



WAMPO Economic Development Report - Healthcare

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In Partnership With:



CEDBR
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JEO CONSULTING GROUP





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Introduction

The healthcare industry in the Wichita area has shown relatively stable employment levels from 2015 to 2021. Although there were minor fluctuations, the number of healthcare jobs remained consistent, indicating a steady demand for healthcare services in the region. However, within the healthcare sector, different areas experienced varied levels of growth. Offices of physicians and offices of dentists saw slight declines or minimal increases, while offices of other health practitioners and outpatient care centers exhibited steady growth. Other ambulatory healthcare services experienced a significant decrease, while general medical and surgical hospitals and nursing care facilities remained relatively stable. Continuing care retirement communities faced a decline. Among key healthcare occupations, licensed practical and licensed vocational nurses showed an above-average location quotient in Wichita.

When considering labor in the healthcare sector, it is important to analyze organizations' commuting patterns and locations. This information can help identify thoroughfares that can be strengthened to support the industry. For example, the main Level 1 trauma center hospitals in the Wichita area are Ascension Via Christi St. Francis and Wesley Medical Center, both located in Downtown Wichita.

The healthcare industry has seen growth in terms of establishments, revenues, and wages at a national level. However, the market remains highly competitive, with only one company holding over 1% of the market share. Applying Michael Porter's five forces framework to the healthcare industry in the WAMPO region, it is evident that there are high capital requirements, government regulations, and proprietary technology, which pose barriers to new entrants. The threat of substitutes is low, and the bargaining power of buyers and suppliers is moderate. Rivalry among existing firms is high, driving competition, innovation, and efficiency in the industry.

Overall, the healthcare industry plays a vital role in the Wichita economy, serving as a major employer and a source of innovation and technology. It contributes significantly to the local, national, and global economy.

Industry Landscape

The following NAICS codes, provided by the Greater Wichita Partnership, constitute the category of Healthcare, which is a slightly more narrow focus of the traditional healthcare sector, excluding five sectors: residential care, individual services, community food and housing, vocational rehabilitation, and child care services. These codes were used to extract specific industry data related to these subsections.

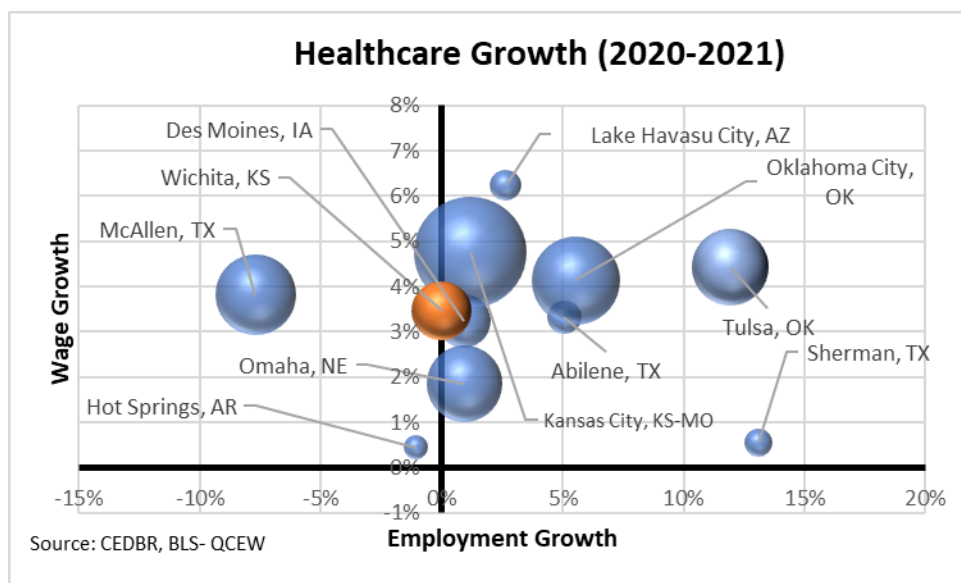
Healthcare		
NAICS	Description	Subsector
6211	Offices of Physicians	
6212	Offices of Dentists	
6213	Offices of Other Health Practitioners	
6214	Outpatient Care Centers	
6215	Medical and Diagnostic Laboratories	
6216	Home Health Care Services	
6219	Other Ambulatory Health Care Services	
6221	General Medical and Surgical Hospitals	
6222	Psychiatric and Substance Abuse Hospitals	
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	
6231	Nursing Care Facilities (Skilled Nursing Facilities)	
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	
6233	Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	

Key Healthcare Communities
Abilene, TX MSA
Des Moines- West Des Moines, IA MSA
Hot Springs, AR MSA
Kansas City, KS-MO MSA
Lake Havasu City-Kingman, AZ MSA
McAllen-Edinburg-Mission, TX MSA
Oklahoma City, OK MSA
Omaha-Council Bluff, NE-IA MSA
Sherman-Denison, TX MSA
Tulsa, OK MSA
Wichita, KS MSA

The comparison cities were selected based on the following criteria: employment concentration, size of the town, and preference for Midwest. Furthermore, all of the communities were vetted with the Greater Wichita Partnership as communities that the Wichita area competes within the respective sector.

In order to capture the broad industry landscape and recent competitiveness of the aerospace manufacturing sector within the Wichita area, this study developed a growth matrix. The matrix captures the relative growth and size of the market compared to the selected comparable communities. Any city within the top right quadrant should be considered in a growth mode. Those in the bottom left quadrant are in declining sectors. The other two quadrants, bottom right and top left, identify economic weaknesses that must be addressed.

In terms of employment, Wichita was dwarfed by the nearby regions of Oklahoma City and Kansas City, as both are also significantly larger markets. Wichita did, however, see an increase in wages, indicating an effort to remain competitive in attracting and retaining labor. Tulsa exhibited the strongest wage and employment growth performance, with increases of 4% and 12%, respectively.



Labor

In terms of healthcare employment, Wichita, KS MSA, maintained a relatively steady level of jobs from 2015 to 2021. Starting at 30,741 jobs in 2015, the figures slightly fluctuated but remained within a similar range throughout the years. The numbers dipped to 30,386 jobs in 2016 but then increased to 30,555 jobs in 2017. From 2018 to 2019, there was a gradual rise, reaching 31,108 jobs in the latter year. However, the figures dropped slightly in 2020 to 30,749 jobs before showing a minor increase to 30,861 jobs in 2021. Overall, healthcare employment in Wichita experienced minimal changes during the period, with an annualized growth rate of 0%. Similarly, there was no significant growth or decline observed in 2021 compared to the previous year. These figures indicate a relatively stable healthcare job market in Wichita, suggesting a consistent demand for healthcare services in the region.

Healthcare Employment									
	2015	2016	2017	2018	2019	2020	2021	Annualized growth	
								2015-21	2020-21
Abilene, TX MSA	8,623	8,538	8,849	7,673	9,326	9,252	9,691	2%	5%
Des Moines- West Des Moines, IA MSA	23,788	23,823	24,322	25,186	25,704	24,716	24,375	0%	-1%
Hot Springs, AR MSA	4,106	4,260	4,455	4,581	4,730	4,624	4,666	2%	1%
Kansas City, KS-MO MSA	104,194	105,604	107,399	109,215	112,104	109,610	110,888	1%	1%
Lake Havasu City-Kingman, AZ MSA	7,659	7,527	7,533	7,798	7,941	7,891	7,978	1%	1%
McAllen-Edinburg-Mission, TX MSA	47,148	48,458	50,432	53,119	55,683	56,187	57,564	3%	2%
Oklahoma City, OK MSA	61,643	61,816	62,462	63,235	65,627	65,262	66,849	1%	2%
Omaha-Council Bluff, NE-IA MSA	46,787	49,616	49,438	50,128	50,356	49,517	50,765	1%	3%
Sherman-Denison, TX MSA	5,534	5,362	5,553	5,827	6,119	6,500	6,561	3%	1%
Tulsa, OK MSA	48,613	49,069	48,821	49,792	50,672	49,840	51,573	1%	3%
Wichita, KS MSA	30,741	30,386	30,555	30,579	31,108	30,749	30,861	0%	0%

Source: CEDBR, BLS- QCEW

The healthcare sector encompasses various employment areas, with several notable sectors experiencing different levels of growth from 2015 to 2021. Among the largest employment sectors, there were mixed trends. Offices of physicians, which had 5,733 jobs in 2015, experienced a slight decline with an annualized growth rate of -2%. Similarly, offices of dentists saw a minimal increase, with a 1% annualized growth rate. However, offices of other health practitioners exhibited a steady growth rate of 5% annually, reaching 2,106 jobs in 2021. Outpatient care centers also experienced a positive growth rate of 2%, with 1,607 jobs in 2021. On the other hand, other ambulatory healthcare services saw a significant decline, with an annualized growth rate of -8% and a notable decrease of 38% in 2021 compared to the previous year. General medical and surgical hospitals remained relatively stable with a 0% annualized growth rate, while nursing care facilities showed a modest growth rate of 1%. Continuing care retirement communities, however, experienced a decline with a -9% annualized growth rate. These figures highlight the varied employment trends within the healthcare sector, indicating both areas of growth and areas facing challenges.

Healthcare Employment									
	2015	2016	2017	2018	2019	2020	2021	Annualized growth	
								2015-21	2020-21
Offices of physicians	5,733	5,503	5,422	5,322	5,240	4,971	4,927	-2%	-1%
Offices of dentists	1,759	1,772	1,785	1,798	1,811	1,824	1,837	1%	1%
Offices of other health practitioners	1,532	1,576	1,620	1,664	1,708	1,752	2,106	5%	20%
Outpatient care centers	1,432	1,458	1,572	1,375	1,515	1,508	1,607	2%	7%
Medical and diagnostic laboratories	534	487	523	631	636	637	633	3%	-1%
Home health care services	1,890	1,893	1,895	1,897	1,900	1,902	1,905	0%	0%
Other ambulatory health care services	645	553	548	526	395	424	263	-8%	-38%
General medical and surgical hospitals	9,159	9,022	8,782	8,769	9,086	8,945	9,013	0%	1%
Psychiatric and substance abuse hospitals									
Specialty									
Nursing care facilities	4,464	4,417	4,534	4,613	4,705	4,798	4,890	1%	2%
Residential intellectual and developmental	400	405	410	415	420	425	430	1%	1%
Continuing care retirement communities	3,193	3,300	3,464	3,569	3,692	3,563	3,251	0%	-9%

Source: CEDBR, BLS- QCEW



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Healthcare Establishments

Communities	Annual 2020	Annual 2021	YR/YR %
Abilene, TX MSA	356	358	1%
Des Moines- West Des Moines, IA MSA	1,516	1,557	3%
Hot Springs, AR MSA	308	323	5%
Kansas City, KS-MO MSA	4,247	4,369	3%
Lake Havasu City-Kingman, AZ MSA	387	402	4%
McAllen-Edinburg-Mission, TX MSA	1,719	1,732	1%
Oklahoma City, OK MSA	3,707	3,775	2%
Omaha-Council Bluff, NE-IA MSA	2,124	2,232	5%
Sherman-Denison, TX MSA	318	334	5%
Tulsa, OK MSA	2,385	2,378	0%
Wichita, KS MSA	1,220	1,253	3%

Source: CEDBR, BLS - QCEW

Healthcare Wages

Community	2015	2016	2017	2018	2019	2020	2021
Abilene, TX MSA	\$44,623	\$45,427	\$46,272	\$47,607	\$48,797	\$50,353	\$52,025
Des Moines- West Des Moines, IA MSA	\$51,523	\$53,522	\$54,928	\$54,891	\$56,617	\$60,222	\$62,172
Hot Springs, AR MSA	\$40,453	\$41,029	\$40,135	\$42,636	\$42,082	\$45,625	\$45,829
Kansas City, KS-MO MSA	\$45,348	\$45,173	\$46,573	\$48,337	\$50,174	\$54,400	\$56,986
Lake Havasu City-Kingman, AZ MSA	\$43,849	\$46,913	\$45,382	\$47,496	\$47,903	\$49,342	\$52,423
McAllen-Edinburg-Mission, TX MSA	\$36,772	\$38,013	\$38,123	\$38,666	\$39,607	\$41,606	\$43,193
Oklahoma City, OK MSA	\$44,937	\$45,436	\$45,785	\$47,101	\$47,457	\$49,676	\$51,729
Omaha-Council Bluff, NE-IA MSA	\$45,685	\$47,148	\$48,010	\$51,461	\$54,456	\$56,375	\$57,418
Sherman-Denison, TX MSA	\$55,941	\$49,556	\$52,655	\$53,025	\$56,628	\$62,044	\$62,389
Tulsa, OK MSA	\$45,131	\$44,541	\$45,228	\$45,726	\$46,931	\$48,871	\$51,030
Wichita, KS MSA	\$43,794	\$44,700	\$45,774	\$46,512	\$47,947	\$50,205	\$51,946

Source: CEDBR, BLS - QCEW

When analyzing the key occupations in the healthcare sector, the only careers for which Wichita had an above-average location quotient were license practical and licensed vocational nurses. It should be taken into consideration that this list of occupations is far from exhaustive, as it does not include healthcare administrators or physicians.

Key Occupations

Occupation	Wichita MSA Employment	US Employment
Home Health and Personal Care Aides	5,760	3,404,960
Licensed Practical and Licensed Vocational Nurses	1,420	538,310
Medical and Health Services Managers	880	372,030

Source: CEDBR: BLS, OES

A location quotient is a statistical measure used to compare the concentration or specialization of a particular industry or occupation in a specific geographic area relative to its concentration in a larger reference area, typically a region or a nation. It is calculated by dividing the proportion of employment in a specific industry or occupation in the target area by the proportion of employment in the same industry or occupation in the reference area, and then comparing the result to a value of one. A location quotient greater than 1 indicates a higher concentration of the industry or occupation in the target area compared to the reference area, suggesting specialization or a comparative advantage in that particular sector. Conversely, a location quotient of less than 1 indicates a lower concentration, less specialization in the industry or occupation in the target area.

2021 Labor Costs - Healthcare

Occupation (SOC code)	Mean Wage	10th Percentile Wage	90th Percentile Wage	Location Quotient
Medical and Health Services Managers(119111)	\$105,740	\$58,260	\$167,320	0.92
Licensed Practical and Licensed Vocational Nurses(292061)	\$49,740	\$38,540	\$60,740	1.12
Home Health and Personal Care Aides(311120)	\$25,170	\$18,000	\$35,170	0.82

Source: CEDBR, BLS-OES

To summarize the labor conversation through the framework of this particular sector, it is important to consider where labor is commuting throughout the day. Therefore, a list of all organizations within this sector with 100 employees or more has been collected. With knowledge of these particular businesses' locations and workforce density, WAMPO can leverage this list to analyze what thoroughfares can be strengthened to propagate the industry.

Main WAMPO Thoroughfares

The two main Level 1 trauma center hospital campuses in the WAMPO region are Ascension Via Christi St. Francis and Wesley Medical Center. These hospitals are both located in Downtown Wichita. Wesley Medical Center has 760 beds and is located at Central & Hillside with main highway access stemming from I-35. Meanwhile, St. Francis has 421 beds and is located on Murdock & St. Francis, with its main highway access also coming from the I-35 corridor.

Secondary to the large number of healthcare offices throughout the district, it is easiest to analyze these through the framework of their distribution via ZIP code. Knowing how many doctor's offices are located in each area can inform the transportation planning needs for the economic development of the sector.

Healthcare Offices*

Zip Code	Business Count
67114	1
67221	86
67001	3
67207	156
67211	182
67060	33
67218	499
67260	12
67235	81
67133	11
67206	722
67106	3
67002	134
67017	1
67010	66
67213	53
67030	5
67025	14
67026	13
67037	180
67039	3
67052	29
67050	3
67056	12
67067	2
67110	20
67101	24
67108	4
67202	122
67203	304
67135	3
67204	20
67205	328
67147	15
67214	1,283
67154	2
67208	410
67209	86
67215	7
67210	17
67212	359
67230	21
67216	20
67217	41
67219	37
67220	147
67226	564

Source: CEDBR, Data Axle*

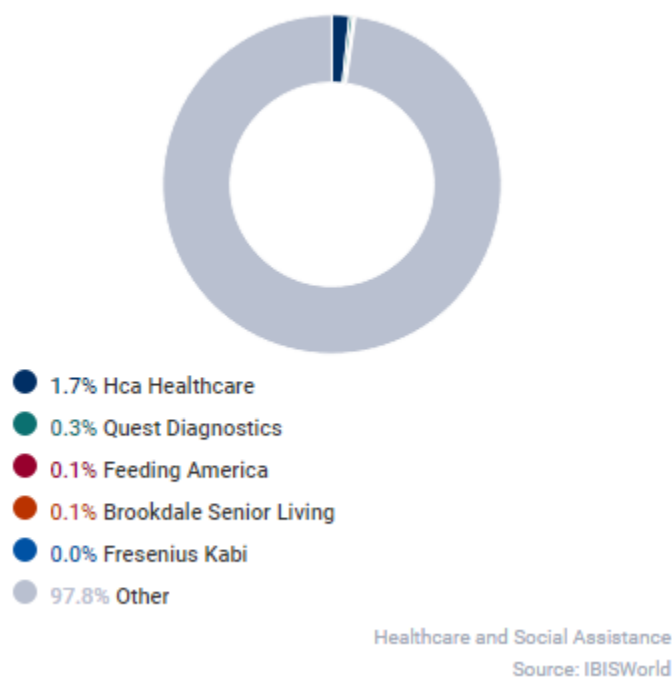
*This table uses Data Axle listings, under certain circumstances known establishments may have misrepresented employment counts. For more details see the 'Data Axle Limitations' document.

General US Trends

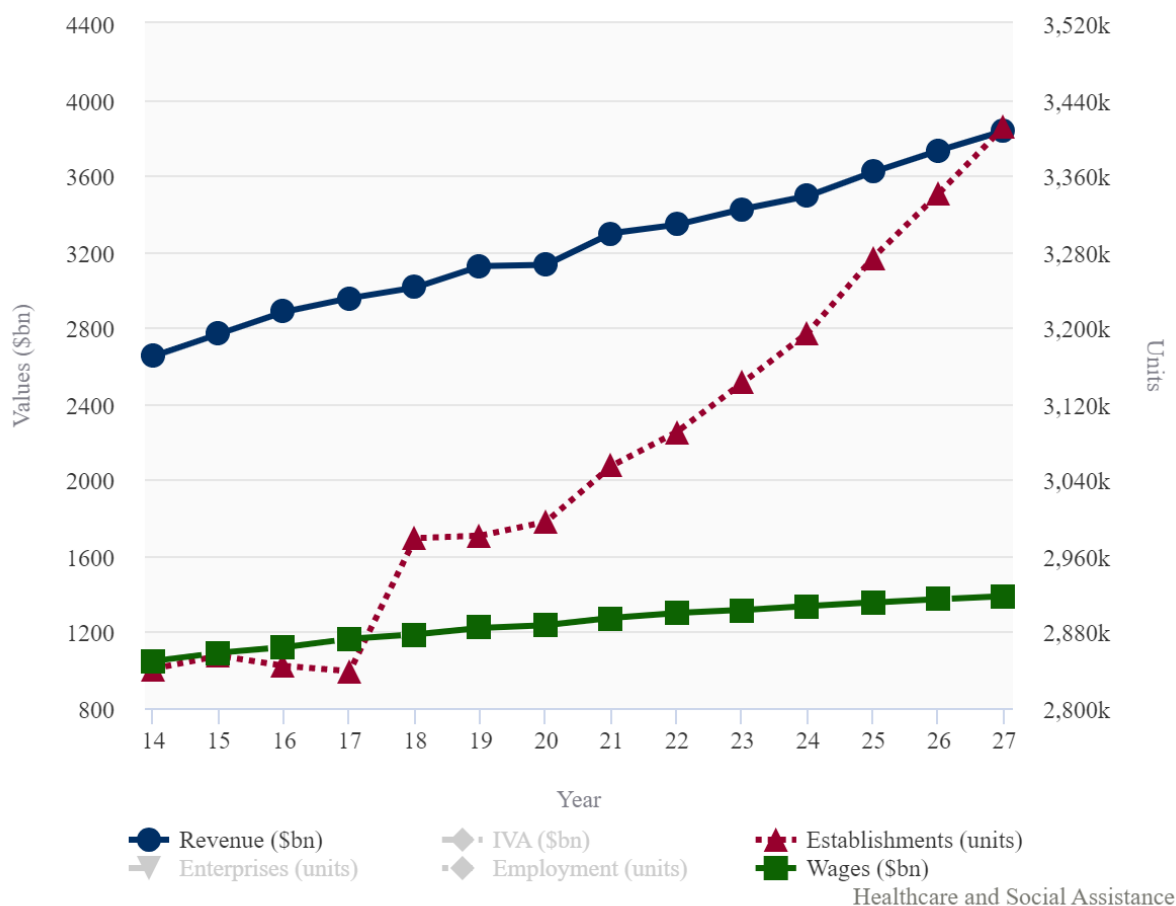
To assess the potential growth of the healthcare sector, this study examined five economic forces at the national level. Those broad economic conditions were then applied to the regional market, firms, and trends to provide the context of its economic competitiveness.

The healthcare industry has seen growth over the past decade in terms of total establishments, total revenues, and wages. However, the landscape remains highly competitive, as only one company produces over 1% of the market share.

Major Players



Industry Performance 2014–2027



Healthcare and Social Assistance
Source: IBISWorld

Using the framework of Michael Porter's five forces, we can further detail the overall status quo of the Energy industry in the WAMPO region;

Threat of new entrants

- **High capital requirements:** The healthcare industry is capital-intensive, requiring large investments in research and development, manufacturing, and marketing. For example, the cost of developing a new drug can range from \$1 billion to \$10 billion.
- **Government regulations:** The healthcare industry is heavily regulated, making it difficult for new companies to comply with all the requirements. For example, the Food and Drug Administration (FDA) regulates the safety and efficacy of drugs and medical devices.

- **Proprietary technology:** The healthcare industry is characterized by proprietary technology, which gives existing companies a competitive advantage. For example, Pfizer has proprietary technology in the development of vaccines.

Threat of substitutes

- **Low threat of substitutes:** The threat of substitutes in the healthcare industry is low, as there are no close substitutes for healthcare services. For example, there is no other way to treat diseases or injuries.

Bargaining power of buyers

- **Moderate bargaining power of buyers:** The bargaining power of buyers in the healthcare industry is moderate, as there are a limited number of major buyers, such as health insurance companies and hospitals. However, buyers have some bargaining power, as they can choose to buy from other suppliers if they are unsatisfied with the price or quality of the products or services.

Bargaining power of suppliers

- **Moderate bargaining power of suppliers:** The bargaining power of suppliers in the healthcare industry is moderate, as there are a limited number of major suppliers, such as pharmaceutical companies, medical device companies, and healthcare providers. However, suppliers have some bargaining power, as they can choose to sell to other companies if they are unsatisfied with the price or volume of orders.

Rivalry among existing firms

- **High rivalry among existing firms:** The rivalry among existing firms in the healthcare industry is high, as a limited number of major companies compete for a share of the market. For example, two major hospital systems, Wesley and Ascension Via Christi, dominate the local healthcare landscape. These companies constantly compete for market share, which drives innovation and efficiency in the industry.

The healthcare industry in Wichita is a competitive industry, with a high level of rivalry among existing firms. The industry is also characterized by high barriers to entry, which make it difficult for new companies to enter the market. The threat of substitutes is low, as there are no close substitutes for healthcare services. The bargaining power of buyers and suppliers is moderate.



The healthcare industry is a vital part of the Wichita economy and a major employer in the area. The industry is also a source of innovation and technology, and it plays an important role in the national and global economy.