

Fiscal Year 2025 Budget Oversight Hearing on the Not-for-Profit Hospital Corporation (UMC)

Before the
Committee on Health
Council of the District of Columbia

The Honorable Christina Henderson, Chairman

April 8, 2024, 9:00 am.



**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**

**Glen Lee
Chief Financial Officer
Government of the District of Columbia**

Good morning, Chairperson Henderson and members of the Committee on Health. I am Angell Jacobs, Chair of the Fiscal Management Board (Board) for the Not-for-Profit Hospital Corporation, commonly known as United Medical Center or UMC. I am pleased to appear before you today with CEO Dr. Jacqueline Payne-Borden and CFO Lilian Chukwuma to discuss the Fiscal Year (FY) 2025 budget of UMC.

During FY 2025, we will continue our mission of providing quality medical care to residents, while prudently and appropriately managing our resources. As indicated in my testimony during the performance oversight hearing, UMC experienced a significant reduction in DSH of \$8 million in FY 2023. We will continue to closely monitor the impact of DSH on the FY 2024 and FY 2025 budgets, and if necessary, take appropriate action to remain in balance.

In December of 2021, the construction process for the new Cedar Hill Regional Medical Center began. Since that time, the hospital construction team has successfully reached all key project milestones to date. By December of this year, the work on the construction of the hospital will be largely complete. Subsequently, hospital staff at the new facility will spend the first quarter of 2025 executing the required activities to prepare for the hospital's first patients by March 2025.

As a result, FY 2025 will be the last year of operations for UMC. Our focus will be on ensuring the safe transition of patients to the new hospital as well as the complete and effective closure of UMC operations and facilities. To support the closure effort, UMC will onboard a project manager, experienced in hospital decommissioning, in the coming weeks. With these factors in mind, our FY 2025 budget request represents the resources required to accomplish the tasks outlined here.

I would now like to turn to our CEO, Dr. Jacqueline Payne-Borden, who will provide testimony on the FY 2025 budget, after which, the panel would be pleased to answer questions that you or the Committee may have.