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Hospital: Fewer inpatients, federal funds prompted layoffs

By Andrew Oxford

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At a community forum Wednesday morning (Sept. 18), Holy Cross Hospital administrators sought to address concerns about the elimination of 44 jobs at the facility.

“Health care is changing and we can’t be the same Holy Cross we used to be,” CEO Peter Hofstetter told a sparse audience at KTAOS Solar Center comprised largely of hospital board members and officials.

The nonprofit is grappling with an uncertain financial future as the state and federal governments change the way they fund health care, the CEO said.

Federal payments to the hospital had declined by more than \$15.3 million over the previous three years, according to Hofstetter. Cuts totaling \$5.1 million by Holy Cross did not bridge the gap, he added, stressing the organization would have to examine a variety of options in addressing its changing economic circumstances.

“With \$15 million cut, it’s a tribute to everybody’s hard work that the doors are open,” the CEO said.

The financial shortfall had also prompted the hospital’s leadership to reconsider the role it could play in the community, Hofstetter added.

Administrators would reconsider whether to pursue critical access status. With the designation, the 29-bed hospital would be limited to an average of 25 beds but Hofstetter said it would not restrict the services offered by the facility which would also receive higher rates of reimbursement from the federal government.

“We can’t be all things to all people anymore,” he told

The Taos News in an interview Monday (Sept. 16).

The amount of uncompensated care — services provided by the hospital but not paid for by either the patient or the government — was projected to increase, Hofstetter said.

Carol Miller, a Pe-asco resident who attended the meeting, suggested the implementation of the Affordable Care Act could provide some relief for the hospital.

“I work with other hospitals and I have seen that uncompensated care number going down,” she told Hofstetter, alluding to the potential for thousands of uninsured Taos County residents to

enroll in new health insurance plans over the next several months.

The CEO was not optimistic about the roll out of new health insurance policies and said it could be two to four years before care providers see the effect.

The number of inpatients served by the hospital had also declined, he said. Holy Cross admitted 5,589 inpatients in fiscal 2011 compared to 4,707 in 2013. The number of outpatients increased, meanwhile, from 72,615 in 2011 to 78,546 in 2013.

Asked what was driving the shift, he told *The Taos News* Monday the development could not be attributed to any single trend.

“Technology for one,” Hofstetter said, adding that changes in the medical field have improved recovery times. “A lot of the testing is also done on an outpatient basis.”

That mirrored a national trend, the CEO said.

“The incentives are such for the patient and hospital to minimize the expense to the hospital,” Hofstetter told *The Taos News*, referring to a shift in health care policy that encourages providers to take a preventative approach in treating patients rather than steering them toward costlier options.

Fewer staff would be needed to care for inpatients, he added, as the hospital admitted fewer of them.

But staff counter the statistics presented by administrators do not necessarily reflect the reality faced by nurses and other care providers.

Martha Jaramillo, a nurse in the intensive care unit and an official in the union representing direct care providers at Holy Cross, said staff were swamped after the unit was reduced from five beds to two amid the latest round of layoffs.

“Length of stay is not so much the issue. You could have a day with two patients that are not difficult to take care of and adequately get your work done,” she said.

Other ICU patients required the constant attention of the nursing staff, Jaramillo added.

As a consequence, she said patients were having to be transferred to hospitals outside of Taos due to a shortage of space in the intensive care unit.

“The hospital is saying you cannot plan for the what-ifs but these are not what-ifs,” Jaramillo said.

Administrators retort transfers are routine and no patients have had to be transferred due to the recent reduction of ICU beds.

Jaramillo said she expected more of the hospital’s 400 staff to be laid off, placing an even greater strain on nurses and other care providers



Tina Larkin

Holy Cross Hospital Chief Executive Officer Peter Hofstetter speaks to a small crowd at Thursday's (Sept. 18) public forum at KTAOS Solar Center.