



Report for the Economic Impact of Organization 26-50 Bed PPS Hospital

Direct Employment Impact:
10

Secondary Employment Impact:
4

Total Employment Impact:
14

Direct Wages/Salaries/Benefits
Impact:
\$10.50 Million

Secondary Wages Salaries, and
Benefits Impact:
\$2.42 Million

Total Wages, Salaries, and
Benefits Impact:
\$12.92 Million

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Date: 4/19/2026

Background of 26-50 Bed PPS Hospitals In Rural Communities:

The economic impacts of rural prospective payment system (PPS) hospitals for 26-50 beds is measured in this output report. The economic impact of rural hospitals is of utmost concern, with the closure of 56 rural hospitals from January 1, 2010 through August 10, 2015.^{1,2} Another report issued in May of 2015 has indicated that another 283 hospitals are vulnerable to closure.³ The importance of the health care sector to the local economy has been well documented and the hospital is the cornerstone of the health care sector. Health care and, especially, the hospital, are important to business and industry and to the retirement community, as well as to the health care of all community residents.^{4,5} Survival of rural hospitals is important to the local economy, as well as to the health of the local residents.

Research findings from the National Center indicate that typically ten to fifteen percent of the jobs in a rural community are in health care and typically rural hospitals are one of the top employers in the rural community. Overall, the 26-50 bed PPS hospital reported an average of 39 beds, 185 employees and \$11.8 million labor income. The average total impact of the 26-50 bed PPS hospital 259 employees and \$14.3 million labor income.

Using employment data from the user along with NCRHW averaged multipliers, the online application measures the economic impact of 26-50 bed PPS Hospitals upon their communities.

Impact of Critical Access Hospitals on Rural Communities:

From the provided data, **Example** employs **10** employees and pays **\$10.50** million in wages, salaries, and benefits. NCRHW's averaged employment and wage multipliers were derived from research of 82, 26-50 bed PPS hospitals, representing 12 states across all census regions in the U.S, using the input-output analysis model and data from IMPLAN Group. The average employment multiplier is 1.40, which in turn means for every job in the hospital, the multiplier indicates that an additional .40 jobs are created in other businesses and industries in the local economy. The average secondary employment impact of **Example** is **4** jobs and the average total employment impact is **14** jobs for the **Example**.



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The average 26-50 bed PPS Hospital income multiplier (wages, salaries, used in this report was 1.21. **Example** generates an average impact of **\$2.42** million in secondary wages, salaries and benefits impact and an average of **\$12.92** million in total wages, salaries, and benefits impact.

Determining the Economic Impact of Your local Hospital

It is important to note, that this application utilizes an averaged multiplier created by NCRHW using IMPLAN data and may not adequately reflect your clinic's service region. However, in order to more accurately estimate the economic impact of your hospital's service region, users of the economic impact online application are encouraged to contact the National Center for Rural Health Works to discuss the process for obtaining more area specific results. The Center is also able to provide optional data on the percentage of retail sales to wages, salaries and benefits.

If assistance is needed in completing the template or if you would like to schedule a webinar or workshop to better understand all the Center has to offer, please contact Ann K. Peton, MPH, Director, National Center for Rural Health Works, apeton@vcom.vt.edu , 573-301-9654 or seek additional information from the website: www.ruralhealthworks.ncahd.org

For more information about this research, please read the complete white paper: [PPS-Hospital-Study-final-format-August-2015.pdf](#)

¹ National Rural Health Association Email August 13, 2015. "56th Rural Hospital Closes. [www.ruralhealthweb.org (Accessed August 2015)].

² North Carolina Rural Health Research Program. [<http://www.shepscenter.unc.edu/programs/projects/rural-health/> (Accessed August 2015)].

³ The Advisory Board Company. "Report IDs 283 hospitals vulnerable to closure. [<https://www.advisory.com/dailybriefing/2015/05/05/report-ids-283-hospitalsvulnerable-to-closure> (Accessed May 2015)].

⁴ Doeksen, G.A., Cordes, S., and Shaffer, R. "Health Care's Contribution to Rural Economic Development. Funded by Federal Office of Rural Health Policy, DHHS, and Health Resources and Services Administration. 1992..

⁵ Doeksen, G.A., Johnson, T., Biard-Holmes, D. and Schott, V. "A Healthy Health Sector is Crucial for Community Economic Development. The Journal of Rural Health. Volume 14(1): 66-71. 1998.