

Not-For-Profit Hospital Corporation

www.united-medicalcenter.com
Telephone: 202-574-6000

Table HW0-1

Description	FY 2016	FY 2017	% Change
	Approved	Proposed	from FY 2016
OPERATING BUDGET	\$129,000,000	\$132,000,000	2.3

Note: Prior year actuals are not reported for the Not-For-Profit Hospital Corporation because the agency does not use the District's financial system for its actual transactions.

The mission of the Not-For-Profit Hospital Corporation (NFPHC) is dedicated to the health and well-being of individuals and communities entrusted to our care. NFPHC will be an efficient, high value, patient-focused provider of high-quality healthcare to improve the lives of District residents. We will employ innovative approaches that yield excellent experiences and will empower healthcare professionals as they work to care for our patients. We will pursue this vision through collaboration with other providers and as part of a larger District-based delivery system.

NFPHC, commonly known as United Medical Center (UMC) and United Medical Nursing Center, is an independent District instrumentality, created by legislation adopted by the Council of the District of Columbia. It provides inpatient, outpatient, psychiatric, and emergency care, and a skilled nursing facility (SNF). NFPHC is located east of the Anacostia River in the Southeast section of Washington, D.C. Its primary service market includes residents of Wards 7 and 8 and the state of Maryland's Prince George's County. Approximately 80 percent of United Medical Center's hospital admissions were paid for by the public programs Medicare or Medicaid.

NFPHC is governed by a 14-member Board of Directors, 11 of whom are voting members and three of whom are non-voting members. Six members are appointed by the Mayor and three members are appointed by the Council of the District of Columbia. The Chief Financial Officer of the District, or his or her designee, and a representative of the entity maintaining the largest collective bargaining agreement with the corporation serve as ex officio voting members. The Chief Executive Officer and Chief Medical Officer of NFPHC and the President of the District of Columbia Hospital Association serve as non-voting ex officio members.

The Board of Directors of NFPHC adopted a new Strategic Vision and Plan on August 2, 2013, and this Plan was approved by the Mayor and endorsed by the District Council. The Council in that endorsement urged the Board and the Executive to carry out the Plan, including recommendations from Huron Consulting, “swiftly.” Five major areas within this plan of focus remain:

- Align with a partner(s) and position UMC to thrive under healthcare reform;
- Achieve financial stability;
- Recruit, deploy, and retain talented and enthusiastic personnel focused on providing excellent patient experiences;
- Achieve superior quality and patient safety outcomes; and
- Contribute to overall health within the communities that UMC serves.

The NFPHC has made several advancements with regard to financial stability and recruiting highly qualified personnel. These advancements have seen the quality measures increase over the last three years. The Hospital continues to work with local officials to align with a partner and position UMC to thrive under healthcare reform.

The agency’s FY 2017 proposed budget is presented in the following tables:

FY 2017 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table HW0-2 contains the proposed FY 2017 budget by revenue type compared to the FY 2016 approved budget. It also provides FY 2015 actual data.

Table HW0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands				Full-Time Equivalents			
	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change
<u>ENTERPRISE AND OTHER</u>								
ENTERPRISE AND OTHER FUNDS	129,000	132,000	3,000	2.3	0.0	0.0	0.0	N/A
TOTAL FOR ENTERPRISE AND OTHER	129,000	132,000	3,000	2.3	0.0	0.0	0.0	N/A
GROSS FUNDS	129,000	132,000	3,000	2.3	0.0	0.0	0.0	N/A

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer’s website.

FY 2017 Proposed Operating Budget, by Comptroller Source Group

Table HW0-3 contains the proposed FY 2017 budget at the Comptroller Source Group (object class) level compared to the FY 2016 approved budget. It also provides FY 2014 and FY 2015 actual expenditures.

Table HW0-3

(dollars in thousands)

	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
Comptroller Source Group				
50 - SUBSIDIES AND TRANSFERS	129,000	132,000	3,000	2.3
SUBTOTAL NONPERSONAL SERVICES (NPS)	129,000	132,000	3,000	2.3
GROSS FUNDS	129,000	132,000	3,000	2.3

*Percent change is based on whole dollars.

FY 2017 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table HW0-4 contains the proposed FY 2017 budget by division/program and activity compared to the FY 2016 approved budget. It also provides FY 2015 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table HW0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands			Full-Time Equivalents		
	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(1000) NOT-FOR-PROFIT HOSPITAL CORPORATION						
(1001) NOT-FOR-PROFIT HOSPITAL CORPORATION	129,000	132,000	3,000	0.0	0.0	0.0
SUBTOTAL (1000) NOT-FOR-PROFIT HOSPITAL CORPORATION	129,000	132,000	3,000	0.0	0.0	0.0
TOTAL PROPOSED OPERATING BUDGET	129,000	132,000	3,000	0.0	0.0	0.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

Program Description

The Not-For-Profit Hospital Corporation operates through revenues generated primarily, though not exclusively, through its Hospital patient and SNF resident operations.

Hospital Services – NFPHC operates an acute care program with 234 licensed acute care beds, which provides medical, surgical, psychiatric, and obstetric care. Other hospital services include adult emergency care and outpatient and Land diagnostic services. Children's National Medical Center, through a lease arrangement and as a separately licensed organization, provides pediatric emergency care on the campus of NFPHC.

SNF Services – With a capacity of 120 beds, the SNF provides skilled nursing services to chronically ill residents, with a significant percentage of the patients being the elderly.

Program Structure Change

The Not-For-Profit Hospital Corporation has no program structure changes in the FY 2017 proposed budget.

FY 2016 Approved Budget to FY 2017 Proposed Budget, by Revenue Type

Table HW0-5 itemizes the changes by revenue type between the FY 2016 approved budget and the FY 2017 proposed budget. For a more comprehensive explanation of changes, please see the FY 2017 Proposed Budget Changes section, which follows the table.

Table HW0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
ENTERPRISE AND OTHER FUNDS: FY 2016 Approved Budget and FTE		129,000	0.0
Decrease: To align budget with projected resources	Not-For-Profit Hospital Corporation	-2,500	0.0
ENTERPRISE AND OTHER FUNDS: FY 2017 Agency Budget Submission		126,500	0.0
Enhance: To support NFPHC's operating expenses	Not-For-Profit Hospital Corporation	5,500	0.0
ENTERPRISE AND OTHER FUNDS: FY 2017 Mayor's Proposed Budget		132,000	0.0
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2017 District's Proposed Budget		132,000	0.0
GROSS FOR HW0 - NOT-FOR-PROFIT HOSPITAL CORPORATION		132,000	0.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

FY 2017 Proposed Budget Changes

The Not-For-Profit Hospital Corporation's (NFPHC) proposed FY 2017 gross budget is \$132,000,000, which represents a 2.3 percent increase over its FY 2016 approved gross budget of \$129,000,000. The budget is comprised entirely of Enterprise and Other funds.

Agency Budget Submission

Decrease: The proposed budget is decreased by \$2,500,000, which is based on the hospital's projected resources of \$126,500,000.

Mayor's Proposed Budget

Enhance: The budget proposal for NFPHC includes a one-time increase of \$2,000,000 from the Not-For-Profit Hospital Corporation Subsidy and a grant of \$3,500,000 from the Healthy D.C. Fund in the Department of Health Care Finance. This funding provides budget authority to support NFPHC's operating expenditures.

District's Proposed Budget

No Change: The Not-For-Profit Hospital Corporation's budget proposal reflects no change from the Mayor's proposed budget to the District's proposed budget.