



# Economic Impact Report 2019-2024

**AltaMed**  
Your community health network

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## INTRODUCTION

### Purpose of the Report

This economic impact report seeks to provide an in-depth evaluation of the significant economic contributions made by AltaMed Health Services to the communities it serves in Southern California. AltaMed is a leading Federally Qualified Health Center (FQHC) that plays a critical role in addressing health disparities, improving health outcomes, and fostering economic resilience in underserved regions. While AltaMed's core mission is to provide accessible healthcare, its impact extends far beyond the provision of health-care and reaching into the local economy through job creation, business stimulation, cost savings, and improved workforce participation.

The purpose of this report is to assess and quantify AltaMed's economic influence through four primary types of impact:

- ▶ Direct Impacts
- ▶ Indirect Impacts
- ▶ Induced Impacts
- ▶ Health Impacts

By exploring these areas, this report demonstrates how AltaMed's healthcare services not only benefit individual patients but also serve as a vital economic engine that drives growth, job creation, and stability.

### Overview of AltaMed Health Services

AltaMed Health Services is a prominent nonprofit healthcare organization based in Southern California, with a commitment to providing comprehensive, culturally sensitive care to underserved populations. Founded in 1969, AltaMed was established with the goal of improving access to quality healthcare for individuals who traditionally faced barriers to care like low-income families, immigrants, and communities of color. AltaMed has grown significantly since its inception, becoming one of the largest providers of health services to Latino, African American, Asian, and other underserved communities in the region.

AltaMed operates a network of more than 40 health centers throughout Los Angeles and Orange County, serving more than 300,000 patients annually. The organization has become an integral part of the region's healthcare infrastructure, offering a range of services designed to meet the diverse needs of the community. Its focus on

community-based care and preventive health has earned AltaMed a reputation as a leading health care provider for those who are uninsured or underinsured. As Impact Report will demonstrate, serving these populations has a disproportionate impact on the region's economy.

### Comprehensive Health Care Services

AltaMed offers a wide range of medical services designed to address the full spectrum of health care needs, from preventive care to complex treatments. Its services include:

- ▶ **Primary Care:** AltaMed provides routine check-ups, health screenings, immunizations, and management of acute illnesses, ensuring that individuals have access to consistent, high-quality care. Regular primary care visits are essential for maintaining health and preventing the onset of more serious conditions.
- ▶ **Preventive Care:** Preventive services such as wellness exams, cancer screenings (e.g., breast, cervical, and colorectal), immunizations, and health education are central to AltaMed's mission. Early detection and prevention are key to reducing long-term health costs and improving overall health outcomes.
- ▶ **Chronic Disease Management:** AltaMed specializes in the management of chronic diseases such as diabetes, hypertension, asthma, and heart disease. Through comprehensive care plans, patient education, and regular follow-up, AltaMed helps patients effectively manage their conditions and reduce the risk of complications.
- ▶ **Pediatric Care:** AltaMed provides a range of pediatric services, from well-child exams and immunizations to developmental screenings and care for common childhood illnesses. Its focus on early childhood health is a critical part of its mission to reduce health disparities from a young age.
- ▶ **Women's Health Services:** AltaMed offers comprehensive services for women, including prenatal and postnatal care, family planning, and reproductive health services. Women's health services are designed to provide holistic care at every stage of life, ensuring that women have the resources they need to maintain their health and well-being.
- ▶ **Dental Care:** AltaMed operates a network of dental clinics offering preventive, restorative, and emergency dental care. Dental health is an integral part of overall health, and AltaMed ensures that its patients have access to affordable, high-quality dental services.
- ▶ **Mental and Behavioral Health:** AltaMed provides comprehensive mental health services, including counseling, therapy, and substance abuse treatment. Addressing mental health is a crucial component of holistic health care, and AltaMed's services are designed to support the mental well-being of individuals and families.
- ▶ **Pharmacy Services:** AltaMed operates pharmacies within many of its health centers, offering prescription medications, over-the-counter medications, and health products at affordable prices. By integrating pharmacy services into its care model, AltaMed ensures that patients have access to the medications they need without financial barriers.

As this report will demonstrate, the emphasis AltaMed places on high return-on-investment (ROI) care dramatically increases the economic impact AltaMed has on Southern California compared to other health care organizations.



## The Importance of Preventive and Community-Based Care

AltaMed's philosophy centers around preventive care, which focuses on maintaining health and preventing illness before it starts. This proactive approach is especially important for underserved communities, where chronic conditions such as diabetes, hypertension, and obesity are more prevalent. By providing early screenings, patient education, and regular health check-ups, AltaMed helps to detect potential health issues early, reducing the risk of long-term health complications and improving the quality of life for its patients.

In addition to preventive care, AltaMed prioritizes community-based care. AltaMed's clinics are strategically located in areas where health care services are scarce, ensuring that residents can access care close to home. The organization also works to meet patients where they are by offering home visits, mobile health services, and telemedicine options to increase access to care for those who face mobility challenges or other barriers to traditional health care settings.

## AltaMed's Role in the Community

Beyond its role as a health care provider, AltaMed also plays a critical role in the local economy. As one of the largest employers in the region, AltaMed provides thousands of jobs, ranging from health care professionals to administrative and operational staff. These positions not only offer stable employment but also contribute to the local economy through wages, benefits, and consumer spending. AltaMed's investments in health care facilities, equipment, and community outreach programs further stimulate local economic growth, creating jobs and supporting small businesses.

AltaMed's economic impact is significant in the context of its work with vulnerable populations. By improving health outcomes, AltaMed helps individuals stay employed, reduces absenteeism, and helps maintain a stable workforce. This, in turn, leads to increased economic participation and productivity, benefiting not only the individuals served but the local economy.

## The Economic Impact of AltaMed

Understanding the full scope of AltaMed's contribution to the local economy requires a comprehensive analysis of various types of economic impacts. These impacts can be categorized into four key areas: direct impacts, indirect impacts, induced impacts, and health impacts. Each of these categories provides a unique perspective on how AltaMed's health care services and operations ripple through the community, creating immediate and long-term economic benefits.

### 1. DIRECT IMPACTS

Direct impacts refer to the immediate economic contributions that result from AltaMed's operations. These include the jobs created within the organization, the salaries paid to employees, and the expenditures on health care services, equipment, and infrastructure.

- ▶ **Employment and Job Creation:** AltaMed is one of the largest employers in Southern California, with a workforce consisting of doctors, nurses, administrative staff, and support personnel. With over 3,600 employees, AltaMed directly contributes to the local economy by providing stable, well-compensated jobs.
- ▶ **Salaries and Wages:** AltaMed's employees earn competitive salaries, which not only benefit the workers themselves but also have a direct positive effect on local businesses. Wages paid to AltaMed's employees contribute to the purchasing power of individuals within the community, supporting local retail businesses, housing markets, and service providers.

- ▶ **Expenditures on Health Care and Operations:** In addition to wages, AltaMed's operational expenditures have a direct impact on the local economy. These include payments for medical supplies, technology, pharmaceuticals, equipment, and facility maintenance. AltaMed invests in state-of-the-art health care technology and services to ensure the highest quality of care, which contributes to the local economy by supporting local vendors, suppliers, and contractors.

### 2. INDIRECT IMPACTS

Indirect impacts are the economic effects that result from AltaMed's business transactions with suppliers and vendors. These include spending by companies that provide goods and services to AltaMed, such as medical supply companies, construction firms, and technology providers.

- ▶ **Supply Chain Spending** AltaMed's ongoing operations require a wide range of goods and services from external vendors. These vendors, in turn, spend money within the local economy.
- ▶ **Support for Local Businesses:** AltaMed's relationship with local suppliers and service providers fosters the growth of regional businesses.

### 3. INDUCED IMPACTS

Induced impacts refer to the economic activity generated by the spending of wages earned by AltaMed's employees and those of its suppliers. When employees spend their salaries on goods and services in the local economy, it generates additional demand for local businesses and contributes to the broader economic activity of the region.

The salaries paid to AltaMed's staff and its suppliers' employees increase household spending within the local economy. Employees spend their wages on groceries, housing, entertainment, transportation, and other goods and services. This consumer spending boosts demand for products and services, supporting local retailers, restaurants, and service providers.

The collective spending of AltaMed's workforce increases economic activity in the region. For example, a hospital worker who spends money at a local grocery store or gas station contributes to the vitality of those businesses. Induced impacts also extend to housing markets, as employees may rent or purchase homes in the area, further stimulating local real estate markets.

### 4. HEALTH IMPACT

While the direct, indirect, and induced economic impacts are important, perhaps the most significant contribution AltaMed makes to the local economy is through the health impact it delivers. By improving the health of the community, AltaMed helps reduce health care costs, enhance workforce productivity, and improve the overall quality of life for individuals.

By providing access to affordable health care, AltaMed plays a critical role in maintaining a healthy workforce. Employees who have access to preventive care, chronic disease management, and mental health services are more likely to be productive, miss fewer days of work, and experience fewer health-related disruptions. This leads to increased economic output and productivity, benefiting both businesses and the economy at large.

AltaMed's focus on preventive care reduces the long-term health care costs for individuals and families in the community. By catching diseases early and managing chronic conditions effectively, AltaMed helps to prevent costly hospitalizations and emergency room visits. This cost savings not only benefits patients but also the local economy by reducing the financial burden of treating serious health conditions.

Access to health care enables individuals to stay healthier and more engaged in the workforce. Without adequate health care, individuals may be forced to take time off due to illness or may not be able to participate in the workforce at all. AltaMed's services help ensure that people remain healthy and active participants in the economy, thereby contributing to overall economic growth.

Through direct, indirect, induced, and health impacts, AltaMed contributes to job creation, local spending, improved workforce productivity, and reduced health care costs. Its operations stimulate economic activity throughout the community, and its focus on improving health outcomes plays a pivotal role in fostering long-term economic stability and growth. The ongoing investment in both health services and community engagement strengthen the local economy and ensures a brighter, healthier and more prosperous future for the region.

AltaMed Health Services is more than just a health care provider — it is a driving force for economic stability and growth in the communities it serves. With a comprehensive approach to health care that emphasizes preventive care, chronic disease management, and health equity, AltaMed plays a vital role in reducing health care costs, improving workforce productivity, and stimulating local economic activity. This report will further explore how AltaMed's operations generate significant direct, indirect, induced, and health impacts, showcasing the critical role the organization plays in fostering both health and economic resilience in Southern California.



## METHODOLOGY

### Economic Model Selection

Input-output (I/O) models are widely regarded as the most robust, reliable, and comprehensive approach to understanding and quantifying the economic impacts of organizations such as AltaMed. These models are used extensively in the health care industry to estimate the direct, indirect, and induced impacts that health care services and organizations have on local, regional, and national economies. The precision and detail with which I/O models capture these effects make them the industry standard for health care economic impact studies.

### BENEFITS OF INPUT-OUTPUT MODELS

#### *1. Comprehensive Measurement of Economic Activity*

Input-output models allow for the measurement of all dimensions of economic activity resulting from AltaMed's operations. These models provide a holistic view of how AltaMed's spending, employment, and economic interactions affect the entire community and region.

For example, a 2017 report by the American Hospital Association used an I/O model to analyze the economic impact of hospitals in the U.S. The AHA report highlighted how hospitals create jobs directly within health care facilities, support jobs through their suppliers, and generate income via employee spending (AHA, 2017). The I/O model captured both the direct effects (jobs and wages), the indirect (supply chain activity), and induced (employee spending) impacts, giving policymakers and the community a clearer understanding of health care's contribution to local and regional economies.

Similarly, a 2019 report by the California Hospital Association demonstrated how California's hospitals create substantial economic impact through their spending on supplies, services, and equipment. The report found that for every dollar spent by hospitals, more than two additional dollars were generated in the economy (CHA, 2019). This multiplier effect, captured by the I/O model, reflects the downstream economic activity driven by operational expenditures.

For AltaMed, such an approach would allow us to calculate not only the direct employment and wages within its health care centers but also the indirect and induced effects generated through the broader supply chain and spending by employees in the local economy.



## ***2. Capturing the Ripple Effects of Health care Spending***

One of the key strengths of I/O models is their ability to measure the ripple effects of spending throughout the economy. These ripple effects include both the indirect and induced impacts of AltaMed's activities, as money spent within the health care system creates a chain of economic activity across different sectors.

Indirect impacts capture the effects on industries that supply goods and services to AltaMed, such as medical supply vendors, construction firms, and IT service providers. Induced impacts, on the other hand, measure the economic effects resulting from the spending of wages by AltaMed's employees, as well as employees of its vendors and contractors. This type of comprehensive economic analysis allows for a fuller picture of AltaMed's role in driving regional economic activity.

A study by the Center for Health Workforce Studies on the economic impact of health care in New York State demonstrates how hospitals' spending leads to a broad range of economic effects (CHWS, 2022). This includes the support for jobs in non-health care sectors like retail, construction, education, and real estate, which would also be captured in the I/O model.

By employing an I/O model, AltaMed can quantify how its purchases of medical supplies, wages to staff, investments in technology, and health care services provide economic benefits that extend far beyond the walls of its facilities.

## ***3. Quantification of Multiplier Effects***

The multiplier effect is a core feature of I/O models. This concept refers to the fact that every dollar spent by AltaMed (on health care supplies, salaries, facilities, etc.) doesn't just generate one dollar's worth of economic activity—it leads to multiple rounds of spending in the local economy, supporting jobs and businesses throughout the region. The California State University Sacramento's report on the economic impact of the University of California, San Francisco, found that the university's spending generated a multiplier effect, significantly amplifying its economic contribution to the region (CSUS, 2020).

In the case of AltaMed, spending on health services, employee wages, and operational costs creates an economic "ripple" through the local economy:

- ▶ Direct impact: Jobs and salaries at AltaMed.
- ▶ Indirect impact: Spending by vendors and suppliers to support AltaMed's needs (medical suppliers, construction companies, technology firms, etc.).
- ▶ Induced impact: Employee spending on housing, retail, transportation, and other local services.

According to an economic impact report for the Cleveland Clinic, their spending in the region generated \$1.3 billion in multiplier effects. This means for every dollar spent by the clinic, \$1.30 in additional economic activity was generated in the region. This multiplier effect is often measured through I/O models and can provide AltaMed insight into how its activities stimulate the broader regional economy (Cleveland Clinic, 2023).

## ***4. Industry Standard for Health Care Impact Analysis***

The I/O model has been the gold standard in economic impact studies across many industries, but it is especially prevalent in the health care sector. The National Bureau of Economic Research (NBER, 2020) and RAND Corporation (Rand, 2023) have used I/O models in numerous health care-related studies to assess the financial benefits of hospitals, clinics, and public health institutions to their communities.

For instance, a 2019 study by the Health care Financial Management Association applied I/O models to determine the economic impact of health care organizations across the U.S. The study showed that health care institutions not only provide essential services but also contribute significantly to job creation, economic growth, and tax revenue (HFMA, 2019). These reports demonstrate the model's credibility and suitability for conducting an economic impact study for AltaMed.

As such, the use of I/O models to assess the economic impact of AltaMed aligns with established methodologies and standards in health care economics. Using I/O models ensures that AltaMed's economic contributions are measured in a scientifically rigorous way, offering valuable insights for stakeholders, policymakers, and the community.

### **5. Transparent and Credible Methodology**

Finally, the transparency of the I/O model's methodology makes it a trusted and credible tool for economic impact analysis. I/O models are built upon widely accepted economic principles and rely on actual data collected from local, state, and national sources. The clarity and rigor of I/O models ensure that stakeholders—including government officials, health care providers, and the public—can easily verify the data and methodology used in the study.

The Economic Impact Study of the Mayo Clinic in 2017, which employed an I/O model, was cited by multiple policymakers and academic institutions as an example of best practices in health care impact analysis (Mayo Clinic, 2017). The study was widely respected for its methodology and transparency, which is why I/O models are often the preferred choice for health care impact reports.

**Summary:** Input-output (I/O) models are the most appropriate and industry-standard tool for conducting an economic impact study of AltaMed due to their ability to capture the full range of economic effects of health care operations. By measuring direct, indirect, and induced impacts, I/O models provide a comprehensive understanding of how AltaMed contributes to local employment, business activity, and tax revenue. With the ability to account for the multiplier effect of health care spending and the interdependencies between sectors, I/O models deliver a detailed picture of how AltaMed's presence in the community enhances economic prosperity. Moreover, the use of I/O models aligns AltaMed with proven methodologies and industry best practices in health care impact analysis, ensuring that the findings are credible, reliable, and actionable for policymakers and stakeholders.

## **DESCRIPTION OF DATA**

In conducting a comprehensive economic impact study for AltaMed, it is essential to utilize a broad spectrum of data that accurately reflects the various ways in which AltaMed interacts with and contributes to the local economy. The types of data collected not only provide critical insights into the direct, indirect, and induced economic effects but also enable a thorough evaluation of AltaMed's overall role in enhancing community well-being. To ensure the accuracy and reliability of the analysis, the report includes data from a variety of sources, including tax documents, internal data pulls from AltaMed's servers, and extensive internal reports. Each of these data types plays a key role in building a complete picture of AltaMed's economic contributions.

The primary data types used in this study are as follows:

### **1. Employment: Number of Full-Time and Part-Time Staff**

Employment data is one of the most critical indicators of AltaMed's economic impact, as it reflects the number of jobs directly created by its health care operations. This

includes both full-time and part-time staff across various departments, including medical professionals, administrative personnel, support staff, and more. AltaMed's employment footprint is a direct result of its operations and services provided to the community.

### **2. Payroll: Wages and Benefits**

In addition to employment figures, understanding the total wages and benefits paid to AltaMed's workforce is crucial for gauging the economic value generated through payroll. Payroll data not only includes basic salaries but also the benefit packages offered to employees, such as health care, retirement plans, and other compensatory benefits. These wages and benefits play a significant role in stimulating the local economy, as they are spent within the community on goods, services, and housing.

### **3. Operational Spending: Vendors, Contractors, and Service Providers**

Operational spending refers to the financial outflows AltaMed makes to keep its health care centers running smoothly. This includes payments to vendors, contractors, and service providers who supply AltaMed with everything from medical equipment and supplies to cleaning services, technology solutions, and utilities. Operational spending is one of the most significant indirect economic impacts, as it supports businesses across many different sectors of the economy.

### **4. Capital Expenditures: New Buildings, Renovations, and Equipment**

Capital expenditures (CapEx) reflect AltaMed's investment in the long-term sustainability and growth of its health care services. This includes the construction of new buildings, renovations to existing facilities, and the purchase of medical equipment. These expenditures have a significant effect on the local economy, particularly in sectors such as construction, real estate, and manufacturing.

### **5. Patient Spending: Visitor Spending in the Area (Hotels, Restaurants, and Other Services)**

While health care services are at the core of AltaMed's operations, the spending of patients and visitors in the local economy also plays a crucial role in its overall economic impact. Patients visiting AltaMed facilities often spend money at nearby hotels, restaurants, retail stores, and other local businesses. These expenditures are vital to understanding the broader economic effect of AltaMed's presence in the community.

### **6. Community Programs: Outreach, Education, and Preventive Services**

AltaMed's contributions to the community extend beyond health care services; the organization also plays a significant role in promoting outreach, education, and preventive services. These community programs aim to improve public health, reduce health care costs, and promote long-term wellness, leading to a healthier and more economically productive community.

## **MODEL SPECIFICATION**

To formalize the economic impact of AltaMed, we apply a simple Input/Output (I/O) model, which specifies the direct, indirect, and induced effects of its operations on the local economy.

- ▶ Direct effects encompass AltaMed's employment, wages, and health care services provided.
- ▶ Indirect effects reflect the secondary economic activity from local suppliers and vendors.

- ▶ Induced effects account for the spending by AltaMed's employees and suppliers within the community.

Additionally, the model specifies the health care benefits of AltaMed's services, such as improved health outcomes and reduced health care costs, categorized by treatments like primary care, chronic disease management, and preventive services.

$$\text{Total Economic Impact} = D + (D \times M_1) + [(D + D \times M_1) \times M_2] + \sum_{i=1}^n (C_i \times \text{RoLI}_i)$$

Where:

- ▶ **D: Direct Impact** (e.g., AltaMed's operational spending, wages)
- ▶ **M<sub>1</sub>: Indirect Multiplier** (applied to direct spending to estimate supply chain impact)
- ▶ **M<sub>2</sub>: Induced Multiplier** (applied to the sum of direct and indirect to estimate household/community spending impact)
- ▶ **C<sub>i</sub>: AltaMed's spending on health condition/category i**
- ▶ **RoLI<sub>i</sub>: Return on Investment for spending on condition/category i**
- ▶ **n: Total number of health conditions/categories analyzed**

## DATA COLLECTION PROCESS

The data used in this economic impact analysis was carefully gathered from AltaMed's internal systems, including financial, payroll, procurement, and program data, as well as external sources such as tax filings, community surveys, and third-party industry reports. Each type of data was cross-referenced and verified to ensure its accuracy and consistency. The use of tax documents, internal server pulls, and extensive internal reports enables a robust and reliable economic impact assessment that reflects both the immediate and long-term economic contributions of AltaMed. The process was iterative and required months of planning and coordination between AltaMed and the authors of this report.

This data collection process ensures that the findings of this economic impact study are based on accurate, up-to-date, and verified information, providing stakeholders with a clear understanding of the full scope of AltaMed's role in driving economic growth and improving community well-being.

## TIME PERIOD COVERED IN THE REPORT

The time period selected for this economic impact report, spanning from 2019 to 2024, was chosen to capture both the immediate effects and longer-term economic contributions of AltaMed in the context of evolving health care needs, economic conditions, and the broader societal changes over the past several years. This period provides a comprehensive view of AltaMed's impact while also considering the unique challenges and opportunities faced during this time. There is some data from 2019 as well and the authors use the aggregate data to make projections about the 2024Q4, but that data is only used to provide context to the other data and help aid in projections. The central focus of this study is 2019 to 2024.

### *1. Reflecting the Impact of the COVID-19 Pandemic*

The COVID-19 pandemic, which began in 2020, had a profound effect on health care systems, economies, and communities globally. AltaMed, like many health care organizations, was significantly impacted by the pandemic in terms of its operations, resource allocation, and the services it provided to the community. By selecting the period from 2020 onward, this report is able to account for the direct and indirect impacts of the



pandemic on AltaMed's operations, including shifts in service delivery (such as telehealth), changes in patient demand, and the economic implications of a global health crisis

The years 2020 to 2022 mark a period of adaptation and resilience for AltaMed, as the organization responded to surges in COVID-19 cases, increased need for urgent care, and the implementation of public health measures. Understanding these dynamics is crucial for assessing how AltaMed's services impacted the community, particularly during a time of heightened health care needs.

### ***2. Post-Pandemic Recovery and Long-Term Economic Trends***

The years following the initial onset of the pandemic (2022-2024) represent a critical phase in the recovery process. As the world transitioned to a "post-pandemic" phase, many sectors of the economy—including health care—underwent significant changes. The period from 2022 to 2024 allows the report to capture the recovery phase of AltaMed's operations, including returning to full capacity, adjustments in health care delivery, and shifts in patient behavior and community health needs.

This time frame also provides insights into long-term economic trends, such as the recovery of local businesses, changes in workforce participation, and the continuation of shifts towards preventive care, telemedicine, and digital health tools. By including data from both the pandemic years and the recovery phase, the report offers a full perspective on how AltaMed's services not only responded to immediate crises but also supported the community's economic recovery.

### ***3. Comprehensive View of AltaMed's Growth and Impact***

The years 2019 to 2024 capture a significant period of growth and strategic initiatives at AltaMed. During this time, the organization has made investments in new facilities, technologies, and programs designed to expand access to care, improve health outcomes, and address the evolving needs of its patient population. Including this time period ensures that the report captures the full scope of AltaMed's investments in both health care services and infrastructure.

By examining data over this five-year period, we can also analyze trends in employment, payroll, operational spending, patient spending, and community programs, providing a clear view of how AltaMed's contributions have grown and adapted to meet the demands of the community.

### ***4. Alignment with Reporting and Tax Filings***

The time period from 2020 to 2024 aligns with the fiscal years and tax filings available to AltaMed for data analysis. The availability of accurate, audited financial records, tax documents, and internal reports for these years allows for a robust and reliable economic impact assessment. Using this period ensures consistency with AltaMed's financial and operational reporting cycles, providing a sound foundation for the economic impact data.

### ***5. Balancing Short-Term and Long-Term Economic Effects***

Lastly, the selected period of 2020 to 2024 strikes a balance between capturing short-term economic effects, such as those seen in 2020 and 2021 due to the pandemic, and long-term outcomes, such as sustained economic growth, employment creation, and health care improvements, experienced from 2022 to 2024 as the economy and health care system adjusted and grew. This approach allows the report to reflect not only immediate impacts but also the lasting effects of AltaMed's contributions to the community's health and economic well-being.

By selecting the period from 2020 to 2024, this report offers a thorough and balanced analysis of AltaMed's economic impact, capturing both the challenges faced during the pandemic and the subsequent recovery, as well as providing insights into long-term trends in community health, economic activity, and workforce development.



## DIRECT IMPACT OF ALTAMED HEALTH SERVICES

The direct impacts of AltaMed Health Services are the immediate and tangible economic contributions that the organization makes to the local economy. These impacts are a result of AltaMed's operations, including the creation of jobs, the payment of wages, and the expenditures related to running its health care centers. By providing vital health care services, AltaMed not only improves the health of the community but also plays a significant role in stimulating economic activity in the region.

### Defining Direct Impact

#### EMPLOYMENT AND JOB CREATION

One of the most significant direct economic impacts of AltaMed is the jobs it creates. As one of the largest health care providers in Southern California, AltaMed employs thousands of people, including doctors, nurses, medical technicians, administrative staff, and support personnel. These positions, which span a range of skill levels and expertise, provide stable, well-compensated jobs to individuals in the community.

AltaMed's health centers are located in areas where health care employment opportunities may be limited, making its presence particularly important. By employing a diverse workforce, AltaMed helps reduce unemployment and provides career opportunities in both health care and non-medical fields. In addition, AltaMed's hiring practices contribute to workforce development by offering training programs, internships, and educational opportunities to help employees advance in their careers.

#### WAGES AND SALARIES

AltaMed's economic impact extends beyond job creation through the wages and salaries it pays its employees. The compensation provided to AltaMed's workforce supports local economies by increasing the purchasing power of households in the region. AltaMed's employees spend their wages on goods and services, ranging from food and housing to transportation and health care products, which in turn supports other local businesses.

The salaries paid by AltaMed help bolster the economic stability of families and individuals, allowing them to participate fully in the local economy. Additionally, AltaMed offers competitive benefits, including health insurance, retirement plans, and paid leave, which provide employees with greater economic security and increase their overall financial well-being.

### EXPENDITURES ON HEALTH CARE SERVICES AND OPERATIONS

AltaMed generates direct economic impacts through its expenditures on health care services, supplies, equipment, and facility operations. As a health care provider, AltaMed requires a wide range of medical equipment, pharmaceuticals, and technology to ensure it can provide quality care. These expenditures support local vendors, manufacturers, and service providers, further stimulating the regional economy.

AltaMed invests in the maintenance and development of its health care facilities, including rent, utilities, property maintenance, and construction. These expenses help support local contractors and service providers, generating further economic activity in the community. The ongoing operation of AltaMed's health centers requires the procurement of office supplies, IT services, and various administrative functions, all of which contribute to the local economy.

### MEDICAL SUPPLY AND TECHNOLOGY INVESTMENTS

AltaMed's commitment to providing high-quality care involves continuous investment in medical supplies, technologies, and health care infrastructure. From purchasing medical equipment, such as diagnostic tools and laboratory instruments, to investing in IT systems that enhance patient care and streamline operations, AltaMed's spending on health care technology and supplies generates significant direct economic activity.

By sourcing many of these supplies and services locally, AltaMed helps sustain regional suppliers and businesses. For instance, local vendors who provide AltaMed with medical products and equipment benefit from the clinic's demand, which can lead to the creation of additional jobs and growth in the local supply chain.

### FACILITY OPERATIONS AND EXPANSION

AltaMed's ongoing investment in its health care facilities is another key direct impact. The organization has expanded its reach by opening new health centers and improving existing facilities to meet the growing health care needs of the community. These investments contribute to the local economy through construction projects, the hiring of contractors and construction workers, and ongoing facility maintenance.

The ongoing operation of AltaMed's facilities also requires the employment of a variety of support staff, such as janitorial services, security personnel, and maintenance workers, further contributing to local job creation and economic activity. The presence of AltaMed health centers in underserved areas also leads to the development and improvement of local infrastructure, benefiting the broader community.

### CAPITAL INVESTMENTS AND HEALTH INFRASTRUCTURE DEVELOPMENT

AltaMed's capital investments in health care infrastructure, such as the construction of new health centers or the renovation of existing spaces, bring additional direct economic benefits. These capital projects often involve large-scale investments in construction, architecture, engineering, and interior design. Local contractors, laborers, and construction firms are employed in these projects, which inject capital into the regional economy. Moreover, the long-term operation of these facilities requires ongoing investments in technology upgrades, medical equipment, and facility improvements, which further bolster the economic stability of the region.

### SUMMARY OF DIRECT IMPACTS

The direct impacts of AltaMed Health Services are multifaceted and substantial. The organization creates a significant number of jobs, provides competitive wages, and stimulates the local economy through its expenditures on health care services, supplies, and facility operations. Through its employment practices and investments

in infrastructure, AltaMed strengthens the economic fabric of the communities it serves, providing individuals with stable employment and a reliable source of income.

Moreover, AltaMed's continued expansion and investment in health care infrastructure offer long-term economic benefits, ensuring that both health care and local businesses can thrive in tandem. By combining health care delivery with economic growth, AltaMed plays a critical role in both improving public health and fostering economic prosperity.

## Results from Analysis of AltaMed's Direct Economic Impact

### TOTAL OPERATING EXPENSES

As one of the largest community health systems in California, AltaMed generates significant direct economic activity through its annual operations. These direct impacts reflect the immediate economic contributions AltaMed makes via expenditures on salaries, supplies, services, and operational infrastructure. Total operating expenses represent the most comprehensive measure of this activity, capturing the full scope of resources deployed to deliver care and sustain system-wide functions. By analyzing these expenditures, we can quantify AltaMed's role as a major economic engine, supporting jobs, generating local business activity, and delivering sustained investment across the regions it serves. These total operating expenses are the most transparent indicator of AltaMed's direct economic impact.

**Figure 3.1 AltaMed Total Operating Expenses by Year**

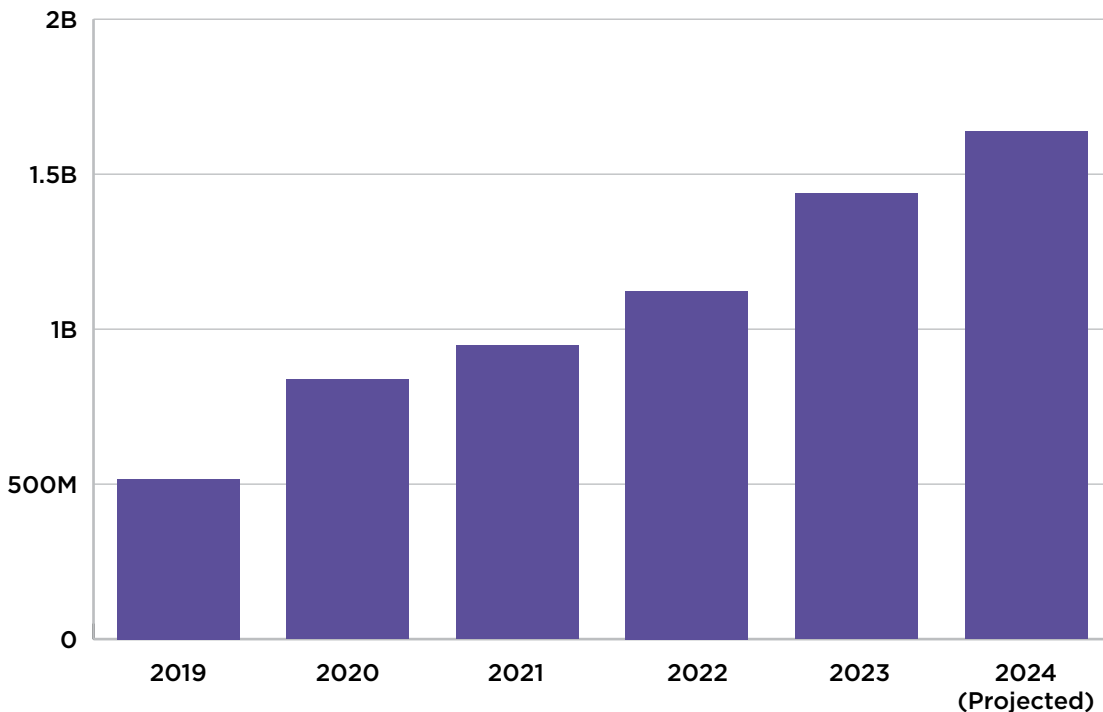


Figure 3.1 presents AltaMed's total operating expenses from 2019 through 2024. It is important to note that data for 2024 was incomplete at the time of analysis. As a result, the authors projected the total operating expenses for 2024 based on year-to-date actuals (through September 30, 2024) and historical year-over-year growth patterns.

AltaMed's operating expenses grew significantly over the six-year period, increasing from \$516.8 million in 2019 to a projected \$1.64 billion in 2024. This represents a compound annual growth rate (CAGR) of approximately 23 percent, underscoring the organization's rapid scale-up in response to both long-term strategic goals and short-term public health demands, including the COVID-19 pandemic.



A major inflection point occurred between 2019 and 2020, when expenses surged by over 62 percent, corresponding with AltaMed's emergency response to the pandemic, expanded service delivery, and federal funding support. This level of growth, while exceptional during the early COVID years, maintained momentum in the following years as the organization invested in permanent infrastructure, staffing, and expanded clinical services.

By 2022, total operating expenses crossed the \$1 billion mark, signaling AltaMed's entry into a new tier of economic influence within the health care ecosystem of Southern California. The 2023 figure (\$1.44 billion) further reinforced this upward trajectory, reflecting expanded access points, service lines, and operational capacity.

The projected 2024 figure of \$1.64 billion suggests continued expansion, though at a slightly moderated pace (approximately 14 percent growth from 2023). If realized, this would mark a more than threefold increase in total operating expenditures over six years. This spending directly supports thousands of jobs, drives procurement with local vendors and suppliers, and funds the provision of critical care to underserved populations.

In the context of an economic impact analysis, these operating expenses represent direct economic inputs. They provide the foundation for quantifying AltaMed's broader regional economic contributions—supporting local employment, generating tax revenue, and stimulating indirect and induced economic activity across sectors such as real estate, food services, medical equipment, and information technology.

AltaMed's consistent investment in operations not only reflects organizational growth, but also a strategic commitment to economic resilience and public health infrastructure in the communities it serves.

### **ECONOMIC IMPACT OF ALTAMED'S CORPORATE INCOME TAX CONTRIBUTIONS (2019-2024)**

AltaMed's corporate income tax payments, both federal and state, represent a significant economic output stemming from its operational success and growing scale. While corporate taxes are traditionally viewed as a financial obligation, from an economic impact perspective, they also reflect AltaMed's increasing role in contributing to the broader fiscal infrastructure that supports public services and social investment.

Between 2019 and 2024, AltaMed's total corporate income taxes rose dramatically, from just under \$139,000 in 2019 to over \$5.3 million in 2024 (projected). This nearly 39-fold increase signals substantial growth in net income and business scale over the period. The largest jump occurred between 2020 and 2021, when consolidated taxes rose from \$730,328 to over \$3.2 million, paralleling significant increases in operating revenues and the post-pandemic recovery.

From an economic impact standpoint, these tax payments contribute to the community by:

- 1. Fiscal Contribution to Public Services:** Corporate income taxes help finance federal and state programs, including those in health care, education, infrastructure, and social services. Given AltaMed's mission and service population, some portion of this tax revenue likely cycles back into Medicaid, Medicare, and public health systems, indirectly benefiting AltaMed's patients and the communities it serves.
- 2. Indicator of Profit-Driven Economic Activity:** Because corporate taxes are tied to net income, these figures reflect AltaMed's increasing efficiency and revenue generation. This signals a strong and sustainable business model, which underpins jobs, vendor payments, and capital investments that have broader local and regional economic benefits.

3. Complement to Multiplier Effects: While taxes themselves represent a leakage from the direct local economic cycle, their reinvestment by government bodies can have secondary multiplier effects, especially if spent locally. For instance, tax-funded public health programs or infrastructure projects can further stimulate demand for services and labor, indirectly amplifying AltaMed's initial economic footprint.

By 2023, AltaMed's combined tax payments exceeded \$9.3 million, and even with a projected dip to \$5.36 million in 2024, the cumulative six-year total surpasses \$22.6 million. These figures, while modest relative to total operating expenses, are a meaningful indicator of AltaMed's economic maturity and its evolving role not just as a health care provider but as a fiscal contributor to the broader economy. This data also adds context to the multipliers applied in a subsequent section.

### CAPITAL PROJECTS AS DIRECT ECONOMIC INPUTS

Capital projects play a key role in the direct economic impacts of an organization like AltaMed by representing substantial, upfront investments that immediately inject money into the local and regional economy. Here's how they fit into direct impacts:

Capital projects, such as the construction of new clinics, renovation of facilities, or investment in equipment and infrastructure are considered direct impacts because they involve direct expenditures by AltaMed that support:

- ▶ **Construction and related industries** (e.g., laborers, architects, engineers, contractors, suppliers)
- ▶ **Material purchases** (e.g., building materials, medical equipment, IT systems)
- ▶ **Professional services** (e.g., design, permitting, compliance, legal)

These activities generate employment, increase demand for goods and services, and result in immediate payments to workers and vendors, which are all core to direct economic impact. These investments are non-operational but nonetheless foundational to enabling and sustaining future service expansion, patient access, and institutional capacity.

**Table 3.1 AltaMed Capital Projects**

Year	2019	2020	2021	2022	2023	2024
<b>Capital Projects Budgeted</b>	\$166,787,826	\$17,768,132	\$29,690,922	\$44,182,347	\$42,254,767	\$50,436,130
<b>Capital Projects Spent</b>	\$58,135,239	\$50,013,885	\$51,766,094	\$25,487,021	\$68,178,588	\$75,759,000
<b>Capital Projects Count</b>	30	30	20	39	42	NA

The data on AltaMed's capital projects shows the following trends:

1. **Significant Drop in 2020:** Budgeted capital projects decreased sharply from \$166.79 million in 2019 to \$17.77 million in 2020, likely due to the impacts of the COVID-19 pandemic.
2. **Recovery and Growth:** After 2020, the budgeted amounts gradually increased, reaching \$50.44 million in 2024 (projected). Similarly, actual spending on capital projects also grew, with a high of \$75.76 million projected for 2024.

- 3. Increasing Project Count:** The number of projects started to rise after 2020, growing from 20 projects in 2021 to 42 projects in 2023. This suggests a focus on completing more projects, possibly with smaller budgets.

Overall, the data reflects a significant decline in capital project funding in 2020, followed by a steady recovery and increase in both project spending and the number of projects in the subsequent years. This analysis of capital projects and the prior analysis on AltaMed's corporate taxes provide enough context to select a multiplier.

The analysis of direct impacts reveals the significant and growing scale of AltaMed's core economic contribution. From 2019 to 2024, AltaMed's operating expenses alone totaled over \$6.5 billion, reflecting substantial investments in staffing, facilities, medical supplies, and services necessary to deliver comprehensive care across its more than 70 locations. This direct spending not only supports AltaMed's internal operations but also serves as the foundation for broader economic ripple effects measured in the indirect and induced impact analyses. The consistent year-over-year growth in direct expenditures, from \$516.8 million in 2019 to a projected \$1.64 billion in 2024, highlights AltaMed's expanding role in both the regional health care system and the local economy. These direct impacts demonstrate AltaMed's critical presence as one of the largest health care employers and service providers in Southern California.



## INDIRECT IMPACT OF ALTAMED HEALTH SERVICES

The indirect impacts of AltaMed Health Services refer to the economic effects generated by the organization's purchases and business transactions with external vendors, suppliers, and contractors. While these impacts are not directly attributable to AltaMed's operations, they stem from the economic activity created by AltaMed's demand for goods and services. AltaMed's operational expenditures on medical supplies, pharmaceuticals, technology, construction, and maintenance create a ripple effect of economic activity throughout the local supply chain and the broader regional economy.

### Defining Indirect Impact

#### SUPPLY CHAIN SPENDING

One of the key drivers of indirect economic impacts is AltaMed's spending on goods and services that support its health care operations. These include purchases of medical supplies, office supplies, equipment, technology, pharmaceuticals, and other essential items. By purchasing these goods and services, AltaMed supports a wide range of businesses in the local and regional economy.

AltaMed's demand for medical products, such as diagnostic tools, surgical instruments, and pharmaceuticals, provides a stable income for suppliers and manufacturers. Local businesses that provide AltaMed with goods and services benefit from consistent contracts, which can lead to expansion, hiring additional employees, and reinvestment into the community.

In addition to medical supplies, AltaMed also purchases administrative products, IT services, and office equipment, which contributes to the growth and sustainability of local vendors. By working with a variety of suppliers, AltaMed helps fuel the growth of businesses across different sectors, including technology, construction, and manufacturing.

#### VENDOR RELATIONSHIPS AND LOCAL BUSINESS GROWTH

AltaMed's ongoing relationships with its vendors and suppliers are crucial to the local economy. The health care center relies on a wide network of local businesses for services ranging from cleaning and security to maintenance and IT support. These vendors, in turn, contribute to the local economy by creating jobs, increasing spending, and driving demand for other local services.



For example, AltaMed's partnerships with local construction companies, technology firms, and maintenance providers stimulate growth in sectors that serve not only the health care industry but also a broader range of businesses. When AltaMed invests in new facilities, renovations, or infrastructure upgrades, local construction companies and contractors are hired to carry out the work, supporting jobs in the construction sector.

Local IT companies that provide software, hardware, and technical support for AltaMed also benefit from consistent business contracts, allowing them to expand their services and workforce. These vendor relationships help keep dollars circulating within the regional economy, promoting long-term economic health.

### **BUSINESS-TO-BUSINESS TRANSACTIONS**

AltaMed's economic activity generates a ripple effect throughout the local economy by stimulating business-to-business (B2B) transactions. Vendors, suppliers, and contractors that provide services to AltaMed often turn around and spend their earnings on other local goods and services. This interdependence between businesses helps stimulate a continuous cycle of economic activity that benefits the region as a whole.

For instance, when a medical supply company sells products to AltaMed, it uses the revenue to pay its employees, invest in new technology, or purchase raw materials from other local businesses. This creates a multiplier effect where AltaMed's initial spending flows through the local economy, generating additional income, jobs, and demand for goods and services.

### **LOCAL SERVICE PROVIDERS AND CONTRACTORS**

AltaMed relies on a range of local service providers to maintain its health care facilities and operations. This includes janitorial services, landscaping, security, waste management, and facility maintenance. AltaMed's need for these services supports local businesses in the service sector and helps to create additional employment opportunities for individuals in the community.

For example, when AltaMed hires local maintenance companies to repair or upgrade its facilities, these companies, in turn, hire laborers, purchase materials, and invest in their own operations. Similarly, when AltaMed contracts with local cleaning services, those businesses employ workers and purchase supplies locally, further stimulating the economy.

### **CONTRACTED SERVICES AND CONSULTANTS**

In addition to its core health care services, AltaMed may also engage contractors and consultants for specialized needs, such as legal services, accounting, marketing, and human resources. These professional services contribute to the broader local economy by creating demand for specialized expertise and supporting jobs in those industries. For example, a local law firm that provides legal counsel to AltaMed may hire more staff or invest in expanding its office space as a result of the steady business.

By working with local professionals and consultants, AltaMed strengthens the regional service economy and helps drive demand for expertise in a wide range of fields.

The indirect impacts of AltaMed's operations are a vital aspect of its broader economic contribution. Through its purchases of goods and services, AltaMed stimulates a wide range of industries, from construction and technology to health care supplies and professional services. These interactions with local vendors and suppliers help foster economic growth by creating jobs, promoting business expansion, and increasing demand for goods and services across the region.

Moreover, AltaMed's commitment to working with local and minority-owned businesses further strengthens the economic fabric of the community. These indirect economic impacts highlight how AltaMed's presence in the region extends well beyond the walls of its health care facilities, benefiting businesses and individuals throughout the local economy.

### Results from Analysis of AltaMed's Indirect Economic Impact

#### SELECTING AND APPLYING ECONOMIC MULTIPLIERS

To fully understand AltaMed's contribution to the broader economy, we apply standard economic multipliers to its annual operating expenses. Economic multipliers capture the ripple effects of organizational spending in the regional economy, how direct expenditures generate further economic activity through business-to-business transactions (indirect impacts) and through household spending by employees and contractors (induced impacts). Based on regional health care sector multipliers from the U.S. Bureau of Economic Analysis and IMPLAN data for Southern California, each dollar of health sector spending typically generates between \$1.50 and \$1.90 in total economic activity.

**Applying a conservative multiplier of 1.6 to AltaMed's projected 2024 operating expenses (\$1.64 billion), the estimated total economic output supported by AltaMed would exceed \$2.6 billion annually over the last 5 years.**

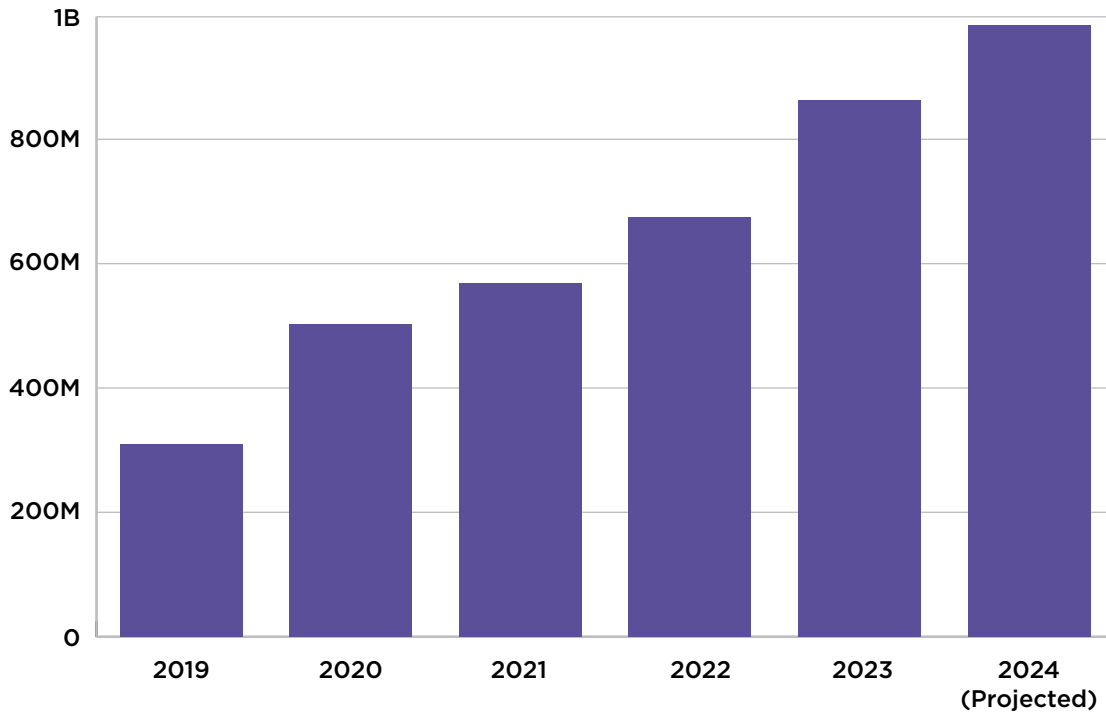
Operating expenses support significant employment effects. With over 4,000 employees and extensive vendor relationships, AltaMed's operations are estimated to sustain between 10,000 and 12,000 full-time equivalent jobs regionally when considering both direct and multiplier-based impacts.

Tax impacts are another essential dimension of economic contribution. Between 2019 and 2024, AltaMed's corporate income tax payments, both federal and state, grew dramatically. In 2019, the organization paid just under \$139,000 in total income taxes. By 2023, that figure had risen to \$9.39 million, and in 2024, taxes are projected to reach \$5.36 million. These increases reflect not only rising net income but also AltaMed's growing role as a tax contributor to both state and federal governments.

While corporate income taxes are a relatively small share of the total economic footprint, they represent a concrete fiscal return to public entities that can be reinvested into infrastructure, health services, education, and other essential public goods. Additionally, taxes generated indirectly through payroll, vendor profits, and household income (including sales and property taxes) further expand the public revenue implications of AltaMed's operations. The following section will take a closer look at yearly indirect economic impact.

#### YEARLY INDIRECT ECONOMIC IMPACT

The following analysis examines the indirect economic impact generated by AltaMed through its operational spending from 2019 to 2024. Using a conservative industry-standard multiplier of 0.6, this assessment estimates the ripple effects AltaMed has on the broader economy—particularly through its expenditures on goods, services, and contracted support across sectors. These impacts represent the secondary economic activity stimulated by AltaMed's presence, beyond its direct employment and service delivery.

**Figure 4.1 AltaMed Indirect Economic Impact by Year**

The indirect economic impact of AltaMed, derived using a multiplier of 0.6 on total operating expenses, shows a consistent and significant upward trend between 2019 and 2024. In 2019, the indirect impact stood at approximately \$310 million, and by 2024 (projected), it is expected to exceed \$982 million, more than tripling over the six-year period. This growth reflects both AltaMed's expanding operational scale and its increasing engagement with local and regional suppliers, contractors, and service providers. The sharpest year-over-year increases occurred between 2019-2020 (a jump of \$193 million) and 2022-2023 (an increase of nearly \$188 million), suggesting substantial organizational investment and regional economic stimulation during those periods.

Table 4.1 Yearly Indirect and Direct Economic Impact			
Year	Total Operating Expenses	Indirect Economic Impact ( $\times 0.6$ )	Direct + Indirect Impact
2019	\$516,803,809	\$310,082,285	\$826,886,094
2020	\$838,467,806	\$503,080,684	\$1,341,548,490
2021	\$948,499,293	\$569,099,576	\$1,517,598,869
2022	\$1,123,385,972	\$674,031,583	\$1,797,417,555
2023	\$1,437,483,828	\$862,490,297	\$2,299,974,125
2024 (Proj.)	\$1,638,090,970	\$982,854,582	\$2,620,945,552
<b>Total</b>	<b>\$4,864,640,708</b>	<b>\$2,918,784,425</b>	<b>\$7,783,425,133</b>

- ▶ **Total Indirect Impact (2019-2024):** Approximately \$3.9 billion of additional economic activity spurred through AltaMed's purchasing and external service contracting.
- ▶ **Total Direct + Indirect Impact:** AltaMed's cumulative economic contribution over the six-year period exceeds \$10.4 billion, a compelling indicator of its importance to the health care economy and surrounding regional ecosystems.
- ▶ **Growth Trend:** The rising indirect impacts over time mirror AltaMed's strategic growth in operations, infrastructure, and staffing, showing that its economic reach has deepened alongside service expansion.

This integrated analysis positions AltaMed not only as a major health care provider but also as a dynamic economic engine, supporting thousands of jobs and billions of dollars in output across Southern California. When these factors are considered together—direct expenditures, multiplier effects, and tax generation—AltaMed's role in the Southern California economy becomes not only that of a health care provider, but also a substantial economic engine with deep and measurable regional impacts. The following sections examine AltaMed's induced economic impact and the how the region benefits economically from the health care AltaMed provides.



## INDUCED IMPACT OF ALTAMED HEALTH SERVICES

The induced impacts of AltaMed Health Services refer to the economic effects that arise from the spending of wages earned by AltaMed's employees, as well as the employees of its vendors, suppliers, and contractors. When these individuals spend their earnings on goods and services in the local economy, it generates additional demand for businesses, leading to further economic activity and growth. Induced impacts play a critical role in sustaining the economic vibrancy of the communities AltaMed serves by contributing to local consumer demand and supporting various sectors of the economy.

### Defining Induced Impact

#### EMPLOYEE SPENDING AND LOCAL CONSUMER DEMAND

AltaMed's employees, who are paid competitive wages, spend a portion of their earnings on everyday goods and services, ranging from housing and groceries to entertainment and health care. This spending generates economic activity across a broad spectrum of local industries and businesses, creating a ripple effect that supports the region's overall economic health.

For example, employees of AltaMed and its vendors who earn wages use their income to purchase food from local grocery stores, shop at nearby retail outlets, pay rent or mortgages to landlords in the community, and patronize restaurants, cafes, and other service providers. This type of consumption helps drive demand for products and services, which in turn supports local businesses and generates more economic output.

The increased demand for goods and services due to employee spending creates a cycle of economic growth, with businesses hiring additional workers, expanding their operations, and reinvesting in their local communities. This cycle ultimately boosts the overall economic vitality of the region.

#### HOUSING AND REAL ESTATE MARKET IMPACT

Employee spending also extends to the housing and real estate markets. AltaMed's workforce and the employees of its vendors, contractors, and suppliers pay rent or purchase homes in the local area, contributing to the demand for residential properties. This demand supports local real estate agents, property managers, landlords, and mortgage brokers, stimulating further economic activity in the housing sector.

The presence of stable, well-paid employees in the region helps stabilize housing prices, ensuring that the local real estate market remains active and vibrant. Whether employees

rent apartments or purchase homes, their participation in the housing market provides a steady source of income for local property owners and helps maintain the economic stability of the area.

### CONSUMER SPENDING IN RETAIL AND SERVICE SECTORS

AltaMed's employees spend money in other sectors of the local economy, such as retail, transportation, entertainment, and health care services. This consumer spending helps support a wide variety of local businesses, from clothing stores and grocery chains to fitness centers and health care providers.

For example, when AltaMed staff members buy clothing, electronics, or household items, the retailers they patronize benefit from increased sales. Likewise, when employees use local transportation services, buy gas, or pay for parking, they contribute to the economic health of the local transportation sector.

Spending on entertainment and leisure activities also boosts the economy, with local cinemas, restaurants, amusement parks, and other recreational facilities benefitting from increased consumer demand. These spending patterns contribute to job creation and help sustain a vibrant local economy.

### SUPPORT FOR LOCAL EDUCATION AND CHILDCARE PROVIDERS

AltaMed employees also contribute to the local education and childcare sectors. Many employees with families pay for tuition, extracurricular activities, and childcare services, generating income for schools, daycare centers, and private tutors. This spending helps to support educational institutions, improve the quality of education, and provide local children with access to essential learning opportunities.

Education and childcare providers may hire additional staff to accommodate the needs of working families, creating new job opportunities in these sectors. In this way, AltaMed's workforce indirectly supports and stimulates employment in the local education and childcare markets.

### ECONOMIC IMPACT OF INDUCED SPENDING BY VENDOR EMPLOYEES

The spending by employees of AltaMed's vendors, suppliers, and contractors also generates induced impacts in the local economy. Vendors and suppliers who sell goods and services to AltaMed pay their own employees, who then spend their earnings in the local area. This spending supports additional businesses in the region and contributes to overall economic growth.

For example, employees of companies that supply AltaMed with medical equipment, construction materials, or technology services use their wages to purchase goods and services in the local economy. These businesses, in turn, support other sectors, such as transportation, hospitality, and health care, creating a broader web of economic activity.

### INDUCED IMPACT ON LOCAL TAX REVENUES

Induced spending also has a significant effect on local tax revenues. As employees spend their wages on goods and services, they contribute to sales taxes and other local taxes, which help fund public services and infrastructure. The increased consumer spending within the local economy leads to higher tax revenue for municipalities, which can be reinvested in community development, public schools, road improvements, and other essential services.

Additionally, the income taxes paid by AltaMed employees and those of its vendors contribute to state and federal government revenue, helping to fund public programs and social services. This tax revenue supports the local and regional economy, reinforcing the long-term sustainability of public services that benefit the entire community.



## SUMMARY OF INDUCED IMPACTS

The induced impacts of AltaMed's operations extend well beyond the organization's direct spending and include the broader economic effects of employee wages spent in the local community. The spending patterns of AltaMed's employees, as well as those of its vendors and contractors, generate increased demand for local goods and services, which supports local businesses and leads to job creation across various sectors.

From retail and housing to education and transportation, induced impacts create a cycle of economic activity that benefits the entire community. This spending drives consumer demand, promotes business growth, and contributes to the overall economic health of the region. Ultimately, the induced impacts of AltaMed's operations help sustain the vitality of the local economy and enhance the quality of life for the community.

## RESULTS FROM ANALYSIS OF ALTAMED'S INDUCED ECONOMIC IMPACT

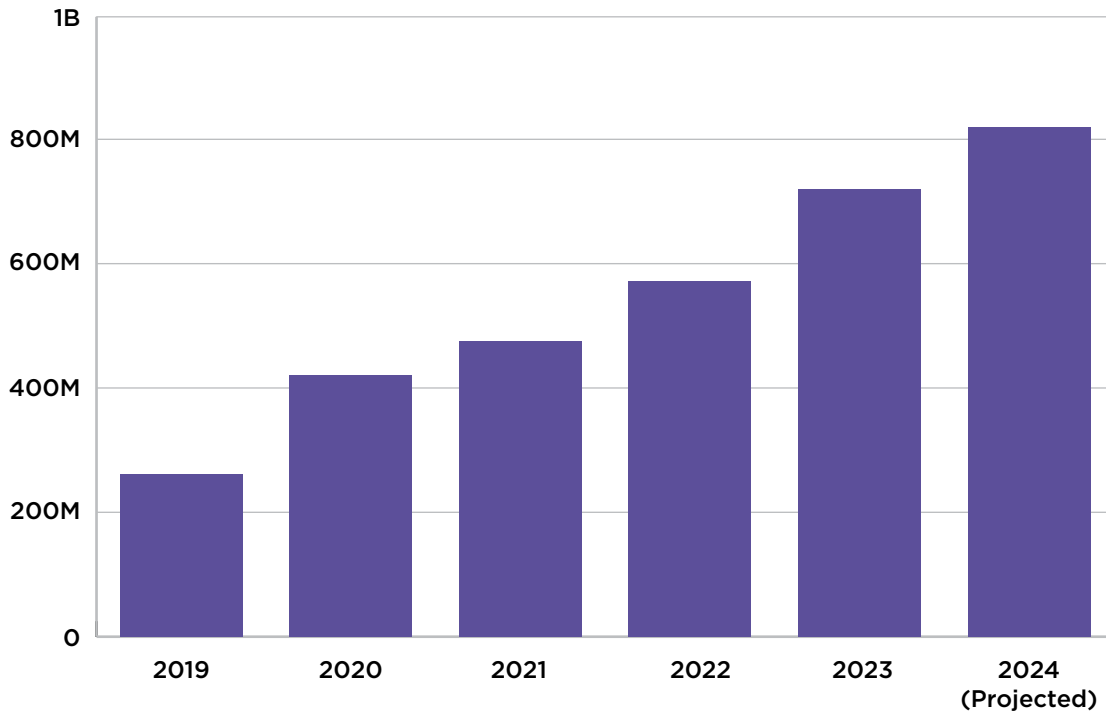
To complete the picture of AltaMed's full economic impact, we now include induced effects, which capture the ripple effects from employee wages being spent in the broader economy (e.g., housing, food, retail, transportation). These are the household-level economic benefits that result from both AltaMed's own payroll and the payroll of organizations in its supply chain.

### Assumptions for Induced Impact

- ▶ We continue to use a standard economic impact model in which:
  - Indirect effect multiplier = 0.6 (already applied).
  - Induced effect multiplier = 0.5 of the direct effect (a conservative standard used in health care economic modeling).
- ▶ This means for every \$1 spent on operating costs, an additional \$0.50 is generated in household spending effects (wages spent by employees and vendors).

## ALTAMED'S INDUCED IMPACT BY YEAR

Figure 5.1 outlines the annual induced economic impact of AltaMed from 2019 through a projected 2024. Induced impact measures the ripple effect generated when employees, contractors, and others whose income is supported by AltaMed's direct and indirect activities spend their earnings in the broader economy — on housing, food, education, transportation, and other goods and services.

**Figure 5.1 AltaMed Induced Impact by Year**

Over this six-year period, the induced impact more than tripled, growing from approximately \$258 million in 2019 to a projected \$819 million in 2024. This steady increase reflects AltaMed's expanding workforce, rising compensation levels, and overall growth in operations. As more individuals are employed or supported by AltaMed-related activities, their spending power boosts demand in local and regional economies.

Year-over-year growth is particularly strong between 2019 and 2020, with a 62% increase, suggesting a significant operational expansion or workforce investment during that time. While growth continues beyond 2020, it does so at a slightly more moderated pace, indicating steady but sustainable economic influence.

These trends affirm that AltaMed's economic footprint extends well beyond its immediate expenditures. The growing induced impact highlights AltaMed's role in supporting household incomes and fueling consumption-driven economic activity in surrounding communities. This component is a critical part of understanding the full scope of AltaMed's contribution to the regional economy.

Between 2019 and the projected figures for 2024, **AltaMed's operations generated a total induced economic impact of approximately \$3.25 billion.** This figure reflects the cumulative economic activity resulting from the household spending of employees and others whose income is tied directly or indirectly to AltaMed. It underscores the organization's substantial role in supporting broader community economies through consistent employment and investment in human capital.

#### **YEARLY INDUCED IMPACT COMPARED TO DIRECT AND INDIRECT IMPACT**

Table 5.1 presents a year-by-year breakdown of AltaMed's total economic impact, distinguishing between direct, indirect, and induced effects from 2019 through a projected 2024. Each category captures a different layer of economic influence, and together they illustrate the cumulative and growing contribution of AltaMed to the regional economy.

Table 5.1 Yearly Changes in Induced Impact

Year	Direct Impact	Indirect Impact	Induced Impact	Total
2019	\$516,803,809	\$310,082,285	\$258,401,905	\$1,085,287,999
2020	\$838,467,806	\$503,080,684	\$419,233,903	\$1,760,782,393
2021	\$948,499,293	\$569,099,576	\$474,249,647	\$1,991,848,516
2022	\$1,123,385,972	\$674,031,583	\$561,692,986	\$2,359,110,541
2023	\$1,437,483,828	\$862,490,297	\$718,741,914	\$3,018,716,039
2024 (Proj.)	\$1,638,090,970	\$982,854,582	\$819,045,485	\$3,440,991,037
<b>Total</b>	<b>\$6,502,731,678</b>	<b>\$3,901,639,007</b>	<b>\$3,251,366,840</b>	<b>\$13,655,737,525</b>

Between 2019 and 2024, direct impacts, primarily AltaMed's operating expenditures, more than tripled from \$516.8 million to an estimated \$1.64 billion. Indirect impacts, which stem from AltaMed's business-to-business purchases (e.g., for supplies, facilities, services), also grew steadily, from \$310 million in 2019 to nearly \$983 million in 2024. Induced impacts, which account for the ripple effects of employee and contractor household spending, expanded significantly as well, rising from \$258 million in 2019 to a projected \$819 million in 2024.

The total economic impact of AltaMed surged from just over \$1.08 billion in 2019 to a projected \$3.44 billion in 2024. Over the six-year period, AltaMed is estimated to have generated more than \$13.6 billion in combined economic activity. The data reflects not only robust year-over-year growth but also AltaMed's increasingly pivotal role as an economic engine across the communities it serves. This growth underscores AltaMed's capacity to drive sustained regional development, generate employment, and stimulate secondary economic activity well beyond the health sector.

### Summary of AltaMed's Induced Impact

- ▶ Total Economic Impact (2019-2024): When all effects are considered, AltaMed's cumulative economic footprint reaches over \$13.6 billion.
- ▶ Induced Impact (Household Spending): Nearly \$3.25 billion was injected into the regional economy through spending by AltaMed employees and those supported through indirect jobs.
- ▶ This expanded model confirms that AltaMed's economic influence extends deeply into the community, sustaining not only health care jobs and services, but also supporting retail, housing, food services, and more.



## ECONOMIC IMPACT OF THE HEALTH CARE SERVICES THAT ALTAMED PROVIDES

AltaMed Health Services has served as a cornerstone of community health in Southern California for over five decades, delivering high-quality, affordable health care to some of the region's most underserved populations. With a focus on culturally responsive care, AltaMed addresses the complex health needs of diverse communities, including low-income families, seniors, and immigrant populations. Its expansive network of clinics offers a wide range of services including primary care, pediatrics, women's health, psychological health, HIV treatment, and senior care. AltaMed is designed not only to treat illness but to foster long-term wellness and health equity for the entire community.

While AltaMed's value as a health care provider is well recognized, its role as an economic contributor to the communities it serves is equally profound. This section of the report aims to explore and quantify the economic impact of AltaMed's health care treatments, illustrating how access to quality care contributes to broader economic stability, mobility, and growth. The analysis presented here is based on quantitative insights from AltaMed's investments in health care to build a more comprehensive picture of AltaMed's influence beyond the walls of its clinics.

Health and the economy are deeply intertwined. When individuals have access to timely and effective medical care, they are more likely to lead productive lives, remain active in the workforce, care for their families, and contribute to the local economy. Preventive care and chronic disease management, both key pillars of AltaMed's services, play a central role in reducing health care costs over time. By helping patients manage conditions such as diabetes, hypertension, and asthma, AltaMed reduces avoidable emergency room visits, hospitalizations, and long-term complications while freeing up critical health care resources and saving millions in taxpayer-funded programs like Medi-Cal and Medicare. As this report will explore in greater detail, it is because of this focus on preventive care, that AltaMed's return on Investment (ROI) is so high.

Furthermore, by addressing health disparities and promoting equity, AltaMed indirectly boosts educational outcomes, reduces absenteeism, and enhances community resilience. Healthier children perform better in school; healthier adults can work more consistently and participate more fully in civic life. In this way, AltaMed's impact extends beyond the individual to touch nearly every dimension of community well-being and economic vitality.

## This report will delve into these themes by examining two key areas:

1. The cost savings to public and private health care systems.
2. The economic benefits of improved health outcomes driven by AltaMed's services.

This examination will highlight how community-based health care organizations like AltaMed are not just service providers, but are also strategic assets in building healthier, more prosperous, and more equitable communities.

## Economic Impact of Health Services

### COST SAVINGS THROUGH PREVENTIVE TREATMENT

One of the most measurable ways AltaMed impacts the local economy is by reducing health care costs through its emphasis on preventive care and effective chronic disease management. Preventable conditions such as diabetes, hypertension, asthma, and obesity account for a significant portion of health care spending in California, particularly among low-income and uninsured populations who often lack access to consistent, high-quality care. AltaMed's integrated model helps close that gap, offering early detection, routine screenings, and coordinated care that helps patients stay healthier and out of the emergency room.

By promoting preventive care, AltaMed reduces the frequency of high-cost interventions such as emergency room visits, inpatient stays, and advanced treatments for preventable complications. For example, a patient who receives regular diabetes management at AltaMed is far less likely to suffer from long-term complications such as kidney failure, vision loss, or amputations. These conditions not only diminish quality of life but require intensive and expensive treatments. Once these conditions cause these long-term complications, their lifetime economic productivity is often significantly impacted.

In addition to direct savings in treatment costs, AltaMed's approach helps public health programs like Medi-Cal and Medicare operate more efficiently. Studies show that investments in preventive care can generate a return of between \$2 and \$10 for every dollar spent<sup>1</sup>, by reducing the demand for high-cost services down the line. AltaMed's focus on care coordination, health education, and disease management contributes directly to this cost-effective model.

Furthermore, AltaMed's patient-centered approach ensures that services are culturally and linguistically appropriate, leading to higher rates of adherence to care plans and medication regimens. This increases treatment success rates, reduces complications, and ultimately lowers the total cost of care. With an expanding network of health centers across Southern California, the cumulative savings AltaMed delivers to the health care system, and by extension, to the local economy, is significant.

AltaMed's preventive and chronic care programs not only improve individual health outcomes, but they also ease financial pressure on hospitals, insurers, and taxpayers. These cost savings allow for the reallocation of resources to other critical community needs, amplifying the economic return of every dollar invested in accessible, community-based health care.

### IMPROVED WORKFORCE PRODUCTIVITY

Access to consistent, quality health care doesn't just reduce costs: it also enhances workforce productivity and participation, two key drivers of economic growth. AltaMed's

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<sup>1</sup> The estimates for ROI widely based on specific conditions being treated and the source doing the estimation. These analyses will serve as the foundation for AltaMed's economic impact from health treatment estimations in this report. Please see the Methodology section for a more complete explanation of these estimates and how/why they are factored into the economic impact report.

comprehensive health services help individuals manage their physical and mental health more effectively, enabling them to remain active in the workforce, reduce absenteeism, and maintain steady employment. This is especially critical in low-income communities, where even minor health issues can create major financial and occupational setbacks due to lack of paid leave, limited job flexibility, or gaps in insurance coverage.

By offering preventive care, early diagnosis, chronic disease management, and behavioral health support, AltaMed plays a vital role in reducing health-related disruptions in daily life and work. Patients who receive regular care are more likely to manage conditions such as diabetes, heart disease, depression, and anxiety. When left untreated, these issues can severely impair work performance or lead to job loss. AltaMed's ability to help patients stay healthy and manage these conditions improves their ability to maintain employment, support their families, and contribute productively to the local economy.

AltaMed supports parents and caregivers, whose health and well-being are critical to family stability. When caregivers are healthy, they are better equipped to remain employed, ensure their children attend school consistently, and contribute to their community's social and economic fabric. In this way, AltaMed's impact on productivity is intergenerational, improving not just individual livelihoods, but the long-term economic outlook for families and neighborhoods.

The link between health and economic participation becomes even clearer when considering mental and behavioral health. AltaMed's integrated behavioral health services, embedded in primary care settings, reduce the stigma and barriers often associated with seeking mental health treatment. By addressing depression, substance use disorders, and other behavioral health challenges early, AltaMed empowers individuals to remain engaged in work and daily responsibilities, further supporting workforce stability and resilience.

AltaMed's focus on whole-person care enhances the community's ability to participate fully in the economy. By promoting physical and mental well-being, the organization not only improves quality of life but also boosts the overall productivity, earning potential, and economic self-sufficiency of the population it serves.

### DEFINING RETURN ON INVESTMENT

Investing in AltaMed yields significant returns for the community, not only in health outcomes but also in measurable economic value. By providing accessible, preventive, and cost-effective health care, AltaMed helps reduce the need for expensive medical interventions, supports a healthier and more stable workforce, and contributes to broader economic participation and productivity. This section evaluates how AltaMed delivers a strong return on investment (ROI) for the community, public health systems, and the local economy.

### COST SAVINGS FROM REDUCED EMERGENCY AND HOSPITAL UTILIZATION

AltaMed's emphasis on preventive care and chronic disease management leads to a direct reduction in high-cost emergency department visits, hospital admissions, and avoidable complications. According to national studies, every dollar spent on preventive care can yield \$2 to \$10 in savings by reducing the need for costly acute care. AltaMed's integrated approach, combining primary care, behavioral health, health education, and case management, allows patients to receive timely interventions that address health issues before they escalate.

These savings extend beyond individual patients. By reducing reliance on emergency services, AltaMed alleviates pressure on public health infrastructure and taxpayer-funded programs like Medi-Cal and Medicare. In communities where a high percentage of patients rely on public insurance, this has a meaningful impact on government budgets and resource allocation.



### IMPROVED WORKFORCE HEALTH AND ECONOMIC PRODUCTIVITY

AltaMed's model also strengthens the economic productivity of the region. When people have access to regular, quality health care, they are more likely to remain employed, miss fewer days of work, and perform more effectively on the job. Workers managing chronic conditions with support from AltaMed are better able to contribute to their families and the local economy. Similarly, behavioral health support enhances mental wellness, reduces the risk of burnout, and improves long-term economic participation.

These benefits are especially significant in communities where untreated health conditions often result in job loss or underemployment. By keeping people healthier and working, AltaMed increases household income, reduces dependence on public assistance, and boosts local consumer spending, all critical components of community-wide economic growth.

### ECONOMIC MULTIPLIER THROUGH LOCAL REINVESTMENT

AltaMed's financial reinvestment in the local economy further amplifies its ROI. The aforementioned health and economic impact filters into local business activity through wages, operational spending, and infrastructure investment. These dollars circulate through the community, generating secondary economic activity and supporting small businesses, contractors, and vendors. The multiplier effect of this investment means that every dollar spent by AltaMed on health care has an extended impact, increasing economic activity well beyond the health sector.

### Calculating the ROI of AltaMed's Services

AltaMed delivers a comprehensive return on investment in three interconnected ways:

- ▶ Cost savings through reduced hospitalizations and emergency care,
- ▶ Workforce productivity by supporting healthier, more employable individuals, and
- ▶ Economic reinvestment through job creation and local spending.

In an era of rising health care costs and growing economic inequality, AltaMed demonstrates that community-based health care is not just a public good, but also a smart economic strategy. Sustained support for AltaMed means healthier residents, stronger families, and a more prosperous and equitable future for the region.

The report calculates AltaMed's ROI by using industry standard reports of ROI. Multiple governmental agencies and academic publications have done extensive analysis on the ROI of spending on health services<sup>2</sup>. Treatment ROI has been segmented based on condition diagnosis and type. AltaMed provided the authors of this report with the amount of money spent on each diagnosed condition (and on diagnosing conditions) for 10 possible groupings of conditions. The report uses the industry standard calculations of ROI to multiply the money spent by AltaMed to determine the ROI and economic impact of AltaMed's services. Whenever the ROI was listed as a range between two numbers, the average of those numbers was used as the multiplier.

There is reason to believe that the analysis in this section is conservative and underestimates the true economic impact of AltaMed's health services. For instance, the analysis used to calculate these multipliers was collected prior to present day (the studies were often from 2014 and 2015) and likely reflect lower values since the cost of economic productivity has increased relative to inflation. Additionally, some economic impact analyses include an additional multiplier for how this increased economic output resonates through communities. This report does not include the added multiplier. Finally, the ROI

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<sup>2</sup> In addition to multiple academic publications listed in the works cited, the primary sources of multipliers used in report include the National Institutes of Health (NIH) and the U.S. Preventive Services Task Force (USPSTF).

calculations are national averages and do not include the increased cost of productivity in Southern California.

## Results from Economic Impact of the Health Care Services that AltaMed Provides

### ALTAMED'S EXPANDING PATIENT BASE (2020-2024)

Between 2020 and 2024, AltaMed's expanding health care services translated into significant economic contributions to the communities it serves. The number of **unique patients increased from 465,146 to 647,749**, a nearly 40% rise that reflects not only higher health care access but also a broadening scope of economic value through job creation, reduced long-term care costs, and improved productivity.

### PUBLIC HEALTH INVESTMENT WITH HIGH ROI

- ▶ Medi-Cal patients, who made up the largest portion of AltaMed's population, grew by 63%, from 286,159 to 465,108. This segment represents a high-return public investment, as timely and coordinated care for low-income individuals reduces costly emergency room use, inpatient stays, and unmanaged chronic conditions. AltaMed's services here likely prevented hundreds of millions in avoidable health care expenditures.
- ▶ The growth of Medicare beneficiaries, from 12,384 to 26,205, signals rising demand for senior care. Providing high-touch, integrated care for aging populations reduces hospital readmissions, institutionalization, and long-term disability costs, improving both fiscal efficiency and quality of life.
- ▶ The Program of All-Inclusive Care for the Elderly (PACE) enrollment increased by 75%, from 3,365 to 5,899. PACE programs are proven to generate strong economic returns by keeping frail seniors out of nursing homes and in the community, reducing Medicaid and Medicare spending while maintaining better health outcomes.
- ▶ Serving nearly 90,000 uninsured or fee-for-service patients in 2024 represents a substantial safety-net contribution. Preventing advanced disease progression in this group reduces public burdens and prevents downstream costs from uncompensated care.

### ECONOMIC IMPACT BY DEMOGRAPHICS AND WORKFORCE PARTICIPATION

- ▶ Over 290,000 children and adolescents were served by 2024, highlighting long-term economic returns through healthier childhoods, fewer missed school days, and reduced caregiver strain.
- ▶ Adults ages 18-64, the core of the working-age population, received services in increasing numbers. AltaMed's impact here contributes to workforce stability by managing chronic pain, mental health, and preventable conditions that commonly result in missed work or disability claims. Improved employee health equates to greater labor productivity and reduced economic loss from absenteeism.
- ▶ Women's health, especially reproductive care, remains central. Over 344,000 women were served in 2024, many through preventive services that reduce maternal complications, unplanned pregnancies, and birth-related medical costs, each of which can carry high personal and societal economic burdens.

## COST AVOIDANCE THROUGH CHRONIC DISEASE AND BEHAVIORAL HEALTH MANAGEMENT

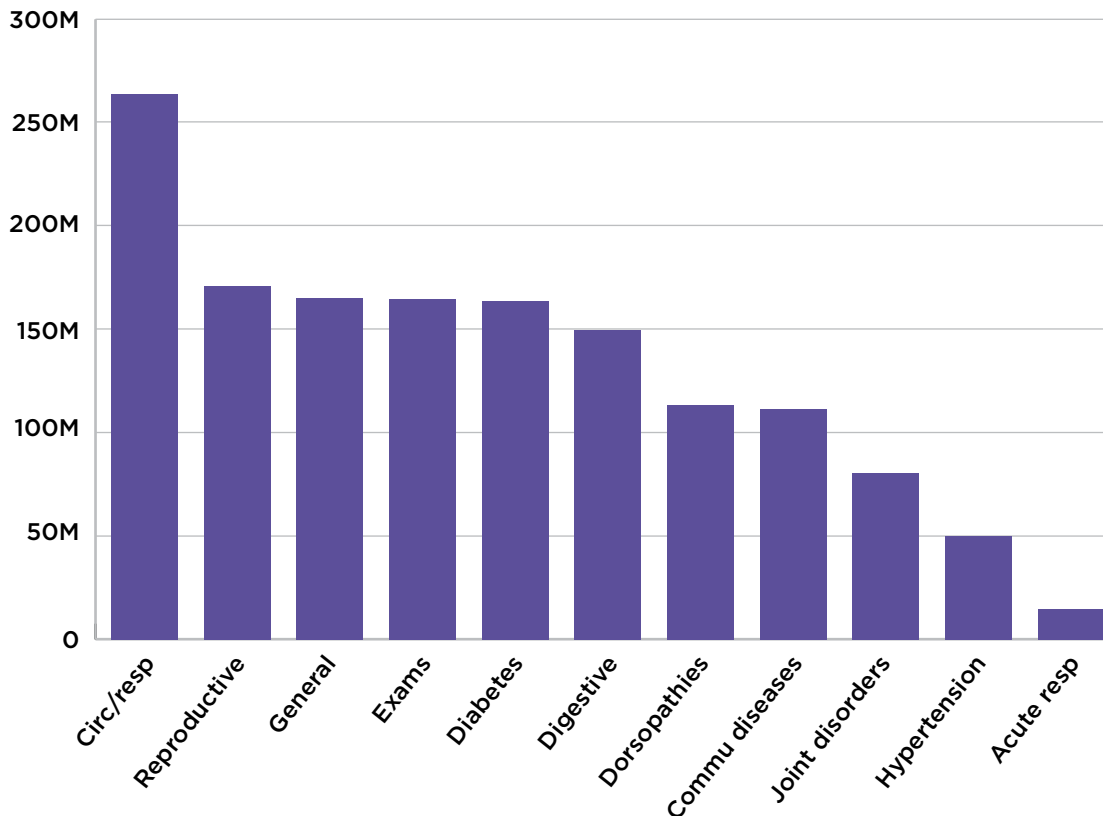
AltaMed's interventions in high-cost chronic and behavioral conditions offer measurable economic value:

- ▶ Diabetes, hypertension, and obesity cases grew significantly, reaching over 46,000, 59,000, and 65,000 respectively in 2024. Effective management of these conditions reduces risk of amputations, strokes, and kidney failure, all of which carry six-figure treatment costs and long-term economic implications.
- ▶ Mental health and substance use disorders, including depression, anxiety, and drug use, affected tens of thousands of patients. AltaMed's growing behavioral health services help mitigate costs tied to homelessness, unemployment, and criminal justice involvement.
- ▶ The management of chronic respiratory and cardiac conditions, including COPD and heart failure, helps prevent acute events that often result in costly hospitalizations. With over 26,000 patients impacted by chronic kidney disease alone by 2024, the savings from delayed dialysis or transplant requirements are substantial.

Overall, the data tells a clear story: AltaMed's expansion between 2020 and 2024 generated wide-ranging economic impacts, directly through service delivery and employment, and indirectly through cost avoidance, improved health outcomes, and increased community stability. By prioritizing preventive, comprehensive, and culturally aligned care, AltaMed reduces public expenditures, enhances workforce participation, and improves the economic health of the communities it serves.

## HEALTH IMPACT BY TREATMENT CATEGORY

To fully understand the economic value AltaMed delivers through its clinical care, it is important to examine the specific areas of treatment where its services generate the most substantial health-related savings and outcomes. The following analysis breaks down the total economic impact of AltaMed's health services by condition or treatment type, reflecting the cost savings associated with reduced hospitalizations, emergency visits, complications, and lost productivity. These figures demonstrate how targeted, community-based care, particularly in chronic disease management and preventive services, yields meaningful returns not only in individual health outcomes but in broader economic performance.

**Figure 6.1 AltaMed Total Health Impact by Treatment**

AltaMed's health services have delivered substantial economic impact across a range of treatment categories, with the highest returns seen in circulatory and respiratory care. These services, addressing conditions such as asthma, COPD, heart disease, and stroke prevention, generated over \$263 million in economic value by reducing emergency visits, hospitalizations, and long-term disability, particularly in underserved populations. Preventive and reproductive health services also proved to be powerful drivers of economic return, with a combined impact exceeding \$330 million.

Early interventions, including screenings and access to family planning, not only prevent more costly downstream complications but also yield long-term, intergenerational benefits for families and communities. Chronic disease management, particularly for diabetes (\$163 million) and hypertension (\$50 million) continues to produce major cost savings by preventing severe complications such as amputations, hospital admissions, and disability, contributing to a healthier, more productive population.

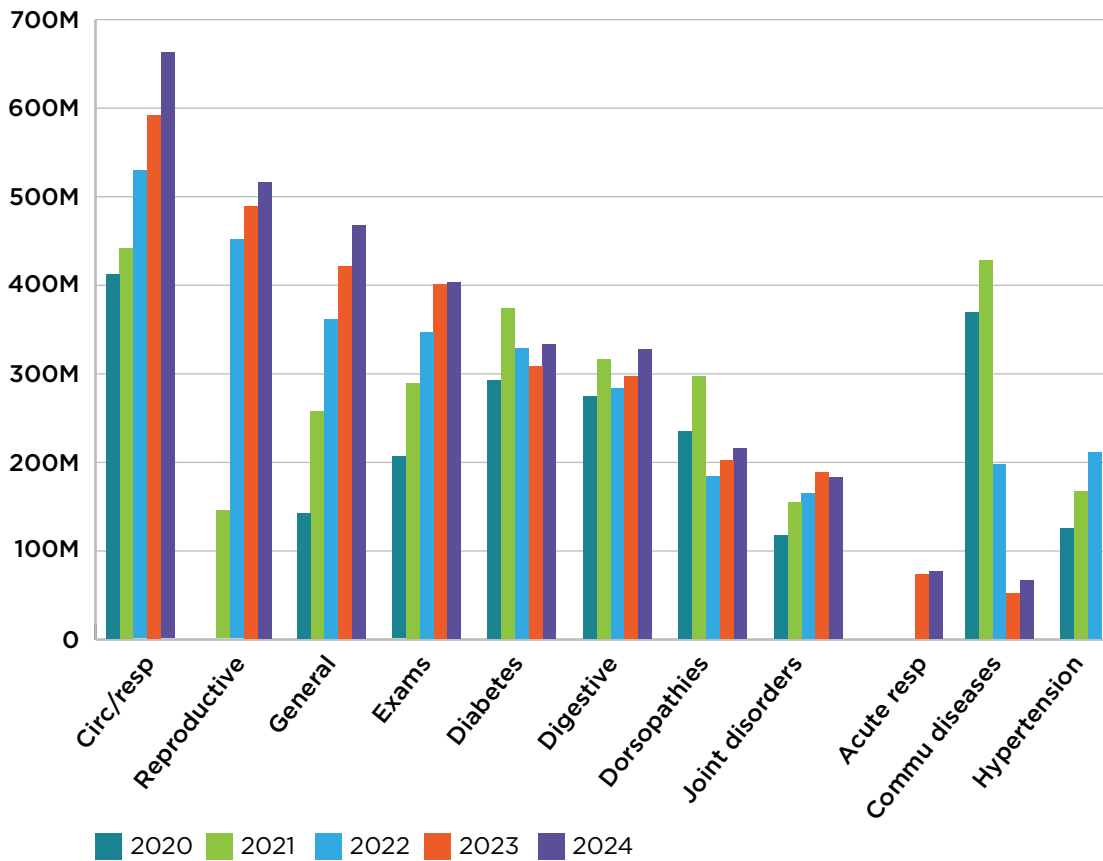
Musculoskeletal conditions, including back and joint disorders, added nearly \$194 million in value, underscoring the importance of mobility care and pain management in supporting workforce participation and reducing disability-related losses. Finally, while communicable and acute respiratory illnesses generated lower absolute values, their \$111 million impact illustrates AltaMed's critical role in public health through vaccinations, testing, and rapid treatment that help prevent costly disease outbreaks. Collectively, these impacts demonstrate the multifaceted economic value of AltaMed's integrated, preventive, and community-focused approach to health care.

#### **YEARLY HEALTH IMPACT BY TREATMENT CATEGORY (2020-2024)**

The following table outlines the annual economic impact of AltaMed's health services across key treatment areas over the five-year period from 2020 to 2024. These figures

reflect estimated cost savings and productivity gains achieved through reduced hospitalizations, better chronic disease management, and increased access to preventive and primary care. Each category illustrates how AltaMed's targeted care interventions, ranging from circulatory and respiratory conditions to diabetes, reproductive health, and preventive exams, contribute to both immediate health improvements and long-term economic benefits. The year-over-year growth in most categories also signals increasing effectiveness and reach, reinforcing AltaMed's value as both a public health and economic asset.

**Figure 6.2 AltaMed Health Impact by Treatment Type and Year**

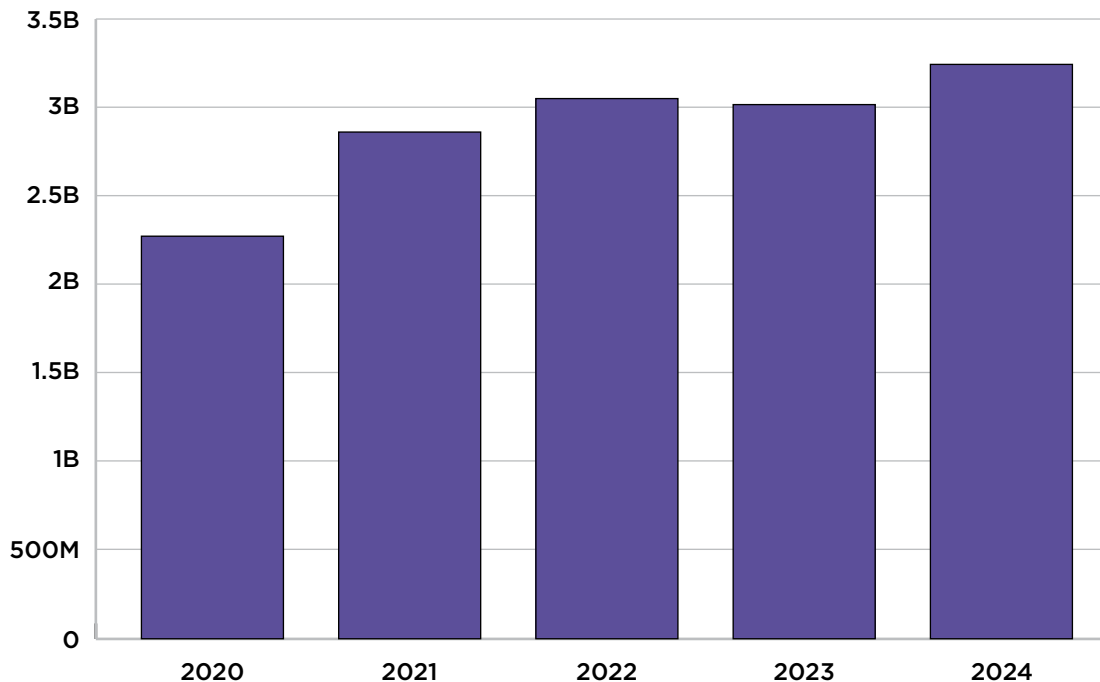


The year-by-year analysis of AltaMed's health impact from 2020 to 2024 reveals strong and steadily increasing economic value across most treatment areas, with particularly notable growth in circulatory and respiratory care, reproductive health, and general medical services.

Circulatory and respiratory treatments generated the highest cumulative impact, growing from \$41 million in 2020 to over \$66 million in 2024, reflecting AltaMed's success in managing high-risk chronic conditions such as asthma, heart disease, and COPD. Reproductive health saw the most dramatic rise, increasing nearly fivefold during the same period—from just over \$10 million in 2020 to more than \$51 million in 2024. This growth highlights AltaMed's expanding role in providing access to comprehensive reproductive care, including prenatal visits, family planning, screenings for sexually transmitted infections, and maternal support services. These services are especially vital in underserved communities, where lack of access often results in higher rates of unintended pregnancies, maternal complications, and preventable neonatal issues. By investing in reproductive health, AltaMed not only improves individual and family well-being but also generates substantial long-term savings in health care costs and promotes better outcomes across generations.

Preventive care, including routine exams and screenings, also nearly doubled in impact, underscoring the importance of early detection and consistent primary care. Chronic disease management, particularly diabetes and hypertension, maintained strong economic returns, though some fluctuations suggest ongoing challenges with access and continuity of care. Meanwhile, the impact of communicable disease treatment—initially high due to COVID-19 response efforts—declined sharply after 2021 as emergency operations wound down. Overall, the data demonstrates that AltaMed’s integrated, community-based model has delivered growing value across a wide range of services, significantly improving health outcomes and reducing high-cost interventions in underserved populations.

**Figure 6.3 AltaMed Total Economic Impact of Health Services by Year**



### CUMULATIVE AND PROJECTED ECONOMIC IMPACT FROM HEALTH SERVICES

The following table summarizes the estimated economic impact of AltaMed’s core health services, including clinical care, preventive programs, and community-based outreach, over the five-year period from 2020 to 2024:

Table 6.1 AltaMed Economic Impact from Health Services		
Average Yearly Impact	Expected 2025 Impact	Cumulative Impact (2020-2024)
\$289,280,736	\$359,532,898	\$1,446,403,679

Some key takeaways from the analysis are:

- ▶ An average annual economic impact of \$289 million reflects the sustained financial contribution of AltaMed’s health services to the regional economy.
- ▶ This figure of \$289 million shows that AltaMed’s services are not just a public health necessity—they are a significant and stable economic driver year after year.
- ▶ The jump from a ~\$325 million in 2024 to an expected \$359.5 million impact in 2025 represents a 10.7% projected increase in economic contribution.



- ▶ The total economic impact of \$1.45 billion over five years reflects AltaMed's critical role in regional economic stability and growth.
- ▶ Given AltaMed's focus on preventive care, early intervention, and community health programming, much of this economic value stems from avoided costs such as:
  - Fewer ER visits
  - Reduced hospitalizations
  - Better managed chronic diseases
  - Increased productivity from a healthier workforce

These benefits provide multiplicative returns, saving public dollars while enabling more people to participate in the economy.

AltaMed Health Services stands at the intersection of health care equity and economic empowerment. Through its comprehensive, community-focused approach to health, AltaMed not only improves individual and population health outcomes but also fuels economic growth, stability, and resilience across Southern California. The economic impact of AltaMed extends far beyond the clinical setting, reducing long-term health care costs, enhancing workforce productivity, creating stable jobs, and reinvesting in underserved communities.

By prioritizing preventive care and chronic disease management, AltaMed helps reduce the burden on emergency services and public insurance programs, saving millions in health care expenditures. As a major employer and partner to local businesses, the organization stimulates economic activity and provides essential career pathways in neighborhoods that have long faced barriers to economic opportunity. Furthermore, by supporting a healthier, more resilient workforce, AltaMed enables individuals and families to participate more fully in the economy, strengthening not just households, but entire communities.

This report underscores the vital role that AltaMed plays in advancing both health equity and economic development. Continued investment in AltaMed and similar community-based health organizations is not only a matter of public health, it is a strategic economic decision that yields measurable returns for individuals, governments, and society at large. In short, when communities have access to quality, affordable care, the benefits ripple outward, creating healthier people, stronger economies, and a more equitable future for all.



## AGGREGATE ECONOMIC IMPACT OF ALTAMED HEALTH SERVICES

Having examined the individual dimensions of AltaMed's economic influence—direct, indirect, induced, and health-related impacts—it is now essential to synthesize these findings into a comprehensive picture of AltaMed's total economic contribution to the communities it serves. This aggregated analysis combines the full range of AltaMed's economic activities and community health benefits into a unified framework, quantifying the overall value the organization delivers across multiple sectors and time horizons.

By integrating all four impact types, this section illustrates how AltaMed functions not just as a health care provider, but as a major economic engine, supporting jobs, generating local spending, strengthening public health, and contributing to the long-term vitality of the regional economy. These impacts, when viewed together, underscore the deep interconnectedness between health care delivery and economic development.

### Aggregate Economic Impact Results

The aggregated impact analysis accounts for:

- ▶ Direct impacts, such as jobs, wages, and spending directly generated by AltaMed's operations;
- ▶ Indirect impacts, reflecting business activity supported through AltaMed's vendor relationships and supply chain;
- ▶ Induced impacts, arising from employee and contractor household spending in the local economy;
- ▶ Health impacts, which include cost savings, improved workforce productivity, reduced emergency care demand, and enhanced quality of life resulting from preventive care and improved access to services.

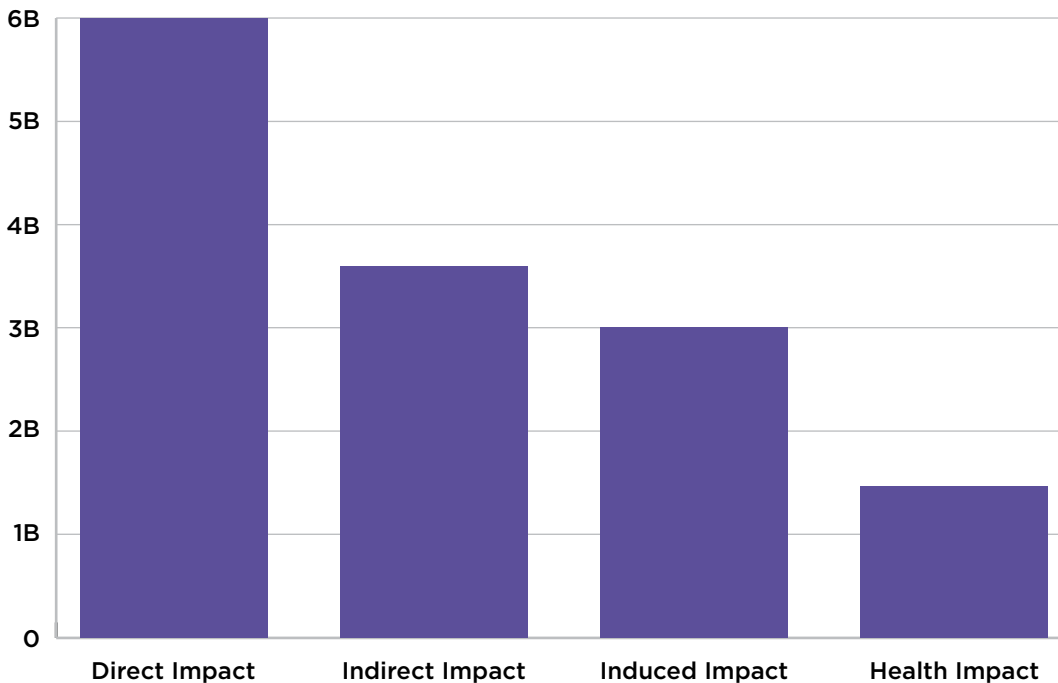
Each of these components has been quantified using industry-standard input-output (I/O) modeling techniques or using return on Investment (ROI) from industry standard sources, verified with internal financial records, operational data, and validated economic multipliers specific to the region. The result is a clear, data-driven assessment of AltaMed's aggregate economic footprint from 2020 through 2024.

This holistic perspective allows stakeholders, including policymakers, public health officials, funders, and community members, to better understand the total return on investment that AltaMed delivers. Beyond its role in treating illness, AltaMed's integrated model of care and community engagement continues to generate lasting economic and societal value.

### AltaMed's Cumulative Economic Impact (2020-2024)

Figure 7.1 presents the cumulative economic impacts generated by AltaMed over a defined analysis period, segmented into four categories: direct, indirect, induced, and health-related impacts. Each category captures a different layer of economic activity associated with AltaMed's operations and community role.

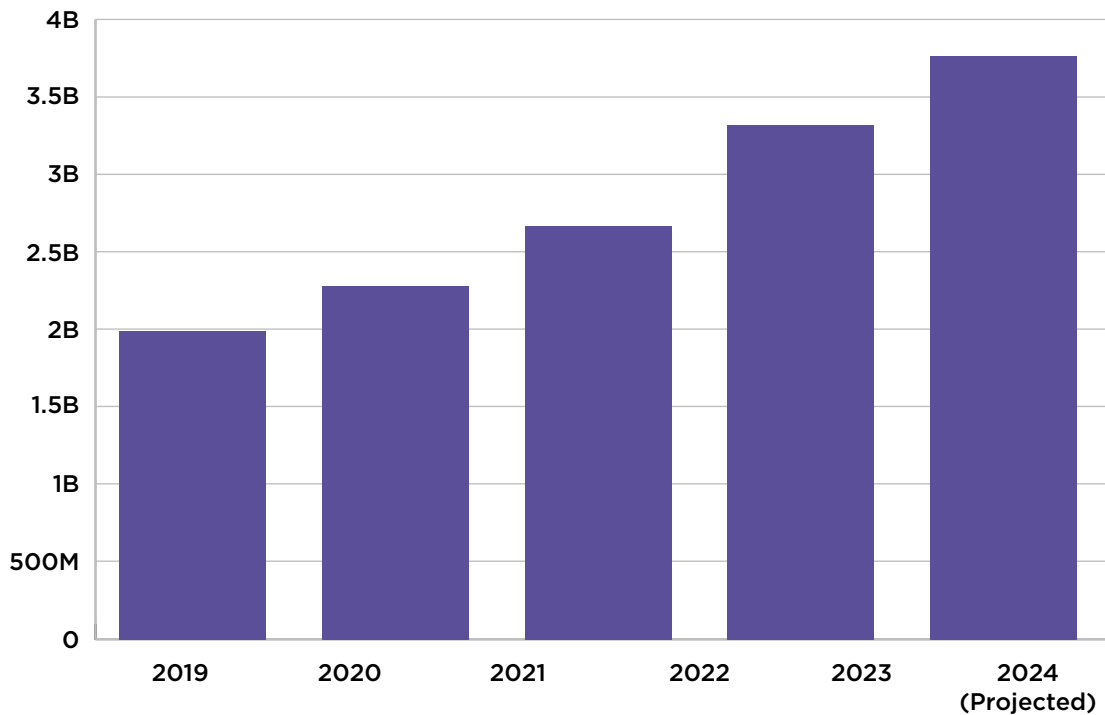
**Figure 7.1 Cumulative (2020-2024) Economic Impact by Type**



The direct impact figure of nearly \$6 billion reflects AltaMed's own operational spending, including salaries, supplies, facilities, and other expenditures. The indirect impact, exceeding \$3.5 billion, measures the economic activity generated through AltaMed's supply chain and vendor relationships. Induced impact, totaling just under \$3 billion, captures the downstream effects of household spending by AltaMed employees and those employed by its suppliers. Finally, the health impact, estimated at more than \$1.4 billion, represents the economic value derived from improved health outcomes, reduced emergency care usage, increased productivity, and other public health benefits linked to AltaMed's services.

### AltaMed's Economic Impact by Year (2020-2024)

Figure 7.2 presents AltaMed's total annual economic impact from 2020 through a projected estimate for 2024. These figures include the combined effects of direct, indirect, and induced economic activity generated by AltaMed's operations, capturing the full extent of its contribution to the broader economy each year.

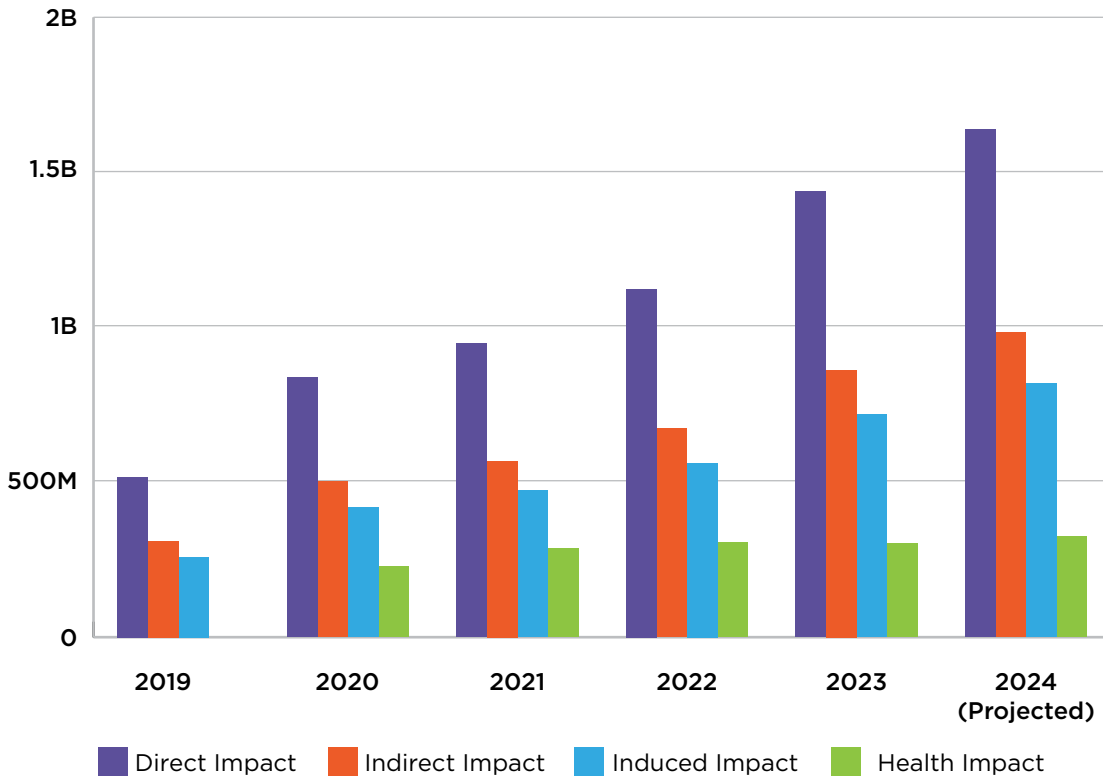
**Figure 7.2 AltaMed Total Economic Impact by Year**

This data shows a clear upward trajectory in AltaMed's total economic footprint, with annual impact increasing by nearly 90% from 2020 to the 2024 projection. The steady year-over-year growth reflects AltaMed's expanding operations, workforce, and community services. Particularly notable is the sharp rise between 2022 and 2023, which aligns with increased operating expenses and expanded facilities. If this trend continues, AltaMed will solidify its role as a major economic engine in the region, contributing not only to health care access but also to sustained economic development.

### **AltaMed Economic Impact by Year and Type (2019<sup>3</sup>-2024)**

Figure 7.3 and Table 7.1 present the comprehensive economic impact of AltaMed from 2019 to a projected estimate for 2024, segmented into four distinct categories: direct, indirect, induced, and health impacts. These categories together reflect the total annual and cumulative contributions of AltaMed to the broader economy.

<sup>3</sup> The health economic impact for 2019 was not supplied.

**Figure 7.3 AltaMed Economic Impact by Year/Type**

AltaMed's total economic impact has grown steadily from 2019 through the projected values for 2024, driven by continuous increases across all major components. The direct impact, primarily driven by operational spending, has more than tripled over the six-year span, reflecting the organization's significant expansion. Indirect impacts, resulting from business-to-business activity, and induced impacts, stemming from employee and vendor spending in the broader economy, have also shown consistent upward trends.

A notable addition beginning in 2020 is the health impact, which captures the economic value of improved health outcomes due to AltaMed's services. This dimension adds considerable weight to the total impact, with nearly \$1.45 billion in cumulative health-related economic contributions through 2024.

**Table 7.1 Aggregate Economic Impact Results (Direct + Indirect + Induced + Health)**

Year	Direct Impact	Indirect Impact	Induced Impact	Health Impact	Economic Impact
2019	\$516,803,809	\$310,082,285	\$258,401,905	NA	\$1,085,287,999 <sup>4</sup>
2020	\$838,467,806	\$503,080,684	\$419,233,903	\$227,628,125.72	\$1,988,410,519
2021	\$948,499,293	\$569,099,576	\$474,249,647	\$286,515,385.77	\$2,278,363,902
2022	\$1,123,385,972	\$674,031,583	\$561,692,986	\$305,444,177.43	\$2,664,554,718

<sup>4</sup> The authors of the report were not supplied with medical data for 2019. For transparency, that cell was coded as "NA" and the Total Economic Impact calculation for 2019 is incomplete. The number is nonetheless listed as it represents a clear underestimation of the total impact. The subsequent projections for Economic Impact in 2025 do not include the data from 2019 because it is incomplete.

Table 7.1 Aggregate Economic Impact Results (Direct + Indirect + Induced + Health)					
Year	Direct Impact	Indirect Impact	Induced Impact	Health Impact	Economic Impact
2023	\$1,437,483,828	\$862,490,297	\$718,741,914	\$302,041,511.89	\$3,320,757,551
2024 (Proj.)	\$1,638,090,970	\$982,854,582	\$819,045,485	\$324,774,477.74	\$3,764,765,515
<b>Total</b>	<b>\$6,502,731,678</b>	<b>\$3,901,639,007</b>	<b>\$3,251,366,840</b>	<b>\$1,446,403,678.55</b>	<b>\$15,102,141,204<sup>5</sup></b>

Overall, AltaMed's combined activities are projected to generate more than \$15.1 billion in total economic impact across the six-year period, underscoring its vital role not only as a health care provider but as a powerful economic driver in the communities it serves.

### Projecting AltaMed's 2025 Economic Impact

AltaMed's average annual economic impact between 2020 and 2024 was approximately \$2.8 billion, reflecting the organization's consistent growth and its expanding role in the regional economy. This period marked a steady rise in direct, indirect, and induced impacts, along with measurable contributions to public health outcomes. Notably, AltaMed's economic influence is projected to increase even further, with a total impact of over \$4.24 billion anticipated in 2025. This projected growth underscores AltaMed's continued investment in infrastructure, workforce, and health care delivery, positioning it as an increasingly significant economic and social anchor in the communities it serves.

**2020-2024 AltaMed's Average Economic Impact was \$2,803,370,440.91**

**AltaMed's Projected Economic Impact for 2025 is \$4,243,637,609.36**

<sup>5</sup> The total cumulative economic impact represented in this cell is a slight underestimation of AltaMed's impact since 2019 because the data for Health Impact in 2019 was not supplied. Please see the previous footnote for further detail about why the cumulative economic impact is slightly underreported because of this missing value.





## CONCLUSION

### The Lasting Value of AltaMed's Economic and Human Impact

From 2019 to 2024, AltaMed has served as far more than a health clinic. It has been an economic engine, an equity-driven employer, a trusted community partner, and a frontline responder in times of unprecedented public health need. This report has quantified AltaMed's total economic contribution through direct, indirect, induced, and health impacts, highlighting how it stimulates business activity, supports employment, and reduces health care system costs.

But behind every dollar of economic value stands a deeper, more enduring human impact: families gaining access to care in their own language, seniors managing chronic illness with dignity, children getting early screenings that change the trajectory of their lives. These are the outcomes that make the case for AltaMed's work not just as cost-effective, but transformational.

### Preventive Care: A High-Return Investment

One of the clearest takeaways from this report is that investing in preventive care—particularly in underserved communities—delivers one of the highest returns on investment in health care. Studies consistently show that every \$1 spent on proven community-based preventive programs returns between \$2 and \$6 in avoided medical costs, increased productivity, and improved quality of life. For vulnerable populations that have traditionally faced barriers to accessing primary care, this ROI is often even greater, as preventive services can avert high-cost emergencies, reduce complications from unmanaged chronic diseases, and lessen dependency on publicly funded services.

AltaMed exemplifies this model: its early detection efforts, chronic disease management programs, health education outreach, and mobile clinics have reduced unnecessary hospital visits, shortened recovery times, and helped thousands of patients maintain stable health while also strengthening local workforce participation and educational attainment over time. This reinforces the idea that health care equity is not just a moral imperative, but an economic one.

### Recommendations

To maximize AltaMed's impact in the years ahead, this report recommends:

1. Sustained investment in preventive care and community programs, which continue to generate strong ROI and build long-term public health resilience.

2. Expansion of services into additional underserved areas, leveraging AltaMed's scalable and culturally responsive care model.
3. Deeper public-private partnerships, enabling AltaMed to scale innovation in workforce development, technology, and care delivery.
4. Ongoing data collection and impact evaluation, to continuously measure effectiveness and inform evidence-based health policy decisions.

## Final Thoughts

The economic impact of AltaMed from 2019 through 2024 demonstrates the organization's vital role as both a health care provider and a catalyst for economic development in the communities it serves. Across this six-year span, AltaMed's operations, investments, and workforce activity contributed a remarkable \$15.1 billion in total economic output. This figure includes \$6.5 billion in direct impact, \$3.9 billion in indirect impact, \$3.25 billion in induced impact, and a cumulative \$1.45 billion in quantifiable health impact, reflecting the broader economic benefits generated by a healthier population.

The direct economic impact represents the immediate effect of AltaMed's operating expenses, which rose consistently year over year, from \$516.8 million in 2019 to a projected \$1.64 billion in 2024. This growth aligns with AltaMed's expansion to over 70 sites and more than 5,000 employees, emphasizing its substantial and growing footprint in the region. In addition to providing essential care, AltaMed's spending on staff, medical supplies, facilities, and other services supports a vast economic network.

Beyond these direct expenditures, AltaMed's indirect impact, estimated using a conservative industry multiplier, totals \$3.9 billion over the period. This reflects the secondary economic activity stimulated across supply chains, including local vendors, contractors, and professional services. For instance, in 2020 alone, AltaMed generated \$503 million in indirect impacts, even in the face of pandemic-related challenges. That figure grew each year, reaching nearly \$983 million in 2024, underscoring the multiplier effect that health care operations can have in surrounding communities.

Similarly, the \$3.25 billion in induced impact, the result of increased household spending by AltaMed employees and those within its economic ecosystem, speaks to the organization's influence on consumer activity. As wages are paid, they ripple through the local economy in the form of grocery purchases, housing, transportation, and other goods and services. In 2019, induced impact was estimated at \$258 million, but by 2024, it had expanded to over \$819 million, revealing the growing scale of AltaMed's contribution to household income and economic stability in Southern California.

Perhaps most importantly, AltaMed's activities generate a distinct and valuable health impact, totaling more than \$1.4 billion from 2020 to 2024. This metric represents the economic value of improved health outcomes resulting from preventive care, early treatment, chronic disease management, and reduced emergency room usage, areas in which AltaMed specializes due to its focus on underserved populations. In 2021, the health impact alone was calculated at over \$286 million, and it is projected to reach \$324 million by 2024. These health savings alleviate strain on the broader health care system and improve productivity and quality of life for tens of thousands of individuals.

AltaMed's economic impact has steadily risen from \$1.09 billion in 2019 to a projected \$3.76 billion in 2024, reflecting not only growth in services and reach, but also the organization's increasing strategic alignment with community needs. In just four years, from 2020 to 2024, AltaMed's average annual economic impact was \$2.8 billion, illustrating how its role as an economic driver is now firmly entrenched alongside its role in public health. With a projected impact of \$4.24 billion in 2025, AltaMed is on pace to continue accelerating its positive influence across sectors.

These findings affirm AltaMed's dual identity as both a health care provider and a key pillar of economic sustainability. Every dollar invested in AltaMed's operations catalyzes a ripple effect of growth and opportunity, from supporting jobs and small businesses to strengthening the overall health of Southern California's workforce and families. As demand for accessible, culturally competent health care continues to rise, AltaMed's economic and social contributions position it as an essential institution for equitable growth in the years ahead.

## APPENDIX:

### Grant Revenue: Strategic Investment in Community Health and Economic Outcomes

Grant funding plays a pivotal role in AltaMed's ability to deliver high-impact health services to underserved communities across Southern California. As a Federally Qualified Health Center (FQHC), AltaMed receives a combination of federal, state, local, and philanthropic grants that support its mission to expand access to quality, culturally responsive care. These funds do more than sustain operations—they act as catalysts for broader economic and public health outcomes.

Between 2020 and 2024, AltaMed secured a diverse portfolio of grant revenues that were strategically allocated to support preventive health programs, chronic disease management, maternal and child health services, behavioral health integration, workforce development, and the expansion of physical infrastructure. While grants are not classified as direct economic impacts in a traditional input-output (I/O) analysis, they are foundational inputs that enable AltaMed to generate measurable returns in the form of job creation, operational spending, improved community health, and avoided public health care costs.

In this section, we outline the scope, sources, and uses of AltaMed's grant revenues over three of the five years in the reporting period. We also highlight how these investments have translated into sustained services, scalable programs, and long-term economic value for the region.

#### ANALYSIS

Between 2019 and 2022, AltaMed secured \$207.26 million in grant revenues, representing a major stream of external investment into the Southern California health care and community health ecosystem. These funds functioned not merely as revenue, but as economic inputs, capital injections that enabled AltaMed to mobilize programs, expand access, support health equity, and drive multiplier effects through employment, procurement, and service delivery.

Growth Over Time: Responsive and Strategic Expansion

- ▶ **2019:** \$26.81 million
- ▶ **2020:** \$52.83 million
- ▶ **2021:** \$48.96 million
- ▶ **2022:** \$78.66 million

The nearly threefold increase from 2019 to 2022 reflects both a strategic scaling of AltaMed's grant-seeking capacity and a response to public health emergencies, especially the COVID-19 pandemic. Federal COVID-response programs, including HRSA H8F, Provider Relief Fund, and FEMA MHSA Crisis Recovery, represent a significant portion of this surge.

#### KEY GRANT SOURCES AND THEIR ECONOMIC ROLE

Several grant streams highlight the diverse, mission-aligned nature of funding and its economic ripple effects:

- ▶ **HRSA Grants (e.g., HCC, HCP-SUD-MH, ANEW, PCORI):** Enabled workforce expansion, clinical innovation, and service delivery in underserved communities. These funds supported direct employment and strengthened care capacity, particularly in behavioral health and maternal health.

- ▶ **COVID-19 Emergency Funding (HRSA H8F, FEMA, DHHS):** Provided over \$46 million in 2021-2022 alone, allowing AltaMed to scale testing, vaccination, and containment programs. These grants funded temporary workforce growth, outreach operations, and clinic safety infrastructure.
- ▶ **HIV/AIDS & Ryan White Programs:** Longstanding support totaling over \$13 million, underpinning critical services for vulnerable populations and stabilizing funding for specialized clinical teams.
- ▶ **Health Equity and Community Initiatives (AltaMed Institute of Health Equity, AHEC, Covered CA Navigator):** These sources contributed to long-term systems change, community empowerment, and outreach-based job creation.

### ECONOMIC INPUTS: BEYOND REVENUE

These grants acted as leveraged inputs, catalyzing broader economic activity through:

- ▶ **Direct employment** (clinical, administrative, and outreach roles)
- ▶ **Local procurement** for supplies, construction, PPE, and infrastructure upgrades
- ▶ **Capacity-building** that enabled AltaMed to serve more patients and enter underserved neighborhoods
- ▶ **Training and pipeline development**, especially through workforce diversity and graduate medical education grants

### SUMMARY

From 2019 to 2022, AltaMed secured over \$207 million in grant revenues, serving as a critical economic input that fueled expansion, workforce growth, and service delivery across Southern California. These funds not only supported health equity initiatives and pandemic response but also generated significant local economic activity through hiring, procurement, and infrastructure investments. AltaMed's ability to attract and deploy grant funding positioned it as both a health care provider and an economic engine for the communities it serves.

### AltaMed Medical Internship Program

The impact of AltaMed's internship program extends beyond the standard direct, indirect, and induced economic effects typically associated with operational expenditures. While some elements of the program can be captured within traditional input-output models, several broader and longer-term impacts fall into a category often referred to as "catalytic" or "spillover" effects, a fourth tier of economic and social impact. These types of impact, however, are not traditionally included in input-output models. In the following section, the report examines the ways in which this program likely impacts the community, although the impact is not factored into the overarching economic impact analysis.

**Workforce Pipeline Development (Catalytic Impact):** AltaMed's internships contribute to long-term regional and national workforce readiness by training future health care professionals, especially in primary care and community health settings. Many interns may eventually return to serve the same communities, helping to alleviate chronic staffing shortages in underserved areas. This impact isn't fully realized within one fiscal year but compounds over time.

**Educational and Institutional Partnerships:** A robust internship program helps strengthen AltaMed's relationships with medical schools, universities, and public institutions. These partnerships foster additional research, funding, and joint ventures, expanding AltaMed's institutional influence and attracting resources that wouldn't otherwise flow into the region.

**Social Equity and Upward Mobility:** Internship programs often provide critical career entry points for students from disadvantaged or underrepresented backgrounds. These opportunities can significantly alter the professional trajectory and economic mobility of individuals, generating intergenerational benefits not captured in traditional economic multipliers.

**Innovation and Knowledge Transfer:** Interns bring fresh perspectives and academic training that may enhance innovation within AltaMed's service lines or administrative processes. Though difficult to quantify directly, these knowledge exchanges contribute to long-term organizational performance and sector evolution.

The economic impact of AltaMed's internship program is partially embedded within the input-output model used in this analysis, which relies on operational costs as a primary metric. Intern-related expenditures, such as stipends, training materials, supervisory staff time, administrative support, and facility usage, are included within the organization's total operating expenses. These costs flow through the regional economy, generating direct, indirect, and induced effects as they support jobs, supply chains, and household spending. While the broader educational and workforce development benefits of the internship program extend beyond the scope of traditional input-output modeling, the financial components tied to program delivery are fully captured within the calculated economic multipliers derived from AltaMed's operational spending.

## Geographic Impact Analysis: Serving Disadvantaged Communities

AltaMed has established a robust presence in over 70 locations across Los Angeles and Orange counties, serving primarily low-income, Latino, and other minority communities. By embedding itself in these high-need areas, AltaMed addresses critical health disparities that often plague marginalized populations. This section offers an expanded analysis of AltaMed's geographic strategy and its implications for health care access, community well-being, and health equity.

### 1. GEOGRAPHIC COVERAGE AND COMMUNITY DEMOGRAPHICS

AltaMed's health centers are strategically located in areas where health care access is limited, and the social determinants of health (SDOH), such as income, education, housing, and access to care present significant barriers to health and wellness. Below is a detailed breakdown of the communities surrounding AltaMed's health centers and the demographics that shape its service delivery model.

#### ***Central Los Angeles: Boyle Heights, East LA, Westlake, Ramona Gardens, William Mead, Grand Plaza***

- ▶ **Demographics:** Boyle Heights and surrounding neighborhoods like East LA and Westlake are predominantly Hispanic/Latino, with 90–96% of the population identifying as Latino. The area also faces significant poverty rates, with some neighborhoods experiencing up to 25% of residents living below the federal poverty line. Household sizes in these areas are larger than the county average, with 3–4 people per household, contributing to overcrowded living conditions and limited access to private health care. The median household income in Boyle Heights is around \$50k, which is significantly lower than the Los Angeles County average of ~\$72k.
- ▶ **Health Care Needs:** These communities experience high levels of uninsured individuals (20–25%), compounded by low educational attainment (less than 15% with a bachelor's degree). These factors lead to increased vulnerability to chronic diseases like diabetes, hypertension, and asthma. AltaMed's presence in these areas is crucial, as it provides a culturally competent, multi-service health care environment that focuses on preventive care, chronic disease management, and mental health services.

## ***Southeast Los Angeles: Huntington Park, Lynwood, South Gate, Bell, Florence-Firestone, Paramount***

- ▶ **Demographics:** Southeast LA is home to some of the most impoverished neighborhoods in Los Angeles. The region has a high concentration of Latino families, with Hispanic populations ranging from 90% to 97% in various parts of this region. These areas also face high poverty rates (~18–25%), which significantly impacts health outcomes. Many households are large, with 3.6–3.8 members per household, contributing to overcrowded living situations. Homeownership rates are also low—under 30% in areas like Huntington Park.
- ▶ **Health Care Needs:** Southeast LA has high uninsured rates (~20%) and low levels of educational attainment, with bachelor's degree holders comprising less than 10% of the population. These factors make the area particularly vulnerable to health inequities, including the rise of preventable diseases and mental health challenges. AltaMed's health centers in this area offer critical services such as family medicine, dental care, mental health services, substance abuse treatment, and HIV care.

## ***San Gabriel Valley: El Monte, Covina, West Covina, Pasadena***

- ▶ **Demographics:** The San Gabriel Valley is a diverse region, with a mix of Latino and Asian populations. It also contains numerous Health Professional Shortage Areas (HPSAs), indicating an undersupply of health care providers relative to the population. This region also has a high concentration of low-income residents, with many living in neighborhoods that are medically underserved.
- ▶ **Health Care Needs:** These communities experience challenges in accessing health care due to the shortage of primary care providers and specialty services. AltaMed's locations in El Monte and Covina address these gaps by offering comprehensive health care services, including chronic disease management, preventive care, and wellness programs tailored to the unique needs of the region's multicultural population.

## ***Orange County: Santa Ana, Anaheim, Orange***

- ▶ **Demographics:** Orange County, while often associated with wealthier communities, also has significant low-income Latino populations. Santa Ana and Anaheim are home to large immigrant populations, many of whom face barriers to accessing care due to language and cultural differences. These communities are often uninsured or underinsured, with limited access to health insurance programs or employer-sponsored health care.
- ▶ **Health Care Needs:** Uninsured rates in these areas are higher than the state average, with many residents living in multi-generational households that face challenges related to economic stability, access to health insurance, and affordable housing. AltaMed's clinics in this region provide a broad range of services, including comprehensive primary care, preventive health, substance use treatment, and PACE (Program of All-Inclusive Care for the Elderly), a critical service for the aging population in Orange County.

## ***Other Notable Locations: Long Beach, Norwalk, Compton, Pico Rivera, Westlake***

- ▶ **Demographics:** Long Beach, Compton, and Norwalk are diverse areas with high concentrations of Black and Latino populations. These neighborhoods face economic challenges, with many families living below the poverty line, and they have high levels of uninsured and underinsured individuals. The health care infrastructure in these areas is often inadequate to meet the needs of the local population, leading to higher rates of chronic diseases and preventable health conditions.



- ▶ **Health Care Needs:** AltaMed's clinics in these locations are critical to providing accessible health care to underserved populations. These clinics focus on preventive care, chronic disease management, mental health services, and outreach to populations that are often hesitant to seek care due to cultural, linguistic, or financial barriers.

## 2. KEY FACTORS INFLUENCING GEOGRAPHIC IMPACT

AltaMed's strategic location choices are deeply influenced by the specific health care needs of each community it serves. These areas share common characteristics such as high poverty rates, high uninsured rates, large households, and linguistic isolation. By understanding the unique challenges these communities face, AltaMed has been able to implement a health care model that is not only geographically targeted but also culturally and linguistically competent.

### Health Professional Shortage Areas (HPSAs)

Many of the areas served by AltaMed are classified as HPSAs, where there are insufficient numbers of health care providers to meet the needs of the population. AltaMed has placed its clinics in these areas to directly address the shortage of primary care physicians, specialists, and other health care providers. In these regions, AltaMed plays a critical role in preventing unnecessary ER visits and reducing the need for emergency health care services.

### Cultural and Linguistic Competence

AltaMed's patient population is overwhelmingly Latino, with many patients speaking only Spanish at home. To meet the needs of this population, AltaMed ensures that all of its health centers are staffed with bilingual providers and culturally competent teams. This ensures that patients can receive care in their preferred language and that the care provided is sensitive to cultural nuances, which fosters trust and encourages better engagement with the health care system.

### Integrated and Comprehensive Care

AltaMed's clinics offer a comprehensive range of services, including medical care, dental services, mental health care, substance use treatment, and the PACE program for elderly patients. By offering a holistic approach to care, AltaMed is able to address multiple aspects of a patient's health and well-being, rather than focusing on isolated issues. This integrated care model is particularly effective in communities with high levels of chronic disease, mental health issues, and substance use problems.

## 3. STRATEGIC BENEFITS OF ALTAMED'S LOCATION CHOICES

AltaMed's choice of clinic locations is not just about proximity to underserved populations but also about delivering a package of services that addresses the specific needs of these communities. The strategic benefits of AltaMed's geographic placement include:

### Reducing Barriers to Care

AltaMed's clinics are strategically placed in neighborhoods where transportation is often a barrier to accessing health care. By placing health centers in these communities, AltaMed reduces geographic and economic barriers, making it easier for patients to access care. This is particularly important in neighborhoods with large numbers of uninsured individuals and families who may not have access to reliable transportation or health insurance.

### Addressing Social Determinants of Health (SDOH)

AltaMed's services are designed to address not only medical needs but also the broader social factors that influence health outcomes. Many of the communities served by AltaMed

face social determinants such as poverty, food insecurity, housing instability, and lack of educational opportunities. AltaMed's comprehensive care model takes these factors into account, providing support services like case management, social services, and community outreach programs to address these barriers.

### **Promoting Health Equity**

AltaMed's geographic placement aligns with its commitment to health equity. By placing clinics in areas with high health disparities, AltaMed ensures that vulnerable populations have access to the same quality of care as more affluent communities. This focus on health equity helps to reduce health disparities and improve overall health outcomes in underserved areas.

### **Enhancing Community Engagement**

AltaMed's deep integration into local communities enables it to engage with patients and families in ways that are culturally and linguistically relevant. By hiring staff from within these communities and offering culturally sensitive care, AltaMed builds trust and encourages long-term relationships with patients. This community-driven model is essential for improving patient outcomes and fostering a sense of ownership over health decisions.

## **4. CONCLUSION: GEOGRAPHIC STRATEGY AS A TOOL FOR HEALTH EQUITY**

AltaMed's geographic strategy is a powerful tool for improving health care access and outcomes in some of the most underserved and disadvantaged communities in Los Angeles and Orange counties. By strategically placing health centers in high-need areas, AltaMed is able to provide comprehensive, culturally competent care to populations that would otherwise face significant barriers to accessing health care.

This targeted approach allows AltaMed to address both the immediate and long-term health needs of these communities, ultimately contributing to the reduction of health disparities and the promotion of health equity. As AltaMed continues to expand its services and reach more individuals, its geographic strategy will remain central to its mission of providing quality care to all, regardless of socioeconomic status or geographic location.

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### About Sensis

Sensis is a cross-cultural marketing and communications agency that combines research, creative and strategy to serve diverse and underserved communities. With expertise in healthcare, public health, transportation, and education, Sensis helps mission-driven organizations translate complex data into compelling, actionable insights.