

# Hospital Layoffs and Pay Cuts Are Happening During the Pandemic

The United States healthcare system could be facing a bigger crisis than CoVID-19. While New York Governor Andrew Cuomo begs for healthcare volunteers to combat coronavirus, hospitals throughout the country are furloughing or laying off employees at the highest rate since 1990.

On April 6th, the West Virginia University Health System announced that some of their employees will see temporary 25% pay cuts during the pandemic. As the hospital system is seeing less clinical volume, WVU Health is moving people to new roles, and those who are not matched to a new role will be sent home with a 75% salary guarantee. This new policy will be reevaluated in mid-May.

***Related: ABC Says Homemade Sanitizers Don't Work For Coronavirus – We Disagree, So Here's a Recipe***

The WVU Health System hospitals are only one example of the grim reality facing many healthcare workers. According to Altarum, a nonprofit research and consulting firm...

*Health care has traditionally cushioned the blow of non-health sector job losses during and immediately following economic downturns...This time, health care looks to be contributing to instead of counterbalancing an accelerating economic calamity. Health care lost 43,000 jobs this month, by far the largest monthly drop in our data series going back to 1990."*

*Ani Turner, Altarum*

In the case of West Virginia, the state has seen relatively

few coronavirus cases during the pandemic, with the number of total reported cases in the state less than 1000. In additional cost-cutting measures, the WVU Health System will institute a hiring freeze, suspend employer match to all employee's 403(b) for the remainder of 2020, and the health system CEO, hospital CEOs, and certain senior executives will see a 10% percent salary reduction for the next six months.

WVU Medicine employees are lucky. Workers who are sent home will still be making a significant portion of their salary. It's likely that the employees sent home by the hospital administration will be in lower levels positions or less busy areas of the hospitals.

According to Indeed.com, people in administrative assistant and registered nurse positions at WVU Medicine make \$30,000 and \$51,000, respectively. Twenty-five percent of these salaries represent a significant chunk of income. Yet health system CEO, hospital CEOs, and certain senior executives are only receiving 10% pay cuts. The average CEO salary in West Virginia is \$720,000. If the CEOs of the eleven hospitals in the WVU Health System make that average salary were made to take the same temporary 25% pay cut as hospital nurses and administrators, the hospital system could potentially save \$1.98 million. Why are hospital workers on the front lines of our healthcare system being asked to sacrifice further when there are those in much better positions to step up financially?

## Sources

- *Some WVU Health employees to see temporary pay cut during pandemic* – WCHS News
- *Amid pandemic WVU Medicine announces executive pay cuts, salary guarantees, hiring freeze & retirement match suspensions* – WBOY
- *Hospital are laying off workers in the middle of the coronavirus pandemic* – Vox.com