

Small Business Opportunities and Job Creation in Healthcare

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U.S. Healthcare Industry

Health care spending in the United States grew 4.0 percent in 2009, to \$2.5 trillion, or \$8,086 per person, the slowest rate of growth in the 50-year history of the National Health Expenditure Accounts (NHEA).

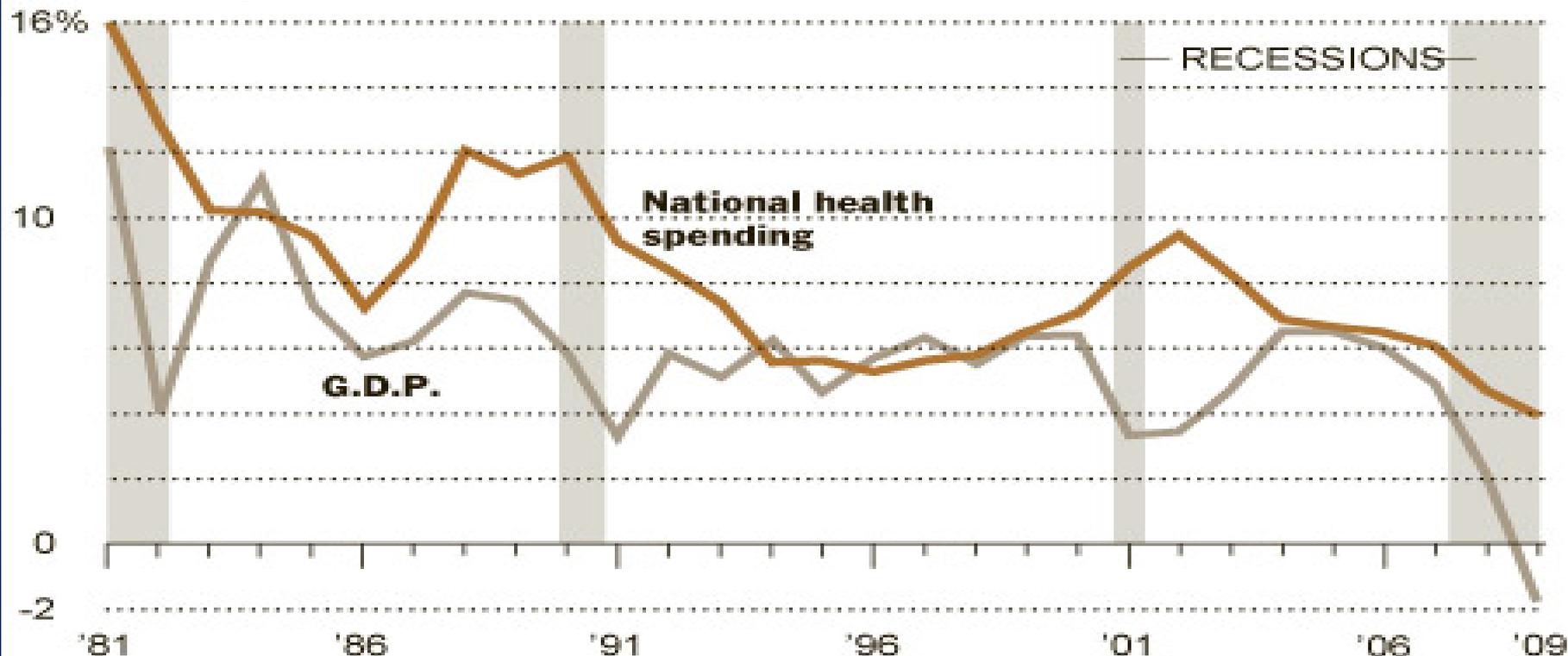
Effects of the recession contributed to historically low rate of increase, but health spending share of GDP increased to 17.9% (16.6% in 2008)

Rate of Health Care Spending

National spending on health care increased only 4 percent from 2008 to 2009, the smallest annual increase in decades.

PERCENT CHANGE IN NATIONAL HEALTH EXPENDITURES AND G.D.P.

Annual Change



Sources: Centers for Medicare & Medicaid Services; Bureau of Economic Analysis; National Bureau of Economic Research

THE NEW YORK TIMES

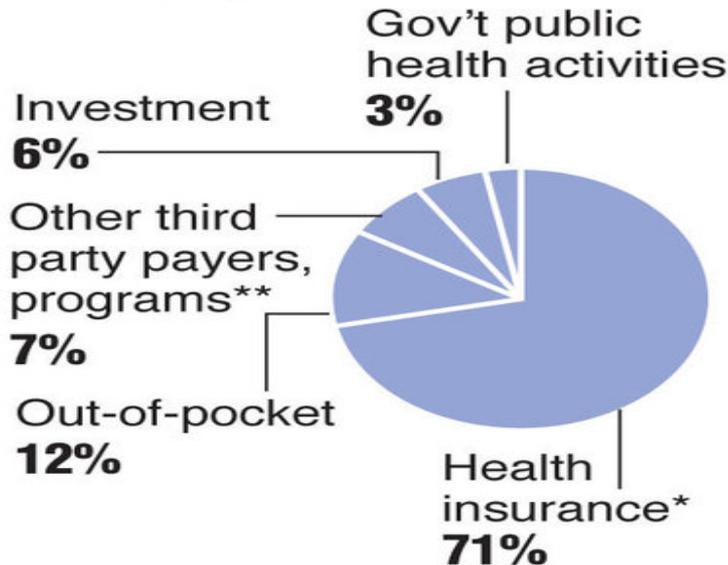
U.S. Healthcare Industry

- Areas of healthcare spending that saw some of the biggest gains included home health services, retail prescription drug spending and hospital spending.
- Other key statistics from the NHEA report:
 - Spending for home health care services provided by freestanding facilities grew 10 percent, to \$68.3 billion, following growth of 8 percent in 2008.
 - Retail prescription drug spending grew 5.3 percent in 2009 to \$250 billion, after 3 percent growth in 2008.
 - Hospital spending increased 5 percent to \$759 billion in 2009 compared with 5 percent growth in 2008.
 - Physician and clinical services spending rose 4 percent in 2009 to \$506 billion, a deceleration from 5 percent growth in 2008.

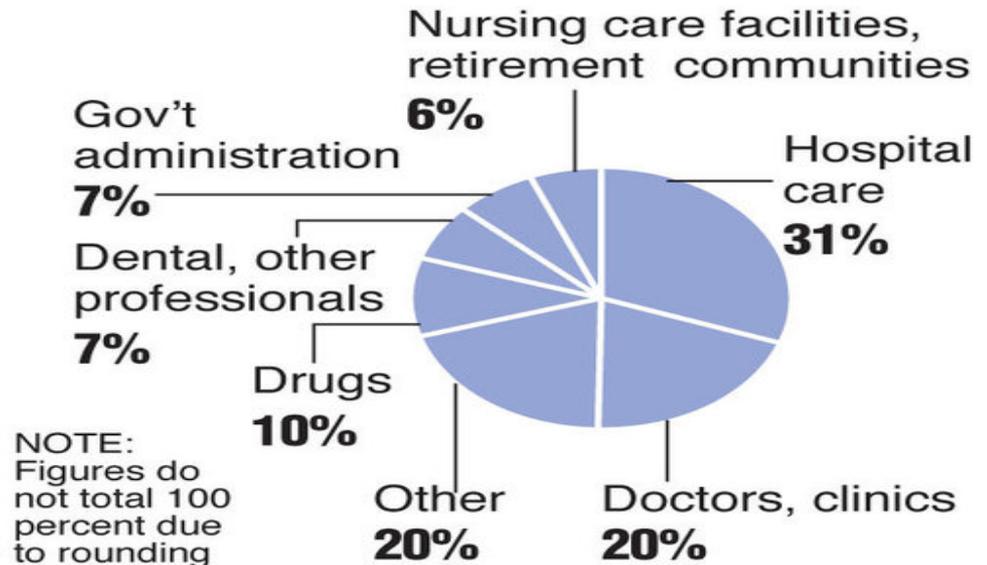
Health care spending

Due to the recession, U.S. health care spending in 2009 grew at the slowest rate in 50 years. A look at the nation's health care dollar, 2009:

Who pays



Where it goes



Total health spending

\$2.5 trillion or
\$8,086 per person

Share of GDP



*Includes both private and government (Medicare, Medicaid, VA and CHIP)

**Includes worksite health care, workers' compensation, maternal and child health, school health, other federal and state programs

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Source: U.S. Department of Health and Human Services
Graphic: Judy Treible

U.S. Healthcare Industry

The implementation of the Patient Protection and Affordable Care Act is expected to increase healthcare spending over the next decade by 0.2 percentage point more than prior estimates (CMS, 2010).

CMS predicts healthcare spending will grow from \$2.6 trillion in 2010 to \$4.57 trillion in 2019.

The healthcare sector's total share of the gross domestic product will rise from 17.5 percent to 19.6 percent in 2019.

Florida Healthcare Industry

What industries in Florida are experiencing job growth over the year?

Private education and **health services** is gaining 28,900 jobs - Due to ambulatory health care services

Leisure and hospitality is gaining 21,400 jobs - Due to accommodation

Other services is gaining 13,600 jobs -Due to membership associations and organizations

Professional and business services is gaining 10,100 jobs -Due to computer systems design and related

Trade, transportation, and utilities is gaining 5,900 jobs -Due to general merchandise stores

| Total Advertised Occupations for Florida-November 2010 | Online Ads |
|--|-------------------|
| Florida Total Ads – Source: The Conference Board | 235,776 |
| Registered Nurses | 13,273 |
| Retail Salespersons | 7,261 |
| First-Line Supervisors/Managers of Retail Sales Workers | 6,393 |
| Computer Systems Analysts | 5,436 |
| Customer Service Representatives | 5,287 |
| Physical Therapists | 4,399 |
| Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products | 4,290 |
| Sales Managers | 4,056 |
| Executive Secretaries and Administrative Assistants | 3,692 |
| Occupational Therapists | 3,549 |
| Medical and Health Services Managers | 3,476 |
| Computer Support Specialists | 3,356 |
| Marketing Managers | 2,783 |
| Computer Software Engineers, Applications | 2,657 |
| Telemarketers | 2,606 |
| First-Line Supervisors/Managers of Food Preparation and Serving Workers | 2,587 |
| First-Line Supervisors/Managers of Office and Administrative Support Workers | 2,350 |
| General and Operations Managers | 2,318 |
| Insurance Sales Agents | 2,117 |
| Computer and Information Systems Managers | 2,108 |

Future Opportunities in Healthcare

- Of the 20 fastest growing occupations in the economy, half are related to healthcare.
- Healthcare is experiencing rapid growth, due in large part to the aging of the baby-boom generation, which will require more medical care.
- As healthcare costs continue to rise, work is increasingly being delegated to lower paid workers in order to reduce costs:
 - physician assistants
 - medical assistants
 - dental hygienists
 - physical therapist aides
- Patients increasingly are seeking home care as an alternative to costly stays in hospitals or residential care facilities:
 - home health aides
 - personal and home care aides

Occupations with the largest numerical growth - Overview of the 2008-18 Projections

SOURCE: BLS Occupational Employment Statistics and Division of Occupational Outlook

Occupational Outlook Handbook, 2010-11 Edition

| Occupations | Number of new jobs (in thousands) | Percent change | Wages (May 2008 median) | Education/training category |
|--|-----------------------------------|----------------|-------------------------|---|
| Registered nurses | 581.5 | 22 | \$ 62,450 | Associate degree |
| Home health aides | 460.9 | 50 | 20,460 | Short-term on-the-job training |
| Customer service representatives | 399.5 | 18 | 29,860 | Moderate-term on-the-job training |
| Combined food preparation and serving workers, including fast food | 394.3 | 15 | 16,430 | Short-term on-the-job training |
| Personal and home care aides | 375.8 | 46 | 19,180 | Short-term on-the-job training |
| Retail salespersons | 374.7 | 8 | 20,510 | Short-term on-the-job training |
| Office clerks, general | 358.7 | 12 | 25,320 | Short-term on-the-job training |
| Accountants and auditors | 279.4 | 22 | 59,430 | Bachelor's degree |
| Nursing aides, orderlies, and attendants | 276.0 | 19 | 23,850 | Postsecondary vocational award |
| Postsecondary teachers | 256.9 | 15 | 58,830 | Doctoral degree |
| Construction laborers | 255.9 | 20 | 28,520 | Moderate-term on-the-job training |
| Elementary school teachers, except special education | 244.2 | 16 | 49,330 | Bachelor's degree |
| Truck drivers, heavy and tractor-trailer | 232.9 | 13 | 37,270 | Short-term on-the-job training |
| Landscaping and groundskeeping workers | 217.1 | 18 | 23,150 | Short-term on-the-job training |
| Bookkeeping, accounting, and auditing clerks | 212.4 | 10 | 32,510 | Moderate-term on-the-job training |
| Executive secretaries and administrative assistants | 204.4 | 13 | 40,030 | Work experience in a related occupation |
| Management analysts | 178.3 | 24 | 73,570 | Bachelor's or higher degree, plus work experience |
| Computer software engineers, applications | 175.1 | 34 | 85,430 | Bachelor's degree |
| Receptionists and information clerks | 172.9 | 15 | 24,550 | Short-term on-the-job training |
| Carpenters | 165.4 | 13 | 38,940 | Long-term on-the-job training |

SOURCE: BLS Occupational Employment Statistics and Division of Occupational Outlook

Future Opportunities in Healthcare

Health related employment growth from 2008 to 2018 is expected to increase:

- By 21% in nursing
- By 20% in medical records and health information technicians
- By 19% in massage therapy
- By 16% in medical and health services managers

Future Outlook for Healthcare

- More shifting to ambulatory care settings
- Increased focus on wellness
- More regulations (compliance and risk management)
- More technology (niches)
- Increase use of evidence-based medicine with focus on comparable effectiveness (health informatics)
- Increase in medical research

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Thank you!

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