



**American Hospital  
Association**

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**NEW ANALYSIS FINDS THAT POTENTIAL MEDICARE CUTS  
COULD LEAD TO NEARLY 200,000 JOBS LOST**

**WASHINGTON** (September 9, 2011) – A new analysis by Tripp Umbach, a firm specializing in conducting economic impact studies, finds that 194,000 jobs could be lost if the Joint Select Committee fails to come to a compromise on spending cuts and a sequestration occurs. The Medicare program would be subject to a two percent cut that translates to a projected loss of approximately \$41 billion over the next 10 years for hospitals. By 2021, this could lead to more than 194,000 jobs lost.

Last night President Obama shared with the nation his plan to create jobs to get the economy moving again. America's hospitals have long been an economic mainstay providing stability and growth even during times of recession. The newest data from the Bureau of Labor Statistics show that hospitals were one of the few bright spots for workers in August, adding 8,000 jobs. Over the past year alone hospitals have created 74,000 jobs.

“As Congress looks for ways to cut the deficit, we urge lawmakers to first, do no harm,” said AHA President and CEO Rich Umbdenstock. “Reject cuts to hospital services that could create devastating job losses to communities.”

As Congress and the president look for ways to create jobs, they cannot ignore the economic contributions of hospitals:

- Hospitals are the largest component of the health care sector and employ more than 5.4 million people.

- Two out of every three dollars spent on hospital care goes to the wages and salaries of caregivers and other workers.
- The goods and services hospitals and hospital workers purchase from other businesses create additional jobs and economic value for the community.
- Hospitals rank second only to restaurants as the top source of private sector jobs.

“Now is not the time for Congress to make cuts to a sector that is driving economic growth and creating jobs,” added Umbdenstock. “The impact of cuts to hospital care would have ripple effects throughout our nation’s economy.”

The Tripp Umbach study measures the effect of reductions in federal health care funding on both direct and indirect business volume and employment using an economic model developed by the Bureau of Economic Analysis. This model used historical hospital employment patterns from the AHA Annual Survey and information from the Congressional Budget Office on the potential level of cuts.

[The Tripp Umbach report](#) and other resources are available at [www.aha.org](http://www.aha.org)

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### **About the AHA**

The American Hospital Association (AHA) is the national organization that represents and serves all types of hospitals, health care networks, and their patients and communities. Close to 5,000 hospitals, health care systems, networks, other providers of care and 42,000 individual members come together to form the AHA. Founded in 1898, the AHA provides education for health care leaders and is a source of information on health care issues and trends. For more information, visit the AHA Web site at [www.aha.org](http://www.aha.org).

### **About Tripp Umbach**

Founded in 1990, Tripp Umbach is a nationally recognized consulting firm that provides a comprehensive scope of services ranging from research and strategic planning to impact analyses for organizations, communities and corporations throughout the world. Headquartered in Pittsburgh with consulting offices throughout the United States, Tripp Umbach has completed thousands of assignments worldwide and provided the blueprint for its clients to leverage their assets and seize new opportunities. Their work has generated billions of dollars in economic impact.