

**The Comprehensive Economic Development Impacts of
BayCare Health System on the Counties It Serves
and on the State of Florida**

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I. Executive Summary

- BayCare Health System is a catalyst for economic development in West Central Florida and in the State, according to The Washington Economics Group, Inc. (WEG) Comprehensive Economic Impact Study.
- The continued growth of BayCare Health System generates significant economic impacts and social benefits to Pinellas, Hillsborough, Polk and Pasco Counties in West Central Florida.
- As the leading not-for-profit health care System in the West Central Region of Florida, the economic development benefits of BayCare go beyond the quantification of economic impacts on Jobs supported, Household Income, Gross Domestic Product (GDP) and other economic indicators that are presented in this Study. BayCare also generates important qualitative impacts on the standard of living of residents in West Central Florida and the State. Among the so-called “externality benefits” or social impacts that improve the quality of life of residents are the following:
 - BayCare’s operations strengthen the economic development strategy of Florida and the four counties currently served. The principal goal of the strategy is to create an innovation-oriented, high-wage, high-skill economy. BayCare is a key component of this strategy.
 - BayCare indirectly supports the attraction of other high-wage, high-skill industries to the West Central Region and the State. The multifaceted operations of the System and its quality outcomes are crucial in attracting other industries that cluster around the System’s activities.
 - BayCare operations also reduce public-sector costs through civic and community engagement and by providing health services to underserved areas. These costs are reduced through care designed to aid the most vulnerable and decrease the number of community-wide hospital stays.
- In addition to qualitative impacts, BayCare’s growing operations generate significant quantifiable economic impacts on the four Counties served and on the State. These are presented in the sections that follow the assessment of qualitative benefits. **BayCare has a significant \$6.6 billion impact on the State of Florida.** This impact encompasses **over 44,700 jobs supported, \$2.4 billion in Household Income, \$3.5 billion contribution to State GDP each year and over \$780 million in federal, state and local tax revenues generated each year.** The large impacts make the System a top contributor of economic activity and job opportunities in the State and in West Central Florida.

- The largest portion of the economic impacts on the state of Florida is attributable to the hospitals themselves, with **over \$5.2 billion** (or 79 percent) of the statewide impacts. BayCare Medical Group services and ambulatory services are also significant contributors with **\$644 million** and **\$469 million in economic impacts** respectively. The rest of the impacts are attributable to BayCare’s behavioral health and other services.
- The System plans a significant increase in capital investment to continue modernizing facilities and purchasing new state-of-the-art equipment, leading to improvements in operational efficiencies and quality care for patients. Thus, the important economic impacts of BayCare are expected to grow annually. The additional estimated economic impacts from the planned capital expenditures on the State of Florida are **\$1.7 billion** over the next five years.
- **It is critical to highlight that jobs and industries positively impacted by the System operations are concentrated in knowledge-based areas such as healthcare, professional services, Information Technology (IT) and others.** These are higher wage jobs relative to the State average, and supportive of the economic development strategies of both Florida and the four counties served by BayCare.
- In addition to statewide economic impacts, the Study presents economic impacts by each of the four counties served under separate sections. Pinellas and Hillsborough Counties provide a large portion of economic impacts with **\$2.6 billion** and **\$2.2 billion** in total economic impacts, respectively. This is followed by Polk County with **\$541 million** in total economic impacts and Pasco County with **\$263 million**.
- The quantifiable economic impacts of selected individual hospitals within the BayCare Health System were also analyzed. In total these include eleven hospitals: four in Pinellas County, four in Hillsborough County, two in Polk County and one in Pasco County.
- Of these eleven hospitals, the largest impact occurs due to the operations of St. Joseph’s Hospital (co-located with St. Joseph Women’s Hospital and St. Joseph Children’s Hospital) in Hillsborough County, with over \$1.2 billion in Total Economic Impact and 7,600 jobs supported. The next largest impact for individual hospitals occurs due to the operations of Morton Plant Hospital in Pinellas County, with \$941 million in Total Economic Impact and 6,000 jobs.

- Most of the economic impacts of individual hospitals are concentrated in Pinellas and Hillsborough Counties. However, the impacts of individual hospitals on Polk and Pasco Counties are also significant.
- In Polk County, Winter Haven Hospital supports over 3,000 jobs with \$429 million in Total Economic Impact, and Bartow Regional Medical Center supports over 500 jobs with \$71 million in Total Economic Impact. In Pasco County, Morton Plant North Bay Hospital supports over 1,100 jobs with \$164 million in Total Economic Impact.
- The analysis for each county contained in the body of the Study demonstrates the importance of the System to the standard of living of County residents, with annually recurring job opportunities in high-wage industries and the generation of Household Income. Furthermore, the analysis for each county highlights BayCare's role in strengthening the economic development strategy of each area.

In conclusion, the growing BayCare Health System provides significant quantitative economic impacts on the State of Florida as a whole in addition to far-reaching qualitative impacts. Important quantitative and qualitative impacts are also generated within Pinellas, Hillsborough, Polk and Pasco Counties in the West Central Florida Region. Furthermore, planned capital expenditures over the next five years are likely to increase these annually recurring impacts through improving operational efficiencies and quality care for patients.

II. The Economic Development Importance of BayCare Health System on West Central Florida Counties and the State



Background

BayCare Health System is a catalyst for economic development in the four counties of West Central Florida that it serves as well as in the State of Florida as a whole. This Section of the Study by The Washington Economics Group, Inc. (WEG) will present the **qualitative economic development attributes** of the BayCare Health System relative to the West Central Florida Counties of Pinellas, Hillsborough, Polk and Pasco and on the State of Florida. Specifically, this Section will present the BayCare Health System, its hospitals, clinics, urgent care centers, behavioral health services, ambulatory facilities, physician offices and the corporate entity as an innovative leader in the delivery of 21st Century health and wellness care to residents.

BayCare Health System is recognized for its clinical excellence and state-of-the-art facilities with an emphasis on new operational efficiencies that reduce wasteful spending and increase productivity and wellness for the Region. This Section will also present BayCare Health System's contributing role in advancing the Economic Development Strategy of the State of Florida and the counties it serves. As West Central Florida's largest not-for-profit community-based healthcare system, BayCare is a significant driver of quality of life in the State and the many communities it serves in the West Central Florida region. With 14 hospitals and approximately 340 access points, BayCare has a significant impact on the

quality of life for its residents. Thus, the outcomes of BayCare hospitals and clinics are critical to the social well-being of the communities served. In essence, the positive impacts of BayCare go **beyond** the quantifiable economic impacts of the Health System that are presented in the following sections of this Study.

BayCare as a Catalyst

BayCare Health System is an economic driver in the Region. The Tampa Bay Business Journal ranked BayCare as the 2nd largest private employer in Tampa Bay in July 2015. With 14 hospitals, 13 imaging facilities, 10 urgent care centers and 4 ambulatory surgery centers, BayCare is providing critical and extensive care to the counties where it has operations. BayCare Medical Group is the largest multi-specialty physician group in Tampa Bay. Additionally, the BayCare Integrated Service Center is one of the largest distribution centers in West Central Florida.

BayCare also reaches patients directly – and in areas beyond these four primary counties – through BayCare HomeCare. In 2015, BayCare HomeCare conducted more than 845,000 home health care visits. According to *Modern Healthcare*, BayCare HomeCare is the 4th largest not-for-profit home health company in the United States. The large scope of BayCare is essential in determining the economic development importance it has on Florida.

BayCare Health System was founded in 1997 when the leading not-for-profit hospitals in the Tampa Bay Area came together and “united by a common mission to improve the health of all they serve.” In a fast-moving 21st Century global economy, this consolidation among the area’s leading community hospitals was critical not only to compete in the economy, but also to create a synergistic effect to share best practices, improve care for patients in the Region and reduce cost. According to the System:

“BayCare’s hospitals save money by consolidating and sharing duplicative non-patient care services, such as purchasing, human resources, and financial service.”

BayCare Health System

These savings and efficiencies improve quality care and reduce costs for patients. As the West Central Florida Region and the State continue to emerge as a destination for tourists, corporate relocations and new residents, this growth in population further accentuates the need for healthcare services that are both efficient and convenient to access. Therefore, BayCare strongly contributes to economic development in the 21st Century.

The System is also a significant civic contributor to its communities. In 2015, BayCare provided close to \$267 million, which includes more than \$96 million in traditional charity care, more than \$15 million in unbilled community services and over \$150 million in Medicaid and other means-tested programs.¹ This community benefit is important as it reduces the burden on government services, providing quality care in the underserved areas.

Through community service, education and volunteerism, BayCare provides significant “externality benefits” that accrue to the society and communities it serves. This is a vital attribute **beyond** the quantification of economic impacts resulting from the System’s operations. Principal “externality benefits” of the System are illustrated in the matrix below.



BayCare’s Preeminence

BayCare Health System is a preeminent health care provider in Florida. This is exemplified by the numerous awards, certifications, designations and recognition received by the various hospitals and centers under BayCare’s System such as:

- Agency for Health Care Administration: Comprehensive Stroke Centers
- American College of Radiology (ACR) Breast Imaging Center of Excellence
- American College of Surgeons: Commission on Cancer

¹<https://baycare.org/about-us/community-benefit>

- American Heart Association/American Stroke Association Get with the Guidelines®
- Baby-Friendly Designation
- Bariatric Center of Excellence: American College of Surgeons and American Society for Metabolic & Bariatric Surgery
- EPA ENERGY STAR Certification
- The Joint Commission: Spine Surgery Certification
- HomeCare Elite
- Intersocietal Commission for the Accreditation of Echocardiography Laboratories
- LEED® Certification
- National Accreditation Program for Breast Centers
- Society of Cardiovascular Patient Care: Chest Pain Accreditation
- The Joint Commission: Primary Stroke Center Advanced Certification
- Thomson Reuters 100 Top Hospitals

This focus and commitment to excellence has a profound economic multiplier for the counties served. The System not only has won awards in health-related care for its patients, but it was also named by Forbes as a top employer to work for in 2016.² Furthermore, according to Tampa Bay's Economic Development Organization, Life Sciences & Healthcare is a target industry for growth, which correlates directly with BayCare's activities.

BayCare Health System, beyond providing high quality healthcare for the patients it serves, is also operationally efficient. These efficiencies are critical for economic development, allowing human capital to be more productive. Patients at BayCare are served at a faster pace allowing for more time for their other activities. The System has created an internal team of over 20 managers and leaders that are proficient in SixSigma, Lean and other quality improvement methodologies. This emphasis on efficiencies allows BayCare to focus more on quality, cost savings to the end user and gives more freedom to patients by reducing the time of delivery of services.

BayCare's Synergistic Effect on Economic Development Efforts

As the West Central Region's largest healthcare system, BayCare is well-positioned to attract businesses, companies and health-related entrepreneurs from around the world to the area. Executives and companies understand the opportunity of having world-class physicians, researchers and the best up-to-date facilities close to them. Currently, *"14 percent of biotech*

²<https://baycare.org/newsroom/2016/april/04/baycare-named-a-forbes-top-employer-2016?currentPage=3&newsType=%7B631F926B-821E-430C-9915-60857CF97DE4%7D>

*companies and 22 percent of the State's pharmaceutical and medicine manufacturing workforce call the Tampa Bay region home.*³ This is likely to increase alongside the expansion and growth of a system like BayCare, especially with its leading reputation and commitment to excellence. These attributes have significant industry-clustering impacts that go beyond the operations of the System.

As the West Central Florida Region economy is increasingly integrated, BayCare is a unique system that extends beyond the traditional borders of the Tampa Bay Region, serving Polk County residents with two hospitals, physician practices and other ancillary services. According to the Central Florida Development Council (Economic Development arm of Polk County), Life Sciences & Medical Services are target industries for the County. Plus, BayCare's presence in the County is featured as an employer in the County.⁴ Thus, it is important for the Region (Polk County) to have preeminent state-of-the-art facilities and patient services institutions to attract and retain businesses, high-skilled and high-wage talented employees and life sciences entrepreneurs.

According to Enterprise Florida⁵, at the State level, Florida has one of the most sophisticated healthcare systems in the country. With a fast-growing and aging population, BayCare Health System is well-positioned to serve the residents of West Central Florida and the State. Many of the areas served by BayCare facilities are located near prominent retiree communities in Florida. As the Baby Boomer generation continues to age, they need top notch health care services.

In understanding the significance of BayCare Health System to the economic development of the State, it is meaningful to also review the State's six economic drivers or "pillars" as developed by Enterprise Florida and the Florida Chamber Foundation. An innovative health system, with a high focus on competency and efficiency, is well-suited to be an economic catalyst for the State. BayCare activities support all of the six pillars. These include:

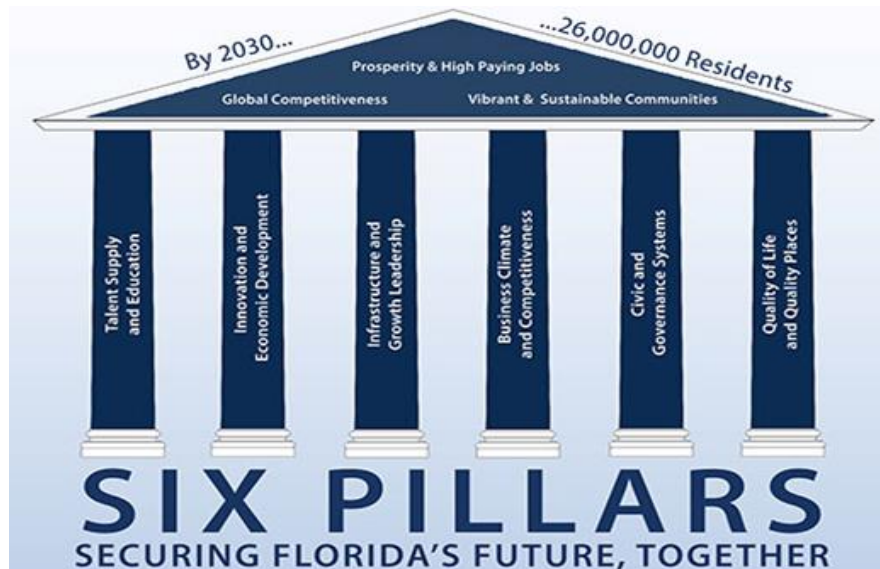
1. Talent Supply and Education
2. Innovation and Economic Development
3. Infrastructure and Growth Leadership
4. Business Climate and Competitiveness
5. Civic and Governance Systems
6. Quality of Life and Quality Places

³<http://tampaedc.com/life-sciences/>

⁴<http://www.cfdc.org/Key-Industries/Life-Sciences-Medical-Services.aspx>

⁵<https://www.enterpriseflorida.com/wp-content/uploads/brief-life-sciences-florida.pdf>

The pillars serve as the principal goals of the economic development strategy of Florida. Among these are high-paying, high-skilled jobs, vibrant and sustainable communities and global market competitiveness. The six pillars that form the goals of the Economic Development Strategy of Florida are presented in the matrix on the following page.



Source: Florida Chamber Foundation.

Conclusion

In conclusion, BayCare Health System is a catalyst for economic development in the four counties it serves and in Florida as a whole. BayCare is well-positioned to compete in the global economy, attract top physicians and researchers and to employ high-wage, high-skilled individuals. These attributes add to the quality of life in the communities it serves, creating an attractive Region for residents to “Live-Work-Play.” Therefore, BayCare Health System is an economic development catalyst for Florida and specifically the West Central Florida Region. The importance of BayCare will grow as Florida’s population and economic activity continues to diversify and expand.

The **quantification** of economic impacts utilizing widely used and professionally accepted methodologies from the current operations of BayCare Health System are presented in the following sections. BayCare is a top generator of high-wage employment, Household Income and other quantifiable economic indicators as will be discussed.

III. The Annually Recurring Economic Impacts of BayCare Health System's Ongoing Operations Contribute Significantly to the Economic Well-Being of Florida

BayCare Health System (BayCare) is the 2nd largest private employer in Tampa Bay according to the Tampa Bay Business Journal. The ongoing operations of BayCare are significant and growing in the Counties served and in the State, resulting in employment opportunities for local residents. BayCare operations increase the Region's Gross Domestic Product (GDP), leading to greater economic productivity through economies of scale and agglomeration, and through additional operating revenues of business establishments within the Region that provide the System with a variety of goods and services.

The IMPLAN Group, LLC. (IMPLAN) developed the software and basic data needed to formulate the economic multiplier model used for this Study. IMPLAN has been providing economic multiplier models for regional economic impact analysis since 1985⁶. Models developed using IMPLAN software have been widely used by private-sector, academic economists, and by Federal, State and local government agencies to measure the impacts of specific economic activities. **All impacts are estimated on a recurring annual basis** unless otherwise specified, and were estimated based on BayCare's total expenditures for 2015.

Methodology

Economic models that explicitly account for inter-industry linkages (supply relationships), the generation of labor and capital income and the spending of household income have been used since the 1960's to estimate the contribution that a particular business or industry makes to the general economy. These "input-output" models recognize that as an industry experiences an increase in the demand for its products or services, it in turn needs more goods and services from its suppliers and must increase its purchases from other industries in the economy. The effect on regional production resulting from successive rounds of inter-industry linkages is referred to as the *indirect effect*. The resulting increases in regional production also lead to expansions in employment and household income, and the increases in labor income lead to increases in consumer spending, further expanding sales and production throughout the regional economy. The latter economic impacts are referred to as the *induced effects*. The successive waves of production, spending and more production result in *economic multiplier effects*, where the final or total increase in regional production, income and employment, respectively is larger than the initial (or "direct") increase in production, income and employment. The total quantitative economic contribution of these activities, therefore, is comprised of a *direct effect*, an *indirect effect* and an *induced effect*.

⁶Information on the IMPLAN Group, LLC models and the company history can be found at www.implan.com.

The following sections quantify the economic impacts of BayCare’s operating and capital expenditures on the economy of Florida as well as in each of the economies of Pinellas, Hillsborough, Polk and Pasco Counties.

A. *BayCare is an Important Contributor to Overall Economic Growth and the Well-Being of Florida Residents*

BayCare provides a variety of different health services throughout Florida. These services can be broadly separated into five different categories: ambulatory services, hospital services, BayCare Medical Group (BMG) or physician services, behavioral health services, and other. The economic impacts of each of these service lines are presented in Table 1 below.

Impact on:	Ambulatory	Hospital	Physician /BMG	Behavioral Health	Other	Total Impact
Employment (Jobs)*	3,400	34,266	4,494	900	1,686	44,746
Household Income (\$ Mill.)	\$181	\$1,900	\$245	\$50	\$54	\$2,429
Gross Domestic Product (GDP \$ Mill.)	\$256	\$2,788	\$352	\$71	\$74	\$3,540
Federal, State & Local Tax Revenues (\$ Mill.)	\$57	\$618	\$78	\$16	\$15	\$784
Total Economic Impact (\$ Mill.)	\$469	\$5,206	\$644	\$129	\$169	\$6,617

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc. (WEG)

The ongoing operations generate economic impacts that extend beyond those *directly* related to the activities occurring at BayCare’s facilities across Florida. These “spillover” or multiplier impacts are the result of each business activity’s supply relationships with other firms operating within the Florida economy, the proportion of business value added⁷ that accrues to households in the form of labor and capital income and the propensity of households to spend income on goods produced within the local area.

The *direct*, *indirect* and *induced* economic impacts of BayCare were calculated using an extended *input-output* model of the Florida economy. These comprehensive economic impacts are separated by service line and summarized in Tables 2 through 6 on the following pages.

⁷“Value added” refers to the difference between business revenues and the cost of non-labor and non-capital inputs used to produce goods and/or services.

Table 2. Summary of the Economic Impacts Generated by BayCare's Ambulatory Services in Florida				
Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	1,579	807	1,013	3,400
Household Income (\$ Million)	\$100	\$38	\$42	\$181
Gross Domestic Product (GDP \$ Million)	\$121	\$59	\$76	\$256
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$57
Total Economic Impact (\$ Million)	\$226	\$110	\$133	\$469
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc.				

Table 3. Summary of the Economic Impacts Generated by BayCare's Hospital Services in Florida				
Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	14,683	8,923	10,660	34,266
Household Income (\$ Million)	\$1,006	\$448	\$446	\$1,900
Gross Domestic Product (GDP \$ Million)	\$1,294	\$695	\$798	\$2,788
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$618
Total Economic Impact (\$ Million)	\$2,520	\$1,282	\$1,404	\$5,206
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc.				

Table 4. Summary of the Economic Impacts Generated by BayCare's Physician (BMG) Services in Florida				
Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	2,002	1,116	1,376	4,494
Household Income (\$ Million)	\$134	\$54	\$58	\$245
Gross Domestic Product (GDP \$ Million)	\$165	\$84	\$103	\$352
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$78
Total Economic Impact (\$ Million)	\$308	\$155	\$181	\$644
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc.				

*The **direct** employment figures within the economic impacts tables do not necessarily equal the total full-time equivalent (FTEs) at the BayCare System. This is due to the IMPLAN input/output (I/O) methodology, which measures **real** (inflation-adjusted) economy-wide impacts based on average wages of the industry and productivity within the given study area.

Table 5. Summary of the Economic Impacts Generated by BayCare's Behavioral Health Services in Florida

Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	399	222	279	900
Household Income (\$ Million)	\$27	\$11	\$12	\$50
Gross Domestic Product (GDP \$ Million)	\$33	\$17	\$21	\$71
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$16
Total Economic Impact (\$ Million)	\$62	\$31	\$37	\$129

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc.

Table 6. Summary of the Economic Impacts Generated by BayCare's Other Services in Florida

Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	1,041	345	300	1,686
Household Income (\$ Million)	\$28	\$13	\$13	\$54
Gross Domestic Product (GDP \$ Million)	\$32	\$20	\$22	\$74
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$15
Total Economic Impact (\$ Million)	\$90	\$40	\$39	\$169

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc.

Table 7. Summary of the Economic Impacts Generated by BayCare's Total Operations in Florida

Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	19,704	11,413	13,628	44,746
Household Income (\$ Million)	\$1,295	\$565	\$569	\$2,429
Gross Domestic Product (GDP \$ Million)	\$1,644	\$875	\$1,021	\$3,540
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$784
Total Economic Impact (\$ Million)	\$3,205	\$1,618	\$1,794	\$6,617

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc.

Table 7 above summarizes the total *direct*, *indirect* and *induced* economic impacts in Florida of all service lines combined. The aggregate economic impacts attributed to BayCare's ongoing and multifaceted operations are important to overall economic growth and the standard of living of Florida residents. As shown in Table 7, about 44,746 jobs for Florida

*Ibid.

residents are supported by BayCare’s current operations, with an estimated Total Economic Impact of more than \$6.6 billion. The following analysis presents the economic impacts on Employment, Household Income, Gross Domestic Product (GDP) and Total Economic Impact by specific industries, as well as Fiscal Revenues generated indirectly from the comprehensive operations of BayCare.

B. An Estimated 44,746 Jobs are Supported in Florida by BayCare’s Ongoing Operations

The ongoing operations of BayCare support 44,746 jobs throughout Florida. Just over 44 percent of the total employment supported by the operations of BayCare are the *direct* jobs of the hospitals and other BayCare facilities; the rest result from *indirect* and *induced* impacts as the System’s operations and spending filters through the economy. Of the 44,746 total jobs supported by BayCare, approximately 77 percent or over 34,000 of them, the great majority, occur in the Knowledge-Based Services sector that generally requires workers with high productivity skills achieved through post-secondary degrees and continuous training.

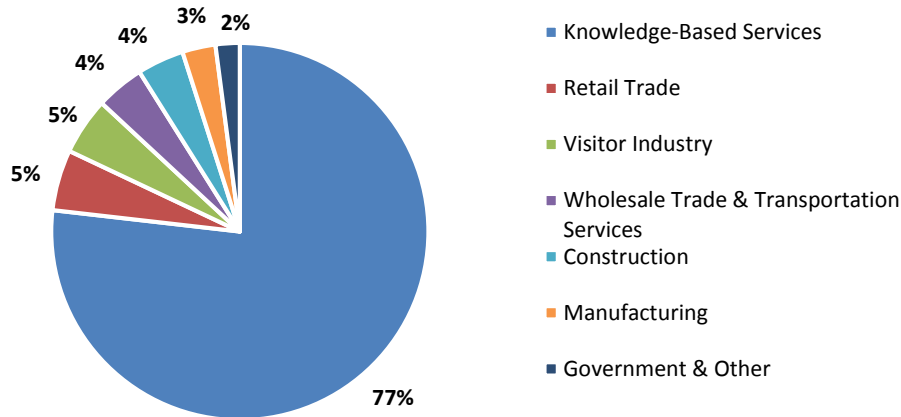
The Knowledge-Based Services sector is emphasized for growth by Florida’s Economic Development Strategy for its contribution to high-wage employment.

This sector includes healthcare and thus many of BayCare’s employees, such as nurses and physicians. In addition, approximately 5 percent are in the Retail Sector, 5 percent are in the Visitor Industry, and 4 percent are in the Wholesale Trade & Transportation Services sector. The remaining jobs are created in the Manufacturing and Construction and Government & Other sectors as presented in Table 8 below and Figure 1 on the next page.

Table 8. Total Jobs Supported by the Operations of BayCare in Florida		
Industry:	Jobs Supported	% of Total
Knowledge-Based Services**	34,370	77%
Retail Trade	2,331	5%
Visitor Industry	2,191	5%
Wholesale Trade & Transportation Services	1,853	4%
Construction	1,798	4%
Manufacturing	1,273	3%
Government & Other	928	2%
Total:	44,746	100%
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc. (WEG)		

**Major industries under this category are: Healthcare Services, Information, Finance and Insurance, Real Estate, Professional, Administrative Services and Arts, Entertainment & Recreation.

Figure 1. Total Jobs Supported by the Operations of BayCare in Florida



Source: The Washington Economics Group, Inc. (WEG)

C. Ongoing Operations Contribute Substantially to the Standard of Living of Florida Residents

Workers in the Knowledge-Based Services sector received approximately \$1.9 billion or 79 percent of the total labor compensation paid as a result of ongoing operations, while the remaining 21 percent of Household Income is generated across all other sectors of the economy. Of this 21 percent, 5 percent is found within the Wholesale Trade & Transportation Services sector, and 4 percent is within the Manufacturing sector. Government & Other, Construction and Retail Trade each comprise 3 percent of the total impact, with the remaining 2 percent of Household Income generated within the Visitor Industry.

Table 9. Household Income Created by the Operations of BayCare in Florida
(\$ Million)

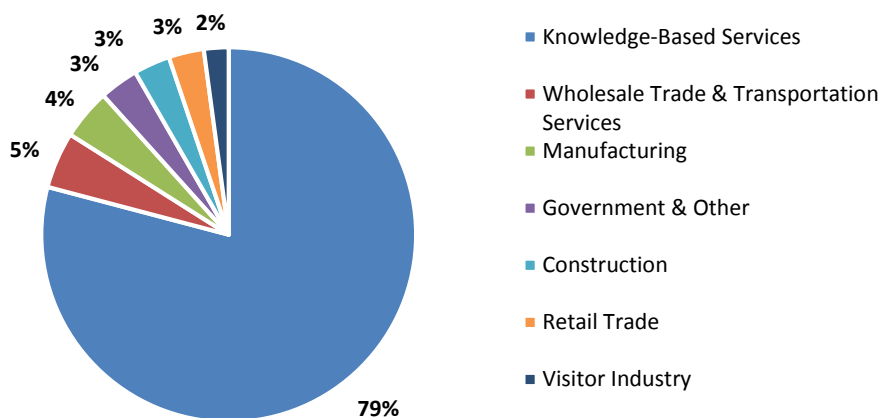
Industry	Total Impact	% of Total
Knowledge-Based Services**	\$1,922	79%
Wholesale Trade & Transportation Services	\$118	5%
Manufacturing	\$106	4%
Government & Other	\$82	3%
Construction	\$76	3%
Retail Trade	\$74	3%
Visitor Industry	\$52	2%
Total:	\$2,429	100%

Note: Total may not equal the sum of all due to rounding.

Source: The Washington Economics Group, Inc. (WEG)

**Ibid.

**Figure 2. Household Income Created by the Operations of
BayCare in Florida**



Source: The Washington Economics Group, Inc. (WEG)

In total, the jobs supported by BayCare's ongoing operations contribute to the standard of living of Florida residents by adding an estimated \$2.4 billion in income to Florida's households as presented in Table 9 on the previous page and Figure 2 above.

D. Gross Domestic Product Impacts: The System's Operations are Important to the Overall Economic Activity in Florida

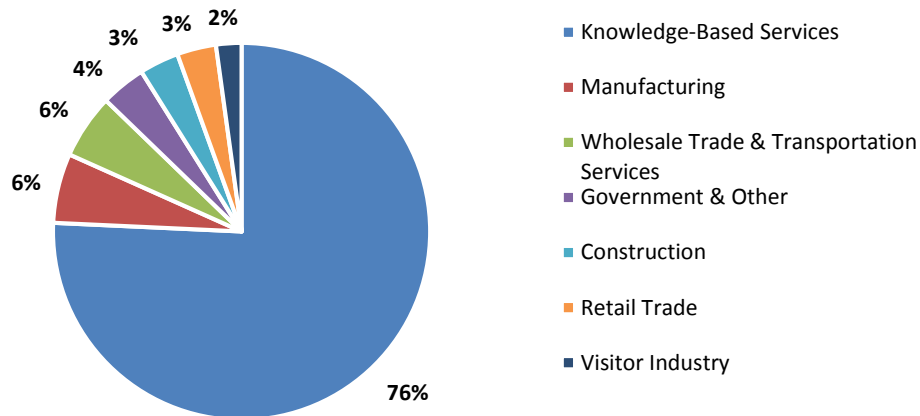
The Gross Domestic Product (GDP) is the commonly accepted measure of the size of an economy and the key economic indicator of a Region. GDP represents the market value of final goods and services produced within the geographic boundaries of the economy. GDP also represents the value added by producers of goods and services in the Region, and is the primary source from which businesses pay their workers, their creditors and their investors.

An important \$2.6 billion or 76 percent of GDP is generated in the Knowledge-Based Services sector, followed by \$211 million or 6 percent in the Manufacturing sector, \$196 million or 6 percent in the Wholesale Trade & Transportation Services sector and \$137 million or 4 percent in Government & Other. The remaining \$316 million or 8 percent are generated in the Construction, Retail Trade and Visitor Industry sectors. The percentage distribution in each industry sector is illustrated in Figure 3 on the following page.

BayCare's operations annually generate an addition of over \$3.5 billion to Florida's GDP as shown in Table 10 on the next page.

Table 10. GDP Impacts Generated by the Operations of BayCare in Florida (\$ Million)		
Industry	Total Impact	% of Total
Knowledge-Based Services**	\$2,681	76%
Manufacturing	\$211	6%
Wholesale Trade & Transportation Services	\$196	6%
Government & Other	\$137	4%
Construction	\$120	3%
Retail Trade	\$119	3%
Visitor Industry	\$77	2%
Total:	\$3,540	100%
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc. (WEG)		

Figure 3. GDP Impacts Generated by the Operations of BayCare in Florida



Source: The Washington Economics Group, Inc. (WEG)

E. The Total Economic Impact Annually Generated in Florida by BayCare's Ongoing Operations is a Significant \$6.6 Billion

Total Economic Impact represents the sum of commercial transactions taking place in the economy. As in the other impact measures, a significant portion of the Total Economic Impact occurs in the Knowledge-Based Services sector representing 72 percent or almost \$4.8 billion of the overall Total Economic Impact. Ten (10) percent of the impact is generated within the Manufacturing sector, and 5 percent is generated within the Wholesale Trade & Transportation Services sector. The remaining 13 percent is distributed among the Construction, Government & Other, Retail Trade and Visitor Industry sectors of the economy.

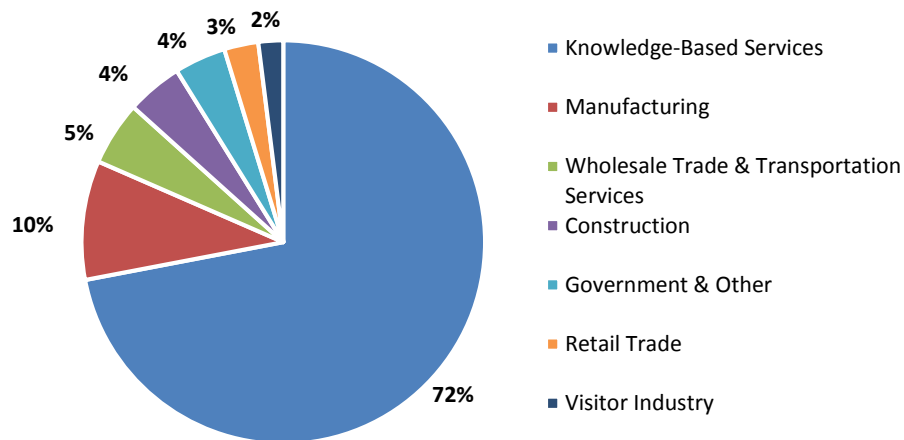
**Major industries under this category are: Healthcare Services, Information, Finance and Insurance, Real Estate, Professional, Administrative Services and Arts, Entertainment & Recreation.

The Total Economic Impact of BayCare’s ongoing operations is estimated at slightly over \$6.6 billion annually for the State of Florida, a significant contribution to the State economy and jobs for residents. This is detailed in Table 11 and in Figure 4 below.

Industry	Total Impact	% of Total
Knowledge-Based Services**	\$4,764	72%
Manufacturing	\$632	10%
Wholesale Trade & Transportation Services	\$339	5%
Construction	\$297	4%
Government & Other	\$273	4%
Retail Trade	\$181	3%
Visitor Industry	\$131	2%
Total:	\$6,617	100%

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc. (WEG)

Figure 4. Total Economic Impact Generated by the Operations of BayCare in Florida



Source: The Washington Economics Group, Inc. (WEG)

F. BayCare’s Operations in Florida Indirectly Generate Important Contributions to Public Revenues

Though a not-for-profit system, there are downstream positive impacts on public revenues from BayCare Health System directly, its team members, and its suppliers. BayCare’s economic impacts *indirectly* generate significant contributions to public-sector revenues,

**Ibid.

with \$580 million or 74 percent flowing to Federal government revenues and the remaining \$204 million or 26 percent allocated to State and local governments. BayCare generates a total of \$784 million in Federal, State and local government revenues as shown in Table 12 below.

Table 12. Fiscal Contributions Arising from the Operations of BayCare in Florida (\$ Million)			
Taxes and Fees Paid By:	Federal	State and Local	Total
Labor	\$276	\$3	\$279
Capital	\$8	\$0	\$8
Indirect Business Taxes	\$23	\$175	\$199
Households	\$208	\$18	\$227
Corporations	\$64	\$8	\$72
Total:	\$580	\$204	\$784
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc. (WEG).			

G. BayCare's Planned Capital Expenditures Will Increase Economic Impacts on Florida Through 2021

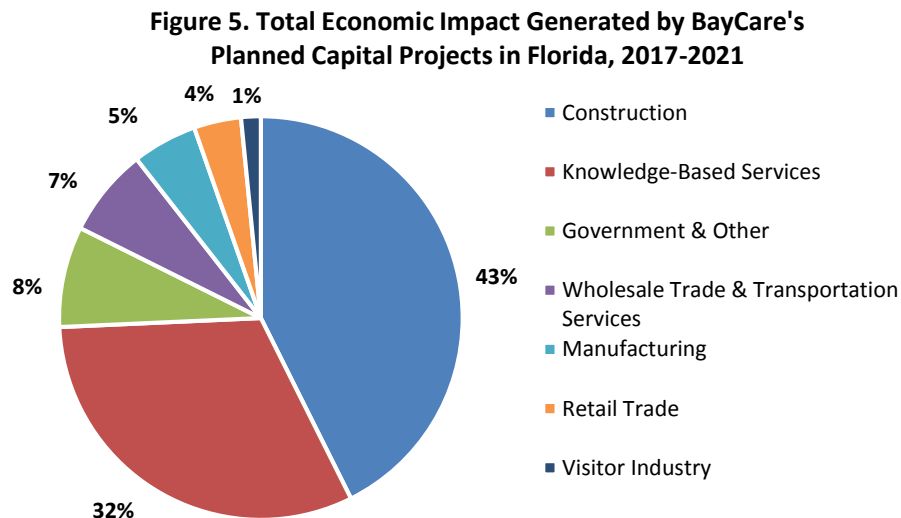
The System plans to increase significantly capital expenditures over the next five years, modernizing and expanding its state-of-the art facilities in Florida. These capital projects (or capital expenditures) are estimated to result in total **cumulative** economic impacts of over \$1.7 billion in the State, starting from the year 2017 through 2021. Once these projects are completed, the new and modernized facilities will contribute significantly to BayCare's operating capacity and thus to the annually recurring economic impacts of the System as previously presented. Table 13 below lists the additional economic impacts of these planned capital projects.

Table 13. Economic Impacts Generated by BayCare's Planned Capital Projects in the State of Florida, 2017-2021						
Impact on:	2017	2018	2019	2020	2021	5-Year Total
Employment (Jobs)	1,188	2,571	3,378	3,138	1,380	11,654
Household Income (\$ Million)	\$56	\$123	\$161	\$150	\$66	\$555
Gross Domestic Product (GDP \$ Million)	\$88	\$191	\$250	\$233	\$102	\$863
Federal, State & Local Tax Revenues (\$ Million)	\$19	\$41	\$54	\$50	\$22	\$187
Total Economic Impact (\$ Million)	\$178	\$389	\$509	\$475	\$208	\$1,759
Note: Total may not equal the sum due to rounding. Source: The Washington Economics Group, Inc. (WEG)						

Around \$750 million or 43 percent of the Total Economic Impact of BayCare’s planned capital projects through 2021 are in construction-related industries. However, a significantly large portion of the impact is generated in the Knowledge-Based Services sector as well, with \$557 million or 32 percent of the impact. The remaining 26 percent of the impacts are generated in the following industries in descending order of importance: Government & Other with 8 percent, Wholesale Trade & Transportation Services with 7 percent, Manufacturing with 5 percent, Retail Trade with 4 percent and Visitor Industry with 2 percent. This is displayed in Table 14 and in Figure 5 below.

Industry	Total Impact	% of Total
Construction	\$750	43%
Knowledge-Based Services**	\$557	32%
Government & Other	\$142	8%
Wholesale Trade & Transportation Services	\$125	7%
Manufacturing	\$91	5%
Retail Trade	\$67	4%
Visitor Industry	\$28	1%
Total:	\$1,759	100%

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc. (WEG)



Source: The Washington Economics Group, Inc. (WEG)

**Major industries under this category are: Healthcare Services, Information, Finance and Insurance, Real Estate, Professional, Administrative Services and Arts, Entertainment & Recreation.

In conclusion, the planned capital expenditures will add significantly to the already large-economic impacts of the System on Florida’s economy through 2021. The significant new capital improvements will also enhance quality care and efficiency throughout the BayCare Health System. Thus, quality of life in the areas served by the System will improve steadily as the System provides new and modernized facilities and equipment to the benefit of its patients.

The following sections of the Study quantify the economic impacts of BayCare for each of the Counties served in the West Central Florida Region. The largest economic impacts occur in Pinellas and Hillsborough Counties, followed by Polk and Pasco Counties.

BayCare Economic Impacts on Pinellas County

IV. The Annually Recurring Economic Impacts of BayCare Health System's Ongoing Operations are Important Contributors to Economic Activity in Pinellas County



The headquarters and a significant portion of the System's operations are in Pinellas County, including four hospitals. The comprehensive economic impacts for the County are presented in Table 15 below. As shown in the mentioned Table, more than 18,200 jobs are supported by BayCare in the County with a significant \$2.6 billion in Total

Economic Impact. The following analysis presents the economic impacts on Employment, Household Income, Gross Domestic Product (GDP) and Total Economic Impact by specific industries, as well as Fiscal Revenues generated *indirectly* from the multifaceted activities of BayCare in Pinellas County.

Table 15. Summary of the Annual Economic Impacts Generated by BayCare's Operations in Pinellas County				
Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs) *	8,650	4,472	5,156	18,278
Household Income (\$ Million)	\$561	\$210	\$209	\$980
Gross Domestic Product (GDP \$ Million)	\$704	\$321	\$374	\$1,399
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$307
Total Economic Impact (\$ Million)	\$1,364	\$598	\$648	\$2,610
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc.				

A. Over 18,200 Jobs are Supported in Pinellas County by BayCare's Ongoing Operations

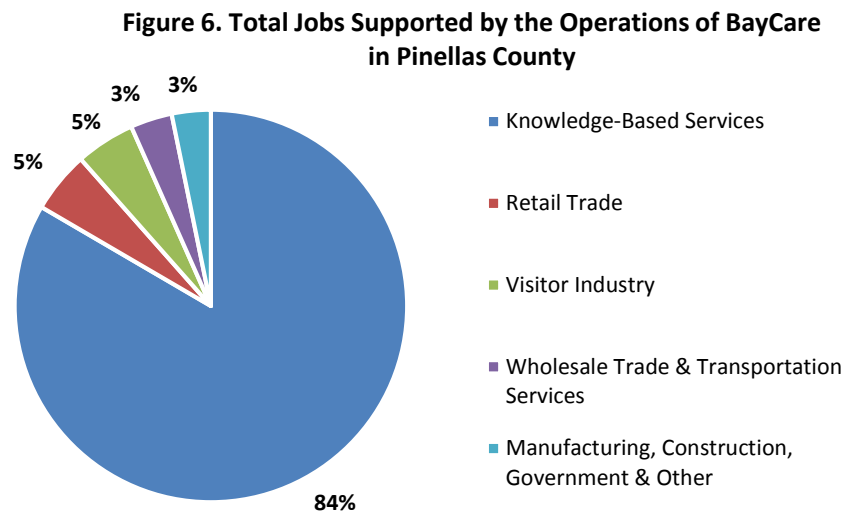
Just under half of the total employment within Pinellas County supported by the operations of BayCare are the *direct* jobs of the hospitals and other facilities. Of the 18,278 jobs

*The **direct** employment figures within the economic impacts tables do not necessarily equal the total full-time equivalent (FTEs) at the BayCare System. This is due to the IMPLAN input/output (I/O) methodology, which measures **real** (inflation-adjusted) economy-wide impacts based on average wages of the industry and productivity within the given study area.

supported, approximately 84 percent occur in the Knowledge-Based Services sector. Retail Trade and Visitor Industry comprise 5 percent respectively. The remaining jobs are created in the Wholesale Trade & Transportation Services, Manufacturing, Construction and Government & Other sectors as presented in Table 16 and Figure 6 below.

Table 16. Total Jobs Supported by the Operations of BayCare in Pinellas County		
Industry:	Jobs Supported	% of Total
Knowledge-Based Services**	15,361	84%
Retail Trade	926	5%
Visitor Industry	892	5%
Wholesale Trade & Transportation Services	630	3%
Manufacturing, Construction, Government & Other	468	3%
Total:	18,278	100%

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc. (WEG)



B. Ongoing Operations Contribute Substantially to the Household Income of Pinellas County Residents

The jobs supported by BayCare's ongoing operations also contribute to the standard of living of Pinellas County residents by adding just under \$1 billion annually in Household Income.

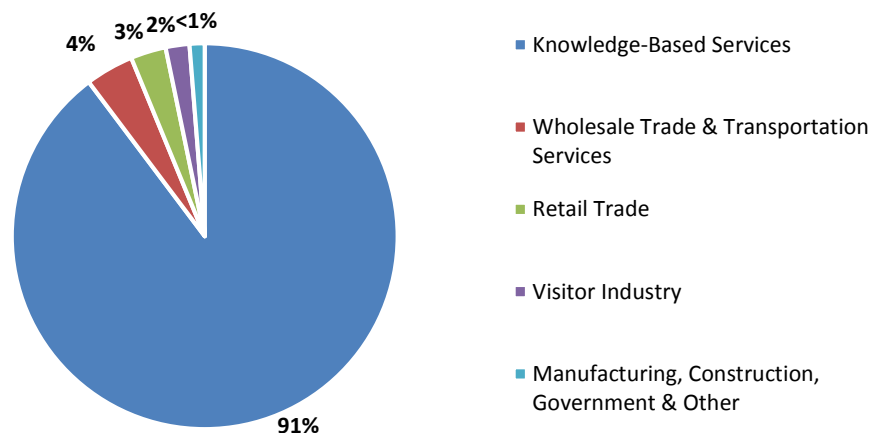
**Major industries under this category are: Healthcare Services, Information, Finance and Insurance, Real Estate, Professional, Administrative Services and Arts, Entertainment & Recreation.

Workers in the Knowledge-Based Services sector received more than \$890 million or 91 percent of the labor compensation paid as a result of ongoing operations. Four (4) percent is generated within the Wholesale Trade & Transportation Services sector of the economy, followed by the Retail Trade and Visitor Industry sectors with 3 percent and 2 percent respectively. The remaining less than 1 percent is distributed among other sectors of the economy. The total Household Income impacts of BayCare's operations are shown in Table 17 and Figure 7 below.

Industry:	Total Impact	% of Total
Knowledge-Based Services**	\$890	91%
Wholesale Trade & Transportation Services	\$40	4%
Retail Trade	\$29	3%
Visitor Industry	\$20	2%
Manufacturing, Construction, Government & Other	\$1	<1%
Total:	\$980	100%

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc. (WEG)

Figure 7. Household Income Created by the Operations of BayCare in Pinellas County



Source: The Washington Economics Group, Inc. (WEG)

**Ibid

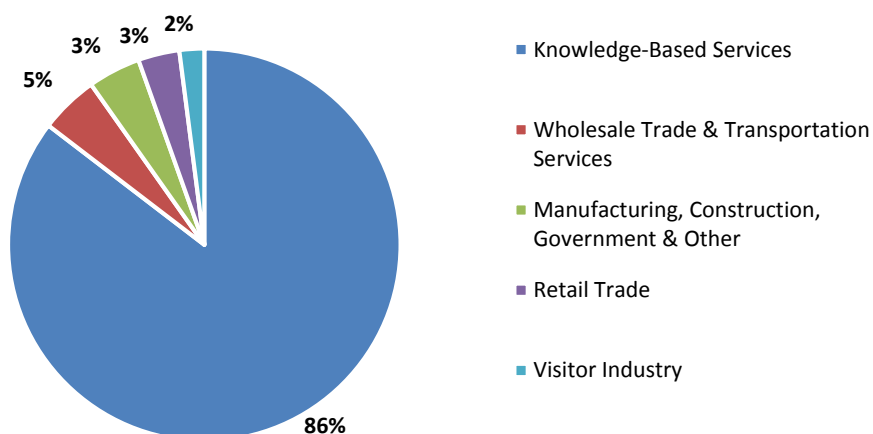
C. *The Gross Domestic Product Impacts Arising from BayCare's Ongoing Operations are Important to the County's Economy*

The GDP impacts generated by BayCare's ongoing operations are highlighted in Table 18 and Figure 8 below. As expected, a majority of the GDP impacts are observed in the Knowledge-Based Services sector, with \$1.2 billion or 86 percent of the impacts. Wholesale Trade & Transportation Services is the next largest sector with close to \$68 million or 5 percent, followed by the Retail Trade sector with \$48 million or 3 percent. The remaining 5 percent of the GDP impacts is distributed among various other sectors of the economy. Each year, the ongoing operations of the System contribute an important \$1.4 billion to the GDP of the County.

Industry:	Total Impact	% of Total
Knowledge-Based Services**	\$1,208	86%
Wholesale Trade & Transportation Services	\$68	5%
Retail Trade	\$48	3%
Manufacturing, Construction, Government & Other	\$47	3%
Visitor Industry	\$29	2%
Total:	\$1,399	100%

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc. (WEG)

Figure 8. GDP Impacts Generated by the Operations of BayCare in Pinellas County



Source: The Washington Economics Group, Inc. (WEG)

**Major industries under this category are: Healthcare Services, Information, Finance and Insurance, Real Estate, Professional, Administrative Services and Arts, Entertainment & Recreation.

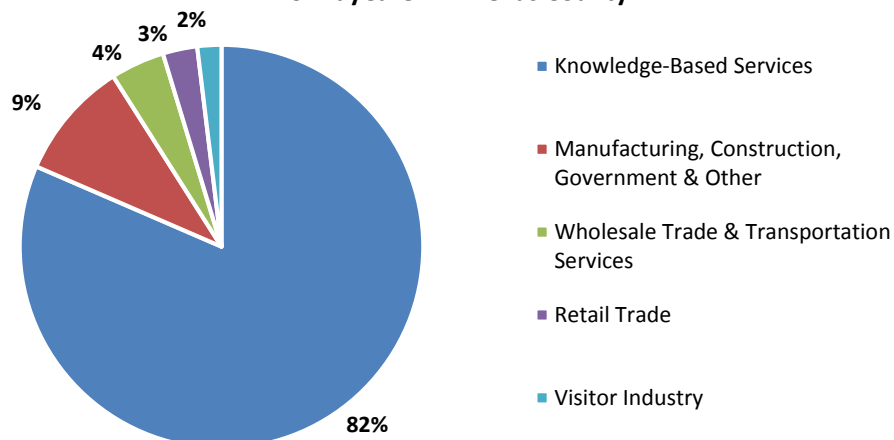
D. The Total Economic Impact Annually Generated in Pinellas County by BayCare's Ongoing Operations is a Significant \$2.6 Billion

Over \$2.1 billion or 82 percent of the Total Economic Impact of BayCare on Pinellas County is generated in the Knowledge-Based Services sector. Manufacturing, Construction and Government & Other contribute with close to \$224 million or 9 percent of the total combined. The remaining 9 percent of the impact is distributed among the Wholesale Trade & Transportation Services, Retail Trade and Visitor Industry sectors. Overall, the Total Economic Impact on Pinellas County is estimated to be a significant \$2.6 billion as shown in Table 19 and Figure 9 below.

Industry:	Total Impact	% of Total
Knowledge-Based Services**	\$2,150	82%
Manufacturing, Construction, Government & Other	\$224	9%
Wholesale Trade & Transportation Services	\$114	4%
Retail Trade	\$73	3%
Visitor Industry	\$50	2%
Total:	\$2,610	100%

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc. (WEG)

Figure 9. Total Economic Impact Generated by the Operations of BayCare in Pinellas County



Source: The Washington Economics Group, Inc. (WEG)

**Ibid.

E. BayCare's Ongoing Operations in Pinellas County Indirectly Generate Important Contributions to Public Revenues

Though a not-for-profit system, there are downstream positive impacts on public revenues from BayCare Health System directly, its team members, and its suppliers. BayCare's economic impacts indirectly generate important contributions to public-sector revenues, with \$231 million or 75 percent flowing to Federal government revenues and the remaining \$76 million or 25 percent allocated to State and local governments. BayCare generates a total of \$307 million in Federal, State and local government revenues as shown in Table 20 below.

Table 20. Fiscal Contributions Arising from the Operations of BayCare in Pinellas County (\$ Million)			
Taxes and Fees Paid By:	Federal	State and Local	Total
Labor	\$111	\$1	\$112
Capital	\$3	\$0	\$3
Indirect Business Taxes	\$9	\$65	\$74
Households	\$84	\$7	\$91
Corporations	\$24	\$3	\$27
Total:	\$231	\$76	\$307
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc. (WEG).			

BayCare Health System is also a provider of cutting-edge services to patients in Hillsborough County, with significant economic impacts. The significant annual economic contributions of the System in the County are detailed in the following section.

BayCare Economic Impacts on Hillsborough County

V. The Annually Recurring Economic Impacts of BayCare Health System's Ongoing Operations Contribute Significantly to the Economic Well-Being of Hillsborough County

After Pinellas County, an important portion of BayCare's operating and capital expenditures are based in Hillsborough County, including six hospitals, resulting in significant economic impacts. The *direct*, *indirect* and *induced* economic impacts arising from ongoing operations are summarized in Table 21 below.



As presented below, almost \$2.2 billion in Total Economic Impact annually is generated by the System in Hillsborough County. The following analysis presents the economic impact on Employment creation, Household Income, Gross Domestic Product (GDP) and Total Economic Impact by specific industries, as well as Fiscal Revenues generated indirectly from the multifaceted operations of BayCare in Hillsborough County.

Table 21. Summary of the Annual Economic Impacts Generated by BayCare's Operations in Hillsborough County				
Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	7,161	3,307	3,473	13,941
Household Income (\$ Million)	\$505	\$190	\$161	\$856
Gross Domestic Product (GDP \$ Million)	\$636	\$295	\$287	\$1,218
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$247
Total Economic Impact (\$ Million)	\$1,217	\$502	\$479	\$2,199
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc.				

A. An Estimated 13,941 Jobs are Supported in Hillsborough County by BayCare's Ongoing Operations

The ongoing operations of BayCare support an estimated 13,941 jobs in Hillsborough County. Just over half of the total employment (7,161 jobs) within Hillsborough County

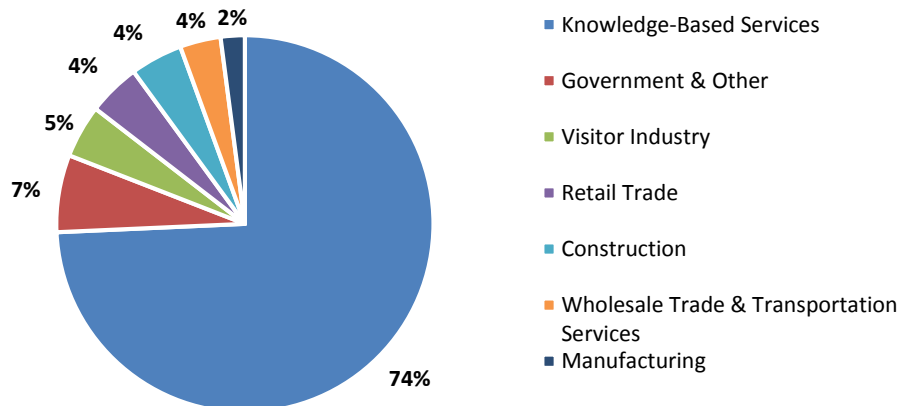
*The **direct** employment figures within the economic impacts tables do not necessarily equal the total full-time equivalent (FTEs) at the BayCare System. This is due to the IMPLAN input/output (I/O) methodology, which measures **real** (inflation-adjusted) economy-wide impacts based on average wages of the industry and productivity within the given study area.

supported by the operations of BayCare are the *direct* jobs of the hospitals and other facilities of BayCare. Of the 13,941 total jobs supported by BayCare within the County, approximately 74 percent of the jobs or over 10,300 occur in the Knowledge-Based Services, a sector targeted for growth by the County's economic development strategy. Other industries also provide job opportunities to Hillsborough County residents as presented in Table 22 and Figure 10 below.

Industry:	Jobs Supported	% of Total
Knowledge-Based Services**	10,357	74%
Government & Other	924	7%
Visitor Industry	633	5%
Retail Trade	627	4%
Construction	625	4%
Wholesale Trade & Transportation Services	488	4%
Manufacturing	288	2%
Total:	13,941	100%

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc. (WEG)

Figure 10. Total Jobs Supported by the Operations of BayCare in Hillsborough County



Source: The Washington Economics Group, Inc. (WEG)

B. Ongoing Operations Contribute Substantially to the Standard of Living of Hillsborough County Residents

The jobs supported by BayCare's ongoing operations also contribute to the standard of living of Hillsborough County residents by adding an estimated \$856 million in income to Hillsborough

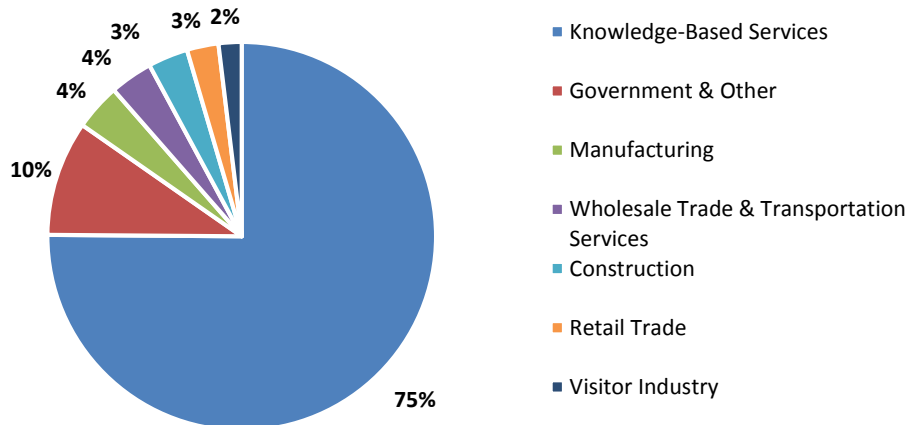
**Major industries under this category are: Healthcare Services, Information, Finance and Insurance, Real Estate, Professional, Administrative Services and Arts, Entertainment & Recreation.

County households each year. Workers in the higher wage Knowledge-Based Services sector received approximately \$643 million or 75 percent of the labor compensation paid as a result of the System's ongoing operations. Ten (10) percent is generated in the Government & Other sector of the economy, and the remaining 15 percent is distributed among other sectors of the economy such as Manufacturing, Wholesale Trade & Transportation Services, Construction, Retail Trade and Visitor Industry. The total Household Income impacts of BayCare's operations are shown in Table 23 and Figure 11 below.

Industry	Total Impact	% of Total
Knowledge-Based Services**	\$643	75%
Government & Other	\$82	10%
Manufacturing	\$33	4%
Wholesale Trade & Transportation Services	\$30	4%
Construction	\$28	3%
Retail Trade	\$22	3%
Visitor Industry	\$16	2%
Total:	\$856	100%

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc. (WEG)

Figure 11. Household Income Created by the Operations of BayCare in Hillsborough County



Source: The Washington Economics Group, Inc. (WEG)

**Ibid.

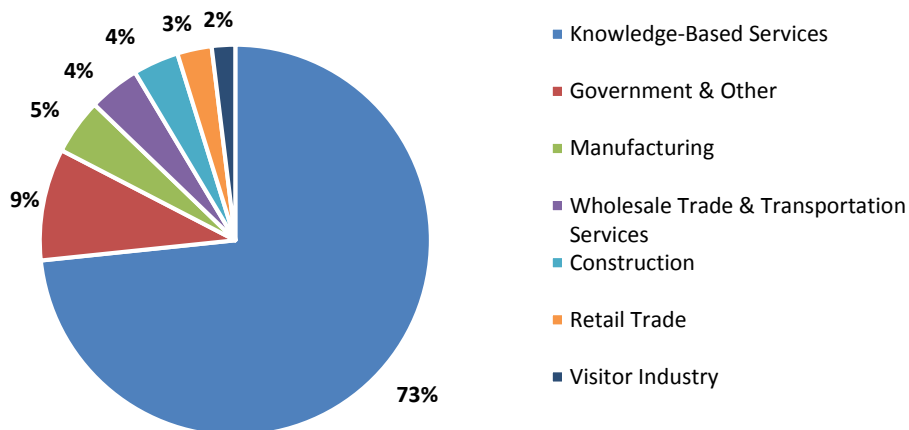
C. Gross Domestic Product Impacts: The System's Operations are Important to the Overall Economic Activity in the County

The Gross Domestic Product (GDP) impacts generated by BayCare's ongoing operations are highlighted in Table 24 and Figure 12 below. As in previous sections, a majority of the impacts are observed in the Knowledge-Based Services sector, with \$893 million or 73 percent of the impacts. Government & Other is the next largest sector with \$113 million or 9 percent. Around \$56 million or 5 percent of the GDP impacts are in the Manufacturing sector, and the remaining 13 percent is distributed among various other sectors of the economy. The total impacts of BayCare's ongoing operations to the GDP of Hillsborough County is over \$1.2 billion annually as shown below.

Industry	Total Impact	% of Total
Knowledge-Based Services**	\$893	73%
Government & Other	\$113	9%
Manufacturing	\$56	5%
Wholesale Trade & Transportation Services	\$51	4%
Construction	\$46	4%
Retail Trade	\$35	3%
Visitor Industry	\$24	2%
Total:	\$1,218	100%

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc. (WEG)

Figure 12. GDP Impacts Generated by the Operations of BayCare in Hillsborough County



Source: The Washington Economics Group, Inc. (WEG)

**Major industries under this category are: Healthcare Services, Information, Finance and Insurance, Real Estate, Professional, Administrative Services and Arts, Entertainment & Recreation.

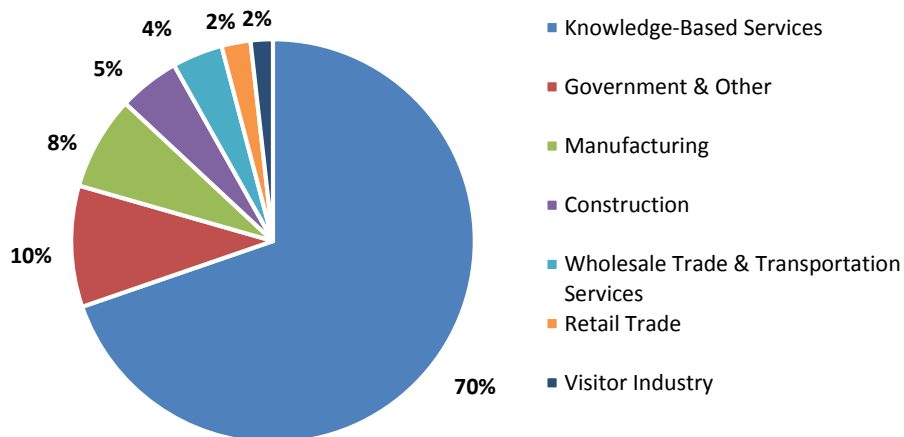
D. The Total Economic Impact Annually Generated in Hillsborough County by BayCare's Ongoing Operations is a Significant \$2.2 Billion

Just over \$1.5 billion or 70 percent of the Total Economic Impact of BayCare on Hillsborough County appears within the Knowledge-Based Services sector. Government & Other and Manufacturing contribute 10 percent and 8 percent of the Total Economic Impact respectively. The remaining impact is distributed among the Construction, Wholesale Trade & Transportation Services, Retail Trade and Visitor Industry sectors with 5 percent or less attributed to each sector.

Industry	Total Impact	% of Total
Knowledge-Based Services**	\$1,533	70%
Government & Other	\$214	10%
Manufacturing	\$165	8%
Construction	\$108	5%
Wholesale Trade & Transportation Services	\$89	4%
Retail Trade	\$51	2%
Visitor Industry	\$39	2%
Total:	\$2,199	100%

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc. (WEG)

Figure 13. Total Economic Impact Generated by the Operations of BayCare in Hillsborough County



Source: The Washington Economics Group, Inc. (WEG)

**Ibid.

Overall, the Total Economic Impact on Hillsborough County is estimated to be a significant \$2.2 billion as shown in Table 25 and Figure 13 on the previous page.

E. BayCare's Ongoing Operations in Hillsborough County Indirectly Generate Important Contributions to Public Revenues

Though a not-for-profit system, there are downstream positive impacts on public revenues from BayCare Health System directly, its team members, and its suppliers. BayCare's economic impacts indirectly generate annually significant contributions to public-sector revenues, with \$187 million or 76 percent flowing to the Federal government and the remaining \$60 million or 24 percent allocated to State and local governments. BayCare generates a total of \$247 million in Federal, State and local government revenues as shown in Table 26 below.

Table 26. Fiscal Contributions Arising from the Operations of BayCare in Hillsborough County (\$ Million)			
Taxes and Fees Paid By:	Federal	State and Local	Total
Labor	\$90	\$1	\$91
Capital	\$3	\$0	\$3
Indirect Business Taxes	\$9	\$51	\$61
Households	\$62	\$5	\$67
Corporations	\$23	\$3	\$25
Total:	\$187	\$60	\$247
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc. (WEG).			

BayCare Health System is also a contributor to economic activity in Polk County, part of the Tampa Bay Region. The economic impacts of the System in the County are detailed in the following section.

BayCare Economic Impacts on Polk County

VI. The Annually Recurring Economic Impacts of BayCare Health System's Ongoing Operations Contribute Significantly to the Economic Well-Being of Polk County



BayCare's ongoing operations in Polk County, including three hospitals, generate over half a billion dollars in economic impacts, resulting in annually recurring economic benefits. The *direct*, *indirect* and *induced* economic impacts of BayCare within Polk County are summarized in Table 27 below. Close to 4,000 jobs are supported by BayCare operations along with \$541 million in Total Economic Impact. The following

analysis presents the economic impact on Employment creation, Household Income, GDP and Total Economic Impact by specific industries, as well as Fiscal Revenues generated indirectly from the multifaceted activities of BayCare in Polk County.

Table 27. Summary of the Annual Economic Impacts Generated by BayCare's Operations in Polk County				
Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs) *	2,202	876	908	3,986
Household Income (\$ Million)	\$130	\$34	\$33	\$197
Gross Domestic Product (GDP \$ Million)	\$162	\$51	\$59	\$272
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$62
Total Economic Impact (\$ Million)	\$340	\$97	\$103	\$541
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc.				

A. An Estimated 3,986 Jobs are Supported in Polk County by BayCare's Ongoing Operations

An estimated 3,986 jobs are supported by BayCare's operations in Polk County, with 2,202 jobs or 55 percent being attributed to *direct* employment impacts. Of the 3,986 total jobs supported by BayCare within the County, approximately 75 percent of them occur in the

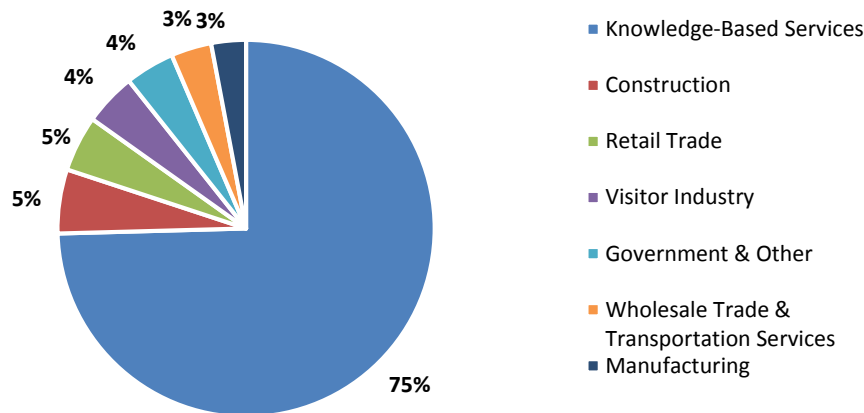
*The **direct** employment figures within the economic impacts tables do not necessarily equal the total full-time equivalent (FTEs) at the BayCare System. This is due to the IMPLAN input/output (I/O) methodology, which measures **real** (inflation-adjusted) economy-wide impacts based on average wages of the industry and productivity within the given study area.

Knowledge-Based Services sector. Of the remaining 25 percent, the largest impacts are generated within the Construction and Retail Trade sectors with 5 percent or more in each category. The Visitor Industry, Government & Other, Wholesale Trade & Transportation Services and Manufacturing sectors comprise the remaining impacts. This is presented in Table 28 and Figure 14 below.

Industry:	Jobs Supported	% of Total
Knowledge-Based Services**	2,972	75%
Construction	219	5%
Retail Trade	190	5%
Visitor Industry	179	4%
Government & Other	169	4%
Wholesale Trade & Transportation Services	139	3%
Manufacturing	119	3%
Total:	3,986	100%

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc. (WEG)

Figure 14. Total Jobs Supported by the Operations of BayCare in Polk County



Source: The Washington Economics Group, Inc. (WEG)

B. Ongoing Operations Contribute Substantially to the Standard of Living of Polk County Residents

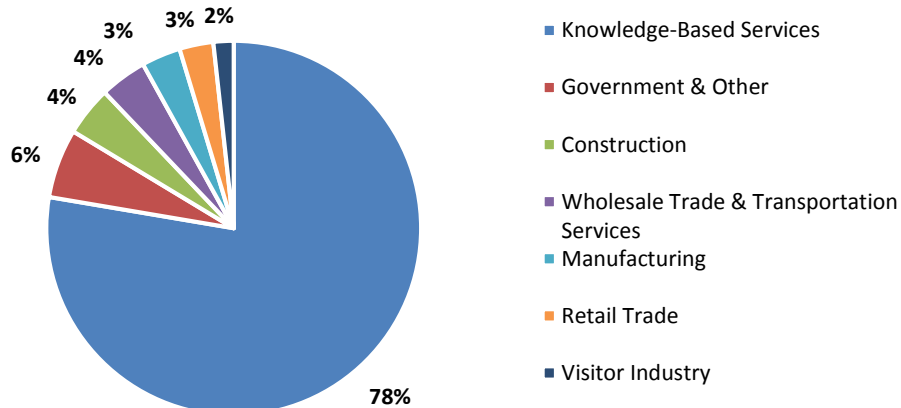
An estimated \$197 million in total Household Income is generated within Polk County as a result of BayCare's ongoing operations. Of this, \$153 million or 78 percent of the Household Income is generated within the Knowledge-Based Services sector. Around \$12 million or 6

**Major industries under this category are: Healthcare Services, Information, Finance and Insurance, Real Estate, Professional, Administrative Services and Arts, Entertainment & Recreation.

percent is generated within the Government & Other sector, and 4 percent each is in the Construction and the Wholesale Trade & Transportation Services sectors. The remainder is distributed among various other sectors of the economy such as Manufacturing, Retail Trade and the Visitor Industry sectors as detailed in Table 29 and Figure 15 below.

Table 29. Household Income Created by the Operations of BayCare in Polk County (\$ Million)		
Industry:	Total Impact	% of Total
Knowledge-Based Services**	\$153	78%
Government & Other	\$12	6%
Construction	\$8	4%
Wholesale Trade & Transportation Services	\$8	4%
Manufacturing	\$7	3%
Retail Trade	\$6	3%
Visitor Industry	\$3	2%
Total:	\$197	100%
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc. (WEG)		

Figure 15. Household Income Created by the Operations of BayCare in Polk County



Source: The Washington Economics Group, Inc. (WEG)

C. Gross Domestic Product Impacts: The System's Operations are Important to the Overall Economic Activity in the County

The GDP impacts generated by BayCare's ongoing operations are highlighted in Table 30 and Figure 16 on the following page. Of the total GDP impacts of \$272 million, \$204 million or 75 percent occur in the Knowledge-Based Services sector. The other most important sectors are Government & Other with 6 percent or \$15 million, Wholesale Trade & Transportation

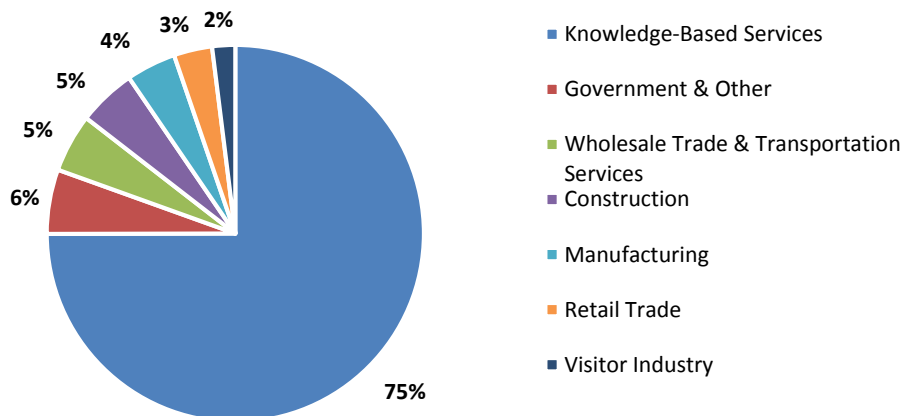
**Ibid.

Services and Construction sectors with 5 percent or \$14 million of the impacts respectively. The remainder is distributed within the Manufacturing, Retail Trade and the Visitor Industry sectors. In essence, as the impacts on the State and other Counties demonstrate, BayCare contributes substantially in creating a knowledge-based, higher wage economy supporting the economic development strategy of Polk County and the State.

Industry:	Total Impact	% of Total
Knowledge-Based Services**	\$204	75%
Government & Other	\$15	6%
Wholesale Trade & Transportation Services	\$14	5%
Construction	\$14	5%
Manufacturing	\$12	4%
Retail Trade	\$9	3%
Visitor Industry	\$5	2%
Total:	\$272	100%

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc. (WEG)

Figure 16. GDP Impacts Generated by the Operations of BayCare in Polk County



Source: The Washington Economics Group, Inc. (WEG)

D. The Total Economic Impact Annually Generated in Polk County by BayCare's Ongoing Operations is a Significant \$541 Million

As has been the pattern in other Counties, the largest portion of the Total Economic Impact of BayCare in Polk County occurs in the Knowledge-Based Services sector with \$377 million

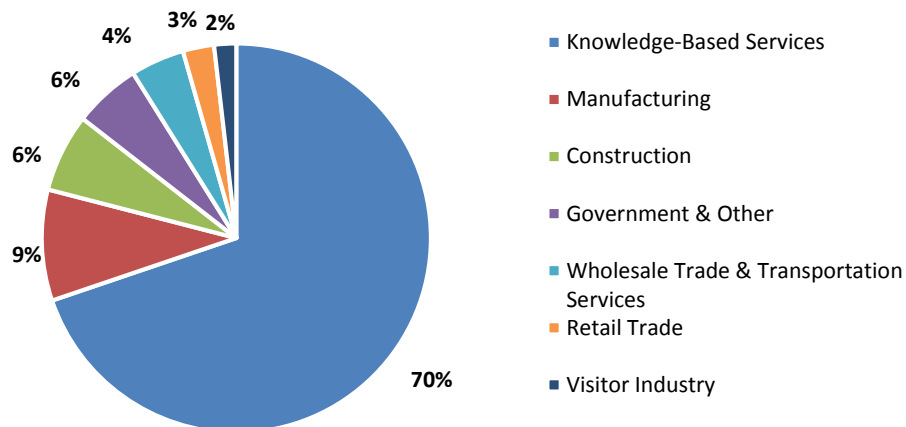
**Major industries under this category are: Healthcare Services, Information, Finance and Insurance, Real Estate, Professional, Administrative Services and Arts, Entertainment & Recreation.

or 70 percent of the total impacts. The second largest sector is Manufacturing with 9 percent or \$50 million, and the next largest is Construction with 6 percent or \$35 million. The remainder is distributed among the Government & Other, Wholesale Trade & Transportation Services, Retail Trade and the Visitor Industry sectors as illustrated in Table 31 and Figure 17 below.

Industry:	Total Impact	% of Total
Knowledge-Based Services**	\$377	70%
Manufacturing	\$50	9%
Construction	\$35	6%
Government & Other	\$30	6%
Wholesale Trade & Transportation Services	\$24	4%
Retail Trade	\$14	3%
Visitor Industry	\$10	2%
Total:	\$541	100%

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc. (WEG)

Figure 17. Total Economic Impact Generated by the Operations of BayCare in Polk County



Source: The Washington Economics Group, Inc. (WEG)

E. BayCare's Operations in Polk County Indirectly Generate Important Contributions to Public Revenues

Though a not-for-profit system, there are downstream positive impacts on public revenues from BayCare Health System directly, its team members, and its suppliers. BayCare's

**Ibid.

economic impacts indirectly generate significant contributions to public-sector revenues, with over \$47 million or 76 percent flowing to Federal government revenues and the remaining \$15 million or 24 percent allocated to State and local governments. BayCare generates a total of more than \$62 million in annually recurring Federal, State and local government revenues as shown in Table 32 below.

Table 32. Fiscal Contributions Arising from the Operations of BayCare in Polk County (\$ Thousands)			
Taxes and Fees Paid By:	Federal	State and Local	Total
Labor	\$22,883	\$290	\$23,173
Capital	\$804	\$0	\$804
Indirect Business Taxes	\$2,137	\$12,806	\$14,943
Households	\$16,739	\$1,376	\$18,114
Corporations	\$4,482	\$558	\$5,040
Total:	\$47,046	\$15,029	\$62,074
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc. (WEG)			

The next County where the BayCare Health System contributes to the standard of living of residents is Pasco County. This is discussed in greater detail in the next section of this Study.

BayCare Economic Impacts on Pasco County

VII. The Annually Recurring Economic Impacts of BayCare Health System's Ongoing Operations Contribute Significantly to the Economic Well-Being of Pasco County



BayCare's ongoing operations in Pasco County, including one hospital, generate positive economic impacts benefiting residents and overall economic activity. The *direct*, *indirect* and *induced* economic impacts of BayCare within Pasco County are summarized in Table 33 below. As presented in the Table, 1,858 jobs are generated by BayCare

along with \$263 million in Total Economic Impact. The following analysis presents the economic impact on Employment supported, Household Income, GDP and Total Economic Impact by specific industries, as well as Fiscal Revenues generated indirectly from the multifaceted activities of the System in Pasco County.

Table 33. Summary of the Annual Economic Impacts Generated by BayCare's Operations in Pasco County				
Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	1,189	326	343	1,858
Household Income (\$ Million)	\$74	\$11	\$12	\$97
Gross Domestic Product (GDP \$ Million)	\$92	\$17	\$24	\$133
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$30
Total Economic Impact (\$ Million)	\$188	\$34	\$41	\$263

Note: Total may not equal the sum of all due to rounding.
Source: The Washington Economics Group, Inc.

A. An Estimated 1,858 Jobs are Supported in Pasco County by BayCare's Ongoing Operations

An estimated 1,858 jobs are supported by BayCare's operations in Pasco County, with 1,189 jobs or 64 percent being attributed to *direct* employment impacts. Of the 1,858 total jobs supported within the County, approximately 76 percent or 1,407 of the jobs occur in the

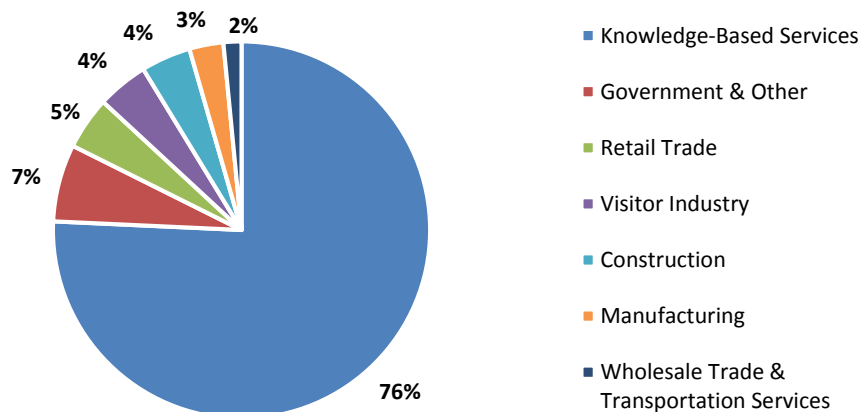
*The **direct** employment figures within the economic impacts tables do not necessarily equal the total full-time equivalent (FTEs) at the BayCare System. This is due to the IMPLAN input/output (I/O) methodology, which measures **real** (inflation-adjusted) economy-wide impacts based on average wages of the industry and productivity within the given study area.

Knowledge-Based Services sector. Of the remaining 24 percent, the largest impacts are generated within the Construction, Visitor Industry, Government & Other and Retail Trade sectors with 4 percent or more within each sector. The Wholesale Trade & Transportation Services and Manufacturing sectors comprise the remaining impacts, as presented in Table 34 and Figure 18 below.

As in the case of the State and the other counties that were studied, most of the employment supported in Pasco County is concentrated in the high-skill, high-wage, Knowledge-Based Services sector, a top priority for expansion by the Economic Development Strategy of the Tampa Bay Area.

Table 34. Total Jobs Supported by the Operations of BayCare in Pasco County		
Industry:	Jobs Supported	% of Total
Knowledge-Based Services**	1,407	76%
Government & Other	123	7%
Retail Trade	84	5%
Visitor Industry	81	4%
Construction	79	4%
Manufacturing	54	3%
Wholesale Trade & Transportation Services	29	2%
Total:	1,858	100%
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc. (WEG)		

Figure 18. Total Jobs Supported by the Operations of BayCare in Pasco County



Source: The Washington Economics Group, Inc. (WEG)

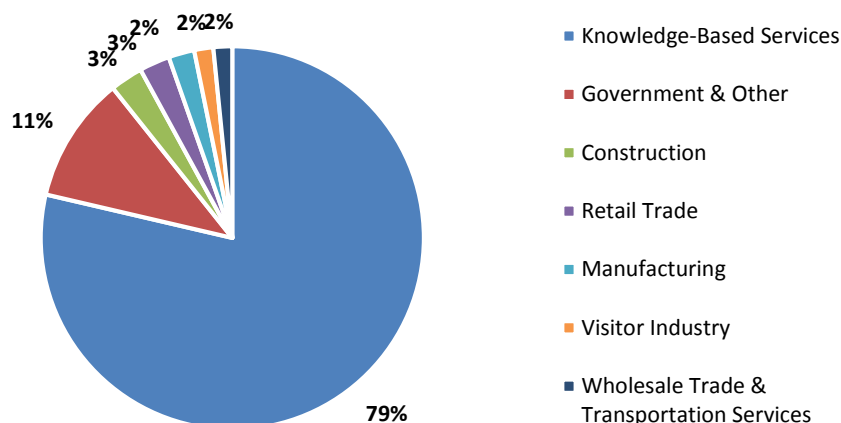
**Major industries under this category are: Healthcare Services, Information, Finance and Insurance, Real Estate, Professional, Administrative Services and Arts, Entertainment & Recreation.

B. Ongoing Operations Contribute Substantially to the Standard of Living of Pasco County Residents

An estimated \$97 million in total Household Income annually is generated in Pasco County as a result of BayCare's ongoing operations. As in the other Counties previously discussed, \$77 million or 79 percent of the Household Income is generated in the Knowledge-Based Services sector. Eleven (11) percent is generated in the Government & Other sector and 3 percent in the Construction sector. The remaining Household Income created is distributed among various other sectors of the economy such as Retail Trade, Visitor Industry, Wholesale Trade & Transportation Services and Manufacturing. This is detailed in Table 35 and Figure 19 below.

Industry:	Total Impact	% of Total
Knowledge-Based Services**	\$77	79%
Government & Other	\$10	11%
Construction	\$3	3%
Retail Trade	\$3	3%
Manufacturing	\$2	2%
Visitor Industry	\$2	2%
Wholesale Trade & Transportation Services	\$2	2%
Total:	\$97	100%
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc. (WEG)		

Figure 19. Household Income Created by the Operations of BayCare in Pasco County



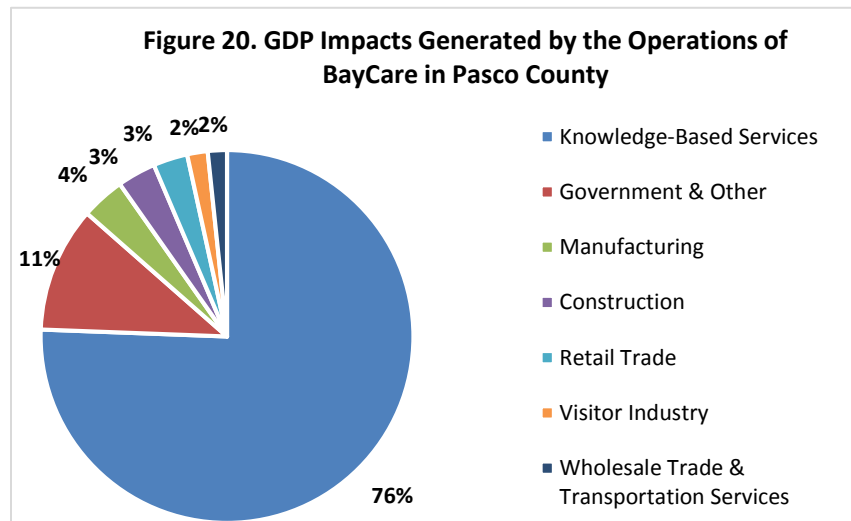
Source: The Washington Economics Group, Inc. (WEG)

**Major industries under this category are: Healthcare Services, Information, Finance and Insurance, Real Estate, Professional, Administrative Services and Arts, Entertainment & Recreation.

C. Gross Domestic Product Impacts: The System's Operations are Important to the Overall Economic Activity in the County

The GDP impacts generated by BayCare's ongoing operations in Pasco County are highlighted in Table 36 and Figure 20 below. Of the total GDP impacts of \$133 million, \$101 million or 76 percent is generated in the Knowledge-Based Services sector. The other most important categories are Government & Other with 11 percent or \$14 million of the impacts and Manufacturing with 4 percent or \$5 million. The remainder is distributed within the Construction, Visitor Industry, Manufacturing and Wholesale Trade & Transportation Services sectors.

Table 36. GDP Impacts Generated by the Operations of BayCare in Pasco County (\$Millions)		
Industry:	Total Impact	% of Total
Knowledge-Based Services**	\$101	76%
Government & Other	\$14	11%
Manufacturing	\$5	4%
Construction	\$4	3%
Retail Trade	\$4	3%
Visitor Industry	\$2	2%
Wholesale Trade & Transportation Services	\$2	2%
Total:	\$133	100%
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc. (WEG)		



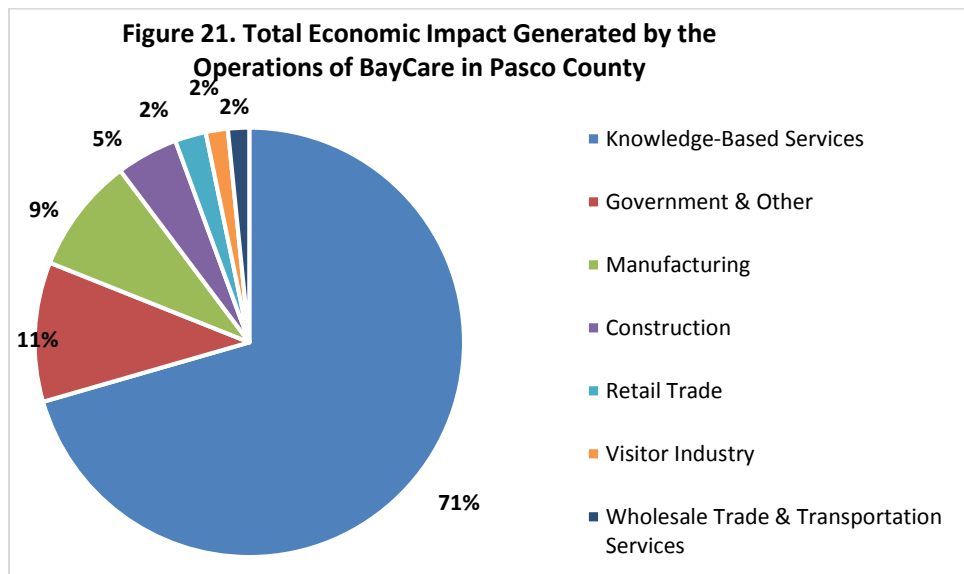
Source: The Washington Economics Group, Inc. (WEG)

**Major industries under this category are: Healthcare Services, Information, Finance and Insurance, Real Estate, Professional, Administrative Services and Arts, Entertainment & Recreation.

D. The Total Economic Impact Annually Generated in Pasco County by BayCare's Ongoing Operations is a Significant \$263 Million

As in the other economic indicators, the largest portion of the Total Economic Impact of BayCare on Pasco County occurs in the Knowledge-Based Services sector with \$185 million or 71 percent of the impacts. The second largest sector is Government & Other with 11 percent or \$28 million, and the next largest is Manufacturing with 9 percent or \$23 million. The remainder is distributed among the Construction, Retail Trade, Visitor Industry and Wholesale Trade & Transportation Services sectors as detailed in Table 37 and Figure 21 below.

Table 37. Total Economic Impact Generated by the Operations of BayCare in Pasco County (\$ Million)		
Industry:	Total Impact	% of Total
Knowledge-Based Services**	\$185	71%
Government & Other	\$28	11%
Manufacturing	\$23	9%
Construction	\$12	5%
Retail Trade	\$6	2%
Visitor Industry	\$4	2%
Wholesale Trade & Transportation Services	\$4	2%
Total:	\$263	100%
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc. (WEG)		



Source: The Washington Economics Group, Inc. (WEG)

**Ibid.

E. BayCare's Operations in Pasco County Indirectly Generate Important Contributions to Public Revenues

Though a not-for-profit system, there are downstream positive impacts on public revenues from BayCare Health System directly, its team members, and its suppliers. BayCare's economic impacts *indirectly* generate contributions to public-sector revenues, with \$23.3 million or 77 percent flowing to Federal government revenues and the remaining \$6.9 million or 23 percent allocated to State and local governments. BayCare generates a total of \$30 million in annually recurring Federal, State and local government revenues as shown in Table 38 below.

Table 38. Fiscal Contributions Arising from the Operations of BayCare in Pasco County (\$ Thousands)			
Taxes and Fees Paid By:	Federal	State and Local	Total
Labor	\$13,257	\$151	\$13,408
Capital	\$136	\$0	\$136
Indirect Business Taxes	\$717	\$5,869	\$6,586
Households	\$7,429	\$620	\$8,049
Corporations	\$1,778	\$225	\$2,003
Total:	\$23,317	\$6,865	\$30,183
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc. (WEG)			

VIII. The Annually Recurring Economic Impacts of BayCare Health System's Hospital Operations on Pinellas, Hillsborough, Polk and Pasco Counties

The System's comprehensive hospital operations provide important economic impacts on the Counties served and are a key component of BayCare's multifaceted activities that benefit County residents. This section quantifies the hospital operations on Employment creation (jobs supported), Household Income generated, contributions to County GDP, Total Economic Impact and Fiscal Revenues.

A. Economic Impacts of Individual Hospital Facilities in Pinellas County

Four major BayCare hospital facilities within Pinellas County were analyzed:

- Morton Plant Hospital
- St. Anthony's Hospital
- Mease Countryside Hospital
- Mease Dunedin Hospital

The Total Economic Impact on Pinellas County is **\$941 million** for Morton Plant Hospital, **\$490 million** for St. Anthony's Hospital, **\$462 million** for Mease Countryside Hospital and **\$149 million** for Mease Dunedin Hospital. These comprehensive economic impacts for each hospital are summarized in Tables 39 below through 42 on the following pages.

Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	2,730	1,589	1,754	6,073
Household Income (\$ Million)	\$184	\$78	\$71	\$333
Gross Domestic Product (GDP \$ Million)	\$241	\$121	\$127	\$489
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$108
Total Economic Impact (\$ Million)	\$499	\$221	\$221	\$941
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc. (WEG)				

*The **direct** employment figures within the economic impacts tables do not necessarily equal the total full-time equivalent (FTEs) at the BayCare System. This is due to the IMPLAN input/output (I/O) methodology, which measures **real** (inflation-adjusted) economy-wide impacts based on average wages of the industry and productivity within the given study area.

Table 40. Summary of the Annual Economic Impacts Generated by St. Anthony's Hospital's Operations in Pinellas County

Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	1,397	849	927	3,173
Household Income (\$ Million)	\$97	\$42	\$38	\$176
Gross Domestic Product (GDP \$ Million)	\$126	\$64	\$67	\$258
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$57
Total Economic Impact (\$ Million)	\$255	\$118	\$117	\$490

Note: Total may not equal the sum of all due to rounding.

Source: The Washington Economics Group, Inc.

Table 41. Summary of the Annual Economic Impacts Generated by Mease Countryside Hospital's Operations in Pinellas County

Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	1,323	802	885	3,010
Household Income (\$ Million)	\$93	\$39	\$36	\$168
Gross Domestic Product (GDP \$ Million)	\$120	\$61	\$64	\$245
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$54
Total Economic Impact (\$ Million)	\$239	\$111	\$111	\$462

Note: Total may not equal the sum of all due to rounding.

Source: The Washington Economics Group, Inc.

Table 42. Summary of the Annual Economic Impacts Generated by Mease Dunedin Hospital's Operations in Pinellas County

Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	441	258	288	986
Household Income (\$ Million)	\$31	\$13	\$12	\$55
Gross Domestic Product (GDP \$ Million)	\$39	\$19	\$21	\$79
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$18
Total Economic Impact (\$ Million)	\$77	\$36	\$36	\$149

Note: Total may not equal the sum of all due to rounding.

Source: The Washington Economics Group, Inc.

*The **direct** employment figures within the economic impacts tables do not necessarily equal the total full-time equivalent (FTEs) at the BayCare System. This is due to the IMPLAN input/output (I/O) methodology, which measures **real** (inflation-adjusted) economy-wide impacts based on average wages of the industry and productivity within the given study area.

B. Economic Impacts of Individual Hospital Facilities in Hillsborough County

The System's hospital operations in Hillsborough County also generate important economic impacts. Four major BayCare facilities within Hillsborough County were analyzed:

- St. Joseph's Hospital (co-located with St. Joseph Women's Hospital and St. Joseph Children's Hospital)
- St. Joseph's Hospital-South
- St. Joseph's Hospital-North
- South Florida Baptist Hospital

The Total Economic Impact on Hillsborough County is close to **\$1.3 billion** for St. Joseph's Hospital. It should be noted that this includes St. Joseph Women's Hospital and St. Joseph's Children's Hospital, as all of these hospital facilities are co-located. Together they constitute the largest economic impact of all eleven hospitals that were studied.

In addition, the other hospitals in Hillsborough County also provide important total economic impacts as follows: **\$196 million** for St. Joseph's Hospital South, **\$187 million** for St. Joseph's Hospital North and **\$171 million** for South Florida Baptist Hospital. These comprehensive economic impacts are summarized in Tables 43 below through 46 on the following page.

Table 43. Summary of the Annual Economic Impacts Generated by St. Joseph's Hospital's Co-located Operations in Hillsborough County				
Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	3,813	1,866	1,932	7,611
Household Income (\$ Million)	\$278	\$109	\$90	\$476
Gross Domestic Product (GDP \$ Million)	\$358	\$170	\$160	\$687
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$140
Total Economic Impact (\$ Million)	\$705	\$289	\$267	\$1,260
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc. (WEG)				

*The **direct** employment figures within the economic impacts tables do not necessarily equal the total full-time equivalent (FTEs) at the BayCare System. This is due to the IMPLAN input/output (I/O) methodology, which measures **real** (inflation-adjusted) economy-wide impacts based on average wages of the industry and productivity within the given study area.

Table 44. Summary of the Annual Economic Impacts Generated by St. Joseph's Hospital-South's Operations in Hillsborough County

Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	650	279	295	1,224
Household Income (\$ Million)	\$43	\$16	\$14	\$73
Gross Domestic Product (GDP \$ Million)	\$56	\$25	\$24	\$106
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$21
Total Economic Impact (\$ Million)	\$112	\$43	\$41	\$196

Note: Total may not equal the sum of all due to rounding.

Source: The Washington Economics Group, Inc.

Table 45. Summary of the Annual Economic Impacts Generated by St. Joseph's Hospital-North's Operations in Hillsborough County

Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	565	281	292	1,138
Household Income (\$ Million)	\$42	\$16	\$14	\$72
Gross Domestic Product (GDP \$ Million)	\$53	\$26	\$24	\$103
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$21
Total Economic Impact (\$ Million)	\$103	\$43	\$40	\$187

Note: Total may not equal the sum of all due to rounding.

Source: The Washington Economics Group, Inc.

Table 46. Summary of the Annual Economic Impacts Generated by South Florida Baptist Hospital's Operations in Hillsborough County

Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs) *	529	256	268	1,053
Household Income (\$ Million)	\$39	\$15	\$12	\$66
Gross Domestic Product (GDP \$ Million)	\$49	\$23	\$22	\$94
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$19
Total Economic Impact (\$ Million)	\$95	\$39	\$37	\$171

Note: Total may not equal the sum of all due to rounding.

Source: The Washington Economics Group, Inc.

*The **direct** employment figures within the economic impacts tables do not necessarily equal the total full-time equivalent (FTEs) at the BayCare System. This is due to the IMPLAN input/output (I/O) methodology, which measures **real** (inflation-adjusted) economy-wide impacts based on average wages of the industry and productivity within the given study area.

C. *Economic Impacts of Individual Hospital Facilities in Polk County*

Two major BayCare hospital facilities within Polk County provide positive economic impacts:

- Winter Haven Hospital
- Bartow Regional Medical Center

The Total Economic Impact on Polk County is **\$429 million** for Winter Haven Hospital and **\$71 million** for Bartow Regional Medical Center. These comprehensive economic impacts are summarized in Tables 47 and 48 below.

Table 47. Summary of the Annual Economic Impacts Generated by Winter Haven Hospital's Operations in Polk County				
Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	1,675	689	698	3,062
Household Income (\$ Million)	\$99	\$27	\$25	\$151
Gross Domestic Product (GDP \$ Million)	\$125	\$41	\$45	\$211
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$48
Total Economic Impact (\$ Million)	\$272	\$78	\$79	\$429
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc.				

Table 48. Summary of the Annual Economic Impacts Generated by Bartow Regional Medical Center's Operations in Polk County				
Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs) *	276	116	119	511
Household Income (\$ Million)	\$17	\$5	\$4	\$26
Gross Domestic Product (GDP \$ Million)	\$21	\$7	\$8	\$36
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$8
Total Economic Impact (\$ Million)	\$45	\$13	\$13	\$71
Note: Total may not equal the sum of all due to rounding. Source: The Washington Economics Group, Inc.				

*The **direct** employment figures within the economic impacts tables do not necessarily equal the total full-time equivalent (FTEs) at the BayCare System. This is due to the IMPLAN input/output (I/O) methodology, which measures **real** (inflation-adjusted) economy-wide impacts based on average wages of the industry and productivity within the given study area.

D. *Economic Impacts of Hospital Operations in Pasco County*

The System’s Morton Plant North Bay Hospital is located within Pasco County. The total economic impact of this facility on the County is **\$164 million**. These comprehensive impacts are summarized in Table 49 below.

Table 49. Summary of the Annual Economic Impacts Generated by Morton Plant North Bay Hospital’s Operations in Pasco County				
Impact on:	Direct	Indirect	Induced	Total Impact
Employment (Jobs)*	721	205	206	1,133
Household Income (\$ Million)	\$44	\$7	\$7	\$59
Gross Domestic Product (GDP \$ Million)	\$56	\$11	\$14	\$81
Federal, State & Local Tax Revenues (\$ Million)	---	---	---	\$18
Total Economic Impact (\$ Million)	\$117	\$22	\$25	\$164
Note: Total may not equal the sum of all due to rounding. Source: <i>The Washington Economics Group, Inc.</i>				

In conclusion, BayCare Health System’s comprehensive hospital operations in the four Counties provide important economic impacts for the benefit of County residents. These state-of-the arts hospital facilities also generate wellness and improvements in the quality of life of residents. In addition, the System’s hospital facilities attract new industries and residents to the Counties served. These are called “externality benefits” that increase the importance of BayCare Health System’s comprehensive and quantifiable operations.

*The **direct** employment figures within the economic impacts tables do not necessarily equal the total full-time equivalent (FTEs) at the BayCare System. This is due to the IMPLAN input/output (I/O) methodology, which measures **real** (inflation-adjusted) economy-wide impacts based on average wages of the industry and productivity within the given study area.

Appendix I: Methodology

IMPLAN Model

The multiplier impacts calculated by the IMPLAN model are based on input-output methodology, which explicitly considers the inter-industry linkages that exist within an economy. Each industry needs labor and inputs from other industries in order to produce economic output. Whenever an industry experiences an increase in the demand for its output, many other industries within that economy indirectly experience an increase in demand as well because of these inter-industry linkages. This increase in demand that results from the need for material inputs is called the *indirect effects*. In addition, an increase in production within a region also leads to an increase in household income through the hiring of workers, which in turn generates further demands for goods and services within the region. Firms also need to expand their base of physical capital to meet higher levels of demand, and this too stimulates regional economic growth. The latter effects are referred to as *induced effects*. The inter-industry linkages and the induced effects on consumer and capital spending lead to successive rounds of production, and this process results in an increase in output that exceeds the initial change in demand, or a *multiplier effect*. Similarly, the increase in household income will exceed the initial payroll increase encountered in the industry that experienced the original increase in demand. The total change in employment in the regional economy is a multiple of the direct change in employment.

$$\begin{aligned}
 x_1 &= a_{11}x_1 + a_{12}x_2 + a_{13}x_3 + \cdots + a_{1k}x_k + a_{1h}x_h + a_{1i}x_i + f_1 \\
 x_2 &= a_{21}x_1 + a_{22}x_2 + a_{23}x_3 + \cdots + a_{2k}x_k + a_{2h}x_h + a_{2i}x_i + f_2 \\
 x_3 &= a_{31}x_1 + a_{32}x_2 + a_{33}x_3 + \cdots + a_{3k}x_k + a_{3h}x_h + a_{3i}x_i + f_3 \\
 &\vdots \\
 x_k &= a_{k1}x_1 + a_{k2}x_2 + a_{k3}x_3 + \cdots + a_{kk}x_k + a_{kh}x_h + a_{ki}x_i + f_k \\
 x_h &= a_{h1}x_1 + a_{h2}x_2 + a_{h3}x_h + \cdots + a_{hk}x_k + a_{hh}x_h + a_{hi}x_i + f_h \\
 x_i &= a_{i1}x_1 + a_{i2}x_2 + a_{i3}x_h + \cdots + a_{ik}x_k + a_{ih}x_h + a_{ii}x_i + f_i
 \end{aligned}$$

The following represents the system of equations that comprise the regional economy in an extended input-output model like IMPLAN:

The variables x_1 to x_k represent total production of output in each industry. The coefficients a_{ij} represent the purchases from industry “i” that are needed to produce a dollar of output in industry “j”. These are known as the *direct requirement* coefficients. The variable x_h refers

to household income and the coefficients a_{ih} refer to the average amount of household income spent on purchases from industry “i”, or the *average propensities to consume*. The coefficients a_{hi} are similar to the inter-industry purchases (a_{ij} ’s), but they represent the household income that is generated from each dollar of output produced in industry “i”. Similarly the variable x_i represents regional spending on capital goods, and the coefficients a_{ij} represents the spending on capital goods for each dollar of output produced in industry “j”. The coefficients a_{ji} represent the amount purchased from industry “j” for each dollar spent on capital goods within the region. The variables f_j represent the exogenous final demand faced by each industry, respectively.

This system of equation reduces, using matrix notation, to the following solution for industry output and household income:

$$X = (I - A)^{-1} F$$

X is the vector of industry outputs plus household income and F is a vector of exogenous final demands. The “output multipliers” (i.e., the change in industry output and household income that results from a change in final demand for the output of a particular industry) are given in the columns of the $(I-A)^{-1}$ matrix. The IMPLAN software calculates these multipliers for counties, states and other sub-state regions. These multipliers can be used to provide a sense of the economic importance of an industry or an economic activity in a given region. The multipliers impacts for gross state product, labor and capital income and the government revenue impacts are derived from the basic output multipliers given by $(I-A)^{-1}$.

The IMPLAN model uses historical relationships between public-sector revenues and regional economic output in order to estimate the public-sector revenue impact resulting from the establishment of a new, or expansion of an existing economic activity.

Appendix II: Economic Glossary

Definitions of Economic Terms Used in the Analysis

<i>Employment</i>	Total of full-time or part-time jobs.
<i>Household (Labor) Income</i>	All forms of employment income, including Employee Compensation (wages and benefits) and Proprietor Income.
<i>Gross Domestic Product (GDP)</i>	The increased value of a product as a result of the economic inputs (labor and capital) expended at a given stage. In the IMPLAN Model, GDP is the sum of: Employee Compensation, Proprietor Income, Other Property Type Income (Interest) and Indirect Business Taxes.
<i>Economic Impact</i>	Total value of all transactions attributed to an activity.
<i>Direct Effects</i>	The set of expenditures applied to the predictive model (i.e., I/O multipliers) for impact analysis. It is a series (or single) of production changes or expenditures made by producers/consumers as a result of an activity or policy. These initial changes are determined by an analyst to be a result of this activity or policy. Applying these initial changes to the multipliers in an IMPLAN model will then display how the region will respond, economically to these initial changes.
<i>Indirect Effects</i>	The impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money leaks from the local economy, either through imports or by payments to value added. The impacts are calculated by applying Direct Effects to the Type I Multipliers.
<i>Induced Effects</i>	The response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not a leakage to the regional economy. This money is re-circulated through the household spending patterns causing further local economic activity.

Appendix III:
The Washington Economics Group, Inc.
Project Team and Qualifications



J. Antonio Villamil
Founder and Principal

Tony Villamil is a nationally recognized economist, with over thirty-five years of successful career as a business economist, university educator and high-level policymaker for both federal and state governments. He was appointed by President George H. W. Bush as US Undersecretary of Commerce for Economic Affairs, receiving full US Senate confirmation of the Presidential appointment. Tony is the Founder and Principal of a successful economic consulting practice, The Washington Economics Group, Inc. (WEG), a Florida-based firm established in 1993 upon his return to the State from his public service in Washington, D.C.

Dr. Villamil is the immediate past Chairman of the Governor's Council of Economic Advisors of Florida, and during 1999-2000, he was selected by Governor Bush as his first Director for Tourism, Trade and Economic Development. Presently, he is on the Board of Directors of the Spanish Broadcasting System (SBS), Mercantil Commercebank, NA, and Pan-American Life Insurance Group (PALIG). He was most recently appointed by the US Secretary of Commerce to serve in the Florida District Export Council.

Among other professional and civic leadership positions, Tony was selected in 2008 as the founding Dean of the School of Business of St. Thomas University, serving successfully until December 31st, 2013 at which time he resigned to return full time to his growing economic consulting practice. He is currently Chairman of the Economic Roundtable of the Beacon Council-Miami-Dade County's official economic development organization. He is also Senior Fellow and a member of the Research Advisory Council of the James Madison Institute (JMI).

Tony earned Bachelor and Master Degrees in Economics from Louisiana State University (LSU), where he also completed coursework for the Ph.D Degree. In 1991, Florida International University (FIU) awarded him a Doctoral Degree in Economics (hc), for "distinguished contributions to the Nation in the field of economics." He frequently speaks to business, government and university audiences on economic topics.

He is a resident of Coral Gables, Florida, where he lives with his family, traveling frequently throughout Florida, the US and globally to conduct research and presentations for clients of The Washington Economics Group, Inc.



Jose Antonio (TJ) Villamil IV
Director of Operations

Jose Antonio (TJ) Villamil serves as Director of Operations of The Washington Economics Group, Inc. (WEG). TJ oversees the client relations, marketing and business research functions of the firm.

Prior to joining WEG, TJ was the Manager of Social Media for the Keiser University System of Florida. Among other experiences, he served as the University of Florida (UF) Special Assistant to the University President from May 2014 to December 2015. During his role, he was also the assistant corporate secretary to the UF Board of Trustees. He assisted the UF President oversee a \$4.6 billion budget, 50,000 students, 16 colleges, two academic health centers and more than 150 research centers. In this role, TJ directed special projects and gave strategic advice to President Bernie Machen and the UF Board of Trustees. TJ ended his role when Dr. Machen retired after 12 years of service to UF and returned to his hometown of Miami to join WEG.

TJ is a proud double graduate from UF, receiving his Masters in Entrepreneurship from the Hough Graduate School of Business, and his undergraduate degree in Telecommunications – News from the College of Journalism and Communications. TJ proudly served as the Student Body President for UF from 2012---2013 to represent the 50,000---member student body of the Gator Nation. During that period, TJ also represented all student interests on the UF Board of Trustees and on the boards of directors of the UF Alumni Association, the UF Foundation and the University Athletic Association.



Charles K. Yaros
Associate Consultant for Economics

Chuck Yaros is an Associate Consultant for Economics at The Washington Economics Group, Inc. (WEG). He serves as economic consultant in the areas of financial economics and economic impact studies. Prior to joining WEG he was a Vice President and Portfolio Strategist at Shay Financial Services in Miami where he specialized in developing, implementing and managing interest rate risk and capital optimization strategies for financial institutions.

Mr. Yaros has over 20 years of experience as a business and financial economist, having worked in a number of positions of progressive responsibility in the South Florida business community. Additionally, he has spoken and taught courses on financial risk management.

Chuck received his undergraduate degree in Economics with Honors from Trinity College and his Master's degree in Economics from Duke University, where he also completed course work for the Ph.D. degree. Chuck and his family are residents of Coral Gables, Florida.



Ivan Noltenius
Economic Analyst

Ivan Noltenius is an Economic Analyst at The Washington Economics Group (WEG). Ivan conducts data acquisition and economic analysis for the multifaceted projects of the firm. Ivan has over three years of experience in financial data analysis as well as accounting.

Prior to working at WEG, Ivan was a hedge fund accountant at Kaufman Rossin (now ALPS), and also worked in operations and managed company financial records at tech startup company 71 Pounds.

Ivan received his Bachelors of Arts degree in Economics with a minor in Mathematics from the University of Memphis. Ivan is a resident of Kendall, Florida.



Haydee M. Carrion
Senior & Project Research Assistant

Haydee M. Carrion has been Executive Assistant to Dr. Villamil since the firm's founding in 1993. She has senior level expertise in multi-media presentations and in the preparation and design of complex reports and documents for clients, utilizing the latest technologies.

In 2012, WEG promoted her to Senior and Project Research Assistant to the firm, given outstanding performance in web-based research and in assistance to the firm's Principal in the preparation of audio-visual presentations for clients and in desktop publishing. Ms. Carrion is fluent in Spanish, with experience in the preparation of economics and business documents in the language.

Ms. Carrion has been with WEG for over 20 years. Ms. Carrion holds degrees in Business Administration and Office System Technologies from Miami-Dade College.

The Washington Economics Group, Inc. (WEG) has been successfully meeting client objectives since 1993 through economic consulting services for corporations, institutions and governments of the Americas. We have the expertise, high-level contacts, and business alliances to strengthen your competitive positioning in the growing marketplaces of Florida and Latin America.

Our roster of satisfied clients, over the past 20 years, includes multinational corporations, financial institutions, public entities, and non-profit associations expanding their operations in the Americas.

EXCLUSIVE CONSULTING APPROACH:

Each client is unique to us. We spend considerable time and effort in understanding the operations, goals, and objectives of clients as they seek our consulting and strategic advice. We are not a mass-production consulting entity nor do we accept every project that comes to us. We engage a limited number of clients each year that require customized consulting services in our premier areas of specialization. These premier and exclusive services are headed by former U.S. Under Secretary of Commerce, Dr. J. Antonio Villamil, with over thirty-five years of experience as a business executive and as a senior public official of the U.S. and most recently of Florida.

PREMIER CONSULTING SERVICES:

Comprehensive Corporate Expansion Services.

Our seamless and customized service includes site selection analysis, development of incentive strategies and community and governmental relations.

Economic Impact Studies

Highlight the importance of a client's activities in the generation of income, output and employment in the market area serviced by the entity. These studies are also utilized to analyze the impact of public policies on key factors that may affect a client's activities such as tax changes, zoning, environmental permits and others.

Strategic Business Development Services.

These services are customized to meet client objectives, with particular emphasis in the growing marketplaces of Florida, Mexico, Central and South America. Recent consulting assignments include customized marketing strategies, country risk assessments for investment decisions and corporate spokesperson activities and speeches on behalf of the client at public or private meetings.

**For a full description of WEG capabilities and services, please
visit our website at:
www.weg.com**

The Washington Economics Group, Inc.
Representative Client List 1993-2016

Multinational Corporations	
ALSTOM	Lucent Technologies
Ameritech International	MasterCard International
Bureau Veritas (BIVAC)	MediaOne/AT&T
Carrier	Medtronic
Esso Inter-America	Merck Latin America
FedEx Latin America	Microsoft Latin America
Genting Group	Motorola
Hyatt	Phelps Dodge
IBM	SBC Communications
Joseph E. Seagram & Sons, Inc. (Vivendi)	Telefonica Data Systems
KPMG	Visa International
Lockheed Martin	
Construction and Real Estate Development Firms	
Areas USA, Inc.	Landstar Development
Barron Collier Companies	LXR Luxury Resorts
Berkowitz Development Group	Miami Asset Management Company, Inc.
Boca Developers	Miapolis, LLC
CDS International	Odebrecht Construction, Inc.
Century Homebuilders	Palazzo Las Olas Group, LLC
Codina Realty	Tate Capital
Empire World Towers, LLC	The Allen Morris Company
Ferro Investment Group, LLC	The Related Group, Inc.
Flagler Development	The Rouse Company
Florida East Coast Realty Inc.	The St. Joe Company
Inland Port Systems, LLC	Trammel Crow Company
Chateau Group	WCI Development Companies
Engineering, Planning and Design Firms	
AECOM (DMJM Harris)	HNTB
Atkins (PBSJ)	Kimley-Horn and Associates
CDM Smith (Wilbur Smith Associates)	Parsons Brincherhoff
Golder Associates	RMA
Colleges and Universities	
Alabama State University	San Ignacio College
Barry University	Sistema Universitario Ana G. Méndez
Eckerd College	St. Thomas University
Embry-Riddle Aeronautical University	University of Central Florida
Florida Agricultural & Mechanical University	Universidad Politécnica de Puerto Rico
Florida International University	University of Florida
Full Sail University	University of Miami
Keiser University	UM's Rosenstiel School of Marine and Atmospheric Science
Los Angeles Film School	University of South Florida/ <i>ENLACE</i>
Miami-Dade College	University of South Florida (USF)
Rocky Mountain College of Art and Design	
Law Firms	
Becker & Poliakoff	Gloria Roa Bodin, Esq.
Carlton Fields	Greenberg Traurig, LLP
Colson Hicks Eidson	Holland & Knight, LLP
DLA Piper	Steel Hector & Davis
Dunbar & Dunbar	Tew Cardenas, LLP
Financial Institutions	
ABN-AMRO Bank	Hemisphere National Bank
Advantage Capital	HSBC/Marine Midland
Allen & Company	International Bank of Miami (First United Bank)
BNP Paribas	Lazard Freres & Co.
Bank Atlantic Corp.	Mercantil Commercebank N.A.
BankUnited, FSB	Pan American Life Insurance Group
Barclays Bank	PointeBank, N.A.
ESJ Capital Partners	Seitlin Insurance

The Comprehensive Economic Development Impacts of BayCare Health System
on the Counties It Serves and on the State of Florida

Florida-Based Companies	
All Aboard Florida	International Speedway Corporation
AmericanAirlines Arena	Jungle Island
BMI Companies	Lake Nona
Communikat	Mercy Hospital
Daytona International Speedway	Miami Dolphins
Dosal Tobacco	Nopetro LLC
Farm Stores	Palm Beach Premier
Fishkind & Associates	Resorts World Miami (RWM)
Florida Hospital	Ron Sachs Communications
Florida Marlins	Sprint of Florida
Florida Power & Light	eMerge Americas
Flo-Sun Sugar Corp.	The Biltmore Hotel
Greater Miami Convention & Visitors Bureau	The Heat Group
Greater Ft. Lauderdale Alliance	Ultimate Software
Homestead-Miami Speedway	Ultra Musical Festival
Iberia Tiles	
Non-Florida-Based Institutions	
Darlington Raceway	Richmond International Raceway
Georgia Retail Federation	Talladega Superspeedway
Illinois Retail Merchant Association	The Seed Foundation
Indiana Retail Council	United States Tennis Association (USTA)
Kansas Speedway	Washington Retail Association
Martinsville Speedway	Watkins Glen International
Progress Energy	
Public Institutions and Non-Profit Organizations	
Baptist Health South Florida	Indian River County Chamber of Commerce
Broward County Public Schools	Inter-American Development Bank
Career Source North Central Florida	Jackson Health Systems
Citizens of Clean Energy	Jacksonville Chamber of Commerce
City of Boca Raton	Jewish Community Services
City of Coral Gables	Louisiana Committee for Economic Development
City of Doral	Miami Marine Stadium
City of Plantation	Miami Museum of Science
City of West Palm Beach	Miami-Dade County Public Schools
Economic Development Commission of Collier County	Miami-Dade Expressway Authority
Economic Development Commission of Lee County	Miami Downtown Development Authority
Economic Development Commission of Mid-Florida	Palm Beach International Agricultural Summit
Enterprise Florida, Inc.	Port of Miami
Farm Share, Inc.	SEUI Healthcare Florida
Florida Bankers Association	South Florida Progress Foundation
Florida Citrus Mutual	Space Florida
Florida Chamber of Commerce	State of Florida
Florida International Bankers Association	SW Florida Regional Chamber of Commerce
Florida Institute for Commercialization of Public Research	Sylvester Comprehensive Cancer Center
Florida League of Cities	Tampa-Hillsborough Expressway Authority
Florida Nursing Homes Alliance	The Beacon Council
Florida Outdoor Advertising Association	The Florida Bar
Florida Ports Council	The Florida Chamber Foundation
Florida Retail Association	The Florida Coalition for Capital
Florida Sports Foundation	United Nations Economic Development Program
Friends of Miami Marine Stadium	United Teachers of Dade
Greater Tampa Chamber of Commerce	Visit Florida
Independent Colleges and Universities of Florida (ICUF)	Zoological Society of Florida
Latin America-Based Institutions	
Allied-Domecq, Mexico	Mercantil Servicios Financieros, Venezuela
Association of Peruvian Banks	Peruvian Management Institute (IPAE)
Federation of Inter-American Financial Institutions (FIBAFIN)	The Brunetta Group of Argentina
Fonalledas Enterprises, Puerto Rico	