

Moving Forward

March 1, 2010

Teton Valley Health Care Showing Results

By Virgil Boss, Teton Valley Health Care CEO

Today marks my fourth week as CEO. Every day I see more examples of the dedication to quality care by Physicians, Physician Assistants, Nurse Practitioners, Nurses, Clinical and Support staff members. The past few years have been a struggle, but our recovery is happening every day. The daily operations efficiency shows our ability to cover our costs while providing primary care in our clinics and emergency care to every patient in need, regardless of ability to pay. Our current economic downturn means more and more residents are struggling to pay for their care. I feel the entire staff is working together to gain your trust and support by spending every dollar effectively.

Next week, the Teton County Commissioners will review a resolution that will allow Teton Valley Health Care (TVHC) to be on the May 25 primary election ballot for a temporary, two-year levy of \$1 million per year.

To put this all in historic perspective, through your support we have shown dramatic progress over the past 18 months since the community overwhelmingly passed the 2-year temporary tax levy that literally kept our doors open. At that time, TVHC showed approximately \$4 million in debt with no visible operational solutions to avoid closing. The levy was literally the only option. With the overwhelming support of the community, the levy passed and allowed TVHC to pay down debts owed to vendors, contracted providers and lending institutions.

With operations secured in the short term, TVHC administration gained the necessary time to implement prudent cost cutting strategies, re-structure department leadership and conduct an analysis/update of business systems. TVHC also hired a management consultant team from Bingham Memorial Hospital 8 months ago to help review and repair our billing system, provide management guidance, analyze operational systems and review current and proposed patient services.

With your support, we have made a tremendous amount of progress – and we are just starting to see the results of these efforts. For example, in fiscal year 2009, which ended September 30, 2009, TVHC improved overall operational income by \$1.568 million and, in just the first quarter of fiscal year 2010 that ended December 31, we improved operating income by \$521,000 by comparison to the first quarter of fiscal year 2009. Considering where we were two years ago this is exciting news.

While our focus has been on operational and structural improvements, we recognize many other needed improvements have been largely deferred.

Although TVHC currently has a positive cash flow that projections show we can maintain, the balance will simply not be adequate to fund deferred maintenance, postponed capital expenditures and a designated contingency fund to cover capital/emergency expenses. The last levy has brought TVHC to roughly the halfway point of recovery. The proposed tax levy will provide much needed facility upgrades, equipment replacement and the start of a contingency fund for unexpected emergency expenditures.

TVHC is showing solid financial recovery. Lives continue to be saved and people continue to receive skilled, compassionate and timely care. Tax dollars and private support have given TVHC the ability to restructure, renegotiate contracts, and make the necessary business changes to ensure long term sustainability. Please show your continued support with a YES vote on May 25 (or by earlier absentee ballot) for a 2-year tax levy.