State of Recruitment 2018

Rapid Growth

Growth Over Time:

<table>
<thead>
<tr>
<th>Year End</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1944:</td>
<td>11</td>
</tr>
<tr>
<td>1945:</td>
<td>117</td>
</tr>
<tr>
<td>1971:</td>
<td>300</td>
</tr>
<tr>
<td>1997:</td>
<td>664</td>
</tr>
<tr>
<td>2000:</td>
<td>1,290</td>
</tr>
<tr>
<td>2006:</td>
<td>1,475</td>
</tr>
</tbody>
</table>

Kadlec Clinic:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011:</td>
<td>282</td>
</tr>
<tr>
<td>2012:</td>
<td>324</td>
</tr>
<tr>
<td>2013:</td>
<td>450</td>
</tr>
<tr>
<td>2014:</td>
<td>663</td>
</tr>
<tr>
<td>2015:</td>
<td>865</td>
</tr>
<tr>
<td>2016:</td>
<td>932</td>
</tr>
<tr>
<td>2017:</td>
<td>1009</td>
</tr>
<tr>
<td>2018:</td>
<td>1037</td>
</tr>
<tr>
<td>As of 3/1/19:</td>
<td>1058</td>
</tr>
</tbody>
</table>

Kadlec Regional:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011:</td>
<td>1,898</td>
</tr>
<tr>
<td>2012:</td>
<td>1,918</td>
</tr>
<tr>
<td>2013:</td>
<td>2,040</td>
</tr>
<tr>
<td>2014:</td>
<td>2,227</td>
</tr>
<tr>
<td>2015:</td>
<td>2,324*</td>
</tr>
<tr>
<td>2016:</td>
<td>2,452*</td>
</tr>
<tr>
<td>2017:</td>
<td>2,545*</td>
</tr>
<tr>
<td>2018:</td>
<td>2,710*</td>
</tr>
<tr>
<td>As of 3/1/19:</td>
<td>2,703*</td>
</tr>
</tbody>
</table>

*Does not include Shared Services ('Providence at Kadlec' caregivers). As of 03/01/19: 136
2018 Highlights

- Added 2 Express Care locations into Walgreens in both Richland and Pasco
- Started our Pharmacy Residency Program
  - 3 Residents
- Expanded Clinical Academy Offerings (e.g. Cath Lab)
- Average Time to Fill (45 days), in the Top 4 for Providence St. Joseph Health
- Filled 1,185 positions*
  - 642 External Hires
    - 120 Acute Care RNs
    - 84 Nursing Support (CNA’s, Surgical Techs, Patient Sitters)
    - 69 Medical Assistants

*Does not include Shared Services (‘Providence at Kadlec’ caregivers). As of 03/01/19: 136
State of Recruitment

2018 Focus:

• Continued focus on grow our own strategies
• Continued partnership with local/regional programs and colleges that are instrumental to growing our talent pool:
  – WSU: RNs, Pharmacy
  – CBC: RNs, Medical Assistants, Surgical Techs, Sterile Processing etc.
  – Walla Walla Community College: RNs, Medical Assistants
  – Tri Tech: CNAs, Pre-PT and Pre-EMT
  – Charter College: Medical Assistants
• Kadlec Clinic MA-R Training Program
  • 12 MA Externs hired into program
    – MA-R Training Program graduates take considerably less time to orient: 9-17 days versus 29 for those new to Kadlec Clinic
    – 36 MA Students completed clinical rotations. Of that, 29 were hired to Kadlec Clinic
• Nurse Extern Program
  • Increased numbers from 25 to 34
    • Added rotations in Ambulatory Surgery Center and an increased focus on OR
• Continued our partnership with local middle and high schools to build interest for Healthcare careers
• Offer Experienced Healthcare summer camp (high school students)
• Offer Pre-Health Professions summer camp (college students)
• Hiring Events and Open Houses
Challenges and Opportunities Affecting our Industry
State of Recruitment 2019

It’s a Candidate’s Market

RAPID GROWTH IN DEMAND

AGING
(65+) increasing 50% by 2020

SICK
71.6% of adults in US are either overweight or obese

RAPID REDUCTION IN SUPPLY

UNEMPLOYMENT
Healthcare unemployment hits lowest level ever
(2.2% vs 3.9% overall)

TURNOVER
Hospital turnover has increased 4% since 2011;
Bedside RN turnover has increased over 5%

NURSE SHORTAGE
Demand predicted to exceed supply
by 1.1 M in 2022

SELECTIVE CANDIDATE BEHAVIOR

JOB-SEEKING
Candidates are either actively/casually looking (34%) or passively open to hearing about opportunities (32%)

PRICE-SENSITIVE
Employees are changing jobs to increase their salaries

MULTIPLE OPTIONS
Candidates consistently have multiple options

The Power has shifted to the Candidate

 Sources: Lean Human Capital, LLC., “The Power has shifted to the candidate, so current recruiting practices will stop working,” John Sullivan, ERE Media.; nursingworld.org; cdc.gov
Hiring Needs 1-5 Years
Hiring Needs 1-5 Years

Proactive, versus reactive

Continual focus on the following areas:

- Nursing
- Healthcare Leadership
- Medical Assistants
- Pharmacists
- Ambulatory (Outpatient) Clinical & Non-Clinical
- Clinical Education
Forecasting Tools

- Job Specific predictive analytics/insights to real time job market and location data
- Allows us to look at national labor statistics and how they compare to our local labor market
- Market indicator for hard to fill positions
- Allows us to unlock hidden reserves of talent supply and in turn we are able to create targeted recruitment/sourcing efforts

Talent Neuron Data Reporting

Talent Sourcing Report™
Future State of Recruitment

2019 Focus to address our business needs:

• Continue strong partnerships with local programs, schools and colleges
• Continue to expand our grow our own strategies
  – Kadlec Clinic MA-R Training Program
  – Nurse Extern Program
  – Increase Clinical RN Academy Offerings (e.g. Nurse Manager and Nurse Educator Fellowships)
  – Pharmacy Residency Program (increased program from 3 to 4 Resident openings)
• Dedicated system wide RN Attraction Strategies
• Dedicated Talent Sourcers (seeking passive candidates)
• Employee Referral Campaign

*Talent is everyone’s business: Own challenges together!*