

Hospital receives own lifeline

Written by By Holly J. Wagner Sun Correspondent
Friday, 22 December 2023 06:14



State, local governments agree to provide short-term funding for RMCH

Rehoboth McKinley Christian Health Care Services is receiving a financial lifeline from state and local government, ensuring that employees will be paid on time and the hospital will have some leeway to get up to date with vendor accounts.

However, it's not yet clear when Rehoboth McKinley Christian Hospital will get the first \$2 million infusion to guarantee payroll, which would be the first of four installments for that purpose.

A memorandum of understanding laying out the terms is in the works, McKinley County

Manager Anthony Dimas said, and the plan rests on four parties – the state, county, the City of Gallup, and the Navajo Nation – putting up \$2 million each. The parties hope to have the memorandum completed within 30 days.

Dimas, RMCH Interim CEO Bill Patten, and representatives from the hospital board met with members of Gov. Michelle Lujan-Grisham's staff Dec. 5 to discuss possibilities for getting the hospital on a stable financial track.

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“Based on our cash projections, we were going to go negative on cash at the end of the month,” Patten said.

He likened the hospital’s financial situation to a patient in distress:

“We’re having a heart attack now,” he said, “[And] needing acute care before dealing with long-term issues that got us here. What the community is doing gives us an opportunity to deal with our weight and our diet.”

The county commission and Gallup city council met in a closed session Dec. 6 to discuss the situation and options.

“The city and county, to a person, expressed support for Rehoboth McKinley and an understanding that any interruption in service would be detrimental to the community and detrimental to the organization,” Patten said.

In open comments at that meeting, Patten said the hospital has basically four options: do nothing and wait for it to fail; file for bankruptcy protections, which would unleash a frenzy of creditors competing to get paid; appoint a receiver – a neutral third party – to run the hospital’s finances, which Patten said would essentially combine options one and two unless that person had cash to work with; or attain some kind of support or assistance to let the hospital get on better footing with vendors.

The rescue money will make sure people get paid, but that still leaves RMCH in debt \$1.5 million to the city of Gallup for utilities, and another \$1.3 million to the county for back rent, and behind with several vendors.

Patten is mindful that local vendors, including some care providers, aren’t in a position to tolerate waiting an extended time to get paid.

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“Local vendors don’t have that kind of margin. I’m going to try to work with them first,” he said. “That would include physicians and physician groups.”

He noted that in the past the hospital has treated some providers more like national vendors, but that will change so they get paid more quickly.

He is also in talks with national vendors, who are the bulk of creditor debt, to work out payments. The two largest outstanding amounts are \$5 million and \$2.2 million, respectively.

Restoring the community’s trust and getting locals to use the hospital for routine procedures will be key to helping the hospital get on a better footing, he said, and that will start with staff. He’s already scheduled some all-hands meetings with staff to make sure everyone is on the same page.

“The place that I am going to start is my employees. They are the best communication tool I have with the community,” he said.

Toward the same end, he also wants to work with local providers to urge them to refer patients to RMCH rather than out-of-town facilities whenever possible.

The short-term goals are to repair relationships and improve communication with the community; make the hospital viable on a day-to-day basis; pay vendors and make do some overdue facility maintenance and repairs.

“Six months from now I think we will be in a position to have chapter two of the conversation – the long-term success of the organization,” Patten said.

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