

# Mass Layoffs in the Health Care Industry in Massachusetts, 2004-2016

## Chapter 224 Workforce Impact Study

Prepared by:  
Commonwealth Corporation and  
Center for Labor Markets and Policy, Drexel University  
Prepared for:  
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## Introduction

The federal Worker Adjustment and Retraining Notification (WARN) Act requires large employers to provide notice to the Massachusetts Department of Career Services (DCS) 60 days in advance of any major layoff event or closing of one or more of a firm's business establishment in the Commonwealth. An establishment closing event must be reported when 50 or more full-time workers will be separated from the physical establishment during a 30 day period.<sup>1</sup> All business establishments employing 100 or more workers are subject to WARN reporting requirements across all industry sectors.

Mass layoff events associated with plant closings (or even production line closings) must be reported, depending on the size of the reduction, as mass layoffs even in the absence of a closing. Smaller business establishments in the state have somewhat different reporting requirements that depend on the size of the layoff relative to the size of the establishment.<sup>2</sup>

Based on these WARN reports to DCS, as well as voluntary reports by employers interested in providing re-employment services to staff subject to layoff, the DCS Rapid Response Team provides early intervention services including outplacement support for dislocated workers designed to shorten job search times along with retraining and unemployment insurance compensation alternatives.

A useful byproduct of the WARN and DCS Rapid Response system is a complete historical description of individual employer mass layoff activity in Massachusetts. Working with the DCS Rapid Response staff, CommCorp/CLMP has obtained these individual records of mass layoff activity by firms in Massachusetts covering the fiscal year (FY) 2004 to FY 2016. We use these data files to create historical tabulations of mass layoffs in Massachusetts by major industry sector for three time periods: FY 2004 and 2008, a period of modest jobs recovery from the dot.com recession; FY 2009 to FY 2012, a period of economic recession just prior to the implementation of Chapter 224; and now updated with data on the post Chapter 224 implementation time period covering FY 2013 to FY 2016.

Using the Rapid Response data files we have prepared a set of measures of mass layoff activity for all major industry sectors of the state, as well as for each of the specific components

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<sup>1</sup> Establishments are generally defined as economic units located in a single physical location. Firms are often composed of multiple establishments located across different communities and sometimes even different industries.

<sup>2</sup> NOLO, WARN Layoff Protection for Massachusetts Employees, <http://www.nolo.com/legal-encyclopedia/warn-layoff-protections-massachusetts-employees.html>

of the state's health care and social services industry on a statewide basis. This paper examines mass layoff activity within the state's health care and social services industry relative to other major industry sectors over the 2004 to 2012 period, just before the implementation of Chapter 224. This discussion places the mass layoffs that have occurred in the health care and social assistance sector in the context of overall mass layoff activity in Massachusetts. We follow this with a review of mass layoff events in each of four major sub-sectors of the state's health care and related social service industries including ambulatory care, hospitals, nursing and residential care facilities and individual and family services and the individual components of these four major Massachusetts health care sub-sectors.

The paper provides an update to our earlier findings on mass layoffs in the Massachusetts health care and social assistance sector (prepared in 2014) that occurred prior to the enactment of Chapter 224 health care cost containment legislation. The original analysis of mass layoffs in the state's health care sector is part of a broader study that examined health care job market conditions and developments prior to the enactment of the Chapter 224. This paper is a revised version of the original report.<sup>3</sup> It updates that study by tracing health care mass layoff activity during the FY 2013 to FY 2016 period. This allows a comparison of the level of health care mass layoff activity after Chapter 224 enactment with mass layoff levels during the earlier pre-health care cost containment period covering FY 2004 through FY 2012.

## **Mass Layoff Developments in Massachusetts**

The overall volume of mass layoff activity in Massachusetts is the product of both short term changes in the level of state and national economic activity as well as more basic changes in the industrial and occupational demand for labor. Economic recessions inevitably result in a spike in business closings and mass layoffs, but the recovery phase of the business cycle results in a reduction in the incidence and size of mass layoff activity.

Mass layoffs occur even during periods of strong economic growth and low unemployment. Secular forces including changing consumer tastes (sometimes associated with demographic change), changes in government spending priorities, technological change, foreign

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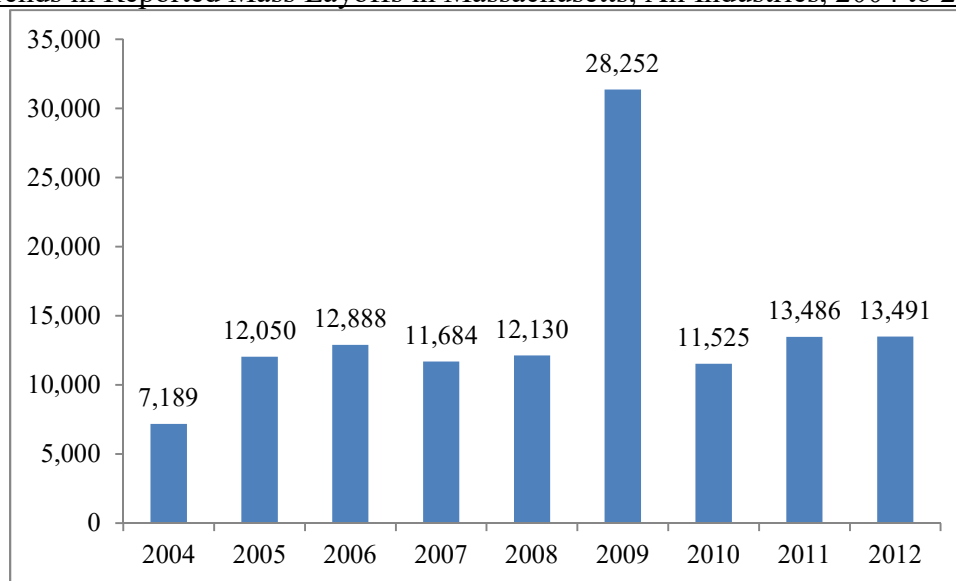
<sup>3</sup> See "Mass Layoffs in the Health Care Industry in Massachusetts, 2004-2008 and 2009-2012," Supplement to the Chapter 224 Baseline Study, prepared for the Commonwealth of Massachusetts Office of the State Auditor by Commonwealth Corporation and the Center for Labor Markets and Policy, Drexel University, March 2015.

trade, as well as federal, state, and local regulatory and legislative requirements can all cause mass layoffs to occur—across private for-profit, non-profit and federal, state and local government organizations.

The findings in Chart 1 reveal the powerful impact of the Great Recession on the level of mass layoffs in Massachusetts. The overall level of mass layoff activity among business establishments located in Massachusetts has varied considerably over the FY 2004 to FY 2012 period with what appears to be a close connection to changes in overall business cycle conditions. During the FY 2004 through FY 2008 period, we see that the level of layoff activity appears fairly stable. With the exception of 2004, we find that the annual number of mass layoff occurrences during the jobs recovery of 2004 to 2008 ran in a narrow range of between 11,700 mass layoffs during 2007 to 12,900 during 2006.

This was a period of employment recovery from the severe statewide job losses that occurred during the dot.com recession of 2001. The mass layoff activity during this period of time is thus more closely associated with secular shifts in the demand for labor. Indeed, as the findings in Table 1 reveal, nearly one-half of all the mass layoffs that occurred during this period of time were in the state’s manufacturing sector, which itself has experienced enormous long term job losses—even in periods of full employment.

Chart 1:  
Trends in Reported Mass Layoffs in Massachusetts, All Industries, 2004 to 2012

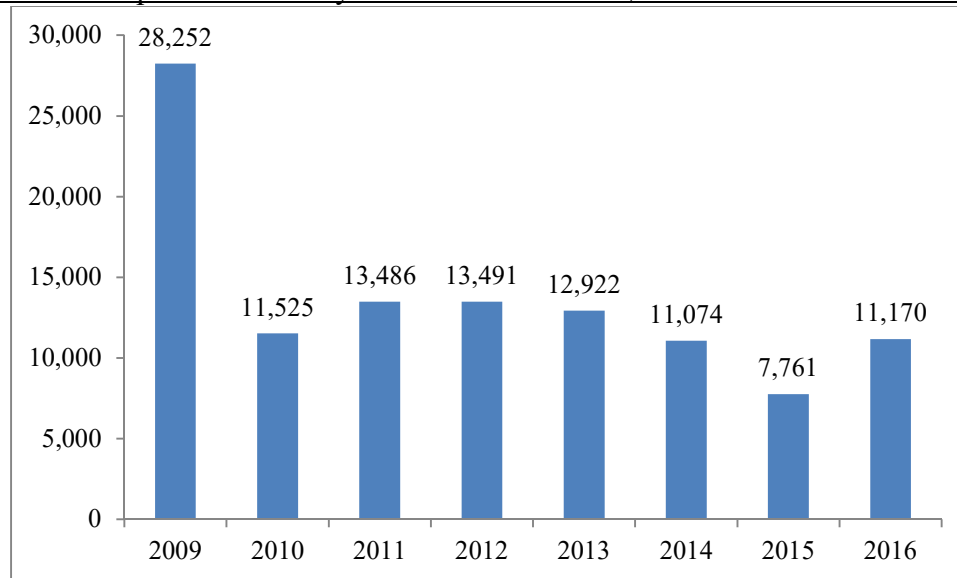


Source: Rapid Response WARN Data Files, Massachusetts Department of Labor and Workforce Development.

During 2009, we see a terrific spike in mass layoff activity that is closely associated with cyclical losses from the Great Recession. Mass layoff activity rose to more than 28,000 jobs contributing to a sharp spike in the state’s unemployment rate during that year. The recovery from the recession soon brought down the level of mass layoffs to near pre-recession level. The slow pace of the state and national economic recovery may have contributed to a somewhat heightened level of mass layoffs in Massachusetts as the level of mass layoffs during FY 2011 and FY 2012 ticked up to the 13,500 range in each year—even as the state unemployment rate declined and payroll employment levels once again began to expand in the Commonwealth.

Since 2012, the level of mass layoff activity has declined to its pre-recession level, reflecting a relatively stronger overall jobs recovery in the state compared to most other states in the nation. Mass layoffs in the Massachusetts declined to 11,100 by FY 2014 and even declined to just 7,761 in FY 2015, but climbing back closer to its longer term mean by FY 2016 (Chart 2).

Chart 2:  
Trends in Reported Mass Layoffs in Massachusetts, All Industries FY 2009-2016



Source: Rapid Response WARN Data Files, Massachusetts Department of Labor and Workforce Development.

### **Sectoral Patterns of Mass Layoffs**

The findings provided in Table 1 below examine mass layoff activity in Massachusetts across the state’s major industry sectors over the 2004 to 2008 period of economic expansion. Over the entire period, a total of about 56,000 mass layoffs were reported with nearly half of these concentrated in the state’s manufacturing sector. Textile and apparel manufacturing firms were consistent sources of plant closings and other mass layoffs over this period. The number of

mass layoffs in most other industries remained relatively low with a few exceptions; notably retail trade, where substantial layoffs in major department stores occurred in various locations in the state. Continued consolidation in the banking industry resulted in a rise in mass layoffs in the

Table 1:  
Trends in Mass Layoffs in Massachusetts, FY 2004 to 2008, by Major Industry Sector

Industry	2004	2005	2006	2007	2008	Total 2004 to 2008	Annual Average Layoffs
Agriculture, Forestry, Fishing	97	28	112	0	30	267	53
Construction	0	22	42	0	255	319	64
Manufacturing	3,002	6227	5,106	5,960	5,904	26,199	5,240
Utilities	0	0	0	0	48	48	10
Transportation & Warehousing	614	671	509	12	618	2,424	485
Wholesale Trade	64	106	161	193	238	762	152
Retail Trade	367	814	3,082	1,654	754	6,671	1,334
Finance & Insurance	692	838	1,542	1,674	1,137	5,883	1,177
Real Estate, Rental, Leasing	10	0	41	0	362	413	83
Information	80	586	563	343	801	2,373	475
Profess, Scientific & Tech	446	1,126	439	861	665	3,537	707
Management of Cos/Enterprises	500	0	57	110	21	688	138
Admin Support /Waste Mgmt.	686	91	8	147	15	947	189
Education Services	290	180	115	100	138	823	165
Health Care and Social Asst.	312	788	397	195	632	2,324	465
Arts, Entertainment & Recr.	6	0	20	143	105	274	55
Accommodation and Food Services	0	175	110	176	114	575	115
Other Services	20	238	52	59	24	393	79
Public Administration	3	160	532	57	269	1,021	204
<b>Total Layoffs</b>	<b>7,189</b>	<b>12,050</b>	<b>12,888</b>	<b>11,684</b>	<b>12,130</b>	<b>55,941</b>	<b>11,188</b>

Source: Rapid Response WARN Data Files, Massachusetts Department of Labor and Workforce Development.

finance and insurance industries during 2006 and 2007. A spike in professional, scientific, and technical industry layoffs during 2005 was associated with the closing of a large Boston law firm. Transportation and warehousing also posted some substantial mass layoffs including a large layoff at Andover Logistics in 2004, Delta Airlines in 2005, a special needs transportation company located in Springfield, along with a variety of limousine service firms scattered around the state.

During the FY 2004 to FY 2008 period the health care and social services industry in Massachusetts posted very strong employment increases and was in fact the primary industry source of new job creation in Massachusetts during that time. The number of mass layoffs in

health care and social services was quite small accounting for just 4 percent of all industry layoffs, but accounted for about 16 percent of all non-farm payroll jobs in the state. This implies an incidence of mass layoff in the state's health care and social assistance sector that was equal to just one-quarter of the overall mean statewide mass layoff rate.

The FY 2009 to FY 2012 period was a time of substantial job losses in the state followed by a period of slow jobs recovery. The findings in Table 2 reflect this development with a dramatic spike in mass layoffs that occurred in a number of the state's major industry sectors during 2009. During FY 2004 to FY 2008 the number of reported mass layoffs averaged about 11,200 per year. However, during the FY 2009 to FY 2012 period this figure jumped to about 17,500 mass layoffs in each year. Annual average mass layoffs in manufacturing, retail trade, finance and insurance, along with public administration all experienced very large increases in the volume of mass layoffs during the FY 2009 to FY 2012 period in comparison to the annual average volume of mass layoffs that occurred during FY 2004 to FY 2008.

Table 2:  
Trends in Mass Layoffs in Massachusetts, FY 2009 to FY 2012, by Major Industry Sector

Industry	2009	2010	2011	2012	Total 2009 to 2012	Annual Average Layoffs
Agriculture, Forestry, Fishing	5	0	56	0	61	15
Construction	34	5	81	5	125	31
Manufacturing	10,156	3,503	3,133	3,809	23,706	5,927
Utilities	50	0	876	29	955	239
Transportation & Warehousing	1,299	852	435	660	3,246	812
Wholesale Trade	275	188	148	298	909	227
Retail Trade	2,309	1,065	3,357	1,350	8,081	2,020
Finance & Insurance	4,754	273	807	1,895	7,729	1,932
Real Estate, Rental, Leasing	0	44	129	0	173	43
Information	1,104	511	291	444	2,350	588
Profess, Scientific & Tech	1,131	1,359	1,275	662	4,427	1,107
Management of Cos/Enterprises	0	56	0	30	86	22
Admin Support /Waste Mgmt.	642	128	155	153	1,078	270
Education Services	624	165	258	385	1,432	358
Health Care and Social Asst.	1,382	1,083	916	2,172	5,553	1,388
Arts, Entertainment & Recr.	291	694	235	90	1,310	328
Accommodation and Food Services	393	581	364	787	2,125	531
Other Services	539	162	113	44	858	215
Public Administration	3,264	856	857	678	5,655	1,414
<b>Total Layoffs</b>	<b>28,252</b>	<b>11,525</b>	<b>13,486</b>	<b>13,491</b>	<b>69,859</b>	<b>17,465</b>

Source: Rapid Response WARN Data Files, Massachusetts Department of Labor and Workforce Development.



The Massachusetts health care and social assistance industry was not exempt from the effects of the Great Recession; health care providers experienced a sharp relative uptick in the number of reported mass layoffs during the recession and recovery period through 2012. Health care and social service providers averaged just 465 mass layoffs per year during FY 2004 to FY 2008, but this level increased to an average of 1,388 during the FY 2009 to FY 2012 period; a near three-fold increase in the incidence of mass layoffs. Importantly, we see that health care and social assistance mass layoffs spiked in FY 2012, well after the economy wide spike in mass layoffs during FY 2009.

Table 3:  
Trends in Mass Layoffs in Massachusetts, FY 2013 to FY 2016, by Major Industry Sector

Industry	2013	2014	2015	2016	Total 2013- 2016	Annual Average Layoffs
Agriculture, Forestry, Fishing	55	0	0	0	55	14
Construction	42	0	0	10	52	13
Manufacturing	4,603	3,080	2,461	3,563	13,707	3,427
Utilities	12	588	517	600	1,717	429
Transportation & Warehousing	1,393	2,499	517	155	4,564	1,141
Wholesale Trade	112	89	0	1,030	1,231	308
Retail Trade	493	1,060	372	729	2,654	664
Finance & Insurance	903	759	297	775	2,734	684
Real Estate, Rental, Leasing	75	0	0	0	75	19
Information	256	271	355	1,319	2,201	550
Professional, Scientific & Tech	1,050	975	449	1,074	3,548	887
Management of Companies/Enterprises	0	0	0	0	0	0
Admin Support /Waste Management	0	137	36	108	281	70
Education Services	163	192	167	182	704	176
Health Care and Social Assist	1,036	927	1,921	738	5,360	1,340
Arts, Entertainment & Recreation	21	161	181	75	438	110
Accommodation and Food	790	272	298	286	1,646	412
Other Services	59	21	0	55	135	34
Public Administration	4	32	81	643	760	190
<b>Total Layoffs</b>	<b>12,922</b>	<b>11,074</b>	<b>7,761</b>	<b>11,170</b>	<b>42,927</b>	<b>10,722</b>

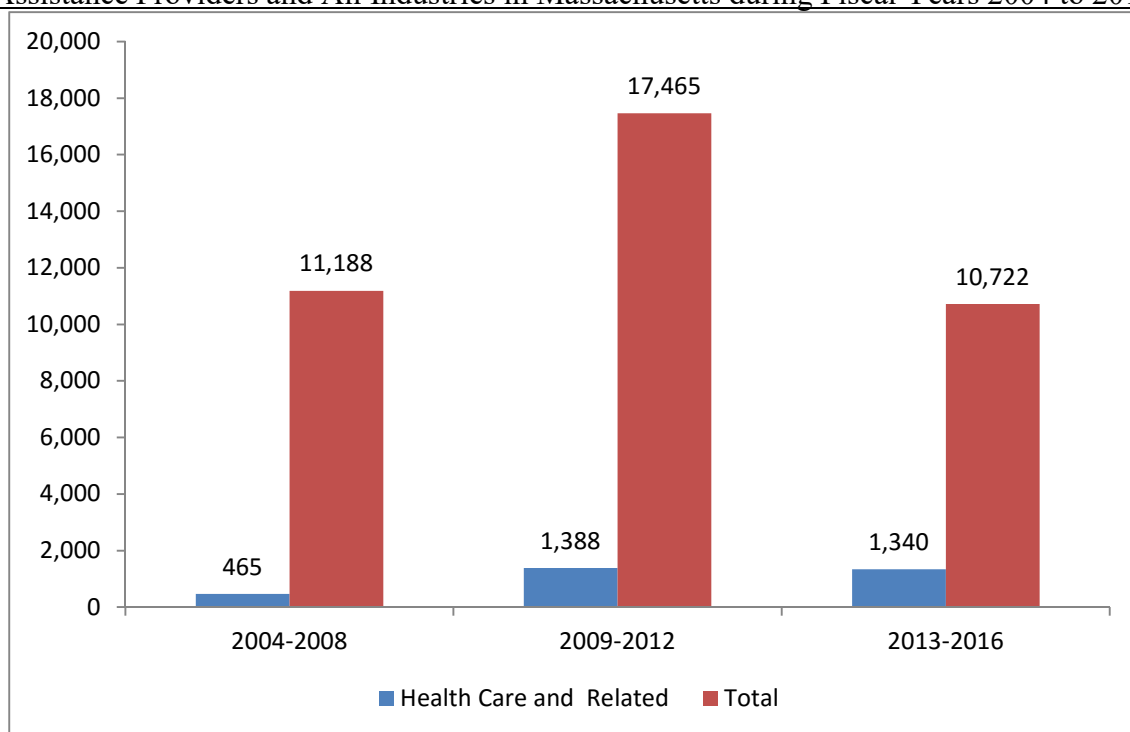
Source: Rapid Response WARN Data Files, Massachusetts Department of Labor and Workforce Development.

Overall mass layoff activities continued to be moderate during the FY 2013 to FY 2016 period, with manufacturing firms again the leading source of mass layoffs in the Commonwealth.

The state’s manufacturers experienced mass layoffs in a wide range of specialty industries including among producers of medical instruments, lab instruments and biological products. The information industry saw a substantial spike in mass layoffs as a major distribution center closed and newspapers shed workers at a rapid pace. Transportation warehousing firms also experienced substantial mass layoffs, including food warehouses as well as bus transportation firms. Health care and social assistance providers experienced an annual average of 1,300 mass layoffs over the FY 2013 to FY 2016 period

Over time, the number of mass layoffs in the state’s health care sector has increased. During the FY 2004 to FY 2008, when health care was the primary source of new job creation in the Commonwealth, the annual average level of mass layoffs in the state was quite low averaging just 465 per year and accounting for just 4 percent of all mass layoffs in the state. However, the annual average number of mass layoffs in health care and social assistance rose sharply during the Great Recession as overall mass

Chart 3:  
Trends in the Annual Average Number of Mass Layoffs Among Health Care and Social Assistance Providers and All Industries in Massachusetts during Fiscal Years 2004 to 2016



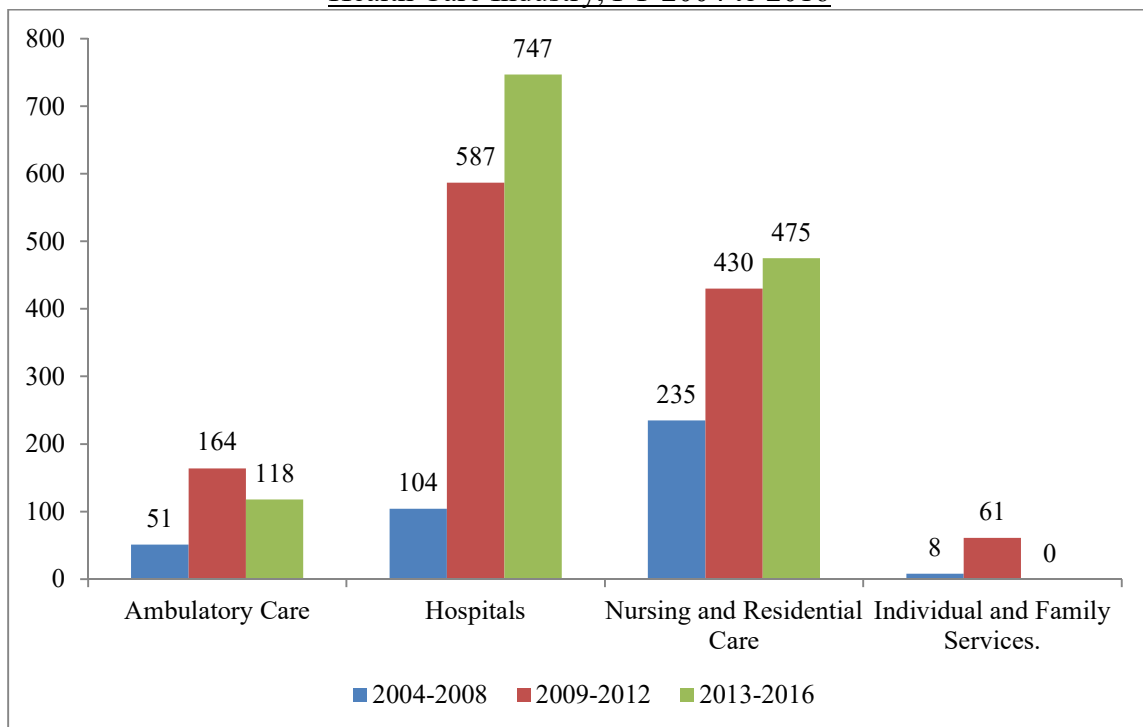
Source: Rapid Response WARN Data Files, Massachusetts Department of Labor and Workforce Development.

layoffs increased to nearly 17,500 per year between 2009 and 2012. The 1,388 health care layoffs accounted for 8 percent of all mass layoff actions that occurred over the period. During the economic recovery period of FY 2013 to FY 2016 the volume of health care mass layoffs averaging 1,340, hardly changed from its earlier level—signaling some secular changes causing mass layoffs in the state’s health care sector.

The health care and social assistance sector is composed of a variety of industries, most of which, but not all, are involved in the delivery of some kind of health care service. In an earlier paper we defined a useful workforce based measure of the state’s health care industry as composed of all ambulatory care, hospital, nursing and residential care providers, along with the individual and family services industry sub-sector. The incidence of mass layoff within the health care industry is best understood by examining more detailed industry sub-sector sources of those reported health care layoffs.

Over the 2004 to 2008 period, there was very little mass layoff activity in either the ambulatory care or the individual and family services sub-sectors. The annual number of mass

**Chart 4:**  
Annual Average Mass Layoffs in the Four Major Industry Sub-Sectors of the Massachusetts Health Care Industry, FY 2004 to 2016



Source: Rapid Response WARN Data Files, Massachusetts Department of Labor and Workforce Development

layoffs in ambulatory care averaged just 51 during 2004 to 2008, a tiny share (0.04 percent) compared to average employment in ambulatory care of more than 126,000 jobs during that period. Mass layoffs were near non-existent in individual and family services during this time period as well, with an average of just 8 workers involved each year in a mass layoff in this sub-sector. The hospital sub-sector averaged just 104 workers involved in a mass layoff each year during the FY 2004 to FY 2008 period, accounting for just 0.6 percent of all mass layoffs in Massachusetts. The nursing home and residential care sub-sector had the greatest number of mass layoffs among all health care providers during FY 2004 to FY 2008, with an average 235 jobs eliminated each year as a result of a mass layoff, accounting for 2.2 percent of total mass layoffs in the state.

The overall level of health care layoffs rose during the recession/early recovery years of FY 2009 to FY 2012 with an especially sharp increase in mass layoffs among hospitals and nursing homes. The annual average number of hospital jobs lost in mass layoff rose to nearly 600 per year during this time period and nursing home and residential care services saw mean mass layoff activity rise to 430 jobs per year. Ambulatory care and individual and family services providers reported mass layoffs at fractional levels compared to hospitals and nursing homes, reflecting a redeployment of health care human resources within the health care delivery system during this time period.

During the 2013 to 2016 period mass layoffs in the hospital and nursing and residential care sub-sectors of the Massachusetts health care industry continued to increase. Between FY 2013 and FY 2016 mass layoffs across the state's hospitals increased to an average of nearly 750 jobs per year, while mass layoffs in nursing and residential care facilities also increased. Mass layoffs in ambulatory care, already at a low level, fell to just over 100 jobs per year during the FY 2013 to FY 2016 period. No mass layoff events occurred among providers of individual and family services, including services to the elderly and disabled.

Tables 3, 4, and 5 below examine the year by year mass layoff reports for detailed health care industry sub-sectors in Massachusetts. The data in Table 3 cover the 2004 to 2008 period and reveal that a majority of ambulatory care industries reported no mass layoffs at any time during this five year period. The bulk of mass layoffs in the ambulatory care industry came from an ambulance service firm in Natick during 2004 and 2005 and a subsequent layoff by the same firm in Pittsfield during 2008.

Table 3:  
Trends in Mass Layoffs in Massachusetts, FY 2004 to FY 2008, by Detailed Health Care  
Industry Sub-Sector

	2004	2005	2006	2007	2008	All 2004 to 2008	Annual Average Layoffs
Ambulance Services	46	49	0	0	30	125	25
All Other Outpatient Care CT	0	30	0	0	30	60	12
All Other Ambulatory Health	0	0	0	0	0	0	0
Diagnostic Imaging Centers	0	0	0	0	0	0	0
Freestanding Ambulatory Surgical and Emergency CTR	0	0	0	0	0	0	0
Offices of Mental Health Practitioners	0	0	0	0	0	0	0
Outpatient Mental Health and Substance Abuse Centers	0	0	0	0	0	0	0
Offices of Physicians	0	0	0	0	25	25	5
Home Health Care Services	45	0	0	0	0	45	9
General Medical and Surgical Hospitals	108	41	20	0	200	369	74
Psych&Substance Abuse Hosp	0	149	0	0	0	149	30
Nursing Care Facilities	0	368	324	100	281	1,073	215
Continuing Care Retire Comm						0	0
Homes for the Elderly	0	0	8	0	0	8	2
Other Residential Care	0	0	0	55	22	77	15
Residential Mental Health and Substance Abuse Facilities	0	0	15	0	0	15	3
Residential Mental Retardation	0	0	0	0	0	0	0
Individual and Family Svc	0	12	30	0	0	42	8

Source: Rapid Response WARN Data Files, Massachusetts Department of Labor and Workforce Development

Two substantial mass layoffs were reported by general medical surgical hospitals, one in FY 2004 in Leominster and a second in FY 2008 in Medford. Additionally, a substantial layoff in a psychiatric and substance abuse facility also located in Medford occurred during FY 2005. Nursing homes were the major source of mass layoffs in the nursing and residential care industry, averaging 215 jobs lost to mass layoff each year during this period. Indeed, nursing homes were the primary source of all health care mass layoffs during FY 2004 to FY 2008, while residential care facilities saw no mass layoffs at all. During 2005 four nursing home closings around the state accounted for the bulk of mass layoffs during that year. Several nursing home closings and mass layoffs in other nursing care facilities were the leading source of health care

jobs lost due to mass layoffs during 2006. During 2008 there were several large mass layoffs in nursing home facilities in communities across the state including in Springfield and Millbury.

As we observed earlier, the level of mass layoff activity in the health care industry increased substantially during the FY 2009 to FY 2012 period, with an especially sharp rise in activity

Table 4:  
Trends in Mass Layoffs in Massachusetts, FY 2009 to FY 2012, by Detailed Health Care Industry Sub-Sector

	2009	2010	2011	2012	All 2004 to 2008	Annual Average Layoffs
Ambulance Services	0	0	0	0	0	0
All Other Outpatient Care CT	80	0	0	0	80	20
All Other Ambulatory Health	0	0	6	0	6	2
Diagnostic Imaging Centers	0	0	20	0	20	5
Freestanding Ambulatory Surgical and Emergency CTR	0	0	13	0	13	3
Offices of Mental Health Practitioners	0	0	0	0	0	0
Outpatient Mental Health and Substance Abuse Centers	0	0	0	0	0	0
Offices of Physicians	0	0	0	30	30	8
Home Health Care Services	0	12	0	495	507	127
General Medical and Surgical Hospitals	545	115	392	839	1,891	473
Psych&Substance Abuse Hosp	0	418	40	0	458	115
Nursing Care Facilities	155	214	369	117	855	214
Continuing Care Retire Comm	0	0	0	0	0	0
Homes for the Elderly	0	0	0	0	0	0
Other Residential Care	0	4	0	254	258	65
Residential Mental Health and Substance Abuse Facilities	120	303	10	0	433	108
Residential Mental Retardation	72	0	0	100	172	43
Individual and Family Svc	119	2	12	112	245	61

Source: Rapid Response WARN Data Files, Massachusetts Department of Labor and Workforce Development

during FY 2012. There were few mass layoffs events in any of the specific ambulatory care industries during this period with the exception of a substantial layoff by Adlife Home Health care. This firm was charged with criminal activity in connection with Medicaid payments, so its demise does not appear associated with changes in general demand for home health care

services. Reported mass layoffs in general medical and surgical hospitals averaged about 475 jobs lost each year over the four year period. These included large layoffs in smaller hospitals in Webster and Medford in FY 2009, and in Northampton during FY 2010. Also a very large mass layoff occurred in a psychiatric hospital in Westborough during FY 2010. During FY 2011 about half a dozen hospitals reported moderate sized layoff events. UMASS Memorial Hospital had a major layoff event in FY 2012, with smaller layoffs occurring in Springfield and North Adams hospitals.

Mass layoffs in nursing care facilities continued at their 2004-2008 pace over the 2009-2012 period, averaging about 215 jobs lost per year. During FY 2011 very substantial mass layoffs occurred in nursing facilities in Hopedale, Boston, Pittsfield and Ipswich. The number of nursing home jobs lost due to mass layoff slowed during 2012.

The findings in Table 3 reveal that most of the mass layoff activity in the state's health care system during FY 2013 to FY 2016 was concentrated among nursing care facilities and hospitals. Children's Hospital in Boston reported a 250 worker mass layoff in Boston during FY 2013, with smaller layoffs in other hospital facilities scattered around the state. During FY 2014, North Adams Regional Hospital reported a mass layoff of 450 staff associated with the closing of that hospital facility. Spaulding Rehabilitation Hospital in Salem reported a mass layoff of 275 staff during 2015. Union Hospital in Lynn reported a mass layoff of 100 workers during FY 2016.

Nursing care facility closings and mass layoffs have continued around the state with major closings in Jamaica Plain and Middleborough during FY 2013 and five mass layoffs in nursing care facilities during FY 2014 scattered around the state. During FY 2015 Brookline and Boston saw two of the largest nursing care facility mass layoffs that have occurred in the state to date. During FY 2016 mass layoffs in nursing homes occurred once again in Boston as well as Lowell.

The mass layoff data reveal a pattern of job loss that is quite consistent with findings from other aspects of our study that indicate a major redeployment of health care sector employment has been underway in Massachusetts dating back to the onset of the economic recession in 2008. Mass layoffs have increased markedly since then and most of the increase has been concentrated in the inpatient focused hospital and nursing home components of the health

care industry. Few mass layoffs have occurred in the state’s ambulatory care or individual and family services sub-sectors where services are provided on an outpatient basis.

Our analysis of the mass layoff data is consistent with our earlier findings that health care cost containment efforts by employers, insurers and government have all combined to shift the the state’s health care workforce into lower cost ambulatory care and social service organizations with very different occupational staffing requirements than those of hospitals and nursing homes.

Table 5:  
Trends in Mass Layoffs in Massachusetts, FY 2013 to FY 2016, by Detailed Health Care Industry Sub-Sector

	2013	2014	2015	2016	Total, 2013-2016	Annual Average
Ambulance Services	0	0	83	0	83	21
All Other Outpatient Care CT	0	0	0	0	0	0
All Other Ambulatory Health	15	0	0	0	15	4
Diagnostic Imaging Centers	0	0	0	0	0	0
Freestanding Ambulatory Surgical and Emergency CTR	0	0	0	0	0	0
Medical Laboratories	0	0	0	105	105	26
Offices of Mental Health Practitioners	3	0	0	0	3	1
Outpatient Mental Health and Substance Abuse Centers	0	0	0	0	0	0
Offices of Physicians	8	10	22	0	40	10
Home Health Care Services	0	0	75	100	175	44
General Medical and Surgical Hospitals	376	499	375	203	1,453	363
Specialty Hospitals	0	0	808	10	818	205
Psych & Substance Abuse Hosp	205	0	13	0	218	55
Nursing Care Facilities	353	300	545	117	1,315	329
Continuing Care Retire Comm	0	113	0	0	113	28
Homes for the Elderly	0	0	0	12	12	3
Other Residential Care	40	0	0	0	40	10
Residential Mental Health and Substance Abuse Facilities	0	5	0	0	5	1
Residential Mental Retardation	36	0	0	0	36	9
Individual and Family Svc	0	0	0	0	0	0

Source: Rapid Response WARN Data Files, Massachusetts Department of Labor and Workforce Development