



EMPLOYEE NEWSLETTER

May 2008

FINANCIALLY SPEAKING

March was a strong month with progress being made with several initiatives. We had a good month operationally. Admissions were up 81 over February and 21 over March last year. ALOS for medical/surgical patients was down .3 of a day, and Medicare patient mix was up to approximately 40%. Emergency Department visits were up 142 for the month, and all other O/P visits were up 1,738 due to the start-up of the reference laboratory for Capitol Hill and Hadley Hospitals. Paid over-time was reduced by \$91,000 this

month. Our monthly loss was reduced to just under (\$900,000), whereas, losses had been running nearly \$1 million monthly. Many initiatives to increase revenues and lower costs are currently underway, and we anticipate breaking even on a cash flow basis by June 2009. Included in the initiatives is the plan to defer wage increases for 12 months that was announced two weeks ago.

Many employees are asking "what can I do to help insure the hospital survives?" Clearly the answer is please do everything possible to achieve excellence in everything you do at work, and focus on achieving increased I/P & O/P volumes and lowering our operating costs. -

Gary Rowe
Interim CEO

PHYSICAL IMPROVEMENTS

There has been a great deal of work done improving our physical plant. The *roof replacement and repair* is finished with the exception of trimming the roof edges which will be completed over the next three weeks. Hospital-wide hot water tanks & regulators have been installed; orders have been sent for a new Cooling Tower (air-conditioning system); and emergency power back-up generators.

New equipment has been ordered...a *new telephone system* is being ordered; a new

Vitec II for processing positive cultures in the Laboratory; and *new security cameras* for the building exterior and parking lots. As plans are completed for the *actual telephone system replacement*, we will communicate in detail with you and your office/department.

The *curtain-wall replacement project* has consumed hundreds of planning hours. The project

which began April 21st will be completed in early December, it will include the replacement of all windows in the patient tower from the 3rd to the 8th floors. The *Psychiatric Service* will be closed for nearly two months during this project, and we are currently pursuing temporary relocation of the Psychiatric Service to other unused areas of our hospital during this period. We will also have to close our *Dialysis Service*, but we are planning to use mobile dialysis

PHYSICAL IMPROVEMENTS CONT...

machines during this time so dialysis patients' services won't be affected. We will have to close the *Department of Corrections "secure unit"* on the 7th floor for several weeks during this project. The secure patients will be managed on normal patient floors with increased police protection.

Building renovation for the *Skilled Nursing Center* will be commenced during the next couple of months, and we are still planning to open SNF by the first of the year.

PERFORMANCE IMPROVEMENT

We conducted a *Clinical Coding and Documentation Audit* which estimates we can pick-up an additional \$4.2M annually by improved coding and documentation. Case Mix Index could be increased substantially by improved performance of our coders, and improved documentation by our medical and clinical staff. We are planning documentation training sessions for members of our medical staff.

Great News...we were notified on April 9th that DOH and CMS had validated we were in *compliance with the Medicare Conditions of Participation*. CMS approved our Plan of Corrective Action, including the plan to up-date our elevators during 2009. Now we must insure we fully implement the Corrective Action Plan, and continue improving wound care management, infection control practices, Emergency Department and clinical outcomes.

We have had several *meetings with Alliance Managed Care Organizations and DC officials* in an effort to seek increased reimbursement and more timely payments for the hospital and our medical staff. Though not yet certain, we remain optimistic regarding the eventual outcome of these meetings. We are also working with District and Medicaid officials to increase hospital and professional fee payments to physicians in DC for traditional Medicaid services. Achieving these initiatives is vital to our long-term financial success.

We are finalizing plans to renovate six surgical suites and two procedure rooms in the Surgery Department. We will provide you notice as we move closer to the start of the project. Surgery will of course remain open during the renovation. We are also finalizing plans to replace much of the equipment in the Surgery Department.

We are also developing plans to renovate and expand the Emergency Department although no start date has yet been

set. On May 1st, EDCare, the new ED physician company, began providing physician staff to GSCH. We have recently employed several new nurses, replacing the agency nurses that have for so long been our main work force. Much progress is being made in the ED. Waiting times are decreasing significantly and we are experiencing improved performance in most every area. Though much work remains to be done, we want to thank all of our employees who are contributing to improving the operations in the Emergency Department.

OTHER NEWS

Greater Southeast Community Hospital is changing its name...and the Board of Directors wants your opinion! From Monday, May 12th through Wednesday, May 21st, stop by one of four ballot boxes placed throughout the hospital to participate in the selection of our new name. All who vote will automatically enter a drawing for exciting, valuable prizes. More information will be provided to you soon, including the exact locations of the ballot boxes. Ensure that **your voice is heard** as we rename your hospital.

FOR YOUR INFORMATION....

As most of you know, we have been engaged in negotiations with 1199SEIU United Healthcare Workers East for several months. The bargaining agreement with 1199SEIU expired at midnight on May 1, 2008. As of today, the Hospital and 1199SEIU have been unable to reach an agreement, and we understand that 1199SEIU has called a vote Friday, May 9, 2008. This vote will determine whether the employees of 1199SEIU authorize a strike.

We face many challenges as we strive to create a quality, sustainable hospital that serves our community. We are hopeful that the SEIU represented employees will not strike, and believe that the Hospital has presented a proposal to 1199SEIU that is prudent and will best serve the Hospital's turnaround efforts. That proposal is to maintain the current collective bargaining agreement through February 28, 2009, while the Hospital continues its turnaround efforts.

Although this obviously is a challenging time for everyone involved, please know that the Hospital has been working very hard to avoid a labor dispute and reach an agreement with 1199SEIU. We will do our best to keep you informed of the status of negotiations. We also want you to know that the Hospital will remain open for business and do everything necessary to ensure that patient services are not interrupted. As always, we appreciate your hard work and dedication to our Hospital.

THE PURPOSE OF THESE MONTHLY REPORTS IS TO PROVIDE YOU APPROPRIATE INFORMATION AS TO THE ACTIVITIES, SUCCESSES AND PROBLEMS OF GSCH. SHOULD YOU HAVE QUESTIONS OR SUGGESTIONS REGARDING THE CONTENT OF THIS MONTHLY REPORT, PLEASE LET ME KNOW. THANK YOU.