

THE BOND BUYER

Lenawee County board gives OK to hospital bonds

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ADRIAN, Mich. — Lenawee County's hospital finance authority board voted Thursday to support ProMedica selling up to \$50 million in bonds for the new hospital to be built north of Adrian.

The county commission voted in December to support selling up to \$177 million in bonds for the 208,516-square-foot, three-story, 58-bed hospital. Toledo-based ProMedica first refinanced outstanding bonds with new bonds, which was part of the December authorization. Thursday's vote was to approve selling bonds for the construction, the county's bond attorney, Timothy Sochocki of the Miller Canfield firm, told the authority board.

The \$50 million covers part of the project's total cost of about \$135 million, Dr. Julie Yaroch, president of ProMedica Bixby and Herrick hospitals in Adrian and Tecumseh, said. The rest will be covered by funds ProMedica already has, donations and interest earned on the bond sale proceeds.

While ProMedica needs the county's approval under state law to sell bonds at a reduced interest rate, the county will not be responsible for paying off the bonds, Sochocki said. ProMedica will be responsible for the entire cost of the bonds.

When the county commission approved the bond issuance in December, Sochocki said the concept behind tax law allowing hospitals to finance projects through municipal bonds is that they will take the savings and provide more care within the community.

The 8-0 vote in favor of the bond sale came after some pointed questions from one of the board members, Kim Murphy. She is also the county's deputy administrator. She raised concerns about the new hospital's lack of in-patient mental health services, a lack of a morgue for the county medical examiner's officer and ProMedica changing how its employees obtain prescriptions.

Yaroch said most counties run a morgue as a separate facility. She said ProMedica inherited the morgue when it acquired Bixby Hospital from the county in 1999. She said ProMedica allowed the morgue to stay, but that she needs to concentrate the new hospital's construction budget on health care needs.

When the issue was raised in December, she said, she offered to partner with the county on a new morgue and ProMedica provided the county with a price based on square footage but there was no response.

Lenawee County Administrator Martin Marshall, who was at the meeting as an observer, said he never received that price.

Yaroch said there must have been a glitch in the email and phone communications and she would follow-up with him.

On ProMedica now requiring its employees to acquire their own prescription refills through CVS Caremark's mail-order service, Yaroch said many businesses now require their employees fill prescriptions through mail-order and it is a way for ProMedica to reduce the out-of-pocket costs its employees have when filling prescriptions.

She said ProMedica employees can get the first filling of a prescription at any pharmacy, but any refills have to be through the mail-order service.

Yaroch also restated the challenges ProMedica and other health systems face in staffing in-patient mental health units. She said there is a shortage of psychiatrists, and those psychiatrists generally are not interested in staffing a small unit, such as Herrick Hospital's 10-bed unit that ProMedica closed last year. She said ProMedica had to use outside physicians who would stay for three to six months and were more expensive than if they had been ProMedica employees.

The care navigator ProMedica hired to coordinate placement of mental health patients in other hospitals is "doing a better job of getting them to a facility as close to home as possible," Yaroch said.

ProMedica recently arranged with the Lenawee Community Mental Health Authority for mental-health patients on Medicaid to be able to cross the state line and be placed at ProMedica Flower Hospital in Sylvania. She said ProMedica also is looking at adding additional beds to its mental health unit in Monroe and at adding telehealth services so patients can speak with a doctor while at a community hospital.

Yaroch also said the new hospital's emergency department will have four rooms designated for mental health patients, so that they can be stabilized there before being transferred to another hospital. She said that is similar to how community hospitals handle other kinds of illnesses and injuries, where patients are ultimately treated at a more fully equipped hospital.