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■ **What's Up?**

The senior oversight group for the merger of LVH and MHC has approved a proposed organizational structure for Lehigh Valley Health Network, to take effect after the merger is finalized. The proposed organizational structure takes advantage of a combined and talented management team to lead LVHN once the merger of LVH and MHC is finalized. Any other related reporting relationships have not yet been worked out, but interim decisions will be reported on the date of closing.

The change with the greatest impact is the appointment of Stu Paxton as vice president, operations, for the MHC division. Stu Paxton was named to lead the MHC division because of his broad-based experience in both operations and finance, and his human relations skills. He will also retain his other network responsibilities in the consumables areas. Jonathan Brenn will report to Lou Liebhaber in a role assisting with the transition. Another significant change is the creation of the new function of business development. Ron Macaulay, now vice president of finance at MHC, will be senior vice president of business development for LVHN. Vince Tallarico, now vice president of business development and physician services at MHC, will be vice president of planning for LVHN. Charlie Fenstermaker, now assistant vice president of operations at MHC, will be vice president of sales and marketing for the health network laboratories. Bill Mason, president and CEO of MHC, will continue as senior transition consultant after the merger is finalized.

■ **Rumor Control -- Call 402-CARE**

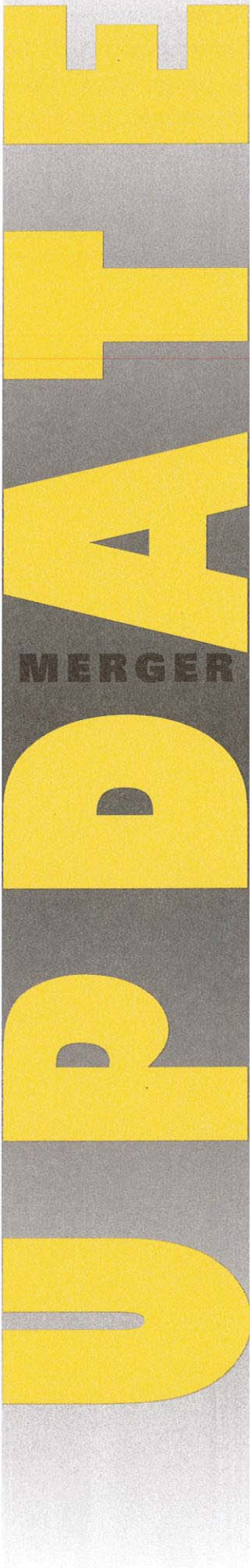
Rumor: Not all LVH department heads were invited to the joint MHC/LVH department head get-together at the Hilton on Thursday.

Fact: That's true. There are many more department heads at LVH than at MHC. To respect our differences, it was decided to invite about one-third of the LVH managers to this first get-together. There will be other opportunities to socialize and learn about each other's organization.

■ **A Message from Elliot Sussman and Bill Mason**

When MHC and LVH first entered into merger discussions, it was with the understanding that the strengths of both organizations would be preserved. Based on our shared history of working closely together over the prior three years and on the trust and mutual respect that developed between us, we had every confidence in the outcome. The proposed management team is the first result, allowing us to capitalize on the wealth of talent in both our organizations. We developed this structure together and we support it fully. It puts the right people in the right roles to lead our new organization into the future.

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■ A Line or Two from Lou

The announcement of the proposed organizational structure to lead our merged organization after mid-November should come as welcome news. For individuals named to new roles, there is the challenge of new responsibilities. For those charged with planning and ultimately operationalizing the merger, it brings our efforts into sharper focus. There will always be those who are quick to point out the downside of this development. It foreshadows change, and change is difficult for many people. It raises many questions: Whom will I report to? Who will my peers be? What is my role, my job? Some may not be happy with the answers and will choose to leave, creating a sense of loss among those who stay. But we will weather that and come out strong if we keep in mind our goal: to create a more effective and efficient organization that can do an even better job of caring for people -- our patients, our communities, ourselves -- than either one of us could have done alone.



Lou Liebhaver

Chair, Merger Transition Team

Chief Operating Officer, LVH