

January 8th - Update from Hospital Leadership

One outcome of the recently completed strategic planning process has resulted in the renegotiation of physician contracts by the Board of Trustees and Hospital Administration. The goal of our renegotiations is to align the TVHC staffing model with patient care services currently being provided. Unfortunately, this action was misinterpreted as a blanket termination of our physicians. We regret any confusion this may have caused. We have dedicated, highly skilled doctors at TVHC, and wish to support and strengthen their relationships with TVHC patients.

In late December, we also became aware of two significant financial issues. The first issue concerns the recently completed yearly financial audit for the fiscal year ending September 2008. TVHC's total liability will look much higher than anticipated because of the discovery of under-funded retirement account funds and provider contractual obligations. The hospital board and administration are actively addressing these findings. The finalized audit will be presented mid-February, and will be made available on our website at www.tvhcare.org by the end of February.

As a consequence of these audit discoveries, it was imperative for hospital leadership to notify its Key Bank representative, the holder of the organization's line of credit, that additional negative financial numbers would be added to its balance sheet. This prompted Key Bank to inform TVHC that it will rescind its loan and collect on the outstanding amount, roughly \$750,000. The rescission is anticipated to occur in February. TVHC administration is searching for another bank that will accept the line of credit. In addition, TVHC is researching possible relief from the county now that the first half of property taxes has been collected.

When the TVHC turn-around began in April 2008, we knew that the road to financial health would take at least 3-5 years to straighten out. We are starting to see positive results in some key areas. An expense reduction initiative begun several months ago froze wage rates and vacant positions have not been filled. This has helped TVHC reduce expenses by approximately \$1 million. Staff changes have been made to address billing, admissions and business office concerns. Additional monthly reports regarding the progress of these initiatives are provided to the Board to keep them better informed.

At TVHC we have a tremendous medical team and support staff; professionals who are dedicated to delivery of quality medical care today and a fully successful health care facility into the future. Like many valley residents, our medical professionals have a strong interest in Teton Valley and local health care. Our immediate challenge is to guide Teton Valley Health Care to profitability while providing all the people of our community with access to the health care services that they need and can support.

For further information, please contact hospital spokesperson Ann Loyola at aloyola@tvhcare.org or (208) 354-6301. *****