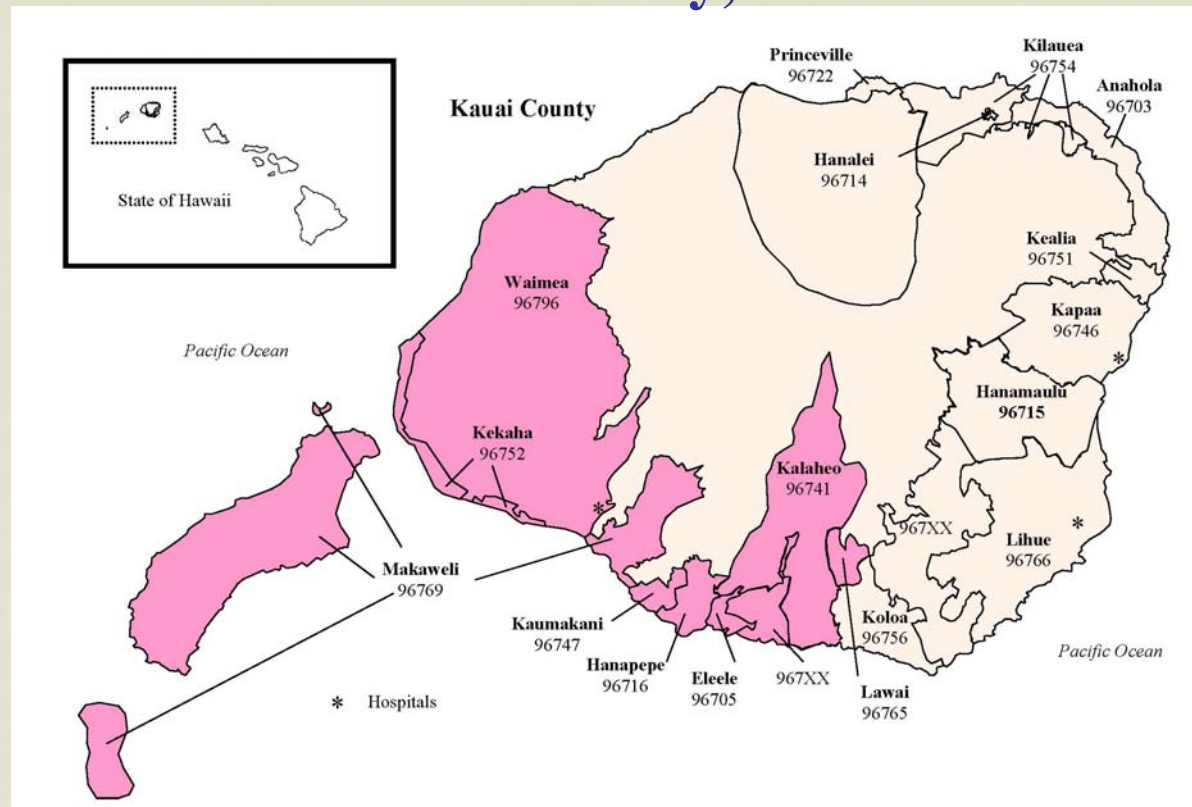


The Economic Impact of Kaua'i Veterans Memorial Hospital and West Kaua'i Clinics on the Medical Service Area in Kaua'i County, Hawai'i



Prepared by:

National Center for Rural Health Works
Oklahoma State University
October 2007

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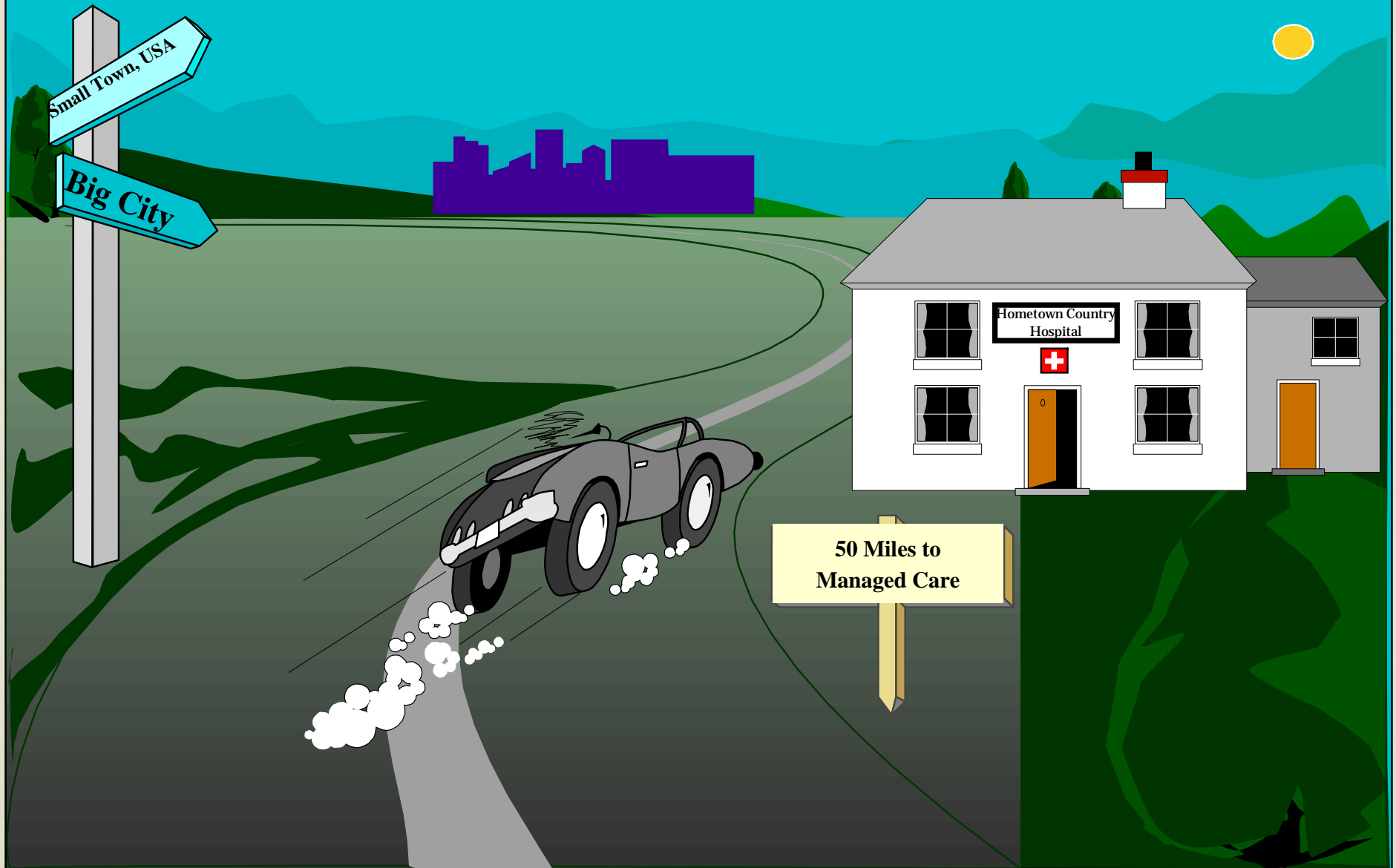
Kaua'i Veterans Memorial Hospital and West Kaua'i Clinics
and
Hawai'i State Department of Health
Hawai'i State Office of Rural Health

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Movement to Managed Care May Cause a By-Pass of Local Health Care



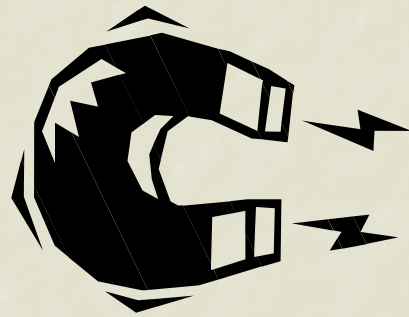
Health Services Promote Job Growth



Health Services Foster Rural Development



Health Services Attract Retirees



Services that Impact Rural Development

Type of Growth	Services Important to Attract Growth
Industry and Business	Health and Education
Retirees	Health and Safety

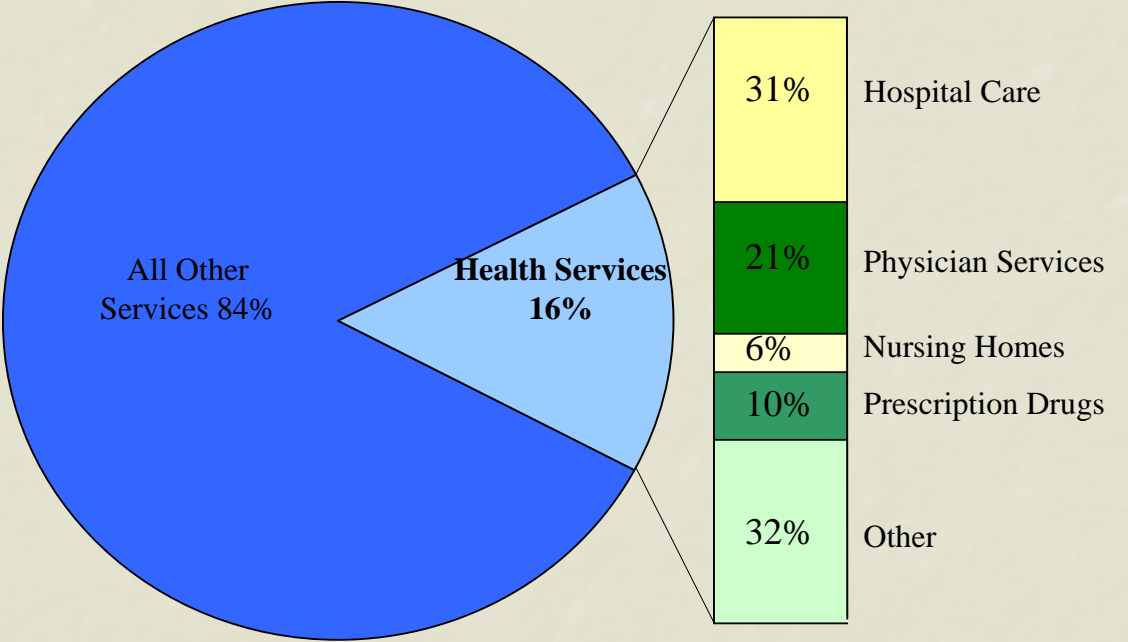
**United States Health Expenditures and Employment Data
for 1970-2005; Projected for 2008, 2012 & 2016**

United States Data					
Year	Total Health Expenditures (\$\$ Billions)	Per Capita Health Expenditures (\$\$)	Health as % of GDP (%)	Health Sector Employment (000)	Ave. Annual Increase in Employment (%)
1980	253.9	1,102	9.1%	5,278	7.3%
1990	714.0	2,813	12.3%	7,814	4.8%
2000	1,353.3	4,790	13.8%	10,103	2.9%
<hr/>					
2003	1,733.4	5,952	15.8%	11,817	N/A
2005	1,987.7	6,697	16.0%	12,314	2.1%
Projections					
2008	2,420.0	7,957	16.5%		
2012	3,173.4	10,110	17.9%		
2016	4,136.9	12,782	19.6%		

**National Health Expenditures
as a Percent of Gross Domestic Product and by Health Service Type, 2005**

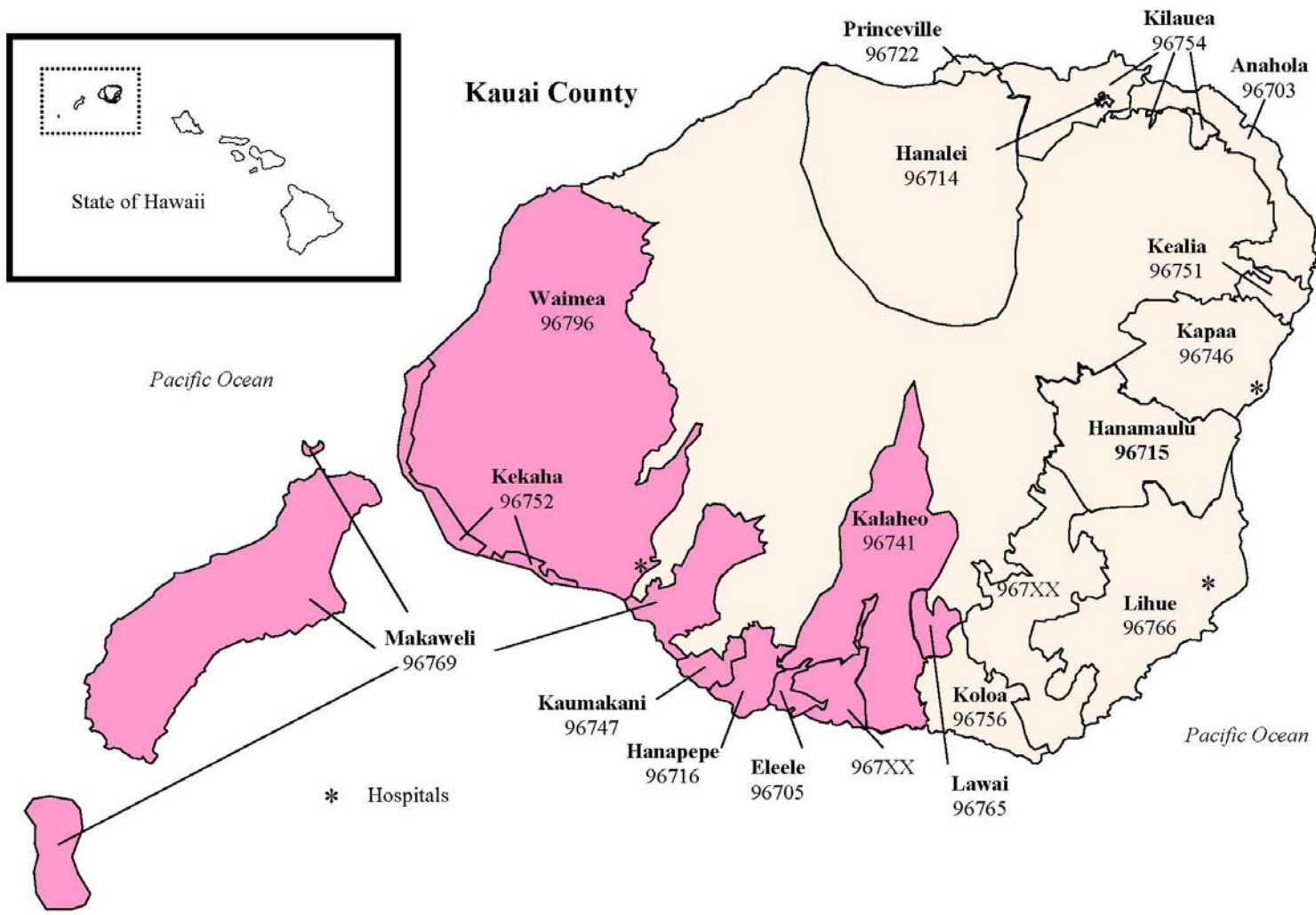
**National Health Care
Expenditures**

\$2.0 trillion



National Gross Domestic Product

Type of Health Service



Medical Service Area

Kauai Veterans Memorial Hospital and West Kauai Clinics

**Medical Service Areas by Zip Code Population for
Kauai Veterans Memorial Hospital**

Zip Code	Zip Code Area	2000 Census	Populations				
			2000 ESRI	2006 ESRI	% Chg	2011 ESRI	% Chg
96705	Eleele	1,955	2,161	2,353		2,478	
96716	Hanapepe	2,475	2,649	3,032		3,245	
96741	Kalaheo	6,277	5,299	5,660		5,918	
96747	Kaumakani	607	542	555		572	
96752	Kekaha	2,930	3,231	3,330		3,437	
96765	Lawai	n/a	n/a	n/a		n/a	
96769	Makaweli	638	638	622		636	
96796	Waimea	2,205	1,663	1,725		1,781	
Total MSA		17,087	16,183	17,277	6.8%	18,067	4.6%

**Economic Indicators for Kauai County,
the State of Hawaii, and the Nation**

Indicator	Kauai County	State of Hawai'i	United States
Per Capita Income (2005)	\$29,101	\$34,489	\$34,471
Unemployment Rate (2006)	2.3%	2.4%	4.6%
Unemployment Rate (July 2007)	2.8%	2.9%	4.9%
% of All People in Poverty (2004)	8.6%	9.0%	12.7%
% of Under Age 18 in Poverty (2004)	10.4%	10.8%	17.8%
Transfer Dollars as Percentage of Total Personal Income (2005)	16.7%	12.8%	14.9%

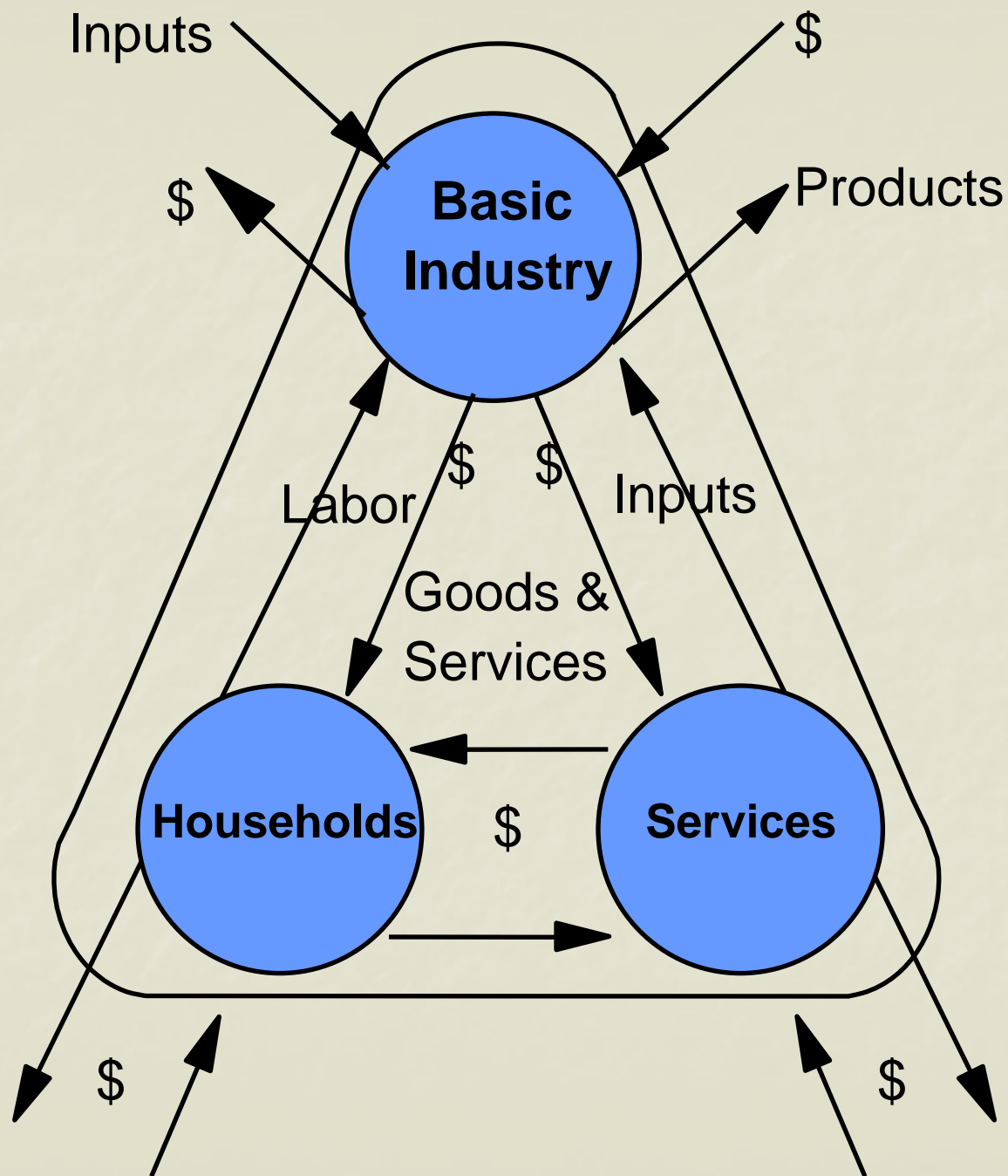
Transfer Payments (NAICS) for Kaua'i County and State of Hawai'i, 2005

Employment Categories	Kaua'i County		State of Hawai'i	
	Dollars (\$1,000)	% of Total	Dollars (\$1,000)	% of Total
Total transfer payments (\$1,000)	<u>302,946</u>	<u>100.0%</u>	<u>5,603,084</u>	<u>100.0%</u>
Govt payments to individuals	<u>290,780</u>	<u>96.0%</u>	<u>5,363,384</u>	<u>95.7%</u>
Ret & disab ins benefit pymts	<u>114,592</u>	<u>37.8%</u>	<u>2,202,523</u>	<u>39.3%</u>
Medical pymts	<u>131,753</u>	<u>43.5%</u>	<u>2,191,382</u>	<u>39.1%</u>
Medicare	48,622	16.0%	1,032,782	18.4%
Public assist medical care	82,508	27.2%	1,129,486	20.2%
Military medical ins pymts	<u>623</u>	<u>0.2%</u>	<u>29,114</u>	<u>0.5%</u>
Income maint benefit pymts	<u>30,322</u>	<u>10.0%</u>	<u>632,192</u>	<u>11.3%</u>
Unemp ins benefit pymts	<u>5,332</u>	<u>1.8%</u>	<u>93,217</u>	<u>1.7%</u>
Vtrns benefit pymts	<u>7,513</u>	<u>2.5%</u>	<u>196,847</u>	<u>3.5%</u>

**Direct Economic Activities
of the Kauai Veterans Memorial Hospital and West Kauai Clinics, FY 2007**

Health Sector Component	Total Full-Time & Part-Time Employment	Income (Payroll plus Benefits)
West Kauai Medical Center	156	\$10,716,639
Physician Clinics	38	\$1,886,861
Other Medical and Health Services	<u>31</u>	<u>\$2,174,668</u>
Total Direct Economic Activities of Kauai Veterans Memorial Hospital and West Kauai Clinics	<u>225</u>	<u>\$14,778,168</u>

Community Economic System



**Employment Impact of Health Services
of Kauai Veterans Memorial Hospital and West Kauai Clinics, HI 2007**

Health Care Entity	Number of Employees	Employment Multiplier	Secondary Impact	Total Impact
West Kauai Medical Center	156	1.38	59	215
Physician Clinics	38	1.42	16	54
Other Medical and Health Services	<u>31</u>	1.42	<u>13</u>	<u>44</u>
Totals	<u><u>225</u></u>		<u><u>88</u></u>	<u><u>313</u></u>

**Income Impact of Health Services
of Kauai Veterans Memorial Hospital and West Kauai Clinics, HI 2007**

Health Care Component	Income	Income Multiplier	Secondary Impact	Total Impact
West Kauai Medical Center	10,716,639	1.24	\$2,571,993	\$13,288,632
Physician Clinics	1,886,861	1.18	\$339,635	\$2,226,496
Other Medical and Health Services	<u>2,174,668</u>	1.31	<u>\$674,147</u>	<u>\$2,848,815</u>
Totals	<u>\$14,778,168</u>		<u>\$3,585,775</u>	<u>\$18,363,943</u>

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