

Long Island Hospitals and Businesses: Partners in Prosperity

You are probably not accustomed to thinking of your local hospital as a center of commerce and industry, but that is just what it is. While our hospitals' mission are first and foremost to heal the sick and injured, in the course of doing so, they provide local jobs, purchase supplies and services from many Long Island companies, and rely on our local financial institutions for daily banking needs and capital financing options. In short, we are truly partners in prosperity.

It is my pleasure to join all of you today for your Annual Business Leadership Awards Luncheon that acknowledges the hard work and success of so many of our Long Island businesses and industry leaders. My sincere congratulations to each of the honorees. Your tireless dedication to each of your respective industries and professions ensures that our region will prosper in spite of the economic challenges confronting us.

The quality of life in any region is only as good as the industries it fosters and retains. For many years the defense industry was the hub of commerce for Long Island. That has given way to an expertise in many technological fields, especially in the areas of information, bio-science and green manufacturing, as well as medicine with all of its ancillary support services. Once a low-tech field, primarily carried out in individual practitioners' offices, the delivery of medicine has become as reliant on advances in technology for its successes as any manufacturer. The hospital industry is at the center of this integration of medicine and technology, and can build the bridges between Long Island's innovators and its health care professionals.

There are 24 not-for-profit and public hospitals on Long Island, ranging from the small community hospital to acute care and specialty facilities to academic medical and research centers that provide some of the best care in the nation. Total inpatient bed capacity for our region is 6,690. This includes the Veterans Hospital in Northport,

serving a unique patient group with specific acute and post-acute after care needs. Long Island hospitals:

- Measure our productivity in lives saved and healed on a 24/7 basis.
 - Babies born – 29,916
 - ER visits – 957,450
 - Ambulatory procedures – 217,452 (*NSHC LOS 2008 Stats*)
(We are comparable in volume and bed capacity to Pittsburgh, a metro-suburban type area with 36 hospitals – perhaps significant since Pittsburgh is a small city)
- Provide 85,000 local jobs, and contribute \$13 billion to the local economy – through direct and indirect spending. Hospital employees live and work in the communities on LI – they shop, bank, and dine at business establishments in your neighborhoods. Their spending, along with hospitals’ direct purchases of supplies and equipment, accounts for \$6.1 billion of the \$13 billion pumped into the local economy every year. Our hospitals are economic engines second only to the education industry.
 - One hospital system is the largest employer on Long Island

The past year has been a tough one for the national and local economy, and for most industries on Long Island. Like any commercial enterprise, hospitals see their balance sheets worsen in an economic crisis. In some ways, they may be more deeply affected: the number of uninsured patients at the ER rises, the philanthropic support and investment income on which they rely declines, the state starts cutting Medicaid reimbursements and, in this particular economic downturn, we also face the uncertainties of national health care reform.

The interdependence of hospitals and the private industry – with hospitals as both the purchasers of your goods and services, and as the provider of services to keep your workforce and families well – means that local businesses should care about the quality of health services in our communities and the stability of the institutions that provide those services.

In fact, the availability of good health care and hospitals is increasingly important to attracting businesses to an area. Conversely, struggling, underfunded and poorly equipped facilities detract from a community.

Concerns about such detractions led to a unique partnership a few years ago spearheaded by the Westchester County Association, a group of businesses similar to yours.

- Business leaders realized that hospitals' success is intrinsically tied to their companies' success.
- They took action to protect the viability of their region's hospitals.

A region and its provision of quality health care services are further linked by the opportunities for education, research, and innovation present in the area. On Long Island, there is a concentration of colleges, universities and leading academic medical centers, as well as two world-renowned labs that naturally ignite a synergy of creativity and excellence between them and local businesses.

- LI boasts Nobel laureates – most recently molecular biologist Carol Greider, who worked at Cold Spring Harbor Lab. Her work is leading to outstanding advances in medicine and science and has implications for understanding cancer and age-related conditions.
- Also home of the MRI, invented by Melville native Dr. Raymond Damadian
 - Patent filed in 1972
 - Is CEO of Fonar Corp headquartered in Melville – leads world in development and manufacture of MRI machines
 - MRI is one of the most widely used diagnostic tools

More innovation and explosive opportunities for health information technology, pharmaceutical, and biomedical firms. This is being driven by:

- Consumer demand for medical technology (a cost driver) in juxtaposition to:
 - Policy makers drive to contain/save costs
- Federal/state mandates for electronic health records
 - \$19 billion in Stimulus money through incentives to providers to adopt technology
 - CMS to publish regs defining meaningful use this month
- Stony Brook Center of Excellence in Wireless and Information Technology – partnership between government/industry/academics

- Other innovators and start-up firms, such as East Coast Orthotics and Prosthetics, which makes highly-customized devices at its new Deer Park facility, and Lloyd Staffing, which is investing in developing a dedicated health IT workforce.

The new medical school at Hofstra University in partnership with the North Shore/LIJ Health system is yet another example of the vitality of multiple industries on Long Island working together to meet the needs of this region. Their commitment and collaboration further solidifies Long Island's standing as a region of excellence – a place where it makes sense to do business. The medical school will accept its first students in 2011 and will employ a non-traditional approach to teaching medicine.

- Patient-centered, humanistic-focused curriculum; educational framework that links textbook science to real world, patients
 - In line with need for more primary care docs, diagnostic expertise
 - Supports evolving focus on preventive, primary care
 - Supports health needs of growing/aging population
- First allopathic (MD) medical school in Nassau County and first allopathic school established in NY since 1963
- School is projected to bring \$100 million per year in economic activity to surrounding metro area
- Stony Brook University Hospital, Suffolk County's only tertiary care hospital, is a leader in cutting-edge medicine and research. It is the first academic medical center on LI and in New York City to acquire da Vinci S HD Surgical System – the most advanced robot-assisted surgical system of its kind.

Our region's hotbed for technology and scientific advancement and achievement helps drive our high-performing, high quality hospitals. This is evidenced by the numerous national and state awards our hospitals accumulate every year for excellence in not only clinical care, but patient safety, technology, and quality. Some of these awards and distinctions include:

- Magnet Nursing Status for nursing excellence – awarded to only 5% of hospitals in the nation and we have four hospitals on LI with this designation
- HealthGrades awards for excellence in a variety of medical/surgical care specialties

- Consistently, hundreds of LI docs named in New York magazine's Best Doctors in NY
- U.S. News and World Report top hospitals and doctors listing
- Joint Commission Gold Seal of Approval
- HANYS Pinnacle Award for Patient Safety and Quality
- NSHC's very own Excellence in Patient Safety Award

Yet, we still see an outmigration of about 18% of LI's patients each year to facilities west of where patients reside. (SPARCS Data) This is a trend that has remained relatively stable during the past five years.

We need to do a better job of keeping that business on Long Island, for the sake of our business, and for the sake of your business.