Physician Briefing – Performance Improvement

August 17, 2011

To: Members of the Medical Staff
From: Dennis A. Swan, President and Chief Executive Officer

Consistent with the plan we developed to address key results of the 2010 Medical Staff Alignment survey, we want to keep you promptly and properly informed about the impact of Sparrow’s lower than budgeted admissions since Memorial Day. Reportedly, admissions have been lower than expected in most Michigan cities in the last couple of months.

With the help of your Medical Staff leaders, we are taking timely, necessary and appropriate steps to match resource consumption (expenses) with net collections. Every key leader has been assigned specific targets and each is implementing written action plans to enhance revenue or decrease expenses.

Throughout this performance improvement process and period, we remain committed to the following guidelines: a) maintaining the improved levels of direct care staffing at the bedside and recruiting Information Technology (IT) staff to advance our electronic medical records initiative and related goals; b) ensuring that action plans to improve operating and financial performance will not undermine our standards for Patient safety, quality of care and Patient satisfaction; and c) achieving our productivity improvement targets by primarily focusing on adjusting staffing and scheduling consistent with Patient care volumes and the conservative use of part-time and per diem staff.

We are in a position of strength because of your hard work, dedication to Sparrow and your admissions, referrals and procedures. 2009 and 2010 were two of Sparrow’s finest years and we still seek to out-perform most other hospitals/health systems in Michigan in 2011.

I would be please to attend any section, department or corporate meetings to discuss your opinions, ideas and suggestions. You may direct specific questions to me by calling 517.364.5600 or e-mailing me at dennis.swan@sparrow.org. Thank you for taking the time to learn about what we are doing and why. And, thank you for working tirelessly to help us meet the needs and expectations of every Patient.