September 25, 2012

We appreciate the opportunity to respond to comments and questions posed in last week's newspaper. – Teton Valley Health Care Board of Trustees

• Our hospital delivers high quality health care NOW – this must be sustained.
We agree. TVHC's ability to deliver exceptional quality care is a key consideration in leadership's strategic planning for the future. We cannot and will not sacrifice quality as we work toward a more financially sustainable business model for TVHC.

• Few County responsibilities are as important as our hospital.
We agree. That's why we're focusing on moving the hospital to a more efficient and less tax-dependent operating model. The hospital is an organization that contributes greatly to our economy while also placing the entire County at risk if it's unable to remain solvent. TVHC deserves the attention and commitment of private management as opposed to the compressed time of the BOCC.

• Despite progress, the current turmoil at the hospital indicates that the hospital remains fragile financially. Is now the right time to change?
We believe that now is the best time to change models because we are showing upward trending in financials and patient satisfaction. In this economy, many businesses are in a fragile position and would be fortunate to have the option of operational changes and affiliations that support their healthy existence.

• The proposed lease agreement does not adequately protect our hospital asset.
Not true; we believe that the agreement does protect our hospital asset. The proposed lease agreement provides for County ownership and protection of the hospital asset, including the facility, its contents today, and any items bought to operate the hospital in the future. The County retains ownership of all assets; it provides TVHC, Inc. with a 99 year operating lease for use of those facilities and assets. The lease has reporting requirements, covenants relating to the ability of TVHC, Inc. to incur debt, and other protections to safe guard the hospital and County

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• A clear business plan that describes planned services and revenue and accounts for new costs (lease, liability, insurance, Director's insurance, others) is needed for financial sustainability.
The planned services and revenue are not expected to change as the hospital moves operational models from public to private. Our FY2013 budget included nonprofit conversion costs and the beginning of EMR implementation. For patients, our service offerings and the insurance plans supported and amount of reimbursement are not affected by the conversion. The risk and liability also remain similar after the conversion and we have involved our insurance company and the County's insurance company in structuring the lease insurance clauses to protect both parties. The additional cost for base rent and capital charges is expected to be less than $75k on an ongoing basis. In addition, the Liquid Asset Agreement has a requirement for an amount equal to five percent (5%) of the amount categorized as "Excess of Operating Revenues over Expenses" to be paid out of hospital operating profits.

• The BOCC should complete due diligence to ensure the community's best interest.
The decisions currently being implemented are those that were made after a series of public meetings, consulting reports, and analysis in 2010/2011. In October of 2011 the BOCC and BoT set a goal of converting in October of 2012. We are reaching the culmination of that process now, and throughout the past year we have been actively moving towards that goal.

• Hospital conversion is directly linked to management by a third party not yet identified (Identify plans—Bingham or who?)
Hospital conversion is not linked to a management agreement with BMH or any other party. Any decision relating to a management agreement would be made after the conversion is completed. TVHC, Inc. will determine what affiliations are in the best interests of the hospital to mitigate operational risks and improve efficiencies.

• Need to know what the hospital safety net is if there is a financial downturn, such as a loss of a key medical provider.
This risk is the same before and after conversion. Provider staff changes do happen on an ongoing basis -- we recently have had a PA take a job in New Zealand, we have a visiting specialist who is going to spend a year in Rwanda. We hire and train or look for alternate specialists in these cases. The loss of one of our general practitioners or orthopedic surgeon, whether we are public or private, would have a larger impact and would be handled in much the same manner as when previous physicians have left.

• Decision making is not public in the private non-profit model. Ensure that residents who depend on our hospital have a meaningful voice in its future.
The hospital will operate, like many other hospitals, as a private entity. As an IRS 990(c)(3) hospital, we will have requirements for collecting and assessing community health needs, as well as providing reports required as an IRS 990(c)(3). The needs assessments are a mechanism for the community to voice their needs and desires for health care. The IRS 990(c)(3) reports and the reports required under the lease agreement are a means of assessing how we are performing and protecting the county's assets. There will be representation from a community-based board in addition to the avenues discussed above.

• We need greater transparency by Hospital Trustees and the BOCC in decision making. Fully and openly engage with Hospital staff and Foundation Board, even if their viewpoints differ from yours.
The primary mechanism for communication between Hospital Trustees and the Hospital staff would be the CEO and Chief of Medical Staff. In addition, the hospital Board of Trustee meetings and the quarterly hospital report to the BOCC are the ongoing communication mechanisms to understand the decision making actions taken by the BoT and BOCC. The primary mechanisms for communication between the Hospital and Foundation boards are the interactions of the two Chairs of the respective Boards, and the ongoing meetings organized by the hospital CEO to ensure operational consistency among the Foundation, hospital grant writing, and hospital funded activities.

TETON VALLEY HOSPITAL

Your Healthcare Elevated

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