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Health Management Associates, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions). Our first question comes from A.J. Rice of Soleil Securities. Please go ahead.

A.J. Rice – Soleil Securities

Hello, everybody. Thanks. Couple of questions just to follow up, maybe even on your last comments there, Gary. You have seen now stabilization for two quarters in your admissions and I guess your comps on the admission front get easier as you progress into the middle of the year compared to what you were dealing with last year. It seems like most of what we have seen so far is from the initiatives in the ER, do you perceive we have seen the benefit of the ramped up – physician recruitment or how much has that impacted the results thus far and how much of that still in front of us? And then also on the service line expansion, the market development, has any of that yet really impacted results, or is that something still in front of us as well?

Gary Newsome

A.J., ER is really just a portion of the improvement that we've seen so far. The physician recruitment that we were able to do in the fourth quarter, to a limited extent is providing results for us today. And it will continue to provide even more positive results as the year progresses. We are seeing some improvement minimal at this time from service line enhancement in certain markets and that also will continue to drive forward in a bigger way as the year progresses. But the ER is – as I mentioned, in our last call, many times, as I met with many of you is that the ER initiatives are real time they're today, and while we're improving that, we still have a lot of room for improvement even there. So it's really a multi-front approach and we're getting results from all those, and it will improve the mix of that improvement will improve as we go along.

A.J. Rice – Soleil Securities

Okay. And then maybe Bob on the wages and benefits improvement. Clearly, that was a big bright spot in the quarter. I know there are several different initiatives that you guys have taken on, holding down some wage increases in light of the weak economy, changes in benefits. I think there was some streamlining of staff, you have seen a reduction in turnover. Can you give us a flavor for how each of those dynamics played into the improvements you saw and then maybe looking out for the rest of the year is there any incremental benefit from some of those items?

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