

# IMPulse

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**Messenger-Index**

Emmett, Idaho

**Wednesday Aug. 2, 2017**

**by Janet Monti**

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## Hospital debt paid off early

Back in 1997, Valor Health looked much different, both inside and out. At the time, hospital administrators, board of directors and Gem County Commissioners saw a need for changes. And the changes would cost more than what was readily available.

So in 2003, the county obtained \$5 million in funding through the Idaho Health Facilities Authority for about half of the project. Last April, the hospital made the last payment of \$51,967.33, and made it earlier than originally projected.

Hospital board chairman Dave Shaw and hospital Chief Financial Officer Nate Coburn spoke about paying off the debt. This type of debt is allowed by Idaho code and gave the IHFA a special interest in the property. As a revenue bond, payments were made from the hospital 's general revenue. The hospital did have some savings, so about half of the total project was paid from the savings.

“No property tax dollars were used to pay the debt,” Shaw said.

About four or five years ago, the debt was refinanced at a lower interest rate which paid it off more than a year early.

Were there surprises during the project? Yes, a few unexpected items were under the floor.

Obviously the look of health care has changed over the years. But the additions and remodeling have proved a good investment in the future. Other than a few minor remodels, the plans of 1997 still work.

“The original change in 1997 was a wise investment in the future,” Coburn said.

VH is one of the only hospitals of this size in the state with a budget under \$40 million without tax dollar support, Coburn said.

So what's next?

Both men are looking at space and service needs for the future.

The Gem County Commissioners are “pleased to have the bond retired so the hospital board can pursue other goals at the hospital.”

Scope of 1997 remodel

In 1997, those in authority over Walter Knox Memorial Hospital (the hospital's name in 1997) received a master plan report. At the time, the hospital was 28,339 square feet, with a focus on two distinct components for delivery of healthcare — hospital/acute care and outpatient services/clinic. An examination determined very little of the space was underutilized. Some functions were in spaces way too small.

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The 1997 master plan came up with adding onto the building (9,142 square feet) as well as adjusting some areas.

The project was performed in four phases and planned in a way that disruption of patient services was minimal. Heavy renovation involved just over 15,000 square feet. Site development was also in the plan, which included paving and sidewalks.

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