



CITY OF
**EAU
CLAIRE**

Office of City Attorney
Phone: 715- 839-6006

February 1, 2024

Ms. Amy K. Bulpitt
Senior Vice President
Chief Legal Officer
Hospital Sisters Health System
4936 Laverna Road
Springfield, IL 62707

Mr. Larry M. Gille
Senior Vice President
General Counsel
Prevea Clinic, Inc.

SENT VIA CERTIFIED MAIL AND E-MAIL

Re: *Closure Notice of Sacred Heart Hospital of the Hospital Sisters of the Third Order of St. Francis; St. Joseph's Hospital of the Hospital Sisters of the Third Order of St. Francis and of Prevea Clinic locations in Western Wisconsin*

Ms. Bulpitt and Mr. Gille:

I am in receipt of your letter dated January 22, 2024, concerning the closure of both Hospital Sisters Health System ("HSHS") and Prevea Clinic, Inc. ("Prevea") locations in Eau Claire, Wisconsin, the surrounding Chippewa Valley, and western Wisconsin. This letter was just received by the City on January 29, 2024. It provides an overly short notice period to meet your obligations and the City is already learning of employee terminations and functional operational closures.

We are deeply concerned about this abrupt decision that is significantly impactful on employees, patients, our City, regional medical and emergency operations, and the community in general. The notice was provided without any prior discussion with the City or, to our knowledge, other local and regional health care and emergency service providers, patients, donors, state officials, and those sick and in need to whom HSHS and Prevea have legal and self-assumed ethical and spiritual commitments. Your decision to close is shocking and difficult on others you have these obligations towards. The manner in which you are conducting this closure is contrary to your stated mission, and in part, potentially illegal. We ask that you immediately meet your legal obligations and productively lift back up your ethical obligations to ease this transition.

The Federal Worker Adjustment and Retraining Notification (WARN) Act requires that "an employer shall not order a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of such an order." Wisconsin statutory and regulatory law have similar requirements. The notice period runs from the date the employer serves notice on all the listed impacted parties, which includes the City of Eau Claire. Your notice states a closure date of on or before April 21, 2024. We ask that you remain open and fully operational until at least the stated date of April 21, 2024, and longer as necessary to ensure all continuation of patient care obligations are met for current and planned procedures.

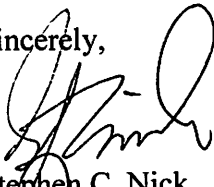
The City has been provided information that employees are being told that their last day is no later than March 22, 2024, and that some have been terminated already. Employees under state and federal law are entitled to at least 60 days of pay and benefits from the date notice is served on all required parties, which for cities such as Eau Claire, include notice to both the Council President and the City Manager. Your employees are therefore entitled to wages and benefits through at least March 29, 2024. An employer violating the law is subject to civil penalty, including daily forfeitures to the City, who has standing to bring an action to the Wisconsin Department of Workforce Development, or an original action in Federal court. The prevailing party is also entitled to reasonable attorney's fees. The City hopes and expects that such legal action is not necessary.

Many are affected by your decision to close a major hospital in Eau Claire, the only hospital in Chippewa Falls, and the only clinics in some of our neighboring communities in northwestern Wisconsin. These facilities offer critical regional inpatient behavioral health care, for which you accepted \$15 million in state taxpayer funding less than three years ago in 2021. Your executive director of behavioral health described the funding as necessary for HSHS hospitals to meet "unmet demand with behavioral health" in western Wisconsin. Once you decided to accept these taxpayer funds and your patients, you accepted an obligation to the state, the community, and of course those patients to ensure the services were adequately provided. Upon your decision to close you must make every reasonable effort to ensure continuation of adequate care. Such opportunities exist, and the City asks that you productively engage in exploring all options to do so.

Community leaders in health care, government, business, along with local, state, and national elected leaders are all attempting to find workable solutions to minimize the impact of your decision on your patients, your employees, and our community. We insist that HSHS meet all of its statutory, contractual, taxpayer funded, and other legal obligations. We invite HSHS, even in departure from our community after over 100 years, to remain true to your stated dedication to serve "the sick and those in need." We are in need now of your cooperation to minimize the impacts of this closure to those in our community. A better transition to ensure continuation of care can be achieved with your positive engagement.

Please contact me to ensure that the legal requirements of the WARN Act and Wis. Stat. § 109.07 are being met and please make every effort to reach an agreement with those in the private and public sectors attempting to maintain jobs and needed patient, health care, and emergency medical services in our City and the surrounding communities.

Sincerely,



Stephen C. Nick
City Attorney

SCN:mlw

cc: Council President Berge; City Manager Hirsch