

Vice Mayor Duehay requested Mr. Greene outline to the Committee the fact that as of July 1, 1985 the hospital will be on an "Enterprise Accounting" system. Mr. Greene stated that this system will provide the hospital a way to actually show the cost of each service at the hospital and eventually it will get the hospital into a cost accounting system. He further stated that the FY 86 budget for the hospital will show a \$4.2m pension and debt service.

Vice Mayor Duehay questioned whether or not there was sufficient money within the proposed budget to deal with the marketing campaign. Mr. Greene responded by stating that Media Collaborative Inc. felt a hospital would have to spend somewhere between \$225,000 to \$275,000 to fully educate the community. However, he stated that he believes there is sufficient money to allow for the hiring of an in-house public relations person and provide for some outside consultant services and still spend less than \$200,000. Vice Mayor Duehay suggested that the entire hospital staff be looked at as a public relations resource.

At this time the committee entered into discussion regarding the hospital deficit. Mr. Greene stated that there is no disagreement between the hospital staff and the budget people at City Hall, it was just the methodology which was at question. He further stated that the budget people look at a cash deficit as just that, a cash number, whereby the hospital looks at it on an accrual basis. He further stated that meant the deficit to the hospital would be \$2.8 while on a cash basis it would equal \$4.2m. He further stated that cash transfers have made up the difference in the deficit in past years.

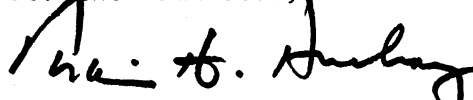
At this time Mr. John O'Brien, Hospital Comptroller, outlined some of the individual cost centers of the hospital and further stated that 25% of the hospital population is self-pay patients equally about \$10m in charges. He further stated that approximately 90% of that figure is uncollectable. Furthermore, he stated that figure should be broken down into two categories, free care which equals some \$2m and bad debt which equals \$7m.

Councillor Vellucci stated a separate meeting of the committee should be held regarding collection of past bills. Vice Mayor Duehay agreed and stated that he would like a plan from Mr. Greene for that meeting which would address what could be done in this regard.

Vice Mayor Duehay questioned whether any consideration and assumptions which could or would be made in the proposed budget as it relates to inter-governmental revenue. Mr. Greene responded by stating that as of right now, no intergovernmental revenue is in trouble, but the Child Development Clinic, the North Charles Mental Health Training Center and the Linderman Center do require review because of the fact they cost almost \$2m and they are funded from other sources.

The hearing was adjourned at 10:18 AM.

For the Committee,



Vice Mayor Francis H. Duehay
Chairman

Councillor Vellucci suggested the President of Harvard University be invited to the hospital for a tour of the facility. He also suggested that money from the vending machines be transferred to the marketing campaign and that the City Manager meet with all the unions in an effort to give the hospital more patient bed activity.

The meeting adjourned at 10:00 AM.

The third meeting of the Committee was held on Wednesday, April 10, 1985 with Vice Mayor Duehay requesting Dr. Melvin Chalfen, Health Commissioner, to make some opening comments. Dr. Chalfen stated that the proposed FY 85-86 budget maintains a track of physicians and equipment which will provide professional medical staff and technology needed to make the hospital efficient and competitive within the industry.

Mr. Greene stated that the proposed budget provides the hospital with the ability to reach the four goals desired which are in the professional, fiscal, general and ambulatory care services of the hospital. He further stated that once the renovation work is completed at the former nurse's home on Camelia Avenue, there will be some 10,000 sq. ft. of rentable space which will be added income to the hospital.

Mr. Greene further stated that certain programmatical initiatives have or will soon be instituted in the areas of ambulatory care, eye surgery, occupational health, inpatient care and child psychology.

Vice Mayor Duehay stated that initiatives within the area of the health clinics must also be taken in order to generate new clients. Mr. Greene responded by stating that a new concept called "co-venturing" with physicians is being considered. This, he said, would allow the hospital and physicians who would be opening a clinic an opportunity to interact and provide for a referral for the hospital, thereby potentially increasing patient bed activity.

Councillor Vellucci questioned whether or not a change in the location of the East Cambridge neighborhood health clinic was being considered. Mr. Greene responded by stating that staff from the hospital has been looking into the possibility of co-locating the present facilities at the Harrington and Kennedy School as well as the Castriotta clinic at the Miller River apartments. He further stated that he as well as others from the hospital have been meeting with people from the neighborhood and what has developed is a consensus that a meeting be held with the City Manager regarding the possibility of co-locating the clinics to one location at 650 Cambridge Street which within two blocks of the three existing sites. He further stated that if they were to go to this new location it would cost about \$50,000 annually.

Councillor Vellucci questioned the possibility of entering into an agreement with the Federal government to allow military personnel to be treated at the Cambridge Hospital. Mr. Greene responded by stating that the hospital has made some inquiries with the Veteran's Administration regarding that issue. He further stated that the V.A. has spent a lot of money rehabing and modernizing the hospitals both in Jamaica Plain and West Roxbury so they are fairly modern facilities themselves. He further stated that in some parts of the country they have started a program of referring some medical services to area hospitals.

Mr. Greene stated that for the past twenty-two months staff of the hospital has been working on a marketing campaign looking at ways to go about it and the type of professional consultant which would best serve the needs of the hospital. He stated that after reviewing several proposals, Media Collaborative Inc. was selected.

At this time the committee heard from Ms. Jayne Talmage of Media Collaborative who in addition to making an oral presentation offered a brief slide presentation in order to explain the various factors which went into the marketing analysis. These factors included:

- An overview and presentation of the marketing approach;
- The environmental assessment/demographic analysis of the Cambridge community;
- The marketing action plan;
- A series of strategies they feel will make the marketing plan a success.

Mr. Dan McGaffey also with Media Collaborative, outlined in detail the environmental survey which was done. He stated that within the Cambridge/Somerville area, 23% of these needing hospitalization come to the Cambridge Hospital. The marketing program hopes to bring that number up to 28%. He further stated that from 1970 to 1980 there was a 47% drop in families in Cambridge, but that was now leveling off. He further stated the hospital should go after those younger, professionally employed people in an effort to bring the patient occupancy rate from 70% to 86% which is the figure desired.

Vice Mayor Duehay questioned whether or not there was some unhappiness among the medical staff and whether that relates to the occupancy rate.

Mr. Greene responded by stating he has been dealing with that issue particularly with some doctors who had felt that certain departments were not able to meet certain standards. He further stated he intends to ask the medical staff to either make a complete commitment to the Cambridge Hospital or to go to another institution so that he will be able to attend people to both work at the hospital as well as refer patients to it.

Councillor Wolf questioned if the hospital provided sports medicine. Mr. Greene responded in the affirmative.

Mrs. Ackermann questioned if sufficient money was available within the budget to provide this kind of marketing plan. Mr. Greene responded by stating he believed that within the proposed FY 85-86 budget, sufficient money was in the budget both to hire an "in house" person and maintain an outside consultant.

Vice Mayor Duehay requested an implementation plan along with a cost analysis.

At this time Vice Mayor Duehay stated that the Harvard Community Health Plan (HCHP) has made a request to have the nineteen beds made available at the hospital, on a referral basis and since Mt. Auburn Hospital has made an offer to HCHP, he would entertain a motion of support from the Committee that the City Manager and Hospital Administrator enter into an agreement with HCHP. Councillor Vellucci so moved, and the order was referred to the full Council for action.

Health Policy Board member Barbara Ackermann stated that part of the marketing plan for the hospital will be to change the image of the hospital and eventually bring new patients in, raising the occupancy rate.

Councillor Graham stated it was important to get the information out to the community that things are changing at the hospital. Furthermore, she stated the hospital must do something about the doctors within the hospital referring patients to other institutions.

Mr. Greene stated that changes are infact happening and that new Chiefs of Service in the areas of Pathology and Anesthesia by July. Furthermore, he stated that with some new chiefs the hospital will have a link with the Massachusetts General Hospital and therefore puts Cambridge on an equal footing with it.

Councillor Graham questioned putting the municipal employees benefits over to the Cambridge Hospital. Mr. Greene responded that "Health Maintenance Organization"(HMO's) have been offered and the Cambridge Hospital has been assigned as "a preferred provider" within some HMO's.

Councillor Wolf questioned that if the reorganization plan is approved and implemented and the hospital changes complete, would a marketing plan put Cambridge in competition with the Mt. Auburn Hospital. Mr. Greene responded in the affirmative.

Councillor Vellucci stated that the Cambridge Hospital was situated in the middle of the largest immigration center this side of Fall River. Consequently, he stated that the hospital should be addressing the immigrant population in an attempt to bring them into the hospital. He further stated that Portuguese newspapers should be available to the patients along with staff who are able to speak with them in their native language.

Councillor Graham questioned whether or not there was a male-female conflict at the hospital. Mr. Greene responded by stating that he did not believe so since there are more females on staff now than there have been for a long time both in director positions and chiefs of service.

Councillor Wolf questioned if the hearing throughout the community had produced any feedback. Mr. Greene responded by stating that although the attendance was scarce, except in East Cambridge, they had received some positive feedback.

Vice Mayor Duehay stated that new policy boards for the clinics should be established and have defined roles so that they will be effective in the community. Mr. Greene responded by stating they were considering just that and that possibly the chairman of each council would be involved with the Health Policy Board.

Mr. Olive Farnum, Chairman of the Health Policy Board, stated there is presently some concern regarding representing the entire community on the board. He further stated that some areas have greater representation than others on the board and that should not happen with the clinics. This meeting adjourned at 10:00 AM.

The second hearing was held on Friday, March 29, 1985 with Vice Mayor Duehay requesting the Hospital Administrator to outline to the committee what has been going on regarding the marketing of the hospital.

City of Cambridge

In City Council..... April 22, 1985

The Committee on Health and Hospitals conducted a series of public hearings in the Board Room of the Cambridge Hospital for the purpose of discussing the proposed reorganization of the Neighborhood Health Clinics, strategic planning, relating to the reorganization and the proposed operating budget of the hospital for FY 85-86.

The first of these hearings was held on March 20, 1985 with Vice Mayor Francis Duehay, Chairman of the Committee, opening the meeting by outlining the agenda and requested Michael Greene, the Hospital Administrator, to outline to the Committee what has been done regarding the proposed reorganization of the health clinics.

Mr. Greene responded by stating that a "working group" was established to determine what could be done and how, to improve the delivery of services and reduce the cost of the neighborhood clinics. Once the group reviewed the historical and current systems, he stated, they would come up with several models of what a standard clinic should be and then bring it to the community for feedback. He stated the process first started in August of 1983 and once a criteria for the models was established, the working group developed a schedule to bring them out to the community. This was done during October and November of 1984. Essentially, Mr. Greene stated that six sites were suggested to replace the ten present sites.

Vice Mayor Duehay questioned what types of medical services will be provided. Mr. Greene stated it was the plan of the working group that once some consolidation took place, a full range of services, including adult and pediatric care, obs-gyn, family planning, nutritional and social services.

Councillor Alice Wolf questioned the staffing which would be available at the new sites. Mr. Greene responded by stating that each center would be staffed by a nurse practitioner with a physician back-up and other support personnel.

Vice Mayor Duehay questioned the cost of reorganization. Mr. Greene responded by stating \$211,000.

Councillor Vellucci questioned the new medical office opening in Inman Square. Mr. Greene responded by stating that two doctors were opening that facility and one of them who serves on the hospital staff will become president of the medical staff next year. He further stated that he sees that facility as a positive force because he has had discussions with the doctors involved and feels that the hospital will receive many referrals.

Vice Mayor Duehay questioned the number of patients which come into the hospital. Mr. Greene responded by stating that the clinics see about 7,800 people yearly over 30,000 visits and the hospital occupancy rate is 70%.

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REPORT**Committee on Health & Hospitals**

Re: proposed reorganization of the neighborhood health clinics, strategic planning Relative thereto & proposed FY85-86 operating budget of the Hospital.

*Copy sent to Councilor Duehan, Chairman,
Committee in Finance, Friday, 4/26/85 mlr*

In City Council,

April 22, 1985

4/22/85

*Report to the
Finance Committee*

Signature Required