

# Straight Talk

A weekly update from management on the issues that matter most



September 25, 2008

Dear Friends and Colleagues

As difficult a financial year as fiscal 2008 was, it was another year of operational advancement for the NCH Healthcare System.

Thanks to the diligent efforts of over 5,000 employees, physicians and volunteers, NCH was recognized with numerous national distinctions for clinical quality in specialties from heart care to hip and knee replacement to women's health.

These achievements in quality and operations as well as continued improvement of our physical plant are even more impressive, when considered against the financial pressures we continue to confront. For fiscal 2008, faced with an increasing number of uninsured and underinsured patients, the two NCH hospitals lost money that was made up for by system profits.

Clearly, this has been a challenging time for all of us—on an organizational and personal financial level—and it appears that the period ahead will be equally as challenging.

Nonetheless, as we continue to manage through this difficult economic period, we remain committed to compensating employees—in terms of salary and benefits—at the high end of competitive rates in our market and as generously as current conditions permit.

Consequently, we have decided, despite economic uncertainties, to continue our tradition of across-the-board raises in the fall. Specifically, we will provide each eligible employee with a 2% pay increase.

Beginning with the pay period starting October 12, 2008, all eligible employees in good standing will receive a 2% increase to their hourly pay rate. This increase will be reflected on pay checks dated October 31, 2008. If the new rate exceeds an employee's maximum rate, a lump sum payment will be made.

We perform a vital service for our community and even in this period of belt-tightening, we must maintain the resources to deliver that service in the highest quality manner. I thank you for all you do for NCH and for your continued commitment to our patients and to our community.

Respectfully,

A handwritten signature in blue ink that reads "Allen".

Allen S. Weiss, M.D.