

Gwinnett health care has plenty of room to grow



No matter how sickly the economy becomes, health care always seems to maintain a robust immune system.

And though the health-care industry is constantly evolving and faces more than its fair share of challenges, increasing demand has kept the industry's expansion and employment at high levels.

Nationwide, health care is one of the few industries that continues to create new jobs and businesses at a rapid pace, said Roger Tutterow, chair and professor in the Department of Economics & Finance at Kennesaw State University.

In Gwinnett, health and social services employed 16,058 as of the second quarter of 2002, according to the most recent figures released by the Georgia Department of Labor. Just a few quarters earlier at the end of 2001,

the sector employed only about 14,500.

Gwinnett Health System, once the fourth largest employer, is now the third largest employer in the county and has about 3,700 employees.

But even as more people move to Gwinnett and the population ages, some health care businesses still feel the sting of a down economy.

"The demand for health care is fairly resistant to what's going on in the economy," Tutterow said. "But we would also expect that when people lose their jobs, they lose their medical benefits, and their income is reduced. It becomes harder for those individuals to meet their health care needs."

But as the economy recovers, Gwinnett's already impressive health-care growth will be poised to expand even further.

Serving a booming population

As people flocked to Gwinnett, doctors, dentists and health-care businesses followed.

After hearing about Gwinnett's famous growth, Dr. Meena Shah and her husband Dr. J.J. Shah moved to the county in 1982 to start their own practice. Now, about 20 years later, the couple operates 11 Gwinnett Clinics and plans to open two more in the next year.

"We heard data that Gwinnett County was the fastest growing county at the time, and that they were looking for family practitioners," said Dr. Meena Shah.

Shah said the county seemed like a good place to start. And so far, the county has provided Gwinnett Clinic with a steady stream of patients.

"It's unbelievable, even to us," Shah said.

Unlike types of businesses that serve other businesses or rely on a roaring economy, health-care businesses can succeed as long as there are people to serve. So, as the county's population increased, doctors and other health-care professionals have had a growing pool of patients and customers.

Bill Williams D.D.S., owner of Suwanee Dental Care, moved to the county in 1997 to benefit from the influx of new residents.

"I knew the growth was going to be here," Williams said.

After selling his Atlanta practice, Williams considered several northside locations before settling on Suwanee. Since then, Suwanee Dental Care, which started with only a handful of patients, has attracted nearly 5,000 patients, Williams said.

Shah said she's been surprised by how little the economy has impacted her business.

"It hasn't affected us yet, surprisingly," she said. "I guess if you don't feel good, you don't feel good."

Hospitals, however, have struggled under regulatory pressure and funding cutbacks. But their problems aren't caused by a shortage of patients.

Gwinnett hospitals in particular have been racing to keep up with the county's booming population. Several hospitals have been expanded or are planning expansions to the hospitals themselves or in new branch locations, including Gwinnett Medical Center in Lawrenceville and Emory Eastside Medical Center in Snellville.

"I think we've been challenged to keep up, but I don't think we've fallen behind," said Mark Mullin, senior planning analyst for the Gwinnett Health System. "I think the facilities here have kept up, they just need to continue to keep up."

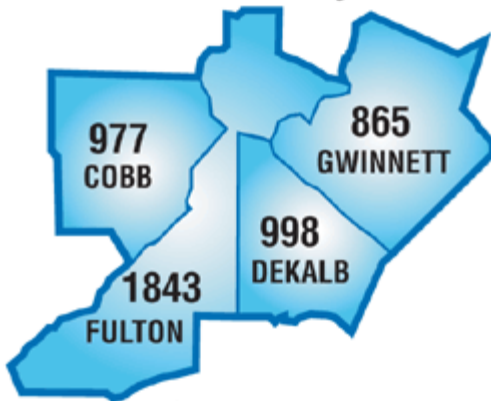
Adding new hospitals in the area, however, is a lengthy and difficult process. In October, a Gwinnett court reversed state approval of a new 110-bed hospital in Duluth after nearby hospitals appealed the state's decision. The court found that the planned hospital was too close to Joan Glancy Memorial Hospital, five miles from the proposed site.

Though it may be several years before regulators allow a new hospital in Gwinnett, existing facilities are expanding to handle the county's ever increasing health-care demand and population, Mullin said.

Gwinnett Medical Center has been expanding regularly to meet demand.

"It's been a constant process of adding on and renovating and bringing things on line," Mullin said.

Health Care Businesses Per County



Gwinnett Health System plans to open an imaging center near Gwinnett Medical Center this spring. It also hopes to open an office at Mill Creek near the Mall of Georgia but negotiations and approvals are still under way for the property, Mullin said.

Emory Eastside Medical Center plans to break ground on a \$26 million patient tower expansion in December 2003. The expansion will extend the first through fourth floors for an additional 81,393 square feet.

Catching up

Gwinnett's dramatic increase in doctors and health-care providers, however, has yet to translate into a high overall concentration of health care businesses in the county.

Compared to Cobb County, for instance, Gwinnett has 112 fewer health care businesses, according to estimates from Business Wise Inc., a firm that tracks metro-Atlanta businesses. Gwinnett has 865 businesses compared to Cobb's 977.

The reason may have little to do with Gwinnett itself and more to do with its newfound position as the metro area's third most populous county. While counties like Cobb, DeKalb and Fulton have been developed for many years, Gwinnett's growth is a relatively recent phenomenon.

"Cobb is a much older and developed community. But in Gwinnett's case, the county has gone over the past 15 or 20 years from a largely rural county to being one of the fastest growing in the nation," Tutterow said.

Consequently, not all of the county's segments have grown with the population.

"Gwinnett has grown so fast that some of the services and institutions that one would expect to see in a county its size are lagging. It may take some time for the county to catch up," Tutterow said.

A dearth of health-care companies in Gwinnett, including the metro area's top HMOs or physicians groups, could also be the result of established companies and hospitals in Atlanta simply opening branch locations to serve the county instead of relocating their headquarters or creating a separate company, Mullin said.

"I think because of those developments and where they stand right now, there's not much need to duplicate the services provided at places like Piedmont and Saint Joe's and Emory," Mullin said.

Specialized doctors also depend on serving a large population. If a doctor specializes in a condition that only affects 5 percent of women, they need as large a group of potential patients as possible. Therefore, having an office in Dacula, for instance, might not be the easiest to reach location for a majority of the doctor's potential

patients.

But the county's population will eventually win over health-care businesses, Tutterow said.

"I expect that over the long run, you will see a new hospital start in Gwinnett or an existing hospital develop a major branch in Gwinnett County because it's a prime location," he said.

Gwinnett's biotech hub

While Gwinnett may not corner the market on general health care, the county does have a very strong concentration of life science or biotech companies.

These biotech companies primarily develop and manufacture health care-related technology or devices.

According to the Metro Atlanta Chamber of Commerce, Gwinnett is home to 54 biotech companies — over 25 percent of metro Atlanta's biotech total.

Norcross leads the county in biotech with 25 companies headquartered there. Duluth is second with 13 companies.

The county is home to several of the metro area's largest life science companies such as Serologicals Corp., Ciba Vision Corp., Theragenics Corp. and Novoste Corp.

Several companies, including Serologicals, have even relocated to Gwinnett from other metro-Atlanta counties.

Serologicals made the move from DeKalb County to Norcross in 2001 after deciding that the county was closer to employees and other biotech companies.

The county, Norcross in particular, is also a popular home for biotech companies because of its proximity to several research universities such as Georgia Tech and University of Georgia, according to Russell Allen, vice president of the Metro Atlanta Chamber of Commerce's biosciences division.

"Prospective companies frequently look at [Norcross] because it is a relatively central location," Allen said.

In the future, biotech is expected to grow. As it does, the county should continue to attract new and existing companies, he said.