

Arkansas Hospitals: Economic Impact Report



Measuring the Employment,
Investment, and
Community Value of
Hospitals Across Arkansas



96,570

JOBS SUPPORTED

Powering communities
across Arkansas



\$4.77B

PAYROLL GENERATED

Strengthening families
and local economies



\$19.73B

ECONOMIC OUTPUT

Driving growth through
health care investment

INTRODUCTION

Arkansas hospitals are proud to provide quality, efficient healthcare for communities throughout our state. Hospitals stand ready to care for everyone, with our doors open to all – 24 hours a day, seven days a week, 365 days a year. In 2024, Arkansas hospitals cared for more than 360,000 patients admitted¹ for care and more than 6.7 million outpatient visits¹ in an effort to keep our state healthy, strong, and vibrant. This record of service is – and always will be – our most valuable contribution to the state.

Throughout our state, hospitals strengthen the infrastructure of local communities. Arkansas residents rely on their local hospitals and health systems to:

- Provide high-quality, efficient healthcare;
- Readily respond with care for community members throughout their lifetimes, whenever illness or injury strikes;
- Serve as safe harbors during and after emergencies and disasters;
- Provide an optimal setting for bringing new life into the world;
- Provide comfort at the end of life;
- Educate people about preventing and managing diseases, while promoting practices that support health and well-being;
- Attract new healthcare services, businesses, and industries to our communities – resources which are essential for future growth.

Recognized much less often are the contributions hospitals make to local economies and to the state economy. As major employers and primary purchasers of goods and services, Arkansas hospitals are critical to our financial vitality. Also, by providing quality care to keep Arkansas healthy, hospitals ensure a healthy, productive workforce that keeps our state moving forward.

Statewide Economic Impact:

Total Economic Impact:

\$19,732,827,000

Total Jobs Impact:

96,570

Hospital-Specific Economic Impact

Direct Payroll:

\$4,768,254,000

Non-Salary Spending:

\$5,585,504,000

Capital Spending:

\$500,989,000

THE ECONOMIC ANCHOR

In 2024, the estimated total annual economic impact of Arkansas Hospitals was **\$19,732,827,000**.

PROVIDING WELL-PAID, CONSISTENT EMPLOYMENT

- Arkansas hospitals employ 48,630 individuals, with a total payroll of \$4,768,254,000. Hospital pay expenditures serve as an important economic stimulus, creating and supporting jobs throughout the state and in local economies.
- Dollars earned by employees of Arkansas hospitals and spent on groceries, clothing, mortgage payments, rent, etc., generate approximately \$8,668,194,000 in economic activity and create an additional 47,940 jobs in the state's economy.

STIMULATING THE LOCAL ECONOMY WITH PURCHASES OF GOODS AND SERVICES

- Arkansas hospitals spend approximately \$5,585,504,000 per year on the goods and services they need to provide healthcare – including things like medical supplies, electricity for buildings, and food for patients. Funds spent to buy goods and services flow from the hospitals to vendors and businesses, creating a ripple throughout the economy.
- Dollars spent by Arkansas hospitals generate approximately \$10,153,884,000 for the state's economy.

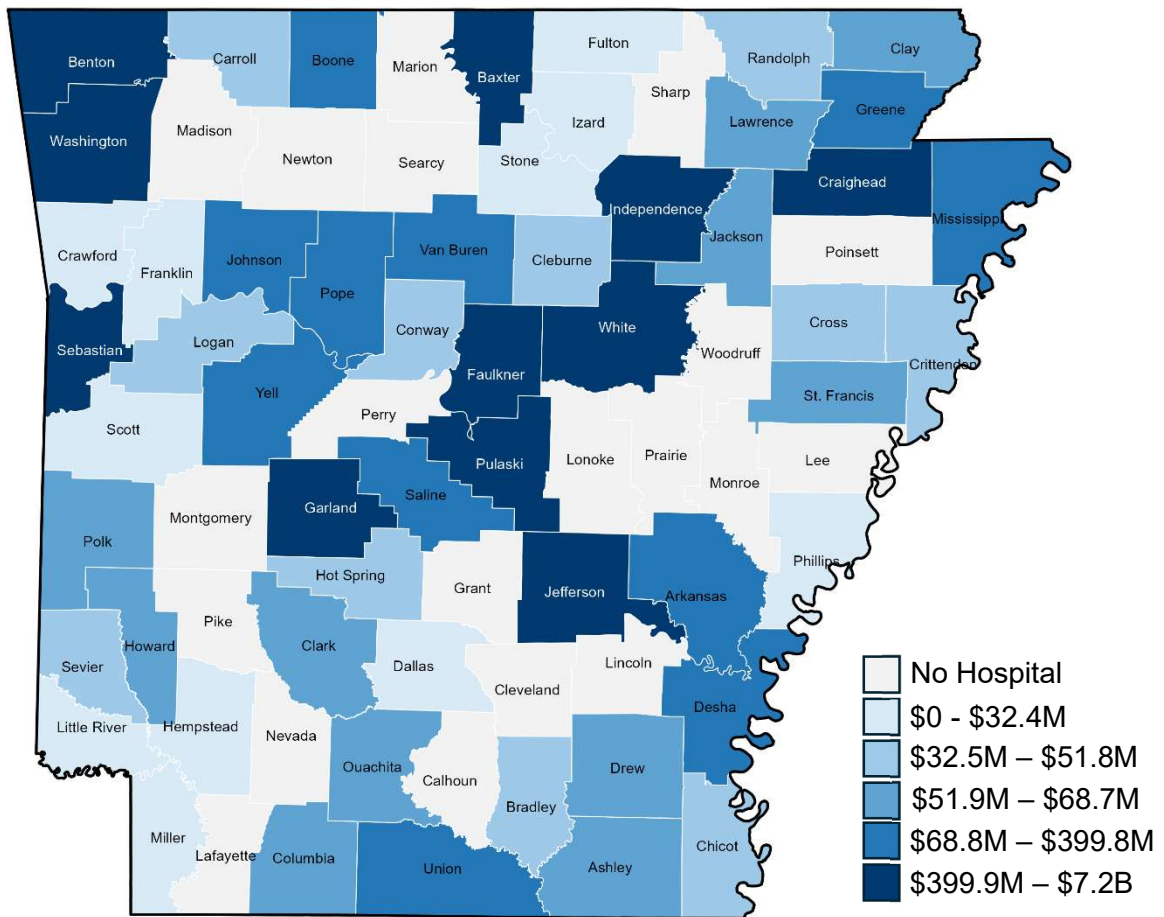
IMPROVING INFRASTRUCTURE FOR ALL ARKANSAS RESIDENTS

- In 2024, Arkansas hospitals spent \$500,989,000 on buildings and equipment.
- Capital spending by Arkansas hospitals generates approximately \$910,747,000 for the state's economy each year.

STATEWIDE ECONOMIC IMPACT

FIGURE 1: Economic Impact by County, Arkansas 2026

The map below illustrates the county-level impact associated with Arkansas hospitals across the state. Hospitals support local economies through direct employment, payroll, purchasing, and the ripple effects of healthcare-related spending, making them important economic anchors in communities large and small.



Differences across counties reflect variations in hospital size, service capacity, and regional referral patterns. Counties anchored by larger hospitals or regional medical centers often show greater total impact, while smaller and rural hospitals remain essential contributors to local jobs, economic stability, and community vitality. The map demonstrates that the economic importance of hospitals reaches every part of Arkansas.

BEYOND ECONOMIC IMPACT: THE COMMUNITY VALUE OF ARKANSAS HOSPITALS

HOSPITAL UTILIZATION

Arkansas hospitals generate significant economic activity, but their value to communities extends beyond jobs, payroll, and business spending. Hospitals provide the essential infrastructure that allows Arkansans to access emergency care, inpatient treatment, outpatient services, diagnostic testing, surgery, labor and delivery, rehabilitation, behavioral healthcare, and other services close to home. The scale of care delivered by hospitals reflects their central role in the health and stability of communities across the state. Each year, hospitals serve patients through millions of inpatient, outpatient, emergency, diagnostic, surgical, and maternal health encounters.

Inpatient Admissions¹:

360,424

Emergency Department¹:

1,467,128

Outpatient Visits¹:

5,296,076

Inpatient Surgeries¹:

80,162

Hospital Births¹:

31,589

HOSPITALS AS COMMUNITY INFRASTRUCTURE

1



Emergency and Acute Care

Emergency departments • Trauma care •
Inpatient medical/surgical care • ICU •
Ambulance coordination • Disaster response

2



Maternal, Newborn, and Pediatric Care

Labor and delivery • Nursery • NICU •
Pediatric service • Women's health services

3



Outpatient and Diagnostic

Outpatient surgery • Imaging • Laboratory •
Therapy • Specialty clinics • Infusion services

4



Behavioral Health and Substance Use Care

Inpatient psychiatric care • Crisis stabilization •
Substance use treatment • Outpatient
Behavioral health partnerships

5



Recovery and Continuing Care

Rehabilitation • Skilled nursing • Swing beds •
Long-term acute care • Home Health
partnerships

6



Community and Prevention Services

Screenings • Vaccination clinics • Chronic
disease education • Health fairs • Food access
partnerships • Insurance enrollment support

DIFFERENT HOSPITALS, DIFFERENT COMMUNITY ROLES

Critical Access Hospitals

Arkansas has 30 hospitals designated by the federal government as critical access hospital (CAH)². These hospitals provide essential local access to emergency and inpatient care in rural areas, often serving as one of the largest employers and healthcare access points in their area.

Rural Emergency Hospital

Arkansas has five hospitals that have transitioned to rural emergency hospitals (REHs). REHs provide emergency care, observation services, and selected outpatient services to communities, but forego inpatient services due to financial pressures. While the REH model has been shown to preserve a local emergency access point in our rural Arkansas communities, the transition highlights the growing financial strain on rural hospitals. The loss of inpatient capacity means patients who need admission must be transferred elsewhere, increasing travel times, adding pressure to regional referral hospitals, and reducing the level of care available close to home.

Rural PPS Hospitals

Arkansas has 42 hospitals that participate in the Inpatient Perspective Payment System with 48 hospitals participating in the Outpatient Perspective Payment System. Prospective Payment System (PPS) hospitals are acute care hospitals that provide a broad range of inpatient, outpatient, surgical, diagnostic, emergency, and specialty services. PPS hospitals are paid under standardized Medicare payment systems that account for factors such as diagnosis, severity, service type, wage index, and hospital characteristics.

Specialty Hospitals

Specialty hospitals provide focused services for patients whose needs require dedicated clinical expertise, specialized staffing, and tailored care environments. Arkansas has 42 hospitals that provide specialty services to their communities. This group includes 15 psychiatric hospitals, 11 rehabilitation hospitals, seven long-term acute care hospitals, two children's hospitals, and seven hospitals that provide other specialty services such as women's health, emergency department only, and surgical care².

Teaching and Training Hospitals

These hospitals support workforce development by training physicians, nurses, allied health professionals, and future healthcare leaders. Arkansas has one academic medical center as well as numerous residency program and health professional training sites across the state².

SERVICE LOSSES AND REDUCED ACCESS



Arkansas hospitals are operating in an increasingly fragile financial environment, and the loss of services is already impacting the state. Recent examples include the loss of inpatient services in five rural emergency hospitals, the loss of Levi Hospital, the financial hardships affecting Ouachita County Medical Center, Baptist Health Medical Center – Fort Smith reducing hospital services, and Unity Health – Jacksonville closing its emergency department and transitioning to a psychiatric hospital. In a small rural state, these losses create longer travel times, reduced access points, and greater pressure on neighboring hospitals to absorb displaced patients.

LOWEST COMMERCIAL REIMBURSEMENT



Arkansas hospitals face some of the lowest commercial reimbursement rates in the country. According to the December 2024 RAND report, commercial payers in Arkansas reimbursed hospitals at approximately 164% of Medicare rates, the lowest rate in the nation. Arkansas is approximately 27 percentage points below the next-lowest surrounding state and about 70 percentage points below the average of its eight surrounding states³. These low rates make it difficult for hospitals to retain existing services, invest in workforce, or expand care capacity.

DECLINING ACCESS TO DELIVERY SERVICES



Access to hospital-based delivery services continue to decline in Arkansas. In 2026, two additional hospitals have discontinued delivery services. Leaving only 31 hospitals statewide to deliver babies. As a result, 51 counties lack local delivery services, causing many expecting mothers to travel outside their home county for care⁴. This increases travel time, complicates access for high-risk pregnancies, and places additional demand on the remaining hospitals.

LOOMING FEDERAL POLICY IMPACTS



The One Big Beautiful Bill Act of 2025 (HR-1) creates additional uncertainty for Arkansas hospitals by placing Medicaid coverage, 340B eligibility, and uncompensated care exposure at risk. If coverage losses increase the number of uninsured patients, hospitals will be expected to provide more care without reliable payment. At the same time, reductions in Medicaid volume or hospital DSH percentages could threaten 340B eligibility for some hospitals, weakening a key resource used to support access, pharmacy services, and care for vulnerable patients.

UNCOMPENSATED CARE IN ARKANSAS

Uncompensated care refers to hospital services provided to patients for which the hospital does not receive full or any payment. In 2023, Arkansas hospitals provided \$1,214,506,601 in uncompensated care through bad debt write-offs and charity care¹. This care represents a major community investment, ensuring that patients can still receive needed hospital services regardless of their ability to pay. While providing care without compensation supports access for patients and families, it also places significant financial pressure on hospitals that must absorb these costs while maintaining staff, services, equipment, and providing 24/7 readiness.



BAD DEBT

Bad debt refers to care that hospitals provided and expected to be paid for, but for which payment was not ultimately collected from the patient. In 2023, Arkansas hospitals wrote off \$520,657,399 in bad debt for care already delivered¹. These write-offs reflect the financial reality of services for patients who may be underinsured, unable to meet cost-sharing obligations, or facing other financial barriers after receiving care. Bad debt allows hospitals to account for uncollected patient balances, but it also reduces the resources available to sustain services, invest in workforce, and maintain patient access.



CHARITY CARE

Charity care refers to hospital services provided at reduced or no costs to patients who meet financial assistance guidelines. In 2023, Arkansas hospitals provided \$693,849,202 in charity care to support patients who could not afford the full cost of care¹. Charity care is a direct community benefit and an essential part of hospitals' mission to serve patients regardless of their ability to pay. Charity care helps protect vulnerable individuals and families from the full burden of medical costs while preserving access to necessary hospital services across Arkansas.

WE'RE READY.... 24/7

Unlike many other community institutions, hospitals must maintain around-the-clock readiness. Emergency departments, inpatient units, diagnostic services, surgical teams, infection control systems, pharmacy operations, information technology, security, and clinical support services must be available before a patient arrives. Maintaining standby capacity is costly, yet essential to community resilience and public safety.

CONCLUSION

Hospitals are major contributors to Arkansas residents' quality of life and play a key role in keeping communities healthy and vibrant. Drivers of both their local and state economies, Arkansas hospitals keep families healthy and secure by providing necessary healthcare services.

The data and information contained in this report provide strong evidence that the economic benefit of our hospitals to the local and state economies is substantial. To sustain job growth and safeguard the health of Arkansas families, the state must prioritize attracting high-quality healthcare providers and expanding access to services.

We urge our state legislators, members of Congress, and community leaders to recognize the vital role hospitals play in driving local economies, and to enact policies that strengthen healthcare across Arkansas.

REFERENCES

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4. Arkansas Hospital Association. (2026). *Delivery services. AHA Data Hub*. <https://arkhospitals.shinyapps.io/AHADataHub/>.

CONTACT INFORMATION

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