




OFFICE OF VINCENT C. GRAY
CHAIRMAN, COMMITTEE ON HEALTH
COUNCIL OF THE DISTRICT OF COLUMBIA

MEMORANDUM

TO: Chairman Phil Mendelson

FROM: Councilmember Vincent C. Gray, Chairperson 

DATE: April 29, 2021

SUBJECT: Request to Place Emergency Measures on the Agenda for May 4, 2021
Legislative Meeting

This memo is to request that the following measures be placed on the agenda for the May 4, 2021 Legislative Meeting:

- **“Not-for-Profit Hospital Corporation Public Health Emergency Subsidy Limitation Emergency Declaration Resolution of 2021”**
- **“Not-for-Profit Hospital Corporation Public Health Emergency Subsidy Limitation Emergency Amendment Act of 2021”**
- **“Not-for-Profit Hospital Corporation Public Health Emergency Subsidy Limitation Temporary Amendment Act of 2021”**

This emergency legislation and declaration resolution would amend the Hospital’s District subsidy limitation during the Fiscal Year 2021 public health emergency, for Fiscal Year 2022, and thereafter. The legislation would also clarify the implications of noncompliance with respect to the fiscal management board trigger.

The Hospital balanced its Fiscal Year 2021 budget with only \$15 million in District subsidy, but by the end of the first quarter, it became apparent that the unforeseen ongoing nature of the public health emergency, coupled with UMC’s long-standing fiscal challenges, were creating an insurmountable budget shortfall that gap closing measures could not meaningfully impact. Faced suppressed volumes, lower revenues, and depleting cash reserve, the Hospital’s Finance Committee worked with the District’s Office of the Chief Financial Officer on this proposed legislation that, if approved, would increase the subsidy limitation under a public health emergency in Fiscal Year 2021, and Fiscal Year 2022 and thereafter, to \$40 million, and \$20 million, respectively, before triggering the fiscal management board. It will also increase non-

public health emergency limit to \$20 million. Lastly, to ensure the Hospital's operator is clear, the legislation emphasizes that even during a public health emergency, the Hospital operator must develop and take all necessary action to maintain a balanced budget, including expense reduction, cost savings, and revenue protection activities.

Emergency approval of this legislation and declaration resolution would approve this legislation and allow the Hospital to receive a vital increase in District subsidy during FY2021's public health emergency. The OCFO's April 28, 2021 statutorily required letter to the Secretary further explains and supports this critical need.

Copies of the legislation are attached. For any questions or concerns, please contact Malcolm Cameron, Legislative Analyst, at (202) 341-4425 or mcameron@dccouncil.us.