



1493 Cambridge Street, Cambridge, Massachusetts 02139 (617) 498-1000

WE'RE TURNING 75, FEEL HEALTHIER THAN EVER, AND ARE STILL GROWING!

The Cambridge Hospital opened its doors in 1918, and will be 75 years strong in 1993. The hospital has evolved from a small 50-bed general community hospital to an integrated health care system affiliated with Harvard Medical School. Our comprehensive range of services includes a 169-bed inpatient capacity, medical and psychiatric emergency departments, primary care and outpatient specialty services. In addition to hospital-based services, we operate a network of six neighborhood health centers located throughout the City (including a teen health center at the Cambridge Rindge and Latin School), and are making plans for a senior health center. We have also developed many innovative programs in response to the needs of our community, such as nurse midwifery, healthcare for the homeless, mental health services for linguistic minorities, and the Zinberg Clinic for HIV infected individuals. Owned by the City of Cambridge, our primary commitment is to the residents of the City, yet our location on the Cambridge-Somerville line, excellent staff and services, and model programs have attracted patients from a broader service area.

Much of our growth in activity has taken place in the past five years, when we experienced an increase in ambulatory visits from 100,000 to over 160,000, and a 40 percent increase in inpatient utilization in the same period. Our growth has been largely attributable to our strategic planning efforts to increase access to our high quality services, by attracting highly qualified physicians and staff, developing new programs and improving existing ones. Our growth patterns are consistent with national trends in the healthcare industry, where much care has shifted from inpatient to less costly outpatient settings.

The Cambridge Hospital has also recently enjoyed a stronger financial position, due to revenues from increased patient activity and favorable treatment by the State due to our designation as a hospital which serves a disproportionate share of uninsured patients. Although we are still dependent on the City for a portion of our operating budget, our deficit has decreased substantially over the past five years, and from a fiscal perspective are healthier than ever.

Through all our years of change, our mission of serving the community, of providing advanced, high quality, compassionate care has remained the same. As we intend to serve the community for many years to come, we have started to plan for our future by undertaking a facilities master planning process.

Why did TCH undertake a Facilities Master Planning Process?

The reasons are multifold, but quite simply, we are bursting at the seams, and our activity will soon outstrip our physical capacity to provide services. Over the past decade, we have undertaken numerous renovation projects to expand our existing services and provide new ones. For example, we have a state-of-the-art CAT scanner, modern birthing rooms, recently renovated pediatrics and surgery departments, and new progressive care, addictions treatment, and child and adult psychiatry units. Many of our administrative departments have already been relocated off-site to make room for expanded patient care functions. A comprehensive plan was required in order to implement our vision for serving the community's needs in the year 2000 and beyond, and to anticipate our capital requirements.

The planning process has involved active participation by members of the medical staff, Governing Board, City leadership, and administration through an organized committee structure. Committees include the following: Steering Committee, chaired by John O'Brien, Strategy and Program Subcommittee, chaired by Steven Lacy, M.D., Finance Subcommittee, chaired by Bob Cooper, Building Committee, chaired by Don Warner of King/Warner Associates, and External Relations Subcommittee, chaired by Melvin Chalfen, M.D.

The objectives of our facilities master planning process include the following: upgrade existing medical and support facilities, to support the health care delivery and education needs of staff and patients, to improve functional relationships between departments and services, to increase parking capacity, to enhance efficiency of operations, and to stay abreast of technical advancements in health care delivery; identify directions and opportunities for future growth, and allow flexibility for change and new program development; develop a new ambulatory care building which responds to anticipated growth in service volumes, and is competitive, convenient, and accessible; develop a facilities plan which addresses community needs and concerns and is consistent with the long-term plans of the City of Cambridge.

What is our proposed facilities direction?

Our plan is to construct a new building on our campus with six stories and three levels of parking below grade. The building will be constructed on a footprint which encompasses the site of our old boiler plant. We also plan to build two additional levels onto the existing three story section of our main building (between the north and west wings, above the current labor and delivery suite and laboratories). The project will add approximately 70,000 net square feet to our capacity, and also involves significant renovation of existing space. The new building will connect to the main structure on all levels, allowing for direct expansion of existing departments as well as excellent functional adjacencies. Vehicular access and egress will continue to be from Cambridge Street.

Administrative functions, such as our fiscal and patient care services divisions, which have been relocated from the main hospital and Macht building (on Camelia Avenue) to accommodate expanded patient care activity, will remain off-site.

Our plan is also to continue development of primary care sites in the community. The Teen Health Center and North Cambridge Health Center have been newly constructed in the past four years. Construction of a new Riverside Health Center on Western Avenue will be completed by the end of 1992. Renovations to the Windsor Street Health Center have been completed. Plans for a new senior health center in mid-Cambridge are underway.

What will the new space provide?

The new building has been principally programmed for ambulatory services, including the primary care center, ambulatory pediatrics, women's center, Zinberg Clinic, and specialty services, such as orthopedics and podiatry, surgery and surgical subspecialties (e.g. ENT, dentistry, ophthalmology), cardiology and other medical subspecialties (e.g. neurology, endocrinology, dermatology). At present these services are located in different buildings all over the hospital campus. Developing state-of-the art space for these services and locating the services together in a single building will provide more convenience to patients and will facilitate referrals between providers in our system.

Renovations of existing space in the main hospital building are also key parts of our facilities master plan. At the project's end we will also have a gleaming new emergency department, psychiatric emergency room, clinical laboratory, birthing center, operating suite, and intensive care unit. Our inpatient units will be reconfigured to eliminate four-bed rooms and provide better space for support functions.

What are we doing to address traffic and parking?

Our parking capacity was developed at a time when we had a smaller staff and limited traffic, principally visitors to patients on the inpatient units. With our dramatic growth in activity, higher degree of turnover by ambulatory patients, and larger staff, additional capacity has been required. We have already implemented off-site parking and shuttle service for employees to alleviate the parking situation, and expect to provide additional off-site options in the near future. We are working with the City's commuter mobility coordinator to develop incentives for carpooling and public transportation, to reduce the number of cars coming into the area. We will continue to address this issue with our employees and collective bargaining units.

The facilities master plan calls for the development of three levels of parking capacity below grade which would provide 250 additional spaces. A parking study has indicated that we need this parking to support our projected patient activity. Accordingly, employees who drive to work will park in off-site lots.

What is the estimated time of construction?

We plan to file a Determination of Need application with the State on July 1, 1992. After receiving all necessary approvals, we will begin construction. Construction of hospital space which is operational 24-hours a day, 365 days a year is quite a challenge. Our plan is to do our project in several phases, with site preparation and construction of the new building and parking capacity beginning at the end of 1993 and requiring approximately 18 months (to mid-1995). This would be followed by renovations within the hospital buildings and the additions onto the third floor of the main building. Our expected completion date is the end of 1998.

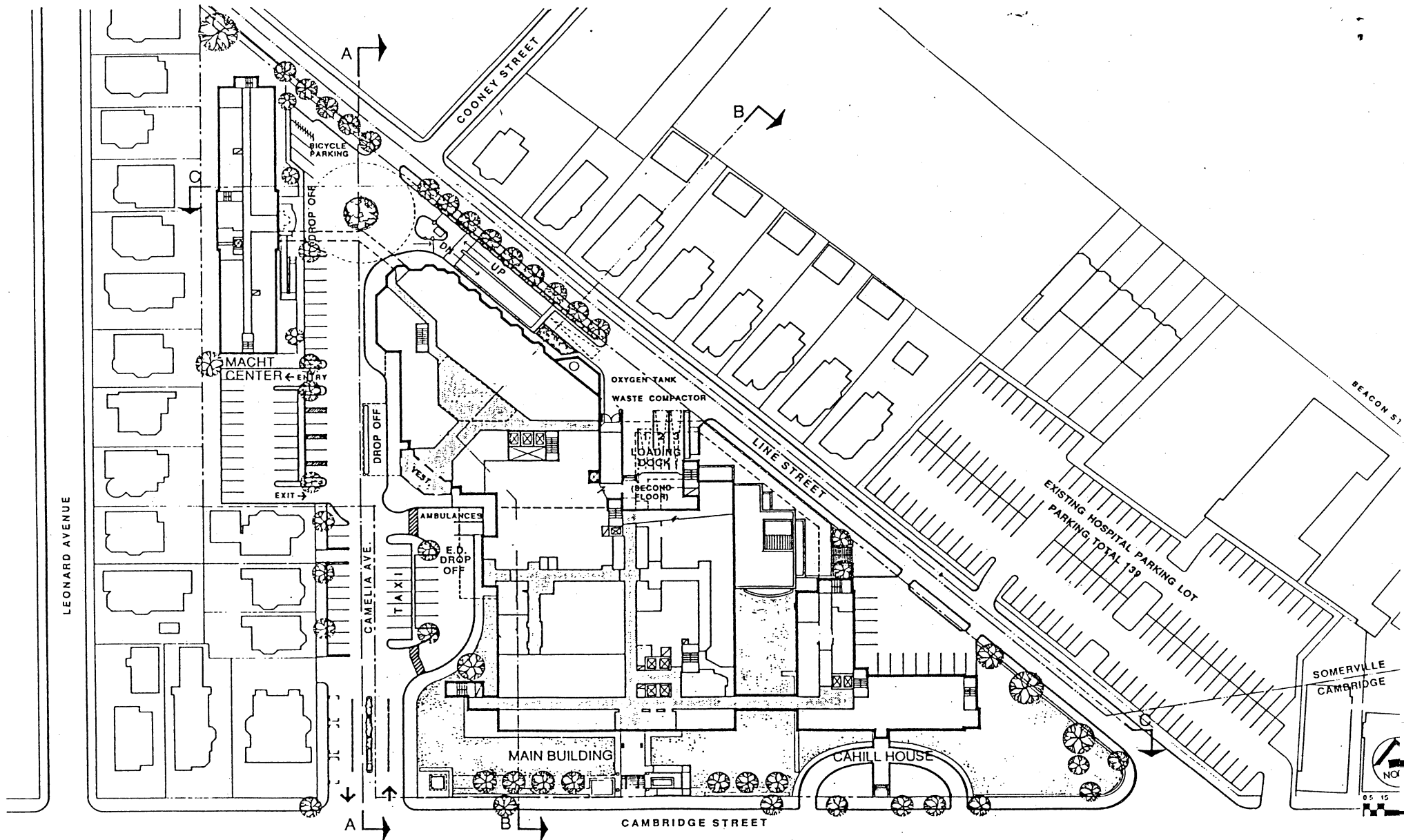
How will we address neighborhood concerns?

Although our mission is to serve the community, and our facilities direction has been developed with sensitivity to the community's needs, we recognize that we can not anticipate all the neighborhood concerns. We are also very anxious to share the story of our 75-year old history, and our future plans with our everyone who will listen! Accordingly, as part of the Facilities Master Planning Process, we are working with a Community Advisory Committee. The ten-member committee has been appointed by the City Manager and includes Cambridge and Somerville (Line Street) residents. The committee will review our facilities direction and serve as a liaison for providing feedback from the community prior to commencing the project and during our construction period.

Members of the Community Advisory Committee include the following neighbors: Sarah Bell (Antrim Street), Frank DuGuglielmo (Line Street), William Hammer (Line Street), Richard Herman (Leonard Avenue), Alan Isbitz (Fayette Street), Ron Margolis (Cambridge Street), Peter Payack (Highland Avenue), John Pitkin (Fayette Street), and Zaurie Zimmerman (Leonard Avenue). Hospital/City representatives include Richard Rossi, Deputy City Manager, Estelle Paris, Governing Board, Dr. Melvin Chalfen, Commissioner of Health & Hospitals, John O'Brien, Hospital Administrator (Chair), and Linda Chin (Associate Administrator). Sally Zimmerman from the Cambridge Historical Commission has also served on the committee.

Who can I call to answer additional questions?

Questions can be addressed to any of the aforementioned participants or to Linda Chin, Associate Administrator for Planning and Marketing, who is coordinating the planning process (x1547). Additional copies of this briefing can be obtained from the Department of Public Relations (x1584).

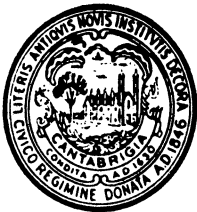


FACILITIES MASTER PLAN • PROPOSED CONCEPT PLAN

THE CAMBRIDGE HOSPITAL
CAMBRIDGE, MASSACHUSETTS

SITE PLAN

KING / WARNER ASSOCIATES INC.
ARCHITECTURE / PLANNING / INTERIOR DESIGN



CITY OF CAMBRIDGE

MAYOR MICHAEL J. NEVILLE MANOR

650 CONCORD AVENUE CAMBRIDGE, MASSACHUSETTS 02138
(617) 349-4050



TO: City Council

From: Paul Hollings, Administrator

Date: 7/8/92

RE: Status of Neville Manor

Survey

Neville Manor has made great strides in the past year. Based on the number of deficiencies received, we experienced our most successful Department of Public Health survey last summer. A follow-up survey this spring cleared us of all deficiencies from the summer. We are expecting this year's annual survey any day now. I am confident that we will do well, though a survey always depends at least in part on the surveyor. One of the consistently positive comments that surveyors make every time they come in is that the residents are happy and the interaction between the residents and employees is good.

Director of Nursing

We recently hired Brenda Sanchez to the position of Director of Nursing, which, on a day to day basis, is the most important position in any nursing home. Our selection process was an inclusive one which involved about a dozen employees, including four nursing assistants, and one of our board members. Each person who met with Brenda came away with a very positive feeling about her, and the references we received were outstanding. I am confident that she is the clinical leader that Neville Manor needs. Her first day is July 15.

PMI issue

Neville Manor's biggest challenge in the coming years will be financial. As one of only eleven (11) public medical institutions (PMIs) in Massachusetts (out of 550 nursing homes), Neville Manor receives substantially higher rates of pay from the Medicaid program than other nursing homes. Our projected average Medicaid rate for next year is about \$134 per day. Without our PMI status, that rate would be close to \$109 per day. This is a difference of approximately \$1.6 million. Our FY 93 budget is \$9.5 million and 94% of our residents have their stay paid for by Medicaid.

Our costs are actually about \$151 per day. The difference between this amount and \$134 per day is primarily made up by the city tax subsidy, which amounts to about \$13 per day. Other revenue sources include private and Medicare payments, and interest on the enterprise fund.

Neville Manor's costs are considerably higher than the industry's costs for a number of reasons. Our rates of pay for hourly workers are higher than other nursing homes, especially for registered nurses, whose contract is tied in with the hospital's. Another major source of discrepancy is our very generous benefits package. Our health insurance budget for FY 93 are almost 1,000,000. Other not-for-profit homes (which tend to spend at a higher rate than for-profit homes) spend less than half this amount. We also offer far more sick days, holidays, and other benefits, which increases the discrepancy.

In addition, our staffing levels are somewhat higher than the industry as a whole, although they are comparable to many high quality not-for-profit homes that I know.

The Rate Setting Commission has indicated its intent to eliminate the PMI differential. We are hopeful that we will be able to head off this effort this year.

Purchasing and civil service

Neville Manor's cost problems also stem from rules imposed upon public institutions which do not bind private homes. Two of the most difficult problems we face are purchasing and civil service. We are now working our way out of some of the worst of the purchasing problems, thanks to legislation passed last year to exempt public health care facilities from Chapter 30B. I am confident we will also be able to work with the city to ameliorate some of the problems we face with civil service.

Future Plans

Despite the grim financial picture, Neville Manor has some extraordinary strengths. Neville is strengthened by its relationship with the community. We have a strong board which has taken a leadership role in several areas of Neville's improvement. The community relationship also manifests itself in the fact that hospital discharge planners tell us that nearly all Cambridge residents ask for Neville Manor when nursing home placement is required. In my opinion, this reputation is justified, although we still have much room for improvement.

In order to successfully face the challenges of the future, we have begun a major effort to change the way we do business. We are currently in the process of defining our mission, vision, and values. This is a process which will involve the board, residents, and employees. We can only succeed if all of us are aligned on Neville Manor's role and way of doing things.

We are also working to implement a program of continuous quality improvement, which involves extensive education of employees at all levels of the organization in problem-solving skills. We are working through this project to create a blameless environment, and develop a strong customer orientation. This can only be accomplished through extensive education and empowerment of employees.

A key principal involved in our management plan is the involvement of employees in the decision-making process - to move Neville Manor from a top down hierarchical organization to a more inclusive operation. For instance, the involvement of nurses and nursing assistants in the Director of Nursing search process, including interviewing, was well received and will smooth Brenda's introduction to Neville next week. We continually strive to communicate with all employees on matters of importance and will continue to seek their ideas and involvement in the continued improvement of Neville Manor. Employees are our most valuable asset and we need to treat them as such.

The physical plant of Neville Manor is undergoing numerous changes. In the past year, we have completed a renovation of our heating, ventilation, and air conditioning system, which has resulted in a more comfortable environment for residents and employees alike. This fall we will be replacing a leaky roof as well as all windows in the building. Our existing windows are single pane, extremely drafty, and many can not be opened.

I believe that part of the problem that led to Neville's problems two years ago was an underemphasis on investment spending in relation to consumption spending. Our future success will depend upon the investments we make today in the education of our employees and the maintenance of our physical plant and equipment.

Some of our specific goals around improving revenue and decreasing expenses include reduction of absenteeism and worker's compensation, development of Medicare revenue sources, reorganization of the nursing department to improve accountability and responsiveness, and holding the line or reducing staffing levels where possible.

City of Cambridge

The Committee on Health and Hospitals held a public hearing on Friday, June 26, 1992, beginning at 8:35 a.m. in the Board Room of the Cambridge Hospital. Present at the hearing were Councillor Francis H. Duehay, Chair of the Committee, Councillor Jonathan S. Myers, Councillor Walter J. Sullivan, Councillor Timothy J. Toomey, Jr., and Councillor Alice K. Wolf.

Councillor Duehay convened the hearing and announced that the purpose was to discuss the hospital's facilities master plan and other ongoing issues, particularly potential changes to the ordinance on recombinant DNA technology, and an update on Neville Manor.

Councillor Duehay requested that Dr. Melvin Chalfen, Commissioner of Health and Hospitals, begin with a discussion of the issues regarding Chapter 8.20 of the Cambridge Municipal Code, the Recombinant DNA Technology Ordinance. Commissioner Chalfen informed the group that in the several years since the adoption of this ordinance, the science and technology regarding these procedures have changed so significantly that the ordinance in its present form has become much more difficult to administer. In addition, in its current form, the ordinance provides substantial barriers to the developing industry which are not needed at this point. Commissioner Chalfen, along with the Cambridge Biohazards Committee, has been working on proposed amendments to the Ordinance which would still protect public safety but would allow for industry development. Commissioner Chalfen introduced Oliver Farnsworth and Ellen Stoddard, as two members of the Biohazards Committee in attendance at this Committee meeting.

City Manager Robert W. Healy said that a need for 250,000 square feet of additional laboratory space in Cambridge has been identified. The City is currently exploring new ways to assist the development of biotechnology laboratory space through use of the CDBG Sec. 108 loan program. The proposed amendments would allow a change in the method of laboratory construction which has been approved by the National Institute of Health but is apparently prohibited by the ordinance in its present form. It is expected that the proposed amendments will be submitted to the City Council at the August meeting for referral to the Ordinance Committee.

Councillor Duehay noted that when the ordinance was enacted, the researchers themselves lacked knowledge of the safety of their techniques.

At the conclusion of the discussion regarding the proposed amendment to the Recombinant DNA Technology Ordinance, Councillor Duehay moved to the next topic for discussion, the hospital's facilities master plan, and introduced John O'Brien, Hospital Administrator. John O'Brien introduced Linda Chin, Associate

Administrator for Planning and Marketing, who is coordinating the planning process, and said that he would present an overview of the facilities plan and Linda Chin would describe the planning process. The presentations by both John O'Brien and Linda Chin summarized the material which is set forth in Attachment A to this Report.

Councillor Duehay asked how the planners could be sure that the level of growth on which the plan is based will occur. John O'Brien responded that, although there can be no absolute guarantee, they have considered carefully the results of the strategic initiatives upon which the hospital has embarked, which have the effect of bringing more people to the hospital, and they have looked closely at the trend analyses which have been done each year and which have been on target each year.

Councillor Wolf asked what the impact would be of Mass General going into obstetrics. John O'Brien answered that it would have an adverse impact, and that impact has been considered in the planning projections.

Barbara Ackermann, Cambridge Health Policy Board, said that obstetrics continues to be an important area for the hospital to develop, but that there is a real need to improve the facilities to really capitalize on the desire of many Cambridge people to have their babies in Cambridge. Linda Chin noted that the data supports this preference of many Cambridge women who currently go elsewhere to have their babies. John O'Brien noted that the facilities are outmoded and that places like Malden that have developed a modern, first-rate facility are getting an increased market share.

John O'Brien emphasized the importance of facilities expansion to the continued development of community care networks in Cambridge. In response to a question about what would happen to the hospital if there is no expansion, he stated that the hospital cannot just remain as it is, and if expansion does not occur, the hospital will wither and either close or require more tax support.

Councillor Wolf noted that the vision as outlined is very comprehensive, and asked whether Cambridge Hospital could occupy a health care niche among hospitals that would not be as risky. Richard de Filippi, Ph.D., Cambridge Health Policy Board, stated that the Cambridge Hospital does have such a niche - it is a primary care hospital with community benefits, and, as such, does not intend to compete with the large tertiary care Boston hospitals. Here, the community benefits is not just a program, but the whole program.

Councillor Duehay asked whether there existed a written description of the community network and community benefits program, and observed that such a writing would be useful. He then requested that John O'Brien describe a problem that Cambridge Hospital and Hospice of Cambridge encountered in attempting to

facilitate community care. Both institutions want to have a terminally ill young woman with children transferred from Cambridge Hospital to Hospice, which would cost less overall, and would allow her to be with her children, but have been unable to do so, because although there are funding sources to pay for her stay at Cambridge Hospital, these cannot be transferred to Hospice, and no alternative funding has been identified. John O'Brien explained that Cambridge Hospital would like to be able to contract for funding that could be used to move patients to the most cost effective clinical setting. This is what the hospital is currently doing with the frail elderly program.

Commissioner Chalfen pointed out that the concept of managed care will have enormous implications for the future of medicine. Managed care looks at access, benefits - how to control and keep the cost down, and hospital and provider networks. In such a system, the purchasers of services look to have only the appropriate services provided and to have them provided in the most cost effective way. Linda Chin stated that the facilities plan responds to the emphasis on managed care.

In her description of the planning process (see Attachment A), Linda Chin noted that the entire hospital was involved. Dr. Steve Lacey added that the whole hospital worked as a group and that the medical staff is very excited about the planning process. John O'Brien noted that the Community Advisory Committee has worked many hours on the process and that two members were present at this meeting, John Pitkin, Fayette Street, and Alan Isbitz, Fayette Street. The Community Advisory Committee has raised significant concerns about the loading dock, site alternatives and parking, and these concerns are being discussed with all parties. Linda Chin announced that there would be a neighborhood meeting on July 20 at 5:30 p.m. in the Macht Building.

Councillor Wolf asked whether the community doctors who use the hospital were consulted. John O'Brien replied that they were. He added that at the City Manager's recommendation, the Hospital is also having an outside group, Ernst & Young, which does hospital feasibility studies, come in to test the planning assumptions.

John O'Brien said that the total maximum projected cost is \$57,645,021 with the expectation of a division between Enterprise Fund funding and bond financing. By September the financial feasibility studies will be ready for dissemination. He noted that it would cost in excess of \$20 million just to keep the hospital operating up to standard. James Maloney, City Treasurer, said that the tax contribution to the hospital is currently \$7 million, and he hopes to see the financing plan structured so that amount does not go up.

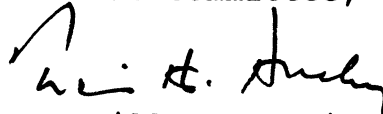
The final topic discussed at the meeting was Neville Manor.

John O'Brien presented a brief update on its status. There has been a new management team in place for a year, headed up by Paul Hollings. Neville Manor has been resurveyed by the Department of Public Health, and received its best report in years, with only seven relatively minor deficiencies cited.

John O'Brien also presented the issue of the PMI (public medical institutions rate. The Rate Setting Commission and the State have said they would like to get rid of this rate, and its elimination would have a \$2 million impact on Neville Manor. Costs at Neville Manor reflect a high level of benefits for its employees, the highest of all nursing homes in the state. A summary of the Neville Manor issues discussed is filed with this Report as Attachment B.

The meeting was adjourned.

For the Committee,



Councillor Francis H. Duehay,
Chair

Committee Report # 5 2-619

Health and Hospital Committee report
for a hearing held on Friday, June 26,
1992 relative to the Cambridge
Hospital's facilities master plan,
potential changes to the recombinant
DNA ordinance and an update on the
Neville Manor.

In City Council,

Aug. 3, 1992

*Report accepted.
Placed on file.*