



# ENLOE'S MESSAGE

## Hear from the CEO

### Episode 4: Salaries, Keeping Caregivers Safe & More

**Jolene Francis:** Enloe's Senior Team Message is now presented in this new, caregiver-centric podcast, providing an update on what's new and exciting at Enloe.

Hi, everyone! I'm Jolene Francis, Vice President of Philanthropy & Communications, sharing the microphone today with Mike Wiltermood, President and CEO at Enloe Medical Center. We have some important topics to cover today, including facilities, finances and workplace safety.

Thanks for joining me this morning, Mike. How are you?

**Mike Wiltermood:** I'm doing great, Jolene. Thanks.

**JF:** Good, good. We've got a lot to discuss today, so let's dive right in.

So, Mike, we know that staffing shortages are affecting hospitals across the nation, and we are all running fast and hard to fill open positions as quickly as we can.

Sometimes, these situations can put pressure on unaffiliated hospitals like Enloe to try to compete with system salaries, and I know that our HR department does a market analysis annually to make sure that our salaries are as competitive as possible, especially for our non-union-represented employees. And market adjustments are given to various job groupings when we find we've fallen behind.

So, what can we expect from this year's analysis?

**MW:** Well, as you mentioned, Shannon Smith and her HR team do a really great job at developing job title analysis for salaries early in each calendar year. This year, the analysis has been complicated due the fluctuations in the job market and inflation.

We all know inflation's hit everyone hard this year and that those inflationary increases may not be completely reflected in the survey data that we have. Normally, the surveys can take us anywhere from 0% increases to increases of 5% or even 10%, depending on the market.

This year, we decided to raise the floor and make sure that everybody had at least something. So, the floor of the increases this year will be 2.5%. You add that to the step increases that most of our employees are eligible for, and that increases the total to anywhere from 5% to potentially 8%, depending on market conditions.

We know that inflation has hit our employees hard. The backdrop of our decision making has to include the fact that we are very dependent on government payers. Nearly 80% of our funding comes from Medicare and Medi-Cal, and this year, the government is not proposing any increases of value to us. You may read that Medicare is proposing a 2.5% increase, but that's before mandatory cuts, or what we call clawbacks, are instituted. So, we don't expect to see very much from the government at all.



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A couple of our commercial payers will increase their payment to us with our price increases, but the major commercial carrier that we work with, which is Blue Cross, is not going to give us a raise this year.

So, inflation is hitting us all on all aspects of our personal lives, as well as costs that the hospital is going to be incurring over the next year — not just labor, but supplies, insurance, utilities, you name it.

So, this may be a bit of a conservative increase, but we thought it was, at least, across the board and fair. And we're going to continue to lobby through the California Hospital Association and the American Hospital Association, to try to get more funding through those government payers.

**JF:** Great. Thanks for that explanation, Mike. And I know, as always, you welcome questions if people have specific questions, or if they're not quite understanding that explanation. But I sure appreciate it. Thank you.

So, we've also recently launched a project to complete a master facilities plan for Enloe, and I know there must be questions out there about this process. So, can you tell us why we've decided to do that and why it's important for the organization long term?

**MW:** Well, having just discussed the issue of salaries and inflation, it may seem odd that we're pursuing a master facility plan. We're in a very unusual spot in our history; knowing that inflation is affecting construction as well as all the other costs we have to worry about, we're also in a position where interest rates are still at historic lows, and if we don't take advantage of those lower interest rates right now, it may be very, very difficult for us to borrow for future facilities.

Now, most people know that we have been working on a Comprehensive Cancer Center. As we have done that work, we've also had an opportunity to look at some of the areas where we're lacking in facilities.

Ever since the Camp Fire, we've been struggling to replace the services that were destroyed by the fire. And those of you that work in areas where we've had rental properties, or where we've had to tuck services into little nooks and crannies as they became available, know the difficulty that we've had not only recruiting to replace the very important personnel that may have left the area as a result of the fire, but also to replace those facilities.

So, what we're doing, we've taken a look at our borrowing capacity going forward. We feel that we can borrow much more than we anticipated. And that is going to help us with the development of a more comprehensive facilities plan, to help mostly in the outpatient arena, but potentially could include some projects that will help increase bed capacity on our Esplanade campus and potentially on our rehab unit on East Avenue.



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**JF:** Great, thanks for that explanation. How long do you think this is going to take? This is a pretty long process, isn't it?

**MW:** Well, we've been working on this for quite a while, knowing that we've had some really difficult experiences on the outpatient side after the Camp Fire. I don't know if people understand or realize this, but over a third of the health care buildings in our county were destroyed by the fire. And so, it's up to us to replace those and make sure that we continue the services that our community needs.

So, there's a lot of work that's already been done. We are hoping that we can pull together at least a good, a solid outline of our facilities plan by the end of the summer.

**JF:** Great, thank you.

So, the final, real meaty topic today — but it's really an important one — patient safety is a primary focus at Enloe and one of the pillars of our core values. But I know that workplace safety for our caregivers is also a critical focus for Enloe administration.

So, with all the really scary events that are occurring across the country it seems like every week in the news, what can we share about security efforts at Enloe? What enhancements have we made, and what additional measures might we see implemented in the future?

**MW:** Well, many of you know our Director of Security, Pat Maloney. Pat and his team have been working with senior administration to do an assessment, a safety assessment for all our various campuses.

Obviously, it's a very scary time, especially when we're reading in the media that recent events of armed shooters at health care facilities in other parts of the country. And so, we want to make sure that we're safe.

You know, there's a number of issues on the table, including, obviously, extra security, which we have already approved and which we are diligently working towards. There's, you know, additional training that we feel could be helpful. But as kind of a physical change, we're also looking at things like, you know, limited access, potentially metal detectors or the use of sidearms for our security.

All those things are on the table right now, and while some of them may sound like no-brainers to people, the actual fact is many of these things come with a cost that we have to consider, and I don't mean the financial cost. It's the material cost of implementing certain kinds of procedures to encourage or to hopefully improve safety. But we have to make sure that there's value in those measures that actually lead to a safer environment for all our campuses.

So, we are working on it, and we're going to continue to work on it. This is something that's ever changing and ever evolving, depending on what's going on in our community. I have a great deal of faith in our security team, and we're going to make sure that we're as safe as possible.



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**JF:** Thanks, Mike.

So, that was enough pretty heavy topics today. Let's end this conversation on something a little bit lighter. I saw you out at the Enloe Family Picnic on June 17, and you were slinging food and visiting with staff and their families. Tell us what you thought about the event this year.

**MW:** Well, I thought it was a great event. It was well planned and well executed. You know, everybody that I talked to thought it was one of the best, if not the best picnic, that they'd attended.

It may be because we're so starved for just being together as a group. But I think a telling comment was made by a friend of mine. My wife wasn't able to attend. Usually, she helps serve with me, so I roped a friend of mine, Dave, into helping out. And Dave, he's a good guy. He had a lot of fun there, I think, at the picnic. And as we walked off back to the car to go home, he said, "You know, it's this kind of stuff that restores my faith in America." So, I figured it must have been a pretty great event.

**JF:** That's a great comment. Yeah, I think it was really a great event. I saw nothing but happy faces and a lot of really happy kids. So, I hope everybody had a great time, and we look forward to it again next year.

But that's all the time we have for today. And as always, Mike, thank you for your time and transparency behind the Enloe microphone. We sure do appreciate you. I hope you know that.

Thanks to our listeners for spending time with us and sharing this program with your colleagues and friends, and don't forget to email your questions and suggestions to [ask.mike@enloe.org](mailto:ask.mike@enloe.org). We'll talk again on Aug. 1. Until then, this is Jolene Francis hoping you all had a really wonderful Fourth of July holiday and saying thank you, once again, for caring for our community.

Thank you, Mike! I appreciate it.

**MW:** Thank you, Jolene!