

## Southwest Medical Center To Implement Action Plan, Close Unit

LIBERAL, KS - Officials at Southwest Medical Center announced today the implementation of an Action Plan designed to improve SWMC's financial position. Officials at SWMC have been struggling for months to come up with a viable solution to the economic downturn that has affected healthcare facilities all across the country, including SWMC.

"We have looked at everything to try and come up with a solution that would improve our financial condition without involving a reduction in our workforce before we came to this point. We asked department managers to cut back on expenses some time ago, but it just wasn't enough," said SWMC President/CEO Norm Lambert. "We took another look at it last month and came up with an action plan – regretfully, that plan will require we lay off 28 of our 448 employees and we will be forced to close our psychiatric program."

The action plan was presented to and supported by the hospital's Board of Trustees at their July 29 regular meeting, according to Lambert - no formal vote was taken by the board members.

"We estimate our psychiatric unit will lose \$500,000 this year alone – patient volumes are down in part because we have been unable to recruit a full-time psychiatrist," Lambert said, adding that, "Other than the psychiatric service the reduction in the workforce will not include direct patient care givers."

Technology and trends in patient care are the catalyst behind the decision. According to Lambert, the trends in healthcare all over the country show inpatient services are down while outpatient services have gone up.

"We are basically laying off six percent of our workforce – which is about the range other healthcare facilities are seeing," Lambert said. "However, we have seen some Kansas hospitals which are laying off greater numbers. We wish we did not have to lay off anyone, but it is something we have to do for the benefit of the entire hospital."

Lambert knows some will ask why the hospital is going forward with the construction project including the new physicians' office building.

"We actually did take a look at that," Lambert said. "But if we did decide to not do it now, it would still cost us \$2 million and we wouldn't have a building. And, the construction of that building is what has drawn some of the physicians here that we have recently been able to recruit," Lambert said. "It is an investment in our recruiting process to aide us in securing the most qualified and professional physicians possible for the local and surrounding communities. But, at the same time, we must look at our current financial situation. With this action plan, we are doing what any business would do to adjust to the downturn in business revenues, while at the same time adjusting to the trends we are seeing in healthcare."

Lambert and the rest of the hospital administration wish nothing but the best for those who will be part of the layoff.

"They are all good people," he said. "This has been a very difficult day for all of us."

The closure date for the psychiatric unit is scheduled for October 1, 2010.

