



Holy Cross announces 44 layoffs

By Andrew Oxford

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Forty-four employees of Taos Health Systems and its subsidiary, Holy Cross Hospital, will be laid off in a move administrators claim is necessary amid changing trends in the health care sector, though staff warn the cuts could imperil patients.

The latest round of layoffs, included in a strategic plan drafted by the nonprofit's board, will include at least 32 nursing and support staff. The changes announced Monday (Sept. 9) follow several cuts over the last four years that have seen the number of full-time equivalent staff employed by Holy Cross cut from 370 to between 310 to 315, according to hospital CEO Peter Hofstetter.

Under the new strategic plan, the intensive care unit will shrink from five beds to two and the observation unit will also be reduced from six beds to four. The loss of those five beds and the addition of another in the medical surgery unit would leave the facility with 29 beds, according to Hofstetter.

In announcing the cuts, administrators cited a decline in the number of inpatients served by the hospital from an average of 23.2 each day during fiscal year 2011 to 17.8 in 2013.

"During this time we've remained staffed in case more patients were admitted, but that hasn't been the case and we can't continue this way," chief nursing officer Anna Abeyta stated in a press release issued Monday, adding that the recent measures would not impact ratios of one nurse to every four or five patients with one nurse caring for two patients in the intensive care unit. It was not clear how much money the hospital expected to save through the cuts or the nature of the financial circumstances that prompted the elimination of dozens of positions. Instead, administrators alluded to broader changes in the health care sector.

"Currently, we have money in the bank and no debt," Hofstetter wrote in an email to *The Taos News*. "Given the changes in reimbursement and our losses of the last few years this becomes a bit tenuous. The current system (nationally and locally) is not sustainable and we intend to make our operations sustainable."

Hofstetter insisted, however, that Taos could support a hospital. "The big question is what services does a hospital offer," he wrote.

Holy Cross is shifting its focus to more profitable inpatient services, according to administrators, and that trend would drive the development of "growth revenue opportunities" such as occupational medicine, oncology, cosmetic dermatology, geriatric psychiatry, inpatient rehabilitation and physical therapy.

Employees, many of whom responded to the layoffs with criticism and concern, said the move would leave staff overwhelmed and consequently diminish the care provided to patients.

“It comes down to patient safety,” nurse Julie Kane told *The Taos News*, lamenting the elimination of several telemetry and nursing assistant positions. The cuts, she said, would require her to keep an eye on heart monitors while conducting rounds and providing support to other departments.

“If they’re expecting me to be able to monitor heart rhythms with a full patient load without an assistant, it puts us in an unsafe position.”

“The majority of the cuts have come from direct patient care,” said Martha Jaramillo, a nurse in the intensive care unit and a leader of the union representing health workers at Holy Cross.

Though the union was still negotiating with administrators when *The Taos News* went to print, organizers said the cuts would lead to a reduction in nursing staff in the intensive care unit and emergency department. Several nursing assistants would also lose their jobs as would secretarial employees such as a nurse scheduler. One administrative position would also be eliminated.

Union organizers suggested the cuts could precede a change in status for Holy Cross from an acute-care hospital to a critical access hospital.

“It is a change in status which means a lot of folks here will have to go elsewhere,” said Bruce Weatherbee, an organizer with District 1199 New Mexico. A critical access hospital, he said, would limit Holy Cross to 25 beds and allow administrators to keep emergency room staff on-call. Though the change would mean higher reimbursement rates from Medicare, Weatherbee added, more patients would have to be transported to hospitals elsewhere in the state. Hofstetter confirmed administrators would consider changing the hospital’s status to critical access in the next several months.

Concerns about the latest round of layoffs at Holy Cross spilled over to meetings of the Taos County Board of Commissioners and Taos Town Council, Tuesday (Sept. 10).

More than 20 hospital staff and its CEO attended the county’s meeting that morning where Commissioner Gabe Romero added a discussion of the layoffs to the agenda.

“I am not exactly clear what the commission can do,” Romero told *The Taos News* before the session, adding that he felt compelled to put forward the agenda item following a slew of phone calls and emails from constituents.

In addition to fears of diminished patient care, staff also told commissioners of their frustration with the hospital’s decision-making process.

“We were handed this [announcement] 24 hours before they change one unit from five beds to two,” nurse Walter Brennan said during the session, adding that the strategic plan drafted by the hospital’s board was written without the consultation of staff or their union.

“We need everyone involved to reach a realistic plan rather than a reactionary plan,” Brennan said.

Staff and union leaders last reached out to officials at Holy Cross at a meeting of the hospital's board Aug. 28. Employees asked for the opportunity to discuss rumored cuts or other changes with board members and administrators. Board chairman Ron Burnham declined a meeting with staff and said the strategic plan would not be discussed until it was completed.

At the commission meeting Tuesday, Hofstetter insisted that the hospital was not considering a sale or merger despite Burnham's equivocation on the issue at the Aug. 28 board meeting.

"We have never discussed selling the hospital," he told commissioners. "We are fighting fiercely to be an independent community hospital — though that is a dying breed."

Commissioner Joe Mike Durán suggested the layoffs constituted a violation of a prior agreement between the hospital and county, which finances a fund for indigent health care in addition to leasing the hospital to Holy Cross at a subsidized rate.

"You said last year if we provided you the \$5.1 million [for the indigent fund], there would not be layoffs," Durán said.

Hofstetter replied that the hospital had only received about \$2 million from the agreement with the county while the remainder remains with the state.

The CEO also faced criticism for not including more community stakeholders in drafting the strategic plan or discussing changes at the hospital.

"I do think the board could be more open, I really do," Commissioner Tom Blankenhorn told Hofstetter, prompting Romero to suggest that a staff member be included on the board in the future.

The commission did not determine what action if any it might take regarding the latest round of layoffs, though a joint meeting with the town, hospital and employees was scheduled for Sept. 24.

The town council also heard concerns from more than 20 hospital staff later that day. No action was agreed upon though Mayor Darren Córdova suggested the hospital explore a partnership with Los Alamos National Laboratories which supports some health care services in Santa Fe County.

Council member Andrew Gonzales, however, expressed frustration that the recent cuts were not discussed with the broader community before they were announced.

"I feel a little disheartened that we were not at least briefed by the hospital," the councilman said.