



May 8, 2020

Dear Fellow Employee,

As I had hoped for yesterday, noted in that update is that we continue to have good news to share today. Well, I do.....We have now received all the results back from the ECF COVID 19 testing and all residents and all employees in the ECF results were negative. That is wonderful news and supports all that we have put in place to protect everyone. For your information, we are continuing to accept new admissions to the ECF, not just from Oneida Health Hospital, from other hospitals and we are isolating those admissions until we can observe for symptoms and receive the test results back. Once negative, they are moved to their more permanent room assignment. This process appears to have served us well. So, again, Congratulations and Thank You to the providers and staff of our ECF for this outstanding outcome!

I received some questions as a result of yesterday's announcement that we have received \$5.1 million dollars as part of the CARES Act. The questions had to do with will this money be sufficient so no other salary expense reduction programs need to be pursued. In response to that question, the money will help us with our loss for the month of April, projected to be around \$2 million dollars. As mentioned yesterday, the receipt of this money will help us pay down some of our Accounts Payable as well has help us cover the shortfall we will experience for the month of May. We are not seeing anywhere near the budgeted revenue so far for May that we had anticipated and nothing in the foreseeable future leads me to believe we will be back to normal volume anytime soon. So this money should help us with some of the revenue shortfall during this month and allow us to stay budget neutral through the end of May, which is great.

On a conference call this morning, it was discussed that Congress is currently working on another bill to help our Countries States deal with their significant financial shortfall. New York State has over a \$10 Billion revenue shortfall and the longer this pandemic continues and its related lockdown, the higher the shortfall. Either New York State receives billions from the Federal Government (which is what is planned with this new house bill), or it needs to significantly reduce spending and/or raise taxes. The reduction in spending, if pursued, will no doubt be Medicaid reimbursement cuts to providers, which is very concerning to me.

Therefore, we need to continue with any reasonable programs to continue to reduce all expenses, including salary expenses moving forward. If we do not accomplish this, our recovery from this crisis will be much more difficult if not impossible. To be honest, I look forward to the day when I need to deal with 5 or 6 figure dollar amount shortfalls rather than 7 figure shortfalls which is the case now. For an organization our size, a several million dollar loss is almost impossible to absorb without taking drastic cost reduction measures. The Federal funding has helped us avoid drastic measures at this time.

I will be sending a letter to the community today. I have attached it for your review. My purpose with this letter is to communicate that we are open for healthcare business and we are safe. Too many

individuals with chronic health concerns are not seeking care due to fear of the virus, which is a problem throughout this country. My letter promotes, again, that we are safe and here for those who need care.

We have tested a total of 1281 individuals, 1094 are negative, 129 positive with 58 now pending. We received 24 results last night with one outpatient positive. We currently have zero positive inpatients and 3 inpatients pending. We have had one hospital death due to COVID to date.

I will close by wishing our talented nursing staff a Happy Nurses week and to thank you all for helping us through this current crisis. Also, I thank all others in our network for your role in meeting our community members needs and keeping us Exceptional!

With Sincerest Gratitude,

Gene F. Morreale
President and CEO