

MOTION OF THE COUNCIL OF ALLEGHENY COUNTY

MOTION EXPRESSING THE SENSE OF COUNCIL OF ALLEGHENY COUNTY urging UPMC officials to reconsider the decision to close UPMC Braddock Hospital, an invaluable asset to the residents of Braddock and the surrounding communities.

WHEREAS, UPMC is a nonprofit provider of healthcare services, and the largest employer in the Pittsburgh region; and

WHEREAS, UPMC has historically maintained that it is steadfastly committed to giving back to and reinvesting in the community, and it continues in these representations; and

WHEREAS, on October 16, 2009, UPMC announced it will begin moving its clinical operations of UPMC Braddock Hospital to other UPMC facilities, and the 123-bed facility will close completely by the end of January 2010; and

WHEREAS, UPMC officials assert that the closure is due to a declining usage by Braddock residents and a loss of nearly \$27 million over the last six years; and

WHEREAS, UPMC projects another \$50 million in operating losses for the hospital in the next five to six years; and

WHEREAS, according to published reports, UPMC's share of the health care market within Allegheny County is 55 percent, and UPMC is an \$8 billion integrated global nonprofit entity that employs over 50,000 individuals at over 20 hospitals, 400 outpatient sites and doctors' offices; and

WHEREAS, UPMC has reported net surpluses totaling \$617 million for the last two fiscal years, and its Treasurer has indicated that UPMC's investment portfolio has generated a five year annualized return of ten percent; and

WHEREAS, almost exactly one year ago, on October 21, 2008, Allegheny County Council voted to approve a \$650 million bond issuance through the Allegheny County Hospital Development Authority solely for the benefit of UPMC, in large part to enable UPMC to refinance prior bond issuances and saving UPMC debt service costs estimated to be in the millions of dollars; and

WHEREAS, just over one year ago, on May 20, 2008, Allegheny County Council voted to approve a \$350 million bond issuance through the Allegheny County Hospital Development Authority solely for the benefit of UPMC, also in large part to enable UPMC to refinance prior bond issuances and saving UPMC debt service costs estimated to be in the millions of dollars; and

WHEREAS, at no point during the discussions of these bills approving a total of \$1 billion in bond issuances for the benefit of UPMC was the prospect of closing hospitals raised as a potential financial necessity for UPMC; and

WHEREAS, about 670 people work at UPMC Braddock, which sees about 25,000 patients a year in the emergency room alone; and

WHEREAS, operating as a non-profit charges UPMC with a unique role and responsibility to serve society and individual communities, and provides UPMC with advantages, such as tax-exempt status, to compensate it for its service to the community; and

WHEREAS, the decision to close UPMC Braddock Hospital is inconsistent with the organization's purpose to advocate for and meet the needs of the most vulnerable members of its communities, and instead, appears to be entirely economically driven from published reports;

NOW THEREFORE, IT IS MOVED, AND IT IS THE SENSE OF THE COUNCIL OF ALLEGHENY COUNTY, that the officials of UPMC reconsider their decision to close the UPMC Braddock Hospital, which serves the residents of Braddock and surrounding communities and this Council requests that UPMC Braddock Hospital remain open in order to help make the community a healthier, stronger and better place to live.

PRIMARY SPONSOR: VICE PRESIDENT MARTONI

In Council

October 20, 2009.

Read and Approved.



Rich Fitzgerald
President of Council

Attest:


Allegheny County Council