

Frequently Asked Questions

F.A.Q. January 2017

We look forward to providing accurate and timely information as we move forward creating a sustainable future for health care in Lake County. This document provides answers about the new hospital facility and the management agreement and integration with Centura Health. If you would like to speak with a hospital representative about the integration process, please call our hotline at 719-486-7135 or email konderdonk@svghd.org.

1. What is the progress on the new hospital building?

St. Vincent Hospital Board of Directors received confirmation in January that financing for the new hospital was approved. Two loan programs will be made up the financing: a USDA direct loan of \$17.29 million for 35 years at 2.375%, and a USDA-guaranteed loan of approximately \$2.71 million. The smaller loan will be serviced by Dougherty Mortgage, a USDA lending partner, and terms will be finalized shortly.

Groundbreaking on the new hospital is expected in spring 2017, with completion anticipated in summer 2018. The new hospital will be located on the district's current property on 4th Street in Leadville. At approximately 19,000 square feet, it will house an emergency department, ambulance bay, 2 inpatient beds, primary care clinic, specialty clinics, laboratory, radiology and physical therapy. The architectural plan allows for future service additions.

The estimated construction cost of the new hospital is roughly \$13-\$14 million dollars. The financing will cover all the costs required to bring the new hospital to life, including design and construction, bond refinance, medical equipment, health care technology, regulatory and professional fees.

The services currently intended to be in the new hospital are:

- Emergency Room
- Ambulance
- Primary Care Medical Clinic
- Telehealth
- Specialty clinics
- Radiology
- Laboratory
- Physical Therapy
- Support services such as IT and Plant Operations

2. What are the general terms of the agreement between St. Vincent Hospital and Centura Health?

- The goal for St. Vincent General Hospital District (SVGHD) is to seamlessly integrate with operations at Centura Health system, further aligning providers and creating systems that support increased access to quality health care in Lake County.
- The agreement between SVGHD and Centura Health is based on the desire to develop local health care leadership while providing the stability and resources to improve access, delivery and quality of patient care. Centura Health has committed to supporting the needs of the community by providing a strong strategic plan for growth and development, including medical services, facilities and information technology, to benefit both clinical quality and patient care.

- The direct management of St. Vincent Hospital (SVH) will be through the leadership of St. Anthony Summit Medical Center (SASMC) in Frisco, Colo. The St. Vincent Hospital administrator will be employed by SASMC and serve as a liaison to the SVGHD Board of Directors. St. Anthony Summit Medical Center is part of the Centura Health Mountains North Denver Operating Group, which includes: Avista Adventist Hospital (Louisville), St. Anthony North Health Campus (Westminster), St. Anthony Hospital (Lakewood), Middle Park Medical Center, a rural affiliate hospital in Grand County.
- The management agreement has a term of one year. It is an “evergreen” agreement and automatically renews annually unless terminated by either party. State statute prevents the District from entering into an agreement that encumbers the district with a multi-year financial obligation.
- Under the terms of the agreement St. Vincent General Hospital District Board of Directors has sole responsibility to determine the services offered to support the needs of our community.

3. Will St. Vincent General Hospital District board continue to govern the district?

The hospital district and board of directors will remain as the governing body of the hospital. The District will continue to assess its mill levy and collect tax revenue in support of the activities to be carried out under the District Service Plan. Tax revenues will continue to be used within the district for health care operations in Lake County.

4. Will you bring more doctors and specialists to Leadville?

In the interest of offering our patient’s choice, we are working with Centura Health to continue adding specialists to services offered in Leadville. The community has already received the benefits of our relationship with Centura Health as we increase visiting specialists’ clinics and Telehealth providers at St. Vincent Hospital and St. Vincent Leadville Medical Clinic.

5. Will St. Vincent Leadville Medical clinic continue to operate?

Both St. Vincent Hospital board/administration and Centura Health value health care that is delivered locally. The family practice clinic will continue to operate and be located in the new hospital. There are also plans to expand specialty services over time.

6. Can SVGHD afford the new hospital and U.S.D.A. loan?

In short, the answer is yes. There are numerous cost savings and development opportunities associated with partnering with Centura Health. As the region’s largest health care network, Centura will integrate clinical and non-clinical best practices and efficiencies within St. Vincent. As required by the U.S.D.A., a 5-year pro forma conducted by an independent CPA firm demonstrated a favorable forecast with increased annual growth.

7. What will happen to the current hospital building?

Currently the hospital board and administration are researching options for the existing hospital building. The Neenan Company conducted a feasibility study on the facility in 2015. The study concluded that the current hospital building has met its useful life. There have been recent discussions about other uses for the hospital, such as office space for area agencies and businesses. We will revisit this subject and supply more information as it becomes available.