

Rand Levy appointed to the district board

By Russ Pankonin

The Imperial Republican

Eddie Nichols of Wauneta will serve as chair of the Chase County Hospital District, which was officially formed Sept. 14, 2010.

In the May, 2010 Primary, voters in Chase County voted 634-569 to form the district. The question was put on the ballot by petition, with the goal of creating an elected hospital board.

One of the first items of business for the new board was to fill a vacancy created by the resignation of board member John Burke, who is also a member of the hospital's board of trustees.

When the commissioners formed the five-member district board, they appointed the five members of the current hospital board.

Rand Levy of Champion was the lone applicant for the vacancy and was appointed the district board.

Nichols was also selected as the district board chair.

Burke said he felt it was a conflict of interest to serve on both boards.

If the hospital board was to negotiate a price for the hospital to be transferred into the hospital district, Burke said that presented a clear conflict.

Will the hospital transfer?

Nichols said this week his focus as chair will be to delve into what all is required of the district board and whether the vote requires the hospital assets be transferred to the hospital district.

Nichols says he wants the process to be as open as possible. He said the people voted in the district and he wants to insure the district complies to its obligations.

"We want to make sure it's done and done correctly," he said, noting they will address the issues in a timely manner.

Right now, Nichols said it's been difficult to find anyone with the authority to advise the district as to what steps must be taken.

One of the big questions centers on whether the hospital board must transfer or sell their assets to the district.

The vote created a legal district that has the ability to levy taxes for the operation of the district. It also created an elected district board.

The petition did not address whether the assets of the hospital must be transferred or sold to the district.

Whatever happens, Nichols said the ultimate outcome must insure the hospital continues to operate and serve the needs of people in Chase County and the area.

Randy Vlasin, executive director of the hospital's charitable foundation, said the people of the county deserve clarity on just what they voted on.

From a foundation standpoint, he said people have already told him their charitable giving will stop if taxes are levied for hospital operation.

What people may not realize is that the vote only created a governing board for the hospital district. It did not disband the board of trustees now appointed to direct hospital operations.

They are two separate entities, he noted.

Vlasin has researched the process and statutes extensively.

According to Nebraska statute, if the hospital assets were transferred to the district and people then decided a district was no longer feasible, the district would be forced to liquidate assets for dispersal.

While that may be a worst-case scenario, he doesn't believe that's what people really wanted when they voted to create the district.

Hospital board chair Bill Bauerle said the costs of transferring the hospital to the district present an unknown that could result in hurting the financial health of the hospital.

Hospital Administrator Lola Jones said they have a quote in hand for the cost of providing malpractice insurance coverage, known as tail coverage, if the hospital is transferred to the district.

That cost alone has been quoted at \$100,000, Jones said. Even if other costs only amount to another \$100,000, that's \$200,000 that could have been put to better use in health care, she noted.

Friend has similar experience

In 2008, the city of Friend, in southeast Nebraska, sought to create a hospital district to levy taxes for their city-owned hospital.

The district was formed, with the authority to collect up to 3.5 mills in taxes, or approximately \$80,000 to \$90,000.

According to their hospital administrator, the initial estimate to transfer assets, with just one doctor on staff, was \$50,000.

Rather than spending that money on the transfer, the City of Friend kept the hospital, keeping the hospital board in charge of the hospital and the district board in charge of allocating the taxes collected.

The hospital district collects taxes and then passes the money on to the hospital for capital improvements.