



TIMES UNION

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Panel: Berger edicts worth pain — Mandates on hospital closures, merger are called a success

By Cathleen F. Crowley

ALBANY — The Berger Commission mandates dropped like a bomb on New York, and Schenectady was ground zero.

The commission ordered Bellevue Woman's Hospital to close, and St. Clare's Hospital to merge with Ellis Hospital.

"Did Berger get it right?" asked James W. Connolly, CEO of Ellis Hospital. "The answer is, unequivocally, yes."

Connolly and James K. Reed, CEO of Northeast Health, spoke at a Rockefeller Institute Forum on Friday about the impact of the Berger Commission in the Capital Region. More than two years after the Berger mandates, the hospital leaders say the commission was a success.

"I really see the Berger Commission as being caused by the failure of the health care industry to step up and do what needed to be done," said Reed, who served on a regional committee of the Berger Commission.

The commission ordered nine hospitals to close and 48 others to merge or downsize. In addition to eliminating 6,000 excess beds, the initiative was designed to kill off unstable hospitals and prop up the remaining ones with a stronger patient volume.

Schenectady was too small for three hospitals, Connolly said, but the institutions wouldn't consolidate on their own.

The effects of the Berger Commission rippled into Albany and Troy. Although the hospitals were untouched by the mandates, hospital leaders at St. Peter's Health Care Services, Northeast Health and

Seton Health voluntarily began merger talks earlier this year.

Steven Berger, the chairman of the commission, called its mandates a "reasonable success" in a telephone interview from his office in New York City. He said he was pleased with communities like Schenectady and Buffalo, where major mergers have been completed or are under way. He said he hopes to see more voluntary mergers like the one under discussion in Troy and Albany. But the health system still spends too much on inpatient care and not enough on preventive care, Berger said.

"While we at the commission thought we did a good first step, many people in the industry were overwhelmed by what we did," Berger said. "It was so much, they never expected it and they figured, 'OK, we've done all this stuff — we're done. We don't have to do anymore.' I think the legislature in particular feels that way. That is a terrible mistake, because this is only the beginning."

Connolly described the head-spinning speed under which Ellis became the owner of Bellevue and St. Clare's. The order to close made Bellevue's unstable finances even shakier. In a casual conversation, Bellevue CEO Anne Saile told Connolly that Bellevue's insurer was not going to renew the hospital's malpractice insurance. Connolly awoke the next morning with the realization, "God, (Saile) has to close. That was what she was telling me."

Even though the hospitals hadn't agreed to merge, Connolly immediately ordered his staff to create an emergency plan to take over Bellevue's operations. Sure enough, a few months later on Nov. 1, 2007, Ellis Hospital put that plan into action. The Bellevue takeover sent St. Clare's into a "death spiral," Connolly said.

Seven months after taking over Bellevue, Ellis assumed operations of St. Clare's. Some home pur-

chases take longer than it took the three hospitals to merge, Connolly said. "I can't even tell you how enormous this task was. It was a herculean effort," he said.

Sitting in the audience at the Rockefeller forum was Dr. Arnold Ritterband, co-medical di-

rector of the Schenectady Free Clinic. A skeptic of the hospitals mergers, Ritterband came around. "On balance, the Berger Commission was a painful experience, but I think that it was something we had to go through," he said.