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Rural Hospitals Seek Funding

Many rural health care organizations face the same concerns that Wilson County Hospital staff were facing, in that the best possible care is difficult to provide when a building begins to age. Increasing health care capabilities is also a challenge, as Rooks County Health Center staff has learned, when building constraints prohibit the staff and services from expanding.

Deanna Pittman, CEO/Administrator, Wilson County Hospital, indicates, “Accomplishing the task of providing the best possible medical care in Wilson County and surrounding areas, in a building built in 1916 is a daunting and frustrating undertaking.”

For that reason, both health care organizations have sought alternatives for providing the best possible care to patients in rural Kansas. The board of trustees at Wilson County Hospital (WCH) spent several years gathering and examining data to determine how the needs of patients could be met more effectively. Concerns regarding the need for additional space and the inability to add-on to their 90-year-old building led the board to determine that a replacement facility would be the best option for increasing the level of care provided at WCH.

For Rooks County Health Center (RCHC), the past five years has provided consistent growth in revenues and an increase in the level of care provided. “We have four family physicians and three mid-levels that provide excellent care to this area of Kansas. We have increased our ambulatory surgeries, obstetrics, cardiac rehabilitation, lab and therapy services,” stated Kathy Ramsay, RN, communication and development director, RCHC. The construction of a new facility for RCHC will provide ample space for the Center’s growth.

As with any major undertaking, the changes, triumphs, and challenges are many. For Rooks County Health Center, locating the most cost effective financing was the biggest challenge. Rooks considered several options, as did Wilson County Hospital. The HUD 242 program and the USDA loan program were identified, but not taken advantage of by either organization. Instead, both organizations will utilize tax-exempt hospital revenue bonds.

Ramsey states, “The best alternative came from an opportunity with United Missouri Bank (UMB) to have a \$19 million, tax-exempt, fixed rate, hospital revenue bond to assist in funding the construction.”

While a majority of the funding will come from the hospital revenue bonds, additional funding for the new facility in both communities will come in a variety of ways. The WCH will use a capital campaign, bond financing, block grants, private investment funds, and tax credits to build the hospital. A block grant and tax credits, already in place, allowed the WCH to combine the capital campaign and bond financing to make up the balance.

In Plainville, Kan., The “Era of Caring” capital campaign, a voluntary hospital employee payroll deduction program, in addition to the same at Dessin Fournir (an organization within the community), has been established to assist in raising the necessary funds to purchase some of the technical medical equipment for the new hospital. Rooks County Health staff will apply for various grant opportunities and organize numerous fundraising efforts to contribute to the infrastructure costs. Community members have already shown their support with many individuals sponsoring fundraising efforts such as a Pampered Chef party, Cook Book project, Turkey Trot 5K (run or walk), and various other events.

Funding for the new hospital in Neodesha, Kan., has come from a variety of sources. WCH recently issued approximately 10 million dollars in bonds and anticipates issuing another two

million dollars in additional bonds in January of 2007. The Wilson County Hospital Foundation also exceeded the goal of \$2.2 million for the capital campaign, including 100 percent participation from WCH employees, and a lead gift of \$1 million from a trust fund within the community.

Financing has been secured in Neodesha, and a groundbreaking was held November 7, 2006, as a ceremonial kick-off for the construction. With the construction period estimated at 14 months, hospital staff anticipates moving into the new facility in the first quarter of 2008. Rooks County Health Center's groundbreaking was December 6, 2006 and will share the same success. The plan is to complete their new hospital by April 2008.

The construction of a new hospital will make an impact on the communities for which they serve. For RCHC, the new facility will provide space for expansion of current services and addition of new services. "The hospital will be properly designed to be more efficient," states Ramsay. In Neodesha, the construction of the medical office building will allow patients at WCH a greater choice of specialty clinics, as well space for additional staff. Pittman states, "Construction of a new facility will greatly improve our efficiency in providing health care services to our community."