



The State University
of New York

Office of Business Operations & Procurement

Request for Information

C002521

**Downstate Medical Center
Long Island College Hospital Campus**

May 1, 2013

**State University of New York
Downstate Medical Center
Long Island College Hospital Campus
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State University of New York (SUNY) on behalf of its Downstate Medical Center, is requesting expressions of interest from qualified parties who could provide health care services, including operation of an acute care hospital, at or around the Long Island College Hospital (LICH) site in Brooklyn. Any expression of interest must include operation of a health care facility or health services on all or part of the LICH campus, or in the community proximate to LICH, consistent with the health care needs of the community. SUNY may, but is not obligated to, initiate a competitive bidding process to respond to the expressions of interest.

The information received from this Request for Information (RFI) may be used in the development by SUNY of a plan to achieve fiscal viability of the Downstate Medical Center (the Sustainability Plan). SUNY is required to develop the Sustainability Plan by June 1, 2013 and with the approval of the New York Department of Health and the New York Office of Budget, begin implementation on June 15, 2013. Copies of expressions of interest must be provided to the Department of Health.

No contract will be awarded based on this RFI or any of the responses received.

Background

The State University of New York (SUNY) Downstate Medical Center is the only academic medical center for health education, research and patient care serving the borough of Brooklyn.

With a population of 2.5 million, Brooklyn is the largest of the five boroughs of New York City. The borough is estimated to be the seventh largest county in the United States, and if it were a city, it is estimated it would rank as the fourth largest city.

Located on an urban campus in central Brooklyn, SUNY Downstate Medical Center includes a College of Medicine, College of Health Related Professions, College of Nursing, School of Graduate Studies, School of Public Health and the University Hospital of Brooklyn. The University Hospital of Brooklyn (UHB) includes two full-service, comprehensive hospital sites (UHB at central Brooklyn and UHB at Long Island College Hospital or LICH), plus a free-standing Urgent Care and Ambulatory Surgery Center at Bay Ridge and nine ambulatory satellite sites. Over 1,700 students pursue certificates, Bachelor of Science, Master of Science, Doctor of Public Health, Ph.D. and M.D. degrees.

The operation addressed here constitutes University Hospital of Brooklyn at Long Island College Hospital (also known as the "LICH Campus" of UHB), initially established in 1858, a 506-bed, teaching hospital located in the Brooklyn Heights/Cobble Hill neighborhood. Approximately 275 beds are operational.

Core Properties

The core LICH hospital operation is comprised of the Fuller Pavilion, Othmer Pavilion, Polak Pavilion and Henry Street building. The Fuller Pavilion is a 12-story plus basement structure that contains 232,308 square feet and was constructed in 1970. The Othmer Pavilion is connected to the Fuller Pavilion and is an 8-story structure plus basement and sub-basement.

The Othmer Pavilion contains 108,635 square feet and was built in 1990. The Fuller and Othmer Pavilions are situated on approximately 61,733 square feet, or 1.42 acres of land. A walkway over Pacific Street connects the Fuller and Othmer Pavilions to the Polak Pavilion and Henry Street Building.

The Polak Pavilion is a six-story plus basement structure that contains 149,516 square feet and was constructed in 1983. The Henry Street Building (also referred to as the Amity Pavilion) is connected to the Polak Pavilion. The Henry Street Building is a six-story plus basement structure that contains 145,500 square feet and was built in 1905 with major renovations and several additions since it was constructed. The Polak Pavilion and Henry Street Building are situated on approximately 87,800 square feet, 2.02 acres, of land.

Non-Core Properties

In addition, the Polhemus Building is connected to the Henry Street Building via a walkway. This eight-story plus basement building contains 51,600 square feet and was built in 1850. The Polhemus Building is used mostly for hospital administration and physician offices and contains a fair amount of vacant and unusable space (i.e. the two amphitheatres). The Polhemus Building is situated on approximately 6,834 square feet.

The 349 Henry Street Building is a five-story plus basement structure that contains 48,015 square feet and was built in 1948. The building is used for clinic and ambulatory care space. It is situated on approximately 11,533 square feet of land.

The parking garage is located at 350-352 Hicks Street. It is a seven-story structure that contains 175,000 square feet and 433 parking spaces. The parking garage is situated on approximately 20,825 square feet of land.

Other properties include the engineer building located at 385 Hicks Street, condominium units located at 124-134 Atlantic Avenue, dialysis center located at 184 Sterling Place, and walk-up residential buildings located along Amity Street, Congress Street, Columbia Place and Flatbush Avenue.

SUNY and certain entities related to SUNY collectively acquired the LICH healthcare services operation from Continuum Health Partners (CHP) in 2011. SUNY has operated LICH with significant annual deficits, and therefore, wishes to divest itself from the LICH operations.

Objectives

SUNY is issuing this request for information (RFI) to parties for the following:

- Operation of health care facilities or services on the campus or in the community around the Long Island College Hospital;
- Development of the LICH campus for beneficial community purposes that may support health care services in the community;
- Provision of economic development in the neighborhood that may support health care services in the community; and
- Other creative purposes that can be beneficial to the community including support of health care services in the community.

The terms attendant to the use of the LICH campus have not been determined. Any expression of interest must include operation of a health care facility or health services on all or part of the LICH campus, or in the community proximate to LICH, consistent with the health care needs of the community.

Introduction of LICH

SUNY Downstate Medical Center (Downstate) (and certain of its related entities) acquired the assets of the Long Island College Hospital in May 2011, after receiving numerous regulatory approvals, including from the New York State Public Health and Health Planning Council. All the beds, services, and other assets were purchased from a subsidiary of Continuum Health Partners, Inc., the corporate parent of LICH. The SUNY LICH hospital facility, including its inpatient, ambulatory, clinics, and emergency services, is operated as a second campus of SUNY's University Hospital of Brooklyn, under UHB's operating certificate (number 7001037H) and Medicare/Medicaid provider numbers. The primary LICH hospital building is located at 339 Hicks Street in Brooklyn. All real estate and property, fixtures, plant and equipment at the LICH campus are held by Downstate at LICH Holding Company, Inc. (DLHC), a New York not-for-profit corporation of which SUNY is the sole member. The real property comprising the LICH campus is further described on the attached Exhibit A. DLHC leases the LICH campus to SUNY under a long-term lease. Staff of the hospital facility, with the exception of physicians, is employed through a limited liability company, Staffco of Brooklyn, LLC, Inc., of which the sole member is the Health Science Center at Brooklyn Foundation, Inc. Some of the LICH campus is subleased to various physicians and other third parties.

LICH Overview

Located in the Cobble Hill section of Brooklyn, the SUNY LICH campus is certified for inpatient capacity of 506 beds including adult, neonatal, and pediatric intensive care, maternity, and psychiatry. Presently, approximately 275 beds are operational. The Hospital provides services to the northwestern section of Brooklyn including Downtown Brooklyn, Brooklyn Heights, Red Hook, Bedford Stuyvesant, Williamsburg, and Crown Heights. This area includes approximately 460,000 residents. In addition to the ambulatory care and emergency services at the primary LICH campus, SUNY LICH operates four school based clinics in the nearby area. The outpatient services include primary and specialty care and behavioral health services. In 2011, approximately 14,000 inpatients were discharged from the LICH hospital facility, the majority of whom were publicly insured (approximately 70%) through Medicare or Medicaid. The SUNY LICH campus is also licensed for EMS ambulance services and currently has nine ambulances on site. The LICH hospital participates in the graduate medical education programs of UHB and serves as a training site for nursing and allied health students.

Services at LICH Campus

Inpatient Services:

- Coronary care
- Intensive Care
- Maternity
- Medical/Surgical
- Neonatal Continuing Care
- Neonatal Intensive Care
- Neonatal Intermediate Care
- Pediatrics
- Pediatric ICU
- Physical Medicine and Rehabilitation
- Licensed OMH Adult Inpatient Psychiatry

Outpatient Services:

- Emergency Department
- Rehabilitation Therapy
- OMH Licensed Article 31 Mental Health Clinic Services
- Ambulatory Surgery
- Primary and Specialty Care
- Prenatal and Family Planning
- Ambulance Services

Community Healthcare Needs

The community healthcare needs of Brooklyn and specifically Central and North Brooklyn have been assessed by various parties. Without endorsing or otherwise offering an opinion on these reports, information may be found at:

- www.health.ny.gov/health_care/medicaid/redesign/docs/brooklyn_mrt_final_report (At the Brink of Transformation: Restructuring the Healthcare Delivery System in Brooklyn)
- www.nysenate.gov (Creating a Vision for Brooklyn's Health Care System)

LICH Campus Encumbrances

There are certain debt obligations and other encumbrances associated with the LICH campus real estate and operations that will have to be accommodated in the final structure of any proposed transactions.

Questions

Respondents may submit questions related to this RFI by 3:00 pm ET on Wednesday, May 15, 2013 via hand delivery, regular mail, express carrier, or fax to the contacts named at the end of this RFI. All

questions and responses will be shared with all interested parties by posting on the [SUNY Downstate Website](#). There may be limited opportunities to tour the LICH campus upon request from respondents. Tours will not include any areas of direct patient care.

Submission of Responses

Interested parties are invited to submit responses to the RFI to SUNY with a copy to the Department of Health as indicated below. The responses should provide sufficient details for SUNY to evaluate fully how options for the future of the LICH campus may be developed that meet the healthcare needs of the LICH community. Accordingly, we have prepared the following outline to be used by respondents in preparing their responses. Respondents should provide specific, succinct good faith responses to the questions set forth below, using the following format.

A. Description of Organization to be Involved in Proposal

1. Provide an overview of the type of organization that would be capable of accomplishing the proposal. Describe what service areas, clinical services strengths, longitudinal care capabilities (i.e. home care, assisted living etc.) and any other relevant criteria would need to be met to accomplish the proposal.
2. Describe the governance and ownership model for the proposal, especially with respect to any owned, sponsored or otherwise affiliated Article 28 hospitals and other facilities.
3. Describe any proposed relationships with any other hospitals or systems, if applicable.

B. Description of Proposal

1. Define overall nature of proposal.
2. Describe the type of Health Care Entity(ies) proposed.
3. Outline nature of population to be served and utilization projections.

C. Transaction Structure

1. Describe the legal structure of the proposed transaction (i.e., affiliation, joint venture, asset purchase, merger, etc.)
2. Articulate the reasoning for the structural preference.
3. Please describe what governmental, regulatory or third party approvals are regarded as important to a proposed transaction.
4. Identify and discuss key factors that are recommended for SUNY to consider for the use of the LICH campus.
5. Identify potential problem areas with any proposed transaction involving the LICH campus.

D. Financial Capacity

1. Outline the financial capacity needed to capitalize the proposed transaction and provide details.
2. Provide the financial plan for implementation of such proposal (i.e., capital needs, working capital needs, and source(s) of expected funding).

E. Proposal Timeline

1. Provide a timeline showing the necessary approvals, and any regulatory filings and approvals, required for the implementation of the proposal(s).

F. Other Considerations

1. If there are other ideas, or considerations, that are not addressed above, please feel free to provide them in this section of the response.

2. Please indicate whether the proposal would include an ongoing academic affiliation with SUNY Downstate, and if so in which areas and to what extents.

G. Transaction Timetable

Dates

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| 1. SUNY will post the RFI on the SUNY Downstate Website and on the New York State Contract Reporter. | May 1, 2013 |
| 2. All questions regarding this RFI must be submitted to the SUNY and DOH points of contact below. | May 15, 2013 |
| 3. Receipt of Information Responses to RFI. | May 22, 2013 |

Respondents are specifically requested not to submit cost proposals (other than response to financial capacity in section D.1., above and high-level cost estimates for budget purposes). This RFI will not be used to evaluate, rank or select vendors, nor will it be used to pre-qualify or screen vendors for a subsequent competitive bidding process, if any. No contract will be awarded based on this Request for Information or any of the responses received. Further, establishment and/or construction of health care services are subject to the approval of the Public Health and Health Planning Council and the Department of Health pursuant to the Public Health Law.

All responses to this RFI become the property of SUNY and will be held in confidence, subject to the provisions of the Freedom of Information Law. Respondents to this RFI consent to SUNY incorporating any submitted ideas, concepts, approaches, or strategies into any planning, design, procurement, or contractual activities related to any aspect of the Sustainability Plan without any obligation, liability, or consideration on the part of SUNY. SUNY will not be responsible for any costs incurred by any respondent to this RFI.

Responses should be delivered by hand, regular mail, express carrier, or email to the following location before 3:00 p.m. on May 22, 2013:

Lora Lefebvre
Associate Vice Chancellor for Health Affairs
The State University of New York
State University Plaza
Albany, New York 12246
DownstateRFI@suny.edu
(Office) 518-320-1660
(Fax) 518-320-1544

With a copy to:

NYS Department of Health
Corning Tower Building, 14th Floor
Empire State Plaza
Albany, NY 12237
DOHweb@health.state.ny.us
(Office) 518-474-1686
(Fax) 518-474-5450