

**PUBLIC OVERSIGHT HEARING ON
FY 2023 and FY 2024 PERFORMANCE**
of the
THE NOT-FOR-PROFIT HOSPITAL CORPORATION

Before the
Committee on Health
The Honorable Christina Henderson, Chairperson

Committee on Hospital and Health Equity
The Honorable Vincent C. Gray, Chairperson

January 25, 2024, 9:30 am
Council Chambers, Room 500



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, Chairpersons Henderson and Gray, and members of both the Committee on Health and the Committee on Hospital and Health Equity. I am Angell Jacobs, and I have the privilege of serving as 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 to provide remarks, along with UMC CEO Dr. Jacqueline Payne-Borden and CFO Lilian Chukwuma to discuss the performance of UMC for FY 2023 and FY 2024 to date.

FY 2023

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. I would like to take this opportunity to sincerely thank and congratulate the staff at UMC on this stellar accomplishment.

I also want to congratulate the staff at UMC for the successful survey from the Joint Commission Accreditation Committee. Since July 2022, the daily management of

UMC has been entrusted to the very skilled and capable in-house executive management team, led by Dr. Payne-Borden. This team works tirelessly on a daily basis to ensure that our patients receive continuous quality care, engage with partners and stakeholders to serve the community, and act as good stewards of our available resources.

During FY 2023, UMC continued to experience declines in patient activity compared to budgeted activity. Additionally, we experienced a significant reduction in Disproportionate Share Hospital (DSH) payment of approximately \$8 million. The impact of this reduction will carry forward into FY 2024. Nursing leadership continued its efforts to recruit new nurses; however, with the imminent closure of the hospital, UMC has and will continue to rely heavily on agency staffing to ensure proper clinical coverage. Despite these challenges, the hospital ended the year in balance.

FY2024

Aside from effectively managing daily operations, UMC's most significant project this year will be finalizing and executing the closure plan for UMC in coordination with the opening of Cedar Hill Regional. Initial funding has been identified to procure the services of a project management firm to assist in the development and

implementation of the closure plan. Efforts to develop and release a request for a proposal are currently underway.

I would now like to turn 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.