

Rice Hospital faces layoffs and discontinued programs

August 21, 2008. Rice Memorial Hospital regrettably announces that it will be laying off 13 people and discontinuing two outpatient health programs. Faced with fewer inpatients, declining revenues, and increasing expenses, the hospital needed to further reduce expenses. Earlier this year, the hospital decreased department budgets and overtime hours, and had not refilled several vacant positions.

“It’s very sad that we have to cut people and services. These are good programs administered by good people,” said Chief Executive Officer Lawrence Massa. “Our employees have done everything that’s been asked of them and more.”

The individuals affected by layoffs work in several departments. The Rice Diabetes and Nutrition Center, as well as the Heart Failure Clinic, will each close within thirty days. This will allow time to meet existing appointments, notify physicians, and help patients find alternate services. Staff in a number of other departments will face reduced hours and a number of vacant positions will not be filled as part of the overall budget reductions, which will eliminate approximately 43 full-time equivalency positions.

When the hospital laid off 17 individuals and made severe budget cuts in February 2007, a \$2.2 million loss was turned into a \$1.8 million profit. However, the recovery was short lived. Inpatient census numbers have continued to decline and more reductions are necessary to get the hospital back on track to financial stability. This situation is industry-wide, not Rice specific. The management team and staff have done an excellent job trying to ride this out to recovery.

“The health care industry has changed dramatically, and will continue to change,” said Massa. “We have to make necessary and immediate adjustments so we can continue to provide good health care in our community for the long term. These are tough times for everyone here at Rice. While this is painful and difficult, it’s absolutely necessary for the future success of this hospital.”

The mission of Rice Hospital is to serve our communities by providing excellent health care—nothing can change this. We will continue to provide a safe, professional and caring environment for our patients. ■