

JACKSON HEALTH SYSTEM LAYS OFF 240



The Jackson Health System has reported a loss about \$9.6 million in the month of October. This news has made them decide to reduce the hospitals staff by 240 jobs in order to stay in the black. The announcement, which was made on Thursday, is designed to help allow the company to recoup some of its losses. These losses represent more than a 50 percent increase in total losses when compared to the \$6.5 million loss that the hospital posted in October of 2010. "We can't afford to have \$10 million losses," Chief Executive Carlos Migoya told the members of Jackson's governing board. "We need to take action now." He went on to tell the board that, "We don't have the cash to take a loss." Of the 240 jobs that need to be cut, only about 170 of those positions are actually currently filled by workers who will need to be cut loose. The rest of the positions are vacancies that will be left open in order to avoid more actual job losses. While the hospital did not provide a list of which positions will be let go, they did say that the majority of the positions that are going to be eliminated did not involve clinical care. The overall reduction is expected to be about 2.5 percent of Jackson Health System's workforce, which currently employs 10,970 people. Layoffs are not the only measure that the Jackson Health System needs to take in order to cut their budget. According to what Chief Financial Officer Mark Knight told a local reporter the company has also ordered the majority of its workers to take two weeks of furlough time with at least four days of that time to be taken before January 1st. For those of you who are unfamiliar with the concept furlough time, is like an unpaid vacation, during which employee's benefits remain active, but no pay is given for the time off. The hospital has also begun the process of outsourcing some of its work. The board recently told the management of the hospital that they were allowed to seek a contract that would outsource the work of the employees who qualify patients for Medicaid. Up until now this job has been shared by an in-house staff and CEA, an Atlanta-based firm. They will likely be taking over the job of qualifying patients entirely, though they are not the only company to offer the service. So, at least we can see where some of the job cuts are likely to come from. Research showed that the company is as effective as in house staff at getting the patients processed. 86.5 percent of uninsured patients processed by the hospital employees were converted to Medicaid, and 88.7 percent of the patients processed by CEA were covered by Medicaid. Even with all of these cost saving measures, which will help the hospital to save about \$11 in the month of December, the hospital is expecting to have only roughly 11 days of operating cash on hand in the month of December. The fiscal troubles are being attributed to low patient volume.

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