MICHAEL J. MURPHY

ALDERMAN, 10TH DISTRICT City Hall, Room 205 200 East Wells Street Milwaukee, WI 53202

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February 2, 2012

Dr. Nick Turkal, M.D., President/CEO Aurora Health Care Corporate Office 750 W. Virginia St. Milwaukee, Wisconsin 53204

Dear Dr. Turkal:

Recent newspaper accounts indicate that Aurora Health Care is considering closing Aurora Sinai Medical Center—either entirely or in part—as one option to address the fiscal challenges facing the hospital. Because Aurora Sinai Medical Center is one of two safety-net hospitals remaining in the City of Milwaukee, and over 50% of its patients are covered by Medicaid, I recognize the magnitude of these challenges. But more importantly, I recognize that the medical needs of much of the population that Aurora Sinai Medical Center serves will go largely unmet if the decision to close the hospital is made.

My concerns about the potential closure or reduction in services at Aurora Sinai primarily relate to the impact it will have upon many of the most vulnerable Milwaukeeans who already experience limited access to quality medical care. As you know, last year Aurora Sinai Medical Center had approximately 50,000 emergency room visits through November 2011. Recently, a representative of St. Joseph's Hospital—Milwaukee's other remaining safety-net hospital—stated that if the Aurora Sinai Medical Center closed, St Joseph's Hospital would not have the capacity to handle even a portion of Aurora Sinai's emergency room visits. If Aurora Sinai closes its emergency room and replaces it with urgent care services, and St. Joseph's Hospital does not have the capacity to handle additional emergency room visits, few, if any, options will remain for those who are most in need of critical medical care.

Aurora Health Care is a non-profit healthcare provider and is a member of the Milwaukee Health Care Partnership. This partnership states publicly that by "[s]erving eastern Wisconsin and northern Illinois, these five health systems make significant investments in the community's health by providing uncompensated care and prevention services to Milwaukee County's vulnerable populations. This is a direct reflection of their non-profit mission and commitment to serve those who are most in need."

The City of Milwaukee also makes significant investments in this community's health and shares in the responsibility to ensure that all Milwaukeeans continue to have access to quality healthcare. It is in meeting this responsibility that I urge Aurora Health Care to continue to uphold the mission and commitment of the Milwaukee Health Care Partnership to serve those who are most in need. I feel strongly that the continued operation of the Aurora Sinai Medical Center would be consistent with the stated mission and commitment.

As chairman of the Milwaukee Common Council's Finance and Personnel Committee, I look forward to discussing with you opportunities for the City of Milwaukee to help Aurora Health Care navigate the fiscal challenges facing the Aurora Sinai Medical Center as it fulfills its mission and commitment to serve those in the community who are most in need.

Sincerely,

Alderman Michael J. Murph

Chair, Finance & Personne Committee

Cc: Mayor Tom Barrett, City of Milwaukee

Members of the Common Council, City of Milwaukee Commissioner Bevan Baker, City of Milwaukee Health Department John Daniels, Jr., Chairman, Aurora Health Care Board of Directors The *Business Journal*, Milwaukee, Wisconsin





750 W. Virginia Street P.O. Box 34+880 Milwaukee, Wl 53234-1880

February 9, 2012

Mr. Michael J. Murphy Alderman, 10th District City Hall, Room 205 200 East Wells Street Milwaukee, WI 53202

Dear Alderman Murphy:

We at Aurora Health Care recognize your concern about adequate health care for the City's underscreed. We not only share this concern, we are doing more than our part to provide care for the underserved; in fact, more than any system in Milwaukee or Wisconsin.

I hope you have seen our public statements about Autora Sinai and the fact that we have made a decision to keep the hospital open, albeit transformed to better meet the needs of the community while ensuring that it does not unduly impair the overall financial condition of our system, which serves more than a million patients each year in eastern Wisconsin.

Allowing Aurora Sinai to continue its operations status quo would result in a projected \$30 million loss this year alone. Last year, it lost \$20 million; over the past decade it has experienced losses of over \$107 million. Allowing continuing losses of this magnitude in a time of declining government reimbursement for services as well as continuing negative effects of the economy would be irresponsible to the rest of our system and the community as a whole.

We have pledged to communicate our plans for a new model for Aurora Sinai within 60 days. We continue to underscore that it will provide the right care for the community in a responsible, cost-effective way.

However, we have been made aware that leaders from the Wheaton Franciscan organization are attempting to work through governmental bodies like the State and City of Milwaukee to escalate rather than try to constructively resolve this issue.

Maybe it is to deflect from the fact that they have actually been making tens of millions of dollars at St. Joseph, while Sinai has been losing tens of millions during the same period of years. Maybe it is to deflect from the fact that they joined the long parade of systems that closed hospitals in Milwaukee when they did so with St. Michael, just over five years ago. Maybe it is because they do not want elected and community officials to know that the increase in emergency room patients due to this closure was borne by Sinai as well as St. Joseph. Both facts are reflected in the attached document.

We also hope you realize that we are good corporate citizens. A little over a year and a half ago, we made the decision to relocate our corporate offices and did so in the City, when we had choices in the suburbs. While the Wheaton system operates two medium sized hospitals in Milwankee, we remain among the largest, if not the largest, private employer in Milwankee. Patients come from throughout the nation and globe to Milwankee for care at Aurora St. Luke's. We provide care for more patients and more undeserved patients than anyone in Milwaukee and Wisconsin.

While they may also state good citizenship, their local headquarters are in Glendale. Their national headquarters are in Illinois.

We believe their past actions, closing St. Michael, along with the current playing fast and loose with key facts, put them in a hypocritical position to dictate the level or way Aurora should provide care. To repear, we not only provide a higher level of care for the undeserved, we have been recognized for consecutive years as among the nation's best systems in overall care quality.

We have pledged publicly to announce a plan within 60 days that will be good for the community. Any impatience the Wheaton Franciscan organization has with this timeline underscores their blatant self interest rather than any altruistic community interest.

I recognize that St. Joseph Hospital is in your district, but we at Aurora Health Care, who have approximately 500 employees and three facilities in your district, find ourselves in a position now where we need to set the record straight on misinformation being spread. Furthermore, we will not be bullied or pressured to veer from a plan that is good for this community. We are respectfully requesting that you and fellow members of the Common Council and Mayor Barrett must that Aurora will do the right thing and convey this information in encounters you might have with Wheaton leadership. Thank you.

Sincerely.
With W. Turbul NO

Nick W. Turkal, MD President & CEO

cc: Members, Milwankee Common Conneil

> Honorable Tom Barrett, Mayor, City of Milwaukee Bevan Baker, Health Commissioner, City of Milwaukee

Business Journal