and 23,710 payroll employees in the health care sector, representing 8.0 percent of all payroll employment in Ventura County. Offices of health care practitioners is the largest industry by number of establishments and employs the most workers, providing 10,224 jobs.

These data do not include the self-employed or freelance workers, which we estimate could add an additional 2,800 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 Ventura County in the health care industry was 14,886, growing to 23,710 in 2010. Growth has accelerated in the past decade, averaging approximately 3.0 percent on an annual basis since 2000, compared to 1.0 percent per year in the prior decade.

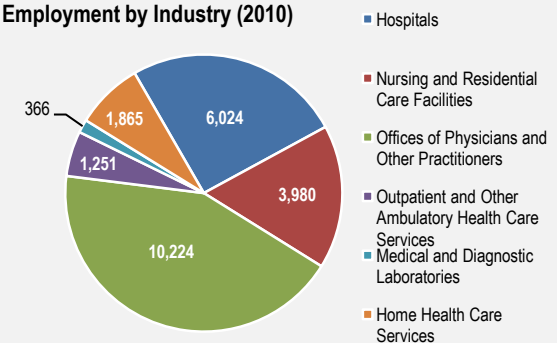
In the county as a whole, total payroll employment has not shown such a steady increase over the period, and indeed experienced a decline during the recession.

**Exhibit 8-1**  
**Health Care Services in Ventura County (2010)**

	# of Establishments
<b>Hospitals:</b>	
General Medical and Surgical Hospitals <sup>1</sup>	12
Other Hospitals <sup>2</sup>	1
Nursing and Residential Care Facilities	140
Offices of Health Care Practitioners	1,628
Outpatient Care Centers	73
Medical and Diagnostic Laboratories	40
Home Health Care Services	73
<b>TOTAL Establishments</b>	<b>1,963</b>
<b>% of all Ventura Establishments</b>	<b>8.4%</b>

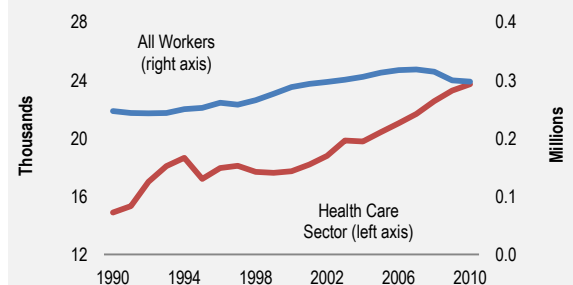
Source: CA EDD  
<sup>1</sup> Includes federal, state and county general medical and surgical hospitals such as VA hospitals  
<sup>2</sup> Includes psychiatric and substance abuse hospitals and specialty hospitals

**Exhibit 8-2**  
**Employment by Industry (2010)**



Source: CA EDD

**Exhibit 8-3**  
**Employment (2010)**



Source: CA EDD

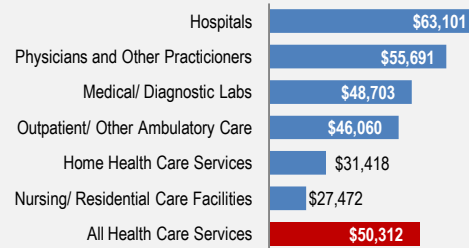
**Wages**

Wages of health care workers vary by industry in Ventura County, as shown in Exhibit 8-4. Average wages were highest in hospitals in 2010, reaching \$63,101 annually, and lowest in nursing and residential care facilities where workers earned an average of \$27,472 in 2010.

Overall, the average annual wage in the health care industry in Ventura County in 2010 was \$50,312.

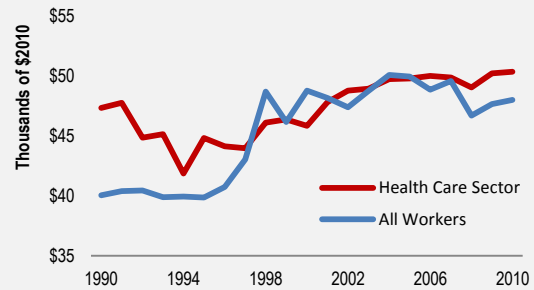
The purchasing power of earnings in the health care sector has been improving since 1994 when they reached a low. The average real wages for all workers in Ventura County fell during the recession and are now below that for the health care sector. ❖

**Exhibit 8-4**  
**Average Annual Wages by Industry (2010)**



Source: CA EDD

**Exhibit 8-5**  
**Average Annual Wages**



Source: CA EDD

## Ongoing Operations of Hospitals in Ventura 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 Ventura County is shown in Exhibit 8-6. 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 10 reporting hospitals in Ventura County reported 1,732 licensed beds and 1,570 available beds with an average occupancy rate of 60.6 percent. These hospitals combined provided over 347,000 inpatient days, with acute care accounting for nearly 74 percent. The average length of stay for patients who stayed at least one night was 5.1 days.

Total discharges numbered 68,678 (although some of these were inter-institutional transfers). There were more than 1.5 million outpatient visits to hospitals in Ventura County, only 14 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 8-7.

These hospitals received \$1.3 billion in net patient revenue and \$149 million in other revenue. Together they spent more than \$544 million in purchases, including services and supplies, much of which was spent within the Ventura County region. In addition to this spending, \$474 million was paid in wages and salaries, with an additional \$197 million in employee benefits. Moreover, \$71 million was paid to physicians and \$28 million was paid for other professional services.

### **Exhibit 8-6 Ventura County Hospitals (2010)**

Hospitals reporting <sup>1</sup>	10
<b>Beds:</b>	
Licensed	1,732
Available	1,570
<b>Occupancy Rates:</b>	
Licensed Beds	54.9%
Available Beds	60.6%
<b>Patients Days:</b>	
Acute Care	255,102
Psychiatric Care	36,634
Chemical Dependency	7,807
Rehabilitation	47,466
Long-term Care	0
Total	347,009
<b>Average Length of Stay</b>	5.1
<b>Discharges</b>	68,678
<b>Outpatient Visits:</b>	
Emergency Room	214,990
All Other Outpatients	1,300,910
Total	1,515,900

Source: California Office of Statewide Health Planning and Development

<sup>1</sup> Excludes Kaiser Foundation hospitals, California State hospitals and hospitals of the Department of Veterans Affairs

### **Exhibit 8-7 Economic Activity of Hospital Operations (2010)<sup>1</sup>**

	<b>\$ millions</b>
Net Patient Revenue	\$ 1,297.7
Other Operating Revenue	8.2
Non-Operating Revenue	140.6
<b>Purchases:</b>	
Supplies	\$ 213.8
Services	155.8
Leases and rentals	19.8
Other	154.9
Salaries and wages	\$ 474.1
Employee benefits	197.4
Physician professional fees	70.9
Other professional fees	28.1

Source: California Office of Statewide Health Planning and Development

<sup>1</sup> 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 \$1.4 billion.

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

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

<b>Estimated Annual Revenue (\$ billions)</b>	<b>\$ 1.4</b>
<b>Total Economic Contribution:</b>	
Output (\$ billions)	\$ 3.1
Employment (jobs)	21,100
Labor income (\$ billions)	\$ 1.3
<b>Total Fiscal Contribution (\$ billions):</b>	
Income taxes (including profits taxes)	\$ 44.4
Sales taxes	41.5
Property taxes	46.0
Fees and fines	17.2
Social insurance	5.1
Other taxes	8.2
<b>Total *</b>	<b>\$ 162.4</b>

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

The hospital industry in Ventura County contributed \$3.1 billion in total economic output and supported 21,100 full- and part-time jobs with total labor income (including benefits) of \$1.3 billion.

We estimate that the sector generated \$162 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 8-9.

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 8-9**  
**Economic Contribution by Industry Sector**

<b>Sector</b>	<b>Employment</b>	<b>Output (\$ millions)</b>
Agriculture	46	\$ 5
Mining	18	4
Utilities	37	29
Construction	107	14
Manufacturing	326	160
Wholesale trade	296	52
Retail trade	1,461	108
Transportation and warehousing	259	30
Information	204	80
Finance and insurance	1,144	223
Real estate and rental	1,302	372
Professional, scientific and technical services	770	95
Management of companies	183	33
Administrative and waste management	1,467	80
Educational services	244	15
Health care and social assistance	10,930	1,592
Arts, entertainment and recreation	240	15
Accommodation and food services	1,011	61
Other services	883	64
All others	177	33
<b>Total *</b>	<b>21,100</b>	<b>\$ 3,064</b>

\* 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 \$79,526 and \$30,027 respectively.

The occupational distribution of the total jobs is shown in Exhibit 8-10.

#### **Exhibit 8-10**

#### **Aggregated Occupational Distribution of Operations Jobs (Ventura County)**

<b>Occupational Description</b>	<b>Employment</b>	<b>Average Annual Wage</b>
Management	928	\$ 116,694
Business & financial operations	869	69,692
Computer & mathematical science	334	80,586
Architecture & engineering	101	88,642
Life, physical, & social science	125	73,015
Community & social services	380	50,051
Legal	114	125,522
Education, training, & library	263	56,045
Arts, design, entmt, sports, & media	187	58,325
Healthcare practitioners & technical	5,470	79,526
Healthcare support	1,548	30,027
Protective service	238	56,245
Food preparation & serving	1,356	22,105
Building & grounds cleaning & maint	1,010	27,939
Personal care & service	459	26,988
Sales & related	1,543	37,681
Office & administrative support	3,951	37,430
Farming, fishing, & forestry	34	20,990
Construction & extraction	196	48,118
Installation, maintenance, & repair	671	48,206
Production	544	34,125
Transportation & material moving	780	31,743
<b>All Occupations</b>	<b>21,100</b>	<b>\$ 48,469</b>

\* 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 Ventura 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 Ventura County in 2010, including direct, indirect and induced activity, is shown in Exhibit 8-11.

**Exhibit 8-11**  
**Economic and Fiscal Impact of Hospital Industry Construction Spending (Ventura County, 2010)**

<b>Estimated Construction Spending (\$ billions)</b>	<b>\$ 11.0</b>
<b>Total Economic Impact:</b>	
Output (\$ billions)	\$ 22.6
Employment (jobs)	150
Labor income (\$ billions)	\$ 8.0
<b>Total Fiscal Impact (\$ billions):</b>	
Income taxes (including profits taxes)	\$ 0.3
Sales taxes	0.2
Property taxes	0.3
Fees and fines	0.1
Social insurance	0.0
Other taxes	0.0
<b>Total *</b>	<b>\$ 1.0</b>

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

Construction spending by the hospital industry in Ventura County in 2010 generated \$22.6 million in total economic output and supported 150 full- and part-time jobs, with total labor income (including benefits) of \$8 million. We estimate that this spending generated \$1.0 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 8-12. 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 8-12**  
**Impact of Construction Spending by Industry Sector (Ventura County, 2010)**

<b>Sector</b>	<b>Employment</b>	<b>Output (\$ millions)</b>
Agriculture	0	\$ 0
Mining	0	0
Utilities	0	0
Construction	75	11
Manufacturing	7	2
Wholesale trade	3	1
Retail trade	9	1
Transportation and warehousing	2	0
Information	1	1
Finance and insurance	7	1
Real estate and rental	4	2
Professional, scientific and technical services	12	1
Management of companies	1	0
Administrative and waste management	6	0
Educational services	2	0
Health care and social assistance	8	1
Arts, entertainment and recreation	2	0
Accommodation and food services	6	0
Other services	6	0
All others	1	0
<b>Total *</b>	<b>150</b>	<b>\$ 23</b>

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

As seen with the economic impact of ongoing operations, many other 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. ❖