

**PUBLIC OVERSIGHT HEARING ON
FY 2022 and FY 2023 PERFORMANCE**

of the

THE NOT-FOR-PROFIT HOSPITAL CORPORATION

Before the
Committee on Health
Council of the District of Columbia

The Honorable Christina Henderson, Chairperson

February 9, 2023, 9:30 a.m.
Virtual Meeting Platform



Testimony of Angell Jacobs
Chairperson, 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 of the Not-for-Profit Hospital Corporation, more commonly known as the United Medical Center or UMC. I also serve as the Deputy Chief Financial Officer and Chief of Staff for the Office of the Chief Financial Officer. I am pleased to appear before you today, along with UMC CEO Dr. Jacqueline Payne-Borden and CFO Lilian Chukwuma to discuss the FY 2022 and FY 2023 performance to date of UMC.

FY 2022

Despite many challenges in FY 2022, I am very pleased to report that UMC continues to fulfill its mission of providing quality medical care to our residents. On the financial front, UMC ended the year with a balanced budget and received an unmodified or clean audit opinion from the independent auditors on its financial statements, with no material weaknesses, significant deficiencies, or audit recommendations. This is quite an accomplishment for UMC, and I would like to take this opportunity to congratulate and thank all staff that support UMC on these stellar accomplishments.

When we last appeared before the Committee, the hospital's daily operations were overseen by the management firm, Mazars, Inc. In July of 2022, the Fiscal Management Board ("Board") decided not to exercise future option years of the

Mazars contract and to entrust the daily management of UMC to the very skilled and capable in-house executive management team, led by Dr. Payne-Borden. The Board has every confidence that this leadership team will ensure continued quality care to our patients, engage with partners and stakeholders to serve the community, and act as good stewards of our available resources until the hospital's closure.

FY 2023

As you may recall, last year we reported a severe nursing shortage at UMC which resulted in significant rates of ambulance diversion. The problem of diversion due to lack of staffing has largely been resolved due to the new nursing leadership which has continued to effectively recruit new nurses while better managing nurse scheduling and effectively using agency nursing resources to ensure proper clinical coverage.

While we celebrate this success, we acknowledge that FY 2023 has also brought challenges to UMC. We continue to see declines in actual patient activity compared to budgeted activity. In addition, as of the end of the first quarter of FY 2023, the hospital's Disproportionate Share Hospital payment, known as DSH, was further reduced from FY 2022 levels. This reduction has created budgetary challenges for the hospital. In response, the UMC management team is taking action to review

internal utilization, increase operating efficiency and control costs where possible, with the full expectation that the hospital will end the year in balance.

I would like to turn now to our CEO, Dr. Jacqueline Payne-Borden who will provide greater detail regarding the hospital's performance, after which we would be pleased to answer any questions the Committee may have.