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Panel will examine Holy Cross finances

By Andrew Oxford

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Examining the finances of Holy Cross Hospital following a round of cuts to beds and staff in September will be the first order of business for a community task force that convened its inaugural meeting Tuesday night (Dec. 3).

The committee of local government officials, health care workers, area residents, doctors and representatives of Taos Health Systems agreed to begin their series of bi-weekly meetings by thoroughly reviewing the fiscal state of the local nonprofit.

Recommendations regarding economic and governance changes to the hospital will be returned to the town and county governments as well as Taos Health System's board of directors by the end of January.

"Before we move forward on anything, we need to know the hospital's finances," said Dr. Christa Castro, a doctor at Holy Cross representing the medical community on the committee alongside Dr. Sylvia Villareal.

Other issues to be addressed by the committee will be determined at later meetings but Taos Town Councilor Michael Silva said the intention would be to remedy a perceived lack of transparency at Holy Cross preceding the announcement of a new strategic plan in September.

The creation of the Community Hospital Committee was first suggested at a joint meeting of town and county officials Sept. 24 prompted by concerns over that plan. Holy Cross administrators said their vision was shaped by the hospital's precarious financial circumstances but Silva said those issues were not communicated to the broader community.

"Everything was fine and dandy, hunky dory. Then we had layoffs," Silva said, referring to presentations from Taos Health Systems CEO Peter Hofstetter the councilor suggested portrayed a rosy picture of the nonprofit's finances.

"Part of the hospital's mission statement is community involvement and there hasn't been a lot of that," Silva added.

The committee's members resolved to draw on a broader group of Holy Cross staff and board members as they examine the workings of the local hospital. No hospital administrators included CEO Peter Hofstetter were present.

Dr. Gelian Ismail, who represents the hospital's board on the task force, said the nonprofit's chief financial officer would be invited to the committee's next meeting.

The task force should also direct questions to the whole board, Taos County Commissioner Tom Blankenhorn suggested.

Those answers could impact the county government's decisions regarding future financial support for the hospital, he indicated.

Taos County's budget for indigent care would likely be reduced to \$1 million in the coming fiscal year, Blankenhorn noted. The county appropriated \$1.5 million for such health services in its last budget.

A gross receipts tax that funds indigent care could be eliminated altogether, Blankenhorn said, if the state moves ahead with plans to funnel most of the revenue from Taos.

Meanwhile, the hospital will revisit its strategic plan in January.

Blankenhorn said the nonprofit's efforts to adjust its business model to meet the constraints of an unpredictable financial situation would pose key questions for the committee. "What kind of health care are we looking at, given the layoffs? How many more layoffs are we going to have to endure?" he said.

"Nobody knows," Dr. Ismail said. "A lot of that is all up in flux."

It would be key to address those questions publicly, she added.

"Whatever proposals this committee comes up with, in addition to being presented to the community, should also be presented to the board of directors," Dr. Ismail added.

Members questioned whether the hospital's leaders would accept input from the task force, however.

The committee scheduled its next meeting for Dec. 18 at 6:30 p.m. in the board room of Holy Cross Hospital. Meetings will be subject to the Open Meetings Act and agendas will be posted by town officials three days in advance.

The committee's membership remained unclear, however. Seven groups of stakeholders will all have one vote on the task force but one group, the Intergovernmental Council, was not represented Tuesday night.

It was unclear prior to Tuesday's meeting whether the hospital's board would formally participate in the task force.

However, Dr. Ismail confirmed Holy Cross board members were expected to elect another representative to serve on the committee at a board meeting Wednesday night (Dec. 4).