

Study: Mark Reed should move to Elma

Forums held this week in Elma and McCleary

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Vidette Reporter

ELMA — Locate the new Mark Reed Hospital in Elma.

So recommends the consulting firm hired last summer by Grays Harbor Public Hospital District No. 1 to perform a market analysis of where the new hospital currently being planned might be best located.

"The numbers all point to Elma," Marc Sauvé, senior healthcare strate-

gist with Nashville-based Gresham, Smith and Partners, told the district's commissioners Jan. 28. The company's bid for performing the study, which was not to exceed \$27,500 in cost, was approved last August.

The market analysis, begun late last September, with the district receiving the last of the raw data Jan. 18, was one of the first steps in constructing a replacement for the current cramped and aging hospital in McCleary. The district also operates a health care clinic on the South Birch Street site.

Selection of the site could be made as early as mid-February, said Mark Reed's chief executive officer, Renée Dunham. That's contingent upon others, including Grays Harbor County commissioners and the Green Dia-

mond Resource Co., which owns some parcels under consideration, "getting back to us with the requested information," Dunham said Tuesday.

The current facility was built in 1956. The district, which includes Elma, McCleary, Satsop, Porter and Malone, was formed in the 1980s when it appeared a nuclear plant at Satsop would provide a tax base.

Locations under consideration for the new hospital have included:

- A 22-acre site in Elma, where the former Oakhurst Convalescent Center was located. The county-owned property would come already equipped with needed infrastructure, such as water, sewer and electric power. Additionally, "it's possible that there's fiber, but we have not confirmed that,"

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Marc Sauvé
Gresham, Smith and Partners
Senior healthcare strategist

Dunham said.

Two tenants currently lease about seven acres there. The hospital needs at least 15 acres, Dunham has said, and county Commissioner Al Carter has said

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Mark Reed: Survey of hospital's client base points to Elma as new location

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the hospital district could likely help one of the tenants relocate;

- Green Diamond property next to the current location that has turned out to be too expensive to develop, besides McCleary's water storage tanks being located in the vicinity.

- 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.

Other properties, including three parcels in the Summit area of McCleary, have also been suggested, and any submitted with complete information, including costs, are being considered, Dunham said.

Once the hospital commissioners have familiarized themselves completely with the market analysis, reviewed past proposals from the district's Community Advisory Committee and taken all aspects into consideration, including location, cost of the site and potential cost of development, they'll rank the properties in order of preference, Dunham said. Then she'll start with their highest priority to determine that site's final feasibility for the project, she said. Should the first property turn out not to be feasible or to be cost prohibitive, "we would then move to the second property on the list, and so on," Dunham said.

Not all equal

The benefits of the various sites are far from equal, the consulting firm says. Its analysis says that locating the hospital in the Elma area would "attain patient volumes not achievable in any alternative location."

Moreover, Elma would "provide greater opportunities and enhanced services to all residents of Mark Reed Hospital's service area," it says. For analysis purposes, small nearby

areas such as Satsop and Malone were included in the Elma area.

Currently the most populated in the district, Elma is expected to remain the most populated in the future by a margin of 3 to 1, the analysis says. So building the new hospital there would "leverage the population density and associated proximity to maximize market potential," the study concludes.

The analysis includes historical figures and other information, in addition to "future planning assumptions," or projections, driving distances and how they affect patient use and critical access hospital strategies.

Mark Reed is a Level V critical access hospital, which, among other things, means it's a rural hospital and a trauma facility that can stabilize and transport trauma victims by ambulance or helicopter, it notes on its Web site.

The analysis considers patient volumes, including emergency and inpatient data, where Mark Reed's patients have been coming from, service area demographics and "market share dynamics," or where specific portions of the hospital's market have been from and would most likely come from in the future, depending on the new hospital's location.

The only area in which McCleary's numbers came out ahead of Elma's was in the projected aging population. But an option, Dunham noted, would be for the district to continue operating its health care clinic in McCleary, besides having another at the main hospital site, should it not be McCleary.

Besides myriad other considerations, the site of the new hospital is also an emotional issue for many. Dunham said she met Monday with McCleary's mayor, Gary Dent, and that she was able to put some rumors to rest, such as possible uses of the current facility.

"At this time, there is no discussion about any use out-

side of a rural health clinic" (the current clinic continuing to operate there), she said. That doesn't preclude having a clinic "at the new facility," she said. "It just means that we want to continue to provide health care in McCleary, as well."

The district's five-member commission had originally hoped funding for a new hospital could be formalized within three years, with the source not to be property taxes. Initially, they looked at federal Housing and Urban Development funding, but are now considering a U.S. Department of Agriculture Rural Development loan as having better terms.

And "since we are pursuing the USDA loan, we hope to have our application in to the USDA in 2010," Dunham said. But "if for some reason the USDA loan process falls through, we would pursue other avenues," she said, though an application to an alternate source would be unlikely to be submitted this year, she added.

In any case, the choice of a site would be based on "facts, data, the best business and community statistics," Dunham said at a Jan. 15 meeting with county commissioners.

Requests for proposals for the analysis went out last July, Dunham said, and Gresham, Smith and Partners were selected "based on their experience with prior projects of similar size." Also considered was the cost, the company's availability, "their depth of staff" and recommendations from other facilities who have worked with them, including several hospitals, she said.

When the board began the process of choosing a company for the market analysis, Dunham and the district's chief financial officer, Ron Hulscher, were delegated to study the proposals and make a recom-

mendation to them, Dunham said.

The study's exact cost wasn't known Tuesday, since the district hadn't yet received a final invoice. The company's bid was "definitely not the highest" received, and another was "competitive," Dunham noted.

But that company "didn't come with the breadth of experience and depth of staffing," she said. Moreover, she said, that bid was an estimate with no cap.

Consideration of an architect, as well as a firm to perform a financial feasibility study are currently in process,

Dunham said.

Presentations on the market analysis were planned at two town hall meetings this week to discuss the facility replacement project, Wednesday, Feb. 3, at Elma High School and at 6:30 today, Thursday, Feb. 4, at the McCleary Community Center.