

Local health care centers foster economic growth

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UTICA, May 13, 2009 - Utica's not-for-profit medical facilities help bring big profit to the Mohawk Valley through a multitude of different factors.

The financial and social contributions of St. Elizabeth Medical Center (SEMC) and the Faxton-St. Luke's Healthcare (FSLH) facilities can be as essential to the community as the medical services they provide, experts and hospital officials said.

Andrew Marietta of the New York Council of Non-Profits said people often recognize the charitable contributions of non-profits, but not their economic role.

"The one piece people either ignore or don't understand is that whole economic impact," Marietta said. "...All the dollars they actually bring in, they spend throughout the community."

St. Elizabeth Medical Center

Matthew Babcock, Vice President and Chief Operating Officer of SEMC, said that the hospital fosters fiscal growth by:

- Employing about 1,950 direct employees.
- Spending \$189 (2008 figure) million annually on items such as improvements to the facility, payroll for employees, and ordering supplies and equipment.

Through the combination of these costs the hospital provides work to health care employees and local contractors.

It also stimulates the retail market through direct ordering and paycheck distribution.

SEMC has generated even more income for the local community with their College of Nursing, School of Radiography, and Family Practice Residency Program (FPR), Babcock said.

Over 50 percent of the FPR students stay in the local community and become health care providers in the Mohawk Valley, he said.

"We have trained an awful lot of people in the community to provide healthcare," Babcock said. "...Students contribute to the local community through renting, purchasing food, shopping."

Michael DuRoss, an RN at the hospital and one-year alumni of the College of Nursing, said right after graduation St. Elizabeth Medical Center offered him a job. DuRoss said he chose health care because of the pay scale, benefits, and

job opportunities available.

Some of the graduates go on to work at one of the 14 community medicine locations that SEMC established throughout the region. There are six locations in Utica alone, all of which provide even more economic stimulation to the city.

“Utica is the base and we radiate out,” Babcock said.

Faxton St. Luke’s Healthcare

FLSH’s contribution to Utica and the surrounding areas is also substantial.

FSLH has two campuses; Faxton on Sunset Ave. in Utica and St. Luke’s on Champlin Ave. in New Hartford. Michael Haile, Senior Vice President and Chief Financial Officer for FSLH, said their facilities directly benefit the local community by:

- Employing 3,500 employees between the two locations
- Issuing \$108 million annually in employee paycheck and \$26 million worth of employee benefits
- Spending an estimated yearly sum of \$45 million of locally ordered supplies
- Spending an average of \$12 million on capital investments that employee contractors

FSLH also provides assets to community members through a variety of programs and support groups.

“We’re a great resource for the community,” Wendy Bartlett, Director of Communications for FSLH, said. “We have all kinds of experts here and dozens of educational programs on a regular basis.”

Some program topics include:

- breast cancer education
- breastfeeding classes
- cancer education
- diabetes education
- sibling preparation classes
- women’s health
- tobacco cessation

FSLH also houses a Women’s resource center and provides support groups for Breast Cancer survivors, obesity treatment and prevention patients, Cancer patients and family members, Lymphedema, and Prostrate Cancer survivors and their loved ones.

Free Care

On top of that SEMC and FSLH provide millions to the local community in free health care every year.

The free health care figures encompass two branches; charity care and bad debt.

Both establishments test the ability for their patients to pay their bill based on a number of variables. If it is determined that the patient does not have the economic ability to pay their costs they are placed in charity or uncompensated care programs.

Free care from bad debt comes from medical bills that were not paid by the patient. After time the hospital writes off the delinquent bill and takes the loss.

Last year SEMC provided over \$8 million in free care.

FSLH provided \$10.8 million.

These figures do not include the losses the facilities take as a result of what the health insurance companies pay versus the actual costs of treatment.

Babcock said that despite all the benefits non-profit health care facilities have provided, he still hears people complain about them having the benefit of being tax free.

He said he often hears people ask what not-for-profits give back to the local community.

SEMC non-profit status allows them to do such things as sponsor community events, encourage employee volunteering, and provide education to students and seniors, Babcock said.

"I can tell you all the great things not-for-profits do, but I think that's not what they really struggle with," Marietta said. "It's trying to get people to look at them as a business and trying to get people to understand the integral role they play in the community."

"They are not just about life within the community, but they are the life of the community," he said.