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FOR IMMEDIATE RELEASE

St. James Mercy Hospital Receives Confirmation of Critical Funding

*Hospital also announces completion of workforce transition;
approximately 460 employees to transition to independent SJMH beginning May 1*

HORNELL, N.Y. (March 27, 2015) – The State of New York has notified St. James Mercy Hospital (SJMH) that it has been awarded \$7.5 million under the Health Facility Restructuring Loan (HFRL) program, which is jointly administered by the Dormitory Authority of New York State (DASNY) and the New York State Department of Health (NYSDOH). The interest-free loan will allow SJMH to continue providing services for the community post-March 31, 2015. SJMH has been relying on funding under the Interim Access assurance Fund (IAAF) since July 1, 2014.

“This funding is vital to securing a vibrant healthcare future for Hornell,” said Jennifer Sullivan, president and CEO, St. James Mercy Hospital. “We are thankful to Governor Andrew M. Cuomo and to the many elected officials — including Senator Schumer, Congressman Reed, and Mayor Hogan — who have been advocating tirelessly for uninterrupted access to essential services.”

“The support these efforts have received at the state level is crucial as we work collaboratively with St. James Mercy Hospital to design a sustainable health care presence that serves the Hornell community for many years to come,” said Mark B. Taubman, M.D., CEO of UR Medicine.

The HFRL loan will sustain the hospital’s operations for the next thirteen months while the partnership with UR Medicine and the state’s Delivery System Reform Incentive Payment (DSRIP) program continues. The loan supports the next phase of the transformation, during which SJMH will construct a new building to house community-based healthcare services. SJMH has requested \$36.2 million from the Capital Restructuring Financing Program (CRFP) through the NYSDOH.

SJMH, which will retain its name, will separate from Trinity Health on April 30. The hospital will continue to operate at its current location until the new facility is built.

Workforce Transition

With this funding confirmed, St. James Mercy Hospital also shared details of its workforce transition, through which approximately 460 employees are being offered positions with independent SJMH. Approximately 72 employees are not expected to move forward with employment.

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“We approach this milestone with mixed emotions,” said Jennifer Sullivan, president and CEO of SJMH. “We are excited for independent SJMH and its future, but mindful of those who are not moving forward with us.”

In January 2015, every SJMH employee received a 90-day Worker Adjustment and Retraining Notification (WARN) Act notice that their St. James Mercy employment would end as of April 30. The number of employees transitioning to independent SJMH has improved since January as the revised plan includes the continued operation of inpatient services.

Earlier this year, SJMH announced it had selected buyers for both its long-term care and dialysis services; employees within these services will be hired by SJMH until the sales have been completed.

“When we began developing the New Vision, we were committed to overcoming the very real challenges posed by SJMH’s financial constraints,” said Sullivan. “Today, with the support of Governor Cuomo, the Department of Health and the elected officials who fought so hard for our mission, as well as our partner UR Medicine, we are poised to continue delivering quality, compassionate care at St. James Mercy Hospital.”

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