

Ascension St. John Hospital fires lab technicians after signing outsourcing contract with Labcorp

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30 June 2022

On February 10, 2022, Labcorp announced it had entered a “strategic collaboration” with hospital giant Ascension Health. The agreement stipulated that Labcorp would “manage Ascension’s hospital-based laboratories in 10 states and purchase select assets of the health system’s outreach laboratory business.”

Although the “select assets” have not been disclosed, for phlebotomists, technicians and other lab workers at Ascension facilities in Alabama, Florida, Kansas, Maryland, Michigan, New York, Oklahoma, Tennessee, Texas and Wisconsin, the deal means they are being terminated as full-time hospital employees and must reapply for their jobs with Labcorp.

Ascension Health is the third largest health care network in the US with 143 hospitals and 2,600 medical facilities in 19 states and the District of Columbia. Like the other large hospital systems in the US, the St. Louis-based Ascension Health is the product of the consolidation of the health care industry over the past two decades.

In 2018, St. John Providence Health System, which operated four hospitals and 125 medical facilities in the Detroit Metropolitan area, was acquired by Ascension Health and renamed Ascension Michigan. Since that time, Ascension Michigan has acquired another ten hospitals in the state.

At each step along the path of expansion, Ascension Health has cut costs at the expense of employees and patients alike. The health care conglomerate with an annual revenue in 2021 of more than \$20 billion, has closed facilities and laid off thousands of employees in a single-minded drive to improve financial performance and increase the compensation of its executive staff.

While Ascension Health is operated as a “not-for-profit” entity, the health care system owns a venture capital fund with over \$15 billion in assets under management. The CEO of Ascension Health and Chairman of the Board of Ascension Capital, Anthony R. Tersigni, was the second-highest-paid nonprofit health care executive in the US in 2021, with an annual salary of \$13,655,282.

Even though Ascension Health received \$1.8 billion in government funds under the federal coronavirus CARES Act

grants, the management of the organization is continuing with its cost-cutting measures including the termination of full-time employees and their replacement with contract workers.

A veteran lab worker spoke to the *World Socialist Web Site* about the contracting out of jobs at Ascension St. John Hospital in Detroit.

“Ascension is going to replace all our jobs with contractors. All the work associated with the lab done by techs and phlebotomists is being moved to a different facility in Troy and will be run by Labcorp. We have been told we are no longer Ascension St. John employees.

“I was shocked. No one knew this about this. We were told to reapply for our own positions. If you don’t accept the offer, once the changeover is done you won’t be working here anymore.

“We don’t know what is going to happen to our benefits. We had a 403 (B) retirement plan, and our contributions were matched by Ascension. Now we’ll be under LabCorp, which has a 401 (K) and hasn’t said anything about matching our contributions.

“We’ve been told we will get ‘comparable medical insurance.’ At St. John, I had the best plan offered. Are we going to have more co-pays and deductibles now? We don’t know. The thousands of dollars we paid into our flex health plans, are we going to get it back? No one is giving us any answers.”

Labcorp is one of the largest clinical laboratory networks in the world. It is a very profitable publicly traded corporation with a revenue of \$16.1 billion and profits of \$2.38 billion (14.8 percent) in 2021. Labcorp is itself the result of consolidation of the medical laboratory market beginning in the 1990s.

The St. John Hospital lab worker continued, “I work for a health care company, and I can hardly afford my health insurance. The top pay in the lab is \$18.33 an hour and a lot of girls are only making \$15 an hour. I can go to a McDonald’s for that. There are a lot of other jobs closer by, where I won’t have to spend so much on gas. I wouldn’t have to risk getting poked with a needle, or worry about getting Covid, AIDS or

some other deadly disease. Fast food workers get verbally abused too, but what is the chance of getting hepatitis?

“Some of the nurses at the hospital are in a union. Lab workers are not. We were told not to talk to anyone about unionizing and to report it if someone was coming around. It sounds shady to me.

“Ascension took over in 2018. A lot has changed. We used to discuss our benefits face to face with people in St. John’s HR department. Now it’s an out-of-state firm called Sedgwick where everything is done online or email. I used to be able to talk to someone in HR and say, ‘My son lost his job and he’s underage, can you put him on my insurance.’ Now it seems like Sedgwick prolongs everything, asking you for more and more documentation, and making it as hard as possible. This is a life-changing event, and you should be able to add family members to your insurance in between enrollment periods. When my husband lost his job, I was able to get him on my St. John’s health insurance.

“We are already down a lot of people and now Ascension says they are in a hiring freeze. The bosses can’t hire anybody because of the Labcorp nightmare. They are saying they can’t get supplies like butterfly needles to draw blood.”

The St. John Hospital lab worker went on to discuss issues with butterfly needles, which are used to draw blood and for intravenous injection and are preferred by medical professionals because they are easier to use and less painful for patients. “Butterflies are more expensive. But they are for older people with frail veins, children who move around a lot, or patients whose veins are more difficult to draw blood from. Once you’ve got the line in, you can change tubes.

“But the hospital is only giving us a couple of butterflies per day. We ration them. We’ve asked nurses who have come here to get their blood drawn if there is a shortage of these needles in the hospital. They say they’ve got lots of butterflies. We’ve been told it’s hard to get these needles from the manufacturers, but other departments and hospitals have plenty of them.

“Telling us there’s a shortage is a joke. We can do our jobs quicker and easier, and we can do it with less problems with the butterflies. You see someone with frail veins, and you know a straight syringe will blow out their veins. [The smaller needle is easier to place more precisely on veins that are especially fragile, small in size, or that roll]. A butterfly costs about \$1 apiece while a straight needle is about half the price. We draw blood from about 125 people a day and up to 150. Is saving \$50 or \$75 a day worth it? I could do my job faster and will have to poke the patient fewer times. Is the damage done to a person humane?

“Everything comes down to cutting costs. Before a MRI is ordered, you first have to have X-rays and blood work, even though a doctor knows you should get a MRI from the beginning.

“The bosses aren’t telling us anything. They say they’ll update us through Zoom townhall meetings. But they hold

these meetings after the end of our lunchbreaks when we’re at work. That’s shady. They should have several meetings and space them out so everybody can record or ask questions. In my opinion, they are covering their asses by having online meetings that people can’t log into. In the end, the only information you get is word-of-mouth.”

There is no question that the capitalist interests controlling the US health care industry took advantage of the pandemic to both reduce staff and take in billions of dollars in government funding to enhance their financial position.

As the lab technician explained, “When the pandemic first hit, it was frightening and frustrating. A lot of girls got it. We were constantly working short-staffed. They were offering premium pay to draw blood in the Covid wards, and a lot of us got Covid. They told us not to wear masks because it would scare the patients. That was until the CDC said we should wear masks. I was making masks for my co-workers because we weren’t getting any from the hospital.

“The outpatient workers are at the bottom of the totem pole in a hospital—it’s frustrating. When you are drawing blood, you are face-to-face with your patients. Things have slacked down with safety, and you don’t see masks at the stores or in public. But at the hospital they check for a mask at the door. There are a lot of arguments and sometimes people get escorted out.

“People are sick and everybody is high-strung about the economy, getting transportation to the hospital and other things. A lot of elderly people are hard of hearing and rely on lip reading. It’s a lot harder for them to do that when you are wearing a mask. Sometimes people get angry and take it out on us.

“If a patient gets hurt, it’s always our fault and bosses blame the technicians. We’re always under stress, asking ourselves are we saying the right things to patients. Are we going to get in trouble? I’ve seen a nurse get punched. I don’t know how the nurses do it. They are working 10-hour and 12-hour shifts.

“There are so many patients for every nurse. When the pandemic first hit, we got ‘critical pay’ for working back-to-back 12-hour shifts. The pay was good, and they were begging workers to come in. But I was so tired my eyes were getting blurry, and I had to get out. That’s not a life for the nurses and that’s why there is so much burnout. After four days, you need a couple of days just to recover.”



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