DRAFT

Economic Impact of the Preferred Scenario

Rethink Health – Atlanta & REMI Econometric Forecasting

Mike Alexander, AICP
Research and Analytics Division Manager
Atlanta Regional Commission
malexander@atlantaregional.com
Progress Toward Core Values
Percent Change Relative to the Baseline at Year 2040

Health
-16.2% Death rate
-17.8% Severe physical illness
-27.5% Uncontrolled mental illness

Cost
-15.3% Health care costs, per cap

Spending & Savings
$751M Program spending, at 2040
$14.7B Program spending, cumul
$5.29B Unspent funds, cumul
$0.00 Spending shortfall, at 2040
$1.45B Savings available, at 2040

Inequity
-23.1% Disadvantaged group
-12.9% Disadvantaged deaths

Care
28.4% Adequacy prev/chron care
0.0% PCP sufficiency Medicaid
79.4% PCP sufficiency, Disadv-Unins
-75.0% Nonurgent episodes to ER
-22.8% Inpatient stays
-23.9% Readmission rate

Productivity
11.2% Value of productivity
-14.4% Workforce care costs, per cap
WHAT IS REMI?
REMI Econometric Model
Distinguishing Model Features

- Model incorporates four unique quantitative methodologies
- Each model is custom built to match regional client specificity
- Measures economic impacts and responsive demographic and economic changes over time
- Incorporates transparent and robust economic linkages built on proven methods and theory
Integrated Model

Input/Output

Econometric

REMI PI+

Computable General Equilibrium

New Economic Geography

regional impact + local relevance

ATLANTA REGIONAL COMMISSION
Dynamic Model

Control Forecast
Alternate Forecast
REMI MODEL Economic Relationships

(3) POPULATION AND LABOR SUPPLY
- Migration
- Participation Rate
- Labor Force
- Population

(2) LABOR & CAPITAL DEMAND
- Employment
- Labor Productivity
- Optimal Capital Stock

(5) MARKET SHARES
- Domestic Market Share
- International Market Share

(4) WAGES, PRICES AND COSTS
- Employment Opportunity
- Compensation Rate
- Consumer Price Deflator
- Household Price
- Real Comp. Rate

- Composite Comp. Rate
- Production Costs
- Composite Prices

Output

Consumption

State and Local Government Spending

Investment

Exports

Real Disposable Income
The ZONES: Example: DeKalb Regional Economic Interactions (Flows) *Same for Each ARC County*

*No County is an Island*
Changing Demographics

Population (18 groups) - 1990

- Ages 85+
- Ages 80-84
- Ages 75-79
- Ages 70-74
- Ages 65-69
- Ages 60-64
- Ages 55-59
- Ages 50-54
- Ages 45-49
- Ages 40-44
- Ages 35-39
- Ages 30-34
- Ages 25-29
- Ages 20-24
- Ages 15-19
- Ages 10-14
- Ages 5-9
- Ages 0-4

Thousands

[Chart showing population distribution by age and gender for 1990]
Changing Demographics
Changing Demographics
Changing Demographics

Share in thousands by major age group (1990-2040)

- Ages 15-24
- Ages 25-64
- Ages 65+

<table>
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<tr>
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<th>Ages 15-24</th>
<th>Ages 25-64</th>
<th>Ages 65+</th>
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New REMI 20-County Employment History and Forecast (2013) Unofficial DRAFT

- Health Care and Social Assistance
- Professional, Scientific, and Technical Services
- Administrative and Waste Management Services
- Construction
- State and Local
- Other Services, except Public Administration
- Real Estate and Rental and Leasing
- Transportation and Warehousing
- Finance and Insurance
- Educational Services
- Accommodation and Food Services
- Wholesale Trade
- Arts, Entertainment, and Recreation
- Management of Companies and Enterprises
- Federal Civilian
- Retail Trade
- Manufacturing
- Information

2013
Change 2013-2040
Outpatient Care grows the most in the REMI Forecast.
Test: What If We Improve Survival Rates?

Modeled on the Rethink-Atlanta Model rates of change by %

Change in Intermediate Demand- For Health Care by Sector

More People Living Longer- MORE DEMAND.....for Outpatient Health Care
Test: What If We Improve Survival Rates?

Change in Population *(In Thousands)*

More Population Growth

![Population Growth Chart](chart.png)
Test: What If We Improve Worker Productivity?

Modeled on the Rethink-Atlanta Model rates of change by %

Change in Gross Domestic Product- (2005 Millions of Dollars)

Higher Productivity = Higher Economic Output
Initial Results of the Full Scenario Test

REMI Modeled Adjustments:

Improved health and Survival Rates
Employer worker's care cost reduction
Productivity Increases due to better worker health
Health Improvement Spending
Reduced per Capita Health Care Costs
Consumer Spending Reallocation
CHANGE IN EMPLOYMENT

Total Employment Thousands (Jobs)

Average Annual Change 3,499 Jobs

Total Employment % Change

Total Employment Thousands (Jobs)

Total Employment % Change
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<tr>
<th>Category</th>
<th>2015</th>
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