

## NEWS RELEASE



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### **SIGNIFICANT PATIENT VOLUME DECLINE DUE TO COVID-19 LEADS TO WORKFORCE REDUCTION**

*Palomar Health to host virtual news conference at 1 p.m. today*

Due to the financial strain caused by the COVID-19 pandemic, Palomar Health announced today it is eliminating 317 positions effective Wednesday, April 29, to ensure the organization can continue providing healthcare to North San Diego County residents now and in the future. Employees who are affected will receive a severance package and are immediately eligible for unemployment and health insurance coverage through their severance period.

The layoffs are a result of a 45-50% decrease in patient visits throughout the health system, which led to a \$5.7 million operating loss in March alone with losses in April expected to be worse, yet hard to estimate given the uncertainty of the virus. Palomar Health will slowly and safely resume surgical procedures based on the availability of personal protective equipment (PPE) and virus testing, but the loss of revenue from shutting down elective surgeries for the past six weeks cannot be recovered quickly. Future patient visits may also be negatively impacted by the uncertainties of the economy as patients may lose insurance due to unemployment and delay surgeries for more prosperous times.

“These are extremely tough decisions that are taken very seriously because we know they affect the livelihood of our employees,” said Palomar Health President and CEO Diane Hansen. “However, the sooner we make these tough decisions, the sooner we will be able to stabilize our business and get back on the road to recovery. It is our responsibility to ensure Palomar Health provides high-quality medical care to our community during and after this pandemic.”

“Palomar Health not only provides an essential service to the regions half a million residents, but is also proud to be one of the largest employers in North County,” Hansen said. “We plan to remain a vital economic engine, so we must take these steps now to protect the financial stability of our organization.”

In total 317 positions were impacted, or 5% of the workforce. Of those, 50 were clinical RNs with the majority being part-time positions, with the remaining 267 positions spread across the organization ranging from clerical staff to technicians.

Ms. Hansen will be hosting a live GoToMeeting news conference to share more information about the layoffs today at 1 p.m. The media is invited to ask questions via email at [covid19@palomarhealth.org](mailto:covid19@palomarhealth.org) before or during the news conference. The link to join the meeting is

<https://global.gotomeeting.com/join/286957749>. At the conclusion of the meeting, a link to the recorded event will be emailed to you.

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**About Palomar Health**

Established in 1948, the award-winning team at Palomar Health provides the most comprehensive health care in North San Diego County through its three medical centers and more than 900 affiliated medical providers serving more than half a million people. Palomar Health is San Diego County's only member of the Mayo Clinic Care Network and is nationally recognized as operating one of America's 250 Best Hospitals; a Best 100 Hospital for joint replacement and orthopedic surgery; a Best Hospital for stroke care, heart care and bariatric surgery; a Diabetes and Stroke Center of Excellence; and a Blue Distinction Center for spine surgery, cardiac care and maternity. Through its network of providers, Palomar Health offers medical services in virtually all fields of medicine including primary care, cardiovascular care, emergency services, trauma, cancer, orthopedics, women's health, behavioral health, rehabilitation, robotic surgery and bariatric surgery at offices strategically located throughout the North San Diego County region. For more information please visit [www.PalomarHealth.org](http://www.PalomarHealth.org). You can also follow us on [Twitter](#), [Facebook](#) and [Instagram](#).