

## 2020 BATON ROUGE AREA CHAMBER STUDY

# Economic and Revenue Impacts Summary

**Louisiana Healthcare Connections (LHCC)** is a healthcare insurance provider that began doing business in Louisiana in 2012, and whose presence and services have since expanded significantly. LHCC currently has more than 520,000 members and a network of over 32,000 healthcare providers. The purpose of this analysis is to measure the economic impact of LHCC on the Louisiana economy from its establishment in 2012 through the end of 2020.

The analysis includes capital investment in the state of Louisiana, as well as an estimate of the ongoing operations impacts in three of the state's metropolitan statistical areas: Baton Rouge, Lafayette, and New Orleans. In addition to the economic impacts, the study also includes an estimate of the new tax revenues to the cities, parishes, schools, and other special districts associated with LHCC's ongoing operations throughout the state.

- » LHCC created a total economic impact of **\$904.8 million** in the state of Louisiana from 2012 to 2020, with a peak employment of 673 FTE jobs and peak total payroll of **\$56.7 million** including non-FTEs. It has **paid over \$278.4 million in direct wages** since it began operations. If employment for LHCC continues to grow, its annual economic impact will as well.
- » The organization accounted for nearly **\$38.6 million in total state and local tax revenue** for Louisiana entities over the 2012 to 2020 timeframe. This does not include state income tax or state + local sales tax for most operational spend, based on the unavailability of that data for this analysis.
- » Including indirect and induced jobs associated with LHCC's operations, the peak total jobs impact of LHCC was **1,283 employees** and nearly **\$85.0 million in total income impact** in 2020. Since the start of operations in 2012, LHCC has had a **total income impact of \$417.0 million** for the state.
- » LHCC's presence has financially supported a large number of households in Louisiana—at the peak of employment in 2020, its operations supported an estimated **1,100 households and 2,981 Louisiana residents**.
- » As compared to other in-state MCOs, LHCC's staffing model of a high number of FTEs per member has contributed significantly to the overall economic impact and tax revenue generated by its operations. Since 2012, we estimate the staffing model is responsible for an **additional \$98.4 million in economic impact** to the state versus the typical staff-to-member ratio of other MCO insurers.

*This analysis does not include any impact or tax revenues associated with LHCC's annual net revenue, which would likely be significant. **This means that the actual economic and tax revenue impact of LHCC is even higher than the data below suggests.***

—Baton Rouge Area Chamber