

Providence Management Asks for Voluntary RN Layoffs



REALLY?

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"What kind of company comes to negotiations with a bombshell like voluntary layoffs, but has absolutely no answers to critical questions like 'how many?'"

Apparently management at Providence St. Joseph suddenly realized Monday morning that they need to ask employees at all of their San Fernando Valley hospitals for voluntary layoffs. They brought a letter to contract negotiations on Tuesday that will be mailed to RNs today.

Though this sudden discovery of fiscal demise goes against all the financial information our Union has uncovered, we went along and tried to figure out what has gone wrong and what management wants done.

Local 121RN: How much does management want to cut from the budget?

Providence: *We don't know.*

Local 121RN: How many RNs does management want to reduce from staff?

Providence: *We don't know.*

Local 121RN: What is the revenue shortfall for St. Joseph this year?

Providence: *We don't know.*

Local 121RN: Will you provide us with your financial statements for the first two quarters of 2011?

Providence: *No*

Here's what we know about Providence and St. Joseph year-to-date financials through June 2011:

- Net operating income (profit) was \$135.6 million; this exceeded budget by \$15.9 million.
- Total income was \$216.7 million. This means Providence had more than \$81 million in non-operating gains.
- Total operating revenue exceeded \$4.3 billion. This is what they made before expenses.
- St. Joseph reported almost \$16.4 million in net income (profit) from operations in 2010, but that income was reduced by \$5.3 million for non-operating expenses. In the end, the hospital reported an overall gain of almost \$12.3 million for 2010.

We'd like to see where Providence's financials have gone so wrong in light of the information above. We also wonder why they chose to come to negotiations asking for voluntary layoffs, but with no answers to basic questions.

We're also puzzled over this latest development because Providence has been hiring all year, pays mega-bucks for RN overtime, and still employs Travelers (though they didn't know how many Travelers are currently working, either).

What's the missing link here? We're confused. The only solution we can come up with is that Providence is using the threat of layoffs as a scare tactic to get their way in bargaining. The problem is, we didn't go into bargaining with huge requests. We asked for maintenance of our current contract and 2 percent yearly raises to partially cover cost-of-living increases. Is Providence REALLY that poor? We bet the Board of Directors has been painted a completely different picture.

Other Bargaining Issues

- Providence is putting out a letter to RNs stating that open enrollment for health benefits is upcoming and that our Union has not agreed to the 2012 health benefits. It is true that we are still negotiating health benefits, and the hospital can not implement any plan changes until we have agreed upon and ratified a new contract.
- Hospital management is still pushing to eliminate per diem RNs from Clinical Ladder and make them ineligible for wage increases.
- Providence wants to eliminate the 6-2 Program originally created for night shift NICU and L&D RNs. Our Union is trying to find a way to "grandfather" in the roughly 34 RNs currently participating in the program so that they can continue with their current schedule.

Since management did not have any answers for our Bargaining Team, we suggest you call St. Joseph CEO Barry Wolfman, @ (818) 847-3345, if you have questions about management's proposed voluntary layoffs.