

■ What's Up?

Subgroups of the merger transition team are beginning to look in greater detail at the issues that will need to be addressed as we move closer to a final merger in mid-November.

Human resources: This group is developing guiding principles and procedures for integrating departments when the merger is finalized. The group is comprised of MaryKay Gooch, Sue Reinke and Keith Strawn of LVH, and Jonathan Brenn, Jeanne Hoover and Chuck Eggen of MHC.

Finance: This group's initial activities will include a review of the organizational and financial structure, and financial functions and systems; and identifying priority integration projects. Its members are Ron Macaulay, Jeff Fuehrer and Frank Budzilowicz of MHC, and Vaughn Gower, Jim Dunleavy, Jim Rotherham, Chuck Nace and Ed O'Dea of LVH.

Operations: This group is comprised of Mary Kinneman, Stu Paxton, Jim Burke and John Hart of LVH, and Jonathan Brenn, Charlie Fenstermaker, Terry Capuano and Vince Tallarico of MHC. The group has defined a process to inventory each department, including scope of services, resources, revenues and expenses, utilization trends and strategic initiatives. Opportunities for improvements in quality, costs, and operational efficiency and effectiveness will guide recommendations for integrating services.

Cultural integration: This group is seeking to define essential characteristics of our two organizations, specifically how we work, how we relate to each other and the importance we place on those relationships. Members of this group include Melissa Wright, Dave Dylewski and Jonathan Brenn of MHC, and Mary Alice Czerwonka, MaryKay Gooch, Diane Carpenter and Linda Durishin of LVH. The first event, designed to bridge any gaps in understanding between LVH and MHC, is an informal gathering for a group of department managers on Nov. 6. Because of the difference in our size, there will be more LVH attendees, and yet not all LVH managers could be invited. Other opportunities for interaction will be schedule soon, to allow expanded participation.

■ Rumor Control -- Call 402-CARE

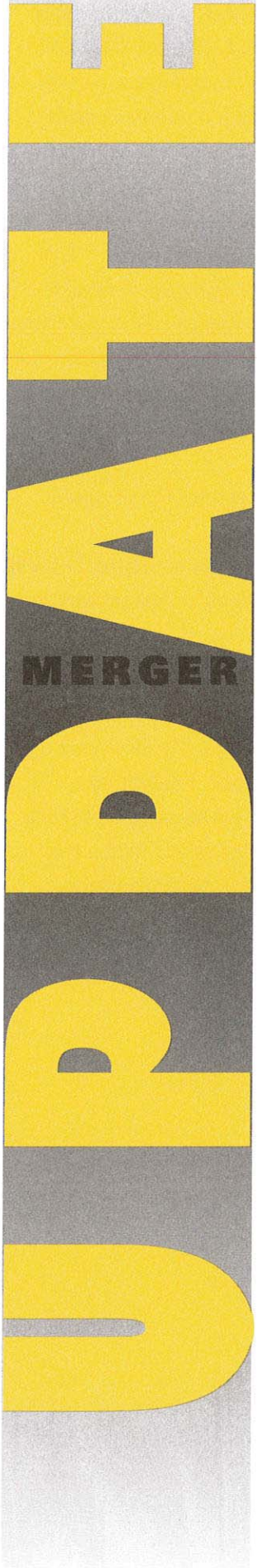
Rumor: Once we merge and create one very large organization, our salaries will be adjusted to compare to similar sized hospitals.

Fact: An independent consulting firm is currently comparing salaries and benefits for policy differences, and to determine the costs and other implications of adopting common practices. Decisions on salaries and benefits are prohibited by anti-trust law before the merger is finalized. After the analysis is completed and decisions are made, implementation will take some time, but it will be given high priority.

Rumor: Jim Burke (vice president, operations, LVH) is moving to MHC.

Fact: There have been no decisions made regarding the makeup or location of members of the senior management team of the merged organization. The proposed post-merger senior management group and associated reporting relationships are

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being discussed and will be announced Nov. 15 by the senior oversight group comprised of Bill Mason, Ron Macaulay and Gavin Barr, M.D., from MHC, and Elliot Sussman, M.D., Robert Laskowski, M.D., and Lou Liebhaber from LVH.

Rumor: Once the merger is finalized, MHC employees will be able to have direct deposit as LVH employees do now.

Fact: This will be evaluated as a part of the merger of the payroll function. The software application will be considered in the integration plan that is being formulated.

Rumor: Some people may not have a job when this is all over.

Fact: That's possible, but at this point, it is difficult to predict. First, a process for integrating departments when the merger is finalized is being developed, as well as a way to prioritize which departments will be integrated first. That process development will include opportunities for input and involvement of staff. As soon as the process is finalized, it will be communicated. The process will include a step for identifying staffing needs based on patient volume and patient requirements, which have always been the determining factors. All decisions regarding personnel will be guided by the key principles of individual respect, fairness, equity and integrity, in the best interests of quality patient care. If staff are displaced, considerable effort and resources will be devoted to finding jobs within our expanding health network, and to retraining people if possible.

Rumor: Spouses who work together in the same department at MHC will not be allowed to do so once the merger is finalized, consistent with LVH policy.

Fact: All policies are being evaluated and decisions will be made in order of priority after the merger is finalized. LVH policy, though, does **not** prohibit spouses working together in the same department. It states that management cannot hire or directly supervise relatives -- parents, siblings, spouses, grandparents or children.

■ A Line or 2 from Lou

Ask any member of the merger transition team and he or she will tell you how important we all view the discovery that our two organizations are alike in far more respects than we are different, in ways that matter most. Friendliness, dedicated staff, genuine concern for people, tradition, values. These are the characteristics that are remarkable in their similarity at MHC and LVH. Technology, appearance, work methods, size -- therein lie our differences. When I'm asked to define the critical success factors for this merger, I know where I place my bets. People pulling together, believing it can and must work, will make this merger a reality, and reduce the issue of relative facility size to insignificance.



Lou Liebhaber

Chief Operating Officer, LVH

Chair, Merger Transition Team