



OHSU Board Communications Notice
June 25, 2024

From: George Keepers <keepersg@ohsu.edu>
Date: Monday, June 24, 2024 at 3:59 PM
To: OHSU Board <ohsuboard@ohsu.edu>
Subject: Letter to Dr. Jacobs.docx

Copy of letter to Dr. Jacobs expressing concern.

Danny Jacobs, MD, MPH, FACS
President, OHSU

Dear Dr. Jacobs:

The CEC representing the Chairs of the SOM, wish to convey our concern for OHSU's financial solvency and ability to fulfill its missions. We fully understand and support the need for fiscal responsibility to support the OHEP expansion and Legacy merger which together create the best chance for improved health care for Oregonians and the continued success of OHSU as a premier academic institution. We also understand that revision of administrative structure and process, upgrading of infrastructure, and efficient use of administrative personnel are necessary for continued success. Indeed, we and our department administrators have championed such measures for several years and repeatedly offered to participate in their design and implementation.

However, we fear that the current project to reduce OHSU's workforce in only a few weeks will lead to a worsened financial status, restricted patient access, faculty and staff attrition, and a decline in OHSU's status as a leading academic center. During our regularly scheduled meeting, we reviewed these concerns with you, Mr. Furnstahl, and Dean Selden on June 13th. Insofar as we have been informed the plans for reduction in force have not been altered.

To reiterate those concerns, the rapidity with which layoffs were decided upon and implemented did not allow time for developing a plan to immediately replace the critical functions previously performed by separated employees. As was revealed to us in the Chair's meeting on 6/20, a person under Mr. Furnstahl's supervision has been assigned to the task and has just begun to outline the steps necessary to create the plan. As she indicated, this will involve gathering position descriptions, consultation with departmental and healthcare personnel who will be separated from the institution, identification of critical areas, developing mitigation strategies, creation of recommendations for strategic realignment, assignment of new leaders, creation of workflows and infrastructure, and communication document creation. The training of the new personnel to perform tasks previously completed by separated employees would begin after 3 months at the earliest. We think this is an unrealistic estimate given the complexity of the task. OHSU's previous attempts at centralizing functions (C3 for example) have consumed far more time and effort and have still failed.

In the best circumstances, critical organizational tasks would be neglected for several months. Our review of the most important of these follows:

- 1) **Physician and nurse practitioner pay.** Currently, variable pay for thousands of irregularly scheduled work shifts and call duties is prepared every two weeks by personnel being laid off from departments. These tasks must be done promptly, checked for accuracy, and conveyed to payroll in timely fashion. The obvious risk is that practitioners, who are not being paid accurately, refuse to work.
- 2) **Scheduling of physicians and nurse practitioners for clinics and procedures.** Interruptions or disorganization in these processes will result in reduced access and clinical volume and substantially reduced revenue. Departmental personnel are currently key to these scheduling processes.
- 3) **Loss of adequate administrative support and the resulting poor morale in both staff and faculty.** In the context of an already stressed and fragile workforce, the chaotic situation and

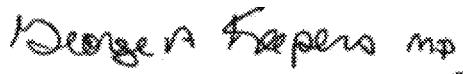
increased workload on remaining personnel will, we believe, cause faculty and staff to look elsewhere for employment.

- 4) **Hiring.** Many areas require a constant hiring effort conducted by department personnel to maintain the required service level for patient access. There will certainly be delays in hiring for these replacement positions creating personnel shortages in critical clinical services. Further, the reputational damage created by this event will impair our ability to recruit.

Reductions in expenses due to the layoffs will not begin until after the severance period ends and related expenses are absorbed. With the drop in revenue, we expect OHSU's financial position to be worse than if there had been no layoffs. Many chairs and their department administrators made proposals for alternatives to these poorly thought-out layoffs. These included targeted division and program cuts, revenue-generating steps, and targeted personnel reductions. For the most part, this input has been ignored in preference to the current project.

We urge you to pause this process, review the proposed alternatives, plan systematically for centralized processes that can be conducted more efficiently, and involve the chairs, departmental administrators, faculty, and staff in planning for OHSU's success.

On behalf of the CEC,



George A. Keeper, MD, DLFAPA, FAC Psych
Carruthers Professor and Chair, Psychiatry
President, American College of Psychiatrists
Chair, SOM Chairs Executive Committee

cc: Faculty Senate, OHSU Board