



# Prime Healthcare

*Saving hospitals. Saving jobs. Saving lives.*

July 11, 2023

Mayor James T. Butts  
Inglewood City Hall  
1 West Manchester Blvd.  
Inglewood, CA 90301

Dear Mayor Butts,

For nearly 100 years, Centinela Hospital Medical Center has been serving Inglewood and its surrounding communities, providing compassionate and life-saving care. Our diverse staff reflects the Inglewood community, and we consider our staff and the patients we serve to be our neighbors, friends, and family.

As you know, Prime Healthcare rescued the hospital from bankruptcy in 2007 and invested hundreds of millions of dollars into the facility. Today, Centinela is one of the leading hospitals in the Southland, ranked among the best hospitals in the nation as a Top 100 Hospital in 2022 and in the top 5 percent nationally for quality and patient safety, earning multiple patient safety awards, and seeing more than 50,000 emergency room visits annually.

Centinela has served its community faithfully despite overwhelming challenges including the pandemic, declining patient volume, and declining reimbursement. Like many hospitals, it is operating at a financial loss. In addition to these challenges, Inglewood is the only city in California to have passed a minimum wage ordinance for hospital workers, while similar attempts in many other cities have failed or been suspended. Despite the flaws inherent in the healthcare minimum wage ordinance passed by Inglewood voters last year, Centinela has complied and continues to comply fully with the law. Every employee making less than \$25 per hour was immediately raised to \$25/hour effective January 1, 2023 with no change to their benefits.

Notably Centinela cares for some of our region's most vulnerable residents, with the majority of patients having Medi-Cal or Medicare and requiring care from the Emergency Department. Unlike other hospitals that have a greater percentage of commercial insurance, Centinela barely gets paid for the cost of the care it provides and gets reimbursed less than the cost of care for managed Medi-Cal patients.

Additionally, patient demand for particular services is not static. Centinela had been experiencing significant (nearly 30%) declines in patient volume, and is operating at a significant financial loss. Staffing changes are a necessary component of addressing these operational issues. These changes are based on patient care needs and declining volume.

In March 2023, Centinela effectuated some of these staffing changes. While certain non-patient care related positions were no longer necessary, new patient care related positions were created. In other words, Centinela's workforce did not decrease; it merely shifted from some positions that were not required to meet community and patient needs to other positions that were required to meet community and patient needs.



In assessing current patient volume and demand for services, the Hospital identified a total of 33 SEIU positions that were unnecessary for current patient care. However, the Hospital did not simply lay those employees off. To the contrary, the Hospital offered alternate positions to 97% (31/33) of these individuals. Of those, 21 accepted and 10 declined the offers to maintain employment with the Hospital. Only two workers were unable to be accommodated, one full time and one part time. At the same time, Centinela **increased** positions and created **NEW jobs** in clinical care to better serve patients, hiring nearly **50 new SEIU members** at much higher than \$25 minimum wage as licensed vocational nurses, providing care directly to patients.

The March 2023 staffing changes were made to address patient care needs, reductions in volume, and adapt to changing market conditions and were not based on the minimum wage ordinance. In fact, the Hospital added NEW jobs and increased salaries and maintained the \$25 minimum wage standard.

Centinela continues to assess and remains dedicated to addressing community needs as market conditions change. Despite significant challenges, Centinela was able to keep OB services open through the pandemic. Today, however, the department is barely averaging one patient per day for a 21-bed OB/maternity department and the exodus is ongoing with patients delivering at neighboring hospitals. As a result, Centinela has made the difficult decision to close the Hospital's OB department. OB services will remain available to the community at a new Women and Children's Center of Excellence at St. Francis Medical Center, an affiliated hospital in Lynwood. The Center of Excellence at St. Francis will provide state-of-the-art labor/delivery and neonatal care, while also expanding perinatal and high risk OB care.

Centinela employees affected by this decision will be offered alternate employment opportunities at equal or greater pay at Centinela or neighboring St. Francis. A 90-day notice will be provided prior to closure, and the Hospital will work closely with CDPH to ensure a safe and seamless transition of services, as well as with the City of Inglewood to develop an effective release and discharge procedure for any expansion of services in place of the OB department.

The transfer of this service to St. Francis allows Centinela to use those beds to serve current community needs for mental health services. The mental health crisis and shortage of inpatient beds is a critical need in this community and across the nation.

We hope you understand that these changes are necessary in order to best address the changing health needs of Inglewood and surrounding communities, and look forward to working with your offices as Centinela adapts to these evolving conditions while continuing to provide the care our patients need and deserve. We appreciate your consideration and ongoing support of Centinela Hospital and Medical Center, and please do not hesitate to reach out to me if you have any additional questions.

Sincerely,

A handwritten signature in blue ink that reads "Fred Ortega". The signature is fluid and cursive, with the first name "Fred" being larger and more prominent than the last name "Ortega".

Fred Ortega  
Senior Director, Government Relations  
Prime Healthcare