



Greenwood Leflore Hospital
The right care at the right time—glh.org

MEMO

To: All Employees and Medical Staff
From: Jason Studley, Chief Executive Officer
Subject: Assessing Viability Plan
Date: May 11, 2022

The purpose of this memo is to share with you recent activities that the leadership of GLH have undertaken to assure the availability of healthcare services to the communities we serve and over the long term.

The COVID-19 pandemic was unexpected and the nation's healthcare systems has responded in a variety of ways to continue to provide services. Although the pandemic is now transitioning to an endemic (long-term and lower acuity) phase, the pandemic has negatively impacted the operations of GLH.

GLH entered the spring of 2020 with adequate cash reserves and operational plans that were resulting in improving cash flows and profitability. As we know, GLH responded to the initial COVID-19 wave with expanded ICU and testing capabilities, and ultimately vaccination capabilities. We are appreciative of the federal and state relief funding we received that allowed GLH to continue to provide service to area residents; however, these external sources of funding expired in the summer of 2021. As GLH has continued to navigate the Delta and Omicron waves, it has become apparent that new sources of federal and state relief will not be available.

Unfortunately, cash reserves previously committed to attaining profitable operations have been used to support current operations, including higher labor and supply cost. Patients have also been reluctant to seek our healthcare services throughout the pandemic. It is evident that GLH's cash reserves are no longer available to enhance future profitable operations.

Our core mission remains to service the healthcare needs of the residents of the City of Greenwood, Leflore County, as well as residents of nearby counties. Our services must be rescaled to assure long-term access to healthcare services while adjusting our operations to governmental payment rates.

In pursuing our mission, we are seeking affiliation opportunities that will allow for the rationalization or consolidation of services with other hospitals and attain cost efficiencies over the long-term. We will keep you apprised of our progress in these endeavors.