NEW REPORT FINDS THAT POTENTIAL MEDICARE CUTS
COULD LEAD TO MORE THAN 3,000 JOBS LOST IN RHODE ISLAND

WASHINGTON (September 12, 2012) – A new report found up to 3,000 health care and related jobs could be lost in Rhode Island by 2021 as a result of the 2 percent sequester of Medicare spending mandated by the Budget Control Act of 2011. Nationally, more than 766,000 jobs would be lost according to the report released today by the American Hospital Association, the American Medical Association and the American Nurses Association at a press conference in Washington, DC.

The report, produced by Tripp Umbach, a firm specializing in conducting economic impact studies, measures the anticipated effect of these cuts in Medicare payments on health care providers and other industries. The Tripp Umbach model reflects how reductions in Medicare payment for health care services will lead to direct job losses in the health care sector, reduced purchases by health care entities of goods and services from other businesses which in turn will lay-off workers, and reduced household purchases by workers who lose their jobs. As the impact of these cuts ripples through the economy, jobs will be lost across many sectors beyond health care.

“Hospitals are major contributors to the Rhode Island economy,” said Edward J. Quinlan, president of the Hospital Association of Rhode Island. “Cuts to hospital services could create devastating job losses and threaten the access to quality health care that Rhode Islanders need.”

This model estimates that, during the first year of the sequester, nearly 2,000 jobs will be lost in Rhode Island. The report found that the job losses will affect many economic sectors beyond health care.

The health care sector has long been an economic mainstay providing stability and growth even during times of recession. The Bureau of Labor Statistics data shows that health care created 169,800 jobs in the first half of 2012 and accounted for one out of every 5 new jobs created this year. Hospitals in Rhode Island employ more than 21,000 health care professionals, which account for 6 percent of the state’s private sector employment.
Tripp Umbach designed a customized model based on the national economic impact models developed by MIG IMPLAN, as well as previous impact studies.

The Tripp Umbach report and other resources are available at [www.aha.org/jobs](http://www.aha.org/jobs)

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*Founded over a half century ago, the Hospital Association of Rhode Island is a statewide trade organization that assists member hospitals in effectively meeting the health care needs of Rhode Island, through advocacy, representation, education and services. HARI members work collaboratively to improve the quality of care delivered and address issues threatening access to health care including increasing health costs, workforce shortages and decreasing reimbursement. HARI members work together to ensure that all Rhode Islanders will receive comprehensive, high quality health care.*