

Natividad Medical Center

Salinas, California

Natividad Medical Center operates a 165-bed hospital as well as 13 outpatient clinics on and off campus. Natividad Medical Center provides 150,000 ambulatory care visits, in addition to 35,000 emergency room visits annually. Natividad Medical Center's financial situation is already precarious, with mounting debt of over \$114 million and a slim operating margin. Financial pressures include rising numbers of uninsured patients, an increase in demand for obstetric services, nurse staffing mandates, and rising labor costs. In response to previous Medicaid cuts, Natividad has deferred \$12 million in capital projects and equipment, severely limiting the hospital's ability to meet growing demand for services. Natividad is also considering reducing outpatient capacity by two-thirds, which would result in 100,000 fewer ambulatory care visits annually. The outpatient service reduction will result in further losses of \$6-\$8 million in inpatient referral revenues and reduction of the workforce by 40 percent, or 400 jobs.

Any additional cuts due to elimination of the 150 percent UPL will force the complete elimination of entire services and programs. In particular, the Women and Children's Primary Care Center, a program that has helped reduce mortality, serious injury and birth defects to women and infants in the county, is at risk. Natividad will have to scale back its teaching program, which trains a large number of primary care physicians who ultimately set up practice in underserved Monterey County. Cuts in the teaching program will also reduce the number of physicians available to treat patients at Natividad Medical Center, increasing wait times and reducing overall access.

The impact at-a-glance:

- Elimination of full services and programs possibly including the Women's and Children's Primary Care Center
- Increased mortality and morbidity due to lack of access to primary care
- Reduction in residency program reducing number of physicians to treat patients, limiting access to care
- Reduction in residency program reducing supply of future primary care physicians practicing in the county

Potential impact from other Medicaid cuts already scheduled to take effect:

- 400 jobs lost
- Two-thirds reduction of outpatient capacity by 100,000 visits annually
- Closure of at least 33 inpatient beds, 20% of current capacity

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