

October 14, 2009

Dear Friends and Colleagues:

For NCH to remain the high quality healthcare institution our community needs it to be, we must practice financial prudence in responding to the current environment. That environment is, of course, extremely challenging, especially for healthcare. No matter what happens with healthcare reform, one outcome we *won't* be seeing is increased payments from Medicare, our major payer. At the same time, we have witnessed the steady deterioration of our payer mix—the proportion of people who are insured versus those who aren't. This negative trend isn't likely to improve any time soon.

One way we must respond to these challenges is by becoming more efficient and effective with all of our resources and in all of our processes. One such area is **Information Technology** (IT), which includes both our clinical and financial systems. Computer servers that process our information can be located anywhere, providing less expensive and more reliable computing power than is possible locally.

In our case, NCH deals with one primary supplier of information technology, Cerner Corporation ([www.Cerner.com](http://www.Cerner.com)). In 2003, our clinical systems computers were physically moved to Cerner's headquarters in Kansas City, where they joined many other hospital systems computers in a large "server farm." Approximately 50% of our total servers, housing all of our clinical information, are located at Cerner. Under this remote arrangement, we have experienced an uptime performance that is among the best in the industry.

In light of our positive experience with Cerner and the continuing economic challenges we face, we have decided to place the remainder of our NCH computer support services in Kansas City. This will not only make our information technology more efficient and effective, it will increase our computer capabilities and reliability and accelerate our use of technology in support of our quality, safety, and efficiency initiatives. This will also create crucial savings for NCH over the next decade. The transition for our end-users—financial services, revenue cycle, supply chain management, and others—will be seamless, just as it has been for the end-users of our clinical systems. In other words, this change will make great sense for NCH and for the community.

Clearly, this decision will have an impact on our friends and colleagues who perform information technology support services at NCH. We met with these individuals earlier today.

NCH employs approximately 75 people in Information Technology Support positions. Nine of these individuals will remain employed with NCH. Cerner has communicated that approximately 30 individuals will be placed in Cerner positions located locally in NCH's IT department. Others may wish to pursue jobs elsewhere within Cerner, which is a global healthcare solutions company with more than 7,500 employees. Additionally, we will try to guide people to open positions within NCH. When this is not possible, we will offer severance packages and individual assistance in finding new work.

Change is necessary to continue to serve the community. And change we must if we are to retain the recognized quality of our institution. We have no other choice but to take such actions to respond to these challenging economic times. I appreciate your continuing understanding and support, and your dedication to NCH in answering the healthcare needs of our community.

Respectfully,



Allen S. Weiss, M.D., President and CEO

P.S. Feel free to share *Straight Talk* and ask anyone to email me at [allen.weiss@nchmd.org](mailto:allen.weiss@nchmd.org) to be added.