

NCW clinics, hospitals hope to ride out economic downturn

By Dee Riggs

World staff writer

Posted March 16, 2009

Medical facilities in North Central Washington are seeing no drop-off in patient visits due to the dismal economy and officials are cautiously optimistic they can weather the storm without layoffs and hiring freezes.

But some facilities have put on hold large capital expenditures until the economy turns around and others are waiting to fill vacant positions.

Still others say they are very worried about how state budget cuts could impact the Medicaid program for low-income people.

The Wenatchee Valley Medical Center

At the medical center, officials are holding off on some large equipment purchases and keeping a careful eye on new hires.

"We're cautious," said Dr. David Weber, chief executive officer and chairman of the board of directors. "We believe there will be an economic downturn and we will have some adjustments in capital equipment purchases and in our hiring but we don't anticipate any services being discontinued or any employee layoffs at this point."

Put on hold "for at least a year" is the purchase of high-tech laparoscopic surgery equipment, which is expected to cost \$2 million, he said.

Weber said some medical center staffers think more people are failing to show up for scheduled appointments but "that is so variable that it is hard to put any credence in it."

In Wenatchee, Weber said, "We're not so naive as to think we won't be impacted by the economic downturn. With more people unemployed and higher up-front deductibles, which people may not be able to afford to pay, we'll certainly see fewer people coming in, especially for elective procedures."

Central Washington Hospital

Jack Evans, chief executive officer, said he has not seen changes in patient numbers that would indicate that the economy has impacted the hospital.

The number of patient visits were lower than expected in January but were higher than expected in February.

"We're nervous about the economy but we've seen nothing to date that would say we're experiencing it," he said.

His main concern is that there will be few buyers for the bonds that the hospital expects to sell in late April or early May to finance part of a \$130 million expansion project. People are holding onto their money now, because of the economy, he says.

The hospital hopes to sell bonds for \$90 million to \$100 million and use cash reserves to pay for the rest of the project. A fundraising drive is expected to bring in \$3 million with another \$3 million in matching money from the hospital foundation.

Postponement of the project, which he doubts would happen, would impact some local contractors who are getting portions of the work, he said.

Still, he remains optimistic that the economy won't adversely affect the hospital in the long run. He said no layoffs are being discussed.

Columbia Valley Community Health

Deputy Director Carol Diede said she is worried that state budget woes will result in big cuts to Medicaid, the state's Basic Health insurance program, and other state-funded health programs.

This is especially problematic for the facility which she calls "the safety net" for those with financial problems who need medical help.

"We are a community health center and we are open to everyone," she says. "If someone does not have insurance, we will certainly see them."

She noted that 25 percent of its patient visits are by people without insurance. Diede says it is too early to tell if the economy is affecting the facility's revenue but "We are beginning to see an increase in the number of patients without any insurance coverage."

Overall, she said, "The situation is serious and has our full attention. We have been very meticulous with our budgets this year."

Currently, she said, eight positions, vacated by people retiring or quitting, have been left unfilled. "None of them are doctors or critical positions because we need to continue operating very effectively."

Carol McCormick, outreach coordinator, said the facility has seen an increase in the number of people asking for services through the WIC program, which stands for the Women, Infants and Children nutritional program. In that program, people who qualify by income and family size receive vouchers for certain types of food, such as milk, cheese, eggs and cereals.

She said front desk workers say that some clients say they are coming to the clinic because of job losses. Others have said they recently moved here from California where a drought has made farm-related jobs hard to come by.

North Valley Hospital

At the Tonasket facility, Administrator Warner Bartleson said the number of patients being treated at the hospital are at normal levels but the hospital is continuing to see increases in charity care and bad-debt write-offs. Those have risen steadily as the northern Okanogan County economy continues to be in a recession that, he said, has lasted about 10 years. The charity-care and bad-debt write-offs rose 20 percent in 2008 over 2007.

"That indicates that people are losing their health-care coverage and may be losing their jobs or they just can't afford the coverage anymore," he said.

Still, the hospital is not talking about layoffs and is able to hire essential personnel when people quit or retire.

Bartleson said he is mostly worried right now about proposed state budget cuts that would reduce Medicaid. He noted that "almost 70 percent" of the patients treated at the hospital are either funded by Medicaid or Medicare.

"Cuts in Medicaid spending will be devastating," he said. "If our funding gets to a point where we are forced to deliver care below our costs, eventually we will run out of the ability to borrow money to operate."

Okanogan-Douglas County Hospital

At the Brewster hospital, Chief Executive Officer Dale Polla said the hospital had fewer patients than usual in November and December but he thinks that may have been because there were few cases of the flu in the area.

January was slow but it is typically the slowest month for the hospital. Preliminary February figures show normal usage.

Still, he said, "We're skittish because we don't know what is going to happen."

He said the hospital is not talking about layoffs but won't be filling noncritical positions if people quit or retire. The hospital has also put on hold the purchase of a CT scanner, which is expected to cost about \$400,000.

Quincy Valley Medical Center

Administrator Mehdi Merred said patient visits to the hospital are normal for this time or year and the hospital has made no adjustments in staff or equipment purchases because of the economy.

Dee Riggs: 664-7147

deeriggs@wenatcheeworld.com