

MEDICAL AND NURSING JOBS FACE THE AX AS REDUCED REVENUE FORCE HOSPITALS TO CUT WORKFORCE



It was generally assumed that amongst the safest jobs were hospital and nursing jobs and that irrespective of the state of the recession, people in these professions were not at a risk of being laid off. However, as federal overhauls are being implemented, the population is growing older and states are facing huge financial shortages and are under immense pressure to pare their budgets, hospitals are cutting staff to meet the latest challenges. Conventional wisdom of job security is being shown the door and workers are coming to tunes with reality that even their so-called secure jobs are at risk. In Illinois medical institutions large and small, from big hospitals in big cities to small community hospitals in rural areas have cut hundreds of jobs in Illinois over the last 12 months. The job cuts are the result of an enormous cost-cutting campaign that is being taken over by hospitals across the country and has seen maintenance workers, food service employees, lab technicians and nurses losing their jobs. It is predicted that the overall performance of the hospitals will see a downturn, with a lesser number of patients seeking treatment, resulting in lower revenues that will necessitate budget cuts between 20 and 40 percent over the next 5 years. The first to face the ax will be the workers, who form the single largest source of expense for the hospitals. "This is happening all over the country, and the cuts you're seeing now are likely to be the first salvo in what's going to be a very significant reduction in force by hospitals nationwide," said Jamie Orlikoff, a Chicago-based health care consultant. Hospitals are allaying fears that cuts in jobs for health care workers like nursing could result in poorer patient care, by saying that the cuts are being made to streamline work and make health care more coordinated and efficient. However, hospital workers, whose jobs are on the line, say that is not true, given that an additional 30 million more Americans may get health insurance in 2014, through the Affordable Care Act. Jan Rodolfo, Midwest director for National Nurses United, the country's largest union of registered nurses, accused the hospitals of using the economic downturn as an excuse to cut down on costs, even though they are making huge profits. He said that it was ironic that in a country that has been facing a serious nursing shortage for the last ten years, there are actually thinking of cutting down on nurses, when the need of the hour was for more nurses. Millions of aging baby boomers will shift to Medicare, the Government run health care program for the elderly and the disabled. The government pays the hospital much lower rates for patients under Medicare than those with private insurance and it is generally assumed that hospitals lose money on patients they treat under this program. "Hospitals must be able to break even on Medicare right now," Orlikoff said. "If you cannot do that, you will not survive." According to the 2012 annual report of Medicare board of trustees, by 2020 there will be an additional 64 million people under Medicare. Bruce Crowther, chief executive of Northwest Community Hospital in Arlington Heights whose northwest suburban hospital has cut 188 jobs this year says that it saves him \$20 million in salaries. He agreed that eliminating extra jobs was something that had to be done, even though he did not like doing it. "First, we hate it. Nobody likes to cut people and we really value our workforce," he said. "But you have to respond, and you have to do it the right way. The first question is always, 'Are you (affecting) care?' We have to be able to say with absolute sincerity, absolutely not."