

Rexburg Standard Journal, Thursday, Nov. 5, 2009 – by Matt Eichner (2 pages)

Hospital buys out surgery center

REXBURG — Madison Memorial Hospital bought the North Fork Surgery Center for \$1.8 million in a deal finalized Wednesday. The deal makes the North Fork Surgery Center a department of the hospital, and it will be renamed the Madison Memorial Surgery Center.

The surgery center's assets were bought by the hospital at the cost of \$1.8 million after the parties received the go-ahead from the hospital's Board of Trustees and the Madison County commissioners. The surgery center approached the hospital about forming a partnership 10 months ago, said hospital CEO David Rowe. He said Wednesday it was part of, "a fairly ongoing dialogue on how to improve patient care in the area. Basically our intent is to do the best we can to keep up with the growth of the community," Rowe said, citing the hospital's \$50 million expansion that is still under construction. The hospital also put into place a partnership last year with Teton Radiology Madison, which neighbors the North Fork Surgery Center.

Madison County Commission Chairman Robert Hansen, who is also a nonvoting member of the hospital board, said the hospital has received no taxpayer dollars for the purchase. Hansen said the expansion of the hospital benefits the upper valley.

"We are so much better prepared than we were ever before," Hansen said. "I think from our point of view, we thought it was a win."

With the combination of the two entities, the hospital expects the rates for procedures will stay the same because payment plans from private insurers and Medicaid and Medicare are the same for both.

Rowe also said that the hospital is not a monopoly on surgery in the upper valley, saying that patients' interests come first.

"By no means is this the only option for people," Rowe said. "Our interest is to be the best provider we can be," and to "respond to patient care as best we can and as competitively as we can."

The hospital is limited in what it can charge for the most part, he said. "At least half of those rates are set from any insurer, Medicare and Medicaid," Rowe said. "We know that overall the hospital's rates are low in comparison to other hospitals in the region and the state."

With the new department added, the hospital adds about 15 employees to its 520 employees now at the hospital.

Hospital spokeswoman Jennifer Steinmetz said the new employees' pay would remain mostly unchanged. "Some of them are changing to stay consistent with (the hospital)," Steinmetz said. "There wasn't a significant difference."

General surgeon Dwayne Hansen will be the medical director of the center, and JoAnn Eddins will be operational director.

“We look forward to working with Madison Memorial in our outpatient surgery center,” said Dwayne Hansen in a news release. “We feel that our collaboration will strengthen the medical community and the services we offer to our patients.”

Dwayne Hansen is one of the four original founders of the North Fork Surgery Center.

Rowe said he expects each of the four surgeons will be the medical director of the center at one time or another on a rotating basis.

The other three are Brian Christensen, Kevin Lee and Michael Larsen. The center is at 381 E. Fourth North in Rexburg.