

RMCH meets county deadline for transparency, accounting

Written by By Holly J. Wagner Sun Correspondent
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Management at Rehoboth McKinley Christian Hospital has met its Jan. 15 deadline to meet a list of demands that McKinley County made back in November, averting potential eviction.

Fed up with the lack of information from former management, the county put RMCH on notice that consequences could be dire if the hospital didn't meet a short list of demands that included greater transparency, some overdue accounting for mill levy funds and producing \$1.5 million in back rent.

The notice came on Interim RMCH CEO Bill Patten's second day on the job and set off a scramble to meet the conditions.

McKinley County Manager Anthony Dimas said he and the county commission are satisfied with the efforts Patten has made so far. Those include getting an accounting of mill levy funds to the county for review and a number of communication measures.

"I've been working very well with their new CEO. It's on track so far," Dimas said. "He's very open with the employees and with the community. He's really open, the dialog is great. The only thing [outstanding] is the money."

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BUILDING ACCOUNTABILITY

Patten had his first series of all-hands meetings with staff to keep them apprised of the hospital's status and initiatives in December. The next series is scheduled for Jan. 23 and followed by another series in February.

"Normally I do this once a quarter, but because there is so much going on and so much concern, I am doing it monthly just as a way to make sure the employees know what's going on," he said.

On each date he holds four-in person meetings to make sure staff can attend regardless of their schedules, and a video of one session gets posted to the hospital intranet so anyone who can't attend in person has access to them.

By way of community outreach, Patten has been recording videos and posting them on the RMCH website to introduce himself and keep the community informed of the hospital board's activities; and giving press interviews.

The one big thing the hospital has not been able to do yet is pay the back rent to the county, which owns the hospital building.

"We don't see that coming any time soon. They just don't have the money," Dimas said.

In fact, so far money has flowed the opposite direction. The county and City of Gallup have each agreed to put up \$2 million – one month's payroll – to guarantee the hospital can stay open and buy some wiggle room for Patten to chip away at the hospital's \$38 million in outstanding debt. With those contracts signed, the hospital will ask the Navajo Nation to do the same.

"We're only able to do this because of the support we are getting from the city and the county,"

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Patten said. “We completed the agreement with the city [the week of Jan. 8]. They provided money for payroll.”

SQUARING UP

Meanwhile Patten is working to make sure all local vendors, including contract staff, are paid in full as soon as possible, with the goal of having medical staff caught up by the end of March.

“Local vendors are being paid at 100%, because they are local,” Patten said. “We have worked really hard to get local vendors caught up and ideally paid off. That was our first focus and we’ve made a lot of progress there.”

He’s also negotiating with other vendors large and small to reduce the amounts owed so they can be paid off. Examples he gave were an outside staffing company with an outstanding \$165,000 invoice that agreed to accept \$61,000 to clear the debt; and another vendor that was owed \$100,000 but settled for \$30,000.

Further out on the horizon, some bills expected to come up in the legislative session that began Jan. 16 may also bring some relief. None had been filed by press time.

One proposal would give the state’s smallest hospitals, with fewer than 35 beds, a one-time payment of \$3 million each.

“That would be great, but that’s three and a half payrolls for us,” Patten said. “I would say ‘thank you,’ but we need more than that to get out of the hole.”

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The Healthcare Delivery and Access Act, a plan written by the New Mexico Hospital Association that has gained some support from Gov. Michelle Lujan-Grisham's office, would create a new tax on hospitals that is expected to generate \$350 million a year.

"The bill would not cost the state any new money," Patten said.

The act would make RMCH eligible for federal matching funds that could double Medicaid reimbursements. If it passes, the end result would be another \$11 million per year for RMCH, starting in 2025.

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