

# 54 layoffs diagnosed at Kona hospital

**The West Hawaii region of the public hospital system faces a \$7.6 million deficit**

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Kona Community Hospital, one of 15 acute and long-term care facilities in Hawaii's financially troubled public hospital system, is expected to give layoff notices to 54 employees Monday.

The action is among measures being taken to head off an estimated \$7.6 million deficit this year in the Hawaii Health System Corp.'s West Hawaii region, legislators were told yesterday.

Nine corporate employees also are receiving layoff notices, HHSC officials said.

The informational briefing was called by House Finance Chair Marcus Oshiro (D, Wahiawa-Whitmore Village-Poamoho) and Senate Ways and Means Chairwoman Rosalyn Baker (D, Honokohau-Makena) to seek short- and long-term remedies for the state-subsidized system's fiscal plight.

The public hospitals, like the private hospitals, are suffering from inadequate government and private cost reimbursements, increasing charity care, bad debt and rising costs, officials described.

The privately operated North Hawaii Community Hospital in Waimea also was working on a layoff plan this week to help offset financial losses threatening its operation. However, no layoffs had been announced as of late yesterday.

The HHSC is projecting a \$62 million deficit for the year for its statewide system. In addition, the governor recently announced she is restricting 4 percent of HHSC's subsidy for operations, officials said.

The Budget and Finance Department has advanced about \$12 million to the corporation from its \$56 million annual budget to help cover costs for the first quarter, said Thomas Driskill Jr., HHSC president and chief executive officer. He said the corporation has about \$42 million in accounts payable.

Rep. Gene Ward (R, Kalama Valley-Queens Gate-Hawaii Kai) asked if the corporation could declare bankruptcy.

"You could make the point that we're already there because we're on the cusp," Driskill said. But he said he did not know whether the corporation could exercise the legal protections of bankruptcy.

He said the regional boards for the hospitals were asked to draw up contingency plans to address their own shortfalls and that they are all different depending on their situation.

Vincent Lee, Leahi Hospital chief executive officer, said a number of measures are being taken to reduce an estimated \$1.5 million deficit for public hospitals on Oahu. Actions taken by the neighbor island hospitals also will affect the Oahu hospitals, he said.

"We will always need a subsidy because of the way we're structured," he said. "We don't want to eliminate services, but we may have to limit them."

Chip Uwaini, executive assistant to the United Public Workers state director, appealed for help to save the jobs of Kona Community Hospital employees. "These are lives of people with family," he said.

The HHSC legally cannot reduce the workers affecting direct patient care without legislative approval, but others being laid off "impact a lot of services," Uwaini said.

Before the last legislative session, HHSC asked the governor for an emergency appropriation of \$14 million for 2007-2008 and a \$57 million supplemental budget request for 2008-2009. The emergency funding was approved but the supplemental appropriation was denied.

Linda Smith, the governor's senior adviser, said the Budget and Finance Department felt the request "wasn't sustainable" in view of the state's economic problems. She said Driskill and his team met with her and her staff June 15 to discuss how the various HHSC boards will address their shortfalls.

She said the law limits what the governor and the administration can do to assist the hospitals. But the governor is willing to work with the boards and the Legislature to find short- and long-term solutions, Smith said.

Oshiro said he plans to ask the attorney general for an opinion on the law the governor says is limiting her.

Dr. Andrew Don, the Maui doctor who heads the HHSC's corporate board, said he canceled surgery to attend the briefing because of their mission to assure accessible, quality health services to patients. "We are volunteers, and we take our job very seriously," he said.