

Board believes money to do so could be better spent on hospital

***By Russ Pankonin
The Imperial Republican***

One of the biggest questions created by the formation of a hospital district in Chase County has centered on whether the county hospital must be transferred to the new district.

As one of their first actions, members of the new hospital district board sought advice from legal counsel on how to proceed.

They learned no obligation exists under Nebraska law for the county hospital to transfer its assets or operations to the new district.

The board submitted eight different questions to the Lincoln law firm of Cline Williams Wright Johnson & Oldfather for their opinion.

At the top of the list was the question whether the Chase County Community Hospital and Clinic were obligated to transfer operations to the hospital district.

Then, if so, could they outline the process and estimate costs to do so.

Counsel noted "an asset transfer of a hospital is not a simple or inexpensive task."

Between administrative staff time, consulting and attorney fees, accountant fees, appraisal fees, bonding and election costs, counsel estimated the cost between \$200,000 and \$300,000. They noted it could be higher or lower, depending on circumstances.

However, this did not include additional malpractice insurance charges the hospital would incur if the hospital was transferred to the new district.

This cost has been quoted to the hospital administration at a minimum of \$100,000.

Costs a big factor

Hospital district board chair Eddie Nichols of Wauneta said they want to keep county residents informed and keep the process transparent.

He said the people voted in the district and he wants to insure the district complies with its obligations.

That's why the board sought legal advice. "It sounded simple to elect a board," Nichols said, but it's been anything but that.

This latest information sheds new light on the hospital district, Nichols said.

Nichols, who also serves on the hospital's board of trustees, wants people to consider if that's how they want money for the hospital spent.

They need to decide if benefit of transferring the hospital outweighs the costs to accomplish the goal of an elected board, Nichols noted.

Creating an elected hospital board was the primary goal of petition organizers who got the issue on the May, 2010 ballot.

Nichols said the hospital district board members believe it's better to invest that kind of money into improving the hospital versus spending it to transfer the hospital to the district.

The hospital board of trustees has been working on a plan to upgrade bathrooms in patient rooms, relocate labor and delivery rooms and expand surgical space and services.

Nichols believes money spent toward those renovations would be a far better use than spending it to transfer the hospital to the district.

While the vote created the hospital district, it also created a political subdivision with taxing

Hospital district board learns transfer of hospital not required

Written by Wauneta Breeze
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authority of up to 3.5 cents per \$100 of valuation.

In 2010, the county's valuation totalled \$630,436,868. This would allow the district to collect \$220,653 in taxes to support the district.

It can ask for and collect another 3.5 cents if approved by the vote of the people.

Other factors to consider

Nichols said the attorney's response included several other revelations that no one anticipated when voting to create the district.

According to counsel, hospital district board members have the sole power to dispose of the hospital.

If the hospital is transferred to the hospital district, board members could lease or sell off the facility without a vote of the people.

Nichols said he doubts that's what the people wanted when they approved the hospital district. Presently, the hospital board of trustees is appointed by the county commissioners. They also have the power to remove a trustee from the board.

Petition organizers didn't feel this process gave the people much input on who serves on the board of trustees.

The first hospital district board was appointed by the commissioners. The district board now includes four members of the hospital board of trustees. A fully elected board will not occur until the 2014 elections.

If the people want to remove a member of the hospital district board, it can only be done at regular elections or by a recall petition and special election.

Info meetings planned

Nichols said to better inform people about the situation, the hospital district board and hospital board of trustees will join together to hold informational meetings on the lawyer's findings.

"The people need to know what they're buying into," he said.

Meetings will be held in late May and early June with locations in Imperial, Wauneta and Lamar.

By holding meetings then, Nichols said most of the corn should be planted, allowing more patrons to participate in the meetings.

Legal opinion online

Nichols said the district board will post the questions and lawyer's responses online.

Since the district does not have a website, the document will be posted on the websites of the two official county newspapers, The Imperial Republican and The Wauneta Breeze.

Co-publisher Russ Pankonin said a link to a PDF of the legal summary will appear with this story on their websites. The summary will also appear in a text format on the site through May.

[CLICK HERE for a PDF of the legal summary](#)