

January 27, 2011

Pawnee County Commissioners Donna Pelton, John Haas and Chairman Kathy Bowman contract with Health Facilities Group of Wichita, Kansas for design and engineering services in conjunction with the PVCH replacement hospital project.

February 7, 2011

Pawnee County Commissioners Donna Pelton, John Haas and Chairman Kathy Bowman authorize the institution of an Alternative Project Delivery Program pursuant the Kansas Alternative Project Delivery Building Construction Procurement Act, for the purpose of constructing a replacement Pawnee Valley Community Hospital building for the benefit of the citizens of Pawnee County. Kathy Bowman, Chairman signs Pawnee County Resolution No. 2011-04 to formalize their decision.

PVCH and HaysMed: A Successful Partnership

**By MIKE GILMORE
News Director,
Hi, Neighbor!
Newspapers**

Pawnee Valley Community Hospital and Hays Medical Center continue to remain in partnership in 2016, through the second cycle of a five-year roll-over agreement executed in 2010.

This agreement originally set forth the unique relationship PVCH shares with HaysMed. In March 2010, ownership and control of St. Joseph Memorial Hospital was transferred to the citizens of Pawnee County, as represented by the Pawnee County Commissioners and later renamed Pawnee Valley Community Hospital.

With that transfer of ownership, PVCH entered into its first five-year affiliation agreement with HaysMed as management partner, with anticipation of a long-term relationship.

Now in its second cycle, the 20-page affiliation agreement outlines the

roles played by PVCH, HaysMed Partners (required by CMS rules), Pawnee County and the county's Public Building Commission, formed as issuing administrator of PVCH's 25-year Hospital Revenue Bonds which financed the construction of PVCH's new facility which was completed in 2013.

The role of the Pawnee County Commissioners is to oversee all the property and equipment used to operate PVCH at 923 Carroll Street in Larned. The county commission directs PVCH and HaysMed to make approved purchases of equipment as necessary to continue hospital services and programs. The county is responsible for capital improvements and is responsible for revenue shortfalls.

Under the county's property lease as outlined by the affiliation agreement, neither PVCH nor HaysMed may make equipment purchases without prior approval from the Commissioners.

PVCH and HaysMed, however, may report to the Commissioners why such equipment may be needed.

HaysMed's role as financial manager allows PVCH to maintain operations without the necessity of an on-site financial department. HaysMed's billing system and departmental staff thus absorbs the cost of additional staff and equipment that would be necessary at PVCH if the Affiliation Agreement were not in place.

As financial manager, HaysMed files not-for-profit tax returns on behalf of PVCH in compliance of state and federal regulations. The federal compliance allows HaysMed to receive compensation for its participation solely through reimbursement of federal funds, as directed by the Centers for Medicaid and Medicare Services.

CMS governs licensure of the nation's health-care facilities including all Critical Access Hospitals such as PVCH. HaysMed's management cost is contained within its annual "Cost Report" submitted to CMS. CMS then reimburses HaysMed for those costs.

Meanwhile, CMS additionally annually reimburses PVCH in the range of \$600,000-\$700,000 for depreciation on the new hospital facility and its equipment. This reimbursement accounts for approximately half of PVCH's annual bond issue payments.

The role of the Pawnee County Building Commission, whose membership consists wholly of Pawnee County residents, is to serve as titleholder "in trust" of the entire scope of the new PVCH facility and Pawnee Valley Medical Clinic, as well as all bonded debt, equipment, furniture, program software or consumables used in operation of the

hospital.

As part of the terms of the Affiliation Agreement, PVCH and HaysMed make regular financial

reports to the Pawnee County Commissioners. The reports are open to the public and occur mostly on the third Mon-

days of each month in the Commissioner's office on the second floor of the Pawnee County Courthouse.



Pictured is the team from Hays Medical Center who were on hand early Monday morning, (March 1, 2010), when ownership of the hospital was transferred, left to right (front row): Jessica Fischer, Chris Schumacher; (middle row): Carol Groen, Regina Borthwick, Karen Wagner; (back row): Bryce Young, Terry Siek, Larry Plante, Lisa Dinkel, Scott Rohleder, Mark Brungardt, Jeremiah Rajewski, Thomas Rupp, Penny Davis and Dr. Ken Lindsey.

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VOTE

**JOHN
SETTLE**

Republican for County Attorney

Over the years I have watched as John has faithfully served his community through his office. As a leader in the community, we can trust that John will always give 110% in his efforts to represent and protect the people of Pawnee County.

I urge you to support John Settle for Pawnee County Attorney

~ Dr. David Sanger

**VOTE TO RE-ELECT
John M. Settle
as Pawnee County Attorney**

Pro Life & Pro Family

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reelectjohnsettle@gmail.com

Paid for by Committee to Re-elect John M. Settle, William Nusser, Treasurer