

**ECMC CORPORATION**  
**ANNUAL REPORT AS REQUIRED BY**  
**NEW YORK PUBLIC AUTHORITIES LAW SECTIONS 2800 AND 3642**

**ANNUAL REPORT:**

New York State Governor David Paterson  
Senate Finance Committee Chairman Owen H. Johnson  
Senate Finance Committee Ranking Minority Member William T. Stachowski  
Assembly Ways and Means Committee Chairman Herman D. Farrell, Jr.  
Assembly Ways and Means Committee Ranking Minority Member James P. Hayes  
New York State Comptroller Thomas P. DiNapoli  
Erie County Legislature Chair Lynn M. Marinelli  
Erie County Executive Chris Collins  
Erie County Comptroller Mark C. Poloncarz  
Erie County Audit Committee Chairman John P. Schiavone  
Erie County Legislature Clerk Robert M. Graber  
Erie County Clerk Kathleen Hochul

**REPORT OF SUBSIDIARIES / PROCUREMENT CONTRACTS:**

New York State Governor David Paterson  
New York State President of the Senate Joseph L. Bruno  
New York State Speaker of the Assembly Sheldon Silver  
New York State Comptroller Thomas P. DiNapoli  
Erie County Executive Chris Collins  
Clerk of the Erie County Legislature Robert M. Graber  
Copies available to the public upon reasonable request

**BOND SALE REPORT:**

New York State Comptroller Thomas P. DiNapoli  
New York State Senate Finance Committee Chair Owen H. Johnson  
New York State Assembly Ways and Means Committee Chair Herman D. Farrell Jr.  
Copies available to the public upon reasonable request

**FINANCIAL MEASURES DISCLOSURE STATEMENT:**

Erie County Executive Chris Collins  
Erie County Legislature Chair Lynn M. Marinelli  
Erie County Attorney Cheryl A. Green

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### **A Message from the Leadership of ECMC Corporation**

For the second year in a row, ECMC made a profit. We are estimating a \$17 million surplus from operations and investments in 2007. Because of the hard work and dedication of our staff, more patients chose ECMC and we saw significant increases in emergency room visits and surgical procedures.

The fact that we ended the year with a surplus is especially noteworthy because ECMC experienced an \$7 million reduction in federal and state revenue, and a \$11 million increase in retiree healthcare costs last year. Most importantly, this was all accomplished before any County support was received. These are all dollars we can use to cover future costs and reinvest in our facility for patient care.

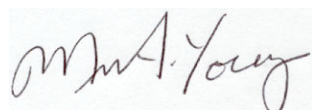
To date, this success has led to the accumulation of \$167 million to reinvest into ECMC for technology and capital projects. This is a unique position in the WNY healthcare marketplace and a result of hard work and fiscal prudence. In 2007, we began our capital investments with many projects, such as a new Cardiac Catheterization Suite, renovations to patient rooms and waiting rooms, a major renovation to our lobby, replacement of all of our IV pumps, and the long awaited replacement of our elevators.

This historic turnaround is a testament to all the physicians and employees at ECMC. We have worked very hard to focus on quality patient care. We have said that better quality patient care drives financial success. This proves that the two work hand in hand. We are also happy to announce to the taxpayers of Erie County that their investment in ECMC has paid off and we will require no county operating subsidy in 2008 beyond debt service.

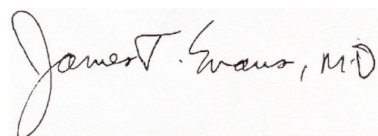
Driving the reversal of earlier trends is more patients choosing the hospital and a focus on operating efficiencies and cost savings. Since we all began a new focus three years ago, operating revenues and investment earnings have increased by \$99 million, or 36 percent. From 2006 to 2007, patient services revenues increased by 12 percent, or \$37 million, pushing revenue to total \$370 million in a single year.

To respond to these increases in patient volumes and the future hospital closures and downsizings elsewhere in the county from the Berger Commission mandates, we have submitted a plan to the Department of Health to expand our operating room and emergency room capacities. In just the past three years alone, operating room procedures have increased by 31% and emergency room visits have increased by 7%. Not only will ECMC need additional capacity to meet this growing demand, but also to continue to meet our obligations as the Adult Regional Trauma Center and Disaster Preparedness Center.

We would like to publicly thank all ECMC Corporation staff members for a great year and for their continuing efforts to provide the very best care to our patients.



Michael A. Young, M.H.A., F.A.C.H.E.  
President and Chief Executive Officer



James T. Evans, M.D., F.A.C.S.  
President, Medical/Dental Staff



Kevin E. Cichocki, B.A., B.S., D.C.  
Chairman, Board of Directors

**I-1.) Operations and Accomplishments**

Public Authorities Law §3642(1); Public Authorities Law §2800; and the Sale Purchase and Operation Agreement, §6.8

**Buffalo Firefighter Mark Reed Discharge  
Reed Expresses Thanks**

After being a patient at ECMC for 52 days, Buffalo Firefighter Mark Reed was discharged and sent home on August 1, 2007. Reed and his family wanted to extend their thanks to the community for their concern and support, so a news conference was held the day Mark Reed was discharged. Mayor Brown and Fire Commissioner Michael Lombardo honored Reed with their comments and visitors, hospital staff and fellow firefighters all cheered as he exited the medical center doors.

Reed first came to ECMC on June 10 after sustaining critical injuries while fighting a fire in a vacant house on Wende Street. A brick chimney collapsed on him while standing in the alleyway, leaving him with multiple injuries. The fire was determined to be started by arson.

The 36-year-old firefighter remained in critical condition in the Trauma Intensive Care Unit (TICU) for days after the incident. He sustained many severe injuries, putting his life at risk. Doctors put Reed into a medically induced coma and on a respirator. Nine days after the accident, surgeons needed to amputate his right leg, due to infection. Because of Reed's skull fracture and head injuries, he also required reconstructive surgery.

In early July, Reed came out of his coma and began breathing on his own. After many surgeries and an amazing recovery, doctors told his family members that he had no permanent brain injuries. It is no wonder why people are calling Mark Reed's improvement miraculous.

Reed's wife, Nancy, and his parents Edward and Barbara were at his side throughout his ordeal. His fellow firefighters were frequent visitors, proving they are a very close group, much like a family. The firefighters even made special modifications to Mark and Nancy's home, including installation of hand railings, to ease his transition to life at home.

Mark Reed is a 10-year veteran of the Buffalo Fire Department, stationed at Engine 31. ECMC also provided rehabilitation outpatient therapy services to Reed.

**Erie County Medical Center (ECMC) recognized for implementing Quality Cardiac Care**

Erie County Medical Center (ECMC) is one of 277 hospitals in the United States being recognized in the July 23 issue of US News & World Report by the American Heart Association/American Stroke Association's Get With the Guidelines<sup>SM</sup> (GWTG) program in an advertisement for its performance achievement in cardiac care.

The American Heart Association/American Stroke Association's GWTG program is a quality-improvement program that helps hospitals insure that patients consistently receive cardiac and stroke care in accordance with the most up-to-date guidelines and recommendations.

GWTG has three modules to help hospitals use evidence-based guidelines to treat patients with coronary artery disease, stroke and/or heart failure. Hospitals that continually meet or exceed the nationally accepted standards, or guidelines, improve their quality patient care by turning guidelines into lifelines.

Upon meeting criteria specific to each module, hospitals are recognized for performance achievement if at least 85 percent of their cardiac or stroke patients (without contraindications) are treated and discharged according to the American Heart Association/American Stroke Association's guidelines and recommendations. The American Heart

Association/American Stroke Association's ad recognizes Erie County Medical Center's commitment and success in performance achievement.

"GWTG is about improving quality of care and saving lives, so the American Heart Association/American Stroke Association wanted to recognize Erie County Medical Center's contribution to quality cardiovascular care in a publication such as *US News & World Report*, which focuses its July 2007 issue on the top 100 hospitals. The Erie County Medical Center has implemented and maintained the appropriate standards of performance in cardiac care for patients," said Gregg C. Fonarow, M.D., American Heart Association volunteer chairman for the national GWTG Steering Committee. "We are proud of Erie County Medical Center's efforts for implementing these lifesaving treatments."

"Erie County Medical Center is dedicated to making our patient care for heart patients among the best in the country, and the American Heart Association/American Stroke Association's GWTG program is helping us accomplish that by making it easier for our professionals to improve the quality of care and long-term outcomes of our cardiac patients," said Jacqueline Blackley, VP Cardiovascular Services for ECMC.

### **ECMC Opens All New, Expanded Digital Cardiac Catheterization Suite**

On May 24, 2007, ECMC Corporation held a grand re-opening of an expanded, state-of-the-art digital Cardiac Catheterization Laboratory (Cath Lab) Suite. Dignitaries, political officials, ECMC board members, administrators, physician and nursing staff members were on-hand in support of the \$2.2 million facility expansion and enhancement.

Recognizing community need, in April of 2006, the New York State Department of Health (NYS-DOH) approved ECMC's Certificate Of Need (CON) application for the new facility. ECMC's new Cardiac Catheterization Suite now features three (3) state-of-the-art, digital imaging cardiac cath labs—one with dual capacity for both heart procedures (cardiac catheterization—passage of a catheter through an artery in the arm, leg or neck into the heart for evaluation or treatment of blockage) and in selective patients there is the possibility of imaging via peripheral angiography (study of outer boundary vessels—such as the kidney, legs and other arteries—using a contrast material for viewing of blockages) procedures. The two original cath labs have been fully upgraded to include the same advanced digital technology as the new/third lab. The patient recovery-holding area includes bed-side electronic charting capability that enables nurses to monitor and record patient conditions with the latest in computerized patient monitoring technology. This area doubles capacity with space for eight patients/beds (rather than the previous four) improving patient comfort and physician efficiency. Additionally, physician and nursing staff have been added to fully utilize the new cath suite and better respond to patient needs.

"The expansion of our cath lab suite enables us to increase capacity to further improve our response time in emergency situations and to address multiple problem areas in selective patients. The new technology will help us to continue to improve patient outcomes, safety and comfort. This translates into better service for the physicians, staff and their patients," noted Neil Dashkoff, MD, Director of ECMC's Cardiac Catheterization Laboratory.

Coronary heart disease is the number one killer in America, and the Buffalo region has consistently held one of the highest rates of heart disease in the country. In March of 2004, ECMC responded to a vital community need with the activation of the region's first 24-hour, seven-days-a-week emergency angioplasty service. ECMC's 24/7 trauma system, rooftop heliport accessibility, and a teamwork approach has created the ideal foundation for an efficient and timely cardiac transfer system and a regional resource for around the clock angioplasty. ECMC remains a leader in emergency care of cardiac patients—with a median angioplasty door-to-balloon time (elapsed time from hospital arrival until the blocked artery is re-opened) of only 56 minutes—34 minutes faster than the national benchmark of 90 minutes.

### **ECMC Earns Top Rating of Hospitals in New York State**

As of August 24, 2007, according to a report released by IPRO, Erie County Medical Center (ECMC) received the top rating of hospitals in New York State for care related to heart failure. This means that 100% of the patients with a diagnosis of heart failure that were treated at ECMC between October and December 2006 received all the appropriate care that they required.

Erie County Medical Center is one of 57 New York State hospitals that participate with IPRO, the Quality Improvement Organization for New York State, under contract with the Centers for Medicare & Medicaid Services (CMS), in a

collaborative effort to improve the quality of care delivered to hospital patients. The ultimate goal of this collaborative is to help ensure that every person receives the right care, every time, and that the care they receive is safe, effective, patient centered, timely, efficient and equitable.

The collaborative focuses on providing recommended care that has been proven to result in better outcomes for patients admitted with a diagnosis of acute myocardial infarction (heart attack), congestive heart failure and/or pneumonia. A key strategy to improving care is continuous measurement and reporting of performance related to this care. This allows health care facilities to track progress and identify opportunities for improvement. Erie County Medical Center, along with the other hospitals in the collaborative voluntarily report on a variety of indicators related to how care was provided to patients with these conditions.

### **Harvard Fellow Dr. Eric Keyser Named Director of ECMC Cardiothoracic Surgery**

In December of 2007, Dr. Eric J. Keyser joined Erie County Medical Center as ECMC's Director of Cardiothoracic Surgery. Dr. Keyser completed his education at McGill University, Montreal, Canada, including a Bachelor of Science in Physics, a Medical Doctorate, a Master of Surgery, and a Master of Science in Experimental Surgery. His postgraduate medical training includes research fellowships in Critical Care Medicine, Surgical Education and Minimally Invasive Surgery at McGill, a completed residency in General Surgery at the McGill University Health Center, a completed residency in Cardiothoracic Surgery at the Albert Einstein College of Medicine Long Island Jewish Medical Center/Schneider Children's Hospital in New York, and a clinical fellowship in advanced Adult Cardiac Surgery at the Harvard Medical School Massachusetts General Hospital in Boston. He is a certified diplomat of the American Board of Surgery, the American Board of Thoracic Surgery, the Royal College of Physicians and Surgeons of Canada in General Surgery, and the Royal College of Physicians and Surgeons of Canada in Cardiac Surgery. He is an active member and Fellow of several medical and surgical societies. Dr. Keyser's clinical focus of expertise is in minimally invasive adult cardiac surgery including beating heart surgery and valve repair.

### **NYS American Trauma Society Honors ECMC Nurse Peer group of Trauma Professionals choose ECMC Trauma Nurse Linda Schwab for State-wide Recognition**

On November 29, 2007, the New York State (NYS) Chapter of the American Trauma Society recognized nurse Linda Schwab, MS, RN, Trauma Program Coordinator for Erie County Medical Center (ECMC) and the eight county Western New York region, as the *2007 Trauma Coordinator of Distinction for New York State*.

The NYS American Trauma Society annually recognizes the most deserving Trauma Professionals for their commitment and pursuit of excellence in the area of trauma care in three categories, including: Trauma Director, Trauma Registrar, and Trauma Coordinator of Distinction. To choose award winners each year, the Society conducts a rigorous submission and selection process among members of the American Trauma Society and the NYS Trauma Advisory Committee. An awards program, held during the State Trauma Advisory Committee Meeting in Albany, is the culmination of the selection process. This year, the event took place on November 29<sup>th</sup>.

Since the early 1960s, ECMC has set trends in trauma and emergency care, developing practices, procedures and in some cases devices (such as the first crash cart) that have since become standards of care now implemented/utilized in hospitals across the nation and the globe. As Western New York's only Adult Regional Trauma Center, ECMC operates one of 43 trauma centers in New York State. ECMC has achieved the best trauma survival rate of all trauma centers in the State, according to a July 2006 report from the New York State Department of Health ([www.health.state.ny.us](http://www.health.state.ny.us)). ECMC offers trauma and burn educational programs for professionals as well as the general public. For more information about ECMC trauma/burn services, call 716-898-3631 or log on to [www.ecmc.edu](http://www.ecmc.edu).

### **Leaders Provide Education on Pediatric Emergency Situations**

A Pediatric Emergency Preparedness Forum was held on June 20, 2007 at ECMC for clinical staff from hospitals across the eight counties of Western New York. This forum was well attended by area clinicians who gained further knowledge in five main topics: regional overview (pediatric preparedness gaps), pediatric triage and assessment, hospital guidelines for pediatrics in disasters, disaster mental health for children, and teaching of an Emergency Nursing Pediatric Course. Educational presentations were made by experts on these issues.

### **HAZMAT for Healthcare Training at ECMC**

ECMC is the Regional Resource Center for Emergency Preparedness, and as such offers a variety of Emergency Preparedness related training programs to all 26 hospitals, clinics, corresponding agencies, and other interested organizations in the Western New York Region.

The HAZMAT program is intended and designed for hospitals and related organizations to create and/or improve their hazardous materials emergency response programs for both internal spills and management of contaminated patients. The training course is appropriate for only the Emergency Department, Plant Operations/Engineering, and Environmental Services, Oncology, Pharmacy, Security, Laboratory, Radiology, Gastroenterology, Environmental Health & Safety, and other departments that use chemicals or might encounter hazardous materials emergencies.

HAZMAT, or Decon Training, was held at ECMC in the beginning of August 2007. Among the trainees were representatives from hospitals across the region as well as ECMC employees.

### **Dr. Murray Presents at Cleveland Clinic Tests Designed for Kidney Disease Prevention**

In 2007, State University of New York at Buffalo Associate Professor of Medicine; ECMC Research Director and Medical Director, Hemodialysis Unit, Dr. Brian Murray presented at the Cleveland Clinic regarding Chronic Kidney Disease (CKD) Prevention. The 40-minute presentation included information on the use of new tests to more efficiently identify patients with CKD. Cleveland Clinic staff members, as well as primary physicians and fellow nephrologists were in attendance.

The purpose of the CKD instructional session was to promote quality care. Dr. Murray explained that CKD patients are currently under-served and not identified early enough to receive the proper treatment to slow the progression of the disease. Dr. Murray went on to explain that “traditionally, kidney disease has been identified using a test for serum creatinine. But the problem tends to be, most physicians don’t recognize the disease using that test until the kidney disease is very advanced. That leads to patients not being treated early enough and referred too late to a kidney specialist.”

The newly recommended test isn’t exactly new. It is an estimate of the Glomerular Filtration Rate (GFR). Several years ago, the National Kidney Foundation recommended GFR as an alternative means to allow the disease to be identified earlier. The GFR is calculated by using the patient’s age, gender, race, and their serum creatinine level. There is no need for additional blood draw because essentially, the lab already has all the desired information.

Originally, there was a study done approximately 15 years ago by the National Institute of Health concerning diets and kidney disease, called Modification of Diet in Renal Disease (MDRD). Protein was manipulated in patient diets. There was no significant difference in the outcomes of patients. “However, it was analyses of data from that trial that led to the development of Estimated GFR. That is why it is called: MDRD GFR,” Dr. Murray explained.

The CKD Task Force of Western New York, an initiative of the Niagara Health Quality Coalition, pioneered the use of GFR for early identification of at-risk patients by adding the MDRD Estimated GFRs to all lab reports where a serum creatinine is requested, which they felt would assist primary care physicians to identify CKD early. Buffalo is unique in that it was the first area in the country to achieve community-wide implementation of this test, where as it was only being done sporadically in other areas. Dr. Murray stated, “I think it is fair to say that Buffalo, or the WNY area, was the first to implement this in a widespread fashion.”



Dr. Murray also mentioned that many regions are now following this practice with the help of commercial laboratories such as QUEST Diagnostics, VA Medical System, and Kaiser Permanent.

### **ECMC again earns National HHS Recognition as a Hospital with High Organ Donation Rate**

On October 9 and 10, 2007, the U.S. Department of Health and Human Services (HHS) presented an award to Erie County Medical Center (ECMC), as one of 392 of the nation's largest hospitals, for success in increasing its organ donation rate.

Hospital executives from ECMC and other facilities across the country, together with their partners in 57 federally-designated organ procurement organizations (OPOs) including ECMC's partner, Upstate New York Transplant Services, Inc. (UNYTS), received the Department's Medal of Honor for Organ Donation for achieving and sustaining a donation rate of 75 percent or more of eligible donors. They were recognized during the Third National Learning Congress on Organ Donation and Transplantation held in Nashville, Tenn., on October 9-10.

The 392 winning hospitals come from a pool of 716 hospitals that met eligibility criteria. This represented hospitals with eight or more potential organ donors during the 26-month award period, ending in June 2007, who sustained a donation rate of 75 percent or more from among eligible donors for at least a year. In 2005, the HHS honored ECMC with UNYTS as one of only 184 of the nation's hospitals for substantially raising the organ donation rates of eligible donors to 75% or higher. In 2004, ECMC and UNYTS was recognized as one of just 21 "Organ Donation Breakthrough Collaborative" teams across the United States to achieve an organ donation rate of 75% or higher.

"For the calendar year 2007, through collaborative efforts between ECMC and UNYTS, we have been able to achieve a sustained organ donation conversion rate of 75% or higher," explained Cheryl Nicosia, RN, MS, Nurse Clinician and Organ Donation Liaison at ECMC.

Record gains in increased organ donation rates followed the HRSA's (Health Resources and Services Administration) launch in 2003 of the Organ Donation Breakthrough Collaborative. The Collaborative brings together donation professionals and hospital leaders to identify and share best practices to integrate organ donation into the hospital's end-of-life continuum of care. A report is posted at [www.organdonor.gov](http://www.organdonor.gov) and additional information on donation initiatives is also available at that Web site.

### **Dr. Fudyma Presents ECMC Success at Harvard**

On October 17, 2007, ECMC Chief Medical Officer Dr. John Fudyma presented on ECMC's successful organ donation and transplant programs at the Harvard Medical School Conference Center. Dr. Fudyma was a featured speaker along with former Massachusetts Governor Michael Dukakis at the Institute for Health Metrics Quality Symposium entitled "The Best Health Care in the World? How Hospitals Will Lead the Way." The theme of the conference reflected the fact that doctors and hospitals are pivotal players in the improvement of the healthcare system and that issues of quality and performance accountability are critical in the clinical environment.

As one of three chief medical officers invited to the conference, Dr. Fudyma addressed the question of how hospitals are responding to performance improvement challenges by citing the remarkable success of ECMC's Transplant Program and Organ Donation efforts as an example of a recognized quality improvement initiative. ECMC is the only hospital in New York State that is a three-time recipient of the US Health Resources and Services Administration's Medal of Honor which recognizes sustained donation conversion rates. The conversion rate is the percentage of eligible donors who go on to become actual recovered organ donors. Eligible hospitals for the 2006 Medal of Honor had to have had eight eligible organ donors or more in a twenty-six month period ending in June of 2007. 716 hospital were eligible nationwide.

Dr. Fudyma stressed the importance of developing a culture of donation success at ECMC through education and the deployment of a team comprised of hospital staff members and Upstate New York Transplant Services, the organ procurement organization. The team, led by Cheryl Nicosia, Nurse Clinician, developed a formal action plan with high goals, mandatory education programs for nurses, after-action reviews of all referrals, and donation activity dashboards—at-a-glance reviews of all organ referral activity and recovery outcomes. Support from Mary Rhinehart, the Organ Donation Specialist from UNYTS assigned to ECMC, is also a key to our success in this collaboration.

A culture of organ and tissue donation has developed over many years and is deeply woven into the mission of ECMC, thereby increasing the pool of organs available for transplant by identifying potential donors.” says Dr. Fudyma. “We have a very strong renal transplant program with Dr. Rocco Venuto passionately promoting organ donation. His support is another factor which contributes to our success. The nursing and medical staff recognizes predetermined clinical triggers that identify a potential organ donor. A referral call is made to UNYTS from our critical care units and an organ donation specialist immediately evaluates the patient. This process ensures the availability of organs needed for transplant.”

In addition to the three Medals of Honor recognizing donation efforts, ECMC has previously been recognized for other quality improvement initiatives such as its emergency angioplasty ‘door-to-balloon’ time—which is significantly faster than the national average—and for its success with CMS Core Quality Measures. The ‘door-to-balloon’ time is the elapsed time from hospital arrival until the balloon opens an artery in the heart of a cardiac angioplasty patient. The CMS (Center for Medicare and Medicaid Services) Core Measures track standards of care over four areas: heart failure, AMI (heart attack), pneumonia, and surgical infection prevention.

The success of organ donation has tripled the size of ECMC’s active transplant list in the past four years while the percentage of living donor transplants has increased to about 40% of all cases as a result of the laparoscopic donor nephrectomy program started in 2001. ECMC has averaged more than 40 transplants per year for the past five years and has achieved wait times of less than half the national average for transplant. Thanks to Dr. Fudyma’s presentation at Harvard, the larger medical community is now aware of another one of ECMC’s successful quality programs.

#### **New Treatment Available at ECMC for Reducing Pain When Traditional Medical Treatments for Pain Are Ineffective**

The ECMC Department of Rehabilitation Medicine now provides therapeutic cold laser for the purpose of pain management and tissue healing.

The Theralase cold laser uses both laser and LED light therapy to simultaneously deliver two different healing light wavelengths that are mutually beneficial to the patient. The laser is called a cold laser because it does not produce heat. The Theralase is different than other commercial lasers for the treatment of pain due to “super-pulsed technology.” This laser technology provides more power to the affected area and is able to reach deeper tissues than any other modality available on the market. This device is handheld or it can be secured to the affected pain area. It can be utilized for the treatment of pain in virtually any part of the body with minimal contraindications for use.

“The Theralase system has provided absolutely tremendous results in people with knee, shoulder, and hip pain, as well as arthritis of any joint and degenerative disc disease,” explained Marie Johnson, Supervisor of Outpatient Therapy Services for ECMC. “Other areas of the body for which we have seen excellent results include low back pain, neck pain, TMJ (Temporomandibular Joint—connects the jawbone with part of the skull), migraine headaches, carpal tunnel syndrome, tendonitis and foot problems, such as heal

spurs and plantar fasciitis (an inflammation of the tough fibrous band of tissue that connects the heel bone to the base of the toes).

This therapy now enables patients to enjoy a much higher quality of life, with some being able to engage in activities that they have not been capable of for years. Pain relief is often the primary reason patients attend physical therapy sessions. Adding the Theralase to the comprehensive range of therapies that ECMC uses has had a positive impact on the care provided. While the laser is not for everyone, in many cases it has shown a decrease in pain with fewer visits than standard therapy alone.

### **ECMC Stresses Importance of Care Planning**

The diagnosis and treatment of patients' actual or potential problems crosses over clinical settings and requires an interdisciplinary approach to ensure the construction and implementation of a comprehensive plan of care (POC). Traditionally, plans of care were primarily authored and carried out by nursing staff. Efforts to implement an interdisciplinary approach through problem lists fell short due to the inflexibility of paper forms as a documentation medium.

To optimize care planning, ECMC has undertaken an initiative to computerize care planning through MEDITECH and a partnership with Zynx Health, an evidence-based clinical support software company. The first phase of the project stewarded by a team comprised of members of the medical staff, nursing, respiratory therapy, dietary, OT/PT, social work, Information Technology (IT) and administration.

The major goals of this phase were to select a standard taxonomy (SNOMED) for the clinical problems used to define the plans of care, link POCs to patient teaching plans and to convert the existing paper care plans to the MEDITECH format which enhance the staff's ability to individualize patients' problems, goals and interventions. Care planning will be an ongoing initiative with subsequent phases focusing on adding specific physician and nursing orders (including tests and labs), redefining interventions and goals and constructing automated reports to be used to enhance the quality of care provided as well as compliance with regulatory standards.

### **Clinical Documentation Initiative Launched**

The Health Information Management Department is proud to announce the formation of the Clinical Documentation Initiative that started in May of 2007. The primary focus of a Clinical Documentation Improvement (CDI) Program is to improve inpatient clinical documentation. In order to improve inpatient clinical documentation, it is necessary to educate physicians who are the main "suppliers" of the clinical documentation contained in the inpatient medical record. This focus will result in accurate and detailed documentation, thereby improving quality of care, reducing compliance and malpractice exposure, and increasing reimbursement compliantly. Participating physicians will learn correct documentation practices which they may use when documenting patient encounters in the Hospital and outpatient settings. Clinical Documentation Specialists are on the floors analyzing records, and work in conjunction with providers and coders on a daily basis to ensure complete and accurate documentation and charges.

### **Edward J. Meyer Memorial Hospital School of Nursing Alumni Unveil Historical Nursing Display at ECMC**

On September 20, 2007, The Edward J. Meyer Memorial Hospital School of Nursing Alumni unveiled at the Erie County Medical Center an historical display of the School of Nursing. The display depicts the significant roles that the hospital and the School of Nursing have played in providing healthcare

in Western New York and pioneering standards of nursing care to the world. Alumni, past and present employees of all hospitals, and individuals interested in the history of nursing were in attendance during the unveiling event.

The Edward J. Meyer Memorial Hospital School of Nursing Alumni received an award of \$10,000 earmarked for this display from the Margaret L. Wendt Foundation. These funds were combined with other contributions to create the historical display about the Edward J. Meyer Memorial Hospital School of Nursing prominently placed at the Erie County Medical Center.

The unveiling event featured Shirley S. Jaehn, RN, the Artifacts Chairperson for the E.J. Meyer Memorial Hospital School of Nursing Alumni Association; members of E. J. Meyer Memorial Hospital School of Nursing Alumni, and ECMC Corporation executives; Michael A. Young, MHA, FACHE, President/CEO; Karen M. Maricle, RN, MS, CNAA, Senior Vice President of Operations; Bonnie Anne Glica, RN, MS, Vice President of Nursing Services; and a diverse group of ECMC Nurses, clinical and non-clinical visitors from other hospitals, residents of the community, ECMC Corporation and ECMC Lifeline Foundation Board Members, ECMC physicians, as well as clinical, support and administrative staff, and local dignitaries.

#### **ECMC Opens Foot and Ankle Center Latest digital technology featured**

During the summer of 2007, ECMC Corporation announced the opening of an all new Foot and Ankle Center. The Center is an integral part of ECMC's Department of Orthopaedics. The Center focuses on feet and ankles – highly specialized structures that require highly specialized medical care for the best and most reliable outcomes. Also provided through ECMC are related support services such as: lab work, X-rays, MRI scans, and rehabilitation. With a reputation for excellence and the area's most advanced technology, ECMC's foot and ankle specialists and co-directors, Christopher A. Ritter, M.D., and Bernhard J. Rohrbacher, M.D., thoroughly evaluate conditions, deciding whether surgical or non-surgical treatment is best for the patient. When surgery is recommended, patients are cared for from pre-operation through post-operation, until full recovery. Many surgical options are available to improve function, including: ankle arthroscopy (a minimally invasive technique used for such problems as chronic inflammation, arthritis and cartilage fracture), ankle stabilization, cartilage regeneration, fusion/arthrodesis (a common technique to alleviate pain or disability in a joint), osteotomy/realignment, skin grafting (human or synthetic skin is used to treat difficult to heal wounds), tendon and ligament reconstruction, and total ankle replacement. Using advanced techniques and state-of-the-art technology, the Center is uniquely qualified to help adult patients with orthopaedic problems of the lower extremities, including: arthritis and joint disease, congenital and adult acquired deformities, diabetic complications, occupational and sport injuries, and posttraumatic injury care. People with diabetes are prone to many foot problems due to nerve damage and poor circulation. ECMC foot and ankle specialists have extensive experience treating these problems, including: bunions and hammertoes, Charcot foot (a complication of diabetes that usually occurs in those with nerve damage), diabetic peripheral neuropathy (often referred to as diabetic nerve pain), infections and ulcers, osteomyelitis (an acute or chronic bone infection caused by bacteria), and prevention of amputation.

#### **New Breast Health Services at ECMC**

Patients with breast problems can now be thoroughly examined and treated by a breast specialist through ECMC's Breast Health Services. All breast patients can be referred to these services for specialist care if a physician or other health care professional finds any area of concern during an

exam or if a patient discovers something irregular during a self examination. Services are available to all patients regardless of whether or not they have a referring physician. Treatment and services include: Evaluation and management of breast disorders; examinations by a breast surgeon; treatment for pain or mastitis; mammograms, ultrasound, biopsies and other diagnostic procedures. Patients (both women and men) may also be referred for breast health services by ECMC physicians or through a community clinic, Planned Parenthood, or other agency. Patients with any type of breast disorder—not just a concern about cancer—are encouraged to take advantage of these services. ECMC Breast Health Services is directed by Dr. Vivian Lindfield, a board certified surgeon and assistant clinical professor of surgery at the State University of New York at Buffalo. “We want to extend breast health services to as many women and men as possible,” says Dr. Lindfield. “This is a resource we have wanted to provide for some time and ECMC has given us an opportunity to reach more people in need of attention for breast disorders. Eventually we hope to expand these services into a Breast Center with all evaluations and diagnostic procedures done in the same area.”

#### **Cleve-Hill Family Health Center Pilots E-Prescriptions**

Cleve-Hill Family Health Center, ECMC’s community-based Family Medicine practice, was chosen to pilot a new regional system of exchanging health information. The initiative will help bring the hospital a step closer to a true Electronic Medical Record (EMR) and help improve patient care and efficiency at the practice.

The first implementation objective of the health information exchange was to provide Cleve-Hill with the ability to send and record prescriptions electronically. This Web-based “e-script” process allows physicians to enter patient script information into the computer and then send that information directly to the pharmacy by either auto fax or electronic transmission. The patient does not need a copy of the script to take to the pharmacy, but simply picks up their waiting medication(s).

Another advantage of the e-script is that an electronic record is created of the medication and the pharmacy that filled the prescription – information that can become part of the patient’s chart for future reference. When a refill is needed, the pharmacy will automatically send an electronic refill request to the office, where staff can review and forward to the physician for approval, editing, or rejecting. This will help increase office efficiency and decrease prescription fraud.

The goal is to implement e-scripts across ECMC and Western New York. As the system gets populated with more and more patient data, the system can be used to electronically exchange the entire range of patient information among the area providers.

“Having instant access to information about ECMC patients who have received services at other facilities is a great help in providing a higher quality and continuity of care,” said Medical Director Dr. Barbara Majeroni. Among other recent innovations, Cleve-Hill implemented paperless registration in May of 2007, and has been chosen to pilot in 2008 a new Web-based “medical necessity program” (providing the ability to confirm that a test is covered by insurance).

Recently remodeled in October 2005, Cleve-Hill offers comprehensive care for the entire family, including newborns, children, adults, and seniors. It has its own lab on site for blood work and urinalysis, and is open five days a week, including evening and Saturday hours.

Cleve-Hill also has increased its community outreach efforts. In 2007, its University at Buffalo Family Medicine residents and Ambulatory Care staff provided free blood pressure screenings at: Gospelfest, the Buffalo Niagara Heart Walk, the Clinton/Bailey Farmer's Market, the Harvey D. Moran VFW Post's Health Fair, and at the Galleria Mall on Thanksgiving weekend. At Halloween, patients received healthy apples for trick-or-treat, and donated toys were given to Cleve-Hill's pediatric patients at Christmas.

A clinical team of 25 providers, including 15 residents, are available to see patients of all ages. Such a large team of providers allows urgent appointments to be scheduled within 24 hours, while regular follow-ups are often available within a few days.

#### **ECMC Awarded The Joint Commission *Gold Seal of Approval*<sup>™</sup> Accreditation**

Erie County Medical Center (ECMC) Corporation has earned the Joint Commission's Gold Seal of Approval<sup>™</sup>—evidence of accreditation with all standards—by demonstrating compliance with The Joint Commission's national standards for healthcare quality and safety.

The Joint Commission accreditation is recognized worldwide as a symbol of quality that reflects an organization's commitment to meeting certain performance standards. To earn and maintain The Joint Commission's Gold Seal of Approval<sup>™</sup>, an organization must undergo an on-site survey by a Joint Commission survey team at least every three years. ECMC voluntarily sought The Joint Commission accreditation. As a result, The Joint Commission conducted an unannounced, on-site evaluation of all ECMC hospital activity in August of 2007. The accreditation is effective as of August 25, 2007, and the certificate and cycle are customarily valid for up to 39 months. The accreditation award recognizes ECMC's dedication to complying with the Joint Commission's current standards on a continuous basis and confirms that ECMC consistently provides safe, high-quality care, treatment, and services.

"The Joint Commission accreditation is recognition of ECMC's excellence in patient safety and quality care and serves to demonstrate our commitment to excellence to the entire Western New York community," stated Michael A. Young, M.H.A., F.A.C.H.E., President and Chief Executive Officer of ECMC Corporation.

"The Joint Commission accreditation is proof of our organization-wide determination to provide high quality care on an ongoing basis," said Karen M. Maricle, R.N., M.S., C.N.A.A., Senior Vice President of Operations for ECMC Corporation.

"Above all, the national standards are intended to stimulate continuous, systematic and organization-wide improvement in an organization's performance and the outcomes of care," says Darlene Christiansen, Executive Director, Hospital Accreditation Program, Joint Commission. "The community should be proud that ECMC is focusing on the most challenging goal—to continuously raise quality and safety to higher levels."

Founded in 1951, The Joint Commission seeks to continuously improve the safety and quality of care provided to the public through the provision of health care accreditation and related services that support performance improvement in health care organizations. The Joint Commission evaluates and accredits nearly 15,000 health care organizations and programs in the United States,

including more than 8,000 hospitals. An independent, not-for-profit organization, The Joint Commission is the nation's oldest and largest standards-setting and accrediting body in health care. The Joint Commission web address is: [www.jointcommission.org](http://www.jointcommission.org).

**Academy School@44, ECMC Announce Student PSA Exhibition  
Students Create Public Service Announcements about Local Health Issues**

On December 20th, 2007, ECMC hosted an Academy School@44 event. Academy School students competed in an exhibition of student work for which they developed public service announcements (PSAs) to educate the greater Buffalo community about health issues in the region. To situate learning in a real world context, the school's curriculum design team invites business and industry partners to work with students to develop the skills and competencies associated with the various career paths and answer the question most often asked by students, "Why do I have to learn this?"

Students at Academy School@44 have been studying community health issues as part of their program of Real World Learning. The public service announcements were created to serve the dual role of educating the public and serving as evidence of student learning. The public was invited to ECMC to view the student-generated PSAs. An awards ceremony, also open to the public, took place in ECMC's auditorium. "We've been able to provide structure, stability, and some vision and direction," said Gregory D. Mott, Principal at Academy School@44. According to Principal Mott, "Academy School@44 is proud to have ECMC as a partner to help make learning relevant and meaningful for students." In addition to hosting the Public Service Announcement Screening, ECMC healthcare professionals serve as mentors to students, offer student tours, and provide on-going assistance with the Health Issues Unit at Academy School@44.

**Erie County Home Opens New Unit**

Erie County Home opened a new unit at the Home for care of traumatic brain injury residents. The new unit is Erie County Home's first "neighborhood." This new "neighborhood" includes many resident-friendly features such as private rooms, more social areas, specialized activities, overhead music and a very happy and accommodating healthcare work force. The Erie County Home is implementing similar changes throughout the facility on remaining units with its "neighborhoods" plan. The Erie County Home offers unique conveniences such as free cable and telephone service, private air-conditioned rooms, beautiful landscaped court yards and patios, a branch of the Erie County Library and three stores.

**Post Acute Rehabilitation Care at Erie County Home**

The Erie County Home has provided care to the Western New York community for over 80 years. Erie County Home staff members take pride in offering the best possible care in an atmosphere of dignity and compassion. In a recently remodeled sub-acute unit, residents are aided in recovery following stroke, joint replacement, bone fracture, medical management and general de-conditioning from extended hospital stays. Extensive physical, occupational, and speech therapies are provided with the goal of helping in recovery so residents can return home.

**Continuing Rehabilitation Wound Care at Erie County Home**

The Erie County Home provides extensive Wound Care Rehabilitation. The interdisciplinary Wound Care Team, facilitated by board certified wound specialists (CWS ®) through the American Academy of Wound Management, offers the extensive management and training of all wound care diagnosis and specialty needs. The wound clinic is lead by an interdisciplinary team of specialists in: medicine, nursing, physical therapy, occupational therapy, dietary, social services. Wound treatment services include: Ongoing assessment of wounds and healing process; cutting edge wound



care protocols, ongoing staff, resident and family education, debridement (removal of foreign material or contaminated tissue), therapeutic support surfaces to promote healing, negative pressure wound therapy, comprehension therapy, and therapeutic physical therapy. The Erie County Home has proven excellence in wound care outcomes and prevention protocols.

**ECMC Lifeline Foundation Appoints Coone Executive Director**  
**New director brings extensive experience, skill to post**

The ECMC Lifeline Foundation appointed Gia Alessandra Coone to the position of Executive Director. In this role, she oversees the Foundation's operations and fundraising activities. "Gia Coone brings to the ECMC Lifeline Foundation extensive experience in fundraising and non-profit management at the local, regional and national levels. With a proven professional now in place as executive director, our Foundation can move more expeditiously to carry out its mission in support of ECMC Corporation objectives. Ultimately this will enable us to further advance our initiatives to provide an entirely new level of healthcare to the Western New York community," stated ECMC Lifeline Foundation Board Member and ECMC Corporation President/C.E.O. Michael A. Young, M.H.A., F.A.C.H.E.

**ECMC Lifeline Foundation 2007 Springfest Dinner Gala and Auction**

The ECMC Lifeline Foundation held the 2007 Springfest Dinner Gala and Auction. The event was a huge success. Attendance topped 400 medical and community professionals. Over \$100,000 were raised for the Medical Center. Jody L. Lomeo, Vice-Chairperson (and former chairman) of the ECMC Corporation Board of Directors, received the President's Distinguished Service Award; Robert B. Whitney, MD, Director of ECMC's Chemical Dependency Service, received the Distinguished Physician's Award; and Lynn M. Whitehead, BSN, RN, a Clinical Teacher in ECMC's Department of Nursing In-Service Education, received the Distinguished Nursing Award. The event Honorary Chairperson was Congresswoman Louise M. Slaughter, and the Master of Ceremonies/Auctioneer was Kevin O'Connell from WGRZ TV, Channel 2.

**ECMC Lifeline Foundation Golf Tournament**

To benefit the Erie County Medical Center (ECMC) Corporation, the ECMC Lifeline Foundation held the *Tournament of Life 2007 Golf Classic* at the "Legends On The Niagara Golf Complex." The all day event included lunch, golf, cocktails, hors d'oeuvres, dinner and awards. Every golfer received a top quality golf gift. Tournament participants had an opportunity to bid on golf packages to various area country clubs and other live auction items. Golf prizes were awarded for men and women top finishers in the Best Ball Competition and the Scramble Competition. Additionally, awards were presented to male and female participants for longest drive and closest to the pin.



**I-2.) Receipts and Disbursements -or- Revenues and Expenses** during such Fiscal Year in accordance with the categories or classifications established by the Corporation for its own operating and capital outlay purposes

**ERIE COUNTY MEDICAL CENTER CORPORATION**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
For the Years Ended December 31,

	<u>2007</u>	<u>2006</u>
Operating revenue:		
Net patient service revenue	\$ 337,774,451	\$ 301,940,748
Intergovernmental transfer revenue – net	11,035,148	15,952,280
Other operating revenue	18,506,278	19,833,612
Total operating revenue	<u>367,315,877</u>	<u>337,726,640</u>
Operating expenses:		
Salaries, wages and fringe benefits	185,023,832	171,132,690
Other professional and temporary services	63,310,760	55,860,532
Supplies	52,952,693	47,870,547
Utilities and telephone	9,375,733	9,857,827
Other operating expenses	7,703,181	8,986,300
Services purchased from Erie County	1,815,706	1,619,881
Provision for bad debts	19,071,755	18,538,457
Depreciation and amortization	11,691,398	10,807,452
Interest expense	5,562,725	5,563,035
Total operating expenses	<u>356,507,783</u>	<u>330,236,721</u>
Operating income	<u>10,808,094</u>	<u>7,489,919</u>
Non-operating revenue (expense):		
Investment income	6,410,975	2,927,256
Erie County contribution – operations	14,000,000	20,000,000
Contribution to Erie County	-	(3,000,000)
Net non-operating revenue	<u>20,410,975</u>	<u>19,927,256</u>
Excess of revenues over expenses before capital grants and contributions	31,219,069	27,417,175
Capital contributions – Erie County	<u>6,697,592</u>	<u>34,716,613</u>
Change in net assets	37,916,661	62,133,788
Net assets – beginning of year	<u>65,784,424</u>	<u>3,650,636</u>
Net assets – end of year	<u>\$ 103,701,085</u>	<u>\$ 65,784,424</u>

**I-3.) Assets and Liabilities** for Fiscal Year End including the Status of Reserve, Depreciation, Special or Other Funds and including the Receipts and Payments of these Funds

ERIE COUNTY MEDICAL CENTER CORPORATION

STATEMENT OF NET ASSETS

December 31,

ASSETS	<u>2007</u>	<u>2006</u>
Current assets:		
Cash and cash equivalents	\$ 30,599,820	\$ 40,813,618
Investments	72,325,598	26,693,817
Assets whose use is limited	10,791,403	7,009,117
Patient accounts receivable, net of estimated uncollectibles of \$25,950,000 in 2007 and \$28,182,000 in 2006	46,169,966	40,069,438
Due from Erie County	2,860,069	4,405,575
Capital appropriations due from Erie County	1,955,225	6,354,496
Other receivables	9,854,349	11,789,203
Inventories	4,984,738	4,924,361
Prepays and other	1,314,511	464,956
Total current assets	<u>180,855,679</u>	<u>142,524,581</u>
Non-current assets:		
Other assets	307,101	1,989,427
Assets whose use is limited	54,016,565	34,561,513
Land improvements, buildings and equipment – net	74,924,896	74,531,352
Deferred financing costs, net	2,752,970	2,856,530
Total non-current assets	<u>132,001,532</u>	<u>113,938,822</u>
Total	<u>\$ 312,857,211</u>	<u>\$ 256,463,403</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 17,441,576	\$ 15,227,073
Due to Erie County	4,055,198	13,602,766
Accrued salaries, wages and payroll taxes	7,947,746	6,244,449
Accrued vacation, sick pay and retirement benefits	18,107,090	18,517,351
Accrued other liabilities	9,589,614	11,669,603
Funds held in custody for others	989,353	1,078,444
Interest payable	929,460	929,460
Estimated third-party payor settlements	23,110,295	9,121,390
Total current liabilities	<u>82,170,322</u>	<u>76,390,536</u>
Non-current liabilities:		
Long-term debt	101,375,000	101,375,000
Self-insured obligations	25,610,794	12,913,443
Total non-current liabilities	<u>126,985,794</u>	<u>114,288,443</u>
Total liabilities	<u>207,356,126</u>	<u>190,678,979</u>
Net assets:		
Invested in capital assets, net of related debt	(5,951,015)	(6,344,559)
Restricted:		
For debt service	9,593,487	9,138,133
Expendable for capital	28,110,639	32,706,246
Unrestricted	71,947,974	30,284,604
Total net assets	<u>103,701,085</u>	<u>65,784,424</u>
Total	<u>\$ 312,857,211</u>	<u>\$ 256,463,403</u>

**I-4.) Schedule of Bonds and Notes Outstanding at Fiscal Year End**, together with Statement of the Amounts Redeemed and Incurred during such Fiscal Year as part of a Schedule of Debt Issuance including Date of Issuance, Term, Amount, Interest Rate, Means of Repayment, Refinancings, Calls, Refundings, Defeasements and Interest Rate Exchange or Other such agreements, and for any debt issued during the reporting year, a Detailed List of Costs for any Debt Issued for such debt

**Schedule of Bonds and Notes Outstanding at Fiscal Year End**

\$101,375 Senior Revenue Bonds, Series 2004

No bonds were issued, redeemed, called, or re-financed during 2007

**I-5.) Compensation Schedule** including, by position, title and name of persons holding such position or title, salary, compensation, allowance and/or benefits provided to any officer, director or employee in a decision making or managerial position of such authority whose salary exceeds \$100,000

**ERIE COUNTY MEDICAL CENTER CORPORATION**

**Compensation**

**Schedule**

**Year 2007**

<b>Last Name</b>	<b>First Name</b>	<b>MI</b>	<b>Position</b>	<b>Compensation</b>
Young	Michael	A	CHIEF EXECUTIVE OFFICER	535,500
McCarthy	Sue	J	CHIEF FINANCIAL OFFICER	300,245
Barabas	Mark		CHIEF OPERATING OFFICER	215,250
Fudyma	John	R	CHIEF MEDICAL OFFICER	225,000
Maricle	Karen	M	SENIOR VICE PRESIDENT OPERATIONS	203,000
Richmond	Kenneth		SENIOR VICE PRESIDENT OPERATIONS	195,000
Cleland	Richard		EXECUTIVE DIRECTOR, CONTINUING CARE	152,250
Cancilla	Deborah	A	CHIEF INFORMATION OFFICER	140,000
Glica	Bonnie	A	DIRECTOR OF NURSING SERVICES	131,738
O'Hara	Kathleen	E	VICE PRESIDENT OF HUMAN RESOURCES	114,850

**I-6.) Projects Undertaken by ECMC Corporation during the past year**

<u>Project</u>	<u>Amount</u>
Elevator Replacement	\$2,300,000
Cardiac Cath Lab	2,700,000
4 <sup>th</sup> Floor Renovation	450,000
7 <sup>th</sup> Floor Renovation	200,000

**I-7.) (i) All Corporation Real Property** with Fair Market Value greater than \$15,000 that ECMC Corporation intends to dispose of:

None

**(ii) All Real Property held by ECMC Corporation** at the end of the period covered by the report:

The Corporation has no real property.

**(iii) All Real Property disposed of during the past year**, including sale prices and names of purchasers:

None.

**I-8.) ECMC Corporation Code of Ethics**

**ECMC Corporation Code of Ethics**

ARTICLE XVII CODE OF ETHICS AND CONFLICTS OF INTEREST

Section 1. Compliance: The members of the Board agree to comply with all applicable local and state regulations and laws regarding conflicts of interest.

Section 2. No Forfeiture of Office or Employment: Except as provided by law, no officer, member, or employee of the state or of any public corporation shall forfeit his or her office or employment by reason of his or her acceptance of appointment as a director, nonvoting representative, officer, or employee of the Corporation, nor shall such service as such a director, nonvoting representative, officer or employee be deemed incompatible or in conflict with such office or employment; and provided further, however, that no public officer elected to his or her office pursuant to the laws of the state or any municipality thereof may serve as a member of the governing body of the Corporation during his or her term of office.

Section 3. Influence of Decision-Makers: No member of the Board shall use his or her position to influence the judgment or any decision of any Corporation employee concerning the procurement of goods or services on behalf of the Corporation.

Section 4. Disclosure of Personal Interest and Abstention: It is the responsibility of every Board member to disclose to the Chairperson of the Board any personal or business interest in any matter that comes before the Board for consideration. Each member of the Board shall abstain from voting on any matter in which he or she has a personal or business interest.

Section 5. Self-Dealing: The Corporation shall not engage in any transaction with a person, firm, or other business entity in which one or more of the Board members has a financial interest in such person, firm or other business entity, unless such interest is disclosed in good faith to the Board, and the Board authorizes such transaction by a vote sufficient for such purpose, without counting the vote of the interested Board member.

### **I-9.) Assessment of the Effectiveness of the ECMC Corporation Internal Control Structure and Procedures**

Independent auditors have identified no material weaknesses or significant deficiency in internal controls based upon the 2007 audit. Prior year deficiencies have been resolved.

### **I-10.) ECMC Corporation Internet Web Site: [www.ecmc.edu](http://www.ecmc.edu)**

## **II. REPORT OF SUBSIDIARIES / PROCUREMENT CONTRACTS:**

Public Authorities Law §3642(2); Contract Procurement Guidelines, Article X; and the Sale, Purchase and Operation Agreement, §6.9

### **II-1.) Name, Principal Business Address, Principal Business Activities of Each Subsidiary of the Corporation**

#### **1.) PRIMARY CORPORATION: Public Benefit Corporation**

**ECMC Corporation**, 462 Grider Street, Buffalo, New York 14215; 716-898-3000; [www.ecmc.edu](http://www.ecmc.edu)

The ECMC Corporation includes an advanced academic medical center (ECMC) with 550 inpatient beds and 136 skilled-nursing-home beds, on- and off-campus health centers, over 40 outpatient specialty care clinics and the Erie County Home, a 586-bed skilled nursing facility. ECMC is the regional center for trauma, burn care, rehabilitation and is a major teaching facility for the State University of New York at Buffalo. Most ECMC physicians, dentists and pharmacists are dedicated faculty members of the University. More Western New York residents are choosing ECMC for exceptional patient care and customer service provided as a result of its *Culture of Care*.

**ECMC Corporation Mission Statement:** The ECMC Corporation is dedicated to being the hospital of choice through excellence in patient care and customer service.

**ECMC Corporation Affiliation Statement:** The ECMC Corporation is affiliated with the University at Buffalo School of Medicine and Biomedical Sciences.

#### **2.) ECMCC Strategic Services LLC**

The Corporation is the sole owner of this enterprise, which was established to enable the Corporation to enter into various other business relationships. The accounts of ECMCC Strategic Services, LLC are fully consolidated into the accounts of the Corporation as of and for the years ending December 31, 2007 and 2006, respectively. The assets of ECMCC Strategic Services LLC consist substantially of cash of approximately \$600,000 at both December 31, 2007 and 2006. Net assets of this entity are approximately \$600,000 at both December 31, 2007 and 2006. ECMCC Strategic Services LLC owns approximately 40% of Greater Buffalo Niagara SC Venture, LLC. That ownership interest is accounted for by ECMCC Strategic Services LLC utilizing the equity method of accounting.

#### **3.) Grider Community Gardens, LLC**

This entity is wholly owned and controlled by the Corporation. The purpose of the entity is to purchase real property adjacent or near the ECMCC Grider Street campus for the purposes of future expansion and/or reconfiguration of the campus. The Corporation's net investment as of December 31, 2007 and 2006 is

approximately \$67,000 and \$139,000, respectively, and is reflected in other non-current assets of the accompanying financial statements.

**II-2.) Name of all Board Members and Officers of Each Subsidiary**

**1-a.) ECMC Corporation Board of Directors**

**OFFICERS**

Kevin E. Cichocki, D.C.  
*Chairman*

Sharon L. Hanson  
*Vice-Chairperson*

Jody L. Lomeo  
*Vice-Chairperson*

Samuel L. Shapiro, Esq.  
*Vice-Chairperson and Treasurer*

Michael A. Seaman  
*Secretary*

Michael A. Young, M.H.A., F.A.C.H.E.  
*President and Chief Executive Officer*

Joseph A. Zizzi, Sr., M.D.  
*Immediate Past Chairman*

**MEMBERS**

Pastor Michael A. Badger

Douglas H. Baker

Richard F. Brox, R.L.A.

Ronald A. Chapin

Kevin M. Hogan, Esq.

Anthony M. Iacono

**NON-VOTING MEMBERS**

Ronald P. Bennett, Esq.

Michael W. Mullins

Kevin Pranicoff, M.D.

**1-b.) ECMC Corporation Executive Administration**

Michael A. Young, M.H.A., F.A.C.H.E.  
*President and Chief Executive Officer*

Sue J. McCarthy  
*Chief Financial Officer*

Mark C. Barabas, D.H.A., F.A.C.H.E.  
*Chief Operating Officer*

Karen M. Maricle, R.N., M.S., C.N.A.A.  
*Senior Vice President of Operations*

Kenneth A. Richmond, M.H.A., C.H.E.  
*Senior Vice President of Operations*

John R. Fudyma, M.D.  
*Chief Medical Officer*

Debbie Cancilla  
*Chief Information Officer*

Richard Cleland, N.H.A., M.P.A.  
*Executive Director, Continuing Care*

Thomas J. Quatroche Jr., Ph.D.  
*Senior Vice President of Marketing and Planning*

William Gajewski  
*Executive Director of Physician Relations / Physician Liaison*

**1-c.) ECMC Corporation Medical-Dental Staff**

**OFFICERS**

James T. Evans, M.D.  
*President*

Yogesh Bakhai, M.D.  
*President-elect*

David G. Ellis, M.D.  
*Immediate Past-president*

Pamela D. Reed, M.D.  
*Secretary*

Erik Jensen, M.D.  
*Treasurer*

Ali El-Sohl, M.D.  
*Full-time Faculty Staff Representative*

Robert Whitney, M.D.  
*Full-time Faculty Staff Representative*

George Blessios, M.D.  
*Voluntary Faculty Staff Representative*



Lakshmanan Rajendran, M.D.  
*Alternate Volunteer Faculty Staff Representative*

## **2.) ECMCC Strategic Services LLC**

### OFFICERS

Michael A. Young, M.H.A., F.A.C.H.E.

Sue J. McCarthy

## **3.) Grider Community Gardens, LLC**

### OFFICERS

Michael A. Young, M.H.A., F.A.C.H.E.

Sue J. McCarthy

## **II-3.) Number of Employees of Each Subsidiary**

### **1.) ECMC Corporation:**

As of December 31, 2007, ECMC Corporation employed 2,891 staff members.

### **2.) ECMCC Strategic Services LLC:**

Not Applicable

### **3.) Grider Community Gardens, LLC:**

Not Applicable

## **II-4.) List of All Contracts** in excess of \$100,000 entered into by the Corporation and its subsidiaries, including the amount, purpose and duration of each such contract

CIR Electric, 400 Ingham Ave, Buffalo, NY 14218  
Electrical work for cath lab  
March 2007 to Dec 2007  
\$323,711

Patrick Development, 8600 Transit Rd, Amherst, NY 14051  
General Construction work for cath lab  
March, 2007 to Dec 2007  
\$106,125

Mollenberg-Betz, 300 Scott St, Buffalo, NY 14204  
Plumbing for cath lab  
March, 2007 to Dec 2007  
\$106,125

DCB Elevator, PO Box 426, Lewiston, NY 14092  
Elevator modernization  
Sept 2007 to sept 2009  
\$1,100,000

Heart lab 1 Crosswind Rd, RI  
Heartlab upgrade, cath lab  
January 2007  
\$302,344

Philips Medical, Andover, MA  
20 bed telemetry  
January 2007  
\$264,891

Philips Medical, Andover, Ma  
Central Monitoring station  
January 2007  
\$189,433

Toshiba, 1251 Ave of Americas, NY,NY  
Cath Lab Equipment  
February 2007  
\$1,118,697

Philips Wit, Andover, Ma  
Cath Lab central monitoring  
February 2007  
\$446,906

Dell, Round Rock, TX  
Optiplex 745 for IT  
February 2007  
\$118,144

GE Medical, Milwaukee, WI  
Upgrade Echo Pack  
December 2007  
\$285,905

GE Medical, Milwaukee, WI  
EKG System  
March 2007  
\$428,813

Stryker, 2825 Airview Blvd, Kalamazoo, MI  
Surgical Instruments  
August 2007  
\$207,433

Philips Medical, Andover, MA  
Moblle X-Ray unit

September 2007

\$128,755

Tera-Recon, 2955 Campus Dr, San Mateo, Calif

Cardiac 3-D

December 2007

\$175,175

MediTech, PO Box 74569, Chicago, ILL

Software for Laboratory Informations

September 2007

\$738,000

MediTech, PO Box 74569, Chicago, ILL

Software for Advanced Clinical applications

September 2007

\$973,400

Kideney Architects, Amherest, NY

Architectural & Design for ED/OR expansion

Oct 2007 to Feb 2008

\$119,553

Stryker , 325 Corporate Drive, Mahwah, NJ

Contract of Orthopedic implants

Sept 2007 to Sept 2010

\$500,000

DePuy Spine, 325 Paramount Dr, Raynham, MA

Spine implant

Dec 2007 to Oct 2008

\$340,000

## **II-5.) Financial Statement**

See I-2 and 3 above

## **II-6.) Income Statement**

See I-2 above

## **II-7.) Balance Sheet**

See I-3 above

## **II-4-7.)**

**2.) ECMCC Strategic Services LLC:** The Corporation is the sole owner of this enterprise, which was established to enable the Corporation to enter into various other business relationships. The accounts of ECMCC Strategic Services, LLC are fully consolidated into the accounts of the Corporation as of and for the years ending December 31, 2007 and 2006, respectively. The assets of ECMCC Strategic Services LLC

consist substantially of cash of approximately \$600,000 at both December 31, 2007 and 2006. Net assets of this entity are approximately \$600,000 at both December 31, 2007 and 2006. ECMCC Strategic Services LLC owns approximately 40% of Greater Buffalo Niagara SC Venture, LLC. That ownership interest is accounted for by ECMCC Strategic Services LLC utilizing the equity method of accounting.

**3.) Grider Community Gardens, LLC:** This entity is wholly owned and controlled by the Corporation. The purpose of the entity is to purchase real property adjacent or near the ECMCC Grider Street campus for the purposes of future expansion and/or reconfiguration of the campus. The Corporation's net investment as of December 31, 2007 and 2006 is approximately \$67,000 and \$139,000, respectively, and is reflected in other non-current assets of the accompanying financial statements.

**III. BOND SALE REPORT:**

Public Authorities Law §3633(4)(f), (g) and (h)

**1-5.) Schedule of Bonds and Notes Outstanding at Fiscal Year End**

\$101,375 Senior Revenue Bonds, Series 2004

No bonds were issued, redeemed, called, or re-financed during 2007