



Cortland Regional MEDICAL CENTER

The Center of Your Care

Community Service Plan

2006

Implementation Report

- ◆ Introduction
- ◆ Service Area
- ◆ Needs Assessment
- ◆ Community Participation
- ◆ Strategic Planning
- ◆ Economic Impact & Community Benefit
- ◆ Financial Statement
- ◆ Corporate Structure

Mission

Cortland Regional Medical Center provides quality healthcare with skill and compassion, meeting the lifelong healthcare needs of all citizens of Cortland and the surrounding communities.

Vision

Cortland Regional Medical Center will be the best choice for Quality Healthcare.

Strategy Statement

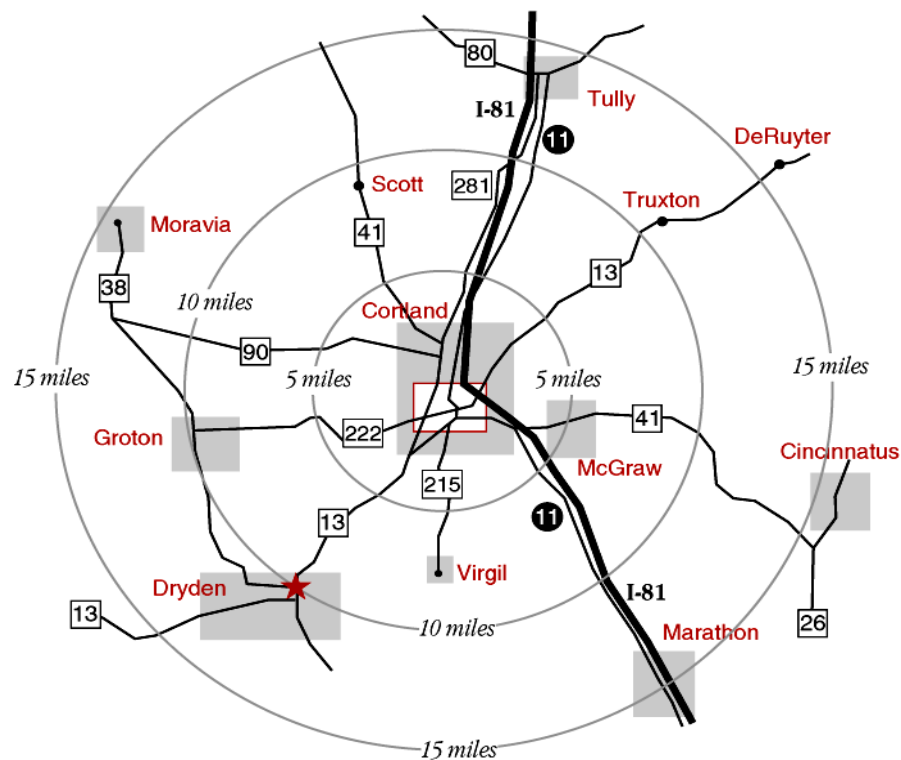
Patient Centered and Performance Focused.

INTRODUCTION

Cortland Regional Medical Center's Community Service Plan has been prepared to comply with the requirements of the New York State Department of Health; however, Cortland Regional Medical Center is proud to utilize this opportunity to demonstrate its commitment to meeting the health care needs of the Cortland community and surrounding area. A full report was filed in April 2005; this Implementation Report covers the calendar year 2006. Copies of CRMC's Community Service Plan are available at the Cortland Free Library and in the medical center's in-house library. Copies are also made available to community agencies through the Seven Valleys Health Coalition. Additionally, this document is posted on the CRMC website at www.cortlandregional.org. CRMC invites public comment on this report, as well as on our organization, services, and community involvement. Comments and inquires can be submitted to: Thomas Quinn, Director of Marketing at Cortland Regional Medical Center, 134 Homer Avenue, Cortland, New York 13045.

SERVICE AREA

Cortland Regional Medical Center is located in the City of Cortland, County of Cortland, New York, near the northeast central portion of the County. Cortland County is in the central region of New York State and is bordered by Onondaga County to the north; Chenango County to the east; Broome County to the south; and Tompkins County to the west. The medical center is approximately 35 miles south of Syracuse, New York; 40 miles north of Binghamton, New York; and 24 miles northeast of Ithaca, New York. Cortland Regional Medical Center defines its primary service area as an 18-zip-code area in and around Cortland proper. It accounts for approximately 92% of Cortland Regional Medical Center's total inpatient admissions and approximately 56% market share. Cortland Regional Medical Center is committed to providing quality healthcare services by using available resources to meet the needs of the people who live or work in its service area.



COMMUNITY NEEDS ASSESSMENT

Cortland Regional Medical Center relies on numerous sources of information to develop its assessment of community needs in order to determine the role it should play in meeting those needs.

- ***Cortland Counts*** – CRMC collaborates with the Cortland County Health Department, the SUNY Cortland Community Outreach Partnership Center, and the United Way to maintain an ongoing community needs assessment under the auspices of the Seven Valleys Health Coalition. A Community Assessment Team (CAT) comprised of the Medical Center CEO and the Cortland County Commissioner of Health, as well as representatives from each of the other involved organizations, oversees the annual updating of the assessment and monitors implementation of strategies to address identified needs.

Cortland Counts: An Assessment of Health and Well Being In Cortland County serves as a basis for community organizations, including CRMC, to set priorities, coordinate services, allocate resources, and develop funding requests. The information in the report is gathered through community-wide surveys, focus groups, and interviews with key personnel at various community agencies, organizations, and local businesses, as well as from a myriad of information sources, including those provided by local, state, and federal government agencies. The extensive report includes social and health indicators within five general areas, including: health and safety; employment and welfare; development through life stages; social cohesion, culture and recreation; and housing and the environment. An updated abbreviated version, the *Community Report Card*, is published annually to provide the highlights of the assessment in an “at-a-glance” format. A full assessment is conducted every five years.

The Community Report Card is a key document that the medical center utilizes in setting priorities for the continuation of existing services and the development of new/enhanced programs and services.

- ***External Data Bases*** – Cortland Regional Medical Center utilizes IHAIS (Apollo), a web-based service that provides access to a multitude of comparative hospital financial and clinical data. Through this service, CRMC can analyze issues related to resource use, market share, and quality, and it features information about numerous financial and operational indicators.
- ***CRMC Strategic Plan*** – CRMC undertook a process to update its strategic plan in 2005 and a needs assessment was part of that planning process.

COMMUNITY PARTICIPATION

Cortland Regional Medical Center obtains feedback from various groups who utilize the medical center's services, as well as the public at large, through a variety of means. This input is considered in developing CRMC's Community Service Plan and determining strategic initiatives to be undertaken in order to meet the community's healthcare needs.

- ***Community Assessment Forum*** – The findings of the comprehensive community assessment (described in the previous section) are presented annually to a gathering of key stakeholders that represent a broad spectrum of the community. The purpose of the presentation is to inform a wide audience of the report findings, as well as to fill information gaps and elicit community feedback with regard to priorities that should be set in light of the assessment.

As the Community Assessment Team pursues implementation of strategies to address identified needs, teams have been established to ensure broad-based input into the development of programs and services. CRMC is an active participant and involvement on these teams provides valuable community input.

- ***Participation in Seven Valleys Health Coalition*** – Cortland Regional Medical Center is a member of the Seven Valleys Health Coalition, a rural health network that brings together a variety of social service agencies and healthcare providers in order to better coordinate the delivery of services to the community. The coalition provides an excellent forum for obtaining input and feedback from other service providers in the community.
- ***Satisfaction Surveys***
 - **Patient Satisfaction** – The medical center utilizes the HCAHPS inpatient survey developed by the Centers for Medicare & Medicaid Services (CMS) as a standardized instrument for measuring patients’ perspectives on patient care. In the fall of 2007, CMS will begin to publicly report the results of the HCAHPS Survey. This survey allows CRMC to benchmark itself against hospitals across the country and to identify opportunities for improvement.
In addition to the formal survey document, the patient survey process often elicits less formal feedback from patients regarding their suggestions for enhanced and new services and how existing services could be changed to better meet their needs. This information is directed to the appropriate member of the medical center’s senior leadership team for consideration in its monthly strategic planning sessions.
 - **Employee Opinion** – CRMC surveys its employees, an invaluable source of input on ways the medical center can better meet the community’s needs. Because CRMC’s employees generally reside in the greater Cortland community, they make excellent liaisons to relay the community’s interests.
- ***Presentations to Local Service Organizations*** – Representatives of Cortland Regional Medical Center made presentations to local service organizations, i.e. Rotary, Kiwanis, Lions, Grange, etc., regarding current strategic initiatives and plans for future undertakings.
- ***Ward Meetings*** – In cooperation with the City Council Alderman and County Legislator who represent the area in which the medical center is located, Ward Meetings have been hosted by the medical center as a public forum to solicit input from the medical center’s neighbors about current and future plans to enhance existing services or develop new services.
- ***C.M.H. Group Strategic Planning Sessions*** – Representatives of the subsidiaries and affiliates of the C.M.H. Group, Inc., the medical center’s parent corporation, meet on a monthly basis for the purpose of assessing needs and strategic planning to address identified gaps in services.
- ***Community Hospital Network of Central New York*** –The Community Hospital Network of Central New York is an affiliation of four community hospitals in the Central New York Region that has been established to create a comprehensive network of health care services to benefit the patients served in each hospital’s respective community. During the past year, the member hospitals collaborated on several projects directed at improving the quality of care and reducing costs for each participating hospital.
- ***CRMC Website and Healthier Times Newsletter*** – Both the medical center’s Website and *Healthier Times* newsletter, which is mailed to 33,000 homes in the medical center’s service area four-times a year, are used as vehicles to keep the public informed of new programs and services and to elicit input regarding medical center services.

STRATEGIC PLAN

Cortland Regional Medical Center undertook a strategic planning process during 2005 to develop a new Strategic Plan for the organization that would establish strategic goals for the next three to five years. The Medical Center Board of Trustees adopted a new Strategic Plan in November 2005. Based on an internal assessment of the organization, as well as the community needs assessment and other external factors, the Strategic Plan was developed to ensure that the medical center's commitment of resources is in alignment with its mission to meet the lifelong healthcare needs of the greater Cortland community. Cortland Regional Medical Center's strategic goals include:

- Improve patient care quality and safety.
- Improve relations with patients, employees, physicians, and others.
- Develop a cultural shift toward pride and ownership.
- Enhance information technology capabilities.
- Improve facilities.
- Sustain profitability.

2006 ACCOMPLISHMENTS

- ***Smoke-Free Campus*** – In recognition of health problems associated with tobacco use and the medical center's visibility as the primary healthcare provider in the Cortland region, CRMC became a smoke-free campus in March 2006.
- ***Partnering with St. Joseph's Hospital Health Center*** – CRMC and SJHHC have entered a service affiliation agreement to benefit both facilities in areas such as improving patient care, staff education, and physician recruitment. Neonatal care and cardiology services are the initial focus of this new relationship.
- ***Dialysis Center*** – CRMC collaborated to with St. Joseph's Hospital Health Center to establish a dialysis center in Cortland due to open in the spring of 2007. This project was pursued in response to the community's request that dialysis be offered in the local community to ease the burden on patients and families who are currently traveling long distances to receive treatment.
- ***Cogeneration Plant*** – CRMC completed construction of the area's only hospital cogeneration plant, enabling CRMC to generate 100% of its demand for electricity and heat.
- ***Community Cancer Program*** – A new program was developed to provide comprehensive care to patients diagnosed with cancer. The program promotes cancer screening, detection, treatment, prevention, and education.
- ***Childcare Center Expansion*** – CRMC's *Here We Grow Child Care Center* was expanded to meet growing demand for quality childcare by CRMC employees and the community at large.
- ***Rehabilitation Functional Living Apartment*** – The functional living apartment replicates the home environment to assist rehabilitation patients with the transition to becoming fully functional in their own homes. It is the only one of its kind in Central New York.
- ***JCAHO Accreditation*** – In August 2006, CRMC was awarded a three-year accreditation and the JCAHO Gold Seal of Approval.

- ***Cardiac Rehabilitation Program*** – A new Cardiac Rehab “Phase II” Program was initiated to provide comprehensive cardiac rehabilitation under the supervision of a cardiologist to patients recovering from heart attack or heart surgery.
- ***Community Recognition***
 - **“Large Business of the Year” Award** – CRMC was recognized by the Cortland County Chamber of Commerce for recent renovations, completion of the cogeneration project, and the innovative partnership with St. Joseph’s Hospital Health Center on the dialysis project.
 - **American Cancer Society Award** – Given in appreciation of CRMC’s leadership role in building a smoke-free community.
- ***Community Education*** – The community needs assessment looked at health indicators and identified health issues that are of concern. As part of Cortland Regional Medical Center’s response to these health concerns, it offers community education programs and sponsors support groups. Classes include:

<ul style="list-style-type: none"> ▪ Safe Shape Weight Loss Classes ▪ Safe Shape Exercise Classes ▪ Prenatal Classes ▪ Prostate Cancer Support Group ▪ Smoking Cessation Classes 	<ul style="list-style-type: none"> ▪ Diabetes Classes ▪ Diabetes Support Group ▪ Grief Support Group ▪ Perinatal Grief Support Group
--	--

FUTURE PLANS

- ***Update Operating Suite and Maternity Unit*** – In the process of developing a Facility Master Plan, updating the operating suite and maternity unit have been identified as priorities. CRMC is making plans to build an addition to house these services and will then renovate the existing spaces for other services.
- ***Emergency Department Management (EDM) Software*** – Plans are in place to implement an electronic medical record and other electronic management tools in the Emergency Department.
- ***Food Service “Hospitality Program”*** – Innovations in food service delivery are planned to enhance the patients’ experience while hospitalized.
- ***Digital Mammography*** – Funds have been allocated to acquire digital mammography equipment.
- ***Time/Attendance and Access System*** – A new system to track time and attendance, and well as to secure building access will be installed in 2007.
- ***ED Stroke Telemedicine Program*** – CRMC plans to pursue a telemedicine program to enhance the effectiveness of care provided to stroke victims in the Emergency Department. This initiative will be carried out in collaboration with University Hospital in Syracuse.

ECONOMIC IMPACT & COMMUNITY BENEFIT

Cortland Regional Medical Center is proud to provide care to our community. Our doors are open 24 hours a day, seven days a week, 365 days a year. Every year we serve thousands of individuals and keep our community healthy, strong, and vibrant. This record of service is and always will be our most valuable contribution to the community.

The medical center strengthens the infrastructure of the local community, which relies on CRMC to provide high quality health care; bring life into the world; care for the aged; ensure safety when an emergency or disaster strikes; educate people about the impact of lifestyles on their health and well-being; and provide comfort at the end of life.

Less often recognized is the health system’s contribution to the local economy, including the people it employs, the impact of its spending, and the effect of employees’ spending and the taxes they pay. CRMC is critical to the economic viability of our community. It is a major source of employment and purchaser of goods and services, as well as providing healthcare that allows people to be productive citizens.

Cortland Regional Medical Center Direct and Indirect Impact on Our Community	
Jobs	1,280
Economic Impact	
Payroll	\$62,518,000
Supply Purchases	\$38,243,000
Capital Spending	\$9,243,000
Total Impact	\$110,004,000
Taxes	
Income Taxes	
State	\$1,875,000
Local	\$0
Sales Taxes	
State	\$1,098,000
Local	\$1,251,000
Total Taxes	\$4,224,000

Prepared with assistance from the
Healthcare Association of New York State (HANYSS)

FINANCIAL COMMITMENT TO THE COMMUNITY

Cortland Regional Medical Center Financial Statement For Report Year 2006

I. <u>Revenue</u>		
• Net Patient Services Revenue	\$ 68,250,000	
• Other Operating Revenue	\$ 3,093,000	
Subtotal		\$71,343,000
II. <u>Grants, Research, Medical Education</u>	\$ 917,000	
Total Revenue		\$72,260,000
III. <u>Expenses</u>		
• Salaries and Benefits	\$ 40,083,000	
• Supplies and Other Expenses	\$ 21,668,000	
• Depreciation and Interest	\$ 5,385,000	
Total Expense		\$ 67,136,000
IV. <u>Bad Debt/Uncompensated Care</u>	\$ 3,618,000	
V. <u>Charity Care</u>		
• Free Care	\$ 672,000	
• Community Benefits	\$ 224,000	
Total Charity Care:		\$896,000
VI. <u>Assets</u>	\$ 84,653,000	
VII. <u>Liabilities and Fund Balances</u>	\$84,653,000	
VIII. <u>Capital – Equipment</u>	\$37,486,000	
IX. <u>Land</u>	\$ 4,508,000	
X. <u>Buildings and Improvements/Construction</u>	\$ 55,161,000	

SUMMARY FINANCIAL STATEMENT

I.	Total Operating Patient Service Revenue:	\$68,251,000
II.	Total Operating Expenses:	\$70,754,000
III.	Charity Care:	\$ 896,000
IV.	Bad Debt/Uncompensated Care:	\$ 3,618,000

I. Revenue – includes income from patient care billings, grants, research/medical education; donation fund raising;

II. Operating Expenses – includes salaries/benefits, supplies, other expenses, depreciation, and interests expenses on loans;

III. Charity Care – this accounting is the result of facility charity care policies, reflecting expenditures associated with **free care** to patients not expected to pay their bills (e.g., patients without health insurance or financial resources)

IV. Bad Debt – reflects expenditures not collected from patients expected to pay their medical bills – uncollected medical charges (e.g., patients with some form of health insurance or financial resources.)

CHARITY CARE

Cortland Regional Medical Center has an established Charity Care Policy, which provides financial assistance to patients in need of medical service who cannot afford to pay for them. This policy was put into effect as part of Cortland Regional Medical Center's commitment to provide better accessibility to health care services to all residents of Cortland County and surrounding communities regardless of their ability to pay.

Staff throughout the facility are familiar with the medical center's Charity Care Policy and can access and print copies of the policy as necessary from any workstation via the housewide computer system. Additionally, the medical center employs a full-time Patient Advocate who is readily available to consult with patients about their financial obligations to the medical center and options available. She assists in making sure those who might be eligible for charity care are informed of the medical center's policy and receive this benefit, as appropriate.

CORPORATE STRUCTURE

Cortland Regional Medical Center is a not-for-profit corporation, as defined under Section 501(c)(3) of the Internal Revenue Code. It is the sole hospital in Cortland County. The medical center operates Laboratory Service Centers at various locations in Cortland and also offers outpatient Rehabilitation Services and Imaging at its offsite facility at 4005 West Road in the Town of Cortlandville.

The medical center's parent corporation is the C.M.H. Group, Inc. Subsidiaries of the parent corporation in addition to Cortland Regional Medical Center include the Cortland Memorial Foundation, its fundraising arm, and CMH Services, Inc., a for-profit corporation that provides home care services. The resources of the Foundation are utilized to support the purposes of Cortland Regional Medical Center. Additionally, Cortland Memorial Properties, a for-profit subsidiary of Cortland Memorial Foundation, operates a medical office building in conjunction with a limited partnership. Over the years, the availability of attractive office space adjacent to the medical center has benefited CRMC in its physician recruitment efforts. The C.M.H. Group also has an affiliation agreement with the Groton Community Health Care Center, an 80-bed residential care facility, and Cortland Regional Medical Center has an affiliation with Family Health Network of Central New York, which operates several federally qualified, Article 28 diagnostic and treatment centers.

FUND BALANCES

	2006	2005	Change
The C.M.H. Group	\$ 6,845	\$ 6,847	(\$ 2)
Cortland Regional Medical Center	\$50,923,000	\$ 45,159,000	\$ 5,764,000
Cortland Memorial Foundation	\$3,986,000	\$ 3,413,000	\$ 573,000

The for-profit corporation, CMH Services, Inc., had net income of \$198,000 in 2006 and \$22,709 in 2005.