

NorthBay to phase out two pediatric health programs

By Kathleen L'Ecluse | Daily Republic | June 03, 2008 18:47

In a 'heartwrenching' choice forced by state budget cuts, NorthBay Healthcare will eliminate two children's programs, including a pediatric rehab unit that serves 300 children at any given time, officials announced Tuesday.

'This we do with a heavy heart because the program has been in operation for 20 years and we know the benefit that it brings to local children,' stated Gary Passama, NorthBay president and chief executive officer, in a press release. The program will end Aug. 1.

Eliminating the inpatient pediatric wing and the outpatient pediatric rehab program is part of a 5 percent cut in expenses for this fiscal year, Passama said. NorthBay also plans to close its Vacaville occupational health center, freeze hiring for non-critical positions and cut travel, marketing and advertising.

The cuts will affect 63 of NorthBay's 1,750 employees, although many are expected to find positions elsewhere in the system, particularly nurses and nursing aides.

The budget cuts stem from a 10 percent reduction in state funding to care for Medi-Cal patients. At the same time, more and more people who rely on this state insurance program for medical care are seeking treatment at NorthBay's two hospitals.

'We do not see the economy getting appreciably better any time soon,' Passama said. 'And more daunting, we do not see the political will in our government leaders to do the right thing and protect our patients who need us more than ever.'

The 5 percent reduction in spending won't affect plans to build a new NorthBay Heart & Vascular Center or expand VacaValley Hospital, the press release stated. NorthBay had to follow demographics and choose a growing population -- aging baby boomers -- rather than a shrinking population.

'Just like schools are facing declining enrollment, we face fewer younger patients seeking care,' said Steve Huddleston, vice president for public affairs at NorthBay. The inpatient pediatric unit of the hospital averaged two patients, officials said.

And it was a matter of cost. Each pediatric program lost more than \$1 million annually, the release stated. Highly-skilled care for adults is a growing area of service and one that is more profitable, officials said.

'As NorthBay focuses its future service lines to an older, adult patient population, it is strategically aligning with the graying of the local population,' Passama said. 'Our average patients will be older, not younger pediatric clients.'

Those clients, about 300 children, will be transferred to other programs as NorthBay phases out the service between now and Aug. 1, Huddleston said.

Sutter-Solano Hospital in Vallejo faces the same 10 percent cut in Medi-Cal reimbursement rates. It anticipates losing \$6 million in 2008, not including the state cut, said Russell Nielson, a Sutter spokesman.

'We do expect it will have a financial impact,' Nielson said. 'But we have no plans (in 2008) for any major reductions in services or staff.'