

Palomar Health Press Conference

Tuesday, April 28, 2020 | 1pm-2pm

AGENDA

1. **Today, Palomar Health is eliminating 317 positions in response to the financial impacts from the COVID 19 pandemic.**

- While this is a significant number, we have done our best to minimize the impact to bedside clinical positions. Only 50 of the 317 are bedside clinicians.
- The breakdown of the other positions is as follows:
 - Travelers/Agency personnel 44
 - Open Positions 70
 - Per Diem 98

Further breakdown:

- Bedside Clinical Care 50
- Leadership / Management 7.5%

2. **As the largest District Hospital System in the state of California, we have a responsibility to ensure the high quality health care our patients and the members of this district have come to know and trust, continues for the future.**

- After seeing our financial results for the month of March, which include less than two weeks of the impacts of this virus, we knew we had to take more drastic measures. We anticipate April results will be much worse and there is still so much we cannot predict about this virus in the coming months.
- We have certain requirements associated with our bonds, also known as covenants that must be met by June 30th the end of our fiscal year.

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By meeting these bond covenants, it ensures that we are in control of the decisions that need to be made for the organization.

- The steps we are taking today, in addition to those already taken, will help Palomar Health meet those covenants and put the organization on a faster road to recovery. We have cancelled and delayed capital projects, put strategic initiatives on hold and cancelled all non-essential spend within the organization. We have asked exempt employees to take significant amounts of vacation time and some are even donating it back. (**NOTE:** not stated on the call, senior leadership has donated close to \$200,000 back to the organization)
- The difficult decisions we make today, will be those that ensure the financial viability, maintain independence and local control of this organization for the future for all of North County SD

3. No one could have predicted the tragic impact this virus would have on our economy or the individuals and businesses across the nation. And no one is more disappointed than I am at where we are today. This year was supposed to be about growth for Palomar Health and us taking two steps forward, unfortunately we are now forced to take a step back.

- We did what was necessary and asked of us by state and local officials in response to the pandemic, and it was the right thing to do. The steps we are taking now are unwelcome, but they are also the right thing to do to ensure the amazing physicians and nurses we have taking care of people every day, can continue to do the noble work they do.

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- 4. I am disappointed with the vocal few that continue to paint us in an unfavorable light. If they would take the time to actually examine our financial performance, they may understand that these decisions are necessary.**

- 5. I can tell you that in my rounds with our staff and physicians and from the many emails and communications I receive, they are grateful that we have given them the resources they need to be able to continue to do the incredible work they do. We are an organization that does something very simple but is so vital – we take care of people to the best of our ability and we will be here for the future to continue to take care of people.**