

■ What's Up?

The merger operations transition team meets every Monday for discussion and planning purposes leading up to the merger of LVH and MHC. However, no decisions about how we will be organized or operate as a single organization can be reached until after the merger is finalized in November.

The team recently completed work on its charter. The team's purpose is to design and lead a seamless operational integration of MHC and LVH to strengthen both organizations and increase service levels to the region post-merger. Its goals include:

- Develop a process to identify opportunities for organizational synergy, prioritize them and develop an implementation strategy. Responsibility for and decisions about implementation will be delegated to appropriate operational areas, ensuring involvement by employees and other stakeholders.
- Develop a process for making decisions about a unified management and operational structure, and supporting systems, including human resources, finance, information services, general management, patient care and others.
- Assure regulatory and fiscal compliance for the merged organizations.
- Maintain patient, employee and physician satisfaction at each site.
- Maintain financial results.
- Retain market share.
- Assure that the best practices of service delivery of both organizations are preserved.

Again, during this transition time, all discussion on these issues is for planning and consideration only. Legally, we're bound by anti-trust regulations that prevent us from making decisions until the merger is finalized.

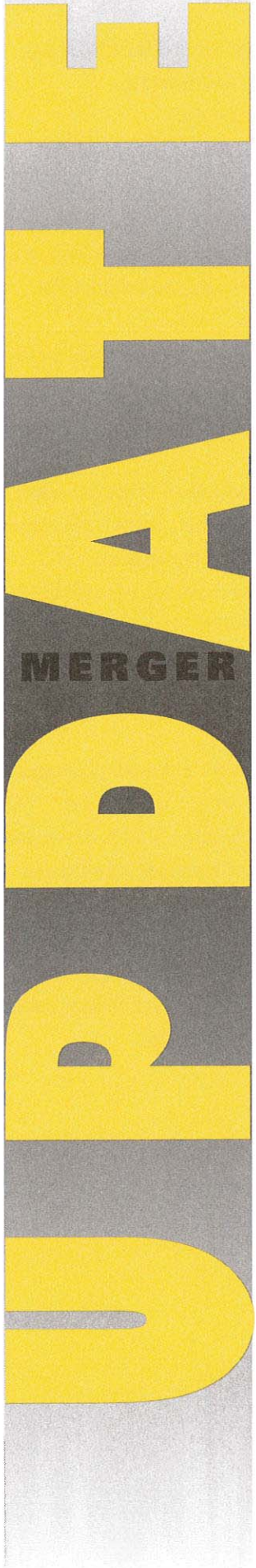
■ Rumor Control

Heard a rumor? Unsure what is fact, what is fiction? Call 402-CARE with your question, or drop a card in any one of a number "rumor question" boxes placed at all sites. You may leave your name and phone number and we'll get back to you individually. Or be anonymous if you wish, and if the issue has general interest, the response will be printed in Merger Update.

Rumor: From an anonymous letter recently sent to Lou Liebhaber from "concerned employees of MHC": "The one question that we all want answered is are we finally going to be paid competitive salaries...?"

Fact: Since we are not yet legally merged organizations, we are prohibited from sharing salary information, except with an independent consulting firm. That firm will complete an analysis by the time the merger is finalized in November, at which time we will be able to share and review salary and benefit information. LVH has spent the past year updating pay scales to assure market-competitive rates and developing a performance-based merit system. We will review the applicability of this system to the combined entities when it is legally permissible.

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Rumor: MHC's credit union will be dissolved or combined with LVH's credit union.

Fact: All decisions regarding the MHC credit union are made by the credit union members and their elected board through democratic vote. Any decisions regarding the credit union's future would be decided by the voting membership.

Rumor: Dion Manhoff, M.D., pathology, will be leaving MHC and was forced out because of the merger.

Fact: Drs. Manhoff, Arthur Altman and John Brown were involved in discussions with John Shane, M.D., chairman of pathology at LVH, and with Health Network Laboratories well before the hospital merger discussions ever began. As a result of pathology discussions, Dr. Manhoff will be joining Health Network Laboratories and will serve as the principal pathologist at MHC. Dr. Brown will continue his association with Dr. Altman's group and will function 50 percent at Warren Hospital and 50 percent at the Health Network Laboratories. In addition, pathology staff of LVH will be available to enhance the services that Dr. Manhoff will be providing to patients at MHC.

Rumor: After the merger, the TSU (transitional skilled unit) at LVH's 17th and Chew location will close, since there's also one at Muhlenberg; *and*

Rumor: After the merger, there will be one director for both the Base Service Unit (mental health/mental retardation) at Muhlenberg and the similar unit at LVH.

Fact: There are no plans to close the TSU at 17th and Chew. Specific decisions about that program and all other programs and their personnel will not be made until after the merger is finalized in November. Members of the merger transition team are working in several groups to discuss guidelines for developing a process to make decisions about a management and operational structure after the merger is finalized. Input and involvement from employees and other stakeholders will be sought throughout the process. Ultimately, patient and community needs for health care services will be the touchstone against which all decisions will be tested.

■ A Line or 2 from Lou

A fairly predictable phenomenon occurs inside organizations that are merging. Individuals at all levels and in all areas spend considerable time developing their personal and professional agendas -- the WIIFM syndrome, or "what's in it for me." That can be productive...or not. It can lead to increased efficiencies, higher quality, creative solutions, operational improvements. Or it can lead to power plays, "turf" wars, jockeying for position and in general, taking advantage of an unsettled situation. We are unusually lucky as we plan for this merger. Among the members of the transition team, there is no less than 20 years' experience with half a dozen mergers to guide our thoughts and actions. And here's what we know: Decisions will be made quickly after the merger is finalized, on the basis of thorough, reliable information; and our actions will be guided by key principles of individual respect, fairness, equity and integrity, in the best interests of patient care. That kind of thinking must permeate our discussions at every level as we work together to create the health care organization of the future.



Lou Liebhaver
Chief Operating Officer, LVH
Chair, Merger Transition Team