

New Jersey hospitals continue to suffer financially

Thursday, January 14, 2010

BY MARY JO LAYTON
STAFF WRITER

Nearly half the state's hospitals have laid off workers, many have reduced services and most are treating growing ranks of patients who can't or won't pay, according to a survey by the New Jersey Hospital Association.

"Just like other businesses, hospitals continue to feel the economic pressures of the recession," said association president Betsy Ryan. "But unlike other businesses, hospitals can't simply adjust by reducing their output or cutting back on hours."

Englewood Hospital and Medical Center and Hackensack University Medical Center reported layoffs last year. Englewood laid off 24 workers in November. Hackensack announced a cut of up to 125 positions in September.

Nearly a fourth of hospitals surveyed curtailed services, including eliminating pediatric programs and behavioral health services. These were in addition to the cuts in care made by 17 percent of the responding hospitals in 2008.

More than half the state's 73 acute-care hospitals responded in December to the association's second annual economic impact survey.

"The economic outlook will continue to stress New Jersey hospitals for some time," said Englewood Hospital and Medical Center spokeswoman Maria Margiotta. "This only strengthens arguments opposing the reopening of an acute-care hospital in Westwood."

Increases in the ranks of charity care patients are challenging because the state reimburses hospitals an average of 42 cents for every \$1 of care provided, the association said. Some hospitals receive as little as 5 percent of costs.

"We finished the year in the black," said Holy Name President Michael Maron. "But 2010 will be an unbelievably challenging year because of the pressure on the entire payer industry, from government payers to private payers. You're going to have cutbacks."

The report found encouraging signs. Nearly two-thirds of the hospitals surveyed reported increases in admissions last year, and 67 percent reported more elective procedures.

Hackensack University Medical Center has experienced an increase in charity care, elective admissions and emergency room visits, President Robert C. Garrett said.

"We have taken the necessary steps to secure our future, which included workforce restructuring in 2009," he said in a prepared statement. "It is important for any institution to continuously evaluate how efficient it operates."

The survey also found that more than half the state's hospitals plan to delay building and

improvement projects, and all those surveyed had a drop in fund raising.

However, St. Joseph's Hospital and Medical Center in Paterson is continuing with expansion plans that were in place three years ago, said Nancy Collins, director of public relations and marketing for the health care system.

Find this article at:

http://www.northjersey.com/news/health/81430502_Survey_finds__09_tough_on_many_N_J_hospitals.html

The Record - 150 River Street - Hackensack, NJ 07601