

**2022 ANNUAL REPORT OF**  
**ERIE COUNTY MEDICAL CENTER CORPORATION**  
(AS REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW)



**Respectfully Submitted by the Corporation**  
**March 31, 2023**

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## MESSAGE FROM THE LEADERSHIP OF ECMC CORPORATION

Along with our region, state and nation, we are still recovering from the effects of the COVID-19 pandemic on our organizations, from staffing to funding. Amidst these challenging times, ECMC once again in 2022 provided national class healthcare to our community, which was affirmed by a variety of accreditations and national third-party recognition.

In November, ECMC went through its full accreditation process by the Joint Commission. The survey team was extremely complimentary about the “passion” and “engagement” of everyone they encountered from clinical to non-clinical staff in the care of our patients. Most importantly, the survey results reflected the quality of care provided by our caregivers in a large, complex healthcare system. The overwhelming majority of their preliminary findings were in low to moderate and limited and no findings in high/widespread. Compared to our 2019 survey, we had 1/3 less findings overall and 2/3 less findings in “patterned” or “widespread”. The surveyors commented on many occasions that this was impressive for an organization as large and complex as ECMC. A 45-day follow-up occurred in December. As with the initial survey, our team did an exceptional job preparing and presenting our implemented improvements from recommendations previously identified. There were zero findings or requirements for further improvement. In January 2023, ECMC was informed that it had earned its full hospital accreditation – The Joint Commission’s Gold Seal of Approval® Accreditation – by demonstrating continuous compliance with its performance standards. The Gold Seal is a symbol of quality that reflects a healthcare organization’s commitment to providing safe and quality patient care. This accreditation surveys many clinical areas from behavioral health and ambulatory services to surgical services, inpatient care, and many others. It is a complete assessment of ECMC services and quality of care. The Joint Commission Interim Executive Vice President, Division of Accreditation and Certification Operations, Deborah Ryan, MS, RN, said, “As a health care accreditor, The Joint Commission works with health care organizations across settings to help improve patient safety and quality of care through our expert resources and tools, innovative solutions, and rigorous standards. We commend ECMC for its commitment to advance safety and quality for all patients.”

Earlier in 2022, ECMC was reverified with zero deficiencies as a Level 1 Trauma Center by the Verification Review Committee (VRC), an ad hoc committee of the Committee on Trauma (COT) of the American College of Surgeons (ACS). This reverification by the ACS was another important affirmation of ECMC’s status as a high-quality healthcare institution from a distinguished national organization and continued our place among elite verified Level 1 trauma hospitals across the country. Again, the surveyor commented on ECMC’s culture and how he had not seen an organization with zero deficiencies in his decades of surveying.

ECMC this past year was also recognized as one of the nation’s 100 Best Hospitals for Orthopedic Surgery, according to research released by Healthgrades, the leading marketplace connecting doctors and patients. This achievement reflected ECMC’s outstanding clinical outcomes for Orthopedic Surgery and puts ECMC in the top 5% of hospitals nationwide for overall Orthopedic services. ECMC was also honored with the 2023 Orthopedic Surgery Excellence Award™, a Five-Star rating in Total Knee Replacement for 2 years in a row (2022-2023), a Five-Star rating for Hip

Fracture Treatment for 13 years in a row (2011-2023) and a 2023 Five-Star Distinction in Total Hip Replacement. Further, ECMC's hip replacement surgery service was ranked in the nation's top 7% by *US News & World Report*. ECMC earned the highly respected publication's High Performing ranking, placing it among 437 hospitals out of 6,000 evaluated for the service.

There were several other notable achievements during 2022, including: ECMC named among the top 50 hospitals in the United States for racial inclusivity by the Lown Hospital Index, which developed the first ranking to examine the racial inclusivity of over 3,200 hospitals in the country to assess their success at serving the people of color living in their communities; Synergy Bariatrics/Center for Bariatric and Metabolic Surgery was accredited for a third consecutive three-year period as a Comprehensive Center under the Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program (MBSAQIP®) – a joint program of the American College of Surgeons (ACS) and the American Society for Metabolic and Bariatric Surgery (ASMBS); the Commission on Cancer (CoC), a quality program of the American College of Surgeons (ACS) granted Three-Year Accreditation to the cancer program at ECMC; our Regional Center of Excellence for Transplantation and Kidney Care, led by Dr. Liise Kayler, set another annual record for our institution, performing 148 kidney transplants during the year; the Commission on Dental Accreditation adopted a resolution granting the ECMC maxillofacial prosthetics fellowship program the accreditation classification of “initial accreditation.” There are currently only five domestic and two military CODA-accredited 12-month Maxillofacial Prosthetics certificate training programs in the United States: Memorial Sloan-Kettering Cancer Center (MSKCC), Mayo Clinic, MD Anderson Cancer Center, University of Alabama, University of California at Los Angeles (UCLA), United States Air Force & United States Navy. The new program will be opening in July 2023 at ECMC; ECMC was awarded its first NIH grant as the prime institution. The grant, totaling \$900,368 over two years, was awarded to ECMC under National Institute of Dental & Craniofacial Research of the National Institutes of Health. The principal investigator for the grant is Dr. Jennifer L. Frustino, DDS. The goal of the research, “HPV and HIV Coinfection: Clinical, Socio-Behavioral, and Microbiome Implications”, is to identify markers that will help predict, prevent, and ultimately treat HPV infection and its resulting conditions in people living with HIV; ECMC was one of 496 national healthcare institutions to earn an “LGBTQ+ Healthcare Equality Leader” designation from the Human Rights Campaign; more than 2,000 healthcare facilities nationwide were evaluated for their dedication and commitment to LGBTQ inclusion; the 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; and ECMC was recognized by the Buffalo Purchasing Initiative for superseding its goal in 2021 for spending with businesses owned by people of color by 44%.

These accreditations, achievements and recognitions from national third-party entities are sources of immense pride and accomplishment for our dedicated frontline caregivers.

As important as the clinical and operational accolades are of our organization, it would not be possible without the culture of caregivers who drive these results. This culture is well known in Western New York, and as a result, we have been successful in attracting talent to ECMC. In fact, our hiring in 2022 again saw the highest number of new employees come from our home 14215 zip code. Our total 1,038 new ECMC Family members included: 291 RNs, 73 LPNs and 90 CNAs.

We aggressively marketed the benefits of working at ECMC and have partnered with local colleges and universities to enhance the opportunities for individuals interested in pursuing careers in healthcare. In addition, 82 new physicians joined the ECMC Family in 2022.

We take considerable pride in our strong connection to the community where ECMC has existed for so many decades and we have worked collaboratively with our neighbors, including area community-based and faith-based organizations to improve the quality of life, access to healthcare services and employment opportunities for our neighbors. But the unthinkable tragedy of a racist-motivated hate crime in May reminded us that murderous evil intent sadly persists in our nation and world. As our community went through the healing process in the aftermath of the Tops Market tragedy, our ECMC Family rallied to reinforce their support and compassion for our neighbors. In the weeks after the tragedy of May 14th, we launched an internal food drive to provide non-perishable food items and personal hygiene products to members of our community who couldn't access them with the Tops Market closed. Working with FeedMore WNY, members of our ECMC Family transported hundreds of these products to the FeedMore WNY warehouse for distribution to the community. In addition, on June 8th, ECMC caregivers participated in the Peace Market on Jefferson Avenue, which was organized following the Tops Market tragedy, distributing hundreds of educational pamphlets information on hypertension, heart health, healthy eating, financial resources, local food banks, sexual health, PreP, mammograms, and colonoscopies. The event organizers expressed their "...deepest gratitude for [our staff being] out there and blessing the community with our resources, education, and compassion." We also coordinated with the offices of the Erie County Executive and the Mayor to promote the availability of counseling services available, if needed, at ECMC's Help Center. On May 18<sup>th</sup> in front of ECMC on Grider Street, hundreds of our ECMC Family stood in solidarity against racism, bigotry, and hate. We came together to show support for our friends, families, loved ones and neighbors who were harmed by that unspeakable tragedy.

In late December, we experienced what many predicted would be a "generational" blizzard that paralyzed our region for days and sadly accounted for 47 deaths. With the forecasted storm approaching, we activated our emergency response protocols, including preparing the activation of ECMC's Incident Command Center and Staff Labor Pool both of which opened at 6:00am on Friday, December 23<sup>rd</sup>. Over the next seven days, until both of those units were closed on Thursday, December 29<sup>th</sup>, ECMC personnel in those units coordinated hospital operations, staffing and maintained constant communication with our governmental counterparts, especially Erie County's Emergency Operations Center. County Executive Poloncarz and senior members of his administration communicated with ECMC Executive Leadership continuously throughout the blizzard, helping to coordinate critical EMS and other support services to ECMC. Similarly, senior staff to Mayor Brown communicated with ECMC Executive Leadership to provide services such as snowplowing on and around ECMC's Grider Street health campus. Our dedicated and resilient staff stepped up under very trying circumstances to ensure that our healthcare services were maintained, particularly at the height of the blizzard which spanned an almost 72-hour period from Friday, December 23<sup>rd</sup> into Sunday, December 25<sup>th</sup>, Christmas Day. There were many acts of selflessness and bravery throughout the blizzard, but one notable incident occurred at ECMC on Christmas Eve. At approximately 9:00pm with the Blizzard of '22 raging outside, an adult woman with an infant (approximately 10 months old) entered ECMC's main hospital entrance. An internal medical emergency was called to provide them care. The woman then told ECMC's caregivers

who responded to the emergency notification that there were more people outside on Grider Street trying to get to the hospital. These frontline caregivers, in just their scrubs, rushed outside to the aid of the civilians on Grider Street. The ECMC clinicians – a physician, a Nurse Practitioner (NP), an RN and a Certified Registered Nurse Anesthetist (CRNA) – went outside the hospital during the blizzard and rescued three additional adults, one of whom identified herself as the mother of the infant. The four civilian adults and infant had lost power in their home on Friday and decided to seek shelter at ECMC, which is close to where they live.

During the blizzard, ECMC provided shelter to about 150 civilians, including many children. On the morning of Christmas Day, to bring added comfort to the civilians, ECMC caregivers provided breakfast to them and gave the children Christmas presents our caregivers gathered from throughout the hospital.

As an institution designed to provide hope and healing to the residents of Western New York and fulfilling our mission daily thanks to our remarkable and dedicated caregivers, we are proud of our 100+ history of serving the residents of region. We remain committed to our collective resolve and determination to maintain our essential services to the residents of our region who depend on us and helped carry us through those difficult days, leading to our shared success in caring for our community.

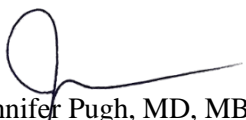
Sincerely,



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



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



Jennifer Pugh, MD, MBA, FACEP  
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, 2022.

Respectfully submitted,



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



Andrew L. Davis, MBA  
Chief Operating Officer and Acting Chief Financial Officer

## ECMCC MISSION STATEMENT

### 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™



## 2022 ACCOMPLISHMENTS

### January

- 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.**”

### March

- Erie County Medical Center named among the top 50 hospitals in the United States for racial inclusivity. The **Lown Hospital Index** has developed the first ranking to examine the racial inclusivity of over 3,200 hospitals in the country to assess their success at serving the people of color living in their communities.
- ECMC one of 496 national healthcare institutions to earn an “**LGBTQ+ Healthcare Equality Leader**” designation from the Human Rights Campaign; more than 2,000 healthcare facilities nationwide evaluated for their dedication and commitment to LGBTQ inclusion.

### April

- ECMC has been **reverified with zero deficiencies as a Level 1 Trauma Center** by the Verification Review Committee (VRC), an ad hoc committee of the Committee on Trauma (COT) of the American College of Surgeons (ACS).
- ECMC recognized by the **Buffalo Purchasing Initiative** for superseding its goal in 2021 for spending with businesses owned by people of color by 44%. In addition, Nicholas Long was recognized with a Best of BPI Award for the great work he is doing to reach out to new vendors and providing them with resources and support for strengthening and certifying their businesses.

### May

- Synergy Bariatrics/Center for Bariatric and Metabolic Surgery was accredited for a third consecutive three-year period as a Comprehensive Center under the **Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program (MBSAQIP®)** – a joint program of the American College of Surgeons (ACS) and the American Society for Metabolic and Bariatric Surgery (ASMBS). This accreditation extends from 3/27/2022 through 3/27/2025.

### August

- ECMC announced that its hip replacement surgery service has been ranked in the nation’s top 7% by **US News & World Report**. ECMC earned the highly respected publication’s High Performing ranking, placing it among 437 hospitals out of 6,000 evaluated for the service.
- The **Commission on Dental Accreditation** adopted a resolution granting the ECMC maxillofacial prosthetics fellowship program the **accreditation classification** of “initial accreditation.” There are currently only five domestic and two military CODA-accredited 12-month Maxillofacial Prosthetics certificate training programs in the United States: Memorial Sloan-Kettering Cancer Center (MSKCC), Mayo Clinic, MD Anderson Cancer Center, University of Alabama, University of California at Los Angeles (UCLA), United States Air Force & United States Navy. In the past 20 years, multiple maxillofacial prosthetics fellowship programs have closed, making the training less accessible to residents and the care less accessible to patients. The new program will be opening in July 2023 at ECMC.
- ECMC was awarded its first NIH grant as the prime institution. The grant, totaling \$900,368 over two years, was awarded to ECMC under **National Institute of Dental & Craniofacial Research of the National Institutes of Health**. The principal investigator for the grant is Dr. Jennifer L. Frustino, DDS. The goal of the research, “HPV and HIV Coinfection: Clinical, Socio-Behavioral, and Microbiome Implications”, is to identify markers that will help predict, prevent, and ultimately treat HPV infection and its resulting conditions in people living with HIV.

### September

- Terrace View Long-Term Care Facility has been recognized on **Newsweek’s Best Nursing Homes 2023** list. This prestigious award is presented by Newsweek and Statista

Inc., the world-leading statistics portal and industry ranking provider. Only four percent of nursing homes nationwide received this distinction. Of the 600 skilled nursing facilities state-wide that operate, 42 received this recognition. It is a distinct honor to be ranked amongst the best nursing homes within both the state and the nation. This is the third consecutive year Terrace View has received this recognition.

#### **November**

- **The Commission on Cancer (CoC)**, a quality program of the American College of Surgeons (ACS) has granted Three-Year Accreditation to the cancer program at Erie County Medical Center. To earn voluntary CoC accreditation, a cancer program must meet 34 CoC quality care standards, be evaluated every three years through a survey process, and maintain levels of excellence in the delivery of comprehensive patient-centered care.
- ECMC announced that it is **one of America's 100 Best Hospitals for Orthopedic Surgery**, according to new research released by **Healthgrades**, the leading marketplace connecting doctors and patients. This achievement reflects ECMC's outstanding clinical outcomes for Orthopedic Surgery and puts ECMC in the top 5% of hospitals nationwide for overall Orthopedic services. ECMC was also honored with the 2023 Orthopedic Surgery Excellence Award™, a Five-Star rating in Total Knee Replacement for 2 years in a row (2022-2023), a Five-Star rating for Hip Fracture Treatment for 13 years in a row (2011-2023) and a 2023 Five-Star Distinction in Total Hip Replacement.

### **2022 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 – Raise the standard of clinical care to improve quality, patient safety, and patient experience in the acute care and ambulatory environments.**

- American College of Surgeons (ACS) confirmed ECMC's status as a Level 1 Trauma Surveys with zero deficiencies during survey
- Earned ACS Commission on Cancer accreditation for the first time, with zero deficiencies identified during survey
- Earned re-accreditation under the Joint Commission following tri-annual survey
- Granted Metabolic & Bariatric Surgery Accreditation & Quality Improvement designation (MBSQIP) under ACS
- Maxillofacial Prosthetics Program awarded accreditation for Advanced Dental Education Fellowship Program. One of only seven programs nationally with this designation.
- Monthly meetings of the Quality Leadership Council & Board Quality Improvement Committee. Ongoing monitoring of CMS Patient Safety Indicators
- Patient Safety Culture Survey completed
- American Society of Health System Pharmacists (ASHP) Residency Review successfully completed and accreditation for residency program awarded
- NYS Infection Control Survey completed
- Conversion of Quantros System to new Riskconnect reporting system
- Uniform Data System for Medical Rehabilitation ranked ECMC Medical Rehab Unit as the most complex patient panel with exceptional outcomes nationally
- 4 Star Rating Designation by CMS
- ECMC Hip Replacement Program ranked top 7% in the nation by US News & World Report
- Healthgrades:
  - 100 Best Orthopedic Surgery Programs
  - 2023 Hip Fracture 5 Star Recipient
  - Total Knee Replacement 5 Star Recipient
  - Total Hip Replacement 5 Star Recipient
- Terrace View ranked Newsweek's 2023 List of Best Nursing Homes, 3<sup>rd</sup> consecutive year
- Dialysis remained a 5-star facility under CMS and successfully completed NYSDOH/CMS survey
- Palliative Care received additional funding support for services through the Health Foundation of WNY & CNY and the Ralph C. Wilson Foundation

### **2. Cultural Identity – Preserve ECMC's strong cultural identity while further instilling a sense of urgency and genuine stewardship to achieve our organizational objectives.**

- In 2021 – 2022 our MWBE percentage was 45.05% and our utilization dollars were \$12,042,105. The NYS Goal is 30%
  - ECMC presented at the 2022 National Premier Breakthrough Conference to share ECMC's Supplier Diversity Program's best practices and continued success throughout the pandemic. This was an excellent learning opportunity for others in the healthcare industry.
  - ECMC's Second Annual Diversity Networking Fair was a resounding success, featuring over 65 local Minority and Women-Owned Businesses who offered their diverse products and shared information on the development of their respective businesses.
  - ECMC earned LGBTQ+ Healthcare Equality Leader Designation under the Human Rights Campaign Foundation
  - Bias Awareness & Interruption Strategies Training performed across the organization
  - 2022 Health Equity Award from Univera to support patient care efforts
  - Erected Veterans Wall of Honor in Employee Hallway to pay tribute to all of the ECMC Family members who have served our country
  - Approximately 2000 employees received NYS Healthcare Worker Bonus
3. **Campus Transformation – Address our deferred maintenance issues, expand capacity, and integrate the development of Kensington Heights and the surrounding community**
- Specialty Pharmacy – March 22
  - MEP Improvements – began 2018 – ongoing
  - Building envelope / roof final stages – (March 23 completion)
  - Inpatient and Outpatient dialysis wall station improvements – 2021-2022
  - OR 10 surgical light replacements
  - Sterilizers replacement main Hospital
  - Employee entrance refresh 2022/2023
  - Connect life doner room
  - Dental offsite Hertel
  - Name dedication of the ECMC Family Health Center, becoming the Independent Health Medical Office Building
  - Filed CON for Bariatrics Renovation Project at 30 North Union
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.**
- Continued expansion of Accelerating Excellence programs and projects
  - Daily bed huddles continue 7 days per week to handle the post-pandemic patient surge
  - Implementation of Physician Advisor program to provide additional support to clinicians and facilitate more timely discharge process
  - Transplant: 2<sup>nd</sup> year in a row with record-breaking number of Transplants completed, first three-center living donor kidney swap performed

- Palliative Care received additional funding support for services through the Health Foundation of WNY & CNY and the Ralph C. Wilson Foundation
  - Digital Health Efforts continue. Implementation of Twistle, new appointment reminder and patient communication platform. Optimization of chatbot and Kyruus, physician search resource. New website design well underway and close to completion.
  - 22 RFP's were awarded in 2022
  - 1,036 people were hired in 2022
  - Successfully negotiated and executed labor agreements with CSEA and AFSCME, completed impact bargaining with NYSNA, collective bargaining agreement negotiations ongoing
  - 131 Providers, 80 Physicians and 51 Allied Health Professionals were brought on in 2022
  - Completed major third-party payor contract negotiations
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.
- The Population Health and Primary Care team received \$154,000 in funding from the Buffalo Center for Health Equity and Highmark to purchase home blood pressure cuffs for remote patient monitoring to give to low income patients
  - The Population Health team received \$1,000,000 in funding from Independent Health to partner with local primary care providers in the community to reduce readmissions for high-risk patients through a Transition of Care Complex Care Management Program aimed at removing SDOH barriers
  - The Population Health Team created a community resource database to address and link patients based on trends in ECMC's SDOH patient survey results
  - Oral and Head & Neck cancer screening events (6) with community organizations such as Buffalo Municipal housing Authorities, Project Hope, Population Health Collaborative, Johnnie B. Wiley Health Fair, Tops Pharmacy, and many more - 6 lesions found
  - Prostate cancer screening events (4) with community organizations such as Buffalo Municipal housing Authorities, Senator Rath Health Fair, Johnnie B. Wiley Health Fair, and Sumitomo Rubber Health and Wellness
6. **Community Needs** – Through partnerships and targeted investments, be a leading corporate citizen by addressing socioeconomic challenges that impact our communities.
- Over 2.7 million dollars in funding have been granted through various programs and resources to support the efforts of the BRAVE program, which provides services to victims of all forms of violence and for those who have been impacted trauma
  - \$900,368 NIH Dental & Craniofacial Research awarded for HPV/HIV Co-Infection. This is the first NIH award provided to ECMC directly.
  - Healthcare Explorers: Program established to give exposure to high school students around the different aspects of healthcare. We had 2-extremely successful runs of the program in 2022 sharing over 10 unique exploration stops throughout the hospital from IT to Surgical Services. 20 students from Health Science Charter School were able to get hands-on experiences networking and learning about careers in healthcare.

- ECMC remained engaged and mourned alongside our Buffalo community following the massacre at Tops Market on May 14, 2022. Trauma-informed counseling was offered to our employees, a food drive was conducted in partnership with FeedMore WNY to help support the community with approximately 2000 pounds of food and perishable items being donated. A peace rally was also held in front of the hospital, with members of the ECMC family, and the community. Additionally members of the ECMC Population Health team participated in the Buffalo Peace Market event series on Jefferson Avenue
7. **Great Lakes Health Collaboration** – Further increase interconnectivity between ECMC, Kaleida and our partners through clinical and operational collaborations.
    - Ongoing participation and partnership in Great Lakes Integrated Network
    - Continued growth and development of Great Lakes Cancer Care
  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.
    - New fellowship positions awarded in Neurosurgery and Bariatrics
    - Partnership with UB Surgery to establish Plastics & Reconstructive Residency Placement
    - Ongoing meetings with Dean Brashear and hospital leadership to improve and enhance hospital and academic programming and partnerships

### **2023 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
- Community Needs: Engage the community to ensure we are providing high-quality, accessible services to those in need in an equitable way
- 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 2022

|  |                     |
|--|---------------------|
| 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  |
| Information Technology Disaster Recovery                   | Began November 2021 |
| Boiler Chiller Plant Generator                             | Began March 2022    |

### REAL PROPERTY ACQUISITIONS

| <b>Address of Location Purchased</b> | <b>Name of Seller</b> | <b>Purchase Price</b> |
|--------------------------------------|-----------------------|-----------------------|
| 395 Grider Street Buffalo NY 14215   | Naser Saleh           | \$79,200.00           |
| 403 Grider Street Buffalo NY 14215   | Naser Saleh           | \$85,800.00           |

## **CODE OF CONDUCT**

See Appendix E.

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

Assessment of Effectiveness of Internal Controls

New York State Public Authority Reporting System (PARIS)

Erie County Medical Center Corporation

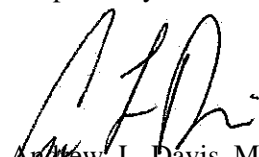
At and For the Year Ended December 31, 2022

The evaluation of the system of internal control is an ongoing process conducted throughout the year by myself in the capacity as the Acting 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 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,



Andrew, L. Davis, MBA

Chief Operating Officer and Acting 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 15 in the enclosed audited financial statements beginning on page 51. There are no other material matters pending litigation at this time.

## **CORPORATION AND BOARD STRUCTURE**

ECMC Corporation'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 (1) and 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. In addition, the Board has four non-voting members: (1) appointed by Erie County Executive; (1) appointed by Erie County Legislature Majority; (1) appointed by Erie County Legislature Minority; (1) ECMCC President and CEO via Public Authorities Law.

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

#### **OFFICERS**

Jennifer C. Persico, Esq.  
*Chair*

Eugenio Russi  
*Vice Chair*

Sharon L. Hanson  
*Secretary*

Darby Fishkin, CPA  
*Treasurer*

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

#### **BOARD MEMBERS**

Ronald P. Bennett, Esq.

Reverend Mark E. Blue

Ronald A. Chapin

Jonathan A. Dandes

Michael H. Hoffert

Christian Johnson

James L. Lawicki, II

Christopher J. O'Brien, Esq.

The Honorable John O'Donnell, J.S.C.

Reverend Kinzer M. Pointer

Michael A. Seaman

Benjamin Swanekamp

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

### **Tuesday, January 25, 2022 (Annual and Regular Meeting)**

Present: Bishop Michael Badger, Ronald Bennett\*, Reverend Mark Blue, Ronald A Chapin\*, Anthony J. Colucci, III\*, Jonathan Dandes, Darby Fishkin\*, Kathleen Grimm, MD, Sharon Hanson, Michael Hoffert\*, Christopher O'Brien\*, Hon. John O'Donnell, Jennifer Persico, Thomas J. Quatroche, Eugenio Russi, Michael Seaman, Benjamin Swanekamp

Excused: Christian Johnson, James Lawicki

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\*, Ronald Raccuia\*, Jonathan Swiatkowski, James Turner\*, Karen Ziemianski\*

### **Tuesday, February 22, 2022**

Present: Bishop Michael Badger, Reverend Mark Blue, Ronald A Chapin\*, Jonathan Dandes, Darby Fishkin, Kathleen Grimm, MD, Sharon Hanson, Michael Hoffert\*, James Lawicki, Jennifer Persico, Thomas J. Quatroche, Eugenio Russi, Michael Seaman, Benjamin Swanekamp

Excused: Ronald Bennett, Christian Johnson, Hon. John O'Donnell, Michael Seaman

Also

Present: Donna Brown, Anthony J. Colucci, III, Peter Cutler, Andrew Davis, Joseph Giglia, Susan Gonzalez, Donna Jones, Charlene Ludlow, Keith Lukasik, Brian Murray, MD \*, Jonathan Swiatkowski, James Turner, Karen Ziemianski

### **Tuesday, March 22, 2022**

Present: Present: Bishop Michael Badger, Reverend Mark Blue, Ronald A Chapin \*, Jonathan Dandes, Darby Fishkin, Kathleen Grimm, MD, Sharon Hanson, Michael Hoffert \*, James Lawicki, Christopher O'Brien, Jennifer Persico, Thomas J. Quatroche, Eugenio Russi, Michael Seaman, Benjamin Swanekamp

Excused: Ronald Bennett, Christian Johnson, Hon. John O'Donnell, Michael Seaman

Also

Present: Donna Brown, Anthony J. Colucci, III, Peter Cutler, Andrew Davis, Joseph Giglia, Susan Gonzalez, Donna Jones, Charlene Ludlow, Keith Lukasik, Brian Murray, MD \*, Jonathan Swiatkowski, James Turner, Karen Ziemianski

### **Tuesday, April 26, 2022**

Present: Bishop Michael Badger, Ronald Bennett\*, Reverend Mark Blue\*, Ronald A Chapin\*, Jonathan Dandes, Darby Fishkin\*, Kathleen Grimm, MD, Sharon Hanson, Michael

**Tuesday, April 26, 2022 (cont.)**

Hoffert\*, Christian Johnson\*, James Lawicki\*, Christopher O'Brien, John O'Donnell, Jennifer Persico, Thomas J. Quatroche, Eugenio Russi, Michael Seaman, Benjamin Swanekamp

Also

Present: Donna Brown\*, Anthony J. Colucci, III\*, Michael Cummings, MD\*, Peter Cutler\*, Andrew Davis, Cassandra Davis\*, Joseph Giglia, Susan Gonzalez\*, Donna Jones, Pamela Lee\*, Charlene Ludlow\*, Brian Murray, MD\*, Jonathan Swiatkowski, James Turner\*, Karen Ziemianski

**Tuesday, May 24, 2022**

Present: Ronald Bennett, Reverend Mark Blue, Ronald A Chapin, Jonathan Dandes, Darby Fishkin, Kathleen Grimm, MD, Sharon Hanson, Michael Hoffert, Christian Johnson, James Lawicki, Jennifer Persico, Rev. Kinzer Pointer, Thomas J. Quatroche, Eugenio Russi, Michael Seaman, Benjamin Swanekamp

Excused: James Lawicki, Christopher O'Brien, John O'Donnell.

Also

Present: Donna Brown, Anthony J. Colucci, III, Michael Cummings, MD, Peter Cutler, Andrew Davis, Cassandra Davis, Joseph Giglia, Susan Gonzalez, Donna Jones, Pamela Lee, Christian Johnson, Charlene Ludlow, Brian Murray, MD, Jonathan Swiatkowski, James Turner, Karen Ziemianski

**Tuesday, June 28, 2022**

Present: Ronald Bennett\*, Reverend Mark Blue\*, Ronald A Chapin\*, Jonathan Dandes, Darby Fishkin, Sharon Hanson, Michael Hoffert\*, James Lawicki\*, John O'Donnell, Jennifer Persico, Rev. Kinzer Pointer, Thomas J. Quatroche, Eugenio Russi, Michael Seaman, Benjamin Swanekamp\*

Excused: Kathleen Grimm, MD, Christian Johnson, Christopher O'Brien

Also

Present: Donna Brown\*, Anthony J. Colucci, III, Peter Cutler\*, Andrew Davis, Cassandra Davis\*, Joseph Giglia, Susan Gonzalez\*, Donna Jones\*, Pamela Lee\*, Charlene Ludlow, Brian Murray, MD, James Turner\*

**Tuesday, July 26, 2022**

Present: Ronald Bennett\*, Reverend Mark Blue, Ronald A Chapin\*, Jonathan Dandes\*, Darby Fishkin\*, Michael Hoffert\*, Christian Johnson, James Lawicki\*, Christopher O'Brien, Honorable John O'Donnell, Jennifer Persico, Thomas J. Quatroche, Eugenio Russi, Michael Seaman, Benjamin Swanekamp\*

## **Tuesday, July 26, 2022 (cont.)**

Excused: Kathleen Grimm, MD, Sharon Hanson

Also

Present: Donna Brown\*, Anthony J. Colucci, III, Peter Cutler\*, Andrew Davis, Cassandra Davis\*, Joseph Giglia, Susan Gonzalez\*, Donna Jones\*, Pamela Lee\*, Charlene Ludlow, Brian Murray, MD, James Turner\*

## **Tuesday, September 27, 2022**

Present: Ronald Bennett\*, Reverend Mark Blue, Ronald A Chapin\*, Darby Fishkin, Sharon Hanson\*, Michael Hoffert\*, James Lawicki\*, Christopher O'Brien, Honorable John O'Donnell, Jennifer Persico, Reverend Kinzer Pointer, Thomas J. Quatroche, Eugenio Russi, Michael Seaman, Benjamin Swanekamp

Excused: Jonathan Dandes\*, Kathleen Grimm, MD, Christian Johnson

Also

Present: Donna Brown\*, Anthony J. Colucci, III\*, Peter Cutler\*, Andrew Davis, Cassandra Davis\*, Joseph Giglia, Susan Gonzalez\*, Donna Jones\*, Pamela Lee\*, Charlene Ludlow, Brian Murray, MD, James Turner\*

## **Tuesday, October 25, 2022**

Present: Ronald Bennett\*, Reverend Mark Blue\*, Ronald A Chapin\*, Jonathan Dandes, Sharon Hanson, Michael Hoffert\*, Christian Johnson\*, James Lawicki\*, Christopher O'Brien\*, Honorable John O'Donnell, Jennifer Persico, Reverend Kinzer Pointer, Thomas J. Quatroche, Eugenio Russi\*, Michael Seaman

Excused: Darby Fishkin, Benjamin Swanekamp

Also

Present: Donna Brown\*, Anthony J. Colucci, III\*, Dr. Michael Cummings\*, Peter Cutler\*, Andrew Davis, Cassandra Davis\*, Joseph Giglia, Susan Gonzalez\*, Donna Jones\*, Pamela Lee\*, Charlene Ludlow\*, Brian Murray, MD\*, Jonathan Swiatkowski, James Turner\*

## **Tuesday, November 29, 2022**

Present: Ronald Bennett\*, Reverend Mark Blue, Jonathan Dandes, Darby Fishkin, Sharon Hanson, Michael Hoffert\*, Honorable John O'Donnell, Jennifer Persico, Reverend Kinzer Pointer, Thomas J. Quatroche, Eugenio Russi\*, Michael Seaman, Benjamin Swanekamp

Excused: Ronald Chapin, Christian Johnson, James Lawicki, Christopher O'Brien

Also

Present: Donna Brown\*, Anthony J. Colucci, III\*, Peter Cutler\*, Andrew Davis, Cassandra Davis\*, Joseph Giglia, Susan Gonzalez\*, Donna Jones\*, Pamela Lee\*, Charlene Ludlow, Jonathan Swiatkowski, James Turner\*

# COMMITTEES OF THE BOARD

| <b>STANDING COMMITTEE</b>  | <b># OF MEMBERS</b> | <b>BOARD MEMBERSHIP</b>   | <b>STAFF</b>   |
|--|---------------------|---|--|
| <b>EXECUTIVE</b><br><br><i>Call of Chair</i>                           | <b>5</b>            | <u><b>Jennifer Persico – Chair</b></u><br>Jonathan Dandes<br>Darby Fishkin<br>Sharon L. Hanson<br>Eugenio Russi                         | A.J. Colucci<br>Andrew L. Davis<br>Jonathan Swiatkowski<br>Brian M. Murray, MD<br>Thomas Quatroche<br>Joseph Giglia<br><br>Jeffra Wilson (Asst.) |
| <b>QUALITY IMPROVEMENT/ PATIENT SAFETY</b><br><br><i>Meets Monthly</i> | <b>5</b>            | <u><b>MICHAEL HOFFERT – Chair</b></u><br>Kinzer Pointer<br>Judge John O'Donnell<br>Benjamin Swanekamp<br>Christian Johnson              | Andrew Davis<br>Thomas Quatroche<br>Donna Jones<br>Brian Murray, MD<br>Charlene Ludlow<br>Pam Lee<br>James Turner<br><br>Jackie Wilson (Asst.)   |
| <b>FINANCE</b><br><br><i>Meets Monthly</i>                             | <b>4</b>            | <u><b>MICHAEL A. SEAMAN – Chair</b></u><br>Ronald A. Chapin<br>Darby Fishkin<br>Benjamin Swanekamp                                      | A.J. Colucci, III<br>Andrew Davis<br>Jonathan Swiatkowski<br>Thomas Quatroche<br><br>Lynn Sacha (Asst.)  |
| <b>AUDIT &amp; COMPLIANCE</b><br><br><i>Call of Chair</i>              | <b>4</b>            | <u><b>DARBY FISHKIN – Chair</b></u><br>James Lawicki<br>Christopher O'Brien<br>Reverend Kinzer Pointer<br><br>Joseph Giglia, ex-officio | A.J. Colucci, III<br>Andrew Davis<br>Jonathan Swiatkowski<br>Thomas Quatroche<br><br>Lynn Sacha (Asst.)  |
| <b>EXECUTIVE COMPENSATION</b><br><br><i>Call of Chair</i>              | <b>3</b>            | <u><b>JONATHAN DANDES – Chair</b></u><br>Sharon Hanson<br>Christopher O'Brien   | A.J. Colucci, III<br>Thomas Quatroche<br>Joseph Giglia   |

| <b>STANDING COMMITTEE</b>   | <b># OF MEMBERS</b> | <b>BOARD MEMBERSHIP</b>  | <b>STAFF</b>  |
|---|---------------------|--|---|
| <b>GOVERNANCE</b><br><i>Call of Chair</i>   | <b>3</b>            | <u><b>SHARON HANSON – Chair</b></u><br>Ronald Chapin<br>Jennifer Persico<br><br>Thomas Quatroche, Jr., ex officio<br>Joseph Giglia, ex officio | A.J. Colucci, III<br><br>Lori Hoffman (Asst.)   |
| <b>HUMAN RESOURCES</b><br><i>Call of Chair</i>                                    | <b>3</b>            | <u><b>MICHAEL SEAMAN – Chair</b></u><br>Michael Hoffert<br>Kinzer Pointer  | Cory Wright (Asst.)   |
| <b>INVESTMENT</b><br><i>Call of Chair</i>   | <b>3</b>            | <u><b>EUGENIO RUSSI - Chair</b></u><br>Sharon L. Hanson<br>Judge John O'Donnell  | Jonathan Swiatkowski<br>Thomas Quatroche<br><br>Lynn Sacha (Asst.)                              |
| <b>BUILDINGS &amp; GROUNDS</b><br><i>Ad-Hoc Committee</i><br><i>Call of Chair</i> | <b>3</b>            | <u><b>RONALD BENNETT – Chair</b></u><br>Michael Hoffert<br>Mark Blue<br>James Lawicki  | Andrew Davis<br>Thomas Quatroche<br>James Turner<br><br>Michelle Kroupa (Asst.)                 |
| <b>WBE/MBE SUBCOMMITTEE</b><br><i>Call of Chair</i>                               | <b>3</b>            | <u><b>REVEREND MARK BLUE – Chair</b></u><br>Ronald A. Chapin<br>Christian Johnson  | Diane Artieri<br>Sarina Rohloff<br>Joseph Giglia<br>Thomas Quatroche<br><br>Patty Chase (Asst.) |
| <b>POST-ACUTE QI</b><br><i>Call of Chair</i>                                      | <b>3</b>            | <u><b>RONALD CHAPIN – Chair</b></u><br>Michael Seaman<br>Christopher O'Brien   | Andrew Davis<br>Stephen Woodruff<br><br>MaryAnn Fix (Asst.)                                     |
| <b>CONTRACTS</b>  | <b>3</b>            | <u><b>CHRISTOPHER O'BRIEN - Chair</b></u><br>Ronald Bennett<br>Jennifer Persico  | Lori Hoffman (Asst.)  |

## Erie County Medical Center Corporation Confidential Evaluation of Board Performance

| 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*

Charlene Ludlow, MHA, RN, CIC  
*Senior Vice President of Nursing*

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

Cassandra Davis  
*Senior Vice President, Ambulatory Services and Population Health*

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

Joseph T. Giglia, II, Esq.  
*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*

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*

James Lukan, MD, FACS  
*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: 3,894

## **ACTIVE 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, 2022 and 2021, respectively.

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

Employees: None

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, 2022 and 2021 is approximately \$748 thousand and \$485 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: 31

**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, 2022 and 2021 is \$491 and \$666 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, 2022

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**Independent Auditor's Report**

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, 2022 and 2021, 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, 2022 and 2021, 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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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*.

***Emphasis of Matter***

As discussed in Note 8 to the financial statements, the Corporation restated net position at January 1, 2021 by approximately \$373,000. The restatement was required to be made for the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

***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 12 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 to 13 as well as the required supplementary information for certain pension and other postemployment benefits (OPEB) related data on pages 54 to 56 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 GASB 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 21, 2023 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 21, 2023

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

**Management's Discussion and Analysis  
December 31, 2022  
(Dollars in Thousands)**

---

**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, 2022 and 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 2022 and 2021, the Corporation continued 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. Despite having to continually respond to and being significantly financially impacted by the prolonged COVID-19 pandemic and its lasting effects, ECMCC's dedicated caregivers, support staff, executive leadership, as well as an involved and supportive 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 high quality healthcare services, 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, 2022  
(Dollars in Thousands)**

---

**Operations Analysis**

The Corporation completed calendar year 2022 and 2021 providing 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:

|             | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | % Change<br>2017 - 2022 |
|-------------|---------|---------|---------|---------|---------|---------|-------------------------|
| Inpatients  | 19,260  | 20,555  | 19,996  | 19,110  | 18,903  | 17,412  | -9.6%                   |
| Surgeries   | 14,818  | 15,315  | 15,606  | 12,481  | 13,803  | 12,478  | -15.8%                  |
| Emergency   | 68,862  | 70,110  | 69,391  | 65,261  | 68,384  | 59,064  | -14.2%                  |
| Outpatients | 301,773 | 307,819 | 306,891 | 299,297 | 280,611 | 274,402 | -9.1%                   |
| Dialysis    | 24,772  | 25,063  | 27,549  | 27,973  | 26,116  | 24,961  | 0.8%                    |

The global outbreak of COVID-19, a 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 through 2022. In response to the public health crisis, the New York State Governor and the New York State Commissioner of Health took 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. As a result of these restrictions and other impacts of COVID-19 to hospital operations ECMCC experienced a decrease in surgical volumes from 2021. Total surgical volume decreased by 15.8% from 2021 to 2022.

**Erie County Medical Center Corporation  
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**Operations Analysis (Continued)**

In response to the impact on the healthcare environment from COVID-19, the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan (ARP) Act (Acts) 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 \$72 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 statements of revenue, expenses and changes in net position. As of December 31, 2022, the Medicare Accelerated and Advance Payments have been fully repaid.

The CARES Act also includes financial relief through the Federal Emergency Management Agency's (FEMA) Disaster Relief Fund. As of December 31, 2022, the Corporation has been awarded and received \$2,757 from FEMA to reimburse eligible incremental expenses as a result of COVID-19. The Corporation will continue to submit for grant reimbursement for remaining eligible COVID-19 expenses under this program.

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 respond to the pandemic and the increased number of regulations governing the provision of care and safety guidelines, the Corporation has continued to incur 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 2022 and 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 and limited our ability to accept new patients through the emergency room. This increase in the average length of stay during both years also impacted ECMCC's operating performance. Further, staffing challenges required ECMCC to hire a significant number of temporary agency employees and offered premium incentives to employees to maintain adequate staffing. The federal government-provided relief funding to date has not offset the unfavorable financial impact COVID-19 and its downstream challenges has had on ECMCC through 2022.

Adding to the operational challenges the Corporation continues to experience from COVID-19 were several weather-related events during 2022. The city of Buffalo and surrounding areas experienced a significant snow event in November 2022. It also experienced a significant blizzard during December 2022. Both weather events crippled movement in and around the city for several days. This blizzard caused death and destruction around the City but also resulted in lost revenue within the hospital and clinics during those days and additional costs to keep our staff on-site. Despite these challenges, the Corporation remained committed to continuing its mission to "provide every patient the highest quality of care delivered with compassion."

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**Operations Analysis (Continued)**

As a result of the ongoing challenges to the healthcare industry as a result of COVID-19, New York State Department of Health has begun to provide supplemental funding to hospitals and nursing homes and, as a result, the Corporation received \$51,998 for the year ended December 31, 2022. This benefit has been recorded as non-operating revenue within the statements of revenue, expenses and changes in net position. An additional \$27,000 was received in December 2022 for the year ended December 31, 2023, and is recorded as unearned revenue in the statements of net position as of December 31, 2022.

The continued volume and visit trends reflect the trust that the Western New York community has placed in ECMCC. Notable achievements in 2022 include:

- ECMCC earned its full hospital accreditation—The Joint Commission's Gold Seal of Approval Accreditation- by demonstrating continuous compliance with performance standards.
- 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.
- ECMCC Family Health and Internal Medicine Centers again achieved recognition status for "Patient-Centered Medical Home™ (PCMH™), Recognized–Level 3", by the National Committee for Quality Assurance (NCQA).
- ECMCC named among the top 50 hospitals in the United States for racial inclusivity as ranked by The Lown Hospital Index, which examined over 3,200 hospitals in the country to assess their success at serving the people of color living in their communities.
- ECMCC was one of 496 national healthcare institutions to earn an "LGBTQ+ Healthcare Equality Leader" designation from the Human Rights Campaign; more than 2,000 healthcare facilities nationwide evaluated for their dedication and commitment to LGBTQ inclusion.
- ECMCC reverified with zero deficiencies as a Level 1 Adult Trauma Center by the Verification Review Committee (VRC), an ad hoc committee of the Committee on Trauma (COT) of the American College of Surgeons (ACS).
- ECMCC recognized by the Buffalo Purchasing Initiative for superseding its goal in 2021 for spending with businesses owned by people of color by 44%.
- ECMCC's hip replacement surgery service ranked in the nation's top 7% by US News & World Report. ECMCC earned the highly respected publication's High Performing ranking, placing it among 437 hospitals out of 6,000 evaluated for the service.
- The Commission on Cancer (CoC), a quality program of the American College of Surgeons (ACS) granted Three-Year Accreditation to the cancer program at ECMCC. To earn voluntary CoC accreditation, a cancer program must meet 34 CoC quality care standards, be evaluated every three years through a survey process, and maintain levels of excellence in the delivery of comprehensive patient-centered care.
- ECMCC named among one of America's 100 Best Hospitals for Orthopedic Surgery. This achievement reflects ECMCC's outstanding clinical outcomes for Orthopedic Surgery and puts ECMCC in the top 5% of hospitals nationwide for overall Orthopedic services.
- ECMCC awarded the 2023 Orthopedic Surgery Excellence Award™, a Five-Star rating in Total Knee Replacement for two years in a row (2022-2023), a Five-Star rating for Hip Fracture Treatment for 13 years in a row (2011-2023) and a 2023 Five-Star Distinction in Total Hip Replacement.

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**Operations Analysis (Continued)**

**Financial Metric Analysis**

The Corporation's total net position decreased in 2022 due to unfavorable results from operations as a result of the COVID-19 pandemic and its related downstream challenges, as further discussed below.

Comparative financial ratios for the Corporation to the 2021 (most recent publicly available audited data, pre-pandemic) average of New York State (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 generally accepted accounting principles (U.S. GAAP) for entities not subject to the Governmental Accounting Standards Board (GASB) standards.

|                                | ECMCC  |       |        | PBC<br>Average |
|--------------------------------|--------|-------|--------|----------------|
|                                | 2022   | 2021  | 2020   | 2021           |
| Operating margin               | -20.2% | -5.5% | -23.3% | -9.4%          |
| Operating cash flow margin     | -12.3% | 2.2%  | -16.6% | -3.2%          |
| Debt service coverage          | 1.5    | 1.1   | (1.3)  | 1.4            |
| Unrestricted days cash on hand | 56.5   | 91.1  | 105.6  | N/A            |
| Days cash on hand              | 101.3  | 137.5 | 160.1  | 71.1           |
| Days in accounts receivable    | 53.9   | 49.5  | 56.8   | 38.0           |
| Average age of plant           | 13.0   | 12.5  | 14.0   | 18.1           |

The operational performance ratios for 2022 reflect generally unfavorable performance compared to the Corporation's 2021 performance ratios and NYS Healthcare Public Benefit Corporations ratios. The staffing challenges exponentially increased at the end of 2021 into 2022 significantly impacting 2022 financial performance. Federal provider relief funds received and available to cover additional operating expenses, lost operating revenues, grants received from New York State Department of Health (NYSDOH) and FEMA, have been recognized as non-operating revenue and are excluded from the operating ratio calculations. Unrestricted days cash on hand decreased 34.6 days (38.0%) due to the repayment of Medicare Advance Payments and partial repayment of employer payroll tax deferral received in 2020, unfavorable operating performance and delay in receipt of annual Disproportionate Share Hospital (DSH) Revenue. Days in accounts receivable increased by 4.4 days (8.9%) due to a decrease in collections and an increase in unbilled accounts as a result of staffing shortages during the year. Average age of plant increased by 0.5 years (4.0%) as a result of limited construction and improvement projects due to unfavorable operating performance.

**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.

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**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:

|  | 2022              | 2021 (Restated)     | 2022-2021           |               |
|--|-------------------|---------------------|---------------------|---------------|
|  |                   |                     | \$ Change           | % Change      |
| <b>Assets</b>  |                   |                     |                     |               |
| Current assets, excluding assets whose use is limited                    | \$ 212,962        | \$ 272,450          | \$ (59,488)         | (21.8)        |
| Assets whose use is limited  | 157,516           | 168,563             | (11,047)            | (6.6)         |
| Capital assets, net  | 328,170           | 348,816             | (20,646)            | (5.9)         |
| Net pension asset  | 77,538            | -                   | 77,538              | 100.0         |
| Other assets   | 7,780             | 23,106              | (15,326)            | (66.3)        |
| <b>Total assets</b>  | <b>783,966</b>    | <b>812,935</b>      | <b>(28,969)</b>     | <b>(3.6)</b>  |
| <b>Deferred outflows of resources</b>                                    | <b>178,411</b>    | <b>279,395</b>      | <b>(100,984)</b>    | <b>(36.1)</b> |
| <b>Total assets and deferred outflows of resources</b>                   | <b>\$ 962,377</b> | <b>\$ 1,092,330</b> | <b>\$ (129,953)</b> | <b>(11.9)</b> |
| <b>Liabilities</b>   |                   |                     |                     |               |
| Current liabilities  | \$ 294,849        | \$ 314,425          | \$ (19,576)         | (6.2)         |
| Noncurrent liabilities   | 539,505           | 655,694             | (116,189)           | (17.7)        |
| <b>Total liabilities</b>   | <b>834,354</b>    | <b>970,119</b>      | <b>(135,765)</b>    | <b>(14.0)</b> |
| <b>Deferred inflows of resources</b>                                     | <b>396,441</b>    | <b>357,752</b>      | <b>38,689</b>       | <b>10.8</b>   |
| <b>Net Position</b>  |                   |                     |                     |               |
| Net investment in capital assets   | 82,489            | 93,782              | (11,293)            | (12.0)        |
| Restricted   | 80,719            | 79,577              | 1,142               | 1.4           |
| Unrestricted   | (431,626)         | (408,900)           | (22,726)            | (5.6)         |
| <b>Total net position</b>  | <b>(268,418)</b>  | <b>(235,541)</b>    | <b>(32,877)</b>     | <b>(14.0)</b> |
| <b>Total liabilities, deferred inflows of resources and net position</b> | <b>\$ 962,377</b> | <b>\$ 1,092,330</b> | <b>\$ (129,953)</b> | <b>(11.9)</b> |

**Erie County Medical Center Corporation  
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**Statements of Net Position (Continued)**

Overall, total assets and deferred outflows of resources decreased \$129,953 from 2021 to 2022.

The following variances in total assets are noteworthy:

Total current assets, excluding the current portion of assets whose use is limited, decreased by \$59,488 due to the following:

- Cash, cash equivalents and investments decreased by \$25,269 due to losses from operations and the repayment of Medicare Advance Payments received in previous years.
- Patient accounts receivable, net, increased by \$6,854 as a result of current year decreases in collections and an increase in unbilled accounts as a result of staffing shortages.
- Other receivables, decreased by \$26,070 which is due to a \$21,120 decrease in Medicaid DSH and Upper Payment Limit (UPL) program receivables, a decrease of \$2,458 in due from third party payors and a \$2,492 decrease in other receivables.
- Assets whose use is limited, including current portion, decreased by a net of \$11,047, which is due to a decrease of \$8,400 of assets designated for long-term investments used to fund capital projects and a \$2,336 reduction in required collateral held for workers compensation claims, unrealized losses from investments of \$1,096, offset by a \$785 increase in reserve account funding for actuarial liabilities and other limited use assets.
- Capital assets, net, decreased by \$20,646 due to investments during 2022 in new capital assets being less than depreciation expense, as a continued result of the pandemic. Investments in capital assets are summarized in a following section.
- Net pension asset increased \$77,538 due to favorable investment performance on plan investments.

Overall, total liabilities and deferred inflows decreased \$97,076 and net position decreased \$32,877 from 2021.

The following variances in total liabilities are noteworthy:

- Accounts payable and accrued salaries and benefits increased by \$19,941 due to an increase in operating expenditures and timing of payments to vendors and employees at year-end.
- Accrued other liabilities increased by \$6,995 largely as a result of increases in amounts due to Erie County.
- Unearned revenue decreased by \$35,799, \$63,727 due to receipt of a payment for 2022 DSH funds during 2021 offset by an increase of \$27,000 related to the New York State VAPAP for 2023. Other unearned revenue increased \$927.
- Repayment of Medicare Advance payments resulted in a \$20,879 decrease in a current liability based upon payment terms in the CARES Act.
- The unsecured line of credit liability increased \$10,000 due to new borrowings that remain outstanding at December 31, 2022.
- The long-term portion of self-insured obligations increased by \$1,322 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 decreased by \$15.

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**Statements of Net Position (Continued)**

- The liability for OPEB decreased by \$107,711 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 and an increase in the discount rate to measure the obligation.
- Net position decreased by \$32,877 due to unfavorable financial performance related to the continued impact on operations of the COVID-19 pandemic and its downstream challenges.

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

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

|   | 2022                | 2021 (Restated)     | 2022-2021          |                |
|---|---------------------|---------------------|--------------------|----------------|
|   |                     |                     | \$ Change          | % Change       |
| Net patient service revenue   | \$ 566,389          | \$ 566,104          | \$ 285             | 0.1            |
| Disproportionate share (DSH) revenue  | 68,295              | 101,620             | (33,325)           | (32.8)         |
| Other operating revenue   | 26,095              | 21,547              | 4,548              | 21.1           |
| <b>Total operating revenues</b>   | <b>660,779</b>      | <b>689,271</b>      | <b>(28,492)</b>    | <b>(4.1)</b>   |
| Operating expenses:   |                     |                     |                    |                |
| Payroll and employee benefits   | 410,664             | 387,598             | 23,066             | 6.0            |
| Professional fees   | 109,113             | 101,215             | 7,898              | 7.8            |
| Purchased services  | 85,857              | 67,927              | 17,930             | 26.4           |
| Supplies  | 117,877             | 112,402             | 5,475              | 4.9            |
| Other operating expenses  | 29,185              | 31,367              | (2,182)            | (7.0)          |
| Depreciation and amortization   | 41,615              | 41,178              | 437                | 1.1            |
| <b>Total operating expenses</b>   | <b>794,311</b>      | <b>741,687</b>      | <b>52,624</b>      | <b>7.1</b>     |
| <b>Operating loss before pension and other post employment benefits amortization components</b> | <b>(133,532)</b>    | <b>(52,416)</b>     | <b>(81,116)</b>    | <b>(154.8)</b> |
| Pension benefit, amortization component   | 32,537              | 12,858              | 19,679             | 153.0          |
| Other post employment benefits, amortization component  | 29,861              | 14,769              | 15,092             | 100.0          |
| <b>Operating loss</b>   | <b>(71,134)</b>     | <b>(24,789)</b>     | <b>(46,345)</b>    | <b>(187.0)</b> |
| Non-operating revenues (expenses):  |                     |                     |                    |                |
| Investment (loss) gain  | (13,966)            | 2,803               | (16,769)           | (598.3)        |
| Grant revenue   | 63,151              | 1,238               | 61,913             | 5,001.1        |
| Paycheck Protection Program (PPP) loan forgiveness  | -                   | 10,000              | (10,000)           | (100.0)        |
| Interest expense  | (10,928)            | (11,369)            | 441                | 3.9            |
| <b>Loss before capital grants and contributions</b>   | <b>(32,877)</b>     | <b>(22,117)</b>     | <b>(10,760)</b>    | <b>(48.7)</b>  |
| Capital grants  | -                   | 731                 | (731)              | (100.0)        |
| Capital contributions   | -                   | 13                  | (13)               | (100.0)        |
| <b>Total change in net position</b>   | <b>(32,877)</b>     | <b>(21,373)</b>     | <b>(11,504)</b>    | <b>(53.8)</b>  |
| Net position—beginning of year  | (235,541)           | (213,795)           | (21,746)           | (10.2)         |
| Cumulative effect of accounting change (see Note 8)   | -                   | (373)               | 373                | 100.0          |
| <b>Net position—end of year</b>   | <b>\$ (268,418)</b> | <b>\$ (235,541)</b> | <b>\$ (32,877)</b> | <b>(14.0)</b>  |

**Erie County Medical Center Corporation  
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**Statements of Revenues, Expenses, and Changes in Net Position (Continued)**

Overall, operating revenues decreased by \$28,492 or 4.1% in 2022 with changes attributable to the following:

- Net patient service revenue increased \$285, or 0.1%, in 2022 as a result of a combination of overall decrease in patient volumes, an increase in contracted reimbursement rates, an increase in bad debt expense and a decrease in average reimbursement for certain services due to a change in patient acuity.
- DSH decreased by \$33,325, or 32.8%, in 2022 as a result of an increase in the nursing home upper payment limit of \$2,631, offset by a \$35,956 decrease in federal DSH due to legislation that changes the DSH cap calculation to exclude Medicaid shortfalls from services provided to Medicaid-eligible beneficiaries who are dually eligible for Medicare or other coverage.

Operating expenses including the pension benefit and other post-employment benefit expenses increased \$17,853 or 2.5%, in 2022. Expense changes are attributable to the following:

- Payroll and employee benefit expenses have increased by \$23,066 or 6.0% as a result of increases in salaries due to new collective bargaining agreements that included significant market rate adjustments and premium pay incentives offered to fill open shifts due to staffing shortages resulting from the ongoing challenges of the COVID-19 pandemic. Salaries and employee benefit expense as a percent of net patient service revenue increased by 4.0%, from 68.5% in 2021 to 72.5% in 2022.
- Pension expense decreased by \$18,717 or 100.3% as a result of favorable differences between projected and actual investment earnings on pension plan investments largely due to the 2021 plan valuation date of March 31, 2021, compared to the 2022 valuation date of March 31, 2022, and the impact of COVID-19 on the financial markets at that time and differences between expected and actual experience.
- Purchased services increased by \$17,930 or 26.4% as a result of increased usage of agency staffing relating to nursing and cleaning services.
- OPEB benefit increased \$28,664 or 108.0% as a result of favorable differences between projected and actual experience of net claims cost and benefit payment made to current employees.

**Capital Assets, Net**

At December 31, 2022, the Corporation had capital assets, including lease assets, net of accumulated depreciation of \$328,170 compared to \$348,816 at December 31, 2021, representing a decrease of \$20,646 or 5.90%.

During 2022, the Corporation invested \$21,753 in various capital assets (\$12,864) and capital leases (\$8,889). Noteworthy investments in capital assets include continued investment into building envelope improvements (\$3,219) and purchases of other medical and non-medical equipment, furniture and fixtures, and information systems infrastructure investments. Noteworthy additions to capital leases include various robotic surgery equipment (\$3,926), patient beds (\$2,941) and other various leased medical and non-medical equipment. GASB Statement No. 87, Leases, establishes the foundational principle that leases are financing of the right-to-use an underlying asset for a period of time. The Corporation recorded lease assets, net of accumulated depreciation, in the amount of \$30,054 and \$27,779 in 2022 and 2021, respectively.

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**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 previous agreement ended in 2022, while a new agreement began January 1, 2023 and runs through December 31, 2027. Registered Nurses (RNs) are covered under an agreement with the New York State Nurses Association (NYSNA). This agreement began in 2019 and ran through December 31, 2022. The parties have mutually agreed to extend the terms through March 31, 2023, while a new agreement is being negotiated. 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 2022 runs through December 31, 2026.

**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.

**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**  
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**Statements of Net Position**  
**December 31, 2022 and 2021**  
**(Dollars in Thousands)**

|  | 2022              | 2021                |
|--|-------------------|---------------------|
| <b>Assets and Deferred Outflows of Resources</b>                         |                   |                     |
| Current assets:  |                   |                     |
| Cash and cash equivalents  | \$ 44,195         | \$ 69,464           |
| Investments  | 7,253             | 20,364              |
| Assets whose use is limited  | 99,078            | 91,866              |
| Patient accounts receivable, net   | 83,569            | 76,715              |
| Other receivables  | 62,430            | 88,500              |
| Supplies, prepaids and other   | 15,515            | 17,407              |
| <b>Total current assets</b>  | <b>312,040</b>    | <b>364,316</b>      |
| Assets whose use is limited  | 58,438            | 76,697              |
| Capital assets, net  | 328,170           | 348,816             |
| Net pension asset  | 77,538            | -                   |
| Other assets, net  | 7,780             | 23,106              |
|  | <b>471,926</b>    | <b>448,619</b>      |
| <b>Total assets</b>  | <b>783,966</b>    | <b>812,935</b>      |
| Deferred outflows of resources:  |                   |                     |
| Pension  | 143,693           | 220,050             |
| Other post employment benefits   | 22,684            | 45,882              |
| Other  | 12,034            | 13,463              |
| <b>Total deferred outflows of resources</b>                              | <b>178,411</b>    | <b>279,395</b>      |
| <b>Total assets and deferred outflows of resources</b>                   | <b>\$ 962,377</b> | <b>\$ 1,092,330</b> |
| <b>Liabilities, Deferred Inflows of Resources and Net Position</b>       |                   |                     |
| Current liabilities:   |                   |                     |
| Current portion of long-term debt  | \$ 11,716         | \$ 11,316           |
| Current portion of Medicare Advance Payment Program                      | -                 | 20,879              |
| Line of credit   | 10,000            | -                   |
| Current portion of lease liability                                       | 7,297             | 6,728               |
| Accounts payable   | 72,449            | 56,380              |
| Accrued salaries, wages and employee benefits                            | 43,219            | 39,345              |
| Other post employment benefits   | 12,061            | 13,155              |
| Accrued other liabilities  | 39,788            | 32,504              |
| Unearned revenue   | 98,319            | 134,118             |
| <b>Total current liabilities</b>   | <b>294,849</b>    | <b>314,425</b>      |
| Long-term debt, net  | 202,641           | 214,358             |
| Long-term lease liability, net   | 23,190            | 21,602              |
| Net pension liability, net of current portion                            | -                 | 915                 |
| Self-insured obligations   | 48,883            | 47,561              |
| Other post employment benefits, net of current portion                   | 259,334           | 365,951             |
| Other  | 5,457             | 5,307               |
| <b>Total liabilities</b>   | <b>834,354</b>    | <b>970,119</b>      |
| Deferred inflows of resources:   |                   |                     |
| Pension  | 280,189           | 278,142             |
| Other post employment benefits   | 114,812           | 77,301              |
| Leases   | 1,440             | 2,309               |
| <b>Total deferred inflows of resources</b>                               | <b>396,441</b>    | <b>357,752</b>      |
| <b>Net Position:</b>   |                   |                     |
| Net investment in capital assets   | 82,489            | 93,782              |
| Restricted:  |                   |                     |
| Expendable   | 80,719            | 79,577              |
| Unrestricted   | (431,626)         | (408,900)           |
| <b>Total net position</b>  | <b>(268,418)</b>  | <b>(235,541)</b>    |
| <b>Total liabilities, deferred inflows of resources and net position</b> | <b>\$ 962,377</b> | <b>\$ 1,092,330</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, 2022 and 2021**  
**(Dollars in Thousands)**

|   | 2022             | 2021            |
|---|------------------|-----------------|
| Operating revenues:   |                  |                 |
| Net patient service revenue, net of provision for<br>bad debts of \$15,474 and \$12,153 for 2022 and 2021, respectively | \$ 566,389       | \$ 566,104      |
| Disproportionate share revenue (DSH)  | 68,295           | 101,620         |
| Other operating revenue   | 26,095           | 21,547          |
| <b>Total operating revenues</b>   | <b>660,779</b>   | <b>689,271</b>  |
| Operating expenses:   |                  |                 |
| Payroll and employee benefits   | 410,664          | 387,598         |
| Professional fees   | 109,113          | 101,215         |
| Purchased services  | 85,857           | 67,927          |
| Supplies  | 117,877          | 112,402         |
| Other operating expenses  | 29,185           | 31,367          |
| Depreciation and amortization   | 41,615           | 41,178          |
| <b>Total operating expenses</b>   | <b>794,311</b>   | <b>741,687</b>  |
| <b>Operating loss before pension benefit and other<br/>post employment benefits amortization components</b>             | <b>(133,532)</b> | <b>(52,416)</b> |
| Pension benefit, amortization component   | 32,537           | 12,858          |
| Other post employment benefits, amortization component  | 29,861           | 14,769          |
| <b>Operating loss</b>   | <b>(71,134)</b>  | <b>(24,789)</b> |
| Nonoperating revenues (expenses):   |                  |                 |
| Investment (loss) gain  | (13,966)         | 2,803           |
| Grant revenue   | 63,151           | 1,238           |
| Paycheck Protection Program (PPP) loan forgiveness  | -                | 10,000          |
| Interest expense  | (10,928)         | (11,369)        |
| <b>Total nonoperating revenues (expenses)</b>   | <b>38,257</b>    | <b>2,672</b>    |
| <b>Loss before capital grants and capital contributions</b>   | <b>(32,877)</b>  | <b>(22,117)</b> |
| New York State (NYS) capital grants   | -                | 731             |
| Capital contributions   | -                | 13              |
| <b>Total change in net position</b>   | <b>(32,877)</b>  | <b>(21,373)</b> |
| Net position—beginning of year, as previously reported  | (235,541)        | (213,795)       |
| Cumulative effect of accounting change (see Note 8)   | -                | (373)           |
| Net position—beginning of year, as restated   | (235,541)        | (214,168)       |
| Net position—end of year  | \$ (268,418)     | \$ (235,541)    |

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, 2022 and 2021**  
**(Dollars in Thousands)**

|  | 2022            | 2021            |
|--|-----------------|-----------------|
| Cash flows from operating activities:                            |                 |                 |
| Receipts from patients and third-party payors                    | \$ 585,894      | \$ 546,821      |
| Payments to Medicare Advance Payment Program                     | (20,879)        | (18,222)        |
| Payments to employees for salaries and benefits                  | (389,561)       | (382,535)       |
| Payments to vendors for supplies and other                       | (293,557)       | (308,916)       |
| Other receipts   | 31,591          | 129,528         |
| <b>Net cash used in operating activities</b>                     | <b>(86,512)</b> | <b>(33,324)</b> |
| Cash flows from capital and related financing activities:        |                 |                 |
| Purchases of capital assets                                      | (26,855)        | (23,714)        |
| Borrowings on line of credit                                     | 10,000          | -               |
| Borrowings on long-term debt                                     | -               | 1,221           |
| Payments on long-term debt                                       | (11,317)        | (11,221)        |
| Interest paid on long-term debt                                  | (10,928)        | (10,448)        |
| Grants for capital purposes                                      | -               | 731             |
| <b>Net cash used in capital and related financing activities</b> | <b>(39,100)</b> | <b>(43,431)</b> |
| Cash flows from noncapital financing activities:                 |                 |                 |
| Grant funding  | 90,151          | 1,238           |
| <b>Net cash provided by noncapital financing activities</b>      | <b>90,151</b>   | <b>1,238</b>    |
| Cash flows from investing activities:                            |                 |                 |
| Sales of assets whose use is limited, net                        | 11,047          | 25,828          |
| Investment (loss) gain   | (13,966)        | 2,803           |
| Sales (purchases) of investments, net                            | 13,111          | (3,971)         |
| Capital contributions  | -               | 13              |
| <b>Net cash provided by investing activities</b>                 | <b>10,192</b>   | <b>24,673</b>   |
| <b>Net change in cash and cash equivalents</b>                   | <b>(25,269)</b> | <b>(50,844)</b> |
| Cash and cash equivalents:                                       |                 |                 |
| Beginning  | 69,464          | 120,308         |
| Ending   | \$ 44,195       | \$ 69,464       |

**Noncash capital and related financing activities:**

Included in accounts payable at December 31, 2022 and 2021, was \$2,737 and \$8,623, 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, 2022 and 2021**  
**(Dollars in Thousands)**

|   | 2022               | 2021               |
|---|--------------------|--------------------|
| Reconciliation of operating loss to net cash used in operating activities:        |                    |                    |
| Operating loss  | \$ (71,134)        | \$ (24,789)        |
| Adjustments to reconcile operating loss to net cash used in operating activities: |                    |                    |
| Depreciation and amortization   | 41,615             | 41,178             |
| Provision for bad debts   | 15,474             | 12,153             |
| Changes in assets, deferred outflows, liabilities and deferred inflows:           |                    |                    |
| Patient accounts receivable   | (22,328)           | (10,152)           |
| Medicare Advance Payment Program  | (20,879)           | (18,222)           |
| Other receivables   | 26,070             | (22,619)           |
| Supplies, prepaids and other  | 17,218             | 3,017              |
| Deferred outflows of resources  | 100,984            | (40,179)           |
| Accounts payable  | 21,955             | 4,378              |
| Accrued liabilities   | 13,176             | (2,515)            |
| Unearned revenue  | (62,799)           | 6,410              |
| Estimated third-party payor settlements   | 289                | 1,335              |
| Self-insured obligations  | 1,322              | 5,909              |
| Net pension (asset)/liability   | (78,453)           | (224,282)          |
| OPEB  | (107,711)          | (18,815)           |
| Deferred inflows of resources   | 38,689             | 253,869            |
| <b>Net cash used in operating activities</b>                                      | <b>\$ (86,512)</b> | <b>\$ (33,324)</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, 2022 and 2021**  
**(Dollars in Thousands)**

|   | 2022                     |                                   |  |                    | 2021                     |                                   |  |                    |
|---|--------------------------|-----------------------------------|--|--------------------|--------------------------|-----------------------------------|--|--------------------|
|   | ECMC<br>Foundation, Inc. | The<br>Grider<br>Initiative, Inc. | Research for<br>Health in<br>Erie County, Inc. | Aggregate<br>Total | ECMC<br>Foundation, Inc. | The<br>Grider<br>Initiative, Inc. | Research for<br>Health in<br>Erie County, Inc. | Aggregate<br>Total |
| <b>Assets</b>                             |                          |                                   |  |                    |                          |                                   |  |                    |
| Current assets:                           |                          |                                   |  |                    |                          |                                   |  |                    |
| Cash and cash equivalents                 | \$ 2,337                 | \$ 271                            | \$ 2   | \$ 2,610           | \$ 2,683                 | \$ 271                            | \$ 7   | \$ 2,961           |
| Investments                               | -                        | -                                 | 1,092  | 1,092              | -                        | -                                 | 1,124  | 1,124              |
| Other receivables                         | 1,597                    | -                                 | -  | 1,597              | 2,122                    | -                                 | -  | 2,122              |
| Supplies, prepaids and other              | 408                      | -                                 | -  | 408                | 37                       | -                                 | -  | 37                 |
| <b>Total current assets</b>               | <b>4,342</b>             | <b>271</b>                        | <b>1,094</b>                                   | <b>5,707</b>       | <b>4,842</b>             | <b>271</b>                        | <b>1,131</b>                                   | <b>6,244</b>       |
| Other receivables                         | 1,030                    | -                                 | -  | 1,030              | 1,616                    | -                                 | -  | 1,616              |
| Endowment and other investments           | 2,298                    | 9,576                             | -  | 11,874             | 2,991                    | 9,923                             | -  | 12,914             |
| Equipment and vehicles, net               | 1                        | -                                 | -  | 1                  | 2                        | -                                 | -  | 2                  |
| <b>Total assets</b>                       | <b>\$ 7,671</b>          | <b>\$ 9,847</b>                   | <b>\$ 1,094</b>                                | <b>\$ 18,612</b>   | <b>\$ 9,451</b>          | <b>\$ 10,194</b>                  | <b>\$ 1,131</b>                                | <b>\$ 20,776</b>   |
| <b>Liabilities and Net Position</b>       |                          |                                   |  |                    |                          |                                   |  |                    |
| Current liabilities:                      |                          |                                   |  |                    |                          |                                   |  |                    |
| Accounts payable                          | \$ 22                    | \$ -                              | \$ -   | \$ 22              | \$ 71                    | \$ -                              | \$ -   | \$ 71              |
| Funds held in custody for others          | 596                      | -                                 | -  | 596                | 657                      | -                                 | -  | 657                |
| <b>Total current liabilities</b>          | <b>618</b>               | <b>-</b>                          | <b>-</b>                                       | <b>618</b>         | <b>728</b>               | <b>-</b>                          | <b>-</b>                                       | <b>728</b>         |
| Related party                             | 2,522                    | -                                 | -  | 2,522              | 3,969                    | -                                 | -  | 3,969              |
| Unearned revenue                          | 509                      | -                                 | -  | 509                | 1,181                    | -                                 | -  | 1,181              |
| <b>Total liabilities</b>                  | <b>3,649</b>             | <b>-</b>                          | <b>-</b>                                       | <b>3,649</b>       | <b>5,878</b>             | <b>-</b>                          | <b>-</b>                                       | <b>5,878</b>       |
| <b>Net Position</b>                       |                          |                                   |  |                    |                          |                                   |  |                    |
| Restricted:                               |                          |                                   |  |                    |                          |                                   |  |                    |
| Nonexpendable                             | 50                       | 10,000                            | -  | 10,050             | 50                       | 10,000                            | -  | 10,050             |
| Expendable                                | 1,510                    | (153)                             | -  | 1,357              | 1,653                    | 194                               | -  | 1,847              |
| Unrestricted                              | 2,462                    | -                                 | 1,094  | 3,556              | 1,870                    | -                                 | 1,131  | 3,001              |
| <b>Total net position</b>                 | <b>4,022</b>             | <b>9,847</b>                      | <b>1,094</b>                                   | <b>14,963</b>      | <b>3,573</b>             | <b>10,194</b>                     | <b>1,131</b>                                   | <b>14,898</b>      |
| <b>Total liabilities and net position</b> | <b>\$ 7,671</b>          | <b>\$ 9,847</b>                   | <b>\$ 1,094</b>                                | <b>\$ 18,612</b>   | <b>\$ 9,451</b>          | <b>\$ 10,194</b>                  | <b>\$ 1,131</b>                                | <b>\$ 20,776</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, 2022 and 2021  
(Dollars in Thousands)

|  | 2022                     |                                   |  |                    | 2021                     |                                   |  |                    |
|--|--------------------------|-----------------------------------|--|--------------------|--------------------------|-----------------------------------|--|--------------------|
|  | ECMC<br>Foundation, Inc. | The<br>Grider<br>Initiative, Inc. | Research for<br>Health in<br>Erie County, Inc. | Aggregate<br>Total | ECMC<br>Foundation, Inc. | The<br>Grider<br>Initiative, Inc. | Research for<br>Health in<br>Erie County, Inc. | Aggregate<br>Total |
| Operating revenues:                      |                          |                                   |  |                    |                          |                                   |  |                    |
| Grants, contributions and special events | \$ 3,396                 | \$ -                              | \$ -   | \$ 3,396           | \$ 3,291                 | \$ -                              | \$ -   | \$ 3,291           |
| <b>Total operating revenues</b>          | <b>3,396</b>             | <b>-</b>                          | <b>-</b>                                       | <b>3,396</b>       | <b>3,291</b>             | <b>-</b>                          | <b>-</b>                                       | <b>3,291</b>       |
| Operating expenses:                      |                          |                                   |  |                    |                          |                                   |  |                    |
| Program services and grants              | 875                      | -                                 | 5  | 880                | 1,233                    | 218                               | 5  | 1,456              |
| Fundraising                              | 1,562                    | -                                 | -  | 1,562              | 581                      | 8                                 | -  | 589                |
| Other operating expenses                 | 357                      | -                                 | 1  | 358                | 857                      | 7                                 | 1  | 865                |
| <b>Total operating expenses</b>          | <b>2,794</b>             | <b>-</b>                          | <b>6</b>                                       | <b>2,800</b>       | <b>2,671</b>             | <b>233</b>                        | <b>6</b>                                       | <b>2,910</b>       |
| <b>Operating income (loss)</b>           | <b>602</b>               | <b>-</b>                          | <b>(6)</b>                                     | <b>596</b>         | <b>620</b>               | <b>(233)</b>                      | <b>(6)</b>                                     | <b>381</b>         |
| Nonoperating revenue:                    |                          |                                   |  |                    |                          |                                   |  |                    |
| Investment (loss) income                 | (153)                    | (347)                             | (31)   | (531)              | -                        | 212                               | 50   | 262                |
| <b>Change in net position</b>            | <b>449</b>               | <b>(347)</b>                      | <b>(37)</b>                                    | <b>65</b>          | <b>620</b>               | <b>(21)</b>                       | <b>44</b>                                      | <b>643</b>         |
| Net position—beginning of year           | 3,573                    | 10,194                            | 1,131  | 14,898             | 2,953                    | 10,215                            | 1,087  | 14,255             |
| Net position—end of year                 | \$ 4,022                 | \$ 9,847                          | \$ 1,094                                       | \$ 14,963          | \$ 3,573                 | \$ 10,194                         | \$ 1,131                                       | \$ 14,898          |

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, 2022  
(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.

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, 2022  
(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, 2022 and 2021, capital contributions due to GLIN totaled \$767 and \$1,730, 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) 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, 2022  
(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. RHEC 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. Subsequent to year-end, RHEC was dissolved and the remaining net assets were transferred to the ECMC Foundation.

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, net pension assets/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, 2022  
(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 an increase of \$196 and a decrease \$565 in total operating revenues for the years ended December 31, 2022 and 2021, 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 represent 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, 2022 and 2021 was approximately \$63,414 and \$60,599, 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**  
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**Notes to the Financial Statements**  
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**Note 2. Summary of Significant Accounting Policies (Continued)**

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

|  | 2022             | 2021             |
|--|------------------|------------------|
| DSH and Upper Payment Limit (UPL) (Note 5)           | \$ 50,330        | \$ 71,450        |
| Due from affiliated organizations and joint ventures | 1,928            | 1,928            |
| Due from third-party payors                          | 7,524            | 9,982            |
| Health insurance rebates                             | -                | 260              |
| Other  | 2,648            | 4,880            |
|  | <u>\$ 62,430</u> | <u>\$ 88,500</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 lease assets is computed using the straight-line method over the lease term or the estimated useful life of the underlying 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 (asset)/liability and post-employment benefit obligations, items related to the 2017 financing transaction as described below, amongst other deferred resources.

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, 2022 and 2021, is \$9,836 and \$11,019, 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, 2022 and 2021 is \$834 and \$1,030, respectively.

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

**Other assets:** Amounts due from the County, as noted in Note 14 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, 2022 and 2021, the Corporation's share of the net assets of Collaborative Care amounted to \$1,060 and \$1,203, 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, 2022 and 2021, the Corporation's share of the net assets of GLIN amounted to \$2,179 and \$1,350, respectively.

**Leases:** The Corporation is a lessee for noncancellable leases of real estate and equipment. The Corporation recognizes a lease liability and an intangible right-to-use lease asset in the financial statements for leases. At the commencement of a lease, the Corporation measures the lease liability at the interest rate charged on the lease, if available, or otherwise discounted using the Corporation's incremental borrowing rate. The lease assets are amortized over the shorter of the lease term or the underlying asset useful life.

The Corporation is a lessor for noncancellable leases of real estate. The Corporation recognizes a lease receivable and deferred inflow of resources in the financial statements for these leases. At the commencement of the lease, the Corporation measures the lease receivable at the interest rate charged on the lease, if available, or otherwise discounted using the Corporation's incremental borrowing rate.

**Unearned revenue:** Unearned revenue represents funds received by the Corporation for the DSRIP, DSH Program and New York State Department of Health (NYSDOH) Vital Access Provider Assurance Program (VAPAP) 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, 2022 and 2021, within the caption accrued salaries, wages and employee benefits in the amount of \$15,295 and \$14,665, 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, other post-employment benefits and the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods.

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

**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.

**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 \$4,602 and \$3,119 for the years ended December 31, 2022 and 2021, respectively. Additionally, the Corporation provided approximately \$2,517 and \$1,837 in discounts to self-pay patients for the years ended December 31, 2022 and 2021, 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 3.88% discount rate, over the expected collection period of the pledges.

**Erie County Medical Center Corporation  
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**Note 2. Summary of Significant Accounting Policies (Continued)**

**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.

**Nonoperating revenues:** Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, CARES Act and ARP Act Provider Relief Funds, NYSDOH grant funding, Federal Emergency Management Agency (FEMA) funding and 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.

**Contributed services:** RHEC receives contributions from the Corporation consisting primarily of donated space, equipment, and personnel support. During 2022 and 2021, 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:** Effective January 1, 2021, the Corporation adopted GASB 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. There was no material impact on the Corporation's financial statements due to the adoption of Statement No. 87. See Note 8 for further details regarding the implementation of this standard.

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

Effective January 1, 2022, the Corporation adopted GASB 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. There was no material impact on the Corporation's financial statements due to the adoption of this standard.

Effective January 1, 2022, the Corporation adopted GASB 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. There was no material impact on the Corporation's financial statements due to the adoption of this standard.

Effective January 1, 2022, the Corporation adopted GASB 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). There was no material impact on the Corporation's financial statements due to the adoption of this standard.

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.

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

Effective January 1, 2022, the Corporation adopted GASB 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 another 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. There was no material impact on the Corporation's financial statements due to the adoption of this standard.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective at various dates as outlined in the Statement. The Corporation does not anticipate the adoption of this standard will have a significant impact on the financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB No. 62*. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Corporation does not anticipate the adoption of this standard will have a significant impact on the financial statements.

**Erie County Medical Center Corporation  
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**Notes to the Financial Statements  
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**Note 2. Summary of Significant Accounting Policies (Continued)**

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Corporation has not yet determined the impact this statement will have on the 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 loss/income or changes in net position.

**Subsequent events:** The Corporation has evaluated subsequent events for potential recognition and/or disclosure through March 21, 2023, 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 since 2020. 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 \$8,395 and \$1,238, in its statements of revenues, expenses and changes in net position, for the years ended December 31, 2022 and 2021, 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, 50% of the deferred payroll tax was paid on January 3, 2022, with the remainder paid on January 3, 2023.

**Erie County Medical Center Corporation  
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**Notes to the Financial Statements  
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**Note 3.      Coronavirus Pandemic (COVID-19) (Continued)**

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, 2022, Medicare had recouped the advance in its entirety with \$20,879 recouped during 2022 and \$18,222 recouped during 2021. 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. 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.

The CARES Act also includes financial relief through FEMA's Disaster Relief Fund. As of December 31, 2022 the Corporation has received \$2,757 from FEMA to reimburse eligible incremental expenses as a result of COVID-19. The Corporation will continue to submit for grant reimbursement for any remaining eligible COVID-19 expenses under this program. Costs claimed under FEMA may not be reimbursed by any other funding source or payor, and may not be claimed through Provider Relief Funds (PRF) or other grants.

**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.

**Erie County Medical Center Corporation**  
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**Note 4. Net Patient Service Revenue and Patient Accounts Receivable (Continued)**

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.

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:

|                          | 2022              | 2021              |
|--------------------------|-------------------|-------------------|
| Gross charges            | \$ 1,514,854      | \$ 1,438,212      |
| Less:                    |                   |                   |
| Discounts and allowances | 932,991           | 859,955           |
| Provision for bad debts  | 15,474            | 12,153            |
|                          | <u>\$ 566,389</u> | <u>\$ 566,104</u> |

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

|   | 2022              | %             | 2021              | %             |
|---|-------------------|---------------|-------------------|---------------|
| Medicare*                               | \$ 229,412        | 40.5%         | \$ 218,759        | 38.6%         |
| Medicaid*                               | 156,183           | 27.6%         | 163,097           | 28.8%         |
| Commercial and other third-party payors | 153,322           | 27.1%         | 152,806           | 27.0%         |
| No-fault                                | 23,968            | 4.2%          | 28,358            | 5.0%          |
| Self-pay                                | 3,504             | 0.6%          | 3,084             | 0.5%          |
|   | <u>\$ 566,389</u> | <u>100.0%</u> | <u>\$ 566,104</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.

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

Patient accounts receivable consist of the following at December 31:

|                           | 2022             | 2021             |
|---------------------------|------------------|------------------|
| Gross accounts receivable | \$ 271,115       | \$ 254,858       |
| Less:                     |                  |                  |
| Discounts and allowances  | 124,132          | 117,544          |
| Allowance for bad debts   | 63,414           | 60,599           |
|                           | <u>\$ 83,569</u> | <u>\$ 76,715</u> |

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:

|   | 2022          | 2021          |
|---|---------------|---------------|
| Medicare*                               | 35.6%         | 36.4%         |
| Medicaid*                               | 32.1%         | 30.3%         |
| Commercial and other third party payors | 27.7%         | 28.1%         |
| No-fault                                | 3.7%          | 2.8%          |
| Self-pay                                | 0.9%          | 2.4%          |
| <b>Total</b>                            | <u>100.0%</u> | <u>100.0%</u> |

\*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 2022 and 2021, DSH funding recorded by the Corporation totaled \$68,295 and \$101,620, 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 \$58,295 and \$94,251 was recognized in 2022 and 2021, respectively. In addition, during 2022 and 2021, the Corporation recognized \$10,000 and \$7,369, 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.

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

In addition, CMS has indicated that cost reports dating back to the 2020 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.

**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:

|  | 2022              | 2021              |
|--|-------------------|-------------------|
| Cash and cash equivalents  | \$ 44,195         | \$ 69,464         |
| Investments  | 7,253             | 20,364            |
| Assets whose use is limited—current                                    | 99,078            | 91,866            |
| Assets whose use is limited—noncurrent                                 | 58,438            | 76,697            |
|  | <u>\$ 208,964</u> | <u>\$ 258,391</u> |
| Current portion of assets whose use is limited:                        |                   |                   |
| Patient and residents trust cash                                       | \$ 362            | \$ 471            |
| Restricted for debt service <sup>(a)</sup>                             | 2,360             | 2,309             |
| Designated for self-insurance obligations <sup>(b)</sup>               | 9,356             | 8,945             |
| Designated for retiree health obligations <sup>(b)</sup>               | 12,061            | 11,676            |
| Designated for DSRIP program <sup>(b)</sup>                            | 68,534            | 67,555            |
| NYS voluntary defined contribution plan escrow                         | 129               | 47                |
| Medical and dental staff funds   | 1,004             | 863               |
| Restricted—self-insured workers compensation collateral <sup>(d)</sup> | 5,272             | -                 |
| <b>Total current portion of assets whose use is limited</b>            | <u>\$ 99,078</u>  | <u>\$ 91,866</u>  |
| Noncurrent portion of assets whose use is limited:                     |                   |                   |
| Restricted for debt service <sup>(a)</sup>                             | \$ 9,825          | \$ 9,713          |
| Designated for long-term investment <sup>(b)</sup>                     | 9,099             | 18,595            |
| Designated for retiree health obligations <sup>(b)</sup>               | 12,770            | 13,155            |
| Designated for self-insurance obligations <sup>(b)</sup>               | 21,808            | 29,872            |
| Restricted—insured workers compensation collateral <sup>(c)</sup>      | 4,936             | 5,362             |
| <b>Total noncurrent portion of assets whose use is limited</b>         | <u>\$ 58,438</u>  | <u>\$ 76,697</u>  |

<sup>(a)</sup> Funds restricted by operation of indenture agreement

<sup>(b)</sup> Funds internally designated by operation of Board authority

<sup>(c)</sup> Funds restricted—insured workers compensation collateral agreement

<sup>(d)</sup> Funds restricted—self-insured workers compensation collateral agreements

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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, 2022 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, 2022 and 2021, totaled \$50,760 and \$77,764, of which \$1,043 and \$1,048, respectively, were insured. 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.

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**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, 2022 and 2021.

**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.

|  | 2022              |             |             |                   |
|--|-------------------|-------------|-------------|-------------------|
|  | Level 1           | Level 2     | Level 3     | Total             |
| Cash and cash equivalents                                | \$ 44,195         | \$ -        | \$ -        | \$ 44,195         |
| Investments and assets whose use is limited:             |                   |             |             |                   |
| Cash and cash equivalents                                | 96,213            | -           | -           | 96,213            |
| Marketable equity securities:                            |                   |             |             |                   |
| Small/Mid cap equities                                   | 4,117             | -           | -           | 4,117             |
| Growth equities  | 1,459             | -           | -           | 1,459             |
| Core equities  | 9,070             | -           | -           | 9,070             |
| International equities                                   | 10,330            | -           | -           | 10,330            |
| U.S. fixed income  | 43,580            | -           | -           | 43,580            |
| <b>Total investments and assets whose use is limited</b> | 164,769           | -           | -           | 164,769           |
| <b>Total</b>   | <b>\$ 208,964</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 208,964</b> |

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

|  | 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            |
| U.S. 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> |

**Note 7. Capital Assets, Net**

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

|   | 2022              |                    |                            |                   |
|---|-------------------|--------------------|----------------------------|-------------------|
|   | Beginning Balance | Additions          | Disposals/ Transfers       | Ending Balance    |
| Capital assets—being depreciated:   |                   |                    |                            |                   |
| Land and land improvements  | \$ 41,624         | \$ 525             | \$ (983)                   | \$ 41,166         |
| Buildings and improvements  | 547,713           | 4,763              | (7,384)                    | 545,092           |
| Fixed/major moveable equipment  | 160,780           | 5,632              | (14,889)                   | 151,523           |
| <b>Total capital assets – being depreciated</b>                             | <b>750,117</b>    | <b>10,920</b>      | <b>(23,256)</b>            | <b>737,781</b>    |
| Less accumulated depreciation   | (448,779)         | (34,911)           | 22,382                     | (461,308)         |
| <b>Total capital assets – being depreciated, net</b>                        | <b>301,338</b>    | <b>(23,991)</b>    | <b>(874)</b>               | <b>276,473</b>    |
| Capital assets – not being depreciated:                                     |                   |                    |                            |                   |
| Construction in progress  | 19,699            | 8,216              | (6,272)                    | 21,643            |
| <b>Capital assets, net excluding lease assets</b>                           | <b>\$ 321,037</b> | <b>\$ (15,775)</b> | <b>\$ (7,146)</b>          | <b>\$ 298,116</b> |
|   |                   |                    | Lease assets, net (Note 8) | \$ 30,054         |
| <b>Total capital assets, net, as reported in statements of net position</b> |                   |                    |                            | <b>\$ 328,170</b> |

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

|   | 2021                 |                  |   |                          |
|---|----------------------|------------------|---|--------------------------|
|   | Beginning<br>Balance | Additions        | Disposals/<br>Transfers   | Ending<br>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                          | 193,387              | 4,144            | (36,751)  | 160,780                  |
| <b>Total capital assets—<br/>being depreciated</b>      | <b>762,201</b>       | <b>25,329</b>    | <b>(37,413)</b>   | <b>750,117</b>           |
| Less accumulated depreciation                           | (450,872)            | (35,154)         | 37,247  | (448,779)                |
| <b>Total capital assets—<br/>being depreciated, net</b> | <b>311,329</b>       | <b>(9,825)</b>   | <b>(166)</b>  | <b>301,338</b>           |
| Capital assets—not being depreciated:                   |                      |                  |   |                          |
| Construction in progress                                | 18,704               | 22,342           | (21,347)  | 19,699                   |
| <b>Capital assets, net excluding lease assets</b>       | <b>\$ 330,033</b>    | <b>\$ 12,517</b> | <b>\$ (21,513)</b>  | <b>\$ 321,037</b>        |
|   |                      |                  | Lease assets, net (Note 8)  | <u>\$ 27,779</u>         |
|   |                      |                  | <b>Total capital assets, net, as reported in statements of net position</b> | <u><b>\$ 348,816</b></u> |

Construction in progress at December 31, 2022 and 2021, includes costs associated with the new ambulatory electronic medical records system, and various mechanical, electrical, plumbing and building envelope improvements.

Depreciation expense amounted to \$34,969 and \$35,213 for the years ended December 31, 2022 and 2021, respectively.

**Note 8. Leases**

Effective January 1, 2021, the Corporation adopted GASB Statement No. 87, *Leases*. This change in accounting principles established new requirements for calculating and reporting the Corporation's lease activities. Beginning net position was restated for the effects of the Corporation's adoption of GASB Statement No. 87.

**Lessee:** The Corporation is a lessee for various noncancellable leases of real estate and equipment. The expected lease payments are discounted using the interest rate charged on the lease, if available, and are otherwise discounted using the Corporation's incremental borrowing rate. The right-to-use assets are amortized over the shorter of the lease term or the underlying asset useful life. Lease assets are reported within capital assets and lease liabilities are reported separately in the statements of net position.

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**Note 8. Leases (Continued)**

Right-to-use lease assets by major class and the related accumulated amortization for the years ended December 31 is summarized as follows:

|   | 2022                 |                 |             |                   |
|---|----------------------|-----------------|-------------|-------------------|
|   | Beginning<br>Balance | Additions       | Retirements | Ending<br>Balance |
| Lease assets being amortized:                       |                      |                 |             |                   |
| Real estate   | \$ 13,265            | \$ 428          | \$ -        | \$ 13,693         |
| Equipment   | 20,490               | 8,502           | -           | 28,992            |
| <b>Total lease assets being amortized</b>           | <b>33,755</b>        | <b>8,930</b>    | <b>-</b>    | <b>42,685</b>     |
| Less accumulated amortization:                      |                      |                 |             |                   |
| Real estate   | 1,135                | 1,193           | -           | 2,328             |
| Equipment   | 4,841                | 5,462           | -           | 10,303            |
| <b>Total accumulated amortization</b>               | <b>5,976</b>         | <b>6,655</b>    | <b>-</b>    | <b>12,631</b>     |
| <b>Lease asset, net of accumulated amortization</b> | <b>\$ 27,779</b>     | <b>\$ 2,275</b> | <b>\$ -</b> | <b>\$ 30,054</b>  |

|   | 2021                 |                 |             |                   |
|---|----------------------|-----------------|-------------|-------------------|
|   | Beginning<br>Balance | Additions       | Retirements | Ending<br>Balance |
| Lease assets being amortized:                       |                      |                 |             |                   |
| Real estate   | \$ 1,040             | \$ 12,225       | \$ -        | \$ 13,265         |
| Equipment   | 18,344               | 2,146           | -           | 20,490            |
| <b>Total lease assets being amortized</b>           | <b>19,384</b>        | <b>14,371</b>   | <b>-</b>    | <b>33,755</b>     |
| Less accumulated amortization:                      |                      |                 |             |                   |
| Real estate   | -                    | 1,135           | -           | 1,135             |
| Equipment   | -                    | 4,841           | -           | 4,841             |
| <b>Total accumulated amortization</b>               | <b>-</b>             | <b>5,976</b>    | <b>-</b>    | <b>5,976</b>      |
| <b>Lease asset, net of accumulated amortization</b> | <b>\$ 19,384</b>     | <b>\$ 8,395</b> | <b>\$ -</b> | <b>\$ 27,779</b>  |

As of December 31, 2022, the principal and interest requirements to maturity for the lease liability are as follows:

|           | Principal        | Interest        | Total            |
|-----------|------------------|-----------------|------------------|
| 2023      | \$ 7,297         | \$ 933          | \$ 8,230         |
| 2024      | 6,135            | 693             | 6,828            |
| 2025      | 5,440            | 508             | 5,948            |
| 2026      | 3,039            | 334             | 3,373            |
| 2027      | 1,909            | 250             | 2,159            |
| 2028-2032 | 4,519            | 725             | 5,244            |
| 2033-2037 | 2,148            | 120             | 2,268            |
|           | <b>\$ 30,487</b> | <b>\$ 3,563</b> | <b>\$ 34,050</b> |

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**Note 8. Leases (Continued)**

**Lessor:** The Corporation leases real estate to external parties. In accordance with GASB Statement No. 87, *Leases*, the Corporation records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The Corporation recognized lease receivables (reported within other assets in the statements of net position) of \$501 and \$2,357 at December 31, 2022 and 2021, respectively, deferred inflows of resources of \$1,440 and \$2,309 at December 31, 2022 and 2021, respectively, and lease revenue of \$931 and \$1,145 during the years ended December 31, 2022 and 2021, respectively.

**Note 9. Accrued Other Liabilities**

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

|   | 2022             | 2021             |
|---|------------------|------------------|
| Due to Erie County                      | \$ 11,880        | \$ 5,584         |
| Due to joint venture                    | 767              | 1,729            |
| Medical malpractice claims              | 1,800            | 1,815            |
| Other                                   | 12,931           | 11,727           |
| Estimated third-party payor settlements | 2,736            | 2,447            |
| Asset retirement obligations            | 2,118            | 2,071            |
| Workers compensation claims             | 7,556            | 7,131            |
| <b>Total</b>                            | <b>\$ 39,788</b> | <b>\$ 32,504</b> |

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 (AROs). 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 \$2,118 and \$2,071 at December 31, 2022 and 2021, respectively. 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, 2022 and 2021.

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**Note 10. Indebtedness**

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

|   | 2022              |             |                          |                   |                     |
|---|-------------------|-------------|--------------------------|-------------------|---------------------|
|   | Beginning Balance | Additions   | Payments/<br>Forgiveness | Ending Balance    | Due Within One Year |
| Erie County—Guaranteed Senior Revenue Bonds, Series 2004    | \$ 65,080         | \$ -        | \$ (3,945)               | \$ 61,135         | \$ 4,165            |
| Erie County—2017 loan payable                               | 92,867            | -           | (2,713)                  | 90,154            | 2,780               |
| Erie County—2017 loan payable                               | 57,286            | -           | (4,051)                  | 53,235            | 4,159               |
| Erie County—2017 capitalized interest assumption obligation | 7,731             | -           | (226)                    | 7,505             | 231                 |
| Finance obligations   | 2,710             | -           | (382)                    | 2,328             | 381                 |
| <b>Total debt</b>   | <b>\$ 225,674</b> | <b>\$ -</b> | <b>\$ (11,317)</b>       | <b>\$ 214,357</b> | <b>\$ 11,716</b>    |

|   | 2021              |                 |                          |                   |                     |
|---|-------------------|-----------------|--------------------------|-------------------|---------------------|
|   | Beginning Balance | Additions       | Payments/<br>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)                 | -                 | -                   |
| Finance obligations   | 1,489             | 1,552           | (331)                    | 2,710             | 381                 |
| <b>Total debt</b>   | <b>\$ 245,008</b> | <b>\$ 1,552</b> | <b>\$ (20,886)</b>       | <b>\$ 225,674</b> | <b>\$ 11,316</b>    |

Future annual principal payments applicable to long term debt for the years subsequent to December 31, 2022 are as follows:

|              |                   |
|--------------|-------------------|
| 2023         | \$ 11,716         |
| 2024         | 12,128            |
| 2025         | 12,565            |
| 2026         | 13,025            |
| 2027         | 13,507            |
| 2028 - 2032  | 74,145            |
| 2033 - 2037  | 59,595            |
| 2038 - 2041  | 17,676            |
| <b>Total</b> | <b>\$ 214,357</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 \$4,165 to \$7,220 due annually on November 1 with interest payments due semi-annually on May 1 and November 1.

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**Note 10. Indebtedness (Continued)**

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 \$474 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 \$300 to \$460 during the term of the loan and is fully amortized and maturing in 2034.

During 2020, the Corporation received a 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 2018, the Corporation entered into a finance obligation 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.

During 2018, the Corporation entered into a second finance obligation 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 finance obligation 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% to 9.0%) of \$17 and matures March 2029.

During 2020, the Corporation entered into a finance obligation 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 \$39 and matures July 2026.

During 2021, the Corporation entered into a finance obligation 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 an original maturity date of November 2022 and was amended and extended to May 2023. The Corporation has available \$10,000 with interest payable at a fixed rate of 5.70%. There was \$10,000 of outstanding borrowings against the line at December 31, 2022. There were no outstanding borrowings on the line of credit at December 31, 2021.

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**Note 11. 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 508,000 pensioners and beneficiaries in the System with nearly 1.2 million participants.

For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension benefit/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 (asset) 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 (asset) 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.

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 five or ten 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, 2022 and 2021, the Corporation reported an (asset) liability of \$(77,538) and \$915, respectively, for its proportionate share of the NYSLRS net pension (asset) liability. The total pension (asset) liability used to calculate the net pension (asset) 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 (asset) liability for each fiscal year was based on the Corporation's indexed present value of future compensation to NYSLRS of all participating employers for 2022 and 2021, which was 0.9485% and 0.9187%, respectively.

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**Note 11. Pension Plan (Continued)**

**(a) Actuarial Assumptions**

The total pension (asset) for the March 31, 2022, measurement date was determined using an actuarial valuation as of April 1, 2021, with update procedures used to roll-forward the total pension liability to March 31, 2022. 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, 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                  | 2.5%   |
| Salary increases           | 4.4%, 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-2019           |

**(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>                     | 2022                          |   |
|--|-------------------------------|---|
|  | Target<br>Asset<br>Allocation | Long-Term<br>Expected<br>Real Rate<br>of Return |
| Domestic equity                        | 32.0%                         | 3.3%  |
| International equity                   | 15.0%                         | 5.9%  |
| Private equity                         | 10.0%                         | 6.5%  |
| Real estate                            | 9.0%                          | 5.0%  |
| Fixed income                           | 23.0%                         | 0.0%  |
| Credit                                 | 4.0%                          | 3.8%  |
| Real assets                            | 3.0%                          | 5.6%  |
| Opportunistic/absolute return strategy | 3.0%                          | 4.1%  |
| Cash                                   | 1.0%                          | -1.0%   |
|  | <u>100.0%</u>                 |   |

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**Note 11. Pension Plan (Continued)**

| Asset class                            | 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/absolute return strategy | 3.0%                    | 4.5%                                   |
| Cash                                   | 1.0%                    | 0.5%                                   |
|  | <u>100.0%</u>           |  |

**(c) Discount Rate**

The discount rate used to measure the total pension (asset) liability as of December 31, 2022 and 2021 was 5.9%. 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 (Asset) Liability to the Discount Rate**

The following presents the Corporation's proportionate share of the net pension (asset) liability calculated using the discount rate of 5.9% at December 31, 2022 and 2021, as well as what the Corporation's proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|  | 2022                  |                         |                       |
|--|-----------------------|-------------------------|-----------------------|
|  | 1% Decrease<br>(4.9%) | Discount Rate<br>(5.9%) | 1% Increase<br>(6.9%) |
| Corporation's proportionate share of the net pension liability | \$ 199,582            | \$ (77,538)             | \$ (309,335)          |
|  | 2021                  |                         |                       |
|  | 1% Decrease<br>(4.9%) | Discount Rate<br>(5.9%) | 1% Increase<br>(6.9%) |
| Corporation's proportionate share of the net pension liability | \$ 253,921            | \$ 915                  | \$ (232,416)          |

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**Note 11. Pension Plan (Continued)**

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

At December 31, 2022 and 2021, the Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | 2022              | 2021              |
|--|-------------------|-------------------|
| Deferred outflows of resources:  |                   |                   |
| Differences between expected and actual actuarial experience   | \$ 5,872          | \$ 11,173         |
| Changes in assumptions   | 129,402           | 168,207           |
| Corporation contributions subsequent to the measurement date   | -                 | 31,946            |
| Other  | 8,419             | 8,724             |
| <b>Total</b>   | <b>\$ 143,693</b> | <b>\$ 220,050</b> |
| Deferred inflows of resources:   |                   |                   |
| Difference between expected and actual experience  | \$ 7,616          | \$ -              |
| Change in assumptions  | 2,184             | 3,172             |
| Difference between projected and actual investment earnings on pension plan investments                          | 253,904           | 262,793           |
| Changes in proportion and differences between Corporation contributions and proportionate share of contributions | 16,485            | 12,177            |
| <b>Total</b>   | <b>\$ 280,189</b> | <b>\$ 278,142</b> |

The change in employer proportionate share is the difference between the employer proportionate share of net pension (asset) 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              |
|---------------------------|---------------------|
| Years ending December 31: |                     |
| 2023                      | \$ (22,436)         |
| 2024                      | (30,919)            |
| 2025                      | (67,696)            |
| 2026                      | (15,445)            |
|                           | <b>\$ (136,496)</b> |

**(e) Annual Pension Expense**

The Corporation's annual pension (benefit) expense for calendar years ended 2022 and 2021, which includes contributions toward the actuarially determined asset or liability and the amortization of deferred outflows and inflows of resources, was approximately \$(47) and \$18,670, respectively.

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**Note 12. 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 2022 and 2021, 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, 2022 and 2021, of \$271,395 and \$379,106, was determined by an actuarial valuation as of January 1, 2022 and 2021, respectively. The measurement date of the obligation is December 31, 2022 and 2021.

**(a) Actuarial Assumptions**

The total OPEB liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                    |   |
|--------------------|---|
| Inflation          | 2.5%  |
| Salary increases   | 3.3% per annum                                  |
| Pre-Medicare Plans | 7.8% for 2022, 4.0% ultimate trend rate in 2075 |
| Medicare Plans     | 4.5% for 2022, 4.0% ultimate trend rate in 2075 |
| Prescription Plan  | 7.8% for 2022, 4.0% ultimate trend rate in 2075 |
| Mortality          | Society of Actuaries Scale MP-2021              |

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              |

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**Note 12. Other Post-Employment Benefits (OPEB) (Continued)**

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

|  | 2022              | 2021              |
|--|-------------------|-------------------|
| Changes in the OPEB obligation:                    |                   |                   |
| Projected OPEB obligation at the beginning of year | \$ 379,106        | \$ 397,921        |
| Service cost                                       | 4,528             | 5,234             |
| Interest cost                                      | 6,959             | 7,774             |
| Difference between expected and actual experience  | (34,085)          | (29,892)          |
| Change in assumptions                              | (69,430)          | 13,042            |
| Actual benefit payments                            | (15,683)          | (14,973)          |
| Projected OPEB obligation at the end of year       | <u>\$ 271,395</u> | <u>\$ 379,106</u> |

**(c) Discount Rate**

The discount rate used to measure the total OPEB liability was 3.7% and 2.1%, based on the Bond Buyer 20-year Bond GO index rate as of December 31, 2022 and 2021, respectively.

**Sensitivity of the OPEB Liability to the Discount Rate**

The following presents the Corporation's total OPEB liability calculated using the discount rate of 3.7%, as well as what the Corporation's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.7%) or one percentage point higher (4.7%) than the current rate.

|  | 2022                  |                         |                       |
|--|-----------------------|-------------------------|-----------------------|
|  | 1% Decrease<br>(2.7%) | Discount Rate<br>(3.7%) | 1% Increase<br>(4.7%) |
| The Corporation's total OPEB liability | \$ 310,620            | \$ 271,395              | \$ 239,334            |

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.

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 one percentage point lower (1.1%) or one percentage point higher (3.1%) than the current rate.

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

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**Note 12. 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 one percentage point lower or one percentage point higher than the current healthcare cost trend rates.

|  | 2022        |                  |             |
|--|-------------|------------------|-------------|
|  | Healthcare  |                  |             |
|  | 1% Decrease | Cost Trend Rates | 1% Increase |
| The Corporation's total OPEB liability | \$ 236,278  | \$ 271,395       | \$ 314,630  |
|  |             |                  |             |
|  | 2021        |                  |             |
|  | Healthcare  |                  |             |
|  | 1% Decrease | Cost Trend Rates | 1% Increase |
| The Corporation's total OPEB liability | \$ 326,139  | \$ 379,106       | \$ 445,611  |

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

The following are components of deferred outflows and inflows at December 31, 2022 and 2021:

|  | 2022              |                     |
|--|-------------------|---------------------|
|  | Deferred Outflows | Deferred Inflows    |
| Differences between expected and actual actuarial experience | \$ 96             | \$ (58,636)         |
| Changes in assumptions                                       | 22,588            | (56,176)            |
| <b>Total</b>   | <b>\$ 22,684</b>  | <b>\$ (114,812)</b> |
|  |                   |                     |
|  | 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>  |

The net deferred outflows and inflows of resources at December 31, 2022, will be recognized as follows:

|      | Amount             |
|------|--------------------|
| 2023 | \$ (39,754)        |
| 2024 | (32,366)           |
| 2025 | (20,008)           |
|      | <b>\$ (92,128)</b> |

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

The Corporation's annual OPEB benefit for the years ended December 31, 2022 and 2021, was \$31,319 and \$2,655, respectively.

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**Note 13. New York State Department of Health (NYSDOH) Grant Programs**

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 required, the Corporation served 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 was referred to as Millennium Collaborative Care (MCC). Since April 2014, the Corporation had 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 included 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 was not been extended beyond this date.

During 2022 and 2021, net DSRIP payments received by the Corporation totaled \$0 and \$44,532, respectively. In addition, \$5 and \$851 was recorded as other operating revenue for the years ended December 31, 2022 and 2021, respectively, based on meeting the eligibility requirements and \$5 and \$851 of related grant program expenses were incurred during 2022 and 2021, respectively.

During the year ended December 31, 2022, the Corporation received a grant from NYSDOH in the amount of \$51,998 which is recognized in the statements of revenues, expenses and changes in net position as non-operating revenue. The NYSDOH also offers the Vital Access Provider Assurance Program (VAPAP) program. Funding under this program is made to public or safety net hospitals and health systems that meet certain criteria or that have been designated as critical access or sole community hospitals and is awarded to enable these facilities to maintain operations and provision of vital services while they implement longer-term solutions to achieve sustainable health care service delivery. An award of \$27,000 was received during 2022 for the year ending December 31, 2023, which is recorded as unearned revenue in the statements of net position as of December 31, 2022.

During 2020, NYSDOH 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 \$0 and \$731 of that grant during the years ended December 31, 2022 and 2021, respectively.

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**Note 14. 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 10.

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, 2022 and 2021, are as follows:

The Corporation earned revenue totaling \$3,856 and \$3,828 for the years ended December 31, 2022 and 2021, 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 (to)/from the County of approximately \$(11,393) and \$8,589 at December 31, 2022 and 2021, respectively, is non-interest bearing and reflect the Corporation's net amount owed (to)/from the County as a result of various transactions and services between parties. This balance is reported as a component of accounts payable and other assets in the statements of net position at December 31, 2022 and 2021, respectively.

**Note 15. 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.

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**Notes to the Financial Statements**  
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**Note 15. 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 an occurrence basis 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, 2022 and 2021, \$4,936 and \$5,362, 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 \$30,975 and \$28,159 at December 31, 2022 and 2021, respectively, for medical malpractice related exposures. Such amounts have been discounted at 2.0% for 2022 and 2021 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 \$27,264 and \$28,348 at December 31, 2022 and 2021, respectively, for workers' compensation related exposures. Such amounts have been discounted at 1.75% for 2022 and 2021, 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 \$7,884 and \$7,909 in 2022 and 2021, 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 12.

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

|                       |    | 2022              |                                       |             |                |                     |
|-----------------------|----|-------------------|---------------------------------------|-------------|----------------|---------------------|
|                       |    | Beginning Balance | Actuarial estimate of claims incurred | Claims Paid | Ending Balance | Due Within One Year |
| Medical malpractice   | \$ | 28,159            | \$ 3,797                              | \$ (981)    | \$ 30,975      | \$ 1,800            |
| Workers' compensation |    | 28,348            | 6,378                                 | (7,462)     | 27,264         | 7,556               |
|                       | \$ | 56,507            | \$ 10,175                             | \$ (8,443)  | \$ 58,239      | \$ 9,356            |

|                       |    | 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 |    | 28,513            | 7,291                                 | (7,456)     | 28,348         | 7,131               |
|                       | \$ | 50,598            | \$ 14,833                             | \$ (8,924)  | \$ 56,507      | \$ 8,946            |

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**Note 15. Self-Insured Obligations (Continued)**

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

**Note 16. 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, 2022 and 2021, the Corporation has recorded no loss contingencies except as disclosed in Note 15.

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 continued 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, 2022.

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, 2022, 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, 2022  
(Dollars in Thousands)

|  | 2022              | 2021              | 2020              | 2019              | 2018              | 2017              | 2016              | 2015              | 2014              | 2013              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Contractually required contribution                                  | \$ 24,973         | \$ 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 | 24,973            | 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>       | <b>\$ -</b>       |
| ECMCC covered-employee payroll                                       | <b>\$ 273,555</b> | <b>\$ 249,490</b> | <b>\$ 246,772</b> | <b>\$ 235,284</b> | <b>\$ 216,044</b> | <b>\$ 183,540</b> | <b>\$ 166,691</b> | <b>\$ 175,409</b> | <b>\$ 163,395</b> | <b>\$ 151,906</b> |
| Contributions as a percentage of covered-employee payroll            | 9.1%              | 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.

**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 (Asset) Liability**  
**NYSLRS Pension Plan**  
**December 31, 2022**  
**(Dollars in Thousands)**

|  | 2022        | 2021    | 2020       | 2019      | 2018      | 2017      | 2016       | 2015      |
|--|-------------|---------|------------|-----------|-----------|-----------|------------|-----------|
| ECMCC proportion of the net pension (asset) liability                      | 0.9485%     | 0.9187% | 0.8504%    | 0.8079%   | 0.7646%   | 0.7614%   | 0.7228%    | 0.7137%   |
| ECMCC proportionate share of the net pension (asset) liability             | \$ (77,538) | \$ 915  | \$ 225,197 | \$ 57,240 | \$ 24,677 | \$ 71,544 | \$ 116,006 | \$ 24,112 |
| ECMCC covered-employee payroll   | 273,555     | 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                           | -28.3%      | 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 | 103.7%      | 100.0%  | 86.4%      | 96.3%     | 98.2%     | 94.7%     | 90.7%      | 97.9%     |

Note: GASB requires 10 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.

Change in Benefit Terms

There were no significant legislative changes in benefits during 2022 and 2021

Changes of Assumptions

2022: 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, 2021 actuarial valuation.

2021: The mortality improvement assumption was updated to the Society of Actuaries' Scale MP-2019, inflation was updated to 2.5%, cost-of-living updated to 1.3%, and the interest rate assumption was increased to 6.8% for the April 1, 2020 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, 2022 and 2021**  
**(Dollars in Thousands)**

|  | 2022              | 2021              |
|--|-------------------|-------------------|
| Total OPEB liability:  |                   |                   |
| Service cost   | \$ 4,528          | \$ 5,234          |
| Interest cost  | 6,959             | 7,774             |
| Differences between expected and actual experience               | (34,085)          | (29,892)          |
| Changes of assumptions   | (69,430)          | 13,042            |
| Benefit payments   | (15,683)          | (14,973)          |
| <b>Net change in total OPEB liability</b>                        | <b>(107,711)</b>  | <b>(18,815)</b>   |
| Total OPEB liability—beginning                                   | 379,106           | 397,921           |
| Total OPEB liability—ending                                      | <u>\$ 271,395</u> | <u>\$ 379,106</u> |
| Covered employee payroll   | \$ 87,719         | \$ 83,879         |
| Total OPEB liability as a percentage of covered employee payroll | 309.39%           | 451.97%           |
| Discount rate  | 3.7%              | 2.1%              |

Change in Benefit Terms

There were no significant legislative changes in benefits during 2022 and 2021.

Changes of Assumptions

2022: The annual rate of increase in healthcare costs were revised to better reflect future expectations.

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

**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 and the aggregate discretely presented component units of Erie Medical Center Corporation (the Corporation), as of and for the year ended December 31, 2022, 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 21, 2023.

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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RSM VS LLP*

March 21, 2023

## **Required Supplementary Information**

# **APPENDIX A**

## **Four-Year Financial Plan**

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

## **For the year ending 2023**

3/16/2023



# Management Discussion

September 30, 2022

The 2023 Budget maintains a path along the ECMCC Strategic Plan while focusing on both short and long-term financial and operational recovery efforts resulting from the devastating ongoing significant and lasting effects of 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 since March of 2020. In the short-term however, a significant focus has been placed on recruitment and retention of staff through investments in our people.



# Management Discussion

The industry is experiencing similar financial and operational challenges both locally and nationally. Given the extent of the financial impact these challenges have had, ECMCC has recognized that time along with future external support are needed to properly recover. Given the time needed, the 2023 goal is to maintain steady operating and investing cash flow through the improvement in operating results; through efficiency improvements and programmatic changes without sacrificing quality or the critical services we provide. The proposed 2023 operating budget reflects an operating loss of \$35 million, an improvement of over 63% from the projected 2022 operating results. The proposed budget has been developed with the following goals in mind:

## *Budget Goals*

- ✓ Maintain the highest quality of care provided
- ✓ Maintain critical services provided to the community
- ✓ Continue a stepped approach to recovery with a significant reduction in operating loss from 2022
- ✓ Further enhance patient experience through expanding digital health platforms
- ✓ Maximize recruitment and retention of staff
- ✓ 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

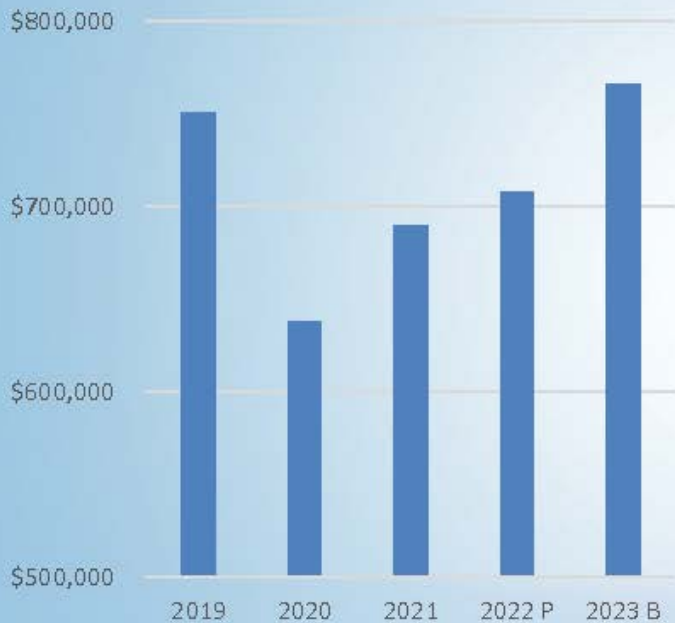
- Executive Leadership Team (ELT) adopt budget schedule and goals
- Using 2020, 2021 and 2022 year-to-date performance and known or anticipated budget variances, a baseline budget and financial projections were prepared
- ELT members meet with department managers to develop departmental targets and performance improvement initiatives
- ELT budget recommendation reviewed and approved by Finance Committee of ECMCC Board
- Budget recommendation reviewed and approved by ECMCC Board

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## Revenue



## Operating Margin



### Footnotes:

- 2019 Revenue Includes DSRIP Pass-Through funds and CREPS Grants
- For comparability purposes in this chart, operating margins include CARES/ARP/PPP Funding



# Key Financial Ratios

|   | <u>2020</u> | <u>2021</u> | <u>Projected</u><br><u>2022</u> | <u>Budget</u><br><u>2023</u> |
|---|-------------|-------------|---------------------------------|------------------------------|
| Operating Margin %                      | -23.34%     | -5.22%      | -13.22%                         | -4.57%                       |
| NYS PBC Average %                       | -5.4%       | -1.1%       |                                 |                              |
| Operating EBITDA %                      | -16.6%      | 1.5%        | -6.7%                           | 1.1%                         |
| NYS PBC Average %                       | 0.0%        | 6.4%        |                                 |                              |
| FTE's                                   | 3,487       | 3,453       | 3,423                           | 3,530                        |
| Days Cash On Hand                       | 91.0        | 106.0       | 60.0                            | 60.0                         |
| NYS PBC Average                         | 62.9        | 80.6        |                                 |                              |
| Debt Service Coverage                   | (1.3)       | 1.1         | (1.8)                           | 0.4                          |
| NYS PBC Average                         | 1.1         | 2.6         |                                 |                              |
| Salaries, Wages & Benefits % of Revenue | 83.8%       | 63.6%       | 70.8%                           | 67.0%                        |
| Supply Expense % of Revenue             | 19.4%       | 19.9%       | 20.7%                           | 21.0%                        |
| Benefit % of Salaries and Wages         | 52.5%       | 31.2%       | 34.9%                           | 33.4%                        |
| Days In Accounts Receivable, net        | 56.8        | 49.5        | 49.8                            | 49.8                         |



## Statements of Revenues and Expenses

(Thousands)

|   | <u>2021 Audited</u> | <u>2022 Projected</u> | <u>2023 Budget</u> | <u>Increase (Decrease)</u> |                |
|---|---------------------|-----------------------|--------------------|----------------------------|----------------|
| Net Patient Revenue                                 | \$ 566,104          | \$ 576,616            | \$ 611,984         | \$ 35,368                  | 6.1%           |
| Disproportionate Share / IGT and UPL Payments       | 101,620             | 104,245               | 116,351            | 12,106                     | 11.6%          |
| Other Operating Revenues                            | <u>21,498</u>       | <u>26,716</u>         | <u>37,635</u>      | <u>10,919</u>              | <u>40.9%</u>   |
| Total Operating Revenues                            | <u>689,222</u>      | <u>707,577</u>        | <u>765,970</u>     | <u>58,393</u>              | <u>8.3%</u>    |
| Operating Expenses                                  |                     |                       |                    |                            |                |
| Salaries and Benefits                               | 359,971             | 408,460               | 409,792            | 1,332                      | 0.3%           |
| Physician Fees and Professional Services            | 169,142             | 192,051               | 182,590            | (9,461)                    | -4.9%          |
| Supplies  | 112,497             | 119,179               | 128,714            | 9,535                      | 8.0%           |
| Other Expenses                                      | <u>83,599</u>       | <u>81,401</u>         | <u>79,871</u>      | <u>(1,530)</u>             | <u>-1.9%</u>   |
| Total Operating Expenses                            | <u>725,209</u>      | <u>801,091</u>        | <u>800,967</u>     | <u>(124)</u>               | <u>0.0%</u>    |
| Operating Income before CARES Act Funding           | (35,987)            | (93,514)              | (34,997)           | 58,517                     | -62.6%         |
| CARES Act Funding Relief / PPP                      | <u>1,238</u>        | <u>10,328</u>         | <u>-</u>           | <u>(10,328)</u>            | <u>-100.0%</u> |
| Income/(Loss) from Operations with CARES Act Relief | (34,749)            | (83,186)              | (34,997)           | 48,189                     | -57.9%         |
| Other Non-Operating Revenues                        | <u>12,803</u>       | <u>(12,170)</u>       | <u>1,322</u>       | <u>13,492</u>              | <u>-110.9%</u> |
| Excess of Revenues Over Expenses                    | <u>\$ (21,946)</u>  | <u>\$ (95,356)</u>    | <u>\$ (33,675)</u> | <u>\$ 61,681</u>           | <u>-64.7%</u>  |



## Statements of Net Position

(Thousands)

|   | <u>2021 Audited</u>     |                      | <u>2022 Projected</u>   |                      | <u>2023 Budget</u>      |                      | <u>Increase (Decrease)</u> |                     |
|---|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|----------------------------|---------------------|
|   | <u>\$</u>               | <u>%</u>             | <u>\$</u>               | <u>%</u>             | <u>\$</u>               | <u>%</u>             | <u>\$</u>                  | <u>%</u>            |
| <b>Assets</b>                           |                         |                      |                         |                      |                         |                      |                            |                     |
| <b>Current Assets</b>                   |                         |                      |                         |                      |                         |                      |                            |                     |
| Cash and Investments                    | 89,828                  | 8.4%                 | 52,668                  | 5.6%                 | 53,708                  | 5.9%                 | 1,039                      | 2.0%                |
| Patient Accounts Receivable, Net        | 76,715                  | 7.2%                 | 78,673                  | 8.4%                 | 80,161                  | 8.8%                 | 1,488                      | 1.9%                |
| Other Current Assets                    | <u>196,916</u>          | <u>18.5%</u>         | <u>157,977</u>          | <u>16.8%</u>         | <u>155,505</u>          | <u>17.0%</u>         | <u>(2,472)</u>             | <u>-1.6%</u>        |
| <b>Total Current Assets</b>             | <b><u>363,459</u></b>   | <b><u>34.1%</u></b>  | <b><u>289,319</u></b>   | <b><u>30.7%</u></b>  | <b><u>289,374</u></b>   | <b><u>31.7%</u></b>  | <b><u>56</u></b>           | <b><u>0.0%</u></b>  |
| <b>Assets Whose Use Is Limited</b>      | 76,697                  | 7.2%                 | 64,363                  | 6.8%                 | 64,759                  | 7.1%                 | 396                        | -1.3%               |
| <b>Property and Equipment, Net</b>      | 324,385                 | 30.4%                | 306,231                 | 32.5%                | 280,089                 | 30.7%                | (26,141)                   | -8.5%               |
| <b>Other Assets</b>                     | <u>301,001</u>          | <u>28.2%</u>         | <u>282,122</u>          | <u>29.9%</u>         | <u>278,333</u>          | <u>30.5%</u>         | <u>(3,789)</u>             | <u>-1.3%</u>        |
| <b>Total Assets</b>                     | <b><u>1,065,542</u></b> | <b><u>100.0%</u></b> | <b><u>942,035</u></b>   | <b><u>100.0%</u></b> | <b><u>912,555</u></b>   | <b><u>100.0%</u></b> | <b><u>(29,478)</u></b>     | <b><u>-3.1%</u></b> |
| <b>Liabilities and Net Assets</b>       |                         |                      |                         |                      |                         |                      |                            |                     |
| <b>Current Liabilities</b>              |                         |                      |                         |                      |                         |                      |                            |                     |
| Current Portion of Long Term Debt       | 12,019                  | 1.1%                 | 12,249                  | 1.3%                 | 12,702                  | 1.4%                 | 453                        | 3.7%                |
| Accounts Payable, Third-Party & Accrued | 296,319                 | 27.8%                | 259,101                 | 27.5%                | 265,489                 | 29.1%                | 6,388                      | 2.5%                |
| <b>Total Current Liabilities</b>        | <b><u>308,338</u></b>   | <b><u>28.9%</u></b>  | <b><u>271,350</u></b>   | <b><u>28.8%</u></b>  | <b><u>278,191</u></b>   | <b><u>30.5%</u></b>  | <b><u>6,841</u></b>        | <b><u>2.5%</u></b>  |
| <b>Long Term Debt</b>                   | 217,025                 | 20.4%                | 203,542                 | 21.6%                | 191,840                 | 21.0%                | (11,702)                   | -5.7%               |
| <b>Deferred Inflows</b>                 | 355,443                 | 33.4%                | 355,443                 | 37.7%                | 360,443                 | 39.5%                | 5,000                      | 1.4%                |
| <b>Other Post Employment Benefits</b>   | 365,951                 | 34.3%                | 373,288                 | 39.6%                | 373,288                 | 40.9%                | -                          | 0.0%                |
| <b>Self Insurance Liabilities</b>       | 53,783                  | 5.0%                 | 56,658                  | 6.0%                 | 60,715                  | 6.7%                 | 4,057                      | 7.2%                |
| <b>Total Liabilities</b>                | <b><u>1,300,540</u></b> | <b><u>122.1%</u></b> | <b><u>1,260,281</u></b> | <b><u>133.8%</u></b> | <b><u>1,264,477</u></b> | <b><u>138.6%</u></b> | <b><u>4,196</u></b>        | <b><u>0.3%</u></b>  |
| <b>Net Position</b>                     | <b><u>(234,998)</u></b> | <b><u>-22.1%</u></b> | <b><u>(318,246)</u></b> | <b><u>-33.8%</u></b> | <b><u>(351,921)</u></b> | <b><u>-38.6%</u></b> | <b><u>(33,675)</u></b>     | <b><u>10.6%</u></b> |
| <b>Total Liabilities and Net Assets</b> | <b><u>1,065,542</u></b> | <b><u>100.0%</u></b> | <b><u>942,035</u></b>   | <b><u>100.0%</u></b> | <b><u>912,556</u></b>   | <b><u>100.0%</u></b> | <b><u>(29,479)</u></b>     | <b><u>-3.1%</u></b> |



## Statements of Cash Flow

(Thousands)

|  | Audited<br>2021 | Projected<br>2022 | Budget<br>2023 | Increase (Decrease)<br>% |       |
|--|-----------------|-------------------|----------------|--------------------------|-------|
| <b>Cash Flows From Operating Activities</b>                    |                 |                   |                |                          |       |
| Excess of Revenues Over Expenses                               | (21,946)        | (95,356)          | (33,675)       | 61,681                   | -65%  |
| Depreciation & Amortization                                    | 35,980          | 36,154            | 34,142         | (2,012)                  | -6%   |
| Medicare Advanced Payment Program                              | (18,222)        | (20,879)          |                | 20,879                   | -100% |
| (Increase) Decrease in Patient Accounts Receivable, Net        | 2,001           | (1,958)           | (1,488)        | 470                      | -24%  |
| (Increase) Decrease in Current and Other Assets                | (59,781)        | 57,818            | 6,261          | (51,557)                 | -89%  |
| Increase (Decrease) in Accounts Payable, Third-Party & Accrued | (208,724)       | (16,339)          | 6,388          | 22,727                   | -139% |
| Increase (Decrease) in Deferred In-Flows                       | 235,053         | -                 | 5,000          | 5,000                    | N/A   |
| Increase (Decrease) in Self Insurance Liabilities              | 5,909           | 10,212            | 4,057          | (6,155)                  | -60%  |
| Net Cash Provided By (Used In) Operating Activities            | (29,730)        | (30,348)          | 20,684         | 51,033                   | -168% |
| <b>Cash Flows From Investing Activities</b>                    |                 |                   |                |                          |       |
| (Increase) Decrease in Assets Whose Use is Limited             | 25,827          | 24,442            | (395)          | (24,837)                 | -102% |
| <b>Cash Flows From Financing Activities</b>                    |                 |                   |                |                          |       |
| Additions to Property and Equipment                            | (23,701)        | (18,000)          | (8,000)        | 10,000                   | -56%  |
| Changes in Long Term Debt                                      | (19,269)        | (13,253)          | (11,249)       | 2,004                    | -15%  |
| Net Cash (Used In) Financing Activities                        | (42,970)        | (31,253)          | (19,249)       | 12,004                   | -38%  |
| <b>Net Increase (Decrease) in Cash and Investments</b>         | (46,873)        | (37,159)          | 1,040          | 38,199                   | -103% |
| <b>Cash and Investments, Beginning</b>                         | 136,701         | 89,828            | 52,668         | (37,159)                 | -41%  |
| <b>Cash and Investments, Ending</b>                            | 89,828          | 52,668            | 53,708         | 1,040                    | 2%    |

# Principal Budget Assumptions

- Cash Flow Breakeven
- Volume Growth (based on full scope of services)
- Patient Revenue Rate Increases
- IGT / UPL Payment Inflation
- Other Revenue Growth
- Staffing Costs (Wage Inflation, Continue Recruitment & Reduce Premium Cost)
- Other Expense Inflation



# Volume Summary

|                        | 2021<br><u>Actual</u> | 2022<br><u>Projection</u> | 2023<br><u>Budget</u> | <u>Increase (Decrease)</u><br><u>23 - 22</u> <u>%</u> |              |
|------------------------|-----------------------|---------------------------|-----------------------|---|--------------|
| Discharges             |                       |                           |                       |   |              |
| Acute                  | 13,325                | 12,326                    | 12,996                | 670   | 5.4%         |
| Other                  | <u>5,559</u>          | <u>5,187</u>              | <u>5,197</u>          | <u>10</u>   | <u>0.2%</u>  |
| Total                  | <u>18,884</u>         | <u>17,513</u>             | <u>18,193</u>         | <u>680</u>  | <u>3.9%</u>  |
| Average Length of Stay |                       |                           |                       |   |              |
| Acute                  | 8.2                   | 9.4                       | 8.5                   | (0.9)   | -9.8%        |
| Other                  | <u>10.9</u>           | <u>12.0</u>               | <u>11.9</u>           | <u>(0.1)</u>  | <u>-0.7%</u> |
| Total                  | <u>9.0</u>            | <u>10.2</u>               | <u>9.5</u>            | <u>(0.7)</u>  | <u>-6.9%</u> |
| Observation Cases      | 1,956                 | 2,192                     | 1,950                 | (242)   | -11.0%       |
| Outpatient Visits      | 279,545               | 275,800                   | 278,050               | 2,250   | 0.8%         |
| Clinics                | 138,557               | 136,823                   | 132,415               | (4,408)   | -3.2%        |
| Behavioral Health      | 33,615                | 32,552                    | 34,767                | 2,215   | 6.8%         |
| Chemical Dependency    | 25,106                | 23,088                    | 23,270                | 182   | 0.8%         |
| Dialysis               | 26,119                | 24,965                    | 27,252                | 2,287   | 9.2%         |
| Other                  | 56,148                | 58,372                    | 60,346                | 1,974   | 3.4%         |
| Surgical Cases         |                       |                           |                       |   |              |
| Inpatient              | 5,373                 | 5,046                     | 5,462                 | 416   | 8.2%         |
| Outpatient             | <u>8,490</u>          | <u>7,353</u>              | <u>7,802</u>          | <u>449</u>  | <u>6.1%</u>  |
| Total                  | <u>13,863</u>         | <u>12,399</u>             | <u>13,264</u>         | <u>865</u>  | <u>7.0%</u>  |
| Case Mix Index - Acute | <u>1.89</u>           | <u>1.85</u>               | <u>1.89</u>           | <u>0</u>  | <u>2.2%</u>  |
| Emergency Visits       | 58,159                | 52,202                    | 54,968                | 2,766   | 5.3%         |
| CPEP Visits            | 10,485                | 9,812                     | 10,032                | 220   | 2.2%         |
| Terrace View ADC       | 362.8                 | 339.1                     | 375.0                 | 35.9  | 10.6%        |



# Revenue

- Overall average payer rate increase net of 4% (includes Commercial, Medicare, Medicaid)
- Acute – IP Discharges increase from 2022 levels
  - Growth in inpatient cases related to improved community skilled nursing facility access, average length of stay, accounting for the 2022 elective surgery restrictions
- Outpatient volume slight increase from 2022 levels
  - Increases in emergency room visits, dialysis, and behavioral health clinic visits
- Terrace View average daily census increase to 375 residents
  - Increase in staffing will allow for increased census and re-opening of units.
- IGT – Year over year growth based upon estimated net changes in allowable costs and associated revenue.
- Revenue cycle process improvements of \$5M included within contract underpayments, professional billing, denials and bad debt expense

# Expenses

- **Salaries**
  - Decrease in overall FTE's to 3,530 (3,600 @ 8/31/22)
    - Vacancy management and attrition
  - Reduced premium costs to staff open shifts
  - Contracted wage adjustments total an average of 3.0%
  - Non-Union wage adjustments total 2.5%
- **Benefits**
  - Increased health insurance, workers compensation and unemployment related costs offset by a decline in pension expense
  - Post-retiree health benefit cost included at current run rate



# Expenses (cont'd)

- Physician & Residents
  - Notable increases
    - Contracted increases and changes
    - University Faculty and Resident rate increases
    - New surgeons – Orthopedics, Plastic & Reconstructive
    - New medical physicians – Neurology, Primary Care
  - Increase in GPPC total cost related to new physicians and expanded practice operations (volume and revenue also included).
- Contractual Fees/Purchased Services
  - Reduction in contractual fees associated with temporary agency nursing personnel
- Supplies
  - Volume, inflationary increases, specialty pharmacy drug volume, value analysis cost reductions

## Cash Flow Assumptions

- Net change in cash of \$1 Million
  - Days cash on hand steady at 60 days from projected 2022
- Days in accounts receivable remaining consistent at 49.8 days
- Routine capital budget spend consistent with 2022 at \$8.0 million

# Performance Improvement Initiatives

- Length of stay improvements
- Vacancy management / contract agency usage reduction
- Year 2 of specialty pharmacy operations and acceptance by all payers, expansion of volume
- Value analysis program expansion to physician preference items
- Insurance plan relationship, increased rates, partnership revenue & improved governance
- Continued inpatient growth strategies
- Continued infrastructure planning and investment in population health strategies
- Outpatient service line improvement (efficiency and focused growth)

# Emerging Issues and Risk Areas

- Operating performance improvements
  - Market driven length of stay risks
  - Recruitment and retention risks
- Continued inflationary pressures on staffing and other operating costs
- Federal and NYS reimbursement uncertainty
- Inpatient volume sensitivity
  - Insurance plan activity
  - Market disruptors
- Pension expense and contribution changes
- GASB 96 – Subscription based IT agreements
- GASB 97 – Lease Accounting



## 5 Year Financial Projections

- Reimbursement rate increases consistent with 2023 budget
- IGT/UPL at current projections
- Salary expense consistent with current collective bargaining agreements
- Benefits % of salary expense steady throughout projection period
- Supply and other expense inflation reduced from 2022 and 2023 inflation to reflect more reasonable growth after 2023
- Reflects need for additional operational Federal and/or New York State support in addition to management's achievement of ongoing operational improvements



## Statements of Revenues and Expenses – Projected

(Thousands)

|   | Audited<br><u>2021</u> | Projected<br><u>2022</u> | Budget<br><u>2023</u> | <u>2024</u>     | <u>2025</u>     | Projected<br><u>2026</u> | <u>2027</u>     | <u>2028</u>     |
|---|------------------------|--------------------------|-----------------------|-----------------|-----------------|--------------------------|-----------------|-----------------|
| <b>Operating Revenues</b>                           |                        |                          |                       |                 |                 |                          |                 |                 |
| Net Patient Service Revenue                         | 566,104                | 576,616                  | 611,984               | 623,396         | 637,383         | 658,472                  | 680,550         | 695,941         |
| Disproportionate Share, IGT and UPL Revenue         | 101,620                | 104,245                  | 116,351               | 116,351         | 116,351         | 116,351                  | 116,351         | 116,351         |
| Other Operating Revenue                             | <u>21,498</u>          | <u>26,716</u>            | <u>37,635</u>         | <u>38,011</u>   | <u>38,391</u>   | <u>38,775</u>            | <u>39,163</u>   | <u>39,555</u>   |
| Total Operating Revenues                            | <u>689,222</u>         | <u>707,577</u>           | <u>765,970</u>        | <u>777,759</u>  | <u>792,126</u>  | <u>813,599</u>           | <u>836,064</u>  | <u>851,846</u>  |
| <b>Operating Expenses</b>                           |                        |                          |                       |                 |                 |                          |                 |                 |
| Salaries and Benefits                               | 359,971                | 408,460                  | 409,792               | 415,561         | 428,681         | 442,215                  | 456,177         | 470,580         |
| Physician Fees and Professional Services            | 169,142                | 192,051                  | 182,590               | 188,068         | 193,710         | 199,521                  | 205,507         | 211,672         |
| Supplies  | 112,497                | 119,179                  | 128,714               | 132,966         | 136,591         | 141,032                  | 145,650         | 149,639         |
| Other Expenses                                      | 37,171                 | 35,246                   | 36,271                | 38,480          | 40,823          | 43,309                   | 45,947          | 48,745          |
| Depreciation and Amortization                       | 35,980                 | 36,154                   | 34,142                | 37,407          | 37,600          | 38,457                   | 39,695          | 33,856          |
| Interest  | <u>10,448</u>          | <u>10,001</u>            | <u>9,458</u>          | <u>10,352</u>   | <u>9,540</u>    | <u>9,017</u>             | <u>8,085</u>    | <u>7,447</u>    |
| Total Operating Expenses                            | <u>725,209</u>         | <u>801,091</u>           | <u>800,967</u>        | <u>822,833</u>  | <u>846,945</u>  | <u>873,552</u>           | <u>901,061</u>  | <u>921,939</u>  |
| Operational Support / Performance Improvements      | <u>(35,987)</u>        | <u>(93,514)</u>          | <u>(34,997)</u>       | <u>(45,075)</u> | <u>(54,819)</u> | <u>(59,953)</u>          | <u>(64,997)</u> | <u>(70,093)</u> |
| Income/(Loss) from Operations                       | <u>(35,987)</u>        | <u>(93,514)</u>          | <u>(34,997)</u>       | <u>(15,000)</u> | <u>(15,000)</u> | <u>(7,000)</u>           | <u>500</u>      | <u>500</u>      |
| CARES Act Funding Relief                            | <u>1,238</u>           | <u>10,328</u>            | <u>-</u>              | <u>-</u>        | <u>-</u>        | <u>-</u>                 | <u>-</u>        | <u>-</u>        |
| Income/(Loss) from Operations with CARES Act Relief | <u>(34,749)</u>        | <u>(83,186)</u>          | <u>(34,997)</u>       | <u>(15,000)</u> | <u>(15,000)</u> | <u>(7,000)</u>           | <u>500</u>      | <u>500</u>      |
| Non Operating Revenues & Capital Contributions      | <u>13,547</u>          | <u>(12,170)</u>          | <u>1,322</u>          | <u>1,436</u>    | <u>1,841</u>    | <u>1,768</u>             | <u>1,822</u>    | <u>1,977</u>    |
| Excess of Revenues Over Expenses                    | <u>(21,202)</u>        | <u>(95,356)</u>          | <u>(33,675)</u>       | <u>(13,564)</u> | <u>(13,159)</u> | <u>(5,232)</u>           | <u>2,322</u>    | <u>2,477</u>    |

## APPENDIX A

### Outstanding Bonds and Notes

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

No bonds were issued, called, or re-financed during 2022.

\$3,945,000 of bonds matured or were redeemed in 2022.

\$61,135,000 of 2004 bonds remain outstanding at December 31, 2022.

#### **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.

\$4,051,011 in principal payments were made in 2022.

\$53,235,450 of debt is outstanding at December 31, 2022.

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

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

\$2,712,997 in principal payments were made in 2022.

\$90,154,661 of debt is outstanding at December 31, 2022.

#### **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.

\$225,813 in principal payments were made in 2022.

\$7,503,953 of debt is outstanding at December 31, 2022.

#### **Line of Credit**

During 2021, the Corporation signed an agreement for an unsecured revolving line of credit.

\$0 in principal payments were made in 2022.

\$10,000,000 of outstanding borrowings against the line of credit at December 31, 2022.

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

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

\$180,543 in principal payments were made in 2022.

\$1,128,403 of debt is outstanding at December 31, 2022.

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

\$200,258 in principal payments were made in 2022.

\$1,201,548 of debt is outstanding at December 31, 2022.

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

| Name                      | Job Title                                | 2022 Gross Earnings | Annual Salary |
|---------------------------|--|---------------------|---------------|
| Addison, Jessica          | Charge Nurse                             | 161,925             | 105,681       |
| Aiad, Jean                | Dentist ECMC RPT                         | 110,210             | 110,210       |
| Albert, Alison            | Director of Admissions Medical Rehabilit | 123,420             | 114,533       |
| Ambrose, Keith            | Director of Capital Projects             | 40,375              | 110,500       |
| Anders, Mark              | Medical Specialist                       | 185,729             | 165,000       |
| Anderson, Jennifer        | Charge Nurse                             | 132,315             | 105,681       |
| Arcadi, Kristine Anne     | Unit Manager MedicalSurgical             | 107,630             | 125,158       |
| Artieri, Diane            | Vice President of Materials Management   | 168,104             | 175,000       |
| Augostini, Anna           | Pharmacist ECMC                          | 65,008              | 133,902       |
| Austin, Cheryl            | Director of Imaging Services             | 132,293             | 133,802       |
| Baetzholt-Fabiniak, Karen | Physician Assistant                      | 141,191             | 141,401       |
| Bailen, Matthew           | Director of Nursing Education-CC         | 73,847              | 128,000       |
| Bailey, Steven            | Nursing Supervisor LTC RPT               | 130,151             | 130,151       |
| Ballard, Katrina          | NURSING INSERVICE INSTRUCTOR (EMERGENCY  | 111,829             | 117,980       |
| Barry, Jennifer           | PROGRAM DIRECTOR-BEHAVIORAL HEALTH       | 96,253              | 105,000       |
| Basher, William           | Nursing Team Leader Dialysis Services    | 125,995             | 110,583       |
| Bass, Cynthia             | Director of Diversity and Inclusion      | 122,446             | 125,000       |
| Bass, Edmond              | Nursing Informatics Mgr.                 | 128,127             | 127,496       |
| Beaver, Michael           | Pharmacist ECMC                          | 7,564               | 130,946       |
| Becker, Melissa           | Unit Manager Operating Room              | 160,363             | 117,980       |
| Becker, Paula             | Pharmacist ECMC                          | 140,938             | 142,732       |
| Beckman-Pilcher, Karen    | Clinical Nurse Specialist Emerg Svcs     | 145,894             | 148,081       |
| Beiter, Sean              | Director of Labor & Employee Relations   | 75,637              | 145,000       |
| Bell, Shentelle           | Director of Nursing Services Ambulatory  | 127,330             | 125,000       |
| Bellido-Clark, Dana       | Unit Manager MedicalSurgical             | 123,706             | 121,522       |
| Bernier, Deborah          | Operations Manager LTC                   | 115,066             | 115,000       |
| Bethea, Marquita          | Director of Admissions LTC               | 135,277             | 125,472       |
| Biersbach, Bret           | Anesthesiologist                         | 521,545             | 459,000       |
| Biondolillo, Rhonda       | General Duty Nurse PD                    | 105,471             | 105,471       |
| Bittner, Michelle         | Charge Nurse                             | 114,348             | 105,681       |
| Blair, Lawrence           | Behavioral Health Clinical Manager       | 110,318             | 115,000       |
| Blair, Lindsey            | Nursing Inservice Instructor ECMC        | 122,040             | 113,868       |
| Blair, Sean               | Nurse Case Manager                       | 137,359             | 121,522       |
| Blecha, Kortney           | Charge Nurse                             | 149,493             | 105,681       |
| Boice, Allison            | Nurse Case Manager                       | 77,242              | 121,522       |
| Bolden, Taywanda          | Behavioral Health Clinical Manager       | 108,318             | 115,000       |
| Bonito, Nicole            | Anesthetist                              | 93,421              | 228,042       |
| Borton, Angela            | Pharmacist ECMC                          | 142,552             | 133,902       |
| Boustany, Christopher     | Anesthesiologist                         | 8,478               | 375,000       |
| Brennan, Melinda          | Unit Manager MedicalSurgical             | 115,128             | 114,533       |
| Brennan, Stephanie        | Pharmacist ECMC                          | 133,213             | 133,902       |
| Brindisi, Joseph          | Nurse Practitioner ECMC                  | 130,412             | 131,577       |
| Brinker, Debra            | Charge Nurse                             | 113,651             | 105,681       |
| Brinkworth, Jennifer      | Charge Nurse                             | 147,013             | 105,681       |
| Broeneman, Kourtney       | Nurse Case Manager                       | 125,412             | 125,158       |
| Brooks, Latoya            | Unit Manager MedicalSurgical             | 124,802             | 125,158       |
| Brown, Dana               | Anesthetist                              | 265,127             | 228,042       |
| Brown, Donna              | Associate Hospital Administrator         | 133,559             | 133,756       |
| Brown, Jillian            | VP of Behavioral Health Services         | 169,604             | 159,120       |
| Brundin Jr, Douglas       | Anesthetist                              | 231,021             | 228,042       |
| Brunner, Stephanie        | Transplant Coordinator                   | 107,208             | 107,956       |

|                     |  |         |         |
|---------------------|--|---------|---------|
| Bryant, Stephanie   | Clin Tch?Dedicated Edu Unit Instructor   | 130,123 | 117,980 |
| Buckley, Peter      | Nursing Team Leader LTC                  | 115,748 | 101,186 |
| Budde, Ronald       | PROGRAM DIRECTOR-BEHAVIORAL HEALTH       | 93,420  | 105,000 |
| Burgio, Susan       | Clinical Laboratory Quality Coordinator  | 150,167 | 110,477 |
| Burke, Mark         | Attending Physician                      | 694,419 | 695,564 |
| Burnett, Julie      | Charge Nurse                             | 121,298 | 105,681 |
| Burridge, Suzanne   | Pharmacist ECMC RPT                      | 122,696 | 122,696 |
| Burt, Mary          | Nursing Team Leader                      | 165,208 | 113,868 |
| Canallatos, Jessica | Dentist ECMC PT                          | 104,276 | 120,000 |
| Canallatos, Paul    | Dentist ECMC                             | 217,827 | 221,450 |
| Cantie, Shawn       | Anesthesiologist                         | 523,651 | 483,786 |
| Carl, Karen         | Nursing Team Leader                      | 126,255 | 113,868 |
| Carnevale, Marinela | Emergency Department Patient Flow TL     | 139,618 | 110,583 |
| Carpenter, Cheryl   | Director of Medical Dental Staff Svcs    | 122,445 | 119,021 |
| Carroll, Jennifer   | Behavioral Health Clinical Manager       | 125,209 | 120,000 |
| Castonguay, Andrea  | Physician Assistant                      | 99,903  | 100,034 |
| Cavo, Paul          | Clinical Systems Analyst                 | 115,372 | 101,440 |
| Cheng, Yi Shun      | Attending Physician                      | 287,571 | 288,400 |
| Chikaraishi, Juli   | Director of Outpatient Opers & Oncolog   | 109,780 | 116,500 |
| Chilbert, Kevin     | Pharmacist ECMC                          | 134,015 | 133,902 |
| Ciancone, Gabriella | Infection Prevention Practioner          | 108,467 | 113,868 |
| Cieri, Margaret     | Nursing Care Coordinator                 | 195,495 | 135,244 |
| Cirillo, Joseph     | Director of Public Relations Communic.   | 133,019 | 133,557 |
| Cisse, Maimouna     | Certified Nursing Assistant RPT          | 100,409 | 100,409 |
| Ciurczak, Tiffany   | Emergency Department Patient Flow TL     | 134,089 | 113,868 |
| Clark, Cynthia      | Nurse Case Manager                       | 135,352 | 125,158 |
| Clark, Scott        | Charge Nurse RPT                         | 100,673 | 100,673 |
| Cloud, Samuel       | Attending Physician                      | 376,567 | 376,991 |
| Colebeck, Amanda    | Dentist ECMC                             | 292,779 | 304,000 |
| Colucci, Anthony    | Executive Vice President of ECMCC        | 596,609 | 559,267 |
| Comstock, Scott     | Charge Nurse                             | 128,282 | 105,681 |
| Coniglio, Julia     | Anesthetist                              | 222,037 | 228,042 |
| Connors, Marchelle  | Charge Nurse                             | 107,439 | 105,681 |
| Cornelius, Rhonda   | Nursing Care Coordinator                 | 127,329 | 127,496 |
| Cozzemera, John     | Nursing Team Leader                      | 115,636 | 110,583 |
| Cretacci, Nicole    | Unit Manager MedicalSurgical             | 128,441 | 125,158 |
| Culligan, Tanya     | Clinical Documentation Specialist        | 126,869 | 105,681 |
| Cumbo, John         | Vice President of Information Technology | 229,011 | 230,000 |
| Currin, Shawntres   | Unit Manager MedicalSurgical             | 133,870 | 117,980 |
| Cutler, Peter       | VP of Communications & External Affairs  | 262,662 | 260,000 |
| Dalton, Wendy       | Nursing Team Leader LTC                  | 132,518 | 104,223 |
| D'Angelo, Dino      | Charge Nurse                             | 119,798 | 102,584 |
| Daniels, Steven     | Sr. Human Resources Info System Admin    | 121,966 | 120,000 |
| Daoust, Jeffrey     | Physician Assistant                      | 129,475 | 128,164 |
| Davis, Andrew       | Chief Operating Officer ECMC             | 659,989 | 638,600 |
| Davis, Cassandra    | Senior Vice President of Operations-Outp | 290,823 | 285,000 |
| Davis, Karen        | Charge Nurse                             | 115,505 | 102,584 |
| DeFilippo, Jenna    | Assistant Head Nurse                     | 131,624 | 102,584 |
| DeGuidice, Natalie  | Clinical Pharmacy Specialist             | 61,417  | 145,384 |
| DePrince, Becky     | VP of Systems and Integrated Care        | 193,772 | 188,258 |
| DeVecchio, Regina   | Staff Counsel ECMC                       | 195,220 | 188,258 |
| DePlato, Anthony    | Anesthesiologist                         | 585,782 | 542,491 |
| Derenda, Nicole     | Director of Nursing Education Med/Surg   | 133,540 | 133,738 |
| DeYoung, Candice    | Nursing Team Leader                      | 108,145 | 113,868 |

|                          |  |         |         |
|--------------------------|--|---------|---------|
| Diina, David             | Nurse Practitioner Transplant            | 362,607 | 148,081 |
| DiOrio, Leigh-Anne       | Nurse Practitioner Transplant            | 21,776  | 112,732 |
| Dobson, Judy             | VP Medical Surgical Nursing Services     | 182,404 | 182,673 |
| Dolansky, Evan           | Pharmacist ECMC                          | 142,958 | 139,782 |
| Drozdzowski, Michael     | Director of Capital Projects             | 45,691  | 144,668 |
| Drysdale, Michelle       | InService Education Coordinator          | 141,142 | 117,980 |
| Duell, Susan             | Minimum Data Set Director                | 125,279 | 114,533 |
| Duffin, Joy              | Transplant Coordinator                   | 196,813 | 125,158 |
| Duffy, Brian             | Anesthesiologist                         | 453,813 | 395,391 |
| Duman, Eileen            | Administrative Director of Laboratory Se | 83,647  | 152,000 |
| Durant, Jason            | Systems Administrator                    | 128,748 | 106,956 |
| Dvinova, Larisa          | Charge Nurse                             | 175,058 | 105,681 |
| Eck, Brooke              | Director of Respiratory Therapy Services | 35,348  | 104,437 |
| Egan, Carol              | Charge Nurse                             | 123,916 | 105,681 |
| Eleey, Lynnette          | Charge Nurse                             | 135,867 | 105,681 |
| Erhardt, Laurie          | Minimum Data Set Specialist              | 106,383 | 107,355 |
| Erhardt, Robert          | Chief Hospital Public Safety Officer     | 161,757 | 119,007 |
| Ervolina, Daryl          | Senior Pharmacist ECMC                   | 160,420 | 158,382 |
| Evans, Maureen           | Pharmacist ECMC RPT                      | 107,588 | 107,588 |
| Evans, Michele           | Nursing Team Leader LTC                  | 144,098 | 113,868 |
| Exposito Vazquez, Manuel | Certified Nursing Assistant RPT          | 255,355 | 255,355 |
| Falco, Mark              | Attending Physician                      | 213,077 | 480,000 |
| Falcone, Michelle        | Pharmacist ECMC                          | 31,674  | 125,746 |
| Farrell, Amanda          | Population Health Clinical Data Analyst  | 126,457 | 117,980 |
| Fenner, Nicholas         | Pharmacist ECMC                          | 137,444 | 133,902 |
| Ferguson, Richard        | Director of Neurology RPT                | 426,363 | 383,976 |
| Fezer III, Stephen       | Anesthetist                              | 73,338  | 228,042 |
| Firestone, Lisa          | Nurse Case Manager - Ambulatory Services | 119,268 | 117,980 |
| Flaherty, Amy            | Staff Counsel - Risk Management          | 161,944 | 159,120 |
| Fleming, Laura           | Privacy Officer                          | 109,318 | 105,875 |
| Flett, Deborah           | Nursing Team Leader LTC                  | 132,172 | 113,868 |
| Floyd, Kaitlin           | Nursing Team Leader                      | 39,136  | 110,583 |
| Flynn, William           | Director of Surgery                      | 173,302 | 169,703 |
| Forgensi, Stacey         | Anesthetist                              | 246,631 | 228,042 |
| Foster, Amanda           | Director of Respiratory Therapy Services | 73,327  | 128,009 |
| Fowler, Julia            | Nursing Care Coordinator                 | 142,447 | 131,327 |
| Fox, Heather             | Nurse Case Manager - Ambulatory Services | 128,751 | 125,158 |
| Frey, Jordan             | Attending Physician                      | 519,676 | 484,100 |
| Friend, Dawn             | Director of Nursing Service LTC          | 140,845 | 140,400 |
| Frustino, Jennifer       | Dentist ECMC                             | 239,462 | 257,677 |
| Furlani, Lisa            | Anesthetist                              | 230,692 | 228,042 |
| Furnari, Graziella       | Clinical Pharmacy Specialist             | 142,678 | 145,384 |
| Gallagher, Heather       | Senior Director Of Comp. Benefits HRIS   | 142,892 | 140,400 |
| Gallineau, Anne-Marie    | Nursing Care Coordinator                 | 164,391 | 135,244 |
| Galuski, Tabatha         | General Duty Nurse RPT                   | 106,801 | 106,801 |
| Gant, Ramona             | Director of Nursing Service LTC          | 128,736 | 140,000 |
| Gardy-Batson, Marcell    | Assistant Director Nursing LTC           | 117,370 | 125,000 |
| Garfoot, John            | Attending Physician                      | 140,130 | 325,000 |
| Gary, Stephen            | Consultant IV                            | 413,424 | 413,424 |
| Gatti, Donna             | Director of CPEP                         | 7,025   | 119,372 |
| Giglia, Joseph           | General Counsel                          | 486,409 | 486,953 |
| Gomez, Melissa           | Director of Clin. Coding Record Qual Mg  | 101,018 | 101,168 |
| Gompah, Santosha         | Unit Manager MedicalSurgical             | 143,768 | 125,158 |
| Gonzalez, Susan          | Executive Director ECMC Lifeline Foundat | 202,935 | 195,052 |

|                       |  |         |         |
|-----------------------|--|---------|---------|
| Gorczynski II, Thomas | Information Technology Systems Architect | 142,498 | 137,416 |
| Gorski, Amanda        | General Duty Nurse RPT                   | 104,900 | 104,900 |
| Gozdalski, Nicole     | Charge Nurse                             | 141,655 | 105,681 |
| Grantham, Ayanna      | Assistant Director Nursing LTC           | 118,870 | 125,000 |
| Greco, Timothy        | General Duty Nurse RPT                   | 102,738 | 102,738 |
| Greene Clark, Maria   | Director of CPEP                         | 109,835 | 125,000 |
| Gregorio, Tara        | Unit Manager MedicalSurgical             | 134,722 | 121,522 |
| Grimm, Jessica        | Nursing Team Leader                      | 107,629 | 101,186 |
| Grolemund, Stephanie  | Anesthetist                              | 244,335 | 228,042 |
| Grzebinski, Jane      | Pharmacist ECMC                          | 145,431 | 145,744 |
| Grzybowski, Helen     | InService Education Coordinator          | 147,153 | 125,158 |
| Haag, Cheryl          | Pharmacist ECMC                          | 16,489  | 130,946 |
| Habonimana, Colette   | Charge Nurse                             | 146,670 | 105,681 |
| Haefner, Lori         | Charge Nurse                             | 131,575 | 105,681 |
| Haefner, Paula        | Project Manager HIT                      | 104,800 | 104,955 |
| Halloran, Ashley      | Vice President of Pharmacy Operations    | 178,140 | 190,000 |
| Hamilton, Catherine   | Director of Patient Financial Services   | 124,248 | 124,431 |
| Handley, Sarah        | Pharmacist ECMC                          | 136,171 | 133,902 |
| Hanlon, Barbara       | Assistant Head Nurse                     | 106,237 | 105,681 |
| Harrington, Crystal   | Charge Nurse                             | 144,079 | 105,681 |
| Harris, Rachel        | Nurse Practitioner Plastic Recon Surger  | 135,412 | 127,754 |
| Hartman, Nancy        | Registered Nurse Trauma Registrar        | 124,590 | 113,868 |
| Hartman, Sandra       | Nursing Care Coordinator                 | 206,359 | 135,244 |
| Hartmann, Erica       | Dentist ECMC                             | 82,116  | 175,000 |
| Haseley, Nicole       | Transplant Coordinator                   | 179,684 | 121,522 |
| Hatten, Khadija       | Nursing Care Coordinator                 | 135,723 | 123,766 |
| Hauss, Lisa Marie     | Nurse Case Manager                       | 125,183 | 125,158 |
| Healy, Jaclyn         | Pharmacist ECMC                          | 25,051  | 130,946 |
| Heigl, Deborah        | Nurse Case Manager                       | 21,316  | 116,156 |
| Herr, Alexandra       | Staff Counsel ECMC                       | 108,585 | 120,000 |
| Hidalgo, Francisco    | Code Compliance Manager                  | 124,471 | 121,466 |
| Highway, Lisa         | Director of Recruitment and Retention    | 116,616 | 120,000 |
| Hill, Tara            | Charge Nurse                             | 76,336  | 105,681 |
| Hinderliter, Vanessa  | VP of Finance ECMC                       | 167,202 | 190,000 |
| Hines, Holly          | Nurse Case Manager                       | 130,403 | 125,158 |
| Hodan, Patricia       | Infection Prevention Practioner          | 125,294 | 113,868 |
| Hodgson, Matthew      | Nurse Practitioner Plastic Recon Surger  | 142,832 | 143,784 |
| Hoerner, Audrey       | Senior Nurse Practitioner - Burn Unit    | 187,181 | 165,788 |
| Hoerner, Nadine       | Clinical Documentation Specialist        | 123,024 | 105,681 |
| Honkomp, Cheryl       | Assistant Head Nurse                     | 119,751 | 105,681 |
| Horesh, Fayelyn       | Anesthetist RPT                          | 151,464 | 151,464 |
| Hovak, Melissa        | Nurse Practitioner Transplant            | 225,124 | 148,081 |
| Hughes, Christopher   | Attending Physician RPT                  | 293,488 | 275,000 |
| Hultquist, Scott      | Nursing Care Coordinator                 | 12,806  | 111,519 |
| Hunley, Kizzie        | Nursing Care Coordinator                 | 151,979 | 131,327 |
| Hunt, Benjamin        | Nursing Inservice Instructor Psych       | 129,954 | 110,583 |
| Hunter, Thameena      | Unit Manager Ambulatory Care             | 138,901 | 125,158 |
| Hussain, Sarah        | General Duty Nurse RPT                   | 100,932 | 100,932 |
| Hutchings, Michelle   | Nurse Case Manager                       | 123,927 | 125,158 |
| Ireland, Shari        | Charge Nurse                             | 95,051  | 105,681 |
| Isch, Pamela          | Assistant Director Ambulatory Services   | 103,155 | 106,956 |
| Jack, Dennis          | Nurse Practitioner Transplant            | 209,196 | 121,204 |
| Jack, Jennifer        | Charge Nurse                             | 141,227 | 102,584 |
| Jackson, Seanessa     | Nurse Case Manager                       | 134,891 | 125,158 |

|                          |  |         |         |
|--------------------------|--|---------|---------|
| Jager, Jonathan          | Pharmacist ECMC                          | 53,090  | 125,746 |
| James, Gelea             | Director of Labor & Employee Relations   | 4,919   | 125,000 |
| Jamison, Shannon         | Charge Nurse                             | 118,286 | 105,681 |
| Jellinick, Lori          | Supervisor of Rehab Medicine             | 104,093 | 106,236 |
| Jenney, Kevin            | Supervisor of Rehab Medicine             | 105,962 | 106,236 |
| Jensen, Erik             | Anesthesiologist                         | 557,859 | 496,747 |
| Jimerson, Mary           | Nursing Team Leader Ambulatory Services  | 143,608 | 104,223 |
| Johnson, Marie           | Vice President of Rehab Services         | 164,222 | 164,465 |
| Johnson, Maureen         | Charge Nurse                             | 197,093 | 105,681 |
| Jones, Donna             | Chief Quality of Care Officer and Operat | 259,616 | 260,000 |
| Jones, Veronica          | Charge Nurse                             | 58,036  | 105,681 |
| Jonmaire, Kenneth        | Senior Director Outpatient Operations    | 136,504 | 128,165 |
| Juncewicz, Edmund        | Anesthesiologist                         | 511,448 | 468,180 |
| Kalinka, Lisa            | Nurse Practitioner Transplant            | 228,692 | 139,578 |
| Kapral, Elizabeth        | Dentist ECMC                             | 208,350 | 206,824 |
| Karl, Stephanie          | Nurse Case Manager                       | 120,469 | 117,980 |
| Kaurich, Justine         | Vice President of Operations             | 199,875 | 200,173 |
| Kayler, Liise            | Attending Physician RPT                  | 205,536 | 166,446 |
| Keenan-USchold, Lisa     | Chief Clinical Psychologist              | 135,378 | 136,839 |
| Keeney, Alicia           | Nursing Inservice Instructor ECMC        | 116,140 | 113,868 |
| Kemp, Michelle           | Nurse Case Manager                       | 115,776 | 114,533 |
| Ketter-Franklin, Krystal | Charge Nurse                             | 65,595  | 105,681 |
| Killion, Valerie         | Assistant Director Nursing Sub Acute Ser | 116,749 | 115,000 |
| Kimble, Karen            | Behavioral Health Clinical Manager       | 108,028 | 115,000 |
| Kinney, Elizabeth        | Charge Nurse                             | 122,136 | 105,681 |
| Kleinhans, Shannon       | Quality Care Coordinator                 | 101,731 | 111,195 |
| Knoop, Shawn             | General Duty Nurse RPT                   | 110,121 | 110,121 |
| Koch, Elizabeth          | Anesthesiologist                         | 503,199 | 459,000 |
| Kocz, Remek              | Anesthesiologist                         | 484,462 | 435,000 |
| Kolber, Brooke           | Dentist ECMC RPT                         | 111,543 | 74,263  |
| Kolbert, Cynthia         | Charge Nurse                             | 130,921 | 105,681 |
| Konikoff, Karen          | VP Critical Care & Emergency Services    | 185,103 | 178,501 |
| Kordasiewicz, Lynn       | Nurse Practitioner Wound Care            | 159,551 | 148,081 |
| Korff, Kathryn           | Dentist ECMC                             | 195,422 | 195,641 |
| Kostek, Heather          | Nursing Team Leader                      | 108,073 | 107,355 |
| Koszuta, Ceilia          | Nurse Case Manager                       | 129,821 | 125,158 |
| Krakowiak, Daryl         | Assistant Director of Social Work BH     | 103,954 | 105,785 |
| Kuechle, Claire          | Staff Counsel ECMC                       | 172,489 | 172,744 |
| Kurek, Alecia            | Unit Manager MedicalSurgical             | 140,135 | 125,158 |
| Kuropatwinski, David     | Nursing Team Leader                      | 110,030 | 110,583 |
| Kwiatkowski, Andrew      | Director of Project Management HIT       | 165,396 | 156,026 |
| Labelle, Jamie           | Unit Manager Hemodialysis                | 122,774 | 125,158 |
| Labelle, Marc            | VP Surgical Services                     | 175,242 | 172,186 |
| Lang, Julie              | Project Manager HIT                      | 104,800 | 104,955 |
| Larkin, Rachel           | Nursing Team Leader                      | 110,505 | 113,868 |
| Lauer, Sandra            | Director of Continuum Care               | 141,715 | 131,571 |
| Lavarnway, Nicole        | Nursing Supervisor LTC                   | 147,747 | 125,158 |
| Lawley, Melinda          | Unit Manager Critical Care               | 159,161 | 125,158 |
| Leas, Christie           | Unit Manager Critical Care               | 119,858 | 114,533 |
| Lee, Pamela              | Senior VP of Operations ECMC             | 311,592 | 312,053 |
| Lenhard, Eric            | Pharmacist ECMC                          | 139,535 | 136,839 |
| Lewandowski, Emily       | Pharmacist ECMC                          | 65,324  | 130,946 |
| Leyh, Virginia           | Transplant Coordinator                   | 137,426 | 125,158 |
| Lilic, Dijana            | Charge Nurse                             | 156,114 | 105,681 |

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|----------------------|--|---------|---------|
| Lorden, Bernard      | Network Analyst                          | 126,101 | 101,440 |
| Loree, Thom          | Attending Physician                      | 885,398 | 877,897 |
| Ludlow, Charlene     | Senior VP of Nursing                     | 345,178 | 350,000 |
| Lukasik, Keith       | Chief Strategy Officer                   | 108,192 | 267,903 |
| Lydo, Kaitlin        | Registered Nurse Trauma Registrar        | 102,437 | 104,223 |
| Mack, Markita        | Unit Manager Critical Care               | 122,409 | 121,522 |
| Madoo, Kevin         | Director of Plant Operations             | 132,451 | 122,593 |
| Maggio, Sarah        | ASSISTANT VP of BH, Nrsing & Edu         | 143,250 | 138,141 |
| Mahar, Shannon       | Nursing Team Leader                      | 89,990  | 104,223 |
| Maloney, Jennifer    | Unit Manager MedicalSurgical             | 134,503 | 125,158 |
| Marasco, Marjorie    | NURSING INSERVICE INSTRUCTOR (EMERGENCY  | 118,784 | 117,980 |
| Marczak, Juliet      | Nurse Practitioner ECMC                  | 143,062 | 143,784 |
| Markiewicz, Anthony  | VP Clinical Business Intelligence and In | 195,542 | 185,096 |
| Marshall, Michelle   | PROGRAM DIRECTOR-BEHAVIORAL HEALTH       | 98,661  | 105,000 |
| Marso, Lisa          | Anesthetist                              | 243,328 | 228,042 |
| Martin, Alana        | Pharmacist ECMC                          | 50,897  | 130,946 |
| Martin, Janet        | VP of Finance ECMC                       | 216,468 | 216,403 |
| Martina, Kristin     | Nursing Team Leader                      | 130,519 | 104,223 |
| Martinez, Kristen    | Director of Rehabilitation Services      | 101,851 | 100,500 |
| Masters, Raymond     | Anesthetist                              | 218,030 | 211,356 |
| Mayer, John          | Director of System Health and Safety     | 47,592  | 120,500 |
| Mazur, Christopher   | Senior Pharmacist ECMC                   | 171,363 | 148,620 |
| McAndrews, Lisa      | Charge Nurse                             | 134,187 | 105,681 |
| McCartan, Daniel     | Emergency Preparedness Manager           | 103,493 | 103,646 |
| McCloud, Arletha     | Charge Nurse                             | 124,519 | 105,681 |
| McCullor, Sandra     | Charge Nurse                             | 132,098 | 105,681 |
| McDonough, Meghan    | Nursing Care Coordinator RPT             | 114,772 | 114,772 |
| Mcdougall, Sarah     | Pharmacist ECMC                          | 130,337 | 133,902 |
| McDuffie, Ann        | Nursing Team Leader Orthopedics          | 116,151 | 113,868 |
| McGuigan, Jessica    | Unit Manager MedicalSurgical             | 94,101  | 125,158 |
| McKeever, Ashley     | Anesthetist                              | 233,724 | 228,042 |
| McLean, Terrence     | Dentist ECMC                             | 445,721 | 446,321 |
| McNair, Antionette   | Nursing Care Coordinator RPT             | 123,763 | 123,763 |
| McPartlan, Georgia   | Nursing Team Leader Ostomy WC            | 35,520  | 102,629 |
| Mehmedovic, Andrea   | Chief Clinical Laboratory Technologist   | 136,495 | 106,390 |
| Mendola, Kathryn     | Director of Campaigns & Major Gifts      | 99,945  | 102,000 |
| Menter, Danielle     | Charge Nurse                             | 133,621 | 102,584 |
| Metz, Martha         | Clinical Nurse Specialist Critical Care  | 103,766 | 121,204 |
| Metzler, Ashley      | Unit Manager Post Anesthesia Care        | 132,166 | 125,158 |
| Meyers, Shannon      | Anesthetist                              | 83,123  | 211,150 |
| Meyers, Tracy        | Nursing Team Leader                      | 118,414 | 113,868 |
| Miano, Joanne        | Nurse Case Manager                       | 126,384 | 125,158 |
| Milbrand, Alison     | Pharmacist ECMC                          | 132,449 | 133,902 |
| Miller, Loretta      | Safe Patient Handling Coordinator        | 108,297 | 106,236 |
| Minhas, Parveen      | Nurse Practitioner Transplant            | 249,579 | 143,784 |
| Mitchell, Alexandria | Unit Manager MedicalSurgical             | 126,330 | 125,158 |
| Mogavero, Joseph     | Healthcare Business System Manager       | 125,135 | 128,145 |
| Mondoux, Jessica     | Director of Transplantation              | 132,036 | 127,920 |
| Monnier, Thomas      | Director of Biomedical Services          | 102,804 | 105,000 |
| Montague, Victoria   | Nursing Inservice Instructor ECMC        | 91,699  | 104,223 |
| Mooney, Michelle     | Nurse Case Manager                       | 129,734 | 125,158 |
| Morford, Tiffany     | Nursing Team Leader LTC                  | 123,198 | 101,186 |
| Morrissey, Colin     | Anesthetist                              | 222,989 | 211,356 |
| Moses, Beth          | Trauma Injury Prevention & Education Co  | 120,940 | 113,868 |

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|----------------------|--|---------|---------|
| Mullen, Meghan       | Trauma Program Manager                   | 147,226 | 148,081 |
| Mund, Nadine         | Director of Corporate Compliance RPT     | 149,686 | 149,686 |
| Murawski, Phyllis    | VP Transplantation & Renal Care          | 202,591 | 202,891 |
| Murphy, Holly        | Pharmacist ECMC                          | 131,474 | 133,902 |
| Murray, Brian        | Medical Director ECMC                    | 551,102 | 551,719 |
| Nagai, Michael       | Attending Physician                      | 517,767 | 493,318 |
| Nance, Michele       | Assistant Nurse Case Manager             | 112,316 | 105,681 |
| Napierala, Randal    | Pharmacist ECMC                          | 134,425 | 133,902 |
| Nasca, Maureen       | Chief of Service Dentistry               | 456,160 | 456,670 |
| Nawojski, Kari       | Emergency Department Patient Flow TL     | 230,503 | 110,583 |
| Nazzarett, Jody      | Nursing Team Leader                      | 117,647 | 113,868 |
| Neff, Melissa        | Unit Manager Cardiac Cath Lab            | 217,970 | 125,158 |
| Nesbitt, David       | Asst VP of Compliance and Senior Counsel | 183,522 | 210,000 |
| Niemira, Brittany    | Manager of Charge Master                 | 109,232 | 101,440 |
| Nowak, Kevin         | Anesthesiologist                         | 467,539 | 440,000 |
| Nowak, Kristine      | Behavioral Health Clinical Manager       | 111,239 | 115,000 |
| Nowak, Lisa          | Nursing Team Leader LTC                  | 133,154 | 104,223 |
| Nye, Maria           | Charge Nurse                             | 128,903 | 105,681 |
| Obstarczyk, Valerie  | Nursing Team Leader Ambulatory Services  | 105,083 | 104,223 |
| Occhino, Erin        | Clinical Pharmacy Specialist             | 141,340 | 145,384 |
| Ordon, Cheryl        | Nurse Case Manager                       | 127,535 | 125,158 |
| Orloff, Patrick      | Director of Internal Audit               | 124,616 | 124,800 |
| Ott, Michael         | Clinical Coord Pharmacy Services         | 146,897 | 148,620 |
| Ott, Sarah           | RN Behavioral Health Data Reviewer       | 107,301 | 107,355 |
| Pagano, Christina    | Physician Assistant                      | 123,585 | 117,313 |
| Pajek, Lisa          | Charge Nurse Ambulatory Care             | 32,882  | 105,681 |
| Paladino, Matthew    | Anesthesiologist                         | 515,015 | 468,180 |
| Palermo, Loretta     | Emergency Department Patient Flow TL     | 142,262 | 113,868 |
| Panesar, Mandip      | Chief Medical Information Officer        | 450,991 | 456,754 |
| Paolini, Karen       | Nurse Practitioner Transplant            | 78,840  | 137,432 |
| Parker, Adam         | Assistant Director of Pharmacy           | 149,591 | 148,750 |
| Parks, Mary          | Charge Nurse                             | 160,556 | 102,584 |
| Patterson, Caralyn   | Nursing Team Leader LTC                  | 128,568 | 104,223 |
| Patterson, Sandra    | Nursing Team Leader Ambulatory Services  | 129,769 | 113,868 |
| Payne, Angela        | Unit Manager Emergency                   | 2,182   | 111,195 |
| Peals, Letrice       | Charge Nurse                             | 138,416 | 105,681 |
| Pelton, Lisa         | General Duty Nurse                       | 95,817  | 103,208 |
| Perkins, Melissa     | Unit Manager MedicalSurgical             | 156,462 | 125,158 |
| Perno, Amy           | Physician Assistant                      | 16,030  | 106,120 |
| Perrino, Adam        | Assistant Director of Capital Projects   | 33,773  | 112,243 |
| Pesta, Joslyn        | Pharmacist ECMC                          | 137,092 | 130,946 |
| Petit, Kristy        | Charge Nurse RPT                         | 103,440 | 103,440 |
| Petry, Christina     | Nursing Team Leader Ostomy WC            | 127,727 | 113,868 |
| Phillips, Kristen    | Anesthetist                              | 215,250 | 211,356 |
| Picciano, Cathleen   | Lead Clinical Documentation Specialist   | 131,764 | 113,868 |
| Picciano, Thomas     | Manager - Care Management                | 127,909 | 130,000 |
| Pietrzyk, Mathew     | Clinical Teacher                         | 135,217 | 127,496 |
| Pilat, Cynthia       | Charge Nurse                             | 167,574 | 105,681 |
| Piniewski, Jillian   | Nurse Practitioner Orthopedic Services   | 132,480 | 127,754 |
| Piscatelli, Nicole   | Dentist ECMC                             | 184,598 | 185,657 |
| Pittman, Courtney    | Director of Patient Access Services      | 118,845 | 119,021 |
| Pitz, Anita          | Charge Nurse                             | 134,237 | 105,681 |
| Plueckhahn, Jennifer | Minimum Data Set Specialist              | 103,501 | 104,223 |
| Pollock, Michael     | Info Technology Operations Manager       | 138,621 | 128,145 |

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|-------------------------|--|-----------|-----------|
| Poodry, Abby            | Charge Nurse                             | 106,769   | 105,681   |
| Popat, Saurin           | Attending Physician PT                   | 474,055   | 450,204   |
| Powers, Shawntey        | Charge Nurse                             | 122,085   | 102,584   |
| Pressley III, Charles   | Staff Counsel ECMC                       | 119,283   | 128,960   |
| Prybylski, Monica       | Nurse Practitioner Orthopedic Services   | 9,265     | 137,432   |
| Pulka, Ashley           | Pharmacist ECMC                          | 131,021   | 133,902   |
| Quatroche Jr., Thomas   | Chief Executive Officer ECMC             | 1,183,173 | 1,184,500 |
| Radovic, Vladan         | Attending Physician                      | 410,626   | 376,764   |
| Rassman, Jeffrey        | Physician Assistant                      | 127,320   | 125,523   |
| Reed, Karen             | Anesthesiologist                         | 549,609   | 506,682   |
| Reeners, Eric           | Director of Finance ECMC                 | 108,035   | 140,000   |
| Reeves, Sandra          | Charge Nurse                             | 124,638   | 105,681   |
| Reigle, Corey           | Charge Nurse                             | 128,755   | 105,681   |
| Reilly, Mary            | Assistant VP of Critical Care & Emergenc | 139,050   | 139,256   |
| Reinhardt, Kaitlyn      | Pharmacist ECMC                          | 5,055     | 130,946   |
| Requena, Steven         | Nursing Supervisor LTC RPT               | 141,789   | 141,789   |
| Resetarits, Christopher | Anesthetist RPT                          | 145,318   | 145,318   |
| Riley, Peggy-Sue        | Charge Nurse                             | 116,105   | 105,681   |
| Ring, Alan              | Anesthetist                              | 213,935   | 211,356   |
| Riter, Debra            | Assistant Director of Social Work BH     | 104,389   | 105,785   |
| Rizzo, Heather          | Anesthetist RPT                          | 145,539   | 145,539   |
| Rizzo, John             | Unit Manager MedicalSurgical             | 130,050   | 117,980   |
| Robb, Noel              | Charge Nurse                             | 119,194   | 105,681   |
| Robertson, Heather      | Charge Nurse                             | 128,051   | 102,584   |
| Robinson, Constance     | Nursing Supervisor LTC                   | 89,149    | 125,158   |
| Roblee, Chelsey         | Nursing Team Leader                      | 123,611   | 110,583   |
| Rodriguez, Erin         | Charge Nurse                             | 106,905   | 102,584   |
| Roeder, Anastasia       | Director of Development & Marketing ECMC | 115,741   | 111,614   |
| Rogers, Angeline        | Nurse Case Manager                       | 141,615   | 125,158   |
| Rogers, Nancy           | Clinical Nurse Specialist Behavioral Hea | 13,264    | 129,540   |
| Rohl, Kathleen          | Assistant Head Nurse                     | 112,985   | 105,681   |
| Rohloff, Sarina         | Director of Procurement Compliance       | 101,558   | 101,709   |
| Rohrbacher, Bernhard    | Medical Specialist RPT                   | 116,627   | 132,267   |
| Rojek, Janet            | Senior Pharmacist ECMC                   | 65,850    | 149,879   |
| Roman, Julie            | Clinical Documentation Specialist        | 128,040   | 102,584   |
| Roof, Angela            | Nurse Case Manager                       | 110,810   | 111,195   |
| Roof, Donald            | Director of Materials Management         | 111,284   | 111,448   |
| Root, Sarah             | Infection & Wound Care Preventionist LTC | 129,843   | 125,158   |
| Ross, Nicole            | Pharmacist ECMC                          | 59,841    | 130,946   |
| Rossi, Lucia            | VP of Ambulatory Svs & Population Health | 162,988   | 160,000   |
| Rossitto, Rachael       | Dentist ECMC                             | 318,161   | 324,597   |
| Ross-McComb, Holly      | Clinical Nurse Specialist Behavioral Hea | 58,646    | 135,529   |
| Rubin, Kari             | Nurse Case Manager                       | 126,734   | 125,158   |
| Rudyk, Jenine           | Unit Manager Critical Care               | 124,936   | 121,522   |
| Ruh, Christine          | Assistant Director of Pharmacy           | 144,084   | 158,000   |
| Rust, Shawna            | Charge Nurse                             | 128,033   | 105,681   |
| Salh, Manpreet          | Minimum Data Set Specialist              | 153,740   | 107,355   |
| Sammarco-Delmont, Renee | Unit Manager MedicalSurgical             | 157,157   | 125,158   |
| Sands, Robert           | Anesthesiologist                         | 538,753   | 496,747   |
| Santillo, Alexis        | Physician Assistant                      | 46,257    | 102,792   |
| Sauer, Jillian          | Unit Manager MedicalSurgical             | 119,512   | 117,980   |
| Savage, Jessica         | Assistant Head Nurse                     | 116,043   | 105,681   |
| Scherer, Paul           | Healthcare Business Sys Analyst          | 107,858   | 105,785   |
| Schoelerman, Ronald     | Assistant VP of BH & Community           | 129,953   | 132,500   |

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|-----------------------|--|---------|---------|
| Schubbe, Jayson       | Healthcare Data Warehouse Architect      | 121,772 | 117,430 |
| Schubbe, Michele      | Healthcare Business Sys Analyst          | 115,488 | 101,440 |
| Schunke, Katrina      | Pharmacist ECMC                          | 143,490 | 145,744 |
| Schurr, Karen         | Clinical Asst to VP Surg & Card. Svcs    | 128,268 | 123,350 |
| Schwanekamp, Karen    | Anesthetist                              | 240,705 | 228,042 |
| Schwartz, Danielle    | General Duty Nurse RPT                   | 135,402 | 135,402 |
| Schwenk, Kurt         | Director of Budget ECMCC                 | 117,789 | 125,000 |
| Scrocco, Mary Carol   | Nurse Practitioner Cardiovascular Lab    | 183,645 | 148,081 |
| Seay, Michelle        | Clinical Patient Care Liaison            | 141,974 | 135,244 |
| Semrau, Jeffrey       | Senior Pharmacist ECMC                   | 143,241 | 145,384 |
| Senchoway, Laura      | Anesthetist                              | 215,870 | 211,356 |
| Serafin, Laura        | Clinical Resource Nurse Emerg Services   | 136,122 | 105,681 |
| Shanahan, Robert      | Network Analyst                          | 121,225 | 103,617 |
| Shaw, Patrick         | Clinical Resource Nurse                  | 83,633  | 102,584 |
| Sheppard, Judith      | Nursing Supervisor LTC                   | 158,156 | 125,158 |
| Short, Amy            | Charge Nurse                             | 110,149 | 105,681 |
| Simon, Alexander      | Clinical Application Systems Manager     | 121,412 | 113,611 |
| Simone, Jessica       | Nursing Inservice Instructor Crit Care   | 102,352 | 104,223 |
| Skomra, Richard       | Chief Anesthetist                        | 287,014 | 276,779 |
| Smith, Andrew         | Nurse Case Manager                       | 133,414 | 125,158 |
| Smith, Sandra         | Clinical Documentation Specialist        | 125,165 | 105,681 |
| Snodgrass, Darress    | Anesthetist                              | 45,647  | 211,150 |
| Snyder, Jennifer      | Nursing Care Coordinator Emergency Dept  | 123,738 | 127,496 |
| So, Timmy             | Assistant Director of Social Work BH     | 95,779  | 101,440 |
| Sole, Jennifer        | Nursing Team Leader                      | 126,042 | 113,868 |
| Sorce, Lynn           | Charge Nurse                             | 109,920 | 105,681 |
| Soto-Gott, Sheree     | General Duty Nurse RPT                   | 135,396 | 135,396 |
| Sousis, Julie         | Assistant Director Ambulatory Services   | 122,832 | 111,775 |
| Sperry, Howard        | Clinical Director Medicine               | 329,671 | 319,066 |
| Speta, Kathleen       | Nurse Practitioner Transplant            | 20,097  | 118,564 |
| Srodawa, Christopher  | Administrative Director of Laboratory Se | 36,729  | 130,050 |
| Stanford, Benjamin    | Unit Manager MedicalSurgical             | 129,151 | 121,522 |
| Steffen, Tracy        | Assistant Nurse Case Manager             | 115,241 | 105,681 |
| Stegemann, Philip     | Chief of Orthopedic Surgery              | 117,148 | 117,148 |
| Steiner, Stacy        | General Duty Nurse RPT                   | 159,731 | 159,731 |
| Stercula, Edna        | Anesthetist                              | 56      | 228,042 |
| Steward, Kevin        | Nursing Care Coordinator                 | 151,499 | 135,244 |
| Stobnicki, Cortney    | Anesthetist                              | 239,826 | 228,042 |
| Stokes, Laura         | Point of Care Clinical Laboratory Coord  | 113,580 | 114,731 |
| Stroud, Kerry         | Nursing Care Coordinator                 | 148,570 | 135,244 |
| Sturtz, Janice        | Nursing Team Leader Ostomy WC            | 113,225 | 110,583 |
| Suchy III, Thomas     | Attending Physician                      | 90,385  | 470,000 |
| Sutton, Danielle      | Charge Nurse                             | 116,798 | 105,681 |
| Swain, Anthony        | Charge Nurse                             | 115,461 | 105,681 |
| Swain, Maureen        | Charge Nurse                             | 125,898 | 105,681 |
| Sweetland, Jennifer   | Nursing Informatics Mgr.                 | 136,749 | 135,244 |
| Swiatkowski, Jonathan | Chief Financial Officer ECMC             | 540,454 | 541,059 |
| Szejnar, Michael      | Charge Nurse                             | 124,649 | 105,681 |
| Tadak, Monica         | Director of Revenue Capture and Integrit | 137,708 | 134,797 |
| Tadt, Stephanie       | Nurse Case Manager                       | 125,423 | 125,158 |
| Tague, Dana           | Nurse Practitioner Rehab Services        | 173,807 | 148,081 |
| Tait, Christopher     | Nurse Case Manager                       | 132,674 | 125,158 |
| Tarbell, Ross         | Senior Pharmacist ECMC                   | 105,680 | 155,079 |
| Thanki, Pamela        | Senior Financial Analyst                 | 110,475 | 106,535 |

|                    |  |         |         |
|--------------------|--|---------|---------|
| Thomas, Dylan      | Pharmacist ECMC                          | 91,417  | 130,946 |
| Thomas, Katheleen  | Infection Prevention Practioner          | 144,200 | 113,868 |
| Thompson, Denise   | Nursing Care Coordinator                 | 145,423 | 131,327 |
| Thoms, Amy         | Clinical Documentation Specialist        | 118,944 | 105,681 |
| Thorpe, Lisa       | Director of Rehabilitation Services      | 135,779 | 133,557 |
| Thurnherr, Shannon | General Duty Nurse RPT                   | 104,866 | 104,866 |
| Toal, Emily        | Charge Nurse                             | 126,078 | 102,584 |
| Tomljanovich, Paul | Attending Physician PT                   | 136,520 | 128,395 |
| Tornambe, Lynne    | Pharmacist ECMC                          | 145,510 | 136,839 |
| Torres, Carmen     | Nurse Practitioner ECMC                  | 157,923 | 148,081 |
| Troise, Emily      | Nursing Inservice Instructor Crit Care   | 80,592  | 107,355 |
| Turner, Charlaina  | Assistant Head Nurse                     | 176,707 | 105,681 |
| Turner, James      | Senior VP of Surgical and Ambulatory Ser | 333,850 | 334,343 |
| Twichell, Jerome   | Senior Director Outpatient Operations    | 132,904 | 128,165 |
| Urban, Paul        | Assistant Info Tech Sys Architect        | 124,248 | 124,431 |
| Vacanti, Angela    | Manager Infection Control                | 166,594 | 135,244 |
| Vacanti, Charles   | Nursing Team Leader                      | 115,923 | 113,868 |
| Vail, Robert       | Healthcare Information Security Officer  | 168,884 | 150,507 |
| Villacorta, Maria  | Charge Nurse                             | 137,959 | 105,681 |
| Walsh, Evelyn      | Attending Physician                      | 175,410 | 260,000 |
| Walter, Robert     | Chief Clinical Laboratory Technologist   | 137,630 | 114,731 |
| Wang, Nana         | Pharmacist ECMC                          | 83,369  | 130,946 |
| Warmus, Renelle    | Nurse Case Manager                       | 131,534 | 121,522 |
| Weber, Joseph      | Network Analyst                          | 123,228 | 101,440 |
| Weiss, Katherine   | Pharmacist ECMC                          | 186,424 | 145,744 |
| Welka, Andrew      | Anesthesiologist                         | 489,526 | 448,050 |
| Weslow, Beth       | Unit Manager Post Anesthesia Care        | 85,382  | 117,980 |
| West, Ashley       | Nurse Case Manager                       | 126,224 | 125,158 |
| West, Lindsey      | Unit Manager MedicalSurgical             | 104,295 | 114,533 |
| Wik, Michelle      | Nursing Inservice Instructor ECMC        | 132,341 | 104,223 |
| Williams, Sonia    | Assistant Director Ambulatory Services   | 128,691 | 119,007 |
| Wilson, Karyn      | Assistant Director Ambulatory Services   | 112,970 | 106,956 |
| Wilson, Nicolette  | VP Revenue Cycle                         | 178,268 | 178,532 |
| Wittmann, Paula    | Charge Nurse                             | 127,878 | 105,681 |
| Wohaibi, Eyad      | Attending Physician                      | 984     | 391,400 |
| Wolf, Joann        | Assistant Vice President Surgical Nursin | 143,276 | 143,488 |
| Woodruff, Stephen  | Administrator LTC                        | 118,674 | 165,000 |
| Woods, Kara        | Physician Assistant                      | 133,075 | 128,165 |
| Woods, Milan       | General Duty Nurse RPT                   | 101,260 | 101,260 |
| Wright, Shaunda    | Unit Manager Behavioral Health           | 143,479 | 121,522 |
| Yak, Joseph        | Chief Clinical Laboratory Technologist   | 126,578 | 106,390 |
| Yates, Robert      | Anesthetist                              | 219,262 | 211,356 |
| York-Renaud, Jamie | Nursing Inservice Instructor OR          | 134,531 | 113,868 |
| Zajac, Jamie       | Emergency Department Patient Flow TL     | 133,821 | 113,868 |
| Zakrzewski, Thomas | Nursing Supervisor LTC                   | 18,341  | 116,156 |
| Zanghi, Marie      | Assistant Nurse Case Manager             | 106,692 | 105,681 |
| Zdon, Glen         | Unit Manager Hemodialysis                | 124,368 | 117,980 |
| Ziemianski, Karen  | Senior VP of Nursing                     | 173,056 | 390,104 |
| Zimmer, Michelle   | Charge Nurse                             | 123,174 | 105,681 |
| Zynda, Elizabeth   | Nurse Practitioner Transplant            | 219,289 | 143,784 |

APPENDIX C  
2022 CORPORATE EXPENDITURES IN EXCESS OF \$100,000

| Vendor Name                                 | Payments      | Reporting Year | Contract Period | Purpose            |   |
|---|---------------|----------------|-----------------|--------------------|---|
| McKESSON DRUG CO                            | \$ 25,402,160 | 2022           | 3/19/2019       | 3/18/2024          | Commodities/Supplies                    |
| GENERAL PHYSICIAN, P.C.                     | \$ 18,304,309 | 2022           | 11/28/2020      | 11/27/2023         | Other Professional Services             |
| METZ CULINARY MANAGEMENT                    | \$ 12,041,868 | 2022           | 4/6/2019        | 8/31/2027          | Commodities/Supplies                    |
| SUPPLEMENTAL HEALTH CARE                    | \$ 11,998,860 | 2022           | 12/8/2016       | 10/27/2023         | Staffing Services                       |
| APOGEE MEDICAL MANAGEMENT                   | \$ 11,905,717 | 2022           | 9/1/2015        | 9/30/2023          | Other Professional Services             |
| UNIVERSITY MEDICAL RESIDENT SERVICES, P.C.  | \$ 11,779,278 | 2022           | 1/4/2019        | 1/3/2029           | Other Professional Services             |
| UBMD PSYCHIATRY                             | \$ 11,522,940 | 2022           | 8/1/2016        | 2/28/2023          | Other Professional Services             |
| CARDINAL HEALTH                             | \$ 10,422,410 | 2022           | 12/1/2012       | 6/30/2027          | Commodities/Supplies                    |
| UPSTATE NEW YORK TRANSPLANT                 | \$ 8,428,833  | 2022           | 8/2/2016        | Evergreen          | Commodities/Supplies                    |
| GREAT LAKES MEDICAL IMAGING, LLC            | \$ 8,056,756  | 2022           | 9/1/2015        | Evergreen          | Other Professional Services             |
| THE RESEARCH FOUNDATION                     | \$ 7,822,290  | 2022           | Various         | Evergreen          | Other Professional Services             |
| UNIVERSITY AT BUFFALO SURGEONS, INC.        | \$ 7,698,042  | 2022           | 1/1/2018        | 12/31/2025         | Other Professional Services             |
| ZIMMER US INC                               | \$ 7,248,262  | 2022           | 12/29/2022      | 6/30/2026          | Commodities/Supplies                    |
| ACADEMIC MEDICAL SERVICES, INC.             | \$ 6,665,025  | 2022           | 3/8/2018        | 3/7/2023           | Other Professional Services             |
| BIOCARE SD                                  | \$ 6,459,591  | 2022           | 1/1/2015        | 12/31/2023         | Commodities/Supplies                    |
| MORRISON MANAGEMENT SPECIALISTS             | \$ 5,742,178  | 2022           | 1/1/2013        | 6/30/2023          | Commodities/Supplies                    |
| GILBANE BUILDING COMPANY                    | \$ 5,570,067  | 2022           | 5/1/2018        | Project Completion | Design and Construction/Maintenance     |
| BUFFALO INTERNIST AND ASSOCIATES            | \$ 5,100,839  | 2022           | 6/13/2017       |                    |   |
| ROCHE DIAGNOSTICS CORPORATION               | \$ 4,889,788  | 2022           | 5/1/2002        | 5/21/2025          | Commodities/Supplies                    |
| UNIVERSITY EMERGENCY MEDICAL SERVICES, INC. | \$ 4,193,780  | 2022           | 8/1/2017        | 12/31/2022         | Other Professional Services             |
| J&J DETAILS & MAINTENANCE LLC               | \$ 4,078,932  | 2022           | 3/24/2020       | 3/23/2023          | Other Professional Services             |
| SYNTHESES                                   | \$ 3,987,462  | 2022           | 9/18/2019       | 10/24/2024         | Commodities/Supplies                    |
| HILL-ROM                                    | \$ 3,837,865  | 2022           | 6/15/2001       | Evergreen          | Commodities/Supplies                    |
| CARDINAL HEALTH MED PRODUCTS & SERVICES     | \$ 3,113,776  | 2022           | 12/1/2012       | 6/30/2027          | Commodities/Supplies                    |
| LAWLEY AGENCY, LLC                          | \$ 2,804,805  | 2022           | 5/1/2021        | 4/30/2024          | Other Professional Services             |
| SMITH & NEPHEW ORTHOPAEDICS                 | \$ 2,565,543  | 2022           | 9/11/2020       | 9/10/2023          | Commodities/Supplies                    |
| GLOBUS MEDICAL INC                          | \$ 2,421,236  | 2022           | 4/30/2015       | 9/30/2023          | Commodities/Supplies                    |
| STRYKER ORTHOPAEDICS                        | \$ 2,418,232  | 2022           | 5/19/2021       | 5/18/2023          | Commodities/Supplies                    |
| UB FAMILY MEDICINE INC.                     | \$ 2,371,095  | 2022           | 6/1/2020        | 5/31/2023          | Other Professional Services             |
| KALEIDA HEALTH                              | \$ 2,203,565  | 2022           | Various         | Evergreen          | Other                                   |
| UNIVERSITY ORTHOPAEDIC SERVICES             | \$ 2,031,223  | 2022           | 12/31/2021      | 6/30/2023          | Other Professional Services             |
| IMMCO DIAGNOSTICS INC                       | \$ 1,897,900  | 2022           | 3/19/2020       | Evergreen          | Other Professional Services             |
| CORE BTS INC                                | \$ 1,837,658  | 2022           | 9/11/2009       | Evergreen          | Technology - Software                   |
| GRIDER SUPPORT SERVICES, LLC                | \$ 1,797,256  | 2022           | 3/1/2012        | Evergreen          | other                                   |
| MEDICAL SOLUTIONS, LLC                      | \$ 1,722,871  | 2022           | 12/4/2018       | 12/3/2025          | Other Professional Services             |
| LAB CORP OF AMERICA                         | \$ 1,717,368  | 2022           | 10/1/2018       | 9/30/2026          | Other Professional Services             |
| ARTHREX INC                                 | \$ 1,578,821  | 2022           | 10/1/2018       | 9/30/2023          | Commodities/Supplies                    |
| CLEAN CARE LINEN                            | \$ 1,562,176  | 2022           | 5/2/2019        | 5/1/2024           | Other Professional Services             |
| CROTHALL HEALTHCARE                         | \$ 1,559,633  | 2022           | 3/1/2019        | 2/28/2023          | Other Professional Services             |
| UNIVERSITY AT BUFFALO NEUROSURGERY, INC.    | \$ 1,459,226  | 2022           | 9/30/2019       | 9/29/2023          | Other Professional Services             |
| UNIVERSITY AT BUFFALO PATHOLOGISTS          | \$ 1,377,120  | 2022           | 1/1/2019        | 2/13/2026          | Other Professional Services             |
| FAVORITE HEALTHCARE STAFFING INC            | \$ 1,376,478  | 2022           | 7/22/2021       | 12/31/2025         | Staffing Services                       |
| CARDINAL HEALTH                             | \$ 1,368,058  | 2022           | 1/1/2016        | 12/31/2024         | Commodities/Supplies                    |
| CHANGE HEALTHCARE                           | \$ 1,351,045  | 2022           | 6/1/2008        | 8/31/2023          | Financial Services                      |
| THE MARTIN GROUP LLC                        | \$ 1,241,823  | 2022           | 6/9/2014        | 6/30/2024          | Telecommunication Equipment or Services |
| AMERISOURCE BERGEN DRUG CORP                | \$ 1,132,503  | 2022           | 2/5/2021        | 2/4/2028           | Commodities/Supplies                    |
| ARC BUILDING PARTNERS, LLC                  | \$ 1,132,447  | 2022           | 2/18/2019       | 2/18/2023          | Design and Construction/Maintenance     |
| ALLSCRIPTS LLC                              | \$ 1,047,211  | 2022           | 5/4/2010        | Evergreen          | Technology - Software                   |
| PHILIPS MEDICAL SYSTEMS                     | \$ 1,038,306  | 2022           | 6/1/2021        | 5/31/2024          | Commodities/Supplies                    |
| MEDICAL INFO TECH INC                       | \$ 1,034,384  | 2022           | 7/14/2011       | 7/13/2023          | Technology - Software                   |
| CREEKRIDGE CAPITAL-LB                       | \$ 1,017,259  | 2022           | 4/1/2011        | 7/31/2026          | Financial Services                      |
| UNIVERSITY DENTAL RESIDENT SERVICES, P.C.   | \$ 998,432    | 2022           | 1/4/2019        | 1/3/2029           | Other Professional Services             |
| MEDLINE INDUSTRIES INC                      | \$ 964,877    | 2022           | 1/8/2004        | Evergreen          | Commodities/Supplies                    |
| W L GORE & ASSOC INC                        | \$ 942,575    | 2022           | 9/3/2020        | 7/1/2024           | Commodities/Supplies                    |
| INTEGRA LIFESCIENCES CORP                   | \$ 941,056    | 2022           | 7/24/2001       | Evergreen          | Commodities/Supplies                    |
| OLYMPUS AMERICA INC                         | \$ 927,350    | 2022           | 1/1/2021        | 12/31/2023         | Commodities/Supplies                    |
| FFF ENTERPRISES                             | \$ 924,369    | 2022           | 9/9/2020        | 10/31/2023         | Commodities/Supplies                    |
| DEPUY SYNTHESES JOINT RECONSTRUCTION        | \$ 900,492    | 2022           | 9/18/2019       | 10/24/2024         | Commodities/Supplies                    |
| BUFFALO PAPER AND TWINE CO                  | \$ 889,638    | 2022           | 11/1/2020       | 10/31/2023         | Commodities/Supplies                    |
| PATTERSON DENTAL INC                        | \$ 865,690    | 2022           | 6/21/2001       | Evergreen          | Commodities/Supplies                    |
| INTUITIVE SURGICAL INC                      | \$ 861,623    | 2022           | 12/31/2021      | 12/30/2026         | Commodities/Supplies                    |
| PHARMERICA                                  | \$ 850,084    | 2022           | 3/1/2011        | 11/30/2024         | Commodities/Supplies                    |
| SIEMENS MEDICAL SOLUTIONS USA               | \$ 848,475    | 2022           | 10/1/2015       | 12/31/2024         | Other Professional Services             |
| DELL MARKETING LP / DELL USA LP             | \$ 848,132    | 2022           | 11/30/2015      | 11/29/2025         | Technology - Hardware                   |
| PHILIPS MEDICAL SYSTEMS NA CO               | \$ 776,594    | 2022           | 6/1/2021        | 5/31/2024          | Commodities/Supplies                    |
| STRYKER CRAINOMAXILLOFACIAL                 | \$ 772,525    | 2022           | 11/1/2019       | 10/31/2025         | Commodities/Supplies                    |
| MEDTRONIC SD USA INC                        | \$ 770,581    | 2022           | 5/2/2012        | 7/31/2023          | Commodities/Supplies                    |
| STERIS CORPORATION                          | \$ 769,184    | 2022           | 1/1/2019        | 6/30/2025          | Commodities/Supplies                    |
| JOHNSON CONTROLS FIRE PROTECTION LP         | \$ 742,986    | 2022           | 8/27/2019       | 8/26/2024          | Design and Construction/Maintenance     |
| ASPIRE TECHNOLOGY PARTNERS                  | \$ 740,748    | 2022           | 3/22/2021       | 9/30/2025          | Technology - Software                   |
| FERGUSON ELECTRIC SVC                       | \$ 731,443    | 2022           | 10/1/2020       | 9/30/2023          | Design and Construction/Maintenance     |
| NATIONAL GRID                               | \$ 727,050    | 2022           | 4/21/2010       | Evergreen          | Other                                   |
| CITY OF BUFFALO                             | \$ 696,436    | 2022           | 1/3/2012        | Evergreen          | Other                                   |
| JOHNSON & JOHNSON HLTH CARE SYS INC         | \$ 675,190    | 2022           | 9/18/2019       | 10/24/2024         | Commodities/Supplies                    |
| 3M HEALTH INFORMATION SYSTEMS, INC          | \$ 674,587    | 2022           | 10/1/2018       | Evergreen          | Technology - Software                   |
| HP, INC.                                    | \$ 670,391    | 2022           | 11/30/2015      | 11/29/2025         | Commodities/Supplies                    |
| FRESENIUS USA MARKETING, INC.               | \$ 653,441    | 2022           | 8/1/2020        | 7/31/2028          | Commodities/Supplies                    |
| STERICYCLE INC                              | \$ 643,407    | 2022           | 2/1/2017        | 1/31/2023          | Other Professional Services             |
| TORNIER INC                                 | \$ 640,306    | 2022           | 9/1/2019        | 12/31/2022         | Commodities/Supplies                    |
| ABBOTT LABORATORIES DIAGNOSTIC DIV          | \$ 638,729    | 2022           | 7/11/2001       | Evergreen          | Commodities/Supplies                    |
| AMER RED CROSS                              | \$ 602,743    | 2022           | 7/19/2021       | 7/18/2023          | Commodities/Supplies                    |
| STRYKER SALES CORP                          | \$ 567,115    | 2022           | 6/27/2001       | Evergreen          | Commodities/Supplies                    |
| WILLIAM BELLES, M.D., PC                    | \$ 528,649    | 2022           | 4/1/2011        | 11/30/2025         | Other Professional Services             |
| WNY UROLOGY ASSOCIATES LLC                  | \$ 528,458    | 2022           | 10/1/2018       | 9/30/2025          | Other Professional Services             |
| MERGE HEALTHCARE                            | \$ 512,847    | 2022           | 6/29/2017       | Evergreen          | Technology - Software                   |
| MAGAVERN, MAGAVERN & GRIMM LLP              | \$ 504,095    | 2022           | 3/28/2016       | Evergreen          | Legal Services                          |
| BOSTON SCIENTIFIC CORPORATION               | \$ 487,072    | 2022           | 2/1/2020        | 1/31/2026          | Commodities/Supplies                    |
| LIMA, USA, INC                              | \$ 481,930    | 2022           | 2/1/2020        | 1/2/2026           | Commodities/Supplies                    |

## APPENDIX C

## 2022 CORPORATE EXPENDITURES IN EXCESS OF \$100,000

|   |            |      |            |                    |   |
|---|------------|------|------------|--------------------|---|
| MERIDIAN IT INC.                                  | \$ 462,502 | 2022 | 6/28/2016  | Evergreen          | Technology - Software                   |
| SYSMEX AMERICA INC                                | \$ 452,680 | 2022 | 8/1/2019   | 7/31/2025          | Commodities/Supplies                    |
| STRYKER SPINE                                     | \$ 442,986 | 2022 | 5/10/2019  | 7/31/2023          | Commodities/Supplies                    |
| ABBOTT LABORATORIES, INC.                         | \$ 437,329 | 2022 | 11/1/2019  | 2/28/2025          | Commodities/Supplies                    |
| SUICIDE PREVENTION & CRISIS SERVICES, INC.        | \$ 426,040 | 2022 | 10/1/2018  | 9/30/2023          | Other Professional Services             |
| GRAYLINE NIAGARA FALLS/BUFFALO                    | \$ 413,142 | 2022 | 12/4/2017  | 12/3/2023          | Other Professional Services             |
| BRITE COMPUTERS                                   | \$ 409,331 | 2022 | 3/23/2005  | Evergreen          | Technology - Software                   |
| EXPERIAN HEALTH, INC.                             | \$ 406,583 | 2022 | 11/30/2020 | 11/30/2030         | Technology - Software                   |
| TRI-DELTA RESOURCES CORP                          | \$ 405,000 | 2022 | 8/26/2019  | 4/30/2025          | Technology - Software                   |
| RICOTTA & VISCO                                   | \$ 402,817 | 2022 | 4/1/2021   | 4/1/2024           | Legal Services                          |
| STANSBERRY AND KNIGHT                             | \$ 401,975 | 2022 | 3/28/2018  | 12/31/2022         | Other Professional Services             |
| KIDENEY ARCHITECTS PC                             | \$ 395,876 | 2022 | 5/31/2018  | Project Completion | Design and Construction/Maintenance     |
| INTERNATIONAL INSTITUTE OF BUFFALO                | \$ 390,559 | 2022 | 3/1/2021   | Evergreen          | Other Professional Services             |
| UNIVERSITY GYNECOLOGISTS                          | \$ 388,288 | 2022 | 10/1/2016  | 9/30/2023          | Other Professional Services             |
| BUFFALO TRANSPORTATION INC.                       | \$ 383,898 | 2022 | 5/24/2021  | 5/23/2024          | Other Professional Services             |
| BIOFIRE DIAGNOSTICS LLC                           | \$ 382,080 | 2022 | 1/1/2021   | 1/31/2024          | Commodities/Supplies                    |
| CARAHOSFT TECHNOLOGY CORPORATION                  | \$ 379,643 | 2022 | 1/12/2018  | 6/4/2024           | Technology - Software                   |
| RODRIGUEZ CONSTRUCTION GROUP                      | \$ 378,127 | 2022 | 9/27/2021  | 9/26/2024          | Design and Construction/Maintenance     |
| UNIVERSITY AT BUFFALO ORAL AND MAXILLOFACIAL      | \$ 371,118 | 2022 | 6/17/2020  | 6/16/2023          | Other Professional Services             |
| RUPP BAASE PFALZGRAF                              | \$ 363,535 | 2022 | 11/1/2019  | 5/3/2027           | Legal Services                          |
| ARTHUR E. ORLICK MD PLLC                          | \$ 352,152 | 2022 | 1/1/2018   | 12/31/2022         | Other Professional Services             |
| ROACH, BROWN                                      | \$ 342,811 | 2022 | 4/13/2021  | 4/14/2024          | Legal Services                          |
| HEALOGICS WOUND CARE                              | \$ 337,914 | 2022 | 1/18/2019  | 1/18/2023          | Consulting Services                     |
| C R BARD INC BARD ACCESS SYSTEMS                  | \$ 334,035 | 2022 | 12/1/2020  | 11/30/2023         | Commodities/Supplies                    |
| OFFICE DEPOT                                      | \$ 330,889 | 2022 | 8/1/2020   | 7/31/2023          | Commodities/Supplies                    |
| EXCELSIOR ORTHOPAEDICS LLP                        | \$ 329,775 | 2022 | 11/1/2016  | 12/31/2022         | Other Professional Services             |
| KEYSTONE PERFUSION SERVICES, PC                   | \$ 318,786 | 2022 | 1/1/2020   | 12/31/2024         | Other Professional Services             |
| UNIVERSITY OPHTHALMOLOGY SERVICE, INC.            | \$ 301,779 | 2022 | 4/1/2013   | 9/30/2023          | Other Professional Services             |
| US POSTAL SERVICE                                 | \$ 300,000 | 2022 | 6/4/2001   | Evergreen          | Commodities/Supplies                    |
| KYRUUS, INC                                       | \$ 299,000 | 2022 | 10/29/2021 | 2/28/2024          | Technology - Software                   |
| ORTHOFIX, INC.                                    | \$ 297,226 | 2022 | 11/1/2020  | 10/31/2023         | Commodities/Supplies                    |
| B.E. SMITH LLC                                    | \$ 295,736 | 2022 | 4/9/2018   | 4/9/2023           | Other Professional Services             |
| INSPIRE MEDICAL SYSTEMS, INC.                     | \$ 291,525 | 2022 | 4/2/2018   | Evergreen          | Commodities/Supplies                    |
| KCI USA, INC.                                     | \$ 285,593 | 2022 | 6/1/2019   | 5/31/2025          | Commodities/Supplies                    |
| MEDTRONIC MIDAS REX                               | \$ 280,204 | 2022 | Various    | Evergreen          | Commodities/Supplies                    |
| VERIZON   | \$ 278,743 | 2022 | 5/30/2008  | 2/25/2030          | Telecommunication Equipment or Services |
| NUANCE COMMUNICATIONS INC                         | \$ 277,908 | 2022 | 6/30/2014  | Evergreen          | Technology - Software                   |
| NXSTAGE   | \$ 275,776 | 2022 | 12/11/2017 | 6/7/2024           | Commodities/Supplies                    |
| LEICA MICROSYSTEMS, INC                           | \$ 271,477 | 2022 | 2/1/2022   | 1/31/2025          | Commodities/Supplies                    |
| FREED MAXICK CPAs PC                              | \$ 269,757 | 2022 | 5/15/2015  | 12/31/2024         | Consulting Services                     |
| CDW GOVERNMENT INC                                | \$ 269,234 | 2022 | 11/1/2020  | 10/31/2023         | Commodities/Supplies                    |
| DRFIRST.COM INC.                                  | \$ 267,255 | 2022 | 9/1/2011   | 9/15/2025          | Technology - Software                   |
| CERAPEDICS, INC.                                  | \$ 263,200 | 2022 | 7/1/2021   | 6/30/2024          | Commodities/Supplies                    |
| CRS NUCLEAR SERVICES LLC                          | \$ 259,584 | 2022 | 3/15/2002  | Evergreen          | Commodities/Supplies                    |
| DCB ELEVATOR CO INC                               | \$ 258,878 | 2022 | 4/20/2016  | 4/19/2023          | Design and Construction/Maintenance     |
| WNY INDEPENDENT LIVING                            | \$ 258,361 | 2022 | 9/1/2020   | 8/31/2023          | Other                                   |
| KRONOS  | \$ 258,324 | 2022 | 7/20/2019  | 7/19/2024          | Technology - Software                   |
| CROWN CASTLE FIBER, LLC.                          | \$ 254,052 | 2022 | 9/16/2019  | 9/15/2024          | Other                                   |
| COOK INC  | \$ 249,880 | 2022 | 6/20/2001  | Evergreen          | Commodities/Supplies                    |
| HEALTH SYSTEM SERVICE                             | \$ 248,665 | 2022 | 6/1/2016   | 5/31/2023          | Commodities/Supplies                    |
| OPTUM360 LLC                                      | \$ 243,457 | 2022 | 10/23/2014 | Evergreen          | Technology - Software                   |
| LAUNCHTECH  | \$ 239,649 | 2022 | 1/3/2022   | 4/30/2022          | Technology - Hardware                   |
| HEALTH CATALYST, INC                              | \$ 237,500 | 2022 | 8/6/2018   | 8/5/2023           | Other Professional Services             |
| KSL DIAGNOSTICS, INC                              | \$ 236,380 | 2022 | 1/7/2019   | 9/30/2025          | Other Professional Services             |
| BAXTER HEALTHCARE CORP                            | \$ 232,339 | 2022 | 2/1/2014   | 1/31/2025          | Commodities/Supplies                    |
| BAXTER HEALTHCARE CORP                            | \$ 218,574 | 2022 | 2/1/2014   | 1/31/2025          | Commodities/Supplies                    |
| PREMIER HEALTHCARE SOLUTIONS, INC                 | \$ 214,548 | 2022 | 8/25/2021  | 12/31/2025         | Other Professional Services             |
| CARESTREAM HEALTH                                 | \$ 213,347 | 2022 | 11/12/2020 | 12/25/2027         | Technology - Software                   |
| MOHAMMAD REZA SAMIE, M.D., PLLC                   | \$ 212,530 | 2022 | 6/1/2016   | 5/31/2023          | Other Professional Services             |
| FISHER HEALTHCARE                                 | \$ 208,772 | 2022 | 6/18/2001  | Evergreen          | Commodities/Supplies                    |
| COVIDIEN  | \$ 208,519 | 2022 | 10/22/2007 | Evergreen          | Commodities/Supplies                    |
| KELLER TECHNOLOGY CORPORATION                     | \$ 207,923 | 2022 | 3/21/2019  | 6/20/2029          | Other                                   |
| 1 ACCORD SERVICES INC                             | \$ 206,330 | 2022 | 3/6/2012   | 12/31/2022         | Other Professional Services             |
| AIRGAS USA, LLC                                   | \$ 204,539 | 2022 | 11/1/2020  | 10/31/2025         | Commodities/Supplies                    |
| INTELLIGENT MEDICAL OBJECTS, INC.                 | \$ 203,880 | 2022 | 8/1/2013   | 7/31/2023          | Technology - Software                   |
| INTEGRUM, INC                                     | \$ 203,710 | 2022 | 10/5/2021  | 12/31/2022         | Commodities/Supplies                    |
| BUFFALO CANVAS                                    | \$ 201,841 | 2022 | 11/1/2020  | 10/31/2023         | Commodities/Supplies                    |
| ALERE INC. DBA ABBOTT RAPID DX NORTH AMERICA, LLC | \$ 201,326 | 2022 | 4/15/2011  | 4/14/2023          | Commodities/Supplies                    |
| DRAEGER MEDICAL                                   | \$ 200,768 | 2022 | 7/1/2019   | 6/30/2023          | Commodities/Supplies                    |
| RSM MCGILADREY INC                                | \$ 198,050 | 2022 | 12/3/2018  | Evergreen          | Financial Services                      |
| WNY TRANSPORTATION SERVICES,                      | \$ 196,840 | 2022 | 10/1/2020  | 9/30/2023          | Other Professional Services             |
| ISECURE, LLC                                      | \$ 194,736 | 2022 | Various    | Evergreen          | Technology - Software                   |
| SYNTHES MAXILLOFACIAL                             | \$ 193,864 | 2022 | 6/15/2001  | Evergreen          | Commodities/Supplies                    |
| AQUA SCIENCES INC                                 | \$ 192,428 | 2022 | 10/17/2001 | Evergreen          | Other Professional Services             |
| LOGIQUIP LLC                                      | \$ 191,671 | 2022 | 7/1/2021   | 6/30/2024          | Commodities/Supplies                    |
| INTIVITY, INC.                                    | \$ 188,695 | 2022 | 8/22/2012  | Evergreen          | Commodities/Supplies                    |
| CANON MEDICAL SYSTEMS USA, INC.                   | \$ 186,885 | 2022 | 2/10/2021  | 2/9/2026           | Other Professional Services             |
| PEOPLE INC  | \$ 186,088 | 2022 | 4/15/2021  | 4/14/2024          | Other Professional Services             |
| GREYCASTLE SECURITY, LLC                          | \$ 184,829 | 2022 | 11/1/2020  | 11/1/2023          | Technology - Software                   |
| RISKONNECT, INC.                                  | \$ 181,670 | 2022 | 6/17/2022  | 6/16/2025          | Technology - Software                   |
| TELEFLEX LLC                                      | \$ 177,654 | 2022 | 7/1/2020   | 6/30/2023          | Commodities/Supplies                    |
| UNITED NETWORK FOR ORGAN SHARING                  | \$ 177,210 | 2022 | 3/31/2017  | Evergreen          | Commodities/Supplies                    |
| TREACE MEDICAL CONCEPTS, INC                      | \$ 174,177 | 2022 | 10/23/2020 | 10/22/2023         | Commodities/Supplies                    |
| MEDTRONIC USA INC                                 | \$ 173,874 | 2022 | Various    | Evergreen          | Commodities/Supplies                    |
| PENTAX MEDICAL                                    | \$ 172,135 | 2022 | 4/1/2018   | 12/31/2023         | Commodities/Supplies                    |
| LEVEL(3) COMMUNICATIONS LLC                       | \$ 170,840 | 2022 | 9/16/2019  | 9/15/2024          | Telecommunication Equipment or Services |
| PRESS GANEY ASSOCIATES INC                        | \$ 170,421 | 2022 | 7/1/2014   | 1/31/2023          | Other Professional Services             |
| BE WELL HEALTHCARE MEDICINE                       | \$ 170,128 | 2022 | 1/1/2017   | Evergreen          | Other Professional Services             |
| NALCO CO  | \$ 167,933 | 2022 | 4/27/2018  | 4/26/2023          | Commodities/Supplies                    |
| TERUMO MEDICAL CORP                               | \$ 167,867 | 2022 | 11/12/2018 | 9/30/2025          | Commodities/Supplies                    |

## APPENDIX C

## 2022 CORPORATE EXPENDITURES IN EXCESS OF \$100,000

|   |            |      |            |            |  |
|---|------------|------|------------|------------|--|
| ALLOSOURCE  | \$ 166,904 | 2022 | 7/1/2021   | 6/30/2024  | Commodities/Supplies                           |
| BAXTER HEALTHCARE CORPORATION                               | \$ 161,336 | 2022 | 2/1/2014   | 1/31/2025  | Commodities/Supplies                           |
| C R BARD BARD PHERIPHERAL VASCULAR                          | \$ 160,962 | 2022 | 7/2/2021   | Evergreen  | Commodities/Supplies                           |
| DENTSPLY IMPLANTS DEPT IMP                                  | \$ 160,109 | 2022 | 6/2/2014   | Evergreen  | Commodities/Supplies                           |
| GENERAL PHYSICIAN SUB II, PLLC                              | \$ 159,720 | 2022 | 1/1/2018   | Evergreen  | Staffing Services                              |
| SKELETAL DYNAMICS, LLC                                      | \$ 159,713 | 2022 | 11/1/2020  | 10/31/2023 | Commodities/Supplies                           |
| SONEX HEALTH  | \$ 158,136 | 2022 | 9/1/2017   | Evergreen  | Commodities/Supplies                           |
| BAYER HEALTHCARE LLC  | \$ 157,899 | 2022 | 1/1/2021   | 12/31/2023 | Commodities/Supplies                           |
| NEPHRON 503B OUTSOURCING FACILITY                           | \$ 157,583 | 2022 | 2/27/2018  | Evergreen  | Commodities/Supplies                           |
| PARTS SOURCE  | \$ 156,534 | 2022 | 7/16/2013  | Evergreen  | Commodities/Supplies                           |
| VERATHON INC  | \$ 155,851 | 2022 | 9/29/2020  | 9/28/2023  | Commodities/Supplies                           |
| COCHLEAR AMERICAS   | \$ 155,265 | 2022 | 1/12/2022  | 1/12/2024  | Commodities/Supplies                           |
| UNIVERSITY NEUROLOGY, INC.                                  | \$ 154,096 | 2022 | 6/14/2016  | 6/13/2023  | Other Professional Services                    |
| STANDARD BARIATRICS, INC                                    | \$ 153,366 | 2022 | 6/1/2021   | 5/31/2023  | Commodities/Supplies                           |
| LIFENET HEALTH  | \$ 152,649 | 2022 | 7/1/2021   | 6/30/2024  | Commodities/Supplies                           |
| KARL STORZ ENDOSCOPY-AMERICA INC                            | \$ 151,591 | 2022 | 11/1/2020  | 10/31/2023 | Commodities/Supplies                           |
| MIZUHO OSI  | \$ 147,232 | 2022 | 1/3/2012   | Evergreen  | Commodities/Supplies                           |
| PENUMBRA, INC. DEPT. 34153                                  | \$ 145,968 | 2022 | 2/1/2020   | 5/3/2024   | Commodities/Supplies                           |
| STRYKER ENDOSCOPY   | \$ 144,906 | 2022 | 1/9/2012   | Evergreen  | Commodities/Supplies                           |
| GOVERNMENT MARKETING & PROCUREMENT, LLC                     | \$ 144,687 | 2022 | 12/13/2019 | 12/14/2025 | Technology - Consulting/Development or Support |
| WRIGHT MEDICAL TECHNOLOGY INC                               | \$ 143,409 | 2022 | 9/1/2018   | 8/21/2023  | Commodities/Supplies                           |
| ORTHO CLINICAL DIAGNOSTICS, INC                             | \$ 143,284 | 2022 | 7/25/2001  | Evergreen  | Commodities/Supplies                           |
| ERBE USA INC  | \$ 142,729 | 2022 | 2/1/2022   | 1/31/2025  | Commodities/Supplies                           |
| GREAT LAKES BUILDING SYSTEMS INC.                           | \$ 141,877 | 2022 | 8/27/2019  | 8/26/2024  | Design and Construction/Maintenance            |
| PRE-EMPLOY.COM INC  | \$ 138,761 | 2022 | 7/31/2017  | Evergreen  | Other Professional Services                    |
| GLAXOSMITHKLINE FINANCIAL INC                               | \$ 137,956 | 2022 | 8/23/2012  | Evergreen  | Commodities/Supplies                           |
| METRO COMMUNICATIONS  | \$ 130,681 | 2022 | 2/27/2012  | Evergreen  | Telecommunication Equipment or Services        |
| BAXTER  | \$ 129,143 | 2022 | 2/1/2014   | 1/31/2025  | Commodities/Supplies                           |
| TELETRACKING  | \$ 128,381 | 2022 | 3/1/2016   | Evergreen  | Technology - Software                          |
| INTELLIPRINT SOLUTIONS, INC.                                | \$ 127,139 | 2022 | 8/1/2019   | 7/31/2025  | Commodities/Supplies                           |
| MCG HEALTH LLC  | \$ 123,812 | 2022 | 8/1/2022   | 7/31/2025  | Technology - Software                          |
| CONSORTIUM INFORMATION SERVICES INC HEALTH SCIENCES LIBRARY | \$ 123,038 | 2022 | 7/2/2001   | Evergreen  | Technology - Software                          |
| XEROX CORPORATION   | \$ 120,419 | 2022 | 8/1/2019   | 7/31/2025  | Other  |
| GE HEALTHCARE OEC   | \$ 118,300 | 2022 | 8/28/2001  | Evergreen  | Technology - Consulting/Development or Support |
| AXOGEN INC  | \$ 116,717 | 2022 | 8/4/2021   | 3/31/2023  | Commodities/Supplies                           |
| GRASER'S DENTAL CERAMICS                                    | \$ 115,664 | 2022 | 3/1/2022   | 2/28/2025  | Commodities/Supplies                           |
| HEALTHCARE ASSOC OF NYS                                     | \$ 115,260 | 2022 | 11/9/2001  | Evergreen  | other  |
| WINDSTREAM PAETEC   | \$ 115,206 | 2022 | 9/28/2021  | 9/15/2024  | Telecommunication Equipment or Services        |
| UP TO DATE  | \$ 114,122 | 2022 | 9/1/2017   | 2/28/2023  | Technology - Software                          |
| INARI MEDICAL, INC.   | \$ 114,000 | 2022 | 2/27/2020  | 2/27/2030  | Commodities/Supplies                           |
| FOXY DELIVERY SERVICE INC                                   | \$ 112,361 | 2022 | 9/7/2016   | Evergreen  | Other Professional Services                    |
| BUFFALO CPR   | \$ 110,665 | 2022 | 8/16/2017  | Evergreen  | Other Professional Services                    |
| PRIORITY HEALTHCARE DIST DBA CURASCRIPT SD                  | \$ 109,065 | 2022 | 3/1/2017   | Evergreen  | Commodities/Supplies                           |
| PRAXAIR DIST INC  | \$ 108,924 | 2022 | 11/1/2020  | 10/31/2025 | Commodities/Supplies                           |
| CAREFUSION 2200, INC.                                       | \$ 107,979 | 2022 | 9/13/2001  | Evergreen  | Commodities/Supplies                           |
| SUMMIT HEALTH CARE  | \$ 106,465 | 2022 | 3/28/2008  | Evergreen  | Other Professional Services                    |
| HYRO AI INC   | \$ 105,000 | 2022 | 10/1/2021  | 9/30/2023  | Technology - Software                          |
| SPOK, INC.  | \$ 104,026 | 2022 | 2/23/2015  | Evergreen  | Technology - Software                          |
| CONMED LINVATEC   | \$ 101,418 | 2022 | 6/15/2001  | Evergreen  | Commodities/Supplies                           |

## **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  
September 23, 2022

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**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. Appointments made to fill the roles of the Chief Operating Officer (“COO”), Chief Financial Officer (“CFO”), Chief Medical Officer (“CMO”), Administrator of Terrace View, Chief Nursing Officer (“CNO”), Chief Strategy Officer, 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, Chief Nursing Officer, Chief Strategy Officer, 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 Corporation.

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 or employee of the Corporation 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. 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 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 but are not prohibited from serving consecutive one-year terms. The Chairperson may appoint individuals other than Board members to committees either standing or special, except the Executive Committee.

Section 3. Structure of Committees.

In addition to the individual Committee duties set forth below, each Committee shall be tasked annually with reviewing their applicable charter and recommending changes thereto, as well as setting forth goals for the Committee for the upcoming year. Such goals shall be determined in consultation with the Chairperson of the Board.

Section 4. 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 5. 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 6. 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 7. Quorum.

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

Section 8. 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 9. 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 10. 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 11. 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 12. 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 13. 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. Collaboration with the Quality Improvement Committee in the establishment and maintenance of a coordinated quality assurance program.
- d. 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,
  6. Develop a system to solicit, evaluate and respond to complaints and problems, and
  7. Promote ethics, integrity, and compliance with laws, policies, and procedures.
- e. Other duties and responsibilities as may be assigned from time to time by the Board.

Section 14. 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 15. 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 16. 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 17. The Terrace View Quality Improvement Committee.

The Terrace View Quality Improvement Committee shall consist of at least three (3) members. 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; annually review and, as necessary, make recommendations to the applicable Committees regarding updates to Committee charters.
- 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 make recommendations to the Board regarding such contracts.
- b.
- c. Annually review contracts requiring such review pursuant to Corporation policy and/or applicable law.
- d. Redacting sensitive information from contracts before presentation to the Board to ensure compliance with the Corporation's contractual and confidentiality requirements.
- e. Report to the Board on a quarterly basis regarding the foregoing subsections.
- f. 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 conflict 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.