

what's happening

Maine Medical Center
Portland, Maine 04102

October 8, 1986

Vol. 18, No. 9

Board calls deficit budget unacceptable

The Board of Trustees of Maine Medical Center has declared that increasing pressures for services and a state-imposed revenue limit will produce a substantial operating budget deficit for its next fiscal year. The Board has informed the Maine Health Care Finance Commission that it cannot accept the "untenable position" in which the Commission has placed it.

In a letter to Commission Chairman David Wihry, MMC Finance Committee Chairman John DiMatteo says the revenue limit imposed by the Commission for 1987 will seriously compromise MMC's

ability to meet its responsibilities to the community.

The letter follows MMC's adoption of a deficit operating budget for Fiscal Year 1987, that began October 1. The \$3 million deficit, due to increased demand for services and the Commission-established revenue limit, is the first in memory. The Board approved an expense budget for the full year, but gave approval for a revenue budget only through December 31, 1986.

DiMatteo notes in his letter that Maine Medical Center's voluntary Trustees are charged with providing up-to-date, quality care for its patients and preserving the financial viability of the hospital. Balancing those goals and developing a respon-

sible budget "requires more than formulas," he says. "It requires considered judgment when the 'human equation' is involved in delivering a very human service."

The three major problems to which DiMatteo calls attention in his letter are: 1) the use of two-year old volume and case mix figures to calculate the revenue increase for the coming year.

2) the Commission's inability, under its rules, to consider the impact of an unforeseen 98% increase in MMC's malpractice insurance premiums.

3) a similar inability to consider the \$500,000 per year principal and interest payments MMC is making on \$5 million

BUDGET, page 2



"THUMBS UP" for the 1986 United Way Campaign, say Chairman Eric Anderson and Co-Chairman Robin Rand. They and their team of group leaders and solicitors got the campaign off to a "flying start" on October 1, so a photo at the airport seemed in order. (Robin was there for her flying lesson, and Eric was there for the picture.) The goal this year is \$55,000, as part of a community-wide goal of \$4,307,331. (A/V Photo)

MMC Corporators are meeting today

Maine Medical Center's Corporators meet in semi-annual session today, at 2:30 PM in the Dana Center at MMC. The Board of Corporators is the body from which Maine Medical Center derives its structure as a nonprofit corporation. Its semi-annual meetings provide a chance for the Corporators, some 289 in number, to learn more about the hospital and bring to the hospital the questions and concerns of the community. They also meet to perform their single most important function: the election of a Board of Trustees, the ultimate governing authority of the hospital.

Following a Call to Order by Chairman of the Board of Trustees Mrs. Herbert S. Holmes, Jr., and reports of the Secretary and the Nominating Committee, the Corporators will hear a program "Structuring Maine Medical Center for the Rapidly Changing Environment." It will be presented by Mrs. Holmes, Trustee Frederick W. Pape, Jr., and Executive Vice President and Treasurer Donald L. McDowell.

BUDGET, from page one —
of equipment purchased under a state-approved Certificate of Need.

DiMatteo cites the assurance of financial viability as a fundamental responsibility of both the hospital's Board of Trustees and the Maine Health Care Finance Commission. The Board and hospital staff stand ready, he says, to work out a solution. He suggests that "all of us should be examining the longer-term issues, if we are to provide high quality and efficient care to all Maine citizens in the future."

The entire text of Mr. DiMatteo's letter:
Dear Mr. Wihry:

For many years, the Finance Committee of Maine Medical Center's Board of Trustees has carefully reviewed, line by line, the Hospital's annual budget, as proposed by administration. The process has been detailed and rigorous, requiring many hours each year. Our objective has been to balance carefully increasing demand, new technology, and quality while maintaining tight controls on costs. We are convinced that these efforts have been successful, and I believe that we can document that success.

With this history of a rigorous budgetary process we faced the legislation creating the Maine Health Care Finance Commission in 1983 with the same objectives. For the first two years, we were able to develop a budget that allowed us to meet increasing demand, new technology, and maintain quality of care, while at the same time, keeping costs within the established "revenue limit." The FY 1987 expense budget which has been under review for the past three months and which, in our judgement, is very conservative, exceeds the revenue limit by nearly three million dollars. Even more ominous for our ability to fulfill the Medical Center's mission are the projected operating losses for at least two years beyond. It is our carefully considered judgement that any attempt to **reduce** this budget, in order to meet the revenue limits set by the Commission, would seriously compromise Maine Medical Center's ability to deal with an increasing demand with a rising index of case mix complexity (which we do not control), while maintaining quality. Furthermore, our efforts to contain the operating loss would certainly be demoralizing to our entire staff.

We do not believe that you intend that to happen, nor do we believe that that was the intention of the Legislature.

As we understand the statute and the

Commission's rules which determine the revenue limit, there are, among others, three major factors which place us in an untenable position:

First, using a two-year old volume and case mix increase for FY 1985 to set the volume and case mix for FY 1987. The effect of that rule is to severely penalize hospitals that experience consistent increases in census and case mix.

Second, not recognizing an "unforeseen event" such as an extraordinary \$1.3 million increase in malpractice insurance premiums in one year.

Third, not including interest expense paid annually on five million dollars of movable equipment approved in our pre-MHCFC CON for new facilities.

It is our belief that the first two factors can be resolved with rule changes and the third with a change in the statute.

It is clear to us that a system of rigid rules and formulae uniformly applied to 42 very different hospitals that are impacted in different ways at different times by their environment cannot appropriately determine financial requirements for all hospitals at all times.

We suggest that hospitals experiencing unusual or unforeseen circumstances having a material impact on their financial requirements should be given serious consideration for their needs, especially when patient care is in jeopardy. In other words, we believe that responsible budget setting requires more than formulae. It does require considered judgment when the "human equation" is involved in delivering a very human service.

Since the Maine Health Care Finance Commission was created in 1983, the environment affecting the operation of the nation's hospitals has changed dramatically. Maine hospitals have not been exceptions. Medicare, DRG's, new technology, new disease, rapid shifts from in-patient procedures, declining admissions, shortened lengths of stay, declining census, competition from alternative delivery systems, etc. names only a few factors that have altered the governance and management of Maine's hospitals.

We have outlined Maine Medical Center's immediate problems and suggest that all of us should be examining the longer term issues, if we are to provide high quality and efficient care to all Maine citizens in the future.

As a result of our efforts, the Finance Committee of the Maine Medical Center recommended to the Board, and they have approved, a budget that forecasts

a deficit. We do not plan to allow that budget to remain in effect past December 31, 1986. We have instructed the administrative staff to use every avenue available through the statutes, rules, and regulations to obtain adequate relief and submit a balanced budget by the end of the first quarter.

We will be following the process of administration's discussions with the Commission's staff and the Commission and stand ready to meet with you, if that would be helpful. We do insist that the budgetary imbalance be corrected in a timely fashion, as we believe that assurance of financial viability is a fundamental responsibility of the Board of Trustees and the Maine Health Care Finance Commission.

Sincerely,
John R. DiMatteo, Chairman
Finance Committee
Maine Medical Center

Bowlers are needed for intramural league

MMC employees interested in joining an intramural bowling league are invited to contact *HealthStyles* at x2974. Games are Thursdays, 6:30 PM, at Westport Bowling Lanes, and the season is October 16–February 12. Each team plays once a week.

Eligible employees are eligible for a 50% reimbursement of lane fees up to a maximum of \$100, under the *HealthStyles* reimbursement program.

September Blood Drive Results

191
presented
174
donated
6
were first-time
donors

Things to remember about your insurance

MMC's new self insured medical and dental programs for employees are now in effect (as of October 1). Following is a short list of important points to remember. In the words of the old song, "you must remember this:"

- destroy your Blue Cross/Blue Shield card. It is **no good** for claims that happen after October 1.
- if you have outstanding claims for illness, injury, prescriptions, dental work, etc. that occurred **before** 12:01 AM, October 1, you should submit them to Blue Cross or Unionmutual as soon as possible.
- your new medical insurance card (the blue plastic card you received with your insurance packet) is **not** a replacement for your green MMC outpatient services card. You **will** need to get an updated green card before you use outpatient services at MMC, but it's not necessary until you use them.
- if you need more of the blue ID cards (for covered spouses, dependents, etc.) just contact NEBS.
- one of the best features of the new

programs: no claim forms! Just mail the bill to NEBS in the envelopes found in your packets or in the boxes outside Employee Benefits or the Cafeteria.

Researcher to speak at JDF meeting

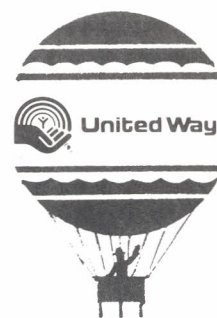
The October meeting of the Portland Chapter of the Juvenile Diabetes Foundation will be held Wednesday, October 15, in Classroom 7 at Maine Medical Center. Dr. Edward Leiter, a diabetes researcher from the Jackson Laboratories in Bar Harbor, will be the guest speaker. He will discuss developments in diabetes research.

EAC Food Program is coming to an end

The next order for the EAC food program—the order due October 10—will be the last. Kilton's, the distributor for the program, is withdrawing due to the low participation at MMC. Orders placed by October 10 will be delivered October 16.



"THE TIME FOR CARING IS NOW" is the message of a new public awareness campaign by the Maine Department of Human Services. The campaign, launched at an MMC-hosted press conference September 30, is designed to get young pregnant women to seek prenatal care. John Serrage, M.D., Director of the Maternal/Child Health Division of the DHS (and former Director of MMC's Neonatology Division), speaking in the the photo above, joined Governor Joseph Brennan and Commissioner of Human Services Michael Petit in launching the campaign. The key element of the campaign is a series of TV spots that will run during prime time. (A/V Photo)



What we all we get from contributing to the United Way is a fine feeling of satisfaction for having helped others in need. What some of us will get is a bit of a bonus: a prize based on a drawing (later in November) from all the United Way cards turned in. The prizes are:

1. One week of free meals in the Cafeteria, for one person.
2. Lunch at Hu Shang with President Andrews, for three people.
3. Lunch at Snow Squall with Executive Vice President and Treasurer Don McDowell, for three people.
4. A season pass for two on the Longfellow Cruise, for three people.
5. A 15-pound turkey, for one person.
6. One month free parking on hospital property for everyone in a department with an 80% or better contribution rate, for one department.



Thanks to you...

New Employees

P4CD: Mimi C. Porter

PARKING: Nancy J. Tardiff

PSYCHIATRY: Denise K. Theodoras

HOUSEKEEPING: Michael P. Walsh, Robert C. Webster, Verian R. Wing

RADIATION THERAPY: Ellen C. Pierce

DIAGNOSTIC RADIOLOGY: Diana J. Schwartz, Paula G. Walls

PERSONNEL: Charlotte A. Walker

Marketplace

FOR RENT: Furnished brick ranch in Portland. 5 rooms; garage. \$700/mo. plus utils. No pets. Call 797-6139.

FOR RENT: Falmouth Foreside 3 BR furnished house. LR with fireplace; DR; eat-in KT; 1 1/2 baths; basement playroom with fireplace; attached garage. 6 mo. lease (possibly longer). \$950/mo. plus utils. and sec. dep. Call 775-1284 or 781-2983.

FOR RENT: High Street. 1 BR renovated condo near art museum. Parking avail. \$490/mo. with all included. Avail. immediately. Call 879-0309.

FOR RENT: Apt. near Westgate Shopping Center on busline. 5 rooms and bath; 1st floor; stove/refrig.; parking included. Suitable for 3 adults. Avail. Oct. 1. \$500/mo. plus sec. dep. Call 774-4188.

FOR RENT: Sublet Dec.-March. Beautiful furnished 2 BR Victorian apt. on State St. near MMC. Damage dep. required. Call Tom at 775-0985.

FOR RENT: Falmouth Foreside waterfront condo. Beautifully furnished, fully applanced. 3 BR, 3 1/2 bath, family room, 2 fireplaces, wet bar, wrap-around deck, tennis court, etc. Avail. Nov. 1-June 1. No pets. \$1,200/mo. Call 781-2216 or 781-2243.

FOR SALE: Luxury 2 BR, 2 bath condo at Pine Point Beach. Ocean views. \$142,000. Call 1-934-9356.

ROOMMATE WANTED: For 3 BR apt. in East End. \$192/mo. including heat and hot water. Call 774-0009 and keep trying.

ROOMMATE WANTED: Responsible M/F to share 3 BR apt. on upper Cumberland Ave. \$150/mo. plus 1/3 utils. Call John at 772-6504 after 6 PM or leave message.

ROOMMATE WANTED: Female, nonsmoker, professional, to share So. Portland 2 BR apt. Fully applanced KT, parking and W/D facilities. \$262.50/mo. plus 1/2 utils. No pets. Call 773-1635 eves.

ROOMMATE WANTED: Nonsmoker; no pets. Other roommate is never home—like living alone. \$275/mo. plus utils. Call 774-0852 for appointment.

ROOMMATE WANTED: Female professional looking for same to share 2 BR apt. near MMC/USM. Avail. Oct. 1. \$250/mo. plus 1/2 utils. Call 773-5759, 8 AM-2 PM.

FOR SALE: Hobie Cat 14-turbo. Includes jib, trapeze and trailer. Excellent condition. \$2,500 or best offer. Call 839-6226.

FOR SALE: Mistral Comp Light sailboard with 2 rigatta sails and rigging. \$800. Call 829-6672 eves.

FOR SALE: 1976 Alfa Romeo GTV. Snow tires, new battery. 1 owner. Good condition; must see. \$2,000. Call 878-2035.

FOR SALE: 1980 VW Rabbit in excellent condition. Asking \$2,200. Call 799-2713 before 2:30 PM.

FOR SALE: 1977 Volvo 242-DL. Excellent commuter car; great condition. \$2,200. Call 829-3648.

FOR SALE: 1977 Ford Pinto station wagon with rack. Great transportation. Asking \$800 or best offer. Call 879-0847 after 6 PM.

FOR SALE: LR furniture in excellent condition, \$300. DR set with handmade pine table in excellent condition, \$200. Call 774-9200.

FOR SALE: Schwinn exerciser. Deluxe model XR-5 with adjustable brake, timer, speedometer and odometer. Well maintained; like new. \$160 firm. Call 772-9823 after 5:30 PM.

FOR SALE: Lady Kenmore heavy duty washer and dryer. Apt. size, stackable; excellent condition. \$300. Call 797-7014.

FOR SALE: Distressed oak buffet (dark) with heavily carved doors; 70 in. x 19 in. \$780 or best offer. Call 657-2418 and leave message for Louise.

FOR SALE: Jotul Combi 4 woodstove in excellent condition. \$300. Call 846-4811.

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WHAT'S HAPPENING is published every Wednesday at Maine Medical Center, Portland, Maine for members of the hospital community and for friends of the institution throughout Maine and northern New England. Comments, questions and suggestions may be addressed to Public Information Office, MMC, Portland, ME 04102. Telephone: (207) 871-2196. Wayne L. Clark, Editor.

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FOR SALE: Humidifier, \$25; vinyl-clad steel, insulated exterior door 31 3/4 in. x 79 1/4 in., \$50; large, like new, broiler pan, \$10. Call 657-3915 eves. and weekends.

FOR SALE: 2 new Roadhandler Ice 'n Snow radial tires; P215-75R14. \$100. Call 774-9270, 8-10 AM or 9-11 PM.

FOR SALE: 2 Contach studded radial snow tires mounted on Volvo wheels (14 in. 240 series). Less than 700 miles; like new. \$200. Call 799-4126.

FOR SALE: 1986 model 16 cu. ft. Kenmore refrig./freezer with auto. ice maker hook-up. Used only 5 mo.; still under warranty. Call 883-3960 after 6 PM.

FOR SALE: Schwinn Suburban 10-spd. bike with child's seat attached. \$50 or best offer for both. Will sell seat and bike separately. Call 642-4254.

FOR SALE: Large buffet. Also, 15.5 cu. ft. chest freezer. Call 773-1671.

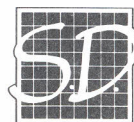
WANTED: Needed immediately. Single car garage to rent in Portland area. Call 871-2526.

YARD SALE: 239 Elm Street, South Portland. Oct. 11-12, 9 AM-3 PM.

what's happening

Maine Medical Center
Portland, Maine 04102

NON-PROFIT ORG.
U. S. POSTAGE
PAID
Portland, Maine
PERMIT NO. 35



Continuing Education

Nursing Staff Development

• **Cardiovascular Update: Care of the Patient Requiring Hemodynamic Monitoring**

Thursday, October 16

8 AM-4 PM

(Prior registration only)

7 contact hours awarded by MSNA