

## **First Annual State of the Hospital Address**

**Arthur A. Gianelli**

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County Executive Mangano; our other elected officials; business, academic, health care, and not-for-profit leaders; and members of the NuHealth family...

On behalf of Chairman Craig Rizzo and our Board of Directors, thank you for coming out this evening for the Grand Opening of NuHealth's Emergency Department.

Before I begin my remarks on the state of the NuHealth System, some "thank you's" are in order.

First, I should thank Deidra Parrish-Williams and the NuHealth Foundation for pulling together tonight's celebration. Historically, NuHealth has had no philanthropic presence. We changed that in 2007 when we created the NuHealth Foundation – and we began to make real progress when Deidra took a chance, left Newsday, and came to work with me to create something new, exciting, and incredibly important. Philanthropy will be crucial to NuHealth's future success, and our Foundation has a gifted leader in Deidra.

Our new Emergency Department cost \$36 million, a sum that isn't easy to come by even for health systems with access to sizeable capital support. So I wish to acknowledge the State of New York and the County of Nassau for making funds available to NuHealth to undertake a project of this magnitude...and of this importance.

I must thank Michael Ade, our Vice President for Planning, and the team of professionals that worked for over a year-and-a-half to construct our new Emergency Department. From the NuHealth family, I would like to recognize Larry Slatky, Steve Suspenski, Ross Frazier, Pat Degree, Jamie Engel, George Araujo, and all of our employees who worked to make our new Emergency Department a reality. And from our extended family, I must recognize Robin Sobrano from Cannon Design, the firm that drew up the plans for this wonderful facility; Neil Heyman, John Mienkiewicz, and Brian Maggio from Gilbane, the company charged with managing the construction of the new Emergency Department; Tara Redman and Joanne Mclsaac from TRO, the firm responsible for the Emergency Department's bright colors and modern finishings; and Bill McGrath from Plaza Construction and all of the trade union workers for their professionalism, skill, and commitment to this project. The residents of Nassau County will benefit from your hard work for generations to come.

Finally, I want to acknowledge the work of our Emergency Department staff. Led by Chairman Tony Boutin, Director of Nursing Anne Heuser, Administrator Nick Albanese, and Dr. Grace Ting – and supported relentlessly by our Chief Medical Officer Steve Walerstein - NuHealth's emergency medical professionals provide the best emergency and trauma care on Long Island. Now, finally, they have a

facility that matches in its contemporary design and high-end technology the caliber of compassion and care they deliver every day.

Our new Emergency Department represents the renaissance of this health care system, a new direction for a system that – for so long – had been burdened by a poor reputation, an absence of strategic thinking, and the belief that publicly delivered health care could barely aspire to adequacy, let alone to excellence.

When I arrived here a little over 5 years ago, NuHealth was in danger of closing its doors. Decades of political meddling, patronage appointments, deferred physical improvements, and grossly imbalanced operations had taken their toll. Things grew decidedly worse in 2006. The Governor had proposed \$30 million in cuts to NuHealth’s budget. Cash was running out. NuHealth failed a Joint Commission survey. The Department of Justice was actively monitoring the quality of care delivered at A. Holly Patterson. Board members held dueling accusatory press conferences and secretly taped executive sessions. NuHealth’s physical plant was aging. Its real estate was either deteriorating or underutilized. Its family health centers were virtually ignored, used mainly as dumping grounds for problem employees. And over the prior 20 years, seven sets of plans to renovate the Emergency Department were drawn up – and cast aside – as money never materialized, priorities randomly shifted, CEOs regularly departed, and follow-through simply didn’t occur.

Five years ago, to save NuHealth, we charted a new direction.

Look how far we’ve traveled.

At NuHealth, we did what no one believed was possible – we shed the pallor of persistent deficits and have run operating surpluses for the last two years.

We completely transformed A. Holly Patterson. The Department of Justice left early. Now, A. Holly Patterson has grown its census, made money for four consecutive years, and been assigned a 5 out of 5 star ranking by the Centers for Medicaid and Medicare Services for three successive years, putting it among the top two percent of all nursing homes in New York State.

We aced our re-accreditation survey. We have attracted exceptional clinical leaders to chair our departments. Our core measures are now amongst the highest in hospitals anywhere in the United States. The improvement in these measures, particularly in addressing heart attacks, pneumonia, and heart failure, has been so dramatic that the Joint Commission has actually asked us to share our success story with the larger community of accredited organizations. NUMC’s Stroke Center has earned a “Silver Plus” designation from the American Heart Association and the American Stroke Association. NUMC’s inpatient physical rehabilitation service has been ranked for three successive years by *U.S. News and World Report* among the top 100 of all such services throughout the United States. The Medical Center’s bariatric surgery program earned top national honors in 2009 from HealthGrades. And in 2011, we expect to earn Center of Excellence designation for three of our most important services: bariatric surgery, the burn center, and our hyperbaric program.

We have begun transforming how we deliver outpatient care. We established the Long Island Federally Qualified Health Center – a not-for-profit board of community leaders and consumers of care – to co-manage our four family health centers, entitling us to greater reimbursement, low cost pharmaceuticals, and access to new streams of federal funding. We’ve expanded our outpatient care base by acquiring a majority interest in South Ocean Care, a well-regarded primary and specialty care center located in Freeport. We have forged a partnership with Hudson River Healthcare, a 13-site federally qualified health center based in the Hudson River Valley and known nationally for the progressive way in which it provides care to underserved and indigent populations. We introduced NuCare, a health education and care management program for our uninsured patients. Our “Healthy Kids First” initiative has reduced our percentage of uninsured children from over 16% to just 6%. We offer the most complete array of options of any hospital on Long Island for patients with limited means or without insurance to obtain, at a low or no cost, the medicine they need to maintain their health once they leave our hospital. Finally, we have established two Centers of Care to help our patients manage chronic diseases, which, when left untreated, are leading causes of avoidable hospital admissions: our newly opened Heart Failure Center and the Zaki Hossain Center for Hypertension, Diabetes, and Vascular Medicine.

Buttressed by a number of funding sources, we are seizing a once-in-a-generation opportunity to modernize our physical plant, medical equipment and information technology. Visible changes at NuHealth are well underway. The signature project of our modernization program is, of course, our state-of-the-art Emergency Department. But there have been many other projects as well, including the Zaki Hossain Center; the National Mahjongg League Foundation Breast Health Center; the Nassau County Firefighters’ Burn Center; new Heart Failure and Stress Echo Centers; a new Dialysis Center; new Chemical Dependency and Adult Psychiatric Units; a renovated Medical and Surgical Unit for our bariatric and joint replacement patients; a new Family Health Center in Roosevelt; and a new Amphitheater.

But this isn’t all. By the end of 2011, we expect to have finished constructing a new Eye Center and well-appointed space on the 18<sup>th</sup> floor for our physicians to develop private practices; completed major renovations of our Maternity Unit, Intensive Care Units and our Physical Medicine and Rehabilitation Unit; upgraded the space for our Academic Affairs Department and our Medical Library; and installed contemporary, bi-lingual, easy-to-read signs throughout the hospital and on the East Meadow campus.

We’re also acquiring cutting-edge medical equipment and information technology systems. The 320-slice CT scanner in our new Emergency Department provides our physicians with the clearest images possible from which to make time-sensitive diagnoses. We recently purchased three full-field digital mammography units, and before the end of 2011, we will be one of only a handful of facilities to offer three dimensional tomosynthesis, providing our breast health patients with access to the most powerful imaging technology anywhere in the country. Working with the North Shore – Long Island Jewish Health System, we will have upgraded and installed two cardiac catheterization laboratories by the close of 2011, making it possible for us to seek designation in 2012 as an Interventional Cardiology Center. And in 2012, we will have completed the installation of our electronic medical record system in the hospital and in our health centers.

These are wonderful accomplishments. But our journey cannot stop here.

Health care is changing at an unprecedented pace. Stand-alone hospitals are closing. Health reform promises to expand insurance coverage while remaking the system through which we deliver care, yet pressure is simultaneously mounting to reduce funding for government insurance programs.

Amidst these challenges, how should NuHealth be positioned to build on these accomplishments, to succeed in increasingly difficult times?

Our vision for NuHealth is to provide the best possible care to everyone, but particularly to Nassau's most vulnerable populations.

To achieve this vision....

We must engage our physicians and our employees as partners in our continued transformation. Our employees – and their union – must see themselves as more than “just” government workers. They have to recognize that we come to work every day in a fiercely competitive environment, operating what management theorist Peter Drucker called “altogether the most complex human organization ever devised.” Our employees should want to receive their care here at NuHealth. Our collective bargaining agreement must meet modern realities and reduce unaffordable benefits, particularly retiree health insurance coverage. And the interests of our physicians must be aligned with those of NuHealth, so that bonuses are earned for improvements in quality, reductions in unnecessary utilization, and new business which they generate.

We must become much more sophisticated in our relationships with managed care companies. We must secure payments from commercial managed care companies that are fair and reasonable for the work we perform. NuHealth and its physicians are underpaid, relative to the surrounding market, by tens of millions of dollars. This must change. To this end, we are putting every commercial managed care company on notice that they must negotiate payments that respect this hospital, its practitioners, and our patients. Otherwise, we will not hesitate to go out of network, nor will we shy away from making our battle a public one.

We must make the investments necessary to succeed in a landscape fundamentally changed by health reform. We must complete our electronic medical record and utilize our position as a founding member of LIPIX, Long Island's regional health information organization, to better manage the care of the populations we serve. We should expand the reach of our federally qualified health center, a powerful tool for providing primary and specialty care to underserved communities throughout Long Island. And we have to cultivate community-based partnerships such as the Long Island Behavioral Health / Primary Care Network, a soon-to-be-announced affiliation designed to manage the care of patients diagnosed with mental illnesses, one of the most vulnerable – and most costly – patient populations for whom we provide care.

We must re-imagine and redevelop our two campuses. In Uniondale, we envision the creation of a Senior Village. We will enter into a series of long-term leases with major development partners to

construct an Assisted Living Facility, senior and workforce housing, supportive commercial uses, a geriatric primary care center, and a community center and athletic fields. Meanwhile, the Village for Healthy Living will reside on 35-acres of the NUMC campus in East Meadow. Here, we'll enter into a series of joint ventures with physicians, medical management companies, and developers to construct an Ambulatory Pavilion, which will consist of an Ambulatory Surgery Center, an Imaging Center, and Oncology Center, and a Medical Office Building. We will also enter into agreements with developers to rehabilitate and expand our housing for residents and medical students and to construct a Wellness Complex, which will include a fitness center, physical rehabilitation facilities, and other amenities designed to improve the quality of life of our patients. The Two Villages will be wonderful examples of public-private partnerships where private equity will be leveraged to make investments that support the public good. This vision will take years to fully become reality, but in the interim, hundreds of construction jobs will be created, and hundreds of millions of dollars of private capital will be invested to recreate the NuHealth System.

Finally, we must realize that a successful future requires a radical rethinking of how NuHealth should be organized to fulfill its vision. We took our first timid steps several years ago by entering into an affiliation agreement with the North Shore – Long Island Jewish Health System. Since then, we have worked together to enhance our clinical programs in cardiology, neurosurgery, pediatrics, anesthesiology, pathology, and radiology. I have proposed to our Board something called Clinical Integration, which will take this affiliation a giant step further. Clinical Integration is a cutting-edge strategy pursued by the most progressive hospitals and physician groups in the country. Through this strategy, NuHealth and North Shore will create a series of “departments without walls”, forging a cooperative network amongst all of our physicians designed to improve quality, standardize practices, enhance efficiency, control the cost of delivering health care to our patients, and, under the right circumstances, permit joint contracting with commercial managed care companies.

As importantly, we must consider alternative organizational structures for NuHealth. Throughout the country, public health systems have re-organized themselves to deliver health care in the most effective and efficient manner possible – including escaping the anti-competitive burdens of civil service and public health and pension benefits - while still retaining eligibility for supplemental Medicaid payments. From the Grady Health System in Atlanta to the Truman Medical Centers in Kansas City to the Regional Medical Center at Memphis, not-for-profit corporations have been created to operate hospitals or health systems formerly owned by local governments or public authorities. And from the Great Lakes Health System of Western New York to the Boston Medical Center in Massachusetts to the Brackenridge Hospital in Austin, public providers have entered into joint ventures with not-for-profit corporations to offer the best possible care to traditional safety-net populations. We need to take seriously these developments and recognize that NuHealth must move away from the public authority model, as so many other public health systems have throughout the county, in order to succeed in the context of reduced public financing and health care reform.

Theodore Roosevelt once said: “Let us show, not merely in great crises, but in every day affairs of life, qualities of practical intelligence, of hardihood and endurance, and above all, the power of devotion to a lofty ideal.”

Our lofty ideal is best exemplified by one of our wonderful Emergency Department nurses, Marvin Berg. On Friday, there was a bus accident. Marvin was off duty and happened to be shopping near the accident scene. Before the Nassau County AMT could arrive, Marvin was already at work providing aid and comfort to the victims of the accident, and he actually accompanied one of the more anxious victims to the hospital to receive additional care.

We can spend \$36 million to construct a beautiful new Emergency Department, but we cannot build the compassion and skill exemplified by Marvin and by all of our clinical staff, day in and day out.

We can host a fancy gathering to celebrate our handiwork, but such a gathering can never replace the power of devotion to a lofty ideal – the ideal that everyone - regardless of race, language, or ethnicity, regardless of income, citizenship, or insurance status – deserves the best possible care, because publicly delivered health care must aspire not just to adequacy, but to excellence.

That, my friends, is our new direction.

Thank you.