

Emmett Messenger Index, Wednesday, Feb. 24, 2010

Hospital outlines changes

By Janet Monti

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Proposed changes in overall operation at Walter Knox Memorial Hospital was the main topic at the February meeting for Gem Economic Development Association. Owned by Gem County, management at the public facility is looking at ways to stay in operation in a changing business environment.

A short presentation was made by hospital CEO Max Long and Sue Vahlberg, community and public relations manager.

Nationwide, public hospitals are failing at a rate of 3 percent a year, Vahlberg said. The proposal would help ensure that WKMH remained viable.

As planned, the change to a private, non-profit hospital would be seamless for employees and the community, Vahlberg said. A new non-profit corporation would be formed to lease the building and facilities from the county and would be run by its own board, which would be made up of people from the community. They would assure a portion of the revenue would be reinvested in the employees and facilities. Long said the hospital could not be sold by the new board.

Public entities are required to make their business plans available to everyone, long before the final decision, Vahlberg said. Public hospitals cannot protect their business and strategic plans from private competition. She said she thinks this is one reason for the failure rate.

WKMH

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Another reason for looking at a different operation structure is in a 2006 Idaho Supreme Court decision that changed the way public entities can finance large purchase items. Prior to the decision, expensive items could be purchased on a lease, taking several years to pay the cost. Now, a publicly owned hospital cannot do this.

"When radiology or lab equipment is needed, to get it we can only go a one-year lease or cash," Vahlberg said.

A new MRI or CT machine can cost \$1 million each, Long said. Add that to a traditional depreciation schedule of 10 years on a piece of equipment that has a technology life of five years and one can understand what the hospital board is up against.

Several months ago, the hospital board of directors approached Gem County commissioners about a change. The commission-

ers will make the final decision.

The process to change would take several more months.

Gem County Commissioner Michele Sherrer said, "I think we need to do what we can to protect the hospital. But, if the public thinks this is a bad decision, I'd have to think about it."

In other matters at the GEDA meeting:

■ City Life, Inc. offers a budgeting class for victims of domestic violence. Stephanie Phillips said, "one of the big factors in whether a woman in domestic violence leaves or stays is money." The six-week class includes follow-up assistance. City Life is considering making the class open to the general public.

■ The city's design review committee is working on requirements for the commercial area of Emmett and the city's area of impact in the county, Emmett Council member Michelle Welch said.

The next GEDA meeting is on Thursday, March 11 at 8 a.m. at the USDA building, 1805 Highway 16. Call 365-5144.