



# The Cambridge Hospital

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

July 28, 1997



97 JUL 29 AM 9:48  
OFFICE OF THE CITY MANAGER

Mr. Robert W. Healy  
City Manager  
City Hall  
Cambridge, MA 02139

Dear Mr. Healy:

I am writing to provide you with a status report on Neville Manor. As you know from my previous update to you on April 14, 1997, our meeting with the City Council Committee on Health and Hospitals on May 20, 1997, and the regular bi-weekly updates that Paul Hollings is mailing to you, we are making progress in our transition plans for Neville Manor. The proposal of the Cambridge Housing Authority and their partners to rejuvenate and renovate the Neville Manor campus and provide a mix of nursing home, mixed income assisted living, and adult day health services is an exciting plan that will benefit elderly Cantabridgians.

In this letter, I would like to provide you with a general overview in three areas - 1) Our progress working with the Cambridge Housing Authority and their partners to develop the overall plan, 2) Our efforts to address the needs of the residents of Neville Manor, and 3) Our work to arrive at an agreement with the unions regarding the impact on staff members of Neville Manor.

## Overall Plan:

We have been meeting continually with the joint venture team headed by The Cambridge Housing Authority. We are negotiating a development agreement which we expect to sign in August. This agreement will bind each party to work together to achieve the necessary financing, permits, and approvals for development of the project.

One of our most important tasks is the development of a strategy for obtaining a Determination of Need (DON) from the Department of Public Health. Our plan for obtaining a Determination of Need calls for submitting legislation this Fall which would allow us full reimbursement for the construction costs related to the nursing home portion of the project. Without a DON, our ability to continue to provide nursing home services at Neville will be compromised.

Our overall schedule calls for the transition of management services of Neville Manor to Prism Health Group, a member of the joint venture team, in October or November of this year. The transition of ownership of the license of Neville Manor will take place in May, 1998. Prior to the transfer of ownership, we must develop a Master Lease agreement with the joint venture team. This agreement will require the approval of the City.

With Prism Health Group assuming management responsibility six months prior to the transition of ownership, we believe the joint venture team will have an excellent opportunity to ensure a smooth transition. All employees of Neville Manor, with the exception of the Administrator and Director of Nursing, will continue to be employees of the Cambridge Public Health Commission until May, 1998, when the joint venture team assumes ownership of the business.

#### Residents and Families:

Our goal for residents and families is to fulfill our plans with the least disruption possible. As you know, Neville Manor is licensed for 179 beds. Our goal is to decrease census to 85 by May 1998, which will enable the new owners to begin renovations to the facility at that time. We hope to be able to bring about this decrease in census without having to discharge any resident who wishes to stay at Neville Manor. Towards that end, the Neville Manor Board met on May 28, 1997 and approved a decision to freeze admissions. We have also been sharing information with the most independent residents and their families about opportunities available to them for community living arrangements. These actions, together with a slackening demand for nursing home care, have contributed to a steadily decreasing census. Today there are 129 residents at Neville Manor.

We are keeping residents and family members fully informed as we move ahead with our plans. Paul Hollings is mailing a letter to family members on a monthly basis, updating them on planned changes at Neville Manor. He is also meeting regularly with the resident's council.

#### Employees and Unions:

We are also committed to arriving at a mutually satisfactory agreement with our unions. This agreement will address the impact of coming changes on their members at Neville Manor. Last month we made formal proposals to both the Massachusetts Nurses Association and Local 195. We have since entered into negotiations with each union. I am confident that we will be able to arrive at agreements with each union in the coming weeks.

As a result of these negotiations, we anticipate that each employee of Neville Manor will have a number of opportunities and options. Some will have the right to bump into positions at The Cambridge Hospital, and others will have the opportunity to continue working at Neville Manor under a new employer. Any employee who is no longer employed by the Commission as a result of these changes, will be presented with a severance package, which

will include a one time payout based on years of service, a sick time buy back provision, continued health insurance coverage paid for by the Commission, and outplacement assistance.

We have achieved a decrease in census from 179 last July to 129 today without a single layoff. This has been accomplished by putting a freeze on hiring for most of the past year. However, as of this September, we will need to resort to layoffs in order to bring staffing levels in line with our continuing decrease in census. We expect to have completed agreements with the unions before layoffs begin, so that each employee who is laid off will receive the severance package that we have negotiated.

As you can see, we are making progress with our plans to transform the Neville Manor campus in a way that will better meet the needs of today's elderly Cambridge residents. Please contact me if you have any questions about this letter or our plans.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. G. O'Brien", written in a cursive style.

John G. O'Brien  
Chief Executive Officer

cc: Cambridge Public Health Commission

Status Report on Neville Manor

S-496(a)

In City Council July 28, 1997