



OUR LADY OF THE LAKE
REGIONAL MEDICAL CENTER



Our Lady
of the Lake
Health

The Economic and Community Health Impacts of Our Lady of the Lake Health on the State of Louisiana and 10-Year Return on Investment of their Cooperative Endeavor Agreement

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Turning Ideas Into Action





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Economic Impact at a Glance

Our Lady of the Lake Health (OLOL), located in Baton Rouge, Louisiana, makes a significant economic impact on the Greater Baton Rouge region and the entire state of Louisiana. OLOL supports the local and statewide economy through the following:

Employment

OLOL employs more than 7,000 people, making it the largest private employer in the region. This includes doctors, advanced practice providers, nurses, clinical staff, and support staff.

Purchasing

The hospital purchases goods and services from local vendors, which helps to support other businesses in the region.

Infrastructure

OLOL invests in infrastructure projects, such as building new facilities and upgrading existing ones. This creates jobs and stimulates economic activity in the region.

Tourism

OLOL attracts patients from all over Louisiana and beyond who come to receive specialized medical care. This brings money into the local economy through hotel stays, meals, and other expenses.

Overall, the economic impact of OLOL is significant and far-reaching. The hospital is a major contributor to the local economy, providing jobs, supporting businesses, and attracting patients from across the Gulf South.

OLOL is in the 10th year of a partnership with Louisiana State University through a Cooperative Endeavor Agreement (CEA) to improve and expand access to care and enrich Louisiana's doctors, nurses, and healthcare professionals.¹ Through the partnership, OLOL expanded graduate medical education (GME) and now serves as a clinical teaching site for 27 residency programs and fellowships. This partnership has expanded the medical services and level of care OLOL can offer to the region, impacting healthcare locally and across the region. In addition, it also creates opportunities for job creation and economic expansion and increases local and state tax revenue.

¹ When Earl K. Long Medical Center closed, sponsored residency programs from Louisiana State University Health Sciences Center needed to find a new permanent home. Our Lady of the Lake Health (OLOL), a member of the Franciscan Missionaries of Our Lady Medical Center and the largest hospital in the state, became that home through a unique public-private partnership with the state.

Economic Impact of OLOL on Louisiana in 2022



\$2.6 billion

Total economic impact in Louisiana from OLOL operations.



15,270 jobs

Total jobs supported in Louisiana from OLOL operations.

One in every 150 jobs held by persons in Louisiana is directly or indirectly related to OLOL.



\$104 million

Total state and local taxes generated from OLOL operations.

Economic Impact of the CEA on Louisiana² (Since 2013)



\$1.5 billion

Growth in the economic impact of OLOL.



5,856 jobs

Growth in total jobs supported in Louisiana from OLOL operations.



\$61.3 million

Growth in state and local taxes generated from OLOL operations.

For every **\$1** OLOL received from the state of Louisiana annually through the 10-year CEA, an additional **\$5.50** was generated within the state's economy.

² In 2013, after the closing of Earl K. Long Medical Center, the Louisiana Department of Health and Louisiana State University Health Care Services Division formed a Cooperative Endeavor Agreement (referred to in this report as the "Lake CEA") to provide graduate medical education, clinical research, and to expand the Lake's role in providing care for the Medicaid and indigent patient populations in the Baton Rouge Region in partnership with LSU-HCSD and LDH.

Community Impact of the CEA on Louisiana (Since 2013)

Value of Uncompensated Care & Community Benefit

Note: These benefits are in addition to the annual impact that OLOL generates for the state of Louisiana.



\$108.6 million

in uncompensated care and community benefit was provided by OLOL in FY21. OLOL's uncompensated care and community benefit has more than doubled from \$51.1 million annually in 2010.

\$765 million

in total future downstream cost to be absorbed by Louisiana taxpayers over the next five years if OLOL does not provide uncompensated care and community benefit.

Value of Community Health Improvement



\$137 million in annual healthcare cost savings to Louisiana taxpayers annually is attributed to OLOL's urgent care clinic in North Baton Rouge.



\$197 million in economic impact was added to the Louisiana economy from physicians trained at OLOL entering the workforce.



\$130 million in healthcare cost savings from an estimated 38 physicians who complete residency training annually at OLOL and practice primary care in underserved areas in Louisiana.



Tripp Umbach estimates that over the 10 years of the CEA, approximately 380 physicians trained at OLOL work in underserved areas. These physicians are responsible for more than **\$1.3 billion** in healthcare cost savings annually.



\$18 million in annual healthcare cost savings related to patients being transferred from North Baton Rouge Emergency Department to urgent care to ensure the appropriate level of care.

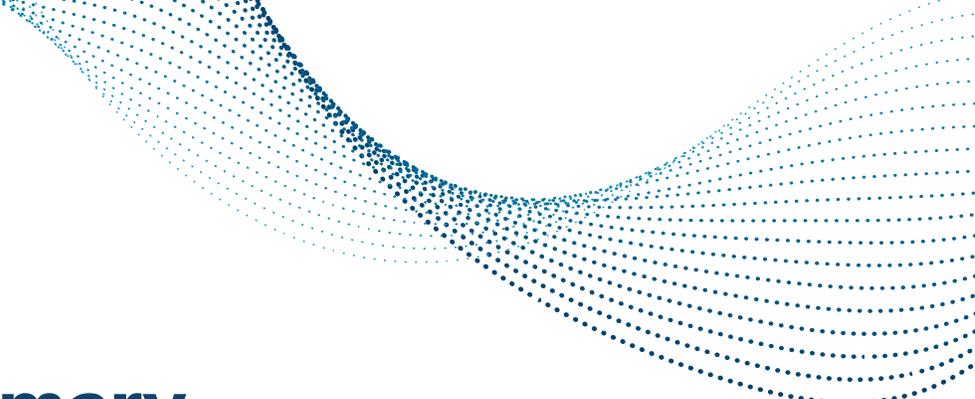


\$360 million in combined healthcare savings to the state attributable annually to the CEA.

Note: These benefits are in addition to the annual impact that OLOL generates for the state of Louisiana.

Value of Graduate Medical Education

In FY22, OLOL provided **\$25.8 million** in uncompensated revenue to support graduate medical education programs. These programs are responsible for growing the physician workforce and providing community health and economic benefits.



Executive Summary

Our Lady of the Lake's clinical, research, and academic programs represent a driving force in the Louisiana economy and a powerful generator of healthcare cost savings and high-quality care. In 2022, OLOL operations generated more than **\$2.6 billion** directly and indirectly in the Louisiana economy. OLOL's clinical, research, and academic programs supported **15,270 jobs** directly and indirectly in Louisiana, resulting in 1 in every 150 jobs in the state. OLOL's operations generated **\$104 million** in state and local taxes. These impressive economic impact numbers represent the annual value of OLOL in the Louisiana economy.³



³ Economic impact findings included in this report are limited to OLOL in Baton Rouge, Louisiana. They do not include the impacts of the entire multi-state health system.



Over the 10 years of partnership between OLOL, LSU and the state of Louisiana, every \$1 OLOL received through the CEA generated **\$5.50** in the local economy annually.⁴ OLOL's comprehensive healthcare delivery system lowers healthcare costs for all Louisiana taxpayers. See Appendix B for a more comprehensive history of Our Lady of the Lake's CEA and partnership with the state of Louisiana.

Our Lady of the Lake, and the Franciscan Missionaries of Our Lady Health System (FMOLHS), have provided healthcare to the residents of Louisiana and education of healthcare professionals for more than 100 years. Providing the highest-quality care to the uninsured and underinsured, those most in need, living in Baton Rouge is a hallmark of OLOL's mission. In Fiscal Year 2021, OLOL provided **\$108.6 million** in uncompensated care and community benefit. This vital contribution back to the community is in addition to the funding received for the state's partnership and leads to major downstream cost savings. Tripp Umbach estimates the total future downstream cost to be absorbed by Louisiana taxpayers would equal more than **\$765 million** if OLOL did not provide uncompensated care and community benefit. Without a medical center to provide high-quality care to vulnerable populations, Louisiana taxpayers would bear these additional costs in higher health insurance premiums and Medicaid costs.

Besides the value of uncompensated care and community benefit, Our Lady of the Lake's partnership with the state of Louisiana has significantly impacted community health improvement through its clinics and physician workforce expansion. OLOL's urgent care center in North Baton Rouge, operated through the public-private partnership, reduce healthcare costs to Louisiana taxpayers annually by **\$137 million**. In addition, OLOL is responsible for approximately **\$130 million** in healthcare cost savings by physicians who complete residency training annually at the medical center and practice primary care in underserved areas in Louisiana. Tripp Umbach estimates that in the 10 years of the CEA, approximately 380 physicians trained at OLOL have worked in underserved areas. These physicians are responsible for more than **\$1.3 billion** in healthcare cost savings annually, through providing primary care services and avoiding expensive emergency care.

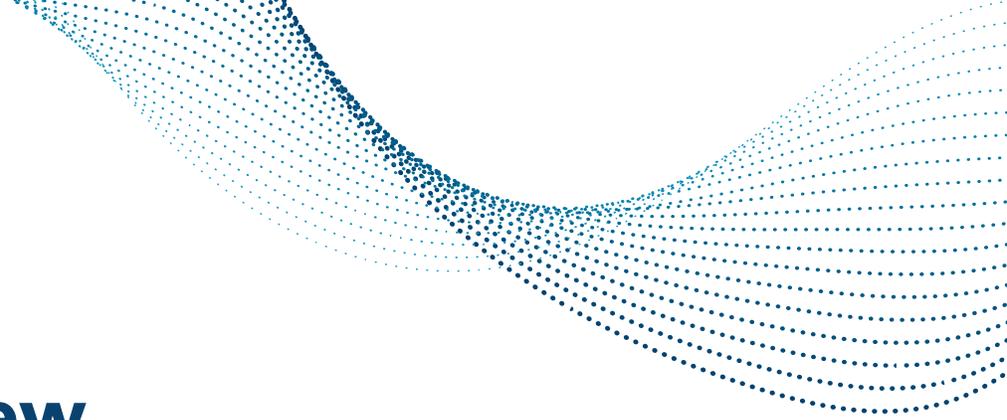
⁴ Over the past 10 years, OLOL received \$656.8 million in payments through the CEA. Since the medical center did not receive even annual payments over the period, Tripp Umbach used an annual average of \$65.7 million in our return-on-investment calculation.

Further, OLOL's partnership provides patients with access to a vast primary care network outside of the emergency room. OLOL doctors trained by the medical center through the OLOL CEA generate healthcare cost savings in many ways. OLOL doctors and advanced practice providers provide patients with preventative care, such as regular check-ups and screenings; these clinicians help identify health problems early when they are often more accessible and less expensive to treat. Additionally, OLOL clinicians can help patients manage chronic conditions, such as diabetes or hypertension, through ongoing monitoring and treatment. This can help prevent complications that may require expensive emergency room visits or hospitalizations, leading to better health outcomes and reduced healthcare costs over time for Louisiana.

Our Lady of the Lake's North Baton Rouge campus is an example of a public-private partnership's ability to improve outcomes and reduce costs. For many years, OLOL has operated an urgent care and primary care clinic, and oncology infusion suite, under one roof. In 2017, through the OLOL partnership with the state, an emergency room was added to that campus. This innovative model allowed patients to flow seamlessly between emergency and urgent care, based on their condition. It also allowed for easy referral to primary care. In 2022, Tripp Umbach estimates that OLOL generated \$18 million in annual healthcare cost savings for patients transferred from North Baton Rouge Emergency Department to urgent care. Being able to provide patients the right care, at the right place, at the right time has been essential in improving quality and reducing costs.

The CEA has also been influential in creating substantial healthcare cost savings. Tripp Umbach estimates annual healthcare cost savings to Louisiana taxpayers attributed to the Lake CEA equal **\$360 million** annually over the 10 years.





Study Overview

OLOL retained Tripp Umbach,⁵ a nationally recognized independent consulting firm, to measure the medical center's economic impact and community benefits over the 10 years that OLOL operated graduate medical education, community clinic operations, and advanced specialty programs under the CEA with LSU and the state of Louisiana. This report serves to help stakeholders understand the significant value of OLOL to Louisiana in quantitative and qualitative terms and demonstrates societal contributions to Louisiana taxpayers.

This report includes findings related to the following:

- The total of OLOL's economic impact for 2022, with comparisons to 2010 and 2030⁶ economic impact projections estimated by Tripp Umbach. These impacts fall within the following categories:
 - Business volume impacts (capital expenditures, operational expenditures, and payroll).
 - Direct, indirect, and induced employment impacts.
 - State and local tax impacts.
 - Impact of employee spending (retail/merchandise, hospitality, etc.).
 - Impact of visitor spending on the economy (wage premiums, job creation, etc.).
- Cost savings and community health impact of the CEA over the 10 years that the medical center operated residency training and community clinic operations on behalf of the state of Louisiana. These impacts include:
 - The impact of health improvement programs and services.
 - The impact of quality of care.
 - Healthcare cost savings statewide from physicians who remain in primary care.
- Total return on investment to the state's economy through public investments made through the CEA over the 10-year agreement.

⁵ Tripp Umbach is the nation's most experienced provider of economic impact studies for academic health organizations, having completed similar studies over the past 30 years for more than 100 medical schools and more than 800 hospitals. Tripp Umbach has completed hundreds of similar assignments for large health medical centers and academic medical centers nationally since 1990.

⁶ Tripp Umbach revised 2030 projections to reflect changes in the Consumer Price Index (CPI).



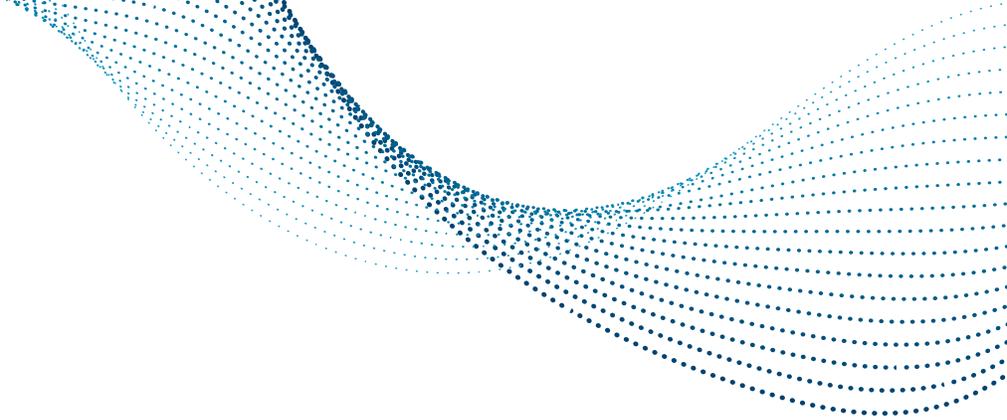
Economic Impact Methodology

Tripp Umbach analyzed the economic impact of OLOL using the IMPLAN input-output model.⁷ Primary data for the analysis were collected from the medical center, including capital expenditures, operational expenditures, number of employees, payroll, benefits, and taxes paid to local and state governments. Tripp Umbach also utilized the OLOL annual report, its website, and other documents supplied by the medical center. Tripp Umbach used secondary data and the firm's benchmarking databases, developed over 30 years from experience with hundreds of similar medical center economic impact studies, to estimate visitor spending for conferences and meetings, service location visits, and research.

The economic impact values presented in this report are generated by direct, indirect, and induced operational spending; capital spending; payroll; and visitor spending throughout Louisiana. While this study is limited to the economic and social impact of OLOL on Louisiana, medical center spending and generation of economic impact from its operations and employment provide benefits throughout the United States. The direct and indirect employment impact generated from OLOL operations includes individuals who work directly and indirectly for the medical center. Indirect employment represents additional jobs created because of medical center operations. Local companies that provide goods and services to OLOL hire extra individuals to support medical center purchasing and purchasing of employees and visitors. The state and local tax impact of OLOL includes taxes generated by the medical center and taxes paid by vendors and employees because of their business.

For more information on the methodology or definition of terms, technical data, and FAQs, see pages 20-28.

⁷ Minnesota IMPLAN Group Inc. (MIG) is the corporation that is responsible for the production of IMPLAN (IMpact analysis for PLANning) data and software. IMPLAN is a micro-computer-based, input-output modeling medical center. With IMPLAN, one can estimate Input-Output models of up to 528 sectors for any region consisting of one or more counties. IMPLAN includes procedures for generating multipliers and estimating impacts by applying final demand changes to the model.



Economic Impact of OLOL on Louisiana

Economic Impact on Louisiana

OLOL contributes to Louisiana’s economic success, directly or indirectly impacting residents daily through clinical care services/activities, employment, and operational spending. As a result, the total economic impact of OLOL in 2022 in Louisiana equaled **\$2.6 billion**, including a direct operational impact of **\$1.4 billion** and the indirect impact of **\$1.2 billion**.

Table 1: Economic Impact of OLOL on Louisiana (2010-2030)

Impact	2010	2013	2022	2030
Economic	\$928.6 million	\$1.07 billion	\$2.6 billion	\$3.8 billion
Employment	8,186	9,414	15,270	20,224
Taxes	\$37.1 million	\$42.7 million	\$104 million	\$144 million

OLOL’s spending and that of its employees and visitors are important to the Louisiana economy. Many industry sectors throughout the state rely on local spending attributed to the medical center. The spending generated by OLOL helps suppliers and vendors in business operations and helps the state residents by creating jobs in and throughout Louisiana.

Employment Impact on Louisiana

In 2022, OLOL supported **15,270 jobs** in Louisiana. With a state workforce of 2.3 million, one in every 150 jobs held by persons in Louisiana is directly or indirectly related to Our Lady of the Lake, making the medical center a vital contributor to the state's workforce.

Tax Impact on Louisiana

In 2022, OLOL's operations generated more than **\$104 million** in local tax revenue, including the direct taxes paid to local economies and the additional indirect tax payments. Spending within the state by OLOL generated tax revenue through sales tax and other taxes paid by the companies receiving revenue from the medical center.

Return on Investment

Over the past 10 years, OLOL received an average of **\$65.7 million** in payments from the state of Louisiana under the terms and conditions of the CEA. For every dollar received from state taxes, **\$5.50** is returned through the expansion of the state's economy annually.



Economic Impact of the CEA

(since 2013)

The work of Our Lady of the Lake Health over the past 10 years has measurably increased access to care for the Greater Baton Rouge region, especially in North Baton Rouge. When this area was without emergency services after the closure of Baton Rouge General's Mid City Hospital in 2015 and Earl K. Long in 2013, Our Lady of the Lake answered the call, opening its North Baton Rouge ER in November 2017.

Our Lady of the Lake was the first public-private healthcare partner in the state of Louisiana. Its leadership created a model that has since been followed by Ochsner Health, LCMC Health and others throughout the state. By successfully breaking down the former two-tier healthcare delivery system, everyone in Louisiana has benefited from the economic and social benefits outlined below as the OLOL focused on increasing primary care by addressing social determinants of health, increasing the physician workforce through more robust graduate medical education programs, and increasing innovation through robust clinical research.

Economic Impact Since the CEA Was Developed (2013-2022)



\$1.5 billion

Growth in the economic impact of OLOL.



5,856 jobs

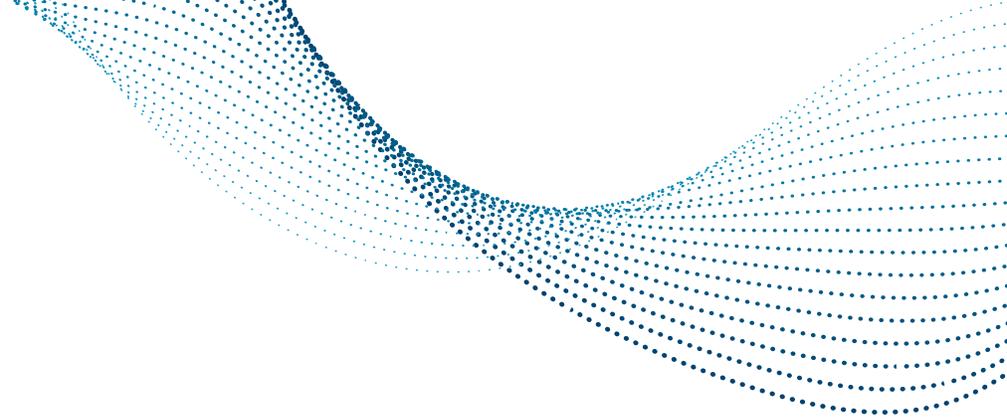
Growth in total jobs supported in Louisiana from OLOL operations.



61.3 million

Growth in state and local taxes generated from OLOL operations.

For every **\$1** OLOL received from the state of Louisiana annually through the 10-year Lake CEA, an additional **\$5.50** was generated within the state's economy.



Value of Uncompensated Care & Community Benefit through the CEA

OLOL's total impact on the state goes far beyond the **\$2.6 billion** economic impact on the Louisiana economy presented above. OLOL is responsible for millions more in healthcare cost savings from its high-quality primary care network and preventative care to state residents who cannot pay. In FY21, OLOL provided **\$108.6 million** in uncompensated care and community benefit. OLOL's uncompensated care and community benefit has more than doubled from \$51.1 million annually in 2010. The value of uncompensated care and community benefit provided by OLOL is significantly more than the average non-profit hospital in Louisiana, which provided \$14.3 million in uncompensated care and community benefit in 2022. OLOL accounted for nearly 20 percent of the \$617 million provided by the 43 hospitals in Louisiana in 2022.

Tripp Umbach estimates the total future downstream cost to be absorbed by Louisiana taxpayers would equal more than **\$765 million** if OLOL did not provide uncompensated care and community benefit. Without a medical center to provide high-quality, early-state care to vulnerable populations, Louisiana taxpayers would bear these additional costs in higher health insurance premiums.



Value of Community Health Improvement through the CEA

Healthier populations contribute to a more robust local economy, and a stronger local economy contributes to a healthier population. The most visible connection between health and the economy is sustaining a healthier workforce. Healthier workers are more likely to show up for work, to be more productive at work, to have better physical and mental health, and to engage in education and skills training. Health is linked with positive economic outcomes, affecting per-capita income, unemployment, and poverty.



Graduate Medical Education & Clinical Research

Over the past 10 years, OLOL has grown into a nationally recognized academic medical center for its GME programs and robust clinical research. The growth in GME programs at OLOL has dramatically outpaced other teaching hospitals nationally at a time when growing residency training programs are needed to ensure high-quality healthcare services. The CEA is responsible for significantly increasing physicians' training in Baton Rouge, especially in primary care specialties that critically impact population health status. The CEA also increased the number of trained physicians in needed subspecialties. The public-private partnership has more than quadrupled the number of residents in training at the former charity hospital. The number of resident trainees increased from 73 at Earl K. Long to more than 378 residents in training in 2022. In addition, OLOL provided **\$25.8 million** in uncompensated revenue to support graduate medical education programs. These programs are responsible for growing the physician workforce and providing community health and economic benefits.

Using data supplied by OLOL, Tripp Umbach estimates that approximately 56 of the 378 physicians who trained at the medical center graduated from residency programs in 2022 and entered practice in Louisiana.⁸ Tripp Umbach estimates that every physician who remains in Louisiana to practice has a \$2.2 million economic impact on the Louisiana economy. Therefore, in 2022, **\$112 million** in economic impact was added to the Louisiana economy resulting from physicians trained at OLOL entering the workforce. Further, these physicians support approximately **665 jobs** (directly and indirectly) and generate **\$3.6 million** in state and local taxes. These economic, employment, and tax impacts are in addition to the annual **\$2.6 billion** economic impacts of OLOL.

In 2022, Our Lady of the Lake generated **\$205 million** in healthcare cost savings from the 38 physicians who complete residency training annually at OLOL and are estimated to practice primary care in underserved areas in Louisiana. Tripp Umbach estimates that over the 10 years of the CEA, approximately 380 physicians trained at OLOL have worked in underserved areas.⁹ These physicians are responsible for more than **\$1.3 billion** in healthcare cost savings annually. These savings by OLOL-trained physicians who practice in underserved areas represent approximately 10 percent of the \$12 billion the state of Louisiana spends on healthcare annually.

Our Lady of the Lake has also significantly increased its clinical research and healthcare innovation outputs through its partnership with Louisiana State University and the state of Louisiana. Through the partnership, OLOL developed a unique program with the LSU College of Engineering to bring industrial engineers into the healthcare space to work on quality and process improvement projects. Additionally, research led by LSU faculty at Our Lady of the Lake has led to breakthrough medical innovations. Most recently, the Food & Drug Administration recently granted approval to the IntelliSep rapid sepsis diagnostic test that was developed in partnership with OLOL and Cytovale, a health technology company. This new test, which is now able to be used in hospitals across the country, has the ability to diagnose sepsis in 10 minutes using a routine blood draw. It is important to note that sepsis is the leading cause of death in hospitals and the #1 contributor to healthcare costs. This new test will undoubtedly save many lives across the world as it becomes more widespread and will lead to even greater healthcare cost savings in Louisiana.

⁸ According to the AAMC, 56 percent of doctors who completed residency training in Louisiana hospitals remain in Louisiana to practice. Tripp Umbach estimates that approximately 60 percent of physicians trained at Our Lady of the Lake who remain in Louisiana will ultimately practice in Louisiana. Tripp Umbach estimates that 25 percent of all residents in training graduate in any given year from a residency training program.

⁹ American Academy of Family Physicians.

Healthcare Cost Savings

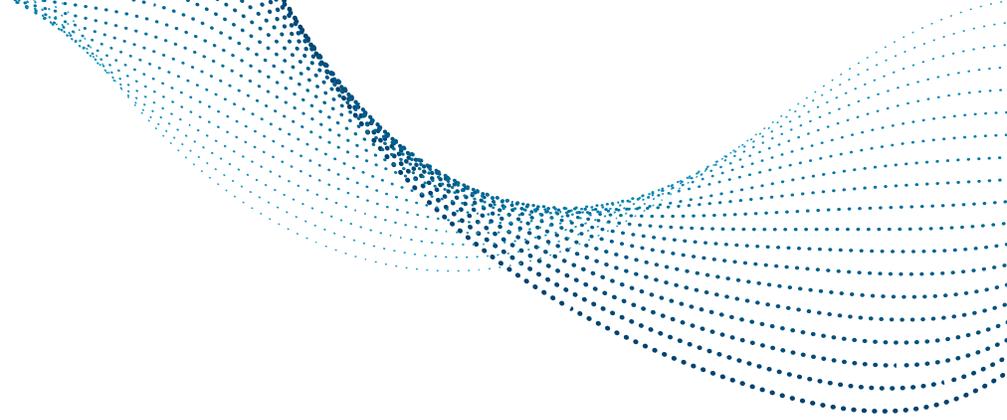
OLOL 's highly integrated network of care, including urgent, primary and emergency care in North Baton Rouge have shown to lower annual healthcare costs for Louisiana taxpayers. National studies on uninsured/underinsured patients indicate that every \$1 spent providing urgent care reduces downstream healthcare costs by \$13.00.¹⁰ Therefore, each of the 60,000 urgent care visits in 2022 provided by OLOL, at an average cost of \$175, would cost taxpayers \$2,275 in healthcare costs if the medical center wasn't in place to provide urgent care. In 2022, OLOL saved more than **\$126 million** in healthcare costs, resulting in \$1.92 in healthcare cost savings to Louisiana taxpayers for every \$1 provided to the medical center by the state through the CEA.

Emergency Room Cost Savings

Keeping patients out of the emergency room has resulted in significant cost savings for OLOL. Emergency room visits are often the most expensive type of healthcare service, with high equipment, staff, and facility maintenance costs. Tripp Umbach estimates that OLOL is responsible for **\$18 million** in annual healthcare cost savings related to patients being transferred from North Baton Rouge Emergency Department to urgent care. These patients are triaged in the emergency department by a physician prior to determining the most appropriate level of care is down the hall in the urgent care. This model of care should be replicated in communities throughout Louisiana.



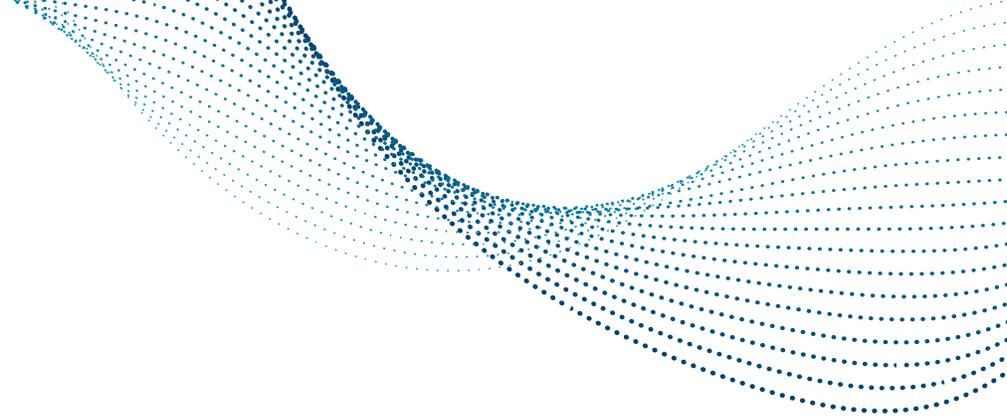
¹⁰ Tripp Umbach estimates based on industry standards.



Conclusion

This report underscores the economic and social value of OLOL since the establishment of the CEA in 2013. The work of OLOL, in partnership with the state of Louisiana and LSU over the past 10 years, has dramatically increased economic prosperity in Baton Rouge and throughout Louisiana by expanding the economy, creating jobs, generating tax revenue, lowering healthcare costs, and increasing the provider workforce. Over the past 10 years, the annual economic impact of the medical center has increased by **\$1.5 billion**. Statewide employment has grown by **5,856**, and total state and local tax revenue has grown by **\$61.3 million**. Tripp Umbach estimates that by 2030, the economic impact of OLOL will increase by \$1.2 billion to equal **\$3.8 billion** annually.



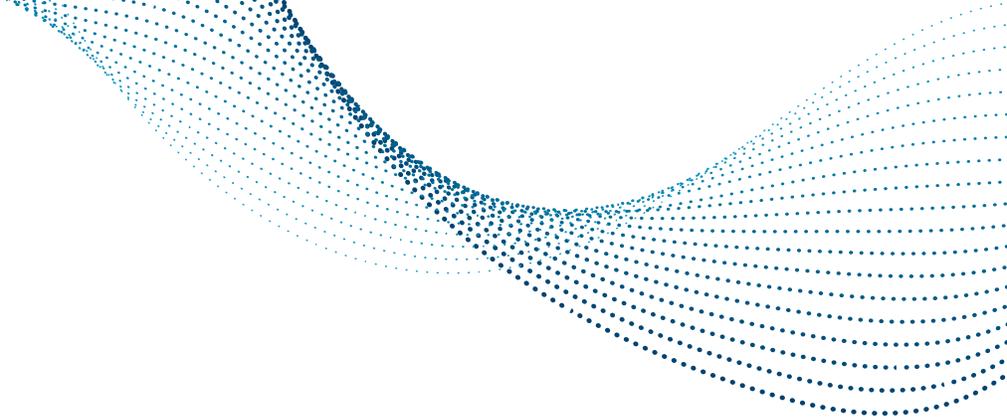


Appendix A: About OLOL

Our Lady of the Lake Health opened in 1923 and is a leading healthcare provider for the south Louisiana region and the largest acute care hospital in the state. On average, the hospital cares for approximately 36,000 inpatients each year, with more than 200,000 emergency room visits and more than 750,000 outpatient visits from the surrounding community, and is recognized as a regional leader in cardiology, oncology, pediatric services, and orthopedics. The main campus occupies 120 acres of land approximately five miles from downtown Baton Rouge.

Our Lady of the Lake Health offers residency training programs in many medical specialties. These programs provide postgraduate medical education and training to physicians who have graduated from medical school and are pursuing further training in a specific area of medicine. Residency training programs offered at OLOL through a partnership with LSU include the following:

- LSU Health Science Center-Our Lady of the Lake Baton Rouge Residency/Fellowship Programs
- LSU Anesthesia Residency Program (Residents)
- LSU Dentistry Residency Program (Residents)
- LSU Dermatology Residency Program (Residents / Students)
- LSU Emergency Medicine-BR Residency Program (Residents / Students)
- LSU General Surgery Residency Program (Residents / Students)
- LSU Internal Medicine Residency Program (Residents / Students)
- LSU Neurotology Fellowship Program (Fellows)
- LSU OBGYN Residency Program (Residents / Students)
- LSU Ophthalmology Residency Program (Residents / Students)
- LSU Oral and Maxillofacial Residency Program (Residents)
- LSU Orthopedic Surgery Residency Program (Residents / Students)
- LSU Otorhinolaryngology Residency Program (Residents / Students)
- LSU Plastic Surgery Residency Program (Residents)
- LSU-OLOL Psychiatry Residency Program (Residents / Students)
- LSU Vascular Surgery Residency Program (Residents / Students)
- LSU Rural Family Medicine Residency Program (Residents / Students)
- LSU Bariatric Surgery Fellowship Program (Fellows)
- LSU Endocrinology Fellowship Program (Fellows)
- LSU Rheumatology Fellowship Program (Fellows)



Appendix B: About the CEA

The state of Louisiana, through the Division of Administration and the Louisiana Department of Health (LDH), and Louisiana State University Health Care Services Division (LSU-HCSD) initiated a program that commenced in 2010 and was completed in 2014 to privatize healthcare services throughout Louisiana through multiple cooperative endeavor agreements.

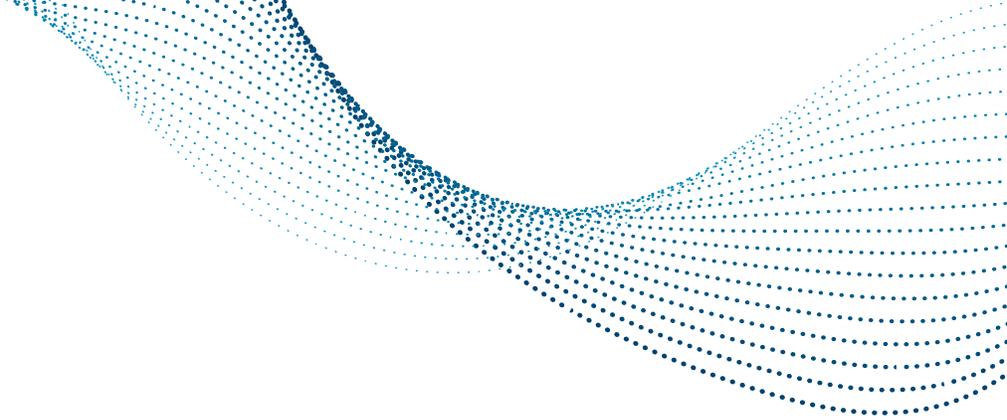
In 2013, OLOL entered a first-of-its-kind CEA with the state of Louisiana, LDH, and LSU-HCSD to form the CEA. The goal of Our Lady of the Lake's CEA was to provide graduate medical education, clinical research, specialized services such as trauma, and to expand their role providing care for the Medicaid and uninsured patient populations in the Baton Rouge region in partnership with LSU-HCSD and LDH. Additionally, Our Lady of the Lake took over management of LSU-HCSD's outpatient clinics and facilities, which serve the uninsured.

In November 2017, the OLOL opened an approximately 8,000-square-foot North Baton Rouge emergency room facility to provide emergency room services. Per the CEA, the hospital built a medical education building near its campus, gifted to LSU-HCSD. The LSU Health Baton Rouge North Clinic Urgent Care Center serves the northern part of Baton Rouge.



Appendix C: Definition of Terms

Study Years	2010, 2013, 2022, and 2030
Total Economic Impact	The total economic impact of an institution includes both the direct and indirect impacts generated in the economy because of the institution.
Direct Economic Impact	The direct impact includes institutional, employee, and visitor spending on the institution.
Indirect Economic Impact	Indirect impact, or the multiplier effect, includes re-spending dollars within the local economy by vendors/suppliers and households.
Multiplier Effect	The multiplier effect is the additional economic impact created by the institution's direct economic impact. Local companies that provide goods and services to an institution increase their purchasing by creating a multiplier.
Direct Tax Payments	An institution makes direct tax payments to a unit of government.
Indirect Tax Payments	Governmental units collect government revenue in addition to those paid directly by an institution, including taxes paid directly by employees of the institution, visitors to the institution, and vendors who sell products to the institution.
Direct Employment	The total number of employees at the institution is based on total jobs.
Indirect Employment	Indirect employment is the additional jobs created by the institution's economic impact. Local companies that provide goods and services to an institution increase their employees as purchasing increases, thus creating an employment multiplier.



Appendix D: Methodology

IMPLAN Methodology

The economic impact of OLOL was estimated using IMPLAN (Impact Analysis for PLANning), an econometric modeling medical center developed by applied economists at the University of Minnesota and the U.S. Forest Service. The IMPLAN modeling medical center has been in use since 1979 and is used by more than 500 private consulting firms, university research centers, and government agencies. The IMPLAN modeling medical center combines the U.S. Bureau of Economic Analysis' Input-Output Benchmarks with other data to construct quantitative models of trade flow relationships between businesses and between businesses and final consumers. From this data, one can examine the effects of a change in one or several economic activities to predict its effect on a specific state, regional, or local economy (impact analysis). The IMPLAN input-output accounts capture all monetary market transactions for consumption in a given period. The IMPLAN input-output accounts are based on industry survey data collected periodically by the U.S. Bureau of Economic Analysis (U.S. BEA) and follow a balanced account format recommended by the United Nations.

IMPLAN's Regional Economic Accounts and the Social Accounting Matrices were used to construct state- and regional-level multipliers, which describe the economy's response to a change in demand or production because of the activities and expenditures of the medical center. Each industry that produces goods or services generates demand for other goods and services. This demand is multiplied through a particular economy until it dissipates through "leakage" to economies outside the specified area. IMPLAN models discern and calculate leakage from local, regional, and state economic areas based on workforce configuration, the inputs required by specific types of businesses, and the availability of both inputs in the economic area. Consequently, economic impacts that accrue to other regions or states because of a change in demand are not counted as impacts within the economic area.

The model accounts for substitution and displacement effects by deflating industry-specific multipliers to levels well below those recommended by the BEA. In addition, multipliers are applied only to personal disposable income to obtain a more realistic estimate of the multiplier effects of increased demand. Importantly, IMPLAN's Regional Economic Accounts exclude imports to an economic area, so the calculation of economic impacts identifies only those impacts specific to the economic impact area. IMPLAN calculates this distinction by applying Regional Purchase Coefficients (RPC) to predict regional purchases based on an economic area's characteristics. The RPC represents the proportion of goods and services purchased regionally under normal circumstances based on the area's economic characteristics described in terms of actual trade flows.

Employment Definitions

IMPLAN analysis measures jobs/positions (part-time or full-time), not full-time equivalents (FTEs). Full-time and part-time employees impact the economy and support additional indirect and induced employment throughout Louisiana. Employment data for the medical center was provided as an output of all individuals who receive a paycheck from the institution, including all full-time and part-time employees.

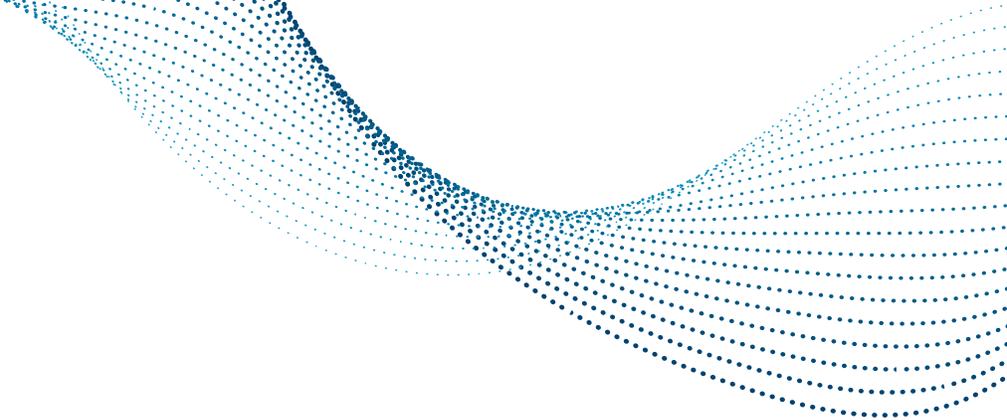
State and Local Tax Impact Definition

Spending within the state by OLOL generated tax revenue through sales tax and other taxes paid by the companies receiving revenue from the medical center. Any federal taxes paid by the medical center were not included in the state and local tax impacts (i.e., FICA payments).

Visitor Definitions

Impact analysis looks to quantify the impact of attracting “fresh” dollars to a region. Therefore, when including visitor spending in the impact analysis of a medical center, the analysis will include only those visitors coming to a region from outside the said region. Visitors to events who also live in the region would have spent their dollars in that region otherwise; therefore, this dollar was not attracted to the region because of the organization being analyzed. For this study, the impact analysis looked at impacts on the state of Louisiana.





Appendix E: FAQs Regarding Economic Impact Assessment

What is the economic impact?

Economic impact studies measure the direct economic impact of an organization's spending plus additional indirect spending resulting from direct spending. The economic impact has nothing to do with dollars collected by institutions, their profitability, or their sustainability since all operating organizations have a positive economic impact when they spend money and attract spending from outside sources.

Direct economic impact measures the dollars generated within a geographic region because of an institution's presence. This includes spending on goods and services with vendors within the region and the spending of its employees and visitors and the economic impact generated by businesses within the region that benefit from the institution's spending. It is important to remember that not all dollars spent by an institution stay in the geographic region of study. Dollars spent outside the region in the form of purchases from out-of-area vendors are not included in an institution's economic impact on the region.

The total economic impact includes the "multiplier" of spending from companies that do business with an institution. Support businesses may include lodging establishments, restaurants, construction firms, vendors, and temporary agencies. Spending multipliers attempt to estimate the ripple effect in the economy where the spending occurs. For example, spending by an institution with local vendors provides these vendors with additional dollars that they re-spend in the local economy, causing a "multiplier effect."





What is the multiplier effect?

Multipliers are numerically describing the secondary impacts stemming from an organization's operations. For example, an employment multiplier of 1.8 would suggest that for every 10 employees hired in the given industry, eight additional jobs would be created in other industries, such that 18 total jobs would be added to the given economic region. The multipliers used in this study range from 1.8 to 2.0.

The Multiplier Model is derived mathematically using the input-output model and Social Accounting formats. The Social Accounting Medical center provides the framework for the predictive Multiplier Model used in economic impact studies. Purchases for final use drive the model. Industries that produce goods and services for consumer consumption must purchase products, raw materials, and services from other companies to create their product. These vendors must also procure goods and services. This cycle continues until all the money is leaked from the region's economy. Three effects are measured with a multiplier: the direct, the indirect, and the induced effects. The direct effect is the known or predicted change in the local economy to be studied. The indirect effect is the business-to-business transactions required to satisfy the direct effect. Finally, the induced effect is derived from local spending on goods and services by people working to satisfy the direct and indirect effects.

What methodology was used in this study?

IMPLAN (IMPact analysis for PLANning) data and software. Using classic input-output analysis in combination with regional-specific Social Accounting Matrices and Multiplier Models, IMPLAN provides a highly accurate and adaptable model for its users. The IMPLAN database contains state, state, ZIP code, and federal economic statistics specialized by region and not estimated from national averages. It can measure a regional or local economy's effect on a change or event in its activity.

What is employment impact?

Employment impact measures the direct employment (employees, staff, faculty, administration) plus additional employment created in the economy because of an institution's operations.

Indirect and induced employment impact refers to other regional employees who exist because of an institution's economic impact. In other words, jobs related to the population — city services (police, fire, EMS), employees at hotels and restaurants, clerks at retail establishments, and residents employed by vendors used by the institution.

What is the difference between direct and indirect taxes?

Direct tax dollars include sales taxes paid directly by the institution to the state. In contrast, indirect taxes include taxes paid to the state by vendors that do business with an institution and individuals.

Is this a one-time impact, or does the impact repeat each year?

The results presented in this economic impact study are generated annually.



Appendix F: About Tripp Umbach

Founded in Pittsburgh in 1990, Tripp Umbach has completed hundreds of economic impact studies for leading medical centers, academic medical centers, universities, and governmental entities at the regional, state, and national levels. Tripp Umbach is credited as the pioneer in community health assessment, economic impact analysis, and academic medicine expansion. Tripp Umbach inspires more than 1,000 clients worldwide to turn ideas into action and impact to change the world for good.



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