



THE ECONOMIC IMPACT OF CEDARS-SINAI HEALTH SYSTEM

FY 2021



Institute for Applied Economics



CEDARS-SINAI HEALTH SYSTEM: AN ECONOMIC IMPACT ANALYSIS

FY 2021

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The LAEDC Institute for Applied Economics provides objective economic and policy research for public agencies and private firms. The group focuses on economic impact studies, regional industry analyses, economic forecasts and issue studies, particularly in workforce development, transportation, infrastructure and environmental policy.

Every reasonable effort has been made to ensure that the data contained herein reflect the most accurate and timely information possible and they are believed to be reliable.

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EXECUTIVE SUMMARY

Introduction to the Cedars-Sinai Health System

Cedars-Sinai Health System is widely recognized for providing top-quality healthcare services to millions of patients in Los Angeles. Cedars-Sinai directly employs over 15,000 full-time workers with well-paying jobs and provides a multitude of opportunities for the premier medical talent in the region, contributing to the skilled and diverse healthcare workforce of Los Angeles County. In addition to the healthcare it provides to millions of the region's residents, Cedars-Sinai is also a leading research and education institution, developing new treatments, energizing tech transfer, and training tomorrow's healthcare professionals. Cedars-Sinai is also a key contributor to strengthening underserved communities throughout Los Angeles through grantmaking and a wide range of community benefit programs. In addition, the positive health outcomes delivered to so many patients have improved lives and made a more productive workforce over many years, improving quality of life for families who have received care at Cedars-Sinai.

The Health System is composed of the following institutions: Cedars-Sinai (including the 889-bed Cedars-Sinai Medical Center and the 133-bed Cedars-Sinai Marina del Rey Hospital), Cedars-Sinai Medical Network (a network of physicians and ambulatory services at more than 40 locations throughout Southern California); Torrance Memorial (including the 610-bed Torrance Memorial Medical Center and its network of physicians and medical offices throughout the South Bay); Huntington Health, (including the 619-bed hospital with its medical offices and physician network); and joint ventures such as California Rehabilitation Institute and Providence Cedars-Sinai Tarzana Medical Center.

With its flagship academic medical center and more than 2,000 research projects being undertaken across Cedars-Sinai, the Health System injects a trained workforce and innovative medical knowledge into the Los Angeles economy. Cedars-Sinai's contribution to the county's medical workforce is significant, with more than 430

residents and fellows, as well as healthcare professionals who are trained and educated in a wide variety of specialties every year. Addressing the community-wide labor shortages of physicians, nurses and other health professionals cannot be understated.

This report examines the economic activity associated with the entire Cedars-Sinai Health System, including ongoing operations, construction spending and community benefit.

Economic Activity of Cedars-Sinai Health System

Hospitals and facilities that fall under the umbrella of the Cedars-Sinai Health System provide a full range of inpatient, outpatient, emergency, and diagnostic services to communities in the Los Angeles area. Exhibit ES-1 shows the economic activity associated with the Cedars-Sinai Health System in fiscal year (FY) 2021.

Exhibit ES-1

Economic Activity of Health System Operations (FY 2021) (In \$ millions)

	Total
Net Patient Revenue	\$ 5,661.4
Other Operating Revenue	939.7
Non-Operating Revenue	703.8
Purchases:	
Materials, supplies, etc.	\$ 1,006.3
Other	476.7
Salaries, wages, and benefits	\$ 3,128.8
Physician Professional Fees	574.9
Other professional fees	83.9
Other expenses	1,007.9

Source: Cedars-Sinai

Cedars-Sinai Health System Operations

The total economic impact of the Cedars-Sinai Health System extends beyond the activity generated within the healthcare sector itself. Wages paid to the staff and payments made for purchases of goods and services circulate throughout the economy generating additional indirect and induced activity which benefits the regional economy and creates even more jobs.

Ongoing operations at facilities in the Cedars-Sinai Health System generated over **\$15 billion in economic output** in FY 2021 and supported close to **81,680 full- and part-time jobs** with total **labor income (including benefits) of \$6.5 billion**. We estimate this spending generated more than **\$696 million in state and local taxes** (Exhibit ES-2).

Exhibit ES-2

Economic and Fiscal Impact of Cedars-Sinai Health System Ongoing Operations (So-Cal Region, FY 2021)

Estimated Annual Revenue (\$ billions)	\$ 7.3
Total Economic Impact:	
Output (\$ billions)	\$ 15.4
Employment (jobs)	81,680
Labor income (\$ billions)	\$ 6.5
Total Fiscal Impact (\$ millions):	\$ 696.2

Source: Estimates by LAEDC

Cedars-Sinai Medical Center

Cedars-Sinai Medical Center is a private nonprofit teaching and research hospital fully accredited by The Joint Commission. It has 889 licensed beds and is located in the City of Los Angeles and the City of West Hollywood, providing a full range of inpatient, outpatient, emergency, and diagnostic services to communities in the Los Angeles area.

We estimate that in FY 2021 ongoing operations at Cedars-Sinai Medical Center:

- generated over \$9.9 billion in total economic output in the six-county Southern California region,
- supported 51,840 full- and part-time jobs with total labor income (including benefits) of \$4.1 billion, and
- generated over \$453 million in state and local taxes.

Cedars-Sinai Marina del Rey Hospital

Cedars-Sinai Marina del Rey Hospital is a 133-bed community hospital fully accredited by The Joint Commission, located in Marina del Rey, providing a full range of inpatient, outpatient, and emergency services to local communities in the Los Angeles area.

We estimate that ongoing operations in FY 2021 at Cedars-Sinai Marina del Rey Hospital:

- generated over \$265 million in total economic output in Los Angeles County,
- supported 1,370 full- and part-time jobs with total labor income (including benefits) of close to \$114.7 million, and
- generated \$11 million in state and local taxes.

Torrance Memorial Medical Center

Torrance Memorial Medical Center is a 610-bed, nonprofit medical center founded in 1925 to provide quality healthcare services predominantly to the residents of the South Bay, Peninsula, and Harbor communities.

We estimate that ongoing operations in FY 2021 at Torrance Memorial Medical Center:

- generated over \$1.9 billion in total economic output in Los Angeles County,
- supported 9,940 full- and part-time jobs with total labor income (including benefits) of close to \$835 million, and
- generated \$82 million in state and local taxes.

Huntington Health

Huntington Health is a 619-bed nonprofit hospital in Pasadena, California that has provided compassionate, world-class care to the community since 1892.

We estimate that ongoing operations in FY 2021 at Huntington Health:

- generated over \$1.4 billion in total economic output in Los Angeles County,
- supported 7,430 full- and part-time jobs with total labor income (including benefits) of close to \$623 million, and
- generated \$62 million in state and local taxes.

Community Benefit

Total community benefit provided by Cedars-Sinai Health System was about \$900 million in FY 2021 and was provided through a variety of programs. The total economic impact, including indirect and induced effects, of community benefit spending, excluding uncompensated care, was an estimated \$504 million in total economic output.

Exhibits ES-5 through ES-6 show community benefit provided by Cedars-Sinai Medical Center, Cedars-Sinai Marina del Rey Hospital, Torrance Memorial Medical Center, and Huntington Health in FY 2021.



Exhibit ES-3

Cedars-Sinai Medical Center Community Benefit (FY 2021)

Community Benefit Spending	\$ 700.9
Uncompensated Care	462.4
Other Community Benefit	238.5
<i>Research-Net of Grant Funding</i>	<i>100.5</i>
<i>Community Benefit Programs, Charitable Contributions and Education and Training for Physicians and Other Health Professionals</i>	<i>138.0</i>
Total Economic Impact-Not Uncompensated Care:	
Output (\$ millions)	\$ 749.7
Employment (jobs)	4,040
Labor income (\$ millions)	\$ 308.4

* May not sum due to rounding
Source: Estimates by LAEDC

Exhibit ES-5

Torrance Memorial Medical Center Community Benefit (FY 2021)

Community Benefit Spending	\$ 108.9
Uncompensated Care	102.3
Other Community Benefit	6.6
<i>Community Benefit Programs, Charitable Contributions</i>	<i>6.6</i>
Total Economic Impact-Not Uncompensated Care:	
Output (\$ millions)	\$ 12.3
Employment (jobs)	90
Labor income (\$ millions)	\$ 5.5

* May not sum due to rounding
Source: Estimates by LAEDC

Exhibit ES-4

Cedars-Sinai Marina del Rey Hospital Community Benefit (FY 2021)

Total Community Benefit (\$ millions)	\$ 32.8
Uncompensated Care	32.4
Community Benefit Programs, Charitable Contributions	0.4
Total Economic Impact-Not Uncompensated Care:	
Output (\$ millions)	\$ 0.7
Employment (jobs)	5
Labor income (\$ millions)	\$ 0.33

Source: Cedars-Sinai; Estimates by LAEDC

Exhibit ES-6

Huntington Health Community Benefit (FY 2021)

Community Benefit Spending	\$ 65.8
Uncompensated Care	25.8
Other Community Benefit	40.0
<i>Research-Net Cost</i>	<i>1.4</i>
<i>Community Benefit Programs, Charitable Contributions</i>	<i>38.6</i>
Total Economic Impact-Not Uncompensated Care:	
Output (\$ millions)	\$ 74.5
Employment (jobs)	510
Labor income (\$ millions)	\$ 33.2

* May not sum due to rounding
Source: Estimates by LAEDC

Cedars-Sinai Health System Construction Spending

The hospital sector continues to invest in construction projects at existing and new facilities. Over the past five years, total project capital for construction reached over \$2.7 billion at Cedars-Sinai.

We estimate that construction spending at facilities in the Cedars-Sinai Health System over the past five years:

- generated over \$5.9 billion in total economic output in the six-county Southern California region,
- supported 19,850 full- and part-time jobs with total labor income (including benefits) of \$1.4 billion, and
- generated about \$276 million in state and local taxes.

Future Investment

Cedars-Sinai has future plans for capital investment of approximately \$4.3 billion, which includes capital expenditures planned at the Main, North and South campuses of the Medical Center, as well as projects at affiliates Torrance Memorial and Huntington Health and offsite facilities in West Los Angeles.

Planned construction spending by Cedars-Sinai is expected to generate over \$6.9 billion in total economic output in Los Angeles County and support 46,680 full- and part-time jobs with a total labor income (including benefits) of over \$3.2 billion. We estimate that this spending will generate over \$301 million in state and local taxes through its contribution to economic activity in the region.



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1 CEDARS-SINAI HEALTH SYSTEM

Cedars-Sinai Health System is a nonprofit academic healthcare organization serving more than one million people each year in over 40 locations, with more than 4,500 physicians and nurses, and 2,000 research projects. Additionally, its scientists lead hundreds of research studies, and the Health System's education programs train the health care professionals of the future.

Cedars-Sinai Health System serves the diverse Los Angeles community and beyond through locations across Southern California, including Cedars-Sinai Medical Center, Cedars-Sinai Marina del Rey Hospital, Torrance Memorial Medical Center, Huntington Health, and multiple surgery centers, urgent care facilities, medical offices, imaging centers, and labs (Exhibit 1-1). The Health System is also part of joint ventures such as California Rehabilitation Institute and Providence Cedars-Sinai Tarzana Medical Center.

While the LAEDC has performed economic impact analyses specific to the Cedars-Sinai Medical Center and the Cedars-Sinai Marina del Rey Hospital, this report is the first analysis quantifying the economic

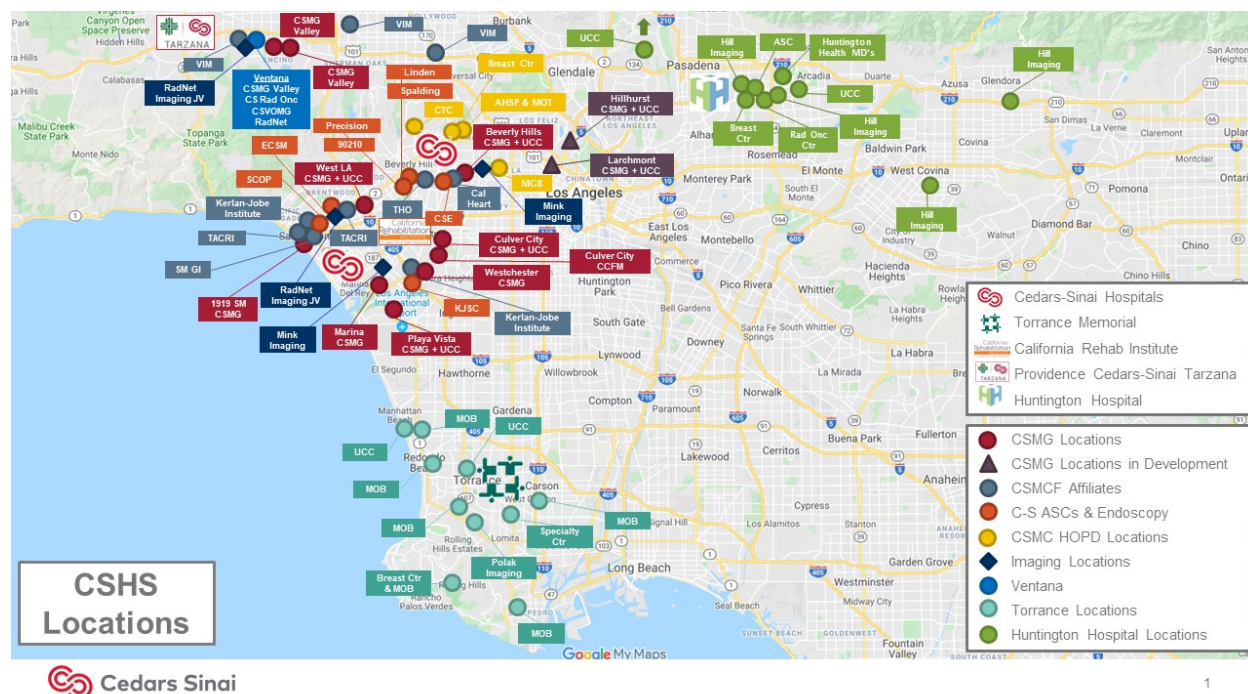


impact of the Cedars-Sinai Health System as a whole.

Cedars-Sinai Medical Center

Cedars-Sinai Medical Center is a nonprofit teaching and research hospital with 889 licensed beds, located in the City of Los Angeles and City of West Hollywood, adjacent to the City of Beverly Hills. It provides a full range of inpatient, outpatient,

Exhibit 1-1: Cedars-Sinai Locations



emergency, and diagnostic services to communities in the Los Angeles area.

With its roots first established in 1902, the Cedars-Sinai of today has grown into one of the largest hospitals in the western U.S. It is a provider of a wide range of medical services, including emergency, intensive, and general medical care, specialized and general surgery, and many specialty and subspecialty areas including cardiology, diabetes care and endocrinology, neurology, oncology, pathology and laboratory medicine, pediatrics, physical medicine and rehabilitation, plastic and reconstructive surgery, psychiatry and behavioral neurosciences, radiation therapy, regenerative medicine, rheumatology, transplant services, and women's health and services, among others.

Cedars-Sinai is a leader in clinical care and research of heart disease, cancer, and brain disorders, while continuing to pursue innovative research, including using cardiac stem cells to repair damaged hearts, developing minimally invasive surgical techniques, and discovering new types of drugs to target cancer more precisely.

The hospital is accredited by the American College of Surgeons Committee. Cedars-Sinai was ranked one of the 10 best hospitals in the United States according to *U.S. News & World Report*, ranking 6th on the "Best Hospitals 2021-22" Honor Roll and having 11 medical specialties ranked nationally in annual rankings from *U.S. News & World Report*.

The hospital contributes much more to the region than its healthcare services. Cedars-Sinai is a teaching hospital for physicians, with a highly competitive training program for residents and fellows in over 80 specialty and subspecialty areas.

Cedars-Sinai is one of the largest research centers in the western U.S., with over 2,000 active research projects and significant contributions to the development of medical technology, knowledge, and practice. Cedars-Sinai received \$140 million in federal and non-federal awards, of which \$115 million was funded by the National Institutes of Health (NIH). Along with its highly competitive medical residency and fellowship programs, Cedars-Sinai also provides a biomedical science and translational medicine PhD program, advanced nurses training, and master's degree programs in

Magnetic Resonance in Medicine (MSMRM) and Health Delivery Science (MHDS).

Cedars-Sinai continually invests in improvements in the services it provides in construction, equipment, IT infrastructure, and staff training and certifications. The Advanced Health Sciences Pavilion is home to the Cedars-Sinai Smidt Heart Institute, Board of Governors Regenerative Medicine Institute, and neurosciences programs. The 11-story Pavilion accommodates nearly 600 patients each day.

Classes on illnesses and conditions, as well as support groups, are available for patients, and their family and friends, and subsidies are available for financial assistance for patients, staff medical education and research, and wellness and prevention programs.

In FY 2021, Cedars-Sinai has provided nearly \$700 million in community benefit, including fully or partly subsidized medical care to the uninsured or those unable to pay due to financial hardship.

As a healthcare leader in the community, Cedars-Sinai has partnered with the Los Angeles Unified School District to improve the health of students as well as through health education and screenings at hundreds of locations throughout Los Angeles. Cedars-Sinai also provides free and part-pay hospital care for those who qualify for financial assistance: it has one of the nation's most generous policies, with assistance for those earning up to 600% of the federal poverty level. In addition, Cedars-Sinai is the largest provider of Medicare services in the State, as well as one of the largest private Medi-Cal providers.

Cedars-Sinai is improving access to care by providing locations for primary, urgent, and specialty care throughout Southern California and affiliating and partnering with other healthcare organizations that share their commitment to excellence through the Cedars-Sinai Community Clinic Initiative.

The Cedars-Sinai Health System is composed of the following institutions: Cedars-Sinai (including the 889-bed Cedars-Sinai Medical Center and the 133-bed Cedars-Sinai Marina del Rey Hospital, a network of physicians and ambulatory services at more than 40 locations throughout Southern

California); Torrance Memorial (including the 610-bed Torrance Memorial Medical Center and its network of physicians and medical offices throughout the South Bay,); Huntington Health (including the 619-bed hospital with its medical offices and physician network; and joint ventures such as California Rehabilitation Institute and Cedars-Sinai Providence Tarzana Medical Center.

Cedars-Sinai Marina del Rey Hospital

In 2015, Cedars-Sinai purchased Marina del Rey Hospital and converted it from a for-profit entity into a nonprofit entity. This was part of Cedars-Sinai's ongoing initiative to become a more comprehensive healthcare organization and increase access to quality healthcare.

Cedars-Sinai Marina del Rey Hospital has 133 beds and provides emergency services and a range of clinical services with expertise in spine, orthopedics, weight management, and minimally invasive surgery.

Cedars-Sinai is embarking on a major investment: a new state-of-the-art community hospital is under construction at the site of the Cedars-Sinai Marina del Rey Hospital to serve those who live and work in Marina del Rey and surrounding areas.

The technologically advanced, nine-story hospital will augment and expand the hospital's strength in surgery and will feature many new or enhanced services and programs, including an emergency department with expanded diagnostic and treatment facilities, additional private patient rooms, state-of-the-art operating rooms, cardiac catheterization and gastroenterology labs, and interventional procedure suites to handle complex cases, such as treatments for strokes and other image-guided interventions.. The existing hospital remains open and fully operational during construction.

Torrance Memorial Medical Center

Torrance Memorial Medical Center is a 610-bed, nonprofit medical center founded in 1925 to provide quality healthcare services predominantly to the residents of the South Bay, Peninsula, and Harbor communities.



Torrance Memorial Medical Center includes an extensive integrated system of physicians and comprehensive medical services to provide coordinated communication and continuum of care. In addition to emergency services, clinical services include obstetrics, heart and vascular care, a cancer program, orthopedics, spine care, and women's health.

In 2018, Torrance Memorial became affiliated with Cedars-Sinai under the umbrella of Cedars-Sinai Health System. The affiliation is designed to increase the South Bay's access to quality care and brought additional clinical expertise in a wide variety of specialties.

Torrance Memorial Medical Center has been recognized as the eleventh best hospital in California for 2021-22; this was its tenth consecutive year ranked in the top 3% of hospitals in the state by *U.S. News & World Report*.

Huntington Health

Huntington Health is a 619-bed nonprofit hospital in Pasadena, California that has provided compassionate, world-class care to the community since 1892. In July 2021, Cedars-Sinai Health System and Huntington Hospital reached agreement with the Office of the California Attorney General on a proposed affiliation, which became official in August 2021 with the completion of the appropriate regulatory approvals. The affiliation strengthens Huntington's long-term commitment to providing affordable, accessible, high-quality care to the San Gabriel Valley.



While Huntington continues its local governance—with its own employees, board of directors and medical staff—the affiliation with Cedars-Sinai Health System provides for a wide variety of collaborations, as well as sharing of resources and expertise. In addition, the Health System has committed to investment in Huntington Health in many areas, including enterprise information technology, expanded ambulatory services and enhanced physician development.

Huntington's specialist coverage ensures a hospital-based physician is always available at the hospital for patients who need general, obstetrical or critical care. And as a leader in nursing care, Huntington Health is one of only 9% of hospitals nationwide to have achieved Magnet designation, the gold standard in nursing. In addition, Huntington Health is home to the largest emergency department and only level-II trauma center in the San Gabriel Valley – providing

access to lifesaving emergency and trauma care 24/7.

Providence Cedars-Sinai Tarzana Medical Center

The Tarzana Medical Center was founded in 1973 to provide high-quality medical care in the San Fernando Valley. Providence, a Catholic health system that includes 51 hospitals, acquired the hospital in 2008 and began upgrading its facilities, including constructing a new patient care wing and emergency department.

In 2019, Providence and Cedars-Sinai announced that the two major healthcare nonprofits would jointly own and operate Providence Cedars-Sinai Tarzana Medical Center, a community hospital in Tarzana in the process of being transformed into a full-service, ultramodern medical campus with the Tarzana Reimagined Construction Project. Providence and Cedars-Sinai officially broke ground on a new patient tower in February 2020. The venture marks Cedars-Sinai's first hospital investment in the San Fernando Valley.

Providence Cedars-Sinai Tarzana Medical Center is home to a pediatric- and stroke-approved emergency department, and highly rated heart, vascular, orthopedic, cancer, pediatric, and women's services.

California Rehabilitation Institute

Cedars-Sinai partnered with UCLA Health and Select Medical in 2013 to create the California Rehabilitation Institute, the largest inpatient facility of its kind on the West Coast. The Institute is a 136-bed inpatient medical rehabilitation hospital that provides comprehensive acute rehabilitation care designed to help each patient recover the strength, skills and independence they need to return home and resume their lives.

Ranked 6th in California in *Newsweek's* 2021 list of "America's Best Physical Rehab Centers," California Rehabilitation Institute is committed to providing an

exceptional patient care experience that promotes healing and recovery in a compassionate environment. Therapy is tailored to the needs and goals of each patient and provided in a vibrant environment that incorporates the most advanced technology and equipment with expert care.

A highly skilled team of professionals is dedicated to each patient's rehabilitation needs. This group may include psychiatrists, neurologists, psychologists, neuropsychologists, rehabilitation nurses, pharmacists, physical therapists, occupational therapists, respiratory therapists, speech-language pathologists, therapeutic recreation specialists, social workers, case managers and dietitians. This interdisciplinary team works together to develop the most appropriate treatment plan for each patient.



Cedars-Sinai Accelerator

Cedars-Sinai is committed to helping healthcare entrepreneurs bring their innovative technology products to market through their Cedars-Sinai Accelerator program, which supports the growth and development of early-stage companies focused on improving healthcare and healthcare delivery.

The main objectives, as put forth by the Cedars-Sinai Accelerator, are as follows:

- Identify and support innovative healthcare technology products, companies, and services

with potential to deliver transformational healthcare benefits locally and abroad.

- Create an environment that allows entrepreneurs and companies to accelerate their commercial traction and impact on healthcare.
- Develop a capability that supports the development of health entrepreneurs and commercial ideas from within the Cedars-Sinai system,
- Continue to build a culture of innovation and the external “Innovation Index.”
- Inspiration, engagement, and professional development for faculty and staff. Inject startup energy and mentality into their culture – which encourages the team to “move fast and think big.”
- Capture equity ownership in potentially disruptive/lucrative technology companies and have a greater access and insight into broader portfolio of innovations.

Cedars-Sinai invests \$100,000 in each company selected for the three-month program and provides mentorship, guidance, and support to help them develop and scale innovative companies. The three-month program takes place once or twice a year, with the latest cohort beginning in September 2021.

Since the Accelerator’s inception in 2016, the nearly 64 companies across the seven selected classes have collectively raised more than \$501 million in outside investment from 377 unique leading investors and venture capital funds. They have an estimated 1,422 FTEs (full-time equivalents) working across all companies with more than 950 additional employees hired post-program. Of all of the companies who have participated in the program, 75 percent are active or have been acquired. Four portfolio companies exited via acquisition by AMN Healthcare, Press Ganey, Hinge Health, and Vitalize Healthcare. Hundreds of hospitals and health systems in the U.S. and abroad are using solutions developed and supported by these teams. More than 50 million patient encounters worldwide have been served by portfolio company solutions.

Fourteen of the 40 alumni companies are headquartered here in the Los Angeles region. Collectively, these companies have raised more than \$171 million in outside investment from leading investors and venture capital funds. These Los Angeles region companies have hired more than 845 additional employee post-program, and include roles

such as software engineers, salespeople and clinical experts.

Cedars-Sinai Technology Ventures

The mission of Cedars-Sinai Technology Ventures is to identify, protect and support the commercialization of discoveries and technologies developed at Cedars-Sinai or its partner institutions.

Cedars-Sinai Technology Ventures enable innovative health technologies that improve medicine, patient care and health outcomes. In addition, Cedars-Sinai Technology Ventures works have a vital impact on regional economic development and community benefits.

Currently, over 500 technologies in the Cedars-Sinai Technology Ventures technology portfolio were generated from Cedars-Sinai research labs, and there are more than 1,000 patents in the Cedars-Sinai Technology Ventures patent portfolio. Over the last five years, \$150 million in royalties has been generated from the technology and patent portfolio for Cedars-Sinai, of which a portion is reinvested into additional research that has regional economic development benefits.

Over 15 start-up companies have been formed based on Cedars-Sinai inventions. These companies have attracted more than \$100 million in outside investments that went into product development, talent development, and other ways to support economic development.

Cedars-Sinai Technology Ventures invested more than \$5 million in developing ideas into new products and services for the healthcare benefits, utilizing partnerships with local talent and facilities.

Academic Research - North Campus

Cedars-Sinai Health System is a leader in breakthrough academic research, ranging from basic science and clinical research to clinical trials for innovative treatments. With 26 departments and institutes, the breadth and depth of research has resulted in Cedars-Sinai being one of the top institutes for competitive research funding from the National Institutes of Health.

The Cedars-Sinai Health System has a number of current and planned research facilities in West Hollywood. There are currently approximately 180 employees located at the North Campus, and that number is expected to grow significantly as the build-out continues.

Cedars-Sinai Biomanufacturing Center (CBC)

The CBC comprises a Good Manufacturing Practices (cGMP) cell manufacturing facility housing multiple cleanroom cell production suites and process development rooms for producing the next generation of cell and gene therapies. These new therapies will be used for human IND-enabling clinical trials. Research labs and a cGMP stem cell manufacturing facility (also known as clean rooms that maintain a controlled environment as required by federal guidelines) are used to produce stem cells that are used for biomedical research and FDA-approved medicines. Equipment includes biological safety cabinets, low-temperature freezers, benchtop equipment such as centrifuges and microscopes, and reagents used to process these samples. There are also offices for administrative and research personnel, conference rooms, a reception area, and an employee lounge. The facility has been occupied since late 2019 and has been operational since 2020.

Cedars-Sinai successfully obtained EDA grant funding to support the Cedars-Sinai Biomanufacturing Center. The investment enabled Cedars-Sinai to equip labs to serve academic, clinical, and commercial researchers and investigators to provide for the development and scalable manufacture of clinical-grade stem cell products for research use and for testing in clinical trials. This project invested in the local economy by leveraging investments by Cedars-Sinai to facilitate the development, construction, and operation of the Biomanufacturing Center and by creating a training pipeline and new high-skill jobs in the healthcare sector.

Cedars-Sinai Board of Governors Innovation Center

With construction underway at the North Campus this year, and a targeted opening date of 2022, the Cedars-Sinai Board of Governors Innovation

Center will include biomedical translational research laboratories to conduct innovative research in multiple therapeutic areas (e.g., cancer, cardiology, neurosciences, metabolism, immunology, etc.). Laboratories will include biological safety cabinets, chemical fume hoods, low-temperature freezers, benchtop equipment such as centrifuges and microscopes, and reagents used to process these samples. There will also be offices for administrative and research personnel, conference rooms, a reception area, and an employee lounge.

Medically Associated Science and Technology Program (MAST)

MAST is a basic, translational, and clinical research laboratory to better understand the gut microbiome used to diagnose and treat microbiome-based disorders including gastrointestinal and metabolic diseases. Equipment located at MAST includes biological safety cabinets, chemical fume hoods, low-temperature freezers, benchtop equipment such as centrifuges and microscopes, and reagents used to

process these samples. There are also offices for administrative and research personnel, conference rooms, a reception area, and an employee lounge. The facility has been occupied since late 2020.

Research and Education Center

The Research and Education Center has a combination of education and research facilities. All research is considered “dry” lab research which does not require a wet laboratory environment because it is all done via computers and other non-lab environment that can be done in an office setting. Research is conducted in areas like biostatistics, bioinformatics, human factors, cancer population, health equity, health services research, and imaging devices. There are also administrative offices for the cancer institute and for medical education and research education programs. Facilities include offices, conference rooms, employee lounges, and collaboration spaces. This facility has been partially opened since 2019 with the most recent remodel completed in 2021.



2 THE HEALTHCARE SECTOR

Southern California Region

The healthcare sector is composed of several inter-related and supporting industries, including ambulatory healthcare services, hospitals, and nursing and residential care facilities. The sector as a whole has been growing over the past decade and, despite the COVID-19 pandemic impacting the industry in 2020 and 2021 when many offices of practitioners were closed or switched to offering telehealth appointments, once the lingering effects of the pandemic subside, the industry is likely to be a driver of economic activity going forward as our population continues to grow and age, and as medical advances extend our productive lives.

There were 53,097 private and public establishments and almost 806,980 payroll employees in the healthcare sector in 2020 (the most recent annual data available at the writing of this report), representing 6.4% of all payroll employment in the Southern California region. Offices of healthcare practitioners are the largest industry by number of establishments and total employment, but the hospital industry has a higher job to establishment ratio: average workers per establishment for hospitals are 448 compared to eight in offices of physicians and other practitioners.

This data does not include the self-employed or freelance workers, which would add additional healthcare practitioners.

Payroll employment in this sector has been growing over the past thirty years. In 1990, employment in the Southern California region in the healthcare sector was 474,950, growing to 666,330 in 2010. Growth accelerated between 2000 and 2010, averaging approximately 2.2% on an annual basis, compared to 1.3% per year in the prior decade. Between 2010 and 2019, employment grew at a rate of 2.6% annually; however, employment in 2020 dropped by 2.5% due to the pandemic heavily impacting ambulatory healthcare services when doctors and other health practitioners' offices

Exhibit 2-1

Healthcare Services in Southern California (2020)

	# Of Establishments
Hospitals:	567
General Medical and Surgical Hospitals ¹	234
Other Hospitals ²	333
Nursing and Residential Care Facilities	4,671
Offices of Healthcare Practitioners	40,303
Outpatient Care Centers	3,047
Medical and Diagnostic Laboratories	1,237
Home Healthcare Services	2,705
Total Establishments	53,097
% Of all Establishments in Region	6.4%

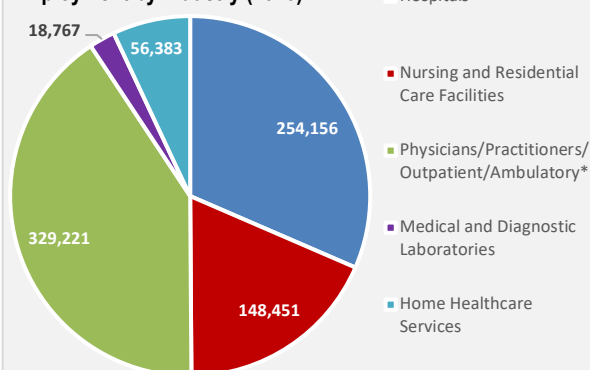
Source: CA EDD, QCEW

¹ Includes federal, state and county general medical and surgical hospitals such as VA hospitals

² Includes psychiatric and substance abuse hospitals and specialty hospitals

Exhibit 2-2

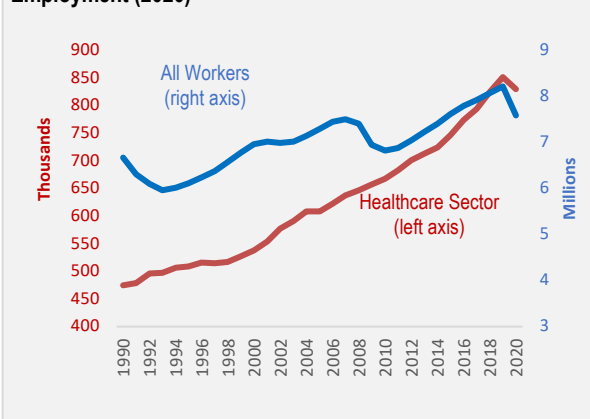
Employment by Industry (2020)



Source: CA EDD, QCEW

Exhibit 2-3

Employment (2020)



Source: CA EDD, QCEW

temporarily closed and moved to telehealth options.

In the six-county Southern California region, total payroll employment has not shown such a steady increase over the 30-year period, and indeed experienced a dramatic decline during the Great Recession. Payroll employment across all industries experienced a much deeper decline in 2020 than healthcare services, shedding 7.7 percent of jobs from the year prior.

Wages

Wages of healthcare workers vary by industry, as shown in Exhibit 2-4. Average wages were highest for physicians and other practitioners (which includes physicians, in addition to mental health practitioners, dentists, podiatrists, optometrists, chiropractors, physical, occupational and speech therapists, audiologists, and other practitioners) with an average annual wage of \$78,120, only slightly above the average wage in hospitals which reached \$77,940 in 2020. The lowest average wage was in nursing and residential care facilities where workers earned an average of \$41,900 in 2020.

Overall, the average annual wage in the healthcare industry in the Southern California area in 2020 was \$68,130.

Exhibit 2-4
Average Annual Wages by Industry in Southern California (2020)

Physicians and Other Practitioners	\$78,120
Hospitals	\$77,940
Outpatient and other Ambulatory	\$76,790
Medical and Diagnostic Laboratories	\$72,720
Home Healthcare Services	\$42,350
Nursing and Residential Care Facilities	\$41,900
All Healthcare Services	\$68,130

Source: CA EDD, QCEW

The purchasing power of earnings in the healthcare sector has improved from 2004 to 2020 reaching a new high of \$68,130 in 2020. Healthcare sector workers have experienced stronger wage growth than all industry workers in Southern California. Real wages across all industries fluctuated from

2004 to 2016 but have grown steadily from 2016 to 2020.

Output

The healthcare sector as a whole is estimated to have had total revenues of around \$118.9 billion in 2020 (the most recent year for which data is available) in the six-county Southern California region. Hospitals alone had revenues of \$42.9 billion, accounting for 36% of healthcare services total revenues in 2019.

In 2020, healthcare services employed just under 806,980 people in the Southern California region, with an average annual wage of \$68,000.

In 2020 (the most recent year for which data is available), total revenues reached close to \$119 billion.

Exhibit 2-5

Average Annual Wages in Southern California (in \$2020)

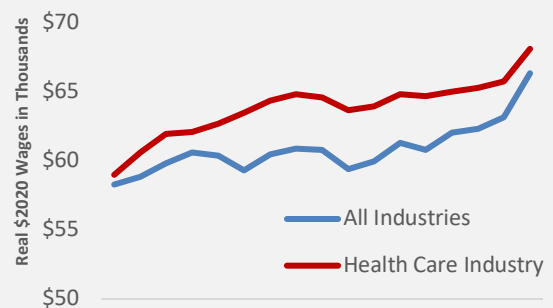


Exhibit 2-6

Healthcare Services Output (2020)

	Estimated Revenues (\$ billions)
Hospitals	\$ 42.9
Offices of Healthcare Practitioners	35.7
Nursing and Residential Care Facilities	13.3
Outpatient and Other Ambulatory Healthcare	19.0
Medical and Diagnostic Laboratories	4.1
Home Healthcare Services	3.9
Total Revenues	\$ 118.9

Source: Estimates by LAEDC

Los Angeles County

Across Los Angeles County, hospitals, healthcare centers, doctors' offices and laboratories provide access to a variety of vital healthcare services, employ thousands of workers, and generate significant revenues and tax dollars.

The healthcare sector is composed of several inter-related and supporting industries, including ambulatory healthcare services, hospitals, and nursing and residential care facilities. The sector, as a whole, has been growing in Los Angeles County over the past decade and is predicted to continue to be a driver of economic activity going forward, despite COVID-19, for the same reasons previously mentioned; the population is growing and aging, and medical advances are increasing longevity.

Pre-pandemic, there were more than 29,800 private and public establishments and almost 482,200 payroll employees in the healthcare sector in 2020 representing just under 12% of all payroll employment in Los Angeles County. Offices of healthcare practitioners are the largest industry by number of establishments, but the hospital industry employs more workers, providing just under 160,900 jobs.

This data does not include the self-employed or freelance workers, which would add additional healthcare practitioners.

Payroll employment in this sector has been growing over the past thirty years. In 1990, employment in Los Angeles County in the healthcare industry was close to 307,100, growing to over 482,100 in 2020. Growth has remained relatively consistent over the past ten years, averaging approximately 2.2% on an annual basis since 2010, compared to 1.9% per year in the prior decade.

In the county as a whole, total payroll employment has not shown such a steady increase over the period, and indeed experienced a dramatic decline during the recession.

Exhibit 2-7
Healthcare Services in Los Angeles County (2020)

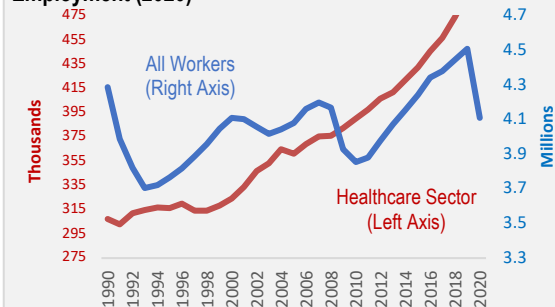
	# Of Establishments
Hospitals:	274
General Medical and Surgical Hospitals ¹	116
Other Hospitals ²	158
Nursing and Residential Care Facilities	2,454
Offices of Healthcare Practitioners	22,697
Outpatient Care Centers	1,766
Medical and Diagnostic Laboratories	606
Home Healthcare Services	1,736
TOTAL Establishments	29,807
% Of all LAC Establishments	5.8%

Source: CA EDD, QCEW

¹ Includes federal, state and county general medical and surgical hospitals such as VA hospitals

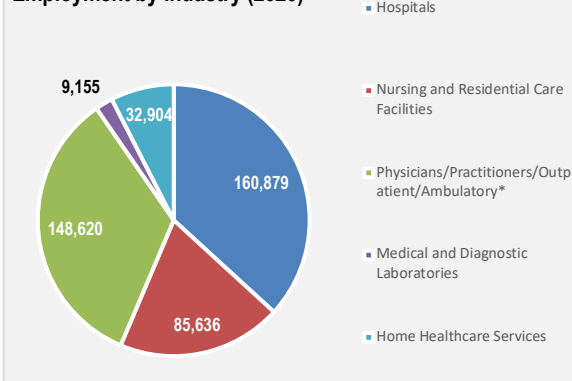
² Includes psychiatric and substance abuse hospitals and specialty hospitals

Exhibit 2-8
Employment (2020)



Source: CA EDD, QCEW

Exhibit 2-9
Employment by Industry (2020)



Source: CA EDD, QCEW

Wages

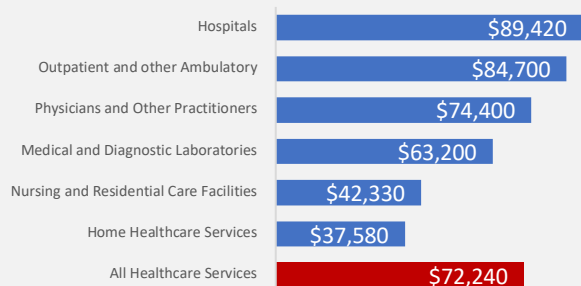
Wages of healthcare workers vary by industry, as shown in Exhibit 2-10. Average wages are highest in hospitals, reaching \$89,420 annually, and lowest in-home healthcare services where workers earned an average of \$37,580 in 2020. Physicians and other practitioners, which include dentists, optometrists, chiropractors, and similar specialists, earned an average of \$84,700, below the average wages in hospitals and outpatient and other ambulatory care.

Overall, the average annual wage in the healthcare industry in Los Angeles County in 2020 was \$72,240.

The purchasing power of earnings in the healthcare sector has been improving recently, but this has not always been the case. In the early 2010s, for example, real wages deteriorated. However, real wages have shown improvement since 2013 and especially during the last three years. This has followed a similar trend to the average real wage for all workers in Los Angeles County, which experienced fluctuation until 2013, then grew consistently over the past seven years.

Exhibit 2-10

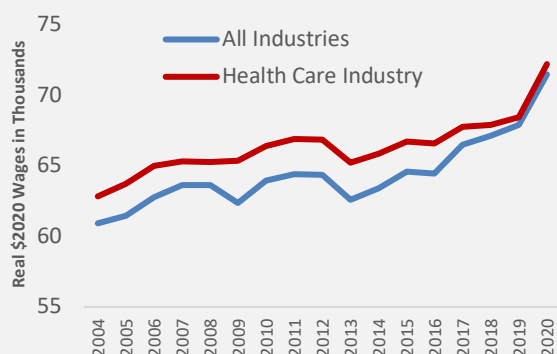
Average Annual Wages by Industry in Los Angeles County (2020)



Source: CA EDD, QCEW

Exhibit 2-11

Average Annual Wages in Los Angeles County (in \$2020)

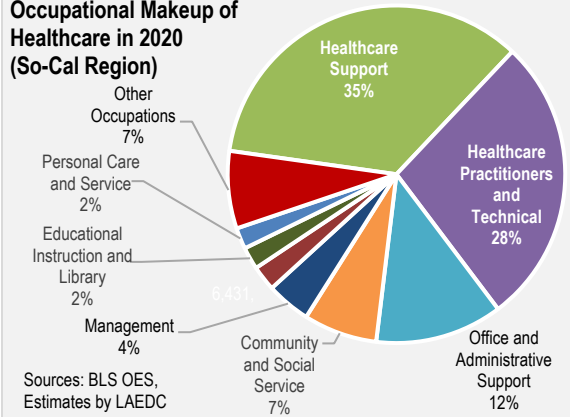




Healthcare Occupations

There are many occupations in the healthcare sector, as shown in Exhibit 2-12. Around 35% of employees are in healthcare support occupations. An additional 28% are healthcare practitioners such as physicians and nurses. Other occupations include managers, administrative workers, food preparation workers, teachers, and maintenance personnel.

Exhibit 2-12
Occupational Makeup of Healthcare in 2020 (So-Cal Region)



The Bureau of Labor Statistics lists 53 separate occupations in the healthcare practitioner occupational group, and another 18 occupations in the healthcare support occupational group. Exhibits 2-13 and 2-14 list the largest individual occupations by employment in both occupational groups in the six-county Southern California region in May 2020, along with the average annual wage paid for employees in these occupations in the Southern California region.

Exhibit 2-13

Practitioner and Technical Services Occupations (2020)

Occupation	Employment in So-Cal*	Annual average wage in So-Cal
Registered Nurses	148,160	\$112,213
Licensed Vocational Nurses	39,290	\$62,058
Medical Records and Health Info. Tech.	19,210	\$53,174
Pharmacy Technicians	17,190	\$45,521
Pharmacists	16,780	\$142,304
Clinical Laboratory Tech.	13,550	\$64,903
Other Physicians and Surgeons	13,130	\$228,475
Physical Therapists	11,030	\$104,633
Emer. Med. Technicians and Paramedics	9,540	\$47,746
Respiratory Therapists	8,160	\$83,048
Radiologic Technologists	7,580	\$87,217
Dental Hygienists	7,500	\$110,441
Speech-Language Pathologists	7,280	\$91,516
Nurse Practitioners	6,480	\$143,063
Dentists	5,590	\$144,996
Physician Assistants	5,450	\$132,823
Psychiatric Technicians	4,670	\$54,647
Occupational Therapists	4,430	\$105,091
Surgical Technologists	4,290	\$59,394
Opticians, Dispensing	4,190	\$49,946
Family Medicine Physicians	4,180	\$176,168
Dietitians and Nutritionists	3,680	\$76,837
Diagnostic Medical Sonographers	3,470	\$101,443
Other Health Technologists and Tech.	3,330	\$62,773
Dietetic Technicians	3,010	\$39,349
Veterinary Technologists and Technicians	3,000	\$49,613
Veterinarians	2,880	\$120,744
All others	28,380	n/a
All Practitioner and Technical Services	405,430	\$102,148

Source: BLS

*So-Cal region is based on the HASC

Exhibit 2-14

Healthcare Support Occupations (2020)

Occupation	Employment in So-Cal	Annual Average Wage in So-Cal
Home Health and Personal Care Aides	319,930	\$30,930
Nursing Assistants	50,160	\$37,829
Medical Assistants	42,740	\$39,291
Dental Assistants	22,920	\$41,293
Vet Assistants/ Lab Animal Caretakers	6,690	\$34,507
Phlebotomists	6,340	\$45,214
Massage Therapists	5,870	\$42,133
Pharmacy Aides	5,340	\$40,842
Medical Equipment Preparers	3,640	\$49,329
Medical Transcriptionists	3,500	\$44,493
Physical Therapist Aides	3,490	\$31,919
All others	12,540	n/a
All Healthcare Support	483,160	\$34,275

Source: BLS

3 ONGOING OPERATIONS OF CEDARS-SINAI HEALTH SYSTEM

COVID-19 and Healthcare Services

Healthcare workers have been on the front lines of the pandemic since its onset, and hospitals have been operating under strict guidelines to combat the virus.

While the healthcare industry has played an essential role in Los Angeles County, it has been forced to deal with both economic pressures and the safety hazards of dealing with the virus. Healthcare workers have been disproportionately exposed to the virus as their work often brings them into close contact with infected patients.

In financial terms, expenses incurred from acquiring equipment like ventilators and personal protection equipment (PPE), combined with the costs of rising overtime and temporary staffing needs, have made a dent in operating revenues. When factoring in a decline in patients with non-COVID issues, the healthcare industry has faced a challenging economic situation.

The Financial Impact of COVID-19

The global pandemic demanded much from our healthcare system. Hospitals, in particular, had to immediately respond to health orders to provide adequate patient care and implement safety measures to protect staff and other non-COVID patients from transmission.

Costs increased. PPE became a necessity. Early on, the COVID-19 pandemic disrupted global supply chains while simultaneously causing demand for PPE to spike in response to the rapid spread of the virus; this resulted in severe shortages of PPE and instances of price gouging when medical facilities were attempting to source and obtain the required levels of PPE. Ballooning costs faced by hospitals for other resources for COVID-19 patients added additional pressure. Capacity requirements and specialized functions such as environmental

services and sterilization of spaces to reduce COVID-19 transmission represented additional expenses, and labor costs increased as contract labor increased, and “hero-pay” ordinances required additional hazard pay.

Revenues declined. Hospital admissions declined as elective surgery and noncritical services were suspended. Furthermore, during the initial phase of the pandemic, fear of transmission of COVID-19 kept some from seeking care. All these factors negatively impacted hospital revenues.

Margins are struggling to recover. Prior to the pandemic, hospitals already operated on a thin margin: the pandemic put additional financial pressure on margins, causing many to turn negative. While margins are showing improvement, many hospitals continued to struggle financially through 2021. The negative financial impact of the pandemic can have a longer-lasting impact on patient care, as the financial recovery of hospitals will come at the cost of reduced investment in new technology, treatments, and facilities. Additionally, the longer hospitals are in financial recovery, the less financially prepared they are to endure another unexpected health crisis such as the COVID-19 pandemic.

Recovery beyond the virus is still uncertain. For hospitals and the rest of the healthcare industry, recovery is not limited to just the virus, it means financial recovery as well. Moving forward, hospitals and other providers in our healthcare system will have to overcome more uncertainty on whether the number of cases will continue to decline and, when the pandemic ends, how much and how quickly future patient volume (inpatient, outpatient, and emergency room volume) will return, how high expenses will be due to continued COVID-19 related supply chain issues putting pressure on prices, and whether revenues will rebound as the payer mix changes as more people get back to work and are added back to employer insurance plans.

Industry Employment

Industry employment in Los Angeles County is shown in Exhibits 3-1 and 3-2. The healthcare industry as a whole lost 48,100 payroll jobs in March and April of 2020, predominantly in ambulatory healthcare services (which accounted for more than 90% of the jobs lost in those two months) with many doctors' office visits conducted online or via telephone and outpatient facilities impacted by the suspension of elective procedures. From May 2020 to November 2021, an estimated 39,800 jobs have returned to the ambulatory healthcare services industry; however, hospitals have lost an additional 1,800 jobs and nursing and residential care facilities lost an additional 2,300 jobs over the period. Despite what is happening during the global health crisis, long-term industry trends indicate that employment will resume its growth trend beyond the pandemic.

Cedars-Sinai Health System Employees and the COVID-19 Pandemic

The emergence of the COVID-19 pandemic and its effect on workers, both nationwide and in the Los Angeles region, have demonstrated the critical importance of essential workers, especially healthcare workers. Essential workers work in frontline industries, those identified as essential to meeting basic human needs and safety requirements in times of crisis such as pandemics, terrorist attacks, natural disasters including earthquakes and fires, and more. During these situations, essential workers are expected to continue working in-person, regardless of the challenges they may be facing personally, due to the indispensable nature of their work.

In recognition of the importance of healthcare workers during the COVID-19 pandemic and the increased risk of exposure to the virus faced by these workers and their families, a number of benefits have been made available to Cedars-Sinai employees including: appropriate PPE, pay protection for more than 2,500 employees who would have otherwise been furloughed or laid off since elective surgeries were cancelled, vaccinations for all frontline workers regardless of age, an extra \$25 per hour premium pay for nurses and respiratory therapists working an extra shift (\$30

Exhibit 3-1:
COVID-19 Pandemic: Monthly Change in Private Healthcare Services Payroll Jobs (LA County, Jan 2020 to Nov 2021)

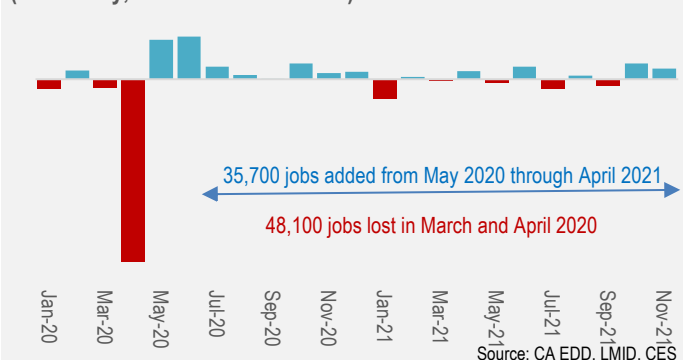
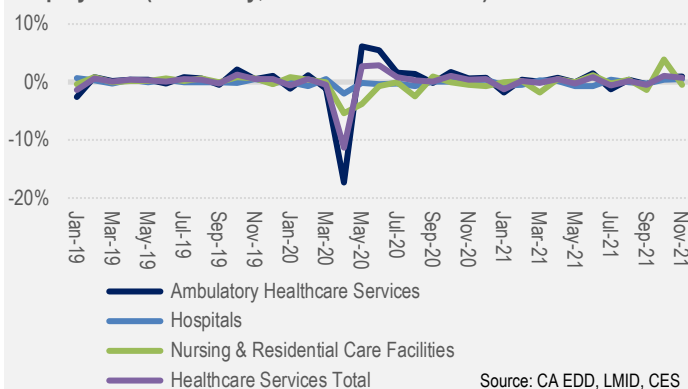


Exhibit 3-2:
COVID-19 Pandemic: Monthly Change in Payroll Employment (LA County, Jan 2020 to Nov 2021)



per hour for a second extra shift), and a “thank you” bonus of \$1,500 for all frontline workers.

Early in the pandemic, other benefits provided to the frontline workers of Cedars-Sinai included childcare, hotel accommodations, and paid administrative leave. All nursing assistants, respiratory therapists, EVS workers, and nurses had access to crisis care when schools closed; Cedars-Sinai provided them \$100 per day for childcare for the first two months and then transitioned to a maximum of \$600 per month. They immediately provided all frontline employees who did not feel comfortable going home the option to have free hotel rooms for several months. Additionally, employees with COVID-19 symptoms (from March 2020 up to February 1, 2021) or a positive COVID-19 test (from February 1, 2021 onward) had the option to go on paid administrative leave, for as long as it takes to recover, in order to preserve their sick time or other paid time off.

Exhibit 3-3**Economic Activity of Cedars-Sinai Health System Operations (FY2021)**
In \$ millions

	Total	CSMC	CSMCF/MDN	MDRH + MOB	Other Affiliates	Torrance Memorial	Huntington Health
Net Patient Revenue	\$ 5,661.4	\$ 3,686.3	\$ 397.7	\$ 126.8	\$ 90.5	\$ 701.4	\$ 658.8
Other Operating Revenue	939.7	456.0	163.2	13.1	2.7	248.8	55.9
Non-Operating Revenue	703.8	560.8	0.0	-	28.7	68.4	45.9
Purchases:							
Materials, supplies, etc.	\$ 1,006.3	\$ 556.7	\$ 85.1	\$ 24.2	\$ 29.3	\$ 170.0	\$ 141.1
Other	476.7	293.7	62.5	7.8	14.0	79.8	18.9
Salaries, wages and benefits	\$ 3,128.8	\$ 1,933.6	\$ 164.4	\$ 95.7	\$ 28.8	\$ 476.7	\$ 429.5
Physician Professional Fees	574.9	85.0	338.2	5.4	3.7	121.5	21.1
Other professional fees	83.9	32.0	0.0	1.4	0.2	5.9	44.3
Other expenses	1007.9	712.2	7.5	19.8	20.1	105.3	142.8

Source: Cedars-Sinai

During COVID-19 and on a continuous basis, Torrance Memorial Medical Center practitioners and employees are offered assistance programs to help with mental and emotional wellness. Held in the strictest confidence, the programs provide short-term counseling, assessment and referral for personal and family issues. Support groups are also offered for physicians and staff working in COVID-19 units only to offer a confidential space to explore concerns, feelings and unique adverse emotional side effects from the pandemic. Weekly meditation sessions and monthly health and wellness lectures are also offered to Torrance Memorial Medical Center employees interested in learning how to strengthen their mental resiliency and to live more presently in life.

To protect those who care for others, Huntington Health ensured their workforce remained at the center of its COVID-19 response. Uninterrupted access to the high level of personal protective equipment (PPE) for caregivers and visitors was made possible by the dedicated supply chain team as well as the support of the community. Other COVID-19 response programs included an expansion of Huntington Health's time off/leave of absence program, childcare, health and wellness benefit options, and day to day necessities to offer relief throughout the pandemic. Specific Huntington Health staff support programs

included childcare stipend when schools and daycares were closed, housing/lodging for frontline staff including hotels and dorms at a local college to ensure the safety of employees and their family members. In addition, modifications were made to applicable time-off programs (paid and unpaid), both pre-existing and also those launched as a response to COVID-19. Huntington Health offered a wide range of wellness resources for the mental and physical well-being of caregivers and staff.

Economic Activity

On-going operations at hospitals, medical office buildings, and other facilities of the Cedars-Sinai Health System generate substantial revenues, employment, and labor income. A summary of the activity of the entire Cedars-Sinai Health System is shown in Exhibit 3-3.

Cedars-Sinai Health System received over \$5.6 billion in net patient revenue and \$1.6 billion in other revenue. It spent close to \$1.5 billion in purchases, including services and supplies, much of which was spent within the Los Angeles region.

In addition to this spending, just over \$3.1 billion was paid in wages, salaries, and employee benefits.

Moreover, \$658.8 million was paid for professional services.

Economic and Fiscal Impact

Los Angeles County

The total economic impact of the Cedars-Sinai Health System extends beyond the activity generated within the institutions and facilities themselves. Wages paid to the staff and payments made for purchases of goods and services circulate

throughout the economy, generating additional indirect and induced activity.

Cedars-Sinai Health System reports that its revenue in Los Angeles County for the fiscal year ending June 30, 2021 totaled over \$7.3 billion.

The total economic impact of Cedars-Sinai Health System in Los Angeles County in FY 2021, including direct, indirect, and induced activity, is shown in Exhibit 3-4.

Exhibit 3-4

Economic and Fiscal Impact of Cedars-Sinai Health System (Los Angeles County, 2021)

			Total	CSMC	CSMCF/MDN	MDRH	Other Affiliates	Torrance Memorial	Huntington Health
Estimated Annual Revenue (\$ millions)	\$ 7,304.9	\$ 4,703.1	\$ 560.9	\$ 139.9	\$ 121.8	\$ 1,018.6	\$ 760.6		
Total Economic Impact:									
Output (\$ millions)	\$ 13,854.3	\$ 8,931.0	\$ 1,050.8	\$ 265.7	\$ 228.2	\$ 1,934.3			\$ 1,444.3
Employment (jobs)	72,640	45,920	6,560	1,370	1,420	9,950			7,430
Labor income (\$ millions)	\$ 6,081.5	\$ 3,854.9	\$ 537.0	\$ 114.7	\$ 116.6	\$ 834.9			\$ 623.4
Total Fiscal Impact (\$ millions):									
Income taxes (including profits taxes)	\$ 219.0	\$ 136.9	\$ 18.4	\$ 4.1	\$ 4.0	\$ 29.6	\$ 26.1		
Sales Tax	175.0	110.3	13.1	3.3	2.8	23.9	21.6		
Property taxes	142.5	89.7	10.7	2.7	2.3	19.4	17.6		
Fees and fines	12.0	7.4	1.0	0.2	0.2	1.6	1.7		
Social insurance	30.3	19.0	2.7	0.6	0.6	4.1	3.3		
Other taxes	27.6	17.6	2.1	0.5	0.5	3.8	3.1		
Total *	\$ 606.4	\$ 380.9	\$ 47.9	\$ 11.3	\$ 10.4	\$ 82.5	\$ 73.3		

Source: Cedars-Sinai,
Estimates by LAEDC

The Cedars-Sinai Health System generated just under \$13.9 billion in total economic output in Los Angeles County and supported 72,640 full- and part-time jobs with total labor income (including benefits) of close to \$6.1 billion.

We estimate that the Cedars-Sinai Health System generated over \$606 million in state and local taxes through its contribution to economic activity in the county.

Exhibit 3-5

Economic Impact by Industry Sector (Los Angeles County, 2021)

Sector	Employment	Output (\$ millions)
Agriculture	0	\$ 0.2
Mining	10	3.3
Utilities	60	70.5
Construction	180	39.8
Manufacturing	220	170.9
Wholesale trade	860	306.2
Retail trade	2,650	301.4
Transportation and warehousing	2,170	214.2
Information	710	429.6
Finance and insurance	2,570	878.7
Real estate and rental	2,600	1,213.8
Professional, scientific and technical services	3,630	717.4
Management of companies	660	154.4
Administrative and waste management	5,850	539.3
Educational services	670	58.5
Healthcare and social assistance	40,290	7,885.2
Arts, entertainment and recreation	660	73.5
Accommodation and food services	4,190	354.6
Other services	4,260	313.3
All others	440	129.6
Total*	72,640	\$ 13,854.3

Source: Cedars-Sinai, Estimates by LAEDC

The indirect and induced impacts spill across industries, as shown in Exhibit 3-5.

Most of these impacts, of course, occur in the healthcare and social assistance sector, but other sectors affected included administrative and waste management, real estate and rental services, retail trade, finance and insurance, and professional, scientific, and technical services.

A description of the industry sectors is provided in the Appendix.

Southern California Region

Given the nature of the region and the interconnectedness of both industry and employee transactions, the economic impact of Cedars-Sinai Health System extends beyond Los Angeles County borders into neighboring regions. The total economic impact of Cedars-Sinai Health System in the six-county Southern California region in FY 2021, including direct, indirect, and induced activity, is shown in Exhibit 3-6, on the next page.

Cedars-Sinai Health System generated more than \$15.3 billion in total economic output in the six-county Southern California region and supported 81,680 full- and part-time jobs with total labor income (including benefits) of over \$6.5 billion.

We estimate that the industry generated about \$696 million in state and local taxes through its contribution to economic activity in the region.

The indirect and induced impacts spill across industries, as shown in Exhibit 3-7, on the next page. The occupational distribution of the total jobs in the six-county Southern California region is shown in Exhibit 3-8, on the next page.

Exhibit 3-6**Economic and Fiscal Impact of Cedars-Sinai Health System
(So-Cal Region, 2021)**

	Total	CSMC	CSMCF/MDN	MDRH	Other Affiliates	Torrance Memorial	Huntington Health
Estimated Annual Revenue (\$ millions)	\$ 7,304.9	\$ 4,703.1	\$ 560.9	\$ 139.9	\$ 121.8	\$ 1,018.6	\$ 760.6
Total Economic Impact:							
Output (\$ millions)	\$ 15,364.2	\$ 9,906.2	\$ 1,163.2	\$ 294.7	\$ 252.6	\$ 2,145.5	\$ 1,602.0
Employment (jobs)	81,680	51,850	7,130	1,540	1,550	11,230	8,380
Labor income (\$ millions)	\$ 6,503.8	\$ 4,122.6	\$ 574.2	\$ 122.7	\$ 124.7	\$ 892.9	\$ 666.7
Total Fiscal Impact (\$ millions):							
Income taxes (including profits taxes)	\$ 249.4	\$ 161.1	\$ 21.7	\$ 4.8	\$ 4.7	\$ 34.9	\$ 22.1
Sales Tax	203.5	133.5	15.9	4.0	3.4	28.9	17.8
Property taxes	166.3	109.1	13.0	3.2	2.8	23.6	14.5
Fees and fines	15.6	10.3	1.3	0.3	0.3	2.2	1.2
Social insurance	31.8	20.2	2.9	0.6	0.6	4.4	3.1
Other taxes	29.6	19.2	2.3	0.6	0.5	4.2	2.8
Total *	\$ 696.2	\$ 453.4	\$ 57.1	\$ 13.5	\$ 12.4	\$ 98.2	\$ 61.6

Source: Cedars Sinai
Estimates by LAEDC

Exhibit 3-7**Economic Impact by Industry Sector
(So-Cal Region, FY 2021)**

Sector	Employment	Output (\$ millions)
Agriculture	90	\$ 8.8
Mining	20	9.3
Utilities	60	77.8
Construction	270	62.4
Manufacturing	710	351.4
Wholesale trade	1,270	480.0
Retail trade	3,520	390.6
Transportation and warehousing	2,680	275.9
Information	800	491.4
Finance and insurance	3,270	1,044.3
Real estate and rental	2,990	1,441.2
Professional, scientific and technical services	4,470	831.8
Management of companies	790	191.2
Administrative and waste management	6,880	624.2
Educational services	850	69.7
Healthcare and social assistance	41,720	7,986.8
Arts, entertainment and recreation	890	89.9
Accommodation and food services	5,050	417.8
Other services	4,800	372.3
All others	560	147.6
Total*	81,680	\$ 15,364.2

Source: Estimates by LAEDC

Exhibit 3-8**Occupational Distribution of Total Employment Impact
(So-Cal Region, FY 2021)**

Occupational Description	Employment	Average Annual Wages
Healthcare Practitioners and Technical	21,200	\$101,010
Office and Administrative Support	9,420	\$49,560
Healthcare Support	6,270	\$36,070
Food Preparation and Serving Related	5,260	\$26,820
Transportation and Material Moving	3,350	\$42,980
Sales and Related	3,220	\$53,550
Management	2,990	\$162,370
Business and Financial Operations	2,810	\$102,480
Building/Grounds Cleaning/Maintenance	2,150	\$33,270
Installation, Maintenance, and Repair	1,570	\$65,600
Production	1,530	\$43,970
Computer and Mathematical	1,430	\$117,310
Community and Social Service	1,240	\$61,670
Personal Care and Service	870	\$29,030
Protective Service	800	\$40,560
Educational Instruction and Library	680	\$64,580
Arts/Design/Entertainment/Sports/Media	510	\$91,110
Life, Physical, and Social Science	490	\$95,330
Construction and Extraction	420	\$61,770
All Others	15,470	\$--
Total *	50,397	\$72,690

Source: Estimates by LAEDC

4 ONGOING OPERATIONS OF CEDARS-SINAI MEDICAL CENTER

Economic Activity

Data compiled by Cedars-Sinai Medical Center provides insight into the capabilities and activity at reporting hospitals. Summary data is shown in Exhibit 4-1.

Exhibit 4-1	
Cedars-Sinai Medical Center (FY 2021)	
Beds:	
Licensed	889
Available	889
Occupancy Rates:	
Licensed Beds	83.4%
Available Beds	83.4%
Patients Days:	
General Acute Care	270,700
Psychiatric Care	0
Chemical Dependency	0
Rehabilitation	0
Long-term Care	0
Nursery	0
Total	270,700
Average Length of Stay	6.03
Discharges	50,098
Outpatient Visits:	
Emergency Room	80,317
All Other Outpatients	886,835
Total	967,152

Source: Cedars-Sinai Medical Center

Cedars-Sinai Medical Center reported 889 licensed beds and 889 available beds with an average occupancy rate of 83.4% for both. This hospital provided 270,700 inpatient days of which all were for general acute care. The average length of stay for patients who stayed at least one night was 6.03 days.

Total discharges numbered about 50,098 (although some of these were inter-institutional transfers). There were nearly 970,000 outpatient visits, just over 8% of which were emergency room visits.

Hospital operations generate substantial revenues, employment and labor income. A summary of the

activity of Cedars-Sinai Medical Center is shown in Exhibit 4-2.

Exhibit 4-2
Economic Activity of Hospital Operations (FY 2021)

	\$ millions
Net Patient Revenue	\$ 3,686.3
Other Operating Revenue	456.0
Non-Operating Revenue	560.8
Purchases:	
Materials, supplies, etc.	\$ 556.7
Other	293.7
Salaries, wages and benefits	\$ 1,933.6
Physician Professional Fees	85.0
Other professional fees	32.0
Other expenses	712.2

Source: Cedars-Sinai Medical Center

Cedars-Sinai Medical Center received almost \$3.7 billion in net patient revenue and \$1.0 billion in other revenue. It spent \$850.4 million in purchases, including services and supplies, much of which was spent within the Los Angeles region.

In addition to this spending, over \$1.9 billion was paid in wages, salaries, and employee benefits. Moreover, \$117.0 million was paid for professional services.

Economic and Fiscal Impact

Los Angeles County

The total economic impact of Cedars-Sinai Medical Center extends beyond the activity generated within the institution itself. Wages paid to the staff and payments made for purchases of goods and services circulate throughout the economy generating additional indirect and induced activity.

The hospital reports that its revenue in Los Angeles County for the fiscal year ending June 30, 2021 totaled \$4.7 billion.

The total economic impact of Cedars-Sinai Medical Center in Los Angeles County in FY 2021, including direct, indirect, and induced activity, is shown in Exhibit 4-3.

Exhibit 4-3

Economic and Fiscal Impact of Cedars-Sinai Medical Center (Los Angeles County, FY 2021)

Estimated Annual Revenue (\$ billions)	\$ 4.7
Total Economic Impact:	
Output (\$ billions)	\$ 8.9
Employment (jobs)	45,920
Labor income (\$ billions)	3.9
Total Fiscal Impact (\$ millions):	
Income taxes (including profits taxes)	\$ 136.9
Sales Tax	110.3
Property taxes	89.7
Fees and fines	7.4
Social insurance	19.0
Other taxes	17.6
Total *	\$ 380.9

* May not sum due to rounding
Source: Estimates by LAEDC

Exhibit 4-4

Economic Impact by Industry Sector (Los Angeles County, FY 2021)

Sector	Employment	Output (\$ millions)
Agriculture	0	\$0.1
Mining	0	\$2.1
Utilities	40	\$46.4
Construction	110	\$25.7
Manufacturing	150	\$111.6
Wholesale trade	550	\$198.4
Retail trade	1,680	\$191.2
Transportation and warehousing	1,390	\$137.1
Information	460	\$276.1
Finance and insurance	1,690	\$579.2
Real estate and rental	1,680	\$778.5
Professional, scientific, and technical svcs	2,390	\$473.1
Management of companies	390	\$92.6
Administrative and waste management	3,850	\$354.8
Educational services	420	\$37.0
Healthcare and social assistance	24,960	\$5,066.9
Arts, entertainment, and recreation	410	\$46.7
Accommodation and food services	2,640	\$223.5
Other services	2,810	\$205.0
All others	290	\$84.9
Total*	45,920	\$8,931

* May not sum due to rounding
Source: Estimates by LAEDC

Cedars-Sinai Medical Center generated \$8.9 billion in total economic output in Los Angeles County



and supported 45,920 full- and part-time jobs with total labor income (including benefits) of approximately \$3.9 billion.

We estimate that Cedars-Sinai Medical Center generated \$380 million in state and local taxes through its contribution to economic activity in the county.

The indirect and induced impacts spill across industries, as shown in Exhibit 4-4.

Most of these impacts, of course, occur in the healthcare and social assistance sector, but other sectors affected included administrative and waste management, real estate and rental services, retail trade, finance and insurance, and professional, scientific, and technical services.

A description of the industry sectors is provided in the Appendix.

Exhibit 4-5

Economic and Fiscal Impact of Cedars-Sinai Medical Center (So-Cal Region, 2021)

Estimated Annual Revenue (\$ billions)	\$ 4.7
Total Economic Impact:	
Output (\$ billions)	\$ 9.9
Employment (jobs)	51,840
Labor income (\$ billions)	4.1
Total Fiscal Impact (\$ millions):	
Income taxes (including profits taxes)	\$ 161.1
Sales Tax	133.5
Property taxes	109.1
Fees and fines	10.3
Social insurance	20.2
Other taxes	19.2
Total *	\$ 453.4

* May not sum due to rounding
Source: Estimates by LAEDC

Southern California Region

Given the nature of the region and the interconnectedness of both industry and employee transactions, the economic impact of the hospital extends beyond the county borders into neighboring regions. The total economic impact of Cedars-Sinai Medical Center in the six-county Southern California region in FY 2021, including direct, indirect, and induced activity, is shown in Exhibit 4-5.

Cedars-Sinai Medical Center generated more than \$9.9 billion in total economic output in the six-county Southern California region and supported 51,840 full- and part-time jobs with total labor income (including benefits) of \$4.1 billion. We estimate that the industry generated more than \$453 million in state and local taxes through its contribution to economic activity in the region.

Though impacts can be felt across the economy, the healthcare and social assistance sector, as the direct beneficiary of the economic activity, has over half of the employment gains and the additional

output. The indirect and induced impacts spill across industries, as shown in Exhibit 4-6.

As above, the largest employment impact occurs in the healthcare and social assistance sector, but many other sectors reap employment benefits in the region because of the economic activity generated by Cedars-Sinai Medical Center.

Occupational Analysis

Of the jobs generated by Cedars-Sinai Medical Center, nearly 14,000 are healthcare practitioner occupations, with average annual wages of \$97,460.

The occupational distribution of the total jobs in the six-county Southern California region is shown in Exhibit 4-7.

Because Cedars-Sinai Medical Center has an impact on all industry sectors, the economic activity it supports throughout the region provides employment for a wide variety of occupations.

Exhibit 4-6

Economic Impact by Industry Sector (So-Cal Region, 2021)

Sector	Employment	Output (\$ millions)
Agriculture	60	\$5.7
Mining	10	\$6.1
Utilities	40	\$51.0
Construction	170	\$40.3
Manufacturing	460	\$228.2
Wholesale trade	820	\$311.3
Retail trade	2,230	\$247.9
Transportation and warehousing	1,720	\$177.0
Information	510	\$315.8
Finance and insurance	2,140	\$686.6
Real estate and rental	1,940	\$924.5
Professional, scientific, and technical svcs	2,940	\$548.3
Management of companies	480	\$116.3
Administrative and waste management	4,530	\$410.8
Educational services	540	\$44.2
Healthcare and social assistance	25,970	\$5,132.1
Arts, entertainment, and recreation	570	\$57.2
Accommodation and food services	3,190	\$264.0
Other services	3,150	\$243.0
All others	370	\$96.1
Total*	51,850	\$9,906

* May not sum due to rounding

Source: Estimates by LAEDC

Exhibit 4-7

Occupational Distribution of Total Employment Impact (So-Cal Region, 2021)

Occupational Description	Employment	Average Annual Wages
Healthcare Practitioners & Technical	13,830	\$97,460
Office & Administrative Support	5,630	\$50,430
Healthcare Support	3,870	\$36,120
Food Preparation and Serving Related	3,380	\$26,860
Transportation and Material Moving	2,180	\$42,880
Sales and Related	2,070	\$53,830
Management	1,940	\$163,320
Business and Financial Operations	1,830	\$102,540
Building/Grounds Cleaning/Maintenance	1,450	\$33,390
Installation, Maintenance, and Repair	1,030	\$65,670
Production	1,010	\$43,880
Computer and Mathematical	940	\$117,300
Community and Social Service	810	\$62,400
Personal Care and Service	550	\$28,980
Protective Service	530	\$40,750
Educational Instruction and Library	440	\$65,890
Arts/Design/Entertainment/Sports/Media	330	\$91,170
Life, Physical, and Social Science	330	\$94,970
Construction and Extraction	280	\$61,830
Legal	280	\$148,800
All Others	9,140	\$--
Total *	51,850	\$72,620

* May not sum due to rounding

Source: Estimates by LAEDC

5 ONGOING OPERATIONS OF CEDARS-SINAI MARINA DEL REY HOSPITAL

Economic Activity

Summary data compiled by Cedars-Sinai Marina del Rey Hospital is shown in Exhibit 5-1.

Cedars-Sinai Marina del Rey reported 133 licensed beds and 101 available beds with an average occupancy rate of 55.4% for both. This hospital provided 20,414 inpatient days, all of which were for general acute care. The average length of stay for patients who stayed at least one night was 4.62 days.

Exhibit 5-1

Cedars-Sinai Marina del Rey Hospital (FY 2021)

Beds:	
Licensed	133
Available	101
Occupancy Rates:	
Licensed Beds	55.4%
Available Beds	55.4%
Patients Days:	
General Acute Care	20,414
Total	20,414
Average Length of Stay	4.62
Discharges	4,414
Outpatient Visits:	
Emergency Room	30,721
All Other Outpatients	12,956
Total	43,677

Source: Cedars-Sinai Marina del Rey Hospital

Total discharges numbered 4,414. There were 43,677 outpatient visits, about 70% of which were emergency room visits.

Hospital operations generate substantial revenues, employment and labor income. A summary of the activity of Cedars-Sinai Marina del Rey Hospital is shown in Exhibit 5-2.

Cedars-Sinai Marina del Rey Hospital received just under \$127 million in net patient revenue and \$13.1 million in other revenue. It spent \$31.9 million in purchases, including services and supplies, much of which was spent within the Los Angeles region.



In addition to this spending, \$95.7 million was paid in wages, salaries and employee benefits. Moreover, \$6.9 million was paid for professional services.

Exhibit 5-2

Economic Activity of Hospital Operations (FY 2021)

	\$ millions
Net Patient Revenue	\$ 126.8
Other Operating Revenue	13.1
Non-Operating Revenue	0.0
Purchases:	
Materials, supplies, etc.	\$ 24.1
Services	5.5
Leases and rentals	2.3
Salaries, wages and benefits	\$ 95.7
Physician Professional Fees	5.5
Other professional fees	1.4
Other expenses	19.8

Source: Cedars-Sinai Marina del Rey Hospital

Economic and Fiscal Impact

Los Angeles County

The total economic impact of Cedars-Sinai Marina del Rey Hospital extends beyond the activity generated within the institution itself. Wages paid to the staff and payments made for purchases of

goods and services circulate throughout the economy generating additional indirect and induced activity.

The Hospital reports that its revenue in Los Angeles County for the fiscal year ending June 30, 2021 totaled \$139.9 million.

The total economic impact of Cedars-Sinai Marina del Rey Hospital in Los Angeles County in FY 2021, including direct, indirect, and induced activity, is shown in Exhibit 5-3.

Exhibit 5-3

Economic and Fiscal Impact of Cedars-Sinai Marina del Rey Hospital (Los Angeles County, 2021)

Estimated Annual Revenue (\$ millions)	\$	139.9
Total Economic Impact:		
Output (\$ millions)	\$	265.7
Employment (jobs)		1,370
Labor income (\$ millions)	\$	114.7
Total Fiscal Impact (\$ millions):		
Income taxes (including profits taxes)	\$	4.1
Sales Tax		3.3
Property taxes		2.7
Fees and fines		0.2
Social insurance		0.6
Other taxes		0.5
Total *	\$	11.3

Cedars-Sinai Marina del Rey Hospital generated \$266 million in total economic output in Los Angeles County and supported 1,370 full- and part-time jobs with total labor income (including benefits) of \$114.7 million.

We estimate that Cedars-Sinai Marina del Rey Hospital generated \$11.3 million in state and local taxes through its contribution to economic activity in the county.

Though impacts can be felt across the economy, the healthcare and social assistance sector, as the direct beneficiary of the economic activity, has almost 54% of the employment gains and 57% of the additional output. The indirect and induced impacts spill across industries, as shown in Exhibit 5-4.

Most of these impacts, of course, occur in the healthcare and social assistance sector, but other



sectors affected included administrative and waste management, real estate and rental services, retail trade, finance and insurance, and professional, scientific, and technical services.

Exhibit 5-4

Economic Impact by Industry Sector (Los Angeles County, 2021)

Sector	Employment	Output (\$ millions)
Agriculture	0	\$0.0
Mining	0	\$0.1
Utilities	0	\$1.4
Construction	0	\$0.8
Manufacturing	0	\$3.3
Wholesale trade	20	\$5.9
Retail trade	50	\$5.7
Transportation and warehousing	40	\$4.1
Information	10	\$8.2
Finance and insurance	50	\$17.2
Real estate and rental	50	\$23.2
Professional, scientific, and technical svcs	70	\$14.1
Management of companies	10	\$2.8
Administrative and waste management	110	\$10.6
Educational services	10	\$1.1
Healthcare and social assistance	740	\$150.8
Arts, entertainment, and recreation	10	\$1.4
Accommodation and food services	80	\$6.6
Other services	80	\$6.1
All others	10	\$2.5
Total*	1,370	\$265.7

* May not sum due to rounding
Source: Estimates by LAEDC

A description of the industry sectors is provided in the Appendix.

Occupational Analysis

Of the jobs generated by Cedars-Sinai Marina del Rey Hospital, 400 are healthcare practitioner occupations, with average annual wages of \$100,800.

The occupational distribution of the total jobs in Los Angeles County is shown in Exhibit 5-5.

Because Cedars-Sinai Marina del Rey Hospital has an impact on all industry sectors, the economic activity it supports throughout Los Angeles County provides employment for a wide variety of occupations.

Exhibit 5-5

Occupational Distribution of Total Employment Impact (Los Angeles County, 2021)

Occupational Description	Employment	Average Annual Wages
Healthcare Practitioners & Technical	400	\$100,800
Office & Administrative Support	150	\$52,250
Healthcare Support	110	\$37,640
Food Preparation and Serving Related	90	\$28,410
Management	50	\$169,160
Business and Financial Operations	50	\$107,140
Sales and Related	50	\$55,910
Transportation and Material Moving	50	\$43,990
Building/Grounds Cleaning/Maintenance	40	\$34,930
Installation, Maintenance, and Repair	30	\$67,780
Computer and Mathematical	20	\$121,210
Community and Social Service	20	\$65,820
Production	20	\$44,750
Life, Physical, and Social Science	10	\$98,890
Legal	10	\$159,460
Educational Instruction and Library	10	\$72,410
Arts/Design/Entertainment/Sports/Media	10	\$98,240
Protective Service	10	\$42,140
Personal Care and Service	10	\$30,670
All Others	230	\$--
All *	1,370	\$75,370

* May not sum due to rounding
Source: Estimates by LAEDC



6 ONGOING OPERATIONS OF TORRANCE MEMORIAL MEDICAL CENTER

Economic Activity

Summary data compiled by Torrance Memorial Medical Center is shown in Exhibit 6-1.

Exhibit 6-1

Torrance Memorial Medical Center (FY 2021)

Beds:	
Licensed	585
Available	484
Occupancy Rates:	
Licensed Beds	61.1%
Available Beds	61.1%
Patients Days:	
General Acute Care	107,916
Total	107,916
Average Length of Stay	4.75
Discharges	22,958
Outpatient Visits:	
Emergency Room	69,953
All Other Outpatients	447,060
Total	517,013

Source: Torrance Memorial Medical Center

Torrance Memorial Medical Center reported 585 licensed beds and 484 available beds with an average occupancy rate of 61.1% for both. This hospital provided 107,916 inpatient days, all of which were for general acute care. The average length of stay for patients who stayed at least one night was 4.75 days.

Total discharges numbered 22,958. There were 517,013 outpatient visits, about 14% of which were emergency room visits.

Hospital operations generate substantial revenues, employment and labor income. A summary of the activity of Torrance Memorial Medical Center is shown in Exhibit 6-2.

Torrance Memorial Medical Center received just over \$701 million in net patient revenue and \$317 million in other revenue. It spent \$170 million in purchases, including services and supplies, much of which was spent within the Los Angeles region.

Exhibit 6-2

Economic Activity of Hospital Operations (FY 2021)

	\$ millions
Net Patient Revenue	\$ 701.4
Other Operating Revenue	248.8
Non-Operating Revenue	68.4
Purchases:	
Materials, supplies, etc.	\$ 170.0
Services	64.4
Leases and rentals	15.4
Salaries, wages and benefits	\$ 476.7
Physician Professional Fees	121.5
Other professional fees	5.9
Other expenses	105.3

Source: Torrance Memorial Medical Center

In addition to this spending, \$477 million was paid in wages, salaries and employee benefits. Moreover, \$127 million was paid for professional services.

Economic and Fiscal Impact

Los Angeles County

The total economic impact of Torrance Memorial Medical Center extends beyond the activity generated within the institution itself. Wages paid to the staff and payments made for purchases of goods and services circulate throughout the economy generating additional indirect and induced activity.

Torrance reports that its revenue in Los Angeles County for the fiscal year ending June 30, 2021 totaled \$1,018.6 million.

The total economic impact of Torrance Memorial Medical Center in Los Angeles County in FY 2021, including direct, indirect, and induced activity, is shown in Exhibit 6-3.

Torrance Memorial Medical Center generated \$1.9 billion in total economic output in Los Angeles County and supported 9,940 full- and part-time

jobs with total labor income (including benefits) of \$834.9 million.

Exhibit 6-3

Economic and Fiscal Impact of Torrance Memorial Medical Center (Los Angeles County, 2021)

Estimated Annual Revenue (\$ millions)	\$ 1,018.6
Total Economic Impact:	
Output (\$ millions)	\$ 1,934.3
Employment (jobs)	9,940
Labor income (\$ millions)	\$ 834.9
Total Fiscal Impact (\$ millions):	
Income taxes (including profits taxes)	\$ 29.6
Sales Tax	\$ 23.9
Property taxes	\$ 19.4
Fees and fines	\$ 1.6
Social insurance	\$ 4.1
Other taxes	\$ 3.8
Total *	\$ 82.5

We estimate that Torrance Memorial Medical Center generated \$82.5 million in state and local taxes through its contribution to economic activity in the county.

The indirect and induced impacts spill across industries, as shown in Exhibit 6-4. Most of these impacts occur in the healthcare and social assistance sector, but other sectors affected included administrative and waste management, real estate and rental services, retail trade, finance and insurance, and professional, scientific, and technical services.

A description of the industry sectors is provided in the Appendix.

Occupational Analysis

Of the jobs generated by Torrance Memorial Medical Center, 2,900 are healthcare practitioner occupations, with average annual wages of \$100,800.

As Torrance Memorial Medical Center has an impact on all industry sectors, the economic activity it supports throughout Los Angeles County provides employment for a wide variety of occupations. The occupational distribution of the total jobs in Los Angeles County is shown in Exhibit 6-5.

Exhibit 6-4

Economic Impact by Industry Sector (Los Angeles County, 2021)

Sector	Employment	Output (\$ millions)
Agriculture	0	\$0.0
Mining	0	\$0.5
Utilities	10	\$10.0
Construction	20	\$5.6
Manufacturing	30	\$24.2
Wholesale trade	120	\$43.0
Retail trade	360	\$41.4
Transportation and warehousing	300	\$29.7
Information	100	\$59.8
Finance and insurance	370	\$125.5
Real estate and rental	360	\$168.6
Professional, scientific, and technical svcs	520	\$102.5
Management of companies	90	\$20.1
Administrative and waste management	830	\$76.9
Educational services	90	\$8.0
Healthcare and social assistance	5,410	\$1,097.4
Arts, entertainment, and recreation	90	\$10.1
Accommodation and food services	570	\$48.4
Other services	610	\$44.4
All others	60	\$18.4
Total*	9,940	\$1,934.3

* May not sum due to rounding
Source: Estimates by LAEDC

Exhibit 6-5

Occupational Distribution of Total Employment Impact (Los Angeles County, 2021)

Occupational Description	Employment	Average Annual Wages
Healthcare Practitioners and Technical	2,900	\$100,800
Office and Administrative Support	1,080	\$52,300
Healthcare Support	790	\$37,600
Food Preparation and Serving Related	620	\$28,400
Management	370	\$169,200
Transportation and Material Moving	360	\$44,000
Sales and Related	350	\$55,900
Business and Financial Operations	340	\$107,100
Building and Grounds Cleaning and Maintenance	270	\$34,900
Computer and Mathematical	180	\$121,200
Installation, Maintenance, and Repair	180	\$67,800
Community and Social Service	160	\$65,800
Production	160	\$44,800
Protective Service	100	\$42,100
Personal Care and Service	100	\$30,700
Educational Instruction and Library	80	\$72,400
Life, Physical, and Social Science	60	\$98,900
Arts, Design, Entertainment, Sports, and Media	60	\$98,300
Legal	50	\$159,400
All Others	80	\$--
All *	9,940	\$76,130

* May not sum due to rounding
Source: Estimates by LAEDC

7 ONGOING OPERATIONS OF HUNTINGTON HEALTH

Economic Activity

Summary data compiled by Huntington Health, is shown in Exhibit 7-1.

Huntington Health reported 585 licensed beds and 585 available beds with an average occupancy rate of 54.3% for both. This hospital provided 115,964 inpatient days, all of which were for general acute care. The average length of stay for patients who stayed at least one night was 4.91 days.

Exhibit 7-1

Huntington Health (FY 2021)

Beds:	
Licensed	585
Available	585
Occupancy Rates:	
Licensed Beds	54.3%
Available Beds	54.3%
Patients Days:	
General Acute Care	115,964
Total	115,964
Average Length of Stay	4.91
Discharges	23,634
Outpatient Visits:	
Emergency Room	59,678
All Other Outpatients	143,579
Total	203,257

Source: Huntington Health

Total discharges numbered 23,634. There were 203,257 outpatient visits, about 29% of which were emergency room visits.

Hospital operations generate substantial revenues, employment and labor income. A summary of the activity of Huntington Health is shown in Exhibit 7-2.

Huntington Health received almost \$659 million in net patient revenue and \$102 million in other revenue. It spent \$141 million in purchases, including services and supplies, much of which was spent within the Los Angeles region.

In addition to this spending, \$430 million was paid in wages, salaries and employee benefits. Moreover, \$65 million was paid for professional services.

Exhibit 7-2

Economic Activity of Hospital Operations (FY 2021)

	\$ millions
Net Patient Revenue	\$ 658.8
Other Operating Revenue	55.9
Non-Operating Revenue	45.9
Purchases:	
Materials, supplies, etc.	\$ 141.1
Services	15.3
Leases and rentals	3.6
Salaries, wages and benefits	\$ 429.5
Physician Professional Fees	21.1
Other professional fees	44.3
Other expenses	142.8

Source: Huntington Health

Economic and Fiscal Impact

Los Angeles County

The total economic impact of Huntington Health extends beyond the activity generated within the institution itself. Wages paid to the staff and payments made for purchases of goods and services circulate throughout the economy generating additional indirect and induced activity.

The hospital reports that its revenue in Los Angeles County for the fiscal year ending June 30, 2021 totaled \$760.6 million.

The total economic impact of Huntington Health in Los Angeles County in FY 2021, including direct, indirect, and induced activity, is shown in Exhibit 7-3.

Exhibit 7-3**Economic and Fiscal Impact of Huntington Health (Los Angeles County, 2021)**

Estimated Annual Revenue (\$ millions)	\$	760.6
Total Economic Impact:		
Output (\$ millions)	\$	1,444.3
Employment (jobs)		7,430
Labor income (\$ millions)	\$	623.4
Total Fiscal Impact (\$ millions):		
Income taxes (including profits taxes)	\$	22.1
Sales Tax		17.8
Property taxes		14.5
Fees and fines		1.2
Social insurance		3.1
Other taxes		2.8
Total *	\$	61.6

Huntington Health generated \$1.4 billion in total economic output in Los Angeles County and supported 7,430 full- and part-time jobs with total labor income (including benefits) of \$623.4 million. We estimate that Huntington Health generated \$61.6 million in state and local taxes through its contribution to economic activity in the county.

The indirect and induced impacts spill across industries, as shown in Exhibit 7-4. Most of these impacts occur in the healthcare and social assistance sector, but other sectors affected included administrative and waste management, real estate and rental services, retail trade, finance and insurance, and professional, scientific, and technical services.

A description of the industry sectors is provided in the Appendix.

Occupational Analysis

Of the jobs generated by Huntington Health, 2,170 are healthcare practitioner occupations, with average annual wages of \$100,800.

As Huntington Health has an impact on all industry sectors, the economic activity it supports throughout Los Angeles County provides employment for a wide variety of occupations.

The occupational distribution of the total jobs in Los Angeles County is shown in Exhibit 7-5.

Exhibit 7-4**Economic Impact by Industry Sector (Los Angeles County, 2021)**

Sector	Employment	Output (\$ millions)
Agriculture	0	\$0.0
Mining	0	\$0.3
Utilities	10	\$7.5
Construction	20	\$4.2
Manufacturing	20	\$18.1
Wholesale trade	90	\$32.1
Retail trade	270	\$30.9
Transportation and warehousing	220	\$22.2
Information	70	\$44.6
Finance and insurance	270	\$93.7
Real estate and rental	270	\$125.9
Professional, scientific, and technical svcs	390	\$76.5
Management of companies	60	\$15.0
Administrative and waste management	620	\$57.4
Educational services	70	\$6.0
Healthcare and social assistance	4,040	\$819.4
Arts, entertainment, and recreation	70	\$7.6
Accommodation and food services	430	\$36.1
Other services	450	\$33.1
All others	50	\$13.7
Total*	7,430	\$1,444.3

* May not sum due to rounding
Source: Estimates by LAEDC

Exhibit 7-5**Occupational Distribution of Total Employment Impact (Los Angeles County, 2021)**

Occupational Description	Employment	Average Annual Wages
Healthcare Practitioners and Technical	2,170	\$100,800
Office and Administrative Support	800	\$52,300
Healthcare Support	590	\$37,600
Food Preparation and Serving Related	470	\$28,400
Management	270	\$169,200
Transportation and Material Moving	270	\$44,000
Sales and Related	260	\$55,900
Business and Financial Operations	250	\$107,100
Building and Grounds Cleaning and Maintenance	200	\$34,900
Installation, Maintenance, and Repair	140	\$67,800
Computer and Mathematical	130	\$121,200
Community and Social Service	120	\$65,800
Production	120	\$44,800
Protective Service	80	\$42,100
Personal Care and Service	70	\$30,700
Educational Instruction and Library	60	\$72,400
Life, Physical, and Social Science	50	\$98,900
Legal	40	\$159,400
Arts, Design, Entertainment, Sports, and Media	40	\$98,300
All Others	50	\$--
All Occupations*	7,430	\$76,130

* May not sum due to rounding
Source: Estimates by LAEDC

8 CEDARS-SINAI HEALTH SYSTEM CONSTRUCTION SPENDING

Economic and Fiscal Impact

In addition to ongoing, regular and recurring operations, the Cedars-Sinai Health System continues to invest in construction projects at existing and new facilities and carry out retrofits motivated by regulatory mandates. This investment generates significant economic activity. Cedars-Sinai reports that its capital improvement projects both completed and in progress over the past five years have a project capital cost of roughly \$2.7 billion. Of this total, about \$2.1 billion is attributed to projects still in progress, while the remainder is attributed to projects that have already been completed.

Los Angeles County

The total economic impact in Los Angeles County of construction spending by the Cedars-Sinai Health System over the past five years, including direct, indirect and induced activity, is shown in Exhibit 8-1.

Exhibit 8-1

Economic and Fiscal Impact of Cedars-Sinai Health System Construction Spending (Los Angeles County, 2016-2021)

Estimated Construction Spending (\$ millions)	\$ 2,738.7
Total Economic Impact:	
Output (\$ millions)	\$ 4,730.2
Employment (jobs)	14,620
Labor income (\$ millions)	\$ 1,054.2
Total Fiscal Impact (\$ millions):	\$ 212.3

* May not sum due to rounding
Source: Estimates by LAEDC

Construction spending by the Cedars-Sinai Health System generated over \$4.7 billion in total economic output in Los Angeles County and supported 14,620 full and part-time jobs with total labor income (including benefits) of over \$1 billion. We estimate that this spending generated over \$212 million in state and local taxes through its contribution to economic activity in the region.



While the direct output and employment impacts occur primarily in the construction sector, the indirect and induced impacts spill across industries, as shown in Exhibit 8-2.

Exhibit 8-2

Impact of Construction Spending by Industry Sector (Los Angeles County, 2016-2021)

Sector	Employment	Output (\$ million)
Agriculture	0	\$0.1
Mining	10	\$5.8
Utilities	10	\$16.7
Construction	5,510	\$2,747.3
Manufacturing	320	\$200.3
Wholesale trade	1,100	\$369.9
Retail trade	680	\$85.7
Transportation and warehousing	1,230	\$167.6
Information	200	\$133.9
Finance and insurance	360	\$122.9
Real estate and rental	800	\$284.0
Professional, scientific, and technical services	1,170	\$238.4
Management of companies	180	\$41.9
Administrative and waste management	1,310	\$123.5
Educational services	80	\$7.4
Healthcare and social assistance	460	\$54.0
Arts, entertainment and recreation	110	\$12.0
Accommodation and food services	420	\$35.9
Other services	560	\$54.5
All others	90	\$28.3
Total *	14,620	\$4,730.2

* May not sum due to rounding
Source: Estimates by LAEDC

Southern California Region

The economic impact of the Cedars-Sinai Health System's construction spending also extends beyond Los Angeles County into neighboring regions.

The total economic impact in the six-county Southern California region of construction spending by the system, including direct, indirect, and induced activity, is shown in Exhibit 8-3.

Exhibit 8-3

Economic and Fiscal Impact of Cedars-Sinai Health System Construction Spending (So-Cal Region, 2016-2021)

Estimated Construction Spending (\$ millions)	\$ 2,738.7
Total Economic Impact:	
Output (\$ millions)	\$ 5,906.8
Employment (jobs)	19,850
Labor income (\$ millions)	\$ 1,410.4
Total Fiscal Impact (\$ millions):	\$ 276.0

* May not sum due to rounding
Source: Estimates by LAEDC

Construction spending by Cedars-Sinai in FY 2020 generated over \$5.9 billion in total economic output in the Southern California region and supported 19,850 full and part-time jobs with total labor income (including benefits) of more than \$1.4 billion. We estimate that this spending generated about \$276 million in state and local taxes through its contribution to economic activity in the region.

The indirect and induced impacts spill across industries, as shown in Exhibit 8-4.

A description of the industry sectors is provided in the Appendix.



Exhibit 8-4

Impact of Construction Spending by Industry Sector (So-Cal Region, 2016-2021)

Sector	Employment	Output (\$ mil)
Agriculture	30	\$2.7
Mining	100	\$37.8
Utilities	20	\$23.7
Construction	5,550	\$2,755.4
Manufacturing	1,990	\$722.8
Wholesale trade	1,470	\$493.6
Retail trade	970	\$118.8
Transportation and warehousing	1,580	\$218.2
Information	250	\$166.7
Finance and insurance	580	\$178.8
Real estate and rental	970	\$371.8
Professional, scientific and technical services	1,520	\$291.7
Management of companies	260	\$63.5
Administrative and waste management	1,820	\$169.6
Educational services	140	\$11.8
Healthcare and social assistance	770	\$89.9
Arts, entertainment and recreation	180	\$18.2
Accommodation and food services	710	\$58.9
Other services	790	\$75.8
All others	140	\$37.3
Total *	19,850	\$5,906.8

* May not sum due to rounding
Source: Estimates by LAEDC

9 COMMUNITY BENEFIT AT CEDARS-SINAI HEALTH SYSTEM

Cedars-Sinai Medical Center

Cedars-Sinai Community Benefit has a long history of providing generous financial assistance, expanding medical knowledge through research, training the physicians and health care professionals for the future, and improving the health of the community through direct services, education and community health interventions, capacity building and grantmaking.

Cedars-Sinai provides free care to patients who earn up to 400% of the federal poverty level (\$103,000 for a family of four) and significantly discounted care to those who earn up to 600% of the federal poverty level (\$154,500 for a family of four). While more people now have insurance coverage through the Affordable Care Act and Covered California, many commercial insurance plans carry a high deductible or copay, causing financial hardship for patients. Cedars-Sinai's generous program enables more people to receive financial assistance.

Additionally, the Patient Protection and Affordable Care Act of 2010 (ACA) enacted state and federal regulations that require nonprofit hospitals, as a condition of their tax-exempt status, to provide community benefit based on the results of the Community Health Needs Assessment (CHNA) and an individual hospital plan called an Implementation Strategy. Programs and services are planned and implemented to meet identified and prioritized community needs.

Community benefit programs at Cedars-Sinai Medical Center include grantmaking, direct medical and community health improvement services as well as health prevention education.

Grantmaking: Cedars-Sinai contributed over \$30 million in FY 2021 in support of over 200 community-based organizations serving disadvantaged populations. Funded projects spanned Cedars-Sinai's three priority funding areas, in alignment with the CHNA: Access to Care, Social Determinants of Health and needs in the Civic Engagement arena. As a result, Cedars-Sinai



was recognized as one of the largest philanthropic grant makers in Los Angeles by the Los Angeles Business Journal.

Access to Care grants focused on COVID-19 capacity recovery efforts, preparation for statewide Medi-Cal reform, and bolstering behavioral health services. The Access to Care portfolio totaled over \$10 million in FY 2021.

Social Determinants of Health grants, with over \$15 million in grantmaking, focused on solving the homelessness and housing crisis in Los Angeles, establishing linkages and programs to improve continuity of care.

Civic Engagement grants are broad in scope and scale. They are funded through strategic coordination with local community organizations and focus on community wellbeing, resilience and civic partnerships. Over \$4 million was disbursed through the Civic Engagement portfolio in FY 2021.

Last year, Cedars-Sinai also launched a Health Equity grant program that spanned all three portfolios, which supported over 70 organizations. It totaled \$6 million, prioritizing workforce development and training, strategic planning and integration of diversity and inclusion efforts in the social service workspace, operationalization of those programs, and equity-focused data collection. Cedars-Sinai Medical Center's long-standing signature community benefit programs include:

- Community Health Improvement offers COVID-19 and flu vaccinations, health education and outreach programs in disadvantaged and economically challenged communities.
- COACH for Kids Mobile Medical Unit provides pediatric healthcare services and connects patients to federally qualified health centers.
- Share & Care is a trauma-informed school-based mental health program in 31 schools.
- Healthy Habits is a school-based healthy eating and physical activity education program in underserved communities.
- Team HEAL provides certified athletic trainers to prevent sports injuries and concussions as well as career education in five socioeconomically challenged schools.

Social Impact Investing

Cedars-Sinai engaged in \$40 million of impact-focused investing, underscoring the commitment to equity, community needs and scalable solutions within the context of civic engagement. Investments were directed towards minority and women-owned businesses and the regional development of affordable and supportive housing.

Community Benefit Provided

Community benefit provided by Cedars-Sinai Medical Center was valued at more than \$700 million in FY 2021. The investments were provided through a variety of programs, including those cited above. Community benefit provided by Cedars-Sinai Medical Center, broken out by category, is shown in Exhibit 9-1. Community benefit provided by Torrance Memorial, broken out by category, is shown in Exhibit 9-2. Community benefit provided by Huntington Health and Marina del Rey are provided in Exhibits 9-3 and 9-4 on the next pages.

Cedars-Sinai Health System, as a whole, provided \$933.2 million in community benefit. This includes the total commitments of Cedars-Sinai Medical Center, Cedars-Sinai Medical Foundation, Marina del Rey Hospital, Torrance Memorial Medical Center and Huntington Health.

Exhibit 9-1
Community Benefit of Cedars-Sinai Medical Center
FY 2021 (\$ millions)

Total Community Benefit	700.9
Uncompensated Care	462.4
Charity Care and Uninsured	38.5
Unreimbursed Medi-Cal Costs	76.4
Unreimbursed Specialty Gov't Programs	3.5
Unreimbursed Medicare Costs	344.0
Research-Net Cost	100.5
Total Cost of Research	252.5
Less: Research Funding from Grants	152.0
Community Benefit Programs, Charitable Contributions and Education and Training for Physicians and Other Health Professionals	138.0

Source: Cedars-Sinai Medical Center

Torrance Memorial Medical Center

Torrance Memorial has committed to community benefit efforts by addressing access to care, chronic diseases, homelessness, and substance abuse and misuse; all ranked as the top needs in the service area. Selected activities and programs highlighting their commitment to the community are detailed in their annual reports and include financial assistance through free and discounted care for health care services, health education and outreach, and clinical support services such as community vaccination clinics.

Torrance Memorial engages in strategic problem-solving through the regional collaborative South Ray Coalition to End Homelessness and provides annual grant support to Harbor Interfaith Services, the local lead agency in the Coordinated Entry System for LA Housing Services Authority.

To support public health strategies to combat COVID-19, Torrance Memorial administered over 16,000 vaccines and partnered with the Torrance

Torrance Fire Department to coordinate vaccine distribution to approximately 200 homebound community members who were medically frail and at most risk for COVID-19 and unable to travel to vaccine sites. Other key partnerships include Welcome Baby, which focuses on increasing the health of new mothers and their babies; Healthy Ever After, which provides school-based nutrition lessons for elementary school children; the Corporate Work-Study Program, which provides a weekly, school-year long workplace experience for high school students from vulnerable communities with a goal of mentorship and professional development; and partnership with over 30 universities and colleges to provide over 13,000 clinical hours and/or internship rotations at the hospital.

Exhibit 9-2
**Community Benefit of Torrance Memorial Medical Center
FY 2021 (\$ millions)**

Total Community Benefit	\$ 108.9
Uncompensated Care	102.3
Charity Care and Uninsured	4.7
Unreimbursed cost: Medi-Cal patients	16.2
Unreimbursed cost: Medicare patients	81.4
Community Benefit, Charitable donations	6.6

Source: Torrance Memorial Medical Center

Huntington Health

In FY 2021, Huntington Health provided more than \$65 million to the community in the form of activities and programs that address priority health needs, is shown in Exhibit 9-4. Identified areas of need included access to health care services, older adults and aging, child and adolescent health, and heart disease and stroke.

Huntington Health provided a robust response to COVID-19 to support community well-being in the midst of a global pandemic and local health crisis. In partnership with Pasadena Public Health Department, Huntington Health administered over 40,000 COVID-19 vaccine doses. Easy access to the vaccine was provided through pop-up clinics at

community churches, community centers, schools, and neighborhood events.

Exhibit 9-3
**Community Benefit of Huntington Health
FY 2021 (\$ millions)**

Total Community Benefit	\$ 65.8
Uncompensated Care	25.8
Charity Care and Uninsured	25.8
Research-Net of Grant Funding	1.4
Total Cost of Research	1.4
Community Benefit Programs, Charitable Donations	38.6

Source: Huntington Health

Marina del Rey Hospital

In FY 2021, Cedars-Sinai Marina del Rey Hospital committed to a wide range of community benefit efforts that addressed access to care and homelessness through collaborations with well-respected community-based organizations.

A partnership with Alcott Center for Mental Health Services provided mental health services at low- or no-cost to patients. As a result, 511 patients in need—many of whom were experiencing homelessness—received 13,580 telehealth visits and 2,367 in-person visits for more acute needs.

The Marina del Rey Hospital's patient navigator program in partnership with The People Concern served 290 unique individuals over six months. The program helped individuals experiencing homelessness enter detox programs, find temporary and more permanent shelter and obtain prescription medications they needed but would not fill themselves. Patients also received support scheduling appointments with mental health professionals and primary care providers.

A collaboration with the Mar Vista Family Center provided 81 families with enhanced rent, utilities and bill payment assistance to prevent homelessness during the pandemic. The program also enabled each family to meet individually with case managers to financially plan for their futures.

Exhibit 9-4**Community Benefit of Cedars-Sinai Marina del Rey Hospital
FY 2021 (\$ millions)**

Total Community Benefit	32.8
Uncompensated Care	32.4
Charity Care and Uninsured	2.1
Unreimbursed Medi-Cal Costs	15.0
Unreimbursed Specialty Gov't Programs	15.0
Unreimbursed Medicare Costs	0.3
Community Benefit Programs, Charitable Donations	0.4

Source: Cedars-Sinai Marina del Rey Hospital

In addition, more than 100 families received weekly food packages from the Mar Vista Family Center food pantry.

Partnerships with two local Boys & Girls Clubs in Santa Monica and Venice provided 424 30-pound boxes of food to 300 families and 1,200 additional individuals at the Housing Authority of the City of Los Angeles Mar Vista Gardens community. In addition, more than 70 adults and youth received COVID-19 vaccinations by hospital staff at a pop-up clinic in Venice.

Economic Impact of Community Benefit

Determining the economic impact of community benefit is complex. The economic impact related to uncompensated care is difficult to determine as it is a provision of services, which filters through the economy differently compared to cash flows associated with expenditures made for those same services. Full details of the programs used to provide these services would have to factor into further analysis, for example, if value was based on cost of provision or market rates for services, etc.

Services provided at no or reduced cost to individuals who otherwise would have to pay results in an indirect increase in their income as those costs are offset. Economic activity related to an increase in income in the form of wages is perceived differently than an offset of cost and

spending patterns reflect this. Additionally, spending patterns related to an increase in income will differ among lower income households and higher earning households, resulting in economic effects of a different magnitude. Due to the complexity involved with isolating the net new activity required for evaluating uncompensated care with a reasonable degree of accuracy, the economic impact has not been estimated for this component of the community benefit provided by Cedars-Sinai Medical Center valued at \$462.4 million in FY 2021.

The economic impact related to community benefit categories that are not uncompensated care, however, can be estimated. This includes spending on unfunded research, expenditures made to community benefit programs provided by Cedars-Sinai Medical Center (including community wellness, disease prevention, and outreach programs), and donations made to support other local organizations providing community benefit services.

In FY 2021, unfunded research spending reached \$100.5 million. Cedars-Sinai's research endeavors totaled \$252 million – funded by \$152 million from incoming grants – generating economic impact for the community. Spending on community benefit (not including uncompensated care) programs, including donations to others, reached \$138 million. for a total direct spending of \$390.5 million (Exhibit 9-5). This total direct spending is used to calculate economic impacts, though only \$100.5 million in net cost is attributed to Cedars-Sinai.

Exhibit 9-5**Economic and Fiscal Impact of Cedars-Sinai Medical Center Community Benefit (\$ millions)
(Los Angeles, 2021)**

Community Benefit Spending	\$ 700.9
Uncompensated Care	462.4
Not Uncompensated Care	390.5
<i>Research-Net of Grant Funding</i>	100.5
Community Benefit Programs, Charitable Contributions and Education and Training for Physicians and Other Health Professionals	138.0
Total Economic Impact-Not Uncompensated Care:	
Output (\$ millions)	\$ 749.7
Employment (jobs)	4,040
Labor income (\$ millions)	\$ 308.4

Source: Estimates by LAEDC

Exhibit 9-7**Economic and Fiscal Impact of Torrance Memorial Medical Center Community Benefit (\$ millions)
(Los Angeles, 2021)**

Community Benefit Spending	\$ 108.9
Uncompensated Care	102.3
Community Benefit Programs, Charitable Donations	6.6
Total Economic Impact-Not Uncompensated Care:	
Output (\$ millions)	\$ 12.3
Employment (jobs)	90
Labor income (\$ millions)	\$ 5.5

* May not sum due to rounding
Source: Estimates by LAEDC

Exhibit 9-6**Economic and Fiscal Impact of Cedars-Sinai Marina del Rey Community Benefit (\$ thousands)
(Los Angeles, 2021)**

Community Benefit Spending	\$ 32,817
Uncompensated Care	32,409
Community Benefit Programs, Charitable Donations	408
Total Economic Impact-Not Uncompensated Care:	
Output (\$ thousands)	\$ 745.9
Employment (jobs)	5
Labor income (\$ thousands)	\$ 330.0

Exhibit 9-8**Economic and Fiscal Impact of Huntington Health Community Benefit (\$ millions)
(Los Angeles, 2021)**

Community Benefit Spending	\$ 65.8
Uncompensated Care	25.8
Not Uncompensated Care	40.0
<i>Research-Net Cost</i>	1.4
Community Benefit Programs, Charitable Donations	38.6
Total Economic Impact-Not Uncompensated Care:	
Output (\$ millions)	\$ 74.5
Employment (jobs)	510
Labor income (\$ millions)	\$ 33.2

* May not sum due to rounding
Source: Estimates by LAEDC

10 FUTURE INVESTMENT OF CEDARS-SINAI HEALTH SYSTEM

Economic and Fiscal Impact

In addition to the capital investment in construction and retrofit projects at existing and new facilities, Cedars-Sinai Health System has future plans for capital investment. This section estimates the economic impact of those planned future investment of Cedars-Sinai into new and existing facilities in the future, including projects at the Main, South and North campuses of the Medical Center, as well as projects at Torrance Memorial and Huntington Health. Cedars-Sinai also plans to invest in new facilities and offsite clinics. This investment stands to generate significant economic activity. Cedars-Sinai reports planned investment of approximately \$4.3 billion.

Los Angeles County

The total economic impact in Los Angeles County of future planned construction spending by Cedars-Sinai, including direct, indirect, and induced activity, is shown in Exhibit 10-1 on the next page.

Planned construction spending by Cedars-Sinai is expected to generate over \$6.9 billion in total economic output in Los Angeles County and support 46,680 full- and part-time jobs with total labor income (including benefits) of over \$3.2 billion. We estimate that this spending will generate over \$301 million in state and local taxes through its contribution to economic activity in the region.

The total impact of Cedars-Sinai's planned construction spending in Los Angeles County will be distributed across many industries due to the spillovers generated by indirect and induced effects. The economic impacts shown in Exhibit 10-1 are displayed broken down by industry in Exhibit 10-2.

Most of these impacts will occur in the construction sector, but as seen with the economic impact of ongoing operations, many other industry sectors are impacted by the Cedars-Sinai Health System's construction spending.

Exhibit 10-1

Economic and Fiscal Impact of Cedars-Sinai Health System Future Investment (Los Angeles County, 2021)

	Total	CS Medical Center	Other Affiliates/Off-Site Clinics*
Estimated Construction Spending (\$ millions)	4,274.0	3,376.0	898.0
Total Economic Impact:			
Output (\$ millions)	6,984.9	5,517.3	1,467.6
Employment (jobs)	46,680	36,880	9,800
Labor income (\$ millions)	3,217.1	2,541.2	675.9
Total Fiscal Impact (\$ millions):			
Income taxes (including profits taxes)	112.0	88.5	23.5
Sales Tax	85.0	67.1	17.9
Property taxes	69.2	54.7	14.5
Fees and fines	5.9	4.7	1.2
Social insurance	16.1	12.7	3.4
Other taxes	13.6	10.7	2.8
Total *	301.8	238.4	63.4

Source: Cedars-Sinai, Estimates by LAEDC

* Other Affiliates include Torrance Memorial Health System, Huntington Hospital, offsite clinics in Beverly Hills and West Los Angeles.

Exhibit 10-2**Economic Impact by Industry Sector Future Investment (Los Angeles County, 2021)**

Sector	Total		CS Medical Center		Other Affiliates/Off-Site Clinics*	
	Employment	Output (\$ millions)	Employment	Output (\$ millions)	Employment	Output (\$ millions)
Agriculture	0	0.1	0	0.1	0	0.0
Mining	10	4.2	10	3.3	0	0.9
Utilities	20	25.2	20	19.9	0	5.3
Construction	32,720	4,289.5	25,850	3,388.3	6,870	901.3
Manufacturing	240	156.0	190	123.2	50	32.8
Wholesale trade	800	271.0	630	214.1	170	56.9
Retail trade	1,580	185.0	1,250	146.1	330	38.9
Transportation and warehousing	1,190	151.4	940	119.6	250	31.8
Information	290	174.8	230	138.1	60	36.7
Finance and insurance	770	243.8	600	192.6	170	51.2
Real estate and rental	840	510.7	660	403.4	180	107.3
Professional, scientific and technical services	1,020	210.2	810	166.0	210	44.2
Management of companies	180	42.2	140	33.4	40	8.9
Administrative and waste management	1,190	113.5	940	89.7	250	23.8
Educational services	370	32.3	290	25.5	80	6.8
Healthcare and social assistance	2,150	253.9	1,700	200.6	450	53.3
Arts, entertainment and recreation	300	32.7	240	25.8	60	6.9
Accommodation and food services	1,450	123.8	1,140	97.8	310	26.0
Other services	1,420	118.8	1,120	93.8	300	25.0
All others	140	45.7	110	36.1	30	9.6
Total*	46,680	\$6,984.9	36,880	\$5,517.3	9,800	\$1,467.6

Source: Estimates by LAEDC

* Other Affiliates include Torrance Memorial Health System, Huntington Hospital, offsite clinics in Beverly Hills and West Los Angeles.

Southern California Region

The economic impact of future capital investment also extends beyond Los Angeles County into neighboring regions.

The total economic impact in the six-county Southern California region of planned future investment by Cedars-Sinai, including direct, indirect, and induced activity, is shown in Exhibit 10-3.

Planned future investment by Cedars-Sinai is expected to generate over \$8 billion in total economic output in the Southern California region

and support 51,240 full and part-time jobs with total labor income (including benefits) of close to \$3.6 billion. We estimate that this future spending will generate about \$375 million in state and local taxes through its contribution to economic activity in the region.

The impacts spill across industries, and an industrial breakdown of these figures are shown in Exhibit 10-4 on the next page.

A description of the industry sectors is provided in the Appendix.

Exhibit 10-3

Economic and Fiscal Impact of Cedars-Sinai Health System Future Investment (So-Cal Region, 2021)

	Total	CS Medical Center	Other Affiliates/Off-Site Clinics*
Estimated Construction Spending (\$ millions)	4,274.0	3,376.0	898.0
Total Economic Impact:			
Output (\$ millions)	8,078.1	6,380.8	1,697.3
Employment (jobs)	51,240	40,470	10,770
Labor income (\$ millions)	3,563.1	2,814.5	748.6
Total Fiscal Impact (\$ millions):			
Income taxes (including profits taxes)	137.5	108.6	28.9
Sales Tax	107.6	85.0	22.6
Property taxes	88.1	69.6	18.5
Fees and fines	8.5	6.7	1.8
Social insurance	17.7	14.0	3.7
Other taxes	15.5	12.3	3.3
Total *	375.0	296.2	78.8

Source: Cedars-Sinai, Estimates by LAEDC

* Other Affiliates include Torrance Memorial Health System, Huntington Hospital, offsite clinics in Beverly Hills and West Los Angeles.

Exhibit 10-4**Economic Impact by Industry Sector Future Investment (So-Cal Region, 2021)**

Sector	Total		CS Medical Center		Other Affiliates/Off-Site Clinics*	
	Employment	Output (\$ millions)	Employment	Output (\$ millions)	Employment	Output (\$ millions)
Agriculture	50	4.8	40	3.8	10	1.0
Mining	60	23.8	50	18.8	10	5.0
Utilities	20	32.0	20	25.3	0	6.7
Construction	31,900	4,300.7	25,200	3,397.1	6,700	903.6
Manufacturing	1,290	490.7	1,020	387.6	270	103.1
Wholesale trade	1,080	370.9	850	292.9	230	77.9
Retail trade	2,090	237.6	1,650	187.7	440	49.9
Transportation and warehousing	1,530	196.0	1,210	154.8	320	41.2
Information	340	214.3	270	169.3	70	45.0
Finance and insurance	1,100	328.7	870	259.7	230	69.1
Real estate and rental	1,020	638.8	810	504.6	210	134.2
Professional, scientific and technical services	1,370	263.3	1,080	208.0	290	55.3
Management of companies	250	61.9	200	48.9	50	13.0
Administrative and waste management	1,650	154.5	1,300	122.0	350	32.5
Educational services	470	38.7	370	30.6	100	8.1
Healthcare and social assistance	2,650	309.5	2,100	244.5	550	65.0
Arts, entertainment and recreation	440	42.1	350	33.3	90	8.8
Accommodation and food services	1,910	160.2	1,510	126.5	400	33.7
Other services	1,770	150.3	1,400	118.7	370	31.6
All others	220	59.3	170	46.8	50	12.5
Total*	51,240	\$8,078.1	40,470	\$6,380.8	10,770	\$1,697.3

Source: Estimates by LAEDC

* Other Affiliates include Torrance Memorial Health System, Huntington Hospital, offsite clinics in Beverly Hills and West Los Angeles.

APPENDIX

A1 Methodology

The estimated economic impact includes economic output, employment, and labor income, which includes wages, salaries, and benefits. The total impact includes *direct, indirect, and induced effects*. *Direct* employment is the personnel hired by the hospital in its ongoing operations and construction programs, including doctors, nurses, administrative, management, and so on. *Direct* output is the value of the services provided by the hospital. *Indirect* effects are those which stem from the employment and output motivated by the purchases made by the hospital. For example, indirect jobs are sustained by the vendors of the medical supplies and insurance purchased by the hospital. *Induced* effects are those generated by the household spending of employees whose wages are sustained by both direct and indirect spending.

The Southern California region is defined as the six counties of Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara and Ventura, this region aligns with the Hospital Association of Southern California's region.

The number of establishments as shown in Exhibits 2-1 and 2-7 represent the estimated number of individual business units as defined by the U.S. Department of Labor (Bureau of Labor

Statistics) and the California Employment Development Department.

Estimates for construction spending in FY 2021 were obtained from Cedars-Sinai.

Our impact analysis is conducted using models developed with data and software from MIG, Inc. MIG's IMPLAN system is a robust widely used set of modeling tools that provide economic resolution from the national level down to the ZIP code level. Using multi-regional analysis, these tools allow the estimation of the contribution of hospital operations in the county where they occur and their consequent spillover impact on neighboring regions.

Our estimates for labor income and output are reported in 2021 dollars to correspond with the currency reported in the operations and construction budgets. Labor income includes payments made to wage and salary workers and to the self-employed. Employment estimates are measured on a job-count basis for both wage-and-salary workers and proprietors regardless of the number of hours worked, and are generally reported on an annual basis, i.e., the number of full and part time jobs supported in one year. ❖

A2 Description of Industry Sectors

The industry sectors used in this report are established by the North American Industry Classification System (NAICS). NAICS divides the economy into twenty sectors, and groups industries within these sectors according to production criteria. Listed below is a short description of each sector as taken from the sourcebook, *North American Industry Classification System*, published by the U.S. Office of Management and Budget (2017).

Agriculture, Forestry, Fishing and Hunting: Activities of this sector are growing crops, raising animals, harvesting timber, and harvesting fish and other animals from farms, ranches, or the animals' natural habitats.

Mining: Activities of this sector are extracting naturally occurring mineral solids, such as coal and ore; liquid minerals, such as crude petroleum; and gases, such as natural gas; and beneficiating (e.g., crushing, screening, washing and flotation) and other preparation at the mine site, or as part of mining activity.

Utilities: Activities of this sector are generating, transmitting, and/or distributing electricity, gas, steam, and water and removing sewage through a permanent infrastructure of lines, mains, and pipes.

Construction: Activities of this sector are erecting buildings and other structures (including additions); heavy construction other than buildings; and alterations, reconstruction, installation, and maintenance and repairs.

Manufacturing: Activities of this sector are the mechanical, physical, or chemical transformation of material, substances, or components into new products.

Wholesale Trade: Activities of this sector are selling or arranging for the purchase or sale of goods for resale; capital or durable non-consumer goods; and raw and intermediate materials and supplies used in production and providing services incidental to the sale of the merchandise.

Retail Trade: Activities of this sector are retailing merchandise generally in small quantities to the general public and providing services incidental to the sale of the merchandise.

Transportation and Warehousing: Activities of this sector are providing transportation of passengers and cargo, warehousing and storing goods, scenic and sightseeing transportation, and supporting these activities.

Information: Activities of this sector are distributing information and cultural products, providing the means to transmit or distribute these products as data or communications, and processing data.

Finance and Insurance: Activities of this sector involve the creation, liquidation, or change of ownership of financial assets (financial transactions) and/or facilitating financial transactions.

Real Estate and Rental and Leasing: Activities of this sector are renting, leasing, or otherwise allowing the use of tangible or intangible assets (except copyrighted works) and providing related services.

Professional, Scientific, and Technical Services: Activities of this sector are performing professional, scientific, and technical services for the operations of other organizations.

Management of Companies and Enterprises: Activities of this sector are the holding of securities of companies and enterprises, for the purpose of owning controlling interest or influencing their management decision, or administering, overseeing, and managing other establishments of the same company or enterprise and normally undertaking the strategic or organizational planning and decision-making of the company or enterprise.

Administrative and Support and Waste Management and Remediation Services: Activities of this sector are performing routine support activities for the day-to-day operations of other organizations, such as: office administration, hiring and placing of personnel, document preparation and similar

clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services.

Educational Services: Activities of this sector are providing instruction and training in a wide variety of subjects. Educational services are usually delivered by teachers or instructors that explain, tell, demonstrate, supervise, and direct learning. Instruction is imparted in diverse settings, such as educational institutions, the workplace, or the home through correspondence, television, or other means.

Healthcare and Social Assistance: Activities of this sector are operating or providing healthcare and social assistance for individuals.

Arts, Entertainment and Recreation: Activities of this sector are operating facilities or providing services to meet varied cultural, entertainment, and recreational interests of their patrons, such as: (1) producing, promoting, or participating in live performances, events, or exhibits intended for

public viewing; (2) preserving and exhibiting objects and sites of historical, cultural, or educational interest; and (3) operating facilities or providing services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

Accommodation and Food Services: Activities of this sector are providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.

Other Services (except Public Administration): Activities of this sector are providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grant-making, advocacy, and providing dry-cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services. ❖

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