



The State University
of New York



SUNY
DOWNSTATE
Medical Center

TO: SUNY Downstate Community and Stakeholders

FROM: John F. Williams, Jr., MD, EdD, MPH, FCCM
President, SUNY Downstate Medical Center

DATE: May 13, 2013

SUBJECT: The Future of SUNY Downstate Medical Center

SUNY Downstate Medical Center really matters to Brooklyn. As its only academic medical center, we make a tremendous difference in the lives of the borough's 2.5 million residents, training the medical and health professional workforce and providing quality health care for over 150 years.

Today, Downstate is facing severe economic challenges and hard decisions are being made regarding our fiscal situation. We have had to reduce staffing levels, which has been painful for the people whose employment was terminated as well as for the workers who remain. The likelihood of additional reductions in the workforce is a reality that we must acknowledge.

Our campus relies heavily on the revenues generated by the clinical operations in our two hospital locations – University Hospital of Brooklyn (UHB) and Long Island College Hospital (LICH) – both of which are in financial trouble. In recent years, hospital costs have risen sharply while what we receive from insurers, Medicaid, and Medicare for patient care has declined. This has made safety-net hospitals such as UHB extremely vulnerable financially.

As a state entity, Downstate must live with numerous regulations and purchasing restrictions that don't apply to private and non-profit medical centers, and direct state support for operations is diminishing. Add to that the recent severe recession and subsequent slow recovery, and we find ourselves in a precarious financial position. Several hospitals, especially in Brooklyn, are in danger of failing for similar reasons.

Almost two years ago, LICH was acquired with the hope of expanding Downstate's clinical care delivery, preserving our education and training opportunities, and strengthening healthcare throughout the borough. Unfortunately, the financial situation has only worsened with regards to LICH. LICH and UHB combined are losing money at such a rapid rate that the present situation endangers the future of all of SUNY Downstate. Currently, we are working on all fronts to bring campus revenues and expenditures into alignment so that the educational, clinical, and research mission of SUNY Downstate is sustained for Brooklyn and New York State.

Our focus now is on developing a legally required plan to make Downstate Medical Center financially viable for the long term. That plan encompasses our hospitals as well as our schools, which train the health professionals New York needs. That includes the College of Medicine, which educates one in three doctors who practice in Brooklyn and one in nine doctors practicing in New York City, as well as the School of Graduate Studies, College of Nursing, College of Health Related Professions and School of Public Health. The recently enacted state budget provides SUNY with a new and comprehensive set of tools that can help us restructure while we provide our core services in education, clinical care, and research.

This Sustainability Plan is due to the State Department of Health and the Governor's Division of the Budget by June 1, 2013, with implementation to begin June 15, 2013. As you may know, we've issued a formal request for information (RFI) from qualified parties who could provide health care services, including the operation of an acute care hospital, at or around the LICH site in Brooklyn. Responses have been requested on or before May 22, 2013.

We are committed to engaging with stakeholders throughout the process of developing the Sustainability Plan, including you, the members of our community. I am writing today as the first step in that effort – to lay out for you the situation we face together as neighbors.

Please know that we are truly exploring all options. Our solution must first and foremost address and preserve our primary mission of education and training and must be arrived at in the context of everything that factors into a strong healthcare solution for Brooklyn.

At this point, we see potential in restructuring UHB, developing partnerships with existing Brooklyn healthcare providers, and working with these providers to meet the health care needs of the residents of central Brooklyn while supporting resident opportunities for our medical students. And as mentioned, the RFI has been issued to solicit information for, among other things, the operation of health care facilities or services on the LICH campus or in the community around LICH.

In the coming weeks, we will continue to develop the plan for Downstate to preserve quality medical care for Brooklyn. We will also provide opportunity for your input and feedback, including a town hall meeting to be held at Downstate on May 20, 2013. We invite you to visit www.suny.edu/hospitals/downstate/ to learn more about our situation and provide ideas directly to the process.

We thank you for your understanding and your assistance as we navigate through this unfortunate situation.