



ST. CLARE'S HOSPITAL
600 McClellan Street
Schenectady • New York 12304
(518)347-5606 • www.stclares.org

Robert P. Perry, FACHE
President & Chief Executive Officer

Dear Friends of St. Clare's:

As President of St. Clare's Hospital for the past three years, I have been honored by the faith and trust accorded to me by the Board of Trustees. It is my task on behalf of the board, to draft this final communication to our patients and their families, our employees and Medical Dental Staff, our Volunteers and Auxiliaries, our Foundation and friends, and our community. After nearly 60 years of service to this community, St. Clare's is surrendering its license to operate as a hospital. Ellis Hospital will assume responsibility for all acute care services provided in Schenectady in early June of 2008. When that transaction is complete, St. Clare's Hospital will cease to exist.

Undoubtedly, people will wonder, "Why?" In truth, St. Clare's was a victim of its own success as Schenectady's Safety Net Hospital. Having willingly embraced a mission to serve everyone in need, regardless of their ability to pay, St. Clare's became the hospital-of-choice for increasing numbers of uninsured and underinsured patients. Over time, the ability to generate sufficient revenue to cover expenses was compromised. In the wake of the Berger Commission mandates, the scales tipped and it became obvious – St. Clare's could no longer be sustained as a stand-alone institution.

Reluctantly, the Board of Trustees agreed to concede operations and ownership of St. Clare's with the provision that three conditions were met:

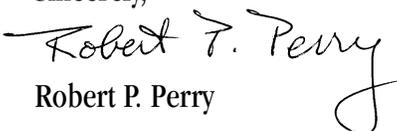
- Assurance that Ellis Hospital would accept responsibility for the care of the poor
- Acknowledgement and acceptance of the debts necessary for St. Clare's to honor its contracts, pay severance and unemployment, and close the business
- Funding of the hospital's defined benefit employee pension plan

In January, 2008, the New York State Department of Health and Ellis Hospital agreed to those conditions bringing us to where we are today – at the end of an era. Once the legal and business transactions are completed, St. Clare's Hospital will be no more. But her legacy of compassion and caring, established by the good people of Schenectady, will continue under the auspices of the St. Clare's Corporation and St. Clare's Foundation. These entities will remain as a source of advocacy for patients and their families and as a vanguard of the community's responsibility to those in need.

Undoubtedly, St. Clare's Hospital will be missed – not only by the by the tens of thousands of patients who sought care and comfort within her midst but rather, an entire community that basked in the radiant spirit, generosity and fellowship that were the hallmarks of this extraordinary institution.

To the thousands of employees and volunteers, physicians and dentists, donors and friends, I extend my heartfelt appreciation for your unwavering devotion to the mission of St. Clare's. It has been a privilege to be of service to you, our patients and community. I wish you and your loved ones every happiness and all of God's blessings.

Sincerely,


Robert P. Perry