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Saint Al's will lay off 66 workers

The Boise hospital blames the increasing cost of bad debt and charity care.

Saint Alphonsus Regional Medical Center mainly blames patients' skyrocketing bad debt and charity care for a new round of layoffs. The hospital said 66 people will lose their jobs this week, including the staff of the unique, eight-bed Franklin House, a crisis center for people with mental illnesses. The house fell prey to state budget cuts.

The state no longer can pay Saint Al's to run the home, which will close Saturday. The Saint Al's layoffs amount to under 2 percent of the more than 3,400 people who work at the hospital, one of the Treasure Valley's largest employers, according to a news release from the hospital.

As the economy began to sour, many people believed Treasure Valley hospitals were recession-proof. Not exactly. The layoffs announced Monday come on the heels of a separate round of Saint Al's layoffs, about 40 people, in April.

In Canyon County, Mercy Medical Center last month said it was laying off 70 of its nearly 800 workers, again because of brutal economic conditions. With each set of layoffs, hospital officials assure the public that no bedside nursing jobs are being cut, and the latest cuts are no exception.

Officials at Saint Al's said they never have seen anything like the current economic battering. "Over the past few months, we have seen unprecedented economic changes and the dramatic effects they are having on the national health care industry over a very short period of time," interim President and CEO Janelle Reilly said in a memo Monday to employees. Factors in the layoffs include:

- The stock market meltdown.
- More people out of a job and out of the health insurance that went with it.
- Declining reimbursements from health insurers, including Medicaid, the public health-insurance program for the poor. That program is being sliced as the state tries to balance its budget.

At Saint Al's, the biggest kick in the gut came when patients' charity care rose 40.7 percent, and bad debt rose 13.6 percent in the first five months of fiscal 2009, according to the memo. At St. Luke's hospitals in Boise and Meridian, charity and bad debt numbers look about the same, according to information from spokesman Ken Dey

Gary Fletcher, CEO of the St. Luke's hospitals, must approve every new job created at the hospitals, but so far no layoffs are in the works. The closure of Franklin House will throw the financial burden of care for severely mentally ill people on local emergency rooms and jails, Dr. Charles Novak, a Boise psychiatrist, said Monday.

The decision to close the center is a blow to access to care for people with severe mental illnesses, Novak said.

"It's bad for the patients," he said. "It's bad for the hospitals. It's bad for the jail, too," he said.

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State officials disagree. The closure of Franklin House will be a blow to some of the 600 people it served each year, but it is not a catastrophe, said Gina Westcott, mental health program manager for the region including Ada County. The facility lost \$325,000 in a recent round of state budget cuts.

Many of those patients can fall back on mental health providers they already see in the community, she said.

And next year, a new facility will open to offer crisis services to the mentally ill and provide a safe place for drug or alcohol addicts to detox.

Until then, the state has in place a special crisis team that can help some patients where they live, and the state Department of Health and Welfare is trying to put together a contract to provide help for other patients after hours and on weekends.

"There probably still will be a gap in services for those folks, but while we are really sad to lose Franklin House, those people still have access to services on a regular basis," Westcott said.