

Meetings spark discussion on future of hospital

Written by Wauneta Breeze
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By Josh Sumner

The Wauneta Breeze

The issue of whether the Chase County Community Hospital (CCCH) should be transferred into a newly formed hospital district was the main topic at a set of meetings taking place in Imperial and Wauneta last week. Several different options, each with potential positive and negative impacts, were discussed.

The purpose of the recent wave of meetings was to provide information to the public about what a hospital district is, how it relates to the hospital, and generally, just to inform people that it exists in the first place.

Hosted by Randy Vlasin, executive director of the Chase County Hospital Foundation (CCHF), the combined attendance at the three meetings was about 60 people. Vlasin emphasized that he wasn't necessarily speaking solely as a member of the CCHF.

"I started attending the district board meetings because I was concerned about this issue as a citizen," said Vlasin.

Vlasin's concern led to a lot of studying and research about the topic.

So, what exactly is the topic? To completely understand that question, one has to do just a little research of their own.

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The decision to form the Chase County Hospital District (CCHD) came as the result of a successful ballot initiative in the May 2010 primary. As far back as then, there has been, and continues to be, confusion about what the CCHD is.

Bill Bauerle, who serves on both the CCHD and the CCCH, might know as much about each entity as anyone in the county. Bauerle said he believes, because the way the ballot initiative was originally worded, voters in Chase County were under the impression they were simply choosing to change the existing CCCH board to one which consists of elected members instead of appointed members.

What people didn't fully realize was that they were actually voting to create an entirely new entity in the form of the CCHD. Voters also may not have realized that for the newly created CCHD to gain control of the hospital, it must be transferred into the district.

Regardless, the idea of having elected members serve on the board was enough for the initiative to pass.

Bauerle, who said he is a proponent of elected boards, said that in certain situations appointed boards are more efficient. Because of the complex laws and policies surrounding healthcare, he said he believes this is a case in which using appointed members — assigned by the Chase County Commissioners — is the better choice.

Initial appointments for the new CCHD board were made by the commissioners, and when they made those original appointments, they simply used the same five members of the CCCH board. The logic behind the decision, according to Bauerle, is that there is such a learning curve in understanding hospital administration that they wanted to retain the corporate knowledge of those CCCH board members.

CCCH board member John Burke resigned from the CCHD board and his position was filled by Rand Levy of Champion.

Elections for two of five CCHD seats come up in the May 2012 primary, followed by the

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remaining three seats in the May 2014 primary.

Three options for the CCHD

Right now, the fate of the CCHD is anything but assured. There are three possible outcomes for the district, which were discussed at length during last week's informative meetings.

Option 1: Do nothing further. The CCCH continues to operate as a county hospital, while the CCHD stays in place and can exercise powers as deemed necessary.

Option 2: Transfer the CCCH into the new district, at a cost between \$200,000 and \$500,000, which would be levied to the taxpayers of Chase County.

Option 3: Dissolve the CCHD, which would require the petitioned signatures of 10 percent of the registered voters in Chase County, and would also then become a ballot issue.

There are benefits to each option, but as Vlasin put it, it boils down to what people value most.

Transferring the hospital to the new district would allow for the possibility of a merger between the CCHD and any surrounding district — this idea itself is something that would undoubtedly be met with both criticism and favorability.

Under the current county hospital arrangement, it's difficult for two facilities to merge, because it requires a ballot initiative from voters in each county. Conversely, if the hospital was operating under the control of a district, all that would need to happen for a merger between the two facilities would be a majority vote from three of the five members of each districts' respective

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board.

This is simply one example of the far-reaching power the district board has. If the hospital does transfer into the CCHD, all that would be needed for the hospital to be sold or leased is that majority three out of five vote — the Chase County Commissioners and the voters in Chase County would have no say in the matter.

There are potential benefits of transferring the hospital to being district-operated. Bauerle pointed out that under a hospital district, expansion of the hospital's service area could be viable. Right now, the district's lines are drawn to match those of the county, however they could be redrawn to go outside that area, meaning the CCHD could tax citizens outside the county. Of course, for those district lines to expand, the people in those potential respective counties would have to value the hospital's service enough to vote to allow for such a tax.

Transferring the hospital to the CCHD could come with a hefty price tag to taxpayers. Lawyers estimate it would cost between \$200,000 and \$400,000 to make the transfer, while Bauerle, with his 11 years of experience in hospital work, said he thinks it would be closer to \$500,000. Regardless, these figures are all estimates.

"It's one of those situations where you really don't know what it's going to cost until you get in the middle of it," said Vlasin. "These are all projections."

The estimated projected prices breakdown like this: \$75,000-\$100,000 in attorney fees; \$40,000 in accounting fees; \$20,000 to an appraiser; \$75,000 for issuance of new bonds by hospital district to finance transfer; \$25,000 for special election for issuance of bonds; \$100,000 for tail coverage insurance; \$100,000 for board and staff time.

And this high cost comes at a time when the hospital is preparing to expand the size of its facility.

"To take \$500,000 and hand it to lawyers when it could be used as a direct benefit for the healthcare of people in this area, I just can't think of a reason why you would want to do it," said

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Bauerle.

There's always the option of keeping the status quo — continuing to allow the CCCH to operate, while the CCHD stays in place only to exercise powers as it sees fit. But even that costs money. Tax dollars would go toward the budget, expenses and paying for liability insurance coverage for the five board members.

Dissolving the district is the other choice, but just as is the case with the previous two options, it has its flaws.

What scares local taxpayers more than anything, regarding the dissolution of the district, is the possibility that the move is made after the CCCH has already been transferred to the CCHD. If that was to happen, the same \$200,000 to \$500,000 cost for transferring it to the district would hit again once it went back to being county-operated.

Other implications of transferring to the CCHD

What probably makes CCCH workers most nervous about the potential move to being district-controlled is how easy it would be for the hospital to be sold.

Just as would be the case with making a merger or levying a tax, selling or leasing the hospital would take nothing more than three out of the five CCHD board members giving it a “yes” vote. And neither the Chase County Commissioners, nor the voters, would have the power to stop them.

The scenario in which the hospital is sold to a commercial facility could come to fruition if members of the board felt enough pressure from taxpayers. Once the hospital became corporately-owned, local control would be virtually nonexistent. Many privately-owned facilities

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even have the ability to refuse service to those patients who can't pay, which isn't the case with the current county-run facility.

Or, the new ownership group could decide to close the facility altogether.

The members currently sitting on the CCHD board are in an interesting position, considering the only way the district can be dissolved is through a petition and vote. Otherwise, they remain in place to do what they are charged with doing — forming and running a hospital district.

“I urge all the voters in the county to take a good, hard look at this,” said Vlasin. “Study it. Try to understand what it is, so you can make an informed decision. You have the right to decide whether you think the district is a good thing or not a good thing, but be informed. It's a complex issue that has the potential for huge ramifications in Chase County.”

While Vlasin's main message to the public is to become as educated on the issue as possible, Bauerle just wants to get the record straight.

“There are two entities today — an elected district and an appointed hospital board,” said Bauerle. “Nothing whatsoever has changed in the operation of the hospital. The district is forming and taxing to pay for its formation because that's what the voters chose to do.”

There are no limitations on the existence of a hospital district, so if the district is dissolved, voters could vote to have it put back on the ballot in the future.