

# Medical center announces further cuts \$1 million shortfall

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In a deepening fund crunch, the Alaska Native Medical Center will be cutting back on payment of travel funds for Alaska Natives who use ANMC in Anchorage.

Describing the situation as a "crisis," Dr. Richard Mandsager, ANMC director, said the center will pay travel costs only for emergency treatment and authorized obstetric patients.

Last week, Mandsager announced that contract health providers will be authorized to pay for only emergency and pre-natal medical services to Alaska Natives. This week, new cost-saving measures were announced, including:

- Cuts in travel payments.
- Closure of one of four operating rooms, reducing surgical caseload by 25 percent.
- Laying off 18 employees out of a total of about 550, effective Monday.
- Putting a freeze on hiring.

Bob Arnold, staff member for the Senate Committee on Indian Affairs and assistant to Sen. Frank Murkowski, R-Alaska, said he sees little that can be done to ease the immediate shortage.

ANMC officials said earlier the shortfall nationally is \$20 million, including a \$1 million shortfall for Alaska.

Arnold said he's concerned about the situation, but added he would describe it only as a financial crisis and

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not a health crisis since emergency health care will still be paid for.

"It doesn't appear that any kind of relief from this plan is going to be possible this fiscal year," Arnold said. "I feel satisfied that they are taking all the steps they can to stretch dollars to cover pre-natal and emergency care."

Arnold speculated that the reason for the shortage is that Congress authorized an increase in pay for federal employees. But he said no increased funding was authorized to cover that increase or general health care cost inflation.

Mandsager said the most immediate impact of the cuts will be for patients coming to Anchorage for outpatient surgery.

The director said that although he is still attempting to come up with other ways to save money, "I'm about out of ideas."

Mandsager said the main thing people will notice as a result of the cuts is longer waiting times for surgery other than for emergencies and the fact that travel costs will not be paid for such procedures.