

YOUVILLE HOSPITAL

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CAMBRIDGE, MASS.

February 4, 1985

The Honorable Leonard Russell
Mayor of the City of Cambridge
795 Massachusetts Avenue
Cambridge, MA 02139

Dear Mayor Russell:

I am writing with regard to the so-called "linkage" proposal presently under consideration for new construction projects in the City of Cambridge. As you know, for over four years now Youville Hospital has been engaged in planning to replace certain of its patient facilities and we have recently received State approval for final construction and related costs associated with this project.

There are several specific reasons why we believe Youville Hospital should be exempted from any commitment to the linkage concept which the City might adopt:

1. The Youville project has been under development for many years; retroactive application of new requirements with distinct financial implications at this late date in the project's development would be detrimental given that construction is almost ready to finally begin.
2. The present Determination of Need limitation on capital expenditures for this project cannot be increased; the state Public Health Council was adamant in its insistence that no additional increases in capital costs for this project be allowed.
3. This means that, even if private funds were available, they could not be spent above and beyond the limit set by the State; this limit pertains regardless of the source of the funds.
4. Our fundraising experience thus far indicates that we will be fortunate to raise the relatively modest amounts of private charitable contributions necessary merely to cover our present project costs. It is highly unlikely we could generate yet additional private contributions for added expenses and, as noted above, even if we could, the State's limitation would not allow such additional funds to be spent on capital expenses associated with this project.

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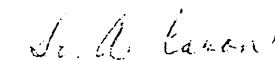
5. Our project has already incurred substantial delays in its execution (our original Determination of Need approval was almost 2½ years ago); much of this delay is attributable to the long negotiations between the Hospital and its residential neighbors, culminating in an unprecedented and legally binding contractual Agreement which greatly exceeds any requirements of law or ethics imposed upon the Hospital. We believe the many concessions made by the Hospital in this Agreement, while not required of the Hospital, are consistent with the intent of the "linkage" proposal in that they greatly reduce any potentially negative impact of the Hospital project on the surrounding neighborhood. Indeed, they very clearly and explicitly improve the quality of the residential neighborhood by eliminating Hospital facilities that presently impact on our residential neighbors' lives (e.g., the present boiler plant and laundry facilities will be incorporated into the new Hospital facilities, enabling demolition of present such facilities and replacement with landscaped open space, greatly increasing the "buffer" between institutional and residential uses).

These improvements have added to the project's increased capital costs, meaning that our project has already incorporated substantial compliance with the "linkage" intent without the pressure of law or regulation to do so.

6. Finally, Youville Hospital is a non-profit organization heavily dependent upon Medicare and Medicaid reimbursement. The state's capital cost limitation precludes additional increases in reimbursement rates to these third-party payors; any additional project costs, therefore, would be at the expense of our patients who have already suffered unconscionable delays in receiving the upgraded facilities and living environment which their conditions demand.

We hope you will concur that these represent - individually and collectively - compelling reasons for Youville Hospital to be exempted, at least for its present construction project, from any additional requirements, be they related to "linkage" or otherwise. Should you have any questions regarding any of the above, or of our project in general, please do not hesitate to call.

Sincerely,



Sister Annette Caron, S.G.M.
President/CEO

SAC:bml

cc: Members, Cambridge City Council
Mr. Robert W. Healy, City Manager
✓ Mr. Paul Healy, City Clerk
Mr. Paul O'Friel

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S-107

Comm. from Sr. Annette Caron, S.G.M., Pres.
of Youville Hospital, in opposition to the
linkage proposal presently under considera-
tion by the Council.

In City Council,

February 4, 1985

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2/4/1985

Referred to the
Petitions-