

The Economic Impact of Educating Twenty Nurses: The ICAPP Advantage Partnership Between East Georgia Regional Medical Center and Georgia Southern University

Summary of Findings

The following provides a quick summary of the findings with respect to the potential economic impact of educating 20 nurses for employment by East Georgia Regional Medical Center (EGRMC). The addition of 20 nurses to the staff of the EGRMC will have two direct impacts. First, EGRMC will be able to fully utilize its facility by adding the operation of the 28 bed, fourth floor general and surgical unit. Second, doctors' will be able to increase the services which will be provided locally. The total direct effect of the expected increase in hospital and hospital-related doctor services will be an increase in total output of health care services of \$3.9 million per year in 1997 dollars. The indirect and induced effects expand this impact to a total impact of \$5.5 million per year in 1997 dollars. The region wide impacts were calculated for the nine county area served by EGRMC.¹

In terms of employment, adding 20 nursing jobs at the hospital is only part of the direct employment impact. Since hospital-related doctors' services will also increase, it is expected that an additional direct impact of 26 jobs will be associated with the expansion of doctors' practices in the region. The direct impact of the program is therefore, 47 health care services jobs. The total employment effect including the indirect effects and the induced effects will be an estimated 73 jobs region-wide.

The additional nurses will increase the return to ECRMC on its facility by \$1.1 million per year in 1997 dollars. To obtain a comparable measure for facilities utilization and return to doctors' practices it was estimated that direct impact to property incomes (rents) will be approximately \$62.6 thousand per year in 1997 dollars. Additionally, it was estimated that the direct impact on proprietors' incomes (returns to doctor's practices) will be \$153.0 thousand per year in 1997 dollars. The total impact on property income and proprietors' incomes is an estimated additional return of \$713.0 thousand per year in 1997 dollars.

Finally, it was estimated that there will be an increase of approximately \$18,000 in indirect business taxes paid annually in 1997 dollars. The total impact on indirect business taxes paid will be an estimated \$99,000 annually in 1997 dollars.

There are two other economic impacts, which while more difficult to quantify, are none the less very important economic benefits. First, more services can be offered in close proximity of where patients live. Second, increased convenience of services has been shown to significantly

¹The service area includes: Bulloch; Chandler; Effingham; Emanuel; Evans; Jenkins; Screven; Tattnal; and, Toombs Counties.

increase early treatment of medical conditions. Early treatment lowers the total cost of treatment. Both lower travel costs for services and the lower cost of health care from early treatment reduce the total cost of health care to patients.