DAY KIMBALL HEALTHCARE IMPLEMENTING MITIGATION PLAN TO COMBAT BUDGET SHORTFALLS

PUTNAM, Conn. – Day Kimball Healthcare (DKH) today announced that it is implementing a “mitigation plan” to help offset income shortfalls primarily the result of state cuts in hospital reimbursements.

“Since December, 2012, when Governor Malloy’s office announced the cut backs in hospital reimbursements, the management team and board of directors of Day Kimball Healthcare have been scrutinizing our operating budget to develop a plan to offset the expected lost revenue while maintaining our high quality of care,” said Robert E. Smanik, FACHE, DKH president & CEO.

“State budget cuts will have a negative impact of $3.8 million for fiscal-year 2013. In addition, DKH is experiencing lower-than-expected volume in some of our operating divisions while facing higher-than-budgeted expenses related to personnel costs, including health insurance,” explained Smanik. “This combination has necessitated that DKH make some strategic moves that should help to put us on firm ground, financially, for this fiscal year and better position us to meet the additional cut backs planned in the state’s 2014 and 2015 budgets.

Smanik said that the DKH mitigation plan, which reflects input from employees, includes:

• reducing departmental expenses;
• restricting hiring of all non-essential positions and realigning responsibilities of certain employees;
• implementing “furlough” days for certain levels of management, including senior management;
• reviewing business practices and engagements for greater efficiencies;
• expanding patient access to care; and
• eliminating integrative medicine services (complementary therapies such as massage, stress management, acupuncture) and a sports medicine practice (the sports medicine practice physician is leaving for a new position out of state).

“Going through a process like this is never easy, however, we’ve attempted to make it a collaborative effort among the members of our organization and keep the lines of communication open,” said Smanik. “We will continue to review our financial situation and make adjustments as needed.

“For some 120 years, DKH has met challenges head-on. We remain confident that, working together with all of our employees, we will continue with our vision to be the premier, integrated medical services provider in Northeast Connecticut,” concluded Smanik.

Day Kimball Healthcare is a non-profit, integrated medical services provider comprised of Day Kimball Hospital, healthcare centers in Danielson, Dayville, Plainfield and Putnam, Day Kimball HomeCare,
Hospice & Palliative Care of Northeastern CT, Day Kimball HomeMakers, Day Kimball Medical Group and Franklin Home Health. Its service area includes Northeast Connecticut as well as nearby Massachusetts and Rhode Island communities. Day Kimball Healthcare’s comprehensive network offers more than 1,400 employees including nearly 300 associated, highly-skilled physicians, surgeons and specialists. Its website is daykimball.org.

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