

HOW ECONOMIC IMPACT IS MEASURED

Using IMPLAN, integrated economic modeling software, this analysis applies the "multiplier effect" to capture the direct, indirect, and induced economic effects of health center business operations and capital project plans. IMPLAN generates multipliers by geographic region and by industry combined with a county/state database. It is widely used by economists, state and city planners, universities and others to estimate the impact of projects and expenditures on the local economy. This analysis was conducted using **IMPLAN Version 3, Trade Flows Model**.

WHAT ARE DIRECT, INDIRECT AND INDUCED IMPACTS?

DIRECT

Direct impacts result from **health center expenditures associated with expanded operations, new facilities, and hiring**.

A health center purchases medical devices from a local medical supply store.



This purchase is a **direct** economic impact of the health centers expanded operations.

INDIRECT

Indirect impacts result from **purchases of local goods, services, and labor made by health center suppliers**.

The medical supply store purchases paper from an office supply store to print receipts and hires a local delivery service to transport the medical devices.



These purchases are **indirect** economic impacts of the health centers expanded operations.

INDUCED

Induced impacts result from **purchases of local goods and services at a household level made by employees of the health center and suppliers**.

As local industries grow and household income increases, employees of the health center, medical supply store, office supply store, and delivery service spend their salaries in the community.



These purchases are **induced** economic impacts because they are the result of growth of the entire community.

CONTACT INFORMATION

For more information about Omni Family Health call 1-800-300-OMNI (66 64) or visit us at www.OmniFamilyHealth.org

REFERENCES

Economic Stimulus: Economic impact was measured using 2017 IMPLAN Online from IMPLAN Group LLC, IMPLAN System (data and software), 16905 Northcross Dr., Suite 120, Huntersville, NC 28078, www.IMPLAN.com. Learn more at www.caplink.org/how-economic-impact-is-measured.

Savings to the System: Nocon et al. Health Care Use and Spending for Medicaid Enrollees in Federally Qualified Health Centers Versus Other Primary Care Settings. American Journal of Public Health: November 2016, Vol. 106, No. 11, pp. 1981-1989.

Care for Vulnerable Populations: Bureau of Primary Health Care, HRSA, DHHS, 2017 Uniform Data System.

Capital Link prepared this Value & Impact report using 2018 health center audited financial statements and Uniform Data System information. Economic impact was measured using 2017 IMPLAN Online.

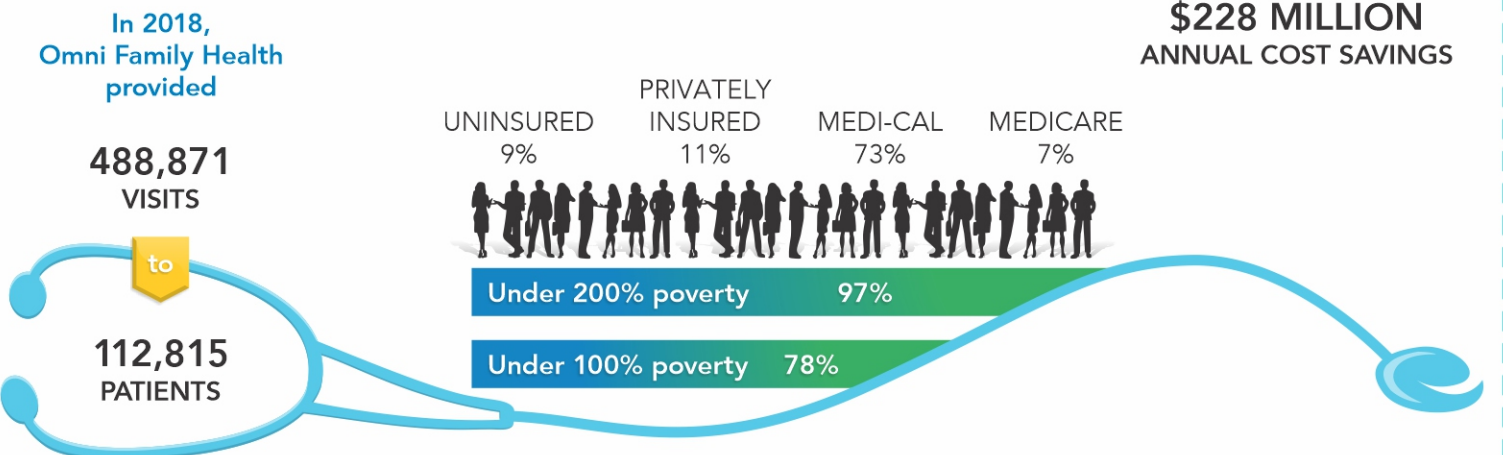
NACHC. Community Health Centers: The Local Prescription for Better Quality and Lower Costs. Includes cost savings per patient. March 2011. <http://www.nachc.org/client/LocalPrescriptionBrief.pdf>

2018

The Community, Economic, and Tax Impact of Omni Family Health



Community Impact



COMMUNITY IMPACT

Health centers are community-based and patient-directed organizations that deliver comprehensive, culturally competent, high-quality, and affordable healthcare services to all community residents, including the most vulnerable and medically underserved individuals. Health centers serve 1 in 7 Medi-Cal beneficiaries, almost 1 in 3 individuals in poverty, and 1 in 5 low-income, uninsured persons, totaling 28 million patients across the nation. Nationally, two-thirds of health center patients are members of racial or ethnic minorities, which places health centers at the center of the national effort to reduce racial disparities in healthcare.

Recent studies show that, on average, each patient receiving care at a health center saved the health care system 22%, annually. With 112,815 patients served by Omni Family Health in 2018, the estimated annual savings is \$190 million at \$1,684 saved per patient.

Economic Impact



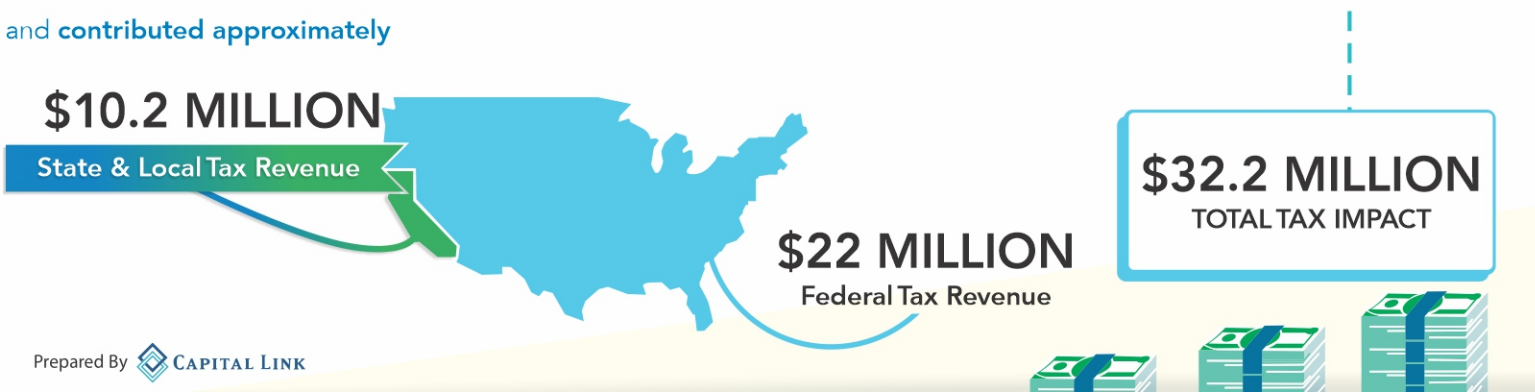
ECONOMIC IMPACT

As health centers leverage federal and state investments by increasing access to healthcare in medically underserved communities, they also generate positive economic activity within the communities they serve. For example, health center employees use their paychecks to buy goods and services in their community, supporting local businesses and creating an indirect economic impact – or “ripple effect.” In the case of Omni Family Health, the organization contributed about \$198.4 million dollars to the local economy in 2018 alone. The table below summarizes economic impact and employment.

TAX IMPACT

The tax impacts of Omni Family Health are divided into state/local governments and Federal government agencies. Tax revenue is generated through employee compensation, proprietor income, indirect business taxes, households, and corporations based on the modeled impact.

Tax Impact



Summary of 2018 Total Economic Activity

Stimulated by Current Operations of Omni Family Health

	Economic Impact	Employment (# of FTEs*)
Direct	\$ 93,518,039	669
Indirect	\$ 34,678,285	189
Induced	\$ 70,155,664	411
Total	\$ 198,351,988	1,269

Direct # of FTEs (employment) based on HRSA 2018UDS state level data for FQHCs.

Distribution of Population

	CHC Population	National Population
Under 100% Poverty	78%	69%
Under 200% Poverty	97%	92%
Uninsured	9%	23%
Medi-Cal	73%	50%
Medicare	7%	9%
Private Insurance	11%	18%

Summary of 2018 Tax Impact

	Federal	State/Local
Direct	\$13,007,853	\$3,741,875
Indirect	\$3,214,471	\$1,709,333
Induced	\$5,741,689	\$4,748,757
Total	\$21,964,013	\$10,199,965
Total Tax Impact	\$32,163,978	

*Full-time Equivalent (FTE) of 1.0 means that the person is equivalent to a full-time worker. In an organization that has a 40 hour work week, a person who works 20 hours per week (i.e. 50 percent time) is reported as "0.5 FTE." FTE is also based on the number of months the employee works. An employee who works full time for four months out of the year would be reported as "0.33 FTE" (4 months/12 months)