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*****PRESS RELEASE*****

UNITED MEDICAL CENTER (UMC) ANNOUNCES MAJOR ENHANCEMENTS TO QUALITY, PATIENT CARE AND HOSPITAL OPERATIONS

WASHINGTON, D.C. – United Medical Center (UMC) announced today ongoing improvements to quality, patient care and hospital operations, including two new contracts with GW Medical Faculty Associates (MFA), and the resolution of longstanding issues regarding Medicare payments and the nurses' union impacting the hospital since 2013. The Finance Committee of the Board is requesting a \$17.1 million subsidy from the District government to cover the cost of these improvements and settlements.

An estimated \$7.5 million (annualized cost) of the subsidy request will go toward the new contracts with GW Medical Faculty Associates (MFA) to oversee UMC's Emergency Services Department and Hospitalist Services. The selection of MFA was made after an extensive search and RFP process, and will not only improve patient care but will help ensure that residents of Wards 7 and 8 have access to the same high quality standards in ED treatment as provided in other regions of the city.

In addition to GWMFA, UMC has negotiated an agreement with Axis to manage the Behavioral Health Unit. This vendor previously worked at Providence Hospital and five other regional hospitals, and will enhance services for Ward 7 and 8 mental and behavioral health patients.

A part of the subsidy will also cover resolution of a new collective bargaining agreement between UMC and the District of Columbia Nurses Association (DCNA) that dates back to 2013. UMC will submit for Council review a settlement package of \$3.9 million in back pay dating back three years, and an additional \$1.7 million for FY2018. Resolution of this longstanding contract dispute will be the start of a renewed partnership between UMC and our nurses, one based on mutual respect, accountability, and open communication.

An estimated \$2 million is reserved for Medicare payments resulting from medical staff documentation errors dating back several years.

Taken together, these costs represent an estimated \$15.1 of the \$17.1 million subsidy request. The remaining amount is the result of budget shortfalls reflecting a drop in patient volume resulting from recent media stories and the Department of Health restricted license for obstetrical care.

According to David Boucree, Interim CEO of Veritas of Washington, LLC, the operator of UMC: "Last September, the UMC Board approved a balanced budget for UMC. This new subsidy request reflects the work of Veritas to address long outstanding issues pre-dating Veritas, including medical documentation and disputes with the nurses' union, as well as our efforts to enhance and improve the quality of medical staff, equipment, and patient care of UMC. While we will not be continuing in the role of operator for UMC, we feel that our efforts have resulted in significant improvements to the hospital that will have a positive impact on patient services and outcomes for the future."

In addition to the GW MFA contract, Veritas has overseen a number of new enhancements and improvements at the hospital over the past two years. These include significant investments in new, state-of-the-art equipment including the purchase of new patient beds, new mobile computers, additional heart, EKG and blood pressure monitors, new ventilators and new lifting equipment for the safe transfer of patients. They have improved facilities with the remodeling of UMC's 5th and 8th floors with upgraded nursing environments and several new and refurbished surgical operating rooms. Recruitment of new staff include hires of two gastrointestine physicians, two family medicine physicians, an internal medicine physician, a urologist, and an orthopedic group on contract. A new Quality Compliance leadership team was put in place and they have developed and deployed a Performance Improvement and Patient Safety Plan for a systematic, organization-wide quality approach. The hospital is also in the process of implementing a web-based, compliance and incident management reporting system that will replace the current, 100% paper-based system.

Just last week UMC announced that it had received full accreditation from The Joint Commission, which oversees accreditation for 21,000 hospitals and health care organizations nationwide.

Since the Council's unprecedented November 7th vote to abruptly disapprove the next option year of Veritas, the UMC Board voted to extend the contract by sixty days to allow for a reasonable transition period that would not jeopardize patient care or other key operations. A competitive procurement was issued for a new short term hospital operator to manage UMC through the end of the fiscal year.

About Veritas of Washington, LLC

Veritas is a Washington, DC-based management consulting services organization that provides consulting services in the areas of personnel, quality and patient safety, performance improvement, accounting, research, and management services for hospitals, health care agencies, and other organizations.

About United Medical Center (UMC)

The Not-for-Profit Hospital Corporation, commonly known as United Medical Center or UMC, is a District of Columbia government hospital (not a private 501(c)(3) entity) serving Southeast DC and surrounding Maryland communities.