



May 28, 2009

To: All St. Francis Medical Center Employees and Medical Staff

From: Louis H. Bremer, Jr., FACHE, President & CEO

Subject: Consolidation Update

Over the last six weeks, we have been working with employees and physicians, in an effort to take the next appropriate steps toward completing our Consolidation Plan. When the overall plan was announced in March, it was estimated that it would take us approximately 15 months. However, based on the input from multiple groups and further evaluation of services at multiple locations, we have made adjustments to the original timeline. Our goal has always been and continues to be to deliver the most effective and efficient high quality healthcare services in a manner that will ensure an economically viable St. Francis Medical Center now and in the future. Refocusing our view and our vision is what must be done to find the right fit, the right pair of glasses, for St. Francis.

The Downtown campus will continue to move on the path toward the single site for acute inpatient care services including medical/surgical services, pediatrics, obstetrics, long term acute care, and skilled nursing. Additionally the Downtown campus will provide an emergency room as well as various ancillary services and support services. What has changed is that after input from the medical staff and careful analysis related to bed capacity, we have made the decision not to move the inpatient rehabilitation unit to the North Campus. However, we will continue to monitor the situation relative to the need for acute inpatient beds and if additional beds are needed we would then relocate the inpatient rehabilitation unit to the North Campus.

The North campus will follow a path toward the development of a campus focusing on psychiatric, ambulatory services, including imaging and laboratory services, and emergency services as well as continuing to serve as the home for the Kitty DeGree Breast Health Center. In a previous communication we indicated that decisions still needed to be made relative to the scope of outpatient services and emergency services. After surveying the medical staff and analyzing potential volumes it has been determined that it is not feasible to offer either outpatient surgery or outpatient cardiac cath on the North Campus. Relative to emergency services, we have retained the services of an outside consultant to help us with an evaluation of emergency services at both campuses. As we look to the future, we will be looking at additional services to expand our continuum of healthcare services that would be primarily located at the North campus.

Our goal has been to accomplish the consolidation of services in a timely manner. With some additional planning and evaluation we have come to the conclusion that the majority of the consolidation will be accomplished by the later part of October 2009. The following is the current projected timeline for consolidation activities:

- Complete the Downtown PICU construction by October 1, 2009 and move Pediatrics and PICU to the Downtown Campus.
- Install a new cardiac cath lab at the Downtown Campus – estimated completion date of early October. **The North campus cath lab will continue to function until the new Downtown cath lab is installed and operational.** At that time cardiac caths will no longer be performed at the North Campus.
- Discontinue surgery at the North Campus as of August 1, 2009
- Relocate inpatient acute care units from North to Downtown by August 1, 2009
- A consultant has been retained to evaluate Emergency Services at both campuses and will be on site in early June.

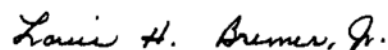
Please keep in mind that there are many different factors that could either accelerate or delay the above timeline. The timeline is fluid and it is our intent to continue to work with our physicians and employees to further determine implementation details over the next few weeks.

These decisions position St. Francis to adjust and deal with the changing healthcare environment as well as the economic realities that hospitals are facing locally and nationally. We believe that this will enable us to ensure our mission of delivering a higher level of healthcare services to the citizens of Northeast Louisiana.

One of our goals from the beginning of this process was to complete this journey without layoffs. With changes in the location of services, some staff will need to be relocated. We will work with employees who will be impacted by these changes to assist in their transition to either the new location in their current job role or possibly assist them in exploring other job options here at St. Francis.

Adapting to change is never easy. We made a commitment, as did St. Francis of Assisi, to “pay it forward” and pave the way for our future as a healthcare provider with opportunity, long-term viability and high quality services delivered with compassionate care. However, it is something we can do with patience, acceptance, support, understanding and purpose. I know that each one of us, deep down inside, has a strong desire and will to always do the right thing to ensure that St. Francis continues the Mission which began nearly 100 years ago with the Sisters. It is now our task to ensure success on our journey toward excellence!

Thank you for your continued support of St. Francis Medical Center.



Louis H. Bremer, Jr. FACHE

President & CEO