



*Our mission is to assure that healthcare remains available to all by forming a Healthcare District with appropriate taxes to provide financial stability now and into the future.*

**VOTE YES on Measures Q & R**

**QUESTIONS & ANSWERS**

**ABOUT THE PROPOSED**

**LAST FRONTIER HEALTHCARE DISTRICT**

**Vote August 31, 2010**

**Prepared by Save Our Hospital Committee  
Supporting YES on Measures Q & R**

***Description of a Healthcare District: Run by an elected Board of Directors, includes all health services offered, the clinic, Warnerview, hospital, emergency services and any other healthcare services the Board of Directors establish.***

**a grass-roots citizen committee**

# Healthcare District Questions & Answers

***MMC Loss for year ending 6/30/2009  
per audited financial statement  
\$2,300,000***

## **Tax & Financial Questions**

1. Why will the Special Tax cost \$195.00 a year to have a Healthcare District? *With losses over \$2.5 million a year (past 3 year average), the tax is adequate to support those losses and improve performance which will allow money to create a buffer for future unknown expenses, and create a building fund for the future.*
2. Explain the \$150 voucher. *The voucher is for property owners within the special Healthcare District and their families to be used for hospital and/or clinic patient expenses. There is a cap of \$350,000 per year for this purpose. The new Healthcare District Board will develop the policy regarding this and will review it annually.*
3. If we vote the Healthcare District into place, will we ever get to vote again on the District? *Per California Healthcare District Law, the Special Tax must be voted on at least every 5 years (a sunset clause). District formation is a one-time vote, but it can be voted out of existence at a future date.*
4. Will each parcel that a person owns be taxed? *Property owners will be required to pay the assessment on only one parcel annually. They can own 1 or more parcels of property, but the special tax only applies to the "Unique Property Owners". This is in response to the many undeveloped lots within the Healthcare District boundaries.*

5. I thought that MMC was breaking even? ***No, MMC for the fiscal year 08/09 lost \$2.3 million (expected with new audit adjustments to approach \$3.0 million) and for the fiscal year 09/10 just ended, the losses will be over \$500,000 per the CFO of MMC. Like all the other California rural hospitals, MMC does not expect to take in enough revenue to protect against changing reimbursement rates and purchase replacement equipment as it wears out. That is why we are requesting a special tax, because MMC has never consistently made a profit or even broke even for any extended period of time (1 year in the past 20).***
6. How will the District get their monies from the property owners, and what if a property owner refuses to pay the tax? ***The special tax will be included in the County Property Tax Statement that property owners receive from Modoc County. Standard Modoc County tax collection policies and procedures will prevail.***
7. If the property goes into foreclosure, how will the District get their money? ***Standard County Tax Collection Procedures will prevail.***
8. If the passing of the Healthcare District fails what happens to the hospital then? ***It remains in the control of the BOS and County, but there is a distinct possibility of it being closed.***
9. How will the lack of the Teeter Plan affect the Healthcare District? ***The Teeter Plan does not affect whether a healthcare district has financial stability.***

## **Management Questions**

10. Who will manage the Healthcare District? ***The Healthcare District hires a CEO who manages the hospital, clinic and skilled nursing facility. The Healthcare District Board establishes policies and oversees the CEO.***
11. Who will run/be in control of the healthcare district? ***The Healthcare District Board of Directors.***
12. Will the employees at the Hospital be able to keep their jobs? ***Yes, per the Memo of Understanding (MOU)/Transfer of***

***Ownership document with Modoc County Board of Supervisors they will.***

13. Who will operate and manage the budget for the Healthcare District? ***The Healthcare Board of Directors is responsible in cooperation with the CEO.***
14. How will a Healthcare District Board of Directors be more effective than the County Board of Supervisors in running the hospital? ***A Healthcare District Board will receive special and continuous training in the business of healthcare laws and changes. They will also only have one focus: the success of the Healthcare District.***
15. How will the Healthcare District Board of Directors be selected and placed into office? ***The first Healthcare Board of Directors will be appointed by the Modoc County Board of Supervisors, thereafter they will be elected by the district voters within the Healthcare District and normally serve a 4-year term.***
16. Will a Healthcare District rely on fly-in doctors and RNs? ***MMC does not rely on them now, but travelers will be used as needed.***
17. How much control of the Healthcare District will the Modoc Board of Supervisors have? ***None, they will have no legal control.***
18. During the first year of Healthcare District operations, would they need a loan and why or why not? ***This is unknown, however a short-term line-of-credit may be necessary for the new healthcare district before the tax revenues begin to be collected and paid.***

## **District Detail Questions**

19. If we don't have a hospital, will it affect school sport programs at our schools? ***Yes, contact sports require emergency personnel and transportation available on site.***
20. Will the Healthcare District be liable for the debt to the County? ***No mandated obligation exists to pay back the county. However, the MOU indicates there will be an annually negotiated payment if a profit exists for that year.***
21. How will the Healthcare District save the hospital we have right now? ***It will ensure reliable financial stability and future building***

- funds, and will be managed by the Healthcare District Board of Directors, who answer to the taxpayers.*
22. Who will own the District? *The residents of the Healthcare District will “own” it.*
  23. Why should I vote for a Healthcare District when the County is paying for the hospital and it is not costing me anything? *The County is discussing the idea of bankruptcy and they cannot continue to support losses at MMC. It has been your tax money to the County and restricted funds that have supported the hospital in the past years.*
  24. What if I can't pay my bill at the hospital, will they work with me on a payment program? *Yes, Healthcare Districts always work with people to assist them with payment programs and bill reduction programs per established policies.*
  25. Will Warnerview still be part of the Healthcare District or will it be owned and operated by the County? Will it even be closed? *Warnerview will become part of the healthcare district. It will not be closed.*
  26. How will the Healthcare District get the building from the county? *The MOU provides for title of land, building, inventory and equipment to be transferred from the County to the Healthcare District. If the buildings become vacated, they revert to ownership of the County.*
  27. Without a hospital can we have ambulance service? *Possibly, but ambulance must be affiliated with a hospital, like Lakeview, Fall River Mills or Susanville.*
  28. Without a hospital will Life Flight come and take the injured to health services? *Only in emergency situations, at the request of local law enforcement and then it is dependent upon Life Flight policies.*
  29. If we don't have a hospital in Alturas why can't we just use the hospital in Cedarville, Fall River Mills or Lakeview? *Current medical procedures for emergency care refers to the “golden hour”. This is the first hour after an accident, stroke or heart attack. During*

- that hour, proper health care administered by a physician can ensure complete recovery as opposed to only partial recovery.
30. Will local Fire Districts still be able to provide emergency services? ***Yes, these are not affected by the formation of a Healthcare District.***
  31. Can we have an Urgent Care Center? ***Under CA law only physicians groups may open and operate an Urgent Care Center.***
  32. What happens to Warnerview if the hospital closes? ***Warnerview would close also unless someone else would take over operations.***
  33. Can we have the clinic otherwise? ***The clinic may continue to operate but will not provide Emergency Room services.***
  34. Without a hospital will we lose Federal Agencies like Forest Service? ***That is unknown, but recruiting and retaining personnel at those offices could be difficult under those circumstances.***

## **General District Questions**

35. Why do we need a hospital anyway? ***Area residents and EMS staff reflect that a hospital with an emergency room staffed by a physician available 24/7, is absolutely essential to the safe and effective stabilization and treatment of ill or critically injured patients, many of whom must be transported by fixed wing aircraft/helicopter due to the distance to regional medical centers over mountainous terrain. A hospital provides emergency care that is not possible without the hospital.***
36. How did you come up with the boundaries for the District? ***A public survey helped define the proposed Healthcare District boundaries.***
37. Why can't they just fix the problems at the hospital so we will not have to pay an assessment? ***As history has proven, a county owned rural hospital cannot survive without an additional funding source.***
38. Can't we have a hospital without a District and not have the County involved? ***No organization has been willing to purchase or undertake management of MMC and it cannot finance itself.***
39. What is the pro and con of having a District vs. letting the County continue to operate the hospital? ***The Healthcare District will have***

*a focused Board of Directors and a consistent revenue source, while the County has no long-term fiscal plan and no money to continue supporting any losses.*

40. If we don't have a hospital could it affect my property value? *Yes, the current projections for population growth are from retirees. Without local health care, they may not consider moving here and many already here may need to move away. Without this infrastructure it also decreases the likelihood of industrial growth in Modoc County.*
41. If we don't have a hospital what will happen to local businesses and their employees? *The loss of 170 jobs from the hospital alone in Alturas will catastrophically affect economic health of the area and population growth in Modoc County.*
42. What has caused the problem? *The lack of consistent oversight is a problem as is the lack of population. Small rural hospitals cannot make an adequate income without additional financial support from its community.*
43. Renters should have to pay along with the rest of us. *There is no known legal mechanism to make renters pay this special tax.*
44. How will it affect the property owner in Cal Pines and Modoc Estates? *The Healthcare District and special tax ensures the maintenance of emergency services while keeping property values stable.*
45. Why should the property owners who don't live in Modoc County have to pay a special tax for a healthcare district? *When a person owns property where they do not live, per CA law people can only vote in the county they are registered to vote in. They are still responsible for local taxes imposed on property owned in another county*
46. Does the County Board of Supervisors support changing the hospital over to a Healthcare District? *They signed the Memo of Understanding which was a positive step, recognizing the ongoing financial losses of Modoc Medical Center. The Resolution May 11,*

**2010 stating their intention to not fund any more losses at MMC certainly indicates this.**

47. Do the employees at the hospital support changing the hospital to a Healthcare District? ***They certainly support keeping the hospital open. The special tax provides them security for future operations of MMC. Modoc County is currently fighting to remain financially solvent.***
48. Will the Clinic close if the hospital closes? ***This is unknown, the clinic would need a new license and operator to function.***
49. What was the last years audited numbers for the hospital? ***For the fiscal year ending June 30, 2009, MMC lost \$2.3 million, and it is expected after the new audit is complete that this will be closer to \$3.0 million.***
50. Will the new healthcare district reinstitute obstetrics and bring mammograms here to MMC? ***That would be for the Healthcare District Board to decide based upon community need and financial consideration.***

## **New Hospital Building Questions**

51. Why not just have a two-room hospital with an emergency room, most patients get transferred out anyway? ***A new hospital needs to be built per seismic requirement by 2020, no matter the size of the facility. The new MMC building will require community studies and financial review to determine hospital size. Current available services are also keeping more patients in the local hospital.***
52. Why will we need a new hospital building? ***Because of California State seismic requirements.***
53. How will the District get the money needed for a new hospital? ***This responsibility will fall to the new Board of Directors.***
54. Will changing to a Healthcare District affect the agreement the County and City have with the Tribes for a new hospital? ***No.***



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