

## **Holy Cross CEO covers payroll, seeks more cuts**

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Holy Cross Hospital CEO Bill Patten confirmed this week that there's money in the bank to cover the next two pay periods at the financially troubled Taos hospital, but he's hoping to hear from the public regarding other cost-saving measures that could build upon recent financial gains and guard against future budget shortfalls.

"I think we need to engage the community in this conversation," Patten said, reflecting comments shared at a Taos County Commission meeting last week. "Rather than having the hospital on its own, talking about cutting here or cutting there, we need to talk to the public about cutting entire service lines."

Patten said that he and other top brass at the hospital are working to identify which medical services are turning a profit – and which may be further drains on a budget that has run at a loss for the better part of the past four years.

Keeping services active may mean public support, so public input on what's working and what isn't, Patten said, will be key in making these decisions.

An ongoing trend of overspending reached a tipping point over the past few months: the combined result of a new computer system that didn't roll out as planned, the hospital's new "critical access" care fee structure, delays in Medicaid payments and a lawsuit from 2013, which boosted the hospital's medical malpractice insurance by more than \$600,000.

Seeking balance, the hospital laid off a dozen employees last month, which produced savings estimated at around \$300,000. That, combined with this month's influx of over \$700,000 in long awaited cash payments, has brightened the hospital's bleak financial outlook.

But Patten acknowledged that hospital administrators are not yet out of the woods. He only went so far as to promise its ability to cover payroll in the short term, while long-term solvency remains a question mark.

At the beginning of the month, Patten announced that the hospital might request permission from the county to cover payroll using county mill levy funds, a source of funding that had been designated for medical equipment, repairs, maintenance and operations. Patten said payroll falls under the final category of approved spending.

At last week's county commission meeting, however, Patten said he did not yet need to tap the mill levy funds.

This week, he elaborated that ongoing cost-saving measures are keeping the hospital afloat.

"We cut over a million dollars in checks to our vendors over the past two weeks," he said. "We're seeing better collections. Last week, we had over \$197,000 dollars deposited."

Patten added, however, “to get caught up, we need to see more. This doesn’t address the backlog of what we owe.”

He said that means that positions cut from the hospital last month will be not refilled, at least not for the foreseeable future.

The next Holy Cross board meeting is scheduled for Feb. 28, 6p.m. County and town officials will convene to discuss community health on March 7. Both meetings will be held at Holy Cross Hospital on Weimer Road.

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