



FAIF LUNCH & LEARN SERIES

The Business Model of Hospitals: How Care Providers Function as Companies | Wednesday, February 20, 2019

Before policy makers can be expected to make informed decisions, they need a reasonable understanding of the issues and industries under their purview. To better support and facilitate the formation of sound policies, the Foundation of Associated Industries of Florida (FAIF) will host a series of bite-sized, educational roundtables on different sectors of the economy, current challenges and opportunities, and emerging issues that will shape the future. The *FAIF Lunch & Learn Series* is the platform and placemat to more easily consume and digest important information concerning Florida's communities and job creators.

On Wednesday, February 20, the *FAIF Lunch & Learn Series* kicked off with a high-level discussion on hospitals and how they operate as businesses and employers. The group focused on the current state of the hospital and health system's operational environment in Florida, including staffing and employment, revenue sources, and more.

Some of the attendees at this event included:

- **Foundation Chair, José Gonzalez**, Director, Government & Industry Relations, Walt Disney Parks & Resorts
- **Moderator, Liz Dudek**, Former AHCA Secretary and Director of Health Care Affairs at Greenberg Traurig
- **Brian Delburn**, Director, Government Relations, Tenet Healthcare Corporation
- **Ellen Anderson**, Director, Government Relations, Community Health Systems
- **Rep. Javier Fernández (D-Coral Gables)**
- **Rep. Spencer Roach (R-North Ft. Myers)**
- **Rep. Shevrin Jones (D-West Park)**
- **Rep. Margaret Goode (D-Sarasota)**
- **Tom Feeney**, AIF President & CEO
- Staff from AIF and Florida Hospital Association



Pertinent statistics regarding hospital operations in Florida and the impact they have on their communities were made available to the group by the Florida Hospital Association's 2015 Economic Impact Analysis Program.

Highlights of the 2015 statistics on Florida hospitals included:

- Employment of 901,674 full & part time jobs which equates to \$128 billion in output
- \$73 billion in total value-added activity
- \$51 billion in labor income (earnings) to employees and business owners
- A patient volume of 2.7 million

In many instances, local hospitals play a vital role in fostering a thriving community. They are usually one of the top employers in their respective county or city and provide critical life-saving health care for citizens. With employment opportunities at the main hospital, satellite clinics, labs and imaging service locations, the financial impacts on both the citizens and communities is substantial. As a business, hospitals must deal with the same challenges as other companies including regulations, labor laws, workers' compensation, legal liabilities, and a host of other issues. Some of the topics that were discussed in the February 20 meeting are listed below.



Rep. Javier Fernández (D) and Rep. Shevrin Jones (D)

Natural Disasters –

Hospitals go to great lengths and expense to be able to stay open as long as possible to service the victims of a natural disaster. Despite the tremendous backup systems in place, there are still challenges as it relates to structural damages, fuel supply for generators, blood supply and employee availability. Not only do Florida hospitals provide emergency services for Florida during and after storms, but often take patients from other states that may have been affected by a natural disaster.

Transportation –

The challenges regarding hospital transportation are numerous as it relates to managed care. Some examples are:

- The possible use of emergency vehicles for non-emergency transportation
- The use and payment of for-hire transportation companies such as Uber or Lyft
- The lack of transportation and how it affects access to medical care, often resulting in the use of the hospital's emergency department rather than a practitioner (preventative vs. emergency care)

Tourism Support –

Florida hospitals support efforts such as VISIT FLORIDA because tourism improves not only hospital business, but also recruitment and retention efforts for both physicians and nurses where there is currently a shortage.

Staff Housing –

Another interesting challenge for some hospitals occurs in Key West and relates to workforce housing. In an area such as this, having suitable housing for health care workers and their families can be difficult to manage due to the location and population density.

Medical Marijuana –

There are serious and far-reaching implications for patients, practitioners, and employees of both hospitals as well as all Florida employers regarding the legalization of medical marijuana.



Rep. Margaret Goode (D) and Brian Delburn