

SUSPENSION

A RESOLUTION TO BE SUBMITTED BY LEGISLATOR MILLER-WILLIAMS

Re: Improving Service to Patients at Erie County Medical Center

WHEREAS, Erie County Medical Center (ECMC) is a level one trauma center in Erie County who lists among its core values “[a]ll patients get equal care regardless of their ability to pay or source of payment;” and

WHEREAS, despite the County Executive appointing six of the thirteen members of the board which runs ECMC, ECMC is an operationally separate and independent entity from Erie County; and

WHEREAS, although Erie County does not have a legal obligation to assist ECMC with borrowing for capital projects, it has the ability to assist ECMC in that manner; and

WHEREAS, Erie County and the Erie County Fiscal Stability Authority (ECFSA) both have superior credit ratings to ECMC which would allow them to borrow money at a lower cost than ECMC; and

WHEREAS, the County Executive has submitted a Declaration of Need which would allow the ECFSA to indirectly borrow on behalf of ECMC to complete needed capital improvements, including the construction of a new and expanded emergency room to serve Erie County residents; and

WHEREAS, part of this plan includes a mathematical formula whereby ECMC would return all of the savings from utilizing ECFSA’s superior credit rating to Erie County; and

WHEREAS, as such, ECMC would not benefit financially regardless of whether it borrowed for itself or if another entity borrowed on its behalf; and

WHEREAS, ECMC has reported to the legislature a desire and need to refinance certain aspects of its debt over a longer term to improve its cash flow, as well as reporting only small revenues above expenditures on an annual basis; and

WHEREAS, directing ECMC to gift the cost savings from ECFSA borrowing on behalf of ECMC to Erie County hinders ECMC’s mission “[t]o provide every patient the highest quality of care delivered with compassion,” especially those with the least ability to pay for this care; and

WHEREAS, forcing ECMC to pay tens of millions of dollars to Erie County to act as a conduit between the ECFSA and ECMC, instead of using those savings to serve the underserved, is unconscionable; and

WHEREAS, by seizing the savings from ECMC, Erie County seeks to profit from ECMC’s desire to better help those most vulnerable, without actually providing any benefit to ECMC to assist it with its mission; and

WHEREAS, by allowing ECMC to keep the savings in borrowing through the ECFSA, it allows ECMC to reap benefits over the life of the loan, rather than just in the first year or two, at a discounted rate; and

NOW, THEREFORE, BE IT

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RESOLVED, that Erie County should not benefit from any gift or payment from ECMC in any way related to the savings that ECMC would derive from borrowing through a separate entity, including, but not limited to, Erie County or ECFA.

RESOLVED, that certified copies of this resolution be forwarded to the Erie County Fiscal Stability Authority, ECMC President and Chief Executive Officer Thomas Quatroche, Erie County Executive Mark Poloncarz and Governor Andrew Cuomo.

FISCAL IMPACT: None