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TESTIMONY:

Mr. George Strike, Chair, University Hospital Board of Trustees

Cincinnati City Council

Tuesday, October 27, 2009 – 6:00 PM until 8:00 P.M.

City Council Chambers, Cincinnati City Hall

Mayor Mallory, Chairpersons Cole and Qualls, and members of City Council, thank you for this invitation this evening to share some perspectives regarding the potential impact of the sale of Jewish Hospital to Mercy Health Partners on University Hospital, the University of Cincinnati College of Medicine and the Health Alliance of Greater Cincinnati.

With me this evening are Dr. David Stern, Vice President of Health Affairs and Dean of the UC College of Medicine, and Lee Ann Liska, Executive Director and Senior Vice President of University Hospital. Lee Ann operates within the Health Alliance as the Chief Executive Officer of University Hospital.

I was involved in the formation of the Health Alliance and now serve as Chair of the University Hospital Board of Trustees. I also serve as an Executive Committee member of the Health Alliance of Greater Cincinnati.

The University Hospital, UC's College of Medicine, their doctors, nurses, and their families, and other trained medical professionals are at the heart of an integrated health system that provides unique and unmatched value to patients.

This entire community discussion that you have initiated this evening is not really about the Jewish Hospital. It is not even really about the Health Alliance. It is about the future role of the University Hospital and the doctors of UC to provide health care services for the sickest, most injured and poorest citizens of our community. Even more specifically, it is about having the time to develop a community-focused solution.

We respect the Jewish Foundation's right to make the decision to get out of the health care business and to sell its hospital. We, however, are not getting out of the health care business and are deeply concerned that the Jewish Foundation's decision and the time frame in which it is implemented may damage UC and University Hospital's ability to do the work that they do on behalf of this community.

To be clear, we are very concerned that the rapid course of the sale of the Jewish Hospital to the Mercy Health System – apparently by December 31st of this year – can threaten the volume and quality of care provided by University Hospital and the availability of some of this country's most respected and specialized doctors from the UC College of Medicine.

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We have very clear objectives during this time of change in health care delivery in Cincinnati. They are:

1. For University Hospital and the doctors of the UC College of Medicine to continue to contribute at our nationally recognized level to the quality of medical care, teaching and research, and overall quality of life in Greater Cincinnati.
2. To preserve and protect the role of University Hospital and the UC College of Medicine at the core of a viable and integrated health care delivery system.
3. To ensure that we emerge healthy and are able to meet this community's needs, whatever the outcome of the Health Alliance.

If through the years UC's Health Alliance Partners would have shared a proportionate share of the uncompensated care and benefits provided to the people of Cincinnati, we would not be here tonight. And the value of their Partners' hospitals would not be as highly valued as they are today, and we would not be here tonight.

We do not want to throw away the great progress the University Hospital and UC have made in meeting the health care needs of the people of Cincinnati.

Now, you may hear this evening that the Health Alliance and UC had their chance to buy the Jewish Hospital in the past 18 months. None of us can speak directly to that because, I can assure you, we were not involved. Those who were, are no longer involved. What I can say is that this issue is in the past, and we are now talking about the future of University Hospital and the College of Medicine. While I don't know what happened in the past, I do know that we need to get it right going forward for the sake of the entire community.

Thank you for your interest. We appreciate that our colleagues from the Jewish Foundation and the Mercy Health System will share their testimony this evening. We are hopeful that we can work together collaboratively, in the interest of our broader community, to achieve the objectives I just shared.

Dr. Stern will now provide his comments to be followed by Ms. Liska. We look forward to responding to any questions you may have.

Thank you.



TESTIMONY:

David Stern, MD,

Vice President for Health Affairs, Dean of the University of Cincinnati College of Medicine

Cincinnati City Council

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City Council Chambers, Cincinnati City Hall

Mayor Mallory, Chairpersons Cole and Qualls and members of City Council, I join George in thanking you for your time and attention to this very important issue for the City of Cincinnati, particularly given its history with University Hospital and association with the University of Cincinnati. I also would like to thank you for giving such attention to an issue that will impact our broader community and the region.

I came to Cincinnati because there was an unprecedented opportunity to enhance the level of health care for all by developing the expertise and capabilities of the University of Cincinnati College of Medicine and University Hospital. Also, this represents a major economic impact. However, I believe all of this is jeopardized by the current approach taken by the Jewish Foundation to remove the Jewish Hospital from the Health Alliance and the impact this will have on the disposition of other Health Alliance assets. To me and many others, this is not a positive development for our great city.

I'd like to take a few moments this evening to share some thoughts on why having a thriving, growing and innovative and tightly integrated College of Medicine and University Hospital is so important to this community.

We share three vital missions:

1. **Jointly, we care for patients.** This is our most essential mission. The patients cared for at University Hospital by the college's faculty physicians tend to be the sickest and most severely injured and include those who face socioeconomic barriers to access health care. They are often those with the most complex medical conditions. To care for them, University Hospital dedicates 125 of its 425 beds for patients requiring intensive care, by far the highest proportion of intensive care beds in any hospital in the city. We also have the city's only neuro-critical care unit staffed by neuro-intensivists, adult burn unit, Level 1 adult trauma center, air care and many other intensive care settings making University Hospital very different from any other local hospital.
2. **Jointly, we teach the future doctors of our community.** More than 50 percent of all physicians in this region were either trained at the College of Medicine or received professional education there. And we are very proud of the excellent training they receive and the success they attain. For example, our most recent class achieved a pass-rate of 99 per cent on the United States Medical Licensing Exam (USMLE) step 1 exam – a test medical school graduates must take to obtain their license. This was 11 points above the national

mean. This is terrific. In addition, our internal medicine training program is widely recognized for its innovation and was the first residency program in the country designated by its accrediting agency as an Educational Innovations Program that would help lead the transformation of internal medicine training nationwide. Most physicians in our area also receive their continuing medical education from the College of Medicine to ensure they stay abreast of current medical practices.

- 3. Jointly, we conduct research that enables us to practice tomorrow's medicine today.** The extensive research conducted by our physicians and scientists not only improves the quality of care here and elsewhere, it also grows the regional economy. More than \$137 million in research funding was brought into this community by our faculty, dollars that are spent mostly in the local economy providing jobs and paying taxes. That is an impressive economic stimulus. But, even more important, is how that work affects patient care in our city. One example among many is that our neurologists were among the first to demonstrate the potential of clot-busting drugs to ameliorate damage caused by stroke. The UC Neuroscience Institute stroke program has partnered with 41 local hospitals to provide care or consultative services to any patient that comes through the door. This is care that is state-of-the-art and represents the best of what the academic health center has to offer. We have leveraged our expertise in stroke for the benefit of the community. That is how it should be and that is why we are here.

Great cities have great medical schools; and Cincinnati is no different! Unfortunately, I am absolutely convinced that the rapid departure of Jewish Hospital from the Health Alliance -- before a community-focused solution to prevent harmful effects to University Hospital and the College of Medicine can be put in place -- jeopardizes and may forever restrict the significant value this community receives from the college and hospital.

Simply put, University Hospital must be part of a larger health system. The burdens on it of caring for the sickest in our region and the overwhelming numbers without insurance require support that can only be provided by a healthy network of hospitals. Without this there is little if anything left to re-invest in the hospital's infrastructure, its staff and its programs. With this comes retrenchment of programs and services which then has a domino effect on the College of Medicine and its physician practice, which receive nearly \$50 million annually for services and in educational and research support. Without that support, the college will surely lose some of its best clinicians, researchers and teachers. Recruitment of new faculty suffers and, in the end, the university and community suffer.

You may not be aware that the College of Medicine represents about one half of the University of Cincinnati's annual operating budget. Our budget is approximately \$550 million a year, a number that translates into many jobs in our community, significant taxes and an impressive reciprocal effect in this city's economy. This is truly a valuable asset to this region. The economic impact of the academic health center (TUH, COM) is about \$1.2 billion and generates over 15,700 jobs (direct and indirect employment). Thus, it would not be surprising that if the

College of Medicine were to become economically unstable, this would certainly impact the University which is the largest employer in our region.

All of us in health care strive to "add value"; that is, to maximize patient outcomes at an affordable cost. UC and University Hospital provide highly specialized care for the sickest and most injured patients by some of the nation's best doctors recruited from all over the United States and, indeed, the world. Typically, centers like ours provide most of the care for uninsured and underinsured patients.

In recent years, we've successfully worked to strengthen the College of Medicine and University Hospital.

First, we sought input from the community and involved respected and responsible community leaders in real decision-making. People like Joe Pichler, Jim Zimmerman, Bill Friedlander, Nate Jones, Ed Rigaud, Rev. Damon Lynch Jr., Katie Hollister, Carrie Hayden and others have helped us to improve in all three mission areas: patient care, teaching and research. These leaders have been our community voice and moral compass to ensure that we achieve our missions with the welfare of the residents of this region foremost in mind.

Next, our physicians at UC have created a clinical practice that emphasizes accessible, multi-specialty and evidence-based clinical care driven by innovation and clinical research. Our goal is to continuously enhance the quality of care and patient safety.

Thirdly, we sought to foster the interaction of the College of Medicine and University Hospital with every level of health care provider and community hospital in our region. We believe that effective interactions between community and university physicians can provide optimal care for patients in all hospitals and practice environments. We admire the doctors in the community. That is not surprising since we trained so many of them!

Finally, we worked within our health system -- the Health Alliance of Greater Cincinnati -- to establish an environment where academic medicine could flourish and is valued by all partners.

Clearly, the Health Alliance was a success by almost any measure. And even with the departures of Christ and St. Luke hospitals, it continued to be a viable and productive health system.

Of course, this will change with the departure of Jewish Hospital. This is the tipping point, taking a successful health system to one that might not be able to fully care for our community's sickest, most injured and uninsured or underinsured patients. And, as I said, it will cause a domino effect reaching deeply within the College of Medicine and University of Cincinnati.

Work continues to fully achieve our vision for health care. The community prize -- better health care for Cincinnati -- is too important to let it fade, and it should not be stopped by a deadline of December 31, 2009. Of course, achieving this vision can more easily occur if all institutions commit themselves to the vision. We are as committed to it as we are to a process intended to seek a community-focused solution to the problem at hand.

The issue for the community is not whether Jewish Hospital leaves the Health Alliance. The real issue is what impact will it have on this community's medical college and leading hospital if it leaves. As I have shared, I believe it will have a dramatic and negative impact.

That is precisely why responsible institutions and community leaders must work together for a community solution to ensure that all institutions emerge healthy and financially viable from whatever happens to the Health Alliance.

Thank you for providing me with the opportunity to share my testimony this evening.

Importantly, thank you for your interest and your willingness to be involved in developing a community-focused solution to, as George shared earlier:

1. Enable our academic health center to continue to contribute at a nationally recognized level to the quality of medical care, teaching and research, and overall quality of life, in Greater Cincinnati.
2. Preserve and protect its role at the core of a viable and integrated health care delivery system.
3. Ensure that we emerge healthy and are able to meet this community's needs, whatever the outcome of the Health Alliance.

I've been fortunate to surround myself not only with extraordinary community representatives, but physicians and staff at the College of Medicine who are national leaders in medical education, clinical care and research. Likewise, I'm honored to work closely with Lee Ann Liska. She runs a most efficient and highly regarded hospital.

It is my pleasure to turn the microphone over to Lee Ann. Of course, we will all remain here to answer questions you may have at the conclusion of Lee Ann's remarks.

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TESTIMONY:

Lee Ann Liska

Executive Director and Senior Vice President, University Hospital

Cincinnati City Council

Tuesday, October 27, 2009 - 6:00 p.m. until 8:00 p.m.

City Council Chambers, Cincinnati City Hall

Mayor Mallory, Chairpersons Cole and Qualls and members of City Council, I join Mr. Strike and Dr. Stern in thanking you for holding this public hearing tonight.

My role and my objective this evening is to do two things:

1. I'd like to make sure we stay focused on the real issue at hand –the specialized care provided at University Hospital to really sick and injured patients by exceptionally talented doctors, nurses and other health care professionals.
2. I'd also like to provide some details regarding the unique and unmatched role that University Hospital plays in our region in providing care for those who need it most, including the uninsured and underinsured patients, the majority of whom are residents of the city of Cincinnati.

University Hospital is not like any other hospital in this region. Each day we provide living proof of the benefit delivered by our unique services and specialized care. I'd like to feature just a few of our "Living Proof" patients:

- **Corey** was born on the roof of University Hospital. We are the only hospital with trauma physicians traveling on our helicopters ... on Air Care.
- **Sharon** is alive today because she received her new liver at University Hospital. We are the home of the only liver transplant program in the region.
- **Mark** did not die of a heart attack because he came to University Hospital. We have among the fastest heart attack treatment times in the region.
- **Michael's** recovery from a tragic and terrifying 30-foot fall is credited to his being brought to University Hospital. We offer this region's only Level 1 Trauma Center.
- **Robert's** stroke may have been devastating but for the treatment he received from University Hospital's comprehensive Neuroscience program - the only one of its kind in Cincinnati.
- **Misty's** daughter is alive today because the doctors of University Hospital successfully delivered her by emergency cesarean section during Misty's emergency triple bypass operation. No other hospital

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in our region is equipped to handle the severity and complexity of those two simultaneous emergency procedures.

The care these “Living Proof” patients receive at University Hospital is made possible for two reasons:

1. The integration of the patient care, teaching and research missions of University Hospital and the UC College of Medicine, as Dr. Stern just presented; and,
2. Our ability to deliver on these missions as part of a health system that enables us to afford such specialized and expensive services.

That we provide such nationally-recognized services in this community isn't an accident. It didn't happen by chance. It is deliberate, planned, historic and expected.

It is also at risk.

Now, I'd like to take a few moments and discuss the community benefit that we provide in our region, and place that in the context of this care provided within the Health Alliance.

Before I do so however, it is important for you to know that we in fact reported a positive margin in fiscal year 2008 of \$29.2 million against total revenues of \$578 million, and \$18.9 million against total revenues of \$583 million in fiscal year 2009. This **includes** the \$26 million we receive each year from Hamilton County taxpayers to provide care for Hamilton County residents who cannot afford it. It also includes a similar amount that we receive from the State of Ohio. **If we did not receive that public support from the County and the State of Ohio, we would have operated with a negative margin or a deficit.**

It is also important to note that we invest any excess revenues in medical education, other programmatic needs of the College of Medicine and our physical plant: to meet our bond covenants, for example, we have calculated that we must spend \$40 to \$50 million per year over the next 10 years on capital improvements to maintain our “average age of plant”, a key benchmark the bond rating agencies use to determine our creditworthiness. Unfortunately, even as part of our current health system, our annual margin falls far short of our annual capital needs.

It is perhaps just as important for you to know that the community benefit figures I am about to share are over and above of the public support we receive.

Let me share these publicly available numbers indicating the volume of community benefit provided when compared to all other hospitals of the Health Alliance. I have provided this information in the attachment to my testimony.

Of the \$113.6 million in community benefit provided by the Health Alliance in fiscal year 2008, more than \$96 million – or 85% - came from University Hospital. In fiscal year 2009, the Health Alliance provided over \$116 million in community benefit and nearly \$100 million came from University Hospital – this again is 85%.

I do not have comparable numbers from other health systems in this region. I do know that no other hospital provides as much community benefit as we do.

As part of its annual community benefit, University Hospital provides a variety of critical health services that operate at significant losses. The total of those subsidized health services in fiscal year 2009 was **\$20.4 million**. Those services include our outpatient clinics, where we underwrote **\$9.7 million**, Air Care, where we lost **\$2.4 million**, behavioral health services, where we subsidized **\$5.3 million**, renal dialysis services, where we absorbed **\$1.9 million**, and our emergency dental clinic, where we recorded a deficit of **\$795,000**. There are several other examples, but those are among the leading ones. These services can only be sustained year after year as part of an integrated health system.

Again, this isn't an accident. It didn't happen by chance. It is deliberate, planned, historic and expected. It is the role that we play in this complex system of health care in Cincinnati. **It is this role that is at risk!**

As Dr. Stern and Mr. Strike said, Jewish Hospital's expected departure from the Health Alliance is the tipping point for the health system that enables the unique services and specialized care provided at University Hospital.

That you are holding these hearings and bringing community attention to what is going on in health care in our region today, and its impact on your city, is very important and very much appreciated.

The hospital that I am privileged to lead is a critical piece of what makes Cincinnati such a great American city. I join with Mr. Strike and Dr. Stern, and the many physicians, nurses, administrators and others in this community in expressing a commitment to help it to stay that way.

Thank you again. We are all pleased to respond to whatever questions you may have.

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Attachments (2)