

# MEMORANDUM

**DATE:** November 16, 2009  
**TO:** SMH Department Heads and Supervisors  
**FROM:** Ed Johlman, CFO  
**SUBJECT:** Gainsharing Distribution for FY 2009

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The amount available for the employee gainsharing distribution for the fiscal year that concluded on 6/30/09 will be \$3,147. The amount is small because the gainshare program is based on: (1) how much income the hospital earned on its direct operations and (2) our final Avatar patient satisfaction score. We earned only \$12,587 for the 12 months that ended on 6/30/09 (we had earned \$2,200,000 in the previous year so the gainshare distribution in November 2008 was much larger). Our Avatar patient satisfaction score for 6/30/09 was 88.94. A score below 90 means that 25% of the \$12,587 will be available for gainsharing. That is how the \$3,147 was calculated.

You may have heard, or read in the newspaper, that our year-end audit said the hospital lost \$923,000 on its direct operations. That figure did not include the hospital's earnings from its investment in Sheridan Radiology, which is included in the gainsharing distribution and was included in the \$12,587.

You might also have heard that the hospital earned a total of \$2,658,000 last year. That is true but that number includes earnings on hospital investments, contributions from Sheridan County and charitable gifts from the Hospital Foundation and private citizens which are not included in the gainsharing calculation.

All eligible employees will receive their FY 2009 gainshare payment on paychecks that will be distributed on Thursday, December 17. The gainshare payment will be *added to* the regular pay and will appear as a separate "GNS" line item under "Earnings Type" in the upper left of the pay stub. We have *estimated* that an employee who worked full-time for SMH from 7/1/08 thru 6/30/09 will receive an additional \$8.00 (before taxes). Those who worked less than full-time will receive a partial payment based on the actual number of hours worked.

Please call me at ext. 1014 if you have any questions about these calculations. I would be happy to assist you.

*NOTE: The Gainshare Policy is printed on this back of this memo for your review.*