

Holy Cross Hospital renegotiating direct employment of CEO Patten and CFO Rozenboom

By Andrew Oxford

The Taos News, 11/5/2015

Taos Health Systems is negotiating to directly employ two of its top executives who are currently employees of a management company contracted by the nonprofit. CEO Bill Patten and CFO Steve Rozenboom are employees of Quorum Health Resources, which is contracted by Taos Health Systems to provide a series of services, including executive recruitment.

The nonprofit's contract with Quorum Health Resources expires April 2016 and before entering discussions regarding the process by which that contract might be updated and renewed, Taos Health Systems is entering negotiations to directly employ Patten and Rozenboom.

"Steve and I are in agreement that this is a good thing for THS (Taos Health Systems) and it will allow us to move past a distracting issue – from whom do we get our paychecks and to whom are we loyal," Patten said in an email to staff Monday (Nov. 2). "As we have both said, while we get our paychecks from [Quorum Health Resources], we work for THS and want to be viewed as part of the THS family.

Steve and I are committed to this organization and this community – we are hopeful that this change will enhance that reality."

Quorum Health Resources, a private corporation based in Tennessee, provides a series of services to hospitals around the U.S., including consulting as well as management and purchasing.

But it has been a lightning rod for criticism, with some local officials questioning whether the company's financial interests influence decisions of the nonprofit's leadership, prioritizing Quorum's bottom line over the community's needs.

A committee of Taos Health System board members recommended the nonprofit renew its contract with Quorum Health Resources after a review of the agreement earlier this summer.

A report submitted by board member Karen Matherlee June 24 said the contract's purchasing discounts are very advantageous to Holy Cross Hospital. The report also said Quorum Health Resources provides essential consulting services to the nonprofit and is highly regarded by managers. Competitors were not considered superior to Quorum Health Resources, according to the report.

But the report also suggested that if the contract is renewed, it be thoroughly reviewed and proofread, noting numerous typographical errors including “at least one egregious error.”

Patten cautioned against reading too much into the announcement regarding the renewal of Taos Health Systems’ contract with Quorum Health Resources.

“...the Board will be actively renegotiating that agreement, a process that should be completed before May 2015,” Patten said.