



Dear Associates,

During these extraordinary times, I want to thank each of you again for your courage and dedication to Erlanger and those we serve. We have a unique and essential role in this community, and I am grateful for our team and the way we are leading from the front. Just as a majestic oak is strengthened by weathering heavy storms, I am hopeful that in due time the challenges we are facing today will prepare us for an even stronger and more resilient tomorrow.

I fully recognize that in this time of pandemic, there is anxiety regarding our operational capabilities, particularly given the national difficulties with testing, personal protective equipment (PPE), equipment, and surge capacity. Moreover, there is a natural and legitimate concern for occupational exposure to coronavirus (COVID-19), and I want to assure you the Command Center and Supply Chain teams have been working tirelessly to best address the safety of our employees and maintain our PPE for the protection of our staff. We are constantly updating our PPE inventory, and I appreciate your diligence in using PPE in a manner that is safe and protective, while being respectful of the need to steward our supplies in a time of considerable uncertainty. I have been rounding and seeing firsthand your dedication and resolve, and I welcome feedback on how we can continue to provide you the support you need to safely fulfill our mission to our patients and community.

As a result of the COVID-19 pandemic, the American economy has been severely harmed. Hospital systems nationwide are experiencing abrupt and profound reductions in revenues and inpatient and outpatient visits, and Erlanger is no exception. While we are working closely with our financial partners, government officials, and external agencies to secure as much funding as quickly as possible, including federal stimulus funds, this crisis has already cost our system millions of dollars in the past week alone, and continued losses will undoubtedly continue for the short term. Unfortunately, it is impossible to predict if and when we might experience a surge of COVID-19 patients much like has been seen elsewhere, which further adds to our organizational risk.

Given these business realities, it is absolutely essential that we take decisive action to ensure a healthy future for Erlanger. Today, we are implementing several critical expense reductions that will impact everyone across the enterprise. They are effective immediately.

- For selected departments, primarily administrative, employee work weeks will be reduced to two or three days per week. Your manager will inform you how this applies to your department. For those days of the week when not scheduled to work, hourly employees can either use PTO or take time off without pay. Salaried employees will be required to use PTO. Salaried employees who deplete their PTO banks should contact their manager to determine their new work schedule.
- Departments identified as flex departments, primarily clinical in nature, must flex down based on workload and patient volume.
- Premium overtime will be eliminated for all employees unless extenuating circumstances exist.
- Administrative employees less than a .85 FTE, including temporary administrative employees, will be furloughed for 60 days, effective March 31. These employees may access their accrued PTO hours.
- PTO accrual is temporarily suspended, beginning this pay period. PTO balances will remain intact and accessible to employees.
- The 403b retirement plan company contributions will be suspended, starting this pay period. Employee contributions to the plan will continue, unless an employee elects to stop that contribution.
- Recruitment for all administrative jobs will be discontinued, with limited recruitment for clinical positions.

- The leadership group, commonly referred to as Leadership Forum, will have a tiered base pay cut starting this pay period; 15% for me, 10% for executives, and 5% for the remaining members.
- Hopefully, funds from the federal government will soon be available for some affected employees. As we learn more, employees will be updated on eligibility. Helpful information about unemployment and other resources have been compiled by the Human Resources Department and made available at the following link: [ehsod.org/covid](https://ehsod.org/covid).

While these are extremely difficult decisions, each is being made with two primary goals in mind: first, to ensure we remain able to deliver critical medical services to our community consistent with our mission; and second, to attempt to best maintain the livelihoods of our people during a time of immense financial stress unprecedented in our industry. While I cannot make promises about next steps, I do pledge that we will continuously review our patient volumes, financial position, and funding from outside agencies with these two goals at the fore, and I will communicate to you honestly as we work through this together. I am optimistic that Erlanger, our community, and our nation will overcome this crisis, and that far better days are ahead. Thank you for your strength and resolve.

Will

**William L. Jackson Jr., MD, MBA, FACP, FCCP**  
**President and Chief Executive Officer**  
**Erlanger Health System**

