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## Finalists for PMC partner announced

*Two companies vying for role are from Texas and Tennessee*

POCATELLO — A future partner for Portneuf Medical Center has come down to a choice between two health care systems, Tennessee-based LifePoint Hospitals or Texas-based Legacy Hospital Partners.

PMC announced the finalists Tuesday, after several months spent soliciting potential partners to fund completion of the consolidation of two existing campuses into one state-of-the-art facility. Residents will have a chance next week to hear from members of both health care systems during two question-and-answer sessions.

Plano, Texas-based Legacy is a privately held company that was recently formed to own, operate and manage acute-care hospitals in partnership with nonprofit entities. The company's senior executives have worked together in the health care industry for more than 10 years.

Brentwood, Tenn.-based Life-Point was founded in 1999 and is one of the nation's largest health care companies focused on providing services outside of urban areas. The company operates 48 hospitals in 17 states. Of those, 44 are in communities where LifePoint is the only hospital.

"The finalists have the financial resources and have made the commitment to complete the new hospital as soon as possible," said Kelly Hirning, chairman of PMC's governing board. "In addition, each of them embraces our shared governance model that will allow significant local control. This unique opportunity will allow us as a community to have a brand new facility that will be the regional referral center for the entire surrounding area."

Tuesday's announcement came through a joint news release from PMC and the Bannock County Commission, which have retained Rave Communications to handle public information needs throughout the remainder of the process, said Greg Gunter, president of Rave Communications.

Gunter said two separate meetings will be hosted at the auditorium in Idaho State University's Kasiska College of Health Profession on Memorial Drive in Pocatello. Legacy will make its presentation on July 15 and LifePoint will meet with the public on July 16. Both meetings are slated to start at 7:30 p.m.

"The two finalists are going to present their proposals to the public and will take questions," Gunter said. "I would suspect each meeting will last about two hours."

PMC was in the midst of the first phase of a project to consolidate its east and west campuses onto the property at its Hospital Way location in early 2007 when administrators determined that a 2006 Idaho Supreme Court decision would require future bonding to be put in front of Bannock County voters for approval, thereby making funding subsequent phases difficult.

The Bannock County Commission, to aid in determining the feasibility of the hospital's plan to finance the project, hired Stroudwater Capital. Earlier this year, Stroudwater determined that PMC could not finance the  
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consolidation project through bonding for several reasons, including a reduction in the hospital's bond rating late last year.

A few days after Stroudwater's report, The Bannock County Commission, PMC's hospital board and a citizen's advisory committee agreed that the best route for the hospital was to convert it to a private, 501(c)(3) nonprofit and seek out a partner to provide capital. Proposals from those potential partners were received in May, and negotiations to fine tune possible agreements have been ongoing since then.

Joe Lupica, president of Stroudwater Capital, said Tuesday that more than 25 health care systems were contacted about partnering with PMC, with two-thirds of those operating as nonprofits. About 12 systems responded and those were eventually whittled down to Legacy and LifePoint.

Bannock County Commissioner Larry Ghan said the primary goal in choosing a partner for PMC is to garner the best possible health care for the county.

"That includes working with a capital partner that will commit to providing the financial support and other necessary resources to build a full-service, technologically advanced regional medical center that will meet this community's present and future needs," he said. "We are pleased that we have made enough progress to enter the next stage of this vital community process."

Among the criteria used in determining who could eventually partner with PMC was a list of community values developed last year by a citizen's panel that was convened to aid in helping with the hospital's future governance.

Bannock County Commissioner Steve Hadley said it's critical for everyone to understand that the community values have played a role throughout the process of finding a partner for PMC.

Some of the values identified include: construction of a regional acute care hospital and the capital to support it; joint ownership of the facility with 50/50 shared governance; continued access to care for people from all walks of life; strong physician relationships; protection of employees and support of medical education in cooperation with Idaho State University.

"We are confident that either of these finalists can deliver on those objectives," Hadley said. "We are anxious to see how each organization will specifically address each of our rigorous demands in their responses and in the community forums next week."

Lupica said that PMC representatives will visit hospitals managed by each of the finalists this week. The hope, he said, is to have a preferred partner selected by the end of August to allow time for inclusion on November's ballot.

Voters will then be asked to approve the creation of a 501(c)(3) nonprofit to govern the new hospital created by the partnership, the relinquishment of the county's control over PMC and the proposed partnership.