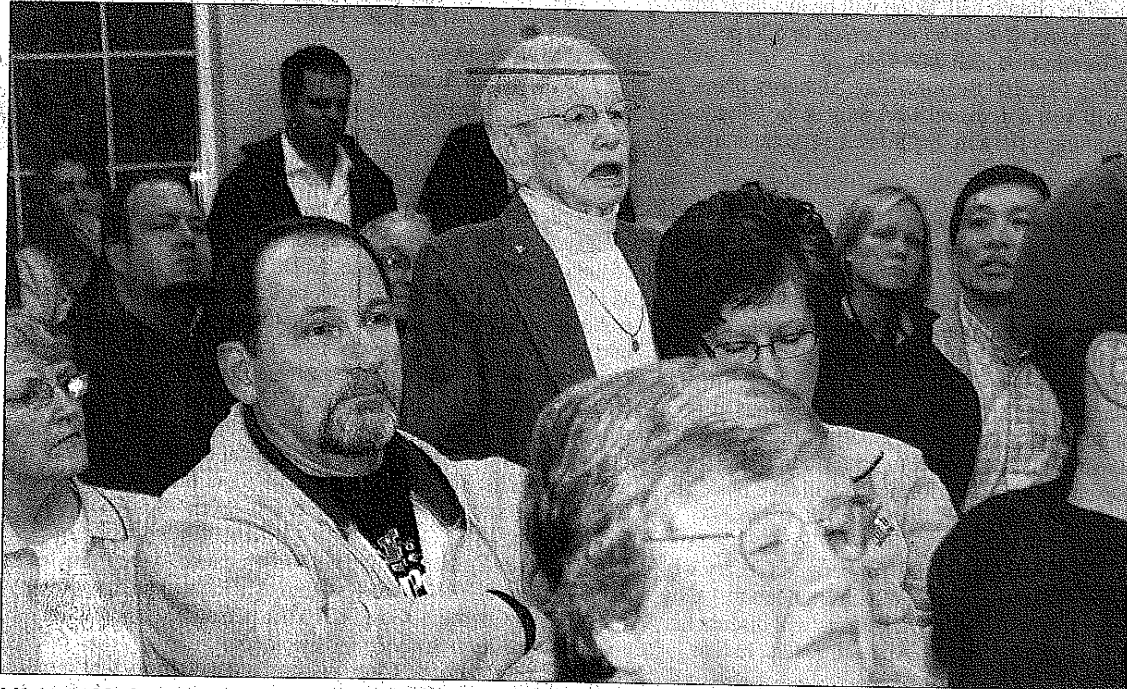


McCleary residents oppose move

Zulco Vidette



Lifelong McCleary resident Laura Reynolds gives her views at the McCleary town hall.
(Photo by Tommi Holvorsen Gatlin)

Analysis recommending new Mark Reed facility in Elma is presented

BY TOMMI HALVORSEN GATLIN
Vidette Reporter

After a presentation Feb. 4 on a market analysis for planning a new Mark Reed Hospital, in which the firm performing the study recommends building it in Elma, McCleary Mayor Gary Dent had a question — for the audience:

“Do you want me and my colleagues at city hall to fight this or support it?” Dent asked the 55-60 community members gathered at the McCleary Community Center.

“Yes, yes, fight, fight it ... fight it” shot back a number of disgruntled folks.

Renée Dunham, Mark Reed’s chief executive officer, suggested it would be better to get answers to any questions they had first.

Later, Dent told Dunham the City of

McCleary would be monitoring “very carefully” a loan application to the U.S. Department of Agriculture the district hopes to submit this summer and could raise objections if there are concerns.

It was the second town hall meeting on the subject. About 20 community members met Feb. 3 at the Elma High School library for the same presentation by Marc Sauvé, senior healthcare strategist with Nashville-based Gresham, Smith and Partners. Attending there were Elma councilmen Jim Taylor, Tom Boling and David Blackett; Elma School Board member Teresa Boling and Grays Harbor County commissioner Terry Willis.

McCleary councilmen Bennie Ator, Mike Lant and Brent Schiller attended the McCleary session, as did Willis. Also at both were hospital district

Please see **Mark Reed** on A-6

FROM THE FRONT

Mark Reed:

Continued from A-1

commissioners Louie Figueroa, Brent Meldrum, Amy Thomason and Dean Schwickerath and representatives of the U.S. Department of Agriculture, from which the district hopes to receive a Rural Development loan. District commissioner Drew Hooper was also at the McCleary meeting.

The market analysis included numbers from the previous five years of Mark Reed admissions and emergency, outpatient and clinic visits, "swing bed" skilled nursing care and how many patients came from what areas of the hospital district, which includes Elma, McCleary, Satsop, Porter and Malone, and how travel times affect where people go for their care.

The study gives a range likelihood levels in its projections. But at all levels, Sauvé said, if the hospital is in Elma instead of McCleary, "we're talking about 80 percent more admissions, 25 percent more emergency visits and 50 percent more outpatient and clinic visits."

Some questions

During question-and-answer portions of the meetings, some questions raised didn't have readily available answers, such as what size the hospital would be. And whether the county, which owns the 22-acre former Oakhurst Sanitarium site in Elma, would make it available for the new hospital.

And Willis and others wanted to know exactly who would be financially responsible should the hospital run into hard times as in the past and default on the USDA loan.

The district estimates the new hospital could cost between \$15 million and \$25 million.

Though she had no definitive answer, Dunham said the most likely default scenario would be that a larger hospital would take over Mark Reed, as in "several examples across the state." And it wouldn't be known who was financially responsible in case of



Gary Dent
McCleary Mayor

Do you want me and my colleagues at city hall to fight this or support it?

default "until we have a loan secured and established with the USDA that has the terms of that," she said.

It was also unknown as yet what it would cost to develop and build at various sites considered, which also include a 58-acre Green Diamond parcel about two miles east of the county fairgrounds near Elma, the original relocation site proposed several years ago near the McCleary cloverleaf at Highway 8 and three parcels in the Summit area of McCleary.

Some comments

McCleary folks, especially, also had some comments. A few included:

- Numbers can be made to say whatever you want them to.
- The study's figures could be skewed by not counting how many emergency patients were diverted to other hospitals when Mark Reed was full or by not specifying their "point of origin" vs. their place of residence.
- The Simpson door plant is the only other large business in town; if the hospital moves to Elma, where it won't be paying McCleary utility fees, McCleary, which has its own power company, will die.
- Travel time to a hospital, which the consulting firm says is an important consideration in locating the new hospital, is just "an excuse" to justify the Elma location.
- Some want to continue receiving their care in McCleary because it's a friendly town.
- Montesano people whose doctors are in Aberdeen still wouldn't use Mark Reed if it were in Elma.
- The location doesn't matter; the

people in Elma would still travel to McCleary.

• What used to be about 30 days to get a house loan is now 90 days. "You're lucky if you get one through." And government financing is "a laugh."

Some responses

Even if the emergency data were inaccurate, "we still had the exact same trends and the exact same scenarios" in other categories, Dunham said, including admissions, outpatient and clinic visits and the nursing's "swing bed" program, skilled nursing care for those not quite ready to go home.

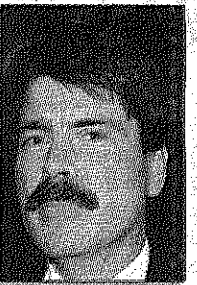
Dunham said it's a "first things first" process — "where should the hospital be located based on the data," then the size determined by an upcoming financial feasibility study, as well as the loan amount. "If we can't afford what we really want to build, we'll scale the hospital smaller so it can, in the future, be expanded..." she said.

Mark Reed can care for "low acuity patients at this time, pneumonias, pain control patients, urinary tract infections," Dunham said. But services could be expanded at a new hospital.

Mark Reed being a "critical access" hospital is significant, Sauvé said. Unlike other hospitals, which are paid for Medicare patients on a fee schedule based on the patient's diagnosis, Mark Reed gets "cost-based reimbursement, which is a huge benefit. You get the cost of delivering care, plus 1 percent," he said.

Moreover, Sauvé said he believes "we are going to lose hundreds of hos-

We're talking about 80 percent more admissions, 25 percent more emergency visits and 50 percent more outpatient and clinic visits (in Elma).



Mark Sauvé
Senior healthcare strategist with Nashville-based consultants Gresham, Smith and Partners

pitals over the next couple of years because they're too big to be critical access," which have 25 or fewer inpatients; are rural, generally 35 miles or more from the next nearest hospital, and have a specific ratio of Medicare/Medicaid patients.

Currently, Mark Reed has about a 53 percent ratio of Medicare/Medicaid patients, Dunham said. Licensed for 25 beds, it has about six, she said.

"Mark Reed has a bright future because critical access hospitals have a bright future, Sauvé said. The consulting firm also concurs with the idea of building the hospital now, despite the troubled economy. "It's actually a great time to be borrowing money and taking advantage of funding sources at the national and state level," Sauvé said.

Once hospital commissioners have digested the market analysis, reviewed past proposals from their former Community Advisory Committee and considered all other aspects, including location, price and potential development costs, they'll rank the properties by preference, Dunham said. Then she'll evaluate the highest priority to determine that site's ultimate feasibility. Should the first property turn out to be cost prohibitive or otherwise unsuitable, the next property on the list would be looked at, and so on, she said.

Community feedback, for which folks were asked to make themselves available, also will be considered, Dunham said.

Willis clarified at both meetings that the county's three commissioners had made no commitment yet on the Oakhurst site, though they had "tossed the idea around."

Also being considered is the possibility of keeping Mark Reed's "rural health clinic" in McCleary open, though there would also be a clinic where the new hospital is located.

As if there weren't enough to boggle the mind, some businesses have received invitations to bid on the hospital's construction project that Dunham says are nothing more than a scam. It's simple at this point to spot the scam, she said, because the site hasn't even been selected yet, which would happen well before putting it out for bid.

All of the study's information would be available soon through the Mark Reed Web site, Dunham noted.

'Data-driven decision'

The market analysis, "we believe, clarifies the decision" about where the new Mark Reed Hospital should be, Sauvé said. The firm's recommendations, including that it be in Elma, he stressed, were based on historical statistics and very conservative projections. The firm's "volume projections are achieved 95 percent of the time," he said.

Deciding where the hospital will be built won't be based on anyone's wants, or where the district's commissioners live, Dunham said. "It's based on what the market data says; it's a data-driven decision."

The district hopes to select the site this month.

For everyone in the hospital district, "what we need to be able to do is to provide the best care and provide the best access to care," district commissioner Hooper summed up.