

Detroit Medical Center announces job cuts

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Facing financial losses that some estimate at greater than \$100 million dollars, last week the Detroit Medical Center announced the layoff of up to 2,000 workers. The jobs cuts are scheduled to take place as early as the end of this month, and the DMC says that temporary workers and those facing disciplinary action will be the first to go.

DMC is the Detroit area's largest private employer, and the layoff announcement follows several months of financial turmoil. David Campbell, the top executive of the health system, resigned his position in December. The impetus for both Campbell's resignation as well as the recent layoffs came at the prompting of an independent consulting firm, the Hunter Group, hired by the DMC to aid in the process of "reorganization." The recent layoffs will only comprise a small portion of what the DMC announced last year will be budget cuts approximating \$150 million in the next year and a half.

An employee at the Kresge Eye Institute, affiliated with Wayne State University yet located in a DMC-run hospital, made the following observation: "Two thousand layoffs are a lot of people. I don't think they are thinking about the effect this is going to have on the people and their families. I read that they are planning to lay off the temporary workers first, followed by getting rid of those who have had disciplinary problems. I don't think that is correct. A supervisor will say that you are not doing your job correctly and use it as an opportunity to get rid of people. I just thank God that I am working for Wayne State University and not the DMC."

DMC officials maintain, as in the words of executive vice president David Coats, that "patient care will not be affected." However, DMC employees have a different view. Dan, an orthopedist, said, "I don't know how they are going to manage it. Everyone is already working short staff. What are they going to cut? Nurses? Maintenance? Already we are working without

heat in our office."

This sentiment is not limited to physicians. Tim Musial, a carpenter at Detroit Receiving Hospital, said that the staff he works with is "already down to a skeleton crew as it is. Presently one person is doing the job of two or three. I have been working here for 11 years and I fear that I may be one of the ones that are laid off. Maintenance is already very short."

Further decisions regarding the state of the DMC remain to be made. However, there is a general expectation that the recent job restructuring will be only the beginning of a process that could result in the closure of area hospitals or a merger with another health system. The growing cuts in Medicare and Medicaid funding nationwide, intrinsic to the downsizing and an overall decline in patient care occurring throughout the public health system, are major contributing factors to the current state of financial affairs of the DMC. Moreover, there is no doubt that the DMC is obliged to compete with area hospitals whose performance hovers around the 4 percent profit rate standard for the industry.

Joseph, another employee at the Kresge Eye institute, said that he didn't think "they want a quality system. They just want to make money."

Considering the financial losses confronting the Detroit Medical Center there is little doubt that the layoffs witnessed this past week are only a small indication of what is to come.



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