



# MEMO

**To:** Trinity Health Colleagues  
**From:** Mike Slubowski, President and CEO, Trinity Health  
**Date:** June 29, 2020  
**Re:** **COVID-19 Update and Fiscal Year 2021 Organizational Update**

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*Please watch the [video version](#) of this announcement.*

I hope you and your loved ones are healthy and safe.

Our world remains turbulent as we make our way through this pandemic. We continue to see surges of COVID-19 across the country. We also see and feel the outpouring of emotions and the call for social justice to address and eliminate racism. While the economy is opening up slowly, many businesses are suffering. Schools are deciding whether they can open this fall. Airlines, hotels, restaurants and retailers are struggling. Many people are not practicing social distancing or wearing masks, creating further concern about COVID-19 growth. And, within our own national health ministry, we still have more than 600 COVID-19 patients in our hospitals every day, and more than 350 colleagues who are quarantined at any one time as a result of the virus.

So, in light of this environment, I am sharing important updates, including the most difficult news that I've ever had to deliver.

**First, thank you for all you have done and continue to do to support our communities throughout the COVID-19 pandemic.** Your service and dedication have been extraordinary. You demonstrated that we can do remarkable things in remarkable timelines, together. You not only continue to care for people afflicted with COVID-19, but you've also worked hard to welcome back patients for outpatient and elective services. The return of patient volume has been gradual and varies greatly by community.

**Second, we continue to face significant stewardship challenges.** Even with the restoration of some patient volume, we are still losing millions of dollars each day. We are projecting that operating revenue for our next fiscal year will be \$2 billion less than previous levels. And, that assumes there are no more significant surges of inpatients with COVID-19, since that will require more inpatient resources and will negatively impact consumer confidence in coming back for outpatient and elective services.

The pandemic dramatically affected our Trinity Health ministry. The world has changed and will remain changed for the foreseeable future. Most industries and organizations have been negatively impacted, and economic recovery will be slow over the next two to three years. In the fourth quarter of fiscal year 2020, we made very tough decisions to address the situation, including colleague transitions and major reductions in spending.

We received substantial grants from the CARES Act passed by Congress. That money is already spent. It helped cover a few months of operating losses but does not provide relief going forward. Also, it is not likely more sizable funding is coming.

Unfortunately, we are still losing millions of dollars per day, and the COVID-19 situation continues to evolve with COVID-19 cases increasing in some regions in recent weeks.

**So, it pains me to share that these circumstances require us to take even more difficult steps to support our future.** We must restructure and re-size our ministry, redesign our work and reduce our costs with this lower revenue base. Unfortunately, this requires additional colleague transitions – including position eliminations and severances, extended or new furloughs, and extended or new reductions in schedules. These decisions are being customized to each community we serve based on the related circumstances, including volume growth projections and the cost and revenue challenges in each market. These are extremely difficult and painful decisions for our organization but are necessary to ensure that we can continue to fulfill our mission in the communities we serve.

Starting this week, we will begin colleague transitions, focusing primarily on our non-clinical, administrative functions across our ministries, including System Office. Your senior leaders are analyzing your Ministry and System Office operations to determine what changes are necessary. Every one of our health ministries is at a different place in the recovery cycle, and their plans are tailored to local circumstances. Colleagues will be informed by July 31, 2020 and as early as this week.

Our Colleague Transition Plan is in place to help. We added a [July 2020 Colleague Transition Window Addendum](#) to the Trinity Health Severance Pay Plan, which provides colleagues whose positions are eliminated during this time with eligibility for the following benefits in addition to the benefits that are generally available to eligible colleagues under the Severance Pay Plan:

- A paid, unworked notice period so that affected colleagues can begin their job search right away. This temporary approach differs from the Trinity Health Severance Pay Plan in that most affected colleagues will not work during their 60-day paid notice period. However, affected vice presidents and above will continue working during the notice period to transition their work.
- A designated minimum amount of combined notice and severance pay. The July 2020 Colleague Transition Window Addendum details how this approach differs from the Trinity Health Severance Pay Plan, and the designated minimum amounts available to eligible colleagues.

- All colleagues whose positions are eliminated will be eligible to receive severance packages with core benefits including health care coverage through a paid notice period and paid severance period and through COBRA following the severance period.

We will also consider accommodating colleagues who voluntarily express interest in exploring options for a severance-eligible reduction, reduced hours or furlough during this time. Trinity Health reserves the right to accept or decline that interest.

Please continue sharing your insight and questions with your leaders and know that you are supported. Carebridge, our colleague assistance partner, is here to provide 24/7 support at no cost to you, your dependents (including college students), spouse and any person(s) living in your household. Call 1-800-437-0911 or visit [MyLifeResource.com](https://www.myliferesource.com) (use code BKKR5 to create a personal login).

This is particularly hard because we truly value you, our colleagues. After all, we are a ministry of people caring for people. We have vigorously lobbied for additional Federal relief dollars, reduced all non-labor expenses, and have examined all possible alternatives other than staff reductions to deal with the revenue loss. But when \$2 billion of revenue goes away overnight, it is impossible to close the gap without making difficult cost reduction decisions, including the size of our workforce. Our healing ministry must survive for the benefit of the communities we serve.

Some of you have longstanding careers with Trinity Health that are being disrupted. Please know that we surely wanted to avoid position eliminations, but the magnitude of revenue loss is too great. I am so sorry for this outcome.

Trinity Health can and will emerge from this challenging time as a strong organization, best positioned to meet the needs of the people we serve. We are working hard to strengthen the confidence of those in our communities to come to us for services. We expanded telehealth and home health services and are evaluating the expansion of several other new service lines. We restructured our strategic planning process to design the new Trinity Health and will continue to innovate and transform the way we work, deliver care and serve our communities. We remain committed to our Mission and Core Values and caring for our communities. And, it is my fervent hope for the future that we will be able to welcome back some of our colleagues who are affected by transitions.

I am praying for our healing ministry and for our affected colleagues and their loved ones.

Thank you for all you do to support each other and our Mission. God bless you and your families.