

# **Fiscal Year 2022 Budget Oversight Hearing on the Not-for-Profit Hospital Corporation (UMC)**

Before the  
Committee on Health  
Council of the District of Columbia

The Honorable Vincent C. Gray, Chairman

**June 7, 2021, 9:00 a.m.  
Virtual Meeting Platform**



**Testimony of  
Angell Jacobs  
Chair, Fiscal Management Board  
Not-for-Profit Hospital Corporation and  
Deputy Chief Financial Officer and Chief of Staff  
Office of the Chief Financial Officer**

**Fitzroy Lee  
Interim Chief Financial Officer  
Government of the District of Columbia**

Good morning, Chairman Gray and members of the Committee on Health. I am Angell Jacobs, Chair of the newly established Fiscal Management Board (Board) for the Not-for-Profit Hospital Corporation, more commonly known as United Medical Center or UMC. Prior to my appointment as Chair, I served on the previous board for three years. I also serve as the Deputy Chief Financial Officer and Chief of Staff for the Office of the Chief Financial Officer (OCFO). In this role, I work closely with the OCFO leadership to ensure the District achieves yearly balanced budgets, “clean” audit opinions, and strong bond ratings. I am honored to have the opportunity to bring this experience to my role as Chair of the Fiscal Management Board, and to appear before you today.

The Fiscal Management Board takes seriously its responsibility to exercise thoughtful and effective oversight of hospital operations, which includes maintaining standards of care for patients, aligning hospital expenses with available resources, and developing a plan for the hospital’s eventual closure in three years when the new hospital on St. Elizabeth’s campus will open. Due to the additional \$25 million of subsidy received last month pursuant to Council legislation, UMC has been able to reforecast its Fiscal Year 2021 budget, which is now projected to be balanced. Our proposed Fiscal Year 2022 budget is also balanced with \$15 million of District subsidy, as outlined in the Mayor’s proposal. In addition, the Board is working closely with the hospital’s operator, Mazars, to

develop by July 1, an operational plan for the hospital, along with an implementation schedule, which includes requisite expense reductions and other initiatives such as ensuring the optimal mix of on-board vs. agency staffing; achieving greater efficiencies and savings in contractual services; and eliminating excessive overhead to ensure the operation remains within spending limits. With any changes implemented, we will strive to minimize the impact to those delivering direct services to our patients. The plan will also include the required actions and proposed schedule for wind down of hospital operations.

Thank you for the opportunity to participate in today's hearing. I would be happy to answer any questions that you or the Committee may have.