

Layoffs at Watsonville hospital

Up to 25 positions cut;
revenue decline blamed

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WATSONVILLE — Watsonville Community Hospital has announced staff cuts affecting the equivalent of 20 to 25 full-time employees.

In an April 21 memo to employees, doctors, trustees and volunteers, Barry Schneider, the hospital's chief executive officer, said the layoffs were necessary to "secure our financial future."

"We have engaged in numerous strategies and options to try to bring our operating margin to the necessary targeted levels," Schneider wrote. "These attempts have not been totally successful."

Subsequently, the hospital has announced it also will lay off its security staff, replacing it with an outside security firm.

Over the next month, the hospital will eliminate the equivalent of 20 to 25 full-time positions, either through attrition, restructuring or layoffs, Schneider said in the memo.

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While the hospital employs 683 nursing, clinical and administrative workers, the breakdown of full-time and part-time workers was not available. Schneider termed the layoffs a "moderate correction" affecting less than 5 percent of the staff.

Hospital spokeswoman Bridget McMinn said Friday that decisions about where the cuts will be made were not complete, and that department managers will make cutback recommendations to administrators.

The hospital was operated as a non-profit 103 years before being sold in 1998 to the for-profit Community Health Systems of Brentwood, Tenn.. The company, which paid \$55 million for the Watsonville hospital, owns, leases or manages 39 hospitals nationwide.

In the years before the sale, the hospital also had sustained rounds of layoffs and budget-cutting, much of it attributed to reductions in the reimbursement rates

provided by insurance companies and government health care programs.

In recent months, nurses and others involved with the hospital have complained privately about staff shortages.

Schneider attributed the current financial shortfall to decreased admissions, shorter length of inpatient stays, demand by insurance carriers for more outpatient services, and delays in recruiting new physicians to take specialty referrals.

The hospital is losing businesses because of the lack of specialists, and income in some service areas has fallen short of projected revenue, Schneider wrote.

"Spending and staffing were planned according to certain goals," said McMinn, the hospital spokeswoman. "If we don't meet those goals, we have to reduce the staffing and level of spending to the real volumes."

Representatives of unions representing some hospi-

tal workers said Friday that the announcement had taken them by surprise, and that they plan to meet with hospital administrators this week.

On Tuesday, the hospital's security staff was told it will be laid off in favor of a private company. In a memo from Brad Anderson, the assistant chief executive, the four security officers, who are not unionized, learned the hospital would contract for security services and that their last day would be "on or around May 7th."

The employees were told they could apply for jobs with the contract company, Burns International.

"The decision is based on the inability to maintain consistent and qualified staff, as well as provide the opportunities to enhance the staff's knowledge, training, and install state-of-the-art computerized security system," Anderson wrote. "We will work with you to have as smooth a transition as possible."

McMinn said she did not know if the security officers were part of the overall layoff plan.