


10-19-2022

## Executive Summary: Driving the Southern Nevada Health Economy Forward

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### Repository Citation

Tripp Umbach (2022). Executive Summary: Driving the Southern Nevada Health Economy Forward. 1-4. Available at: [https://digitalscholarship.unlv.edu/lincy\\_policybriefs\\_reports/5](https://digitalscholarship.unlv.edu/lincy_policybriefs_reports/5)

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# Driving the Southern Nevada Health Economy Forward:

## Benefits of a Transformational UNLV Academic Health Center

October 2022

### Introduction

The University of Nevada, Las Vegas (UNLV) plans to develop an integrated academic health center within the Las Vegas Medical District (LVMD).<sup>1</sup> The academic health center includes UNLV's five health science schools and mental and behavioral health, which is distributed among several colleges (medicine, liberal arts, urban affairs, and education) in the university. University Medical Center (UMC), a major teaching hospital, will also be an important driver of the academic health center. For the purposes of this report, UNLV's medical and health science entities along with UMC are referred to collectively as the UNLV Academic Health Center.

### Methodology

In June 2022, The Lincy Institute at UNLV commissioned Tripp Umbach<sup>2</sup> to conduct an economic and social impact study to better understand future economic and social benefits to the State of Nevada of a fully comprehensive integrated academic health center within the LVMD. Tripp Umbach has completed multiple studies in Nevada over the past 10 years, including economic impact studies for the Kirk Kerkorian School of Medicine at UNLV, Roseman University of Health Sciences, the Nevada Donor Network, and the LVMD.

<sup>1</sup> Established in 1997, the LVMD is a 674-acre area located on West Charleston Boulevard and west of I-15. The area is anchored by UMC, Valley Hospital Medical Center, UNLV School of Dental Medicine, and other ancillary medical facilities, along with the new Kirk Kerkorian School of Medicine building.

<sup>2</sup> Tripp Umbach is an independent consulting firm with experience completing economic impact studies for more than 500 universities and 100 academic medical centers.

## Future Economic and Social Impact

The development of a combined UNLV/UMC Academic Health Center, discussed in more detail below, will provide a significant boost in economic impact to the region over the next 20 years. Tripp Umbach developed economic models showing the current economic impact of UNLV medical and health science programs, UMC, and LVMD partners. In addition to measuring the impact of these separate entities in 2022, the firm also developed projections for 2030 and 2040. The combined economic impact of the UNLV/UMC Academic Health Center and the broader LVMD is expected to total \$3.6 billion annually by 2040. This estimate includes operations and research, including commercialization of research through existing and new start-up companies in the region. Tripp Umbach estimates that by 2030 the total economic impact of the UNLV/UMC Academic Health Center along with LVMD partners will result in a \$724 million net annual increase in economic impact. By 2040 the total economic impact of these entities will result in a net increase of nearly \$2 billion (see Table 1).

**Table 1: Total Combined Impact of UNLV/UMC Academic Health Center<sup>3</sup> on Southern Nevada in 2022, 2030, and 2040**

<b>Total Economic Impact in Year</b> (direct, indirect, and induced)	<b>2022</b>	<b>2030</b>	<b>2040</b>
<b>Components</b>	<b>Total Economic Impact</b> (in Millions)	<b>Total Economic Impact</b> (in Millions)	<b>Total Economic Impact</b> (in Millions)
<b>UNLV/UMC Academic Health Center</b>	<b>\$1,274</b>	<b>\$1,906</b>	<b>\$2,977</b>
UNLV Medical School	\$307	\$522	\$1,198
UNLV Health Science Programs	\$154	\$246	\$300
UMC	\$813	\$1,138	\$1,479
<b>Other LVMD Partners</b>	<b>\$417</b>	<b>\$509</b>	<b>\$643</b>
<b>TOTAL ECONOMIC IMPACT</b>	<b>\$1,691</b>	<b>\$2,415</b>	<b>\$3,620</b>



<sup>3</sup> UNLV Academic Health Center includes all UNLV medical, dental, and health sciences education, research, and clinical entities combined with all entities included at UMC of Southern Nevada.

## Future Employment Impact

Tripp Umbach estimates that the UNLV/UMC Academic Health Center as the anchor of the LVMD will result in a net increase of 4,570 total jobs in Southern Nevada from 2022 to 2030. By 2040 the total employment impact of UNLV/UMC Academic Health Center along with other partners in the LVMD will result in a net increase of 12,185 total jobs in Southern Nevada (see Table 2).

**Table 2: Total Combined Employment Impact of UNLV/UMC Academic Health Center on Southern Nevada in 2022, 2030, and 2040**

<b>Total Employment Impact in Year</b> (direct, indirect, and induced)	<b>2022</b>	<b>2030</b>	<b>2040</b>
<b>Components</b>	<b>Total Employment Impact</b>	<b>Total Employment Impact</b>	<b>Total Employment Impact</b>
<b>UNLV/UMC Academic Health Center</b>	<b>8,033</b>	<b>12,022</b>	<b>18,787</b>
Kirk Kerkorian School of Medicine at UNLV	1,937	3,293	7,563
UNLV Health Sciences	968	1,550	1,891
UMC	5,128	7,179	9,333
<b>Other LVMD Partners</b>	<b>2,628</b>	<b>3,209</b>	<b>4,059</b>
<b>TOTAL EMPLOYMENT IMPACT</b>	<b>10,661</b>	<b>15,231</b>	<b>22,846</b>

## Future Tax Impacts

Tripp Umbach estimates that by 2030 the total annual tax impact on the State of Nevada and local units of government in Southern Nevada resulting from the UNLV/UMC Academic Health Center will result in a net annual increase in tax revenue of \$34.8 million. By 2040 the total tax revenue from the UNLV/UMC Academic Health Center will result in a net increase in \$92.7 million (see Table 3).

**Table 3: Total Combined Tax Impact of the UNLV/UMC Academic Health Center on Southern Nevada in 2022, 2030, and 2040**

<b>Total Tax Impact in Year</b> (direct, indirect, and induced)	<b>2022</b>	<b>2030</b>	<b>2040</b>
<b>Components</b>	<b>Total Tax Impact</b> (in Millions)	<b>Total Tax Impact</b> (in Millions)	<b>Total Tax Impact</b> (in Millions)
<b>UNLV/UMC Academic Health Center</b>	<b>\$61.1</b>	<b>\$91.5</b>	<b>\$142.9</b>
UNLV Medical School	\$14.7	\$25.1	\$57.5
UNLV Health Sciences	\$7.4	\$11.8	\$14.4
UMC	\$39.0	\$54.6	\$71.0
<b>Other LVMD Partners</b>	<b>\$20.0</b>	<b>\$24.4</b>	<b>\$30.9</b>
<b>TOTAL TAX IMPACT</b>	<b>\$81.1</b>	<b>\$115.9</b>	<b>\$173.8</b>

## Economic Impact of Growing Physician Workforce

By 2040, an additional 120 physicians trained through UMC, Valley Hospital, and other Southern Nevada teaching hospitals who remain in region after completing residencies at other partners are expected to generate **\$264 million**, employ **1,452** workers in Southern Nevada (directly and indirectly), and generate more than **\$9.2 million** in state and local government revenue.<sup>4</sup> These impacts are separate from the operations of the UNLV/UMC Academic Health Center and assume that UNLV will grow its medical school class size from 60 to 120 students by 2030. Achieving this increase in class size will require additional support beyond current state appropriations.

In addition, Tripp Umbach estimates that every physician who practices in an underserved area saves the state **\$3.6 million** annually in unnecessary healthcare spending. Tripp Umbach estimates that 20% of the graduates will practice in an underserved area in Southern Nevada, which will result in **\$86.4 million** annually in cost savings annually.

## Conclusion

Beyond the economic impacts presented above, the expansion of academic medicine through the development of the UNLV/UMC Academic Health Center will directly impact the health and well-being of residents in Southern Nevada. The development will have a positive impact on communities across the region as it helps expand healthcare access for underserved populations, addresses workforce needs by expanding numbers of highly qualified graduates in the health professions who have regional connections and interests and reduces healthcare spending through community health improvements. The UNLV/UMC Academic Health Center will significantly expand care to underserved populations and accelerate the expansion of an innovation economy whereby biomedical companies are launched in and attracted to the region; new jobs are created; and research sparks technology transfer, commercialization, and economic value through improvements in prevention, treatment, and practice.

## Consultant Recommendations to Achieve Future Impacts

1. Finalize an integrated strategy with UMC to align UNLV's medical and health science education, research, and clinical programs.
2. Rebrand UMC as UNLV Medical Center.
3. Expand high-quality clinical services to diversify the healthcare workforce.
4. Expand research programs.
5. Continue to grow residency training in partnership with the State of Nevada.
6. Promote a bold and transformational regional strategy to develop and implement a coordinated effort to grow biomedical economic development in Southern Nevada.

The full report can be downloaded at [https://digitalscholarship.unlv.edu/lincy\\_policybriefs\\_reports/4](https://digitalscholarship.unlv.edu/lincy_policybriefs_reports/4)

<sup>4</sup> <https://www.physicianseconomicimpact.org>