



Building trust a priority for hospital's new CEO

By Andrew Oxford

The Taos News, 4/23/2015

When it comes to running hospitals, Bill Patten knows the importance of a community's trust.

In his last job, he took charge of a hospital just as the community it served reeled from revelations his predecessor embezzled nearly \$850,000.

While Holy Cross has not been rattled by such a sudden shock, the new CEO of Taos Health Systems acknowledges the community is not exactly trusting of its leadership, either.

"There's a lot of work to be done rebuilding trust. That's going to be one of my first priorities," Patten said during an interview in his new office Sunday (April 19).

But the new CEO, who started work April 13, indicated community relations will not just be a publicity ploy but a matter of survival for the hospital as it operates with less than three weeks worth of cash in the bank.

The first test will be a proposal by the hospital sometime in the coming months to raise property taxes to finance approximately \$7 million worth of repairs which the organization would otherwise be unlikely to afford.

Patten indicated tax support could be key to the hospital's future but said securing it would require real buy-in from local residents.

"If the community doesn't trust us, then we shouldn't go to the ballot with an initiative," Patten said. "It's like asking for failure."

Trust, to hear the new CEO put it, will be a two-way proposition, though. As the hospital's board asks for Taos County taxpayers to help meet its mounting infrastructure costs, Patten indicated he will be examining a wide range of options for controlling costs.

"Right now we need financial stability," he said.

And yes, that could mean cutting personnel.

"To say I'm going to reduce my expense structure without reducing personnel is not realistic," he said.

“A lot of the departments are not running the productivity that they need,” he added. “I don’t know what that means yet but I know it’s part of an imbalance we need to address in order to survive.”

The administrative staff is already shrinking. The parttime position of chief medical officer was eliminated earlier this year and several administrators have left the nonprofit in recent weeks.

Nonetheless, Patten indicated he is not ready to begin axing positions or slashing services.

In planning his first year, Patten explained he considers the first months a “listen and learn stage.”

“These first few months, I just need to know what’s going on here,” he said. “Before I start going in and saying I know how to fix everything, I need to make sure I understand what the problem is before I start to roll out all the fixes.”

Moreover, Patten suggested Holy Cross can keep its doors open without being cut down to serving as nothing but a glorified Band Aid station.

“Are we big enough that we can be sustainable? The answer should be yes,” he said.

Taos Health Systems continues to see a decline in inpatient volume and shift toward demand for outpatient services while an increasing number of patients pay with Medicaid, which does not cover the full cost of care.

But Patten was optimistic Taos Health Systems can adjust to what is becoming a new normal.

“For many hospitals around the country, that’s their focus — to be able to survive on Medicaid payments,” he said “I don’t know we’re positioned for that yet but that’s part of a conversation we need to have.”

Patten said he plans to support a strong surgical department, which could bolster the organization’s bottom line.

“I’m going to devote significantly more time to developing relationships with the doctors,” he said. “And when I say relationship, I’m not meaning being beer buddies but where they know I have their back.”

Nonetheless, a project touted by some local physicians is likely to receive a cool reception from Patten, at least initially.

The hospital’s board is expected to decide in the coming months whether to proceed with the construction of a new medical office building on land adjacent to Holy Cross.

While financing from the U.S. Department of Agriculture was secured years ago, Patten indicated now is not the time for an expansion.

“I think that we do need a construction project. But it’s my sense that with our bottom line, taking on an additional payment would be dicey,” he said. “I want to look at the numbers but my gut says right now that if you’re talking about the next 12 months, we can’t afford an additional payment.”

In the short term, Patten indicated his priorities will be rebuilding cash reserves and restoring trust, another facet of which will be asking local residents to not just cast ballots in support of the hospital but spend their money there too.

“If the community wants us to be here in the middle of the night when they have a heart attack, they need to support us with the bread-and-butter stuff during the day — the annual exams, the mammograms, the colonoscopies,” Patten added. “The community has to vote with their feet and that I think is going to be a three-way partnership. It’s going to be the employees, the medical staff and the administration working together.”

Patten expressed interest in joining the community task force established in 2013 to study the hospital but noted he “won’t completely open the books,” maintaining Taos Health Systems is a private nonprofit.

Holy Cross is the fifth — and with 29 beds, the largest — hospital Patten has led during his career in health care.

Patten formerly headed Powell Valley Healthcare in Powell, Wyoming, where he assumed the role of CEO in Feb. 2012. He has also served as CEO of St. John’s Lutheran Hospital in Libby, Montana, and Sitka Community Hospital in Sitka, Alaska. He is relocating to Taos from Wyoming with his wife of 38 years, with whom he has two adult sons.

The selection of a new CEO follows the departure in July of Peter Hofstetter, who had been CEO since 2009.

Patten replaces interim CEO Cindy Bradley, who led the nonprofit’s day-to-day operations since Dec. 1.

During her tenure, the organization took stock of deferred infrastructure investments and began shutting down the Pe-asco Health Clinic. Bradley also continued to explore a closer relationship with UNM.

The search for a new CEO was led by Quorum Health Resources, a private consulting firm contacted by the nonprofit’s board to provide administrative services such as executive staffing. Patten will be an employee of Quorum Health Resources but will report directly to the Taos Health Systems Board of Trustees.

Though board members suggested after Hofstetter’s departure they hoped to select a new CEO before the beginning of 2015, the recruiting process appears to have proceeded cautiously.

The board had asked Quorum Health Resources for and was presented with three vetted, qualified applicants. Staff, board members and administrators reportedly met with Patten as well as another potential candidates.

Patten has a Bachelor of Science degree in medical technology from Walla Walla College in College Place, Washington. He also has a Master of Arts in business with an emphasis in health care management from Webster University in St. Louis, Missouri.

But he says his work in medical laboratories also proved instructive.

“Lab guys are very detail-oriented, we’re very linear in our thinking, very data driven,” he said. “A lot of the things I do on a day-to-day basis, I’m so glad I learned in a lab.”

And if medicine offers any lesson for his first few days on the job, it might be the idea of “ABC” — airways, breathing, circulation.

“If the airways are not open, you can’t breathe,” Patten said. “Then you worry about circulation. I’ve got to make sure I’m doing things in the right order.”



Katharine Egli

William D. Patten, Taos Health System’s new CEO, unpacks boxes in his office at Holy Cross Hospital on Sunday (April 19).