

UMass Memorial Health Care: *Difficult Decisions Help Us Make Care More Affordable*

Our recent messages to you and your neighbors focused on the commitment of UMass Memorial Health Care to do our part in making health care more affordable for our community.

As we wrote last weekend, we're already cutting costs even as basic as our electricity expense. However, with salaries and benefits accounting for two-thirds of our overall expense, some of our changes will be difficult because they impact hundreds of employees. At the same time, we must keep true to our promise of high-quality, safe health care.

Yesterday we spoke with employees about a decision to seek a buyer for a significant part of our laboratory testing business. The business is changing and, in response, we are having confidential discussions with a potential buyer.

We met separately with our Medical Center's Home Health and Hospice staff to discuss a potential sale of that service because it operates at a loss. We've communicated with our patients about this change, noting that for the time being their care will continue as scheduled.

Our recent messages to you also talked about how reduced payments for care by insurers and other factors related to health reform are eroding our margin year after year, making it more difficult to invest in health care services for our community. Facing even additional revenue drops in the first quarter of our 2012 fiscal year, we must take steps to reduce our Medical Center employee count by about 150 full-time positions this month. We are beginning to make decisions about the positions to be eliminated and what services we might modify to do this. This may, in fact, result in continuing to move services to our lower cost community hospitals or potentially closing or outsourcing some programs.

Today, we also want to make a public appeal to the leaders of the several unions that represent our employees. Like them, we want to preserve as many jobs as possible. To do this, however, we ask union leaders to partner with us to be part of the solution to reducing labor costs, while continuing to provide high-quality health care.

Affordable care can be achieved. The work is hard and will require difficult changes. But it must be done. After all, we are all united in our commitment to our community.

— John O'Brien, President and CEO, UMass Memorial Health Care

Thank you for your continued interest in our messages. Read them all at www.umassmemorial.org/loweringcosts and write us at communications@umassmemorial.org.

