

## Holy Cross reports June operating loss, announces new hires

By **John Miller**, [jmiller@taosnews.com](mailto:jmiller@taosnews.com)

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Holy Cross Hospital administrators reported a \$30,000 operating loss in June, but also announced the hiring of several new staff members with the goal of sustaining service levels as they seek solutions for persistent financial challenges.

At the hospital's July 25 board meeting, Chief Financial Officer Steve Rosenboom attributed last month's loss to a seasonal dip in patients and increasing government insurance coverage. Programs such as Medicaid, Medicare, Veterans Health Services and Indian Health Services comprised roughly 77 percent of the hospital's business last month, Rosenboom reported. Dollar-for-dollar, federal health care programs provide significantly lower reimbursements for health care services compared to private insurance carriers.

Rosenboom said fewer patient visits could also be traced to an increasing number of primary care providers in Taos County.

The hospital reported the loss in spite of strong gross revenues, which came in a bit under \$12 million, a mark the CFO said has been exceeded only once in the community hospital's history.

Holy Cross CEO Bill Patten also announced several recent hires at the hospital.

Patten said the hospital recently hired a second staff nurse, Kelly Regan, for Holy Cross Pediatrics, a new primary care clinic that opened June 20 on Gusdorf Road.

Two new directors were also hired. Gary Ayres will head up the hospital's lab, and Ron Etcitty will oversee human resources. Lastly, Drs. Claudia Bouvier and Jonathan Moran joined the hospital's emergency department in early July.

Holy Cross has been working to rebuild staff with permanent members as numerous employees have resigned from the hospital over the past two years and a round of layoffs over the past year thinned the hospital's ranks.

According to several former staff members, the staff losses, combined with frustrations stemming from the coincidence of several challenges – including a new billing system that didn't work correctly, a switch to a new Medicare model and a Medicaid bill costing hundreds of thousands of dollars – have made life difficult at the hospital.

But financial struggles aside, quality assistant vice president Sue Romansky reported that service quality measures recorded by the hospital continue to show high marks.

The hospital also recently completed a round of negotiations with the District 1199NM hospital union, whose president, Lorie MacIver, will be leaving her post this summer, Patten said.

The hospital is also engaged in a number of strategies to improve internal governance and relations with the community, the CEO added.

In August, a strategic planning initiative will be conducted with Quorum Health Corp., an operator of acute care hospitals that has assisted Holy Cross administrators with a strategy to address its current financial troubles.

Quorum representative Don Smithburg said many other rural hospitals are also struggling with finances.

“I think you all are very aware that hospitals like ours here are in relatively small towns, small institutions, sometimes with tough economic circumstances, is a situation that’s shared in a lot of other states,” Smithburg said, adding that 70 percent of the hospitals they work with are also in serious financial straits.

Smithburg said Quorum has even been forced to slash its own budget by 20 percent over the past 14 months.

One board member noted that Smithburg’s comments have been cited time and again when the question of the hospital’s financial well-being has been raised.

“Is there some forum for best practices?” they asked. “You would think, with 100 hospitals, that you would start to have some models that say look, ‘Here’s how we could implement those here.’ “ Smithburg said Holy Cross has been working to identify best practices to improve its financial situation since November when it launched its financial improvement plan.

“It doesn’t happen overnight, of course,” Smithburg said.

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