Sana Clinics in Germany announce mass redundancies despite pandemic

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Germany's third largest hospital group, Sana-Kliniken (Sana Clinics), has announced in the midst of the coronavirus pandemic the layoff of over 1,000 employees by the end of the year. With the exception of the cleaning sector, all business spheres of the subsidiary DGS Pro-Service company are to be closed down. Affected by the layoffs are ward assistants, those who transport to and from clinics, porters and employees in the clinics' security service.

Sana DGS Proservice is a wholly owned subsidiary of Sana Immobilien Service and thus a part of the Sana Clinics company. In total, more than a third of DGS employees working at all 53 sites of the group will be made redundant. A majority of employees work part-time. The company has justified the dismissals with "new requirements that demand a significantly higher level of professional leadership, process support and process monitoring."

The company's justification is utter nonsense. In reality, massive savings are to be made at the cost of patients and workers in order to increase profits for its shareholders. It is still unclear if and how dismissed workers will be compensated, but it is clear that the redundancies will increase pressure on those retaining their jobs resulting in poorer quality of care.

The DGS was founded in 2007 to outsource nonmedical and nursing departments. As in all large hospital companies, the subsidiary companies serve primarily to depress wages. From 2007 to 2019, the company was able to continuously increase its annual turnover to €2.84 billion in 2019, with an operating profit of €105 million.

Sana Clinics was founded in 1976 by a number of private health insurance companies. At that time, the share of private groups in the hospital sector was still very small. This changed following a series of aggressive takeovers when the company bought up municipal and nonprofit hospitals experiencing financial problems. Today, Sana is the third largest private hospital operator in the country, after the Helios Group and Asklepios Clinics.

Most recently, the group took over the Niederlausitz Clinic in Brandenburg. The district council decided on the sale despite strong criticism and protests from workers. Here, again, the clinic had slipped into debt in recent years, which is now being used to justify its privatisation. This trend has led to a doubling of the number of privately run clinics during the past 30 years. The result is low pay and an increasing burden of work for workers.

The layoffs are not limited to the Sana Clinics. Throughout the health system, the pandemic is being used for drastic restructuring. While doctors, nurses and other hospital workers have been working at their limits for more than a year, often putting themselves in danger, hospital groups and politicians are using the crisis to implement mass dismissals, closures and privatisations.

Last year, 21 clinics across Germany were closed completely. In dozens of other hospitals, departments that were not profitable enough were closed. In the meantime, comprehensive obstetric care is no longer guaranteed in some regions. So far, 30 more clinics are due to be closed or are threatened with closure. Experts assume that there could be many more closures, with smaller hospitals in particular losing revenue due to the pandemic.

Recently, a veritable wave of layoffs has been observed in hospitals. The wiping out of 440 full-time positions at the Bremen hospital association "Gesundheit Nord" (Geno) is just one case. In the midst of the pandemic and with fully occupied wards, the Asklepios city clinic in Bad Tölz made redundant 15 ward assistants, who supported overworked nursing staff by assisting with the changing of beds or serving meals.

The ward assistants were either dismissed during their probationary period or their temporary contracts were not extended. Asklepios justified its action by arguing that the ward assistants would no longer be covered by the nursing budget due to a new Nursing Support Act. This argumentation is palpably false. Ward assistants continue to be financed via flat rate payments per case. In contrast to nursing staff, however, their financing has not been improved by the Nursing Support Act.

Hospital operator Helios has been able to staggeringly increase its revenues during the pandemic. Helios Germany's sales rose by 11 percent to €1.64 billion in the last quarter of last year. For the financial year 2020, the company's sales rose by 7 percent to €6.34 billion. One year before, this figure stood at €5.94 billion. Helios is promising its investors higher dividends, and the company expects a considerable increase in profits in 2021 despite the pandemic.

At the same time, the company already employs too few staff and is intent on making further cuts. The chairperson of the doctors union Marburger Bund, Susanne Johna, said, "In fact, we hear from our members in almost all regional associations that doctors' posts are to be cut in the Helios Group. It seems that Helios is planning to cut about 10 percent of doctors' posts in the company. And that means that the doctors who remain will have to work even more overtime."

Andreas Botzlar, also from the Marburger Bund, told *ÄrzteZeitung* that "cost optimisers" are now thinning out the medical service in order to cut costs. "In Helios clinics, positions are no longer being refilled or in some cases are being actively cut. Or doctors are being encouraged to go part-time. This is happening at a time when the doctors there are already working to the hilt," Botzlar said.

The plans for dismissals at Sana Clinics triggered the usual shouts of indignation from the trade unions. "Dismissing health workers is an outrage. To do so in the middle of the third wave of the coronavirus pandemic, for example, is unacceptable," said Sylvia Bühler, a member of the Verdi national executive. She demanded the withdrawal of the redundancy plans and declared that hospital policy must be oriented towards the "best possible care for sick people and not towards economic interests."

Representatives of the Left Party have also joined in with radical sounding statements aimed at the media. "The coronavirus has shown that the job of hospitals is to save lives, not make profits," said Julia Marmulla, spokeswoman for the Left Party faction in Düsseldorf, where the city is in the process of selling off its minority share in hospitals controlled by Sana.

While there is considerable anger about the brazen redundancy plans among the general public, the statements of the Verdi trade union and the Left Party are nothing but hot air aimed at concealing their own role.

At the end of April the supervisory board of Sana Clinics unanimously appointed Thomas Lemke as chairman of the board until 2026. This means that at a time when the redundancy plans had long since been drawn up and were well known, the works council and Verdi trade union representatives on the supervisory board also voted for Lemke—the driving force behind the plans.

This is the familiar game played by Verdi. As co-manager in management committees, the union is involved in all redundancies. The union then expresses indignation at the consequences of its own policy in order to channel workers' anger into harmless channels.

Equally repugnant is the role of the Left Party. Wherever it is involved in government, it carries out privatisations and dismissals. For example, the elimination of 440 full-time positions at the Bremen Geno is taking place under the aegis of Bremen's health senator Claudia Bernhard (Left), who is also the chair of Geno's supervisory board.