

Specific Economic Impact

Hospitals Adjusting with Tough Decisions



Oregon's Community Hospitals Reorganizing:

Asante Health Systems

*Rogue Valley Medical Center, Medford ***

*Three Rivers Community Hospital, Grants Pass ***

- Rogue Valley posted a recent two-month loss of \$1 million
- Projected \$15 million loss by the end of the fiscal year
- Cut 20 employees in January from non-medical positions
- Froze hiring on 80 open positions
- Canceled director and manager wage increases
- Additional cuts are possible; bond interest increasing
- Uncompensated care rising at about 18 percent per year
- Patient volume down five percent
- Management team will be reorganized and reduced by 14
- Hearthstone, a nursing home in Medford, to be listed for sale
- Asante Home Care will be listed for sale
- Genesis, an in-patient and outpatient drug rehabilitation center to close April 11
- The Early Learning Center, an employee childcare facility will close March 27
- Ashland Hand Clinic will be closed April 11
- The Outpatient laboratory station in the Washington Outpatient Center will be closed February 20
- The Retired Seniors Volunteer Program in Grants Pass will be discontinued March 30
- 50 positions have been decreased in house, equaling a reduction of 7.5 full-time employees
- Asante currently employs more than 4,000 people in Southern Oregon

Ashland Community Health Center, Ashland

- Laid off about 12 employees on the way to reducing 40 total positions
- Expecting a loss at end of fiscal year
- Bad debt is increasing
- Employs about 450 people
- Canceled support for the Ashland Memory Center (dementia care); 5 positions eliminated (part of total of 40)

Cascade Healthcare Community, Bend

*St. Charles Medical Centers, Bend** and Redmond*

Pioneer Memorial Hospital, Prineville

- Cut salaried employees wages by 5 percent; non-exempt employees required to take one unpaid day per month
- Formal hiring freeze; eliminating all temporary and consulting positions
- Attempting to cut \$4.7 million from 2009 budget; wants to reduce labor costs by 5 percent
- Bond payments; huge drop in investment income; higher charity; declining patients
- Possible long-term fix would include permanent cuts to staff levels
- Struggling to achieve a 2.5 percent margin - current margin is 1 percent
- Charity care to Nov. 2008 was \$7 million more than all of 2007
- Staff reduction of 74 caregivers and reduced hours for 45 additional; layoffs constitute 2.3 percent of workforce
- Cascade currently employs nearly 3,000 people in Central Oregon

Legacy Health System

*Legacy Emanuel Hospital and Health Center***

- Legacy reported in Sept. 2008 that it delayed selling bonds to finance the construction costs of a new tower at Legacy Emanuel as well as other capital projects. Tower may be delayed if bond market does not stabilize within 120 days. Parking garage is under way.
- No reports on Legacy's other four Oregon hospitals.

Lower Umpqua Hospital

- Reduced workforce by 10 percent

OHSU**

- Announced in December 2008 that it would cut \$35 million from its budget
- Major investment losses (\$23 million) and declining profitability
- Executives are taking a 20 percent cut in base pay; executive bonuses canceled
- Salary and benefit freezes for nonunion employees; layoffs have started; potential benefit reductions; discussing layoffs with unions
- Canceled holiday parties and employee appreciation events
- Managers asked to cut budgets
- Cutting 1,000 jobs and benefits by June, 2009. This includes 140 from the hospital.
- Employs 12,700 people

McKenzie-Willamette Medical Center, Springfield**

- Because of economic conditions, has placed a hold on expanding the existing facility.
- Also has deferred a long-planned move to a new location.

PeaceHealth Oregon Region

*Sacred Heart Medical Center University Place, Eugene***

*Sacred Health Medical Center at RiverBend, Springfield***

- Increase in charity care by 14% to a record of \$66 million
- Management will take a 4.5% pay cut (February-June, 2009)
- Executive Team will take a 8.5% pay cut
- 20 management positions eliminated through consolidation, severance or placement in other positions within the organization; seven of these positions are currently vacant and will remain unfilled.
- Eliminate the equivalent of 70 full-time positions. Actual workforce reduction will be 57 employees.
- Employs 5,100 people

Providence Health & Services

Providence Hood River Memorial Hospital, Hood River

*Providence Milwaukie Hospital, Milwaukie***

*Providence Medford Medical Center, Medford***

Providence Newberg Medical Center, Newberg

*Providence Portland Medical Center, Portland***

Providence Seaside Hospital, Seaside

*Providence St. Vincent Medical Center, Portland ***

- Providence Medford eliminated six jobs and reduced work hours for employees equivalent to an additional 20 full-time employees
- Freeze on all open positions; exceptions reviewed on a case-by-case basis
- No executive salary increases in 2009
- Cut or delay capital projects of \$52 million and \$32 million in operations in Nov. 2008
- Additional cuts/delays in capital projects of \$100 million in Jan. 2009
- Travel severely reduced
- Merit increases reduced for managers and eligible employees
- Charity care trending is way up: nearly \$64 million in 2007; estimated \$74 million in 2008; a conservative estimate of \$96 million for 2009
- Bad debt is increasing
- Greatly expanded contingency fund for charity care and bad debt
- Largest private employer in Oregon with 16,381 employees. - 13,825 are in the Portland metro area

Samaritan Health Services

*Good Samaritan Regional Medical Center, Corvallis***

*Samaritan Albany General Hospital, Albany***

Samaritan Lebanon Community Hospital, Lebanon

Samaritan North Lincoln Hospital, Lincoln City

Samaritan Pacific Communities Hospital, Newport

- Non-clinical employees required to take 10 unpaid days of leave between the end of Nov. 2008 and the end of Dec. 2008

Southern Coos Hospital, Bandon

- Projected net loss for 2008 about \$1.2 million
- A hiring freeze is in place
- Salaried and part-time employees' hours reduced 10 percent
- Eliminated bonuses

Sky Lakes Medical Center, Klamath Falls**

- Laid off 2 people
- Reduced hours for almost all staff
- Froze hiring on 60 open positions
- Instructed every department to cut an additional four percent from budget; could lead to more layoffs

***** 14 hospitals currently pay the hospital tax 25 hospitals in total pay the tax***

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