

ALTMAN FOUNDATION

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October 19, 2012

Carl L. Distefano
Office of the Attorney General of New York State
Charities Bureau
120 Broadway
New York, NY 10271

Dear Mr. Distefano:

I am President of the Altman Foundation, a New York Not-for-Profit Corporation, and a private foundation established in 1913. As we understand, you are currently reviewing a *cy pres* petition by St. Vincent's Catholic Medical Centers ("St. Vincent's Hospital" or the "Hospital") to permit the Hospital to transfer restricted funds that had been donated to the Hospital to other beneficiaries. We write to recommend that you consider approving a transfer of endowment grants given to St. Vincent's Hospital by the Altman Foundation to Montefiore Medical Center as such a transfer would fulfill the Altman Foundation's general charitable intention in making such grants.

As you discussed with Laura Butzel of Patterson Belknap Webb & Tyler LLP, the Altman Foundation made a series of grants to St. Vincent's Hospital, including 1) in 1988, a \$250,000 grant to begin an endowment to support the Hospital's parenting education program and 2) between 1993 and 1997, a series of grants totalling \$1.5 million to build an endowment for the Hospital's Department of Pediatrics. The goal of the grant for the Hospital's parenting education program was to help parents using the hospital, particularly parents from low-income backgrounds, develop the skills and tools they would need to serve as their children's first

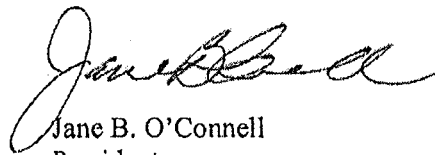
teachers and provide their children a strong start in life. As shown in the attached proposal from St. Vincent's Hospital dated October 29, 1993, the endowment grants to the Hospital Department of Pediatrics were also intended to provide funds for programs to support low income parents and children that used the services of the Department of Pediatrics. Historically, healthcare services to children have focused on critical illness rather than preventive care. This is particularly true in Medicaid families and other medically underserved populations. Pediatric care is essential in building an effective and comprehensive primary care program for people from low-income backgrounds as it establishes positive behavioral patterns in the early, formative years, encouraging a preventive and early intervention approach. St. Vincent's Hospital in 1993 asked the Altman Foundation to help build an endowment for its pediatric services, which included primary and specialty care as well as mental health and social services such as the Parenting Education Program mentioned above, seeing these services as fundamental to strengthening care for a vulnerable population, a priority for the Altman Foundation.

Montefiore Medical Center's Pediatrics Department ("Montefiore") carries on many activities that support the population of children and parents from low-income families targeted by the Altman Foundation in its grants to St. Vincent's Hospital. Further, Montefiore has been intentional and effective in testing new models and innovative strategies to reach deeply into and serve this targeted population and is a recognized leader in the field. Altman Foundation has long funded a number of programs in pediatrics at Montefiore that support low-income parents and children including, most recently, Healthy Steps for Children. Healthy Steps for Children integrates developmental and behavioral care into one of the hospital's major pediatric primary care sites. The program aims to strengthen parent-child relationships over the child's first three years of life by providing pediatric caregivers with information and support on

child development and behavior and seamless access to developmental and mental health supports. Its key components include having a Healthy Steps specialist on site, enhanced well-child care with scheduled developmental assessments, home visiting, links to community resources, a telephone information line, and on-site parent groups. Research has shown that parents who received care for their children at Healthy Steps sites (as compared to control group families) were less likely to report depressive symptoms or to use severe discipline, and were more likely to get timely well-child visits and vaccinations for their children, to breast feed and read to their infant, and to report satisfaction with pediatric care.

Healthy Steps is a perfect example of the programs Altman Foundation supported in its grant to St. Vincent's Hospital for parent educational programs and the type of comprehensive approach it was hoped the Hospital could support once it had an endowment for its Department of Pediatrics. As a result, we believe that transferring the Altman Foundation's restricted gifts to Montefiore will effectively accomplish the goals and purposes of the Altman Foundation as conceived when it made its restricted gifts to St. Vincent's Hospital.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jane B. O'Connell".

Jane B. O'Connell
President

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St. Vincent's Hospital and Medical Center of New York

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Est. 1849

A University Hospital of New York Medical College

OFFICE OF THE PRESIDENT

Mr. John S. Burke
President
Altman Foundation
220 East 42nd Street, Suite 411
New York, New York 10017

October 29, 1993

Dear Jack:

In follow-up to our meeting on September 21, the following is a formal proposal from St. Vincent's Hospital and Medical Center of New York to the Altman Foundation for a grant in the amount of **\$1,500,000** to build a substantial endowment for the Hospital's Department of Pediatrics as an integral component of the Hospital's current Capital Campaign.

As recommended in the recent Strategic Plan, St. Vincent's is currently undergoing a major effort to build and strengthen the services offered through the Department of Pediatrics. The Hospital has already taken a number of steps towards this objective. These include: the hiring of a new Chairman of the Department in early 1993; the expansion of the Hospital's Level III Neonatal Intensive Care Unit from 18 to 25 beds; and the proposed formation of a new Child Health, Intervention, Learning and Development ("CHILD") Center to manage, treat and refer children with a wide range of developmental problems.

Pediatric care is an integral element in the Hospital's roster of services and a vital component of the mission of the Hospital to provide care to all who are in need. Currently, children are seen as one of the largest medically underserved populations in need of comprehensive primary care. As the only provider of pediatric services from 59th Street to the Battery on the West Side of Manhattan, St. Vincent's has made a commitment to meeting this need through an integrated network of pediatric inpatient, outpatient and outreach services. These services include strengths in a broad range of areas such as Neonatology, Cystic Fibrosis and Pulmonary Diseases, Child and Adolescent Psychiatry, Parent Education, Nursing, Pediatric Orthopedics, Pediatric Anesthesiology, and Pediatric Community/Primary Care Outreach, among many others (Attachments A and B).

Unfortunately, the costs of providing pediatric care are substantial, primarily due to the tremendous amount of required resources coupled with comparatively low reimbursement rates. The creation of a substantial endowment will support the work being done through the Department of Pediatrics and enable St. Vincent's to provide a comprehensive range of pediatric services without compromising other essential Hospital programs and services. In the long-term, this Fund will provide the Hospital with the flexibility to meet future challenges in pediatric medicine while maintaining a commitment to the value of primary care and wellness.

The St. Vincent's community encompasses a wide range of organizations and populations which look to the Hospital to provide extensive pediatric services. These include organizations such as: The New York Foundling Hospital, the Terrence Cardinal Cooke Health Center, and Covenant House, as well as numerous medically underserved groups including significant immigrant and homeless populations. St. Vincent's is also piloting the first Hospital based partial capitation Medicaid Managed Care program in Manhattan, in an effort to assure that all Medicaid eligible patients receive comprehensive primary care through a network of dedicated physicians. The program hopes to strengthen and support the concept of ongoing primary care and health promotion, while helping to build positive behavioral patterns in the early formative years. In addition, it is anticipated that providing an accessible source of primary care will alleviate the burden currently placed on Emergency Services which are often called upon to meet the healthcare needs of this population.

Through the Department of Pediatrics, the Hospital also offers support programs such as Parent Education, an education, support, advocacy and referral service to parents and children from birth to three years of age, and Child Life, an internal program designed to alleviate the unique anxieties children face when hospitalized. These Programs focus on the health of children and their families in a broader sense and provide a valuable link between clinical, outreach and referral programs.

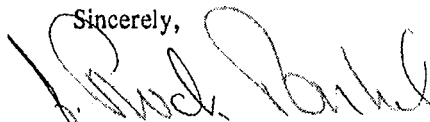
St. Vincent's main objective in pediatric care is to provide a comprehensive network of integrated programs and services to ensure continuity of care. A family with a baby in the NICU has the support resources of the Parent Education Program available to it, as well as the services of the new CHILD Center for ongoing developmental evaluation, and the broad range of pediatric clinical services. A patient with Cystic Fibrosis has the support of the CF Center on both an inpatient and clinic basis. Families who live in the Chinatown or Chelsea communities and have not been able to get healthcare services for their children now have a local source of primary pediatric care, with the full support of a comprehensive range of pediatric specialty services available to them.

As talk of healthcare reform continues, St. Vincent's is very aware of its responsibility to the youngest members of the community. It is unconscionable that children should go without vital healthcare services. According to statistics quoted in the final report of the National Commission on Children in 1991, Medicaid only reached an estimated 59 percent of poor children in 1991 and approximately 8.3 million children under age 18 are currently without health insurance protection. As a result, most of these children and many more who are unable to access comprehensive primary care, will not see a doctor until their condition becomes critical. The costs of treating a critical illness far outweigh the costs of preventing that illness, especially in the long-term.

St. Vincent's is working on two fronts to meet its responsibility to New York City's children. The Hospital is building a network of comprehensive primary/preventive care services through outreach sites and Hospital based clinics while actively strengthening the core of its pediatric services, the Department of Pediatrics, to support an expanding role in the community. The establishment of a significant endowment will provide a solid foundation for the continued enhancement of the pediatric services offered by St. Vincent's, both in the treatment of critical illness and the provision of preventive care.

The Altman Foundation has been a valuable community partner, consistently supporting St. Vincent's efforts to prepare for the future. This is evidenced throughout the Hospital's relationship with the Foundation and most recently in the Foundation's financing of a comprehensive strategic plan to guide the Hospital through the years ahead. Strengthening the Department of Pediatrics was one of the recommendations of that report and the creation of a substantial pediatric endowment is critical to the future success of this effort. A grant from the Altman Foundation would be a significant step toward meeting this goal and I appreciate your consideration of this request.

Sincerely,



J. Rock Tonkel
President and
Chief Executive Officer

JRT/ec

Enclosures

cc: Melinda McVicar, M.D.

ATTACHMENT A

ST. VINCENT'S HOSPITAL AND MEDICAL CENTER OF NEW YORK

Pediatric Inpatient Services:

Pediatric Inpatient Unit
Pediatric Special Care Unit
Neonatal Intensive Care Unit
Newborn Nursery
Pediatric Emergency Room
Cystic Fibrosis Center
Child Life/Play Therapy Program

Pediatric Sub-specialties:

Allergy/Immunology
Cardiology
Child and Adolescent Psychiatry
Endocrinology
Gastroenterology
Hematology
Infectious Disease/AIDS
Neonatology
Nephrology
Neurology
Orthopedics
Otolaryngology (Head and Neck)
Pulmonary
Surgery

**Pediatric Outpatient/
Outreach Services:**

AIDS Clinic
Allergy Clinic
Cardiology Clinic
Chelsea Clinic (Pediatric Primary Care)
Child Health Intervention, Learning and Development
("CHILD") Center
Chinatown Clinic (Pediatric Primary Care)
Cystic Fibrosis Clinic (Component of CF Center)
Endocrinology Clinic
General Pediatrics Clinic
Genetics Clinic
GI Clinic
Hematology Clinic
Infectious Disease Clinic
Neurology Clinic
Orthopedics Clinic
Parent Education Program
Premature Care Clinic
Primary Care Clinic
Rehabilitation Clinic
Renal Clinic
Surgery Clinic
Well Baby Clinic

CHILD AND ADOLESCENT PSYCHIATRY

The Child and Adolescent Psychiatric Service at St. Vincent's has evaluated and treated thousands of children, teenagers and their families over the last 30 years. The Child and Adolescent Psychiatry Service provides short- and long-term individual, family and group therapy, psychological testing and evaluation. These services are offered through its inpatient unit, outpatient clinic, pediatric consultation liaison service, and relationships and affiliations with schools and social agencies. The Children's Psychiatric Inpatient Unit was the first children's psychiatric inpatient unit to be opened in Manhattan during the last quarter century and is one of a very small number of university affiliated children's psychiatric inpatient units in a general hospital. A warm and supportive environment provides a sense of confidence and security for young children and their families. The Unit's proximity to other pediatric services offered within a general acute care hospital make it especially advantageous to children who enter the Unit with physical as well as emotional problems.

CHILD HEALTH, INTERVENTION, LEARNING AND DEVELOPMENT (CHILD) CENTER

Utilizing a multi-disciplinary team approach, the proposed CHILD Center will screen, manage, treat, and refer when appropriate, children with a wide range of developmental problems. These problems will include, but are not limited to: cerebral palsy, mental retardation, autism, muscular dystrophies, certain seizure disorders, hearing impairment, visual impairment, speech and language disorders, and learning problems. Any child who is considered "at risk" will be served by the Center. Included in the risk category for developmental problems are infants with biologic risk factors including prematurity, low birth weight, maternal drug use or other perinatal risk factors, and those with environmental risk factors, i.e. biologically normal infants whose early life experiences, including nutrition, health care, and patterns of social stimulation are so limited that there is a high probability of delayed development. The service emphasis will be upon identifying those factors which interfere with the expected course of a child's development as early in their lives as possible, in order to make "early intervention" a reality.

CYSTIC FIBROSIS

Cystic Fibrosis (CF), caused by a specific genetic defect and often recognized in infancy, has puzzled doctors worldwide. St. Vincent's CF Center is the largest in the tri-state area, providing ongoing, comprehensive care for close to 300 CF patients. Consultations and ongoing care are provided for another approximately 125 patients with various non-CF chronic pulmonary disorders - conditions which have many of the same symptoms suffered by CF patients. The Center's comprehensive level of care combined with its multi-disciplinary approach have earned wide recognition. As a result, St. Vincent's CF Center attracts patients from around the world.

In 1992, there were 1558 patient visits made to the Cystic Fibrosis Center and 145 patients (representing 2411 patient days) were hospitalized for treatment of resistant problems.

NEONATAL INTENSIVE CARE UNIT (NICU)

St. Vincent's Medical Center is a Level III NICU giving it the ability to accept babies who are at the highest level of risk. These infants are often 26 - 28 week gestation babies and many weigh less than 1000 grams (2.3 pounds). These babies require technological assistance and highly specialized care to survive. The Hospital is also a receiving center, accepting transfers and referrals from throughout the metropolitan area. These babies are usually brought to St. Vincent's because they are in a high risk group and, generally, they stay the longest in the NICU because of extreme prematurity and low birth weight, often due to poor prenatal care or drug use by the parent. The recent expansion of St. Vincent's NICU was a direct result of the New York State Department of Health Neonatal Advisory Group's findings regarding the great need for NICU services in New York City as well as St. Vincent's high NICU census.

PARENT EDUCATION PROGRAM (PEP)

The Parent Education Program (PEP), which is funded in part through an Endowment established by the Altman Foundation in 1988, has provided education, support, advocacy and referral services to parents and children from birth to three years of age since 1985. PEP is a family resource program built on the concept of primary prevention and early intervention. The Program's services are delivered in a variety of formats, including: the New Parent Warmline; Neonatal Intensive Care Unit Parents Group and Special Baby Group; Family Resource Room Drop-In Groups; Eight week Groups for Parents of Newborns, Older Babies and Toddlers; Pregnant Teen Group at the New York Foundling Hospital; and, a Chinese Outreach parent education component at the Chinatown Clinic. In 1992, with no change in the size of the staff, the Program saw an increase in the number of visits to the program of 30%. These figures have continued to grow in 1993.

PEDIATRIC COMMUNITY/PRIMARY CARE OUTREACH

Pediatric community/primary care outreach is carried out through a network of Hospital based outpatient clinics, two satellite clinics in the Chelsea and Chinatown communities and numerous outreach programs. In 1993, St. Vincent's dramatically expanded its Chelsea Clinic enabling the facility to handle approximately five times the number of patient visits. The principal goal of the clinic is to provide a comprehensive range of primary care services, particularly to women and children. The clinic will also provide prenatal care, immunizations and lead screenings, among other services. St. Vincent's initiatives in primary and preventive care have been supported by State and Federal Programs. Two government sponsored subsidy programs are currently administered on-site at the Hospital. The Prenatal Care and Assistance Program (PCAP) is administered by the State and is designed to promote early and continuous prenatal care through an integration services network of midwives, nutritionists, social workers, and special health education nurses. The Federally funded Women, Infants and Children program (WIC) is a nutrition and supplemental food program for pregnant and breast feeding women, infants, and children up to 5 years old. In addition, in 1991, the Hospital received a Primary Care Initiative Grant from the New York State Department of Health to provide primary care services in the community with the goal of building positive healthcare behaviour.