July 28, 2008

Letter to Our Community

On Wednesday, July 23rd, I recommended that the Hospital Board of Trustees begin consultation with an attorney regarding Chapter 9 bankruptcy. Trustees agreed to begin the discovery phase of this direction while research continues into other emergency options. Current financials show a debt load of approximately $3.5 million with losses for fiscal year 2008 projected to be $1.9 million.

Interim CFO Calvin Carey provided a set of financials with monthly and year-to-date comparisons, and 2009 projections. In addition to the financials, Carey recited a list of vendors and suppliers who have placed Teton Valley Health Care on credit hold or C.O.D. Also, bank line-of-credit loans have reached $1.2 million with $300,000 remaining available.

Completion of Chapter 9 bankruptcy would allow TVHC to remain open by allowing longer and more favorable terms for repayment of existing debts. Organizational restructuring and a County tax levy will be paramount to our successful emergence from bankruptcy. Hospital leaders are analyzing all hospital services lines and will recommend changes shortly. Certainly, alternatives to bankruptcy are being studied. The ultimate goal for all of us is to keep the hospital open.

Voters need to be aware that in the event that TVHC closes or is purchased by a private entity, the tax levy would be cancelled. The supplemental tax must support an operational, county-owned hospital.

Closure of the hospital would be a very expensive option; not only in terms of the endangerment of lives, but in terms of the cost of re-opening. In order to re-open at the present location, grandfathered clauses would become void and would result in costly renovations simply to re-open the doors.

It has been gratifying to know that so many community members would like to donate toward the TVHC Recovery Fund. Please contact our hospital development office at 208-354-6301 for more information. Contributions may be sent to Teton Valley Hospital Foundation, 120 East Howard Avenue, Driggs ID, 83422.

As hospital leaders and County Commissioners review and strengthen financial oversight policies and procedures, and work to realign hospital services with attainable goals for a rural, critical access hospital, we ask for your support and forgiveness.

Please help us keep the blue H sign in Teton Valley, Idaho.

Sincerely,

Floyd D. Bounds