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SAN LUIS OBISPO, CALIF., HOSPITAL, NURSES SEEK TRUCE

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Article Text:

Oct. 16--SAN LUIS OBISPO, Calif.--French Hospital nurses called off a Thursday protest of job cutbacks after the hospital's management offered the union an olive branch.

Don Nielsen, labor representative for the California Nurses Association, canceled the planned press conference and low-key protest after receiving a conciliatory, last-minute phone call from Primus Healthcare Chief Executive Scott Gross.

"The gist of it was (Gross) asked, 'What's going on, I thought we had a better relationship than this,'" recounted Nielsen. "That's where we got into a conversation where we explained why we're doing what we're doing.

He eventually expressed some sympathy and empathy and said that maybe there was a way for us to fix it."

French administrators cut 29 jobs last Thursday, six of them registered nurses.

Management and labor will be meeting Wednesday to seek a compromise that both sides can live with. Nielsen was hopeful for an agreement.

Due in part to reduced Medicare funding, French has been losing money.

Hospital spokeswoman Deborah Nicklas said last week's layoffs were part of overall cost-cutting.

Cutbacks were evaluated on a department by department basis, she said, and were made according to what management felt would be in the best interests of the hospital.

Nielsen said the nurses were upset that the layoffs procedure outlined in their contract had not been followed and that management was supposed to first pursue other alternatives such as job sharing or reduced hours. Nor did the hospital make the cuts by seniority, as it was supposed to, he added.

Management was also optimistic that an agreement could be reached.

"There was more of a miscommunication than any kind of issue," Gross said. "These are the kind of things that are very easily talked out and worked out with people when they sit down with one another."

He said that the layoffs only represented one-fifth of other cost-cutting measures the hospital was instituting, such as refinancing its bonds and eliminating unprofitable programs. French would also be increasing outpatient

services, which Gross believes are as effective but less costly than inpatient services.

These measures, said Gross, would save the hospital \$11 million over three years. The hospital's projected budget, he said, should be \$60 million in revenue, with \$58 million in expenses.

The remaining \$2 million would be reinvested to update medical equipment and improve services.

The hospital isn't cutting back on care or raising prices, he said.

Gross added that rumors the hospital is in trouble or will be sold are untrue.

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