

Cough it up? Hospital board to revisit tax

By Andrew Oxford

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Perhaps expecting that whatever medicine the state offers for its financial ills will not be strong enough, the Taos Health Systems board of directors is preparing to ask voters across the county for a new tax to fund specific departments at Holy Cross Hospital.

Administrators were directed to prepare draft proposals for such a tax during the nonprofit's regular board meeting March 26. The board will receive the draft proposals at its next meeting later this month.

The goal is to identify streams of tax revenue that could potentially fund the hospital's intensive care unit, emergency department and obstetrics department.

Those departments have been major drivers behind the nonprofit's financial losses, which totaled more than \$5 million in fiscal 2013, but previous cuts to those units were met with widespread criticism among local residents.

"There appears to be a consensus by all parties involved those three areas have community support," board member Gus Còrdova told The Taos News.

"We can't have a hospital without an emergency room," he said, adding that it was important for at least some intensive care and obstetrics patients to receive care locally.

A previous proposal for a special election on a countywide tax to fund the hospital was rejected by county commissioners in 2012.

But board members suggested any new push will be markedly different. If it moves forward with a campaign, the hospital will seek funding for specific departments rather than general operations or capital expenses. Sentiment among local residents is also likely to be more favorable, according to Còrdova. "Now, I think the community has a much better understanding of the root cause of the problem," he said. "They could say 'we'd support that' or 'no, we're taxed enough.'" Any campaign is still a long way off, board members and administrators indicated, and the hospital would not receive any revenue from a new mill levy or gross receipts tax until January at the earliest.

"It's going to take time to get our numbers together and market this correctly," Còrdova said, noting this discussion comes as board members consider the nonprofit's budget for the fiscal year. "The clock is ticking. We need to start sometime."

The hospital is also expecting to find out in the coming months how much funding it can expect to receive under the Safety Net Care Pool fund, a Medicaid program administered by the Human Services Department and overhauled by the state Legislature earlier this year.

Holy Cross received \$8.1 million in fiscal 2010 under a previous iteration of the program but that funding shrank to slightly more than \$2.2 million in fiscal 2013 and the hospital is still waiting for payments from the state for previous quarters.

Taos Health Systems is unlikely to see funding restored to 2010 levels under the new program, CEO Peter Hofstetter told the board.

“We won’t get \$8 million. We won’t get \$7 million. I hope we’ll get around \$5 million,” he said. County officials are not likely to support a referendum on a new tax until that figure is determined, according to county commissioner Tom Blankenhorn, who chairs an intergovernmental committee on the hospital and broader public health concerns. Safety Net Care Pool funding of approximately \$5 million would likely allow Taos Health Systems to maintain its status quo and begin to rebuild cash reserves, Blankenhorn told *The Taos News*. A smaller payment could be insufficient, he added; another funding source might be required to maintain services but suggested a tax is only one option.