Copy #1

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2nd New-V3 -10m 13 June 1994, 54 Fayette St., Cambridge MA. 02139

My Name is Arnold Schutzberg. I live on Fayette St. I will talk to Universal Health Care a Historic Turning Point- implications for the Hospital, the expansion and the city

I am a first generation product of an immigrant family that in the past made good use of the clinics provided by both the City and the Mt. Auburn Hospitals. Times have changed and I, like most other citizens, am a member of a Health maintenance Organization, through my former employer which makes little use of the local medical facilities. Health care reform will give this same option to all It will convert a tax sink into a tax rebate and a potential capital asset.

I congratulate the city's management for recognizing & acting on the market changes in health care delivery which resulted in a timely re-direction of **The Cambridge Hospital**'s mission. This redirection has productively provided better health service to our most vulnerable, a useful urban medical care prototype **and may I repeat may** salvage all or part of the existing infrastructure for a **future** useful **medical** option.

The reason for the city's **involvement** in the hospital and the development of the new health maintenance capacity **was & is** to provide health care to a **vulnerable** underserved population. I am most **sympathetic** with this goal. I am convinced that the proposed expansion is **not** the **only way** to achieve the goal. I am also convinced that **this** proposal is **not** in the **city's** best **interest**.

Universal health care banishes **medical indigence** to a deserved **oblivion**. **Health care equity** for the economically deprived is assured. **Subsidy** will be client associated and provided by the federal **not** the **local** government. **All persons** will be **free** to seek and get medical care where they wish. **Health care** will be available to **all** as an entitled but competitive **client** oriented **commodity**.

The Expansion proposal in addition to impacting the local neighborhood asks for: fixed **assets**, an invested **accumu**lation derived from taxes, and a **contin**uing tax based annual **contrib**ution through the year **2000**. What happens after that date is not projected and therefore not reassuring to the Cambridge taxpayer.

The June 9th advertisement ominously and unfortunately warns that **closure** of the hospital will "have a devastating economic and health impact on the city." I dont think selfserving scare tactics are professional, useful or necessary when all should be trying to arrive at the city policy of transition to the new era of **Universal Health Care**. Whether the Hospital will stay open or close will be determined by the competitive health care market place.

The Advertisement identifies no catastrophic consequences to delaying the expansion. It cites only the potential for inflationary cost increase and the inhibition of operational cost effectiveness. Despite the use of the verb "prosper," in a context of universal national healthcare, the dependence of capital and operating costs to tax funding, apears to only be diminished not cut off.

I estimate the potential benefit to the city for delaying this particular expansion to be over 100 million in tax dollars

In this new health care era, the building, contraction, and expansion of hospitals and health care organizations will be left to the **risk prone** free market. The city **must** leave engagement in **risk oriented** enterprises to others. The city of Cambridge will no longer be a **provider** of **last resort** for health services.

Cambridge deservedly derives many benefits from <u>this</u> **historic turning point and its 75 year investment**. It has **no com**mitment to Bureacracy. It **had and has** a commitment to health care for the

vulnerable. This commitment will soon be usurped and transitioned. The city should recover the 40 million dollar surplus accumulation from **tax** based investment. The city need not expend the annual 7.5 million dollars of **taxes** earmarked for the expansion. Valuable land, building and equipment assets may soon be made available to serve higher priority pressing civic needs.

Cambridge must assess the various **divestiture** options. The city must consider what to do with this **windfall.** It must not prejudge or subsidize the **outcome**. That outcome must be determined by the **client** and the market place, the buyer and the seller.

The belief that **The Cambridge Hospital proposal** is monolithically **unique** and the only way health care can be provided efficatously and efficiently to a targeted population, needs investigation & testing not **promotion**. The current closing of many hospitals and the scurrying for positional advantage in the regional medical care market suggests other methods, means, coalitions, and alternatives are out there. The closing of all or part of **The Cambridge Hospital** may be found to be justifiable. This would not necesarily be **adverse** for the **city** or its current health care **clienta**l if handled wisely.

We have only heard one proposal. Are there a better health care options on the horizen? Has the city advertised or requested proposals from others?

It would be irresponsible to **prematurely commit** tax based physical assets, the 40 million dollar surplus, and a projected six year annual expenditure of 7.5 million dollars **to** an imminent HMO enterprise. The Health care Industry has private and public **equity** funding **sources** ready to invest in this new **market**. Local government is being preempted out of Health Care by the federal govt.. This has changed the healthcare marketplace radically. Healthcare will become a federal entitlement which automatically removes it from the city's list of **priorities** once it has been appropriately transitioned.

If **The Cambridge Hospital** staff is convinced of "prospering... under national health care reform" and wishes to proceed with the proposed modifications they should be encouraged to organize, raise capital, and prepare a competitive proposal to and acquire the properties. They have at least four **"unfair"** competitive advantages of **knowing**: the client, the market,the condition of the site infrastructure, and finally how to deal with this city.

The only anticipated government financial involvement in medical care is federal and state; **local** government's **role** has changed. The **job** of **our** local government is to **maintain** current levels of health service for our citizenry in conjuction with preparing to responsibly and objectively transition to this new health care era. The public trust demands the **prudent, Efficient** conservation of local public assets and risk free expenditure of tax and other public monies. Let us not rush to renovate an asset we are about to divest. Another prospective user unlike **The Cambridge Hospital**, may not want to modify the property or may wish to proceed differently. The marketplace and the city's interest will **jointly** determine the eventual site **configuration**. The convergence of the city's interest and the use of the property as a medical facility are not obviously pre- **ordained**. Other options including the closing of some or all of the doors are possible and need exploration.

Finally, I think the key to the successful social transition of the vulnerable population into the new Health care era is their dispersal and integration throughout the society at large. I perceive that the current expansion plan promotes concentration and is unacceptable and continued ghettoization of the poor.

Thank you very much for your close attention

Save Our Neighborhood

June 16, 1994

Ms. Margaret Drury
Cambridge City Clerk
City Hall
795 Massachusetts Avenue
Cambridge, MA 02139

Dear Ms. Drury:

I hereby request that the attached June 13, 1994 presentation to the City Council by Mr. Arnold Schutzberg of Fayette Street, Cambridge, be incorporated into the permanent records of the Cambridge City Council.

I am doing this as a courtesy to Mr. Schutzberg, an MCNA member, who requested that I so transmit the document.

As always, we appreciate your assistance and cooperation.

Sincerely yours,

Joseph Manley
Chairman **SON**

Attachments

JPM/hd

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Fax (617) 864-1666

Consent Comm. # 14 S 325

Comm. from Joseph Manley, Chairman, Save Our Neighborhood, transmitting a communication from Arnold Schutzberg regarding universal health care and the implications for the hospital expansion.

In City Council,

June 27, 1994

Placed on file