

**THE ECONOMIC IMPACT OF THE NEW OCHSNER-LSU HEALTH PARTNERSHIP
ON NORTH LOUISIANA**

By

Loren C. Scott & Associates, Inc.

743 Woodview Court

Baton Rouge, LA 70810

www.lorencscottassociates.com

March 2021



EXECUTIVE SUMMARY

In October 2018, a partnership was formed between the LSU Health System and Ochsner Health Systems to manage the two former Charity Hospitals in North Louisiana---(1) the LSU Health System on Kings Highway in Shreveport and (2) the former EA Conway Charity Hospital in Monroe. In April 2019, the Partnership reopened the former CHRISTUS Schumpert Hospital as St. Mary Medical Center. The Partnership has also opened four new clinics in Shreveport. The purpose of this report is to determine the economic impact on Caddo Parish, Ouachita Parish, and the State due to the takeover of these assets by the Partnership.

Our findings on the impact of the transition on Caddo Parish can be summarized as follows:

- Direct employment in the Partnership is now 3,290---up 32% since the transition---making the Partnership the 3rd largest employer in the Parish.
- The total impacts, including the multiplier effects, of Partnership operational and capital spending since the transition are shown in Table EX-1.

Table EX-1
Ochsner LSU Health Total Spending Impacts & Impacts the Year Before Takeover
on Caddo Parish,
FY 2018 – FY 2021

Year	Sales	Earnings	Jobs	Taxes
FY18	\$628.5	\$355.5	5,980	\$19.5
FY19	\$774.1	\$449.0	6,981	\$24.6
FY20	\$860.0	\$506.4	7,774	\$28.1
FY21	\$967.3	\$541.7	8,556	\$30.1
Total FY19-FY21	\$2,601.4	\$1,497.2	7,770*	\$82.8

Values, except jobs, are in millions. *Jobs total represents average over the 3-year period. Numbers may not sum exactly due to rounding. Numbers in red are pre-transition.

- By FY21 the impacts of these healthcare assets had: (1) **improved business sales impacts in the Parish by 54%**, (2) **boosted household earnings impacts for Parish residents by 52%**, (3) **increased employment impacts by 2,576 jobs (+43%)**, and (4) **boosted impacts on local governments treasuries by over 54%**. These benefits were occurring at a time when the area economy was otherwise in a state of decline.
- By FY21, Partnership assets in Caddo Parish were: (1) generating almost a billion dollars in sales at businesses in the Parish, (2) producing over one-half billion in household earnings for Parish residents, (3) supporting 8,556 jobs for Parish citizens (about 8% of the Parish total), and (4) generating just over \$30 million for local government treasuries.

Our findings on the impact of the transition on Ouachita Parish can be summarized as follows:

- By FY21, major recruiting hurdles plus a significant infusion of capital to upgrade the Ochsner LSU Health Hospital had lifted employment to 840.
- The total impacts, including the multiplier effects, of Partnership operational and capital spending on Ouachita Parish since the transition, are shown in Table EX-2.

Table EX-2
Ochsner LSU Health Total Spending Impacts & Impacts the Year before Takeover
On Ouachita Parish,
FY 2018 – FY 2021

Year	Sales	Earnings	Jobs	Taxes
FY18	\$147.7	\$96.3	1,741	\$5.9
FY19	\$169.8	\$102.8	1,876	\$5.6
FY20	\$167.0	\$103.8	1,847	\$5.9
FY21	\$196.2	\$114.4	2,044	\$6.4
Total: FY19-FY21	\$533.0	\$321.1	1,922*	\$17.9

Values, except jobs, are in millions. *Jobs total represents average over the 3-year period. Numbers may not sum exactly due to rounding. Red numbers are pre-transition

- By subtracting the red line (FY18) numbers from the numbers for FY21: **(1) business sales are up by \$48.5 million, (2) household earnings for Parish citizens are up by \$18.1 million, (3) jobs for Parish citizens are up by 303, and (4) revenues for local governments are up by half a million dollars.**
- Note that these gains occurred in an environment in which the Monroe MSA was losing jobs in total.
- By FY21, the Ochsner LSU Health Hospital Monroe was: **(1) generating \$196.2 million in sales at businesses in the Parish, (2) producing \$114.4 million in household earnings for Parish residents, (3) supporting 2,044 jobs for Parish citizens, and (4) generating \$6.4 million for local government treasuries.**

In order to avoid the cannibalization issue, our estimate of the impacts of the Partnership transition on the State economy are based only on the (1) capital spending by the Partnership and (2) the number of out-of-state patients served (4,412 in FY21). This will yield very conservative impact estimates. Our findings on the impact of the transition on the State economy are shown in Table EX-3:

- Comparing the red numbers to the FY21 numbers it can be seen that over the past three years the Partnership has: **(1) added \$151.4 million in new sales to businesses in the State, (2) generated \$57.4 million in new earnings for Louisiana residents, (3) added 1,058 jobs, and (4) produced \$9.1 million more for the State Treasury.**

- Importantly, these gains came at a time when the State economy was being hammered by COVID 19 and a depressed energy sector.

Table EX-3
Ochsner LSU Health Total Spending Impacts & Impacts the Year Before Takeover
on Louisiana:
FY 2018 – FY 2021

Year	Sales	Earnings	Jobs	Taxes
FY18	\$31.9	\$17.5	318	\$2.1
FY19	\$53.8	\$27.5	488	\$5.9
FY20	\$80.5	\$38.2	680	\$8.1
FY21	\$183.3	\$74.9	1,376	\$11.2
Total: FY19-FY21	\$317.6	\$140.6	848*	\$25.2

Values, except jobs, are in millions. *Jobs total represents average over the 3-year period. Numbers may not sum exactly due to rounding. Red numbers are pre-transition.

Another important benefit of the Partnership transition was greater access to healthcare in the under-served areas of these communities. St. Vincent Health Center Clinic was built in the Cedar Grove area of Shreveport, and the major investments were made in the hospital in Monroe---which is located in an under-served area---that kept that hospital open and at a better quality. As Table EX-4 shows, there has been a **14% increase in inpatient, outpatient and emergency room visits since the transition** and a 21% increase when counting COVID vaccinations and testing.

Table EX-4
Ochsner LSU Health Medicaid Population Served In Caddo & Ouachita Parishes

	FY18	FY21	Percent Change
Total Inpatient Discharges	14,131	15,077	7%
Total Emergency Room Visits	62,220	46,386	-25%
OP Advanced Imaging (MRI & CT)	14,002	16,257	16%
OP Surgeries	5,441	5,903	8%
Clinic Visits	180,728	232,740	29%
Total IP, OP, & ER	276,522	316,363	14%
Total IP, OP, ER with COVID Vaccinations & Testing	276,522	333,784	21%

TABLE OF CONTENTS

	Page
I. Introduction.....	1
Purpose & Outline of Report.....	3
II. Methodology	3
The Multiplier Effect	4
The Input-Output Table.....	4
Unique Nature of Healthcare Impact Studies	5
Fiscal Year Peculiarity	6
III. Impact of Partnership on Caddo Parish.....	6
Impact of Partnership Capital Spending: Caddo Parish	8
Impact of Partnership Operational Spending: Caddo Parish	11
Impact of All Partnership Spending: Caddo Parish.....	14
Impact of All Partnership Spending by Industry: Caddo Parish	17
IV. Impact of Partnership on Ouachita Parish	19
Impact of Partnership Capital Spending: Ouachita Parish.....	21
Impact of Partnership Operational Spending: Ouachita Parish.....	23
Impact of All Partnership Spending: Ouachita Parish	26
Impact of All Partnership Spending by Industry: Ouachita Parish	29
V. Impact of Partnership on the Louisiana Economy	30
Impact of Partnership Capital Spending: State Economy	31
Impact of Partnership Operational Spending: State Economy	33
Impact of Partnership Total Spending: State Economy	35
VI. Impact of Partnership on Under-Served	39

I. Introduction

In October 2018, a new partnership was formed in North Louisiana between Ochsner Health Systems and the LSU Health System (LSU Health). This partnership was formed in order to manage the two former Charity Hospitals---(1) the LSU Health System on Kings Highway in Shreveport (see title page) and (2) the former EA Conway Charity Hospital in Monroe (see Figure 1). The **Kings Highway Medical Center** is a 452-bed unit that includes North Louisiana's only Level 1 trauma center.

Figure 1

Ochsner-LSU Health Monroe



Among the very beneficial changes that took place as a result of the formation of this partnership is that in April 2019, the formerly closed 122-bed CHRISTUS Schumpert Hospital in Shreveport was reopened as **St. Mary Medical Center** (see Figure 2). The Women's and

Children's Center occupies three floors of this hospital. It also contains a diagnostic and imaging center, neurology and neurosurgery centers and an orthopedics/sports medicine center. There are actually six newly opened clinics in St. Mary Medical Center. There have been **five newly established clinics** in Caddo Parish since the Ochsner LSU Health transition: (1) Primary Care Provenance, (2) Primary Care Fern Avenue, (3) Community Health Center St. Vincent, (4) Asthma Allergy & ENT, and (5) Urgent Care-Shreveport. In January 2021, the Partnership partnered with Oceans Healthcare to open a new behavioral health facility---Louisiana Behavioral Health on Linwood Avenue.

Figure 2

St. Mary Medical Center - Shreveport



Ochsner LSU Health Monroe is a general acute care hospital with 244 beds. There are 13 clinics located on this campus, and over 2021-22 the Partnership will open three

new Clinics in Ouachita Parish: (1) Urgent Care-West Monroe, (2) Community Health Center Louisville, and (3) Monroe Specialty Clinic.

As of 2021 there were **4,082 people** employed in the three hospitals overseen by the Ochsner-LSU Health Partnership (hereafter, the Partnership). In addition, the partnership includes the Ochsner LSU Shreveport Physician Group of approximately 500 physicians.

Purpose & Outline of Report

The purpose of this report is, first of all, to determine the impact on (a) the Caddo Parish economy, (b) the Ouachita Parish economy, and (c) the State economy of this Partnership. A second objective is to determine if there has been any change in these impacts since the Partnership took over in October 2018. Did the establishment of the Partnership improve, deteriorate, or keep about the same the economic consequences of operating these three medical centers in North Louisiana and the State as a whole?

Section II of the report outlines the methodology used to estimate these impacts. The largest units under the control of the Partnership are located in Caddo Parish, so Section III will be devoted to estimating the impacts on that parish. Section IV will examine the impact of the Ochsner LSU Health Partnership on Ouachita Parish. In Section V, attention will be directed to measuring the impact of the Partnership activities on the State economy. Section VI will cover the inroads made by the Partnership into previously underserved members of these communities.

II. Methodology

It is a well-known economic principle that business activities have both direct and indirect (**multiplier**) impacts on the economy. The **direct impact** of a hospital on income and

employment in a parish can be measured by capital spending at the hospital and the annual expenditures necessary to operate the medical center.

The Multiplier Effect

However, these direct impacts alone would dramatically understate the role of Partnership spending on the Caddo Parish, Ouachita Parish, and State economies. The reason is that the spending on maintaining and operating a medical center will result in the Partnership buying from, and selling to, many other firms in the Parishes and State. Too, employees of the medical center will spend their salaries at grocery stores, car dealerships, movie theaters, etc., which creates new earnings at those establishments, which are then spent, etc., etc.

Thus, any change in the activity of a particular firm **indirectly** affects those other companies and employees, which in turn affects firms which buy from and sell to those firms and employees, etc. When a decision is made by a firm to create a new job, a chain reaction is started which works its way through the economy. This chain reaction causes even more jobs to be created. Think of the Parish economy as a large economic pond. Into this pond is dropped a rock labeled “Ochsner LSU Health Shreveport.” When that rock hits the pond it sends ripples all the way to the edge of the pond. It is these ripples that are referred to as the “**multiplier effect.**”

The Input-Output Table

A major difficulty lies in attempting to measure these multiplier effects. Fortunately, a technique has been developed for precisely this purpose---an **input-output (I/O) table**. An I/O table is a matrix of numbers that describes the interactions between all the industries in a geographic area. The I/O table provides a complete picture of the flows of products and services

in an economy for a given year, illustrating the relationship between producers and consumers and the interdependencies of industries in a region.

I/O tables for the Caddo Parish, Ouachita Parish, and the Louisiana economies have been constructed by the U.S. Bureau of Economic Analysis. This is the same agency that generates estimates of real gross domestic product, personal income, and other key measures for the U.S., state, and regional economies. Data on expenditures at the medical centers in each parish and the State were plugged into the BEA's RIMSII model to estimate the impacts of medical center spending in each year from FY18 through FY21 on: (1) new **sales for firms** in the Parish/State, (2) new **household incomes** in the Parish/State, and (3) **jobs** for Parish/State citizens. We also use data from the I/O tables to estimate the impacts on local and state **government revenues**.

Unique Nature of Healthcare Impact Studies

Conducting an impact study of a "feeder industry" like healthcare creates a unique problem that is different than for a "basic industry". Consider a new firm in a basic industry, such as Benteler Steel at the Port of Caddo Bossier. This firm brings new money into the Parish and State through (1) money spent constructing the plant and (2) money spent operating the plant.

However, when a new firm in a feeder industry---such as healthcare, retail trade, restaurants, etc.---enters, not all of its operating monies may be new. Some may be cannibalized from other feeder firms in the region.

With few exceptions, healthcare is a feeder industry. Our approach in handling impact estimates for the units under the control of the Partnership is twofold. First, when it comes to the impact on each parish where the facilities are located, we take the position that the parishes were

very fortunate that the healthcare facilities were located within their boundaries rather than, say, in Lincoln or Bossier Parishes. This means when estimating the impact on Ouachita Parish of the capital and operating spending at Ochsner LSU Health Monroe, we include all the capital and operational spending at that facility.

Secondly, when it comes to estimating the impact of the feeder industry on the State, the cannibalization issue becomes very real. While the facility may have grown, it could have done so by luring business away from existing firms in the State---the cannibalization issue mentioned earlier. To avoid this problem, we measure the impact on the State's economy of these medical centers by including only care delivered to out-of-state patients. While this will avoid the cannibalization issue, it will also tend to yield a very conservative estimate of the impact of the Partnership on the State economy.

Fiscal Year Peculiarity

It was noted in the Introductory Section, that the Partnership took over the responsibility of operating these health care units in October 2018. This report aspires to compare the impacts on these economies pre- and post-Partnership creation. To keep these comparisons as clean as possible, a fiscal year is defined as October – September. Thus, the last full fiscal year before the Partnership take over was FY18, i.e. October 2017 to September 2018. When FY19 is mentioned in this report, the time period is October 2018 to September 2019, etc.

III. Impact of Partnership on Caddo Parish

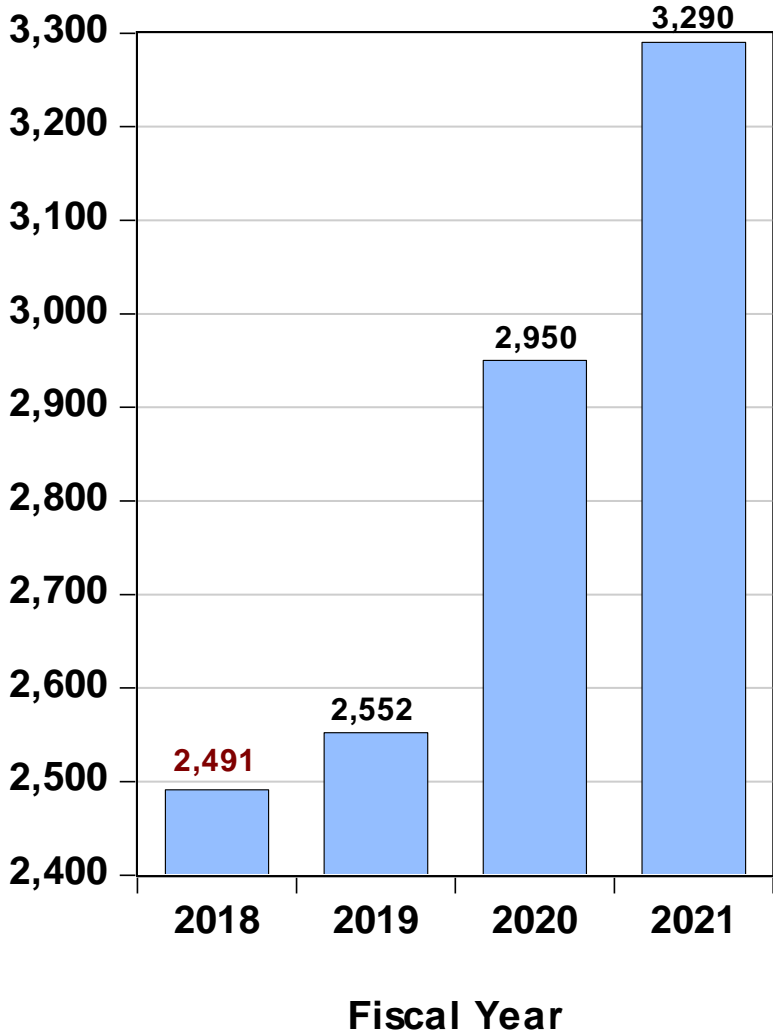
By far the largest medical facility under the control of the Partnership is the 452-bed medical center on Kings Highway in Shreveport. In addition, the Partnership reopened the shuttered CHRISTUS Schumpert Hospital in Shreveport as the St. Mary Medical Center. In

combination, these two medical facilities are a significant economic force in Caddo Parish as indicated by one key metric---employment.

As seen in Figure 3, employment at the huge Kings Highway Medical Center was **2,491** in FY18 before the Partnership took over. (Recall, that at that time, the CHRISTUS Schumpert Hospital was closed). This is a striking employment number, but not surprising when one remembers that hospitals are very labor-intensive and operate 24 hours a day, 365 days a year.

Figure 3

FTEs: Partnership Medical Centers in Shreveport



What is even more impressive is how much employment has grown since the Partnership took over. **In just three years, employment has jumped by just over 32% to 3,290.** The large increase in FY2020 was because that was the first fiscal year when the St. Mary Medical Center was open for the entire fiscal year. Other factors contributed to this employment growth. Four new clinics have been opened including two urgent care facilities, the Fern Avenue Primary Care Clinic, and the St. Vincent Primary Care Clinic. In addition, when the Women's and Children's Center was transferred to St. Mary, the space vacated on Kings Highway was converted into 70 new ICU beds. **The Partnership is now the third largest employer in the Parish.**¹

In this section, the impact of the Partnership units on the Caddo Parish economy is examined. Impacts will be separated into two parts. One will focus on the impacts of capital spending by the Partnership and the second will focus on the impacts of operational spending at the units under Partnership control. Another subsection will deal with which industries in the Caddo Parish economy benefit the most from Partnership spending. Special attention will be given to the change in impacts since the Partnership takeover in FY19.

Impact of Partnership Capital Spending: Caddo Parish

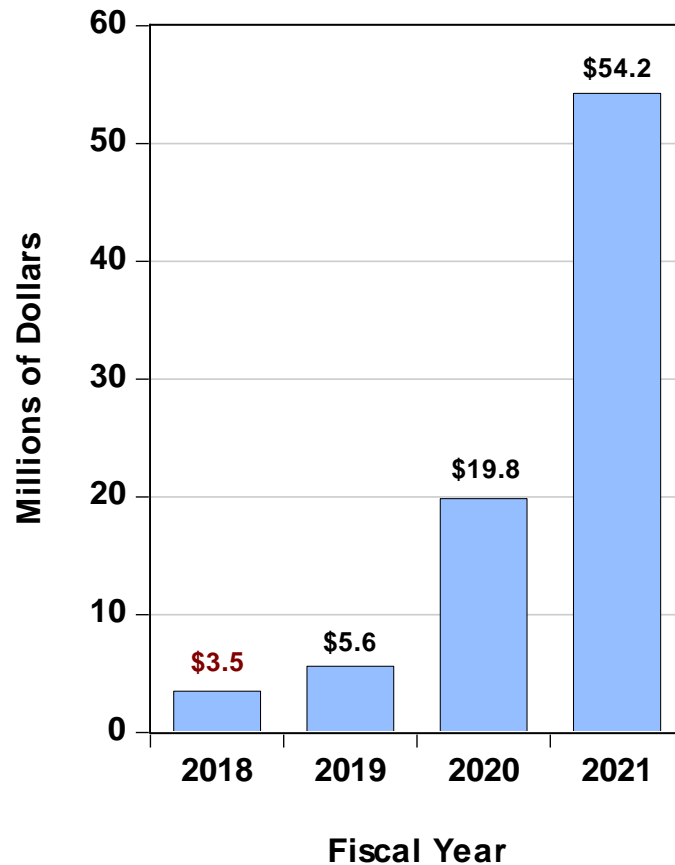
Figure 4 tracks capital spending at the Kings Highway Medical Center in FY18, and then capital spending by the Ochsner LSU Health Partnership at that location, St. Mary Medical Center, and clinics the Partnership opened over FY19 to FY21. The most striking observation from examining Figure 4 is the dramatic increase in capital spending since the Partnership took over in FY19. In that year alone, capital spending was up by 60% over FY18.

¹ The top two are the School Board and Willis Knighton Medical Center. <http://nlep.org/Regional-Data/Leading-Employers/Caddo-Employers.aspx>

In FY20 and FY21 there was an even more dramatic jump in capital spending to a peak of \$54.2 million in FY21---up by a factor of 16 over the year before the Partnership took over. This increase was dominated by the expense of reopening of CHRISTUS Schumpert as St. Mary Medical Center, but the cost of opening the four clinics described above also contributed to this spike in capital spending.

Figure 4

**Capital Spending Year Prior to Takeover & Following 3 Years:
Caddo Parish**



The capital spending numbers in Figure 4 were injected into the I/O table for Caddo Parish to determine the impact of this spending on the Parish economy. The results are shown in

Table 1. Impacts are shown for the year prior to Partnership take over (FY18), the three years since, and the total impacts since the Partnership was formed.

Table 1
Ochsner LSU Health Capital Spending Impacts & Impacts the Year Before Takeover on Caddo Parish: FY18 – FY21

Year	Sales	Earnings	Jobs	Taxes
FY 2018	\$5.8	\$1.3	28	\$0.1
FY 2019	\$9.4	\$2.1	44	\$0.1
FY 2020	\$33.3	\$7.6	152	\$0.3
FY 2021	\$91.1	\$20.7	408	\$0.9
Total: FY19-FY20	\$133.9	\$30.4	201*	\$1.4

Values, except jobs, are in millions. *Jobs total represents average over the 3-year period. Numbers may not sum exactly due to rounding.

One would expect, given the capital spending pattern illustrated back in Figure 4, that the impact on the Caddo Parish economy since Partnership formation would be very significant and indeed it has been. **In the past three years, capital spending by the Partnership in Caddo Parish has created: (1) \$133.9 million in new sales at firms in the Parish, (2) \$30.4 million in new household earnings for Parish residents, and (3) an average of 201 jobs per year.** Not surprisingly, the largest impacts were in the year of greatest capital spending---FY21. Note that in that year, an estimated 408 jobs in Caddo Parish can trace their existence back to capital spending by the Partnership---a figure nearly 15 times larger than the job creation in FY18.

It is also possible to use the data in Table 1 to estimate the impact of the Partnership's capital spending on local government revenues. Dr. James Richardson of LSU's Public Administration Institute has estimated that for every new dollar of earnings created in the State, local governments receive 4.5 cents in additional sales taxes, property taxes and other revenues. Applying this 4.5% ratio to the earnings data in Table 1, generates the local government revenue estimates in the last column of Table 1. According to our analysis, **Partnership capital**

spending in the last three years has yielded \$1.4 million in new revenues for local governments in Caddo Parish.

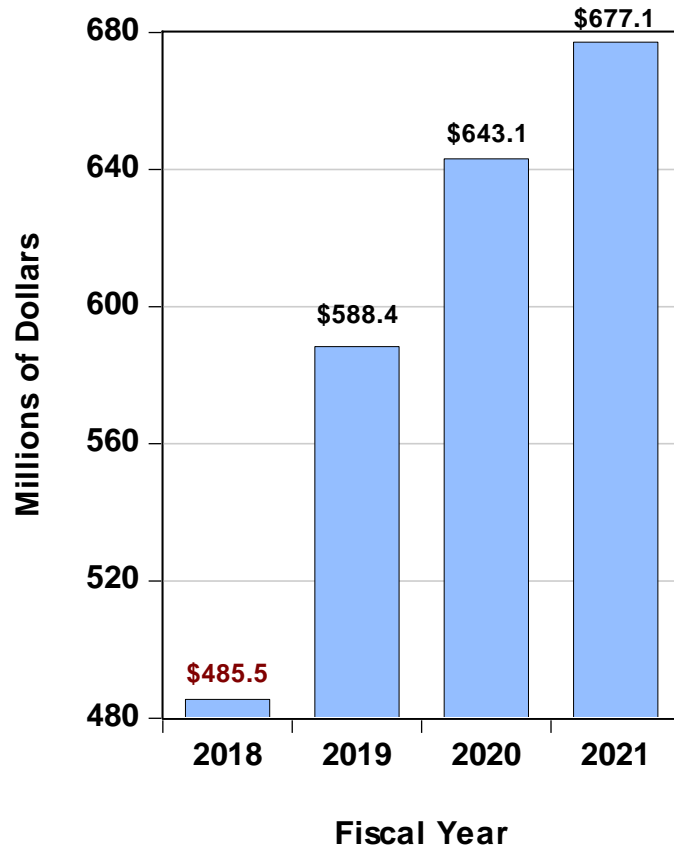
Impact of Partnership Operational Spending: Caddo Parish

While the impacts of Partnership capital spending shown in Table 1 are impressive, they pale when compared to the much higher spending by the Partnership to operate its two hospitals and 4 clinics in the Parish. Importantly, these operating expenditures are permanent, in the sense that they are expected to exist as long as the facilities are open. Capital expenditures---and their impacts---are more temporary. Figure 5 illustrates the pattern of this spending in the year prior to the takeover and in the three subsequent years.

Operational spending has grown markedly in only three years---up 40%. Much of this growth is associated with the opening of St. Mary Hospital, the four clinics and the development of 70 new ICU beds at the Kings Highway location. **By FY21, the Partnership was spending over two-thirds of a billion dollars in Caddo Parish to operate its facilities.**

Figure 5

Operational Spending Year Prior to Takeover & Following 3 Years: Caddo Parish



Naturally, that level of spending is going to have a major economic impact on the Caddo Parish economy, as seen in the I/O table estimates documented in Table 2. There are several key points from reviewing these estimates. Perhaps the most important is the growth in the impact numbers since the Partnership took over these assets. Compare the red numbers in Table 2 to those in the FY21 row. Citizens of the Parish should take keen interest in the fact that **earnings generated by these assets are up 47% and jobs are up 37% (up by 2,196 jobs) in just three years.**

Table 2

**Ochsner LSU Health Operational Spending Impacts & Impacts the Year Before Takeover
on Caddo Parish,
FY 2018 – FY 2021**

Year	Sales	Earnings	Jobs	Taxes
FY18	\$622.6	\$354.2	5,952	\$19.4
FY19	\$764.6	\$446.9	6,937	\$24.5
FY20	\$826.7	\$498.8	7,622	\$27.8
FY21	\$876.1	\$521.0	8,148	\$29.2
Total: FY19-FY21	\$2,467.5	\$1,466.8	7,569*	\$81.4

Values, except jobs, are in millions. *Jobs total represents average over the 3-year period. Numbers may not sum exactly due to rounding.

Second, note the total impact on the Parish economy in the past three years. The Partnership assets have supported nearly \$2.5 billion of sales at businesses in the Parish, nearly \$1.5 billion in earnings for Parish residents, and average of 7,569 jobs a year in the Parish, and \$81.4 million for local government treasuries.

Third, note the numbers along the FY21 row. These numbers indicate the impacts of the Partnership assets in the most recent year---the sustainable level of impacts. According to the I/O table the Partnership:

- Is supporting **\$876 million in sales** at firms in the Parish;
- Is generating over **one-half billion dollars (\$521 million) in earnings** for residents of the Parish;
 - As a reference point, this is approximately 6% of all earnings in the Parish.²
 - This figure is approximately equal to the earnings of all workers in the very labor-intensive retail trade sector of the Parish economy (\$566.1 million in 2019).

² www.bea.gov. This is as compared to 2019 earnings in the Parish, the latest data available.

- Is supporting **8,148 jobs** for Caddo Parish residents;
 - This is about 8% of total employment in the Parish.³
 - This is approximately equal to total employment in the transportation/warehousing and professional/technical/scientific sectors combined (8,433 jobs in 2020-III).⁴
 - Dividing the earnings by employment (\$521 million/8,148) produces an **average annual wage for these jobs of \$63,942**, which is 33% higher than the average wage in Caddo Parish (\$47,944).⁵ The Partnership not only supports a lot of jobs in the Parish, but they are also higher-wage jobs.
 - Dividing direct employment at Partnership facilities of 3,290 by total number of jobs created (8,148) yields a **job multiplier of 2.5**; that is, for every job created at the Partnership healthcare facilities, 1.5 new jobs are created elsewhere in the Parish via the multiplier effect.
- Is pumping an estimated **\$29.2 million a year into local government treasuries**.

Impact of All Partnership Spending: Caddo Parish

In the two subsections we have described the I/O table impacts of Partnership capital spending and operational spending separately. Table 3 sums these impacts so the reader can see in one place the total impact of Partnership activities on the Caddo Parish economy.

³ http://www2.laworks.net/LaborMarketInfo/LMI_WageData2002toPresent.asp?year=2020&qtr=3

⁴ Ibid.

⁵ Ibid.

Table 3
Ochsner LSU Health Total Spending Impacts & Impacts the Year Before Takeover
on Caddo Parish,
FY 2018 – FY 2021

Year	Sales	Earnings	Jobs	Taxes
FY18	\$628.5	\$355.5	5,980	\$19.5
FY19	\$774.1	\$449.0	6,981	\$24.6
FY20	\$860.0	\$506.4	7,774	\$28.1
FY21	\$967.3	\$541.7	8,556	\$30.1
Total FY19-FY21	\$2,601.4	\$1,497.2	7,770*	\$82.8

Values, except jobs, are in millions. *Jobs total represents average over the 3-year period. Numbers may not sum exactly due to rounding.

If anyone wonders if the formation of the Partnership had any meaningful impact on the Caddo Parish economy, the data in Table 3 should put those concerns to rest. Note the marked growth in all four metrics in Table 3 since FY18. **By FY21 the impacts of these healthcare assets had: (1) improved business sales impacts in the Parish by 54%, (2) boosted household earnings impacts for Parish residents by 52%, (3) increased employment impacts by 2,576 jobs (+43%), and (4) boosted impacts on local governments treasuries by over 54%.**

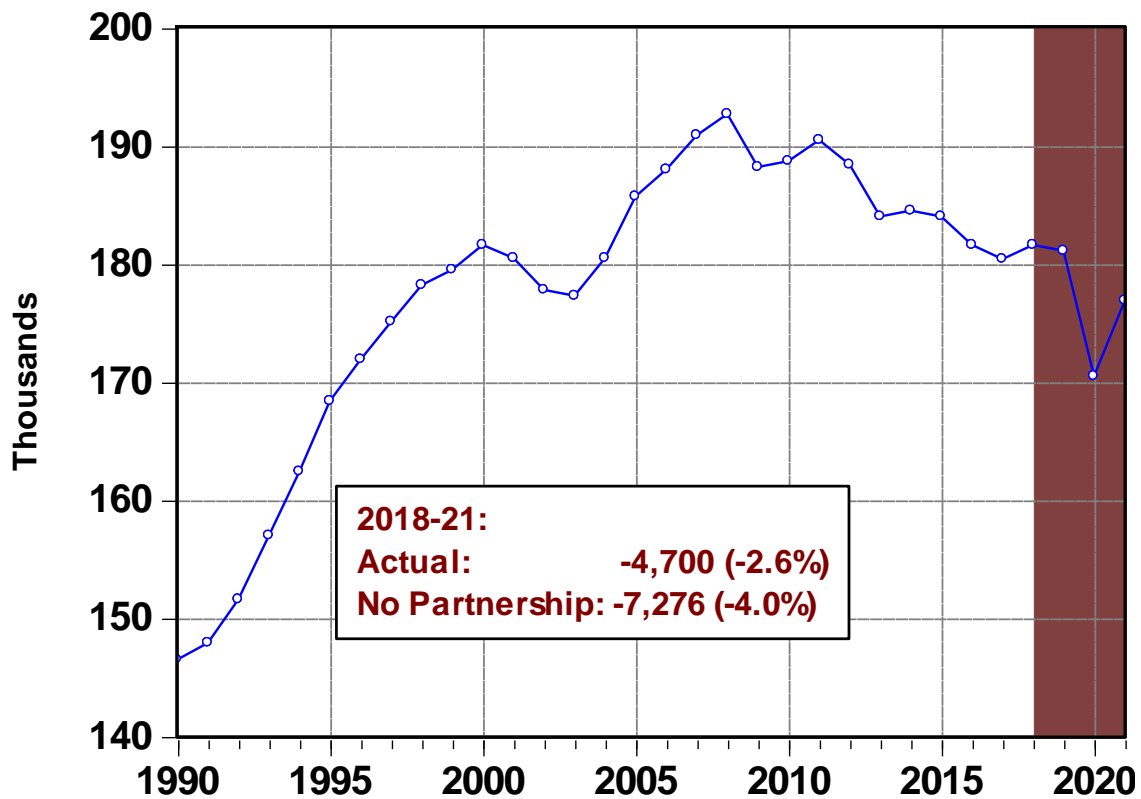
It would be difficult to over-state the importance of the 2,576 jobs the Partnership has created in the community since 2018. Perhaps Figure 6 can provide some perspective. This figure tracks nonfarm employment in the Shreveport-Bossier MSA over 1980 through forecasts for 2021.⁶ Note that over 2018-21 this MSA lost 4,700 jobs (-2.6%). Some of that was due to COVID impacts, but some was due to the closure of Libby Glass, the Dolet Hills Mine and Power Plant, and DiamondJack Casino. This MSA has really struggled since the Haynesville

⁶ The 1980-2020 numbers are actual employment. The forecast for 2021 is from Loren C. Scott and Greg Upton, **Louisiana Economic Outlook**, LSU College of Business, September 2020, p.103.

Shale bust in 2009. Even before COVID, 2019 was a declining year for employment in the MSA.

Figure 6

Shreveport-Bossier MSA Non-Farm Employment



Note (see graph insert) how much worse things would have been if the partnership had not created those 2,576 new jobs. The total job loss would have been -7,276 jobs or a decline of 4%. The Partnership came along at just the right time for this community. It is also worth noting that these are not just any jobs. Dividing the FY21 earnings number by employment (\$541.7 million/8,556) yields an average annual wage rate for these jobs of \$63,312---32%

higher than the average wage rate in the Parish (\$47,944).⁷ Not only was this a substantial increase in employment, it was also in relatively high-wage jobs.

Impact of All Partnership Spending by Industry: Caddo Parish

Impacts shown in Tables 1-3 include both the direct impacts (for example, people working at the Partnership facilities) and the indirect (the sales, earnings and jobs created via the multiplier effect). Which industries in the Parish benefit the most via the multiplier effect from the operational and capital spending by the Partnership? Answering this question is possible using the I/O table for the Parish. The results for FY21 are provided in Table 4.

Note back in Table 3 that in FY21 an estimated 8,556 jobs were created in Caddo Parish because of the operational and capital spending by the Partnership. We know that of that figure, 3,290 were people directly employed at the Partnership facilities (see Figure 3). That means that 5,266 jobs (8,556-3,290) were created elsewhere in the Parish via the multiplier effect. This is the number at the bottom of the right-hand corner of Table 4.

⁷ http://www2.laworks.net/LaborMarketInfo/LMI_WageData2002toPresent.asp?year=2020&qtr=3

Table 4
Ochsner LSU Health Total Indirect Impacts on Caddo Parish
by Industry: FY 2021

Industry	Sales	Earnings	Jobs
Agriculture, Forestry, Fishing and Hunting	\$0.65	\$0.13	6
Mining, Quarrying, and Oil and Gas Extraction	\$8.31	\$1.24	24
Utilities	\$16.18	\$1.07	12
Construction	\$60.98	\$14.68	250
Durable Goods Manufacturing	\$10.20	\$1.48	28
Nondurable Goods Manufacturing	\$35.14	\$3.57	42
Wholesale Trade	\$79.69	\$14.38	203
Retail Trade	\$48.76	\$13.64	453
Transportation And Warehousing	\$21.78	\$4.86	97
Information	\$19.72	\$3.67	62
Finance and Insurance	\$60.03	\$14.60	381
Real Estate and Rental and Leasing	\$172.83	\$26.81	842
Professional, Scientific, and Technical Services	\$215.33	\$83.39	1,242
Management of Companies and Enterprises	\$5.74	\$2.61	34
Administrative and Support and Waste Management and Remediation Services	\$21.85	\$7.18	213
Educational Services	\$4.65	\$1.71	53
Health Care and Social Assistance	\$123.66	\$39.27	741
Arts, Entertainment, and Recreation	\$4.40	\$0.75	32
Accommodation	\$7.13	\$1.50	40
Food Services and Drinking Places	\$22.14	\$4.95	249
Other Services	\$28.07	\$7.87	223
Households	\$0.00	\$0.53	39
Total	\$967.26	\$249.89	5,266

Values, except jobs, are in millions. Figures do not include direct earnings or employment.

Scanning upward from that number, the reader can determine which industries benefitted the most from this multiplier effect. The greatest beneficiary by far was the professional/technical/scientific sector of the economy which enjoys 1,242 jobs due to Partnership spending. This sector includes legal, accounting, landscaping, research, computing and media services. This is followed by the real estate/rentals/leasing sector with 842 jobs and the healthcare sector with 741 jobs. There is a total of ten sectors in the Caddo Parish economy where 200 or more jobs were sustained in FY21 via Partnership spending.

The business sales and earnings multiplier distributions follow fairly closely the same pattern as the job impacts. Note that there are three sectors in the Caddo Parish economy that enjoy sales of over \$100 million a year due to Partnership spending in FY21---(1) firms in the professional/technical/scientific sector (+\$215 million), (2) firms in the real estate/rentals/leasing sector (+\$173 million), and (3) firms in the healthcare and social assistance sector (+\$124 million). The benefits to the community are quite widespread.

IV. Impact of Partnership on Ouachita Parish

In this section the economic impact of the Partnership spending on the Ouachita Parish economy is examined. Partnership spending in this Parish has been exclusively focused on the former EA Conway Charity Hospital, now known as Ochsner LSU Health Monroe Medical Center. The Partnership has no separate clinics in Ouachita Parish, though two are in the planning stages at this writing.

The Ouachita Parish market is much smaller than the Caddo Parish market, and as a result, the impacts of Partnership spending will be much smaller than those estimated for the latter market in Section III. The population of Ouachita Parish was estimated at 153,279 in 2019, 66% smaller than Caddo's count of 254,969.⁸ The surrounding market area for Monroe is much smaller than that of Shreveport as well. In 2020, employment in the Monroe MSA was 75,900 versus 170,500 for the Shreveport-Bossier MSA.⁹ The Partnership's Caddo Parish assets include the 452-bed Kings Highway facility, St. Mary Medical Center and four clinics. Assets in Ouachita are confined to the 244-bed Ochsner LSU Health Monroe Medical Center.

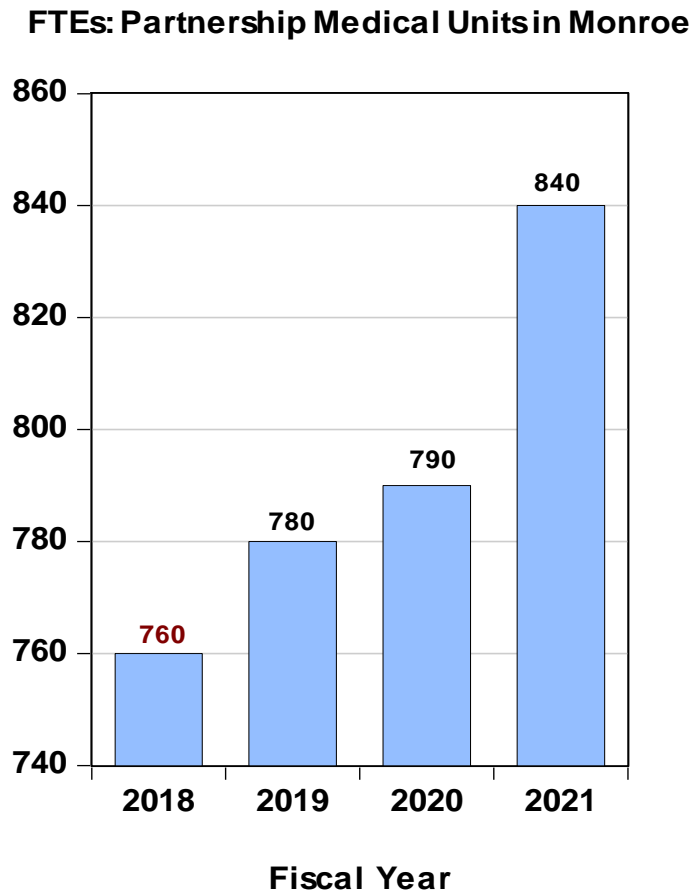
⁸ Wikipedia.org

⁹ Loren C. Scott and Greg Upton, **Louisiana Economic Outlook**, LSU College of Business, September 2020, p.vii.

In addition to these population-related differences, Ochsner LSU Health Monroe Medical Center is located in a traditionally under-served market, while its two major competitors---Glenwood and St. Francis---are located in the more traditional-pay markets. As a result, while the employment pattern at Ochsner LSU Health Monroe Medical Center (see Figure 7) has grown just like the Partnerships FTEs in Shreveport (see Figure 3), the growth rate has been smaller.

In the year before the takeover, employment at the Monroe hospital was at 760. Since then, employment at the Partnership assets in Monroe has increased by 10.5% to 840. Because of this hospital location, this job growth required especially heavy recruiting and paying bonuses to achieve this addition of 80 new jobs.

Figure 7

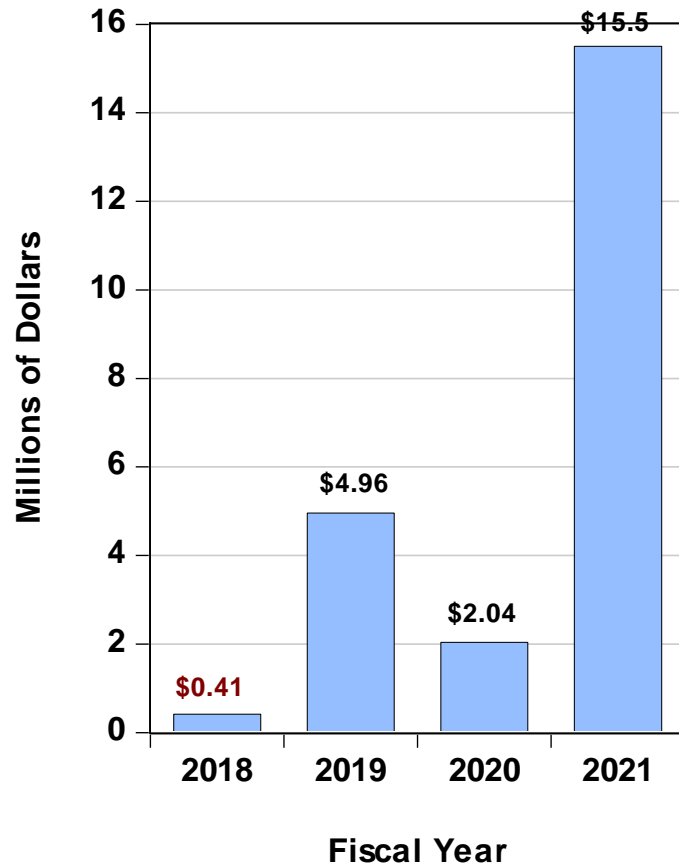


Impact of Partnership Capital Spending: Ouachita Parish

In this subsection, the economic impact of Partnership **capital spending** in Ouachita Parish is examined. The amount of capital spending at the Monroe Medical Center over FY18-FY21 is shown in Figure 8. In the year before the Partnership took over responsibility for this hospital, only \$410,000 was spent on the facility---one indicator of how much the facility had been neglected.

Figure 8

Capital Spending Year Prior to Takeover & Following 3 Years: Ouachita Parish



On receiving the facility, it was apparent that the hospital needed significant structural repairs (such as new chillers) and upgrades to its medical equipment (including a hybrid catheterization lab). In the first year after takeover, the Partnership increased capital spending by a factor of more than ten to \$4,960,000. Repair activity really picked up in FY21, when capital spending reached \$15.5 million.

What impact did this spending have on the Ouachita Parish economy? The I/O table results are provided in Table 5.

Table 5
Construction Impacts on Ouachita Parish,
FY 2018 – FY 2021

Year	Sales	Earnings	Jobs	Taxes
FY18	\$0.7	\$0.2	4	\$0.0
FY19	\$8.2	\$2.4	49	\$0.1
FY20	\$3.4	\$1.0	20	\$0.0
FY21	\$25.8	\$7.6	146	\$0.3
Total: FY19-FY21	\$37.4	\$11.0	71*	\$0.5

Values, except jobs, are in millions. *Jobs total represents average over the 3-year period. Numbers may not sum exactly due to rounding.

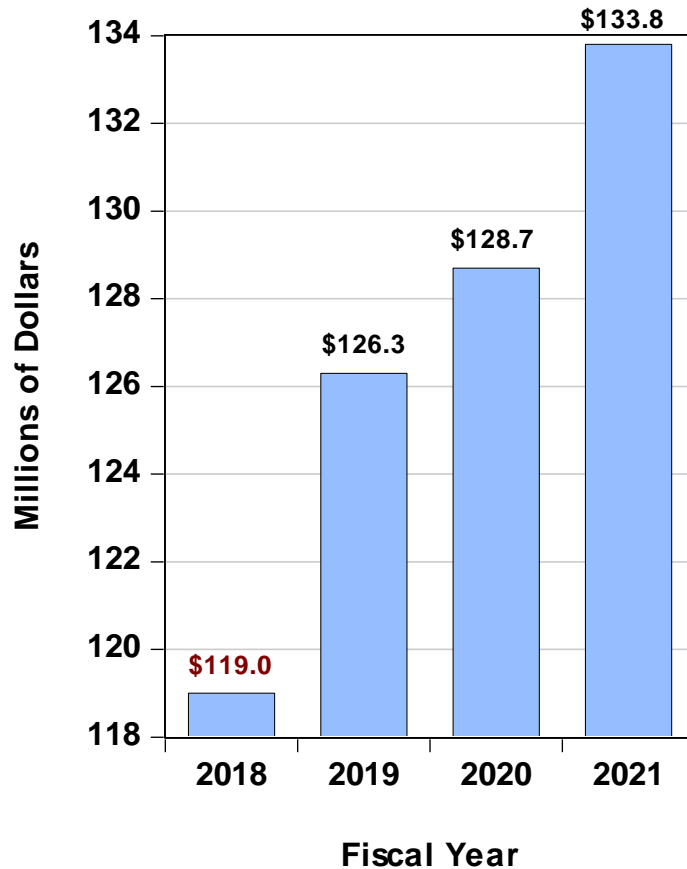
As expected, the small amount spent on the hospital prior to the takeover---\$410,000--- had a negligible impact on the Parish economy. Only about four jobs could be tied back to this spending. Note, however, how these impacts have grown since the Partnership assumed responsibility for the hospital. **Over the past three years (see bottom line of Table 5), Partnership capital spending in Ouachita Parish has created: (1) \$37.4 million in sales at firms in the Parish, (2) \$11 million in new household earnings for Parish residents, (3) an average of 71 jobs a year, and (4) \$500,000 for local government treasuries.** It should be no surprise to see that most of these gains occurred in FY21, when capital spending really spiked.

Impact of Partnership Operational Spending: Ouachita Parish

Of course, the benefits of capital spending tend to be temporary and often quite variable, existing only as long as a capital program is on-going. Operational spending tends to be more permanent and less variable. This is certainly the case with Partnership operational spending in Ouachita Parish as seen in Figure 9.

Figure 9

Operational Spending Year Prior to Takeover & Following 3 Years; Ouachita Parish



As seen back in Figure 7, employment in Monroe has risen steadily since the transition, and, commensurately, operating expenditures also rose steadily. **By FY21, operating expenditures were 12.4% higher than the year before the takeover.** The healthcare price index has risen by 8.5% since 2018¹⁰, so this greater spending level in Monroe indicates a firm commitment by the Partnership to growing Ochsner LSU Health Monroe Medical Center.

What has been the impact of this spending on the Ouachita Parish economy? I/O table estimates are shown in Table 6. These impact numbers are not as large as those back in Table 2

¹⁰ <https://data.bls.gov/cgi-bin/dsrv>

for Caddo Parish, nor do the impacts grow as rapidly over time as in Caddo Parish. Having pointed that out, it is still important to appreciate the importance of the Partnership on this medical center.

Table 6
Ochsner LSU Health Operational Spending Impacts & Impacts the Year before Takeover
on Ouachita Parish:
FY 2018 – FY 2021

Year	Sales	Earnings	Jobs	Taxes
FY18	\$147.1	\$96.1	1,737	\$5.9
FY19	\$161.5	\$100.4	1,827	\$5.5
FY20	\$163.6	\$102.8	1,827	\$5.8
FY21	\$170.5	\$106.9	1,899	\$6.1
Total: FY19-FY21	\$495.6	\$310.1	1,785*	\$81.4

Values, except jobs, are in millions. *Jobs total represents average over the 3-year period. Numbers may not sum exactly due to rounding.

First, note how much each of these metrics has risen since FY18. This can be done by comparing the FY21 row with the FY18 row. Business sales in the Parish have grown by \$23.4 million, and household earnings of Parish residents have increased by \$10.8 million. On the job front, 162 new jobs have been generated, and local government coffers are up by \$200,000. That is not a bad record in an economy trounced by COVID 19.

A review of the FY21 row of Table 6 demonstrates how important it has been to this economy to keep this medical center open and healthy. In FY21, Partnership operational spending:

- Supports **\$170.5 million in business sales** in the Parish;
- Generates **\$106.9 million in household earnings** in the Parish;

- This is about equal to earnings of all telecommunications workers in the Parish (a Parish that is home to CenturyLink).¹¹
- Supports **1,899 jobs** in the Parish;
 - This is approximately equal to total employment in the construction (870) and professional/technical (1,070) sectors combined in the Parish.¹²
 - Dividing these jobs into the total earnings number (\$106.9 million/1,899) yields an **average annual wage of \$56,293** which is 38% higher than the average annual wage in the Parish.¹³ Thus, jobs that Ochsner LSU Health Monroe Medical Center generates are also relatively high-paying ones as well.
 - Dividing the number of jobs created (1,899) by direct employment at the medical center (840) results in a **job multiplier for the medical center of 2.3**. That is, for every new job created at the medical center, 1.3 jobs are created elsewhere in the Parish.
- Generates **\$6.1 million a year in revenues for local governments** in the Parish.

Impact of All Partnership Spending: Ouachita Parish

Tables 5 and 6 documented the impact of the Partnership's capital and operational spending on the Parish economy separately. In Table 7 these impacts are summed so the reader can see the total impact of Partnership spending on the Parish economy.

¹¹ Telecommunications workers earned \$109.4 million in 2019. www.bea.gov

¹² http://www2.laworks.net/LaborMarketInfo/LMI_WageData2002toPresent.asp?year=2020&qtr=3. Data are for 2020-III.

¹³ Ibid

Table 7
Ochsner LSU Health Total Spending Impacts & Impacts the Year Before Takeover
on Ouachita Parish,
FY 2018 – FY 2021

Year	Sales	Earnings	Jobs	Taxes
FY18	\$147.7	\$96.3	1,741	\$5.9
FY19	\$169.8	\$102.8	1,876	\$5.6
FY20	\$167.0	\$103.8	1,847	\$5.9
FY21	\$196.2	\$114.4	2,044	\$6.4
Total: FY19-FY21	\$533.0	\$321.1	1,856*	\$17.9

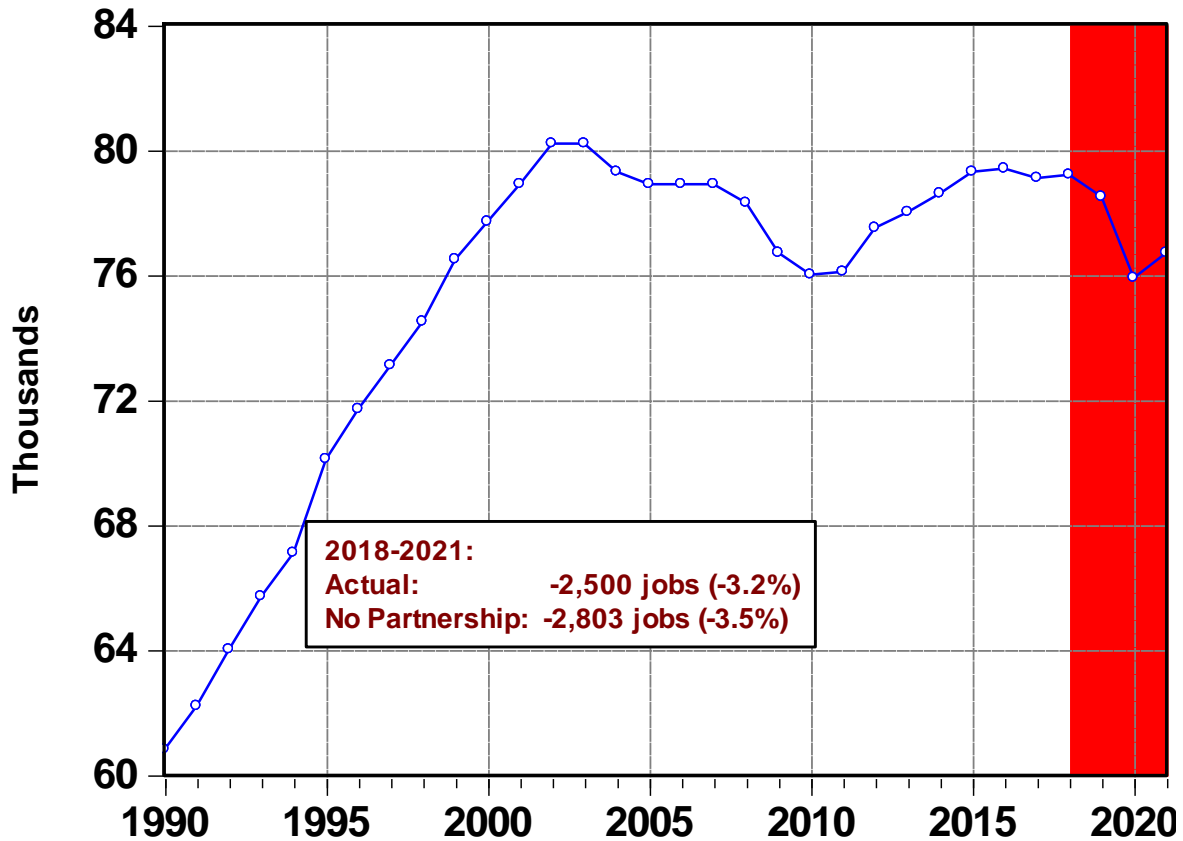
Values, except jobs, are in millions. *Jobs total represents average over the 3-year period. Numbers may not sum exactly due to rounding.

There are several revealing points from the data in Table 7. First, note the improvements in all the impact numbers since the Partnership takeover. **By subtracting the red line (FY18) numbers from the numbers for FY21: (1) business sales are up by \$48.5 million, (2) household earnings for Parish citizens are up by \$18.1 million, (3) jobs for Parish citizens are up by 303, and (4) revenues for local governments are up by half a million dollars.** For a community the size of Monroe, these are non-trivial gains.

Second, lest readers should think these numbers are unimportant, it should be pointed out that **the Ochsner LSU Health Monroe Medical Center was one of the few entities in the Parish that grew over 2018-21.** This point is brought out vividly in Figure 10 which tracks employment in the Monroe MSA over 1990-2021. The last four years have not been good ones for this MSA, especially 2020 which dropped significantly due to the COVID shutdowns. But even before COVID hit, employment in the MSA was flat to declining since 2016. As seen in the inset to the graph, over 2018-21 the MSA lost 2,500 jobs (-3.2%). Had the partnership not invested more in its medical center, the decline would have been -2,803 (-3.5%).

Figure 10

Monroe MSA Wage & Salary Employment
Actual: 1990-20; Forecast: 2021



Third, the numbers along the FY21 line in Table 7 demonstrate how important it has been to this community for the partnership to come along and not only keep this medical center open but also actually invest more in it. In case a reader scoffs at the idea that such a hospital could be closed, consider the fate of the Earl K. Long Charity Hospital in Baton Rouge which is now shuttered. Because the Partnership has not only kept this hospital open but has also invested more in it, the Ouachita Parish economy has enjoyed: (1) \$196.2 million in sales in Parish businesses, (2) \$114.4 million in household earnings for Parish residents, (3) 2,044 jobs for

citizens of the Parish, and (4) \$6.4 million pumped into local government coffers. This has clearly been a big win for this community.

Impact of All Partnership Spending by Industry: Ouachita Parish

The data in Table 7 show the economic impact of the Ochsner LSU Health Monroe Medical Center which includes the direct earnings and jobs of the people working at the medical center plus the sales, earnings and jobs created via the multiplier effect. Which industries in Ouachita Parish benefit the most from these multiplier effects? The answers from the I/O table are provided in Table 8.

Back in Table 7 the reader can see that in FY21 the total number of jobs created by the Partnership's operational and capital spending was 2,044. There were 840 people directly employed at the medical center in FY21. That means that 1,204 jobs were created in the parish economy via the multiplier effect. That is the number in the bottom right hand corner of Table 8. Scanning up from that number one can observe how these 1,204 jobs were distributed across the various sectors in the Parish economy.

The largest beneficiary was the professional/scientific/technical sector with 236 jobs that can be traced back to the Partnership spending in this Parish. There are four other sectors where the jobs gain exceeded 100: (1) healthcare and social assistance (+191 jobs), (2) real estate, rentals and leasing (+136 jobs), (3) retail trade (+117 jobs), and (4) finance and insurance (+109 jobs). There were three other sectors where the job gain was between 50-100 jobs. For the most part, the earnings and sales benefits follow the same pattern as that of jobs.

Table 8
Ochsner LSU Health Total Indirect Impacts on Ouachita Parish
by Industry: FY 2021

Industry	Sales	Earnings	Jobs
Agriculture, Forestry, Fishing and Hunting	\$0.26	\$0.07	3
Mining, Quarrying, and Oil and Gas Extraction	\$0.40	\$0.09	1
Utilities	\$3.70	\$0.37	3
Construction	\$16.56	\$5.20	87
Durable Goods Manufacturing	\$1.98	\$0.34	6
Nondurable Goods Manufacturing	\$3.08	\$0.39	7
Wholesale Trade	\$13.54	\$2.89	39
Retail Trade	\$10.72	\$3.60	117
Transportation And Warehousing	\$3.38	\$0.97	21
Information	\$4.34	\$0.73	13
Finance and Insurance	\$16.60	\$4.96	109
Real Estate and Rental and Leasing	\$31.13	\$4.86	136
Professional, Scientific, and Technical Services	\$39.59	\$16.13	236
Management of Companies and Enterprises	\$3.58	\$1.20	14
Administrative and Support and Waste			
Management and Remediation Services	\$4.91	\$1.87	55
Educational Services	\$1.60	\$0.65	20
Health Care and Social Assistance	\$28.17	\$10.59	191
Arts, Entertainment, and Recreation	\$0.86	\$0.26	10
Accommodation	\$1.00	\$0.26	7
Food Services and Drinking Places	\$5.14	\$1.44	71
Other Services	\$5.72	\$1.84	49
Households	\$0.00	\$0.11	8
Total	\$196.24	\$58.83	1,204

Values, except jobs, are in millions. Figures do not include direct earnings or employment.

V. Impact of Partnership on the Louisiana Economy

Attention is now turned to the impact of Partnership spending on the Louisiana economy. As indicated back in Section II, this is somewhat problematic for a feeder industry such as healthcare. The problem is how much of Partnership operational spending is new to the economy and how much is cannibalized from other healthcare organizations in the State?

To address this issue, we treat as new money to the State **only those dollars spent treating out-of-state patients**. While this ensures that there is no double counting of benefits due to cannibalization, it also means our State impacts are very conservative. This is because it does not take into account new Louisiana patients who previously would not have received healthcare had it not been for Partnership spending in the area. In the case of the Partnership, this may be a non-trivial factor, because---as we will discuss in Section VI---the Partnership has made important inroads into previously under-served sectors of the Caddo Parish and Ouachita Parish economies.

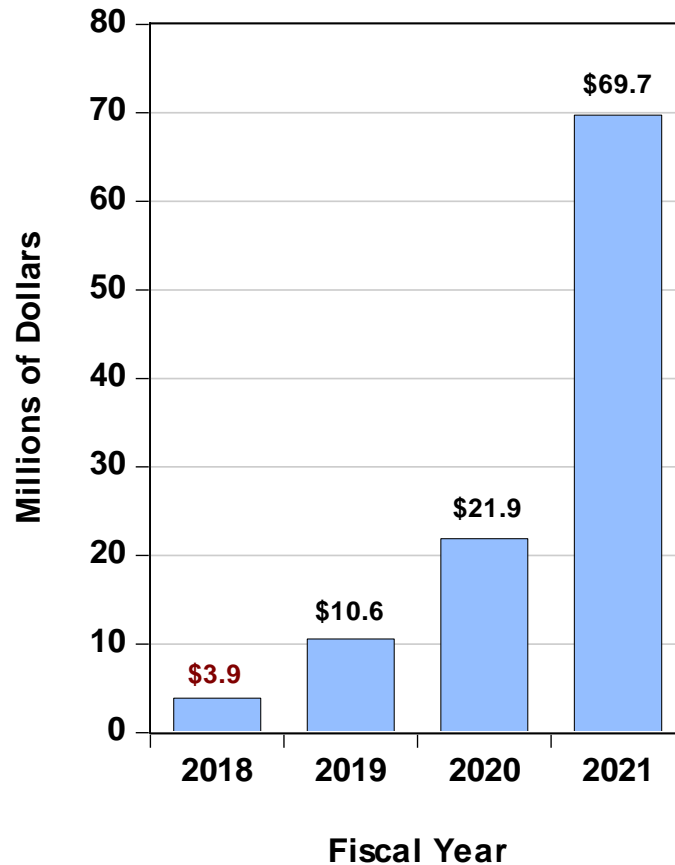
Impact of Partnership Capital Spending: State Economy

Unlike operational spending, all of the capital spending by the Partnership can be considered new spending to the Louisiana economy. This spending is shown in Figure 11. This bar chart is actually the sum of Figures 4 and 8.

After only \$3.9 million was spent on these healthcare facilities in FY18, the Partnership bumped spending by almost a factor of three in the first year after the takeover. **By FY21, the increase over FY18 was up by a factor of nearly 18!** Much of the growth in FY20 and FY21 was due to the reopening of CHRISTUS Schumpert Hospital in Shreveport and significant upgrades to the former EA Conway Hospital in Monroe. Since the takeover, the Partnership has pumped over \$102 million into healthcare facilities in North Louisiana.

Figure 11

Capital Spending Year Prior to Takeover & Following 3 Years: State of Louisiana



What was the impact of all this capital spending on the State's economy? The I/O table estimates are provided in Table 9. The first red row in Table 9 indicates the impact of this capital spending the year before the takeover. These impacts are minor compared to what happened over the next three years. Over FY19-FY21, Partnership capital spending created: (1) \$210.1 million in new sales for businesses in the State, (2) an additional \$72.7 million in new household earnings for State residents, (3) an average of 470 jobs a year, and (4) an estimated

\$5.1 million in new monies for the State treasury.¹⁴ **Significantly, while the State economy was being hammered over 2020-21 by both the COVID shutdown and an energy sector collapse, Partnership capital spending was generating 306 jobs and 954 jobs in those two year, respectively.**

Table 9
Ochsner LSU Health Capital Spending Impacts & Impacts the Year Before Takeover
on Louisiana,
FY 2018 – FY 2021

Year	Sales	Earnings	Jobs	Taxes
FY18	\$8.0	\$2.8	57	\$0.2
FY19	\$21.7	\$7.5	151	\$0.5
FY20	\$45.0	\$15.6	306	\$1.1
FY21	\$143.4	\$49.6	954	\$3.5
Total: FY19-FY21	\$210.1	\$72.7	470*	\$5.1

Values, except jobs, are in millions. *Jobs total represents average over the 3-year period. Numbers may not sum exactly due to rounding.

Impact of Partnership Operational Spending: State Economy

As mentioned above, in estimating the impact of Partnership operational spending only that spending on out-of-state patients is included. Table 10 documents the patients served by the Partnership over FY19-FY20 and an estimate for FY21. Also shown is the patient total for these healthcare units in FY18, the year before the Partnership took over these assets.

¹⁴ Officials with the Legislative Fiscal Office estimate that for every new dollar of earnings generated in the State, the treasury collects an additional seven cents in revenues from income taxes, sales taxes, gasoline taxes and other fees. This ratio was used to estimate the numbers in the last column of Table 9.

Table 10

**Total Patients & Out-of-State Patients Served by Ochsner LSU Health
FY 2018 – FY 2020**

Year	Total Patients	Out-of-State	Percent Out-of-State
FY18	133,194	3,586	2.7%
FY19	137,544	4,085	3.0%
FY20	141,398	4,412	3.1%
FY21	NA	NA	3.3%*

*Estimated

The middle column indicates how many out-of-state patients were served and the final column illustrates the percentage of out-of-state patients in total patients served. These percentage numbers were multiplied by total Partnership operational spending in Caddo and Ouachita Parishes to determine the amount spent on out-of-state patients each fiscal year. These are the numbers that were plugged into the State I/O table. The results are shown in Table 11.

Table 11

**Ochsner LSU Health Operational Spending Impacts & Impacts the Year Before Takeover
on Louisiana:
FY 2018 – FY 2021**

Year	Sales	Earnings	Jobs	Taxes
FY18	\$23.9	\$14.7	262	\$1.9
FY19	\$32.1	\$20.0	338	\$5.4
FY20	\$35.5	\$22.6	375	\$7.0
FY21	\$39.9	\$25.2	422	\$7.7
Total: FY19-FY20	\$107.5	\$67.9	378*	\$20.1

Values, except jobs, are in millions. *Jobs total represents average over the 3-year period. Numbers may not sum exactly due to rounding.

Perhaps the most important message from Table 11 is the comparison between the red numbers in row one with the FY21 row. This indicates how much the Partnership takeover has improved the State economy in the past three years. **Note that since FY18 because of the**

Partnership formation: (1) business sales are up \$16 million in the State, (2) household earnings of State residents have grown by \$10.5 million, (3) employment of State citizens is up by 160 jobs, and (4) revenues to the State Treasury are up by \$5.8 million. This improvement is not only because the Partnership is spending more, but also because its healthcare units are treating more out-of-state patients. Note that these gains are strictly due to the operational spending, exclusive of capital spending, of the Partnership.

Readers are reminded that unlike capital spending which tends to be highly variable and temporary, operational spending is steadier and more permanent. With that distinction in mind, attention is drawn to the FY21 row in Table 11. This row gives a very conservative indication of the foundational impact the Partnership operational spending has on the Louisiana economy. Traced back to this operational spending are: (1) almost \$40 million in sales by businesses in the State, (2) \$25.2 million in household earnings for State citizens, (3) 422 jobs for Louisianans, and (4) \$7.7 million for the State Treasury.

Impact of Partnership Total Spending: State Economy

In the two subsections directly above, estimates have been provided of the separate impact of Partnership capital spending and operational spending on the State economy. Table 12 provides a summation of these impacts. Clearly, the formation of this Partnership has been a big win for the State. This can be seen by comparing the red row in Table 12 (FY18---the year before the takeover) with the impact data for FY21. In the last three years, Louisiana has gained:

- **\$151.4 million more in sales** for businesses in the State---a 475% increase;
- An additional **\$57.4 million in household earnings** for Louisiana citizens;

- This is an amount greater than all employee earnings in the State’s apparel manufacturing and textile mills combined (\$42.2 million in 2019).¹⁵
- An **additional 1,057 jobs** for Louisianans;
 - Dividing this number of new jobs into the earnings gain of \$57.4 million yields an average annual wage of \$54,460. This is 8% higher than the average annual wage in the State, meaning not only did the Partnership create more jobs in the State, these were also relatively high-paying jobs.¹⁶
- An additional **\$9.1 million in revenues** for the State Treasury.
 - As a reference point, this is more than the State collects on its inspection and supervision fees levied on public utilities and carriers (8.5 million in FY19).¹⁷

Table 12
Ochsner LSU Health Total Spending Impacts & Impacts the Year Before Takeover
on Louisiana:
FY 2018 – FY 2021

Year	Sales	Earnings	Jobs	Taxes
FY18	\$31.9	\$17.5	319	\$2.1
FY19	\$53.8	\$27.5	488	\$5.9
FY20	\$80.5	\$38.2	680	\$8.1
FY21	\$183.3	\$74.9	1,376	\$11.2
Total: FY19-FY21	\$317.6	\$140.6	848*	\$25.2

Values, except jobs, are in millions. *Jobs total represents average over the 3-year period. Numbers may not sum exactly due to rounding.

What is truly impressive about these gains is the environment in which the gains occurred. As seen in Figure 12, in 2020 Louisiana experienced its worst recession in the last three decades. The combination of the COVID shutdowns and the plummeted energy sector

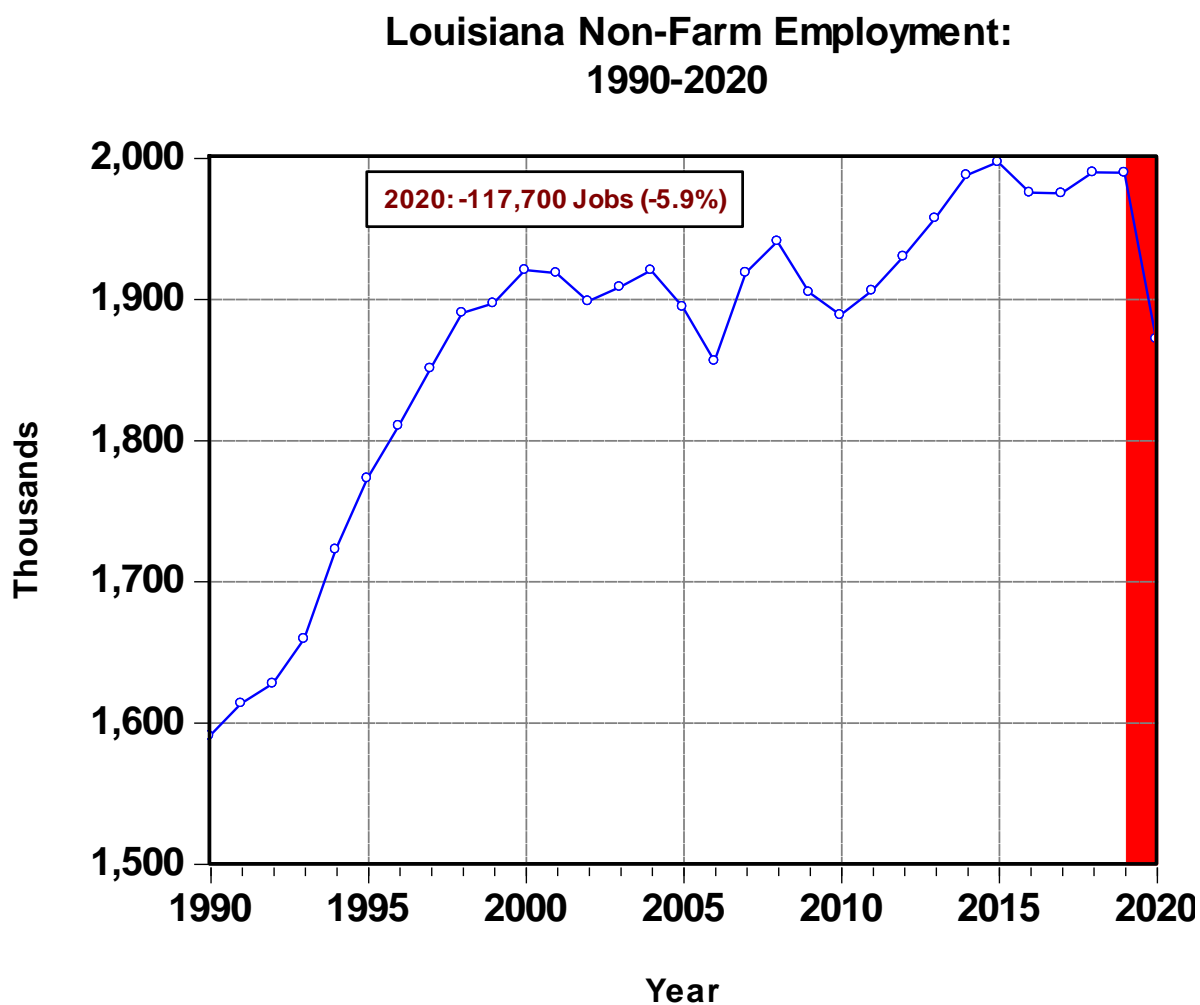
¹⁵ www.bea.gov.

¹⁶ http://www2.laworks.net/LaborMarketInfo/LMI_WageData2002toPresent.asp?year=2020&qtr=3. State average wage data are for 2020-III.

¹⁷ [https://revenue.louisiana.gov/Publications/LDR_Annual_Report\(2018-2019\)%20FINAL.pdf](https://revenue.louisiana.gov/Publications/LDR_Annual_Report(2018-2019)%20FINAL.pdf), p.8.

dropped the average employment by 5.6% in 2020, a whopping decline of 117,700 jobs. In April 2020---the first month of shutdowns---employment in the State fell by a remarkable 271,900 jobs, a 14% drop never before experienced in Louisiana. Yet, notice in Table 12 that Partnership spending added new jobs in the State in 2020.

Figure 12

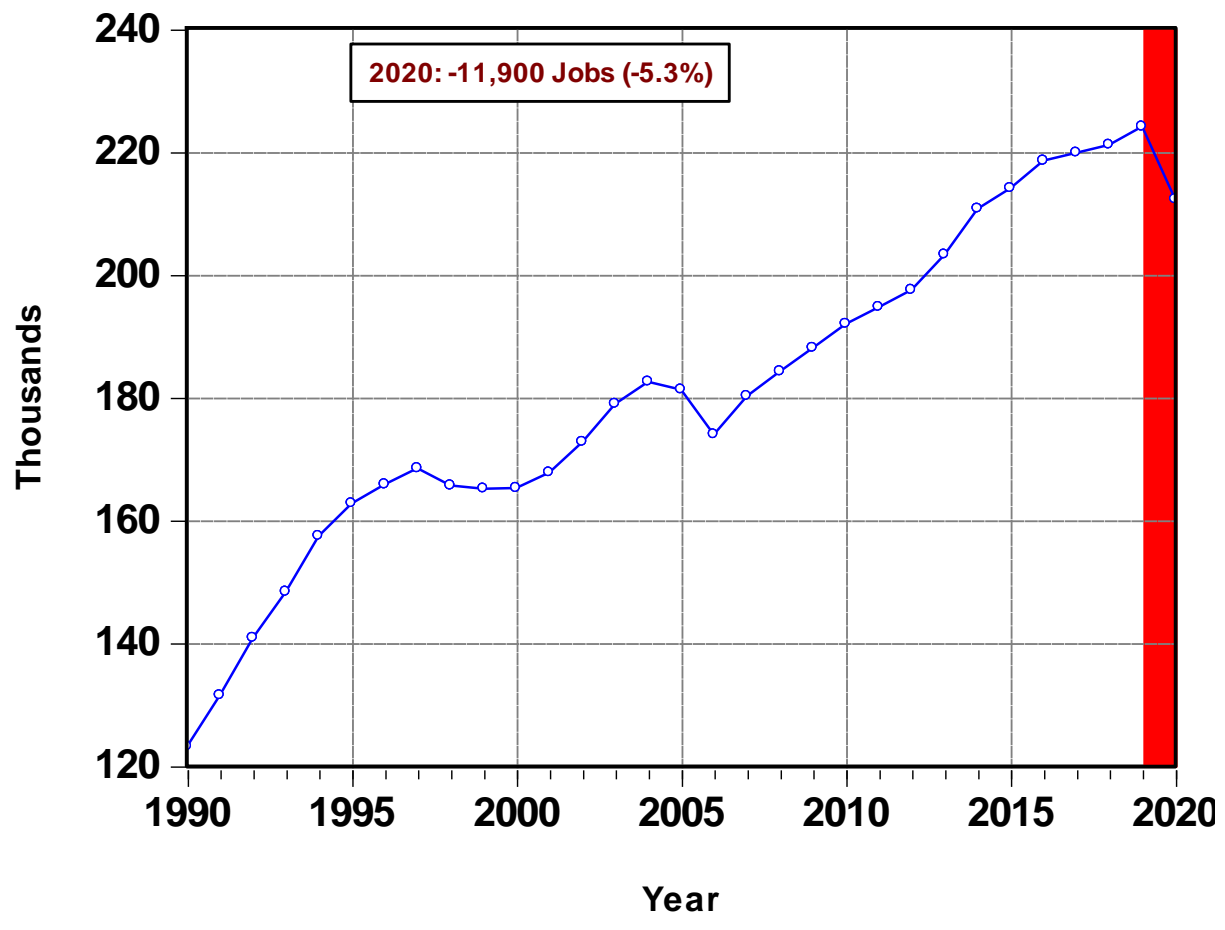


One might argue that the decline shown in Figure 12 for 2020 was a healthcare-oriented crisis, so it makes sense that the healthcare subsector of the economy sector would grow during the COVID crisis. As seen in Figure 13, that was not the case. Overall in Louisiana, healthcare

employment fell by 11,900 jobs (-5.3%) across the State in 2020. Many citizens were afraid to get near a hospital at the beginning of the crisis, visits to clinics dropped markedly, and elective surgeries were put on hold. Despite all of these conditions, employment at the Kings Highway and St. Mary Medical Centers in Shreveport grew in 2020 (see Figure 3), as did employment at the Monroe site (see Figure 12). The Partnership was actually helping the State during a very difficult crisis.

Figure 13

Louisiana Healthcare Employment: 1990-2020



VI. Impact of Partnership on Under-Served

Sections III, IV, and V have detailed the economic impact of the Ochsner LSU Health Partnership on Caddo Parish, Ouachita Parish and the Louisiana economies. There is at least one other very beneficial effect of the formation of the Partnership---an expanded out-reach into the under-served community.

This is particularly evident in Caddo Parish. Not only did the Partnership re-open CHRISTUS Schumpert Hospital as St. Mary Medical Center, but the Partnership also opened the **St. Vincent Health Center Clinic** in the Cedar Grove community (see Figure 14).

Figure 14



Opened in mid-2020, this \$1 million facility is located in an area traditionally under-served in healthcare. St. Vincent provides adult preventative and primary care services. It contains 13 exam rooms and on-site lab services. Patients can get annual checkups, immunizations, chronic disease management, and treatment for non-emergent illnesses and injuries.

In Monroe, the Partnership has both kept open and re-invested in, the former EA Conway Hospital. This hospital is already located in an area heavily populated by a Medicaid eligible population. Keeping this hospital open has been critical to healthcare access for this population group.

As a result of the extra effort to serve this under-served market, the **Partnership's unique Medicaid patient count** has increased in the first two years after the transition. Note in Table 13 that the number of unique Medicaid patients served by Partnership entities was up by 472 in the first year of transition---a 0.6% increase over FY18. In FY20 this increase rose much faster to a significant 3,897 (up 5.3% versus FY18).

Table 13
Ochsner LSU Health Unique Medicaid Patients Served Versus Year before Takeover

	FY18	FY19	FY20
Unique Patient Count	73,986	74,458	77,883
Growth Versus FY18	-	472	3,897
Growth Rate Versus FY18	-	0.6%	5.3%

Virtually all of the improvements shown in Table 13 occurred in Caddo Parish. In Monroe, the Partnership was increasing employment at a much slower pace (see Figure 7) in FY19 and FY20 and had yet to make the larger capital expenditures at Ochsner LSU Health

Monroe (see Figure 8). Once the FY21 data are available, the expectations are that the unique Medicaid patient count will jump in Monroe as well.

The unique Medicaid patients served is perhaps the best way to measure the number of new individual Medicaid patients served. However, other measures also reveal a notable improvement in actual service to the previously under-served population.

The Partnership has generated data on service to the Medicaid population for FY21 based on year-to-date information which can be compared to the pre-transition fiscal year of FY18. These data are in the aggregate for both locations and are very telling regarding the significant inroads into serving the under-served populations in these two parishes.

Table 14

Ochsner LSU Health Medicaid Population Served In Caddo & Ouachita Parishes

	FY18	FY21	Percent Change
Total Inpatient Discharges	14,131	15,077	7%
Total Emergency Room Visits	62,220	46,386	-25%
OP Advanced Imaging (MRI & CT)	14,002	16,257	16%
OP Surgeries	5,441	5,903	8%
Clinic Visits	180,728	232,740	29%
Total IP, OP, & ER	276,522	316,363	14%
Total IP, OP, ER with COVID Vaccinations & Testing	276,522	333,784	21%

IP=inpatient; OP=outpatient; ER=emergency room. FY21 data are based on year-to-date.

Note along the bottom line of Table 14 that there has been a rather remarkable 21% increase in service to the Medicaid population since the transition to the Partnership. There are two principle factors behind this growth. One is just the 14% increase in Medicaid treatments/visits as seen in the next-to-last row of Table 16. The second factor has been the

increase in Medicaid visits for COVID vaccinations and testing which was responsible for seven percentage points of the 21% improvement.

Importantly, expensive emergency room visits by Medicaid patients are down 25% since the transition. This is because more clinics are now available to this population, so they can take this less expensive way to receive care.

The truly good news is that not only were there significant economic gains from the transition, but there were also major inroads into the previously under-served communities.