

My Turn

Dear Taos County residents

Bill Patten

The Taos News, 3/17/2016

On behalf of the board of directors, the employees, and the medical staff of Taos Health Systems (THS) and Holy Cross Hospital, please accept this expression of sincere gratitude and appreciation for the positive vote in the recent mill levy increase special election.

By way of review, last fall the THS Board asked the Taos County Commissioners for financial help to assist us with the purchase of medical equipment and making repairs on Holy Cross Hospital. Due to changes in federal and state reimbursements over the last five years, we have delayed many needed equipment purchases and deferred many important maintenance projects; the current list exceeds \$10,000,000.

As we shared during our many community presentations, rural healthcare providers face an increasingly difficult dilemma; reimbursements for unpaid hospital visits, Medicare and Medicaid payments are shrinking while our costs continue to grow. Over the past few years THS made difficult choices in an effort to survive. Examples of these choices include laying off 35-40 employees several years ago and closing our Penasco Clinic last year.

In spite of our ongoing financial losses, we continued to subsidize numerous departments/ services on which we lost money. We did this because we felt these services were critical for the health of our community. We realized that, without help from the county, we could not continue this trend for very long. This situation is faced by many rural hospitals in New Mexico and across the country. A very recent example ... just two weeks ago the hospital in Las Vegas, New Mexico closed its obstetrics unit.

Had the mill levy vote failed, we would have been forced to make some very difficult and unpopular choices. But thanks to the "YES" vote of 2,323 residents, we will not have to go down that path! This special election had the highest turnout in Taos history; a total of 3,057 Taos County residents cast votes on March 8!

Moving forward in the coming weeks and months, we will work on the following steps: 1. We will update and reprioritize the list of needed medical equipment purchases and building maintenance and repair needs. The list will take into consideration new items that will be identified during the budgeting process for our upcoming fiscal year. It is my sense that we will set aside an amount of money (I am thinking \$300,000 to \$500,000) in a contingency fund of sorts just in case something breaks that we had not planned to replace. Over the first year and one half, I think we will spend about \$2 to \$2.5 million — making a huge dent in the backlog of needed projects. The remaining money will be spread over the remaining two and one half years. The money provided by this mill levy increase will allow us to make significant progress on the \$10 million in needed repairs and equipment purchases; please keep in mind that the

money will not be used for supplies or employee salaries. This spending schedule will depend on the ability of Taos County to issue bonds guaranteed by the mill levy revenue.

2. While we work to make sure our list is prioritized properly, we will also work with Taos County to determine exactly how the money will be transferred to the hospital as well as the process by which equipment purchases and needed repairs are prepared and presented to the Taos County Commissioners; the third step in our approval process. Step No. 1 will be administration approving management recommendations. Step No. 2 will be board approval of administration recommendations.

3. As I understand the process, all purchases/expenditures that we want to make will be debated in open session by the Taos County Commissioners. Once approved, all projects will be listed and tracked on the Taos Health Systems website.

It truly is a new day at Taos Health Systems and Holy Cross Hospital. We have had a positive bottom-line for the past eight months. We are working to update our employee compensation program, making sure that our employees are paid a fair and competitive wage. We are working with our medical staff to determine how we can grow our service menu, allowing more care to be provided within our local community. And we are actively tracking our patient satisfaction scores to make sure that our high quality clinic services are complemented by great customer service.

Thank you for trusting us, thank you for giving us this chance. You have my word that my team and I will do everything in our power to make you proud of your local hospital and healthcare system!

Bill Patten is the CEO of Holy Cross Hospital.

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