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## **St. James Mercy Hospital Announces Workforce Reduction**

**May 6, 2013...Hornell, NY...**St. James Mercy Hospital (SJMH) announced that it is implementing a workforce reduction amounting to the equivalent of 50 full-time employees. The layoffs will include clinical and non-clinical staff, and include elimination of positions and reduction of hours.

“SJMH is continuing to experience significant declines in patient volumes, patient days and revenues as well as reduced state and federal reimbursement, and we cannot continue to support our current operation under these conditions,” said Mary LaRowe, President and CEO of St. James Mercy Health System. “We deeply regret having to take these actions, because in a small, close-knit community like ours everyone knows someone who has been impacted. We are committed to assisting those affected employees through support from Human Resources and Mission Services.”

Employees were informed of the reductions on May 6. With the staffing cutbacks, SJMH will employ the equivalent of 546 employees.

“In addition to this workforce reduction, we have recently closed several other service lines to reduce overhead and preserve our core business, which includes medical/surgical services, outpatient services, and continuing (long-term) care,” said LaRowe.

“We recognize that to survive and grow, rural hospitals need to be formally affiliated with a larger, more comprehensive organization,” she said. “This imperative has directed our strategy for several years, and will continue to do so in the future.” SJMH is continually seeking partnerships that will strengthen its core business and leverage provision of services in the community, including recruitment of providers.

Health reform is also influencing decisions about the business. “There are still many unknowns as to health reform’s real impact,” said LaRowe. “While expanded coverage will reduce uncompensated care, many rural hospitals will have to make upfront investments to handle the influx of new patients. Even then, many of the newly insured will be covered under Medicaid,

which pays hospitals much less than the cost of providing care. We will also see significant cuts in Medicare reimbursement. Thus, our strategy for the future is to develop and implement models of acute care, outpatient care and continuing care to meet community needs while being responsive and accountable to the requirements of health reform.”

SJMH’s strategy for the future is responsive to industry changes. “Our vision is to provide quality, coordinated care throughout a person’s lifetime,” said LaRowe. “The industry is quickly moving toward outpatient services, the need for more integrated care, and value-based purchasing for services measured by quality, not quantity. That trend, coupled with declining reimbursement, has forced us to consider our current offerings, and in some cases, divest certain services.”

Although the service offerings may change, LaRowe says that SJMH will have a strong presence in the community for years to come. “St. James Mercy Hospital has a long history of serving the Hornell area, with our mission commitment to those most vulnerable and in need starting more than 120 years ago by Father James Early and the Sisters of Mercy. Building on that heritage and mission commitment, we are committed to serving the community well into the future.”

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