

**2021 ANNUAL REPORT OF**  
**ERIE COUNTY MEDICAL CENTER CORPORATION**

**(AS REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW)**



Respectfully Submitted by the Corporation  
March 31, 2022

## **TABLE OF CONTENTS**

<b>Message from the Leadership of ECMC Corporation</b>	<b>Pages 3-4</b>
<b>Certification</b>	<b>Page 4</b>
<b>Mission Statement</b>	<b>Page 5</b>
<b>Accomplishments</b>	<b>Pages 6-7</b>
<b>Performance Goals – 2021</b>	<b>Pages 7-9</b>
<b>Capital Projects</b>	<b>Page 10</b>
<b>Real Property &amp; Property Acquisitions</b>	<b>Page 10</b>
<b>Code of Ethics</b>	<b>Page 11</b>
<b>Internal Control Structure and Procedures</b>	<b>Page 11</b>
<b>Pending Litigation</b>	<b>Page 11</b>
<b>Corporation and Board Structure</b>	<b>Pages 12-20</b>
<b>Subsidiary Information</b>	<b>Pages 20-21</b>

### **APPENDIX A**

Financial Reports  
Four-Year Financial Plan  
Outstanding Bonds and Notes

### **APPENDIX B**

Compensation Schedule

### **APPENDIX C**

Corporation Expenditures in Excess of \$100,000

### **APPENDIX D**

Enabling Legislation  
Charter or By-Laws

## MESSAGE FROM THE LEADERSHIP OF ECMC CORPORATION

On behalf of the over three thousand employees and many hundreds of others who work each day at one of the numerous facilities of Erie County Medical Center Corporation (“ECMC Corporation” or the “Corporation”), it is our pleasure to present this 2021 Annual Report.

While 2020 was a year that saw the healthcare landscape altered in a way that none of us could have ever predicted, 2021 saw institutions like ECMC across our state and nation adapt to the ongoing circumstances of the COVID-19 pandemic, make adjustments to operations and, more than anything else, ensure that our frontline caregivers were supported in their continuing commitment to provide hope and healing to their patients.

Last year, as the phases of the pandemic ebbed and flowed, ECMC, like every other healthcare institution, provided the necessary care for the patients who fell ill from the virus, but simultaneously maintained core healthcare services to meet the needs of the residents of our region. In fact, in 2021 our Regional Center of Excellence for Transplantation and Kidney Care, led by Dr. Liise Kayler, set an annual record for our institution, performing 147 kidney transplants during the year. And despite having surgeries interrupted by the impact of the pandemic, total surgeries in 2021 increased versus 2020 by 12.3% and Emergency Department visits also increased by 4.8% for the same period of time.

And despite challenges associated with the pandemic, two surgeries for osseointegrated prosthetic limbs in Buffalo were performed at ECMC in September for the first time in our region by Drs. Thom Loree, Mark Anders, Dr. Mark Burke and Rickard Brånemark. Dr. Rickard Brånemark, from Sweden, is the pioneer of osseointegrated prosthetic limbs and is internationally recognized as the most experienced surgeon in the field. Previously, osseointegrated prosthetic limb surgery in the US had only been performed by Dr. Brånemark in San Francisco and Washington, DC. Osseointegrated prosthetic limbs offer several advantages over traditional socket-type prostheses and can greatly improve quality of life for amputees. This represented yet another example of ECMC’s strong legacy of groundbreaking, leading-edge clinical services that have distinguished our institution for over 100 years.

Similarly, national third-party recognition of ECMC’s clinical excellence was highlighted by a variety of achievements, including the Trauma Intensive Care Unit (TICU) was awarded a silver-level American Association of Critical Care Nurses (AACN) Beacon Award for Excellence, which is a three-year designation highlighting the Unit’s achievement of exceptional care through improved outcomes and greater overall patient satisfaction. The TICU joined their colleagues in the Medical Intensive Care Unit and the Roger W. Seibel, MD, Burn Treatment Center as silver-level Beacon Award for Excellence recipients. In addition, Terrace View received an overall 4-star rating in a survey conducted by The Centers for Medicare and Medicaid Services (CMS) and was recognized on *Newsweek’s* Best Nursing Homes 2022 list. The *Newsweek* list evaluates the best nursing homes according to key performance data, peer recommendations, and the response to the COVID-19 pandemic.

We are proud of ECMC’s strong, diverse workforce and, as the Board knows, we are committed to providing career advancement opportunities for our ECMC Family, as well as expanding MWBE participation in all phases of our operations, notably in purchasing. To that end, we were deeply honored to be recognized by NYS Governor Kathy Hochul with the MWBE Champion Award at the Annual NYS MWBE Forum in December. The MWBE Champion Award honors New York State Agency and Authority staff for their support of the State’s MWBE program. In the state’s fiscal year 2020-21, ECMC was responsible for \$14.5 million to NYS Certified MWBEs, representing 34.73% utilization, well exceeding the NYS goal of 30%.

As we had successfully completed the state-of-the-art KeyBank Trauma and Emergency Department in 2020, we continued in 2021 in the successful completion of the building external envelop upgrades,

including the replacement of all of the facility's windows. A total of 4,456 new glass panels were installed. This was a long overdue project for ECMC's 43-year old façade that has been modernized and matches the quality of the care being provided by our frontline caregivers working inside the building. It was an important and strategic investment that will save ECMC financial resources and also improve energy efficiency, eliminate the need for costly repair work and, most importantly, provide greater comfort for our patients.

Essential to ECMC's ability to maintain our legacy of providing high-quality healthcare services and fulfilling our mission, is the unwavering support and strong guidance of the Board. Your leadership and beneficial insight, particularly as we continue to navigate the pandemic-influenced healthcare landscape, has been extremely helpful to Executive Leadership over the course of the past year and beyond. We are deeply grateful of your confidence in our management of this historic institution and we are committed to ensuring that the hallmarks of ECMC's healthcare services – kind, compassionate, professional and excellence – are maintained as we move forward in providing hope and healing to our patients and the residents of Western New York.

Sincerely,



Thomas J. Quatroche Jr., PhD  
President & Chief Executive Officer



Jennifer C. Persico, Esq.  
Chair, Board of Directors



Michael Cummings, MD,  
President, Medical Executive Committee

#### CERTIFICATION

The financial reports submitted in this Annual Report have been approved by the Board of Directors of the Erie County Medical Center Corporation and are hereby certified, as indicated by signatures below, by the Chief Executive Officer and Chief Financial Officer.

Specifically, the undersigned certify, based on knowledge and information provided to us that the financial reports and the information provided therein (1) are accurate, correct and do not contain any untrue statement of material fact; (2) do not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made; and (3) fairly present, in all material respects, the financial condition and results of operations of the Erie County Medical Center Corporation as of, and for, the year ended December 31, 2021.

Respectfully submitted,



Thomas J. Quatroche, Ph.D.  
President and Chief Executive Officer



Jonathan T. Swiatkowski, CPA  
Chief Financial Officer

## MISSION

To provide every patient the highest quality of care delivered with compassion.

## VISION

### ECMC WILL BE A LEADER IN AND RECOGNIZED FOR:

- High quality family centered care resulting in exceptional patient experiences.
- Superior clinical outcomes.
- The hospital of choice for physicians, nurses, and staff.
- Strong collaboration with community partners to improve access to healthcare and the quality of life and vitality of the region.
- Academic affiliations that provide the best education for physicians, dentists, nurses, and other clinical staff.

## CORE VALUES

### ACCESS

All patients get equal care regardless of their ability to pay or source of payment. We address the healthcare needs of each patient that we can appropriately serve, without bias or pre-judgment.

### EXCELLENCE

Excellence is a standard that will never be lowered; there is an expectation of excellence in all areas.

### DIVERSITY

We recognize the importance and value of diversity and the enrichment that diversity can bring to ECMCC.

### FULFILLING POTENTIAL

We respect the value and potential of each individual as offering a significant contribution to the good of the whole organization. Personal growth and development is important for organizational success.

### DIGNITY

Each individual, no matter his or her limitations, background or situation, has intrinsic dignity and unique capabilities.

### PRIVACY

We honor each person's right to privacy and confidentiality.

### FAIRNESS and INTEGRITY

Equity and fairness are guidelines for all decision-making. We demand personal and institutional integrity.

### COMMUNITY

In accomplishing our mission we remain mindful of the public's trust and are always responsive to the immediate surrounding community and our natural environment. This commitment represents both our organization and us as individuals. A successful future for ECMCC depends on a vibrant community and a healthy environment.

### COLLABORATION

Collaboration with other organizations is beneficial within the context of our mission and is fundamental to achieving our goals.

### COMPASSION

All involved with ECMCC's service delivery demonstrate caring, compassion, and understanding for patients, employees, volunteers, and families.

### STEWARDSHIP

We can only be successful in carrying out our mission through solid financial performance and by assuring that resources provided to us are used effectively, in the way they were intended, and for the benefit of our patients and community.



The difference between healthcare and true care™



## 2021 ACCOMPLISHMENTS

### January

- ECMC recognized by BlueCross BlueShield of Western New York with a **Blue Distinction® Centers+ for Bariatric Surgery designation**, as part of the Blue Distinction Specialty Care program. Blue Distinction Centers are nationally designated healthcare facilities that show a commitment to delivering high quality patient safety and better health outcomes, based on objective measures that were developed with input from the medical community and leading accreditation and quality organizations.
- Trauma Intensive Care Unit (TICU) has been awarded a silver-level **American Association of Critical Care Nurses (AACN) Beacon Award for Excellence**, which is a three-year designation highlighting the Unit's achievement of exceptional care through improved outcomes and greater overall patient satisfaction.

### February

- Dr. Anthony Martinez's clinic received \$1,500,000 over 5 years grant from the **NYS AIDS Institute/NYS Department of Health** for ECMC's program: Eliminating Hepatitis C by Improving Access to Hepatitis Care and Treatment.
- **National Committee for Quality Assurance (NCQA)** informed ECMC that its ECMC Family Health and Internal Medicine Centers have again achieved recognition status for "Patient-Centered Medical Home™ (PCMH™), Recognized–Level 3."

### April

- **The Leapfrog Group**, an independent, national not-for-profit organization founded more than a decade ago by the nation's leading employers and private health care experts, rated ECMC's overall patient safety score at 'B'. The Leapfrog patient surveys assess: medical errors, accidents, injuries, infections and patient experiences.

### August

- Terrace View received an overall 4-star rating from a recent survey conducted by **The Centers for Medicare and Medicaid Services (CMS)**. The overall rating is based on a nursing home's performance on 3 sources: health inspections, staffing, and quality of resident care measures.

### October

- Terrace View Long-Term Care Facility recognized on **Newsweek's Best Nursing Homes 2022 list**. The Best Nursing Homes 2022 ranking lists the best nursing homes in the 25 states with the highest population size according to The United States Census Bureau. The list evaluates the best nursing homes according to key performance data, peer recommendations, and the response to the COVID-19 pandemic.

### November

- Erie County Medical Center Corporation received the **2021 Buffalo Niagara Business Ethics Association Crystal Award** in the large business category (over 100 employees) during the 15th Annual Buffalo Niagara Business Ethics Association awards ceremony. The award highlights the importance of ethical behavior by celebrating companies that consistently

demonstrate ethical conduct in everything they do --- particularly during these challenging times for business.

#### December

- ECMC MWBE Team honored by NYS Governor Kathy Hochul with the **MWBE Champion Award** at the Annual NYS MWBE Forum. The MWBE Champion Award honors New York State Agency and Authority staff for their support of the State's MWBE program. In the state's fiscal year 2020-21, ECMC was responsible for \$14.5 million to NYS Certified MWBEs, representing 34.73% utilization, well exceeding the NYS goal of 30%.

### **2021 PERFORMANCE GOALS/OUTCOMES**

#### **ECMC Strategic Plan Priorities and Goals**

1. **Exceptional Quality and Experience** – Raise the standard of clinical care to improve quality, patient safety, and patient experience in the acute care and ambulatory environments.
2. **Cultural Identity** – Preserve ECMC's strong cultural identity while further instilling a sense of urgency and genuine stewardship to achieve our organizational objectives.
3. **Campus Transformation** – Address our deferred maintenance issues, expand capacity, and integrate the development of Kensington Heights and the surrounding community.
4. **Performance Improvement** – Generate the margin necessary to meet our budgetary goals by lowering ECMC's overall cost position, enhancing revenue cycle performance, and targeted growth.
5. **Population Health Capabilities** – Take greater responsibility for managing the overall health of our patient populations through a shift from fee-for-service to risk-based arrangements.
6. **Community Needs** – Through partnerships and targeted investments, be a leading corporate citizen by addressing socioeconomic challenges that impact our communities.
7. **Great Lakes Health Collaboration** – Further increase interconnectivity between ECMC, Kaleida and our partners through clinical and operational collaborations.
8. **Strengthen Relationship with Academic Partners** – Partner with the University at Buffalo and other local professional training programs to enhance our impact across the tripartite academic mission.

#### **Progress Against Strategic Plan Priorities and Goals**

1. **Exceptional Quality and Experience**
  - Medical Intensive Care, Trauma Intensive Care and Burn Units all achieved American Association of Critical Care Nurses silver-level Beacon Award for Excellence.
  - Maintained the ANCC Pathway to Excellence designation
  - Recognized with Blue Distinction® Centers+ Designation for Quality and Cost-Efficiency in Bariatric Surgery
  - Named Top 10 percent in Nation for Orthopedic Services by Healthgrades
  - Reduced CAUTI SIR for Medicare patients to the lowest rate in 6 years
  - Successfully completed the New York State Department of Health Laboratory Survey
  - Developed and launched new peer review process for ECMC Medical Staff
2. **Cultural Identity**
  - Continued focus on Diversity, Equity & Inclusion across the organization

- Received the 2021 Buffalo Niagara Business Ethics Association Crystal Award
- Named among the Top 50 Hospitals in the US for Racial Inclusivity by the Lown Institute

### **3. Campus Transformation**

- Completion of bed tower window replacement project
- Completion of forensic SAFE rooms project
- Installation of new dietary tray line
- Kensington Heights development partner RFQ and selection process

### **4. Performance Improvement**

- Continued expansion of Accelerating Excellence programs and projects
- Daily bed huddles 7 days per week to handle the COVID patient surge
- Acquisition of DaVinci robotic surgery system
- Launched the Osseointegrated Prosthetic Limb Program
- Developed thoracic service line
- Launched behavioral health Intensive Outpatient Program
- Implemented Hyro chatbot on ECMC website
- Implemented Vocera communication platform
- Completed major third-party payor contract negotiations
- Recruited 60 new physicians to the ECMC Medical Staff

### **5. Population Health Capabilities**

- Continued participation in orthopedic bundled payment programs with two major third party payors
- Shifted ECMC-based primary care practices into Great Lakes Integrated Network for value-based care arrangements
- Launched innovative care management and transitions of care pilot
- Accelerated the growth and infrastructure development for Great Lakes Integrated Network

### **6. Community Needs**

- Exceeded MWBE goal for 2021
- Received MWBE Champions Award
- Helped lead Regional Vaccine Hub and partnered with community organizations on COVID vaccination pop-ups
- Established partnership with the Buffalo City Mission focused on its Recuperative Care Unit

### **7. Great Lakes Health Collaboration**

- Continued expansion of Wellnow Urgent Care
- Continued growth of Great Lakes Cancer Care
- Further expansion of collaborative value-analysis program
- Launched the Great Lakes Health Quality and Patient Safety Institute

### **8. Strengthen Relationship with Academic Partners**

- Recruited a fellow for the newly developed CPEP fellowship in collaboration with UB's Department of Psychiatry

## **2022 HIGH PRIORITY INITIATIVES**

- Exceptional Quality and Experience: Maintain Major Accreditations & Regulatory Licensure and Certifications
- Exceptional Quality and Experience: Improve Quality Performance in Priority Areas
- Cultural Identity: Stabilize Staffing through Recruitment and Retention
- Cultural Identity: Leadership in Diversity, Equity, and Inclusion
- Performance Improvement: Stabilize ECMC Financial Performance in 2022
- Campus Transformation: Continue Clinical Expansion
- Population Health: Invest in GLIN to Build Capabilities to Take Meaningful Risk in 2023
- Population Health: Establish an Innovative Partnership with a Third Party to Fund System Transformation
- Strengthen Relationship with Academic Partners: Develop Collaboration Roadmap with UB

## CAPITAL PROJECTS IN PROCESS IN 2021

Mechanical, Electrical, Plumbing and Elevator Improvements	Began November 2018
Building Envelope Replacement and Renovation	Began December 2018
Data Center Renovations	Began August 2019
Virtual Desktop Infrastructure	Began January 2020

## REAL PROPERTY ACQUISITIONS

The Corporation had no real property acquisitions in 2021

## **CODE OF ETHICS**

See Appendix D. Article XI; Sections 1-8

### **INTERNAL CONTROL STRUCTURE AND PROCEDURES**

Assessment of Effectiveness of Internal Controls

New York State Public Authority Reporting System (PARIS)

Erie County Medical Center Corporation

At and For the Year Ended December 31, 2021

The evaluation of the system of internal control is an ongoing process conducted throughout the year by myself in the capacity as the Chief Financial Officer of Erie County Medical Center Corporation. In this ongoing process there is engagement and oversight by the Audit Committee of the Board of Directors with support, advice and assistance provided by the Chief Executive Officer, the Chief Operating Officer, the General Counsel and a robust internal audit function.

The conclusions of the ongoing assessment were that no control deficiencies, significant deficiencies or material weaknesses, collectively as defined in generally accepted auditing standards, in internal controls were identified, however, performance improvement opportunities to enhance internal control were identified and implemented.

Based on my ongoing assessment, the work of the internal audit function and the work of the independent audit firm for ECMC there is an effective system of internal control to safeguard assets and to assure that transactions are properly authorized.

Respectfully submitted,



Jonathan T. Swiatkowski, CPA  
Chief Financial Officer

### **PENDING LITIGATION**

The corporation is involved in several matters related to medical malpractice, workers' compensation, and business disputes as discussed in Note 16 in the enclosed audited financial statements beginning on page 49. There are no other material matters pending litigation at this time.

## **CORPORATION AND BOARD STRUCTURE**

ECMC's Board of Directors is comprised of 15 voting Directors, drawn from institutions and occupations across Western New York. Of these directors, eight are appointed by the Governor of New York – via the recommendations of the County Executive (3), County Legislature (3), the Temporary President of the NYS Senate and (1) the Speaker of the NYS Assembly (1) – and seven are appointed by the County Executive with the advice and consent of the Erie County legislature.

### **ECMC CORPORATION BOARD OF DIRECTORS**

#### **OFFICERS**

Jonathan A. Dandes  
*Chair*

Jennifer C. Persico, Esq.  
*Vice Chair, Chair Elect*

Bishop Michael A. Badger  
*Secretary*

Eugenio Russi  
*Treasurer*

Thomas J. Quatroche Jr., PhD  
*President & CEO*

#### **BOARD MEMBERS**

Ronald P. Bennett, Esq.

Reverend Mark Blue (term began 05/21)

Scott Bylewski (term ended 06/22)

Ronald A. Chapin

Darby Fishkin, CPA

Kathleen Grimm, MD

Sharon L. Hanson

Michael H. Hoffert

Christian Johnson (term began 06/21)

James L. Lawicki, II

Christopher J. O'Brien, Esq.

Honorable John O'Donnell (term began 10/21)

William A. Pauly (term ended 06/21)

Jack Quinn (term ended 10/21)

Michael A. Seaman

Benjamin Swanekamp

## **BOARD OF DIRECTORS REGULAR AND ANNUAL MEETINGS**

### **Tuesday, January 26, 2021 (Annual and Regular Meeting)**

Present: Bishop Michael Badger, Ronald Bennett, Scott Bylewski, Ronald A Chapin, Anthony J. Colucci, III, Jonathan Dandes, Darby Fishkin, Kathleen Grimm, MD, Sharon Hanson, Michael Hoffert, James Lawicki, Christopher O'Brien, Jennifer Persico, Thomas J. Quatroche, Jack Quinn, Eugino Russi, Michael Seaman

Excused: William Pauly

Also

Present: Donna Brown, Michael Cummings, MD, Peter Cutler, Andrew Davis, Joseph Giglia, Susan Gonzalez, Donna Jones, Pamela Lee, Charlene Ludlow, Keith Lukasik, Brian Murray, MD, Jonathan Swiatkowski, James Turner, Karen Ziemianski

### **Tuesday, February 23, 2021**

Present: Bishop Michael Badger, Ronald Bennett, Scott Bylewski, Ronald A Chapin, Anthony J. Colucci, III, Jonathan Dandes, Kathleen Grimm, MD, Sharon Hanson, Michael Hoffert, James Lawicki, Christopher O'Brien, Jennifer Persico, Thomas J. Quatroche, Jack Quinn, Eugino Russi, Michael Seaman

Excused: Darby Fishkin, William Pauly

Also

Present: Donna Brown, Michael Cummings, MD, Peter Cutler, Andrew Davis, Joseph Giglia, Susan Gonzalez, Donna Jones, Pamela Lee, Charlene Ludlow, Keith Lukasik, Brian Murray, MD, Jonathan Swiatkowski, James Turner, Karen Ziemianski

### **Tuesday, March 23, 2021**

Present: Ronald Bennett, Scott Bylewski, Ronald A Chapin, Anthony J. Colucci, III, Jonathan Dandes, Darby Fishkin, Kathleen Grimm, MD, Sharon Hanson, Michael Hoffert, James Lawicki, Christopher O'Brien, Jennifer Persico, Thomas J. Quatroche, Jack Quinn, Eugino Russi, Michael Seaman

Excused: Bishop Michael Badger, William Pauly

Also

Present: Donna Brown, Michael Cummings, MD, Peter Cutler, Andrew Davis, Joseph Giglia, Susan Gonzalez, Donna Jones, Pamela Lee, Charlene Ludlow, Keith Lukasik, Nadine Mund, Brian Murray, MD, Jonathan Swiatkowski, James Turner, Karen Ziemianski

### **Tuesday, April 27, 2021**

Present: Bishop Michael Badger, Ronald Bennett, Ronald A Chapin, Anthony J. Colucci, III, Jonathan Dandes, Darby Fishkin, Kathleen Grimm, MD, Sharon Hanson, Michael Hoffert, James Lawicki, Jennifer Persico, Thomas J. Quatroche, Eugino Russi, Michael Seaman

Excused: Scott Bylewski, Christopher O'Brien, William Pauly, Jack Quinn,

**Tuesday, April 27, 2021 (cont.)**

Also

Present: Donna Brown, Peter Cutler, Andrew Davis, Joseph Giglia, Susan Gonzalez, Donna Jones, Pamela Lee, Charlene Ludlow, Keith Lukasik, Nadine Mund, Brian Murray, MD, Jonathan Swiatkowski, James Turner, Karen Ziemianski

**Tuesday, May 25, 2021**

Present: Bishop Michael Badger, Ronald Bennett, Rev. Mark Blue, Ronald A Chapin, Anthony J. Colucci, III, Jonathan Dandes, Darby Fishkin, Kathleen Grimm, MD, Sharon Hanson, Michael Hoffert, Christopher O'Brien, Jennifer Persico, Thomas J. Quatroche, Jack Quinn, Eugino Russi, Michael Seaman

Excused: James Lawicki, William Pauly

Also

Present: Donna Brown, Michael Cummings, MD, Peter Cutler, Andrew Davis, Joseph Giglia, Susan Gonzalez, Donna Jones, Pamela Lee, Charlene Ludlow, Keith Lukasik, Brian Murray, MD, Jonathan Swiatkowski, James Turner, Karen Ziemianski

**Tuesday, June 22, 2021**

Present: Bishop Michael Badger, Ronald Bennett, Rev. Mark Blue, Ronald A Chapin, Anthony J. Colucci, III, Jonathan Dandes, Darby Fishkin, Kathleen Grimm, MD, Sharon Hanson, Michael Hoffert, Christian Johnson, Christopher O'Brien, Jennifer Persico, Thomas J. Quatroche, Jack Quinn, Eugino Russi, Benjamin Swanekamp

Excused: James Lawicki, Jack Quinn, Michael Seaman

Also

Present: Donna Brown, Michael Cummings, MD, Peter Cutler, Andrew Davis, Joseph Giglia, Susan Gonzalez, Donna Jones, Pamela Lee, Charlene Ludlow, Keith Lukasik, Brian Murray, MD, Jonathan Swiatkowski, James Turner, Karen Ziemianski

**Tuesday, July 27, 2021**

Present: Bishop Michael Badger, Ronald Bennett, Rev. Mark Blue, Ronald A Chapin (via phone), Anthony J. Colucci, III, Jonathan Dandes, Darby Fishkin (via phone), Kathleen Grimm, MD, Sharon Hanson, Christian Johnson, Jennifer Persico, Thomas J. Quatroche, Jack Quinn (virtual), Eugino Russi, Michael Seaman, Benjamin Swanekamp

Excused: Michael Hoffert, James Lawicki, Christopher O'Brien

Also

Present: Donna Brown, Michael Cummings, MD, Peter Cutler, Andrew Davis, Joseph Giglia, Susan Gonzalez, Donna Jones, Pamela Lee, Charlene Ludlow, Keith Lukasik, Brian Murray, MD, Jonathan Swiatkowski, James Turner, Karen Ziemianski

## **Tuesday, September 28, 2021**

Present: Bishop Michael Badger (via Zoom), Ronald Bennett (via Zoom) , Rev. Mark Blue (via Zoom), Anthony J. Colucci, III, Jonathan Dandes, Darby Fishkin (via Zoom), Kathleen Grimm, MD, Sharon Hanson (via Zoom), Michael Hoffert (via Zoom), Christian Johnson, James Lawicki(via Zoom), Christopher O'Brien(via Zoom), Jennifer Persico, Thomas J. Quatroche, Jack Quinn (via Zoom), Eugino Russi(via Zoom) , Michael Seaman, Benjamin Swanekamp

Excused: Ronald A. Chapin

Also

Present: Donna Brown (via Zoom), Peter Cutler (via Zoom), Andrew Davis, Joseph Giglia, Susan Gonzalez (via Zoom), Donna Jones (via Zoom), Pamela Lee (via Zoom), Charlene Ludlow (via Zoom), Keith Lukasik (via Zoom), Brian Murray, MD, Jonathan Swiatkowski, James Turner (via Zoom), Karen Ziemianski (via Zoom)

## **Tuesday, October 26, 2021**

Present: Ronald Bennett (via Zoom), Rev. Mark Blue (via Zoom), Ronald A. Chapin, Anthony J. Colucci, III, Jonathan Dandes, Darby Fishkin (via Zoom), Kathleen Grimm, MD, Sharon Hanson, Michael Hoffert (via Zoom), Christian Johnson (via Zoom), James Lawicki (via Zoom), Christopher O'Brien, Justice John O'Donnell, Jennifer Persico, Thomas J. Quatroche, Quinn (via Zoom), Eugino Russi(via Zoom) , Benjamin Swanekamp

Excused: Bishop Michael Badger, Eugenio Russi, Michael Seaman

Also

Present: Donna Brown (via Zoom), Peter Cutler(via Zoom), Joseph Giglia (via Zoom), Susan Gonzalez (via Zoom), Donna Jones(via Zoom), Pamela Lee (via Zoom), Charlene Ludlow(via Zoom), Keith Lukasik(via Zoom), Brian Murray, MD, Jonathan Swiatkowski, James Turner(via Zoom), Karen Ziemianski (via Zoom)

## **Tuesday, November 23, 2021**

Present: Bishop Michael Badger, Rev. Mark Blue (via Zoom), Ronald A. Chapin (via Zoom), Anthony J. Colucci, III (via Zoom), Jonathan Dandes, Darby Fishkin (via Zoom), Sharon Hanson, Michael Hoffert (via Zoom), Christian Johnson (via Zoom), James Lawicki (via Zoom), Christopher O'Brien, Justice John O'Donnell, Jennifer Persico (via Zoom), Thomas J. Quatroche, Eugino Russi(via Zoom) , Michael Seaman, Benjamin Swanekamp

Excused: Ronald Bennett, Kathleen Grimm

Also

Present: Donna Brown (via Zoom), Peter Cutler(via Zoom), Andrew Davis, Joseph Giglia, Susan Gonzalez (via Zoom), Donna Jones(via Zoom), Pamela Lee (via Zoom), Charlene Ludlow(via Zoom), Keith Lukasik(via Zoom), Brian Murray, MD, Jonathan Swiatkowski, James Turner(via Zoom), Karen Ziemianski (via Zoom)

## COMMITTEES OF THE BOARD

<b>STANDING COMMITTEE</b>	<b># OF MEMBERS</b>	<b>BOARD MEMBERSHIP</b>	<b>STAFF</b>
<b>EXECUTIVE/ OFFICERS</b>  <i>Call of Chair</i>	<b>5</b>	<u><b>Jonathan Dandes – Chair</b></u> Bishop Michael A. Badger Sharon L. Hanson Jennifer Persico Eugenio Russi  <i>A.J. Colucci, III, ex officio</i>	A.J. Colucci, III Andrew Davis Jonathan Swiatkowski Brian Murray, MD Thomas Quatroche Joseph Giglia  Jeffra Wilson (Asst.)
<b>QUALITY IMPROVEMENT/ PATIENT SAFETY</b>  <i>Meets Monthly</i>	<b>5</b>	<u><b>MICHAEL HOFFERT – Chair</b></u> Kathleen Grimm James Lawicki Michael Seaman Jack Quinn (until 10/21)	Andrew Davis Thomas Quatroche Donna Jones Brian Murray, MD Karen Ziemianski Pam Lee James Turner  Lisa Giacomazza (Asst.)
<b>FINANCE</b>  <i>Meets Monthly</i>	<b>4</b>	<u><b>MICHAEL A. SEAMAN – Chair</b></u> Scott Bylewski (until 06/21) Ronald A. Chapin Darby Fishkin Benjamin Swanekamp (began 06/21) Christian Johnson (began 06/21)	A.J. Colucci, III Andrew Davis Jonathan Swiatkowski Thomas Quatroche  Lynn Sacha (Asst.)
<b>AUDIT &amp; COMPLIANCE</b>  <i>Call of Chair</i>	<b>4</b>	<u><b>DARBY FISHKIN – Chair</b></u> Bishop Michael Badger Scott Bylewski (until 06/21) James Lawicki  <i>A.J. Colucci, III, ex officio</i>	Andrew Davis Jonathan Swiatkowski Thomas Quatroche Joseph Giglia  Lynn Sacha (Asst.)
<b>EXECUTIVE COMPENSATION</b>  <i>Call of Chair</i>	<b>3</b>	<u><b>JONATHAN DANDES – Chair</b></u> Sharon Hanson Christopher O’Brien	A.J. Colucci, III Thomas Quatroche Joseph Giglia
<b>GOVERNANCE</b>  <i>Call of Chair</i>	<b>3</b>	<u><b>SHARON HANSON – Chair</b></u> Ronald Chapin Jennifer Persico  <i>Thomas Quatroche, ex officio</i> <i>A.J. Colucci, III, ex officio</i>	Joseph Giglia Lindy Nesbitt  Lori Hoffman (Asst.)

<b>HUMAN RESOURCES</b> <i>Call of Chair</i>	<b>3</b>	<b><u>MICHAEL BADGER – Chair</u></b> Michael Hoffert Michael Seaman	Joseph Giglia  Cory Wright (Asst.)
<b>INVESTMENT</b> <i>Call of Chair</i>	<b>3</b>	<b><u>EUGENIO RUSSI - Chair</u></b> Sharon L. Hanson Jack Quinn (until 10/21)	Jonathan Swiatkowski Thomas Quatroche  Lynn Sacha (Asst.)
<b>BUILDINGS &amp; GROUNDS</b> <i>Ad-Hoc Committee Call of Chair</i>	<b>3</b>	<b><u>RONALD BENNETT – Chair</u></b> Michael Hoffert William Pauly (until 06/21) Jennifer Persico	Andrew Davis Thomas Quatroche James Turner  Michelle Kroupa (Asst.)
<b>M/WBE</b> <i>Call of Chair</i>	<b>3</b>	<b><u>BISHOP MICHAEL BADGER – Chair</u></b> Ronald A. Chapin Kathleen Grimm, MD	Diane Artieri Sarina Rohloff Lindy Nesbitt Andy Davis Joseph Giglia Jonathan Swiatkowski
<b>POST-ACUTE QI</b> <i>Call of Chair</i>	<b>3</b>	<b><u>RONALD CHAPIN – Chair</u></b> Michael Seaman Christopher O’Brien	Andrew Davis Thomas Quatroche
<b>CONTRACTS</b> <i>Meets Quarterly</i>	<b>3</b>	<b><u>JENNIFER PERSICO - Chair</u></b> Ronald Bennett Christopher O’Brien	A.J. Colucci, III Lindy Nesbitt  Lori Hoffman (Asst.)

### CONFIDENTIAL EVALUATION OF BOARD PERFORMANCE

The below is the evaluation tool utilized by ECMC for its annual Evaluation of Board Performance.

**Evaluation Tool: Completed on** \_\_\_\_\_

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
Board members have a shared understanding of the mission and purpose of ECMCC.				

The policies, practices and decisions of the Board are always consistent with this mission.				
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.				
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of ECMCC and reviews these annually.				
The Board sets clear and measurable performance goals for ECMCC that contribute to accomplishing its mission.				
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest.				
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.				
Board members are knowledgeable about ECMCC's programs, financial statements, reporting requirements, and other transactions.				
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.				
The Board knows the statutory obligations of ECMCC and if ECMCC is in compliance with state law.				
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.				
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.				
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.				
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.				
The Board has identified the areas of most risk to ECMCC and works with management to implement risk mitigation strategies before problems occur.				
Board members demonstrate leadership and vision and work respectfully with each other.				

## **ECMC CORPORATION EXECUTIVE ADMINISTRATION**

Thomas J. Quatroche Jr., PhD  
*President and Chief Executive Officer*

Andrew L. Davis, MBA  
*Chief Operating Officer*

Brian M. Murray, MD  
*Chief Medical Officer*

Jonathan T. Swiatkowski, CPA  
*Chief Financial Officer*

Karen Ziemianski, MS, RN  
*Senior Vice President of Nursing*

James Turner, RN, BSN  
*Senior Vice President, Surgical and Outpatient Services*

Pamela Lee, MBA, MS, RN  
*Senior Vice President of Operations*

Joseph T. Giglia, II, Esq.  
*Chief Human Resources Officer and General Counsel*

Anthony J. Colucci, III, Esq.  
*Executive Vice President*

Donna M. Brown  
*Associate Hospital Administrator*

Peter K. Cutler  
*Vice President of Communications and External Affairs*

Charlene Ludlow, MHA, RN, CIC  
*Chief Quality & Patient Safety Officer*

Keith Lukasik  
*Chief Strategy Officer*

Donna Jones, MHA, MSN, RN, FACHE, CPHQ  
*Chief Quality Officer*

Susan M. Gonzalez  
*Executive Director, ECMC Foundation*

## **ECMC CORPORATION MEDICAL-DENTAL STAFF OFFICERS**

Michael Cummings, MD  
*President*

William J. Flynn Jr., MD, FACS  
*Immediate Past President*

Jennifer Pugh, MD, MBA, FACEP  
*President-Elect*

Michael A. Manka, Jr., MD  
*Treasurer*

Andrea Manyon, MD  
*Secretary*

## **PRIMARY CORPORATION**

### **Erie County Medical Center Corporation**

ECMC Corporation was established as a New York State Public Benefit Corporation and since 2004 has included an advanced academic medical center with 573 inpatient beds, on- and off-campus health centers, more than 30 outpatient specialty care services and Terrace View, a 390-bed long-term care facility. ECMC is Western New York's only Level 1 Adult Trauma Center, as well as a regional center for burn care, behavioral health services, transplantation, medical oncology and head & neck cancer care, rehabilitation and a major teaching facility for the University at Buffalo. Most ECMC physicians, dentists and pharmacists are dedicated faculty members of the university and/or members of a private practice plan. More Western New York residents are choosing ECMC for exceptional patient care and patient experiences – the difference between healthcare and true care™.

ECMC Corporation Employees: 3,556

## **SUBSIDIARY INFORMATION**

### **PPC Strategic Services, LLC**

ECMC Corporation is the sole owner of this enterprise, which was established to enable the Corporation to enter into various other business relationships, and to provide management services to them, as needed. The accounts of PPC Strategic Services LLC are consolidated into the accounts of the Corporation as of, and for the years ended, December 31, 2021 and 2020, respectively.

The assets of PPC Strategic Services LLC were unwound during 2019.

PPC Strategic Services LLC (formerly named ECMCC Strategic Services, LLC) owns Greater Buffalo Niagara SC Venture, LLC, a presently inactive entity. The ownership interest is accounted for utilizing the equity method of accounting.

The sole member of this entity is Erie County Medical Center Corporation.

Employees: NONE

### **Grider Community Gardens, LLC**

This entity is wholly owned and controlled by the Corporation. The Corporation's net investment as of December 31, 2021 and 2020 is approximately \$485 thousand and \$474 thousand, respectively, and is reflected in other non-current assets of the parent company's financial statements.

The sole member of this entity is Erie County Medical Center Corporation.

Employees: None

### **Grider Support Services, LLC**

This entity was formed to act as a Management Services Organization ("MSO") for oncology and physician services for ECMC Hospital. The entity acts as a pass-through entity, and has no substantial assets or liabilities, or significant operating results. Its activity is consolidated into ECMC Corporation operations.

The sole member of this entity is Erie County Medical Center Corporation.

Employees: 123

**1827 Fillmore LLC**

This entity was formed in order to purchase real estate adjacent to the current health campus for the purpose of future development. Its activities to date consist of remediating and improving land adjacent to the ECMC campus and is consolidated into ECMC Corporation.

Net position as of December 31, 2021 and 2020 is \$666 and \$799 thousand, respectively.

The sole member of this entity is Erie County Medical Center Corporation.

Employees: None

# **APPENDIX A**

## **FINANCIAL REPORTS**

# **Erie County Medical Center Corporation**

(A Component Unit of the County of Erie)

Financial Report  
December 31, 2021

## Contents

Independent auditor's report	1-3
Management's discussion and analysis	4-13
Basic financial statements	
Statements of net position	14
Statements of revenues, expenses and changes in net position	15
Statements of cash flows	16-17
Statements of net position – discretely component units	18
Statements of revenues, expenses and changes in net position – discretely component units	19
Notes to the financial statements	20-52
Required supplementary information	
Schedule of corporation's contributions NYSLRS pension plan	53
Schedule of corporation's proportionate share of net pension liability NYSLRS pension plan	54
Schedule of corporation's changes in total OPEB liability and related ratios	55
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	56-57

## Independent Auditor's Report

To the Board of Directors  
Erie County Medical Center Corporation

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Erie County Medical Center Corporation (the Corporation), a component unit of the County of Erie, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of Erie County Medical Center Corporation, as of December 31, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of ECMC Foundation, Inc., the Grider Initiative, Inc., and Research for Health in Erie County, Inc. were not audited in accordance with *Government Auditing Standards*.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4-13 as well as the pension and other postemployment benefits (OPEB) related data on pages 53-55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2022 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

*RSM US LLP*

March 16, 2022

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Management's Discussion and Analysis  
December 31, 2021  
(Dollars in Thousands)**

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**Management's Discussion and Analysis**

Erie County Medical Center Corporation (the Corporation or ECMCC) is a state public benefit corporation dedicated to provide every patient the highest quality of care delivered with compassion. The Corporation fully embraces its position as a safety net provider for the eight county region of Western New York State (encompassing over 1.5 million residents), supporting persons in need who lack the ability to pay.

To assist the reader in understanding the operations of the Corporation, this annual report has been organized into three parts that should be read together:

- Management's discussion and analysis
- Financial statements and notes to the financial statements and
- Supplemental schedules

The purpose of the discussion and analysis is to provide the reader with objective data to evaluate the Corporation for the year ended December 31, 2021. This narrative and the financial statements and footnotes are the responsibility of the Corporation's management.

The financial statements (the statements of net position, the statements of revenues, expenses and changes in net position and the statements of cash flows) present financial information in a form similar to that used by other government hospitals and have been prepared in accordance with accounting principles generally accepted in the United States of America.

The accompanying financial statements of the Corporation include financial data of the Corporation's discretely presented component units (i) ECMC Foundation, Inc. (ii) The Grider Initiative, Inc. and (iii) Research For Health in Erie County, Inc.; however, Management's Discussion and Analysis focuses on the Corporation.

**Introduction**

During 2021, the Corporation continued our second century journey of providing high quality, compassionate care to the tens of thousands of Western New Yorkers who depend on ECMCC, serving as the region's community hospital, helping patients from the most influential to the most vulnerable. The Corporation continued its projects updating the building physical plant, including exterior façade, windows, roofing and other elements. The exciting future of the ECMCC health campus and strong continuing collaboration with community partners is producing quantifiably strong, efficient outcomes that will benefit the entire community and, of course, ECMCC patients. Despite having to continually respond to and being significantly financially impacted by the prolonged COVID-19 pandemic, ECMCC's family of dedicated caregivers, support staff, executive leadership, as well as a dedicated Board of Directors, continue to advance the mission of the Corporation and its service to the greater Western New York area. The Corporation continues to be a provider of choice in our community as a result of its continual focus on quality, the patient experience and physician engagement.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Management's Discussion and Analysis  
December 31, 2021  
(Dollars in Thousands)**

**Operations Analysis**

The Corporation completed calendar year 2021 providing another year of significant levels of combined inpatient and outpatient services to Western New York residents and, given its unique services, to many others beyond this region despite the challenging impact of the ongoing COVID-19 pandemic. Patient volume encounters (not expressed in thousands) are as follows:

	2016	2017	2018	2019	2020	2021	% Change 2016 - 2021
Inpatients	18,839	19,260	20,555	19,996	19,110	18,903	0.3%
Surgeries	14,552	14,818	15,315	15,606	12,481	13,803	-5.1%
Emergency	69,290	68,862	70,110	69,391	65,261	68,384	-1.3%
Outpatients	306,564	301,773	307,819	306,891	299,297	280,611	-8.5%
Dialysis	27,291	24,772	25,063	27,549	27,973	26,116	-4.3%

The global outbreak of COVID-19, a new strain of coronavirus that can result in severe respiratory disease, was declared a pandemic by the World Health Organization on March 11, 2020 and was declared a national emergency on March 13, 2020. The outbreak of the disease in 2020 affected travel, commerce, economies and financial markets globally, nationally, in New York State, and in Erie County. These impacts have continued to be felt into 2021. In response to the public health crisis, the New York State Governor and the New York State Commissioner of Health continued to take certain actions to limit the spread of the virus and its impact on the State's communities and health care services, including the continuation of a declared state of emergency and the intermittent suspension of non-essential or elective surgeries.

On December 4, 2020, the State of New York again issued orders to temporarily suspend non-essential or elective surgeries and procedures in Erie County. The temporary suspension was intended to create capacity within healthcare facilities in Erie County to care for a potential increase in COVID-19 patients. This temporary suspension was lifted for the Corporation on January 25, 2021. Despite this suspension being lifted on January 25, 2021, the impact to surgical procedures continued to be seen through February 2021.

Due to capacity constraints and community staffing shortages at all providers including our institution, ECMCC voluntarily suspended inpatient non-essential or elective surgeries on September 27, 2021, while New York State, on December 3, 2021, issued orders to temporarily suspend certain hospitals from performing all non-essential or elective surgeries and procedures (e.g. inpatient and outpatient elective surgeries). The temporary suspension of these procedures and patient visits was enacted in order to create capacity within healthcare facilities to care for a potential increase in COVID-19 patients. The temporary suspension of non-essential and elective procedures was not lifted for the Corporation until February 2022. Despite these restrictions, during 2021, ECMCC experienced a slight recovery in surgical volumes from 2020. Total surgical volume increased by 10.6% from 2020 to 2021.

In response to the impact on the healthcare environment from the COVID-19, the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan (ARP) Act were enacted by Congress during 2020 and 2021, respectively. These Acts included, among other things, support for healthcare providers and patients in the form of grants, payments for uninsured patients, and changes to Medicare and Medicaid payments. The Corporation to date has received \$64 million of Provider Relief Fund distributions provided under the CARES and ARP Acts. Amounts provided under these relief efforts are recognized as non-operating revenues in the Statements of Revenue, Expenses and Changes in Net Position as eligibility requirements are met. During 2020, the Corporation also received \$39.1 million and \$10 million in loans under the Medicare Accelerated and Advance Payment Program and the Paycheck Protection Program (PPP), respectively. During 2021, the PPP loan forgiveness application was approved by the U.S. Small Business Administration and, as such, the \$10 million loan was forgiven in full. This benefit has been recorded as non-operating revenue within the Statement of Revenue, Expenses and Changes in Net Position.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Management's Discussion and Analysis  
December 31, 2021  
(Dollars in Thousands)**

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**Operations Analysis (Continued)**

Suspended operations due to the COVID-19 pandemic resulted in significant decreases in revenues and patient care volumes significantly below budget projections. Additionally, in order to adequately prepare to respond to the pandemic and the increased number of regulations governing the provision of care and safety guidelines, the Corporation incurred significant additional expenses above budgeted projections for personnel costs, the purchase of personal protective equipment, lab equipment and supplies, other clinical equipment, and other purchased services. During 2021, capacity constraints caused by staffing challenges were experienced throughout the provider community. These occurred broadly within the post-acute care settings, limiting ECMCC's ability to discharge patients timely. This increase in the average length of stay during 2021 also impacted ECMCC's operating performance. The federal government-provided relief funding to date has not offset the unfavorable financial impact COVID-19 has had on ECMCC in 2020 or 2021. Despite these challenges, the Corporation remained committed to continuing its mission to "provide every patient the highest quality of care delivered with compassion."

The continued volume and visit trends reflect the trust that the Western New York community has placed in ECMCC. Notable achievements in 2021 include:

- Beacon Silver Award for Excellence in quality recognizing the Trauma ICU, Medical ICU and Burn Unit.
- ECMCC designated as a Blue Distinction Center for Bariatric Surgery by BlueCross/BlueShield of Western New York.
- Terrace View Long-Term Care Facility was named to *Newsweek's* 2021 and 2022 Best Nursing Homes List for performance on key measures on health inspections, quality measures and staffing in addition to receiving a 4 Star CMS rating.
- ECMCC was designated a nursing Pathways to Excellence organization by the American Nurses Credentialing Center.
- NYS Division of Minority and Women's Business Development (MWBE) Program Performance Report graded ECMCC's participation as an 'A' for Fiscal Year 2020-21, achieving 34.7% participation.
- ECMCC received the 2021 Buffalo Niagara Business Ethics Association Crystal Award.
- ECMCC received the Top Performer award in LGBTQ Healthcare Equality from the Human Rights Campaign Foundation.
- Completion of the window installation component of the exterior building improvement project.
- ECMCC named among the Top 50 Hospitals in the United States for Racial Inclusivity.
- ECMCC awarded the New York State Minority and Women's Business Enterprise Champions Award.
- Community grant awardee from multiple community foundations to build and operate an intensive outpatient behavioral health program.
- Recruitment of 688 new staff including 264 nursing positions and 68 nurses aid positions.
- Recruitment of 60 new physicians to the Medical Staff across 16 disciplines.
- Launched various digital health platforms including ECMC Virtual Care to enhance the patient experience.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Management's Discussion and Analysis**  
**December 31, 2021**  
**(Dollars in Thousands)**

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**Operations Analysis (Continued)**

**Financial Metric Analysis**

The Corporation's total net position decreased in 2021 due to unfavorable results from operations as a result of the COVID-19 pandemic and its impact, as further discussed below.

Comparative financial ratios for the Corporation to the 2020 (most recent publicly available audited data, pre-pandemic) average of NYS Public Benefit Corporation (PBC) hospitals are presented in the following table. The financial statements used for the calculation of the following ratios, where appropriate, have been reclassified to conform to the presentation used in the development of the benchmarks, consistent with GAAP for entities not subject to GASB standards.

	ECMCC			PBC
	2021	2020	2019	Average 2020
Operating margin	-5.2%	-23.3%	0.0%	-13.0%
Operating cash flow margin	1.5%	-16.6%	4.8%	-6.7%
Debt service coverage	1.1	(1.3)	2.2	0.7
Unrestricted days cash on hand	91.1	105.6	53.3	N/A
Days cash on hand	136.8	160.1	152.3	101.1
Days in accounts receivable	49.5	56.8	58.2	43.9
Average age of plant	12.5	14.0	14.7	18.7

The operational performance ratios for 2021 reflect generally favorable performance compared to NYS Healthcare Public Benefit Corporations. Federal provider relief funds received and available to cover additional operating expenses, lost operating revenues, and the loan forgiveness benefit from the Paycheck Protection Program (PPP), have been recognized as non-operating revenue and are excluded from the operating ratio calculations. Unrestricted days cash on hand decreased 14.5 days (15.9%) as a result of the repayment of Medicare Advance Payments received in 2020 and unfavorable operating performance. Days in accounts receivable decreased by 7.3 days (12.9%) due to additional collections during the year. Average age of plant decreased by 1.5 years (10.7%) as a result of new construction and improvements.

**Summary Financial Statements with Analysis**

Management is providing the following summary financial statements and variance analysis for certain financial statement lines where it believes the readers understanding of the financial statements is enhanced.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Management's Discussion and Analysis**  
**December 31, 2021**  
**(Dollars in Thousands)**

**Statements of Net Position**

Net position is categorized as follows:

**Net investment in capital assets:** Consists of capital assets, net of accumulated depreciation and reduced by outstanding debt and deferred inflows and outflows of resources that are attributable to the acquisition, construction or improvement of those assets.

**Restricted:** Result when constraints placed on the use of the net position are either externally imposed by creditors, grantors, contributors, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted:** Represents the resources derived primarily from services rendered to patients and other operating revenues and not meeting the previously listed criteria. These resources are used for transactions related to the general healthcare and academic operations of the Corporation, and may be used at the discretion of the Board of Directors to meet current expenses for any purpose.

Condensed Statements of Net Position are as follows:

	2021	2020	2021-2020	
			\$ Change	% Change
<b>Assets</b>				
Current assets, excluding assets whose use is limited	\$ 271,593	\$ 296,792	\$ (25,199)	(8.5)
Assets whose use is limited	168,563	194,391	(25,828)	(13.3)
Capital assets, net	324,385	334,157	(9,772)	(2.9)
Other assets	21,606	25,679	(4,073)	(15.9)
<b>Total assets</b>	<b>786,147</b>	<b>851,019</b>	<b>(64,872)</b>	<b>(7.6)</b>
<b>Deferred outflows of resources</b>	<b>279,395</b>	<b>239,216</b>	<b>40,179</b>	<b>16.8</b>
<b>Total assets and deferred outflows</b>	<b>\$ 1,065,542</b>	<b>\$ 1,090,235</b>	<b>\$ (24,693)</b>	<b>(2.3)</b>
<b>Liabilities</b>				
Current liabilities	\$ 308,338	\$ 319,701	\$ (11,363)	(3.6)
Noncurrent liabilities	636,759	882,754	(245,995)	(27.9)
<b>Total liabilities</b>	<b>945,097</b>	<b>1,202,455</b>	<b>(257,358)</b>	<b>(21.4)</b>
<b>Deferred inflows of resources</b>	<b>355,443</b>	<b>101,575</b>	<b>253,868</b>	<b>249.9</b>
<b>Net Position</b>				
Net investment in capital assets	94,311	106,297	(11,986)	(11.3)
Restricted	79,577	91,986	(12,409)	(13.5)
Unrestricted	(408,886)	(412,078)	3,192	0.8
<b>Total net position</b>	<b>(234,998)</b>	<b>(213,795)</b>	<b>(21,203)</b>	<b>(9.9)</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 1,065,542</b>	<b>\$ 1,090,235</b>	<b>\$ (24,693)</b>	<b>(2.3)</b>

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Management's Discussion and Analysis  
December 31, 2021  
(Dollars in Thousands)**

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**Statements of Net Position (Continued)**

Overall, total assets and deferred outflows of resources decreased \$24,693 from 2020 to 2021.

The following variances in total assets are noteworthy:

Total current assets, excluding the current portion of assets whose use is limited, decreased by \$25,199 due to the following:

- Cash, cash equivalents and investments decreased by \$46,873 due to losses from operations, the repayment of Medicare Advance Payments and investment in capital projects.
- Patient accounts receivable, net, decreased by \$2,001 as a result of current year increases in collections.
- Other receivables, increased by \$22,619 which is due to a \$29,653 increase in Medicaid Disproportionate Share (DSH) and Upper Payment Limit (UPL) program receivables, a decrease of \$5,914 in due from third party payors and a \$1,120 decrease in other receivables.
- Assets whose use is limited, including current portion, decreased by a net of \$25,828, which is due to a decrease of \$12,414 of Delivery System Reform Incentive Payment (DSRIP) grant funds due to pass-through grant expenditures, a \$12,425 decrease from the use of proceeds from the 2017 financing for various construction and renovation projects and a \$1,498 reduction in required collateral held for workers compensation claims offset by a \$509 increase in reserve account funding for actuarial liabilities and other limited use assets.
- Capital assets, net, decreased by \$9,772 due to investments during 2021 in new capital assets being less than depreciation expense, as a result of the pandemic. Investments in capital assets are summarized in a following section.

Overall, total liabilities and deferred inflows decreased \$3,490 and net position decreased \$21,203 from 2020.

The following variances in total liabilities are noteworthy:

- Accounts payable and accrued salaries and benefits increased by \$7,807 due to an increase in operating expenditures and timing of payments to vendors and employees at year-end.
- Accrued other liabilities increased by \$1,092 largely as a result of payments of amounts due to Erie County.
- Unearned revenue increased by \$6,410, \$7,198 due to receipt of a payment for 2022 DSH funds during 2021 offset by a decrease of \$788 due to expenses incurred related to the DSRIP grant program.
- Repayment of Medicare Advance payments resulted in \$5,604 increase in a current liability and a \$23,826 decrease in a long-term liability based upon payment terms in the CARES Act.
- A substantial decrease in the net pension liability was recognized during 2021 in the amount of \$224,282 due to changes in actuarial assumptions and investment performance of the New York State and Local Retirement System (NYSLRS) further described in Note 10.
- The long-term portion of self-insured obligations increased by \$5,909 due to changes in actuarial estimates for self-insured retentions for malpractice claims greater than payments made on those claims. The current portion of these self-insured obligations increased by \$27.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Management's Discussion and Analysis**  
**December 31, 2021**  
**(Dollars in Thousands)**

**Statements of Net Position (Continued)**

- The liability for OPEB decreased by \$18,815 primarily as a result of the favorable impact of a change in actuarial standards of practice related to the development of age specific retiree healthcare costs partially offset by an update to the mortality assumptions as disclosed in Note 11.
- Net position decreased by \$21,203 due to unfavorable financial performance related to the continued impact on operations of the COVID-19 pandemic.

**Statements of Revenues, Expenses, and Changes in Net Position**

Condensed Statements of Revenues, Expenses and Changes in Net Position are as follows:

	2021	2020	2021-2020	
			\$ Change	% Change
Net patient service revenue	\$ 566,104	\$ 505,591	\$ 60,513	12.0
Disproportionate share revenue (DSH)	101,620	79,510	22,110	27.8
DSRIP grants	851	32,246	(31,395)	(97.4)
Other operating revenue	20,647	20,662	(15)	(0.1)
<b>Total operating revenues</b>	<b>689,222</b>	<b>638,009</b>	<b>51,213</b>	<b>8.0</b>
Operating expenses:				
Payroll and employee benefits	372,829	386,561	(13,732)	(3.6)
Professional fees	101,215	96,360	4,855	5.0
Purchased services	67,927	68,854	(927)	(1.3)
Supplies	112,497	97,872	14,625	14.9
Other operating expenses	36,321	32,268	4,053	12.6
DSRIP grant expenses	851	24,840	(23,989)	(96.6)
Depreciation and amortization	35,980	32,283	3,697	11.5
<b>Total operating expenses</b>	<b>727,620</b>	<b>739,038</b>	<b>(11,418)</b>	<b>(1.5)</b>
<b>Operating loss before pension amortization component</b>	<b>(38,398)</b>	<b>(101,029)</b>	<b>62,631</b>	<b>62.0</b>
Pension benefit (expense), amortization component	12,858	(36,875)	49,733	(134.9)
<b>Operating loss</b>	<b>(25,540)</b>	<b>(137,904)</b>	<b>112,364</b>	<b>81.5</b>
Non-operating revenues (expenses):				
Investment gain	2,803	6,854	(4,051)	(59.1)
CARES/ARP Act Provider Relief Funds	1,238	62,807	(61,569)	(98.0)
Paycheck Protection Program (PPP) loan forgiveness	10,000	-	10,000	100.0
Interest expense	(10,448)	(11,037)	589	5.3
<b>Loss before capital grants and contributions</b>	<b>(21,947)</b>	<b>(79,280)</b>	<b>47,333</b>	<b>59.7</b>
Capital grants	731	9,269	(8,538)	(92.1)
Capital contributions	13	5,260	(5,247)	(99.8)
<b>Total change in net position</b>	<b>(21,203)</b>	<b>(64,751)</b>	<b>33,548</b>	<b>51.8</b>
Net position – beginning of year	(213,795)	(149,044)	(64,751)	(43.4)
Net position - end of year	\$ (234,998)	\$ (213,795)	\$ (21,203)	(9.9)

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Management's Discussion and Analysis  
December 31, 2021  
(Dollars in Thousands)**

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**Statements of Revenues, Expenses, and Changes in Net Position (Continued)**

Overall, operating revenues increased by \$51,213 or 8.0% in 2021 with increases attributable to the following:

- Net patient service revenue increased \$60,513, or 12.0%, in 2021 as a result of a combination of a 10.6% increase in surgeries, an increase in contracted reimbursement rates and a decrease in bad debt expense.
- DSH increased by \$22,110, or 27.8%, in 2021 as a result of a decrease in the nursing home upper payment limit of \$4,680, offset by a \$26,790 increase in federal DSH due to increased losses on eligible patients.
- DSRIP grant revenue decreased by \$31,395 or 97.4% primarily due to the program expiring in 2020 and no new awards received in 2021. Total DSRIP revenue earned by the Corporation related to the program decreased \$7,406 related to the completion of the high performance fund program awards and other grant related program awards.

Operating expenses including the pension benefit decreased \$61,151 or 7.9%, in 2021. Expense changes are attributable to the following:

- Payroll and employee benefit expenses have decreased by \$13,372 or 3.6% as a result of the net effect of decreases in actuarial determined expense for pension and post-retirement health obligations and increases in salaries and benefits during the COVID-19 pandemic. Salaries and employee benefit expense as a percent of net patient service revenue decreased by 10.6%, from 76.5% in 2020 to 65.9% in 2021.
- Pension expense decreased by \$54,205 or 74.4% as a result of favorable differences between projected and actual investment earnings on pension plan investments largely due to the 2020 plan valuation date of March 31, 2020 compared to the 2021 valuation date of March 31, 2021 and the impact of the coronavirus on the financial markets at that time and differences between expected and actual experience along with a 0.9% decrease in the discount rate used from 2020 to 2021.
- Purchased services expense decreased by \$927 or 1.3% as a result of minimal changes related to operations as the focus continued to be responding to the coronavirus pandemic.
- DSRIP grant expenses decreased by \$23,989 or 96.6% as a result of the wind down of the program which ended March 31, 2020. Remaining DSRIP grant expenses are pass-through costs of administering the program.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Management's Discussion and Analysis  
December 31, 2021  
(Dollars in Thousands)**

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**Statements of Revenues, Expenses, and Changes in Net Position (Continued)**

**Capital Assets, Net**

At December 31, 2021, the Corporation had capital assets, net of accumulated depreciation, of \$324,385 compared to \$334,157 at December 31, 2020, representing a decrease of \$9,772 or 2.9%.

During 2021, the Corporation invested \$26,324 in various capital projects. Noteworthy investments include: continued investment into various mechanical, electrical, plumbing and building envelope improvements (\$17,997), along with various other facility infrastructure projects. Other additions to capital assets included other medical and non-medical equipment, furniture and fixtures, and information systems infrastructure investments.

**Forward Looking Factors**

Management has prepared the following forward looking factors to assist the reader in understanding the financial, economic and market factors impacting the Corporation.

**Collective Bargaining Agreements**

The Corporation operates under three collective bargaining agreements that cover substantially all employees. Corporation employees of the Civil Service Employee Association (CSEA) are covered by a contract negotiated in concert with Erie County, New York, which contains a sub-bargaining unit representing only Corporation employees. The agreement began in 2018 and runs through December 31, 2022. Registered Nurses (RNs) are covered under an agreement with the New York State Nurses Association (NYSNA). This agreement began in 2019 and runs through December 31, 2022. The Corporation's agreement with the American Federation of State, County and Municipal Employees (AFSCME), a contract negotiated in concert with the County of Erie, New York, and ratified with AFSCME employees in 2017 runs through December 31, 2022.

**Transactions with the County of Erie**

The Corporation is a component unit of the County of Erie, New York. The County has ongoing contractual and legal obligations to the Corporation and the Corporation has ongoing contractual and legal obligations to the County.

**Delivery System Reform Incentive Payment (DSRIP)**

On April 14, 2014, Gov. Andrew M. Cuomo announced that New York finalized terms and conditions of an agreement with the U.S. government that will allow New York State to reinvest \$8 billion in federal savings generated by Medicaid Redesign Team reforms. This program is known as the Delivery System Reform Incentive Payment (DSRIP) Program.

The Corporation was selected as one of the lead entities and has worked with others to form a Performing Provider System (PPS) to achieve the goals established in the waiver. As a result, the Corporation and the PPS have been awarded a five (5) year grant which ended on March 31, 2020. Certain revenues and expenses associated with this effort, and the related receivables and payables, have been recognized in the financial statements.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Management's Discussion and Analysis  
December 31, 2021  
(Dollars in Thousands)**

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**Care Restructuring Enhancement Pilot (CREPS) Program Grant**

The Corporation was awarded a grant under the CREPS Program administered by the New York State Department of Health. The total award amount is approximately \$97,260 over the period April 1, 2016 to March 31, 2020 in state fiscal year annual distribution amounts of \$43,930, \$30,010, \$13,320, and \$10,000, respectively. The Corporation has been responsible for achieving certain goals of the CREPS Program in each year in order to qualify for the funding. The Corporation achieved all of the goals for years 1 through 4 of the program and has recognized related revenue in the amount of \$0 and \$5,618 in the 2021 and 2020 financial statements, respectively. This grant period ended on March 31, 2020 and has not been extended beyond this date. This grant period ended on March 31, 2020 and has not been extended beyond this date.

**Medicare and Medicaid Reimbursement**

The future state of both reimbursement levels and reimbursement methods related to the Medicare and Medicaid programs remains uncertain. Budget proposals related to both of these programs for the upcoming year and beyond may significantly alter reimbursements or methodologies, thus changing the environment in which we conduct business as the Corporation relies heavily on these programs for reimbursement for services. The impact of these state and federal budget proposals are unknown at this time but could materially impact the Corporation.

**Contacting the Corporation's Financial Management**

This financial report is designed to provide our community and creditors with a general overview of Erie County Medical Center Corporation's finances and to demonstrate the Corporation's accountability for the resources it receives. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer, Erie County Medical Center Corporation, 462 Grider Street, Buffalo, New York 14215.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Statements of Net Position**  
**December 31, 2021 and 2020**  
**(Dollars in Thousands)**

	2021	2020
<b>Assets and Deferred Outflows</b>		
Current assets:		
Cash and cash equivalents	\$ 69,464	\$ 120,308
Investments	20,364	16,393
Assets whose use is limited	91,866	117,163
Patient accounts receivable, net	76,715	78,716
Other receivables	87,643	65,024
Supplies, prepaids and other	17,407	16,351
<b>Total current assets</b>	<b>363,459</b>	<b>413,955</b>
Assets whose use is limited	76,697	77,228
Capital assets, net	324,385	334,157
Other assets, net	21,606	25,679
<b>Total assets</b>	<b>786,147</b>	<b>851,019</b>
Deferred outflows of resources:		
Pension	220,050	167,313
Other post employment benefits	45,882	56,939
Other	13,463	14,964
<b>Total deferred outflows of resources</b>	<b>279,395</b>	<b>239,216</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 1,065,542</b>	<b>\$ 1,090,235</b>
<b>Liabilities, Deferred Inflows and Net Position</b>		
Current liabilities:		
Current portion of long-term debt	\$ 12,019	\$ 11,955
Current portion of Medicare Advance Payment Program	20,879	15,275
Accounts payable	56,380	49,508
Accrued salaries, wages and employee benefits	39,345	38,410
Net pension liability	-	34,754
Other post employment benefits	13,155	12,076
Accrued other liabilities	29,995	28,903
Unearned revenue	134,118	127,708
Estimated third-party payor settlements	2,447	1,112
<b>Total current liabilities</b>	<b>308,338</b>	<b>319,701</b>
Long-term debt, net	217,025	237,089
Medicare Advance Payment Program, net of current portion	-	23,826
Net pension liability, net of current portion	915	190,443
Self-insured obligations	47,561	41,652
Other post employment benefits, net of current portion	365,951	385,845
Other	5,307	3,899
<b>Total liabilities</b>	<b>945,097</b>	<b>1,202,455</b>
Deferred inflows of resources:		
Pension	278,142	14,403
Other post employment benefits	77,301	87,172
<b>Total deferred inflows of resources</b>	<b>355,443</b>	<b>101,575</b>
<b>Net Position:</b>		
Net investment in capital assets	94,311	106,297
Restricted:		
Expendable	79,577	91,986
Unrestricted	(408,886)	(412,078)
<b>Total net position</b>	<b>(234,998)</b>	<b>(213,795)</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 1,065,542</b>	<b>\$ 1,090,235</b>

See notes to the financial statements.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended December 31, 2021 and 2020**  
**(Dollars in Thousands)**

	2021	2020
Operating revenues:		
Net patient service revenue, net of provision for bad debts of \$12,153 and \$33,605 for 2021 and 2020, respectively	\$ 566,104	\$ 505,591
Disproportionate share revenue (DSH)	101,620	79,510
DSRIP grants	851	32,246
Other operating revenue	20,647	20,662
<b>Total operating revenues</b>	<b>689,222</b>	<b>638,009</b>
Operating expenses:		
Payroll and employee benefits	372,829	386,561
Professional fees	101,215	96,360
Purchased services	67,927	68,854
Supplies	112,497	97,872
Other operating expenses	36,321	32,268
DSRIP grant expenses	851	24,840
Depreciation and amortization	35,980	32,283
<b>Total operating expenses</b>	<b>727,620</b>	<b>739,038</b>
<b>Operating loss before pension expense amortization component</b>	<b>(38,398)</b>	<b>(101,029)</b>
Pension benefit (expense), amortization component	12,858	(36,875)
<b>Operating loss</b>	<b>(25,540)</b>	<b>(137,904)</b>
Non-operating revenues (expenses):		
Investment gain	2,803	6,854
CARES/ARP Act Provider Relief Funds	1,238	62,807
Paycheck Protection Program (PPP) loan forgiveness	10,000	-
Interest expense	(10,448)	(11,037)
<b>Total non-operating revenues (expenses)</b>	<b>3,593</b>	<b>58,624</b>
<b>Loss before capital grants and capital contributions</b>	<b>(21,947)</b>	<b>(79,280)</b>
Capital grants	731	9,269
Capital contributions	13	5,260
<b>Total change in net position</b>	<b>(21,203)</b>	<b>(64,751)</b>
Net position – beginning of year	(213,795)	(149,044)
Net position – end of year	\$ (234,998)	\$ (213,795)

See notes to the financial statements.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Statements of Cash Flows**  
**Years Ended December 31, 2021 and 2020**  
**(Dollars in Thousands)**

	2021	2020
Cash flows from operating activities:		
Receipts from patients and third party payors	\$ 546,821	\$ 514,433
(Payments) receipts to/from Medicare Advance Payment Program	(18,222)	39,101
Payments to employees for salaries and benefits	(382,535)	(368,809)
Payments to vendors for supplies and other	(308,916)	(370,053)
Other receipts	129,528	201,512
<b>Net cash (used in) provided by operating activities</b>	<b>(33,324)</b>	<b>16,184</b>
Cash flows from capital and related financing activities:		
Purchases of capital assets	(23,714)	(60,545)
Borrowings on long-term debt	1,221	2,555
Payments on long term debt	(11,221)	(11,380)
Proceeds from the Paycheck Protection Program	-	10,000
Interest paid on long term debt	(10,448)	(11,037)
Grants for capital purposes	731	9,269
<b>Net cash used in capital and related financing activities</b>	<b>(43,431)</b>	<b>(61,138)</b>
Cash flows from noncapital financing activities:		
CARES/ARP Act Provider Relief Funds	1,238	62,807
Cash flows from investing activities:		
Sales of assets whose use is limited, net	25,828	82,838
Investment gain	2,803	6,854
Purchases of investments, net	(3,971)	(6,268)
Capital contributions	13	5,260
<b>Net cash provided by investing activities</b>	<b>24,673</b>	<b>88,684</b>
<b>Net change in cash and cash equivalents</b>	<b>(50,844)</b>	<b>106,537</b>
Cash and cash equivalents:		
Beginning	120,308	13,771
Ending	<b>\$ 69,464</b>	<b>\$ 120,308</b>

**Noncash capital and related financing activities:**

Included in accounts payable at December 31, 2021 and 2020 was \$8,623 and \$6,129, respectively, of invoices related to capital asset acquisitions.

(Continued)

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Statements of Cash Flows (Continued)**  
**Years Ended December 31, 2021 and 2020**  
**(Dollars in Thousands)**

	2021	2020
Reconciliation of operating loss to net cash		
(used in) provided by operating activities:		
Operating loss	\$ (25,540)	\$ (137,904)
Adjustments to reconcile operating loss to net cash		
(used in) provided by operating activities:		
Depreciation and amortization	35,980	32,283
Provision for bad debts	12,153	33,605
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Patient accounts receivable	(10,152)	(25,749)
Medicare Advance Payment Program	(18,222)	39,101
Other receivables	(22,619)	1,292
Supplies, prepaids and other	3,017	(2,430)
Deferred outflows of resources	(40,179)	(122,318)
Accounts payable	4,378	(39,885)
Accrued liabilities	3,435	7,645
Unearned revenue	6,410	69,094
Estimated third-party payor settlements	1,335	(306)
Self-insured obligations	5,909	5,588
Net pension liability	(224,282)	167,957
OPEB	(18,815)	(14,962)
Deferred inflows of resources	253,868	3,173
<b>Net cash (used in) provided by operating activities</b>	<b>\$ (33,324)</b>	<b>\$ 16,184</b>

See notes to the financial statements.

Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)

Statements of Net Position - Discretely Presented Component Units  
December 31, 2021 and 2020  
(Dollars in Thousands)

	2021				2020			
	ECMC Foundation, Inc.	The Grider Initiative, Inc.	Research for Health in Erie County, Inc.	Aggregate Total	ECMC Foundation, Inc.	The Grider Initiative, Inc.	Research for Health in Erie County, Inc.	Aggregate Total
<b>Assets</b>								
Current assets:								
Cash and cash equivalents	\$ 2,683	\$ 271	\$ 7	\$ 2,961	\$ 1,789	\$ 272	\$ 14	\$ 2,075
Investments	-	-	1,124	1,124	-	-	1,073	1,073
Other receivables	2,122	-	-	2,122	2,403	-	-	2,403
Supplies, prepaids and other	37	-	-	37	15	-	-	15
<b>Total current assets</b>	<b>4,842</b>	<b>271</b>	<b>1,131</b>	<b>6,244</b>	<b>4,207</b>	<b>272</b>	<b>1,087</b>	<b>5,566</b>
Other receivables	1,616	-	-	1,616	2,364	-	-	2,364
Endowment and other investments	2,991	9,923	-	12,914	3,815	9,943	-	13,758
Equipment and vehicles, net	2	-	-	2	6	-	-	6
	4,609	9,923	-	14,532	6,185	9,943	-	16,128
<b>Total assets</b>	<b>\$ 9,451</b>	<b>\$ 10,194</b>	<b>\$ 1,131</b>	<b>\$ 20,776</b>	<b>\$ 10,392</b>	<b>\$ 10,215</b>	<b>\$ 1,087</b>	<b>\$ 21,694</b>
<b>Liabilities and Net Position</b>								
Current liabilities:								
Accounts payable	\$ 71	\$ -	\$ -	\$ 71	\$ 584	\$ -	\$ -	\$ 584
Funds held in custody for others	657	-	-	657	636	-	-	636
<b>Total current liabilities</b>	<b>728</b>	<b>-</b>	<b>-</b>	<b>728</b>	<b>1,220</b>	<b>-</b>	<b>-</b>	<b>1,220</b>
Related party	3,969	-	-	3,969	6,219	-	-	6,219
Unearned revenue	1,181	-	-	1,181	-	-	-	-
<b>Total liabilities</b>	<b>5,878</b>	<b>-</b>	<b>-</b>	<b>5,878</b>	<b>7,439</b>	<b>-</b>	<b>-</b>	<b>7,439</b>
<b>Net Position</b>								
Restricted:								
Nonexpendable	50	10,000	-	10,050	50	10,000	-	10,050
Expendable	1,653	194	-	1,847	511	215	-	726
Unrestricted	1,870	-	1,131	3,001	2,392	-	1,087	3,479
<b>Total net position</b>	<b>3,573</b>	<b>10,194</b>	<b>1,131</b>	<b>14,898</b>	<b>2,953</b>	<b>10,215</b>	<b>1,087</b>	<b>14,255</b>
<b>Total liabilities and net position</b>	<b>\$ 9,451</b>	<b>\$ 10,194</b>	<b>\$ 1,131</b>	<b>\$ 20,776</b>	<b>\$ 10,392</b>	<b>\$ 10,215</b>	<b>\$ 1,087</b>	<b>\$ 21,694</b>

See notes to the financial statements.

Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)

Statements of Revenues, Expenses and Changes in Net Position - Discretely Presented Component Units  
Years Ended December 31, 2021 and 2020  
(Dollars in Thousands)

	2021				2020			
	ECMC Foundation, Inc.	The Grider Initiative, Inc.	Research for Health in Erie County, Inc.	Total	ECMC Foundation, Inc.	The Grider Initiative, Inc.	Research for Health in Erie County, Inc.	Total
Operating revenues:								
Grants, contributions and special events	\$ 3,291	\$ -	\$ -	\$ 3,291	\$ 5,000	\$ -	\$ -	\$ 5,000
Total operating revenues	3,291	-	-	3,291	5,000	-	-	5,000
Operating expenses:								
Program services and grants	1,233	218	5	1,456	7,968	-	18	7,986
Fundraising	581	8	-	589	584	-	-	584
Other operating expenses	857	7	1	865	224	1	2	227
Total operating expenses	2,671	233	6	2,910	8,756	1	20	8,777
Operating income (loss)	620	(233)	(6)	381	(3,756)	(1)	(20)	(3,777)
Non-operating revenue:								
Investment income	-	212	50	262	-	86	83	169
Change in net position	620	(21)	44	643	(3,756)	85	63	(3,608)
Net position – beginning of year	2,953	10,215	1,087	14,255	6,709	10,130	1,024	17,863
Net position – end of year	\$ 3,573	\$ 10,194	\$ 1,131	\$ 14,898	\$ 2,953	\$ 10,215	\$ 1,087	\$ 14,255

See notes to the financial statements.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

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**Note 1. Organization**

**The Corporation:** Erie County Medical Center Corporation (referred to as the "Corporation" or "ECMCC") is a public benefit corporation created by the Erie County Medical Center Corporation Act, Chapter 143 of the Laws of New York State, 2003 (Title 6 of Article 10-C of the Public Authorities Law) (the "Act") as amended in 2016. The Corporation was created under the Act to secure a form of governance which permits the Corporation to have the legal, financial, and managerial flexibility to operate its health care facilities for the benefit of the residents of New York State (the "State"), the County of Erie (the "County"), and Western New York, including persons in need who lack the ability to pay.

The Corporation's "Health Care Facilities" consist of the Medical Center, a 573 bed acute tertiary care facility providing inpatient, emergency, outpatient, primary care and specialty clinic services (Medical Center), a 390-bed residential health care facility (Terrace View) both located on Grider Street in the City of Buffalo and three chemical dependency and alcohol rehabilitation clinics located throughout the County. The Corporation serves as the region's only Level 1 Adult Trauma Center, burn center, comprehensive traumatic brain injury and spinal cord injury rehabilitative center, Comprehensive Psychiatric Emergency Program provider for acute psychiatric emergencies, Regional Center of Excellence for Transplantation and Kidney Care, and is the primary provider of HIV inpatient and outpatient specialty care.

The Corporation has the power under the Act to acquire, operate, and manage its facilities and to issue bonds and notes to finance the costs of providing such facilities. The Act specifically provides that the Corporation's existence shall continue until terminated by law; provided, however, that no such termination shall take effect so long as the Corporation shall have bonds or other obligations outstanding unless adequate provision has been made for the payment or satisfaction thereof. The Corporation's primary purpose is the operation of the Medical Center and Terrace View, and its powers, duties, and functions are as set forth in the Act, as amended, and other applicable laws.

The Corporation qualifies as a governmental entity and, accordingly, is exempt from federal income tax pursuant to Section 115 of the Internal Revenue Code of 1986.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended, the Corporation's financial statements are included, as a discretely presented component unit, in the County's Annual Comprehensive Financial Report (ACFR). A copy of the ACFR can be obtained from the Erie County Comptroller's Office, 95 Franklin Street, Room 1100, Buffalo, New York, 14202. The Corporation is subject to New York civil service law.

**Governance:** The Corporation is governed by its Board of Directors (the "Board") consisting of fifteen (15) voting directors, eight (8) of whom are appointed by the Governor of the State of New York and seven (7) of whom are appointed by the Erie County Executive with the advice and consent of the Erie County Legislature. There are four non-voting representatives, as well. The directors and non-voting members serve staggered terms and continue to hold office until their successors are appointed. Directors have experience in the fields of health care services, quality and patient safety, human resources, strategic growth, law, and financial management and reflect a broad representation of the community served by the Corporation. Regular meetings of the Board are scheduled eleven (11) times per year. Board leaders are appointed by the Board.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

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**Note 1. Organization (Continued)**

**Great Lakes Health System:** The Corporation is a member of Great Lakes Health System of Western New York (Great Lakes). Great Lakes is a not-for-profit, community-based corporation comprised of unified partners whose objective is to provide the highest quality of healthcare to the residents of Western New York. Great Lakes is comprised of the Corporation, Kaleida Health (KH), The Center for Hospice and Palliative Care and the State University of New York at Buffalo (the "University").

**Great Lakes Health Integrated Network:** The Corporation, together with KH has formed Great Lakes Health Integrated Network (GLIN) with each maintaining a 50% ownership interest. As of December 31, 2021 and 2020, capital contributions due to GLIN totaled \$1,730 and \$1,738, respectively. Contributions are used to pay for care coordination services, information systems infrastructure, a physician incentive program, and routine operating expenses.

**Medical School Collaboration:** The Corporation serves as a primary teaching hospital for the Jacobs School of Medicine and Biomedical Sciences of the State University of New York at Buffalo (the "Medical School"). An agreement governs the relationship between the Corporation and the Medical School. The Corporation serves as an integral part of the education and research mission of the Medical School by providing the clinical settings for the Medical School's public mission to educate and train physicians, nurses and other healthcare professionals, conduct clinical research programs and deliver healthcare services to patients. There are currently 187 full-time equivalent medical residents assigned to the Corporation in various Academic College of Graduate Medical Education accredited residency programs.

**Component Units:** Accounting principles generally accepted in the United States of America (U.S. GAAP) require the inclusion within the Corporation's financial statements of certain organizations as component units. The component units discussed below are included because the nature and significance of their relationship to the Corporation are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete under criteria set forth by the Governmental Accounting Standards Board (GASB).

The component unit information in the accompanying basic financial statements includes the financial data of the Corporation's three discretely presented component units. These component units are discussed in more detail below:

**ECMC Foundation, Inc.:** The ECMC Foundation, Inc. (the "Foundation"), formerly the ECMC Lifeline Foundation, Inc., is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Foundation was formed for the purpose of supporting Corporation programs. The financial statements of the Foundation have been prepared on an accrual basis. The annual financial report can be obtained by writing to: Executive Director, ECMC Foundation, Inc., 462 Grider Street, Buffalo, NY 14215.

**The Grider Initiative, Inc.:** The Grider Initiative, Inc. (the "Physician Endowment") is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the IRC. The Physician Endowment was funded in 2010, for the purpose of recruiting physicians who shall practice on the Grider Street campus of the Corporation. The entity was funded with an initial transfer of \$10,000 from the Corporation. Earnings from the investment of the initial transfer may be used only for physician recruitment and retention and necessary expenses of the entity. The financial statements of The Grider Initiative, Inc. have been prepared on an accrual basis. The annual financial report can be obtained by writing to: Chair, The Grider Initiative, Inc. 462 Grider Street, Buffalo, NY 14215.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

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**Note 1. Organization (Continued)**

**Research for Health in Erie County, Inc.:** Research for Health in Erie County, Inc. (RHEC) is a not-for-profit organization dedicated to support research activities relating to the causes, nature, and treatment of diseases, disorders, and defects of particular importance to the public health in areas served by the Corporation. RHEC is exempt from income tax as a not-for-profit corporation under Section 501(c)(3) of the IRC and is incorporated under the laws of the State of New York. The entity has not received external funding in recent years and its revenue comes primarily from investment income. The annual financial report can be obtained by writing to: Grant Administration, Research for Health in Erie County, Inc., 462 Grider Street, Buffalo, NY 14215.

In addition, the financial statements of the Corporation include the operations of the following component units, which are blended with the accounts of the Corporation:

**PPC Strategic Services LLC (PPC):** The Corporation is the sole owner of this enterprise, which was established to enable the Corporation to enter into various other business relationships. The entity was formed as a management support organization (MSO) to provide various support services to the Corporation and Preferred Physician Care, P.C. These services include providing employees, management and administrative services, and facilities management.

**Grider Support Services, LLC:** The Corporation is the sole owner of this enterprise, which was formed to act as an MSO for oncology and physician services.

**Grider Community Gardens, LLC:** This entity is wholly-owned and controlled by the Corporation and was formed for the purpose of purchasing and holding properties in proximity to the Corporation's Grider Street Campus.

**1827 Fillmore, LLC:** This entity is controlled by the Corporation and was formed for the purchase and development of property immediately adjacent to the Corporation's Grider Street campus.

**Note 2. Summary of Significant Accounting Policies**

**Basis of accounting:** The Corporation uses the accrual basis of accounting. Revenue is recognized in the period it is earned and expenses are recognized in the period incurred. Under this basis of accounting, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the Corporation are included in the statements of net position.

For financial accounting and reporting purposes, the Corporation follows all pronouncements of the GASB. All references to relevant authoritative literature issued by the GASB with which the Corporation must comply are hereinafter referred to generally as "U.S. GAAP." The discretely presented component units, as previously described, report under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

**Use of estimates:** The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. The reserve for uncollectible accounts, contractual allowances, estimated third-party payor settlements, workers compensation reserves, malpractice reserves, pension obligations, other post-employment benefits, self-insured obligations, as well as Disproportionate Share (DSH) revenue and certain other accounts, require the use of estimates. Actual results could differ from those estimates.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

Included in net patient service revenue are adjustments to prior year estimated third-party payor settlements, and their related estimated receivables and payables that were originally recorded in the period the related services were rendered, as well as adjustments to the net realization rate for collections on patient accounts receivable. These adjustments are made in the normal course of operations and amounts reported are consistent with the approach in prior years. The adjustments to prior year estimates and other third-party reimbursement or recoveries that relate to prior years also impact DSH revenues as discussed in Note 5. The combined effect of changes related to prior years' estimates resulted in a decrease of \$565 and \$4,830 in total operating revenues for the years ended December 31, 2021 and 2020, respectively.

**Cash and cash equivalents:** The Corporation's cash and cash equivalents include cash on hand and cash in checking and money market accounts as well as investments with a maturity of three months or less when purchased. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash and cash equivalents for purposes of the statements of cash flows. Monies deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks are collateralized with specifically designated securities held by a pledging financial institution, as required by State regulations.

**Patient accounts receivable:** Patient accounts receivable are reported net of both an estimated allowance for contractual adjustments and an estimated allowance for uncollectible accounts. The contractual adjustments represents the difference between established billing rates and estimated reimbursement from Medicare, Medicaid and other third party payor programs. Current operations are charged with an estimated provision for bad debts estimated based on the age of the account, prior experience and any other circumstances which affect collectability. The Corporation's policy does not require collateral or other security for patient accounts receivable and the Corporation routinely accepts assignment of, or is otherwise entitled to receive, patient benefits payable under health insurance programs, plans or policies. The allowance for estimated doubtful accounts at December 31, 2021 and 2020 was approximately \$60,599 and \$56,831, respectively.

**Investments and assets whose use is limited:** The Corporation generally records its investments at fair value. Such assets are comprised of cash and cash equivalents, including money market funds, fixed income securities, commercial paper and equity funds. Assets classified as investments are unrestricted. Assets classified as limited as to use are restricted under Board designation or terms of agreements with third parties and include debt service funds, funds for self-insured workers compensation costs and medical malpractice costs, collateral for insured workers compensation programs, patient and resident monies, funding for future retiree health costs, and funds limited as to use for the acquisition of property, plant and equipment.

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least possible that changes in risks in the near term could materially affect the net position of ECMCC.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

**Note 2. Summary of Significant Accounting Policies (Continued)**

**Other receivables:** The composition of other receivables, as of December 31, is as follows:

	2021	2020
Medicaid Disproportionate Share (DSH) and Upper Payment Limit (UPL) (Note 5)	\$ 71,450	\$ 41,797
Due from affiliated organizations and joint ventures	1,928	1,733
Due from third party payors	9,982	15,896
Health insurance rebates	260	1,008
Other	4,023	4,590
	<u>\$ 87,643</u>	<u>\$ 65,024</u>

**Capital assets:** Capital assets are stated at cost. Depreciation is computed under the straight-line method over the estimated useful life of the asset. Estimated useful lives of assets have been established as follows:

Land and land improvements	5 – 25 years
Buildings and improvements	10 – 40 years
Fixed equipment	10 – 20 years
Movable equipment	3 – 20 years

When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected for the period. Amortization of capital leases is computed using the straight-line method over the lease term or the estimated useful life of the asset, whichever is shorter. Maintenance and repairs are charged to expense as incurred with significant renewals and betterments being capitalized.

Capital assets that are donated (without restriction) are recorded at their fair market values as a direct increase to the component of net investment in capital assets.

**Deferred outflows of resources:** Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense) until that time. Deferred outflows of resources consist primarily of unrecognized items not yet charged to pension expense and retiree health expense related to the net pension liability and post-employment benefit obligations, and items related to the 2017 financing transaction as described below.

The 2017 financing transaction included the payment of points, in the amount of \$17,040 to Erie County associated with the differential in interest rate on the 2017 financing using the credit rating of Erie County and the rate that the Corporation was projected to pay independent of a relationship with Erie County. The points are being amortized on the interest method over the term of the 2017 financing. The unamortized amount of points at December 31, 2021 and 2020 is \$11,019 and \$12,260, respectively. The 2017 financing transaction also included the advance refunding of the 2011 financing, the proceeds of which were used to finance the construction of the Terrace View Nursing Home on the Corporation's campus. The deposit required to the advance refunding escrow was greater than the balance outstanding on the 2011 financing in the amount of \$2,038 and is being amortized on the interest method over the life of the advance refunding component of the transaction. The unamortized portion of this advance refunding at December 31, 2021 and 2020 is \$1,030 and \$1,240, respectively.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Other assets:** Amounts due from the County, as noted in Note 15 as well as ownership interests in various business enterprises are included in other assets.

Collaborative Care Ventures, LLC (Collaborative Care) was formed in 2014 by ECMCC and KH. Collaborative Care was created as a vehicle for ECMCC and KH to participate in various investments in the future consistent with their missions. At December 31, 2021 and 2020, the Corporation's share of the net assets of Collaborative Care amounted to \$1,203 and \$918, respectively.

Great Lakes Integrated Network (GLIN) was formed in 2018 by ECMCC and KH. GLIN was formed to support, manage and negotiate value based contracts and/or risk based contracts with third party payors for the purpose of managing population health and anticipated payment reform. The Corporation's share of contributed capital supports organizational development and ongoing operations. The Corporation's share of GLIN's profit or loss is recognized as a non-operating expense. At December 31, 2021 and 2020, the Corporation's share of the net assets of GLIN amounted to \$1,350 and \$589, respectively.

**Unearned revenue:** Unearned revenue represents funds received by the Corporation for the DSRIP and DSH Program for revenue not yet earned.

**Compensated absences:** The Corporation has accrued liabilities for certain compensated absences earned by its employees, to include vacation, sick, and compensatory time. The Corporation's employees are permitted to accumulate unused vacation and sick leave time up to certain maximum limits. The Corporation accrues the estimated obligation related to vacation pay based on pay rates currently in effect. Sick leave credits, if accumulated above certain prescribed levels, may be the basis of a supplemental payment to employees upon retirement. The Corporation accrues an estimated liability for these estimated terminal payments. These amounts have been included in the statements of net position at December 31, 2021 and 2020, within the caption accrued salaries, wages and employee benefits in the amount of \$14,665 and \$14,757, respectively.

**Deferred inflows of resources:** Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources consist primarily of the unamortized portion of certain items related to the Corporation's pension and other post-employment benefits.

**Net position:** Net position is classified into three categories according to external donor restrictions or availability of assets for satisfaction of the Corporation's obligations. The Corporation's net position is described as follows:

**Net investment in capital assets:** This represents the Corporation's total investment in capital assets, net of accumulated depreciation and reduced by outstanding debt and deferred inflows and outflows of resources that are attributable to the acquisition, construction or improvement of those assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

**Restricted:** The restricted expendable component of net position consists of constraints placed on net position through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The restricted nonexpendable component of net position is permanently unavailable for use. The earnings on the nonexpendable net position are classified as restricted expendable.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Unrestricted:** This component of net position consists of net position that does not meet the definition of other components of net position described above. These resources are used for transactions relating to the general health care operations of the Corporation, and may be used at the discretion of the Board of Directors to meet current expenses for any purpose.

**Net patient service revenue:** Net patient service revenue is reported as services are rendered at estimated net realizable amounts, including estimated retroactive revenue adjustments under reimbursement agreements with third party payors. Estimated settlements under third party reimbursement agreements are accrued in the period the related services are rendered and adjusted in future periods as final settlements are determined. An estimated provision for bad debts is included in net patient service revenue.

**Charity care:** The Corporation provides care to patients who meet certain criteria under its charity care policy, without charge or at amounts less than established rates. Because the Corporation does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue in the accompanying statements of revenues, expenses, and changes in net position. The estimated costs of caring for charity care patients were \$3,119 and \$3,363 for the years ended December 31, 2021 and 2020, respectively. Additionally, the Corporation provided approximately \$1,837 and \$1,664 in discounts to self-pay patients for the years ended December 31, 2021 and 2020, respectively.

**Contributions:** The Foundation reports gifts of cash or promises to give as restricted contributions when they are received with donor stipulations that limit the use of the donated assets. When the intent of the donor is that the assets are to remain in perpetuity and the Foundation does not have the right to invade the original principal, the assets are reported as with donor restrictions. When a donor restriction expires, restricted - expendable net positions are released to unrestricted net position. The Foundation conducted a capital campaign to raise funds to support the construction of a new Level 1 Adult Trauma Center, Emergency Department and other capital needs in support of the mission of the Corporation. Receivables for pledges associated with this campaign are recorded net of a reserve for uncollectible pledges and are discounted to present value using a 1.27% discount rate, over the expected collection period of the pledges.

**Classification of revenues:** The Corporation has classified its revenues as either operating or non-operating revenues according to the following criteria:

**Operating revenues:** Operating revenues include activities that have the characteristics of exchange transactions, such as payments for providing services and payments for goods and services received, for health care services provided to patients, net of contractual adjustments and provisions for bad debts.

**Non-operating revenues:** Non-operating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, CARES Act and ARP Act Provider Relief Funds, forgiveness of the Paycheck Protection Program (PPP) loan, income from investments and contributions.

**Income taxes:** The Corporation is a Public Benefit Corporation of the State of New York and is exempt from federal income taxes under Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Contributed services:** RHEC receives contributions from the Corporation consisting primarily of donated space, equipment, and personnel support. During 2021 and 2020, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Certain immaterial amounts related to contributed rents have been reflected in the Foundation's financial statements as contribution revenue. The Foundation generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation in meeting its goals and objectives. Such services are not recognized in the Foundation financial statements.

No amounts have been reflected in the Physician Endowment financial statements for contributed services, as the value of contributed services meeting the requirements for recognition in the financial statements was not material.

**Recent and pending accounting pronouncements:** In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021 and all reporting periods thereafter. The Corporation does not anticipate the adoption of this standard will have a significant impact on the financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement requirements of this Statement were originally effective for reporting periods beginning after December 15, 2020. GASB Statement No. 95 postponed the effective date to reporting periods beginning after December 15, 2021. The Corporation does not anticipate the adoption of this standard will have a significant impact on the financial statements.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Corporation does not anticipate the adoption of this standard will have a significant impact on the financial statements.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates* – As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. The Corporation does not anticipate the adoption of this standard will have a significant impact on the financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*. A SBITA is defined as a contract that conveys control of the right to use another party's information technology software alone or in combination with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Corporation has not yet determined the impact this statement will have on the financial statements.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. The Corporation does not anticipate the adoption of this standard will have a significant impact on the financial statements.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The Corporation adopted this standard for these financial statements.

**Reclassifications:** Certain prior-year amounts have been reclassified to conform to the current-year presentation. Such reclassifications had no effect on previously reported operating income or changes in net position.

**Subsequent events:** The Corporation has evaluated subsequent events for potential recognition and/or disclosure through March 16, 2022, the date the financial statements were issued.

**Note 3. Coronavirus Pandemic (COVID-19)**

In response to the impact on the healthcare environment from the COVID-19, the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan (ARP) Act were enacted by Congress during 2020 and 2021. These Acts included a variety of economic assistance provisions for businesses and individuals. They include provisions to support healthcare providers and patients in the form of grants, payments for uninsured patients, and changes to Medicare and Medicaid payments, among other types of relief. COVID-19 has had a significant impact on the results of the Corporation's operations during both 2020 and 2021. The Corporation under New York State regulations suspended non-emergent and non-critical surgeries, procedures and appointments beginning in mid-March through May in 2020 and again beginning in early December 2020 through January 2021. ECMCC voluntarily suspended non-emergent and non-critical surgeries again on September 27, 2021 due to capacity constraints, while New York State imposed broader suspensions of surgeries which ran from early December 2021 through February 2022 due to COVID-19. These suspensions along with other New York State requirements resulted in substantial decreases to hospital revenue and an increase in expenses due to the purchase of Personal Protective Equipment (PPE), lab equipment and testing supplies, cleaning services, increases in personnel costs and other preparedness measures taken related to COVID-19.

Under certain provisions in the CARES and ARP Acts, the Corporation recognized benefits totaling \$1,238 and \$62,807, in its statement of revenues, expenses and changes in net position, for the years ended December 31, 2021 and 2020, respectively. The benefit is entirely comprised of distributions from the Provider Relief Fund established under these Acts and is recognized as non-operating revenue. During 2020, the Corporation also deferred payment of \$10,926 for the employer portion of the Social Security payroll taxes as allowed by the CARES Act which has been recorded in the statements of net position as a current liability within the accrued salaries, wages and employee benefits caption at December 31, 2021. In accordance with the CARES Act, fifty percent of the deferred payroll tax was paid on January 3, 2022 with the remainder due by January 2, 2023.

Under the CARES Act, the Centers for Medicare & Medicaid Services (CMS) expanded the Medicare Accelerated and Advance Payment Program to provide necessary funds to Medicare providers to assist with the disruption in claims submission and claims processing. During 2020, the Corporation received advance payments under this program totaling \$39,101. Amounts provided under the Medicare Accelerated and Advance Payment Program began to be recouped against Medicare claim payments in 2021. As of December 31, 2021, Medicare had recouped \$18,222 of the advance with a balance of \$20,879 that is expected to be recouped by December 31, 2022.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

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**Note 3.     Coronavirus Pandemic (COVID-19) (Continued)**

Under certain provisions of the CARES Act, the Corporation applied for and received a Paycheck Protection Program (PPP) loan in the amount of \$10,000 which was recorded in the statements of net position as a long-term debt (see Note 9). During August 2021, the Corporation received notice that the \$10,000 loan along with \$126 of accrued interest had been forgiven in full and has been recognized in the statements of revenues, expenses, and changes in net position as non-operating revenue.

**Note 4.     Net Patient Service Revenue and Patient Accounts Receivable**

The Corporation has agreements with third-party payors that provide for payment to the Corporation at amounts different from its established rates. A summary of the payment arrangements for hospital services with major third-party payors is as follows:

**Medicare:** Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge and per patient day depending on the service. Acute care rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Certain inpatient and outpatient services, as well as defined organ acquisition, capital and medical education costs related to Medicare beneficiaries are paid based on regulatory proscribed formulae. The Corporation is reimbursed for such items at a tentative rate with final settlement determined after submission of annual cost reports by the Corporation and audits thereof by the Medicare fiscal intermediary. The Corporation's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Corporation. Most outpatient reimbursements are based on an Ambulatory Payment Classification weighting by acuity system, although some outpatient cost reimbursement still exists.

**Medicaid:** Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates in accordance with Part 86 of the New York Codes, Rules and Regulations and New York State Law which are promulgated by the New York State Department of Health (DOH). Outpatient services are similarly paid at either prospective rates or fee schedule amounts.

Under the New York Health Care Reform Act, the Corporation also enters into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Corporation under these agreements includes prospectively determined rates, discounts from charges, and prospectively determined per diem rates. Medicaid, Workers' Compensation and No-fault continue to have reimbursement rates determined based on New York's Prospective Reimbursement Methodology.

Terrace View provides services to residents under agreements with third-party payors (Medicaid, Medicare and HMO's) under provisions of their respective cost reimbursement formulas or contractually negotiated rates. If amounts received are less than established billing rates, the difference is accounted for as a reduction of revenue. Final determination of the reimbursement rates are subject to review by appropriate third-party payors. Provisions are made in the financial statements for anticipated adjustments that may result from such reviews. The difference between the estimated amounts accrued and final settlements are reported in operations in the year of settlement.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

**Note 4. Net Patient Service Revenue and Patient Accounts Receivable (Continued)**

Net patient service revenue, as reported on the statements of revenues, expenses and changes in net position, is comprised of the following for the years ended December 31:

	2021	2020
Gross charges	\$ 1,438,212	\$ 1,215,298
Less:		
Discounts and allowances	859,955	676,102
Provision for bad debts	12,153	33,605
	<u>\$ 566,104</u>	<u>\$ 505,591</u>

Net patient service revenue by payor for the years ended December 31, is as follows:

	2021		2020	
		%		%
Medicare*	\$ 218,759	38.6%	\$ 185,501	36.7%
Medicaid*	163,097	28.8%	150,629	29.8%
Commercial and other third party payors	152,806	27.0%	145,210	28.7%
No-fault	28,358	5.0%	20,052	4.0%
Self-pay	3,084	0.5%	4,199	0.8%
	<u>\$ 566,104</u>	<u>100.0%</u>	<u>\$ 505,591</u>	<u>100.0%</u>

\*Medicare and Medicaid include Managed Care plans.

Laws and regulations governing Medicare, Medicaid, and other third-party payor programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in future periods. The Corporation believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Patient accounts receivable consist of the following at December 31:

	2021	2020
Gross accounts receivable	\$ 254,858	\$ 212,187
Less:		
Discounts and allowances	117,544	76,640
Allowance for bad debts	60,599	56,831
	<u>\$ 76,715</u>	<u>\$ 78,716</u>

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

**Note 4. Net Patient Service Revenue and Patient Accounts Receivable (Continued)**

Concentration of credit risk: The Corporation grants credit without collateral to its patients, most of whom are insured under third-party payor arrangements. The mix of net receivables from patients and third-party payors at December 31, is as follows:

	2021	2020
Medicare*	36.4%	30.6%
Medicaid*	30.3%	27.6%
Commercial and other third party payors	28.1%	29.8%
No-fault	2.8%	9.5%
Self-pay	2.4%	2.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\*Medicare and Medicaid include Managed Care plans.

**Note 5. Disproportionate Share (DSH) Revenue**

The Medicaid DSH program is designed to provide funds to certain hospitals to help offset the cost of uncompensated care provided to the uninsured. Each state has a specified Federal DSH allotment. In addition, New York State law authorizes the New York State Department of Health (DOH) to make supplemental DSH medical assistance payments to public hospitals located in Erie County, Nassau County, and Westchester County. For long term care facilities, DSH revenue is recognized in accordance with Upper Payment Limit (UPL) regulations promulgated by the Centers for Medicare and Medicaid Services (CMS).

In 2021 and 2020, DSH funding recorded by the Corporation totaled \$101,620 and \$79,510, respectively. The DSH funding process is complex and includes both tentative and final settlements for various state fiscal years which are subject to the availability of state and federal funding among other factors. As a result, DSH revenue is estimated and final settlements may vary significantly from the initial estimates.

For hospital services, DSH revenue of \$94,251 and \$67,461 was recognized in 2021 and 2020, respectively. In addition, during 2021 and 2020, the Corporation recognized \$7,369 and \$12,049, respectively, of UPL revenue for Terrace View. UPL revenue has been recognized based off New York State fiscal year 2021-2022 as determined by the DOH, using cost report year 2019 data.

In addition, CMS has indicated that cost reports dating back to the 2019 reporting year and the methodology employed to calculate DSH revenue are subject to audit. At this time, the impact of the CMS audit activity on the Corporation's DSH revenue is not certain. Management has taken what it believes to be reasonable and appropriate steps to assure compliance with the CMS methodology.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

**Note 6. Cash and Cash Equivalents, Investments, and Assets Whose use is Limited**

**Cash and cash equivalents and investments:** The Corporation's investments are made in accordance with State regulations and its own investment policy. The investment policy is regularly reviewed by an investment committee of the Board which evaluates the performance of investment managers and monitors compliance with the investment policy.

The Corporation's investments are generally reported at fair value, as discussed in Note 2. The carrying amounts of cash and cash equivalents, investments and assets whose use is limited are included in the Corporation's statements of net position as follows:

	2021	2020
Cash and cash equivalents	\$ 69,464	\$ 120,308
Investments	20,364	16,393
Assets whose use is limited – current	91,866	117,163
Assets whose use is limited – non-current	76,697	77,228
	<u>\$ 258,391</u>	<u>\$ 331,092</u>
Current portion of assets whose use is limited:		
Patient and residents trust cash	\$ 471	\$ 576
Restricted for debt service <sup>(a)</sup>	2,309	2,304
Restricted for capital projects <sup>(d)</sup>	-	12,425
Designated for self-insurance obligations <sup>(b)</sup>	8,945	8,924
Designated for retiree health obligations <sup>(b)</sup>	11,676	12,077
Designated for DSRIP program <sup>(b)</sup>	67,555	79,969
NYS voluntary defined contribution plan escrow	47	201
Medical and dental staff funds	863	687
<b>Total current portion of assets whose use is limited</b>	<u>\$ 91,866</u>	<u>\$ 117,163</u>
Noncurrent portion of assets whose use is limited:		
Restricted for debt service <sup>(a)</sup>	\$ 9,713	\$ 9,710
Designated for long-term investment <sup>(b)</sup>	18,595	18,595
Designated for retiree health obligations <sup>(b)</sup>	13,155	12,754
Designated for self-insurance obligations <sup>(b)</sup>	29,872	29,308
Restricted – insured workers compensation collateral <sup>(c)</sup>	5,362	6,861
<b>Total noncurrent portion of assets whose use is limited</b>	<u>\$ 76,697</u>	<u>\$ 77,228</u>

(a) Funds restricted by operation of indenture agreement

(b) Funds internally designated by operation of Board authority

(c) Funds restricted – insured workers compensation collateral agreement

(d) Unspent proceeds from borrowings, which are to be used for construction projects

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

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**Note 6. Cash and Cash Equivalents, Investments, and Assets Whose use is Limited  
(Continued)**

The Corporation's cash and cash equivalents as well as investments are exposed to various risks, including credit, custodial credit, interest rate, and market risks, as discussed in more detail below:

**Deposits**

All monies are deposited with banks or trust companies designated by the Corporation's investment committee of the Board of Directors. Funds not needed for immediate expenditure may be deposited in interest or non-interest bearing accounts or invested in various marketable securities and bonds.

**Custodial credit risk:** Custodial credit risk is the risk that, in the event of bank failure, the Corporation's deposits might not be recovered. FDIC insurance through December 31, 2021 for funds held in interest bearing accounts is \$250 per depositor per category of legal ownership. New York law requires that deposits in excess of FDIC insured amounts are collateralized. The Corporation's bank deposits at December 31, 2021 and 2020, totaled \$77,764 and \$139,567, of which \$1,048 and \$827 of the deposits were insured at December 31, 2021 and 2020, respectively. Amounts over FDIC insured limits were fully collateralized with securities held by the pledging financial institution.

**Investments**

The Corporation's investment policy authorizes the Corporation to invest in accordance with New York State Finance Law Section 8(14), Section 201 and Public Authorities Law Article 9 Section 2800 to 2985, as well as the relevant provisions of the ECMCC Act. Compliance with the policy is monitored by the Corporation's investment committee and reported on regularly throughout the year by the Corporation's investment advisor.

**Credit risk:** Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligation, causing the Corporation to experience a loss of principal. The Corporation's investment policy limits investments in equity and fixed income securities with ratings only in the highest category. ECMCC's investments in government bonds carry the explicit guarantee of the U.S. government. The corporate bonds, short-term fixed income and government bonds are all rated AA+ or better by the Standards & Poor's rating agency.

**Interest rate risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Corporation's cash equivalent securities are limited to maturities of no greater than eighteen months; short-term fixed income securities are limited to maturities of no greater than five years; and long-term fixed income securities are limited to maturities to no more than ten years. Substantially all of the Corporation's investments and assets whose use is limited have stated maturities of less than one year.

**Custodial credit risk:** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Corporation's investment policy does not address custodial credit risk.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

**Note 6. Cash and Cash Equivalents, Investments, and Assets Whose use is Limited**  
**(Continued)**

**Concentration of credit risk:** Concentration of credit risk is the risk of loss attributable to the magnitude of investments in any single issuer. The Corporation's investment policy indicates the combined holdings of securities from one issuer shall not constitute more than 5.0% of the fund except for issues guaranteed directly or indirectly by the U.S. Government. The Corporation had no holdings in Federal National Mortgage Association (Fannie Mae) or Federal Home Loan Mortgage Corporation (Freddie Mac) issues at December 31, 2021 and 2020.

**Fair value of financial instruments:** Fair value is defined in the accounting standards as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management utilizes valuation techniques that maximize the use of observable inputs (Levels 1 and 2) and minimize the use of unobservable inputs (Level 3) within the fair value hierarchy established by GASB. Assets and liabilities carried at fair value are required to be classified and disclosed in one of the following three categories:

- Level 1: Valuations based on quoted prices in active markets for identical assets that the Corporation has the ability to access.
- Level 2: Valuations based on quoted prices in active markets for similar assets, quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement. These are generally company generated inputs and are not market-based inputs. The Corporation has no Level 3 assets.

	2021			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 69,464	\$ -	\$ -	\$ 69,464
Investments and assets whose use is limited:				
Cash and cash equivalents	99,298	-	-	99,298
Marketable equity securities:				
Small/Mid-cap equities	5,643	-	-	5,643
Growth equities	2,351	-	-	2,351
Core equities	14,040	-	-	14,040
International equities	12,974	-	-	12,974
US fixed income	54,621	-	-	54,621
<b>Total investments and assets whose use is limited</b>	<b>188,927</b>	<b>-</b>	<b>-</b>	<b>188,927</b>
<b>Total</b>	<b>\$ 258,391</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 258,391</b>

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

**Note 6. Cash and Cash Equivalents, Investments, and Assets Whose use is Limited**  
**(Continued)**

	2020			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 120,308	\$ -	\$ -	\$ 120,308
Investments and assets whose use is limited:				
Cash and cash equivalents	138,780	-	-	138,780
Marketable equity securities:				
Small/Mid-cap equities	5,141	-	-	5,141
Growth equities	1,795	-	-	1,795
Core equities	10,411	-	-	10,411
International equities	10,202	-	-	10,202
US fixed income	40,839	-	-	40,839
International fixed income	-	3,616	-	3,616
<b>Total investments and assets whose use is limited</b>	<b>207,168</b>	<b>3,616</b>	<b>-</b>	<b>210,784</b>
<b>Total</b>	<b>\$ 327,476</b>	<b>\$ 3,616</b>	<b>\$ -</b>	<b>\$ 331,092</b>

**Note 7. Capital Assets, Net**

Capital asset activity for the years ended December 31, is as follows:

	2021			
	Beginning Balance	Additions	Disposals/Transfers	Ending Balance
Capital assets – being depreciated				
Land and land improvements	\$ 40,455	\$ 1,169	\$ -	\$ 41,624
Buildings and improvements	528,359	20,016	(662)	547,713
Fixed/major moveable equipment	198,572	4,144	(36,751)	165,965
<b>Total capital assets – being depreciated</b>	<b>767,386</b>	<b>25,329</b>	<b>(37,413)</b>	<b>755,302</b>
Less accumulated depreciation	(451,933)	(35,931)	37,248	(450,616)
<b>Total capital assets – being depreciated, net</b>	<b>315,453</b>	<b>(10,602)</b>	<b>(165)</b>	<b>304,686</b>
Capital assets – not being depreciated				
Construction in progress	18,704	22,342	(21,347)	19,699
<b>Total capital assets, net</b>	<b>\$ 334,157</b>	<b>\$ 11,740</b>	<b>\$ (21,512)</b>	<b>\$ 324,385</b>

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

**Note 7. Capital Assets, Net (Continued)**

	2020			
	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Capital assets – being depreciated				
Land and land improvements	\$ 28,731	\$ 11,724	\$ -	\$ 40,455
Buildings and improvements	435,501	92,858	-	528,359
Fixed/major moveable equipment	182,780	16,444	(652)	198,572
<b>Total capital assets – being depreciated</b>	647,012	121,026	(652)	767,386
Less accumulated depreciation	(419,718)	(32,234)	19	(451,933)
<b>Total capital assets – being depreciated, net</b>	227,294	88,792	(633)	315,453
Capital assets – not being depreciated				
Construction in progress	92,064	41,532	(114,892)	18,704
<b>Total capital assets, net</b>	<b>\$ 319,358</b>	<b>\$ 130,324</b>	<b>\$ (115,525)</b>	<b>\$ 334,157</b>

Construction in progress at December 31, 2021 and 2020 includes costs associated with the new ambulatory electronic medical records system, and various mechanical, electrical, plumbing and building envelope improvements.

Depreciation expense amounted to \$35,931 and \$32,234 for the years ended December 31, 2021 and 2020, respectively.

**Note 8. Accrued Other Liabilities**

The composition of accrued other liabilities as of December 31, is as follows:

	2021	2020
Due to Erie County	\$ 5,584	\$ 4,713
Due to joint venture	1,729	1,738
Medical malpractice claims	1,815	1,893
Other	13,736	13,533
Workers compensation claims	7,131	7,026
<b>Total</b>	<b>\$ 29,995</b>	<b>\$ 28,903</b>

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

**Note 8. Accrued Other Liabilities (Continued)**

GASB Statement No. 83, *Certain Asset Retirement Obligations*, establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. In accordance with this Statement, the Corporation completes an analysis of assets meeting the criteria of an ARO for specific types of medical equipment such as medical imaging equipment (e.g., MRIs, CT scanners, and PET scanners), X-Rays, and ultrasounds as well as computers containing information protected by HIPAA laws, and certain types of laboratory equipment. In addition, the Corporation evaluates the requirements for disposal of underground fuel and lab acid tanks. The Corporation determined, based on industry standards for disposition of similar assets, the total asset retirement obligation totaled \$2,071 and \$2,008 at December 31, 2021 and 2020, respectively, and is reflected in accrued other liabilities in the statements of net position. The assets have a remaining useful life ranging from 0 to 30 years. This obligation is discounted using a rate of 4.0% and an inflation factor of 3.0% at December 31, 2021 and 2020.

**Note 9. Indebtedness**

Long-term debt consisted of the following at December 31:

	2021				
	Beginning Balance	Additions	Payments/ Forgiveness	Ending Balance	Due Within One Year
Erie County - Guaranteed Senior Revenue Bonds, Series 2004	\$ 68,820	\$ -	\$ (3,740)	\$ 65,080	\$ 3,945
Erie County - 2017 loan payable	95,516	-	(2,649)	92,867	2,713
Erie County - 2017 loan payable	61,232	-	(3,946)	57,286	4,051
Erie County - 2017 capitalized interest assumption obligation	7,951	-	(220)	7,731	226
PPP Loan	10,000	-	(10,000)	-	-
Capital lease obligations	5,525	1,221	(666)	6,080	1,084
<b>Total debt</b>	<b>\$ 249,044</b>	<b>\$ 1,221</b>	<b>\$ (21,221)</b>	<b>\$ 229,044</b>	<b>\$ 12,019</b>

	2020				
	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
Erie County - Guaranteed Senior Revenue Bonds, Series 2004	\$ 72,365	\$ -	\$ (3,545)	\$ 68,820	\$ 3,740
Erie County - 2017 loan payable	97,430	-	(1,914)	95,516	2,649
Erie County - 2017 loan payable	65,075	-	(3,843)	61,232	3,946
Erie County - 2017 capitalized interest assumption obligation	8,110	-	(159)	7,951	220
PPP Loan	-	10,000	-	10,000	553
Capital lease obligations	4,889	2,555	(1,919)	5,525	847
<b>Total debt</b>	<b>\$ 247,869</b>	<b>\$ 12,555</b>	<b>\$ (11,380)</b>	<b>\$ 249,044</b>	<b>\$ 11,955</b>

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

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**Note 9. Indebtedness (Continued)**

Future annual principal payments applicable to long term debt for the years subsequent to December 31, 2021 are as follows:

2022	\$ 12,019
2023	12,458
2024	12,911
2025	13,304
2026	13,340
2027 - 2031	71,808
2032 - 2036	64,210
2037 - 2041	28,994
<b>Total</b>	<b>\$ 229,044</b>

The Series 2004 Bonds are secured by a pledge of the gross receipts of the Corporation and amounts on deposit in certain debt service reserve funds. Interest rates on the bonds range from 5.5% to 5.7%, with principal payments ranging from \$3,945 to \$7,220 due annually on November 1 with interest payments due semi-annually on May 1 and November 1.

Pursuant to a Guaranty Agreement, the County has unconditionally guaranteed to the Corporation, the punctual payment of the principal, interest, and redemption premium, if any, on the Series 2004 Bonds, as the same shall become due and payable, and has pledged the faith and credit of the County for the performance of such guaranty. A municipal bond insurance policy has been purchased by the Corporation to guarantee all debt service payments in case of default by the Corporation and the County.

In 2017, the Corporation entered into a loan agreement and a capitalized interest liability assumption agreement with the County of Erie, with the assistance of the Erie County Fiscal Stability Authority. The proceeds of the loan were used to finance the construction of a new Level 1 Adult Trauma Center and Emergency Department, fund various other capital projects on the Corporation's campus as well as refinance a 2011 loan. The loan has an interest rate of 3.377% with monthly principal and interest payments ranging from \$223 to \$930 during the term of the loan. In addition to the loan, the Corporation assumed the liability related to funds borrowed to pay capitalized interest during construction on the various projects noted above. The capitalized interest liability assumption has an interest rate of 3.377% with monthly principal and interest payments ranging from \$40 to \$77 during the term of the loan. The new money portion of the loan and the capitalized interest assumption agreement is fully amortized and matures in 2039. The refinancing component of the loan has an interest rate of 2.649% with monthly principal and interest payments ranging from \$333 to \$460 during the term of the loan and is fully amortized and maturing in 2034.

During 2015, the Corporation entered into a capital lease agreement in the amount of \$10,000, the proceeds of which were used to purchase various equipment. The agreement required principal and interest payments (cost of capital is estimated at 2.3%) of \$194 and was paid in full June 2020.

During 2018, the Corporation entered into a capital lease agreement in the amount of \$2,044, the proceeds of which were used to purchase various equipment. The agreement requires principal and interest payments (cost of capital is estimated at 5.5%) of \$29 and matures September 2025.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

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**Note 9. Indebtedness (Continued)**

During 2018, the Corporation entered into a second capital lease agreement in the amount of \$409, the proceeds of which were used to purchase various suite improvements. The agreement requires principal and interest payments (cost of capital is estimated at 3.8%) of \$4 and matures October 2028.

During 2019, the Corporation entered into a capital lease agreement in the amount of \$1,805, the proceeds of which were used to finance various cafeteria improvements. The agreement requires principal and interest payments (cost of capital ranges from 0 – 9.0%) of \$17 and matures March 2029.

During 2020, the Corporation entered into a capital lease agreement in the amount of \$2,555, the proceeds of which were used to purchase various equipment. The agreement requires principal and interest payments (cost of capital is estimated at 5.5%) of \$34 and matures July 2026.

During 2020, the Corporation received a Paycheck Protection Program (PPP) loan in the amount of \$10,000. The loan accrued interest at 1.0%. In August 2021, the Corporation received notification that the loan and accrued interest of \$126 had been forgiven in full.

During 2021, the Corporation entered into a capital lease agreement in the amount of \$1,552, the proceeds of which were used to finance a new food service line. The agreement requires principal and interest payments (cost of capital is 4.0%) of \$19 and matures in December 2028.

During 2021, the Corporation signed an agreement for an unsecured revolving line of credit with a maturity date of November 2022. The Corporation has available \$10,000 with interest payable at the one-month LIBOR rate. There were no outstanding borrowings against the line at December 31, 2021.

**Note 10. Pension Plan**

**Retirement plan:** The Corporation participates in the New York State and Local Retirement System (“NYSLRS” or the “System”), which is a cost-sharing, multiple-employer public employees' retirement system. There are more than 497,000 pensioners and beneficiaries in the System with nearly 1.2 million participants.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the NYSLRS and additions to/deductions from NYSLRS' fiduciary net position have been determined on the same basis as they are reported by NYSLRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The net pension liability is measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. The net pension liability should be measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (RSSL). As set forth in the RSSL, the Comptroller of the State of New York (the “Comptroller”) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

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**Note 10. Pension Plan (Continued)**

NYSLRS provides three main types of retirement benefits: service retirements, ordinary disability retirements (non job-related disabilities), and accident disability retirements (job-related disabilities) to members who are in different "Tiers." The members' Tier is determined by the date of membership. Subject to certain conditions, members generally become fully vested as to benefits upon the completion of 5 or 10 years of service depending on their Tier. Employees may be required to contribute a percentage of their salary to the pension plan based on their Tier, determined by their date of membership in the plan. Annual pension benefits can be calculated as a percentage of final average salary times number of years of service and changes with the number of years of membership within the plan.

At December 31, 2021 and 2020, the Corporation reported a liability of \$915 and \$225,197, respectively, for its proportionate share of the NYSLRS net pension liability. The total pension liability used to calculate the net pension liability is determined by an actuarial valuation as of April 1<sup>st</sup> each year and rolled forward to March 31<sup>st</sup>. The Corporation's proportion for the net pension liability for each fiscal year was based on the Corporation's indexed present value of future compensation to NYSLRS of all participating employers for 2021 and 2020, which was 0.9187% and 0.8504%, respectively.

**(a) Actuarial Assumptions**

The total pension liability for the March 31, 2021 measurement date was determined using an actuarial valuation as of April 1, 2020, with update procedures used to roll-forward the total pension liability to March 31, 2021. The actuarial valuations used the following actuarial assumptions:

Inflation	2.7%
Salary increases	4.4%, including inflation
Investment rate of return	5.9%, net of pension plan investment expense
Cost of living adjustments	1.4%
Mortality improvement	Society of Actuaries Scale MP-2020

The total pension liability for the March 31, 2020 measurement date was determined using an actuarial valuation as of April 1, 2019, with update procedures used to roll-forward the total pension liability to March 31, 2020. The actuarial valuations used the following actuarial assumptions:

Inflation	2.5%
Salary increases	4.2%, including inflation
Investment rate of return	6.8%, net of pension plan investment expense
Cost of living adjustments	1.3%
Mortality improvement	Society of Actuaries Scale MP-2018

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

**Note 10. Pension Plan (Continued)**

(b) Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables at December 31:

<u>Asset class</u>	2021	
	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32.0%	4.1%
International equity	15.0%	6.3%
Private equity	10.0%	6.8%
Real estate	9.0%	5.0%
Fixed Income	23.0%	0.0%
Credit	4.0%	3.6%
Real assets	3.0%	6.0%
Opportunistic portfolio	3.0%	4.5%
Cash	1.0%	0.5%
	<u>100.0%</u>	

<u>Asset class</u>	2020	
	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	36.0%	4.1%
International equity	14.0%	6.2%
Private equity	10.0%	6.8%
Real estate	10.0%	5.0%
Absolute return strategies	2.0%	3.3%
Bonds and mortgages	17.0%	0.8%
Inflation-indexed bonds	4.0%	0.5%
Opportunistic portfolio	3.0%	4.7%
Real assets	3.0%	6.0%
Cash	1.0%	0.0%
	<u>100.0%</u>	

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

**Note 10. Pension Plan (Continued)**

(c) Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2021 and 2020 was 5.9% and 6.8%, respectively. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSLRS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on NYSLRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to the Discount Rate

The following presents the Corporation's proportionate share of the net pension liability calculated using the discount rate of 5.9% and 6.8% at December 31, 2021 and 2020, respectively, as well as what the Corporation's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

		2021		
		1% Decrease (4.9%)	Discount Rate (5.9%)	1% Increase (6.9%)
Corporation's proportionate share of the net pension liability		\$ 253,921	\$ 915	\$ (232,416)
		2020		
		1% Decrease (5.8%)	Discount Rate (6.8%)	1% Increase (7.8%)
Corporation's proportionate share of the net pension liability		\$ 413,299	\$ 225,197	\$ 51,953

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

**Note 10. Pension Plan (Continued)**

**(d) Deferred Outflows and Inflows of Resources**

At December 31, 2021 and 2020, the Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	2020
Deferred outflows of resources:		
Differences between expected and actual actuarial experience	\$ 11,173	\$ 13,254
Difference between projected and actual investment earnings on pension plan investments	-	115,447
Changes in assumptions	168,207	4,534
Corporation contributions subsequent to the measurement date	31,946	30,167
Other	8,724	3,911
<b>Total</b>	<b>\$ 220,050</b>	<b>\$ 167,313</b>
Deferred inflows of resources:		
Change in assumptions	\$ 3,172	\$ 3,915
Difference between projected and actual investment earnings on pension plan investments	262,793	-
Changes in proportion and differences between Corporation contributions and proportionate share of contributions	12,177	10,488
<b>Total</b>	<b>\$ 278,142</b>	<b>\$ 14,403</b>

The change in employer proportionate share is the difference between the employer proportionate share of net pension liability in the prior year compared to the current year. Changes in these amounts are amortized over a five-year closed period, reflecting the average remaining service life of plan members.

The net deferred outflows and inflows of resources of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

	Amount
<u>Year ended December 31:</u>	
2022	\$ (17,620)
2023	(6,805)
2024	(15,005)
2025	(50,608)
	<b>\$ (90,038)</b>

**(e) Annual Pension Expense**

The Corporation's annual pension expense for calendar year ending 2021 and 2020, which includes contributions toward the actuarially determined accrued liability and the amortization of deferred outflows and inflows of resources, was approximately \$18,670 and \$72,875, respectively.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

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**Note 11. Other Post-Employment Benefits (OPEB)**

**Plan description:** The Corporation provides OPEB that include basic medical and hospitalization plan coverage to eligible retirees. Eligible retirees may only be covered under the indemnified plan of the Corporation. To qualify, a retiree must meet various eligibility requirements as agreed to in collective bargaining agreements. The Corporation pays varying amounts based on specific union agreements.

**Funding the plan:** Currently, there is no New York State statute that expressly authorizes local governments to create a trust for OPEB purposes. Additionally, New York State's General Municipal Law does not allow for a reserve fund to accumulate funds for OPEB obligations. The Corporation's Board of Directors and management believe it is prudent to reserve funds for the Plan and have therefore internally designated \$24,831 in 2021 and 2020, for purposes of funding future post-employment benefits. These internally designated funds are included within assets whose use is limited in the statements of net position. In addition to the funding for future post-employment benefits, the Corporation continues to finance current benefits on a pay-as-you-go basis.

**Annual OPEB cost and net OPEB obligation:** The Corporation's total OPEB liability measured at December 31, 2021 and 2020 of \$379,106 and \$397,921 was determined by an actuarial valuation as of January 1, 2021 and 2020, respectively. The measurement date of the obligation is December 31, 2021 and 2020.

**(a) Actuarial Assumptions**

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.3%
Salary increases	3.3% per annum
Pre-Medicare Plans	7.0% for 2021, 3.8% ultimate trend rate in 2075
Medicare Plans	4.5% for 2021, 3.8% ultimate trend rate in 2075
Prescription Plan	7.0% for 2021, 3.8% ultimate trend rate in 2075
Mortality	Society of Actuaries Scale MP-2021

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.3%
Salary increases	3.3% per annum
Pre-Medicare Plans	7.0% for 2020, 3.8% ultimate trend rate in 2075
Medicare Plans	4.5% for 2020, 3.8% ultimate trend rate in 2075
Prescription Plan	7.0% for 2020, 3.8% ultimate trend rate in 2075
Mortality	Society of Actuaries Scale MP-2020

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

**Note 11. Other Post-Employment Benefits (OPEB) (Continued)**

**(b) Changes in the OPEB Liability**

	2021	2020
Changes in the OPEB obligation		
Projected OPEB obligation at the beginning of year	\$ 397,921	\$ 412,883
Service cost	5,234	5,143
Interest cost	7,774	9,849
Difference between expected and actual experience	(29,892)	(49,027)
Change in assumptions	13,042	33,117
Actual benefit payments	(14,973)	(14,044)
Projected OPEB obligation at the end of year	<u>\$ 379,106</u>	<u>\$ 397,921</u>

**(c) Discount Rate**

The discount rate used to measure the total OPEB liability as of December 31, 2021 was 2.1%, based on the Bond Buyer 20-year Bond GO index rate.

Sensitivity of the OPEB Liability to the Discount Rate

The following presents the Corporation's total OPEB liability calculated using the discount rate of 2.1% as well as what the Corporation's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.1%) or 1 percentage point higher (3.1%) than the current rate.

	2021		
	1% Decrease (1.1%)	Discount Rate (2.1%)	1% Increase (3.1%)
The Corporation's total OPEB liability	\$ 443,059	\$ 379,106	\$ 327,823

The discount rate used to measure the total OPEB liability as of December 31, 2020 was 2.1%, based on the Bond Buyer 20-year Bond GO index rate.

The following presents the Corporation's total OPEB liability calculated using the discount rate of 2.1% as well as what the Corporation's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.1%) or 1 percentage point higher (3.1%) than the current rate.

	2020		
	1% Decrease (1.1%)	Discount Rate (2.1%)	1% Increase (3.1%)
The Corporation's total OPEB liability	\$ 468,812	\$ 397,921	\$ 341,422

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

**Note 11. Other Post-Employment Benefits (OPEB) (Continued)**

Sensitivity of the OPEB Liability to the Healthcare Cost Trend Rates

The following presents the Corporation's total OPEB liability calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates.

	2021		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
The Corporation's total OPEB liability	\$ 326,139	\$ 379,106	\$ 445,611

	2020		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
The Corporation's total OPEB liability	\$ 339,507	\$ 397,921	\$ 471,752

(d) **Deferred Outflows and Inflows of Resources**

The following are components of deferred outflows and inflows at December 31, 2021 and 2020:

	2021	
	Deferred Outflows	Deferred Inflows
Differences between expected and actual actuarial experience	\$ 276	\$ (60,968)
Changes in assumptions	45,606	(16,333)
<b>Total</b>	<b>\$ 45,882</b>	<b>\$ (77,301)</b>

	2020	
	Deferred Outflows	Deferred Inflows
Differences between expected and actual actuarial experience	\$ 481	\$ 58,647
Changes in assumptions	56,458	28,525
<b>Total</b>	<b>\$ 56,939</b>	<b>\$ 87,172</b>

The net deferred outflows and inflows of resources at December 31, 2021 will be recognized as follows:

	Amount
2022	\$ (14,487)
2023	(11,436)
2024	(4,874)
2025	(622)
	<b>\$ (31,419)</b>

(e) **Annual OPEB Benefit (Expense)**

The Corporation's annual OPEB benefit (expense) for the years ended December 31, 2021 and 2020 was \$2,655 and (\$3,614), respectively.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

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**Note 12. Delivery System Reform Incentive Payment (DSRIP) Program**

In April 2014, the federal government approved a New York State Medicaid waiver request to reinvest \$8 billion in federal savings to support implementation of transformative reforms to the State's healthcare system. Delivery system reforms will primarily be implemented through \$7.4 billion of DSRIP Incentive payments for community-level collaborations to achieve programmatic objectives with a goal of reducing avoidable hospital use by 25% over five years. Additionally, \$500 million was awarded through an Interim Access Assurance Fund (IAAF) to ensure the financial viability of critical safety net providers during the period prior to DSRIP implementation.

In June 2015, the New York State Department of Health (NYSDOH) announced DSRIP valuation awards, which represent the total potential amount that each Performing Provider System (PPS) is eligible to earn in performance payments over the five years of the DSRIP program. The Corporation-led PPS received a valuation award of \$243,020.

As the DSRIP program requires, the Corporation serves as fiduciary or lead entity for a coalition of Medicaid provider and social services organizations referred to as a Performing Provider System (PPS). The PPS is referred to as Millennium Collaborative Care (MCC). Since April 2014, the Corporation has dedicated significant effort to enterprise-level and PPS-level preparation for participation in the DSRIP program, and in execution of NYSDOH required organizational and project planning essential to implementing and managing DSRIP program efforts. Notable activities include the establishment of PPS governance structures and the operationalization of MCC which is dedicated to DSRIP implementation and management. The grant period ended on March 31, 2020 and has not been extended beyond this date.

During 2021 and 2020, net DSRIP payments received by the Corporation totaled \$0 and \$44,532, respectively. In addition, \$851 and \$32,246 was recorded as grant revenue for the years ended December 31, 2021 and 2020, respectively, based on meeting the eligibility requirements and \$851 and \$24,840 of related grant program expenses were incurred during 2021 and 2020, respectively.

**Note 13. Care Restructuring Enhancement Pilot (CREPS) Program Grant**

During 2016, the federal government approved a New York State (NYS) Medicaid waiver request establishing the CREPS Program. The Corporation was awarded a grant under the CREPS Program administered by the New York State Department of Health. The total award amount is approximately \$97,260 over the period April 1, 2016 to March 31, 2020 in state fiscal year annual distribution amounts of \$43,930, \$30,010, \$13,320, and \$10,000, respectively. The Corporation is responsible for achieving certain goals of the CREPS Program in each year in order to qualify for the funding. The Corporation has achieved all of the goals for years 1 through 4 and has recognized related revenue in the amount of \$5,618 during 2020, in the other operating revenue caption on the statements of revenues, expenses and changes in net position for the year ending December 31, 2020. There is no revenue attributable to this program during 2021 and no future revenue expected under this program.

**Note 14. New York State Capital Grant**

During 2020, New York State Department of Health awarded the Corporation a \$10,000 grant to assist in funding the construction of the new Level 1 Adult Trauma Center and Emergency Department under the Statewide Health Care Facility Transformation Program 2.3. The Corporation earned \$731 and \$9,269 of that grant during the years ended December 31, 2021 and 2020, respectively.

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

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**Note 15. Transactions With the County of Erie**

On December 30, 2009, the Corporation and the County entered into a "Settlement Agreement". The Settlement Agreement resulted in the Corporation and the County entering into a number of transactions to resolve litigation and prepare for implementing the Corporation's master facility plan.

In October 2012, the Corporation and the County signed an amendment to the 2009 Settlement Agreement (the "Amendment"). The terms of the Amendment provide for the County to be reimbursed from the Corporation for certain workers compensation claims incurred by Corporation employees that were paid by the County. The Amendment also provides for the County to reimburse the Corporation, over time, for post-retirement health expenses that the Corporation incurred for Corporation employees with service time at the County.

In 2017, the Corporation entered into a loan agreement and a capitalized interest liability assumption agreement with the County of Erie. A component of the loan agreement included the payment of points by the Corporation to the County of Erie in the amount of \$17,040 as further described in Note 2 and Note 9.

Other transactions: Amounts that are included in operating revenues and expenses in the statements of revenues, expenses, and changes in net position, which represent related-party transactions that occurred between the Corporation and the County during the years ended December 31, 2021 and 2020 are as follows:

The Corporation earned revenue totaling \$3,828 and \$3,453 for the years ended December 31, 2021 and 2020, respectively, from the County. Revenue earned relates to services provided to School 84, mental health services and various other charges related to County departments located within the Corporation's physical plant.

The net amount due from the County of approximately \$8,589 and \$12,171 at December 31, 2021 and 2020, respectively, is non-interest bearing and reflect the Corporation's net amount owed from the County as a result of various transactions and services between parties. This balance is reported as a component of other assets in the statements of net position.

**Note 16. Self-Insured Obligations**

The Corporation is self-insured for all medical malpractice claims for occurrences on or after January 1, 2004. Additionally, the Corporation began purchasing excess stop-loss insurance on a claims made basis for medical malpractice effective November 2008. The current policy provides \$35,000 of coverage in excess of \$4,000 of individual claims or \$12,000 in aggregate claims effective November 18, 2013. Previously the policy provided \$35,000 of coverage in excess of \$3,000 of individual claims or \$10,000 in aggregate claims.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

**Note 16. Self-Insured Obligations (Continued)**

Effective April 1, 2016, the Corporation became self-insured for workers compensation claims through a combination of self-insurance and a high-deductible plan for certain periods as follows: The Corporation maintains a stop-loss insurance policy for the claims in excess of \$750. Effective January 1, 2012, the Corporation insured a portion of its workers' compensation exposure through a claims made high-deductible plan. The Corporation remains responsible for the first \$750 of an individual claim payment after December 31, 2011. The Corporation is required to pledge certain assets under this arrangement. As of December 31, 2021 and 2020, \$5,362 and \$6,861, respectively, has been designated to service workers compensation claims and included as part of assets whose use is limited. The Corporation remains self-insured for workers' compensation claims prior to January 1, 2012. The County has assumed a portion of liabilities for all occurrences originating prior to 2004.

Losses from asserted and unasserted medical malpractice and workers compensation claims are accrued based on actuarial estimates that incorporate the Corporation's past experience, the nature of each claim or incident, relevant trend factors, and estimated recoveries, if any, on unsettled claims.

The Corporation has accrued \$28,159 and \$22,085 at December 31, 2021 and 2020, respectively, for medical malpractice related exposures. Such amounts have been discounted at 2.0% for 2021 and 2020 and the accrued liabilities are included within the accrued other liabilities and self-insured obligations caption of the accompanying statements of net position. Charges to expense for medical malpractice costs are included within the other operating expenses caption of the accompanying statements of revenues, expenses and changes in net position.

The Corporation has accrued \$28,374 and \$28,539 at December 31, 2021 and 2020, respectively, for workers compensation related exposures. Such amounts have been discounted at 1.75% for 2021 and 2020, and the liabilities are included within the accrued other liabilities and self-insured obligations captions of the accompanying statements of net position. Charges to expense for workers compensation costs approximated \$7,909 and \$11,550 in 2021 and 2020, respectively, and are included within the payroll, employee benefits and contract labor caption of the accompanying statements of revenues, expenses and changes in net position.

Eligible retirees are provided basic medical and hospitalization coverage by the Corporation as more fully described in Note 11.

The composition of self-insured obligations as of December 31, is as follows:

		2021				
		Beginning Balance	Actuarial estimate of claims incurred	Claims Paid	Ending Balance	Due Within One Year
Medical malpractice	\$	22,085	\$ 7,542	\$ (1,468)	\$ 28,159	\$ 1,815
Workers compensation		28,539	7,291	(7,456)	28,374	7,131
	\$	50,624	\$ 14,833	\$ (8,924)	\$ 56,533	\$ 8,946
		2020				
		Beginning Balance	Actuarial estimate of claims incurred	Claims Paid	Ending Balance	Due Within One Year
Medical malpractice	\$	19,212	\$ 6,054	\$ (3,181)	\$ 22,085	\$ 1,893
Workers compensation		25,397	10,745	(7,603)	28,539	7,026
	\$	44,609	\$ 16,799	\$ (10,784)	\$ 50,624	\$ 8,919

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Notes to the Financial Statements  
Year Ended December 31, 2021  
(Dollars in Thousands)**

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**Note 16. Self-Insured Obligations (Continued)**

Medical malpractice and workers compensation amounts due within one year are management's estimates based on historical claims.

**Note 17. Commitments and Contingencies**

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at the time. Government activity, in recent years, has increased with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. While no regulatory allegations have been made against the Corporation, compliance with such laws and regulations can be subject to future government review and interpretations as well as regulatory actions unknown or unasserted at this time. Management and its counsel are not aware of any such actions that will have a material adverse effect on the Corporation's financial statements.

Loss contingency liabilities are recorded in accordance with U.S. GAAP, which requires recognition of a loss when it is deemed probable that an asset has been impaired or a liability has been incurred, and the amount of the loss can be reasonably estimated. As of December 31, 2021 and 2020, the Corporation has recorded no loss contingencies except as disclosed in Note 16.

The COVID-19 pandemic has negatively affected national, state, and local economies and global financial markets. The outbreak and related actions taken by federal and state governments may materially impact the Corporation's financial position and its results of operations. While the impacts of COVID-19 may continually affect financial results, the Corporation's management believes that the Corporation has sufficient liquidity to meet its operating and financial needs in fiscal year 2022. However, given the difficulty in predicting the duration and severity of the COVID-19 pandemic and its effects on the Corporation, the economy and financial markets, the ultimate impact is unknown. The Corporation's management continues to monitor the course of the pandemic and is prepared to take additional measures to protect the health of the community and promote the continuity of the Corporation's mission.

CARES Act provider relief funds are subject to future audit adjustments based on compliance audits and potential changes to statutes. Due to the ongoing changes in the compliance requirements, amounts recorded under the CARES Act provider relief fund by the Corporation may change in future periods.

There are other government funding and relief sources, in addition to other components of the CARES Act not mentioned, that the Corporation continues to assess for eligibility. The possible impact of these funding and relief sources are not reflected in the financial performance through December 31, 2021.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Notes to the Financial Statements**  
**Year Ended December 31, 2021**  
**(Dollars in Thousands)**

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**Note 17. Commitments and Contingencies (Continued)**

The Corporation leases various equipment and facilities under operating leases expiring at various dates through December 2031. Certain leases include optional extensions that are not included in the amounts below. Total rental expense for all operating leases was approximately \$6,313 and \$5,256 in 2021 and 2020, respectively. During 2017, the Corporation entered into a \$10,000 revolving operating lease facility to support various equipment in information technology infrastructure. As of December 31, 2021 and 2020, \$10,000 of this lease facility has been disbursed.

The following is a schedule, by year, of future minimum lease payments under operating leases as of December 31, 2021 that have initial or remaining lease terms in excess of one year:

2022	\$ 6,809
2023	5,992
2024	4,196
2025	3,347
2026	1,798
2027-2031	7,549
	<u>\$ 29,691</u>

The Corporation formed 1827 Fillmore, LLC (1827) for the purpose of acquiring and developing land immediately adjacent to its Grider Street campus. A condition of the acquisition was that 1827 demolish a building on the site with known asbestos abatement requirements. This condition was met in 2018. The Corporation has started a community planning process to determine the future use(s) of the site. The site requires the environmental remediation expenditures, however, the amount of such expenditures is dependent on the ultimate use of the site and requirements from regulators. Through December 31, 2021, approximately \$4,600 has been spent on remediating and improving the land.

## **Required Supplementary Information**

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Required Supplementary Information**  
**Schedule of Corporation's Contributions**  
**NYSLRS Pension Plan**  
**December 31, 2021**  
**(Dollars in Thousands)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 30,167	\$ 27,343	\$ 26,447	\$ 25,803	\$ 25,235	\$ 26,722	\$ 29,771	\$ 29,835	\$ 27,164
Contributions in relation to the contractually required contribution	30,167	27,343	26,447	25,803	25,235	26,722	29,771	29,835	27,164
<b>Contribution deficiency</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
ECMCC covered-employee payroll	\$ 249,490	\$ 246,772	\$ 235,284	\$ 216,044	\$ 183,540	\$ 166,691	\$ 175,409	\$ 163,395	\$ 151,906
Contributions as a percentage of covered-employee payroll	12.1%	11.1%	11.2%	11.9%	13.7%	16.0%	17.0%	18.3%	17.9%

Note: During December 2021, the Corporation prepaid its 2022 contribution to the plan in the amount of \$31,946 to take advantage of a prepayment discount in the amount of \$264.

Note: GASB requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Corporation will present information for those year for which information is available.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Required Supplementary Information**  
**Schedule of Corporation's Proportionate Share of Net Pension Liability**  
**NYSLRS Pension Plan**  
**December 31, 2021**  
**(Dollars in Thousands)**

	2021	2020	2019	2018	2017	2016	2015
ECMCC proportion of the net pension liability	0.9187%	0.8504%	0.8079%	0.7646%	0.7614%	0.7228%	0.7137%
ECMCC proportionate share of the net pension liability	\$ 915	\$ 225,197	\$ 57,240	\$ 24,677	\$ 71,544	\$ 116,006	\$ 24,112
ECMCC covered-employee payroll	249,490	246,772	235,284	216,044	183,540	166,691	175,409
ECMCC proportionate share of the net pension liability as a percentage of it's covered-employee payroll	0.4%	91.3%	24.3%	11.4%	39.0%	69.6%	13.7%
Plan fiduciary net position as a percentage of the total pension liability	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

Note: GASB requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Corporation wil present information for those year for which information is available.

Change in Benefit Terms

There were no significant legislative changes in benefits during 2021 and 2020.

Changes of Assumptions

2021: The mortality improvement assumption was updated to the Society of Actuaries' Scale MP-2020, inflation was updated to 2.7%, cost-of-living updated to 1.4%, and the interest rate assumption was reduced to 5.9% for the April 1, 2020 actuarial valuation.

2020: The interest rate assumption was reduced to 6.8% and the mortality improvement assumption was updated to the Society of Actuaries' Scale MP-2018 for the April 1, 2019 actuarial valuation.

**Erie County Medical Center Corporation**  
**(A Component Unit of the County of Erie)**

**Required Supplementary Information**  
**Schedule of Corporation's Changes in Total OPEB Liability and Related Ratios**  
**December 31, 2021 and 2020**  
**(Dollars in Thousands)**

	2021	2020
Total OPEB liability		
Service cost	\$ 5,234	\$ 5,143
Interest cost	7,774	9,849
Differences between expected and actual experience	(29,892)	(49,027)
Changes of assumptions	13,042	33,117
Benefit payments	(14,973)	(14,044)
Net change in total OPEB liability	(18,815)	(14,962)
Total OPEB liability - beginning	397,921	412,883
Total OPEB liability - ending	\$ 379,106	\$ 397,921
Covered employee payroll	\$ 83,879	\$ 87,699
Total OPEB liability as a percentage of covered employee payroll	451.97%	453.73%
Discount rate	2.1%	2.1%

Change in Benefit Terms

There were no significant legislative changes in benefits during 2021 and 2020.

Changes of Assumptions

2021: The mortality improvement assumption was updated to the Society of Actuaries' Scale MP-2021

2022: The mortality improvement assumption was updated to the Society of Actuaries' Scale MP-2020

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based  
on an Audit of Financial Statements Performed in Accordance With *Government Auditing  
Standards***

**Independent Auditor's Report**

To the Board of Directors  
Erie County Medical Center Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the aggregate discretely presented component units of Erie Medical Center Corporation (the Corporation), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated March 16, 2022. The financial statements of ECMC Foundation, Inc., the Grider Initiative, Inc. and Research for Health in Erie County, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with ECMC Foundation, Inc., the Grider Initiative, Inc. and Research for Health in Erie County, Inc.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RSM US LLP*

March 16, 2022

The difference between healthcare and true care™



ecmc.edu

# **Erie County Medical Center Corporation Operating and Capital Budgets**

## **For the year ending 2022**

3/17/2022

1

# Management Discussion and Analysis

September 30, 2021

The 2022 Budget maintains a path along the ECMCC Strategic Plan while addressing short and long-term recovery efforts resulting from the COVID-19 Pandemic. ECMCC's long-term goals will continue to be measured through the achievement of the ECMCC mission: improving clinical quality, service excellence, and the continued provision of health services to the communities ECMCC serves with compassion, all of which will require a steady recovery from the financial impacts seen during 2020 and 2021.

# Management Discussion and Analysis

Given the additional preparedness costs and the time needed to recover, the 2022 goal is to continue to improve operating results without sacrificing quality while maintaining the services we provide. The proposed 2022 operating budget reflects an operating loss of \$15 million which represents an improvement of over 55% from the projected 2021 operating results, with the expectation of eliminating the loss by 2023. The proposed budget has been developed without compromising the following goals:

## *Budget Goals*

- ✓ Maintain the highest quality of care provided
- ✓ Maintain critical services provided to the community
- ✓ Enhance patient experience through digital health platforms
- ✓ Maintain clinical preparedness for the Pandemic
- ✓ Comply with applicable bond covenants
- ✓ Continue on a stepped approach to recovery with a significant reduction in operating loss from 2021
- ✓ Prepare the budget to accomplish the goals without significant job actions

# Regulatory Budget Reporting Requirements

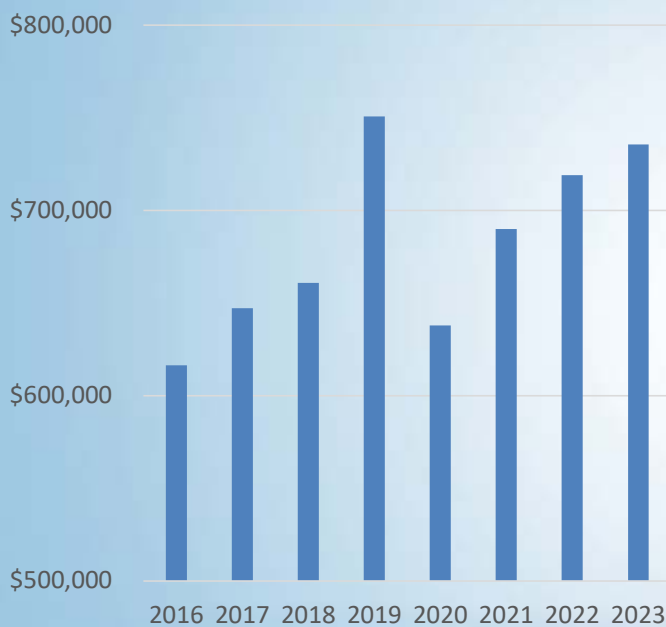
- All requirements have been met
  - NYCRR, Part 203, Chapter V, Title 2
  - This package communicates each of the 18 requirements
- New York State Office Of The State Comptroller
- Authority Budget Office
- PARIS submission and certification

## Budget Process

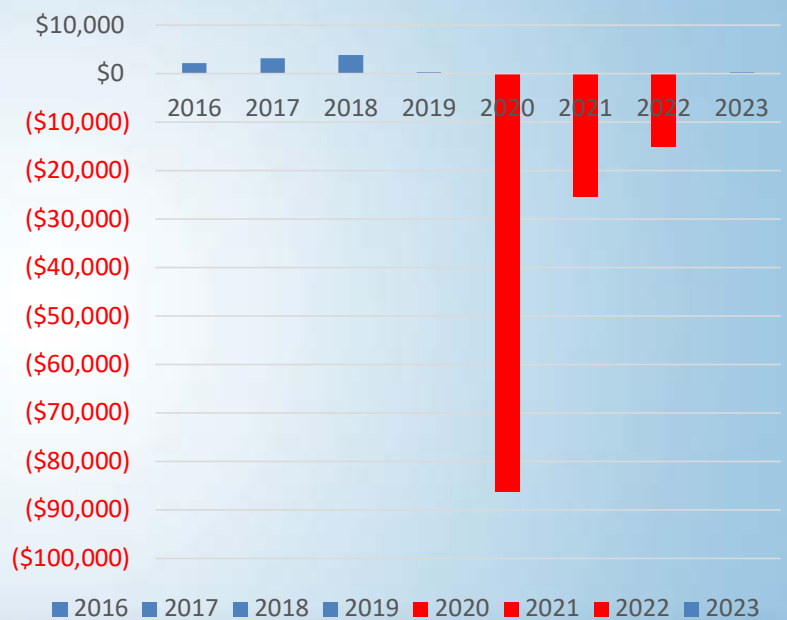
- Executive Leadership Team (ELT) adopt budget schedule and goals
- Using 2019, 2020 and 2021 year-to-date performance and known or anticipated budget variances, a baseline budget and financial projections were prepared
- ELT members meet with department managers to develop goals for operational performance
- ELT budget recommendation reviewed and approved by Finance Committee of ECMCC Board
- Budget recommendation reviewed and approved by ECMCC Board



## Revenue



## Operating Margin



### Footnotes:

- 2019 Revenue Includes DSRIP Pass-Through funds and CREPS Grants
- 2020 – Initial COVID Impact on revenue and margin
- Operating margins include CARES Act Funding

# Key Financial Ratios

	<u>2019</u>	<u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Budget</u> <u>2022</u>
Operating Margin %	0.04%	-23.34%	-5.12%	-2.09%
NYS PBC Average %	-5.4%	-5.4%		
Operating EBITDA %	4.8%	-16.6%	1.6%	5.2%
NYS PBC Average %	0.0%	0.0%		
FTE's	3,558	3,487	3,482	3,500
Days Cash On Hand	119.0	152.0	80.0	70.0
NYS PBC Average	62.9	62.9		
Debt Service Coverage	2.2	(1.27)	1.1	1.7
NYS PBC Average	1.1	1.1		
Salaries, Wages & Benefits % of Revenue	67.4%	83.8%	65.6%	64.7%
Supply Expense % of Revenue	17.9%	19.4%	18.7%	17.3%
Benefit % of Salaries and Wages	40.7%	52.5%	38.8%	36.9%
Days In Accounts Receivable, net	58.2	56.8	56.0	56.0



## Statements of Revenues and Expenses

(Thousands)

	<u>2020 Audited</u>		<u>2021 Projected</u>		<u>2022 Budget</u>		<u>Increase (Decrease)</u>	
	\$	%	\$	%	\$	%	\$	%
Net Patient Revenue	505,591	79.2%	579,012	100.0%	593,663	100.0%	14,651	2.5%
Disproportionate Share / IGT and UPL Payments	79,510	12.5%	93,062	16.1%	96,245	16.2%	3,183	3.4%
Other Operating Revenues	<u>52,908</u>	<u>8.3%</u>	<u>17,800</u>	<u>3.1%</u>	<u>29,067</u>	<u>4.9%</u>	<u>11,267</u>	<u>63.3%</u>
Total Operating Revenues	<u>638,009</u>	<u>100.0%</u>	<u>689,874</u>	<u>119.1%</u>	<u>718,975</u>	<u>121.1%</u>	<u>29,101</u>	<u>4.2%</u>
Operating Expenses								
Salaries and Wages	277,573	43.5%	273,393	47.2%	280,501	47.2%	7,108	2.6%
Employee Benefits	145,863	22.9%	106,153	18.3%	103,399	17.4%	(2,754)	-2.6%
Physician & Resident Fees	96,360	15.1%	96,271	16.6%	104,444	17.6%	8,173	8.5%
Purchased Services	68,854	10.8%	64,941	11.2%	65,584	11.0%	643	1.0%
Supplies	97,872	15.3%	108,263	18.7%	102,490	17.3%	(5,773)	-5.3%
Other Expenses	57,108	9.0%	30,128	5.2%	25,419	4.3%	(4,709)	-15.6%
Depreciation	32,283	5.1%	35,370	6.1%	41,051	6.9%	5,681	16.1%
Interest	<u>11,037</u>	<u>1.7%</u>	<u>10,664</u>	<u>1.8%</u>	<u>11,114</u>	<u>1.9%</u>	<u>450</u>	<u>4.2%</u>
Total Operating Expenses	<u>786,950</u>	<u>123.3%</u>	<u>725,183</u>	<u>125.2%</u>	<u>734,003</u>	<u>123.6%</u>	<u>8,820</u>	<u>1.2%</u>
Operating Income	(148,941)	-23.3%	(35,309)	-5.1%	(15,027)	-2.1%	20,282	-57.4%
CARES Act Funding Relief	<u>62,807</u>	<u>9.8%</u>	<u>10,000</u>	<u>1.4%</u>	<u>-</u>	<u>0.0%</u>	<u>(10,000)</u>	<u>-100.0%</u>
Income/(Loss) from Operations with CARES Act Relief	(86,134)	-13.5%	(25,309)	-3.7%	(15,027)	-2.1%	10,282	-40.6%
Non Operating Revenues	<u>6,854</u>	<u>1.1%</u>	<u>5,142</u>	<u>0.7%</u>	<u>6,253</u>	<u>0.9%</u>	<u>1,111</u>	<u>21.6%</u>
Excess of Revenues Over Expenses	<u>(79,280)</u>	<u>-12.4%</u>	<u>(20,167)</u>	<u>-2.9%</u>	<u>(8,774)</u>	<u>-1.2%</u>	<u>11,393</u>	<u>-56.5%</u>

3/17/2022

## Statements of Net Position

(Thousands)

	<u>2020 Audited</u>		<u>2021 Projected</u>		<u>2022 Budget</u>		<u>Increase (Decrease)</u>	
	\$	%	\$	%	\$	%	\$	%
<b>Assets</b>								
<b>Current Assets</b>								
Cash and Investments	136,701	12.5%	92,263	9.2%	78,046	8.2%	(14,217)	-15.4%
Patient Accounts Receivable, Net	78,716	7.2%	89,165	8.9%	91,113	9.5%	1,948	2.2%
Other Current Assets	<u>198,538</u>	<u>18.2%</u>	<u>165,634</u>	<u>16.6%</u>	<u>166,460</u>	<u>17.4%</u>	<u>826</u>	<u>0.5%</u>
Total Current Assets	<u>413,955</u>	<u>38.0%</u>	<u>347,062</u>	<u>34.7%</u>	<u>335,619</u>	<u>35.1%</u>	<u>(11,443)</u>	<u>-3.3%</u>
Assets Whose Use Is Limited	77,228	7.1%	74,267	7.4%	68,010	7.1%	(6,257)	14.4%
Property and Equipment, Net	334,157	30.6%	319,645	32.0%	296,594	31.0%	(23,050)	-7.2%
Other Assets	<u>264,895</u>	<u>24.3%</u>	<u>258,154</u>	<u>25.8%</u>	<u>255,555</u>	<u>26.7%</u>	<u>(2,599)</u>	<u>-1.0%</u>
<b>Total Assets</b>	<u>1,090,235</u>	<u>100.0%</u>	<u>999,128</u>	<u>100.0%</u>	<u>955,778</u>	<u>100.0%</u>	<u>(43,349)</u>	<u>-4.3%</u>
<b>Liabilities and Net Assets</b>								
<b>Current Liabilities</b>								
Current Portion of Long Term Debt	11,956	1.1%	14,550	1.5%	15,017	1.6%	467	3.2%
Accounts Payable, Third-Party & Accrued	307,745	28.2%	268,456	26.9%	244,209	25.6%	(24,247)	-9.0%
Total Current Liabilities	<u>319,701</u>	<u>29.3%</u>	<u>283,006</u>	<u>28.3%</u>	<u>259,226</u>	<u>27.1%</u>	<u>(23,780)</u>	<u>-8.4%</u>
Long Term Debt	237,089	21.7%	212,539	21.3%	197,522	20.7%	(15,017)	-7.1%
Deferred Inflows	101,575	9.3%	101,575	10.2%	101,575	10.6%	-	0.0%
Other Post Employment Benefits	385,845	35.4%	391,845	39.2%	394,845	41.3%	3,000	0.8%
Self Insurance Liabilities	235,994	21.6%	244,125	24.4%	245,346	25.7%	1,221	0.5%
Medicare Advance, net of current portion	<u>23,826</u>	<u>2.2%</u>	<u>-</u>	<u>0.0%</u>	<u>-</u>	<u>0.0%</u>	<u>-</u>	<u>N/A</u>
Total Liabilities	<u>1,304,030</u>	<u>119.6%</u>	<u>1,233,090</u>	<u>123.4%</u>	<u>1,198,514</u>	<u>125.4%</u>	<u>(34,576)</u>	<u>-2.8%</u>
Net Position	<u>(213,795)</u>	<u>-19.6%</u>	<u>(233,962)</u>	<u>-23.4%</u>	<u>(242,735)</u>	<u>-25.4%</u>	<u>(8,773)</u>	<u>3.7%</u>
<b>Total Liabilities and Net Assets</b>	<u>1,090,235</u>	<u>100.0%</u>	<u>999,128</u>	<u>100.0%</u>	<u>955,778</u>	<u>100.0%</u>	<u>(43,349)</u>	<u>-4.3%</u>

## Statements of Cash Flow

(Thousands)

	Audited <u>2020</u>	Projected <u>2021</u>	Budget <u>2022</u>	<u>Increase (Decrease)</u> %	
<b>Cash Flows From Operating Activities</b>					
Excess of Revenues Over Expenses	(64,751)	(20,167)	(8,774)	11,393	-56%
Depreciation & Amortization	32,284	35,370	41,051	5,681	16%
Medicare Advanced Payment Program	39,101	(23,826)	-	23,826	-100%
(Increase) Decrease in Patient Accounts Receivable, Net	7,856	(10,449)	(1,948)	8,501	-81%
(Increase) Decrease in Current and Other Assets	(123,456)	39,645	1,773	(37,872)	-96%
Increase (Decrease) in Accounts Payable, Third-Party & Accrued	204,505	(39,289)	(24,247)	15,042	-38%
Increase (Decrease) in Deferred In-Flows	(11,789)	-	-	-	N/A
Increase (Decrease) in Self Insurance Liabilities	5,588	14,131	4,221	(9,910)	-70%
Net Cash Provided By (Used In) Operating Activities	<u>89,338</u>	<u>(4,585)</u>	<u>12,076</u>	<u>16,661</u>	<u>-363%</u>
<b>Cash Flows From Investing Activities</b>					
(Increase) Decrease in Assets Whose Use is Limited	73,568	2,961	6,257	3,296	111%
<b>Cash Flows From Financing Activities</b>					
Additions to Property and Equipment	(60,545)	(20,858)	(18,000)	2,858	-14%
Changes in Long Term Debt	10,444	(21,956)	(14,550)	7,406	-34%
Net Cash (Used In) Financing Activities	<u>(50,101)</u>	<u>(42,814)</u>	<u>(32,550)</u>	<u>10,264</u>	<u>-24%</u>
Net Increase (Decrease) in Cash and Investments	112,805	(44,438)	(14,217)	30,221	-68%
Cash and Investments, Beginning	<u>23,896</u>	<u>136,701</u>	<u>92,263</u>	<u>(44,438)</u>	<u>-33%</u>
Cash and Investments, Ending	<u>136,701</u>	<u>92,263</u>	<u>78,046</u>	<u>(14,217)</u>	<u>-15%</u>

# Principal Budget Assumptions

- Volume (based on full scope of services)
- Patient Revenue and Reimbursement
- IGT / UPL Payments
- Other Revenues
- Staffing Costs / Vacancy Management
- Other Expenses
- Cash Flows



# Volume Summary

	2020 <u>Actual</u>	2021 <u>Projection</u>	2022 <u>Budget</u>	<u>Increase (Decrease)</u>	
				<u>22 - 21</u>	<u>%</u>
Discharges					
Acute	12,974	13,916	13,911	(5)	0.0%
Other	<u>6,136</u>	<u>5,846</u>	<u>6,208</u>	<u>362</u>	<u>6.2%</u>
Total	<u>19,110</u>	<u>19,762</u>	<u>20,119</u>	<u>357</u>	<u>1.8%</u>
Average Length of Stay					
Acute	6.8	7.4	7.2	(0.2)	-2.7%
Other	<u>10.3</u>	<u>10.4</u>	<u>9.3</u>	<u>(1.1)</u>	<u>-10.6%</u>
Total	<u>7.9</u>	<u>8.3</u>	<u>7.9</u>	<u>(0.4)</u>	<u>-4.8%</u>
Observation Cases	2,087	2,311	2,665	354	15.3%
Outpatient Visits	299,297	361,798	322,327	(39,471)	-10.9%
Clinics	121,498	142,408	140,234	(2,174)	-1.5%
Behavioral Health	39,385	36,096	40,516	4,420	12.2%
Chemical Dependency	28,121	26,292	30,600	4,308	16.4%
Dialysis	27,964	26,342	27,903	1,561	5.9%
Other	82,329	130,660	83,074	(47,586)	-36.4%
Surgical Cases					
Inpatient	5,142	5,182	5,539	357	6.9%
Outpatient	<u>6,413</u>	<u>7,860</u>	<u>8,241</u>	<u>381</u>	<u>4.8%</u>
Total	<u>11,555</u>	<u>13,042</u>	<u>13,780</u>	<u>738</u>	<u>5.7%</u>
Case Mix Index - Acute	<u>1.89</u>	<u>1.89</u>	<u>1.90</u>	<u>0</u>	<u>0.5%</u>
Emergency Visits	54,561	59,004	58,345	(659)	-1.1%
CPEP Visits	10,697	10,723	12,250	1,527	14.2%
Terrace View ADC	375.2	372.0	378.0	6.0	1.6%

# Revenue

- Payer rate increase net of 2% (before cuts)
- Acute – IP Discharges consistent with 2021 levels
  - Growth in inpatient cases related to medical cases offset shift to outpatient surgery and 2021 elective surgery shutdown
  - Continued use of CD-Rehab as medical surgical unit
- Outpatient volume slight declines from 2021 levels
  - Increases in Behavioral Health, Dialysis, Chem Dependency offset by decreases in vaccination and testing visits
- IGT – Consistent with current year assumptions
- Revenue cycle process improvements of \$5M included within clinical documentation, professional billing, denials and bad debt expense

# Expenses

- Salaries
  - Increase in FTE's to 3,500 (3,480 - YTD August)
  - Union / collective bargaining agreement wage and step adjustments total an average of 3.5%
    - AFSCME – Exp. 12/31/21
    - NYSNA – Exp. 12/31/22
    - CSEA – Exp. 12/31/22
  - Non-Union wage adjustments total 2.5%
  - Staffing premium costs
- Benefits
  - Increased health insurance, workers compensation and unemployment related costs
  - Pension expense and post-retiree health expense included at current run rate
  - Impact of leaves included in 2022 vacancy factor

# Expenses (cont'd)

- Physician & Residents
  - Notable increases
    - Hospitalist coverage need increased due to the census increase and Pandemic capacity need
    - CMS inflation for graduate medical education
    - New surgeons – thoracic, transplant
    - New medical physicians – ID, GI, oncology
  - Increase in GPPC total cost related to new physicians and expanded practice operations (volume and revenue also included).
- Contractual Fees/Purchased Services
  - Increases in certain purchased services within IT (security and licenses) and repair contracts on ED equipment

# Expenses (cont'd)

- Supplies
  - COVID Supply cost decreases— PPE inventory built up in 2020-21 at premium pricing, continuing lab supply costs
  - Inflationary increases in all supply categories, most significant in pharmacy costs partially offset by savings initiatives (physician preference, pricing, joint contracting)
- Depreciation and Interest
  - Increased overall depreciation and interest costs
    - Project completion and debt service on bonds and leases
    - Lease accounting change, results in reclassification of operating lease rental expense to depreciation and interest

## Cash Flow Assumptions

- Net decrease in cash of \$14 Million
  - Net operating loss, Medicare advance payback, capital and debt service
  - Days cash on hand reduced by 10 days from projected 2021
- Days in accounts receivable remaining consistent at 56 days
- Increase in routine capital budget spend to \$8.0 million (from \$5M) in addition to non-routine capital spending of \$10 Million

# 2022 Capital Budget Summary

Given stepped recovery, ECMCC must limit capital spending

- **\$10 Million non-routine capital** (including but not limited to)
  - Operating room enhancements (with philanthropy)
  - Kensington Heights
  - Grider Street
- **\$8.0 Million routine capital spend**
  - \$18M from internal operating funds

# Performance Improvement Opportunities

- Length of stay management
- Accelerating Excellence operational improvements / OR optimization
- Specialty pharmacy implementation and acceptance by all payers
- Insurance plan relationship & improved governance
- Continued growth strategies including continuum of care management
- Vacancy management
- Continued infrastructure planning and investment in population health strategies

# Emerging Issues and Risk Areas

- Staffing availability
- Federal and NYS reimbursement/funding uncertainty
  - FEMA/CARES Act
- COVID-19 continuing impact uncertainty
- Inpatient volume sensitivity / insurance plan uncertainty
- Operating performance improvements
  - Market driven risks
- Pension expense and contribution changes
- Management of revenue cycle improvements
- GASB 96 – Subscription based IT agreements

## 5 Year Financial Projections

- Phase into a breakeven operating margin
- Reimbursement rate increases consistent with 2022 budget
- IGT/UPL at current projections
- Salary expense consistent with current collective bargaining agreements
- Benefits % of salary expense increase due to actuarial estimates
- Supply and other expense inflation consistent with current trend
- Achievement of operational improvement goals

## Statements of Revenues and Expenses – Projected

(Thousands)

	Audited 2020	Projected 2021	Budget 2022	2023	2024	Projected 2025	2026	2027
<b>Operating Revenues</b>								
Net Patient Service Revenue	505,591	579,012	593,663	610,103	626,741	643,605	660,637	677,841
Disproportionate Share, IGT and UPL Revenue	79,510	93,062	96,245	96,245	96,245	96,245	96,245	96,245
Other Operating Revenue	52,908	17,800	29,067	29,358	29,651	29,948	30,247	30,550
Total Operating Revenues	638,009	689,874	718,975	735,706	752,638	769,797	787,129	804,636
<b>Operating Expenses</b>								
Salaries and Benefits	423,435	379,546	383,900	404,969	418,161	431,782	445,847	460,371
Physician Fees and Professional Services	165,214	161,212	170,028	173,295	176,634	180,046	183,534	187,098
Supplies	97,872	108,263	102,490	105,617	108,011	110,442	112,907	115,406
Other Expenses	57,108	30,128	25,419	26,446	27,514	28,626	29,782	30,986
Depreciation and Amortization	32,284	35,370	41,051	43,281	41,981	41,902	42,041	36,403
Interest	11,037	10,664	11,114	10,352	9,540	9,017	8,085	7,447
Total Operating Expenses	786,950	725,183	734,002	763,959	781,840	801,816	822,197	837,711
	(148,941)	(35,309)	(15,027)	(28,253)	(29,202)	(32,018)	(35,068)	(33,075)
Performance Improvement Initiatives	-	-	-	28,553	29,552	32,468	35,568	33,575
Income/(Loss) from Operations	(148,941)	(35,309)	(15,027)	300	350	450	500	500
CARES Act Funding Relief	62,807	10,000	-	-	-	-	-	-
Income/(Loss) from Operations with CARES Act Relief	(86,134)	(25,309)	(15,027)	300	350	450	500	500
Non Operating Revenues & Capital Contributions	21,383	5,142	6,253	1,929	2,487	2,745	3,001	3,229
Excess of Revenues Over Expenses	(64,751)	(20,167)	(8,774)	2,229	2,837	3,195	3,501	3,729

## APPENDIX A

### Outstanding Bonds and Notes

#### **Erie County Guaranteed Senior Revenue Bonds, Series 2004**

No bonds were issued, called, or re-financed during 2021.

\$3,740,000 of bonds matured or were redeemed in 2021.

\$65,080,000 of 2004 bonds remain outstanding at December 31, 2021.

#### **Erie County Loan Payable-2017 (Refinance)**

During 2017, the Corporation refinanced its 2011 Loan with a \$74,366,859 loan from the County of Erie.

\$3,946,336 in principal payments were made in 2021.

\$57,286,461 of debt is outstanding at December 31, 2021.

#### **Erie County Loan Payable-2017 (New Money)**

During 2017, the Corporation entered into a \$99,492,034 loan with the County of Erie.

\$2,648,858 in principal payments were made in 2021.

\$92,867,658 of debt is outstanding at December 31, 2021.

#### **Erie County Capitalized Interest Assumption Obligation-2017**

During 2017, the Corporation entered into an \$8,281,141 capitalized interest assumption obligation with the County of Erie.

\$220,476 in principal payments were made in 2021.

\$7,729,766 of debt is outstanding at December 31, 2021.

#### **Metz Culinary Management Food Service Improvements Loan**

During 2019, the Corporation entered into a \$1,805,430 loan with Metz Culinary Management

\$180,540 in principal payments were made in 2021.

\$1,308,946 of debt is outstanding at December 31, 2021.

During 2021, the Corporation entered into a \$1,552,000 loan with Metz Culinary Management

\$150,194 in principal payments were made in 2021.

\$1,401,806 of debt is outstanding at December 31, 2021

#### **Paycheck Protection Program Loan**

During 2020, the Corporation entered into a Paycheck Protection Program Loan in the amount of \$10,000,000

\$0 in principal payments were made in 2021.

\$0 of debt is outstanding at December 31, 2021.

Long term liabilities, including those associated with employee benefit plans are presented in the audited financial report attached.

The annual audited financial statements prepared by an independent certified public accountant and presented in conformity with generally accepted accounting principles is included with this report.

**APPENDIX B  
COMPENSATION SCHEDULE**

<b>Name</b>	<b>Job Title</b>	<b>2021 Gross Earnings</b>	<b>Annual Salary</b>
Aiad, Jean	Dentist ECMC RPT	107,020	107,020
Albert, Alison	Director of Admissions Medical Rehabilit	104,763	103,197
Anders, Mark	Medical Specialist	176,581	176,581
Aquilina, Therese	Unit Manager Ambulatory Care	91,722	112,773
Arcadi, Kristine Anne	Unit Manager MedicalSurgical	128,284	116,156
Arnold, William	Nursing Informatics Mgr.	80,129	121,861
Artieri, Diane	Vice President of Materials Management	159,075	159,184
Austin, Cheryl	Director of Imaging Services	124,642	125,466
Baetzhoid-Fabiniak, Karen	Physician Assistant	135,870	135,963
Bailey, Steven	Nursing Team Leader LTC	112,375	102,629
Basher, William	Nursing Team Leader Dialysis Services	112,879	102,629
Bass, Cynthia	Director of Diversity and Inclusion	113,900	110,376
Bass, Edmond	Nursing Informatics Mgr.	117,495	118,325
Becker, Melissa	Unit Manager Operating Room	144,865	106,296
Becker, Paula	Pharmacist ECMC	131,707	131,300
Beckman-Pilcher, Karen	Clinical Nurse Specialist Emerg Svcs	151,260	137,432
Bell, Shentelle	Director of Nursing Services Ambulatory	119,866	115,000
Bellido-Clark, Dana	Unit Manager MedicalSurgical	108,802	109,493
Bennett, Estate of Robert	Assistant VP of BH & Community	28,397	128,750
Bernier, Deborah	Operations Manager LTC	108,806	104,845
Beshures, Shreen	Clinical Pharmacy Specialist RPT	102,675	102,675
Bethea, Marquita	Director of Admissions LTC	124,779	117,337
Bielicki, Kim	Registered Nurse Trauma Registrar	111,975	105,676
Biersbach, Bret	Anesthesiologist	520,535	450,000
Biondolillo, Rhonda	Nursing Team Leader	116,884	105,676
Blair, Lindsey	Nursing Team Leader	113,155	105,676
Blair, Sean	Nurse Case Manager	115,875	112,782
Boice, Allison	Nurse Case Manager	111,969	109,493
Borton, Angela	Pharmacist ECMC	126,363	122,680
Boustany, Christopher	Anesthesiologist	381,846	375,000
Bozich, Danielle	Director of Recruitment and Training	75,728	110,376
Brennan, Melinda	Unit Manager MedicalSurgical	106,443	106,296
Brennan, Stephanie	Pharmacist ECMC	126,927	125,563
Brindisi, Joseph	Nurse Practitioner ECMC	114,806	118,564
Broeneman, Kourtney	Nurse Case Manager	116,390	116,156
Brooks, Latoya	Unit Manager MedicalSurgical	116,997	116,156
Brown, Dana	Anesthetist	230,541	211,150
Brown, Donna	Associate Hospital Administrator	128,524	128,611
Brown, Jillian	VP of Behavioral Health Services	163,599	153,000
Brundin Jr, Douglas	Anesthetist	220,487	211,150
Burgio, Susan	Clinical Laboratory Quality Coordinator	127,121	102,708
Burke, Mark	Attending Physician	673,823	675,305
Burridge, Suzanne	Pharmacist ECMC	133,780	131,300
Burt, Mary	Nursing Team Leader	147,023	105,676

Bystrak, Cathy	Nursing Team Leader LTC	111,819	105,676
Canallatos, Jessica	Dentist ECMC PT	101,048	101,048
Canallatos, Paul	Dentist ECMC	195,711	215,000
Cantie, Shawn	Anesthesiologist	514,252	474,300
Carl, Karen	Nursing Team Leader	126,057	105,676
Carnevale, Marinela	Emergency Department Patient Flow TL	124,014	102,629
Carpenter, Cheryl	Director of Medical Dental Staff Svcs	117,967	114,443
Carroll, Jennifer	Behavioral Health Clinical Manager	116,167	111,596
Cheng, Yi Shun	Attending Physician	273,327	280,000
Chilbert, Kevin	Pharmacist ECMC	125,625	122,680
Chizuk, Steven	Director of Budget ECMCC	117,615	145,656
Ciancone, Gabriella	Infection Prevention Practioner	69,990	105,676
Cieri, Margaret	Nursing Care Coordinator	198,117	125,518
Cirillo, Joseph	Director of Public Relations Communic.	125,712	122,558
Ciurczak, Tiffany	Emergency Department Patient Flow TL	116,779	105,676
Clark, Cynthia	Nurse Case Manager	128,836	116,156
Clark, Sarah	Nurse Navigator Plast & Rec Surgery	99,994	106,296
Cloud, Samuel	Attending Physician	365,641	366,010
Colebeck, Amanda	Dentist ECMC	262,105	265,225
Collichio, Alexander	Director of Labor & Employee Relations	6,473	136,579
Colucci, Anthony	Executive Vice President	606,337	606,337
Coniglio, Julia	Anesthetist	220,486	211,150
Cretacci, Nicole	Unit Manager MedicalSurgical	118,387	116,156
Cumbo, John	Director of Technical Services	216,022	165,892
Currin, Shawntres	Unit Manager MedicalSurgical	131,114	109,493
Cutler, Peter	VP of Communications & External Affairs	249,286	250,000
Daniels, Steven	Sr. Human Resources Info System Admin	109,123	112,000
Daoust, Jeffrey	Physician Assistant	123,151	123,235
Davis, Andrew	Chief Operating Officer ECMC	630,464	620,000
Davis, Cassandra	VP of Ambulatory Svs & Population Health	191,177	176,816
Davis, Shelly	Nurse Case Manager	29,836	112,773
DelGuidice, Natalie	Clinical Pharmacy Specialist	139,611	136,766
DelPrince, Becky	VP of Systems and Integrated Care	180,894	181,017
DelVecchio, Regina	Staff Counsel ECMC	187,857	181,017
Denisco, Dawn	Anesthetist	181,120	211,150
DePlato, Anthony	Anesthesiologist	582,563	537,120
Derenda, Nicole	Director of Nursing Education Med/Surg	128,506	128,594
Diina, David	Nurse Practitioner Transplant	279,529	137,432
Dipirro, Michele	Nursing Team Leader LTC	142,330	105,676
Dishunts, Olga	Nursing Inservice Instructor ECMC	110,058	102,629
Dobson, Judy	VP Medical Surgical Nursing Services	182,285	175,647
Doherty, Danielle	Anesthetist	202,746	195,700
Dolansky, Evan	Pharmacist ECMC	134,967	131,300
Drozdzowski, Michael	Director of Capital Projects	144,568	144,668
Drysdale, Michelle	Nursing Supervisor LTC RPT	121,473	121,473
Duell, Susan	Minimum Data Set Director	110,753	103,197
Duffin, Joy	Transplant Coordinator	177,130	116,156

Duffy, Brian	Anesthesiologist	426,526	387,638
Eiss, Megan	Director of Biomedical Services	30,077	113,730
Englert, Amanda	Nurse Practitioner Rehab Services	143,073	125,782
Erhardt, Robert	Chief Hospital Public Safety Officer	173,697	108,684
Ervolina, Daryl	Senior Pharmacist ECMC	154,003	146,224
Evans, Maureen	Pharmacist ECMC RPT	103,709	103,709
Exposito Vazquez, Manuel	Certified Nursing Assistant RPT	163,573	163,573
Falcone, Michelle	Pharmacist ECMC	123,711	122,680
Farrell, Amanda	Population Health Clinical Data Analyst	98,175	106,296
Fenner, Nicholas	Pharmacist ECMC	129,297	122,680
Ferguson, Richard	Director of Neurology RPT	414,815	414,815
Firestone, Lisa	Nurse Case Manager - Ambulatory Services	88,709	106,296
Flaherty, Amy	Staff Counsel - Risk Management	158,243	153,000
Fleming, Laura	Privacy Officer	105,334	101,803
Flett, Deborah	Nursing Team Leader LTC	117,875	105,676
Flynn, William	Director of Surgery	173,302	169,703
Forgensi, Stacey	Anesthetist	229,506	211,150
Foster, Amanda	Director of Respiratory Therapy Services	111,090	114,053
Fox, Heather	Nurse Case Mgr AIDS Services	118,072	116,156
Frey, Jordan	Attending Physician	510,739	470,000
Friend, Dawn	Director of Nursing Service LTC	109,211	135,000
Frustino, Jennifer	Dentist ECMC	215,894	215,893
Fryling, Kathleen	Transplant Coordinator	48,162	112,773
Furlani, Lisa	Anesthetist	217,323	211,150
Furnari, Graziella	Clinical Pharmacy Specialist	138,378	133,617
Gallagher, Heather	Senior Director Of Comp. Benefits HRIS	137,217	135,000
Gallineau, Anne-Marie	Nursing Care Coordinator	147,441	125,518
Gant, Ramona	Assistant Director Nursing Quality Care	166,652	183,333
Gardy-Batson, Marcell	Assistant Director Nursing LTC	21,154	110,000
Gary, Stephen	Consultant IV	417,890	417,890
Gatti, Donna	Director of CPEP	119,290	119,372
Gerretsen, Carly	Director of Outpatient Opers & Oncolog	152,663	155,384
Giglia, Joseph	General Counsel	490,478	472,770
Gompah, Santosha	Unit Manager MedicalSurgical	123,466	112,782
Gonzalez, Susan	Executive Director ECMC Lifeline Foundat	200,064	189,371
Gorczynski II, Thomas	Information Technology Systems Architect	137,124	132,131
Grantham, Ayanna	Assistant Director Nursing LTC	90,962	110,000
Greco, Timothy	General Duty Nurse RPT	110,703	110,703
Gregorio, Tara	Unit Manager MedicalSurgical	126,704	112,782
Grolemund, Stephanie	Anesthetist	232,891	211,150
Grzebinski, Jane	Pharmacist ECMC	140,220	134,177
Grzybowski, Helen	InService Education Coordinator	124,938	116,156
Haefner, Paula	Project Manager HIT	100,851	100,918
Halloran, Ashley	Director of Pharmacy	168,431	168,544
Hamilton, Catherine	Director of Patient Financial Services	119,565	119,645
Handley, Sarah	Pharmacist ECMC	125,070	122,680
Harris, Rachel	Nurse Practitioner Plastic Recon Surgeon	126,050	115,101

Hartman, Nancy	Registered Nurse Trauma Registrar	111,091	105,676
Hartman, Sandra	Nursing Care Coordinator	169,165	125,518
Haseley, Nicole	Transplant Coordinator	168,102	112,782
Hatten, Khadija	Nursing Care Coordinator	101,547	114,864
Hauss, Lisa Marie	Nurse Case Manager	116,704	116,156
Hayes, Ellyn	General Duty Nurse RPT	104,913	104,913
Heigl, Deborah	Nurse Case Manager	114,622	116,156
Herr, Alexandra	Junior Staff Counsel ECMC	40,385	100,000
Hidalgo, Francisco	Code Compliance Manager	112,619	111,032
Hinderliter, Vanessa	Director of Finance ECMC	149,158	145,656
Hines, Holly	Nurse Case Manager	121,826	116,156
Hodgson, Matthew	Nurse Practitioner Plastic Recon Surgeon	124,217	133,442
Hoerner, Audrey	Senior Nurse Practitioner - Burn Unit	184,569	153,864
Horesh, Fayelyn	Anesthetist RPT	123,081	123,081
Hovak, Melissa	Nurse Practitioner Transplant	208,052	137,432
Hughes, Christopher	Attending Physician	299,037	275,000
Hughes, Robert	Nurse Case Manager	5,778	112,773
Hultquist, Scott	Nursing Care Coordinator	125,220	111,519
Hunley, Kizzie	Nursing Care Coordinator	140,062	118,325
Hunter, Thameena	Unit Manager Ambulatory Care	131,286	116,156
Hutchings, Michelle	Nurse Case Manager	104,723	116,156
Hyjek, Maria	Nursing Care Coordinator RPT	121,763	121,763
Jack, Dennis	Nurse Practitioner Transplant	57,460	109,878
Jager, Jonathan	Pharmacist ECMC	136,323	122,680
James, Gelea	Director of Labor & Employee Relations	43,269	125,000
Jensen, Erik	Anesthesiologist	538,496	487,007
Johnson, Marie	Vice President of Rehab Services	158,032	158,140
Jones, Donna	Quality Officer	248,620	250,000
Jonmaire, Kenneth	Senior Director Outpatient Operations	131,491	123,235
Juncewicz, Edmund	Anesthesiologist	478,558	459,000
Kalinka, Lisa	Nurse Practitioner Transplant	212,651	125,782
Kapral, Elizabeth	Dentist ECMC	191,040	191,227
Karl, Stephanie	Nurse Case Manager	108,918	109,493
Kaurich, Justine	Vice President of Operations	192,342	192,474
Kayler, Liise	Attending Physician RPT	220,092	220,092
Keenan-USchold, Lisa	Chief Clinical Psychologist	128,322	128,428
Keeney, Alicia	Nursing Inservice Instructor ECMC	110,785	105,676
Killion, Valerie	Assistant Director Nursing Sub Acute Ser	107,816	102,318
Kirsch, Heidi	Assistant VP of Critical Care & Emergenc	28,398	137,700
Kline, Timothy	Unit Manager Critical Care	60,863	112,773
Koch, Elizabeth	Anesthesiologist	487,808	450,000
Koch, Stacy	Anesthetist	66,261	195,700
Kocz, Remek	Anesthesiologist	444,999	397,000
Kolber, Brooke	Dentist ECMC RPT	104,603	104,603
Konikoff, Karen	VP Critical Care & Emergency Services	178,121	171,635
Kordasiewicz, Lynn	Nurse Practitioner Wound Care	141,160	137,432
Korff, Kathryn	Dentist ECMC	189,757	189,943

Koszuta, Ceilia	Nurse Case Manager	117,090	116,156
Kraus, Michelle	Administrator LTC	146,214	185,000
Kuechle, Claire	Staff Counsel ECMC	165,988	166,100
Kurek, Alecia	Unit Manager MedicalSurgical	135,500	112,782
Kwiatkowski, Andrew	Director of Project Management HIT	159,293	150,025
Labelle, Jamie	Nursing Team Leader Dialysis Services	103,617	102,629
Labelle, Marc	VP Surgical Services	171,818	165,563
Lang, Julie	Project Manager HIT	102,791	100,918
Larkin, Rachel	Nursing Team Leader	101,026	102,629
Lauer, Sandra	Director of Continuum Care	134,336	126,511
Lavarnway, Nicole	Nursing Supervisor LTC	136,284	116,156
Lawley, Melinda	Unit Manager Critical Care	151,136	116,156
Leas, Adam	Nursing Care Coordinator Emergency Dept	140,545	121,880
Leas, Christie	Unit Manager Critical Care	112,669	106,296
Lee, Pamela	Senior VP of Operations ECMC	305,617	300,051
Lenhard, Eric	Pharmacist ECMC	129,080	125,563
Leyh, Virginia	Transplant Coordinator	146,504	116,156
Loree, Thom	Attending Physician	878,218	877,897
Ludlow, Charlene	VP of Safety & Security	324,309	324,636
Lukasik, Keith	Chief Strategy Officer	278,026	267,903
Mack, Markita	Unit Manager Critical Care	102,090	102,090
Madoo, Kevin	Director of Plant Operations	117,799	117,878
Maggio, Sarah	ASSISTANT VP of BH, Nrsing & Edu	136,582	132,828
Maloney, Jennifer	Unit Manager MedicalSurgical	117,545	116,156
Malovich, Jeanne	InService Education Coordinator	96,629	116,156
Marasco, Marjorie	Nurse Case Manager - Behavioral Health	108,279	109,493
Marczak, Juliet	Nurse Practitioner ECMC	134,761	133,442
Markiewicz, Anthony	VP Clinical Business Intelligence and In	188,302	177,977
Marso, Lisa	Anesthetist	225,222	211,150
Martin, Janet	VP of Finance ECMC	207,939	208,080
Masters, Raymond	Anesthetist	197,239	195,700
Mazur, Christopher	Senior Pharmacist ECMC	163,440	136,766
Mcdougall, Sarah	Pharmacist ECMC	124,698	122,680
McDuffie, Ann	Nursing Team Leader Orthopedics	107,445	105,676
McGuigan, Jessica	Unit Manager MedicalSurgical	118,529	116,156
McKeever, Ashley	Anesthetist	213,661	211,150
McLean, Terrence	Dentist ECMC	432,892	433,321
McPartlan, Georgia	Nursing Team Leader Ostomy WC	102,943	102,629
McRae, Elizabeth	Nursing Team Leader LTC	135,597	105,676
Meredith, Lauren	Anesthetist	74,107	211,150
Metz, Martha	Clinical Nurse Specialist Critical Care	5,095	109,878
Meyers, Shannon	Anesthetist	226,615	211,150
Miano, Joanne	Nurse Case Manager	115,709	116,156
Milbrand, Alison	Pharmacist ECMC	123,651	122,680
Minhas, Parveen	Nurse Practitioner Transplant	236,958	133,442
Mogavero, Joseph	Healthcare Business System Manager	119,843	119,945
Mondoux, Jessica	Director of Transplantation	6,623	123,000

Montague, Victoria	Unit Manager Transplant	122,888	106,296
Mooney, Michelle	Nurse Case Manager	120,977	116,156
Morford, Tiffany	Nursing Supervisor LTC RPT	103,094	103,094
Morrissey, Colin	Anesthetist	207,205	195,700
Moses, Beth	Trauma Injury Prevention & Education Co	110,322	105,676
Mullen, Meghan	Trauma Program Manager	119,130	133,442
Mund, Nadine	Director of Corporate Compliance	159,054	159,162
Murawski, Phyllis	VP Transplantation & Renal Care	194,956	195,087
Murdola, Michael	Anesthetist	86,713	211,150
Murphy, Holly	Pharmacist ECMC	122,592	122,680
Murray, Brian	Medical Director ECMC	535,109	535,649
Muscarella, Mary	General Duty Nurse RPT	103,272	103,272
Musielak, Pia	Director of Outpatient Opers Surg Care	9,762	128,232
Myers, Starr	Charge Nurse Ambulatory Care	70,702	109,487
Nagai, Michael	Attending Physician	509,197	478,950
Napierala, Randal	Pharmacist ECMC	124,083	122,680
Nasca, Maureen	Chief of Service Dentistry	442,923	443,369
Nawojski, Kari	Emergency Department Patient Flow TL	168,150	102,629
Nazzarett, Jody	Nursing Team Leader	105,816	105,676
Neff, Melissa	Unit Manager Cardiac Cath Lab	174,564	116,156
Nesbitt, David	Staff Counsel (DSRIP)	165,988	166,100
Nicosia, Cheryl	Clinical Nurse Specialist Critical Care	117,255	133,428
Norcia, Deborah	Pharmacist ECMC RPT	105,507	105,507
Nowak, Kristine	Behavioral Health Clinical Manager	102,800	100,731
Occhino, Erin	Clinical Pharmacy Specialist	135,571	133,617
Oddo, Donna	General Duty Nurse PD	114,710	114,710
Ordon, Cheryl	Nurse Case Manager	116,308	116,156
Orloff, Patrick	Director of Internal Audit	96,462	120,000
Ott, Michael	Clinical Coord Pharmacy Services	148,927	139,922
Pagano, Christina	Physician Assistant	112,290	112,801
Paladino, Matthew	Anesthesiologist	502,396	459,000
Palermo, Loretta	Emergency Department Patient Flow TL	147,047	105,676
Panesar, Mandip	Chief Medical Information Officer	438,009	443,450
Paolini, Karen	Nurse Practitioner Transplant	170,154	137,432
Parker, Adam	Pharmacist ECMC	124,212	122,680
Patterson, Sandra	Nursing Team Leader Ambulatory Services	100,021	105,676
Pecoraro, Cindy	Nursing Team Leader	86,868	102,600
Perkins, Melissa	Unit Manager MedicalSurgical	146,801	116,156
Perno, Amy	Physician Assistant	106,049	106,120
Perrino, Adam	Assistant Director of Capital Projects	113,668	109,504
Pesta, Joslyn	Pharmacist ECMC	124,957	122,680
Petry, Christina	Nursing Team Leader Ostomy WC	112,088	105,676
Phillips, Kristen	Anesthetist	140,611	195,700
Picciano, Cathleen	Lead Clinical Documentation Specialist	125,320	105,676
Picciano, Thomas	Manager - Care Management	121,486	122,400
Piscatelli, Nicole	Dentist ECMC PT	164,817	164,817
Pittman, Courtney	Director of Patient Access Services	114,367	114,443

Pollock, Michael	Info Technology Operations Manager	120,095	117,337
Popat, Saurin	Attending Physician PT	464,292	464,292
Porter, Tricia	General Duty Nurse RPT	109,474	109,474
Pressley III, Charles	Staff Counsel ECMC	130,980	124,000
Prybylski, Monica	Nurse Practitioner Orthopedic Services	137,078	137,432
Pulka, Ashley	Pharmacist ECMC	118,023	122,680
Quatroche Jr., Thomas	Chief Executive Officer ECMC	1,144,265	1,150,000
Radovic, Vladan	Attending Physician	400,752	365,790
Rassman, Jeffrey	Physician Assistant	120,613	120,696
Reed, Karen	Anesthesiologist	531,655	496,747
Reeners, Eric	Director of Budget ECMCC	110,516	125,000
Reilly, Mary	Assistant VP of Critical Care & Emergenc	105,575	133,900
Reiter, Braden	Attending Physician	125,378	233,398
Requena, Steven	Nursing Supervisor LTC RPT	122,823	122,823
Resetarits, Christopher	Anesthetist RPT	124,579	124,579
Rhinehart, Mary	Director of Nursing Education-CC	128,722	126,307
Ring, Alan	Anesthetist	11,450	195,700
Rizzo, Heather	Anesthetist RPT	131,282	131,282
Rizzo, John	Unit Manager MedicalSurgical	114,060	106,296
Robinson, Constance	Nursing Supervisor LTC	142,142	116,156
Roblee, Chelsey	Nursing Team Leader	104,658	102,629
Roeder, Anastasia	Director of Development & Marketing ECMC	111,375	107,321
Rogers, Angeline	Nurse Case Manager	116,077	116,156
Rogers, Nancy	Clinical Nurse Specialist Behavioral Hea	135,313	129,540
Rohrbacher, Bernhard	Medical Specialist RPT	114,275	114,275
Rojek, Janet	Senior Pharmacist ECMC	164,326	146,224
Roof, Angela	Nurse Case Manager	101,992	103,197
Roof, Donald	Director of Materials Management	109,150	107,162
Root, Sarah	Infection & Wound Care Preventionist LTC	118,979	112,782
Rossi, Lucia	Senior Director Outpatient Operations	127,779	120,819
Rossitto, Rachael	Dentist ECMC	306,682	315,142
Rubin, Kari	Nurse Case Manager	115,799	116,156
Rudyk, Jenine	Nursing Team Leader	105,530	102,629
Ruh, Christine	Clinical Pharmacy Specialist	137,895	133,617
Sammarco-Delmont, Renee	Unit Manager MedicalSurgical	158,598	112,782
Sands, Robert	Anesthesiologist	529,131	487,007
Sauer, Jillian	Unit Manager MedicalSurgical	103,650	106,296
Schubbe, Jayson	Healthcare Data Warehouse Architect	117,179	112,914
Schultz, Rachael	Anesthetist Per Diem	107,749	107,749
Schunke, Katrina	Pharmacist ECMC	136,758	134,177
Schurr, Karen	Clinical Asst to VP Surg & Card. Svcs	122,126	118,606
Schwab, Linda	Trauma Program Manager	83,349	133,428
Schwaneckamp, Karen	Anesthetist	222,010	211,150
Scrocco, Mary Carol	Nurse Practitioner Cardiovascular Lab	148,320	137,432
Seay, Michelle	Clinical Patient Care Liaison	130,487	125,518
Semrau, Jeffrey	Pharmacist ECMC	129,370	122,680
Senchoway, Laura	Anesthetist	201,169	195,700

Shea, Mary Molly	Patient Safety Clinical Investigation Co	35,959	112,773
Sheppard, Judith	Nursing Supervisor LTC	156,066	116,156
Simon, Alexander	Clinical Application Systems Manager	116,969	109,241
Skomra, Richard	Chief Anesthetist	265,958	266,134
Sloma, Bonnie	VP of Ambulatory and Diagnostic Service	6,600	132,000
Smith, Andrew	Nurse Case Manager	116,535	116,156
Snodgrass, Darress	Anesthetist	215,257	211,150
Sousis, Julie	Assistant Director Ambulatory Services	115,186	101,625
Sperry, Howard	Clinical Director Medicine	320,475	309,773
Speta, Kathleen	Nurse Practitioner Transplant	50,592	118,564
Srodawa, Christopher	Administrative Director of Laboratory Se	133,561	130,050
Stanford, Benjamin	Unit Manager MedicalSurgical	116,248	109,493
Stegemann, Philip	Chief of Orthopedic Surgery	117,148	117,148
Steiner, Stacy	General Duty Nurse RPT	109,197	109,197
Stercula, Edna	Anesthetist	62,666	211,150
Steward, Kevin	Nursing Care Coordinator	140,266	125,518
Stobnicki, Cortney	Anesthetist	212,121	211,150
Stokes, Laura	Point of Care Clinical Laboratory Coord	106,649	104,763
Stroud, Kerry	Nursing Care Coordinator	139,224	125,518
Sweetland, Jennifer	Nursing Informatics Mgr.	112,435	125,518
Swiatkowski, Jonathan	Chief Financial Officer ECMC	524,769	525,300
Tabi-Mensah, Harold	General Duty Nurse RPT	148,588	148,588
Tadak, Monica	Director of Revenue Capture and Integrit	132,017	129,613
Tadt, Stephanie	Nurse Case Manager	115,753	116,156
Tague, Dana	Nurse Practitioner Rehab Services	182,538	137,432
Tait, Christopher	Nurse Case Manager	120,222	116,156
Tarbell, Ross	Senior Pharmacist ECMC	168,582	146,224
Thanki, Pamela	Senior Financial Analyst	106,308	102,437
Thompson, Denise	Nursing Care Coordinator	137,852	121,880
Thorpe, Lisa	Director of Rehabilitation Services	128,863	122,558
Tomljanovich, Paul	Attending Physician PT	135,270	135,270
Tornambe, Lynne	Pharmacist ECMC	137,547	128,428
Torres, Carmen	Nurse Practitioner ECMC	142,163	137,432
Turner, James	Senior VP of Surgical and Ambulatory Ser	321,266	321,484
Twitchell, Jerome	Senior Director Outpatient Operations	127,891	123,235
Urban, Paul	Assistant Info Tech Sys Architect	119,565	119,645
Vacanti, Angela	Infection Prevention Practioner	140,347	105,676
Vacanti, Charles	Nursing Team Leader	119,044	105,676
Vail, Robert	Healthcare Information Security Officer	165,238	144,718
Walter, Robert	Chief Clinical Laboratory Technologist	128,516	104,763
Warmus, Renelle	Nurse Case Manager	123,079	112,782
Waterstram, Richard	Unit Manager Behavioral Health	44,591	106,305
Weiss, Katherine	Pharmacist ECMC	160,274	134,177
Welka, Andrew	Anesthesiologist	466,443	435,000
Weslow, Beth	Unit Manager Post Anesthesia Care	130,272	109,493
West, Ashley	Nurse Case Manager	111,125	112,782
Williams, Sonia	Assistant Director Ambulatory Services	122,373	108,684

Wilson, Nicolette	VP Revenue Cycle	171,548	171,665
Wohaibi, Eyad	Attending Physician	406,781	391,400
Wolf, Joann	Assistant Vice President Surgical Nursin	137,876	137,970
Woods, Kara	Physician Assistant	126,743	123,235
Wright, Shaunda	Unit Manager Behavioral Health	108,278	112,782
Yates, Robert	Anesthetist	164,178	195,700
Zajac, Jamie	Emergency Department Patient Flow TL	122,299	105,676
Zakrzewski, Thomas	Nursing Supervisor LTC	138,290	116,156
Zdon, Glen	Unit Manager Hemodialysis	115,103	109,493
Ziemianski, Karen	Senior VP of Nursing	378,360	378,742
Zynda, Elizabeth	Nurse Practitioner Transplant	205,774	129,540

**APPENDIX C**

**2021 CORPORATION EXPENDITURES IN EXCESS OF \$100,000**

Vendor Name	Payments	Reporting Year	Contract Period		Purpose
McKESON DRUG CO	\$22,411,954	2021	3/19/2019	3/18/2024	Commodities/Supplies
GILBANE BUILDING COMPANY	\$16,850,426	2021	5/1/2018	6/30/2022	Design and Construction/Maintenance
GENERAL PHYSICIAN, P.C.	\$16,140,132	2021	11/28/2020	11/27/2023	Other Professional Services
UNIVERSITY MEDICAL RESIDENT SERVICES, P.C.	\$11,500,937	2021	1/4/2019	1/3/2029	Other Professional Services
CARDINAL HEALTH	\$11,245,321	2021	12/1/2012	10/31/2022	Commodities/Supplies
UBMD PSYCHIATRY	\$10,692,571	2021	8/1/2016	6/30/2021	Other Professional Services
APOGEE MEDICAL MANAGEMENT	\$9,428,933	2021	9/1/2015	3/31/2022	Other Professional Services
UPSTATE NEW YORK TRANSPLANT	\$8,941,774	2021	8/2/2016	Evergreen	Commodities/Supplies
METZ CULINARY MANAGEMENT	\$8,931,437	2021	4/6/2019	3/31/2026	Commodities/Supplies
GREAT LAKES MEDICAL IMAGING, LLC	\$7,657,096	2021	9/1/2015	8/31/2021	Other Professional Services
THE RESEARCH FOUNDATION	\$7,178,720	2021	Various	Evergreen	Other Professional Services
UNIVERSITY AT BUFFALO SURGEONS, INC.	\$7,012,087	2021	1/1/2018	12/31/2021	Other Professional Services
ZIMMER US INC	\$6,594,128	2021	7/15/2015	12/31/2022	Commodities/Supplies
ACADEMIC MEDICAL SERVICES, INC.	\$6,316,047	2021	3/8/2018	3/7/2022	Other Professional Services
CARDINAL HEALTH MED PRODUCTS & SERVICES	\$5,139,309	2021	12/1/2012	10/31/2022	Commodities/Supplies
BUFFALO INTERNIST AND ASSOCIATES	\$4,972,083	2021	6/13/2017	6/30/2024	Other Professional Services
MORRISON MANAGEMENT SPECIALISTS	\$4,451,821	2021	3/1/2013	12/31/2022	Commodities/Supplies
ROCHE DIAGNOSTICS CORPORATION	\$4,101,502	2021	5/1/2002	11/21/2023	Commodities/Supplies
UNIVERSITY EMERGENCY MEDICAL SERVICES, INC.	\$3,888,229	2021	8/1/2017	12/31/2021	Other Professional Services
LAWLEY AGENCY, LLC	\$3,518,237	2021	5/1/2021	4/30/2024	Other Professional Services
SYNTHESE	\$3,215,230	2021	9/18/2019	7/31/2024	Commodities/Supplies
ERIE COUNTY COMPTROLLER	\$3,109,651	2021	6/16/2021	Evergreen	Other
GLOBUS MEDICAL INC	\$3,075,298	2021	4/30/2015	5/9/2021	Commodities/Supplies
LAB CORP OF AMERICA	\$3,067,828	2021	10/1/2018	9/30/2023	Other Professional Services
SUPPLEMENTAL HEALTH CARE	\$2,760,879	2021	12/8/2016	10/26/2022	Financial Services
BIOCARE SD	\$2,588,105	2021	1/1/2015	12/31/2023	Commodities/Supplies
INTERIM PHYSICIANS LLC	\$2,537,889	2021	11/9/2018	Evergreen	Other Professional Services
STRYKER ORTHOPAEDICS	\$2,534,498	2021	5/19/2021	5/18/2023	Commodities/Supplies
UB FAMILY MEDICINE INC.	\$2,357,538	2021	6/1/2020	5/31/2023	Other Professional Services
CARDINAL HEALTH	\$2,142,098	2021	1/1/2016	12/31/2024	Commodities/Supplies
CORE BTS INC	\$1,978,188	2021	9/11/2009	Evergreen	Technology - Software
SMITH & NEPHEW ORTHOPAEDICS	\$1,973,001	2021	9/11/2020	9/10/2023	Commodities/Supplies
UNIVERSITY ORTHOPAEDIC SERVICES	\$1,941,623	2021	7/1/2017	12/31/2021	Other Professional Services
THE PIKE COMPANY	\$1,824,250	2021	7/1/2017	Evergreen	Design and Construction/Maintenance
THE MARTIN GROUP LLC	\$1,719,221	2021	6/9/2020	6/9/2022	Telecommunication Equipment or Services
CLEAN CARE LINEN	\$1,537,146	2021	5/2/2019	5/1/2024	Other Professional Services
ARTHREX INC	\$1,500,487	2021	10/1/2018	9/30/2021	Commodities/Supplies
CROTHALL HEALTHCARE	\$1,438,478	2021	3/1/2019	2/28/2022	Other Professional Services
UNIVERSITY AT BUFFALO NEUROSURGERY, INC.	\$1,367,142	2021	9/30/2019	9/29/2021	Other Professional Services
PHARMERICA	\$1,234,569	2021	3/1/2011	2/28/2022	Commodities/Supplies
DELL MARKETING LP / DELL USA LP	\$1,290,603	2021	11/30/2015	11/29/2022	Technology - Hardware
GRIDER SUPPORT SERVICES, LLC	\$1,282,659	2021	3/1/2012	Evergreen	other
IMMCO DIAGNOSTICS INC	\$1,228,895	2021	3/19/2020	Evergreen	Other Professional Services
ARC BUILDING PARTNERS, LLC	\$1,220,903	2021	2/18/2019	Evergreen	Design and Construction/Maintenance
J&J DETAILS & MAINTENANCE LLC	\$1,070,084	2021	3/24/2020	Evergreen	Other Professional Services
CHANGE HEALTHCARE	\$1,041,542	2021	6/1/2008	8/31/2021	Financial Services
INTEGRA LIFESCIENCES CORP	\$1,042,127	2021	7/24/2001	Evergreen	Commodities/Supplies
ASD SPECIALTY HEALTHCARE	\$1,003,600	2021	2/3/2021	Evergreen	Commodities/Supplies
PHILIPS MEDICAL SYSTEMS	\$991,829	2021	6/1/2018	5/31/2024	Commodities/Supplies
MEDICAL INFO TECH INC	\$990,693	2021	7/14/2011	7/13/2022	Technology - Software
UNIVERSITY DENTAL RESIDENT SERVICES, P.C.	\$969,840	2021	1/4/2019	1/3/2029	Other Professional Services
NATIONAL GRID	\$963,917	2021	4/21/2010	Evergreen	Other
CREEKRIDGE CAPITAL-LB	\$901,719	2021	4/1/2011	4/30/2022	Financial Services
DEPUY SYNTHES JOINT RECONSTRUCTION	\$900,280	2021	9/18/2019	7/31/2024	Commodities/Supplies
3M HEALTH INFORMATION SYSTEMS, INC	\$867,778	2021	10/1/2018	Evergreen	Technology - Software
PENTAX MEDICAL	\$852,307	2021	4/1/2018	12/31/2023	Commodities/Supplies
FFF ENTERPRISES	\$806,894	2021	9/9/2020	10/31/2022	Commodities/Supplies
COVIDIEN	\$816,292	2021	10/22/2007	Evergreen	Commodities/Supplies
ALLSCRIPTS LLC	\$778,187	2021	5/4/2010	Evergreen	Technology - Software
BUFFALO PAPER AND TWINE CO	\$775,775	2021	11/1/2020	10/31/2023	Commodities/Supplies
SUICIDE PREVENTION & CRISIS SERVICES, INC.	\$751,441	2021	10/1/2018	9/30/2023	Other Professional Services
HP, INC.	\$750,069	2021	11/30/2015	11/29/2022	Commodities/Supplies
INTERNATIONAL INSTITUTE OF BUFFALO	\$733,879	2021	3/1/2021	Evergreen	Other Professional Services
STERICYCLE INC	\$717,444	2021	2/1/2017	1/31/2022	Other Professional Services
STRYKER SALES CORP	\$693,145	2021	6/27/2001	Evergreen	Commodities/Supplies
W L GORE & ASSOC INC	\$703,096	2021	6/19/2020	6/30/2021	Commodities/Supplies
MEDTRONIC SD USA INC	\$694,460	2021	Various	Evergreen	Commodities/Supplies
CITY OF BUFFALO	\$690,603	2021	10/15/2001	Evergreen	Other
KSL DIAGNOSTICS, INC	\$659,039	2021	1/7/2019	1/7/2021	Other Professional Services
JOHNSON CONTROLS FIRE PROTECTION LP	\$647,638	2021	8/27/2019	8/26/2024	Design and Construction/Maintenance
SIEMENS MEDICAL SOLUTIONS USA	\$640,727	2021	8/6/2001	Evergreen	Other Professional Services

# APPENDIX C

## 2021 CORPORATION EXPENDITURES IN EXCESS OF \$100,000

Vendor Name	Payments	Reporting Year	Contract Period		Purpose
ABBOTT LABORATORIES DIAGNOSTIC DIV	\$636,020	2021	7/11/2001	Evergreen	Commodities/Supplies
MEDICAL SOLUTIONS, LLC	\$631,303	2021	12/4/2018	12/3/2022	Other Professional Services
LIMA, USA, INC	\$626,209	2021	2/1/2020	12/31/2021	Commodities/Supplies
TORNIER INC	\$617,981	2021	9/1/2019	12/31/2021	Commodities/Supplies
LAUNCHTECH	\$609,050	2021	8/5/2021	11/30/2021	Technology - Hardware
BIOFIRE DIAGNOSTICS LLC	\$600,183	2021	3/23/2020	Evergreen	Commodities/Supplies
UNIVERSITY AT BUFFALO PATHOLOGISTS	\$598,166	2021	12/1/2010	2/28/2022	Other Professional Services
STRYKER CRAINOMAXILLOFACIAL	\$256,690	2021	11/1/2019	10/31/2022	Commodities/Supplies
WNY UROLOGY ASSOCIATES LLC	\$576,500	2021	10/1/2018	9/30/2025	Other Professional Services
BRITE COMPUTERS	\$338,949	2021	3/23/2005	Evergreen	Technology - Software
WILLIAM BELLES, M.D., PC	\$549,729	2021	4/1/2011	3/8/2022	Other Professional Services
ABBOTT LABORATORIES, INC.	\$545,273	2021	1/11/2018	Evergreen	Commodities/Supplies
BUFFALO TRANSPORTATION INC.	\$532,219	2021	5/24/2021	5/23/2024	Other Professional Services
FRESENIUS USA MARKETING, INC.	\$526,902	2021	8/1/2020	7/31/2028	Commodities/Supplies
RICOTTA & VISCO	\$524,005	2021	4/1/2021	4/1/2024	Legal Services
MAGAVERN, MAGAVERN & GRIMM LLP	\$518,394	2021	3/28/2016	Evergreen	Legal Services
HILL-ROM	\$505,860	2021	6/15/2001	Evergreen	Commodities/Supplies
GRAYLINE NIAGARA FALLS/BUFFALO	\$497,639	2021	12/4/2017	12/3/2022	Other Professional Services
KEYSTONE PERFUSION SERVICES, PC	\$494,833	2021	1/1/2020	12/31/2022	Other Professional Services
BOSTON SCIENTIFIC CORPORATION	\$490,482	2021	2/22/2002	Evergreen	Commodities/Supplies
MERGE HEALTHCARE	\$478,922	2021	6/29/2017	Evergreen	Technology - Software
SUTURE EXPRESS	\$476,268	2021	4/1/2018	3/31/2024	Commodities/Supplies
KIDENEY ARCHITECTS PC	\$476,997	2021	5/31/2018	ct Completion	Design and Construction/Maintenance
MEDLINE INDUSTRIES INC	\$458,554	2021	1/8/2004	Evergreen	Commodities/Supplies
FISHER HEALTHCARE	\$438,835	2021	6/18/2001	Evergreen	Commodities/Supplies
KCI USA, INC.	\$425,344	2021	6/1/2019	5/31/2022	Commodities/Supplies
SONEX HEALTH	\$424,192	2021	9/1/2017	Evergreen	Commodities/Supplies
UNIVERSITY GYNCOLOGISTS	\$422,496	2021	10/1/2016	9/30/2021	Other Professional Services
ROACH, BROWN	\$417,723	2021	8/8/2017	Evergreen	Legal Services
NXSTAGE	\$415,613	2021	12/11/2017	6/7/2024	Commodities/Supplies
STRYKER SPINE	\$412,717	2021	4/18/2006	Evergreen	Commodities/Supplies
INSPIRE MEDICAL SYSTEMS, INC.	\$405,025	2021	4/2/2018	Evergreen	Commodities/Supplies
GAUNTLET, LLC	\$401,392	2021	11/1/2016	10/31/2022	Other Professional Services
STANSBERRY AND KNIGHT	\$396,218	2021	3/28/2018	12/31/2022	Other Professional Services
C R BARD INC BARD ACCESS SYSTEMS	\$386,609	2021	12/1/2020	11/30/2023	Commodities/Supplies
B.E. SMITH LLC	\$381,338	2021	4/9/2018	4/9/2021	Other Professional Services
ORTHOFIX, INC.	\$373,471	2021	11/1/2020	10/31/2023	Commodities/Supplies
ARTHUR E. ORLICK MD PLLC	\$372,059	2021	1/1/2018	12/31/2022	Other Professional Services
UNIVERISTY AT BUFFALO ORAL AND MAXILLOFACIAL	\$371,477	2021	6/17/2020	6/16/2023	Other Professional Services
CARASOFT TECHNOLOGY CORPORATION	\$366,410	2021	1/12/2018	1/11/2021	Technology - Software
SIRTEX MEDICAL, INC.	\$327,199	2021	8/25/2015	Evergreen	Commodities/Supplies
MERIDIAN IT INC.	\$346,475	2021	1/1/2017	Evergreen	Technology - Software
NUANCE COMMUNICATIONS INC	\$344,695	2021	6/30/2014	Evergreen	Technology - Software
MEDTRONIC MIDAS REX	\$337,013	2021	Various	Evergreen	Commodities/Supplies
STERIS CORPORATION	\$335,863	2021	1/1/2019	12/31/2021	Commodities/Supplies
AMERISOURCE BERGEN DRUG CORP	\$332,863	2021	2/3/2021	Evergreen	Commodities/Supplies
BAXTER HEALTHCARE CORP	\$329,775	2021	2/1/2014	1/31/2025	Commodities/Supplies
UNIVERSITY OPHTHALMOLOGY SERVICE, INC.	\$329,213	2021	4/1/2013	2/12/2022	Other Professional Services
ADVANCED CRITICAL DEVICES	\$327,233	2021	5/29/2015	Evergreen	Commodities/Supplies
US POSTAL SERVICE	\$325,000	2021	6/4/2001	Evergreen	Commodities/Supplies
FREED MAXICK CPAs PC	\$322,207	2021	5/15/2015	12/31/2024	Consulting Services
CRS NUCLEAR SERVICES LLC	\$316,266	2021	3/15/2002	Evergreen	Commodities/Supplies
PATTERSON DENTAL INC	\$302,301	2021	6/21/2001	Evergreen	Commodities/Supplies
PRIORITY HEALTHCARE DIST DBA CURASCRIPT SD	\$293,214	2021	3/1/2017	Evergreen	Commodities/Supplies
ISECURE, LLC	\$291,171	2021	8/10/2018	8/9/2021	Technology - Software
SAVIN ENGINEERS, P.C.	\$289,164	2021	11/29/2018	5/28/2021	Design and Construction/Maintenance
KRONOS	\$288,542	2021	7/20/2020	3/20/2022	Technology - Software
HEALOGICS WOUND CARE	\$287,021	2021	1/18/2019	1/18/2023	Consulting Services
AXOGEN INC	\$284,969	2021	6/15/2011	Evergreen	Commodities/Supplies
MEDTRONIC USA INC	\$282,327	2021	Various	Evergreen	Commodities/Supplies
CROWN CASTLE FIBER, LLC.	\$276,156	2021	9/16/2019	9/15/2024	Other
HEALTH SYSTEM SERVICE	\$272,766	2021	6/1/2016	5/21/2022	Commodities/Supplies
CDW GOVERNMENT INC	\$276,771	2021	11/1/2020	10/31/2023	Commodities/Supplies
PARTS SOURCE	\$228,863	2021	10/1/2019	9/30/2022	Commodities/Supplies
DRFIRST.COM INC.	\$267,255	2021	9/1/2011	9/15/2022	Technology - Software
PHILIPS MEDICAL SYSTEMS NA CO	\$253,163	2021	9/11/2001	Evergreen	Commodities/Supplies
AMER RED CROSS	\$265,492	2021	1/1/2011	7/18/2022	Commodities/Supplies
MOHAMMAD REZA SAMIE, M.D., PLLC	\$265,115	2021	6/1/2016	5/31/2022	Other Professional Services
JOHNSON & JOHNSON HLTH CARE SYS INC	\$260,813	2021	9/18/2019	7/31/2024	Commodities/Supplies
STRYKER ENDOSCOPY	\$259,340	2021	4/1/2020	3/31/2024	Commodities/Supplies
OPTUM360 LLC	\$255,887	2021	10/23/2014	Evergreen	Technology - Software

**APPENDIX C**

**2021 CORPORATION EXPENDITURES IN EXCESS OF \$100,000**

Vendor Name	Payments	Reporting Year	Contract Period		Purpose
DCB ELEVATOR CO INC	\$253,261	2021	4/20/2016	4/19/2023	Design and Construction/Maintenance
TRI-DELTA RESOURCES CORP	\$252,960	2021	8/26/2019	3/18/2022	Technology - Software
RUPP BAASE PFALZGRAF	\$252,515	2021	1/8/2016	Evergreen	Legal Services
EXPERIAN HEALTH, INC.	\$247,769	2021	11/30/2020	11/30/2030	Technology - Software
VERIZON	\$246,210	2021	5/30/2008	2/25/2030	Telecommunication Equipment or Services
FERGUSON ELECTRIC SVC	\$240,992	2021	10/1/2020	9/30/2023	Design and Construction/Maintenance
OFFICE DEPOT	\$236,425	2021	8/1/2020	7/31/2023	Commodities/Supplies
ALLPRO PARKING LLC	\$228,617	2021	12/9/2020	12/8/2022	Other Professional Services
BAYER HEALTHCARE LLC	\$227,398	2021	1/1/2021	12/31/2023	Commodities/Supplies
1 ACCORD SERVICES INC	\$226,482	2021	2/15/2012	Evergreen	Other Professional Services
CERAPEDICS, INC.	\$224,698	2021	7/1/2018	6/30/2024	Commodities/Supplies
SYNTHEX MAXILLOFACIAL	\$220,883	2021	6/15/2001	Evergreen	Commodities/Supplies
GREYCASTLE SECURITY, LLC	\$217,462	2021	11/1/2020	11/1/2023	Technology - Software
FOAM DEPOT INC	\$216,894	2021	3/24/2020	Evergreen	Commodities/Supplies
SMITH & NEPHEW ENDOSCOPY	\$211,544	2021	6/15/2001	Evergreen	Commodities/Supplies
SUMMIT HEALTH CARE	\$208,083	2021	3/28/2008	Evergreen	Other Professional Services
CAREFUSION 2200, INC.	\$204,320	2021	9/13/2001	Evergreen	Commodities/Supplies
KELLER TECHNOLOGY CORPORATION	\$201,290	2021	3/21/2019	3/20/2029	Other
ALLERGAN USA INC	\$196,602	2021	10/1/2019	1/31/2023	Commodities/Supplies
COOK INC	\$200,778	2021	6/20/2001	Evergreen	Commodities/Supplies
VERATHON INC	\$197,446	2021	9/29/2020	9/28/2023	Commodities/Supplies
AQUA SCIENCES INC	\$196,692	2021	10/17/2001	Evergreen	Other Professional Services
CANON MEDICAL SYSTEMS USA, INC.	\$187,114	2021	2/10/2021	2/9/2026	Other Professional Services
CLARK PATTERSON LEE	\$186,874	2021	1/1/2018	Evergreen	Design and Construction/Maintenance
WNY INDEPENDENT LIVING	\$186,495	2021	9/1/2020	8/31/2023	Other
DENTSPLY IMPLANTS DEPT IMP	\$197,468	2021	6/2/2014	Evergreen	Commodities/Supplies
CARESTREAM HEALTH	\$183,844	2021	11/12/2020	12/25/2022	Technology - Software
DRAEGER MEDICAL	\$180,915	2021	6/1/2018	6/30/2023	Commodities/Supplies
AIRGAS USA, LLC	\$177,013	2021	11/1/2020	10/31/2025	Commodities/Supplies
LEVEL(3) COMMUNICATIONS LLC	\$174,053	2021	9/16/2019	9/15/2024	Telecommunication Equipment or Services
XEROX CORPORATION	\$171,928	2021	8/1/2019	7/31/2025	Other
INTELLIGENT MEDICAL OBJECTS, INC.	\$169,233	2021	8/1/2013	7/31/2022	Technology - Software
ASPIRE TECHNOLOGY PARTNERS	\$168,755	2021	3/22/2021	9/30/2025	Technology - Software
C R BARD BARD PHERIPHERAL VASCULAR	\$167,968	2021	7/2/2001	Evergreen	Commodities/Supplies
PRESS GANEY ASSOCIATES INC	\$165,625	2021	7/1/2014	1/31/2022	Other Professional Services
SYSMEX AMERICA INC	\$162,111	2021	8/1/2019	7/31/2022	Commodities/Supplies
TREACE MEDICAL CONCEPTS, INC	\$156,602	2021	10/23/2020	10/22/2023	Commodities/Supplies
KARL STORZ ENDOSCOPY-AMERICA INC	\$158,610	2021	11/1/2020	10/31/2023	Commodities/Supplies
UNITED NETWORK FOR ORGAN SHARING	\$154,642	2021	3/31/2017	Evergreen	Commodities/Supplies
LANGUAGE LINE LLC	\$154,204	2021	9/21/2009	9/20/2022	Other Professional Services
ZOLL MEDICAL CORPORATION	\$152,318	2021	11/23/2016	1/31/2022	Commodities/Supplies
RSM MCGLADREY INC	\$152,680	2021	12/3/2018	Evergreen	Financial Services
PEOPLE INC	\$151,908	2021	4/15/2021	4/14/2024	Other Professional Services
THE CHARTIS GROUP, LLC	\$148,650	2021	5/10/2019	5/9/2024	Consulting Services
INTELLIPRINT SOLUTIONS, INC.	\$145,440	2021	6/15/2018	Evergreen	Commodities/Supplies
SIEMENS INDUSTRY INC	\$182,786	2021	6/20/2001	Evergreen	Commodities/Supplies
RONCO SPECIALIZED SYSTEMS INC	\$145,169	2021	6/27/2001	Evergreen	Design and Construction/Maintenance
UNIVERSITY NEUROLOGY, INC.	\$143,188	2021	6/14/2016	6/13/2021	Other Professional Services
NEPHRON 503B OUTSOURCING FACILITY	\$142,922	2021	2/27/2018	Evergreen	Commodities/Supplies
THE ADVISORY BOARD COMPANY	\$140,944	2021	3/31/2012	3/30/2022	Technology - Software
TERUMO MEDICAL CORP	\$140,582	2021	11/12/2018	9/30/2025	Commodities/Supplies
SKELETAL DYNAMICS, LLC	\$139,013	2021	11/1/2020	10/31/2022	Commodities/Supplies
ORTHO CLINICAL DIAGNOSTICS, INC	\$138,472	2021	7/25/2001	Evergreen	Commodities/Supplies
PRESIDIO NETWORK SOLUTIONS	\$137,072	2021	11/30/2015	11/29/2022	Technology - Software
BE WELL HEALTHCARE MEDICINE	\$134,605	2021	1/1/2017	12/31/2022	Other Professional Services
FORWARD ADVANTAGE	\$132,800	2021	6/21/2018	Evergreen	Technology - Software
TELEFLEX LLC	\$130,889	2021	7/1/2020	6/30/2023	Commodities/Supplies
BAXTER HEALTHCARE CORP	\$128,699	2021	2/1/2014	1/31/2025	Commodities/Supplies
PENUMBRA, INC. DEPT. 34153	\$128,443	2021	2/1/2020	5/31/2024	Commodities/Supplies
LIFENET HEALTH	\$127,552	2021	7/1/2021	6/30/2024	Commodities/Supplies
ORTHALIGN, INC	\$125,490	2021	12/10/2020	Evergreen	Commodities/Supplies
GE HEALTHCARE OEC	\$125,453	2021	8/28/2001	Evergreen	Technology - Consulting/Development or Support
PARLANCE CORPORATION	\$124,800	2021	9/20/2013	9/19/2022	Other Professional Services
BAXTER HEALTHCARE CORPORATION	\$124,444	2021	2/1/2014	1/31/2025	Commodities/Supplies
FAVORITE HEALTHCARE STAFFING INC	\$123,591	2021	7/22/2021	12/31/2025	Staffing Services
PRAXAIR DIST INC	\$121,499	2021	11/1/2020	10/31/2025	Commodities/Supplies
THE SSI GROUP LLC	\$119,414	2021	3/19/2014	4/1/2022	Financial Services
LARRY'S DENTAL LAB, INC.	\$120,950	2021	11/16/2018	Evergreen	Commodities/Supplies
FLEXLUME	\$118,650	2021	6/21/2019	Evergreen	Design and Construction/Maintenance
GOVERNMENT MARKETING & PROCUREMENT, LLC	\$118,461	2021	12/13/2019	12/14/2025	Technology - Consulting/Development or Support
CONMED LINVATEC	\$116,300	2021	6/15/2001	Evergreen	Commodities/Supplies

**APPENDIX C**

**2021 CORPORATION EXPENDITURES IN EXCESS OF \$100,000**

Vendor Name	Payments	Reporting Year	Contract Period		Purpose
DOPKINS & CO LLP	\$117,687	2021	9/1/2019	6/30/2022	Consulting Services
TELETRACKING	\$117,679	2021	3/17/2006	3/16/2022	Technology - Software
GREAT LAKES BUILDING SYSTEMS INC.	\$117,606	2021	8/27/2019	8/26/2024	Design and Construction/Maintenance
HEALTHCARE ASSOC OF NYS	\$116,273	2021	11/9/2001	Evergreen	other
UP TO DATE	\$115,598	2021	9/1/2017	8/31/2021	Technology - Software
ANGIO DYNAMICS INC	\$114,808	2021	6/20/2001	Evergreen	Commodities/Supplies
SPOK, INC.	\$114,584	2021	2/23/2015	Evergreen	Technology - Software
DIAGNOSTICA STAGO INC	\$114,571	2021	8/1/2019	7/31/2024	Commodities/Supplies
BAXTER	\$113,977	2021	2/1/2014	1/31/2025	Commodities/Supplies
QUVA PHARMA, INC	\$113,370	2021	9/17/2020	Evergreen	Commodities/Supplies
ATLANTIC DATA SECURITY, LLC	\$112,918	2021	2/5/2021	Evergreen	Technology - Software
INTIVITY, INC.	\$112,297	2021	8/22/2012	Evergreen	Commodities/Supplies
CONSORTIUM INFORMATION SERVICES INC HEALTH SCIENCES	\$112,056	2021	7/2/2001	Evergreen	Technology - Software
MICROTEK MEDICAL	\$111,572	2021	6/18/2001	Evergreen	Commodities/Supplies
AAI AQUISITION, LLC DBA UNITED RICHTER ELECTRIC MOTORS	\$103,702	2021	8/2/2018	Evergreen	Commodities/Supplies
HENRY SCHEIN PRACTICE SOLUTIONS	\$109,748	2021	6/21/2012	Evergreen	Commodities/Supplies
STERIS CORPORATION	\$109,389	2021	6/21/2001	Evergreen	Commodities/Supplies
BUFFALO CANVAS	\$108,218	2021	11/1/2020	10/31/2023	Commodities/Supplies
TRI-ANIM HEALTH SERVICES INC	\$107,823	2021	8/1/2019	4/30/2023	Commodities/Supplies
MEDTRONIC USA INC	\$106,590	2021	Various	Evergreen	Commodities/Supplies
SERVICE BRIDGES, INC	\$104,968	2021	7/26/2019	Evergreen	Other Professional Services
MEDIVATORS	\$104,619	2021	7/23/2001	Evergreen	Commodities/Supplies
MENTAL HEALTH ADVOCATES	\$100,971	2021	5/9/2019	5/8/2022	Other Professional Services
MICROSOFT CORPORATION	\$100,318	2021	1/1/2018	12/31/2022	Technology - Software

## **APPENDIX D**

Enabling Legislation

See N.Y. Public Authorities Law §3625-3646

ECMC Corporation By-Laws

See Below

**BY-LAWS OF**  
**ERIE COUNTY MEDICAL CENTER**  
**CORPORATION**

*As Amended Through November 27, 2018*

## **TABLE OF CONTENTS**

Preamble .....	1
Article I - Offices .....	1
Article II - Purpose of By-Laws .....	1
Article III - Corporate Purpose .....	1
Article IV - Erie County Medical Center Corporation Board of Directors .....	1
Section 1 – General Powers .....	1
Section 2 –Hiring Powers .....	2
Section 3 - Voting Directors .....	2
Section 4 - Nonvoting Representatives .....	2
Section 5 - Resignation .....	2
Section 6 - Removal .....	2
Section 7 – Vacancies .....	2
Section 8 - Monthly Meetings .....	2
Section 9 - Annual & Special Meetings .....	3
Section 10 - Open Meetings Law .....	3
Section 11 - Quorum.....	3
Section 12 – Telephone Meetings.....	3
Section 13 – Action by Written Consent .....	3
Section 14 – Minutes of Meetings .....	3
Section 15 - Compensation.....	3
Section 16 – Defense and Indemnification .....	3
Section 17 – Extension of Credit .....	4
Article V - Officers .....	4

Section 1 - General .....	4
Section 2 - Election, Term of Office.....	4
Section 3 - Resignation.....	4
Section 4 - Removal .....	4
Section 5 - Vacancies.....	4
Section 6 – Chairperson of the Board.....	4
Section 7 – Vice-Chairperson(s) of the Board.....	5
Section 8 - Chief Executive Officer.....	5
Section 9 – President .....	5
Section 10 – Secretary & Assistant Secretary .....	5
Section 11 - Treasurer.....	6
Section 12 – Immediate Past Chair.....	6
Article VI - Committees .....	6
Section 1 – General .....	6
Section 2 – Appointment of Committees.....	6
Section 3 – Resignation .....	6
Section 4 – Removal.....	6
Section 5 – Vacancies .....	7
Section 6 - Quorum.....	7
Section 7 - Voting.....	7
Section 8 - Minutes .....	7
Section 9 - The Executive Committee .....	7
Section 10 - The Quality Improvement Committee .....	7
Section 11 - The Finance Committee .....	7

Section 12 - The Audit & Compliance Committee .....	8
Section 13 - Buildings and Grounds Committee .....	8
Section 14 - The Human Resources Committee .....	9
Section 15 - The Executive Compensation/Evaluation Committee .....	9
Section 16 - The Ethics Committee .....	9
Section 17 – Terrace View Quality Improvement Committee .....	9
Section 18 - The Governance Committee .....	10
Section 19 - The Investment Committee.....	10
Section 20 - The Contracts Committee .....	11
Article VII - Medical/Dental Staff .....	11
Section 1 – Organization.....	11
Section 2 - Medical Staff Governance Documents .....	11
Section 3 - Appointment of Medical Staff .....	11
Section 4 – Authority for Medical Staff Conduct .....	11
Section 5 - Duties of the Medical Staff.....	12
Section 6 – Quality of Patient Care.....	12
Section 7 - Rights at Meetings .....	12
Article VIII - Standards of Patient Care.....	12
Article IX - The School of Medicine - State University of New York at Buffalo .....	13
Article X - Subsidiary Corporations and Entities .....	

Article XI - Code of Ethics and Conflicts of Interest .....	13
Section 1 – Responsibility of Members of the Board and Employees .....	13
Section 2 – Implementation of Code of Ethics .....	14
Section 3 - Compliance.....	14
Section 4 – Conflict of Interest Policy.....	14
Section 5 – Disclosure of Personal Interest and Abstention.....	15
Section 6 – Self-Dealing.....	15
Section 7 – Influence of Decision Makers.....	15
Section 8 – No Forfeit of Office of Employment .....	15
Article XII - Amendments .....	15

**BY-LAWS**  
**OF**  
**ERIE COUNTY MEDICAL CENTER CORPORATION**

PREAMBLE

The State of New York has enacted legislation, codified at Article 10-C of the Public Authorities Law of the State of New York (the “Act”), creating the Erie County Medical Center Corporation (“ECMCC” or the “Corporation”). These by-laws are intended to supplement the requirements of the Act.

ARTICLE I  
OFFICES

ECMCC may maintain offices at such places within or without Erie County, New York as the Board of Directors may, from time to time, determine.

ARTICLE II  
PURPOSE OF BY-LAWS

Pursuant to the broad powers granted by the Act, the Board of Directors of ECMCC (the “Board”) has adopted these By-Laws, to govern and manage its proceedings and affairs and for the advice and guidance of its members, and nothing contained in these By-Laws shall be deemed, nor are they intended in any manner or degree, to limit or restrict the power and right of the Board under existing law, to manage, control, operate and administer ECMCC and its personnel, patients and medical staff.

ARTICLE III  
CORPORATE PURPOSE

To continue as a general, municipal hospital and provide health care services and health facilities for the benefit of the residents of the State of New York and the County of Erie, including persons in need of health care services without the ability to pay, as required by law.

ARTICLE IV  
ERIE COUNTY MEDICAL CENTER CORPORATION BOARD OF DIRECTORS

Section 1. General Powers.

In addition to the powers and authorities expressly conferred by these By-laws, the Board may exercise all such general and special powers of the Corporation and do all such lawful acts and things as enumerated by the Act.

Section 2. Hiring Powers.

The Board shall hire, determine the compensation and benefits, and annually review the performance of the Chief Executive Officer (“CEO”) and President of the Corporation. After

November 1, 2018, appointments made to fill the roles of the Chief Operating Officer (“COO”), Chief Financial Officer (“CFO”), Chief Medical Officer (“CMO”), Administrator of Terrace View, Associate Administrator for Health Systems Development, Internal Auditor and General Counsel of the Corporation shall be made by the CEO of the Corporation, who shall thereafter also be responsible for determining the compensation and benefits of the persons occupying these positions and for the annual review of the incumbents. The Board shall have the authority to discharge the CEO with or without cause; provided that the removal shall not prejudice the contract rights, if any, of such executive. The CEO shall have the authority to discharge the COO, CFO, CMO, Administrator of Terrace View, Associate Administrator for Health Systems Development, Internal Auditor and General Counsel with or without cause, provided that the removal shall not prejudice the contract rights, if any, of such executive.

Section 3. Voting Directors.

The Corporation shall be governed by fifteen voting Directors. The membership, term of office, selection of the voting Directors and the powers and duties of the Board shall be in accordance with the Act and these By-laws.

Section 4. Nonvoting Representatives.

The Corporation shall have four nonvoting Representatives. The term of office, selection and powers and duties of the nonvoting Representatives shall be in accordance with the Act and these By-laws. For the purpose of these By-Laws, the term “member” or “Board member” shall refer to both voting Directors and non- voting Representatives.

Section 5. Resignation.

Any Director or Representative may resign at any time by giving written notice to the Chairperson of the Board. Such resignation shall take effect at the time specified therein and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Removal.

Members of the Board may be removed from office by the Board for inefficiency, neglect of duty, or misconduct of any kind, including but not limited to violation of the law, after the Board has given such member a copy of the charges against him or her and an opportunity to be heard in person or by counsel in his or her defense, upon not less than ten days’ notice.

Section 7. Vacancies.

Vacancies occurring other than by expiration of term shall be filled for the unexpired terms in the manner provided for original appointment in accordance with the Act.

Section 8. Monthly Meetings.

The Board shall hold regular monthly meetings at the ECMCC offices or other convenient locations as designated by the Board at such time as the Board may designate. In the event that a previously scheduled regular monthly meeting may not be required for a particular month, the Board may cancel that meeting.

Section 9. Annual & Special Meetings.

A meeting of the Board shall be held annually at which time officers of the Corporation shall be elected. A special meeting may be called by the Chairperson or Vice Chairperson acting in the Chairperson’s absence, or by any three (3) members of the Board at any time upon proper notice

under the Public Officers Law. The only action that can be taken at a special meeting is the consideration of the subject or subjects designated in the notice for the special meeting.

Section 10. Open Meetings Law.

All meetings of the Board shall comply with the requirements of Article 7 of the Public Officers Law. In a regular, annual or special meeting, the Board may request an Executive Session pursuant to Article 7 of the Public Officers Law or applicable sections of the Act.

Section 11. Quorum.

The powers of the Corporation shall be vested in and shall be exercised by the Board at a duly called and held meeting, where a quorum of eight Directors is present. No action shall be taken by the Corporation except pursuant to the favorable vote of at least eight Directors present at the meeting at which such action is taken.

Section 12. Telephone Meetings.

The members of the Board or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 13. Action by Written Consent.

To the extent permitted by law, any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee.

Section 14. Minutes of Meetings.

The Board shall keep a written record of all business conducted, including resolutions, findings, conclusions and recommendations that shall be filed with the minutes of the proceedings of the Board or committee.

Section 15. Compensation.

Neither the voting Directors nor the nonvoting Representatives shall receive compensation for their services, but shall be reimbursed for all their actual and necessary expenses incurred in connection with their duties under the Act and these By-laws.

Section 16. Defense and Indemnification.

The Corporation shall defend and indemnify the Directors of the Corporation and its officers for any and all lawful actions executed in the performance of their duties, to the full extent to which indemnification is permitted under the laws of the State of New York.

Section 17. Extension of Credit.

Pursuant to New York Public Authorities Law Section 2824(5), the Corporation shall not, directly or indirectly, including through any subsidiary, extend or maintain credit, arrange for the extension of credit, or renew any extension of credit, in the form of a personal loan to or for any Director, officer, or employee (or equivalent thereof) of the Agency.

ARTICLE V  
OFFICERS

Section 1. General.

The officers of the Corporation shall be elected by the Board and shall be comprised of a Chairperson of the Board, a Vice Chairperson of the Board, a CEO, a Secretary, and a Treasurer. The Board may also appoint an Assistant Secretary and such other officers as the Board shall from time to time provide. All such officers shall exercise the duties as described in the Act, applicable law, by these By-Laws, and/or by Board resolution.

Section 2. Election, Term of Office.

The officers of the Corporation shall be elected by the Board at its annual meeting. Each officer elected shall hold office until his successor has been duly chosen and has qualified or until his or her earlier resignation or removal.

Section 3. Resignation.

Any officer may resign at any time by giving written notice thereof to the Board, provided that the resignation shall not prejudice the contract rights, if any, of the Corporation. Any such resignation shall take effect at the time specified therein and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

Section 4. Removal.

The Directors shall have the authority to discharge any officer with or without cause; provided that the removal without cause shall not prejudice the contract rights, if any, of the officer.

Section 5. Vacancies.

In the event of a vacancy occurring in the office of the Chairperson or Vice Chairperson, any member designated by the Board shall serve as Acting Chairperson for that meeting. In the event of a vacancy occurring in any other office, any member designated by the Board shall serve as an Acting officer for that meeting.

Section 6. Chairperson of the Board.

The Directors shall, by majority vote, select one of the fifteen Directors as the Chairperson of the Board. The Chairperson shall preside over all meetings of the Board, shall chair the Executive Committee of the Board, and shall have such other duties as the Directors may provide. Other than the Governance Committee, the Chairperson shall serve ex officio on all Board committees with full voting rights. The Chairperson shall serve for a two year term of office. No member of the Board shall be permitted to serve more than two consecutive two year terms as Chairperson of the Board.

Section 7. Vice-Chairperson(s) of the Board.

The Directors shall, by majority vote, select one or more of the fifteen Directors as the Vice-Chairperson of the Board. The Vice-Chairperson shall preside over all meetings where the Chairperson of the Board is absent, and shall have such other duties as the Directors may provide. The Vice-Chairperson shall serve for a two year term of office. At least one Vice-Chairperson shall be designated by a majority vote of the Board as "Vice-Chair, Chair-Elect" in the second year of that Vice-Chairperson's term of office. At the conclusion of the term of the Vice-Chair, Chair-Elect, the Board shall retain authority to appoint the Vice-Chair, Chair-Elect or any other member of the Board of Directors as Chairperson of the Board of Directors.

Section 8. Chief Executive Officer.

The Board shall hire, set the compensation of, execute direct oversight of, and annually review the performance of the CEO. The CEO shall carry out the policies of the Board, provide services to the Board; and shall be subject to the By-Laws, rules and regulations of the Board. He or she shall have all the general powers and duties of a Superintendent of a public general municipal hospital as set forth and enumerated in the General Municipal Law of the State of New York, Section 129, sub. 1 through 9 as amended and of a chief executive officer as set forth in Title 10, subpart 405.3 of the New York Codes, Rules and Regulations and the Act. The CEO shall provide leadership, direction, and administration in all aspects of the Corporation's activities and other corporate entities to ensure compliance with established objectives and the realization of quality, economical health care services, and other related lines of business. The CEO shall ensure the Corporation's compliance with all applicable laws and regulations. The CEO shall submit monthly and special reports to the Board and its committees regarding strategic, operational and financial performance, along with the current status of ECMCC services and facilities. The CEO shall be expected to provide feedback to the Board regarding those employees which report directly to the CEO. The CEO shall ensure that subordinate officers provide meaningful reports to the Board regarding the previous month's activities. The CEO shall coordinate with the Board, Medical Staff, and other Corporation personnel to respond to the community's needs for quality healthcare services and monitor the adequacy of the Corporation's medical activities.

Section 9. President.

The Board shall hire, set the compensation and annually review the performance of the President. The duties of the President shall be distinct from the duties of other officers of the Corporation and shall be enumerated in a job description reviewed by the Executive Committee of the Board.

Section 10. Secretary & Assistant Secretary.

The Board shall, by majority vote, select either Directors or Representatives to serve as the Secretary and Assistant Secretary, if applicable. The Secretary shall send notices for all meetings of the Board. The Secretary shall act as custodian for all records and reports, and shall be responsible for keeping and reporting of adequate records of all meetings of the Board. The Secretary may delegate these duties to another officer to act on his/her behalf. The Secretary will approve and sign the minutes of all meetings of the Board which shall be kept in an official record book. In the absence of the Secretary at any meeting, the Assistant Secretary, if applicable, or any member designated by the Chairperson shall act as the Secretary for that meeting.

Section 11. Treasurer.

The Board shall, by majority vote, select either a Director or a Representative to serve as the Treasurer. The Treasurer shall monitor the financial affairs of ECMCC as managed by the officers of the Corporation and. The Treasurer will also have the power to establish bank accounts in the name of the Corporation. He or she shall do and perform all other duties incident to the office of Treasurer as may be prescribed by the Board from time to time.

Section 12. Immediate Past Chair.

The Immediate Past Chair of the Board shall remain available to the Board and the Chair for purposes of transitional continuity and may be appointed to serve as a member of any Standing or Special Committee of the Board, assuming his or her term of office as a Director has not expired.

## ARTICLE VI COMMITTEES

### General Rules

#### Section 1.     General.

The Standing Committees of the Board shall be: the Executive Committee, the Quality Improvement Committee, the Finance Committee, the Audit and Compliance Committee, the Building and Grounds Committee, the Human Resources Committee, the Executive Compensation Committee, the Ethics Committee, the Terrace View Quality Improvement Committee, the Governance Committee, the Investment Committee and the Contracts Committee. At the discretion of the Chairperson, and upon the advice of the Board, additional special committees may be appointed to address specific issues.

#### Section 2.     Appointment of Committees.

The Chairperson of the Board shall appoint all members of standing and special committees. Appointments will be made at the first regular meeting following the annual election of officers, or at such other time deemed necessary by the Chairperson. The Chairperson of the Board shall appoint a Chairperson for each committee. Committee Chairpersons shall serve one year terms of office. The Chairperson may appoint individuals other than Board members to committees either standing or special, except the Executive Committee.

#### Section 3.     Resignation.

A committee member may resign at any time by giving written notice to the Chairperson of the Board. Such resignation shall take effect at the time specified therein and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

#### Section 4.     Removal.

Committee members may be removed from committee membership by the Board for inefficiency, neglect of duty, or misconduct of any kind, including but not limited to, violation of the law, after the board has given such member a copy of the charges against him or her and an opportunity to be heard in person or by counsel in his or her defense, upon not less than ten days' notice.

#### Section 5.     Vacancies.

Vacancies occurring otherwise than by expiration of term of office shall be filled for the unexpired terms by appointment from the Chairperson of the Board.

#### Section 6.     Quorum.

At a committee meeting, a quorum shall be one-half the number of members of the committee.

#### Section 7.     Voting.

Only the members of the Board serving on a Standing or Special Committee, or an appointed non-member of the Board serving on a Standing or Special Committee, and the Chairperson of the Board serving ex officio, shall have a vote.

#### Section 8.     Minutes.

Each committee meeting shall have an agenda, time convened and adjourned recorded, and shall submit minutes of its meeting to the Secretary of the Board in advance of the regular monthly meeting.

## Standing Committees

### Section 9. The Executive Committee.

The Executive Committee shall consist of four (4) Board members. The Corporation's General Counsel and Chief Executive Officer shall serve ex officio as members of the Executive Committee. Other members of the Board may be added when advisable. The Chairperson shall preside at all meetings of the Committee. The Executive Committee shall meet at least quarterly, or upon the call of the Chairperson.

### Section 10. The Quality Improvement Committee.

The Quality Improvement Committee shall consist of three (3) members. The Chairperson of the Committee may, in his or her discretion, request the presence of other persons, as the issues before the Committee may dictate. The Committee shall meet at least quarterly, or upon the call of the Chairperson. The Committee shall be responsible for the following:

- a. Inform the Board of patient safety, performance improvement and quality assurance issues of relevance to ECMCC.
- b. Establishment, maintenance and operation of a coordinated quality assurance program integrating the review of activities of all hospital services in order to enhance the quality of patient care and to identify and prevent professional malpractice. The specific responsibilities of the Committee are further set forth in the quality assurance plan of the hospital.
- c. Other duties and responsibilities as may be assigned from time to time by the Board.

### Section 11. The Finance Committee.

The Finance Committee shall consist of five (5) financially literate members of the Board. The Chairperson of the Committee may, in his or her discretion, request the presence of other persons, as the issues before the Committee may dictate. The Finance Committee shall meet at least quarterly, or upon the call of the Chairperson. The Committee shall be responsible for the following:

- a. Review relevant budgets of the Corporation and maintain ongoing oversight of the financial situation of the Corporation.
- b. Oversee, evaluate, and where appropriate, make recommendations with respect to financial operations of the Corporation.
- c. Other duties and responsibilities as may be assigned from time to time by the Board.

### Section 12. The Audit & Compliance Committee.

The Audit & Compliance Committee shall consist of at least four (4) members. At least three (3) of the Committee's members shall be independent, as that term is defined by state law. The Corporation's General Counsel shall serve ex officio as a member of the Audit & Compliance Committee. The Chairperson of the Committee may, in his or her discretion, request the presence of other persons, as the issues before the committee may dictate. The Audit & Compliance Committee shall meet at least quarterly, or upon the call of the Chairperson. The Committee shall be responsible for the following:

- a. Oversight of any independent auditors engaged by ECMCC.
- b. Oversight of all ECMCC internal audit processes.
- c. Other duties and responsibilities as may be assigned from time to time by the Board.
- d. Collaboration with the Quality Improvement Committee in the establishment and maintenance of a coordinated quality assurance program.

- e. Collaboration with the Compliance Officer on the establishment, maintenance and operation of a comprehensive compliance program, which shall comply with the Office of the Inspector General Compliance Program Guidance for Hospitals. Specifically, the Committee shall:
  1. Analyze the legal requirements and specific risk areas of the health care industry,
  2. Assess existing policies that address legal requirements and risk areas for possible incorporation into the ECMCC compliance program,
  3. Work with ECMCC departments to develop standards of conduct and policies and procedures to promote compliance with the ECMCC compliance program,
  4. Recommend and monitor the development of internal systems and controls to carry out ECMCC's standards, policies and procedures as part of its daily operations,
  5. Determine appropriate strategy to promote compliance with the ECMCC compliance program and detection of possible violations, including fraud reporting mechanisms, and
  6. Develop a system to solicit, evaluate and respond to complaints and problems.

Section 13. Buildings and Grounds Committee.

The Buildings and Grounds Committee shall consist of three (3) members. The Corporation's General Counsel shall serve ex officio as a member of the Buildings and Grounds Committee. The Chairperson of the Committee may, at his or her discretion, request the presence of other persons, as the issues before the Committee may dictate. The Buildings and Grounds Committee shall meet at least quarterly, or upon the call of the Chairperson. The Committee shall be responsible for the following:

- a. Evaluation and provision of recommendations with respect to proposed and ongoing construction and renovation projects and budgets.
- b. Other duties and responsibilities as may be assigned from time to time by the Board.

Section 14. The Human Resources Committee.

The Human Resources Committee shall consist of three (3) members. The Chairperson of the Committee may, in his or her discretion, request the presence of other persons, as the issues before the Committee may dictate. The Committee will meet at least quarterly or upon the call of the Chairperson. The Committee shall be responsible for the following:

- a. Establishment of a formal channel of communication among the Board, ECMCC management and the Labor Unions.
- b. Responsibility for assuring that appropriate guidelines are in place and monitored to ensure and maintain open communication.
- c. Discussion of issues that arise in the operation of the hospital as they affect all parties.
- d. Other duties and responsibilities as may be assigned from time to time by the Board.

Section 15. The Executive Compensation/Evaluation Committee.

The Executive Compensation/Evaluation Committee shall consist of no more than four (4) members of the Board. No person whose compensation is determined by the Executive Compensation/Evaluation Committee may serve as a member of the Committee. The Chairperson of the Committee may, in his or her discretion, request the presence of other persons, as the issues before the committee may dictate. The Executive Compensation/Evaluation Committee shall

meet at least quarterly, or upon the call of the Chairperson. The Committee shall be responsible for the following:

- a. Evaluation, at least annually, of the CEO and President of the Corporation.
- b. Determination of the compensation, including benefits, of the above listed Corporation executives.
- c. Other duties and responsibilities as may be assigned from time to time by the Board.

Section 16. The Ethics Committee.

The Ethics Committee shall consist of at least one (1) member. The Committee Chairperson may, at their discretion, request the presence of other persons, as the issues before the committee may dictate. The Ethics Committee shall meet at least quarterly, or upon the call of the Chairperson. The Committee shall be responsible for the following:

- a. Promotion of ethics, integrity, and compliance with laws, policies, and procedures.
- b. Other duties and responsibilities as may be assigned from time to time by the Board.

Section 17. The Terrace View Quality Improvement Committee.

The Terrace View Quality Improvement Committee shall consist of at least one (1) member. The Committee shall meet at least quarterly, or upon the call of the Chairperson. The Committee shall be responsible for the following:

- a. Establishment and maintenance of a coordinated quality assurance program as specifically applicable to Terrace View.
- b. Other duties and responsibilities as may be assigned from time to time by the Board.

Section 18. The Governance Committee.

The Governance Committee shall consist of at least four (4) independent members, as that term is defined in New York Public Authorities Law §2825. The Chief Executive Officer and the General Counsel for the Corporation shall serve ex officio as members of the Committee, and the Chairperson of the Board may attend Committee meetings, but will not be a member of the Committee and will not vote. The Committee Chairperson may, at his or her discretion, request the presence of other persons as issues before the Committee may dictate. The Governance Committee shall meet at least semi- annually, or upon the call of the Committee Chairperson. The Committee shall be responsible for the following:

- a. Provision of information to the Board regarding current best governance practices.
- b. Review of corporate governance trends.
- c. Recommend updates to the Corporation's governance principles.
- d. Provision of advice to the Governor and to the Erie County Executive in their appointment of potential Board members regarding the skills and experience required of Board members.
- e. Annually review and, as necessary, make recommendations to the Board regarding updating of the Corporation's Bylaws.
- f. Other duties and responsibilities as may be assigned from time to time by the Board.

Section 19. The Investment Committee.

The Investment Committee shall consist of at least three (3) members. The Chair of the Finance Committee and the Chief Executive Officer shall serve ex officio as members of the Investment Committee and the Chief Financial Officer shall serve as staff to the Committee. The Committee Chairperson may, at his or her discretion, request the presence of other persons as issues before the Committee may dictate. The Investment Committee shall meet at least semi-annually, or upon the call of the Committee Chairperson. The Committee shall be responsible for the following:

- a. Recommendations regarding the designation of the Corporation's investment officer.
- b. Recommendations regarding investment policies and procedures consistent with applicable law and the needs of the Corporation.
- c. Implementation of appropriate internal controls for investments.
- d. Recommendations regarding the selection of the Corporation's investment advisors and investment managers.
- e. Review of independent audits of the investment program.
- f. Review of quarterly reports from the Corporation's investment advisors and investment managers.
- g. Reports to the Board on a quarterly basis.
- h. Monitoring the Corporation's system of internal controls and the performance of the Corporation's investment advisors and investment managers.
- i. Other duties and responsibilities as may be assigned from time to time by the Board.

Section 20. The Contracts Committee.

The Contracts Committee shall consist of at least three (3) members. The Contracts Committee shall review and make recommendations to the Board with respect to the approval of all contracts required to be approved by the Board pursuant to Corporation policy and applicable law, including Section 2879(3)(b)(ii) of the Public Authorities Law. The Contracts Committee shall meet at least quarterly or upon the call of the Committee Chairperson. The Committee shall be responsible for the following:

- a. Review of contracts of the Corporation requiring Board approval and making recommendations to the Board regarding contracts of the Corporation.
- b. Annual review of contracts requiring such review pursuant to Corporation policy and/or applicable law.
- c. Reports to the Board on a monthly basis regarding the foregoing subsections.
- d. Other duties and responsibilities as may be assigned from time to time by the Board.

ARTICLE VII  
MEDICAL/DENTAL STAFF

Section 1. Organization.

The Board shall cause to be created a medical staff organization to be known as the ECMC Medical Dental Staff ("Medical Staff") whose membership shall be comprised of certain categories of health care practitioners, as determined by the Board. Members of the Medical Staff may only practice within the scope of privileges granted by the Board.

Section 2. Medical Staff Governance Documents.

The Medical Staff shall develop, adopt and at least once every three years review the following Medical Staff Governance Documents: By-Laws; Rules & Regulations; Credentials Procedures Manual; and Collegial Intervention, Peer Review, Fair Hearing & Appellate Review Procedures. These Governance Documents shall establish controls that are designed to ensure the achievement and maintenance of the highest quality medical care and high standards of professional and ethical practice. The Board shall approve all such Medical Staff Governance Documents.

Section 3. Appointment of Medical Staff.

Appointments and reappointments to the Medical Staff shall be made by the Board. The Board shall be responsible for granting and defining the scope of the clinical privileges to be exercised by each member of the Medical Staff, including but not limited to providing approval of modifications, suspensions and termination of such privileges and Medical Staff membership in accordance with the Medical Staff Governance Documents and written ECMCC policies. In acting on matters of Medical Staff membership and scope of privileges, the Board shall consider the recommendations of the Medical Staff's Medical Executive Committee. The procedures for Medical Staff appointment are more specifically outlined in the Medical Staff's Credentials Procedure Manual.

Section 4. Authority for Medical Staff Conduct.

Ultimate responsibility for the conduct of the Medical Staff remains with the Board. The Board shall enforce compliance with all medical staff Governance Documents by all members of the Medical Staff. No assignment, referral or delegation of authority by the Board to the Medical Director, COO, CEO, the Medical Staff or any other person shall preclude the Board from exercising the authority required to meet its responsibility for the conduct of the Corporation. The Board retains the right to rescind any such delegation.

Section 5. Duties of the Medical Staff.

The Board shall delegate to the Medical Staff the authority to monitor, evaluate and document professional performance of Medical Staff members in accordance with its Governance Documents. The Board shall hold the Medical Staff accountable, through the chiefs of service of the departments and the Medical Director, for making recommendations based on well-defined and written criteria related to the goals and standards of the Corporation concerning Medical Staff appointments, reappointments and clinical privileges.

Section 6. Quality of Patient Care.

The Medical Staff is accountable to the Board for the quality of care provided to patients.

Section 7. Rights at Meetings.

Members of the Medical Staff shall be entitled to be heard at all public meetings and committee meetings of the Board.

ARTICLE VIII  
STANDARDS OF PATIENT CARE

The Board shall require that the following patient care practices are implemented, shall monitor ECMCC's compliance with these patient care practices, and shall take corrective action as necessary to attain compliance:

- a. Every patient of ECMCC, whether an in-patient, emergency patient, or out-patient, shall be provided care that meets generally accepted standards of professional practice.
- b. Every patient is under the care of a health care practitioner who is a member of the medical staff.
- c. Patients are admitted to ECMCC only on the recommendation of a member of the medical staff permitted by the State law and Medical Staff Governance Documents to admit patients to the hospital.
- d. A physician, a registered physician's assistant or a nurse practitioner, under the general supervision of a physician, is on duty at all times in the hospital.
- e. A physician shall be responsible for the care of each patient with respect to any medical or psychiatric problem that is present on admission or develops during hospitalization.
- f. In the event that human research is conducted within ECMCC, written policies and procedures shall be adopted and implemented pursuant to the provisions of Public Health Law Article 24-A for the protection of human subjects.
- g. ECMCC shall have available at all times personnel sufficient to meet patient care needs.

ARTICLE IX  
THE SCHOOL OF MEDICINE  
STATE UNIVERSITY OF NEW YORK AT BUFFALO

The Board strongly supports the relationship between ECMCC and the School of Medicine and Biomedical Sciences of the State University of New York at Buffalo through an affiliation agreement. The Board shall take all appropriate action to retain and enhance the benefits arising from said relationship provided that the Board shall hold uppermost the discharge of its legal and fiduciary duties to ECMCC.

ARTICLE X  
SUBSIDIARY CORPORATIONS AND ENTITIES

Except as expressly limited by law, the Corporation may exercise and perform all or part of its purposes, powers, duties, functions or activities through one or more subsidiary corporations or companies owned or controlled wholly or in part by the Corporation, which shall be formed pursuant to the Business Corporation Law, the Limited Liability Company Law, or the Not-For-Profit Corporation Law. Any such subsidiary may be authorized to act as a general or limited partner in a partnership or as a member of a limited liability company and to enter into an arrangement calling for an initial and subsequent payment by such subsidiary in consideration of an interest in revenues or other contractual rights. The Board has the exclusive authority to create subsidiaries or other entities related to the Corporation.

ARTICLE XI  
CODE OF ETHICS AND CONFLICTS OF INTEREST

Section 1. Responsibility of Members of the Board and Employees.

This Code of Ethics shall apply to all officers and employees of the Corporation. These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Corporation's directors and employees and to preserve public confidence in the Corporation's mission. It is accordingly the responsibility of each member of the Board and each employee to perform in accordance with the following:

- a. Each member of the Board and all employees of the Corporation shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
- b. Each member of the Board and all employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
- c. Each member of the Board and all employees shall not accept or receive any gift or gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance of official business or (b) the gift constitutes a tip, reward, or sign of appreciation for any official act by the individual. This prohibition extends to any form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the Corporation.
- d. Each member of the Board and all employees shall not use or attempt to use their official position with the Corporation to secure unwarranted privileges for themselves, members of their family or others, including employment with the Corporation or contracts for materials or services with the Corporation.
- e. Each member of the Board and all employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.
- f. Each member of the Board and all employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.
- g. Each member of the Board and all employees shall manage all matters within the scope of the Corporation's mission independent of any other affiliations or employment. Directors, including ex officio board members, and employees employed by more than one government entity shall strive to fulfill their professional responsibility to the Corporation without bias and shall support the Corporation's mission to the fullest.

- h. Each member of the Board and all employees shall not use Corporation property, including equipment, telephones, vehicles, computers, or other resources, or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law or policy and the Corporation's mission and goals.
- i. Each member of the Board and all employees are prohibited from appearing or practicing before the Corporation for two (2) years following employment with the Corporation consistent with the provisions of Public Officers Law.

Section 2. Implementation of Code of Ethics.

This Code of Ethics shall be provided to all members of the Board and all employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee.

Section 3. Compliance.

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

Section 4. Conflict of Interest Policy.

The Board shall develop, implement, and update as needed a written policy governing conflicts of interest by members of the Board. The policy shall be reviewed annually by the Governance Committee and included and incorporated into these By-Laws as Appendix A.

Section 5. 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 6. 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.

Section 7. 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 8. No Forfeit 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.

ARTICLE XII  
AMENDMENTS

These By-Laws of the Board may be amended by the affirmative vote of a quorum of members at the annual meeting, special or regular meetings of the Board, provided that a full presentation of such proposed amendment(s) shall have been presented to the Board at least thirty (30) days prior to the meeting, unless waived by majority of the whole number of the members of the Board.