



Dear Employees,

Two things. One quick and simple and heartfelt. The other not so quick and simple, but still felt of the heart.

*First.* You are amazing and we are proud to be known amongst you. Patient care is in no better hands than yours. When times like this come upon us, the senses of appreciation and gratitude rise to the service. Thank you for who you are and what you do! Let's stick through this, together and ALL get back to normal life, together, when this is over.

*Second.* The reality. COVID has us all concerned. Both in trying to avoid getting (or giving) it and in what it is doing to our business. Through restrictions on what we CAN do to patients wisely choosing what they WANT to do, we, as with most, are facing a reduction in business. While we are happy to stay open to the extent necessary to continue treating our patients, we find that about half of our business has dropped. With half of the revenue projected to be gone, there follows the need to reduce our expenses enough to survive through this and still come out healthy on the other end. We requested an immediate economic prediction for the impact on the clinic if the 50% reduction continued for 2 months. Some of our expenses (rent, utilities) are fixed while some (supplies, wages) are variable. We project that we need to cut, among other things, employee hourly expense by 25% to weather the dramatic decrease in revenues. Hence, the request we have made of your Directors and Supervisors to work with each department on how that can happen. This is a requested 'average' expense reduction. Some areas, naturally, will drop by much more than this while other areas which can remain productive will drop less.

We have intentionally not been specific about how to get to the goal of 25% reduction of all Tanner Clinic employee wages. There are no exempt departments or employees; all are subject to reviewing ways to reduce. We know that each department is unique and we want supervisors and managers to have full flexibility to get to assist in the 25% reduction in the least disruptive way possible. For some this may mean furloughs for others over-all reduction in hours. In all cases we wish management to work in their areas and with the physicians to meet this goal. Please note that a 25% reduction for April and May equates to only a 4.2% annualized drop in wage. Considering the magnitude of the challenge we face, this reduction seems doable.

For wherever it is applicable, we take comfort in the fact that governmental recognition of this pandemic has made application for and receipt of unemployment compensation much easier. And then add the COVID Stimulus payments that may also come, we hope many who experience reduced hours are 'made whole' through these means. Either way, it surely makes us stop and assess the value of important things in life. See the URTC post from HR that gives many of the details you may have questions about.

Please keep in mind that this change is currently only being recommended for two months. We are reviewing the CARES and other funding acts very carefully. Because we are over 500 employees, much of it can't apply to us, while other parts may. The rumored "per location" exception also doesn't apply to us. The idea has been to deal with the reality quickly, don't increase cost, and get back to normal in 2-3 months without added expense. No one can actually predict how long this will be. We are monitoring production daily. If our projections are too conservative we can certainly return to normal more quickly than planned.

In our upwards of 30 years at the clinic (ouch!) no one in our experience, either as a practicing physician, or in administration, has ever faced anything similar to this. We ask for your patience as we steer our way through this mess. Make no mistake, not as soon as we would hope but not that long either, we can all get back to complaining about prior authorizations and broken ice machines.

Please don't hesitate to reach out to your supervisor or us. We have to be a team to make this all work. We welcome calls, visits, texts, or emails to help explain ideas and the course of action or receive input and suggestion from you. As with the clinic impact of COVID-19, the same goes with the economic impact, the effects are changing literally every hour. What is communicated today may not be true tomorrow. Hold on. We can do this.

Again, thank you for all you do!

Be safe!

Dr. Meek (Steve) and Theron