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3 Chairman Mendelson at the request
4 of the Not-for-Profit Hospital Corporation
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6 A RESOLUTION
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10 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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14 To declare the existence of an emergency with respect to amending the District operating
15 subsidy limits in Fiscal Year 2021, and Fiscal Year 2022 and thereafter, and the
16 need to clarify the implications of noncompliance with each fiscal year's stated
17 subsidy limit, whether under a public emergency or not.
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19 RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That
20 this Resolution may be cited as the "Not-for-Profit Hospital Corporation Public Health
21 Emergency Subsidy Limitation Emergency Declaration Resolution of 2021".

22 Sec. 2. (a) On June 9, 2020, the Council passed the Coronavirus Support
23 Temporary Amendment Act of 2020, effective October 9, 2020 (D.C. Law 23-130; 67
24 DCR 12236) ("Act"). Following the passage of the Act, staff at the Not-for-Profit
25 Hospital Corporation ("Hospital") and the Office of the Chief Financial Officer
26 ("OCFO") identified a provision that needs to be amended for alignment with the
27 Council's stated legislative intent to provide a reprieve to the Hospital during the public
28 health emergency.

29 (b) While the opportune time for such amendment was contemplated, the
30 Hospital and OCFO were fortunate that there were no statutory triggers of the
31 problematic language.

1 (c) In March 2021, that fortune changed, however, with the Hospital’s worsening
2 financial position due to a confluence of factors, including continually declining revenues
3 which have been exacerbated by the pandemic’s suppression of admissions and
4 procedures, as well as the Hospital’s ongoing pre-pandemic challenge of reducing
5 expenses.

6 (d) The need to address the current Fiscal Year 2021 budget deficit and limit its
7 impact on Fiscal Year 2022 makes it extremely likely that even with the expense
8 reduction and cost savings efforts already underway at the Hospital, the Hospital will
9 need an increase to its Fiscal Year 2021 subsidy of \$15 million. The April 28, 2021 letter
10 from the District’s Chief Financial Officer to the Secretary of the Council, as required by
11 the Code, provides notice and support of the Hospital’s increased Fiscal Year 2021 need.

12 (e) Given the above, it is essential to amend the District operating subsidy for
13 Fiscal Year 2021, and Fiscal Year 2022 and thereafter, and clarify the implications of
14 Not-for-Profit Hospital Corporation non-compliance with the stated limitations, whether
15 under a public health emergency or not.

16 Sec. 3. The Council of the District of Columbia determines that the circumstances
17 enumerated in section 2 constitute emergency circumstances making it necessary that the
18 “Not-for-Profit Hospital Corporation Public Health Emergency Subsidy Limitation
19 Emergency Amendment Act of 2021” be adopted after a single reading.

20 Sec. 4. This resolution shall take effect immediately.