WASHINGTON & MONTANA
FREQUENTLY ASKED QUESTIONS

Adapting to a new normal

1. Q: How has the COVID-19 pandemic affected hospital and clinic operations?
   A: Mandated physical distancing measures and COVID-19 safety precautions have resulted in the temporary cancellation of elective procedures, large volume/patient visit reductions at many hospitals, clinics and services, and an increase in virtual visits.

2. Q: How has the pandemic affected the financial standing of the WA & MT Region?
   A: Unfortunately, the pandemic has had a significant impact on operations and finances. Reduced services and postponed procedures have resulted in a loss of revenue. We postponed non-emergent surgeries to create bed space for a surge of patients, preserved supplies and lifesaving equipment, and protected our immunocompromised patients from risk of exposure to the virus. It was the right thing to do. However, surgeries and procedures are our primary source of revenue.

   At the same time, costs for needed supplies like pharmaceuticals and PPE went up. Our labor costs increased as well. We provided emergency paid time off, childcare subsidies and other temporary benefits to support our caregivers and their families – to keep them whole. We continued to pay caregivers through the end of April even if their programs, clinics or services were closed.

3. Q: Will the federal CARES ACT help our financial situation?
   A: Funding that we will receive from the federal CARES Act is expected to cover only a portion of our anticipated losses this year.

   As a result of the business downturn due to COVID-19, we must make hard decisions including staffing adjustments to ensure we are staffing to our volumes. While hard decisions must be made to adapt to our new normal, we will bear the impact of those decisions at all levels and operate out of a place of compassion, consistent with our Mission and core values.

4. Q: How can our region recover from revenue loss, reduced services and reduced volumes?
   A: The best thing we can do is work together to get our volumes up, and reduce costs while maintaining safe and consistent care for our patients.

5. Q: What steps to reduce costs have already been taken?
   A: One of the first steps we are taking is to reduce executive pay through the end of the year (applies to both the Providence parent organization and all entities within it). Executive pay for Providence CEO and the president of strategy & operations will be reduced by 50 percent; pay for group, senior, and executive vice presidents will be reduced by 20 percent; and vice presidents 10 percent. AVP and executive directors in the Washington & Montana Region will
We have taken numerous other steps to reduce costs while maintaining safe and consistent care for our patients, including (but not limited to):

- Low-census practices
- Closing nearly 40 percent of our open positions
- Adjusting new caregiver start dates
- Decreasing overtime pay
- Decreasing use of agency staff

6. Q: What staffing and workforce options are being considering in the comings days and weeks?
A: We will evaluate next steps and share details as they are available. Meanwhile, we must continue to flex staffing to patient volumes, reduce overtime, and decrease use of agency staffing.

7. Q: Do you anticipate/foresee furloughs or layoffs in the future?
A: These options are not our first choice. We are taking immediate steps in response to our financial reality. However, we are planning for our new normal as we work to balance our revenue with our expenses while safely and thoughtfully bringing back surgical and procedural cases at our ministries.

8. Q: Is this necessary given the state of Washington is expected to lessen physical distancing and we’re expecting to ramp up operations soon?
A: We know there is pent-up demand from patients who have put their care on hold during the pandemic. At the same time, the ramp-up will need to be careful and measured. We anticipate that patient volumes will increase slowly over time.

9. Q: When will there be more information?
A: In the coming days and weeks, and as additional information is gathered, we will provide more information about plans to increase revenue and reduce cost. We do not expect this crisis to end soon, and must adapt to our new normal.

We value and respect each of our caregivers. These recent weeks have reaffirmed the commitment of those who have served in these unprecedented times. Thank you for your commitment to our patients and communities, and for the care you give each other during these trying times.