

Update to Our Employees

June 13, 2008

Our Support to Employees
On the Path to Recovery

Where do we begin?

Key Priorities

- Take care of our employees, volunteers, and physicians
- Re-establish services and get facility back on-line as soon as possible with the Emergency Department a key priority
- Maintain financial soundness and ability to move forward with long-term plans we had in place

What we have been doing for Our Employees

Sunday:

- Made decision on current and next payroll. Set up system to allow us to make payroll as scheduled on Thursday.
- Used telephone trees and media to communicate to employees.

Monday/Tuesday:

- Employee tent set up for payroll facilitation
- Identified interim employment opportunities with area hospitals and healthcare providers.
- Identified legal structures for interim employment opportunities
- Worked with local bank to facilitate payroll
- Gathered information from other hospitals who had similar disasters

• Wednesday/Thursday:

- Direct Deposit and Mailed checks for payroll
- Put many employees to work on site

Taking Care of Our Employees

- This disaster hasn't changed our commitment to being a great place to work. Our plan for employees is aligned with those values.
- We are committing to paying our employees (full time, part time, and weekend option) salaries and benefits for at least the next three months – this can be extended if more time is needed but we anticipate having most hospital services in operation at some level within the next three-four months.
- We are a Best Place to Work – and a damaging flood does not stop that commitment to our employees.

Taking Care of Our Employees

- Our commitment to you is a major financial commitment. Payroll costs \$4 million per pay period for salaries and benefits.
- Without revenues, these funds must come from the cash reserves we had set aside for our building project.
- Employees must come before bricks and mortar.

Taking Care of Our Employees

- To receive your salary during this time, each employee will be required to report to work according to your regular schedule and will have a specific assignment which could possibly be different from their usual work.
- Human Resources is still working out the details. Starting Monday, June 23rd, all employees will report to the second floor of the Medical Office Building, Haw Creek North, if they haven't received other instructions.
- Please check the website daily for updates and more specifics. If you don't have internet, call your supervisor or HR 376-5420. Please bring your badge or other form of ID.

Taking Care of our Employees

- Employees will be assigned to work in the following areas:
 - Returning to regular work duties in a modified form
 - Assigned to CRH recovery efforts
 - Assigned to community recovery efforts
 - Assigned to other hospitals
 - Assigned to Lean Sigma or other operational improvement teams to help reduce our operating costs
- We will need your patience, understanding and commitment. Processes and systems won't be perfect and flexibility will be key. We need all of us working together to use this as an opportunity to improve our hospital and recover financially.

On the Path to Recovery:

What we have accomplished so far

Facility and Site

The entire basement level was completely under water during the flood, incapacitating everyone on the lower level including laboratory, radiology, pharmacy, food services, materials management, central processing, health information, and information services. There was 6 - 8 inches of water on the main level, leaving behind mud and other residue.

- **Sunday:**

- Get the water out of the basement, Rescue key supplies and equipment. Assess the damage. Establish Command Center with 9 phone lines and a fax!

- **Monday:**

- On site inspections and consultations with structural engineers, environmental hazard engineers,
- Siemens and Philip vendor reps, and IS vendor experts assessing equipment and technology damage and path to Vendors have loaned us their in-house experts to rapidly rebuild our IS infrastructure and recapture our data.
- Finish pumping water out of the basement - done at a rate that doesn't compromise the integrity of the building or overflow the sewer.
- Began dehumidification
- Claims adjustors and insurers have been on site.
- Lieutenant Governor Becky Skillman toured
- Expanded Prompt Med 25th Street Hours to 24/7



On the Path to Recovery:

More on Facility and Site

- **Tuesday:**
 - Established 40-line phone network at the Tech Center
 - Mitch Roob with the State of Indiana toured
 - US Dept of Health on site to evaluate how they can support our ED recovery
 - Began removing drywall, baseboard, carpet from main level of hospital
- **Wednesday/Thursday:**
 - Carpet removal; dry wall; dehumidification
 - Removal of IS servers for restoration
 - Evacuation of office building for demolition
 - Work on Hawcreek Medical Office Buildings for reopening next week
- **All Days:**
 - Calls or visits from state representatives, Congressman Mike Pence, mayor, all hospitals in our region and other hospitals in the state

What's next: Facility and Services

Identify interim locations for all outpatient services

Identify timeline and project sequencing to get to a fully operational facility and restore ED and inpatient services

1. Utilities
2. Mobile support units and/or offsite services
3. Locations for displaced support departments including administration.
4. Emergency Department
5. Inpatient units

What's next: Financial Soundness

Identify financial impact and options available to the hospital

1. Insurance assistance
2. FEMA and other government assistance
3. Fundraising Efforts through the Foundation. CRH Foundation is committing to a \$1,000,000 gift for ED recovery. The Foundation board is appealing to the community for a matching \$1,000,000.
4. Kaufman Hall and other financial consultation to determine new capital needs/requirements, cash flows and 2008 operating income forecasts

Revisit Building Project and Strategic Plan

We now have the opportunity to:

- Make major facility changes without disruption to ongoing operations
- Engage teams in focused redesign of core processes before reopening to reduce operational costs
- Rethink our strategies. We have a compelling reason to decentralize services and develop a meaningful network with other hospitals to provide services. This is where we wanted to head anyway, but now we have a burning platform and many barriers are removed.
- Strengthen our relationship with our physicians and with our community. Crisis gives people a reason to pull together.
- Demonstrate how we live our values.

Opportunity is missed by most people because it is dressed in overalls and looks like work.

Thomas Edison

Announcement: Employees' Personal Items

- We're asking all ground floor employees to pick up personal items at an assigned time tomorrow, Saturday according to the schedule we'll post on our website or hand out later today. You can also call HR at 376-5420 for this information. If you can't be there at your assigned time, please ask a coworker or your supervisor to retrieve your items. Everything will be removed from the ground floor next week. It won't be available until it's unpacked in future months.
- Reclamation teams will be removing items from the basement. We still haven't determined if anything from the basement will be salvagable. Employees cannot be allowed in the basement because of unsafe conditions.
- You should contact your own insurance company for any personal items that have been lost or destroyed.

Questions / Updates

- www.crh.org Information updated daily
- Employee Information / Questions:
376-5420 answered Mon - Fri 8 – 5 pm
- Republic newspaper – ongoing information updates via hard copy newspaper and www.therepublic.com about CRH recovery