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FOR IMMEDIATE RELEASE

KRH addresses revenue impacts of COVID-19 pandemic

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The COVID-19 pandemic has had an unprecedented impact on the world and our country's entire health care system. Like many other health systems across the U.S., Kalispell Regional Healthcare (KRH) has strengthened COVID-19 clinical teams, support staff and resources needed to deliver life-saving care and ensure patient and staff safety as a result of the pandemic. However, for the health and safety of our community, the health care system has halted many services contributing to a significant decline in revenue.

"The compounding effect of the loss of patient volumes, cancellation of elective surgeries, and the closure of entire service lines has had a tremendous financial impact on KRH," said KRH President and CEO Craig Lambrecht, M.D. "Cost cutting efforts have been underway but unfortunately those efforts alone cannot remedy the significance of these losses a time when we must safeguard a clinical stabilization program."

Dr. Lambrecht further explained that acting quickly is essential. Otherwise, the hospital system projects revenue losses in excess of \$16 million per month, which could jeopardize the organization's ability to serve the long-term health needs of our community.

Effective immediately KRH executives, physicians and executive directors will be taking reductions to their salaries. In addition, KRH will begin the necessary process of furloughing and reducing hours/shifts for certain employees. The furlough will impact about 600 employees.

While the length of the pandemic is unknown, KRH will continue to offer furloughed employees health insurance benefits until August 31, 2020, and will facilitate access to other wage-replacement alternatives, including enhanced unemployment benefits and the KRH Foundation's Employee Crisis Fund, which provides financial support for employees in need.

Over the coming days, managers will be working with all of those affected by furlough or reduced hours to assist them with the transition.

"I am confident that we will ramp back up quickly once it is safe to do so," said Dr. Lambrecht. "It is my hope that everyone can weather this uncertain time and emerge safe and well."

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