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Spokane hospitals to trim workers

Providence cites loss of funding, investments

Providence Health Care may lay off employees at its Eastern Washington hospitals as the number of unpaid medical bills climbs and budget projections worsen.

“No decisions have been made on who, what or how,” said Dr. Andrew Agwunobi, chief executive of Providence’s regional operations that include Sacred Heart Medical Center. “We’ll take every step necessary to minimize the number of staff affected.”

The problems facing Providence underscore the depth of the recession. Civil service, education and health care jobs are widely considered to be among the most secure. But in a memo sent to staff Friday, Agwunobi noted that the million behind its budget nonprofit Catholic health care system is \$9 and that the gap grows wider by the month. Executives have responded by cutting discretionary spending. Yet they acknowledged that won’t be enough.

“As such, in addition to curtailing as many non-mission critical expenses as possible, we have made the difficult decision to implement some level of staff reductions in the Spokane hospitals during the months of April and May,” Agwunobi wrote.

Sacred Heart and Holy Family Hospital employ most of Providence’s 8,450 employees in Spokane and Stevens counties. Agwunobi said the hospitals will use attrition and freeze hiring for open jobs that are not critical to patient care.

Executives also are considering imposing furloughs – unpaid time off – to hold down the number of potential layoffs, he said. It will be a delicate balance, he said, as the hospitals are continually full and must be adequately staffed.

Driving the problems are looming cuts in state spending that flows directly to hospitals and massive investment losses. And hospitals are beginning to see the aftershocks of rising unemployment – 9.7 percent in Spokane County. As the number of jobless increases, so does the number of uninsured patients.

Agwunobi said more people are using the hospital without insurance and without an ability to pay. The hospital builds some charity care into its budget. But forecasting how many patients will not pay their bills is more difficult. Despite the sobering financial trends, Sacred Heart will push ahead million expansion, adding 173 patient beds and expanding with its \$175 the emergency department.

“The recession will end, and when it ends we want to be prepared to meet the long-term health care needs of this community,” Agwunobi said, pointing to the plans as a silver lining for the local economy because of the initial construction jobs followed by new hiring as the hospital adds beds, new equipment and services. The hospital needs state approval for its plans. “We think it’s more critical than ever at this point,” Agwunobi said.