

**A REPORT TO THE MEAGHER COUNTY
COMMISSIONS ON THE USE OF COUNTY
TAX DOLLARS TO SUPPORT THE
MOUNTAINVIEW MEDICAL CENTER AND
OTHER RELEVANT ISSUES FOR THE YEARS
2001 THROUGH 2011**

**SUBMITTED BY THE MEAGHER COUNTY
HOSPITAL DISTRICT BOARD SEPTEMBER
13, 2011**

MEAGHER COUNTY HOSPITAL DISTRICT BOARD
STUDY REPORT OVERVIEW

Introduction

In July of 2010, the Meagher County Commissioners began to revisit the topic of the Meagher County Hospital District created in 1962. Since that year little activity has taken place. No district board had either been appointed or elected. The purpose of the Meagher County Hospital District under Montana statutes is to aid in the maintenance and operation of Mountainview Medical Center. (MMC)

The county has contributed financially to MMC through what has been known as the Harmon Trust Fund created in 1975, and through several county-wide levies totaling twenty eight (28) mills; the first for eight (8) mills in 1995, which is levied annually, and the second for twenty (20) mills, which began in 2007. That levy covering two years each has been approved by the county voters twice.

The Harmon Trust Fund monies have been used to service three (3) loans used to improve MMC facilities, including the nursing home. One loan has been retired and the other two loans will mature in 2016 and 2020. (see Appendix A-1 for details). The county-wide levies have raised close to \$200,000 annually and have provided MMC with approximately \$800,000 since 2007.

The Commissioners wanted accountability as to how these tax dollars were used, so they appointed members to the Meagher County Hospital District Board (MCHDB) to complete a study and report back to the commissioners on the status of county tax dollars and their use. Three county residents, Pam Sundstrom, Michael Kakuk, and John Dracon, were appointed in September of 2010 to conduct the study.

The MCHDB after its analysis, data collection and research, now submits its report and recommendations to the Meagher County Commissioners, the MMC Board, and the public for their review and consideration.

Public Involvement

The MCHDB felt it needed to involve the public in identifying needs or concerns about MMC. A public meeting was held on October 13, 2010, with the specific goal of eliciting public comments and opinions regarding what the public believed that the MCHDB should address. (See Appendix B-21)

The meeting was attended by approximately thirty citizens, and they raised thirty six distinct issues. The issues were arranged in a simple question format to allow the MCHDB to respond by stating answers to selected questions. After review the MCHDB selected fourteen issues as within its statutory authority for response. (See Appendix B-22)

Between September 2010 and September 2011, the MCHDB held 13 advertised public meetings. The draft Report was presented to the County Commissioners on September 13, 2011 and another public meeting to discuss the draft Study Report will be held on September 19, 2011. Public comments on the draft Report will be incorporated into the final Report expected to be complete by November 1, 2011.

Issues Not Addressed

During the initial September 2010 Study Report public meeting many valid questions and concerns were raised. The MCHDB made choices to research certain issues and not others. This was based on the charge given to it by the County Commissioners, and not because the MCHDB believed the questions and concerns not addressed lacked merit. A good example of a concern not addressed is why five highly- skilled community-based providers left the employment of MMC because of conflicts with the management. The MCHDB felt that unraveling such issues and seeking accountability would take the MCHDB beyond its role.

The Role and Authority of the MCHDB

As the MCHDB began its activities, the question was raised as to its role and the scope of its authority. As set forth below, the MMC Board of Directors apparently views the MCHDB's role as very limited; the MCHDB sees its role as wider. Legal opinions were sought from the Meagher County Attorney's office, and past opinions by retired County Attorney John Potter and outgoing County Attorney Linda Hickman were reviewed.

The MCHDB has legal obligations to the public it serves. The MMC Board has stated several times that it believes that the District was exceeding its authority in asking many of the questions posed to MMC by the District. (See Appendix A-28 and A-35 as examples of the numerous exchanges in correspondence between the two parties over this matter.)

The MCHDB believes that its statutory mission and authority is clear. Montana law, section 7-34-2122 MCA, states in part:

Powers of district. A hospital district has all powers necessary and convenient to the acquisition, betterment, operation, maintenance, and administration of hospital facilities that its board of trustees considers necessary and expedient.

The MCHDB itself has been very clear, and is on the record, that it believes it has all the power necessary to ensure that the public fully understands where its tax money is going. This means that any question, regarding any issue involving the expenditures of any funds by MMC, is a legitimate question, and such questions should be answered by MMC fully and in good faith.

Recommendation: Considering MMC's purported refusal of the county tax levy, (see Appendix A-29 and B-27 as well Study Report Issue 5 in Appendix B-23), should it be determined that the existence of a County Hospital District is still necessary and prudent, it is recommended that the MCHDB take whatever steps it deems necessary to ensure that MMC fully comply with its statutory requirement to cooperate with the District.

Positive Changes Which MMC Has Accomplished

The MCHDB recognizes MMC's recent successes including:

1. Making minutes and agendas, both past and present, available for public review electronically and in hard copy. Both have been made available by MMC on its website and at its offices. MMC provided minutes from 2007 to present on discs and gave them to the courthouse to facilitate public inspection and review.

2. According to MMC financial records, MMC has stayed in the "black" for the past three years. This is no mean accomplishment. It is to the Directors' credit that they recently acknowledged in their public letter that

“The last four years of extra support of the 20 mills coupled with the many years of the permanent 8 mills, has truly saved this hospital.” (Appendix B-27.)

3. In an era of provider shortage, MMC currently employs two competent and well-respected mid-level providers, Brett Williams, a Certified Nurse Practitioner, and Ron Hamm, a Physician Assistant, not to mention a host of other quality providers in physical therapy, X-Ray, lab, and nursing.

4. The recent employment of Jennifer Brunson, MD, who resides in Helena, but practices at MMC for three days a week plus one weekend per month is a most positive change.

5. MMC has an active Certified Nursing Assistant Program. Once participants successfully complete their training, they are eligible to take the Montana State certification examination.

6. According to the MMC Board meeting minutes, MMC has begun to pay back money into what is commonly referred to as the Bair Endowment Fund.

Recommendations

The MCHDB has made specific recommendations regarding the study issues and, for the ease of review, these recommendations are presented below.

1. Considering MMC’s purported refusal of the county tax levy, (see Appendix B-27 and Study Report Issue 10 in Appendix B-23), should it be determined that the existence of a County Hospital District is still necessary and prudent, it is recommended that the MCHDB take whatever steps it deems necessary to ensure that MMC fully comply with its statutory requirement to cooperate with the District. (Report Overview, above.)
2. Considering MMC’s June 2011 refusal of the county tax levy, the MCHDB should continue its research regarding MMC’s need to comply with Montana open meeting laws paying particular attention to MMC’s access to County provided health insurance for MMC employees and MMC’s use the funds commonly referred to as the “Harmon Trust” and whether or not such use still subjects MMC to

Montana's open meeting laws. (Study Report, Issue 10 in Appendix B-23.)

3. While the MCHDB acknowledges that the issue of MMC's governance is most likely outside of the District's statutory authority (statutorily limited to those issues involving MMC finances), the MCHDB is also strongly convinced that there may be a better, more representative, method of ensuring appropriate public involvement in governing the hospital. Therefore, the MCHDB respectfully recommends that MMC fully review and consider all available governance options. (Study Report, Issue 11 in Appendix B-23.)
4. MCHDB should continue to seek all relevant information in accordance with its statutory mandate. (Study Report, Issues 12 and 13 in Appendix B-23.)

Appendices

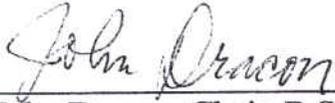
The Appendices contain both the correspondence and documents generated by the MCHDB. Appendix A includes the correspondence produced. Appendix B includes a number of reports and data analyses relevant to the task given the MCHDB. Readers are encouraged to examine the contents for greater detail and explanation.

Conclusion

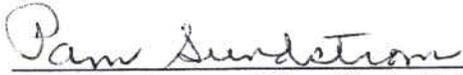
The public asked, and the statutes authorize, the MCHDB to complete a study to account for the public money given to MMC. This report and the appendices are the result of that year-long study and represent the MCHDB's best efforts. However, given the reluctance of MMC administrative staff to comply with some of the MCHDB legitimate information requests, unanswered questions remain.

Should it be determined that there is a need to continue the MCHDB, it is hoped that any future MCHDB can answer those remaining questions and better inform the public of how their money is being spent.

Respectfully submitted to the Meagher County Commissioners on September 13, 2011.



John Dracon, Chair, B.S. M.S.



Pam Sundstrom, Vice Chair, R.N.



Michael Kakuk, Secretary, B.S. J.D.