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Day Kimball Healthcare Holds Annual Corporators' Meeting; Reports That Fiscal Year 2012 Finances Finished in the Black

However, management cautions that 2013 will be a challenge due to state reimbursement cutbacks to hospitals, which could result in delaying the company's new emergency department renovation project.

PUTNAM, CONN. – At its 118th Annual Corporators' Meeting held on Thursday, January 3, 2013 at Raceway Restaurant in Thompson, Day Kimball Healthcare (DKH) management stated that the integrated health system's positive bottom line in fiscal year 2012 demonstrated the continued positive impact of the growing shift from hospital revenue to outpatient and physician/ provider services revenue.

At fiscal year-end September 30, 2012, DKH reported \$867,638 excess of revenues over expenses. Of the \$138.4 million in total net revenue, 64.9 percent came from hospital outpatient services and physician/ provider services. In fiscal year 2011, those two categories made up 56 percent of total net revenue. Additional information can be found in DKH's 2012 Online Annual Report, available at daykimball.org.

"Through our patient-centered medical home (PCMH) business model, we've made a concerted effort to shift our emphasis from a 'sick' care to a 'well' care model," said Robert E. Smanik, FACHE, DKH president and CEO. "This makes for healthier patients and a healthier fiscal state for our organization." Smanik explained the PCMH approach places primary care physicians at the center of all patient care, coordinating all aspects with the assistance of physician assistants, nurse practitioners and other providers.

"Day Kimball has worked extremely hard over the years to change the way we deliver care in order to improve quality and lower cost, and we're experiencing success," Smanik said. "However, recently announced major cuts to Day Kimball Hospital's Medicaid reimbursements due to Connecticut's budget crisis are going to make it difficult to continue our progress in the New Year." Smanik said that the state informed him that the hospital is being cut \$3.8 million in state reimbursements for fiscal year 2013.

Smanik stated that one of the most disturbing outcomes of the cutbacks is that the Day Kimball Hospital emergency department renovation project could be negatively impacted. "Preliminary indications are that we may be forced to delay construction on our new emergency department," said Smanik. "Though we raised over \$3 million in contributions through the overwhelming generosity of our community, there is still a major financing component needed to complete the project. We're now reviewing our operational budget to determine what definitive steps need to be taken throughout our operating system to offset the dramatic reimbursement reductions in state aid." Smanik reported that he is in ongoing discussions with local legislators on this topic.

The DKH president and CEO further stated, "It's important that our patients know our top priority continues to be to maintain the high level of care that they are accustomed to receiving from all parts of our healthcare system."

During the business portion of the meeting, the following actions were taken:

- Newly appointed to the DKH board: Joseph M. Adiletta, East Woodstock, Conn.; Shawn McNerney, Woodstock, Conn.

- Re-elected to the DKH board: Rochelle Alix, Danielson, Conn.
- Appointed as a Corporator: Shawn McNerney, Woodstock, Conn.

Day Kimball Healthcare is a non-profit, integrated medical services provider comprised of Day Kimball Hospital, healthcare centers in Danielson, Dayville, Plainfield and Putnam, Day Kimball HomeCare, Hospice & Palliative Care of Northeastern CT, Day Kimball HomeMakers, Day Kimball Medical Group and Franklin Home Health. Its service area includes Northeast Connecticut as well as nearby Massachusetts and Rhode Island communities. Day Kimball Healthcare's comprehensive network offers more than 1,400 employees including nearly 300 highly-skilled physicians, surgeons and specialists. Its website is daykimball.org.